

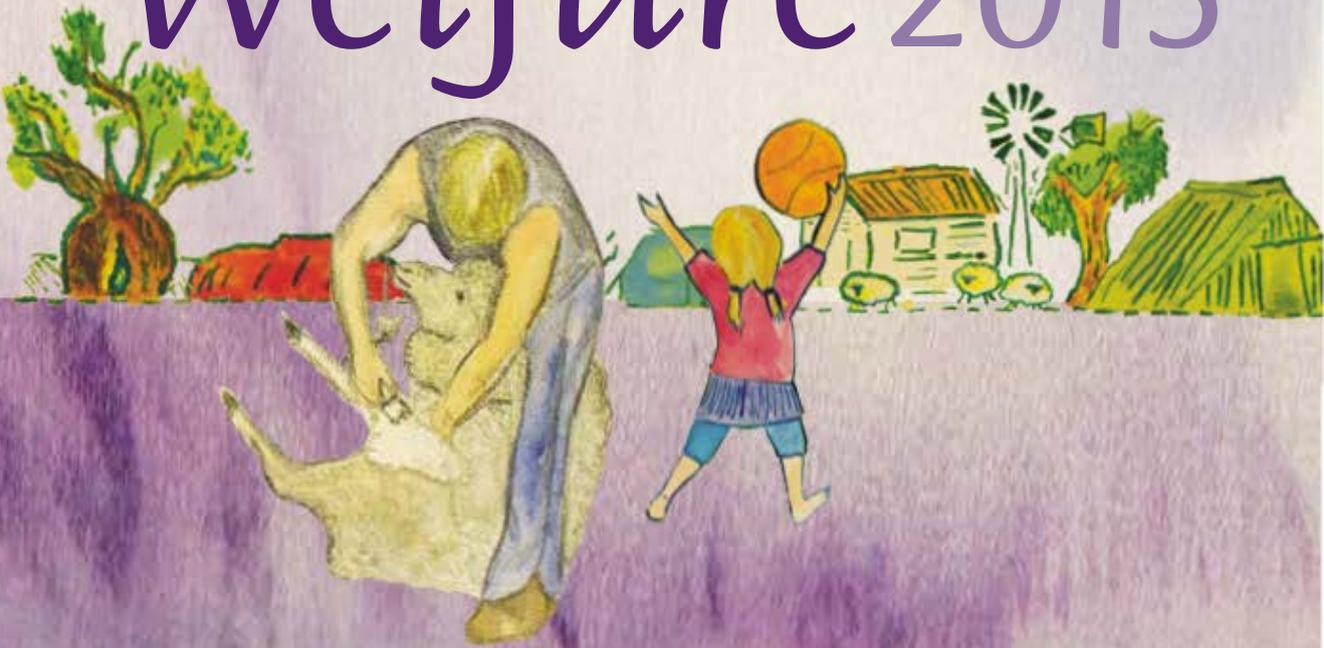


Australian Government

Australian Institute of Health and Welfare



Australia's welfare 2015



Australia's welfare 2015

*The 12th biennial welfare report of the
Australian Institute of Health and Welfare*

The Australian Institute of Health and Welfare (AIHW) is a major national agency which provides reliable, regular and relevant information and statistics on Australia's health and welfare. The Institute's mission is authoritative information and statistics to promote better health and wellbeing.

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This publication is part of the Australian Institute of Health and Welfare's *Australia's welfare* series. A complete list of the Institute's publications is available from the Institute's website www.aihw.gov.au.

ISSN 1321-1455

ISBN 978-1-74249-729-7 (PDF)

ISBN 978-1-74249-730-3 (Print)

Suggested citation

Australian Institute of Health and Welfare 2015. *Australia's welfare* 2015. *Australia's welfare* series no. 12. Cat. no. AUS 189. Canberra: AIHW.

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Published by the Australian Institute of Health and Welfare.

Designed using artwork by Kathryn Jean Harrison.



Please note that there is the potential for minor revisions of data in this report.

Please check the online version at www.aihw.gov.au for any amendments.



Australian Government
Australian Institute of
Health and Welfare

Authoritative information and statistics
to promote better health and wellbeing

The Hon Sussan Ley MP
Minister for Health, Minister for Sport
Parliament House
Canberra ACT 2600

Dear Minister

On behalf of the Board of the Australian Institute of Health and Welfare, I am pleased to present to you *Australia's welfare 2015*, as required under Subsection 31(1A) of the *Australian Institute of Health and Welfare Act 1987*.

This continues our efforts to join up the disciplines within the health and welfare sectors to show the overall inter-connectedness of the system.

I commend this report to you as a significant contribution to national information on welfare-related issues, and to the development and evaluation of welfare policies and programs in Australia.

Yours sincerely

Dr Mukesh C Haikerwal AO
Chair
AIHW Board

22 July 2015

Contents

Preface viii
Acknowledgments ix

1

Understanding welfare

1.0 Introduction..... 2
1.1 Welfare in Australia 3
1.2 Who we are 11

2

Australia's welfare spending and workforce

2.0 Introduction..... 30
2.1 Welfare expenditure 31
2.2 Labour force participation in Australia 42
2.3 The changing face of the welfare workforce 45
2.4 Informal carers 61
2.5 Volunteering 69



3

Child wellbeing (0–14)

3.0	Introduction	72
3.1	The role of the family in child wellbeing	73
3.2	Children in child care and preschool programs	88
3.3	Transition to primary school	90
3.4	How are our children faring at school?	93
3.5	Adoptions in Australia	103
3.6	Child protection in Australia	105
3.7	Young people aged 10–14 under youth justice supervision	107
3.8	Wellbeing of Indigenous children	110
3.9	Closing the gap in Indigenous education	113
3.10	Children with disability	116



4

Young people (15–24)

4.0	Introduction	120
4.1	Pathways through education and training	121
4.2	School retention and completion	124
4.3	Apprenticeships and traineeships	127
4.4	Tertiary education	129
4.5	Opposite ends of the spectrum— participation of young people in education and work	132
4.6	Transitions to independence	135
4.7	How are young Australians coping?	151
4.8	Vulnerable young people (aged 15–24)	154



5

Working age (25–64)

5.0 Introduction.....	170
5.1 The welfare of our working-age population	171
5.2 Who is looking after our children?..	186
5.3 Home alone.....	194
5.4 Bricks and mortar—changing trends in home ownership.....	197
5.5 Working-age support: financial assistance for families with children.....	214
5.6 Working-age support: assistance with employment and training....	219
5.7 Working-age support: housing assistance	222
5.8 Labour force participation of people with disability.....	225
5.9 Older Australians staying at work ..	228



6

Growing older

6.0 Introduction.....	232
6.1 Australians aged 85 years and over	233
6.2 Ageing and the welfare system: pressures, opportunities and responses	236
6.3 Older Australians and the use of aged care.....	258
6.4 Mental health of older Australians	277
6.5 Palliative care: a welfare perspective	283



7

Diversity and disadvantage in Australia

7.0 Introduction.....	288
7.1 How are Indigenous Australians faring?.....	289
7.2 How are people with mental illness faring?.....	312
7.3 A profile of people with disability.....	320
7.4 The diversity of Australia's homeless population.....	323
7.5 Domestic and family violence.....	340



8

Indicators of Australia's welfare

8.0 Introduction.....	344
8.1 Indicators of Australia's welfare.....	345



Methods and conventions.....	388
Symbols.....	389
Acronyms and abbreviations.....	390
Glossary.....	394
Index.....	409

Preface

Each year the Australian Institute of Health and Welfare (AIHW) produces one of its highly regarded biennial flagship reports—*Australia's health* or *Australia's welfare*. This year I am pleased to introduce our 12th report in the Australia's welfare series, *Australia's welfare 2015*.

As in the past, *Australia's welfare 2015* presents reliable information on population factors that underpin the demand for welfare services, welfare spending and the composition of the community services workforce. This report examines the welfare of Australians through the life course, starting at childhood, then moving through youth to working age and the later years of growing older.

As part of the AIHW's ongoing commitment to widen our readership, a new and innovative format has been used for this year's report. Our focus is on topical welfare issues and key facts, which are presented in analytical 'feature articles' and short statistical 'snapshots'. Each article and snapshot contains online links to where more detailed information is available, including in other specialised AIHW reports.

The feature articles cover a broad range of issues—they highlight the important role of family in child development and wellbeing; they explore the pathways of Australia's children and youth through education and training, and the challenges Australia's youth face; they examine the welfare of Australia's working-age population; and they consider the pressures and opportunities of an ageing population.

This report also proposes a new welfare reporting framework and indicator set. This follows an internal review of what measures best capture the depth and breadth of Australia's welfare system, and the AIHW requests feedback on the overall approach presented.

While *Australia's welfare 2015* shows that most of us are doing well, the report also profiles some of the most vulnerable Australians. Feature articles and snapshots on Indigenous Australians, vulnerable young people, people with mental illness or disability, Australia's homeless population, and those experiencing domestic and family violence, highlight the diversity of disadvantage that exists in our communities.

Despite recent improvements and enhancements, there are still gaps in available national data in many areas, including who needs welfare support, people who face entrenched or persistent disadvantage, and the various pathways that people take through the welfare system. As such, there are opportunities for data linkage work among national and jurisdictional data sets that could yield new insights. Such data gaps and opportunities for improvement are discussed in 'What is missing from the picture?' sections throughout the report.

Australia's welfare 2015 is accompanied by an *Australia's welfare 2015—in brief* mini report that summarises key statistics and concepts from the main report, and a variety of online resources.

I would like to thank the many experts who provided the AIHW with valuable advice when drafting this report, and note that their contributions are recognised in the Acknowledgments section.

The AIHW is committed to improving the usefulness and relevance of its flagship reports and welcomes feedback on *Australia's welfare 2015*.

Kerry Flanagan PSM
Acting Director

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The following Australian Government departments and agencies were involved in comprehensive external reviews of the material:

- Department of Education and Training
- Department of Employment
- Department of Health
- Department of the Prime Minister and Cabinet
- Department of Social Services
- Australian Bureau of Statistics

Quality assurance

The report content has been prepared by AIHW staff, and was subject to a rigorous internal review and clearance process. Additional external expert peer reviewers were used to validate and strengthen the content of the report.

Data sources

The best available information has been used to inform this report, drawn from a range of data sources that are referenced throughout. The two main data sources are national collections managed by the AIHW and the Australian Bureau of Statistics. These main sources are supplemented by other data collections, as appropriate.

Each of the data sources used in the report has strengths and limitations that affect how the data can be used and what can be inferred from the results. The AIHW takes great care to ensure that data used are correct, and that the conclusions drawn are robust.

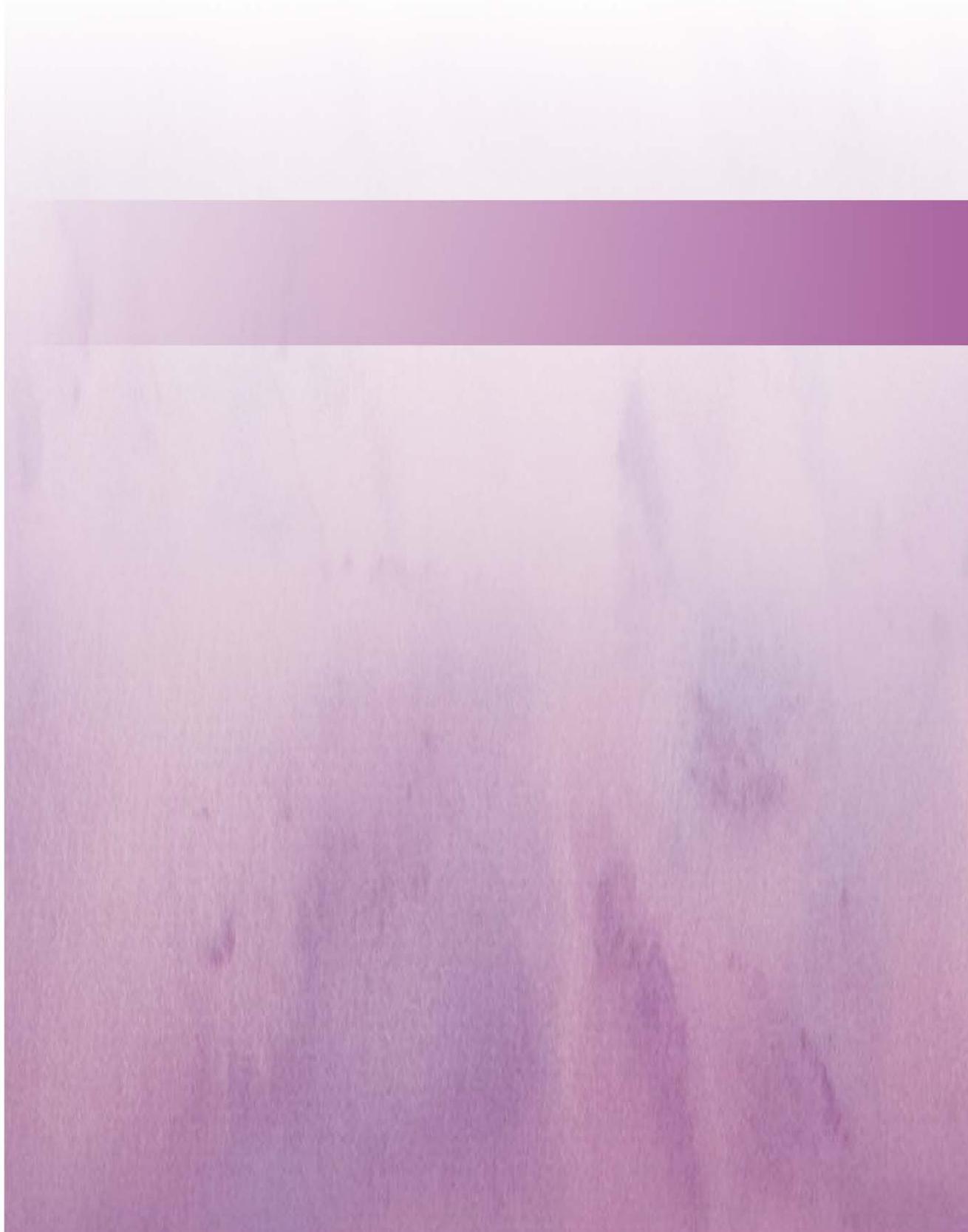
Although this report was published in 2015, many of the statistics refer to 2014 or earlier. This is because some data, such as population-based surveys, are collected every 3–5 years or even less often. Once new data are publicly available, the AIHW needs further time to fully process the data, analyse them, and interpret results.

Given the comprehensive nature of this report, and the time it takes to prepare a compendium report of this scale, it is possible that some other reports with more recent data may be released by the AIHW or others just before or shortly after the publication of *Australia's welfare 2015*.

Additional material online

This edition of *Australia's welfare* has an expanded online presence, including live links to referenced publications and web pages, and supplementary tables. *Australia's welfare 2015* is available online in HTML and PDF formats.

Visit *Australia's welfare 2015* online at www.aihw.gov.au/australias-welfare.





Understanding welfare

1.0 Introduction.....	2
 1.1 Welfare in Australia	3
 1.2 Who we are	11



1 Understanding welfare

1.0 Introduction

What do we mean when we talk about a person's welfare and Australia's welfare system?

Welfare in its broadest sense refers to the wellbeing of people—being comfortable, happy, healthy, prosperous, secure or safe.

While most Australians are able to manage their own wellbeing with little intervention or support, at times and in certain circumstances they may need to draw on additional support and services to help them fully participate in all facets of life. The level of support they need will depend on the life stage they are in, their level of disadvantage, and the complex interrelationships between these factors.

Australia's welfare system refers to a complex network of income support payments, welfare services, and welfare-related tax concessions and deductions that support people's wellbeing.

This biennial report, *Australia's welfare 2015*, explores these concepts using a life-course approach, starting at childhood and then moving through youth to working age and the later years of growing older. This chapter looks at the income support payments and services delivered by the Australian Government and non-government organisations.

There is also a feature article describing 'Who we are' as Australians. This article 'sets the scene' for the rest of the report, with a demographic overview of the many and varied factors that shape our welfare needs, such as population size and structure and where we live.

It also looks at the factors that influence a person through the course of their life, such as family composition and functioning, housing, education, employment and income.

This chapter also describes the structure of the report. *Australia's welfare 2015* is based on the key life stages, with feature articles presenting analysis on topical welfare issues, and snapshots providing key data on a given subject.



1.1 Welfare in Australia

What is welfare?

What is welfare? It is hard to answer that question with any precision. While previous editions of this report have discussed welfare and the nature of the welfare system, they have acknowledged that the concepts and boundaries are not clear and can be specified to suit a particular purpose.

Many dictionaries suggest that the terms *welfare* and *wellbeing* are interchangeable, at least in everyday language. Indeed, welfare in the broadest sense refers to the wellbeing of people.

Attributes often linked to positive wellbeing include being comfortable, happy, healthy, prosperous and secure or safe. A person's wellbeing can therefore be affected by a range of factors, including their individual circumstances, attitudes, behaviours and how they respond to life events. People are often able to generate and manage their own wellbeing with little intervention or support.

However, a person's wellbeing can also be bolstered by the support they receive in times of need. Support can come from a variety of sources, including families, friends and communities, as well as governments and non-government organisations. The nature and extent of assistance can also vary throughout a person's life.

For most Australians, their need for assistance to support their wellbeing is dynamic—they 'dip in' and 'dip out' if and when circumstances and needs arise. For many, this assistance is one-off or temporary, and is often received during the working-age years. This type of support includes help for families with the costs of raising children, through to assistance in times of difficulty, such as might be experienced in times of job loss, illness or a relationship breakdown.

For some people, however, life events such as long-term unemployment, homelessness, disability, sickness, or life choices, can pose significant and complex lifelong challenges that can restrict their capacity to work and participate in family and community life. As a consequence, they may need additional long-term support and services to help them fully participate in all facets of life.

What is Australia's welfare system?

Australia's welfare system comprises a complex network of income support payments and welfare support services, along with some welfare-related tax concessions and deductions. These types of support assist Australians in need, while also having the effect of redistributing income. The age pension, for example, is for many people the only income source in old age, but at the same time is also a mechanism for redistributing income from the working-age population (via the tax system) to the retired population.

For the purposes of this report, we have defined the welfare system as:

'the set of supports, services and payments that Australian society—in part through their elected governments—has chosen as acceptable investments to improve the wellbeing of Australians in need, largely by enhancing capabilities and opportunities for people to participate economically and socially.'

The scope and aims of the welfare system have varied over time, as governments and societal attitudes change. Payments and services are structured to take account of factors such as ideologies on the reach of the 'welfare state', expectations regarding personal and community responsibility, absolute levels of expressed need or the number of people who have sought help, and competing budget priorities.

In this report we look primarily at income support and welfare support services provided and delivered by government and non-government organisations (NGOs), either independently or collaboratively. However, we also acknowledge that people can draw on a vast array of other support, which can come from family, friends, neighbours, charities or other social support networks, such as involvement with community, sporting and religious organisations.

Income support

The Australian Government describes its income support role as supporting Australian families and individuals to help them participate economically and socially, and manage life transitions (Department of Social Services 2014a). The Australian Government provides support through around 75 different types of income support payments and supplementary payments (Commonwealth of Australia 2015). Payments can be available long or short term, or for a transitional period, and the eligibility requirements and amounts received vary.

In terms of income support payments, the Age Pension has by far the largest number of recipients, while in terms of supplementary payments, Family Tax Benefit A has the largest recipient group (see Box 1.1.1 for the number of people receiving some income support and supplementary payments at June 2014).

Australia's social security system differs from those in other Organisation for Economic Co-operation and Development (OECD) countries in that Australia has a flat-rate payment system that is financed from taxation revenue, with no separate social security contributions. In many other OECD countries, social security systems are financed by employers and employees, with benefits tied to past earnings—hence those who have earned high incomes receive more if they need to access benefits (for example, in Europe, the United States and Japan) (Whiteford 2011).

Box 1.1.1: Examples of payments and numbers of recipients

Some of the key Australian Government payments and numbers of recipients in 2014 included:

- *Age Pension*—at June 2014 provided support to around 2.4 million eligible senior Australians
- *Disability Support Pension*—at June 2014 provided support to around 830,000 eligible people (aged between 16 and Age Pension age) who had a reduced capacity for work because of impairment
- *Carer Payment*—at June 2014 provided support to around 244,000 people who personally provided constant care in the home of someone with a severe disability or illness, or who was frail aged
- *Newstart Allowance*—at June 2014 provided support to around 706,000 people aged 22 or older (but under Age Pension age) who were looking for work or taking part in activities that increased the chances of finding a job
- *Youth Allowance (student and apprentice)*—at June 2014 around 242,000 students aged 16–24 years, who were undertaking full-time study, received assistance
- *Family Tax Benefit (FTB)*—at June 2014 FTB Part A provided around 1.6 million families with assistance with the cost of raising and educating children, and FTB Part B provided extra assistance to around 1.4 million single-parent families and families where one parent had a low income or was not in paid employment (DSS 2014b).

Further details about the volume and distribution of the payments can be found throughout this publication in the relevant life-course chapters. In particular, more detail on working-age payments is available in Chapter 5 ‘Working-age support: financial assistance for families with children’, and Chapter 5 ‘Working-age support: assistance with employment and training’.

Up-to-date information on payments and allowances for all income support programs, including eligibility criteria, should be sourced from the Department of Social Services (DSS) and Department of Human Services (DHS) websites respectively: www.dss.gov.au and www.humanservices.gov.au/customer/dhs/centrelink.

The DSS Statistical Paper Series www.dss.gov.au/about-the-department/publications-articles/research-publications/statistical-paper-series provides further statistical detail on income support payments over time.

Welfare support services

Welfare support services are provided to vulnerable individuals and families of widely differing ages and social and economic circumstances. As well as helping individuals and families directly, services may also indirectly help those in need by, for example, developing community networks and infrastructure.

The delivery arrangements are complex and largely overseen by governments—services can be delivered or funded by the Australian Government or state or local governments, as well as by NGOs (profit and not-for-profit). Support can be provided either independently or collaboratively, and the relative involvement of organisations varies from program to program, and between states and territories. Australia has a broad range of welfare services and programs, including:

- employment services to help people to secure and maintain stable employment
- disability services to help people with disability, and their carers, to participate in society
- aged care services to help elderly people to stay living at home
- child protection services to assist vulnerable children
- homelessness services to provide people who are homeless or at risk of homelessness with support and accommodation
- family support services
- community support services for people with mental health issues
- relationship counselling
- respite services for carers
- emergency relief in times of crisis
- support services for refugees and asylum-seekers.

Reforms to Australia's welfare system in recent years have aimed to introduce a more individualised and person-centred approach to the provision of welfare services. The National Disability Insurance Scheme is one example of how this approach has been adopted in the disability sector (see Box 1.1.2).

Box 1.1.2: The changing face of the disability sector

The disability sector in Australia has undergone significant change in recent years. In particular, the *National Disability Insurance Scheme Act 2013* established the National Disability Insurance Scheme (NDIS) to assist people who have a significant and permanent disability and who need assistance with everyday activities (NDIA 2014a). This includes people whose disability is attributed to intellectual, cognitive, neurological, sensory, or physical impairment, or a psychiatric condition.

The NDIS is a fundamental social reform and profoundly changes how services are provided to people with disability in Australia (NDIA 2014b). Unlike arrangements under the National Disability Agreement, which provide funding to providers for supports based on available places in a set number of programs, the NDIS is intended to provide more choice and control, and deliver a life-long, individualised-funding approach to support. Each individual seeking access to the Scheme is assessed according to a common set of criteria. Those who are deemed eligible participate in an individualised planning process to set out the reasonable and necessary supports they need to enable them to achieve their goals, and then receive an individualised package of funding to purchase the supports set out in the plan. The National Disability Insurance Agency (NDIA), an independent statutory agency whose role is to implement the NDIS, sets the value for funded supports in participant packages, and limits the price a provider may charge to that value (NDIA 2014c).

Because of the magnitude of the change, the NDIS is being introduced in stages from July 2013 (NDIA 2014d). Trial sites in selected areas will be followed by a progressive roll-out of the full Scheme from July 2016 (except in Western Australia). The Western Australian Government has not yet agreed to full roll-out. Rather, the state is running a concurrent trial based on its 'My Way' program. The two models will be evaluated at the end of two years.

Welfare services and data linkage

The AIHW collects and reports information on many of the welfare service sectors referenced in this report, including, for example, child protection and homelessness services.

The AIHW's welfare services reporting responsibilities result in sector-specific data and information that governments and the community can use to discuss, debate and make policy decisions on welfare-related matters.

Although sector-specific data are of great value, they provide only limited insights into the multifaceted interactions Australians may have with a range of welfare services within or across welfare services sectors, and with other government services. The AIHW can increase the information value of sector-specific data collections through a process called data integration (also known as data linkage or record linkage). Data linkage can provide a more comprehensive story about individual service use (while fully protecting privacy), and facilitate better understanding of complex interactions among welfare services and other sectors (see Box 1.1.3).

About *Australia's welfare 2015*

The level of welfare support a person receives from government or other organisations varies considerably depending on the life stage they are in, their level of disadvantage, and the complex interactions among these factors. Most Australians have a dynamic interaction with the welfare system—as noted previously, they may 'dip in' and 'dip out' if and when circumstances and needs arise. Accordingly, *Australia's welfare 2015* examines welfare principally through a life-course approach, starting at childhood, then moving through youth to working age and the later years of growing older. These life stages, or periods of major life transitions, reflect common community perceptions of the life course. Other chapters cover welfare spending and the welfare workforce, diversity and disadvantage, and statistical indicators of welfare and the performance of welfare services.

Box 1.1.3: Data linkage—expanding the information base

Data linkage, also known as data integration and record linkage, is a powerful process for identifying people who access multiple services within one sector (recorded in one or more databases), and for combining information about people across different sectors while still preserving privacy. Use of data linkage is subject to ethical approval and the permission of the data owners. Linkage is cost-effective because it uses existing data, and analysis of the resulting linked data sets can provide new insights into health and wellbeing issues that would be otherwise difficult, burdensome or expensive to obtain.

There are multiple national and jurisdictional data sets which separately contain data on service-provision programs. These include data sets on: child care, education, youth justice, homelessness, housing, health services, disability services and aged care. Linking data from two or more of these data sets makes it possible to tell a bigger story than would be possible from one data set or database alone.

Examples of linkage projects under way or completed at AIHW include:

- **Homelessness, income support and employment pathways**—we are undertaking a project funded by the Department of Social Services to link specialist homelessness services client data with income support and employment services data from the Commonwealth Departments of Human Services and Employment. The study will yield better information on the service delivery patterns and pathways used by clients.
- **Homelessness and housing**—homelessness services data have been linked with public housing data to better understand pathways into public housing and support provided to public housing tenants to maintain their tenancies. The article ‘The diversity of Australia’s homeless population’ (Chapter 7) includes results from this study.
- **Services for people with a disability**—the Disability Services National Minimum Data Set and Home and Community Care Minimum Data Set were integrated to examine the client overlap of these two programs that provide services to people with disabilities (AIHW 2014a, 2014b). We found that people using both programs required higher, more complex and diverse supports than those who only accessed Disability Services.
- **Pathways in Aged Care**—this linked database covers aged care assessments and use of seven different national aged care service programs from 2002 to 2011, as well as deaths. ‘Older Australians and the use of aged care’ in Chapter 6 discusses patterns of use of aged care using these data.
- **Children’s services**—several projects related to children’s services and education have been undertaken, and some are currently in progress. These are outlined in Box 4.8.1 ‘Investigating pathways using data linkage’ in Chapter 4 ‘Vulnerable young people’.

For further information, visit the data linkage pages on the AIHW website at www.aihw.gov.au/data-linking.

The chapter structure is:

Chapter 1 Understanding welfare—defines key welfare-related concepts, along with profiling Australia’s population size and structure

Chapter 2 Australia’s welfare spending and workforce—outlines how much Australia is spending on welfare and reflects on changes in Australia’s welfare workforce

Chapter 3 Child wellbeing—highlights the influence of education on building life skills and laying the critical foundations for a productive and healthy life

Chapter 4 Young people—recognises the challenges faced by young Australians, including those who require child protection services or are homeless

Chapter 5 Working age—defines and examines the welfare of Australia’s working-age population plus the changing trends in home ownership in Australia

Chapter 6 Growing older—explores the pressures, opportunities and responses that an ageing population poses for the welfare system

Chapter 7 Diversity and disadvantage in Australia—profiles some of the most vulnerable groups of Australians and examines the challenges they face

Chapter 8 Indicators of Australia’s welfare—proposes a new reporting framework for indicators of Australia’s welfare, and sheds light on the performance of the welfare system, in the context of the contribution of other sectors and the influence of selected determinants.

In terms of structure within chapters, most chapters consist of a combination of analytical feature articles on topical welfare issues supplemented by short statistical ‘snapshots’ that provide key data on a given subject. Together, the feature articles and snapshots highlight:

- determinants of welfare
- major forms of support available at different stages of people’s lives (and with differing needs)
- the breadth of welfare services received.

This report presents the best data available in 2015. The extent of analysis and data presented in the life-stage chapters depends on data availability relevant to the different age cohorts. Comparative trend analysis reflects the best available data, as well as the most relevant time periods for the issue under consideration.

‘What is missing from the picture?’ sections

Despite improvements and enhancements in recent years, there are still gaps in the available national data on who needs welfare support, people who face entrenched or persistent disadvantage, and the various pathways that people take through the welfare system. And, as outlined earlier, there are opportunities for data linkage work among national and jurisdictional data sets that could yield new and as yet unavailable insights.

Such data gaps and opportunities for improvement are listed in ‘What is missing from the picture?’ sections in articles and snapshots throughout the report.

‘Where do I go for more information?’ sections

Readers wanting more information on a particular topic will find paths to more detail in ‘Where do I go for more information?’ sections throughout the report.

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1.2 Who we are

The demand for welfare support and services is influenced by a variety of factors, including the age structure of the population, people's health and disability status, economic conditions, social and economic participation, access to appropriate housing and education, and the availability of support networks.

The profile and characteristics of Australian households have changed markedly in recent decades. Most of us still live in couple families, own or are buying our own homes, and have jobs. But families today are smaller than they used to be, more couples are living in de facto relationships, more couples are choosing not to have children, and migration patterns have influenced the cultural diversity of households.

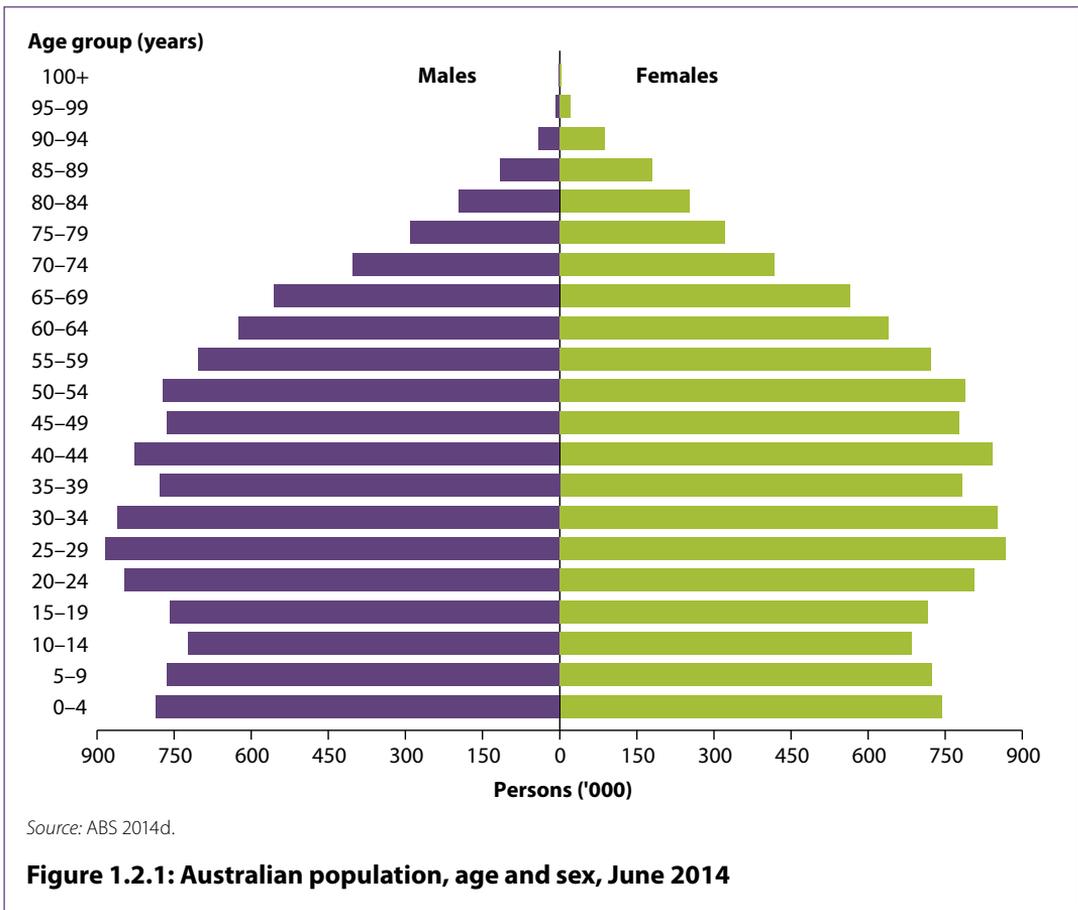
More of us are now living on our own than ever before, which has implications for the provision of appropriate housing (see Chapter 5 'Home Alone'). Almost half of all people aged 65 or older live alone. Older Australians now account for an increasing proportion of the total population. In June 2014, 15% (3.5 million people) of the population were aged 65 and over (ABS 2014d) and by 2054 this is projected to increase to 21% (8.4 million people) (ABS 2013f). Such demographic change increases pressure on the welfare system in terms of age-related income support, disability support and the provision of aged care (see Chapter 6 'Ageing and the welfare system' and 'Australians aged 85 and over').

This article examines the many aspects that underpin 'who we are' as Australians. It 'sets the scene' for the rest of the *Australia's welfare 2015* report with a demographic overview of our population size, structure and where we live, before outlining several factors relevant to a person's welfare status and needs as they move through life, including family composition and functioning, housing, education, employment and income.

Population

Australia is a vast country with a relatively small and ageing population of approximately 23.5 million people at June 2014 (ABS 2014d). About 3% of the population—714,000 people—were Indigenous Australians (ABS 2014g) and around 28% of the population were born overseas (6.6 million people) (ABS 2015c).

At June 2014, there were slightly more males than females at all ages up to and including the 30–34 age group, but fewer males than females for all subsequent age groups. The difference is especially marked at more advanced ages—47% males to 53% females at ages 75–79, and 39% males to 61% females for people aged 85–89 (see Figure 1.2.1) (ABS 2014d).

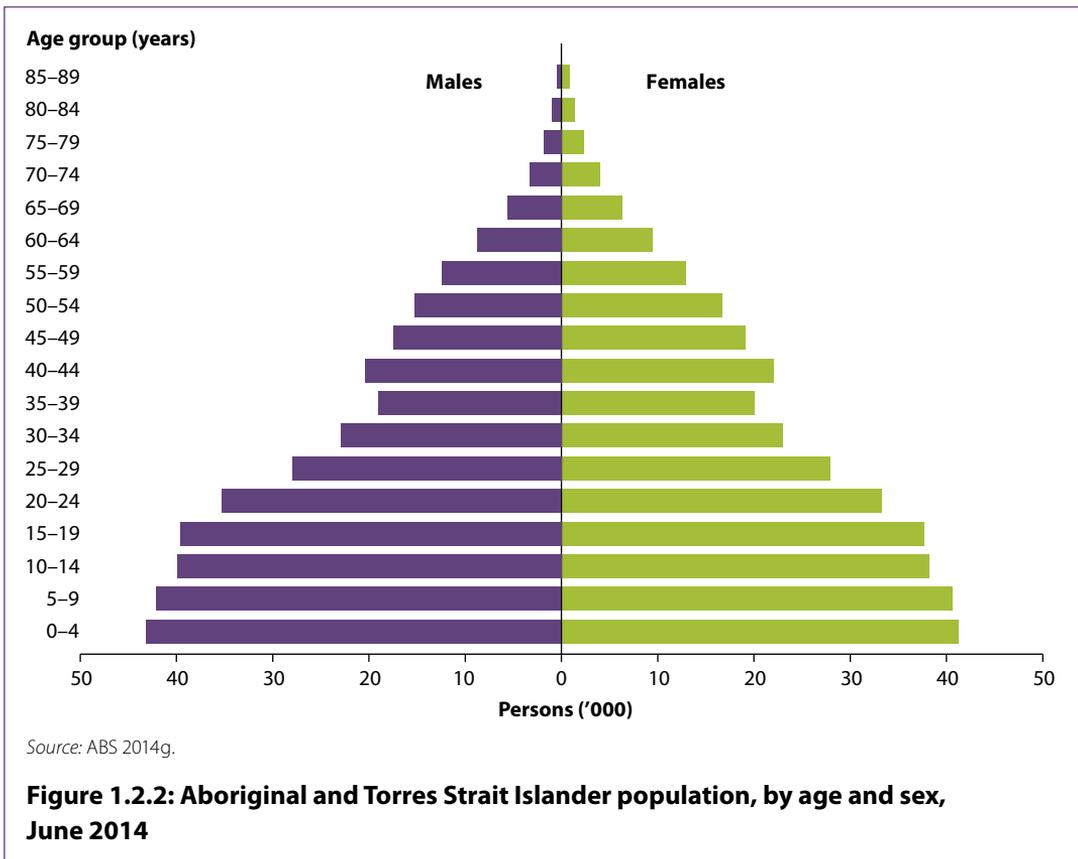


Aboriginal and Torres Strait Islander population profile

The age profile of Australia’s Aboriginal and Torres Strait Islander population is considerably younger than for the non-Indigenous population, with larger proportions of young people and smaller proportions of older people (ABS 2014g).

At June 2014, half of the Indigenous population was aged 22 or under (compared with aged 37 or under for the non-Indigenous population) and just 4% were aged 65 and over (compared with 15% of the non-Indigenous population) (see Figure 1.2.2) (ABS 2014g).

As with the Australian population as a whole, Indigenous women outnumbered Indigenous men at older ages. Women accounted for 52% of Indigenous people aged 50–74 and 58% of those aged 75 and over (ABS 2014g).



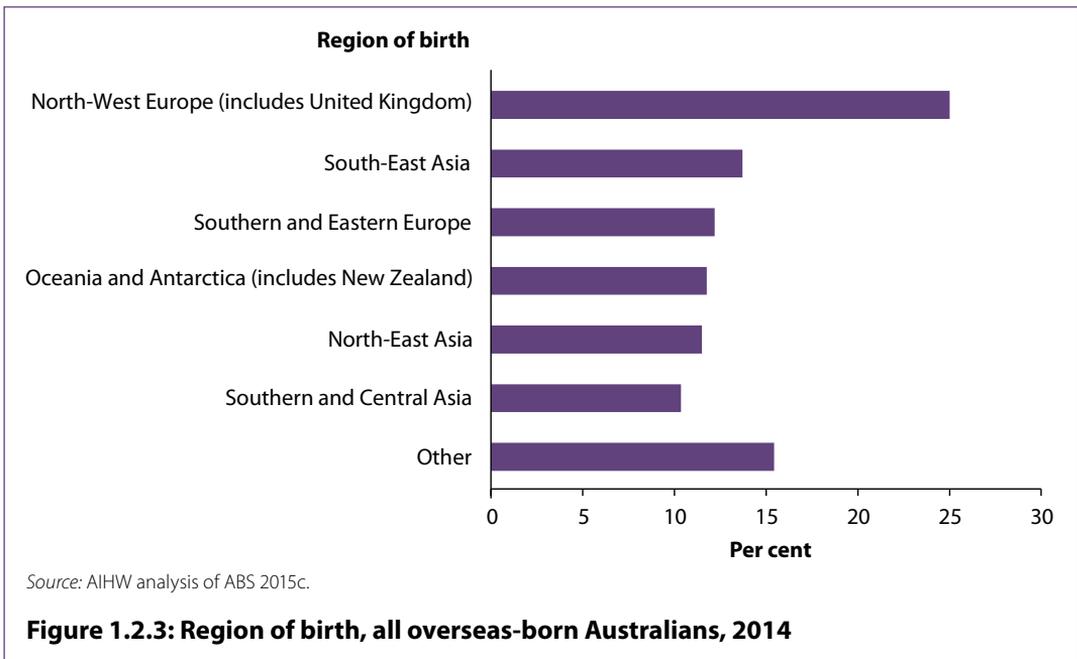
Migration

Between June 2004 and June 2014, Australia’s overseas-born population increased from 4.8 million to 6.6 million people. The proportion of all Australian residents who were born overseas increased from 24% to 28% over the same period (ABS 2015c).

While these residents have migrated from more than 200 countries around the world, the largest number (1.2 million) were born in the United Kingdom, with this group accounting for 5.2% of the Australian population at 30 June 2014. The next-largest group was people born in New Zealand (2.6%), followed by those born in China (excluding Hong Kong) (1.9%), India (1.7%) and the Philippines and Vietnam (each 1.0%), Italy (0.9%), South Africa (0.8%), Malaysia (0.7%) and Germany (0.5%) (ABS 2015c).

The proportion of Australian residents born in the United Kingdom fell from 5.6% in 2004 to 5.2% in 2014. In contrast, proportions rose for people born in New Zealand (from 2.1% to 2.6%), China (from 1.0% to 1.9%) and India (from 0.7% to 1.7%) (ABS 2015c).

In terms of regions, North-West Europe (including the United Kingdom) accounted for one-quarter (25%) of Australia’s overseas-born residents in 2014; South-East Asia accounted for nearly 14%; Southern and Eastern Europe, Oceania and Antarctica (including New Zealand), and North-East Asia all about 12%; and Southern and Central Asia 10% (see Figure 1.2.3) (AIHW analysis of ABS 2015c).



Over the past decade, the proportion of all overseas-born residents who are from Europe has declined while the proportion from Asia has increased. In 2004, North-West Europe accounted for 31% of Australia’s overseas-born residents, Southern and Eastern Europe 18%, South-East Asia 12%, Oceania and Antarctica 11%, North-East Asia 8%, and Southern and Central Asia 5%.

The Australian Government’s Migration Programme is the main pathway to permanent residence in Australia. In 2013–14, India, China and the United Kingdom were the top 3 source countries of new migrants (excluding New Zealand which is not counted as part of the Migration Programme) (DIBP 2014).

The remaining countries in the top 10 source countries of migrants were, in order, the Philippines, Pakistan, the Irish Republic, Vietnam, South Africa, Nepal, and Malaysia (DIBP 2014).

The increased cultural diversity of households has implications for the way in which welfare support is provided. For example, welfare services will increasingly need to accommodate people from a non-English speaking background and be culturally appropriate.

Growth over time and into the future

Australia’s population grew by 1.6% in the year to June 2014 (ABS 2014d), due to natural increase (there are more births than deaths) and migration. Natural increase contributed 42% to population growth to June 2014 while net overseas migration added 58% (ABS 2014d).

Based on medium-level growth assumptions, Australia’s population is projected to increase to 41.5 million people in 2061, and reach 53.3 million in 2100 (ABS 2013f).

Over recent decades, population growth has been stronger among older age groups compared with younger age groups. For example, between 1974 and 2014, the number of people aged 65 and over nearly tripled, from 1.2 million to 3.5 million. The number of people aged 85 and over increased nearly six-fold, from 76,500 to 457,000. The number of children and young people (aged under 25) rose by just 23% from 6.2 million to 7.6 million people over the same period (ABS 2014d).

Where we live

Most Australians live in capital cities. At June 2014, nearly three-quarters of people lived in *Major cities* (71%), while 18% lived in *Inner regional* areas, 9% in *Outer regional* areas, 1.4% in *Remote* and 1% in *Very remote* areas (see Box 1.2.1 for information about the classification of geographical areas in Australia) (ABS 2015e).

The proportion of people living in *Major cities* has increased over the past decade. In 2004, 69% of Australians lived in *Major cities*, 19% in *Inner regional* areas, 10% in *Outer regional* areas, 1.5% in *Remote* areas and 1% in *Very remote* areas (ABS 2015e).

In 2013–14, *Major cities* was the fastest growing type of Remoteness Area (RA) in Australia, with a population increase of 1.8% in the year to June 2014. The remaining RAs grew more slowly than Australia as a whole (1.6%)—*Inner regional* areas grew by 1.2%, *Outer regional* areas grew by 0.7% and *Remote* areas grew by 0.3%. The population in *Very remote* areas fell by 0.4% (ABS 2015e).

Australia's population is largely concentrated in the east and south-east of the country. In 2014, nearly one-third of people (32%) lived in New South Wales, 25% in Victoria, 20% in Queensland, 11% in Western Australia, 7.2% in South Australia, 2.2% in Tasmania, 1.6% in the Australian Capital Territory and 1.0% in the Northern Territory (ABS 2015e).

Box 1.2.1: Classification of Remoteness Areas in Australia

The ABS Australian Standard Geographical Standard (ASGS) Remoteness Structure allocates areas to 1 of 5 remoteness categories depending on their distance from urban centres, where the population size of the urban centre is considered to govern the range and types of services available.

The 5 remoteness categories are: *Major cities*, *Inner regional*, *Outer regional*, *Remote* and *Very remote*.

The category *Major cities* includes Australia's capital cities, with the exceptions of Hobart and Darwin, which are classified as *Inner regional* and *Outer regional* respectively (ABS 2013b).

More information is available on the [ABS website](#).

Aboriginal and Torres Strait Islander people

Aboriginal and Torres Strait Islander people make up a relatively large proportion of the population living in remote areas of Australia. The ABS's 30 June 2011 estimated resident population data show that almost half (45%) of all people in *Very remote* areas and 16% in *Remote* areas were of Aboriginal and Torres Strait Islander origin, compared with a 3% Aboriginal and Torres Strait Islander representation in the total Australian population (ABS 2013c).

Nevertheless, most Indigenous Australians live in urban rather than remote areas. In 2011, more than one-third (35%) lived in *Major cities*, 22% in each of *Inner regional* and *Outer regional* areas, and the remaining 21% in either *Remote* or *Very remote* areas (ABS 2013c).

How we live

Family households

In 2012–13, nearly three-quarters (74%) of the 8.9 million households in Australia were family households, nearly one-quarter (23%) were lone-person households and 3% were group households (ABS 2015a) (see Box 1.2.2; Figure 1.2.4).

Box 1.2.2: What is a family?

The ABS defines a family as ‘a group of 2 or more persons, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering; and who are usually resident in the same household. The basis of a family is formed by identifying the presence of a couple relationship, lone parent-child relationship or other blood relationship. Some households will, therefore, contain more than one family’ (ABS 2015a).

Families are classed as having, or not having, dependants, and there are two types of dependants: children aged under 15, and students aged 15 to 24 who are at school or studying full time at a tertiary institute and living with their parents/guardians. Children aged over 15 who are not full-time students are not considered ‘dependants’ even if they still live at home.

A one-parent family can be classified as ‘without dependants’—for example, a 50-year-old woman living with her 30-year-old daughter.

An ‘other family’ is defined as ‘a family of other related individuals residing in the same household. These individuals do not form a couple or parent-child relationship with any other person in the household and are not attached to a couple or one-parent family in the household’ (ABS 2015a).

In 2012–13, the vast majority of the 6.7 million families in Australia were couple families (85%, or 5.7 million families), and 48% (2.7 million) of these couple families had no children in the household (ABS 2015a).

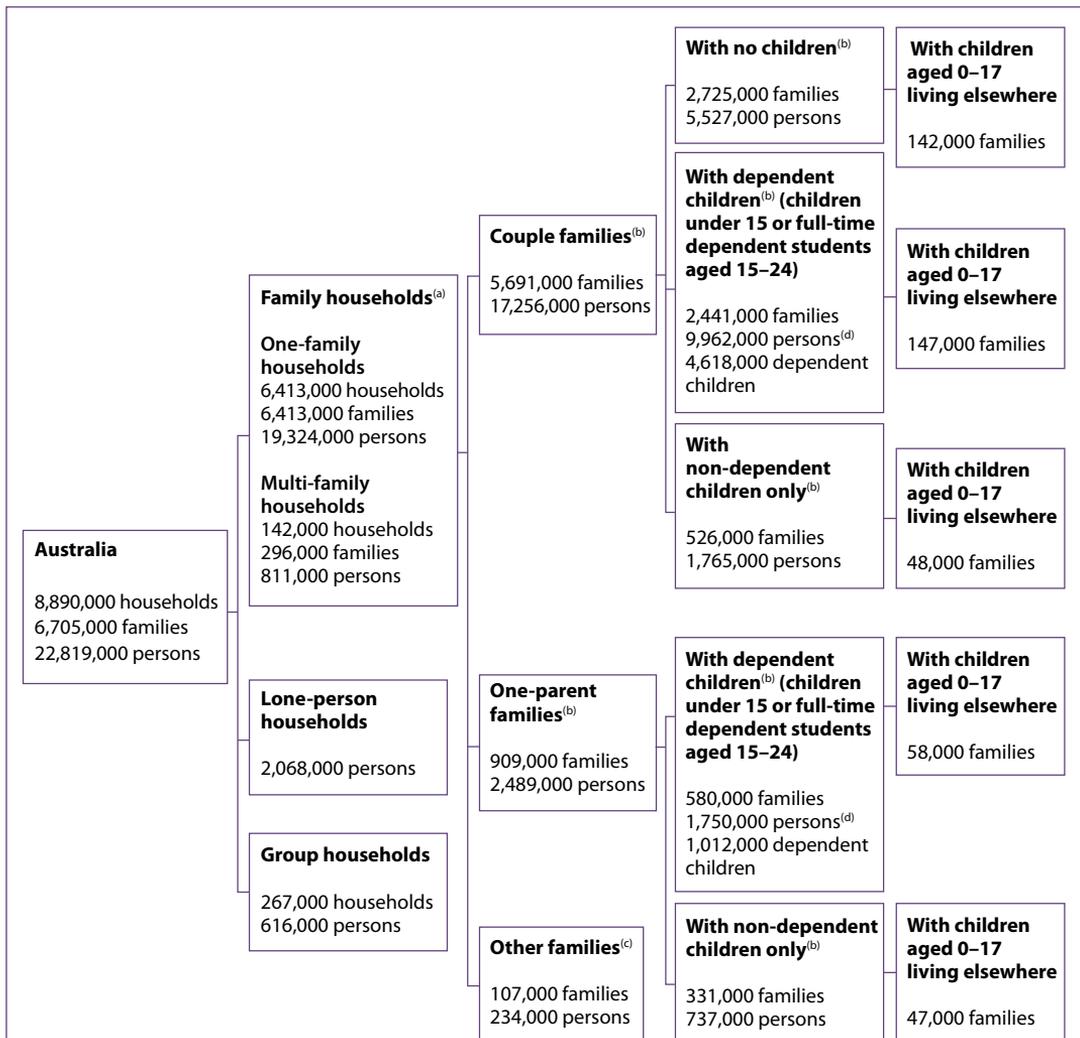
The next largest group was one-parent families (14%, or 909,000 families), followed by ‘other families’ (2%, or 107,000). One-parent families were mostly lone-mother families (16% of all families with children aged 0–17). Lone-father families comprised 3% of all families with children aged 0–17 years (ABS 2015a).

Of families with children aged 0–17, 74% were intact families, 19% were one-parent families and 6% were step and blended families (ABS 2015a).

One in 5 (21%) of the 5.2 million children aged 0–17 in Australia in 2012–13 had a natural parent living elsewhere. Three-quarters (75%) of these children lived in one-parent families, 12% in blended families and 10% in step families (ABS 2015a).

Of the 828,000 children in one-parent families with a natural parent living elsewhere, 718,000, or 87%, lived with their mother (ABS 2015a).

Nearly half (45%) of children with a natural parent living elsewhere saw this parent at least once a fortnight, while about one-quarter (26%) saw them less than once per year or never (ABS 2015a).



(a) In addition to couples, parents, children and other family members, family households may also include unrelated individuals. Therefore, the number of persons in family households will not equal the number of persons in families.

(b) These families may include other related individuals, but exclude unrelated individuals.

(c) Refers to families where there are no partners or children (for example, adult siblings living together without a parent), but excludes unrelated individuals.

(d) Includes non-dependent children in families with dependent children as well as other related individuals.

Source: ABS 2015a.

Figure 1.2.4: Composition of households in Australia, 2012-13

Indigenous households

Indigenous households were more likely to be family households (81%) compared with other households (71%), and less likely to be lone-person households (14% compared with 25%) according to the 2011 Census. Proportions of group households were similar (5% and 4%, respectively) (AIHW analysis of the 2011 Census).

Indigenous households were more likely to be one-parent families with dependent children (21% compared with 6% of other households) and multiple family households (6% compared with 2%), and were less likely to be families without dependent children (27% compared with 38%) (AIHW analysis of the 2011 Census).

The proportion of Indigenous and other households that were couple families with dependent children was similar (27% and 26%, respectively) (AIHW analysis of the 2011 Census).

Changes in Australian households and families

The size of Australian households has been changing for some time. The average number of people per household fell from 2.69 to 2.57 between 1994–95 and 2011–12 and is projected to decrease to 2.3 people per household by 2026 (ABS 2010; AIHW 2014a).

Compared with 25 years ago, more couples are living together in de facto relationships. In 2011, 16% of couples were cohabiting, up from 6% in 1986 (AIFS 2014).

Living together before marriage is also more common, with 77% of marriages preceded by cohabitation in 2013 compared with 56% in 1995 and 16% in 1975 (ABS 2014f; AIFS 2014). However, this trend has stabilised in recent years, with little change since 2008.

In 2012–13, 2.1 million Australians were living alone. While the proportion of lone-person households (23%) was similar to that in 2009–10, it had fallen from 25% in 2006–07 (ABS 2015a).

Recent research by the Australian Institute of Family Studies shows that while the percentage of lone-person households has increased by 300% since the end of the Second World War (rising from 8% in 1946), there has been an ‘uncharacteristic absence of growth since the turn of the 21st century’ (AIFS 2015).

While the AIFS says that this ‘stands out from the higher level of growth in most other countries and even the accelerating growth in some’, it is similar to patterns in New Zealand, Switzerland and the United Kingdom (AIFS 2015).

According to the 2011 Census, a small proportion—less than 1%—of Australian families are grandparent families, ‘where there are grandparent–grandchild relationships in the absence of parent–child relationships’, (AIFS 2013).

The proportion of children living with their grandparents is higher among Indigenous families. Based on 2011 Census data, 4% of Indigenous children aged 0–14 were living with grandparents compared with less than 1% of non-Indigenous children (AIHW analysis of the 2011 Census).

According to the Australian Bureau of Statistics (ABS), in the 15 years between 1996 and 2011, the number of same-sex couples has more than tripled to 33,700—about 1% of all couples in Australia. The ABS notes that this increase could be partly due to increased reporting as a result of growing social acceptance. There were almost twice as many children (6,300) living with same-sex couples in 2011 than in 2001 (3,400) (ABS 2013a).

Our homes

While most households (68%) still owned their own homes in 2011–12 either with or without a mortgage, the pattern of ownership (outright compared with mortgaged) has changed over the past decade.

The proportion of households that owned their own homes outright fell from 42% in 1994–95 to 31% in 2011–12 (ABS 2013e).

The proportion of households that owned their own home with a mortgage increased from 30% in 1994–95 to 37% in 2011–12 (ABS 2013e).

The proportion of households renting has increased over the past decade. In 2011–12, around 25% of households were renting from a private landlord (up from 18% in 1994–95), and about 4% were renting from a state or territory housing authority (ABS 2013e).

While the pattern of home ownership is strongly linked to the life course—usually beginning with ‘renting in early adulthood, moving to home purchases and mortgages as partnerships are formed and children are born, and owning a home outright in older age’ (ABS 2013e)—the ages at which these transitions are made are changing.

Overall, home ownership rates (with and without a mortgage) have fallen for younger adult cohorts over the last 30 years. For example, according to Census data, the proportion of households that owned their own home where the reference person was aged 25–34 years fell from 61% to 47% between 1981 and 2011 (AIHW 2013; Yates 2011), although much of that decline was in the decade 1981–91 (Burke et al. 2014).

In 2011–12, more than half (51%) of 25–34 year olds were renting from a private landlord (ABS 2013e) (see Chapter 5 ‘Bricks and mortar’ and ‘The welfare of our working-age population’).

Changes in home ownership could be due to a range of individual and societal factors, including housing affordability. House prices have risen significantly in recent years, outstripping increases in consumer prices and median incomes (Australian Government 2008).

ABS 2001 Census data show that median house prices were around 4.5 times the median annual earnings for that year. According to 2006 Census data, this ratio increased to 6.7 times for that year, and increased again slightly to 7.0 times in 2011 (ABS 2012, 2013e). In 2011–12, the median value of the 5.8 million owner-occupied dwellings in Australia was \$450,000 (ABS 2013e).

More detailed information on the changing trends in home ownership can be found in the Chapter 5 article, ‘Bricks and mortar’, which examines factors such as financing for first-home buyers, housing affordability, house prices, supply and demand, and household income, as well as the role of family structure, education and employment. Home ownership for Australians aged 25–64 is also discussed in Chapter 5 ‘The welfare of our working-age population’.

Homelessness

While most Australians have a roof over their head every night, some are not so fortunate. An estimated 254,000 Australians accessed specialist homelessness services in 2013–14—an increase of 4% from 2012–13 (AIHW 2014c) (see Chapter 7 ‘The diversity of Australia’s homeless population’).

More than half of all clients of these services were at risk of homelessness (58%) when they first began receiving support. Of those who were homeless when presenting (42%), 24% had no shelter or were staying in improvised dwellings, and 38% were in short-term accommodation.

Most clients who received assistance were female (59%), and Indigenous Australians continued to be over-represented among service recipients. Although comprising 3% of the total Australian population, Indigenous people comprised 23% of specialist homelessness services clients.

Domestic and family violence remains a leading cause of homelessness. Thirty-three per cent of all clients receiving assistance from homelessness agencies were escaping domestic or family violence. The majority of these were adult females (62%), and 20% were children under 10 years of age (AIHW 2014c) (see Chapter 7 'Domestic and family violence').

Marriages, divorces and births

Marriages

After more than a decade of relatively steady increases, the number of marriages in Australia fell in 2013 (ABS 2014f). Nearly 119,000 marriages were registered in 2013 compared with more than 123,000 in 2012—the 2012 figure remains the highest number registered in a single year to date (ABS 2014f).

While the number of marriages has generally increased over the past decade, the rate at which people were getting married changed little between 2003 and 2012. In 2012, the crude marriage rate was 5.4 marriages per 1,000 population compared with 5.3 in 2003, even though the 123,000 marriages for 2012 was markedly more than the 106,000 in 2003 (ABS 2014f).

Between 2012 and 2013, however, the crude marriage rate fell from 5.4 to 5.1 marriages per 1,000 population, due to the drop in the number of marriages mentioned earlier together with an increase in the overall population (ABS 2014f).

Age-specific marriage rates give an indication of the proportion of all males or females in a particular age group who marry, and so provide a more detailed picture of the ages at which people marry (ABS 2014f).

While the age-specific marriage rate for men aged 20–29 has dropped since 1993, it has risen for men aged 30–39 (ABS 2014f).

Looking at the younger age group more closely, the rate for men aged 20–24 fell from 36.3 marriages per 1,000 population in 1993 to 15.2 in 2013, while the rate for men aged 25–29 dropped from 53.2 per 1,000 population to 41.2 over the same period (ABS 2014f).

In contrast, the marriage rate for men aged 30–34 increased from 28.9 per 1,000 population in 1993 to 33.9 in 2013 while the rate for men aged 35–39 rose from 15.0 per 1,000 population to 18.8 over the same period (ABS 2014f).

Over the same 1993–2013 period, the age-specific marriage rate for women aged 20–24 fell from 57.8 marriages per 1,000 population to 25.4. However, rates rose for women aged 25–29 (from 46.4 to 48.3), for women aged 30–34 (from 21.5 to 30.3), and for women aged 35–39 (11.3 to 14.2) (ABS 2014f).

The proportion of marriages where both partners were getting married for the first time has risen over the past two decades. In 1993, 67% of all marriages were first-time marriages for both partners compared with 72% in 2013 (ABS 2014f).

In contrast, the proportion of marriages where one of the partners was getting married for the first time fell from 19% in 1993 to 16% in 2013, and the proportion of remarriages for both partners also fell, from 14% in 1993 to 11% in 2013 (ABS 2014f).

The median age at marriage in 2013 was 31.5 for men and 29.5 for women. While this has changed little in the past 5 years, the median age has risen by 2.7 years for men and 3.1 years for women since 1993 (ABS 2014f).

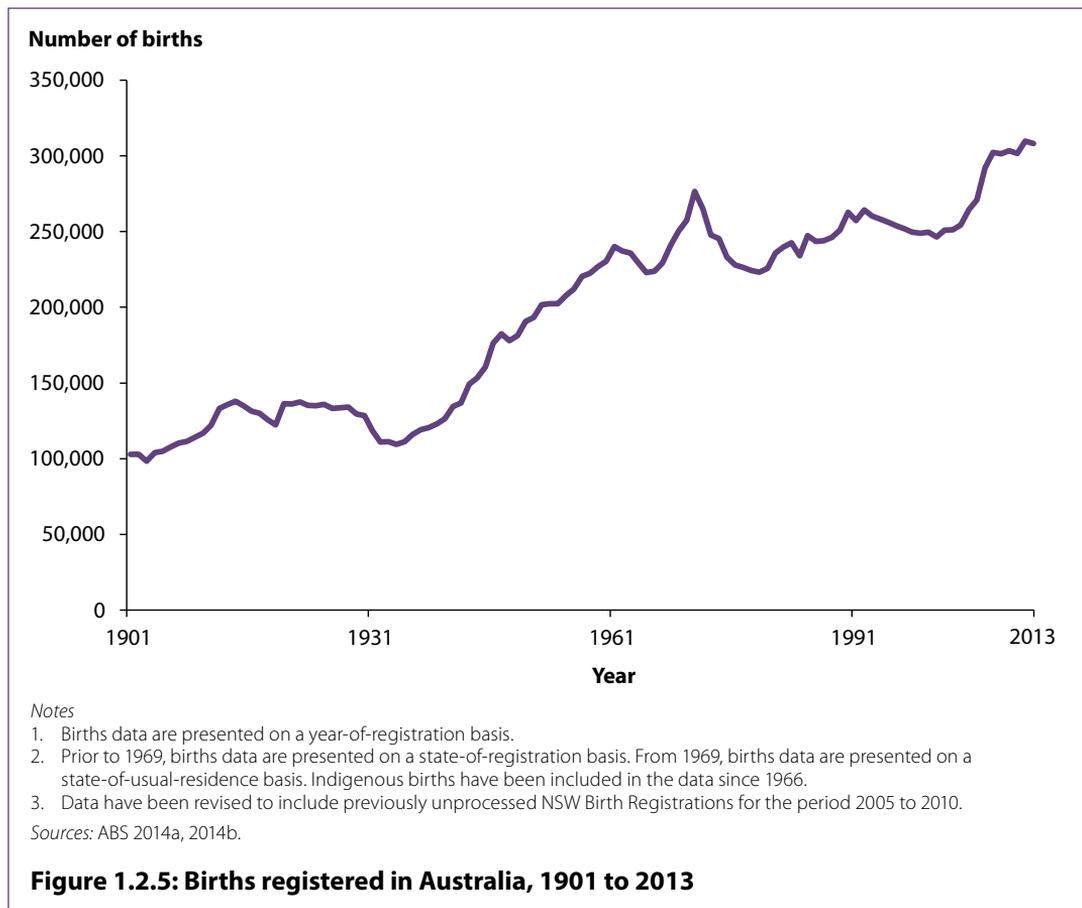
Divorces

The number of divorces registered each year has fluctuated between about 47,000 and 55,000 over the past two decades. The number fell by around 2,300 between 2012 and 2013. In 2013, just over 47,600 divorces were registered in Australia compared with just over 49,900 in 2012 (ABS 2008, 2014f). In 2013, the divorce rate was 2.1 divorces per 1,000 population, a decrease on the 2.2 divorces per 1,000 population in both 2012 and 2011. In 1993, the rate was 2.7 divorces per 1,000 population (ABS 2014f).

Births

The number of babies born in Australia and the ages of their parents have all risen over the past decade; meanwhile, fewer teenagers are giving birth today than in 2003.

There were just over 308,000 births registered in Australia in 2013—about 1,500 fewer than in 2012 and about 57,000 more than in 2003 (Figure 1.2.5). Just over one-half (52%) of these babies were boys (ABS 2014b).



In 2013, Australia's total fertility rate (births per 1,000 women) was 1.88, which was lower than in 2012 (1.93).

The fertility rate for teenage mothers has fallen to 14.6 babies per 1,000 women aged 15–19, down from 16.2 in 2003. In contrast, the fertility rate for women aged 40–44 has increased from 10.1 in 2003 to 15.4 in 2013. This was the only age group to record a rise in fertility rates in 2013. The fertility rate is highest for women aged 30–34 at 124.5 babies per 1,000 women (ABS 2014b).

Both mothers and fathers are slightly older than a decade ago, and fathers are typically a couple of years older than mothers. The median age of mothers who gave birth in 2013 was 30.8 and the median age of fathers was 33.0, compared with 30.5 and 32.6 in 2003, respectively (ABS 2014b).

How long can we expect to live?

Most Australians can expect to have a relatively long life—one of the highest life expectancies in the world and 25 years longer than a century ago. A baby boy born between 2011 and 2013 can expect to live to 80.1 years and a baby girl to 84.3 years (ABS 2014c).

While life expectancy for Indigenous Australians is improving, it is still lower than for other Australians. In 2010–2012, the estimated life expectancy at birth for Aboriginal and Torres Strait Islander males was 69.1 years, while for females it was 73.7 years (AIHW 2014b).

A lifetime of education

Learning plays a central role in developmental transitions through a person's life, from infancy through early childhood to adolescence, and beyond.

Early education and schooling

For most Australian children, their formal education begins with preschool before they move to primary school.

In 2014, about 297,400 children aged 4–5 attended a preschool program in Australia (ABS 2015d) (see Chapter 3 'Children in child care and preschool programs').

While most (4 in 5) children are considered to be developmentally 'on track' by the time they are ready to enter primary school, in 2012 nearly one-quarter (22%) were assessed as vulnerable on one or more broad areas of development that include physical health and wellbeing, social competence, language and cognitive skills, communication skills and general knowledge, and emotional maturity (AEDC 2012).

Some children were more at risk of being developmentally vulnerable than others, including Indigenous children and children from socially disadvantaged areas (see Chapter 3 'Transition to primary school').

National assessments of achievements in literacy and numeracy are conducted every year for students currently in Years 3, 5, 7 and 9. In 2014, most students in these years (82% to 95%) achieved at or above national minimum standards (see Chapter 3 'How are our children faring at school?').

School completion

In recent years, the Australian Government and state and territory governments have focused attention on encouraging young Australians to complete Year 12 or a vocational certificate-level course.

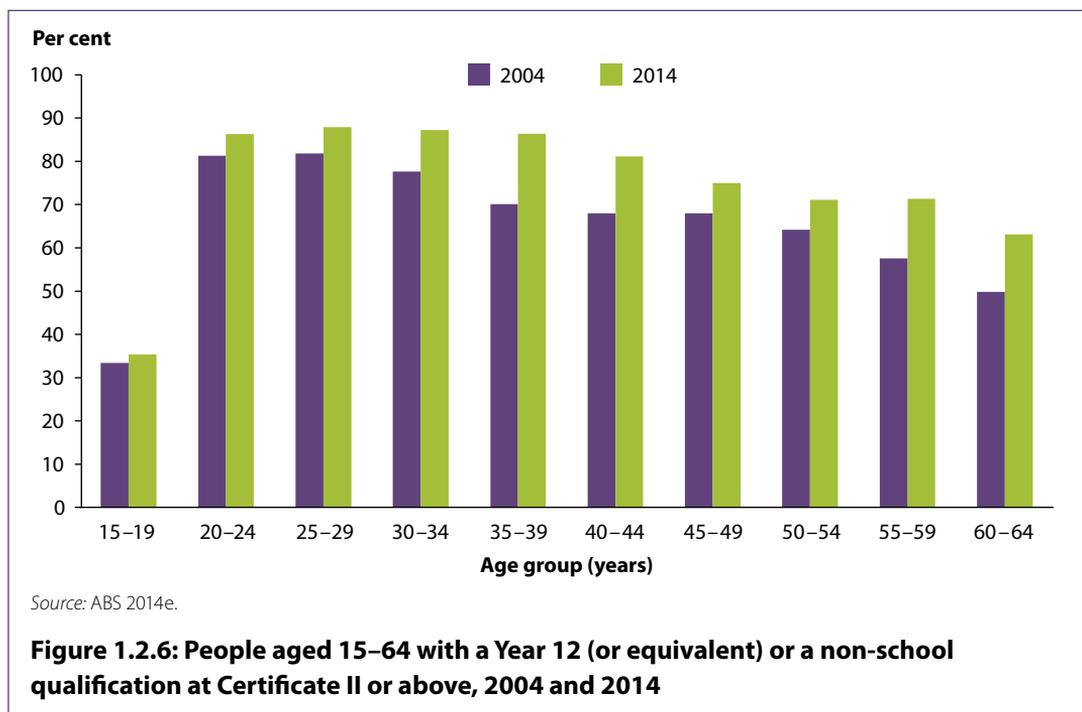
The National Education Agreement sets targets for 90% of young people to have attained Year 12 or a Certificate II or above by 2015, and Year 12 or a Certificate III or above by 2020 (see Chapter 4 'School retention and completion').

In May 2014, 86% of 20–24 year olds had completed Year 12 or at least Certificate II and 85% had completed Year 12 or at least Certificate III, which was an increase on the 2005 figures of 81% and 80% respectively (ABS 2014e) (see Chapter 4 'School retention and completion').

Further education

Overall, Australians are better educated than a decade ago: 75% of people aged 15–64 held a Year 12 or non-school qualification at Certificate II level or above in May 2014 compared with 66% in 2004 (ABS 2014e).

While growth was recorded across the decade in all age groups, it was particularly strong in the following age groups: 35–39 (from 70% in 2004 to 86% in 2014); 40–44 (68% to 81%); 55–59 (58% to 71%); and 60–64 (50% to 63%) (ABS 2014e) (see Figure 1.2.6).



Of the nearly 10 million Australians aged 15–74 who had a non-school qualification in 2014, the most common main field studied for the highest qualification was management and commerce (24%), followed by engineering and related technologies (17%) (ABS 2014e).

Our working lives

Most Australians aged 15 to 64 are either studying or in the labour force; that is, they are either employed, or are actively looking for work, and available to start work.

(For more information on the working lives of Australians aged 25–64, see Chapter 5 'The welfare of our working-age population'.)

Overall labour force participation rates for people aged 15–64 have risen in the past 20 years from 73% in 1992 to 76% in 2014 (AIHW analysis of ABS 2015b) (see Chapter 2 'Labour force participation in Australia').

Females have been the main driver of higher labour force participation rates, with their participation rate rising from 62% to 71% over this period. This more than compensated for a drop in the male participation rate from 84% to 82% during this time (AIHW analysis of ABS 2015b).

People are increasingly working past the age of 65—between 1992 and 2014, the labour force participation rate rose from 15% to 33% for Australian men aged 65 to 69, and from 5% to 20% for women of the same age (AIHW analysis of ABS 2015b).

Part-time work

The increased participation rate is also due, in part, to the increasing number of people working part-time. In 2014, almost 1 in 3 (30%) employed people aged 15–64 worked part-time hours (less than 35 hours a week) compared with 23% in 1992 (AIHW analysis of ABS 2015b).

Young people are now more likely to be working part-time than full-time. In 2014, 51% of employed young Australians aged 15–24 held part-time jobs compared with 33% in 1992 (AIHW analysis of ABS 2015b).

Unemployment

In 2014, an average of 748,000 Australians aged 15 and over were unemployed each month—an unemployment rate of 6.1%.

Young Australians in particular have been affected by unemployment. In 2014, the average unemployment rate for people aged 15 to 24 was 13.3%—more than double that for people aged 15 to 64 (6.2 %). Further, young people aged 15–24 accounted for about 37% of the total unemployed population aged 15 and over (AIHW analysis of ABS 2015b) (see Chapter 4 'Transitions to independence').

People who have been unemployed for 52 weeks or more are classified as 'long-term unemployed'. In 2014, about 160,000 Australians aged 15–64 were long-term unemployed on average each month. However, while this was about 20,000 more people a month than in 2002, the duration of long-term unemployment fell—from an average of 171 weeks in 2002 to 139 weeks in 2014 (AIHW analysis of ABS 2015b).

The proportion of unemployed Australians aged 15–64 who were long-term unemployed also fell slightly over the same period, from 26.2% in 2002 to 24.3% in 2014 (AIHW analysis of ABS 2015b).

(Note: 2002 data are presented for long-term unemployment because of changes made to the labour force questionnaire in 2001 regarding duration of unemployment that resulted in a break in the data series.)

Employment status of children's parents

In 2012–13, 5.3 million children of any age (74%) lived in couple families where at least one parent was working. Similarly, 4.4 million dependent children (or 78%) lived in couple families where at least one parent was working (ABS 2015a). (For an explanation of 'dependent children', see Box 1.2.2.)

About 3.4 million children of any age (48%) and 2.8 million dependent children (51%) lived in couple families where both parents worked (ABS 2015a).

About 1 in 10 dependent children (12% of all dependent children, or 676,000) lived in families without a resident parent in the workforce, although sometimes other people in these families worked. A total of 562,000 dependent children (10% of all dependent children) lived in a family where no-one worked (ABS 2015a).

How much do we earn?

In 2011–12, in real terms, the average equivalised disposable household income for people living in private dwellings was \$918 per week, a slight increase from \$894 in 2009–10 (ABS 2013d; see Box 1.2.3).

Box 1.2.3: Household income

Disposable income is a household's gross income less income tax, the Medicare levy and the Medicare levy surcharge—that is, remaining income after taxes are deducted, which is available to support consumption and/or saving. Disposable income is sometimes referred to as net income.

Equivalised disposable household income

Equivalised disposable household income is disposable household income adjusted using an equivalence scale. For a lone-person household it is equal to disposable household income. For a household comprising more than one person it is an indicator of the disposable household income that would need to be received by a lone-person household to enjoy the same level of economic wellbeing as the household in question.

Average (mean) equivalised disposable household income is the income that a single person household would require to maintain the same standard of living as the average person living in all private dwellings in Australia.

High-income and low-income households

To identify the income level of a household, the ABS divides data into income quintiles (that is, five equally sized groups). High-income households are those in the top quintile. The method is slightly different for low-income households, to adjust for households with nil or negative income. Here, the ABS divides data into deciles (that is, 10 equally sized groups). Low-income households are those in the second and third deciles.

Source: ABS 2013d.

Between 2009–10 and 2011–12, the average equivalised disposable income for low-income households rose \$23 per week (or 5%) to \$475 per week. Over the same period, income for middle-income households rose by 4%, or \$33, to \$793 per week.

There was no statistically significant change to the average income of high-income households, which rose by \$17 to \$1,814 per week (ABS 2013d).

In 2011–12, the Australian Capital Territory (\$1,144) had the highest average disposable household income, and Tasmania the lowest (\$784).

People living in older households (with a reference person aged 65 or over) had the lowest average disposable household income at \$660 per week. Those living alone were more likely than those living in couple households to have government pensions and allowances as their main source of income (76% compared with 61%).

The wealthiest 20% of households in Australian had 61% of total household net worth—or an average of \$2.2 million per household.

The poorest 20% of households had 1% of total household net worth—or an average of \$31,200 per household (ABS 2013d).

What is missing from the picture?

Overall, the availability of information on the demographic, social, economic and welfare status of Australians is very good, but there are some gaps.

In particular, statistics on the wellbeing of smaller subgroups of the population and changes to their living circumstances can be difficult and/or costly to obtain. As a result, there is limited high-quality information available on some important aspects of welfare for:

- Indigenous Australians (where improvements are needed in identification of Indigenous people in welfare services records)
- people from culturally diverse backgrounds.

Where do I go for more information?

The ABS collects information on Australia's population through its 5-yearly Census of Population and Housing, and has extensive data on a range of welfare-related topics, including education, labour force participation, housing, income and disability. More information is available at the [ABS Census website](#) and the [ABS website](#).

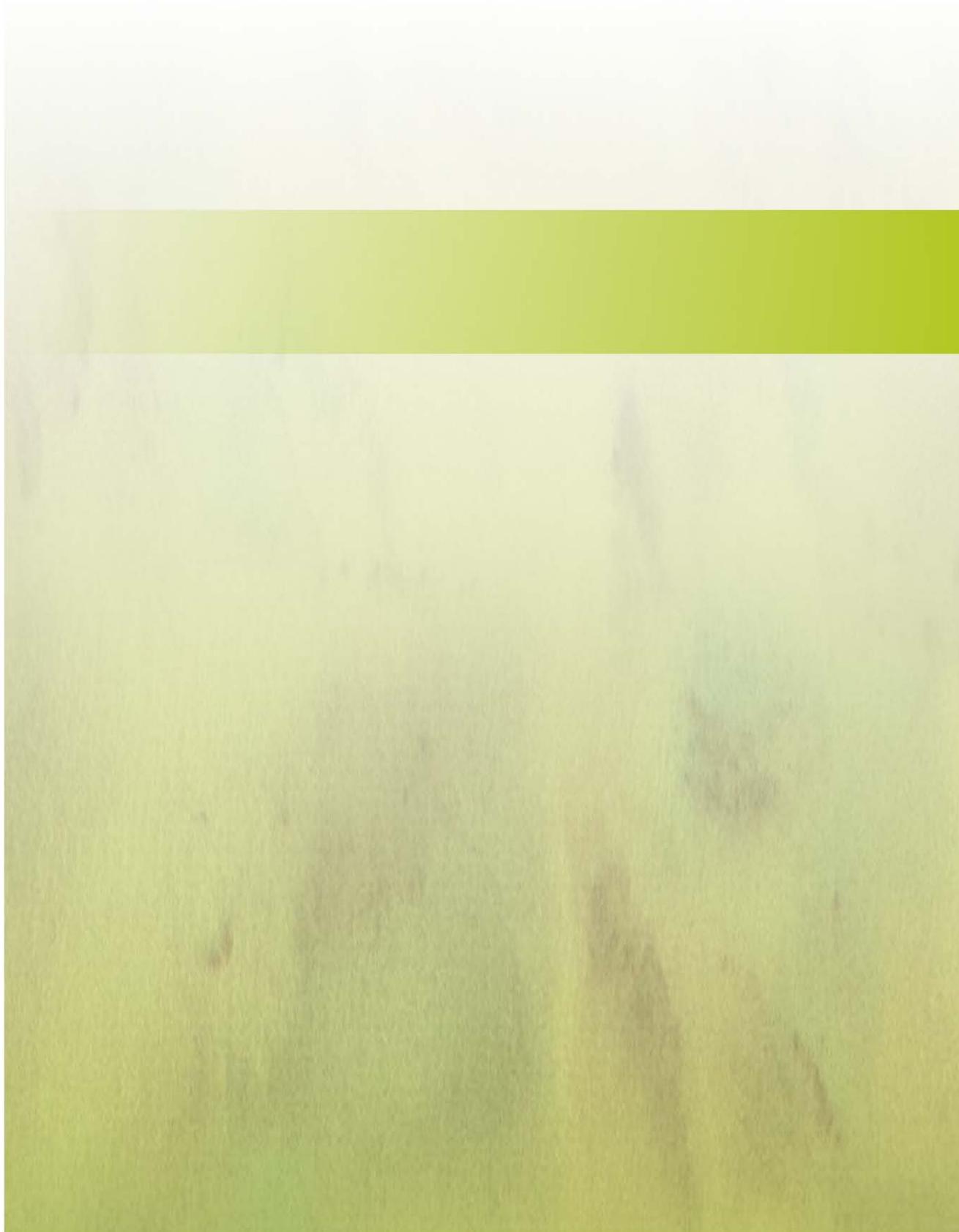
The AIHW's biennial *Australia's health* and *Australia's welfare* reports include detailed analyses of Australia's population in the context of health and welfare. The reports are available for free download at the [AIHW website](#).

Extensive information on the welfare of Indigenous Australians, and people with disability and disability services, is available at the [AIHW website](#).

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2

Australia's welfare spending and workforce

2.0 Introduction.....	30
 2.1 Welfare expenditure.....	31
 2.2 Labour force participation in Australia.....	42
 2.3 The changing face of the welfare workforce.....	45
 2.4 Informal carers.....	61
 2.5 Volunteering.....	69



2 Australia's welfare spending and workforce

2.0 Introduction

Australia's welfare system is a complex network of services, payments and providers. As might be expected, a system of such complexity and scale comes at a cost—in 2012–13, government spending on welfare was an estimated \$136.5 billion.

This chapter examines the trends in welfare spending over the past decade. It notes that while spending has grown faster than population growth, this growth has been slower than for the overall economy.

The main components of spending are also examined: cash payments for specific populations, accounting for the bulk of spending (68.2%) (not including unemployment benefits); welfare services, accounting for about 26.3% of spending; and unemployment benefits, accounting for the remaining 5.5%.

In addition to spending, this chapter also looks at another key crucial input for service delivery—the welfare workforce.

A diverse range of services is delivered by welfare workers through many public and private organisations and across various sectors. In 2014, there were approximately 449,000 workers in paid employment in the welfare workforce. This includes welfare workers such as nurses and counsellors working in aged care services, child care workers in child care services and early childhood (pre-primary) teachers working in preschool education. Women make up the majority of workers in the welfare workforce.

Growth in the welfare workforce is expected to continue, however, whether the rate of growth will keep up with demand into the future is unclear, amid an environment of workforce shortages and changing client needs.

This chapter also highlights the crucial role played by the unpaid workforce of informal carers and volunteers.

In 2012, about 2.7 million Australians were informal carers, providing help, support or supervision to family members, friends or neighbours with a range of physical, mental and end-of-life health conditions, and disability. Most informal carers were of working age (67%), while 22% were aged 65 and over, and 11% were under the age of 25.

In 2010, an estimated 6.1 million people performed voluntary work for an organisation in the previous 12 months, with volunteering rates highest among people aged 35 to 64.



2.1 Welfare expenditure

The Australian Government and state and territory governments contribute to welfare spending, as do non-government organisations and individuals. The Australian Government primarily contributes to welfare expenditure through cash payments relating to its areas of responsibility defined in the Australian Constitution (which include family allowances, unemployment benefits and pensions), although it also contributes some expenditure on welfare services. The states and territories focus more on the provision of welfare services. Government expenditure on cash payments and welfare services is reported in this article as welfare expenditure.

Both the Australian Government and state and territory governments often choose to provide welfare services through funding non-government sector organisations to deliver those services. The non-government sector also contributes some welfare services expenditure from its own sources, including fees charged to individuals. However, there are limited data available on expenditure by the not-for-profit non-government sector (see Box 2.1.4) and the for-profit non-government sector, such as aged care providers. Expenditure on welfare services by the non-government sector from its own sources (including expenditure by individuals) is therefore not included as welfare expenditure here.

Where possible the welfare expenditure estimates have been developed to be consistent with the AIHW's Welfare Expenditure Series of publications, in which welfare expenditure was last reported in full for the 2005–06 financial year. This has been done to maintain a consistent time series with data from 2005–06 and before. As a result, however, these estimates of welfare expenditure may not match the coverage of 'welfare' in other sections in this report or in other AIHW publications.

Cash payments covered are those provided by the Australian Government to assist older people, people with disability, people who provide care for others, families with children, war veterans and their families, and people who are unemployed (See Box 2.1.2).

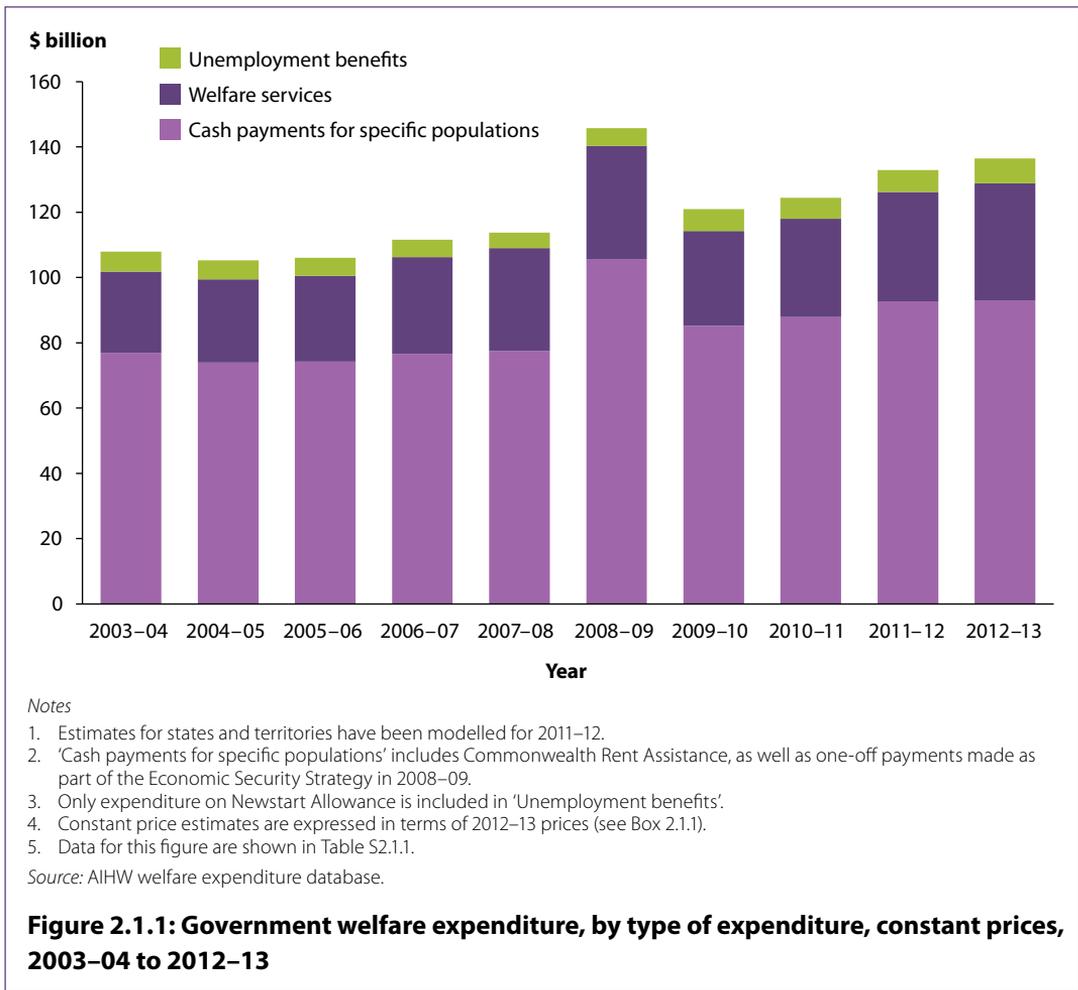
Welfare services covered include supported accommodation, family support, early intervention programs, outreach services, counselling, youth programs, child care services, home and community care services for older people, and specialist services for people with disability (see Box 2.1.3).

This article covers the amounts spent on financial assistance and welfare services—however, it does not cover how well the money was spent or the outcomes achieved.

Expenditure is reported in constant prices (that is, adjusted for inflation) except where noted (See Box 2.1.1).

Trends in total welfare expenditure

In 2012–13, Commonwealth and state and territory government expenditure on welfare was \$136.5 billion. It included 68.2% (\$93.1 billion) in cash payments for specific populations (not including unemployment benefits), 26.3% (\$35.9 billion) in welfare services and 5.5% (\$7.5 billion) in unemployment benefits (Figure 2.1.1).

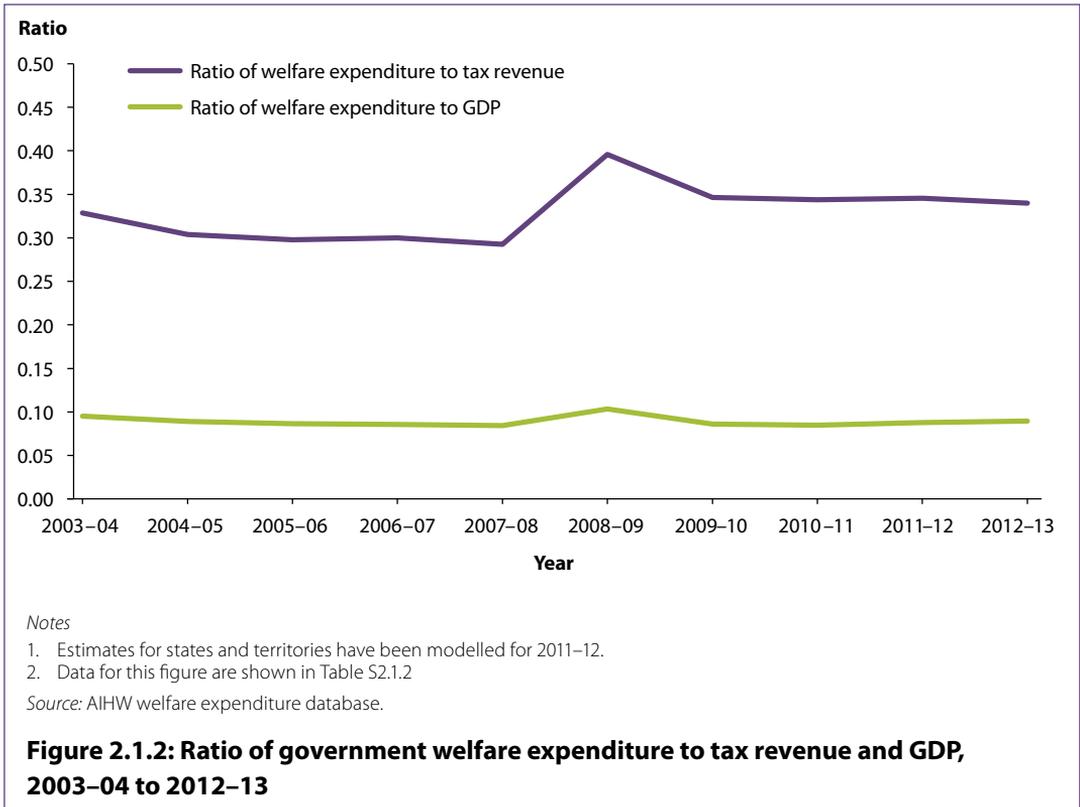


Welfare expenditure increased between 2003–04 and 2012–13, with an average annual growth rate of 2.6%. There was a particular increase in 2008–09, when the Australian Government implemented a number of initiatives as part of a response to the global financial crisis (GFC) that increased expenditure substantially in that year.

Expenditure grew faster than the population with per person expenditure rising by an average of 1.0% a year over the 10-year period (from \$5,446 to \$5,955 per person) (Table S2.1.4).

Despite this growth, welfare expenditure grew more slowly than the overall economy over the same period. Gross domestic product (GDP) experienced annual growth of 2.9% in constant prices between 2003–04 and 2012–13, compared with 2.6% annual growth in welfare spending. As a consequence, welfare expenditure fell from 9.5% of GDP in 2003–04 to 9.0% in 2012–13. This trend was disrupted by the GFC—however, the effect of the GFC (reduced GDP growth and increased welfare expenditure) was short-lived, with the ratio returning to pre-GFC levels after 2008–09 (Figure 2.1.2).

As a proportion of taxation revenue, government spending on welfare fell by 3.6 percentage points between 2003–04 (32.8%) and 2007–08 (29.3%). It then rose by 10.3 percentage points in 2008–09 following the GFC. Unlike the GDP ratio, the spending-to-revenue ratio did not immediately return to pre-GFC levels in the following years. At 34.6% in 2009–10, it was 5.4 percentage points higher than in 2007–08. The ratio has remained about the same since then, ending the period at 34.0% of revenue.



Box 2.1.1: Current and constant prices

‘Current price’ refers to expenditure reported for a particular year, unadjusted for inflation.

‘Constant price’ estimates in this chapter indicate what the equivalent expenditure would have been had 2012–13 prices applied in all years; that is, it removes the inflation effect.

The phrase ‘real terms’ is often used where constant prices are referred to. Constant price estimates for expenditure have been derived using deflators produced by the ABS. The Consumer Price Index was used for cash payments and the government final consumption expenditure implicit price deflator was used for welfare services.

Cash payments

Box 2.1.2: Which cash payments are included?

The estimates of cash payments in this article include expenditure by the Australian Government such as the Age Pension, Disability Support Pension and Carer Allowance.

To maintain comparability over time, the Child Care Benefit and Child Care Rebate are included in the estimates of welfare services expenditure (rather than cash payments) since historically these payments were paid to the service providers rather than directly to households.

Also to maintain comparability over time, Youth Allowance, Austudy and ABSTUDY are not included in the estimates in this chapter (although information on recipients of these allowances is included in Chapter 5 'Working-age support: assistance with employment and training').

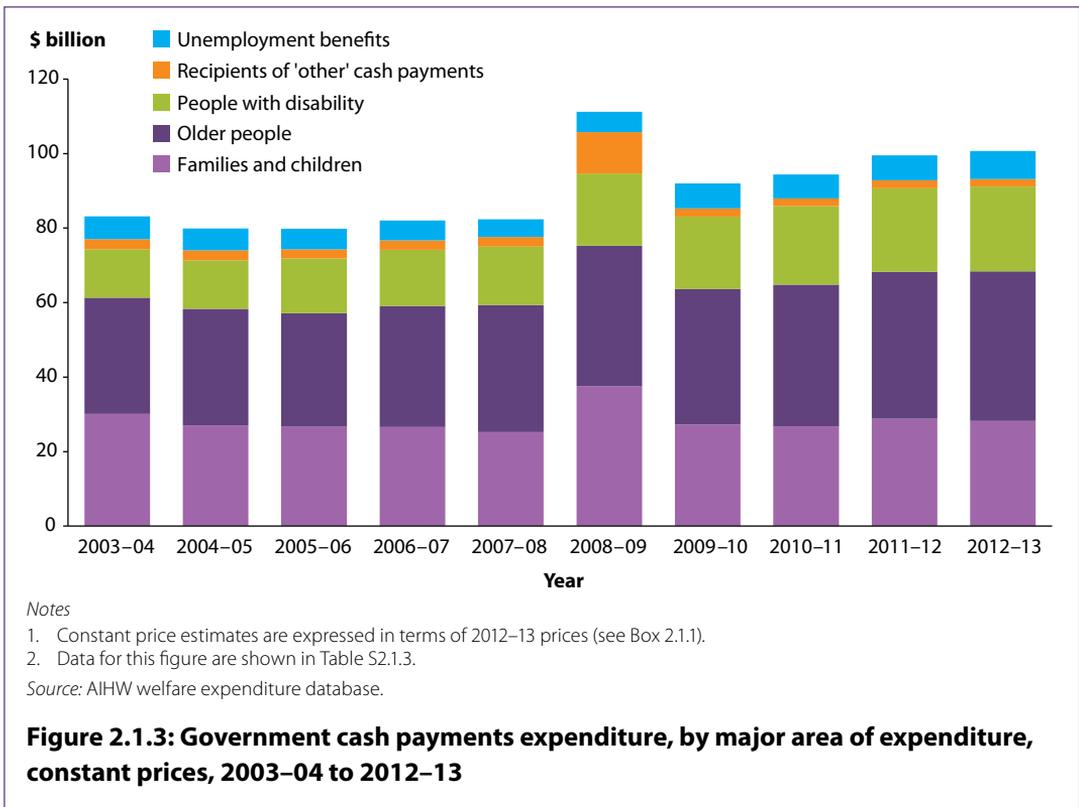
Youth Allowance (student and apprentice) is available to eligible young people aged 16 to 24. It provides financial support for students to participate in full-time education, training or apprenticeships. In 2012–13, \$2.5 billion was spent on Youth Allowance for students.

Austudy provides financial assistance to full-time students and apprentices aged 25 and over (\$0.6 billion in 2012–13) and ABSTUDY provides support to Aboriginal and Torres Strait Islander Australians who are studying or undertaking a full-time apprenticeship (\$0.2 billion in 2012–13) (DEEWR 2013; DIICCS RTE 2013).

In 2012–13, the total amount spent by governments on cash payments, excluding unemployment benefits, was estimated at \$93.1 billion, up from \$92.8 billion in the previous year and \$77.0 billion in 2003–04 (Figure 2.1.3).

The contribution of cash payments to total welfare spending fell by around 3 percentage points between 2003–04 (71.3%) and 2007–08 (68.2%). The Australian Government's response to the GFC at that time included a substantial increase in cash payments. This increased the proportion to 72.5% in 2008–09. The proportion has since fallen and in 2012–13 had returned to pre-GFC levels (68.2%).

Of the estimated \$93.1 billion spent in 2012–13, \$40.1 billion was for older people, \$28.2 billion was spent on families and children, and \$22.8 billion on people with disability. Other cash payments made up \$2.0 billion (Figure 2.1.3). Between 2003–04 and 2012–13, spending for people with disability grew at an average rate of 6.4% per year; spending for older people grew 2.8% on average per year; and spending for families and children fell 0.7 % on average per year. Spending on 'other' cash payments fell by 3.1% on average per year (Table S2.1.3).



Unemployment benefits

In 2012-13, the total amount spent on unemployment benefits was estimated at \$7.5 billion, an 11.1% increase from \$6.7 billion in the previous year. This represented 5.5% of total welfare expenditure in 2012-13 (Table S2.1.1). This relatively large increase in unemployment benefits in 2012-13 coincided with a 20% increase in the number of Newstart recipients. The majority of this increase (66%) was due to people transferred from the Parenting Payment (DEEWR 2013). While it is difficult to directly track this shift in expenditure between categories in the data, there was a similar, though not quite as large decrease in cash payments to families and children and 'other' cash payments in 2012-13.

Spending per person (in the population) on unemployment benefits declined from \$309 per Australian in 2003-04 to \$226 per Australian in 2007-08. It then rose to \$327 per Australian in 2012-13 coinciding with the increase in overall spending on unemployment benefits noted above (Table S2.1.4).

Welfare services

Box 2.1.3: What does expenditure on welfare services cover?

Welfare services encompass a range of services and programs to support and assist people and the community, such as family support services, youth programs, child care services, services for older people, and services for people with disability.

Welfare services expenditure presented in this article is reported for the target groups specified in the ABS Government Purpose Classification for welfare service financial transactions:

- family and child welfare services, for example, youth support services
- welfare services for the aged, for example, home and community care services
- welfare services for people with disability, for example, personal assistance
- welfare services not elsewhere classified (ABS 2005).

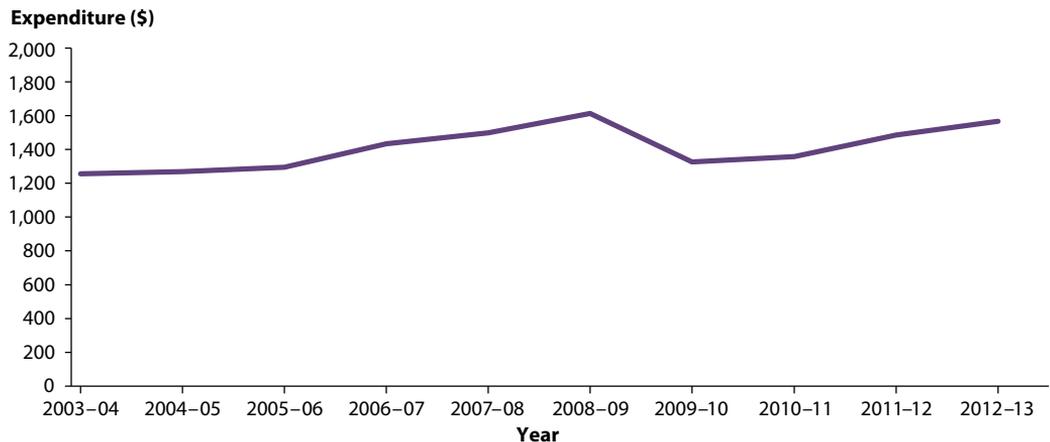
The welfare services estimates include government expenditure only. (See Box 2.1.4 for information about non-government expenditure.)

Welfare spending defined according to the four target groups does not necessarily include all government spending on services that may have a welfare benefit. For example, some programs relevant to people with disability, and that might be considered welfare services, are in the Government Purpose Classification categories of education, health or housing. Some types of welfare services that are covered elsewhere in this report (such as employment services) are also not included.

In 2012–13, the total amount spent by governments on welfare services was estimated at \$35.9 billion, up from \$25.0 billion in 2003–04 (Table S2.1.1). Most spending on welfare services is recurrent, and comprises payments for wages, salaries, operating expenses and running costs. The remainder is capital expenditure. Over the decade to 2008–09, government capital expenditure on welfare services was less than 2% of total welfare services expenditure (AIHW 2011). An estimate of capital expenditure for later years is not available.

In 2012–13, the state and territory governments were responsible for 44.4% of government expenditure on welfare services.

The average amount spent by governments on welfare services per Australian resident in 2012–13 was \$1,566, up from \$1,256 in 2003–04. While it reduced following the GFC, this expenditure has now almost returned to the peak it reached in 2008–09 (when it was \$1,613 per person) (Figure 2.1.4). The per person cost represents total spending on welfare services per person in the population. It does not reflect spending for each eligible person or spending per recipient.



Notes

1. Estimates for states and territories have been modelled for 2011–12.
2. Constant price estimates are expressed in terms of 2012–13 prices (see Box 2.1.1).
3. Data for this figure are shown in Table S2.1.4.

Source: AIHW welfare expenditure database.

Figure 2.1.4: Government welfare services expenditure per person (in the population), constant prices, 2003–04 to 2012–13

Box 2.1.4: Non-government community service organisations

Non-government organisations, particularly non-government community service organisations (NGCSOs), play an important part in delivering welfare services. As indicated earlier, governments fund a large part of the services delivered by NGCSOs. This expenditure is included in the analysis of welfare services expenditure in this article. NGCSO expenditure that comes through fees paid by clients or NGCSOs' own sources, such as fund-raising, is not included because comprehensive information on those sources of funds is not readily available in a way that is consistent and comparable with other information in this article.

In 2008–09, the most recent year for which comprehensive data are available, around 59% (an estimated \$24.8 billion) of total expenditure on welfare services was administered through NGCSOs. In that year, 59% (\$14.5 billion) of NGCSO funding came from governments, 27% (\$6.7 billion) from fees charged to service users (that is, clients) and 14% (\$3.6 billion) from the NGCSOs themselves. These estimates include both for-profit and not-for-profit NGCSOs (AIHW 2011).

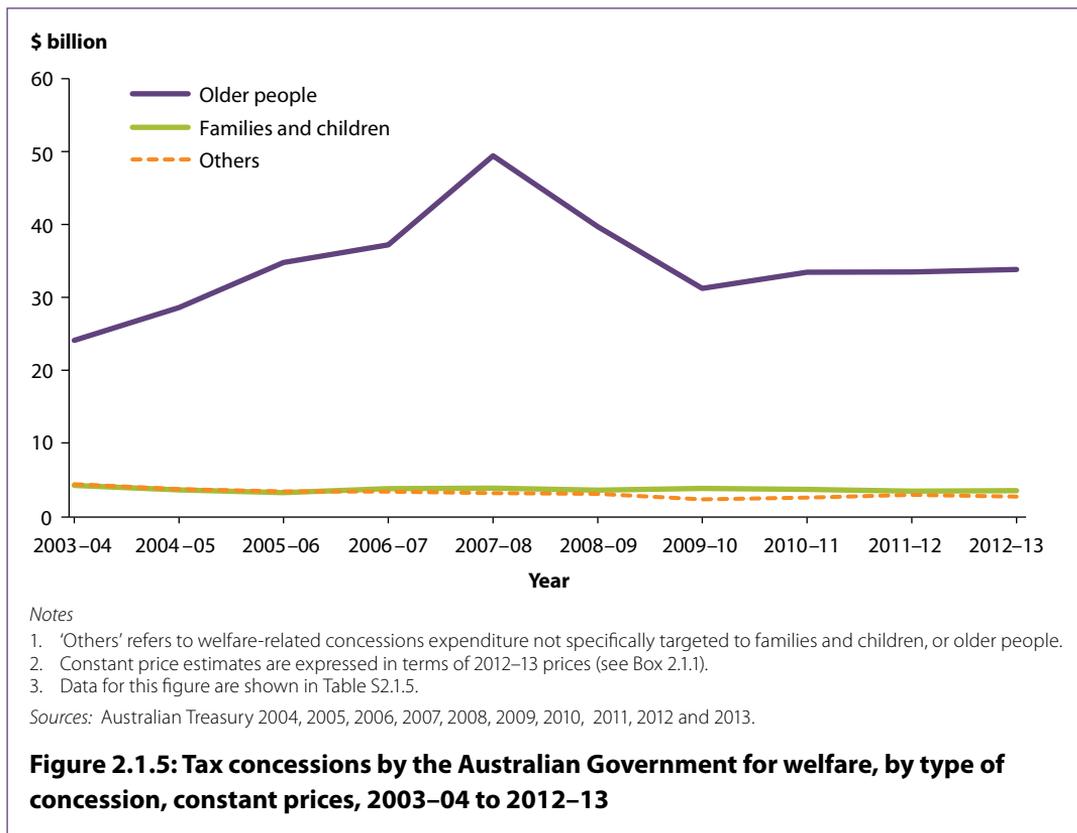
Research by the ABS provides an indication of expenditure by not-for-profit NGCSOs for 2012–13. Estimates of expenditure by for-profit NGCSOs, such as some aged care and child care providers, were not included, so this research cannot be used to provide an estimate of the total proportion of welfare expenditure administered through NGCSOs. The not-for-profit institutions classified as providing social services in the ABS research received \$19.2 billion in income in 2012–13. Of this income, 61% was from government, 19% from households and 20% from other sources (ABS 2014). The 61% from government equated to around one-third of the government expenditure on welfare services reported here.

Tax concessions

Various tax exemptions, deductions, offsets, concessional rates and deferral of tax liabilities are provided for ‘welfare’ purposes. The Australian Government Treasury estimated that tax expenditure or concessions by the Australian Government for welfare amounted to \$40 billion in 2012–13. This does not include any tax expenditures by states and territories, or local governments. This amount is not included in the estimates of total welfare spending in this article as it is generally in the form of forgone potential revenue rather than expenditure.

Most of the tax concessions total (\$30 billion, or 74%) was for concessions for superannuation, which aim to assist older people in their retirement, while \$3.5 billion (9%) was for concessions for families and children (Table S2.1.6). Tax concessions for families and children include those for disaster relief and the former Baby Bonus.

Australian Government tax concessions for welfare peaked in 2007–08 (Figure 2.1.5). The declines in concessions in 2008–09 and 2009–10 reflect the effects of the GFC, in particular slower growth in superannuation returns (Treasury 2012).



Welfare expenditure and Indigenous Australians

The ratio of welfare expenditure on one sub-group of the population compared with the entire population can be a measure of relative need within that group and/or the degree to which that group is the target of specific and general welfare programs.

An indication of the expenditure ratio for the Aboriginal and Torres Strait Islander Australian population is provided in the 2014 *Indigenous expenditure report* (IER) (SCRGSP 2014). While the IER doesn't report welfare expenditure as a single category of expenditure, it does include the category *community support and welfare*, which aligns closely with what is referred to as welfare services in this article. The alignment is not exact, however, as there is not complete consistency in how certain areas of spending are categorised.

According to the IER, in 2012–13, \$5,912 was spent by governments on *community support and welfare* per Aboriginal and Torres Strait Islander Australian compared with \$1,421 per non-Indigenous Australian (a ratio of 4.16:1). The IER suggests that, after adjusting for inflation, expenditure on *community support and welfare* per Aboriginal and Torres Strait Islander Australian increased by 20% from 2008–09 to 2012–13 (SCRGSP 2014).

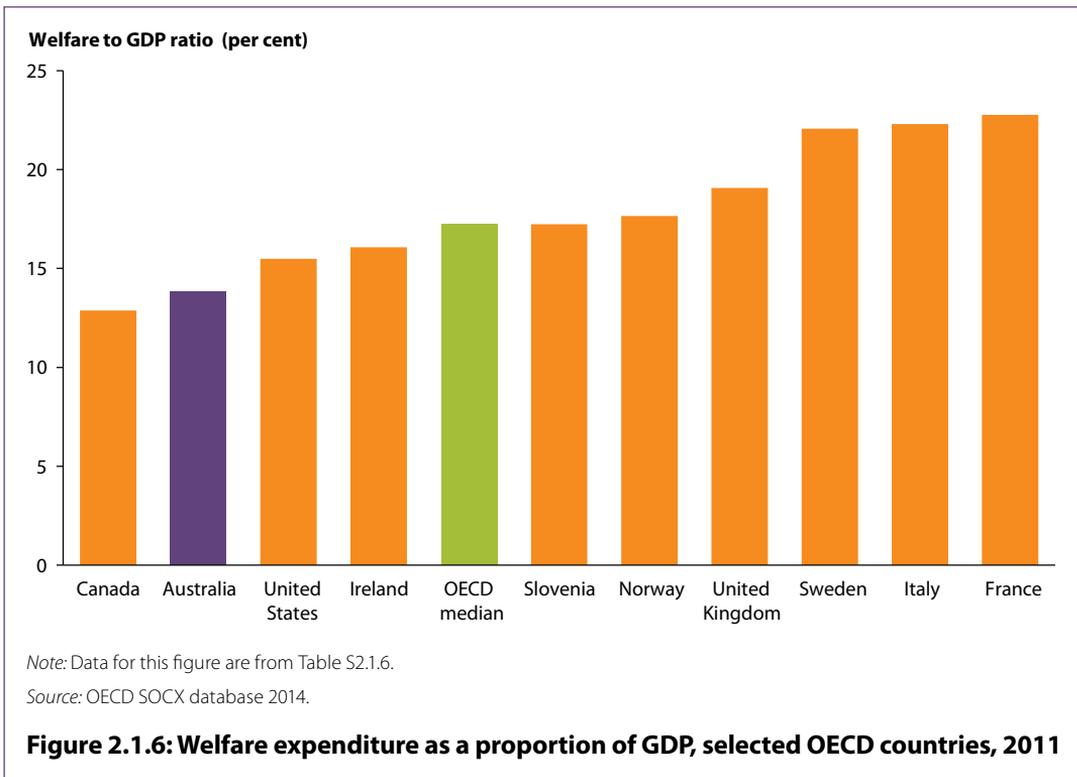
More detailed information on welfare expenditure for Indigenous Australians can be obtained from *The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples 2015* (AIHW 2015). (See also Chapter 7.1 'How Indigenous Australians are faring' for details on the number of Indigenous Australians who receive income support payments and other cash benefits from the Australian Government.)

International comparisons

There are many difficulties in comparing countries in relation to welfare spending. Social support structures in many countries are complex, and not necessarily comparable, with systems generally involving mixtures of:

- government and non-government funding arrangements—including programs funded directly by governments, tax-based systems, employer-focused schemes and fee-for-service systems
- redistribution models—social support structures in some countries focus on redistribution between sections of the society at particular but often differing times. For example, in Australia, unemployment benefits transfer resources via the tax system from the employed to the unemployed. Other schemes act to redistribute resources over the life course (such as through savings and superannuation-based schemes)
- targeted versus non-targeted support arrangements—many countries use means-testing to target support, but do it in different ways with different thresholds.

Organisation for Economic Co-operation and Development (OECD) data for 2011 show that welfare expenditure in Australia was 13.8% of GDP (using the OECD methods for calculating expenditure that differ from the methods used for estimates elsewhere in this article). This was lower than the OECD median of 17.2% (Figure 2.1.6). This puts Australia's expenditure in the lowest quarter of all OECD countries (OECD 2014).



The Australian social security system differs from those in most of Europe and the United States in a number of ways, including:

- the benefits are generally more targeted through means-testing rather than based on factors such as past earnings
- the system is largely funded by general government revenue rather than through contributions by employers or insured employees
- benefits are not time-limited.

Whiteford (2014) argues that these differences contribute to making the Australian system relatively efficient in terms of the distribution of benefits to the most needy, suggesting that the below-average spending understates the impact of the spending in terms of its more targeted nature.

What is missing from the picture?

Estimates of non-government expenditure sourced through fees or fund-raising are an important information gap, as are estimates of expenditure on capital. For example, the currently available data do not allow analysis of how expenditure on welfare services by individuals has changed over time. It is unclear whether individuals are now paying a greater proportion of the cost of welfare services or less. It is also unclear how much is being spent on infrastructure and equipment to support welfare provision, and who is paying.

As noted above, the expenditure estimates that we have been able to collate for this article do not include expenditure for some welfare services and cash payments covered in other parts of this report. This is due to lack of readily available data suitable for incorporation into the estimates. For similar reasons, some important disaggregations (such as between Commonwealth and state/territory government expenditure) have not been included.

A lack of up-to-date international data, as well as the complex differences between welfare systems, limit any rigorous comparative analysis in this area.

Where do I go for more information?

More information can be found in [Welfare expenditure Australia 2005–06](#) and in [The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples 2015](#).

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2.2 Labour force participation in Australia

Participation in the labour force and unemployment rates highlight key trends in labour force characteristics in Australia. The labour force participation rate is the number of people in the labour force (persons employed or unemployed) as a percentage of the total civilian population. The unemployment rate is the number of unemployed people (those not working and actively looking for work) as a percentage of the labour force (employed plus unemployed).

Labour force participation rates

According to Australian Bureau of Statistics (ABS) measures, labour force participation rates for Australians aged 15 and over rose from an annual average rate of 60.4% in 1983 to 65.5% in 2008, and have since fallen to 64.7% in 2014.

An increase in female participation played a particular role in the overall increase, with female labour force participation rising steadily from 43.6% in 1979 to a peak of 58.9% in 2011. Female participation in 2014 was 58.6%. The male participation rate declined from 78.4% in 1979 to 71.0% in 2014 (ABS 2015).

Australia ranks 11th out of 34 OECD countries for labour force participation (OECD 2014).

Unemployment rates

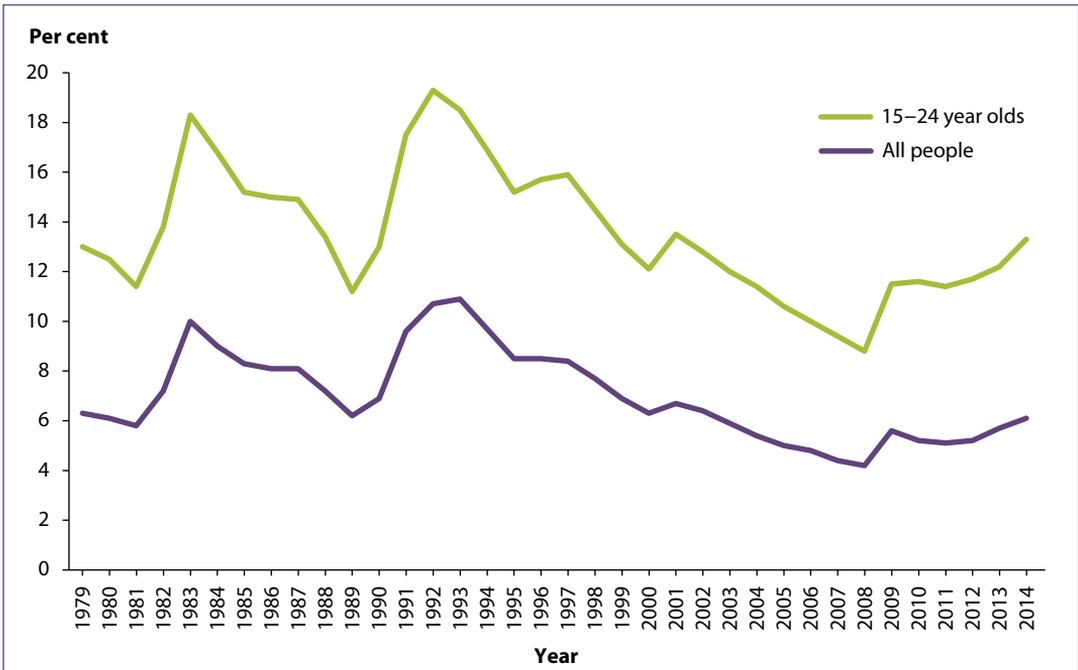
The highest rates of unemployment since 1979 were in the early 1990s when they peaked at 10.9%. After that, they fell to a 35-year low of 4.2% in 2008, immediately before the Global Financial Crisis (GFC). Following the GFC, the rate increased to 6.1% in 2014 (Figure 2.2.1). Youth unemployment followed similar trends to overall unemployment though young Australians have been particularly affected by unemployment with an average unemployment rate of 13.3% for 15–24 year olds in 2014. The gap between the youth unemployment rate and the overall unemployment rate was greatest in the early 1990s (8.6 percentage points higher than the overall rate) and lowest in 2008 at 4.6 percentage points higher.

At the start of the 1980s and the 1990s the overall unemployment rate increased rapidly then declined. During these periods, youth unemployment tended to increase faster than overall unemployment, leading to an increasing gap in the rates. This gap then declined as the overall unemployment rate declined. The gap between youth and overall unemployment also increased following the GFC as overall unemployment increased, and has continued to increase. In 2014 the gap reached 7.2 percentage points, more than 1.6 times the gap in 2008 (Figure 2.2.1) (see Chapter 4 'Transitions to independence').

Changing labour force

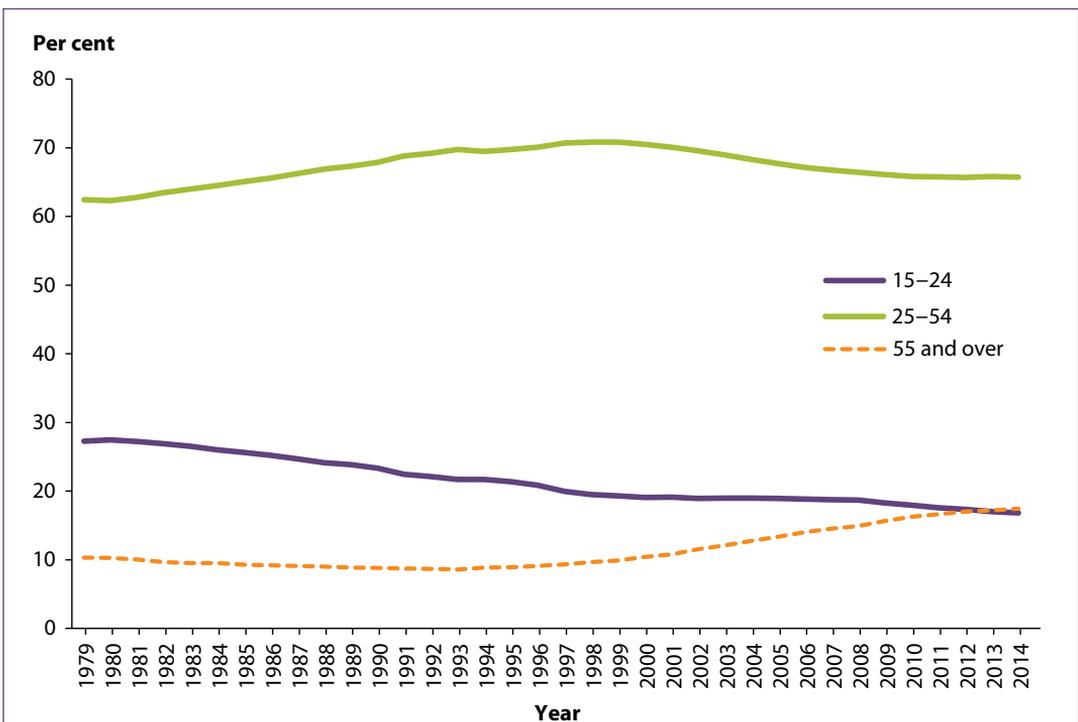
On average, Australians worked fewer hours each week in 2013 (32.0 hours) than they did in 2003 (33.8) or 1993 (34.4). The fall in average working hours coincided with the increase in female labour force participation, with 45.9% of employed women working part-time compared with 16.8% of employed men. The fall in average hours worked also coincided with a drop in full-time average weekly hours worked, from 40.3 in 1993 to 38.9 in 2013 (ABS 2014).

The labour force is also ageing. The proportion of the labour force aged 55 or over increased from a low of 8.6% in 1993 to a high of 17.4% in 2014 (Figure 2.2.2) (See Chapter 5 'Older Australians staying at work'). The proportion of the labour force aged between 15 and 24 declined steadily from a peak in 1980 of 27.4% to 16.8% in 2014. This coincided with an increase in the proportion of people aged 15 to 24 in full-time education, and not in the labour force, from 20.7% in 1987 to 26.5% in 2014. (AIHW analysis of ABS 2015).



Source: AIHW analysis of ABS data (ABS 2015).

Figure 2.2.1: Annual average unemployment rates, 1979–2014



Source: AIHW analysis of ABS data (ABS 2015).

Figure 2.2.2: Labour force by age group, 1979–2014

Aboriginal and Torres Strait Islander labour force

In 2012–13, 3 in 5 Aboriginal and Torres Strait Islander people aged 15–64 years (60%) were participating in the labour force.

The overall unemployment rate was 21%. As with the total population, unemployment rates were highest for young Aboriginal and Torres Strait Islander people (31% of those aged 15–24 years). Unemployment rates were lowest for those aged 55–64 years (9%).

The unemployment rates did not differ markedly for Aboriginal and Torres Strait Islander people in non-remote and remote areas (21% compared with 20%), or between males (22% in both non-remote and remote areas) and females (20% in non-remote areas and 18% in remote areas) (ABS 2014a).

What is missing from the picture?

The data sources relating to unpaid work are far less developed than for the paid labour force; it is therefore difficult to know how the trends outlined above relate to trends in unpaid work (such as volunteers, carers and people performing household duties).

Where do I go for more information?

For detailed labour force data, including data on underemployment (which is also relevant to understanding labour force participation), visit the [ABS website](#).

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2.3 The changing face of the welfare workforce

The welfare workforce delivers diverse services through many public and private organisations across welfare sectors. Information on the workforce—for example, the professions involved, and characteristics of the people employed—helps describe the sector and the nature of the services provided. This information is also relevant to understanding the effectiveness and sustainability of the sector, which is highly dependent on the availability of sufficient workers with appropriate skills.

Despite the diversity of services provided by the different welfare sectors, the skills, personal attributes and qualifications required of the workforce are often similar between welfare sectors, as well as with other service sectors. For example, nurses are employed in many welfare sectors, including aged care and disability services, as well as in non-welfare sectors like health.

The similarity of many of the roles allows a high degree of mobility for workers. This can result in movement of staff from one welfare sector to meet the demands in another, and between the welfare sector and other care-based (non-welfare) sectors such as health.

However, this is not true of all welfare sectors. In some, the workforce is required to be highly specialised. For example, child protection workers are required to have knowledge of the significant statutory requirements that are in place within this sector.

This article presents some summary information on the total paid welfare workforce, based on the best available data (see Boxes 2.3.1 and 2.3.2 for more detail about the data sources used). Information about the unpaid (voluntary) workforce and carers is not included here; they are discussed in Chapter 2 'Volunteering' and 'Informal carers', respectively.

Box 2.3.1: About the data

Information on the welfare workforce is available from the Australian Bureau of Statistics (ABS) Labour Force Survey, and ABS Census of Population and Housing, as well as a range of sector-based collections conducted by research and industry peak bodies. The ABS collections provide national- and state/territory-level data using a consistent collection framework. The sector-based collections tend to define their respective workforces to suit their specific needs, and use a range of different methods to collect data. They are therefore not necessarily comparable with the ABS data, but can provide a greater depth of information about sections of the welfare workforce.

Both of these types of data are used here to describe the welfare workforce, as follows:

- Data from the ABS Labour Force Survey are used to provide an overview of workers in the welfare sector, and workers in welfare-related occupations (see Box 2.3.2 for more details about the ABS Labour Force Survey). (Detailed welfare workforce information from the 2011 ABS Census of Population and Housing was published in [Australia's welfare 2013](#), so those data are not repeated here.)
- Data from a number of the sector-based collections—such as the 2013 National Early Childhood Education and Care Workforce Census and the 2011 Survey of Homelessness Services—are used to describe the workforces in those sectors.

In addition, the National Health Workforce Data Set has been used to provide information on registered health professionals who work in the welfare sector.

For some sectors, no new national data have been available since 2011; however, summary findings from the most recent sector-based collections are presented, noting detailed information is available in previous editions of *Australia's welfare*.

A growing workforce

Community services industries

According to ABS Labour Force Survey data, in 2014 there were 605,900 paid workers employed in community services industries, representing 5% of the 11.6 million employed people in Australia across all industries. Of all those working in community services industries, about 3 in 4 (74%) were working in community services occupations and 1 in 4 (26%) in other occupations (Figure 2.3.1).

	Community services occupations	Other occupations	Total
Community services industries	449,000 people employed in community services occupations in community services industries (for example, child care workers in the child care services industry)	156,900 people employed in other occupations in community services industries (for example, administrators, accountants, tradespersons and labourers)	605,900
Other industries	469,100 people employed in community services occupations in other industries (for example, nurses working in hospitals and counsellors in the education industry)		
Total	918,100		

Notes

1. Totals include those for whom occupation or industry was inadequately described or not stated.
2. Data shown are the annual average of quarterly (February, May, August and November) data for 2014.

Source: AIHW analysis of ABS Labour Force Survey 2014.

Figure 2.3.1: People employed in community services occupations and community services industries, 2014

The number of workers in community services industries increased from 393,600 in 2004 to 605,900 in 2014—an increase of 54%. In comparison, the number of employed in all industries increased by 21% over the same period.

Box 2.3.2: The ABS Labour Force Survey

The ABS Labour Force Survey is based on a sample of about 27,000 private and non-private dwellings, and collects information from people living in these selected dwellings (ABS 2013). While the survey is conducted monthly, information on occupation and industry of employment is collected quarterly (in February, May, August and November). For this article, the quarterly data were averaged to produce annual estimates.

The Australian and New Zealand Standard Industrial Classification (ABS 2006b) and Australian and New Zealand Standard Classification of Occupations (ABS 2006a; ABS & SNZ 2013) were used to identify the welfare workforce in the ABS Labour Force Survey data. This was done through defining a set of community services industries and occupations that best represent the welfare workforce (see below for information about these industries and Figure 2.3.3 for the occupations).

continued

Box 2.3.2 (continued): The ABS Labour Force Survey

Note that although the specified industries map broadly to the welfare system (as covered by *Australia's welfare*); the specified occupations are not the only workers in the welfare system. In addition, there are some services that may be considered welfare services that are not included within the specified industry groups.

Community services industries

For the purposes of this article, community services industries are defined as comprising five groups from the Australian and New Zealand Standard Industrial Classification (ANZSIC): *Aged care residential services*, *Other residential care services*, *Child care services*, *Preschool education* and *Other social assistance services* (ABS 2006b:338,349–350). They are grouped into three categories: *Residential care services*, *Child care services and preschool education*, and *Other social assistance services*.

Residential care services

Aged care residential services—organisations mainly engaged in providing residential aged care combined with either nursing, supervisory or other types of care as required (including medical). Primary activities include the operation of accommodation for the aged, aged care hostels, nursing homes, and residential care facilities for the aged.

Other residential care services—organisations mainly engaged in providing residential care (except aged care) combined with either nursing, supervisory or other types of care as required (including medical). Primary activities include the operation of children's homes (excluding juvenile corrective services), community mental health hostels, crisis care accommodation, hospices, residential refuges and respite residential care facilities.

Child care services and preschool education

Child care services—organisations mainly engaged in providing day care of infants or children. Primary activities include: before- and/or after-school care services, child care services, child-minding services, operation of children's nurseries (except preschool education) and family day care services.

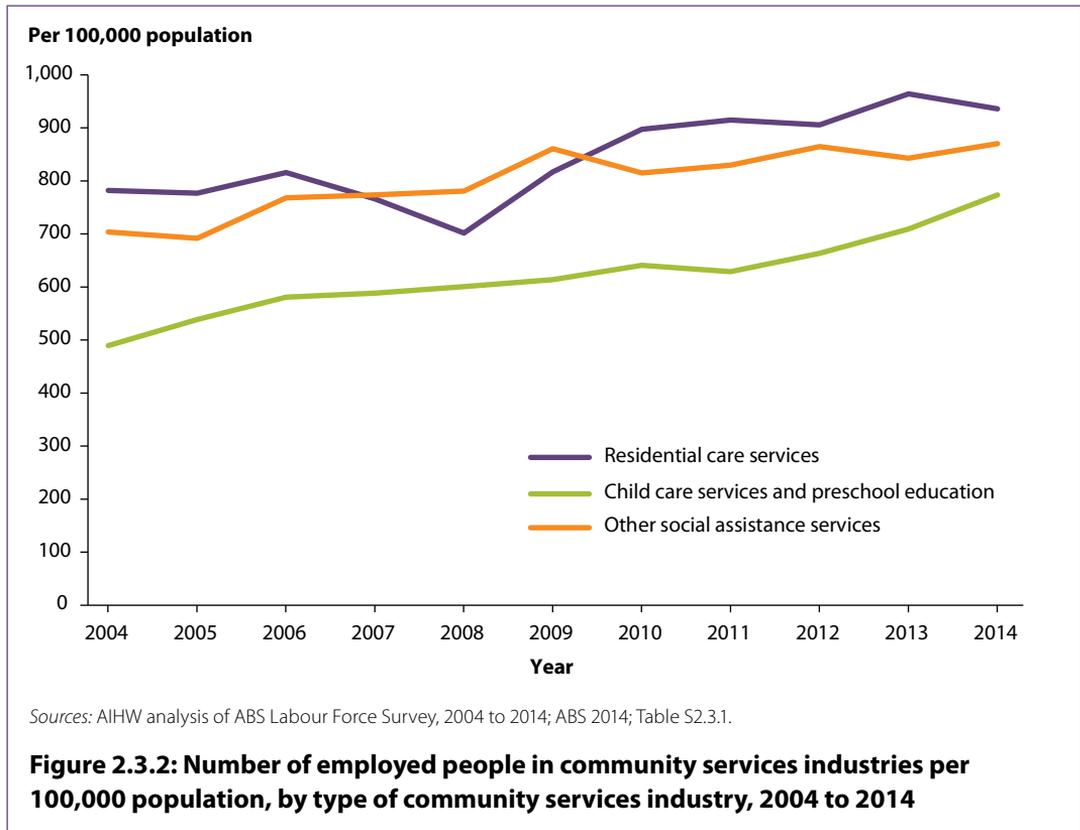
Preschool education—organisations mainly engaged in providing accredited pre-primary school education. Preschool programs are educational in nature and are usually directed at children aged 3 to 5, are generally sessional in nature and are provided by staff who have training in an educational field. Primary activities include the operation of kindergartens and preschools (except child-minding centres).

