AUSTRALIAN WORKPLACE INNOVATION AND SOCIAL RESEARCH CENTRE



YOUNG PEOPLE WITH DISABILITY TRANSITIONING TO POSITIVE POST-SCHOOL OUTCOMES: ASSESSING THE CONTRIBUTION OF THE SA BETTER PATHWAYS PROGRAM

Cecilia Moretti and Kate Barnett January 2013

Report prepared for Barkuma Inc.



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#### **EXECUTIVE SUMMARY**

Australia has a key responsibility to improve outcomes for young people with disability transitioning from school to the adult world. It is well recognised that young people with disability experience educational disadvantage and that this can have a significant flow on effect for life beyond school. Data show that people with disability leave school at an earlier age, and that these have poorer employment outcomes and are less likely to be in the labour force. Young people with disability are also less likely to complete Year 12. In general, people with disability are less likely to have a government pension or allowance as their primary source of income (42.6% compared with 10.4%). Importantly though, people with disability are increasingly competitive in the labour market if they gain post-school qualifications.

Research has shown that supporting young people with disability to navigate key transition points in their lives can lead to positive further education and employment outcomes. This is important for realising the human rights and life potential of people with disability, but also on wider social and economic grounds. An increasing body of work has examined the economic case for increasing workforce participation of people with disability, particularly given emerging evidence that people with disability are able and willing to work where adequate support is provided, and that their productivity level is more than adequate. Different economic modelling studies have suggested substantial economic returns, based on a range of scenarios and assumptions, pinned to increasing workforce participation of people with disability. These economic returns relate variously to increasing the workforce (and filling key workforce gaps), associated increases in GDP, reduced dependency on welfare, and releasing carers to work.

Person-centred transition planning has proved to be a successful model for supporting young people with disability to transition to positive post-school opportunities and outcomes. The Better Pathways Program, seated within the South Australian Department for Education and Child Development (DECD), has been designed with reference to many of the evidence-based principles developed over years of research and practice in transition planning for young people with disability. The Program underpins the strategic commitment of both the SA government and DECD to improving outcomes for people with disability, recognising that intervention at early life stages is critical to outcomes produced across the full life course.

The Better Pathways Program is still in its early stages of implementation, such that very few of the Year 9 students engaged at the outset have graduated beyond Year 12. While this precludes any evaluation of post-school transition outcomes at this stage, an interim process evaluation has highlighted some key developments and achievements to date. Given the highly disengaged status of many of the students registered with the Program, it is notable that 85% of students allocated a Pathway Worker by 30 June 2012 were retained or otherwise engaged in a learning or earning activity. Of the 187 students registered for six months or more, 70% had a support plan in place, and of these 62% had current transition plans what were integrated with their school-based personal learning plans. Qualitative feedback provided through the interim evaluation demonstrated strong support from workers and

participants that the Program was making a significant difference to young people with disability realising their goals, supported by close working with families and carers, and



other relevant organisations and agencies.

While it is still too soon to gauge the longer-term impact of the Better Pathways Program on post-school outcomes, evaluations of similar programs utilising personcentred transition planning signal the potential gains to be made by Better Pathways. The NSW Transition to Work Program achieved a 49% exit to employment (either open, supported or other) for young people with disability. The UK '*My Way'* transition program evaluation reported that 76% of the 75 participants experienced positive outcomes, particularly in the areas of moving out of the parental home, social relationships and work. A corresponding economic analysis indicated an associated cost reduction in care packages for 22 young people (29%). The US Youth Transition Demonstration interim evaluation showed that employment outcomes for students were highest where the transition model included more intense employment services, including direct placement in paid jobs. Success was attributed to meaningful connection between providers and employers, the identification of employment opportunities, and working with youth to identify their skills and interests in order to connect them with more appropriate jobs.

Results of the interim process evaluation show that the Better Pathways Program is making important headway in engaging and supporting young people with disability at school, with a view to positive transition to post-school opportunities. At the same time, Program staff have been tackling key challenges involved in working with this complex cohort of students, not all of which are under their direct control. The evaluation shows there is a culture of critical reflection, review and continual improvement processes underpinning the progress of the Pilot Project. Key relationships have been developed with schools and other stakeholders, with increasing levels of trust and cooperation building over time. These have set an important foundation for strengthening and embedding the Program into the future.

Funding for the Better Pathways Pilot Project is due to expire in December 2013, pending a decision about whether to extend the project beyond that timeframe. Barkuma Inc. has outlined three potential scenarios concerning the future of the Project:

- > **Option 1**: pursue funding to continue the project beyond 2013
- Option 2: not register students after 2012 and pursue funding for the phase out of the Program from January 2013 to December 2017
- Option 3: conclude the project at the end of the current funding period (December 2013).

Consideration of these options needs to take into account the potential risks and benefits involved in continuing (or not) the Better Pathways Program. This involves balancing current fiscal pressures with potential significant future gains, considering the impact on currently registered students and what it would mean to have services withdrawn 'mid-stream', and considering whether the Program as it exists is best positioned to provide optimal results for students with disability. Results of economic modelling and evaluations of similar programs suggest that the Better Pathways model, and what it seeks to achieve, is in the best interests of young people with disability transitioning to post-school life, and in the best interests of society seeking to maximise its productive potential.

#### **1** Introduction

In 2008, Australia became a signatory to the International Convention on the Rights of Persons with Disabilities (CRPD), committing further to the Optional Protocol in 2009. In turn, the Australian Government developed the National Disability Strategy (NDS), wherein all governments 'committed to a unified, national approach to improving the lives of people with disability, their families and carers, and to providing leadership for a community-wide shift in attitudes'.<sup>1</sup> A central tenet of the NDS is that 'people with disability must be afforded the same rights as all other Australians'.<sup>2</sup>

Underlying the NDS are three key drivers: the human rights imperative, the social imperative and the economic imperative. All three imperatives are picked up in the focus on transition pathways for young people with disabilities. Important early transition points involve moving from primary to high school and then onto post-school options that meet the needs and aspirations of people with disabilities. The goal is to ensure that people with disabilities have a clear and supported pathway to a satisfying and fulfilling life, both socially and economically, on a par with everyone else. However, evidence has shown that people with disabilities are at a distinct disadvantage compared with the general population in achieving the milestones that underpin a successful life course trajectory.

