



Australian Government



Jobs and Skills Australia

# Employment and disability in Australia

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JSA **INSIGHTS**

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# Employment and disability in Australia

Employment is not only a source of income and economic security, but is also linked to wellbeing, including mental and physical health, and a sense of purpose and self-worth. Difficulties in finding or maintaining work can therefore have wide-ranging negative impacts on individuals, their families, and the broader community.<sup>1</sup>

Around one in six Australians aged 15–64 years is a person with disability and the majority of these people are employed.<sup>2</sup> However, while there has been some improvement in recent years, people with disability continue to generally experience poorer labour market outcomes than those without disability.

## Key statistics

- **Disability incidence:** In 2022 there were around 2.7 million people aged 15–64 years with disability in Australia, 16.1% of the working age population.
- **Labour force participation:** In 2022, 60.5% of people aged 15–64 years with disability were in the labour force, compared with 84.9% of those without disability.
- **Unemployment rate:** In 2022, people aged 15–64 with disability were more than twice as likely to be unemployed (7.5%) than those without disability (3.1%).
- **Underemployment:** In 2022, 7.8% of employed people aged 15–64 with disability were underemployed (worked part-time and wanted to, and could, work more), compared with 5.1% of those without disability.
- **Unemployment duration:** People with a disability are much more likely to be very long-term-unemployed (for 104 weeks or more), 28.3% of unemployed people with disability compared to 9.6% of those without disability.
- **Job-ready:** There were over 260,000 people aged 15–64 with disability (approximately 10%) who are not employed, but who are potentially job-ready.

<sup>1</sup> Australian Institute of Health and Welfare (2024) People with disability in Australia 2024.

<sup>2</sup> Unless otherwise stated, all data in this paper are from the Australian Bureau of Statistics, Survey of Disability, Ageing and Carers (SDAC), 2022.

People with disability do experience discrimination and unfair treatment. Around 15% of those aged 15–64 indicated they had experienced discrimination in the previous 12 months due to disability. The workplace continues to be a common source of discrimination reported by people with disability, with employers (27%) and work colleagues (26%) among the most common sources reported.

Limited access to secure, meaningful work can restrict opportunities for social participation, reduce independence and heighten the risk of social isolation. Employment is closely linked to self-esteem, identity and community belonging. Persistent barriers to work, in particular for people with disability, can contribute to lower wellbeing and can reinforce negative stereotypes about capability. These inequalities entrench broader patterns of exclusion and disadvantage, diminishing quality of life for individuals and impacting communities and the broader economy.<sup>3</sup>

This paper examines the labour market profile of people with disability and explores the challenges faced by individuals characterised as 'job-ready'. Its purpose is to identify where targeted measures could most significantly enhance workforce participation and promote greater inclusion.

### **Data and sources**

All data referred to are from the ABS 2022 Survey of Disability, Ageing and Carers (SDAC). The SDAC survey defines disability as any limitation, restriction or impairment which restricts everyday activities and has lasted, or is likely to last, for at least six months. The SDAC has been developed to align with the International Classification of Functioning, Disability and Health (ICF).

This broad definition captures physical, intellectual, sensory, and psychosocial conditions, reflecting the impact on functioning rather than just medical diagnosis. SDAC collects detailed information on the prevalence and types of disability, the extent to which disability affects participation in education, employment, and community life, and the levels of support and services required. The impact on functioning reflects the extent that people have limitations in undertaking core activities or have schooling or employment related restrictions. This is characterised as disability status ranging from mild to profound, and JSA acknowledges that this characterisation may not be generally accepted among all people with disability.

The data relate to those aged 15–64 years who are living in private dwellings (not in residential care).

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<sup>3</sup> Australian Institute of Health and Welfare (2024) People with disability in Australia 2024.

## **JSA’s forthcoming co-designed labour market and skills multi-year research programs for people with disability and Aboriginal and Torres Strait Islander people**

Co-design is important because it shifts research from being “about” people to being “for and with” them, which increases the likelihood of achieving better outcomes for those key groups of people. Co-design ensures insights are more accurate, relevant, and trusted, as well as focused on the important decisions, initiatives, and policy reforms that will make impact. This is especially true for people who are more likely to face compounding barriers but also unique opportunities in the jobs and skills system, like people with disability and Aboriginal and Torres Strait Islander peoples.

This is why JSA is establishing advisory panels for our two forthcoming dedicated multi-year research programs on people with disability and Aboriginal and Torres Strait Islander people. JSA will co-design the research programs with our advisory panels to ensure our insights are informed by lived experience and reflect community perspectives, expectations, and values.