Other social assistance services

Other social assistance services—organisations mainly engaged in providing a variety of social support services directly to their clients, excluding those involved with raising funds for welfare purposes. These services do not include accommodation services, except on a short-stay basis. Examples of primary activities include adoption services, operation of adult day care centres, aged care assistance services, operation of Alcoholics Anonymous, disabilities assistance services, marriage guidance services, operation of soup kitchens (including mobile), welfare counselling services and youth welfare services.

Between 2004 and 2014, the number of workers in community services industries per 100,000 population grew by 31%, from about 1,974 to 2,579 per 100,000 population (Table S2.3.1).

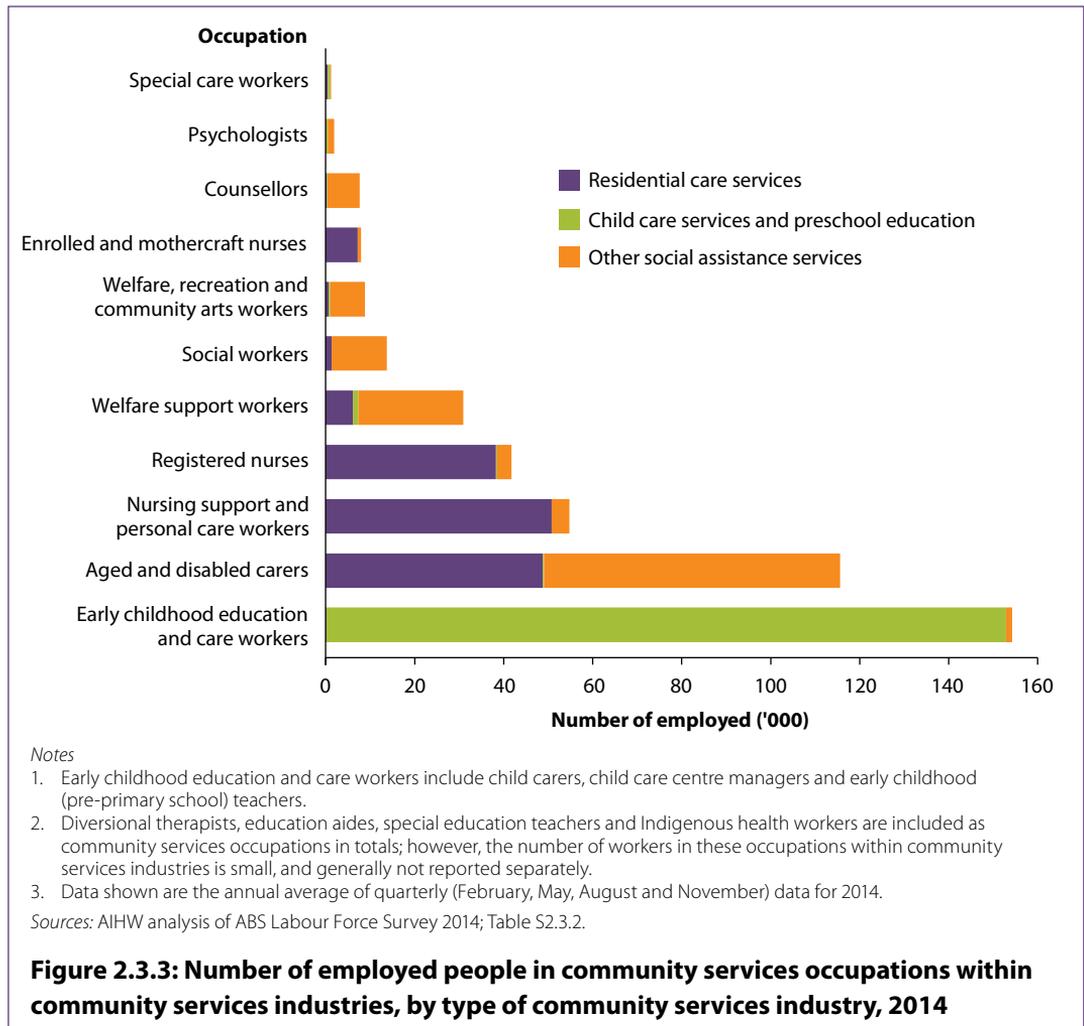
Employment in *Child care services and preschool education* (per 100,000 population) increased by 58% from 2004 to 2014. Over the same period, employment in *Residential care services* (per 100,000 population) grew overall by 20%. Between 2004 and 2009, the *Other social assistance services* workforce (per 100,000 population) grew by 22%, while it remained relatively stable between 2009 and 2014 (Figure 2.3.2; Table S2.3.1). The estimates for each type of industry here may be subject to variability due to small sample sizes. Hence year-on-year changes may not be meaningful, but the longer term trends are likely to reflect actual growth.



Community services occupations

According to ABS Labour Force Survey data, in 2014 there were 918,100 paid workers working in community services occupations, representing 8% of employed people across all occupations. Of all those working in community services occupations, about one-half (449,000 or 49%) were working in community services industries (Figure 2.3.1). These 449,000 workers represent an estimate of the number of people in paid employment in the welfare workforce. The remaining 469,100 people employed in community services occupations were working in other industries (such as nurses in the health industry, counsellors in the education industry). This reflects the fact that nurses, for example, are included in the definition of community services occupations, although most work in the health industry (such as in hospitals), rather than in community services.

Among community services occupations within community services industries, early childhood education and care workers—an occupational group created for the purposes of this article and comprised of child carers, child care centre managers and early childhood (pre-primary school) teachers—was the largest occupational group. In 2014 they made up 34% (154,300) of all workers in community services occupations within community services industries. Meanwhile, aged and disabled care workers made up 26% (115,600), nursing support and personal care workers 12% (54,700) and registered nurses 9% (41,800) of all workers in community services occupations within the community services industry (Figure 2.3.3; Table S2.3.2).



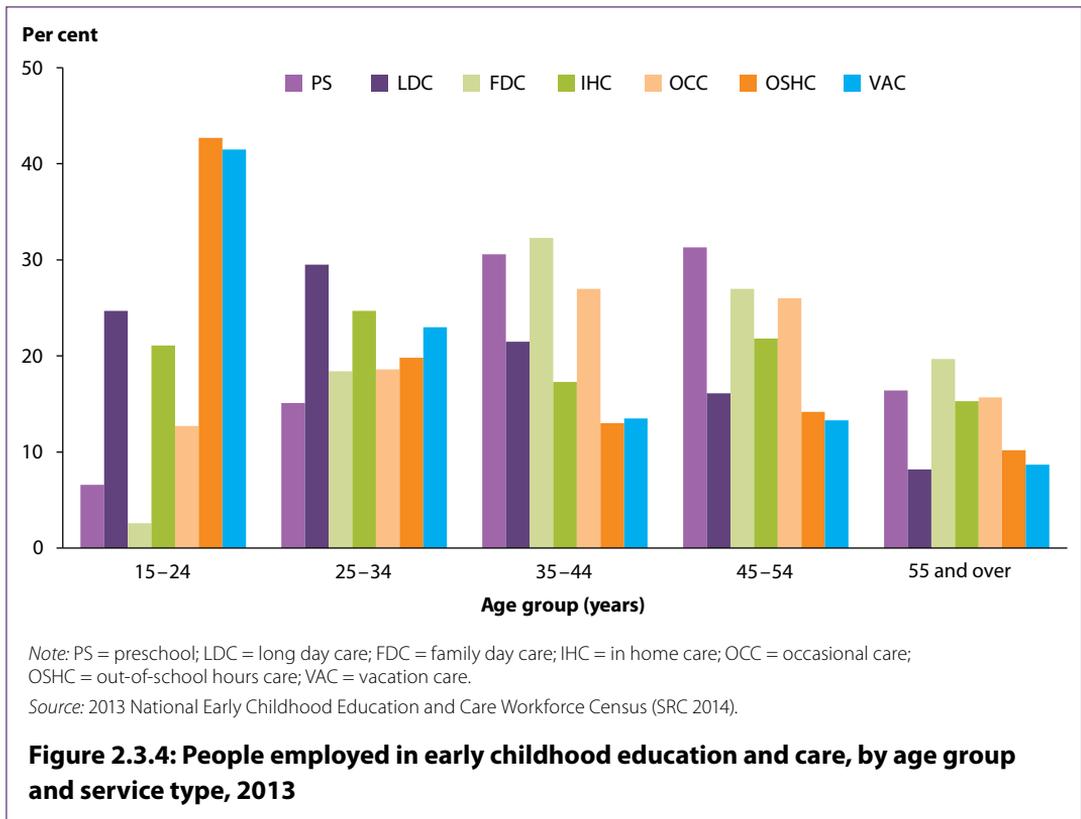
Selected community services workforces

This section presents sector-based information on the early childhood education and care services, child protection services, disability services, homelessness services and aged care services workforces. As noted above, the information is not necessarily comparable with the ABS data presented above, and the information is not necessarily comparable across the sectors.

Early childhood education and care services

The 2013 National Early Childhood Education and Care Workforce Census (SRC 2014) collected information from service providers about their workers in child care centres and preschools. It showed that:

- 153,200 people were employed in the early childhood education and care workforce during the reference week in 2013, an increase of 14,000 (10%) since 2010
- 9 in 10 workers (90%) were engaged in a contact role, with almost 4 in 5 (79%) of the workforce employed in a 'primary contact' role. Most workers were engaged by long day care services (49%), followed by those working in preschools (18%), out-of-school hours care (12%), vacation care (10%) and family day care services (9%)
- most of the workforce was female (94%), although the number of males had increased by 13% since 2010. In 2013, 17% of people working in vacation care were males and 16% working in out-of-school hours care were males, representing the largest share of male workers across all service types
- nearly one-quarter (23%) of all workers were aged under 25. Almost two-thirds of the workforce in vacation care and out-of-school hours care were aged 15–34 (65% and 63% respectively), while almost one-half of the workforce in preschools and family day care services were aged over 45 (48% and 47% respectively) (Figure 2.3.4)
- about two-fifths (41%) of staff worked full-time (35 or more hours per week), with those who worked 35 to 40 hours making up one-third of the workforce. For part-time staff, a similar proportion worked up to 19 hours per week (27%) as 20 to 34 hours per week (31%)
- about 4 in 5 workers (82%) had a qualification in early childhood education and care. One in 6 workers (16%) had a bachelor degree or higher qualification in an early childhood education and care related field. Across the different service types in early childhood education and care, workers delivering preschool programs (39%) were more likely to have a bachelor degree or higher qualification in early childhood education and care.



Child protection services

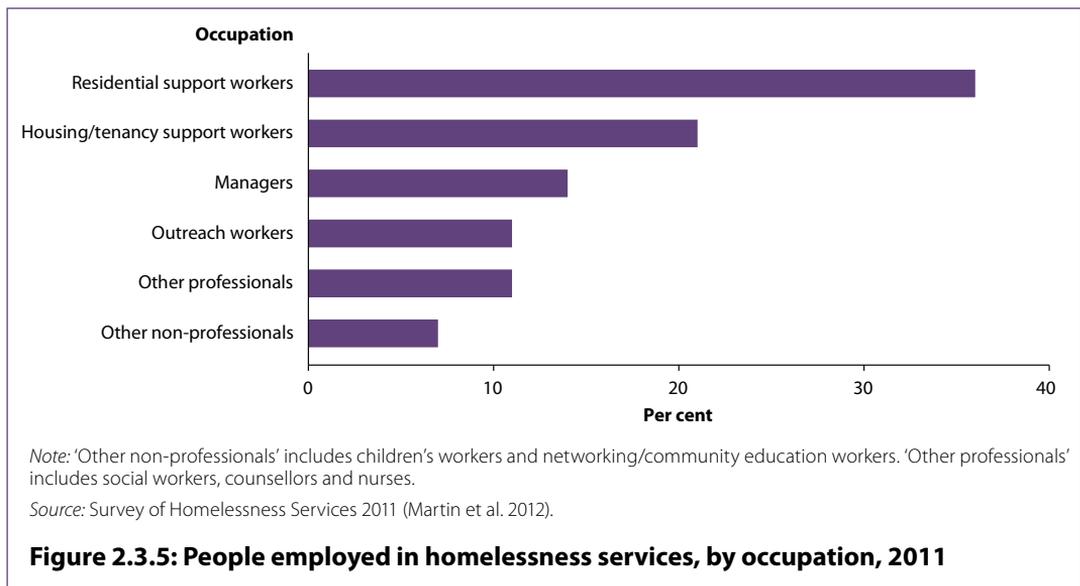
The Institute of Child Protection Studies conducted a survey about the statutory child protection workforce in Australia in 2011. Information on workforce statistics was requested from all states and territories. Five jurisdictions provided usable data (ICPS 2012:23). These were New South Wales, Victoria, Queensland, Western Australia and the Australian Capital Territory. As such, these data do not present a profile of the total national statutory child protection workforce. Also, the lack of comparable data on the characteristics of workers across jurisdictions was identified as a quality concern (ICPS 2012). Data from the survey indicate that at 30 June 2011:

- the workforce was predominantly female (84% to 89% depending on the jurisdiction) and relatively young, with 25% to 50% under the age of 35
- the portion of the statutory child protection workforce with less than 1 year of experience varied between jurisdictions, with a range of 6% to 20%. The proportion with more than 5 years of experience in child protection ranged from 27% to 69%
- staff turnover for the 2010–11 financial year varied from 8% to 22%
- in the Australian Capital Territory and Western Australia (the two jurisdictions for which data on qualifications were published), close to 80% of child protection workers had a degree-level qualification, and half of these were degrees in social work.

Homelessness services

The Institute for Social Science Research at the University of Queensland surveyed the homelessness workforce in 2011, and estimated that about 11,600 people were employed in Australia as specialist homelessness workers or as managers of these workers. Taking into account part-time employment, the workforce was said to be the equivalent of about 7,600 full-time workers. The survey results are based on 951 workers and 362 service providers (Martin et al. 2012). Other findings include:

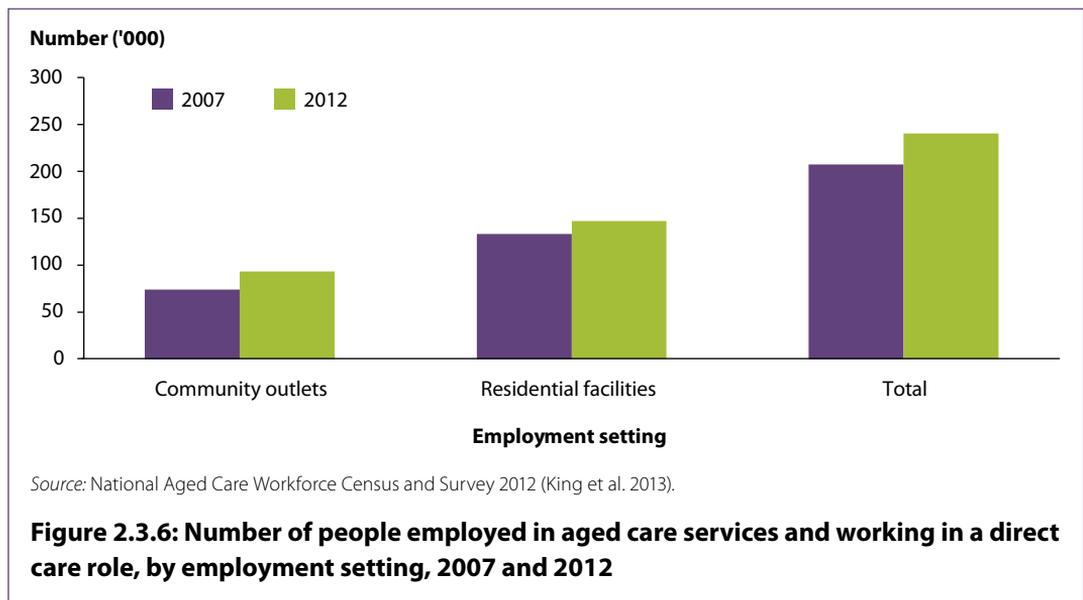
- about three-quarters of the workforce (77%) were female, with more than one-half of the workforce aged between 30 and 50, and 20% aged under 30
- 43% were employed in professional occupations (defined as housing/tenancy support workers, outreach workers, social workers and other professionals such as a social worker, counsellor or nurse), 42% were in non-professional occupations (defined as residential support workers and other non-professionals such as children's workers and networking/community education workers), and 14% were employed in managerial positions (Figure 2.3.5)
- just over one-half (51%) of specialist homelessness workers were employed permanently on a full-time basis, and 31% were employed permanently part-time; casual employment was most common among those in non-professional occupations (31% of workers)
- virtually all services providing specialist homelessness services were non-profit or charitable organisations, employing 98% of all workers
- 39% of workers had a degree-level qualification, and 9% had no post-school qualifications. Around one-quarter (28%) were studying for a qualification in 2011
- over one-third (37%) of workers in this sector had previously worked in another part of the welfare sector, or as a carer in other sectors, prior to becoming a homelessness worker. They often entered the field fairly early in their careers (41% before the age of 30). However, turnover of workers in homelessness services is quite high, with 49% having had less than 5 years of experience in the sector.



Aged care services

The aged care workforce includes a range of occupations, such as registered and enrolled nurses, personal care attendants and a range of allied health professionals. The *Aged Care Workforce 2012—final report* (King et al. 2013) provides a national picture of the aged care workforce in both residential and community care (referred to as community outlets) settings. The report presents the results from the 2012 National Aged Care Workforce Census and Survey.

The survey report estimates total employment in aged care services to have been 352,100 in 2012, of which 240,400 workers were employed in *direct care* roles. Of the *direct care* workers providing aged care services, 147,100 worked in residential facilities (an increase of 10% since 2007) and 93,400 in community outlets (an increase of 26% since 2007) (Figure 2.3.6).



The 2012 report also shows that for the *direct care* workforce:

- workers were predominantly female (about 90%). The share of male workers in residential facilities had increased since 2007 to 11% (from 7%); while males employed in community outlets was unchanged at 10% over the same period
- 27% of workers in residential facilities were aged 55 and over, an increase from 23% in 2007 and 17% in 2003. One-third of those employed in community outlets were aged 55 and over, an increase from 29% in 2007
- 72% of workers in residential facilities were employed on a permanent part-time basis, compared with 69% in 2007. About 62% of those working in community outlets were working on a permanent part-time basis
- more than 85% of workers had some form of post-school qualification
- 28% or more of workers reported migrating to Australia (35% of workers in residential facilities and 28% of workers in community outlets)
- one-third of the overseas-born workers in residential facilities had been in Australia for 5 years or less and were coming increasingly from countries in which English is not the primary language (for example, India, China and the Philippines).

Nurses are one group of *direct care* workers providing aged care services. The 2014 National Health Workforce Data Set (AIHW 2015) showed that 43,500 nurses registered with the Australian Health Practitioner Regulation Agency to practise in Australia reported *aged care* as the principal area of their main job. For this group of nurses:

- males made up 9%
- they had an average age of 46.9, with about one-half (49%) aged 50 and over
- they worked on average 32.7 hours a week
- about 3 in 5 were registered nurses (and 2 in 5 enrolled nurses).

Key issues facing the welfare workforce

The issues facing the welfare workforce include workforce shortages, changing needs and sector fragmentation. These issues interact with each other and with related concerns such as attraction and retention of workers, pay dissatisfaction, ageing workers and changing staff skill requirements, to create a particular set of workforce challenges (Martin & Healy 2010). Changes in the policy environment can also have major effects on the welfare workforce.

As indicated above, growth in community services industries has been much faster than average growth across all industries in Australia, and this has been forecast to continue by the Department of Employment (DoE 2014a). This growth has reflected increases in demand (such as in child care and aged care services). The welfare workforce is dominated by females, and its growth may have been facilitated by increasing female workforce participation more generally. Welfare workforce growth may also have been facilitated by migration.

Whether the rate of growth in the workforce will keep up with demand into the future is unclear. It will be affected by aspects such as the availability of funding as well as trends in workforce participation, migration and productivity. A study in 2012, by Health Workforce Australia, for example, suggested that there would be substantial shortfalls in the nursing workforce, particularly in aged care, by 2025 (HWA 2012).

Workforce shortages

An illustration of the workforce shortage difficulties being faced is that, for the past 10 years, the Department of Employment has included child care workers on the Skill Shortage List for migration, with shortages most pronounced for diploma-qualified child care workers (DoE 2014c). As with many sectors, this shortage appears likely to be heightened in the future with increasing demand for early childhood education and care places (DEEWR 2013) and the introduction of the National Quality Framework for Early Childhood Education and Care (ACECQA 2012), which includes increased staffing and qualification requirements.

Attraction and retention issues

Findings from the Department of Employment's Survey of Employers Who have Recently Advertised indicate community services employers are attracting large numbers of suitable applicants. This can be attributed to the increases in new supply, particularly through higher training numbers. Despite this, recruitment difficulty was most common for higher-skilled occupations (such as early childhood teachers and registered nurses), and skills shortages existed for workers with significant years of experience rather than entry level workers. Employers have suggested that low levels of staff retention limit supply, as well as qualification requirements (for example, jobs in aged care or disability services often require a Certificate III or higher qualification) (DoE 2014b).

The Australian Community Sector Survey is the annual survey of community services across Australia conducted by the Australian Council of Social Service. Results of the 2013 survey showed that attraction and retention of staff (reported by 16% of service providers) was the single biggest operational challenge facing not-for-profit community services, followed by the implementation of the 2012 Equal Remuneration Order for community sector workers (ACOSS 2013). This order sets pay rises of between 19% and 41% to be phased in via 9 annual instalments from 1 December 2012 to 1 December 2020 (FWC 2012).

The child protection services sector is another example of an area experiencing staffing supply issues, with most jurisdictions reporting insufficient numbers of social work, psychology and human service graduates available or willing to work in child protection to meet the demand. The sector faces particular difficulties in recruiting men to child protection work as the proportion of men studying in disciplines from which child protection services recruit remains low (ICPS 2012). Recruitment in regional and remote areas is also a major challenge for the child protection workforce, as is recruiting staff from an Indigenous or a culturally diverse background, and those with a degree or higher qualification (ICPS 2012).

The disability sector has long experienced workforce recruitment and retention issues (PC 2011b). The establishment of the National Disability Insurance Scheme may further increase the demand for workers in this sector.

Aged care service providers highlighted three main causes of skill shortages when surveyed in 2012: lack of specialist knowledge, slow recruitment, and geographical location. Each of these causes was nominated by one-third of the residential facilities and community outlets reporting skill shortages. Of the remaining causes, low wages were singled out by 15% of service providers (King et al. 2013:163).

High turnover rates

Compounding these supply issues are high turnover rates in a number of community services workforces, with many employers replacing around one-quarter of workers every year (Martin et al. 2012:4). Nationally, about one-quarter of workers in child protection (27%) and disability (24%) services workforces had been in their jobs for 1 year or less in 2009 (Martin & Healy 2010). Furthermore, a study in 2011 of the statutory child protection workforce in 5 of 8 jurisdictions found that between 6% and 20% of workers had lengths of service of less than 1 year in child protection (ICPS 2012). This leads to a substantial recruitment, induction and training burden for employers, and increases caseloads for the existing workers (Martin & Healy 2010).

Low earnings

Low earnings of workers employed in certain industries (such as child care services and residential care services), in combination with a number of other factors, contribute to the challenges faced by employers in retaining staff. In 2013, full-time workers in child care and residential care services had some of the lowest median earnings of all industry groups. Full-time median earnings in child care services were 35% lower than across all industries (\$750 per week compared with \$1,152). For residential care services, full-time median earnings were 21% lower (\$910 per week) (DoE 2014b).

The 2014 ABS Survey of Employee Earnings and Hours showed, among all employees, that the average weekly cash earnings of child carers, and aged and disabled carers, were \$537 and \$679, respectively—these amounts were 55% and 43% lower than cash earnings of workers across all occupations (\$1,182), respectively. Both occupations were among the lowest-paid of all community services occupations covered in this article. The survey also showed that, among full-time non-managerial workers paid at the adult rate, child carers had the lowest average weekly cash earnings of all the reported occupational groups at \$865, which is 43% lower than workers across all occupations (\$1,509) (ABS 2015).

Initiatives to address workforce shortages

In recognition of the workforce shortages in the welfare sector, a number of initiatives and programs have been developed at national and jurisdictional levels. Some of these are wide-ranging across welfare sectors. For example, as noted above, the 2012 Equal Remuneration Order required the phased implementation of equal pay for community sector workers. Funding these wage increases is an ongoing issue for governments and community services organisations, requiring the development of funding models to accommodate the pay increases.

Many programs are more sector-specific. For example, in recognition of the critical importance of workforce shortage issues in the child protection sector, the Council of Australian Governments made the Building Workforce Capacity and Expertise project a National Priority under the National Framework for Protecting Australia's Children 2009–2020 (COAG 2009b, 2014). The aim of this National Priority is to 'support the education, professional development, and retention of the child protection and welfare workforce, including a focus on enabling the Indigenous workforce to be more actively involved in tertiary child protection' (COAG 2009a).

Changing needs

Another key challenge facing the welfare workforce is the need to keep pace with changing client needs, as well as service delivery models and qualification requirements and skills. Significant changes to the models of care provided across the welfare sector are driving change in the types of workers required, and an increase in the need for a qualified and skilled workforce. For example, the National Quality Framework for Early Education and Care included the introduction of new qualification requirements for child care workers and early childhood educators from 1 January 2014. The requirements include a provision that one-half of all educators working in long day care centres or preschools will either have or be actively working towards an approved diploma-level education and care qualification or above (ACECQA 2013).

The National Disability Insurance Scheme is introducing new administration and client management systems and funding arrangements for assistance (NDIA 2014). To implement the changes, support workers and administrators will need to become familiar with these new systems and ways of working.

Workforce skills enhancement initiatives

The Australian Government has introduced a number of mechanisms to increase the numbers and level of qualification of workers in occupations where there is a national skill shortage. This includes the establishment of incentives and personal benefits through the Australian Apprenticeships Incentives Programme (DET 2013). Aged care, child care, disability care and enrolled nursing are priority areas in this program (DET 2014).

To tackle the changing skills required of the aged care workforce, the Australian Government established the Aged Care Workforce Fund in 2011. This created a flexible funding pool for initiatives aimed at improving the quality of aged care by developing the skills of the aged care workforce. The fund was allocated \$302 million over 4 years in the 2011 Budget (DoHA 2012).

In April 2012, the Australian Government launched the *Living Longer Living Better* aged care reform package. This package included a component focused on strengthening the workforce (DSS 2013). The Department of Social Services, in 2014, committed to undertake a stocktake and analysis of Commonwealth-funded aged care workforce activities funded over the previous 3 years. The information collected will show any duplication and gaps across activities, and highlight potential synergies and areas of overlap between the aged care and disability workforces. The stocktake will provide an evidence base for developing an aged care workforce strategy, which can help inform future funding outcomes.

The Community Services and Health Industry Skills Council is currently undertaking a review of the Health Industry Training Package and the Community Services Training Package, due for completion in December 2015 (CSHISC 2013, 2014). The Council expects the review to recommend significant changes to the Aged Care, Home and Community Care and Disability training packages to reflect the changing needs of these services. The training packages are prepared by the Community Services and Health Industry Training Board as a set of nationally endorsed standards and qualifications used to recognise and assess the skills of workers (CSHITB 2014).

Sector fragmentation

Another issue that affects the community services workforce is the fragmentation of the welfare sectors. The various welfare sectors often have very different funding and administrative structures. The aged care sector, for example, is administered by the Australian Government, whereas other sectors fall under the administration of the states and territories or a mix of both.

In this context, while the workforce may have high mobility between sectors, coordination and joint planning across the welfare sectors is difficult. This can create a situation where sectors compete for the same workers and where communication between the welfare sectors and training organisations is poorly structured.

What is missing from the picture?

Nationally agreed definitions of occupations and other labour force characteristics are not used in the various sector-specific data collections on the welfare workforce. Hence, data are often inconsistent among the collections, and comparing information from different data sources is difficult.

National data on employed people working in specific industries and/or occupations can be sourced from the ABS Census of Population and Housing (collected every 5 years) and ABS Labour Force Survey (that includes industry and occupation details collected quarterly), as well as other ABS labour-related and social surveys. These data are useful; however, they are less robust than the data collected in the health sector. In the health sector, there is a mandatory national registration system for certain health professionals, with information updated at the time of annual registration renewal. As part of the registration renewal process, a detailed workforce survey is completed that captures data for the National Health Workforce Data Set (NHWDS) on issues such as location of work, work setting and weekly hours worked, and how these are divided between clinical and non-clinical roles, and areas of specialisation. This type of data is not consistently collected across the community services workforces, but could usefully inform workforce planning. Better information on welfare work settings in the NHWDS could also be useful in providing information on health professionals other than nurses who work in the welfare sector.

Where do I go for more information?

Comparable information about the various occupations and industries that make up the welfare workforce in this article is drawn from the [ABS Labour Force Survey](#).

Information about selected community services workforces in this article is sourced from workforce-specific data collections conducted by university-based research agencies—[early childhood education and care services](#), [child protection services](#), [homelessness services](#) and [aged care services](#).

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2.4 Informal carers

Many Australians need assistance with activities in their lives, whether this is due to disability, medical conditions, mental illness or because they are frail aged. Formal assistance, provided by organisations that are funded to provide these services, plays an important part in care. However, people needing such assistance want to be cared for by family and friends where possible, and indeed, most of this kind of care is provided by people close to the person in need (Productivity Commission 2011a:xliii).

The role of informal carers (people such as family or friends who provide unpaid care) cannot be underestimated: in fact, the Productivity Commission (2011b: 312) indicated that the contribution of informal carers is so great that no insurance scheme would be likely to fully fund its replacement.

As well as providing vital support, informal carers themselves have particular needs for assistance; meeting these needs is the focus of government policy and programs designed specifically to assist informal carers. However, the pressures on informal carers remain significant, along with the rewards that come from providing care.

Carer-specific policy

Australian government policy recognises the role played by informal carers: the *Carer Recognition Act 2010* aims to increase recognition and awareness of the role carers play in providing care and support to people with a need for assistance. The National Carer Strategy, delivered in 2011, has shaped the Australian Government's response to the needs of informal carers in recent years.

In addition to the National Carer Strategy and the Carer Recognition Act, carers are recognised in a range of other contexts including employment, community care, youth, national health and mental health reforms, disability standards and services, aged care reform and action on dementia—see a detailed description in *Australia's welfare 2013* (AIHW 2013:323–324). Since that time, the *Fair Work Act 2009* has been amended (in the *Fair Work Amendment Act 2013*) to give employees who are informal carers (among others) the right to request changes to working arrangements to better fit in with their caring responsibilities.

What is informal care?

Informal carers provide help, support or supervision to family members, friends or neighbours with a range of physical, mental and end-of-life health conditions, and disability. Informal carers are defined as those who provide care within the context of a pre-existing relationship, with demands that go beyond that which would normally be expected of the relationship. Informal carers are not paid for the care they provide, although some carers receive government benefits (see 'What assistance do informal carers receive' below). This is quite distinct from the care provided by formal care providers, parents of young children, and volunteers (see Chapter 2 'Volunteering').

Informal care can be diverse, ranging from personal care (such as showering and support with eating), in-home supervision, transport and help with shopping, through to the use of medical devices, therapeutic interventions and wound management. An informal carer may augment the support provided by formal care providers, share care with a network of informal carers, or be the sole carer. The person responsible for the majority of informal caring is known as the primary carer.

There are many advantages for the individual receiving assistance from an informal carer. These include the potential for avoiding or delaying entry into formal residential care or hospital settings; greater inclusion in the community; and better quality of life—including physical and mental health—that comes from remaining in the community. For the carer, there can be negative as well as positive effects of caring. For example, it can reduce ability to engage in work, affect mood and stress and cause disruption to sleep patterns (House of Representatives 2009:44–47; Yeandle et al. 2007; ABS 2014a). On the other hand it can draw the carer closer to the recipient of care, bring family closer together, and provide feelings of satisfaction (ABS 2014a; Cass et al. 2009).

Changing demographics and current health trends are increasing the demand for informal carers. These include the ageing of the population, increased longevity, and the increasing incidence of dementia and mental health conditions. At the same time, the supply of carers is diminishing. Reasons include: the changing roles of women, who were traditionally carers, but now are typically re-entering the workforce after childbearing; pressure on carers to remain in the workforce later into life, thereby reducing the time available for caring; and complex family structures. The end result has been that fewer people are willing and able to provide informal care (AIHW 2013; PC 2011a).

What do we know about informal carers?

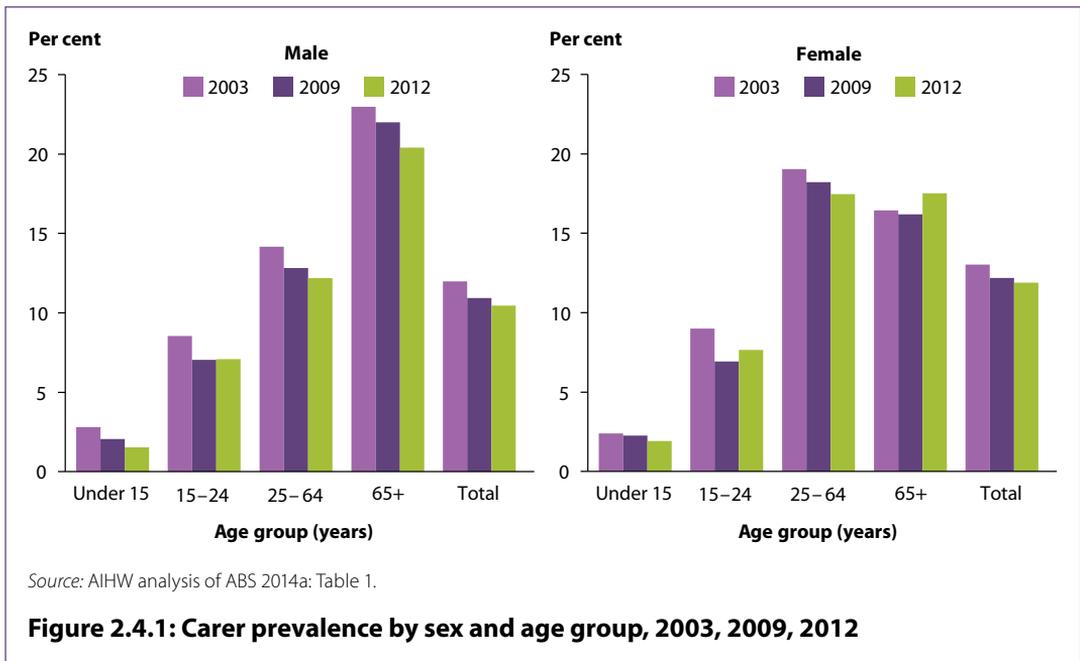
In 2012, 2.7 million Australians were informal carers (12% of the population), and of these, around 770,000 were primary carers (ABS 2014a).

Overall, 13% of Australian women (1.5 million) were carers in 2012, and 5% (540,000) were primary carers, compared with 11% and 2% of men (1.2 million and 230,000) respectively. Within each age group, slightly different patterns emerge which reflect the age of the care recipient and the nature of the relationship (Figure 2.4.1) (ABS 2014a). For example, higher proportions of men aged 65 and over have tended to be carers than women, even though there were slightly more female carers in this age group. This is because women have a greater life expectancy, thus outliving and therefore less likely to be caring for a spouse/male partner, men tend to be older than their spouses/female partners, and older men are therefore more likely to be living with a spouse needing care than older women (ABS 2008).

Between 2003 and 2012, the proportion of older men providing care declined, while that of older women increased. This was partly due to demographic factors—there was a greater increase in the total number of older men (36%) than the number of older male carers (21%), and a faster growth of older female carers (37%) than in the total number of older women (28%) (ABS 2014a). Between 1998 and 2012, the gender gap in life expectancy narrowed due to greater gains in life expectancy for males than females (AIHW 2014a).

In 2012, carers living with their recipient of care (co-resident carers) comprised 71% of all carers. Among co-resident carers aged 65 and over, 86% of males and 76% of females were caring for a partner (ABS 2014a).

Between 2003 and 2012, the proportion of carers in the population declined slightly, from 13% to 12%, with male carers dropping from 12% to 11% and female carers dropping from 14% to 13% (ABS 2014a). While this may reflect in part changes in disability prevalence, there is also the possibility that the availability of carers has begun declining, as predicted for some years.

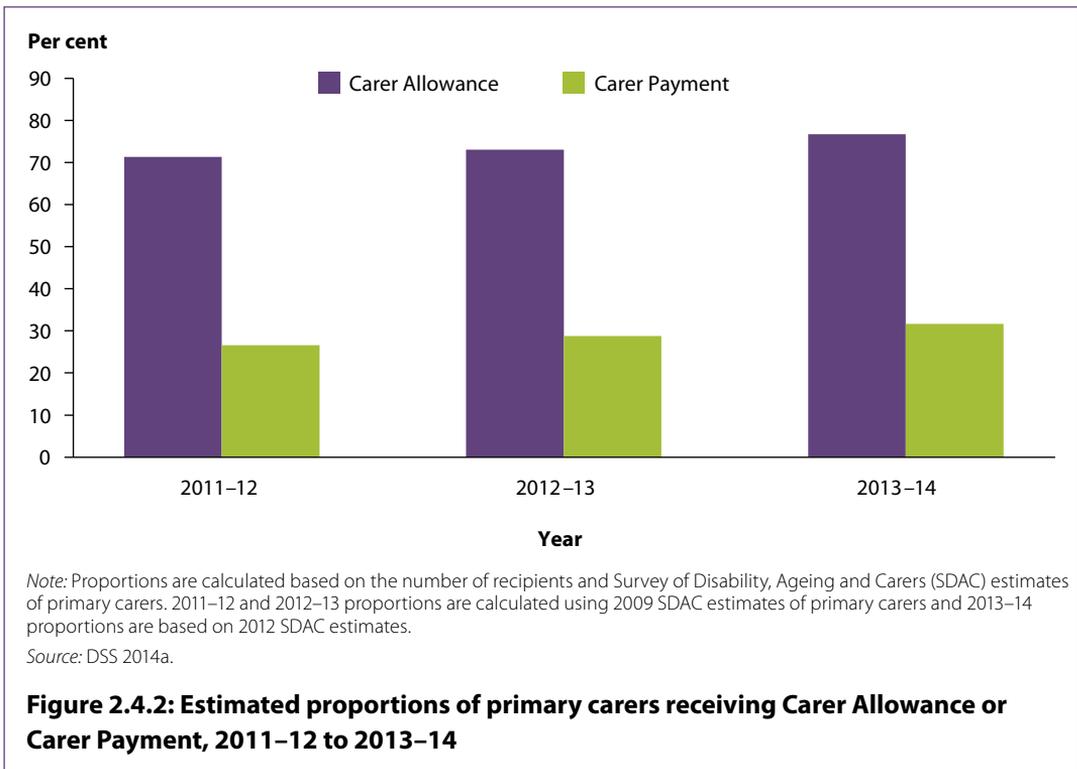


As mentioned earlier, there are many advantages to caring for people who need assistance. In 2012, among primary carers who lived with other family members, 13% stated that their caring role brought the family closer together. Of those with a spouse or partner, 31% stated they were closer to their spouse or partner due to their caring role. Similarly, 43% of primary carers felt closer to their recipient of care due to caring for them, and 28% gained a feeling of satisfaction from caring for their recipient of care (ABS 2014a).

However, for many primary carers, there were negative effects as well. For instance, 61% in this group reported that their sleep was frequently or occasionally interrupted; 10% had been diagnosed with a stress-related illness; and 11% frequently felt angry or resentful due to their caring role (ABS 2014a).

What assistance do informal carers receive?

A range of services and support groups are funded by governments to provide carers with respite, counselling, information and education. The Australian Government provides financial support, in the form of the Carer Allowance for those in a primary carer role, and the Carer Payment for primary carers who are unable to maintain employment due to caring responsibilities. As Figure 2.4.2 demonstrates, the majority of primary carers receive payments or allowances, and the proportion has increased slightly in each of the last two years. The Carer Payment is means-tested, including a requirement that the carer's employment capacity is affected by their caring responsibilities; the higher proportions receiving Carer Allowance reflect the fact it is not means-tested (DSS 2015a, 2015b).



In 2013-14, under the National Respite for Carers Program (NRCP), 67,600 carers received information, support or emergency respite through Commonwealth Respite and Carelink Centres, 32,500 received planned respite and 6,600 received counselling services. This comprised 106,800 instances of support for carers through the NRCP. The numbers of instances of support declined from 110,400 in 2012-13 and 109,200 in 2011-12 (DSS 2014b).

Respite is also provided by temporary admission to a residential aged care facility. In 2013-14, there were 63,600 admissions providing 1.5 million respite days (DSS 2014b).

From 1 July 2015, the Commonwealth Home and Community Care Program, NRCP, Day Therapy Centres Program, and Assistance with Care and Housing for the Aged Program, were combined under a single streamlined Commonwealth Home Support Programme (DSS 2014c). Some of the services under these programs provide respite to carers, including both domestic assistance and personal care.

Carers of people with dementia can also access support for behaviour management through the Dementia Behaviour Management Advisory Service. Under this program, services are funded by the Australian Government to provide assistance to people caring for someone with dementia who has behavioural and psychological symptoms adversely affecting their care (DBMAS 2014).

Young informal carers

In recent years, the specific needs of young informal carers have received greater attention, in recognition that they may require additional support because of reduced opportunities to access education and employment, or to participate in social and community activities. A reduced opportunity to participate in education and employment, and an increase in expenses, means that informal carers may also experience financial hardship (ABS 2013; Cass et al. 2009, 2011).

In 2012, there were an estimated 306,000 carers aged under 25 (11% of all carers), including 74,800 aged under 15 (3%). Around 4% of all Australian young people under 25, and 7% of young people aged 15–24, were carers. An estimated 23,200 young people aged 15–24 were primary carers in 2012, and these carers were most often children of care recipients (ABS 2014a).

In 2012, 56% of carers under 15 and 53% of carers aged 15–24 were in the lowest two-fifths of households by income, compared with 44% of non-carers under 15, and 34% of non-carers aged 15–24 (ABS 2014a).

Early intervention in the form of support aimed at young carers and the person requiring care is fundamental to preventing inappropriate caring responsibilities for young people (Purcal et al. 2012). Early support in these cases may reduce the level to which young carers are at risk of social, economic and educational exclusion.

At 30 June 2014, 10,200 people under 25 years were receiving the Carer Payment, and 13,500 were receiving the Carer Allowance (DSS 2014a).

Further, government and non-government organisations provide information, respite services, counselling, educational support and recreational activities for young carers. In particular, the Young Carers Respite and Information Services Program funded 39 organisations, in 2013–14, to support over 4,200 young carers in 54 locations across Australia. These young people were assisted with respite services, as they were at risk of not completing their secondary education (DSS 2014a: 75). Of those receiving respite services, 9% were Indigenous young people and 12% were young people from culturally and linguistically diverse backgrounds (DSS 2014a).

Informal carers of working age

Most informal carers in Australia are of working age (25–64 years). People in this category experience the same benefits and burdens as most other informal carers. However, they are more likely to experience the difficulties involved in needing or wanting to work, or to remain in education or training, while providing care to others.

In 2012 there were 1.8 million informal carers of working age (25–64)—two thirds (67%) of all informal carers. However, less than one-third of these (31%) were primary carers. As with all carers, primary carers in this age group were predominantly female (74%). The likelihood of being a primary carer increases with age: nearly 1 in 4 (24%) of all primary carers in this age group were aged 55–64, and 21% were aged 45–54. More than 1 in 7 (15%) of all people aged 25–34 were informal carers, and 1 in 20 (5%) were primary carers (ABS 2013: Table 33).

Work and income

For this age group, as with others, being a primary carer was associated with reduced participation in the labour force, increased unemployment and reduced earnings. Just over one-half (53%) of primary carers aged 25–64 were in the labour force, compared with 80% of people in this age group who were not carers; and unemployment was 9.3% compared with 5.1% for non-carers (ABS 2014a). The effect on the working lives of working primary carers in this age group is also considerable. In 2012:

- 39% of primary carers in this age group stated that their weekly hours of work had changed as a result of their caring role
- 12% stated they had had to leave work for at least 3 months as a result of their caring role
- 37% indicated that their caring role had resulted in needing to take time off work at least once a week
- 29% indicated their income had decreased and 31% that they had extra expenses
- nearly two-thirds (65%) indicated they had difficulty meeting everyday living costs because of their caring role (ABS 2014b).

Nearly one-third (31%) of people in this age group who were not carers lived in households in the top one-fifth of household income, compared with one-sixth (16%) of primary carers. Primary carers were twice as likely to live in the bottom two-fifths of households by income (43%), compared with non-carers (22%) (ABS 2014a). Associated with this, primary carers in this age group were much more likely to receive their main income from pensions and allowances (47%) compared with people who were not carers (12%) (ABS 2014b).

At 30 June 2014, 199,200 people aged 25–64 were receiving the Carer Payment and 414,700 were receiving the Carer Allowance (DSS 2014a).

Older informal carers

In 2012, there were an estimated 579,700 older carers aged 65 and over, or 22% of all informal carers. As with carers in younger age groups, most were women, but only by a small margin in this age group (51% to 49%). Men in this age group were more likely to be carers than men in younger age groups—20% of all men aged 65 and over were carers, compared with 12% of men aged 25–64 and 7% of men aged 15–64 (ABS 2013). As married and otherwise partnered men grow older, their wives and partners are more likely than in other age groups to become frail and need care in the home.

As with female primary carers, men were also more likely to be primary carers in this age group than in younger age groups (5.7% for men 65 and over, compared with 2.4% of men aged 25–64 and 0.6% of males aged 15–24). Older men who were primary carers were more likely to be caring for their partner (87% of male 65 and over primary carers) than younger male primary carers (15–24: 19%; 25–64: 61%) (ABS 2014a).

As primary carers age, they may experience the same changing circumstances (such as frailty) as non-carers, and such changes may directly affect the lives of other family members or others who need their care. As would be expected, older primary carers were more likely to have a disability themselves than younger primary carers—11.7% of primary carers aged 65 and over had a severe or profound core activity limitation, compared with only 7.2% of younger primary carers (ABS 2014a).

On the other hand, circumstances are better in some ways for older primary carers. ABS (2014b) found that:

- they were more likely to be able to care for others without assistance than younger primary carers (86% not needing assistance for primary carers aged 65 and over compared with 72% for primary carers aged under 65) (ABS 2014a)
- their income was more likely to be unaffected by their caring role (59% not affected, compared with 38%) (ABS 2014b)
- their friendships were less likely to be affected (53% unaffected, compared with 42%) (ABS 2014b)
- they were more likely to feel satisfied due to their caring role (37% compared with 25%) (ABS 2014b).

What is missing from the picture?

Data on disability support services funded under the National Disability Agreement are collected by the AIHW for the Disability Services National Minimum Dataset (DS NMDS), including information on informal carers of service users (AIHW 2014b). However, the data are not of sufficient quality to present in this article for the most recently published year. The main deficiency is in completeness of information on carers of people receiving employment services.

The National Disability Insurance Scheme (NDIS) does not currently report any information on informal carers caring for NDIS recipients (National Disability Insurance Agency 2014: 60).

Where do I go for more information?

Most of the information on informal carers presented in this article is drawn from the ABS Survey of Disability, Ageing and Carers. A much wider breadth of information on carers is available from this survey, both from published reports and unpublished data that can be used for tailored analyses. For more information, see www.abs.gov.au/ausstats/abs@.nsf/mf/4430.0.

Information on informal carers collected from the DS NMDS is included in the *Report on government services* (SCRGSP 2015: Volume F). While the quality of information on informal carers has been very low for 2011–12, 2012–13 and 2013–14 (the latest year), in 2010–11 the DS NMDS showed that 41% of users of disability services had an informal carer, and 34% of users had a primary carer, that is an informal carer who provides assistance with core activities.

The Census of Population and Housing collects information on people who provide unpaid assistance to a person with a disability, long term illness or problems related to old age. This information can be cross-classified by other information, including age, sex, whether the carer has a need for assistance themselves, and special needs groups such as Aboriginal and Torres Strait Islander Australians and culturally and linguistically diverse people.

The Household, Income and Labour Dynamics in Australia (HILDA) Survey has included questions on whether respondents provide ongoing help with self-care, mobility or communication to someone who is elderly or who has a disability (since Wave 5). Some of the information derived from these questions has been presented by the Melbourne Institute of Applied Economic and Social Research (2014) in a chapter entitled 'The characteristics and wellbeing of carers.'

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2.5 Volunteering

Australia has a long and proud tradition of volunteering in many aspects of community life such as education, sport, safety and emergency services, and community-based charities (PM&C 2011). Volunteers are often the foundation of community services, augmenting the support provided by formal and informal carers, and formal service providers. As for the volunteers themselves, many report that volunteering makes them happier, and has health benefits, particularly for older volunteers (Victorian Health Promotion Foundation 2012).

The Australian Bureau of Statistics (2011) defines a volunteer as 'someone who, in the previous 12 months, willingly gave unpaid help, in the form of time, service or skills, through an organisation or group'. This definition therefore excludes informal carers, who provide direct care (see Chapter 2 'Informal carers'), and unpaid work under compulsion because of employment (for example, work for the dole) or as part of study commitments.

In 2010, an estimated 6.1 million people performed voluntary work for an organisation in the preceding 12 months. Volunteering rates were highest among those aged 45–54 (44%) followed by 55–64 year olds (43%) and 35–44 year olds (42%) (ABS 2011: Table 1). Overall, women (38%) were more likely to volunteer than men (34%).

People's circumstances affected the percentage who volunteered (ABS 2011: Table 2):

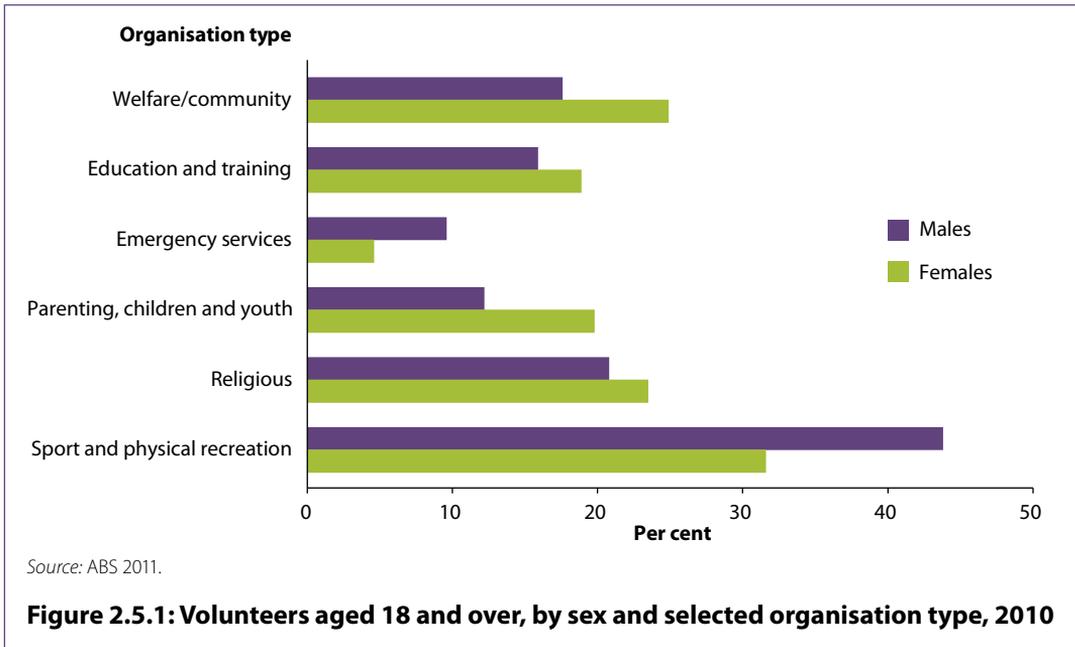
- Parents in couple relationships with school-aged children were the most likely to be involved in volunteering (fathers 51%, mothers 59%), followed by lone parents (fathers 43%, mothers 36%).
- People living in areas of high socioeconomic status were more likely to volunteer (41% for males, 45% for females) than people living in areas of low socioeconomic status (26% for males, 30% for females).
- People from outer regional and remote areas had higher rates of volunteering than major cities (41% compared with 34%).

Volunteering is associated with high levels of community involvement, trust and life satisfaction (ABS 2011):

- More volunteers had attended a community event in the last 6 months than non-volunteers (82% compared with 55%).
- More volunteers agreed that most people can be trusted (62% compared with 50%).
- More volunteers were delighted or pleased with their lives (48%) than non-volunteers (41%).

The activities attracting the highest rates of volunteering were sporting and physical recreation groups (44% of all men volunteering, 32% of women) followed by religious groups (21% of men, 24% of women) and welfare and community services (18% of men, 25% of women) (Figure 2.5.1).

A considerable proportion of disability and other community services rely on the work of volunteers to provide respite and companionship for their clients. Many volunteers also provide transport services for those who are ageing or who have disability, using community buses and cars. A review of Home and Community Care-delivered community transport demonstrates that extensive use of volunteers is a major feature of the current service system, but that the pool of available volunteers is reducing (DSS 2014). This review also found that transport is 'embedded' in the provision of other community services, including domestic assistance and personal care, and centre-based day care, among others. Much of this is delivered by volunteers.



What is missing from the picture?

The economic value of volunteering in Australia has been calculated for several Australian states, but not for the nation as a whole. The most recent state-level study was *The economic value of volunteering in Victoria* (Victorian Department of Planning and Community Development 2012). Information on demand for volunteers is difficult to measure, partly because there is no clear delineation between the demand for paid and unpaid workers.

Where do I go for more information?

Most of the information presented in this snapshot is sourced from the ABS 2010 General Social Survey. The ABS has published much more information on volunteers collected in this survey in *Voluntary work 2010* (ABS 2011).

The ABS 2011 Census collected information about voluntary work; however, the type of activity was not recorded, though the breadth of other types of information included in the Census provides the potential to investigate the characteristics of volunteers in ways not available from the ABS 2010 General Social Survey.

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3

Child wellbeing (0–14)

3.0	Introduction	72
	3.1 The role of the family in child wellbeing.....	73
	3.2 Children in child care and preschool programs.....	88
	3.3 Transition to primary school.....	90
	3.4 How are our children faring at school?.....	93
	3.5 Adoptions in Australia.....	103
	3.6 Child protection in Australia.....	105
	3.7 Young people aged 10–14 under youth justice supervision.....	107
	3.8 Wellbeing of Indigenous children.....	110
	3.9 Closing the gap in Indigenous education	113
	3.10 Children with disability	116



3 Child wellbeing (0–14)

3.0 Introduction

The early years of a child's life are crucially important for the rest of their childhood and have a profound impact on their wellbeing through the rest of their lives.

Family relationships, where and how a child lives, the quality of parenting a child receives, how they perform at school, their social interactions, and whether they are safe from harm are among a multitude of factors that can have lifelong effects.

Early disadvantage can also have lasting effects. Healthy development requires that children grow and learn in supportive and nurturing environments. Children who are vulnerable are more likely to develop problems with health, development, learning and behaviours. These problems may have a cumulative effect over their lives, which can have an impact on their ability to fully participate in society.

This chapter highlights some of the main influences of children's wellbeing, starting with the physical and mental health of their mothers during pregnancy, through to a child's first contact with the education system.

It looks at how a child transitions to primary school, then follows the child's educational journey into their early teenage years, including how they are performing at school by national and international standards.

While 4 in 5 Australian children are considered to be developmentally on track when they enter primary school, 22% are vulnerable in key areas such as language and cognitive skills or emotional maturity.

In 2014, most children in Years 3, 5, 7 and 9 achieved national minimal standards in literacy and numeracy at school. However, relative to non-Indigenous students, a lower proportion of Indigenous students and students from *Very remote* areas achieved at or above national minimum standards.

The chapter focuses, in particular, on children who may not be faring so well. In 2013–14, about 143,000 children aged 0–17 received child protection services—123,121 of whom were aged 0–14. Indigenous children were over-represented among these children. Indigenous young people were also over-represented within each part of the youth justice system.

In 2012, there were estimated to be 171,000 children aged 0–14 with severe or profound disability in Australia, with the prevalence of severe or profound disability among boys aged 5–14 being almost double that of girls of the same age.



3.1 The role of the family in child wellbeing

The first years of a child's life provide lifelong foundations for health, development and wellbeing. Healthy development requires that children grow and learn in supportive and nurturing families and environments. A child's brain and biological development begins before birth and continues well into adolescence. Children who have a poor start in life are more likely than others to develop problems with health, development, learning and behaviours. These problems may have a cumulative effect over the life course, which can affect capacity to fully participate in society, resulting in increased inequality in social status or social opportunity, reduced labour force participation and entrenched intergenerational disadvantage (National Scientific Council on the Developing Child 2005/2014).

Social determinants, including living conditions and the sociodemographic characteristics of the family, play a critical role in a child's health, wellbeing and learning across the life course, as do factors such as maternal health, quality of parenting, interpersonal relationships, and learning environments (Maggi et al. 2010).

A number of wellbeing indicator frameworks exist both nationally and internationally. An overview of Australian frameworks and indicators that relate to children can be found in the *Mapping of children and youth indicator reporting frameworks* (AIHW 2014e); however, there is no current equivalent framework that specifically focuses on child wellbeing. This article therefore focuses on selected aspects such as the important role of the family in child development and wellbeing, including family functioning, quality of parenting and the effect of jobless families. We also examine the effects of maternal health, as well as safety, recreation and leisure perspectives.

Policy context

Over recent years a key focus for governments, particularly through the Council of Australian Governments (COAG), has been to increase future human capital and workforce participation by ensuring that children have the best possible start in life through measures such as access to quality early childhood education and opportunities to live in healthy, supportive and safe environments.

Accordingly, COAG's *National Early Childhood Development Strategy, investing in the early years* is aimed at ensuring that by 2020 'all children have the best start in life to create a better future for themselves and for the nation' (COAG 2009). An Early Childhood Development Outcomes Framework, focusing on children aged 0–8 years, was established as part of the Strategy (AIHW 2011b). Reporting against the Framework informs COAG of progress against the Strategy, although reporting has not begun as yet.

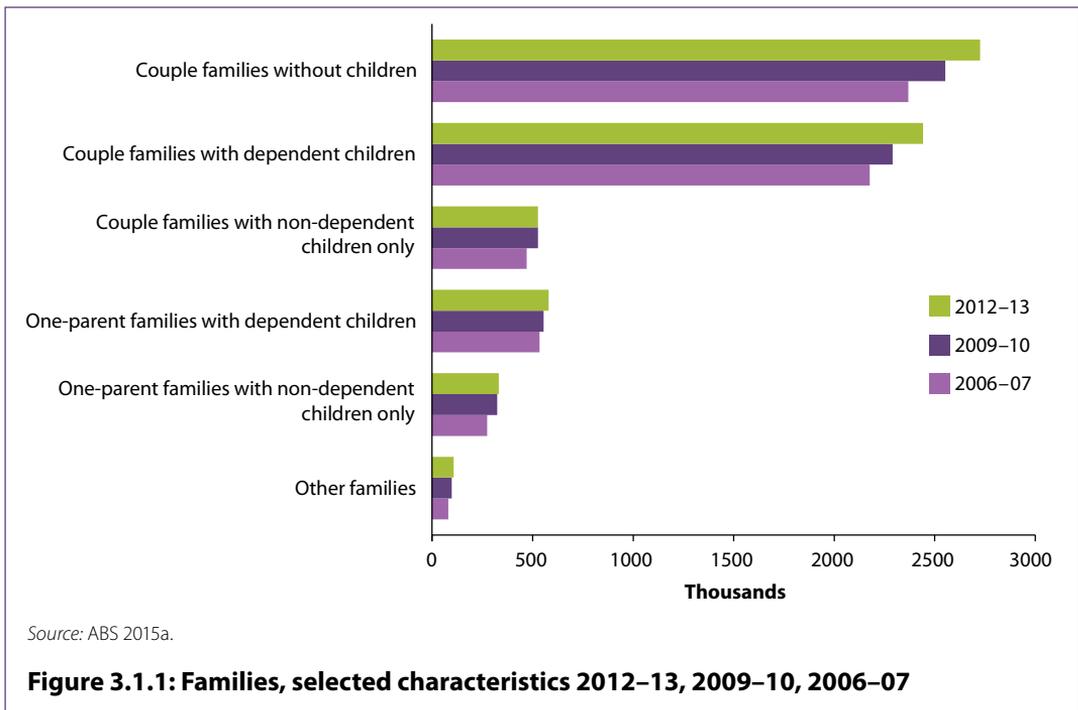
In addition, the *National Framework for Protecting Australia's Children 2009–2020* (DSS 2009), is a collaborative approach by all levels of government to ensure the safety and wellbeing of Australia's children. This Framework aims to deliver substantial and sustained reductions in levels of child abuse and neglect (see also Chapter 3 'Child protection in Australia').

Families with children

Research has long recognised that families are a child’s single most important environment in terms of influence on development (Garbarino 1992), with family relationships and interactions being critically important (Bowes et al. 2009). Consequently, family functioning, quality parenting, and access to social and family supports all contribute strongly to optimal health and wellbeing.

There were an estimated 8.9 million households in Australia in 2012–13. Family households comprised 6.7 million of these households. Family households are dwellings where the occupants are: couples with or without children of any age; lone parents with children of any age; or other types of families such as related adults who live together, for example, adult brothers and sisters. (See Figure 3.1.1.)

The proportion of couple families with dependent children of any age has remained relatively unchanged since 2006, at 36% of all family households (2.4 million households in 2012–13). Lone-person households represent 2.1 million households out of 2.3 million non-family households (ABS 2015a).



There were 2.8 million families with children aged 0–17 years in 2012–13. Intact families with children aged 0–17 years comprised 2.0 million of these family households, with step and blended families accounting for a further 179,000, and lone-parent families 539,000 (ABS 2015a).

Family functioning

Family functioning relates to the strength and quality of family relationships and the family's ability to nurture, care and provide for one another (PM&C 2009). The quality of family functioning is fundamentally important to societal health and resilience. Conditions that determine the quality of family functioning include: adequate housing; access to social services and support; parenting skills; secure parental employment; financial security; time spent with, and communication between, family members; connection with the community; and family conflict and violence. Families facing adversities in these areas are likely to experience levels of dysfunction that will have health, behavioural and social repercussions for young family members, and poorer outcomes for them later in life (Olesen et al. 2010).

Measuring family functioning is a complex task because it is multi-dimensional in nature and changeable in times of distress. The Positive Family Functioning (PFF) project undertaken by Access Economics (2010) set out themes of family functioning derived from the literature, and, in consultation with an expert reference group, estimated the economic outcomes of positive family functioning.

The themes of family functioning specified were: *emotional*—parent–child relationships, perceived parental and family support; *governance*—rules, expectations and consistency; *engagement and cognitive development*—reading and verbal engagement, quality time fostering the development of educational language and interaction skills; *physical health*—healthy/unhealthy physical activities or environments; *intra-familial relationships*—quality of relationships among all members of the family; and *social connectivity*—involvement of parents and children in activities outside of the family unit.

Several intervention programs to assist family functioning during childhood and adolescence were evaluated as part of the PFF project. The return on investment was estimated to be in the order of \$5.4 billion per annum. The greatest impact occurred when intervention programs were specifically targeted at children, with results including: fewer instances of anxiety and depression; lower rates of criminality; lower rates of addiction and antisocial behaviour; and reductions obesity rates. Productivity gains and savings were also listed as intervention program results (Access Economics 2010).

Evidence suggests that early intervention can have a positive impact on child development and associated life outcomes. For more information on early intervention, see Box 3.1.1.

Box 3.1.1: Early intervention

Adverse experiences in childhood, including poverty, child abuse and neglect, family violence, parental substance use, early mental health problems, poor health and nutrition, and growing up in a family dependent on welfare, have a negative impact on the social and cognitive development of children, with lasting health and welfare impacts in adulthood (Effective Philanthropy 2014; Heflin & Acevedo 2011; Felitti et al. 1998). Developmental vulnerabilities are evident by the time a child starts school, and are associated with lower educational achievement, increased likelihood of teenage pregnancy, mental health problems, getting into trouble with the law, and poorer job outcomes.

The older a child gets, the more difficult it is for them to catch up to their less disadvantaged peers, and interventions become more costly and less effective (Ramsey & Ramey 1998). Examples of early intervention include those focused on: the child's cognitive, language and social development; parenting knowledge and skills; social support; and the promotion of safe and supportive families and communities. Investing in Australia's children through early intervention policies, strategies and programs provides support to children and their families, tackles problems before they become entrenched and increases the chances of better future outcomes for the child.

Child development

Early childhood is a critical stage in a child's development and is shaped through their ongoing interactions and relationships with their immediate environment (family) and wider social environments (community) (Dunlop 2002). A child's environment is influenced by early learning, and relationships with parents and between parents. Parental involvement can produce positive outcomes in child development through engagement (in terms of the time a parent spends directly engaging with the child in home learning activities such as reading or playing) and accessibility (the time a parent is available to the child) (Wise 2003). The extent of home learning activities has been found to have a greater influence on educational attainment than parents' education and socioeconomic status (Melhuish et al. 2008). A positive home learning environment has also associated with higher intellectual and social/behavioural scores (Sylva et al. 2004).

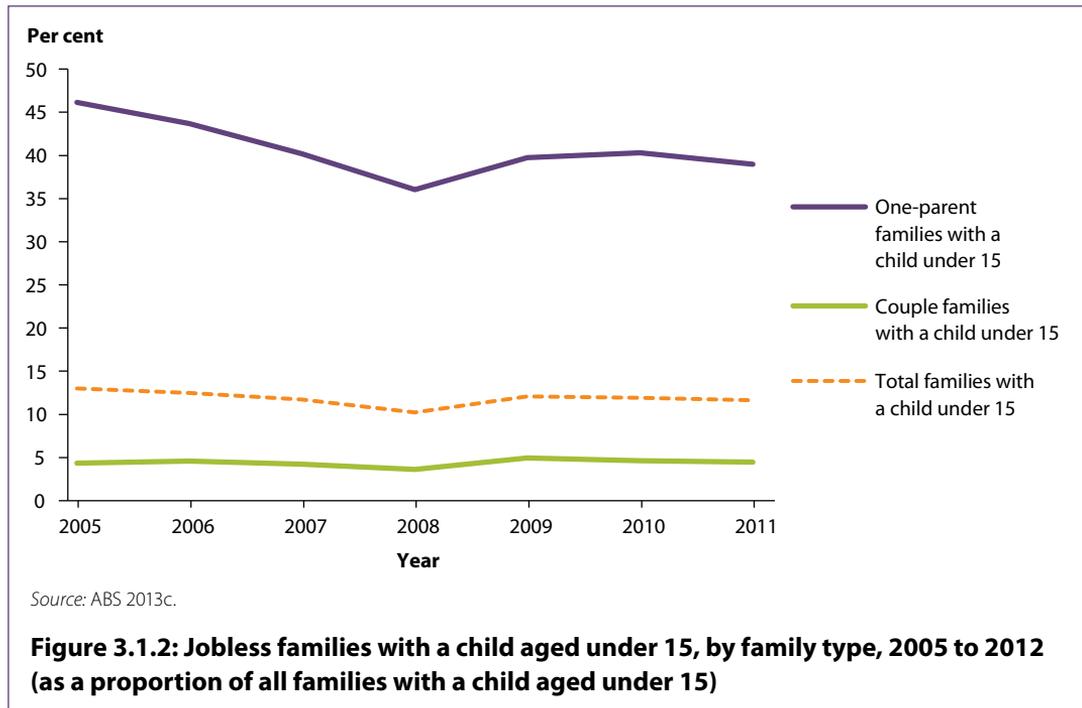
Benefits of early intervention

Early interventions in early childhood are programs delivered to improve child health and development that may focus on the prevention of problems or preventing the progression of problems that have already surfaced (Wise et al. 2005). Early intervention aimed specifically at disadvantaged and vulnerable children and families has been shown to positively influence children into adolescence and adulthood (Nelson et al. 2012; Schweinhart et al. 2011). Early intervention can therefore be cost-effective in negating the effects of disadvantage, thereby generating social and economic benefits (London School of Economics 2007).

These benefits can come from reduced contact with the juvenile and adult justice systems, reduced notifications of child abuse and neglect, and improved educational and employment outcomes (Moore & McDonald 2013). The younger a child receives support, the greater and longer-lasting the benefits are likely to be (Heckman 2008; Lee et al. 2012). Heckman (2008) argues that for there to be a maximum return on investment, the optimum age for a child to receive support is between 0 and 3 years, and that this must be followed up to be effective.

Jobless families

Evidence suggests that children in long-term jobless families are disadvantaged in areas of education, housing, social status, economic engagement and health. Such disadvantages can compound from childhood into adulthood and result in 'diminished life chances' over the whole life course (Kalil 2009). Jobless families are families where no person over 15 is employed and/or not in the workforce (ABS 2013c). It is important to note that joblessness includes those who are unable to work for various reasons (Figure 3.1.2).



According to the Organisation for Economic Co-operation and Development (OECD), Australia has the fifth-highest proportion of jobless families among OECD member countries at 14.8% (compared with the international average of 8.9%) (OECD 2015). In 2012, there were 1.3 million families that were jobless; of these, 80,000 were couple families with one or more children under 15, and 197,000 were lone-parent families with one or more children under 15 (ABS 2013c).

Quality of parenting

Social and economic circumstances that affect families and family functioning can also have an effect on quality of parenting. A study by Zubrick and others (2008) used data from the Longitudinal Survey of Australian Children to explore the extent to which family circumstances, stress, support and family relationships are associated with parenting practices across infant and child cohorts, and found:

- higher parenting hostility, as described by characteristics including being angry, raising one's voice and losing one's temper with their child, is associated with higher levels of psychological distress in the primary carer (usually mothers)
- perceived lack of reciprocal support for parenting, and lack of relationship satisfaction, as reported by secondary carers (usually fathers), were associated with lower parental warmth
- parenting practices such as warmth, hostility and consistency, as displayed in interactions between the parent and child, were found to affect child development.

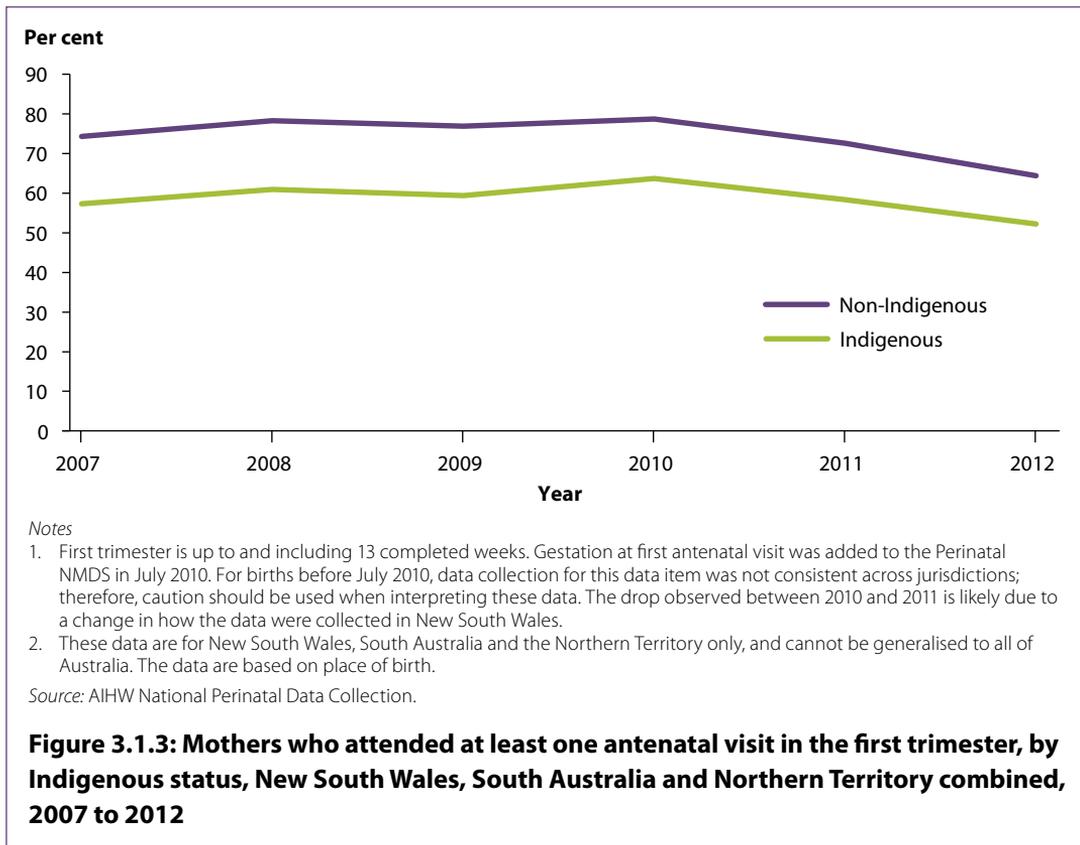
Another way in which parents can influence their children's development is through involvement in their early learning. Children whose parents are involved with their early learning and development have significantly better outcomes, including increased educational engagement and achievements, than children whose parents are not involved. The 2014 Australian Bureau of Statistics (ABS) Childhood Education and Care survey found that for children aged 0–2, 80% were likely to have some parental involvement in informal learning such as reading to a child or telling a story. About 56% of couple families and 57% of lone-parent families were likely to do this 7 days a week (ABS 2015b).

Impact of maternal health

There is much evidence that the lifestyles of pregnant women have a significant effect on the developing fetus. Maternal stress, nutrition, and uptake of risk behaviours during pregnancy are critical factors in determining fetal health and birthweight. Babies born with low birthweights are more likely to have subsequent adverse health outcomes during childhood and into adulthood. Poor maternal nutrition is associated with socioeconomic factors such as family poverty, parental education and unemployment. It can also lead to maternal obesity (Maggi et al. 2010).

Regular antenatal care provides prenatal education and monitoring of the health of the unborn child. A strong relationship exists between regular antenatal care and positive child health outcomes. Women who commence antenatal care in the first trimester tend to be healthier throughout their pregnancies and as a result have healthier babies with higher birthweights (AIHW 2014a). The Australian National Antenatal Care Guidelines suggest that for a woman's first pregnancy without complications, a schedule of 10 visits should be adequate (AHMAC 2012).

In Australia, almost all pregnant women (95%) have at least 5 or more antenatal visits. A smaller proportion of pregnant Indigenous women (83%) attend 5 or more antenatal visits (AIHW 2014a). Antenatal visits are most likely to begin in the first trimester of pregnancy, with 74% of non-Indigenous mothers and 52% of Indigenous mothers attending their first antenatal appointment before 14 completed weeks' gestation (Figure 3.1.3). Nearly all mothers, Indigenous (97%) and non-Indigenous (99%) have at least one antenatal consultation during their pregnancy (AIHW 2013a).

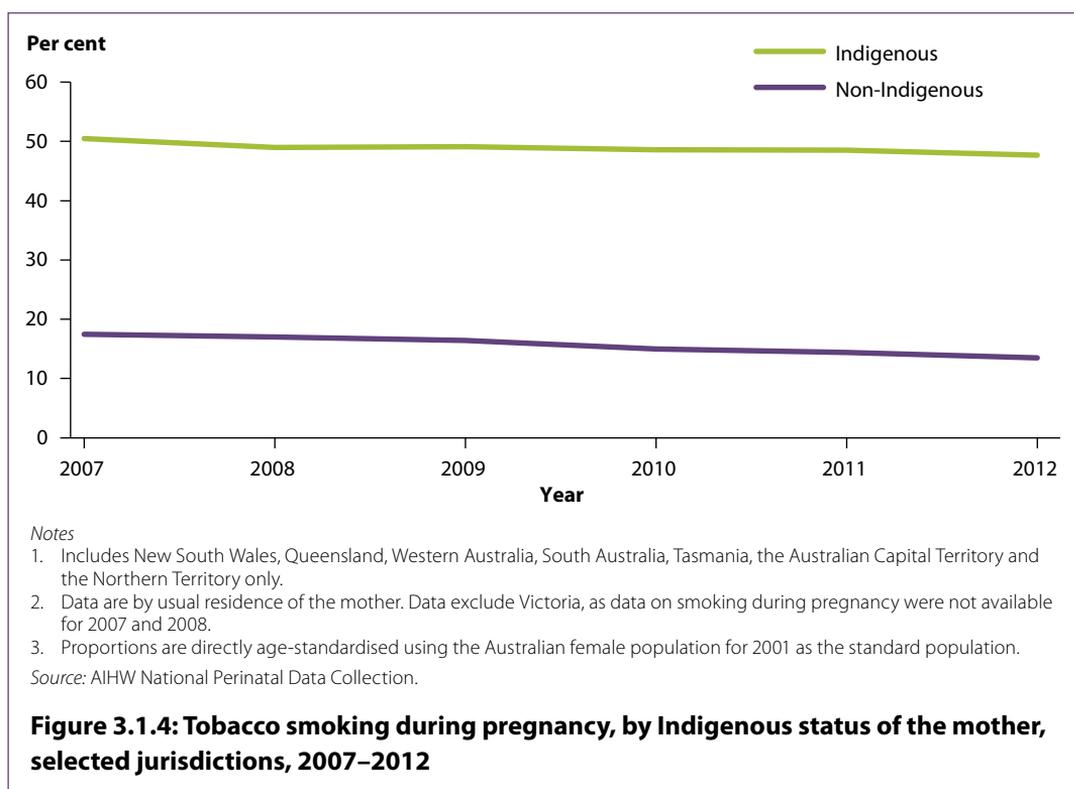


Substance use in pregnancy

Tobacco

Smoking tobacco during pregnancy exposes the woman and her unborn child to an increased risk of health problems such as miscarriage, low birthweight, premature labour and perinatal death. It is the most common preventable risk factor during pregnancy (Li et al. 2013).

The proportion of women who smoke during their pregnancy continues to fall, but the proportion of Indigenous women who smoke during pregnancy remains at just under 50%. Over the period 2007–2012, the proportion of non-Indigenous mothers who smoked declined from 16% to 14%, while during the same period, the proportion of Indigenous mothers smoking declined only marginally (Figure 3.1.4).



Alcohol

Alcohol use by pregnant women is another important avoidable risk factor. Alcohol use in pregnancy has negative effects on fetal growth and development during pregnancy, as well as on the wellbeing of the child, in both the short and long terms (AIHW 2011a). Results from the 2013 National Drug Strategy Household Survey show there was an overall decline in the quantity and frequency of alcohol consumption during pregnancy and during breastfeeding from 2007 to 2013 (AIHW 2014d) (see Table 3.1.1).

Table 3.1.1: Drinking alcohol while pregnant or while breastfeeding, women aged 14–49, 2007, 2010, 2013 (per cent)

Drinking alcohol while pregnant	While pregnant ^(a)			While breastfeeding ^(b)		
	2007	2010	2013	2007	2010	2013
More	0.6	**0.4	**<0.1	0.2	**0.1	*1.2
Less	56.6	48.9	46.0	70.1	62.3	59.5
Same amount	2.8	*2.0	*1.2	4.5	3.5	2.7
Don't drink alcohol	40.0	48.7	52.8	25.0	34.1	36.7

* Estimate has a relative standard error of 25% to 50% and should be used with caution.

** Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

(a) Base is only pregnant women, or women pregnant and breastfeeding.

(b) Base is women who were only breastfeeding, or pregnant and breastfeeding.

Source: 2013 National Drug Strategy Household Survey.

Fetal exposure to alcohol is strongly associated with developmental anomalies in unborn children that result in neurological malformations of the brain, and cognitive and behavioural problems—collectively known as Fetal Alcohol Spectrum Disorder (FASD) (Burns et al. 2009). There is some evidence to suggest that the different developmental symptoms associated with FASD correspond to alcohol consumption in different stages of pregnancy. Alcohol use during the first trimester is associated with the onset of FASD, while alcohol use in later pregnancy is associated with cognitive and behavioural problems (Coyne et al. 2008). The associated intellectual and emotional impairments are lifelong and can be profound.

Impact of maternal mental health

Mental health issues affecting pregnant women, such as depression, anxiety and related disorders, can also affect the wellbeing of the baby during pregnancy (Beck 1998; Halligan et al. 2007). Data from the 2010 Australian National Infant Feeding Survey show that 1 in 5 mothers of children aged 24 months or less in 2010 had been diagnosed with depression, and more than one-half of these mothers reported that their depression was perinatal (AIHW 2012a). In Australia, suicide is a leading cause of indirect maternal mortality (AIHW: Johnson et al. 2014). However, the maternal mortality rate for psychosocial morbidity dropped between 2003 and 2010, from 1.2 deaths per 100,000 women to 0.9 deaths per 100,000 women (AIHW: Johnson et al. 2014).

Screening for perinatal depression has been conducted in maternity clinical settings in all jurisdictions in recent years, but very little data exist on screening rates or outcomes at regional or national levels. Postpartum depression (also called postnatal depression) is a common illness suffered by women up to 4 years after giving birth, and it can have long-term negative effects on the child's 'health and social, emotional, cognitive and physical development' (Field 2009; Brown & Woolhouse 2014).

Other factors affecting children's wellbeing

Health

Good health is a crucial element in a child's quality of life and influences participation in many aspects of life, including schooling and recreation activities. Table 3.1.2 summarises key aspects of child health that are reported in detail in other AIHW publications, such as *A picture of Australia's children 2012*, *Children's headline indicators* and *Australia's health 2014*.

Australian infant and child mortality rates fell significantly between 1989 and 2013, with decreases of 56% and 55% respectively. Asthma prevalence among children also fell between 2001 and 2007–08, but then stabilised at 9% in 2011–12. Conversely, rates of overweight and obesity increased between 1995 and 2007–08 (from 21% to 25%) for children aged 5–17, and then remained stable to 2011–12 (26%) (ABS 2013c). However, for most of the indicators in Table 3.1.2, there was either no statistically significant change over time or no clear trend. Trend data for exclusive breastfeeding are not available.

Australia's performance compared with other OECD countries varies across the areas of health that have internationally comparable data available. Australia's results are better than the OECD average for low birthweight, infant mortality, dental health, and overweight and obesity (boys), and are worse than the OECD average for diabetes, cancer, immunisation and overweight and obesity (girls).

Table 3.1.2: Overview of the health of Australian children

Health topic		Year	Value	Trend	OECD ranking (year)
Birthweight	Live born infants of low birthweight (<2,500g)	2012	6.2%	~	14th out of 34 (2011)
Breastfeeding	Infants exclusively breastfed until around 4 months of age	2010	39.2%	..	Not available
Mortality	Mortality of infants less than 1 year of age	2013	3.6 per 1,000 live births	✓	14th out of 34 (2012)
	Deaths of children aged 1–14	2013	12 per 100,000 population	✓	Not available
Morbidity	Prevalence of asthma among children 0–14	2011–12	9.3%	~	Not available
	New cases of Type 1 diabetes among children 0–14	2011	23 per 100,000 population	~	25th out of 30 (2011)
	New cases of cancer among children 0–14	2006–2010	15 per 100,000 population	~	21st out of 33 (2012) ^(a)
Disability	Prevalence of severe or profound core activity limitation among children	2012	2.5% (0–4 years)	~	Not available
			4.8% (5–14 years)	~	
Dental health	Mean number of decayed, missing or filled teeth at 12 years	2010	1.3	~	9th out of 18 (2008–2012)
Overweight and obesity^(b)	Proportion of children aged 5–17 who are overweight or obese	2011–12	25.7%	~	17th out of 34 (boys) ^(c) 24th out of 34 (girls) ^(c)
Immunisation	Fully immunised children at 2 years of age	Sept 2014	92.4%	~	25th out of 34 (2013) ^(d)

(a) Based on estimated incidence of all cancers excluding non-melanoma skin cancer.

(b) Based on measured height and weight.

(c) Based on data from various years and ages.

(d) Data are an average of the proportion of children immunised at age 1 against diphtheria, tetanus, and pertussis (DTP) (3 doses); measles (1 dose); polio (3 doses) and Haemophilus influenzae type b (Hib) (3 doses). Data for some countries exclude Hib. Results are affected by the policies of different countries, such as compulsory vaccination.

Note: The year of data used for OECD rankings is based on the latest year of data available for the majority of countries. Data for some countries may be for earlier years.

Key: ✓ = favourable trend; ~ = no change or clear trend; .. = no trend data available.

Sources: ABS 2013a, 2013b, 2014a, 2014b; AIHW 2012b, 2014b, 2014c, 2015; OECD 2013, 2014; WHO IARC 2014.

Safety

Family environments are strongly associated with children's social and emotional wellbeing, and in Australia most families provide safe and supportive environments in which children can thrive and develop. In some instances children are not able to be kept safe, and in the worst cases can suffer abuse or neglect (Mullan & Higgins 2014). In Australia, statutory systems protect children against abuse and neglect. (For more information, see Chapter 3 'Child protection in Australia' and Chapter 4 'Vulnerable young people'.)

In 2011–12, there were 60,129 hospitalisations due to injury and poisoning for children aged 0 to 14 in Australia. Rates of injury requiring hospitalisation among Indigenous children were around 1.5 times the rate among non-Indigenous children, for every age range from infancy up to 10–14 years. The home was the place of injury for 60% of infants aged less than 12 months, but only for 11.5% of early adolescents aged 10–14. Injuries taking place at school increased with age, from 4.9% for children aged 1–4 to 15.9% for children aged 5–9. For children aged 10–14, the predominant place of injury was at sports events (17.4%) followed by school (12.5%) (AIHW & Pointer 2014).

The most common cause of injury for all children was falls (almost 50% for infants aged less than 12 months, 54% for children aged 5–9 years, and over 40% for children aged 1–4 and 10–14). Intentional injury was highest for infants (5.5% of all causes of injury for this age group) (AIHW & Pointer 2014).

Recreation and leisure

Participation in cultural, sporting and other leisure activities is considered important for children's emotional, physical, social and intellectual development. In 2012, nearly three-quarters (72%) of all children aged 5–14 had participated in organised sport, and/or selected cultural activities, outside of school hours, in the 12 months prior to being surveyed. Six in 10 children (60%) had played organised sport, 71% had attended a cultural venue or event such as a public library or performing arts event, and around one-third (35%) were involved in at least one cultural activity, such as playing a musical instrument, dancing, singing, drama, or art and craft. Participation rates for attendance at cultural venues or events were similar in 2006 (ABS 2012).

Certain groups of children were more likely to participate in either sport or cultural activities, or both. Children born in Australia (73%) or other English-speaking countries (75%) had higher participation rates than those born elsewhere (53%). Children were also more likely to participate if they lived in couple families (76%) than in one-parent families (60%), and in families where at least one parent was employed (77%) than in those where no parent was employed (44%) (ABS 2012).

What is missing from the picture?

Currently no data collection exists within antenatal care services for incidence of maternal mental health, depression and anxiety. Nationally consistent data are needed to describe and monitor these conditions.

Comparable trend data at the national level are not currently available for exclusive breastfeeding (breastfeeding with no supplementary feeding). This information may become available in future ABS health surveys.

Current international data are not available for several key indicators of children's health, including exclusive breastfeeding, child deaths (aged 1–14), asthma and disability.

Where do I go for more information?

More information about the wellbeing of Australia's children is available at www.aihw.gov.au/child-health-development-and-wellbeing.

Further information on key national indicators of children's health, development and wellbeing can be found in the report [A picture of Australia's children 2012](#).

The report [Hospitalised injury in children and young people 2011–12](#) is available for free download and provides more information on injuries among children.

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3.2 Children in child care and preschool programs

The early years of life have a significant impact on developmental outcomes for children across the lifespan. Quality child care (see Box 3.2.1) and preschool programs have been found to promote cognitive and social development in addition to supporting workforce participation of parents (Warren & Haisken-DeNew 2013).

Box 3.2.1: Formal and informal child care

Formal child care is regulated care away from the child's home. Child care is primarily provided through 5 models:

- long day care
- family day care
- occasional care
- outside school hours care
- preschool.

Informal care is non-regulated care that is arranged by a child's parent or guardian, either in the child's home or elsewhere. It comprises care by: (step) brothers or sisters; grandparents; other relatives (including a parent living elsewhere) and other (unrelated) people such as friends, neighbours, nannies or babysitters. In the context of the Australian Bureau of Statistics (ABS) Childhood Education and Care survey, this care may be paid or unpaid (ABS 2015a).

In 2012, around 19,400 child care and early learning services enrolled more than 1.3 million children in at least one child care or preschool program (Productivity Commission 2014). Just under one-half (48%) of all children attended either formal or informal day care in 2014. Children aged 2 (70%) and 3 (73%) were the most likely to attend child care, with most 3 year olds being in long day care (49%) (ABS 2015a).

In Australia, 24% of child care is provided within formal service settings and 33% is informal care. One-parent families used child care more than couple families (57% and 46% respectively), while couple families use grandparents as informal carers at a higher level than one-parent families (30% to 23%) (ABS 2015a).

The employment status of a child's parents and the composition of their family appears to influence the use of child care. Sixty per cent of families where both parents are employed use child care. In one-parent families with the parent in employment, 72% of children aged 0–12 were attending some type of care. In the Childhood Education and Care Survey (ABS 2015a), 'work-related reasons' was the main reason provided for children attending formal (73%) and informal (60%) child care (ABS 2015a).

In recent years, the Australian Government and state and territory governments have committed to increase participation in high-quality early childhood education and care. There has also been a focus on increasing the participation rates of Indigenous children and children from disadvantaged backgrounds. The Australian Government is currently reviewing child care and early childhood learning. The final report from the review was released in February 2015 and is available at <http://pc.gov.au/projects/inquiry/childcare>.

Trends on the use of child care are available in Chapter 5 'Who is looking after our children?'

Preschool attendance

In 2013, about 297,400 children attended a preschool program. Of these, about 13,300 were Aboriginal and Torres Strait Islander children (ABS 2015b).

Children were more likely to attend a preschool or preschool program in couple families (87%) where one or both parent(s) was employed than in families where neither parent was employed (45%). In one-parent families, children were slightly less likely to attend preschool when the parent was employed (75%) than if the parent was not employed (76%). Children were likely to attend preschool for an average of 15 hours per week at an average cost to parents and guardians of \$65 per week (ABS 2015a).

What is missing from the picture?

While there are data available on the number of enrolments in preschool programs there are limited data available on actual attendance rates at preschool programs. More work needs to be done to evaluate the effectiveness of preschool programs and participation in programs for vulnerable and at-risk children.

Data on unmet demand for child care are scarce, including information on reasons for being inaccessible, how long parents are waiting to access child care, and the region where additional care is required.

Additionally, very few child care centres operate outside of traditional working hours and the impacts on families who work unusual hours or shiftwork and require child care is unknown.

Where do I go for more information?

More information on early childhood education and child care in Australia is available from the ABS at www.abs.gov.au.

Information on payments available to families is available on the Department of Human Services website: www.humanservices.gov.au.

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3.3 Transition to primary school

When children transition to school already equipped with basic skills for life and learning, they have higher levels of social competence and academic achievement, which in turn increases the likelihood of achieving their potential (AIHW 2012).

This snapshot provides an overview of ‘school readiness’, with a focus on whether children are developmentally on track, at risk or vulnerable, based on results from the Australian Early Development Census (AEDC) (Box 3.3.1).

Box 3.3.1: School readiness

A range of factors are considered in analysing a child’s readiness for school. In addition to age and specific skills and competencies, the child’s family, preschool and community environments will exert an influence on school readiness.

The Australian Government delivers the AEDC in partnership with states and territories, the Centre for Community Child Health and the Telethon Kids Institute, to examine how young children have developed by the time they start school (Commonwealth of Australia 2014).

Teachers use an early development instrument to assess development in 5 broad areas (domains)—physical health and wellbeing; social competence; emotional maturity; language and cognitive skills (school-based); and communication skills and general knowledge. Scores that fall in the lowest 10 per cent are classified as ‘developmentally vulnerable’. Those that fall between 10 per cent and 25 per cent are classified as ‘developmentally at risk’. Scores ranked above the 25th percentile are classified as ‘developmentally on track’ (Australian Government Department of Education 2013).

Results across the developmental domains

While, overall, 4 in 5 children (212,300) were considered to be ‘on track’ developmentally in 2012, nearly one-quarter of Australian children entering primary school (22%, 59,900) were assessed as vulnerable on 1 or more domains. Of these children, 29,500 (11% overall) were assessed as vulnerable on 2 or more domains. Vulnerability improved between 2009 and 2012—down from 24% on 1 or more domains and 12% on 2 or more (Australian Government Department of Education 2013).

In 2012, the proportion of children who were developmentally vulnerable or at risk varied:

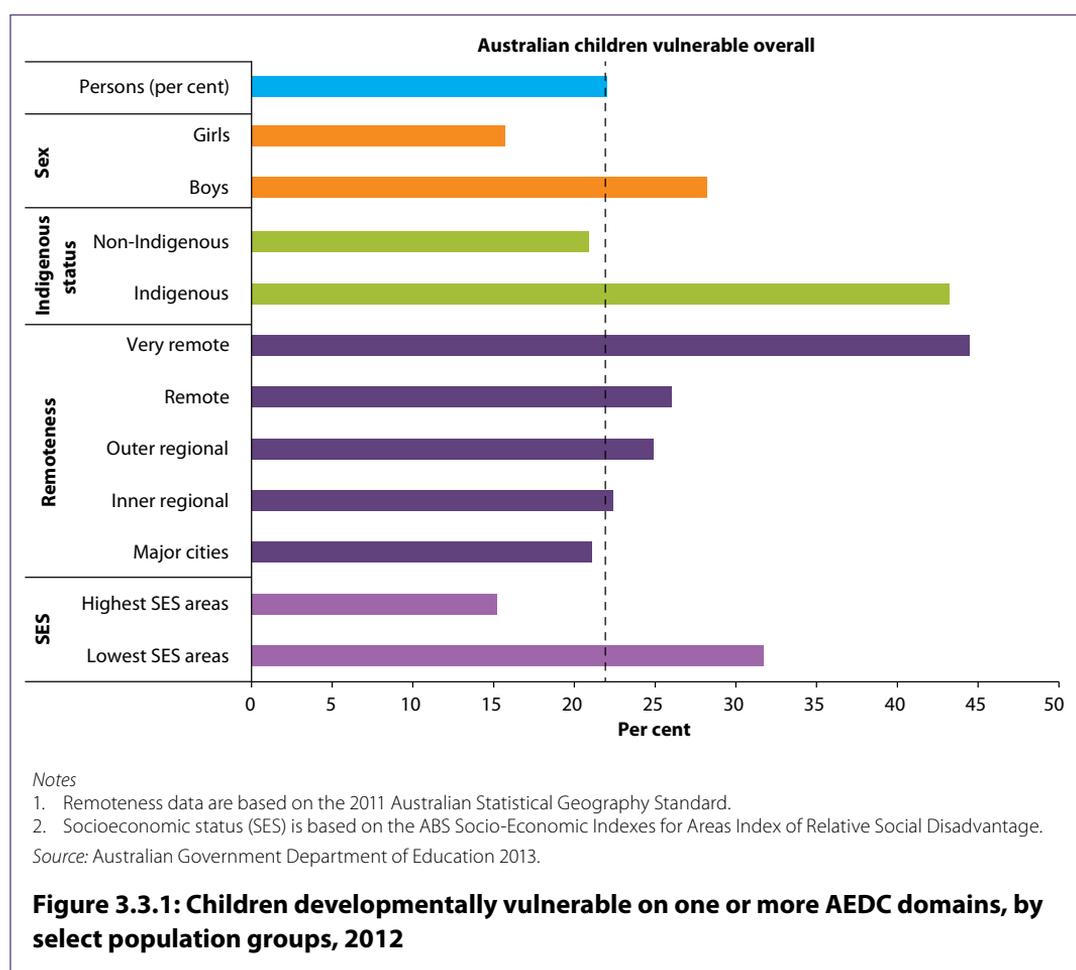
- by domain: physical health and wellbeing (23%), social competence (24%), emotional maturity (22%), language and cognitive skills (17%), and communication skills and general knowledge (25%)
- by state or territory, for example: 36% of Northern Territory students (1,100 students) were vulnerable on 1 or more domains, while this was the case for 20% of New South Wales students (17,700) (AEDC 2012).

Some children are more developmentally vulnerable than others

In 2012, proportionally, more boys were developmentally vulnerable on 1 or more domains than girls (28% compared with 16%) (Australian Government Department of Education 2013) (Figure 3.3.1).

Around 57% of Indigenous children were on track developmentally compared with 79% of non-Indigenous children. Vulnerability for Indigenous children was more than twice that of non-Indigenous children (43% compared with 21%) (Australian Government Department of Education 2013) (see also Chapter 3 'Wellbeing of Indigenous children').

Between 2009 and 2012, across all population groups, the proportion of children who were developmentally vulnerable fell. For example, developmental vulnerability on 1 or more domains among Indigenous children dropped from 47% to 43%, and among those from a Language Background Other Than English from 32% to 30% (Australian Government Department of Education 2013).



What is missing from the picture?

The AEDC will be run again in 2015. A cohort followed through schooling from 2009, if linked with the Longitudinal Survey of Australia's Children, would provide rich data on the long-term outcomes of early developmental vulnerabilities. Further linking these data with early intervention data could potentially show the most effective ways to ameliorate these vulnerabilities.

Where do I go for more information?

More information on transition to school in Australia, along with other childhood health, development and wellbeing indicators, is available at www.aihw.gov.au/chi/. The report [A picture of Australia's children 2012](#) is also available for free download at the AIHW website.

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3.4 How are our children faring at school?

Introduction

Learning plays a central role in developmental transitions through life, from infancy through early childhood to adolescence, and beyond. In primary school, children are supported to develop both personal and foundational academic skills that are critical to leading a productive and engaged life, and to personal health and wellbeing. Children's participation in the community, for example through sporting and cultural activities, provides further support for health and wellbeing.

Conversely, poor engagement with school, low school attainment and lack of community participation and connections are symptomatic of disadvantage and social exclusion (AIHW 2012; DSS 2014; Hancock et al. 2013). This may result in poor educational outcomes, diminished employment prospects and, for some, adverse outcomes across the lifecourse, including social exclusion, poverty and involvement with the justice system (AIHW 2012; Hancock et al. 2013). (See Chapter 3 'Young people aged 10–14 under youth justice supervision'.)

As children grow older and move into secondary school, remaining in and engaged with school is central to making successful transitions to further study and lifelong employment (see Chapter 4). After children make the transition to primary school (see Chapter 3 'Transition to primary school'), what do we know about their early formal education? This article explores school attendance and trends in literacy and numeracy, and looks at how Australia compares internationally. It also highlights the need for further data to understand how children experience school and the impact this has on educational outcomes.

What do we know about students in Australia?

School attendance

Children in Australia are legally required to attend school from age 6, except Tasmania, where attendance is compulsory from 5 years of age. Children are also required to remain at school until they complete Year 10 and then be engaged in full-time education, training or employment until age 17 (ACARA 2013).

School provides the opportunities for children to learn and grow academically and socially, and lays critical foundations for a productive and healthy adult life. As such, maintaining regular school attendance and participation is essential. School attendance also contributes to the development of social skills and healthy self-esteem (AIFS 2013).

School attendance is reported for children who are enrolled in and attending school. Attendance data are collected for students in all states and territories from Year 1 to Year 10. Attendance rates have to be reported in rate ranges, however, because the data are not directly comparable across states and territories and the government, Catholic and independent sectors.

While most children regularly attend school in Years 1 to 6, some children are enrolled but have different patterns of attendance, including those who are home-schooled or participate in Schools of the Air. Children who are not enrolled in education, for example due to restrictive health conditions, are not included in attendance data.

Rates of school attendance within most states and territories tend to be consistent from Year 1 to Year 6, but decrease from Year 7 to Year 10. In 2013, attendance rates for all students across the states and the Australian Capital Territory, and across school years and sectors in those jurisdictions (government, Catholic and independent), was 92–95% for Years 1–6, and 85–96% for Years 7–10 (SCRGSP 2015). This was similar to the 2008 figures of 91–95% for Years 1–6, and 86–95% for Years 7–10 (SCRGSP 2010).

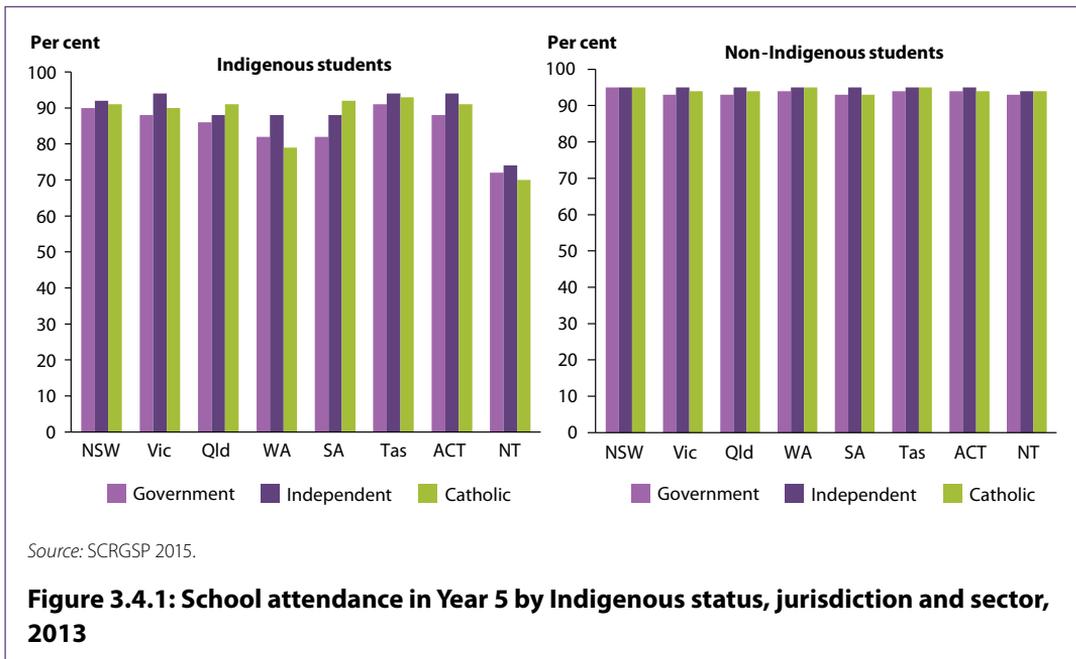
The Northern Territory had much larger attendance gaps, ranging from 21–22 percentage points in the primary school years (Years 1–6), to 31 percentage points in Year 10, in 2013.

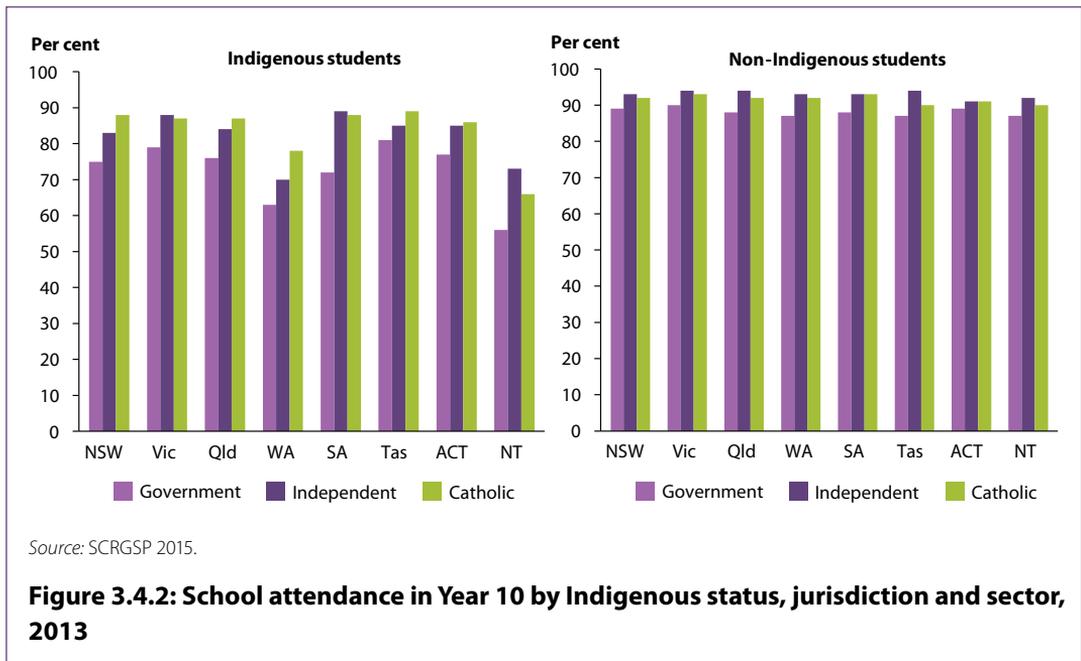
Attendance rates for boys and girls in 2008 and 2013 were generally similar (SCRGSP 2010, 2015).

Attendance rates for Indigenous students, in 2013, varied considerably across school sector, school year, and state and territory, (64–95% for Years 1–6 and 56–93% for Years 7–10). This variation was greater than for non-Indigenous students (92–95% Years 1–6 and 87–96% Years 7–10) (SCRGSP 2015) because the attendance of Indigenous students was much lower than non-Indigenous students in some jurisdictions and sectors.

For example, in 2013, Indigenous attendance rates for Years 5 and 10 in the Northern Territory were much lower in each school sector than non-Indigenous attendance rates (see figures 3.4.1 and 3.4.2). The differences ranged from 20 percentage points lower for Year 5 students in independent schools, to 31 percentage points lower for Year 10 students in government schools (SCRGSP 2015).

There was a similar variation in attendance rates in 2008, with rates for Indigenous students ranging from 64–95% for Years 1–6 and 64–96% for Years 7–10 (SCRGSP 2010, 2015) while those for non-Indigenous students were 92–96% in Years 1–6 and 86–95% in Years 7–10 (SCRGSP 2010).





Research by Hancock et al. (2013) on patterns of primary school attendance indicates that there is a strong relationship between attendance and academic achievement, and that relative disadvantage is associated with poorer school attendance from the commencement of schooling.

Poor attendance and engagement at school remains problematic among Indigenous students, students from a low socioeconomic status background, and students living in *Remote* areas (Hancock et al. 2013).

The Longitudinal Study of Australia’s Children has also found higher levels of non-attendance among Indigenous children, children from lone-mother families, children experiencing bullying at school, and children with non-working mothers, than other children (AIFS 2013). The differences remain significant after controlling for sociodemographic and child characteristics (AIFS 2013).

However, the interactions between home, school and individual factors are complex and the relative importance of each is contested (Purdie & Buckley 2010).

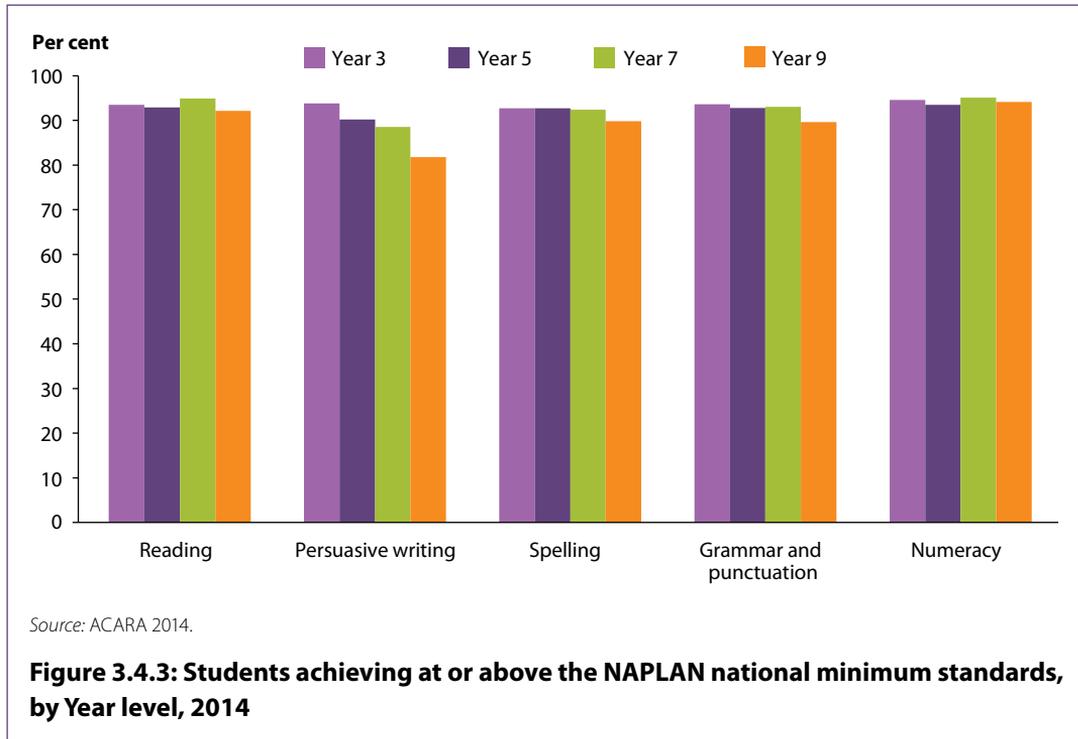
Notwithstanding this, Indigenous students, those from a low socioeconomic status background and those living in *Remote* areas are also more likely to be developmentally vulnerable at school entry on one or more domains of the Australian Early Development Census (AEDC) (see Chapter 3 ‘Transition to primary school’).

Children with higher levels of school readiness at the age of 4–5 years were less likely to be absent from school in early primary years, and the association with readiness and absenteeism continues into later primary school (DSS 2014).

Literacy and numeracy

Literacy and numeracy provide important foundations for building life skills, further academic achievement and productivity skills. The Productivity Commission (2014:44) has described literacy and numeracy skills as central to social and economic participation, and reported that higher literacy and numeracy skills ‘are linked to better labour market outcomes’.

National assessment of students' achievements in literacy and numeracy, in Years 3, 5, 7 and 9, are conducted annually in Australia through the National Assessment Program: Literacy and Numeracy (NAPLAN) tests. National minimum standards (NMSs) have been developed for each assessment domain: reading, persuasive writing, language conventions (spelling, and grammar and punctuation), and numeracy. In 2014, most students in these years (82% to 95%) achieved at or above the NMS in each of the assessment domains (Figure 3.4.3) (ACARA 2014).

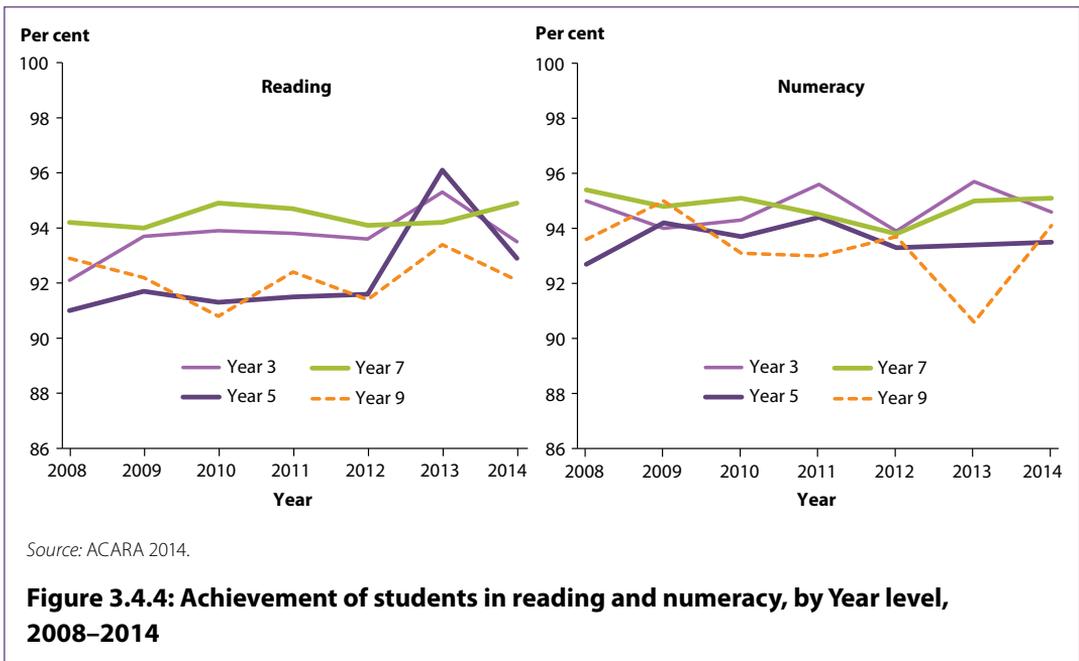


Results in 2014 were mixed compared with previous years' results. Year 3 and Year 5 reading results, which showed statistically significant increases between 2008 and 2013 (92% up to 95%, and 91% up to 96% respectively), slightly declined in 2014 (down to 94% and 93%, respectively). In contrast, Year 9 numeracy results, which had declined from 95% in 2009 to 91% in 2013, showed a statistically significant increase to 94% in 2014 (Figure 3.4.4) (ACARA 2014).

Year 7 grammar and punctuation results that had shown a statistically significant increase from 2008 to 2012 (92% to 95%), declined in 2013 (91%), before rising to 93% in 2014. Year 9 writing results showed a statistically significant drop between 2011 and 2012, from 85% to 82% achieving at NMS, respectively. In 2014, 82% of Year 9 students achieved at NMS in writing (ACARA 2014).

In 2014, higher proportions of girls than boys at all Year levels met the national minimum standards for reading, persuasive writing, spelling, grammar and punctuation, and numeracy (ACARA 2014).

The differences between girls and boys in meeting NMSs in numeracy were small; they were more evident in reading, for example 94% of Year 9 girls achieved the NMS compared with 90% of Year 9 boys. The differences were more marked in writing, spelling, and grammar and punctuation. In Year 9 writing, for example, 89% of girls performed at or above the NMS, while 75% of boys did so (ACARA 2014).



Among students with a Language Background Other Than English (LBOTE) in 2014, lower proportions of students were likely to achieve the minimum standards in reading and numeracy than their non-LBOTE counterparts, at all Year levels. For example, 90% of Year 9 LBOTE students met the minimum standards for reading compared with 93% of non-LBOTE students. In numeracy, the rate of achievement in Year 9 was 93% among LBOTE students, compared with 95% of non-LBOTE students. Both rates marked a return to 2008 levels after a general downward trend in numeracy for this Year level between 2008 and 2013 (ACARA 2014).

Indigenous students and students from *Very remote* areas achieved at or above NMS at much lower rates than for other student population groups (see Chapter 3 ‘Closing the gap in Indigenous education’). For example, in 2014, the rate of Indigenous students in Year 3 achieving at or above NMS was 20 percentage points lower than their non-Indigenous counterparts in reading, and 18 percentage points lower in numeracy (AIHW 2015).

Each Australian school is in one of four geolocations: *Metropolitan*, *Provincial*, *Remote* or *Very remote*. Geolocation is determined by the Schools Geographic Location Classification Scheme of the Ministerial Council for Education, Early Childhood Development and Youth Affairs, based on the locality of the individual school (ACARA 2014).

Compared with *Metropolitan* and *Provincial* areas, lower proportions of students in *Remote* and *Very remote* areas in Years 3, 5, 7 and 9 met NMSs for reading, writing and numeracy in 2014 (ACARA 2014). This was consistent with corresponding results for 2008 (ACARA 2008).

Compared with students in *Metropolitan* areas in 2014, the proportions of students in *Remote* areas meeting NMSs were 7–22 percentage points lower, and in *Very remote* areas 34–53 percentage points lower. In 2008 the differences were 7–16 and 31–46 percentage points lower, respectively (ACARA 2008, 2014).

To take just one example, among Year 5 students in 2014, 94% of *Metropolitan* students met the NMS for reading, compared with 83% of students in *Remote* areas and 50% of students in *Very remote* areas (ACARA 2014).

There were lower disparities in numeracy across locations at all Year levels than in reading and writing, in 2014. Note that these comparisons include both Indigenous and non-Indigenous students (ACARA 2014).

Figures 3.4.5 and 3.4.6 show that the proportions of students meeting NMSs for reading and numeracy in 2014 tended to decrease as relative remoteness increased, for both Indigenous and non-Indigenous students—though the pattern was far more pronounced among Indigenous students (Figure 3.4.6).

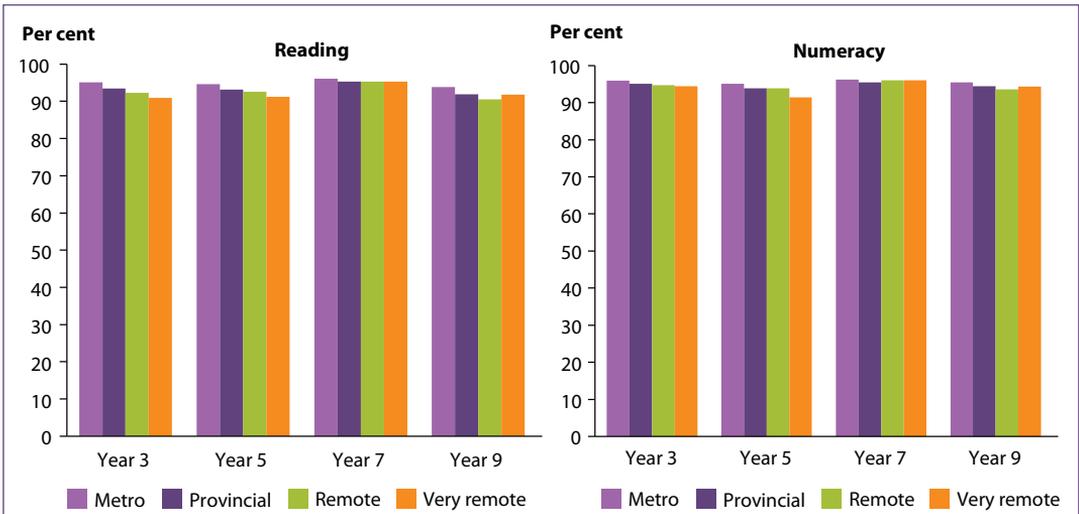
The relationship between parental education and student results in NAPLAN testing is quite marked, with higher levels of parental educational attainment corresponding with higher proportions of students achieving at or above the NMS (ACARA 2014).

Among students for whom level of parental education was recorded in 2014, those whose parents had completed Year 11 (or equivalent) or below were less likely to achieve the NMS for reading, writing and numeracy (65–88%), than those for whom at least one parent had a Bachelor degree or above (93–98%) (ACARA 2014).

Parental occupation has a similar relationship with student results. A lower proportion of students whose parents were not in paid employment achieved the NMS for reading, writing and numeracy (63–86%), than students whose parents were professionals or in senior management (93–99%) (ACARA 2014).

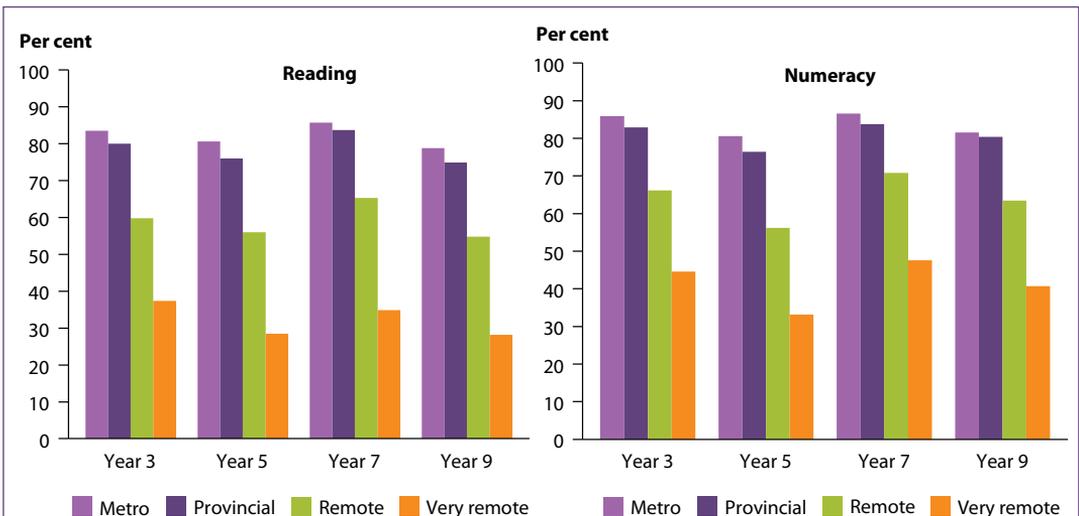
NAPLAN also measures individual cohort changes in reading and numeracy performance, over time, by comparing the NMS achievement of cohorts at two-year and four-year cycles (for example, comparing Year 3 with Year 5 two years later, and Year 7 four years later; and Year 5 with Year 9 four years later). These comparisons showed:

- nationally, gains in reading performance by Indigenous students who were in Year 5 in 2012 and Year 7 in 2014—these gains were greater than for their non-Indigenous counterparts
- greater reading performance gains were achieved between Year 3 and Year 9 in jurisdictions with lower initial reading achievement, and, nationally, smaller gains were achieved between Years 7 and 9 than between Years 3 and 5, and Years 5 and 7
- for the cohort in Year 5 in 2010 and Year 9 in 2014, the largest average gains in numeracy were in Western Australia and the Northern Territory, and these were higher than the national average
- national numeracy gains for the cohort in Year 3 in 2008 and Year 9 in 2014 were substantial between Years 3 and 5, then dropped to remain at similar levels between Years 5 and 7, and Years 7 and 9 (ACARA 2014).



Source: ACARA 2014.

Figure 3.4.5: Achievement of non-Indigenous students in reading and numeracy, by geolocation, 2014



Source: ACARA 2014.

Figure 3.4.6: Achievement of Indigenous students in reading and numeracy, by geolocation, 2014

How do we compare internationally?

Australia participated in the Progress in International Reading Literacy Study (Box 3.4.1) for the first time in 2011 (Mullis et al. 2012b).

Australia (with an average score of 527) ranked 20th out of 25 participating Organisation for Economic Co-operation and Development (OECD) countries—which was well behind top-ranked Finland, Northern Ireland, the United States, Denmark and England (552 and above), although ahead of Poland, France, Spain, Norway and Belgium (Mullis et al. 2012b).

Box 3.4.1 International student surveys of reading, mathematics and science

There are several internationally comparable studies/surveys that assess school student performance in reading, mathematics and science. The three best-known that Australia participates in are outlined below.

Progress in International Reading Literacy Study (PIRLS)

The Progress in International Reading Literacy Study (PIRLS) is an international assessment of reading comprehension among children in 4th grade, conducted every 5 years since 2001. In 2011, around 325,000 students from 49 countries participated (Mullis et al. 2012b).

Trends in International Mathematics and Science Surveys (TIMSS)

The Trends in International Mathematics and Science Surveys (TIMSS) is an international assessment of mathematics and science among children in 4th and 8th grades, conducted every 4 years since 1995. In 2011, more than 600,000 students from 63 countries participated (Mullis et al. 2012a).

PIRLS and TIMSS were conducted in 2011 and are due to re-run in 2016 and 2015 respectively.

Programme for International Student Assessment (PISA)

The Programme for International Student Assessment (PISA) survey is an international assessment of 15-year-olds' competencies in reading, mathematics and science. In 2012, the survey was conducted in 65 participating countries, among 510,000 students, with a focus on mathematics (OECD 2014b).

TIMSS 2011 results in science shows Australia's average scores among Year 4 and Year 8 students were 516 and 519 respectively, well behind trading partners and OECD members Korea (587 and 560) and Japan (559 and 558). Among all participating OECD countries, Australia ranked 18th out of 26 for Year 4, and 8th out of 14 for Year 8 (Martin et al. 2012).

Between 2007 and 2011, Australia's average scores for TIMSS science fell significantly for Year 4 (by 12 points), while the Year 8 score dropped marginally (by 4 points) (Martin et al. 2012).

TIMSS 2011 results for Year 4 and Year 8 mathematics also show Australia (average scores of 516 and 505 respectively) scoring well below Korea (605 and 613) and Japan (585 and 570). Among all participating OECD countries, Australia ranked 13th for Year 4 and 7th for Year 8 (ahead of 11 and 8 OECD countries respectively) (Mullis et al. 2012a).

Between 2007 and 2011, Australia's average scores for TIMSS mathematics were unchanged for Year 4, but increased by 9 points for Year 8 (Mullis et al. 2012a).

In the PISA survey, Australia's mean score for mathematics in 2012 was 504, above the United Kingdom (494), the United States (481) and the average of OECD countries (494), but well below top-ranked trading partners China (Shanghai) (613) and Singapore (573). Between 2003 and 2012, Australia's mean score fell (20 points), as did Canada's (-14) and New Zealand's (-24) (OECD 2014a). Australia, along with countries such as Canada, Finland, Japan and Korea, was reported to combine high levels of performance with equity in educational opportunities (OECD 2014a).

What is missing from the picture?

The school attendance data currently available are not comparable across jurisdictions and sectors (government, independent and Catholic); however, new national standards have been developed which should result in nationally comparable data for the 2014 reporting year onward (SCRGSP 2015).

Also, while various national and international assessments report the performances of students academically, they do not report on social and other aspects of learning. Understanding a child's broader experience of school may help in finding and removing barriers to learning that may in turn lead to improved educational outcomes. For example, the Longitudinal Study of Australia's Children (AIFS 2013: 66) found that parent-reported child experience of bullying at school was one of the largest correlates of non-attendance at school at all ages. As shown in this article, non-attendance is a significant barrier to learning.

There are substantial gaps in research and reporting on the experiences of children at school, from their own perspective. Further investigation is needed of the impacts of factors such as friendships and relationships within school; social isolation and bullying; the motivation to attend school; and the capacity to learn. McGrath and Noble (2010), for example, highlighted the risks to school attendance, learning outcomes and behaviour associated with social isolation.

Where do I go for more information?

More information on children at school in Australia, along with other childhood health, development and wellbeing indicators, is available at www.aihw.gov.au/chi/. The report [A picture of Australia's children, 2012](#) is also available for free download.

Results from the AEDC are available at www.aedc.gov.au.

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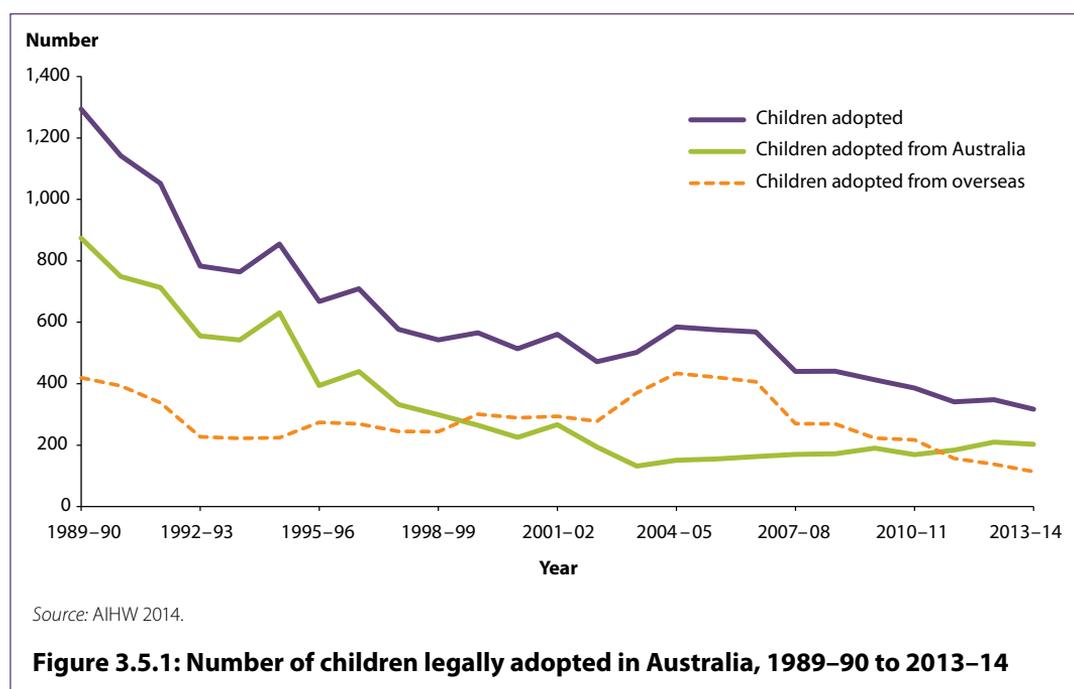
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3.5 Adoptions in Australia

Adoption is one of the options used to provide permanent care for children who are unable to live with their families. It is a legal process where rights and responsibilities are transferred from a child's parents to their adoptive parents. A child is legally able to be adopted if all the necessary consents to the child's adoption have been obtained or dispensed with (AIHW 2014).

