



Australian Government

National Mental Health and Disability Employment Strategy Update

Setting the Direction

For copies of this paper and
alternative formats please call
1300 363 079 or (TTY) 1800 554 609

© Commonwealth of Australia [2008]

ISBN 978-0-642-32834-2.

This work is copyright.

You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. Apart from any use as permitted under the *Copyright Act 1968*, all other rights are reserved. Requests and inquiries concerning reproduction and rights should be addressed to Commonwealth Copyright Administration, Attorney General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

Foreword

The Rudd Government believes that everyone who wishes to work should be given the opportunity to find and keep sustainable employment.

That's why, before its election, the Rudd Government announced a National Mental Health and Disability Employment Strategy in a bid to increase employment opportunities for people with disability, including mental illness.

The Strategy is an important part of our Social Inclusion Agenda, which recognises that a key to full inclusion is becoming part of the economic life of the nation.

By working to eliminate discrimination, changing the attitudes of employers and workmates, helping where necessary with the costs of modifying workplaces and through access to education and skills development, the Government hopes to achieve these goals.

The directions outlined in this document are based on extensive public consultations held in April and May 2008, after the release of a discussion paper. More than 700 people, including representatives from some 380 organisations, were involved and over 300 written submissions were received. We thank all of them for their ideas and contributions to the development of the Strategy.

During the consultations the message that came through loud and clear was that people with disability want to work and participate in society.

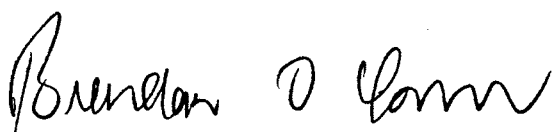
The National Mental Health and Disability Employment Strategy will be released in 2009. This paper sets the direction by synthesising the findings of the consultations and outlining the objective and principles that will inform the Strategy.

This document also details what has been achieved so far and what is currently being implemented.

The Strategy is an evolving and practical process as well as a plan for future action. We have not waited for the finalisation of the Strategy before getting change underway. We have already made progress with the new disability employment services model and removed the automatic review of Disability Support Pension when people are putting their hands up for employment assistance.

The low rate of participation of people with disability in the workforce imposes a cost on individuals, communities and Australia's economy.

By working together, we will bring about important changes needed to promote the social and economic inclusion of people with disability through increasing opportunities to work.



The Hon Brendan O'Connor MP
Minister for Employment Participation



The Hon Bill Shorten MP
Parliamentary Secretary for
Disabilities and Children's Services

Contents

Foreword	1
Executive Summary—A new approach to help people with disability find jobs	3
1. Background and rationale for the Strategy	4
2. Objective and principles	4
4. Setting the direction	7
4.1 Improving disability employment services	7
4.2 Supporting and encouraging employers	8
4.3 Engaging people with disability	8
4.4 Innovation	9
4.5 Direct government employment of people with disability	9
4.6 Better access to education and training	9
5. How success will be measured	10
6. Next steps	10

Executive Summary—A new approach to help people with disability find jobs

After fifteen years of economic growth, Australia still has the seventh lowest employment rate for people with disability, including mental illness, in the OECD.¹

Attempts by previous governments to encourage people with disability² into employment, including via Welfare to Work, have failed.

Australia needs a new approach to helping people with disability find jobs.

This paper, developed as a result of consultations with more than 700 interested people and around 300 submissions, sets the direction for a new National Mental Health and Disability Employment Strategy to be released in 2009. The directions are intended to closely reflect the priorities of the community.

The proposed directions for the Strategy recognise that work connects people to the wider world, raises living standards and provides opportunities for a happier and more fulfilling life. It recognises that the best thing we can do for a person is to include them in the economy and society.

This paper outlines the approach the Australian Government will take to increase employment for people with disability, including:

- improving disability employment services
- providing greater encouragement, assistance and support for people with disability wishing to re-enter the workforce
- innovation
- tackling employer misconceptions
- increasing Australian Public Service employment of people with disability
- improving access to education and training.

Much progress has already been made.

- Under the Government's preferred model for disability employment services, to start in March 2010, services available to help people with disability into work will be uncapped, incentives for employers will be more responsive, red tape will be reduced, and funding for remote services will be increased.
- People on the Disability Support Pension (DSP) are now able to volunteer for employment assistance without automatically having their eligibility for the pension reviewed – removing a major disincentive for people to look for work.
- A total of 701,000 training places over five years have been set aside for job seekers and existing workers, including people with disability, under the Productivity Places Program.
- The Commonwealth Procurement Guidelines have been changed to enable Australian Government departments and agencies to procure goods and services more easily from Australian Disability Enterprises (formerly Business Services).

