
**Response to the Department of Social Services
*National Disability Employment Strategy
Consultation Paper April 2021***

14 May 2021



Melbourne
Disability
Institute

Dr Sue Olney, Research Fellow
Ms Kirsten Deane, General Manager
Professor Bruce Bonyhady AM, Executive Chair and Director
Melbourne Disability Institute, University of Melbourne

Suggested citation

Olney S, Deane K & Bonyhady B (2021) *Melbourne Disability Institute Response to the National Disability Employment Strategy Consultation paper April 2021* Melbourne Disability Institute, University of Melbourne

About the Melbourne Disability Institute

The Melbourne Disability Institute (MDI) is an interdisciplinary research institute that was established by the University of Melbourne in 2018 to build a collaborative, interdisciplinary and translational disability research program. The MDI research agenda aims to capitalise on national reforms, trailblazing global academic research, and active partnerships with the disability sector to deliver evidence for transformation.

The Melbourne Disability Institute (MDI) is situated on the land of the Woiwurrung (Wurundjeri) people of the Kulin nation and conducts its activities on Aboriginal land. This land has never been ceded and the impacts of colonization are ongoing. MDI acknowledges Traditional Custodians' continual care for country, the importance of Indigenous sustainability practice and knowledge, and the Woiwurrung and Boon Wurrung's ongoing contributions to the life of this city and this region. MDI pays respects to Elders past, present and emerging.

Contact details

The University of Melbourne
Melbourne Disability Institute
Parkville, Victoria, 3010 Australia
t: +61 3 9035 6416
e: md-i@unimelb.edu.au

Dr Sue Olney
e: s.olney@unimelb.edu.au

Contents

Introduction.....	3
Feedback on the proposed vision and priority areas	4
Overarching feedback: Looking back and looking forward	4
Scope to strengthen the priority areas	6
(1) Lifting employer engagement, capability and demand	6
(2) Building employment skills, experience and confidence of young people with disability	6
(3) Improving systems and services for jobseekers and employers	7
(4) Changing community attitudes:	7
Our recommendations to strengthen the strategy	8

Introduction

The Melbourne Disability Institute (MDI) welcomes the opportunity to be part of the consultation process shaping the development of Australia's National Disability Employment Strategy (NDES). We are committed to improving the lives of people with disability, their families and carers through evidence-informed policy and practice. Understanding barriers to employment for people with disability is a crucial component of that. Our work in that arena is informed by collaborative, inclusive and interdisciplinary research and relationships with national and international experts in disability employment, active partnerships with the disability sector, and grounded understanding of the environment in which Australians with disability are seeking employment.

Professor Bruce Bonyhady is a disability reformer, economist, and one of the key architects of the National Disability Insurance Scheme (NDIS). He was the inaugural Chair of the National Disability Insurance Agency from 2013 to 2016. Bruce began his career in the Australian Treasury and also worked in economic consulting, funds management and insurance in Australia and the UK, before becoming a non-executive director. His non-executive roles include President of Philanthropy Australia (2006-13). Bruce is the father of three adult sons, two of whom have disabilities. In the 2010 Queen's Birthday Honours, he was appointed as a Member of the Order of Australia for services to people with disabilities, their families and carers, and to the community as a contributor to a range of charitable organisations.

Ms Kirsten Deane is the primary author of the influential *Shut Out* National Disability Strategy consultation report, which revealed barriers to full participation in the economic and social life of the community faced by Australians with disability and the unequal distribution of opportunity across numerous domains, including employment.¹ With more than 15 years of experience in the disability sector in policy, campaigning and communications, Kirsten has been a powerful advocate for people with disability and their families through Every Australian Counts,² playing a critical role in building political and public support for the creation of the NDIS and continuing to push for the scheme to achieve its original vision. Kirsten has also worked as an executive director at the National Disability Insurance Agency and served on numerous ministerial councils and advisory committees, including Co-Chair and Deputy Chair of the National People with Disability and Carer Council.

