



BANKWEST CURTIN ECONOMICS CENTRE

EMPLOYMENT AND DISABILITY IN AUSTRALIA

Improving employment outcomes for people with disability

Alex Buckland, Mike Dockery, Alan Duncan, Valentina Sanchez Arenas,
Panagiotis Sotirakopoulos, Chris Twomey, Lili Loan Vu

Focus on the States Series, No. 10/24
March 2024

About the Centre

The Bankwest Curtin Economics Centre is an independent economic and social research organisation located within the Curtin Business School at Curtin University. The Centre was established in 2012 through the generous support of Bankwest, a division of the Commonwealth Bank of Australia. The Centre's core mission to deliver high quality, accessible research that enhances our understanding of key economic and social issues that contribute to the wellbeing of West Australian families, businesses and communities.

The Bankwest Curtin Economics Centre is the first research organisation of its kind in WA and draws great strength and credibility from its partnership with Bankwest, Curtin University and the Western Australian government. The Centre brings a unique philosophy to research on the major economic issues facing the State.

By bringing together experts from the research, policy, and business communities at all stages of the process – from framing and conceptualising research questions, through the conduct of research, to the communication and implementation of research findings – we ensure that our research is relevant, fit for purpose, and makes a genuine difference to the lives of Australians, both in WA and nationally.

The Centre is able to capitalise on Curtin University's reputation for excellence in economic modelling, forecasting, public policy research, trade and industrial economics and spatial sciences. Centre researchers have specific expertise in economic forecasting, quantitative modelling, micro-data analysis and economic and social policy evaluation. The Centre also derives great value from its close association with experts from the corporate, business, public and not-for-profit sectors.

BCEC REPORT SERIES



Focus on Western Australia

This series explores economic and social issues from a Western Australian perspective, including data specific to WA or benchmarking WA against other states and territories.

First release 2014



Focus on the States

This series examines topical economic and social issues of relevance to contemporary public policy discourse in Australia.

First release 2014



Focus on Industry

This series looks at historical trends, current issues and future directions in important industry sectors within the context of the Western Australian economy.

First release 2016

CONTENTS

LIST OF FIGURES	5
LIST OF TABLES	7
FOREWORD BCEC	8
EXECUTIVE SUMMARY	9
Key findings	12
Recommendations	14
EMPLOY MY ABILITY: POLICY FRAMEWORKS AND APPROACHES	17
Introduction	18
Framing the challenge	19
Human rights, dignity and labour market inclusion	20
Improving employment outcomes in Australia	22
Employ My Ability – Please?	23
Education to employment transitions	24
The international context	25
PEOPLE WITH DISABILITY IN AUSTRALIA: PREVALENCE AND TRENDS	27
Introduction	28
Defining and measuring disability	29
Prevalence and nature of disability in Australia	32
EMPLOYMENT OUTCOMES FOR PEOPLE WITH A DISABILITY	41
Introduction	42
Trends in labour force participation and employment for people with a disability	43
Which occupations and industries are most accessible to people with disabilities?	46
The labour market penalty for people with a disability	49
Journeys through work and time: labour market progressions for people with a disability	55
Has the National Disability Insurance Scheme improved labour market outcomes?	58
IS THE AUSTRALIAN WORKPLACE INCLUSIVE FOR PEOPLE WITH DISABILITIES?	61
Introduction	62
A precarious world: job insecurity for people with a disability	63
Job satisfaction for people with a disability	66
Matching up? Underemployment and work preferences	67
Breaking down the barriers	70
Labour market discrimination	73
DISABILITY, WELLBEING AND EMPLOYMENT	75
Effect of employment on wellbeing for people with a disability	80

CONTENTS (continued)

EMPLOYMENT AND LABOUR MARKET INCLUSION FOR CARERS	81
Introduction	82
Caring for a person with a disability	83
Is the Australian labour market inclusive for carers?	87
Working life for carers	89
Barriers to employment	91
Caring, wellbeing and employment	93
SHIFTING THE DIAL: RESHAPING POLICY TO BROADEN ACCESS TO EMPLOYMENT FOR PEOPLE WITH DISABILITIES	97
Introduction	98
The economic contribution and cost of people with a disability	99
A work first approach	101
Public sector employers as leaders	105
Community sector providers as employers of choice	106
Education to work transitions that support life-long outcomes	107
SUMMARY AND POLICY RECOMMENDATIONS	109
Recommendations	113
ABBREVIATIONS	115
REFERENCES	117
APPENDIX	119

LIST OF FIGURES

FIGURE 1	People with disability: conceptual framework	30
FIGURE 2	Disability rates by age and gender, 1998 and 2018 SDAC, persons aged 0-69	32
FIGURE 3	Prevalence of disability by extent of limitation, SDAC, working-age population, 1998 to 2018	34
FIGURE 4	Nature of impairment for people with a disability aged 15-69: by gender, 2003 and 2018	35
FIGURE 5	Age of disability onset for people with a disability aged 15-69: by gender, 1998 and 2018	36
FIGURE 6	Proportion with a disability, and work limiting disability, population aged 15-69, 2001-2022	37
FIGURE 7	Disability prevalence by gender, age, and cohort: 2001 to 2022	39
FIGURE 8	Labour force status for people with and without a disability: 2001 to 2022	43
FIGURE 9	Employment rates for people with and without a disability: by gender, 2001 to 2022	44
FIGURE 10	Employment rates by level of disability: 2003 to 2018	45
FIGURE 11	Workforce share by occupation for people with disability and non-disabled: 2020 to 2022	46
FIGURE 12	Workforce share by industry for people with disability and non-disabled: 2020 to 2022	47
FIGURE 13	Estimated employment penalty for people with disability: 2003 to 2022	50
FIGURE 14	Employment penalty by level of limitation for people with disability: 1998 to 2018	51
FIGURE 15	Educational attainment for people with and without a disability: 2001 to 2022	53
FIGURE 16	Employment penalty by education level for people with disability: 1998 to 2018	54
FIGURE 17	Labour market trajectories for people with and without disability: 2015 to 2022	57
FIGURE 18	Precarity index by disability status and gender: 2002 to 2022	63
FIGURE 19	Precarity by occupation for people with disability: 2002 to 2022	64
FIGURE 20	Mean job satisfaction by disability status	66
FIGURE 21	Underemployment ratios by disability status: 2001 to 2022	67
FIGURE 22	Reasons for working part-time by disability status: 2001 to 2022	68
FIGURE 23	Preference for working more or fewer hours: employees with a work-limiting disability	69
FIGURE 24	Stated reasons for difficulties getting a job: jobseekers with and without disability	70
FIGURE 25	Reasons for not looking for a job: marginally attached people with and without disability	71
FIGURE 26	Mean life satisfaction by disability status	76
FIGURE 27	Overall life satisfaction rating (0-10 scale): by disability status	77

LIST OF FIGURES (continued)

FIGURE 28	Mean life satisfaction by level of disability: HILDA 2001 to 2022	79
FIGURE 29	Share of working age Australians providing care: 2006 to 2021	83
FIGURE 30	Age composition of primary carers and other carers: 1998 and 2018	84
FIGURE 31	Educational attainment by carer status: 1998 and 2018	85
FIGURE 32	Labour force status for carers and non-carers: ABS Census, 2006 to 2021	87
FIGURE 33	Mean job satisfaction by carer status: 2005 to 2022	89
FIGURE 34	Preference of carers for working more or fewer hours: 2005 to 2022	90
FIGURE 35	Perceived reasons for difficulties getting a job: jobseekers: by carer status, 2005 to 2022	91
FIGURE 36	Reasons for not looking for a job: marginally attached by carer status, 2005 to 2022	92
FIGURE 37	Mean life satisfaction by carer status: persons aged 15-69 years, HILDA Waves 5-22	93
FIGURE 38	Life satisfaction: Effects of caring roles, and main carers' labour force status: HILDA Waves 2005 to 2022	94

LIST OF TABLES

TABLE 1	Disability rates by gender and age, SDAC 1998 to 2018	33
TABLE 2	Distribution of people with disability across industry sector: 2020 to 2022	48
TABLE 3	Labour market transitions between 2021 and 2022: by disability status	55
TABLE 4	Probability of employment: multivariate regression models, HILDA and SDAC data	120
TABLE 5	Employment probability by level of limitation: pooled SDAC data 1998-2018	121
TABLE 6	Employment probability by education level and disability status	121
TABLE 7	Estimated association between NDIS support package and labour market outcomes: people with disability, 2017 to 2022	122
TABLE 8	Transition to employment among people with disability who would like a job: 2017 to 2022	123
TABLE 9	Drivers of 'happiness' among people aged 15-69: 2001 to 2022	124
TABLE 10	Estimated relationship between disability status and wellbeing: by degree of limitation, 2001 to 2022	125
TABLE 11	Labour force status and life satisfaction by degree of work limitation: 2001 to 2022	126
TABLE 12	Employment probability for carers: panel regression models, HILDA data 2005 to 2022	127
TABLE 13	Effect of carer status on life satisfaction: panel regression models, HILDA data 2005 to 2022	127
TABLE 14	Labour force status and life satisfaction for carers: HILDA data 2005 to 2022	128

FOREWORD

Despite growing demand for workers and skills in Australia, there remain significant barriers to employment for many of the one in six Australians – around 4.4 million people – with a disability. The situation is especially acute for up to 3 million Australians living with a disability classified as work-limiting to some degree.

Aside from this obvious underutilisation of the talents of people with disability, the opportunity to work is fundamental to living a complete and fulfilling life and to achieving autonomy and independence.

This new Focus on the States report contains a comprehensive assessment of the trends, drivers and consequences of labour market disadvantage faced by people with disability in Australia, with a view to highlighting the potential for policy and actions to promote greater inclusion and support, reduce barriers to employment and address the discrimination and unconscious bias that still endures in our society.

The report casts new light on the different labour market journeys and work progressions experienced by people with work-limiting disabilities compared to those with conditions that do not limit their labour market contribution, and to people without disability, as well as for carers of people with disability.

We reflect on the extent to which the support packages available through the National Disability Insurance Scheme have improved access to employment for people with disability and offer some recommendations for action to make Australian workplaces more inclusive for all. These recommendations are founded on the guiding principle of an entitlement to meaningful work for all that seek it.

We would like to thank the many stakeholders we've met with for their invaluable insights and contributions to shaping this report, particularly those with lived experiences of the issues examined.

We hope you find the report to be illuminating, and as always, we would love to hear your views on our research.



Professor Alan Duncan
Director, Bankwest Curtin Economics Centre
Faculty of Business and Law, Curtin University

EXECUTIVE SUMMARY

Commencing from the early 1990's, Australia's policy relating to people with disability has been fundamentally reshaped into what has been described as the 'rights based' era. Key developments on this pathway included the Disability Services Act (1986), the Disability Discrimination Act (1992), Australia's signing of the United Nations Convention on the Rights of Persons with Disabilities, two 10-year National Disability Strategies, the introduction of the National Disability Insurance Scheme and the 2019 Royal Commission into the treatment of people with disability.

At the heart of these reforms is the goal for an inclusive society in which people with disability can lead lives to the fullest of their potential and as equal citizens.

Access to meaningful employment is a critical element in achieving inclusivity and leading a full life, and this report focuses on Australia's track record in terms of labour market inclusion for people with disability and their carers.

Labour market inclusion for people with disabilities

Despite the extensive policy efforts, reforms to supports and service delivery for people with a disability and greatly increased funding, we find that things are not improving for Australians with a disability. Relative to Australians without disability, the likelihood of a person with a disability gaining employment has not increased at all over the past 20 years.

This finding applies across the spectrum of levels of limitation. Employment prospects have not improved for people with disabilities who face mild limitations, through to those with profound limitations in undertaking core activities.

This key finding is confirmed using detailed statistical modelling and conducted separately using two key national datasets.

The wellbeing of people with disability

Australia's lack of progress in labour market inclusion appears symptomatic of a wider failure of policy reforms to alleviate the barriers people with disability experience in participating fully in society.

Australians with disability do, on average, lead happy and fulfilling lives. However, our modelling identifies reductions in life satisfaction associated with having a disability, and with disabilities of varying levels of limitation. These 'wellbeing' penalties have also not reduced at all over the past 20 years.

There is widespread acceptance that opportunity for meaningful employment with fair pay for people with disabilities is integral to full participation in society. Key domains in which people with disability are less satisfied with their lives relate to labour market inclusion: their employment opportunities and financial circumstances.

Accordingly, our modelling provides strong evidence that securing employment enhances wellbeing for people with disabilities.

Are workplaces inclusive?

When in employment, workers with disability typically report a high level of satisfaction with their jobs. Relative to other workers, however, they are notably less satisfied with their pay, and job security. On average they are actually more satisfied with the work that they do than workers without disabilities.

The jobs of workers with disability are highly precarious, particularly for workers in lower skilled occupations. Job insecurity and inferior working conditions contribute in roughly equal part to this precarity. It is in the occupation of technicians and trades workers that people with disability face the highest gap in precarity relative to their counterparts without disabilities.

Job insecurity is one element of a much higher rate of churn between labour market states for people with disability. This includes moving in and out of the labour force altogether, as well as between jobs and unemployment. For example, 90 per cent of full-time workers without a disability in one year are found to be in full-time work the following year, compared to just 75 per cent of full-time workers with a disability.

Carers

Being the primary carer of a person with a disability or an elderly person is associated with a lower employment probability of 5 to 10 per cent. The demands of that role are associated with a small but significant reduction in self-assessed life satisfaction.

As with people with disabilities, there appears to have been no improvement in work outcomes and life satisfaction for carers over the past two decades of policy and funding reform.

The availability of free time, finances, employment opportunity, and health are life domains in which primary carers of working age tend to be less satisfied.

There is also a large overlap between the population of carers and people with disability. Based on the HILDA data, 46 per cent of working age people who are a main carer also have a disability.

Primary carers looking for work nominate their own ill health as their main barrier to getting a job.

Shifting the dial

We fully support the rights-based approach to policy relating to people with disabilities, but existing policy settings that merely point to rights without meaningful initiatives and compliance are not generating sufficient momentum for change to improve the lives of Australians with disabilities.

More needs to be done. Evidence presented in this report makes it clear that enhancing labour market inclusion must be part of that push.

We advocate a work first approach embedded into the supports provided for people with disabilities, in which the default assumption is that people with disabilities can access meaningful work whenever they and their families believe this is appropriate.

To implement this approach, we recommend the creation of an agency to coordinate disability employment policy that ensures it is aligned with positive outcomes for people with disability. Roles would include the collection and collation of data, rigorous evaluations, and providing evidence-based advice to employers, service providers and policy-makers on what works best.

An initial priority must be to address adverse incentives embedded in the existing system. These include the greater rewards to Disability Employment Service providers to achieve repeated short-term placements rather than longer term employment outcomes, restrictions on hours worked in placements, and how support payments or NDIS eligibility can be placed at risk or withdrawn over time as a result of successful employment outcomes.

Our modelling suggests that, other things being equal, being in receipt of NDIS support reduces the likelihood a person with disability will secure a job. Currently only around one-third of NDIS support plans for working age clients include employment-related goals.

Leveraging the efforts, good will and leadership of corporate Australia is essential to the success of a work first approach. This should start with offering strong incentives, such as wage subsidies, financial and technical assistance with workplace accommodations, backed up by research and evaluation to identify and promote best practice. The agency would provide a central contact point for employers to address the uncertainties many feel around creating inclusive workplaces.

All organisations should be seen as potential Australian Disability Enterprises. Rather than differentiating by the degree of 'openness' versus supported employment, all organisations should be supported on the basis of their effectiveness in generating positive outcomes for people with disabilities and their families against clearly defined objectives.

Governments should be prepared to enact compliance measures, such as mandatory reporting, targets and quotas if there is no evidence of progress accelerating. Government procurement conditions and practices is a key place to start.

The government sector also needs to lead the way by improving the inclusiveness in the public sector.

Education to work pathways

There is a case for a greater focus on increasing education retention and attainment for young Australians with disabilities. While employment rates increase with educational attainment for all Australians, our modelling shows there is large, additional positive effect for people with disability.

This means there is a large social opportunity cost arising from the exclusion of people with a disability who are currently at the margins of finishing school, or of going on to complete a certificate or university qualification.

The evidence also shows that better education outcomes for people with a disability provides an additional boost to their job prospects, with a bachelor's degree increasing their chances of being employed by an additional 34.4 per cent (an additional 16.2 per cent boost above the 18.2 per cent improvement seen for people without a disability with a degree).

Best practice models provide both meaningful jobs skills and work experience programs along with supported post-school transition that engages with employers, support and follow up with students to ensure success.

Key Findings

The BCEC Employment and Disability report draws on the different strengths of three main datasets to maximise insights into trends for people living with a disability in Australia: the ABS Survey of Disability, Aging and Carers (SDAC), the ABS Census and 22 waves of the longitudinal Household, Income and Labour Dynamics in Australia Survey (HILDA). Each data set has different ways to identify people with disability, but all three draw on the concept of requiring assistance for everyday functioning.

Due to the focus on labour market inclusion, most statistics and analyses presented in this report relate to people of working age, defined as between 15 and 69 years of age.

The prevalence of disability in Australia

Estimates of the prevalence of disability vary across different sources of data. According to the ABS Survey of Disability, Ageing and Carers, there are around 4.4 million people with disability in Australia. The total incidence of disability among working age people (15-69 years) **declined from 18.0 per cent in 1998 to 14.4 per cent in 2018**.

The decline in prevalence can be attributed to a fall in the prevalence of disability among older working-age Australians, and particularly in disabilities associated with physical restrictions.

Labour market inclusion

Based on HILDA data, 53.1 per cent of people with a work-limiting disability were in a job in 2022, compared to 81.8 per cent of people without a disability or long-term health condition, a gap of 28.6 percentage points. That **gap has widened from 27.8 percentage points in 2001**.

People with disability experience a significant labour market 'penalty', such

that they have been consistently **25-30 percentage points less likely to be employed** than those without a disability over the past two decades. There is evidence of a recent decline in that penalty from around 32 percentage points in 2018 to 27 percentage points in 2022.

Penalties in the probability of being in employment associated with each level of restriction – from a disability that poses no restrictions on core activities through to one that imposes profound limitations on core activities – have remained stable over time.

The need for inclusive education

Having a university degree is associated with an 18.2 per cent increase in the chance of being in work compared to a person who did not complete school. For people with disability, having a university degree is associated with **an additional 16.2 per cent** higher probability of being in work.

Labour market churn and discouraged jobseekers

People with disability experience a high degree of churn between labour market states. For full-time workers with a disability, typically **25 per cent** will have **left full-time employment** one year later, compared to just 10 per cent for full-time workers without a disability.

Among unemployed people, **42 per cent** of people with a disability have **left the labour force** one year later, compared to just 13.7 per cent for people without a disability.

Job quality

When in employment, workers with a disability are, on average, quite content with their jobs and with most aspects of their jobs. Relative to workers without a disability, the aspects of their jobs they are **least satisfied** with are **pay, job security and hours worked**.

Labour market segregation

By industry, the **health care and social assistance** sector employs the largest proportion of its workforce with people with a disability (21.7 per cent). Agriculture, forestry and fishing has the highest over-representation of workers with a disability, at 6.3 percentage points above their overall share in the workforce. Mining has by far the highest under-representation (-6.4 percentage points)

When in employment, people with disability are under-represented in higher skilled occupations. They are around **twice as likely** to be employed as **labourers** than people without a disability.

A work first approach

Over 630,000 people now receive support through the NDIS. Currently only one-third of NDIS clients of working age have employment goals as part of their NDIS support plans. Modelling suggests being a NDIS client reduces a person's chance of being in employment and reduces their chance of transitioning into work **by around 7 percentage points**.

Accessible transport is a barrier to securing employment. **Twenty-six per cent** of people with disability report **transport issues as a barrier** to finding work, compared to 16 per cent of jobseekers without a disability.

The economic return to inclusion of people with disability in Australia

Analysis in this report suggests that **increasing the number of people with disability who are employed by 10 per cent would raise national economic output by \$16 billion per year**.

This is a conservative measure based on additional wages but does not take

account of cost savings in welfare payments and the mitigation of other supports.

Disability and wellbeing

Australians with a disability lead happy and rewarding lives, reporting average **life satisfaction of over 7 on a scale from 0 to 10** and on which 10 is the highest possible score. However, having a disability is associated with lower wellbeing. The reduction in reported subjective wellbeing associated with having a disability is as large today as it was in 2001.

For people with a disability, there is evidence that gaining employment has a positive and causal effect on their sense of wellbeing.

People with disabilities care

There were an estimated **1.42 million carers** of working age in Australia in 2022 of whom 840,000 were the main carer of people requiring assistance due to a disability or old age. Around 63 per cent of carers are **female**, and this rises to **70 per cent for main carers**.

Controlling for other factors, a person who is a main carer is around **8.5 percentage points** less likely to be working than a similar person who is a non-carer.

Many carers are, themselves, people with disabilities and vice versa. Among people who are the main carer of someone who is elderly or has a disability, **35 per cent have a work-limiting disability** themselves, compared to 15 per cent of people without caring roles.

Recommendations

A work first approach

- Implement a work first model based on a universal entitlement to meaningful work for all who seek it, with pay at or above award wages.
- Create a *National Disability Employment Agency* (NDEA) that coordinates and aligns activities across existing welfare and disability support agencies (including Disability Employment Services as well as access to the disability support pension and NDIS).
- Ensure active representation of people with disabilities and carers in policy formulation and evaluation as well as the governance and oversight of the NDEA.
- Ensure regular and consistent reporting and analysis of disability employment and wellbeing outcomes, including social inclusion, self-determination and meaningful work.
- Set and report against clear targets for disability employment outcomes, including public sector employment, industry and enterprise level reporting, procurement targets and resources in public service contracts, and inclusion in NDIS support plans.
- Require the NDEA to develop and implement a progressive policy framework to share best practice in promoting greater workplace inclusion for people with disability.
- Establish a national program to fund specialist disability recruitment and support services to provide targeted support, and disseminate best practice at an industry and enterprise level.
- A broadscale national awareness campaign to change community, employer and workplace attitudes to

the participation and inclusion of people living with a disability.

- Regular national, state and territory Disability Employment Excellence Awards.
- Trial and evaluate disability employment subsidy programs and specialist support for people with higher work limitations and support needs, as well as one-off disability placement and workplace adaptation schemes to support recruitment and transition.

Public Sector employment

- Federal, state and territory governments commit to provide leadership in disability employment processes and outcomes.
- Include clear and consistent public sector employment targets and reporting requirements in the national partnership agreement and the Australian Disability Strategy.
- State and territory public sector commissions should regularly share best practice models and case studies.

Community Sector employment

- Federal, state and territory governments provide additional funding into existing and new public service contracts to support and deliver disability employment outcomes.
- Develop and resource specialist disability recruitment and transition support services to assist and advise community service providers and to provide ongoing support to people with a disability and employers.

Employer leadership

- Leading employers should embrace disability employment outcomes as a means of advancing and promoting the culture and values of their businesses.

- Employers who have actively engaged with and promoted the WGEA model are well-placed to transfer their learnings from gender equity to disability inclusion outcomes.
- Boards of Management should oversee disability recruitment and employment outcomes and look to include representation of lived experience at Board level.
- Industry bodies should actively engage with disability inclusion initiatives, developing, supporting and promoting industry-level initiatives, share and award stories of success.

Education to work transitions

- A national partnership agreement committing state and territory education systems to develop, deliver and report a coordinated national response.
- A quality post-school transition process that includes: person-centred transition planning, beginning early (by year 9); work experience opportunities and the facilitation of part-time work; a focus on foundational skills; and career development planning.
- A national clearing house to curate and coordinate information and resources, overseen by the National Disability Employment Agency.
- National data collection on post-school outcomes.
- A system for reporting breaches of the disability standards for education with an independent complaints mechanism.
- Specialised career advisory and transitional support roles within schools and educational institutions.

"IT IS ESTIMATED THAT
**ONE IN EVERY SIX
AUSTRALIANS** OR
AROUND 4.4 MILLION
PEOPLE IS LIVING
WITH A DISABILITY
(AIHW 2022)."





EMPLOY MY ABILITY: POLICY FRAMEWORKS AND APPROACHES

INTRODUCTION

It is estimated that one in every six Australians or around 4.4 million people is living with a disability (AIHW 2022). Many of these Australians live full, rewarding, and happy lives, make significant contributions to our economy and society, and enrich the lives of those round them. Far too many, however, are still excluded from making a meaningful contribution to our community and are not living their lives to their full potential ... for completely avoidable reasons.

Exclusion from the labour market is a major contributing factor to lower levels of life satisfaction for people living with a disability. Consecutive policies have set targets to improve this situation over the last two decades but failed to shift the dial in any meaningful way. This report draws on insights provided by a range of stakeholders, and data from the Census, Surveys of Disability, Ageing and Carers, and the Household, Income and Labour Dynamics in Australia survey (HILDA).

We look at the impact of disability on wellbeing and participation in our economy and community.

Our focus is primarily on labour market inclusion for people living with a disability and carers. We are conscious of intersectionality with other groups who also experience discrimination, including First Nations Australians, LGBTQ+ and those from non-English speaking backgrounds. We acknowledge there are many issues beyond labour markets that can intersect and interact to compound disadvantage, just as other issues facing Australians with disability also impact on their participation and wellbeing. Labour market inclusion is by no means a magic bullet, however meaningful work, financial independence and the respect shown by colleagues and the community can have a profound impact on life satisfaction, social inclusion and wellbeing.

² Rebecca Cassells, Michael Dockery and Alan Duncan (2014), *Falling Through The Cracks: poverty and disadvantage in Australia*, BCEC Focus on the States Report Series, Issue #1. October 2014.

FRAMING THE CHALLENGE

People all differ in their physical and social-emotional characteristics and in their functional capacities across the gamut of human activities. Ideally, we seek a society that maximises people's wellbeing through the attainment of their own aspirations that also maximises their social contribution to help achieve others' wants and goals. These are not inconsistent but mutually reinforcing goals, since it is an innate human trait to derive wellbeing from a sense of relatedness and mastery (Deci and Ryan 2000).

Disability is a relative concept defined either with respect to identifiable physiological conditions, or in terms of limits to functioning, relative to some norm. In times past, Australia's approach to people living with a disability failed to adequately promote wellbeing or to facilitate their contribution to and involvement in society. Limits to functioning were often exacerbated by discrimination and ill-informed attitudes, compounding disadvantage and exclusion.

The transformative approach to conceptualising disability within the rights-based era is to reframe capability in relation to the barriers that prevent or interfere with a person's ability to feel part of our society and participate within community activities, including employment. Everyone has a right to participate and make a meaningful contribution to our community, based on their strengths, proclivities, and passions. Hence, we seek as a community to empower them by addressing those barriers to their participation. In practice, however many of the barriers that remain are attitudinal rather than physical, and we still have a long way to go.

HUMAN RIGHTS, DIGNITY AND LABOUR MARKET INCLUSION

In Australia, people living with a disability are subject to policies of both the Commonwealth and State governments, with the balance of responsibility shifting over time. Post colonisation, Stubbs, Webster and Williams (2020) identify three broad chronological periods of changing 'social conceptions' towards people with disability. Firstly, a role for the Commonwealth was established in Section 51(xxiii) of the Constitution, which provided for the Commonwealth to make laws with respect to 'invalid and old-age pensions.' In this first period the Commonwealth's obligation was seen as limited to support of the 'deserving and aged poor' with the result that many people with a disability were either neglected or consigned to hospital, jails or asylums (Mays 2015, Kewley 1980, Stubbs *et al.* 2020).

In the second period, expectations for the Commonwealth to provide welfare schemes for social and economic reconstruction in the aftermath of World War 2 provided the impetus for an expanded Commonwealth role in policies affecting people with disability. This was facilitated by an amendment to the Constitution to insert s51(xxiiiA) to enable the Commonwealth to make laws relating to 'pharmaceutical, sickness and hospital benefits, medical and dental services.' Initially focussed on assisting people with prospects of 'gainful employment,' the scope of Commonwealth rehabilitation services expanded in the 1970s to cover all people with disability, and assistance was provided to charitable organisations to support disabled people's homes and 'sheltered employment' (Kewley 1980, Stubbs *et al.* 2020).

Starting from the 1980s, the third period saw a reorientation of the underpinning philosophy, as questions of needs and qualification for support were replaced with a rights-based approach, recognising the right of people living with a disability to dignity and the fullest possible participation in society. Significant steps in this direction included the Disability Services Act (1986), Disability Discrimination Act 1992, the signing of the United Nations Convention on the Rights of Persons with Disabilities (UN CRPD) (2007), and the establishment of the National Disability Insurance Scheme (2011).

An early indication of this paradigm shift was the Disability Services Act (1986). It provided a framework for the funding and provision of disability services, and a stated objective of the legislation was to 'assist people with disabilities to receive services necessary to enable them to work towards full participation as members of the community.' Next Australia introduced the *Disability Discrimination Act 1992* (DDA) with the objective to eliminate 'as far as possible' discrimination against people on the ground of disability, including in the areas of work and education, and to ensure people with disability have the same fundamental rights as the rest of the community.

A key step in the evolution of international policy was the United Nations Convention on the Rights of Persons with Disabilities (UN CRPD) in 2006. It included the principles of non-discrimination; full and effective participation and inclusion in society; respect for difference and acceptance of people with disabilities as part of human diversity and humanity; and equality of opportunity. Australia was one of the original signatories to the Convention in 2007 which was ratified in July 2008.

The first National Disability Agreement (NDA) was signed by all states in 2008 and the first National Disability Strategy 2010-2020 developed and endorsed by COAG in 2011. It set out six priority areas for action: inclusive and accessible communities; rights protection; economic security; personal and community support; learning and skills; and health and wellbeing.

Looking back over this period of significant change in attitude toward disability in Australia, we see significant evolution in national policy, programs and funding. Yet, when we look at the evidence on employment participation outcomes in the reports listed above and in the following pages of this report, one single fact stands out. Over the last two decades we have seen no meaningful improvement in disability employment rates and outcomes.

Disability Discrimination Act 1992. Commonwealth of Australia.

Section 3 of the DDA outlines the objects of the Act, which are:

- to eliminate, as far as possible, discrimination against persons on the ground of disability in the areas of:
 - i. work, accommodation, education, access to premises, clubs and sport; and
 - ii. the provision of goods, facilities, services and land; and
 - iii. existing laws; and
 - iv. the administration of Commonwealth laws and programs; and
- to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and
- to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.

IMPROVING EMPLOYMENT OUTCOMES IN AUSTRALIA

This section brings together learnings from disability employment policy and programs within Australia and internationally to better understand what influences outcomes, and to consider what strategies and initiatives can make a practical difference to employment outcomes.

The Royal Commission [into Violence, Abuse, Neglect and Exploitation of People with Disability](#) was established in April 2019 in response to community concern about widespread reports of violence, neglect, abuse and exploitation. It delivered an interim report in October 2020 and its final report in September 2023. Focusing on the lived experience and voices of people with a disability and their carers, the report also foregrounds issues of participation and wellbeing, devoting [Volume 7](#) of its 12 volumes to Inclusive Education, Employment & Housing.

The report pointed to a number of areas of employer action, including: specialised and targeted recruitment programs; mentorships and traineeships; training for employees and recruiters; the development of policies relating to reasonable adjustments; membership of networks to share and develop resources; and enhancements to employee platforms to make them more user friendly and accessible.

The findings of the Royal Commission highlighted recruitment policies and practices, pointing to employers' risk-aversion, biases and misconceptions. One major barrier is what are considered the 'inherent requirements' of a role and what count as 'reasonable adjustments' within the workplace under the DDA. This meant that, while under law employers were obliged not to discriminate in recruitment and to make reasonable changes to workplaces to include workers, in practice there was uncertainty, little support or advice for employers, and little meaningful compliance.

[Australia's Disability Strategy 2021–2031](#)

(the ADS) was released in December 2021 and is intended to be "... an aspirational road map pointing the way ahead and represents the national commitment to enabling every Australian to meet their potential, to achieve, to have a fair go and to have real choices." (page 318).

The strategy is supported by a range of other documents, including a Roadmap, and Outcomes Framework, data improvement and engagement plans, and a series of targeted action plans that include employment, community attitudes, early childhood, and safety. The ADS [Outcomes Framework](#) consists of 85 measures across the 7 outcome areas. Forty-one are systems measures, 40 are population measures and 4 are community attitudes measures. The reporting framework includes annual reports delivered by AIHW as well as regular reports against the action plans.

The ADS has a strong policy focus on employment. The aim of the *Employment and Financial Security* outcome area is that people with disability have economic security, enabling them to plan for the future and exercise choice and control over their lives. Its three policy priorities are: to increase employment of people with disability; to improve the transition of young people with disability from education to employment; and to strengthen financial independence of people with disability.

