

NATIONAL MENTAL HEALTH AND DISABILITY EMPLOYMENT STRATEGY – Overview

This paper has been prepared to provide an overview of the development and progress of the National Mental Health and Disability Employment Strategy. In order to exercise the Social Inclusion Agenda of the Labor party one of the key areas for attention is the workplace participation of two groups of people who suffer from considerable social exclusion:- the mentally ill and physically disabled.

Involving these groups in employment has several potential benefits. First and foremost employment has the potential to alleviate the poverty in which many disabled and mentally ill people exist. Secondly it provides an occupation requiring skills, challenges and social contact, all of which add to the sense of achievement and contribution of the individual. Further, participation in work can also contribute to the economy.

Australia rates poorly in comparison to other countries in the employment of the disabled according to the OEDC¹. Furthermore the rate of employment of the disabled in Australia is reported to be declining.

Action is now required to address the poor performance of Australia in the employment of the disabled. This paper reviews the activity in place and some of the submissions made to contribute to the strategy.

The paper agrees with the suggested adoption of action to remove a number of disincentives that are in place at the moment which could discourage disabled people from seeking part time or fulltime employment. The first of these is to remove financial disincentives to working that now exist. This involves ensuring no threat of loss of Disability Support Pension entitlements and the ability to return to DSP when work ceases. The second is to remove the financial disincentive associated with referring people to training.

¹Quoted in National Mental Health and Disability Employment Strategy Discussion Paper

Background

Immediately prior to the Federal Election on 24 November 2007 Julia Gillard spoke to the ACOSS national conference about the Labor Party's agenda on social inclusion. She said:

“Unlike the Howard Government, we believe that fairness and prosperity are utterly inseparable. And that turning our backs on the disadvantaged will come at a serious cost to our economic future. Too many individuals and communities remain caught in a spiral of low school attainment, high unemployment and under-employment, poor health, high imprisonment rates and child abuse. Too many Australians are socially excluded.²”

In this speech she outlined Labor's Social Inclusion Agenda designed to bring economic and social policy together with cooperation between the Commonwealth, States and the not for profit sector.

Labor undertook to appoint a Minister for Social Inclusion, to establish a Social Inclusion Board to advise Government, and to establish a Social Inclusion Unit in the Prime Minister's Department.

The Labor Party did win the election, and Julia Gillard has been appointed the Minister for Social Inclusion. At the launch of the Social Inclusion Board, Kevin Rudd reiterated the stance of the labour government.

“Every Australian should have an opportunity to be a full participant in the life of the nation. Unfortunately, too many Australians remain locked out of the benefits of work, education, community engagement and access to basic services.

This social exclusion is a significant barrier to sustained prosperity and restricts Australia's future economic growth.

²Gillard, Julia., An Australian Social Inclusion Agenda Speech ACOSS National Annual Conference, <http://www.alp.org.au/media/1107/spesi220.php>

Promoting social inclusion requires a new way of governing. Australia must rethink how policy and programs across portfolios and levels of government can work together to combat economic and social disadvantage”.³

To play a full role in all aspects of Australian life the Government believes all Australians must be given the opportunity to:

- secure a job;
- access services;
- connect with family, friends, work, personal interests and local community;
- deal with personal crisis; and
- have their voices heard.

The early priorities identified for social inclusion are:

- addressing the incidence and needs of jobless families with children
- delivering effective support to children at greatest risk of long term disadvantage
- focusing on particular locations, neighbourhoods and communities to ensure programs and services are getting to the right places
- addressing the incidence of homelessness
- employment for people living with a disability or mental illness
- closing the gap for Indigenous Australians⁴.