Number of adoptions

In Australia, there has been a long-term decline in the number of adoptions. In 2013–14, there were 317 finalised adoptions of children in Australia—a fall of 9% from the 348 adoptions in 2012–13 and 76% from the 1,294 adoptions recorded 25 years earlier in 1989–90 (Figure 3.5.1).



The long-term decline in numbers can, in part, be attributed to legislative changes such as the increased use of alternative legal orders in Australia that transfer permanent guardianship or custody to a person other than the parent often replacing the need for adoption, as well as social and economic changes that allow children to remain with their birth family or be adopted in their country of origin (AIHW 2014).

Characteristics of adopted children

Where are they from?

Between 1999–00 and 2010–11, there were more adoptees from overseas than from Australia. During this period, between 53% and 74% of all adoptions were from overseas, with the majority coming from Asia. However, since 2011–12 this trend has reversed, with adoptions of Australian children comprising 64% of finalised adoptions in 2013–14.

This change is the result of falling numbers of intercountry adoptions combined with contrasting growth in adoptions of Australian children by known carers such as foster parents (from 29 in 2004–05 to 89 in 2013–14). The growth in carer adoptions is largely the result of changes in policy emphasis in New South Wales, where adoption is increasingly being promoted as a way of achieving stability for children under the long-term care of state child protective services when reunification is not appropriate (NSW DFCS 2013).

How old are they?

In 2013–14:

- 45% of all children who were the subject of a finalised adoption were under 5 (a total of 142 children)
- only 12% of all children who were the subject of a finalised adoption were infants aged under 12 months (38 children).

The proportion of infants adopted has been declining. This is partly due to a declining number of infant intercountry adoptions. Between 2005–06 and 2013–14, the proportion all intercountry adoptees who were infants fell from 47% to 14%.

Processing times (adoptions from overseas only)

The median length of time for the overall adoption process had been increasing each year since data were first reported for 2007–08; however, in 2013–14 it remained stable at 5 years.

In 2013–14:

- the country with shortest median time was Taiwan (just under 3.5 years, or 40 months)
- the country with the longest median time was China (almost 8 years, or 94 months).

On 4 March 2014, the Prime Minister and Attorney-General announced the commencement of amendments to the *Family Law (Bilateral Arrangements—Intercountry Adoption) Regulations 1998* (AustLII 2014). These amendments aim to reduce the processing time for intercountry adoptions.

What is missing from the picture?

There is limited information available on the long-term success of adoption as a means of establishing a stable, permanent placement for a child who is unable to remain with their birth family.

National data on how long the local adoption process takes is also not available.

Where do I go for more information?

More information on adoption in Australia is available on the AIHW website www.aihw.gov.au/adoptions. The report *Adoptions Australia 2013–14* is also available for free download.

References

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3.6 Child protection in Australia

In Australia, statutory child protection is the responsibility of state and territory governments. Departments responsible for child protection provide assistance to vulnerable children who are suspected of being abused, neglected or harmed, or whose parents are unable to provide adequate care or protection (AIHW 2015).

Children receiving child protection services

Children may receive a combination of child protection services, including *investigations, care and protection orders*, and *out-of-home care*. Investigations can lead to *substantiations* if there is sufficient reason to believe that a child has been, or is at risk of being, abused, neglected or harmed. Definitions of key terms are available in the glossary.

In 2013–14, about 143,000 (1 in 37) Australian children aged 0–17 received child protection services, compared with 135,000 in 2012–13.

In 2013–14:

- Almost 3 in 5 (59%) children were subject to an investigation only—that is, their cases had been, or were in the process of being, assessed to determine whether further intervention was required. Fewer children were involved in combinations of the more serious aspects of the system. For example, 25% were both on a care and protection order and in out-of-home care, and 8% were involved in all 3 components of the system (AIHW 2015).
- Younger children had greater contact with the child protection system; 123,121 children were aged 0–14 (28.0 per 1,000 children in the Australian population) and 16,186 children were aged 15–17 (18.7 per 1,000). Children aged 0–14 were represented at higher rates across all components of the child protection system, but especially in substantiations (Figure 3.6.1).
- Indigenous children were over-represented in the child protection system. Indigenous children aged 0–14 were 7 times as likely as non-Indigenous children to be receiving child protection services (142.7 per 1,000 children, compared with 19.5 per 1,000 for non-Indigenous children). Similarly, the rate of Indigenous children aged 15–17 receiving child protection services was 81.1 per 1,000—6 times the rate for non-Indigenous children (14.3 per 1,000) (Table S3.6.1).

Substantiations

During 2013–14, the rate of children aged 0–14 subject to a substantiation of a notification was 8.3 per 1,000 compared with 3.5 per 1,000 for children aged 15–17. Emotional abuse was the most common type of substantiated abuse—40% for children aged 0–14 and 34% for those aged 15–17 (Table S3.6.2).

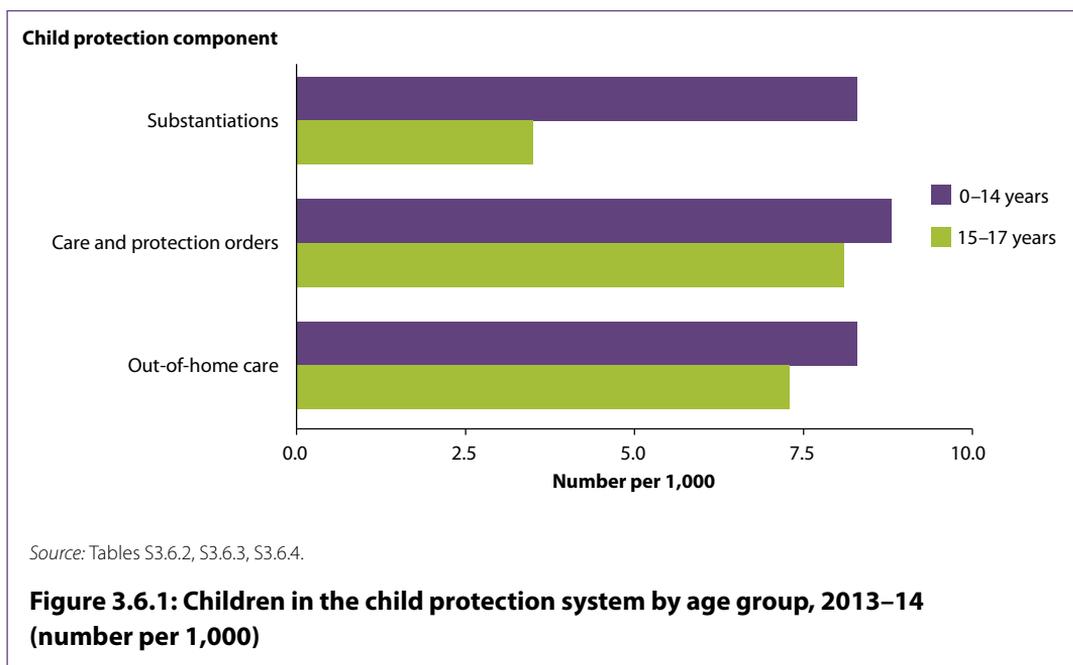
Care and protection orders

On 30 June 2014, the rate of children aged 0–14 on care and protection orders was 8.8 per 1,000 children, compared with 8.1 per 1,000 for children aged 15–17. The majority of children were on finalised guardianship or custody orders (Table S3.6.3).

Out-of-home care

On 30 June 2014, the rate of children aged 0–14 in out-of-home care was 8.3 per 1,000 children compared with 7.3 per 1,000 for children aged 15–17. Most children in out-of-home care were in relative/kinship care (Table S3.6.4).

During 2013–14, children aged 0–14 were admitted to out-of-home care at a higher rate than those aged 15–17 (2.3 and 1.3 per 1,000 children, respectively). Conversely, children aged 15–17 were discharged at a higher rate (3.6 per 1,000) compared with 1.2 per 1,000 for those aged 0–14 (Table S3.6.5).



What is missing from the picture?

The AIHW is currently undertaking work to enhance national child protection reporting in priority areas identified under the National Framework for Protecting Australia’s Children 2009–2020 (COAG 2009). These include the identification of new and repeat clients; improving data related to out-of-home care (and the carers involved); and linkage with other collections, such as educational outcomes and youth justice data.

Where do I go for more information?

More information on child protection in Australia is available at www.aihw.gov.au/child-protection/. The report [Child protection Australia 2013–14](#) is also available for free download at the AIHW website.

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3.7 Young people aged 10–14 under youth justice supervision

In 2013–14, young people aged 10–14 made up 19% of the youth justice supervision population across Australia (excluding Western Australia and the Northern Territory)(see Table S3.7.1).

In 2013–14, there were:

- 1,867 young people aged 10–14 under supervision at some point during the year (rate of 15 per 10,000 in the population)
- 920 young people aged 10–14 under supervision on an average day (rate of 7 per 10,000 in the population).

For the number of young people under supervision aged 15–24, see Chapter 4 ‘Vulnerable young people (aged 15–24)’.

Similar to the overall youth justice cohort, the majority of those aged 10–14 who were under supervision on an average day were supervised in the community (82%). Although 13% of young people were in detention on an average day, one-half of all young people under supervision experienced detention at some time during the year (50%) (AIHW 2015; Tables S3.7.2a and S3.7.2b).

Despite being a relatively small group, research suggests that young people aged 10–14 who commit crime are at risk of becoming chronic, long-term offenders (Farrington 2003).

An AIHW cohort analysis of young people born in 1993–94 who were supervised when aged 10–14 showed that:

- 85% either returned to, or continued under, supervision when they were 15–17
- this group spent much longer under supervision when aged 15–17 compared with those who had first entered at age 15–17 (median length of 563 days compared with 234 days)(AIHW 2013).

Some groups are over-represented

Indigenous young people and males generally are over-represented within each part of the youth justice system. During 2013–14, Indigenous young people aged 10–14 outnumbered non-Indigenous young people of the same age, under community based-supervision, and in detention, both on an average day, and during the year (Tables S3.7.2a and S3.7.2b).

Compared with non-Indigenous young people of the same age, on an average day in 2013–14, Indigenous young people aged 10–14 were:

- 23 times as likely to be under supervision
- 21 times as likely to be supervised in the community
- 36 times as likely to be in detention.

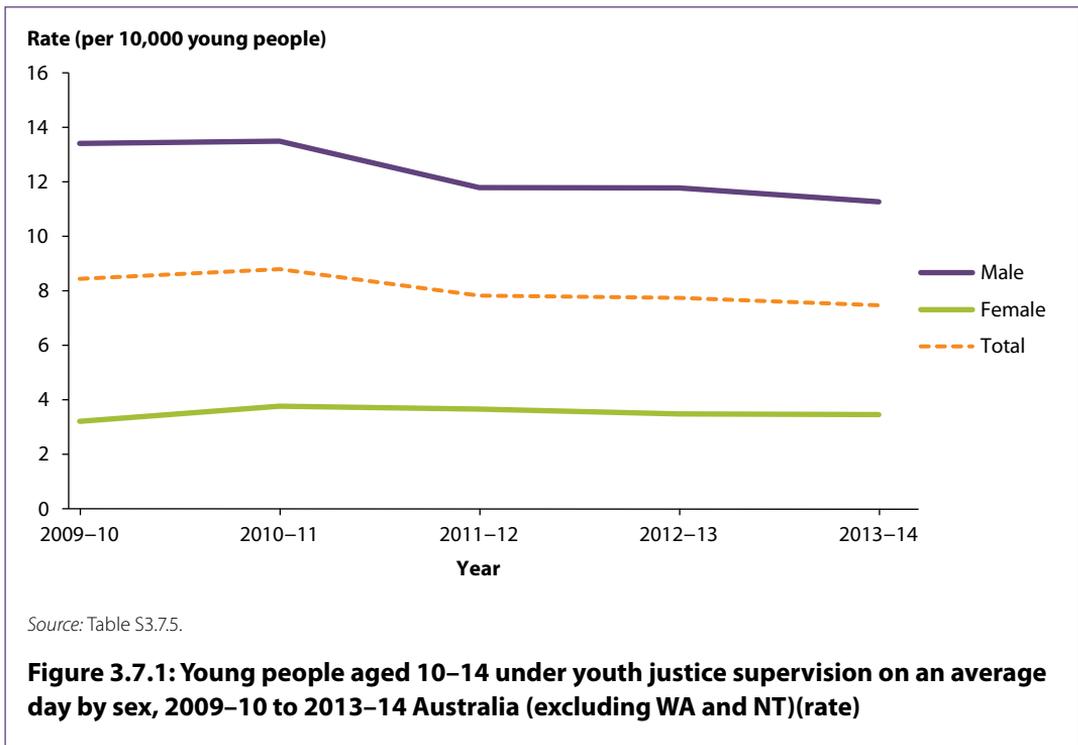
Compared with young females of the same age, on an average day in 2013–14, young males aged 10–14 were:

- 3 times as likely to be under supervision
- 3 times as likely to be supervised in the community
- 4 times as likely to be in detention (Tables S3.7.3a and S3.7.3b).

Fewer young people under supervision

From 2009–10 to 2013–14, there was an overall decrease in the number of young people aged 10–14 under supervision on an average day (from 1,031 to 920) and during the year (2,172 to 1,867) (Tables 3.7.4a and 3.7.4b). These falls were mainly due to a fall in the number of young males under supervision—from 840 to 712 on an average day. There was, however, a small overall increase in the number of young females under supervision—from 191 to 208 on an average day.

These trends were also apparent in the rate of supervision, with a fall in the rate for males and a rise in the rate for females. This resulted in an overall fall in the rate of male over-representation over the 5 years—in 2009–10 young males were 4.2 times as likely as young females to be under supervision, whereas in 2013–14 they were 3.3 times as likely (Figure 3.7.1).



Time under supervision and number of supervision periods

Of the 1,867 young people aged 10–14 under supervision during the year, 1,023 completed at least one period of supervision, with 25% completing multiple periods (Table S3.7.6).

Completed periods of supervision were shorter for young people aged 10–14 compared with those aged 15–17 (18 days compared with 83 days); however, young people aged 10–14 were likely to complete more periods, on average 1.5 compared with 1.2 for the older group (Table S3.7.7).

What is missing from the picture?

Data availability is limited on health and welfare outcomes for young people once they exit youth justice supervision, and their circumstances prior to entry. Future AIHW data linkage studies (including investigating links between child protection and youth justice data) will aid in further understanding the youth justice population. Additionally, youth justice supervision data exclude Western Australia and the Northern Territory, as these two jurisdictions did not participate in the 2013–14 Juvenile Justice National Minimum Data Set, from which nearly all the statistics in this snapshot are drawn.

Where do I go for more information?

For all information relating to youth justice supervision, refer to www.aihw.gov.au/publications/youth-justice/.

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3.8 Wellbeing of Indigenous children

There were an estimated 240,620 Indigenous children in Australia aged 0–14 in 2011, accounting for 5.7% of all children. Indigenous children represent more than one-third of the Indigenous population (36%) compared with 18% for non-Indigenous children (ABS 2013). Most Indigenous children lived in *Major cities and Inner and outer regional areas* in 2011 (58%); however, Indigenous children were almost 12 times as likely as non-Indigenous children to live in *Remote and very remote areas*. Similar proportions of Indigenous and other households consisted of a couple family with dependent children in 2011 (27% and 26%, respectively), while a larger proportion of Indigenous households were one-parent families with dependent children (21% compared with 6% of other households) (see also Chapter 1 'Who we are').

Social determinants have an important impact on the health and welfare of families and their children. The Indigenous population is disadvantaged on a range of social determinants compared with the non-Indigenous population: they report lower incomes, higher rates of unemployment, lower educational attainment, lower rates of home ownership and are over-represented among jobless families (AIHW 2015b; Baxter et al. 2012).

Health outcomes and risk factors

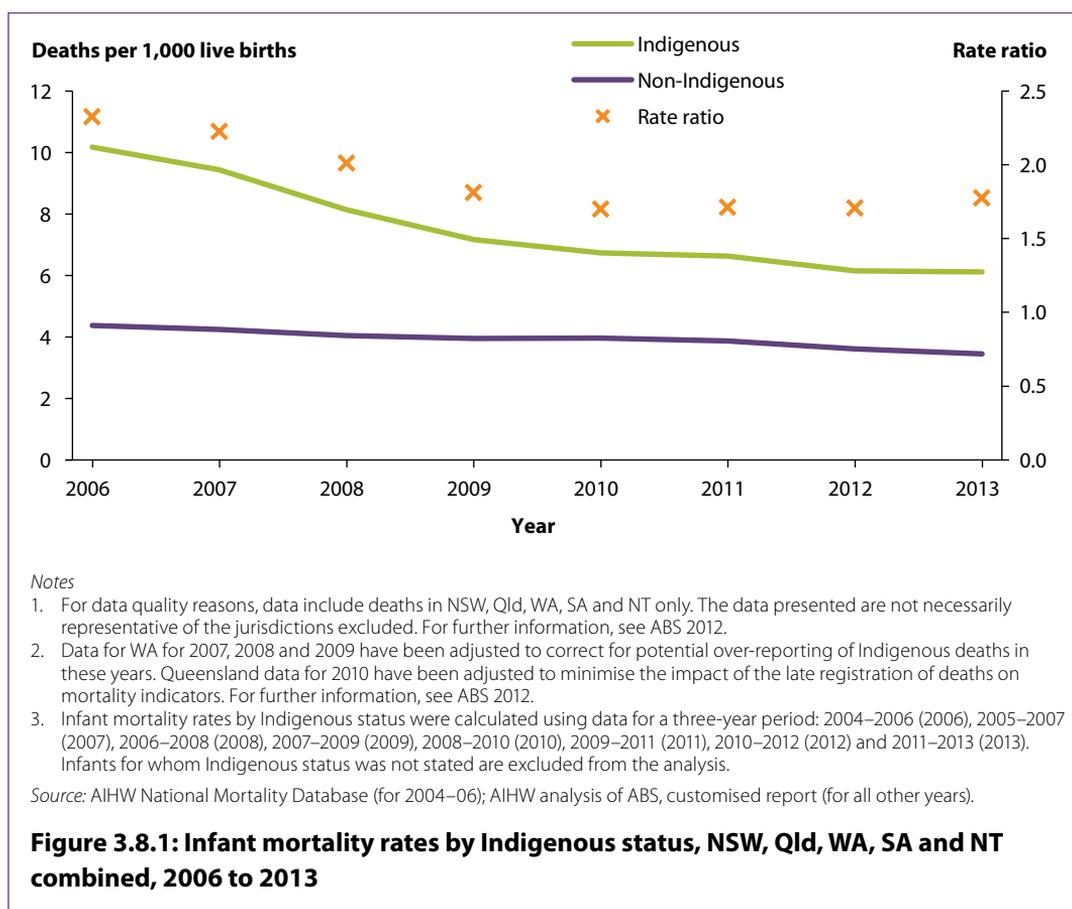
Indigenous children often experience poorer early health outcomes compared with non-Indigenous children, placing them at risk of disadvantage in other aspects of life.

- Nearly half (47%) of Indigenous mothers smoked during pregnancy in 2012 compared with 14% of non-Indigenous mothers.
- Babies born to Indigenous mothers were twice as likely as babies born to non-Indigenous mothers to be of low birthweight (less than 2,500 grams) in 2012 (12% compared with 6%).
- Infant mortality rates were more than 1.5 times as high for Indigenous infants as non-Indigenous infants in 2013. Since 2006, the gap in mortality rates between Indigenous and non-Indigenous infants has narrowed (Figure 3.8.1) (AIHW 2015a).
- In 2012–13, 15% of Indigenous children aged 2–14 met the Australian dietary guidelines for daily fruit and vegetable intake. For the same period, Indigenous children were 1.6 times as likely as non-Indigenous children to be obese (10.2% and 6.5% respectively), which was statistically significant. There was no significant difference in the proportions of overweight children (20% and 18% respectively) (ABS 2014).

Education

Education is an important determinant of health and welfare. Indigenous children often fare worse than non-Indigenous children on educational outcomes (see also Chapter 3 'Closing the gap in Indigenous education,' 'Transition to primary school' and 'How are our children faring at school?').

- The proportion of Indigenous children aged 4–5 enrolled in preschool in the year before full-time school was 75% and the proportion attending was 70% compared with 96% and 93% of other Australian children respectively in 2014 (AIHW analysis of the National Early Childhood Education and Care Collection).
- Indigenous children were more than twice as likely as non-Indigenous children to be developmentally vulnerable on one or more domains of the Australian Early Development Census at school entry in 2012 (43% and 21% respectively) (Department of Education 2013).



Children who are vulnerable

Indigenous children have higher rates of death and hospitalisation due to injury than non-Indigenous children and are over-represented in the child protection, youth justice and homelessness systems.

- Injury hospitalisation rates for Indigenous children aged 0–14 in 2011–12 were around 1.5 times as high as for non-Indigenous children (AIHW: Pointer 2014). The death rate due to injuries was 3 times as high for Indigenous children as for non-Indigenous children in 2009–2013 (15 and 5 deaths per 100,000 population respectively) (AIHW 2015a).
- Indigenous children aged 0–12 were almost 7 times as likely to be the subject of a substantiation of a notification for child abuse and neglect in 2013–14 as other children. Over time, substantiation rates for Indigenous children have increased from 35 to 45 per 1,000 children between 2007–08 and 2013–14. Although a real change in the incidence of abuse and neglect may contribute to this change, increased community awareness and changes to policy, practice and legislation are also contributing factors.
- Indigenous children aged 10–14 were 36 times as likely to be in detention in the youth justice system on an average day in 2013–14 compared with non-Indigenous children.
- In 2013–14, 32% of specialist homelessness services clients aged 0–14 were Indigenous (excludes those for whom Indigenous status was not stated); however, Indigenous children accounted for only 5.6% of children in the total 0–14 population.

For more information on vulnerable children, see also Chapter 3 'Young people aged 10–14 under youth justice supervision' and 'Child protection in Australia', Chapter 4 'Vulnerable young people (aged 15–24)' and Chapter 7 'How are Indigenous Australians faring?'

What is missing from the picture?

The majority of data presented in the health outcomes and risk factors section above are from the AIHW Children's headline indicator portal. Data are available by Indigenous status for all of these indicators except family economic situation.

Where do I go for more information?

More information on the health and wellbeing of children, including Indigenous children, is available from AIHW publications such as [A picture of Australia's children 2012](#), [Children's headline indicators](#), [Child protection Australia: 2012–13](#), [Indigenous child safety](#) and [The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples 2015](#).

Information specifically on Indigenous Australians is also available from the [Closing the Gap Clearinghouse website](#).

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3.9 Closing the gap in Indigenous education

Early childhood is a time of growth in physical health, language and cognitive skills, social skills, and general knowledge, all of which are critical to the overall wellbeing of the child.

Improving educational outcomes starts with good early childhood development, effective parenting and strategies to ensure children are ready for school. Quality early childhood education is critical in providing young children with broader opportunities for continued development, and preparation for later schooling.

School education and attendance build on these foundation skills and ultimately provide children with opportunities for higher education and employment, which in turn bring additional benefits for health, social and emotional wellbeing, and improved living standards (Australian Government 2015).

Indigenous children often fare worse than non-Indigenous children in a number of areas related to health and welfare, including education. In 2008, the Council of Australian Governments (COAG) agreed to 3 targets to reduce the disadvantage faced by Indigenous Australians in education, with a further school attendance target announced in May 2014 (see Box 3.9.1)

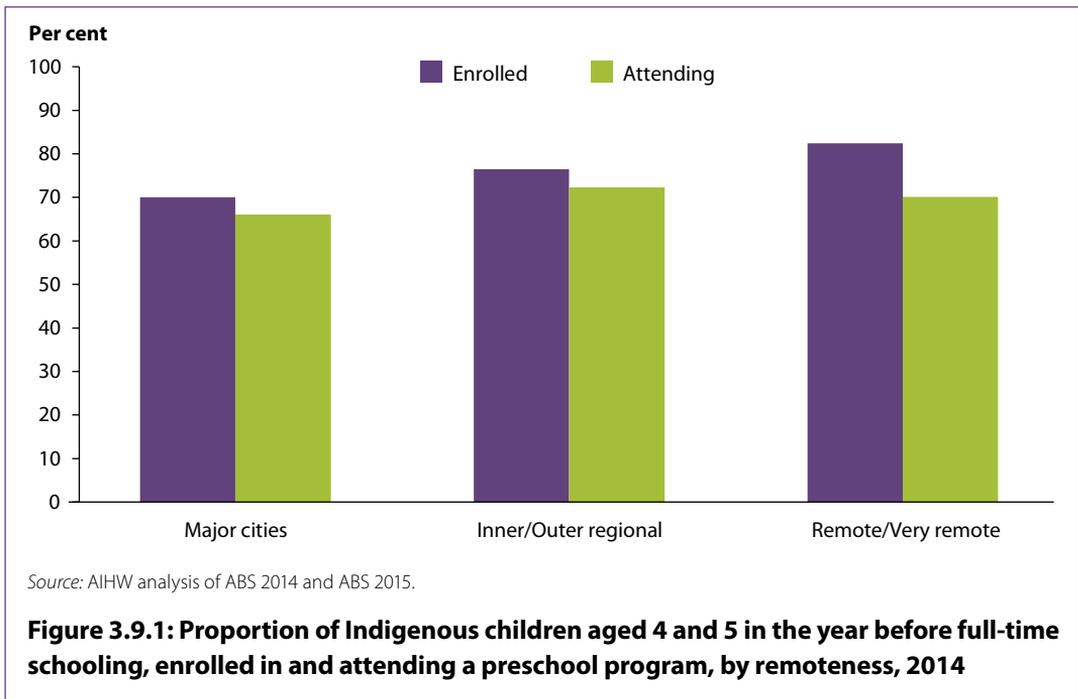
Box 3.9.1: COAG Closing the Gap targets—education

- Ensure access to early childhood education for all Indigenous 4-year-olds in remote communities by 2013.
- Halve the gap in reading, writing and numeracy achievements for children by 2018.
- Halve the gap for Indigenous students in Year 12 (or equivalent) attainment rates by 2020.
- Close the gap between Indigenous and non-Indigenous school attendance within 5 years from 2014.

Source: Australian Government 2015.

Preschool enrolment and attendance

- Figure 3.9.1 shows that in 2014, 82% of Indigenous 4- and 5-year-olds were enrolled in quality early childhood education (in the year before school) in remote communities, compared with the COAG target of 95%. This remote community enrolment rate was higher than in regional areas (77%) and *Major cities* (70%) (ABS 2015).
- The biggest variation between enrolment and attendance rates respectively of Indigenous 4- and 5-year-olds occurred in *Remote/Very remote* communities (12 percentage points difference), when compared with *Inner/Outer regional areas* and *Major cities* (4 percentage points difference each) (AIHW analysis of ABS 2014, 2015).
- In 2014, the baseline year for the new COAG school attendance target, an attendance rate of 90% or above for Indigenous students was achieved in 2,046 (44%) of 4,605 schools. The proportion of schools achieving the benchmark varied by remoteness: 48% of schools in metropolitan areas, 44 per cent in provincial, 21% in *Remote* and 14% in *Very remote* areas (ACARA 2014b).
- From 2015, average student attendance rates for all students, Indigenous students and non-Indigenous students will be reported twice a year, along with a new measure—the proportion of students attending school more than 90% of the time (Australian Government 2015).



Reading and numeracy

- Between 2008 and 2014, the proportion of Aboriginal and Torres Strait Islander students at or above National Minimum Standards (NMS) in reading and numeracy has shown no statistically significant improvement in any of the eight measures, despite a narrowing in the reading gap by 11 and 16 percentage points respectively for Year 3 and Year 5 students. Due to changes in the writing test in 2011, comparisons over time from 2008 cannot be made (ACARA 2014a).
- The gap between Indigenous and non-Indigenous students’ results from the National Assessment Program—Literacy and Numeracy (NAPLAN) increases with increasing remoteness for reading and numeracy across all Year levels tested (Years 3, 5 and 9). For example, for Year 5 students the gap for reading at or above the NMS was 14 percentage points in metropolitan areas, rising to 63 percentage points in *Very remote* areas. For numeracy, the gap increased from 15 percentage points in metropolitan areas to 58 percentage points in *Very remote* areas (ACARA 2014a).

Year 12 attainment

- The COAG target to halve the gap for Indigenous students in Year 12 (or equivalent) attainment rates by 2020 is on track to be met.
- Data from the 2001, 2006 and 2011 Censuses show that the proportion of Indigenous 20–24 year olds who had achieved Year 12 or equivalent increased from 41% in 2001 to 47% in 2006 and 54% in 2011 (Australian Government 2015, SCRGSP 2014).
- In 2008, the baseline year for this target, 45.4% of Indigenous 20–24 year olds had a Year 12 (or equivalent) attainment, and this proportion has increased in comparable surveys to 58.5 per cent in the most recent data for 2012–13 (Australian Government 2015). In this period the gap in Year 12 attainment for non-Indigenous 20–24 year olds narrowed by 12 percentage points (from the baseline gap of 40 percentage points in 2008 to 28 percentage points in 2012–13).

What is missing from the picture?

Measuring preschool enrolment and attendance is complicated by the fact that preschool participation is not compulsory.

There is insufficient evidence to demonstrate the effectiveness of many programs designed to improve the school completion gap for Indigenous students (Helme & Lamb 2011).

Where do I go for more information?

More information on the COAG Closing the Gap commitment can be found at www.coag.gov.au/closing_the_gap_in_indigenous_disadvantage.

The seventh annual Closing the Gap report was released on 11 February 2015 and is available at www.dpmc.gov.au/publications/.

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3.10 Children with disability

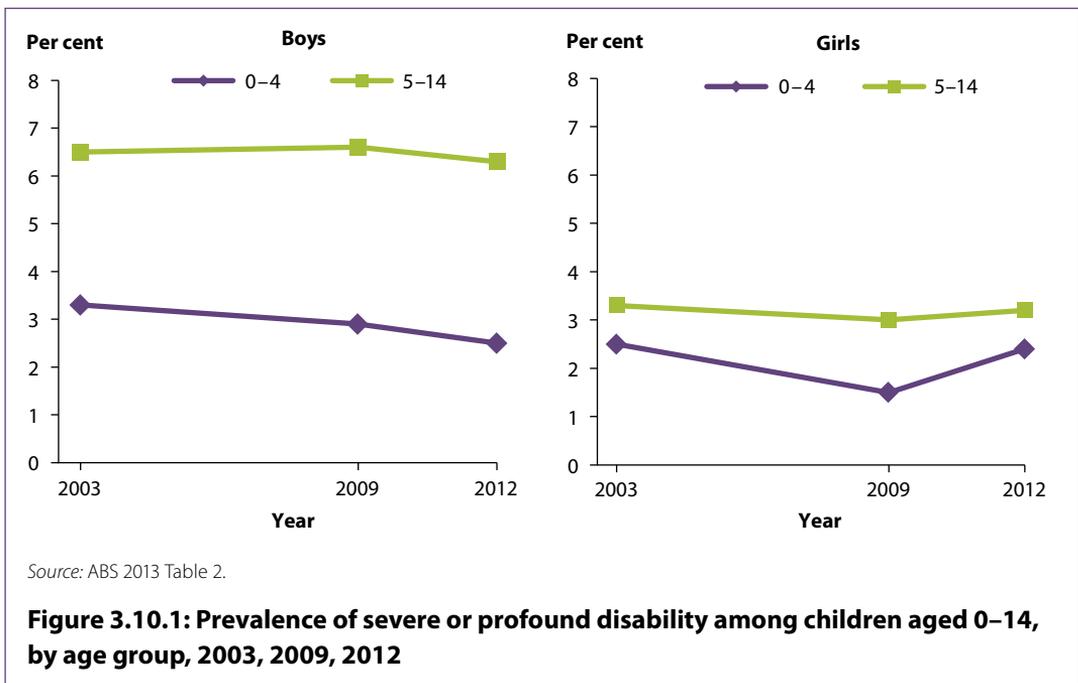
Children with disability are among the most vulnerable groups in the community. Early identification, and intervention programs, can help to reduce the impacts of disability and support the inclusion of children with disability in society. The National Disability Insurance Scheme (NDIS) will have a significant role in this area. (See also Chapter 2 'Welfare in Australia', Chapter 4 'Vulnerable young people' and Chapter 7 'A profile of people with disability'.)

In 2012, there were estimated to be 171,000 children aged 0–14 with severe or profound disability (ABS 2013).

Trends in prevalence of childhood disability

Statistics reported in the ABS Survey of Disability, Ageing and Carers (SDAC) (2003, 2009 and 2012) show that between 2003 and 2012, the prevalence of severe or profound disability:

- declined among boys aged 0–4 in absolute numbers and as a proportion of the population (from 3.3% to 2.5%)
- fluctuated as a proportion among girls aged 0–4; however, absolute numbers increased from 15,100 to 17,200
- continued to be much higher among boys aged 5–14 compared with girls of the same age (6.3% and 3.2%, respectively, in 2012) (Figure 3.10.1).

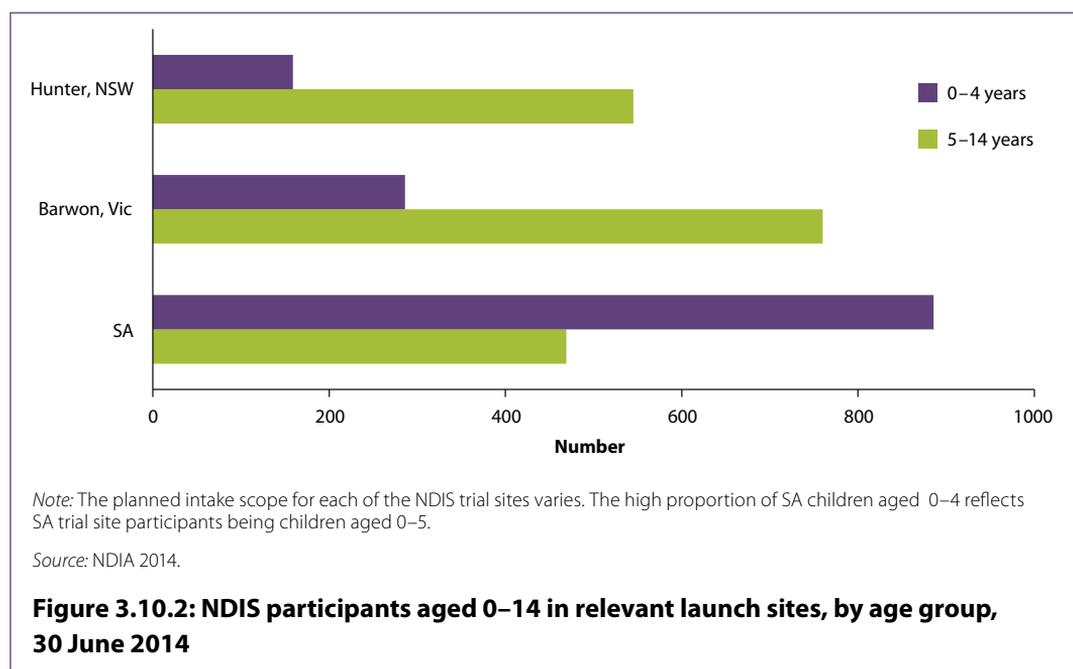


In 2012, of all children under 15, the main disability groups were 'intellectual' (3.8%) followed by 'sensory/speech' (2.9%), 'physical diverse' (2.8%), 'psychiatric' (2.5%) and 'acquired brain injury' (0.5%) (AIHW analysis of ABS 2012 SDAC Confidentialised Unit Record File).

Participants in the National Disability Insurance Scheme

The NDIS started in July 2013. During 2013–14, services to children aged 0–14 were among those provided at launch sites in the Hunter (New South Wales) and Barwon (Victoria) regions, and all of South Australia. The largest number of children aged 0–4 participating in the NDIS at 30 June 2014 was in South Australia, consistent with that jurisdiction's implementation plan, which started with children aged 5 and under (Figure 3.10.2).

Of 1,355 participants (aged 0–14) in South Australia, 92% received funding for communication and 22% for community support (NDIA 2014:19, 33).



Services delivered under the National Disability Agreement

While the NDIS rollout occurs, services continue to be delivered to a substantial number of children under the National Disability Agreement (NDA). During 2013–14:

- 20,740 children aged 0–4 and 45,349 children aged 5–14 received services
- boys comprised 67% of service users aged 0–4 and 70% of those aged 5–14
- autism was the most common primary disability for children aged 0–14 (29%)
- there were differences by sex in primary disability—for example, 34% of boys and 18% of girls had autism, 23% of girls and 18% of boys had intellectual disability
- ‘early childhood intervention’ was the most common service type used, and was accessed by 42% of all children (AIHW 2015).

What is missing from the picture?

As the NDIS rollout continues, there will be a growing need to link NDIS participant data and Disability Services National Minimum Data Set service user data. This will enable identification of changing service use and delivery patterns, as the NDIS is introduced.

Where do I go for more information?

More information on childhood disability in Australia is available at www.aihw.gov.au/disability/. Reports on services provided under the NDA are also available for free download at www.aihw.gov.au/disability-publications/.

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4

Young people (15–24)

- 4.0 Introduction..... 120
-  4.1 Pathways through education and training..... 121
-  4.2 School retention and completion 124
-  4.3 Apprenticeships and traineeships 127
-  4.4 Tertiary education 129
-  4.5 Opposite ends of the spectrum—participation of young people in education and work 132
-  4.6 Transitions to independence..... 135
-  4.7 How are young Australians coping? 151
-  4.8 Vulnerable young people (aged 15–24)..... 154



4 Young people (15–24)

4.0 Introduction

During adolescence and early adulthood, young people experience rapid physical, social, and emotional changes. For most young Australians, these changes occur while they are also making the transition from dependence to independence.

This transition is affected by social, economic, environmental and, particularly in recent years, technological changes. The pathways from education to work, and from the parental home to independent living, have become more varied and complex for young people, and often extend over longer periods.

This chapter examines the lives of Australia's young people, with a particular focus on education, training and employment. It looks at both young Australians who are doing well, and those who are vulnerable. It also looks at how young Australians generally are coping with their lives.

Today, participation in secondary school and post-school education is increasingly common for young Australians. The Year 12 apparent retention rate has increased over the past 2 decades, and in 2014 the vast majority (82%) of 15–19 year olds were participating in education or training. In addition, 42% of young people aged 20–24 were participating in education and training towards a recognised qualification in 2014.

While today's young people may be increasingly staying at school and completing further education, they are delaying leaving the parental home, getting married and having children, and are more likely than the overall working population to be unemployed and underemployed.

The majority of Australia's 3.1 million young people cope well with the transitions from adolescence to young adulthood; however, there are some who are vulnerable to harm, and who face limited social, educational or economic opportunities. While there are many factors associated with vulnerability, Indigenous youths, for example, are at increased risk, as are young people with low socioeconomic status backgrounds and/or poor academic performance. Other vulnerable groups include youths with disability or other long-term physical or mental health conditions, youths in the child protection and youth justice systems, and those experiencing homelessness.

Young people may display an increased level of risk-taking behaviour at this stage of their lives, but there is some good news on this front. Rates for illicit drug use fell for 18–24 year olds between 2001 and 2013. There have also been declines in alcohol consumption and tobacco smoking by Australia's young people.



4.1 Pathways through education and training

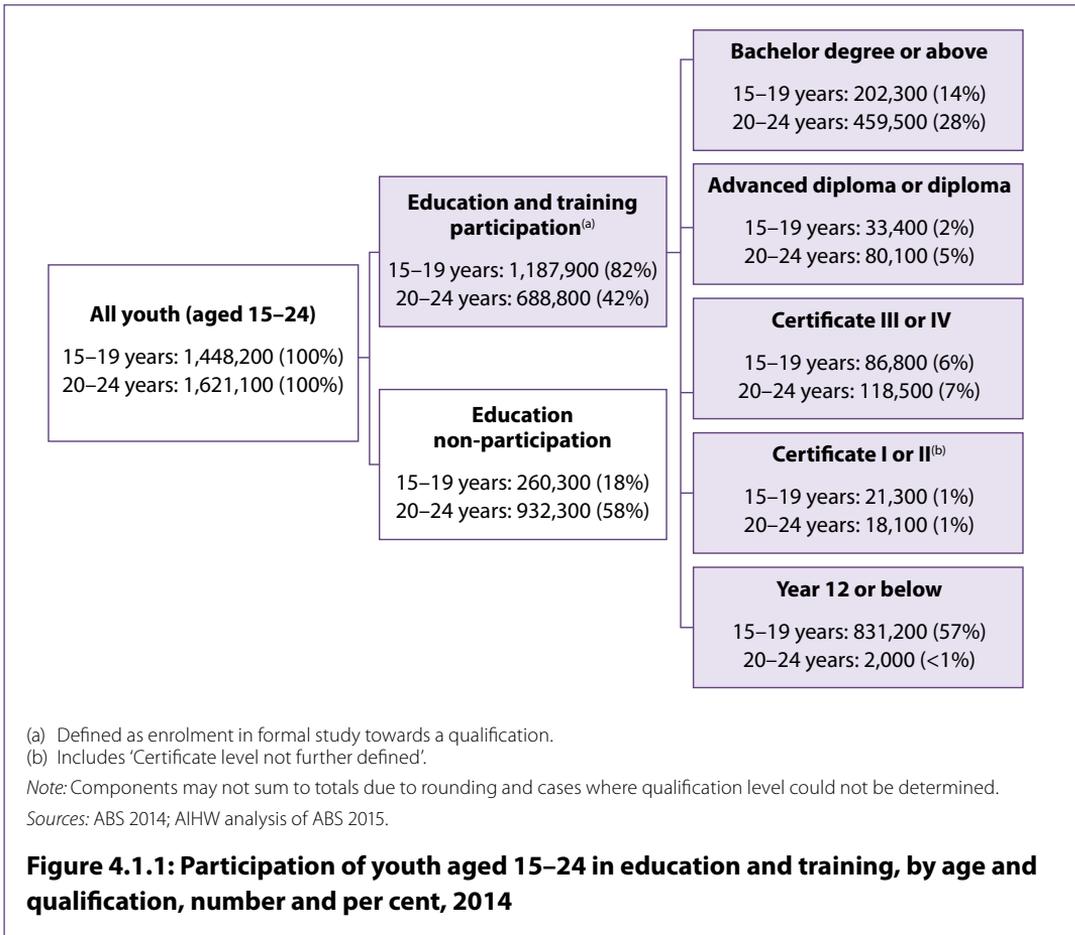
In Australia, schooling is compulsory until the completion of Year 10, and young people must then participate in full-time education, employment or training (or a combination of these activities) until the age of 17. Following secondary school, young people have a number of options in terms of their pathways through education and training.

The vast majority of young people will undertake tertiary education (through either higher education or vocational education and training institutions), commence an apprenticeship or traineeship, enter the workforce, or undertake a combination of these activities. However, some young people are not participating in education, employment or training at all (commonly referred to as the 'NEET' group) (see Chapter 4 'Opposite ends of the spectrum—participation of young people in education and work').

Research from the Longitudinal Surveys of Australian Youth has shown that the most successful paths for youth tend to involve both the completion of Year 12 plus further study, based on a range of outcome indicators at age 25 such as full-time engagement (in work and/or study), full-time employment, financial wellbeing, job status, weekly earnings and satisfaction with life and work (Karmel & Liu 2011). However, success pathways differed between males and females. The university path was best for females regardless of academic inclination, whereas for males the best path was university in terms of job status and the completion of an apprenticeship in terms of pay.

Overview of youth participation in education and training

- Most young people aged 15–19 were participating in education and training towards a recognised qualification in 2014 (82%) compared with less than half of 20–24 year olds (42%), reflecting compulsory education and training requirements for 15–17 year olds (Figure 4.1.1) (ABS 2014).
- Education and training participation rates for youth were higher in 2014 than in 2005 (82% compared with 76% for 15–19 year olds and 42% compared with 38% for 20–24 year olds). Rates for females were higher than for males (83% compared with 81% for 15–19 year olds; 44% compared with 40% for 20–24 year olds).
- More than one-half (57%) of all 15–19 year olds were studying for a Year 12 qualification or below in 2014 while 20–24 year olds were most likely to be studying for a Bachelor degree or above (28%) (AIHW analysis of ABS 2015).
- Indigenous youths aged 15–24 were less likely to be participating in education and training than non-Indigenous youths in 2011 (44% participating compared with 59%). These proportions are slightly higher than in 2006 (42% and 57% participating respectively) (AIHW analysis of ABS 2006 and 2011 Censuses).
- Some 15–19 year olds (7.4%) and 20–24 year olds (6.8%) were undertaking apprenticeships or traineeships in 2013 (including school-based apprenticeships). This compares with 9.1% and 7.4% respectively in 2004 (AIHW analysis of NCVET 2015). See also Chapter 4 'Apprenticeships and traineeships'.



Government financial support

The Australian Government offers several payments to provide financial support to young people undertaking study, training or an apprenticeship. The two main payments are Youth Allowance (Student and Apprentice) and ABSTUDY, with around 229,900 and 8,600 recipients aged 16-24 years at June 2014 respectively (see also Chapter 4 'Transitions to independence').

For the latest information on available payments and eligibility criteria, refer to the Department of Human Services website at www.humanservices.gov.au.

What is missing from the picture?

The annual Australian Bureau of Statistics (ABS) Survey of Education and Work provides the most detailed data on youth participation in education and training; however, reliable estimates by Indigenous status and for smaller geographical areas are not available from this survey. Indigenous data are available, less frequently, from the National Aboriginal and Torres Strait Islander Health Survey and National Aboriginal and Torres Strait Islander Social Survey, and both Indigenous and small level geography data are available every 5 years from the Census.

Where do I go for more information?

More information on youth participation in education and training is available at www.aihw.gov.au/youth-health-and-wellbeing, from the ABS report *Education and work* and from the *National Centre for Vocational Education Research*.

References

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4.2 School retention and completion

Remaining engaged in and successfully completing secondary school improves transitions into further study and employment (Deloitte Access Economics 2012).

The apparent retention rate to Year 12 is the most common measure of school participation. It is an estimate of the percentage of students who remain enrolled full-time in secondary education from the start of secondary school (Year 7 or 8 depending on the state or territory) to Year 12.

The apparent retention rate reflects enrolment in school, but it is not a measure of the successful completion of Year 12.

Completing Year 12, or an equivalent vocational qualification, is a key factor in improving economic and social opportunities in life through preparing students for tertiary education and the labour market, and to become engaged citizens. These qualifications have increasingly become the norm in advanced economies (OECD 2014).

School retention

- The Year 12 apparent retention rate has gradually increased from 72% in 2000 to 84% in 2014 (Table S4.2.1; ABS 2015).
- The apparent retention rate for Indigenous students to Year 12 has also increased steadily, from 36% in 2000 to 59% in 2014. Although this remains considerably lower than for other students (85% in 2014), the gap between Indigenous and other students has decreased by 12 percentage points over this time.
- Females had a higher Year 12 apparent retention rate than males (87% compared with 80% in 2014), consistent with research showing that males are more likely to leave school before Year 12 and undertake vocational programs (such as apprenticeships) or find employment (Curtis & McMillan 2008).

Completion of Year 12 or equivalent

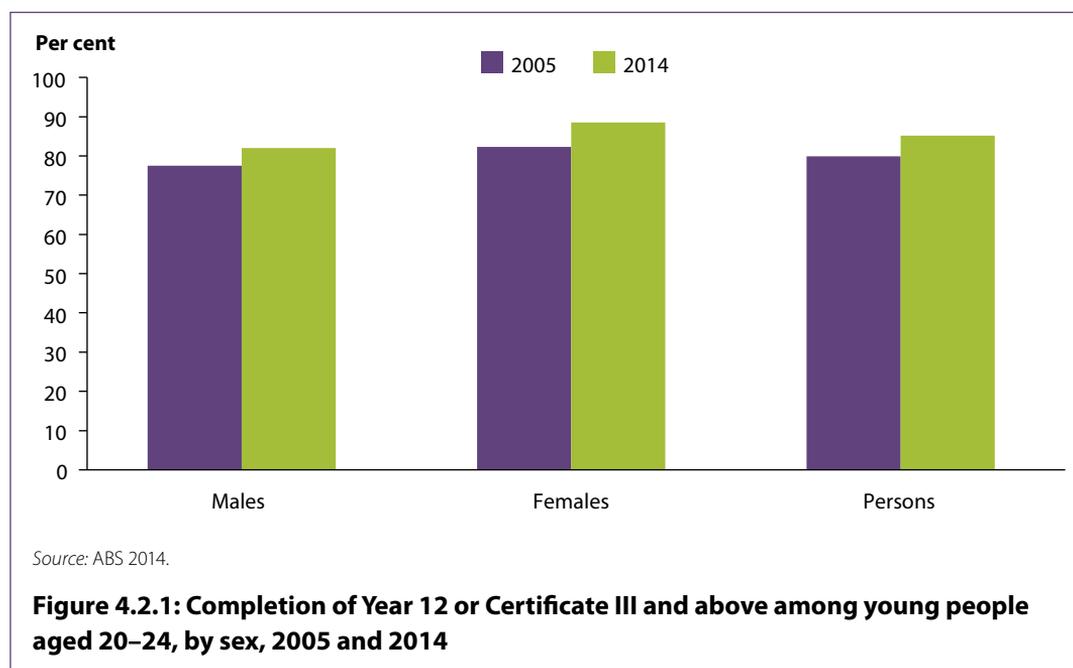
A senior secondary certificate of education (known under different names in different states and territories) is awarded to students who have successfully completed senior secondary schooling (Years 11 and 12). In 2014, most 20–24 year olds had completed Year 12 (77%), an increase from 74% in 2005. The proportion among 15–19 year olds was lower in 2014 (32%), reflecting those still studying towards this qualification, and was similar to the proportion in 2005 (31%) (ABS 2014).

Research shows that the completion of Year 12 leads to better labour market outcomes. Vocational education is an alternative pathway for those students not suited to secondary schooling, with an equivalent qualification considered to be a Certificate III or above (Lim & Karmel 2011).

The National Education Reform Agreement (NERA) sets targets of 90% of young people to have attained Year 12 or a Certificate II or above by 2015, and Year 12 or a Certificate III or above by 2020. Both the NERA and the National Indigenous Reform Agreement (NIRA) set a target of at least halving the gap between Indigenous and non-Indigenous students in attainment rates of Year 12 or Certificate II or above by 2020.

- In 2014, 86% of 20–24 year olds had completed Year 12 or at least Certificate II which was an increase from 81% in 2005. The proportion completing Year 12 or at least Certificate III was 85%, an increase from 80% in 2005 (Figure 4.2.1, Table S4.2.2) (ABS 2014).
- Females were more likely than males to complete Year 12 or at least Certificate II in 2014 (90% compared with 83%) and Year 12 or at least Certificate III (88% compared with 82%).
- In 2012–13, 59% of Indigenous 20–24 year olds had completed Year 12 or equivalent, an increase from 45% in 2008. The rate for non-Indigenous young people increased slightly during this time from 85% in 2008 to 87% in 2012 (Australian Government 2015).

(See also the Year 12 attainment indicator in Chapter 8 'Indicators of Australia's welfare'.)



What is missing from the picture?

Information on apparent retention rates is from the Australian Bureau of Statistics (ABS) National School Statistics Collection (NSSC). The NSSC is currently a largely aggregate data collection. The retention rate is therefore an estimate (an 'apparent' rate), as individual students cannot be tracked from Year 7/8 through to Year 12, for reasons such as student migration between states and territories, transfers between school sectors, and students progressing through school slower or faster than expected (for further details see ABS 2015).

Where do I go for more information?

More information on youth education is available at www.aihw.gov.au/youth-health-and-wellbeing and from the ABS reports [Schools](#) and [Education and work](#).

References

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Lim P & Karmel T 2011. The vocational equivalent to Year 12. LSAY research report 58. Adelaide: NCVER.

OECD (Organisation for Economic Co-operation and Development) 2014. Education at a glance 2014: OECD indicators. Paris: OECD.

4.3 Apprenticeships and traineeships

Apprenticeships and traineeships are ways in which young people can acquire essential skills while participating in the labour force. The experience gained from apprenticeships and traineeships is important for both work experience and for competitive credentials in a tight labour market.

Young people in particular often choose this combination of on-job and off-job training and employment, which generally lasts 3 to 4 years for apprenticeships and 1 to 2 years for traineeships. Secondary students of working age may also choose to undertake a school-based apprenticeship, which allows them to gain a formal qualification (and earn a wage for their time in the workplace), while simultaneously completing their school studies (see also Chapter 4 'Pathways through education and training').

Overview of youth apprentices and trainees

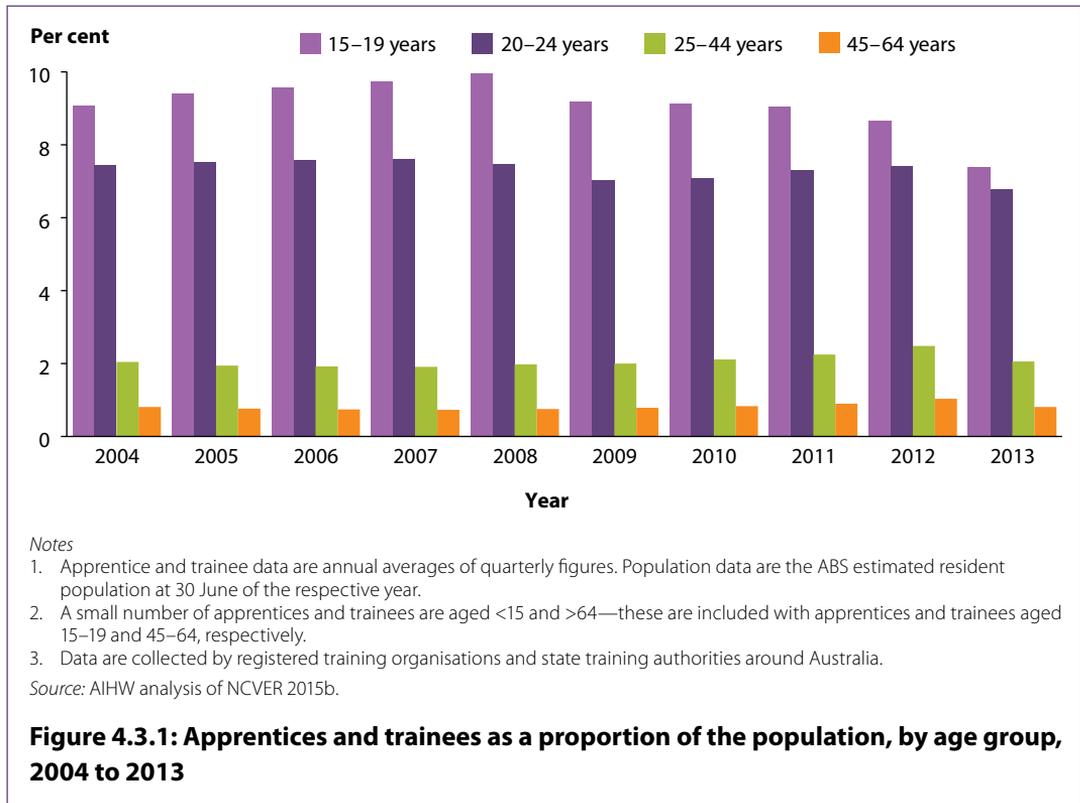
- In 2013, there were around 219,500 apprentices and trainees aged 15–24 years in training in Australia (annual average of quarterly figures), representing 7.1% of all 15–24 year olds.
- This was less than the 2004 figure of 226,900 apprentices and trainees, or 8.3% of 15–24 year olds.
- Apprenticeships and traineeships are sensitive to economic downturn (McDowell et al. 2011), as demonstrated by a slight decrease in 2009 following the global financial crisis (Figure 4.3.1).
- Rates fell further in 2012 and 2013, coinciding with changes to employer incentives; however, early estimates from the December 2014 quarter suggest these declines may have ended (NCVER 2015a).
- Youth apprentices and trainees have also declined as a proportion of all apprentices and trainees—from 60% in 2008 to 53% in 2013.
- Young people aged 15–19 were slightly more likely than those aged 20–24 to be undertaking an apprenticeship or traineeship (7.4% compared with 6.8%); however, this gap has narrowed since 2008 (when it was 10.0% compared with 7.5%).
- A greater proportion of apprentices and trainees aged 15–19 were undertaking school-based apprenticeships in 2013 (21%) compared with 2004 (11%) (AIHW analysis of NCVER 2015b).

Differences by population groups

Some young people were more likely than others to undertake apprenticeships and traineeships in 2013:

- Young males made up the majority (71%) of apprentices and trainees in training among 15 to 24 year olds.
- Indigenous youth comprised 4.3% of apprentices and trainees aged 15 to 24, which is representative of the proportion of Indigenous youth in the population (4.6%).
- Indigenous youth who completed an apprenticeship or traineeship in 2013 were more likely to have achieved a Certificate II or below (27%) compared with non-Indigenous youth (9%), and less likely to have completed a Certificate III or above (73% and 91% respectively).
- The proportion of apprenticeships and traineeships that were being undertaken by 15 to 24 year olds in *Inner regional*, *Outer regional*, *Remote* and *Very remote* areas combined (40%) was higher than their share of the population in these areas (27%), highlighting the importance of these opportunities in non-metropolitan areas.

- There was a small proportion (1.7%) of young apprentices and trainees with disability (including impairment or long-term condition) (AIHW analysis of NCVER 2015b).



What is missing from the picture?

Comprehensive, quality data on apprentices and trainees are available from the National Centre for Vocational Education Research National Apprentices and Trainees Collection and Australian Bureau of Statistics Surveys of Education and Work.

Where do I go for more information?

More information on youths undertaking apprenticeships and traineeships is available from the [National Centre for Vocational Education Research](#).

References

McDowell J, Oliver D, Persson M, Fairbrother R, Wetzlar S, Buchanan J et al. 2011. A shared responsibility: apprenticeships for the 21st century. Final report of the expert panel. Canberra: Australian Government Department of Education, Employment and Workplace Relations.

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NCVER 2015b. National apprentices and trainees collection via VOCSTATS. Extracted 14 April 2015, <<http://www.ncver.edu.au/wps/portal/vetdataportal/data/menu/vocstats/>>.

4.4 Tertiary education

Post-school qualifications are an important predictor of an individual's ability to successfully compete in the labour market and improve social outcomes such as self-reported health, volunteering and interpersonal trust (OECD 2014).

Australia was ranked 6th out of 34 OECD countries in 2012 for attainment of tertiary qualifications among 25–64 year olds, and the number of people with post-school qualifications in Australia has been steadily increasing over time (OECD 2014).

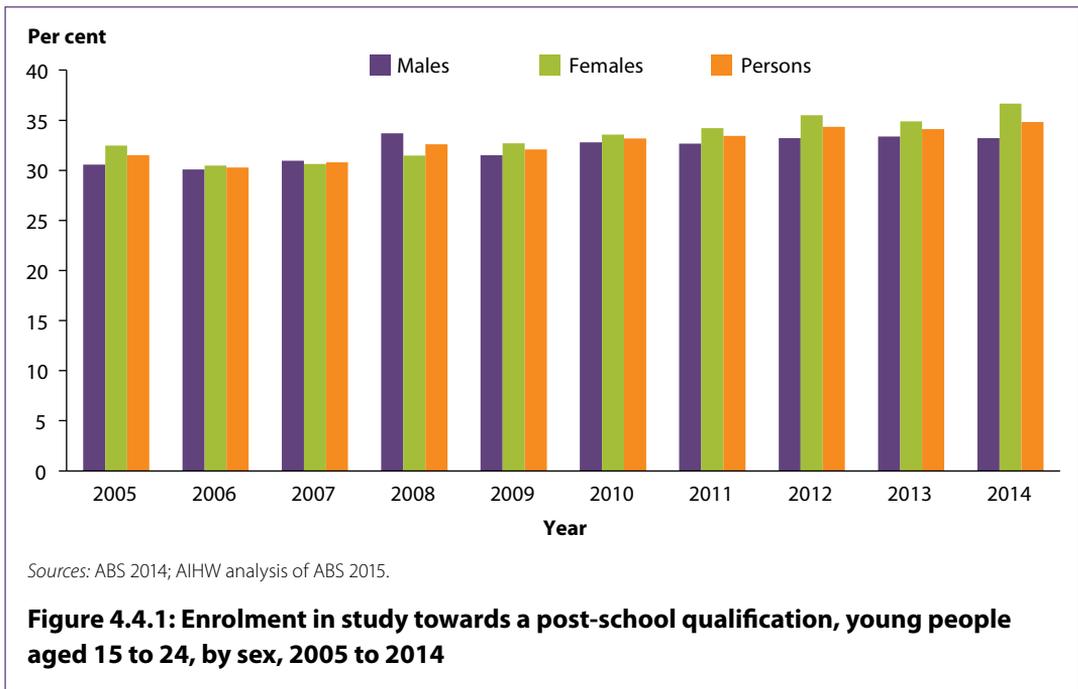
Among Australian youth, poorer labour market prospects following the global financial crisis in 2008 (see Chapter 4 'Transitions to independence') coincided with increases in tertiary education participation (Deloitte Access Economics 2012). Increased participation was also facilitated by the move to a demand-driven funding system in 2012, which removed caps on bachelor degree places at public universities to increase participation, particularly for students from low socioeconomic status backgrounds (Kemp & Norton 2014). In addition, a Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People (Behrendt et al. 2012) made recommendations to increase participation of Aboriginal and Torres Strait Islander students in higher education.

Post-school qualifications (also known as non-school qualifications) may be obtained through higher education institutions or vocational education and training institutions. While usually obtained following school completion, it is nevertheless possible to obtain school and post-school qualifications concurrently.

Trends and patterns in the data are similar for both youth participation in, and completion of, post-school qualifications, noting that higher proportions of youth are still studying and have not completed their qualification.

Participation in tertiary education

- In 2014, 35% of 15 to 24 year olds were enrolled in study towards a post-school qualification compared with 32% in 2005. Participation was slightly higher for females (37%) than males (33%) (Figure 4.4.1) (ABS 2014 and AIHW analysis of ABS 2015).
- Youths aged 20–24 were more likely to be studying towards a post-school qualification than 15–19 year olds in 2014 (42% compared with 27%), reflecting the high proportion of 15–19 year olds who are still studying towards school qualifications (Table S4.4.1).
- Enrolment in study towards a post-school qualification was higher among young people aged 15 to 24 who lived in the least disadvantaged areas (42%) compared with those in the most disadvantaged areas in 2014 (28%).
- Among young people aged 15 to 24 enrolled in a post-school qualification in 2014, more than one-half were studying towards a Bachelor degree or higher (63%), around one-fifth (20%) for a Certificate III or IV and 11% for a Diploma or Advanced Diploma. This pattern was similar for both 15–19 and 20–24 year olds, and for both males and females.
- In 2014, the most popular fields of study for post-school qualifications were management and commerce (21%), society and culture (17%) and engineering and related technologies (13%).



Completion of post-school qualifications

- In 2014, 29% of youth aged 15 to 24 had attained a post-school qualification, compared with 27% in 2005 (ABS 2014 and AIHW analysis of ABS 2015). Females were slightly more likely to have completed a post-school qualification than males in 2014 (32% compared with 26%).
- The proportion was significantly higher among 20–24 year olds (46%) compared with 15–19 year olds (10%), once again reflecting the high proportion of 15–19 year olds still attending secondary school.
- Of those with a post-school qualification, most had attained a Certificate III or IV (36%), a Bachelor degree (25%), or a Diploma or Advanced Diploma (15%) as the highest level of attainment. However, this differed by age—most 15–19 year olds had attained a Certificate I or II (40%) or a Certificate III or IV (36%), whereas 20–24 year olds were most likely to have attained a Certificate III or IV (36%) or a Bachelor degree (30%).
- Indigenous young people aged 20–24 were less likely to have a post-school qualification than non-Indigenous young people in 2011 (25% and 43% respectively). However, the proportion of Indigenous young people attaining a post-school qualification increased from 20% in 2006 to 25% in 2011 (AIHW analysis of ABS 2006 and 2011 Censuses).
- Of those Indigenous young people aged 20–24 with a post-school qualification, most had completed a Certificate III or IV (62%), a Certificate I or II (16%) or a Bachelor degree (8%) as their highest qualification. In comparison, the most common highest post-school qualifications held by non-Indigenous young people were a Certificate III or IV (40%), followed by a Bachelor degree (32%) and a Diploma or Advanced Diploma (17%).

What is missing from the picture?

The annual Australian Bureau of Statistics (ABS) Survey of Education and Work provides the most detailed data on youth participation in education and training; however, reliable estimates by Indigenous status and for smaller geographical areas are not available from this survey. Indigenous data are available, less frequently, from the National Aboriginal and Torres Strait Islander Health Survey and National Aboriginal and Torres Strait Islander Social Survey; in addition, both Indigenous and small level geography data are available every 5 years from the Census.

Where do I go for more information?

More information on youth education is available at www.aihw.gov.au/youth-health-and-wellbeing and from the ABS reports [Schools](#) and [Education and work](#).

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4.5 Opposite ends of the spectrum—participation of young people in education and work

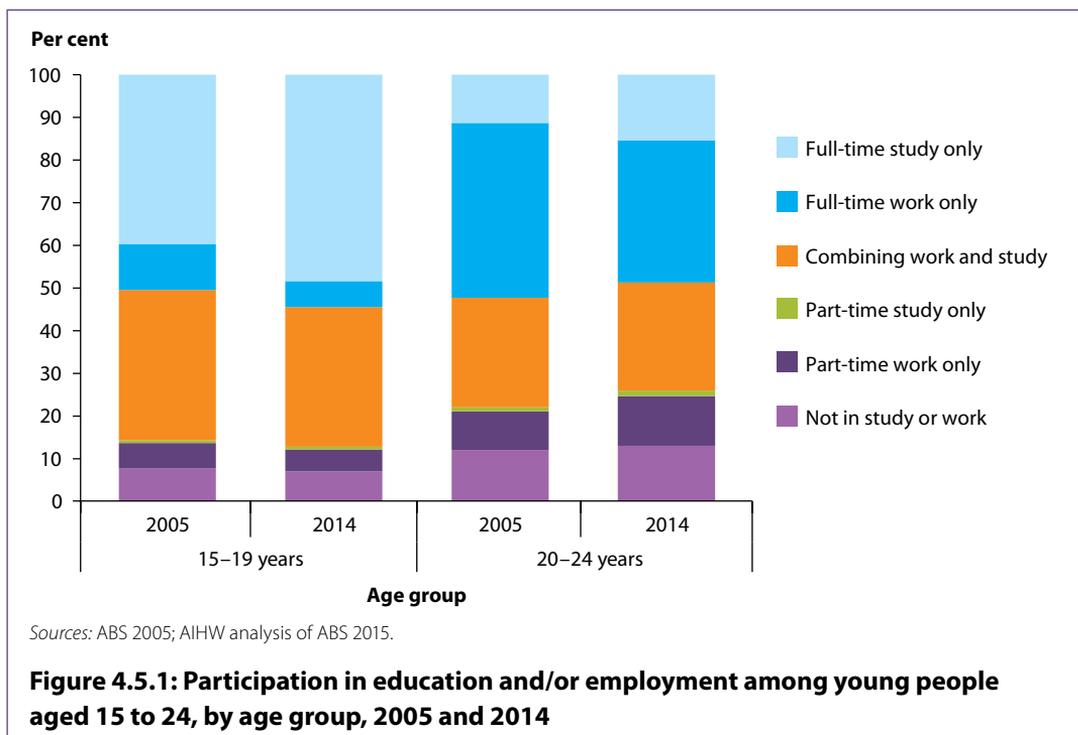
There is considerable policy interest in the engagement of young people in work and study—from those who are fully engaged, to those who are completely disengaged.

Fully engaged in education or employment

Full engagement in education or employment is defined as participating in full-time education or training leading to a recognised qualification or employment, or a combination of full-time and part-time education or employment.

- In 2014, 80% of young people aged 15–24 were fully engaged in education and/or employment. The proportion was higher for 15–19 year olds (87%) than for 20–24 year olds (74%), reflecting the high proportion of 15–19 year olds attending secondary school full-time (Figure 4.5.1, Table S4.5.1) (ABS 2005; AIHW analysis of ABS 2015).
- The proportion of young people fully engaged was similar in 2014 (80%) to 2005 (82%) among 15–24 year olds; however, there was an increase in the proportion engaged in full-time study only (from 25% to 31%) and a decrease in full-time work only (from 26% to 20%).
- Some young people combine paid employment with secondary or tertiary study to support themselves financially and to develop skills for long-term employment. In 2014, 29% of young people aged 15–24 combined study and work compared with 30% in 2005.

(See Chapter 4 'Transitions to independence' for further information on youth education and employment.)



Not in employment, education or training

Young people who are not in education, employment or training (often referred to as 'NEET') are considered to be completely disengaged from work and study. This non-participation among young people has been linked to future unemployment, lower incomes and employment insecurity (Pech et al. 2009), placing young people at risk of social and economic disadvantage, and social exclusion.

- In 2014, 10% of 15–24 year olds (312,900 people) were not in employment, education or training (NEET) (7% of 15–19 year olds and 13% of 20–24 year olds). This was the same proportion as in 2005 for 15–24 year olds overall (8% of 15–19 year olds and 12% of 20–24 year olds) (Figure 4.5.1) (ABS 2005; AIHW analysis of ABS 2015).
- Internationally, in 2012, the proportion of Australian 15–19 year olds not in education or employment was similar to the Organisation for Economic Co-operation and Development (OECD) average (7.2% compared with 7.5%), with Australia ranked 19th out of 32 OECD countries with available data.
- Among 20–24 year olds, the Australian non-participation rate in 2012 (12%) was better than the OECD average (18%), and ranked ninth out of 32 OECD countries with available data (OECD 2014). (See Chapter 4 'Transitions to independence' for a comparison of Australian and OECD average youth unemployment rates.)

According to the 2011 Census, some groups of 15–24 year olds were over-represented in the NEET group compared with their representation in the total youth population. These groups included:

- Indigenous youth (12% in the NEET group compared with 4% in the total youth population)
- youth who do not speak English well or at all (14% compared with 5%)
- youth needing assistance with core activities (such as self-care, body movements or communication) (6% compared with 2%)
- those living in *Inner regional and outer regional* areas (31% in NEET compared with 25% in the total youth population) and *Remote and very remote* areas (5% in NEET, 2% in total youth population) (AIHW analysis of the 2011 Census).

People who are not in employment are considered unemployed if they are looking for work.

Otherwise they are considered 'not in the labour force' (NILF). Data from the Longitudinal Surveys of Australian Youth (LSAY) indicate that, in 2011, among those in the NEET group who were unemployed, 80% were looking for full-time work while 20% were looking for part-time work.

Among those who were NILF, a high proportion of young women (71%) were undertaking home duties and/or looking after children, whereas young men were most likely to be undertaking 'other (unspecified) activities' (53%) or travelling or on holidays (24%) (Stanwick et al. 2013).

Other forms of participation

Young people may participate in activities other than employment and study. Social and community participation may provide social and psychological benefits that contribute to health and wellbeing. Volunteering can provide social contact and learning opportunities, and makes a valuable contribution to community and welfare organisations. According to the Australian Bureau of Statistics (ABS) 2010 General Social Survey:

- more than two-thirds (68%) of young people aged 18 to 24 were involved in one or more social or community groups in the 12 months prior to being surveyed
- around 1 in 4 young people aged 18 to 24 (27%) were involved in unpaid voluntary work in the previous 12 months.

Many young people combine participation in these activities with study and employment; however, some do not: around two-fifths (39%) of young people aged 18 to 24 who were not engaged in study or employment (NEET) were involved in one or more social or community groups and an estimated 12% were involved in unpaid voluntary work in 2010 (AIHW analysis of the ABS 2010 General Social Survey).

What is missing from the picture?

Regular and comprehensive data on the participation of young people in education and employment are available from ABS Surveys of Education and Work, the Census and the LSAY. International comparisons are also available.

Where do I go for more information?

More information on youth participation in education and employment is available at www.aihw.gov.au/youth-health-and-wellbeing and from the ABS report [Education and work](#).

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4.6 Transitions to independence

Introduction

Finishing school, undertaking further education, finding paid employment, moving out of the family home, forming relationships and starting a family are just some of the milestones that young people commonly experience as they transition to adulthood and independence.

This article examines what is known about the key milestones involved in a young person's transition to independence, with a focus on how this has changed over time. An overview of what we know about this transition is presented first, before exploring the data on living arrangements, relationships, family formation and young parenthood, education, employment and income. Young people are defined here as aged 15–24. Relevant data are disaggregated for the age groups 15–19 and 20–24 where possible; in some cases, however, different age ranges are used depending on availability in various data sets.

What affects the transition to independence?

During adolescence and early adulthood, young people experience rapid physical, social, emotional and neural developmental transitions, while simultaneously undergoing the transition from dependence to independence.

This transition is affected by social, economic, environmental and technological changes that have occurred in recent decades. As a consequence, the pathways from education to work, and from the parental home to independent living, have become more varied and complex for young people, and often extend over longer periods. The traditional pathway in the education-to-work transition—from school, to either vocational education and training (VET) or higher education and then into the workforce—has become more dynamic and increasingly involves a variety of learning pathways across both the VET and higher education sectors. Individuals may also return to education or training after short or long periods in the workforce, with learning experiences, therefore extending throughout life.

Participation in post-school education is increasingly common (see Chapter 4 'Pathways through education and training' and Chapter 4 'Tertiary education'). This can delay the commencement of full-time employment and secure income, and increase the rates of part-time employment among youth. Increased youth unemployment and underemployment following the global financial crisis (GFC) of 2008 has created an additional challenge for youth navigating their transition to independence, and affected their ability to achieve economic and residential autonomy, two major cornerstones of independence. Increasing education participation, greater difficulty accessing secure employment and increased housing costs means that young people often live in the parental home for longer, which may result in the postponement of other life events, such as forming a stable cohabiting partnership and having children (Aassve et al. 2013).

While most youth successfully navigate the journey to independence, there are groups of young people who may experience difficulties. Research from the Longitudinal Surveys of Australian Youth (LSAY) shows that Indigenous youth, those from backgrounds of low socioeconomic status and those with poor academic performance are at increased risk of making a poor transition (Anlezark 2011). Other vulnerable groups include youth with disability or other long-term physical or mental health conditions, youth involved with the child protection and youth justice systems, and those experiencing homelessness, noting that some youth fall in more than one of these categories (see Chapter 4 'How are young Australians coping?' and 'Vulnerable young people'). For the current generation of youth, there are also several ongoing challenges facing society that can have an impact on youth pathways—these include global economic uncertainty, climate change and an ageing society.

Further research from the LSAY shows that ensuring educational experiences are positive is arguably the most important factor in making a successful transition—specifically, ensuring that students engage meaningfully with school and the school environment, have good relationships with their teachers, peers and the community, and have access to informed and appropriate careers advice (Liu & Nguyen 2011). Social and school relationships and school engagement are associated with school completion, and adult educational and occupational achievement—key elements in young people's transition to independence (Abbott-Chapman et al. 2014; Bond et al. 2007).

Key milestones in the transition to independence

Living arrangements

Moving out of the parental home and into self-supported living arrangements is a key milestone in the transition to independence. The decision by young people to leave home is influenced by a number of factors, including the desire to be independent, relationship choices, and religious and cultural norms, as well as broader factors such as education, housing, and labour market trends (Flatau et al. 2007).

Most young Australians aged 18 to 24 live with their parents, and the proportion has increased over time in line with social and economic trends—from 50% in 1997 to 60% in 2012–13. Consequently, there were decreases in the proportion of young Australians living in group households (from 19% to 9%) over the same time period (Table 4.6.1). Other living arrangements of young people—such as living with a partner, as a lone parent, alone or with other related individuals or unrelated individuals—have remained stable over time.

These trends may be explained in part by an increase in young Australians studying full-time and being classified as dependants. In 1997, 15% of young Australians aged 18–24 were living in the parental home as dependent students; this rose to 23% in 2012–13. This is consistent with increased education participation and corresponding decreases in labour market participation among youth, discussed later in this article. Young Australians may therefore continue to live with their parents for financial reasons, where they are often not required to pay as much for board and food as they would if living independently. In 2012–13, financial reasons were the most common main reason why young people had not left home (23% of 18–24 year olds) (ABS 2015c).

Young Australians are sometimes described as transient in their living arrangements, often moving out of home to rent in a group share house and moving back in with their parents before moving out again as their circumstances change (Muir et al. 2009). Data from the Household Income and Labour Dynamics in Australia (HILDA) survey show that the most significant driver of change in household composition is children leaving the parental home. Between 2001 and 2011, approximately 10% of individuals experienced this change in their household each year, and 48% experienced this change at least once over this 11-year period (Hahn & Wilkins 2014). Children moving back into the parental home is also an important source of change, with 22% of individuals experiencing this household change at least once between 2001 and 2011. Some young Australians, however, remain independent and do not return to the parental home; others may not have the option to return home due to reasons such as family breakdown, violence, abuse and neglect, or the inability of parents to provide stable accommodation.

Table 4.6.1: Living arrangements of young Australians aged 18–24, 1997, 2009–10 and 2012–13 (per cent)

Relationship in household	Year		
	1997	2009–10	2012–13
Family members			
Husband, wife or partner	16.1	19.4	18.5
Lone parent	2.8	1.5	1.7
Dependent student	15.4	21.4	23.3
Non-dependent child	34.8	36.8	36.3
Other related individual	5.4	5.5	5.4
<i>Total family members</i>	<i>74.5</i>	<i>84.6</i>	<i>84.9</i>
Non-family member			
Unrelated individual	2.2	2.9	3.1
Persons in lone-person households	4.7	3.1	3.7
Persons in group households	18.6	9.5	8.5
<i>Total non-family members</i>	<i>25.5</i>	<i>15.4</i>	<i>15.1</i>
Total persons	100.0	100.0	100.0

Sources: ABS 2004, 2015a; AIHW analysis of ABS 2009–10 Family Characteristics Survey.

Relationships

The establishment of partner relationships is an important milestone in the transition to independence. Relationship events such as marriage and having children remain the future expectations of most young people, and they aspire to stable, nurturing relationships in a happy family setting (Skirbis et al. 2011; Weston & Qu 2013). However, despite this, young Australians are increasingly delaying marriage, instead opting to be in de facto relationships. A study by Carmichael and Whittaker (2007) found that young Australians view cohabitation as a natural progression in relationships and that, for those in de facto relationships, the predominant reason to marry is the decision to have children, thereby impacting on Australian family formations.

The latest data show that the rate of marriage for people aged 20–24 fell continuously for females from 34 marriages per 1,000 females in 2003 to 25 in 2013. For males, the rate dropped from 19 per 1,000 males to 15 over the same period, although this decrease was not as consistent as for females. Young people aged 20–24 had a lower rate of registered marriage than those aged 25–29 and 30–34 in 2013 (ABS 2014e).

This trend of marrying later is reflected in the lower proportion of young people living with a partner on Census night. Of the 277,100 young people aged 18–24 living with a partner in 2011, 29% were in a registered marriage and 71% were in de facto relationships, compared with 30% and 70% in 2006. Same-sex couples accounted for 2% of those in a de facto relationship in 2011 compared with 1% in 2006—this could be at least in part due to increased reporting as a result of growing social acceptance of same-sex relationships (AIHW analysis of the 2006 and 2011 Censuses).

Family formation and young parenthood

For those young people who choose to start a family of their own, this represents a significant transition. Consistent with the trend of marrying later, young people are also having children later.

The overall fertility rate has declined over the decade from 2003 to 2013 for each single year of age between 15 and 24. This is particularly apparent for mothers aged 24, where the rate of births fell from 73 per 1,000 females in 2003 to 64 per 1,000 in 2013.

However, the proportion of all births to young mothers changed only slightly over the same period. In 2003, 19% of all births were to mothers aged under 25, with 4.3% being to teenage mothers (aged 19 and under). In 2013, 17% of all births in Australia were to mothers under 25, and 3.4% were to teenage mothers (ABS 2014c).

The Indigenous teenage fertility rate was more than 4 times as high as the overall teenage fertility rate—63 compared with 15 births per 1,000 females aged 15–19. Teenage births are also more frequent in regional and remote areas—teenage females who lived in *Remote and very remote* areas were more than 5 times as likely to give birth as their peers in *Major cities* (60 births per 1,000 compared with 11 births per 1,000). This pattern was present for both Indigenous and non-Indigenous teenage fertility rates, with the rates for both being around 2 times as high in *Remote and very remote* areas as in *Major cities* (ABS 2014c).

Young mothers are frequently reported to be more likely to experience adverse socioeconomic outcomes associated with early childbearing, including poorer education and employment outcomes, and social exclusion. For example, mothers under the age of 25 are more likely to leave the workforce, and stay out for longer, compared with mothers aged over 25 with similar characteristics (Keegan & Corliss 2008). Teenage mothers in particular are more likely to be lone parents, socioeconomically disadvantaged, and have lower educational attainment than older mothers; however, this may in part reflect circumstances already existing before the pregnancy and birth (Gaudie et al. 2010; Paranjothy et al. 2009).

Despite poorer outcomes among some young mothers, the experience of motherhood is seen positively, with many young mothers feeling that their child had given their lives an added depth of purpose and meaning (Butler et al. 2010). In some instances, childbearing is the catalyst for young adults to cease risky behaviour such as drug and alcohol use, and move towards a more positive and settled lifestyle conducive to the transition to independence (Mendes 2009).

Education

Education plays a critical role in the transition to independence, as it provides the foundation for later employment and income to sustain an independent lifestyle. In Australia, schooling is compulsory until the completion of Year 10, and young people must then participate in full-time education, employment or training (or a combination of these activities) until the age of 17. These mandatory participation requirements were introduced in 2009 as part of the Compact with Young Australians (commonly referred to as the 'Learn or Earn' policy). The participation rate for young people in education and training in 2014 was 82% for 15–19 year olds (reflecting the high proportion of 15–17 year olds in school) and 42% for 20–24 year olds (Table 4.6.2) (ABS 2014d). These rates have increased for both age groups between 2005 and 2014.

Most young people remain in school until Year 12, with an apparent retention rate from Year 7/8 to Year 12 of 84% in 2014, having gradually increased from 72% in 2000 (ABS 2015f). A senior secondary certificate of education (known under different names in different states and territories) is awarded to students who have successfully completed senior secondary schooling (Years 11 and 12), and in 2014, most 20–24 year olds had completed Year 12 (77%), an increase from 74% in 2005 (ABS 2014d). (See Chapter 4 'Pathways through education and training' and 'School retention and completion' for further information.)

In addition to mandatory participation requirements, the Compact with Young Australians introduced an entitlement to a government-subsidised education or training place for young people aged 15–24 and strengthened conditions for income support payments. An evaluation found it likely that the Compact has had an impact on increasing school participation, progression and attainment among 15–19 year olds, in addition to the increases in participation driven by the effects of the GFC (Dandolo Partners 2014).

Following secondary school (either the completion of Year 10 or 12), the vast majority of young people will either undertake tertiary education, commence an apprenticeship or traineeship (although some may commence a school-based apprenticeship or traineeship while still at school), go straight into the workforce, or undertake a combination of these activities. Around 29% of young people aged 15–24 combined study and work in 2014 (AIHW analysis of ABS 2015b). A small, but increasing, proportion take a 'gap year' (Box 4.6.1).

Young people who participate in tertiary education in order to obtain post-school (also known as non-school) qualifications will do so through either higher education or VET institutions. Higher education is generally delivered in a university-setting, leading to a Bachelor, Masters or Doctoral degree. Vocational education and training focuses on delivering skills and knowledge for a specific industry, leading to Certificate and Diploma qualifications, and is delivered through Technical and Further Education institutions and Registered Training Organisations.

In 2014, 42% of 20–24 year olds were enrolled in study towards a post-school qualification, and 46% had attained a post-school qualification. For 15–19 year olds the proportions were lower, reflecting the high proportion of 15–17 year olds still in school. For 15–24 year olds, the proportion enrolled in or who had attained a post school qualification was higher for females compared with males—37% compared with 33% for enrolment, and 32% compared with 26% for attainment. Participation in post-school education has been increasing and appears to be influenced by the state of the economy and resulting labour market conditions—following the GFC, participation of 17–24 year olds in post-school education increased noticeably compared with earlier years, from 19.0% in 2009 to 21.4% in 2012 (compared with rates of 18.3% to 18.5% between 2002 and 2008) (Kemp & Norton 2014). The trend may also be influenced by government policy, such as the move to a demand-driven funding system in 2012, which removed caps on bachelor degree places at public universities to increase participation (Kemp & Norton 2014). (See Chapter 4 ‘Tertiary education’ for further information.)

Smaller proportions of young Australians commence apprenticeships and traineeships, a type of vocational education and training. In 2013, 7.1% of 15–24 year olds were undertaking an apprenticeship or traineeship (Table 4.6.2; see also Chapter 4 ‘Apprenticeships and traineeships’). Apprenticeships and traineeships are sensitive to movements in the economy (McDowell et al. 2011). The proportion of youth undertaking apprenticeships or traineeships decreased slightly in 2009 during the economic downturn and further in 2012 and 2013, coinciding with the removal of Commonwealth incentive payments for the commencement and completion of apprenticeships and traineeships not on the National Skills Needs List (NCVER 2015a). However, early estimates from the December 2014 quarter show an increase in apprenticeship and traineeship commencements at the national level, suggesting an end to recent declines (NCVER 2015a).

Education-to-work transition

The transition from education-to-work is taking longer, and is strongly influenced by broader economic factors—the average age of transition from education to full-time employment increased markedly from 21.8 years to 23.4 years between 2008 and 2013 (NCVER: Stanwick et al. 2014).

Both higher education and VET graduates are having greater difficulty finding employment. Among higher education graduates aged 19–24, there was a marked drop of 10 percentage points among those who are employed full-time (among those who were available for full-time employment), between 2008 (84%) and 2012 (74%). For VET graduates aged 20–24 with at least Certificate III, those employed after training (who were not employed before training) decreased from 66% to 54% between 2008 and 2013 (NCVER: Stanwick et al. 2014).

Some young people are not participating in education, employment or training at all (commonly referred to as the ‘NEET’ group), and this proportion of young people can be viewed as an indicator of the smoothness of transition from education to work (NCVER: Stanwick et al. 2014). In 2014, 10% (312,900) of 15–24 year olds were NEET (Table 4.6.2; see also Chapter 4 ‘Opposite ends of the spectrum—participation of young people in education and work’).

Table 4.6.2: Key statistics on youth participation in education and training

Education and training participation		Per cent (year)		Trend
Education and training participation	<i>Participation in education and training</i>			
	15–19 year olds	75.5 (2005)	82.0 (2014)	✓
	20–24 year olds	37.9 (2005)	42.5 (2014)	✓
School retention	<i>Year 7/8 to Year 12 apparent retention rate</i>	72.3 (2000)	83.6 (2014)	✓
School completion	<i>Completion of Year 12 (20–24 year olds)</i>	73.5 (2005)	76.9 (2014)	✓
Post-school qualifications	<i>Enrolment in study towards a post-school qualification</i>			
	15–19 year olds	25.2 (2005)	26.6 (2014)	~
	20–24 year olds	37.6 (2005)	42.2 (2014)	✓
	15–24 year olds	31.5 (2005)	34.8 (2014)	✓
	<i>Attainment of a non-school qualification</i>			
	15–19 year olds	7.6 (2005)	10.0 (2014)	✓
	20–24 year olds	44.8 (2005)	45.9 (2014)	~
	15–24 year olds	26.6 (2005)	29.0 (2014)	✓
Apprentices and trainees	<i>Participation in apprenticeships or traineeships</i>			
	15–19 year olds	9.1 (2004)	7.4 (2013)	✘
	20–24 year olds	7.4 (2004)	6.8 (2013)	~
	15–24 year olds	8.3 (2004)	7.1 (2013)	✘
Fully engaged	<i>Fully engaged in education and/or employment</i>			
	15–19 year olds	85.7 (2005)	87.2 (2014)	✓
	20–24 year olds	78.0 (2005)	74.1 (2014)	✘
	15–24 year olds	81.8 (2005)	80.3 (2014)	~
Combining work and study	<i>Combining full- or part-time education and employment</i>			
	15–19 year olds	35.3 (2005)	32.7 (2014)	✘
	20–24 year olds	25.7 (2005)	25.4 (2014)	~
	15–24 year olds	30.4 (2005)	28.8 (2014)	~
Non-participation	<i>Not in education, employment or training (NEET)</i>			
	15–19 year olds	7.7 (2005)	7.1 (2014)	~
	20–24 year olds	12.0 (2005)	12.9 (2014)	~
	15–24 year olds	9.9 (2005)	10.2 (2014)	~

Key: ✓ = favourable trend; ✘ = unfavourable trend; ~ = no change or clear trend.

Sources: ABS 2014d, 2015b, 2015f; AIHW analysis of NCVET 2015b.

Box 4.6.1: The ‘gap year’

In Australia, a gap year is generally understood as a time, usually a year, in which young people take a break between the completion of school and further study, and typically undertake activities such as work, travel or volunteering. A gap year usually occurs at transition points, most commonly between Year 12 and post-school education or employment, but also between the attainment of post-school qualifications and career commencement. While some young people plan to take a gap year before commencing further study, others may inadvertently take a gap year before deciding to undertake further study a year or two after leaving school.

The gap year is a little-researched phenomenon both in Australia and overseas (Birch & Miller 2007; Curtis et al. 2012). Research from the Longitudinal Surveys of Australian Youth (LSAY) has indicated that the incidence of ‘gap-taking’ following school completion has increased across the three cohorts in the study, from 10% among the Y95 cohort (aged 15 in 1995) to 16% among the Y98 and Y03 cohorts (aged 15 in 1998 and 2003, respectively)—although the incidence among the Y03 cohort is expected to increase over time as more data become available.

It is therefore increasingly important to understand the effects of taking a gap year on education and labour market outcomes for youth, and consequently their transition to independence.

What are the effects of taking a gap year?

Gap-takers progress less quickly in the transition from study to work compared with those who do not take a gap year. Based on a sample of around 2,100 youths in the Y98 LSAY cohort, at age 23, gap-takers were less likely to be fully engaged in study and/or work (79% compared with 86%), to be employed full-time (53% compared with 65%) or to be employed in more professional occupations (30% compared with 46%). Consequently, they were more likely to have a lower income than those who did not take a gap year (Curtis et al. 2012).

These outcomes are as measured at age 23, and it is unknown whether these differences in education and labour market outcomes at this age translate into differences in outcomes in the long term.

Employment and labour force participation

Employment is a cornerstone of the transition to independence, and provides income to support an independent lifestyle outside of the parental home. Changes in youth labour force trends in recent decades, and particularly following the GFC, have implications for the ability of young people to successfully make the transition from study to work, and to have a stable income to support themselves independently. It is well established that early experiences in the job market have a long-term effect on people’s working lives—young people who cannot find work, or cannot find enough work, go on to have lower incomes and less stable employment in the future, which may further delay the transition to independence (Gregg & Tominey 2004; Kawaguchi & Murao 2014; Mroz & Savage 2006), while some may become welfare dependent.

Employment and unemployment rates are calculated using the labour force population as the denominator, which includes those who are employed and those who are not employed but who are actively seeking employment. This means that students who are participating in full-time education and who are not employed and not actively seeking employment are not considered to be participating in the labour force, and therefore do not appear in the employment and unemployment statistics presented here.

The labour force participation rate of young people aged 15–24 decreased following the GFC, from 71% in 2008 to 67% in 2014 (Table S4.6.1) (AIHW analysis of ABS 2015d). This represents the lowest average annual labour force participation rate for youth aged 15–24 since Australian Bureau of Statistics (ABS) Labour Force Surveys began in 1978.

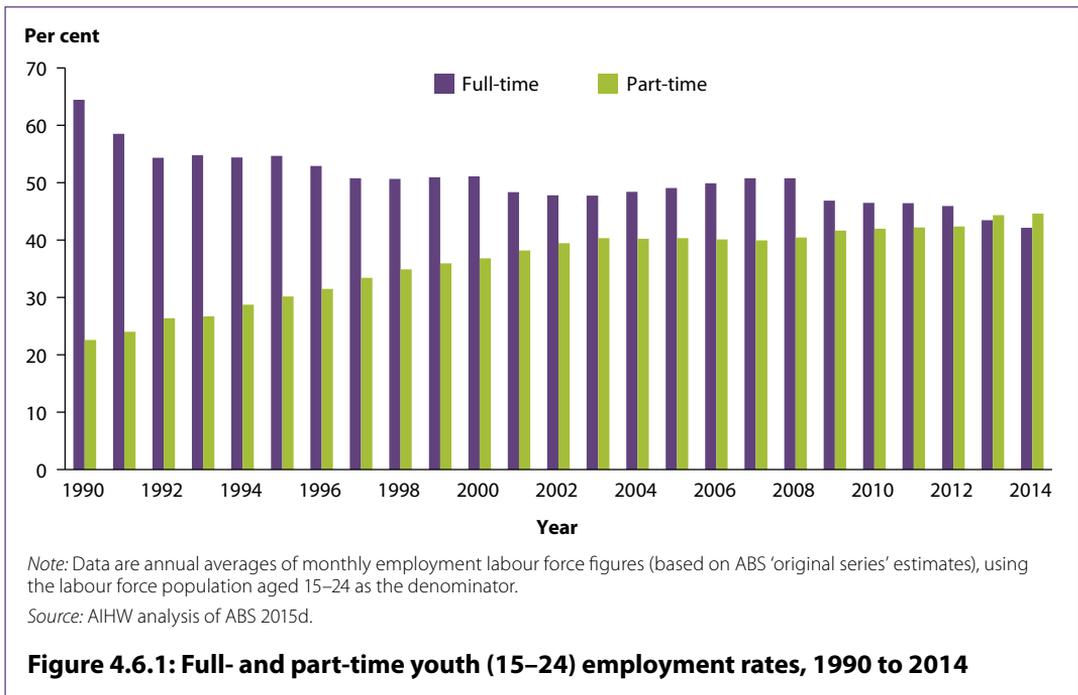
For the first time, in 2013, the youth part-time employment rate (44%) exceeded the youth full-time employment rate (43%), a pattern which continued in 2014 (45% and 42%, respectively). This emerging trend is considerably different to the pattern for youth 25 years earlier when, in 1990, the proportion in full-time employment (64%) was almost three times the proportion in part-time employment (23%) (Figure 4.6.1) (AIHW analysis of ABS 2015d).

These patterns in labour force participation and employment status differ by age and education status. The labour force participation rate was lower among 15–19 year olds (54%) compared with 20–24 year olds (78%) in 2014, due to the younger group's higher rates of participation in full-time education. Of 15–24 year olds in the labour force, young people aged 15–19 were more likely to be in part-time work and full-time education than those aged 20–24 (49% compared with 17%), while 20–24 year olds were more likely to be in full-time work and not in full-time education (52% compared with 18%) (AIHW analysis of ABS 2015d).

These trends in both labour force participation and employment status coincide with increasing Year 12 retention and completion rates and participation in post-school education (Dandolo Partners 2014) (see also Chapter 4 'School retention and completion' and Chapter 4 'Tertiary education'). In summary, the effect of increased participation in education has been a fall in the labour force participation rate due to students not actively seeking or engaging in work while studying, as well as a shift from full-time to part-time employment for those who are engaged in work in order to meet the demands of study.

Not in the labour force

Corresponding with decreases in labour force participation is an increase in the proportion of those not in the labour force (NILF), that is, those who are not working or looking for work. Between 1990 and 2014, the NILF proportion increased from 28% to 33% for young people aged 15–24 (Table S4.6.1). In 2014, the majority of young people who were NILF were attending full-time education (79%). This proportion was higher for 15–19 year olds (91%) compared with 20–24 year olds (56%) (ABS 2015d). Those youths who were NILF and not in full-time education may be studying part time or not engaged in education or training (NEET) at all. See Chapter 4 'Opposite ends of the spectrum—participation of young people in education and work' for more information on NEET youths.



Casual employment

For young people, the key to a successful transition to employment is not just the full-time and part-time dimension, but whether their employment is secure and reliable. Some of the benefits to casual employment include flexibility of working arrangements and a higher rate of pay to compensate for lack of paid leave entitlements. However, casual employment is associated with greater job insecurity, and irregular hours and income from pay period to pay period (Campbell et al. 2009).

In 2013, the proportion of employed youths aged 15–24 who worked on a casual basis (50%) was at least twice as high as for any other age group aged 25 and over (ranged from 12% to 21%) (ABS 2014b). While there has been only a slight increase in the proportion of casual employees overall during the 20 years to 2013 (18% in 1994 to 20% in 2013), the increase among youths (15 to 24) has been steady and marked over this time—from 35% to 50%.

The rate of casual employment was higher among 15–19 year olds (71%) than 20–24 year olds (39%) in 2013, and for both age groups this was a significant increase on 1994 figures (56% and 24%, respectively).

Data from the HILDA survey indicate that just over one-half of 15–19 year olds and one-third of 20–24 year olds not in full-time education were employed on a casual basis in 2012 (NCVER: Stanwick et al. 2014).

Many youths who are employed on a casual basis are therefore undertaking concurrent study. The flexibility of working arrangements means that casual employment is well-suited to provide young people with an income while studying, while at the same time gaining experience in the workforce. However, it may be difficult for some youths to achieve independence in this type of employment as their income may not be stable.

Youth unemployment and underemployment

Young people experience both unemployment and underemployment at a higher rate than the overall working population (aged 15 and over). As labour market entrants, young people lack general and job-specific work experience, and this 'youth experience gap' is a key factor in explaining the differences between youth and adult unemployment rates (Choudhry et al. 2012).

Over time, trends in youth unemployment have broadly followed movements in the unemployment rate of the general working population, although the rates have been higher (Figure 4.6.2). Youth unemployment was 8.8% in 2008 before increasing to 11.5% in 2009 during the GFC, and has since remained between 11.4% and 13.3% through to 2014 (AIHW analysis of ABS 2015d). The increase in the youth unemployment rate has been driven by both an increase in the number of unemployed youths and a decrease in the number of youths in the underlying labour force population (that is, those available for work).

In 2014, the youth unemployment rate (15–24 years) was 13.3%—more than twice the national unemployment rate of 6.1%. Almost 2 in 5 unemployed people (37%) were aged 15–24. The youth unemployment rate was slightly higher for males (14.1%) than females (12.5%) (AIHW analysis of ABS 2015d).

Unemployment rates in 2014 were almost twice as high among 15–19 year olds (18.4%) compared with 20–24 year olds (10.1%). For youths aged 15–24, rates were higher for those attending either school or tertiary education full-time (16.5%) compared with those not in full-time education (11.3%).

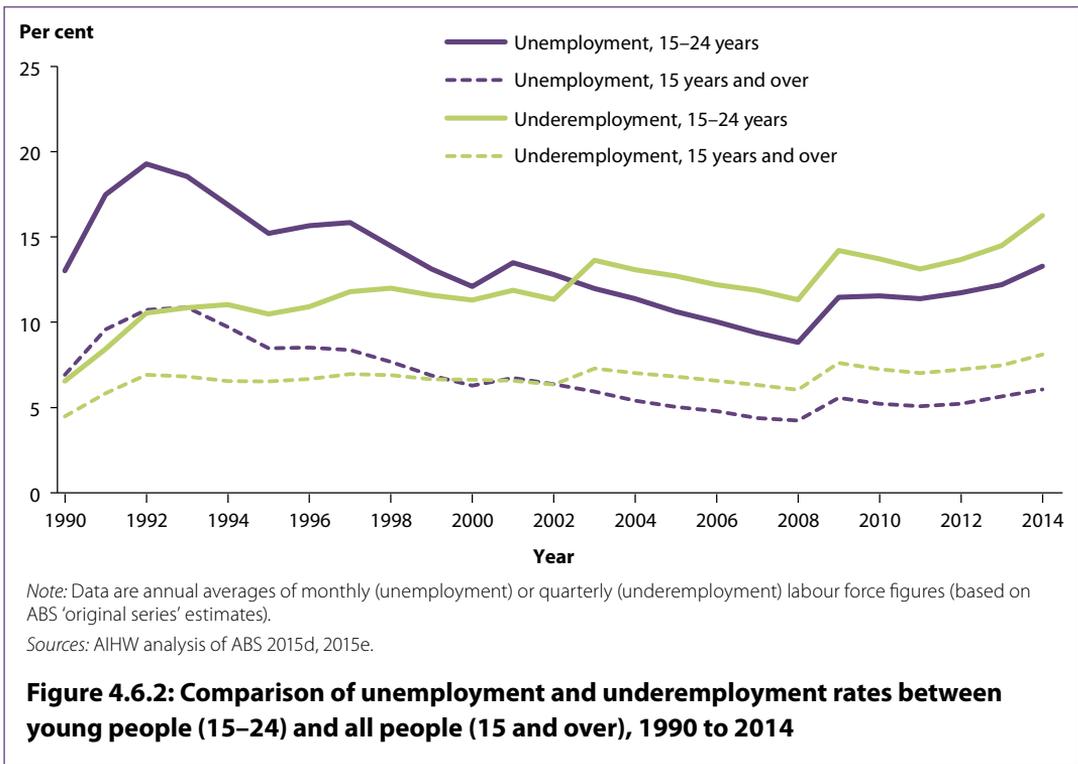
Just over one-half (56%) of unemployed 15–19 year olds were looking for part-time work in 2014, while 74% of unemployed 20–24 year olds were seeking full-time work. This reflects the higher proportion of 15–19 year olds engaged in full-time study and seeking part-time employment. Of all youths aged 15–24 who were unemployed in 2013, around one-third were looking for their first full-time job (36% for those aged 15–19 and 31% for those aged 20–24).

Internationally, in 2013, the youth unemployment rate for 15–24 year olds in Australia was lower than the Organisation for Economic Co-operation and Development (OECD) average (12.2% compared with 16.2%), with Australia ranked 11th out of 34 OECD countries (OECD 2014).

(Unemployed youths may be eligible for income support. See the 'Income' section in this article for further information on government payments and Chapter 2 'Labour force participation in Australia' for more information on unemployment.)

Some young people who are employed are considered to be 'underemployed'—meaning that they would prefer, and are available for, more hours of work than they currently have (see Glossary). The underemployment rate for youth is also comparatively high—in 2014, the underemployment rate among 15–24 year olds was 16.3%, twice the rate for all ages (8.1%). Young people represented around one-third (34%) of all underemployed workers in 2014, with the proportion fluctuating between 32% and 36% between 1990 and 2014. Young females were more likely to be underemployed than young males (18.5% compared with 14.1%)—the opposite pattern to unemployment.

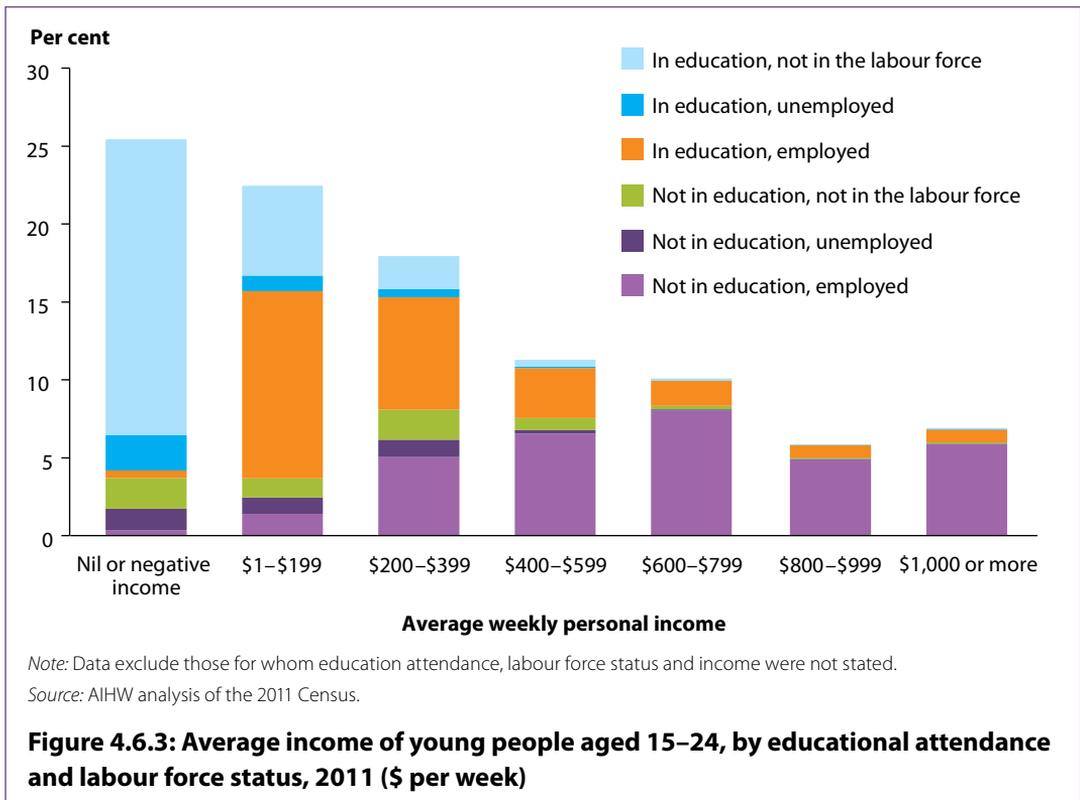
During the GFC, the youth underemployment rate increased from 11.3% in 2008 to 14.2% in 2009, and in recent years appears to be trending upward again (Figure 4.6.2). A similar pattern was observed for all ages—the rate increased from 6.0% to 7.6% between 2008 and 2009, and remained above 7% through to 2013 with a slight increase to 8.1% in 2014 (AIHW analysis of ABS 2015e).



Income

A young person's income is a significant determinant of the level of independence that they can support and maintain. An almost linear relationship exists between age and income between the ages of 15 and 24, reflecting the transition from education to employment. According to the 2011 Census, 40% of 15–19 year olds had a negative or nil weekly income and 34% had a weekly income of \$1 to \$199. This reflects the large proportion of this age group who are studying full-time and living in the parental home and/or who are in part-time employment. For 20–24 year olds, income was more evenly distributed across the income groups with one-third (33%) having a weekly income of between \$400 and \$799.

Examining youth income by educational attendance and labour force status (rather than age alone) shows the influence of these two factors. In 2011, youths with nil or negative income were most likely to be in education and not in the labour force (19% of youth aged 15–24) (Figure 4.6.3). Youths in the lowest income brackets (\$1 to \$199 and \$200 to \$399 per week) were most likely to be both in education and employed (19%), 80% of whom were in full-time education and part-time employment. The higher income brackets (\$400 and over) were dominated by youths who were employed and not in education (25% of youths), 79% of whom were in full-time employment (AIHW analysis of the 2011 Census).



The average weekly income of young people fell in real terms for 15–19 year olds between 2006 and 2011 (from \$157 to \$146), but remained the same for 20–24 year olds (\$535 in 2006 and 2011) (data provided by ABS from the 2006 and 2011 Censuses). Given the strong influence of education and employment status on income, recent rises in education participation and part-time employment rates, and a corresponding fall in full-time employment rates (discussed earlier in this article), may have contributed to the fall in income for 15–19 year olds.

(For further information on the income of young people based on the 2011 Census, including differences between demographic groups, refer to AIHW 2013.)

Government financial support

Government payments are available for young people who are studying, undertaking an apprenticeship or who are unemployed. The most common payments received by young Australians are Youth Allowance (16–24 year olds) and Newstart Allowance (22–24 year olds).

Findings from the Longitudinal Surveys of Australian Youth identified that income support through government payments is of potential benefit in supporting successful youth transitions (Liu & Nguyen 2011). Youth Allowance, for example, has been found to substantially improve course completion rates among students (Ryan 2013).

In June 2014:

- 12% of young people aged 16–24 (320,200) were receiving Youth Allowance. Of these, 72% were receiving the student and apprentice Youth Allowance, while the remainder received ‘other’ Youth Allowance.
- 7% of young people aged 22–24 (72,800) were receiving Newstart Allowance (ABS 2014a; DSS 2015).

For further information on available payments and eligibility criteria, refer to the Department of Human Services website at www.humanservices.gov.au.

What is missing from the picture?

Regular point-in-time data are available on key milestones in the transition to independence as discussed in this article. However, the information from these multiple data sources cannot be drawn together to provide an overall picture of the often complex pathways that young people follow to navigate these milestones over time, and whether things are getting better or worse. This highlights the value of longitudinal data sources such as the Longitudinal Surveys of Australian Youth, which collect a range of information from the same individuals at regular time intervals.

Where do I go for more information?

For additional information on employment, unemployment and underemployment, see Chapter 2 ‘Labour force participation in Australia’.

For information specifically on youth participation and non-participation in education and employment, see Chapter 4 ‘Opposite ends of the spectrum—participation of young people in education and work’.

For information on the welfare of our working-age population, see Chapter 5.

More information on a broad range of factors affecting youth is available at www.aihw.gov.au/youth-health-and-wellbeing.

For more information from the Longitudinal Surveys of Australian Youth (LSAY), refer to www.lsay.edu.au. LSAY research and publications are available for free download.

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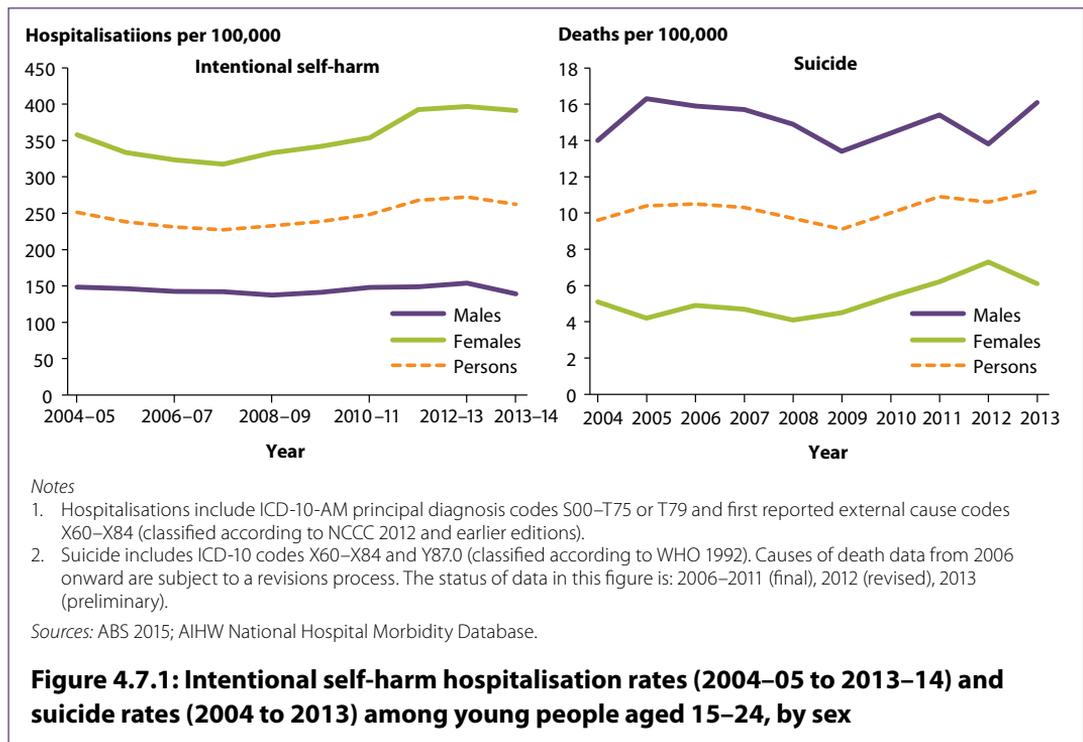
4.7 How are young Australians coping?

Adolescence and young adulthood is a significant transition period in a person’s life—finishing school, undertaking further education, entering the workforce, moving out of the family home, forming relationships and starting a family (see Chapter 4 ‘Transitions to independence’). The majority of the estimated 3.1 million young people aged 15–24 in Australia (at June 2014) cope well with these transitions and are able to successfully negotiate these milestones without significant difficulty. However, a minority do not cope as well and may experience mental and behavioural or substance use disorders and/or may require some additional support.

This snapshot presents key statistics around mental, behavioural and substance use disorders among youth, as well as some of the services that young people may interact with for support.

Mental and behavioural disorders

- In 2007, around 1 in 4 (26%) young people aged 16-24 experienced a mental disorder, with the most common disorders being anxiety disorders (15%) and substance use disorders (13%) (ABS 2008).
- Hospitalisations for intentional self-harm among young people aged 15–24 increased only slightly overall in the 10 years to 2013–14, by 4% to 262 per 100,000 (8,500 hospitalisations). However, the rate for females increased by 9% during this time while the male rate decreased by 6%. In 2013–14, the female rate was almost 3 times that of males (391 to 139 per 100,000).
- The rate of suicide among 15–24 year olds fluctuated between 2004 and 2013; however, overall there was a small increase from 9.6 deaths per 100,000 in 2004 to 11.2 in 2013. Unlike the pattern for intentional self-harm, young males had a higher rate of death from suicide than young females in 2013 (16.1 compared with 6.1 deaths per 100,000) (Figure 4.7.1).



Substance use

- Around 1 in 5 young people (21%) aged 18–24 years drank alcohol at risky levels for lifetime harm in 2013; however, this was less than the 2007 rate of 30%. Males (28%) were more likely to drink at risky levels than females (15%).
- Young people aged 18–24 were the most likely age group in 2013 to be at very high risk of alcohol-related harm (consumption of 11 or more standard drinks on an occasion), at least monthly (18%) and at least yearly (33%) (AIHW 2014b).
- The proportion of 18–24 year olds who smoked tobacco daily or occasionally decreased between 2001 and 2013 (from 24% to 13% for daily smokers and 8% to 5% for occasional smokers). There was a significant rise over this time in the proportion of young people who have never smoked, from 58% to 77% (AIHW 2014b).
- Between 2001 and 2013 rates of recent illicit drug use fell for youth aged 18–24 from 37% to 29%. Use was higher among young males compared with young females in 2013 (32% compared with 25%), and rates among youth were around twice as high as the population aged 25 and over (13%).

Service use

- In 2013–14, there were around 46,500 hospitalisations of young people aged 15–24 for mental and behavioural disorders, a rate of 1,493 per 100,000 population—similar to the rate in 2004–05. Young females were almost twice as likely to be hospitalised for mental and behavioural disorders as young males in 2013–14.
- Young people are high users of community mental health care services. Around 18% of all service contacts were youths aged 15–24 in 2012–13 (1.1 million service contacts). This is a rate of 487 contacts per 1,000 young people compared with 371 per 1,000 for the total population (AIHW 2014a).
- Youth represented 26% of all clients who accessed specialist homelessness services (SHS) with a current mental health issue in 2012–13 (11,900 clients aged 15–24), and 18–24 year olds had the highest rate of SHS agency use (414 per 100,000 population compared with 207 per 100,000 overall) (AIHW 2014a). See Chapter 4 'Vulnerable young people' for more information on homelessness among youth.

What is missing from the picture?

The most recent National Survey of Mental Health and Wellbeing, conducted in 2007 for people aged 16 to 85, has been reported in detail in previous AIHW reports, such as [Australia's health 2014](#). Results are therefore not repeated here.

Young Minds Matter is a child and adolescent survey for 4 to 17 year olds conducted in 2013. With results due for release in 2015, this survey will provide the latest information on the mental health of children and adolescents; the last survey of this kind was undertaken in 1998.

Where do I go for more information?

More information on the topics in this snapshot is available at

www.aihw.gov.au/youth-health-and-wellbeing and www.aihw.gov.au/mental-health.

The *2013 National Drug Strategy Household Survey* data are also available from the AIHW website.

Further information on mental and behavioural disorders, intentional self-harm, suicide and health more generally is available from *Australia's health 2014*.

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4.8 Vulnerable young people (aged 15–24)

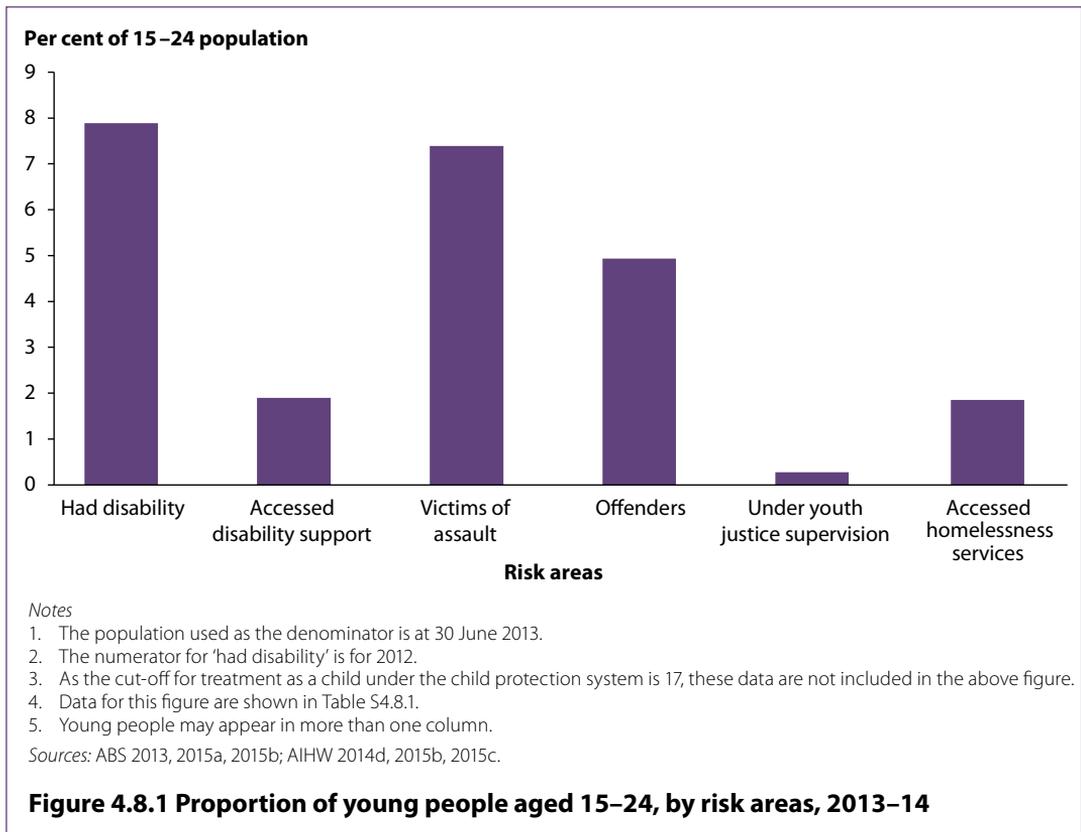
For the purposes of this article, vulnerable young people are defined as those who are at risk of harm, have been harmed, or have limited social, educational or economic opportunities. While there are many factors associated with vulnerability, this article examines young people aged 15–24 who are: homeless or at risk of homelessness; in the criminal justice system; victims of violence, abuse or neglect; or living with disability.

Vulnerabilities may emerge for many young people while aged 15–24, as it is a time of rapid physical, sexual, social and emotional change. During this time of change, young people may display an increased level of risk-taking behaviour (Casey et al. 2008; Steinberg 2007) including the misuse of alcohol and other drugs (see Chapter 4 'How are young Australians coping?'). Further, according to the National Survey of Mental Health and Wellbeing, more than 1 in 4 young people aged 16–24 experience a 12-month mental disorder (ABS 2008). For more information on the health and mental wellbeing of young people, see [Australia's health 2014](#), Chapter 6 'Youth health: the prime of life?' (AIHW 2014a).

Given the complex nature of disadvantage, vulnerable young people may be in need of multiple welfare and health services, and be supported by policy settings that maximise participation in school and employment (for information about young people's engagement with education and employment, see Chapter 4 'Opposite ends of the spectrum'). To this end, all levels of government, as well as non-government organisations, offer a range of programs and services for young people, including those that aim to intervene early to prevent unnecessary or extended reliance on welfare, and improve outcomes for young people. Ensuring the income support system effectively supports young people's economic participation and engagement was a key focus of the Australian Government's recent Review of Australia's Welfare System (final report [A new system for better employment and social outcomes](#) released 25 February 2015).

What do we know?

In 2014, there were 3.1 million young people aged 15–24 in Australia, with males slightly outnumbering females (1.6 million compared with 1.5 million) (ABS 2014a). Of these young people, some are vulnerable to harm and face limited social, educational or economic opportunities. Some key groups of young people recognised as being vulnerable are those who are: homeless or at risk of homelessness; in the criminal justice system; victims of violence, child abuse or neglect; or living with disability (Purcal et al. 2012; Smith & Ecob 2007; Sullivan & Knutson 2000; Topitzes et al. 2011). The proportion of young people aged 15–24 in the population experiencing these areas of disadvantage ranges from 0.3% under youth justice, to 8% with disability (Figure 4.8.1). Additionally, some of these young people may experience multiple types of disadvantage, and experience multiple health and welfare sector involvement. These young people may be particularly vulnerable. This article examines a range of issues in relation to these specific groups.



Evidence suggests that experiencing one of these risks increases the likelihood of involvement with another, highlighting the varied and complex nature of vulnerability. For example, a linkage study of young people in the child protection, youth justice and homelessness systems showed that young people involved in one of these sectors were more likely to experience involvement in each of the other sectors than the general population (AIHW 2012). (For more information on data linkage see Box 4.8.1.) Further, young people with disability may be vulnerable to abuse and neglect, and are more likely than the general population to require child protection services (Sullivan & Knutson 2000). It is also widely recognised that people with acquired brain injuries, cognitive impairments and learning disabilities are over-represented in the criminal justice system (Cowardin 1998; Dowse et al. 2011), and that there are links between involvement in the criminal justice system, maltreatment, and crime victimisation (Topitzes et al. 2011).

Box 4.8.1: Investigating pathways using data linkage

Children and young people may come into contact with a range of welfare services throughout their childhood and early adolescence. As such, it is important to know the relationships between use of various welfare services, and between educational outcomes and use of welfare services. This can help to gauge the effect of welfare-related events during these developmental stages and assist in developing effective interventions. By using data linkage, different pathways can be analysed and critical points for intervention determined. Data linkage is a powerful tool for identifying multiple occurrences of individuals within a data set and for linking information across data sets (see Box 1.1.3, 'Data linkage—expanding the information base').

A range of data collections contain information on young people's use of welfare services, as well as their educational attainment in schools. These collections include the Juvenile Justice National Minimum Data Set (NMDS), the Child Protection NMDS, the Specialist Homelessness Services Collection, the Child Care Management System, the Australian Early Development Census and the National Assessment Program. However, currently there is not a common unique person identifier across these collections that would easily allow person-level analysis of the interactions of the various services and sectors. Despite these difficulties, data linkage methods have been—and are currently being—used to link data sets from both the welfare and education sectors related to child development:

- In 2011, the AIHW published results on the academic performance of children on guardianship/custody orders from 2003 to 2006. The analysis data set was obtained by linking data on children on orders with education department-based school reading and numeracy testing results. This pilot project involved interdepartmental linkage of administrative data across multiple jurisdictions. The study found that a considerable proportion of children on guardianship/custody orders were not meeting national benchmarks for reading and numeracy (AIHW 2011).
- In 2014, the AIHW linked data from the Child Protection NMDS and NAPLAN testing to analyse the educational outcomes of children on protection orders (results are scheduled to be published late in 2015).
- In 2012, the AIHW completed linkage and analysis of data obtained from data collections on the use of services for homelessness, youth justice supervision, and child protection notifications and substantiations in Victoria and Tasmania. Results showed that young people with a child protection history entered juvenile justice supervision at a younger age, and that young people (particularly young women) completing a detention sentence were at greater risk of homelessness (AIHW 2012).
- In 2014, the AIHW started linking data from the Child Care Management System and the Australian Early Development Census for the purposes of research by the Australian Government Department of Education into the relationship between types of early childhood education and care experiences, and children's school readiness. This project is ongoing.
- The AIHW is developing a linked data collection to report on the relationships between child protection and youth justice. Outcomes of this work are scheduled to be published in late 2015.

Disability

Some young people living with disability may be vulnerable and have a decreased opportunity to participate in education and employment. Additionally, evidence suggests that some young people with disability may be at an increased risk of abuse and neglect, particularly if they are from families who experience high levels of social and economic stress (Weatherburn et al. 2007). Therefore, providing targeted support for young people with disability who are vulnerable, or who have unmet needs, may be a critical factor in improving outcomes.

Disability support

Young people with disability aged 16 and over may be eligible to receive a range of income support payments, including the Disability Support Pension and/or the Mobility Allowance. Those who are under 21 may also be eligible for the Youth Disability Supplement (DHS 2015). This population may require assistance for much of their lives with activities of daily living, access to work and education, and independent living.

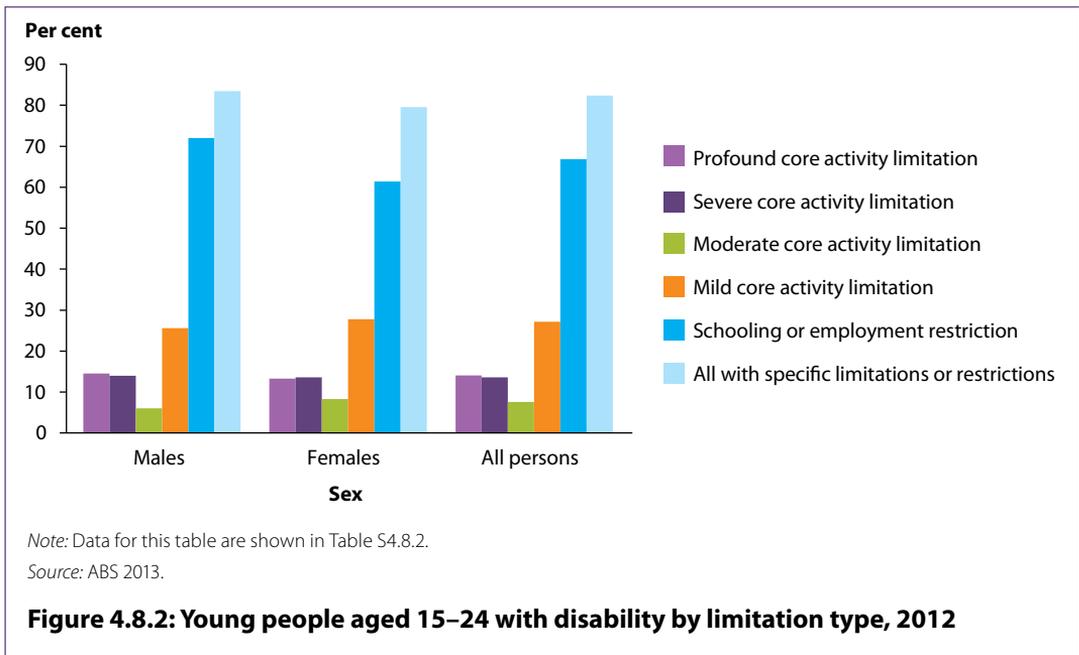
In addition to payments, young people with disability may access a range of disability support services. Since 2009, these services have been funded under the National Disability Agreement (NDA) between the Australian Government and the state and territory governments (DSS 2014). In 2013, this model was complemented by the introduction of the National Disability Insurance Scheme (NDIS) in selected trial sites.

The NDIS aims to allow those with disability to choose supports that are considered 'reasonable and necessary' to help them to reach their goals, objectives and aspirations in a range of areas, which may include education, employment, social participation, independence, living arrangements, and health and wellbeing (NDIS 2014).

As the NDIS is being rolled out in phases, there will be a crossover period where disability support services in Australia may be provided under either the NDIS, or the NDA (for information on the disability sector, see Box 1.1.2 'The changing face of the disability sector').

How many young people in Australia have disability?

In 2012, an estimated 245,000 young people aged 15–24 had some form of disability, which equates to around 8%, or 1 in 13 of the 15–24 population (ABS 2013). Around 8 in 10 of these young people reported having a specific limitation or restriction; most reported having a schooling or employment restriction (67%), and around 1 in 3 (28%) reported having a profound or severe core activity limitation (Figure 4.8.2). When asked about needing assistance with core activities, 17% of those with disability reported that they received assistance, and felt their need for assistance was met; 7% reported that they received assistance but required more; and 3% reported that they needed assistance, but did not get it. The most common disability groups reported for this age group were intellectual (42%), physical restriction (41%) and psychological (30%).



How many accessed disability support services?

Around one-quarter (24%) of the estimated number of young people with disability accessed disability support services: 59,000 young people (15–24) received disability support services funded under the NDA in 2013–14 (ABS 2013; AIHW 2015b). One-half of these young people accessed disability employment services (50%), and just over one-third (37%) accessed community support services (tables S4.8.3 and S4.8.4). The majority of young people who received disability support services reported a pension as their primary source of income—the most common was the Disability Support Pension (44%), followed by ‘Other pension or benefit’ (17%). Paid employment was the main source of income for just 3% of disability support service users in this age group; however, 12% reported being employed (Table S4.8.5).

Of those who received disability support services, 64% were male and 7% were Indigenous. Almost all young people (90%) accessing disability support services were born in Australia. The primary disability group reported by service users in this age group was Intellectual (37%), followed by Autism (18%) and Psychiatric (14%). The majority of service users (67%) reported they lived with family.

As at December 2014, 55,347 young people aged 16–24 were receiving a Disability Support Pension (DSS 2015a).

Child protection

Children and young people who have been, or are at risk of, abuse and neglect may have multiple and complex needs—and the effects of abuse can have a lasting impact on the child, including throughout adulthood. Additionally, evidence suggests that many of these young people may be particularly disadvantaged, living in areas of high social and economic stress (Weatherburn et al. 1997). These young people are also more likely than the general population to come into contact with the criminal justice system (Dennison et al. 2006; Topitzes et al. 2011; Weatherburn et al. 1997), and experience homelessness (Johnson & Chamberlain 2008). As mentioned earlier, the AIHW linkage study between youth justice, homelessness and child protection services also provided evidence of these connections (AIHW 2012).