Dr Sue Olney has worked in universities, government, and the not-for-profit sector. She has been involved in numerous cross-government, cross-sector and interdisciplinary research projects, government and community sector initiatives, committees and working groups to promote access and equity in employment, education, training, and disability services in Australia. Her research focuses on governance and public administration in relation to welfare-to-work and disability services, and on policy related to employment for marginalised jobseekers.

Our response to the National Disability Employment Strategy Consultation Paper is informed by robust research, relevant experience, and our involvement in networks across academia, the public sector, the private sector, the non-for-profit sector, and people with disabilities and their families and carers. We have reviewed each of the priority areas and proposed actions in the consultation paper through that lens.

Our response focuses on the question: *Do you have any feedback on the proposed vision or priority areas?*

¹ *Shut out: the experience of people with disabilities and their families in Australia: National Disability Strategy consultation report* prepared by the National People with Disabilities and Carers Council (2012)

https://www.dss.gov.au/sites/default/files/documents/05_2012/nds_report.pdf

² Every Australian Counts <https://everyaustraliancounts.com.au/>

Feedback on the proposed vision and priority areas

(National Disability Employment Strategy Consultation Paper April 2021:6)

Proposed Employment Strategy priority areas

Our research and stakeholder feedback to date suggests the Employment Strategy should focus on four priority areas.

1. **Lifting employer engagement, capability and demand:** providing employers with the tools and abilities to confidently hire, support and develop more people with disability.
2. **Building employment skills, experience and confidence of young people with disability:** ensuring young people with disability are supported to obtain meaningful work and careers of their choice.
3. **Improving systems and services for jobseekers and employers:** making it simpler for job seekers with disability and employers to navigate and utilise government services, and driving better performance from service providers.
4. **Changing community attitudes:** changing people's perception and expectation about the capability of people with disability in the workplace.

Overarching feedback: Looking back and looking forward

Australians with disability want to work.³ Yet despite rolling reforms to targeted initiatives and investment intended to build better pathways to work for them - underpinned by both rights-based and robust economic arguments – their labour force participation rate has not increased in a generation. The gap between the participation rates of Australians with disability and Australians without disability widened between 1993 and 2018 from 21.9% to 29.7%,⁴ in spite of a shift to a more service-oriented economy that presented an opportunity to narrow that gap. The discrepancy in the employment rate was even more pronounced.⁵

As COVID-19 disrupts and reshapes the labour market, there is a risk that both the labour force participation rate and the employment rate for Australians with disability will fall. Huge strides have been made in flexible approaches to work over the last year, presenting new opportunities for people with disability to access employment more readily. However, research and numerous government inquiries have revealed that even in times of skill and labour shortages, with support and incentives available to potential employers, people with disability struggle to find work.⁶ For many, the pandemic will exacerbate existing health and economic vulnerabilities. And as competition for entry-level employment ramps up, early exclusion from employment for young people with disability may have lifelong consequences.

³ AHRC (2016) *Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability*, Australian Human Rights Commission, Sydney; Productivity Commission (2011) *Disability Care and Support Inquiry, Report no. 54* Australian Government: Canberra

⁴ ABS (2003) 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings 2003; ABS (2012) 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings 2012; ABS (2015) 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings 2015; ABS (2018) 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings 2018, Australian Bureau of Statistics Canberra

⁵ ABS (2018) 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings 2018, Australian Bureau of Statistics Canberra

⁶ Parliament of Australia (2019) *Jobactive: failing those it is intended to serve*; Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (2020), *Issues Paper: Employment*; Centre of Research Excellence in Disability and Health Improving Disability Employment Study <https://credh.org.au/projects/improving-disability-employment-services/>

We applaud the Australian Government's commitment to turning the tide on employment for people with disability. Each of the proposed priority areas in the National Disability Employment Strategy consultation paper has a part to play in that, but they are not enough. The paper does not address the compounding disadvantage of jobseekers with disability in the current health and economic climate. It does not acknowledge the competing priorities of strategies to address unemployment for people with disability and other groups of disadvantaged jobseekers in the wake of the pandemic, which will leave them jostling with each other, and with newly unemployed people, for employer's attention. More importantly, it does not propose any steps to ensure that people with disability have the opportunity to be included in plans to drive unemployment to below 5% post-COVID-19.

