



DEA's Response to the 'Next Steps in Supported Employment' Consultation (June 2025)

INTRODUCTION

About DEA

Disability Employment Australia's (DEA's) vision is for all people with disability to achieve their potential, including through employment. Our purpose is to drive increased economic participation, by advocating for more effective policy and co-designing world-leading specialist employment services for people with disability. We are committed to confronting and challenging the exclusion of people with disability, including within the workforce and workplace. Everyone should have the chance to be fully involved with their community and control over their own life choices. Participation in the open labour market is a crucial factor in realising these goals and we are dedicated to this cause.

For more than a quarter of a century, we have been a leader in the disability employment sector. Policy and advocacy are core elements of DEA's work. Previously, DEA has worked with government over critical changes and developments, including major reforms to the Disability Employment Service; establishing a Disability Employment Hall of Fame; advocating for a National Disability Employment Strategy; and contributing to the Disability Royal Commission and NDIS Review.

As the country's pre-eminent peak body for disability employment, we represent a group of members with deep experience and outstanding expertise in delivering specialist services for people with disability. Our members include organisations operating DES-funded programs, NDIS funded employment supports, Australian Disability Enterprises (ADEs), and Work Integrated Social Enterprises.

Methodology

This paper was developed through targeted engagement with DEA members, alongside a review of relevant policy materials and submissions. We invited all our members to join a working group to help shape the draft and offered them the opportunity to book one-on-one discussions. We then met with a select group of members to test early ideas. These conversations provided valuable insights into the diversity of perspectives across the sector. Furthermore, we regularly receive resources and practice insights from our members which help inform both this paper and our broader work. Members were given the opportunity to review the draft prior to submission, and their feedback has been incorporated. In addition to these consultations, the paper draws on previous DEA submissions, government discussion papers, Royal Commission recommendations, and other sector-led work. DEA has continued its ongoing engagement with Disability Representative Organisations (DROs) to ensure the rights and perspectives of people with disability remain central to employment reform. This includes specific discussions about supported employment reform, as well as broader dialogue on the systemic changes needed to support inclusive employment pathways.

We also acknowledge the valuable contributions of participants in three panel discussions hosted at the DEA 2025 Conference. The Next Steps in Supported Employment panel featured Alex Buckley and Bridget Anyon from the Department of Social Services, Dr Jenny Crosbie from the Centre for Social Impact at Swinburne University, and Mathew McIntyre, Chair of the DEA Board and COO of Disability Trust. The Role of Social Enterprise in Disability Employment panel benefited from Mark Daniels from White Box Enterprises, Professor Jo Barraket AM of the University of Melbourne, Saraya O'Connell from Hotel Etico Australia, Melissa Cofre from Yooralla, Roksolana Suchowska representing the Centre for Social Impact at Swinburne University, and Myron Mann from Bedford Group. The Future of Employment and the NDIS panel featured Graeme Innes AM, NDIS Board Director, Dr Sam Bennett from the Grattan Institute, Catherine McAlpine of Inclusion Australia, and Dr Kirsten Deane representing the Melbourne Disability Institute. We thank each of these panellists for their expertise and time - their insights helped shape our thinking and sparked valuable discussion across the sector.

In addition, we thank the team at the Centre for Social Impact at Swinburne University, particularly Professor Erin Wilson and Dr Jenny Crosbie, whose work and advice have informed the development of this paper. We also discussed the potential contribution of social enterprise with Mark Daniels, COO of White Box Enterprises and John Burn of DEInvestments. DEA's views on the Disability Support Pension have been informed by a working group which includes Catherine McAlpine of Inclusion Australia, Daryl Steff of Down Syndrome Australia, El Gibbs of DANA, analysts at Deloitte, and DEInvestments.

In consultation with members, we heard views on supported employment reform that are mixed. While some members see the need for bold change, others are cautious or uncertain about the path forward. We respect this diversity of views and know these perspectives reflect the complexity of the supported employment landscape and the legitimate experiences of those working closely with participants and their families.

At the same time, there were several key points of consensus. A strong common theme elicited by members is the importance of ensuring people with disability can make informed decisions and have genuine choice about their working lives. There was also alignment around the need for a genuinely

inclusive labour market and the importance of employer demand in ensuring there are employers who are prepared and supported to offer appropriate and inclusive roles to people with disability. Additionally, DEA members have consistently raised the need to improve school-to-work transitions, and that young people with disability must be given the same opportunities, experiences, and expectations as their non-disabled peers.

DEA holds a clear position that all people with disability, including those with higher support needs, must have genuine and supported access to open employment. The perspectives shared with us throughout this process reflected a wide range of views which demonstrated the complexity of this reform. These insights helped shape the direction and recommendations in this paper, and we thank all who contributed their time and expertise.

A note on Language and Terminology

Throughout this paper DEA has used person first language (e.g. “person with disability”), however we recognise many people with disability choose to use identity first language (e.g. “disabled person”). We acknowledge that individuals have different preferences, and there is no universally accepted best practice.

We also acknowledge that internationally, ‘supported employment’ usually refers to targeted assistance that helps people with disability gain and maintain work in open employment settings. In Australia however, the term has come to mean segregated, disability-specific employment settings for people who require ongoing formalised supports in the workplace, primarily delivered through Australian Disability Enterprises (ADEs) and typically involve funding through the NDIS. DEA prefers the international definition, which aligns more closely with rights-based and inclusive employment practices (including a strong assertion that anyone can work with the right support in place).

However, for convenience, this paper uses the predominant Australian understanding and terminology of supported employment. We note that even within Australian policy there is inconsistency in how supported employment is defined. Some frameworks continue to use it synonymously with ADEs, while others use it more broadly to describe any job where ongoing support is provided. This lack of clarity makes it difficult to develop coherent policy and communicate expectations to both providers and participants. While resolving this terminological issue is beyond the scope of this paper, we encourage government to establish consistent, nationally agreed language going forward.

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Executive Summary

This Paper is divided into two parts. The first Part is devoted to setting out DEA's starting principles and the premises which underpin the solutions and recommendations in Part 2.

From Part 1, we derive a series of Principles for Reform, which are:

- In line with UNCRPD Article 27, the rights and choices of all people with disability must be paramount and ableist systems must not be sustained
- No person with disability should be left worse off by reform
- Endorsement of DRC recommendations 7.30 (support the transition to inclusive employment), 7.31 (raise subminimum wages), 7.32 (end segregated employment by 2034)
- Rejection of immediate closure of all ADEs, whether forced by policy or economics, as it would not be beneficial and instead lead to unemployment, social dislocation and other negative consequences
- ADEs must not be allowed to continue in their current model, with minimal flows of supported employees into open employment
- The approach must incentivise a managed transition, aligned to other improvements in the disability employment system
- Divergent impacts on providers (including provider failure) should be considered and planned for, with transformation support available and funded

Part 2 details how these principles can be applied in practice to build an Australia where everyone has a chance to live a life of their own choosing, where the polished pathway is rerouted from slides into segregated settings and instead into positive progressions into open employment.

Part 2 is divided into ten chapters, each looking at different aspects of reform. No aspect of reform can be looked at in isolation, because only full systems reform will both address its ableist underpinnings and ensure that no person with disability is left behind. These chapters contain 10 key recommendations to achieve this full systems reform:

Recommendation 1 – in line with DRC Recommendation 7.31, a wage offset model should be implemented as part of a transition to the full eradication of subminimum wages by 2034.

Recommendation 2 – the current polished pathway into segregated settings should be replaced by a positive polished pathway, characterised by:

- High expectations of a working future from a young age
- Consistent access to supported decision making, enabling people with disability to make their own informed choices
- Inclusive and accessible environments, from school to further education to the workplace

- An interconnected system of progression pathways, all inevitably leading to open employment (and/or self-employment for those who want it) – including Inclusive Employment Australia and new Foundational Supports
- Social Enterprise taking the place of ADEs, providing a valuable pathway into open employment
- Elements, such as the DSP, which have hitherto been roadblocks have now been reformed and become green lights

Recommendation 3 – Supported Decision Making to be embedded in all systems, for people who require it (including those with intellectual disability), in line with Recommendation 6.6 of the Disability Royal Commission.¹ This very much includes employment. These supports must help people understand what is possible, test out new options, and revise their preferences over time. This also aligns with many of the Guiding Principles for the Future of Supported Employment², including those relating to informed decision making, inclusive pathways, and participation in meaningful work.

Recommendation 4 – replace ineffective employment supports within the NDIS system with a targeted Foundational Support for people with intellectual disability and those on the autistic spectrum. This should include:

- High Fidelity to Evidence Based Practice
- Funding which incentivises fidelity and positive outcomes
- A rigorous approach to data and performance management
- Clarity on its position in the system
- Access to supported internships
- Access to further education opportunities

Recommendation 5 – ensure the new IEA program serves supported employees well through eligibility changes, training, appropriate funding, and ongoing support arrangements.

Recommendation 6 – Institute an outcome fund and targeted support to assist ADEs to become (tightly-defined) Disability Social Enterprises, which will benefit from social procurement arrangements.

Recommendation 7 – Incentivise ADEs to transform through a wage offset system which will gradually make the status quo unviable, while providing structural adjustment funding to cover increased costs. Be proactive about planning transitions where it is clear that the ADE will not be able to make the changes required.

Recommendation 8 - the Government should initiate a formal process to work with peaks and advocates to progress simple legislative changes in this term of Parliament that reduce the risks and

¹ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, (2023, Final Report – Volume 6: Enabling Autonomy and Access, Section 6.6.

² Department of Social Services (2023), Guiding Principles for the Future of Supported Employment.

fears built into the DSP—specifically, by reducing the taper rate from 50 cents to 30 cents per dollar earned, and by extending the current suspension period from two years to ten years.

Recommendation 9 – Government to lead the development of a national strategy for self-employment and micro-enterprise for and co-designed by people with disability.

Recommendation 10 – Government to supercharge employer demand and engagement with disability employment. This should include consideration of public sector recruitment, mandatory reporting, a disability confidence scheme, and social procurement.

Reform at this scale cannot be achieved through isolated changes. It will require a coordinated, whole-of-government approach, grounded in cross-portfolio planning, long-term investment, and sustained commitment to rights-based practice. Key enablers include co-design with people with disability, a national roadmap with phased milestones to 2034, and a comprehensive investment package to support workforce development, provider transition, and inclusive service design.

Government must also build the infrastructure needed for a sustainable inclusive employment system, including foundational supports, strong demand-side measures, and monitoring frameworks that track outcomes and uphold safeguards. This is not just a funding reform, but a structural shift that must be actively led and stewarded across all levels of government.

Broad sector alignment will also be essential, with providers, peak bodies, and employers expected to help embed inclusive practice and support the broader goals of reform.

The success of this structural shift will depend on how well the government manages this change. Any roadmap needs to set clear timelines and expectations, avoid abrupt transitions without adequate supports, provide sufficient funding, and embed monitoring and evaluation.

This must not be simply a closure of ADEs. It is the transformation of the entire supported employment ecosystem into one that is fairer, more person-centred, and better aligned to human rights – while also delivering a better return on investment to government.

PART 1 – OUR STARTING PREMISE

As ever, DEA remains steadfastly committed to The United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) Article 27, in realising:

“The right of persons with disabilities to work, on an equal basis with others; this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities”.³

Australia is of course a signatory to the UNCRPD and this right is not currently well fulfilled. People with disability are not working on an ‘equal basis’ when subminimum wages are permitted, many are not given free choices about their employment, and frequently workplaces are neither inclusive nor accessible. We must note, however, that Australia is in many respects ahead of comparable nations. For example, in Germany there are 320,000 people employed in sheltered workshops, established in roughly 3,000 locations across the country⁴.

Clearly, supported employment is only one aspect of the failure to realise this right fully. However, it is perhaps its epitome, in that it is underpinned by legislation and practices that are specifically, inherently discriminatory – particularly subminimum wages. DEA firmly believes that this must not be allowed to continue in perpetuity.

However, we acknowledge that reforming supported employment is complex. It consists of multiple systems, funding streams, and deeply held beliefs about disability, work, and choice. There are no simple fixes, and any reform effort will face competing interests, practical constraints, and emotional responses from those who are invested in the current system. We equally strongly reject the notion that ADEs should be closed immediately – an unmanaged transition would just lead to 15,000+ people with high support needs moving into unemployment and attending daycentres. Rather, the transition must be well-considered, carefully planned, and properly managed.

While supported employment can technically take place in a range of settings, the primary focus of this paper is on Australian Disability Enterprises (ADEs). ADEs are the most systematised form of supported employment in Australia, with over 17, 000 people with disability working in ADEs as of 2022 compared to significantly smaller numbers supported in open employment through mechanisms like the Supported Wage System (SWS).⁵

No negative inference should be taken about those who have worked in the current ADE system at any level, including leadership. ADEs are frequently run by committed, socially aware people who are trying to provide inclusive, purposeful settings for people with high support needs. Many ADE employees have had very positive experiences in a world that can often be cruel when they step out of those settings. Our purpose in writing this paper is not to castigate what has come before but to create something better anew.

³ United Nations (2006), *Convention on the Rights of Persons with Disabilities, United Nations Treaty Series*, vol. 2515, p.3.

⁴ Bundesministerium für Arbeit und Soziales. (2022). *The workshop system for persons with disabilities in Germany: Tasks, developments, outlook*.

⁵ Impact Economics and Policy (2023), *Summary of Supported Worker Wages Transition Model, prepared for Inclusion Australia*, p.8.

DEA is not accusing anyone involved of ableism, but nevertheless the system itself is ableist. ADEs were not instituted in response to genuine demand or free choice - they were a policy-driven response shaped by ableist assumptions that people with intellectual disability could not participate in open employment. The model reflects structural exclusion, where segregation and subminimum wages have been presented as support, rather than recognised as products of an ableist system. We must try and keep the best of supported employment – the inclusion and safety that many supported employees have felt - while reforming and transforming the system into one which more fully realises the rights enshrined in Article 27.

