



CCS
disability action
Including all people

TE HUNGA HAUĀ MAURI MŌ NGĀ TĀNGATA KATOĀ

Briefing for
Hon Willie Jackson
Minister of Employment

30 November 2017

Executive Summary

- It is time for a change, the Ministry of Business, Innovation and Employment needs to play a bigger role in addressing the barriers to employment that disabled people face.
- Disabled people often face huge attitude and access barriers to employment. In a 2012 survey of employers, 78% of employers said they believed disabled people were discriminated against in employment.
- Recently data from the Household Labour Force Survey shows 42.3% of disabled youth aged 15 to 24 are not in employment, training or education. This is over 4 times the rate for non-disabled youth.
- In 2017, the unemployment rate of disabled adults was around 13% – over double that of their non-disabled counterparts.
- The workplace exclusion of disabled people represents a huge opportunity cost for society, calculated to be \$1.45billion in projected gains in GDP.
- We need to change the preception of disability employment from a burdensome box to tick, to an economic and social opportunity to grasp.
- The investment and dissemination of research and data on disability and employment is crucial to identify and remove physical and social barriers to employment.

Recommendations:

That as the Minister of Employment you:

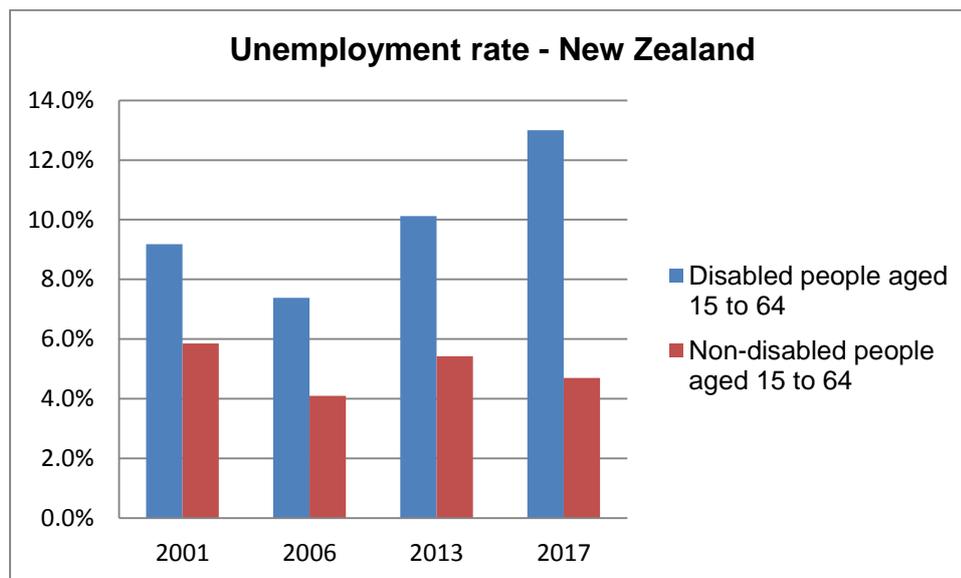
- Direct the Ministry of Business, Innovation and Employment to consider disability within labour market policy, and ensure the conversation is not relegated to one of just social welfare.
- Direct the Ministry of Business, Innovation and Employment to work with other departments and initiatives on disability employment policy, while utilising other connections available to the Ministry such as employers
- Acknowledge the role of both physical and social barriers to employment
- Direct the Ministry of Business, Innovation and Employment to invest in and distribute research and data on disability and employment
- Direct Worksafe to collect data and/or carry out research on the impact of the health and safety law changes on disabled people.
- Direct Worksafe to develop ways to make sure health and safety is not being used as an excuse to discriminate against disabled people.

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Disability employment needs to move from the realm of social welfare to one of economic prosperity

As the Minister of Employment, you have a key role to play in ensuring all Kiwis get a fair go in employment. A fair go means not just equal treatment at work but equal opportunities for people to find work. It is clear from the available evidence that disabled people are not getting a fair go. The unemployment rate has been consistently higher for disabled people. A large number of disabled people are unsuccessfully searching for employment.



