Increasing employment rates for Indigenous people with a disability

Resource sheet no. 29 produced by the Closing the Gap Clearinghouse
February 2014

Summary

What we know

- In the 2011 Census, around 29,600 (5.7%) Aboriginal and Torres Strait Islander people reported needing help with core activities—15,300 males (6.1% of Indigenous males) and 14,200 females (5.4% of Indigenous females).

- Age standardised rates for those aged under 65 years needing help with core activities were 6% for Indigenous Australians compared with 2% for non-Indigenous Australians. Indigenous Australians aged under 65 were over twice as likely to need help with core activities as non-Indigenous Australians.

- Indigenous men and women of working age who have a disability have lower employment rates than their non-Indigenous counterparts. Based on 2011 Census data, the largest employment gap for men (13.6 percentage points) occurred among 25–29 year olds and for women (14.1 percentage points) among 30–34 year olds.

- Indigenous job seekers experience greater labour market disadvantage than non-Indigenous job seekers. These disadvantages include living in locations that are distant from labour markets or are otherwise disadvantaged areas, and having lower levels of education, poorer health and higher rates of disability.

- There are no evaluations of Australian labour market programs that specifically address their effectiveness in assisting Indigenous job seekers with a disability. Most of the published evaluations relate to disability employment programs implemented in the United States (US). Very few of these report the results for Indigenous job seekers.

- Survey data indicates that the performance of employment services in securing employment for people with a disability depends partly on the attitudes of employers to providing them with jobs. A survey of Australian employers revealed a generally favourable attitude towards employing people with a disability and a perception that most people with a disability have a strong work ethic. However, employers were highly reluctant to recruit job seekers with a mental illness, even if there was a labour shortage, although they were much more receptive to the idea of retaining an existing employee with a mental illness.
• In addition, service providers who create strong links with local Indigenous organisations, communities and employers find it easier to engage with and assist Indigenous job seekers.

What works

• While there are no evaluations of Australian labour market programs that specifically address their effectiveness in assisting Indigenous job seekers with a disability, large scale US studies have found that the best way to increase employment rates amongst people with a disability is to directly help job seekers to find and keep jobs in the open (competitive) labour market.

• Significant predictors of employment success include: placement in a job and support to retain it; monetary support to offset the expenses associated with participating in employment programs; and medical care for acute conditions.

• There is strong or moderate research evidence that the following 5 principles are important for the success of disability employment programs:
  – a focus on helping job seekers to find and keep jobs in the open market
  – accepting job seekers irrespective of their work readiness, substance use, disability status or diagnosis
  – rapid job search and job placement, followed by on-the-job training if required, rather than a train and then place approach
  – integration of vocational and health services
  – matching job seekers’ occupational preferences, strengths and work experience to jobs.

• The most effective employment program for people with a psychological disability (including the most severe forms of mental illness, such as schizophrenia and bipolar disorder) is individual placement and support (IPS):
  – IPS incorporates the principles of successful programs such as rapid job search with a focus on commencing open employment, integration of vocational and mental health services and time unlimited individualised support.
  – A meta-analysis of 11 randomised controlled trials undertaken in the US, Canada, Europe and Australia found an employment rate of 61% for IPS compared with 23% for other types of vocational services. In addition, job seekers who were IPS clients obtained their first job nearly 10 weeks earlier than the controls and worked more consistently.

What doesn’t work

Large-scale US studies have found no evidence that employing people in social enterprises (also known as ‘supported employment’ or ‘sheltered workshops’) facilitates their transition to employment in the open (competitive) labour market. Approaches lacking a competitive employment focus do not appear to contribute to (and may interfere with) the goal of obtaining competitive employment. In particular:

• Services that use a ‘train–place’ approach (whereby job seekers are trained to get ready for a job) are not as effective at increasing employment rates as those using ‘place–train’ (rapid job search and placement in employment, followed by on-the-job training, if required).

• Assisting job seekers to manage their disability and improve their social competencies and skills does not have a flow-on effect into employment in the absence of a priority focus on gaining competitive employment.

• Lack of co-ordination between employment services and medical care has a negative effect on employment outcomes for job seekers with a disability.
What we don’t know

• Whether the findings from US studies would be the same as for the Australian context. For example, it is unclear whether individual placement and support (IPS) is as effective with Indigenous Australian job seekers who have a disability as it has proved to be with Indigenous and non-Indigenous job seekers in other countries.
• Early evidence from a small, randomised controlled trial undertaken in Hong Kong suggests that augmenting IPS with social skills training may increase employment rates and job tenure over and above the effect of IPS alone.
• The extent to which Australian mainstream employment programs provide effective assistance for Indigenous people with a disability is unclear.

Introduction

The purpose of this resource sheet is to assess and summarise evidence on the effectiveness of programs relevant to increasing employment rates for Aboriginal and Torres Strait Islander people with a disability. A total of 265 papers were reviewed—sourced from peer-reviewed journals published from 1990–2013, and reports and information obtained from government and non-government websites.

This resource sheet reviews the effectiveness of both Indigenous-specific and mainstream Australian employment programs, as well as international employment programs for Indigenous people with a disability. Where relevant, it also takes account of evaluations of employment programs for people with a disability that did not specifically report the results for Indigenous job seekers as they are likely to have some Indigenous clients.

