



**Bankwest Curtin Economics Centre:  
Submission to the Joint Standing Committee on the NDIS:  
Inquiry into participant experience in rural, regional and remote Australia**

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## About BCEC

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 is 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.

## Labour market inclusion for persons with disabilities

Since the Early 1990's Australia has undertaken a series of major policy reforms aiming to improve the lives of people living with a disability to ensure equal participation in all facets of our community. 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. BCEC's major report, *Employment and Disability in Australia*, to be released in March 2024, focuses on Australia's track record in terms of labour market inclusion for people with disability and their carers.

Despite these extensive reforms to policy and support systems and greatly increased funding, we find that labour market inclusion for Australians with a disability has not changed in any meaningful way. 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

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 persons 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.

Our modelling provides strong evidence that securing employment enhances wellbeing for persons 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.

The jobs of workers with disability however 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 job security.

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 percent. The demands of that role are associated with a small but significant reduction in self-assessed life satisfaction.

As with persons 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. There is also a large overlap between the population of carers and people with disability, as 46 per cent of working age persons 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 persons 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 contained in BCEC's upcoming 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 for NDIS eligibility can be placed at risk or withdrawn over time as a result of successful employment outcomes.

Our modelling suggests that being in receipt of NDIS support reduces the likelihood a person with disability will secure a job compared to others with similar levels of limitation. 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 persons 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 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 significant 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 young people with a disability provide an additional boost to their job prospects, with a bachelor’s degree increasing their chances of being employed by 34.4 per cent (an additional 16.2 per cent boost above the 18.2 per cent improvement seen for young 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

Analysis in the report suggests that **increasing the number of people with disability who are employed by 10 per cent in 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.

### Labour Market Inclusion

Based on HILDA data, 53.1 per cent of persons with a work-limiting disability were in a job in 2022, compared to 81.8 per cent of persons without no 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 persons, **42 per cent** of people with a disability have **left the labour force** one year later, compared to just 13.7 per cent for persons 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 the workforce of people with disability (**21.7%**). 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 underrepresented in higher-skilled occupations. They are around **twice as likely** to be employed as **labourers** than persons without a disability.

### A work-first approach

Over 630,000 persons 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.

### 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.

### Persons 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 persons 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, persons 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 persons 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.
- 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.
- 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 Workplace Gender Equality Agency (WGEA) model are well-placed to transfer their learnings from gender equity to disability inclusion outcomes.
- Boards of Management should oversight 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.