Both research programs and advisory panels are currently being established in the Inclusive Participation part of our work plan. While that is being progressed, JSA has responded to strong early demand for foundational insights on this cohort through two papers focused on leveraging existing data and filling immediate information gaps as a preface to the people with disability research program:

- Employment and disability in Australia
- Employer attitudes toward disability inclusion in the Australian Workforce

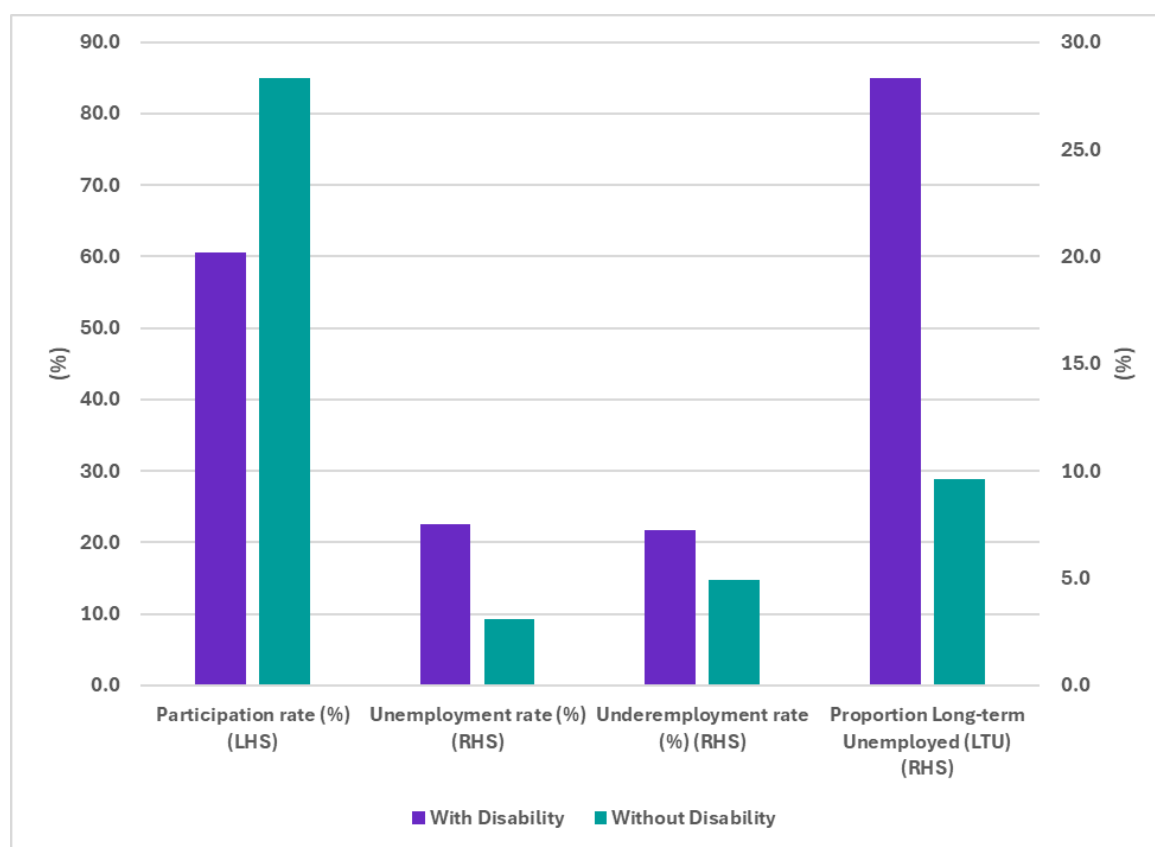
The population of people with disability in these early insights papers therefore reflect what is available in existing surveys (e.g. how individuals respond in the ABS Survey of Disability, Ageing and Carers, and how employers respond in JSA’s Recruitment Experiences and Outlook Survey). An expanded approach to people with disability, including the priorities for the research program, will be in focus for JSA and the advisory panel in 2026-2027 and will leverage the [National Disability Data Asset](#) and [National Disability Research Partnership Agenda](#) to fill evidence gaps.

For more information or to stay in touch on developments on this or the research program on Aboriginal and Torres Strait Islander people, please email us at: [inclusiveparticipation@jobsandskills.gov.au](mailto:inclusiveparticipation@jobsandskills.gov.au).

# People with disability experience challenges in the labour market

People with disability continue to experience poorer labour market outcomes than those without disability. They experience lower rates of participation and employment, higher unemployment, longer unemployment duration and are more likely to work part-time or be underemployed (wanting and available to work more hours). People with disability are also under-represented in higher-skill occupations (such as Professionals and Managers) and over-represented in lower-skill jobs (such as Labourers and Sales Workers).