In General Comment No. 8, the UN Committee outlined that “*Meaningful work and employment are essential to a person’s economic security, physical and mental health, personal well-being and sense of identity*”.⁶ It goes on to explain ableism as a value system that sees certain ways of thinking, moving, and behaving as more valuable than others, which directly leads to inequality, discrimination, and exclusion from the open labour market. In short, the issue is not with providers themselves (many of whom operate with care and commitment) but with a system that was designed in a different era, using outdated assumptions about capability and inclusion.

It is time to change. This change warrants structural transition rather than symbolic reform and will require upstream investment, particularly in foundational supports and wage offsets. It will also require a shift in how government views its role from an observer of the market to an active steward of inclusion.

The below section details the relevant recommendations made by the DRC and DEA’s view of each. This forms the bedrock of the set of premises through which we consider the systemic change required.

Response to the Recommendations of the Disability Royal Commission re Supported Employment

DRC Recommendation 7.30 Support the transition to inclusive employment -

the DRC recommended that the government should develop a national transition plan to support people with disability to move from ADEs into inclusive, open employment, while ensuring those who freely choose to remain in ADEs can do so with appropriate safeguards.

DEA supports the development of this plan and considers it a foundational action in progressing meaningful reform. While some people may wish to remain in ADEs in the short term, this must be based on genuine, informed choice, not a lack of alternatives. A transition plan must include clear government investment, timelines, and oversight.

⁶ General Comment No. 8 (2022) on the Right of Persons with Disabilities to Work and Employment: Committee on the Rights of Persons with Disabilities. *International Human Rights Law Review* 11, 2, pp. 273-303.

Recommendation 7.31 Raise subminimum wages – *the DRC recommended that people with disability in supported employment should receive at least 50% of the minimum wage, with a government subsidy to bridge the gap, and a pathway to full award wages by 2034.*

DEA supports measures to ensure all employees are paid at least the national minimum wage. This is examined in detail in Part 2, Chapter 1 – Analysis of Potential Supported Employment Reform Approaches. Delivering sound wage reform will require more than just raising rates of pay and must also occur alongside broader structural reform and approached in a way that avoids harm to supported employees. As outlined in Part 2, any move to raise minimum wages must be accompanied by a transition strategy that protects the rights and choices of supported employees, avoids unintended exits from the labour market, and addresses the need to significantly improve pathways from ADEs into open employment.

Recommendation 7.32 End segregated employment by 2034 – *a National Inclusive Employment Roadmap should be established to phase out segregated employment and subminimum wages by 2034, with a focus on inclusive employment across public, private and community sectors.*

DEA supports Recommendation 7.32, particularly its emphasis on transforming ADEs, eliminating subminimum wages, and embedding inclusive employment principles across public, private, and community sectors. DEA acknowledges that while this recommendation reflects a clear direction towards inclusive employment and wage equity, it was contested within the commission, highlighting the complexity of reform.

DEA acknowledges that the term segregated employment carries significant weight and must be used with care and clarity, however for the purposes of this paper it is important to distinguish between segregation by design—where employment models are deliberately constructed to isolate—and the presence of supportive, disability-affirming workplaces where people have made a genuine choice to work alongside others with shared experiences. In our view, segregation is not simply about the number of disabled people in a workplace. It is about the purpose and structure of the setting, and whether the employment model upholds human rights and offers genuine pathways to inclusion, or whether it replicates exclusion under the guise of support.

The success of any roadmap must be measured not by the percentage of people in any one setting, but by whether people with disability have access to genuine, informed choice between high-quality, inclusive employment options. This includes transforming ADEs into enterprises that provide fair pay, genuine pathways, and inclusive employment that aligns with people's goals.

We acknowledge the 2034 timeframe and support a planned, carefully managed transition to open employment. However, this cannot be a passive phase-out, and must involve meaningful investment in alternative models, structured exit pathways, and strong policy coordination. There should be a clear expectation that, with the right support, people currently in supported employment can move into open employment if they choose to. This should be a standard expectation within a well-functioning rights-based system, not an exception.

While ADEs may have the potential to transition into more inclusive and rights-based models, the focus of reform must remain on safeguarding the wellbeing and autonomy of individuals. The goal is to ensure that no one is left behind as the system shifts. This includes ensuring that all new or transitioning models have safeguards against exploitation, are grounded in rights-based practice, and guided by evidence.

In Part 2 of this paper, we outline practical approaches to managing this transition, including targeted support for individuals, transformation pathways for providers, and wage offset mechanisms to ensure financial viability while moving toward fair and equitable employment conditions, in line with Article 27 of the UNCRPD.

DEA's Principles for Systemic Reform

Given the above starting premises, DEA has constructed a set of principles that should underpin the systems change required:

- In line with UNCRPD Article 27, the rights and choices of all people with disability must be paramount and ableist systems must not be sustained
- Endorsement of DRC recommendations 7.30, 7.31, 7.32
- Rejection of an immediate closure of all ADEs, whether forced by policy or economics, which would not be beneficial and instead lead to unemployment
- ADEs must not be allowed to continue in their current model, with minimal flows of supported employees into open employment
- The approach must incentivise a managed transition, aligned to other improvements in the disability employment system
- Divergent impacts on providers (including provider failure) should be considered and planned for, with transformation support available and funded

Part 2 details how these principles can be applied in practice to build an Australia where everyone has a chance to live a life of their own choosing, where the polished pathway is rerouted from slides into segregated settings and instead into positive progressions to open employment.

PART 2 – ACHIEVING SYSTEMIC CHANGE

The strongest perspective that DEA can bring to this consultation is how the starting premises and principles in Part 1 can be applied in practice. DEA has been heavily involved in the evolution of the system in Australia over the past three decades, understanding its strengths and weaknesses – what has and what hasn't worked. We also bring a strong international perspective and awareness of the evidence base, as Board Members of the World Association of Supported Employment.

It is vitally important to recognise that there is no single solution, no silver bullet to be fired. Rather, it will require change across the system. The good news is that much of the required architecture is in place: it's how that architecture transforms and operates that is the key. For example, ADEs can form the backbone of an ecosystem of social enterprises, but they can only do this if they get the right incentives and transformation support. The exception is that we need new Foundational Supports, which are currently little more than conceptual, but are fundamental to how a rerouted polished pathway can function.

We must also bear in mind that when it comes to open employment it takes two to tango: a person with disability who is willing to give it a try; and an employer which is sufficiently inclusive to recruit a diverse workforce and to modify its approach and adjust where necessary. Any approach that only contemplates the 'supply-side', as we often do in Australia, is likely to fall short.

In Part Two, we will outline the change required through the following chapters:

Chapter 1 – Analysis of potential Supported Employment reform approaches

Chapter 2 – Rerouting the polished pathway

Chapter 3 – Enabling choice through supported decision making

Chapter 4 – Reforming school leaver and capacity building supports

Chapter 5 – Ensuring Inclusive Employment Australia is fit for purpose

Chapter 6 – Transforming ADEs into Social Enterprises

Chapter 7 – Managing Transitions and Structural Adjustments

Chapter 8 – The case for reforming the Disability Support Pension

Chapter 9 – self-employment and micro-enterprise

Chapter 10 – Pulling demand-side levers

Each has its own specific recommendation to be considered by government.

Chapter 1 - Analysis of potential Supported Employment reform approaches

As detailed in Part 1, DEA's starting point is aligned with the DRC's recommendations i.e. the ableism inherent in current supported employment arrangements (particularly as exemplified by subminimum wages) needs to be excised as part of a reform process.

There are four potential options as to how we can move forwards:

1. No/minimal change from status quo – as above, DEA will not contemplate this
2. The 'Social Wage' model – reviewed below and rejected
3. The Wage Offset model, advocated by the DRC in Recommendation 7.31 – also reviewed below and accepted
4. Something else

It is DEA's view that the Wage Offset model can satisfy our requirements as to how to best achieve the objectives and principles set out, if implemented through a considered and well-managed process. The below explains how we have come to this view.

In July 2024, Endeavour Foundation and National Disability Services commissioned Taylor Fry to write the '*modelling of the supported employment population*'⁷ report. This Report sets out several useful econometric analyses, providing a lens through which we can consider the shape of supported employment reform. We accept much of the analysis, while forcefully rejecting any notion about the 'social wage' as a potential path forward.

Here we will delve into the analysis, which provides the bedrock for how we must consider DRC Recommendation 7.31 to eliminate subminimum wages by 2034. The Taylor Fry (TF) Report makes the following key arguments:

TF Argument 1: Current ADE arrangements generate large benefits to employees, government and others

DEA Response: True, to a point. The comparisons the TF Report makes are between supported employees within an ADE and supported employees not in the labour force e.g. attending daycentres, and those working in mainstream employment under the Supported Wage System (SWS). The Report states "*Compared to no supported employment, we estimate ADEs currently deliver \$120m of annual benefit to individuals, \$113m to carers and \$225m to government*"⁸.

⁷ '*Modelling of the Supported Employment Population (2024)*, Taylor Fry prepared for National Disability Services and Endeavour Foundation, July 2024 ([Supported employment modelling](#)).

⁸ Taylor Fry, *Modelling of the Supported Employment Population*, 2024.

DEA is happy to accept this. For so many reasons, working is better than the alternative. This is why DES provides such an excellent return on investment to the taxpayer – a case that DEA has made extensively and repeatedly (see DEA’s response to the DRC).⁹ However, no attempt is made to compare the economic impact of people working in supported employment within ADEs with the equivalent in mainstream (non-SWS) employment. DEA wonders why this is the case, and suspects that is because a) such comparisons would be unflattering to ADEs; b) the idea that ADE employees could work productively in open employment is inconceivable (this is ableist); or c) both.

DEA’s experience is very different, and we know that with the right support in place and sufficiently inclusive employers, everyone can work in open employment settings. In fact, the most recent Outcomes by Disability Report¹⁰ demonstrates that people with Intellectual Disability have the second highest proportion of outcomes of any disability cohort on DES:

National Average				
Primary Disability Group	% of National Caseload	13 Week Outcome Rate (%)	26 Week Outcome Rate (%)	52 Week Outcome Rate (%)
Acquired brain injury	1.2	19.2	20.8	21.2
Autism	6.1	26.2	27.1	29
Deafblind	0.5	21.9	19.6	28.8
Hearing	1.1	23.2	25.3	27.3
Intellectual	4.9	29.2	29.8	30.8
Neurological	3.8	19.7	20.8	22.9
Physical	40.9	17.3	19	19.9
Psychiatric	41.2	19.6	20.2	20.8
Specific Learning	3	25.9	26.8	27.8
Speech	0.5	29.3	31.3	33.6
Vision	1.2	18.6	19.8	20.1

Figure 1: DES Outcome by Disability Type. Source: DSS (2024) Outcomes by Disability Report.

DES helps several thousands of people with intellectual disability to secure sustainable work, meeting or exceeding benchmark hours, each year.

So, the question should not just be: is it better for people to be employed by an ADE or parked within a day centre? The questions should be: can we help more people who are potentially or currently within in ADE into inclusive open employment settings? And what would further enable this to happen on a larger scale than currently?

It could be said that DEA is in danger of letting the perfect (open employment) be the enemy of the good (supported employment within ADEs) here. However, there are two responses

⁹ Disability Employment Australia (2024), Submission to the Disability Royal Commission – Response to the Final Report.

¹⁰ Department of Social Services (2024) Outcomes by Disability Report, December 2024.

available. Firstly, we would agree that any reform or transition from supported employment within ADEs should at all costs avoid people becoming unemployed. Much of this paper is devoted to avoiding that scenario. For this reason, DEA does *not* support an immediate closure of all ADEs. The transition must be considered, planned, and well managed. Secondly, we would advocate that the ‘good’ is in fact not so good if it is ableist at worst or paternalistic at best, as with the ‘Social Wage’.

TF Argument 2: Existing policy settings may lead to a shrinking of the supported employee workforce

DEA Response: again, we accept that the analysis is correct. The size of the Supported Employment workforce is already decreasing and is set to decrease by another 10% over the next five years, in part due to changes in the Supported Employment Award. However, DEA questions whether this is a problem in and of itself. Rather, our view is that it is only a problem if those within ADEs are transitioning out of the workforce rather than into other positive outcomes.

There is a danger that we treat the decline of supported employment within ADEs as a negative, just because it is not beneficial to the organisations involved. In 2020, eight DROs wrote a position statement called ‘Segregation is Discrimination and must end’. It stated:

“Ableism remains entrenched in existing Australian law, policy and practice frameworks. These frameworks often reference the CRPD and aim to implement human rights obligations to ensure the inclusion of people with disability in all aspects of community life. However, this has not always translated into action to achieve genuine human rights for people with disability. In many cases, it has only resulted in action to enhance existing systems, rather than challenging the ableism at the core of these systems.

*The reform of existing systems only serves to normalise, legitimise and reinforce the continuation of segregation of people with disability. Support for segregated systems is too often justified by ableist assertions and cloaked by the language of ‘benevolent paternalism’, such as being ‘in our best interests’, for ‘our safety and protection’, to address ‘high support and complex needs’, to respond to ‘severe and profound impairment’, to manage ‘challenging behaviours’, to prevent ‘risk of harm to self and others’ and to address the lack of alternative options and resources. Segregated systems are often supported by well-established funding and vested interests in disability, education, mental health, aged care and other service systems, with the purpose, existing financial arrangements and status of these systems privileged over the rights of people with disability”.*¹¹

¹¹ DROs Position Statement on Segregation in Employment, September 2020, p.8.

We could easily fall into the trap set out in the above passage, where we avoid significant reform out of a desire to *protect* and for lack of alternative options, and privilege the status of existing systems over the rights of people with disability.

It is DEA's view that providers of all types are highly responsive to incentives. If they can continue to receive funding and remain viable (or better) by keeping supported employees in place in segregated settings with subminimum wages, many will attempt to do so and find ethical and economic reasons to justify it. By contrast, if the same organisations are funded and incentivised to create pathways into open employment, most will respond. It is the responsiveness to incentives that is the heart of the success of DES, which meets its government KPIs for the securing of open employment outcomes for people with disability every year. In Chapter 7, we outline some ways in which the incentive structure for ADEs can be recalibrated towards securing more inclusive open employment opportunities for their supported employees.