Since its introduction in 2021, reporting on employment outcomes highlighted in the ADS has been comparatively limited. The first ADS Annual Report ([AIHW 2023](#)) reported that:

"... there was no real change in the unemployment rate gap between people with disability and people without disability between 2012 and 2018 (4.0 and 4.7 percentage points, respectively, for people aged 15 and over)."

EMPLOY MY ABILITY – PLEASE?

The release of the ADS also coincided with the launch of *Employ My Ability: The National Disability Employment Strategy* in December 2021. The two strategies are explicitly linked, with the ADS Employment Targeted Action Plan directly referencing *Employ My Ability*.

The strategy points to six key barriers reported when looking for or staying in work:

1. Discriminatory attitudes and behaviours during recruitment.
2. Bullying, experiences of discrimination and lack of support in the workplace.
3. A lack of assistance in finding, securing and maintaining employment.
4. Difficulty in accessing skills training and education.
5. Difficulty negotiating reasonable adjustments/accommodations in the workplace.
6. Negative attitudes in the community, including that people with disability can't work, or don't want to work, and that employing people with disability would be costly or risky.

The strategy seeks to lift employer engagement and capability as a means of increasing employment demand by providing employers with the tools and abilities needed to confidently hire, support, develop and retain people with a disability. *Employ My Ability* is more of a high-level introduction to help get employers started (and provide their Boards with a useful overview) than a practical and implementable guide to recruitment, workplace adjustments, employee support and retention or HR policy development.

Any employer convinced to put it into practice would then need to seek additional free advice, support and tools from one or more of the sources provided.¹

Employers are encouraged to develop a *Disability Action Plan* using templates and resources provided by [JobAccess](#) or the [Australian Human Rights Commission](#). This includes reconsidering recruitment processes to ensure that they are inclusive and satisfactorily address the issue of workplace adjustments. They are also advised to reach out to similar organisations for advice. However, the list of endorsing organisations on the DSS website is currently short and not very diverse.

Given the diverse needs, activities and workplace environments found across different employment sectors, there is a risk that a choice of five support agencies could result in varying and patchy approaches to workplace advice and support. We recommend over time that there is a degree of specialisation by industry across disability employment support agencies, that this is promoted via industry networks and peak bodies, and that industry-specific resources, guides and templates are developed and made available. This would ensure employers know where to go, tailored resources are more quickly and easily adapted, there is greater consistency in their application, and it becomes easier to measure and report implementation outcomes to drive improvements in rates of employment, retention, productivity and wellbeing.

¹ Resources are provided online via [JobAccess](#) and [IncludeAbility](#), while the [Australian Disability Network \(ADN\)](#), [Diversity Council of Australia](#) and [Get Skilled Access](#) provide employer education, networks and support.

EDUCATION TO EMPLOYMENT TRANSITIONS

Employ My Ability also identifies building the employment skills, experience and confidence of young people with a disability as a priority action area. While surveys of young people with a disability show positive attitudes to future employment and 90 per cent actively want to work, in practice 18 per cent of school leavers with a disability have not entered the workforce seven years after leaving school (compared to 5 per cent of all school leavers).²

The 2015 report *Post School Transition: The experiences of students with disability* by Children and Young People with Disability Australia (CYDA) is acknowledged as an excellent and detailed report into the challenges faced by school leavers. The report found that ...

“... many young people with disability have extremely poor post school transition experiences. This is impacting negatively on life outcomes where there is low participation in employment and tertiary study and social exclusion remains high. While there are pockets of good post school transition practice, generally programs and preparation for this transition are fragmented with minimal coordination and guidance regarding what should occur during this time.

It concluded that there was a critical and urgent need for education reform. Its key messages were the need to change attitudes and address misconceptions, create opportunities and improve access, the importance of planning and ongoing resources, and streamlining coordination, partnerships and accountability.

The CYDA report recommended a quality post school transition process that includes person-centred transition planning, beginning early (by year 9), with high expectations embedded throughout the process. Work experience opportunities and part-time work should be facilitated via connections with local businesses and employers, with a focus on foundational skills and career development planning with the young person, including a follow up with them post school.

² Year 13 (2021) [Disability and Career Advice Survey](#). The South Australian Centre for Economic Studies (2021) [Disability Employment Landscape Research Report](#).

THE INTERNATIONAL CONTEXT

The last two decades since the signing of the UN CRPD have also seen significant change and progress internationally. Successful international social and workplace inclusion initiatives overseas can provide best practice examples we can learn from and build on.

Inclusion is the guiding principle of the 2030 Agenda for Sustainable Development, which pledges to create a “just, equitable, tolerant, open and socially inclusive world in which the needs of the most vulnerable are met” (UNDESA, 2019). International discussions on sustainability and inclusion recognise the significant barriers that prevent people with disabilities from having equal chances in the workforce, including higher rates of unemployment and inadequate social protection (ILO, 2016). Globally, roughly one billion individuals (15 per cent of the world’s population), are people with disabilities, from which approximately 80 per cent are of working age (World Bank, 2022).

The World Bank (2022) identifies inaccessible physical environments and transportation, the unavailability of assistive devices and technologies, non-adapted means of communication, gaps in service delivery, and discriminatory prejudice and stigma in society as key barriers to full social and economic inclusion of people with disabilities. The policy focus and associated strategies for encouraging the employment of people with disabilities have been impacted by the shift in understanding of disability from the medical model to the social and human rights models (UNESCAP, 2021).

One of the policy tools most commonly used internationally to support employment possibilities for people with disabilities is employment quotas. Currently, the laws of slightly more than 100 nations worldwide include employment quotas (ILO, 2019). Countries such as France, Japan, and Germany have instituted a 2-6 per cent quota for businesses with 20 or more employees, leading to positive impacts on employment outcomes (ILO, 2019).

The European Union has implemented various strategies to promote disability inclusion in the workforce: notably, the [‘Disability Employment Package’](#) under the [2021-2030 Strategy for the Rights of Persons with Disabilities](#). Additional measures encompass the European disability card (for mutual recognition of disability status and equal access to benefits across eight Member States), the Erasmus+ program (supporting mobility for disabled students), and the 2019 European Accessibility Act (mandating accessibility for goods, services, and assistive devices) (Lecerf, 2022).

The US [Office of Disability Employment Policy](#) employs a ‘work first’ model. It has the explicit objective of increasing the number of people with disability in employment, undertaking evaluation to provide evidence-based advice on best practice approaches to assisting people with disability into work, and advising on how these policies and practices can be coordinated between employers and all levels of government.

In the Asia and the Pacific region, the majority of countries have also passed anti-discrimination and employment equity laws. Governments have implemented initiatives to encourage the employment of people with disabilities, including efforts to lower the expenses of employment for both companies and individuals with disabilities (UNESCAP, 2021). They also include employment quota systems, preferred contracting, job retention, and return-to-work arrangements for people who acquire a disability (UNESCAP, 2021).

The OECD (2022) argues that a key reason for the limited employment effect of disability reforms is that employment-oriented efforts often come too long after a person is first marginalised from the labour force. It stresses the importance of early intervention to support the transition to employment for young people with a disability, given the high share that find themselves not participating in employment, education or training.

"PEOPLE WITH
DISABILITIES **ARE
HIGHLY DIVERSE
IN TERMS OF
THE NATURE OF
THEIR DISABILITY
AND RELATED
EXPERIENCES.**"

A woman with a prosthetic arm is pointing at a computer screen. A man is sitting at the desk, looking at the screen. The woman is wearing a blue and white plaid shirt. The man is wearing a blue shirt. The background is a blurred office environment.

PEOPLE WITH DISABILITY IN AUSTRALIA: PREVALENCE AND TRENDS

INTRODUCTION

Perhaps the most widely cited figure on the prevalence of disability is the Australian Institute of Health and Welfare's estimate that one in every six Australians – or around 4.4 million people – have a disability (AIHW 2022, based on SDAC 2018). However, people with disabilities are highly diverse in terms of the nature of their disability and related experiences. There is no one definitive measure of disability status or of the number of Australians with disability.

This report draws on three main sources of data on people with disability, each with its own strengths and weaknesses: the Australian Bureau of Statistics' (ABS) Census of Population and Housing, the ABS Survey of Disability, Ageing, and Carers (SDAC) and the Household, Income and Labour Dynamics in Australia Survey (HILDA). Within each of those datasets, a person's disability status is conceptualised with reference to restrictions or the need for assistance in undertaking everyday activities. Although the measurement constructs used are relatively consistent across datasets and over time, estimates of the prevalence of people with disability can vary significantly for reasons unrelated to underlying changes in the population of people with disability. These include changes in rates of awareness, diagnoses, and identification, and who the respondent is that makes the assessment (for example, self-report or by parents or other family/ household members).

The SDAC survey is the most rigorous in the way disability is defined and the most detailed in capturing the nature of disability and caring activities. It offers regular cross-sectional snapshots based on a large sample that includes people living in cared accommodation and uses consistent measures over time. The SDAC is also identified as the key source of population data in the Australian Disability Strategy 2021-31 outcomes framework to evaluate outcomes across its seven priority areas.

For these reasons this section focuses on SDAC data to provide insights into trends relating to the population of people with disability in Australia by type, severity and other key dimensions. Data from six waves of the SDAC are available for this purpose: 1998, 2003, 2009, 2012, 2015 and 2018, with data from the 2022 SDAC survey scheduled for release in June 2024. To assess more recent developments, this is supplemented with the HILDA data. HILDA has a much smaller sample size than the SDAC, but also contains quite detailed data on limitations resulting from disability and on caring activities, and data are available for 22 annual waves from 2001 to 2022.

Due to the focus of this report on labour market inclusion, there is particular focus on people of working age, which is 15 to 69 years of age.

DEFINING AND MEASURING DISABILITY

This chapter provides an overview of how disability and caring status are measured in our key national data sources, then explores some of the key trends relating to the population of people with disability in Australia, with a particular focus on people of working age.

As a starting point, we itemise the definitions used for the measurement of disability, as well as the extent of limitation, in the main data sources used in this report.

ABS Survey of Disability, Ageing, and Carers (SDAC)

The SDAC identifies people with a disability if they report they “... have a limitation, restriction or impairment, which has lasted, or is likely to last, for at least six months and restricts everyday activities.” People with disability are then classified based on whether they have a specific limitation or restriction, which may be a limitation with one of the three core activities (self-care, movement, and communication) or a restriction in schooling or employment. Those with core activity limitations are further assessed as having mild, moderate, severe, or profound limitations.

Under this framework, a person may have a disability but not have specific limitations or restrictions, such as requiring minor assistance or using aids for self-care or household chores but not to the extent of core limitations or substantially curtailing schooling or employment. Need for assistance may include older people who require assistance due to their age, but the definition excludes young children who simply have a similar need for assistance as other children of their age.

The vast majority of people classified as having a disability do have specific limitations or restrictions, and in turn the majority of those have a core activity limitation.

Classification of the extent of limitation is:

- **mild** - the person needs no help and has no difficulty with any of the core activity tasks, but uses aids or equipment for core tasks, or has one or more of the following limitations
 - cannot easily walk 200 metres
 - cannot walk up and down stairs without a handrail
 - cannot easily bend to pick up an object from the floor
 - cannot use public transport
 - can use public transport, but needs help or supervision
 - needs no help or supervision, but has difficulty using public transport
- **moderate** - the person needs no help, but has difficulty with a core activity task
- **severe** - the person:
 - sometimes needs help with a core activity task, and/or
 - has difficulty understanding or being understood by family or friends, or
 - can communicate more easily using sign language or other non-spoken forms of communication
- **profound** - the person is unable to do, or always needs help with, a core activity task.

Household, Income and Labour Dynamics in Australia Survey (HILDA)

More recent insights into trends in the population of Australians with a disability can be gained from the HILDA data, with the data available for the 2022 wave of the survey.

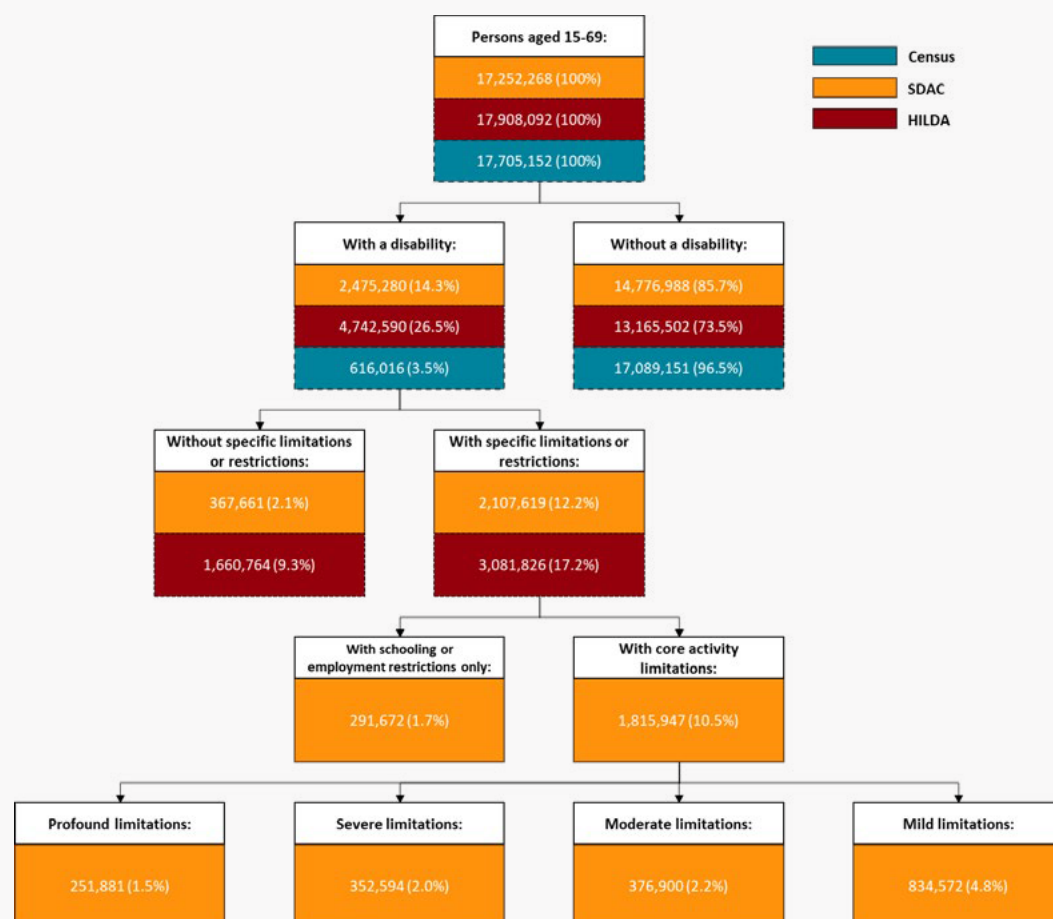
The main variables identifying people with disability in HILDA are also based on whether the individual has a long-term health condition, disability or impairment that lasts 6 months or more, restricts everyday activity,

and cannot be corrected by medication or medical aids. Information is further collected on the degree to which a person's disability limits their capacity to work.

Although not as rigorous and detailed in its measurement and classification of the nature, type and severity of disability as SDAC, it is available on a continuous annual basis from 2001 right up until 2022, and its panel nature also allows us to track individuals' journeys and life transitions.

FIGURE 1

People with disability: conceptual framework



Source: Bankwest Curtin Economics Centre | Adapted from ABS Disability, Ageing and Carers survey. Appendix - conceptual framework: disability (2018) using data from HILDA Wave 22 and ABS 2021 Census.

There is no single definitive measure of the incidence of people with disabilities, and estimates can vary across data sources for a variety of reasons. The analysis in this report draws heavily on the detailed, individual level data from multiple waves of the SDAC up to 2018 and from the 22 waves of the HILDA survey spanning 2001-2022. These give a similar general estimate of the proportion of Australians with a disability, and particularly with a work limiting disability of around 15 per cent.

Given its rigor and consistency in identifying people with disability, the SDAC is our preferred source for looking at disability prevalence and the degree of limitation. The SDAC shows a modest decline in the prevalence of disability for working age people since 1998, largely due to a falling incidence for people aged between 30 and

69. Another shift appears to be a falling gender gap in disability rates for working age Australians. More recent HILDA data indicate a general increase in prevalence since the latest SDAC survey in 2018.

Interestingly, ABS Census data show very rapid growth in the incidence of younger people with disability between 2006 and 2021, which is not reflected in the SDAC but is supported to a degree by the cohort analysis from HILDA. The causes of what looks to be a rising disability prevalence among younger cohorts certainly warrants further investigation. The release later this year of data from the SDAC undertaken in 2022 will provide an important and timely opportunity to take stock of the changing characteristics of Australia's population of people with disabilities.

PREVALENCE AND NATURE OF DISABILITY IN AUSTRALIA

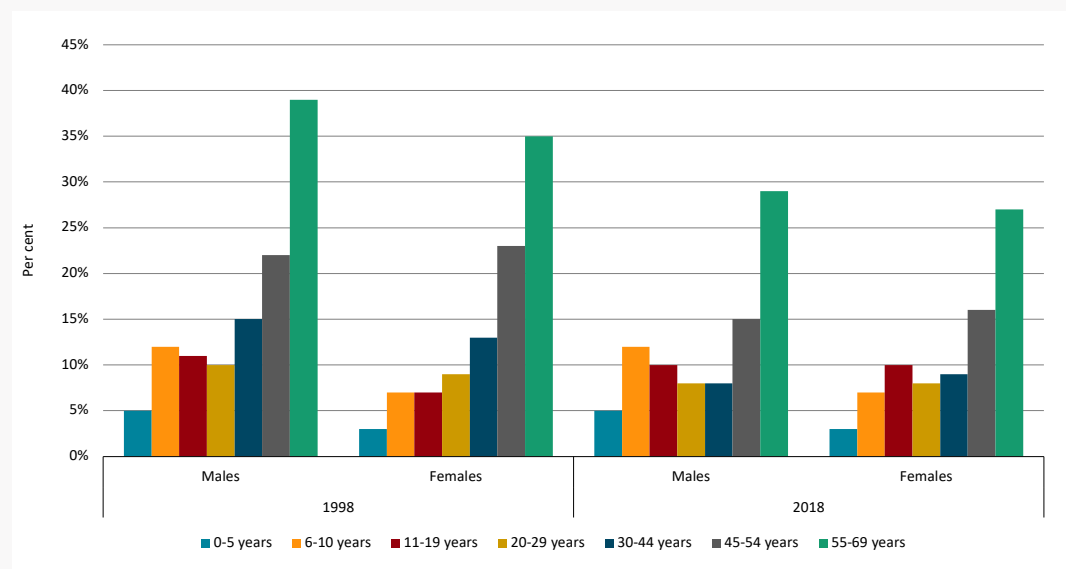
The SDAC's detailed, consistent measurement and classification provide the best source of data for an in-depth analysis of the prevalence and nature of disability across the Australian population, and how that has been changing over time.

Around 17.7 per cent of all Australians were identified in the SDAC as people with disability in 2018. This is marginally lower than the 19.3 per cent recorded in the 1998 SDAC. The SDAC shows a substantial decline

in the incidence of disability for people aged between 30 and 69 years, most notably for men. For people aged 55 to 69 years, the proportion of males with a disability fell 10 percentage points (from 39 per cent to 29 per cent), and the proportion of females with a disability fell by eight percentage points (from 35 per cent to 27 per cent). So, while a substantial age gradient is evident, with rates increasing rapidly from age 30-44 years, that gradient has become less steep over time.

FIGURE 2

Disability rates by age and gender, 1998 and 2018 SDAC, persons aged 0-69



Notes: Sampling weights were used when computing these descriptive statistics.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability, Ageing and Carers, 1998 and 2018.

TABLE 1

Disability rates by gender and age, SDAC 1998 to 2018

	1998	2003	2009	2012	2015	2018	Difference 1998 to 2018
Persons	%	%	%	%	%	%	%
Age							
0-5 years	4	4	4	4	4	4	0
6-10 years	10	9	9	8	10	9	-1
11-19 years	9	10	7	9	8	10	1
20-29 years	9	10	7	8	8	8	-1
30-44 years	14	13	11	10	11	9	-5
45-54 years	23	22	18	18	16	16	-7
55-69 years	37	36	33	32	30	28	-9
Males							
Age							
0-5 years	5	5	5	4	6	5	0
6-10 years	12	12	12	11	12	12	0
11-19 years	11	11	9	10	10	10	-1
20-29 years	10	10	7	8	9	8	-2
30-44 years	15	13	11	10	10	8	-7
45-54 years	22	21	17	17	16	15	-7
55-69 years	39	36	33	32	31	29	-10
Females							
Age							
0-5 years	3	4	3	3	3	3	0
6-10 years	7	6	7	6	8	7	0
11-19 years	7	9	6	7	7	10	3
20-29 years	9	9	7	9	8	8	-1
30-44 years	13	13	12	11	11	9	-4
45-54 years	23	22	19	19	17	16	-7
55-69 years	35	35	34	32	30	27	-8

Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability Ageing and Carers, 1998 to 2018.

The data in Table 1 reveal that for the cohorts aged 0-5 years and 6-10 years, the rate of disability had been consistently much higher for male than for female children – sometimes twice as high. In the most recent 2018 survey, that incidence remained much higher for males in those cohorts, at around 70 per cent higher.

In contrast for young people aged 11-19, an initial substantial gender gap has diminished over time as the incidence of disability among females has increased to be on par with that of males (at 10 per cent) by 2018. The 2018 survey indicates

little difference by gender for people aged between 11 and 69.

Given the focus of this report on labour force inclusion, we look more specifically at changes for people aged 69 and under. The proportion of Australians with a disability has remained relatively constant over time across all levels of restriction (Figure 3).

For people aged 15 to 69, the total incidence of disability declined from 18.0 per cent in 1998 to 14.4 per cent in 2018. While the incidence in those older age groups declined substantially (Figure 2), they also now

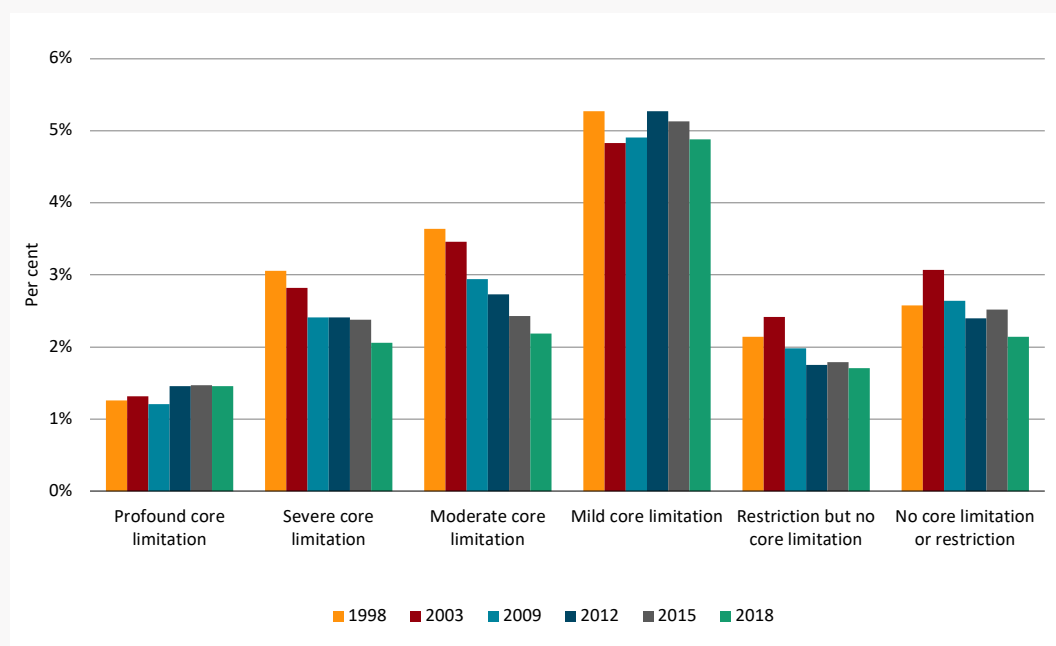
make up a larger share of the working age population. Had there been no change in the incidence of disability within age groups, then the effect of the changing age structure of the working-age population alone would have added around 1.5 percentage points to the rate of disability. However, this was more than offset by declining incidence within age groups, reducing the overall incidence by around 4.8 percentage points.

There have been some significant developments in the nature of disability

over the past two decades. Figure 3 shows changes in the prevalence of disability by the extent of restriction or limitation. Over time, there has been a reduction in the proportion of the working age population with a moderate core limitation, severe core limitation, and with a schooling or employment restriction but without a core limitation. However, the proportion of people with a mild core limitation and profound core limitation has remained constant since 1998, at around 5 per cent and 3 per cent of the working-age population, respectively.

FIGURE 3

Prevalence of disability by extent of limitation, SDAC, working-age population, 1998 to 2018



Notes: Sampling weights were used when computing these descriptive statistics.

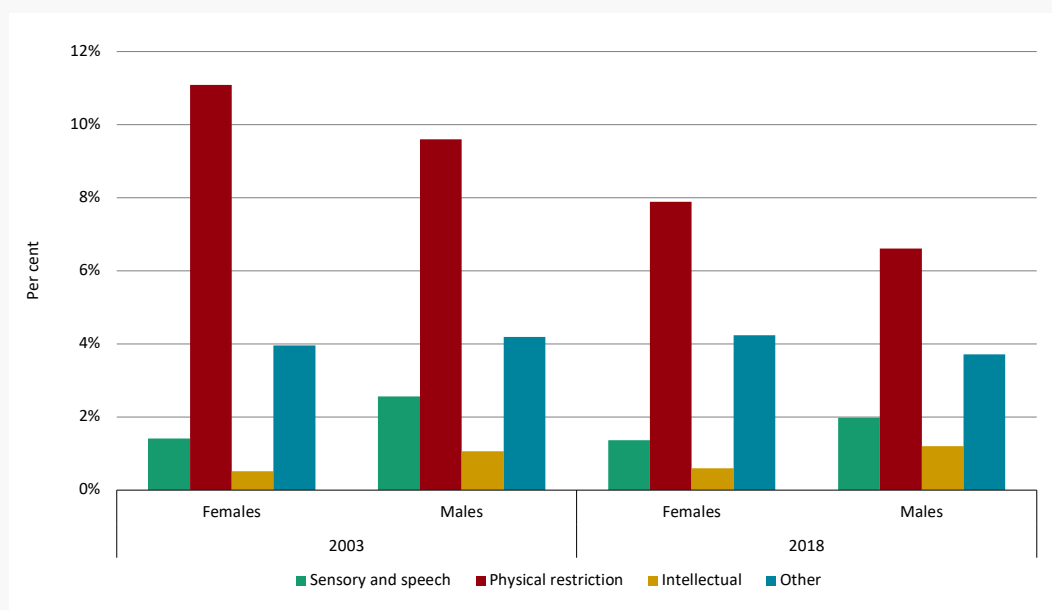
Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability, Ageing and Carers, 1998 to 2018.

We have grouped the types of disability reported in the SDAC into four broad categories: sensory and speech, physical restrictions, intellectual restrictions and 'other', and compared rates across the 2003 and 2018 surveys. Figure 4 shows that physical restrictions are by far the most common form of disability, and the incidence of physical restrictions is higher for women. In contrast, men have higher prevalences of limitations caused by sensory and speech conditions and intellectual disabilities.

The figures reveal a substantial drop in the prevalence of physical restrictions in the 15 years between 2003 and 2018 for both men and women (both down by around 3 percentage points). Men have also seen a fall in the prevalence of sensory and speech related impairments of around one-half of a percentage point, while this remained relatively unchanged for women. Over the same period, the incidence of limitations associated with intellectual disabilities has remained relatively unchanged for both men and women.

FIGURE 4

Nature of impairment for people with a disability aged 15-69: by gender, 2003 and 2018



Notes: Sampling weights were used when computing these descriptive statistics.

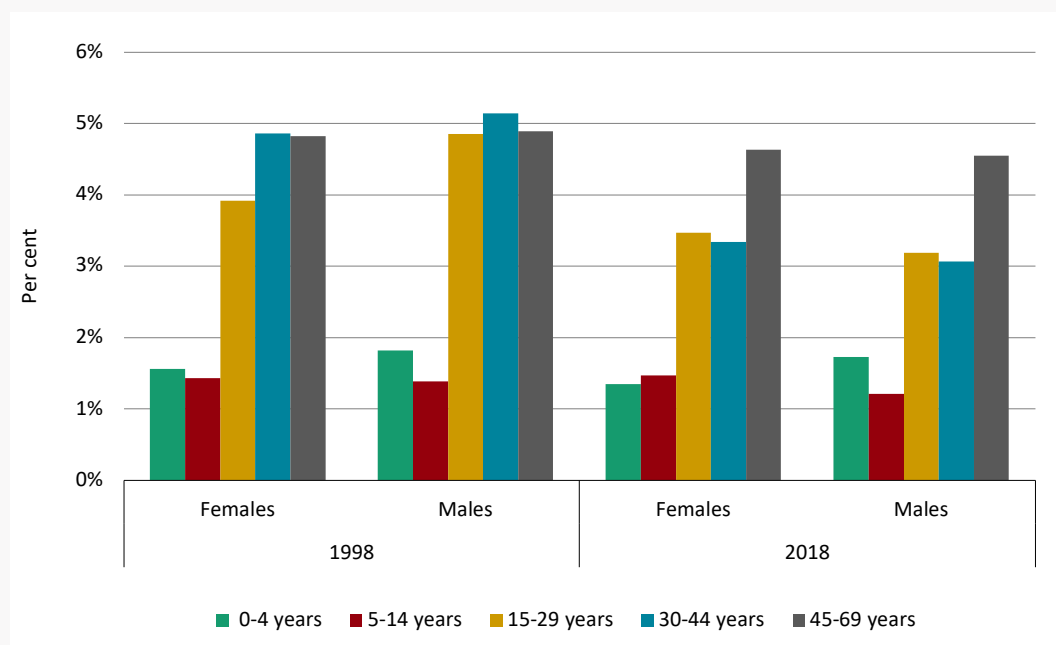
Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability, Ageing and Carers, 2003 and 2018.

Other important changes have been the delay in the onset of disability (Figure 5) and the reduction in the incidence of disability attributed to accidents and work. Figure 5 shows that the proportion of the population that has a disability that first occurred when they were aged 0-4 years or 5-14 years has remained constant between 1998 and 2018. However, the proportion of working-age people with a disability that

commenced when they were aged 15-29 years and 30-44 years has fallen sharply, notably for men. This appears to be due to a decrease in the rates of acquired disability attributed to accidents and work, evidence of the impacts of improved safety measures and OHS policies. The proportion with later onset of disability – when they were aged 45-69 years – has fallen marginally.

FIGURE 5

Age of disability onset for people with a disability aged 15-69: by gender, 1998 and 2018



Notes: Sampling weights were used when computing these descriptive statistics.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability, Ageing and Carers, 1998 and 2018.

Trends to 2022: the Household, Income and Labour Dynamics in Australia (HILDA) survey

More recent insights into trends in the population of Australians with a disability can be gained from the HILDA data, with the data available for the 2022 wave of the survey.

Although not as rigorous and detailed in its measurement and classification of the nature, type and severity of disability as SDAC, HILDA is available on a continuous annual basis from 2001 until 2022, and its panel nature also allows us to track individuals' journeys and life transitions.

The main variables identifying people with disability in HILDA are also based on whether the individual has a long-term health condition, disability or impairment that lasts 6 months or more, restricts

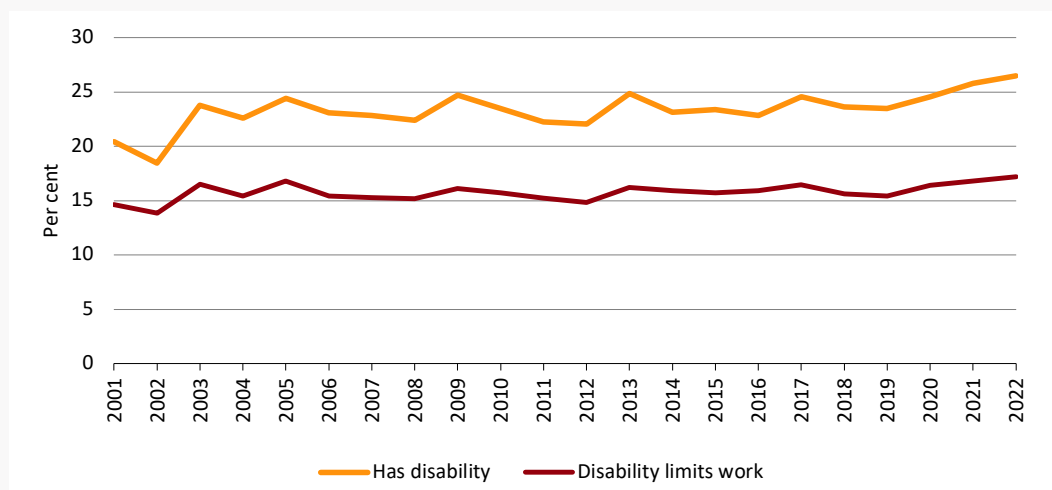
everyday activity, and cannot be corrected by medication or medical aids. This corresponds to the broad 'person with a disability' classification in the SDAC.³

Figure 6 shows the proportion of people reporting they have a disability, and a work-limiting disability from 2001 to 2022. We see that on average 23.4 per cent of the working age population reported having a disability, and 15.8 per cent a work limiting disability. This aligns with the 2018 SDAC estimate of people with disability 'with specific limitations or restrictions' of 15.6 per cent.