Background

Definition of disability

Disability is an umbrella term covering impairments, activity limitations and participation restrictions. Impairments are problems with bodily function; activity limitations relate to difficulties in executing tasks; and participation relates to people’s involvement in life situations. Thus disability is a complex interaction between people’s bodies and the societies in which they live (WHO 2011).

The ABS Census records information on people who need help with mobility, self-care or communication due to disability or long-term health conditions, and the 2011 Census provides the most recent estimates.

Disability and Indigenous Australians

In the 2011 Census, around 29,600 (5.7%) Aboriginal and Torres Strait Islander people reported needing help with core activities—15,300 males (6.1% of Indigenous males) and 14,200 females (5.4% of Indigenous females). The majority (81%) were aged under 65—23,900 people, or 5% of Indigenous people in this age group (AIHW 2013).

Taking into account differences in the age structures and response rates, rates of those aged under 65 needing help with core activities were 6% for Indigenous Australians compared with 2% for non-Indigenous Australians. Indigenous Australians aged under 65 were over twice as likely to need help with core activities as non-Indigenous Australians (AIHW 2013).
Disability rates increase with age. The proportion of those having a disability remains approximately constant between the ages of 15 and 39, being 4.0% and 1.8% for Indigenous and non-Indigenous males, and 2.8% and 1.4% for Indigenous and non-Indigenous females. Thereafter disability rates increase progressively with age, from 4.8% at age 35–39 to 18.5% at age 60–64 for Indigenous men, and from 3.8% at age 35–39 to 17.1% at age 60–64 for Indigenous women. There is also a progressive but much slower increase among non-Indigenous men and women, from 1.8% to 7.0% for men and 1.7% to 6.0% for women (Biddle et al. 2013).

The proportions of Indigenous people with a disability have not been found to be significantly different between remote and non-remote areas (ABS 2010b). However, some Indigenous people, particularly those who live a more traditional way of life, may conceptualise disability differently from mainstream understandings, and hence tend to under-report its prevalence (SCRGSP 2011). In relation to urban Aboriginal and Torres Strait Islander people living with adult-onset disability, an ethnographic study found that they did not have a specifically Indigenous construct of disability and therefore under reporting was not so much an issue, but that they experience shame in not being able to continue to fulfil their cultural obligations (King 2010).

**Figure 1: Proportion of people who have a disability, by age and Indigenous status, 2011 Census (per cent)**

Source: Biddle et al. 2013.

**Disability and employment**

An analysis of the factors underlying the lower levels of employment of Indigenous Australians as compared with non-Indigenous, showed that lower levels of education, poorer health, having a disability and having larger families (particularly for women) accounted for more than half of the employment gap between Indigenous and non-Indigenous men and almost 80% of the employment gap between Indigenous and non-Indigenous women in non-remote areas (Kalb et al. 2012).

Figure 2 shows employment data from the 2011 Census for people aged over 15 years with a disability, noting that those aged 65 years and over are not traditionally considered to be of working age. The highest Indigenous employment rates were for 20–24 year olds (17.3% for men and 14.6% for women). From the ages of 20–44, the employment rate remained approximately constant for Indigenous men with a disability, averaging 15.9%, whereas after the age of 45 employment rates decreased progressively to 7.6% for men aged 60–64 (Biddle et al. 2013).
For Indigenous women with a disability, the employment rate remained approximately constant for longer, albeit at a lower rate, averaging 13.0% for women aged 20–49. After the age of 50, employment rates declined steadily to 6.4% for 60–64 year old women (Biddle et al. 2013).

Indigenous men and women of working age who have a disability have lower employment rates than their non-Indigenous counterparts. The largest employment gap for men (13.6 percentage points) occurred among 25–29 year olds and for women (14.1 percentage points) among 30–34 year olds (Biddle et al. 2013).

![Figure 2: Employment rates for people with a disability, by age and Indigenous status, 2011 Census (per cent)](image-url)

**Figure 2: Employment rates for people with a disability, by age and Indigenous status, 2011 Census (per cent)**

Source: Biddle et al. 2013.

**Current approaches to working-age disability employment policy**

Working-age disability policy is considered to be one of the biggest social and labour market challenges for policy makers in the OECD (OECD 2010a). Current policies and programs are considered to be unsuitable for working-age people with a mental health problem and the take-up and effectiveness of employment services by these people are very low (OECD 2010b).

Since 1990, OECD countries have started to shift their approach away from merely paying benefits to people with a disability towards also helping them to stay in or return to work. The policy aims to reach a new balance between income security and labour market integration for people with a disability. This policy shift has resulted in a modest decrease in the number of working-age people claiming disability benefit and a modest increase in employment. The reasons for this slow progress are considered to be slow policy implementation and the shift in policy emphasis not being matched by a corresponding shift in resources. Those countries that have embarked on comprehensive reform involving both the benefit and employment support systems have experienced the largest increases in employment and decreases in the number of new recipients of disability benefits (OECD 2010b).

