

# Welfare Review Submission Template

## Pillar One: Simpler and sustainable income support system

Changes to Australia's income support system over time have resulted in unintended complexities, inconsistencies and disincentives for some people to work. Achieving a simpler and sustainable income support system should involve a simpler architecture, a fair rate structure, a common approach to adjusting payments, a new approach to support for families with children and young people, effective rent assistance, and rewards for work and targeting assistance to need.

### Simpler architecture

Page 42 to 52 of the Interim Report considers the need for a simpler architecture for the income support system. The Reference Group proposes four primary payment types and fewer supplements. The primary payment types proposed are: a Disability Support Pension for people with a permanent impairment and no capacity to work; a tiered working age payment for people with some capacity to work now or in the future, including independent young people; a child payment for dependent children and young people; and an age pension for people above the age at which they are generally expected to work.

In shaping the future directions for a simpler architecture the Reference Group would like feedback on:

- What is the preferred architecture of the payment system?
- Should people with a permanent impairment and no capacity to work receive a separate payment from other working age recipients?
- How could supplements be simplified? What should they be?
- What are the incremental steps to a new architecture?

QAI endorses the Reference Group's proposal to simplify the system and agrees that, in its present configuration, the system is highly complex and at times inconsistent. This can be particularly problematic for the more vulnerable members of our society, including people with disability. However, QAI is of the view that there are many complexities innate to this area and accordingly, we consider that the support system must remain appropriately specialised to ensure adequate cover is provided to all individuals within it.

The proposal to demarcate between people with temporary and permanent disability and to allocate payments for people with disability who have current or future capacity to work through the tiered working age payment to better reflect different work capacities, reserving Disability Support Pension only for people with a permanent impairment and no capacity to work, is of significant concern to QAI. There are two primary reasons for our concern.

Firstly, we consider that a binary, absolute classification into temporary or permanent disablement fails to appreciate the complexities and fluctuations associated with many types of disability. QAI considers that a black-and-white classification system such as this will potentially limit the labour market potential of, or create undue pressure on, many people with disability.

Secondly, people with disability have complex needs that generally require additional (and often significantly higher) finances to manage, as compared with people who would otherwise be categorised within the same group but who do not have the disability. Transferring some people with disability to the tiered working age payment system fails to acknowledge the additional financial costs associated with having a disability and places people with disability at heightened risk of financial hardship. The Reference Group proposes payment of higher rates within the tiered system for certain groups, including for people with disability, and QAI endorses the acknowledgement that people with disability are a group that requires more financial support than other groups, such as students or young, single job-seekers. However, QAI's concern is that, in the context of including people

**Note:** The page numbers refer to pages in the PDF version of the Interim Report.

with disability in a standardized system, the additional payments will not be sufficient to ensure adequate financial protection for all people with disability, particularly for those people who require substantial modifications to their home or vehicle or specific aids as a consequence of their disability, which can incur significant additional expense above any available subsidies. Our concern in respect of this issue is heightened by the Reference Group's allusion to the National Disability Insurance Scheme as providing income supports, supplements and other supports, as the NDIS is not available to all people with disability and is not designed as an income safety net for people with disability but rather as a means of facilitating disability support services.

We note the findings of the Productivity Commission's Report, *Disability Care and Support*, that while in the decade from 2001 to 2011, the number of people on the Disability Support Pension increased, the upsurge was largely attributable to our ageing population, as the DSP recipients aged under 55 years fell while those in the over 55 years category increased.<sup>1</sup>

QAI strongly supports the importance of community and labour market integration for people with disability. We concur with the Reference Group's perspective that providing support to people with an incapacity which recognises the possibility of future participation can potentially foster greater confidence and skills acquisition and contribute to the deconstruction of stereotypes of what people with disabilities can achieve. QAI welcomes the acknowledgement by the Reference Group that the episodic nature of many mental health conditions means that, with appropriate support and flexible participation requirements, people with such conditions can gain and maintain ongoing employment.

### **Fair rate structure**

**Page 55 to 60** of the Interim Report considers changes that could be considered to rates of payment for different groups. In shaping the future directions for a fairer rate structure the Reference Group would like feedback on:

- How should rates be set, taking into account circumstances such as age, capacity to work, single/couple status, living arrangements and/or parental responsibilities?

QAI agrees that recipients of higher rates of payment should include people who are likely to remain on income support payments for a longer period, including people with disability, to recognise the significant financial impact of disability and the protections required to ensure that people with disability are not financially disadvantaged within the community.

### **Common approach to adjusting payments**

**Page 60 to 64** of the Interim Report considers a common approach to adjusting payments to ensure a more coherent social support system over time. In shaping the future directions for a common approach to maintaining adequacy the Reference Group would like feedback on:

- What might be the basis for a common approach to adjusting payments for changes in costs of living and community living standards?

QAI does not wish to make a submission on this issue.

### **Support for families with children and young people**

**Page 65 to 68** of the Interim Report considers how the payments could be changed to improve support to families with children and young people. In shaping the future directions for support for families with children and young people the Reference Group would like feedback on:

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<sup>1</sup> See Appendix K – *The Disability Support Pension*, at < [http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0007/111310/35-disability-support-appendixk.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0007/111310/35-disability-support-appendixk.pdf)>.

