

[In Confidence]

Office of the Minister for Social Development

Chair, Cabinet Social Wellbeing Committee

Working Matters: Report back on the Disability Employment Action Plan

Proposal

1. This paper seeks Cabinet agreement to *Working Matters: An action plan to ensure disabled people, including people with health conditions, have an equal opportunity to access employment (attached as Appendix One).*

Relation to government priorities

2. The *Working Matters* Action Plan supports the response to COVID-19 to reset and revitalise the economy through promoting an inclusive recovery consistent with Government's Employment Strategy. The plan considered the COVID-19 recovery environment and will assist Ministers' and agency efforts to align work programmes across priorities, particularly Government's priority to ensure everyone is earning, learning, caring or volunteering.

Executive Summary

3. In October 2019 Cabinet approved public consultation on a draft Disability Employment Action Plan. This cross-government plan is intended to complement five other disadvantaged population group plans that underpin the Employment Strategy's vision for productive, sustainable and inclusive labour markets.
4. The response to the consultation was encouraging. By the end of February 2020 officials had heard from over 375 stakeholders representing the views of organisations or wider membership groups. Respondents included disabled people's organisations, employers, unions and service providers. They overwhelmingly supported the objectives and proposals in the draft plan and emphasised the importance of this work. The feedback included a view that we need more tailored responses to the diverse needs and aspirations of both disabled people and employers.
5. I propose that Cabinet agree to an action plan which addresses the consultation findings and the context of rapidly changing economic and social circumstances in the wake of COVID-19. The plan considers COVID-19 impacts and will provide guidance and accountability to agencies to help ensure an inclusive economic recovery.
6. Implementation of the plan must now be more flexible than initially envisaged. The plan still identifies actions to be deployed over the next year (e.g. \$12.5 million in Budget 2020 to expand disability employment services). However, the detail and focus of the actions is sufficiently flexible to allow agencies to leverage opportunities as they arise in the implementation of the significant Budget 2020 investment in jobs and training.
7. The role of the *Working Matters* Action Plan is to help create alignment across agency work programmes and partnerships with employers and the disability community that make a meaningful difference in the lives of disabled people, including people with health conditions. To ensure implementation I intend to report to the Employment, Education and Training Ministerial Group (EETMG) by November 2020 with details of a cross-agency monitoring framework aligned with the broader Employment Strategy.

Background: A commitment to improve disability employment outcomes

Government has committed to creating inclusive labour markets

8. In August 2019, the Government released its Employment Strategy, which presents an overall vision for the labour market. A key goal of the Strategy is to create a more inclusive labour market [CAB-19-MIN-0385]. The Employment Strategy will be supported by six cross-government action plans¹ for population groups who experience low employment rates and are affected by cycles of longstanding disadvantage, social myths and unwarranted low expectations. Improving employment outcomes for these groups will make a substantial contribution to wellbeing at an individual, whānau, social and economic level.
9. In September 2019, Cabinet agreed to the ‘*Disability Action Plan 2019-2023*’ which includes a commitment to develop a Disability Employment Action Plan for progressing Outcome Two of the Disability Strategy (Employment and Economic Security) [SWC-19 MIN-0139 refers].
10. In October 2019, Cabinet agreed to targeted public consultation on a draft Disability Employment Action Plan with an inclusive definition of disability. The plan aims to improve employment outcomes for people with physical, sensory, intellectual, neurological, or mental health related issues whether permanent or temporary. I was invited to report-back with the final plan in April 2020 [SWC-19-MIN-0158 refers].

There was a generous response to public consultation completed early in 2020

11. Between November 2019 and February 2020 officials undertook consultation with key stakeholders. Over 375 people expressed their views on the action plan, many representing organisations or wider membership groups. This included 152 online survey responses, 33 written submissions, and over 200 people taking the time to attend face-to-face workshops and meetings across Auckland, Whangarei, Wellington and Christchurch. Officials heard from disabled people and whānau, employers, unions, and employment support providers. Māori and Pacific people were represented at many of the engagements and within submissions. Officials also attended a Māori-specific consultation hui in Whangarei. Appendix Two summarises the consultation.