The present report highlights the nature and extent of the educational disadvantage experienced by young people with disability and the potential flow on effect into later phases of life. In doing so, the report recognises that Australia has a responsibility to improve outcomes for young people with disabilities transitioning from school to the adult world, in terms of fulfilling its obligations as a signatory to the CRPD and the Optional Protocol, and upholding the right of people with disability to aspire to and achieve standards of living on equal footing with the general population. It has been noted that 'the economic independence employment brings is also important as it helps people with disabilities to exercise more choice in their lives, aids them to live independently and facilitates their inclusion in the community'.<sup>3</sup>

Importantly, this focus on disability rights intersects with a growing recognition that *society at large stands to benefit in significant ways from supporting and including people with disability as active and productive members, at all levels of society.* As awareness has grown of Australia's need to train more people to support a skills economy—and as the community increasingly observes and recognises that people with disabilities can and want to work—the perception of disability reform has shifted from one based on a welfare perspective to one that recognises the economic opportunity represented by people with disabilities participating in society generally and the workforce (Barnett & Bagshaw 2008). Research into the social and economic benefits of increasing workforce participation of people with disability is presenting a compelling fiscal case for maximising participation, from the perspective of filling key workforce gaps with productive labour, reducing dependency on welfare, and increasing tax revenues amongst other benefits.

For people with disability to assume a productive role in the Australian economy and society at large, much work needs to be done to address existing obstacles. These are many and complex, however focusing on transition pathways for young people with

<sup>&</sup>lt;sup>1</sup> Commonwealth of Australia (2011) National Disability Strategy 2010-2020. An initiative of the Council of Australian Governments. Canberra, p. 3.

<sup>&</sup>lt;sup>2</sup> Ibid., p.16.

<sup>&</sup>lt;sup>3</sup> Australian Bureau of Statistics (2011) Disability, Australia, 2009 – 444.6.0. Accessed online 4 December 2012, p. 1.

disability is a key early intervention strategy with the potential to influence success or failure across the proceeding life course. There is a strong line of research examining effective transition planning to assist young people with disability to move from school to productive post-school options.

The Better Pathways Pilot Project was initiated in 2009 as the South Australia response to improve engagement, transition and post-school outcomes for young people with disabilities. While initially falling under the joint remit of the Ministers for Education and Disability respectively, responsibility was transferred to the Minister for Education and Child Development in July 2011.

The Better Pathways Program is founded on many of the evidence-based principles articulated through prior research and 'reflects the commitment of the South Australian Government to work in partnership with families, community groups and stakeholders to achieve its vision for the future'.<sup>4</sup> As stated in the Process and Interim Outcomes Evaluation Report, the project relates to the SA Government priority *Every chance for every child*, its Strategic Plan priorities *Our Community*, and *Our Prosperity*, and associated targets related to:

- increasing the proportion of 15-24 year olds 'learning or earning' (Target 54)
- increasing employment for people with disability (Target 50)
- reducing the gap in Aboriginal employment (Target 51)
- increasing social participation (Target 23).

The Better Pathways Program also serves the strategic directions of the SA Department of Education and Child Development (DECD), as described below:

The Strategic Plan 2012-2016 for South Australian Public Education and Care reflects the value that underpins public education today: that every child has the right to a good education and a strong future. The Better Pathways Pilot Project supports DECD commitments and the achievement of related DECD policy and strategic priorities that aim to achieve a 'brighter future' and agreed health, wellbeing and learning outcomes. Better Pathways also reflects key directions relating to a child and family focussed workforce; working in communities; creating a better service experience; and strengthening families.<sup>5</sup>

The present report examines the role of the Better Pathways Program in addressing many of the key transition issues experienced by young people with disability, and summarises the results of a recent process evaluation undertaken internally by the Department for Education and Child Development. While process indicators signal strong stakeholder support and perceptions of improvements for program participants, without longer-term data it is impossible to determine distinct student outcomes in terms of post-school education and employment. In response, the present report examines evaluations of transition pathway programs undertaken elsewhere that have demonstrated solid outcomes for young students with disability, serviced with a similar school-based, wrap-around support model. These evaluations go some distance toward demonstrating the potential future value of the Better Pathways Program.

#### 2 Education outcomes for young people with disability at school

In 1987, the National Longitudinal Transition Study of Special Education Students (NLTS) commenced in the US, with the express purpose of examining educational

<sup>&</sup>lt;sup>4</sup> Warren, Jan 2012, *Better Pathways Pilot Project: Process and Interim Outcomes Evaluation Report*, Adelaide, p. 15.

<sup>&</sup>lt;sup>5</sup> Ibid.

progress of school students with disability, and their occupational, educational and independent living status after graduating from secondary school or otherwise leaving 'special education'.<sup>6</sup> Data were collected for nationally representative sample of 8000 students aged 15 to 21 years, in 1987 and again in 1990.

Results showed that 30% of young people with disability exiting from secondary school dropped out of high school, and a further 8% dropped out before reaching high school. The average age of students with disabilities who did not finish school was 18 years, similar to students without disabilities. However, by the time these students left school they had earned fewer than half the credits they needed to graduate. This reflected the difficulty experienced by these students in passing the required courses and a system failure to enable them to do so.