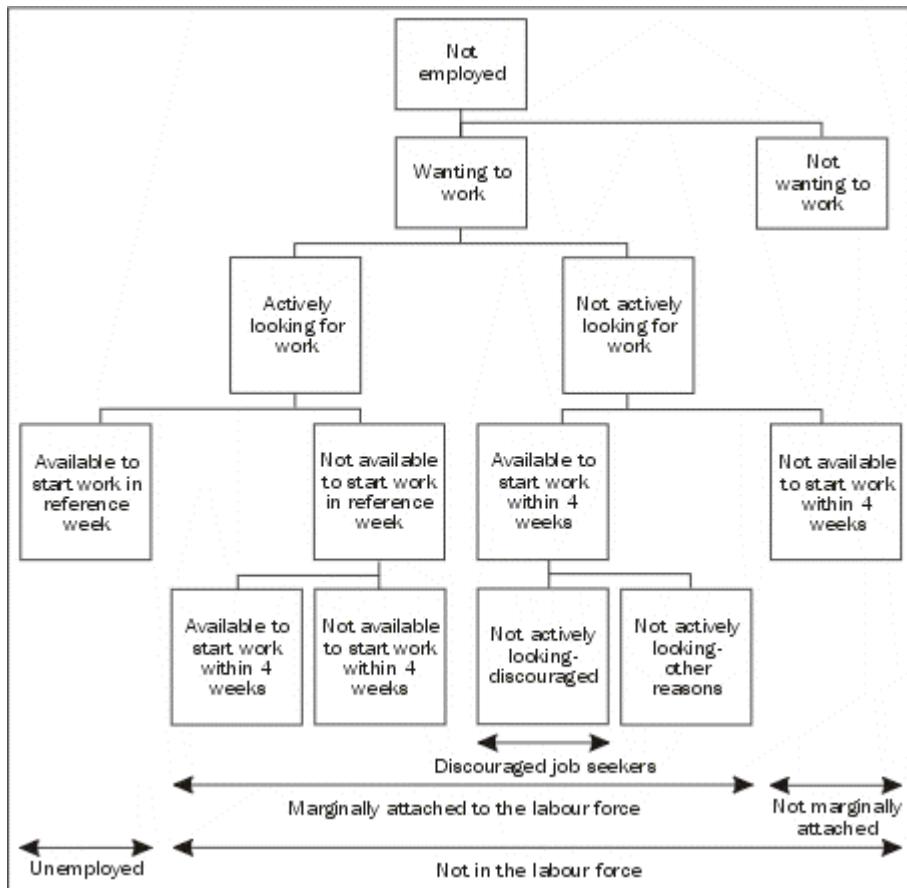
This paper looks primarily at the area of employment for people living with a disability or mental illness. (However, many of the priority areas outlined overlap.)

The emphasis is upon increasing the labour force participation rate for people with disabilities or mental illness.

³ Joint Media Release with Deputy Prime Minister, the Hon Julia Gillard MP - Australia Social Inclusion Board
http://www.pm.gov.au/media/release/2008/media_release_0256.cfm

⁴ www.socialinclusion.gov.au

It is important to note the labour force participation rate is defined as those who are employed **and** those who are not employed, but who are wanting to work, are available to work, and are looking for work. The following diagram⁵ relates to those not employed, and importantly demonstrates that many with disabilities and mental illness would now be seen as not being in the labour force.



In 2003 the unemployment rate for those with a disability averaged 8.6% compared to 5% for people without a disability. However, more alarming is the labour force participation rate.

⁵ Australian Bureau of Statistics, Labour Statistics: Concepts, Sources and Methods, Apr 2007 Cat No 6102.0.55.001

In 2003 only 53.2% of people with a disability were either in work or looking for work compared to 80.6% of people without a disability. The labour force participation rates of people with a psychological disability are the lowest of the major disability groups at 28.8%.⁶

The Minister for Employment Participation, Brendan O'Connor MP and the Parliamentary Secretary for Disability and Children's Services, Bill Shorten MP, are jointly overseeing the National Mental Health and Disability Employment Strategy which was launched in February 2008.

In the launch, the economic benefits of increasing employment for people living with a physical disability or mental illness were mentioned. Specifically: increasing workforce participation was outlined as a key strategy in the Government's five point plan to curb inflation⁷.

In a subsequent speech Julia Gillard also emphasized the economic importance of increasing employment for people living with a physical disability or mental illness. She said:

“The labour market is tight. Economic growth is strong. And these are combining to produce inflation and put pressure on interest rates. We have to find ways to make growth more sustainable. Plainly, part of the answer is to increase the supply of labour. With unemployment low and participation rates high, this is not easy.