Child protection system

In Australia, statutory child protection is the responsibility of state and territory governments. Each department responsible for child protection provides assistance to children who have been, or who are at risk of being, abused, neglected or otherwise harmed, or whose parents are unable to provide adequate care or protection (AIHW 2015a). The child protection system covers those who are aged 0–17; young people aged 15–17 are therefore the oldest age group under the child protection system, and require additional support prior to exiting the system.

Supporting young people leaving care is outlined as a priority under the National Framework for Protecting Australia's Children 2009–2020, in response to the known financial and social costs of poor outcomes experienced by that group (FaHCSIA 2010). Key actions under the National Framework are to create a nationally consistent approach to leaving care; to this end, reforms to the Transition to Independent Living Allowance (TILA) were introduced on 1 January 2014. The TILA is a one-off payment aimed at contributing to the costs of moving to independent living (DSS 2015b). During 2013–14, 1,434 young people aged 15–24 received the TILA, down on the 2,566 young people receiving it in 2012–13 (DSS 2014 unpublished data). This fall in the number of TILA payments arose as a result of the January 2014 reforms, which involved a transfer of administration to states and territories to ensure better targeting and greater reach of the payment. Initially, however, this resulted in a decrease in applications as jurisdictions established their own internal processes. The Department of Social Services is currently working with the states and territories to ensure that retrospective payments are made to people who were unable to claim during this time (DSS 2014 unpublished).

Although leaving-care plans differ in each state and territory, they generally include support for young people who need or want assistance with: staying in or returning to study; applying for jobs; finding accommodation; re-connecting with family; financial supports; and maintaining independence if the young person has already left state care.

Supporting those who are discharged from the child protection system is crucial in reducing the risk of further disadvantage, as evidence shows that these young people are at increased risk of entering the criminal justice system, or homelessness, when compared with the general population (AIHW 2012).

How many young people aged 15–17 are involved in the child protection system?

Nationally, in 2013–14, there were 16,186 children aged 15–17 who received some form of child protection service, which equates to 18.7 young people per 1,000 in the population (AIHW 2015a). Of those, 3,065 (or 3.5 per 1,000) were subjects of substantiated abuse or neglect. There were 789 young people aged 15–17 admitted to care and protection orders during the year, bringing the total number of young people in this age group on a care and protection order to 7,007 at 30 June 2014. In addition, within this age group, 6,301 were living in out-of-home-care at 30 June 2014 (Figure 4.8.3). (For more information see Chapter 3 'Child protection in Australia')



Indigenous young people are over-represented in the child protection system. In 2014, 5% of young people aged 15–17 were Indigenous; however, Indigenous young people made up 23% of those in child protection services (Table S4.8.6a). Indigenous young people were therefore 6 times as likely as non-Indigenous young people to be under the child protection system (rate of 81 per 1,000 compared with 14 per 1,000).

Of the 7,007 young people aged 15–17 on care and protection orders at 30 June 2013, the majority were in home-based out-of-home-care (62% or 4,314). Of all the age groups on care and protection orders, those aged 15–17 were the most likely to be living independently (97% of all children on care and protection orders).

As would be expected, due to the upper age limit of 18 for treatment as a child under the child protection system, those aged 15–17 were also the most likely to be discharged from out of home care—making up one-third of all young people discharged during the year (37% or 3,124 young people).

Victims of violence

Violence can occur in many forms, and may be inflicted by a family member, domestic partner, an acquaintance, or a stranger. Violence can have a variety of short- and long-term physical and psychological effects. For example, young people who are victims of violence are at an increased risk of acquiring an injury, disability or mental health disorder compared with those who do not experience violence. Additionally, research suggests that people who are victims are more likely than non-victims to report decreased occupational functioning and disruptions to social functioning (Hanson et al. 2010).

Victims of violence are also more likely than the general population to engage in delinquent behaviour and are therefore at greater risk of entering the criminal justice system, which can further limit social and economic opportunities (Topitzes et al. 2011). Interestingly, evidence also suggests that young people who are involved in the criminal justice system are also more likely to already be, or become, victims of crime when compared with the general population (Lauritsen et al. 1991; Smith & Ecob 2007).

Support for victims of violence

In each state and territory there is a range of services aimed at supporting people who are victims of violence—these include counselling, court and legal support, financial assistance and crisis accommodation. At a national level, the Australian Government provides financial support specifically for victims of family and domestic violence.

In 2013–14, specialist homelessness services provided assistance to 16,674 people aged 15–24 who were experiencing domestic and family violence. Of these, the majority (80%) were female (Table S4.8.7).

How many young people are victims of violence?

The Australian Bureau of Statistics (ABS) estimates that in 2013–14 around 5% of the Australian population were victims of assault (physical assault and threatened assault). However, the victimisation rate was highest for the younger age groups, with 7% of young people aged 15–24 estimated to be victims of assault in 2013–14. The most common type of assault for this age group was physical assault, followed by face-to-face threatened assault. Of those who were victims of assault, nearly 6 in 10 (59%) reported that they were victims of more than one incident. Further, around 6 in 10 victims of physical assault aged 18–24 believed that alcohol or other substances contributed to their most recent incident of assault (ABS 2015a), highlighting the need for health and welfare services to target substance and alcohol issues.

Criminal justice

Young people involved with the criminal justice system may be particularly vulnerable, as evidenced by their involvement in multiple health and welfare areas. These young people are more likely than the general population to have experienced homelessness, come under the child protection system (AIHW 2012) and have a high prevalence of intellectual disabilities, learning disorders and mental health issues (Dowse et al. 2011; AIHW 2013). People in the justice system also have a high prevalence of health issues, including asthma and hepatitis (AIHW 2013). Further, involvement with the criminal justice system at earlier ages is linked to continued and more serious involvement later in life (AIHW 2013). This highlights the need for an evidence-based early intervention model.

One possible early intervention model is known as the 'justice reinvestment' model, which aims to provide services within the community to support individuals, with the aim of reducing criminal behaviour and re-offending. A Senate inquiry into the value of justice reinvestment recommended that the Commonwealth Government takes a leading role in providing an evidence base for justice reinvestment, and supporting the implementation of justice reinvestment programs in Australia (Senate 2013).

Young people and the justice system

Young people aged 15–24 who commit or allegedly commit a crime may be dealt with under either the youth or adult criminal justice systems. The upper age limit for treatment under the youth justice system is 17 in all states and territories except Queensland, where the age limit is 16. However, some young people aged 18 and over may be supervised under the youth justice system due to their vulnerability or immaturity, or due to the 'dual track' system operating in Victoria—for further information on the youth justice system, see the AIHW report *Youth justice in Australia 2013–14* (AIHW 2015c). Nevertheless, the majority of those aged 18 and over who are sentenced to supervision are supervised by the adult criminal justice system.

How many young people are involved in the criminal justice system?

Of the total offending population, the number and rate of offending is highest for those aged 15–24. In 2013–14, there were 153,000 young offenders—or 506 per 10,000 young people aged 15–19, and 479 per 10,000 aged 20–24 (ABS 2015b). Following this peak, the rate of offending falls steadily with increasing age (340 per 10,000 for those aged 25–29, 288 per 10,000 for those aged 30–34, decreasing to 14 per 10,000 for those aged 65 and over). The higher rates of offending for the younger population illustrates the need for programs targeting young people who are at risk of offending.

How many young people under justice supervision?

The AIHW collects data on all young people under youth justice supervision. While the majority of those under youth justice supervision are aged under 18, young people over 18 may be supervised due to their immaturity or vulnerability. (For information, see Chapter 3 'Young people aged 10–14 under youth justice supervision'.)

During 2013–14, there were 8,027 young people aged 15–24 under youth justice supervision (excluding Western Australia and Northern Territory), with 6,364 or 79% of these being 15–17. Of all people aged 15–24 under supervision, 7,176 experienced community-based supervision, and 3,119 experienced detention (around 28% of young people experienced both types of youth justice supervision during the year) (Table 4.8.1, Table S4.8.8).

Although 51% of young people aged 15–24 in the population are male, males made up 82% of those aged 15–24 under youth justice supervision during the year.

Indigenous young people were also over-represented in the youth justice system. Despite making up only 4% of those aged 15–24 in the population, Indigenous young people made up 31% of those aged 15–24 under youth justice supervision in 2013–14 (Table S4.8.9).

Young people aged between 18 and 24 who are dealt with under the adult criminal justice system and sentenced to detention are usually sentenced to an adult prison. At 30 June 2014, there were 5,985 people aged under 25 in an adult prison (ABS 2014b). The vast majority of these (94%) were male, and 40% were Indigenous.

Table 4.8.1: Number of young people aged 15–24 involved with the criminal justice system in 2013–14

Type of criminal justice system involvement	Number
Under youth justice supervision	8,027
Supervised in the community	7,176
In detention	3,119
In an adult prison at 30 June 2014	5,985

Note: Youth justice supervision total is not the sum of its components because 2,268 young people experienced both detention and community-based supervision during 2013–14.

Sources: Table S4.8.6; Juvenile Justice NMDS 2014; ABS 2014.

Homelessness within the young prisoner population

A large proportion of prisoners report having come from, or entering into, homelessness. Of all prison entrants surveyed over a 2-week period in mid-2012, those aged 18–24 were the most likely to report having lived in short-term or emergency accommodation in the 4 weeks prior to prison entry (32% or 73 young people). Around 6% (13 young people) reported living rough, with around 63% (144 young people) reporting having lived in their own accommodation. Over the same 2-week period, prison dischargees were asked where they expected to sleep on their first night out of prison. Of dischargees aged 18–24, just over one-half reported that they would be in short-term or emergency accommodation (53% or 41 young people) rather than their own accommodation (42% or 32 young people), with 2% expecting to sleep rough (AIHW 2013).

These prison entrants and dischargees are likely to have accessed specialist homelessness services prior to entry, or upon discharge—in 2013–14, 1,585 clients of specialist homelessness services (SHS) aged 15–24 reported they had recently exited from custody (Table S4.8.10). For more information on the characteristics of SHS clients see Chapter 7 ‘The diversity of Australia’s homeless population.’

Mental health issues within the young prisoner population

People in prison are more likely than the general population to have a mental health condition. In the general population, an estimated 26% of 16–24 year olds will experience a mental health condition over a 12-month period (ABS 2008). However, in 2012, around 30% of prison entrants aged 18–24 and 29% of those preparing to leave prison reported having ever been told they had a mental health condition (AIHW 2013).

Unemployment on entry to and exit from prison

In 2012, almost 6 in 10 prison entrants aged 15–24 (57%) reported being unemployed in the 30 days before entry into prison. Only 1 in 5 (20%) reported having full-time work. Similarly, of those preparing to leave prison, 31% reported expecting to have paid employment within 2 weeks of leaving prison, but 52% reported expecting no paid employment.

Young people and specialist homelessness services

Young people experiencing homelessness may be particularly vulnerable and have multiple and complex needs which led to their homelessness (see Chapter 7 'The diversity of Australia's homeless population'). For example, homelessness may arise from family conflict or breakdown, which may include violence and experiences of the child protection system (AIHW 2014d). Additionally, there is some evidence to suggest that the younger a person is when they first become homeless, the more likely they are to have longer lifetime durations of homelessness (Scutella et al. 2013). This potential for multiple instances of welfare sector involvement highlights the potential benefits of effective early intervention in improving wellbeing outcomes for young people.

Homelessness services

Governments across Australia fund a range of services to support people who are, or who are at risk of becoming, homeless. These services are delivered by non-government organisations on behalf of government, and include agencies that deliver services to target groups, such as young people or people escaping domestic violence (AIHW 2014d).

How many young people access specialist homelessness services?

In 2013–14, 57,557 young people aged 15–24 accessed SHS—around 2% of the 15–24 population (AIHW 2014c). Most young people who presented to SHS agencies were female (63%), and around 1 in 4 were Indigenous (24%) (Table S4.8.11a). For detailed information on homelessness within the Indigenous population, see *Homelessness among Indigenous Australians* (AIHW 2014c).

Further, most young people presenting to SHS presented alone (44,414 or 77%), with the remaining 23% (13,143) presenting with a child or other people (Table S4.8.11b). The main reasons for seeking assistance were 'Housing crisis' (17%), 'Domestic and family violence' (15%), 'Inadequate or inappropriate dwelling conditions' (14%), 'Relationship/family breakdown' (11%) and 'Financial difficulties' (11%) (Table S4.8.12). Of those whose homelessness status was known at the start and end of SHS support, 14,495 (47%) reported that they were homeless at the start of their support period—however, following support, 4,939 of these young people were housed (Table S4.8.13).

Some of these young people were involved with other sectors that are associated with vulnerability. Around 3% of those who accessed SHS reported they were exiting custody, and 3% reported exiting care (Table S4.8.10). Also, almost 1 in 10 (8%), of young people aged 15–17 accessing SHS reported that they were on a care and protection order (Table S4.8.14).

Almost three-quarters (71%) of those accessing SHS services reported an allowance or a pension as their main source of income (Table S4.8.15). The main sources of income reported by young people accessing SHS were Youth Allowance (30%), Parenting Payment (19%) and Newstart (14%). Only around 6% of young people reported an employee income as their main source of income. (In interpreting these figures, readers should take into account that 24% of young people did not provide a response when asked about their main source of income).

Conclusion

In light of the results outlined in this article, the aims of the Australian Government's recent Review of Australia's Welfare System are highly relevant to the problems experienced by vulnerable young people. Supporting social and economic participation through measures that build family capability and provide incentives to undertake education, training and/or work, have the potential to be particularly beneficial.

What is missing from the picture?

In addition to the overlap of clients within various welfare sectors, there are clear links between disadvantage and health outcomes. This highlights the potential for significant overlap of clients between health and welfare sectors (AIHW 2014b) and suggests that solving welfare issues may also lead to reduced contact with the health sector, and vice versa.

Knowing the number, characteristics and needs of young people who access multiple levels of health and welfare services will assist in informing targeted services and interventions, reducing future sector involvement, and improving outcomes for vulnerable young people. This in turn will allow governments to provide a more efficient and effective welfare system. A comprehensive view of multiple service users can be achieved by data linkage among a range of health and welfare datasets. Data linkage has the capacity to highlight how and when these areas overlap.

The AIHW currently has several linkage projects in train. These aim to identify and analyse the characteristics and experiences of multiple service users, and those who are most at risk of future sector involvement. Current projects include developing a method to link child protection and youth justice data on an annual basis, and linking out-of-home-care to educational outcomes data. The AIHW also has the capacity to link national child protection and disability services data, which would allow for a further understanding of the associations between these two areas, building on the results of previous limited research.

Further linkage work following the pilot study on the overlap between child protection, youth justice and homelessness (AIHW 2012) could provide further understanding of the experiences of young people who move between these sectors.

In summary, all of these linkage studies could further identify current levels of cross-sector involvement, and the individuals who are most at risk of harm, limited social and economic opportunities, poor educational and health outcomes and future involvement with the health and welfare systems.

Finally, while this article provides a brief insight into some young people who are considered vulnerable, not all vulnerable groups are covered, due to limited data availability. These groups include lesbian, gay, bisexual, transgender and intersex young people, unaccompanied minors and young refugees, siblings of young people with disabilities, and unsupported pregnant teenagers. Also, data relating specifically to Indigenous young people were not available for all sections in this article.

Where do I go for more information?

More information is available at the links below.

People with disability: www.aihw.gov.au/disability/.

Youth justice: www.aihw.gov.au/youth-justice/.

Child protection: www.aihw.gov.au/child-protection-publications/.

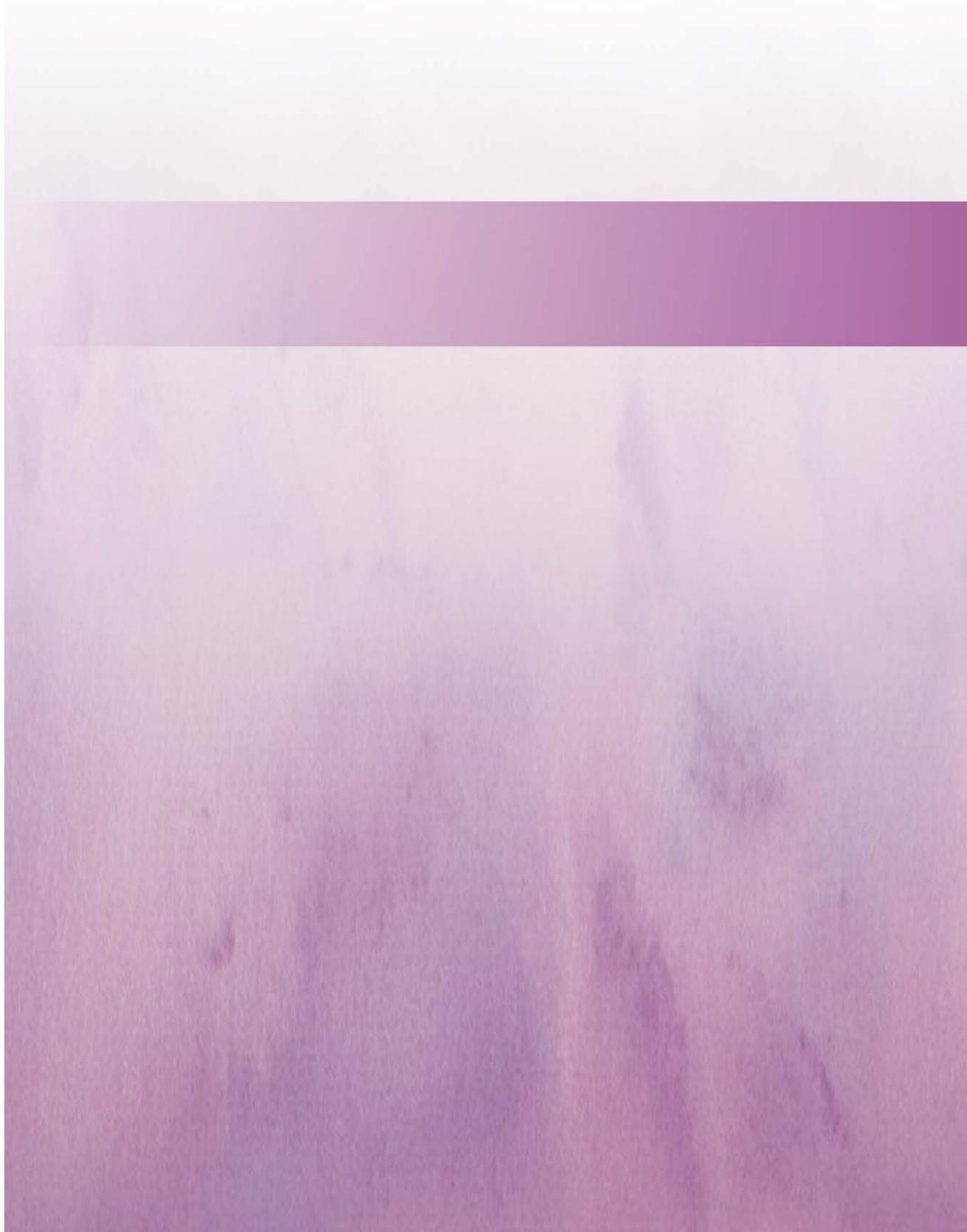
Homelessness: www.aihw.gov.au/homelessness-publications/.

All AIHW publications are available for free download at www.aihw.gov.au/publications/.

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5



Working age (25–64)

5.0	Introduction.....	170
	5.1 The welfare of our working-age population.....	171
	5.2 Who is looking after our children?.....	186
	5.3 Home alone.....	194
	5.4 Bricks and mortar—changing trends in home ownership.....	197
	5.5 Working-age support: financial assistance for families with children.....	214
	5.6 Working-age support: assistance with employment and training.....	219
	5.7 Working-age support: housing assistance.....	222
	5.8 Labour force participation of people with disability.....	225
	5.9 Older Australians staying at work.....	228



5 Working age (25–64)

5.0 Introduction

The term ‘working age’ implies a focus on the labour force. While this chapter does explore ‘working’-related issues—namely labour force participation, employment, unemployment and underemployment—it also examines other factors relevant to the working-age cohort such as educational status, family formation and re-formation, home ownership and child care.

More than one-half of the Australian population—53% or 12 million people—are aged between 25 and 64. The size of the working-age population has an impact on the economy as it accounts for a large proportion of the productive workforce—as Australia’s population ages, the proportion of all Australians dependent on this workforce will continue to slowly rise.

For most Australians, the working-age stage of their lives is a time for starting and establishing careers, buying a home and raising a family.

Working-age Australians are better educated than a decade ago, with 67% of 25–64 year olds having a non-school qualification.

Labour force participation for this age group has risen over time, particularly for women and mature-age workers, while retirement rates have fallen. While most Australians in this age group have a job (9.4 million), a higher proportion now work part-time.

Even though most Australians own their own homes, the pattern of home ownership has changed over the past decade. The proportion of Australians who own their own homes outright has declined, while the proportion of those who have mortgages has increased. Younger adults and households on low to moderate incomes, in particular, are finding it harder to buy or own their own homes outright.

Access to, and affordability of, child care is a significant issue for Australian families. While, overall, rates of formal child care use over the past 10 years have remained relatively unchanged, the main reason for parents and carers seeking child care is now more likely to be work-related.

This chapter also outlines some of the payments and services provided by governments and community-based organisations to help families with the cost of raising children, to help people gain employment and training, and to assist households struggling to meet housing costs.



5.1 The welfare of our working-age population

Who are the working-age Australians?

There is no universal definition of a ‘working age’ population—the age ranges often used include 15–64, 20–64, 25–64 and 15–70. For the purpose of this article we have chosen to focus on Australians aged 25–64, reflecting both the higher likelihood that young people aged 15–24 are enrolled in formal study, and the fact that this younger age range is comprehensively covered in Chapter 4 of this report. (For information on working lives of Australians aged 65 and over, see Chapter 5 ‘Older Australians staying at work’.)

More than half of the Australian population—53% or 12.5 million people—are aged between 25 and 64 (ABS 2014a). The term ‘working age’ implies a focus on the labour force. While this article does look at the ‘working’ component—namely labour force participation, employment, unemployment and underemployment—its intent is to present an overall picture of the characteristics that define this population as they move through various life-course pathways. To this end, we will also examine factors such as education, family formation and re-formation, and home ownership.

The working-age population includes the so-called ‘sandwich generation’—men and women in their 40s, 50s and 60s who may be helping support teenage children or children in their 20s and 30s who are still living at home, as well as providing care for younger children, ageing parents, and in some cases partners and young children from second and third families as well.

The intense caring responsibilities faced by Australians in this age group are covered comprehensively in two other feature articles in this report—Chapter 2 ‘Informal carers’ and Chapter 5 ‘Who is looking after our children?’—so are not featured here.

The size of the working-age population has implications for the economy, because it accounts for a large component of Australia’s productive workforce. As outlined in Chapter 1 (see ‘Who we are’) and Chapter 6 (‘Ageing and the welfare system’), Australia’s population is getting older. Such a demographic change means that as a greater number of workers retire from the labour force, the proportion of all people who may be dependent on those still in the labour force will continue to slowly rise (see Box 5.1.1).

Box 5.1.1: Dependency ratios

A country’s dependency ratios measure proportions of the population who may be ‘dependent’ on others; that is, they are either too old or too young to be in the labour force so may be ‘dependent’ on those of working age to produce the goods and services that they need. While this article is focused on working-age people aged 25–64, for the purposes of dependency ratios we look at the three most commonly used age ranges for dependency ratios:

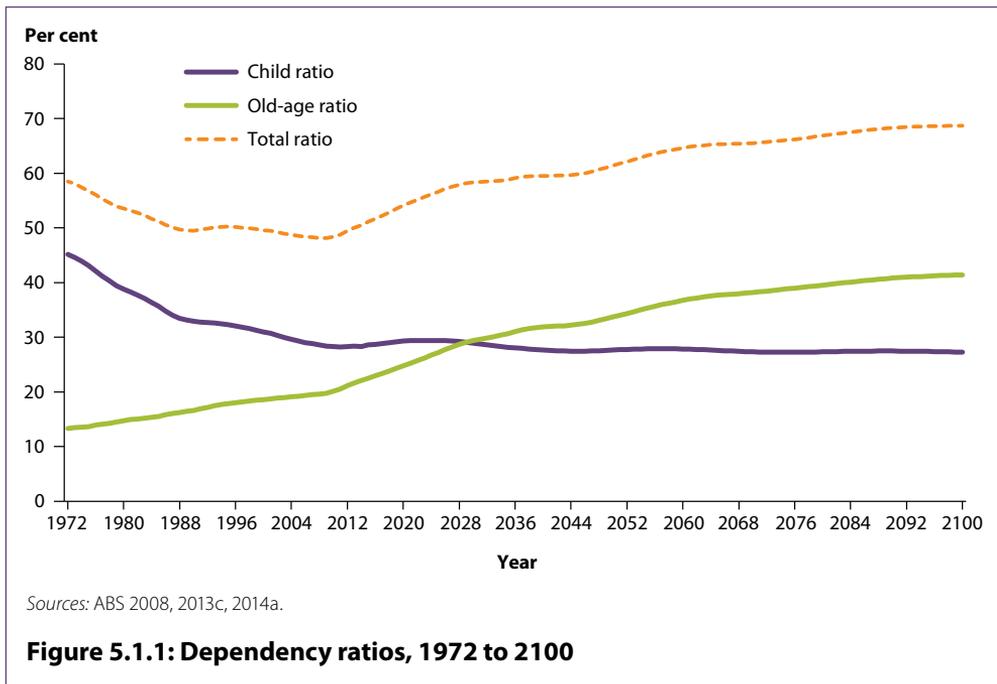
- **Child dependency ratio:** the number of children aged 0 to 14 compared with the number of people aged 15 to 64 (that is, people of ‘traditional’ working age).
- **Old-age dependency ratio:** the number of people aged 65 and over compared with the number aged 15 to 64.
- **Total dependency ratio:** the sum of the number of children aged 0 to 14 and people aged 65 and over compared with the number aged 15 to 64.

continued

Box 5.1.1 (continued): Dependency ratios

Dependency ratios are expressed as a percentage—a higher number suggests less support available, and a number more than 100 implies there are more dependants than supporting people. Dependency ratios do not account for the proportion of people not in the labour force for reasons such as study, disability or caring responsibilities. They also do not take account of the financial independence of people aged over 65, nor do they reflect cost differences in caring for children and older people.

Australia’s total dependency ratio has generally fallen over the past 5 decades, from 59% in 1972 to 48% in 2008 and 2009, implying more people being available to provide support per dependant than in the past. However, in recent years the rate has started to slowly rise again and by 2014 had reached 51%. Given current population projections, it is likely that a stabilisation in the child dependency ratio coupled with a rise in the old-age dependency ratio will lead to the total dependency ratio returning to around 60% by 2046 and continuing to rise over the ensuing decades (see Figure 5.1.1) (ABS 2008).



How educated is the working-age group?

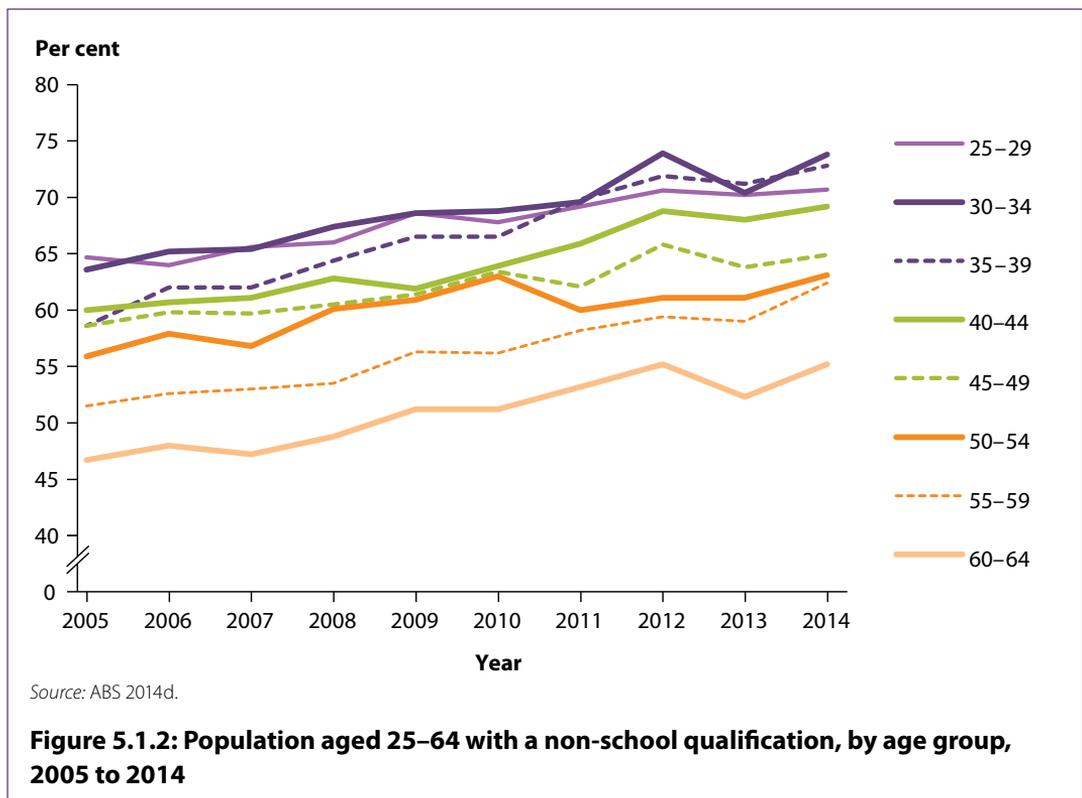
Improvements in educational attainment over recent decades are flowing through to the educational profile of the working-age population.

Of the almost 10 million Australians aged 15 to 74 who held a non-school qualification such as a certificate, diploma or degree in May 2014, the most common levels of highest qualification achieved were a Certificate III/IV (3.0 million people) and a Bachelor degree (2.8 million). About 1.6 million people had an Advanced Diploma/Diploma, 900,000 had a Postgraduate degree, 550,000 had a Certificate I/II and 510,000 had a Graduate Diploma/Graduate Certificate (ABS 2014d).

More than two-thirds (67%) of people aged 25–64 had a non-school qualification in 2014, up from 58% in 2005 (see Chapter 1 ‘Who we are’) (ABS 2014d).

In May 2014, 72% of people aged 25–34 and 70% of people aged 35–44 had a non-school qualification (ABS 2014d). People aged over 55 were less likely than those aged 25–44 to hold such qualifications—in 2014, 57% of people aged 55–64 had non-school qualifications (see Figure 5.1.2) (ABS 2014d).

Women, in particular, have been making large gains in educational attainment. While more men than women aged 25–64 had a non-school qualification in 2005 (62% and 54% respectively), the gap has narrowed over the past decade, with 69% of men and 66% of women having a non-school qualification in May 2014 (ABS 2014d).



Women are now more likely than men to have achieved a higher level of education. While, overall, men aged 25–64 were slightly more likely than women to have a qualification at Certificate III level or above (63% compared with 59%), women were slightly more likely than men to have a Bachelor degree or above (32% compared with 28%) (ABS 2014d).

According to Richardson and others (2014), for women aged 30–49 the changes in educational attainment over the past 30 years are ‘striking’: ‘In 1982, less than 1 in 10 Australians aged 30–49 were graduates, and the female rate (5%) was half that of men (11%). Three decades later, almost one-third of the age group are graduates, and the female rate (30%) is higher than that for men (27%)’ (Richardson et al. 2014).

The diversity in education levels of the working-age group is also reflected in different levels of courses being completed by those currently studying for a qualification.

For example, in May 2014, of people aged 25–34, 29% were studying for a Bachelor degree, 22% for a Certificate III/IV and 19% for Postgraduate degree. Among those aged 35–44, fewer people were studying for a Bachelor degree (17%), more for a Certificate III/IV (30%) and about the same (18%) for a Postgraduate degree (ABS 2014d).

Employment of the working-age group

Labour force participation

The proportion of Australians participating in the labour force has been increasing over time, largely because of increases in women’s participation and participation of mature-aged workers (Cobb–Clark 2014).

The participation rate of Australians aged 15 and over rose from an annual average rate of 63% in 1992 to 65% in 2014, while the rate for Australians aged 25 to 64 increased from 74% to 79% over the same period (see Chapter 2 ‘Labour force participation in Australia’) (AIHW analysis of ABS 2015b).

Rising participation rates for 25 to 64 year olds overall mask divergent trends between the rates for males and females. From 1992 to 2014, the male participation rate fell slightly from 87% to 86%, while the female participation rate rose from 60% to 72%.

The changing level of participation of women in the labour force is discussed further in this article in the ‘Women and work’ section.

The increase in the overall labour force participation rate is partly due to increased participation of mature-age Australians. The annual average participation rate for Australians aged 55–64 rose from 43% in 1992 to 64% in 2014, while the rate for Australians aged 65–69 rose from 10% to 26% over the same period (AIHW analysis of ABS 2015b) (see Chapter 5 ‘Older Australians staying at work’).

The rise in both of these older age groups was more marked for women than men—in 2014, the participation rate for women aged 55–64 was 56% compared with 25% in 1992; the rates for men were 72% and 62% respectively. In 2014, the participation rate for women aged 65–69 was 20% compared with 5% in 1992; the rates for men were 33% and 15% respectively (AIHW analysis of ABS 2015b).

Employment

In 2014, nearly 9.4 million Australians aged 25–64 were employed—75% of the 25–64 year old population (AIHW analysis of ABS 2015b).

Working-age men are more likely to be employed than working-age women. In 2014, just over 82% of men aged 25–64 (5.1 million) were employed compared with 68% of women aged 25–64 (4.3 million) (AIHW analysis of ABS 2015b).

A greater proportion of both men and women in this age group are now working than previously. In 1992, 79% of working-age men and 56% of working-age women were employed (AIHW analysis of ABS 2015b).

While men in this age group are now working fewer hours, on average, per week than they did in 1992—38.9 hours in 2014 compared with 41.0 in 1992—the number of hours women work has not changed (28.8 and 28.9 hours per week, respectively) (AIHW analysis of ABS 2015b).

For both men and women aged 25–64, the average full-time hours worked have fallen over this period while the average part-time hours have increased.

In 2014, men aged 25–64 working full-time worked, on average, 41.4 hours a week compared with 42.5 hours in 1992, while women worked, on average, 36.9 hours in 2014 compared with 38.2 hours in 1992.

In 2014, men aged 25–64 working part-time worked, on average, 18.8 hours a week compared with 17.1 hours in 1992, while women worked, on average, 17.8 hours compared with 15.9 hours in 1992 (AIHW analysis of ABS 2015b).

Part-time work

A higher proportion of working-age Australians now work part-time. For the purpose of this article, part-time employed people are defined as people who usually work less than 35 hours a week. Full-time employees are people who work more than 35 hours a week.

In 2014, 25% of Australians aged 25–64 who were employed worked part-time compared with 21% in 1992 (AIHW analysis of ABS 2015b). While the proportion of women in the 25–64 age group working part-time has changed little over the past 20 years (42.3% in 2014 compared with 41.7% in 1992), the proportion of men working part-time has risen from 6% to 11% over the same period (AIHW analysis of ABS 2015b).

Unemployment

Unemployment can place enormous strains on a family—financial, emotional and mental. McLachlan and others (2013) found that unemployment and joblessness can not only increase the risk of economic hardship, but that rates of deprivation and social exclusion are also high among unemployed and jobless households.

The highest annual average rates of unemployment for Australians aged 25–64 since 1979 were in the early 1990s and peaked at 8.8% in 1993. After that, rates fell to a 35-year low of 3.2% in 2008, which was immediately before the global financial crisis (GFC). Since the GFC, the rate has increased, and in 2014 was 4.7%, with the rate for men (4.5%) lower than that for women (4.9%) (AIHW analysis of ABS 2015b) (see Chapter 2 'Labour force participation in Australia').

Underemployment

Underemployed workers are employed people who would prefer, and are available for, more hours of work than they currently have (ABS 2014f).

The underemployment rate (the number of underemployed workers expressed as a percentage of the labour force) for people aged 25 and over has been relatively stable over the past 2 decades. In 2014, 8.5% of women aged 25 and over were underemployed compared with 4.8% of men of the same age. In 1992 the proportions were 8.4% and 4.2% respectively (AIHW analysis of ABS 2015a).

Women and work

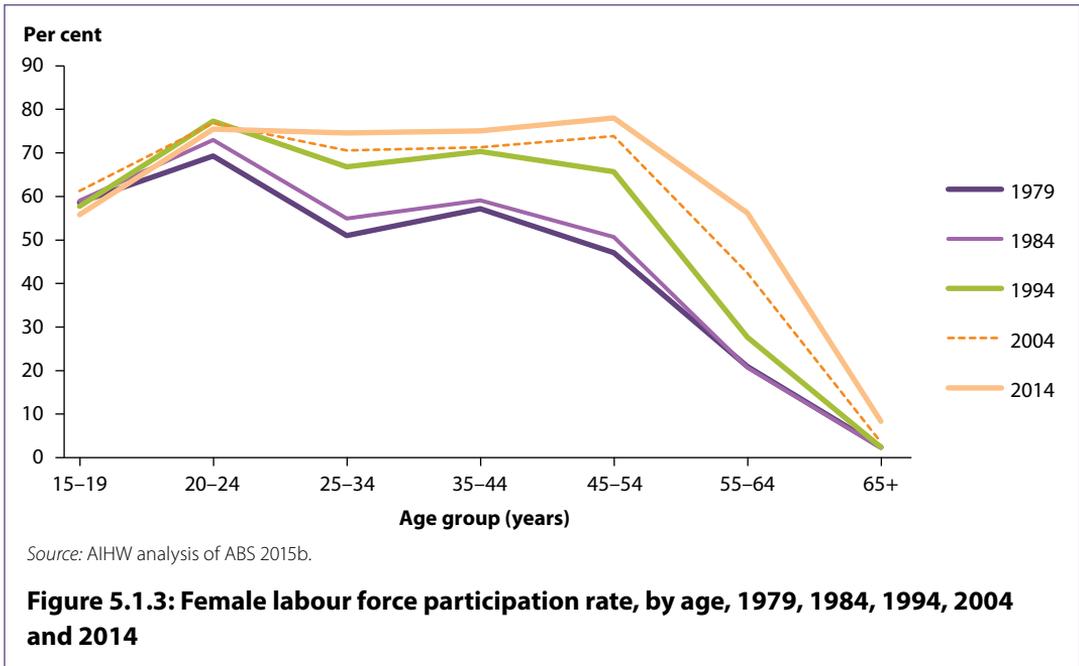
Sixty years ago, the traditional roles of women were predominantly as wives, mothers and homemakers. Women worked until they married—indeed until 1966 married women were prevented from having permanent employment in the Commonwealth Public Service and some private companies (ABS 2011; Strachan 2010).

Since then, the role of women in the workforce has changed dramatically. Today, many women's lives revolve around both paid work and family care (Strachan 2010) and Australian women now contribute 36% of employee earnings and are the breadwinners for one-quarter (26%) of employed couples with children (Richardson et al. 2014).

While participation in the labour force has over recent decades been quite high for women aged 20–24 (an average rate of 69% in 1979 compared with 75% in 2014), historically, it would drop markedly when women entered the prime child-raising years of 25–34 (Figure 5.1.3) (Jericho 2012). For example, in 1979 the labour force participation rate dropped to 51% for women aged 25–34 (AIHW analysis of ABS 2015b).

However, by 2014 this 'nappy valley' (ABS 2011) was no longer evident, with labour force participation much higher for women of traditional child-bearing age. By 2014, the rate had climbed to 75% for women aged 25–34, matching the rate for women aged 20–24 and 35–44 (AIHW analysis of ABS 2015b).

As already outlined, today, women in older age groups are more likely to remain in the workforce than they were in previous decades. The labour force participation rate of females aged 55–64 rose from 21% in 1979 to 56% in 2014 and the rate for women aged 65 and over rose from 2% in 1979 to 8% in 2014 (AIHW analysis of ABS 2015b).



Between 1979 and 2014, the full-time employment-to-population ratio for women aged under 25 fell, while the ratio for women aged 25 and over rose. By contrast, the part-time employment-to-population ratio for all age groups increased over the same period (see Table 5.1.1) (AIHW analysis of ABS 2015b).

Table 5.1.1: Full-time and part-time employment-to-population ratio, females, by age group, 1979, 1984, 1994, 2004 and 2014

	Full-time employment-to-population ratio							Part-time employment-to-population ratio						
	15-19	20-24	25-34	35-44	45-54	55-64	65+	15-19	20-24	25-34	35-44	45-54	55-64	65+
1979	34.8	53.5	29.4	30.3	27.1	11.7	1.0	11.8	9.5	18.1	24.3	18.2	8.7	1.4
1984	29.7	53.3	32.4	29.9	28.2	10.9	1.0	16.4	11.4	17.9	25.5	20.1	9.0	1.2
1994	14.0	49.1	40.0	35.0	36.2	13.1	0.9	30.5	19.1	21.2	30.3	25.5	13.0	1.5
2004	12.7	43.3	43.8	35.4	41.6	20.7	1.1	39.5	27.6	23.2	32.5	29.9	20.4	2.4
2014	7.3	36.4	46.7	37.3	43.3	27.5	2.2	38.8	32.1	23.7	33.7	31.4	26.5	5.9

Note: The first full year that data were available from the ABS's *Labour force, Australia, detailed—electronic delivery* product was 1979.
Source: AIHW analysis of ABS 2015b.

According to Richardson and others (2014), the employment profile of women over the life course is now much more like that of men—women’s share of employment and earnings has increased, as have the number of families that have women as the ‘breadwinner’ (the sole or main contributor of family income). In 2010, 31 per cent of employed couple families had a female breadwinner, with the rate higher in couples without children (36%) than with children (26%) (Richardson et al. 2014). However, the part-time employment status of women is still quite different to that of men. As mentioned earlier, women are more likely than men to work part-time, especially between the ages of 25 and 54, reflecting the fact that many women reduce their paid work hours when they have young children to care for (AIFS 2013b).

Work transitions for mothers

As noted previously, in the 1960s and 1970s, labour force participation fell dramatically for women in their 20s and early 30s who left work to have children—and the majority never returned to the labour force (ABS 2011).

Today, the picture is quite different. An Australian Bureau of Statistics (ABS) report on work transitions of mothers before and after the birth of children found that, in 2011, more than two-thirds (68%) of mothers with a child aged under 2 had a job during their pregnancy (ABS 2013a).

Of the mothers who had a job and were working immediately before the birth, almost one-half (48%) worked part-time immediately before stopping work for the birth of their child. Younger mothers (aged 15–24) were much less likely than older mothers to work while pregnant, reflecting that women in the younger age group were more likely to be studying than in the workforce (ABS 2013a).

Just over one-half (53%) of mothers who worked during pregnancy returned to work within 2 years (ABS 2013a). The majority (84%) of mothers who started or returned to work after the birth of their child worked part-time in the first job that they returned to (ABS 2013a).

While some women also worked part-time before the birth of their child, the number of hours worked changed considerably when they returned to work. While only 10% of women with a child under 2 who worked during their pregnancy worked fewer than 15 hours immediately before the birth of their child, this rose to 39% after the birth. Most mothers (45%) worked between 15 and 34 hours a week (ABS 2013a).

The number of hours mothers work also changes as the child gets older. In 2011, almost one-half (48%) of mothers with a child aged 0–6 months who returned to work worked less than 15 hours a week. By the time the child reached 19–24 months, this proportion dropped to 22% (ABS 2013a) (see also Chapter 5 ‘Who is looking after our children?’).

However, according to the Melbourne Institute, most mothers eventually return to the working situation they were in before the birth of their youngest child. For example, of mothers working full-time before their youngest child was born, 31% were back in full-time employment before the child turned 1, 54% had returned to full-time employment before the child was 4, and 63% were working full-time before the child was 6 (Melbourne Institute 2012).

Further, the employment rate for mothers with a youngest child aged 4 years or under has increased over the past 2 decades, rising from 41% in 1994 to 52% in 2012 (Commonwealth of Australia 2014).

Over the same period, the employment rate for mothers whose youngest child was aged 5–9 rose from 59% to 72%, and for those whose youngest child was aged 10–14, the rate rose from 65% to 75% (Commonwealth of Australia 2014) (see also Chapter 1 ‘Who we are’ and Chapter 2 ‘Labour force participation in Australia’).

Financial support for working-age Australians

The Australian Government provides a range of cash payments and income support payments to help those working-age Australians who need assistance to navigate the opportunities and challenges they face during this period of their lives. This assistance could be in the form of child care rebates, payments to help with the costs of raising children, or ‘incentives for people to work, train or learn’ so that families and individuals can participate fully in society (DSS 2014a) (see Box 5.1.2; Chapter 5 ‘Working-age support: financial assistance for families with children’; and Chapter 5 ‘Working-age support: assistance with employment and training’).

Box 5.1.2: Working-age payments

Income support payments provided by the Australian Government include the Disability Support Pension (DSP), Newstart Allowance, Parenting Payment, Carer Payment, Austudy, and Sickness Allowance.

(Note: This box presents total recipients for all payments, which for some payments may include people who fall outside the 25–64 year age group that is the focus of this article.)

The Government also has a range of supplementary payments to support families with their work, caring and family responsibilities. The main supplementary payments are: Family Tax Benefit Part A (FTB A) and B (FTB B); Child Care Benefit; and Child Care Rebate. The Government also administers the Child Support Scheme, which aims to ensure that separated parents continue to provide financial support for their children.

At June 2014:

- 830,000 Australians were receiving the DSP—most were aged 55–64 (38%) and 45–54 (25%). More than one-half of recipients (53%) were male
- 244,000 people were receiving the Carer Payment (a fortnightly payment to people who provide care in a private home to a person with disability or severe medical conditions)—29% were aged 55–64, 24% were aged 45–54 and 18% were aged 35–44, with the majority of recipients (69%) being female
- 590,000 Australians were receiving the Carer Allowance (a supplementary payment available to people who provide daily care and attention for adults or children with disability or severe medical conditions)—21% were aged 45–54, 20% were aged 35–44 and another 20% were aged 55–64, with the majority of recipients (73%) being female
- 1.6 million Australian families were receiving FTB A, mostly parents aged 35–44 (41%) or 25–34 (29%)
- 1.4 million families were receiving FTB B, again mostly parents aged 35–44 (40%) and 25–34 (30%)
- 706,000 people were receiving Newstart Allowance—25% were aged 35–44, 23% were aged 25–34 and 23% were aged 45–54
- 261,000 parents were receiving Parenting Payment (single)—46% were aged 25–34 and 29% were aged 35–44. Of the 104,000 parents receiving Parenting Payment (partnered), 49% were aged 25–34 and 30% were aged 35–44
- 48,000 people were receiving Austudy—most (64%) were aged 25–34.

Source: DSS 2014b.

Family changes during the working years

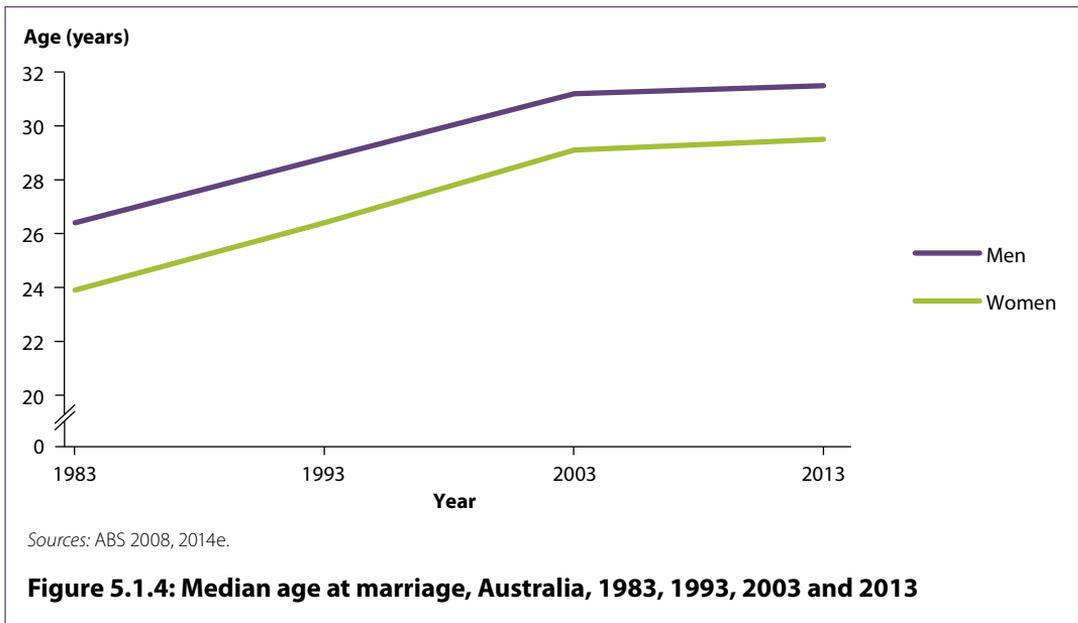
Entering into long-term relationships and starting a family are important transitions in a person's life. Over the past 30 years, partnering and family patterns have changed, with Australians staying together longer and more likely to partner/cohabit before marriage.

Marriage

While the median age at which Australian men and women get married has changed little in the past 5 years, it has increased by about 5 years since 1983 (ABS 2008).

In 2013, the median age of men at marriage was 31.5 compared with 28.8 in 1993 and 26.4 in 1983. The median age was 31.4 in 2010, 2011 and 2012 (ABS 2008, 2014e).

In 2013, the median age of women at marriage was 29.5 compared with 26.4 in 1993 and 23.9 in 1983. This compared with 29.2 in 2010, 29.3 in 2011 and 29.4 in 2012 (see Figure 5.1.4) (ABS 2008, 2014e).



Divorce

While most Australians tend to get married during their working-age lives, some also get divorced.

As explained in Chapter 1 'Who we are', while the number of divorces has fluctuated in recent years, the divorce rate has slowly declined. In 2013, there were 2.1 divorces per 1,000 population compared with 2.2 in 2012 and 2.7 in 2003 (ABS 2014e).

It is useful to view these statistics in the context of other data that show the proportion of all couples who were cohabiting rose from 6% in 1986 to 16% in 2011 (AIFS 2014).

Although the median age at which men and women are getting separated and divorced has gradually increased over the past 20 years, both still tend to occur before the age of 45 for men (50% of men granted a divorce) and women (59%) (ABS 2014e).

Of the divorces granted in 2013, the median ages at separation and divorce for men were 41.3 and 44.8 respectively, compared with 36.2 and 39.3 in 1993 (ABS 2014e).

The median ages of women at separation and divorce in 2013 were lower than for men at 38.7 and 42.2 respectively, but also higher than 20 years earlier (33.3 and 36.4 years respectively in 1993) (ABS 2014e).

People aged 40–44 had the highest proportion of divorces (about 17%) and 47% of all divorces involved couples with children (ABS 2014e).

Although the time from marriage to separation has increased from 7.6 years in 1993 to 8.5 years in 2013, the peak of 8.9 years occurred in 2006 (ABS 2014e).

The time from marriage to divorce has also risen, from 10.7 years in 1993 to 12.1 years in 2013—although the peak of 12.6 years occurred in 2005 (ABS 2008, 2014e).

Children

In recent decades there has been a steady trend towards having children later in life.

The median age of mothers has been gradually increasing from 25.4 years in 1971—by 2013, it had risen by more than 5 years to 30.8 (ABS 1994, 2014c).

In 2013, the median age of fathers was 33.0 years. ABS data for the median age of fathers in 1971 are available only for fathers of nuptial children of current marriage, where the median age was 28.6 (ABS 1994, 2014c).

The number of women having children at older ages is increasing. In 2013, nearly 13,000 women were aged between 40 and 44 when they gave birth, compared with 7,700 in 2003 (ABS 2014c).

Although fertility rates fell for all age groups except for women aged 40–44 between 2012 and 2013, the rates for women aged 30–44 are still higher than 30 years ago. The rate for women aged 30–34 rose from 81.5 births per 1,000 women in 1983 to 124.5 in 2013; the rate for women aged 35–39 rose from 25.0 to 70.8 per 1,000, and for women aged 40–44 the rate rise was from 4.3 to 15.4 per 1,000 (ABS 2014c).

By contrast, the rates for younger age cohorts have decreased over the past 30 years. The teenage fertility rate fell from 26.6 babies per 1,000 women in 1983 to 14.6 in 2013; the rate for women aged 20–24 fell from 102.7 to 51.6, and that for women aged 25–29 from 145.9 to 99.5 (ABS 2014c).

The highest fertility rate ever recorded, 225.8 babies per 1,000 women, was in 1961 for mothers aged 20–24 (ABS 2014c) (see Figure 5.1.5).

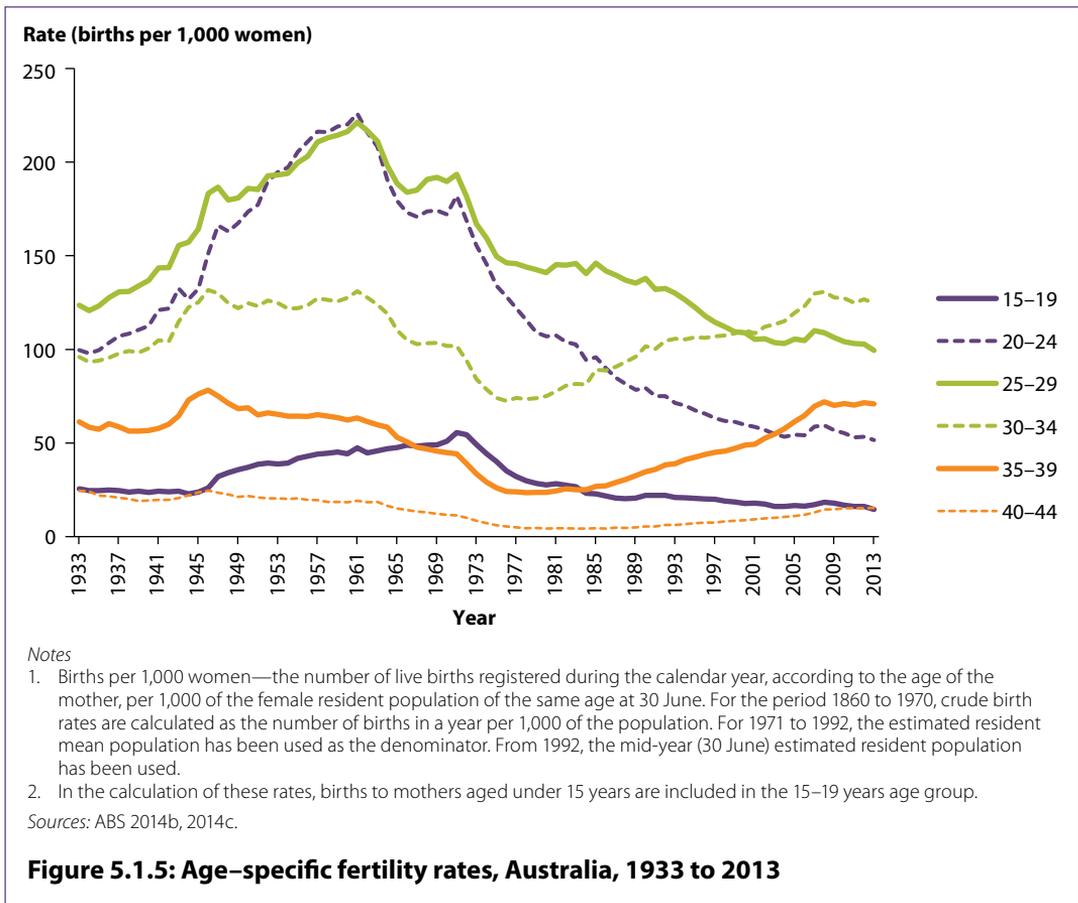
Step-families, blended families, and shared parenting

For some Australians, the working-age years are also a time when families can change and re-form. For example, couples with children may become one-parent families due to separation, divorce or death of a parent.

A step-family is formed if a lone parent re-partners. If children are born to this new couple, the family is then classified as a blended family (ABS 2012).

The proportion of step-family and blended families of couple families with dependent children has changed very little over the last four Census years. The majority of couple families with dependent children were still intact families (89% in 2011 and 2006 compared with 91% in 2001 and 1996). Step-families were marginally more prevalent over this 1996–2011 period (between 5% and 6%) than blended families (between 4% and 5%) (AIFS 2013a) (see Chapter 1 'Who we are').

In a report on a survey of recently separated parents, De Maio and others (2012) found that about 1 in 5 separated families in Australia (22%) had shared care of their child. The most common parenting arrangement was for the child to spend most nights with the mother, with 53% of children having this arrangement.



Home ownership for the working-age group

For many Australians, their experience of renting and buying a house is strongly related to their life course—they rent in early adulthood, move in to home purchase and mortgages as partnerships are formed and children are born, and own a home outright in older age (ABS 2013b).

In 2011–12, the majority of Australian households with a reference person (that is, survey respondent) aged between 35 and 64 either owned their home with a mortgage, or outright. The proportion who owned their home outright increased as people got older.

Younger Australian households, particularly those where the household reference person was aged 15–24, were much more likely than older age groups to be renting (Table 5.1.2) (ABS 2013b).

Young Australians in a couple relationship were more likely to be buying or own their own home than young single people. In 2011–12, 45% of younger couple-only households (with the reference person aged under 35) owned their home with or without a mortgage compared with 33% of single people under 35 (ABS 2013b).

Couples with children were more likely than younger couple-only households to own a home. Sixty-four per cent of couples with dependent children only and whose eldest child was aged under 5 owned their home with or without a mortgage. This rose to 72% for couples with their eldest child aged 5 to 14, and to 84% for couples with their eldest child aged 15 to 24' (ABS 2013b).

Table 5.1.2: Proportion of households owning/buying/renting a home, by age group of reference person, 2011–12

Tenure and landlord type	15–24	25–34	35–44	45–54	55–64	65–74	75+	All households
Owner without a mortgage	**0.8	1.8	6.8	22.1	45.0	73.0	80.4	30.9
Owner with a mortgage	11.6	40.2	55.3	52.5	35.1	9.8	4.8	36.6
Renter								
• State/territory housing authority	*3.2	2.3	3.5	4.0	4.9	4.6	4.9	3.9
• Private landlord	77.7	51.0	31.0	19.1	11.9	9.0	5.3	25.1
Total renters ^(a)	82.4	54.9	35.9	24.2	17.9	15.1	11.5	30.3

* Estimate has a relative standard error of 25% to 50% and should be used with caution.

** Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

(a) Includes 'Other landlord type', which accounts for about 4% of all renters.

Source: ABS 2013b.

Lone-person and couple-only households where the survey respondent, or reference person, was aged under 35 were more likely to be renting from private landlords (55% and 52% respectively) than to own their own home (ABS 2013b). 'People in these households are generally more mobile. Many are studying or starting their careers, and are likely to be on lower incomes and have lower reserves of wealth than at later stages in their lives' (ABS 2013b).

One-parent households with dependent children were more likely to be renting (63%) than to own their home with or without a mortgage (37%), and were the group most likely to be renting through a state or territory housing authority (11%) (ABS 2013b).

In 2011–12, 59% of first-home buyers with a mortgage were households where the reference person was aged 25–34. By comparison, the proportion of households where the reference person was aged 35–44 and 45–54 buying their first home with a mortgage in 2011–12 was 24% for 35–44 year olds and 7% for 45–54 year olds (ABS 2013b).

Home ownership (with and without a mortgage) by younger adult cohorts has fallen over the last 30 years. For example, according to Census data, the proportion of households that owned their own home where the reference person was aged 25–34 years fell from 61% to 47% between 1981 and 2011. In households where the reference person was aged 35–44, home ownership rates fell from 75% to 64% over the same period (AIHW 2013; Yates 2011).

However, according to Burke and others (2014), much of that decline was in the decade 1981–1991, and since 1991 purchase rates have actually increased by 4% for 25–34 year olds and 13% for 35–44 year olds.

The same report showed that what had changed most during this 30-year period was the ability to achieve outright ownership at an early age, which had fallen markedly. However, Burke and others noted that drawing conclusions from this was complicated, because changes to lending practices introduced in the mid-1980s meant mortgages could also be used to finance other purchases such as cars or rental properties (Burke et al. 2014).

There is evidence, however, that younger Australian households on single or low-to-moderate incomes 'are being progressively pushed out of the home purchase market' (Burke et al. 2014) (see also Chapter 5 'Bricks and mortar'). Whereas in 1981 the home purchase market was almost split 50–50 between single- and dual-income households, by 2011 over 80% were dual-income households for both the 25–34 and 35–44 year old age groups.

According to Burke and others (2014), the fall in the ability to purchase was 'not quite as dramatic, but still substantial' for low- to moderate-income households.

What is missing from the picture?

The lives of working-age Australians have changed rapidly and substantially over recent decades—people of this age are better educated, women are having children later in life and staying in employment longer, and more men are working part-time. More information is needed on how changes such as these affect not only Australians aged 25–64, but all age and social groups.

Where do I go for more information?

More information on the demographics and characteristics of Australian families can be found in the AIHW's series of [Australia's welfare](#) reports and the [ABS Census](#).

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5.2 Who is looking after our children?

Quality child care is of critical importance, not only in allowing labour force participation of parents and carers, but also in providing lifelong influences on the developmental outcomes of children. Quality child care is an investment to ensure that all children are given the best possible start in life. The early years of life have a significant impact on developmental outcomes for children across the lifespan. Quality child care and preschool programs have been found to promote cognitive and social development in addition to supporting workforce participation (Warren & Haisken-DeNew 2013).

The increased labour force participation of women and an increase in one-parent families with dependent children has made access to, and affordability of, child care a significant issue for Australian families and governments. Overall, rates of formal child care usage over the past 10 years have remained relatively unchanged; however, the main reason for parents and carers seeking child care for their children has become more likely to be for work-related reasons.

Currently the Australian Government offers a range of types of financial support to assist parents and carers with the cost of child care, including the Child Care Benefit, which assists with the cost of child care services, and the Child Care Rebate, which assists with other out-of-pocket expenses associated with work-related child care services. Additionally, in recent years the Australian Government asked the Productivity Commission to undertake a review of early childhood education and care, which sought to make child care more affordable, flexible and accessible for Australian families. The inquiry has been completed and a final report was provided to the Australian Government in October 2014 and released on 20 February 2015. For more information, see www.pc.gov.au/inquiries/completed/childcare.

Early childhood education and care policy context

The National Quality Framework for Early Childhood Education and Care sets out a uniform national approach to quality assessment and regulation of early childhood education and care. It applies to most long day care, family day care, preschool and kindergarten, and outside schools hours care services. The framework includes a National Quality Standard which provides a national benchmark for measuring the quality of education and care services and a quality rating and assessment process that measures against the National Quality Standard.

Additionally, associated Early Childhood Workforce Initiatives provide a range of programs designed to support, train and retain an experienced and qualified child care and early learning workforce.

In 2014, the Australian Government and all states and territories commenced a review of the National Quality Framework for Early Childhood Education and Care. The review is aimed at finding what has worked well, any areas for improvement, and other consequences of implementation (Department of Education 2014b).

Trends in child care

In 2014, an estimated 48% of all Australian children aged 0–12 (1.8 million children), regularly attend either formal or informal care (see Chapter 3 ‘Children in child care and preschool programs’ for more details). Of these children, 919,400 attended formal care and 1.4 million used informal care (ABS 2015). Formal care is before or after school care programs, long day care and family day care; examples of informal care are care provided by a grandparent, brother or sister, non-resident parent, other relative or other person. (Further details on formal and informal care can be found in Chapter 3 ‘Children in child care and preschool programs’)

The Household, Income and Labour Dynamics in Australia (HILDA) survey showed that the need for child care remained relatively unchanged over the 2002–2011 period, with the proportion of all children for whom any child care is used remaining steady at around 59%.

The reasons for seeking child care, however, changed over that period. Child care sought for work-related reasons increased from 42% to 46% of all families. Of these families, couple families seeking work-related child care increased from 42% to 47% and one-parent families increased from 39% to 44%. The HILDA survey also showed that the proportion of families for which non-work-related child care is used dropped from 17% to 13%. This drop was similar for both couple families and one-parent families. Work-related child care was more likely to be used by couple families than one-parent families in 2011 (47.0% compared with 43.7%). Non-work-related child care was used more frequently by one-parent families than couple families (17.3% compared with 12.4%) (Hahn & Wilkins 2014).

For the majority of children not yet at school, a parent or grandparent was the most common form of child care, accounting for 72% of all informal care. Of those who attended formal care, a long day care centre (62%) was the most frequent form of child care accessed (Hahn & Wilkins 2014).

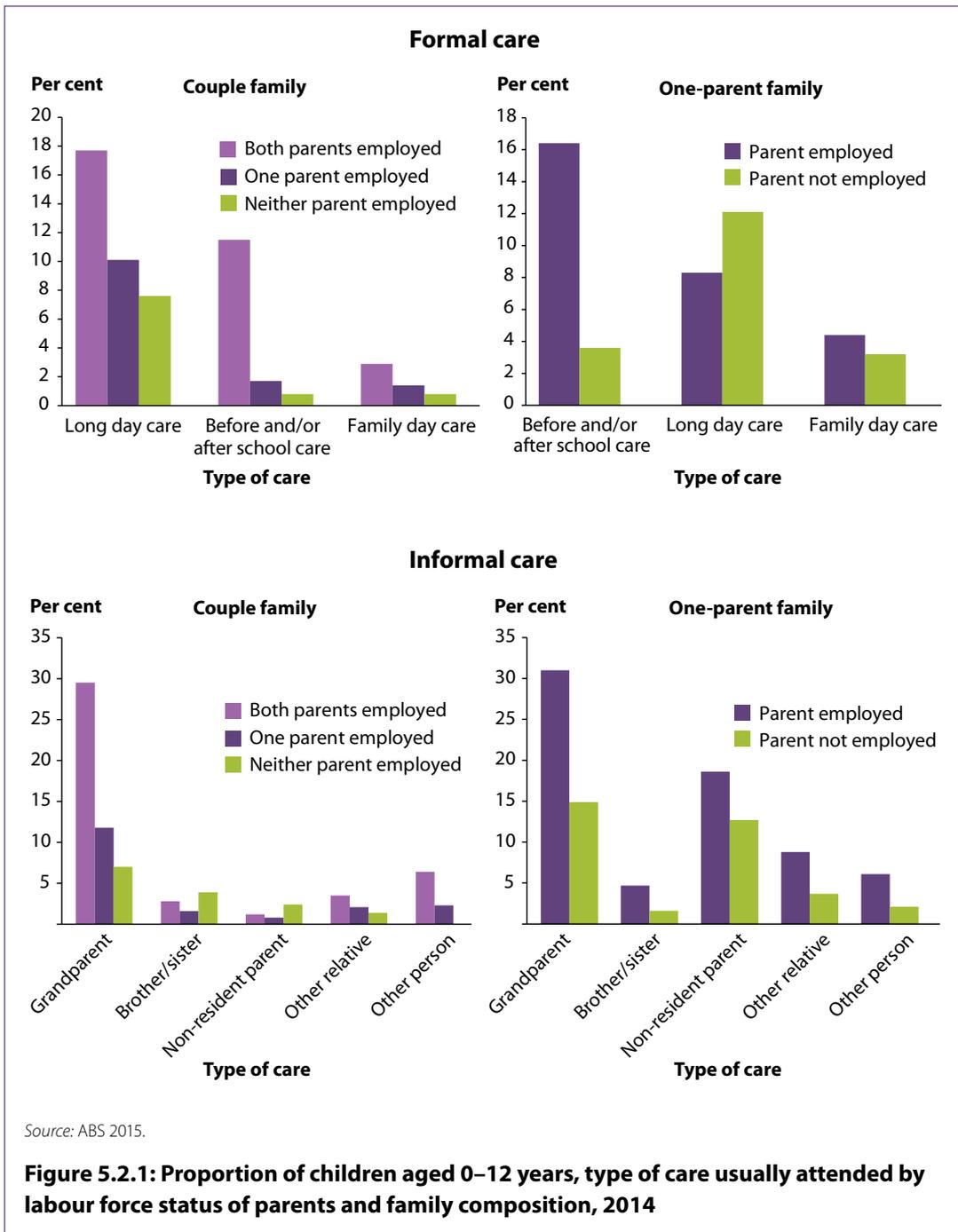
Employment status and family composition play an important role in the type of care attended by children. Figure 5.2.1 shows the levels and types of child care accessed by couple families and one-parent families, by employment status. The data come from the ABS 2014 Childhood Education and Care Survey. This survey showed that the reasons parents accessed child care were: for work and study reasons or if they were looking for work (73%); benefits associated with preparing the child for school (18%); and for personal reasons including entertainment, social reasons, or to give parents a break (8%) (ABS 2015).

All families in all forms of employment are more likely to use grandparents for informal care than other types of care. Grandparents provide informal care to nearly a third of both working couple families and working one-parent families.

Among couple families, those with both parents employed are more likely than couple families of other employment status to use all forms of formal care—long day care, before and/or after-school care, and family day care (18%, 11% and 3% of families respectively). Employed one-parent families are more likely to use before and after-school care than long-day care (16% compared with 11%) (ABS 2015).

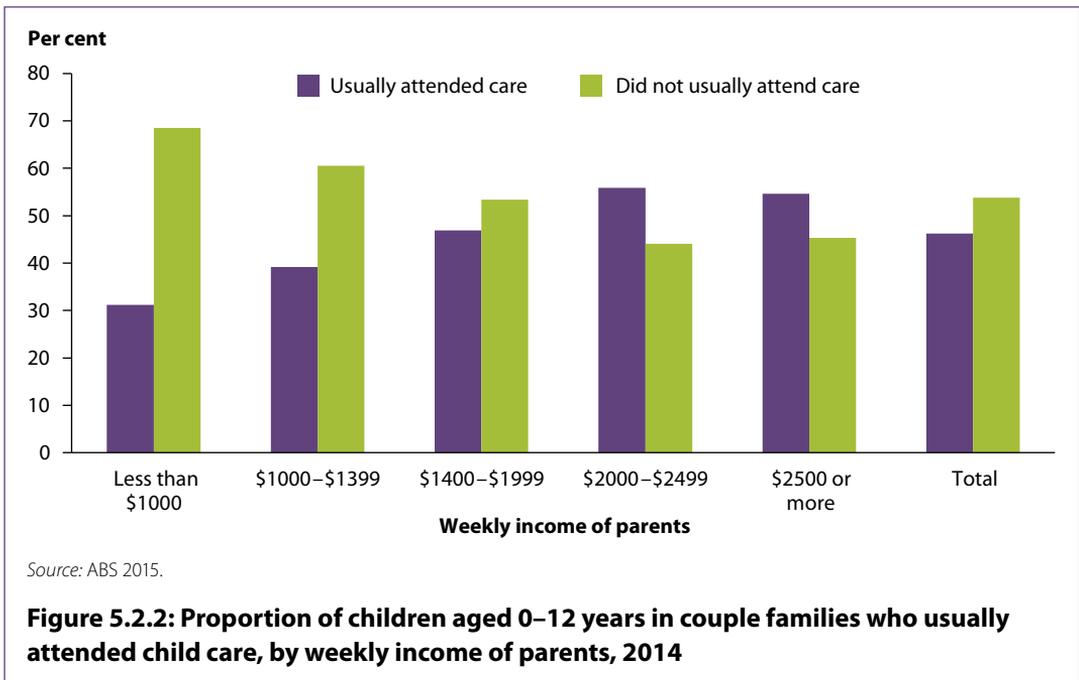
Among Aboriginal and Torres Strait Islander children aged 0–12 years, an estimated 56% use formal and/or informal child care. Child care was more frequently used by children aged 0–4 years (61%) than children aged 5–12 years (53%).

According to the 2008 National Aboriginal and Torres Strait Islander Social Survey, nearly 1 in 2 Aboriginal and Torres Strait Islander children are likely to be attending informal child care, with grandparents the most-used informal care provider for 32% of 0–4 year olds and 23% of 5–12 year olds (ABS 2010).

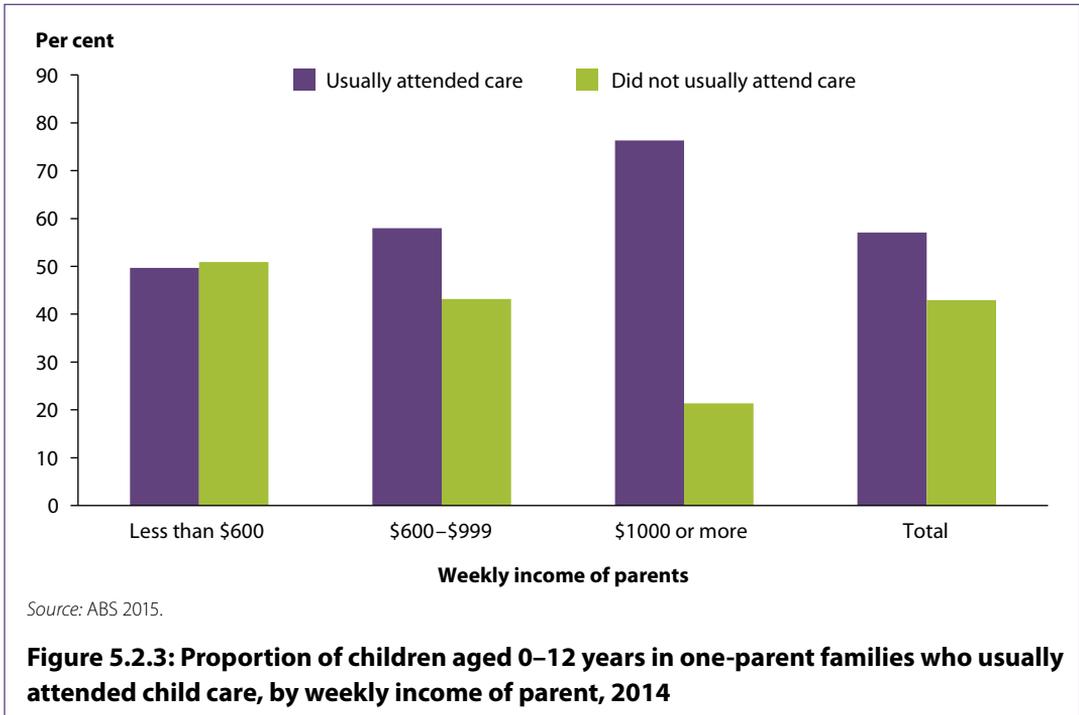


Cost and accessibility of child care

A strong association between parents' weekly income and the use of child care is seen both within couple families and one-parent families. Children in couple families for whom the weekly income was less than \$1,000 were less likely to attend child care than those in families where the weekly income was \$2,500 or more (Figure 5.2.2).



Children in one-parent families were more likely to be attending child care where weekly income was above \$600 per week (Figure 5.2.3).



The 2014 ABS Childhood Education and Care Survey found that the average amount of time spent in child care by Australian children who attended any type of care was 18 hours per week. Approximately 29% of children who attended formal care were likely to attend for 10–19 hours per week. Only 9% of children were likely to attend for 35 hours or more per week (ABS 2015).

The National Centre for Social and Economic Modelling (NATSEM) has indicated that the demand for child care has increased by 77% since 1996, with grandparents providing most of the additional care required. The increase in demand has also seen costs of child care escalate, particularly for long day care. For example, some of the most expensive areas of Australia report a cost to families of up to \$170 per day. This amount can be more than a day's wage for a low-income woman (Phillips 2014).

NATSEM also estimates that the gross cost of child care has increased faster than the consumer price index over the past 10 years (10% per year compared with 3% per year), which has resulted in a 150% increase in the real cost of child care. While the Australian Government subsidises families for the cost of child care, increases in the subsidies are thought to have a direct impact in terms of price increases passed on to families by the provider (Phillips 2014).

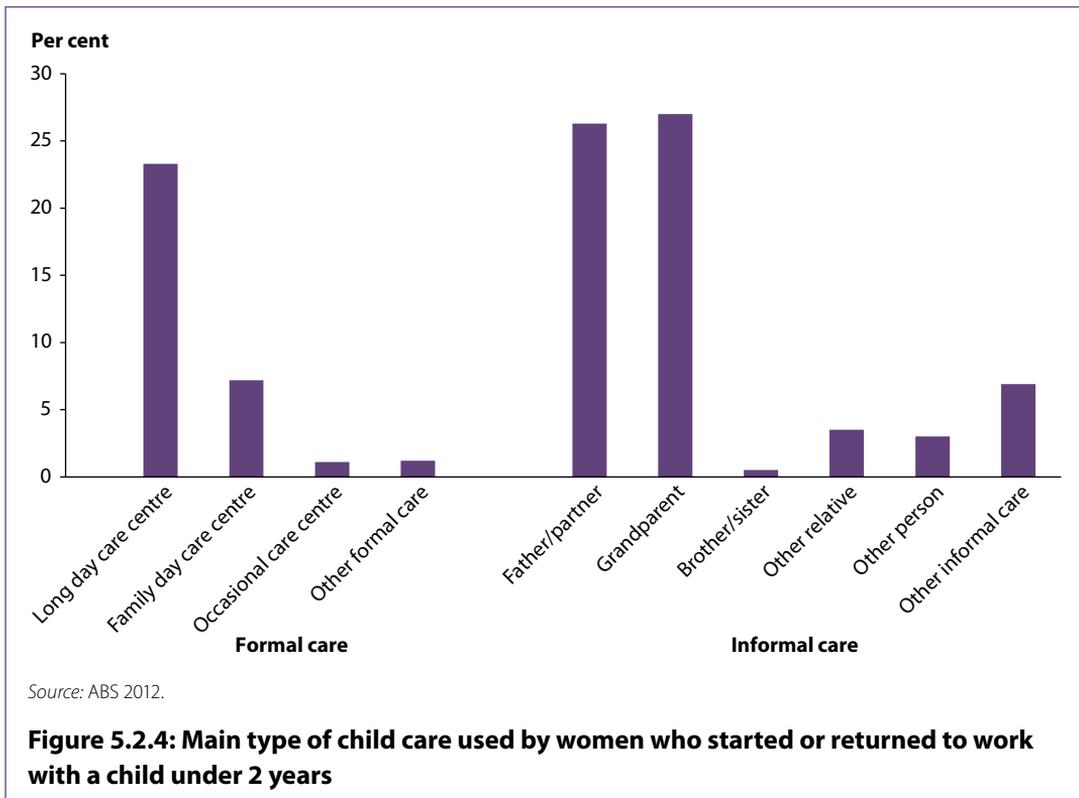
Workforce participation of parents

Based on data from the Household, Income and Labour Dynamics in Australia (HILDA) survey, from 2001 to 2010, differences in labour force participation by parents are fairly evident by family type. For couple families, fathers in couple families (67%) are the most likely of all parents to be in full-time employment, and mothers in couple families are more likely to work part-time (37%). In lone-parent families, 43% lone fathers are most likely to be in full-time employment while 40% of lone mothers do not participate in the labour force at all (Kecmanovic & Wilkins 2013).

The labour force participation of fathers in couple families has remained relatively consistent since 2001; however, the rate of lone fathers who are employed full-time fell from 48% to 43% and the proportion of lone fathers who are not in the labour force has conversely increased from 25% to 37%. Mothers in couple families are more likely to be participating in the labour force than they were in 2001 (69% compared with 64%). There has been an increase in lone mothers in full-time work since 2001 (30% compared with 27%), while part-time work for lone mothers has remained fairly consistent (24%) (Kecmanovic & Wilkins 2013).

After the birth of a child, women state various reasons for returning to the workforce. The most common reason cited by women returning or starting work up to 2 years after giving birth was financial reasons (73%), followed by the need for adult interaction/mental stimulation (54%), and to maintain their career/skills (51%). One-third of women return to work or start work when their child is aged between 7 and 12 months old (ABS 2012); however, for some women the financial benefit resulting from returning to work is negated by the cost of child care and increases in tax payments, particularly as hours of work increase and hours of child care required increase (Phillips 2014).

Upon a mother's return to work with a child under the age of 2, the most common form of child care was informal care, with 67% of women using this form of care compared with 33% opting to use formal day care. Overall, the main sources of care were grandparents (27%) the father of the child or mother's partner (26%) and long day care centres (23%) (Figure 5.2.4).

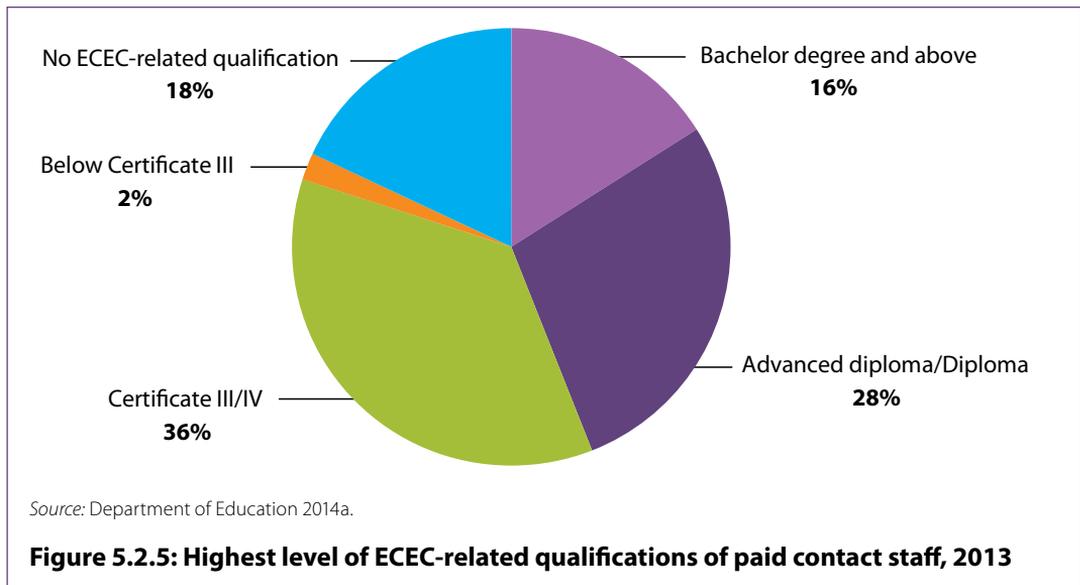


According to the Pregnancy and Employment Transitions Survey conducted in 2011 (ABS 2012), 67% of women returning to work within 2 years of having a child indicated that they had flexible work arrangements that allowed them to assist with the care of a child, including part-time work, working from home, flexible working hours and job sharing. Flexible working arrangements were available to 95% of women returning to work in the first 2 years after the birth of a child. Additionally, 50% of those women's partners indicated that they were also able to access flexible work arrangements to assist with the care of the child.

There has been an increase in availability of, and access to, child care over the past 3 years. However, a significant number of parents and carers have indicated that their current care arrangements do not meet their current needs or will not meet future needs. An estimated 21% of all children aged 0–12 have unmet child care needs. Of those children in couple families whose children usually attended preschool or formal care, 19% (177,600) indicated that additional care was required, and in one-parent families, 21% (39,500) indicated that additional preschool or formal care was required. Of couple families with children who currently attended informal care only, 3.5% (24,400) required preschool or formal care now, and of all one-parent families whose children attended informal care only, 10% or around 21,900 families estimated that they additional preschool or formal care now (ABS 2015).

Child care workforce

The 2013 National Early Childhood Education and Care Workforce Census shows that about 153,200 staff are employed in the Early Childhood Education and Care (ECEC) sector, with the largest proportion of these staff being employed in long day care services (50%). Preschools accounted for 18% of ECEC staff, before and/or after school care 12%, vacation care 100%, and family day care 9%. The number of people employed in ECEC has grown by 11% since 2010 and services are estimated to have grown by nearly 6%. The number of children in care is estimated to have grown by 15% (Department of Education 2014a)



Staff employed within this sector are well qualified (Figure 5.2.5), with 82% in 2013 having an ECEC-related qualification, compared with 70% in 2010. Currently, at least 16% of ECEC staff have Bachelor degrees (Department of Education 2014a). Despite the high level of qualifications within this field, salaries for ECEC workers are relatively low, with little difference between the pay levels of the most qualified and experienced workers and the least qualified workers. Critical shortages of staff exist in this sector with many leaving due to relatively low pay rates and poor conditions (Harrington & Jolly 2013).

(For additional information on enrolments in child care and preschool, see Chapter 3 'Children in child care and preschool programs'. For additional information on the community workforce, see Chapter 2 'The changing face of the welfare workforce'.)

What is missing from the picture?

Data on the quality and use of early childhood education programs, and associated lifelong outcomes, are limited and difficult to capture. Linking data on children who access quality early child care/education and informal care with later school achievements and life outcomes could provide very useful insights into the efficacy of early childhood education and care (see Box 4.8.1, 'Investigating pathways using data linkage' for more information).

Where do I go for more information?

More information regarding early childhood education and care can be found at the ABS website www.abs.gov.au and the Department of Education website www.education.gov.au.

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5.3 Home alone

In the last 50 years there has been a substantial increase in the proportion of Australians living alone. In 1961, just over 1 in 10 Australian households (11%) had only one resident. In 2012–13, lone-person households increased to almost 1 in 4 (23%) (ABS 2015). An estimated 2.1 million people currently live alone in Australia (ABS 2015).

Why has there been an increase in lone-person households?

The rise of lone-person households has been attributed to 3 factors: younger people who have not partnered or had children; middle-aged people whose relationship or marriage has ended; and older people who are widowed (ABS 2009).

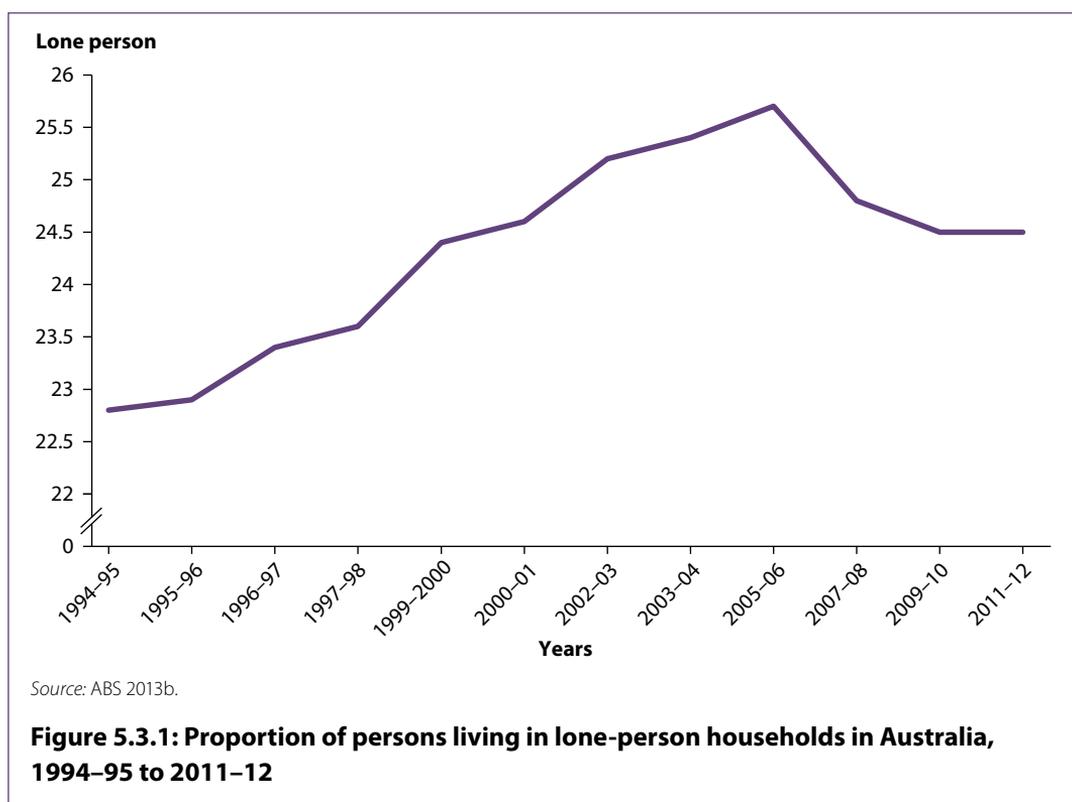
Australia's ageing population has significant implications for the provision of appropriate housing and aged care (AIHW 2013). Many older Australians report that they want to 'age in place'. This means location, in terms of connection to the community and familiarity with services, is the most important factor for older Australians in deciding where to live. This is in preference to moving into specialised care or into a dwelling that may be more appropriate to their needs, but is located away from their community (Olsberg & Winters 2005) (see Chapter 6 'Older Australians and the use of aged care').

Figure 5.3.1 shows the proportion of persons living in one-person households in Australia between 1994–95 and 2011–12. The proportion of lone-person households increased steadily between 1994–95 and 2005–06 (from 22.8% to 25.7%), before decreasing and then plateauing between 2005–06 and 2011–12. This decrease may be attributed to increases in property prices, with living alone becoming increasingly unaffordable especially for younger age groups (AIFS 2015).

Between 2006 and 2011, there has been a decline in lone-person households of 0.8% for those aged 30–34 years, and 0.7% for those aged 35–39 years. However, for those aged 60–64 years there was an increase between 2006 and 2011 of lone-person households of 1.6%, and 1.1% increase for those aged 65–69 years (ABS 2013a).

Who is living alone?

- In 2011–12, almost one-half (42%) of all people aged 65 years or older lived in lone-person households, compared with 15% aged 35–44 years (ABS 2013a).
- People in lone-person households were more likely to live in a separate house (62%) than a flat/unit or apartment (21%) or a semi-detached townhouse (17%), with an average of 2.5 bedrooms (ABS 2013b). This is likely to be due to the high proportion of older Australians living alone who own their home.
- Sixty per cent of lone-person households were in capital cities—this was slightly higher for lone-person households aged 35–44 years (66%). Of all lone-person households, those aged 35–44 years also had the highest median income (ABS 2013a).
- Among social housing tenants in Australia, more than one-half of public rental housing households (53%) comprised a single person living alone (AIHW 2015).



Health and wellbeing of lone households

- Sixty per cent of lone-person households where the person was aged under 35 rated their health as excellent or very good (60%) compared with 70% of persons aged 35 years and over living in couple or one-family households. Older lone-person households (aged 65 or over) were more likely to rate their health as fair/poor (38%) than any other household type (ABS 2011).
- People living alone, while more prone to loneliness, are not necessarily lonely, as many have regular social interaction outside their households. People living alone also report similar levels of access to support from someone outside their household in a time of crisis as couple, family or group households (ABS 2009).
- Between 2006 and 2010, there was an increase in the proportion of people living in lone-person households with 3 or more disadvantages—including low income, no work, poor health, low education, feeling unsafe and low social support (Australian Government 2012). For example, lone-person households were more than twice as likely to experience 3 or more disadvantages compared with couple families with children.
- Older lone-person households were more likely than older couple households to have government pensions and allowances as their main source of income (76% compared with 61%) (ABS 2013a). Younger lone-person households were also less likely to have a main source of income as wages (76%) compared with young couple households (81%).
- People living alone who have few or no social interactions have an increased risk of developing mental health problems (Franklin & Tranter 2011). For example, in 2007, 15% of Australians with a mental illness were living in lone-person households (ABS 2009).

What is missing from the picture?

Demographic aspects of lone-person households, such as how long Australians live alone and why, as well as how moving into and out of living alone arrangements affects wellbeing and social connections, are not discussed here. Further research into these aspects will provide a greater understanding of Australians who are living alone.

Where do I go for more information?

For more information on housing assistance in Australia, refer to reports available online at www.aihw.gov.au/housing-and-homelessness; and the *Housing Assistance in Australia 2015* report. Further information about housing affordability and assistance in Australia is provided in Chapter 5.

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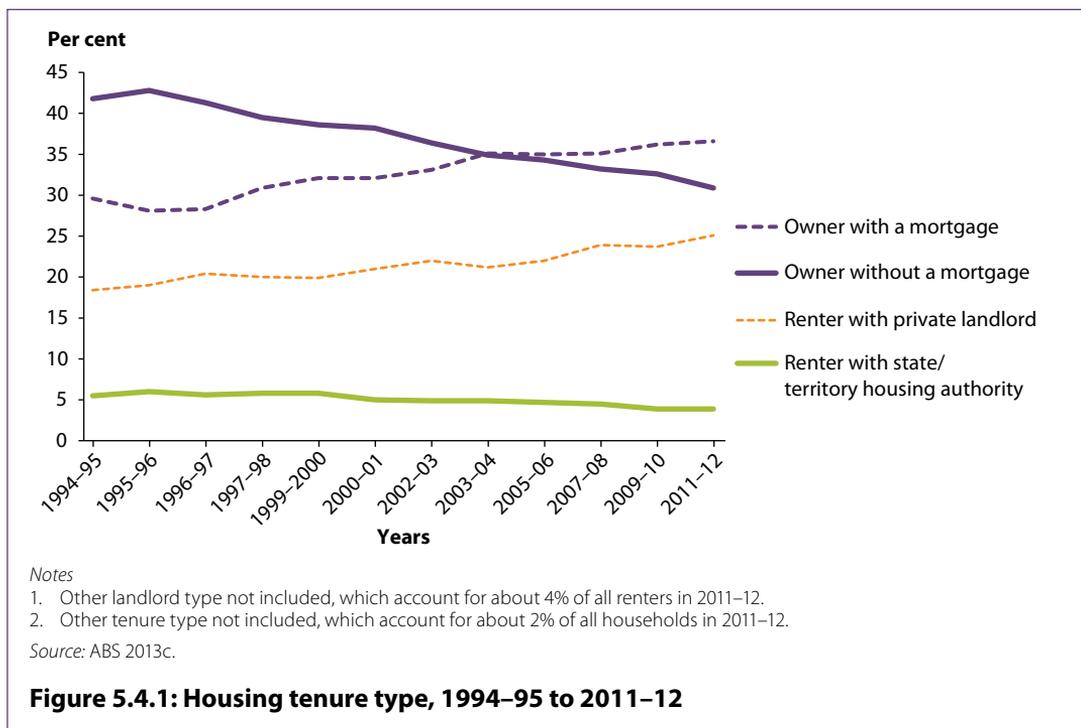
5.4 Bricks and mortar—changing trends in home ownership

Suitable housing is essential to the wellbeing of individuals, families and communities. It provides shelter, security and, in the case of home ownership, a store of wealth. Owning a home, for many Australians, has long been seen as ‘the great Australian dream’ (ABS 2013c). Historically, Australia has had high rates of home ownership; however, since the 1980s overall home ownership rates have been in decline. At the time of the 2011 Census, just over two-thirds (67%) of Australian households owned their home (with or without a mortgage). This was a slight decrease from 68% in the 2006 ABS Census.

Understanding the changing trends in home ownership is important not only for economic reasons, but to also recognise the shifting needs of Australian households and how these are being met. Many factors influence these trends, from the availability and affordability of land and housing, levels of investment and construction, to changes in population characteristics and individual economic circumstances (Yates 2011).

Trends in home ownership in Australia

The majority of Australians either own their own home outright (without a mortgage) or are currently buying it (with a mortgage) (see Box 5.4.1 for a summary of housing tenure types). Over the past decade, however, the pattern of home ownership has changed (Figure 5.4.1). There has been a significant decline in the proportion of Australians who own their own home outright and a corresponding rise in the proportion of those who own with a mortgage. This could be attributed to later entry into home ownership than previous years, as well as later family formation. In 1994–95, 42% of Australians owned their own home outright and just under 30% of Australians owned with a mortgage. Over the next decade and a half those who owned their home outright declined to 31% of Australians and those with a mortgage rose to 37% in 2011–12.



Box 5.4.1: Housing tenure

Housing tenure types are defined by the categories below.

Home owners—These households either:

- owned their home outright; or
- were in the process of purchasing their home (for example home owner with a mortgage).

Renters—There are generally two types:

- private renters (renting from a private landlord); or
- renting from social housing providers (state and territory governments or community housing organisations).

Australians are also renting in increasing numbers. The proportion of renters (with a private landlord) has increased, from 18% in 1994–95 to 25% in 2011–12 (Figure 5.4.1). Research suggests that the main reason for this change is the increased cost of housing ownership, discouraging renters from aspiring to home ownership (Beer & Faulkner 2009).

The proportion of households that rent with state and territory housing authorities has declined by one-third, from 6% in 1995–96 to an historically low level of 4% in 2011–12 (ABS 2013c).

Housing tenure in Australia also varied across states and territories in 2011–12. Tasmania had the highest proportion of those who owned their house outright (35%), and the Northern Territory had the lowest (17%). Households in the Northern Territory were also the most likely to be renting from a private landlord (32%) or from state or territory housing authorities (8%). Western Australia and the Australian Capital Territory had the highest proportion of owners with a mortgage (both 40%), and New South Wales and Tasmania reported the lowest proportion (both 35%) (ABS 2013c).

Home ownership over the life cycle

As Australians progress through life cycle stages, their housing needs often shift in line with changes in family composition (ABS 2012). A strong link has been shown between life-course events and entry and progression into the housing market (Beer & Faulkner 2009). Box 5.4.2 provides a summary of the housing decisions that many Australians face over the course of their working lives.

Box 5.4.2: 'Housing career' over working life

Early working life (25–34 years)

Leaving the family home because of marriage has been traditionally the time when Australians purchase their first home. In 2009, marriage was still an important reason for leaving the family home, with 22% of those aged 25–34 years indicating marriage or a long-term relationship as the main reason. While there were more renters in this age group, they were also more likely than any other age group to believe they would purchase their first home in the next 5 years (Beer & Faulkner 2009).

Mid working life (35–54 years)

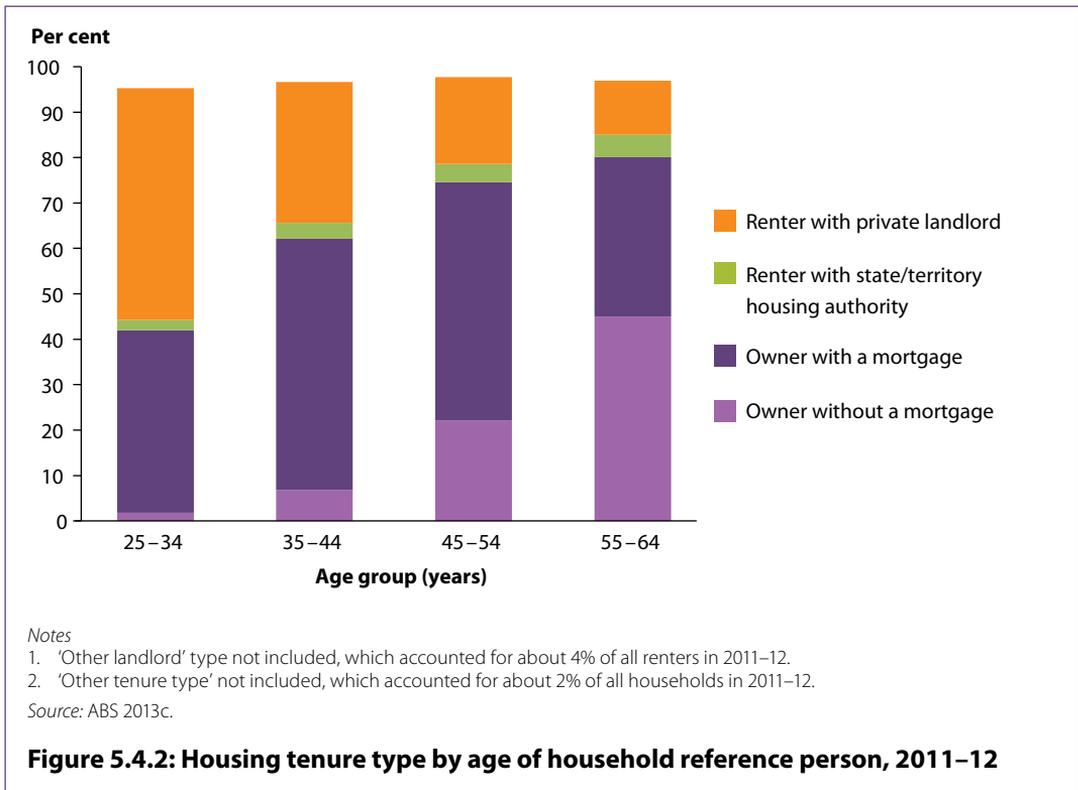
This time of life is usually where an increasing proportion of people are in relationships, have increased levels of income and are homeowners (Flood & Baker 2010). Research has also shown that this is the time when loss of employment, relationship breakdown or financial stress are more likely to occur, with resulting changes in housing circumstances.

End of working life (55–64 years)

This age group is more likely to own their own home outright, potentially providing financial advantages prior to, and in to retirement (Beer & Faulkner 2009).

Young Australians are leaving the family home later in life compared with a few decades ago. In 2011, around 29% of single young adults (aged 18–34 years) lived with one or both of their parents, up from 21% in 1976 (ABS 2013a). Delayed leaving of the parental home can be linked to such factors as reduced income due to tertiary study, and the difficulties many young people face finding secure employment and affordable accommodation. To help with saving to buy their first home, many young people transition from the family home to private rental in group households, although the proportion in this household type has been decreasing. Additionally, many young Australians return to their parental household when circumstances change, and this often includes support with saving to buy their first home. For example, after leaving the home, an estimated 46% will return at least once before the age of 35 (ABS 2009). As such, the transition between exiting the parental home and moving into home ownership is becoming increasingly difficult.

As expected, age distribution by tenure type shows 25–35 year olds are more likely than other age groups to be renting in the private market and those aged 55–64 were much more likely than other age groups to own their own home outright (Figure 5.4.2). Those aged 55–64 years were also more likely than other age groups to be renting with a state or territory housing authority (5%) compared with those aged 45–54 (4%) (Figure 5.4.2).

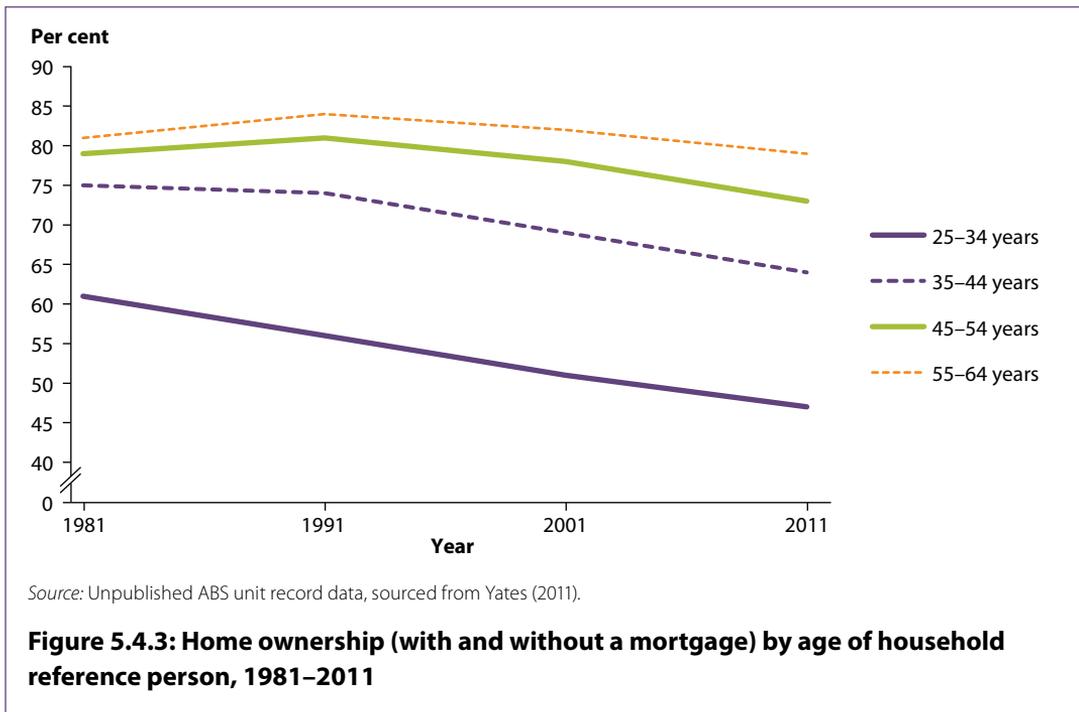


From 1991 to 2011 there were gradual declines, across four age groups covering ages 25 to 64, in the proportion of Australians who owned a home (with and without a mortgage) (Figure 5.4.3). From 1981 to 1991 home ownership rates had been rising for the 45-54 and 55-64 groups, but had fallen for the 25-34 and 35-44 groups.

Overall, home ownership rates (with and without a mortgage) have fallen most for younger adult cohorts over the last 30 years. Rates for the 25-34 group fell from 61% to 47% between 1981 and 2011 (Yates 2011) (Figure 5.4.3). Unfortunately, the longer young Australians wait to purchase a home, the fewer working years they have to repay their mortgage, which may directly affect their retirement years.

Yates (2011) discusses some of the demographic and economic factors that help explain the decline in home ownership for younger households. These include the emergence of single-person and single-parent households (with less purchasing capacity than double-income households), a steadily emerging gap between house prices and average weekly earnings over the period, and pressure on the housing market imposed by increasing demand from established owners. Yates also cites tax concessions to owner-occupiers (principally negative gearing) that are biased towards high-income households with considerable equity in housing.

A majority of older Australians own their homes outright, allowing many retired people to live on relatively low incomes (Figure 5.4.2). However, for working-age Australians, purchasing a home later in life increases the risk of spending more of their income on housing costs in retirement. This has significant implications for living standards, and threatens the capacity of older Australians to remain in home ownership and age 'in place'.



Home ownership with a mortgage rose across all age groups between 1991 and 2011. This change could be attributed to the increasing size of home loans, as well as home loan refinancing, and the increasing difficulty of Australian home owners to achieve outright home ownership over time (Burke et al. 2014).

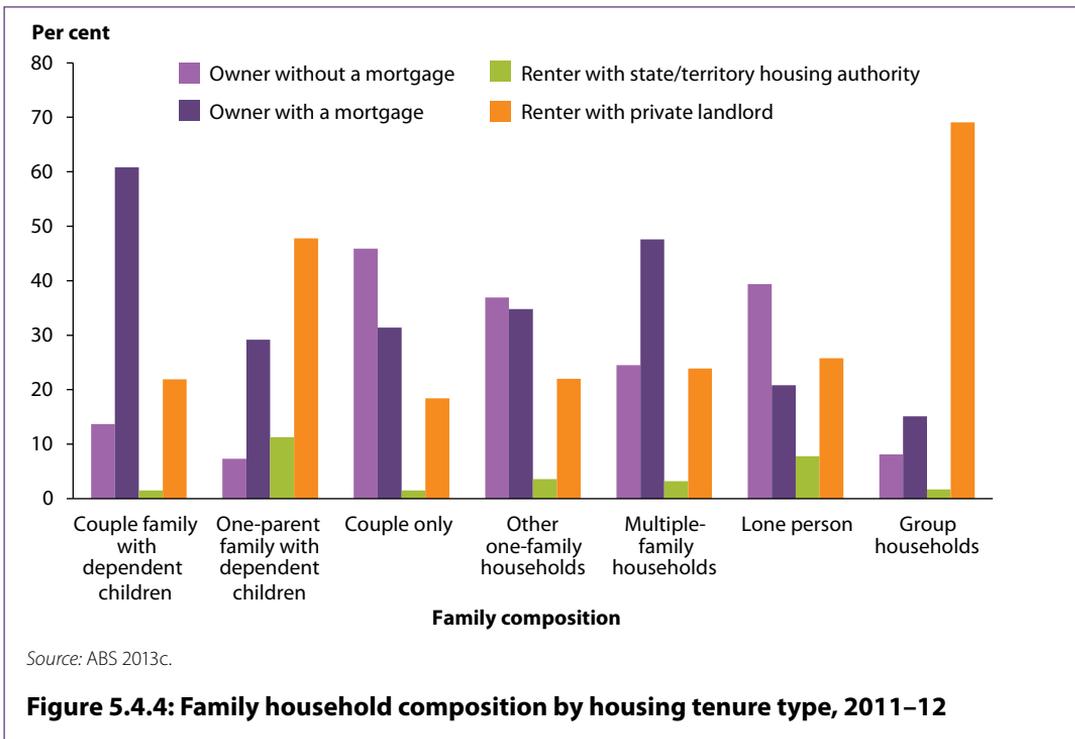
Australian households and homes changing

Between 1994–95 and 2011–12, family structure was dominated by couple families with dependent children, couples without children, and lone-person households (ABS 2013c). The proportion of couple families with dependent children has declined over time, from 31% in 1994–95 to 26% in 2011–12. Couple-only households have increased gradually, from 24% in 1994–95 to 26% in 2011–12. Likewise, lone-person households increased from 23% to 25% over the same period (ABS 2013c).

Other one-family households made up the next highest proportion of household composition, followed by one-parent families with dependent children, group households and multiple-family households. The proportion of these groups has remained fairly static over time.

Types of home ownership also vary across different family structures. Figure 5.4.4 shows that in 2011–12, couple-only households (46%) were most likely to own a home without a mortgage, followed by lone-person households (39%).

Couple families with dependent children were more likely to be owners of a home with a mortgage (61%) than any other tenure type. The most common tenure and landlord type for group households (69%) and one-parent families with dependent children (48%) was renting from a private landlord. Just over 1 in 10 one-parent families with dependent children (11%) were renting from a state or territory housing authority (ABS 2013c).



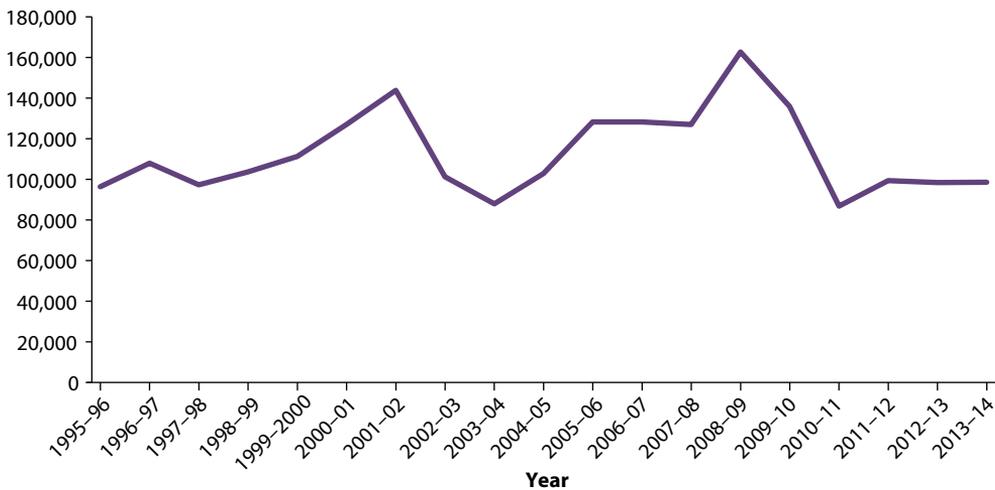
In 2011–12, the majority of households generated their main source of household income from wages or salaries (61%) or government allowances or pensions (25%) (ABS 2013b). For almost 1 in 10 households (9%) the main source of income was ‘other income’—of which a significant proportion is income generated from investments, including property (ABS 2013b). Furthermore, 14% of these ‘other income’ households were renting—indicating that not all households who generate investment income as their main source of income reside in a household where they are an owner (with or without a mortgage).

First home buyers

The estimated total number of loans to first home buyers has varied over time (Figure 5.4.5). In 1997–98, there were around 97,000 first home buyer loans, increasing to almost 144,000 in 2001–02, before decreasing again in the following year (ABS 2015). These fluctuations have been influenced by the level of production of new dwellings, mortgage finance costs and the extent that investors outbid first home buyers. House price escalations could also be a contributing factor to the variability of first home buyer numbers, due to underlying market conditions and the potential for investors to compete with first home buyers.

Between 2007–08 and 2008–09, there was a significant jump in the number of first-home-buyer-financed dwellings, from around 127,000 to nearly 163,000, a 28% increase (ABS 2015). This increase is likely to be related to a short-term ramp-up of various first home buyer grants around that time, after the global financial crisis (see Box 5.4.3 for more information on financial assistance for first home buyers).

The average first home buyer was 33 years old in 2011–12 (Loving 2014). In the same year, first homes cost households in the 25–34 year group 8.9 times their annual household income, compared with 7.8 times in 2000–01.

Number of first home buyers

Source: ABS 2015.

Figure 5.4.5: Total number of financed first home buyer dwellings, 1995-96 to 2013-14

Box 5.4.3: Financial assistance for home purchasers

Over time, government policies have focused on encouraging Australians to strive towards home ownership. This may be due to the belief that home ownership not only provides greater security in retirement and generally a stable tenure type, but is also a lifelong form of household saving and wealth creation that reduces reliance on welfare, and benefits the Australian economy (Wood et al. 2013).

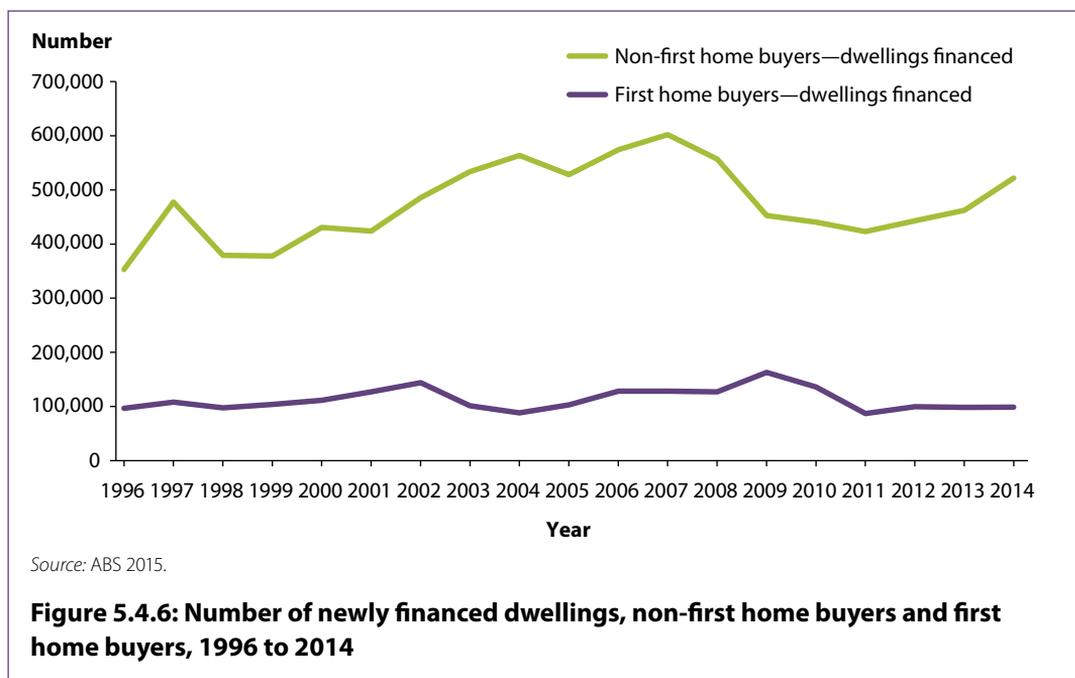
A range of government initiatives and programs are available to help households pay for housing and to increase the supply of affordable housing. Under current policies there are two main forms of government assistance available to home buyers:

- The First Home Owners Grant scheme, funded by the Australian Government and administered by state and territory treasury departments, was first introduced in 2000 to offset the effect of the goods and services tax on home ownership. Under the scheme, a one-off grant is payable to first home owners that satisfy all the eligibility criteria.
- State and territory governments provide various forms of home purchase assistance to eligible households to improve access to home ownership, including direct lending, deposit assistance, concessional interest rates and mortgage relief.

How many and how much?

The total number of newly financed dwellings each year has been diverse, with peaks and troughs not necessarily correlating between first home buyers and those who have bought a home before (non-first home buyers). Figure 5.4.6 shows that between 1994 and 2014, the highest number of newly financed non-first home buyer dwellings was in 2007 (over 600,000 dwellings), and the lowest number was in 1996 (just over 350,000 dwellings). Of newly financed first home buyer dwellings, the highest number was in 2009 (over 160,000 dwellings), and the lowest number was in 2011 (around 87,000 dwellings).

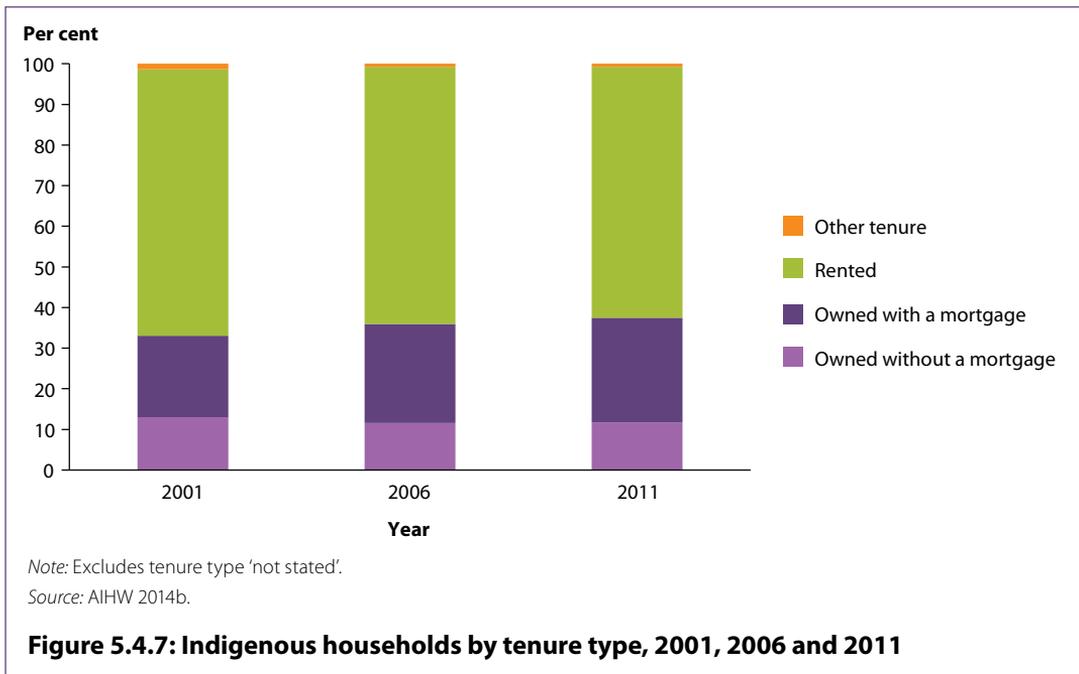
There was a decline in the total number of non-first home dwellings financed between 2008 and 2010; however, this was offset by an increase in the numbers of first home buyers during the same period.



The average loan size for both non-first home buyers and first home buyers has been steadily increasing at a roughly correlated rate. Generally, the average loan size of non-first home buyers has been marginally higher than for first home buyers. However, between 2010 and 2014 this gap has widened (ABS 2015).

Indigenous home ownership

A range of programs have been implemented by government and non-government organisations to increase home ownership rates for Aboriginal and Torres Strait Islander people. Census data show rates of home ownership (with or without a mortgage) among Indigenous Australians increased from 33% in 2001 to 36% in 2011 (this compares with 67% of all Australian households in 2011) (Figure 5.4.7). However, the rate of renting remains high at around twice the rate of home ownership among Indigenous Australians for each year (ABS 2012a). Over one-half (56%) of Indigenous households who owned their home outright were more likely to be one- or two-person households, and 30% of Indigenous households living in social housing had five or more usual residents living in the household (ABS 2012a).



According to 2011 Census data, Indigenous households in Tasmania were more likely to own their home (52%), followed by the Australian Capital Territory (42%) and Victoria (41%).

The Northern Territory reported the lowest rates of home ownership among Indigenous households (20%). This may be attributed to the high proportion of Indigenous households living in *Remote* and *Very remote* areas, some of which have restrictions on individual home ownership and freehold land (AIHW 2014b).

Factors influencing changes in home ownership

Home ownership can be influenced by many factors, from the availability of land and housing, levels of investment and construction, to changes in the population and the economic environment.

The ins and outs

In Australia, a majority of households, once they attain owner occupancy, will stay in this tenure type (referred to as ongoing owners). Some will, however, quit home ownership and return to renting, often either as a result of unforeseen financial difficulties or to suit relocation. Among those reverting to rental accommodation, some will return in due course to owning (Wood et al. 2013).

Those who leave and re-enter home ownership tend to leverage their housing equity more actively than most ongoing owners, potentially improving their financial position. Therefore, financial and housing market variables are key determinants of the ability to re-attain owner occupancy. As such, those who leave and re-enter home ownership are more likely to capitalise on opportunities to improve their positions in the labour and housing markets than other ongoing owners or those who permanently revert to renting.

Those who leave and re-enter home ownership tend to be actively employed, possess 'variable to good' health, and are not particularly vulnerable owner-occupiers. They typically pay little to no rent during periods out of ownership, enabling them to save money for the next home purchased. Of these groups, ongoing owners report higher levels of wellbeing and lower levels of indebtedness than those who leave home ownership, whereas those who leave and re-enter home ownership report circumstances between the two (Wood et al. 2013).

Housing affordability for home owners

Housing affordability refers to a person's ability to meet costs associated with housing, based on their income. Over recent years, house prices in Australia have risen in relation to income, having a detrimental effect on housing affordability.

A lack of affordable housing means households are at risk of housing stress, and could be forced into decisions that adversely affect them. This can include the exacerbation of stress-related health conditions, increased relationship stresses, going without meals, restricted extracurricular activities for children and inability to afford additional housing costs (such as maintenance) (Yates & Milligan 2007). A lack of affordability can also limit a household's housing choices and their access to services and employment opportunities. The Reserve Bank of Australia notes that the rise in house price-to-income ratios through the late 1980s, 1990s and early 2000s reflects many factors besides income. These include: financial deregulation allowing higher borrowing and more households to access loans; lower interest rates; changes to capital gains tax; and the reintroduction of first home buyer subsidies (RBA 2012).

An indicator of housing stress is when a household's housing costs, particularly mortgage repayments or rents, exceed more than 30% of their gross income. As households on higher incomes may choose to spend more on housing, the 30% measure as applied to the bottom 40% of income earners is a better indicator of households most likely to be struggling with housing costs (see Box 5.4.4).

Box 5.4.4: Key concepts relating to housing costs and affordability

Housing affordability

In the case of home ownership, housing affordability is defined in terms of household income relative to costs associated with home ownership. Three measures of affordability have been defined. They include: purchase affordability in terms of capital costs; repayment affordability, in terms of mortgage repayments; and income affordability, in terms of the ratio between house price and income (Hill & Gan 2008).

Low-income households

Some analyses presented in this article refer to 'low-income households'. Low-income households are defined as those whose equivalised gross household income is in the bottom 40% of the income distribution. This measure is not necessarily indicative of eligibility for government assistance targeted at low-income households, and some types of assistance may also be provided to households that do not meet this definition.

This definition differs from the Australian Bureau of Statistics (ABS) definition as used in the Survey of Income and Housing (SIH), which refers to lower-income households as those in which equivalised disposable household income falls between the bottom 10% and 40% of the income distribution. When the chapter refers to data from the ABS SIH, this second definition of lower income households applies.

Housing stress

A household spending more than 30% of its household income on housing costs is said to be in housing stress. Both purchasers and renters can be in housing stress.

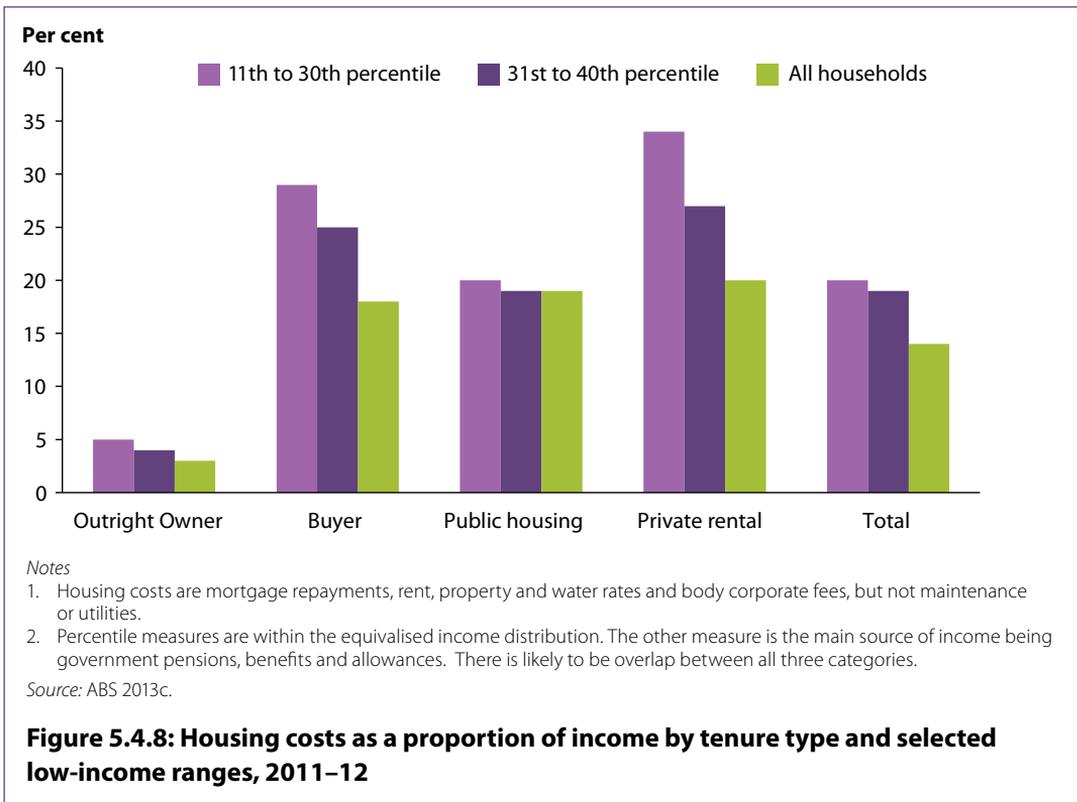
Money, money, money

House prices have risen significantly in recent years, outstripping increases in consumer prices and median incomes (AIHW 2014a). As such, financial constraints are often the main barrier to buying rather than renting. Many households are often unable to meet up-front transaction costs such as deposits and stamp duties, and with current housing prices, these associated up-front costs are becoming insurmountable.

Census data show a positive association between higher household incomes and the proportion of people owning their homes. Households with low to moderate incomes who manage to acquire their own homes sometimes cut back on necessities in order to meet mortgage repayments, especially in the early years; and as a result, they ultimately may be forced to choose between owning a home and going without other consumables.

For those who are unable to sustain the costs associated with home ownership, Berry and others (2010) suggest that defaulting on a home loan is the result of various related financial factors. These include credit card debt that was used to manage mortgage debt, as well as refinancing for the same purpose. Berry and others also found that those who default on mortgages demonstrated a tendency to avoid seeking financial advice early on regarding their monetary situation.

Figure 5.4.8 shows the higher likelihood of low-income earners having an affordability problem. Low-income earners generally have lower housing costs, but spend a much higher proportion of their income on housing costs for all tenure types, particularly private rental.



Supply and demand

Australia has had strong house price growth since 2001, with the growth in house prices largely reflecting increases in the prices of established houses and land. The main influences of increased housing demand are thought to be financial and economic, with growing incomes per person and high levels of employment across the economy (COAG 2012). Although Australia’s macroeconomic environment and demographic changes have provided a strong platform for growth in demand for housing, the supply of housing has not responded commensurately to the growth in demand (COAG 2012).

Employment, education and family structure

Home ownership often depends on a household’s ability to raise a deposit and to secure and repay a loan, reflecting the availability and security of employment. Census 2011 data indicate that home ownership rates are correlated closely to employment status.

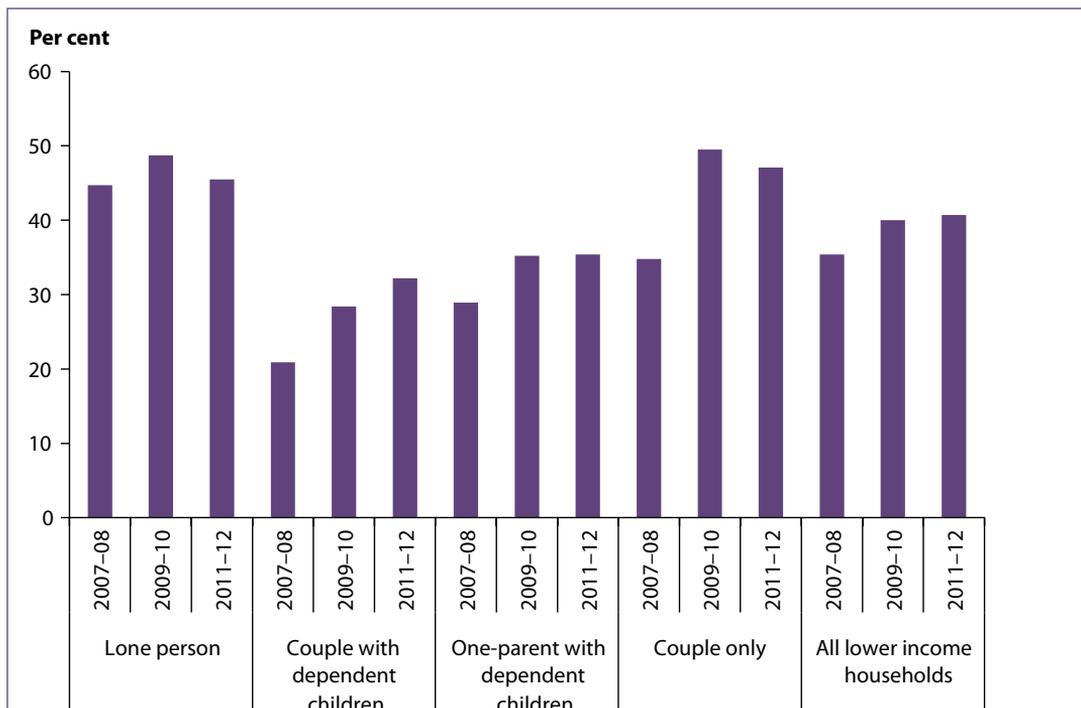
Education has been linked to home ownership, and as a broader indicator of socioeconomic wellbeing. Education is a stepping stone to employment and income which, in turn, are gateways to acquiring or accessing the finance required for home ownership.