Implementation of the following strategies is considered to be critical to the success of disability employment policy (OECD 2010b):

- Assess work capacity, not disability, and provide employment supports to keep the claimant in contact with the labour market. Assessment should be carried out quickly.
Increasing employment rates for Indigenous people with a disability

- Move to an active stance. Benefit payments should be linked to employability-enhancing and job-search activities. Some countries use a principle of rehabilitation-before-benefit.
- Make disability benefit a transitory payment, with entitlement being re-assessed periodically. This strategy is particularly important for younger people.
- ‘Make work pay’ by providing financial incentives to take up jobs, remain in work and increase work effort, for example with in-work payments.
- Strengthen the role and incentives for employers in monitoring and managing sickness. Employment-oriented occupational health services can assist employers in preventing chronic health problems and providing early intervention. Financial incentives may be required, such as sickness benefit co-payments or experience-related disability benefit premiums.
- Provide better supports for employers, such as advice on workplace adjustment and financial support and wage subsidies to compensate for hiring people with lower work capacity.
- Pro-actively manage sick leave by providing medical guidelines for doctors in relation to sick certificates and by monitoring sick leave.

The OECD concluded that the single factor that is critical to the success of disability employment policy is strengthening the financial incentives for all involved—workers, employers, doctors and service providers (OECD 2010b).

**Australian Government programs**

This section outlines the main Australian Government employment programs that provide assistance to Indigenous jobseekers or jobseekers with a disability. It provides the most recent data on the outcomes of these programs, even though there are no evaluations of these programs that specifically report on their effectiveness in relation to Indigenous people with a disability.

**Job Services Australia**

Job Services Australia (JSA) is a government-funded employment program delivered by a mix of private, not-for-profit and public providers. It provides a ‘one stop shop’ for job seekers.

At any point in time, JSA providers are assisting about 700,000 job seekers (DEEWR 2013a). The assistance is based on:
- job seekers’ assessed level of labour market disadvantage
- vocational and non-vocational barriers to employment.

Following assessment, job seekers are allocated to 1 of 4 service streams—Stream 1 for job-ready job seekers, and Streams 2, 3 or 4 for job seekers who are progressively more severely disadvantaged. Providers negotiate an individual pathway to employment with each job seeker. Service fees provided to JSA providers increase with the level of the stream, as does the level of remuneration for job placements and outcomes (DEEWR 2012).

The answers to a number of voluntary disclosure questions also contribute to determining the stream to which job seekers are allocated. These questions include Indigenous status and whether the job seeker has a disability or medical condition, criminal convictions or inter-generational disadvantage. The extent of the non-vocational barriers experienced by job seekers with a disability to finding and maintaining employment determine whether they are allocated to Stream 4 or to the Disability Employment Services (DEEWR 2012).
Indigenous job seekers

Indigenous job seekers experience a range of labour-market disadvantages including living in locations that are distant from labour markets or are otherwise disadvantaged areas; and having lower levels of education, poorer health and higher rates of disability.

An evaluation of the performance of JSA in assisting Indigenous job seekers found that 1 in 8 people (12.5%) assisted by JSA identifies as Indigenous, which is much higher than the Indigenous proportion of the Australian working-age population (2%). Furthermore, much higher proportions of Indigenous job seekers are allocated to Streams 3 and 4 than non-Indigenous job seekers, with just under half (47.3%) of Indigenous job seekers being allocated to Stream 3 and about one-third (33.7%) to Stream 4. By way of comparison, about 1 in 5 non-Indigenous job seekers are allocated to each of Streams 3 (21.7%) and 4 (20.8%) (DEEWR 2012).

Outcomes for Indigenous job seekers

The employment outcomes of Indigenous job seekers that are reported in the evaluation described above are sourced from labour market assistance outcomes reports prepared by the Department of Employment. These reports present the results of analyses of data from:

- administrative data from the Department of Employment’s Employment Services System
- the results of a post-program monitoring survey of all job seekers who participated in employment services.

According to the latest publicly available Labour Market Assistance Outcomes report (June 2013), about one-quarter (25.4%) of Indigenous job seekers who were assisted by JSA in the 12 months to March 2013 were employed when followed up 3 months later. This compares with 41.3% of all job seekers, both Indigenous and non-Indigenous (DoE 2013c).

Indigenous job seekers who were allocated to Stream 3 had similar employment outcomes to the Indigenous average, with 24.4% of them being employed at their 3-month follow-up. By way of comparison, about one-third of all (Indigenous and non-Indigenous) job seekers who were allocated to Stream 3 (31.1%) were employed at their 3-month follow up (DoE 2013c).

Employment outcomes for Indigenous job seekers allocated to Stream 4 were much lower than the Indigenous average, with about 1 in 6 (16.4%) being employed at their 3-month follow-up. This compares with about 1 in 5 (22.6%) of all job seekers (both Indigenous and non-Indigenous) who were allocated to Stream 4 (DoE 2013c).

Service providers who create strong links with local Indigenous organisations, communities and employers find it easier to engage and assist Indigenous job seekers. In a 2011 survey of 149 JSA providers, over 4 in 5 of the 92 respondents were of the view that employing Indigenous staff in service delivery roles improved their linkages with the local Indigenous community (80.5%) and improved Indigenous job seekers’ view of their organisation (84.8%). The average number of Indigenous staff employed by JSA providers increased from 4.6 to 5.7 between 2009 and 2010, an increase of 1.1 staff members per organisation. All JSA providers had developed an Indigenous Employment Strategy, which set out the organisation’s commitment to and procedures for recruiting and retaining Indigenous staff (DEEWR 2012).

