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EMPLOYERS MAKING A DIFFERENCE
The Australian Employers' Network on Disability

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**Employers Making A
Difference**

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The Secretary
Standing Committee on Employment and Workplace Relations
House of Representatives
Parliament House
Canberra ACT 2600

September 12, 2003

Dear Secretary

Inquiry into employment: increasing participation in paid work

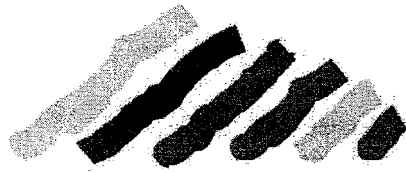
Employers Making a Difference welcomes the opportunity to make this submission on behalf of our members, who are employers working towards disability confidence.

It is the view of Employers Making a Difference that businesses, people with a disability and the broader community would all benefit from higher employment rates amongst people with a disability. This submission contains recommendations towards attaining this goal.

We look forward to expanding on our submission, and we welcome any enquiries.

Yours sincerely,

Suzanne Colbert
Chief Executive Officer



Employers Making A Difference Inc.
The Australian Employers' Network on Disability

Employers Making A Difference works with Australian businesses to help them develop their skills and knowledge around issues of disability as it relates to their business. Employers Making a Difference creates and encourages disability confident and competent organisations.

Employers Making a Difference was founded by business people with a successful track record in employing people with a disability. The organisation operates at the business level, presenting a strong business case surrounding the inclusion of people with a disability as employees and as customers.

Employers Making a Difference currently has well over 50 members, representing both large and small businesses, as well as public sector agencies. Our members wish to recruit their staff from the widest pool of talent possible, and this includes people with a disability.

Employers Making a Difference is partially funded by the Department of Family and Community Services.

Employment and people with a disability

There are 3.4 million Australians who have a disability. Whilst 1.9 million people with a disability are employed, the employment participation rate of people with a disability is only 46%, substantially less than that of the general population (76%).

Australia already has a low workforce participation rate in comparison to other OECD countries: Australia: 76%, UK 81% and USA 84%.

This means that it is harder for us to be competitive in a globalised economy and that the percentage of GDP that is dedicated to welfare support is substantially more, thus reducing our fiscal capacity. According to ABS figures from 2000, paid employment was the main source of income for only 21% of consumers with a disability. Recent figures show that 1000 people a week are joining the Disability Support Pension. The Disability Support Pension or Newstart/Youth Allowance was the main source of income for 69% of consumers with a disability.

Many of these people have skills and talents that could be utilised by business.

When there is a positive story in the media, or a community service announcement televised, Employers Making a Difference receives hundreds of telephone calls from

people with a disability who want to work. There are approximately 500,000 people with a disability in Australia who are ready, willing and able to work.

So why aren't they working?

The Federal Government's Consultation Paper, *Building a Simpler System to Help Jobless Families and Individuals*, is predicated upon the assumption that people on income support need incentives to seek employment. However, research undertaken both in Australia and overseas shows that people with a disability face not only the stated challenges (for example: lack of related experience, lack of required training) but also significant disability-related barriers, such as stereotyping, bias, lack of knowledge of disability issues, and the cost of workplace accommodations (*US Department of Labor Office of Disability Employment Policy Education Kit*).

Education and training

British figures show that people with a disability are more than twice as likely as non-disabled people to have no qualifications (*Labour Force Survey Autumn 1999*). Yet employers increasingly require skilled and qualified labour. And while access to education is improving, people with a disability are still lagging behind their non-disabled peers. For example, although 15% of Australians participate in the VET system, this figure is only 3% for people with a disability.

Employers

Businesses who employ people with a disability report:

- 98% of staff with a disability rate average or better in work safety. (Du Pont USA)
- 90% of people with disabilities rated average or better on job performance. (Du Pont)
- 86% of people with disabilities rated average or better on attendance. (Du Pont)
- 90% of employers had no change in their insurance costs to employ people with a disability. (Department of Labour, Victoria)
- Staff retention is 72% higher, saving millions of dollars each year in recruitment and training costs. (Pizza Hut)
- There is a distinct, positive effect on staff morale. (Pizza Hut)

But even amongst employers who actively wish to recruit and retain people with a disability, recruitment rates of people with a disability are low. For example, despite the public sector's stated aim of improving participation of EEO groups, there has been a steady decline in the employment of people with a disability within the Australian Public Service (*Workplace Diversity Report 2001-2*, p. 57).

The private sector, particularly small business, faces even more difficulty in recruiting and retaining employees with a disability.

Barriers to employment for people with a disability

Lack of appropriate information for employers

Since the implementation of the Disability Discrimination Act in 1992, very little information has been provided to employers about their obligations under the Act, or about how to effectively recruit and retain people with a disability.