Only 27% of students with disabilities had been enrolled in post-school education at any time, after three to five years post graduating from school. This compares with 68% of students in the general population out of school for the same length of time. This was exacerbated for students with multiple disabilities, mental, emotional and learning disabilities. In response, Wagner and Blackorby note that 'the greatest positive contribution schools can make to the post-school success of students, regardless of the placement of their courses', adding that 'there is no "magic bullet" that offers benefits to all students... In shaping policy and programs for students with disabilities, a range of options, tailored to the individual needs of students, continues to be the most effective approach' (p118-119).<sup>7</sup>

More recent Australian results stemming from the national 2009 ABS Survey of Education and Training (SET) reiterate that people with disability do not have equitable exposure to educational opportunity in that they tend to have lower school retention rates and be less qualified after school. In 2009, 76% of people aged 15-24 years with disability were currently not attending school, compared with 70% of people without disability. Of those not currently attending school, 23% of people with disability left school *at or before age 15 years of age*, compared with 11% of people without disability. Not all of these early school leavers had severe or profound disabilities, raising the question of why those with mild or moderate disability are falling through the gaps at such a young age at school. SET results also showed that around half of people with disability not currently attending school left school at age 16-17 years and around one quarter at 18 years and over. It was also found that people without disability tend to leave school early because they get a job or apprenticeship, but this is much less often the case for people with disability, signalling a much higher risk of poor post-school engagement.

Results from the ABS Australian Social Trends March 2011: Year 12 Attainment study complemented these findings, showing that in 2009, around one fifth of 20-24 year olds reported a disability, and of these 62% had attained Year 12 compared with 78% of people without disability. Broken down by severity of disability, less than half (46%) of those with profound or severe disability attained Year 12, compared with 73% of those with mild or moderate disability.

The 2009 SET highlights the importance of keeping young people with disability engaged in school and learning. Results indicated that 15-24 year old people with disability who left school early were less likely to be employed than their equivalent age group without disability (55% compared with 72%), and more likely to not be in the labour force (31% compared with 19%). Results also showed that young people

<sup>&</sup>lt;sup>6</sup> Wagner, M.M. & Blackorby, J. 1996. *Transition from High School to Work or College: How Special Education Students Fare*, The Future of Children: Special Education for Students with Disabilities Vol. 6 No. 1 – Spring 1996, pp. 103-120.

<sup>&</sup>lt;sup>7</sup> Ibid., p 118-119.

with disability struggled with both formal and non-formal learning, which suggests that flexible learning options may not necessarily provide the solution for all young people with disability. It is likely that other approaches are required to assist young people to achieve positive school and post-school transition outcomes.

Keeping young people with disability engaged with learning at school and thinking about further learning opportunities is important in terms of transitioning to postschool learning pathways. According to SET 2009, 20-24 year olds with disability were half as likely to be studying for a degree (14% compared with 27%), but equally likely to be studying for a VET qualification (18% compared with 15%, not significantly different in statistical terms). This is important as people with disabilities who had post-school qualifications were found to be increasingly competitive in the labour market. However, while employment prospects were improved for 25-44 year olds where Certificate level III or IV qualifications were attained, this is not to the same extent as people without disability (72% employed compared to 89% with no disability). The notable exception involved completing a university degree, which succeeded in closing the gap in employment outcomes.

The message conveyed by SET (2009) findings is that channelling school leavers with disability to post-school training options is important, but does not effectively close the gap in employment outcomes compared with people without disability who hold the same level of qualifications (except university degrees). It is noted that a more comprehensive strategy is required to lift outcomes for young people with disability, for example linking students directly to the employment market. In particular, recognising the importance of building a supported pathway from school to post-school to employment is imperative, as this transition is not necessarily a smooth process. The Better Pathways-Barkuma Inc approach responds to this by maintaining contact with students for a year post leaving school, acting as a bridge and key support in a time of considerable uncertainty and dislocation for many young people with disability.

#### 3 Employment and welfare outcomes for people with disability

An inquiry into Disability Care and Support conducted by The Productivity Commission (2011) identified that Australia has a low international ranking for employment outcomes for people with disability. Drawing on a range of data sources, including the 2009 ABS Survey of Disability Ageing and Carers (SDAC) and FaHCSIA Disability Support Pension (DSP) data, it was found that for people with disability compared to those without:

- > 42% were employed, compared with 78.6% (of those in the population)
- > 8.8% were unemployed, compared with 5.1% (of those in the labour force)
- ➢ 46% participation rate (identified as in the labour force), compared with 82.8%
- > Less than 30% of working age people eligible for NDIS are employed
- > Part-time work is more common than full-time work
- 42.6% have a government pension or allowance as their primary source of income, compared with 10.4%

The Productivity Commission highlighted the need to reduce dependency on the Disability Support Pension to produce offsets to the budgetary costs of the NDIS. Some key observations regarding the DSP included:

- An 11% growth rate in the number of DSP recipients between 2007-2011
- Outlays for the program were \$11.86 billion in 2009-10, with projected outlays of \$15.5 billion in 2014-15; costs estimated to rise \$3.6 billion (30%) over five year period

9.8% of DSP recipients declared earnings from employment in June 2008. Around 80% of DSP recipients were on full pension (reflecting few had exceeded income thresholds that reduced benefits).

It was noted that use of the DSP increases with age, from around 1.5% of 16-19 year olds to around 14% of 60-64 year olds, and that people who enter the DSP tend to stay until they die or transition to the aged pension or other benefits. Notably it was observed that, 'a young person going onto DSP forgoes a lifetime of potentially better income from working, while an older person does not, especially if they anticipate that much of their future role in the labour force would be unemployment, with low rates of Newstart allowance.'<sup>8</sup> Key concerns are that being jobless can become 'normalised', that young people may believe they are 'better off' on DSP than unemployment benefits, and may be concerned that getting a job might disqualify them for the DSP should their disability intensify at a later time – all of which may act as a disincentive to labour force participation.

The Productivity Commission identified a need for major changes in policy setting and resourcing for job readiness among people with disability. Importantly, *preparing young people to participate in the labour market is of crucial importance, with early positive experiences likely to strengthen and sustain workforce engagement into the future.* It is known from SDAC 2009 findings that people with disability have the desire and capacity to work; what frequently gets in the way are modifiable conditions and attitudes in the wider environment. The Productivity Commission proposes a range of measures to increase participation in the workforce including:

#### Person-centred measures

- Skill development, motivation and behavioural change
- Engendering higher expectations about working, providing information about opportunities
- Case management approaches, with a focus on flexibility and integration

#### Systems-oriented measures

- Creating networks across sectors
- Building confidence within employers about the strengths and capabilities of people with disability as workers
- Breaking down stereotypes, shifting perspectives about what is achievable

In a study on the economic benefits of increasing employment for people with disability, Deloitte Access Economics (2011) reinforced the importance of these measures. The report concurred that a major problem involves the negative attitudes and misconceptions of employers about workers with disability; also that people feel trapped by being on the DSP, and lack opportunity in the education sector to propel them toward employment.