As family arrangements change, so do housing needs and preferences. An increase in single-person households has had a negative impact on rates of home ownership (Wood & Ong 2012). Family dissolution and breakdown also have a negative impact on home ownership. This can lead to the possibility of higher rates of housing equity reversals and unexpected transitions from home ownership back into the rental market.

Helping hands

Various government programs exist that aim to assist individuals in achieving home ownership. These are intended particularly for first home buyers and low-income earners, as well as specific programs for Indigenous Australians, and are provided through a range of measures that offer financial assistance for home purchase. In 2013–14, approximately 61,000 first home owner grants were paid, and 40,300 Australian households received home purchase assistance from state housing authorities (AIHW 2015). In 2012–13, 664 households received new loan assistance through the Commonwealth Indigenous home ownership program (AIHW 2014b).

The proportion of low-income rental households paying more than 30% of gross income on housing costs has been varied over time (Figure 5.4.9). Low-income households are defined as the 40% of households with equivalised disposable household income at or below the 40th percentile (ABS 2013c). Between 2007–08 and 2011–12, the proportion of lone-person low-income rental households paying more than 30% of gross income on housing costs ranged from 45% in 2007–08 to 49% in 2009–10. Couple-only low-income rental households also reported consistently high incidence of paying more than 30% of gross income on housing costs, with a peak of 50% in 2009–10.



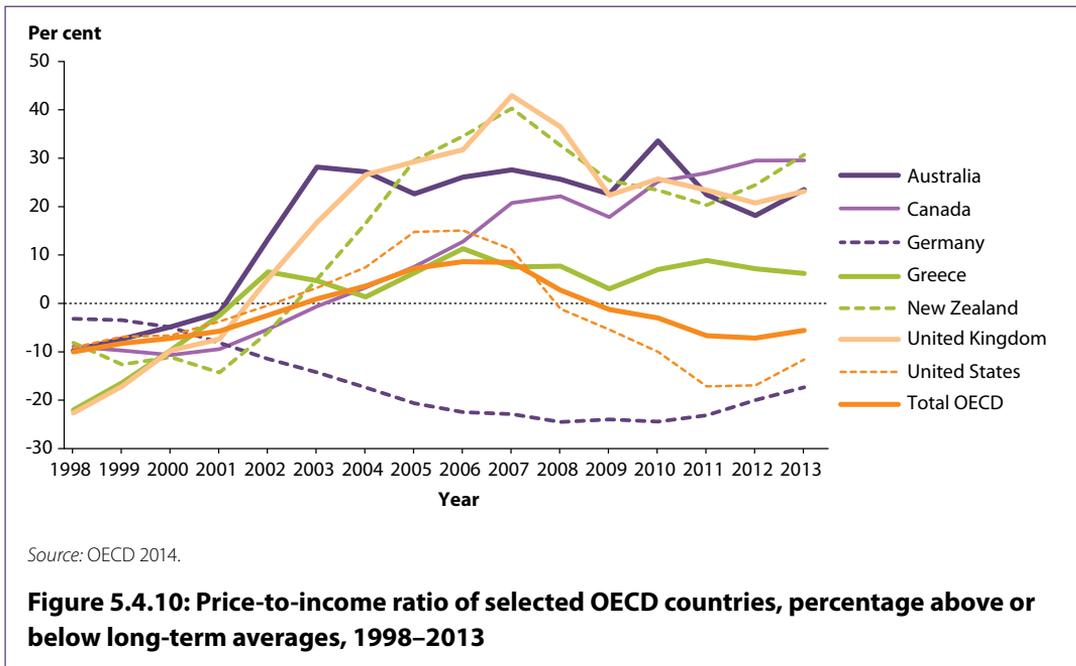
Source: ABS 2013c.

Figure 5.4.9: Proportion of low-income rental households paying more than 30% of their gross income on housing costs, 2007–08 to 2011–12

International comparisons

Australia is among a group of Organisation for Economic Co-operation and Development (OECD) countries with unaffordable house prices. When compared to long-term averages, New Zealand, Canada, the United Kingdom and Australia reported high price-to-income ratios (a measure of affordability, where median house prices are divided by median incomes).

In 2013, Australia’s price-to-income ratio was 24% above the long-term average (Figure 5.4.10). In comparison, prices across the OECD were slightly below the long-term average.



Supporting households with housing affordability concerns

The provision of housing assistance to low-to-moderate-income and disadvantaged households is a role primarily for state and territory governments. However, the Commonwealth has taken a leading role in shaping housing policy through the National Affordable Housing Agreement. This includes programs to assist buyers (see Box 5.4.3); renters—such as the National Rental Affordability Scheme and Commonwealth Rent Assistance; and the provision of social housing.

Social housing

At 30 June 2014, over 390,000 households were living in social housing. Demand for social housing has been high for some time, and is continuing to increase—and supply is failing to keep up. Non-government provision of social housing is increasing—the proportion of social housing dwellings managed by community housing providers (but mainly funded by governments) increased from 35,700 in 2007–08 to 67,000 in 2013–14 (a rise of 88%).

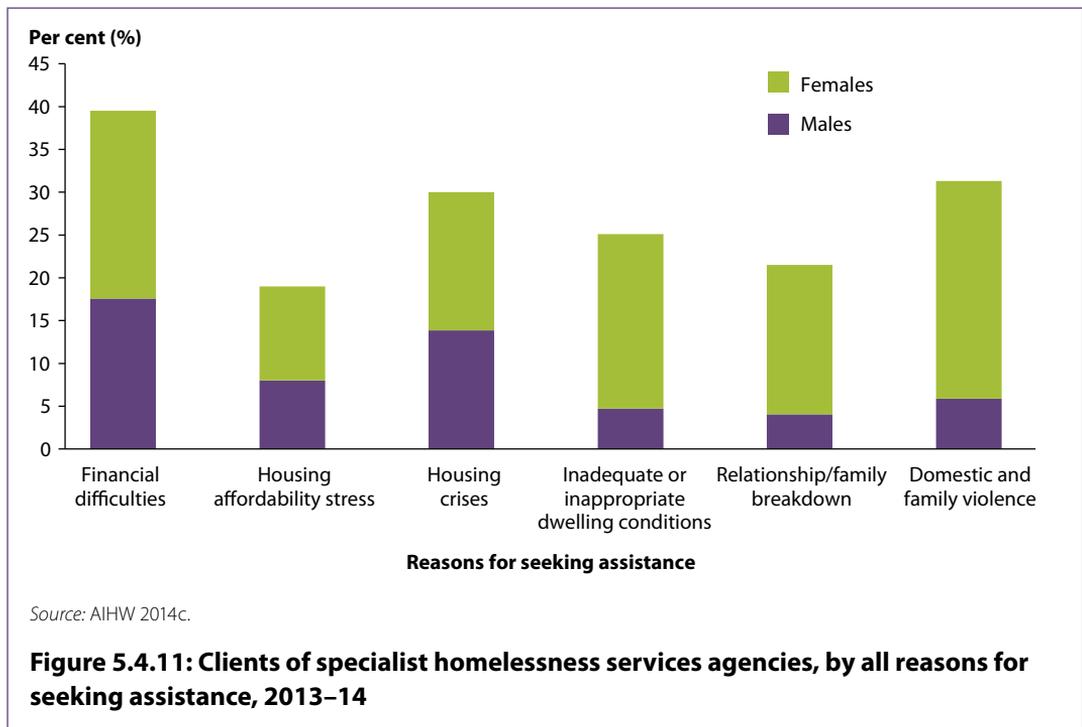
As at June 2014, the proportion of tenants who were aged 24 or under was 37% for public rental housing and 56% for state owned and managed Indigenous housing (SOMIH). Almost 214,000 tenants (31%) aged 55 years and over were living in public rental housing, and almost 4,000 tenants (12%) aged 55 years and over were in SOMIH (AIHW 2015).

Homelessness services

In 2013–14, specialist homelessness services agencies provided assistance to 254,000 clients (AIHW 2014c)—a 4% increase from the 244,200 clients assisted in 2012–13.

Key findings from clients who accessed specialist homelessness services in 2013–14 show that:

- the majority were female (59%) and over one-half of all clients were aged 18–44 (54%)
- almost 60% reported housing affordability stress or financial difficulties as a reason for seeking assistance, while 'housing crisis' was reported by 30% of clients (Figure 5.4.11)
- there was an increase in the proportion of clients needing assistance to sustain tenancies or prevent tenancy failure or eviction, from 28% in 2011–12 to 32% in 2013–14.



(For more information on homelessness services, see Chapter 7 'The Diversity of Australia's homeless population'.)

What is missing from the picture?

There is limited evidence in the following areas:

- the relative impact of housing affordability on home ownership rates, compared with other influencing factors
- housing supply issues such as the availability of housing suitable for people with a disability and housing outside metropolitan locations, and land tenure in remote areas
- barriers to obtaining affordable home loans faced by vulnerable people such as households with very low incomes or reliant on income support payments
- the sustainability of home ownership for vulnerable groups
- how aspirations towards home ownership differ across groups and over time.

Where do I go for further information?

Please refer to the AIHW publication [Housing Assistance in Australia 2015](#).

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5.5 Working-age support: financial assistance for families with children

The Australian Government provides payments and services that help families with the cost of raising children, including looking after their children's education and health care, and assisting them in balancing their parenting and work responsibilities.

The Department of Social Services is Australia's key social policy agency. The Australian Government delivers payments and services to support families and children through the Department of Human Services delivery agency—Centrelink.

This snapshot highlights some of the payments available and includes several case studies that highlight the differing payments available to support working-age Australians. Descriptions of available payments do not detail specific payment rates as they vary according to an individual's eligibility, circumstances, income and assets.

Supporting families with children

There are about 6.7 million family households in Australia (ABS 2015), more than half of which have children and may be eligible for family-related payments, including those listed below.

Birth and adoption

- The **Newborn Supplement** and **Newborn Upfront Payment** were introduced on 1 March 2014 to help with the costs of a newborn or adopted child. These payments replaced the **Baby Bonus**, which was still in place prior to this date. From 1 July 2013 to 28 February 2014, Baby Bonus payments were made to around 110,300 families for around 112,200 babies (DSS 2014a). From 1 March 2014 to 30 June 2014, Newborn Upfront Payments and Newborn Supplements were paid to about 24,200 families (DHS 2014).
- In 2013–14, nearly 145,000 eligible working parents (usually birth mothers) received **Parental Leave Pay** to care for their newborn or newly adopted child. This covers up to 18 weeks' pay at the national minimum wage, and cost \$1.6 billion (DSS 2014a).
- In 2013–14, nearly 75,700 eligible working fathers or partners received **Dad and Partner Pay** to care for a child born or adopted after 1 January 2013. This covers up to 2 weeks' pay at the national minimum wage, and cost \$92.5 million (DSS 2014a).

Raising children

- In 2013–14, **Family Tax Benefit (FTB)** assisted around 7 million parents and children (29% of the population) with the day-to-day cost of raising children (DSS 2014a). FTB is made up of two separate payments, which are both income-tested, and the amount paid is based on a family's individual circumstances.
 - **FTB Part A** is a per child payment that helps low-to medium-income families with the cost of raising and educating children. FTB Part A includes the FTB Part A end-of-year supplement, which is linked to the Healthy Start for School and the Strengthening Immunisation for Children measures. FTB Part A may include components such as the Newborn Supplement, Multiple Birth Allowance, Large Family Supplement, the Energy Supplement and Rent Assistance. At June 2014, there were around 1.6 million families receiving FTB Part A (DSS 2014a, 2014b).

- **FTB Part B** is a per family payment that gives extra assistance to single-parent families and families where one parent has a low income or is not in paid employment. FTB Part B includes the Energy Supplement and the FTB Part B supplement. At June 2014, there were around 1.4 million families receiving FTB Part B (DSS 2014a, 2014b).
- **The Schoolkids Bonus** provides eligible families and students with an annual entitlement for each child in primary or secondary school, paid in two equal instalments in January and July. In 2013–14, 1.2 million families received a payment, at a total cost of nearly \$1.3 billion (DSS 2014a).
- **Parenting Payment** provides income support for eligible parents or guardians to help with the cost of raising children (DHS 2015d). At June 2014, payments were made to around 104,000 partnered parents and around 260,600 single parents (DSS 2014b).

Working-age support case study 1: single-income family with 1 child (aged 2)

Michael and Deborah have one child, Rebecca, aged 2. Michael works full-time and Deborah stays at home.

Michael earns \$82,500 a year. They are buying their own home. The family may be eligible for the following government payments:

	Per fortnight
Family Tax Benefit Part A	\$57
Energy Supplement Part A	\$1
Family Tax Benefit Part B	\$150
Energy Supplement Part B	\$3
Total	\$211

Michael and Deborah may also be eligible for the Single Income Family Supplement of \$300 a year and other payments and benefits.

Notes

1. This is an estimate only, as at May 2015.
2. Specific payment rates will vary according to an individual's eligibility, circumstances and income.
3. Payments are also subject to change as a result of indexation.

Source: DHS 2015c.

Working-age support case study 2: sole-parent family with 2 children (aged 7 and 9)

Jackie is a single mother with two children, Ben, aged 7, and Francis, aged 9. Both children are at school.

Jackie works full-time and earns \$60,000 a year. She pays \$450 a week in rent. The family may be eligible for the following government payments:

	Per fortnight
Family Tax Benefit Part A	\$307
Energy Supplement Part A	\$6
Family Tax Benefit Part B	\$105
Energy Supplement Part B	\$2
Rent assistance	\$122
Total	\$542

Jackie will also receive the Schoolkids Bonus of \$844 a year and may be eligible for other payments and benefits.

Notes

1. This is an estimate only, as at May 2015.
2. Jackie has full-time care of both children and is not paid Child Support.
3. Specific payment rates will vary according to an individual's eligibility, circumstances and income.
4. Payments are also subject to change as a result of indexation.

Source: DHS 2015c.

Help with child care

- **Child Care Benefit (CCB)** helps families with the cost of approved and registered care such as long, family or occasional day care, outside-school-hours care, vacation care, pre-school and kindergarten (DHS 2015a).
- **Child Care Rebate (CCR)** covers 50% of out-of-pocket child care expenses for approved child care, up to a maximum amount per child per year, in addition to any other child care assistance (DHS 2015b).
- In 2013–14, 991,000 families used approved child care services and 986,000 received a child care payment (Department of Education 2014).

Working-age support case study 3: Dual-income couple with 2 children (aged 3 and 5)

John and Liz have two children, Jack aged 3, and Felicity aged 5. Both parents work full-time. Jack goes to long day care 4 days a week and spends 1 day a week with his grandparents. Felicity is at school.

John earns \$50,670 a year and Felicity earns \$40,200. They pay \$550 a week in rent. The family may be eligible for the following government payments:

	Per fortnight
Family Tax Benefit Part A	\$203
Energy Supplement Part A	\$4
Rent Assistance	\$46
Child Care Benefit	\$181
Child Care Rebate	\$218
Total	\$652

John and Liz will also receive the Schoolkids Bonus of \$422 a year and may be eligible for other payments and benefits.

Notes

1. This is an estimate only, as at May 2015.
2. The cost of child care is based on a median cost of long day child care of \$77 a day as detailed in the *Report on government services 2015*.
3. The estimate is based on the child being in child care for 10 hours per day.
4. Specific payment rates will vary according to an individual's eligibility, circumstances and income.
5. Payments are also subject to change as a result of indexation.

Source: DHS 2015c.

Payments to help study or train

- The **Assistance for Isolated Children (AIC) Scheme** helps the families of primary and secondary students who cannot attend an appropriate government school on a daily basis because of geographical isolation. Some tertiary students can receive AIC where they are undertaking vocational education and training or TAFE-level courses as an alternative to school (DSS 2015).
- **Youth Allowance (student and apprentice)** is a means-tested payment that provides financial support for full-time students and Australian apprentices aged 16–24 years to undertake education or training. As at June 2014, about 242,000 Australians received Youth Allowance (student and apprentice) (DSS 2014a, 2014b) (see Chapter 5 'Working-age support: assistance with employment and training').
- **ABSTUDY** is a means-tested payment that helps with costs for Aboriginal and Torres Strait Islander Australians studying or undertaking a full-time Australian apprenticeship. ABSTUDY is available for secondary and tertiary students. As at June 2014, about 8,700 Australians received the ABSTUDY living allowance and 24,000 received the non-living allowance (DSS 2014a, 2014b) (see Chapter 5 'Working-age support: assistance with employment and training').

What is missing from the picture?

A person may receive various government payments and use a range of welfare services throughout their working-age life. Using data linkage to identify people who access both payments and services, or multiple services within a sector, could provide new insights into client pathways through the welfare system and help to deliver more effective programs. Such information would be otherwise difficult, burdensome or expensive to obtain.

Where do I go for more information?

For more information on payments types and their eligibility criteria, visit the [Department of Human Services](#) website.

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5.6 Working-age support: assistance with employment and training

The Australian Government assists people to gain employment and training through many avenues. This snapshot highlights some of the services and payments available and includes information showing maximum fortnightly payments available for Newstart Allowance. Specific payment rates vary according to an individual's eligibility, circumstances, income and assets.

Payments to help study or train

- **Youth Allowance (student and apprentice)** is a means-tested payment that provides financial support for full-time students and Australian apprentices aged 16–24 years to undertake education or training. As at June 2014, about 242,000 Australians received Youth Allowance (student and apprentice) (DSS 2014a, 2014b).
- **Austudy** is a means-tested payment that provides financial help for full-time students and Australian apprentices aged 25 and over. At June 2014, about 48,000 Australians received an Austudy payment (DSS 2014a, 2014b).
- **ABSTUDY** is a means-tested payment that helps with costs for Aboriginal and Torres Strait Islander Australians studying or undertaking a full-time Australian apprenticeship to access and participate in secondary and tertiary education. At June 2014, about 8,700 Australians received the ABSTUDY living allowance and 24,000 received the non-living allowance (DSS 2014a, 2014b).

Payment while looking for work

- **Newstart Allowance** provides financial help for people aged 22 or older (but under Age Pension age) who are looking for work or taking part in activities that increase the chances of finding a job. Eligible recipients must also meet an income and assets test (DHS 2015). At June 2014, about 706,000 people were receiving Newstart Allowance (DSS 2014b).
- **Youth Allowance (other)** is a means-tested payment that provides financial support for Australians aged 16 to 21 years who are looking for full-time work or undertaking approved activities. At June 2014, about 114,000 Australians received Youth Allowance (other) (DSS 2014b).

Newstart Allowance

If you are:	Your maximum fortnightly payment is:
Single, no children	\$519.20
Single, with a dependent child or children	\$561.80
Single, aged 60 or over, after 9 continuous months on payment	\$561.80
Partnered	\$468.80 each
Single principal carer granted activity test exemption for either foster caring, non-parent relative caring under a court order, home schooling, distance education, large family	\$725.40

Note: As at May 2015.

Source: DHS 2015.

Employment services

- **Job Services Australia** provides job seekers with support to help them into employment. Since its inception on 1 July 2009, more than 1.95 million job placements have been made, and in 2013–14 the Australian Government spent \$1.24 billion on the program (Department of Employment 2014).
- **Wage Connect** provides a wage subsidy to support very long-term unemployed job seekers to transition to sustainable ongoing paid work. At 30 June 2014, it had achieved 24,173 job placements (Department of Employment 2014). New applications for the program have been paused since 6 December 2013.

Services and payments for job seekers with a disability

- At June 2014, more than 830,000 people received a **Disability Support Pension** (DSS 2014b). This pension provides financial support for people aged between 16 and Age Pension age, with a physical, intellectual or psychiatric condition, who are unable to work for at least 15 hours per week at or above the relevant minimum wage, or be re-skilled for such work, for more than 2 years because of their disability; or who are permanently blind.
- The Department of Social Services (DSS) provides funding to various **Australian Disability Enterprises**, which provide supported employment opportunities to people with disability. In 2013–14, DSS funded 191 Australian Disability Enterprises that supported the employment of more than 21,200 people with disability (DSS 2014a).
- The **Disability Employment Services** program provides specialist help for people with disability, illness or injury to find work and keep a job. DSS helped find 46,500 jobs for people with disability in 2013–14 (DSS 2014a).

What is missing from the picture?

As noted in Chapter 5 'Working-age support: financial assistance for families with children', a person may receive various government payments and use a range of welfare services throughout their working-age life. Using data linkage to identify people who access both payments and services, or multiple services within a sector, could provide new insights into client pathways through the welfare system and help in the delivery of more effective programs. Such information would be otherwise difficult, burdensome or expensive to obtain.

This snapshot highlights some of the assistance available and as such is not intended as a comprehensive list of payments and services.

Where do I go for more information?

More information on support for employment/unemployment in Australia is available at the [Department of Human Services](#) and [Department of Employment](#) websites.

References

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5.7 Working-age support: housing assistance

Home ownership is becoming less affordable for younger Australians and low- to moderate-income earners. The proportion of Australians on low incomes who are in rental stress (pay more than 30% of their income on rent) has increased over the past 5 years (ABS 2013).

The proportion of low-income households in rental stress has increased from 35% in 2007–08 to 41% in 2011–12 (ABS 2013). Similarly, the number of homes sold or built per 1,000 low- and moderate-income households that were affordable by those households dropped from 35.5 to 27.5 per 1,000 between 2009–10 and 2011–12 (SCGRSP 2015).

The Australian Government and state and territory governments, and community-based organisations, provide assistance to households struggling to meet housing costs through a number of programs, collectively referred to as housing assistance. The proportion of Australian households receiving housing assistance has been estimated by the AIHW to be in the range of 15%–20% (AIHW 2014a).

Types of housing assistance available in Australia

Housing assistance encompasses home purchase assistance, rent assistance, the provision of social housing, and services supporting people to maintain tenancies. In 2013–14, the Australian Government and state and territory governments provided the following types of housing assistance:

- **Financial assistance with rental payments**—1.3 million recipients of Commonwealth Rent Assistance (CRA), a government payment targeted at low- to middle-income earners to assist reduce rental stress (SCRGSP 2015). The maximum CRA payment was \$167 per fortnight, allocated to those income units (see definition below) with 3 or more dependent children. Furthermore, over 122,300 households were assisted through Private Rent Assistance—a one-off support payment administered by the states and territories, which provided an average annual amount per household of \$1,322.

(An ‘income unit’ can be an individual single person with no dependent children, but it may also consist of a sole parent with one or more dependent children, a couple—married, registered or de facto—with no dependent children or a couple—married, registered or de facto—with one or more dependent children. Also see Glossary.)

- **Provision of social housing**—State and territory governments and the community sector provided almost 430,000 dwellings with subsidised rents across Australia through public housing, state owned and managed Indigenous housing (SOMIH) and community housing (run by not-for-profit organisations, usually funded by government) (SCRGSP 2015).
- **Financial assistance to purchase a home**—Around 61,000 First Home Owner Grants (FHOG) were administered and around 40,000 households received financial assistance to help purchase their home through state and territory Home Purchase Assistance Programs (SCRGSP 2015). FHOG numbers ranged from 19,800 in Western Australia to 900 in the Northern Territory.
- **Specialist Homelessness Services**—Almost 68,000 clients of specialist homelessness services received assistance to sustain their housing tenure (AIHW 2014c).

Who is receiving assistance?

- Around one-half (54%) of all income units receiving CRA in 2014 were 'lone person with no children' and 21% were single parents with 1 or more children. Two in 5 recipients (41%) were aged between 30 and 49 years. These figures are similar to previous years (SCRGSP 2015).
- The provision of social housing has become more targeted over time. For example, households in 'greatest need' accounted for 74% of new allocations to public housing in 2013–14 compared with 36% in 2003–04 (SCRGSP 2015). Households in 'greatest need' include those who are homeless or at risk of homelessness due to inappropriate housing, or with very high rental costs.
- Persons living in public housing were more likely to be older than SOMIH tenants (31% aged over 55 years compared with 12% respectively).
- Social housing tenants were more likely to be female (around 56% for public housing and 57% for SOMIH).
- Around 67,700 Indigenous households lived in social housing in 2013 (AIHW 2014b).
- Over 100,000 social housing households had at least one member with a disability (unpublished NSHS 2014 data).

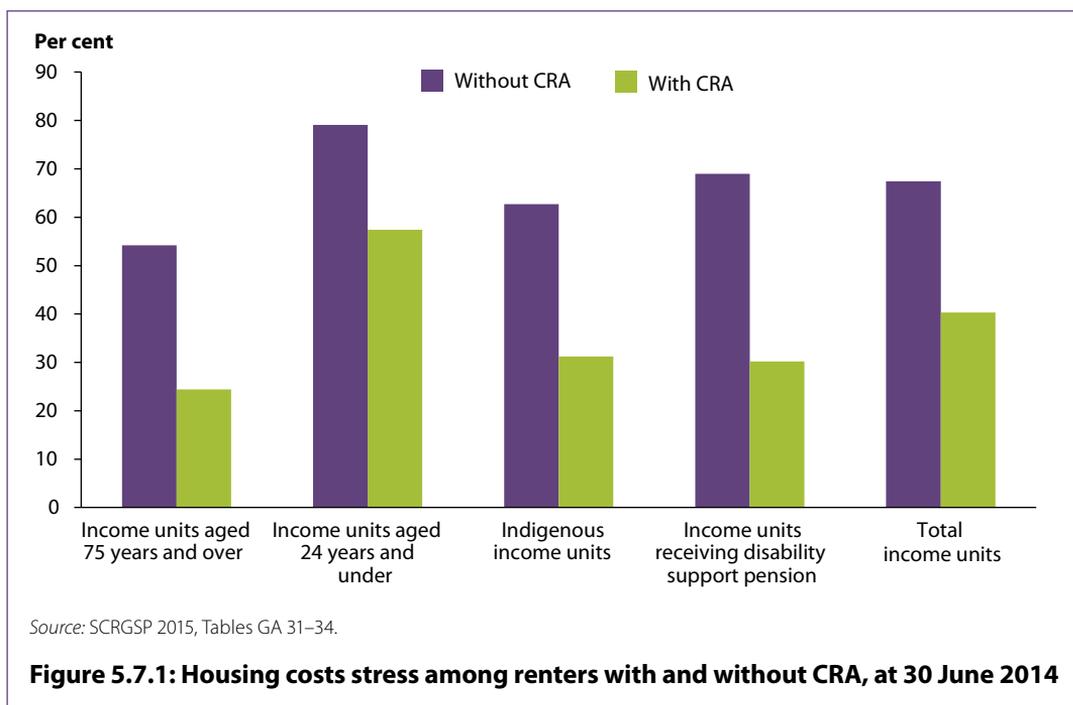
Who is missing out?

- Waiting lists for social housing remain large and waiting times for many people are very long. At 30 June 2014, there were over 200,000 applicants on social housing waiting lists across Australia, excluding applications for transfer from existing tenants (AIHW 2015).
- In 2013–14, there were around 154,000 unmet requests for service from people seeking accommodation or other services from homelessness agencies (AIHW 2014c).

How is it helping?

All forms of housing assistance can alleviate affordability pressures and have a substantial positive effect on purchase and rental affordability for a range of household types. For example, in 2014, 67% of CRA recipients would have paid more than 30% of their gross income on rent if CRA were not provided (see Figure 5.7.1) (SCRGSP 2015).

Social housing rebated-rent policies aim to reduce rental stress for tenants. Nine out of 10 public housing households (91%) received a rebate in 2014. However, social housing is available to fewer households than CRA recipients (there are around 420,000 social housing dwellings compared with 1.3 million CRA recipients).



What is missing from the picture?

The key issues that surround Australia’s housing economy, which drive the demand for housing assistance, are not discussed here. These issues are linked to current housing policy in Australia and influence the current state of housing assistance.

Where do I go for more information?

For more information on housing assistance in Australia, refer to reports available online at www.aihw.gov.au/housing-and-homelessness and the *Housing Assistance in Australia 2015* report. Further information about housing affordability and assistance in Australia is in Chapter 5 ‘Bricks and mortar – changing trends in home ownership’.

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5.8 Labour force participation of people with disability

Employment can provide financial independence, a better standard of living and improved physical and mental health (Ross & Mirowsky 1995). However, people with disability often experience greater difficulties in seeking and obtaining employment than people without disability. Most employed people with disability receive full rates of pay, while a smaller number have their wages subsidised by the Australian Government (DSS 2014a) or are employed by Australian Disability Enterprises (ADEs) (see Box 5.8.1).

Box 5.8.1: Employment assistance available to people with disability

Supported employment services are provided by the Department of Social Services (DSS) through ADEs. ADEs are businesses that are commercial in nature and employ people with disability. Activities undertaken by ADEs include horticulture, manufacturing, food services, cleaning and retail (FaHCSIA 2008). According to the Disability Services National Minimum Dataset (DS NMDS collection) 21,000 people received supported employment assistance in 2013–14 (AIHW 2015).

Open employment services are provided by DSS through the Disability Employment Services program. These services help people with disability find and maintain employment in the open labour market (DSS 2014b). In 2013–14, 112,000 people with disability received open employment support from this program (AIHW 2015).

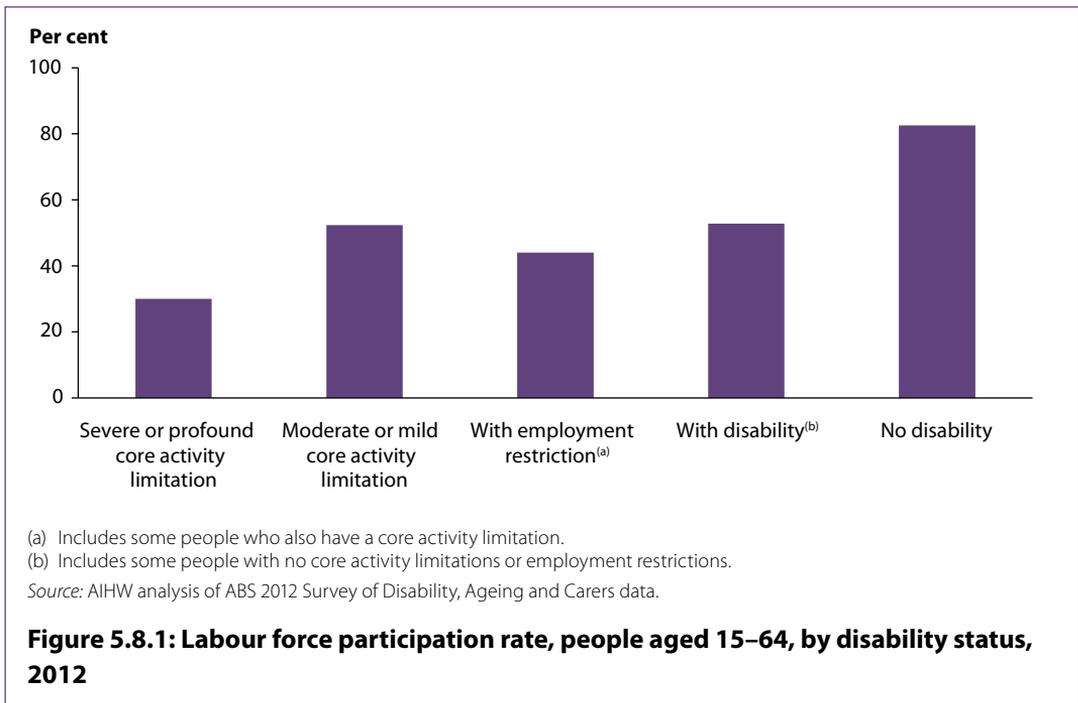
Labour force participation rates of people with disability

People with disability are much less likely to participate in the labour force (that is, be employed or unemployed and looking for work) than people without disability, and when in the labour force are more likely to be unemployed. (For more information on labour force participation generally see Chapter 2 'Labour force participation in Australia')

Over the decade to 2012, the labour force participation rate for people with disability was around 30 percentage points lower than for people without disability. Over this period the unemployment rate for people with disability was between 2.5 and 4.5 percentage points higher than for people without disability (AIHW analysis of ABS 2003, 2009 and 2012 Survey of Disability, Ageing and Carers data). In addition, in 2012:

- the labour force participation rate of people aged 15–64 with disability was 53%, compared with 83% of people without disability
- the unemployment rate for people aged 15–64 with disability was 9.4%, compared with 4.9% for people without disability.

Levels of participation also vary with disability status. In 2012, the labour force participation rate of people aged 15–64 with a severe or profound disability was 30% compared with 52% of people with a moderate or mild core activity limitation (Figure 5.8.1).



People with disability may have employment restrictions, meaning they are permanently unable to work, or need ongoing assistance at work, or need special employment arrangements because of their disability. In 2012, the labour force participation rate of people aged 15–64 who had an employment restriction was 44%, compared with 83% for people who did not have disability. The unemployment rates were 12.0% and 4.9%, respectively.

Characteristics of people with disability who use employment services

In 2013–14, clients of supported employment services aged 15–64 were:

- most likely to have a primary or other disability classified as Intellectual (77%) or Psychiatric (21%), while clients of open employment services were most likely to have a Psychiatric (54%) or Physical (51%) primary or other disability
- more likely to always or sometimes need help with learning, applying knowledge and general tasks (95%), compared with 49% of clients of open employment services
- more likely to always or sometimes need help with working (99%), compared with 71% of clients of open employment services (AIHW 2015).

What is missing from the picture?

Data on the labour force participation of people with disability is collected in surveys such as the Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers, which is conducted every 3 years. By contrast, the labour force status of all Australians is collected in the ABS monthly Labour Force Survey (LFS) (ABS 2015). The LFS does not include a disability 'flag' in its data collection processes, so disability labour force data is available much less frequently than for all people.

Where do I go for more information?

More information on the characteristics of people with disability in Australia is available from the ABS online publication [Disability, ageing and carers, Australia: summary of findings, 2012](#). More information on people with disability who use disability support services is available from the AIHW bulletin [Disability support services: services provided under the National Disability Agreement 2013–14](#).

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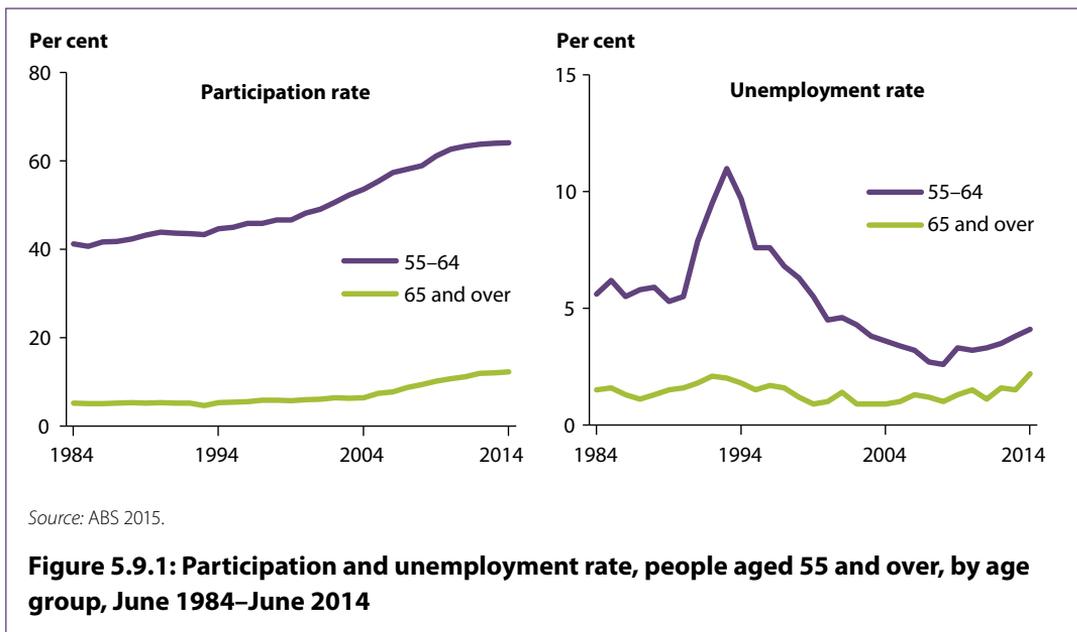
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5.9 Older Australians staying at work

There are many benefits associated with older workers (aged 55 and over) remaining in employment. On the worker's side, being in paid employment enables them to prepare for retirement, and studies have also shown the overall benefits of work to people's health (Waddell & Burton 2006). In the workplace, maintaining workers of different ages promotes diversity of knowledge and skills. And at a societal level, employment in this age group can improve the dependency ratio (see Chapter 5 'The welfare of our working-age population'), and reduce demand on publicly funded pensions.

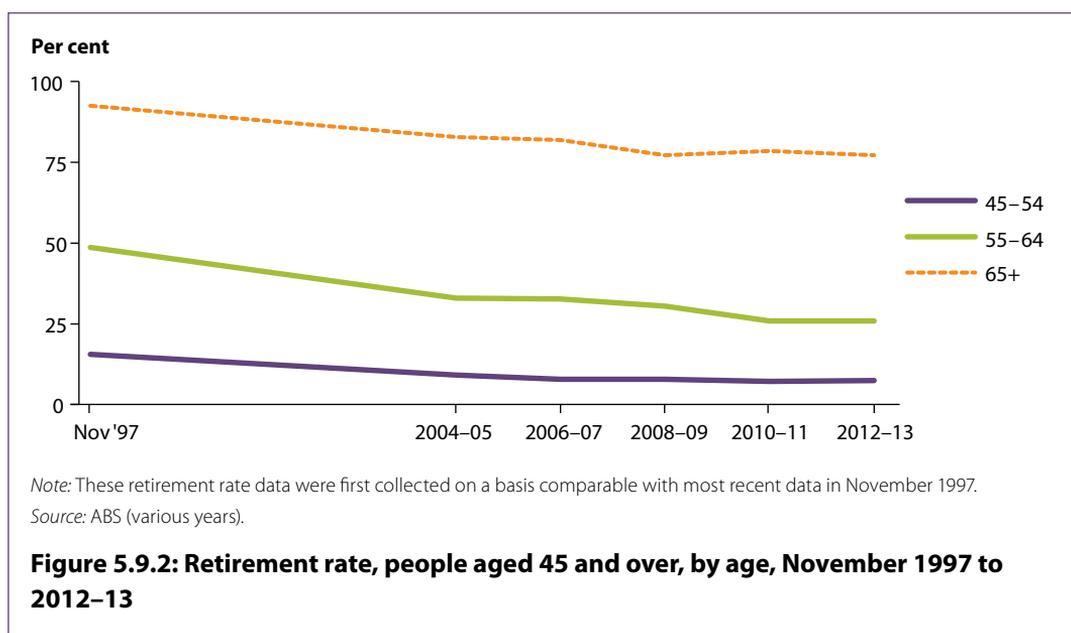
How many older people are working or looking for work?

In 2014, the labour force participation rate of people aged 55 and over (people working or looking for work as a proportion of this population) in Australia was 35%, while 3.7% were unemployed. By contrast, the participation rate for those aged 15–54 was 79%, while unemployment was 6.4% in 2014. The participation rate for 55 and over increased steadily from 23% in 1984, and the unemployment rate also fell overall from 5.1% in 1984, though with a peak of 9.8% in 1993 (ABS 2015). Over the period, the participation rate increased steadily for both 55–64 year olds (from 41% to 64%) and people 65 and over (from 5% to 12%). Unemployment fell for 55–64 year olds (5.6% to 4.1%)—though with a peak in 1993 (11.0%)—but remained fairly steady for 65 and overs (1.5% to 2.2%)—see Figure 5.9.1 (ABS 2015).



As participation rates for those aged 55 and over have increased over time, retirement rates have decreased:

- In November 1997, 2.4 million people aged 55 and over had retired, comprising 49% of people aged 55–64 and 93% of people aged 65 and over (ABS various years).
- In 2012–13, by contrast, while the number of people 55 and over who had retired had increased (3.3 million), this only equated to 26% of 55–64 year olds, and 77% of people aged 65 and over (ABS 2013)—see Figure 5.9.2.



Many people gradually transition to retirement—for instance, people working full-time are increasingly likely to take part-time work prior to retiring completely. In 2012-13, 29% of those who had previously worked full-time worked part-time in their last job before retiring, up from 25% in 2004-05. On the other hand, 13% of those in the labour force stated that they never intended to retire, an increase from 10% in 2004-05 (ABS various years).

Reasons for retirement

Of people who had retired in 2012:

- 37% said they had retired as they had reached retirement age or were eligible for superannuation or the pension
- 23% retired because of their own sickness, injury or disability
- 10% had been retrenched, dismissed or there was no work available
- 5% said their own business had closed down and a further 5% retired to care for an ill, disabled or elderly person, while the remaining 20% gave other reasons (ABS various years).

However, men and women do not necessarily retire for the same reasons. For example, 44% of men but only 30% of women retired due to reaching retirement age, while 7% of women retired to care for an ill, disabled or elderly person, compared with 2% of men.

Women also tend to retire younger than men. The average retirement age in 2012-13 was 58 years for men and 50 years for women. While retirement age has remained steady for men since 2004-05, it has increased from 47 years for women.

What is missing from the picture?

Information about retirement and retirement intentions in this snapshot is taken from the ABS Retirement and Retirement Intentions Survey (RRI), collected as part of the Multipurpose Household Survey in 2012–13. More in-depth information is available from the ABS Survey of Employment Arrangements, Retirement and Superannuation (SEARS). However, that survey was last conducted in 2007.

Neither the RRI survey nor the SEARS included information on the Aboriginal and Torres Strait Islander status of respondents.

Where do I go for more information?

For more information on retirement and retirement intentions in Australia, see the ABS report [Retirement and Retirement Intentions](#) (ABS various years).

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6



Growing older

6.0	Introduction.....	232
	6.1	Australians aged 85 years and over.....233
	6.2	Ageing and the welfare system: pressures, opportunities and responses236
	6.3	Older Australians and the use of aged care258
	6.4	Mental health of older Australians.....277
	6.5	Palliative care: a welfare perspective283



6 Growing older

6.0 Introduction

The average age of the Australian population has been increasing since the 1970s, reversing the trend of the 1950s and 1960s caused by the post-war baby boom.

In 2014, 15% of the population (3.5 million people) were aged 65 and over, and by 2054 this is projected to increase to 21% (8.4 million people).

Moreover, while the number of people aged 85 years and over is small compared with the entire population, it is rapidly increasing compared with younger age groups, and is projected to double by 2032.

This chapter examines what the ageing of the population means for Australia and the welfare system. It profiles our older population and how it is changing, and explores the opportunities this presents. It also considers the pressures an ageing population will bring to the welfare system and how we can minimise any negative impacts from these changes while supporting our older people.

The majority of Australians consider themselves to be in good health and are able to live independently, with minimal support, until their final days. This increasing lifetime of good health enables older Australians to continue contributing socially, culturally and economically to the wider community, through, for example, volunteering and informal care giving.

Notwithstanding this, some older Australians require financial support, some are unable to care for themselves at home without support services, and some require long-term residential care.

At any one time the vast majority of older Australians are not using aged care services. Over the last 30 years, government programs have changed to help older people remain at home for as long as possible. As a result, there has been a shift towards greater use of community care services.

As the population ages we are also likely to have more people living longer with mental health problems, more people developing these problems in old age, and more people with both chronic diseases and mental health concerns. The demand for palliative care services is also increasing in Australia, as in many other parts of the world.

Home ownership is a crucial financial resource for many older people, reducing stress and delaying entry into residential aged care. While most Australians aged 65 and over living in households own their own homes (with or without a mortgage), the proportion of older households who owned their homes without a mortgage has gradually declined in recent years. For older Australians who do not own their own homes and who cannot access social housing, housing affordability can be a major concern.

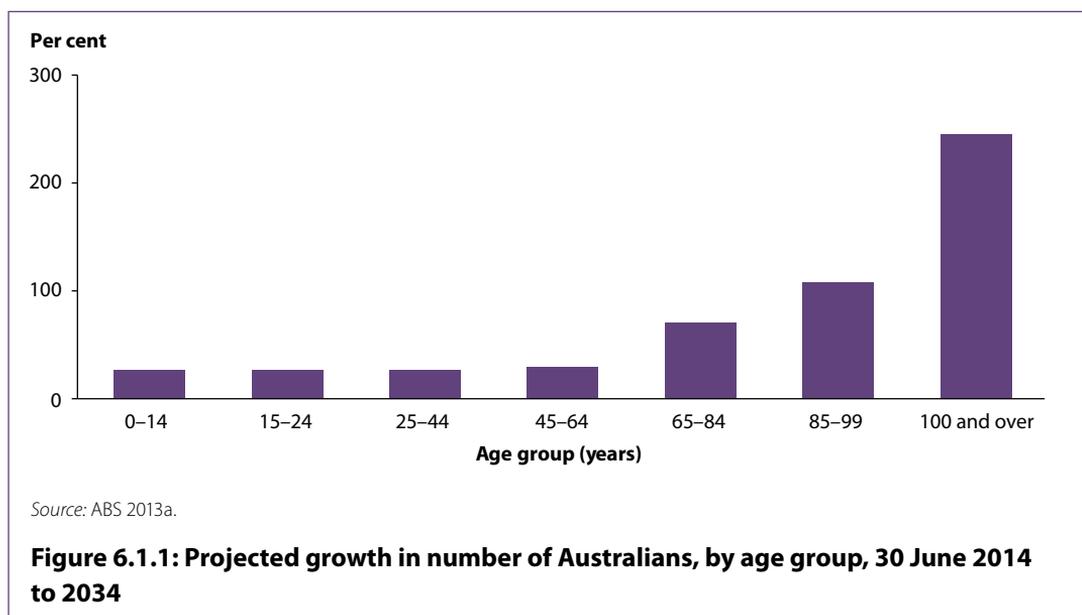


6.1 Australians aged 85 years and over

As Australia's population increases and the ageing of the population progresses, the number of people aged 85 years and over is rapidly increasing compared with younger age groups. This is a welcome trend, marking progress in Australia's health and wellbeing, including a steady increase in average life expectancy. Further, this group makes a vital contribution to the nation's knowledge, experience and wisdom, and the richness and diversity of Australia's families. However, the growth in the number of Australians aged 85 and over also has social and economic implications for the demand for services, particularly services for older people.

Profile of Australians aged 85 and over

The number of Australians in this age group is small compared to the entire population, but it is rapidly growing (see Figure 6.1.1). It is projected that the number of Australians aged 85 years and over will more than double, from 455,400 in 2014 to 954,600 by 2034 (a 110% increase). This would result in this group growing from representing 2% of the population in 2014 to 3% in 2034 (ABS 2013b). The number of people living to the age of 100 and beyond (so-called centenarians) is expected to increase dramatically over this period, from about 4,600 in 2014 to 15,700 in 2034. Another 50 years on, in 2084, there is expected to be more than 100,000 centenarians.



According to the Census, in 2011:

- women accounted for almost two-thirds (65%) of Australians aged 85 years and over (ABS 2012b)
- just over two-thirds (68%) of this group were born in Australia, similar to younger Australians aged 25 and over, but less than the nearly three-quarters for all Australians (74%) (ABS 2012c)
- there were 1,260 Aboriginal and Torres Strait Islander Australians aged 85 and over (ABS 2012a)—0.3% of this age group compared with 2.7% of Australians as a whole—which reflects the fact that Indigenous Australians have a much lower life expectancy at birth than non-Indigenous Australians
- some 55% of men aged 85 and over were married and 36% were widowed, compared with 15% of women 85 and over who were married and 77% who were widowed (ABS 2012b)
- some 7.6% of Australians aged 85 and over participated in voluntary work; men (8.9%) were more likely than women (6.9%) to do so (ABS 2012b).

Needs of Australians aged 85 and over

Because the prevalence of chronic health conditions and disability increases with age, we can expect that more assistance and care is needed for people aged 85 years and over compared with younger age groups. According to the 2012 Survey of Disability, Ageing and Carers (ABS 2013a):

- the need for assistance with cognitive and emotional tasks was four times greater for Australians aged 85 and over (28%) than Australians aged 65–84 (7%)
- over one-half (59%) of Australians aged 85 years and over reported a need for assistance with health-care compared with one-fifth (20%) of Australians aged 65–84
- a higher proportion of women aged 85 and over (69%) reported the need for assistance with personal activities than men in the same age group (56%); these figures compare with 38% and 41% of women and men aged 65–84 needing assistance, respectively
- in terms of personal activities, the most common type of assistance required for both men and women in this age group was mobility assistance (39% and 54% respectively) followed by self-care (33% and 44%) and communication (14% and 19%). This was a similar pattern to that for Australians aged 65–84, although this younger group had less need for assistance overall.

Services for Australians aged 85 and over

- There is a range of government-funded services designed to support older Australians. These services are more likely to be accessed by those 85 and over given increasing frailty with age. Australians aged 85 years and over receive many of the same services as other Australians, particularly those aged 65 years and over; these include homelessness services, mental health services, aged care services and support pensions.
- In terms of client numbers, the largest specifically aged care service is Home and Community Care, with 236,100 clients aged 85 and over during 2013–14 (AIHW 2014).
- At 30 June 2014, there were 102,000 permanent residents aged 85 and over in Australian Government-subsidised aged care facilities (AIHW 2014).

For more information on the services available to older Australians see Chapter 6 'Ageing and the welfare system'.

What is missing from the picture?

Information on the number of people receiving aged care services is available from the National Aged Care Data Clearinghouse. However, it is not yet possible to determine how many people (including those aged 85 and over) receive aged care services overall.

Where do I go for more information?

More information on the characteristics of people 85 and over, including their need for assistance, and experience of service use, is available from the ABS online publication [Disability, ageing and carers, Australia: summary of findings, 2012](#).

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6.2 Ageing and the welfare system: pressures, opportunities and responses

The Australian population is changing; in general, we are living longer and healthier lives than ever before. As a result of this achievement our population is also ageing. This demographic shift raises concerns about the capacity of the Australian welfare system to meet the challenges of an ageing population. There will be direct pressures from greater demand for welfare payments and services, notably the age pension, aged care, disability support, social housing and homelessness services, and employment services. In addition, indirect pressures arising from the changing geographic distribution of older Australians will impact on the accessibility of services—requiring additional resourcing, infrastructure and personnel to support the expanding cohort of older Australians (AIHW 2013a).

While there will be additional pressure on the welfare system, there are also opportunities presented by an ageing population that reduce the impacts on support systems and enhance the value of contributions this cohort can make. The majority of Australians consider themselves to be in good health and are able to live independently, with minimal support, until their final days (AIHW 2014a). This increasing lifetime of good health enables older Australians to continue contributing socially, culturally and economically to the wider community, through, for example, volunteering and informal care-giving. In addition, as discussed in the previous chapter, the concept of ‘working age’ is changing—thanks in part to the continued good health of our older population.

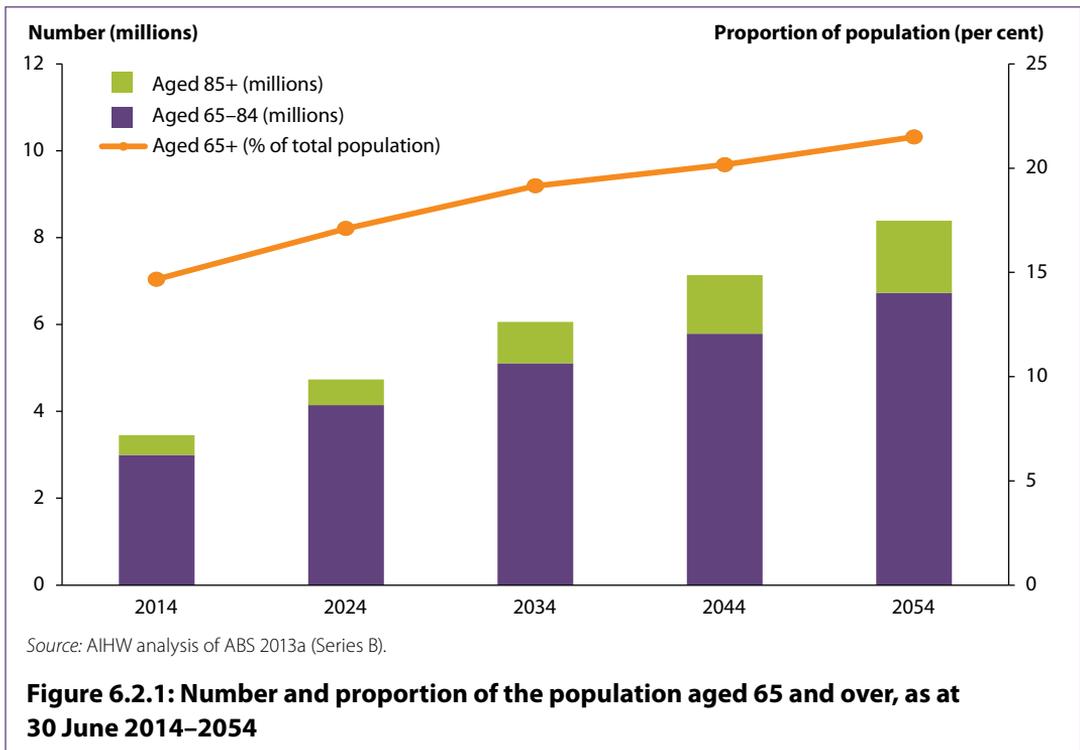
Successful improvements over time in the health and wellbeing of Australians are key drivers of population ageing—it is both a cause for celebration and a call for adaptation. Our approaches to welfare need to be dynamic to ensure that ongoing positive growth and change to our population is supported, and our changing needs anticipated. This article describes the changing demographics of our older population, analyses potential pressures on the welfare system and explores the opportunities presented by an ageing population. Finally, we summarise some of the ways in which Australia can respond to this changing environment to encourage ongoing engagement, both socially and economically, for older Australians throughout their lives.

How is the Australian population changing?

Living longer and healthier lives

Older Australians are accounting for an increasing proportion of the total population (Figure 6.2.1). In 2014, 15% of the population (3.5 million people) were aged 65 and over, and by 2054 this is projected to increase to 21% (8.4 million people) (ABS 2013a).

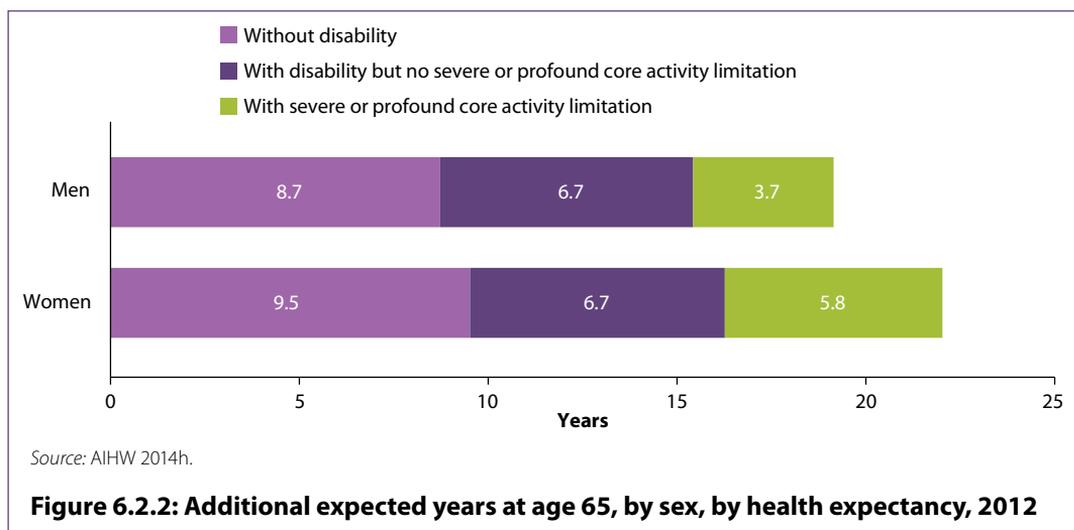
Life expectancy for older Australians has been steadily increasing—for example, in the mid-1960s a man aged 65 years could expect to live for an additional 12 years, whereas in 2012 he could expect to live another 19 years. For older women, in the mid-1960s they could expect to live an additional 15 years compared with 22 years in 2012 (AIHW 2014h). This extended duration in later life will have widespread implications for individuals, governments, and virtually all sectors of Australian life.



The oldest of Australia’s ageing population will continue to grow over coming years, particularly as the first baby boomers, born in 1947, reached 65 in 2012 and will move into advanced old age from 2020. Life expectancy improvements have created a growing number of people in the ‘very old’ cohort—aged 85 and over—for example, in 2014 there were an estimated 455,400 Australians aged 85 and over, and this is expected to double over the next 20 years, to 954,600 (ABS 2013a). This very old cohort is further discussed in Chapter 6 ‘Australians aged 85 years and over’.

Not only are older Australians living longer—most of those additional years are free of disability. Overall there was a clear trend from 1998 to 2012 of increasing number of years free of any disability and severe or profound core activity limitation. On average, both males and females aged 65 gained more years without severe or profound core activity limitation than with it—2.3 years compared with 0.7 years for males, and 2.0 years compared with 0.3 years for females (AIHW 2014h).

Men aged 65 in 2012 could expect to live 8.7 additional years disability-free and 6.7 further years with a disability, but without severe or profound core activity limitation. Women aged 65 in 2012 could expect 9.5 additional years disability-free and 6.7 years with a disability, but without severe or profound core activity limitation (Figure 6.2.2).



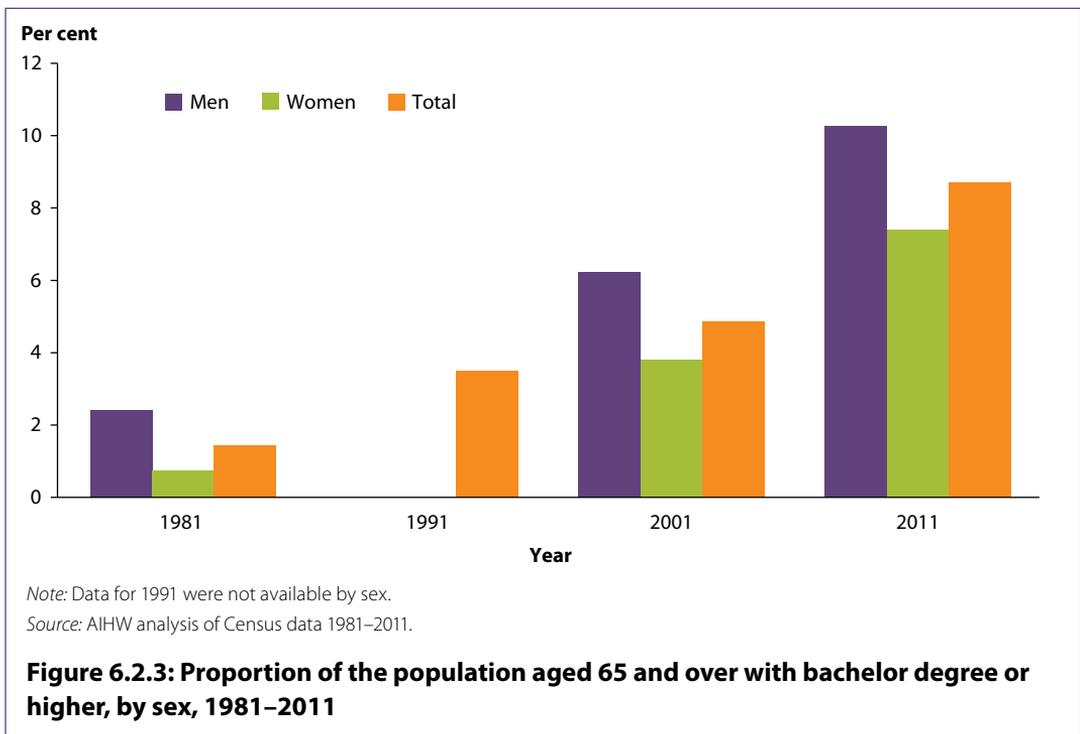
Cultural diversity

Australia is one of the most culturally diverse countries in the world—this diversity is reflected in our older population, where more than one-third (36%) of Australians aged 65 and over as at 30 June 2011 were born overseas (AIHW 2013a). In 2011, 73% of older overseas-born people were born in Europe, many of whom migrated after World War II (AIHW 2013a). However, the origin profile of our overseas-born older Australians will change in coming years—since the 1970s, migrants (of all ages) have increasingly come from non-European countries, particularly Asian countries. For example, in 2011, 22% of overseas-born Australians aged 55–64 were born in Asia, compared with 13% of overseas-born Australians aged 65 and over. Conversely, 73% of overseas-born Australians aged 65 and over were born in Europe, compared with 55% of overseas-born Australians aged 55–64 (AIHW 2013a). The composition of Australia’s immigrants of all ages has changed over recent decades. The Melbourne Institute of Applied Economic and Social Research undertook a comparison of recent immigrants in 2001 (those arriving from 1991) with recent immigrants in 2011 (those arriving from 2001), revealing a shift of country of origin from Europe to Asia (MIAESR 2014). This shift is likely to continue and will have flow-on effects on the population demographics for older Australians in coming years.

Better educated

Higher levels of education and literacy proficiency are associated with better long-term health and welfare outcomes, including higher levels of employment and higher incomes, better overall health status, higher participation in volunteering, and greater levels of interpersonal trust. For example, in 2012, across all Organisation for Economic Co-operation and Development (OECD) countries (including Australia), adults with tertiary education had income levels about 70% higher than adults without higher education (OECD 2014).

Current older Australians are more highly educated—that is, with a bachelor degree or higher—than were older people in the past. Data from 2011 show that nearly 9% of people aged 65 or more have a bachelor degree or higher qualification, compared with less than 2% of this age group in 1981 (Figure 6.2.3). A feature of the trend over this period is the reducing discrepancy in educational attainment between men and women. Levels of education among older Australians will increase further as the current younger cohorts that have high proportions of tertiary education move into older age. For example, education levels of those aged 55 and over in the 2011 Census suggest that in 2021 the proportion of people aged 65 and over with tertiary education would be more than 12% (and this, conservatively, does not include any education that this cohort may undertake over the next 10 years).



Superannuation and retirement savings

Superannuation is a way for Australians to save for a comfortable, secure and financially adequate retirement, and for many older people in retirement, the income stream from superannuation savings complements their income from the Age Pension.

The latest Australian Bureau of Statistics (ABS) survey on superannuation coverage (in 2007) showed that 71% of people aged 15 or older were either accumulating or drawing on superannuation assets, with the largest proportion being among public sector workers (98%). However, these levels of coverage are not enjoyed across all age groups, largely because compulsory superannuation only commenced in the 1980s in Australia. For example, the proportion of people aged 70 or older in 2007 who had never had superannuation coverage was 41% for males and 75% for females (ABS 2009).

There are signs that superannuation coverage and savings levels are improving—partly in response to policy reforms over the past decade—although concerns remain about the adequacy of superannuation and the significant gap between males and females in actual and expected income through superannuation. For example, data from the ABS Survey of Retirement and Retirement Intentions in 1997 and 2012–13 show increases in the proportions of males and females retired from full-time work who have superannuation or related funds as their main source of income (ABS 2013b, 1998). However, the change across this period was lower for women than men: 3.3 and 4.1 percentage points, respectively (Table 6.2.1). Over this same period, the proportion who had government pensions as their current main source of income also increased, and this largely reflects a greater proportion of retirees aged 65 and over in 2012–13 compared with 1997.

Table 6.2.1: Current main source of income, people aged 45 or older retired from full-time work, by sex, 1997 and 2012–13 (per cent)

Main source of income	1997			2012–13		
	Males	Females	Persons	Males	Females	Persons
Government pension/allowance	64.1	62.6	63.6	64.7	67.5	66.3
Superannuation/annuity/ allocated pension	15.7	7.4	12.2	19.8	10.7	14.7
Other	20.2	30.0	24.2	15.5	21.8	19.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: 'Other' includes dividends, business or personal income, rental property income, workers compensation, no personal income, other and unknown income.

Source: AIHW analysis of ABS 2013b, 1998.

With further maturing of the superannuation system—in terms of people contributing for longer periods, and higher mandated contribution rates—superannuation will become an increasingly important part of the asset base, both for the economic system as a whole and for individuals.

Home ownership and housing stress

While superannuation represents an important and growing component of a person's net wealth, for most older Australians, their home is their single biggest asset. As reported in *Australia's welfare 2013* (AIHW 2013a), most Australians aged 65 and over living in households own their own home—with or without a mortgage—with the level of ownership fluctuating around 75% over the past 30 years. However, data from the Household, Income and Labour Dynamics in Australia (HILDA) survey show that the proportion of older households (defined as those in which the oldest member was aged 65 and over) who owned their homes without a mortgage gradually declined between 2002 and 2009 (from 78% to 74%). By 2011, this had further declined to 71%. There were corresponding increases in other major tenure types, including owners with a mortgage (5% in 2002, 7% in 2009 and 7% in 2011) (AIHW 2013a).

Home ownership constitutes a crucial financial resource for many older people, and can reduce other stresses and delay entry into residential aged care. However, for older Australians who do not own their own homes and who cannot access social housing, housing affordability can be a significant concern. In 2011, for older people in private rental accommodation, housing costs accounted for 29% of gross income for couples and 37% of gross income for lone-person households (AIHW 2013a).

The decrease in older people owning their own homes outright has likely contributed to an increase in the proportion of households experiencing housing stress, that is, spending more than 30% of gross household income on housing costs (5.4% in 1995–96 to 8.7% in 2011–12). And these figures are likely to continue to rise, given that in 2011–12, for households where the reference person was aged 55–64, the proportion with a mortgage was 35%, and more than 14% of households for this age group were experiencing housing stress.

Further, analysis of ABS Survey of Disability, Ageing and Carers (SDAC) data from 2003 shows that the average annual cost of providing formal and informal aged care in the community (that is, in a person's home) is between 15% and 23% less than the average annual cost of care for residential aged care clients (\$7,520 [formal] or \$10,880 [informal] per year compared with \$48,710, respectively) (Bridge et al. 2010). Other research in this area has shown that the likelihood of entering residential aged care is linked to the type of housing people live in: based on analysis of the Melbourne Longitudinal Studies on Healthy Ageing, moves to residential care were more likely if a person had been living in a flat (as opposed to living in a house), and much higher for those in public housing flats (Bridge et al. 2010).

Social supports

There has been little change in the living arrangements of older people between 1996 and 2011, as shown by the national Census for each period (Table 6.2.2). As people age and remain in the community, they are much less likely to be partnered, and much more likely to be living alone. For example, of those aged 85 or older in 2011 and living in households, 31% were living with a partner compared with 65% of those aged 65–74, and nearly 1 in 2 of the older group were living alone, compared with 1 in 5 of the younger group.

Table 6.2.2: Household living arrangements, people aged 65 years or older, living in private households, 2011 (by age) and 1996

Living arrangement	2011				1996
	65–74	75–84	85+	Total 65+	Total 65+
Living with partner	65.2	53.6	31.4	59.7	54.9
Living with child or other relative	6.7	9.9	16.7	8.8	9.8
Living with others (non-relatives)	2.4	1.8	1.4	2.1	1.8
Living alone	20.7	31.9	48.0	27.3	28.5
Other living arrangement	4.9	2.9	2.5	2.0	5.0
Total	100.0	100.0	100.0	100.0	100.0

Note: Excludes people living in institutional settings.

Source: AIHW analysis of 1996 and 2011 Censuses.

According to the 2012 SDAC, the social, community and civic participation of older people living in households is similar for people living alone and people living with others (ABS 2012). But living arrangements—in terms of having a co-resident carer (a carer who lives with them)—appear to influence the take-up of formal aged care. Analysis by the AIHW of people moving in and out of aged care over the period 2002–03 to 2010–11 shows that for people approved for permanent residential care, 45% of those with a co-resident carer took up care within 12 months of assessment, compared with 52% of those without a carer. Similarly, of those approved for packaged home-based care (but not permanent residential care), 33% of those living with a carer took up the package of care within 12 months, compared with 40% of those without a carer. People with a non-resident carer had similar or slightly higher take-up rates than people without a carer (AIHW 2014b) (see Chapter 6 'Older Australians and the use of aged care').

What pressures will the ageing population bring to the welfare system?

Older Australians come from many cultural, social and economic backgrounds, and live in a variety of communities. Each individual has different abilities and resources, and their experience of ageing will be influenced by these differences. However, overall, changing demographic and social trends are having flow-on effects on the circumstances of many of Australia's older population. While there is a large and growing group of older people who are generally well, living independently and actively participating in society and the economy—for example, those who own homes and have superannuation are bringing more resources to later life—there also are growing minorities of older Australians who require financial support, or are unable to care for themselves at home, or who require support services to do so. This section outlines some of the pressures this group brings to the welfare system.

Income support

There are a variety of different pensions/allowances available to eligible older Australians—some of these are discussed below.

Age Pension and Department of Veterans' Affairs support

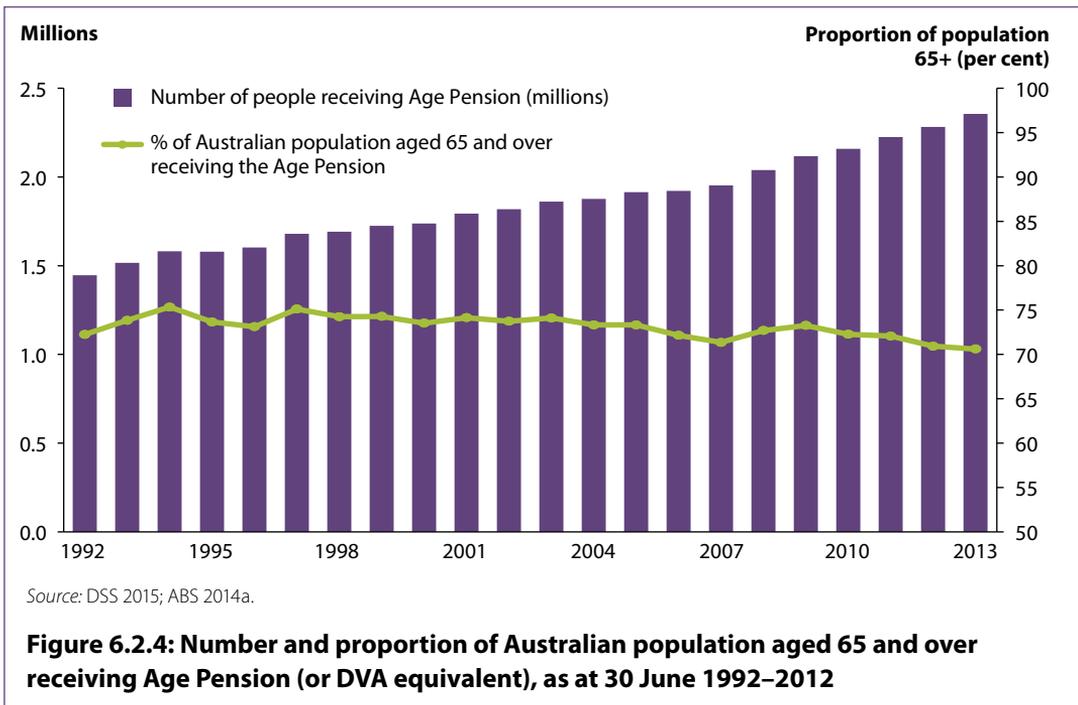
As noted above, the majority of older Australians rely in some part on a government pension—either the Age Pension or similar support from the Department of Veterans' Affairs (DVA). At 30 June 2013, almost 2.4 million older Australians received some measure of financial support from the Age Pension or DVA equivalent, an increase from 1.4 million in 1992 (Figure 6.2.4).

Despite the increasing raw numbers, the proportion of Australians aged 65 and over who are receiving the Age Pension (or DVA equivalent) has been reasonably steady over this period, at between 70% and 76%, although there has been a gradual decline since 2009.

There is considerable interest in the reliance of older Australians on the Age Pension, and on any changes to the level of dependency. The most recently released HILDA Survey results indicate that among all people aged 65 and over there is evidence of declining reliance on the Age Pension—the proportion of their income coming from the Age Pension reduced from 67.8% overall in 2001 to 59.9% in 2011 (MIAESR 2014). While the overall proportion of people aged 65 and over who reported receiving the Age Pension has fallen only slightly (by 3 percentage points between 2001 and 2011), the proportion of people for whom benefits account for one-half or more of their total income has decreased significantly from 69.3% in 2001 to 61.6% in 2011. As noted above, improving superannuation—both mandatory and voluntary—is expected to take some pressure off reliance on the Age Pension (at least full pension recipients), and longer working lives may also be a factor in reduced demand in the future.

In 2011, around 50% of all social security beneficiaries were Age Pension (and DVA equivalent) recipients, an increase from 45% in 2001 (PC 2013). In 2013–14, around \$39.4 billion was spent on the Age Pension (DSS 2014a). The National Commission of Audit estimates further growth of around 7% per year as a result of an ageing population, increased life expectancies and benchmarking to the Male Total Average Weekly Earnings benchmark (National Commission of Audit 2014).

The main driver for increasing pension costs has been the expanding proportion of the population who meet the age criteria for the Age Pension. However, given that the accumulated assets and incomes of the population are also rising over time, means testing is likely to result in a smaller share of people being eligible, and of those who remain eligible, they will have a lower average entitlement (PC 2013).



Disability Support Pension

The ageing of the Australian population and increasing longevity are mostly increasing the disability-free lifespan of Australians; however, these factors are also contributing to an increasing number of older people with disability and severe or profound activity limitation (AIHW 2014h). This rise in the number of people requiring disability support is likely to place pressure on disability services, both the financial support provided through the Disability Support Pension (DSP) and the practical physical supports provided through various services, including aged care services.

The DSP is designed to give people an adequate income if they are unable to work for at least 15 hours per week at or above the minimum wage due to a permanent physical, intellectual or psychiatric impairment (DSS 2013). To be eligible for the DSP a person must be aged 16 or more, but have not yet reached the Age Pension age at the time of claiming (65 years). However, people receiving the DSP already are able to continue receiving this after reaching the Age Pension age. Note that DSP and the Age Pension provide identical fortnightly payments (with identical income and assets tests) for a person in this situation.

In 2013, less than 4% of the total number of DSP recipients were aged 65 and over (31,162 people—an increase from 3,005 people in 2001) (DSS 2013).

There are several possible reasons why some older Australians may be still receiving DSP despite being eligible for the Age Pension—the most likely relates to the transition period between ceasing DSP and commencing the Age Pension. In 2013, there were 56,836 clients who were receiving DSP as at 28 June 2012 who were no longer receiving DSP at 29 June 2013—of these 62% (35,231) exited DSP to the Age Pension (DSS 2013).

Supported care

Aged Care

The Australian aged care system provides a range of services that support older people in both a community and residential setting—these are described in Chapter 6 ‘Older Australians and the use of aged care’. The majority of funding provided for aged care comes from the Australian Government.

Home and Community Care

The Home and Community Care (HACC) program provides a range of basic community care services to older people and to younger Australians with disability, and is the largest of the government-supported care programs in terms of number of clients. During 2013–14, there were 775,900 people aged 65 and over (50 years and over for Indigenous Australians) receiving HACC support (including Commonwealth, Victorian and Western Australian HACC Programs) (DSS 2014b), up from about 589,000 people in 2005–06.

On 1 July 2012 the Commonwealth HACC Program assumed full funding, policy and operational responsibility for HACC services for older people in all states and territories (except Victoria and Western Australia). The Commonwealth HACC program will be consolidated with the National Respite for Carers Program, the Day Therapy Centres Program, and the Assistance with Care and Housing for the Aged Program into the new Commonwealth Home Support Programme in 2015–16. Discussions on a transition are under way with Victoria and Western Australia. The state and territory governments continue to fund and administer HACC services for people with disability under the age of 65, or under 50 for Aboriginal and Torres Strait Islander people.

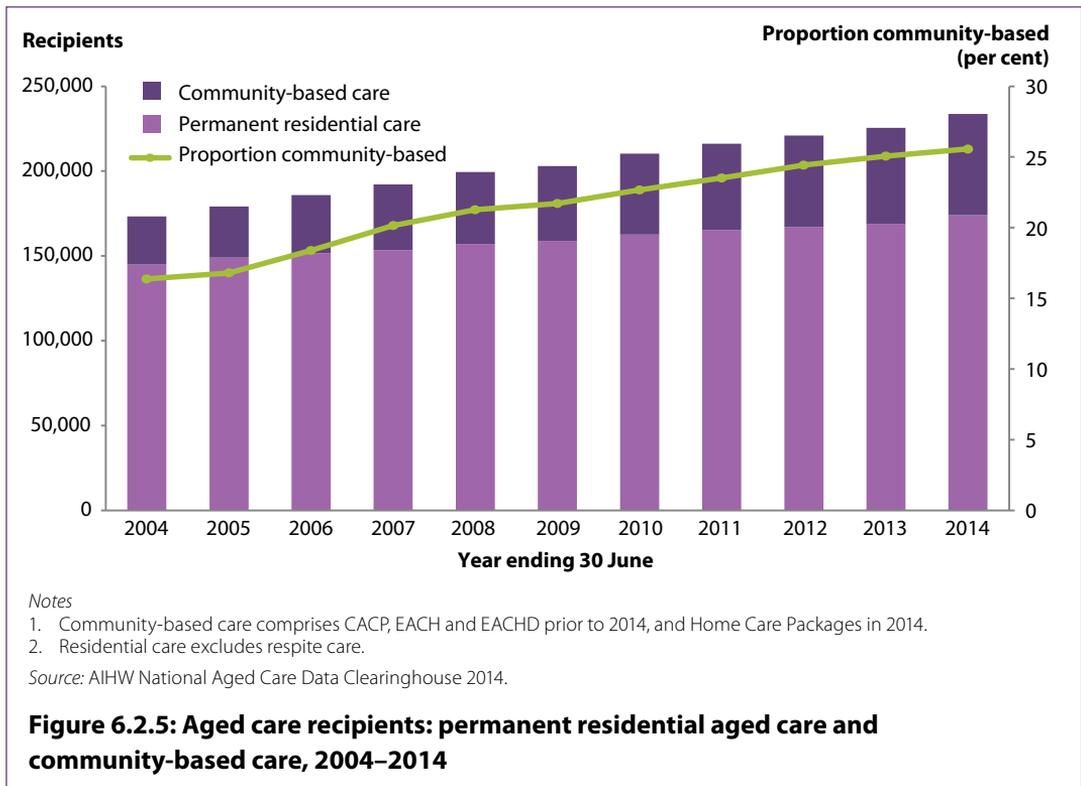
Residential and community-based care

At 30 June 2014, 233,713 people were receiving government-subsidised permanent residential aged care or home care. Of these, 173,974 were permanent residents of a residential aged care service and 59,739 were receiving a home care package (Figure 6.2.5).

The Home Care Packages Programme commenced on 1 August 2013 and replaced the former packaged care programs—Community Aged Care Packages (CACP), Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) (DSS 2014b). Four levels of home care packages are available from *Level 1—supporting basic care need* to *Level 4—supporting high care needs* (equivalent to the former EACH package). In addition to these levels of care, two new supplements are available across all levels: the Dementia and Cognition Supplement, and the Veterans’ Supplement. These supplements replace the dementia component of the EACHD package (DSS 2014b).

From the numbers reported above it is clear that, overall, the number of people receiving government-subsidised aged care services, either in the community or in residential aged care, has been increasing steadily for the last decade—back in 2004 only 165,100 people were receiving permanent residential care or home care.

The balance of community and residential aged care has been steadily shifting: over the last decade there has been a move away from residential aged care into community care arrangements. In 2004, 84% of service recipients were in permanent residential aged care, compared with 74% in 2014 (Figure 6.2.5). The move reflects the changing allocation of government-subsidised places to better support older Australians to remain in their homes.



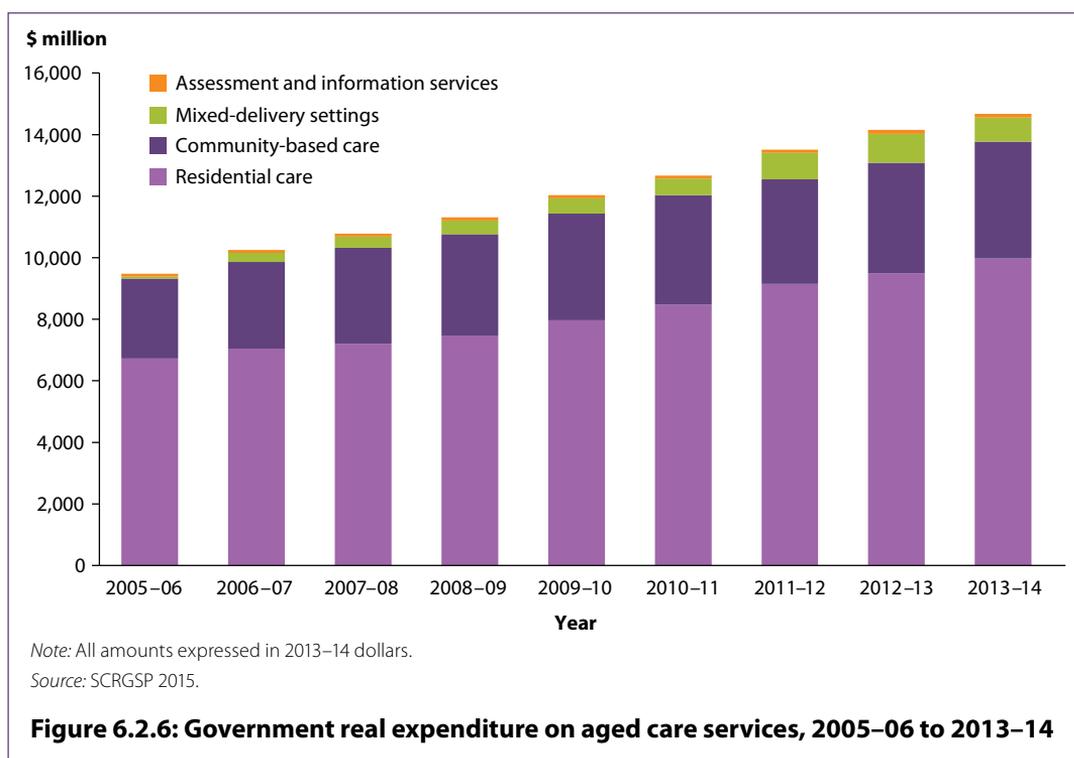
Transition care

The Transition Care Program (TCP) is designed to assist older people immediately on discharge from hospital by providing a package of care aimed at improving their functioning so as to avoid or delay admission to residential aged care. The number of recipients has steadily increased since the program was initiated; there are currently 4,000 transition care places nationally. At 30 June 2014, there were 3,339 recipients of TCP services (DSS 2014b).

Transition care is time-limited, and each allocated place caters for a number of clients over the course of a year. As at 30 June 2013, the Transition Care Program had assisted more than 87,000 people since the program began in 2005 (AIHW 2014c).

Government expenditure on aged care services

As expected, with the increasing number of recipients, and increasing labour costs, expenditure on aged care programs is also rising. Commonwealth and state and territory government expenditure on aged care—including assessment and information, residential and community care, and services provided in mixed delivery settings—totalled \$14.8 billion in 2013–14. This was well up on the \$9.5 billion (in real terms) spent in 2005–06. Government aged care expenditure rose at an annual average rate of 5.6% over this period (Figure 6.2.6).



Disability support services

The Australian Government funds a range of disability support services under the National Disability Agreement and through the National Disability Insurance Scheme (see Chapter 1, Box 1.1.2 'The changing face of the disability sector'). These services are aimed at improving the lives of people with a disability and their carers. The number of people aged 65 and over accessing these services has been declining in recent years. In 2013-14, 17,218 people aged 65 and over accessed disability support services (5.4% of the total service users for that year) compared with 18,006 people (6.1% of total users) in 2009-10 (Table 6.2.3).

Table 6.2.3: Number of disability support service users aged 65 and over, 2008-09 to 2012-13

Year	Number of service users aged 65 and over	Total number of services users	Proportion of total service users aged 65 and over (%)
2009-10	18,006	295,024	6.1
2010-11	19,422	314,252	6.2
2011-12	18,265	317,616	5.8
2012-13	17,381	312,539	5.6
2013-14	17,218	321,531	5.4

Source: AIHW 2015a, 2014e.

Housing and homelessness services

Older Australians have historically had high rates of home ownership. For example, in 2011–12, the rate of home ownership (with or without a mortgage) was 83% for those aged 65–74 and 85% for those aged 75 and over, compared with 68% for all households (ABS 2013c). Currently, the majority of older Australians own their home; however, this is likely to decline in the future if current trends in the availability of affordable housing continue (AIHW 2014f).

A range of economic factors, including interest rates, house prices, and the household incomes of purchasers, affect housing affordability. A range of social determinants also have an impact. For example, the increase in the median age at which young people leave the parental home, delays in partnering, and rises in unemployment rates, affect the capacity of households to service a mortgage. The pre-purchase cash requirements of a deposit, stamp duty and transaction costs also represent a significant barrier to home ownership. According to a 2004 analysis of HILDA Survey data, nearly 90% of tenants did not have the savings required for a home ownership deposit (Flatau et al. 2004).

As noted earlier, most older Australians aged 65 and over own their own home—with or without a mortgage—and over time superannuation coverage is improving for retirees. However, those older Australians who do not own their own home are particularly vulnerable to housing difficulties (AIHW 2013b); as such, it is not unreasonable to expect that over time there will be an increasing demand for housing assistance for older Australians.

Housing assistance

Australian governments and community-based organisations provide a range of programs (collectively known as housing assistance) to support eligible households in finding and maintaining affordable, sustainable and appropriate housing. Housing assistance includes social housing, including public housing, state owned and managed Indigenous housing (SOMIH), and community housing). It also includes assistance with rent in the private rental market through the Commonwealth Rent Assistance (CRA) program and the Private Rent Assistance program, and a range of other services focused on home purchase assistance and assistance in obtaining and sustaining tenancies (AIHW 2013b).

As at 30 June 2014, the majority of older Australians receiving housing assistance services were supported through CRA (254,974 'income units' aged 65 and over). CRA measures recipients by income units (see Glossary) rather than individuals, depending on how income within the unit is shared. (For more information on CRA refer to Chapter 5 'Working-age support: housing assistance')

There were 120,579 people aged 65 years and over living in public housing in 2014, and 1,601 people living in SOMIH, compared with 120,539 and 1,523 respectively in 2013 (AIHW 2014f, 2015b). In 2014, older Australians accounted for about 19% of the total number of people living in public housing, and 6% of the total number of people living in SOMIH (AIHW 2015b).

Homeless older Australians

In 2011, an estimated 6,200 Australians aged 65 or older were homeless on Census night— just under 6% of the total homeless population—compared with 5,500 people (just under 6% of all homeless people) in 2006 (ABS 2011b). There were a further 5,100 people aged 65 or older living in marginal housing in 2011, up from 4,500 in 2006 (Table 6.2.4). A person is defined as homeless if their current living arrangement is in a dwelling that is inadequate, has no tenure (or the tenure is short and not extendable), or if their living arrangements do not allow them to have control of, or access to, space for social relations. A person is defined as living in marginal housing if they reside in crowded dwellings, improvised dwellings or caravan parks (ABS 2011b).

Table 6.2.4: People aged 65 and over homeless or living in marginal housing, 2001, 2006 and 2011

Year	Homeless	Marginal housing			Total marginal
		Crowded dwellings	Improvised dwellings	Caravan parks	
2001	n.a.	1,362	357	2,574	4,293
2006	5,511	1,176	668	2,620	4,464
2011	6,202	1,576	427	3,118	5,121

Source: ABS 2011b.

Specialist homelessness services

Australian governments fund a range of services to support people who are homeless or at risk of homelessness. These specialist homelessness services are delivered by non-government organisations (including both specialist service providers and wider generic services) to people facing a housing crisis (AIHW 2014g). In 2013–14, there were 254,000 clients accessing specialist homelessness services across Australia; only 2.4% (6,083 people) of these clients were aged 65 and over. This is consistent with 2012–13, when there were 244,200 clients, of which 5,826 (2.4%) were aged 65 and over (AIHW 2013c, 2014g).

Health care

Many reports over the past decade have expressed concern for the pressure on the health system due to an ageing population. For example, the first Intergenerational Report in 2002 concluded that ageing was a contributing factor to growth in health spending (Australian Government 2002), and this conclusion remained in subsequent intergenerational reports (Treasury 2007, 2010, 2015). While our ageing population is a contributing factor to rising health costs, *Australia's health 2014* found that much of the growth in health expenditure can be attributed to non-demographic factors such as the development of new technologies, pharmaceuticals and diagnostic treatment techniques. In addition, community expectations of the health system and access to such technologies have driven health expenditure up faster than demographic factors would predict (AIHW 2014a).

Although health is not the focus of this report (see '6.9 Ageing and the health system: challenges, opportunities and adaptations' in *Australia's health 2014*) it is important to acknowledge the potential knock-on effects between the welfare system and increasing pressures on the health system. For example, as demand for public hospital services increases due to ageing-related health issues, this may lead to people being discharged to alternative care arrangements, such as short- or long-term residential aged care, or to people's homes with informal and perhaps formal care services.

Projected growth in ageing-related welfare services

As the sections above have shown, all of the main welfare programs have experienced growth over the past decade or so, and this trend is expected to continue. However, estimating future age-related expenditure is extremely complex—there are a number of models available and the results vary in range and reliability. Although these models are not reviewed here, it is important to acknowledge that while it is certain that some costs associated with ageing will increase as a result of Australia's ageing population, the extent and impact of this increase is far less certain.

Taking the Age Pension as an example, the *Intergenerational Report 2015*, prepared by the Treasury, estimated that as a proportion of gross domestic product (GDP), age-related pensions would rise from 2.9% in 2014–15 to 3.6% in 2054–55 (Treasury 2015).

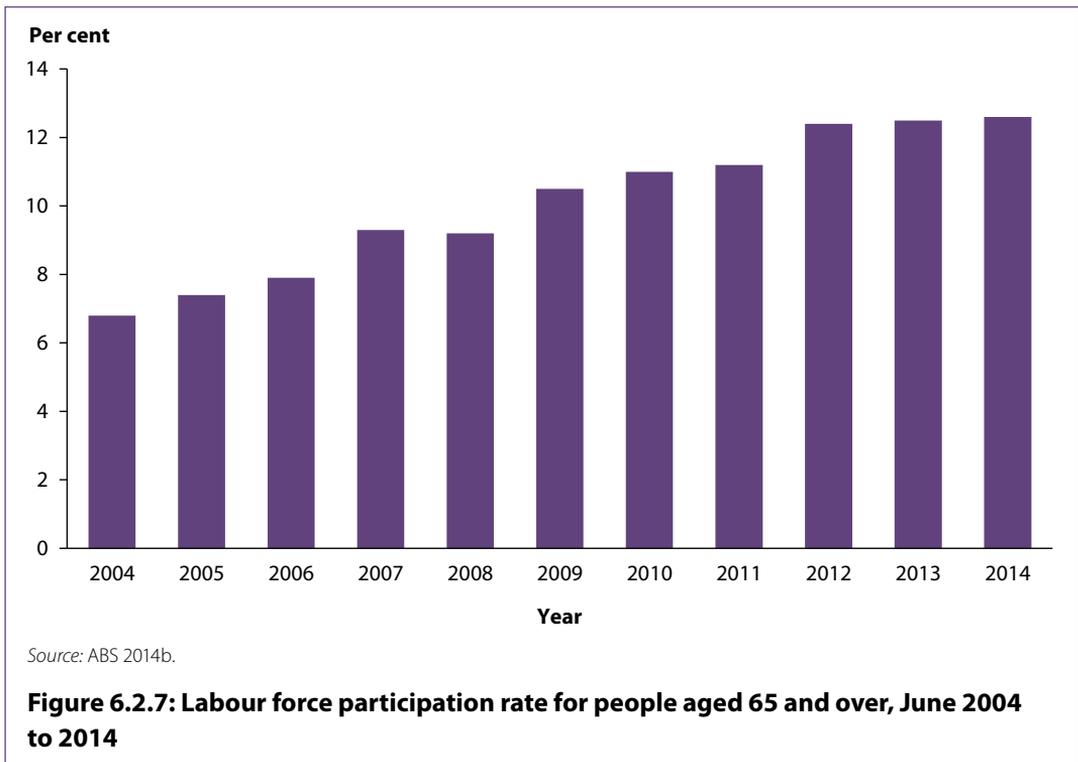
The Australian Government Parliamentary Budget Office, focusing on the medium term out to 2024–25, and based on policy settings in 2014, estimated that spending growth for 10 programs that grew rapidly over the past decade—including the Age Pension—is likely to be constrained to less than real GDP growth over the next decade (PBO 2014). Notwithstanding this anticipated change, the Age Pension program is projected to account for 12% of total growth in Australian Government spending between 2012–13 and 2024–25, and aged care programs are expected to account for 9% of the total growth (PBO 2014).

What opportunities will the ageing population bring?

Older Australians contribute to society economically and socially in many ways, including as workers, carers and volunteers, and consumers. Longer lives and longer healthy life expectancy for older Australians present a range of opportunities to realise the potential of the diverse skills and experiences of the older population. Enabling older Australians to enjoy more active lives through positive economic and social participation has many potential benefits for older individual Australians and for society, including the capacity to offset some of the pressures discussed in the previous section. This section focuses on some key examples of the opportunities presented by a healthy ageing population and an Australian society that embraces and facilitates their continued engagement.

Extended years of employment

Older Australians are continuing in the labour force (that is, employed, or unemployed and seeking work) for longer than ever before. As at June 2014, the labour force participation rate for people aged 65 and over was 12.6%. This rate has been increasing over the past decade, rising from less than 7% in 2004 (Figure 6.2.7), but is still lower than in New Zealand and benchmark OECD countries. Participation rates are influenced by opportunities in the employment market as well as the health and financial circumstances of ageing workers and related policies (Kendig et al. 2013).



The age-specific labour force participation rate for older Australians is projected to continue to grow significantly. The participation rate for males aged 65–69 is expected to increase from 33% to 40% by 2059–60—for females this rate is likely to increase from 20% to 35% (PC 2013). This expected growth is largely driven by increased educational attainment, a pattern of deferring retirement and greater lifetime engagement of women in the labour force (PC 2013). Overall, Australia has maintained and is expected to maintain an aggregate labour force participation rate of more than 65% between 2007 and 2025, but then fall to below 60% by 2059–60. However, this estimated decrease does not factor in any potential gains from changing education levels. Future older Australians are better educated than any previous generation—higher education has a strong association with subsequent increased labour force participation (PC 2013). This relationship may reflect higher wage rates, increased availability of full-time work, and lower unemployment probabilities associated with higher education levels. In addition, employment options for those with higher education levels may pose less risk of injury and disability (PC 2013).

Child care provision

Many older Australians with grandchildren provide ad hoc and regular child care for their families. The ABS Childhood Education and Care Survey found that in June 2014, 19% of children aged 0–11 years had attended care in the previous week with grandparents. This proportion has fluctuated between 17% and 22% since June 1999 (21% in 1999, 19% in 2002, 20% in 2005, 22% in 2008, 17% in 2011 and 19% in 2014) (ABS 2015).

Productive participation

Productive participation through engagement in social and community activities has many benefits that promote individual healthy ageing and broader community wellbeing. In addition, productive participation in the community may play an important role in reducing a person's dependency on the welfare system. In this section we look at the wider community benefits of productive participation, including the very real contributions provided by older Australians through volunteering, formal and informal caring, and the social networks that offer support and engagement opportunities.

Community and social engagement

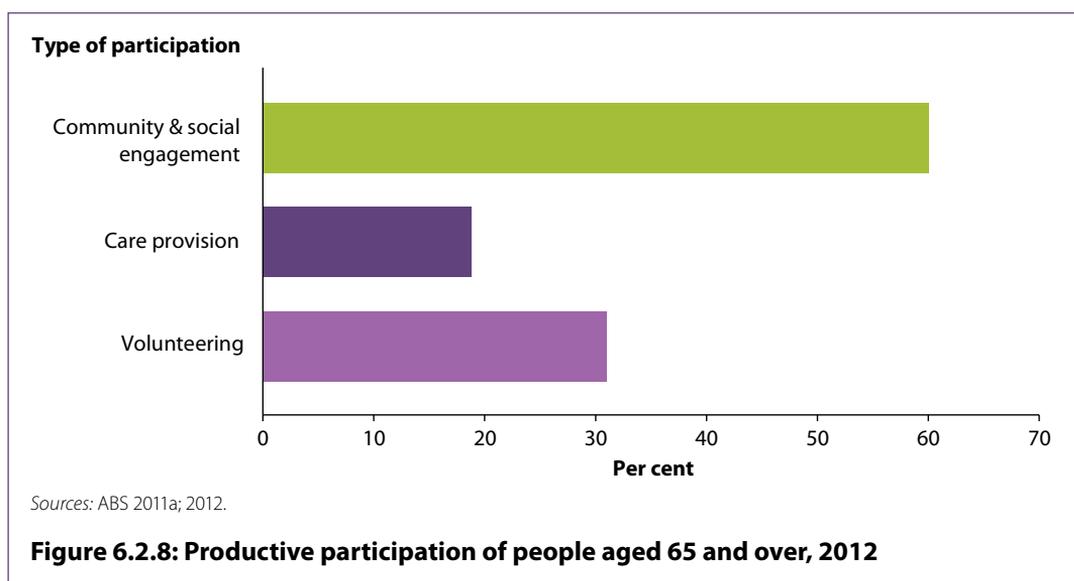
Relationships and social networks are an important part of individual and community wellbeing, and older Australians play a strong role in maintaining these social, community and civic groups. According to the 2010 ABS General Social Survey, nearly 60% of people aged 65 and over had actively participated in a social group in the preceding 12 months, almost 30% had participated in a community support group, and 16% had participated in a civic or political group (Figure 6.2.8) (ABS 2011a).

Care provision

In 2012, there were 579,700 informal carers aged 65 and over (19% of all people aged 65 and over). Of these, 34% were primary carers—representing one-quarter of all primary carers (aged 15 and over) in Australia (ABS 2012). Over three-quarters (80%) of older primary carers were caring for their partner or spouse, 7% for their children and around 6% for an older parent. The extent of the contribution being made by older carers is significant—in 2012, 45% of older primary carers of people with a severe or profound core activity limitation provided care for a period of 40 hours or more per week, and a further 19% provided care for between 20 and 39 hours per week (ABS 2012).

Volunteering

According to the 2010 ABS General Social Survey, 31% of people aged 65 and over (884,500 people) had undertaken voluntary work for an organisation in the previous 12 months (Figure 6.2.8). Just over 40% of these volunteers undertook voluntary unpaid work at least once a week, and more than half (55%) at least fortnightly. Older volunteers primarily did unpaid work for welfare/community organisations, followed by religious organisations (37% and 27% of older volunteers respectively) (ABS 2011a).



How can we provide better support and minimise impacts?

Increasing life expectancy and healthy ageing are causes for celebration, notwithstanding the challenges presented by an ageing population. Constructive societal and policy responses can advance these remarkable achievements and influence how well our systems adapt and cope. Consequently, a range of strategies and frameworks, both nationally and internationally, are currently either being implemented or are the subjects of wider discussion in Australia and abroad. Some of these strategies are outlined briefly below.

- **Promoting healthy and active ageing**—Active ageing or healthy ageing moves away from the idea that older people are passive recipients of services, and encourages a balance between service delivery and personal responsibility. The approach involves encouraging lifestyle choices and activities that enable continuing health and independence and minimise the costly health and disability aspects that can be associated with ageing. The World Health Organization document, *Active ageing: a policy framework* provides suggestions for policy approaches for local, regional and national adaptation (WHO 2002).

Another key response to enable healthy ageing is to maintain and improve the health and quality of life of the current cohorts of older people, through better management of chronic conditions and comorbidities. Public health measures such as cervical and breast cancer screening, diabetes detection and management, hearing and eye tests, and flu immunisations, which are aimed at early detection and management, are useful in supporting healthy ageing.

- **Enabling workforce participation of older Australians or supporting older people to work longer**—As suggested in Chapter 5 ‘Older Australians staying at work’, increasing the opportunities for older Australians to continue in the labour force provides multiple benefits, from higher public revenue and low public expenditure to providing further retirement saving opportunities. Approaches that improve the capacity of mature-age workers to remain in employment and help remove barriers to participation would provide a strong foundation to improve the labour force engagement of older Australians (PCA 2014).

- **Developing business opportunities**—An ageing population creates a growing consumer market with a diverse range of wants and needs. For example, the generation that is now retiring will have different consumption patterns, lifestyle choices and expectations than previous generations (PCA 2014). Drawing on work from the OECD, the *Blueprint for an ageing Australia* suggests a range of policy areas to encourage avenues of accessing this growing market, including promoting entrepreneurship and innovation in products and services for an ageing marketplace (PCA 2014).
- **Re-shaping the aged care workforce**—The growing number of older Australians will clearly have broad implications for the future workforce required to meet their needs for services in the finance, leisure, personal services and aged care sectors, to name just a few. And the increasing diversity of the Australian population, especially the growth in the proportion of people born in non-English-speaking countries, creates challenges for service providers in being able to accommodate the cultural and linguistic needs of their potential clients (for example, 1 in 10 clients in permanent residential aged care in 2013 had a preferred language other than English, up from 1 in 15 clients in 1996) (AIHW 2014d; AIHW 1997).
- **Providing cost-effective aged care**—As noted above, the care setting is a major factor in the cost of providing aged care, so there are further savings to be expected as the planned ratio of community-based to residential care places rises over the next few years. Further, innovations such as the TCP can be cost-effective aged care service options (AIHW 2014c)—the TCP assists older Australians to gain improved functioning directly after a hospital stay (AIHW 2014c). Between 2005 and 2013, 3 in 4 TCP recipients (76%) who completed their planned care showed improvements in their functional status, and more than one-half (54%) of recipients returned to live in the community (as opposed to being admitted to residential aged care) (AIHW 2014c).
- **Building age-friendly and dementia-friendly environments**—Age-friendly environments have a significant impact on the health and quality of life of older Australians (PC 2011). The *Liveable housing design guidelines* launched in July 2010 describe a number of easy living elements that aim to make the home safer and more adaptable to the needs of its occupants (DSS 2012). While dementia-friendly designs are specifically targeted at people with dementia, they may be beneficial for all older Australians. The principles of these designs—familiarity, orientation, engagement, memory aid, safety, independence, and comfort—can be applied within a range of settings (AIHW 2013d).
- **Leveraging accumulated assets**—As described above, housing is a significant element of wealth for many older Australians, and accessing that wealth may be an option to achieve goals such as providing income in retirement—although there are risks and barriers in such arrangements. ‘Housing equity withdrawal’, as it has been termed, can take many forms: downsizing (in which home owners move to a lower value property to unlock some equity in their former property); selling up (in which their house is sold and they go into the private rental market); and mortgage equity withdrawal (where home owners increase the mortgage debt secured against their property without moving) (Ong et al. 2013).

In their analysis of HILDA data and qualitative interviews with home owners aged 65 and over, researchers for the Australian Housing and Urban Research Institute found that the incidence of housing equity withdrawal remained at between 6% and 7% from 2001–02 to 2009–10, with around one-half of this (53%) being in the form of mortgage equity withdrawal (Ong et al. 2013).

- **Financial literacy**—The availability of a wide range of retirement income products, and their increasing complexity, suggests that individuals will need to be more financially literate (that is, have the knowledge, skills and motivation necessary to effectively manage money) than previous generations. Financial literacy starts with good foundations in general mathematics during school years, and moves on to providing appropriate information and support for those making investment choices at various points throughout their working life and beyond (World Economic Forum 2014).
- **Information and technology**—Changing geographic patterns with older populations, particularly moving away from major cities, can present a variety of access challenges. These may be best met through improved education to inform choice, and innovative health and welfare service delivery options such as telehealth and remote monitoring services. In addition, greater social participation and connections can be enabled through internet and telecommunication infrastructure (PCA 2014).

What is missing from the picture?

There are important information gaps relevant to the various connections between ageing, health, and welfare services. While quality information exists about the health and wellbeing of older Australians, much less is known about the interaction of different components, such as the physical, social and financial wellbeing of older people and how those characteristics influence interactions with the welfare system. More needs to be known about variations in experiences of ageing as people grow older, and the influence of earlier life experiences and decisions on outcomes in later life.

There are only limited data available about certain groups in the older population, including Indigenous Australians and people in the oldest age groups (such as those aged 85 and over). Longitudinal studies such as HILDA and the Census longitudinal dataset may help to fill some of these gaps.

There is a lack of data relating to client outcomes, experiences of services, and transitions within and between welfare services (and health services, such as hospitals). Data linkage work has the potential to provide a picture of movements through services. Linked data have already been used to look at patterns in the use of aged care, including in the year before death (see AIHW 2014b).

In addition, there is a need for greater understanding of outcomes experiences at the population level—for example, coverage of health promotion and prevention services would provide an information base to support healthy ageing initiatives.

Projections of the future service needs of the ageing population, as well as welfare expenditure projections, are sensitive to the choice of underlying assumptions. For example, models may make assumptions about the savings profile of older people and labour force participation, which are likely to change over time. Consequently, modelling needs to be kept up-to-date with any changes in the factors and assumptions underlying the model.

Where do I go for more information?

More information about older Australians is available on the [AIHW website](#).

For information on ageing see www.aihw.gov.au/ageing/; for general aged care information and recent reports, see www.aihw.gov.au/aged-care/.

For information on aged care data in Australia visit www.aihw.gov.au/national-aged-care-data-clearinghouse/.

For more information on housing assistance programs, including the Commonwealth Rent Assistance program, visit www.aihw.gov.au/housing-assistance-publications/.

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6.3 Older Australians and the use of aged care

Australians are living longer than ever before and, as each year passes, older people make up a larger proportion of the total population. This ageing of the population presents challenges for the welfare system, including the demand for aged care services. Policy changes, developed to ensure that service provision keeps up both with population growth and changing community expectations, also affect how we, as a community, care for our older residents.

Many older Australians want to remain in their own homes as they age—not just because of attachment to their homes but because of the areas and communities in which they live. And most are able to do so, at least until close to the end of their lives.

This article examines the changes in policy focus and service provision that have occurred over the last 30 years to help people remain at home for as long as possible. The major changes in aged care policy over the last few years mean that it is timely to review the past and set the scene for examination of aged care services in the future. Changes that will particularly affect program provision include the merging in 2013 of the Commonwealth low- and high-care package programs into Home Care Packages—incorporating Consumer Directed Care for the first time in aged care—and the establishment in 2015 of the Commonwealth Home Support Programme, which combines the large Commonwealth Home and Community Care Program with a number of smaller programs. These policy innovations will take effect as existing users exit and new users enter the system.

In this context, longitudinal analyses can answer important questions such as: have the changes in program provision kept pace with population change; have there been changes in patterns of service use over time; are people staying in their homes longer; and for those who do use services, what services are they using and in what combination?

Overall, at any one time the vast majority of older Australians are not using aged care services. In 2010–11, over two-thirds of people aged 65 and over (71%) did not use an aged care service over the year, other than perhaps assessment services. Of those who did, more than two-thirds only accessed community care. However, program use is more likely as a person gets closer to the end of life, with 67% of people aged 85 and over using an aged care service in 2010–11. Around 80% of people who live to at least age 65 will use community and/or residential care over their lifetime.

Background—the last 30 years

Ageing in the Australian community

The average age of the Australian population has been increasing since the 1970s, reversing the trend of the 1950s and 1960s caused by the post-war baby boom (ABS 2013). In 1985, 10% of the population were aged 65 and over compared with 15% in 2014 (ABS 2014a). Furthermore, within the older population, the number of ‘very old’—aged 85 and over—has been growing at a greater rate than the number aged 65 to 84, so that the proportion of older Australians who are very old has been increasing (ABS 2014a).

The prevalence of many health conditions is higher in older age groups (AIHW 2014a: Section 6.9). Consequently, the increasing numbers of old and very old people affects the provision of both health and aged care services. In particular, the high rate of dementia among very old people influences the need for, and provision of, home and residential aged care (AIHW 2014a: Table 6.3). The strong relationship between health and aged care is illustrated by the movement between hospital and residential aged care. For example, in 2008–09 nearly one-tenth (9%) of admissions into hospital for people aged 65 and over were for people coming from residential care, while about one-quarter (24%) of admissions into respite residential aged care and about two-fifths (39%) of admissions into permanent residential care were from hospital (AIHW 2013c).

Changing community attitudes also affect the provision of care services. For example, while permanent care in a residential care facility remains a key service for many, greater emphasis on provision of home-based support from the mid-1980s (AIHW 1993) led to the introduction of a range of community aged care programs, such as home care packages (see Box 6.3.1 for a list of the main national aged care programs since 1985). This trend towards home-based care was accompanied by the emergence of respite care as an important area of service provision, both to provide short-term emergency care and for planned respite to support carers (AIHW 2003).

Many older Australians want to remain in their own homes as they age. In 2007–08, over 90% of community-living older people wanted to stay in their home for the next 12 months, irrespective of whether they were owners, buyers or renters (AIHW 2013b). In addition, a majority of older home owners intend to stay in their current residence 'for the foreseeable future'. However, for many, their attachment is not necessarily to the home but to the area and community in which they live (Olsberg & Winters 2005). Many older people do move, and not just to residential care: at the time of the 2011 Census, 18% of Australians aged 65 and over had moved in the preceding 5 years, although the likelihood of moving decreased with age until about age 85. Relocation is more likely among the very old compared with those aged 65 to 84, most likely due to increasing age-related disability (Judd et al. 2014: Tables 14 and 15).

Around one-half of the people who moved house after the age of 50 between 2006 and 2011 had 'downsized', based on number of bedrooms (Judd et al. 2014). Judd and others (2014) also found that lifestyle preference was the most common reason leading to moving, with other (often related) common motivations for downsizing including inability to maintain the house and/or garden, and children leaving home. Almost half of the people who reported downsizing remained within the same region (statistical division).

As noted by Olsberg and Winters (2005), home ownership is often people's greatest financial asset and provides the conduit to all choices about where to live. The ability of people to remain in their home, or to choose where they live, is predicated on having sufficient resources. The fall in home ownership rates since 1991 (see Chapter 5 'Bricks and mortar') and growing numbers of older people experiencing homelessness (see Chapter 7 'The diversity of Australia's homeless population') suggest that choice may be limited for an increasing proportion of older people.

Among older Australians there is strong demand for community-based services. The Australian Bureau of Statistics (ABS) Survey of Disability Ageing and Carers, last undertaken in 2012, indicates that many older people living in the community require assistance with personal activities, and that for a sizeable minority of these people some or all of these needs are not met. For example, in 2012 almost 30% of people aged 65 and over reported needing assistance with at least 1 of 5 personal activities and about one-quarter of these people had some unmet care needs (ABS 2014b: Tables 27 and 28).

Changes in aged care programs

Over the last 30 years, policy direction, and consequently program development, have been influenced by a small number of underlying principles. These include that many older Australians: prefer to live in the community rather than in residential care; prefer to 'age in place' rather than change residence when care needs change; and want aged care services to be flexible and easily accessed.

Increasing focus on community care

The underlying premise that people want to remain living in their communities has led to an increasing focus on the provision of community care services. This is reflected in the changing balance of the Australian Government's provision of residential places and home care packages. Since the late 1990s, to allow for the ageing of the population, the provision of permanent residential aged care places and home care packages has been increasing relative to the number of people aged 70 and over. On 30 June 1998, altogether there were 93.5 places and packages per 1,000 people aged 70 and over; by 30 June 2014, despite a few minor fluctuations, this number had increased to 111.3 (SCRGSP 2003, 2015). Much of this increase was in community care, with home care packages accounting for 26% of provision in June 2014 compared with 7% in June 1998. This shift towards greater provision of community care is continuing, and by 2021–22, the Australian Government is aiming to have 125 residential and home care places for every 1,000 people aged 70 years and over, with over one-third of these places being in a home care setting (DSS 2013: Section 2.3). Over the last 30 years, the consistent move towards increasing community care has seen the provision ratio of residential care places fall from 99 per 1,000 in 1985 (AIHW 1993: Table 5.6) to 80 per 1,000 in 2015, while the provision ratio of home package places, introduced only in 1992, will have risen to 45 per 1,000 (from zero).

The growth of community care has also seen the number of older people using services delivered through the Home and Community Care Program (HACC) increase. About 171,000 people used HACC in an average month in 1990 (DHHCS 1992); by 2012–13 this had increased to over 370,000 a day (derived from DSS 2014c: Table A3, in conjunction with Table S6.3.1). This compares with much smaller growth in residential care: in 1992 there were around 125,000 residential aged care places (AIHW 1993: Table 5.7); this increased to just over 186,000 in 2012–13 (AIHW 2014c). Even allowing for more than one person using an aged care place in a year (as can be seen in Table S6.3.1), of all the national aged care programs HACC assists the largest number of people.

Ageing in place

The desire of many older Australians to age in place has significantly influenced program development. Ageing in place is a natural outcome of increasing the provision of community care. As seen in Box 6.3.1, in the first decade of this century, several programs were initiated and others were expanded to allow people to age in place in the community.

In 2013, the *Aged Care (Living Longer Living Better) Act 2013*, which amended the *Aged Care Act 1997*, formalised the aged care reforms that had been under consideration for a number of years, with the aims of giving consumers of aged care services more choice, easier access and better care. One of the priorities underpinning the Act was to provide more support and care in the home (see AIHW 2013a: 241–2 for summary, DSS 2014a for details).

The 2013 reforms included merging the Commonwealth high- and low-care home packages programs into the Home Care Packages Programme in August 2013 (see Box 6.3.1). This change also assists with ageing in place as the new program provides four levels of care, from basic care to high care, allowing clients to access additional services as their care needs change without needing to change care program. In addition, the new home care packages are delivered using Consumer Directed Care, giving package recipients greater control over their care.

For people living in residential aged care facilities, limiting the number of changes in residence is also seen as desirable. This idea of ‘ageing in place’ was an important objective of the *Aged Care Act 1997*, with the aim being to allow aged care residents to remain in a single facility as their dependency increased (AIHW 2001: 230–2). The removal of the distinction between low- and high-care places on 1 July 2014 further assists with ageing in place for people living in residential care.

System simplification and program flexibility

The proliferation of programs in the last 30 or so years resulted in an increasingly complex aged care system, prompting recent moves to simplify the system and increase the flexibility of care provision through program amalgamation. The complexity of the system was compounded by different programs having different access processes. For example, access to residential aged care, home care packages and the Transition Care Program requires an approval by an Aged Care Assessment Team (ACAT) under the Aged Care Assessment Program, while programs such as Home and Community Care and Veterans’ Home Care continue to have different assessment processes (see Box 6.3.1).

One measure to simplify the system, and increase flexibility for clients, has been to bring the low- and high-care home care package programs together under the umbrella of the Home Care Packages Programme, as mentioned above. However, the change affecting the largest number of people is the creation of the Commonwealth Home Support Programme (CHSP). In July 2012, the Australian Government assumed full responsibility for HACC services for older Australians, except in Victoria and Western Australia (see Box 6.3.1). This change in responsibility facilitated streamlining HACC and other smaller programs. In July 2015, the Commonwealth HACC Program, National Respite for Carers Program, Day Therapy Centres Program and Assistance with Care and Housing for the Aged Program, were combined under the CHSP (DSS 2014f).

The changes in policy focus and service provision over the last 3 decades raise the question of how these changes have affected the way that people use the various programs to help meet their care needs. In this article, Australia-wide data are used to investigate changing patterns of use of aged care programs that have come about as population needs have changed, and as policy changes have reshaped the aged care system.

Box 6.3.1: Main aged care programs

- **Residential Aged Care** (Commonwealth-funded from 1963). RAC provides both permanent and respite care in residential care facilities. An Aged Care Assessment Team (ACAT) approval is required to access funded places. Until 1 July 2014, an ACAT approval was also required for residents moving between facilities in order to change from low care to high care. From 1 July 2014, the distinction between low care and high care was removed in permanent RAC as part of the 2012 aged care reforms (DSS 2014e).
- **Home and Community Care** (from 1985, became part of the Commonwealth Home Support Programme formed in 2015). HACC brought together a number of separate programs operating from the mid-1950s under Commonwealth–state agreements. Previously funded jointly by the Commonwealth (Australian) and state and territory governments, on 1 July 2012 the Australian Government assumed full policy, funding, and day-to-day responsibility for HACC services for people aged 65 and over, and for Aboriginal and Torres Strait Islander people aged 50 and over in all states and territories except Victoria and Western Australia (termed ‘Commonwealth HACC’). HACC provides a large range of services, including allied health and home nursing services, to support people at home and to prevent premature or inappropriate admission to residential care. An ACAT approval is not required for access. HACC became the main part of the Commonwealth Home Support Programme from July 2015.
- **Aged Care Assessment Program** (from 1985). Under ACAP, multi-disciplinary ACATs determine people’s care needs and make recommendations on preferred long-term living arrangements for clients. Relevant approvals are required from an ACAT in order to access RAC, the various home care packages and the Transition Care Program (TCP).
- **Community Aged Care Packages** program (from 1992, replaced by Home Care Packages Programme in 2013). CACPs provided support services for older people with complex needs living at home who were otherwise eligible for admission to ‘low-level’ residential care. They provided a range of home-based services, but not home nursing assistance and allied health services, with care being coordinated by the package provider. Access required an ACAT approval.
- **Veterans’ Home Care** (from 2001). VHC provides a limited range of services (also available through HACC) to help veterans, war widows and widowers with low-level care needs to remain living in their own homes longer. Eligible veterans who need higher amounts of personal care than provided under VHC may be referred to the Community Nursing program (Gold or White Repatriation Health Card holders only). An ACAT approval is not required for access.
- **Extended Aged Care at Home** program (from 2002, replaced by Home Care Packages Programme in 2013). EACH provided care at home equivalent to ‘high-level’ residential care. Access required an ACAT approval.

continued

Box 6.3.1 (continued): Main aged care programs

- **Transition Care Program** (from 2005). TCP provides short-term care to older people who are leaving hospital who are assessed as otherwise being eligible for at least low-level RAC. It aims to improve recipients' independence and functioning and delay entry into RAC. Access requires an ACAT approval. TCP care can be provided at home or in 'live-in' facilities, including RAC and hospital.
- **Extended Aged Care at Home Dementia** program (from 2006, replaced by Home Care Packages Programme in 2013). EACHD provided a community care option specifically aimed at high-care clients with dementia and behavioural and psychological symptoms. Access required an ACAT approval.
- **Home Care Packages Programme** (from 2013). The Home Care Packages Programme began on 1 August 2013, replacing the former packaged care programs (CACP, EACH, and EACHD). Four levels of packages are available, from Level 1, which supports people with basic care needs, to Level 4 which supports people with high-care needs. Home care packages are required to be delivered using Consumer Directed Care (CDC). CDC was phased in from 2013, with all home care packages using a CDC model of care from July 2015. As with the earlier package programs, an ACAT approval is required.
- **Commonwealth Home Support Programme** (from 2015). The CHSP commenced in July 2015. The program brought together a number of existing programs providing home support, including the Commonwealth HACC program, the National Respite for Carers Program, the Day Therapy Centres Program and the Assistance with Care and Housing for the Aged Program. The purpose of combining these programs under the CHSP was to create a single program that was better coordinated and easier for older people and their carers to access.

Information on current aged care programs can be found at the My Aged Care website www.myagedcare.gov.au (DSS 2014d).

Sources: AIHW 2011; DSS 2014b; DSS 2014f.

How do we know about changes in service use?

Computerised person-level administrative data have been maintained for RAC and home care packages since the 1990s, and administrative data have been collected for the VHC program and TCP as they became operational. In addition, the client-level HACC Minimum Data Set (MDS) was implemented in 2001. For the ACAP, from 1994 there was a nationally agreed minimum data set with jurisdictional data sets maintained by each state and territory. However, it wasn't until the implementation of the client-level ACAP MDS (version 2) that unit-record data became available nationally. Consequently, with the implementation of client-level MDSs for HACC in 2001–02 and ACAP in 2003–04, data became available for the main national aged care programs. Even so, the data collections for the different programs were, and are, held on different databases without a common person identifier, so that analyses are still generally program-specific (see, for example, ACAP NDR 2007; AIHW 2010, 2014c; DoHA 2009).

Given that there are national data sets that separately contain data on individuals' use of various care programs, integrating the data from these sources can provide a valuable resource for examining people's use of different programs and the relationships between programs. As described in Box 1.1.3, statistical data linkage is a powerful tool for achieving such integration, and so these techniques have been used to develop a linked database—termed the Pathways in Aged Care (PIAC) linked database—that can be used to examine aged care pathways and to investigate issues related to cross-program use (see Box 6.3.2 for an overview of the database). Data linkage has also been used to investigate the flow of people between aged care and hospital (AIHW 2013c).

The analyses reported below use data from the PIAC linked database, which covers all individuals who used aged care services in the 9 years to 30 June 2011. In a number of places, however, analysis is limited to selected cohorts to allow investigation into particular issues.

The PIAC database enables analyses of service use over a year or a number of years, and on a particular day taken as an example day for each year. In the current analysis, 30 September was chosen as the example day as it is not affected by holiday periods and so shows more typical service use. Detailed results of a range of analyses using PIAC data, along with a description of the processes used to link the contributing data sets, are contained in two AIHW reports, *Patterns in use of aged care 2002–03 to 2010–11* and *Use of aged care services before death 2010–11* (AIHW 2014b, 2015).

How many people use aged care?

The number of people using services provided by aged care programs grew steadily between 2002–03 and 2010–11. People can use a range of services provided by a number of programs over various periods, including short periods, such as with respite care or transition care. Consequently, many more people access care over a year than on a particular day: just over 874,000 people aged 65 and over used aged care services in 2010–11 compared with 555,000 on 30 September 2010.

The number of people using aged care services over a year increased from some 642,000 in 2002–03 to just over 874,000 in 2010–11, an increase of 36%. The number of people being assisted on the example day increased from an estimated 393,000 on 30 September 2002 to 555,000 on 30 September 2010, an increase of 41% (Table S6.3.1). These increases compare with an increase of 25% in the population aged 65 and over between 30 June 2002 and 30 June 2011.

Box 6.3.2: The PIAC linked database

In order to explore changes in program use by older people, data on the use of seven key aged care programs and ACAT assessments were linked by the AIHW to obtain a person-based database containing data on aged care program use. This database is termed the Pathways in Aged Care (PIAC) linked database.

Scope: The database covers the period 1 July 2002 to 30 June 2011 and contains person-level data on:

- use of seven service programs operational between 2002 and 2011—in order of the annual number of clients: HACC, RAC (including both permanent and respite care), VHC, CACP, EACH, EACHD and TCP (see Box 6.3.1)
- assessments conducted by ACATs under ACAP
- all deaths.

All people who used services provided by the above programs or who died in the reference period are included in the database (3.5 million people), irrespective of age.

Data sources: The data come from three main sources:

- program-specific annual national minimum data sets (for ACAP and HACC)
- program administrative data (for RAC, CACP, EACH, EACHD, TCP and VHC)
- the National Death Index (held at the AIHW) which contains deaths registration data from state and territory registries of births, deaths and marriages and the National Coronial Information System.

The creation of the PIAC linked database means that the AIHW can now analyse the use of services from a combination of programs, rather than just looking separately at the use of specific services. It also allows us to identify people who are just beginning their care pathway. In addition, including the data on deaths allows the identification of completed care pathways and whether people used programs before they died.

A detailed description of the processes used to link the contributing data sets can be found in *Patterns in use of aged care 2002–03 to 2010–11* (AIHW 2014b). (See also Box 1.1.3 ‘Data linkage—expanding the information base’).

The programs with the largest numbers of clients were HACC and permanent RAC. Over the period, annually, over two-thirds of clients used HACC and about one-quarter used permanent RAC; and these two programs accounted for around 85% of clients on a particular day.

People can be clients of more than one program at a time. For example, a person can be the recipient of a care package and go into short-term residential respite care while on that package; or an individual may be receiving allied health services through HACC but personal care through VHC. The proportion of people using multiple programs in a year is much larger than the corresponding proportion on a particular day. Across all years, between 12% and 13% of aged care clients used more than one program during the year. In contrast, fewer than 1 in 25 clients were using two or more programs on the example day.

These differences in annual use and use on the example day are clearly seen in population rates of use: 29% of people aged 65 and over were using an aged care service at some time in 2010–11 compared with 18% on 30 September 2010.

Around 70% of aged care clients are women (AIHW 2014b: Tables A2.5, A2.7, A2.8). However, the age profile has changed: the share of clients who were very old (aged 85 and over), increased from 35% on 30 September 2002 to 41% on 30 September 2010. As expected from their greater longevity compared with men, female clients were more likely than male clients to be very old: 42% compared with 38% on 30 September 2010.

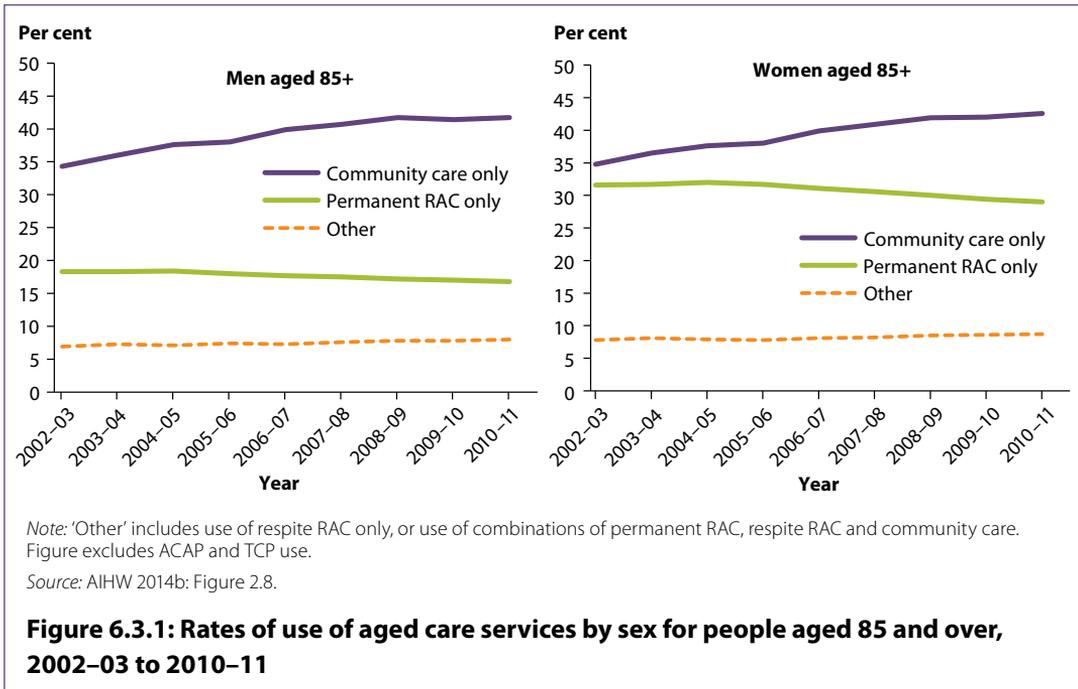
Is program use changing?

Much of the growth in client numbers was due to the increasing numbers of older people, especially very old people, rather than to higher usage rates. Overall, there was a small increase in the rate of use of community care between 2002–03 and 2010–11, and a marginal decline in the use of permanent residential care.

As seen above, since the turn of the 21st century the absolute number of people accessing aged care services has increased by more than one-third (Table S6.3.1). After standardising for changes in the age and sex structure of the older population, the proportion of people using aged care services in a year increased by 3 percentage points, from 26% in 2002–03 to around 29% in 2010–11, with most of the increase happening before 2007–08 (AIHW 2014b: Table A2.11, age–sex standardised to 30 June 2002 population). This growth resulted from increased use of community care programs. There was a small but steady decline in the proportion of people accessing only permanent RAC from 2005–06, from 5.8% to 5.2%, age-sex standardised.

These small population level changes mask more significant changes within particular age and sex groups. The most noticeable changes have been among people aged 85 and over. As would be expected, people in this age group are relatively high users of aged care, although, as Figure 6.3.1 shows, men and women have different usage rates. However, for both sexes the usage rate of community care services only, in a year, increased by about 8 percentage points between 2002–03 and 2010–11, and the use of permanent residential care only fell slightly, by 1–2 percentage points. There were also small increases in the proportion of people using combinations of community and residential care (both respite and permanent care) in a year (AIHW 2014b: Tables 2.14 and 2.15).

There have also been some changes in service use before death (AIHW 2014b: Section 2.4). Overall, use of aged care services in the 12 months before death has risen: in 2003–04, 70% of older people who died had used community and/or residential aged care in the preceding 12 months compared with 75% in 2010–11. This change resulted from small increases in both the proportions using only permanent residential care, and using combinations of community and residential care. This last result suggests that people are tending to stay longer in their homes before going in to residential care.



Program use before death is quite different for men and women (AIHW 2014b: Figure 2.10). The reasons for these differences have yet to be examined, although living arrangements and the role of spouse and non-resident carers are likely to be key. However, while there are differences between the sexes, there are also similarities. Among both very old men and women (85 and over), use of any permanent residential care in the year before death was fairly steady over the years under study, at around 52% for men and 68% for women. Despite this stability, both groups had small increases in the proportion using community care only or using a combination of community and residential care, again suggesting that either people are tending to move to residential care later in their care pathway, or that they are accessing community care earlier.

Does assessment lead to program use?

People commonly use HACC or VHC services before accessing the programs which require an ACAT assessment. However, a proportion of people use HACC or VHC following an ACAT assessment. Take-up of particular care programs depends on the person's health, social circumstances and care needs.