- How can we better support families with the costs of children and young people to ensure they complete their education and transition to work?
- In what circumstances should young people be able to access income support in their own right?

Families which include a person with disability can be subject to considerable additional financial expenses when compared to families which do not include a person with disability. We consider that it is appropriate to ensure that families which include a person with disability are adequately financially supported.

QAI submits that families who have a child or young person with a disability should have improved access to information and greater access to funded supports for training and further education, along with fully funded employment support that is not time limited. We consider these measures to be integral in ensuring equitable opportunities for post-school life for people with disability.

### Effective rent assistance

Page 68 to 71 of the Interim Report considers Rent Assistance and suggests a review to determine the appropriate level of assistance and the best mechanism for adjusting assistance levels over time. In shaping the future directions for Rent Assistance the Reference Group would like feedback on:

- How could Rent Assistance be better targeted to meet the needs of people in public or private rental housing?

QAI fully endorses the proposal to review rental assistance with a view to increasing the assistance provided to reduce inequities and ensure that an adequate standard of living is available to all people.

QAI considers that it is fundamentally important to support people with disability to live autonomously, where desired and possible. The strong emphasis on deinstitutionalisation and reformation of the social and housing policy framework in Australia over the past few decades has resulted in the movement of people with disability from large state institutions into smaller, community-based group homes,<sup>2</sup> with favourable outcomes.<sup>3</sup>

However, there remains a significant disparity between the preferences and reality of accommodation for many people with disability in Australia. Recent Australian research has recognised the desirability of taking an individualistic approach to housing for people with disability, which acknowledges the importance of providing appropriate fiscal and non-fiscal supports to enable people to live independently in the community.<sup>4</sup> In 2010, an external evaluation of the delivery and outcomes of the Queensland Government's Housing and Support Program found that people with intellectual and cognitive disability or mental illness can successfully reside and participate in their community of choice, with adequate community support, stable housing and appropriate clinical case management.<sup>5</sup>

For many adults with disability, adequate financial support in the form of rental assistance is but one part, albeit an integral part, of the support structures required. It is noted that the type of financial assistance required to support appropriate accommodation arrangements for people with disability, whether it be a physical

<sup>2</sup> Lisa Bostock, Brendan Gleeson, Ailsa McPherson and Lillian Pang, *deinstitutionalisation and housing futures: Final report* (Australian Housing and Urban Research Institute UNSW-UWS Research Centre, 2001).

<sup>3</sup> See, for example, doctoral research by Young, which reports on Australia's largest deinstitutionalisation research project, whereby residents from Challinor, a government-run institution located in Ipswich, Queensland, were relocated after the centre was closed. The residents of Challinor was predominantly classified as a most problematic group to deinstitutionalise, as the demographics of this group were mostly older (aged over 40 years), had been institutionalised for an extremely lengthy period (over 20 years), many had severe and profound levels of intellectual disability and many had behaviour problems. However, the deinstitutionalisation of this group resulted in favourable outcomes: Janet Louise Young, *Deinstitutionalisation and Changes in Life Circumstances of Adults with Intellectual Disability in Queensland*, unpublished doctoral thesis, University of Queensland, 2001.

<sup>4</sup> Lesley Chenoweth, Natalie Clements and School of Human Services and Social Work, *Funding and service options for people with disabilities: Final Report*, Griffith University, June 2009, reporting on the 2008 meta-analysis by Parmenter and Arnold for the Victorian Department of Human Services.

<sup>5</sup> The evaluation was conducted by the Department of Psychiatry, University of Queensland, in conjunction with the Queensland Centre for Mental Health Research (known as 'The Park').

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impairment or a mental health, intellectual or cognitive impairment, is higher (and often significantly so) than that required by a person without the disability. However, it is appropriate and necessary that this additional assistance be provided to ensure persons with disability are able to enjoy living conditions on par with persons without disability.

QAI concurs with the perspective expressed by the 2009 Harmer Report that: “[A] separate index that more appropriately reflects changes in the cost of private rent would have merit [and could] be based on the actual rents paid by income support recipients to obtain a good measure of the actual changes experienced in the particular segment of the market in which this group operates” as a means of ensuring rental subsidies meet the needs of people with disability. Additionally, QAI considers that a further index that takes account of the actual cost of modifications and supports to accommodation that are required by people with disability, which will necessarily differ according to the type of disability and individual need, is appropriate.

### **Rewards for work and targeting assistance to need**

**Page 72 to 78** of the Interim Report considers changes to means testing for improved targeting to need and better integration of the administration of the tax and transfers systems to improve incentives to work. In shaping the future directions for rewards for work and targeting assistance to need the Reference Group would like feedback on:

- How should means testing be designed to allow an appropriate reward for work?
- At what income should income support cease?
- What would be a simpler, more consistent approach to means testing income and assets?