**Figure 1: Headline labour market indicators by broad disability status, people aged 15–64 years, 2022**



Source: ABS Survey of Disability, Ageing and Carers, 2022

## Lower participation and higher unemployment persistent for those with disability

In 2022, the labour force participation rate for people aged 15–64 years with disability (living in households) was 60.5%, a large increase from the 53.4% recorded in 2018, however, it remains well below the participation rate for those without disability, 84.9% in 2022. The unemployment rate for people with a reported disability was 7.5% in 2022, more than double the unemployment rate of those without disability (3.1%).

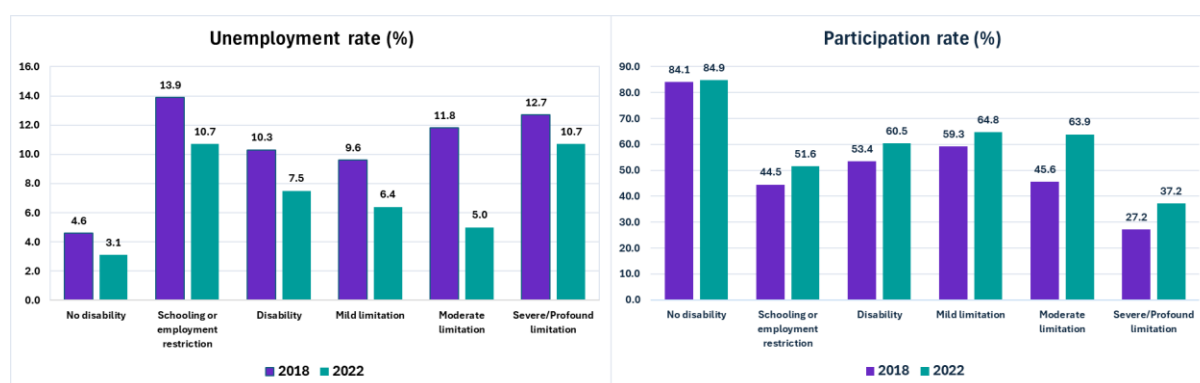
The level of part-time employment and the rate of underemployment also differ significantly based on disability status. In 2022, 40.6% of employed people with disability were employed part-time, compared with 29.7% of those without disability. Similarly, 7.2% of people with disability were underemployed, compared with 4.9% of people without disability.

Those unemployed with a disability also experience a significantly higher incidence of long-term unemployment—28.3% of unemployed people with disability had been unemployed for more than two years compared with 9.6% for those without disability.

## Degree of limitation influences labour market outcomes

Within the SDAC disability status reflects the extent of limitation experienced by people with disability. Labour market outcomes are better for those with a mild or moderate level of limitation. As shown in Figure 2, the unemployment rate for people reporting a mild limitation was 6.4%, rising to 10.7% for those with a severe or profound limitation. Likewise, participation in the labour force declined sharply with severity: from 64.8% for those with a mild limitation to just 37.2% for those with a severe or profound limitation. Between 2018 and 2022 both the labour force participation and unemployment rates have improved across all disability status categories.

Figure 2: Participation rate (%) and unemployment rate (%) by disability status, 2018 and 2022