The proposed priority areas in the paper continue down a path that has not improved employment outcomes for people with disability, either at scale or sustainably, for nearly three decades. The paper frames the persistent unemployment of people with disability as a problem that can be solved by adjusting the skills, attitudes, and behaviour of *individual actors* – jobseekers, their families, service providers, employers, people in the community - in the face of labour market conditions shaped by economic policy, global forces, and technological change.

The COVID-19 pandemic has disrupted traditional organisational behaviour and customer bases. It has also highlighted the value to government and business of embracing different perspectives in framing problems and solutions in a crisis. It presents an opportunity to reset how jobs are created, how work is organised, how productivity is measured, and business hiring and management practices to build a more inclusive and diverse labour force and realise the full potential of Australia's human capital. This calls for new approaches to policy design and implementation that reflect and balance the needs and circumstances of marginalised jobseekers and employers in the context of the current and future labour market, to expand opportunities for work in private and public employment, social and disability enterprises, the green economy, micro-enterprises, and self-employment.

As at 31 March 2021, the total caseload for Disability Employment Services (DES) was 309,994 jobseekers.⁷ The total *jobactive* caseload exceeded 1.2 million jobseekers, including 259,484 people with disability.⁸ In February 2021, there were 288,700 advertised job vacancies in Australia.⁹ We cannot - and should not - rely on the private sector to bridge this gap between demand for and supply of labour and trust that people with disability seeking work will not be sidelined in that process. Entrenched and widespread unemployment for people with disability will have significant private and public costs.

The COVID-19 pandemic presents an opportunity to rethink traditional approaches to addressing disadvantage. The National Disability Employment Strategy will not improve the employment prospects of people with disability if it simply repeats approaches and initiatives that have failed to move the dial for decades. It should explicitly address the current and emerging social and economic environment in which people with disability are seeking work. Government must play an active role in shaping the future labour market and ensure that people with disability are not sidelined in that process.

We now have a chance to chart a different course. This new path must begin with recognising that persistent unemployment of people with disability is a structural and social problem as well as an individual one. Strategies and initiatives that respond to both are required.

⁷ Australian Government Labour Market Information Portal: Disability Employment Services (DES) Data, DES Monthly Data 31 March 2021

⁸ Australian Government Labour Market Information Portal: jobactive Caseload Data - September 2015 to March 2021 31 March 2021

⁹ ABS (2021) Job Vacancies, Australia, February 2021, Australian Bureau of Statistics Canberra

Scope to strengthen the priority areas

In addition to our overarching feedback, we have identified four key areas in the consultation paper that we recommend should be strengthened:

(1) Lifting employer engagement, capability and demand

This priority area focuses on small to medium business (SMEs) as employers, with no explicit strategy for big business. This has the hallmarks of creating a second-tier labour market.

Like government, large firms are better equipped and positioned to absorb short-term productivity impacts and provide workplace adjustments for employees with disability than SMEs. They also offer more scope for career development. They should be drawn into this priority area, with careful planning tied to the bottom line. These firms do not exist to serve the public good - directors have a fiduciary duty to act in the best interests of the company under the *Corporations Act 2001 (Cth)*. While they may “implement a policy of enlightened self-interest on the part of the company” they “may not be generous with company resources when there is no prospect of commercial advantage to the company” (Austin et al. 2005:281-282 [7.13]). The key to success in a profit-seeking environment is tipping the balance between the perceived extra effort/risk involved in hiring a person with disability over another suitably qualified candidate, and demonstrable value to the company to do so.

