



# ACCI POLICY REVIEW

## Attachment C

Submission Number: 68

Date Received: 18/10/2011

# ACCI'S PLAN FOR THE EMPLOYMENT OF PEOPLE WITH A DISABILITY

## Introduction

According to the Australian Bureau of Statistics, some form of disability affects about one in five Australians<sup>1</sup>. At 30 June 2007, there were around 714 200 recipients of the Disability Support Pension, 116 600 recipients of the Carer Payment, 407 900 recipients of the Carer Allowance, and around 54 900 recipients of the Mobility Allowance<sup>2</sup>.

The opportunity cost to the community of not employing People with a Disability (PWD) is considerable. According to the Australian Institute for Health and Welfare *"Where there is unmet demand for employment services, pressure may be placed on other service types. For instance, if people with a disability cannot access sufficient support to find or keep work they may leave the labour force, potentially increasing demand for community access services (as an alternative source of day-time activity) and respite and accommodation support services (where people require informal or formal assistance to remain at home during the day)."*<sup>3</sup>

The discussion paper *National Mental Health and Disability Employment Strategy* proposed a national promotion of the business benefits in employing people with disability and/or mental illness as making good economic sense.

ACCI supports this view but believes that the campaign should be targeted and use channels which will best engage employers.

## MISCONCEPTIONS ABOUT COSTS OF PWD

Many barriers remain in employing PWD. Despite research in this area over a number of years, the number one problem in terms of employing PWD is the perception is that PWD should be seen as a "charity" case. Business models highlighting the skills and abilities of PWD are targeted at large businesses and not promoted appropriately to employers.

There have been attempts overseas and to a certain extent in Australia to identify the costs of employing PWD, but the idea that PWD incur more costs to employers persists. Whether real or perceived, this relates particularly to overlapping issues related to Occupational Health and Safety (OH&S), Workers' Compensation, Disability Discrimination, Equal Employment Opportunity and Workplace Relations, including:

- OH&S and Workers Compensation and the potential financial impact on employers who employ a PWD founded on the element of additional risk;
- the inability to make an appropriate assessment of risk in the workplace where individuals have not fully disclosed important elements of their disability;
- disability discrimination issues within the workplace and the potential cost and considerations presented in providing workplace training in Equal Employment Opportunity (EEO) and the potential effect of discrimination claims;
- a lack of clarity around equal opportunity obligations and little co-ordination between discrimination law and other laws such as OH&S laws;
- the difficult area of perceptions relating to the potential impact on customers from having people with a disability visible in a working environment, particularly in the retail sector;
- industrial relations issues and complications arising around the termination of unproductive people with a disability in the workforce (relationship with the Disability Discrimination Act);
- provision of flexible workplaces, the inability to accommodate such practices in specific industries and issues of equity between employees with a disability and able-bodied employees; and

1 ABS,

<http://www.abs.gov.au/websitedbs/c311215.nsf/20564c23f3183fdaca25672100813ef129ac3ed8564fe715ca256943002c4e3c1OpenDocument>, 24 June 2008.

2 Source: FaCSIA (unpublished); DEWR (unpublished); quoted in Phillips, J., *Disability support and services in Australia*, APH Background Note, 16 June 2008 (online publication).

3 Australian Institute of Health and Welfare, June 2007, *Current and future demand for specialist disability services*, Canberra, p100.

- issues causing confusion arising from a lack of co-ordination of government programs, or between education and training and employment.

Employers perceive additional and unknown costs will occur and that identifying risks is more difficult. This includes the direct and indirect costs of supporting PWD and other employees in adjusting the workplace environment over an unknown time period.

Employers also require access to sufficient information from treating practitioners, health professionals, workers' compensation agents/insurers and others, to enable them to effectively manage the workplace risks that may arise from an employee's impairment.

Some employers are fearful that employing PWD may inadvertently open them to a possibility of litigation through unintended non-compliance with complex discrimination standards, again exacerbating the perception of increased risks of employing PWD.

It is important to ensure the extent of any employer obligations are reasonable, and give employers scope to decline an offer of employment or to not continue employment where an employee cannot fulfil the inherent requirements of the particular job.

### ENGAGEMENT WITH SMALL AND MEDIUM ENTERPRISES

Most employment of PWD is with large firms that have HR departments and expertise in policies and support systems for effective placements. There has been little penetration of the employment market available in small and medium firms.

Small and medium sized employers do not know how to recruit, train and retain PWD, how to access relevant employment services and what level of support is available to them if they were to consider employing PWD.

Once employed, how to support supervisors in order to retain PWD as employees is generally tentative and the lack of services can be seen as another potential risk.

Current workforce development strategies do not identify employment of PWD as an option for meeting current and future needs. There is a lack of understanding about the

skill levels of PWD and the extent of disability and the impact it might have in the workplace.

The promotion of employment of PWD does not use business language or business communication networks. Credible modelling of costs and other risk factors, as well as promoting the positive aspects of employing PWD, is required in a concerted campaign over a longer period of three years to address erroneous perceptions and attitudes.

Realistic industry profiles of skills needs would enable a targeted approach to be taken in certain industry sectors.

Support through business focussed tools, workshops and networking could also further promote employment of PWD. Practical "how to" approaches, written in business language, not bureaucratic jargon, would also improve the chances of increasing employment outcomes.

### VET TRAINING AND EMPLOYMENT OF PEOPLE WITH A DISABILITY

In 2006, 25% of the Australian workforce had Year 10 or less compared with 63% of people with a disability (NCVER 2008). Even in times of historically low unemployment, those with relatively low levels of formal education are severely disadvantaged in the paid employment market<sup>4</sup>.