The proportion of working age people reporting a disability in HILDA increased by around 6 per cent over the 22 years, while those reporting a work limiting disability rose by just 2.6 per cent. The HILDA data show a slight upturn in both measures since the SDAC was last taken in 2018.

FIGURE 6

Proportion with a disability, and work limiting disability, population aged 15-69, 2001-2022



Notes: Based on HILDA Household Form; weighted by responding person weights.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

³ In HILDA, this question is asked of all responding persons in the individual 'Person Questionnaire'. Data on disability status is also recorded on the Household Questionnaire, which is completed by one member of the household on behalf of all household residents. There is a substantial degree of mismatch between the two measures.

A cohort analysis

The HILDA data make it possible to compare how the evolution of the incidence of disability evolved over the life cycle for different cohorts. Specifically, we compare the 'Builders' generation, born between 1928 and 1945, with the 'Boomers' (born from 1946-1964), 'Gen X' (1965-1980), 'Gen Y' (1981-1996) and 'Gen Z' (1997-2012).

The age-specific rates of disability for each cohort and by gender are overlaid in Figure 7. All cohorts display the pronounced, positive age gradient in the incidence of disability evident in other data. For the most part, the profiles are quite similar for the Boomer, Gen X and Gen Y cohorts.

For the older Builder generation, for whom we can observe disability rates in their later years of working age, there is a noticeably higher incidence of disability among men, and noticeably lower incidence among women, compared to the younger cohorts. While it is tempting to attribute this to World War II, note the oldest of that cohort were aged 17 when the war ended, so very few in this sample would have seen active service. However, the social and economic legacy of World War II may well have had an impact that disproportionately impacted

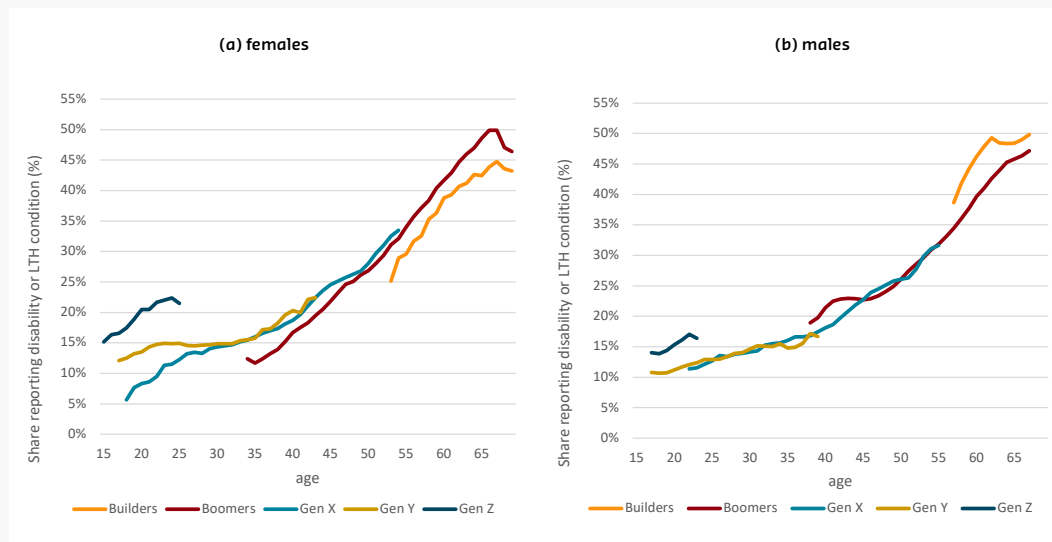
upon men, including industrial activity and labour market conditions associated with post-war reconstruction. This may be due to higher rates of accident and work-related disability, which have improved over time with stronger health and safety measures.

A concerning increase in the prevalence of disability is evident for Gen Z, with markedly higher rates of disability in their teens and early twenties. The increase is most pronounced for women, with rates around 10 per cent higher than observed for Gen X at comparable ages. Moreover, this phenomenon of elevated rates of disability for younger women appears to have commenced with Gen Y. For that cohort, rates then converge to be similar to the Gen X cohort by around 30 years of age.

While some of the increased prevalence for Gen Z may be associated with the COVID-19 pandemic, that would not explain the shift appearing to have commenced with Gen Y or the greater change for young women relative to young men. Only time will tell if this higher rate of disability remains a persistent feature for the Gen Z, and particularly for women from Gen Z as they age, or whether rates will converge to the age-profiles of earlier cohorts, as appears to have happened with Gen Y.

FIGURE 7

Disability prevalence by gender, age, and cohort: 2001 to 2022



Notes: Respondents are grouped into five age cohorts according to date of birth, ranging from Builders (born 1928-1945), Boomers (1946-1964), Gen X (1965-1980), Gen Y (1981-1996) and Gen Z (1997-2012).

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

"THERE IS A STARK
CONTRAST IN
LABOUR FORCE
STATUS BETWEEN
**AUSTRALIANS
WITH A DISABILITY**
**AND THOSE
WITHOUT A
DISABILITY,**
AND THE DEGREE
OF EXCLUSION
INCREASES WITH
THE SEVERITY OF
LIMITATION."





EMPLOYMENT OUTCOMES FOR PEOPLE WITH A DISABILITY

INTRODUCTION

There is a stark contrast in labour force status between Australians with a disability and those with none, and the degree of exclusion increases with the severity of limitation. That should come as no surprise. Previous reports have highlighted that the raw gaps in outcomes between people with disabilities and those without disabilities, such as in rates of labour force participation and employment, have not changed substantially over recent decades. However, many factors may be shaping relative labour market outcomes for people with disabilities, including the composition

of the population of people with disabilities in terms of extent of limitations, age and educational attainment.

This section provides a detailed overview of the changing labour market experiences of people with disabilities. We also report results of modelling to show how labour market opportunity for people with disabilities has changed by level of restriction and after allowing for a wide range of other factors to determine, more definitely, the extent of progress and whether we could be doing better.

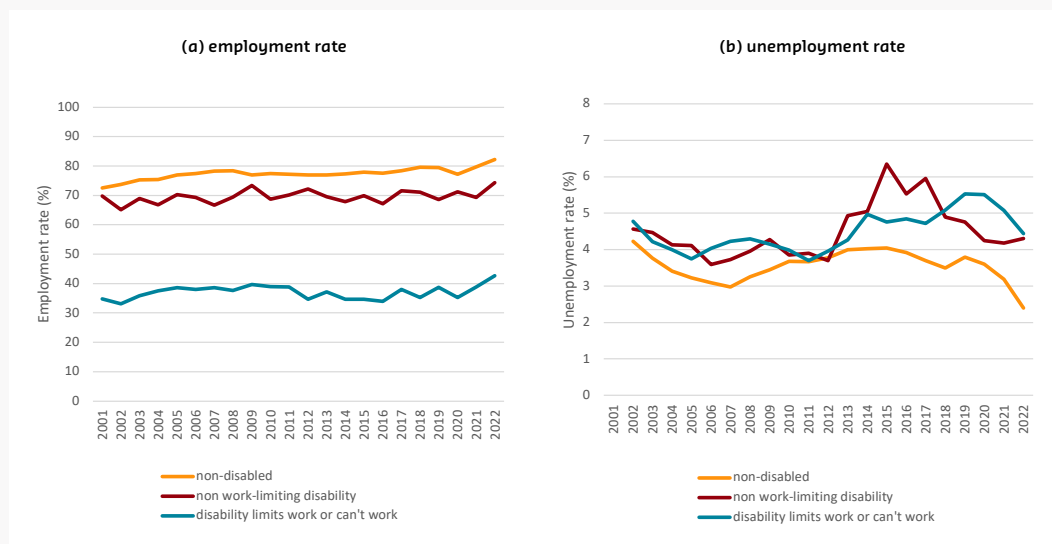
TRENDS IN LABOUR FORCE PARTICIPATION AND EMPLOYMENT FOR PEOPLE WITH A DISABILITY

Based on people classified as having a disability under HILDA's very broad definition of a long-term condition that restricts everyday activities, Figure 8 shows there has been at best incremental change in employment opportunity for people with disability for most of the past two decades. Between 2001 and 2019, the year before

the onset of the pandemic, employment rates increased by only 4 percentage points for people with a work-limiting disability. Employment rates remained at or around 70 per cent over the same period among people with a non-work limiting disability but have risen 6.9 per cent for people without a disability.

FIGURE 8

Labour force status for people with and without a disability: 2001 to 2022



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.



Between 2001 and 2019, the year before the onset of the pandemic, employment rates increased by only 4 percentage points for people with a work-limiting disability.

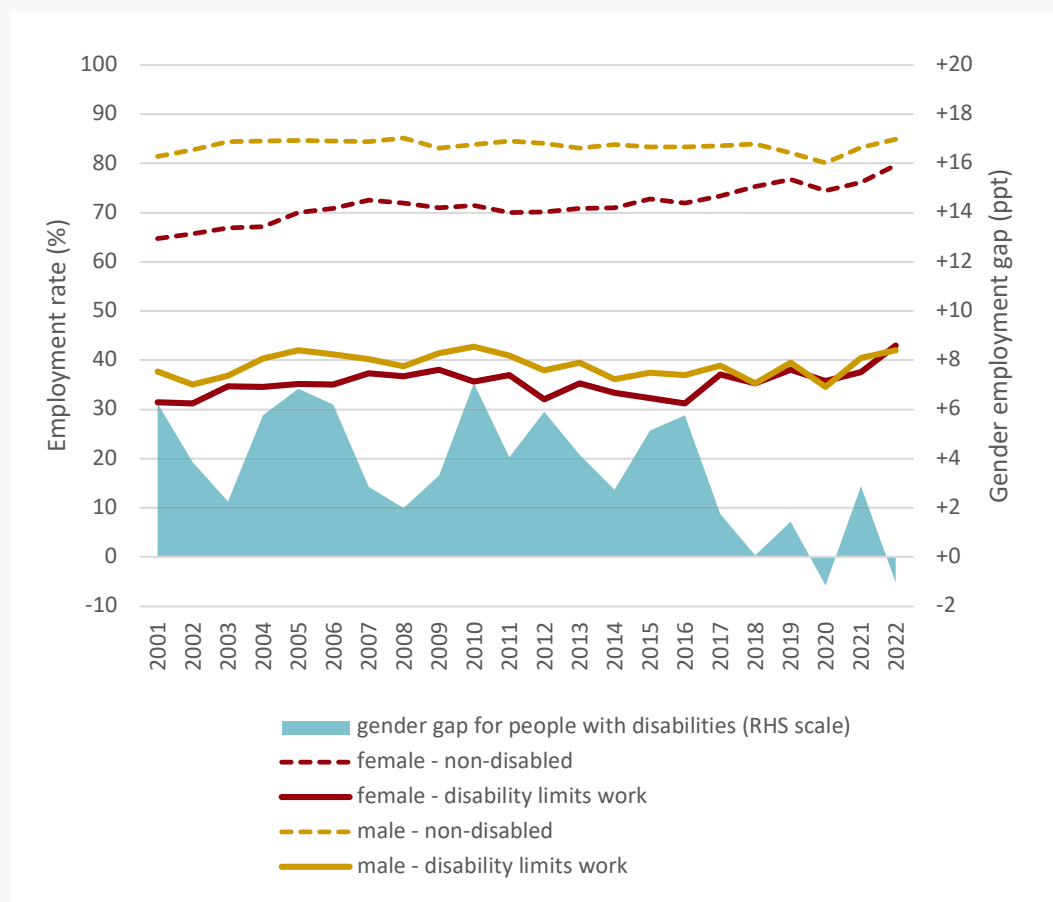
Moreover, it is difficult to see the increase from 2001 to 2022 as an improving trend since, even with increases in the two most recent years, current rates are only marginally above those for 2009, when both rates peaked for people with disability. That also marked the year in which the participation and employment gaps narrowed to their lowest point, and they have since widened again.

Trends in employment rates by gender for persons with a work-limiting disability and for those without a disability are shown

in Figure 9. The steady convergence in employment rates for men and women without disabilities over this century is apparent. Estimates for people with disability are noisier given they are based on smaller sample sizes, but a similar convergence by gender seems to have been occurring. Encouragingly, the employment rates for men and women with work-limiting disabilities reached parity in 2018, and has since fluctuated at around that mark. Employment rate parity has yet to be observed for men and women without disabilities.

FIGURE 9

Employment rates for people with and without a disability: by gender, 2001 to 2022



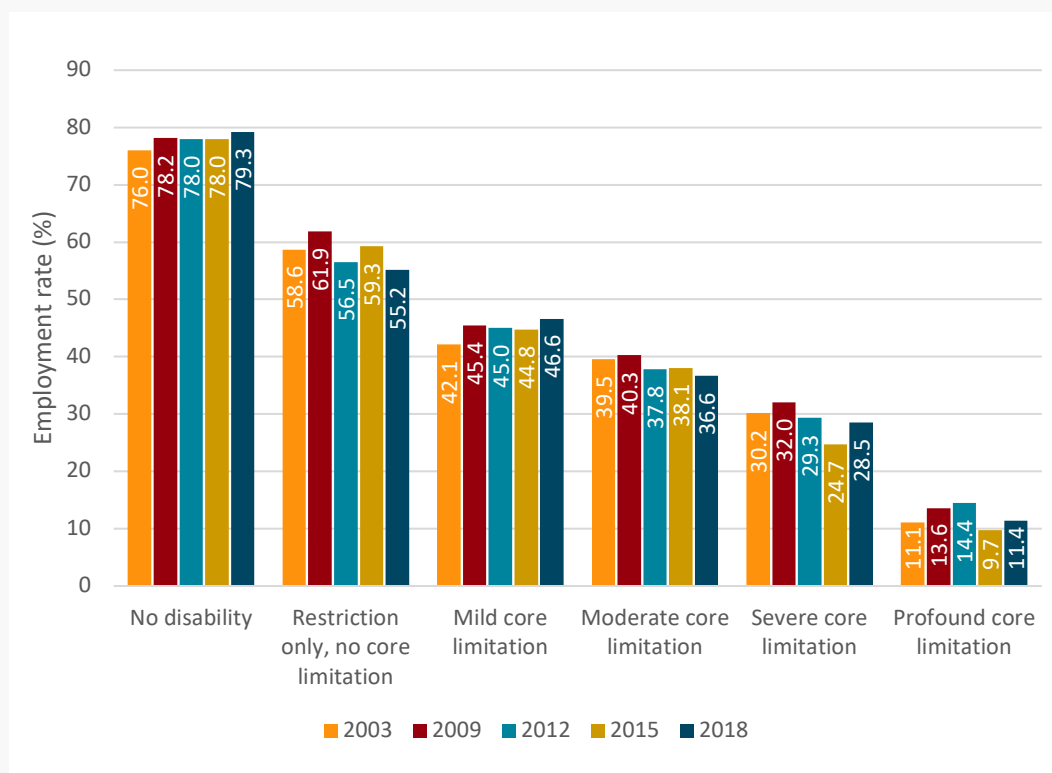
Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

Figure 10 reveals trends in employment rates using the SDAC's more nuanced classification of disability by degree of limitation. Employment rates display a consistent decrease with degree of limitation with persistent differentials

between the groups over time. Critically, Figure 10 shows there has been little improvement in labour market inclusion for people with disabilities over the last 15 years and certainly no improvement relative to people without a disability.

FIGURE 10

Employment rates by level of disability: 2003 to 2018



Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability, Ageing and Carers, 2003 to 2018.

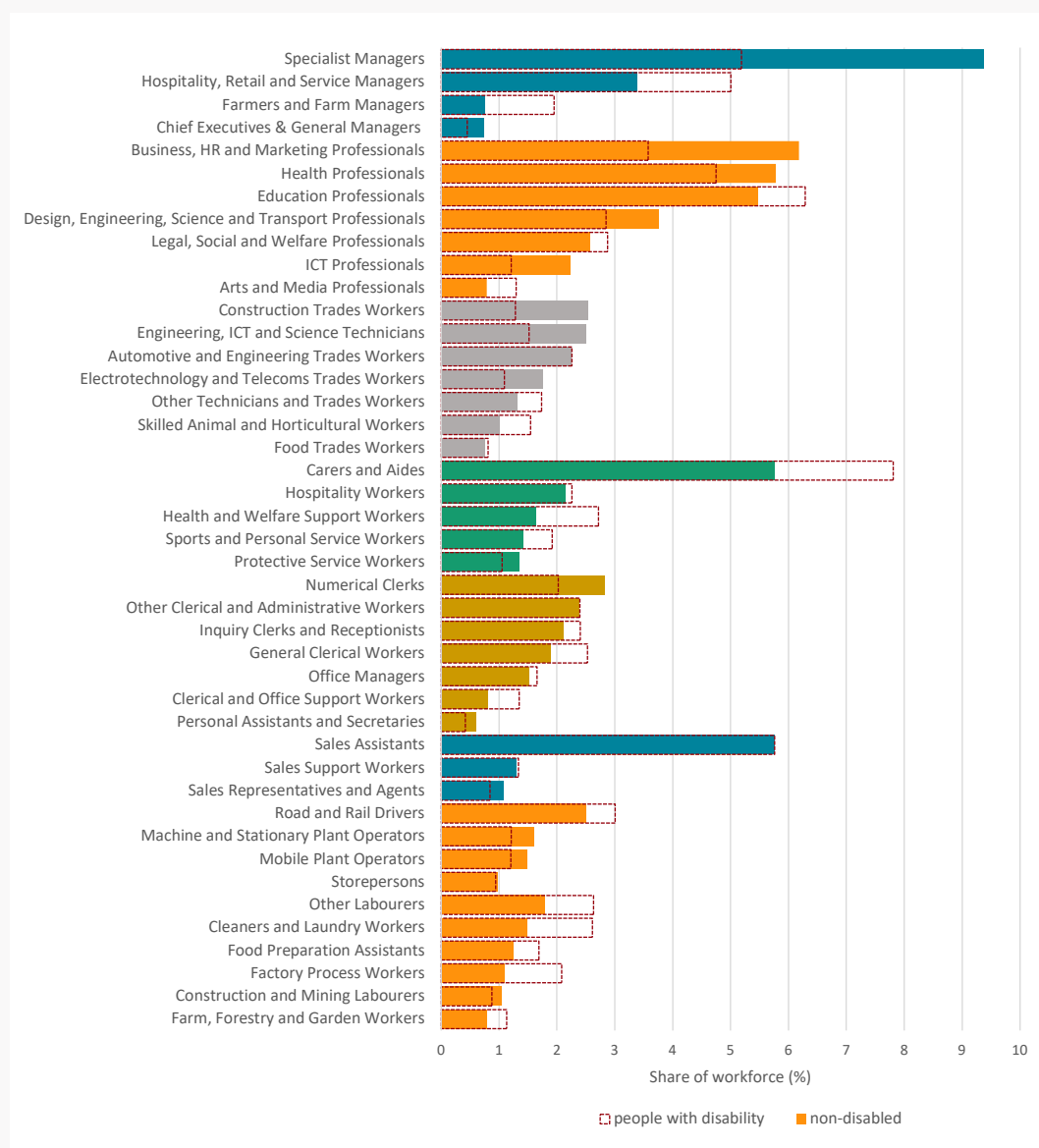
WHICH OCCUPATIONS AND INDUSTRIES ARE MOST ACCESSIBLE TO PEOPLE WITH DISABILITIES?

The relative profile of employment by occupation shows some strong clusters of over-representation of people with disability in certain occupations and under-representation in others. Figure 11 shows

the relative workforce shares for people with disability compared to workers without disabilities across occupational classes, using HILDA data from 2020 to 2022.

FIGURE 11

Workforce share by occupation for people with disability and non-disabled: 2020 to 2022



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2020 to 2022.

The comparisons in Figure 11 show that people with disabilities are strongly over-represented in most labourer categories (accounting for around 11 per cent of all people with disability in work), especially factory process workers (representing 2.6 per cent), cleaners and laundry workers (2.6 per cent), and food preparation assistants (1.7 per cent). We also find a significantly higher share of people with disability who work as carers and aides (7.8 per cent), and in health and welfare support services (2.7 per cent).

Of those in employment, people with a disability are under-represented in specialist manager occupations (5.2 per cent compared to 9.4 per cent of all workers without a disability) but over-represented

among hospitality, retail and service managers (5.0 per cent).

Figure 12 shows the percentage of the workforce of people with and without disability by broad industry sector according to HILDA data from 2020 to 2022, while Table 2 provides a breakdown by industry of the employment of people with a disability as a share of sector workforce.

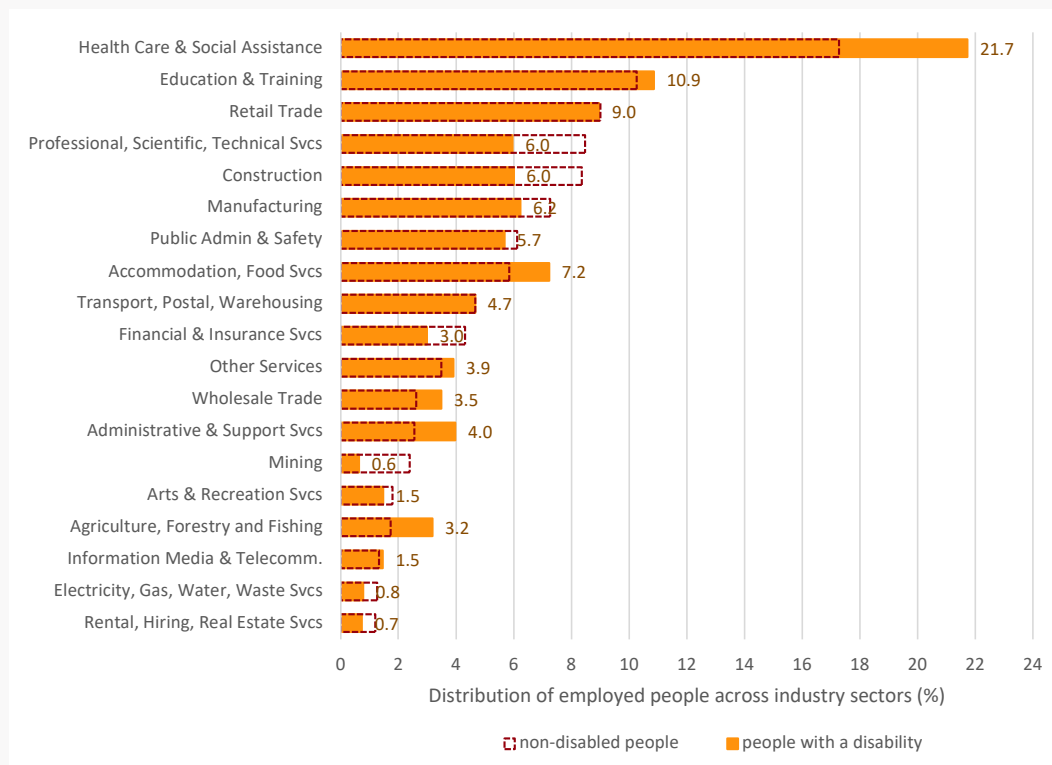
We can see in Figure 12 that the health care and social assistance sector employs the largest proportion of workers with a disability (17 per cent) and without a disability (21.7 per cent), followed by education and training (10.9 per cent and 10.0 per cent) and retail trade (9 per cent and 9 per cent).



People with a disability are under-represented in specialist manager occupations (5.2 per cent compared to 9.4 per cent of all non-disabled workers) but over-represented among hospitality, retail and service managers (5.0 per cent).

FIGURE 12

Workforce share by industry for people with disability and non-disabled: 2020 to 2022



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2020 to 2022.

Looking at the proportion of people with a disability as a share of sector workforce highlights that agriculture, forestry and fishing has the highest over-representation rate (+6.3 per cent) followed by administrative and support services (+4.4 per cent), while mining has by far the highest under-representation rate at (-6.4 per cent) followed by electricity, gas and water services, and rental, hiring and real estate services (both -3.3 per cent). Industry

representation outcomes are ranked in Table 2, which also provides a breakdown of the percentage change over the last three years, showing greatest improvements in the representation of workers with a disability in wholesale trade (+3.8 per cent), and in accommodation and food services (+3.0 per cent) – while the arts and recreational services sector (-1.1 per cent) and the mining sector (-0.8 per cent) went backwards.

TABLE 2

Distribution of people with disability across industry sector: 2020 to 2022

	non-disabled people	people with a disability	over/under representation	ppt change in share - three years
	%	%	ppt	ppt
Agriculture, Forestry and Fishing	84.6	15.4	+6.3	+0.1
Administrative & Support Services	86.6	13.4	+4.4	+2.0
Wholesale Trade	88.3	11.7	+2.7	+3.8
Health Care & Social Assistance	88.9	11.1	+2.1	+0.6
Accommodation, Food Services	89.1	10.9	+1.9	+3.0
Other Services	90.0	10.0	+1.0	+1.8
Information Media & Telecomm.	90.1	9.9	+0.9	+1.9
Education & Training	90.5	9.5	+0.5	+1.6
Transport, Postal, Warehousing	91.0	9.0	+0.0	+0.9
Retail Trade	91.0	9.0	-0.0	+0.5
Public Admin & Safety	91.6	8.4	-0.6	+0.8
Manufacturing	92.2	7.8	-1.2	-0.1
Arts & Recreation Services	92.5	7.5	-1.5	-1.1
Construction	93.3	6.7	-2.4	-0.2
Professional, Scientific, Technical Services	93.5	6.5	-2.5	-0.2
Financial & Insurance Services	93.6	6.4	-2.6	+1.0
Rental, Hiring, Real Estate Services	94.2	5.8	-3.3	+0.7
Electricity, Gas, Water, Waste Services	94.2	5.8	-3.3	-0.5
Mining	97.4	2.6	-6.4	-0.8
All industries	91.0	9.0		+0.8

Notes: The percentage point changes in workforce composition compare the workforce shares for people with disability in the three-year period 2020 to 2022 with the three-year interval 2017 to 2019.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2020 to 2022.

THE LABOUR MARKET PENALTY FOR PEOPLE WITH A DISABILITY

The trend in participation rates and employment rates documented above suggest that over at least the past 20 years Australia has made no progress in promoting labour market inclusion for people with disability. However, changes in some of the characteristics of the population with a disability may be clouding that picture, such as the age profile, severity of limitations, and migrant status.

To gain an idea of the independent effect of limitations on labour markets prospects, models were estimated of the probability of a person participating in the labour market and of being in employment, conditional upon their disability status. This allows estimation of how labour market outcomes differ for people with disability after controlling for other factors that shape labour market outcomes. It also allows us to assess the impact of those other factors on the job prospects of people with disability, whether such factors have differential effects for people with and without a disability, and how these effects have been changing over time.

To leverage the different strengths each dataset has to offer, modelling is undertaken using both the repeated SDAC cross-section data and with the HILDA panel data which tracks the same individual over time. We adopt a consistent methodology for estimating the effects of disability status and one which makes it relatively easy to interpret the findings. We then cross-check the estimates of key importance using alternative methodologies to confirm the results.

Employment penalties by disability status

Statistical modelling (or regression analysis) was undertaken based on both the SDAC and HILDA data to isolate the association between a person having a disability and their prospects of participating in the labour force and of being in employment, relative to people without a disability. These estimates control for a range of other factors known to influence labour market outcomes, including age, gender, level of education, migrant status, and whether people live in major capital cities or in more regional and remote areas.

Regression analysis of HILDA data between 2005 and 2022 (maroon line) and SDAC data between 2003 and 2018 (teal line) indicates that people with disability have a consistently lower likelihood of being employed, that is, they face a 'penalty' in terms of their employment prospects (Figure 13). The modelling approach allows us to estimate the size of this penalty for each year of survey data with detailed results reported in Table 4 of the Appendix.

Analysis across both data sources shows clearly that people with disability experience a penalty such that they are consistently 25-30 percentage points less likely to be employed than those without a disability. This is the case even when we control for differences in age, education, region and other factors. Both HILDA and SDAC show a consistent trend between 2008 and 2018 of this penalty rising to plateau around 2016. Recent data from HILDA shows a promising trend, with the employment penalty declining by around 5 percentage points to 27 per cent between 2018 to 2022. This decline coincides with a tightening labour market and the lowest unemployment rates in many decades.

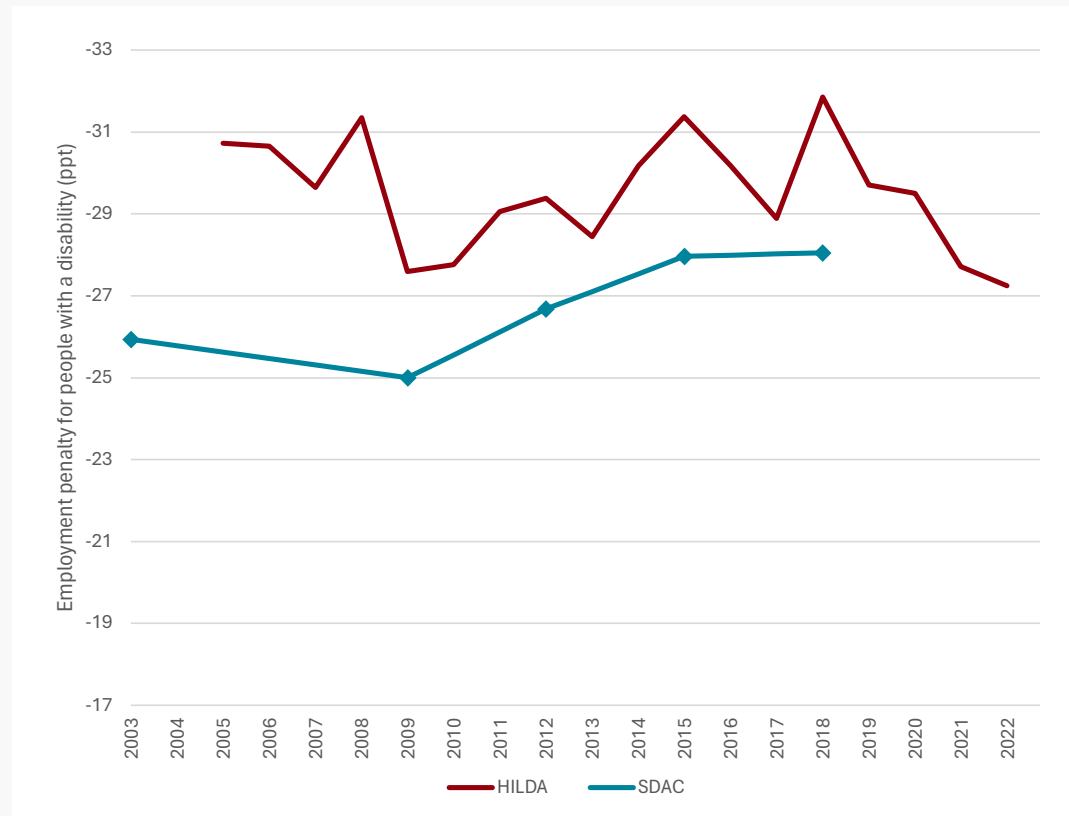


People with disability experience a penalty such that they are consistently 25-30 percentage points less likely to be employed than those without a disability.

Recent data from HILDA shows a promising trend, with the employment penalty declining by around 5 percentage points to 27 per cent between 2018 to 2022.

FIGURE 13

Estimated employment penalty for people with disability: 2003 to 2022



Notes: Employment penalties are estimated by regression methods using HILDA and SDAC data. Full details of each regression are presented in Table 4 of the Appendix to this report.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2003 to 2022 and ABS Survey of Disability Ageing and Carers, 1998 to 2018.

To examine the degree to which the employment penalty for people with disabilities varies according to the level of work limitation, we make use of detailed information collected in the ABS SDAC on the nature and degree of core limitation.

Specifically, we compare employment rates for people with disabilities classified into six levels of restriction, ranging from profound core limitations through to a disability that imposes no core limitation or restriction on schooling or employment.