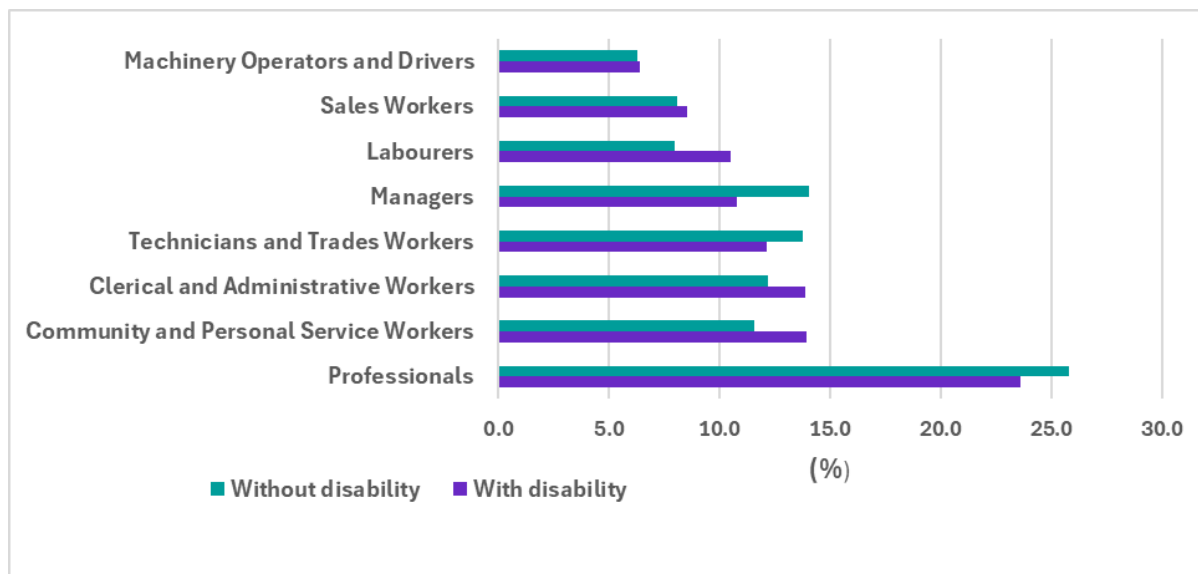


Source: ABS Survey of Disability, Ageing and Carers, 2022

## Structural barriers limit access to work

The distribution of occupations and industries that people work in also provides an insight to some structural differences. Professionals represent the largest occupation group for both people with disability and those without, accounting for 23.6% and 25.8% respectively. Beyond this, shares in occupation groups vary by disability status. People with disability are more likely to be employed in Community and Personal Service Workers roles (13.9% compared with 11.6%), Clerical and Administrative Workers (13.9% compared with 12.2%), and Labourers (10.5% compared with 8.0%). In contrast, those without disability are more likely to be working in higher-skilled occupations such as Managers (14.0% of those without disability compared with 10.8% for those with disability) and Technicians and Trades Workers (13.8% compared with 12.1%).

**Figure 3: Distribution of employment by occupation major group and broad disability status, 2022**

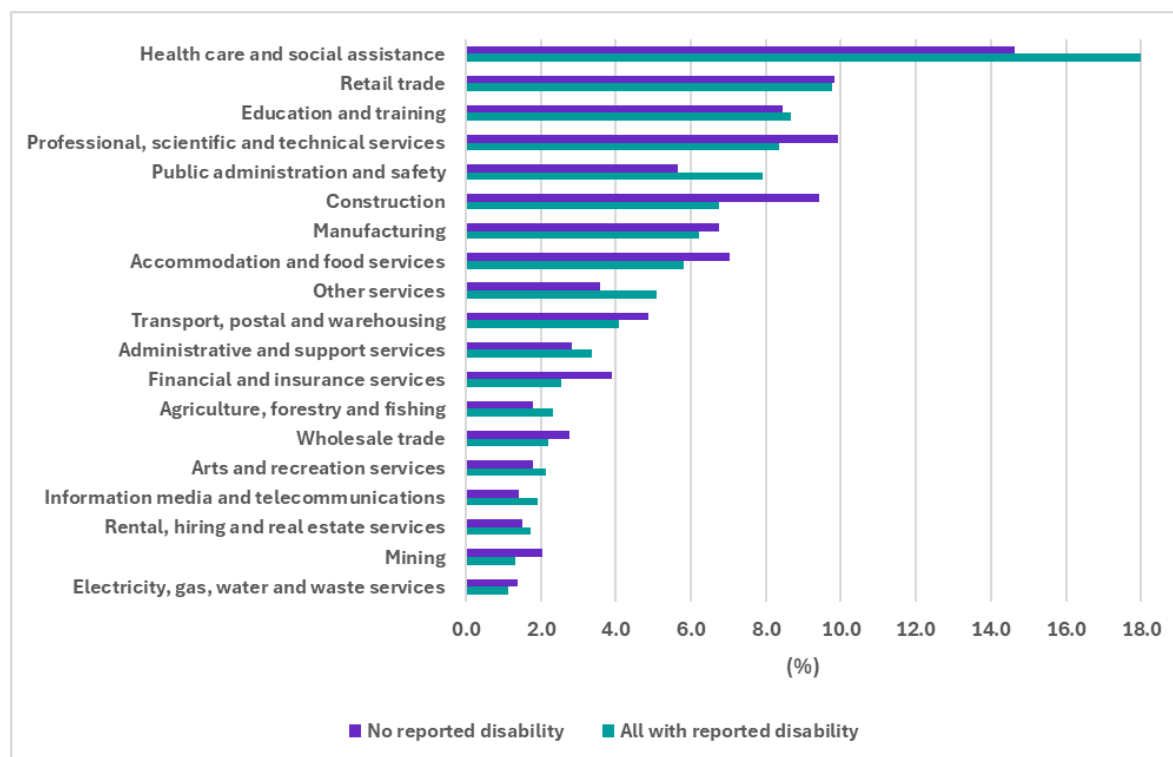


Source: ABS Survey of Disability, Ageing and Carers, 2022

These patterns become more pronounced when looking at degree of limitation. For example, Managers account for 10.2% of those with a moderate or mild limitation, but only 7.3% of those with a severe or profound limitation. In contrast, the share of people with a mild or moderate limitation working as Labourers was 10.2%, increasing to 16.5%, among those with a severe or profound limitation.