## 4 The economic case for increasing workforce participation of people with disability

Studies of the cost to the economy of people with disabilities of working age receiving financial support from the welfare system versus the benefits to the economy if they were participating in the workforce have been conducted in most OECD countries, including the UK, the US and Australia. All have confirmed that lost opportunity costs and potential benefits are substantial.

<sup>&</sup>lt;sup>8</sup> Productivity Commission 2011, *Disability Care and Support*, Report no. 54, Canberra, p. K.4.

#### 4.1 AUSTRALIAN NATIONAL TRAINING AUTHORITY MODELLING (2001)

The earliest Australian modelling of the economic returns from supporting people with disability to obtain qualifications that would lead to their employment was undertaken in 2001 by Dockery, Birch and Kenyon from the Curtin University of Technology, for the Australian National Training Authority (ANTA)<sup>9</sup>. Two scenarios were tested, the first assuming VET participation rates of people with disability are lifted to those of the wider population (i.e. 9.6% of persons with disability participate in VET), and the second increasing participation such that people with disability have equal overall representation within the VET population (i.e. equivalent to their 16.7% representation in the overall population). Taking into account costs associated with training and workplace accommodation, potential for increased earnings, increased tax revenue and reduced income support payments, the analysis identified a *net gain* to the Australian economy of \$2.5 billion under the first scenario, and \$4.1 billion per annum under the more ambitious second scenario (Dockery, Birch & Kenyon: 2001).

The authors note that the estimates are meant only as illustrative examples, as a lack of detailed contextual information means they are based on a number of arbitrary parameters (e.g. the estimate of earnings gain associated with completing a VET qualification). Also, labour market outcomes are likely to vary depending on type and severity of disability. However the modelling signals considerable social and economic gains by lifting workforce participation of people with disability.

#### 4.2 DEEWR MODELLING (2008)

Updating of the ANTA modelling by the Australian Government (DEEWR 2008) drew on data that had not been available for Dockery et al (2001)<sup>10</sup>. At the time of the Dockery et al (2001) study there was no all-encompassing data to provide information on earnings of Australians with disability participating in VET, therefore, the authors used a simple cost benefit analysis to estimate rates of return. Data were drawn from multiple sources and a number of assumptions had to be made in the modelling.

The DEEWR methodology progressed further by drawing on HILDA 9 data (sourced from the Household, Income and Labour Dynamics in Australia Survey) and analysing transition pathways of people with disability from Year 12 and into further education or work. Between both modelling studies the proportion of people with disability within the total working age population remained unchanged at 16.7%. Calibrating to the year 2006, the DEEWR analysis estimated the number of people with disability in that year to be 2.98 million.

Similar to the ANTA study, the DEEWR modelling identified positive returns to people with disability who undertake VET qualifications, however, the authors are more cautious about the interpretation of these findings. Part of this caution relates to the link between VET qualifications and likelihood of obtaining employment for people with and without disability. At the time of the DEEWR research, the labour force participation rate of people with disability was 56.8% which is considerably lower than that of people without disability (82.2%). The unemployment rate of people with disability was 1.3 percentage points lower than that of people with disability were more likely to have a skilled or basic vocational qualification (25.6% compared with 20.4% for those without disability). However,

<sup>&</sup>lt;sup>9</sup> Dockery, M., Birch, E., & Kenyan, P. 2001, *The Economic and Social Analysis of Increasing Opportunities for People with Disability in VET*, Institute for Research into International Competitiveness, Perth.

<sup>&</sup>lt;sup>10</sup> DEEWR 2008, *The potential returns from VET education for people with disability,* Research, Analysis and Evaluation Group & Economics Research Unit, Canberra.

people with disability were less likely to have a tertiary qualification (14.1%) compared to those without a disability (22.6%) (DEEWR 2008: 18).

#### 4.3 DELOITTE ACCESS ECONOMICS MODELLING (2011)

A more recent report by Deloitte Access Economics (2011) also identified significant economic returns attributed to increasing the participation of people with disability in the paid workforce.<sup>11</sup>

Broadly, results showed that in 2009 there were 2.2 million working age people with disability in Australia. Of these almost three quarters were able to work, and 27% reported being permanently unable to work. It was observed that some of this latter cohort may have been limited by environmental factors (e.g. unable to get the support they need), so with appropriate intervention it is conceivable this rate could be reduced. Of the 2.2 million working age people with disability in Australia:

- 54% were participating in the labour force (1.2 million working age people with disability); of these:
  - 50% were employed
  - 4% were unemployed
- 46% were not in the labour force (one million people with disability)

In other words, 1.2 million people with disability were in the labour force either working or looking for work while the remaining one million were not actively engaged in the labour force. The ABS notes that 'many people not in the labour force could be considered to have some attachment to the labour force. For example, they may want a job, but for a variety of reasons are not actively looking for work even though they are available to start a job. There is an expectation that many of these people could move into the labour force in the short term, or could do so if labour market conditions changed'.<sup>12</sup>

Two scenarios were explored in the modelling undertaken by Deloitte Access Economics:

- 1. The labour force participation rate for people with disability increases by 10 percentage points to 64%, which equates to the gap between the participation rate for people without disability (84%) and that for people with disability (54%) closing by one third. It is noted that this outcome has been achieved or surpassed in many countries including New Zealand and Nordic countries.
  - Under this scenario, the increase in workforce participation would yield a cumulative boost to Australia's GDP of \$40 billion in the next decade.
- 2. The unemployment rate for people with disability declines by 0.9 percentage points to 6.9% which is equivalent to the gap between the unemployment rate for people with and without disability closing by one third.
  - Under this scenario, the decrease in unemployment would see GDP increasing by an additional \$43 billion in the next decade.