(Note the 2017 data uses different disability identification questions to the previous survey so should not be directly compared. The gap it identifies is very consistent with previous data though).

There is a clear need for the government to take action to lower the unemployment rate of disabled people. This is not simply a social welfare issue, but also involves improving how the labour market operates. Our aging population and the resulting increase in the number of disabled people means the status quo will be unsustainable. Further, Article 27 of the Convention on the Rights of Persons with Disabilities, ratified by New Zealand in 2008, obligates Governments to recognise and legislate for equal work opportunities (United Nations, 2008).

Once the right to work is realised and allowed for, this potential is reciprocal in that it benefits both the individual and society. The need for disability employment to depart the welfare conversation in exchange for one of economic prosperity and opportunity

is long overdue. The involvement of the Ministry of Business, Innovation and Employment (MBIE) would go a long way in shifting the trajectory of this conversation, symbolically as well as tangibly.

The 2012-2014 Disability Action Plan tasked MBIE with taking the lead on information for disabled employees, as well as establishing more 'joined up' employment policy regarding disability (Office for Disability Issues, 2012). Unfortunately, this action was not really completed.

The 2014-2018 Disability Action Plan only tasked MBIE with developing alternatives to the minimum wage exemptions. MBIE was absent from other employment-related tasks. (Office for Disability Issues, 2014). Further, when a toolkit on employing disabled people in public service was completed in 2017, it was a joint initiative between the State Services Commission and the Ministry for Social Development without any apparent involvement from MBIE (State Services Commission & Ministry for Social Development, 2017). Nor was MBIE involved in the reasonable accommodation guidelines (Article 33 Convention Coalition, Ombudsman and Human Rights Commission, 2015).

The multi-dimensional approach disability and employment requires is in line with MBIE's discretion and duty to work across portfolios and take a holistic view of employment, acknowledging and addressing both the structural and the attitudinal issues. This distinction, as well as the inherent crossover and interdependence, is relevant to the Labour and Commercial Environment Group within MBIE as they are tasked with ensuring a productive, safe and fair business environment, as well as the Infrastructure and Resource Markets Group who work on the efficiency of the built environment. A flexible and productive labour market by nature encourages and depends on participation. Creating an inclusive, efficient and sustainable working environment for all benefits everyone today and tomorrow, in ways quantifiable and not.

Disability and the role of the physical and social environment

How disability is perceived affects how it is approached. This is as true for encounters on the street with disabled people as it is for policy considerations. For this reason, a brief venture into the terrain of disability theory is useful to ensure that the theory aligns with the approach, and that any preconceptions of disability are left at the policy-making door.

At the most basic level, there are two opposing models through which to look at disability; the medical model and the social model. The medical model adopts a clinical perspective to disability, and as such regards limitations faced by people with disabilities as resulting primarily from their disability, focusing efforts on alleviating the resulting limitations or the impairment itself. Conversely and more recently, the social model understands disability as a relationship between an individual and his or her environment, with limitation and exclusion arising from the built and social environment (Stanford Encyclopedia of Philosophy, 2011).