QAI is concerned about the notion of “reward for work”, as we consider this terminology introduces a reward-penalty dichotomy into the discourse on work in the welfare context and implies an element of penalty or blame for those unable to work. In our submission, this phrase also signifies a mindset that values labour market involvement over other pursuits and disadvantages those who are unable to work. This is important, when we consider that Australia has traditionally only offered moderate levels of public support when compared to social democratic welfare states. In recent decades, the core facets of neo-liberal ideology and economic rationalism have become increasingly pronounced and there has been increasing emphasis on economic progress. In the current climate, work is considered necessary for productivity and ultimately profit, which is valued in an individualistic, rather than collective, way.<sup>6</sup> The corollary of this emphasis on individual productivity in a competitive market economy with only a basic welfare safety net is scant acceptance of social responsibility for individual hardship.<sup>7</sup> It is in this context that QAI holds serious reservations about the framing of any discussions on work in the disabilities context around the notion of “reward for work”, particularly in the context of disadvantaged, marginalised groups within our society.

QAI endorses the Reference Group’s statement on the multi-dimensional value of work, as follows: “Employment is associated with a range of positive outcomes for people and communities. Engaging in work generates financial, health and psychological benefits for the people working and for their families.”

The literature documents many reasons why people work, of which income is only one factor. There are many positive benefits associated with working, with work noted as a source of satisfaction, identity and pride and as

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<sup>6</sup> Matthew Tonts and Fiona Haslam-McKenzie, ‘Neoliberalism and changing regional policy in Australia’ (2005) 10(3-4) *International Planning Studies*; Barry Hindess, ‘Neo-liberal Citizenship’ (2002) 6(2) *Citizenship Studies*; Pat O’Malley, ‘Globalising Risk? Distinguishing Styles of ‘Neo-Liberal’ Criminal Justice in Australia and the USA’ (2009) Sydney Law School Research Paper No. 09/111; Mark Bray and Pat Walsh, ‘Different Paths to Neo-Liberalism? Comparing Australia and New Zealand’ (1998) 37(3) *Industrial Relations: A Journal of Economy and Society* 358; Joan Staples, ‘NGOs Out In the Cold: Howard Government Policy Towards NGOs’ [2007] *University of New South Wales Law Review* 8; Tim Rowse, *Australian Liberalism and National Character* (Kibble Books, 1978), 8; Margaret Thornton, *The Liberal Promise: Anti-Discrimination Legislation in Australia* (Oxford University Press, 1990), 9; Birch, above n 62.

<sup>7</sup> Monica Dux and Zora Simic, *The Great Feminist Denial* (Melbourne University Press, 2008), 108, 186.

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an important and socially valued way of contributing to society and personal growth.<sup>8</sup> Many people are highly motivated to engage in meaningful work.<sup>9</sup> This includes many people with disability. Professor Alan Morris' research exploring the attitudes and experiences of people with disability regarding employment documents that most Disability Support Pension recipients under the age of 35 have a strong desire to work, with the inability to work a source of anguish for many.<sup>10</sup> The noted barriers, aside from the severity of the person's disability and the failure by many workplaces to make appropriate physical modifications to the environment to enable proper access by people with disability, were workplace cultural issues such as discrimination and inflexible working hours.<sup>11</sup>

The Reference Group contends that: “[s]ome people need additional help and support to develop the capabilities they need to find and keep a job. Without such assistance, these people (and their families) may be at heightened risks of the negative impacts of unemployment and long-term dependency on income support.” While we express in principle agreement with the importance of support for vulnerable groups such as people with disability who are marginalised from and within the labour market, we emphasise that the kind of support really required is that aimed at dismantling the structural and systemic barriers precluding or limiting people with disability from working. Tokenistic support, in the form of mandatory appointments with Centrelink staff designed to target employment opportunities or other like bureaucratic processes are futile in the face of workplace cultures that fail to embrace diversity. This important issue is discussed further, below.

QAI agrees with the Reference Group's proposal that it is important that the interface between earnings and welfare payments are designed to ensure people are not penalised for fluctuations in their income. We also concur that it is integral that the system is transparent and easily understood to ensure that there are no financial disincentives for working, whether actual or perceived. We consider that it is appropriate for the fiscal benefits of labour market participation to be accounted for and measures implemented to ensure any disincentives to work are removed.

## **Pillar Two: Strengthening individual and family capability**

Reforms are needed to improve lifetime wellbeing by equipping people with skills for employment and increasing their self-reliance. To strengthen individual and family capability changes are proposed in the areas of mutual obligation, early intervention, education and training, improving individual and family functioning and evaluating outcomes.

### **Mutual obligation**

**Page 80 to 85** of the Interim Report considers more tailored and broadening of mutual obligation and the role of income management. In shaping the future directions for mutual obligation the Reference Group would like feedback on:

- How should participation requirements be better matched to individual circumstances?
- How can carers be better supported to maintain labour market attachment and access employment?
- What is the best way of ensuring that people on income support meet their obligations?
- In what circumstances should income management be applied?

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<sup>8</sup> Ian Wolcott and Australian Institute of Family Studies, *Work and Family: Employers' Views* (Commonwealth of Australia, 1991), 9; Susan Faludi, *Backlash: The undeclared war against American women* (Crown, 1991); Richenda Gambles, Suzan Lewis and Rhona Rapoport, *The Myth of Work-Life Balance: The Challenge of our time for Men, Women and Societies* (John Wiley & Sons, 2006), 37. In 1995, 63% of employees in workplaces with 20 or more employees were generally satisfied with their jobs: A Morehead, M Steele, M Alexander, K Stephen and L Duffin, *Changes at Work: the 1995 Australian Workplace Industrial Relations Survey* (Addison-Wesley Longman, 1997), 287.