Two sets of employment penalties are presented in Figure 14. The first set of employment penalties (in orange bars) are based on simple average employment rates for the six categories of limitation, relative to the average employment rate of 77.9 per cent for people without a disability.

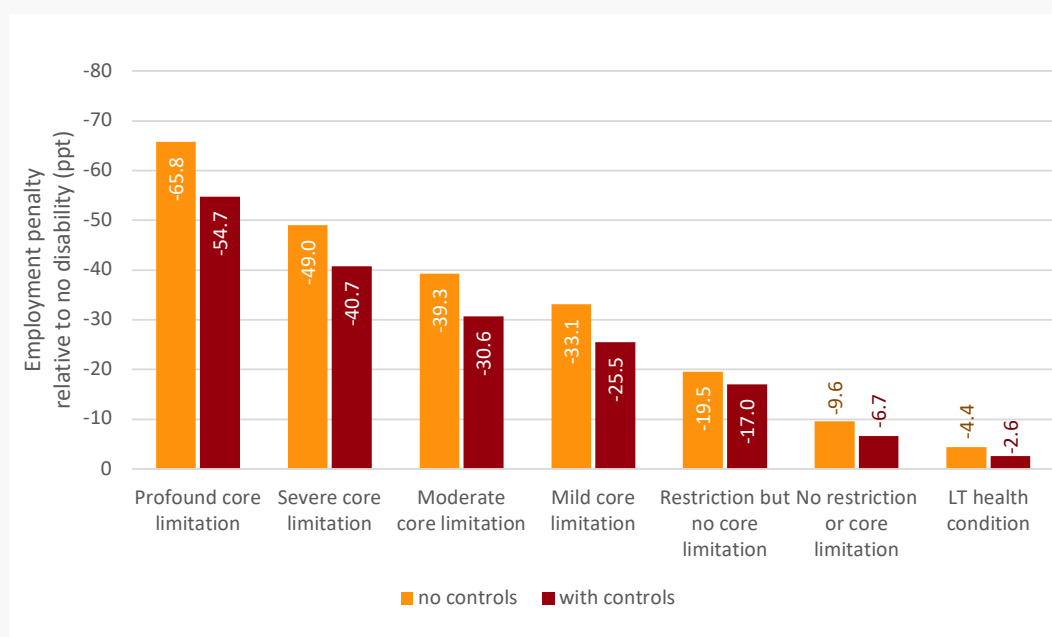
People with a profound core limitation face the largest penalties, with only 12.1 per cent engaging in some form of employment. Employment rates improve as the degree of limitation reduces, but we still see average

employment penalties of 33.1 percentage points even among people with a mild core limitation, relative to people without disabilities.

These differences in average employment rates could potentially be driven by differences in common characteristics between people according to their level of work limitation – perhaps differences in ages, levels of education, demographic characteristics, or work experience.

FIGURE 14

Employment penalty by level of limitation for people with disability: 1998 to 2018



Notes: Employment penalties are based on regression analysis using SDAC data. Full details are presented in Table 5 of the Appendix to this report.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability Ageing and Carers, 1998 to 2018.



There has been no improvement in labour market inclusion for people with disability in Australia for most of this century.

To assess whether compositional differences have a part to play, a second set of employment penalties are presented (in maroon) in Figure 14 that control for differences in characteristics. Relative to people without a disability, the employment penalty varies from around a 6.7 per cent reduction in the likelihood of being in work for people without any core limitation or restriction, through to a 54.7 per cent reduction for someone with a profound core limitation.

The important point is that little of the observed penalty can be explained by differences in other characteristics between people with and without a disability, particularly for those with more limiting restrictions. For example, of the 'raw' penalty observed for people with a profound core limitation equating to a 65.8 per cent reduction in the chance of being in employment, only 11.1 per cent can be accounted for by other differences in characteristics, leaving the 54.7 percentage point adjusted penalty.

Further analyses across the various years of the SDAC confirm that the magnitude of the penalty associated with each of the different levels of limitation remained stable between 1998 and 2018. The persistence of penalties associated with different levels of restriction was also confirmed using the measure in HILDA in which people with disability rated the extent to which their disability limits the amount of work they can do.

The critical message from the analysis in this *Focus on the States* report is that there has been no improvement in labour market inclusion for people with disability for most of this century, and this finding is robust across disability types and levels of limitation.

One exception to this trend is the lower employment penalty and improved employment outcomes over the period between 2019 and 2022. During this period we have experienced the lowest rates of unemployment recorded in the last 50 years, with severe skills shortages being

experienced across our economy. Hence employers desperate to find more workers have become more prepared to consider employing people living with a disability.

The period since 2021 also coincides with the implementation of the latest more detailed Australian Disability Strategy (2021-2031) including *Employ My Ability*, the national disability employment strategy. It may be that the activities and initiatives under this plan are also beginning to contribute to improved outcomes. Data reported under the ADS employment targeted action plan is currently insufficient to attribute causality.

Going forward it is important that reporting against programs and initiatives is detailed enough for us to be able to see which policies and initiatives are making a real difference.

The role of education

A related question to the effects of the employment penalty is whether the returns to education are the same for people with disability. The strong association between a person's level of educational attainment and their employment prospects are well known, but less is known about how this applies to people with disability in Australia.

Census data show that the share of working-age people with a core limitation holding a bachelor's degree or higher qualification grew from 5.9 per cent in 2006 to 10.5 per cent in 2021. While this represents a substantive increase, the proportion among people without a disability grew much faster, from 19.3 per cent in 2006 to 31.6 per cent in 2021. Hence the relative gap grew from nearly 14 to 21 percentage points, and people without a disability are still around three times as likely to hold university level qualifications.

The evolution of the profile of educational attainment for people with and without a disability over this century can be seen in more detail using the HILDA data (Figure 15). The key take-home from these comparisons is the overall growth in university level qualifications, and the growing gap in the shares who have completed a bachelor's

degree or higher. The shares of people having completed Diploma level qualifications are quite similar between the two populations, with a slightly higher proportion of people with disability holding Certificate III/IV level qualifications. This may reflect a greater proportion of people with a disability who are seeking vocational or trades qualifications as an alternative route to employment or career pathway.

According to regression analysis prepared for this report, the probability of being employed is around 21 per cent higher for those who have completed a bachelor's degree or above compared to someone who did not complete Year 12 (see Appendix Table 4).

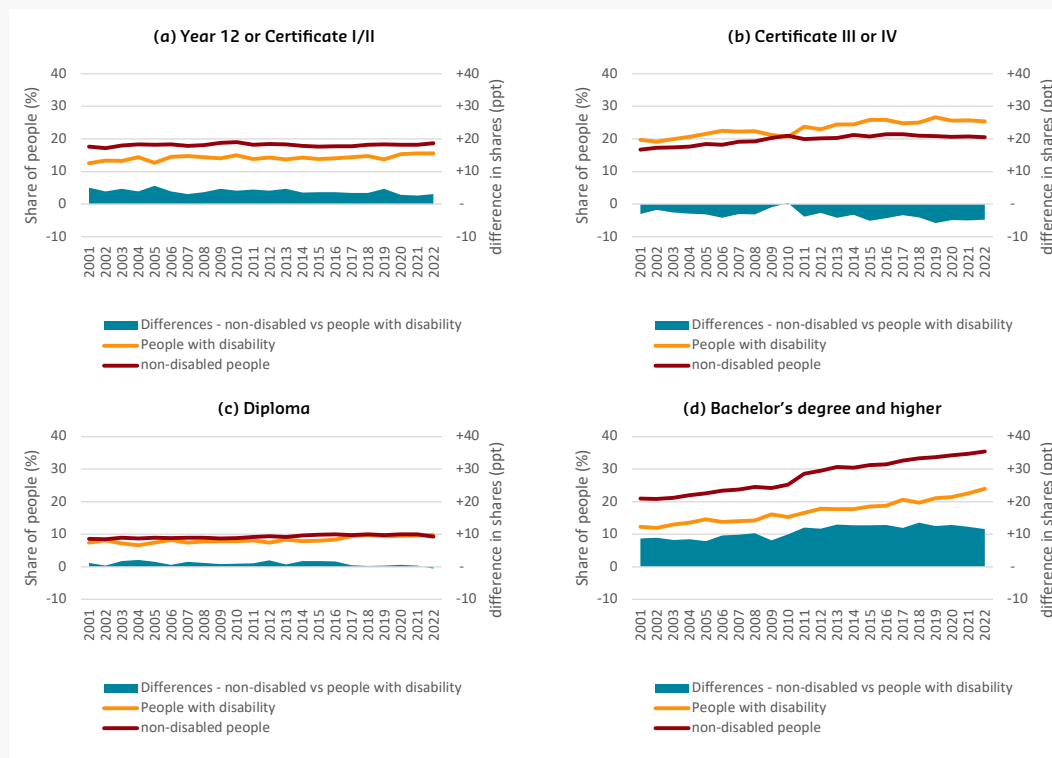
Estimates of reduced employment may not reveal the full extent of labour market exclusion experienced by people with

disability in Australia. This is because estimates of the association between disability status on employment outcomes control for level of education, and thereby take into account the fact that people with disability, on average, complete fewer years of education.

If we remove the education controls from the modelling, the estimated coefficient associated with having a disability then represents the combined impact of exclusion in both educational opportunities and in the labour market. This total effect is in fact only marginally higher. Modelling reveals that once controls for educational attainment are omitted, the penalty observed for people with disability increases from a 26.5 per cent lower probability of being in a job, to 28.3 per cent.

FIGURE 15

Educational attainment for people with and without a disability: 2001 to 2022



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

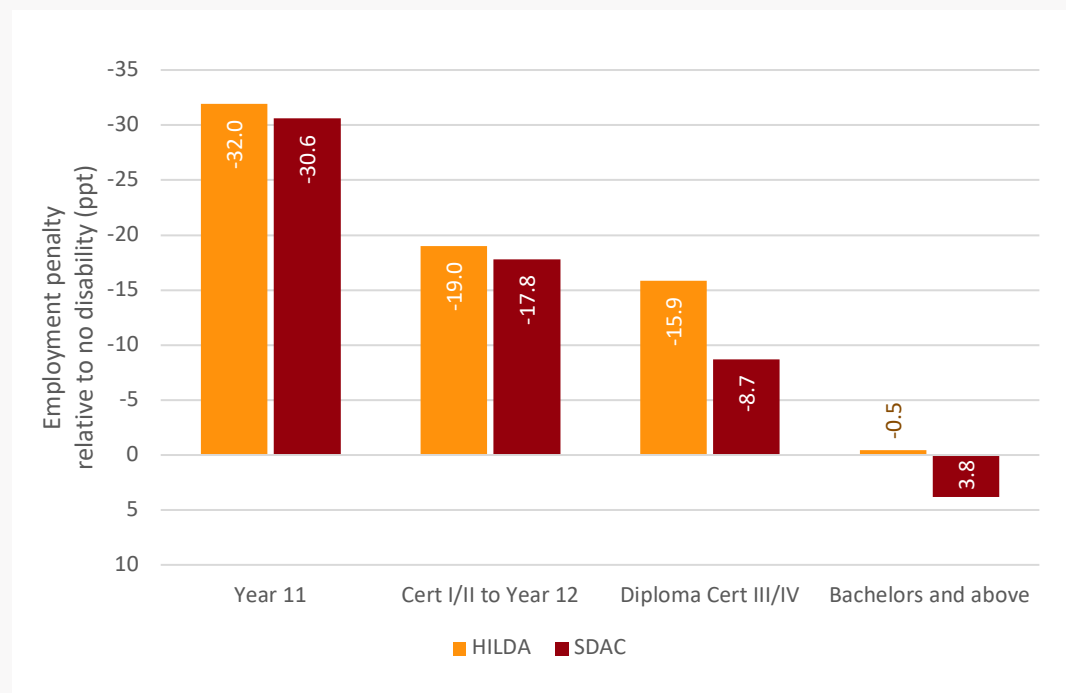
One reason for this limited sensitivity to the inclusion or exclusion of controls for education is that the estimates overlook the association of higher qualifications with a higher likelihood of being in a job. Our modelling reveals that people with a disability experience an employment premium for higher qualifications. For all people without a disability having a university degree is associated with, on average, an 18.2 per cent increase in the

chance of being in work compared to a person who did not complete school. For people with disability, having a university degree is associated with an additional 16.2 per cent higher probability of being in work (that is, 34.4 per cent overall).

This higher qualification 'premium' results in a much smaller employment 'penalty' for people with disability with higher levels of education, as shown in Figure 16.

FIGURE 16

Employment penalty by education level for people with disability: 1998 to 2018



Notes: Employment penalties are based on regression analysis using HILDA and SDAC data. Full details are presented in Table 6 of the Appendix to this report.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on the HILDA survey, 2001 to 2022 and the ABS Survey of Disability Ageing and Carers, 1998 to 2018.

JOURNEYS THROUGH WORK AND TIME: LABOUR MARKET PROGRESSIONS FOR PEOPLE WITH A DISABILITY

Exploiting the panel nature of the HILDA survey allows us to track the labour market transitions of individual workers over time to analyse trends and patterns. Table 3 compares transitions for workers with and without disabilities by comparing their labour market status between 2021 and 2022. We can see that 90.4 per cent of workers without a disability who were employed full-time in 2021 remained employed full-time in 2022, while only 74.6 per cent of workers with disabilities retained their position (a difference of 15.9 percentage points). Conversely, 35.5 per cent of people without a disability who were unemployed in 2021 become employed full-time in 2022, compared to only 11.3 per cent of people with disabilities – a gap of 24.3 percentage points.

While we see similar rates of part-time workers with and without disabilities in 2021 still working part-time in 2022, we also see lower rates of unemployed people with a

disability in 2021 moving into part-time work (22.8 per cent, compared to 33.6 per cent without a disability).

The largest and most concerning change in labour force status can be seen with the 42 per cent of people with a disability who were unemployed in 2021 and decided to leave the labour force in 2022. This compares to only 13.7 per cent among people without a disability in similar circumstances – a gap of 28.7 per cent. At the same time, we see that 86.2 per cent of people with a disability who are not in the labour force in 2021 also stayed out of the labour force in 2022, compared to 69 per cent for those without a disability).

Across all labour market categories, we see that there are much higher rates of churn for people with a disability, while they are more likely overall to be excluded and to become discouraged.

TABLE 3

Labour market transitions between 2021 and 2022: by disability status

(a) People with disability

2021 employment status		Share by 2021 labour market status	2022 employment status				Total
			Employed full-time	Employed part-time	Unemployed	Not in the labour force	
			%	%	%	%	
2021 employment status	Employed full-time	23.9	74.6	14.1	1.5	9.9	100
	Employed part-time	22.3	17.7	64.3	2.3	15.6	100
	Unemployed	5.5	11.3	22.8	23.4	42.5	100
	Not in the labour force	48.3	2.8	7.9	3.1	86.2	100
	Total	100.0	23.7	22.7	3.7	49.9	100

(b) Non-disabled people

2021 employment status		Share by 2021 labour market status	2022 employment status				Total
			Employed full-time	Employed part-time	Unemployed	Not in the labour force	
			%	%	%	%	
2021 employment status	Employed full-time	53.5	90.4	6.3	0.7	2.6	100
	Employed part-time	24.4	24.4	65.9	1.4	8.2	100
	Unemployed	3.3	35.6	33.6	17.0	13.7	100
	Not in the labour force	18.9	8.7	17.6	4.8	69.0	100
	Total	100.0	57.1	23.8	2.2	16.9	100

Notes: Labour market transition calculated for people who remained HILDA survey respondents in 2021 and 2022.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2021 to 2022.

The level of labour market churn for people with disability can be seen most clearly when we list and compare different labour market pathways across eight successive waves of HILDA from 2015 to 2022 inclusive. Figure 17 provides a frequency breakdown of labour market pathways comparing people with a disability (maroon dotted lines) against those without a disability (solid orange lines). At the top we see clearly those who do not transition across the successive waves – 40 per cent of people without a disability remained in full-time employment, compared to less than 10 per cent of people with a disability. At the same time nearly 60 per cent of people with a disability remained out of the labour force for all eight years, compared to less than 10 per cent of non-disabled people.

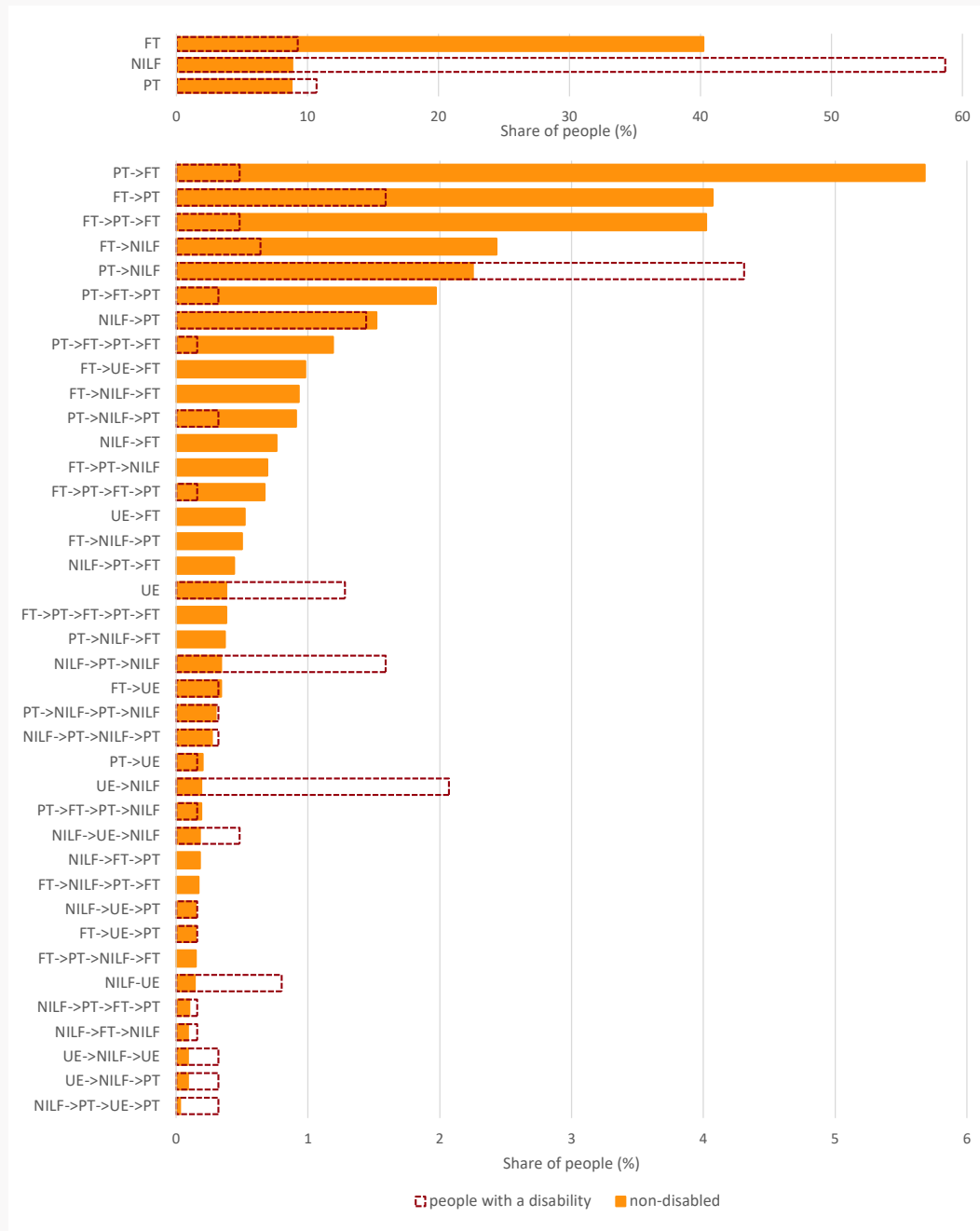
Looking further down we see very different patterns for each cohort. People without a disability were most likely to go from part-time to full-time work (59 per cent) or

from full-time to part-time (40 per cent), or bounce between part-time and full-time work a couple of times. In contrast people living with a disability were most likely to transition from part-time work to not in the labour force (43 per cent), or from unemployment to not in the labour force (21 per cent), with substantial groups bouncing between not in the labour force and part-time work (17 per cent) or remaining unemployed (13 per cent).

Mapping the number of labour market transitions in Figure 17 shows there is a higher number of people with a disability who did not transition over the eight years – accounting for 79 per cent of respondents who remained in the survey over the period 2015 to 2022, of whom the largest single group are the 59 per cent who remained not in the labour force. In contrast 58.2 per cent of people without a disability also stayed put over this period, dominated by the 40 per cent remaining in full-time work.

FIGURE 17

Labour market trajectories for people with and without disability: 2015 to 2022



Notes: Labour market transition calculated for HILDA survey respondents who remained in the survey between 2015 and 2022.
Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2015 to 2022.

HAS THE NATIONAL DISABILITY INSURANCE SCHEME IMPROVED LABOUR MARKET OUTCOMES?

The introduction of the National Disability Insurance Scheme (NDIS) marked a major policy shift in terms of both the approach to supporting Australians with a disability and the level of that support in financial terms. Targeted towards people with significant and ongoing disability, the NDIS provides individual tailored support packages within a self-directed funding model. One of the stated objectives of the NDIS in the NDIS Act is supporting the independence and social and economic participation of people with disability. Assistance with transport, workplace supports or education and training to help people find and remain in employment can be included in support packages, and NDIS providers may also help people with disabilities to access mainstream employment services.

Over 630,000 people now receive support through the NDIS. A recent review of the scheme (Department of Prime Minister and Cabinet 2023) did not have a strong focus on employment outcomes. Our own analyses of NDIS performance data for the September quarter of 2023, reveal that only 35.1 per cent of the support plans for working age clients included employment targets, with little variation across types of disability.

A question relating to the NDIS was added to the HILDA survey from 2017 onwards. The household representative completing the survey questionnaire is asked to indicate whether each household member has a disability. From Wave 17, if the household member is reported to have a disability and

is aged 65 and under, the representative is also asked:

"Has [name] received an agreed package of support through the National Disability Insurance Scheme at any time during the last 12 months?"

This makes it possible to identify people in the HILDA survey who are reported to have received assistance through the NDIS from 2017 onwards.⁴ To explore the relationship between receipt of a NDIS support package and labour market inclusion, we expanded on the modelling to estimate the association between being in receipt of NDIS support and participation or employment. To do this, we looked specifically at people with disability by the broad HILDA definition using data from 2017 onwards. The modelling controls for other factors as reported in Table 4 (see Appendix).

The initial results suggest having a NDIS package is associated with a lower probability of the individual participating in the labour market by around 10 percentage points, and of being in employment by around 9 percentage points (results for key variables of interest are reported in Table 7 see Appendix).

However, the reduced labour market inclusion associated with NDIS support may be due to the fact that people qualifying for NDIS support are likely to have more challenging barriers. To control for this, we further took account of the individual's

⁴ We stress 'who are reported' since a significant share of HILDA respondents who report themselves as having a disability or long-term health condition are not recognised as such on the HILDA household form (27 per cent of cases). The implications of that inconsistency for the accuracy with which people are identified as NDIS clients are unclear. It would be expected that receipt of a support package from the NDIS would more unambiguously identify persons as having a disability, and therefore reduce the potential for those people to be misclassified.

assessment of the extent of their limitation. This was based on whether the person indicated that they had a disability that limits the type or amount of work they can do, and on an 11-point scale reflecting the extent of limitation.

Allowing for the extent of work limitation results in a smaller estimated coefficient on NDIS support, the result continues to suggest that people on a NDIS package are 8 percentage points less likely to participate in the labour market and 7 percentage points less likely to be in a job (Table 7 models 3 and 6, respectively).

We found this result to hold when tested using other alternative potential modelling approaches, including when the estimated association between NDIS participation and employment is based only on people who are observed to move in and out of NDIS support. This more rigorously controls for potential individual effects that we may be unable to observe in the modelling, and the results suggest reduced participation and employment for those with NDIS support by four percentage points.

To the extent that the NDIS aims to enhance inclusion for its clients, the evidence here suggests that it is at best ineffective and possibly even counterproductive. It is possible that some people with a disability faced financial hardship and, prior to NDIS support, needed to seek and maintain work simply to get by. Additional support through the NDIS may be allowing some to be more selective in their choices. However, the finding is also reminiscent of consultations reported in the 'Shut Out' report over a decade ago: "More than half of the submissions received during the consultation process (56 per cent) said that services and programs act as a barrier to, rather than a facilitator of, their participation." (National People with Disabilities and Carer Council 2009, p.4).

The richness of the HILDA data allows us to further test these competing explanations for the observed effects of the NDIS. Broadly speaking, people who are not employed are classified as unemployed if they are actively seeking work, and not in the labour force if they are not actively seeking work. For people outside the labour force, HILDA further asks "Even though you are not looking for work now, would you like a job? (Assume that suitable childcare arrangements could be found.)". Using this question, a sample of people who would potentially like to be working was identified. We then modelled the probability that they were in a job the following year, conditional upon whether or not they had a NDIS support package.

Again, the analysis is restricted to Waves 17 (2017) and onwards and to people with disability. The key results are reported in Table 8 (see Appendix). As would be anticipated within this group, active jobseekers were the most likely to have transitioned into employment the following year. Those who definitely wanted to work but were not actively seeking work in one year were less likely to be in a job the following year, and those who only 'maybe' wanted a job less likely still. After controlling for those characteristics, and the different specifications of the extent of work limitations, the estimated effect of having a NDIS support package is to reduce the probability of transitioning into work by 7 per cent. Hence when we take into account all possible factors that may result in NDIS recipients being less able to secure employment our analysis suggests they are still less likely to be working or in the labour force than other people living with a disability with similar levels of limitation by around 7 per cent.

**"WORKPLACE
INCLUSION
REQUIRES MUCH
MORE THAN SIMPLY
BEING CLASSIFIED
AS EMPLOYED."**



IS THE AUSTRALIAN WORKPLACE INCLUSIVE FOR PEOPLE WITH DISABILITIES?

IS THE AUSTRALIAN WORKPLACE INCLUSIVE FOR PEOPLE WITH DISABILITIES?

INTRODUCTION

Workplace inclusion requires much more than simply being classified as employed. As emphasised in many of our stakeholder consultations, there can be a large gap between a person with a disability being on the payroll and that person enjoying full participation and opportunity. Physical accessibility of a workplace does not guarantee full inclusion, and workplace culture can have a significant impact on feelings of inclusion, workplace productivity and wellbeing. In this section we look at aspects of the experiences of people with disability who are employed.

Workers can also experience job insecurity and an overall sense of lack of control or autonomy in the demands of their roles, as well as being confronted with poorer working conditions.

In the Bankwest Curtin Economics Centre's Future of Work report (Cassells, Duncan *et al*, 2018)⁵, report, we developed a composite index of precarious employment over these three domains, using data from the Household Income and Labour Dynamics in Australia (HILDA) survey.

For the first domain, we use data from the HILDA survey includes measures related to job insecurity like workers' own views of their future employment prospects, the chance of losing their jobs, and their overall sense of job security. To capture the degree of control over working hours, we looked at irregular hours, working fewer or more hours than desired, and a loss of work-life balance. And to capture the quality of an employee's working conditions, the index uses measures related to leave entitlements including sick, family and compassionate leave.

Inferior job attributes are often more pronounced for women than men, but how do these various dimensions of job precarity compare for people with disability and people without disability? This is the aspect of workplace inclusion we turn to first in this chapter.

⁵ Rebecca Cassells, Alan Duncan, Astghik Mavisakalyan, John Phillimore, Richard Seymour and Yashar Tarverdi (2018), *Future of Work in Australia: Preparing for tomorrow's world*, BCEC Focus on the States Report Series, Issue #6. April 2018.

A PRECARIOUS WORLD: JOB INSECURITY FOR PEOPLE WITH A DISABILITY

Precarious work refers to uncertain and insecure employment conditions. This can include short-term contracts, uncertain working hours and income, often with little or no control of hours worked. It also increasingly includes 'gig economy' work, where work may be assigned on a task-by-task basis via a digital app. Precarious work has an impact on both financial and personal security, impacting on workers' ability to plan for the future and undermining wellbeing.

There have been some major changes in the degree of work precarity between 2001 and 2022 by disability and work limitation (Figure 18). Those workers with a disability that limits their capacity for work experience much higher rates of work

precarity than either their counterparts without disabilities, or those whose disability is not work limiting. The gap in rates of precarity has remained consistent over the last two decades across economic cycles. Workers without disabilities and those whose disability is not work limiting show very similar rates of precarity, with slightly greater variation attributable to smaller numbers among the latter. All three groups show a consistent pattern of rising and falling work precarity across recent economic cycles, peaking in 2015 and dropping in 2008 and 2022. The trend of reduced precarity in recent times clearly coincides with falling rates of unemployment and growing skills shortages across our economy.



Those workers with a disability that limits their capacity for work experience much higher rates of work precarity than either their counterparts without disabilities, or those whose disability is not work limiting.

FIGURE 18

Precarity index by disability status and gender: 2002 to 2022

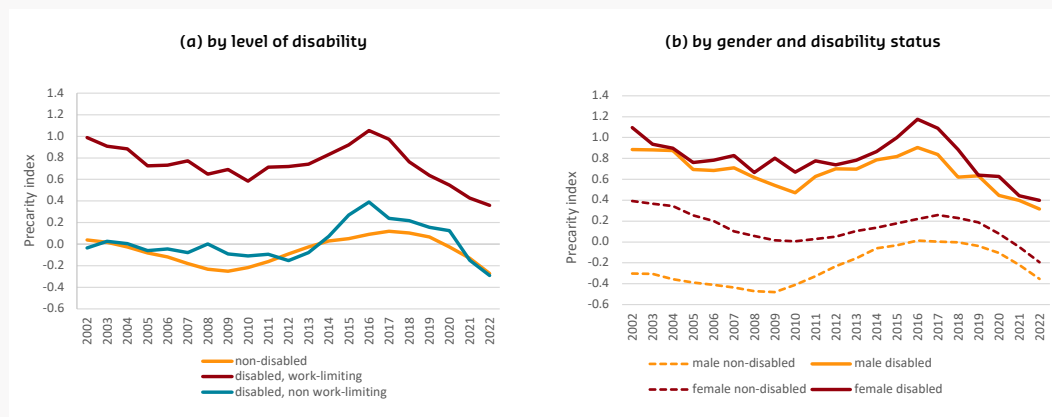
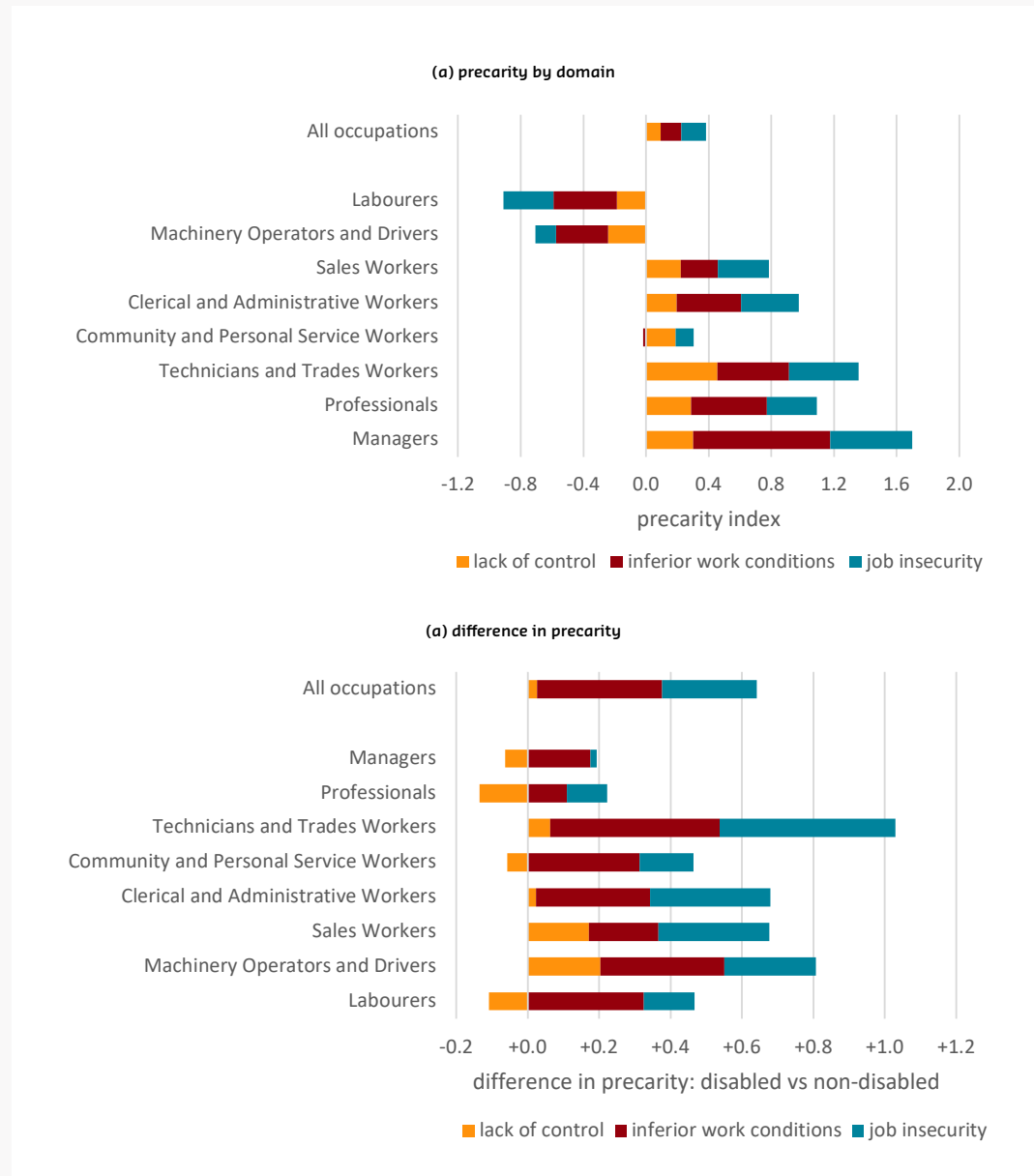


FIGURE 19

Precarity by occupation for people with disability: 2002 to 2022



Notes: Precarity is modelled as a composite index using multiple indicators to capture job insecurity, a lack of control, or inferior work conditions. See Cassells *et al.* (2018).