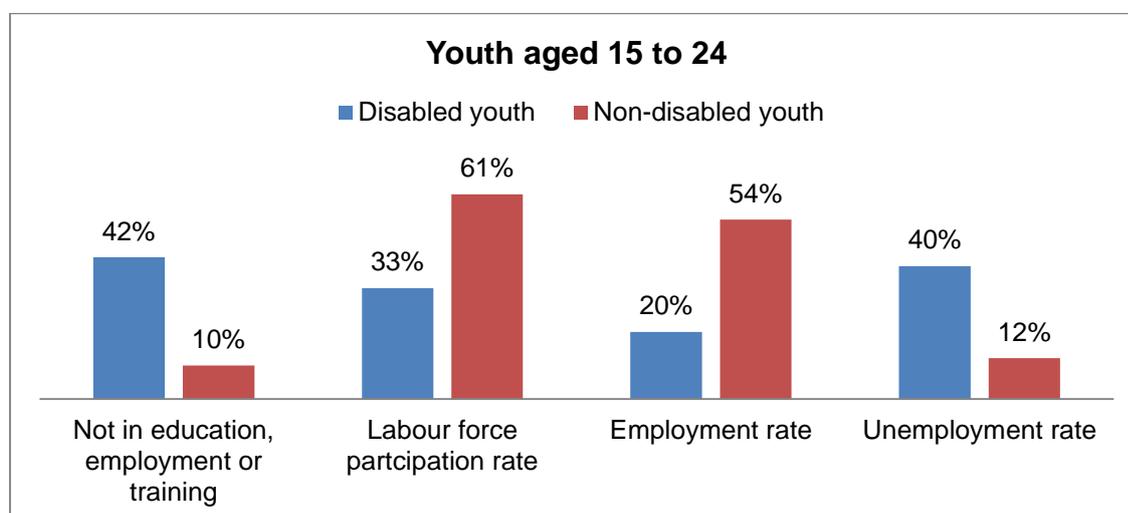
Recognising the interaction between impairment and environment, and the potential for the environment to create or exacerbate disability in an individual, is especially relevant to discussions of employment, as many social and physical barriers still remain from the days when disability was a mere afterthought of employment. This re-conception of the process of disabling brings with it an opportunity to create a sustainable employment environment for all ages and abilities with a view to the future, rather than dutifully ticking the disability box for the short term. Considering the wider forces of disability also allows for addressing barriers to employment together and holistically, rather than in separation, and ensures that actions taken are contingent with and ideally stem from the overarching goal of inclusion in all areas of life.

One glance at the numbers reveals the prevalence of barriers to disabled people finding employment. At the time of the 2013 Disability Survey, the unemployment rate for disabled people of 9% was almost double that of their non-disabled counterparts, and only 61% of disabled people aged 15 to 64 were employed as opposed to 76% of their non-disabled counterparts. 74% of disabled people aged 15-

64 who were not in employment said they would like to work if a job was available (Statistics New Zealand, 2013).

With questions about disability being added to the Household Labour Force Survey for the first time in June, we now have a more precise and regular insight into exactly how people are faring in the labour market. While these new measurements are extremely useful to identify and track areas of the most concern, the results are far from heartening. For the working age population, the labour force participation rate is 72.6% for those without a disability compared to 25.2% for those with one, and the employment rate is 69.3% as compared to 22.4% (Statistics New Zealand, 2017). While as noted care should be taken comparing these to the 2013 Disability Survey (as the Disability Survey uses different, and more, questions, which identifies a larger number of disabled people), these are staggering statistics.

The situation with young disabled people is particularly concerning. 42.3% of people with disabilities aged 15 to 24 are not in employment, education or training. This is more than four times that of non-disabled young people, at 10%. Related to this, 41% of disabled youths have no qualification compared to 18.9% of non-disabled youth. 7.6% of disabled youth have a bachelor degree or higher compared to 18.4% of non-disabled youth (Statistics New Zealand, 2017a). Unless we take urgent action, a whole generation of disabled youth is likely to lack work experience and education qualifications. This will hamstring the economy and labour market for decades to come. The country cannot afford so much potential talent to not be in employment or training.



A recent study by the New Zealand Institute for Economic Research shows that the high unemployment rate of disabled people represents an enormous opportunity cost for society. They calculated gains in GDP of \$1.45 billion if the unemployment rates for disabled people were equalised with non-disabled people (NZIER, 2017). Even a relatively small reduction in the gap between disabled people and non-disabled people would reduce benefit spending and boost the tax take.

Looking internationally, a Canadian study found that removing barriers to labour force participation for people with disabilities would increase the GDP per capita of the province of Ontario by \$600 (Martin Prosperity Institute, 2010). The culture of workplace inclusion can clearly satisfy the goals of disability rights as well the social investment approach.