The case for an employment action plan for disabled people was well supported

12. The case for change was reaffirmed in the consultation. Respondents generally agreed with the goals and proposed actions. Strong views were expressed, including by employers, about the need to see ‘real’ action to deliver the ‘high-level’ aspirations and to ‘make this action plan happen soon’ to ‘better support the many people who want to work now’. The following key drivers for the plan were emphasised in the consultation:
 - *Disabled people want access to work:* The disability community has consistently identified equal access to work as a priority over many years.
 - *Many disabled people are impacted by poor employment outcomes:* While feedback stressed diversity of individual aspirations and requirements, the common experience of unequal employment opportunities was highlighted. Disabled people are more than twice as likely to be unemployed and are disproportionately common among people receiving a benefit.

¹ The Youth Employment Action Plan was released in 2019 and other cross-government employment action plans are being developed for older workers, Māori, Pacific people and refugees, recent migrants and ethnic peoples.

- *A cross-agency plan is required:* It is needed to address complex barriers to employment that cross sector responsibilities, for example respondents outlined issues with:
 - a lack of employer confidence and unconscious bias in workplaces
 - low societal expectations including in education and other services
 - workplace and broader environmental accessibility barriers
 - disability and health services that are incompatible with employment
 - impacts of a health condition (such as recurrent illness)
 - intersectional issues of those who face multiple barriers to employment.

Some compelling and consistent themes were heard across the consultation

13. While responses were wide ranging, the following messages were consistently raised:

- recognise diversity with tailored responses and options - more and better employment support is a priority
- anyone who wants support to work should be able to access it
- employment outcomes do not sit in isolation in life – inclusive education, transitions from education, transport and accessibility are all critical
- we need public education campaigns to address myths and promote potential
- the impact of employment on net income needs to be managed better for people with high support or health needs
- partner with employers to promote inclusive workplaces where people thrive
- the state sector should lead by example as an employer and with procurement
- fund and enable innovation and business development including through co-design with Māori, iwi, disability groups and employers
- monitoring should make the plan happen and hold agencies accountable.

This is a good time to make a comprehensive disability employment plan

Supporting inclusion and alignment across government priorities is more important than ever in the Post-COVID-19 context

14. The action plan does not act alone. Indeed, there is a unique window of opportunity to improve outcomes by enacting this action plan alongside other Employment Strategy action plans and other cross-government work including an array of Post-COVID-19 economic recovery and rebuild initiatives. Many long-sought improvements in welfare, education, employment, health and disability support systems are currently underway or planned and this action plan will complement, guide and leverage these activities.
15. It is also imperative to build on the broad platform of change to ensure an inclusive economic recovery, where local or regional level change makes a meaningful difference in the lives of disabled people, including people with health conditions. A strong lesson from the management of the COVID 19 pandemic has been that there are strengths in local responsiveness and relationships including iwi, hapū and whānau. We must ensure these gains in local leadership are not lost and that Government can build high-trust, longer-term partnerships involving local communities and the flexibility to use funding to respond to local needs and resources. This will be supported by the proposed implementation approach outlined below.

The *Working Matters* Action Plan

16. I propose that Cabinet agree to the *Working Matters* Action Plan (Appendix One) to help make sure that disabled people, including people with health conditions, have an equal opportunity to access good work.
17. I also draw the Cabinet's attention to the initial cross-government work programme outlined in attached action plan where key agency responsibilities have been identified. My intention is that the objectives, priorities and actions in this plan will act as a guide and accountability document for Ministers and agencies.

The action plan is organised around three overarching objectives and six priorities