Disability Employment Services

Disability Employment Service (DES) assist people with a disability to secure and maintain employment in the open labour market through 2 different programs.

The Disability Management Service program (DES-DMS) assists people who are not expected to require long-term or regular support in the workplace. Currently 61 DES-DMS providers (mostly not-for-profit organisations) deliver services across 116 locations to approximately 75,000 job seekers who have a temporary or permanent disability (DEEWR 2013a). Approximately two-thirds (66.5%) have a physical disability and about one-third (29.2%)
have a psychiatric disability. The remaining clients have a sensory/speech, intellectual or learning disability. Approximately 4% of DES-DMS clients are Indigenous (DEEWR 2011b).

The **Employment Support Service** program (DES-ESS) assists people with a permanent disability who are likely to need regular, long-term support to retain a job. As at 30 November 2010, there were 207 DES-ESS providers providing services at about 1,200 locations to approximately 70,000 job seekers across Australia. The types of disabilities of clients of DES-ESS are fairly evenly distributed across physical disabilities (35.0%), psychiatric disabilities (32.9%) and other types of disability (intellectual, learning and sensory/speech: 31.8%). Approximately 4% of DES-ESS clients are Indigenous (DEEWR 2011b).

DES commenced operation in March 2010, replacing the Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS), which had been in operation since 2006. An evaluation of DES undertaken after 1 year of operation found it had improved the access of job seekers with a disability to employment services and had resulted in more sustainable job placements as compared to DEN and VRS (DEEWR 2011b).

### Outcomes for Indigenous job seekers

According to the latest publicly available *Labour Market Assistance Outcomes* report (June 2013), both DES-DMS and DES-ESS are more effective than JSA in assisting Indigenous job seekers into employment. Nearly one-third (31.7%) of Indigenous DES-ESS clients and 29.0% of Indigenous DES-DMS clients were employed at their 3-month follow up.

### Indigenous Employment Program

The Indigenous Employment Program (IEP) is an Indigenous-specific program that aims to increase employment and economic participation by Aboriginal and Torres Strait Islander people. The program operates in both urban and regional areas and supports employers to provide sustainable jobs and Indigenous Australians to take up and retain these jobs.

IEP also assist Indigenous Australians to develop businesses, as well as assisting communities, employers and industries to develop an Indigenous workforce and strategies that support local and regional economic growth.

A review of employment policies and programs (including IEP) that have been implemented in Australia over the period 1967–2009 and their effect on Indigenous employment is provided in the Closing the Gap Clearinghouse Issues Paper *Increasing Indigenous employment rates*. The issues paper found that the wage assistance and structured training components of IEP achieved high net impacts and that these effects were sustained over time (Gray et al. 2012). The authors state that they are not aware of any evaluations of labour market programs that specifically aim to increase employment rates among Indigenous Australians with a disability, surmising that Indigenous job seekers who experience multiple barriers (including mental and physical issues) are likely to need intensive assistance to find employment (Gray et al. 2012).

### Outcomes for Indigenous job seekers with a disability

The most recent publicly available data on job seekers with a disability who participated in IEP employment-related activities relate to the 12-month period to March 2013, with employment outcomes being measured around 3 months later. Well over half of Indigenous job seekers with a disability (57.3%) achieved employment in either a full-time (26.5%) or a part-time (30.8%) capacity (DoE 2013). The total number of Indigenous job seekers with a disability who participated in the program is not provided in the report.

These relatively high employment outcome rates of both IEP and DES compared with JSA are consistent with the findings from evaluations of high net impacts of these types programs (Gray et al 2012).
**Employer attitudes to employing a person with a disability**

The performance of JSA, DES and IEP in securing employment for people with a disability depends partly on the attitudes of employers to providing employment to these people. A 2010 survey based on a stratified random sample of 2,780 Australian employers (including 805 employers who had recruited through disability employment programs in the previous 2 years) was supplemented by qualitative data from an online forum of 40 employers. This revealed a generally favourable attitude towards employing people with a disability and a perception that most people with a disability had a strong work ethic. Medium and large employers had more positive attitudes than small employers, suggesting that larger businesses may have greater capacity to support people with special needs in the workplace (DEEWR 2011a).

Employers stressed the importance of getting the right person for the job, and ‘job carving’ (the analysis of job duties and tailoring of a job to suit a candidate’s capabilities) was considered to be central to meeting employers’ needs. Although the cost of workplace modifications was an important factor in the recruitment decisions of small employers (those who had between 1 and 19 employees), those who had actually used DES were aware of the availability of funds for this purpose. Overall, 86% of employers who had used DES rated the service as being very good, good or acceptable (DEEWR 2011a).

By way of contrast, a qualitative study on the attitudes of a sample of 100 Australian employers of varying sizes and across a range of industries towards employing people with a mental illness found that they were highly reluctant to recruit job seekers with a mental illness even if there was a labour shortage. However, employers were much more receptive to the idea of retaining an existing employee with a mental illness (DEEWR 2008).