The Strategy will guide future Australian Government employment and disability policies, including the National Disability Strategy, and will complement the Council of Australian Governments' (COAG) National Reform Agenda.

Copies of this paper, including alternate formats, can be obtained by contacting us at the email address or postal address listed under next steps on page 10 or calling **1300 363 079** or (TTY) **1800 554 609**.

1. OECD, *Employment outlook: Towards more and better jobs*, OECD, Paris, 2003.

2. For the purpose of this paper the term 'people with disability' also includes mental illness.

1. Background and rationale for the Strategy

In the lead up to the 2007 federal election, the Australian Labor Party promised to consult with the community to develop a National Mental Health and Disability Employment Strategy as part of its Social Inclusion Agenda. The Strategy will be released in 2009. This paper spells out the major issues the Strategy will cover.

The rationale for the Strategy is compelling.

First, it is about social inclusion. People with disability generally have lower levels of education, incomes and labour force participation than others. This makes unemployment a major cause and symptom of their social exclusion. It is an issue we must address.

Second, it is about Australia's economic competitiveness. To ensure we can meet the future needs of the Australian economy, we need to support those outside the workforce to gain the relevant skills.

- In 2003, the labour force participation rate of people with disability in Australia was 53.2 per cent compared with 80.6 per cent for people without disability.³
- The participation rate for people with disability in Australia has actually declined from the mid-1990s from 54.9 per cent to 53.2 per cent.⁴

This represents a major policy failure. We need a new approach that gives people with disability the capacities and help they need to get and hold onto a job.

2. Objective and principles

Consultation

The objective, principles and directions outlined below are based on an extensive consultation process. We wanted to hear from people with a disability, their carers, friends and support organisations about what needs to be done.

To this end, in April 2008, the Government released a discussion paper that set the terms of reference for the Strategy and called for public input to determine how best to address barriers to participation faced by people with disability, how to maximise the effectiveness of services and assistance, and how to promote the benefits to business and the community.

More than 700 people and organisations were consulted and over 300 written submissions were made. A wide range of individuals and organisations contributed to the consultation process including:

- people with disability and their relatives, carers and advocates
- people who work with people with disability, including doctors, allied health professionals and employment service providers
- employers and employer organisations, including Australian Disability Enterprises
- trade unions, training and education organisations and state and territory government departments.

3. Australian Bureau of Statistics, *Disability, Ageing and Carers, Australia 2003*, Cat.No. 4430.0, ABS, Canberra.

4. Source: *ABS Survey of Disability, Ageing and Carers, Australia (1993, 1998 and 2003)* (Cat No. 4430.0)

Objective

The objective of the Strategy is to increase the employment of people with disability in the labour market and, in turn, to promote social inclusion and improve national economic productivity.

Principles

Based on the feedback from the consultations, a number of principles have been identified to guide development of the Strategy and determine areas for action.

- **Participation.** Participation in employment leads to greater social inclusion by increasing a person's financial independence, social networks, self-confidence and self-esteem.

- **Equal opportunity.** Removing barriers that restrict employment, education and training opportunities for people with disability is essential for the creation of an equal opportunity society.
- **Sustainable employment.** Employment must be more than churning people through short-term jobs. To enable social and economic inclusion, jobs for people with disability need to be sustainable, which may require additional support.
- **Public support.** Employing people with disability benefits the whole community. Many people with disability already work and their skills and talents make a considerable contribution to the nation. This needs to be more widely understood to build support for further reform.

3. Current initiatives

The Government has already announced and begun implementing some early and important elements of the Strategy. We are not waiting for the Strategy to be completed before improving opportunities for people with disability.

New disability employment services

On 3 December 2008, the Government released its proposed new model for disability employment services, which will begin on 1 March 2010. The proposed model, an investment of \$1.2 billion over 2 years and 4 months, contains a number of new features that will address the long-held concerns of service providers and users.

- The current cap on services for people with disability has forced some job seekers to wait up to a year for services they need. Under the new model, employment services for people with disability will be uncapped and available on demand.

- Services will be tailored to better meet the needs of job seekers with disability and will be more responsive to employers.
- There will be stronger incentives for providers to place job seekers in training.
- Red tape will be reduced and administration streamlined, giving service providers more time to help people with disability find employment.

Extra training places

A total of 701,000 training places over five years have been set aside for job seekers and existing workers, including people with disability, under the Productivity Places Program.

Removing disincentives to employment

People on the Disability Support Pension (DSP) are now able to volunteer for employment assistance and undertake a Job Capacity Assessment without having their eligibility for

the DSP reviewed, thereby removing a major disincentive for people to look for work. As a result of this change, more than 4,000 DSP recipients have volunteered for employment assistance since September 2008.