The scenarios tested by Deloitte Access Economics refer to the direct impact on GDP, however indirect impacts to be considered include improved government fiscal balances (reduced welfare payments) and the benefits associated with freeing carers up to work. It is acknowledged that the report does not weigh the potential benefits against costs associated with increasing participation for people with disability (e.g. against the cost of programs such as Better Pathways). Nonetheless, the point is

<sup>&</sup>lt;sup>11</sup> Deloitte Access Economics 2011, *The economic benefits of increasing employment for people with disability*, report prepared for the Australian Network on Disability, Sydney.

<sup>&</sup>lt;sup>12</sup> ABS 6220.0 Persons Not in the Labour Force, Australia, Sep 2011.

made that working people with disability who are adequately supported are no less productive than the general working population (contrary to prevalent perceptions), providing a strong case to boost their participation in the labour force.

#### 4.4 NATIONAL DISABILITY SERVICES AND THE QUEENSLAND UNIVERSITY OF TECHNOLOGY MODELLING

Economic modelling undertaken by National Disability Services and the Queensland University of Technology determined that if two per cent of people with disability were enabled to return to the workforce there could be a positive economic impact of some \$12 billion. Furthermore, some 740,000 Australians cannot work or work limited hours because they care for someone with disability. The same modelling study found freeing 20 per cent of these carers to return to the paid workforce would contribute \$32.5 billion to the economy.<sup>13</sup>

#### 4.5 NATIONAL DISABILITY SERVICES MODELLING (2012)

The OECD (2007) analysed the direct impact of integrating more persons with disability into the labour force, with a focus on Australia, Luxembourg, Spain and the UK.<sup>14</sup> The integration scenario is based on *people with disabilities gaining employment at the level they are seeking*. The EU average of people with disability indicating they want to work is 21%; the integration scenario extends an equivalent proportionate increase to the labour supply by 2025, augmented by further increases of the same size progressively phased in from 2025 to 2050. This integration scenario reduces the problematic 'fiscal gap' (rising expenditure against an ageing-related declining tax base) by 4 percentage points, representing 25% of the 'fiscal gap'.

Using SDAC (2009) data, the National Disability Services (NDS) study was able to update these estimates for Australia by calculating employment intention rates specific to Australian people with disability. This equated to 26.8% of people with disability not in the labour force who could work under the right conditions (with the requisite support), or 195,297 persons. Allowing for growth in the disability population from 2009 to 2012, this estimate could approximate 200,000 persons (a quarter of the current DSP population) available for workforce integration, who indicate they can work with support. The study uses SDAC data to modify and update the OECD projections based on its 'integration scenario'. The analysis shows that suitably supported disability employment has the potential to reduce the fiscal gap caused by the ageing of the Australian population by around a quarter by 2050.

#### 5 Transitioning young people with disability to successful postschool outcomes – issues and solutions

A national consultation process commissioned by the Australian Government, and resulting in the *Shut Out Report* (2009), included the voices of over 2500 people and 750 submissions from stakeholders in the disability arena. While the process spanned a range of focus areas, a key finding was that the education system acts as a barrier to greater achievement and independence in the lives of young people with disability. A number of submissions specifically noted the failure of the system to prepare students for post-school life, with the majority of these identifying an 'absence of comprehensive individualised planning that would allow young people to

<sup>&</sup>lt;sup>13</sup> Barbagallo D 2011 'Disability support system a no-brainer'

<sup>&</sup>lt;sup>14</sup> Long, B. 2012, *The economic benefits of disability employment*, National Disability Services, Deakin West ACT.

make meaningful choices about their lives after school.<sup>15</sup> The major struggles people reported included confusion about available options and support, the difficulty negotiating eligibility requirements and processes and 'being forced to cobble together solutions when gaps became all too obvious'.<sup>16</sup>

Building on a strong tradition of innovation and reform, the South Australian government embarked on a wholesale reform program for people with disability. One element of this was to commission the SA Social Inclusion Board to consult comprehensively with the South Australian population about the experience of disability and strategies to tackle the systemic issues and obstacles faced by people with disability. The resulting report, *Strong Voices: A Blueprint to Enhance Life and Claim the Rights of People with a disability in South Australia (2012-2020)*, highlighted the need to support young people with disability to successfully transition from 'learning to earning'. In this report the Board *specifically recommended that the Better Pathways program be continued*, stating that 'the Department of Education and Children's Services, in partnership with independent and Catholic schools, must expand and enhance school transition plans between school sites and post-school pathways.'<sup>17</sup>

## 6 The Better Pathways Program – South Australia's response to improving transition outcomes for young people with disability

#### 6.1 DEVELOPMENT OF THE BETTER PATHWAYS MODEL

The South Australian Social Inclusion Board undertook a scoping process relating to the successful transition of young people with disabilities to the post-school environment, with results presented in the Choices and Connections Report (2009). The Board determined that a subset of young people with disability were particularly 'at risk' of not making a successful transition to positive post-school outcomes, namely early school leavers, those studying but unable to move on to employment, those currently not employed or studying, those receiving a Disability Support Pension but not connected to any developmental activity and those on Newstart Allowance. Risk was compounded by ATSI, CALD, and GOM (Guardianship of the Minister) status, and by region depending on available services and opportunities. With due consideration to weaknesses in the service system, and prevailing uncertain economic circumstances, the Board believed there was scope to develop a 'joinedup' service approach transcending the State-funded service system.

The fundamentals of the Better Pathways model are based on a strong platform of research evidence and program experience that has evolved over a considerable period of time. In a comprehensive review of pertinent research, the National Industry Skills Committee have summarised the key underpinning principles for increasing the workforce participation of people with disabilities. These are distilled in six key principles<sup>18</sup>:

<sup>&</sup>lt;sup>15</sup> National People with Disabilities and Carer Council 2009, *Shut Out: The Experience* of *People with Disabilities and their Families in Australia*, Canberra, p. 50.