The findings of the above study are supported by a review of the Australian and international literature on community attitudes towards people with a disability. The review found that negative attitudes and misconceptions among employers are an important barrier to hiring people with a disability. Many employers reported feeling ill-prepared to employ people with a disability, especially those with a mental illness, although they were more ready to support current employees who acquire a disability (Thompson et al. 2011).

**Recent Australian Government initiatives**

The **Remote Jobs and Communities Program** (RJCP) commenced on 1 July 2013 and integrates the 4 main programs that previously delivered employment services and community development in remote Australia: JSA, DES, IEP and CDEP. A single provider with a permanent presence in each of 60 remote regions provides job seekers, communities and employers with a single point of contact for employment services (RJCP 2013).

Providers work in partnership with communities to develop Community Action Plans, which set out employment, economic and community development goals. Job seekers are provided with personalised support and case management, including access to job opportunities and skills development and training. The provider agrees on the most appropriate job and community participation services with the individual job seeker, so that everyone is participating in line with the Community Action Plan. RJCP has a specific focus on providing jobs near communities, including office work, mining, construction and maintenance, farm/station work and environmental land management (RJCP 2013).

People with a disability receive a tailored service that takes into account their capacity to work. Providers work with employers to create employment pathways for people with a disability and are able to access the same range of support services that are available to DES providers, such as financial assistance for work-related equipment, modifications and services and the Supported Wage System (RJCP 2013).
International disability employment programs

Preparing this resource sheet involved undertaking a comprehensive search of the international literature on the effectiveness of disability employment programs, with over 200 papers being reviewed. The findings of this review are reported below.

The effectiveness of services which assist people with a disability into employment was investigated in the US using administrative data on all clients receiving state services. Analysis of data from a random sample of 15,000 clients stratified by type of disability found that 62% of clients were employed after participating in the state service. Significant predictors of employment success included: placement in a job and support to retain it; monetary support to offset the expenses associated with participating in employment programs; and medical care for acute conditions. Employment rates were highest for people with a sensory (visual or hearing) disability (75%), compared to 56% for those with a physical disability and 55% for those with an intellectual or psychological disability (Dutta et al. 2008).

Another large-scale US study analysed employment services data for 74,861 people with a physical disability. Over half (56%) of all clients achieved employment, with the results for Native American clients being slightly lower than average, at 52%. The most significant predictor of employment success was the provision of job placement services; that is, assisting the client to find a job. Three-quarters of clients who received job placement services (the treatment group) were employed after 90 days, as compared to just over half (51%) of those who did not receive job placement services (the comparison group) (Chan et al. 2006). The effect of receiving job placement services was not reported separately for Native American clients.

There is no publicly available research evidence that employing people with a disability in social enterprises (that is, supported employment or sheltered workshops) facilitates their transition to employment in the open (competitive) labour market. However, there is evidence that working-age people with a disability who are employed in the open labour market with appropriate supports are better off financially than those who are employed in social enterprises. Assisting job seekers with a disability to find and maintain jobs in the open labour market is also more cost-effective in terms of returning a net benefit to taxpayers (Cimera 2012).

Principles for successful programs

There is strong or moderate research evidence from the international literature that the following 7 principles are important for the success of disability employment programs. There is strong or moderate evidence relating to principles 1–5 and some evidence to support principles 6 and 7.

Principle 1: Services focussed on competitive employment—strong evidence

There is strong research evidence that the best way to achieve employment is to directly help job seekers to find and keep jobs. Assisting job seekers to manage their disability and improve their social competencies and skills does not have a flow-on effect into employment in the absence of a specific focus on gaining competitive employment. Approaches lacking a competitive employment focus (such as subsidised social enterprises, supported employment or sheltered workshops) do not contribute to (and may interfere with) the goal of competitive employment. Assessing whether employment specialists spend most of their direct contact time outside the office is the single best predictor of employment outcomes (Bond 2004).

A US study into the effects of job development on the acquisition of competitive employment analysed weekly data from 1,340 job seekers with a mental illness who were followed up for 2 years. Job development was defined as direct or indirect contact with potential employers or networking with individuals or organisations that had information on competitive jobs. Job development was found to increase the probability of obtaining competitive employment, even after the effects of other factors were controlled for (Leff et al. 2005).
Principle 2: Unrestricted access by job seekers —strong evidence

There is strong research evidence from secondary analyses of randomised controlled trials that the only requirement for admission by job seekers with a disability to an employment program should be the desire to work in a competitive job, not on factors such as work readiness, substance use, disability status, diagnosis and so forth. There is, however, a need to provide support to compensate for problematic symptoms and cognitive impairments (Bond 2004).

Principle 3: Rapid job search and placement —strong evidence

There is strong research evidence that rapid job search and placement results in improved employment outcomes (Bond 2004). Unlike the conventional ‘train-place’ model in which a person is trained to get ready for a competitive job, a ‘place-train’ approach rapidly places job seekers in competitive employment and then provides them with training and support to maintain it (Wong et al. 2008).

A randomised controlled trial of a place-train program versus high-quality train-place employment services for job seekers with a disability in 6 European countries (UK, Germany, Netherlands, Switzerland, Italy and Bulgaria) found that over half (54.5%) of the place-train group gained employment, compared with about one-quarter (27.6%) of the train-place group (control group) (Burns & Catty 2008).