18. Consistent with extensive feedback the following three objectives were developed to address the supply, matching and demand aspects of labour markets:
 - support people to steer their own employment futures (supply)
 - back people who want to work and employers with the right support (matching)
 - partner with industry to improve work opportunities for people with diverse support, access or health needs (demand).
19. Six priority areas for action underpin the objectives (two priorities for each objective):
 - ***Priority 1: Positive expectations for disabled school leavers:*** Feedback illuminated the need to improve expectations about what people with disability or health support needs might do with their lives. Respondents highlighted evidence that shows that working with families, carers, educators and employers to help young disabled people gain work experience early can make a big difference with this, particularly those with learning disabilities and autism. The Ministry of Education's Learning Support Action Plan will contribute alongside a Budget 2020 initiative which for the first time provides access to Ministry of Social Development (MSD) funded employment support to disabled young people while they are still at school.
 - ***Priority 2 Career pathways for all stages of life and diverse needs and aspirations:*** Education, training, apprenticeships and internships are all areas where action is needed to ensure more people with disability and health issues participate positively. Links and opportunities have been identified in the reform of vocational education, the Career System Strategy, He Poutama Rangatahi and more opportunities will become evident as the Post-COVID-19 economic recovery and rebuild package is further developed.
 - ***Priority 3: More and better employment services:*** There is a need to strengthen referral pathways and build the quality and availability of employment services. Some of this is announced in Budget 2020 with expanded disability employment services. There is also work underway to strengthen integration between primary mental health and employment services. This alongside the COVID-19 response, broader MSD employment support and the overhaul of welfare systems will provide further opportunities for progress.
 - ***Priority 4: Information and support for employers:*** A need for more tailored information and support for employers was strongly advocated in the consultation. It was noted that the diversity of jobseeker, employers and employment types, affects the kind of support that is effective. Partnerships between employers, MSD and the Ministry of Business, Innovation and Employment will address this priority. Broader public education

was also promoted in feedback to assist with employer confidence and may be addressed in future years.

- **Priority 5: Inclusive and wellbeing enhancing workplaces:** Supporting employers with information and standards on how to achieve accessibility and inclusion will be progressed in broader government work on accessibility. In the shorter term there is a call for the state sector to lead by example and work to improve diversity and inclusion in the public sector is key. There are also opportunities to improve all stakeholders understanding of what a healthy and inclusive workplace looks like and the health benefits of good work.
- **Priority 6: Innovative labour market support and business development:** Some stakeholders want government to embrace new technology opportunities for disabled people such as remote work and the gig economy. Others were concerned about the risks in the future world of work. Many wanted to test ideas such as co-design of employment support with Māori and iwi; social procurement alongside big infrastructure projects; and funding for developing micro-enterprise. This priority ensures work on employment products and services, active labour market policies and COVID-19 responses will include consideration of these opportunities and other innovations that have the potential to improve employment outcomes for disabled people, including people with health conditions.

Flexible implementation supported by strong a kaupapa and monitoring

Sufficient flexibility to leverage the unprecedented opportunities for transformational change

20. The objectives and priorities in the draft plan were well supported in the consultation and continue to provide useful guidance. The number and specificity of actions is less than provided in the consultation draft. Primarily this is because some details such as initiative names are no longer relevant or were not well supported in the consultation, but in some cases it is because there is a shift in priority towards ambitious projects that address new and broad employment and economic challenges. In this context, it is counterproductive to tie down the details of all actions that will support this plan over the next few years. Instead a 'living' plan will allow Government to leverage new investments and harness locally led initiatives.
21. Very significant investment (over \$2 billion) in jobs and training was announced in Budget 2020. This accelerates and expands some planned reforms in the vocational education and employment sectors that were being considered for the action plan. In particular, there are new investments in Trades and Apprenticeship Training, the Regional Skills Leadership Groups, the online careers advice system, He Poutama Rangatahi and MSD employment support services. The revised action plan identifies key actions, links and responsibilities in these broader government work programmes in addition to some specific initiatives (such as the \$12.5 million Budget 2020 initiative that expands disability employment services).

Implementation will be aided by a cross-agency monitoring framework

22. I propose the *Working Matters* Action Plan be monitored by the EETMG to ensure it maintains relevance to, and can be coordinated with, other labour market work. I intend to report to the EETMG in November 2020 with details of a monitoring framework that aligns with monitoring of the broader Employment Strategy and includes the following elements:
 - regular reporting in a 'dashboard' format to EETMG by Ministers and their agencies where they have with responsibilities outlined in the plan
 - an agreed set of indicators of progress to help check whether we are making progress towards the plan's objectives and priorities

- regular review to allow agency commitments to evolve as opportunities arise
- links with the Ministerial Leadership Group on Disability Issues and the Independent Monitoring Mechanism (which includes the Disabled Person's Organisations Coalition, the Human Rights Commission and the Office of the Ombudsman).