But there are still many people – individuals and communities - excluded from the workforce as a result of poverty, low educational attainment, inadequate skills or disability. We have to bring them back into the fold. Unless we address their needs, we will be paying a high price for their marginalisation in the decades ahead⁸.

⁶ Alan Hayes, Matthew Gray and Ben Edwards, Social inclusion, Origins, Concepts and Key themes, Australian Institute of Family Studies prepared for the Social Inclusion Unit, Department of Prime Minister and Cabinet

⁷ New strategy to get people with disability or mental illness into work 15/02/2008

Joint Media Release with The Hon Brendan O'Connor MP, Minister for Employment Participation

⁸ Julia Gillard, ACOSS National Conference, 10 April 2008

Brendan O'Connor, Minister for Employment Participation expressed the notion more in a social inclusion framework (along with the economic imperative):

“Ensuring more Australians get into meaningful work is of course crucial to meeting the nation’s demand for skills, and thus driving our productivity and prosperity. But alongside this is a vital social or ‘human’ dimension. Getting someone into work affords them not just a pay packet every week, but it brings human dignity and respect, a sense of purpose and inclusion which comes from being seen to contribute to our society⁹.”

Within this position is an assumption that the social inclusion agenda can actually support the economic objectives. Hence there is a potential conflict between the two.

The Anglicare submission eloquently discusses this ‘moral’ issue commenting:

“If there is a conflict, the implication from Ms Gillard’s position is that the needs of the market will prevail over those of society. Specifically, that employment which is not productive will receive little or no support, even where it contributes to individuals’ quality of life and general community participation. As Mrs Thatcher famously explained: ‘There is no way to buck the market.’”¹⁰

And what now, when it is looking like general unemployment may increase (with the current economic unrest)? Does the need for participation in the workforce of the disabled decrease?

⁹ Brendan O'Connor, Address to the Australian Society of Rehabilitation Counsellors National Conference 11 September 2008, <http://mediacentre.dewr.gov.au/mediacentre/OConnor/Releases/AddressstotheAustralianSocietyofRehabilitationCounsellorsASORCNationalConference.htm>

¹⁰ Anglicare Australia, A submission to the Department of Education, Employment and Workplace Relations on the National Mental Health and Disability Employment Strategy Discussion Paper, June 2008

The National Mental Health and Disability Employment Strategy Process

The National Mental Health and Disability Employment Strategy is intended to provide clear and practical steps that can be put in place to overcome barriers that make it harder for people with disability and mental illness to gain and keep work.

The development of the Strategy has been established as a consultative process. A discussion paper¹¹ was published providing background on the issue and inviting written submissions by 30 June 2008. Consultations were undertaken in capital cities of each state and territory and the strategy is to be released by the end of the year.¹² The development of the strategy itself is an inclusive process.

Clearly this issue interrelates with a number of other Government departments and already there have been some policy changes to facilitate greater participation in the workforce amongst the disabled and mentally ill. One such example is the announcement that from 8 September 2008 people on Disability Support Pension who want help to find work will not have to worry about losing their pension entitlements. The Australian Government introduced a new 'pre-employment Job Capacity Assessment' for people on Disability Support Pension who want to look for work. Under the new arrangements, Job Capacity Assessors only collect information for referring people to employment and related support services, and not review pension entitlement¹³.

Employment services are currently being reviewed, but the Government deliberately decided to take disability and rehabilitation employment services out of the universal employment services review as these services deal with a different job seeker group, provide different services and operate differently. The review of disability employment services is also a consultative process and submissions for this closed on 1 October 2008.

¹¹ National Mental Health and Disability Employment Strategy Discussion Paper, <http://www.workplace.gov.au/workplace/Publications/PolicyReviews/EmploymentStrategy/>

¹² New strategy to get people with disability or mental illness into work 15/02/2008
Joint Media Release with The Hon Brendan O'Connor MP, Minister for Employment Participation

¹³ Minister for Human Services, Senator The Hon Joe Ludwig, National Employment Services Association National Conference, Cairns Convention Centre, 13 August 2008. <http://www.mhs.gov.au/media/speeches/080813-jca-review.html>

It is the intention of the Government to introduce a series of policy changes to facilitate the involvement of people with disabilities and mental illness in the labour force. These policies will be formulated on the basis of feedback from the consultations undertaken earlier in the year, on the basis of submissions, and on advice from the Social Inclusion Board.