<sup>&</sup>lt;sup>16</sup> Ibid.

<sup>&</sup>lt;sup>17</sup> South Australian Social Inclusion Board 2011, *Strong Voices: A Blueprint to Enhance Life and Claim the Rights of People with a disability in South Australia (2012-2020)*, Adelaide, p.36.

<sup>&</sup>lt;sup>18</sup> National Industry Skills Committee 2008, *Increasing the Workforce Participation of People with Disabilities: Key Messages from Successful Practices and Future Directions. A Strategic Issues Paper*, pp. 2-3.

1.	Early intervention and Pathway Building	<ul> <li>Preventing early school leaving, providing support pathways to post-secondary education and on to employment</li> <li>Disability employment services working in partnership with schools to support student, teachers and employers on a long term pathway</li> </ul>
2.	Individualised Transition Planning	Tailored transition plans acknowledging significant and specialist needs, involving a holistic, cross-sectoral approach
3.	A Whole of Life Focus	Failure to provide effective support at one transition point can have a domino effect in other areas of life
4.	Cross Sector Collaboration and Coordination	Shift from systems working in isolation/competition with each other, toward systemic collaboration - to stop people from falling between the boundaries/gaps
5.	Case Management to Streamline and Coordinate	<ul> <li>Single point of support to case manage/coordinate different services and supports, across and within sectors, to alleviate complexity/confusion faced by people with disabilities</li> <li>Three components: support to people with disabilities, to employers, to education providers so that capacity is increased</li> </ul>
6.	Changing attitudes, Overcoming Myths and Selling the Benefits	Employment strategies need effective information and communication strategies which address negative attitudes about people with disability and their capacity to work. Needs to be an active intermediary between the employers and potential employees

The Better Pathways service approach was developed by the SA Social Inclusion Board, and implemented as the Better Pathways Pilot Project in 2009 as a joint initiative of the Ministers for Education and Disability in partnership with the Social Inclusion Board. In 2011, responsibility for the Project transferred to the Department of Education and Children's Services. The initiative is aimed at early assessment of young people's capacity to learn, identification of 'at risk' persons, and developing individual plans guiding them along 'realistic post-school pathways'. The role of the project team as a whole is to provide advocacy, coaching and mentoring services to participants, coordinate registration and program engagement processes with schools and parents/carers, maintain regular contact with school-based personnel, liaise with other agencies and gather and report data. A summary of the Better Pathways Program is provided in the Better Pathways Process and Interim Outcomes Report (2012), as follows:

#### The Better Pathways Program<sup>19</sup>:

- provides the young person with 'someone' who can support them in achieving their transition plan and navigating the school and post-school environment
- mandates service collaboration between schools, disability and health services, and further education and training agencies with extra effort and longer lead times being granted to young people with special needs
- brings service providers together to:
  - assist young people with disabilities to develop realistic plans for their life after school (incorporating assessments of their capacity to learn)
  - bridge service supports between agencies and sectors
  - fill service gaps
  - identify and resolve key transition issues around individuals
  - connect them to the appropriate aspirational pathways.

<sup>&</sup>lt;sup>19</sup> Warren, Jan 2012, *Better Pathways Pilot Project: Process and Interim Outcomes Evaluation Report*, Adelaide, p. 6.

According to the Better Pathways Interagency Team Charter, The Better Pathways Program is designed to not duplicate the roles of existing service agencies. The focus of the Coordinator role is mentoring, coaching and advocacy not case management. The role of the Pathway Coordinators is to work collaboratively with the regional Interagency Teams (including representatives of the lead agency DECD, participating agencies and schools) to plan and ensure the best response for each young person referred to the program. Specific program inputs and outputs are defined in the following Practice Guidelines outlined in the Better Pathways Interagency Team Charter<sup>20</sup>:

Ind	lividuals will have:	What will occur on their behalf:
À	proactive career planning and support wherein the individual's potential, support needs and capabilities are fully explored during the individual planning and transition process;	<ul> <li>a focus on progression to education and work place settings with adequate support rather than the Disability Support Pension pathway;</li> <li>proactive implementation of special</li> </ul>
A	access to specialised intervention and training programs that will enable them to interact effectively with their environment, i.e. relating to people's feelings, sensory integration and executive functioning;	<ul> <li>provisions, relative to their need, to enable them to undertake Vocational Education and Training;</li> <li>flexibility in providing unique solutions</li> </ul>
AA	considered all of the options that are relative to their potential inspiring them as to what they could become; support to address transportation issues,	<ul> <li>relative to need in education or workplace settings;</li> <li>a collaborative response for the design of an integrated system that can respond to their behavioural and mental health needs;</li> </ul>
	access information, assistive technologies and communication aids; continuity of services in the course of transition;	<ul> <li>professional school-based counsellors are available to work in partnership with specialist mental health services, education providers and employers;</li> </ul>
$\checkmark$	support to enable them to demonstrate employability skills in a range of work place settings;	<ul> <li>engagement of employers and industry to promote the right perceptions of people with 'visible' disabilities as potential employees;</li> </ul>
A .	significantly lengthened and targeted transition processes when a change in their circumstances occurs;	education of employers and industry as to the atypical behaviour inherent to some young people with disabilities, and appropriate adjustments that enable them to
A A	adequate support to maintain their quality of life throughout periods of illness; and information provided about the potential	<ul><li>continue productively in work place settings;</li><li>pathways to developmental alternatives</li></ul>

#### 6.2 BETTER PATHWAYS PILOT PROJECT: PROCESS AND INTERIM OUTCOMES EVALUATION JULY 2012

An internal DECD process evaluation was undertaken to gauge the progress of the Better Pathways Project in delivering on project commitments. Notably, the evaluation was able to focus on implementation processes, however the project has not been in operation long enough to track associated post-school student training and employment outcomes. In broad terms, the Project aimed to identify young people with disabilities (diagnosed or borderline) who are at risk of not making a successful transition to the post school environment, and to provide effective support to these students through the Better Pathways Service Approach. The aim

<sup>&</sup>lt;sup>20</sup> Ibid., p. 80.

was to have 500 students registered and actively engaged by end of 2013. By 30 June 2012,

- > 316 students were registered in the program
- 280 students had been allocated a Pathway Worker; of these 86% were considered actively engaged (others were recently registered, or still developing relationship with PW)

Students were assessed for their level of school engagement on entry into the program, with a high proportion shown to be seriously disengaged from school (21% engaged less than 25%, 29% between 25-49%). The role of Pathways Workers was to support school attendance, re-engagement and transition planning for the at-risk students in the Program.