There is a similar pattern when looking at industries of employment. People with disability are over-represented in sectors such as Health Care and Social Assistance (18.0% compared with 14.6% for those without disability) and Public Administration and Safety (7.9% compared with 5.6%). In contrast, they are under-represented in industries such as Construction (6.8% compared with 9.4%) and Professional, Scientific and Technical Services (8.4% compared with 9.9%).

Figure 4: Distribution of employment by industry division and broad disability status, 2022



Source: ABS Survey of Disability, Ageing and Carers, 2022

## Identifying the ‘job-ready’ cohort among people with disability

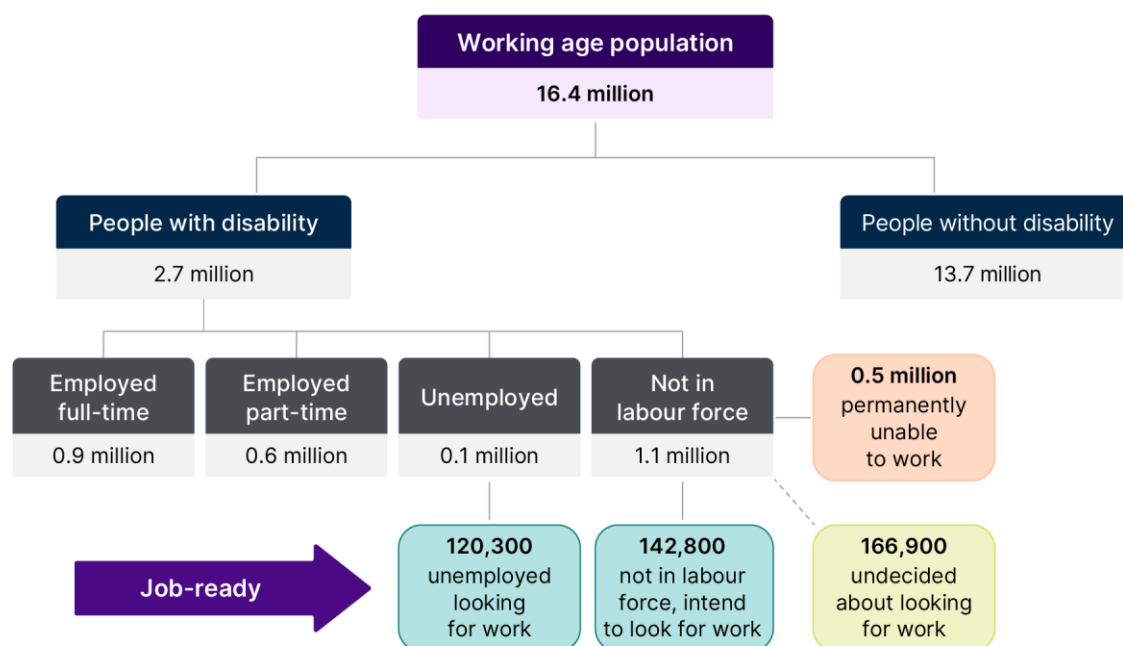
While SDAC does not allow for a direct assessment of ‘job-readiness’, it does, like other ABS labour statistics, identify sub-groups of people who appear better positioned to enter employment in the short to medium term—provided the right opportunities and/or they receive appropriate support and operate within a conducive employment environment. This ‘job-ready’ cohort consist of:

- Individuals who are unemployed and therefore actively seeking work.
- Individuals not currently in the labour force but intending to look for employment within the next year.

Around 482,400 (or 18.0%) of those aged 15–64 years with disability are not in the labour force and permanently unable to work due to their disability. However, SDAC estimates that 120,300 individuals aged 15–64 years with disability were unemployed and therefore were actively looking and ready to start work. A further 142,800 who are currently not in the labour force do intend to look for work in the next 12 months.

In all this represents around 263,100 people with disability (approximately 10%) who are not currently employed, but who are potentially job-ready. This figure could also be significantly larger as a further 166,900 of those not in the labour force with disability who are able to work, are undecided if they will be looking for work in the next twelve months.