The Department of Education, Employment and Workplace Relations, (DEEWR) is driving the process being jointly lead by The Hon Brendan O'Connor MP, Minister for Employment Participation and The Hon Bill Shorten, Parliamentary Secretary for Disabilities and Children's Services. Other departments involved are:

- Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
 - Disabilities and services
- Department of Prime Minister and Cabinet
 - Social Inclusion Unit
- Department of Human Services
 - Employment services
- Department of Health and Ageing
 - Mental Health

Apart from Federal Government departments, there are a very large number of stake holders in this review at all levels of government, NGOs, peak bodies and the private sector.

There are a number of sources who appear to have contributed to the terms of reference for the consultation and who have raised the need for a strategy to address the issue of employment amongst these groups. The Human Rights and Equal Opportunity Commission's 2005 national enquiry into Employment and Disability (Workability II: Solutions) recommended the Government develop a National Disability Employment strategy with a view to increasing the participation, recruitment and retention of people with a disability. The findings from this report have been widely quoted in submissions. This report appears to have strongly influenced thinking on the topic by providing evidence of barriers for employers and potential employees.

The Mental Health Council of Australia (MHCA) produced a report “Let’s get to work” in 2007 outlining a number of strategies and this is referred to as a source in the National Mental Health and Disabilities Employment Strategy Discussion Paper. Other sources referred to are the Australian Federation of Disability Organisations and the Welfare to Work Reform Collaboration¹⁴. Each of these organisations has produced documents or reports detailing the issues and potential solutions prior to the consultative process. An internet search suggests none of these were included amongst the submissions from the consultation process.

The response to the consultative process has been strong. The 13 face to face consultations held around Australia were facilitated by the Hon Bill Shorten MP and the Hon Brendan O'Connor MP. Their aim was to hear first hand what barriers exist for people with disability and/or mental illness and what needs to be done to address them. A total of around 740 individuals, covering some 380 organisations, attended the sessions. Over 300 written submissions were also received. “Both the written submissions and the public consultations have identified positive and practical ways to help address barriers to gaining and retaining employment¹⁵.”

A list of submitting organisations has not been published, but many organisations have made their submissions available on their web sites. A review from the internet shows a range of different organisations.

¹⁴ National Mental Health and Disability Employment Strategy, Discussion paper

¹⁵ http://www.facs.gov.au/internet/facsinternet.nsf/disabilities/services-disability_employment_strategy.htm

Broadly, the submissions come from four main groups being NGO Peak Organisations, service providers, employment professionals or agencies and employers groups. The table below sets out some of the organisations identified.

Table 1: Examples of Organisations Submitting Strategies

NGO Peak Organisations
NSW Council for Intellectual Disability SACOSS ACOSS ACE National Mental Illness Fellowship of Australia National Disability Services Brain injury Australia Blind citizens of Australia Beyond Blue
Service Delivery
Anglicare Pahran Mission Jesuit Social Services
Professional/employment interests
Australian Human Resources Institute (AHRI) Australian Education Unions CPSU ACTU Queensland Tourism Industry Council Jobs Australia
Employers
ANZ Australian Employers Network on Disability

An organisation such as Anglicare is both a service provider and a peak organisation representing a number of providers.

However there are clearly very many more stakeholders than those who have put in submissions. Arguably any organisation which assists those with disabilities or mental illness (and their carers) will be impacted by policy change, and may have contributed input via their peak bodies. There are also a number of service delivery providers (such as Centrelink, Disability Employers

Network, Australian Jobs Search) some of which are government services or co-ordinated through government.

Discussion

Given the process is to consult, and largely build policy on the basis of that consultation, it is relevant to review some of the submissions to identify common themes and strategies.

Four submissions are reviewed, one from each of the key submission groups noted above – NGO Peak Organisation (Australian Council of Social Service - ACOSS), Service Providers (Anglicare), Professional Employment Interests (Australian Council of Trade Unions - ACTU) and Employers (Australia and New Zealand Bank - ANZ).

