



21 April 2005

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Dr Sev Ozdowski
Human Rights Commissioner and Acting
Disability Discrimination Commissioner
Employment Inquiry
Disability Rights Unit
Human Rights and Equal Opportunity Commission
GPO Box 5218
SYDNEY NSW 2001

Email: employmentinquiry@humanrights.gov.au

Dear Dr Ozdowski

RE: NATIONAL INQUIRY INTO DISABILITY AND EMPLOYMENT

Ai Group welcomes the opportunity to express its views to the Human Rights and Equal Opportunity Commission on employment and disability. Ai Group supports the objects of the inquiry in identifying practical solutions to increase the employment opportunities for people with disabilities in the workplace.

Ai Group

The Australian Industry Group (Ai Group) is one of the largest national industry bodies in Australia, representing approximately 10,000 employers, large and small, in every state and territory. Members provide more than \$100 billion in output, employ more than 1 million people and produce exports worth some \$25 billion dollars.

Ai Group represents employers in manufacturing, construction, labour hire, information technology, telecommunications, call centres, energy, aviation and other industries.

This submission is made by Ai Group and on behalf of its affiliated organisation, the Engineering Employers Association, South Australia (EEASA).

Diversity

“Diversity” is a valuable feature of Australian society and of contemporary Australian workplaces.

Ai Group recognises the diversity of experience for people with a disability, based upon the type and extent of their disability and the personal circumstances of the individual. Different disabilities, obviously impact to varying degrees upon the individual's working capacity and have different effects at the workplace.

Also, there is a diversity of businesses, of different sizes, with different characteristics, capacities and motivations. Each business is unique. For instance, large companies are often motivated by corporate reputation and the goal of being a good social citizen whereas small businesses out of necessity are primarily concerned with being open for business each day.

The Department of Family and Community Services surmised in its *Review of Employer Incentives Strategy*:

“Given that businesses and job seekers are not homogenous, a one-size-fits-all solution to the kind of support employers need to employ people with disabilities is not appropriate”.¹

Education, not more regulation

Ai Group believes that increasing the employment opportunities of people with a disability is an important issue that is best dealt with through education and awareness-raising. To reduce employment barriers, from an employer perspective, positive experiences must be promoted, and practical information and financial assistance must be readily available.

We note that it is not the aim of this inquiry to impose further costly and burdensome regulatory arrangements upon employers.² Such an approach would reduce the ability of companies to employ persons – both those with and those without disabilities. There is also the risk that an overly prescriptive approach would foster negative attitudes amongst employers regarding the employment of people with disabilities.

Appropriate education programs are far more responsive to the needs of employers and employees than prescriptive rules. It is essential that businesses retain flexibility to run their business in an increasingly competitive national and international climate.

The importance of increasing the participation of people with a disability in employment

Ai Group recognises the importance of increasing the participation of people with a disability in employment, for the individuals involved, for employers, and for the national economy.

¹ “Improving Employment Opportunities for People with a Disability”, Report of the Review of Employer Incentives Strategy, Department of Family and Community Services, March 2003, pg.9

² “Disability Discrimination Developments” Speech made by Dr Sev Ozdowski at the Australian Industry group PIR Conference, Canberra, 26 October 2004

For individuals with a disability

People with a reported disability made up 20 per cent of the population in 2003. People with a disability have a higher rate of unemployment, coupled with a lower rate of labour force participation (ie. actively looking for work). 8.6 per cent of people with a disability are unemployed, compared with 5 per cent of the population without a disability. The labour force participation rate of people with a disability in Australia is 53 per cent compared to 81 per cent for those without a disability³.

As noted in the Guide to the Inquiry:

“having the chance of obtaining and retaining meaningful work is a crucial part of anyone’s quality of life, and people with disabilities are no exception”⁴.

Ai Group supports the elimination of discrimination against people with disabilities and the protection and promotion of their rights to equality of opportunity in such key areas of life as employment, education, access to Commonwealth laws and programs and equality before the law.

