

Action needed to close inequality gap for people with disability

23 October 2023

Australians with disability endure greater hardships than those without disability, with lower average incomes, higher rates of unemployment and housing struggles all driving inequality, new research released today by the Actuaries Institute shows.

The paper, 'Not A Level Playing Field – People with Disability', builds on the Institute's [May 2023 Green Paper](#) that found across the population, inequality in Australia is significantly higher than in the 1980s.

The latest paper analyses a raft of survey data to highlight how Australians aged between 15 and 64 with moderate to severe disability experience higher rates of income and wealth inequality, and the impacts to their health, education, access to housing and social factors such as chances of being a victim of crime.

Actuaries Dr Hugh Miller, a Principal at consulting firm Taylor Fry, and Dr Laura Dixie, a Director at Taylor Fry, found that the average income for people with disability is about \$24,000 less disposable income than for people without disability. The gap is even wider for people with severe disability – their disposable income is about half that of people with no disability.

This inequality of income is compounded by the fact that on average people with disability need an estimated 50% additional income to achieve the same standard of living as people without disability.

While some differences relate to fewer hours worked, people with disability face substantial barriers to employment and higher rates of both unemployment and underemployment. As a result, 41% fall into the bottom 20% of income earners – which is double the rate of the population. Only 9% are in the top bracket of income earners – which is half the rate of the population.

As part of the recent Royal Commission work, the total cost of poorer employment outcomes for people with disability is estimated to be \$21.5 billion per year.

Dr Miller and Dr Dixie found these economic equality gaps correspond with a range of poorer social outcomes. Most notably, compared to people without disability, people with disability are:

- 3x more likely to be unemployed or underemployed
- 2x more likely to be living in poverty
- 6x more likely to be a recent victim of violent crime and incarcerated
- 2x more likely to be suffering psychological distress
- 3x more likely to die by suicide

There are also significant gaps in home ownership, Year 12 completion rates, and ability to access buildings and facilities. Rates of homelessness, representation in child protection and reliance on public housing and welfare payments are also higher for people with disability.

Dr Dixie said: "These gaps highlight the need to make changes to be more inclusive, and that goes beyond government policy. We need community attitudes to evolve to reduce discrimination and stigma, and companies to build disability awareness to create more inclusive workplaces that will help reduce barriers to employment.

"Given Australia's current period of low unemployment rates, and with many businesses struggling to find workers, now is the ideal time for companies, and society more broadly, to step up and do their part."

Actuaries Institute CEO Elayne Grace said: "Despite the challenges, change is afoot thanks to the recent recommendations from the Disability Royal Commission, the establishment of the Australian Disability Strategy 2021-2031, and the upcoming findings from the NDIS review.

"We encourage the Federal Government, working with all key stakeholders, to seize this chance Australia has to make potentially profound change for people with disability and their families."

The paper supports the existing movement from a medical model of disability to social and rights-based models. While a medical model defines people based on their impairment, the social model focuses on how people with disability interact with broader society and the barriers that inhibit participation in areas such as community, employment, and education. A rights-based model considers the rights of people with disability and allows them to design services to meet their needs.

The paper also calls for improved data collection and the use of linked data to better understand disability within Australia to inform potential solutions.

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About the Actuaries Institute and the Profession

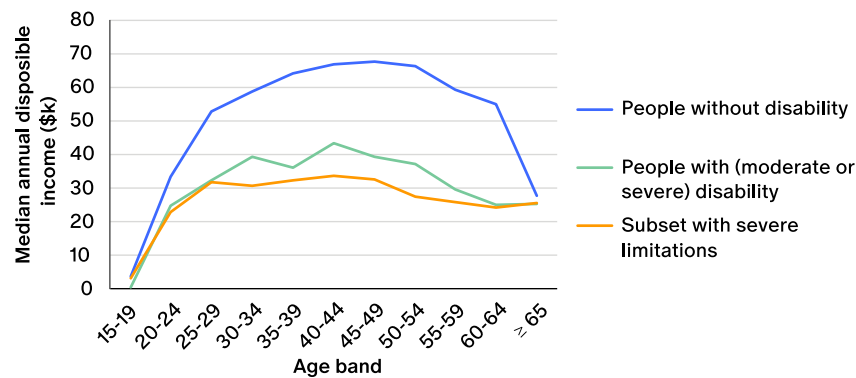
As the peak professional body in Australia, the Actuaries Institute represents the profession to Government, business and the community, and holds the 'public interest' and 'common good' as key principles in developing policy.

Actuaries use data for good by harnessing evidence to navigate the future and make a positive impact. They think deeply about the issue at hand, whether it is advising on commercial strategy, influencing policy, or designing new products. Actuaries are adept at balancing the interests of stakeholders, clients, and communities. They are called upon to give insight into complex problems and they will look at the full picture to develop solutions. Actuaries analyse data and model scenarios to form robust and outcome-centred advice.

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Appendix


Income profile of people with and without disability





Source: Analysis of HILDA data, 2021 wave

Differences in outcomes – people with disability vs people without disability


 Economic
Compared to people without disability, people with moderate or severe disability are:
3x More likely to be unemployed or be underemployed
0.7x Less wealthy, in terms of net assets
4x More reliant on welfare income
2x More likely to be living in poverty

 Health
Compared to people without disability, people with disability are:
2x more likely to be obese
2x more likely to be suffering psychological distress
3x more likely to die by suicide, after age-standardisation
5x at a higher rate of mortality, after age-standardisation

 Education
Compared to people without disability, people with moderate or severe disability are:
14pp Less likely to finish Year 12
8pp Less likely to use childcare

 Housing
Compared to people without disability, people with moderate or severe disability are:
14pp Less likely to own their own home
1.8x More likely to have recently been unable to pay their rent or mortgage

 Social
Compared to people without disability, people with disability are:
6x more likely to be a recent victim of violent crime
5x more likely to experience homelessness
3x More likely to be in out-of-home care as a child
6x More likely to be incarcerated

 Environment
Compared to people without disability, people with disability are:
13pp Less likely to be able to get to where they need to go
34pp More likely to have difficulty accessing buildings/facilities

Source: Analysis of HILDA data, 35–54 age group, moderate and severe disability