

Making sense of the tsunami: A stocktake of outcomes and supports in the disability sector

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The Actuaries Institute acknowledges the traditional custodians of the lands and waters where we live and work, travel, and trade.

We pay our respect to the members of those communities, Elders past and present, and recognise and celebrate their continuing custodianship and culture.



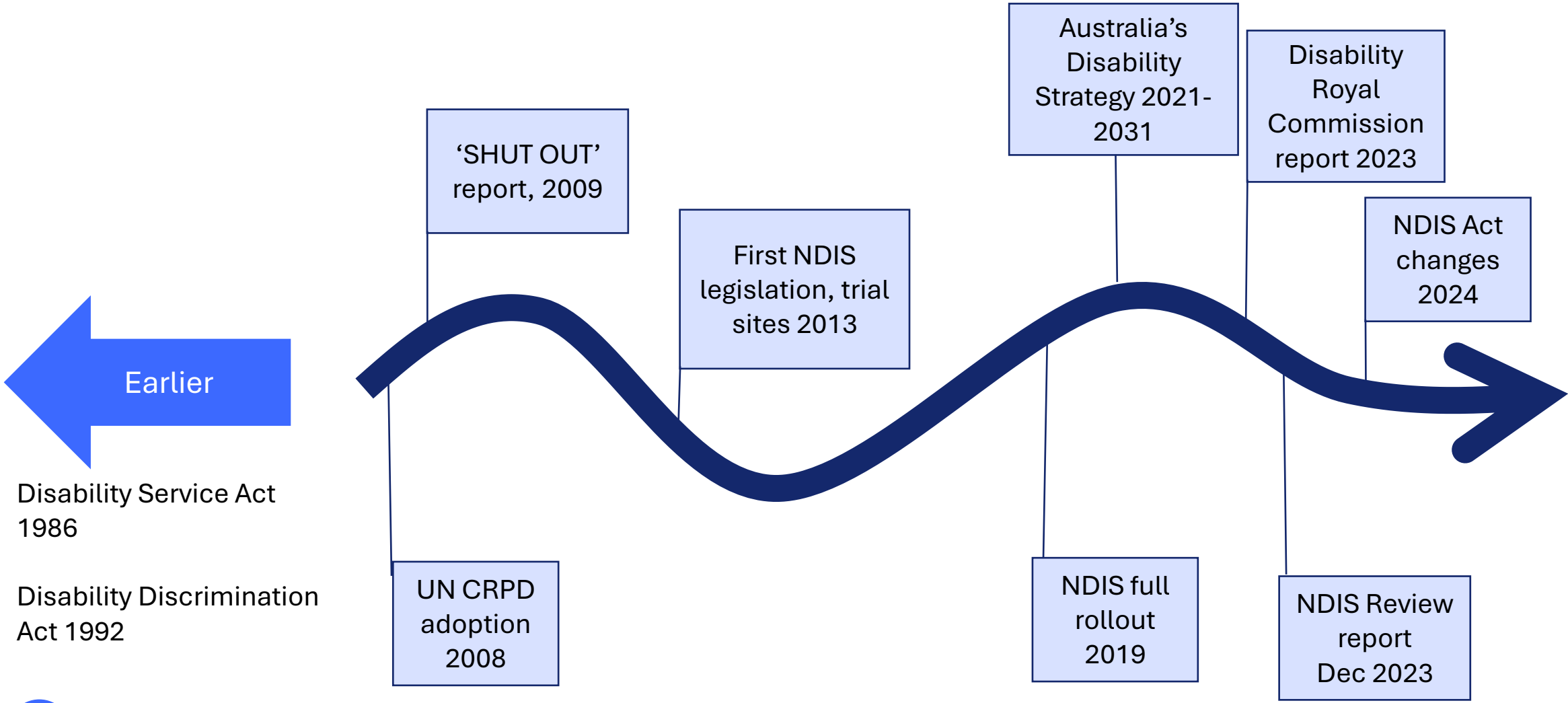
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A selective timeline

A (very) selective timeline



Disability in Australia

Disability in Australia – How many people have a disability?

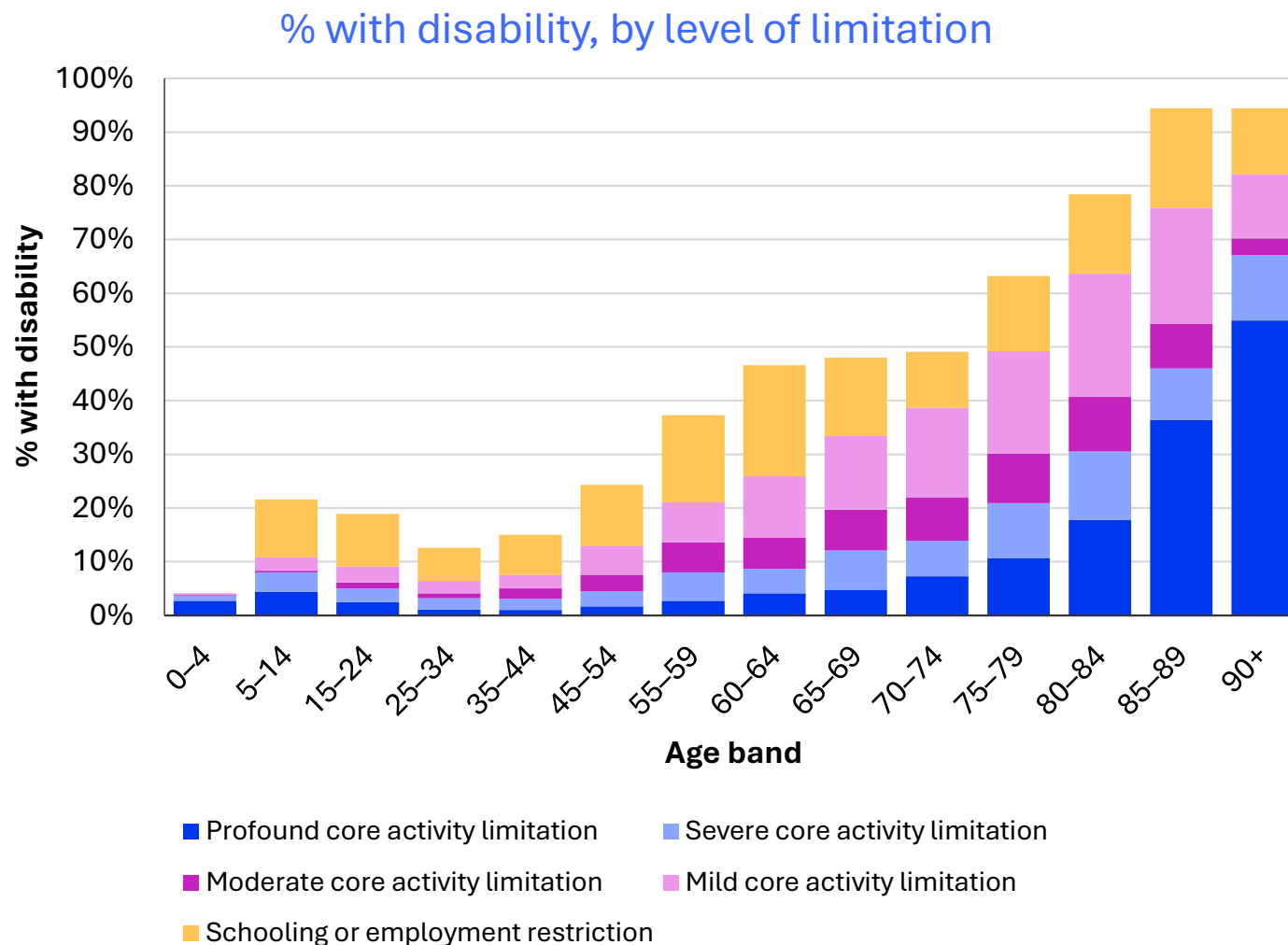
According to the 2022 SDAC one in five Australians has a disability (21.4% or 19.2% after age-standardisation)

- Half of people with disability are over age 65

The main long-term condition is most commonly **physical** (75.3%), but **mental or behavioural disorders** are also significant (24.7%).