<sup>9</sup> Alain De Botton, *The Pleasures and Sorrows of Work* (Penguin Books, 2009), 78-80; Barbara Pocock, *The Labour Market Ate my Babies: Work, Children and a Sustainable Future* (The Federation Press, 2006), 1.

<sup>10</sup> Alan Morris, “Pain and Mythology: Disability Support Pension Recipients and Work” (2006) 7(1) *Australian Review of Public Affairs* 41, 47.

<sup>11</sup> Alan Morris, “Pain and Mythology: Disability Support Pension Recipients and Work” (2006) 7(1) *Australian Review of Public Affairs* 41.

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As previously discussed, QAI considers that there are significant psycho-social benefits associated with working for all members of society. These benefits obviously also extend to carers. Like many groups in our society, carers can find it difficult to perform working roles designed around the “ideal worker” norm (a stereotype of a worker who is able to offer a significant devotion to his/her working role, working long hours in full-time employment undistracted by caring or other responsibilities), as a consequence of their caring roles.<sup>12</sup> Workers from vulnerable groups have been predominantly concentrated in precarious work, with the associated reduced pay, limited career prospects and insecurity. Many carers of people with disability fall within this category. Accordingly, carers can face significant economic penalties as a consequence of the care they provide for a person with disability.

The difficulties faced by carers in terms of workforce participation are not only relevant during the period of care-giving; many carers experience significant adverse career impact after a period of care-giving ends in circumstances where the care-giving has caused a lengthy absence from, or scaled down participation in, the labour market. In this situation, many care-givers may have been unable to maintain a strong attachment to the labour market, or to maintain the training and skills required for a smooth re-entry to the workforce. There can be scant value placed by employers and prospective employers on the significant physical and emotional work provided by the care-givers in their caring role and consequently, carers can find it more difficult to obtain appropriate employment than non-carers. The difficulties for carers are compounded in circumstances where they have experienced adverse physical and/or emotional effects associated with their care-giving, or where they are experiencing grief from a bereavement that has brought the care-giving role to an end.

There are significant subsets of workers and potential workers who have a significant amount to contribute to the labour market whose potential is not presently realised. In the globalised employment market of the 21<sup>st</sup> century, where work that was previously considered “non-standard” in terms of its working arrangements is now becoming the norm, it is in the interests of employers to creatively embrace a wider pool of workers than those able to fulfil the traditional “ideal worker” norm. There are also significant benefits that flow from a diverse workforce, particularly in a globalised labour market where employers require workers with flexibility to collectively meet the diverse, expanding needs posed by globalization.<sup>13</sup> The economic advantages of increasing the proportion of the population actively involved in the labour market are also widely recognized amongst OECD countries.<sup>14</sup> QAI considers that many people with disability, and many carers of people with disability, have significant untapped potential that could be readily utilised within the labour market.

The ILO has based its economic and social reform program around the concept of ‘decent work’;<sup>15</sup> developing a normative ideal of ‘decent work’ to which all members states are encouraged to adhere. This model is built around the core notions of freedom, equality and security and takes a multi-disciplinary perspective (encompassing the jurisdictions of taxation, social security, education, labour law, industrial regulation and economics).<sup>16</sup> QAI considers that the decent work platform is an ideal standard to aspire to in the context of employment for carers and for people with disability.

QAI considers that another model that offers many beneficial features is the European Commission’s ‘flexicurity’ model.<sup>17</sup> This welfare state/pro-active labour market policy model promotes flexible and secure labour market work, with opportunities expanded by a strong continuing education system and robust welfare and social security systems to provide income support during transitions between employment.<sup>18</sup> Flexicurity targets both

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<sup>12</sup> Adams and Geller in Christopher Arup, John Howe, R Mitchell, Peter Gahan, Richard Johnstone and A O’Donnell (eds), *Labour Law and Labour Market Regulation* (The Federation Press, 2006), 433.

<sup>13</sup> Margaret Neal, Nancy Chapman, Berit Ingersoll-Dayton, et al, *Balancing Work and Caregiving for Children, Adults and Elders* (Sage Publications, 1993), 8; Jerry Jacobs and Kathleen Gerson, *The Time Divide: Work, Family and Gender Inequality* (Harvard University Press, 2004), 161; Kate Spearritt and Don Edgar, *The family-friendly front: A review of Australian and international work and family research* (National Key Centre in Industrial Relations, 1994), 1-2, 32.

<sup>14</sup> Barbara Pocock, ‘Work Life “Balance” in Australia: Limited progress, dim prospects’ (2005) 43(2) *Asia Pacific Journal of Human Resources* 198, 202.

<sup>15</sup> International Labour Organisation (ILO), *Report of the Director General: Decent Work* (ILO, 1999); Owens, Riley and Murray, above n 35, 311.

<sup>16</sup> Rosemary Owens and Joellen Riley, *The Law of Work* (Oxford University Press, 2007), 311.

<sup>17</sup> The term was first coined by the social democratic Prime Minister of Denmark Poul Nyrup Rasmussen in the 1990s.