For employers

There are many benefits to be garnered from employing people with a disability, financial and otherwise. The statistics paint a very positive picture of the potential benefits such as decreased absenteeism, a high degree of loyalty and commitment and an innovative approach to problem-solving. Furthermore, research from Australian and international studies show higher levels of work safety, performance and staff retention in workplaces which have employed people with a disability⁵.

The House of Representatives’ report *Increasing Participation in the Paid Workforce* notes that employers sometimes incorrectly perceive that disability is linked with low performance. This perception acts as a barrier and overcoming this perception will no doubt assist in increasing the level of employment for people with a disability. One way to overcome this barrier and others is by espousing positive case studies on the successful employment of people with disabilities, and promoting the potential benefits, financial and otherwise.

For the national economy

There are strong demographic imperatives for increasing the employment participation of people with a disability. Like the Government, Ai Group is particularly concerned about the changing demographics in the Australian population and the impact that this will have within the next twenty years on the ability for employers to recruit and retain suitably qualified staff.

³ Australian Bureau of Statistics, AusStats Cat No. 4430.0 “Disability, Ageing and Carers, Australia: Summary of Findings”, September 2004.

⁴ HREOC National Inquiry into Employment and Disability, “Guide to the Inquiry” pg.1

⁵ “Employers Making a Difference” Submission No.71 to The House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, cited in “Working for Australia’s future: Increasing participation in the workforce”, March 2005, pg. 53

A rapidly ageing population, an inadequate fertility rate and skills shortages require that Australia increase its participation rate. Australia's population is ageing at a rapid pace. Currently there are about 5 times as many people of traditional working age as there are those over 65. In 40 years time, the Federal Government projects that there will be 40 people over 65 for every 100 people of traditional working age. Furthermore, the proportion of the population that is very old (over 85 years of age) is expected to triple, while the proportion of prime working age (15 to 64 years) is expected to fall⁶.

It is also important not to consider the demographic imperatives as an isolated problem. There are many interlinked factors. For example, a large proportion of the "mature age" population will have some kind of a disability in the future⁷.

Significant economic benefits would flow from increasing the participation of people with disabilities in employment. Each additional employed person would earn wages, spend more on goods and services, pay taxation, and contribute to innovation efforts. There would also be substantial savings in welfare costs. In addition to the above very *measurable* benefits, the increased quality of life which people with disabilities would enjoy would provide a wide range of other benefits, including savings in health costs, stronger family relationships, and so on.

House of Representatives report into participation in paid employment

The benefits of increasing the employment opportunities for people with disabilities were noted by the House of Representatives Committee inquiring into increasing participation in paid employment in Australia⁸. Ai Group concurs with the following recommendations which were unanimously supported by Committee representatives from all sides of politics:

- That the Australian Government extend the eligibility criteria of the Workplace Modification Scheme to provide support for people with an assessed disability to enter the paid workforce where their capacity to work would be significantly improved by workplace modification (Rec. 15).
- That the Australian Government conduct an awareness-raising program to promote the Workplace Modification Scheme to employers and employment services providers (Rec. 16).
- That the Australian Government ensure that all funded employment services are aware of the obligation to provide Auslan interpreters for deaf clients attending job interviews (Rec. 17).
- That the Australian Government extend eligibility for the Workplace Modification Scheme to part-time and casual positions (Rec. 18).

⁶ "Intergenerational Report" released by Hon Peter Costello in May 2002. Available at http://www.budget.gov.au/2002-03/bp5/html/04_BP5Part2.html

⁷ It has been said that 30 per cent of people over the age of 55 will have some kind of disability. Source: Employers Making a Difference

⁸ "Working for Australia's future: Increasing participation in the workforce" House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, March 2005.