TF Argument 3: Overall incomes are relatively healthy

DEA Response: the Report assesses supported employees' incomes as relatively healthy because *"the average ADE employee receives \$35,500 after tax and including benefits, corresponding to about 32 hours per week at the minimum wage. Including a notional value of the Pension Concession Card, this reaches minimum wage income levels (@38 hours/week)".*

Firstly, DEA questions whether being somewhere in the ballpark of minimum wage can be considered 'healthy'. It is literally the minimum amount that people are paid in Australia - the 10th most expensive country to live in globally, where the average house price in some states is well over \$1million.

Much more importantly, DEA questions the legitimacy of including the DSP and the notional value of the Pension Concession Card in this calculation – framed here as the 'Social Wage'. The DSP is an income support payment, like (among others) the Jobseeker payment, the Aged Pension, the Parenting Payment, Family Tax Benefits, and Carer Benefits. In no other case do we contemplate framing income support payments as a wage. We don't, for example, accept that older Australians should be paid less than minimum wage just because they are also in receipt of aged pension payments and have access to a Pension concession card.

This divergence in approach begs many questions:

- Why such different treatment for people with disability?
- Why would we frame the income support that people with disability receive differently to the income support received by non-disabled Australians?

- Why do we, in fact, not offer greater generosity to people with disability given the established extra costs generated by virtue of living with disability, rather than less?
- Why would we consider the DSP as part of a wage when its receipt in no way relates to the work being done?
- Why would the payment of DSP to someone provide a sufficient predicate to continue to pay people with disability wages far beneath the national minimum?

The answer to all these questions is ableism – discriminating against people by virtue of their impairment. As the UNCRPD General Comment 8 (2022) states:

“Ableism is the foundation of the medical and charity models of disability that leads to social prejudice, inequality and discrimination against persons with disabilities, as it underpins legislation, policies and practices such as segregated employment.”¹²

For this reason, the notion of a ‘Social Wage’ falls at the first hurdle for DEA and, in our view, should not be contemplated as the way forward for Australia and as such we will not assess its merits any further. Backing the ‘social wage’ would stand as the perpetuation of ableist structures cited in that UNCRPD comment.

There are other, better approaches for all concerned – as we shall see in the next point.

TF Argument 4: The Wage Offset model brings substantial benefits to many groups, but exacerbates ADE viability concerns

- *A wage offset that brings up supported employees to the minimum award wage through government subsidy delivers significant benefits to employees.*
- *Cost to government is material, with 60% recouped for existing workforce through lower welfare spend and higher tax take.*
- *Average gains for existing ADE supported employees are \$8,500, with net government costs \$7,600.*
- *An average subsidy of \$19,000 per supported employee in an ADE is needed to reach the minimum wage.*
- *60% of this is recovered by government in the form of lower welfare spend and greater receipts across tax and housing.*
- *Costs for existing employees are substantial in aggregate (and including mainstream employment), we estimate the wage offset cost of \$320m per year leaves a net cost to government \$124m (before consideration of employer costs). Employee benefits are slightly larger, and all supported employees who retain employment are better off.*
- *Benefits are strongly positive for new employees. For people not currently in work, if the wage offset increases employment, then NDIS and carer benefits mean that*

¹² CRPD Committee, General Comment No. 8 on the Right to Work and Employment, 2022.

there are collective gains to the individual, government and informal carers. We estimate a potential pool of 2,500 additional employees at ADEs (offsetting declines), and 7,500 for supported mainstream work.

- Employer viability concerns are heightened. Under the scenario, employers could pay the extra superannuation and workers compensation costs - \$41m extra per year for ADEs.

DEA View: In short, the wage offset policy is a government-funded subsidy that covers the gap between a person's current wage and the minimum award rate, referred to as a wage offset. DEA is broadly supportive, assuming it is implemented in a practical, considerate and time-limited (until 2034) way.

The wage offset model brings to life the approach set out in DRC Recommendation 7.31. It is notable that this leads to strong benefits for employees. As set out in Part 1, DEA supports measures to bring all employees up to the national minimum wage. Recommendation 7.31 was supported by all Commissioners and represents a practical way forward.

The principal downsides are here are for government – given the expense of a wage offset scheme could be over \$300m gross (as above) and over \$100m net per year – and ADEs, who would be liable for an extra \$40m per year collectively, due to increased workers compensation and superannuation costs. One suggestion made in the TF Report is to exempt these employees from mandatory superannuation payments, however that is nakedly ableist and should therefore be avoided. The rationale for TF's calculations is set out below:

Existing employees

Existing employees see a significant increase – but largely offset by additional costs to government.

	Before wage offset	With wage offset	Change
Hours	22.5	22.5	
Wage rate (2024/25, p/h)	\$7.19	\$24.95	+\$17.76
Fortnightly wage	\$324	\$1,123	+\$799
Fortnightly benefit	\$1,090	\$690	-\$400
Annual wage offset subsidy	-	\$20,800	+\$20,800
Annual income (wage + benefit) after tax	\$36,800	\$45,700	+\$8,900
Annual income tax	-	\$1,600	+\$1,600
Annual income support benefits (DSP & other)	\$28,400	\$18,000	-\$10,400
Change in GST spend	-	\$400	+\$400
Change in super / WC	-	+\$2,800	+\$2,800
Change in social housing	-	\$400	+\$400
Change for individual (after income tax, excl super)		+\$8,800	\$8,800
Change for government		-\$8,100	-\$8,000
Change for employer		-\$2,800	-\$2,800
Change for carers		-	-

Note: Annual figures rounded and may not sum

Modelling of supported employment

Figure 2: Taylor Fry Wage Offset Cost Modelling. Source: Taylor Fry (2024), *Modelling of the Supported Employment Population*.

The TF Report’s overall calculations of government and employee liability are based on supported employees remaining pegged to their existing wage within ADEs in perpetuity:

Average gains for existing ADE supported employees are \$8,500, with net government costs \$7,600

Net change, existing ADE supported employees

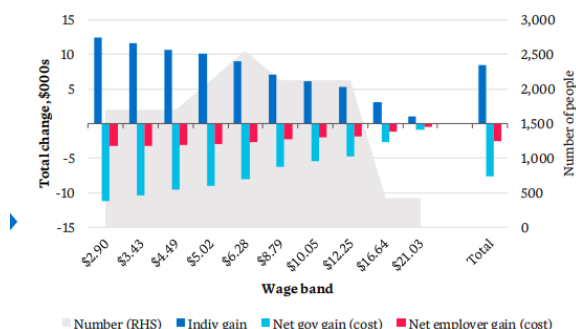


Figure 3: Taylor Fry’s Net financial change for existing ADE supported employees by wage band. Source: Taylor Fry (2024), *Modelling of the Supported Employment Population*.

But does this situation need to be perpetual? What would happen if incentives and support mechanisms designed to lift people’s wages and reduce the subsidy required were to be put in place? Could we turn the liability that falls here onto government and employers into gains? This is explored in Chapter 7 – Managing Transitions and Structural Adjustments.

For the status quo to avoid perpetuity, though, we need to build a system where good quality open employment is both the expectation for people with disability and where the system is geared towards and actively facilitates that objective. This is the subject of the next chapter.

Recommendation 1 – in line with DRC Recommendation 7.31, a wage offset model should be implemented as part of a transition to ending subminimum wages by 2034.

Chapter 2 – Rerouting the Polished Pathway

As set out in the previous chapter, DEA agrees that supported employment within ADEs is superior to the alternative, where the alternative is unemployment and daycentres. However, the conclusion to that thought is not that supported employment within ADEs should be allowed to persist as the most palatable option, but instead that better options and *real choice* must be provided.

In 2022, Inclusion Australia conceptualised the current state of affairs as a ‘polished pathway’ where everything in the system, from a young age, greases an inexorable slide for people with intellectual disability into ADEs and/or Day Centres. It depicts endless roadblocks to open employment and other forms of positive outcome. In this scenario, choice is at best an illusion and at worst non-existent:

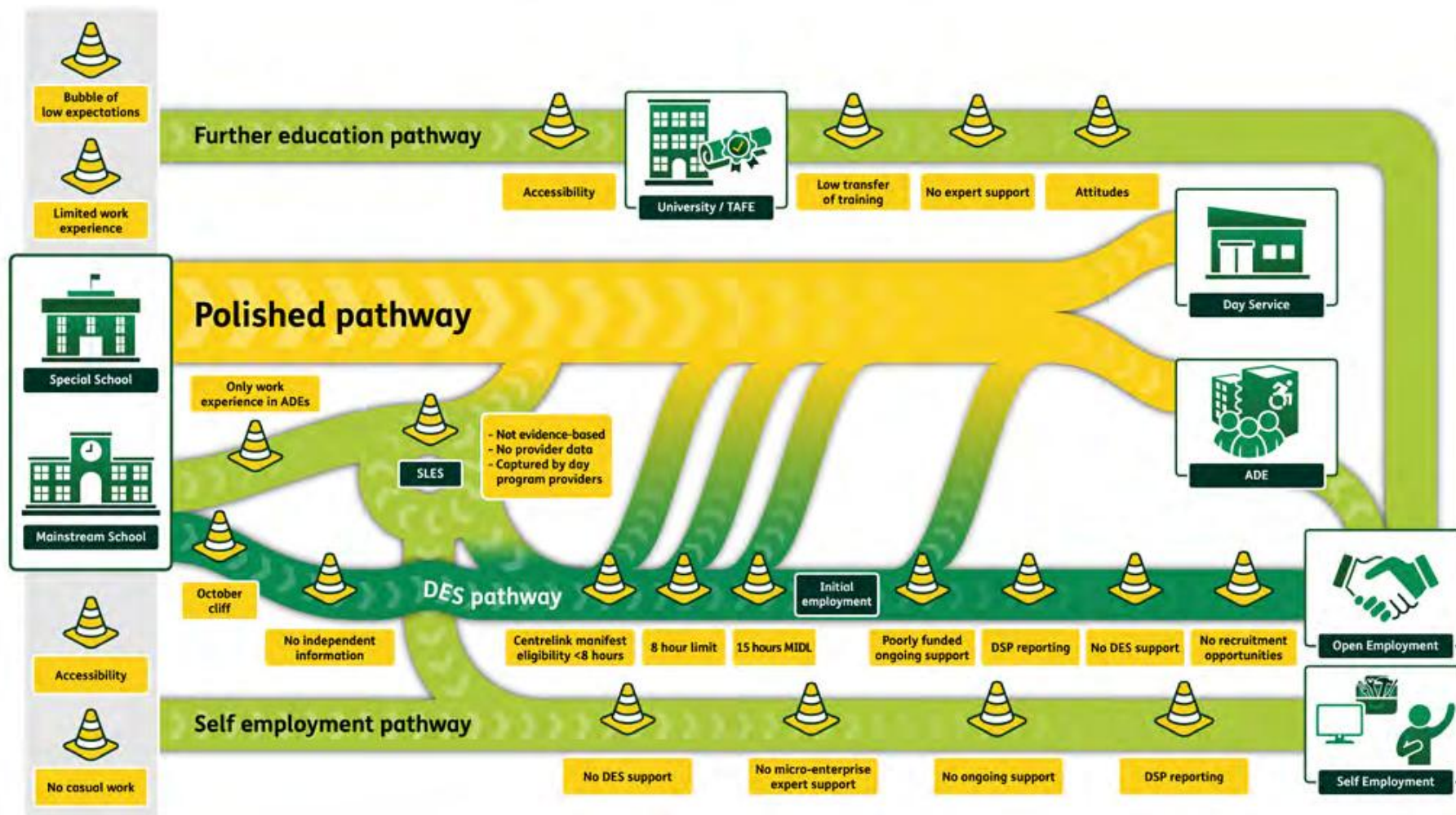


Figure 4: Inclusion Australia's The Polished Pathway. Source: Inclusion Australia (2022), The Polished Pathway, speech by Catherine McAlpine to the NDIS Jobs and Skills Summit

DEA asks the question: what if the polished pathway was not leading inexorably into ADEs and daycentres, but rather into open employment and other integrated settings? Which roadblocks would need to be replaced by green lights? In our view, it would like something like this:

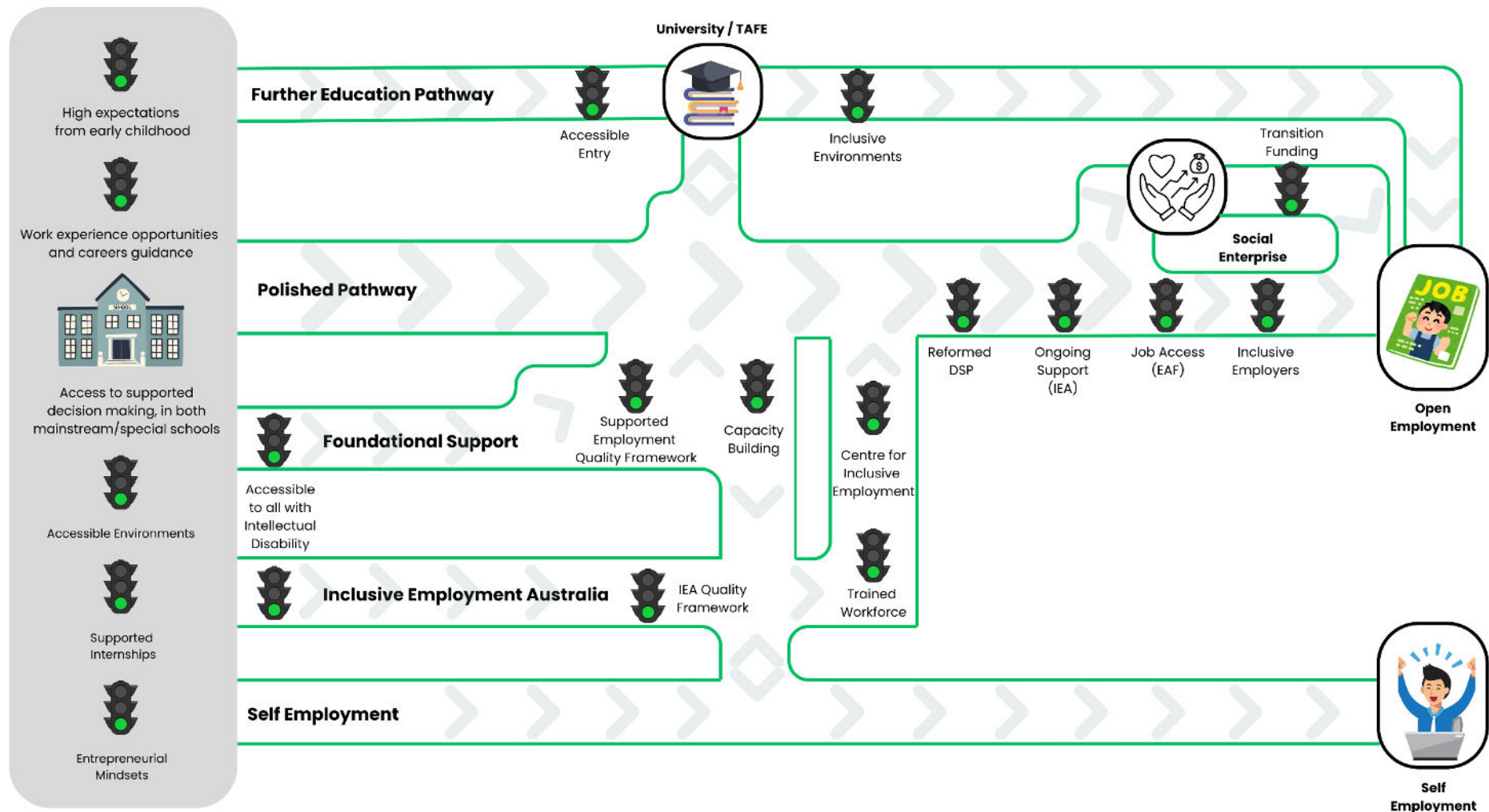


Figure 5: DEA's concept of a positive polished pathway

Recommendation 2 – the current polished pathway into segregated settings should be replaced by a positive polished pathway, characterised by:

- High expectations of a working future from a young age
- Consistent access to supported decision making, enabling people with disability to make their own informed choices
- Inclusive and accessible environments, from school to further education to the workplace
- An interconnected system of progression pathways, all inevitably leading to open employment (and/or self-employment for those who want it) – including supported internships, Inclusive Employment Australia and new Foundational Supports
- Social Enterprise taking the place of ADEs, providing a valuable pathway into open employment
- Elements, such as the DSP, which have hitherto been roadblocks have now been reformed and become green lights

The following chapters outline how the positively rerouted polished pathway would work in practice.

Chapter 3 – Enabling choice through supported decision making

Supported decision making is a human right. It recognises that all people, including those with intellectual disability and high support needs, have the right to make decisions about their own lives, including where they work, how they participate in their community, and what goals they want to pursue. It is not just about offering a range of options or presenting accessible resources. It requires active support to understand, weigh up, and act on choices in ways that reflect the person's will and preferences. As Inclusion Australia wrote in their submission to the Disability Royal Commission:

“Many people with an intellectual disability will use supported decision-making (SDM) across some or all aspects of their lives. Every organisation, agency and government department that works with people with an intellectual disability must understand SDM and ensure they embed a supported decision-making approach across their work.”¹³

The Disability Royal Commission reinforced this view - stating that supported decision making must be embedded across all systems, including education, health, and employment, and must be backed by legislative and policy change to ensure consistency and accountability.¹⁴

The need for supported decision making in employment is shaped by the systemic barriers that routinely steer people into limited options, as set out in Inclusion Australia's polished pathway depicted in Figure 4. Decisions are frequently framed around what is seen as safe, familiar, or

¹³ Inclusion Australia (2022), *Equal Pay, Equal Rights: Submission to the Disability Royal Commission*, December 2022.

¹⁴ Royal Commission Into Violence, Abuse, Neglect and Exploitation of People with Disability, (2023), *Final Report – Volume 6: Enabling Autonomy and Access*, Section 6.6.

manageable, rather than being grounded in the person's own goals. Each step can feel logical on its own, but together they form a highly structured pathway that narrows opportunities over time. Without intentional supported decision making, people with intellectual disability and their families and supporters are rarely offered the chance to explore real alternatives or challenge the assumptions built into systems.

This is especially critical in employment, where people with intellectual disability are often guided into settings like ADEs or day programs not because they actively chose them, but because a system of defaults shaped by assumptions about safety, capacity, and risk has steered them there. Without trusted support to explore other options, what looks like choice is often a result of low expectations and limited exposure. Supported decision making must therefore be embedded in all employment-related supports, especially during key transitions or reform, and needs to be part of long-term system and service reform to be effective, not just one-off capacity building projects.

Supported decision making means creating space for people to explore new experiences, reflect on what matters to them, and shift direction if they want to. This is particularly important when the systems around a person have reinforced the idea that certain pathways are fixed or inevitable. It also means involving trusted supporters, including family, peers, and advocates, however, these supporters must not override or substitute the will of the person with disability themselves.

In particular, we must make sure that supported decision making is available to people with high support needs at multiple key junctures. This could be delivered through Foundational Supports or via mechanisms such as the proposed Navigator Role outlined in the NDIS Review.¹⁵ The introduction of Specialist Employment-Focused Navigators as part of the NDIS reforms is an opportunity. This builds on the concepts for specialist Navigators outlined by Disability Advocacy Network Australia (DANA) and National Disability Services (NDS).¹⁶ These Navigators could deliver structured decision-making support to help people understand and navigate employment and future pathway options. This expands on the broader Navigator concept proposed in the NDIS Review, but with a specific focus on employment-related decision making. These Navigators would work alongside people with disability to support decision making related to work, employment, and future pathways.

The role is not case management or delivering employment supports. Instead, these Navigators would provide structured, employment-related supported decision making, grounded in disability rights, communication support, cultural safety, and trauma-informed practice. Their job would be to help people understand what the different options are, what those options look like in practice, and what they might mean for their future.

This could include conversations about open employment, supported internships, specific-cohort IEA providers, microenterprise, social enterprise (including former ADEs), TAFE, university, or capacity-building supports, or any combination of these, just as non-disabled people would expect when making career and work decisions. The role includes triage and referral, connecting people to the right supports for the pathway they choose. Key junctures would include:

¹⁵ NDIS Review, (2023), *Working together to deliver the NDIS: Independent Review into the National Disability Insurance Scheme: Final Report*.

¹⁶ Disability Advocacy Network Australia and National Disability Services (2025), *Navigating the NDIS: The Role of Navigators in Foundational Supports*.

Early Years - Redirecting the polished pathway means starting early, well before school leaving age, and in fact, should begin in early childhood. This is when families begin navigating decisions that shape future pathways. Children and families need support to explore what is possible, express preferences, and make decisions based on real understanding. What can appear to be an isolated decision, such as type of school to which they should send their child, can mean they are drawn into service systems that gradually narrow future options. Disability Representative Organisations Children and Young People with Disability Australia and Inclusion Australia are both national leaders in this space, and have the expertise required for driving rights-based reform. We strongly support the critical work they are doing to ensure that families are informed, supported, and equipped to make decisions that protect the rights of their children and keep future pathways open.

Adolescence and planning for post-school life - This life stage is where DEA starts to contribute. Adolescence is often when conversations about work, future pathways, and life after school begin. We can see that polished pathway playing out here when expectations about employment start to be shaped, often in ways that limit choice. Supported decision making is essential during this stage to ensure that students are not simply guided into the most familiar, convenient or (what is seen as) 'safe' pathway. Adolescence is a time when young people begin to develop a stronger sense of identity, independence, and aspiration. For many teenagers with disability, these developments are not matched by systems that recognise their right to make decisions about their future, particularly in relation to employment.

It can also mark the point where decisions about employment pathways begin to take shape. This is when structured supported decision-making supports should explicitly include the exploration of work, post-school options, and real-world opportunities.

Too often, young people are excluded from transition planning processes or spoken over in ways that diminish their autonomy. Families, educators, and professionals may be well-meaning. But when they default to making decisions on behalf of young people, they remove opportunities for supported decision making at precisely the time it matters most. As the Growing Up Making Decisions project, a collaboration between CYDA, the University of New South Wales, and Inclusion Australia, highlights, many young people with cognitive impairment know what they want, are capable of researching and articulating their preferences, and are simply seeking the space and support to be heard.¹⁷ When structured planning takes place, such as through NDIS planning meetings, school-based transition plans, or the development of individual learning and support plans, it is not always grounded in the rights and preferences of young people. Often it appears that these plans are shaped more by concerns about perceptions of 'safety', administrative constraints, or what is seen as 'realistic' by others.

Young people with disability should have the same opportunities as their non-disabled peers. That includes having meaningful conversations about their aspirations, exploring a range of post-school

¹⁷ Bates, S, J Laurens, M Cross, B Rowe, B Wilson, B Canham, L Hudson, I Katz, R Kayess, and K Fisher. (2022), "Growing Up Making Decisions". Sydney: Social Policy Research Centre, UNSW.

pathways, and being supported to pursue things like casual work while still at school. This is where supported decision making must play a central role. Adolescents with disability, particularly those with cognitive impairment, need access to ongoing decision-making support that respects their evolving capacity. They also need trusted supporters who know how to scaffold decisions without controlling them, who can ask the right questions, and who treat young people as competent, capable individuals.

As young people move through adolescence, this decision-making support should shift accordingly. It must grow with them and adapt to different contexts. This includes preparing for the transition to adulthood, where legal rights and responsibilities begin to shift.

In our view, the failure to embed supported decision making into planning for post-school life is a failure to uphold the rights set out in both the United Nations Convention on the Rights of the Child and the UNCRPD.^{18 19} Both are clear: children and young people have the right to express their views, to be supported in doing so, and to have their views given weight in all matters affecting their lives.

While Accessing/Planning with the NDIS – Accessing the NDIS is itself a decision-making process. For many young people, especially those with cognitive impairment, this process is led entirely by others. Yet the choice to apply, how to describe one's needs, and whether to pursue certain supports are all decisions that shape future pathways. In our view, supported decision making should be available from the very start, not just once someone becomes an NDIS participant. This includes providing young people with the time, tools, and support to understand what the NDIS is, what it offers, and what it means for them.

The NDIS has taken important steps to address this. Its work on supported decision making reflects a genuine commitment to strengthening participant voice. The NDIS Supported Decision Making Policy²⁰, released in 2023, outlines the need for people with disability to have support to understand their options, weigh up decisions, and exercise control in ways that respect their rights. This policy provides a strong foundation for embedding supported decision making into access, planning, and implementation processes.

A clear operational model is now required to put this policy into practice, particularly for young people preparing to leave school and begin their working lives. This includes ensuring supported decision making is built into the access and planning process itself, including through the involvement of trained decision-making supporters.

Transitioning from school – Later in this paper we propose models for this cohort that focus on what needs to be delivered: structured, early-stage employment supports that include work experience, after-school jobs, and career exploration. But these supports only matter if young people are supported to make decisions about how they engage. The supported decision-making approaches

¹⁸ *United Nations Convention on the Rights of the Child, November 20, 1989.*

¹⁹ *United Nations Convention on the Rights of Persons with Disabilities, December 13, 2006.*

²⁰ *National Disability Insurance Agency (2023), Supported Decision Making Policy.*

outlined here are intended to complement those models by ensuring young people have what they need to shape their own pathways.

Young people must be supported to explore their interests and preferences before decisions are made about what employment supports are reasonable and necessary. At present, too many young people are steered into supports that reflect assumptions about capacity or 'suitability', without any structured opportunity to test their own preferences.

This includes structured conversations about what work actually looks like and how different employment pathways function in practice. They also need to consider how they align with the young person's goals. Supported decision making must give the person time, accessible information, and trusted support to understand these options fully, rather than conversations that are framed by what funding is available or what providers suggest.

Supported Employees currently in the system - As we transition away from segregated employment models, we must ensure that people currently employed in ADEs are not excluded from reform efforts. As of 2024, around 16,000 people with disability are employed in ADEs²¹. Many have not had access to consistent supported decision making and are working in roles shaped by the polished pathway. Every person in an ADE should automatically be offered supported decision making. This must be delivered by an independent body, with no affiliation to the ADE or any other party with a vested interest in the outcome.

Support must be available at regular intervals (e.g. yearly check-ins), during periods of transition or change, and whenever a person asks for help to explore something new. This should include support for families or others who play a key role in the person's life, providing guidance to understand their role in upholding the person's right to lead their own decisions. This is not about pushing people to leave ADEs, but rather ensuring that people with disability have access to the same decision-making rights as anyone else.

The next immediate step is ensuring that supported decision-making is available to all employees within ADEs and this cannot wait until other reforms are in place. As the ADE space is being transformed, the immediate priority is to understand what each person wants and needs. Without decision-making supports in place now, there is a real risk that assumptions continue to be made about what people want, rather than supporting individuals to make informed decisions about their own working lives.

Recommendation 3 – Supported Decision Making to be embedded in all systems, for people who require it (including those with intellectual disability), in line with Recommendation 6.6 of the Disability Royal Commission²². This very much includes employment. These supports must help people understand what is possible, test out new options, and revise their preferences over time.

²¹ Department of Social Services (2023), *The Future of Supported Employment: Discussion Paper*, June 2023.

²² Royal Commission Into Violence, Abuse, Neglect and Exploitation of People with Disability, (2023), *Final Report – Volume 6: Enabling Autonomy and Access*, Section 6.6.

This also aligns with many of the Guiding Principles for the Future of Supported Employment²³, including those relating to informed decision making, inclusive pathways, and participation in meaningful work.

Chapter 4 – Reforming school leaver employment support and capacity building supports within NDIS

Current approaches to transition support for young people with disability have proven ineffective. This refers particularly to SLES (School Leaver Employment Supports) and its successor Capacity Building Employment Assistance (CBEA), both sitting inside the NDIS. In the most recent reporting period (July 2023 – June 2024)²⁴, 8,527 young people had payments claimed from their NDIS plans for SLES or related employment supports, with NDIS providers providing data for 7,326. Only 5.6% of those supported by SLES during that time period secured open employment.