Figure 5: Working age (15–64 years) with disability by labour force status, 2022



Source: ABS Survey of Disability, Ageing and Carers, 2022

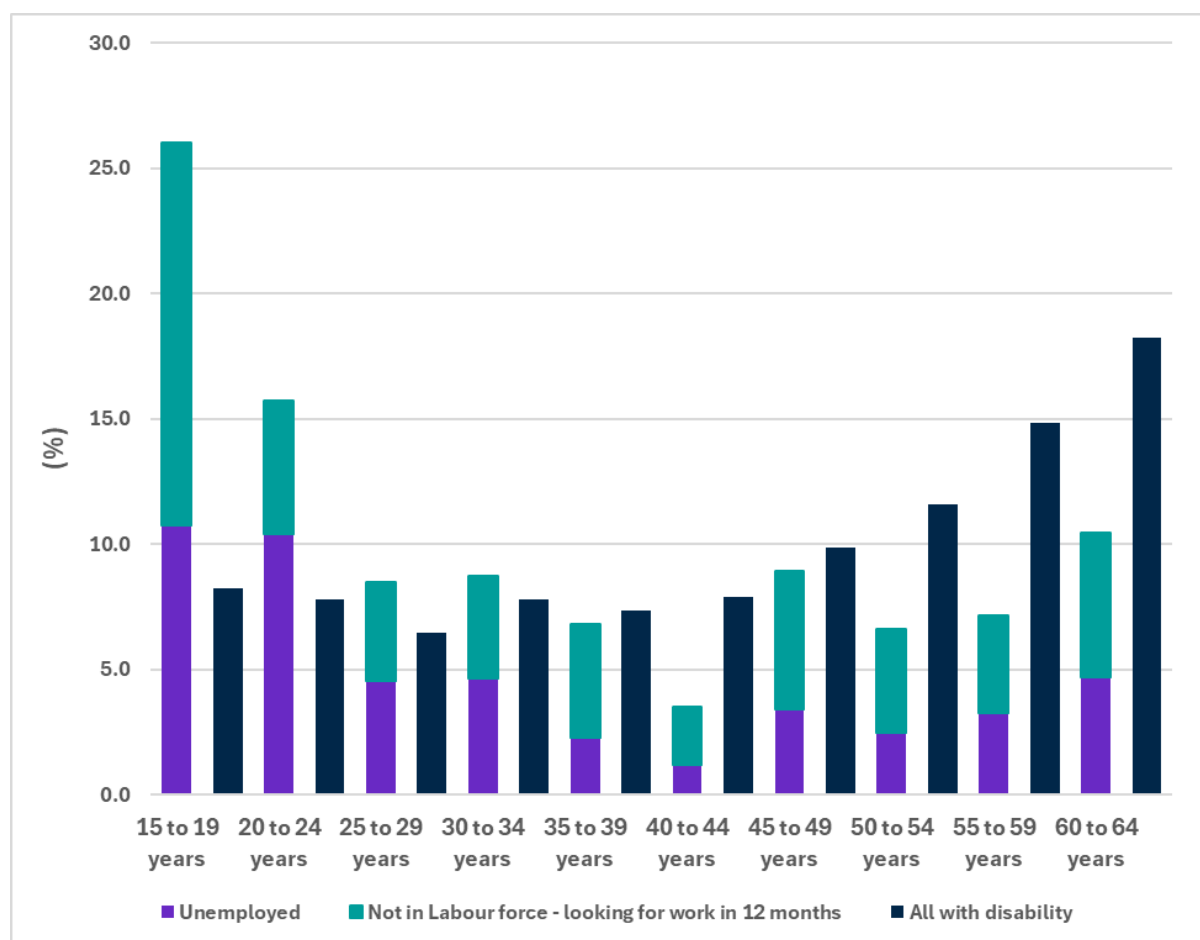
## The job-ready cohort: opportunities and challenges

The job-ready cohort in this analysis —those who are unemployed and looking for work, or not in the labour force but intending to look within 12 months—tends to be younger, have less severe limitations and have lower levels of educational attainment. Their barriers to work are typically external and have reported reasons including: limited suitable jobs, transport problems, discrimination, and a lack of workplace adjustments, rather than individual or disability related reasons. Many have previous work experience, express strong motivation to work or train, and have employment restrictions that are often modest and manageable. They are often disconnected from employment services despite wanting to engage in the labour market, making them a significant but underutilised source of labour supply.

## Younger cohort signals need for transition support

This potentially job-ready group of people with disability is notably younger than the broader working-age population with disability, with over 25% aged between 15 and 19, and around two-thirds of these still at school. The higher representation of youth indicates that employment outcomes may be enhanced by supporting people with disability during the critical transition from school to employment or further education.