Project objectives and associated outcomes are summarised below, based on evaluation data sourced from START assessment and Interagency panel data, individual student reviews and service provider reports:

#### 1. Students have an integrated personal learning/transition plan

- > Of 187 students registered for 6 months or more by 30 June 2012
  - o 70% had a support plan in place
  - 30% were considered 'not engaged' (two or fewer meetings with PW, received less than three hours support, no support plan in place.
- More broadly, Pathway Workers reported that 62% of students (including those registered for less than six months) had a current transition plan.

#### 2. Students are on track to achieve their learning/transition plans

- 85% of student survey respondents and 100% of Pathway Workers agreed that students were generally on track to achieve their learning/transition plans
- 98% of students thought their Pathway Worker has a good understanding of how to help them successfully move from school
- 70% of key school contacts and 94% of students agreed that participation in Better Pathways is making a significant difference
- 90% of Better Pathway Leaders and Pathway Workers and 77% of key school contacts agreed (the rest agree to some extent) that engagement and transition outcomes for Better Pathways students appear to be improving as a result of their participation

#### 3. Parents/carers are engaged in transition planning and implementation

- > 212 students were allocated a Pathway Worker **by 30 April 2012**:
  - 74% of students' family/carer members were supported or worked with by a Pathway Worker
  - 49% of students' parents/carers were actively engaged in transition planning (considered a pre-requisite to involvement, well below ideal, a process 'in development')
  - o 59% of students considered their parents/carers were involved
- Participants retained at school or engaged in other learning or earning activity

   287 students were allocated a Pathway Worker by 30 June 2012:
  - 85% were retained at school or engaged in other learning or earning activity
  - 15% were current (sometimes chronic) non-attenders and/or highly disengaged from school; Pathway Workers working in partnership with schools and other agencies to re-engage, support attendance

- 38% had received support from other agencies; Pathway Workers report collaborating with agency personnel to achieve coordinated wrap-around approach.
- 5. Agencies are adhering to the philosophy of the Better Pathways Service Approach
  - There was widespread agreement among those consulted that various stakeholders (Better Pathways Leaders and Workers and agency personnel) understand and support the principles of the service approach, possibly predating the implementation of the Better Pathways Project, but supported and enriched by the 'unique platform for regular face-to-face interaction with a common purpose'.

#### 6. Students have improved learning or earning status post-school

- > Very few Better Pathways students have moved beyond school
- > However, of those still registered at school:
  - 20 are working in paid 'open' employment
  - 2 are participating in post school certificate level courses at TAFE
  - 2 are enrolled in the State Transition Program
  - 1 is participating in a School-Based Apprenticeship
- 98% of students feel they are or will be supported to stay on track to achieve their goals
- > 96% feel they will have improved opportunities in the future

#### 7. Students have improved tenure in learning or earning post-school

> Too few participants have transitioned to date to gauge this outcome.

Overall, the partnership between the DECD Project Team and Barkuma Inc Better Pathways Program Management Team was considered to be effective, particularly in providing a unique opportunity to connect and bring Pathway Workers and school staff together to share understanding, information, plan and review. Nineteen schools were formally participating at the time of the evaluation: five Catholic, 3 Independent and 11 DECD schools. Seven other schools have enrolled students who have transferred within and across Better Pathways regions and support the ongoing service provision.

The primary goal was for young South Australians with a disability or borderline indicators for diagnosis who are participating in Better Pathways to transition successfully to a learning or earning status post school. While it is too early to report definitive outcome data for Better Pathway students, there are highly positive signs, and consensual agreement 'among school staff, service providers, students and parents/carers that students are generally on track to achieve their learning/transition plans; that their participation in Better Pathways is making a significant difference to improving their engagement and transition outcomes; and that the program should continue'.<sup>21</sup>

#### 6.3 OUTCOMES OF SIMILAR PERSON-CENTRED TRANSITION PLANNING MODELS EMPLOYED IN OTHER CONTEXTS

#### 6.3.1 Evaluation of the Transition to Work Program, NSW 2009

The Transition to Work Program NSW was a two year program designed to provide young people with disability with skill development, vocational preparation, and

<sup>&</sup>lt;sup>21</sup> Ibid., p. 70.

support to transition from year 12 to sustainable employment.<sup>22</sup> Specifically, the program was intended to assist people with moderate to high support needs, who may not otherwise achieve employment, and was designed according to evidence-based best practice principles, including:

- > Offering opportunities for real work experience and job placements
- > Designing a job to suit the individual
- > An awareness and accommodation of employer needs
- > A service perspective in regards to meeting the needs of employers
- Individualised programs, planning and services
- Flexibility in service provision
- Instruction in life skills to support work skills
- Integrated support from a number of organisations/sectors

A total of 1153 young people completed their two year TTW program since the program was implemented in 2005. Of these, 49% exited to employment (either open, supported, or other), although it was noted that according to the data collection categories used 'exit to employment' could refer to either securing an actual paid job or referral to DEN for job placement. The latter outcome was still viewed as positive in signalling that these school leavers were at the minimum 'work ready' as opposed to peripheral to the labour force. Notably, 50% of ATSI participants in the TTW program exited to employment, and CALD service users similarly achieved similar outcomes to other TTW service users.