Improving Australian Disability Enterprises

The Government has launched the new Australian Disability Enterprises brand name, logo and Business Directory to help generate more commercial awareness and use of their services. This will make businesses aware of the range of goods and services provided and encourage more businesses to use the enterprises as part of corporate social responsibility activities and triple bottom line reporting.

Commonwealth Procurement Guidelines have been changed to enable Australian Government departments and agencies to procure goods and services more easily from these enterprises.

Extra supported employment places

The Government has created 750 new places in Australian Disability Enterprises. The enterprises provide supported employment for people with disability who are unlikely to obtain competitive employment in the open labour market.

Better access to workplaces

On 2 December 2008, the Government announced new draft Disability Standards for Access to Premises. The Standards will make it easier to employ people with disability by improving access to public workplaces.

National reform

Increasing the workforce participation of people with disability is one of the objectives of the COAG National Reform Agenda, including the National Action Plan on Mental Health.

National Disability Strategy

As part of an ongoing commitment to the rights of people with disability, the Australian Government is developing a National Disability Strategy. It will be developed in close

consultation with the Australian community, disability and carer peak bodies, employers, industry experts and state and territory governments.

The National Disability Strategy aims to address the barriers that are faced by Australians with disability and promote social inclusion. It will be an important mechanism in ensuring the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities, recently ratified by the Australian Government, are integrated into policies and programs affecting people with disability, their families and carers.

Tax reform

The Review of Australia's Future Tax System (the Henry Review) will report on the effect of tax rates, transfer payments and government programs on workforce participation levels, including that of people with disability.

Pension Review

The Pension Review is investigating measures to strengthen the financial security of seniors, carers and people with disability by considering the appropriate levels of income support and allowances, the frequency of payments and the structure and payment of concessions or other entitlements. The Pension Review is part of the Government's wider inquiry into Australia's Future Tax System.

Engaging employers

The Government is engaging employers to recognise the business case for including people with disability as customers and employees and to adopt a Framework for Disability Action Plans.

4. Setting the direction

Proposed timeline

The Strategy will be implemented over five years and will include a thorough evaluation process.

The message that came through loud and clear from the consultations was that people with disability want to work and participate in society. People expressed a sense of frustration about the general unwillingness of employers to engage people with disability. The overwhelming view was that a serious effort must be made to change employer attitudes and provide employers with greater encouragement and support to employ people with disability. There was a strong feeling also that Australia's disability employment services need to be significantly improved.

The results of the consultations have been synthesised into the following six areas for action. These will form the basis of the final Strategy.

4.1 Improving disability employment services

Existing employment services for people with disability are complex, inflexible and hampered by service caps and red tape. They need to be reformed – and the Government has already made a start.

Universal employment services

The Government has undertaken fundamental reform of universal employment services to ensure they provide the right mix of training, work experience and other support to help job seekers find sustainable employment. The new integrated services will provide tailored assistance for job seekers and focus on the most disadvantaged. There will also be a greater emphasis on helping employers find work-ready job seekers.

Disability Employment Network and Vocational Rehabilitation Services

Disability employment services are also being reformed. The Government extended the current Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS) contracts until 28 February 2010 to enable further consideration of the future of disability employment services. The Strategy consultations were a significant source of guidance for these reforms.

The review of disability employment services highlighted the need to reduce complexity, inflexibility and red tape.

The new services will better reflect the needs and requirements of both job seekers with disability and employers.

There will be two distinct programs, consistent with the *Disability Services Act 1986 (Cth)*.

- **Program A**, with a single funding level, to assist job seekers with a disability, mental illness, injury or health condition.
- **Program B**, to provide more help to the most disadvantaged job seekers with permanent disability and long term ongoing support needs, assisted through a single service stream with two funding levels.

These programs will have the following features:

- demand driven services (uncapped) for all eligible job seekers
- better outcome incentives, including for skills development, training and education
- less complexity at referral to ensure job seekers get the right service, and greater flexibility for service providers to enable them to tailor assistance to meet the needs of individuals
- greater responsiveness to employers through the introduction of an Employment

Assistance Fund and the new intermittent ongoing support feature

- more resources for job seekers in remote areas
- less red tape for providers
- improved financial arrangements, including replacing monthly fees paid in arrears with quarterly service fees paid in advance, and a reduction of the number of current fee levels in the Disability Employment Network program from four to two
- purchasing arrangements for the new Program B will include an Invitation to Treat for high performing providers.

4.2 Supporting and encouraging employers

One of the most impenetrable barriers to employment is lack of information and awareness by employers and the persistence of myths about the supposed costs and legal problems involved in employing people with disability. Contrary to a number of persistent and damaging myths, the facts are that:

- workers with disability have, on average, a lower number of occupational health and safety incidents and lower workers' compensation costs, compared with other employees⁵
- they have, on average, lower absenteeism and higher retention rates than employees without disability⁶
- their job retention rates of five years or more (as well as average job tenure) are higher than for other employees.⁷

Greater effort is needed to inform employers of the capabilities of people with disability and the help available to them to employ such people. Employers also need more help to increase their

interest, confidence and organisational capacity to employ, train and retain people with disability.