**Figure 6: People with disability, age distribution – job-ready cohort and all with disability, 15–64 years, 2022**



Source: ABS Survey of Disability, Ageing and Carers, 2022

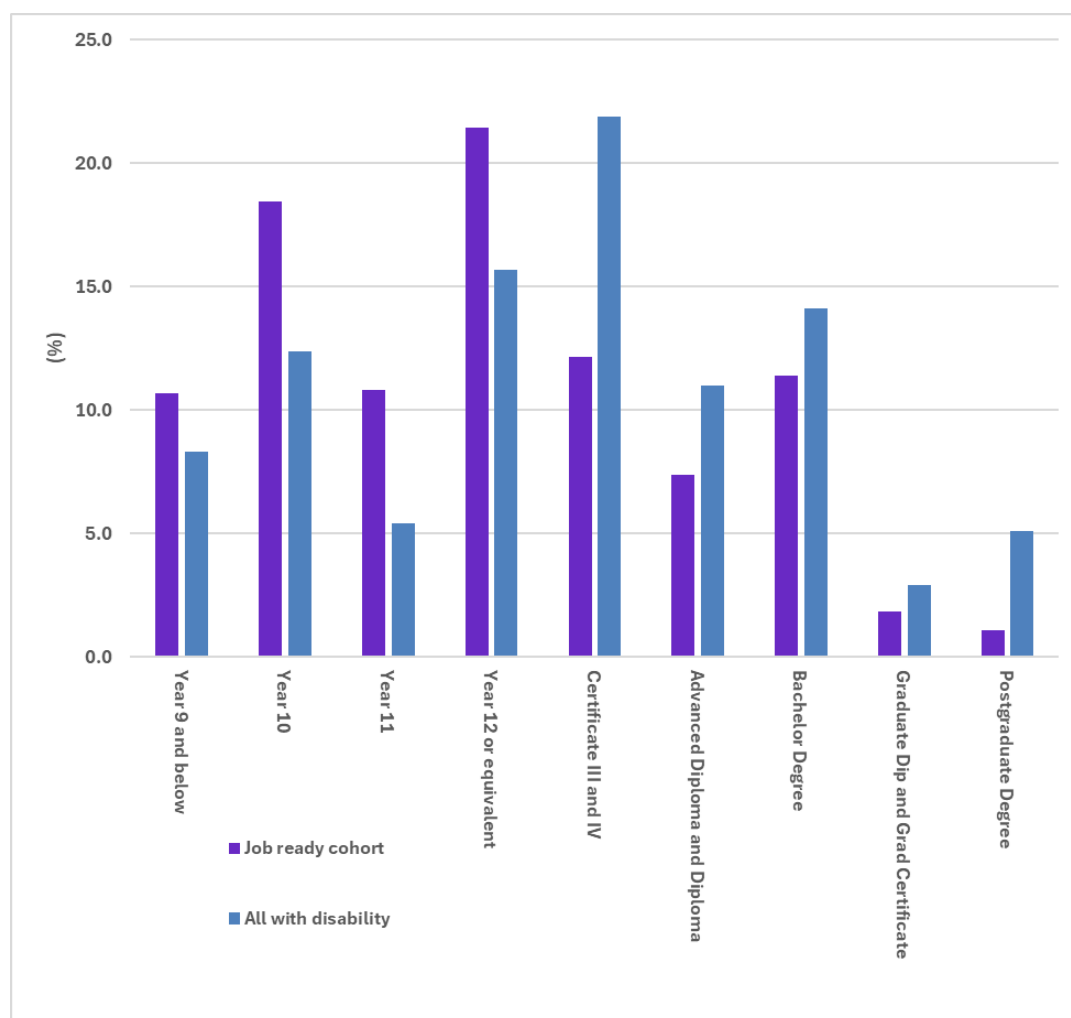
## Breaking the cycle: low education and poor job outcomes

Educational attainment data further highlights this need for support during the critical transition from school to further education. Lower levels of educational attainment are generally linked with poorer labour market outcomes. Compared with the broader working-age population with disability, the job-ready cohort has lower levels of educational attainment. They are disproportionately represented among those whose highest level of education is secondary school and underrepresented among those with post-secondary education and training.

With JSA employment projections<sup>4</sup> showing that most of future employment growth will be in occupations that require tertiary qualifications, there are opportunities to boost the educational attainment of this cohort to support their transition to work. This also suggests that support for school retention and completion would be valuable for a proportion of the potentially job-ready cohort in the short term, as their low level of educational attainment is likely to act as a barrier to employment.

<sup>4</sup> JSA, Employment Projections, 2025–2035, produced by Victoria University for JSA.

**Figure 7: People with disability, level of highest educational attainment – job-ready cohort and all with disability, 15–64 years, 2022**