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2002 to 2022.

For workers with a disability, Figure 19 (Panel a) clearly demonstrates that the level of precarity increases for less skilled occupations, with managers and professionals experiencing the least precarity, and labourers the major occupational group with the highest value on the index. The outlier in this relationship is clerical and administrative workers, who experience lower than average precarity when compared to other workers with disability, and significantly lower than their 'neighbouring' occupational categories in terms of skill level: community and personal service workers and sales workers.

Panel (b) of Figure 19 breaks down the difference in the precarity index between workers with and without disability by the contribution of the different components of the index. Across all occupations, workers with disabilities score markedly higher on the index, and this holds within each of the eight major occupational categories. It is

inferior work conditions that contribute most to the overall gap, followed by job insecurity. On average, there is in fact only a marginal difference between the two groups in terms of a sense of control over their jobs.

The differences are most apparent among technicians and trades workers, with inferior work conditions and job insecurity contributing in roughly equal parts to a very large gap for workers with disabilities in this occupation. The second largest gap in precarity between workers with and without disability is within the occupation of machinery operators and drivers, with lack of control also making a sizeable contribution to the gap for these workers.

In four of the major occupational categories workers with disability actually score more favourably in terms of control: professionals, managers, labourers, and community and personal service workers.



There is a substantial gap in satisfaction with pay, job security and hours worked for people with employment limitations.

JOB SATISFACTION FOR PEOPLE WITH A DISABILITY

HILDA collects data on people's overall job satisfaction and with a number of aspects of their employment: pay, job security, flexibility, hours worked and the work itself. Figure 20 shows mean satisfaction with each of these elements for people without a disability, for all those with a disability, and for the subset of people with disability who indicate their condition limits the type or amount of work they can do. The data are for people aged 15 to 69 years and pooled over all 22 waves. In the HILDA questions on job satisfaction, respondents are instructed to answer by selecting a number between 0 and 10, "where 0 means you are completely dissatisfied, and 10 means you are totally satisfied." Overall, it can be seen that workers with a disability are, on average, quite highly content with their jobs and

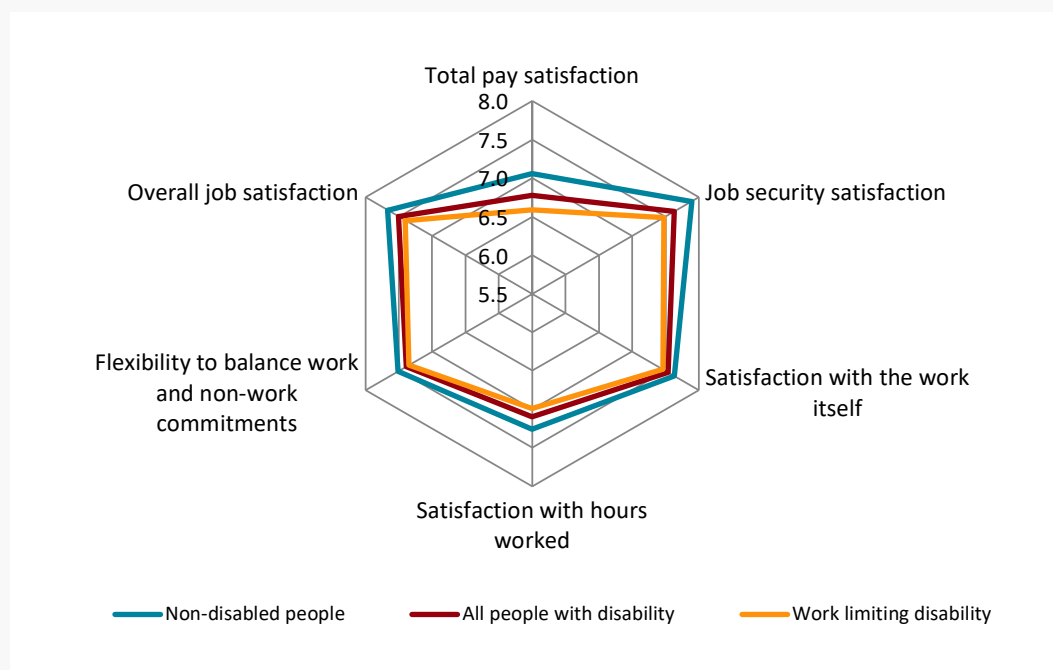
with most aspects of their jobs, as are other workers.

On each domain, however, people with disability report lower satisfaction with their jobs. There is a substantial gap in satisfaction with pay, job security and hours worked, and in each of these domains the gap is more marked for those with employment limitations. Satisfaction with flexibility to balance work and non-work commitments is very similar for people with a work-limiting disability and those with a non-work limiting disability.

These differentials in average satisfaction by disability status have been highly persistent over the 22 Waves of HILDA for each of the domains of job satisfaction.

FIGURE 20

Mean job satisfaction by disability status



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

MATCHING UP? UNDEREMPLOYMENT AND WORK PREFERENCES

People with disability are much more likely to report working part-time. Based on 2021 Census data, for example, 52 per cent of employed people aged 15 to 69 years and who needed assistance with a core activity worked part-time, compared to 32 per cent of employed people without disability.

Panel (a) of Figure 21 tracks the underemployment ratio for workers with and without disabilities over the last two decades, showing similar differences and trends to those seen with precarity. Workers with a work-limiting condition (in maroon) show a clear penalty of between 5 to 10 per

cent compared to their counterparts with no disability (in orange) and those whose disability is not work-limiting (in teal) - both of whom experience similar trends in underemployment rates over time.

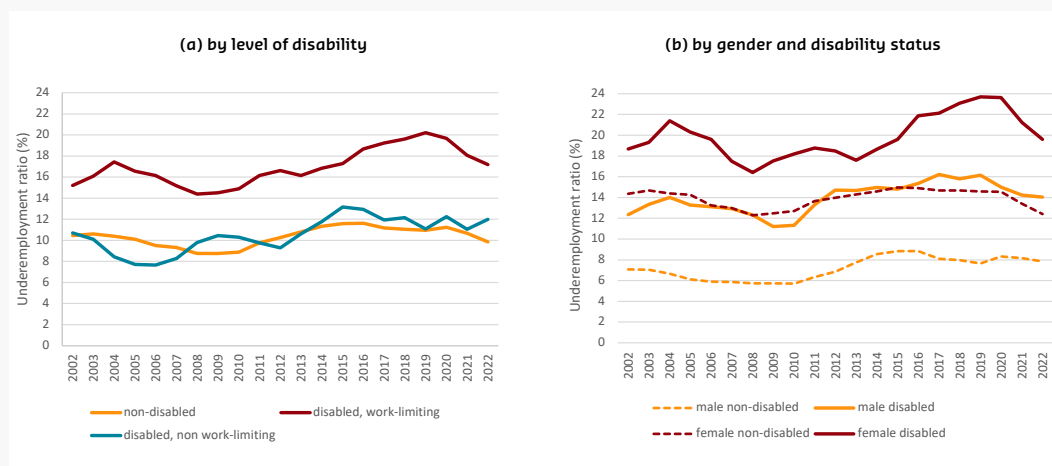
While there is greater variation in underemployment rates for those with a work-limiting disability, there is also a clear trend of this gap opening up across the economic cycle to peak at around 10 percentage points in 2019, before starting to drop back as the employment market tightens to 2022.



Workers with a work-limiting condition show a clear penalty of between 5 to 10 per cent compared to their counterparts with no disability or non-limiting disability.

FIGURE 21

Underemployment ratios by disability status: 2001 to 2022



Notes: Underemployment is calculated to meet the three criteria of the ILO definition, being those who are willing and able to work more hours during the survey period and are below the 35 hour threshold for full-time work.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.



There is a clear and consistent additional underemployment penalty of between 3 to 6 per cent for women with disability compared to men with disability.

The main reason people with a work-limiting disability give for working part-time is their own illness or disability.

Disaggregating this result by gender in Figure 21 (b) also demonstrates a clear and consistent additional underemployment penalty by gender for women with a disability (maroon line) compared to men with disability (orange line) of between 3 to 6 per cent. In fact, we see that underemployment rates for men with a disability compare very closely with those for women without a disability, both of whom are consistently 5 to 6 percentage points higher in their underemployment rate than men without a disability.

The HILDA survey collects more nuanced data on working hour preferences. This includes asking part-time workers their main reason for working part-time rather than full-time, and asking all workers if they would like to work more hours or less hours than they currently do.

Not surprisingly, the main reason people with a work-limiting disability give for working part-time is their own illness or disability (Figure 22). The other reasons cited by people with disability for working part-time are in relatively close alignment

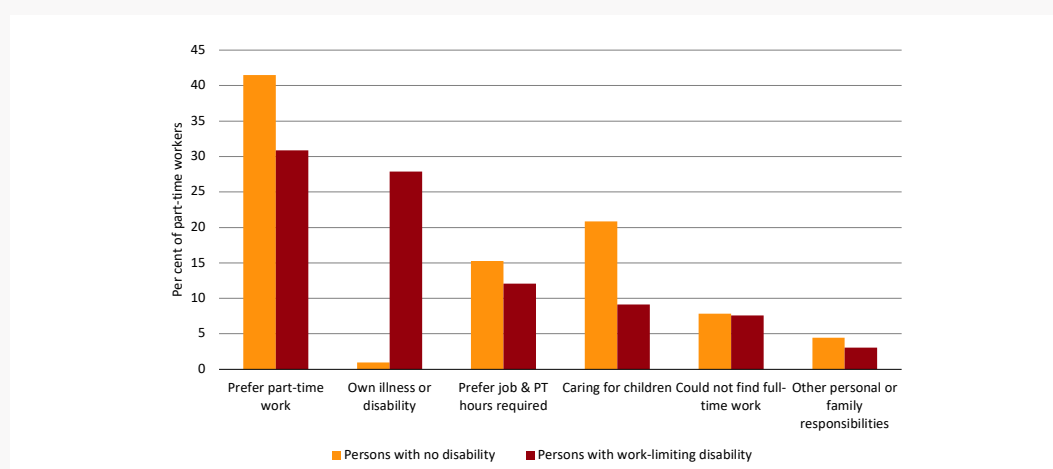
with the reasons given by people without disability: specifically, that they: prefer part-time work, they have childcare responsibilities, it is a requirement of their chosen job, they have study commitments and are unable to find full-time work.

Much higher proportions of part-time workers without a disability cite study commitments and caring for children as their reasons for working part-time, but this is likely to reflect the older age of people with a disability.

If we restrict the sample to people aged 40 and over and putting aside 'own illness or disability' the most common reasons cited for working part-time are common to people with and without a disability. The main one is simply that people prefer to work part-time. Very few people reported choosing to work part-time because their welfare payments or pension may be affected if they worked full-time (just 1.2 per cent of part-timers with a work-limiting disability, and 0.4 per cent of those without a disability).

FIGURE 22

Reasons for working part-time by disability status: 2001 to 2022



Notes: Data are restricted to those currently working part-time.

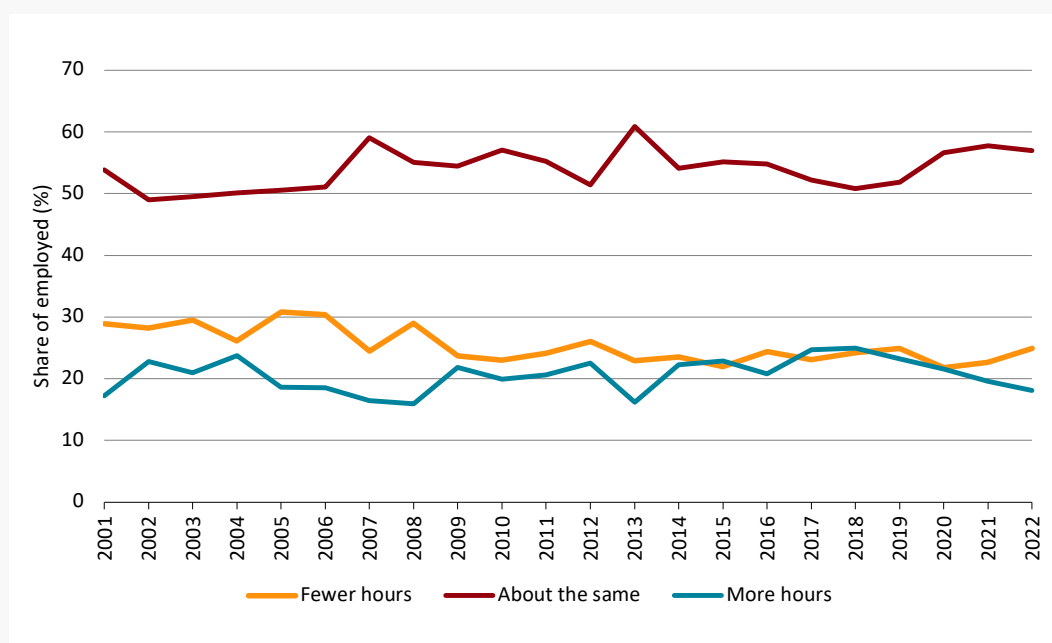
Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

The pattern of mismatch in hours worked is quite similar for workers with and without a disability. In the data pooled over 22 waves, roughly one quarter of workers indicate they would prefer to work fewer hours; while slightly more workers with a work-limiting disability would prefer more hours (21 per cent) compared to people without a disability (15 per cent).

The remaining workers indicate they would like to maintain the number of their working hours. For people with a disability that limits the amount or type of work they can do, Figure 23 shows that since 2001 there has been a slight rise in the proportion of workers who are happy with the hours they work, and a decline in the proportion who would prefer fewer hours.

FIGURE 23

Preference for working more or fewer hours: employees with a work-limiting disability



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.



The pattern of mismatch in hours worked is quite similar for workers with and without a disability.

Roughly one quarter of workers indicate they would prefer to work fewer hours; while slightly more workers with a work-limiting disability would prefer more hours (21 per cent) compared to people without a disability (15 per cent).

BREAKING DOWN THE BARRIERS

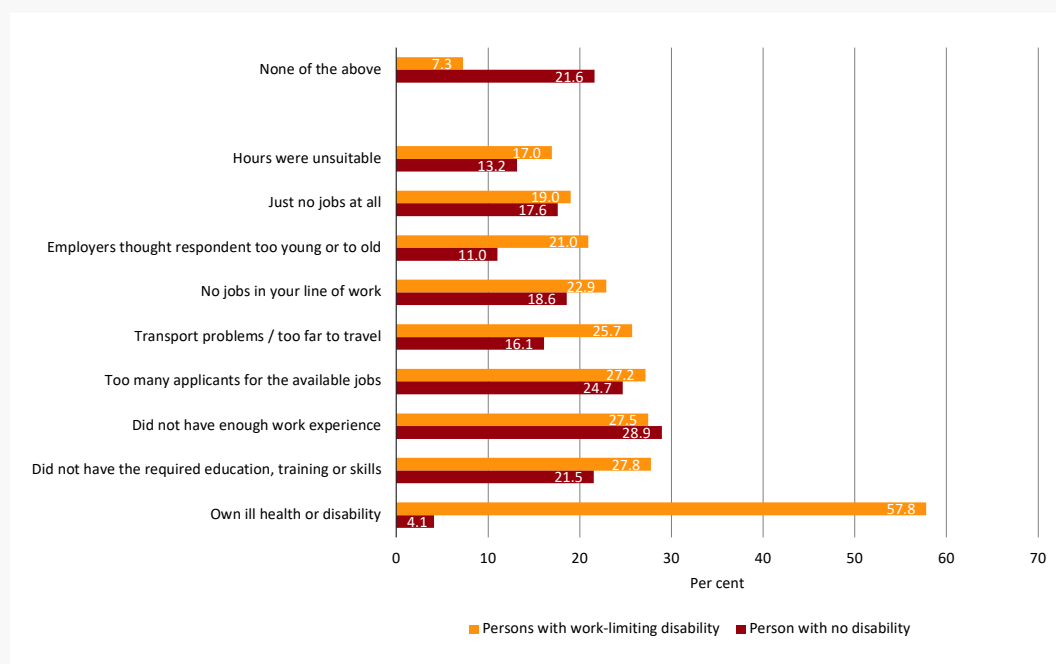
The HILDA survey collects information about people's perceived barriers to employment. People who are unemployed – those who are not employed and have been looking for work – are asked to indicate the reasons they have had trouble getting a job. People who are marginally attached to the labour force – who are out of work and have not been looking for work, but who would potentially like to work – are asked to nominate the reasons they have not been looking for work. Commencing from Wave 5 (2005), respondents were further asked to nominate the main difficulty they have had

in getting a job, or the main reason they had not been looking for a job. Prior to Wave 5 there were also some minor changes to the responses categories for these questions, hence this section reports results for the HILDA data pooled from Waves 5 to 22.

To highlight the barriers facing jobseekers with a disability, perceived difficulties in finding work are reported for two groups: people with a work-limiting disability and people with no disability or long-term health condition. The most common responses are reported in Figure 24.

FIGURE 24

Stated reasons for difficulties getting a job: jobseekers with and without disability



Notes: Multiple responses allowed.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2005 to 2022.

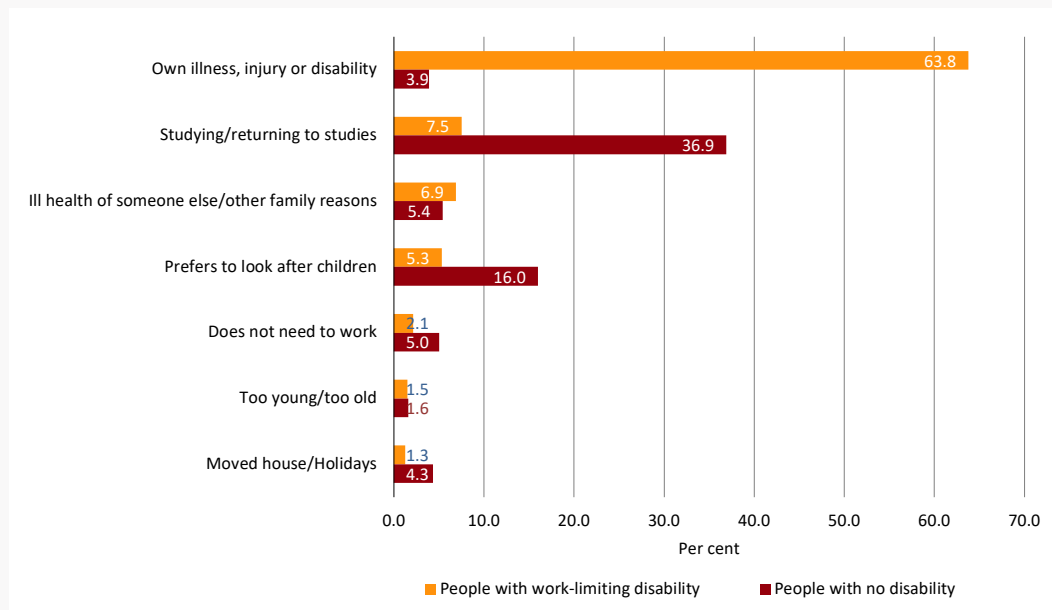
As anticipated, a high proportion of people with disability (58 per cent) report their own ill-health or disability as a reason for having trouble finding work. This compares to just 4 per cent of people with no disability. A number of other barriers are reported by a significant proportion of people with disability, including lack of skills and experience and limited availability of jobs. Mostly these barriers are reported by similar proportions of those with and without disability, however, a notably higher proportion of people with disability report transport issues as a barrier (26 per cent of those compared to 16 per cent of jobseekers without a disability), and a similar gap in the proportion who feel employers see them as too old or young (21 per cent compared

to 11 per cent). The latter difference will reflect that jobseekers with a disability will typically be older, given the increasing prevalence of disability with age.

Figure 24 also shows that jobseekers without a disability were far more likely to report none of the listed difficulties as barriers to finding a job. When asked to nominate which of the items is the main source of difficulty in finding work, 42 per cent of people with disability nominated their own ill-health or disability, followed by transport problems (8.2 per cent), too many applicants for available jobs (7.7 per cent), and being seen as too young or too old (7.0 per cent).

FIGURE 25

Reasons for not looking for a job: marginally attached people with and without disability



Notes: Multiple responses allowed.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

For people who are marginally attached to the labour force, Figure 25 reports the main reasons given for not looking for work. Again, for people with disability, their own ill-health, injury or disability is the most commonly cited reason for not seeking work, reported by 68 per cent of respondents. It is also given as the main reason by a similar proportion (64 per cent) of those respondents. The main other reasons for not looking for work for people with disability include caring roles or family issues (10.2 per cent), study plans (9.2 per cent), and preferring to look after children (8.6 per cent). For the marginally attached without a disability the most common reasons given for not seeking work were study plans (40.2 per cent) and looking after children (20.2 per cent). In contrast to perceived barriers to finding a job, lack of transport was not seen as a major reason for not looking for work for people with a disability, cited by just 1.8 per cent.

LABOUR MARKET DISCRIMINATION

In the 2018 and 2022 waves of the HILDA survey, respondents were asked whether they felt they had experienced discrimination in the labour market on the basis of having a long-term health condition or disability. Specifically, people who indicated they had applied for a job with a new employer at some time in the past two years were asked if they felt they were ever unsuccessful because the employer discriminated against them. People who had been an employee any time in the past two years were asked if they felt they had been discriminated against by their employer during that time.

While these questions had been asked in earlier waves of the survey, in 2018 and 2022 the range of response options for the grounds of discrimination were expanded to include discrimination on the basis of a person's long-term health condition or disability. This was in addition to the options of gender, age, ethnicity, religion and parenting responsibilities presented in earlier surveys. Here we focus on the pooled data from those two waves (2018 and 2022) which separately identified perceptions of discrimination on the grounds of a person's disability.

Among people of working age who had applied for jobs, 18.2 per cent of people with disability felt they had missed out on a job due to discrimination, a rate that is twice that for the population of applicants without a disability (9.1 per cent). The proportion is higher still for people with a work-limiting disability, at 21.3 per cent. Applicants with a disability were more likely to report all forms of discrimination, but the incidence is small, and the differences between people with and without disabilities is very minor, when it comes to reports of discrimination based on gender, race, religion or parenting responsibilities.

As may be expected, there is a big difference in reports of discrimination on the grounds of disability, but also of discrimination because of age. For people who report having a work-limiting disability, 9.0 per cent felt they had been discriminated against in a job application because of their long-term health condition or disability. This compares to 0.3 per cent for those without a disability.⁶ However, a slightly higher proportion – 9.3 per cent – felt they had been discriminated against on the grounds of their age, compared to just 4.0 per cent of the population of applicants without a disability. This will be due, at least in part, to the older age profile of people with disability, given that the prevalence of disability rises rapidly with age. There is a clear pattern in which the proportion of people who feel they were discriminated against in a job application due to their disability increases with the extent of limitation associated with that disability.

A similar picture arises for feelings of discrimination among employees. Among people without a disability, 7.5 per cent felt they had been discriminated against by their employer in the past two years, increasing to 15.2 per cent for all people with disability, and 19.2 per cent for people with a work-limiting disability. For employees with a work-limiting disability, discrimination because of their disability is the most common grounds cited (9.8 per cent), followed by age discrimination (7.0 per cent). Although the incidence is considerably lower, people with a work-limiting disability are also around twice as likely to feel discriminated against because of their gender: 5.2 per cent compared to 2.7 per cent for employees without a disability.

⁶ Note, someone who currently did not report having a disability at the time of the survey may have had a long-term health condition or disability at other times during the previous two years, and so may still report that as a grounds for discrimination.

In summary, these survey data suggest discrimination is a significant factor in the labour market exclusion felt by people with disability. Among people with a work limiting disability, close to one-in-five who had applied for jobs felt they had missed out due to discrimination in the past two years, and a similar proportion of those who were employees felt they had been discriminated against by their employer in some aspect of their jobs. For both applicants and employees, perceptions of discrimination on the grounds of their disability and on the basis of age contribute roughly equally to their reported incidences of discrimination.

It is difficult to say how accurately such perceptions reflect actual incidences of discrimination: the case could be made that perceptions either under-estimate or over-estimate actual occurrences. Further, the reports relate to any experience of disability during the past two years, and do not take account of the number of such

incidences. Given that less than 40 per cent of people with a work limiting disability were in employment in those survey years, the fact that 20 per cent of people with such a disability who had applied for jobs felt they missed out due to discrimination, including 9 per cent on the grounds of their disability, indicates that discrimination is a major contributor to reduced employment opportunity for people with disabilities. The number of applicants with a work limiting disability who felt they missed out on a job because of discrimination on the grounds of their disability amounts to 5 per cent of the stock of people with a such a disability who are in work. Moreover, repeated experiences of discrimination will discourage people from looking for work, such that the full contribution of discrimination as a barrier to labour market inclusion will extend beyond the experiences of those who have actively applied for work.

A young man with a disability, wearing a yellow shirt and blue overalls, smiling and holding two small potted plants. The background is a blurred outdoor setting with greenery and a building.

DISABILITY, WELLBEING AND EMPLOYMENT

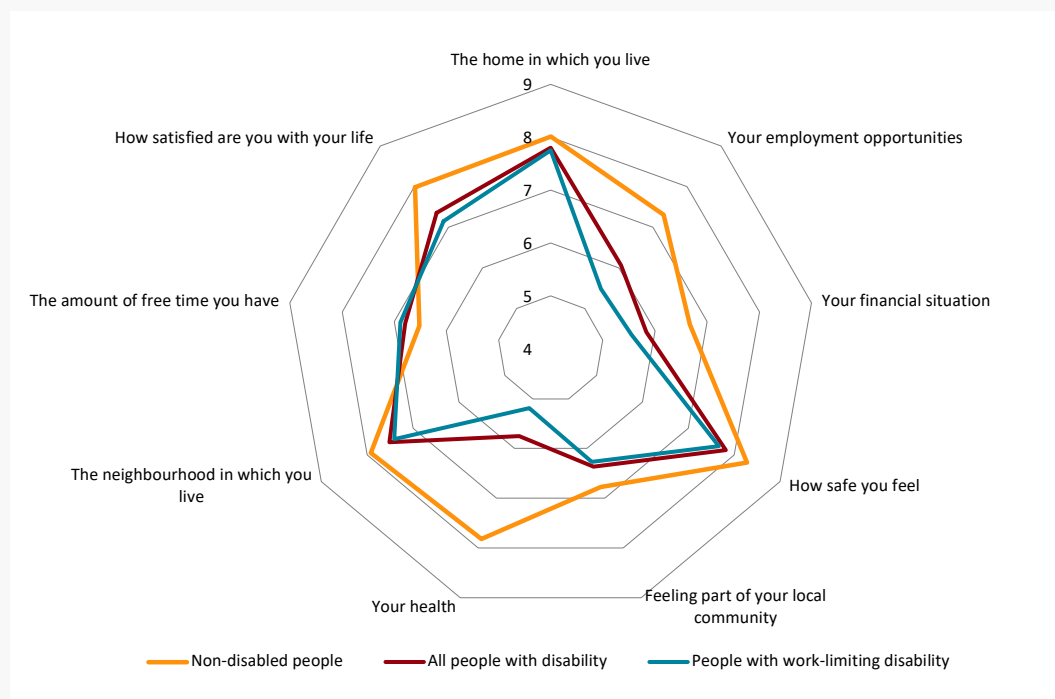
DISABILITY, WELLBEING AND EMPLOYMENT

HILDA provides a number of measures of people's wellbeing and, importantly, the ability to track changes in people's reported wellbeing over time as their circumstances change. In each wave, the HILDA survey asks people how satisfied they are with a range of aspect of their lives, and then "All things considered, how satisfied are you with your life?". Responses are recorded on a scale ranging from 0 (totally dissatisfied) to 10 (totally satisfied). Differences in the mean responses for three groups are shown in Figure 26. These are people without a

disability, people with a long-term health condition or disability, and the subset of that group who report that their condition limits the type or amount of work they do. Predictably, it is in the domain of health that the biggest gap in satisfaction emerges for people with a disability, followed by employment opportunities and financial situation. Working-age Australians with a disability actually report higher satisfaction with the amount of free time they have than those with no disability.

FIGURE 26

Mean life satisfaction by disability status



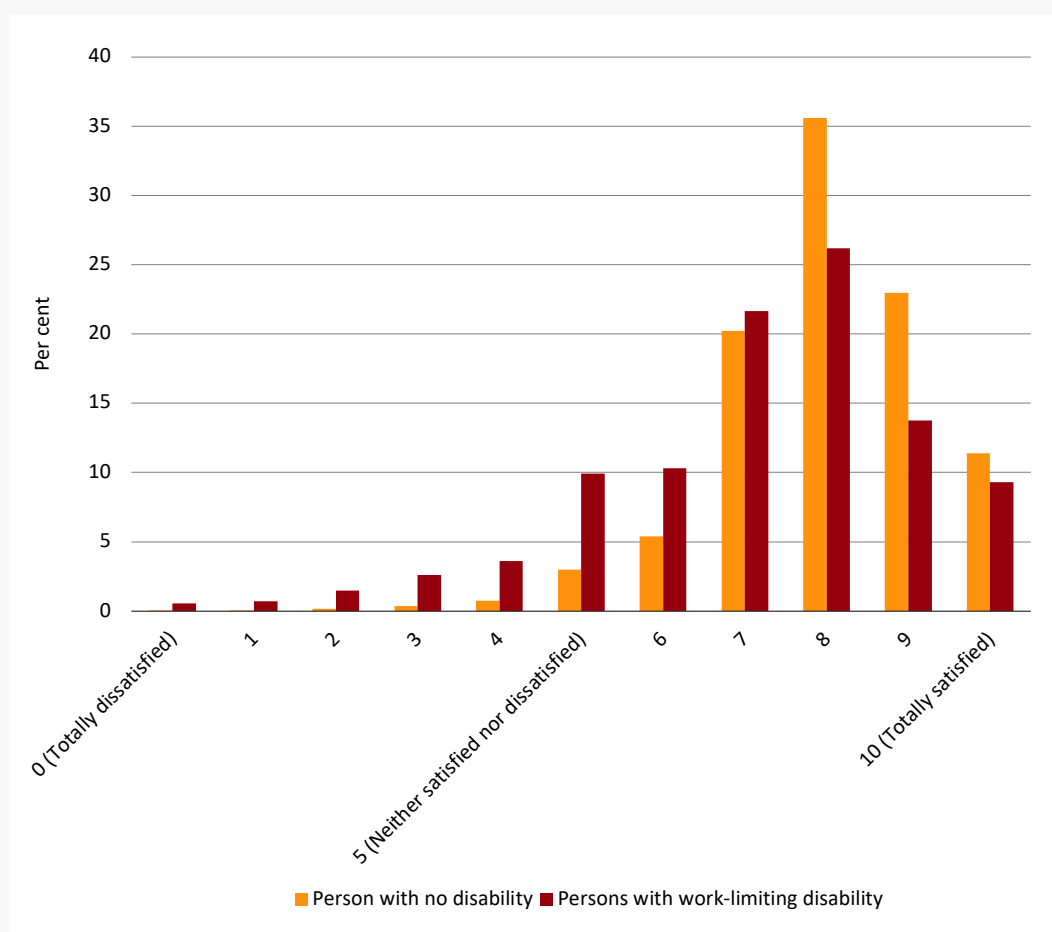
Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

When it comes to overall life satisfaction, people with disability report lower satisfaction than people without a disability. Among those with a disability there is only a very marginal difference in mean satisfaction for those with and without a work limiting condition. As this section focuses on this rating of life satisfaction as a measure of quality of life, it is important to appreciate its properties. Figure 27 shows the distribution of responses for people with a work-limiting disability and

people without a disability. As is typical of subjective assessments on such a scale, responses are clustered around 8, with almost 80 per cent of the pooled responses of people without a disability in the interval of 7, 8, and 9. The profile of responses for people with disability is much flatter, with fewer selecting points on the scale at the highly satisfied end, and more opting for points in the middle and lower 'dissatisfied' range, as shown in Figure 27 for those with an employment restriction.