Access to RAC, home care packages and TCP requires an approval by an ACAT. While HACC and VHC have their own assessment processes to gauge client needs (as outlined in Box 6.3.1), ACATs can also recommend these programs to clients. In addition, individuals can act on advice given to them during an assessment that results in some individuals approaching HACC or VHC shortly after. Conversely, a HACC or VHC service provider may suggest that a client have an ACAT assessment if circumstances indicate that the person requires further assistance.

The take-up of care over a period following an initial ACAT assessment can be examined using the PIAC database by identifying people who had an ACAT assessment ending during a particular period— that is, an ‘assessment’ cohort—and then identifying their service use over the period of interest. In the discussion below, take-up of care is considered for the assessment cohort consisting of 41,000 people who were assessed by an ACAT in 2009–10 and who had not used aged care in the preceding 3 years, other than transition care. The period considered for take-up (or otherwise) of services is the 12 months after a person’s first assessment in 2009–10. These outcomes have been reported in detail in the publication *Patterns of use of aged care services 2002–03 to 2010–11* (AIHW 2014b). Key findings include:

- 31% of the assessment cohort entered permanent RAC within the 12-month period
- 38% used HACC or VHC services, including some who were subsequently admitted into permanent RAC
- 17% of the cohort did not obtain an ACAT approval for program use, but around one-half of this ‘no approval’ group had some program use in the year after assessment
- overall, 18% of the assessment cohort used only HACC or VHC, but none of the programs which required an ACAT assessment.

As is to be expected, a person’s health affects program use. Among the 2009–10 assessment cohort, people with many activity limitations, people with a diagnosis of dementia, or people whose first assessment in 2009–10 was in hospital, were:

- more likely than people without one of these characteristics to move into permanent RAC following an assessment, at between 42% and 49%
- less likely to access only HACC or VHC or not to use any services, at 21% to 36% compared with 45% for the cohort.

The social circumstances of people are also associated with varying take-up of aged care programs:

- relatively high use of permanent RAC, at over 35%, was seen among very old people (aged 85 or older), people with non-resident carers and people living in retirement villages
- use of a program that required an ACAT approval was more common among cohort members with a non-resident carer, at 60% compared with 53% for people with a resident carer or without a carer.

Due to a variety of factors, an approval to use services from a program does not necessarily mean that those programs will be accessed (SCRGSP 2014). Among the people in the 2009–10 assessment cohort:

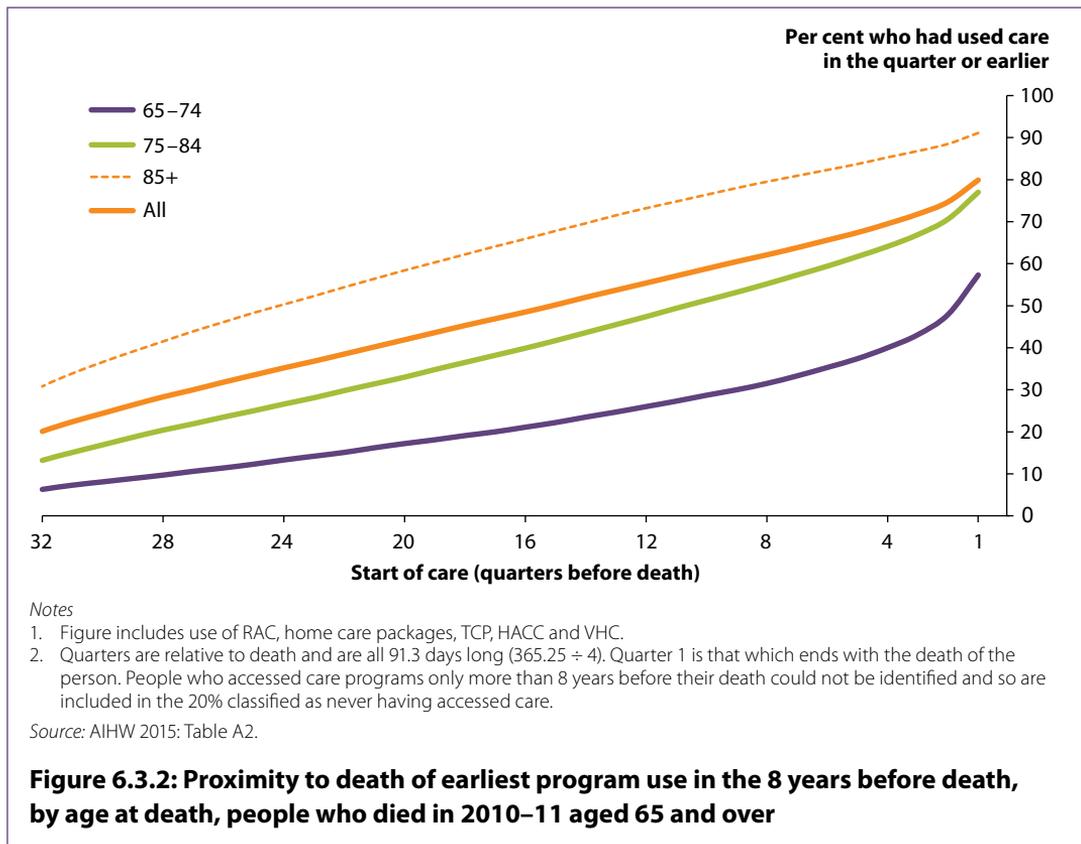
- 27% did not use services from any program in the 12 months after assessment; about one-third of these non-users had been approved to access services from a program that required an ACAT assessment
- overall, less than one-half of the assessment cohort used their highest care approved, using a hierarchy of permanent RAC, followed by home care packages, respite RAC, transition care, and services not requiring an ACAT approval (HACC and VHC). More particularly:
 - just 49% of people approved for permanent RAC entered this type of care within a year of the assessment resulting in the approval
 - use of an approval for TCP was the exception: 9 out of 10 approvals for transition care were taken up.

When do people start using aged care services?

The closer a person is to the end of their life, the more likely he or she is to have accessed aged care. Also, the type of program being used tends to change with proximity to death. However, not all program users are in care at the time of death, with a relatively large proportion of program clients stopping program use in the 3 months before death. This is most likely due to hospitalisation or use of specialist palliative care before death.

While people commonly use aged care services in the last few years of life, some people access care programs for many years (see Figure 6.3.2). Around 50% of those who died in 2010–11 at age 65 or over used a service more than 4 years before their death, and 20% had used care services 8 years or more before they died (but not necessarily continuously). Furthermore:

- All older age groups showed an increased take-up of care in the last few months of life. However, looking at Figure 6.3.2, among those who died between the age of 65 and 84, the number of people who started using aged care began to increase about a year or so before death.
- Having first use of aged care in the last 6 months of life was highest in the 65 to 74 years age group; just 30% of this younger age group accessed services more than 2 years before death, and by the time of death, this proportion had nearly doubled to 57%.
- Among people who died at age 85 or over, there was generally steady growth in take-up of aged care until the last 3 months before death when there was an additional rise.



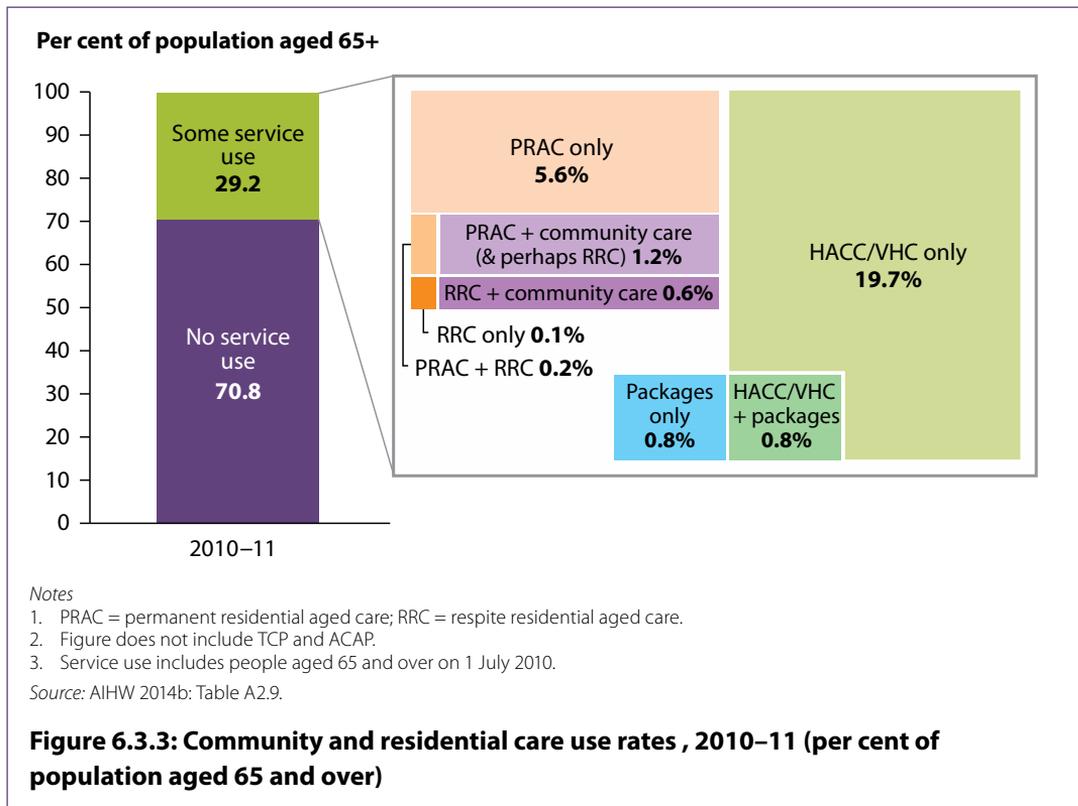
These differences between the younger and older age groups most likely reflect the differing care needs of people who have a sudden health event in their younger years that results in disability, such as stroke, compared with those whose capacity to live independently gradually declines due to exacerbation of chronic conditions, such as osteoarthritis, or who experience later onset of disabling conditions. Also, care needs related to dementia are likely to contribute to increasing service use at advanced ages in line with the increasing prevalence of dementia (AIHW 2012).

What combinations of community and residential care do people use?

Most people aged 65 and over do not use aged care services in the course of a year. Among those who do, over two-thirds only access community care. Nearly all people who entered permanent RAC had used another program shortly before admission. Just over half of those who used aged care before they died had entered permanent RAC.

Program use in a year by the population aged 65 and over

People access different services as their care needs change so that, over time, they may access a range of programs in any year. As seen in Figure 6.3.3, during 2010–11 the majority of people (71%) did not use a service. Among the 29% of the population aged 65 and over who did use a service, most accessed only HACC or VHC services (20% out of 29%), emphasising the importance of these community-based programs. Permanent RAC was the second most commonly used program, with 7% of the population—or almost one-quarter of program users—being in permanent residential care for at least part of the year. About 10% of program users accessed a combination of permanent RAC, respite RAC, home care packages and HACC or VHC.



Program use in the last years of life

Due to their changing care needs, there is quite a shift between the profile of programs that people first access and programs they access last before they die. In 2010–11, nearly 145,000 people died in Australia, and of these, 116,500 were aged 65 or more. Among the latter group, 93,100 people (or 80%) had used at least one of RAC, a home care package, TCP, HACC or VHC in the 8 years before death (AIHW 2015).

The role of community care

Most people access community care first; this was so for 84% of program users who died in 2010–11, with only 10% having permanent RAC as their first care reported in the 8 years before death (AIHW 2015: Table A7). The remainder used residential respite care or transition care first. In addition, community care was the last program used by 43% of people who had used aged care, with permanent RAC being the last program used by just over one-half (54%).

As expected from the high proportion of people who use community care first, most people who go into permanent residential care have used another program beforehand (AIHW 2014b: Table A2.10): 90% of those who entered permanent RAC for the first time in 2010–11 had used other aged care services in the 12 months before admission. Among the new permanent RAC residents who had already accessed some care, 9 in 10 had used community care in the preceding 12 months; 1 in 2 had used residential respite care.

Many people used only community care. Of all program users who died in 2010–11, 40% accessed community care only, compared with 10% who used only permanent residential care (AIHW 2015: Table A9). Furthermore, 23% of program clients used both community care and permanent residential care, while almost 18% used community care and both respite and permanent residential care.

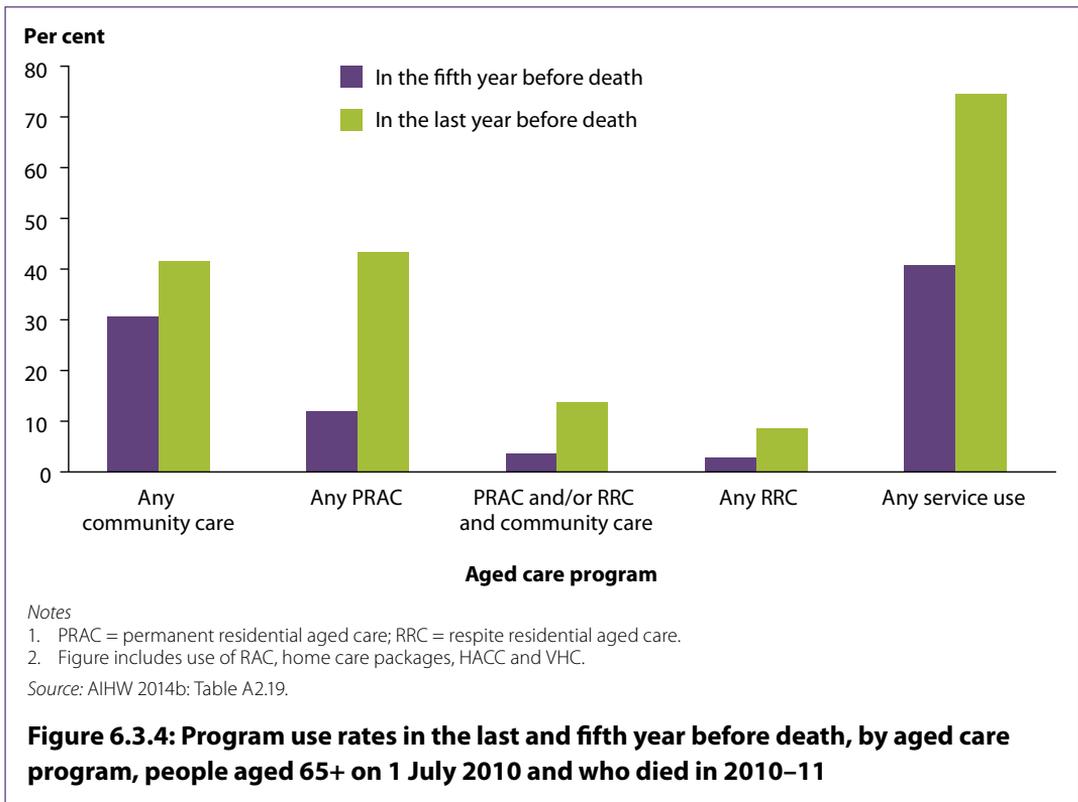
Changes in program use

Figure 6.3.4 illustrates that people are more likely to use aged care programs in their last year of life than earlier, as expected. The mix of programs used also changes. Among older people who died in 2010–11, 41% had used an aged care service in the fifth year before death compared with 75% in their last year of life. In the fifth year before death, 31% of people accessed community care and 12% used permanent RAC, but over the last 12 months of life, this balance had changed to 42% accessing community care and 43% using permanent residential care.

Program use at the time of death

In 2010–11, just over three-quarters (77%) of people who had used services from an aged care program before they died were receiving care at the time of their death. This equates to 62% of all the people who died aged 65 and over during 2010–11, and just under half of people of all ages who died in that year. These figures are overestimates as a proportion of those who died while still a program client would have been in hospital at the time of their death (see AIHW 2013c).

Not surprisingly, older clients were more likely than younger clients to have been reported as using a care program at the time of death (AIHW 2015: Table A6). However, in all older age groups, a relatively large proportion of clients stopped using care programs in the last quarter before death. It is likely that hospitalisation and use of specialist palliative care before death explains this: almost half the deaths of older people in 2010–11 occurred in hospital (AIHW 2013c: Table 1.2 and AIHW 2014b: Table A2.16).



Program use by people with dementia

The patterns of program use are slightly different for older people with dementia. Based on a 2003–04 cohort used in the initial PIAC study, 3 in 5 cohort members with dementia used permanent residential care within 2 years of their first ACAT assessment, compared with a cohort average of 40%. Just over 40% of these people used community aged care services before entering residential care. People with dementia were also more likely than average to use residential respite care (28% versus 20%) (Karmel et al. 2012). Conversely, fewer people with dementia had no service use (16%) or used only community services (17%) compared with the whole cohort (24% and 29% respectively). More information on care for older people with dementia is given in Box 6.3.3.

Looking ahead

The increasing emphasis on home-based care in government policy has shaped program planning and delivery for 3 decades now. The outcomes reported in this chapter indicate that growth in government service provision has kept pace with population growth. Further, consistent with current directions in planning and service development, the analyses also show that patterns in the use of aged care services have changed gradually but steadily, with use of community care overall increasing relative to the use of permanent residential aged care. Along with other factors, these trends have resulted in people being more likely to use a combination of community and residential care over a period. As the capacity of community care programs increases over the coming years, we would expect to see more people using a combination of services to meet their care needs as they age.

Box 6.3.3: Extra support for older Australians with dementia

The prevalence of dementia in Australia is expected to increase from around 343,000 people in 2015 to about 900,000 in 2050 (AIHW 2012). This growth will clearly have implications for the formal aged care system—and for informal carers—in terms of expanding capacity to meet the needs of older people with dementia.

There is little national data on dementia prevalence among particular sub-populations, although there is some evidence that, for example, dementia affects Aboriginal and Torres Strait Islander Australians at younger ages, and at a greater rate than other Australians (AIHW 2012).

Among permanent aged care residents in Australian Government subsidised care, 1 in 2 have a recorded diagnosis of dementia affecting their care needs. People with dementia are more likely than those without diagnosed dementia to have high-care needs in relation to the care domains 'Activities of daily living' and 'Behaviour', but not in relation to 'Complex health care' (AIHW 2013d).

Based on AIHW analysis for 2011, for every 3 people with dementia in cared accommodation, there were another 7 living in the community. Drawing on the ABS's 2009 Survey of Disability, Ageing and Carers, people with dementia living in the community most commonly needed assistance with mobility (80%), followed by self-care (62%) (AIHW 2012). These figures indicate that those with less severe forms of the condition can be supported in the community, often with substantial support from informal carers. However, more severe dementia is associated with admission to cared accommodation: 76% of those with dementia living in the community had mild dementia, compared with 6% in cared accommodation (AIHW 2012).

As indicated in Box 6.3.1, the Australian Government subsidises community care packages for people with dementia at a higher level than for people without dementia. Up to July 2013 this funding was by way of a separate package of care, EACHD, compared with EACH. From August 2013, with the introduction of the Home Care Packages Programme that replaced the CACP, EACH and EACHD programs, a dementia supplement is available at each of the four levels of care packages.

The government programs delivering care to older people are continuing to change. In particular, the recent integration of low- (CACP) and high- (EACH, EACHD) care packages into the four level Home Care Packages Programme, the introduction of Consumer Directed Care into home care packages and the removal of the categorisation of residential care into low and high care are now flowing through to the provision, access and use of care services. In addition, in July 2015 the Australian Government launched the Commonwealth Home Support Programme. Under this reform, Commonwealth HACC and a number of other smaller programs were combined to create a single program that aims to provide better-coordinated services that are easier for older people and their carers to access (DSS 2014f).

What is missing from the picture?

This article is an account of aged care service use at a changeover point between the programs developed over the last 30 years and those which are operating from 2015 as a result of the reform process begun in 2012. Further system-wide analyses will be required to gauge the impact of the continuing changes in aged care programs. The PIAC-based analyses from 2002 to 2011 have demonstrated the value of this linked database for understanding past patterns of program use. Continuation of the current PIAC linked database and similar analyses will enable a better understanding of trends in the coming years stemming from the interaction of changes in the older population and in service provision. Ideally, to allow person-based analyses to look at changes over time, linkage between the various aged care programs would be carried out every 2–3 years.

While analyses of the movement between hospital and residential aged care have been carried out (AIHW: Karmel et al. 2008; AIHW 2013c), there has been no broad-based statistical examination of the relationship between hospital care and community aged care. In particular, there are currently no data that allow investigation into the role of periods in hospital in the aged care pathway. A broad-based analysis of this issue would require a linked database containing person-level hospital, community aged care and residential aged care service use data.

There is also limited information on the experiences of services and quality of life of people in residential and community-based aged care, with the last survey of community care clients conducted in 2008, and no similar survey for residential aged care.

Where do I go for more information?

Chapter 6 'Australians aged 85 years and over' describes the characteristics of people in this age group. The pivotal role of carers in helping older people to remain living in the community is discussed in Chapter 2 'Informal carers'. The impact of the ageing of the Australian population on the welfare system is examined in Chapter 6 'Ageing and the welfare system'. Issues affecting the aged care workforce are considered in Chapter 2 'The changing face of the welfare workforce'.

More information on specific aged care programs, including useful links to the aged care sector, is available at www.aihw.gov.au/aged-care.

A range of AIHW publications related to aged care is available for free download at www.aihw.gov.au/aged-care-publications. For example:

- *Patterns in use of aged care: 2002–03 to 2010–11* and *Use of aged care services before death*
- earlier work on care pathways—*Pathways in Aged Care: program use after assessment, Pathways in aged care: do people follow recommendations?*, and *Dementia and the take-up of residential respite care*
- the latest analysis of movement between hospital and residential aged care—*Movement between hospital and residential aged care 2008–09*
- statistics on the use of residential aged care and home care packages, published annually on the web, the most recent publication being *Residential aged care and aged care packages in the community 2012–13*.

Information on accessing current aged care programs, and the latest news in service provision, can be found at www.myagedcare.gov.au.

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6.4 Mental health of older Australians

The proportion of older Australians in the population is increasing, as is life expectancy. It is forecast that future generations of older people will be more active and healthier than past generations (see also Chapter 6 'Ageing and the welfare system'). Notwithstanding this, there will continue to be a strong association between ageing and health issues, including physical conditions, mental illness and dementia (AIHW 2014; MHC 2011).

The terms 'mental illness' and 'mental disorder' can be used to describe a wide spectrum of mental health and behavioural disorders. These disorders, which can vary in both duration and severity, may interfere with an individual's cognitive, social and emotional abilities. In addition, there is the concept of a 'mental health problem', which includes problems experienced at a sub-clinical level such as stress, anxiety, depression or dependence on alcohol and/or drugs. A person experiencing one or more of these problems may not meet the diagnostic criteria for a mental disorder (Slade et al. 2009).

There is also an increasing recognition that good mental health is one of the key factors associated with healthy ageing (Kane 2005). However, the mental health of an individual is determined by a combination of psychological, biological, and/or social and cultural factors (WHO 2013)—as well as timely access to appropriate and effective clinical and non-clinical services.

The mental health of older people may also be affected by losing the ability to live independently, experiencing bereavement (particularly with death of a life partner), and a drop in income following retirement from the labour force (Rickwood 2005; WHO 2013). These factors may lead to social isolation and/or loneliness, loss of independence and increased psychological distress (WHO 2013).

There is an increasing incidence of dementia as people age, which may complicate the picture of the mental health of older people (see also Box 6.3.3, 'Extra support for older Australians with dementia'). When dementia and depression occur at the same time, it can be difficult to distinguish between them, as the signs and symptoms are similar. For example, memory or concentration problems can be symptoms of both depression and dementia (Haralambous et al. 2009).

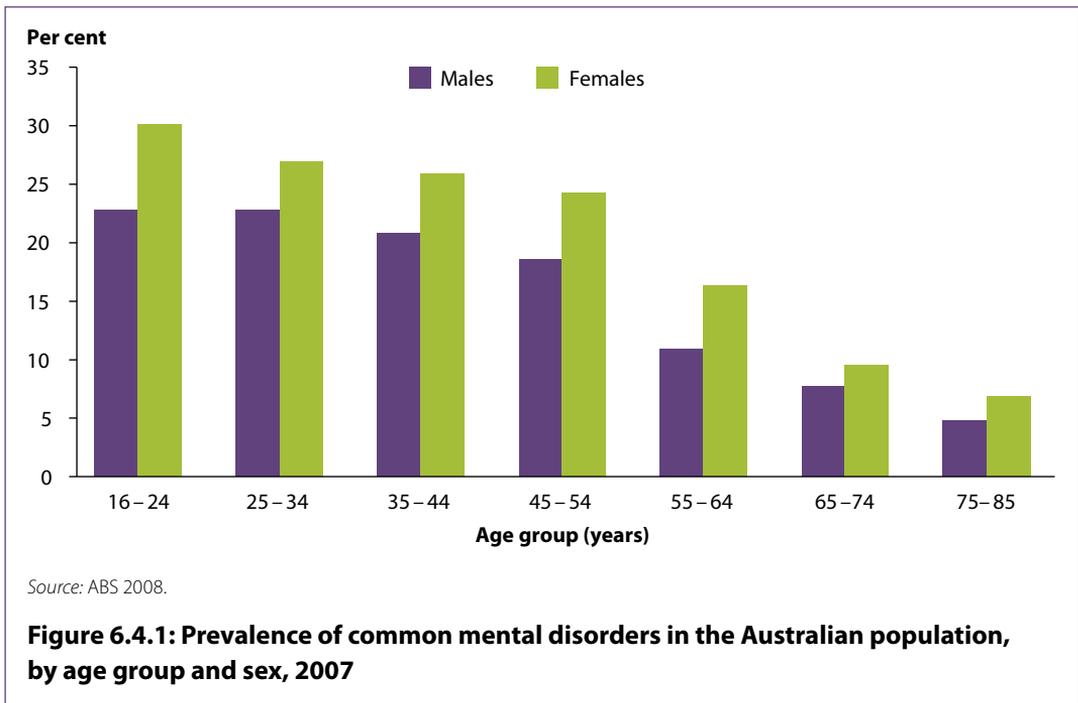
This article considers the mental health of older Australians in terms of mental illness and mental health problems, as well as the social support services accessed and the role of family and carers. In addition, the associated outcomes of psychological distress, suicide and suicidal behaviours are discussed.

Prevalence of mental disorders in older people

Epidemiological research suggests that around half of all lifetime mental disorders start by the mid-teens, and three-quarters by the mid-20s, with later onset disorders being mostly secondary to an existing mental disorder (Kessler et al. 2007). However, for some older people, their experience of mental illness is a lifetime of living with a chronic or episodic disorder (Rickwood 2005).

At a general population level, the prevalence of mental illness decreases considerably with increasing age, but there is only a small decrease in the proportion of older age groups who experience high or very high levels of psychological distress (ABS 2012).

From the 2007 National Survey of Mental Health and Wellbeing of adults (ages 16–85 years) we know that the prevalence of mental disorders is highest in the 25–34 age group (24%) and decreases with increasing age to 6% of the 75–85 age group (Figure 6.4.1)(ABS 2008). For all age groups, the prevalence of mental disorders is higher in females compared with males.



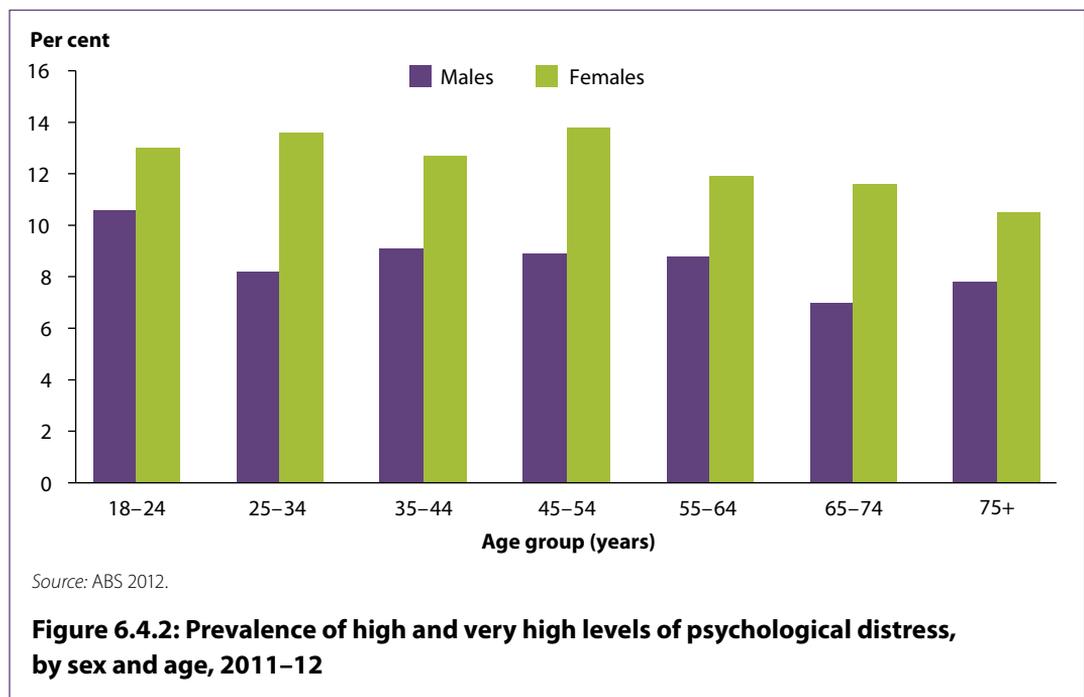
An estimated 10–15% of older Australians who live in the community experience anxiety or depression (Haralambous et al. 2009). However, research has shown that certain sub-groups of the older population are at higher risk of experiencing poor mental health. For example, just over half (52% or 86,736) of all permanent aged care residents at 30 June 2012 had mild, moderate or major symptoms of depression when they were last appraised (AIHW 2013). Other sub-groups who have been found to have a higher prevalence of poor mental health include people in hospital and/or with physical comorbidities, people with dementia, and older people who are carers (Rickwood 2005). Despite lower population-wide prevalence of mental illness at older ages, those older adults with a mental illness may have experienced a lifetime of chronic or relapsing mental illness, or had recent onset of mental illness as the result of a significant stressor such as bereavement or physical ill-health. Generally, mental illness in older age tends to be more chronic in nature (Rickwood 2005). As the Australian population ages, it is anticipated that there will be more people living longer with mental health problems, more people developing mental health problems in old age, and more people with chronic diseases and mental health concerns.

Psychological distress

Research findings suggest that as people move to older age they can experience higher levels of psychological distress (Phongsavan et al. 2013). Psychological distress is measured using the Kessler Psychological Distress Scale, which is a measure of non-specific psychological distress based on questions about negative emotional states in the 4 weeks prior to interview. While high or very high levels of psychological distress may be associated with a mental disorder, some people experiencing this level of psychological distress do not satisfy the criteria for a diagnosable mental disorder (Slade et al. 2009).

The 2011–12 Australian Health Survey found that there was a small decrease in the prevalence of high or very high levels of psychological distress for older females, from the peak seen in the 45–54 age group to the 75 and older age group (14% and 11% respectively) (Figure 6.4.2). For older males, the highest prevalence of high or very high psychological distress was seen in the 35–44 age group (9%). There was a decrease observed for each subsequent older age group up to 65–74 (7% prevalence), then an increase for the 75 and older age group (8%) (ABS 2012).

The 2012–13 Australian Aboriginal and Torres Strait Islander Health Survey found that the prevalence of high or very high psychological distress for Indigenous Australians was on average about two-and-a-half times that seen for the general population in 2011–12. For both females and males, the highest prevalence of high or very high psychological distress was in the 45–54 age group. For both sexes there was a reduction in the prevalence of high and very high psychological distress for people aged over 55 (30% and 18% of females and males respectively) (ABS 2013).



Care needs of older people with mental disorders

The mental health of older people may be affected by losing the ability to live independently due to frailty, reduced mobility and/or disability, or a pre-existing or recent onset of a chronic physical condition (Rickwood 2005; WHO 2013). In addition, poor mental health may impact an older person's physical health and/or quality of life (WHO 2013).

The care needs of older Australians, both with and without a mental disorder, vary and depend on people's functional capacities, physical and mental health, culture and language, and the environment in which they live. Accordingly, older Australians need access to a flexible range of care and support services that meet their specific current needs and, to the extent possible, maintain or restore their independence and wellness (PC 2011).

Those who are physically independent, but isolated by the loss of a partner or relocation, may need housing in a community where they can develop new relationships and be close to social support facilities. Those with physical disabilities may need greater access to medical facilities, and assistance with daily activities like shopping or other domestic household tasks. Those who are very ill and/or frail may need a much higher level of support, including 24-hour care.

In recognition of the needs of older people, the Australian Government and state and territory governments fund a range of mainstream programs and services that provide essential social and welfare support services to older people with and without mental illness—for example, the Home and Community Care Program (see Chapter 6 ‘Older Australians and the use of aged care’). In addition, there are mental health-specific programs together with services which can be accessed by people of all ages, including income support, social and community support (such as Personal Helpers and Mentors, Support for Day to Day Living in the Community), disability services, workforce participation programs, and housing assistance (DoHA 2013).

Mental health care for older people may involve greater support to their families or support services—for example, residential services such as hostels or aged care facilities (AHMC 2009).

Residential aged care

As noted earlier, 52% of all permanent aged care residents at 30 June 2012 had mild, moderate or major symptoms of depression when they were last appraised (AIHW 2013). The finding that people in residential aged care usually have more complex care needs may explain the higher prevalence rate of symptoms of depression compared with people in the community (Baldwin et al. 2002).

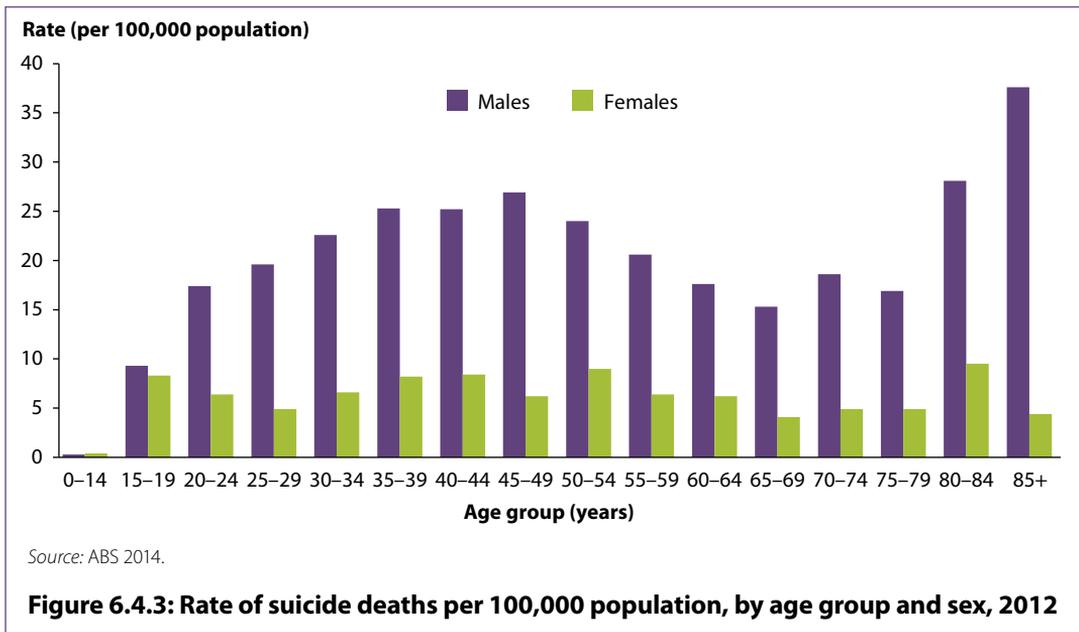
Of residents admitted to permanent aged care for the first time between 20 March 2008 and 31 August 2012 (that is, newly admitted residents), 45% had symptoms of depression, with little difference between male and female residents (46% and 45% respectively). About 22% of these newly admitted residents had mild symptoms of depression, 13% had moderate symptoms, and 11% had major symptoms (AIHW 2013). For Indigenous newly admitted residents, 38% had symptoms of depression, and of these, 17% had mild symptoms of depression, 10% moderate, and 10% major (AIHW 2013).

Between 20 March 2008 and 31 August 2012, a higher proportion of newly admitted residents who had symptoms of depression had high care needs compared with those without symptoms of depression (73% and 53% respectively) (AIHW 2013).

Suicidal behaviours and older people

In Australia, for 8 of the 10 years up to 2012, the highest age-specific suicide death rate was observed in males aged 85 and over (38 per 100,000 males in 2012) (ABS 2014) (Figure 6.4.3).

Suicidal behaviours are complex and there is usually no single cause or stressor which is sufficient to explain either fatal or non-fatal suicidal behaviour. As noted by the World Health Organization, ‘most commonly, several risk factors from systemic, societal, community, relationship and individual domains act cumulatively to increase an individual’s vulnerability to suicidal behaviour’ (WHO 2014). This is supported by research based on results from 26 European countries which found that society’s attitudes towards older people, such as whether older people are perceived to be of high status or whether they are seen as contributing to the economy, have an impact on suicide mortality (Yur’yev et al. 2010).



Most, but not all, older people who die by suicide have a diagnosable mental disorder at the time of death—most commonly severe depression (O’Connell et al. 2004). In older people there is a greater association between physical health and depressive symptoms than across the life course, especially when measuring functional impairment (SPA 2012). The circumstances leading up to suicidal behaviour in older people frequently involve declining health, chronic pain, impairment in daily living activities, threats to physical and financial autonomy, social isolation, lack of social support, grief, depression and hopelessness (Kolves et al. 2013; SPA 2012).

What is missing from the picture?

The growing interest in, and evidence of, the importance of maintaining good mental health for successful ageing has resulted in an emphasis on positive ageing and prompted a rethink about how to approach the mental health issues of older adults (Jeste & Palmer 2013). However, concerns remain about how best to meet the mental health needs of older Australians and whether the quality of mental health care being provided is optimal (RANZCP 2011).

From a data perspective, there are recognised gaps in data available that would enable us to measure and monitor the mental health needs of older Australians. There are also gaps in our knowledge about the diversity of health and welfare services across both private and public sectors that are accessible by older Australians with a mental illness.

Where do I go for more information?

More information on the mental health issues facing older Australians is available from The [Royal Australian & New Zealand College of Psychiatrists](#) and [Health Direct Australia](#).

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6.5 Palliative care: a welfare perspective

An increasing need for palliative care

Palliative care ‘improves the quality of life of patients and their families facing the problems associated with life-threatening illness, through the prevention and relief of suffering by means of early identification and impeccable assessment and treatment of pain and other problems—physical, psychosocial and spiritual’ (WHO 2002).

Palliative care in Australia is provided in various health and welfare settings and is characterised by regional diversity in terms of the types of services available. Services providing palliative care include: neonatal units, paediatric services, acute hospitals, general practices, residential and community aged care services, and generalist community services. More specialised care may be provided by specialist palliative care services, including specialist inpatient consulting services, specialist inpatient settings, hospices and community-based specialist services (DoHA 2010).

In Australia, as in many other parts of the world, the demand for palliative care services is increasing due to the ageing of the population and increases in the prevalence of cancer and other chronic diseases that accompany ageing (WHO 2014).

- Australia has seen a 52% increase in palliative care hospitalisations since 2002–03, with 57,614 hospitalisations in 2011–12 (AIHW 2014).
- In high-income countries, an estimated 69%–82% of those who die need palliative care (Murtagh et al. 2014).

Social and economic impact

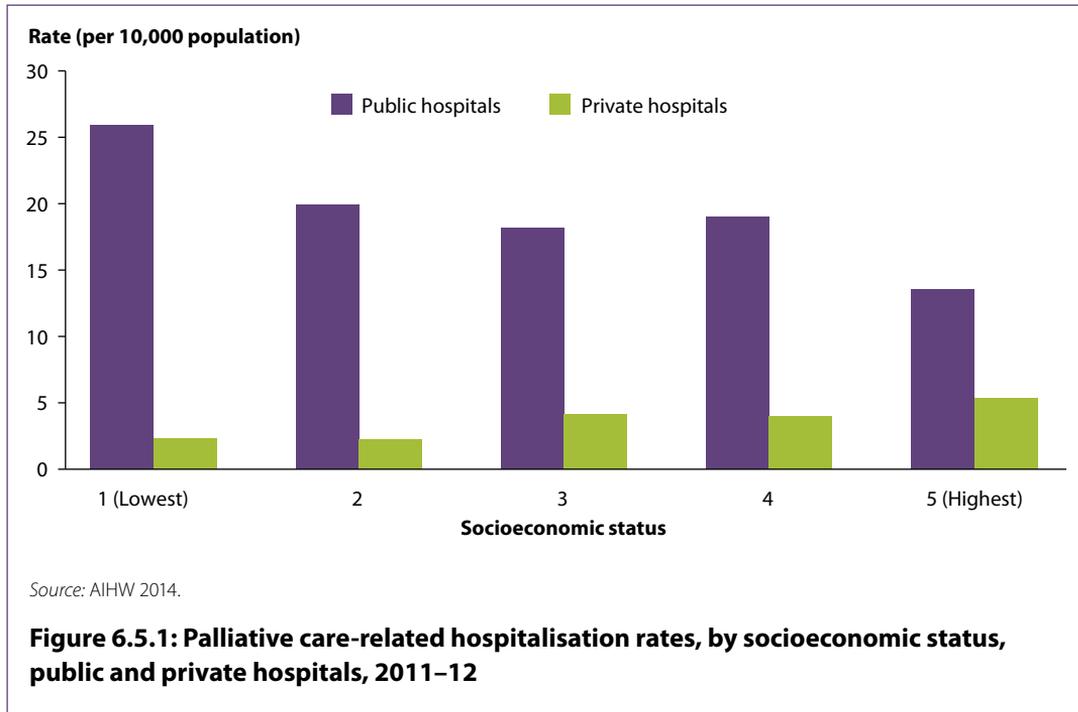
Poor access to end-of-life care services and resources most profoundly affects people from lower socioeconomic groups (Lewis et al. 2011; Wood et al. 2004). Data on admitted patient care in Australia’s public and private hospitals (Figure 6.5.1) show that:

- In 2011–12, people who lived in areas classified as having the lowest socioeconomic status (group ‘1’) had the highest rate of palliative care-related separations in public hospitals (26 per 10,000 population) (AIHW 2014).
- The rate of palliative care-related separations in public hospitals was lowest for those living in the highest socioeconomic status areas (group ‘5’) (14 per 10,000 population).
- In private hospitals, the rate of palliative care-related separations was highest for those living in the highest socioeconomic status areas (5 per 10,000 population).

Available evidence points to several possible reasons for the distinction in access between socioeconomic groups for palliative care patients and their carers, including:

- an increased risk of disease and/or injury and reduced access to health care within disadvantaged groups that translates into an increased demand for palliative care services (Lewis et al. 2014)
- the tendency of disadvantaged groups to present to health services with more advanced diseases that require more complex social and economic support (Lewis et al. 2014)

- a more limited awareness among disadvantaged groups of the assistance that non-hospital-based palliative care services and community-based support services can provide and a greater likelihood of people in these groups to die in an institutionalised setting rather than at home (Lewis et al. 2014; Decker & Higginson 2007)
- a lack of informal carers for low socioeconomic groups acting as barriers to home hospice services (Kvale et al. 2004).



Welfare needs of carers of palliative care patients

People who need palliative care often have complex health needs that require coordination from multiple components of the health system (PCA 2011). The Senate Community Affairs References Committee report in 2012—*Palliative Care in Australia*—noted the significant contribution made by carers in helping people navigate the health system, and the need for more support for carers’ health and welfare needs. Carers providing support to individuals receiving palliative care often report unmet health and welfare needs, including:

- incomplete information provision and lack of communication, leading to poor continuity of care, service provision and support from health and community services (Ventura et al. 2014; Thomas et al. 2010)
- psychosocial needs, respite care and spiritual needs (Ventura et al. 2014)
- the provision of financial assistance while caring for a loved one at the end of life (Ventura et al. 2014; Thomas et al. 2010).

Providing palliative care to single-person households where there is no caregiver is also a challenge that is gaining greater recognition. Although the number of single-person households in Australia is increasing (25.4% of Australians aged over 65 live alone) (ABS 2013), there is a reduced likelihood of this group of Australians being cared for and dying at home (Aoun et al. 2014).

What is missing from the picture?

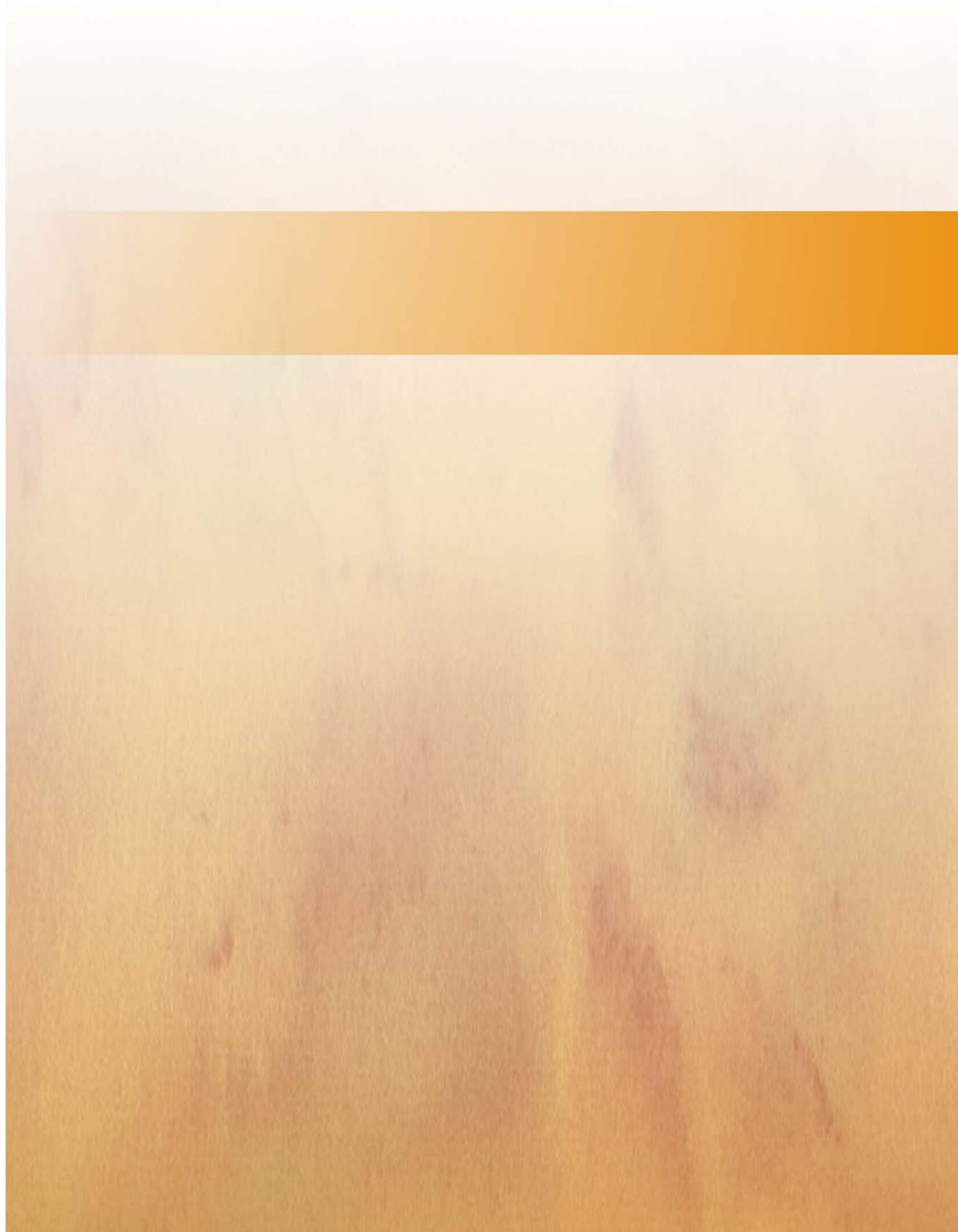
There are very limited national data on palliative care that can be used to report on the welfare needs of palliative care patients and their carers. The AIHW is investigating potential additional data sources to give a better overview of the national response to the palliative care needs of Australians at the end of life.

Where do I go for more information?

More information on palliative care in Australia is available on the [AIHW website](#). The report [Palliative care services in Australia 2014](#) is available for free download.

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7



Diversity and disadvantage in Australia

7.0 Introduction.....	288
 7.1 How are Indigenous Australians faring?	289
 7.2 How are people with mental illness faring?	312
 7.3 A profile of people with disability	320
 7.4 The diversity of Australia's homeless population	323
 7.5 Domestic and family violence	340



7 Diversity and disadvantage in Australia

7.0 Introduction

While most Australians are doing well, some groups face disadvantages that can affect aspects of their overall wellbeing, including their mental and physical health, employment opportunities and general feelings of community engagement and belonging.

This chapter profiles several of these groups—Indigenous Australians, our homeless population, people with mental illness, victims of domestic and family violence, and people with disability. These profiles show challenges faced by some people in these groups and their representation in relevant welfare services. We recognise that there are potential overlaps among these disadvantaged groups, with these overlaps often being hard to quantify, given the limitations of existing data.

Outcomes for Aboriginal and Torres Strait Islander people have improved in recent years in a number of key areas, including life expectancy, child mortality rates and the proportion of young people completing Year 12 or an equivalent qualification. Despite this, Indigenous Australians continue to experience greater disadvantage than other Australians. On average, they have lower levels of education and employment, lower levels of household income and wealth, higher levels of disability, poorer general health and are more likely to live in locations of greater disadvantage.

Although almost anyone can find themselves experiencing a life event or circumstance that puts them at risk of homelessness, some people are more vulnerable than others. Of Australia's 105,200 homeless people in 2011, 25% were Indigenous Australians, 25% were aged 12–14 and a further 17% were under 12. While some homeless people spent the night in short-term or emergency accommodation, others were sleeping in the open with no shelter.

Domestic violence is a major cause of housing instability and homelessness. In 2013–14, 22% of all clients seeking support from specialist homelessness services were women and girls aged 15 years and over escaping domestic and family violence.

This chapter also profiles people with disability and mental illness. In 2012, more than 4 million Australians had a disability, with an estimated 43% relying on a government pension or benefit as their main source of income. Also, an estimated 45% of Australians will experience a mental disorder at some time in their lives. People with mental illness are disproportionately represented among the unemployed and those on low incomes.



7.1 How are Indigenous Australians faring?

Introduction

Outcomes for Indigenous Australians have improved in a number of key areas. The proportion of Indigenous youth aged 20 to 24 who have completed Year 12, or an equivalent qualification, has increased significantly from 45% in 2008 to 59% in 2012–13. There has been a significant decline in Indigenous mortality rates between 1998 and 2013, and the gaps between Indigenous and non-Indigenous Australians in life expectancy and child mortality have narrowed. The proportion of Indigenous low birthweight babies has decreased, as has the proportion of Indigenous adults who are daily smokers. The rate of home ownership by Indigenous adults has increased and the proportion of Indigenous Australians who live in overcrowded households has decreased (SCRGSP 2014b).

Despite these improvements, significant gaps remain between average outcomes for Indigenous and other Australians. Indigenous Australians on average continue to have lower levels of education and employment, lower levels of household income and wealth, higher levels of disability, poorer general health, and are more likely to live in disadvantaged neighbourhoods (AHMAC 2015; AIHW 2014a, 2014b, 2015a; Biddle & Yap 2010; SCRGSP 2014b).

Given such differences, like other disadvantaged Australians, Indigenous Australians can be expected to have a higher uptake of most welfare services, including income support and other government payments through the social security system.

The multiple factors behind Indigenous disadvantage, and the complex interrelationships between them, point to the difficulties faced in assessing the extent to which their generally greater needs for welfare services are being met. Simple comparisons that show higher usage rates by Indigenous people of income support payments or other welfare services compared with non-Indigenous people may not indicate that differences in actual needs have been fully met. A holistic view is required because sometimes the keys to tackling Indigenous disadvantage in a specific sector may lie more in improved access to and provision of other interrelated services.

This article focuses on the use by Indigenous Australians of income support and other welfare services. It is not meant to be a general overview of Indigenous disadvantage and strengths across a range of available measures of welfare, nor a detailed account of the gaps between Indigenous and non-Indigenous Australians that occur in many of these measures.

This article, however, starts with a brief review of selected socioeconomic outcomes for Indigenous Australians to provide an informed context for understanding their greater reliance on and use of welfare services. A brief overview of the Indigenous population is also provided. The main sections discuss Indigenous people's reliance on and use of the following welfare services:

- social security related payments
- child protection services
- employment assistance services
- housing and homelessness services
- disability support services
- aged care services.

Indigenous peoples' use of other welfare services, and health services, are reviewed in other AIHW publications. See *The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples* (AIHW 2015a) and *Australia's health 2014* (AIHW 2014b). The annual *Report on government services: Indigenous compendium* (such as SCRGSP 2014a) also provides detailed information on the use of selected welfare and other government services by Indigenous people.

Overview of Indigenous outcomes and trends

Indigenous disadvantage can have both immediate socioeconomic determinants, such as low levels of education and employment and poorer health, as well as deeper underlying causes (SCRGSP 2014b). Among the latter causes, several analysts refer to the 'intergenerational trauma' resulting from the cumulative effects of colonisation, loss of land, loss of language and culture, the erosion of cultural and spiritual identity, the forced removal of children, and racism and discrimination (Atkinson 2002; Bryant 2009; HREOC 1997).

Comparisons of the gaps between the average Indigenous and non-Indigenous person often hide the extent of the large differences in outcomes within the Aboriginal and Torres Strait Islander population. Some Aboriginal and Torres Strait Islander Australians experience little or no disadvantage. Outcomes for Indigenous Australians can vary markedly by geography, age and sex, and other socioeconomic factors. Geographic remoteness plays a particularly important role. For most indicators that can be disaggregated by remoteness, outcomes for Indigenous people living in *Very remote* and *Remote* areas are substantially worse than for those who live in *Major cities* and *Inner and Outer regional* areas (SCRGSP 2014b). Members of the 'Stolen Generations' and their families are also, in general, a more-disadvantaged sub-group within the Indigenous population (ABS 2010; HREOC 1997).

Early childhood development and education

Indigenous disadvantage has an early onset, with many Indigenous children falling behind even on very early childhood development outcomes. This is usually associated with the generally lower socioeconomic status of Aboriginal and Torres Strait Islander families.

Indigenous children are more than twice as likely as non-Indigenous children to be assessed as developmentally vulnerable by the time they enter their first year of formal full-time schooling at ages 5 or 6. In the 2012 Australian Early Development Census, around 21% of all non-Indigenous children were categorised as developmentally vulnerable in one or more of the five domains assessed. For Indigenous children, the equivalent proportions were 43% nationally and 56% among children who lived in *Very remote* and *Remote* areas. Some progress has been made, however, in reducing the gap in early childhood development outcomes—the proportion of Indigenous children assessed as vulnerable decreased from 47% in 2009 to 43% in 2012, and this was a larger fall than for non-Indigenous children over this period (Department of Education 2013).

The gaps in development and learning outcomes for Indigenous children continue through their schooling years and become wider, partly through an additional source of disadvantage—lower levels of school attendance by Indigenous children. National and international research indicates that regular school attendance is important to achieving core learning skills such as literacy and numeracy (Hancock et al. 2013)—but school attendance for Indigenous students tends to decrease sharply as they enter higher school years.

For instance, in New South Wales government schools, the gap in average school attendance rates between Indigenous and non-Indigenous students in 2013 was only 4 percentage points in Year 3, corresponding to attendance rates of 91% and 95%, respectively (SCRGSP 2015). In Year 10 this gap was 14 percentage points (with attendance rates of 75% and 89%, respectively). In jurisdictions with a higher share of Indigenous students living in remote areas, the school attendance rate is even lower. In the Northern Territory, the 2013 attendance rate for Indigenous students in government schools in Year 10 was only 56%, which was substantially lower than the 87% Year 10 attendance rates for Northern Territory non-Indigenous students (SCRGSP 2015). It was also lower than the Year 10 attendance rates for Indigenous students in other jurisdictions such as New South Wales, as noted above. School attendance rates for Indigenous students have not improved since 2008 (CRC 2014). In May 2014, the Council of Australian Governments (COAG) agreed to a new target to close the gap in school attendance between Indigenous and non-Indigenous children within 5 years (COAG 2014).

No overall progress has been made on the earlier COAG target to halve the gap in reading, writing and numeracy for Indigenous students within a decade (by 2018). From 2008 to 2014, the proportion of Indigenous students who had achieved at or above the national minimum standard for reading and numeracy did not change significantly for any Year level tested (ACARA 2014). This proportion is much lower in geographically remote areas. For instance in the 2014 National Assessment—Literacy and Numeracy results for Indigenous students, in *Metropolitan* areas the proportion who were at or above the national minimum standard was as high as 86% in both Year 3 numeracy and Year 7 reading. In *Very remote* areas, this proportion was 45% in Year 3 numeracy and 35% in Year 7 reading (ACARA 2014).

While school learning outcomes have not increased significantly for Indigenous students in recent years, there have been significant improvements in the Year 12 completion rate and in the rate of successful transitions from school into further study, training or employment. These improvements are encouraging since there is compelling evidence that completing Year 12 and successfully making that initial transition from school into further education or employment are important factors in reducing long-term disadvantage (SCRGSP 2014b).

In 2012–13, 59% of Indigenous 20–24 year olds had completed Year 12 or equivalent, an increase from 45% in 2008. There has also been a small increase in the equivalent rates for non-Indigenous students (from 85% to 87%), resulting in a reduction in the gap from 40 percentage points to 28 percentage points over this period.

Transitions from schooling

There has been significant progress in transitions of Indigenous young people into further education or employment, even though the gaps in outcomes compared with non-Indigenous young people remain large. Between 2002 and 2012–13, the proportion of Indigenous 17–24 year olds who were participating in post-school education or training and/or were employed increased from 32% to 40%. The equivalent non-Indigenous rate remained around 75%, leading to a narrowing of the gap.

The number of Indigenous students in higher education increased from 9,329 in 2007 to 13,723 in 2013, a rise of around 47%, which was higher than the 30% growth in total domestic student enrolment (Department of Education 2014). Most of the Indigenous students in higher education were enrolled in university degree courses (91% in 2013), while the rest were enrolled in non-university higher education courses. In 2013, Indigenous students in higher education accounted for 1.4% of all higher education enrolments.

Participation rates for Indigenous young people in Vocational Education and Training (VET) have historically been higher than for non-Indigenous young people. In 2011, the participation rate in VET for Indigenous Australians aged 18–24 was about 30%, compared with less than 20% for non-Indigenous Australians; but Indigenous VET students are far more likely to gain a Certificate-level qualification than a (higher level) Diploma qualification (Karmel et al. 2014).

The increase in educational attainment of younger cohorts of Indigenous people can also be seen by comparing the highest educational attainment of Indigenous people in different age groups. In 2012–13 the proportion of Indigenous adults whose highest educational attainment was below Year 10 was only 13% for those who were aged 20–24, compared with a high of 52% for those aged 55 and over (AIHW 2015a).

These improvements in educational attainment by the younger generation of Indigenous Australians are also reflected in the average educational attainment of the larger Indigenous population. Between 2001 and 2011, the proportion of Indigenous adults aged 20 or above who had a non-school qualification of Certificate III level or higher increased from 17% to 29% (SCRGSP 2014b). When combined with Year 12 completion, in 2012–13 nearly 1 in 2 Indigenous adults aged 20 and over (46%) had completed Year 12 or a Certificate III or above, and 6% had attained a Bachelor degree or higher (ABS 2014c). Indigenous educational attainment, however, still lags behind the non-Indigenous population. After adjusting for differences in the age structure of the two populations, the non-Indigenous rate for Year 12 or Certificate III level of attainment was 1.6 times the Indigenous rate, while for Bachelor degree or above it was 4.3 times the Indigenous rate (ABS 2014c).

Employment

Since education is one of the principal factors determining employment status, the differences in average educational attainment between Indigenous and non-Indigenous people are reflected in gaps in employment rates for people of working age. (This article uses a traditional definition of working age, referring to people aged 15–64.) The employment rate for Indigenous 15–64 year olds increased from 37.6% in 1994 to 53.8% in 2008, but then declined to 47.5% in 2012–13 (SCRGSP 2014b). The decline was driven in part by the reduced scale of the Community Development Employment Projects (CDEP) program. The comparable employment rate for non-Indigenous people aged 15–64 was 75% in 2008 and 75.6% in 2012 (Australian Government 2015). These show that the gap in employment rate between Indigenous and non-Indigenous people has widened in the most recent period (to 28 percentage points), compared with 2008 (gap of 21 percentage points) (Australian Government 2015). (Note that estimates of the employment gap for a specific period can vary if different sources are used to derive the comparable non-Indigenous employment rate.)

Some care, however, is required in comparing Indigenous employment rates over time and in assessing progress on the Closing the Gap employment target because of the policy changes related to CDEP (Australian Government 2015). CDEP has been an important Australian Government initiative designed to create local employment opportunities for Indigenous Australians who would otherwise be unemployed in their communities with limited labour market and economic development opportunities (see Box 7.1.2). CDEP participants have usually been classified as employed and so the scaling down of CDEP operations will affect Indigenous employment rates, particularly in remote areas. An estimated 60% of the decline in the overall Indigenous employment rate between 2008 and 2012–13 can be attributed to the decline in CDEP participants in this period (Australian Government 2015).

Indigenous employment rates are clearly affected by remoteness of location. In 2012–13, 50% of Indigenous working age people living in *Major cities* were employed; but the proportion was 42% in *Very remote* areas (SCRGSP 2014b, Table 4A.6.2). Two of the main reasons for the low Indigenous employment rate in *Very remote* and *Remote* areas are the general limited availability of mainstream (non-CDEP) jobs, as well as the more recent reductions in the scale of CDEP even in *Very remote* and *Remote* areas (which are the only locations CDEP currently operates in). In 2004–05, of the total number of Indigenous 18–64 year olds who were employed in *Very remote* areas, 68% participated in CDEP; but by 2012–13, this proportion had fallen to 28% (SCRGSP 2014b, Table 4A.6.4).

The employment gaps are clearly related to the educational attainment gaps. For Indigenous and non-Indigenous people of working age with the same high levels of education, the gaps are small or non-existent. In fact, Indigenous women who have a postgraduate degree have a slightly higher employment rate (84%) in the 2011 Census than the employment rate (81%) of non-Indigenous women with a postgraduate degree (Karmel et al. 2014).

The Indigenous population

Accurate estimates of the size and composition of the Indigenous population are required to properly assess the extent and adequacy of welfare services used by Indigenous people. The Australian Bureau of Statistics (ABS) provides detailed estimates of the Indigenous population. These are based on estimates of the resident population (ERP), which in turn are based on counts of people for whom Census forms were filled in on Census night, adjusted for an estimated undercount (ABS 2013c). For years other than the Census year, projections of the Indigenous population are made by age and sex and by place of usual residence (ABS 2014a). These Census-year estimates and projections of the Indigenous population adjust for a range of factors, including the changing propensity of individuals to self-identify as being of Aboriginal and/or Torres Strait Islander origin from one Census year to another. For this latter reason the ABS also provides limited 'backcast estimates' of the Indigenous population for earlier periods that are consistent with changes in the propensity of individuals to self-identify, as detected in a later Census year (ABS 2014a).

The ABS has attributed some of the large increase in the Aboriginal and Torres Strait Islander population between the 2006 and 2011 Censuses to an increased propensity to self-identify. The increased propensity to identify as Indigenous was not uniformly observed—it was higher in non-remote areas and also higher among children compared with adults (ABS 2013a). It is unclear to what extent the increase in self-identification in the 2011 Census is captured in other data collections that measure the use of specific welfare services by Indigenous Australians. Care must be taken in comparing rates of Indigenous participation in, or use of, various welfare services, especially if any possible changes in self-identification are not taken into account.

The ABS has estimated that in June 2014 the resident Aboriginal and Torres Strait Islander population was 713,600 or 3% of the total population (ABS 2014a). Almost 60% of the total estimated Indigenous population in 2014 lived in either New South Wales (31%) or Queensland (28%).

Indigenous people account for about 30% of the Northern Territory population, a much larger share than in any other jurisdiction. The Northern Territory Indigenous population of approximately 72,300 represents about 10% of the estimated national Indigenous population.

In 2014, about 21% of the Indigenous population (or around 146,800 people) lived in *Remote* and *Very remote* locations. The largest share of around 44% (or 316,800 people) lived in *Inner* and *Outer regional* areas and 35% (250,000 people) lived in *Major cities* (ABS 2014a).

As a proportion of the total population by remoteness areas, the Indigenous population is a little less than 2% of the total population of *Major cities*, around 5% of the population of *Inner* and *Outer regional* areas, and around 28% of the population in *Remote* and *Very remote* areas (ABS 2014a, 2014b).

The Indigenous population is relatively young but is also gradually ageing. In the population estimates for June 2014, just over one-third (34%) were aged under 15 compared with 19% of the non-Indigenous population; and the proportion of Indigenous people aged 65 and above was only 3.8% compared with 15% for non-Indigenous people (ABS 2013b, 2014a). The share of Indigenous people aged 65 and above, however, has increased from 2.9% in 2001 (ABS 2014a). The gradual ageing of the Indigenous population has implications for the delivery of welfare services in future.

Further details on the Indigenous population are available in *The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples* (AIHW 2015a), and Indigenous population and health issues are also discussed extensively in *Australia's health 2014* (AIHW 2014b).

Income support benefits and related cash payments

For disadvantaged Australians, or those in need, having access to public assistance in the form of income support payments is a key factor in ensuring their social and economic wellbeing. Reliance on income support is a clear indication that people would otherwise be experiencing income poverty, since all income support payments through Centrelink (see Glossary) are means-tested. While income poverty alone does not establish the full extent of disadvantage experienced by an individual or group of people (McLachlan et al. 2013), it is an important dimension to consider for Indigenous Australians. Even after accessing the income support benefits that they are eligible for, in 2012–13 the median real equivalised gross weekly income for Indigenous households was \$465, which was just over one-half of the median for non-Indigenous households (\$869) (SCRGSP 2014b). (See 'equivalised household income' in the Glossary for more information.)

There are two commonly used measures of welfare dependence (see Box 7.1.1): *Estimates of the proportion of working age people whose main source of income is government pensions and allowances*; and *Number of people who receive Centrelink income support social security payments*. These measures are sourced from ABS survey data and Centrelink administrative data, respectively.

The discussion in this section is limited to these two measures. Other aspects of Indigenous people's reliance on income support, including estimates of total government expenditure made on social security payments and other related welfare services, are covered in *The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples* (AIHW 2015a).

Box 7.1.1: Two common measures of welfare dependence

- **Estimates of the proportion of working age people whose main source of income is government pensions and allowances** (and CDEP payments, where applicable for eligible Indigenous participants).

The main data sources for the Indigenous population are the ABS Australian Aboriginal and Torres Strait Islander Health Survey, and the ABS National Aboriginal and Torres Strait Islander Social Survey—the most recent data available are for 2012–13.

- **Number of people who receive Centrelink income support benefits identified by Indigenous status.**

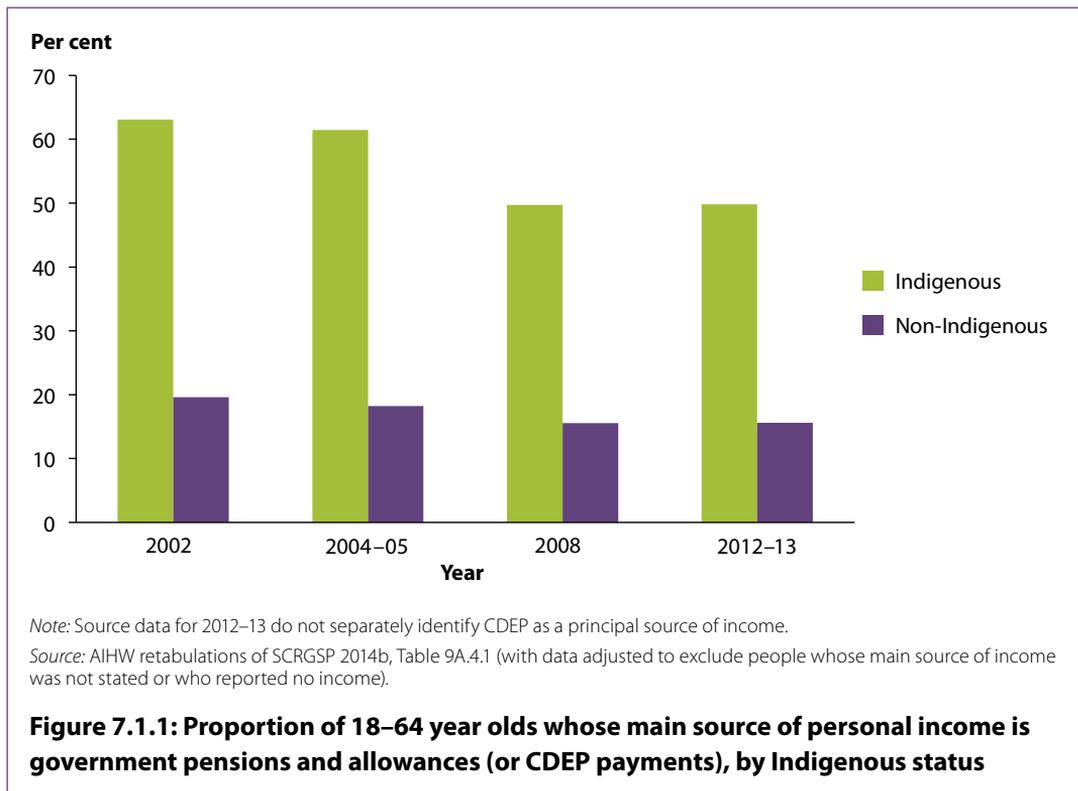
This is sourced from Centrelink administrative data and can be expressed as a ratio of the total Indigenous population, or as a ratio of total persons in a specific age group, such as those of working age (15–64 years). The latter is a more useful measure of welfare dependence as it excludes age pensioners.

Both measures have advantages and shortcomings and these can lead to them showing different trends.

- The first (survey-based) measure captures the intensity of welfare dependence. It only counts individuals whose *main source* of income is government payments. These survey measures are affected by conventional sampling variability and changes in the proportion of individuals who do not provide a response to the relevant question at different survey periods. One advantage is that the Indigenous rates are computed using data from persons clearly identified as Indigenous in the relevant ABS surveys.
- The Centrelink administrative data, on the other hand, give a full count of all people on specific welfare payments. However, the Indigenous identification, which is voluntary, may be incomplete in Centrelink records. Individuals whose Indigenous status is not known are usually included in the counts for non-Indigenous people. These counts of benefit recipients do not usually indicate the intensity of welfare dependence because they are of people receiving *any* level of payment—that is, no distinction is made between those who receive the full rate of a Centrelink payment (and do not have any other income source) and those who receive a minimal amount of the payment (and rely mainly on private income sources).

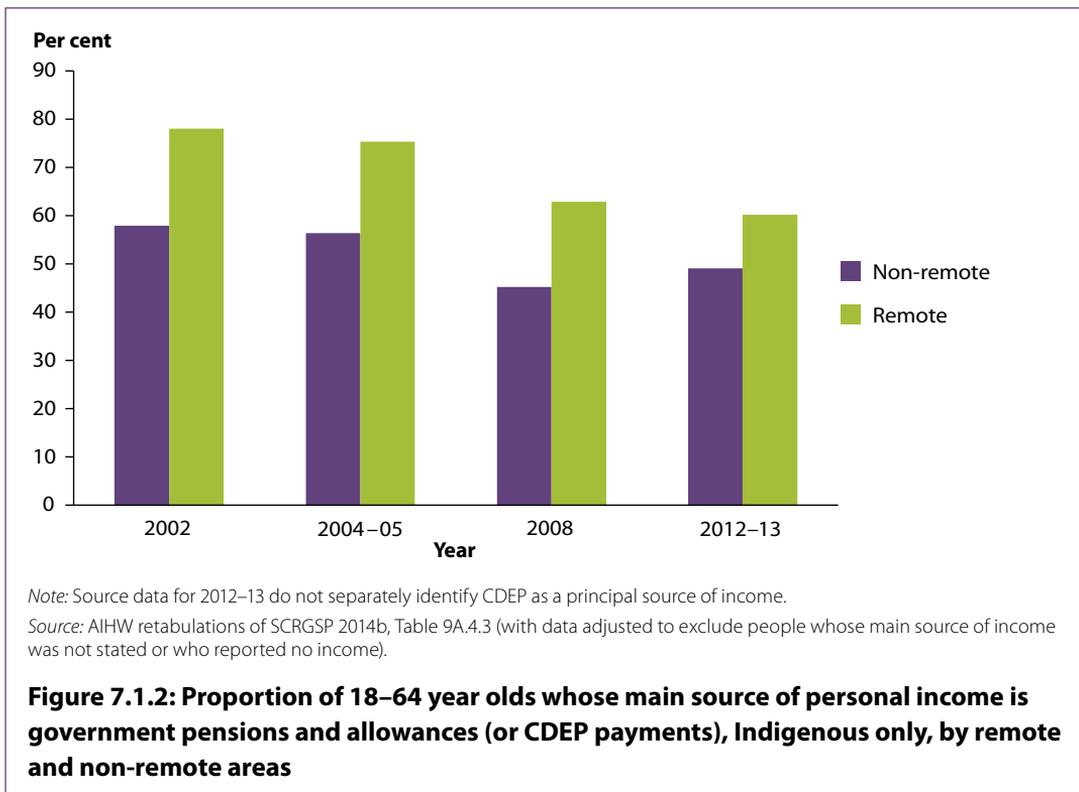
Comparative ABS survey data on sources of personal income are available for both the Indigenous and non-Indigenous populations for four time periods (2002, 2004–05, 2008 and 2012–13) for people aged 18–64 (Figure 7.1.1). In 2012–13, about one-half (49.8%) of Indigenous Australians aged 18–64 who reported a principal source of personal cash income said that government payments were that principal source. This was more than 3 times the rate for non-Indigenous people (16%).

The proportion of Indigenous people aged 18–64 who report government payments as their principal source of income has always been substantially higher than for non-Indigenous people, reflecting lower employment rates and earnings, and more limited access to other sources of private income. This proportion, however, has fallen for Indigenous people, from 63% in 2002 to around 50% in 2012–13. For non-Indigenous people the proportion has also fallen, from around 20% in 2002 to 16% in 2012–13. The fall in the proportion of Indigenous 18–64 year olds who are dependent on government payments has coincided with an increase in the proportion who report employee income as their main source of income. The latter proportion rose from 32% in 2002 to 41% in 2012–13 (SCRGSP 2014b).



The overall fall in the proportion of Indigenous people reliant on government payments shown in Figure 7.1.1 is due mainly to a large fall in remote areas. Reliance on government benefits is higher in remote areas, but between 2002 and 2012–13 it fell rapidly in these areas, from 77% to 60% (Figure 7.1.2). In non-remote locations there was a modest fall between 2002 and 2008, followed by a rise between 2008 (45%) and 2012–13 (49%). The pattern seen in Figure 7.1.2 is not just driven by the decreases in CDEP participants in remote areas, but is also affected by increases in non-CDEP employment observed for working age Indigenous people in the most recent Census estimates for 2011 (Gray et al. 2013).

The overall rate of Indigenous employment, which includes participation in CDEP, has decreased nationally and in both remote and non-remote locations between 2008 and 2012–13. In remote locations all of the decrease in Indigenous employment was due to the reduction in CDEP jobs because non-CDEP employment increased in remote areas between 2008 and 2012–13 (Australian Government 2015). It appears that in remote areas the increase in non-CDEP employment was sufficient to create a small decrease in the proportion of Indigenous working age people whose main source of income is government payments (even when the overall level of employment fell). In non-remote areas (and at the national level) the non-CDEP employment rate fell between 2008 and 2012–13 (Australian Government 2015). Again, this decrease is the likely source of the increase in the proportion of Indigenous working age persons whose main source of income is government payments in non-remote areas, as seen in Figure 7.1.2.



Centrelink administrative data (counts of recipients of various Centrelink income support payments by Indigenous status) are compiled and reported by the Australian Government Department of Social Services (DSS). Indigenous identification is voluntary in the Centrelink records system, and so the reported Indigenous counts may not be complete.

There is also no generally accepted standard definition of which Centrelink payments constitute an income support payment. The list of payments classified as income support in this article includes ABSTUDY (living allowance), and Parenting Payment and Carer Payment, but excludes Carer Allowance and ABSTUDY (non-living allowance). This definition ensures that an individual can only be in receipt of one income support payment at a given time, but may receive additional allowances and supplementary non-income support payments.

At the end of the June quarter of 2014, approximately 208,900 Indigenous people (45% of the estimated Indigenous population aged 15 and over) received some form of Centrelink income support payment. In the same period, the total number of Australians who received any form of Centrelink income support payment was approximately 5 million (or about 26% of the total Australian population aged 15 and over).

The main types of Centrelink payments received by Indigenous people, and the rate with respect to the total Indigenous population in the relevant age groups, are shown in Table 7.1.1 (more details are in Table S7.1.1). Newstart Allowance, Disability Support Pension and Parenting Payment were the most common income support payments, in that order. In June 2014, one-quarter of the Indigenous working age population (15–64) were in receipt of either the Newstart Allowance for unemployed persons (14%) or the Disability Support Pension (11%). The 15,550 Indigenous age pensioners accounted for 57% of the estimated Indigenous population aged 65 and above in 2014. This is a lower rate of uptake of the Age Pension than in the non-Indigenous population, which is about 70% of those aged 65 and above.

Age pensioners (including recipients of the Age Service Pension from the Department of Veterans' Affairs) comprise the largest sub-group (2.4 million individuals) among all non-Indigenous income support recipients. The next most common payments are the Disability Support Pension (783,000) and Newstart Allowance (644,000). (See Table S7.1.1 for more details by specific Centrelink payments for Indigenous and non-Indigenous recipients.)

Table 7.1.1: Main Centrelink income support payments received by Indigenous Australians, June quarter 2014

Income support payment	Number	Per cent of reference population	Reference Indigenous population (June 2014)	
Newstart Allowance	62,100	14	441,300	(aged 15–64)
Disability Support Pension	47,700	11	441,300	(aged 15–64)
Parenting Payment	41,700	9	441,300	(aged 15–64)
Youth Allowance (other)	17,800	14	130,300	(aged 16–24)
Carer Payment	11,800	3	441,300	(aged 15–64)
ABSTUDY (living allowance)	8,700	2	441,300	(aged 15–64)
Age Pension	15,550	57	27,100	(aged 65+)
Total on Centrelink income support (all payments)	208,900	45	468,400	(aged 15+)

Note: The reference Indigenous population ignores some age restrictions on eligibility for specific payments; for example, Newstart recipients have to be 22 years or older.

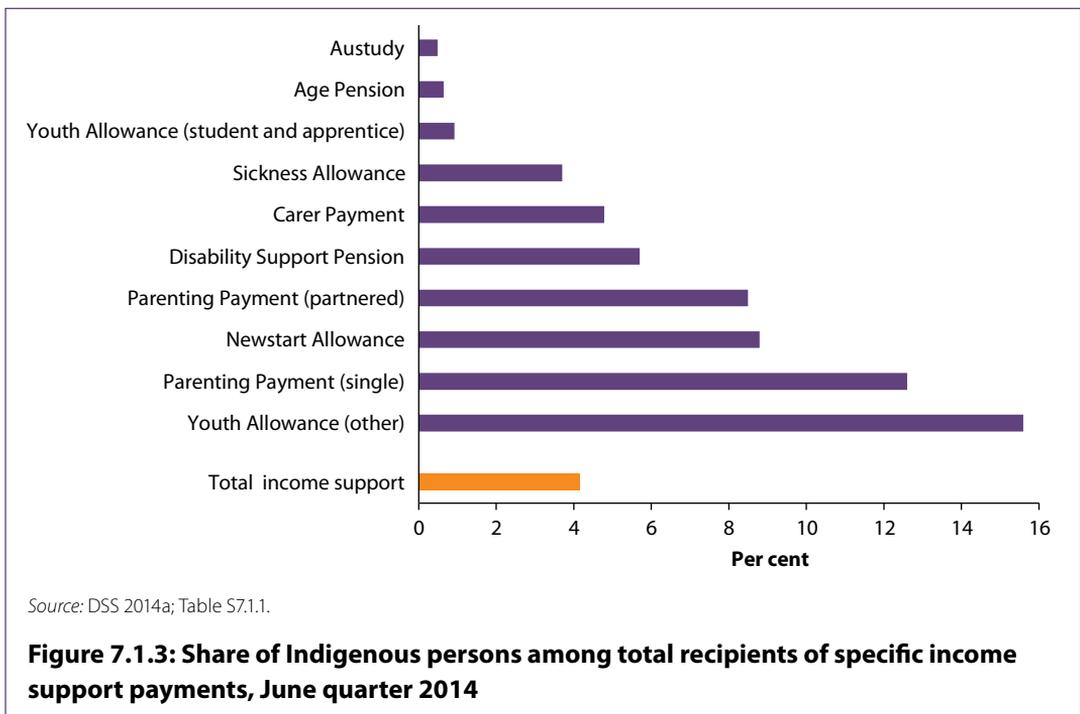
Sources: DSS 2014a; Table S7.1.1 for counts of Indigenous people on specific Centrelink benefits and ABS 2014a for reference population.

The greater reliance of Indigenous people on various income support payments can also be illustrated by examining the share of Indigenous recipients in the total count of income support recipients by various payment types (Figure 7.1.3). Overall, Indigenous recipients accounted for about 4% of all income support recipients in June 2014, which is higher than the estimated 2.5% Indigenous share of the total population aged 15 and over. If the Age Pension is excluded, then Indigenous people account for a much higher share (7.5%) of all other income support recipients.

Figure 7.1.3 shows that the average 4% Indigenous share is the result of widely varying shares of Indigenous recipients among all recipients of specific Centrelink income support payments. The Indigenous share is also affected by differences in the age profiles of the eligible Indigenous and non-Indigenous populations, with the former being relatively younger. Nevertheless, the payments with more disproportionate representation of Indigenous Australians highlight the specific Indigenous sub-groups that experience relatively greater disadvantage than the comparable non-Indigenous sub-groups, and so are more reliant on the social security system.

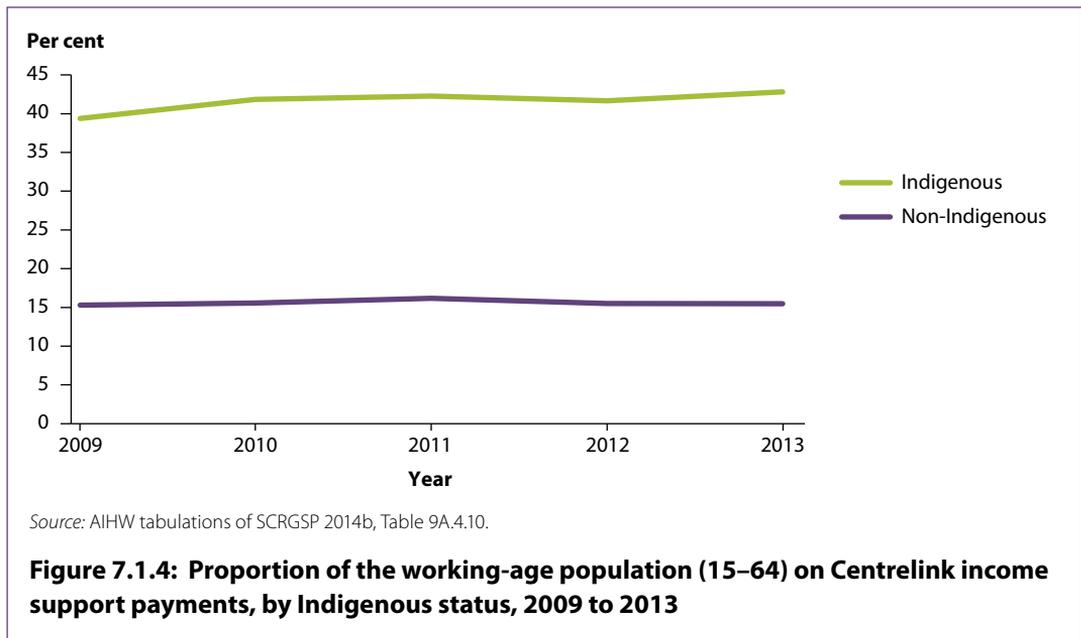
The two payments with the largest Indigenous share, Youth Allowance (other), with a 15.6% share, and Parenting Payment (single), with a 12.6% share, reinforce the relatively higher levels of unemployment among young Indigenous people, as well as the higher incidence of sole parenthood in Indigenous families. The higher representation of Indigenous people among those in receipt of the Disability Support Pension is a reflection of higher levels of disability in the Indigenous population. The ABS has estimated that, after adjusting for differences in age structures, Aboriginal and Torres Strait Islander people were 1.7 times as likely as non-Indigenous people to be living with a disability (ABS 2012).

There is a much lower share of Indigenous people in receipt of the Age Pension, reflecting the low proportion of Indigenous people in the older (65 and over) population. Note also that the comparatively low shares of recipients of Austudy and Youth Allowance (student and apprentice) are explained by the availability of ABSTUDY, which is an alternate Indigenous-specific payment for students.



A welfare dependence measure focused only on the working age population by Indigenous status is available as a time series from 2003 to 2013 (SCRGSP 2014b); but consistent comparisons can only be made from July 2009 onwards due to changes in the treatment of participants in the CDEP program. Prior to July 2009, CDEP participants were paid ‘wages’ and were not classified as income support recipients. Due to CDEP policy changes that came into effect from July 2009, all new participants in CDEP were classified as income support recipients and paid a Centrelink benefit, such as Newstart or Parenting Payment instead of CDEP wages, while continuing CDEP participants remained on wages (see Box 7.1.2). This change created a jump in the number of Indigenous income support recipients in 2009 compared with 2008.

Figure 7.1.4 shows the trend in the proportions of the Indigenous and non-Indigenous working-age populations in receipt of Centrelink income support payments between 2009 and 2013. There has been a modest increase in the estimated proportion of Indigenous working-age people in receipt of income support, from 39% in 2009 to 43% in 2013. The rate of Indigenous welfare reliance in 2013 using this measure remains almost 3 times as high as the non-Indigenous rate, which has remained steady at around 15% of the working-age population from 2009 to 2013.



The higher rate of welfare reliance by Indigenous working-age people is a reflection of their overall levels of relative educational and employment disadvantage, and earlier onset of chronic diseases and disability. That is why Indigenous over-representation is seen clearly among disability support pensioners and even more clearly among recipients of unemployment-related benefits such as Newstart and Youth Allowance (other).

Box 7.1.2: Community Development Employment Projects

The aim of the CDEP program, introduced in 1977, was to create local employment opportunities in remote Aboriginal and Torres Strait Islander communities where job prospects were otherwise limited. The program was later extended to all areas. At its peak, CDEP had around 35,000 participants in 2002–03.

The key feature of CDEP is that it converts notional equivalents of the unemployment benefit entitlements of Indigenous people into grants given to Indigenous community organisations registered under CDEP. These organisations then provide part-time employment for Indigenous people who are paid a 'wage' in lieu of the unemployment benefits they forgo. In essence, Indigenous people who would otherwise be entitled to unemployment related welfare payments convert their benefits into approximately equivalent wages for part-time work. CDEP participation has been described as having elements of both employment and unemployment.

Beginning in 2007, however, CDEP was progressively withdrawn from non-remote areas and the number of participants in remote areas was reduced. Additional major changes occurred from 1 July 2009 with new entrants into CDEP receiving unemployment benefits directly from Centrelink instead of wages from organisations registered under CDEP. From 1 July 2013, the remaining CDEP schemes in remote areas were rolled into the Australian Government's Remote Jobs and Communities Program.

CDEP participants who received wages have usually been counted as employed individuals in estimates of Indigenous employment from the Census and other ABS surveys. However, new CDEP participants engaged from 1 July 2009 and receiving Centrelink income support payments instead of CDEP wages are not normally considered to be employed (unless they have another form of paid employment outside CDEP). Participants who have continued to be active in CDEP from before 1 July 2009 continue to receive CDEP wages and will not appear in Centrelink income support administrative records. The number of these 'grandfathered' wages recipients has fallen significantly since July 2009, as has the total number of people on any form of CDEP.

The Australian Government has committed to extend the CDEP wages branding until 30 June 2017. Participants who currently receive wages will continue to receive them until then, as long as they remain eligible for participating in CDEP.

It is important to consider changes in the coverage and classification of CDEP when analysing time series data on labour force status, employment and income support reliance for working age Indigenous people. The same person participating in CDEP may be classified as employed and not in receipt of income support in one time period, and as unemployed and on income support in another.

Sources: Australian Government 2013; Gray et al. 2011; Hunter and Gray 2012; SCRGSP 2014b.

Other Centrelink benefits

Family payments are another important component of Australia's social security system, and provide additional means-tested support to families and individuals with dependent children. The Family Tax Benefit (FTB), which is a two-part payment (Part A and B), is the main Centrelink payment that helps with the cost of raising children.

In the June quarter of 2014, Centrelink administrative records show a total of 83,000 Indigenous-identified recipients of FTB Part A, and 78,500 Indigenous-identified recipients of FTB Part B. These counts represent 5.3% and 5.8% of the total number of recipients of FTB A and B, respectively.

It is difficult to assess whether Indigenous people are over- or under-represented in recipients of FTB because published data on the number of FTB recipients do not directly count the number of eligible children involved. As a rough benchmark, the Indigenous share of the total population of children aged 0 to 15 in 2014 is estimated at 5.5%, which is close to the proportions of Indigenous people among all recipients of FTB Part A and B noted above.

Other welfare services

The previous section focused on one, albeit major, aspect of welfare services—cash payments for income support, and related Centrelink payments such as FTB. This section summarises rates at which Indigenous people accessed several other types of community support and welfare services designed to assist people that face specific challenges in their day-to-day lives—such as the unemployed, the aged, the homeless, people with disability, and children at risk. Such services to Indigenous people are provided through a combination of Indigenous-specific (targeted) services, and mainstream services (available to all Australians).

Child protection

Aboriginal and Torres Strait Islander children continue to be significantly over-represented, compared with non-Indigenous children, in all components of the child protection system: investigations and substantiations of child abuse or neglect, subjects of care and protection orders and being placed in out-of-home care. The reasons for this are complex, and are influenced by past policies such as forced removals, the effects of lower socioeconomic status and differences in child-rearing practices, and intergenerational trauma (HREOC 1997).

In 2013–14, a total of 39,716 individual Indigenous children received child protection services. This corresponds to a rate of 137 per 1,000 Indigenous children, which is 7 times the rate for non-Indigenous children, which is 19 per 1,000 (AIHW 2015b).

In the same year, direct government expenditure for Indigenous child protection and related support services was estimated to be \$1,201 million, an increase of 22% from the \$980 million total expenditure incurred in 2010–11. On a per person basis, 2012–13 expenditure on Indigenous child protection was \$1,720 per Indigenous person compared with \$92 per non-Indigenous person spent on non-Indigenous child protection (SCRGSP 2014c).

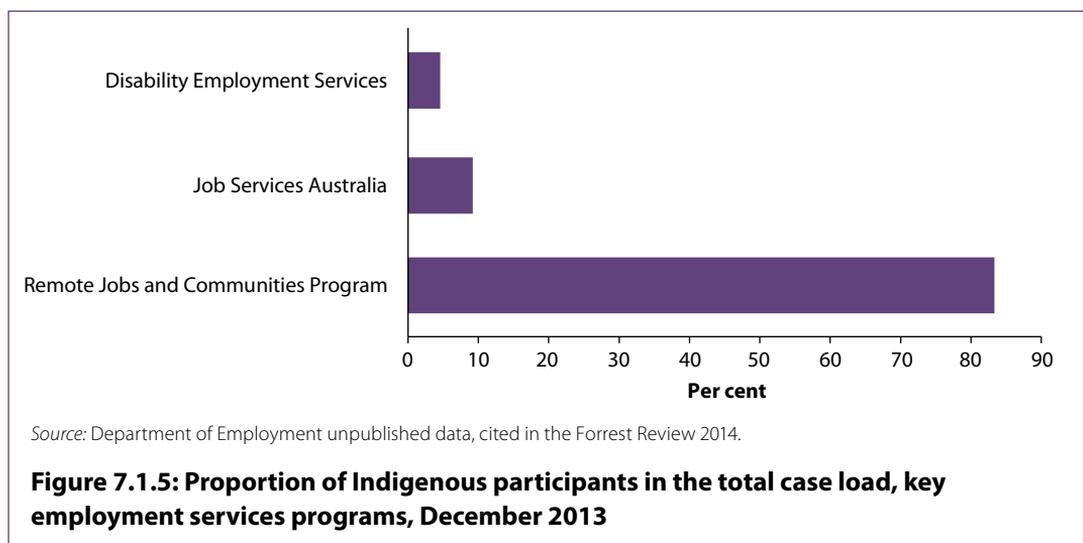
Employment services

The lower rate of employment of Indigenous people of working age is reflected in higher participation in the employment services arrangements designed to help unemployed people find work.

Employment services in Australia are generally provided through three key programs:

- the Remote Jobs and Communities Program (RJCP), which began from 1 July 2013 and operates only in remote Australia
- the mainstream Job Services Australia (JSA), which operates in urban and regional areas and services both Indigenous and non-Indigenous unemployed Australians
- Disability Employment Services (DES), which assists people with a disability, injury or health condition to secure work.

Indigenous Australians are over-represented in all three of the above services (Figure 7.1.5). In December 2013, Indigenous participation was highest in RJCP, accounting for approximately 83% of its total case load (30,000 Indigenous job seekers from a case load of around 36,000 people). JSA served a larger number of nearly 70,000 Indigenous job seekers (9% of the total case load of 760,000 job seekers). DES had the smallest share of Indigenous clients at around 5% of the total case load (7,000 Indigenous people out of 153,000).



In addition, Indigenous job seekers also had access to the former Indigenous Employment Program (IEP). This program has ceased to operate independently from 30 June 2014, having been merged into the program streams of the newly created Indigenous Advancement Strategy. The IEP included a wide range of activities tailored towards job seekers, employers and communities. The employment-related services included Indigenous cadetships, traineeships, apprenticeships and wage subsidies paid to employers for retaining Indigenous workers.

Administrative data on the case load of the IEP are not available, but the IEP has been noted to have better employment outcomes for its participants because many of its activities were tailored to the specific demands of the employers (Forrest Review 2014).

The higher proportion of Indigenous job seekers in the case load of general employment services such as JSA and RJCP contrasts with the relatively lower employment outcomes achieved by Indigenous job seekers through these programs. Indigenous job seekers also achieve lower JSA education and training outcomes than non-Indigenous job seekers.

For all job seekers who participated in JSA over the 12 months to June 2013, 43% were employed 3 months after participation, with 15% being employed full-time. But for Indigenous JSA participants, only 27% were employed 3 months after, with 10% being employed full-time (Department of Employment 2015). Part of the reason for this discrepancy is that a higher proportion of Indigenous job seekers are in the more disadvantaged categories (JSA Streams 3 and 4) of job readiness. Both Indigenous and non-Indigenous JSA participants in Streams 3 and 4 have lower employment outcomes compared with their counterparts in JSA Streams 1 or 2, who are assessed either as job-ready or having only moderate barriers to employment. However, employment outcomes for Indigenous job seekers are lower than for non-Indigenous job seekers across all four JSA streams (Department of Employment 2015).

Employment outcomes were substantially higher for the (Indigenous-only) participants in the IEP, where more than two-thirds have an employment outcome after 3 months (Forrest Review 2014). One should note, however, that the job seekers targeted by the IEP were likely to have more favourable employability characteristics than the average Indigenous job seeker in JSA.

In 2012–13, direct government expenditure on employment services for Indigenous job seekers was estimated to be \$1.02 billion. Per person this is \$1,460 per Indigenous Australian compared with \$443 for a non-Indigenous person, a rate ratio of 3.3. Expenditure on Indigenous-specific employment services, such as the IEP, accounted for most (54%) of this expenditure (SCRGSP 2014c).

The Australian Government's new Indigenous Advancement Strategy began on 1 July 2014 and replaced more than 150 programs and activities with five broad-based programs. The Jobs, Land and Economy Programme, which subsumed the former IEP, provides support to connect working-age Indigenous Australians with real and sustainable jobs, foster Indigenous business and assist Indigenous people to generate economic and social benefits from economic assets, including Indigenous-owned land (Australian Government 2014).

Housing and homelessness services

Housing options available to Indigenous Australians are more limited than for other Australians due to a range of factors. These include relatively low incomes and lower rates of home ownership, lower levels of financial literacy, and, for some Indigenous people, living on community-titled land where individual home ownership is generally not available (AIHW 2014c). The lower rates of home ownership and the absence of affordable and appropriate housing can also place Indigenous Australians at a greater risk of homelessness. Hence Indigenous Australians are more likely to require housing assistance and specialist homelessness services than non-Indigenous Australians.

In the recent years, however, there have been increases in Indigenous home ownership and decreases in the proportion of Indigenous Australians living in overcrowded conditions (SCRGSP 2014b). The rate of homelessness among Indigenous Australians, based on the ABS definition (see 'homeless people' in the Glossary), fell between the 2006 and 2011 Censuses (AIHW 2014d).

Housing assistance can be provided through Indigenous-specific housing programs—such as state owned and managed Indigenous housing (SOMIH) and Indigenous community housing—as well as mainstream programs of public and community housing. Commonwealth Rent Assistance (CRA) is available to all private renters on low incomes. Information on the use of major national housing assistance programs by Indigenous people is summarised below. (See AIHW 2014c for information about other housing assistance programs.)

At 30 June 2013, around 67,700 Indigenous households were receiving assistance through a range of social housing programs. Overall, an estimated 43% to 46% of all Indigenous households received support from at least one of the major housing assistance programs in 2013, compared with 18% of other households (AIHW 2014c).

There were also 54,900 Indigenous income units (single persons, couples or family units) in receipt of CRA at 14 June 2013 (AIHW 2014c).

Between 2009 and 2013, the number of Indigenous households living in social housing and the number of Indigenous CRA recipients both rose at a higher rate than numbers of other recipients. Indigenous CRA recipients increased by 48% compared with 21% for other recipients (AIHW 2014c).

Specialist homelessness support services

Governments across Australia fund non-government organisations to deliver a range of services to support people who are experiencing homelessness or who are at risk of becoming homeless. Services can include temporary accommodation and support services such as domestic violence counselling, employment assistance and life skills development. These services also often specialise in providing assistance to specific population sub-groups—for example, young people, people escaping domestic violence, or those sleeping rough.

Indigenous Australians access specialist homelessness services at a higher rate than non-Indigenous Australians, making up 23% of all clients in 2013–14, with an estimated 58,420 Indigenous clients (AIHW 2014e). The proportion of Indigenous clients was higher in younger age groups. Among clients of specialist homelessness services aged under 18, around 3 in 10 (31%) were Indigenous compared with 9% of all clients aged 65 and over being Indigenous. Almost one-quarter (24%) of all Indigenous clients of specialist homelessness services were children aged 0 to 9, compared with 14% for non-Indigenous clients (AIHW 2014e).

Indigenous women accessed specialist homelessness services at a higher rate than Indigenous men. In 2013–14, almost two-thirds of Indigenous clients (62%) were female, compared with 57% of non-Indigenous clients (AIHW 2014e). (See Chapter 7 'The diversity of Australia's homeless population' for additional details on Indigenous clients of specialist homelessness services.)

In 2012–13, direct government expenditure on housing and homelessness assistance for Indigenous people, including payments made for home purchase assistance and rental assistance, was \$1,193 million. On a per person basis, expenditure on housing and homelessness services was \$1,708 per Indigenous Australian, compared with \$310 per non-Indigenous Australian—that is, \$5.51 for every \$1.00 spent per non-Indigenous person (SCRG, 2014c). There was relatively low growth in total expenditure on Indigenous housing and homelessness assistance in 2012–13 compared with 2010–11 (3.3% growth in nominal terms and just 0.3% after adjusting for inflation).

Home ownership and living in overcrowded homes

While Indigenous Australians continue to rely on public assistance for housing- and homelessness-related welfare services, there has been progress in increasing the rate of Indigenous home ownership and in reducing overcrowded living conditions in Indigenous households. The proportion of Indigenous adults living in a home owned or being purchased by a member of their household increased from 22% in 1994 to 27% in 2002, and to 30% in 2012–13 (SCRGSP 2014b).

The proportion of Indigenous Australians living in overcrowded households decreased from 27% in 2004–05 to 23% in 2012–13, including a decrease in overcrowding in *Very remote* areas, where overcrowding is more prevalent. In *Very remote* areas the incidence of overcrowding decreased from 63% to 53% over this same period (SCRGSP 2014b).

The proportion of Aboriginal and Torres Strait Islander adults who reported that overcrowded housing was a stressor for them halved from 21% in 2002 to 10% in 2012–13. Less cramped living conditions have been linked to positive health, education and family outcomes for Indigenous Australians (SCRGSP 2014b).

Disability support services

In 2013–14, 18,021 Indigenous Australians used disability support services (AIHW 2015c). Indigenous Australians accounted for 5.8% of all disability support service users; this was an increase from 4.8% in 2008–09.

Three in 10 Indigenous service users (30%) had intellectual disability as their primary reason for activity limitation, followed by physical and psychiatric disabilities (both 18%) (AIHW 2015c).

Most Indigenous service users (84%) were aged less than 50. This was a higher proportion than among non-Indigenous service users (73%), reflecting the younger ages at which Indigenous people require disability services compared with the broader Australian population (AIHW 2015c).

In 2012–13, direct government expenditure on welfare services for Indigenous people with disability was estimated to be \$475 million or \$680 per Indigenous person. This includes expenditure on formal disability support services as well as other support for Indigenous people with disability. Mainstream (rather than Indigenous-specific) services accounted for the vast majority (88%) of this expenditure (SCRGSP 2014c).

Aged care services

The lower life expectancy for Aboriginal and Torres Strait Islander people means that a smaller percentage live to old age; but this does not imply that their needs for aged care services are substantially reduced. Generally, chronic health conditions associated with ageing affect Aboriginal and Torres Strait Islander people at younger ages than non-Indigenous Australians. This is a reflection of their overall poorer health. As such, planning for some aged care services is based on the Aboriginal and Torres Strait Islander population aged 50 years or older (Department of Social Services 2014b).

The Australian aged care system provides a range of services in both community and residential settings. In addition, there are flexible aged care services, such as the National Aboriginal and Torres Strait Islander Flexible Aged Care program, that meet the needs of recipients in other ways than through mainstream community and residential aged care.

In 2012–13, total direct government expenditure on community support and welfare services for the Indigenous aged—including aged care services as well as other support targeted at older people—was an estimated \$354 million, or \$507 per Indigenous person (SCRGSP 2014c).

Residential aged care

There were 1,299 residents in permanent aged care at 30 June 2013 who identified as being Aboriginal and/or Torres Strait Islander—constituting 0.8% of all permanent residents.

Overall, the age profile of Indigenous residents was substantially younger than for non-Indigenous residents. The male–female differential was similar across Indigenous and non-Indigenous residents, with more males in younger age groups and more females in older age groups (AIHW 2014f).

Community aged care packages

During 2012–13, the Australian Government provided three main types of home care packages—Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH) packages and Extended Aged Care at Home Dementia (EACHD) packages. At 30 June 2013, a total of 2,035 Indigenous people were receiving one of the above packages (AIHW 2014f). These individually tailored packages of care assist people with complex care needs who would like to remain at home, are able to do so with assistance, and would otherwise be eligible to receive care within a residential aged care facility.

At 30 June 2013, 4% of CACP recipients (1,798 individuals), 2% of EACH recipients (183) and 1% of EACHD recipients (54) identified as Aboriginal and/or Torres Strait Islander. All of these ratios are higher than the approximate 1% share of Indigenous people in the population aged 50 and over (AIHW 2014f).

Indigenous Australians used CACPs at a higher rate than their non-Indigenous counterparts in all age groups, with particularly large differentials in younger age groups.

Other programs

Many older Australians also receive home support through the Commonwealth Home and Community Care (HACC) program. HACC is a basic home help program funded by the Australian Government for services to older people who are mostly able to live and cope on their own, and do not yet need higher levels of care at home. (HACC became the main part of the Commonwealth Home Support Programme from July 2015.)

In 2013–14, 500,615 individual clients aged 65 years and over (or 50 years and over for Aboriginal and Torres Strait Islander people) received assistance through the Commonwealth HACC program; and the percentage of Commonwealth HACC recipients identifying as Aboriginal and/or Torres Strait Islander was 3.3% (DSS 2014b).

Aboriginal and Torres Strait Islander people also have access to services funded through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The aim of this program is to provide culturally appropriate care close to the homes and communities of older Aboriginal and Torres Strait Islander people. At 30 June 2014, there were 30 aged care services funded through this program to deliver 739 aged care places (DSS 2014b).

What is missing from the picture?

The general disproportionate representation of Indigenous people in the case loads of specific welfare services is only one dimension of Indigenous wellbeing. Disproportionate representation may not in itself indicate that the expected higher needs of Indigenous people have been met.

The wellbeing of Indigenous Australians has many interrelated dimensions, including the importance given to traditional culture and languages, and attachment to country. These aspects have not been covered in this article. Another missing dimension is an evaluation of the effectiveness of service provision in meeting Indigenous peoples' specific needs, and leading to desired outcomes or transitions.

Such assessments of the effectiveness or even the adequacy of a service accessed by Indigenous people are generally not possible with most available data collections. One small exception is with employment services data, which also report on transitions to employment. There is a clear indication that despite the higher proportionate rates of participation in employment services, such as in the activities of JSA, Indigenous participants have a much lower success rate in finding a new job and in keeping that job.

In addition, little is known about the extent of multiple disadvantages faced by individuals in the many parts of the welfare services system. It would be desirable to integrate the administrative data collections of the relevant sectors to determine the extent to which the same individual is concurrently accessing many different welfare services. Such additional information would be potentially helpful for improving the delivery of services based on clients' specific situations and needs, and in presenting a fuller picture of the sources and varied dimensions of Indigenous disadvantage, and the responses required from welfare services.

Where do I go for more information?

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7.2 How are people with mental illness faring?

Overview of mental illness

The terms 'mental illness' and 'mental disorder' are used interchangeably in referring to mental health problems, which can vary in duration, severity and disability. In addition, there is the concept of a 'mental health problem' or 'poor mental health' which includes problems experienced at a sub-clinical level such as stress, anxiety, depression or dependence on alcohol and/or drugs. A person experiencing one or more of these problems may not meet the diagnostic criteria for a mental disorder (Slade et al. 2009).

The most prevalent mental illnesses are depression, anxiety and substance use disorders. Less prevalent, and often more severe, illnesses include schizophrenia, schizoaffective disorder and bipolar disorder (Slade et al. 2009).

From the 2007 National Survey of Mental Health and Wellbeing (NSMHWB) an estimated 45% of Australians (7.3 million people) will experience a mental disorder at some time in their life (ABS 2008). It was also estimated that 20% of the population (3.2 million people) experienced a common mental disorder in the previous 12 months (ABS 2008). Of these, anxiety disorders (such as social phobia) were the most prevalent, afflicting 14% of the population, followed by affective disorders (such as depression) and substance use disorders (such as alcohol dependence) (6% and 5% respectively) (ABS 2008).

The 1998 children and adolescent component of the 1997 NSMHWB found that 14% of children and adolescents aged 4–17 had a clinically significant mental health problem (Sawyer et al. 2000). This equates to about 500,000 children and adolescents (DoHA 2013).

In terms of more severe mental illnesses, which include psychotic disorders such as schizophrenia, estimates from the 2010 NSMHWB Survey of People Living with Psychotic Illness indicate that 0.5% of the population aged 18–64 (64,000 people) accessed treatment annually from public sector mental health services for a psychotic disorder, with schizophrenia being the most common disorder (Morgan et al. 2011).

The mental health of an individual and/or the population may be affected by many factors, including biological, psychological, physical, environmental, economic, social and political factors (AHMAC 2013).

Many risk factors have been found for poor mental health. Some of these may act as immediate precursors, including: bereavement; relationship breakdown and/or separation from family and social supports; being in a carer role; and unemployment. Others are longer-term and include: a biological predisposition to mental illness; and adverse childhood events, including deprivation and abuse.

Some mental disorders are primarily related to individual factors such as drug and alcohol use and physical health problems. Other mental disorders are driven by external factors such as marginalisation and discrimination. For some individuals their mental illness may put them at increased risk of adverse experiences such as homelessness. Certain life stages render individuals particularly vulnerable to mental disorders (for example, childhood and adolescence). Some population groups, such as Aboriginal and Torres Strait Islander people, and people who are homeless and/or in unstable housing, unemployed, newly-arrived or who are refugees, are also recognised as being at increased risk (AHMC 2009a).

Recognition of the complex interactions of multiple health and social factors in determining the life-course mental health of an individual and/or the population as a whole are embodied in contemporary Australian and international mental health policies and literature—for example, the *Fourth National Mental Health Plan* (AHMC 2009b), the *National Framework for Recovery-Oriented Mental Health Services* (AHMAC 2013), the *Contributing Life* framework (NMHC 2013), and the *Towards Recovery and Wellbeing* framework (MHCC 2009).

Impact and burden

Mental disorders can vary in severity and be episodic or persistent in nature. Recent estimates suggest that 2–3% of Australians have a severe mental illness, as judged by diagnosis, intensity and duration of symptoms, and degree of disability caused (DoHA 2013). This group is not only confined to those with psychotic disorders, who represent only about one-third of those with severe mental disorders; it also includes people with severe and disabling forms of depression and anxiety. A further 4–6% of the population have a moderate mental disorder and 9–12% have a mild disorder (DoHA 2013).

Mental and behavioural disorders are significant contributors to disability. For 2010 they were estimated to be responsible for 13% of the total burden of disease in Australia, placing these disorders fourth as a broad disease group after cancer, musculoskeletal disorders and cardiovascular disease (IHME 2013). In terms of the non-fatal burden of disease, which is a measure of the number of years of 'healthy' life lost due to living with a disability, mental and behavioural disorders were the second-largest contributor (22% of the non-fatal burden of disease) (IHME 2013). (The Australian Burden of Disease and Injury study is currently being updated and is scheduled to be published by AIHW in the first half of 2016.)

For many people experiencing mental illness, however, their care needs extend beyond clinical treatment. In particular, for people with severe mental illness who also have other complex needs, access to clinical care may need to be complemented by other services such as supported accommodation, or community support services focused on employment, income support, education, and social and family support (AHMC 2009a).

The majority of people with a mild and episodic mental illness can be expected to recover with appropriate treatment and support (NMHC 2012). However, for those people with a severe and persistent disorder, such as the psychotic illness schizophrenia, their condition may significantly affect their ability to participate in a range of activities, and may have a potentially negative impact on their carers, family and/or friends (Morgan et al. 2011). In addition, for some people with mental illness, in particular severe and persistent illness, it can be difficult to complete education, maintain employment, achieve stable housing, and remain socially connected with family and friends.

Economic disadvantage

People with mental illness are disproportionately represented among the unemployed and those on low incomes (AHMC 2009a). This is especially so for people with severe and persistent disorders.

In 2007, people with a mental disorder in the previous 12 months were more likely to report their main source of income as government pensions and allowances than people without a 12-month disorder (26% and 22% respectively) (see ABS 2008 for further information). For people with a psychotic disorder, the proportion was much higher—85% reported a government pension as their main source of income in 2010 (Morgan et al. 2011). In addition, in 2013 almost one-third (31%) of people in receipt of the Disability Support Pension had a primary medical condition of 'psychological/psychiatric' (DSS 2014).

The unemployment rate for people with a 12-month disorder was higher than for people without these disorders in 2007 (4% and 2% respectively) (ABS 2008). For people with a psychotic disorder, one-third had paid employment in the previous 12 months compared with 72% of the working-age population in 2010 (Morgan et al. 2011).

Housing and homelessness

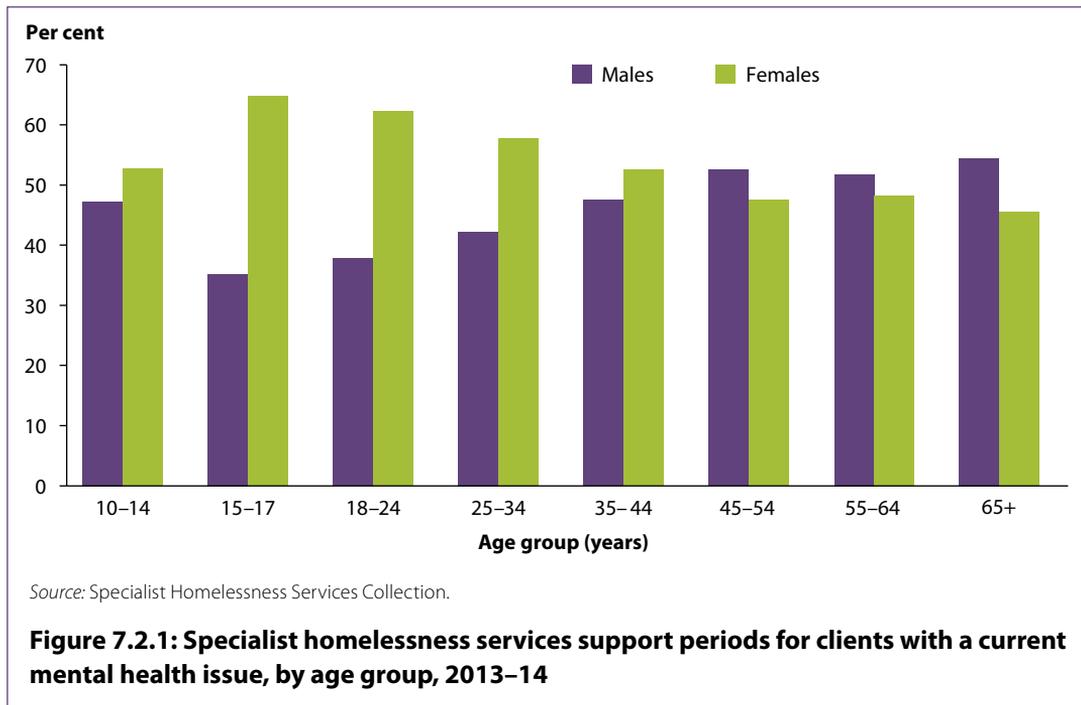
Mental illness can be a key contributing factor leading to housing instability and homelessness. While the risk of homelessness may be increased due to mental illness, unstable housing arrangements can also contribute to the deterioration of mental wellbeing, and in some instances contribute to the development of mental disorders, in particular anxiety and depression (FaHCSIA 2008; Johnson & Chamberlain 2011).

People with a 12-month mental disorder in 2007 were more likely to have a history of homelessness than people without these disorders (8% and 2% respectively) (ABS 2008). For people with a psychotic disorder, 13% reported at least one period of homelessness in the preceding 12 months in 2010 (Morgan et al. 2011).

Specialist homelessness services (SHS) are funded by all governments to provide support services to clients who are homeless or at risk of homelessness. Services provided by SHS agencies include both accommodation and associated support services. Of the almost 212,900 SHS clients aged 10 years and over in 2013–14 (AIHW 2014b), about 1 in 4 (26%) had a current mental health issue. Clients were considered to have a current mental health issue if they: indicated that they were currently or had in the previous 12 months received help for their mental health issues or been admitted to a psychiatric hospital; were referred by a mental health service; reported 'mental health issues' as a reason for accessing the service; listed 'psychiatric hospital or unit' as their dwelling type for the previous week or day of presentation; or a need for psychological services, psychiatric services or mental health services was identified during contact with the SHS service. Nationally, almost half (44%) of SHS clients with a current mental health issue accessed accommodation services.

Over half (51%) of clients with a current mental health issue reported being homeless when they presented to the SHS agency. For clients with a current mental health issue, *Housing crises* was the most frequently recorded main reason for seeking assistance, followed by *Domestic and family violence* and *Financial difficulties* (18%, 15% and 12% respectively) (Figure 7.2.1) (AIHW 2014b). For clients without a current mental health issue, the most frequently recorded main reason for seeking assistance was *Domestic and family violence*, followed by *Financial difficulties* and *Housing crises* (26%, 16% and 15% respectively).

Nationally, in 2013–14, 128,800 support periods were provided to clients of specialist homelessness services with a current mental health issue. In age groups 10 to 44 years, female clients received more support periods than male clients; for age groups 45 and over, men received more support periods than women (Figure 7.2.1). *General assistance and support* was the most frequently provided service, followed by *Housing or accommodation services* (96% and 81% respectively). *Specialised services* were provided to 76% of clients with a current mental health issue (AIHW 2014b).



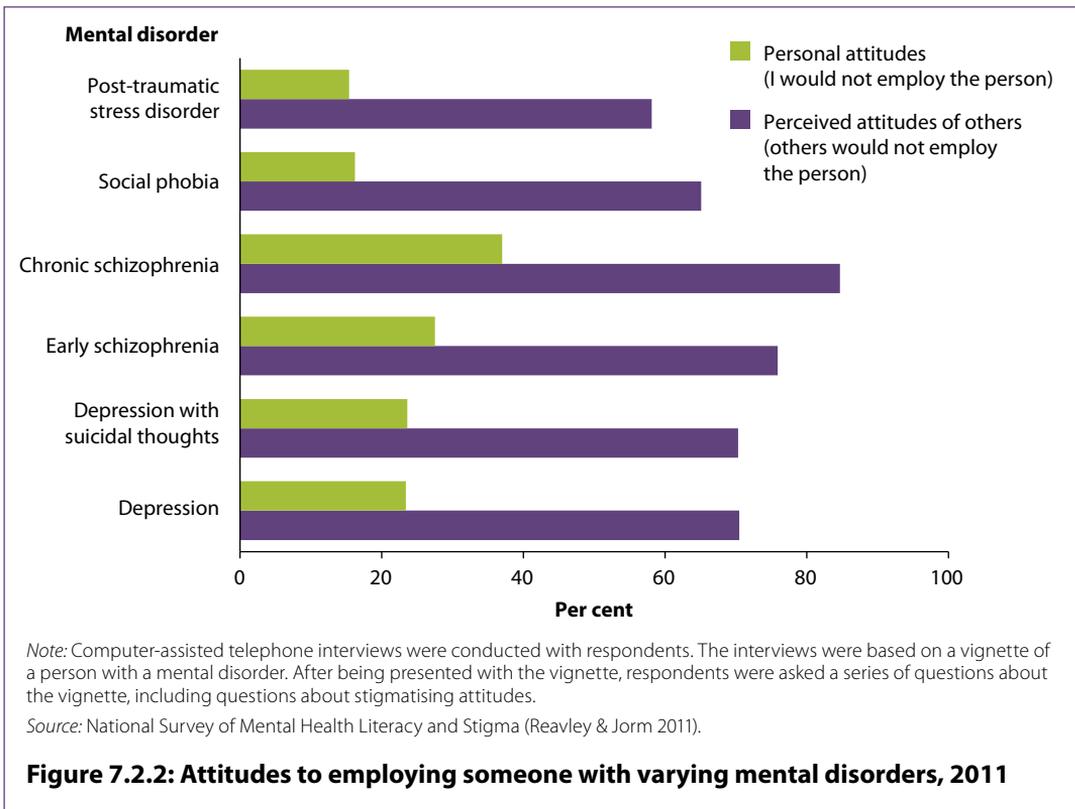
Discrimination and stigma

People with mental health problems and mental illness are vulnerable to human rights violations in the community and by support services, due to stigma, discrimination and the absence of legal protection (AHMC 2009a). Indeed, stigma is often put forward as an issue of concern by people who live with a mental illness (DoHA 2013).

There have been three National Surveys of Mental Health Literacy and Stigma, undertaken in 1995, 2003–04 and 2011. These surveys assessed rates of stigmatising attitudes in Australia using measures of social distance, which are indicators of the willingness of Australians to interact with people suffering from a range of mental illnesses, in a variety of situations (DoHA 2013).

Data from the 2011 survey suggest that, on average, Australians rated themselves as relatively more 'willing' than 'unwilling' to socially interact with people with a mental illness (DoHA 2013).

Other findings from the 2011 survey were that almost half (45%) of respondents would not want a person with schizophrenia marrying into their family and more than one-quarter (28%) would not want a person with depression marrying into their family (Reavley & Jorm 2011). More than one-third of respondents indicated they would not employ a person with chronic schizophrenia and almost one-quarter (23%) would not employ someone with depression (Figure 7.2.2).



That said, there are many practitioners, services and organisations, both within and outside mental health service systems, that provide support to maximise quality of life for people with mental illness (AHMAC 2013).

Social support programs

The Australian Government and state and territory governments fund specialist and mainstream programs and services that provide essential social and welfare support for people with mental illness. These include income support, social and community support, disability services, workforce participation programs, and housing assistance (Box 7.2.1) (DoHA 2013).

Box 7.2.1: Examples of social and welfare support programs

Income support

- *Australian Government:* Disability Support Pension, Carer Payment, Carer Allowance.

Social and community support

- *Australian Government:* Support for Day to Day Living in the Community.
- *Jurisdictional programs,* for example: the Victorian Government's Mental Health Community Support Services, and the South Australian Government's Community Mental Health Rehabilitation Service.

Disability services

- *Australian and state/territory governments:* Disability support services provided under the National Disability Agreement.

Workforce participation

- *Australian Government:* Disability Employment Services.

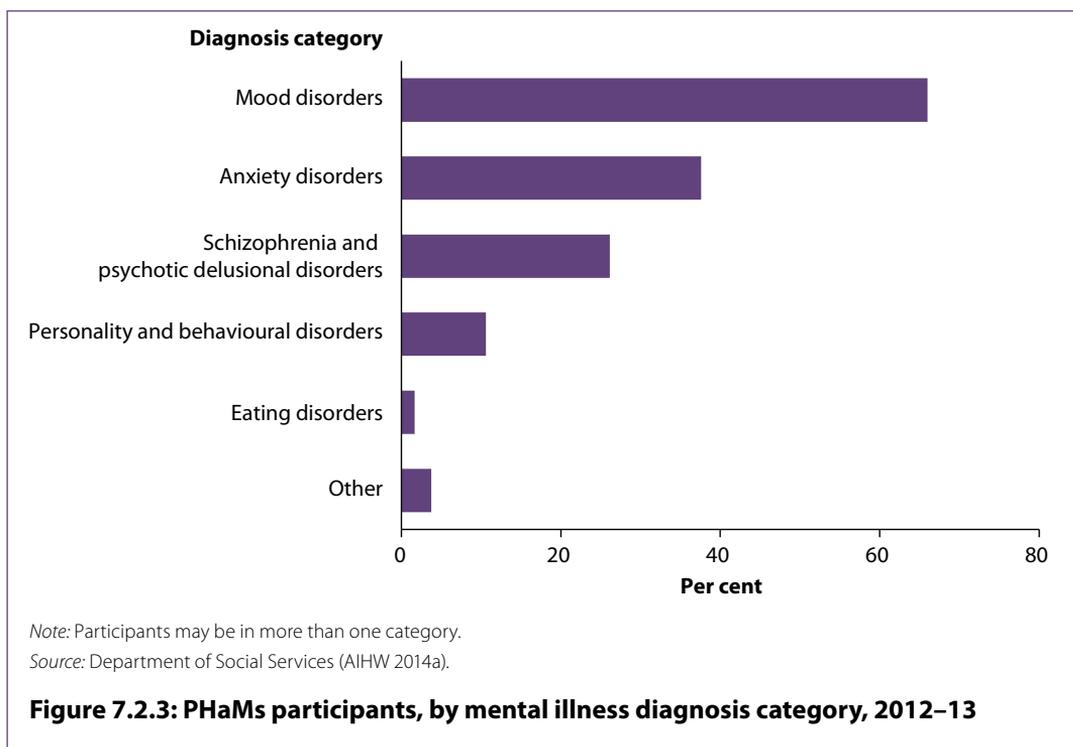
Housing assistance

- *Jurisdictional programs,* for example: the New South Wales Government's Housing and Accommodation Support Initiative, and the Queensland Government's Housing and Support Program.

The Personal Helpers and Mentors (PHaMs) program, an Australian Government initiative, is one example of these programs. The PHaMs program aims to increase recovery opportunities for people whose lives are severely affected by mental illness, and help participants to better manage their daily activities and reconnect to their community. PHaMs services provide holistic support, including providing links with other services such as housing support, employment and education, drug and alcohol rehabilitation, independent living skills courses, clinical services and other mental health and allied health services. PHaMs also ensures services accessed by participants are coordinated, integrated and complementary to other services in the community.

There were about 15,100 participants in PHaMs services during 2012–13, with the number of participants increasing by an annual average rate of 15% between 2009–10 and 2012–13 (AIHW 2014a). During 2012–13, almost half of PHaMs participants were aged 25–44 (48%), more than half were female (58%) and around 2 in 5 (38%) reported having both a mental illness and another significant disability such as a physical disability. Aboriginal and Torres Strait Islander people, who represent 3% of the Australian population (ABS 2012) were proportionally over-represented, making up 13% of PHaMs participants. The most commonly recorded mental illness diagnosis categories were mood disorders and anxiety disorders (66% and 38% respectively) (Figure 7.2.3)(AIHW 2014a).

The Victorian Government's Mental Health Community Support Services (MHCSS) program (formerly Psychiatric Disability Rehabilitation and Support Services) is an example of the type of social and welfare support initiatives provided by state and territory governments to assist people living with a mental illness. The MHCSS is designed to increase the client's quality of life through the development of independent living skills and increasing the client's involvement in activities that reduce social disadvantage. It is estimated that between 6,100 and 12,600 clients were receiving MHCSS services that partially or fully met their needs in 2013 (Deloitte Access Economics 2013).



What is missing from the picture?

There are recognised data gaps that affect ability to report on the diversity of health and welfare services across both private and public sectors that an individual with a mental illness may access. In addition, the absence of a mental health data item (a 'flag') in many health and welfare data collections, both at the national and jurisdictional levels, limits ability to report on the number of Australians with mental health issues accessing services over time.

The expected publication in mid-2015 of results from the 2013 Young Minds Matter survey, funded by the Australian Government and conducted by the University of Western Australia, will fill a current gap in contemporary information about the extent and impact of mental illness on children and adolescents. The last survey of the mental health of children and adolescents was undertaken in 1998. With other major national prevalence surveys also now becoming dated, cost-effective methods of ensuring regular and up-to-date information about mental illness prevalence and trends is warranted.

Where do I go for more information?

More information on the welfare of people with mental health problems is available on the AIHW website <http://mhsa.aihw.gov.au/home/>.

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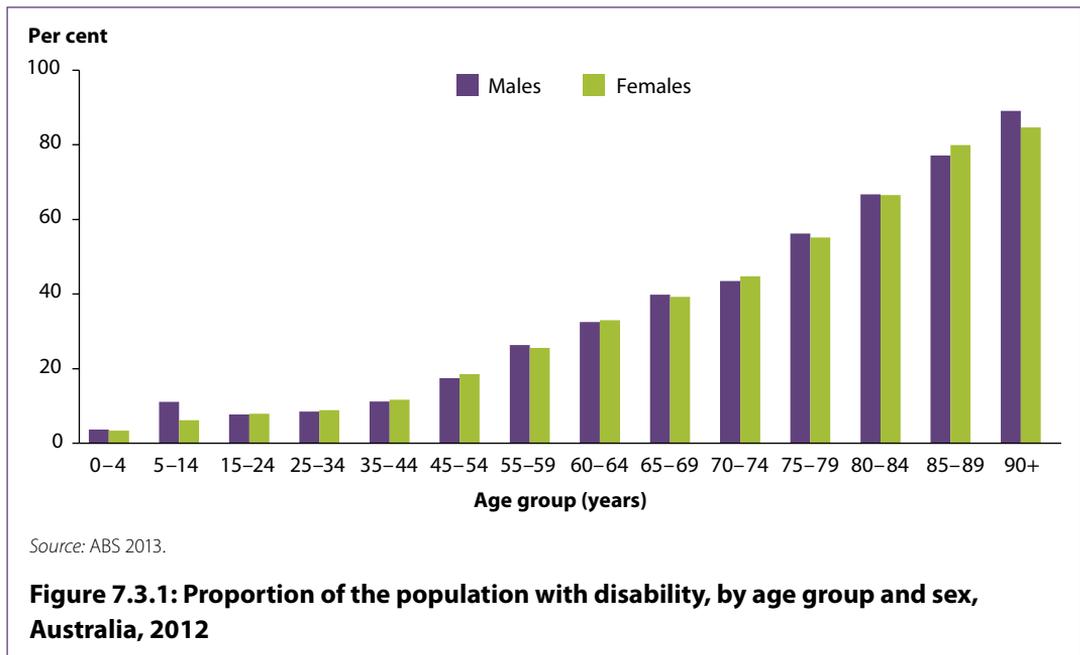
7.3 A profile of people with disability

Disability is defined by the World Health Organization in the International Classification of Functioning, Disability and Health (ICF) as an umbrella term for any impairment, activity limitation, or participation restriction. This snapshot profiles people with disability in Australia, and the services they access.

How many people have disability?

The Australian Bureau of Statistics Survey of Disability, Ageing and Carers (SDAC) collects information on people who self-report having disability. According to the SDAC in 2012, an estimated 4.2 million Australians had a disability. The proportion of the population with disability has remained stable over time: just under 19% of the population had disability in 2009 and 2012.

The likelihood of having a disability increased with age, ranging from 4% of the population aged 0–4 to 86% of the population aged 90 or over (Figure 7.3.1). (For more information on children aged 0–14 with disability, see Chapter 3 ‘Children with disability’.)



In 2012, nearly one-quarter (23.4%) of Aboriginal and Torres Strait Islander people living in private dwellings had a disability. After adjusting for differences in the age structure of the two populations, Aboriginal and Torres Strait Islander people were 1.7 times as likely as non-Indigenous people to have disability (ABS 2014).

Of those Australians who reported a disability in 2012:

- 33% reported a profound or severe core activity limitation (that is, they always or sometimes needed help with day to day activities)
- 15% reported a moderate core activity limitation
- 33% reported a mild core activity limitation.