A living document with a strong kaupapa

23. The intention is that the Working Matters Action Plan is a living document that will iterate over-time, consistent with its priorities and guiding principles. Actions will be updated through reporting to EETMG. In this way the plan provides an opportunity for agencies to continue to contribute to shared goals, and to ensure a disability employment lens is applied where it can make a difference.
24. As a living document it is important that the kaupapa and principles that shaped the plan are well understood and continue to inform developing actions. This includes the principles underpinning Te Tiriti o Waitangi and the United Nations Convention on the Rights of Persons with Disabilities. The consultation strongly supported this kaupapa which is summarised on page 7 of Appendix One.
25. As Te Tiriti o Waitangi underpins all relationships between the Crown and iwi, hapū, and whanau, the Action Plan for Māori must recognise both the Tino Rangatiratanga (self-determination) of Māori and the need to achieve Ritenga (or equity) for Māori. An important way that the plan will do this is through ensuring a whānau-centred approach to supports and services and through consistency with MSD's strategic direction, Te Pae Tawhiti, and its Māori strategy and action plan, Te Pae Tata.
26. With Māori, and relevant to Māori with disability or health conditions, there is a clear view that services delivered to their communities should be based within their community and be whānau-centred, strengths-based, and driven by the intergenerational aspirations of whānau. Only by respecting and recognising the autonomy of whānau, can whānau develop the leadership and agency needed to shape their own destiny. MSD, the Ministry of Health and Te Puni Kōkiri are working to ensure alignment between a whānau centred approach and the Disability Strategy Action Plan that will also usefully inform Working Matters over the longer-term.

Financial Implications

27. Some actions in the attached plan were addressed in Budget 2020. As this is a cross-Government action plan, I expect individual agencies will develop and progress budget bids relating to actions they are responsible for, if further funding is required.

Legislative Implications

28. There are no legislative implications arising from this paper.

Impact Analysis

29. As this Cabinet paper does not propose changes to legislation a Regulatory Impact Statement has not been prepared. A climate implications assessment is not required.

Population implications

Group	How the proposal may affect this group																														
Māori	<p>Māori experience higher rates of disability than any other ethnicity group and are overrepresented in every age bracket (see disabled people section below). It should be noted that Māori are a youthful population group and the overall rates of disability will increase as the population ages. Māori are also overrepresented among beneficiaries with health conditions and disability, with 30% of Jobseeker – Health Conditions and Disability recipients being Māori, although they comprise only 12.5% of the total labour force.</p> <p>The <i>Working Matters</i> Action Plan will seek to improve employment outcomes for disabled Māori through applying a disability lens to relevant work programmes across government, including those with a Māori employment, education and/or economic development focus.</p>																														
Pacific people	<p>Similar to Māori, Pacific people also have higher-than-average disability rates, after adjusting for differences in ethnic population age profiles (see table below).</p>																														
Women	<p>The 2013 Disability Survey found men and women had similar rates of disability (consistent across age). June 2019 labour market statistics (disability) found that disabled women experience slightly lower rates of labour force participation and employment than disabled men. However, unemployment rates are similar.</p>																														
Disabled people	<p>In the 2013 Survey 24% of the population identified as disabled. This equates to about 1.15 million people today. This rate of disability increases with age.</p> <p>Disability rates for the working age population by ethnicity and age (2013):</p> <table border="1"> <thead> <tr> <th></th> <th>15-44</th> <th>45-64</th> <th>65+</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Pakeha / European</td> <td>16%</td> <td>28%</td> <td>58%</td> <td>25%</td> </tr> <tr> <td>Māori</td> <td>23%</td> <td>43%</td> <td>63%</td> <td>26%</td> </tr> <tr> <td>Pacific people</td> <td>17%</td> <td>26%</td> <td>74%</td> <td>19%</td> </tr> <tr> <td>Asian</td> <td>10%</td> <td>20%</td> <td>50%</td> <td>13%</td> </tr> <tr> <td>Other</td> <td>18%</td> <td>38%</td> <td>69%</td> <td>28%</td> </tr> </tbody> </table> <p>Disabled people are more than twice as likely to be unemployed. In the June 2019 Labour Market Statistics, the employment rate for disabled people over 15 years of age was 23.4% compared to 69.9% for non-disabled people. The employment rate for disabled people aged between 15-64 was 40.6% compared to 78.6% for non-disabled people. The unemployment rate for people aged between 15-64 was 10% compared to 3.9%.</p> <p>Disability also impacts on post-school participation in education. A 2019 report, '<i>Disabled people and tertiary education: An analysis of the 2013 Disability Survey</i>' found that disability has a multiplying effect over and above the tertiary education participation rate differences between demographic groups, including for Māori and Pacific peoples. This is concerning given participation and achievement rates in tertiary education have flow-on effects for employment.</p> <p>The Post-Covid-19 economic recession may further exacerbate negative employment outcomes for disabled people, including people with health conditions. It is therefore important to build on the ground work in the <i>Working Matters</i> Action Plan and ensure economic recovery initiatives, including both education and employment programmes that are inclusive of all population groups that experience disadvantage in labour markets.</p> <p>We expect the action plan to contribute to improving employment outcomes for all disabled people. This will be supported by the monitoring framework (to be developed by November 2020) which will breakdown the outcome statistics for into various cohorts to ensure Ministers are informed and can address trends.</p>		15-44	45-64	65+	Total	Pakeha / European	16%	28%	58%	25%	Māori	23%	43%	63%	26%	Pacific people	17%	26%	74%	19%	Asian	10%	20%	50%	13%	Other	18%	38%	69%	28%
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Human Rights