Principle 4: Integration of vocational and mental health services—strong evidence

There is strong evidence that integrating mental health and vocational services results in higher employment rates than providing these services separately.

A multi-site, randomised controlled trial examined the effect of highly integrated psychiatric and employment services on the likelihood of successful work outcomes. At 7 sites in the US, 1,273 outpatients with severe mental illness were randomly assigned to either integrated psychiatric and vocational services (treatment group) or to services-as-usual (control group) and followed up for 2 years. Integrating psychiatric and vocational services was more than twice as likely to result in competitive employment (Cook et al. 2005).

A number of the respondents to the parliamentary inquiry into mental health and workforce participation stressed the importance of integrating the provision of employment, clinical and social services and provided examples of services that are well integrated (HRSCCE 2012). However, with the exception of a submission relating to Individual Placement and Support (IPS) by Orygen Youth Health, respondents did not provide the results of evaluations of integrated service provision.

Principle 5: Match job seekers’ occupational preferences—moderate evidence

This principle is supported by moderate correlational evidence. In a US study, 31 clients who obtained work that matched their job preferences had significantly longer job tenures than the comparison group of 17 job seekers who were placed in mismatched jobs (Mueser et al. 2001). A later US study analysed employment data for 50 job seekers with a severe mental illness who participated in an IPS program. It showed that job match was correlated with months worked in the first job (Kukla & Bond 2012). These finding suggest that matching job seekers’ occupational preferences results in longer job tenures.

Principle 6: Time-unlimited and individualised support—some evidence

Indirect support for the importance of long-term follow-up is suggested by a 10-year study of the effect of IPS on long-term employment (Salyers et al. 2004).

Thirty-six out of 62 job seekers with a severe mental illness (58%) who participated in an evaluation of IPS in the US in 1990 and 1992, and whose employment status was initially tracked for 1 year, were able to be contacted approximately 10 years after their initial participation. Of the 36 participants, 31 (86%) were still receiving services from the agency that had provided their original program. Almost all them (92%) reported having participated
in work in the intervening 10 years and one-third had worked for at least 5 years during the 10-year period. Current and recent jobs tended to be competitive and long-term, with the average job tenure being 32 months. Participants reported that employment had led to substantial improvements in self-esteem, hope, relationships and reduced substance use (Salyers et al. 2004).

This study suggests that time-unlimited support is important in enabling job seekers with a severe mental illness to achieve ongoing employment.

**Principle 7: Benefits counselling—some evidence**

The fear of losing benefits is one of the largest barriers to employment for job seekers with a disability; however there is some evidence that benefits counselling can lead to increased employment.

A US study compared the effect on earnings from competitive employment of specialised benefits counselling for job seekers who had a psychiatric disability. The benefits counselling provided was a specialised form of financial planning tailored to the needs of individual job seekers. It included general education on available disability programs and work incentives; specific advice regarding benefits and how these would be affected by work activity and earnings; and assistance in managing benefits through the transition to employment (Tremblay et al. 2006).

The study collected earnings data for a period of 4 years from the counselling group, a matched current control group and a historical control group (sample sizes for each group: 364). It found that the earnings of the group which received specialised benefits counselling were significantly higher in the 2 years after receiving the counselling than in the 2 years before receiving the counselling, and also significantly higher than the earnings of the 2 comparison groups (Tremblay et al. 2006).

**Individual placement and support**

Individual Placement and Support (IPS) is a program that was developed in the US to assist job seekers with psychological disabilities (including the most severe forms of mental illness such as schizophrenia and bipolar disorder), to obtain and maintain employment. IPS incorporates the 7 principles discussed above and has been implemented in the US, Europe, Hong Kong, New Zealand (including with Maori job seekers) and Australia.

**Box 1: Characteristics of Individual Placement and Support (IPS)**

- **Rapid job search.** The only requirement for entry of a job seeker into IPS is the desire to work. Job seekers are not excluded based on factors such as work readiness, diagnoses, symptoms, substance use or disability status. The focus of IPS is on commencing open (competitive) employment as soon as possible.

- **Integration of vocational and mental health services.** Staff who assist job seekers to obtain open employment also participate in treatment-team meetings and have regular contact with treatment-team members.

- **Match job seekers’ occupational preferences.** Employment staff and job seekers work together to find competitive jobs that match job seekers’ preferences, strengths and work experiences.

- **Time-unlimited and individualised support to maintain employment.** Once job seekers start work in a competitive job, IPS staff provide ongoing support that is tailored to their individual needs and which continues until the employee no longer needs it.

Source: Bond 2004.
The effectiveness of IPS

A meta-analysis of 11 randomised controlled trials undertaken in the US, Canada, Europe and Australia compared the effectiveness of IPS with other types of vocational services and found an employment rate of 61% for IPS as compared with 23% for the controls (other types of vocational services). Job seekers who were IPS clients obtained their first job nearly 10 weeks earlier than the controls and were more likely to work 20 or more hours per week (Bond et al. 2008).