- That the Australian Government review the Jobs in Jeopardy program (to ensure improved access to this program), in terms of its use, eligibility criteria and effectiveness in assisting people with chronic illnesses to remain in employment (Rec. 19).
- That the Australian Government, in consultation with the peak disability agencies, recruitment services and business and industry organisations, develop guidelines on appropriate criteria and protocols for the recruitment of people with a disability (Rec. 20).
- That Commonwealth, State and Territory agencies improve the transition assistance available from education to work or to further training through more coordinated work placement support and the links between workplace coordinators and disability employment services (Rec. 21).
- That the Australian Government develop a consistent and standardised reporting system to:
 - report on trend data for the number of people with a disability being employed by the Australian Public Service; and
 - implement strategies to improve participation of people with disabilities in the Australian Public Service (Rec. 22)
- That the Australian Government, in cooperation with State and Territory Governments, industry, unions and educational bodies, review the Recognition of Prior Learning for school based and mature age apprenticeships programs to develop a standardised and coordinated approach that gives credit for and allows transference between all appropriate forms of curriculum and workplace training (Rec. 23).

Strategies to reduce barriers to the employment of people with a disability

Identifying the conditions under which employers are more likely to hire someone with a disability is a useful starting point in exploring strategies to increase the employment of people with a disability. A framework put forward by *Employers Making A Difference* (EMAD) is useful in clarifying the motivations, and conversely the barriers for employers when hiring people with a disability.

In short, employers will employ and retain more people with a disability when:

1. They perceive it to be relevant to their business;
2. They have permission from their leaders and know why and how;
3. They perceive the risks and costs to their business and to themselves are minimal.⁹

Education is the key strategy to address all of the above issues.

⁹ Employers Making a Difference, Powerpoint Presentation HREOC Roundtable Discussion, Sydney 31 March 2005

Education to change attitudes

The reasons why employers may be reluctant to recruit, hire and retain people with disabilities are often difficult to ascertain. The House of Representatives' report *Increasing Participation in the Paid Workforce* notes that employers sometimes incorrectly perceive that disability is linked with low performance. The statistics show that this is clearly not the case, yet this perception acts as a barrier.

A lack of knowledge and awareness is a major barrier. The importance of education and promotion in a positive way cannot be understated. By espousing positive news stories on the successful employment of people with disabilities, and promoting the potential benefits, financial and otherwise, attitudes can change and discrimination can be reduced.

There are many "good news" case studies relating to the employment of people with disabilities and many favourable statistics (eg. high levels of motivation, low absenteeism rates, good performance, etc).¹⁰

One barrier which some employers face in recruiting people with a disability, is a concern there may be higher costs for occupational health and safety, workers compensation and insurance premiums. However, research has shown that people with disabilities are statistically less likely to be involved in workplace accidents¹¹. One study found that 98% of employees with a disability have a better or similar accident record compare to their co-workers without a disability. In regard to workers compensation claims, the research is very positive too, showing that only 4% of employees with a disability claimed for workers compensation, compared with 14.7% claimed by employees without disabilities¹².

These positive messages and case studies need to be better communicated. Ai Group has already taken some steps in this regard (eg. arranging for various expert speakers to address groups of Ai Group members at Conferences and Seminars) but more can and should be done.

Ai Group would be pleased to work with the HREOC and other relevant bodies to promote the importance of ensuring that people with disabilities are encouraged to apply for employment positions and are not discriminated against when selection decisions are made.

HREOC should devote more resources to working with Ai Group and other employer groups to educate their member companies about the issues in a positive way. Joint publications, fact sheets and seminars would be worthwhile. Ai Group maintains close links with its members, and member companies rely on Ai Group for advice and leadership. Education and awareness programs which are channelled through

¹⁰ JobAble "Common Employer Concerns"
http://jobable.gov.au/handy_tips/general_common_employer_concerns.asp

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respected industry bodies, such as Ai Group, are likely to be more effective than “broad-brush” approaches.

In the final report arising from its Review of the Disability Discrimination Act 1992 (“the DDA”), the Productivity Commission recommended (Rec. 10) that HREOC “*work with employers and employer groups to develop and deliver targeted education campaigns*”.