<sup>18</sup> For a detailed discussion of flexicurity, see: Colin Crouch, *Social Change in Western Europe* (Oxford University Press, 1999); GostaEsping-Andersen, *Social Foundations of Postindustrial Economies* (Oxford University Press, 1999); GostaEsping-Andersen and Marino Regini (eds), *Why Deregulate Labour Markets?* (Oxford University Press, 2000); European Foundation for the Improvement of Living and Working Conditions, *Flexicurity*, <http://www.eurofound.eu.int/areas/industrialrelations/dictionary/definitions/FLEXICURITY.htm> (2007); Sonja

those inside and out of the labour market and is considered a means of heightening the inclusiveness of European labour markets and lessening the divide between those in secure and precarious employment (or unemployed).<sup>19</sup> QAI endorses this holistic approach.

We consider that volunteer work can potentially be an effective means by which people with disability can make a valuable contribution to the workplace, demonstrate their capabilities and simultaneously develop skills that are valuable to the workplace. To foster and support the involvement of people with disability in the labour market in a voluntary capacity, QAI submits that funding incentives should be developed for people with disability who contribute to society through unpaid work. However, we qualify this submission by emphasising the importance of implementing safeguards to ensure that people with disability are not exploited, by remaining engaged in a voluntary capacity where their role could, but ultimately does not, lead to paid employment.

### Early intervention

**Page 85 to 88** of the Interim Report considers risk based analysis to target early intervention and investment and targeting policies and programmes to children at risk. In shaping the future directions for early intervention the Reference Group would like feedback on:

- How can programmes similar to the New Zealand investment model be adapted and implemented in Australia?
- How can the social support system better deliver early intervention for children at risk?

QAI endorses in principle the notion that supporting people sooner rather than later can help people become more independent over time.

### Education and Training

**Page 89 to 90** of the Interim Report considers the need for a stronger focus on foundation skills in both schools and vocational education and training, and on transitions from school to work. In shaping the future directions for education and training the Reference Group would like feedback on:

- What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?
- How can early intervention and prevention programmes more effectively improve skills for young people?
- How can a focus on 'earn or learn' for young Australians be enhanced?

QAI does not wish to make a submission on this issue.

### Improving individual and family functioning

**Page 90 to 93** of the Interim Report considers cost effective approaches that support employment outcomes by improving family functioning and the provision of services especially to people with mental health conditions to assist them to stabilise their lives and engage in education, work and social activities. In shaping the future directions for improving individual and family functioning, the Reference Group would like feedback on:

- How can services enhance family functioning to improve employment outcomes?
- How can services be improved to achieve employment and social participation for people with complex needs?

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Bekker, Ton Wilthagen, Per Kongshoj Madsen, et al, 'Forum: Flexicurity - a European Approach to Labour Market Policy' (2008) 43(2) *Intereconomics* S68-111.

<sup>19</sup> Guideline No.21 of the Integrated Guidelines for Growth and Employment requires Member States to: '...promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners': European Commission, *Working Together for Growth and Jobs. Integrated Guidelines for Growth and Jobs (2005-2008)* (Office for Official Publication of the European Communities, 2005). This Guideline was adopted by the European Council for the period 2005 to 2010.

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QAI supports the proposal by the Reference Group that, for people with complex needs, such as people with severe and persistent mental health conditions, there should be “wrap around” services that assist them to stabilise their lives and engage in education, work and social activities. We also embrace the notion that the welfare system should offer the right support to people with complex needs, such as mental health conditions. This might include supporting people with mental health conditions to take part in the community and to find work. However, as noted above, we consider that measures designed to help people with disability to find work must be more than tokenistic and that concerted effort must be directed to challenging mindsets and preconceptions that can act as barriers to the employment of people with disability.

### **Evaluating outcomes**

**Page 93** of the Interim Report considers improved monitoring and evaluation of programmes aimed at increasing individual and family capability to focus on whether outcomes are being achieved for the most disadvantaged. In shaping the future directions for evaluating outcomes the Reference Group would like feedback on:

- How can government funding of programmes developing individual and family capabilities be more effectively evaluated to determine outcomes?

QAI does not wish to make a submission on this issue.

### **Pillar Three: Engaging with employers**

Employers play a key role in improving outcomes for people on income support by providing jobs. Reforms are needed to ensure that the social support system effectively engages with employers and has an employment focus. These reforms include making jobs available, improving pathways to employment and supporting employers.

#### **Employment focus – making jobs available**

**Page 95 to 100** of the Interim Report considers what initiatives result in businesses employing more disadvantaged job seekers. In shaping the future directions for making jobs available the Reference Group would like feedback on:

- How can business-led covenants be developed to generate employment for people with disability and mental health conditions?
- How can successful demand-led employment initiatives be replicated, such as those of social enterprises?

The Australian economy has remained strong in the face of the unstable global financial conditions of recent times and is continuing to expand. However, significant groups are marginalised both from and within the labour market, including people with disabilities. The research literature has documented the significant economic advantages that flow from increasing the proportion of the population actively involved in the labour market.<sup>20</sup> QAI considers that there is a need for creative input from interested parties on ways to create real employment opportunities for people with disability, so that the discussion moves beyond the rhetoric of opportunity to create real opportunities for people with disability in terms of labour market participation.