Level of disability, around:

- 25% have a severe or profound disability
- 25% have a mild or moderate disability
- 50% have a less severe disability but which restricts their schooling or employment.



Source: ABS SDAC 2022

<https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release>

Disability in Australia – What do we mean by disability?

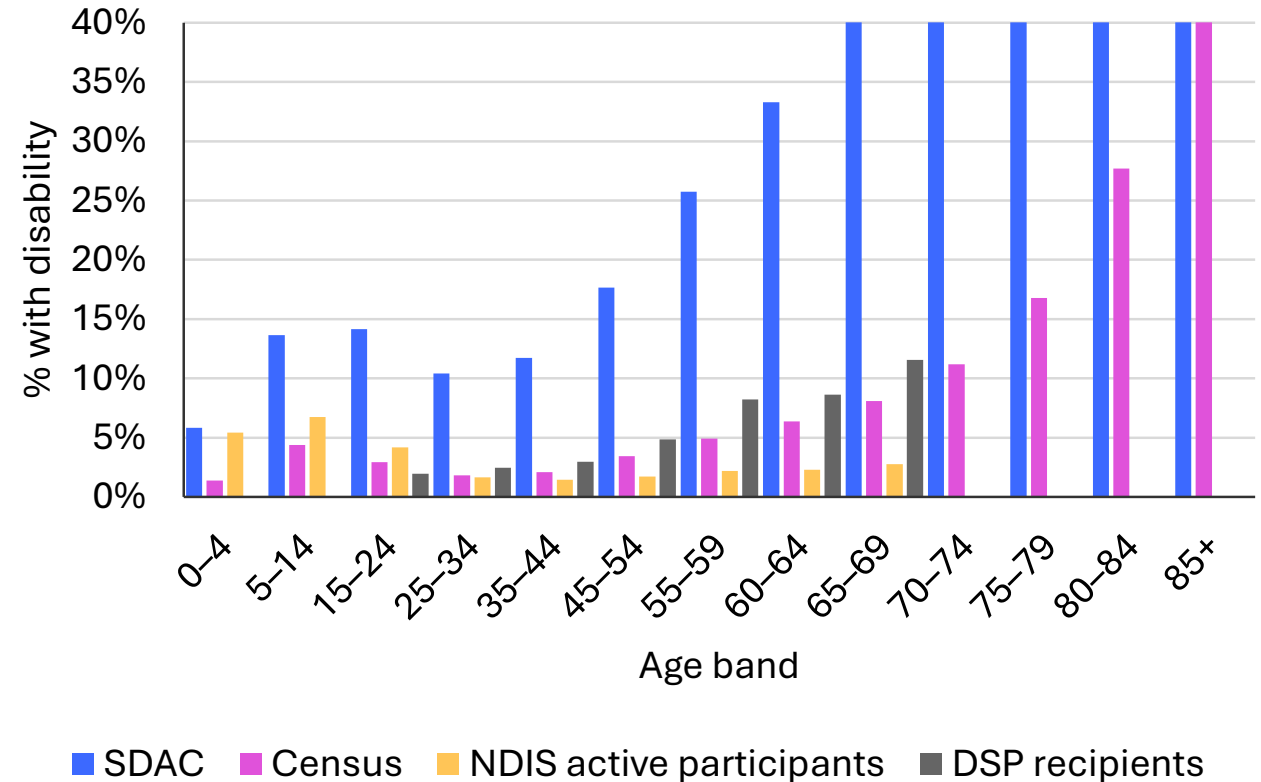
The **SDAC**: “A person is considered to have disability if they have any limitation, restriction or impairment which restricts everyday activities and has lasted, or is likely to last, for six months or more.”

(~21% of Australians)

But we often use other sources:

- **ABS Census ~5.8%** – Need for assistance with core activities
- **DSP receipt ~3.2%** – Minimal ability to work as well as age, residence income and assets criteria
- **NDIS participants ~2.7%** – Permanent impairment which reduces capacity moving around, communicating, socialising, learning, or undertaking self-care or self-management tasks.

% with disability under different definitions



Note: crude allocation to align age bands from different sources.

Sources:

- ABS SDAC 2022
<https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release>
- NDIS participant numbers Q2 FY24/25: <https://dataresearch.ndis.gov.au/explore-data>
- ABS Census of Population and Housing: Disability and carers data summary, 2021
<https://www.abs.gov.au/statistics/health/disability/disability-and-carers-census/latest-release>
- DSS Benefit and Payment Recipient Demographics – December 2024 Quarter
<https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/details>