People with disability may also have restrictions relating to schooling or employment—in 2012, 69% of Australians with disability aged 5–64 reported having a specific schooling or employment restriction (ABS 2013).

By far the majority of people with disability live in households (98%); of these, 1 in 4 (26%) reported that they received assistance with core activities, and of these, 6% reported needing more assistance. About 3% of people with disability reported needing assistance with core activities, but did not receive it.

A government pension or benefit was reported as the main source of income for 43% of those with disability, with a further 37% reporting wages or salary as their main source of income. However, there were differences in income source by disability severity—for example, for 81% of those with a profound or severe disability, a government pension or allowance was reported as the main source of income, with 7% reporting wages or salary.

How many received disability support services under the National Disability Agreement?

The AIHW collects and reports on data collected in the Disability Services National Minimum Data Set (DS NMDS). The DS NMDS contains information on disability support services provided under the National Disability Agreement (NDA).

In 2013–14, there were an estimated 321,500 people who accessed disability support services (AIHW 2015). This includes 4,200 people who transitioned to the National Disability Insurance Scheme (NDIS) in 2013–14. The majority (59%) of users were males, and 6% were Indigenous. The most common primary disability type was intellectual disability, followed by psychiatric disability. The most common support type received was ‘community support’ (that is, support to live in a non-institutional setting such as a person’s home—44% of users) (Table 7.3.2). Another common support was ‘open employment services’ (35% of users), and for the vast majority of these users (91%) it was the only disability support service used (AIHW 2015).

Table 7.3.2: Disability support services used in 2013–14

Service type	%
<i>State/territory services</i>	
Community support (support with living in a non-institutional setting)	44
Community access (support with social independence)	18
Accommodation support	14
Respite services	12
<i>Australian Government services</i>	
Open employment (15 and over) (see also Chapter 5 ‘Labour force participation of people with disability’)	35
Supported employment (15 and over) (see also Chapter 5 ‘Labour force participation of people with disability’)	7

Note: People can use more than one type of service; hence, proportions add to more than 100%.

Source: AIHW 2015.

How many people received disability support services under the National Disability Insurance Scheme?

The NDIS commenced at various launch sites in July 2013. Under the scheme, individuals are allocated a funding plan within which they can choose their own service providers and disability supports. As at 31 March 2015, there were 13,610 people with approved plans under the NDIS (NDIA 2015).

For more information on these changes to the disability sector see Box 1.1.2 'The changing face of the disability sector'.

What is missing from the picture?

The overall number of people receiving disability support services is not available, as there is no way of assessing the overlap of people using services under the NDA, NDIS, and other disability support programs such as the Home and Community Care program and Disability Management Scheme.

Although information is available from the SDAC on formal support services, such as the use and satisfaction with these services by people with disability, there is a lack of comprehensive information on client experience with services and associated outcomes.

Where do I go for more information?

For more information relating to disability and disability support services, see www.aihw.gov.au/disability/.

References

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7.4 The diversity of Australia's homeless population

On Census night 2011, just over 105,200 people in Australia were considered to be homeless, up from 89,700 in 2006—using the Australian Bureau of Statistics (ABS) definition of homelessness outlined in Box 7.4.1. The rate of homelessness in 2011 was 49 persons for every 10,000 persons counted. This is an increase from 45 persons per 10,000 in 2006 (8%), but a decrease from 51 persons per 10,000 in 2001 (ABS 2012b).

Some of these people spent the night in short-term or emergency accommodation, some in a severely overcrowded dwelling, while others spent the night sleeping out in the open with no shelter (ABS 2012b). For some this will be a temporary experience, one from which they will recover and go on to find secure stable housing; for others it will be a familiar situation that they will experience again and again.

Homelessness can have profound effects on a person's health (both mental and physical), education and employment opportunities, as well as their ability to participate fully in social and community life.

Homelessness is often also associated with other negative personal and social outcomes. People who are homeless are more likely to have experienced trauma, have a diagnosed mental or physical illness, and have experienced substance abuse, incarceration and unemployment. This article provides an overview of the diversity of Australia's homeless population, focusing particularly on people escaping domestic violence, Indigenous Australians, young people, older people, and people with complex needs.

Defining homelessness

Homelessness can mean different things to different people. Many people conceive of homelessness as being without shelter, sometimes referred to as 'rooflessness'. However, the experience of homelessness can also include: moving regularly between temporary situations, such as 'couch surfing'; living in supported accommodation; or living in conditions inadequate or inappropriate for meeting basic needs.

A 'cultural' definition of homelessness has been used for many years in Australia and is based on the degree to which people's housing needs were met within conventional expectations or community standards (Chamberlain & Mackenzie 2014). In Australia, this was described as having at least one room to sleep in and one to live in, one's own kitchen and bathroom, and security of tenure. Under this definition, three levels of homelessness were recognised, according to the degree to which these housing needs were unmet:

- *primary homelessness*—people without conventional accommodation such as those living on the street, in parks, under bridges, in derelict buildings, improvised dwellings, and so on
- *secondary homelessness*—people moving between various forms of temporary shelter, including staying with friends, emergency accommodation, youth refuges, hostels and boarding houses
- *tertiary homelessness*—people living in single rooms in private boarding houses, without their own bathroom, kitchen or security of tenure.

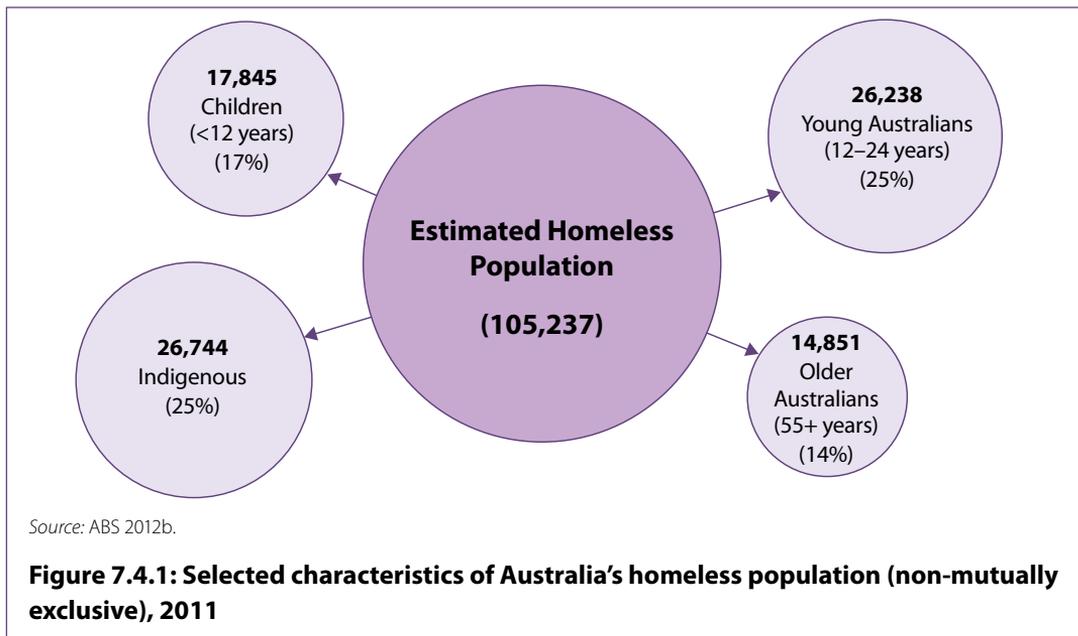
In 2011–12, the ABS developed a statistical definition of homelessness for producing homelessness statistics from the Census and its surveys. Revised counts of homeless persons were also derived based on this definition from ABS Censuses between 1991 and 2006 (ABS 2012b). This definition is informed by an understanding of homelessness as ‘home’-lessness, not just ‘roof’-lessness, emphasising the core elements of ‘home’, such as a sense of security, stability, privacy, safety, and control over living space. Under this definition, when a person does not have suitable accommodation alternatives they are considered homeless if their current living arrangement:

- is in a dwelling that is inadequate, that is, the dwelling is unfit for human habitation or lacks basic facilities such as a kitchen or bathroom; or
- has no tenure, or tenure is short and not extendable; or
- does not allow control of, and access to, space for social relations. This includes personal or household living space, the ability to maintain privacy, and exclusive access to kitchen and bathroom facilities (ABS 2012b).

The ABS estimated that 105,200 Australians were homeless on Census night in 2011. Of these, almost 18,000 were under 12 years of age, and almost 15,000 were aged 55 years and over. Around 27,000 were Indigenous (Figure 7.4.1). This included people living in severely overcrowded dwellings, boarding houses, staying temporarily with other households, in accommodation for the homeless, and in other temporary/improvised dwellings or sleeping rough.

While there is general agreement about many of the elements that are included in statistical definitions of homelessness, in some data collections it is not always possible to identify homelessness in a way that strictly conforms to these definitions (see Box 7.4.1).

Understanding homelessness relies on using a range of different data sources, each differing in their primary purpose, scope, coverage, and collection method and reference period. For example, the ABS Census is collected once every 5 years and provides a snapshot of homelessness on 1 day of the year. This does not provide information on the dynamics of homelessness, such as duration or repeat periods of homelessness. Also it is not possible to measure all aspects of the homelessness definition. For example, it is not possible to capture those living in ‘overcrowded’ conditions in many data collections.



Box 7.4.1: Identifying homeless people in selected data collections

People who are homeless are identified in different ways in the data collections referred to in this article. Two broad examples are given below.

Homelessness in the Census

People who are experiencing homelessness are identified indirectly from ABS Census of Population and Housing data. In general, people counted in the Census who reported having no usual address and certain other housing characteristics (for example, staying in supported accommodation for the homeless) are identified, and then a range of other information is examined to assess whether the person, on balance, is likely to be homeless. This other information includes income and employment status, rent and mortgage repayments, whether the person has recently arrived in or returned to Australia, accommodation and tenure type, and student status (ABS 2012b). The ABS definition is constructed from a conceptual framework centred on the following elements: adequacy of the dwelling; security of tenure in the dwelling; and control of, and access to space for social relations. Under the ABS definition, those people living in severely overcrowded dwellings are also considered homeless as they do not have control of, or access to space for social relations.

Specialist Homelessness Services Collection

Clients of specialist homelessness services are a sub-population of those in the Australian population who are homeless or at risk of homelessness. They represent the expressed demand for homeless assistance, as well as the service population for government-funded homelessness services. All clients of specialist homelessness services (SHS) are assumed to be either homeless or at risk of homelessness, and clients' homelessness status can be assessed at different points in time during their support. The SHS definition of homeless clients is aligned to the ABS statistical definition of homelessness, except for people living in severely overcrowded dwellings—that is, it includes people living in boarding houses, staying temporarily with other households, in accommodation for the homeless, and in other temporary/improvised dwellings or sleeping rough.

Where past experience of homelessness is reported it covers:

- sleeping rough or in non-conventional accommodation
- short-term or emergency accommodation, due to lack of other options.

Who are homeless?

Although almost anyone can find themselves experiencing a life event or circumstance that puts them at risk of homelessness, there are some people who are more vulnerable to homelessness than others. Women and children fleeing domestic and family violence, people with drug and alcohol problems, those with a mental health issue, young people leaving family homes due to conflict and family breakdown, and Aboriginal and Torres Strait Islander people, are recognised as key groups vulnerable to experiencing homelessness in Australia.

Homelessness for some is a one-off occurrence; for others, it is a prolonged experience that may be interspersed with periods of being housed (sometimes referred to as 'episodic homelessness'). The experience of homelessness can also vary greatly—from sleeping on the streets or moving between temporary situations, to living in a situation inadequate to support a person's full participation in family and community life (AIHW 2013).

People escaping domestic and family violence

Domestic and family violence is a major cause of housing instability and homelessness in Australia. Domestic and family violence makes women and children vulnerable to housing instability and homelessness in two ways (Southwell 2002):

1. violence removes the sense of safety and belonging associated with the home
2. leaving a violent situation usually requires leaving the family home.

The 2012 Personal Safety Survey conducted by the ABS highlights the extent of violence against women in Australia. It found that, since the age of 15, around one-third of women in Australia had experienced physical violence by a partner and almost 1 in 5 had experienced sexual violence (ABS 2012a).

Women are of course not the only victims of violence; it can also affect males and children. For example, 5.3% of victims of violence perpetrated by a partner are male. The impact on children who grow up in the presence of domestic and family violence can be enormous. Six out of 10 women (61%) who had experienced violence from an ex-partner had children in their care when the violence occurred (ABS 2012a). Their educational outcomes, as well as future relationships, mental health, social and economic participation, and housing stability, may all be negatively affected.

Women and children who leave their home because of domestic and family violence experience severe social and personal disruption, poorer housing conditions and financial disadvantage (Spinney & Blandey 2011). In recognition of this, governments have introduced programs that aim to break the link between domestic and family violence and homelessness by focusing on ways in which those who have experienced domestic and family violence can safely remain in the family home. For some, however, it may be that they do have to leave the family home, either permanently or temporarily, to safeguard themselves and their children.

The *National plan to reduce violence against women and their children 2010–2022* is a collaboration across all levels of government to make a real and sustained reduction in the levels of violence against women (DSS 2014). The plan has two key target areas: domestic and family violence, and sexual assault, both of which we know disproportionately affect women (see Chapter 7 'Domestic and family violence' for more information). Five national priorities are contained in the action plan for 2013–2016:

- driving whole-of-community action to prevent violence
- understanding diverse experiences of violence
- supporting innovative services and integrated systems
- improving perpetrator interventions
- continuing to build the evidence base.

One in 3 clients seeking SHS in 2013–14 was escaping domestic and family violence (84,744 clients), an increase of 7,000 clients from 2012–13 (AIHW 2014c). Most of these clients were females aged over 15 years (66%) or children aged 14 years and under (26%). Over one-half (56%) of clients who had experienced domestic or family violence were in need of accommodation.

Indigenous Australians

Indigenous Australians comprise 3% of the Australian population yet represent more than one-quarter (25%) of all homeless people (about 26,700 people) (ABS 2012a). This equates to 1 in 20 Indigenous Australians being homeless on Census night, 14 times the rate for non-Indigenous Australians (AIHW 2014a). Between 2006 and 2011, however, the overall rate of Indigenous homelessness fell by 14% (compared with an increase in the non-Indigenous homelessness rate over the same period).

There are notable differences between the types of homelessness experienced by Indigenous and non-Indigenous people (see Box 7.4.2). Indigenous homeless persons are more likely to be female (51% compared with 42% for non-Indigenous) and younger (42% under the age of 18 years compared with 23% for non-Indigenous). Furthermore, three-quarters (75%) of Indigenous homeless people were living in severely crowded dwellings (the dwelling required 4 or more extra bedrooms to accommodate the people who live there), compared with 30% of non-Indigenous homeless people. Indigenous homeless people were less likely than non-Indigenous homeless people to be staying in boarding houses, staying temporarily with other households or in supported accommodation.

In terms of assistance with housing difficulties, in 2013–14, Indigenous clients seeking SHS represented about 1 in 4 clients. They were less likely to be living alone (23%) compared with non-Indigenous clients (33%). Indigenous clients were also more likely to have a main reason for seeking assistance of 'inadequate or appropriate dwelling conditions' (15% compared with 11% for non-Indigenous clients).

In terms of geographical differences, generally homelessness is higher in remote areas and some small areas within major cities. The characteristics of regions with higher homelessness appear to include higher unemployment, a relatively large proportion of Indigenous people, lower rents for private housing, more public housing, and smaller income-to-rent ratios (AIHW 2014a). However, access to SHS can become increasingly difficult the further a client is from a major city. The proportion of Indigenous clients increases with remoteness—in *Major cities* 14% of presenting clients were Indigenous, whereas in *Remote/Very remote* Australia the proportion was 87%.

Box 7.4.2 Indigenous perspectives on defining homelessness

A recent report by the ABS found that the Aboriginal and Torres Strait Islander perspective of what constitutes 'homelessness' varies from conventional statistical/cultural definitions. For example, Indigenous Australians' definitions of homelessness ranged from lack of a physical dwelling to much broader concepts such as:

- 'houselessness'— sleeping rough, crowded dwellings, or couch surfing
- family disconnection—having no family, or disconnection from family, is considered homelessness by some Indigenous people ('spiritual homelessness')
- someone not being on country or in community—this was also considered to be homelessness.

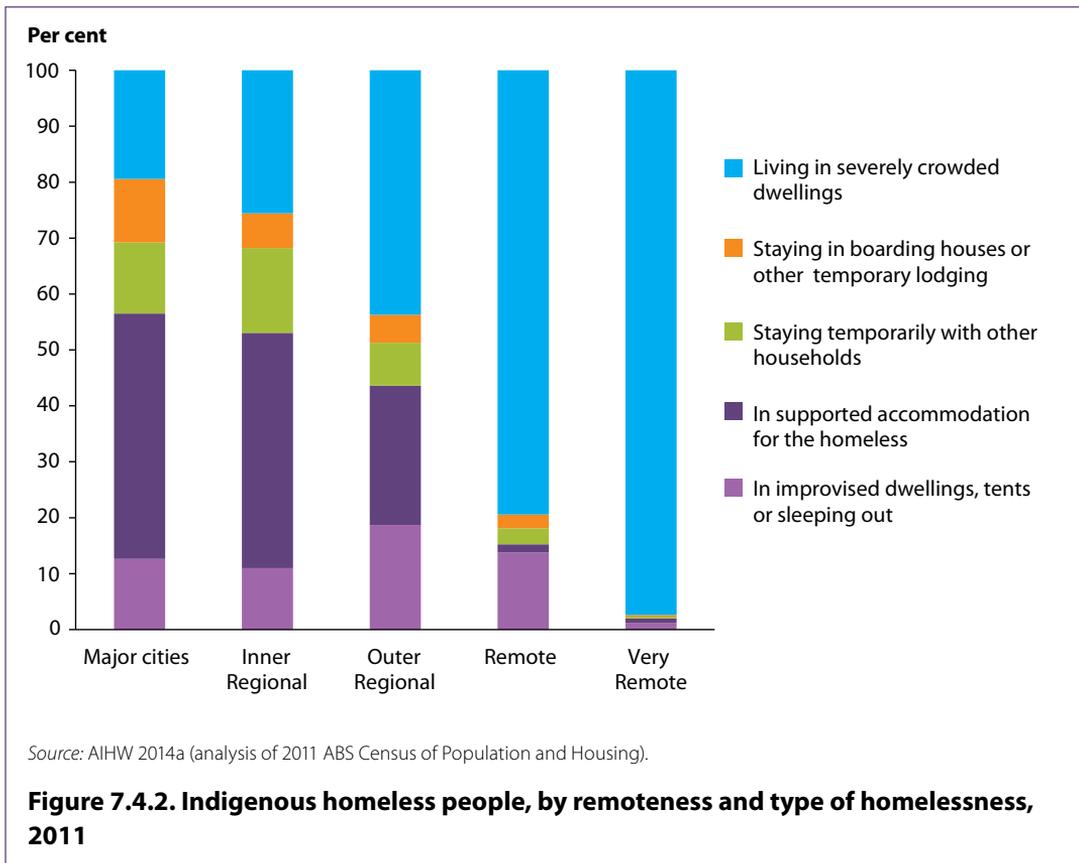
The implications of these consultations on the measurement of homelessness were also considered. The ABS noted that concepts such as 'usual address', 'home' and 'homelessness' not only differ between Indigenous and non-Indigenous people, but within the Indigenous population itself. It concluded that Census measures of homelessness should continue, thereby ensuring that the whole population can continue to be measured and sub-groups compared.

This may cause some problems in interpreting future statistics on homelessness for Indigenous Australians. As Memmott and Nash (2014) point out, for example, most Indigenous rough sleepers do not think of themselves as 'homeless'. Furthermore, some Indigenous people who may consider themselves homeless (such as those experiencing 'spiritual homelessness') would not be counted in the ABS estimates.

Nevertheless, the need for culturally appropriate homelessness questions has been acknowledged for implementation in other ABS surveys, such as the 2014–15 National Aboriginal and Torres Strait Islander Social Survey (NATSISS).

Source: ABS 2014.

The type of homelessness experienced by Indigenous people also differs across remoteness areas. Figure 7.4.2 shows that the proportion of Indigenous persons living in severely overcrowded dwellings, increases as remoteness increases (from 19% in *Major cities* to 97% in *Very remote* areas). The profile of homelessness is similar for *Major cities* (44%) and *Inner regional* areas (42%) with most living in supported accommodation for the homeless (AIHW 2014a).



Young people

People who first experience homelessness at a young age are more likely to experience persistent homelessness in adulthood (Sculletta & Johnson 2012). As with the broader population, homelessness among young people can arise for a variety of reasons, with family breakdown and conflict being significant contributing factors.

In 2011, 25% of the homeless population were aged between 12 and 24 years (26,200 people) and an additional 17% (17,800) were aged less than 12 years (ABS 2012b). This is likely to be an underestimate, as many homeless youths report a usual address on the Census form, thus masking their homelessness (ABS 2012c). According to AIHW Specialist Homelessness Services Collection (SHSC) data, an estimated 44,400 young people presented alone to a specialist homelessness agency in 2013–14, with around one-half being homeless at the time. When compared with the overall SHSC population, young people were more likely than other SHS clients to need assistance with living skills and personal development, education, employment and training.

Young people who experience homelessness are more likely to have had traumatic family experiences that may include sexual and physical abuse, parental drug addiction and family violence (Chamberlain & Johnson 2011). A number of studies have linked childhood trauma to homelessness, including long-term homelessness.

Older people

Australia's population is getting older. In 2014, 15% of the population (3.5 million people) were aged 65 and over, and by 2054 this is projected to increase to 21% (8.4 million people) (ABS 2013). This is likely to have a significant impact on demand for appropriate housing, with many older Australians limited by their housing options due to high housing costs and reduced incomes (Jones & Petersen 2014).

There is growing evidence to suggest that homelessness is affecting an increasing number of older Australians. Older persons are generally defined by the ABS as aged 65 years and over. In the context of the homeless population, long periods of extreme disadvantage (linked to lack of suitable shelter, drug and/or alcohol abuse, and poor mental health) can bring forward the onset of health problems that are more often experienced by people who are chronologically older (Jones & Petersen 2014). To take this into account, the homeless 'older' population is defined as being aged 55 years or older (rather than 65 years and older) due to this 'premature ageing'.

The latest available estimates of homelessness from the 2011 Census showed that 14% of all homeless people were aged 55 or over (14,850 people) (ABS 2012b). Over one-half of those people were men (64%). For some of these older people, homelessness (or the risk of homelessness) may have occurred recently due to lack of financial resources or relationship breakdown, and will often be the first experience of homelessness, while others may have experienced long-term disadvantage and unstable housing (Petersen et al. 2014; Peterson et al. 2015).

Older homeless people (55 or older) were most commonly living in boarding houses (32%) or staying temporarily with other households (26%). In contrast, the overall homeless population were most commonly living in severely crowded dwellings (39%) or in supported accommodation for the homeless (20%). There were also an estimated 10,900 people aged 55 or over living in marginal housing, including living in severely overcrowded conditions and caravan parks, in 2011 (ABS 2012b).

Since the commencement of the Specialist Homelessness Services Collection (SHSC) in 2011, the number of older clients assisted has risen each year. Between 2011–12 and 2013–14, the number of older clients rose by 21%, from 15,100 to 18,200. However, the proportion of older clients has remained stable, representing 6–7% of all SHSC clients between 2011–12 and 2013–14.

Compared with the broader SHSC population, there were fewer women among older clients of specialist homelessness services (54%, compared with 59% in the broader client population). This shows that a higher proportion of the older homeless population who seek assistance are male, and could indicate that older females may be less likely to seek assistance from specialist homelessness services. There were fewer women among older clients in previous years as well, but the proportion of all older clients has risen (from 52% in 2011–12 and 2012–13 to 54% in 2013–14). Two-thirds of older clients were aged 55–64 (67%) and the remaining one-third were aged 65 or over.

For older clients in 2013–14, the most common main reasons reported for seeking assistance were 'Financial difficulties' (21%), 'Domestic and family violence' (17%) and 'Housing crises' (14%). However, older women were much more likely to report 'Domestic and family violence' as the main reason for seeking assistance than older men (AIHW 2014c).

People with complex needs

Recent analysis by the AIHW involved examining four cohorts of clients with complex needs who were known to be vulnerable to homelessness (AIHW 2014b). Clients with complex needs are those who often have mental health or drug and alcohol issues, and have histories of homelessness and emergency accommodation use.

The groups examined consisted of people who had presented to homelessness services and, respectively:

- were experiencing domestic and family violence
- were young people presenting alone
- were experiencing drug and/or alcohol use issues
- had a current mental health issue.

SHSC data were examined for these groups over a 30-month period from 2011 to 2013. In the two-and-a-half years from 1 July 2011 to 31 December 2013, SHS provided support to over 400,000 people. Some of these clients were at risk of losing their housing, and others had already become homeless when they sought assistance. The analysis covered the housing outcomes of over 94,000 clients in the four groups above that are known to be vulnerable to homelessness. The analysis revealed that:

- People who were more socially and economically disadvantaged had poorer housing outcomes across all four cohorts. These clients were more likely to be unemployed, had no income or were entirely reliant on income support payments. They also were more likely to have experienced homelessness in the past and tended to have more complex presenting issues. Those who had the poorest housing outcomes of all were those who were experiencing problematic drug and alcohol use.
- The majority of clients who were housed on presentation and who sought the support of homelessness services did not become homeless. Rates of housing retention over the analysis period were high across all four cohorts. The highest rate was among those with mental health issues (92% retaining housing) and for women experiencing domestic violence (87%).
- It takes considerable support by agencies to assist a person into housing once they have become homeless. Clients who presented homeless and were assisted into housing were supported for the greatest median number of days, receiving between 112 and 175 days of support.

This research also revealed high levels of clients with more than one type of complex need among those most vulnerable to homelessness, with over one-third (37%) of clients examined falling into more than one of the vulnerable groups.

People with disability

Homeless people with disability can experience disadvantage on many levels. They may have difficulty achieving sustainable housing due to limited accommodation which meets their specific needs (Beer et al. 2012).

The need to know how well government services are meeting the needs of people with disability led to the AIHW's development of a disability indicator. This indicator is designed to provide for more consistent identification of clients with disability in government services data collections, which are not specifically focused on disability.

From July 2013, disability questions have been included in the SHSC. These questions collect data about the extent to which long-term health conditions and disabilities may restrict a person's everyday activities in three life areas: self-care, mobility and communication. The questions are asked of all clients. Severe mental health conditions are also included as part of the disability indicator.

Based on clients presenting to SHS agencies in 2013–14, where disability status is known, an estimated 26,655 clients (10.5% of all clients) had a disability for which they required varying levels of assistance.

Impacts of being homeless

Homelessness affects individuals, families and communities throughout Australia. Being homeless can have a significant effect on mental and physical health, employment opportunities and general feelings of community engagement and belonging. These impacts become more acute for those who experience long-term or recurrent episodes of homelessness.

Physical health and homelessness

Recent research has shed further light on the relationship between health and welfare as it relates to housing difficulty and homelessness. In general, the health of the homeless population is poorer than the general population across a range of areas, including mental illness, substance abuse and overall health (Chigavazira et al. 2013; Johnson & Tseng 2014a, 2014b).

It can, however, be difficult to determine whether poor health is the cause of homelessness (making it difficult to maintain housing and aggravating health problems), or whether a person's health becomes poorer as a result of homelessness. The Journeys Home studies on homelessness, housing and health (involving a cohort of almost 1,700 homeless, at-risk and low-income households between 2011 and 2013) found that:

- poor health is often a consequence of homelessness rather than a cause
- poorest health is associated with homeless people living with no shelter (primary homeless)
- improvements in health occur when homeless persons become housed, with the most improvement achieved with sustained housing (after 12 months housed)
- the health of homeless people is not significantly worse than low-income housed people (who would be classified as at risk of homelessness) (Figure 7.4.3) (Johnson & Tseng 2014a).

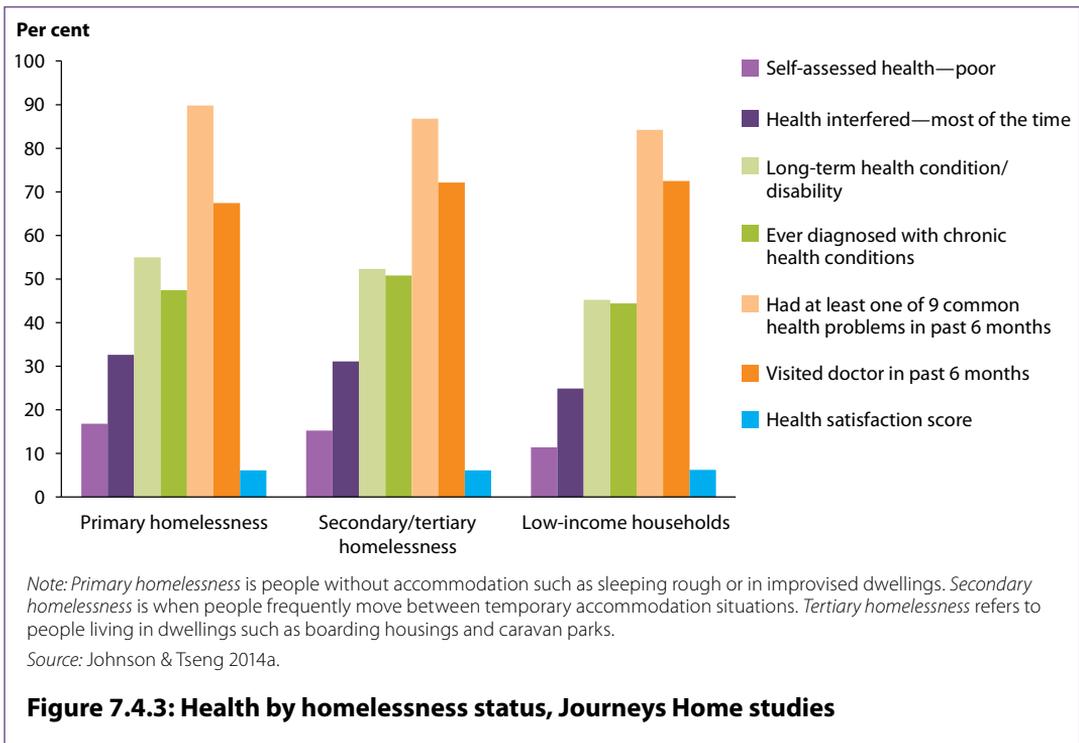
Mental health

Research undertaken by AIHW shows that people with a current mental health issue have increased vulnerability to homelessness (AIHW 2014b). But while there is a relationship between poor mental health and homelessness, it is not necessarily causal.

The Journeys Home study suggests the nature of the link between homelessness and mental health to be two-fold:

- mental illness develops in adolescence or early adulthood, and then several years later the person becomes homeless; or
- homelessness occurs relatively early, followed by a late onset of mental illness several years later (Johnson & Tseng 2014b).

When people with mental health issues have little or no family support, homelessness often follows. Once someone has become homeless, the presence of mental illness makes exiting homelessness more difficult.



Social support

There is a relationship between an individual's social connections and the onset and duration of homelessness. Development and maintenance of supportive family and friends can be a protective factor for those at risk of homelessness.

When examining the social support networks of the homeless, research can be contradictory. Studies which tend to focus on single adults who have been homeless over the long term suggest that the homeless are isolated from social contact and lack relationships of an intimate and personal nature (Johnson & Tseng 2014b). Conversely, longitudinal studies seem to indicate that homeless individuals often have structured social networks and point to the existence of a homeless sub-culture. However, these social networks are often referred to as generating 'negative social capital' (Hawkins & Abrams 2007). This may result in people not seeking out available assistance, particularly if their peers and those in their social networks do not. Recent AIHW research into cohorts vulnerable to homelessness found that of the vulnerable groups examined, those who remained homeless throughout the study period were supported for fewer days, indicating a more basic level of assistance aimed at meeting their more immediate needs rather than solving their longer term housing problems (AIHW 2014b).

While evidence from the Journeys Home research points to a complex relationship between homelessness and social networks, a number of patterns are apparent. They are:

- homeless people appear to have weaker social networks than others
- their interaction with existing social networks diminishes over time
- as mainstream social networks collapse, they are replaced by networks of other homeless people, often generating negative social capital.

Assistance for homelessness

There are many different forms of assistance that are available to people who are experiencing homelessness or find themselves at risk of becoming homeless. These services can be broadly classified as either:

- *mainstream services*, such as those that are available to the wider community, including health care facilities, aged care services, disability support services, housing services and other community-based services; or
- *specialist support services*, which target assistance to people who are already homeless or are at imminent risk of becoming homeless.

Clients of specialist homelessness services

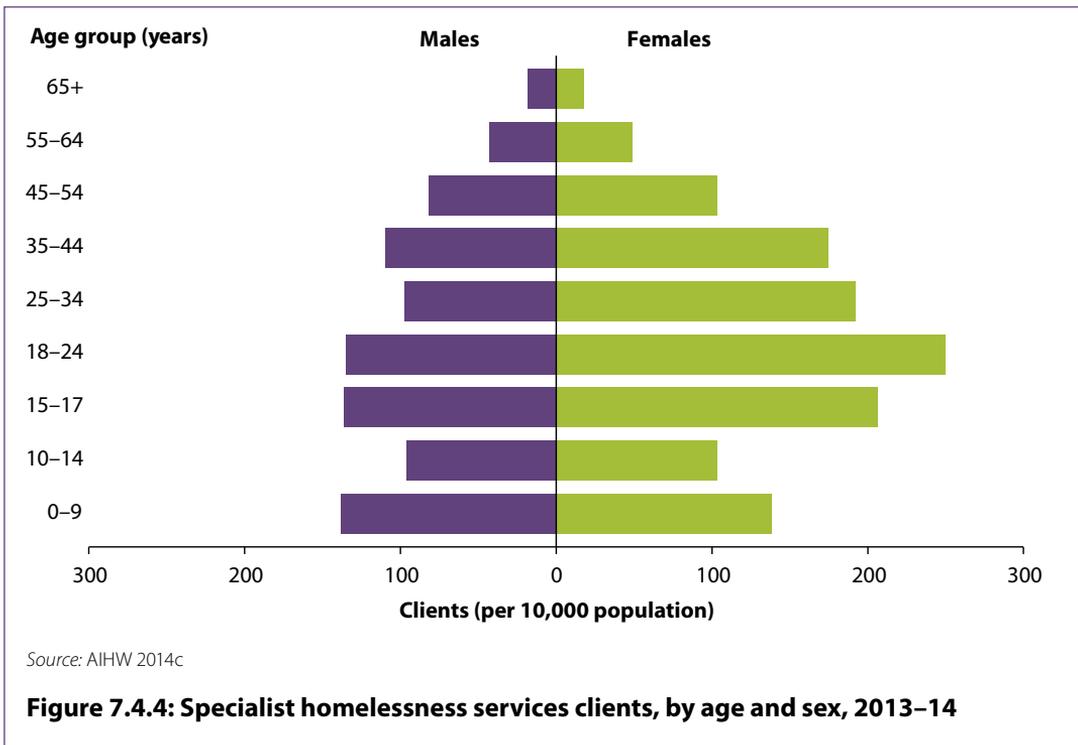
Clients who receive assistance from specialist homelessness services come from a range of different circumstances with a variety of reasons for seeking support. In 2013–14, around 254,000 clients accessed support through 1,500 Specialised Homelessness Services agencies across Australia, an increase of 4% compared with 2012–13 (AIHW 2014c). The 1,500 Specialist Homelessness Services agencies cover only services funded partly or wholly by governments under the National Affordable Housing Agreement and the National Partnership Agreement on Homelessness. There are other government and non-government services available to the homeless or people at risk of homelessness that are outside the scope of these agreements.

Not all homeless people seek assistance—they may have the resources or personal support to deal with the problem, be reluctant to ask for help, or are unable to find appropriate support services. This has been found to be particularly the case for the youth population who are predominantly ‘couch surfing’ and not accessing services (Chamberlain & Johnson 2011).

Specialist homelessness services agencies provide various types of support for clients—these are often focused around specific population groups such as young people, older people, people escaping domestic violence or those recently exiting custodial settings.

In general, the demographic characteristics of clients of homelessness services have changed little over the last 3 years. In 2013–14:

- The majority of clients continued to be female (59%). This represents a rate of 129 female clients per 10,000 females in the Australian population and 91 male clients per 10,000 males.
- More than one-quarter of clients were under 18, and 16% were under 10. Over one-half of all clients were aged 18–44 (54%) with the largest group being 25–34 years (19%) (Figure 7.4.4).
- Across all support periods, 50% of clients experienced at least one episode of homelessness in 2013–14 and 5% of clients experienced repeat homelessness in 2013–14 compared with 4% in 2012–13.



Not all people who seek assistance from homelessness services are homeless—more than one-half (55%) are classified as at risk of homelessness. Those who are at risk include people who are living in a house, townhouse, or social housing (excluding those who are couch-surfing or living with relatives as they do not have a home of their own). One of the main services provided to this group includes providing assistance to maintain their tenancy or prevent tenancy failure or eviction. In 2013–14, over one-third of clients at risk of homelessness (37%) needed this assistance, an increase from 33% in 2011–12 (AIHW SHSC unpublished data).

Housing outcomes

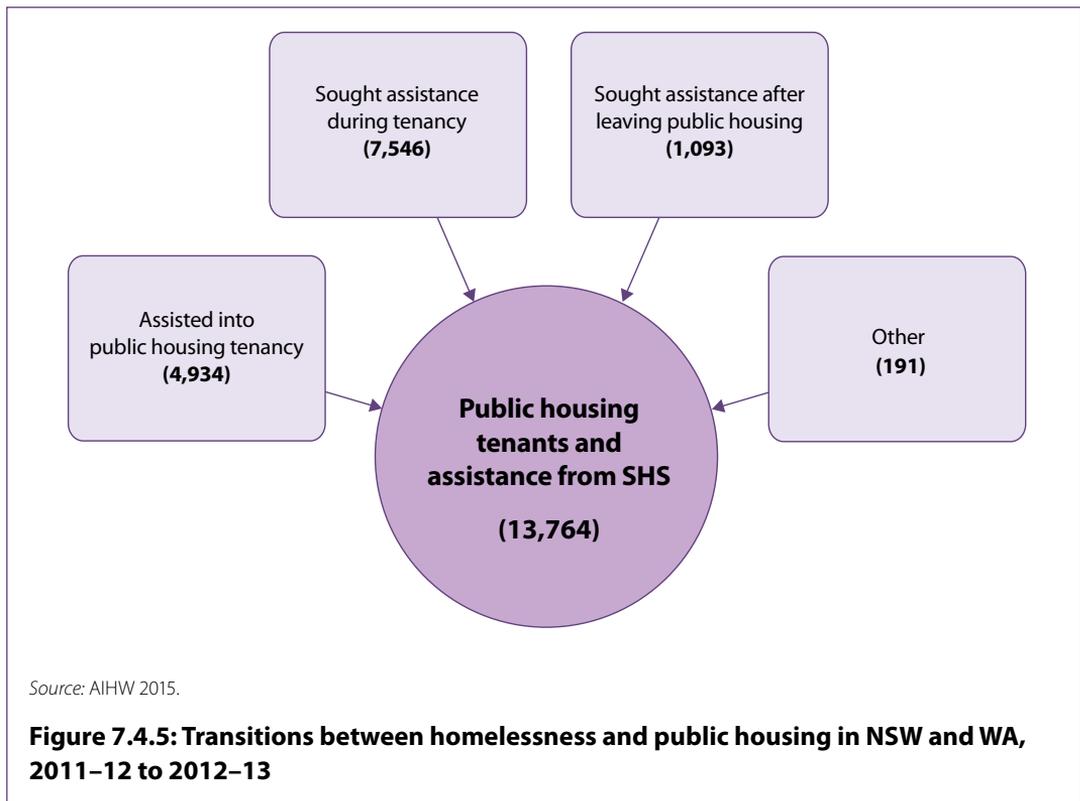
In 2013–14, the proportion of SHS clients who were considered homeless reduced from 43% at the start of support to 35% at the time of their last contact with the agency. Most of this reduction was driven by a large decrease in clients who were sleeping rough (from 12% to 7%) and in clients living with no tenure (from 15% to 11%).

In comparison, there was an increase in some forms of tenure over the course of support, including a large increase in clients living in public or community housing (from 14% to 21%). These trends demonstrate that by the end of support, many clients have achieved or progressed towards more stable housing.

To gain a better understanding of longer-term outcomes for clients, and specifically to gain an insight into the intersection of homelessness services and public housing programs, AIHW linked data from the SHSC to public housing data from New South Wales and Western Australia (see Box 1.1.3 'Data linkage—expanding the information base'). In the period 1 July 2011 to 30 June 2013, almost 14,000 adults (and around 5,000 children) were matched to both the SHSC data and the public housing data. Figure 7.4.5 shows the interaction between the SHS clients and public housing in New South Wales and Western Australia. Of the clients identified:

- around 7,500 sought assistance from a SHS agency during their public housing tenancy
- almost 5,000 public housing tenancies commenced following assistance from a SHS agency
- just over 1,000 sought SHS assistance after their public housing tenancy had ceased
- around 200 other clients were identified who were likely to have had complex interactions with the public housing and homelessness systems, including multiple periods of public housing and homelessness over the study period.

The data showed that retention rates for public housing tenancies across the study population were very high. Over 85% of tenancies during the 2-year study period were maintained successfully. Those who were unable to maintain their public housing tenancies had a higher need for drug and alcohol counselling services than those that were maintained (16% compared with 10%). They also had a higher level of need for assistance with trauma (15% compared with 12%) (AIHW 2015).



What is missing from the picture?

The ABS is working to improve the quality and coverage of data for people experiencing homelessness. This work includes:

- considering priority improvements to collection and estimation processes for the 2016 Census
- possibly collecting new content for the 2016 Census on topics such as long-term health conditions, which would allow long-term wellbeing and life outcomes to be investigated
- using culturally appropriate measures of homelessness for Aboriginal and Torres Strait Islander people in the 2014–15 NATSISS.

To help governments and homelessness service providers to better focus delivery of services, further information is needed on pathways into and out of homelessness, the longer-term outcomes of service users, and the level of effort and funding required to achieve the best outcomes.

Knowledge about homelessness and how it affects different groups in the community is developing all the time. For example, recent research under Journeys Home found that violence and trauma appear to be linked to housing instability and need further research (Scutella et al. 2014). The AIHW is actively contributing to this knowledge and understanding of homelessness by undertaking data linkage projects, examining study cohorts over extended periods and working with the research community to determine areas where further study is required.

Areas for further research include older people's experience of homelessness, understanding regional differences in homeless populations and the relationship between mental health, drug and alcohol problems, and homelessness.

Where do I go for more information?

More details on homelessness services are available in the AIHW publication [Specialist Homelessness Services 2013–14](#).

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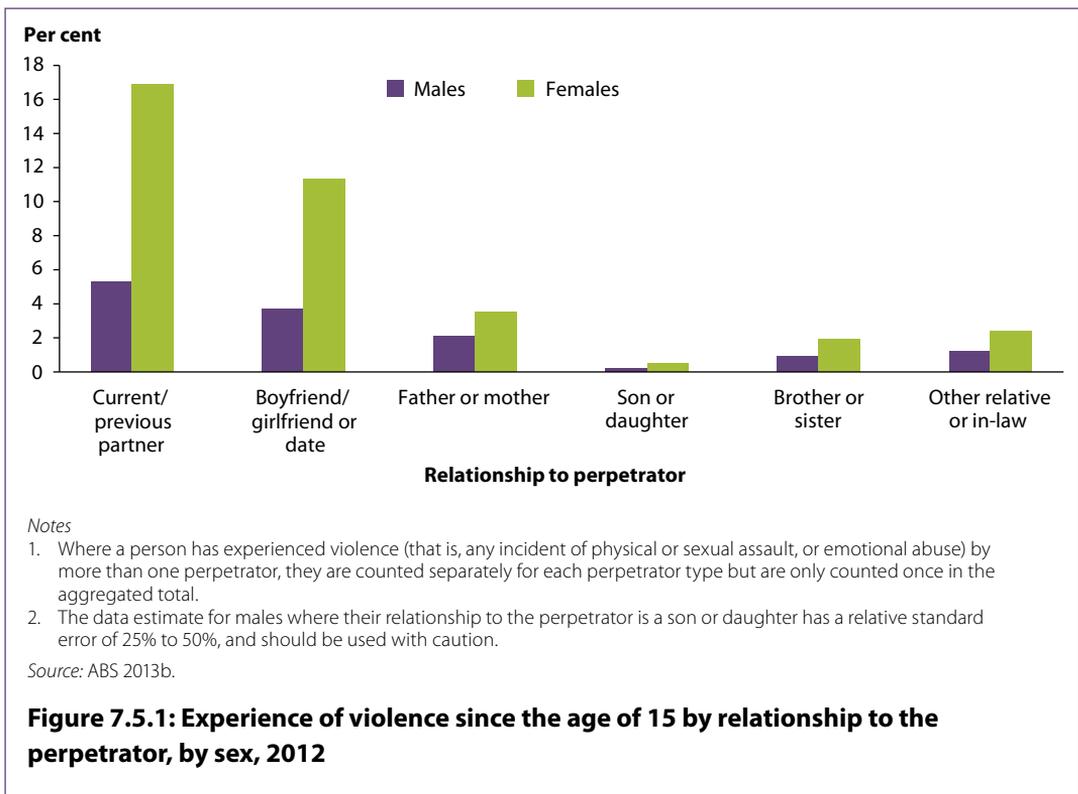
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7.5 Domestic and family violence

Domestic and family violence is intentional use of violence, threats, force or intimidation to control or manipulate a family member, partner, or former partner (ABS 2013a). Domestic and family violence includes ‘partner violence’, which is most commonly perpetrated by males against females, but it can also include violence against men by their female partners and violence within same-sex relationships (Phillips & Vandebroek 2014). Almost 2 million Australians have experienced partner violence since the age of 15 years, while just over 1 million Australians have experienced physical or sexual violence from another family member (ABS 2013b).

Who experiences domestic and family violence?

- In 2012, the vast majority of domestic violence was perpetrated against women. For example, 85% (51,500) of partner assaults were against women (ABS 2014).
- Of women who had experienced any kind of violence since the age of 15, 17% reported the perpetrator to be their current or previous partner. Some men also reported partner violence—around 5% in the same survey. Figure 7.5.1 shows that females are more likely than males to experience any incident of physical or sexual assault or threat from a partner or family member (ABS 2013b).
- In 2012–13, hospitalisations for family violence-related assaults reported by female Aboriginal and Torres Strait Islander Australians were 34.2 times the rate for non-Indigenous Australian females. Also, hospitalisations for family violence-related assaults reported by male Indigenous Australians were 28.3 times the rate for non-Indigenous Australian males (SCRGSP 2014).



Impact of domestic and family violence

Domestic and family violence affects not only individuals but the broader community, placing an enormous burden on services, hospitals and the criminal justice system.

- Domestic and family violence, including sexual assault, costs Australia \$13.6 billion each year, with the cost projected to rise to \$15.6 billion by 2021 (KPMG 2009).
- Domestic and family violence is the leading cause of homelessness for women and children. In 2013–14, 22% of all clients (55,535) seeking support from specialist homelessness services were women and girls 15 years and over escaping domestic and family violence. A further 9% (22,421) were children 14 and under (AIHW 2014).
- In 2009–10, there were 2,847 hospital admissions recorded across Australia due to assault by a partner, 83% of which involved a female patient (AIHW 2012).
- Of the 510 homicide incidents from 2008 to 2010 in Australia, 36% were domestic homicides, of which 122 (68%) were at the hands of an intimate partner. Almost 3 in 4 (73%) victims killed by an intimate partner were female (Chan & Payne 2013).
- A VicHealth commissioned study on the burden of disease resulting from partner violence found that partner violence was the leading preventable contributor to death, disability and illness in Victorian women aged 15–44, being responsible for more of the disease burden than many well-known risk factors (VicHealth 2004).

Government responses

- The Commonwealth Government coordinates and funds national programs targeted at reducing violence against women. It also provides funding for several statistical surveys that include estimates of the levels of violence experienced by women across the country (Phillips & Vandenbroek 2014).
- The National Plan to Reduce Violence against Women and Children 2010–2022 sets out a framework to coordinate action across Commonwealth, state and territory governments to make ‘a significant and sustained reduction in violence against women and their children’ (COAG 2012).
- The National Research Organisation for Women’s Safety was established under the National Plan (described above) to develop a cohesive and comprehensive national evidence base to contribute to action to reduce violence against women and their children (see www.anrows.org.au).
- The Australian Law Reform Commission’s report *Violence and Commonwealth laws—improving legal frameworks* was released by the Attorney-General, recommending ‘a number of specific actions and legislative changes to be implemented by responsible departments’. The report recommends improvements to relevant legal frameworks to protect the safety of those experiencing family violence (Department of Human Services 2012).

What is missing from the picture?

- There is no complete picture of the cost and impact, including the burden of disease, caused by domestic and family violence.
- Differences among states and territories in the organisation and delivery of specialised domestic violence services, and the absence of a national domestic violence data set, make it difficult to provide a comprehensive overview of service provision in Australia.
- There are also deficiencies in the availability of statistics and research on the extent and nature of family violence in Indigenous communities.

Where do I go for more information?

More information on victims of domestic violence is available at www.aihw.gov.au/homelessness and from the ABS reports *Crime victimisation, Australia, 2012–13* and *Personal safety survey, Australia, 2012*.

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8



Indicators of Australia's welfare

8.0 Introduction..... 344



8.1 Indicators of Australia's welfare..... 345



8 Indicators of Australia's welfare

8.0 Introduction

Australia does not have a nationally agreed set of main or key indicators for reporting on Australia's welfare.

Previous editions of *Australia's welfare* have reported against sets of welfare indicators. In this edition we have chosen to take a new look at measures that best capture the depth and breadth of the welfare system, and the wellbeing of the community more generally. As such, this chapter proposes a new reporting framework and indicator set that could provide the basis for future comprehensive, contemporary reporting.

The proposed framework has 5 'domains'—wellbeing, determinants, welfare system performance, other sectors, and context factors. We have recommended associated indicators for each domain—and reported data for them where available—although we have not chosen wellbeing measures; our focus, for this first presentation of a new indicator framework for Australia's welfare, is on the performance of the welfare system, and its role in contributing to population wellbeing.

The 'determinants' domain focuses on factors that influence demand for welfare services—for example, household income, family cohesion, and social connectedness.

The 'welfare system performance' domain reports on the extent to which services, supports, payments and interventions contribute to achieving better welfare outcomes for Australians. Proposed indicators include long-term unemployment and youth unemployment rates, and waiting times for social housing.

The 'other sectors' domain recognises the influence of sectors such as health and education on the welfare sector and wellbeing. Indicators in this domain include access to primary care practitioners and young people not in education, employment or training.

The 'context' domain proposes indicators that will assist people to interpret data for the other indicators, and covers sociodemographic factors such as population size and growth, ageing, migration, and general economic conditions.

This proposed framework and initial indicator set highlight the need for improved cross-sectoral reporting, to inform the nature and extent of multiple disadvantages and the effectiveness of coordinated support.

As this is a first iteration of a suggested new framework, it may not be comprehensive in summarising Australia's welfare—we would therefore welcome any comments or suggestions for improvement.



8.1 Indicators of Australia's welfare

Introduction

In this chapter we aim to summarise the performance of the welfare system by presenting a provisional set of measures of performance in the form of statistical indicators (see Box 8.1.1).

A challenge at the outset of this exercise is defining what the welfare system is. Many of the issues associated with settling on a definition are discussed in Chapter 1, and are not repeated here. Rather, we simply present here for convenience the essence of the welfare system as summarised in that chapter, namely:

‘the set of supports, services and payments that Australian society—in part through their elected governments—has chosen as acceptable investments to improve the wellbeing of Australians in need, largely by enhancing capabilities and opportunities for people to participate economically and socially.’

Currently, Australia does not have a nationally agreed set of indicators for reporting on the overall performance of the welfare system. This chapter attempts to meet this need by proposing a reporting framework and indicator set that could provide the basis for an enduring framework for future reporting.

Presenting a chapter of indicators is not new for an *Australia's welfare* report, having been introduced in 2001 (AIHW 2001) and reported in most editions since. What *is* new in this edition is that we have taken a fresh look at what measures best capture the depth and breadth of Australia's welfare system. We have looked at the aspects of wellbeing that inform how life is going for those who need and/or receive welfare services, and for all Australians more generally. We aim to build on earlier indicator sets where much less attention was paid to the activities and outcomes of the welfare services ‘system’, and how the system contributes to overall population wellbeing—along with informal supports, other non-welfare service sectors, and broad sociodemographic influences.

In the context of developing a set of performance measures, it is worthwhile underscoring that the welfare system comprises multiple service providers across government, not-for-profit and for-profit sectors, and that programs involving non-government providers are invariably purchased or underwritten by governments through program grants, subsidies, or other forms of funding. So, although the scope of this exercise covers the performance of all providers in the system, given the dominance of government, and the particular interest of governments in performance reporting, the indicators and data largely reflect the role of governments in the welfare system. Another emphasis we have applied in developing this framework is on the role of the welfare sector in providing support services to people in need, rather than its role in redistributing income (see Chapter 1 ‘Welfare in Australia’ for further discussion of the roles of the welfare system).

The statistical framework introduced here does not purport to *explain* the relationships between components of the framework (in a cause-and-effect manner—that is the realm of evaluation studies), but *acknowledges* that welfare is multifaceted (it has lots of aspects) and multifactorial (it has lots of contributors). And with that acknowledgment, we have selected indicators that cast a spotlight on the delivery of welfare services and payments, the outcomes that arise from that, and the determinants of welfare demand (and to some extent wellbeing). And because the welfare system works in concert with other sectors, we also acknowledge the contribution of those sectors to overall wellbeing, and consider some of the main contextual factors that encompass Australian society.

The selected indicators and their groupings presented here represent the initial efforts of AIHW staff and selected reviewers. We have taken just the first few steps, and accordingly welcome feedback on the overall approach, on the number and grouping of indicators, and on specific indicators. Comments can be provided to the time-limited e-mail address <welfare-indicators@aihw.gov.au>.

Box 8.1.1: Using indicators to improve outcomes

An indicator is simply a number, rate, ratio, percentage, index, or other measure that summarises an aspect of the subject matter at hand. It could be presented as a time series, and when split by sub-populations or sub-components of the measure can show variations across groups. When produced repeatedly over time, indicators can show how conditions are changing for better or worse.

Indicators are commonly used in assessing the performance of programs or providers, so can be used to improve service delivery, or in informing issues of community interest; however, there is not a one-to-one relationship between indicators and performance reporting. Indicators generally need contextual information to aid interpretation, especially where the results may be counter-intuitive, for example where targeted assistance results in more people wanting assistance.

Performance measurement is integral to improving services provided by governments and other providers. What is measured reflects what is important to the community at large, to governments, to service providers, and to the funders of the services (including taxpayers), as well as to consumers and other stakeholders. Benefits of performance measurement include:

- improved accountability and transparency of service provision to the public, which can be used to create incentives for improved service delivery
- better information on the effectiveness of changes to policies, practices or programs, as the same measures are reported over time
- providing the community with an understanding of the availability, quality and effectiveness of services in a particular sector.

Overview of indicator-based reporting activities in the welfare sector

There is already a rich supply of indicator-based welfare data available at local, state, national and international levels. This section provides an overview of selected reporting activities, prior to introducing the case for an integrated framework that spans service-level performance through to population-level wellbeing.

National performance reporting

There are numerous national performance reporting activities covering the welfare system through which the Australian Government and the state and territory governments provide program and related information—associated data are often collected from front-line services. These reporting activities mostly relate to strategies or agreements underpinned by the Council of Australian Governments (COAG); the associated monitoring frameworks typically use indicator data to present information on the progress of the initiative. A current example is the National Disability Strategy, reporting through the *National Disability Strategy 2010–2020 report to COAG* (DSS 2013).

Another part of the national reporting arrangements is through the Productivity Commission's Review of Government Services. Information on the equity, efficiency and effectiveness of government and government-funded services is released in the annual *Report on government services* (RoGS). The 2015 edition of RoGS includes chapters on aged care services, services for people with disability, child protection, youth justice services, housing and homelessness services, and more. RoGS publications are based on performance indicators set against a framework that reflects the Review's focus on outcomes, consistent with government demand for outcome-oriented performance information. This information is supplemented by information on outputs, grouped under 'equity', 'effectiveness' and 'efficiency' headings (SCRGSP 2015).

National wellbeing reporting

As noted earlier, most editions of *Australia's welfare* from 2003 onwards have included data in indicator form, covering the 'welfare components' of healthy living, autonomy and participation, and social cohesion.

Around the same time as this AIHW reporting commenced, the Australian Bureau of Statistics (ABS) released a working paper on measuring wellbeing, which laid the groundwork for their *Measures of Australia's progress* (MAP) reporting that commenced in 2002 and has been updated each 2–4 years since. The current MAP framework—which was revised during 2011–12 and reported in 2013—covers the four domains of society, economy, environment, and governance (ABS 2014d). Please note, however, that at the time of writing, the ABS had discontinued this activity.

International wellbeing reporting

The Organisation for Economic Co-operation and Development (OECD) commenced reporting on a set of social indicators for member countries in 2001, in a compendium report called *Society at a glance* (OECD 2001). In 2011, the OECD released a new report on wellbeing indicators, called *How's life?: Measuring well-being* (OECD 2011), which has since been updated (OECD 2013). This work flowed from a series of international forums on measuring societal progress, and was heavily influenced by the final report of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz et al. 2009), which was commissioned by the President of France to inform the global debate on such measures. The *How's life?* indicator framework groups wellbeing indicators into the two broad dimensions of *material living conditions* and *quality of life*, and includes a third dimension on *sustaining wellbeing*.

Another source of international comparative data on overall wellbeing is the United Nations Human Development Index, or HDI. This index combines life expectancy, education levels and national income to present a composite index of human development. A set of related indices provide information on other aspects of human development, such as gender inequality (UNDP 2015).

In a similar vein, the World Bank produces a compendium of data under the title *World development indicators*. It covers the following topics: world view, people, environment, economy, states and markets, and global links (World Bank 2015).

Spanning the divide between performance and wellbeing reporting

As can be seen from this brief overview of current indicator-based reporting activities, no single activity or set of activities covers the entire spectrum of topics relevant to the question 'What is the state of Australia's welfare'. Hence we propose an integrated framework that covers a broader range of topics, and focuses simultaneously on service performance and overall population wellbeing. This approach is further described in the following sections.

A conceptual framework for Australia's welfare

As the rest of this report has amply illustrated, the welfare system is a complex web of services, payments, sociodemographic influences and other factors outside of the welfare 'system'. In this section, we represent this system in the form of a conceptual framework. The purpose of this is to express the system in terms of qualitative assumptions about its elements, their interrelationships, and the 'boundaries' of the system. This is a prerequisite to presenting an indicator framework in the next section.

The first biennial report in this series—*Australia's welfare 1993*—included a conceptual framework that showed the interrelationships between social conditions, welfare services and assistance, and the outcomes of these interventions, and noted that there was a loop from these outcomes back to social conditions (AIHW 1993). The original reporting against this conceptual map was confined to welfare services and assistance statistics, but recognised that each element can be affected by external influences such as general economic policies, environmental factors, and international events. There was less recognition of the role of determinants or risks at the individual or community level, and the role of other service sectors (such as health or education) in improving welfare outcomes and social conditions more broadly.

The conceptual framework shown at Figure 8.1.1 builds on this original map. It recognises the essential role of welfare services in producing welfare outcomes, but is also cognisant of the many other factors that contribute to both welfare and wellbeing outcomes (and of welfare outcomes in turn contributing to wellbeing outcomes). The framework also acknowledges the importance of contextual factors such as sociodemographic trends (population ageing, immigration patterns), policy settings that direct welfare expenditure and workforce development, and general economic conditions.

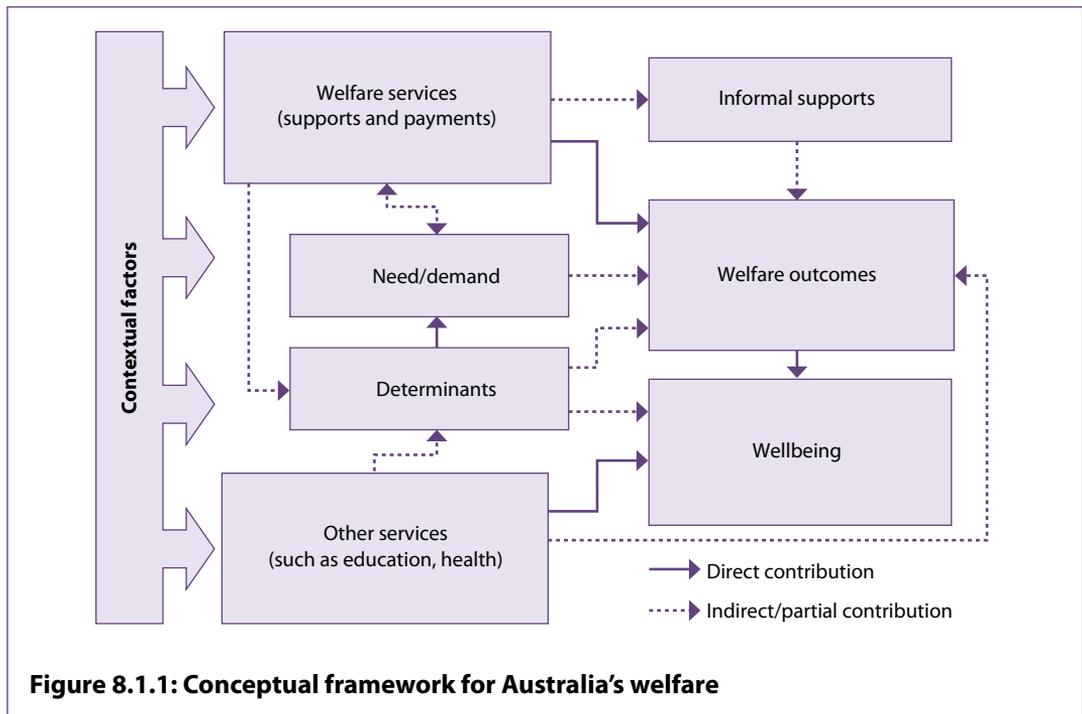


Figure 8.1.1: Conceptual framework for Australia's welfare

Central to the dynamic interactions of people with welfare services is the role of determinants; that is, risk and protective factors that increase or decrease the likelihood of a person requiring welfare support. Further, literature on the social determinants of health, and the notable work of the World Health Organization Commission on the Social Determinants of Health, suggest that these determinants have a role in influencing wellbeing status.

For many determinants, the action can be in both directions. For example, strong family cohesion contributes directly to wellbeing, and may also protect family members from requiring welfare services because the family is a source of support (physical, emotional, financial, and so on). On the other hand, family breakdown may lead to a family member requiring welfare system support, for example shelter and income supplementation.

Another interaction of the welfare system with determinants is the part that capacity-building and other early interventions play in boosting the ability of individuals, families and communities to better meet their own needs. For example, programs that help people with disability to maintain their housing tenancy can lead to more secure long-term housing arrangements and greater independence, and thereby lessen demand for welfare support.

An indicator framework for Australia's welfare

An indicator framework is a tool used to support statistical measurement, data analysis and analytical observation (ABS 2001). It has these functions: to 'map' the area of interest; define the scope of investigation; describe the important concepts; and organise these into a logical structure. Each component in the framework represents an area for which data are useful to assess progress and inform service improvement.

The key challenge in designing a statistical framework is bridging the gap between the conceptual/structural elements of the system (to which the framework relates) and what is meaningfully measurable and reportable. For example, if we acknowledge that in the welfare services field there are several contextual factors that contribute to, or aid in the interpretation of, wellbeing outcomes, then the challenge is to define a suitable subset of measures of each context that will be meaningful to the overall objective of summarising welfare system performance.

Defining the purpose of the indicator framework is critical to getting its scope and detail right: a framework that is 'all things to all people' is at risk of doing nothing for anyone. For example, if the purpose is to enable service providers to learn through peer comparisons how their performance could be improved, then the framework would focus on service-level measures covering inputs, outputs and outcomes, and would have little or no coverage of broader population measures and determinants.

On the other hand, if the purpose is to help governments and communities to see which population groups are disadvantaged in terms of achieving overall wellbeing, then the framework would need to include a range of high-level outcome measures (able to be disaggregated by sub-populations), and would pay less attention to service-level activity and outcome measures.

The core purpose we propose here is to *summarise the performance of the welfare system*.

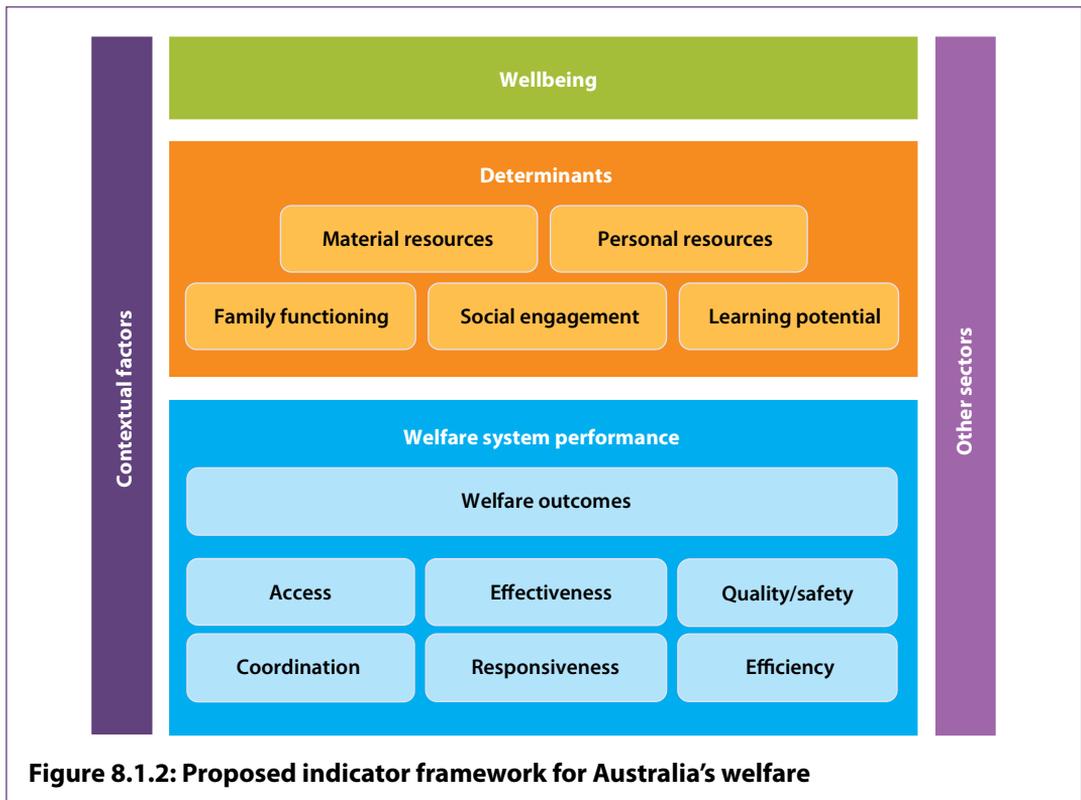
Accordingly, the framework categorises important aspects of performance of the welfare services system, and gives clues as to how the performance of that sector, in collaboration with other service sectors, and in the light of a range of contextual factors, contributes to population-wide wellbeing.

Several national and international frameworks and indicator sets were analysed to determine criteria for developing the new framework. Some common attributes of effective and robust statistical frameworks were: being logical in structure; comprehensive but concise; being sensitive to inter-relationships between aspects of the system; and being consistent with other frameworks, classifications and standards.

The National Health Performance Framework (NHPF) was chosen as a model on which to base a revised welfare indicators framework, for several reasons:

- The 3 core domains of status, determinants/risks and system performance have broader applicability to sectors other than health.
- Given the integral links between health and welfare, having complementary frameworks for both sectors provides a new opportunity to compare and contrast data across these sectors.
- The NHPF is closely aligned with well-regarded international frameworks for health sector performance.

However, this draft welfare performance framework includes three substantive changes to the structure of the NHPF that reflect the broader conceptual framework shown in Figure 8.1.1. Namely, there are two domains covering 'Other sectors' and 'Contextual factors', respectively, and there is a 'Welfare outcomes' sub-domain within the welfare system performance tier to strengthen the focus on welfare outcomes arising from welfare interventions. Factors in the 'Other sectors' and 'Contextual factors' domains can directly affect wellbeing, as well as interacting with need for and performance of welfare services. The framework is shown in outline form in Figure 8.1.2, and a general description of the domains is in the next section.



In proposing this framework and its constituent indicators we need to:

- ensure that the framework is consistent with the AIHW's legislative mandate to report on specific welfare services
- accommodate the different welfare services sectors, while also noting the interactions among them
- keep the focus on the individual/family/community, but aggregate to populations for practical reporting purposes
- understand the degree and nature of external influences on demand for welfare services, and on welfare and wellbeing outcomes
- be sensitive to potential controversy when attributing outcomes to welfare system performance
- be realistic about the lack of existing data (in terms of coverage and quality).

The scale of the welfare system, combined with the need to keep an indicator set to a manageable size, means that most indicators serve as *sentinel* indicators for the topic they represent—that is, they convey a high-level reading of the topic rather than a detailed or in-depth report on it. Indeed, this is the role of most statistical indicators: to highlight the results in an area of interest and assist people to ask useful questions about why the result is as it is.

Domains of the welfare performance framework

Wellbeing

This domain covers the social conditions and other aspects of people's lives that people consider to be reflective of a 'good life'. Like the *Measures of Australia's progress* and *How's life?* frameworks, this domain might include measures of wellbeing covering health, material living conditions, social interactions, and learning and working. There is a high degree of international consensus that measures of this type are important to people in terms of what constitutes a good life (OECD 2014).

Focus questions relevant for this domain are:

- What is the wellbeing of Australians?
- Is it the same for everyone?
- Is it getting better or worse?

Although we have included a wellbeing domain in this first version of the welfare performance framework, we have not, for now, included any wellbeing measures. We have chosen to focus instead on summarising the performance of the welfare services system, which aligns with the AIHW's charter for reporting on welfare, and, as suggested earlier in this chapter, is the core purpose of the framework.

That is not to say that aspects of wellbeing are not important—the two wellbeing frameworks referenced above bear witness to that in that they are of global interest. Rather, wellbeing measures are out-of-scope in the context of assessing how the activities and outputs of the welfare system produce welfare outcomes, given certain determinants of welfare service demand.

Determinants

This domain focuses on those factors that influence demand for welfare services; that is, the risk factors for needing welfare support. But as discussed above, for some determinants this focus is simply the 'flip side' of what might otherwise be a protective factor; that is, a factor that contributes to overall wellbeing.

Many of the determinants proposed in this indicator set align with factors that influence a person's risk of experiencing disadvantage, as explained in the Productivity Commission Staff Working Paper, *Deep and persistent disadvantage in Australia* (McLachlan et al. 2013). This paper highlights a particular role of the welfare system—that of providing a 'safety net' for those who may experience disadvantage on a short- or long-term basis.

Australia's welfare system also functions to redistribute resources, particularly through income support payments, supplements and tax concessions, and while determinants interact with this function, the stronger focus in this framework is on the nature and extent of disadvantage that influences welfare demand.

Focus questions relevant for this domain include:

- How are social conditions affecting the demand for welfare services?
- How do these factors vary across population groups?

Of all of the domains in this framework, this one is arguably the most debatable with respect to whether an indicator should be located here or in another domain. We chose to *include* an indicator in this domain based on effectiveness of the concept in predicting the risk of requiring welfare support. To *exclude* an indicator, we thought that not only did it lack the attribute of predicting risk, but that it had a greater role in illustrating an aspect of another domain. To an extent, however, as long as the relevant data are reported and available for analysis and commentary, it is not critical where an indicator is placed in the framework.

Welfare system performance

This domain reports on the extent to which the major services, supports, payments and interventions comprising the welfare system contribute to achieving better welfare outcomes for Australians. This domain comprises 7 sub-domains. Importantly, given the current policy focus on welfare outcomes, it is included as an integral sub-domain, rather than as a domain external to the welfare system. The other 6 sub-domains here closely match those of the NHPF, and cover various aspects of performance that contribute to welfare outcomes.

Focus questions relevant for this domain include:

- How well is the welfare system performing to meet its objectives?
- In what ways does performance vary across providers?
- In what ways do performance or outcomes vary for different recipient groups?

Other sectors

This domain recognises the contribution of other sectors to the demand for, and outcomes of, welfare services, and to wellbeing more generally. Arguably, the health and education sectors make the greatest contribution, but other sectors, such as law enforcement and emergency services, are also influential. By design, there is only one indicator from each of these other sectors, pitched at the 'performance' aspect, and serving as a headline or sentinel indicator for the whole sector. Given the limited scope of reporting in this domain, we have chosen not to use focus questions for it.

Contextual factors

This domain provides broad contextual information that is expected to aid in the interpretation of other indicators, and overall performance. It covers major sociodemographic factors, such as population ageing and migration, and general economic conditions. We have chosen not to use focus questions for the limited reporting in this domain.

Selecting indicators

In selecting indicators for the framework, we consider that they must:

- be relevant to policy/program delivery and improvement (including performance improvement)
- be technically robust (for example, valid, reliable, sensitive, unambiguous)
- be understandable
- be feasible to measure
- lead to action.

Many of the performance indicators proposed in this framework (see Table 8.1.1) are already in use under current national reporting arrangements. Welfare indicators used internationally, for example the OECD Social Indicators (OECD 2014), were also considered and included where applicable.

The indicators selected are not necessarily definitive, nor in all cases do they comprehensively cover every component of a dimension. Many are also 'sector specific', with limitations in showing complex interactions across different sectors.

In some cases, reviewing several indicators across different sectors of the framework will demonstrate more comprehensively the interactions and connections between different aspects of the welfare system (see Box 8.1.2).

Box 8.1.2: Using multiple indicators to tell a story

One of the benefits of selecting and reporting a range of indicators is that corroborating storylines can emerge from the results, particularly when robust time series data are available. As an example, the widespread effects of the global financial crisis on aspects of the welfare system were recorded in various statistical collections. The impacts of this major ‘shock’ on the Australian economy and Australian society are reflected in some of the welfare-related indicators presented in the second part of this chapter, and illustrates the usefulness of reporting across a range of indicators to understand the connections between different aspects of the system.

At the start of the crisis, net disposable income (summed across all sectors of the economy) fell for four successive quarters (Figure 8.1.44). With the reduced economic growth, and the welfare payments component of the Government’s stimulus packages, the ratio of welfare expenditure to both gross domestic product (GDP) and tax revenue went up in 2008–09 (Figure 8.1.42). And finally, there were unfavourable employment statistics, in terms of jobless families and youth unemployment (figures 8.1.21 and 8.1.23). These results are summarised for the period July 2007 to June 2011 (or closest corresponding period) in Figure 8.1.3.

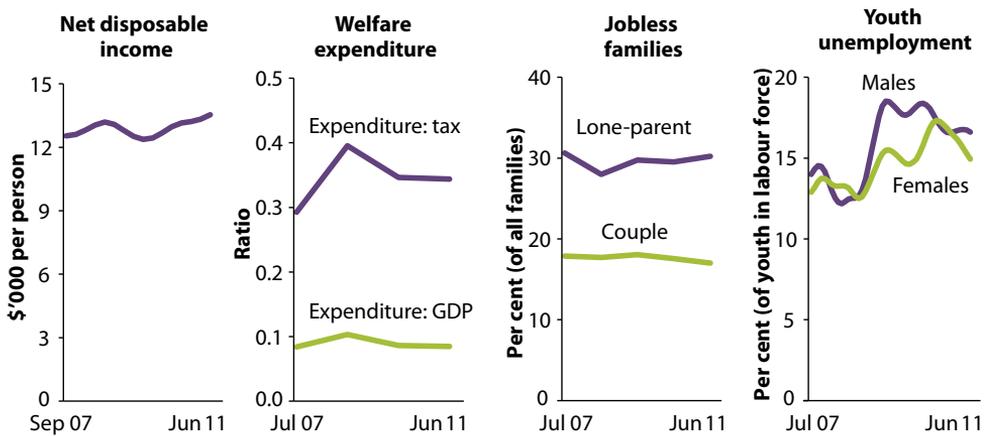


Figure 8.1.3: Effects of global financial crisis as seen in selected welfare-related indicators, 2007–08 to 2010–11

Over time, better indicators could be selected after appropriate consultation and refinement of the concepts, and after receiving input on which aspects of the welfare system should take priority in terms of monitoring and reporting.

A note on attributing welfare outcomes to the welfare system

As noted earlier, and shown in other parts of this report, the welfare system is complex; accordingly, attributing welfare outcomes to particular components of the system is very difficult. Attribution is further complicated by the dynamic nature of welfare services provision and receipt, in that people may come in and out of contact with welfare services over time, or have temporary and short-term needs adequately met, or have long-term support arrangements in place.

However, unattributed welfare outcome measures, as *indicators* of the aggregate activity of the welfare system, are useful for highlighting how things are getting better or worse for welfare recipients and can give useful insights into performance at a program level if not at a provider/specific service level.

Proposed indicators

Table 8.1.1: Proposed indicators of Australia's welfare performance

Domain/ sub-domain	Indicator (summary form)	Rationale for inclusion	Comment
Wellbeing			
	(No indicators selected for <i>Australia's welfare 2015</i>)		See discussion on page 352.
Determinants			
Material resources	<i>Household income</i>	Household income is used to purchase goods and services such as food, clothing, housing, transport and medical care. A lower purchasing power results in a lower material standard of living and greater risk of experiencing economic hardship.	A complement to household income is household wealth, which can provide alternative security in times of need.
	<i>Access to emergency funds</i>	The inability to access funds in an emergency is a sign of financial vulnerability, and therefore indicates risk of requiring welfare support.	
	<i>Housing security</i>	The ability to maintain tenancy in housing of a satisfactory standard contributes directly to wellbeing, and reflects adequate financial resources.	No data; no proxy.
Personal resources	<i>Psychological resilience</i>	Psychological resilience refers to an individual's ability to adapt to stress and adversity, in other words, cope with life's hardships. Lower resilience is associated with poorer outcomes, for example lower resilience in children is a risk for behavioural problems and poorer learning outcomes.	Proxy used: psychological distress.

continued

Table 8.1.1 (continued): Proposed indicators of Australia’s welfare performance

Domain/ sub-domain	Indicator (summary form)	Rationale for inclusion	Comment
	<i>Functional status</i>	The extent to which people can function or participate in everyday life is a core contributor to wellbeing. If functioning is limited, such as with disability or with increasing frailty due to old age, the need for informal or formal supports increases.	Proxy used: self-assessed health status. Proxy used: disability prevalence.
Family functioning	<i>Family cohesion</i>	The relationships and operational links between family members are critical to wellbeing. On the other hand, family breakdown puts individuals at significant risk of needing welfare support.	
	<i>Partner violence</i>	Partner violence is a factor in family breakdown, and can affect the physical, mental and reproductive health of those who experience it. Family breakdown in turn puts individuals at significant risk of needing welfare support.	
Social engagement	<i>Social connectedness</i>	Interactions between people build trust and reciprocity, contributing to wellbeing. Access to support beyond a person’s own household provides a sense of security, and represents a safety net for people in a time of crisis.	
	<i>Adults who volunteer</i>	The contribution of volunteers to a variety of organisations helps to build social networks, increases shared values and strengthens social cohesion. By volunteering, individuals can become more outwardly focused, leading to a decrease in social isolation, greater social connections and the promotion of good mental health.	Volunteers also contribute to the informal care sector.
	<i>Broadband internet access</i>	Broadband internet access supports a person’s active engagement socially and economically in an increasingly digital society.	Proxy used: proportion of <i>households</i> rather than proportion of persons.
Learning potential	<i>School readiness</i>	When children transition to school already equipped with basic skills for life and learning, they have higher levels of social competence and academic achievement, which in turn increase the likelihood of achieving their potential. For disadvantaged and vulnerable children and families, targeted early intervention positively influences social and economic outcomes.	

continued

Table 8.1.1 (continued): Proposed indicators of Australia's welfare performance

Domain/ sub-domain	Indicator (summary form)	Rationale for inclusion	Comment
	<i>Year 12 attainment</i>	Completion of Year 12 (or equivalent training qualification) provides the foundation for successful entry into the workforce, for successful transition to independence, and for full participation in society. For most Year 12 school-leavers, it is a pre-requisite for higher education.	
Welfare system performance			
Welfare outcomes	<i>Homelessness rate</i>	Homeless people are among the most marginalised people in Australia. Not having adequate stable housing makes it difficult to participate productively in society, and is associated with negative personal and social outcomes.	
	<i>Low income households in housing stress</i>	Households that pay high proportions of their household incomes to meet their housing needs are at risk of not having the financial resources needed to participate fully in society.	Declining rates may be indicative of successful interaction of income support and housing programs (including rent assistance).
	<i>Indigenous households living in overcrowded conditions</i>	Due to relatively low incomes, lower rates of home ownership and higher rates of homelessness, Indigenous Australians are more likely to live in overcrowded conditions compared with other Australians. Reducing overcrowding for Indigenous households has been linked to positive health, education and family outcomes.	
	<i>Labour force participation for people with disability</i>	A large portion of people with disability have an employment restriction—meaning they are restricted in the type or amount of work they can do, or need special assistance in the workplace; hence they need specific support to participate in the labour force.	
	<i>Social participation for people with disability</i>	Many people with disability are restricted in their social participation because of mobility or communication limitations, for example; hence they need specific support to participate socially.	
	<i>Jobless families</i>	Jobless families are at risk of economic disadvantage and reduced social opportunities, and these in turn may impact on the wellbeing of the family members.	

continued

Table 8.1.1 (continued): Proposed indicators of Australia’s welfare performance

Domain/ sub-domain	Indicator (summary form)	Rationale for inclusion	Comment
	<i>Long-term unemployment rate</i>	Long-term unemployment puts a person at significant risk of economic hardship, and makes it harder for them to return to the workforce due to erosion of networks, skills and motivation.	
	<i>Youth unemployment rate</i>	For a young person in the formative period of their lives, not having work places them at risk of being financially disadvantaged and disconnected from society.	Note that youth unemployment needs to be considered in conjunction with young people attending education or training.
	<i>Older people with care needs supported</i>	Most older people express a desire to stay in their home for as long as possible, and even to die there. Accordingly, appropriate and sufficient support services can be needed to meet their care needs as they become increasingly frail.	
	<i>Underemployment of parents receiving child care benefits</i>	Appropriate and affordable child care reduces the barriers for parents with young children to fully participate in paid employment.	Note that other factors (such as availability of suitable work) influence whether parents of young children can be employed to the extent they wish. Proxy used: Children aged 0–12 years for whom additional formal child care was currently required for mainly work-related reasons.
	<i>Safe return home for children in out-of-home care</i>	For some children placed in out-of-home care, the best long-term outcome is for them to return home after their parents’ skills and capacity to care for them have improved.	No data; no proxy. This indicator could be complemented by an indicator for stable permanent placement.

continued

Table 8.1.1 (continued): Proposed indicators of Australia's welfare performance

Domain/ sub-domain	Indicator (summary form)	Rationale for inclusion	Comment
Access	<i>Waiting times for social housing</i>	Allocation of suitable social housing for those in greatest need (for example, those who are homeless or at risk of homelessness) provides a stable living environment and can reduce dependence on other welfare programs.	
	<i>Difficulty accessing child care</i>	Access to appropriate and affordable child care is fundamental to helping parents with young children to participate effectively in paid employment, and also fosters developmental skills in children.	
	<i>Unmet demand for homelessness services</i>	Access to specialist homelessness services for someone who is homeless or at risk of homelessness is fundamental to meeting their short-term housing needs, and may also reduce reliance on other welfare supports.	No data of sufficient quality available.
Responsiveness	<i>Satisfaction with services (by sector)</i>	Satisfaction with service provision, as expressed directly by the service recipient (or their proxy), is a compelling measure of the experience of service delivery.	For some sectors, satisfaction of carers is an important adjunct to client satisfaction.
Efficiency	<i>Cost per service output (by sector)</i>	Cost per unit output is a simple but effective measure of the efficiency of service delivery, with the aim being to reduce costs without compromising quality.	Note that the unit of output varies greatly from one sector to another, and across programs within a sector. The measure is most useful for looking at changes over time, and at the relationship between costs and quality of outcomes.
	<i>Management: expense ratio (by sector)</i>	The administrative costs associated with delivering services are a measure of efficiency—and to some extent indicate sustainability—with the aim being to minimise such costs so that more of the available budget can be directed to service delivery.	No data are available, because for most programs the administrative costs are spread out over program components, and not separately reportable.

continued

Table 8.1.1 (continued): Proposed indicators of Australia's welfare performance

Domain/ sub-domain	Indicator (summary form)	Rationale for inclusion	Comment
Safety and quality	<i>Compliance with service standards (by sector)</i>	Compliance with service standards represents a basic level of assurance that services being provided are of adequate quality for the purpose.	
	<i>Safety and security in out-of-home care</i>	Children placed in out-of-home care are already vulnerable; hence it is critical that their out-of-home care experience is safe, secure, and positive.	New data will be collected in 2015 to enable reporting of the indicator 'The proportion of children and young people in out-of-home care who report feeling safe and secure in their current placement'.
Effectiveness	<i>Job seekers off benefits 12 months following participation in employment services</i>	Stable employment following assistance from employment services reduces dependency on income support payments.	
	<i>Young people in detention attending education/training</i>	Young people in detention are at risk of not obtaining age-appropriate qualifications or training, which could lead to further disadvantage in the labour market or education sector.	
	<i>Repeat periods of homelessness</i>	A goal of housing and homelessness services is to improve the stability of a person's housing following a support period, and thereby avoid repeat periods of homelessness.	
Coordination	(No indicators found.)		
Other sectors			
	<i>Police operational staffing levels</i>	Sentinel indicator of organised effort to provide safe living conditions.	
	<i>Access to primary care practitioners</i>	Sentinel indicator of access to primary health care services (which act as gateways to further health services).	
	<i>Young people not in education, employment or training</i>	Sentinel indicator of the effectiveness of the education and training sectors in preparing young people for work or further study, and also used as an indicator of youth engagement.	
	<i>Emergency services response time</i>	Sentinel indicator of the effectiveness of organised emergency services.	

continued

Table 8.1.1 (continued): Proposed indicators of Australia's welfare performance

Domain/ sub-domain	Indicator (summary form)	Rationale for inclusion	Comment
Context			
	<i>Population size and growth</i>	The size and rate of growth of the population are indicators of the stock of human capital, and the potential population requiring welfare support.	
	<i>Population ageing and dependency ratio</i>	Population ageing is a worldwide phenomenon, and widely considered to be a driver of increased welfare expenditure. There are, however, many confounding factors when linking ageing with welfare demand; an ageing population, at best, is indicative of increased needs for welfare support.	
	<i>Immigration patterns</i>	The rate and pattern of immigration is a factor in overall population growth, and also indicative of future requirements for culturally appropriate services.	
	<i>Housing tenure</i>	Housing tenure patterns result from complex factors—including affordability, choice, and mobility—and can be indicative of levels of wealth accumulation and housing security, and thereby indicative of future welfare service need.	
	<i>Government welfare expenditure</i>	The total welfare budget (or welfare expenditure) is an indicator of the financial resources available to the sector to deliver services, and also signals the relative priority of welfare expenditure among other budget areas.	Can be expressed as a ratio of other finance statistics, such as total tax revenue, or gross domestic product.
	<i>Welfare workforce</i>	The number of people employed in the welfare workforce compared to the population as a whole is a measure of the human resources available to meet welfare demand.	Proxy used: people employed in community services industries.
	<i>Economic conditions</i>	The general economic conditions of the country—and smaller regions within it—can influence many aspects of welfare demand and delivery.	There are many candidate measures: here we focus on net disposable income, as it indicates the spending capacity of households, organisations and governments.

Data gaps and data development

An indicator framework exercise such as that presented here invariably involves a trade-off between maintaining the conceptual integrity of the set of indicators on one hand, and actually reporting and using the information to improve performance (and ultimately outcomes) on the other. Where emphasis is put on conceptual integrity, there will likely be some reporting gaps. But if emphasis is put on selecting indicators on the basis of accessible data, then important components of the framework could be omitted.

We have taken a balanced approach here, with twin aspirations: that what is reported is immediately useful for sketching a picture of Australia's welfare; and that what cannot be reported is a recommended priority data development activity, so that the indicators can be reported against in the future.

This framework and initial indicator set also highlight the need for improved cross-sectoral reporting to inform the nature and extent of multiple disadvantages and the effectiveness of coordinated support. This requires being able to interrogate multiple datasets that contain information on individuals. Such datasets are often considered highly sensitive, but strong protocols can be put in place to produce aggregate measures from these datasets while protecting privacy.

Such 'joined-up data' can be created through data integration, also known as data linkage or record linkage (see Box 1.1.3 'Data linkage—expanding the information base'). This is a process for bringing together multiple records for the same person within a statistical collection or across several collections. The AIHW is an accredited Commonwealth Integrating Authority, so is well-positioned to create datasets that would provide such indicator data.

Another data development need is to strengthen longitudinal data collection on disadvantaged individuals and groups (who are often minimally included in longitudinal studies), to get better insights into the nature and determinants of persistent (also termed entrenched) disadvantage and welfare dependency. More generally, data on the use of income support payments, and how people move into and out of the welfare system, would provide further insights into how well the system is performing.

Finally, greater use of geospatial data—that is, information on the location of services and service recipients—would enrich our understanding of access, use and outcomes of welfare services, and regional variations in those aspects of performance.

Invitation to join the conversation

We realise that this framework may not be comprehensive in describing welfare and, as such, would welcome any comments or suggestions for improvement. Ideally, the framework will be further developed and refined after publication of *Australia's Welfare 2015*, with a view to continued reporting in future editions of this report, or in a stand-alone reporting activity.

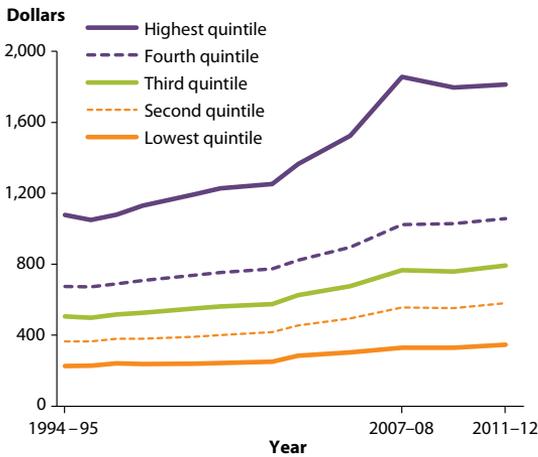
Future refinement will enhance the robustness of the framework, particularly as data availability and/or quality increase and improve as the use of administrative and survey data for producing statistics is expanded and further data integration opportunities are developed in Australia.

Indicator results

The remainder of this chapter presents the results for indicators in the various domains of the framework, up to the latest available period, where sufficient quality data are obtainable. For each indicator, an indicator description is provided, followed by a figure highlighting an aspect of the indicator data (with associated notes and sources), and a brief commentary on the results—this commentary may also refer to related findings.

Material resources: Household income

Definition: Average weekly disposable household income adjusted for the number of household members.



- Equivalised household income has increased in real terms across all income levels over the period 1994-95 to 2011-12.
- Absolute increases were successively greater for each step up the income gradient, and the highest quintile group also experienced the greatest proportional increase over this period (68%, compared with 52% for the lowest quintile group).
- In 2011-12, the equivalised household income for the highest quintile households was more than 5 times that of the lowest income quintile households.

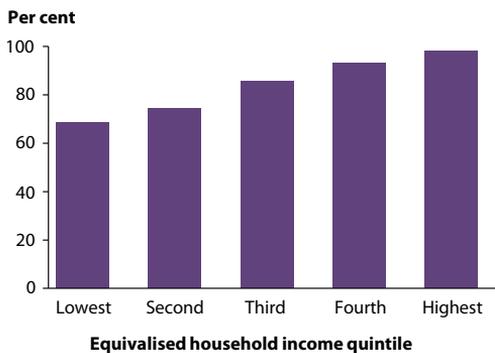
Note: Estimates from 2007-08 onwards are not directly comparable with estimates for previous cycles due to the improvements made to measuring income introduced in the 2007-08 cycle.

Source: ABS 2013c.

Figure 8.1.4: Equivalised weekly household income, by income quintile, 1994-95 to 2011-12 (constant 2011-12 dollars)

Material resources: Access to emergency funds

Definition: The proportion of people able to raise \$2,000 in a week for something important.



- Based on questions asked in the 2011-12 Australian Health Survey, nearly one-third of people living in low-income households had difficulty raising \$2,000 in a week for something important.
- In contrast, less than 2% of people living in high-income households had difficulty raising funds in this way.
- A similar pattern is seen (from other data sources) when analysed at the household level.

Notes

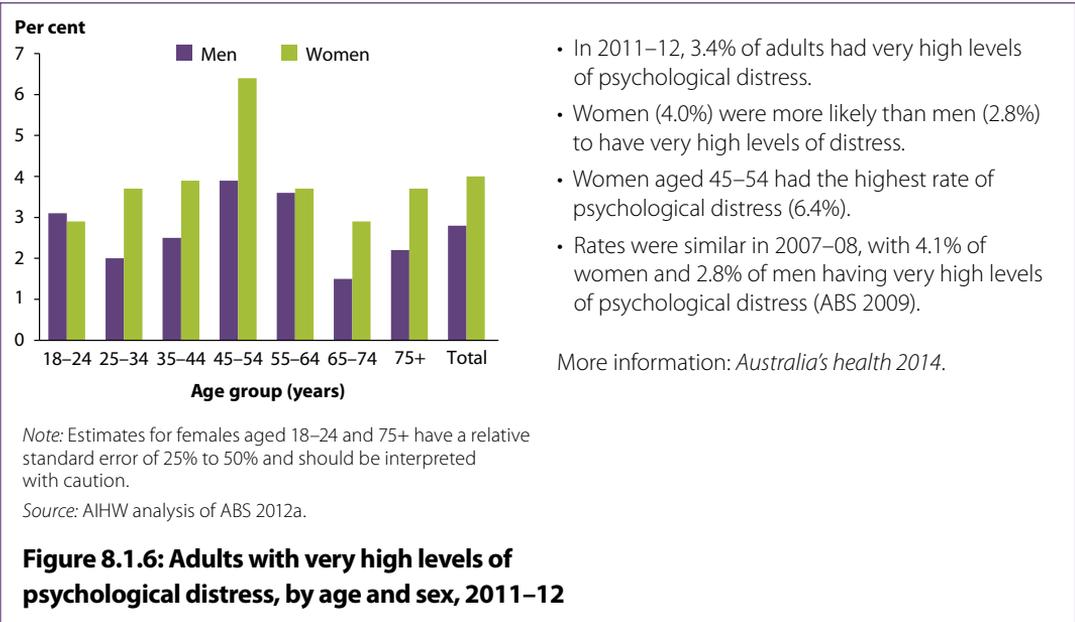
1. Within each income group, proportions are for people, not households.
2. There are no time series data available for this indicator.

Source: AIHW analysis of Australian Health Survey 2011-12 (TableBuilder).

Figure 8.1.5: Ability to raise \$2,000 in a week for something important, by equivalised household income quintile, 2011-12

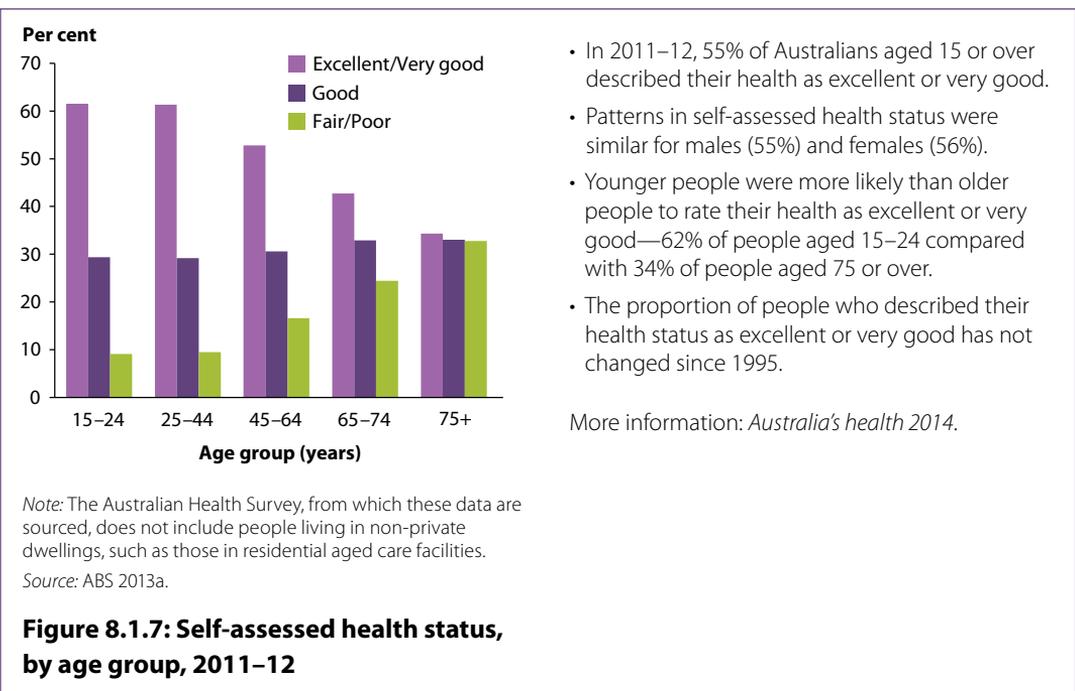
Personal resources: Psychological resilience

Definition: [Proxy used] The proportion of adults with very high levels of psychological distress as measured by the Kessler Psychological Distress Scale—10 items (K10). (The K10 is a scale of non-specific psychological distress based on 10 questions about negative emotional states in the 4 weeks before being interviewed.)



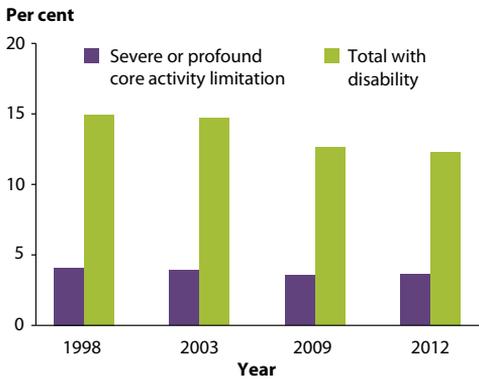
Personal resources: Functional status

Definition: [Proxy used] The proportion of people aged 15 and over who self-assess their health as excellent or very good.



Personal resources: Functional status (2)

Definition: [Proxy used] Disability prevalence rates (expressed as age-standardised rate).



- After taking account of age structure changes, the proportion of people with disability declined from 15% in 1998 to 12% in 2012.
- By contrast, the proportion of people with a severe or profound core activity limitation has remained relatively steady over this period, at around 4%.

More information: *Australia's health 2014*.

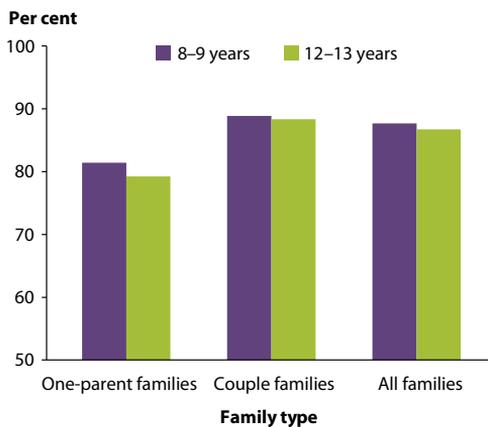
Note: Rates for 2012 were calculated on rounded numbers of ABS unpublished data tables, hence may be slightly lower than the ABS published numbers.

Source: AIHW analysis of ABS Survey of Disability, Ageing and Carers.

Figure 8.1.8: Age-standardised prevalence of severe or profound core activity limitation, and all with disability, 1998 to 2012

Family functioning: Family cohesion

Definition: The proportion of families who report 'good', 'very good' or 'excellent' family cohesion.



- According to the Longitudinal Study of Australian Children, family cohesion was reported to be 'good', 'very good' or 'excellent' in the vast majority of families of both age groups—88% for those aged 8–9 years and 87% for those aged 12–13 years.
- The remainder of families reported 'fair' or 'poor' family cohesion.
- A slightly higher proportion of couple families than one-parent families reported high levels of family cohesion (89% versus 81% for the younger group and 88% versus 79% for the older group).

More information: Chapter 3 'The role of the family in child wellbeing'.

Source: AIHW analysis of *Growing Up in Australia: the Longitudinal Study of Australian Children (Wave 5)*.

Figure 8.1.9: Families with good, very good or excellent family cohesion, children aged 8–9 and 12–13, by family type, 2012–13

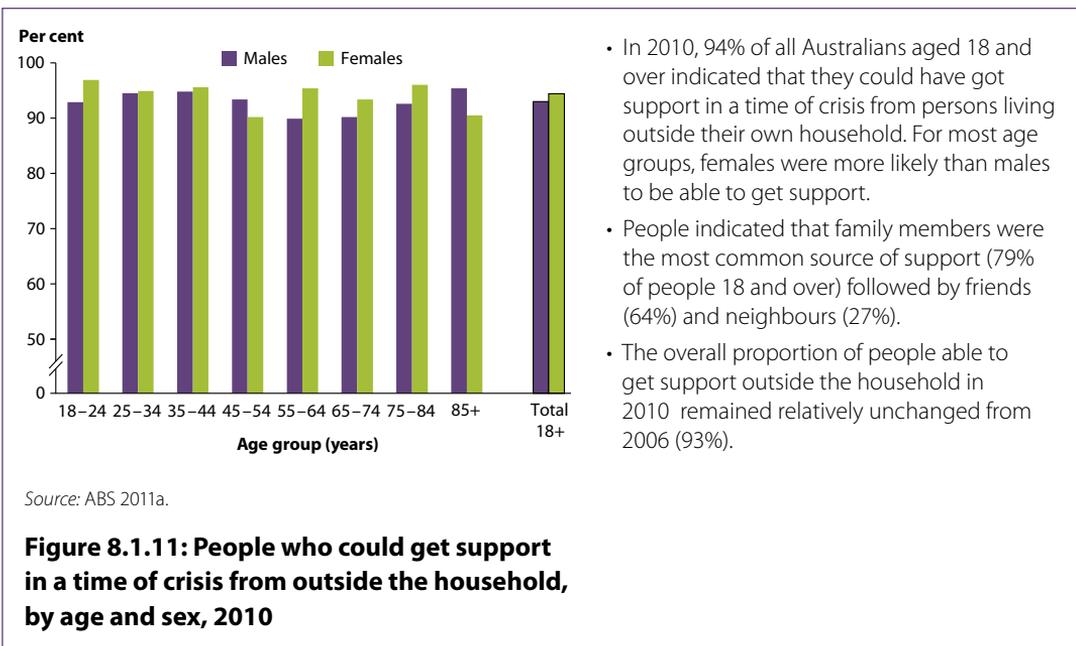
Family functioning: Partner violence

Definition: The proportion of people who experienced in the previous 12 months any incident of sexual assault, sexual threat, physical assault or physical threat by a current and/or previous partner.



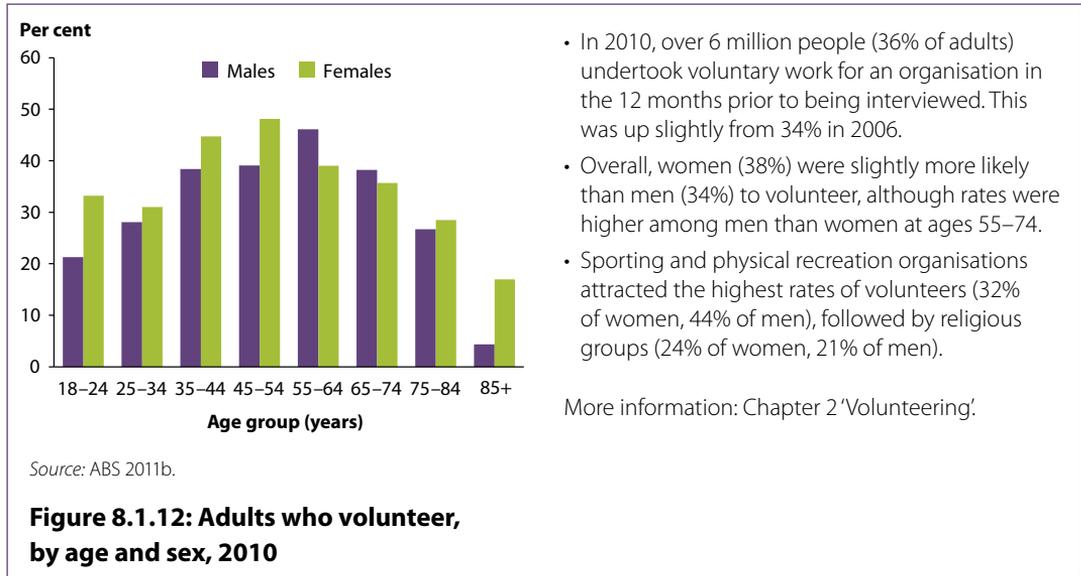
Social engagement: Social connectedness

Definition: The proportion of adults who could get support in a time of crisis from people living outside the household.



Social engagement: Adults who volunteer

Definition: The proportion of people aged 18 and over who performed voluntary work at least once in the year. (Voluntary work is unpaid help, willingly provided to an organisation or group.)

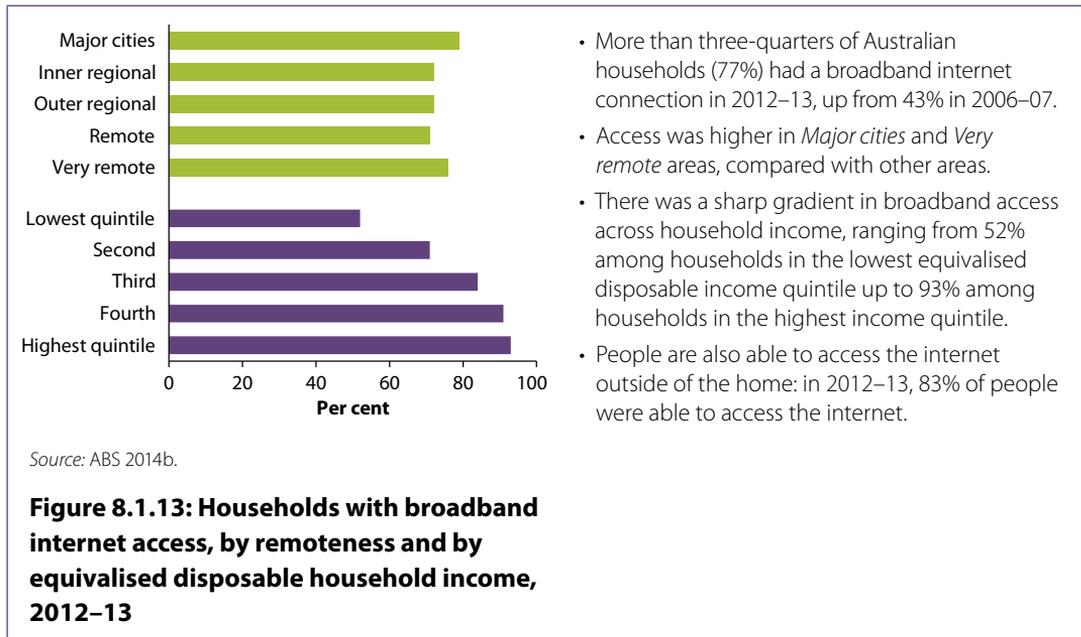


- In 2010, over 6 million people (36% of adults) undertook voluntary work for an organisation in the 12 months prior to being interviewed. This was up slightly from 34% in 2006.
- Overall, women (38%) were slightly more likely than men (34%) to volunteer, although rates were higher among men than women at ages 55–74.
- Sporting and physical recreation organisations attracted the highest rates of volunteers (32% of women, 44% of men), followed by religious groups (24% of women, 21% of men).

More information: Chapter 2 ‘Volunteering’

Social engagement: Broadband internet access

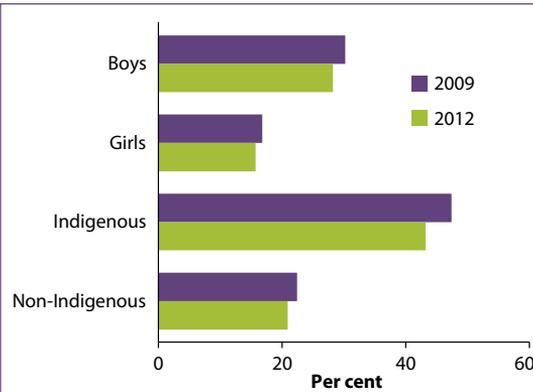
Definition: [Proxy used] The proportion of households that have a broadband internet connection.



- More than three-quarters of Australian households (77%) had a broadband internet connection in 2012–13, up from 43% in 2006–07.
- Access was higher in *Major cities* and *Very remote* areas, compared with other areas.
- There was a sharp gradient in broadband access across household income, ranging from 52% among households in the lowest equivalised disposable income quintile up to 93% among households in the highest income quintile.
- People are also able to access the internet outside of the home: in 2012–13, 83% of people were able to access the internet.

Learning potential: School readiness

Definition: The proportion of children developmentally vulnerable on one or more domains of the Australian Early Development Census (AEDC).



Source: Department of Education 2014b.

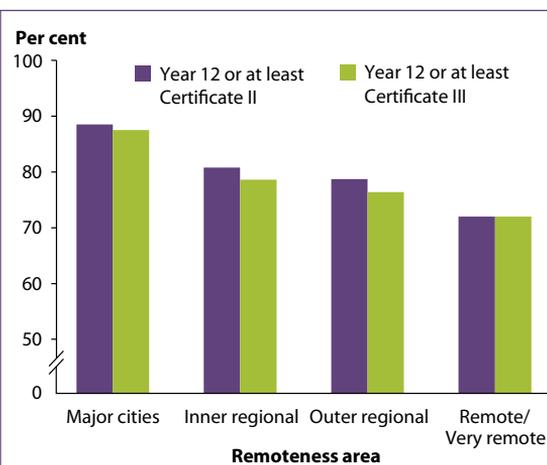
Figure 8.1.14: Children developmentally vulnerable on one or more domains of the AEDC, by sex and by Indigenous status, 2009 and 2012

- Nearly one-quarter (22%) of Australian children entering school were assessed as vulnerable on one or more domains in 2012, down from 24% in 2009.
- Boys (28%) were almost twice as likely to be assessed as developmentally vulnerable as girls (16%) in 2012.
- Indigenous children (43%) were more than twice as likely to be assessed as developmentally vulnerable as non-Indigenous children (21%), although the gap has decreased slightly since 2009.

More information: Chapter 3 'Transition to primary school'.

Learning potential: Year 12 attainment

Definition: The proportion of young people who have completed Year 12 (or equivalent) or gained a qualification at least at Australian Qualifications Framework Certificate II/III or above.



Note: The value for Year 12 or at least Certificate III for Remote/Very remote areas has been revised by AIHW.

Source: ABS 2014a.

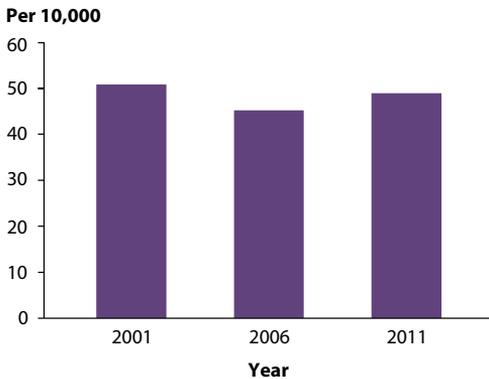
Figure 8.1.15: Completion of Year 12 or at least Certificate II/ III, young people aged 20–24, by remoteness area, 2014

- In 2014, 86% of 20–24 year olds had completed Year 12 or at least Certificate II and 85% had completed Year 12 or at least Certificate III, up from 81% and 80% in 2005, respectively.
- Completion rates were higher for females than for males—90% compared with 83% for attainment of Year 12/Certificate II and 88% compared with 82% for attainment of Year 12/Certificate III.
- Completion rates decreased with increasing remoteness, from 89% and 88% in *Major cities* for attainment of Year 12 /Certificate II and III respectively, to 72% for both levels in *Remote/Very remote* areas.

More information: Chapter 4 'School retention and completion'.

Welfare outcomes: Homelessness

Definition: The number of homeless people per 10,000 population.



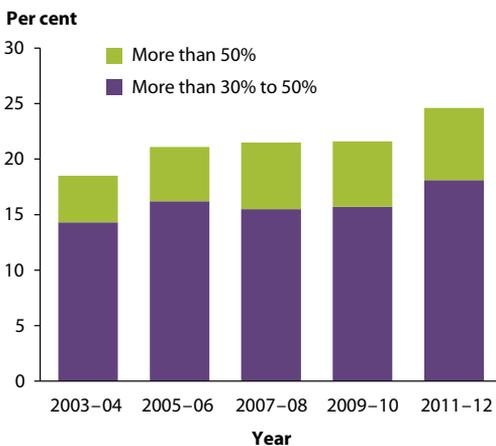
Source: ABS 2012b.

Figure 8.1.16: Homelessness rate, per 10,000 population, 2001–2011

- In 2011, the homeless rate was 48.9 persons per 10,000, as enumerated in the Census.
- The 2011 rate increased by 8% from 45.2 persons per 10,000 in 2006, but decreased from 50.8 persons per 10,000 in 2001.
- The increase between 2006 and 2011 was due to the increase in those considered to be living in severely overcrowded conditions.

Welfare outcomes: Lower income households in housing stress

Definition: The proportion of lower income households spending more than 30% of their gross income on housing. (Lower income households are those containing the 30% of people with equivalised disposable household income between the 10th and 40th percentiles.)



Note: Lower income households are those containing the 30% of people with equivalised disposable household income between the 10th and 40th percentiles.

Source: ABS 2013d (and earlier years).

Figure 8.1.17: Housing costs as a proportion of gross income for lower income households, 2003–04 to 2011–12

- In 2011–12, almost one-quarter of lower income households spent more than 30% of their gross income on housing costs, and one-quarter of these households spent more than 50% of gross income.
- The proportion of lower income households in housing stress has increased over the period 2003–04 to 2011–12, although it was relatively stable in the period 2005–06 to 2009–10.
- The proportion of lower income private renter households in housing stress increased from 45% in 2007–08 to 54% in 2011–12.

More information: Chapter 5 ‘Bricks and mortar—changing trends in home ownership’ and ‘Working-age support: housing assistance’.

Welfare outcomes: Indigenous households living in overcrowded conditions

Definition: The proportion of Indigenous households that require one or more extra bedrooms to accommodate usual residents, based on the Canadian National Occupancy Standard.

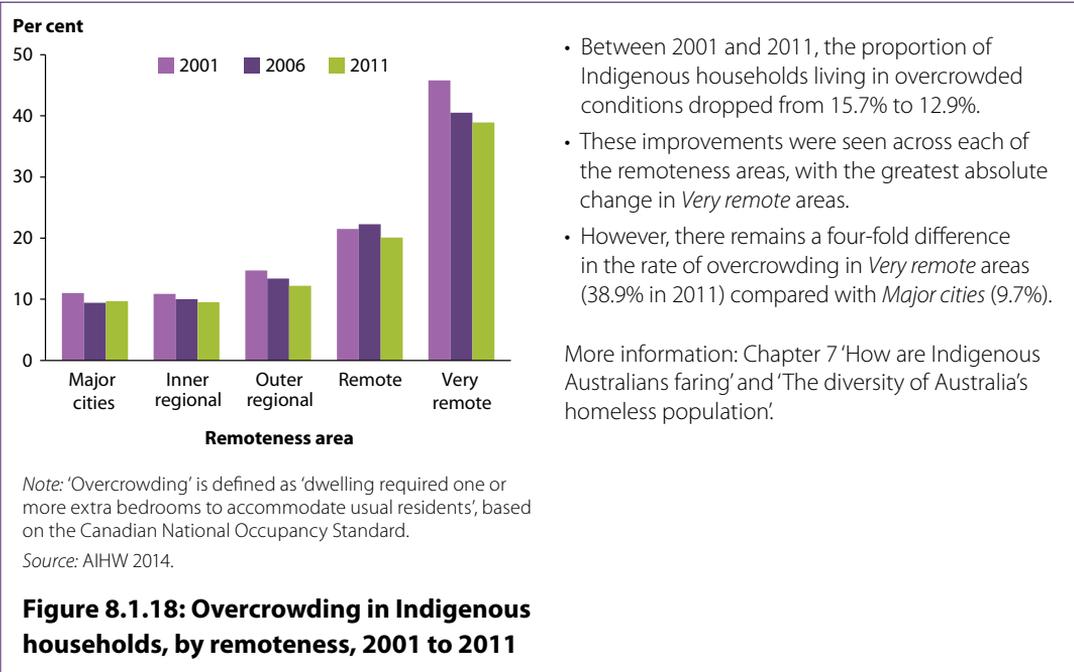


Figure 8.1.18: Overcrowding in Indigenous households, by remoteness, 2001 to 2011

Welfare outcomes: Labour force participation for people with disability

Definition: The proportion of people aged 15–64 with disability who are working or looking for work.

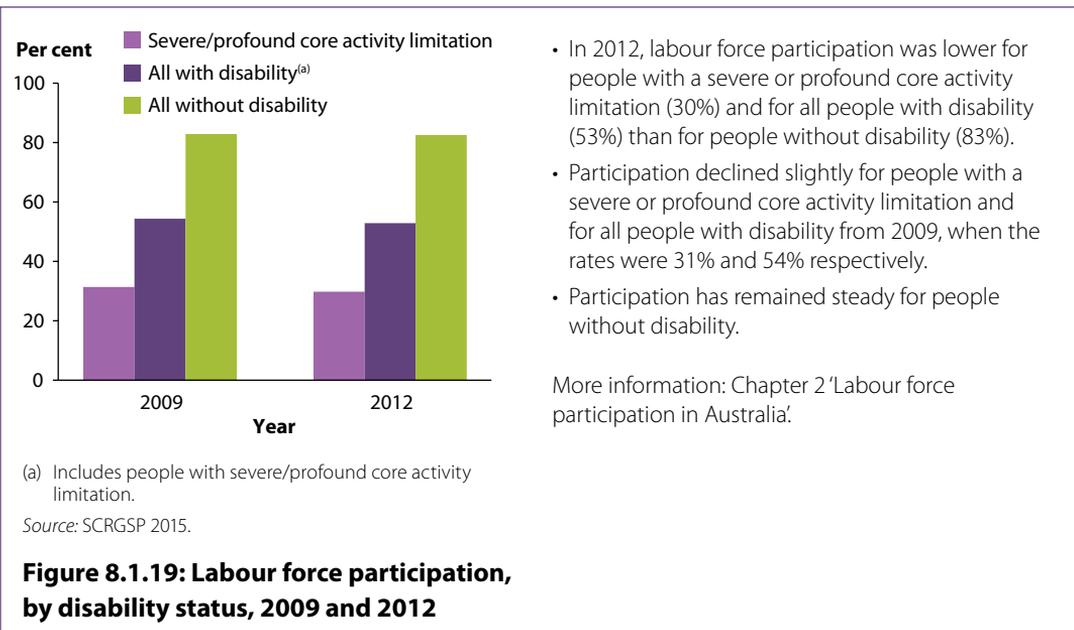
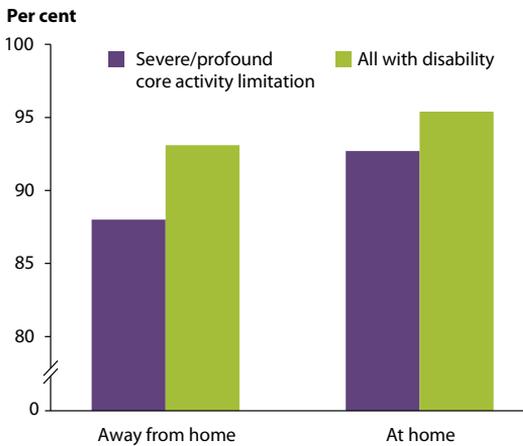


Figure 8.1.19: Labour force participation, by disability status, 2009 and 2012

Welfare outcomes: Social participation for people with disability

Definition: The proportion of people under 65 with disability who engaged in social activities.



- In 2012, 88% of people aged 15–64 with a severe or profound core activity limitation living in the community had taken part in social activities away from the home.
- This was less than for all people aged 15–64 with disability (93%).
- The difference was less marked when comparing participation in social activities at home (93% for people with a severe or profound core activity limitation, 95% for all people with a disability).

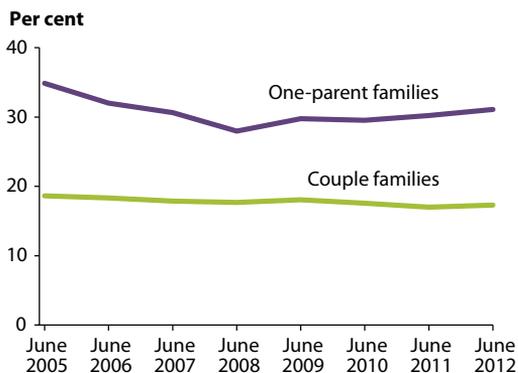
More information: Chapter 7 'A profile of people with disability'.

Source: ABS 2013b.

Figure 8.1.20: Participation in activities at home and away from home in the last 3 months of people with disability aged 15–64, by severity of disability, 2012

Welfare outcomes: Jobless families

Definition: The proportion of households where no one in the family aged 15 and over is employed, including dependants.



- In June 2012, there were 1.3 million jobless families in Australia (19% of all families).
- Of these, 932,000 were jobless couple families—about 1 in 6 couple families; and 299,000 were jobless one-parent families—almost 1 in every 3 one-parent families.
- Of the jobless one-parent families, 89 per cent were single mother families.
- There were 638,400 dependants aged under 25 living in a jobless family, including 528,900 children under 15 years.

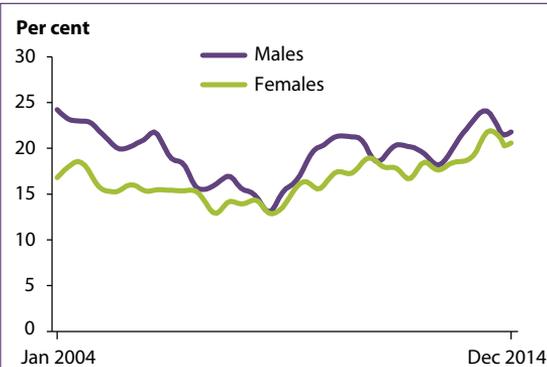
Note: A jobless family is a family where no person usually resident in the family (including dependants) is employed.

Source: ABS 2013e.

Figure 8.1.21: Jobless families, by family type, June 2005 to June 2012

Welfare outcomes: Long-term unemployment

Definition: The number of long-term unemployed persons (unemployed for 52 weeks or more), expressed as a percentage of the total unemployed population.



Note: Figure presents ABS 'Trend' series, which is a smoothed seasonally adjusted series of estimates.

Source: ABS 2014c.

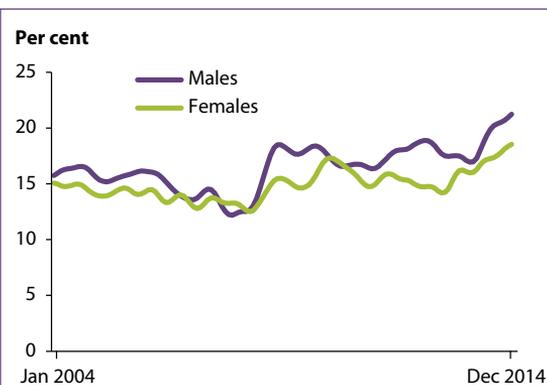
Figure 8.1.22: Long-term unemployment ratio, by sex, monthly, January 2004 to December 2014

- The overall long-term unemployment rate fell from January 2004 to reach its lowest point in February 2009 at around 13%. Since then it has generally increased to around 21% in December 2014. (Note, though, that as this measure is a *ratio*, the decline to 2009 and low point are partly artefacts of a rapid rise in total unemployment over the course of 2009.)
- With just a few exceptions over the past decade, a greater proportion of unemployed males have been long-term unemployed compared with unemployed females.

More information: Chapter 2 'Labour force participation in Australia'.

Welfare outcomes: Youth unemployment

Definition: The number of unemployed persons aged 15–19, expressed as a percentage of the total number of people aged 15–19 in the labour force.



Note: Figure presents ABS 'Trend' series, which is a smoothed seasonally adjusted series of estimates.

Source: ABS 2014c.

Figure 8.1.23: Youth unemployment rate, by sex, monthly, January 2004 to December 2014

- The overall youth unemployment rate fell from January 2004 to reach its lowest point in 2008 at just under 13%. There was a rapid increase in youth unemployment from late 2008 and across 2009 (consistent with overall unemployment patterns) and since then it has generally increased to around 20% in December 2014.
- For the most part over the past decade, youth unemployment has been higher in males than females.
- Youths who attended full-time education were more likely to be unemployed than those that did not attend full-time education (22% and 16%, respectively, in December 2014).

More information: Chapter 4 'Transitions to independence' and 'Vulnerable young people (aged 15–24)'.

Welfare outcomes: Older people with care needs supported

Definition: The proportion of people aged 65 and over living in households whose need for assistance was fully met.

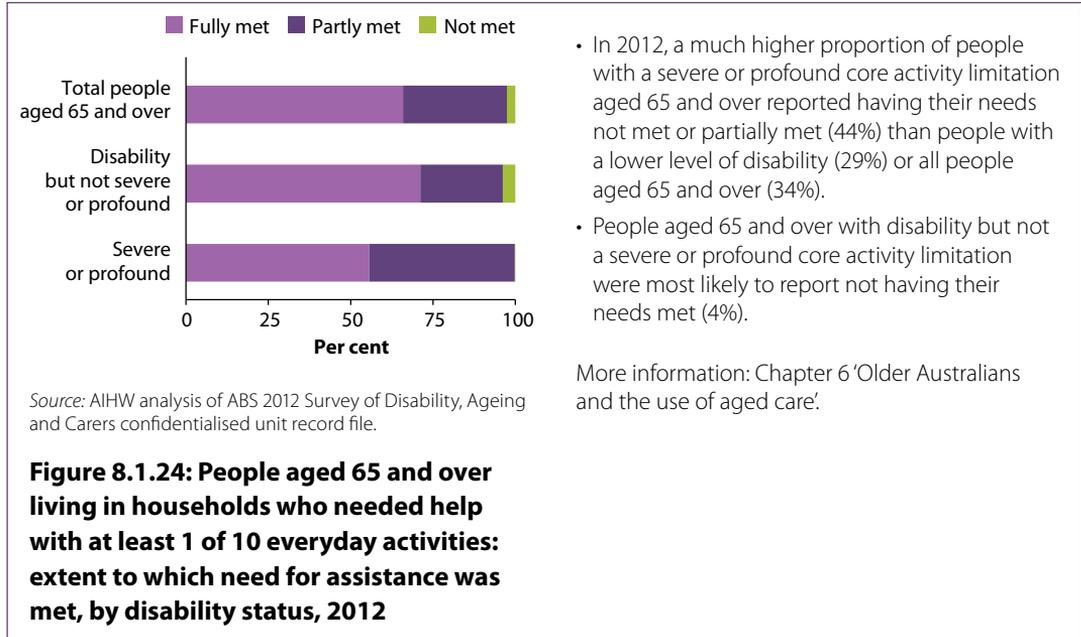


Figure 8.1.24: People aged 65 and over living in households who needed help with at least 1 of 10 everyday activities: extent to which need for assistance was met, by disability status, 2012

Welfare outcomes: Under-employment of parents receiving child care benefits

Definition: [Proxy used] The proportion of children aged 0–12 years for whom additional formal child care was currently required for mainly work-related reasons (that is, reasons included work, looking for work, and work-related study or training).