As the Reference Group notes, Australia’s employment of people with disability is lower than the OECD average. Indeed, Australia has one of the lowest employment participation rates for people with a disability, ranking 21st out of 29 OECD countries, with an employment rate of 39.8% for people with a disability compared to 79.4% for people without a disability.<sup>21</sup>

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<sup>20</sup> Barbara Pocock, ‘Work Life “Balance” in Australia: Limited progress, dim prospects’ (2005) 43(2) *Asia Pacific Journal of Human Resources* 198, 202.

<sup>21</sup> PriceWaterHouse Coopers, *Disability Expectations: Investing in a Better Life, a Stronger Australia*, 2011.

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QAI considers this highly unsatisfactory and supports the development and enhancement, as an urgent priority, of appropriate working opportunities for people with disability. QAI is concerned that the Department of Employment's jobs growth projection of 7.2% by 2018 will not match job seeker growth over the same period.<sup>22</sup> To facilitate the growth of employment opportunities for people with disability, QAI submits that government, medium and larger business should be required to implement affirmative action policies and quotas pertaining to the employment of people with disability.<sup>23</sup>

QAI's submissions on the need to facilitate appropriate work opportunities for carers, as discussed above, are equally applicable to people with disability. We consider that, with appropriate support and opportunity, many people with disability have significant, untapped potential to contribute to the labour market. What is required is a shift in mindset that embraces the opportunities for flexible working arrangements that accommodate the varying needs of people with disability. At present, negative employer attitudes to people with disability is a significant obstacle to greater labour market participation by people with disability. The existence of this attitudinal barrier is particularly concerning given that (as noted above) people with disability are often proven to be highly productive, loyal and flexible workers if given the opportunity. We consider that dismantling negative mindsets towards people with disability in the employment context is particularly paramount given the considerable obstacles faced by people with disability that commence well before labour market participation becomes possible. In particular, we note the significant impediments people with disability encounter in the educational system<sup>24</sup> and by virtue of the imposition of onerous assessment and appraisal requirements not applicable to people without disability.<sup>25</sup>

Some companies are leading the way in modelling an alternative work paradigm that does not merely tolerate but embraces the significant groups of workers that are unable to fit the "ideal worker" norm yet have a significant amount to contribute to the workplace. The Westpac and IBM corporate examples of developing collaborative links with the Australian Network on Disability prototype a successful, contemporary approach to fostering a diverse, inclusive and productive workforce whilst maintaining commercial success in a competitive market. These models not only highlight the possibilities but also provide industrial leadership in exemplifying the viability of such changes for other workplace organisations. QAI submits that government should take proactive steps to increase employer awareness of the benefits of employing people with disability. In the face of negative employer attitudes to employing people with disability, founded upon incorrect assumptions and stereotypes, positive action is required. We propose that DEEWR and the Australian Taxation office provide information to employers at BAS and Tax time on the benefits of employing persons with disability.

### **Improving pathways to employment**

**Page 101 to 107** of the Interim Report considers the different pathways to employment for disadvantaged job seekers such as vocational education and training and mental health support models. In shaping the future directions for improving pathways to employment the Reference Group would like feedback on:

- How can transition pathways for disadvantaged job seekers, including young people, be enhanced?
- How can vocational education and training into real jobs be better targeted?
- How can approaches like Individual Placement and Support that combine vocational rehabilitation and personal support for people with mental health conditions be adapted and expanded?

QAI submits that any reforms to pathways to employment that target people with mental health conditions or a physical or intellectual disability must be required to support the individual's right to self-determination without limitation. QAI takes the position that people with disability have the same right to make decisions about their own lives as other people and that people who require support to do this should have access to this support. There is an important distinction between initiatives designed to assist a person with a disability that are

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<sup>22</sup> Australian Government, Department of Employment, *Industry Employment Projections: 2014 Report*, at < <http://cica.org.au/wp-content/uploads/Industry-Employment-Projections-2014-Report2-2.pdf>>.

<sup>23</sup> We acknowledge that it would not be tenable to introduce affirmative action or quotas for small business. However, proposals to increase the employment of people with disability by micro business is discussed below.

<sup>24</sup> For example, many students leave school with literacy and numeracy inadequacies that have not been fully addressed by specialist educational assistance.

<sup>25</sup> For example, Job Capacity Assessments (JCAs), Job Seeker Classification Instruments (JSCIs) and wage assessment tools.

purported to be in the best interests of that person and those that support a person by explaining and helping the person to understand and communicate their decision, whilst ensuring ownership of the decision remains with the person. QAI endorses the latter approach and considers this particularly important in the realm of employment, as this is fundamental to self-definition and independence. In this regard, QAI notes the potential positive value of mentors, but considers that anyone involved in employment-related decision-making processes must only be so involved where desired by the person with the disability. It must be open to the person to draw upon support from other, informal support networks as desired.

QAI has significant concerns about the proposal to increase labour market mobility, as the presence of familial and friendship supports can be particularly important for people with a mental health condition or disability. Sociological research informs us that there is a significant correlation between social isolation and occupational mobility. Research by Parsons<sup>26</sup> has led to a school of sociological thought that occupational mobility is detrimental to extended family networks and is part of a broader pattern of social isolation.<sup>27</sup> People with mental health conditions or disability are a group with recognised vulnerabilities who require additional support. Therefore, any focus on increasing labour mobility must specifically exempt these groups unless a specific preference to the contrary is shown.