The Government is working with employers to promote the business case for including people with disability as customers and employees and to develop a Framework for Disability Action Plans, including encouraging the implementation of arrangements with recruitment providers.

Information about the assistance to support employers, such as disability employment services, workplace modifications and other assistance, particularly for people with mental illness, needs to be improved and promoted to employers.

4.3 Engaging people with disability

Services should provide encouragement, assistance and support to people with disability to enter, remain in, or return to the workforce. A number of barriers will need to be overcome to address the key concerns of people with disability, including:

- adapting work and study to accommodate the episodic and unpredictable nature of some conditions which can interrupt work and study
- navigating the complexity of services which require coordination with other services
- meeting the additional non discretionary costs associated with employment (for example, transport and equipment costs)
- the loss of benefits, which compounds financial disadvantage
- insecurity associated with replacing regular income support payments with wages, the uncertainty about the continuity of employment and the ease of moving back to income support

5. Australian Safety and Compensation Council (ASCC), *Are people with disability at risk at work?*, ASCC, 2007.

6. Australian Safety and Compensation Council (ASCC), *Are people with disability at risk at work?*, ASCC, 2007.

7. OECD, *Sickness, Disability and Work: Breaking the Barriers Vol.2: Australia, Luxembourg, Spain and the United Kingdom*, OECD, Paris, 2007, p.140.

- the need for integrated or coordinated services and support, including when people are working.

Greater assistance needs to be provided to people with disability to engage in education, training and employment to achieve their potential. The new disability employment services will provide better support for people with disability to return to or join the workforce, and to maintain their employment.

The Government has already removed the review of DSP eligibility when recipients volunteer for employment assistance. The new 'pre-employment referral' Job Capacity Assessment will refer a DSP recipient to an employment service without affecting their payment.

4.4 Innovation

Innovative approaches by employers and governments will increase the employment and retention of people with disability.

Suggestions from consultations for innovative measures include:

- improving access to assistive technology, such as various web based technologies for delivering remote Auslan interpreting and captioning services in the workplace
- introducing an Australian employer recognition scheme for employers of choice for people with disability
- providing more flexible work arrangements, including home based work.

4.5 Direct government employment of people with disability

An important and direct way of increasing employment for people with disability is direct employment in the Australian Public Service.

Building on past experience, the Government is implementing better practices to promote the employment of people with disability, including:

- the creation of a Public Employees Disability Network to share advice and best practice
- the provision of training for managers.

4.6 Better access to education and training

Other barriers to the employment of people with disability include low levels of educational attainment, lack of work readiness, inadequate vocational training and a lack of support for transition from school to work.

People with disability should be provided with the education, training and skills they need to obtain and maintain employment, develop a career path and meet changing industry demands.

The Government has already announced the release of 701,000 training places over five years, including 71,000 training places targeted for eligible job seekers referred by Employment Service Providers, Access Providers and Community Development Employment Projects (CDEP) participants, including people with disability, as part of the Productivity Places Program.

5. How success will be measured

We will be able to say the Strategy is a success if it:

- provides people with disability with better support and assistance to find and retain sustainable employment and gives better support to employers to maintain that employment
- engages, encourages and supports people with disability – including those in receipt of income support payments – to pursue employment opportunities
- identifies and implements innovative ways to increase the employment and retention of people with disability
- increases awareness amongst employers and the community of the benefits of employing people with disability
- ensures people with disability have access to education, training and skills necessary to obtain and maintain employment, develop a career path and meet changing industry demands
- increases the employment and retention of people with disability in the Australian Public Service
- increases the opportunities for students with disability to make a successful transition from school to further education, training and employment.

6. Next steps

The Strategy will be released in 2009.

You can keep up to date with the development of the Strategy by visiting deewr.gov.au/employmentstrategy

You can find more information by visiting:

- deewr.gov.au for more information on the reforms to universal and disability employment services
- fahcsia.gov.au for more information on the National Disability Strategy
- jobaccess.gov.au for more information on the employment of people with disability.

Copies of this paper, including alternate formats, can be obtained by:

- calling us on **1300 363 079** or (TTY) **1800 554 609**
- emailing us at [**employmentstrategy@deewr.gov.au**](mailto:employmentstrategy@deewr.gov.au)
- faxing us on **02 6121 5369**
- mailing us at:
Director,
Disability Services Policy Section (GC 54)
Department of Education, Employment and Workplace Relations
GPO Box 9879
Canberra ACT 2601