In reviewing these documents it becomes apparent there is a lot of shared information and thinking between organisations. Three of the submissions reviewed (ACOSS, ACTU and Anglicare) draw strongly from the findings of the Human Rights and Equal Opportunity Commission (HREOC) 2005 National Inquiry. In fact Anglicare so strongly agrees with their analysis and recommendations they do not provide separate suggestions for strategy¹⁶. The ACTU submission refers frequently to ACOSS positions on this subject which it supports. The ACTU submission also refers to ACE recommendations which it supports.

The ANZ submission approaches the subject from a very different angle but does draw from the broader thinking of the Australian Employers Network on Disability.

Those submitting were asked to identify barriers to participation of people with mental illness and disability.

¹⁶ Anglicare, A submission to the Department of Education, Employment and Workplace Relations on the National Mental Health and Disability Employment Strategy Discussion Paper, June 2008.

ACOSS sees the likely causes of poor employment outcomes as resting with a labour market that makes greater demands of employees, a social security system that makes greater demands of unemployed people, and a lack of investment in the supports that would enable people with disabilities to succeed in this new environment.

For example in 2003, 49% of people with disabilities of working age had less than upper secondary education compared with 28% of those without a disability¹⁷. The ACTU points out that people with disabilities are far less likely to Access Vocational Education and Training (VET). Only 11.6% of people with a disability have a VET qualification. Only 5.6% of all VET students have a disability¹⁸.

Further, low-productivity jobs that were traditionally regarded by employers as suitable for people with disabilities disappeared, while employer expectations of the capabilities of a 'productive worker' increased¹⁹.

The workplace culture is seen as a barrier to employment particularly where diversity is not valued. An inflexible work environment is also an issue, as the disabled require flexibility to sustain employment. An internal survey conducted by ANZ demonstrated that flexible work options are particularly valued by carers and workers with disabilities²⁰.

The ACTU also sees a lack of adequate support services both in the workplace and without as a barrier for sustained employment.

The Anglicare submission and ACOSS stress that the diversity of experience among people with disabilities means that policies and services that work for one group will fail when applied to another. Anglicare says that:

¹⁷ ACOSS, Submission to the minister for Employment Participation and Parliamentary Secretary for Disabilities and Children's Services, National Mental Health and Disability Employment Strategy, July 2008

¹⁸ Australian Council of Trade Unions, Submission to the National Mental Health and Disability Employment Strategy, June 2008

¹⁹ ACOSS Submission

²⁰ ANZ Submission *ibid*

“To accommodate all groups recognised as having some form of disability will require high level conceptualisation that of itself may not generate useful, specific policy measures; while any more detailed recommendations may apply only to certain members of the groups in question. The overall objective may be clear enough: to increase the ability of people with disability and/or a mental illness to participate in employment, education and training and the community generally; but an effective strategy has to operate at a much more detailed, empirical level”²¹.

ACOSS’s policy directions incorporate three main areas and they do provide a number of detailed strategies – although none of them specifically target certain groups of disability. These broad themes are generally supported by the other submissions reviewed.

ACOSS advocates structural reform of income support to remove anomalies between payments that discourage workforce participation. People with disabilities currently risk lower payments as they engage with the labour market. Additionally ACOSS advocates they should be supported to meet the extra costs arising from their disability²². This view is supported by the ACTU who also comment about the high marginal tax rates incurred for people working and who are receiving Disability Support Pension (DSP) at reasonably low levels of earnings. The ACTU recommends that the interaction of the tax and social security systems over the range of incomes generated by part-time and full-time work should be reviewed. This is also a key recommendation of the HREOC.

ACOSS also suggests a more substantial investment is required in specialised and mainstream employment programs and action to overcome barriers to training. Stronger training is a key focus in the ACTU submission as they see skills as leading to decent work. The ACTU directly supports ACOSS on this point.

²¹ Anglicare Submission *ibid*

²² ACOSS Submission *ibid*

Assisting people to adjust to the workplace and supporting employers to hire people with disabilities is the second policy recommendation of ACOSS. They believe the job prospects of people with disabilities generally are unlikely to improve without a major shift in employer perceptions and engagement. The logic to this argument is that employers are more likely to hire people with disabilities if they perceive that the practical supports are in place to address their concerns and access to support and advice in the event that problems emerge²³. This theme is strongly supported in the ANZ submission which takes the idea further suggesting a ‘one stop shop’ for disability employment information, education, recruiting, support advice and services for employers and employees²⁴.