QAI also considers that people with disability can be adversely affected by stereotypes. This can be particularly pertinent in the mental health context. QAI endorses the Reference Group's proposal to develop inclusive strategies designed to raise awareness about the benefits of workplace diversity and to encourage outreach activities within corporate culture. QAI considers that specific positive measures are required to overcome concerns based on stereotypes that lack any substance and are barriers to entry to the labour market for people with disabilities.

Historically, there have been negative connotations associated with mental illness that have created a stigma about mental illness, and also generated the correlation between mental illness and a predisposition to violence.<sup>28</sup> While this stigma has been substantially overcome in recent decades, scholars such as Salzman attribute the historical perspective on psychosocial disability as explaining in part the differential treatment of people with a mental illness within the legal system, which can result in an unjustified assumption of general incapacity based on stereotypes of behaviour.<sup>29</sup> As Caivano notes:<sup>30</sup>

*People with disabilities, particularly those with intellectual and psychosocial disabilities, have long been subject to limitations on their right to legal capacity. They have endured arbitrary detention and have been deprived of access to basic health interventions. They have faced cruel, inhumane, and degrading treatment, including physical abuse, confinement in squalid institutions, and subjection to restraint and seclusion. Due to stigma and discrimination, people with disabilities in many parts of the world continue to be deprived of legal capacity despite being able to make and communicate decisions, either by themselves or with support.*

The difficulty of changing mindsets is enhanced by virtue of the fact that the group of persons concerned is a vulnerable, marginalised, disempowered group.

QAI endorses the position of the Reference Group that a well-functioning social support system recognises the benefits of work and has an employment focus, which has as core tenets the encouragement of employers to make jobs available for disadvantaged groups including people with disabilities and the development of tailored support services to sustain employment outcomes for vulnerable groups, including people with disability and mental health conditions.

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<sup>26</sup> Talcott Parsons, 'Revised Analytical Approach to the Theory of Social Stratification' in R. Bendix and SM Lipset (eds) *Class, Status and Power: A Reader in Social Stratification* (Free Press, 1953). Note, however, that Parsons' theory that occupational mobility challenges the extended family support network was questioned by Litwak in the context of the mature industrial economy: Eugene Litwak, 'Occupational Mobility and Extended Family Cohesion' (1960) 25(1) *American Sociological Review* 9.

<sup>27</sup> Robert Stuckert, 'Occupational Mobility and Family Relationships' (1963) 41(3) *Social Forces* 301.

<sup>28</sup> Leslie Salzman, 'Guardianship for Persons with Mental Illness – A Legal and Appropriate Alternative?' (2010-2011) 4 *St Louis University Journal of Health Law & Policy* 279, 286.

<sup>29</sup> Leslie Salzman, 'Guardianship for Persons with Mental Illness – A Legal and Appropriate Alternative?' (2010-2011) 4 *St Louis University Journal of Health Law & Policy* 279, 288-9.

<sup>30</sup> Nicholas Caivano, 'Conceptualizing Capacity: Interpreting Canada's Qualified Ratification of Article 12 of the UN Disability Rights Convention' (2014) 4(1) *Western Journal of Legal Studies* 1, 2-3.

## Supporting employers

**Page 108 to 110** of the Interim Report considers what can be done to support employers employ more people that are on income support including better job matching, wage subsidies and less red tape. In shaping the future directions for supporting employers the Reference Group would like feedback on:

- How can an employment focus be embedded across all employment and support services?
- How can the job services system be improved to enhance job matching and effective assessment of income support recipients?
- How can the administrative burden on employers and job service providers be reduced?

QAI believes that rather than wage subsidies as an incentive to employers there should be a public awareness campaign of the benefits of employing people with disability for both the workplace and co-workers. People with disability are proven to be loyal and hardworking employees who generally demonstrate greater reliability, have higher attendance records with fewer sick days, have better retention rates, exhibit greater than average flexibility and productivity and do not incur greater workplace risk or compensation claims when compared with employees without a disability. Workplaces that offer a supportive environment for people with disability often report better working relationships and higher staff morale and customer loyalty.<sup>31</sup> Yet despite these documented benefits of employing people with disability, there remain significant barriers to employment for people with disability. QAI considers that a proactive approach should be taken by government to ensuring employers are made aware of the benefits of employing a person with disability.

We are concerned that the use of wage subsidies has the effect of decreasing the status of a person with disability in the workforce, creating the perspective that a worker with a disability is of lesser value than an equivalent worker without the disability. Instead, we submit that there be greater supports for people with disability to be included in the workplace and that employment agencies should work with employers to create niche roles for employees with disabilities.

QAI submits that it is imperative that all workers, including workers with disability, are remunerated at a rate that is equal or greater to the minimum award wage for the particular industry in which the worker is engaged. We consider that the supported wage system, and Australian Disability Enterprises, functions as a significant disincentive to employment for people with disability and can have the effect of demeaning and undervaluing the contribution made by people with disability to the labour market, in terms of the grossly insufficient remuneration provided and the concentration and confinement of workers to a small and undervalued sector of the labour market.

## Pillar Four: Building community capacity

Vibrant communities create employment and social participation for individuals, families and groups. Investments by government, business and civil society play an important role in strengthening communities. Also, access to technology and community resilience helps communities build capacity. Building community capacity is an effective force for positive change, especially for disadvantaged communities.