IPS has been found to be equally effective in metropolitan, urban and rural areas of the US. In an analysis of longitudinal employment data from 87 agencies that provided IPS to clients with severe mental illness in diverse regions of the US, Haslett et al. found that, despite differences in the number and diversity of employers, cultural norms, and other factors associated with population density, or location did not adversely influence the effectiveness of IPS (Haslett et al. 2011).

There have also been a number of small-scale implementations of IPS in New Zealand and Australia. A 4-year study evaluated the performance of a specialist employment service in New Zealand in assisting 123 job seekers with a mental illness (including 27 Maori people) to obtain competitive employment. The service implemented many of the features of IPS (including continuous assessment, rapid job search, career development and assertive outreach) but was not able to integrate its service with mental health care. Nearly two-thirds of its clients (64.2%) obtained competitive employment, with about 5 in 6 of them (83.5%) continuing to work for at least 13 weeks and nearly two-thirds (65.8%) working for at least 26 weeks. In particular, 18 of the 27 Maori people obtained competitive employment, although the duration of their employment was not reported separately (Browne et al. 2009).

A 2-year evaluation of a more recent implementation of IPS in New Zealand which assisted 49 young people (aged 16–25) with a mental illness to find and maintain competitive employment achieved a success rate of over two-thirds of its clients (69.4%) commencing employment. Six of the young people who were assisted were Maori and 5 of them commenced employment. Although the duration of employment of the Maori young people was not reported separately, they obtained employment more quickly than the other young people, after an average of 27.0 weeks, as compared with 37.9 weeks of assistance (Browne & Waghorn 2010). Although IPS appeared to be very effective for this small group of young Maori job seekers with a mental illness, a more rigorous evaluation using a larger sample and a control group would be required to confirm this.

A randomised controlled trial of IPS in Melbourne (Australia) involved 41 young people aged 15–25 years who were experiencing first episode psychosis, who wanted to work and were attending a specialist public mental health service. Twenty of these young people were randomly allocated to the vocational intervention group (treatment group) and 21 to treatment as usual (control group). The control group continued to receive medical care, comprising case management and medical review, involvement in the group program and referral to external vocational agencies. In addition to receiving treatment as usual, the treatment group received Individual Placement and Support. No information is provided regarding the Indigenous status of any of the participants (Killackey et al. 2008).

The treatment and control groups were assessed at baseline and again after 6 months. After 6 months, the treatment group was found to have significantly better employment outcomes than the control group. Seventeen of the 20 people in the treatment group were either employed, enrolled in a course or both, compared with 6 out of 21 in the control group. When only employment was considered as the outcome, the difference was still significant; 13 of the 20 people in the treatment group were employed after 6 months, compared with 2 people in the control group (Killackey et al. 2008).

A review of the implementation of IPS at 7 Australian sites found that the major difficulties experienced during the implementation related to service integration and utilising the existing disability employment system. The review recommended improving the integration between the mental health care and disability
Increasing employment rates for Indigenous people with a disability

employment services, possibly through co-location of employment specialists within mental health teams (Waghorn et al. 2007). The House of Representatives Standing Committee on Education and Employment’s inquiry report *Work wanted: mental health and workforce participation*, recommended that the Australian, state and territory governments explore ways to support IPS and other service models that integrate employment and clinical health services (HRSCEE 2012).

Conclusion

Working-age disability policy is considered to be one of the greatest social and labour market challenges for policy makers in the countries of the OECD (which include Australia). Current policies and programs are especially unsuited to dealing with working-age people with a mental illness.

Indigenous job seekers experience greater labour market disadvantage than non-Indigenous job seekers. These disadvantages include living in locations that are distant from labour markets or are otherwise disadvantaged areas, having lower levels of education, poorer health and higher rates of disability. Service providers who create strong links with local Indigenous organisations, communities and employers find it easier to engage and assist Indigenous job seekers.

There are a number of different labour market programs in Australia that provide assistance to Indigenous people with a disability. Programs which provide greater levels of assistance to job seekers, such as the Indigenous Employment Program and the DES-ESS achieve higher employment outcomes. The IEP, for example, achieved an employment rate 3 months after program assistance of 57.3% in relation to job seekers with a disability.

The performance of employment services in securing employment for people with a disability is partly dependent on the attitudes of employers to providing them with jobs. A survey of Australian employers revealed a generally favourable attitude towards employing people with a disability and a perception that most people with disability have a strong work ethic but there was general reluctance to employ people with mental health problems.

The international literature on disability employment programs identifies a number of principles that underpin the most successful programs. These include focussing on gaining competitive employment; providing unrestricted access to programs regardless of work readiness or other issues; rapid job search and placement; integration of vocational and health services; and matching job seekers occupational preferences.

The most effective program to assist people with psychological disabilities (including the most severe forms of mental illness) to obtain and retain a job is IPS, which is based on such principles. This program is characterised by a focus on commencing employment as soon as possible; close coordination of mental health treatment with employment assistance; and the availability of ongoing support to retain employment.

A meta-analysis of 11 randomised controlled trials undertaken in the US, Canada, Europe and Australia compared the effectiveness of IPS with other types of vocational services and found an employment rate of 61% for IPS as compared with 23% for the comparison group. Job seekers who were IPS clients obtained their first job nearly 10 weeks earlier than the comparison group and worked more consistently. There are some indications that when IPS is supplemented with social-skills training, employment outcomes improve significantly over and above the effects of IPS alone.
Appendix 1

The Closing the Gap Clearinghouse Assessed collection includes summaries of research and evaluations that provide information on what works to overcome Indigenous disadvantage across the 7 Council of Australian Government building block topics.