#### 6.3.2 Evaluation of the UK 'My Way transition programme'

The *My Way* transition program is an innovative service for young people with disability developed in counterpoint to traditional care manager role.<sup>23</sup> Where the latter assesses needs of individual clients and matches these to available services, *My Way* facilitators engage a more holistic and integrated approach by:

- supporting young people and their families to develop a vision of how they wanted life to be
- helping them to solve problems and overcome obstacles to achieving this vision
- supporting them in a practical way to progress toward their desired lifestyle

Broadhurst et al (2012) note that good strategic transition plans, pathways and reviews are often developed for young people with disabilities, but that these are often not implemented in practice, and fail to achieve the desired outcomes. It is suggested that 'the missing ingredient is the link between planning and action' (p. 126). In response, the *My Way* approach involves holistic, person-centred support planning, the use of facilitators in a brokerage role, and a focus on achieving outcomes identified as important by the young people involved in the program.

# My Way facilitators work closely with the young person as well as their family, friends, circle of support, teachers, support staff and various external organisations to gather information, create a transition plan and then, most importantly, put the plan into action.

An independent evaluation of the *My Way* program was undertaken involving a review of previous research about outcomes desired by young people with disabilities and their families, the collection of data on the cost of care packages prior

<sup>&</sup>lt;sup>22</sup> Miles Morgan Australia Pty Ltd 2009, *From Protection to Productivity: An Evaluation of the Transition to Work Program.* Report prepared for the Department of Family and Community Services NSW, Subiaco WA.

<sup>&</sup>lt;sup>23</sup> Broadhurst, S, Yates, K, & Mullen B. 2012. *An evaluation of the My Way transition programme,* Tizard Learning Disability Review, Vol 17 Iss:3, pp.111-123.

to the implementation of *My Way*, and interviews with key stakeholders pre- and post-implementation of the project. Project outcomes were judged according to whether participants moved toward or away from '*Getting a Life*', defined according to whether they wanted a job, to engage in further study, to live more independently, to be more social, among a range of other factors.

In similar vein to the Better Pathways evaluation, no concrete outcome data were available to measure post-school outcomes, however *My Way* facilitators reported that of 75 participants, three quarters (76%), experienced positive outcomes one quarter (24%) experienced no change in their condition, and none experienced negative outcomes. The areas where most progress was made were moving out of the parental home, social relationships and work. Cost reductions in care packages received by participants were reported for 22 young people (29%), although these reductions were offset by the cost of the program. It was noted however that this calculation was based on only one year; potential exists for further savings in reduced life-time costs of care packages. A key learning of the project was that the *My Way* model is more effective than traditional care management in turning transition planning into reality in a way that is cost effective.

#### 6.3.3 The Youth Transition Demonstration – Interim evaluation findings and lessons

Recognising the public cost of dependence on disability benefits by young people, the US Social Security Administration (SSA) funded the Youth Transition Demonstration (YTD) initiative to assist young people (aged 14 to 25 years) to become 'as economically self-sufficient as possible' (p. 1).<sup>24</sup> A number of projects were set up around the country using identified best practice to encourage and facilitate young people with disabilities to work. Intervention components included:

- Individualised work-based experiences
- Youth empowerment
- Family involvement
- System linkages
- SSA waivers (to remove financial disincentives to work) and benefits counselling

An interim evaluation was undertaken of Phase One projects, involving an implementation analysis and an impact analysis based on surveys of participants and administrative files for SSA benefit programs. It was noted that projects that did not achieve significant improvement in employment outcomes for participants were associated with low intensity employment service provision. The project that did provide more intense employment services, including direct placement in paid jobs, performed much better. Key interim learnings were that in order to achieve positive employment outcomes for young people with disabilities, it was important for providers to connect meaningfully with employers and to identify employment opportunities, and to work with young people to identify their skills and interests in order to match them with more appropriate jobs. The YTD project evaluation is ongoing, and will involve follow-up surveys one and three years after young people entered the evaluation, with a specific focus on services received, educational attainment, employment and earnings, attitudes and expectations, and other outcomes. Findings from this research will provide valuable insights about transition to work outcomes currently lacking in the literature.

<sup>&</sup>lt;sup>24</sup> Fraker, T. 2011. *The Youth Transition Demonstration: Interim Findings and Lessons for Program Implementation*, Center for Studying Disability Policy Issue Brief, October 2011 Number 11-04.

#### 7 Future options for the Better Pathways Program

Funding for the Better Pathways Pilot Project is due to expire in December 2013, pending a decision about whether to extend the project beyond that timeframe. Barkuma Inc. has outlined three potential scenarios concerning the future of the Project:

- > **Option 1**: pursue funding to continue the project beyond 2013
- Option 2: not register students after 2012 and pursue funding for the phase out of the Program from January 2013 to December 2017
- Option 3: conclude the project at the end of the current funding period (December 2013).

Important considerations involved in this deliberation include weighing the risks and benefits attached to the continuation or otherwise of the project. A key consideration is that of the cost of continuing the Program and whether this is sustainable given tightening in the current economic climate. As the economic modelling studies outlined in this report show, preparing and supporting young people with disability to participate as productive members of society stands to reap significant financial benefit into the future, provided funding is geared to long rather than short term gain.

Another consideration in deliberating on the future of the Better Pathways Program is the impact on students currently registered in the Program. These students and their families have entered the Program and received services in good faith that the process will see them through to completion. There is some social and political risk involved in terminating the project early and withdrawing the support from students 'mid-stream' in the process.

Finally, there is the question of whether a Program along the lines of the Better Pathways Program is best situated to deliver optimal outcomes for young people with disability transitioning to life post-school. As this report shows, there is a strong line of research backing the person-centred transition planning model used by Better Pathways, and evaluations of similar Programs have signalled positive outcomes for students in lieu of Better Pathways evolving to a point where its own specific further training and employment outcomes can be measured. Given the Better Pathways track record of building on evidence-based practice, reflecting, reviewing and improving implementation processes, and building strong working relationships with stakeholders, a strong case exists for cementing the accrued experience and learning for an additional funding cycle, when the impact can more properly and fully be assessed.