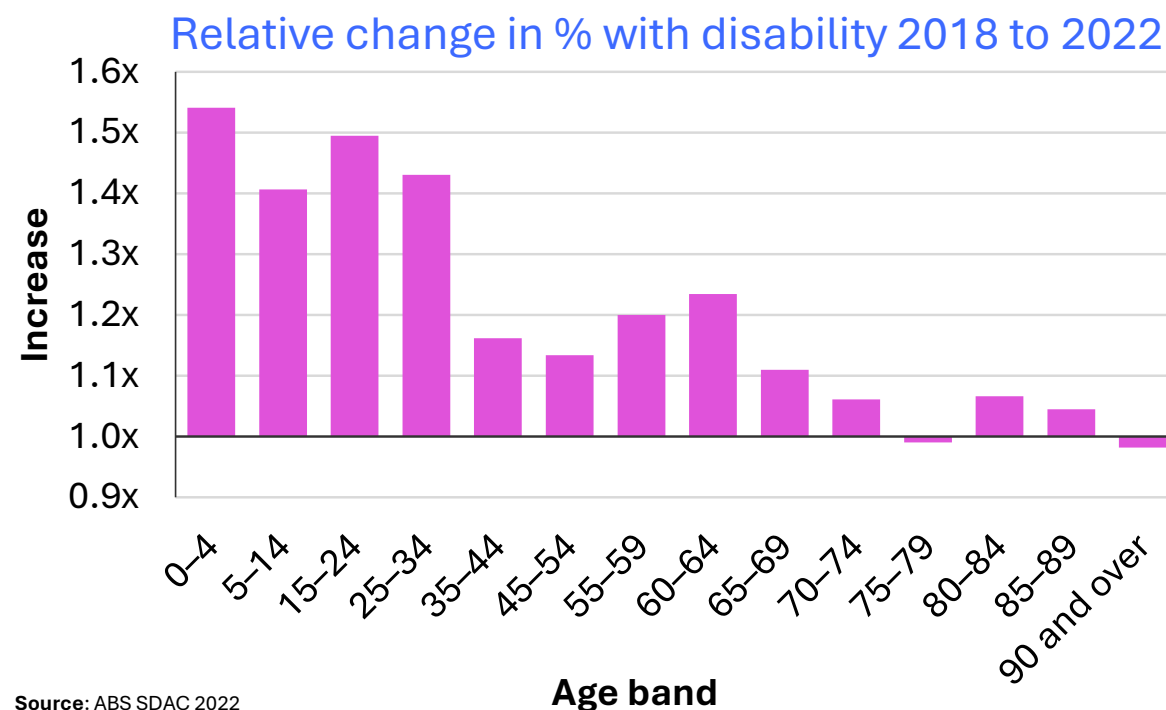
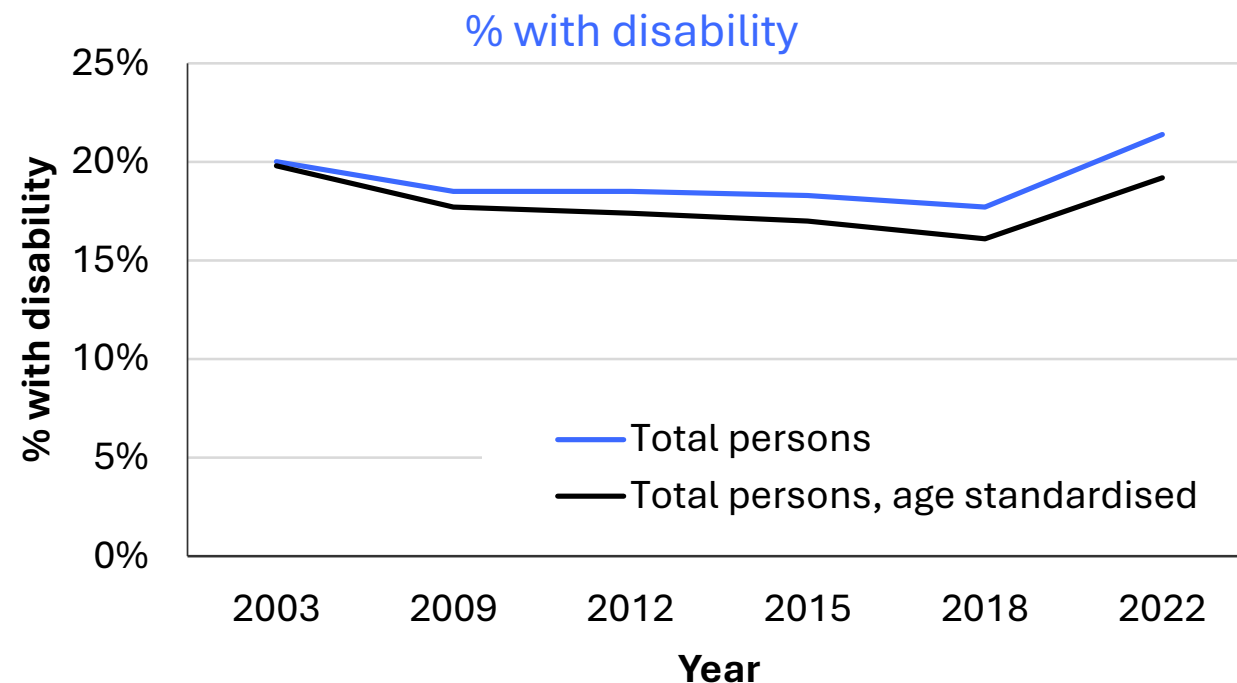
Disability in Australia – Changes over time

The **total rate of disability recently increased** from 17.7% to 21.4%.

Largest increases for younger age groups:

- 1.5x for preschool children (aged 0-4)
- 1.4x – 1.5x for school-aged children (5-14)
- 1.4x – 1.6x for people aged 15-34

These increases exist across severe and profound as well as more mild disabilities.



Disability in Australia – Drivers of changes over time

Hard to untangle:

- **Higher awareness of disability**
- **Increases in prevalence.**

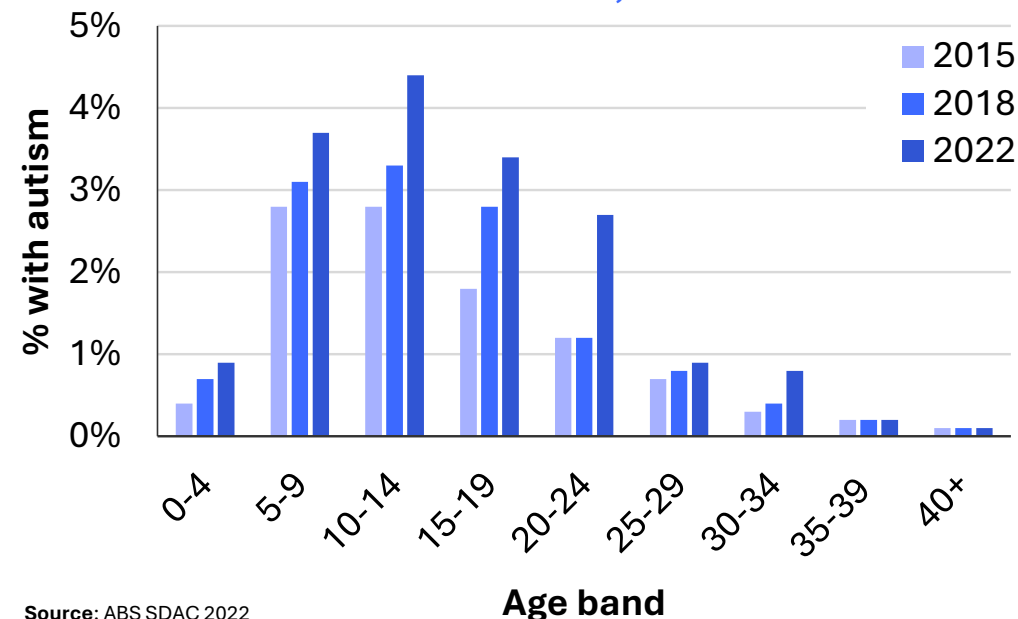
Not only an Australian trend. UK, Canada and USA all report increasing rates of disability, and particularly Autism among children.

Autism rates are still relatively low (~1%) but the growth is large, up to 2-fold increases over 4 years.

Of NDIS participants, developmental delay or autism diagnoses for:

- 88% of those aged 0-8
- Half (49%) of all participants.