- The *Working Matters* Action Plan will help to progress New Zealand's position with regard to Article 27 of the Convention on the Rights of Persons with Disabilities, which recognises disabled people's right to work and employment. There are no identified potential inconsistencies with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

31. This paper, the *Working Matters* Action Plan and the associated cross-agency work programme were prepared by MSD in consultation with the Ministries of Business, Innovation and Employment, Health, Education, and Pacific Peoples, Te Puni Kōkiri, the Accident Compensation Corporation, Tertiary Education Commission, State Services Commission, Human Rights Commission, WorkSafe, the Treasury, the Department of Prime Minister and Cabinet, and the Offices for Disability Issues and Seniors.
32. Appendix Two outlines the many non-government stakeholders who have been consulted on the development of the *Working Matters* Action Plan.

Publicity

33. I propose to launch the *Working Matters* Action Plan at a suitable occasion yet to be determined. Prior to launch the action plan will be produced in alternate formats (including accessible online, braille, easy read and NZSL) to ensure it is accessible to everyone with an interest in it.
34. I will also provide the summary of consultation publicly to consultation respondents.

Proactive Release

35. I intend to proactively release this paper and its appendices following the launch of the action plan. The planned date for release will likely be within the 30-day period for proactive release.

Recommendations

The Minister for Social Development recommends that the Committee:

1. **note** that that on 23 October 2019 Cabinet:
 - 1.1. approved the release of the draft Disability Employment Action Plan and targeted consultation on its content with the disability community and other key stakeholders
 - 1.2. invited the Minister to report back to SWC in April 2020 with the results of the consultation, a final action plan and the associated cross-agency work programme which will include actions to be implemented in the first year [SWC-19-MIN-0158]
2. **note** that the report back was delayed by the COVID-19 pandemic shutdown and the need to ensure the action plan aligns with Government priorities to recover, reset and revitalise the economy
3. **agree** to the *Working Matters* Action Plan (Appendix One) including the cross-government work programme outlined within it
4. **authorise** the Minister for Social Development to determine a suitable launch occasion to launch the *Working Matters Action Plan* and to make minor changes to the document prior to launch
5. **note** that I will provide the summary of consultation to consultation respondents
6. **agree** that the Employment, Education and Training Ministerial Group (EETMG) will be used to monitor implementation and test work to progress the *Working Matters* Action Plan

7. **note** that I intend to report to the EETMG in November 2020 on the details of the *Working Matters* Action Plan monitoring and reporting framework
8. **note** that funding may be sought through the usual budget processes to support priorities identified in the *Working Matters* Action Plan.

Authorised for lodgement

Hon Carmel Sepuloni

Minister for Social Development

Appendix One: The Working Matters Action Plan - attached separately

Appendix Two: Summary of consultation findings - attached separately