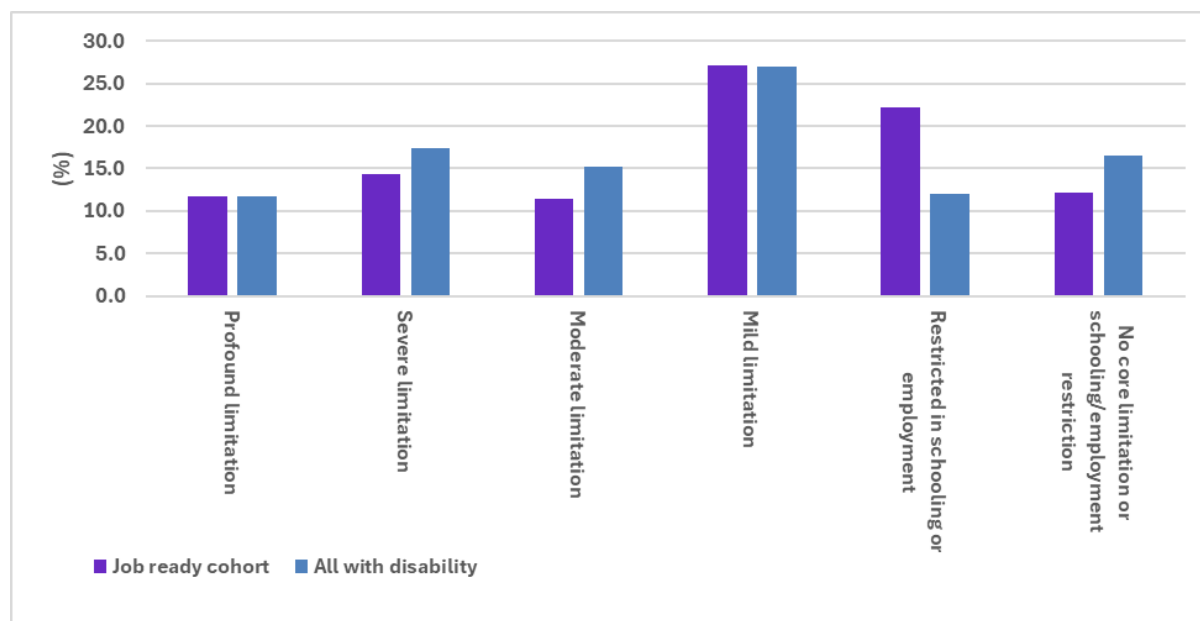


Source: ABS Survey of Disability, Ageing and Carers, 2022

## Unlocking potential: job-ready cohort faces manageable barriers

Relative to all people with disability, the job-ready cohort has fewer people with more severe limitations in core activities, with 22.2% who are ‘not limited in core activities but restricted in schooling or employment’ compared to 12.1% of all with disability. This suggests that measures to support participation in the labour force, and/or continued education, are more likely to be employment-related rather than targeted support for individual core activities.

Figure 8: Disability status – job-ready cohort and all with disability, 15–64 years, 2022



Source: ABS Survey of Disability, Ageing and Carers, 2022

## External barriers dominate employment challenges for the job-ready

For people with disability who are ready and willing to work, the primary barriers to employment are mostly external rather than due to personal limitations caused by disability. ‘Reasons for difficulty finding work’ indicate that external factors—such as lacking necessary skills or education, transportation challenges, and insufficient work experience—are viewed as more significant obstacles than issues related to an individual’s own health or disability.

## Labour market links remain strong among unemployed people with disability

Almost a third of people aged 15–64 years with disability who are unemployed have prior full-time work experience within the past two years. This reflects recent connection to the labour market for some and may suggest that their current absence from employment is more likely due to temporary or external circumstances—such as lacking necessary skills, too many applicants for available jobs, or insufficient work experience—rather than long-term attachment challenges.

# Underemployment among people with disability: untapped potential in the workforce

For many individuals with disability, part-time employment is consistent with their preferences, enabling them to balance other commitments and responsibilities, or it reflects their current work capacity in terms of hours. However, for some individuals, the number of hours worked does not correspond to their preferences or capabilities but is instead constrained by the limited hours available in their current role. This circumstance is classified as underemployment.

As discussed earlier, people with disability experience higher rates of underemployment than the broader labour force (7.8% compared with 5.1%). Of the 609,600 people aged 15–64 years with disability who are working part-time, 139,300 (or 22.9%), would prefer to work more hours. While the positive impacts aren't as great as moving someone from unemployment into a job – which delivers gains in terms of participation and wellbeing – increasing hours for those working part-time reduces underutilisation and makes use of skills already in the workforce.

## Harnessing the potential of Australians with disability

There are around 2.7 million Australians aged 15–64 years who are people with disability — around 16% of the population— a large group of people who disproportionately face challenges in the labour market, including lower labour market participation, higher unemployment, and greater underemployment compared to the broader population. These outcomes reflect not only disadvantage but also untapped potential: a significant group of people whose skills and capacity remain underutilised.

By removing structural barriers and fostering inclusive employment practices, Australia can unlock this opportunity, delivering benefits that extend beyond individuals to strengthen workforce supply and national productivity. With targeted investment in transition support, skills development, employer inclusion, and systemic reforms, thousands of job-ready Australians could enter the labour market, reduce long-term disadvantage and contribute to economic growth.