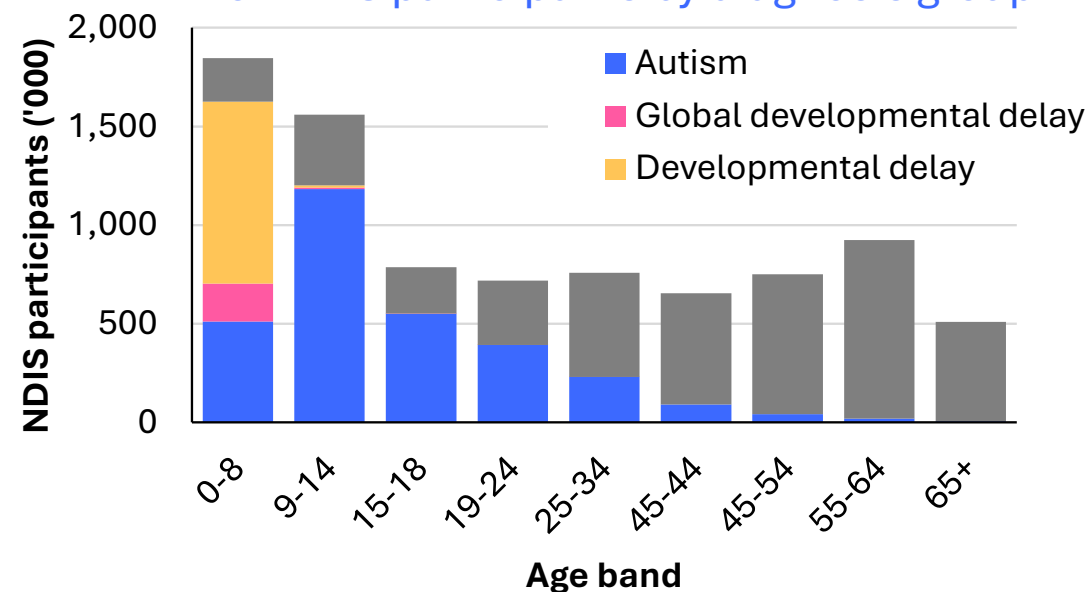
% with Autism in 2015, 2018 and 2022



Source: ABS SDAC 2022

<https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release>

of NDIS participants by diagnosis group



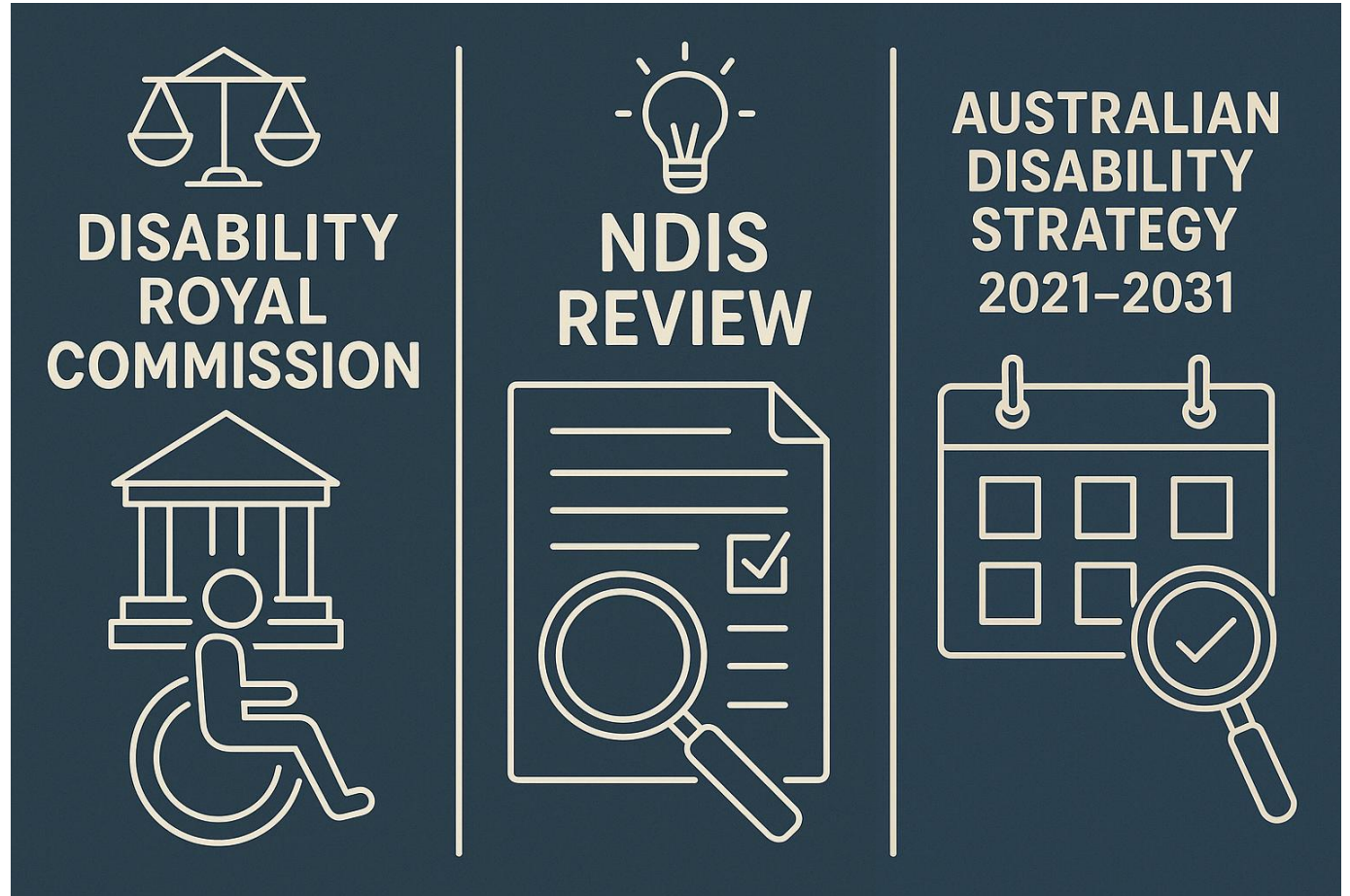
Source: NDIS participant numbers Q2 FY24/25: <https://dataresearch.ndis.gov.au/explore-data>

Key takeaways from recent milestone publications

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Publications driving change

1. The Royal Commission into the violence, abuse, neglect and exploitation of people with disability:
2. The NDIS Review
3. The Australian Disability Strategy 2021- 2031



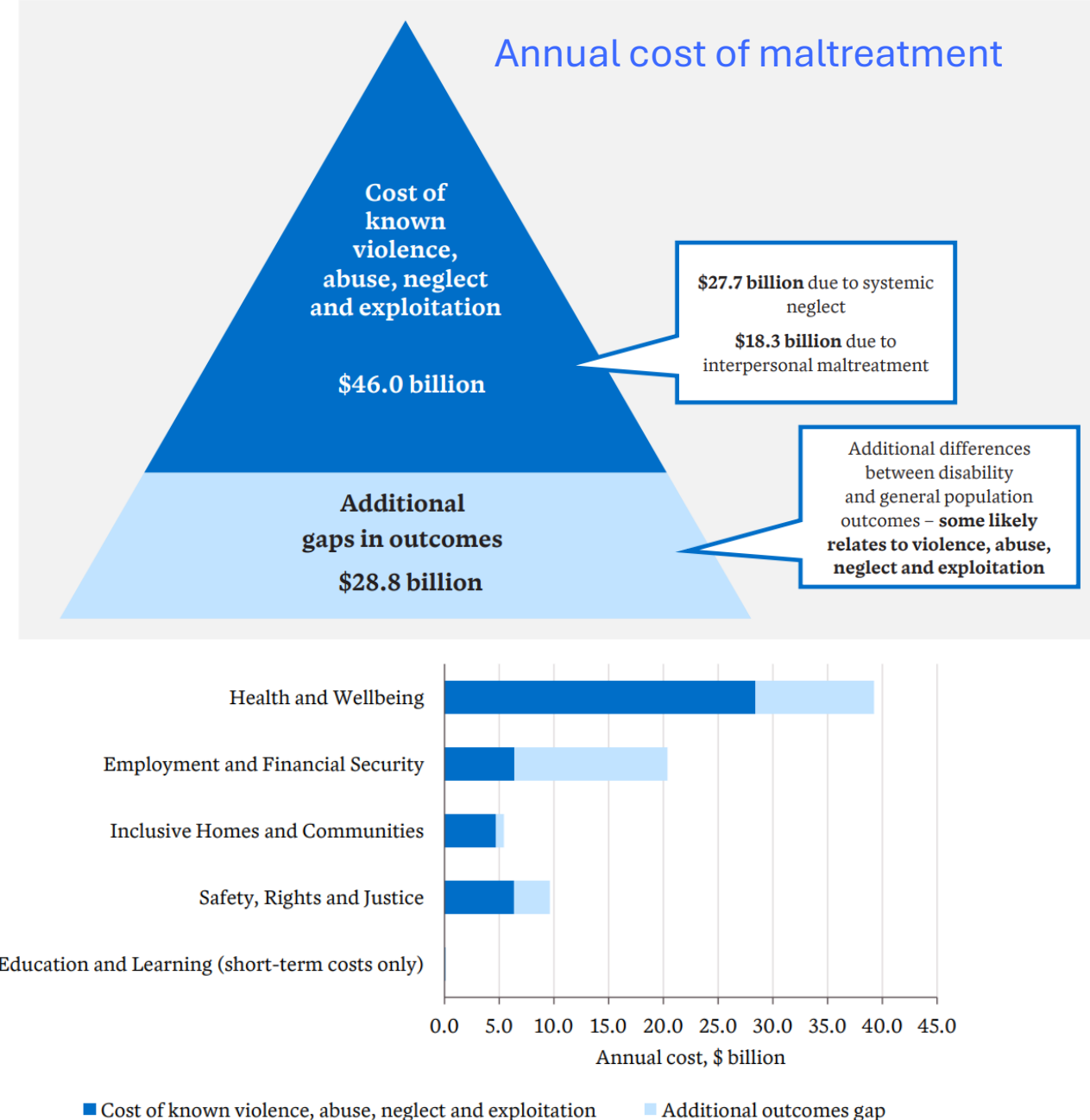
Royal Commission into the violence, abuse, neglect and exploitation of people with disability