As stated in our overarching feedback, this priority area can play a part in improving employment outcomes for people with disability, but there will be employment strategies for other groups of jobseekers competing for employer’s attention and job outcomes.

(2) Building employment skills, experience and confidence of young people with disability

This priority area does not address the core labour market issue keeping young people with disability out of work – competition for entry-level jobs. As at 31 March 2021, the *jobactive* caseload of 15-24yos was 209,345;¹⁰ in DES, the caseload of jobseekers with disability aged 24 and under was 41,911.¹¹ These young people are vulnerable to exploitation in competing for precarious, poorly paid jobs or unpaid work experience.

The interface between education and employment is critical. Many young people with disability leave school without essential foundational skills for work, with low self-confidence, and with few networks to find ‘hidden job vacancies’ that conservatively constitute one-fifth of all recruitment.¹² ‘Work readiness’ is a hurdle faced by most young jobseekers, but it is compounded for young jobseekers with disability by social and educational marginalisation.¹³ Intensive early investment to bridge that gap will avert snowballing costs stemming from labour market exclusion over a young person’s life course.

The type of work available to them matters. Not *all* work is beneficial. The right to **decent work** and scaffolding to achieve this objective should underpin the entire strategy.¹⁴

¹⁰ Australian Government Labour Market Information Portal: *jobactive* Caseload Data - September 2015 to March 2021 31 March 2021

¹¹ Australian Government Labour Market Information Portal: Disability Employment Services (DES) Data, DES Monthly Data 31 March 2021

¹² Australian Government (2021) Job Jumpstart <https://www.jobjumpstart.gov.au/article/how-find-hidden-vacancies>

¹³ Carter E W, Austin D & Trainor A A (2012), Predictors of postschool employment outcomes for young adults with severe disabilities, *Journal of Disability Policy Studies*, 23(1), 50-63; Haber M G, Mazzotti V L, Mustain A L, Rowe D A, Bartholomew A L, Test D W & Fowler C H (2016), What works, when, for whom, and with whom: A meta-analytic review of predictors of postsecondary success for students with disabilities, *Review of Educational Research*, 86(1), 123-162

¹⁴ International Labour Organization (2015) Decent work <http://www.ilo.org/global/topics/decent-work/lang-en/index.htm>

(3) Improving systems and services for jobseekers and employers

This priority area surfaces consistently in reforms to market-driven social services, but it is notoriously difficult to operationalise.

Systems and services available to jobseekers and employers are dispersed across sectors and jurisdictions, and many operate in contestable funding environments. There is no overarching authority to drive progress towards “improving systems and services” and no shared understanding of what that means. This priority area requires codesign, whole of government stewardship, and clear lines of accountability to ensure services are mutually reinforcing. It calls for more emphasis on data, evaluation, and *evidence of what works, in what context, for how many people, over what length of time*. In contestable funding environments, information about citizens and the environment in which they access publicly funded services has private value. We cannot rely on piecemeal reporting to understand how citizens who have ‘low market value’ experience and navigate these systems and services.

With regard to employers underutilising or bypassing DES in staff recruitment, this is an issue faced by all government funded employment services. Only four per cent of employers used the *jobactive* system in 2018, for reasons consistent with those cited in the consultation paper.¹⁵ While it is useful for providers to build meaningful relationships with employers to identify and expand opportunities for jobseekers in their caseload to find work, employers complain that they are inundated by individual service providers wanting to build unsolicited relationships with them. Under existing arrangements, private providers compete for job placements to generate income. Employers are more likely to engage with employment services if providers can supply them with work-ready jobseekers whose skills and attributes to match immediate job vacancies, provide advice on workforce trends and the local supply of labour for workforce planning, and in the case of disability-specific employment services, provide advice on skill-matching and job carving to maximise productivity. This approach, underpinned by the capabilities or strength-based model of recruitment, has a successful track record in employment initiatives focused on neurodiversity.¹⁶ Expanding this model to encompass people with other forms of disability could significantly improve their employment prospects, although we caution that it is not a silver bullet. The first challenge is that care must be taken at the frontline of service delivery to ensure that seeking ‘goodness of fit’ for available work does not restrict jobseekers’ employment opportunities based on assumptions about their skills and interests in relation to their disability, or exploit their disadvantage in the job market. The second consideration is that the competitive, outcomes-based, ‘work first’ funding and performance management regimes under which DES and *jobactive* providers operate, shaped by government contracts, reporting mechanisms, and payment processes, do not reward providers for that careful and resource-intensive work. However, evidence suggests that a coordinated approach to working with employers on this front should be trialled in DES and *jobactive*.