The third area is for policies to prevent people with disabilities from becoming jobless long term. In their view, this requires attention to school to work transitions for young people with disabilities, identification of the main pathways to long term unemployment among those on income support (including those whose disabilities are hidden in the system such as Parenting Payment recipients), more intensive employment assistance for long term unemployed people generally, and assistance for people with disabilities to retain their current jobs²⁵.

Specific Recommendations/Strategies

ACOSS’s specific recommendations are as follows:

Goals/Targets

- Set desired employment rate
- Set desired education participation levels
- Establish desired level of successful transitions to employment eg. From education to work, from employment programs to sustained employment [Supported in the ACTU submission]

²³ Ibid p8

²⁴ Australia and New Zealand Banking Group Ltd, National Mental Health and Disability employment Strategy Submission, June 2008

²⁵ ACOSS Submission

- Require State and Territory Governments to incorporate work readiness targets into funding priorities
- Government should commit to employment targets within public sector [Also a recommendation from the HREOC 2005 Report and supported by Anglicare]

Information

- Open system of evaluation, data sharing and feedback on best practice
- DEEWR to publish regular evaluations of the net impact of disability employment services
- Monitoring of effectiveness made available to stakeholders and researchers
- Analysis of pathways of people with disabilities to understand outcomes

Policy

- Reform the social security payment structure
 - Core payment supplemented for ‘costs of disability’, and participation supplement for additional ‘costs of participation’ for the disabled [supported by the ACTU, also a recommendation in the HREOC Report and supported by Anglicare]
 - Raise Austudy payments to equal Newstart Allowance
- Job Capacity Assessment panels to understand nature of impairment of each candidate
- Separate the assessment for employment assistance and income support (thereby removing disincentive of fear of loss of pension)
- Uncap funding for DEN and Vocational Rehabilitation Scheme (VRS)
- Administration of Pre-vocational Participation Accounts transferred to disability employment service providers
- Stream 4 Service guarantees in mainstream employment services should ensure disadvantaged job seekers receive the social and health supports they need to progress to work
- Extend Outcome Fees for education and training to adults with a disability
- Incentivize Employment Service Providers and Registered Training Organisations to collaborate to support job seekers with barriers to training [Supported by the ACTU]
- Remove disincentives for mainstream employment service providers to provide training

- Fund experimental programs of paid employment work experience
- Education and training should be accepted as meeting the activity requirements [Supported by the ACTU]
- Activity requirements should be more flexible for the disabled [supported by the ACTU]
- Vulnerable job seekers should be exempt from the ‘no show – no pay’ requirements
- People with partial work capacity to attend Centrelink on a monthly basis rather than fortnightly [Supported by ACTU]
- Develop a workplace adjustment package to assist employers and jobseekers and publicise it
- Improve accessibility

None of these policy options have been costed and this was not requested from submissions. Obviously given the scale of some of these initiatives the financial cost would be significant and impact on client groups broader than the mentally ill and disabled.

It seems likely that items such as ‘reform the social security payment structure’ is an item on ACOSS’s agenda generally rather than specifically for this topic, and this issue has been raised prior to this submission.