- Ran over 4.5 years to September 2023
- 8,000 submissions, 14 issues papers, 700 responses and numerous research papers
- **222 recommendations**

Economic costing – demonstrates the level and breadth of impacts:

1. Interpersonal violence, abuse, neglect and exploitation
2. Systemic failures and neglect.

Health and wellbeing costs particularly high, but costs span employment, housing and justice outcomes.



Disability Royal Commission – Selected recommendations

Education	Phasing out special schools or building closer networks between special schools and mainstream schools.	First Nations people	Legacy of the Stolen Generations had contributed to ‘complex feelings of shame and guilt around disability’.
Reforms of guardianship laws	They exist to protect society's most vulnerable, but advocates say it strips people with disability of their independence.	Women	Improving safety. Banning sterilisation of women with disability without consent.
Justice	Prohibiting solitary confinement in youth detention, as well as improving police responses to people with disability.	New laws and statutory bodies	To protect the human rights of people with disability.
Employment	Phasing out segregated employment, move away from paying people with disability below minimum wage.		

The NDIS Review – Beginnings and selected evidence

Key concerns were **growth in costs and sustainability**, as well as being an **oasis in the desert**.

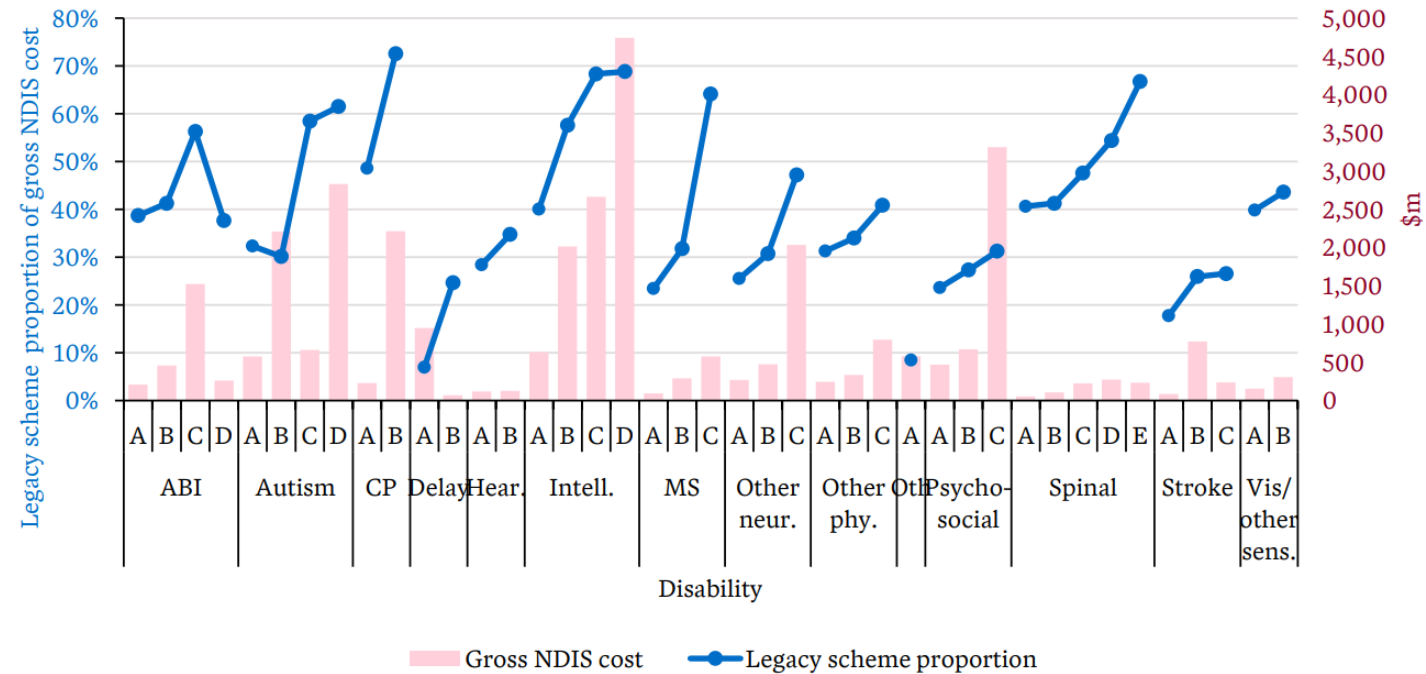
Ran over the year to October 2023 – large body of supporting analysis (~1,300 pages with references to ~3,000 documents).

Costs and benefits of the NDIS estimated for 2022-23:

- The **net costs** of the scheme were \$15.8b
- The **net measurable benefits** were \$7.6b, but potentially other unmeasured benefits

For all disability types and impairments the NDIS funding is higher than legacy supports, with increases far greater than for lower levels of impairment (for those in the Scheme).