Finally, given the rise in insecure and short-term employment, streamlining systems and services should be extended to income support. People cycling in and out of precarious work to meet mutual obligation requirements, or those only able to work episodically, need to move seamlessly between welfare and paid work when necessary. This would address, in part, perverse incentives in the tax and transfer system for people with disability to remain out of the labour force.

(4) Changing community attitudes:

We agree that addressing discrimination, prejudice, and negative attitudes towards disability is critical to expand employment opportunities for people with disability. However, we sound a note of caution in jumping immediately to proposals for broad-based community “awareness” campaigns or public “education” campaigns. Without a strong evidence-based theory of change, a clear and demonstrable link to the behavioural change desired, and the resources required to support that change, such campaigns are rarely effective. Worse still, they drain limited resources from other more effective interventions. Finally, if any action is taken in this priority area it **must** be explicitly tied to Australia’s obligations under the UNCRPD and codesigned with people with disability.

¹⁵ Parliament of Australia (2019) *Jobactive: failing those it is intended to serve* Chapter 6 Engagement with employers

¹⁶ Reiff, H. B., Ginsberg, R., & Gerber, P. J. (1995). New perspectives on teaching from successful adults with learning disability. *Remedial and Special Education*, 16(1), 29-37; Specialisterne <https://specialisterne.com.au/>

Our recommendations to strengthen the strategy

1. People with disability must be actively engaged in shaping and championing the strategy, and have a clear and public leadership role in its design and implementation. They have expert knowledge about the barriers to work they face.
2. The right to **decent work** should underpin the strategy.
3. Include *actionable* steps to ensure that people with disability are included in plans for economic recovery and reducing the unemployment rate during and in the wake of the COVID-19 pandemic. In the absence of a Job Guarantee for people with disability, efforts to improve their prospects of finding and keeping work must be underpinned by consultative, coordinated and data-driven effort on a national and international scale, focused on shaping the future of work. This could include consideration of related incentives or demerits for employers linked to the quadruple bottom line – people, planet, profit and purpose. This is critical to prevent widening inequality and its flow-on effects.
4. Increase emphasis on large businesses as potential employers.
5. Streamline the process of people with disability moving in and out of employment services, and smooth transitions between welfare and work. Current transition arrangements are a (rational) deterrent for jobseekers to trade the security of income support for precarious, transient, low-paid work.
6. Ensure the process of assessing jobseekers' barriers to work is transparent and rigorous. Not all barriers to work can be overcome by adjusting the skills, attitudes, and behaviour of individual actors. Persistent unemployment of people with disability is a systemic and societal problem.
7. Foster and promote a holistic capabilities (strength-based) approach in systems and services helping people with disability find and keep employment. This approach has a successful track record in disability employment initiatives focused on neurodiversity, and with care, could be expanded to encompass jobseekers with other forms of disability. A coordinated approach to working with employers on this front should be trialled in DES and jobactive, with appropriate adjustments to funding and performance mechanisms to support this resource-intensive work, and independent evaluation of direct and indirect outcomes built in from the outset.
8. Build a coherent funding and regulatory regime across federal and state governments that rewards collective-action solutions and partnerships between people with disability, their families and carers, education providers, services, and employers focused on identifying and creating sustainable employment opportunities.