The failure to connect these young people to positive outcomes is a significant contributor to the current need for ADEs. If the specific service to support transitions from school to the labour market cannot do so, then why not place that young person in an ADE where at least they can earn *something* in an environment that is designed to be supportive?

However, as highlighted in the From ADEs to Open Employment report²⁵, younger NDIS participants increasingly aspire to work in open employment, often in industries that reflect their personal passions and desire to contribute, such as disability advocacy, and community-facing roles. Parents also report stronger expectations for their children to access inclusive employment. Even ADE managers acknowledged this shift, noting that younger people no longer expect to remain in ADEs for their whole working lives and are more likely than older workers to express a desire to change jobs.

If we are to succeed in laying down a positive polished pathway, it is essential that there is high quality, effective support where open employment outcomes are achieved by the majority of participants – in line with those aspirations. How can people with disability live lives of their own choosing otherwise?

As set out in the previous chapter, DEA believes that Specialist Employment Navigators should be available throughout that young person's secondary education and beyond, in order to facilitate informed choice and promote the access of services to help turn aspirations into reality. Currently, if this were to be implemented, those young people would have to choose between a DES for which they may not be eligible, a SLES/CBEA program which is ineffective, further education which may be

²³ Department of Social Services (2023), *Guiding Principles for the Future of Supported Employment*,

²⁴ National Disability Insurance Agency, *Provider Quarterly Report – School Leaver Employment Supports: July 2023 to June 2024*, March 2025.

²⁵ National Disability Insurance Agency (2023), *From ADEs to Open Employment: Supporting Economic and Social Participation for People with Disability*.

inaccessible, daycentres where segregation and low expectations are built in, and subminimum wages in an ADE. In the positive polished pathway, all these options need to improve.

The Grattan Institute's Saving the NDIS report²⁶ provides a clear policy signal that employment-focused supports for school leavers should transition out of individualised NDIS funding and be delivered instead as part of a robust foundational supports system. It highlights that the NDIS is fundamentally not the right delivery mechanism for early-stage capacity building or employment preparation, but instead recommends that these be delivered by targeted foundational supports.

It will be critical to replace SLES/CBEA with a Targeted Foundational Support (working title: Positive Pathways) which picks up the baton from the Specialist Employment Navigator and provides the right support for the participant to realise their aspirations. As a Foundational Support, it would have the following features:

Appropriate Design and Simple Access for the Target Group

As a targeted foundational support, Positive Pathways should be aimed at people with intellectual disability and those on the autism spectrum. The appropriate age range for the program is debatable but as a starting point it would be good to consider anyone from secondary school age to retirement (or beyond) – essentially, anyone who requires or wants this kind of support, and falls into the target group.

The Grattan Institute²⁷ has highlighted that targeted foundational supports are warranted where two factors occur:

1. Benefit to people with disability, where NDIS program design has been shown to be contrary to what is required
2. Long-term cost reduction to the NDIS

As above, individualised funding for SLES/CBEA has not worked well. The rates of people with intellectual disability entering open employment are around five times worse than on DES, and even that is not good enough. This is primarily a design issue. Where providers are incentivised to keep participants on a program and by implication away from other destinations - whether through annual funding (SLES) or hourly billing (CBEA) - that's what they will do. That approach also reduces the importance of rigour in outcome reporting (which is haphazard at best under the NDIA) and consequently in performance management for providers (minimal).

Services are not centrally procured, reducing the impact of any government levers, and instead it is up to individual participants to make their choices around providers. In theory, this is not problematic but owing to the poor choice environment described in Part 3 Chapter 3, in practice this does not work well. This matters, because there is a significant divergence between the best providers of SLES and the worst, given 108 of 225 SLES providers last year recorded zero employment outcomes and the top two providers produced 98 combined.

²⁶ Bennett, S., Jessurun, M., & Orban, H. (2025). *Saving the NDIS: How to rebalance disability services to get better results*. Grattan Institute.

²⁷ Grattan Institute (2024), *Strong Foundations: Spreading a Wider Net of Disability Insurance* pp.7-8,10

This lack of any central management or incentive for positive outcomes has also resulted in an indifference or agnosticism to what they actually deliver. There is no evidence base used and no performance or quality framework comparable to DES.

Due to the individualised funding inherent in NDIS, resolution of these faults is not achievable within that setting. And that individualised funding also means that these funding lines are in effect competing with other NDIS services due to the limitations of funding on participants' plans.

Instituting Positive Pathways as a foundational support available to those with intellectual disability and those on the autistic spectrum will provide a relatively simple route onto the service. No invasive assessments. No repeat telling of stories. No having to prove the depth of deficit. Positive from the outset.

In terms of long-term cost reduction, we can achieve immediate cost neutrality by taking money from the relevant lines of NDIS funding and by redirecting it from ILC projects, where transparency has been minimal and effectiveness variable. Relevant expense lines are depicted in the below:

Item number	Item description	Payments
01_134_0117_8_1	Capacity building and training in self-management and plan management	\$21,098,000
08_005_0106_2_3	Assistance with accommodation and tenancy obligations	\$925,000
09_006_0106_6_3	Life transition planning including mentoring, peer support, and individual skill development	\$45,831,000
09_008_0116_6_3	Innovative community participation	\$10,964,000
09_009_0117_6_3	Skills development and training	\$59,913,000
10_011_0128_5_3	Employment-related assessment and counselling	\$2,046,000
10_016_0102_5_3	Employment assistance	\$20,866,000
10_021_0102_5_3	School-leaver employment supports	\$82,804,000
11_024_0117_7_3	Individual social skills development	\$2,489,000
13_030_0102_4_3	Transition through school and to further education	\$115,000
15_035_0106_1_3	Assistance with decision making, daily planning, and budgeting	\$22,609,000
15_037_0117_1_3	Individual skill development and training, including public transport training	\$155,075,000
15_038_0117_1_3	Training for carers / parents	\$11,217,000
15_045_0128_1_3	Community engagement assistance	\$15,952,000
Total:		\$451,904,000

Source: National Disability Insurance Agency (2024b).

Figure 6: NDIS Item numbers and payments for potential redirection

At the very least, we could redirect the SLES line (\$80m+) and there may be further scope around Employment Assistance (\$20m+), life transition planning (\$45m+) and some Individual skill development and training (\$150m+). In addition, over \$220m each year is spent on ILC activities including \$90m on individual capacity building activities. Clearly, this would need to be reviewed in greater depth but we can safely say a potential funding pot of \$80m+ pa would be available.

With money redirected, it then becomes a question of whether Positive Pathways, as a targeted foundational support, achieves more positive outcomes than SLES and other comparable NDIS funded services. With the correct design – which should of course include an in-depth process of co-design with potential participants and their support networks – this seems highly probable. This will lead to long-term gains for the NDIS because an analysis undertaken by the Centre for International Economics demonstrates that participants who are in open employment on average cost the NDIS

around \$17,000 a year less than comparable (people with Moderate Intellectual Disability) participants who are not in work²⁸.

High Fidelity to Evidence Based Practice

As Board Members of the World Association of Supported Employment, and the next hosts of the World Disability Employment Conference, DEA is fortunate to have at our fingertips global examples of best practice and frameworks that could fruitfully be imported and translated into Australia.

Most notably, our European colleagues – including the British Association of Supported Employment – have developed, implemented and refined a Supported Employment Quality Framework. We must note, as we did in the introduction, that this uses the international definition (i.e. supported open employment) rather than the Australian.

This is a specific model of fidelity-based employment support, which uses a place-then-train method, focuses on rapid job searching and placement into paid open employment, while concurrently addressing health and other support needs. SEQF fidelity scales outline key service characteristics associated with positive employment and wellbeing outcomes. These scales provide guidelines and measurement criteria for developing and assessing services based on their adherence to fidelity.

The fidelity model has five key phases: engaging and referring clients; vocational profiling; proactive employer engagement; job matching and securing employment; and in-work support. The SEQF also upholds progressive, person-centred values such as voluntary participation, strengths-based support, participant preferences and agency, co-production, and intensive and personalised support. SEQF primarily serves individuals with intellectual disabilities and/or autism without requiring integration or co-location of services (unlike IPS).

Professor Adam Whitworth has recently reported on a landmark evaluation²⁹ of the SEQF (and IPS). This found:

“Supported Employment offers a distinctive and on average notably more effective (compared to alternative typical UK provision) and cost-effective model of employment support for individuals with health conditions, disabilities, or other complex disadvantages. The project identifies a series of key ingredients to maximise the (linked) programme experiences, impacts and savings of Supported Employment programmes/services:

- *Inevitably, adequate resourcing / sufficiently low caseloads are a necessity – on the IPS side there is some evidence that caseload sizes may be pressurising performance in key fidelity items, in particular employer engagement*

²⁸ Centre for International Economics, (2023) *Specialist disability employment services post 2025, prepared for Job Support*, November 2023, p.8.

²⁹ Professor Adam Whitworth et al. (2025), *Supported Employment Beyond Severe Mental Illness: Overview Report of Research Findings (NIHR Policy Research Programme)*

- *The values, skills, commitment and proactivity of frontline employment specialists and the importance of voluntary, trusted relationships of allyship between clients and employment specialists*
- *The importance of integration and fidelity and the need for their active on-going strengthening, choosing the right fidelity model for different clients, and recognising and seeking to mitigate common integration and fidelity challenges*
- *The importance of values and the links between fidelity and values*
- *The importance of dedicated employer engagement from services for these population groups, the existence of an employer engagement and support spectrum, and the implications for clients and employers of different positions on that spectrum”.*

A vast array of resources generated from this project can be found at: [Resources | My Site](#) (including a helpful guide for potential commissioners).

Given there is a drag-and-drop evidence-based framework specifically aimed at supporting people with intellectual disability and autism into open employment, this provides an excellent starting point for a reformed SLES as a new Targeted Foundational Support. However, we must also learn the lessons Professor Whitworth sets out and should ensure the following feature in the Australian model:

- Fidelity to the SEQF
- Low caseloads (<20 participants)
- Treatment of all customers as equal, including employers
- Upholding of values as non-negotiable parts of the SEQF
- Absolutely no link to mutual obligation

Funding which incentivises fidelity and positive outcomes

The key question for all program funding:

“Are you paying for the things you want to happen?”

When you have individualised NDIS funding for employment, you are not. You are paying for wheels to spin. But what do we want to happen? DEA posits three principal elements:

1. Positive outcomes (defined as open employment, further education, self-employment)
2. Fidelity to the SEQF (as an evidence-based model for this participant group)
3. Sustainability and the ability to invest for providers (points 1 and 2 are otherwise unrealistic)

There is debate as to whether outcome-based funding is even required if fidelity to the SEQF is well enough assured. However, DEA is aware that there is also strong evidence for outcome-based funding, and that if administered correctly this can provide a spur to greater performance. However, it should not exceed 25% of the funding available. This means that providers will be given confidence that most of their costs will be covered, and that the outcomes they receive determine the extent of their profitability (or lack thereof).

A rigorous approach to data and performance management

Recording and managing outcomes in a disciplined way, while linking them in some way to funding, is a greater guarantor of taxpayer protection than is currently the case.

This will enable the government to take a more active role in stewardship. This does not mean simply exiting low performers. Rather it means identifying those who could be performing better and encouraging them to take up strategies that can lead to greater performance. This can be aided by resources and training provided by both DEA and the Centre for Inclusive Employment, as a form of technical assistance to the market.

This does beg the question of market structure and whether we need large procurement rounds to determine which organisations deliver in which areas, however that would need to be reviewed – drawing on international best practice and an assessment of capacity/capability in the current Australian market. Relational forms of contracting would certainly have an appeal and DEA would be happy to explore this further.

Clarity on its position in the system

There is some danger that the Positive Pathways program would overlap with the role of IEA, so we would need to consider a clear delineation between roles. We would not want to see a situation where one organisation is paid twice for the same activity. However, as has been demonstrated this program would have very different characteristics than IEA, with lower caseloads, no link to mutual obligations, and adherence to a rigorous evidence-based framework. Given participants on IEA have access to a range of employers and perpetual Ongoing Support, it makes sense for some participants to receive additional support in that area – in consultation with Navigators and their Positive Pathways provider. It would make sense to review this after a period of concurrent operation to ensure that the integration is working well, and that taxpayers are being protected from ‘double-dipping’.

Access to Supported Internships

Supported internships should be a component of the positive polished pathway – potentially accessible through supported decision making and/or Foundational Supports. Supported internships are structured, short-term work placements for young people with intellectual disabilities or autism, blending practical experience with personalised support. Often involving collaboration among education providers, employment specialists, and employers, models like Project SEARCH offer multiple workplace rotations with daily coaching. These programs act as transition pathways to open employment. Evaluations such as Wales' Engage to Change project report increased confidence and job readiness among participants, with nearly half securing jobs after completion—especially when internships are long enough and delivered by knowledgeable staff in real workplaces.

Project SEARCH is a supported internship model, typically hosted within a single employer, where participants complete multiple job rotations while receiving daily on-site employability training and classroom-based skills development. The program is specifically designed for people with intellectual disability and autism, with a strong focus on building practical work skills, communication, and independence in real workplace settings. It is recognised internationally for its success in helping young people with disability achieve competitive, integrated employment ³⁰and is currently being trialled in several Australian sites, including through some DEA member organisations.

Access to further education opportunities

While access to higher education sits outside the scope of NDIS supports, it is a critical structural barrier that directly intersects with the polished pathway for this cohort. The same systemic failures that limit employment outcomes — low expectations, poor transitions, and fragmented support — also limit access to further education.

DEA recommends a national Higher Education Disability Strategy that explicitly focuses on improving post-school options for young people with disability to support the systemic change required to reroute the polished pathway. The Council for Intellectual Disability highlights that young adults with intellectual disability often share aspirations for post-secondary education similar to their peers without disability. However, these aspirations are frequently unmet, not only because of systemic barriers and a lack of supportive pathways, but also because of those low expectations from others.³¹ Without upstream investment and systemic reform, university and TAFE remain out of reach for many. This is a missed opportunity for both social mobility and economic inclusion.