Figure 3 – Gross NDIS cost by segment and proportion covered under legacy schemes



NDIS Review – Costs, benefits and frameworks, Miller H. et al.

https://www.ndisreview.gov.au/sites/default/files/2023-11/Taylor_Fry_NDIS%20Review_Cost_Benefit_Analysis.pdf

The NDIS Review – Foundational supports

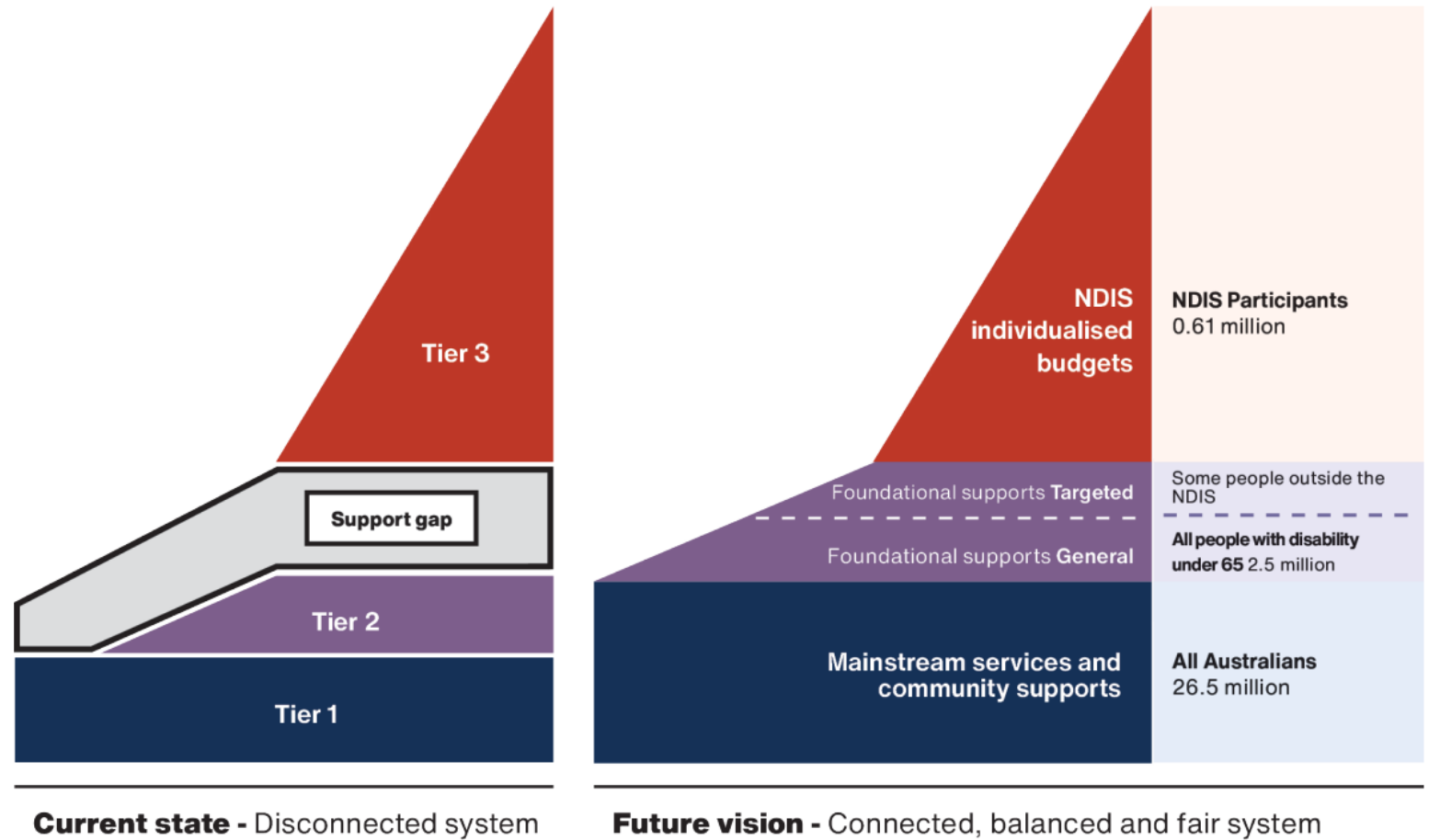
The report makes **26 recommendations and 139 supporting actions**. To be implemented over a five-year transition period.

One key outcome is the development of **Foundational supports**, these will provide early supports to people outside the NDIS.

Addresses the current support gaps outside the NDIS and disparities.

Figure 1

Vision for an integrated, graduated model of supports for all people with disability



The NDIS Review – Access, eligibility and budgets and other themes

Alongside foundational supports, **several recommendations relate to:**

Broader supports and access

Fairer and more
consistent
pathways

Improve
mainstream
access and
inclusion

Other key themes:

Develop
navigation
supports

Attract, retain
and train a
workforce

New
approaches for
psychosocial
disability

Changes to
housing
supports

Reform the
provider pricing
and payments
framework

The Australian Disability Strategy 2021-2031

Public monitoring against an outcomes framework provides a way to track change at a broad level.

Includes **85 indicators across 7 domains**.

2024 saw the 3rd annual report:

- 36 indicators were updated
- Even split of positive change/ no change and regress.

Outcome areas



Employment and financial security



Inclusive homes and communities



Safety, rights and justice



Personal and community support



Education and learning



Health and wellbeing



Community attitudes

New
survey
developed

Outcome area

Community attitudes

Desired outcome: A positive attitude towards people with disability so that they are respected, valued, and included in the communities they belong to.

Data are reported for 7 measures. This includes 4 measures on key sector attitudes to people with disability.



Key findings

In 2022, 77% of employer responses were positive about employing people with disability



Around 1 in 5 people with disability felt represented in leadership roles in 2022



1 in 2 people with disability felt valued and respected in their community in 2022



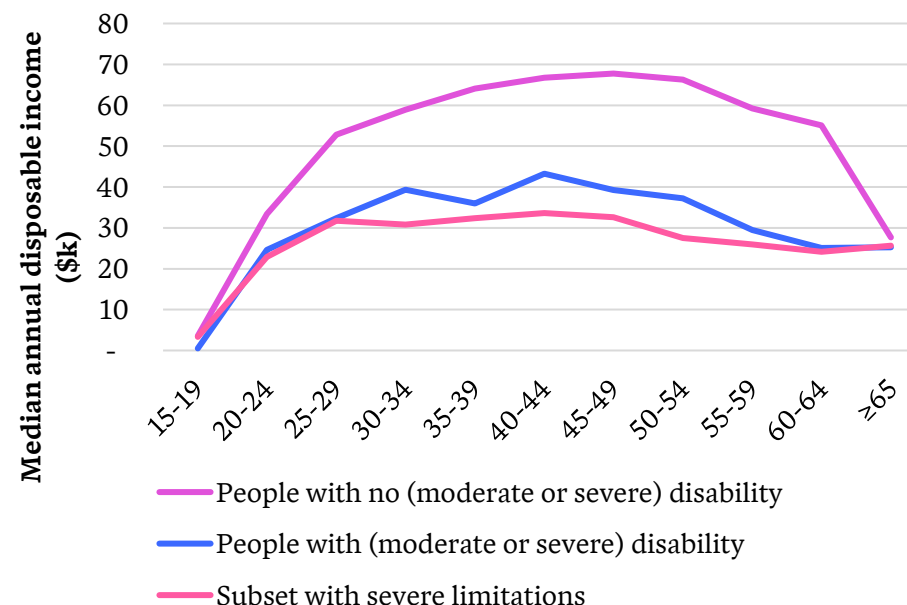
Disability and inequality

Income and employment

While significant progress has been made for the rights and supports for people with disability, significant inequalities remain (and materially contributes to inequality more broadly):

- Income is significantly lower, a triple combination of lower employment, lower hours worked and lower wages per hour. A gap remains even if looking at the subset with disability but without work-related limitations.
- Unemployment / underemployment rates were found to be 2.5 – 3.0x higher.
- At least \$5.5b of the \$21.5b can be attributed to maltreatment (DRC).
- Visible in income and wealth distributions.