We also have an ageing population, as well as a rising rate (albeit still too low, at just shy of 6%) of tertiary students with disabilities (Ministry of Education, 2016). The number of people over 65 has a 90 percent probability of increasing to 1.28–1.37 million in 2041 and to 1.58–1.81 million in 2068 (Statistics New Zealand, 2014). Disability rates increase with age. In the 2013 Disability Survey, the estimated disability rate for people over 65 was 59%.

For our labour market to provide opportunities and deliver the right people to employers, we need to invest more in workplace inclusion. This includes making workplaces and transport more accessible. Supporting the Accessibility for New Zealanders Act currently being proposed would go a long way to achieving a sustainable and accessible environment for all areas of life (Access Alliance, 2017). The Act would make accessibility a first thought, and would ensure we create physical and digital environments, public infrastructure, transportation and workplaces that will still be useful to all ages and abilities decades from now.

While we have tried to lay out the benefits of disability employment in numerical terms, it must be said that ‘not everything that counts can be counted’ (Cameron, 1963), as employment confers many incalculable - at least initially - benefits to the individual, the employer, and to society. In shifting from the recipient of services to the provider of services, employment offers self-fulfilment and social interaction to

the employee, as well as the obvious economic independence and chance to contribute to the ecosystem of employment and society by paying tax. The employer enjoys a wider range of applicants to choose from and skills to utilise, as well as a more diverse and equitable workplace. Societal attitudes and consequent behaviours begin to change, as integration and representation of a 'category' helps society to transcend it.

The role of research and data in revealing barriers mental and physical

Explanations for the disparities in employment rates seen above are perhaps too readily available in the mind of the reader and employer, with 'inescapable' barriers and justifications such as accessibility and productivity perhaps coming to mind. An example of this contradiction and the inevitable overlap of attitudes and outcomes is highlighted by the 'Employers attitudes towards employing disabled people' research. This New Zealand research from 2012 demonstrates the tendency for employers to perceive disability underemployment as discrimination in other workplaces, but as due to real barriers in their own workplace (O'Donovan, McMillan, & Worth, 2004). Although more research is needed, this illustrates that sometimes we cannot see our own prejudices and heuristics, or decipher exacerbated perceptions from real truths. By being informed of them however, we become aware of them and the forms they take.

Similar findings of the difference between conception and reality of disability employment can be seen in an Australian study, where disabled workers took 62% of absent days and averaged one-sixth of the health and safety incidents when compared to their non-disabled counterparts (Graffam J, 2002). The investment in and dissemination of research and data like this is therefore key to breaking down prejudices that manifest into employment barriers real or perceived. As research is most effective when resources and distribution are combined, MBIE's connections to employers means it is well placed to both undertake and distribute disability employment research. This urge also applies to the wealth of relevant resources for employers and employees that have already been invested in, such as the Reasonable Accommodations Guidelines, the Lead Toolkit for Employing Disabled People in the State Sector, and the Employers Attitudes Research discussed.

Health and safety

Since the health and safety law changes in 2015, we have seen anecdotal evidence that health and safety is becoming a bigger barrier for disabled jobseekers. Disabled people report being turned away from jobs because of health and safety concerns. We have worked with the Ministry of Social Development and Worksafe to put out guidance that health & safety must not be used as a means to discriminate against workers with disabilities. (Worksafe New Zealand , 2016).

More needs to be done. We need to research the scale of the problem. The previous employers attitudes research is a model of how research could be done on this issue (Woodley, Nadine , & Dylan, 2012). We also need to target employers with a mixture of information and guidance as well as enforcement when health and safety is being used as an excuse to discriminate against disabled people.

Conclusion

The conversation of disability and employment is not one-dimensional and nor are the answers. But it is exactly that, a conversation, and the more people that are involved in it, care about it, and are informed of it, the better.

Thank you for taking time to consider our briefing and we look forward to on-going dialogue with you.

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