Other countries have begun to address this gap. The UK has multiple national programs that fund tailored transition supports and campus-based adjustments for students with disability. Canada's Accessibility for Ontarians with Disabilities Act (AODA) mandates system-wide inclusion planning across post-secondary institutions. New Zealand's Tertiary Education Strategy includes targeted actions for learners with disability. Australia requires a coherent national approach to removing the barriers to higher education for people with disability, including those whose current pathway leads directly to an ADE.

In addition, the Higher Education Disability Strategy should include an employment strategy within that includes supporting institutions to build inclusive education-to-employment pipelines focussing on supporting transitions into professional and knowledge sector jobs. Disabled people must have the opportunity to enter all parts of the labour market, not just entry-level roles.

³⁰ Illinois Center on Transition and Work. (n.d.). Project SEARCH: A work-based learning experience. Illinois State University. <https://ictw.illinois.edu/resources/research-briefs/wble/brief-project-search>

³¹ Council for Intellectual Disability (n.d.), *The Role of University Education in Employment and Other Outcomes for People with Intellectual Disability, Everyone Can Work*.

Recommendation 4 – replace ineffective employment supports within the NDIS system with a targeted Foundational Support for people with intellectual disability and those on the autistic spectrum. This should include:

- High Fidelity to Evidence Based Practice
- Funding which incentivises fidelity and positive outcomes
- A rigorous approach to data and performance management
- Clarity on its position in the system
- Access to supported internships
- Access to further education opportunities

Chapter 5 – Ensuring Inclusive Employment Australia is fit for purpose

The current Disability Employment Service (DES) program has played an important role in improving the employment options for people with disability, injury, and health condition since 2018. During the time of the program, the labour force participation rate of people with disability increased from 52% to over 60% and the unemployment rate of people with disability decreased for the first time in over two decades – from over 10% to less than 7.5%³². While there are several factors that contributed to these positive changes, DES played an important role in the shift. While the program proved successful and beneficial in many ways, there remained opportunities to continually improve it, and many of these have been addressed with the upcoming roll out of Inclusive Employment Australia (IEA). DEA supports the new program, however, to ensure that it reaches its full potential, there are several factors that must be considered and addressed.

Expanding the eligibility criteria to include people whose work capacity is assessed as being 0-7 hours is an important part of disrupting the polished pathway that has long led people with an intellectual disability into ADEs or day programs. This change in eligibility criteria enhances the chances of people with an intellectual disability to find employment in the open labour market, where they will be paid a fair wage for their work and not forced into segregated settings. To ensure this right is upheld and realised, it is essential that:

The intersection between IEA and the NDIS is clearly defined

DEA has received regular feedback from members around how employment-funded NDIS supports intersect with DES/IEA. There is an interest in utilising NDIS funded employment supports to build

³² ABS Survey of Disability, Ageing and Carers, 2022

the capacity and work-readiness of participants in ways that are not available through DES/IEA and an equal level of concern around not wanting to ‘double-dip’.

Through NDIA and DSS working collaboratively with providers, participants, representative organisations and peak bodies it is possible to develop a series of guiding principles that could be used to ensure that participants are able to access employment-related funding; providers can develop high quality, person centred approaches that support the realisation of a participant’s goals, there is no risk of ‘double dipping’ and participants experience an increase in employment opportunities through the development of related skills and capability.

Open employment is better defined

The DES Program guidelines define Open Employment as follows:

“A placement is ‘open’ employment where:

- *the employer operates on a commercial basis*
- *the position is open to people without disability, or involves functions and conditions like those in a commercial business*
- *the position involves day-to-day contact with employees and/or non-employees without disability*
- *the position involves independent work, without close supervision. If a provider believes a placement that does not meet all these requirements is open employment, the provider can seek the department’s agreement”.*³³

This is a very stringent definition that – for example – excludes people with disability from working in disability social enterprise (as described in Chapter 6), as exemplified by organisations such as Jigsaw and Australian Spatial Analytics. DEA also fails to see how ‘close supervision’, particularly in the early days of employment, would render it segregated employment.

This definition is a disincentive for DES/IEA providers to engage with the transition of supported employees and should be made less restrictive – perhaps by solely disallowing any job that pays subminimum wage. This definition should be made less restrictive within IEA program guidelines.

Providers are adequately equipped to support the needs of people with an intellectual disability

While some people with intellectual disability may be referred to specific-cohort providers with related expertise, due to location, market share, and other factors it is likely that many will be referred to all-cohort providers or, providers who are specialists in other characteristics (such as working with First Nations people or people who are culturally and linguistically diverse). It is essential that service providers have access to high-quality training and resources to ensure they are confident in working with people with an intellectual disability and those with complex support and/or communication needs.

³³ Department of Social Services (2025), *Disability Employment Services Program Guideline Version 1.1*, p. 83.

This can be achieved through fully utilising the Centre for Inclusive Employment Australia (CIE) which can provide resources on best practice while also ensuring that providers who take the time to up-skill and build the capacity of their workforce in order for them to be able to provide high quality services are supported to do so.

Given there is no historical outcome date for those with a 0-7 work capacity, we believe that the first 18 months of IEA should be treated as an opportunity for providers to learn, pilot evidence-based ideas, and build their workforce capability without data for this cohort being used to inform their results under the Performance and Quality Framework. The period could be used to gather data around what potential outcome numbers and other metrics may look like and used to inform performance weightings once the initial period has passed. This would not only benefit providers by providing them with the opportunity to develop a high quality service delivery model, it would also ensure that results under the Performance and Quality Framework are based on relevant data and it would ultimately benefit participants through their access to high-quality services.

Funding is adequate

It is likely that many participants with a partial work capacity of 0-7 hours, including those with an intellectual disability, will require a higher level of support from their provider through all stages of their engagement. To ensure that these job seekers are not overlooked or seen as financially unsustainable, providers need access to adequate funding in the form of the Moderate Intellectual Disability Loading (MIDL), which must be extended to participants with an assessed future work capacity of 0-8 hours working towards an eligible outcome.

Recent changes within Ongoing Support are of great concern to DEA, providers, and those who support people with an intellectual disability more broadly. Finding a job is only part of the task for many people with intellectual disability as they require high levels of support to maintain the job, especially during periods of change and stress. The current arrangements for Ongoing Support are not adequate to provide this and require review and reconsideration.

Ongoing Support is a critically important part of the DES/IEA model. A 2020 study found that:

“Long-term support is a critical feature... that ensures successful employment outcomes are sustained over time. Research has shown that fading initial support to a continued level of ongoing support produces better outcomes for supported employees. While natural supports provided by co-workers or supervisors are sometimes included in an overall support plan, there is no evidence supporting it as an alternative to robust training and support from a qualified employment specialist. In fact, rather than interfering with a client’s integration in a workplace, customer-centred long-term support can enhance an employee’s position by providing extended assistance as they take on additional duties, adjust to changes in protocol, and seek out advancement within the organization”³⁴.

Ongoing Support has been a foundational part of disability employment services in Australia since the Disability Services Act 1986 determined that there would always be people who ‘because of their

³⁴ Department of Social Services (2021), Supported Employment: Supplemental Issues Paper, p.13

disabilities, need substantial ongoing support to obtain or retain paid employment'. This has not changed.

What has changed is viability. One significant provider of Ongoing Support – a DEA member – reports that Ongoing Support funding has fallen by over 40% between March 2010 and June 2024, primarily due to inadequate indexation (responsible for two-thirds of the cut) and other administrative changes. The provider has logged more support contacts than required in aggregate, with participant working more than the minimum hours required, and maintaining consistently high levels of ongoing employment. Due to insufficient indexation and OSA cuts, alongside suspension requirements and contact requirements, this provider has suffered a reduction on funding of more than \$1million each year.

Further, DEA questions why the contact-based approach continues to be central mechanism by which Ongoing Support is monitored and funded. An outcomes-based approach both supports greater personalisation to the participant and ensures the right degree of focus is placed on supporting the participant to succeed in employment, rather than on administratively-driven concerns.

By putting so much emphasis on 'contacts', that becomes the barometer by which providers measure how they are doing and tempts them to be slavish to minimum requirements, rather than thinking about what the participant actually needs. We should pay for what we want – job retention – rather than administrative adherence.

In Australia, we do not have an input-based approach to funding employment services, and this is a very good thing. It is curious that Ongoing Support is treated in such a different way.

Recommendation 5 – ensure the new IEA program serves supported employees well through eligibility changes, training, appropriate funding, and ongoing support arrangements.

Chapter 6 – Transforming ADEs into Social Enterprises

As discussed above, DEA recognises the merit and social good achieved by many ADEs. Thousands of their employees, their support networks, their communities, and partner organisations have benefited from the work they do. While this cannot be accepted as an argument for the status quo, it nevertheless warrants a significant attempt to retain that 'good' while excising subminimum wages and any elements of segregation.

All organisations must be given the opportunity to metamorphosise and emerge as something better – specifically, as social enterprises conforming to a standardised definition to designate them as Disability Social Enterprises. We are aware that Social Traders are currently working with a range of partners on such a definition, and DEA has been consulted as part of that project. This should include stipulations such as offering pay transparency, inclusion of people with disability (including in

leadership and Board positions), employees being well-supported with progression goals, and ensuring that a certain proportion of revenue is derived from commercial operations.

Several ADEs are already on this journey. For example, three are working with White Box Enterprises as part of its Evolve program, where they are being provided with hands-on expert support in their transformation. Bedford – one of the largest ADEs in Australia – is investing considerable resources in this work and operate three purpose-driven social enterprises. There are also other social enterprises which would likely conform with the emerging definition of a Disability Social Enterprise which are not former ADEs, such as Australian Spatial Analytics, Jigsaw, and Hotel Etico.

There is an important question around the nature of segregation here. Is segregated employment segregated by virtue of the percentage of colleagues who are also from the same disability cohort? Or is it segregated because it is an institution that been set up specifically to cater to a specific cohort, without giving them much choice in the matter? DEA is of the latter view. We do not, for example, consider Australian Spatial Analytics which almost exclusively employs neurodivergent people to be segregated. It pays award wage, and its employees have all made a positive choice to take up a role. Neither are all-female workforces segregated, nor are Indigenous-owned corporations benefiting from procurement schemes. There are of course benefits to a fully integrated, mixed workforce – including to the non-disabled colleagues who can better appreciate the benefits of diversity and inclusion. But those benefits are not so vital that they should erode the choice of the individual. If there is a social enterprise that employs predominantly people with disability who have made independently verified choices to be there, they are paid properly and supported well, then that is not segregation. To refer back to chapter 3, we must ensure that this is a genuine, freely-made and informed choice, but with that caveat, DEA does not consider cohort-based workforces to be segregation or an infringement on human rights.

The choice for the ADEs, then, is whether to wind down operations over the coming years (given it will no longer be an option to operate as they are) or to become a Disability Social Enterprise – whether as part of transition to other forms of open employment or as a ‘destination’ employer. Those that choose the latter road must be given the time, the financial support, and practical resources to execute on the required transformation. As it stands, not many ADEs have successfully executed on this transition, despite seeing the writing on the wall when it comes the viability of the current business model. If this is to occur at scale it requires the following conditions:

The will to change – despite the current decline in ADEs and negative future projections, there is not a universally-felt impetus to fundamentally change business models. Several organisations are already in the throes of transformation, others are contemplating change, some reject the notion that it is required, and more still are just struggling to get by day to day. Following this consultation, we hope that organisations are offered clarity as to what is required. By 2034, if we are to follow the DRC recommendation, all must offer the national minimum wage to their employees, following a period of transition through a government-subsidised wage offset model. DEA shares thoughts on the potential mechanism for this transition below. This direction should be clarifying – those organisations which wish to ‘keep the good’ and change will be offered fair opportunity to do so, and those which opt out will need to support the transition of their participants into open employment.

Financial incentives and support – business transformation costs money and these are not simple transformations. They involve frequently vulnerable people and operating as a social enterprise is difficult anyway, with higher costs of production incurred by the lower productivity of employees often leading to be uncompetitive in the marketplace. As we look towards 2034, government should consider how it can support these transitions, including with funding.

The wage offset model, as brought to life by Taylor Fry's modelling³⁵, creates a delta between the wage paid by the employer and the minimum wage and the proposal is that the government funds this delta. This is depicted in the below table:

	ADEs					Mainstream employment w/ SWS					Total				
	24/25	25/26	26/27	27/28	28/29	24/25	25/26	26/27	27/28	28/29	24/25	25/26	26/27	27/28	28/29
Government															
Number	16,400	15,834	15,303	14,865	14,541	4,200	4,200	4,200	4,200	4,200	20,600	20,034	19,503	19,065	18,741
Subsidy (\$m)	320.1	311.5	302.9	297.5	295.8	52.0	53.9	55.7	57.6	59.5	372.1	365.5	358.7	355.1	355.4
Income tax (incl. carer, \$m)	-32.6	-35.4	-37.1	-38.8	-40.6	-2.7	-3.2	-3.5	-3.8	-4.0	-35.3	-38.6	-40.6	-42.5	-44.7
GST (\$m)	-7.0	-6.6	-6.2	-6.0	-5.8	-1.3	-1.3	-1.3	-1.4	-1.4	-8.3	-7.9	-7.6	-7.4	-7.2
Welfare spend (\$m)	-148.0	-144.7	-141.1	-138.9	-138.4	-23.5	-24.6	-25.5	-26.5	-27.5	-171.5	-169.2	-166.6	-165.4	-165.9
Housing (\$m)	-9.0	-8.7	-8.4	-8.2	-8.2	-1.4	-1.5	-1.5	-1.6	-1.6	-10.4	-10.1	-9.9	-9.8	-9.8
NDIS spend change (\$m)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net spend	123.7	116.1	110.0	105.6	102.8	23.0	23.4	23.9	24.4	25.0	146.7	139.6	133.9	130.0	127.8
Supported employees															
Empl. income (after tax, \$m)	287.5	276.1	265.8	258.7	255.2	49.3	50.8	52.3	53.9	55.5	336.8	326.8	318.1	312.5	310.7
Welfare change (\$m)	-148.0	-144.7	-141.1	-138.9	-138.4	-23.5	-24.6	-25.5	-26.5	-27.5	-171.5	-169.2	-166.6	-165.4	-165.9
Net change	139.6	131.4	124.7	119.8	116.8	25.7	26.2	26.8	27.4	28.0	165.3	157.6	151.4	147.2	144.8
Carers															
Empl. income (after tax, \$m)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employer															
Extra costs (Super, WC, \$m)	41.0	41.9	40.9	40.4	40.3	6.2	6.8	7.1	7.4	7.7	47.2	48.7	48.0	47.7	48.0

Note: Employee numbers allows for the loss of workers associated with Grade A/B wage increases, but does not allow for further losses related to additional employer costs under the wage offset (superannuation)

Figure 7: Taylor Fry's aggregate financial summary depicting delta for government funding. Source: Taylor Fry (2024), *Modelling of the Supported Employment Population*.