Disposable income profile of people with and without disability



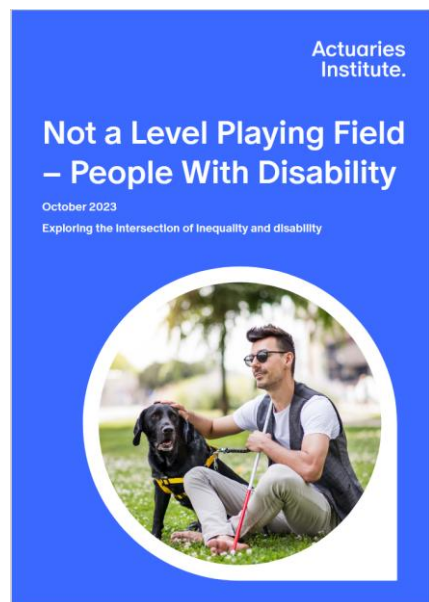
Disposable income distributions, people aged 35-54

	% of HILDA	Distribution across income quintiles				
		1	2	3	4	5
Moderate or severe disability	14%	41%	27%	15%	9%	9%
Moderate limitations	9%	32%	27%	16%	11%	12%
Severe limitations	5%	56%	26%	12%	5%	3%

Broader outcomes

Outcomes gaps are spread across all domains and are highly interrelated.

There are some limits to the comparisons with the broader population, but there is reasonable evidence that some gaps relate to issues of systemic neglect and disadvantage.



<https://www.actuaries.asn.au/public-policy-and-media/our-thought-leadership/reports/not-a-level-playing-field-people-with-disability>

Comparison of outcomes, people aged 35-54

	% of HILDA	Moderate or severe disability 14%	No moderate or severe disability 86%	Ratio, disability to no disability
	Average disposable income p.a.	\$52k	\$77k	0.7×
Economic	Individual poverty rate	14%	7%	2.0×
	Unemployment	10%	2%	4.6×
	Underemployment	17%	5%	3.1×
	Not in labourforce	39%	11%	3.5×
	Weighted underutilisation rate	13%	3%	3.8×
	Household net wealth, \$000	381	544	0.7×
	Welfare, fraction of indiv income	39%	10%	4.1×
Housing	Home ownership rate	59%	73%	0.8×
	Struggled to pay housing costs on time	13%	7%	1.8×
Health & disability	Obesity rate	47%	28%	1.7×
	Rate of psychological distress	58%	26%	2.2×
	Suicide deaths per 100,000 ^(a)	34	11	2.9×
	Total deaths per 100,000 ^(a)	645	128	5.0×
	Have private health insurance	35%	60%	0.6×
Social	Violent crime victim, past 12 months	3.3%	0.6%	6.0×
	Homelessness rate over the year, per 100,000	4,211	898	4.7×
	Children in out-of-home care, per 100,000 ^(c)	3,504	1,088	3.2×
	Incarceration rate, per 100,000 ^(b)	611	105	5.8×
Education	Year 12 attainment rate	78%	92%	0.9×
	Early childcare use	44%	52%	0.9×
Environment	Can get where need to ^(b)	77%	90%	1.2×
	No difficulty accessing buildings/facilities ^(b)	66%	100%	1.5×

Source: HILDA, other

Disability intersectionality

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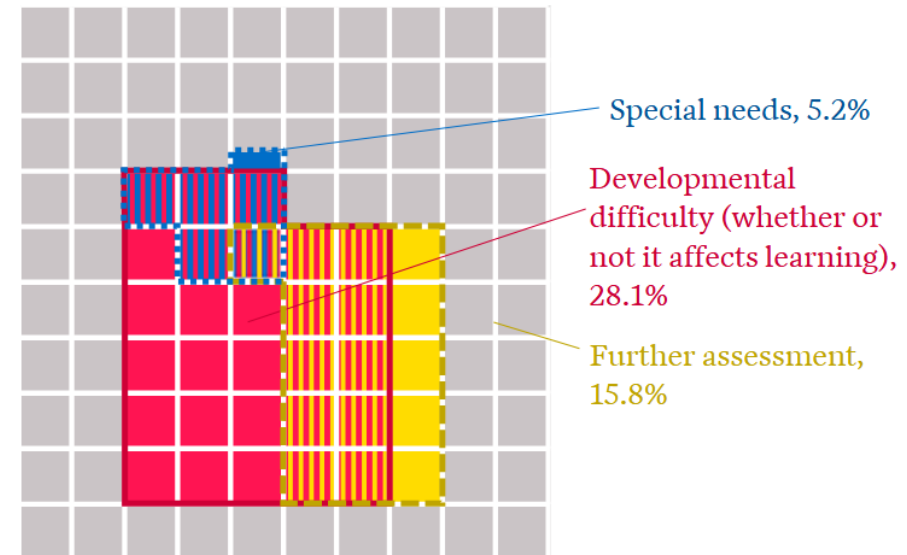
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Disability and education

- Education supports in schools are mainly a State and Territory responsibility. In recent times this has meant significant funding challenges.
- Significant variation across Australia on the coverage and nature of disability supports.
 - NCCD data collection provides a slightly more consistent view. The number of students receiving some form of support has grown from 18% to 25% in nine years*.
- Reforms are tending to recognise the broader the recognition of student needs (e.g. ADHD in NSW).
- A significant tension in the DRC was around the role of special education.

* <https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia/school-students-with-disability>

Children in their first year of school with additional health and development needs, 2021 AEDC



Source: <https://www.aedc.gov.au/resources/detail/2021-aedc-indicators-for-children-with-disability>

Government schools support a higher share of people with disability... until the HSC

	Australia, % students with supplementary or substantial support (NCCD)*	Australia, % students with extensive support (NCCD)*	NSW Disability provisions, HSC
Government	5.1%	3.4%	11%
Catholic	4.6%	1.0%	13%
Private	3.6%	1.2%	18%

Disability and justice

Disability is not consistently captured amongst those in custody or under community supervision. Detention rates between 29% (AIHW) and 47% (NDDA pilot) is plausible – likely 4 to 5 times the broader population detention rate, and ~16,500 people across Australia.

- Much can be tied back to systemic disadvantage (e.g. ~40% of the population have historical child protection interactions)

There are also issues related to justice arrangements for people unfit to stand trial (forensic justice):

- Suitable detention accommodations
- Suitable accommodation on release
- Demarcation disputes with the NDIS.