Research undertaken by the Queensland Department of Education and Training using ABS Census Population and Housing 2001 data has identified a significant skills-jobs mismatch, particularly in jobs requiring a VET qualification<sup>5</sup>.

This analysis identifies a demand that involves 62.3% of all jobs across Australia requiring the technical skills gained from a VET pathway against a supply of 29.9% of the working-age population in Australia holding VET qualifications. But this mismatch does not mean that people with a disability undertaking VET courses are ensured a work outcome<sup>6</sup>.

The lack of employment outcomes for those with a disability graduating from VET programs are stark in comparison to those with no recorded disability. People with a disability represent some 16.6% of the population (ABS 2004) yet only 5.9% of total VET enrolments of students in 2005 identified themselves as having a disability<sup>7</sup>.

4 Barnett, K; Spoehr, J, 2008, *Complex not simple: The vocational education and training pathway from welfare to work*, NCVER, Adelaide.

5 Department of Education, Science and Training, 2006, *Annual National Report on the Australian Vocational Education and Training System, 2005*, Commonwealth of Australia, Canberra.

6 Ibid.

7 Ibid.

In addition to the low numbers of people with a disability engaging with VET, of the 96 000 people with a disability who undertook a VET qualification in 2005, only 13 218 registered a completion, and of those, only 54% recorded an employment outcome. That is 7138 people or 7.5% of those studying VET achieved an employment outcome. Clearly, a training solution will not always lead to an employment outcome.

The rate of employment outcome for people with a disability represents a difference of only 5% in the rate of employment before commencement of training to after completion of the course of study (DEST 2006).

Linkages need to be made with programs that identify and plan for skills needs for employers such as the Productivity Places Program (PPP). In developing a Training Needs Analysis, creative options that include PWD could be promoted. Additional special funding could be allocated to employers who employ a PWD as part of the PPP.

This approach will be most effective where the PPP funds training programs identified by employers as real skills needs within their business.

## EMPLOYABILITY SKILLS AND PEOPLE WITH A DISABILITY

PWD should have access to the Employability Skills Profiler tool already accessible to unemployed persons to identify areas of strength and areas for improvement. Employers continue to prefer applicants with clearly identified employability skills.

Using the Employability Skills Profiler, Employment Service Providers can further link with Industry Skills Councils or directly with employers to identify which skills are needed in their business and therefore the most appropriate course to undertake.

Employers would also need to be educated to identify skills needs in advance and to wait for a time period before the trained person becomes available. This is a role that business and industry groups can undertake with appropriate levels of resourcing.

## INCENTIVES FOR EMPLOYMENT OF PEOPLE WITH A DISABILITY

While there have been many advances made in the development of incentives and programs for employers and people with a disability to create greater opportunities for the employment of PWD, there remains significant barriers.

Employers have raised issues relating to the provision of assistance, support, training and incentives in the employment of PWD, including:

- the difficulty for busy employers to access and gain awareness of incentives, supports and assistance to employ people with a disability; and
- the episodic nature of some disabilities that may require periods of extended absence of employees, particularly in busy periods and the impact of this on employers.

## Connecting with Business

Leveraging off ACCI's employer network of business and industry groups to provide a strategic framework for engagement is required. The perceptions of employers about employing PWD needs to change and this needs to be undertaken at a national level with support to business and industry groups to engage their memberships to understand the opportunities and business advantages to be gained.

In previous work undertaken by ACCI, discussion identified the following six areas to promote the employment of PWD:

1. **Make it easy for employers:** reassure employers they are not taking a risk and build employer information networks;
2. **Make it easy for employees:** get transitions right, create a culture for disclosure and make it 'a whole of life approach';
3. **Make it real:** make campaigns factual, honest, and open, utilise various media, spotlight success stories, bust myths, focus on ability not disability and recognise and reward best practice;
4. **Make the case for business:** locate business leaders, create 'hard nosed champions' to figurehead campaigns and make it part of normal business;
5. **Establish a business model:** help employers see PWD as an untapped resource critical to long term advantage, and promote the employment of PWD as good management and as commercially sensible; and
6. **Make it a national priority:** give priority to healthy partnerships among stakeholders; link social investment to national economic and business sense; make the point that the employment of PWD is a labour market imperative.

## ACCI'S ACTION PLAN

The time is right for better employment of PWD for sound business and economic reasons.

The supply of labour is diminishing as the population ages and labour and skills pressures mean additional sources need to be found.

Engagement between the business community, government and PWD is required to produce better employment outcomes for PWD in a realistic and practical way.

Strategic use of government programs and a promotion campaign to employers should be the basis of this approach.

ACCI recommended that governments:

1. **Commit** to a long term promotional strategy of at least three years targeting community perceptions;
2. **Research** costs and other risk factors in order to develop business focussed promotional material for use by business and industry groups;
3. **Support** business and industry groups to employ specialist officers to engage employers and increase employment of PWD;
4. **Develop** workshops around supporting existing employees to understand support PWD in the workplace and support business and industry groups to deliver these to the business community;
5. **Develop** other tools suitable for use with small and medium enterprises suitable for use within a program to be delivered by business and industry groups;
6. **Incorporate** PWD specifications into PPP and provide added incentives to employers who employ and train PWD;
7. **Develop** linkages between Government agencies, initiatives and programs to provide better coordination and delivery of services;
8. **Further investigate** areas of overlap, duplication and conflicting requirements in OHS, Workers' Compensation and Disability Discrimination pieces of legislation;
9. Where relevant, **increase** incentive payments to cover additional costs incurred by employers so as to make employing PWD cost neutral as far as possible; and
10. **Regularly consult** at the Ministerial level with business and industry groups to provide ongoing advice in relation to improving employment outcomes for PWD.