### Role of civil society

**Page 112 to 116** of the Interim Report considers the role of civil society in building community capacity. In shaping the future directions for the role of civil society the Reference Group would like feedback on:

- How can the expertise and resources of corporates and philanthropic investors drive innovative solutions for disadvantaged communities?

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<sup>31</sup> Australian Government, "Strengthening your business through diversity: A guide for employers", at <http://www.reconciliation.org.au/workplace/resources/strengthening-your-business-through-diversity-a-guide-for-employers>.

**Note:** The page numbers refer to pages in the PDF version of the Interim Report.

- How can the Community Business Partnership be leveraged to increase the rate of philanthropic giving of individuals and corporates?
- How can disadvantaged job seekers be encouraged to participate in their community to improve their employment outcomes?

QAI notes the serious adverse effects of multiple disadvantage and the impact this can have upon the ability to participate socially and economically in the community. QAI comes from a Social Role Valorisation (SRV) perspective, whereby the creation and support of “socially valued roles” for people within society is considered to result in the opportunity to obtain the goods society has to offer.<sup>32</sup>

Williams has developed a “model of citizenship support” as a framework for supporting people living with disability to realise their life chances and live ordinary, valued lives within the community. This framework centres around the notion of “personhood”, encompassing personal authority and “citizenship”, which Williams defines as follows:<sup>33</sup>

*[A]n active lifestyle that has the prospect of fulfilment for the person concerned. Such a lifestyle is one where, as part of a personally defined set of lifestyle choices, the person is in and part of their local community, contributing and growing through involvement in meaningful valued activities, and participating in a network of relationships characterised by acceptance, belonging and love.*

It is underpinned by the premise that each person wishes to have a good life, and that a good life is built and maintained by attention to personal capital, knowledge capital, material capital and social capital.<sup>34</sup> QAI submits that any measures that facilitate positive community involvement, including community and volunteer work, can have an important positive impact on people with disability provided that such work is not exploitative (this is discussed more fully, above).

### **Role of government**

**Page 116 to 120** of the Interim Report considers the role of government in building community capacity. In shaping the future directions for the role of government the Reference Group would like feedback on:

- How can community capacity building initiatives be evaluated to ensure they achieve desired outcomes?
- How can the income management model be developed to build community capacity?

QAI submits that all government initiatives must pay close attention to the specific needs of people with disability. To this end, consultation with specific disability groups is required to ensure that any measures not only purport to address the needs of these groups, but actively listen and respond to their needs.

### **Role of local business**

**Page 121 to 123** of the Interim Report considers the role of local business in building community capacity. In shaping the future directions for the role of local business the Reference Group would like feedback on:

- How can communities generate opportunities for micro business to drive employment outcomes?
- How can mutuals and co-operatives assist in improving the outcomes for disadvantaged communities?

Small business can play an integral role in drawing upon the unique strengths of people within communities to create opportunities. Many people with disability, particularly those with an intellectual or cognitive disability or a mental health condition, have strengths that may translate more effectively within the environment offered by a

<sup>32</sup> Joe Osburn, ‘Overview of Social Role Valorisation Theory’ (1998) 3(1) *The International Social Role Valorization Journal/La revue internationale de la Valorisation des rôles sociaux* 7.

<sup>33</sup> Robbi Williams, *Model of Citizenship Support: Discussion Paper* (Julia Farr Association Inc., 2010).

<sup>34</sup> Robbi Williams, *Model of Citizenship Support: A Framework for Advancing Life Chances* (Julia Farr Association Inc, 2012).

small business. It is highly likely that niche roles developed for employees with disability can be mutually beneficial. When people with disability are supported to work in niche roles in their local community and in particular where one small business does not have sufficient work to support an employee with a disability, there is potential for the worker to have more than one job with more than one employer in their local area.

### **Access to technology**

**Page 124 to 125** of the Interim Report considers access to affordable technology and its role in building community capacity. In shaping the future directions for access to technology the Reference Group would like feedback on:

- How can disadvantaged job seekers' access to information and communication technology be improved?

QAI submits that technology is a powerful tool assisting people with disability to interact with others on a level playing field. Information technology has become of heightened relevance in the context of an increasingly globalised labour market, where technology facilitates the transcendence of temporal, physical and geographical boundaries. Access to, and proficiency with, information technology is fundamental at the point of entry to the labour market. Accordingly, QAI supports measures that increase the technological skills of people with disability, coupled with initiatives that ensure that appropriate technological equipment is affordable and available to all people with disability. We consider that appropriate measures in this regard could include subsidies for people with disability to purchase and install appropriate information technology and investment in information technology training for people with disability.

### **Community Resilience**

**Page 125 to 126** of the Interim Report considers how community resilience can play a role in helping disadvantaged communities. In shaping the future directions for community resilience the Reference Group would like feedback on:

- What strategies help build community resilience, particularly in disadvantaged communities?
- How can innovative community models create incentives for self-sufficiency and employment?

QAI considers that giving all people a valued social role within the community can help to diversify and strengthen communities and to build resilience and supportive relationships within the community. We reiterate our submissions on the importance of the creation and support of "socially valued roles" for all people within society, discussed above.