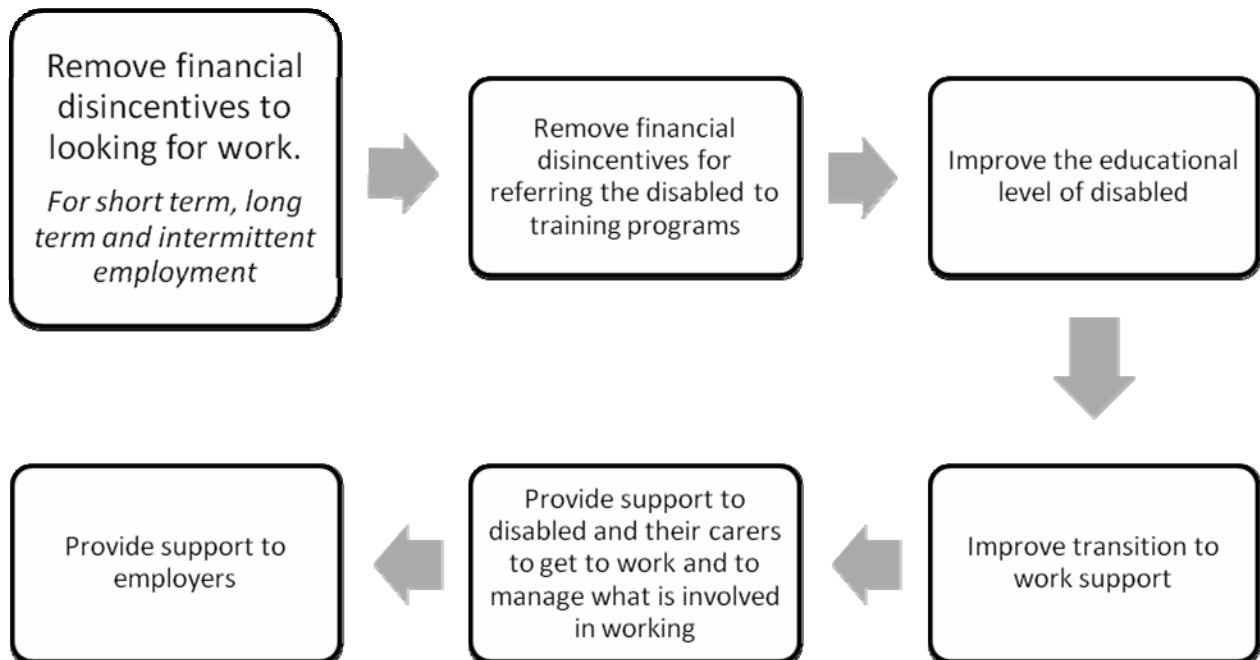
The HREOC 2005 study outlined the following broad principles which appear to have general agreement across the four submissions reviewed:

- Developing a whole of government approach to ensuring appropriate financial and practical support to people with disability, including a streamlined system to provide adequate:
 - – income support;
 - – transport, equipment and health care subsidies and concessions; workplace supports and modifications; and
 - – personal care in the home and workplace.

- Improving the effectiveness of government funded employment service delivery to people with disabilities and employers (including recruitment assistance and access to supports on an as needed basis);
- Improving transition to work schemes for people with disability in secondary, tertiary and vocational education and training institutions;
- Ensuring better relationships between private sector employers and government funded information, recruitment and employment support services;
- Increasing recruitment and retention of people with disability in the public sector (at the Commonwealth, State, Territory and local government levels); and
- Developing a benchmarking, monitoring and reporting system to ensure accountability and ongoing improvement to the incentives, supports and services available to people with disabilities and employers.

Essentially the suggested strategies can be summarized into the following chart. This is represented as a flow chart, which mirrors the assumption behind the ideas although the ideas are not necessarily represented as necessarily flowing from each other.

The first two of these stages are about structural reform to the social security system. They are universal actions which would benefit all disabled who might see work or training. The subsequent stages are where the diversity of each individual person kicks in as noted by ACOSS and HREOC.



Recommendation

These recommendations take the view that any systemic disadvantages need to be addressed first and foremost. Hence the recommendation that focus be on the removal of barriers causing financial disadvantage as a result of partaking in employment, or even looking for employment.

As noted some changes in policy in this area have already been actioned, but further changes are still required.

Having removed the financial disincentive to work, the need for improved skills needs to be addressed. Improved education attainment levels amongst the disabled and mentally ill is a key to improved employment outcomes and any inequities in access need to be removed. There are a number of disincentives for referral of the disabled to training courses currently. These need to be removed and access improved. Without training and education the disabled will continue to find it very difficult to obtain work.

The cost of these changes is yet to be established and has not been discussed in any of the papers submitted.

These policy reforms will apply to all disabled people looking for employment, hence the imperative.

There are many other options which may result in better outcomes for the disabled through access to different support agencies and programs. These are also seen as being vital to the successful of the disabled in seeking employment. However, these should only be reviewed once the cost implications of removing disincentives are established.