Government would be making a gross spend of \$370million pa, netting out at just below \$150million pa. On average per supported employee, this subsidy would be approx. \$18k gross and \$7k pa. Alongside the point that NDIS participants in open employment cost half those of those who aren't, there is a clear financial interest for government to invest in transitioning these supported employees into open employment, including within Disability Social Enterprises.

DEA proposes creating an Outcomes Fund, drawing on the Payment by Outcomes trial pioneered by White Box Enterprises and their partners. In this model, the funding goes to the employing social enterprise, thereby recognising the increased costs of doing business, the positive externality they are generating, and the requirement to be competitive in commercial marketplaces. To be clear – DEA only proposes that organisations meeting the Social Traders definition of a Disability Social Enterprise would be eligible for this funding (including both former ADEs and other organisations meeting that definition).

This financial delta, in effect, decreases over time, if we say that 2034 is the natural endpoint for the wage offset government subsidy i.e. the point at which we expect subminimum wages to have been

³⁵ Taylor Fry, *Modelling of the Supported Employment Population*, 2024.

phased out. If someone were to remain at a subminimum wage throughout that period, with government filling the gap to minimum wage throughout, it would cost \$126k gross and \$49k net. Given it is in government's interest, for multiple reasons, that the supported employee enters open employment as soon as possible this should be incentivised in the funding. DEA proposes that the funding could be set at 50% of the delta, thereby enabling savings to the taxpayer. We should also use the net figure, given those savings are retained whether in supported or open employment. This could look as follows:

Year	Wage offset (net)	Outcome Fund
2027/28	7000	\$ 24,500.00
2028/29	7000	\$ 21,000.00
2029/30	7000	\$ 17,500.00
2030/31	7000	\$ 14,000.00
2031/32	7000	\$ 10,500.00
2032/33	7000	\$ 7,000.00
2033/34	7000	\$ 3,500.00
Total	49000	

Figure 8: DEA's Proposed Outcome Fund payments and wage offset model

For clarity, the proposal here is that the employing social enterprise receives outcome funding on a sliding scale dependent on when the supported employee enters employment. Organisations with both ADEs and social enterprises would be free to place the employee within their own social enterprise. As with DES/IEA, there should be rules placed on the outcome, with it paid in several tranches to ensure sustainability (13 weeks/26 weeks/52 weeks).

For administrative simplicity, we have used averages in all the above calculations, and we would suggest that this would be beneficial in such a scheme. There is always a temptation (and traditionally, an APS tendency) to overengineer payment models. But the case for it is straightforward: if we are going to follow the DRC recommendations around the phasing out of subminimum wages by 2034 through a wage offset scheme, this reduces taxpayer burden, supports the creation and growth of Disability Social Enterprise, and increases the number of people with disability in open employment.

Available entrepreneurial expertise – running a social enterprise is perhaps harder than running any other sort of business. This means that experienced, skilled leadership is required. Many ADEs and emergent social enterprises are operated by people who may be excellent in their fields (e.g. health, disability services, advocacy) but are not proven entrepreneurs. Any organisation with supported employees should have access to additional entrepreneurial expertise to support their business. DEA suggests that this is contracted out nationally to an appropriate organisation (org organisations) as 'Transformation Consultants', allowing them to build up a national picture of business requirements and how they can be best supported in aggregate, as well as through individual Transformation Plans.

We recognise that this is a market for social enterprise transformation consultancy that does not currently exist at scale, and that a market-making exercise may need to be factored in and funded as part of this reform program.

Improved trading conditions through social procurement – while the Outcome Fund will provide funds to support transformation, it will not necessarily provide sufficient funding to support commercial viability in perpetuity. Rather, governments – both federal and state – must investigate social procurement models that prioritise Disability Social Enterprises. This will help create demand that will enable these organisations, and by extension their employees, to be successful in the long-term. In so doing, this will generate a strong return on investment for the Outcome Fund to the taxpayer.

This approach has been successfully pursued in the Indigenous Space, with a 2019 analysis of the Federal Indigenous Procurement Policy³⁶ finding:

“Growth has been strong in the last decade with growth of 8,000 new Indigenous businesses. Indigenous procurement policies in both the public and private sectors accelerated growth in less than a year following the launch of the Federal Government’s IPP in 2015. Further, Indigenous employee numbers have increased from less than 7,000 in 2007-08 to currently in excess of 12,000, with the Department of the Prime Minister and Cabinet (PM&C) estimating that by 2026, an additional 73,250 Indigenous Australians will join the working ages of 20-44 with around 2,200 Indigenous Australians starting a business based on current Indigenous self-employment rates”.

While we should learn from lessons in Indigenous Procurement, can see that social procurement can have a major impact and would allow Disability Social Enterprises to compete commercially on a long-term basis.

Recommendation 6 – Institute an outcome fund and targeted support to assist ADEs to become (tightly-defined) Disability Social Enterprises, which will benefit from social procurement arrangements.

Chapter 7 – Managing Transitions and Structural Adjustments

As stated in our principles for reform, carrying on with the status quo is not an option we can contemplate. The danger of the wage offset policy, which we support, is that it could enable ADEs to continue with their current modus operandi – knowing that their employees are being paid minimum wage, but that the government is picking up the tab. Therefore, we must design a transitional system that drives the change we seek.

The simplest way to do this is to change gradually the ratio of who pays for the delta between the employee’s wage and the national minimum wage within the wage offset model, to reach the point

³⁶ Department of the Prime Minister and Cabinet (2019), *Third Year Evaluation of the Indigenous Procurement Policy*, prepared by Deloitte Consulting. p.3

in 2034 where the transition to a non-subminimum wage economy is natural and fully achieved. Per supported employee (on average, drawing on the Taylor Fry modelling), this could look as follows:

Year	Wage offset (gross)	Wage offset (net)	Government %	Wage offset (govt)	Wage offset (employer)
2027/28	18,000	7000	100%	18,000	0
2028/29	18,000	7000	85%	15,300	2,700
2029/30	18,000	7000	70%	12,600	5,400
2030/31	18,000	7000	55%	9,900	8,100
2031/32	18,000	7000	40%	7,200	10,800
2032/33	18,000	7000	25%	4,500	13,500
2033/34	18,000	7000	10%	1,800	16,200

Figure 9: DEA's Proposed transition of wage offsets, depicting the gradual shift of cost from government to employers.

This would provide a strong imperative to ADEs – find a way to pay their supported employees more themselves, including through social enterprise, make plans to move them into open employment, or make up the gap through commercial activity.

It would also be an additional incentive to support participants into disability social enterprise in 2027/8, where they also receive the highest outcome payment for doing so.

DEA acknowledges that some ADEs are already making shifts. Providers are trialling internal employment teams, exploring social enterprise models, and supporting employees to transition where possible. For many, this is because of a growing recognition of their social responsibility to deliver fair and equitable employment for people with disability. This has meant moving away from deficit-based assumptions and developing business models that offer above-minimum wages. Some also report that this has been driven not only by values but also by the unsustainability of current NDIS pricing models, which do not cover the actual costs of delivering high-quality, tailored employment supports. Others have said that supporting employees to transition has not been viewed as part of their remit, nor has it been clearly reflected in the NDIS price guide. This further illustrates the need for a deliberate, funded, and accountable transition strategy.

Impact on Providers, Implications for Planning

There can be little doubt that the reforms advocated for here are a very real 'structural adjustment' that go far beyond anything contemplated in the two rounds of Structural Adjustment Funding we have seen so far. The somewhat piecemeal granting of money to specific organisations for specific projects may prove effective on a case-by-case basis, as with ILC funding, but - again like ILC - system-wide impacts are likely to be hard to detect. DEA members have determined that while many of these projects have merit, they are too frequently isolated and disconnected from a broader systemic framework.

There is currently no mechanism to evaluate these initiatives in a way that identifies which approaches are most effective, for whom, and under what conditions. Nor is there a strategy for how successful models will be scaled.

Instead, a Structural Adjustment Fund should consider what is required to effect the change for which we advocate. The Taylor Fry analysis highlights that the wage offset model would increase employer costs for superannuation and workers compensation insurance. It further suggests that supported employees could perhaps be exempted from these legal requirements. However, that is an inherently ableist non-starter. Instead, perhaps a Structural Adjustment fund could cover those elements for these employees.

This is because businesses need to be given a stable footing if they are to reform, as well as clarity around a future direction where the status quo is not an option.

The From ADEs to Open Employment report reinforces the scale of the structural adjustment challenge. It notes that only 1% of participants aged 25 and over, and just 3.1% of those aged 15 to 24, have successfully transitioned from ADEs into open employment³⁷. We recognise that not all providers will want or be able to make the change required. In these cases, we must respond proactively to ensure that supported employees are not adversely impacted. Proactivity here requires a robust management approach from NDIA – is the ADE progressing its supported employees, readying them for moves into open employment? Can they evidence that? Is it increasing its share of commercial income thereby improving its long-term viability? How is its financial performance looking? Has it established a social enterprise, or is it partnered with other disability social enterprises, to benefit from the outcomes fund? Is it making use of foundational supports and IEA? And, most importantly of all, we must use supported decision-making to determine what those supported employees really want to achieve and assess how well those objectives are being supported by their employer. Transition supports must preserve what people value about their current work, such as routine, connection, and structured environments, while making it possible to move into open employment if that is what the person chooses.

As a baseline, every ADE should be required to develop an individualised employment transition plan for every employee. These plans must be supported by access to independent supported decision making. The WISE-Ability model, developed by the Centre for Social Impact at Swinburne University, provides a useful reference point for how some ADEs could evolve. It shows how features already present in ADEs — structured environments, job supervision, and tailored supports — can be leveraged to support meaningful employment outcomes when coupled with inclusive business practices.

If the organisation is not going to achieve the reform required, NDIA needs to play an active market stewardship role. We are past the point where any ADE that falls over will self-evidently be happily absorbed by an organisation with a more robust balance sheet. Where NDIA reaches a point of high concern with a provider, the Transformation Consultants referred to in Chapter 6 should be activated to work with that provider to put together a plan to ensure positive outcomes for all supported employees.

³⁷ National Disability Insurance Agency (2023), *From ADEs to Open Employment: Supporting Economic and Social Participation for People with Disability*, Australian Government, p.24.

A note on Productivity Assessments

The current use of productivity assessments to determine wages in supported employment settings is inherently ableist. It assumes that a person's value is tied to their output and applies a level of scrutiny to people with disability that non-disabled workers are never subjected to. Reforming this model is essential. We need a new approach to productivity, one that recognises diverse contributions, shifts the focus from individual output to workplace design, and aligns with inclusive employment principles.

If productivity assessments are to remain, a national review as part of the roadmap is required. The current application of assessments does not cater for those with episodic disability, nor do they account for the acquisition of on-the-job skills. We have heard from members that the assessments are inconsistent, with people's assessment results not aligning with their actual capacity. We have classifications that are poorly understood and inconsistently applied across providers, often resulting in arbitrary wage outcomes. Within this review, the current A and B level productivity classifications under the Supported Wage System (administered by Fair Work Australia) should be examined to determine whether these levels remain fit for purpose, whether their application aligns with contemporary workplace expectations, and how they interact with broader reforms to supported employment and fair pay.

In the longer-term, from the introduction of wage offsets onwards, productivity assessments become relatively less important, until such point as they are phased out entirely in 2034.

Recommendation 7 – Incentivise ADEs to transform through a wage offset system which will gradually make the status quo unviable, while providing structural adjustment funding to cover increased costs. Be proactive about planning transitions where it is clear that the ADE will not be able to make the changes required.

Chapter 8 – The case for reforming the Disability Support Pension

The Disability Support Pension (DSP) is one of Australia's most important safety nets. It provides income security to people with significant disability and long-term health conditions. But for those DSP recipients who want to work—particularly in supported employment or transitional employment settings—the current rules create unnecessary fear, risk and complexity.

The Government has committed to improving employment outcomes for people with high support needs, in response to the Disability Royal Commission recommendations. Yet for many people, especially those in supported employment settings considering open or inclusive employment, the structure of the DSP itself acts as a powerful deterrent. The system does not just fail to incentivise work—it actively penalises effort.

New research undertaken by Deloitte Access Economics, in consultation with Disability Representative Organisations and disability employment peak bodies including DEA, highlights three major barriers built into the DSP.³⁸

1. **High financial disincentives:** Many DSP recipients face effective marginal tax rates of over 50 percent, meaning that for every additional dollar earned, they lose more than half in reduced payments. This makes low-paid or part-time work financially unrewarding.
2. **Fear of losing eligibility:** Under current rules, if a person works above the allowable thresholds for more than two years, they lose access to DSP. If they later fall out of work—for example, due to fluctuating health or employer inflexibility—they must reapply from scratch. The risk of losing the safety net discourages even small increases in work hours.
3. **Complex administration and reporting:** The burden of fortnightly income reporting, inconsistent treatment of earnings, and fear of making mistakes can lead people to avoid employment altogether.

These disincentives and risks are particularly relevant to people in supported employment who are considering new forms of work—whether through social enterprises, inclusive employment settings, or customised jobs. The Supported Employment Discussion Paper rightly emphasises the importance of informed choice, smoother transitions, and greater career opportunities. There is a clear opportunity for Government to act.