FIGURE 27

Overall life satisfaction rating (0-10 scale): by disability status



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

A consequence of this tightly clustered distribution is that relatively minor differences in the numerical averages between groups correspond to quite substantial differences in happiness levels. We are able to use these data to estimate so-called 'happiness models', which provide statistical estimates of differences in subjective wellbeing for people with disabilities of varying level of limitation after controlling for other factors, as well as estimates of how those other factors affect people's wellbeing. The results of such models using different measures of the extent of a person's disability are reported in Appendix Table 9.

For all people with disability or long-term health condition, the estimated coefficient suggests the condition is associated with lower life satisfaction of 0.32, about one-third of a unit on the 11-point scale. There is a larger association when we differentiate between people with a work limiting disability (-0.48 points) and those with a disability that does not limit work (-0.13 points). We also test the association using the continuous scale of the extent of individuals' work limitations, which ranges from 0 (no limitation) to 11 (can't work at all). This confirms wellbeing falling with severity of the limitation (See Table 9).

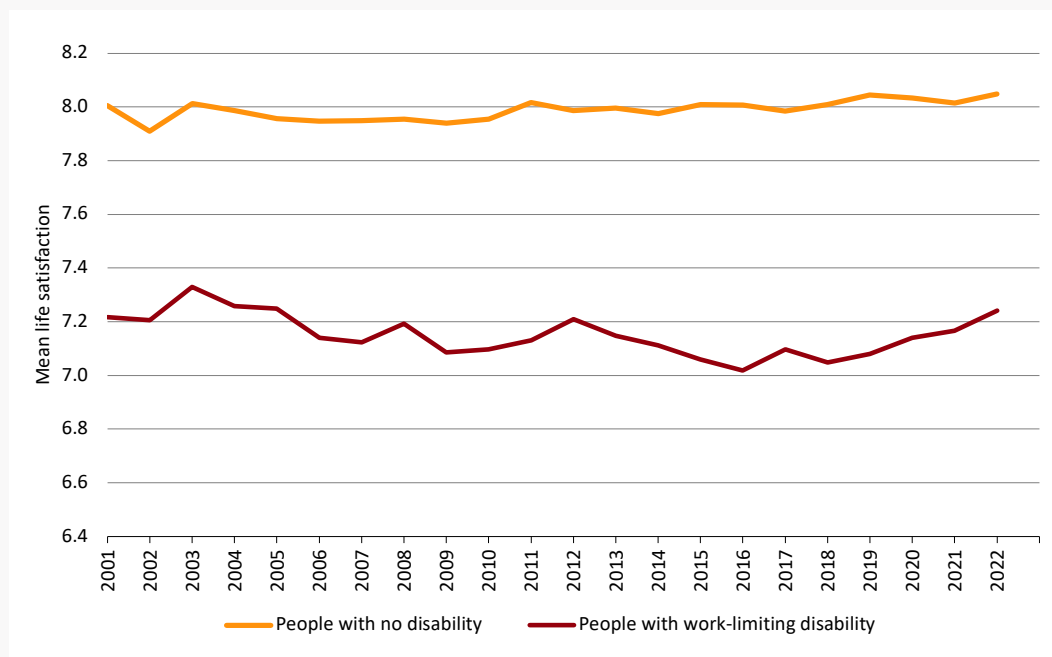
These estimates are substantial in magnitude. An almost universal finding from happiness models in the empirical literature is for the differences between

married and unmarried people to be one of the largest effects observed. In these models the marital wellbeing 'premium' is around +0.30 relative to those who have never been married. The reduction in wellbeing association with a person having a work limiting disability is larger in magnitude (-0.48 in Model 2). It is also larger than the estimated gap in satisfaction between those in work and those who are unemployed, with the latter well known to be associated with substantially reduced wellbeing.

It must be stressed that Australians with a disability lead happy and rewarding lives: reporting a average life satisfaction of over 7 on a scale from 0 to 10 and on which 10 is the highest possible score. However, it is the case that Australians with a disability experience a lower sense of wellbeing than those without a disability. Satisfaction with life deteriorates with the severity of disability, and the magnitude of that loss of wellbeing is considerable in the context of the variation typically associated with other key life outcomes that shape wellbeing. The important question is whether more could be done to promote inclusion and to mitigate factors that contribute to people with disability experiencing lower subjective wellbeing. On the basis of the raw means between people with no disability or long-term health condition and people with a work-limiting disability, Figure 28 suggests this gap in wellbeing has not narrowed at all over the 22 years of the HILDA data.

FIGURE 28

Mean life satisfaction by level of disability: HILDA 2001 to 2022



Notes: Responding Person weights used.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2001 to 2022.

The raw means presented in Figure 28 will be by affected compositional changes in the samples, including the age structure and incidence of disability by severity. To assess changes more rigorously over time in the relative wellbeing of Australians with a disability, we partitioned the timeframe of the HILDA survey into three sub periods (2001-08, 2009-15, 2016-22) and analysed the association between disability status and life satisfaction for each period. The results are reported in Appendix Table 10.

The findings show no lessening of the effect of having a disability on people's sense of wellbeing over these periods, and this applies for the effect of different levels of severity or limitation. Unfortunately changes in policy or in community attitudes over this time do not appear to have significantly lessened the way experiences of people with disabilities can impact upon their assessments of their wellbeing.

EFFECT OF EMPLOYMENT ON WELLBEING FOR PEOPLE WITH A DISABILITY

The results of models of people's assessment of their life satisfaction for the full working-age population show that, relative to people who are not participating in the labour market, employed people have modestly higher life satisfaction, and those who are unemployed are on average less happy than non-participants (Table 9). People in full-time education also report relatively high life satisfaction. Those effects represent the association between labour force status and subjective wellbeing, after controlling for disability status and other factors, and averaged across the full working-age population including people with and without disability.

We are particularly interested in how labour force status, and particularly being in employment, shapes feelings of wellbeing for people with disability. To obtain those estimates, similar modelling was undertaken with the HILDA data using only the sample of people with disability. Specifically, we looked at those people who reported they had a disability that limits the amount or type of work they can do.

We find large and positive effects of labour market engagement for people with a disability, be that engagement in the form of employment or full-time education (results for key variables of interest are reported in Appendix Table 11). After controlling for the level of work limitation

associated with a person's disability, both being in a job and being in full-time education, as opposed to being outside the labour force, is associated with around a 0.25 point movement up the life satisfaction scale, again a relatively sizeable shift in the context of other factors known to impact upon wellbeing. The association with being in part-time employment is also positive but smaller, while being unemployed has a detrimental effect.

The results are suggestive that labour market and education inclusion enhance the wellbeing of people with disability. For a number of reasons, caution must be exercised in interpreting these results as proof of a casual effect. For example, there may be other factors that influence both labour market engagement and wellbeing; or 'reverse causation' in which naturally happier people are more likely to secure jobs or enrol in education. To control for such factors more rigorously, we use estimates based only on how reported wellbeing changes for people with disabilities as they move between labour market states (so called 'fixed effects' models, see Panel B of Table 11). Those models lead to very similar estimates of the association between being in employment or full-time study on the life satisfaction of people with a disability. This provides strong supporting evidence of a casual effect of labour market engagement on wellbeing, but not definitive proof.



EMPLOYMENT AND LABOUR MARKET INCLUSION FOR CARERS

INTRODUCTION

The Census, SDAC and HILDA also provide information on Australians who care for people with disabilities. Again, there are differences in the way carers are identified. All three refer to care that is undertaken on an informal or unpaid basis, and not care as part of a person's employment, although a carer may be in receipt of Carer Allowance or Carer Payment through the social security system. The Census asks if people spent time providing care during the prior two weeks; SDAC specifies that the caring must be ongoing and expected to last at least

6 months; while HILDA refers to ongoing, regular care. Each relate to assistance due to limitations associated with a disability, long-term health condition or old age, and not assistance provided to children simply due to their young age.

Given the focus of this report on labour market inclusion, the analysis in this section is restricted to people of working age, which we define as 15 to 69 (although the people they care for can be of any age).

CARING FOR A PERSON WITH A DISABILITY

The ABS Census of Population and Housing includes the question: “In the last two weeks did the person spend time providing unpaid care, help or assistance to family members or others because of a disability, a long-term health condition or problems related to old age?”. It further specifies that anyone in receipt of Carer Allowance or Carer Payment should indicate that they do provide care.

The 2021 Census counted 2.13 million working-age Australians who reported providing such care, of whom 61 per cent were women. Excluding non-responses to the question, this equates to 12.9 per cent of the working age population - 15.4 per cent of women and 10.2 per cent of men (Figure 29).

This incidence of caring has increased from 11.3 per cent recorded in 2006. That +1.5 percentage point increase in the prevalence of carers over those 15 years equates to a quite substantial growth of 13.6 per cent. The incidence of caring as recorded in the Census has steadily risen for both men and women. While it has increased more rapidly for men, this has made only minor inroads into the disproportionate share of carer roles undertaken by working-aged women. In 2006 the gap between the proportion of women and men reporting caring activities was 5.27 percentage points; fifteen years later in 2021 it was 5.20 percentage points.

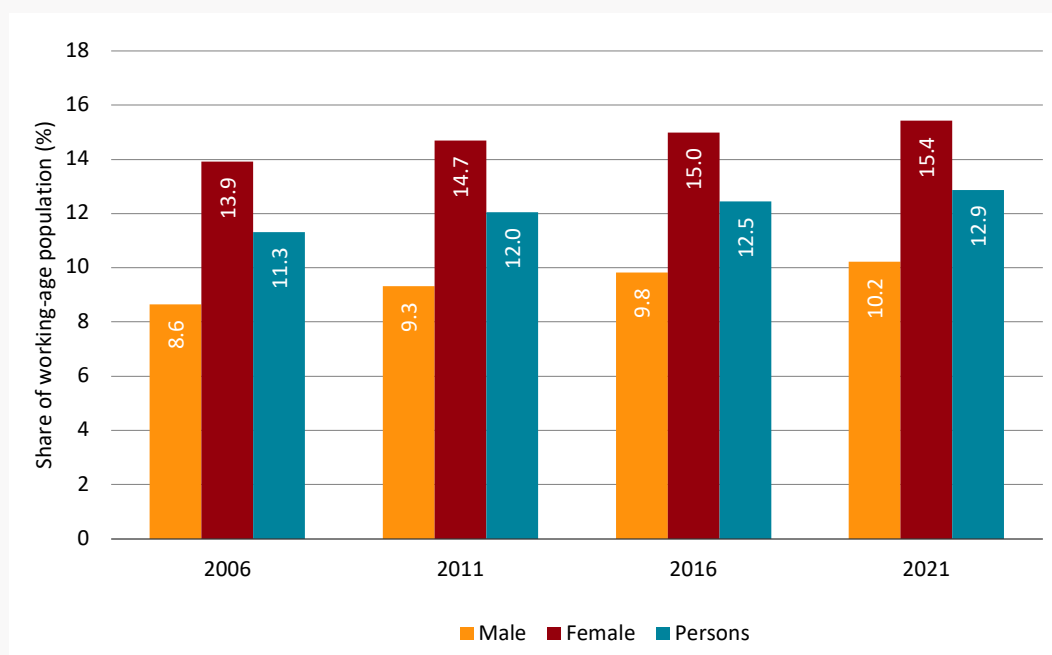


The 2021 Census counted 2.13 million working-age Australians who reported providing care, 61 per cent of whom were women.

This incidence of caring has increased from 11.3 per cent recorded in 2006 to 12.9 per cent in 2021.

FIGURE 29

Share of working age Australians providing care: 2006 to 2021



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2006 to 2021.

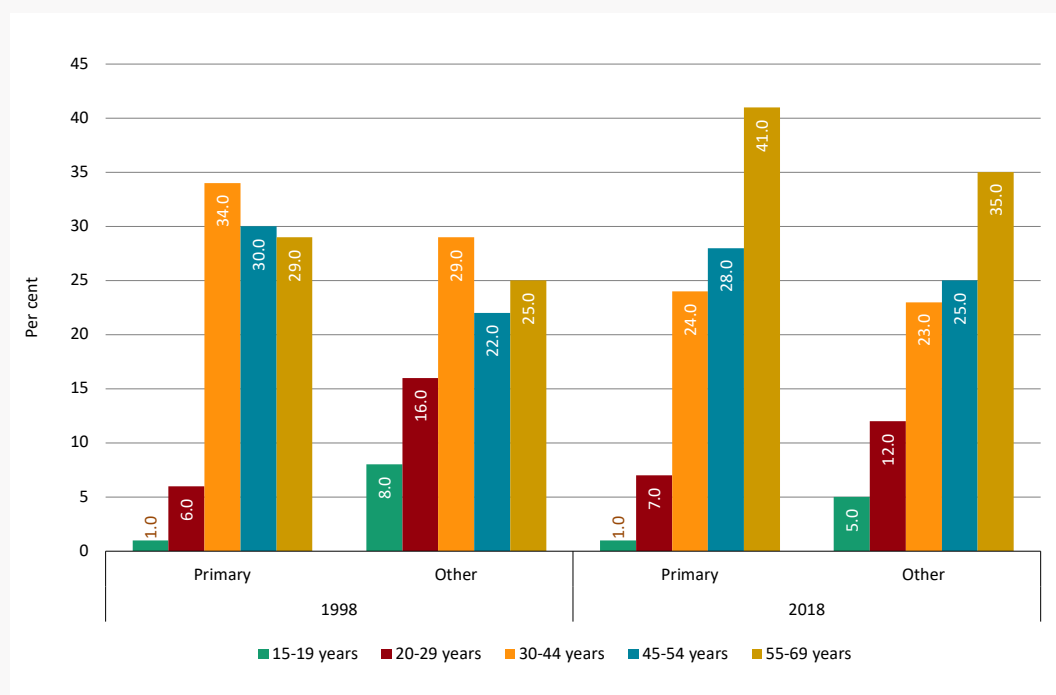
The SDAC provides a more detailed classification of carers who give ongoing, unpaid assistance or supervision to a person (or persons) with a disability or to older persons. It further classifies them as a primary carer if they provide the most help and supervision to the person being cared for.

The share of people aged over 55 who undertake caring roles has increased substantially over the past decade, both as primary carers and in other caregiving roles (Figure 30).

The SDAC data show some significant changes in the composition of people undertaking caring roles. First, the caring population has aged substantially. In 1998, 29 per cent of primary carers were aged 55-69 years. By 2018 this had increased to 41 per cent. There was a similar though slightly smaller increase in the share of other (non-primary) carers in this age group, from 25 per cent to 35 per cent. There were associated declines in the proportion of primary carers aged 30-44 years, and for other carers in the proportion of carers aged from 15 to 44.

FIGURE 30

Age composition of primary carers and other carers: 1998 and 2018



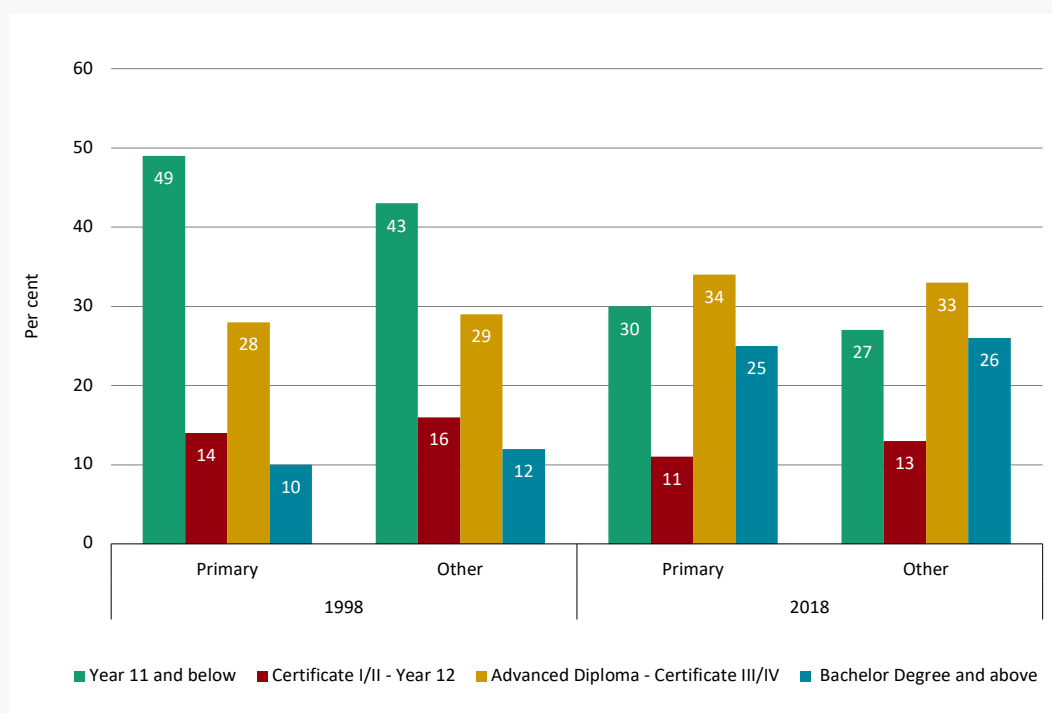
Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability, Ageing and Carers, 1998 and 2018.

The carer cohort of 2018 was also substantially more educated than the carer cohort of 1998 (see Figure 31). The major compositional change has been a falling proportion of carers who have not completed the equivalent of Year 12 schooling and

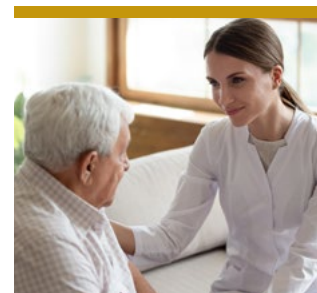
rising share of carers with university level qualifications. In 2018 around 25 per cent of both primary and other carers held a bachelor's degree or higher qualification, and this proportion had more than doubled since 1998.

FIGURE 31

Educational attainment by carer status: 1998 and 2018



Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Survey of Disability, Ageing and Carers, 1998 and 2018.



7.5 per cent of working-age Australians reported caring for someone.

Around 63 per cent of carers are female, and this rises to 70 per cent for main carers.



For carers identified in the pooled HILDA data, 41 per cent also reported having a disability, and 30 per cent a work-limiting disability.

The incidence of disability among people who are a main carer is even higher: 46 per cent report having a disability and 35 per cent report having a disability that limits the work they can do.

Household, Income and Labour Dynamics in Australia (HILDA) survey

Commencing from Wave 5, the HILDA survey asked people whether they care for someone with a long-term health condition, who is elderly or who has a disability. Caring is defined as providing assistance with self-care, mobility or communication, and does not include caring which is undertaken as part of paid employment.

For those who are carers, HILDA also determines whether the person (or people) being cared for live in the same household as the respondent or elsewhere, and whether they are the 'main carer' of a person being cared for.

Over the years the data have been collected (2005 to 2022), 7.5 per cent of working-age Australians reported caring for someone, with the majority of those (4.3 per cent of working-age adults) doing so as the main carer. Using survey population weights, this equates to an estimated 1.42 million carers of working age in Australia in 2022 and 840,000 main carers. The lower frequency of caring roles among the working-age population as measured in HILDA when compared to the Census (7.5 per cent compared to 12.9 per cent) can

be attributed to HILDA's criterion that the caring should be an 'ongoing' role, whereas the Census definition relates to any caring undertaken in the prior two weeks.

Around 63 per cent of carers are female, and this rises to 70 per cent for main carers. When the carer is the main carer, they are much more likely to be caring for someone who lives in their own household (around 80 per cent of cases). For those who are not the main carer, the person they are caring for is more often someone who lives elsewhere (around 62 per cent).

It is notable that a very high proportion of carers are also people with disability. For carers identified in the pooled HILDA data, 41 per cent also reported having a disability, and 30 per cent a work-limiting disability. These figures compare to 21 per cent and 14 per cent, respectively, for working-age Australians who are not carers. The incidence of disability among people who are a main carer is even higher: 46 per cent report having a disability and 35 per cent report having a disability that limits the work they can do. This compares to 15 per cent of non-carers who report a work-limiting disability.

IS THE AUSTRALIAN LABOUR MARKET INCLUSIVE FOR CARERS?

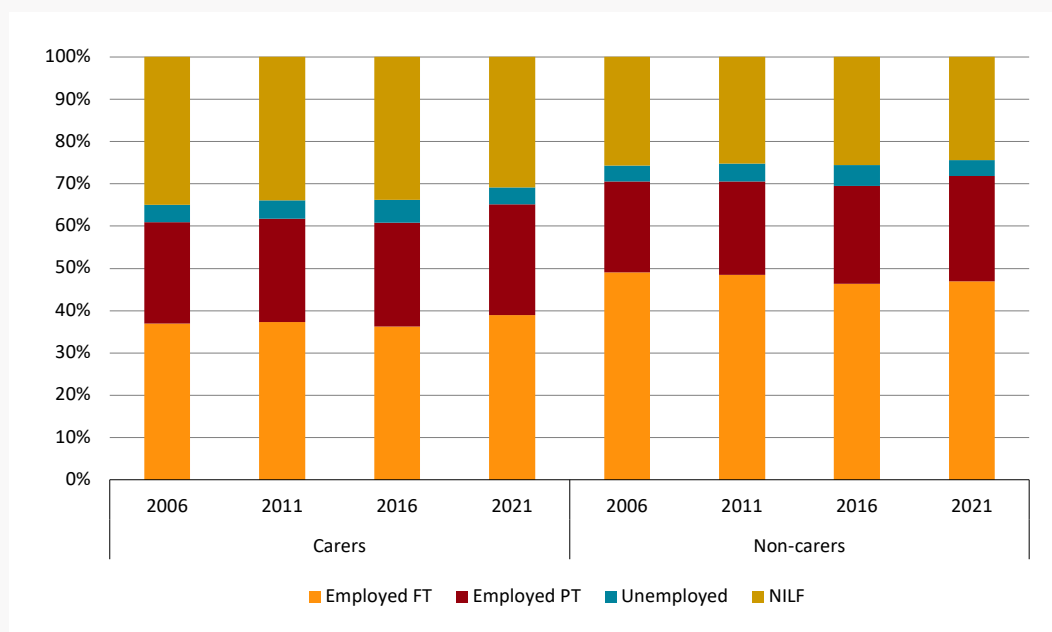
The Census provides the most comprehensive coverage of the population of people who care for a person with a disability but does not further identify whether or not they are the main carer.

Census data show a modest increase in labour force participation rates for carers between 2006 and 2021 (Figure 32). As at

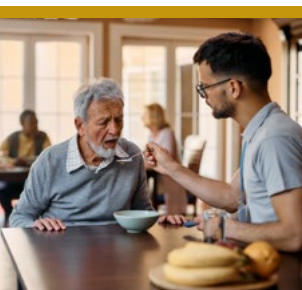
the 2021 Census, 69.1 per cent of carers were participating in the labour force. This is up from 65.0 per cent in 2006, but lower than for people who are not carers (75.6 per cent). Carers are more likely to work part-time, but the shares of carers and non-carers in full-time work has converged since 2006, with a gap of around 8 percentage points in the 2021 Census.

FIGURE 32

Labour force status for carers and non-carers: ABS Census, 2006 to 2021



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2006 to 2021.



Someone who is a main carer is around 8.5 percentage points less likely to be working than a similar person who is a non-carer.

The HILDA survey includes information from 2005 onwards on respondents' roles as a main carer or secondary caregiver. This provides an important opportunity to explore the extent to which caring responsibilities affect employment outcomes, and whether such impacts have changed over time.

Using statistical regression methods, we are able to compare the employment probabilities of carers and non-carers over the period from 2005 to 2022. This approach controls for other characteristics of carers that may affect their labour market outcomes to try to ascertain, as close as possible, the effect that undertaking a caring role has on employment opportunity.

The results indicate that someone who is a main carer is around 8.5 percentage points less likely to be working than a similar person who is a non-carer (Appendix Table 12), but with a much smaller reduction of around 1 percentage point for other carers.

When we analysed this association between caring and employment opportunity for the earlier half (2005-13) and latter half of this period (2014-2022), the results show the 'penalty' in employment opportunity associated with caring roles has remained very stable. A comparable analyses using the SDAC data confirm a reduced likelihood of employment for people undertaking caring roles, albeit with slightly smaller estimated penalty (5 percentage points).

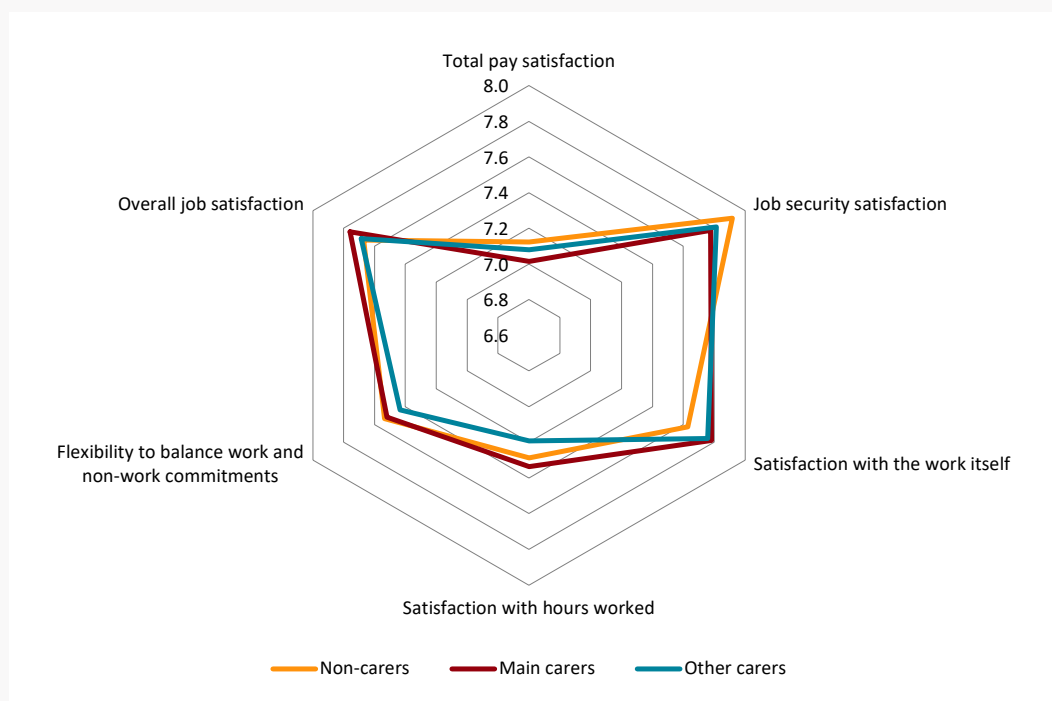
WORKING LIFE FOR CARERS

Carers who are in employment report much the same overall job satisfaction as workers who are not undertaking caring roles, and this applies to both main carers and other carers. Based on the pooled HILDA data from 2005 to 2022, the main aspect of work that

carers are relatively less satisfied with is their job security (see Figure 33). Primary carers also report lower satisfaction with their pay, but carers tend to have higher satisfaction with the actual work they do than other employed people.

FIGURE 33

Mean job satisfaction by carer status: 2005 to 2022



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2005 to 2022.



Carers who are in employment report much the same overall job satisfaction as workers who are not undertaking caring roles.

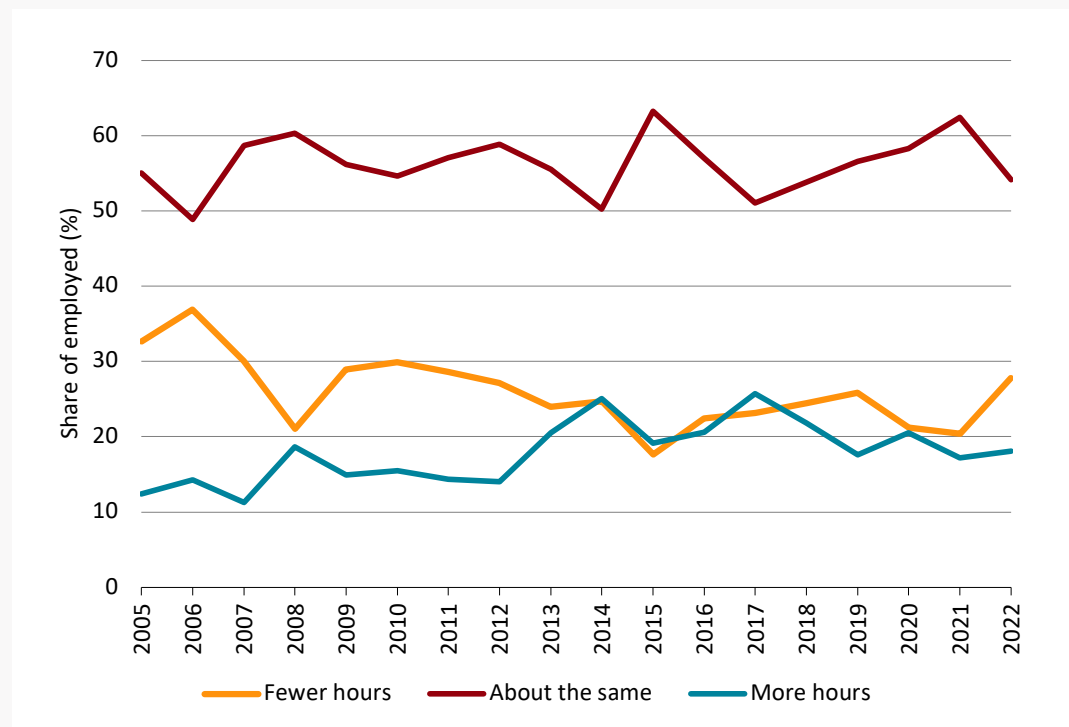
In terms of preferences for working fewer or more hours, the HILDA data suggest that carers have quite similar profiles to other workers, with around 60 per cent satisfied with the number of hours they worked.

Focussing on main carers, Figure 34 shows that since 2005, the proportion of working

carers who are content with their hours of work has trended upwards. In terms of hours mismatch, there has been a decline in the proportion who would prefer to work fewer hours, and an increase in the incidence of underemployment.

FIGURE 34

Preference of carers for working more or fewer hours: 2005 to 2022



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2005 to 2022.

BARRIERS TO EMPLOYMENT

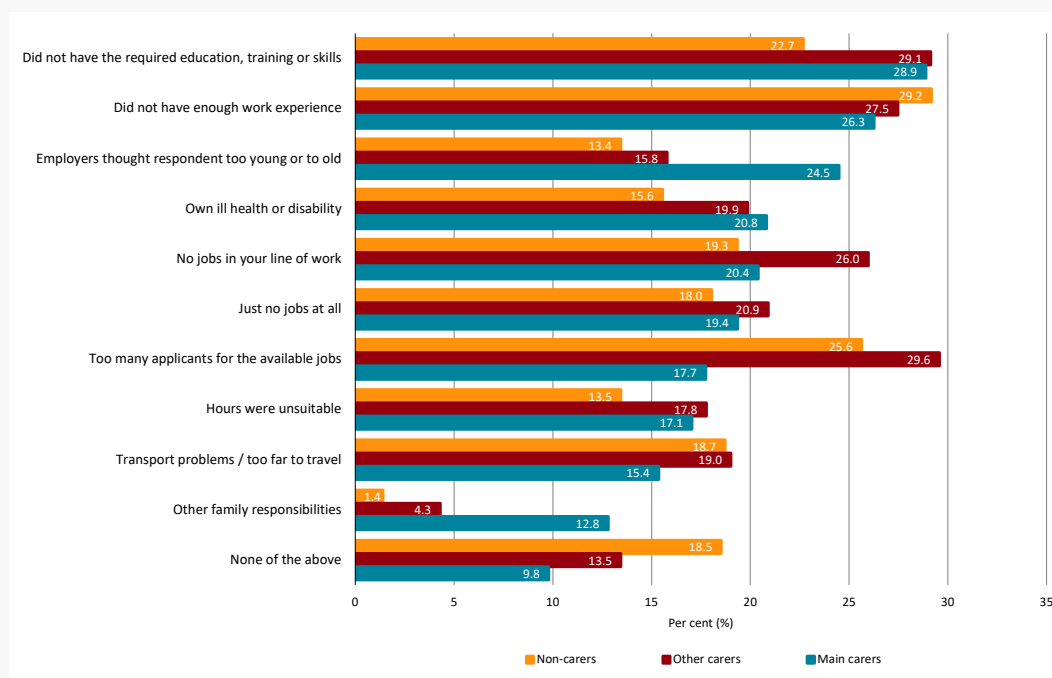
As discussed above with reference to people with disability, the HILDA survey asks people who are looking for work about their perceived barriers to gaining a job and, for those who are potentially interested in work but not looking for work, the reasons why they have not actively sought employment. Among people who had been looking for work, those with caring roles were more likely to nominate most of the barriers listed in the survey when compared to jobseekers who did not care for a person with a disability or an elderly person (Figure 35). Main carers were much more likely to nominate 'Other family responsibilities' as a difficulty, selected by 12.8 per cent of main carers. At 4.3 per cent, surprisingly few jobseekers with other (non-primary) caring roles acknowledged this item as a barrier, and this compared to 1.4 per cent

of non-carers. 'Own ill health or disability' and 'unsuitable hours' were also difficulties that carers were more likely to perceive as barriers to finding work compared to non-carers.

