

In the field of social enterprise there is a range of naturally occurring ‘types’ that emerge from common approaches, ideals, and social purposes. Social Traders, working with a number of experts, have developed this series of Social Enterprise Info Briefs to capture the unique characteristics of each social enterprise type.

Australian Disability Enterprises

What are they?

Australian Disability Enterprises employ people with a disability who find it difficult to work or maintain employment in the open labour market or who choose to work in an Australian Disability Enterprise. They have a dual focus of providing employment for people with a disability and operating a commercial business. Having evolved from the sheltered workshops of the past, Australian Disability Enterprises (ADEs) have their legislative basis and broad role defined in the Disability Services Act 1986.

The organisations vary substantially in size. Most operate from factory outlets, while others provide work and training in the community or at the work sites of mainstream employers. The latter are known as mobile work crews and enclaves.

There is a wide variety of tasks and learning opportunities which employees with a disability may undertake in ADEs. Examples include packaging and assembly, horticulture, timber products and furniture manufacture, hospitality, printing and distribution services, recycling and salvaging, and assembly of electrical and mechanical products. There are also a number of miscellaneous activities in which ADEs may be involved, including sewing, laundry work, car detailing, commercial and domestic cleaning, recycling and salvaging. Other ADEs provide opportunities in retail, clerical and administrative work, data entry, transport services and driving/courier work.

Why do we need these?

Many people with disability are excluded from mainstream employment. They are restricted in the types of work they can undertake and due to the cost and effort, many employers are not prepared to implement the modifications required to accommodate workers with a disability. We know that meaningful employment contributes to better health and wellbeing as people are able to participate in a normal lifestyle.

ADEs are tailor-made to accommodate the disabilities of their employees. There are many people for whom working in an ADE represents the only form of work they can obtain. Any person who is in receipt of a Disability Support Pension is able to work in an ADE and, under current arrangements, can directly register with an ADE. Statistics reveal that only 10% of Disability Support Pension (DSP) recipients report any form of earnings from employment.

What outcomes do they achieve?

Most ADE employees (83.9%) are engaged on a permanent part-time basis. Currently, 91% of people working in an ADE receive the DSP, as well as their wages.



The activities of ADEs have a significant economic and social flow-on benefit to the whole community. The employment of people with disability in the ADE sector also eases pressure on State and Territory funded day programs, as well as providing a more efficiently funded and inclusive outcome.

Surveys of supported employees reveal the importance of the value of work, the ability to increase skills and independence, interaction with peers, development of friendships and the satisfaction gained from earning a wage ⁽¹⁾.

How do they perform financially?

Because of their dual focus, ADEs must manage a complex range of factors. Unlike commercial businesses which recruit employees with the skills and qualifications required to respond to market opportunities, ADEs:

- build their business around the skills and competencies of their workforce;
- have a reduced range of options to increase productivity - operating multiple shifts and importing sophisticated technology may not be options; and
- provide a diverse range of care and support services (often including transport, counselling and help with income support matters) that far exceeds the normal obligations of an employer.

Most ADEs report either an operating profit or a break even result from their commercial activities. ADEs receive funding from the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to provide training, assistance and support to job seekers and workers with disability. Funding levels are determined by the individual support requirements of each worker. ADEs are expected by FaHCSIA to cover all of their other operating costs through revenue raised from their commercial activities.

Supported employees are paid pro rata Award wages based on an assessment of their skills and productivity.

The Australian Government revised its Commonwealth Procurement Guidelines in December 2008 to include a new exemption from the mandatory procurement procedures for “a business that primarily exists to provide the services of persons with a disability”. This exemption will allow Commonwealth Government agencies to purchase from ADE’s without the need for an open tender process.

Prominence in Australia and overseas

The 415 ADEs across Australia employ approximately 22,000 people with disability. In the United States an agency known as NISH supports more than 40,000 people with disability in employment in a range of activities through organisations similar to ADEs. Legislation requires the US Government to purchase specific goods and services from organisations that employ people with disability. In New Zealand over 70 organisations provide employment, training and support services to approximately 12,000 people with disability through the Business Enterprise program.



In the UK, employment services for people with disability are provided by organisations known as supported factories or supported businesses. The UK's supported employment program is defined as 'A scheme under which work is provided for disabled persons and where more than 50% of the workers so supported are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market.' WORKSTEP is a government funded program that provides individually tailored and flexible support to 26,000 people with disability in the workplace.

Examples in Australia

The details of all the ADEs in Australia can be accessed from the website below:

Australian Disability Enterprises www.australiandisabilityenterprises.com.au

References, research and resources

1. University of NSW (2009), Australian Disability Enterprises: Sector Profile

National Disability Services www.nds.org.au

Australian Fair Pay Commission Secretariat [Australian Disability Enterprises Sector Profile](#)

Department of Families, Housing, Community Services and Indigenous Affairs [FaHCSIA](#)

For further information

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