The Federal Government, in its response to the final report, accepted the recommendation and said:

“The Government considers that education is the most powerful way of producing systemic change while not detracting from the operation of the DDA or its co-regulatory arrangements”¹³.

Provision of information to increase awareness

The Discussion Paper aptly notes the lack of a “one-stop shop” for employers looking for information, advice or ongoing support. This is indeed a barrier for employers. There needs to be easily accessible information about how companies go about employing people with a disability and how they can make any necessary workplace adjustments if they choose to do so.

The provision of basic information, technical assistance and ongoing support would be of assistance in reducing some apprehensions which employers may have in employing a person with a disability. The House of Representatives Standing Committee recently noted that employers’ lack of awareness of reasonable adjustment for people with a disability and the lack of knowledge of Government incentives was a barrier faced by people with a disability who seek employment¹⁴. The *Workplace Modification Scheme* is rarely utilised by employers, due to a lack of awareness of the assistance on offer, and the complexity of accessing the scheme.

Educational materials should be targeted and specifically promote the business case for why employing people with a disability makes sound business sense. Simple fact sheets and other readily available information should highlight positive case studies of employing people with disabilities. The statistics regarding better rates of workplace safety, motivation, commitment and loyalty of workers with a disability should be highlighted to dispel misinformation and fallacies.

The importance of promoting and marketing the availability and use of Government schemes should not be overlooked. Resources devoted to assisting employers in employing and retaining more people with disabilities are of no value if they are not easily accessible and employers are not aware of the programs.

The paths of responsibility and service provision need to be clarified and explained to employers. Coordination needs to be improved between Commonwealth and State

¹³ Productivity Commission Review of the Disability Discrimination Act 1992 – Government Response, January 2005.

¹⁴ “Working for Australia’s future: Increasing participation in the workforce” House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, March 2005, pg. 158

Government agencies. Employers need to be aware of what assistance is available and where they can source it

Incentives for employers

The Federal Government provides financial assistance through a number of schemes to encourage the employment of people with a disability including the Wage Subsidy Scheme, the Supported Wage System and the Workplace Modification Scheme. However, existing Government schemes do not operate effectively and very little is known about them by the business community.

The Department of Family and Community Services reviewed the Federal Government's Employer Incentives Strategy in 2003¹⁵. Ai Group concurs with the theme of the report which arose from the Review which emphasised an integrated approach to encouraging businesses to employ people with a disability. In particular, we agree that the following "key areas for action" are of primary importance:

- Undertake a collaborative policy development and implementation process involving stakeholders;
- Build employer awareness of the contribution people with disabilities can and do make;
- Provide targeted information advice and support to employers about employing people with a disability

Strategies for employees

People with a disability who choose to enter the workforce should be able to access practical information, advice and ongoing support, when required.

More attention needs to be devoted to addressing the financial disadvantages which can arise when a person with a disability decides to enter the workforce for the first time or return to the workforce after acquiring a disability. A more integrated approach to the wages, social security and taxation systems is needed to minimise the financial disincentives for persons with a disability regarding entry to the workforce.

A concerted effort needs to be made to reduce social, practical, financial and psychological barriers obstructing those with a disability from finding and retaining employment. Also, greater cooperation should occur between levels of government and government agencies, service providers, recruitment specialists and welfare agencies, to ensure that people with a disability are encouraged to enter the workforce.

Further research is needed

There is a need for further research aimed at understanding and addressing the barriers to the employment of people with a disability. Ai Group would be happy to work with HREOC in formulating a framework for further research into key areas.

¹⁵ HREOC Issues paper 4: Commonwealth Government Assistance, pg.3

Should you have any queries about Ai Group's position please contact Victoria Perry, Adviser - Workplace Relations Policy on 02 9466 5521 or myself.

Yours sincerely

A handwritten signature in black ink, appearing to read "Heather Ridout", is positioned to the left of a vertical line.

Heather Ridout
CHIEF EXECUTIVE