When asked to nominate what they perceive as their main barrier to finding work (as opposed to indicating all difficulties that apply), the most commonly nominated factor for main carers was actually their own ill health or disability (14.6 per cent), followed by employers thinking they were too old or too young (13.2 per cent). 'Other family responsibilities' ranked fourth, attracting a similar share of responses as unsuitable hours, and not having the required education, training or skills, each with between 9 and 10 per cent of responses.

FIGURE 35

Perceived reasons for difficulties getting a job: jobseekers: by carer status, 2005 to 2022



Notes: Multiple responses permitted.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2005 to 2022.



The predominant reason given by those who are main carers for not actively seeking work was the ill health of someone else or other family reasons.

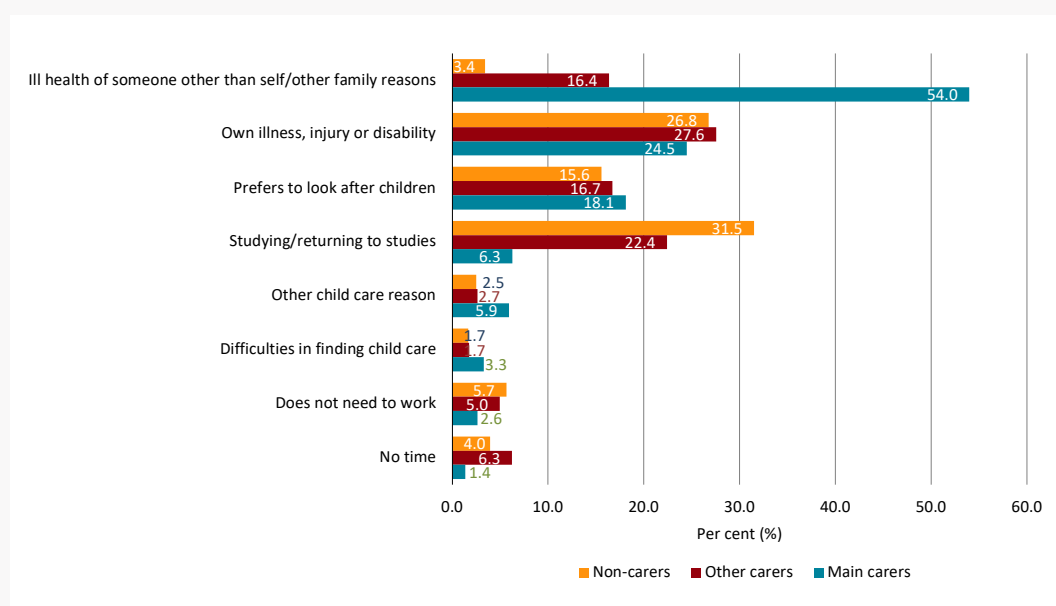
For people who would potentially like to work if a suitable job was available, but had not actively looked for work, the predominant reason given by those who are main carers was the ill health of someone else or other family reasons (Figure 36). Nominated by 54.0 per cent of main carers, this far exceeds the 16.4 per cent of people in other caring roles who gave this reason, highlighting the much greater constraints upon labour market engagement for main carers. Another indication of this is the low proportion of main carers who are not seeking work because they intend to return

to study. This applied to just 6.3 per cent of main carers, compared to 22.4 per cent of other carers and 31.5 per cent of people who are not in caring roles.

As with people with disability, very few of the marginally attached reported the potential effect on their welfare or pension as a reason for not looking for work: around 2 per cent for main carers, and close to 1 per cent of respondents for other carers and for non-carers. For all three groups, fewer than 1 per cent nominated this as the main reason for not looking for work.

FIGURE 36

Reasons for not looking for a job: marginally attached by carer status, 2005 to 2022



Notes: Multiple responses permitted.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2005 to 2022.

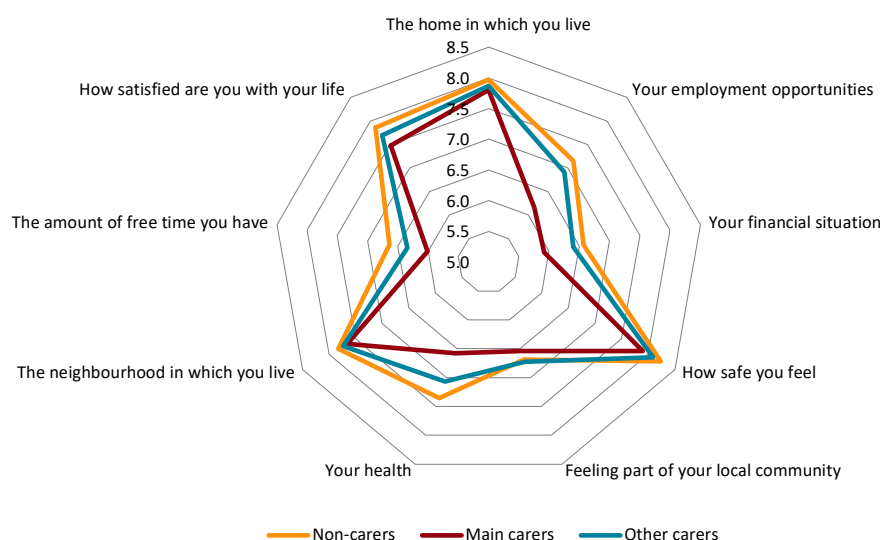
CARING, WELLBEING AND EMPLOYMENT

In terms of overall life satisfaction, people who are a main carer report lower mean satisfaction than other carers, who in turn report lower mean life satisfaction than people with no ongoing caring role (Figure 37). The same ordering holds for each of the life domains recorded in the HILDA survey.

The differences between non-carers and carers who are not main carers are generally very minor. The lower satisfaction for people who are main carers is most apparent in the realms of employment opportunity, health, finances, and with the amount of free time available.

FIGURE 37

Mean life satisfaction by carer status: persons aged 15-69 years, HILDA Waves 5-22



Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2005 to 2022.



People who are a main carer report lower mean satisfaction than other carers, who in turn report lower mean life satisfaction than people with no ongoing caring role.



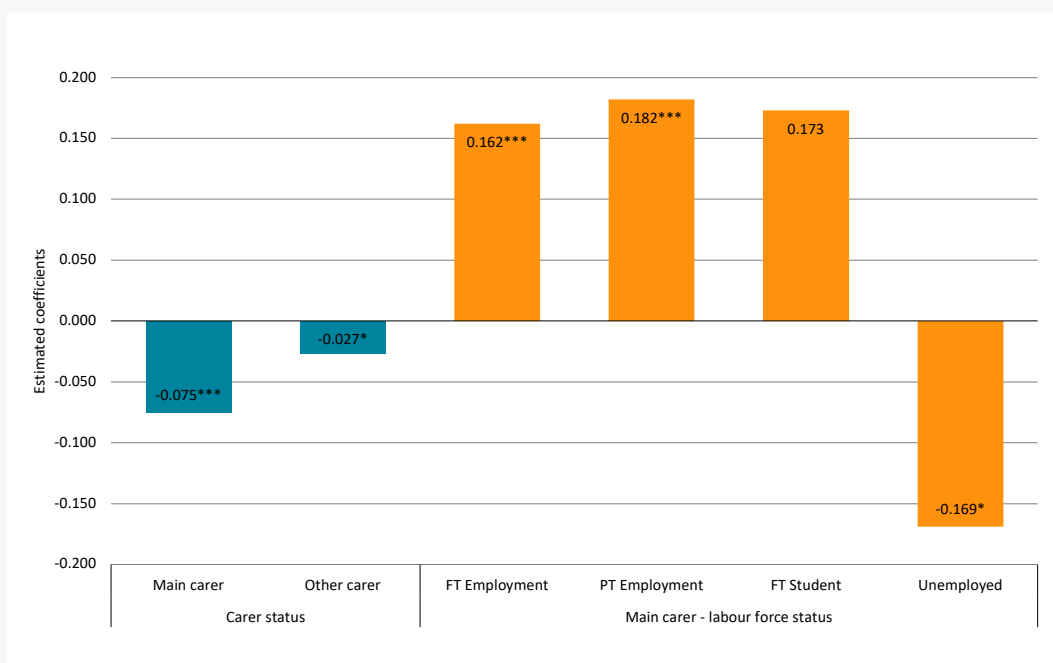
Being in work is associated with greater wellbeing among main carers, and this applies to both full-time and part-time work.

In raw terms, the differences in overall life satisfaction are small, and may be a result of other factors, such as differences in age, level of education, marital status and so on. The blue bars in the left panel of Figure 38 show the estimated change in people's reported life satisfaction associated with caring status from statistical models of life satisfaction reported above (See Table 13, full results not reported). After controlling for other factors, the results are consistent with lower life satisfaction for carers who are the main carer of a person with a disability or an elderly person – the estimate

is small in magnitude (a fall of just 0.075 on the 11-point scale) relative to, say, the higher life satisfaction associated with being married instead of single (+0.3) or, indeed, with having a disability. However, given the tight distribution of responses on the life satisfaction scale, we can be confident in the findings of a negative association. The lower wellbeing associated with being a carer who is not a main carer is smaller still and only marginally significant. The association between carer status and self-assessed wellbeing appears to have been stable for main carers since 2005.

FIGURE 38

Life satisfaction: Effects of caring roles, and main carers' labour force status: HILDA Waves 2005 to 2022



Notes: Coefficients are estimated using a linear regression model. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level. Estimates for carer status are relative to persons without caring roles, and for labour force status relative to main carers who are not in the labour force.

Source: Bankwest Curtin Economics Centre | Authors' calculations based on HILDA survey, 2005 to 2022.


The effect of employment on wellbeing for carers

For carers, engaging in the labour force is likely to offer positive psychological and financial rewards as well as presenting challenges in balancing work and caring duties. To investigate the net effects of labour force status for carers, multivariate models of life satisfaction are estimated separately for the two groups of carers (main carers and other carers).

The estimates of the effect of labour force status for people who are main carers are also shown in Figure 38. Results for the key variables relating to labour force status for both main carers and other caring roles are presented in Table 14. In contrast to people with disability, among whom we find labour market engagement provides a positive boost to life satisfaction, the

evidence of positive effects is more limited for carers. Being in work is associated with greater wellbeing among main carers, and this applies to both full-time and part-time work. There is a similar estimated effect for being engaged in full-time study, however, we cannot be confident in this result in a statistical sense. We can see from the relative magnitude of the effects, being able to maintain engagement with the labour force more than offsets the lower wellbeing associated with a primary carer role. Caring obligations which preclude labour market engagement have a much larger negative impact on people's subjective wellbeing. There is little evidence of positive associations with being in employment or with being a full-time student for other carers (See Table 14, effects not shown in the figure).

"THE LAST TWO
DECADES HAVE
SEEN **SIGNIFICANT
CHANGES ACROSS
AUSTRALIA**, IN THE
UNDERSTANDING
OF AND ATTITUDES
TOWARD PEOPLE
LIVING WITH A
DISABILITY ACROSS
OUR COMMUNITY."



SHIFTING THE DIAL:
RESHAPING POLICY TO BROADEN ACCESS TO EMPLOYMENT FOR PEOPLE WITH DISABILITIES

SHIFTING THE DIAL: RESHAPING POLICY TO BROADEN ACCESS TO EMPLOYMENT FOR PEOPLE WITH DISABILITIES

INTRODUCTION

The last two decades have seen significant changes across Australia, in the understanding of and attitudes toward people living with a disability across our community, and in the nature and scale of public policies and programs that support them. However, as the evidence evaluated within this report clearly shows, these policies and strategies have yet to have a meaningful impact on employment outcomes for people living with a disability.

THE ECONOMIC CONTRIBUTION AND COST OF PEOPLE WITH A DISABILITY

In recent years the public dialogue concerning the lives and wellbeing of people living with a disability has been dominated by a focus on costs rather than benefits. The NDIS cost \$35 billion last financial year to support around 610,000 people living with profound or severe limitations, is expected to exceed \$50 billion in the next federal budget and grow to \$90 billion per annum within a decade.⁷ In December National Cabinet announced a new national partnership agreement with the states and territories to commit an additional approximately \$3.5 billion per year to disability services outside of the NDIS, representing its 50 per cent share of these “foundational supports” delivered by the states, with their growth rate capped at 8 per cent per annum.

A strength-based approach to workplace inclusion that focuses on the wellbeing of people with a disability and of the broader community would foreground the benefits of strengthening participation and put a value on the additional contribution people with a disability can and will make when we truly *Employ their Ability*. It is telling that in reviewing all of these policies, strategies, inquiries and reviews from the past two decades, we could not find anywhere that such a value had been estimated or measured.

Our analysis suggests that an increase of 10 per cent in the number of people with disability who are employed would increase national economic output by \$16 billion per year. This is a conservative measure based on additional wages but does not take account of cost savings in welfare payments and the mitigation of other supports.

In considering the future economic contribution that can be made by people

living with a disability when they are given a chance and, along with employers and workplaces, given the support they need to succeed, it is important to consider what is the most effective pathway to success. In doing so it is important that we thoughtfully balance both economic and social outcomes. A narrow focus on economic outcomes alone would prioritise investment in those experiencing few workplace limitations as a means of delivering the quickest and simplest return on investment. However, doing so risks overlooking the positive impacts and long-term benefits on the health, wellbeing and life satisfaction of meaningful employment and greater social inclusion on those facing greater life challenges.

Conversely, an approach that leverages the current structures and eligibility requirements of the NDIS to build greater workplace support into existing personal plans, would see more resources dedicated to that cohort facing the greatest barriers and work limitations, who might also expect to only be able to work limited hours, and may experience some deterioration in their health and work capacity over time or if over-stretched. What the data has shown us about workplace outcomes for NDIS participants to date suggests that this has not been happening for a number of reasons, including existing workplace barriers such as employer bias and risk aversion, but also risk aversion on the part of people with a disability who may erroneously fear losing their entitlement to lifelong support. Addressing these barriers (as discussed earlier) requires more specialised employer and workplace recruitment and transition packages that provide individualised support.



Our analysis suggests that an increase of 10 per cent in the number of people with disability who are employed would increase national economic output by \$16 billion per year.

⁷ [Statement from National Cabinet](#), Prime Minister Hon. Anthony Albanese, 6 December 2023.

The significant underemployment of people with a disability (particularly those with comparatively little limitation or restriction to their ability to participate in work, where these challenges are easily overcome or circumvented) found in this report over the last decades is both a disappointment and a major opportunity. It is a disappointment because it exposes the manner in which successive government policies and initiatives have, despite the best of intentions, failed to shift the dial. It is also a major opportunity because it highlights that with better coordination and support, we should be able to significantly transform disability employment outcomes over the next decade.

While it is early days yet in the rollout of the 2021-2031 ADS and the development of foundational supports, this shift in focus and promise of increased investment has significant potential to improve broader outcomes and boost workforce participation if implemented thoughtfully and effectively. Our analysis within this report clearly shows that there is significant unrealised potential among people with a disability to contribute to the Australian workforce.

Furthermore, this is occurring at a point in time where skills shortages are holding back our economic potential, while changes in community attitudes, technological enablers and the 'working from home revolution' are all opening up opportunities for greater workforce participation.

We suggest there are four different domains within which to consider successful policies and initiatives:

1. National policies, targets and regulations
2. Employer initiatives, supports and resources
3. Public-sector employment strategies and targets
4. Community sector programs and initiatives

These are discussed further on the following pages.

A WORK FIRST APPROACH

In light of the extent of policy reforms, growth in government funding, the conducive labour market conditions, and the evident dedication and good will of the many disability organisations across the sector, the lack of evidence of an improvement in labour market inclusion for Australians with disability over two decades seems almost irreconcilable. Somehow, for some reason, the current system is not working. We can and, by now, should have created a more inclusive labour market for Australians with a disability.

A critical step is to harness the good will and potential of Australian businesses, in much the same way that many workplaces are proactively addressing gender inequality and promoting Indigenous employment. Numerous other issues have been raised in the various consultation reports supporting the strategies, in the reviews of the NDIS, of the Disability Employment Strategy and in the Royal Commission, and these have been echoed in consultations undertaken for this report with key stakeholders and researchers.

To begin to address these issues, we recommend a wholesale restructuring and reorientation of the existing supports for people with disability to a proactive 'work first' model. Income support and other assistance provided to people with disability, their families, and carers needs to be integrated into a simplified and streamlined program with an expectation of appropriate and meaningful work, and with pay at or above applicable minimum or award wages. This could be achieved through an overarching policy and administrative body focusing on employment for people with disabilities, similar to the Office of Disability Employment Policy in the US, that would coordinate existing elements of the system relating to employment inclusion, including Disability Support Pension, Disability Employment Services, Australian Disability

Enterprises and the NDIS. Critically, it would have extensive representation of people with disabilities in its management and policy formulation. Analysis of NDIS-reported performance data for the September quarter 2023 show that only 35.1 per cent of the support plans for working age clients included employment goals, with little variation across types of disability.

The agency would coordinate assistance provided to people with disability (the supply-side) and work to improve employer practices and incentives to hire, train and retain people with disability in customised employment places (the demand side). The agency would also have a key role in curating access to resources to assist and support inclusive recruitment, transitions, workplace adjustment and support, and hence in linking employers and prospective employees to specialist support services that reflect the needs and requirements of their industry, circumstances and enterprise type.

Some workplaces are more amenable to employing people with a disability including through the potential for job redesign and this will apply to different forms of disability. Economies of scale are likely to be very significant because of fixed costs of physical adjustments, training of other staff and their accumulated skills by experience, potential reorganisation of workflow, appropriate technologies and so on. This means that once one person with a disability is employed in an organisation, the cost of employing additional people with disability will be lower, and particularly one with similar requirements for inclusion. It is logical that some organisations, as well as occupations and industries, will employ more people with disability and with different types of disability and indeed we have seen there is significant variation across industry sectors. This also means that the learnings for organisational policy and practice, workplace adjustments and

cultural change are also transferable – we can document and evaluate what works, compile resources and case studies by industry and build a model for best practice.

We recommend a system in which employers receive a negotiated subsidy and support package for customised employment placements, with the level of financial subsidy to the employer based on the number of people with disability they employ, the extent of their limitations, and key personal wellbeing indicators with incentives structured to reward longer term employment outcomes. The customised support packages would be negotiated between disability employment specialists and employers, or groups of employers, with support available to cover workplace adjustments and other required on-the-job support and regular follow-up visits by an employment specialist depending upon the employee's needs.

The workers should be paid at least award wages, with any shortfall between the worker's productivity and their wages being paid to the employer as part of the negotiated subsidy package. It is worth noting this potential subsidy is more to address employer misperceptions of the productivity and capability of people with a disability, and care should be taken to monitor output against industry standards to avoid misuse. The support package would be monitored and adjusted over time in line with employment outcomes, workers' changing needs and productivity levels. Importantly, this would include monitoring of other personal outcome measures for the people with disability and, where relevant, their families and carers, such as feelings of social inclusion, security and self-determination as proposed by Smith and Parmenter (2023), to align incentives with the provision of meaningful work and appropriate jobs rather than simply compliance.

While workplaces with higher numbers of workers with disability and with particular types of disability are likely to emerge, this specialisation would be very different to segregated employment. In an outcomes-driven model, all Australian enterprises are potentially Australian Disability Enterprises, without need to differentiate between open and segregated employment other than in respect to the enterprises' performance. Emerging research indicates that creating customised and integrated employment can have high initial or up-front costs, but those costs diminish over time to be lower than the costs of positions provided in segregated employment (Taylor *et al.* 2021). Hence, over time we would expect the traditional forms of ADE to disappear simply because they would not be competitive with other businesses in providing better outcomes for people with disability. The role of Australian Disability Enterprises has been controversial and the Royal Commission and others have called for the end of segregated employment. If the incentives are well designed, ADEs would only survive in the longer term if they are providing superior outcomes than could be achieved elsewhere for a substantial number of people with disability.

Evidence suggests that key barriers to employers hiring people with disability include uncertainty about how to go about it, complexity of needing to deal with multiple agencies, concerns about costs and a tendency to over-estimate them, and limited awareness of the wide range of supports available. Proactive and strategic targeting of customised employment packages to employers would address these concerns, with larger organisations targeted first. It makes sense for support providers to specialise by industry so they can tailor advice, policies and packages to meet industry needs. While packages may be relatively generous initially to encourage leading employers to participate, research

suggests support needs will decline as inclusive practices become embedded and accepted. If the subsidies offered systematically exceed the actual costs to the employer, such that they make excess profits or returns from participating then, in theory, competition between employers should drive the offered subsidies down towards the true marginal costs to employers – which for many employees with disability would be zero!

The fact that support packages would potentially draw on other supports available to the employee, such as through the NDIS or DES, and the earnings would impact on income support, highlights the need for such a work first approach to be delivered through a coordinated disability employment structure that integrates existing programs into individualised, customised employment packages. It is important however, that workers must be full and equal employees of the business, not of the placement agency. The wages paid to the employee may result in an appropriate withdrawal of income support over time, but never in a way that leaves them financially worse off during their transition into employment or should they need to leave that job. This includes ensuring that if or when their health or capacity to work deteriorates over time there is no barrier to accessing support and no loss of DSP entitlement. Ideally, this should be guaranteed by a legislated minimum living wage. From a government budget perspective, withdrawal of income support would substantially offset the component of the subsidy package associated with any difference between worker productivity and wages. However, we believe participation in any such scheme by people with disability and their family should be seen in the spirit of a right to meaningful work and full participation in society, and not as a mutual obligation or work test for receipt of other benefits.

We believe such a work first scheme should initially be promoted through positive incentives offered to employers, including the financial value of the subsidy and expert support for implementation and assistance with accommodations. However, there are a number of potential ‘sticks’ as well as ‘carrots’ that can be used to increase employment outcomes, at least for large organisations, such as increased monitoring and reporting against targets in line with the Women’s Gender Equity Agency model, and potentially the adoption over time of quotas, procurement restrictions, or other penalties for failure to commit to developing an inclusive disability employment plan.

It is important to note that the rights and needs of people living with a disability are currently elevated in the public discourse about inclusion. For leading employers, embracing strong and innovative policies and targets for employing people living with a disability can become emblematic. It can be a way of expressing their heart, boosting the value of their brand, reinforcing their social licence to operate. With the National Disability Strategy committing to raise the profile and change public attitudes and understanding towards inclusion of people with a disability over the coming decade, industry leaders can expect that the issue will be on the agenda for some time and that change is inevitable – hence it pays to get ahead of the curve.

One of the best examples of a linked policy, practice and outcomes measurement framework for delivering improved workplace outcomes is the learnings from gender pay equity practice over the last decade undertaken by WGEA, BCEC and industry leaders. While the focus of those efforts has been around women’s employment, gender pay equity, leadership pathways and policies supporting representation in management and at board

level, the underlying framework remains equally relevant. The approach is to begin working with progressive businesses and agencies, put in place a framework that allows you to compare different policy and practice initiatives against meaningful and measurable outcomes, then bring key stakeholders together to discuss what makes a difference, compare notes and share learnings. Then progressively refining and extending voluntary reporting frameworks, linking them to recognition and rewards, with a view to build in mandatory reporting and targets over time. Such a model also builds independent knowledge and expertise as you go, putting in place initiatives that offer advice and support to smaller or newer players who are keen to come onboard but lack the capacity. This is supported by the National Disability Employment Agency or supporting services providing template policies and insightful case studies matched to industry and enterprise need that make implementation easier.

PUBLIC SECTOR EMPLOYERS AS LEADERS

Successive public sector employment policies and commitments over the last two decades have emphasised the potential for government agencies to provide leadership in disability employment. This makes sense as agencies delivering public services and implementing government policies and priorities should also be well placed to deliver disability employment services, policies and outcomes. In practice however progress has been surprisingly slow, outcomes have been patchy and there are many examples where high level policies and aspirations have failed to translate into practical actions and outcomes. The national [APSDS](#) target of 7 per cent of employees with a disability in the Australian Public Sector by 2024 does not look likely to be achieved under current policy settings, as APS employment had risen marginally from 4.9 per cent at baseline in December 2021 to 5.1 per cent in June 2023.⁸ State and territory outcomes and commitments are even more patchy, with the Employment Targeted Action Plan only listing targets for Victoria (6 per cent), NSW (6.5 per cent) and WA (an 'aspirational' 5 per cent). There is not yet any consistent planning, policy, targets or reporting across jurisdictions, and it is not easy to find current or recent figures at a state or territory level. It is not immediately apparent what level of commitment or obligation there is for states and territories to comply with and implement the data improvement plan and to what extent inter-jurisdictional data will be consistent and commensurable in the future.

Victoria has the clearest, most detailed and advanced public sector framework within the Employment TAP, which is arguably the best practice model for others to adapt and adopt. In contrast, Western Australia has a much lower public sector disability employment rate and the WA Public Sector Commission (2020) [People with Disability: Action Plan to Improve WA Public Sector Outcomes 2020-2025](#) is very high level, lacking detail for implementation and accountability. The plan reported an employment rate of only 1.5 per cent in 2020, down from 2.4 per cent in 2014. This has risen marginally to 1.6 per cent in June 2023.⁹ It is clear that, without a concerted effort including introduction of a targeted and resourced policy to which agencies and Director-Generals are held directly accountable, WA has no credible path to reach a 5 per cent target by 2025.

Governments need to set agency-level targets for disability employment rates and put in place measures that require public reporting on policy implementation and workforce outcomes. Better outcomes will be achieved if knowledge and expertise is more effectively sourced and shared across agencies and portfolios, with centralised oversight and shared initiatives to assist, advise, and to support recruitment and employment transitions. Public sector commissions should work closely with the National Disability Employment Agency, and learnings and case studies from public sector employment initiatives can be shared and adapted across the private and community sectors.

⁸ AIHW 2023 <https://www.aihw.gov.au/australias-disability-strategy/outcomes/employment-and-financial-security/public-sector-employment>.

⁹ WA Public Sector Commission (2023) State of the WA Government Sector Workforce 2022-23 <https://www.wa.gov.au/government/document-collections/state-of-the-wa-government-sector-workforce>.

COMMUNITY SECTOR PROVIDERS AS EMPLOYERS OF CHOICE

One place where much higher rates of disability employment could be achieved quickly and effectively is in not-for-profit community service providers delivering public service contracts. Here the challenges and support needs are different, and policies and initiatives need to reflect this difference to be effective. On the one hand, non-government social service organisations are well aligned in their mission, values and workplace culture to accept and embrace people living with a disability within their workforce. Give them the opportunity and resources and many will jump at the chance. There is also likely to be relevant knowledge and practical experience across their workforce that makes collegial support easier, more sincere and effective. However, on the other hand, not-for-profit organisations reliant on government funding are often starved of resources,

over-committed and lack the time and resources needed to develop new policies and practices, undertake the recruitment, provide transition-support, or invest in improving workplace accessibility or assistive technologies. Currently many are also facing workforce and financial viability problems, as public sector funding contracts have not kept pace with award wage rises and inflation. The best way to overcome these challenges is to provide resources and targeted support upfront, outsource the recruitment and transition support to a specialist not-for-profit service, and make additional funding available within existing service contracts or via a grants program to achieve additional employment outcomes. Over time inclusion policies can be introduced into procurement arrangements and targets set for organisations securing contracts over a certain size.

EDUCATION TO WORK TRANSITIONS THAT SUPPORT LIFELONG OUTCOMES

The transition from education to work is one of the most profound and influential life changes for all young adults. How well or poorly we move from school, TAFE or University into a real, meaningful and ongoing job can set our path through life, impacting on our confidence, career options, future earnings and our sense of purpose, belonging and social value. The evidence from a range of studies and inquiries over the last decade, and our analysis of pathways and transitions across successive waves of the HILDA survey shows clearly that young people with a disability face a tougher transition. They are more likely to spend longer seeking work, be insecurely employed, under-employed, or in work that feels less meaningful in a workplace where they do not feel truly included. While 90 per cent of young people with a disability show positive attitudes to future employment the reality is that 18 per cent of school leavers have not entered the workforce and are still seeking work 7 years later.¹⁰ Conversely, personal stories of great placement programs and well-supported transitions show how a little bit of the right help at the right time can be transformational. When our young people shine, irrespective of whether they do or do not face activity limitations, the contribution they make to those around them and ultimately the economy and broader community is greatly magnified. A little bit can make such a huge difference – and we need to do more.

Employ My Ability, the national disability employment strategy for 2021–2031, provides links to a range of resources and advice for students, parents, teachers and career advisors. While some of these resources can be helpful to those who have the capacity to engage with them and the connections and resources to put

them into practice, more clearly needs to be done to actively support all students with a disability to ensure a successful work transition. DSS can do more to curate and provide guidance to their resources, providing direct support and system navigation services through their funded agencies to assist young people and parents to find the right resources for their interests and hook into the right agencies and job opportunities in their local area, industry of specialisation, and addressing their specific disability support needs.

There is a need for educational institutions and state and territory education departments to play a much greater role in transition support. We still need to change attitudes and address misconceptions; to create opportunities and access; recognise the importance of planning and ongoing resources; and streamline coordination, partnerships and accountability.¹¹ Effective outcomes are unlikely to be achieved by simply loading more responsibility onto teachers and lecturers, who are unlikely to have the experience and industry linkages – or the time – to provide effective support. We clearly need specialised roles and additional resources to make this work. This needs to be backed by targets and reporting requirements, with a degree of analysis and oversight to allow us to build on what works and intervene where the outcomes are insufficient. Incorporating changes into a national partnership agreement may be the best way to drive a coordinated national response, backed by a national clearing house curating information and resources, as well as a system for reporting breaches of disability education standards and an independent complaints mechanism.

¹⁰ Year 13 (2021) *Disability and Career Advice Survey*. The South Australian Centre for Economic Studies (2021) *Disability Employment Landscape Research Report*.

¹¹ CYDA (2015) *Post School Transition: The experiences of students with disability*.

"IN THIS REPORT WE
HAVE SCRUTINISED
POPULATION
REPRESENTATIVE
DATASETS **COVERING
25 YEARS** TO
ASSESS PROGRESS
TOWARDS LABOUR
MARKET INCLUSION
FOR PEOPLE
WITH DISABILITY,
COMMENCING
FROM 1998."





SUMMARY AND POLICY RECOMMENDATIONS

SUMMARY AND POLICY RECOMMENDATIONS

In this report we have scrutinised population representative datasets covering 25 years to assess progress towards labour market inclusion for people with disability, commencing from 1998. At the start of this period, one could reasonably expect momentum to have already been building in terms of the impact of reforms and innovations on the employment prospects, working lives and broader social inclusion of Australians with disability.

The sobering finding is that there is no real evidence of any overall improvement in labour market inclusion for people with disability over the one-quarter of a century since 1998.

Based on the most recent wave of HILDA data, the labour force participation rate for people aged 15-69 with a disability or long-term health condition in 2022 was only 57 per cent compared to 84 per cent for people without a disability, a gap of 27.0 percentage points. The corresponding figures for the percentage in employment are 53.2 per cent and 81.8 per cent, a gap of 28.6 percentage points. The latter is the more important indicator of labour market inclusion, as our results have indicated that it is employment opportunity that drives participation for people with disability.