The Deloitte modelling recommends two practical changes to DSP rules. Firstly, reduce the taper rate applied to income earned above the free area of \$212 per fortnight—from the current 50 cents in the dollar to 30 cents. This would reduce the financial penalty that DSP recipients face when they take on work or increase their hours. Secondly, extend the DSP suspension period from two years to ten years, allowing people to stay attached to the safety net. These changes are not abstract—there is concrete evidence that the current design discourages effort. For example, Deloitte found that 28 percent of employed DSP recipients earn less than \$5,500 annually—the point at which income tapering begins. Further, 87 percent earn below \$32,760, where the effective marginal tax rate rises sharply to 78.5 percent, compared to 44 percent of people not on the DSP. These outcomes suggest that the system is calibrated in a way that limits ambition and punishes progress. By contrast, Deloitte estimates that the recommended changes could support between 3,200 and 14,700 additional DSP recipients into employment each year and generate up to \$2.3 billion in net economic benefits over the next decade.

Recommendation 8 - the Government should initiate a formal process to work with peaks and advocates to progress simple legislative changes in this term of Parliament that reduce the risks and fears built into the DSP—specifically, by reducing the taper rate from 50 cents to 30 cents per dollar earned, and by extending the current suspension period from two years to ten years.

³⁸ Deloitte Access Economics (2025). Opportunities for reform to improve workforce participation of Disability Support Pension recipients. A concept paper. (Pre-publication copy accessed).

Chapter 9 – self-employment and micro-enterprise

Self-employment and microenterprise can offer a viable employment pathway for people with disability, particularly those who may not yet find a good fit in open employment. For some, it provides a flexible way to work that builds on their interests and strengths and offers more control over pace, structure and environment than traditional employment. For others, it may be a transitional step that builds experience, skills and confidence that are transferrable into other forms of work. Just as for non-disabled people, self-employment can be a short-term project, a long-term career, or a side-hustle to other employment or study.

While there are a number of strong individual programs across Australia that support people with disability to explore microenterprise, access to these supports is piecemeal and not universal. Many programs are small in scale, not available in every region, or limited to participants who meet specific eligibility criteria. In the absence of a coordinated model, families often piece together informal assistance or rely on individual support workers who may not have the relevant expertise.

In the most recent SLES data ³⁹, only 11 young people who exited employment supports moved into self-employment or microenterprise. That is less than half of one percent. Despite years of NDIS investment and the promise of choice and control, almost no young people are successfully supported into this option. This is despite the demand for micro-enterprise among young people with disability, and indeed, successful examples exist when supports and systems are activated. The low uptake is more likely caused by systemic barriers, fragmented supports, and lack of a coherent strategy.

DEA recognises that more needs to be done in this space. A review of current schemes, supports and pathways is needed, not just within the NDIS, but across the broader system. This should include an assessment of the barriers people face to self-employment, whether current supports are fit for purpose, and how these options are communicated to participants, providers and planners. The review should also consider whether mainstream small business programs are accessible, or whether disability-specific strategies are required.

This review should lead to the development of a robust national strategy for self-employment and micro-enterprise for people with disability. The strategy should be developed in co-design with people with disability who are already operating their own small businesses, and those who want to. It should consider both long-term and transitional goals and take into account the full range of support needs.

The strategy must also address the interaction between self-employment and the DSP (as above). For many people, the risk of losing their DSP, or the complexity of income reporting and business compliance, makes self-employment feel impossible. This is a structural barrier that cannot be fixed through support alone. Any national strategy must acknowledge the need for broader DSP reform and include actions to mitigate risk and build confidence for people who want to try self-employment.

³⁹ NDIA, *Provider Quarterly Report – School Leaver Employment Supports: July 2023 to June 2024, 2025*.

It also needs to include support for IEA and others (including Specialist Employment Navigators) to understand and promote micro-enterprise and self-employment options.

Recommendation 9 – Government to lead the development of a national strategy for self-employment and micro-enterprise for and co-designed by people with disability.

Chapter 10 – Pulling the demand-side levers

Reform cannot succeed if we focus only on supply. While navigators, foundational supports and stronger pathways will help more people with intellectual disability reach the employment gate, someone must be on the other side ready to hire them. The reality is that many employers are not. Despite years of programs and messaging, employer attitudes remain one of the most persistent barriers to inclusive employment, particularly for people with intellectual disability.

This is one of the most entrenched weaknesses in Australia’s disability employment ecosystem. We hear from our members that employer assumptions and system confusion continue to undermine both work placements and ongoing employment. Employers themselves report a lack of confidence, limited understanding of inclusive hiring, and uncertainty around what supports are available.⁴⁰ This was also a clear theme in evidence before the Disability Royal Commission, which highlighted that access to knowledge, resources, and support is critical for employers to successfully engage and retain people with disability.⁴¹

The problem is not just getting in the door. Participants can lose supports once they start a job. Without follow-up, coaching, or support to obtain workplace adjustments, placements can be fragile or short-lived.

There are also assumptions made about people with intellectual disability in relation to their suitability for certain jobs, or in fact whether they should be employed overall. People with intellectual disability are still often viewed as too complex, too risky, or too hard to support. These assumptions are often unspoken but have real consequences: they are rooted in ableism and lack of exposure, and they create a low-confidence environment for inclusive hiring.

Government to lead the way

There needs to be public sector accountability when we are talking about employers of disabled people. Governments cannot expect the private sector to lead when they are not prepared to lead themselves. Every level of government must set and meet specific targets for employing people with intellectual disability, with transparent reporting on progress. Procurement processes and funding

⁴⁰ National Disability Insurance Agency (2019), *NDIS Participant Employment Strategy 2019–2022*,

⁴¹ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (2023), *Final Report – Volume 7, Part B: Inclusive Education, Employment and Housing*, Australian Government p.468.

agreements must include clear enforceable requirements around inclusive employment, including for people with high support needs.

The 2020-2025 Australian Public Service (APS) Disability Employment Strategy set a general target of 7% representation of people with disability.⁴² It does not, however, include any reference to people with intellectual disability or the unique barriers they face. Progress has been slow. Interim data in 2023 showed minimal growth.

Inclusion Australia, in their Equal Pay, Equal Rights submission to the Disability Royal Commission⁴³ made several recommendations to improve employment outcomes for people with intellectual disability across all levels of government. These include requiring every level of government to set employment targets for people with intellectual disability, with higher targets for agencies and departments that directly engage with or deliver services to people with disability, alongside recommendations to strengthen local government's role in creating employment opportunities for people with intellectual disability. Implementing them would not only help reroute the polished pathway but also strengthen the overall employment system

DEA recommends that the next iteration of the APS data includes a specific employment target for people with intellectual disability, applied across all APS employment pathways, including internships, work experience placements, traineeships and specialised recruitment programs. We also recommend that the APS explicitly consider the needs of people with intellectual disability across all their accessibility and inclusion considerations. We also agree that these measures should not be limited to the federal level and that all levels of government should embed these commitments in their disability inclusion and access plans

Mandatory Disability Employment and Disability Pay Gap Reporting

Sunlight is the best disinfectant, and therefore DEA supports transparency in Australia's larger employers when it comes to the number and proportion of people with disability they employ and what they pay them. This should include a specific category for Intellectual Disability.

The key benefits of disability pay gap and disability employment reporting include:

- Improved Transparency - reporting on disability employment and pay gaps helps to improve transparency within organisations. This allows for a clearer understanding of the current state of disability inclusion and highlights areas that need improvement.
- Enhanced Inclusion - by mandating disability reporting, organisations are encouraged to adopt more inclusive practices. This can lead to a more diverse workforce and better representation of people with disabilities.
- Legal Rights Enshrinement - the reporting process helps to enshrine the legal rights of people with disabilities, ensuring that their rights are recognised and upheld within the workplace.

⁴² Australian Public Service Commission (2020), *Australian Public Service Disability Employment Strategy 2020–2025*.

⁴³ *Inclusion Australia (2022), Equal Pay, Equal Rights: Submission to the Disability Royal Commission, December 2022, p. 53.*

- Data-Driven Decision Making – with accurate data on disability employment and pay gaps, organisations can make more informed decisions to address disparities and implement effective for improvement.
- Public Awareness and Accountability - Reporting increases public awareness of disability employment issues and holds organisations accountable for their progress in promoting disability inclusion.

Practical details on how this can be implemented have recently been published in the UK through a joint project between the Institute of Directors and Disability@Work⁴⁴. We have a good starting point in Australia already through the work of the Workplace Gender Equality Agency and DEA's suggestion would be to explore expanding the scope of that Agency to incorporate disability into its remit.

Piloting a Disability Confidence Scheme

The UK has operated a disability confident scheme of one form or another for decades, with three levels of accreditation for organisations to attain based on their self-assessment of conformance with best practice within the scheme. It is not perfect, but it has at least attracted widespread engagement, with tens of thousands of employers now signed up. Ipsos carried out a survey of organisations involved (n=1333) and found that:

- Seventy-one percent agree that employing people with disability has a positive impact on staff morale.
- Eighty-three percent did not view employing people with disability as detrimental to productivity.
- Eighty-six percent were aware of at least one of the benefits available to them through the Disability Confident scheme and 79% had used those benefits.

However, there are elements of the UK scheme that have worked less well, including: a guaranteed interview scheme for people with disability; the fact that organisations do not have to employ anyone with a disability at all to be accredited under lower levels of the scheme; and the nature of self-assessment/self-auditing as a critical part of the process.

If Australia is to deploy mandatory reporting and disability procurement, it will need something akin to the Disability Confident Scheme to ensure that employers are doing things in the right way, and that there is a unified way of expressing and demonstrating their commitment to inclusion. As the Employment White Paper states, *“Collecting diversity data of current staff is another important way the private sector can support an inclusive workplace. However, the collection of diversity data must be done in a culturally safe way, and part of a broader commitment to inclusion and diversity. While reporting and data are essential to understanding the labour market, collecting this data must lead to positive change”*⁴⁵.

⁴⁴ Institute of Directors, & Disability@Work. (2025). *Progress through transparency: The case for mandatory disability employment and pay gap reporting*.

⁴⁵ The Treasury. (2023). *Working future: The Australian Government's White Paper on Jobs and Opportunities*.

An Australian approach to a Disability Confident Scheme should build on the best of the British example and improve on its flaws, and as such be shaped around the following tenets:

- It should be simple enough that it is accessible and applicable to both large multinationals and regionally-/remote-based SMEs.
- All organisations involved should employ people with disability. Mandatory reporting could, in time, lead to a minimum benchmark (e.g. 15% of workforce being people with disability) to allow access to the Scheme (or to determine the 'level' at which an organisation might be accredited).
- There needs to be a form of independent assessment – a role performed ably by Social Traders in the world of Social Procurement – however the cost of this assessment should not be so high as to be a barrier for smaller organisations.
- A Disability Confident accreditation should be used as a 'signal' to people with disability that they are applying to a disability-friendly employer on job advertisements.
- In designing the scheme, there would need to be definition of what 'good looks like' and whether this differs dependent on the size of the employer, sector etc.

Procurement policies

As discussed in Chapter 6, social procurement will drive employer demand.

Commonwealth, state and territory governments should develop or update their procurement policies to embed clear, enforceable disability employment requirements within government procurement contracts, where employment is a relevant outcome. This should include options such as setting targets for hiring people with disability, partnering with disability-inclusive businesses, and purchasing from disability-led enterprises or social enterprises.

Recommendation 10 – government to supercharge employer demand and engagement with disability employment. This should include consideration of public sector recruitment, mandatory reporting, a disability confidence scheme, and social procurement.

CONCLUSION: Enabling Reform

Reform at this scale cannot be achieved through isolated changes. It will require a coordinated, whole-of-government approach, grounded in cross-portfolio planning, long-term investment, and sustained commitment to rights-based practice. Key enablers include co-design with people with disability, a national roadmap with phased milestones to 2034, and a comprehensive investment package to support workforce development, provider transition, and inclusive service design.

Government must also build the infrastructure needed for a sustainable inclusive employment system, including foundational supports, strong demand-side measures, and monitoring frameworks that track outcomes and uphold safeguards. This is not just a funding reform, but a structural shift that must be actively led and stewarded across all levels of government.

The National Inclusive Employment Roadmap must take into account how all disability employment supports — including NDIS, IEA, the Employment Assistance Fund, and wage subsidies — interact in practice, not just how they function on paper. Reform cannot focus only on one part of the system while ignoring the interface between programs and funding streams.

Government must invest in the transition at all levels. This includes funding for providers to redesign their services, retrain their staff, and either transform into new models or exit the sector safely. Infrastructure investment is also needed to build the systems, tools, and partnerships that inclusive employment relies on, especially for providers operating in thin markets or supporting specific population groups. Foundational supports must include specific supports and education for young people their families and the sector.

Demand-side measures must also be part of the solution, including stronger public sector targets and reforms to ensure government agencies model inclusive employment. This includes creating roles, setting targets, and making adjustments standard practice.

And critically, supported employees themselves must be supported. This means funding for job planning, coaching, peer support, training, and workplace adjustments, as core features. While some of these supports may exist in parts of the current system, they are often inconsistent, fragmented, or remain tied to segregated settings, despite previous reforms meaning they can technically be provided externally. In a reformed system that ensures no person with disability is disadvantaged by changes, these must be guaranteed, portable, and focused on supporting people into inclusive work. DEA acknowledges support for building the capacity of individuals does increase their likelihood of transitioning out of ADEs, while also noting the purchasing of these supports is low.⁴⁶

While it is clear that we need to continue to improve on individual supports, we also need to have a much bigger focus on genuine systemic reform to ensure we are in line with our obligations under the CRPD in ensuring disabled people have equal access to employment opportunities in the open labour market.⁴⁷

The success of this structural shift will depend on how well the government manages this change. Any roadmap needs to set clear timelines and expectations, avoid abrupt transitions without adequate supports, provide sufficient funding and embed monitoring and evaluation.

As outlined earlier, this must not be simply a closure of ADEs. It is the transformation of the entire supported employment ecosystem into one that is fairer, more person-centred, and better aligned to human rights – while also delivering a better return on investment to government.

⁴⁶ NDIA, *From ADEs to Open Employment*, 2023, p. 37.

⁴⁷ United Nations, *Convention on the Rights of Persons with Disabilities*, 2006.

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