DRC and news reporting have also raised concerns about guardianship arrangements



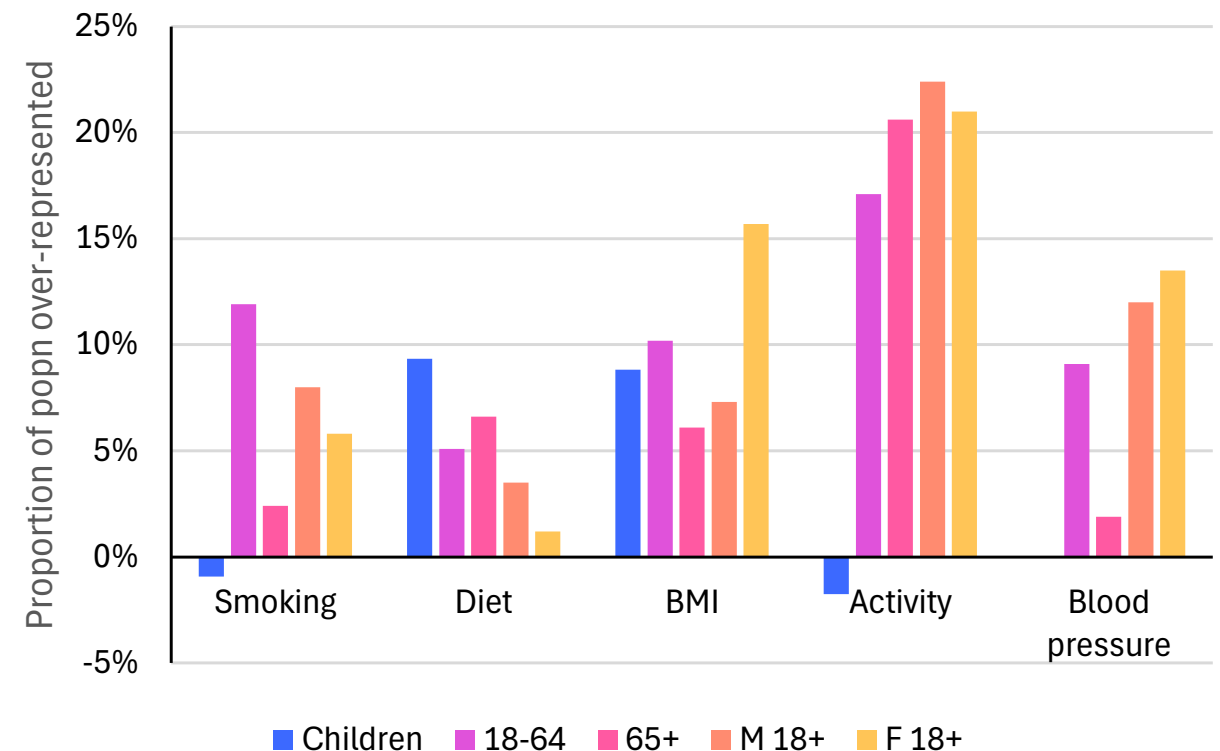
<https://www.abc.net.au/news/2022-03-14/public-trustee-four-corners-investigation/100883884>

Disability and health

We recognise the complex interaction between disability and health:

- A social model of disability means that health concerns can be treated as separate, but people with disability have high rates of co-occurring health conditions and health support needs. Supporting these needs often cost more too.
- Clear social gradient of health effects; just as with other disadvantaged groups, people with disability tend to have poorer outcomes for health risks and risky behaviours.
- DRC flagged issues of poor diagnosis and treatment ('diagnostic overshadowing').
- Health support needs for people with psychosocial disability are often significant and ongoing – flagged as an issue in the NDIS review.

Additional percentage point share of people with disability with risky health behaviours, compared to people without disability

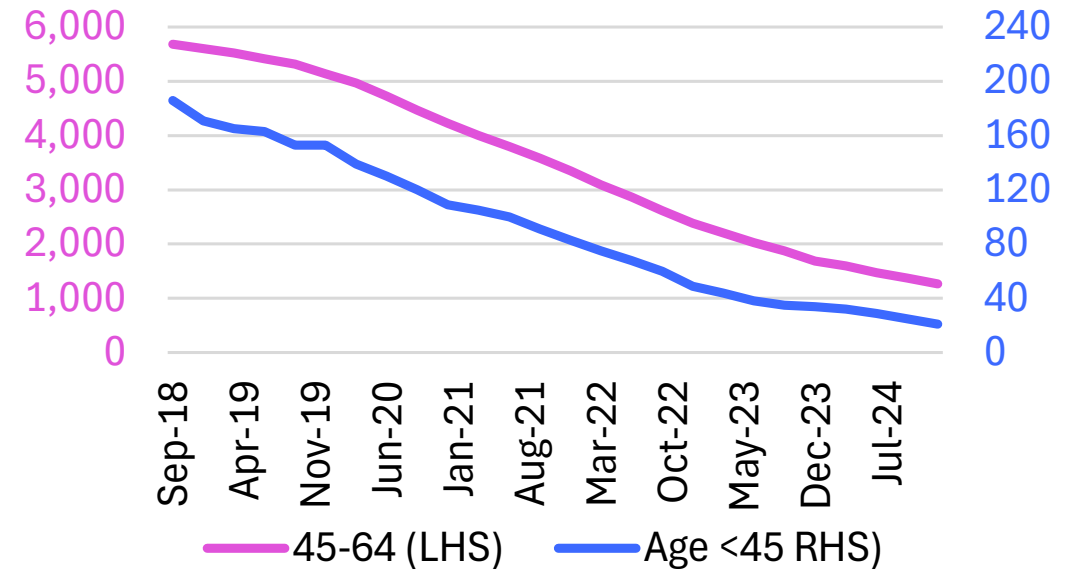


Source: Economic costs of violence, abuse, neglect and exploitation of people with disability, Taylor Fry and The CIE

Disability and housing & homelessness

- We do not have good visibility of homelessness rates for people with disability. Estimated at 5x in our DRC work. More linkage work will improve estimates.
- A recent government priority has been reducing numbers of young people in residential aged care. Significant improvements visible.
- High disability rates (DSP rates) for householders in social housing (~35% in social housing on DSP, ~30% aged pension).
- Specialist Disability Accommodation (SDA) within the NDIS is growing strongly, which actually represents a big chunk of new subsidised housing. Social housing growing ~2,600 places per year, SDA ~1,250 per year.

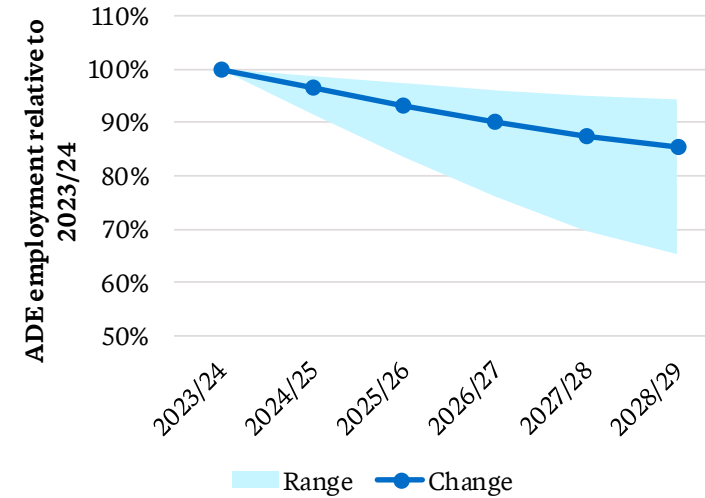
Young people in residential aged care



Disability and employment

- Significant policy uncertainty in the supported employment system (~20,000 people earning wages between \$3 and \$23 per hour, with an average of \$7.50 p/hr). Some structural challenges already evident.
- A range of new initiatives seeking to improve employment outcomes. For example, increasing use of social enterprises (e.g. the White Box Enterprises payment-by-outcomes trial).
- The main Disability Employment Service is to be renewed this year, with a mild expansion to new cohorts.

Forecast ADE employment over time, current policy



Source: <https://nds.org.au/news/taylor-fry-supported-employment-modelling-report-released>

The future

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Things to pay attention to...

Population

- Continued growth in disability rates, diagnoses (e.g. ADHD, Autism)

Disability sector reform

- Rollout of Foundational Supports
- NDIS sustainability targets
- Other broader reforms from DRC / NDIS Review

Data and evidence

- National Disability Data Asset (NDDA)
- Better disability-disaggregated data
- Focus on evidence around programs and early interventions





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Thank you

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