The Job Accommodation Network (JAN) is a comprehensive website funded by the US Federal Government to assist employers and others understand their obligations and direct them to the type of services that will assist employers meet their obligations under the Americans with Disabilities Act.

In a recent survey, our members responded that the most important service to them was practical and timely information on ensuring that workplaces present no barriers to people with a disability. Employers Making a Difference has approached the Australian Chamber of Commerce and Industry to discuss how we might fund an Australian information website similar to the JAN website in the US. ACCI responded that this should be funded by government. Employers Making a Difference would be very happy to develop and run this service if funding was available.

Providing employers with good-quality, relevant information about employing people with a disability is critical. Only this can overcome the avoidance of many employers as a result of ignorance of their obligations and the lack of appropriate 'how to' information.

Two pools of jobseekers

The Department of Employment and Workplace Relations funds the Job Network to provide employment services to unemployed people. Approximately 20% of the unemployed people within the Job Network system are people with a disability. However, they do not represent 20% of the employment outcomes.

The Department of Family and Community Services funds approximately 340 open employment services for people with a disability.

So there is one employment system for people who may be indigenous, mature age, from a non-English speaking background, and who may or may not have a disability.

And there is a second pool, consisting of...more people with a disability.

To employers, the existence of two systems makes no sense. From a recruitment perspective, it is not important which portfolio the employment assistance comes from – what is important is finding a jobseeker who has the skill match to do the job!

Whilst FaCS-funded agencies may have substantially more experience in assisting jobseekers with a disability, many of these agencies are not funded to provide an appropriate level of service to clients. For example, deaf jobseekers are frequently not provided with an Auslan (Australian Sign Language) interpreter in their dealings with the employment service, thus placing them at a significant disadvantage.

Job Network agencies frequently lack the knowledge, confidence and funding to work with jobseekers with a disability. Despite receiving Commonwealth funding, they often do not meet their obligations under the Disability Discrimination Act (DDA).

Mainstream recruitment services too tend to lack disability confidence, although Employers Making a Difference is working with some recruitment providers to assist them build their skills in this area.

Jobseekers with a disability who are graduates and/or professionals are not served by disability employment services and must therefore access Job Network or mainstream agencies. People with a disability who are not graduates or professionals may also wish to access these services, but are often effectively forced back into disability employment services, due to the barriers stated above. Even disability employment services, however, sometimes do not meet their DDA obligations.

The Workplace Modification Scheme

The Workplace Modification Scheme is available only to jobseekers who are supported by FACS-funded agencies or who are attached to a Job Network Intensive Assistance Provider. This means that people with a disability who choose to access mainstream Job Network or recruitment agencies are significantly disadvantaged. Some employers who would like to hire a person with a disability are genuinely unable to meet the costs associated with ongoing employment.

The Scheme's guidelines state that funds are not available to "educate co-workers", despite the fact that *attitude* is one of the most significant barriers facing disabled workers and jobseekers.

As well, this statement regarding the education of co-workers precludes funding for Auslan interpreters, despite the fact that interpreters are provided to directly support a deaf employee, rather than to educate others. This means that signing deaf people effectively receive no benefit from the Scheme.

The lack of provisions for interviews and assessments too, disadvantages jobseekers with a disability.

In the US, government provides tax incentives for businesses who recruit people with a disability. For example, the US offers three different tax incentives:

- a. A tax credit of up to US\$5,000 per year for small businesses for modifications to make the workplace more accessible to both employees and clients
- b. A tax deduction of up to \$15,000 per year for any business to make architectural modifications to ensure physical access.
- c. Tax incentives to employers who hire a person with a disability from a disability employment service.

Recommendations:

1. A comprehensive strategy be developed and implemented on how to
 - provide relevant information to employers about their obligations,
 - the business case for employment of people with a disability and
 - getting the assistance required.
2. Tax input credits for businesses that employ people with a disability. This provides encouragement to employers, as well as acknowledges that there may be additional costs involved.
3. Comprehensive strategies to ensure that all employment assistance providers are aware of their obligations and the employment support needs of jobseekers with a disability. These providers include FaCS, Job Network and Group Training providers, as well as New Apprenticeship Centres and mainstream recruitment services. These services should also be able to provide an appropriate service to graduates with a disability.
4. The extension of the Workplace Modification Scheme to:
 - a. Include any jobseeker with a disability, regardless of which agency they access, to ensure that all jobseekers have freedom of choice
 - b. Include the provision of Auslan interpreters (Sign language interpreters are provided under similar provisions in both the UK and the US.)
 - c. Provide modifications for recruitment processes