Estimates from HILDA also show there were 184,000 people with disability who were unemployed in 2022. This grossly understates the level of underutilisation since, as noted, a lack of employment opportunity keeps many people with disabilities out of the labour force figures altogether. There were a further 483,000 people with disability who would definitely like to be working, and 137,000 who would potentially like to work if a suitable job was available to them. In all, this represents over 800,000 potential workers without a job, and we can confidently say that there are many more people with disability for whom meaningful work should be an option, but who do not see it as such.

In 2022 Australia's unemployment rate averaged 3.7 per cent, the lowest in the almost 50 years since the current labour force series began in 1978. Throughout the year, there were typically around 450,000 vacancies available to be filled in Australian businesses, with many employers facing acute skills shortages and calls for increased migration and streamlined visa processing to meet the need for workers and skills.

Our detailed modelling of participation and employment outcomes for people with disability takes account of the severity of limitations. We find no evidence of an improvement in labour market participation or relative employment opportunity for people with disabilities, irrespective of their level of disability. This is true for the years between 1998 to 2018 covered by the SDAC, and for the 22 annual waves of HILDA data from 2001 to 2022.

Not only have the decades of reform failed to enhance labour market inclusion for people with disabilities, they are failing at a time of severe skills shortages when labour market conditions could hardly be more conducive to measures to increase workforce participation.

We appreciate that many of the reforms under the social model of disability over the last two decades have broader social and community objectives for people with disability that extend beyond the labour market. Is it the case that progress toward labour market inclusion has stagnated because the focus has been on making ground in other domains? Unfortunately, for a number of reasons, we do not believe so.

First, drawing on the existing literature and extensive discussions with stakeholders, we concur that there is strong merit in a 'work first' approach, one that assumes meaningful work should be the default expectation for all, with exceptions made

only where there are clear grounds to think otherwise. The UN CRPD emphasises the importance of a right to work and of access to an open, inclusive and accessible work environment, and this sentiment is reiterated throughout recent Australian policy documents.

Second, we have also modelled changes in the subjective wellbeing for people with disability from 2001 to 2022. As with indicators of labour market outcomes, we find no evidence that their subject assessments of the quality of their lives, relative to Australians without a disability, have improved at all over this period. And, finally, the modelling of subjective wellbeing demonstrates that gaining employment, when it occurs, does have a substantial and positive effect on subjective wellbeing for people with disability.

Hence, we believe the lack of improvement in labour market inclusion for people with disability is symptomatic of a wider failure to improve social inclusion and the quality of life for people with disability generally, and not simply a lack of progress limited to the one domain. Progress in achieving greater labour market inclusion would enhance the lives of Australians with disability.

For people with disability who are in employment, levels of job satisfaction have remained quite stable over the past two decades, as have the small gaps in satisfaction between workers with and without disability. Job quality and relative job quality for people with disability appears to have remained quite stable. However, a critical difference in labour market experience of workers with disability is the rate at which people with disability transition between labour force states. Our analysis of the labour market journeys of people with a disability clearly show a much higher level of precarity and churn. They are much more likely to bounce in and

out of work more frequently, to be under-employed, and to spend periods out of the labour force due to discouragement.

Labour market transitional analysis of HILDA data shows approximately two out of three people with a disability will transition between labour market categories in any given year, compared to less than one in three for people without a disability. People living with a disability who are not in the labour force in a given year are more likely to stay out the following year (86 per cent), while those with a disability who are unemployed are most likely to become discouraged (42 per cent) and exit the labour force.

Worryingly, we also find evidence that people with disability are less likely to transition into employment when they are a NDIS client, other things being equal. This result controls for the person's self-assessed level of work limitation and holds true even when we focus on the sample of jobseekers with a disability who indicate that wanted to work. The findings relating to the NDIS are based on data collected in the HILDA survey over a relatively short timeframe (2017 to 2022) with a limited sample. For this and other technical reasons, we cannot claim with confidence that the results imply that being a NDIS client has a detrimental effect on employment, but it does provide strong evidence that the NDIS is not contributing positively to improved employment outcomes for its clients.

Considering the personal importance people with a disability put on achieving a meaningful and secure work placement as a means to life satisfaction, and the manner in which NDIS planning is intended to be person-centred and aspirational, this suggests that other factors are at play. While one clear factor is employer bias and misunderstanding of the risks and support needs of employing a person living with a disability, another critical

barrier could be the risk to maintaining DSP entitlement. While in theory a person with a disability can work for two years without losing their DSP entitlement, in practice the combination of the challenging and bureaucratic process of securing an entitlement plus the adversarial recent history of social security policy within Australia may well make them risk adverse. Anyone with a level of limitation severe enough to qualify for NDIS is also likely to face some challenges or concerns in maintaining their level of health and activity over time. Hence, if there is a real prospect of their work capacity deteriorating in the medium to long term with increasing pain or exhaustion, then the risk of losing DSP could seem an existential threat.

This report has concentrated on labour market status for people of working age. An important contributor to those outcomes is educational attainment and training, and there is an equally wide range of issues relating to inclusion of people with disability in education and how that relates to the transition from education to work. As is well known, employment outcomes improve with individuals' level of educational attainment, and that holds true for people with and without disability. However, our analyses of the SDAC data shows the boost to the probability of being in employment from higher levels of education is substantially greater for people with disability. On average, for example, people of working age with a university degree are around 18 per cent more likely to be employed than someone who did not complete Year 12 of high school. Among people with a disability, having a degree is associated with an additional 16 per cent increase in employment propensity (that is, they

are 34 per cent more likely to secure work after completing a degree). This premium associated with additional education is observed for people with all levels of limitation, with the exception of those with profound core limitations.

The persistence of the barriers to labour market inclusion for people with disability also has flow on effects to their carers. Around 10 per cent of working age Australians have unpaid caring roles, and the number has increased modestly over the past 20 years. There has been a significant ageing of the carer population over this time, with the proportion of carers who are aged 55-69 years increasing by around 10 percentage points so they now account for over one-third of working-age carers. We also find that there is a substantial intersection between the population of people with disability and the population of carers. Around one-third of carers of working age are themselves people with disability, twice the prevalence for the remaining (non-carer) population.

Many people undertaking these unpaid caring roles do so at the expense of their own careers. People who are the main or primary carer of people with disability are typically around 10 per cent less likely to be in employment, other things being equal. This effect has been quite consistent over time, and a much smaller penalty of around 1 or 2 per cent is experienced by carers who are not a primary carer. Challenges associated with caring do have a negative effect on subjective wellbeing of primary carers and this does not appear to have been alleviated to any significant degree by the disability policy reforms or increased funding over the past two decades.

RECOMMENDATIONS

A work first approach

- Implement a work first model based on a universal entitlement to meaningful work for all who seek it, with pay at or above award wages.
- Create a *National Disability Employment Agency* (NDEA) that coordinates and aligns activities across existing welfare and disability support agencies (including Disability Employment Services as well as access to the disability support pension and NDIS).
- Ensure active representation of people with disabilities and carers in policy formulation and evaluation as well as the governance and oversight of the NDEA.
- Ensure regular and consistent reporting and analysis of disability employment and wellbeing outcomes, including social inclusion, self-determination and meaningful work.
- Set and report against clear targets for disability employment outcomes, including public sector employment, industry and enterprise level reporting, procurement targets and resources in public service contracts, and inclusion in NDIS support plans.
- The NDEA develop and implement a progressive policy framework to share best practice in promoting greater workplace inclusion for people with disability.
- Establish a national program to fund specialist disability recruitment and support services to provide targeted support, and disseminate best practice at an industry and enterprise level.
- A broadscale national awareness campaign to change community, employer and workplace attitudes to the participation and inclusion of people living with a disability.

- Trial and evaluate disability employment subsidy programs and specialist support for people with higher work limitations and support needs, as well as one-off disability placement and workplace adaptation schemes to support recruitment and transition.

Public Sector employment

- Federal, state and territory governments commit to provide leadership in disability employment processes and outcomes.
- Include clear and consistent public sector employment targets and reporting requirements in the national partnership agreement and the Australian Disability Strategy.
- State and territory public sector commissions should regularly share best practice models and case studies.

Community Sector employment

- Federal, state and territory governments provide additional funding into existing and new public service contracts to support and deliver disability employment outcomes.
- Develop and resource specialist disability recruitment and transition support services to assist and advise community service providers and to provide ongoing support to people with a disability and employers.

Employer leadership

- Leading employers should embrace disability employment outcomes as a means of advancing and promoting the culture and values of their businesses.
- Employers who have actively engaged with and promoted the WGEA model are well-placed to transfer their learnings from gender equity to disability inclusion outcomes.

- Boards of Management should oversee disability recruitment and employment outcomes and look to include representation of lived experience at Board level.
- Industry bodies should actively engage with disability inclusion initiatives, developing, supporting and promoting industry-level initiatives, share and award stories of success.

Education to work transitions

- A national partnership agreement committing state and territory education systems to develop, deliver and report a coordinated national response.
- A quality post-school transition process that includes: person-centred transition planning, beginning early (by year 9); work experience opportunities and the facilitation of part-time work; a focus on foundational skills; and career development planning.
- A national clearing house to curate and coordinate information and resources, overseen by the National Disability Employment Agency.
- National data collection on post-school outcomes.
- A system for reporting breaches of the disability standards for education with an independent complaints mechanism.
- Specialised career advisory and transitional support roles within schools and educational institutions.



ABBREVIATIONS

ABS	Australian Bureau of Statistics
ADE	Australian Disability Enterprises
ADS	Australia's Disability Strategy
AIHW	Australian Institute of Health and Welfare
BCEC	Bankwest Curtin Economics Centre
COAG	Council of Australian Governments
CYDA	Children and Young People with Disability Australia
DDA	Disability Discrimination Act
DES	Disability Employment Services
DSS	Department of Social Services (Commonwealth)
GST	Goods and services tax
HILDA	Household, Income and Labour Dynamics in Australia (survey)
ILO	International Labour Organisation
NDA	National Disability Agreement
NDCA	National Disability and Care Alliance
NDEA	National Disability Employment Agency (proposed)
NDIS	National Disability Insurance Scheme
OECD	Organisation for Economic Cooperation and Development
PC	Productivity Commission
SDAC	Survey of Disability, Ageing and Carers (Australian Bureau of Statistics)
UN CRPD	United Nations Convention on the Rights of Persons with Disabilities
UNDESA	United Nations Department of Economic and Social Affairs
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WGEA	Workplace Gender Equality Agency



REFERENCES

REFERENCES

- Australian Institute of Health and Welfare (2022), *People with disability in Australia 2022*, Catalogue number DIS 72, AIHW, Australian Government.
- Australian Institute of Health and Welfare (2023) Australia's Disability Strategy 2021–2031 Outcomes Framework: First annual report, Catalogue number ADS 1, AIHW, Australian Government.
- Australian Law Reform Commission, *Making Rights Count: Services for people with a disability* (Report No 79, 1996)
- Cain, P. (2014), All the way to the moon and back. Ending discrimination for people with intellectual disability in employment. *Precedent*, 125, 46-51.
- Cassells, R., Dockery, M., and Duncan, A (2014), *'Falling through the cracks: Poverty and Disadvantage in Australia'*, Bankwest Curtin Economics Centre, Focus on the States, Issue No.1, October 2014.
- Cassells R, Duncan A, Mavisakalyan A, Phillimore J, Seymour R and Tarverdi Y (2018), *'Future of Work in Australia: Preparing for tomorrow's world'*, Bankwest Curtin Economics Centre, Focus on the States Series, Issue 6, April 2018.
- Deci, E. and Ryan, R. (2000)., Self-determination theory and the facilitation of intrinsic motivation, social development, and wellbeing. *American Psychologist*, 55(1), 68-78.
- Department of Prime Minister and Cabinet (2023), Working together to deliver the NDIS - Independent Review into the National Disability Insurance Scheme: Final Report. Commonwealth of Australia.
- Hallahan, L. 2016, Disability policy in Australia: a triumph of the scriptio inferior on impotence and neediness?, *Australian Journal of Social Issues*, 50(2): 191-208.
- International Labour Organisation (ILO) (2016). Disability and work. ILO. https://www.ilo.org/global/topics/disability-and-work/WCMS_475650/lang--en/index.htm.
- International Labour Organisation (ILO) (2019). Promoting Employment Opportunities for People with Disabilities. In *International Labour Organisation*. ILO.
- Kewley, T. (1980), *Australian Social Security Today: Major developments from 1900 to 1978*, Sydney University Press: Sydney.
- Lecerf, M. (2022). Understanding EU policies for people with disabilities. In *European Parliament*. European Parliament. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698811/EPRS_BRI\(2021\)698811_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698811/EPRS_BRI(2021)698811_EN.pdf).
- Mays, J. (2015), 'Australia's disabling income support system: tracing the history of the disability pension from 1908 to today', *Australian Journal of Social Issues*, 50(3), 253-276.
- Smith, P. (2023), 'The influence of the National Disability Insurance Scheme on customised employment practice in Australia', *Journal of Health and Rehabilitation Sciences*, 2(2). DOI: <https://doi.org/10.33700/jhrs.2.2.81>.
- Stubbs, M., Webster, A. and Williams, J. (2020), People with disability and the Australian Constitution, Research Report, Royal Commission into Violence, Abuse, Neglect and Exploitation of People with disability, October.
- Taylor, T., Avellone, L., Cimera, R., Brooke, V., Lambert, A., & Iwanaga, K. (2021). Cost-benefit analyses of employment services for individuals with intellectual and developmental disabilities: A scoping review. *Journal of Vocational Rehabilitation*, 54(2), 193-206.
- United Nations Department of Economic and Social Affairs (UNDESA) (2019). Sustainable Development Goal 10 Reduced Inequalities: Progress and Prospects. https://sustainabledevelopment.un.org/content/documents/21453SDG_10_EGM_2019_concept_note_30Jan_consolidated.pdf.
- United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) (2021). Disability at a glance 2021: The Shaping of Disability-Inclusive Employment in Asia and the Pacific. In United Nations. United Nations Economic and Social Commission for Asia and the Pacific. <https://www.unescap.org/sites/default/d8files/knowledge-products/DAG2021-Final.pdf>.
- World Bank. (2022, April 14). *Disability Inclusion Overview*. World Bank. <https://www.worldbank.org/en/topic/disability>.

APPENDIX

TABLE 4

Probability of employment: multivariate regression models, HILDA and SDAC data

	HILDA 2005 to 2022	SDAC 2003 to 2018
Year x disability		
2003 x (disability)	-	-0.2594 ***
2005 x (disability)	-0.3073 ***	-
2006 x (disability)	-0.3065 ***	-
2007 x (disability)	-0.2965 ***	-
2008 x (disability)	-0.3136 ***	-
2009 x (disability)	-0.2759 ***	-0.2500 ***
2010 x (disability)	-0.2776 ***	-
2011 x (disability)	-0.2905 ***	-
2012 x (disability)	-0.2939 ***	-0.2668 ***
2013 x (disability)	-0.2844 ***	-
2014 x (disability)	-0.3018 ***	-
2015 x (disability)	-0.3138 ***	-0.2797 ***
2016 x (disability)	-0.3018 ***	-
2017 x (disability)	-0.2889 ***	-
2018 x (disability)	-0.3186 ***	-0.2805 ***
2019 x (disability)	-0.2971 ***	-
2020 x (disability)	-0.2951 ***	-
2021 x (disability)	-0.2772 ***	-
2022 x (disability)	-0.2725 ***	-
long-term health condition	-0.1307 ***	-0.0242 ***
Education		
year12	0.1352 ***	-
certificate	0.1530 ***	0.1181 ***
diploma	0.1691 ***	0.1748 ***
university	0.2107 ***	0.2074 ***
Age band		
20-29	0.1449 ***	0.2183 ***
30-44	0.1948 ***	0.2795 ***
45-54	0.2107 ***	0.2860 ***
55-69	-0.0475 ***	0.0372 ***
Australian born	0.0541 ***	0.0836 ***
married	0.0579 ***	0.0470 ***
main carer	-0.1714 ***	-0.0554 ***
Remoteness		
inner regional	-0.0091 ***	0.0053 **
outer regional	-0.0095 ***	0.0218 ***
remote or very remote	0.0008	0.0000 ***
female-identifying	-0.0456 ***	-0.0507 ***
Age of youngest child		
youngest child 14 and under	-0.0033	0.0411 ***
youngest child over 14	-0.0104 ***	0.0231 ***
female x youngest child 14 and under	-0.1351 ***	-0.1202 ***
female x youngest child over 14	0.0518 ***	-0.1935 ***
Constant	0.5191	0.3918
State fixed effects	Yes	Yes
Survey year fixed effects	Yes	Yes
Observations	250,480	195,653
R-squared	0.222	0.215

Notes: All models are estimated using a linear probability models approach using pooled regressions for both HILDA and SDAC datasets. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level.

Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2005 to 2022 and ABS Survey of Disability Ageing and Carers, 2003 to 2018.

TABLE 5

Employment probability by level of limitation: pooled SDAC data 1998-2018

	SDAC no controls	SDAC with controls
Year x disability		
Baseline (no disability)	77.9 ***	
Disability level		
Profound core limitation	-65.8 ***	-54.7 ***
Severe core limitation	-49.0 ***	-40.7 ***
Moderate core limitation	-39.3 ***	-30.6 ***
Mild core limitation	-33.1 ***	-25.5 ***
Restriction but no core limitation	-19.5 ***	-17.0 ***
No restriction or core limitation	-9.6 ***	-6.7 ***
LT health condition	-4.4 ***	-2.6 ***
Other controls		
State fixed effects	Yes	Yes
Survey year fixed effects	Yes	Yes
Observations	195,653	195,653
R-squared	0.090	0.229

Notes: All models are estimated using a linear probability models approach using pooled regressions for SDAC datasets.

Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level.

Full regression estimates are available from the authors on request.

Source: Bankwest Curtin Economics Centre | Authors' estimates using the ABS Survey of Disability Ageing and Carers, 1998 to 2018.

TABLE 6

Employment probability by education level and disability status

	HILDA 2005 to 2022	SDAC 2003 to 2018
Disability	-0.3196 ***	-0.3060 ***
Education level		
Cert I/II to Year 12	0.1326 ***	0.1092 ***
Diploma Cert III/IV	0.1543 ***	0.1589 ***
Bachelors and above	0.1946 ***	0.1821 ***
Disability x education level		
disability x Cert I/II Year 12	-0.0033	0.0189 **
disability x Diploma Cert III/IV	0.0066	0.0599 ***
disability x Bachelors and above	0.1204 ***	0.1622 ***
Other controls		
State fixed effects	Yes	Yes
Survey year fixed effects	Yes	Yes
Observations	250,480	195,653
R-squared	0.222	0.223

Notes: All models are estimated using a linear probability models approach using pooled regressions for SDAC datasets.

Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level.

Full regression estimates are available from the authors on request.

Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2005 to 2022 and ABS Survey of Disability Ageing and Carers, 1998 to 2018.

TABLE 7

Estimated association between NDIS support package and labour market outcomes: people with disability, 2017 to 2022

	Participation			Employment		
	(1)	(2)	(3)	(4)	(5)	(6)
A. Random effects						
Disability limits work [0,1]		-0.14 ***			-0.14 ***	
		(0.000)			(0.000)	
Disability limits work [0-11]			-0.03 ***			-0.03 ***
			(0.000)			(0.000)
Has NDIS support package [0,1]	-0.10 ***	-0.10 ***	-0.08 ***	-0.09 ***	-0.08 ***	-0.07 ***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Other controls	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.18	0.23	0.30	0.17	0.22	0.28
Observations	22,259	22,196	22,169	22,259	22,196	22,169
No. individuals	8,145	8,131	8,127	8,145	8,131	8,127
B. Fixed effects						
Disability limits work [0,1]		-0.07 ***			-0.07 ***	
		(0.000)			(0.000)	
Disability limits work [0-11]			-0.02 ***			-0.02 ***
			(0.000)			(0.000)
Has NDIS support package [0,1]	-0.04 ***	-0.04 ***	-0.04 **	-0.04 **	-0.04 **	-0.04 **
	(0.006)	(0.007)	(0.012)	(0.012)	(0.011)	(0.015)
Other controls	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.10	0.13	0.19	0.08	0.11	0.16
Observations	22,259	22,196	22,169	22,259	22,196	22,169
No. individuals	8,145	8,131	8,127	8,145	8,131	8,127

Notes: All models are estimated using a linear probability model. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level. Full regression estimates are available from the authors on request.

Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2017 to 2022.

TABLE 8

Transition to employment among people with disability who would like a job: 2017 to 2022

	P (Transition to employment)		
	(1)	(2)	(3)
Disability limits work [0,1]		-0.05 *** (0.009)	
Disability limits work [0-11]			-0.01 *** (0.000)
Unemployed	—	—	—
Not in labour force and:			
Definitely want to work	-0.15 *** (0.000)	-0.15 *** (0.000)	-0.14 *** (0.000)
Maybe wants to work	-0.21 *** (0.000)	-0.20 *** (0.000)	-0.19 *** (0.000)
Has NDIS support package [0,1]	-0.07 *** (0.003)	-0.07 *** (0.004)	-0.06 *** (0.007)
Other controls (see Table 5)	Yes	Yes	Yes
R-squared	12%	13%	14%
Observations	3,224	3,210	3,203
No. individuals	1,816	1,812	1,810
Other controls	Yes	Yes	Yes
R-squared	0.10	0.13	0.19
Observations	22,259	22,196	22,169
No. individuals	8,145	8,131	8,127

Notes: All models are estimated using a linear probability model. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level. Full regression estimates are available from the authors on request.

Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2017 to 2022.

TABLE 9

Drivers of 'happiness' among people aged 15-69: 2001 to 2022

	Dep. Variable: life satisfaction (0-10)		
	(1)	(2)	(3)
No disability	—	—	—
Has disability/LT health condition	-0.317 *** (0.000)		
Disability, no work limitation		-0.133 *** (0.000)	
Disability limits work or can't work		-0.478 *** (0.000)	
Disability limits work (0-11)			-0.082 *** (0.000)
Labour force status			
Not in labour force	—	—	—
Employed FT	0.06 *** (0.000)	0.03 *** (0.002)	-0.02 * (0.056)
Employed PT	0.08 *** (0.000)	0.06 *** (0.000)	0.02 ** (0.015)
Unemployed	-0.23 *** (0.000)	-0.25 *** (0.000)	-0.29 *** (0.000)
Student FT	0.17 *** (0.000)	0.14 *** (0.000)	0.11 *** (0.000)
Age: 15-19 years	—	—	—
20-29 years	-0.27 *** (0.000)	-0.27 *** (0.000)	-0.26 *** (0.000)
30-44 years	-0.37 *** (0.000)	-0.36 *** (0.000)	-0.35 *** (0.000)
45-54 years	-0.32 *** (0.000)	-0.30 *** (0.000)	-0.29 *** (0.000)
55-69 years	-0.14 *** (0.000)	-0.12 *** (0.000)	-0.10 *** (0.000)
Female	0.05 *** (0.000)	0.05 *** (0.000)	0.04 *** (0.002)
Has dependent children aged 0-4	-0.00 (0.835)	-0.01 (0.297)	-0.02 ** (0.045)
Has dependent children aged 5-14	-0.08 *** (0.000)	-0.09 *** (0.000)	-0.09 *** (0.000)
Has dependent children aged 15-24	-0.07 *** (0.000)	-0.07 *** (0.000)	-0.07 *** (0.000)
Marital status: Married/de facto	—	—	—
Separated/ Divorced/ Widowed	-0.51 *** (0.000)	-0.51 *** (0.000)	-0.50 *** (0.000)
Never married	-0.31 *** (0.000)	-0.31 *** (0.000)	-0.30 *** (0.000)
Indigenous	0.13 *** (0.000)	0.13 *** (0.000)	0.14 *** (0.000)
Born in: Australia	—	—	—
Main English spkg country	0.02 (0.337)	0.02 (0.394)	0.02 (0.468)
Non-English speaking country	-0.20 *** (0.000)	-0.20 *** (0.000)	-0.19 *** (0.000)
Educational attainment: Did not complete Year 12	—	—	—
Year12	-0.09 *** (0.000)	-0.09 *** (0.000)	-0.10 *** (0.000)
Certificate	-0.10 *** (0.000)	-0.10 *** (0.000)	-0.10 *** (0.000)
Diploma	-0.06 *** (0.002)	-0.06 *** (0.001)	-0.07 *** (0.000)
University degreee	-0.06 *** (0.000)	-0.06 *** (0.000)	-0.07 *** (0.000)
SEIFA decile - relative socio-economic advantage/disadvantage	0.01 *** (0.000)	0.01 *** (0.000)	0.01 *** (0.000)
Lives in: Major city	—	—	—
Inner regional Australia	0.11 *** (0.000)	0.11 *** (0.000)	0.11 *** (0.000)
Outer regional Australia	0.15 *** (0.000)	0.15 *** (0.000)	0.15 *** (0.000)
Remote Australia	0.15 *** (0.000)	0.15 *** (0.000)	0.14 *** (0.000)
Very remote Australia	0.18 *** (0.001)	0.18 *** (0.001)	0.18 *** (0.001)
Constant	8.31 *** (0.000)	8.31 *** (0.000)	8.30 *** (0.000)
R-squared	0.081	0.090	0.097
Observations	283,074	283,074	282,876
Number of individuals	31,832	31,832	31,822

Notes: All models are estimated using linear regression. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level.

Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2001 to 2022.

TABLE 10

Estimated relationship between disability status and wellbeing: by degree of limitation, 2001 to 2022

	Sub periods			
	All waves 2001 to 2022	2001 to 2008	2009 to 2015	2016 to 2022
	(1)	(2)	(3)	(3)
Panel A				
No disability	—	—	—	—
Disability	-0.318 *** (0.000)	-0.311 *** (0.000)	-0.324 *** (0.000)	-0.330 *** (0.000)
Observations	296,472	92,232	101,194	103,046
Panel B				
No disability	—	—	—	—
Disability limits work or can't work	-0.478 *** (0.000)	-0.472 *** (0.000)	-0.499 *** (0.000)	-0.483 *** (0.000)
Disability does not limit work	-0.134 *** (0.000)	-0.126 *** (0.000)	-0.134 *** (0.000)	-0.142 *** (0.000)
Observations	296,348	80,898	97,028	118,422
Panel C				
Disability limits work (0-11)	-0.082 *** (0.000)	-0.080 *** (0.000)	-0.082 *** (0.000)	-0.082 *** (0.000)
Observations	296,260	80,890	96,985	118,385

Notes: All models are estimated using linear regression. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level. Full regression estimates are available from the authors on request.
Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2001 to 2022.

TABLE 11

Labour force status and life satisfaction by degree of work limitation: 2001 to 2022

	Model 1 (1)	Model 2 (2)
A. Random Effects		
Disability limits work (2-11)		-0.072 *** (0.000)
Labour force status:		
Not in labour force	—	—
Employed FT	0.368 *** (0.000)	0.237 *** (0.000)
Employed PT	0.277 *** (0.000)	0.196 *** (0.000)
Unemployed	-0.080 * (0.080)	-0.161 *** (0.000)
Student FT	0.361 *** (0.000)	0.274 *** (0.000)
Observations	47,251	47,163
No. Individuals	10,880	10,868
R-squared	0.06	0.08
B. Fixed Effects		
Disability limits work (2-11)		-0.055 *** (0.000)
Labour force status:		
Not in labour force	—	—
Employed FT	0.357 *** (0.000)	0.272 *** (0.000)
Employed PT	0.248 *** (0.000)	0.196 *** (0.000)
Unemployed	0.001 (0.989)	-0.058 (0.244)
Student FT	0.294 *** (0.000)	0.238 *** (0.000)
Observations	47,251	47,163
No. Individuals	10,880	10,868
R-squared	0.015	0.01

Notes: All models are estimated using linear regression. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level. Full regression estimates are available from the authors on request.
Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2001 to 2022.

TABLE 12

Employment probability for carers: panel regression models, HILDA data 2005 to 2022

	All waves	Nine-year sub periods	
	2005 to 2022	2005 to 2013	2014 to 2022
	(1)	(2)	(3)
Not a carer	—	—	—
Carers:			
Carer, but not main carer	-0.009 ** (0.030)	-0.011 ** (0.044)	-0.014 *** (0.008)
Main carer	-0.085 *** (0.000)	-0.080 *** (0.000)	-0.081 *** (0.000)
Observations	250,152	116,012	134,140

Notes: All models are estimated using a linear probability model. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level. Full regression estimates are available from the authors on request.

Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2005 to 2022.

TABLE 13

Effect of carer status on life satisfaction: panel regression models, HILDA data 2005 to 2022

	All waves	Nine-year sub periods	
	2005 to 2022	2005 to 2013	2014 to 2022
	(1)	(2)	(3)
Not a carer	—	—	—
Carers:			
Carer, but not main carer	-0.027 * (0.072)	-0.026 (0.226)	-0.024 (0.241)
Main carer	-0.075 *** (0.000)	-0.085 *** (0.001)	-0.081 *** (0.000)
Observations	249,736	115,837	133,899

Notes: All models are estimated using linear regression. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level. Full regression estimates are available from the authors on request.

Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2005 to 2022.

TABLE 14

Labour force status and life satisfaction for carers: HILDA data 2005 to 2022

	Main carers	Other carers
A. Random Effects		
Labour force status:		
Not in labour force	—	—
Employed FT	0.162 *** (0.004)	0.136 (0.111)
Employed PT	0.182 *** (0.000)	0.028 (0.729)
Unemployed	-0.169 * (0.052)	-0.102 (0.512)
Student FT	0.173 (0.133)	0.045 (0.756)
Observations	10,004	7,586
No. Individuals	3,324	4,025
R-squared	0.09	0.09
B. Fixed Effects		
Labour force status:		
Not in labour force	—	—
Employed FT	0.151 * (0.071)	0.136 (0.111)
Employed PT	0.146 ** (0.027)	0.028 (0.729)
Unemployed	-0.062 (0.506)	-0.102 (0.512)
Student FT	0.227 * (0.096)	0.045 (0.756)
Observations	10,004	7,586
No. Individuals	3,324	4,025
R-squared	0.03	0.03

Notes: All models are estimated using linear regression. Starred coefficients are statistically significant at either the 1 per cent (***), 5 per cent (**) or 10 per cent (*) level. Full regression estimates are available from the authors on request.
Source: Bankwest Curtin Economics Centre | Authors' estimates using HILDA survey, 2005 to 2022.

Disclaimer

While every effort has been made to ensure the accuracy of this document, the uncertain nature of economic data, forecasting and analysis means that the centre, Curtin University and/or Bankwest are unable to make any warranties in relation to the information contained herein. Any person who relies on the information contained in this document does so at their own risk. The centre, Curtin University, Bankwest, and/or their employees and agents disclaim liability for any loss or damage, which may arise as a consequence of any person relying on the information contained in this document. Except where liability under any statute cannot be excluded, the centre, Curtin University, Bankwest and/or their advisors, employees and officers do not accept any liability (whether under contract, tort or otherwise) for any resulting loss or damage suffered by the reader or by any other person.

The views in this publication are those of the authors and do not represent the views of Curtin University and/or Bankwest or any of their affiliates. This publication is provided as general information only and does not consider anyone's specific objectives, situation or needs. Neither the authors nor the centre accept any duty of care or liability to anyone regarding this publication or any loss suffered in connection with the use of this publication or any of its content.

Authorised Use

© Bankwest Curtin Economics Centre, March 2024

Bankwest Curtin Economics Centre *Focus on the States* Series #10

ISBN: 978-1-925757-29-3

This report was written by: Alex Buckland, Mike Dockery, Alan Duncan, Valentina Sanchez Arenas, Panagiotis Sotirakopoulos, Chris Twomey and Lili Loan Vu, all from the Bankwest Curtin Economics Centre.

This report may be cited as: Buckland, A., Dockery, M., Duncan, A., Sanchez Arenas, V., Sotirakopoulos, P., Twomey, C., and Vu, L., (2024), *Employment and disability in Australia: Improving employment outcomes for people with a disability*, Bankwest Curtin Economics Centre, *Focus on the States*, No. 10, March 2024.

This publication contains confidential and proprietary information of the Bankwest Curtin Economics Centre. All of the material in this publication is for your exclusive use and may not be otherwise used or modified for, or by, any other person or sold to or otherwise provided in whole or in part to any other person or entity without the prior written consent of the Bankwest Curtin Economics Centre.

A standard hard copy of, or electronic subscription to, this publication entitles employees of the same organisation and same physical location as the subscriber to the use of its contents for internal reporting purposes only. Multiple user licenses are available for organisations with more than one location.

Acknowledgement: This report uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The HILDA project was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views reported in this paper, however, are those of the authors and should not be attributed to either DSS or the Melbourne Institute.

Contact

Bankwest Curtin Economics Centre

Tel: +61 8 9266 2873

Email: bcec@curtin.edu.au

bcec.edu.au

© Curtin University 2024
CRICOS Provider Code 003011
ADV158588