Table A1 contains a list of selected research and evaluations that were the key pieces of evidence used in this resource sheet. The major components are summarised in the Assessed collection.


Table A1: Assessed collection items for Increasing employment rates for Indigenous people with a disability

<table>
<thead>
<tr>
<th>Title</th>
<th>Year</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supported employment: evidence for an evidence-based practice</td>
<td>2004</td>
<td>Bond GR</td>
</tr>
<tr>
<td>Effect of benefits counselling services on employment outcomes for</td>
<td>2006</td>
<td>Tremblay T, Smith J, Xie H &amp;</td>
</tr>
<tr>
<td>people with psychiatric disabilities</td>
<td></td>
<td>Drake RE</td>
</tr>
<tr>
<td>Challenges to implementing evidence-based supported employment in</td>
<td>2007</td>
<td>Waghorn G, Collister L,</td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td>Killackey E &amp; Sherring J</td>
</tr>
<tr>
<td>An update on randomized controlled trials of evidence-based supported</td>
<td>2008</td>
<td>Bond GR, Drake RE &amp; Becker DR</td>
</tr>
<tr>
<td>employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPS in Europe: the EQUOLISE trial</td>
<td>2008</td>
<td>Burns T &amp; Catty J</td>
</tr>
<tr>
<td>Vocational intervention in first-episode psychosis: individual</td>
<td>2008</td>
<td>Killackey E, Jackson HJ &amp;</td>
</tr>
<tr>
<td>placement and support v. treatment as usual</td>
<td></td>
<td>McGorry PD</td>
</tr>
<tr>
<td>Vocational outcomes of an integrated supported employment program for</td>
<td>2009</td>
<td>Tsang HWH, Chan A, Wong A &amp;</td>
</tr>
<tr>
<td>individuals with persistent and severe mental illness</td>
<td></td>
<td>Liberman RP</td>
</tr>
<tr>
<td>Employment services as an early intervention for young people with</td>
<td>2010</td>
<td>Browne DJ &amp; Waghorn G</td>
</tr>
<tr>
<td>mental illness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job match and job tenure in persons with severe mental illness</td>
<td>2012</td>
<td>Kukla M &amp; Bond G</td>
</tr>
</tbody>
</table>

Table A2 contains a list of Closing the Gap Clearinghouse issues papers and resource sheets related to this resource sheet.


Table A2: Related Clearinghouse resource sheets and issues papers

<table>
<thead>
<tr>
<th>Title</th>
<th>Year</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pathways for Indigenous school leavers to undertake training or gain</td>
<td>2010</td>
<td>Hunter B</td>
</tr>
<tr>
<td>employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing Indigenous employment rates</td>
<td>2012</td>
<td>Gray M, Hunter B &amp; Lohar S</td>
</tr>
<tr>
<td>Strategies to enhance employment of Indigenous ex-offenders after</td>
<td>2012</td>
<td>Graffam J &amp; Shinkfield A</td>
</tr>
<tr>
<td>release from correctional institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving labour market outcomes through education and training</td>
<td>2013</td>
<td>Karmel T, Misko J, Blomberg D,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bednarz A &amp; Atkinson J</td>
</tr>
</tbody>
</table>
References


Increasing employment rates for Indigenous people with a disability


OECD 2010b. Sickness, disability and work: improving social and labour-market integration of people with disability. Media briefing. OECD.

RJCP (Remote Jobs and Communities Program) 2013. Remote Jobs and Communities Program: Frequently asked questions.


Acknowledgments

Dr Ilona Papajcsik is the main author of this resource sheet. She is a Senior Research Officer in the Closing the Gap Clearinghouse at the Australian Institute of Health and Welfare.

Contributions from the Closing the Gap Clearinghouse Board and Scientific Reference Group and various government contacts are also gratefully acknowledged.
Abbreviations

CDEP  Community Development Employment Projects
DES  Disability Employment Service
DES-DMS  Disability Employment Service—Disability Management Service
DES-ESS  Disability Employment Service—Employment Support Service
ESS  Employment Support Service
IEP  Indigenous Employment Program
IPS  Individual Placement and Support
JSA  Job Services Australia
OECD  Organization for Economic Co-operation and Development
RJCP  Remote Jobs and Communities Program
US  United States

Terminology

Indigenous: ‘Aboriginal and Torres Strait Islander’ and ‘Indigenous’ are used interchangeably to refer to Australian Aboriginal and/or Torres Strait Islander people. The Closing the Gap Clearinghouse uses the term ‘Indigenous Australians’ to refer to Australia’s first people.

Social enterprises (also known as supported employment or sheltered workshops) are not-for-profit enterprises that provide employment, training and support for people with a disability as an alternative to employment in the open (competitive) labour market.

Funding

The Closing the Gap Clearinghouse is a Council of Australian Governments’ initiative jointly funded by all Australian governments. It is being delivered by the Australian Institute of Health and Welfare in collaboration with the Australian Institute of Family Studies.

Suggested citation
