



Providing Pathways Guidance to Young Veterans for a Successful Transition to Civilian Workforce

Aim

To highlight vocational rehabilitation pathways that might lead to improved outcomes for DVA clients, and to provide insights about the effect of education options.

Method

Statistical modelling based on recent historical national labour market surveys.

Research organisation

National Institute of Labour Studies, Flinders University

Key findings

Workforce participation in the Australian general population

- People with a physical health condition – 1.2% less likely to be able to participate
- People with a mental health condition – 4% less likely to be able to participate
- People with both physical and mental health conditions – 10% less likely to be able to participate.

Impact of education

- In the general population, VET qualifications increase the likelihood of participation by 3%, compared to Year 12 education only
- For DVA clients, average wages have the potential to increase with post-Year 12 education:
 - 20% higher for certificates
 - 25% higher for degrees.However, no weekly wage improvements were found for DVA clients with diplomas compared to certificates.

Education offsets for DVA clients

- Likelihood of workforce participation is increased with a university degree:
 - 8% (67% to 75%) in DVA clients with both physical and mental health conditions
 - 7% (73% to 80%) in DVA clients with a physical health condition.
- DVA clients who receive Incapacity Payments, or both Incapacity Payments and Permanent Impairment Payments, are expected to experience poorer outcomes than those who only receive Permanent Impairment Payments.

The Department of Veterans' Affairs (DVA) commissioned the National Institute of Labour Studies at Flinders University to undertake analysis of workforce outcomes for DVA clients. The project aimed to highlight pathways that might lead to improved outcomes for DVA clients, and to provide insights about the effect of education options.

As there was no available data that specifically related to workforce outcomes for DVA clients, the analysis used results from the Student Outcomes Survey (SOS) and the Household Income and Labour Dynamics in Australia (HILDA) survey. Results from these surveys indicate the main effect of health conditions is on participation (i.e. the ability to be able to look for work).

Education also has an impact on workforce participation. In the general population, Vocational Education and Training (VET) certificates and diplomas increase likelihood of participation by 3%, compared to those educated only to Year 12. Post-school education also positively impacts on weekly wage compared with people educated to Year 12 only. However, these findings are highly variable across fields of study.

After determining these findings, the researchers created 'example' DVA client groups, based on compensation type, health conditions, medical discharge status, and service type. They then applied the results from the SOS and HILDA survey to the 'example' client groups to estimate their likely workforce outcomes.

The researchers determined that obtaining qualifications is likely to improve workforce outcomes across all DVA clients. There is potential for an individual's weekly wages to increase by 20% after obtaining a VET certificate, and by 25% after gaining a university degree. Interestingly, a VET diploma does not provide a greater weekly wage improvement than a certificate.

Workforce participation for DVA clients with only secondary school education and both mental and physical conditions is expected to be around 67%, with 73% the estimate for clients with only a physical condition. These figures rise by 8% to 75% and 7% to 80% respectively for clients with a university degree.

In addition, the probability of getting a job for those who are able to participate in the workforce is around 78% for clients with only a

secondary school education and both mental and physical conditions, compared to 85% for clients with only a physical condition. These figures increase by 7% and 5% respectively for clients with university degrees.

Using the 'example' DVA client groups, the researchers combined outcomes to determine the probability of both being able to participate in the workforce and ultimately being employed. A DVA client with a secondary school education, who has both mental and physical conditions has a combined probability of 53% for both participation and employment. The equivalent probability for clients with only a physical health condition is 61%. Obtaining a university degree increases these figures by 11% in each scenario.

DVA clients who receive Incapacity Payments, or both Incapacity Payments and Permanent Impairment Payments, are expected to experience poorer workforce outcomes than clients who received only Permanent Impairment Payments, or clients with only a health condition accepted by DVA under the *Military Rehabilitation and Compensation Act 2004*.

Serving members and reservists are likely to find new jobs more easily than former serving members. Once a job is obtained, there appears to be only small wage differences between DVA client groups at all levels of education.

There were some limitations and assumptions applied during this study. Employment rates were quite high in Australia during the period covered by the SOS and HILDA survey. Some of the observations may not be accurate during times of higher competition. In addition, researchers were unable to access more detailed data to allow 'matching' of DVA clients with characteristic counterparts in the general population. This would have allowed a more precise estimation of workforce outcomes. As such, the current findings are only general in nature and should not be considered applicable at an individual level.

The results of the study are available on DVA's website: www.dva.gov.au/health-and-wellbeing/research-and-development/social-research. For any enquiries, call the DVA Health Study Information Line on 1800 502 302.