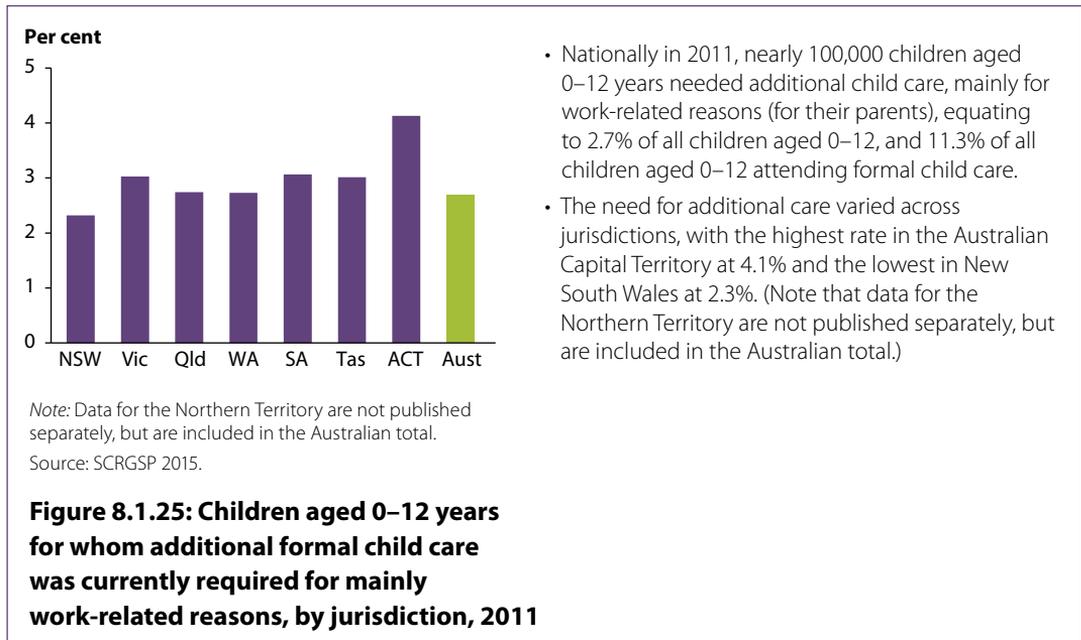
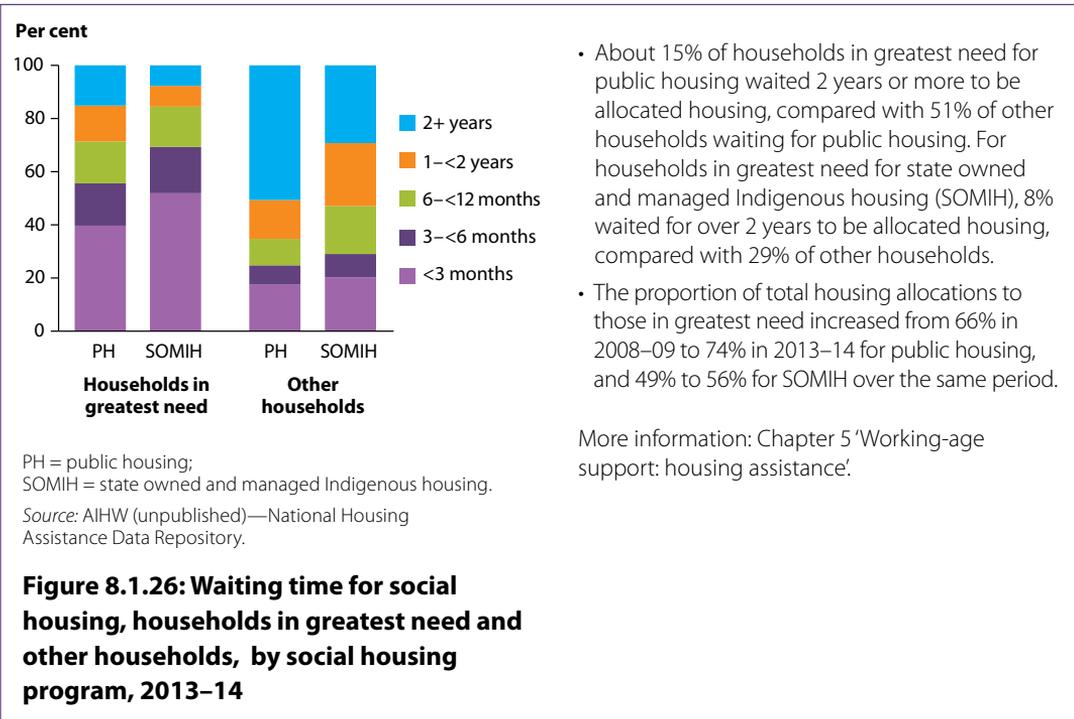


Figure 8.1.25: Children aged 0–12 years for whom additional formal child care was currently required for mainly work-related reasons, by jurisdiction, 2011

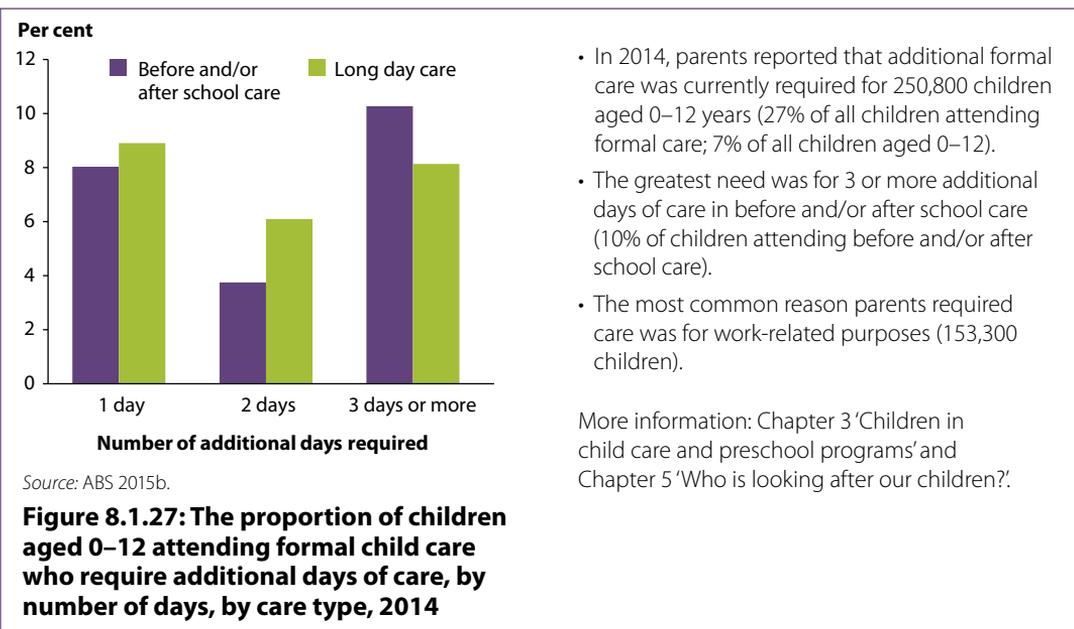
Access: Waiting times for social housing

Definition: The length of time households in greatest need wait to be allocated social housing (excluding existing social housing tenants who have applied for a transfer).



Access: Difficulty accessing childcare

Definition: The number of children aged 0–12 years who currently require additional days of formal child care, expressed as a proportion of children aged 0–12 years who attend formal child care.



Responsiveness: Satisfaction with services

Definition: The proportion of clients satisfied with the service received (within specific programs/sectors).



Efficiency: Cost per service output

Definition: The total recurrent expenditure on a program per unit of program output (by program), expressed in constant dollar terms.

Program	2011–12	2012–13	2013–14
Job Services Australia, per outcome			
Streams 1–3	2,136	1,989	1,890
Stream 4	7,029	7,539	6,971
Housing assistance, per dwelling			
Public housing	7,851	7,809	8,101
SOMIH	10,088	10,239	9,988
Homelessness, per completed support period	1,743	1,674	1,683
Child care, per attending child	5,003	5,236	5,589
Aged Care Assessment Program, per assessment	510	560	n.a.
Permanent residential aged care subsidy, average annual contribution	48,232	49,264	51,078

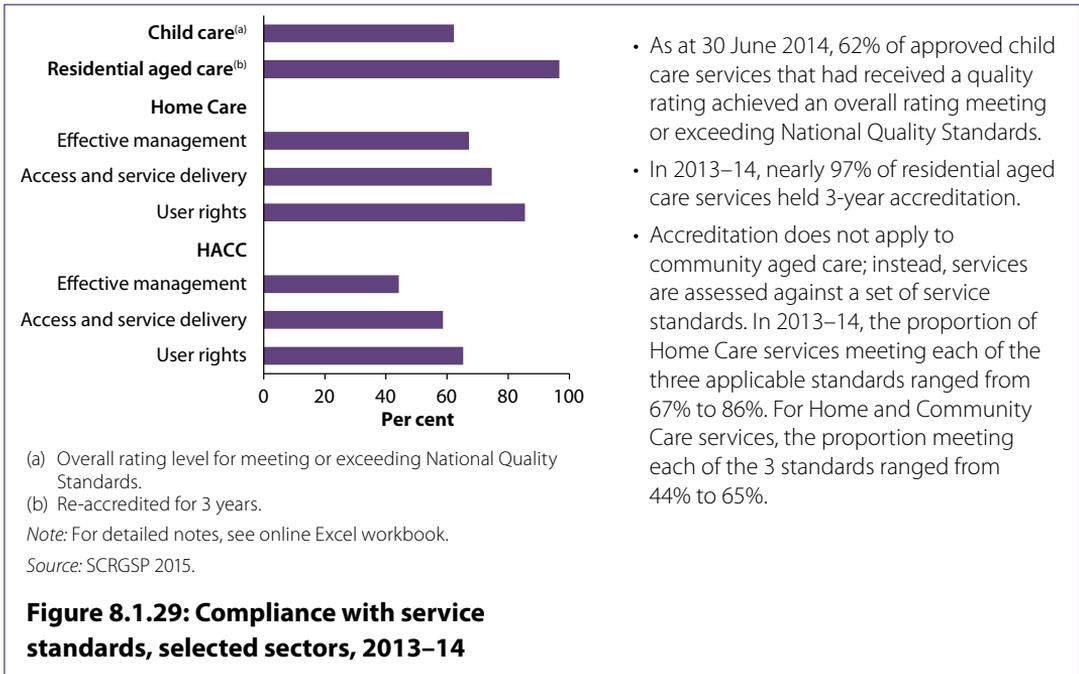
Note: For detailed notes, see online Excel workbook.
Sources: DEEWR 2012, 2013; Department of Education 2014a; SCRGSP 2015.

Table 8.1.2: Cost per service output, selected programs, 2011–12 to 2013–14 (constant 2013–14 dollars)

- For most programs reported, recurrent expenditure per service output has increased across the period 2011–12 to 2013–14; a notable exception is Job Services Australia, which has decreased over the period.
- The largest growth in expenditure per output over this short period was seen in cost per child attending Child Care Benefit–approved child care services—an 11% increase in the 2 years.
- The Aged Care Assessment Program cost per assessment increased by 10% between 2011–12 and 2012–13, but 2013–14 data, needed to assess the change over 2 years, are not available.

Safety and quality: Compliance with service standards

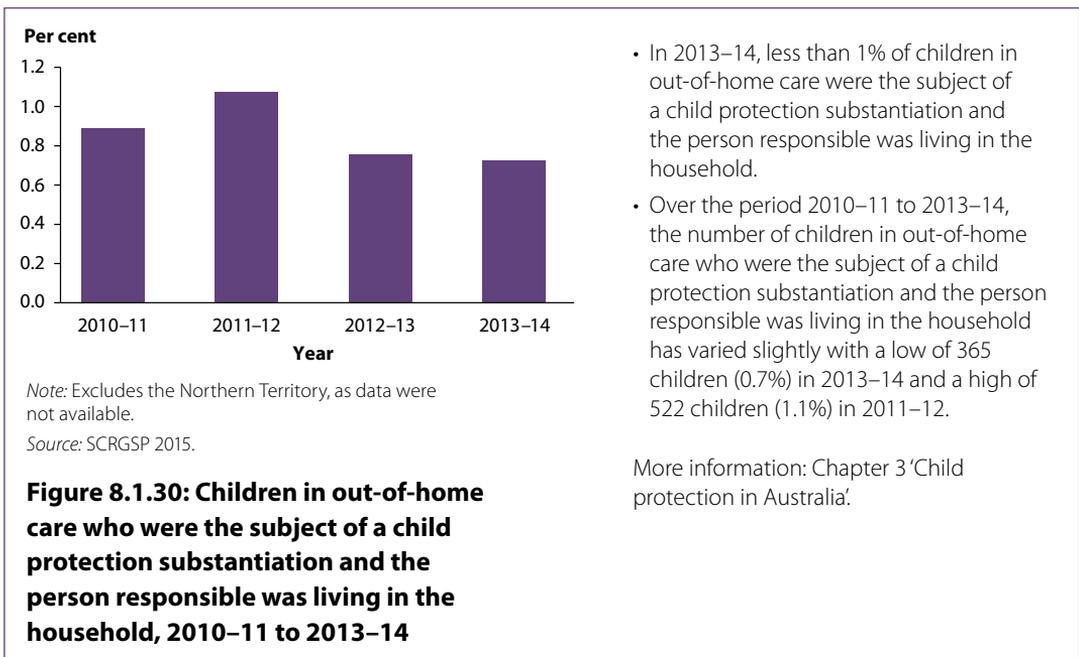
Definition: The proportion of services that are compliant with applicable service standards (by sector).



- As at 30 June 2014, 62% of approved child care services that had received a quality rating achieved an overall rating meeting or exceeding National Quality Standards.
- In 2013–14, nearly 97% of residential aged care services held 3-year accreditation.
- Accreditation does not apply to community aged care; instead, services are assessed against a set of service standards. In 2013–14, the proportion of Home Care services meeting each of the three applicable standards ranged from 67% to 86%. For Home and Community Care services, the proportion meeting each of the 3 standards ranged from 44% to 65%.

Safety and quality: Safety and security of children and young people in out-of-home care

Definition: [Proxy used] Children in out-of-home care who were the subject of a child protection substantiation and the person responsible was living in the household.

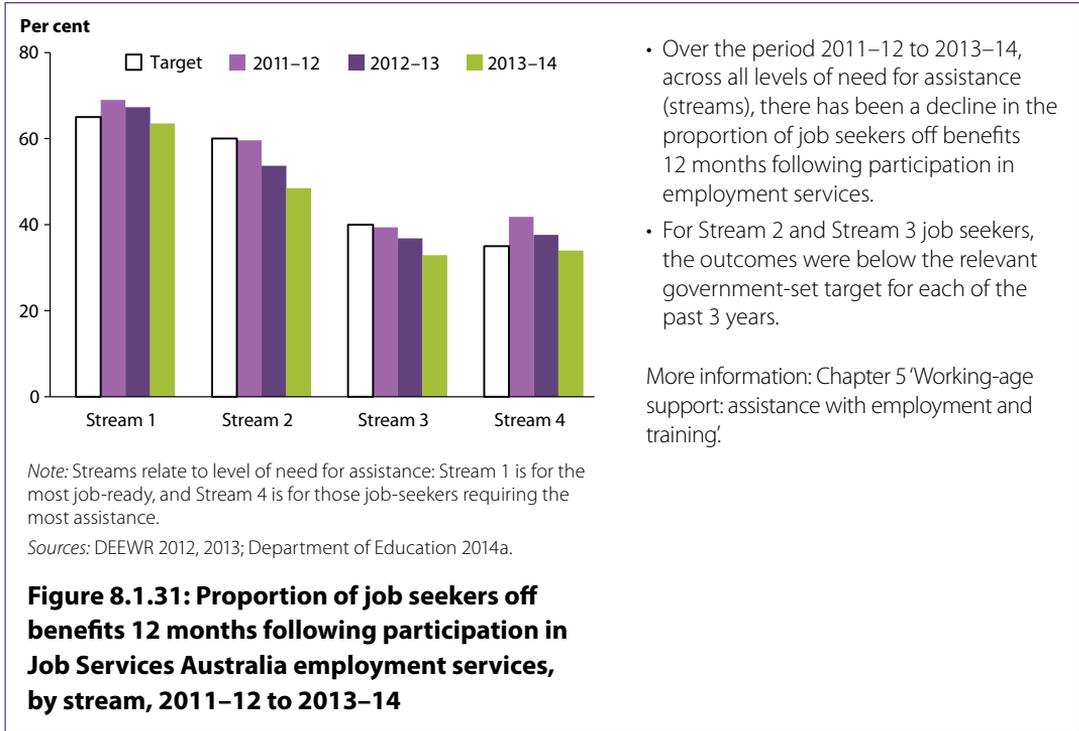


- In 2013–14, less than 1% of children in out-of-home care were the subject of a child protection substantiation and the person responsible was living in the household.
- Over the period 2010–11 to 2013–14, the number of children in out-of-home care who were the subject of a child protection substantiation and the person responsible was living in the household has varied slightly with a low of 365 children (0.7%) in 2013–14 and a high of 522 children (1.1%) in 2011–12.

More information: Chapter 3 'Child protection in Australia'.

Effectiveness: Job seekers off benefits following participation in employment services

Definition: The proportion of job seekers off benefits 12 months following participation in employment services.



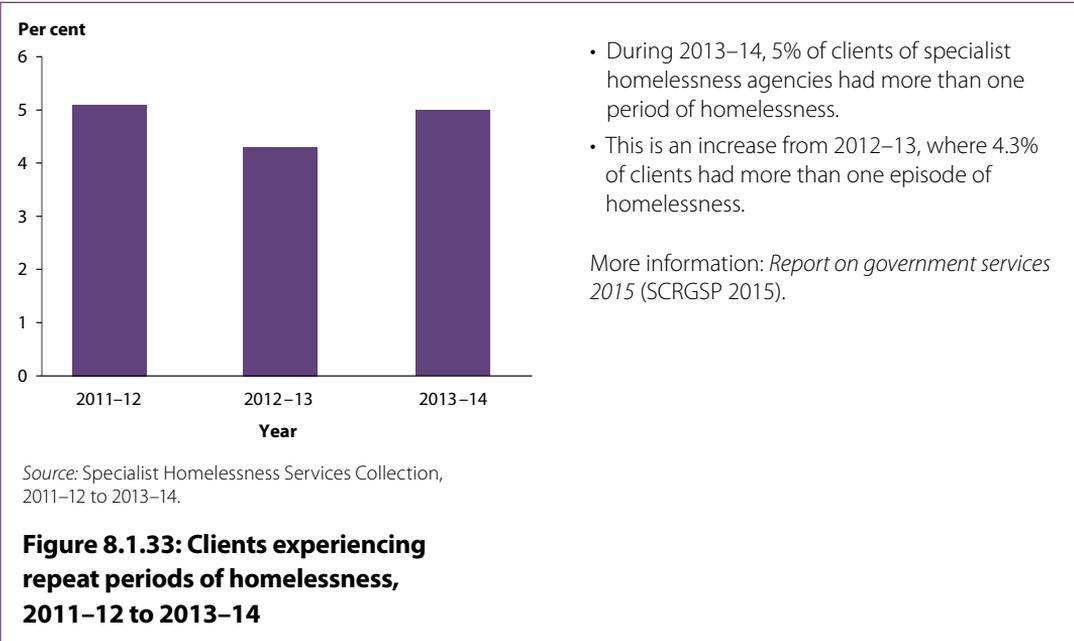
Effectiveness: Young people in detention attending education/training

Definition: The proportion of young people in detention attending education/training.



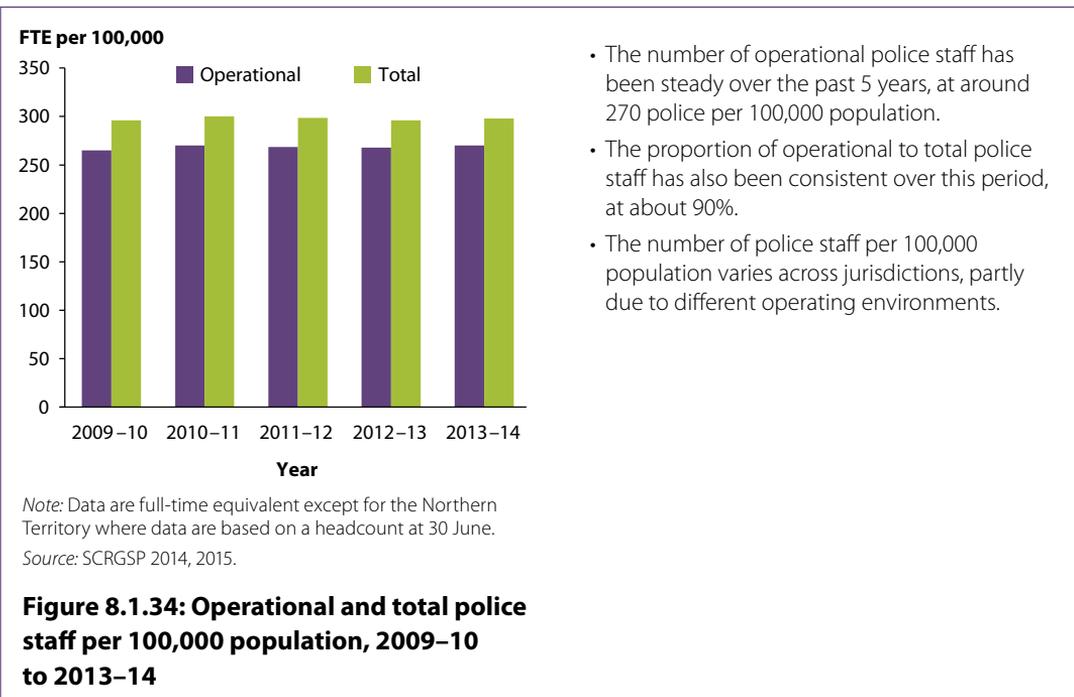
Effectiveness: Repeat periods of homelessness

Definition: The proportion of homelessness services clients who had more than one period of homelessness



Other sectors: Police operational staffing levels

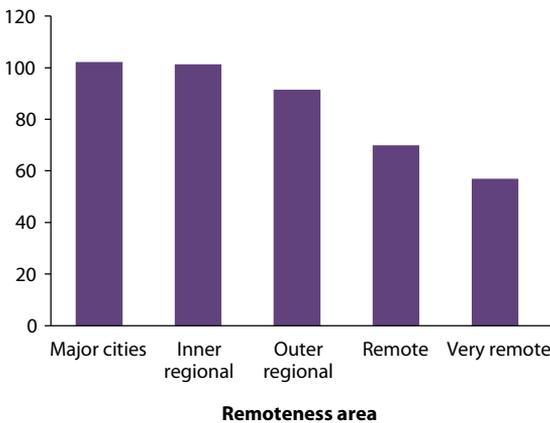
Definition: The number of operational full-time equivalent police staff per 100,000 population.



Other sectors: Access to primary care practitioners

Definition: The number full-time-equivalent general practitioners per 100,000 population.

FWE per 100,000



Note: Data are full-time-workload equivalent. Remoteness is based on practice location.

Source: SCRGSP 2015.

- In 2013–14, there were more than 32,000 general practitioners (GPs) across Australia, who provided more than 23,000 full-time workload equivalents (FWE), or 100 full-time GPs per 100,000 population.
- The availability of primary care GPs has steadily increased over recent years, up from fewer than 17,000 FWE in 2003–04 (or 86 per 100,000 population).
- The availability of GPs varied markedly across regions in 2013–14, from 102 FWE per 100,000 in *Major cities* down to 57 per 100,000 in *Very remote* areas.

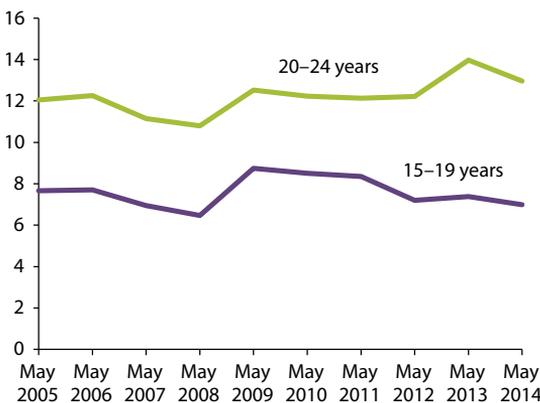
More information: *Australia's health 2014*.

Figure 8.1.35: General practitioners per 100,000 population, 2013–14

Other sectors: Young people not in education, employment or training

Definition: The proportion of young people (aged 15–24) not engaged in education, employment or training.

Per cent



Source: ABS 2014a (and earlier years).

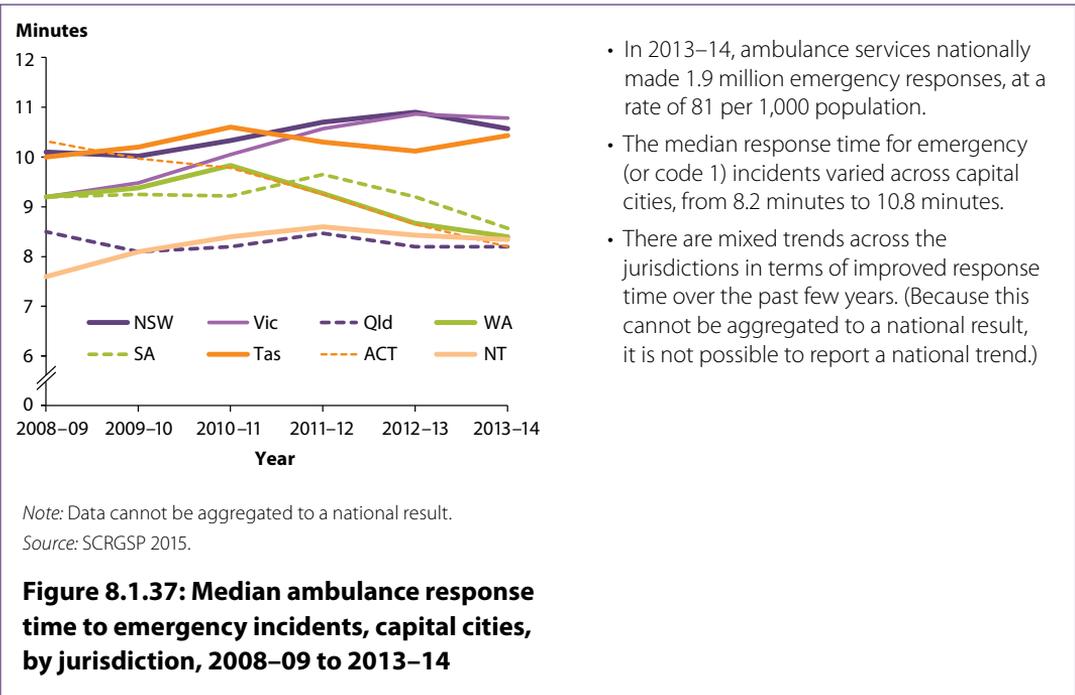
- In May 2014, 10.1% of 15–24 year olds were ‘not engaged in employment, education or training’ (often referred to as ‘NEET’), which is similar to the figure of 9.9% in May 2005. Between 2005 and 2014, non-engagement reached a low of 8.7% in May 2008.
- In May 2014, youths aged 20–24 were almost twice as likely as those aged 15–19 to not participate in education, employment or training: 13.0% compared with 7.0%, somewhat reflecting the high proportion of 15–19 year olds attending school.

More information: Chapter 4 ‘Opposite ends of the spectrum—participation of young people in education and work’.

Figure 8.1.36: Young people not in education, employment or training, by age group, May 2005 to May 2014

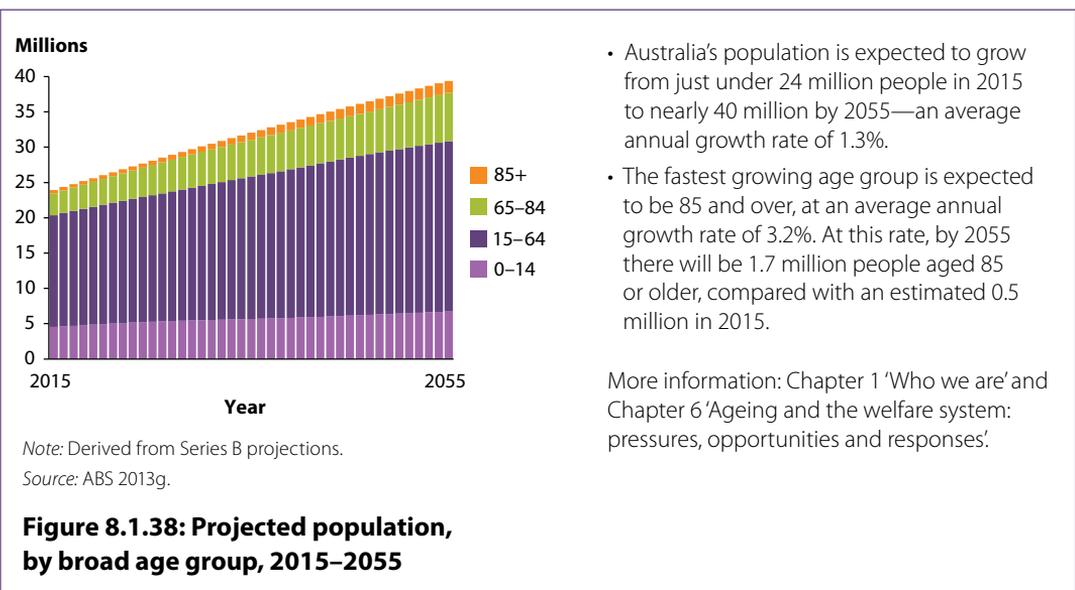
Other sectors: Emergency services response time

Definition: [Proxy used] The time taken between the arrival of the first responding ambulance resource at the scene of an emergency in code 1 situations (emergency—immediate response under lights and sirens required) and the initial receipt of the call for an emergency ambulance at the communications centre, in urban centres.



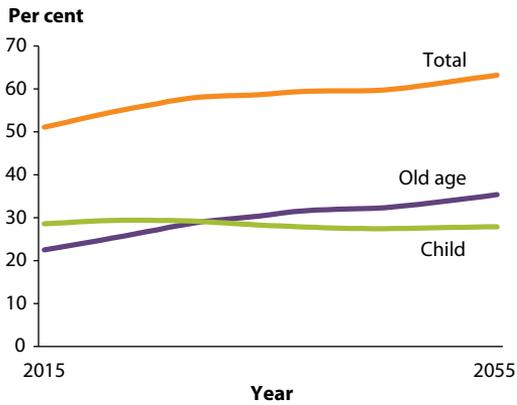
Context: Population size and growth

Definition: The projected number of resident people, based on ABS series B projections.



Context: Population ageing and dependency ratio

Definition: The number of people aged under 15 plus the number of people aged 65 and over, divided by the number of people aged 15–64, expressed as a percentage.



- The total dependency ratio for Australia is expected to increase from 51 dependants per 100 working-aged people in 2015 to 63 per 100 in 2055.
- This is mostly driven by the increase in the old age dependency ratio, from 23% in 2015 to 35% in 2055, consistent with the rapid increase in the number of people at older ages compared with those under 65.
- Although the child dependency ratio is expected to decline slightly over this period, the smaller size of the child population and slower growth relative to the older age population means the effect is minimal on the total dependency ratio.

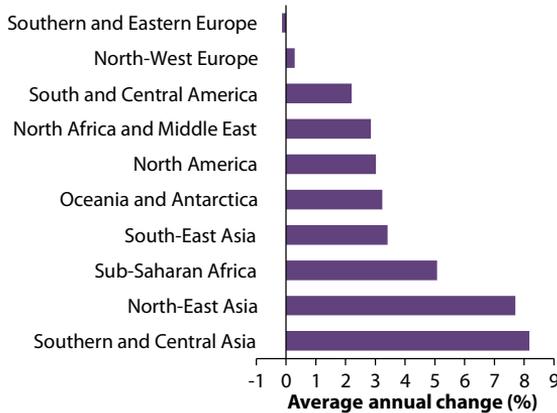
Note: Derived from Series B projections.
Source: ABS 2013g.

Figure 8.1.39: Projected child, old age and total dependency ratio, 2015–2055

More information: Chapter 5 ‘The welfare of our working-age population’; Chapter 6 ‘Ageing and the welfare system’.

Context: Immigration patterns

Definition: The change in the number of people resident in Australia who were born overseas.



Source: AIHW analysis of ABS 2015c.

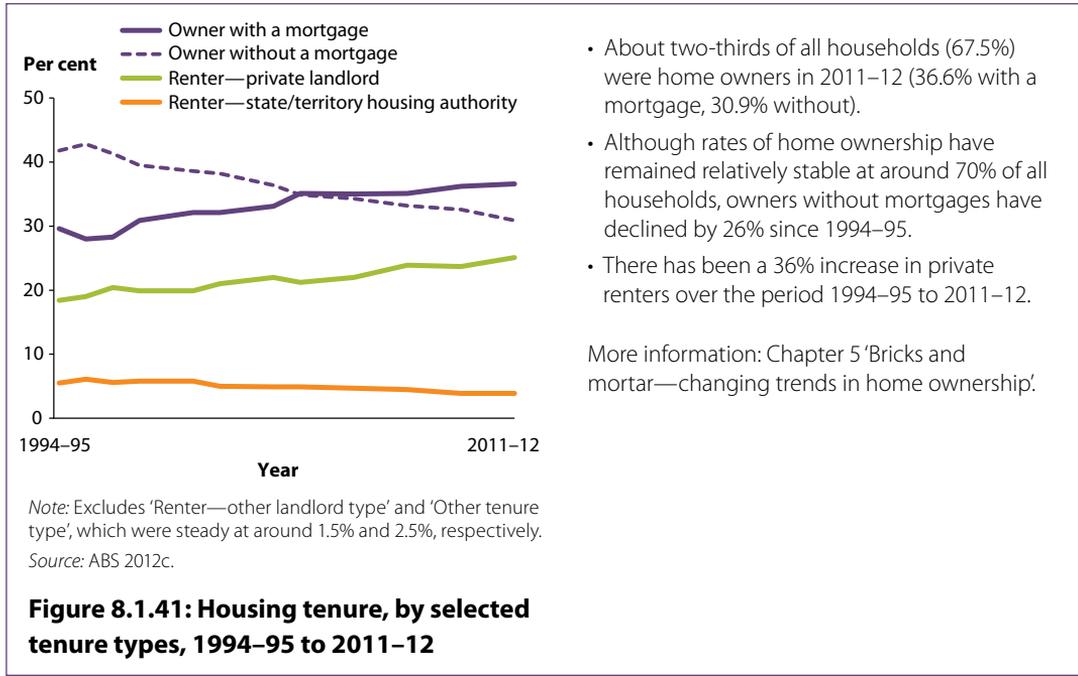
Figure 8.1.40: Change in estimated resident population by region of birth, 1992 to 2014

- Over the period 1992 to 2014, the proportion of the total Australian population that was born overseas has increased from 23% to 28%.
- The most rapid increase in number of immigrants now resident has been for people born in Southern and Central Asia, rising from 112,000 in 1992 to 684,000 in 2014 (at a rate of 8.2% per year).
- Compared with 1992, the number of residents in 2014 born in Southern and Eastern Europe has declined.
- The above points highlight the general shift in immigration from Europe to Asia.

More information: Chapter 1 ‘Who we are’.

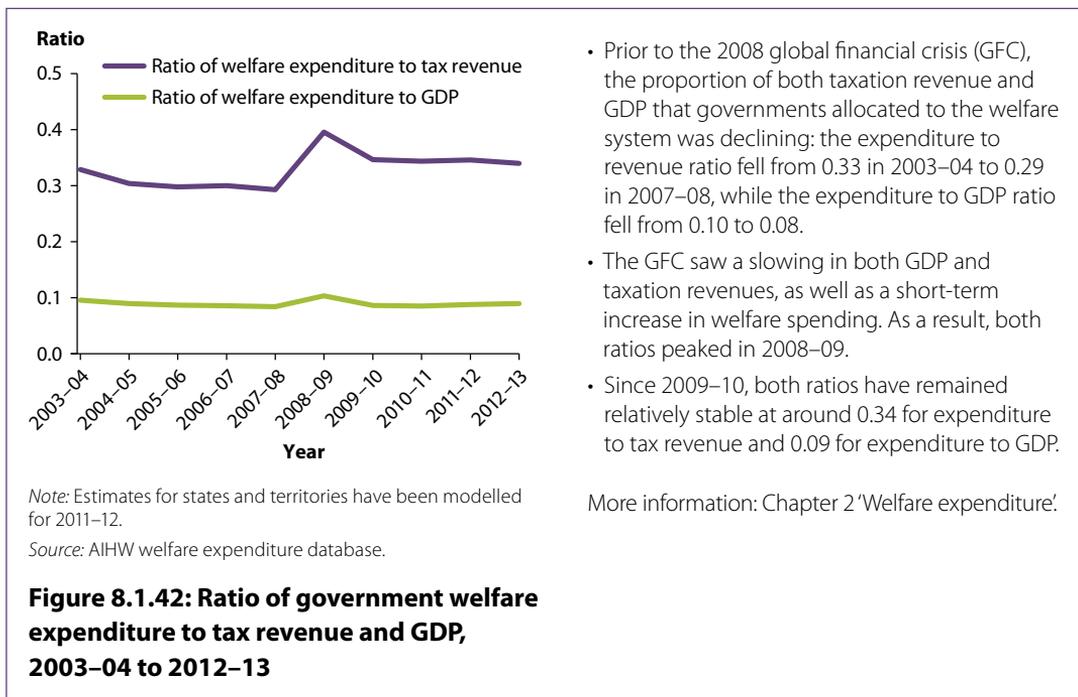
Context: Housing tenure

Definition: The proportion of total households by housing tenure. (Housing tenure refers to the nature of the legal right to occupy the dwelling in which the household members usually reside.)



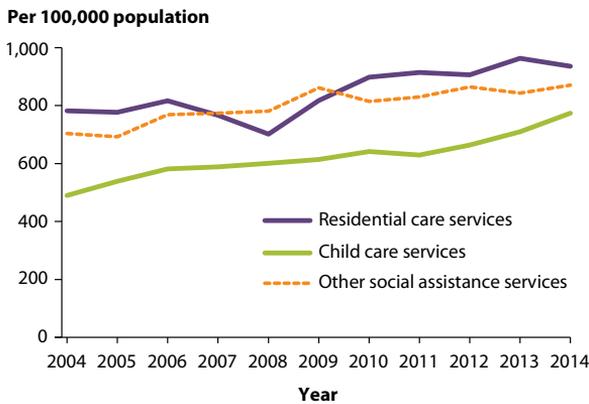
Context: Government welfare expenditure

Definition: The ratio of government welfare expenditure to tax revenue and to GDP.



Context: Welfare workforce

Definition: The number of people employed in community services industries per 100,000 population.



Note: 'Other social assistance services' includes non-residential aged care and disability services, adoption services, and other social assistance services.

Source: AIHW analysis of ABS Labour Force Surveys, 2004 to 2014.

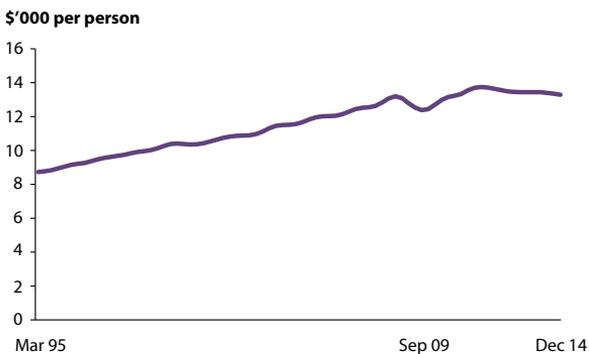
Figure 8.1.43: Number of employed people in community services industries per 100,000 population, by industry, 2004 to 2014

- Over the period 2004 to 2014, community services industries grew about 31%, compared with about 4% for all industries.
- Between 2004 and 2014, employment in child care services (per 100,000 population) increased by 58%, compared with 20% in residential care services and 24% in other social assistance services.
- For most of this period, the largest segment of the welfare services sector workforce has been in residential care services.

More information: Chapter 2 'The changing face of the welfare workforce'.

Context: Economic conditions

Definition: The real net national disposable income, expressed per person. (National disposable income includes income for all institutional sectors—corporations, government and households, including non-profit organisations serving households. *Net* national disposable income adjusts for international income paid and received, and for consumption of capital.)



Note: Real income derived using the implicit price deflator for gross national expenditure.

Source: ABS 2015a.

Figure 8.1.44: Real net national disposable income per person, March 1995 to December 2014

- Real net national disposable income increased steadily from March 1995 until September 2008, after which it declined sharply due to the effects of the GFC, reaching a relative low of \$12,377 per person in September 2009.
- A recovery saw national disposable income improve until December 2011, but has since gradually declined and was reported at \$13,285 per person in December 2014.
- However, over the 10-year period, real net national disposable income has increased 53%.

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Methods and conventions

Symbols

Acronyms and abbreviations

Glossary

Index

Methods and conventions

Average annual rates of change

Average annual rates of change or growth rates have been calculated as geometric rates:

$$\text{Average rate of change} = \left(\left(\frac{P_n}{P_o} \right)^{\frac{1}{N}} - 1 \right) \times 100$$

where P_n = value in later time period

P_o = value in earlier time period

N = number of years between the two time periods.

Data linkage

Data linkage, also known as data integration and record linkage, is a powerful statistical tool both for identifying multiple appearances of individuals within a data set and for integrating client information across data sets.

There are two main types of data linkage:

- **Probabilistic linkage**—in which the linkage of records in two (or more) files is based on the probabilities of agreement and disagreement between a range of match variables. Probabilistic matching allows for variation in reported characteristics by deriving a measure of similarity across variables used to identify matches, called the match weight. This is then used to decide whether a particular pair-wise comparison between records on two data sets is accepted (high weight) or rejected (low weight) as a match, or link.
- **Deterministic key-based linkage**—in which the linkage of records is based on exact agreement of match variables, or a statistical linkage key. Linkage using a single match key cannot allow for variation in reporting. However, algorithms can be constructed that can, and the AIHW has developed a stepwise key-based linkage algorithm that allows for variation in reported data linkage items.

The method used for a particular linkage process depends on both the data items and resources available to undertake the linkage.

Presenting dates and time spans

Periods based on full calendar years (1 January to 31 December) are written as, for example, 2001 for 1 year. When there are 2 or more calendar years in the period, the first and final years are written in full. For example, 2010–2011 is a 2 calendar-year span and 2009–2011 covers 3 calendar years.

Periods based on financial years (1 July to 30 June) are written with a second number, which is abbreviated—for example, 2010–11 for 1 financial year, 2009–11 for 2 and 2008–11 for 3. A longer span of financial years is written as 'In the 10 years from 2000–01 to 2010–11...'

Effects of rounding

Entries in columns and rows of tables may not add to the totals shown, because of rounding. Unless otherwise stated, derived values are calculated using unrounded numbers.

Percentage distributions may not always sum exactly to 100 due to rounding.

Where numbers are rounded to whole numbers or one decimal place, the number is rounded down for values 0–4 and rounded up for values 5–9.

As a general rule, single-digit numbers are rounded to one decimal place. Numbers over 10 are rounded to whole numbers unless accuracy to one decimal place is required for differentiation.

Data subject to revision

This report draws data from a range of administrative and survey data sets, all of which are subject to change. For example, data may be updated on a regular annual cycle, or revised due to discovered errors or anomalies.

Wherever possible, the latest version of a data set has been used; in cases where the data change frequently, the date of the release is noted in the text or table.

Symbols

- \$ Australian dollars, unless otherwise specified
- % per cent
- '000 thousands
- .. not applicable
- * value subject to sampling variability too high for most practical purposes and/or the relative standard error is 25% to 50%
- ** value subject to sampling variability too high for most practical purposes and/or the relative standard error is more than 50%

Acronyms and abbreviations

ABS	Australian Bureau of Statistics
ACAP	Aged Care Assessment Program
ACAT	Aged Care Assessment Team
ACECQA	Australian Children's Education and Care Quality Authority
ACOSS	Australian Council of Social Service
ACT	Australian Capital Territory
ADEs	Australian Disability Enterprises
AEDC	Australian Early Development Census
AHMAC	Australian Health Ministers' Advisory Council
AHURI	Australian Housing and Urban Research Institute
AIC	Assistance for Isolated Children
AIFS	Australian Institute of Family Studies
AIHW	Australian Institute of Health and Welfare
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASGS	Australian Statistical Geography Standard
Aust	Australia
CACP	Community Aged Care Package
CCB	Child Care Benefit
CCR	Child Care Rebate
CDC	Consumer Directed Care
CDEP	Community Development Employment Projects
CHSP	Commonwealth Home Support Programme
CNOS	Canadian National Occupancy Standard
COAG	Council of Australian Governments
CRA	Commonwealth Rent Assistance
CSHISC	Community Services and Health Industry Skills Council
CSHITB	Community Services and Health Industry Training Board
DEEWR	Australian Government Department of Education, Employment and Workplace Relations
DES	Disability Employment Services
DET	Australian Government Department of Education and Training
DHHCS	Australian Government Department of Health, Housing and Community Services
DHS	Australian Government Department of Human Services
DoE	Australian Government Department of Employment
DoHA	Australian Government Department of Health and Ageing
DS NMDS	Disability Services National Minimum Data Set
DSP	Disability Support Pension
DSS	Australian Government Department of Social Services
DVA	Australian Government Department of Veterans' Affairs

EACH	Extended Aged Care at Home
EACHD	Extended Aged Care at Home Dementia
ECEC	Early Childhood Education and Care
ERP	estimated resident population
FaHCSIA	Australian Government Department of Families, Housing, Community Services and Indigenous Affairs
FASD	Fetal Alcohol Spectrum Disorder
FDC	family day care
FHOG	First Home Owners Grant
FTB	Family Tax Benefit
FTE	full-time equivalent
FWC	Fair Work Commission
FWE	full-time workload equivalent
GDP	gross domestic product
GFC	global financial crisis
GP	general practitioner
HACC	Home and Community Care
HACC MDS	Home and Community Care Minimum Data Set
HILDA	Household, Income and Labour Dynamics in Australia
HWA	Health Workforce Australia
ICD-10	International Statistical Classification of Diseases and Related Health Problems, Tenth Revision
ICD-10-AM	International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification
ICF	International Classification of Functioning, Disability and Health
ICPS	Institute of Child Protection Studies
IEP	Indigenous Employment Program
IER	Indigenous Expenditure Report
IHC	in-home care
JSA	Job Services Australia
LBOTE	language background other than English
LDC	long day care
LFS	Labour Force Survey
LSAC	Growing Up in Australia: the Longitudinal Study of Australian Children
LSAY	Longitudinal Surveys of Australian Youth
MDS	minimum data set
MHCSS	Victorian Government Mental Health Community Support Services
MIAESR	Melbourne Institute of Applied Economic and Social Research

NAHA	National Affordable Housing Agreement
NAPLAN	National Assessment Program—Literacy and Numeracy
NATSEM	National Centre for Social and Economic Modelling
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NCVER	National Centre for Vocational Education Research
NDA	National Disability Agreement
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NEET	not in education, employment or training
NERA	National Education Reform Agreement
NGCSO	non-government community service organisation
NGO	non-government organisation
NHPF	National Health Performance Framework
NHWDS	National Health Workforce Data Set
NIRA	National Indigenous Reform Agreement
NILF	not in the labour force
NMDS	national minimum data set
NMS	national minimum standards
NRCP	National Respite for Carers Program
NSHS	National Social Housing Survey
NSMHWB	National Survey of Mental Health and Wellbeing
NSSC	National School Statistics Collection
NSW	New South Wales
NT	Northern Territory
OCC	occasional care
OECD	Organisation for Economic Co-operation and Development
OSHC	out-of-school hours care
PC	Productivity Commission
PCA	Per Capita Australia Limited
PFF	Positive Family Functioning
PH	public rental housing
PHaMs	Personal Helpers and Mentors program
PIAC	Pathways in Aged Care
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
PM&C	Australian Government Department of Prime Minister and Cabinet
PRA	Private Rent Assistance
PRAC	permanent residential aged care
PS	preschool
Qld	Queensland

RA	remoteness areas
RAC	residential aged care
RJCP	Remote Jobs and Communities Programme
RoGS	Report on Government Services
RRC	respite residential aged care
RRI	Retirement and Retirement Intentions Survey
SA	South Australia
SCRGSP	Steering Committee for the Review of Government Service Provision
SDAC	Survey of Disability, Ageing and Carers
SEARS	Survey of Employment Arrangements, Retirement and Superannuation
SES	socioeconomic status
SHSC	Specialist Homelessness Services Collection
SHS	Specialist Homelessness Services
SIH	Survey of Income and Housing
SNZ	Statistics New Zealand
SOCX	Social Expenditure Database
SOMIH	state owned and managed Indigenous housing
SRC	Social Research Centre, University of Queensland
Tas	Tasmania
TCP	Transition Care Program
TILA	Transition to Independent Living Allowance
TIMSS	Trends in International Mathematics and Science Surveys
VAC	vacation care
VET	vocational education and training
VHC	Veterans' Home Care
Vic	Victoria
WA	Western Australia
WHO	World Health Organization

Glossary

Aboriginal and Torres Strait Islander: A person of Aboriginal and/or Torres Strait Islander descent who identifies as an Aboriginal and/or Torres Strait Islander. See also **Indigenous**.

adoption: The legal process by which a person legally becomes a child of the adoptive parent(s) and legally ceases to be a child of his/her existing parent(s). Intercountry adoptions are of children from countries other than Australia who are legally able to be placed for adoption, but who generally have had no previous contact or relationship with the adoptive parents.

aged care facility: Australian government-accredited facilities that provide supported aged care accommodation.

aged care services: Regulated care delivered in either residential or community settings, including the person's own home. Most formal care is funded through government programs, but may also be purchased privately.

age–sex standardised rate: A rate that results from removing the influence of age and sex by converting the age structures of the different populations to the same 'standard' structure within each sex. This provides a more valid way of comparing rates from populations with different age–sex structures.

age-specific rate: A rate for a specific age group. The numerator and denominator relate to the same age group.

age-standardised rate: A rate that results from removing the influence of age by converting the age structures of the different populations to the same 'standard' structure. This provides a more valid way of comparing rates from populations with different age structures.

apparent retention rate: The percentage of full-time students who remain in secondary education from the start of secondary school (Year 7 or 8 depending on the state or territory) to a specified year (usually Year 10 or Year 12).

apprentice: A person aged 15 to 64 who has entered into a legal contract (training agreement or contract of training) with an employer to serve a period of training to attain tradesperson status in a recognised trade.

Australian Statistical Geography Standard (ASGS): Common framework defined by the Australian Bureau of Statistics for collection and dissemination of geographically classified statistics. The ASGS replaced the Australian Standard Geographical Classification (ASGC) in July 2011.

average day: A measure that reflects the number of people within a service on a typical day during the year. It takes into account the number of people, the number of contacts, and the duration of each contact.

average weekly cash earnings: Average gross (before tax) earnings of employees, inclusive of salary sacrifice. Average weekly cash earnings differ from average weekly earnings by the average weekly amount salary sacrificed. Note, this definition applies to the ABS Survey of Employee Earnings and Hours and may differ somewhat from other collections' definitions. See **weekly (total cash) earnings**.

bachelor degree or higher: Attainment of an undergraduate or postgraduate qualification at a university or equivalent institution. See **degree-level qualification**.

blended family: A couple family with two or more children aged 0 to 17, of whom at least one is the biological or adopted child of both members of the couple, and at least one is the stepchild of either member of the couple. Blended families may also include other children who are not the biological or adopted children of either parent. See also **intact family** and **step family**.

Canadian National Occupancy Standard: A standard used to assess overcrowding in households, based on the number, sex, age, and relationships of household members.

capital expenditure: Expenditure incurred for goods and services with a life equal to or longer than a year. Compare with **recurrent expenditure**.

care and protection orders: Legal orders or arrangements that give child protection departments some responsibility for a child's welfare. The level of responsibility varies with the type of order or arrangement. These orders include guardianship and custody orders, third-party parental responsibility orders, supervisory orders, interim and temporary orders, and other administrative arrangements.

casual workers: Employed people who are not entitled to paid leave.

Centrelink: A program of the Australian Government Department of Human Services. Centrelink delivers a range of government payments and services for retirees, the unemployed, families, carers, parents, people with disabilities, Indigenous Australians and people from diverse cultural and linguistic backgrounds at times of major change.

children receiving child protection services: Children who are the subjects of an **investigation** of a notification; on a **care and protection order**; and/or in **out-of-home** care.

civilian population: All usual residents of Australia aged 15 and over, except members of the permanent defence forces, certain diplomatic personnel of overseas governments customarily excluded from census and estimated population counts, overseas residents in Australia, and members of non-Australian defence forces (and their dependants) stationed in Australia.

comorbidity: When a person has two or more health problems at the same time.

community-based supervision: Supervision of a young person in the community by a juvenile justice agency while the young person is either awaiting an initial court appearance for an alleged offence, waiting for a court hearing or outcome, or completing an order after the finalisation of a court case. It includes supervised bail, probation, community service orders, suspended detention and parole.

community living: Place of usual residence is a private or non-private dwelling, as distinct from **residential aged care**, hospital or other type of institutional accommodation. Community settings include **private dwellings** (a person's own home or a home owned by a relative or friend) and certain types of non-private dwellings, for example, retirement village accommodation.

community outlet: An aged care service provided to individuals in a non-residential setting. Note, this definition applies to the National Aged Care Workforce Census and Survey and may differ somewhat from other collections' definitions. See **residential facility**.

constant prices: Estimates that indicate what expenditure would have been if prices for a given year had applied in all years (that is, removing the inflation effect). Changes in expenditure in constant prices reflect changes in volume only. An alternative term is 'real expenditure'. Compare with **current prices**.

consumer-directed care: An approach to care that allows the care recipient (and their informal carers, if appropriate) to influence the type of care and the way it is provided. It also includes choice about the level of involvement the consumer has in managing their care.

core activity limitation: Needing assistance, having difficulties or using aids or equipment to help with self-care, mobility and/or communication. See also **disability, severe or profound core activity limitation** and **moderate or mild core activity limitation**.

couch surfer: A person who is homeless and who typically moves from household to household intermittently, who is not regarded as being part of those households, and who does not have any form of leased tenure over any accommodation.

couple family: A **family** based on two persons who are in a registered or de facto marriage and who are usually living in the same household. A couple family may be with or without children, and may or may not include other related individuals.

current prices: Expenditures reported for a particular year, unadjusted for inflation. Changes in current price expenditures reflect changes in both price and volume.

custody orders: Orders that place children in the custody of the state or territory department responsible for child protection, or a non-government agency. These orders usually involve the child protection department being responsible for the daily care and requirements of the child, while the parent retains legal guardianship. Custody alone does not bestow any responsibility regarding the long-term welfare of the child.

data linkage: The bringing together (linking) of information from two or more different data sources that are believed to relate to the same entity, for example, the same individual or the same institution. This can provide more information about the entity and in certain cases provide a time sequence, helping to 'tell a story', show 'pathways' and perhaps unravel cause and effect. The term is used synonymously with 'record linkage' and 'data integration' (see 'Methods and conventions' section in this report).

degree-level qualification: Attainment of an undergraduate or postgraduate qualification at a university or equivalent institution. See **bachelor degree or higher**.

dependency ratio: The number of people who are likely to be 'dependent' on others due to not being in the labour force, compared with the number in the **labour force** and therefore potentially able to provide support.

dependent child: A person who is either a child under 15, or a **dependent student**. Note, this definition applies to the ABS Census of Population and Housing and may differ somewhat from other collections' definitions. See also **non-dependent child**.

dependent student: A natural, adopted, step or foster child who is aged 15 to 24 and who attends a secondary or tertiary educational institution as a full-time student and for whom there is no identified partner or child of his/her own usually resident in the same household. Note, this definition applies to the ABS Census of Population and Housing and may differ somewhat from other collections' definitions. See also **dependent child**.

detention: Supervision of a young person in a remand or detention centre by a juvenile justice agency while he/she is awaiting an initial court appearance for an alleged offence, waiting for a court hearing or outcome, or completing an order after the finalisation of a court case. It includes remand and sentenced detention.

diploma/certificate or equivalent: Attainment of document certifying completion of an accredited course of post-secondary education.

direct care worker: Workers who are paid to provide the personal, physical, social and emotional work required in caring for older Australians. Note, this definition applies to the National Aged Care Workforce Census and Survey and may differ somewhat from other collections' definitions. Compare with **non-direct care worker**.

direct community services: Community services provided to individuals/families on an interactive or face-to-face basis or on their behalf. Compare with **non-direct community services**.

disability: An umbrella term for any or all of: an impairment of body structure or function, a limitation in activities, or a restriction in participation. Disability is a multidimensional concept, and is considered as an interaction between health conditions and personal and environmental factors. See also **core activity limitation** and **severe or profound core activity limitation**.

Disability Support Pension (DSP): Financial support for people aged between 16 and Age Pension age, with a physical, intellectual or psychiatric condition, who are unable to work for at least 15 hours per week at or above the relevant minimum wage, or be re-skilled for such work, for more than 2 years because of their disability; or who are permanently blind.

dischargee: A full-time prisoner aged at least 18 who expects to be released from prison within the 4 weeks following the time of interview.

dwelling: A structure or a discrete space within a structure intended for people to live in, or where a person or group of people live. Thus, a structure that people live in is a dwelling regardless of its intended purpose, but a vacant structure is only a dwelling if intended for human residence. A dwelling may include one or more rooms used as an office or workshop, provided the dwelling is in residential use.

early childhood education and care worker: Category of workers including child carers, child care centre managers and early childhood (pre-primary school) teachers.

early intervention: In the childhood development sector, these are programs used to improve health and developmental outcomes among children aged 0 to 6 who have, or are at risk of, developmental delay or disability. Programs may include physiotherapy, speech therapy, occupational therapy and special education. The term 'early childhood intervention' is sometimes used to distinguish these from other forms of early intervention.

emotional abuse: Any act by a person having the care of a child that results in the child suffering any kind of significant emotional deprivation or trauma. Children affected by exposure to family violence would also be included in this category.

employed: People aged 15 and over who, during the reference week of the ABS Labour Force Survey, worked for 1 hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm, or worked for 1 hour or more without pay in a family business or on a farm (that is, contributing family workers). This includes employees who had a job but were not at work and were away from work for less than 4 weeks up to the end of the reference week, or away from work for more than 4 weeks up to the end of the reference week and received pay for some or all of those 4 weeks. It also includes those who were away from work as a standard work or shift arrangement, on strike or locked out, on workers' compensation and expected to return to their job, or were employers or own account workers, who had a job, business or farm, but were not at work. Note, this definition applies to the ABS Labour Force Survey and may differ somewhat from other collections' definitions. Compare with **unemployed**. See also **labour force**.

employment restriction: A restriction determined for persons aged 15 to 64 with one or more disabilities if, because of their disability, they: were permanently unable to work; were restricted in the type of work they can or could do; needed or would need at least 1 day a week off work on average; were restricted in the number of hours they can or could work; required or would require an employer to provide special equipment, modify the work environment or make special arrangements; required assistance from a disability job placement program or agency; needed or would need to be given ongoing assistance or supervision; or would find it difficult to change jobs or get a better job. Note, this definition applies to the ABS Survey of Disability, Ageing and Carers and may differ somewhat from other collections' definitions. See also **schooling restriction**.

employment-to-population ratio: The number of employed people in a specified group expressed as a percentage of the **civilian population** in the same group.

enrolled: Persons registered for a course of study at an educational institution.

entrant: A person aged at least 18, entering full-time prison custody, either on remand (awaiting a trial or sentencing) or on a sentence. Prisoners who have been transferred from one prison to another are not included as entrants.

equivalised household income: An indicator of the economic resources available to a standardised household. For a lone-person household, it is equal to income received. For a household comprising more than one person, equivalised income is an indicator of the household income that a lone-person household would require in order to enjoy the same level of economic wellbeing as the household in question.

family: Two or more persons, one of whom is at least 15 years old, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who are usually living in the same household. Each separately identified couple relationship, lone parent to child relationship or other blood relationship forms the basis of a family. Some households contain more than one family.

family day care: Comprises services provided in the carer's home. The care is largely aimed at 0 to 5 year olds, but primary school children may also receive care before and after school, and during school vacations. Central coordination units in all states and territories organise and support a network of carers, often with the help of local governments.

fertility rate: See **total fertility rate**.

finalised guardianship orders: Orders involving the transfer of legal guardianship to the relevant state or territory department or non-government agency responsible for child protection. These orders involve considerable intervention in the child's life and that of their family, and are sought only as a last resort. Guardianship orders convey responsibility for the welfare of the child to the guardian (for example, regarding the child's education, health, religion, accommodation and financial matters). They do not necessarily grant the right to the daily care and control of the child, or the right to make decisions about the daily care and control of the child, which are granted under custody orders.

formal child care: Regulated care away from the child's home. The main types of formal care are before and/or after school care (**out-of-school-hours care**), **long day care**, **family day care** and **occasional care**.

full-time employees: Permanent, temporary and casual employees who normally work the agreed or award hours for a full-time employee in their occupation and received pay for any part of the reference period. If agreed or award hours do not apply, employees are regarded as full-time if they ordinarily work 35 hours or more a week. Note, this definition applies to the ABS Survey of Employee Earnings and Hours and may differ somewhat from other collections' definitions.

full-time workers: **Employed** people who usually worked 35 hours or more a week (in all jobs) and those who, although usually working less than 35 hours a week, worked 35 hours or more during the reference week of the ABS Labour Force Survey. Note, this definition applies to the ABS Labour Force Survey and may differ somewhat from other collections' definitions. Compare with **part-time workers**.

full-time workload equivalent: The ratio of a practitioner's Medicare billing to the average billing of a full-time practitioner. For example, a FWE value of 2 indicates that the practitioner's total billing is twice that of the average billing of a full-time practitioner. (For general practitioners, in aggregate there are fewer full-time workload equivalents than actual practitioners.)

greatest need (pertaining to housing): Households that, at the time of allocation, are either homeless or at risk of homelessness, in housing inappropriate to their needs, in housing placing them at risk or in housing with very high rental costs.

gross domestic product: A statistic commonly used to indicate national income. It is the total market value of goods and services produced within a given period after deducting the cost of goods and services used up in the process of production, but before deducting allowances for the consumption of fixed capital.

homeless people: As defined by the ABS, a person is considered homeless if they do not have suitable accommodation alternatives and their current living arrangement:

- is in a **dwelling** that is inadequate (is unfit for human habitation and lacks basic facilities such as kitchen and bathroom facilities)
- has no tenure, or if their initial tenure, is short and not extendable
- does not allow them to have control of, and access to space for social relations (including personal or household living space, ability to maintain privacy and exclusive access to kitchen and bathroom facilities).

hospitalisation: Synonymous with admission and separation; that is, an episode of hospital care that starts with the formal admission process and ends with the formal separation process. An episode of care can be completed by patients being discharged, transferred to another hospital or care facility, or dying, or by a portion of a hospital stay beginning or ending in a change of type of care (for example, from acute to rehabilitation).

household: A group of two or more related or unrelated people who usually live in the same **dwelling**, and who make common provision for food or other essentials for living; or a lone person living in a dwelling who makes provision for his or her own food and other essentials for living, without combining with any other person.

household composition: The grouping of people living in a dwelling. Household composition is based on couple and parent–child relationships. A household is a *single-family* type if it contains a main tenant, and if that main tenant lives with a partner and/or the main tenant's children. *Group households* consist of two or more tenants aged 16 or over, who are not in a couple or parent-child relationship. *Mixed households* refer to households not described by the other two types, for example, multiple single-family households.

housing affordability: Refers to the cost of housing compared with the financial situation of households. This term is generally used to refer to housing across major cities, states or nationally, as opposed to individual households. Housing affordability is often measured using the proportion of households in a given area in **housing stress**.

housing stress: A measure of **housing affordability** where the proportion of household income spent on basic housing costs (that is, rent or mortgage) is calculated. Low-income households spending 30% or more of their income on housing are considered to be in housing stress.

improvised dwelling: A **dwelling** that was not designed for human habitation or is considered unfit for human habitation. This may include shacks, sheds, cabins, boats or tents.

income support payments: The Australian Government provides a range of pensions and benefits to support people who have little or no private income, or to provide assistance with particular costs such as those associated with raising children or caring for a person with severe disability or illness. This comprises a range of income support payments and supplementary payments.

income unit: An income unit may consist of:

- a single person with no dependent children
- a sole parent with one or more dependent children
- a couple (married, registered or de facto) with no dependent children
- a couple (married, registered or de facto) with one or more dependent children.

A non–dependent child living at home, including one who is receiving an income support payment in their own right, is regarded as a separate income unit. Similarly, a group of non–related adults sharing accommodation are counted as separate income units.

Indigenous: A person of Aboriginal and/or Torres Strait Islander descent who identifies as an Aboriginal and/or Torres Strait Islander. See also **Aboriginal and Torres Strait Islander**.

Indigenous household: One which contains one or more **Indigenous** people.

Indigenous status: Whether a person identifies as being of **Aboriginal and/or Torres Strait Islander** origin.

infant mortality rate: The number of deaths among children aged under 12 months in a given period, per 1,000 live births in the same period.

informal carer: A person, such as a family member, friend or neighbour, who provides regular and sustained care and assistance to a person with disability, a long-term health condition, or an older person without payment for the care given. See also **primary carer**.

informal child care: Non-regulated care, arranged by a child's parent or guardian, either in the child's home or elsewhere. It comprises care by (step) brothers or sisters, care by grandparents, care by other relatives (including a parent living elsewhere) and care by other (unrelated) people, such as friends, neighbours, nannies or babysitters. In the context of the ABS Childhood Education and Care Survey, it may be paid or unpaid.

intact family: A couple **family** containing at least one child aged 0 to 17 who is the natural or adopted child of both partners in the couple, and no child aged 0 to 17 who is the stepchild of either partner of the couple. Intact families may also include other children who are not the natural or adopted children of either parent. See also **blended family** and **step family**.

International Classification of Functioning, Disability and Health: The World Health Organization's internationally accepted classification of functioning, disability and health. The classification was endorsed by WHO in May 2001.

investigation: Investigations are the process whereby the relevant child protection department obtains more detailed information about a child who is the subject of a notification received. Departmental staff make an assessment about the harm or degree of harm to the child and their protective needs. An investigation includes sighting or interviewing the child where it is practical to do so.

labour force: People who were **employed** or **unemployed** (not employed but actively looking for work) during the reference week of the ABS Labour Force Survey. Note, this definition applies to the ABS Labour Force Survey and may differ somewhat from other collections' definitions. See also **not in the labour force**.

labour force participation rate: For any group, the **labour force** expressed as a percentage of the civilian population aged 15 years and over in the same group.

life expectancy: An indication of how long a person can expect to live, depending on the age they have already reached. Technically it is the average number of years of life remaining to a person at a particular age if age-specific death rates do not change. The most commonly used measure is life expectancy at birth.

lone parent: A person who has no spouse or partner usually living in the household but who forms a parent-child relationship with at least one child usually resident in the household.

long day care: Comprises services aimed primarily at children aged 0 to 5, that are provided in a centre usually by a mix of qualified and other staff. Educational, care and recreational programs are provided based on the developmental needs, interests and experience of each child. In some jurisdictions, primary school children may also receive care before and after school, and during school vacations. Centres typically operate for at least 8 hours per day on normal working days.

long-term unemployed: People aged 15 and over who have been unemployed for 52 weeks or more.

main tenant: The tenant who is party to the residential tenancy agreement. Where this is not clear, it is the person who is responsible for rental payments.

managerial employees: Employees who have strategic responsibilities in the conduct or operations of the organisation and/or are in charge of a significant number of employees. These employees usually do not have an entitlement to paid overtime. (Owner-managers of incorporated enterprises are regarded as managerial employees.) Note, this definition applies to the ABS Survey of Employee Earnings and Hours and may differ somewhat from other collections' definitions. Compare with **non-managerial employees**.

median: The midpoint of a list of observations that have been ranked from smallest to largest.

median age: For a given measure, the age at which half the population is older and half is younger.

moderate or mild core activity limitation: A person who needs no help but has difficulty with core activities (moderate) or has no difficulty (mild) with core activities, but uses aids or equipment, or has one or more of the following limitations:

- cannot easily walk 200 metres
- cannot walk up and down stairs without a handrail
- cannot easily bend to pick up an object from the floor
- cannot use public transport
- can use public transport but needs help or supervision
- needs no help or supervision but has difficulty using public transport.

See also **disability, core activity limitation**, and severe or profound core activity limitation.

mortality rate: The number of deaths in a given period, adjusted to take account of population age structure, expressed per 1,000 population. See also **infant mortality rate**.

neglect: Any serious acts or omissions by a person having the care of a child that, within the bounds of cultural tradition, constitute a failure to provide conditions that are essential for the healthy physical and emotional development of a child.

net overseas migration: The number of incoming international travellers minus the number of outgoing international travellers, where the movement to or from Australia is for 12 months or more.

non-dependent child: A natural, adopted, step or foster child of a couple or lone parent usually resident in the household, who is aged 15 or over and is not a full-time student aged 15 to 24, and who has no identified partner or child of his/her own usually resident in the household. Note, this definition applies to the ABS Census of Population and Housing and may differ somewhat from other collections' definitions. See also **dependent child**.

non-direct care worker: Workers who are paid to provide services not directly involved in the personal, physical, social and emotional work required in caring for older Australians. For example, managers, administrators, workers in an ancillary care role and administration staff. Note, this definition applies to the National Aged Care Workforce Census and Survey and may differ somewhat from other collections' definitions. Compare with **direct care worker**.

non-direct community services: Non-direct services include social policy planning and development; group advocacy and social action; community group development and support; service delivery development and support to other organisations; administrative support and fundraising. Compare with **direct community services**.

non-Indigenous: People who have indicated that they are not of **Aboriginal or Torres Strait Islander** descent.

non-managerial employees: Employees who are not **managerial employees**, including non-managerial professionals and some employees with supervisory responsibilities. Compare with **managerial employees**.

non-private dwelling: Establishments that provide predominantly short-term accommodation for communal or group living and often provide common eating facilities. Non-private dwellings include hotels, motels, hostels, hospitals, religious institutions providing accommodation, educational institutions providing accommodation, prisons, boarding houses, and short-stay caravan parks. Some non-private dwellings are designed for a particular purpose (such as hospitals) and, as such, provide accommodation for specific groups of people. Note, this definition applies to the ABS Labour Force Survey and may differ somewhat from other collections' definitions. Compare with **private dwellings**.

non-school qualification: Educational attainments other than those of pre-primary, primary and secondary education. They include qualifications at the following levels: postgraduate degree, graduate diploma and graduate certificate, bachelor degree, advanced diploma and diploma, and Certificates I, II, III and IV. Non-school qualifications may be attained concurrently with school qualifications. See **post-school qualification**.

notifications: Contacts made to an authorised department by persons or other bodies making allegations of child abuse or neglect, child maltreatment or harm to a child.

not in the labour force: People who are not **employed** and not **unemployed**. See also **labour force**.

occasional care: A type of formal care (see **formal child care**) provided mainly for children who have not started school. These services cater mainly for the needs of families who require short-term care for their children. Compare with **out-of-school-hours-care** and **vacation care**.

older household: A **household** with a **reference person** aged 65 or over.

older person: For the purposes of this report (unless noted otherwise), a person aged 65 or over.

one-parent family: A family consisting of a lone parent with at least one **dependent** or **non-dependent child** (regardless of age) who is also usually living in the household. Examples of one-parent families include a parent aged 25 with dependent children, and a parent aged 80 living with a child aged 50.

Organisation for Economic Co-operation and Development (OECD): An organisation of 34 countries including Australia, mostly developed and some emerging (such as Mexico, Chile and Turkey); the organisation's aim is to promote policies that will improve the economic and social wellbeing of people around the world.

other contact worker (early childhood education and care): An 'other contact worker' has some duties involving direct contact with children, but deals mainly with staffing or management issues such as supervising staff and handling queries from parents. This may include, but is not limited to, principals, deputy principals, centre managers and coordinators. Note, this definition applies to the National Early Childhood Education and Care Workforce Census and may differ somewhat from other collections' definitions. See **primary contact worker**.

other family: A family of other related individuals living in the same household. These individuals do not form a couple or parent-child relationship with any other person in the household and are not attached to a couple or a one-parent family in the household.

out-of-home care: Alternative overnight accommodation for children and young people aged under 18 who are unable to live with their parents, where the child protection department makes (or offers) a financial payment. Children in out-of-home care can be placed in a variety of living arrangements, including foster care, relative/kinship care and residential care.

out-of-school-hours care: Comprise services provided for school-aged children (that is, aged 5 to 12) outside school hours during term and vacations. Care may be provided on student-free days and when school finishes early. Compare with **occasional care**.

outside-school-hours care: See **out-of-school-hours care**.

overcrowding: Where a dwelling requires one or more additional bedrooms to adequately house its inhabitants, according to the **Canadian National Occupancy Standard**. Compare with **underutilisation (housing)**.

over-representation: The likelihood of occurrence for one population compared with another population. This may be expressed as a rate-ratio and may be calculated as population A rate divided by population B rate. See also **rate ratio**.

owner (of dwelling): A household in which at least one member owns the dwelling in which the household members usually live. Owners are divided into two categories:

- owner without a mortgage—if there is no mortgage or loan secured against the dwelling
- owner with a mortgage—if there is any outstanding mortgage or loan secured against the dwelling.

participation: The **International Classification of Functioning, Disability and Health** defines participation in terms of involvement in life situations, from basic learning and applying knowledge, through general tasks and demands, to domestic life, relationships, education and employment, and community life.

participation rate: See **labour force participation rate**.

part-time workers: Employed people who usually worked less than 35 hours a week (in all jobs) and either did so during the reference week of the ABS Labour Force Survey, or were not at work in the reference week. Note, this definition applies to the ABS Labour Force Survey and may differ somewhat from other collections' definitions. Compare with **full-time workers**. See also **employed**.

post-school qualification: See **non-school qualification**.

preschools: Services licensed and/or funded by state or territory governments to deliver preschool services at a particular location. Preschool comprises a structured educational program provided by a qualified teacher in a variety of settings, usually aimed at children in the year before they commence formal schooling.

primary carer: A person who provides the most informal assistance, in terms of help or supervision, to a person with one or more disabilities, or aged 60 and over. The assistance has to be ongoing, or likely to be ongoing, for at least 6 months and be provided for one or more of the core activities (communication, mobility or self-care). Note, this definition applies to the ABS Survey of Disability, Ageing and Carers and may differ somewhat from other collections' definitions. See also **informal carer**.

primary contact worker (early childhood education and care): A 'primary contact worker' mainly has direct contact with children. This may include, but is not limited to, teachers, teachers' assistants/aides, specialist teachers and therapists. Note, this definition applies to the National Early Childhood Education and Care Workforce Census and may differ somewhat from other collections' definitions. See **other contact worker**.

private dwelling: Normally a house, flat, or even a room. It can also be a caravan, houseboat, tent, or a house attached to an office, or rooms above a shop. A private dwelling can be occupied or unoccupied. Occupied dwellings in caravan/residential parks are treated as occupied private dwellings. Note, this definition applies to the ABS Labour Force Survey and may differ somewhat from other collections' definitions. Compare with **non-private dwelling**.

projection: Is not a forecast but instead illustrates changes that would occur if the stated assumptions were to apply over the period in question.

quintile: A group derived by ranking a population according to specified criteria (for example, income) and dividing it into five equal parts.

rate: A rate is one number (the numerator) divided by another number (the denominator). The numerator is commonly the number of events in a specified time. The denominator is the population 'at risk' of the event. Rates (crude, age-specific and age-standardised) are generally multiplied by a number such as 100,000 to create whole numbers.

rate ratio: A rate ratio shows the relative difference between two rates and may be calculated as the rate for population A divided by the rate for population B. Rate ratios are commonly used to compare rates between (i) two points in time for the same population or (ii) between different populations at the same point in time. A rate ratio of: 1 indicates no difference between the rates; less than 1 indicates that rates have decreased over time (use i) or that the rate for population A is lower than that for population B (use ii); and more than 1 indicates an increase over time or that the rate for population A is higher than that for population B.

recurrent expenditure: Expenditure incurred for goods and services with a life of less than a year. Compare with **capital expenditure**.

reference person: The reference person for each **household** is chosen by applying, to all household members aged 15 and over, the selection criteria below, in the order listed, until a single appropriate reference person is identified:

- one of the partners in a registered or de facto marriage, with **dependent children**
- one of the partners in a registered or de facto marriage, without dependent children
- a lone parent with dependent children
- the person with the highest income
- the eldest person.

This definition applies to the ABS Survey of Income and Housing and may differ somewhat from other collections' definitions.

relative kinship care: A form of out-of-home care where the caregiver is: a relative (other than parents); considered to be family or a close friend; a member of the child or young person's community (in accordance with their culture); who is reimbursed by the state/territory for the care of the child (or who has been offered but declined reimbursement). For Aboriginal and Torres Strait Islander children, a kinship carer may be another Indigenous person who is a member of their community, a compatible community or from the same language group. See also **out-of-home care**.

remoteness classification: Each state and territory is divided into several regions based on their relative accessibility to goods and services (such as general practitioners, hospitals and specialist care) as measured by road distance. These regions are based on the Accessibility/Remoteness Index of Australia and defined as Remoteness Areas by either the Australian Standard Geographical Classification (ASGC) (before 2011) or the **Australian Statistical Geographical Standard (ASGS)** (from 2011 onwards) in each Census year.

residential aged care: Care provided to a person in an Australian Government-approved aged care home, including accommodation (bedding and other furnishings, meals, laundry, social activities), personal care (bathing/showering, toileting, dressing, eating, moving about), and nursing and allied health services if required. Residential aged care can be provided on a permanent basis, or a short-term basis for respite or emergency support. Prior to July 2014, care was provided at a 'high' or 'low' level, relative to the resident's care needs; however, since July 2014, there is no distinction of permanent residents as high or low care. See also **cared accommodation**.

residential care (aged care and younger people with disability): See **residential aged care**.

residential facility: An aged care service provided to individuals in a residential setting. Note, this definition applies to the National Aged Care Workforce Census and Survey and may differ somewhat from other collections' definitions. See **community outlet**.

respite services: Services that support community living by people who receive assistance from informal carers. Direct respite consists of the types of respite care arranged where the primary purpose is meeting the needs of carers by the provision of a break from their caring role, and may be delivered in the person's home, in a day centre or community-based overnight respite unit, and in residential aged care homes. Indirect respite is the 'respite effect' achieved by relieving the carer of other tasks of daily living, which may or may not be directly related to their caring responsibility.

restriction: A person has a restriction if he/she has difficulty participating in life situations, needs assistance from another person or uses an aid.

retirement: People are considered to have retired when: they have previously worked for 2 weeks or more, they have retired from work or looking for work, they are not intending to look for, or take up, work in the future.

schooling restriction: A restriction determined for persons aged 5 to 20 years who have one or more disabilities if, because of their disability, they: were unable to attend school, a special school or special classes at an ordinary school; needed at least one day a week off school on average; or had difficulty at school. Note, this definition applies to the ABS Survey of Disability, Ageing and Carers and may differ somewhat from other collections' definitions. See also **employment restriction**.

severe or profound core activity limitation: A person who needs help or supervision *always* (profound) or *sometimes* (severe) to perform activities that most people undertake at least daily—that is, the core activities of self-care, mobility and/or communication. See also **core activity limitation** and **disability**.

severely crowded dwelling: A dwelling that requires four or more extra bedrooms to accommodate the usual residents of that dwelling, according to the Canadian National Occupancy Standard (CNOS). Note, this definition applies to the ABS Census and may differ somewhat from other collections' definitions.

sleeping rough: The state of sleeping with no shelter on the street, in a park or in the open, or in a motor vehicle. See also **homeless people**.

social exclusion: The opposite of **social inclusion**.

social housing: Rental housing which is funded or partly funded by Government and is owned or managed by the government or a community organisation and let to eligible persons. This includes public rental housing, state owned and managed Indigenous housing, mainstream and Indigenous community housing and the Crisis Accommodation Program.

social inclusion: According to the former Social Inclusion Board, an inclusive society is one in which all members have the resources, opportunities and capability to learn, work, engage with and have a voice in the community. See also **social exclusion**.

socioeconomic status: An indication of how 'well off' a person or group is. In this report, socioeconomic status is mostly reported using the ABS's Socio-Economic Indexes for Areas (SEIFA), typically for 5 groups, from the most disadvantaged (worst off) to the least disadvantaged (best off).

specialist disability services: Services provided under the National Disability Agreement for people with intellectual, psychiatric, sensory, physical or neurological impairments that manifest before 65 years of age, and which result in a need for assistance with one or more core activities of life. Services currently include accommodation support, community support, community access, respite and employment. Compare with **mainstream services**.

specialist homelessness service: Assistance provided specifically to people who are experiencing homelessness or who are at risk of homelessness.

step family: A couple family containing one or more children aged 0 to 17, none of whom is the natural or adopted child of both members of the couple, and at least one of whom is the stepchild of either member of the couple. A step family may also include other children who are not the natural children of either parent. See also **blended family** and **intact family**.

substantiations: Substantiations of notifications received during the current reporting year refer to child protection notifications made to relevant authorities between 1 July and 30 June, which were investigated and the investigation was finalised by 31 August of the reporting period, and where it was concluded that there was reasonable cause to believe that the child had been, was being, or was likely to be, abused, neglected or otherwise harmed. Substantiation does not necessarily require sufficient evidence for a successful prosecution and does not imply that treatment or case management was provided. Substantiations may also include cases where there is no suitable caregiver, such as when children have been abandoned or their parents are deceased.

superannuation: Superannuation is money set aside over a person's lifetime to provide for their retirement. It can be accessed when a person reaches eligible age (between 55 and 60, depending on year of birth) and retires, or when they turn 65. Access can be through pension payments or a lump sum.

tenancy (rental) unit: The unit of accommodation (**dwelling** or part of a dwelling) to which a rental agreement can be made.

total fertility rate (TFR): The average number of babies that would be born over a lifetime to a hypothetical group of women if they experience the age-specific birth rates applying in a given year.

traditional working age: When used in this report, refers to the ages of 15 to 64 (compare with **working age**).

underemployed: Employed persons aged 15 years and over who want, and are available for, more hours of work than they currently have. They comprise: people employed part-time who want to work more hours and are available to start work with more hours, either in the reference week or in the 4 weeks subsequent to the survey; and persons employed full-time who worked part-time hours in the reference week for economic reasons (such as being stood down or insufficient work being available). Note, this definition applies to the ABS Labour Force Survey and may differ somewhat from other collections' definitions. See also **underutilisation rate**.

underemployment rate: The number of underemployed workers expressed as a percentage of the labour force.

underutilisation: (pertaining to housing): Occurs where a dwelling contains one or more bedrooms in surplus to the needs of the **household** occupying it, according to the **Canadian National Occupancy Standard** (CNOS). Compare with **overcrowding**.

underutilisation rate (pertaining to employment): The sum of people **unemployed** and **underemployed**, expressed as a percentage of the **labour force**.

unemployed: People aged 15 and over who were not employed during the reference week of the ABS Labour Force Survey, and had actively looked for full- or part-time work at any time in the previous 4 weeks, or were waiting to start a new job within 4 weeks of the end of the reference period. Note, this definition applies to the ABS Labour Force Survey and may differ somewhat from other collections' definitions. Compare with **employed**.

unemployment rate: The number of **unemployed** people, expressed as a percentage of the **labour force**.

vacation care: Comprise services provided for school-aged children (that is, aged 5 to 12) during school holidays. Compare with **occasional care**.

volunteer: Someone who, in the previous 12 months, willingly gave unpaid help, in the form of time, service or skills, through an organisation or group.

volunteer rate: The number of people who undertake voluntary work for an organisation as a percentage of the relevant population.

weekly (total cash) earnings: Total regular wages and salaries (in cash) earned a week; including amounts salary-sacrificed, ordinary time cash earnings and overtime earnings. Note, this definition applies to the ABS Survey of Employee Earnings and Hours and may differ somewhat from other collections' definitions. See **average weekly cash earnings**.

working age: For the purposes of this report, refers to people aged 25 to 64 (compare with **traditional working age**).

Index

A

Aboriginal Australians, *see* Indigenous Australians

ABS, *see* Australian Bureau of Statistics

ABSTUDY, 34, 217, 297, 298

abuse of children, *see* child protection

ACAP/ACAT assessments, *see* aged care assessments

access, 359, 375

- to doctors, 360, 380; homeless people, 333
- service standards, compliance with, 360, 377
- see also* demand and unmet needs

accommodation, *see* housing; supported accommodation for homeless people

accommodation support services, for people with disability, 321

acquired brain injury, 116, 155

Active ageing: a policy framework, 252

activity limitations, 320–1, 366

- carers of people with, 67, 251
- carers with, 66, 67
- children, 116
- employment, 225–6, 371
- homeless people, 332
- Indigenous Australians, 306
- older people, 234, 237–8, 374; with dementia, 273
- social engagement, 372
- young people, 157, 158; not in employment, education or training, 133

Adelaide, *see* capital cities

ADEs, 220, 225

adolescents, *see* children; young people

adoptions, 103–4

- see also* family payments

advanced diploma courses and qualifications, *see* vocational education and training

AEDC, 91

affective disorders, *see* mood (affective) disorders

affordability, *see* costs

Africa, migrants from, 382

after school care, *see* out-of-school hours care

age, 11–13, 14, 233

- carers, 62, 63, 65–7, 179
 - children, *see* age of children
 - criminal offenders, 162
 - disability, *see* age of people with disability at divorce, 180–1
 - education, *see* age, and education and training
 - employment, *see* age and employment
 - fertility rates, 22, 138, 181, 182
 - health, 365
 - homeless people, *see* age of homeless people
 - housing, *see* age and housing tenure
 - income support, 147–8, 179; Commonwealth Rent Assistance recipients, 223, 247
 - Indigenous Australians, *see* age of Indigenous Australians
 - life expectancy, 22, 236–8
 - at marriage, 20, 138, 180
 - mental health, 277–8, 314–15; Personal Helpers and Mentors (PhaMs) program participants, 317
 - older people, *see* age of older people
 - becoming parents, 22, 138, 181
 - parents receiving family payments, 179
 - psychological distress, 278–9, 365
 - retirement, 228–9
 - single people living alone, 194, 195
 - suicide, 151, 280–1
 - superannuation coverage, 239
 - support in time of crisis, 367
 - volunteers, 69, 234, 368
 - young people, *see* age of young people
- age, and education and training, 173
- apprentices and trainees, 128
 - mandatory participation requirements, 93, 139
 - see also* age of young people, and education and training

- age and employment, 24, 42–3, 143, 145–6
 - casual employees, 144
 - Indigenous Australians, 44
 - Newstart Allowance recipients, 148, 179
 - older people, 228, 250
 - retirement, 228–9
 - superannuation coverage, 239
 - welfare workforce, 50, 51, 52, 53, 54
 - women, 42, 176–7, 178
- age and housing tenure, 19, 182–4, 198–201
 - Commonwealth Rent Assistance (CRA), housing costs stress among renters with and without, 224
 - first home owners, 202
 - social housing tenants, 210
- age of children, 12
 - adoptions, 104
 - in child care, 187
 - in child protection system, 105–6
 - with disability, 82, 116, 117
 - family cohesion, 366
 - homeless, 20, 327, 334, 341
 - Indigenous, 13, 187
 - injuries, 83
 - parental home ownership, 182
 - school attendance, compulsory, 93
 - with working mothers, 178, 190
 - under youth justice supervision, 107
- age of homeless people, 211, 248, 334, 335
 - Indigenous, 327
 - young people with mental health issues, 152
- age of Indigenous Australians, 12–13, 294
 - in aged care, 306, 307
 - children in child care, 187
 - disability support services users, 306
 - educational attainment, 292
 - employment, 44
 - homeless, 327
 - homelessness support services clients, 111, 305
 - housing: SOMIH residents, 210
 - becoming parents, 138
 - psychological distress, 279
- age of older people, 11–13, 14, 233–5, 237, 258–60
 - aged care clients, 269–70, 307; aged 85 and over, 234, 258, 266, 267, 269–70
 - with disability, 234, 237–8
 - employment, 228, 250; superannuation coverage, 239
 - Indigenous Australians, 12–13, 234, 294, 307
 - life expectancy, 236–8
 - living arrangements, 241
 - mental health, 277–8
 - psychological distress, 278–9
 - relocating (moving), 259
 - retirement, 228–9
 - see also* ageing
- age of people with disability, 320
 - children, 82, 116, 117
 - Disability Support Pension recipients, 179
 - Indigenous Australians, 306
 - older people, 234, 237–8
- age of young people, 11–13, 139, 141
 - in criminal justice system, 162
 - employment, 143, 145–6; casual employees, 144
 - fully engaged in education or employment, 132, 141
 - income, 146, 147
 - not in employment, education or training, 132, 133
 - becoming parents, 22, 138
 - specialist homelessness services users, 152
 - transitioning from education to work, 140
- age of young people, and education and training, 121–2
 - apprentices and trainees, 121, 127, 128
 - fully engaged in employment or, 132, 141
 - mandatory requirements, 139
 - not in employment or, 132, 133
 - tertiary education qualifications, 130, 141
 - tertiary education students, 121, 122, 129, 141
 - transitioning from education to work, 140
 - Year 12 retention and completion, 121, 122, 124, 125

- Age Pension and age-related pensions, benefits and allowances, 242–3
 - Indigenous recipients, 298, 299
 - as main income source, 26, 240, 242
 - welfare expenditure, 34, 35, 242, 249
- age–sex standardised rates for aged care clients, 266
- age-specific rates
 - fertility, 182
 - marriage, 20
 - older people’s labour participation, 250
- aged and disabled care workers, 49, 56
- aged care, 241, 244–6, 258–76
 - clients aged 85 and over, 234, 258, 266, 267; service use before death, 269–70
 - Indigenous Australians, 280, 306–7
 - service standards, compliance with, 377
 - welfare expenditure, 245–6; cost per service output, 376
 - workforce, 53–7, 253
 - see also* carers; community aged care; residential aged care
- Aged Care Act 1997*, 261
- Aged Care (Living Longer Living Better) Act 2013*, 261
- Aged Care Assessment Program (ACAP) Minimum Data Set, 264
- aged care assessments (ACAP/ACAT), 262–3, 264, 265, 267–8
 - people with dementia, 272
 - welfare expenditure, 245–6; cost per service output, 376
- Aged Care Workforce Fund, 57
- Aged care workforce* report, 53
- ageing, 236–57
 - dependency ratios, 361, 382
 - housing implications, 253, 259
 - Indigenous population, 294
 - labour force, 42, 43
 - see also* older people
- ageing in place, 259, 260–1
- AHURI, 253
- AIFS, 18
- alcohol consumption
 - contribution to assault incidents, 161
 - pregnant and breastfeeding women, 80–1
 - young people, 152
- allowances, *see* income support
- ambulance response times, 381
- America, migrants from, 382
- antenatal visits, mothers attending, 78–9
- anxiety disorders (social phobia), 151, 312, 316
 - Personal Helpers and Mentors (PhaMs) program participants, 317, 318
- ANZSIC, 47
- apartments and flats/units, 194, 241
- apparent retention rates, 124, 125
- apprentices and trainees, 121, 127–8, 140
 - Australian Apprenticeships Incentives Programme, 57
 - see also* student payments
- ASGS Remoteness Structure, 15
- Asia, migrants from, 13–14, 238, 382
 - intercountry adoptions, 103, 104
- assault victims, *see* violence, victims of
- assets, older people’s leveraging of accumulated, 253
- Assistance for Isolated Children Scheme, 217
- Assistance with Care and Housing for the Aged Program, 263
- asthma, children with, 81, 82
- attendance by children
 - child care, 88
 - cultural venues, 83
 - preschool programs, 89, 110; Indigenous children, 89, 110, 113, 114
 - school, 93–5; Indigenous children, 94–5, 113, 290–1
- attitudes towards mental illness, 315–16
- Australian Aboriginal and Torres Strait Islander Health Survey, 279, 295
- Australian Aboriginal and Torres Strait Islander Social Survey, 295

- Australian and New Zealand Standard Classification of Occupations, 46
- Australian and New Zealand Standard Industrial Classification, 47
- Australian Apprenticeships Incentives Programme, 57
- Australian Bureau of Statistics (ABS) data
- Australian Standard Geographical Standard Remoteness Structure, 15
 - education and training, 122, 125; early childhood education and care, 78, 88, 187, 190, 250
 - employment, *see* Australian Bureau of Statistics (ABS) data on employment
 - families, 18; definition and classification, 16
 - housing, *see* Census of Population and Housing data on housing
 - income, 25, 146, 207, 295–6
 - older people, 234, 241, 251, 260, 273; *see also* Census of Population and Housing data on older people
 - price deflators, 33
 - volunteering, 70, 134, 251; definition of volunteer, 69
 - welfare expenditure, 37; Government Purpose Classification, 36
 - wellbeing indicators, 347
 - young people, 134, 143; victims of violence, 161
- see also* Census of Population and Housing data; Survey of Disability, Ageing and Carers
- Australian Bureau of Statistics (ABS) data on employment, 42
- mothers' work transitions, 178, 191
 - retirement, 230, 240
 - superannuation coverage, 239–40
 - welfare workforce, 45, 46–9, 56
 - young people, 143
- Australian Capital Territory, 51
- see also* states and territories
- Australian Community Sector Survey, 55
- Australian Council of Social Service, 55
- Australian Disability Enterprises (ADEs), 220, 225
- Australian Early Development Census, 90–91, 156, 290
- Australian Government Department of Employment, 8, 54, 55
- Australian Government Department of Human Services, *see* Department of Human Services
- Australian Government Department of Social Services, *see* Department of Social Services
- Australian Government Department of the Treasury, 38, 249
- Australian Government Department of Veterans' Affairs, *see* Age Pension
- Australian Government Parliamentary Budget Office, 249
- Australian Health Survey, 279, 364
- Australian Housing and Urban Research Institute (AHURI), 253
- Australian Institute of Family Studies, 18
- Australian Law Reform Commission, 341
- Australian National Infant Feeding Survey, 81
- Australian Standard Geographical Standard Remoteness Structure, 15
- Australia's health 2014*, 248
- Austudy, 34, 179, 219
- Indigenous recipients, 299
- autism, 117, 158
- ## B
- babies, *see* births
- Baby Bonus, 214
- bachelor degrees, *see* higher education
- Barwon, Vic, 117
- bedrooms, 194, 259
- see also* overcrowded dwellings
- before school care, *see* out-of-school hours care
- behavioural and personality disorders, 318
- birth, life expectancy at, 22
- birthplaces, *see* migrants
- births, 21–2, 181, 182
- family payments, 214
 - maternal health, impacts of, 78–81

- working mothers, 178, 190–1
 - young mothers, 22, 138, 178, 181
 - see also* early childhood
 - birthweight, 78, 81, 82
 - Indigenous babies, 110
 - blended families, 16, 181
 - Blueprint for an ageing Australia*, 253
 - boarding house residents, 323
 - Indigenous Australians, 327, 329
 - older people, 330
 - body weight, *see* weight
 - boys, *see* children; sex (gender) of children
 - brain injury, acquired, 116, 155
 - breastfeeding, 81, 82
 - alcohol consumption during, 80
 - Brisbane, *see* capital cities
 - British migrants, 13, 14
 - broadband internet access, 356, 368
 - brothers, *see* siblings
 - Building Workforce Capacity and Expertise project, 56
 - bullying at school, 95
 - burden of disease
 - mental illness, 313
 - partner violence, 341
 - business closed down, as reason for retirement, 229
 - business opportunities in population ageing, 253
- C**
- CACPs, 244, 262, 265, 307
 - Canadian National Occupancy Standard, 371
 - Canberra, *see* Australian Capital Territory; capital cities
 - cancer, new cases among children, 81, 82
 - capital cities, 15
 - ambulance response times, 381
 - single people living alone, 194
 - see also* geographical location
 - capital welfare expenditure, 36
 - caravan park residents, 248
 - care and protection orders, 105, 106, 160, 164
 - Carer Allowance, 63–4, 66, 179
 - young recipients, 65
 - Carer Payment, 63–4, 66, 179
 - Indigenous recipients, 298, 299
 - young recipients, 65
 - Carer Recognition Act 2010*, 61
 - carers, 61–8, 251, 252
 - adoptions by, 104
 - of older people, and take-up of aged care services, 241
 - palliative care, 284
 - retirement from work to become, 229
 - satisfaction, 63, 67, 376
 - see also* parents; respite care
 - carers with disability, 66
 - cash payments, *see* income support
 - casual employment, 52, 144
 - Catholic sector school attendance, 93, 94–5
 - CDEP, 292–3, 296–7, 300, 301
 - Census of Population and Housing data
 - carers, 67
 - families and households, 18
 - homeless people, 248, 324–5, 327, 328, 330
 - housing, *see* Census of Population and Housing data on housing
 - Indigenous Australians, *see* Census of Population and Housing data on Indigenous Australians
 - older people, *see* Census of Population and Housing data on older people
 - volunteering, 70
 - welfare workforce, 45
 - young people, 133, 138, 146
 - Census of Population and Housing data on housing, 19, 183, 197, 204–5
 - employment status, 208
 - house prices, 19
 - income, 207

- Census of Population and Housing data on Indigenous Australians, 293–4
 - employment, 296, 301
 - homelessness, 327, 328
 - households, 18
 - housing, 204–5
 - Year 12 attainment, 114
- Census of Population and Housing data on older people, 234
 - educational attainment, 239
 - homelessness, 248, 330
 - living arrangements, 241
 - relocating, 259
- centenarians, 233
- Central and South America, migrants from, 382
- Central and Southern Asia, migrants from, 13–14, 382
- Centre for Community Child Health, 90
- Centrelink, 214
 - payments to Indigenous Australians, 295, 297–302
 - satisfaction with services, 376
- certificate courses and qualifications, *see* vocational education and training
- child care, *see* early childhood education and care
- Child Care Benefit, 34, 216
 - cost per service output, 376
 - under-employment of parents receiving, 358, 374
- Child Care Management System, 156
- Child Care Rebate, 34, 216
- child care services and preschool education, 47
 - employment, 48
- child dependency ratio, 171–2, 382
- child protection, 105–6, 156
 - Indigenous children, 105, 111, 302
 - welfare indicators, 358, 360, 377
 - workforce, 51, 55, 56
 - young people, 155, 156, 159–60; specialist homelessness services presentations, 164
- Child Support Agency services, satisfaction with, 376
- Childhood Education and Care Survey, 78, 88, 187, 190, 250
- children, 11–13, 14, 16–17, 18, 71–118
 - as carers, 65; of brothers/sisters, 188, 191
 - carers of, *see* early childhood education and care
 - domestic and family violence, 326–7; specialist homelessness services clients, 20, 111, 327
 - mental health, 312, 318
 - see also* age of children; births; early childhood; families and households; Indigenous children; parents; primary education; sex (gender) of children; young people
- children with disability, 82, 116–18
- China, migrants from, 13, 14
 - intercountry adoptions, 104
- church groups, *see* religious and spiritual groups
- cities, *see* capital cities; geographical location
- civic engagement, 251
 - see also* social engagement
- classifications, *see* definitions and classifications
- client fees for NGSCO services, 37
- Closing the Gap targets, 113–14, 292
- co-residency, *see* living arrangements
- COAG, *see* Council of Australian Governments
- cohabitation, *see* living arrangements
- Commission on the Measurement of Economic Performance and Social Progress, 347, 349
- Commonwealth Home and Community Care Program, *see* Home and Community Care
- Commonwealth Home Support Programme, 64, 244, 263
- Commonwealth Rent Assistance (CRA), 222, 223–4, 247, 305
- Commonwealth Respite and Carelink Centres, 64
- communication and communication assistance
 - broadband internet access, 356, 368
 - children, 116; participating in NDIS, 117
 - older people, 234
- community access services, 321

- community aged care, 241, 244–6, 258–74
 - Indigenous Australians, 307
 - service standards, compliance with, 377
 - Transition Care Program recipients returning to, 253
 - welfare expenditure, 245–6
 - workforce, 53
- Community Aged Care Packages (CACPs), 244, 262, 265, 307
- community and social participation, *see* social engagement
- community and welfare groups, volunteering involvement in, 69, 70
- community attitudes towards mental illness, 315–16
- community-based supervision of children and young people, 107, 162
- Community Development Employment Projects (CDEP) program, 292–3, 296–7, 300, 301
- community housing, 210, 376
- community mental health care services, young users of, 152
- Community Services and Health Industry Skills Council, 57
- Community Services and Health Industry Training Board, 57
- community services occupations, 46, 48–58
 - early childhood education and care workers, 49, 50–1, 54, 56, 57, 192
- Community Services Training Package, 57
- community services workforce, *see* welfare workforce
- community support services, 321
 - children, 117
 - young people, 158
- Compact with Young Australians, 139
- complex needs, people with, 331–3
- compulsory school attendance, ages of, 93
- conceptual framework for welfare indicators, 348–9
- constant price expenditure, 33
- Consumer Directed Care, 263
- consumer price index, 33
 - gross cost of childcare compared with, 190
- contextual factors (welfare indicator domain), 350, 353, 361, 381–4
- core activity limitations, *see* activity limitations
- co-residency, *see* living arrangements
- costs
 - aged care, 241
 - child care, 188–90
 - domestic and family violence, 341
 - health, 248
 - management expense ratio welfare indicator, 359
 - per service output welfare indicator, 376
 - preschool programs, 89
 - see also* finances; housing costs and affordability
- Council of Australian Governments (COAG), 347
 - Building Workforce Capacity and Expertise project, 56
 - Closing the Gap targets, 113–14, 292
 - National Early Childhood Development Strategy, investing in the early years*, 73
- counselling services for carers, 64
- counsellors, 49
- countries of birth, *see* migrants
- couple families (households), 16, 17, 74
 - income, 26, 195; breadwinners, 177
 - jobless, 77, 354, 372
 - older people, 26, 241
 - same-sex, 18, 138
 - see also* marriage and marital status; spouse carers
- couple families (households) and housing, 182–3, 201–2
 - housing costs as proportion of income, 209;
 - older people, 240
 - Indigenous Australians, 204
- couple families (households) with children, 16, 17, 18, 74, 181, 195
 - child care, 88, 187–91
 - children's participation in sport or cultural activities, 83
 - divorces, 181

employment, 25; child care use, 88, 187–90; preschool use, 89
 family cohesion, 366
 housing, 182, 201–2; costs as proportion of income, 209
 income, 188–9; breadwinners, 177
 jobless, 77, 372
 parental involvement in informal learning, 78
 preschool program attendance, 89
 volunteering involvement, 69
see also children; parents

courses of study, 129

CPI, 33
 gross cost of childcare compared with, 190

CRA, 222, 223–4, 247, 305

criminal justice, *see* youth justice supervision

crisis, support in times of, 367

crisis accommodation, *see* supported accommodation for homeless people

crowded dwellings, *see* overcrowded dwellings

crude marriage rate, 20

cultural activities by children, 83

‘cultural’ definition of homelessness, 323

culturally diverse backgrounds, people from, *see* migrants

current price expenditure, 33

custody/guardianship orders, children on, 156

D

Dad and Partner Pay, 214

Darwin, *see* capital cities

data gaps and data developments, 10, 26, 184
 carers, 67
 children, *see* data gaps and data developments about children
 disability and disability services, 266–7, 322
 domestic and family violence, 342
 employment, *see* data gaps and data developments about employment
 homelessness, *see* data gaps and data developments about homelessness

housing, 212, 224
 income support, 221; families with children, 218
 maternal perinatal depression, 81
 mental health, 152, 281, 318; dementia, 273
 single people living alone, 196
 volunteering, 70
 welfare expenditure, 31, 37, 39, 40–1
 welfare indicators, 346–8, 362
see also definitions and classifications; minimum data sets

data gaps and data developments about children, 73, 83–4
 adoptions, 104
 breastfeeding, 81
 child protection, 106, 156
 data linkage, 156
 developmentally vulnerable children (school readiness), 92, 156
 with disability, 118
 early childhood education and care, 89, 115, 156, 192–3
 Indigenous, 112, 115
 mental health, 152, 318
 schooling, 101, 156
 youth justice supervision, 109, 156

data gaps and data developments about employment, 24, 44
 Indigenous Australians, 303; CDEP, 301
 people with disability, 226–7
 retirement, 230
 welfare workforce, 45, 46–7, 50–6, 58

data gaps and data developments about homelessness, 324, 325, 337
 Indigenous Australians, 328
 people with complex needs, 331
 young people, 329

data gaps and data developments about Indigenous Australians, 26, 290, 308
 children, 112, 115
 education and training, 115, 122
 employment services, 303
 homelessness, 328
 income support, 294–5, 297, 300, 301, 302
 retirement, 230

- welfare expenditure, 39
- young people, 122
- data gaps and data developments about older people, 254
 - aged 85 and over, 235
 - aged care, 264, 265, 274
 - mental health, 281; dementia, 273
 - palliative care, 285
- data gaps and data developments about young people, 122–3, 134
 - apprentices and trainees, 128
 - gap year, 142
 - homelessness, 329
 - mental, behavioural and substance use, 152–3
 - school retention and completion, 125
 - tertiary education, 131
 - transitions to independence, 148
 - vulnerable, 165
- data linkage, 7, 8
 - aged care, 264, 265, 268, 272
 - children and young people, 156
 - homeless people, 8, 156, 336
- daughters and sons, as domestic and family violence perpetrators, 340
- Day Therapy Centres Program, 263
- de facto relationships (cohabiting couples), 18, 137, 138, 180
- deaths
 - aged care program use before, 265, 266–7, 269–70, 271–2
 - children, 81, 82; Indigenous, 110, 111
 - domestic homicide, 341
 - life expectancy, 22, 236–8
 - palliative care, 283–5
 - suicide, 81, 151, 280–1
 - widows, 234
- Deep and persistent disadvantage in Australia*, 352
- definitions and classifications
 - carers, 61–2
 - Centrelink payments, 297
 - child care, 88
 - child protection, 105
 - community services industries, 47
 - dependency ratios, 171–2
 - disability, 320
 - families, 16
 - homelessness, 323–5, 328
 - housing, 207
 - housing tenure, 198
 - income, 25, 207
 - income units, 222
 - jobless families, 77
 - marginal housing, 248
 - remoteness, 15; schools, 97–8, 99
 - volunteer, 69
 - welfare, 3
 - welfare expenditure, 33, 36, 39
 - welfare indicators, 348–61
 - welfare system, 3–4
 - working age, 171
- demand and unmet needs
 - aged care, 260
 - child care, 190, 191, 374, 375
 - homelessness services, 359
 - housing, 208, 223; social, 210
 - palliative carers, 284
 - social housing, 223, 375
- dementia, 244, 263, 265
 - aged care program use, 272, 273
 - carer support, 64
 - housing design, 253
 - Indigenous Australians, 307
- Dementia and Cognition Supplement, 244
- Dementia Behaviour Management Advisory Service, 64
- demography, *see* population
- dental health of children, 81, 82
- Department of Employment, 8, 54, 55
- Department of Human Services, 8, 214
 - clients satisfied with services, 376
 - see also* Centrelink
- Department of Social Services, 8, 159, 214, 297
 - Australian Disability Enterprises (ADEs), 220, 225

- Department of the Treasury, 37, 249
- Department of Veterans' Affairs, *see* Age Pension
- dependency of people with disability, *see* activity limitations
- dependency ratios, 171–2, 361, 382
- deposits paid by home buyers, 247
- depression, *see* mood (affective) disorders
- detention (prison), young people in, 156, 162–3, 164
 - aged 10–14, 107
 - education and training, 360, 378
- determinants of wellbeing, 352, 355–7, 364–9
- developmentally vulnerable children, *see* school readiness
- diabetes, new cases among children, 81, 82
- dietary guidelines, Indigenous children meeting, 110
- diplomas, *see* vocational education and training
- disability and disability services, 320–2
 - carers with disability, 66
 - data linkage with Home and Community Care Minimum Data Set, 8
 - employment, *see* disability and employment
 - homeless people, 331–2, 333
 - housing, 223, 224
 - income support, 158, 220, 321; welfare expenditure, 34, 35; *see also* Disability Support Pension
 - Indigenous Australians, *see* Indigenous Australians with disability
 - mental health burden of disease, 313
 - mental health comorbidity, 317
 - older people, *see* older people with disability
 - satisfaction with services received, 376
 - welfare indicators, 357, 358, 366, 371–2, 374
 - workforce, 55, 56, 57
 - see also* activity limitations; aged care; carers; National Disability Insurance Scheme; young people with disability
- disability and employment, 220, 225–7, 321
 - Indigenous Australians, 303
 - welfare indicator, 357, 371
 - young people, 158
- Disability Employment Services (open employment services), 220, 225, 226, 321
 - Indigenous clients, 303
 - young clients, 158
- disability insurance, *see* National Disability Insurance Scheme
- Disability Services National Minimum Data Set (DS NMDS), 8, 67, 321
- Disability Support Pension (DSP), 179, 220
 - Commonwealth Rent Assistance (CRA), housing costs stress among renters with and without, 224
 - Indigenous recipients, 298, 299
 - older recipients, 243
 - 'psychological/psychiatric' medical condition, 313
 - young recipients, 158
- disability support services (National Disability Agreement), 321
 - carers of users with, 67
 - child users, 117
 - Indigenous users, 306
 - older users, 246
 - young users, 158
- disabled and aged care workers, 49, 56
- disadvantage, 287–342
 - see also* Indigenous Australians; socioeconomic status; vulnerable children
- discrimination against people with mental health problems, 315–16
- disposable income, *see* income
- divorces, 21, 180–1
- doctors, access to, 360, 380
 - homeless people, 333
- domestic and family violence, 20, 211, 326–7, 340–2
 - housing outcome after assistance, for people with complex needs, 331
 - older people seeking assistance, 330
 - people with mental health issues seeking assistance, 314
 - welfare indicator, 356, 367
 - young people seeking assistance, 161, 164, 331

domestic homicides, 341
downsizing by older people, 259
drug use, illicit, 152
dwellings, *see* home; housing; overcrowded dwellings

E

EACH, 244, 262, 265, 307
EACHD, 244, 263, 265, 307
early childhood, 11–13, 73–89
 adopted infants, 104
 disability, 82, 116, 117
 infant mortality, 81, 82; Indigenous, 110, 111
 parental leave, 214; mothers return to work, 178, 190–1
 see also births
Early Childhood Development Outcomes Framework, 73
early childhood education and care (child care and preschool programs), 73, 88–9, 186–93
 ANZSIC definitions, 47
 children needing additional formal care, 374, 375
 cost per service output, 376
 data linkage, 156
 government payments, 34, 216
 grandparents, 88, 187, 188, 190, 191, 250
 Indigenous children, 89, 110, 113, 114
 older parents, 251
 parental involvement, 76, 78
 service standards, compliance with, 377
 welfare indicators, 358, 359, 374, 375
 workforce, 49, 50–1, 54, 56, 57, 192; employed people per 100,000 population, 48
early intervention
 in childhood, 75–6; National Disability Agreement service, 117
 justice reinvestment model, 161
 young carers, to prevent inappropriate caring responsibilities for, 65
earnings, *see* income
Eastern and Southern Europe, migrants from, 13–14, 382
eating disorders, 318
economic conditions welfare indicator, 361, 384
economic costs, *see* costs
economic value, *see* value
education and training, 22–3, 89–102, 121–34, 139–42
 home ownership, 208
 homelessness services workers studying for qualification, 52
 older people, 238–9
 schooling or employment restriction, 157, 158, 321
 volunteering involvement, 70
 welfare indicators, 356–7, 360, 369, 378
 working-age people, 173–4, 179, 219; Indigenous women, 293
 see also early childhood education and care; primary education; qualifications and educational attainment; student payments; tertiary education; young people, and education and training
effectiveness (welfare system performance indicators), 360, 378–9
efficiency (welfare system performance indicators), 359, 376
emergency funds, access to, 355, 364
emergency services, 360, 381
 volunteering involvement in, 70
emotional abuse of children, 105
employment, 24–5, 42–4, 174–8
 carers, 61, 66, 67
 child care use, 88, 187, 188, 190–1; additional required, 374, 375
 flexible working arrangements, 191
 Global Financial Crisis (GFC) effects, 42, 143, 145, 354
 home ownership, 208
 homeless people, 8
 Indigenous Australians, *see* Indigenous Australians and employment
 older people, *see* older people and employment
 parents, *see* working parents

- people with disability, *see* disability and employment
- people with mental disorders, 314, 315–16
- young people, *see* young people and employment
- see also* full-time/part-time employment; not in employment, education or training; not in labour force; underemployment; unemployment; welfare workforce
- employment restriction, people with, 226
 - with schooling restriction or, 157, 158, 321
- employment services, 220
 - cost per service output, 376
 - Indigenous Australians, 303–4
 - job seekers off benefits 12 months following participation, 360, 378
 - people with disability, 220, 225, 226, 321;
 - young people accessing, 158
- engineering and related technologies qualifications, 23
 - students, 129
- English-speaking countries, population born in, *see* migrants
- enrolled and mothercraft nurses, 49
- enrolled nurses, 57
 - aged care workers, 54
- Equal Remuneration Order for community sector workers, 55, 56
- equivalised disposable household income, *see* income
- Europe, migrants from, 13–14, 238, 382
- eviction or tenancy failure, 211, 335
- expenditure on health, 248
- expenditure on welfare, *see* welfare expenditure
- experience, welfare workforce with, 51, 52
- Extended Aged Care at Home (EACH), 244, 262, 265, 307
- Extended Aged Care at Home Dementia (EACHD), 244, 263, 265, 307

F

- face-to-face threatened assault victims, 161
- Fair Work Act 2009*, 61
- Fair Work Australia equal remuneration case, 55, 56
- falls, by children, 83
- families and households, 16–18, 179–84
 - child wellbeing, role in, 73–87
 - co-resident carers, 62, 63, 241
 - homeless people staying temporarily with, 323, 330; Indigenous Australians, 327, 329
 - welfare expenditure, 34, 35; tax concessions, 38
 - see also* living arrangements; one-parent families; relatives and friends; single people
- family assistance payments, *see* family payments
- family cohesion welfare indicator, 356, 366
- family day care, 187, 188, 191
 - workforce, 50, 51
- family formation, *see* births; marriage and marital status
- family functioning, 75–8, 356, 366–7
 - home ownership and, 208
 - see also* child protection
- family home, *see* home
- family income, *see* income
- Family Law (Bilateral Arrangements—Intercountry Adoption) Regulations*, 104
- family payments, 179, 214–18
 - Indigenous recipients, 302
 - see also* Parenting Payment
- Family Tax Benefit, 179, 214–15
 - Indigenous recipients, 302
- family violence, *see* domestic and family violence
- fathers, *see* parents
- fees charged to NGSCO service users, 37
- females, *see* sex (gender)
- fertility rates, 22, 138, 181, 182
- Fetal Alcohol Syndrome Disorder (FASD), 81

fetal growth and development, impact of maternal health, 78–81

fields of study, 129

finances

- carers, 66
- emergency funds, access to, 355, 364
- mothers returning to work, reason for, 190
- specialist homelessness services presentations, reason for, 164, 211, 314, 330
- young people living at home, reason for, 136
- see also* costs; welfare expenditure

financial literacy, 254

first home buyers, 183–4, 202–4, 222

First Home Owners Grants, 203, 222

first marriages, 20

flats/units and apartments, 194, 241

flexible aged care, 307

flexible working arrangements, 191

for-profit NGCSOs, 37

foreign adoptions, 103–4

foreign-born Australians, *see* migrants

formal aged care, *see* community aged care; residential aged care

formal child care, *see* child care

foster care, *see* out-of-home care

fragmentation of welfare sectors, 57

friends, *see* relatives and friends

fruit and vegetable consumption, by Indigenous children, 110

full-time/part-time employment, 24, 42, 175, 177

- gap year takers, 142
- Indigenous Job Services Australia (JSA) participants, 304
- retirement, 240; transition to, 229
- welfare workforce, 50, 52, 53; median earnings, 56
- working parents, 177, 178, 190

full-time/part-time employment of young people, 132, 143, 144

- graduates, 140
- income, 146–7

- looking for, 145; not in employment, education or training group, 133
- prison entrants and discharges, 163
- students, 143, 146, 147

full-time study, not in the labour force, 42, 132

fully engaged in education or employment, 132, 141–7, 373

functional status (welfare indicator), 356, 365–6

- see also* disability; health

funding, *see* welfare expenditure

further education, *see* tertiary education

G

gap year, 142

gay couples, 18, 138

GDP, *see* gross domestic product

gender, *see* sex (gender)

general practitioners, access to, 360, 380

- homeless people, 333

General Social Survey (GSS), 70, 134, 251

geographical location, 15

- apprenticeships and traineeships undertaken, 127
- Assistance for Isolated Children Scheme, 217
- broadband internet access, 368
- children developmentally vulnerable, 91
- general practitioners, 380
- literacy and numeracy standards, 97–8, 99, 114
- school attendance, 95
- teenage births, 138
- volunteering involvement, 69
- welfare workforce recruitment, 55
- Year 12 attainment, 369
- young people: not in employment, education or training, 133
- see also* capital cities; states and territories

geographical location of Indigenous Australians, 15, 293–4

- employment, 44, 293, 301, 303
- homelessness, 327–9

- income support, 296–7
- overcrowded households, 306, 371
- self-identification, 293
- teenage births, 138

geographical location of Indigenous children, 110

- developmentally vulnerable (school readiness), 290
- literacy and numeracy standards, 97, 98, 99, 114, 291
- preschool enrolment and attendance, 113, 114
- school attendance, 113

Germany, migrants from, 13

girls, *see* children; sex (gender); young people

global financial crisis (GFC) effects

- employment, 42, 143, 145, 354
- net national disposable income, 384
- tertiary education, participation in, 140
- welfare expenditure, 32, 34, 36, 38; as proportion of GDP, 32, 33, 354

government expenditure, *see* welfare expenditure

government final consumption expenditure implicit price deflator, 33

government payments, *see* income support

Government Purpose Classification, 36

government sector school attendance rates, 93, 94–5, 291

government sector workers, 239

graduate qualifications, *see* qualifications and educational attainment

grammar and punctuation, students achieving at or above national minimum standards, 96

grandparents

- children living with (grandparent families), 18
- informal child carers, 88, 187, 188, 190, 191, 250

gross domestic product (GDP), welfare expenditure as proportion, 32, 33, 354, 383

- age-related pensions, 249
- international comparisons, 39–40

- group households, 16, 17
 - housing tenure, 202
- Indigenous, 18
 - young people, 136, 137
- guardianship/custody orders, children on, 156

H

HACC, *see* Home and Community Care

HDI, 347

health, 365

- burden of disease, 313, 341
- children, 81–2; Indigenous, 110
- general practitioners (doctors), access to, 333, 360, 380
- homeless people, 332–3
- maternal, impact on child wellbeing, 78–81
- older people, 248, 252, 259, 277–82, 365
- retirement reason, 229
- Sickness Allowance, 299
- single people living alone, 195
- see also* deaths; disability and disability services; hospitals and hospitalisations; mental health

health care assistance for older people, 234

health expenditure, 248

Health Industry Training Package, 57

Health Workforce Australia, 54

Healthy Start for School measure, 214

high-income households, *see* income

high school, *see* secondary education

higher education, 130

- graduate employment, 140
- graduate income, 238
- Indigenous Australians, 292, 293
- older people, 238–9
- parents, and students' literacy and numeracy standards, 98
- welfare workforce, 50, 51, 52, 192
- working age people, 173, 174

- higher education students, 121, 122, 129
 - Indigenous, 291
 - working-age people, 174
 - see also* student payments
- HILDA, *see* Household, Income and Labour Dynamics in Australia
- Hobart, *see* capital cities
- home
 - broadband internet access, 368
 - children in out-of-home care, safe return to, 358
 - children's injury, place of, 83
 - children's learning activities in, 76, 78
 - palliative care in, 284
 - people with disability living at, 372; *see also* community aged care; disability support services; Home and Community Care
 - young people living at, 136–7, 199
- Home and Community Care (HACC), 244, 260, 262, 264, 265, 270–1
 - ACAT assessments, 267–8
 - clients aged 85 and over, 234
 - Indigenous clients, 307
 - service standards, compliance with, 377
 - training packages, 57
 - transport services, 69
- Home and Community Care (HACC) Minimum Data Set, 8, 264
- Home Care Packages Programme, 244, 261, 263
- Home Care service standards, 377
- home deposits, 247
- home loans (mortgages), 19, 182–4, 197, 199–202, 383
 - first home buyers, 202–4
 - home purchase assistance, 209, 222
 - housing costs as proportion of income, 207–8, 241
 - Indigenous Australians, 205, 209
 - older people, 240, 241; mortgage equity withdrawal, 253
 - across states and territories, 198
- home ownership (housing tenure), 19, 182–4, 197–213
 - homelessness definitions, 323, 324
 - housing assistance, 203, 209, 222–4, 247
 - Indigenous Australians, 204–5, 306
 - older people, 240–1, 247, 259; housing equity withdrawal, 253
 - welfare indicator, 361, 383
 - see also* home loans; renters
- Home Purchase Assistance, 222
- homeless people, 19–20, 323–39, 341
 - children, 20, 324, 327, 334, 341
 - housing, *see* homeless people and housing
 - Indigenous, *see* Indigenous homeless Australians
 - mental health, 152, 314–15, 331, 332
 - older, 248, 305, 330
 - repeat periods of homelessness, 360, 379; people with mental health, 314
 - welfare indicators, 357, 359, 360, 370, 379
 - see also* specialist homelessness services
- homeless people and housing, 8, 324
 - housing tenure assistance payments, 222
 - outcomes after support, 164, 331, 335–6; health, 332
 - reasons for specialist homelessness services presentations, 164, 211, 314, 327, 330
 - unmet requests, 223
 - young people, *see* homeless young people
 - see also* overcrowded dwellings; supported accommodation for homeless people
- homeless young people, 156, 164, 329, 334
 - prison entrants and dischargees, 163
 - specialist homelessness services clients, 152, 155, 161, 164, 329, 331; prisoners, 163, 164
- homicide victims, 341
- homosexual couples, 18, 138
- hospitals and hospitalisations
 - aged care and hospital flow, 259, 264, 274; *see also* Transition Care Program
 - children, due to injuries and poisoning, 83
 - deaths of older people, 271
 - domestic and family violence assaults, 340, 341
 - palliative care, 283–4
 - young people, for mental and behavioural disorders, 152; intentional self-harm, 151

- hours worked, 42, 175
 - carers, in employment, 66
 - mothers, 178
 - nurse aged care workers, 54
 - see also* underemployment
 - house prices, 19, 194, 206
 - international comparisons, 210
 - household income, *see* income
 - Household, Income and Labour Dynamics in Australia (HILDA) Survey
 - carers, 67
 - child care, 187
 - employment, 144, 190
 - home ownership, 240, 247; equity withdrawal, 253
 - household composition, 137
 - older people, 240, 253; reliance on Age Pension, 242
 - working-age people, 187, 190
 - young people, 137, 144
 - household wealth, 26
 - households, *see* families and households
 - housing, 19–20, 182–4, 197–213
 - single people living alone, 194
 - welfare indicators, 355, 357, 361, 370–1, 383
 - see also* home; homeless people and housing; Indigenous housing; living arrangements; older people and housing; renters; young people and housing
 - housing assistance, 203, 209, 222–4
 - cost per service output, 376
 - Indigenous Australians, 305
 - older people, 247
 - see also* social housing
 - housing costs and affordability (housing stress), 194, 206–10
 - first home buyers, 202
 - home deposits, 247
 - house price-to-income ratio, 19, 206, 210
 - older people, 240–1
 - reason for specialist homelessness services presentations, 211
 - welfare indicator, 357, 370
 - see also* housing assistance; rental stress
 - housing demand, 208, 223
 - housing deposits, 247
 - housing loans, *see* home loans
 - housing stress, *see* housing costs and affordability
 - housing supply, 208
 - social housing stock, 210, 223
 - housing tenure, *see* home ownership
 - How's life?: Measuring well-being*, 347
 - Human Development Index, 347
 - Hunter, NSW, 117
 - husbands, *see* couple families; marriage and marital status; parents; spouse carers
- I**
- illicit drug use, 152
 - immigration, *see* migrants
 - immunisation of children, 81, 82
 - imprisonment, *see* detention
 - improvised dwellings, tents or sleeping out (primary homelessness), 323, 335
 - health associated with, 332, 333
 - Indigenous Australians, 329
 - older people, 248
 - specialist homelessness services clients, 19
 - young prison entrants and dischargees, 163
 - in home care (IHC), workers engaged in, 51
 - income, 25–6, 202
 - broadband internet access, 368
 - carers, 65, 66, 67
 - child care use, 188–9
 - community sector earnings, 55, 56
 - graduates, 238
 - health, 332, 333
 - homeless people, 332, 333
 - Indigenous households, 294; government payments as principal source, 295–6, 297
 - national, 384
 - older people, *see* older people and income
 - people with disability, 321

- people with mental disorder, 313
 - single people living alone, 194, 195
 - welfare indicators, 355, 364
 - see also* employment; finances; housing costs and affordability; income support; socioeconomic status
- income of young people, 65, 146–8
 - with disability, 158
 - gap year takers, 142
 - specialist homelessness services presentations, 164
- income support (government cash payments, pensions, benefits and allowances), 4–5, 178–9, 202, 214–21
 - Commonwealth Rent Assistance (CRA), 222, 223–4, 247, 305
 - families with children, 179, 214–18, 302; *see also* Parenting Payment
 - homeless people: data linkage project, 8
 - Indigenous Australians, 294–302, 305; ABSTUDY, 34, 217, 297, 298; CDEP, 292–3, 296–7, 300, 301
 - older people, 247; *see also* Age Pension
 - people with disability, 158, 220, 321; welfare expenditure, 34, 35; *see also* Disability Support Pension
 - people with mental disorder, 313
 - single people living alone, 195
 - welfare expenditure, 31–2, 34–5; deflator used to estimate, 33
- income support (government cash payments, pensions, benefits and allowances) and young people, 65, 147–8, 217, 219, 298, 299
 - child protection system leavers, 159
 - with disability, 157, 158
 - specialist homelessness services presentations, 164
 - welfare expenditure, 34
- income units receiving Commonwealth Rent Assistance, 222, 223, 224
 - Indigenous Australians, 305
 - older people, 247
- India, migrants from, 13, 14
- indicators of welfare, 343–86
- Indigenous Advancement Strategy, 304
- Indigenous Australians, 12–13, 289–311
 - aged care, 280, 306–7
 - births and fertility rates, 138
 - children, *see* Indigenous children
 - dementia, 273
 - with disability, *see* Indigenous Australians with disability
 - employment, *see* Indigenous Australians and employment
 - geographical location, *see* geographical location of Indigenous Australians
 - homeless, *see* Indigenous homeless Australians
 - hospitalisations for domestic and family violence assaults, 340
 - households, 18
 - housing, *see* Indigenous housing
 - life expectancy, 22
 - maternal health, 78–80
 - mental health, 280, 317
 - older people, 294, 298, 299, 305; aged 85 and over, 234
 - psychological distress, 279
 - smoking, during pregnancy, 79–80, 110
 - welfare expenditure, 39
 - young people, *see* Indigenous young people
- Indigenous Australians and employment, 44, 292–3, 296–7, 303–4
 - CDEP, 292–3, 296–7, 300, 301
 - welfare workforce, 55
- Indigenous Australians with disability, 306, 321
 - Disability Employment Services participants, 303
 - Disability Support Pension recipients, 298, 299
 - young people, 158
- Indigenous children, 13, 18, 110–15, 290–1, 294
 - child care, 187
 - child protection, 105, 111, 302
 - developmentally vulnerable, 91, 290
 - literacy and numeracy standards, 97, 98, 99, 114, 291
 - maternal health, impact on development and wellbeing, 78–80
 - preschool programs, 89, 110, 113, 114
 - school attendance, 94–5, 113, 290–1

- self-identification, 293
- under youth justice supervision, 107
- Indigenous Employment Program (IEP), 303, 304
- Indigenous expenditure report*, 39
- Indigenous homeless Australians, 19–20, 305, 327–9
 - children, 111, 305, 327
 - young people, 164
- Indigenous housing, 204–5, 223, 304–6
 - Commonwealth Rent Assistance (CRA), housing costs stress among renters with and without, 224
 - loan assistance, 209
 - overcrowding, 306, 327, 329; welfare indicator, 357, 371
 - reasons for specialist homelessness services presentations, 327
 - satisfaction with services received, 376
 - see also* state-owned and managed Indigenous housing
- Indigenous young people, 12, 13, 122, 136
 - ABSTUDY, 34, 217, 297, 298
 - apprentices and trainees, 127
 - births and fertility rates, 138
 - carers, receiving respite services, 65
 - child protection, 160
 - in criminal justice system, 162
 - disability support services users, 158
 - employment, 44
 - housing, 210
 - not in education or training, 121
 - not in employment, education or training, 133
 - school retention and completion (Year 12), 114, 124, 291
 - specialist homelessness services users, 164
 - tertiary education, 129, 130, 291–2
- infants, *see* early childhood
- informal aged care, *see* community aged care
- informal carers, *see* carers
- informal child care, 88, 186–91, 250
- informal early learning (home learning), 76, 78
- information technology, *see* technology
- injuries
 - acquired brain, 116, 155
 - children with, 83, 116; Indigenous, 111
- inner regional areas, *see* geographical location
- Institute for Social Science Research, 52
- Institute of Child Protection Studies, 51
- intact families, 16, 74, 181
- intellectual disability (learning disability), 155
 - children, 116, 117
 - Indigenous Australians, 306
 - supported employment service users, 226
 - young people, 157, 158
- intentional self-harm (injury), 83, 151
 - see also* suicide
- intercountry adoptions, 103–4
- Intergenerational Report, 248, 249
- International Classification of Functioning, Disability and Health, 320
- international comparisons
 - children's health, 81–2
 - house prices, 210
 - income support, 4
 - literacy and numeracy, 100–1
 - qualifications and educational attainment, 129
 - welfare expenditure, 39–40
 - wellbeing indicators, 347–8
- international comparisons of employment, 42
 - jobless families, 77
 - older people, 249
 - young people: not in employment, education or training, 133; unemployment, 145
- internet access, 356, 368
- interpersonal relations, *see* relationships
- investigations (child protection service), 105
- investments, income generated from, 202
- Irish Republic, migrants from, 14
- Italy, migrants from, 13

J

- Job Services Australia, 220
 - cost per service output, 376
 - Indigenous participants, 303, 304
 - job seekers off benefits 12 months following participation, 378
- jobless families, 77, 354, 357, 372
 - child care, 188
 - participation in sport or cultural activities, 83
 - preschool program attendance, 89
- jobs, *see* employment; unemployment
- Jobs, Land and Economy Programme, 304
- Journeys Home study, 332, 333
- justice reinvestment, 161
- justice system, *see* youth justice supervision
- Juvenile Justice National Minimum Data Set, 109

K

- Kessler Psychological Distress Scale, 278, 365
- kindergarten, *see* early childhood education and care

L

- labour force participation, *see* employment
- Labour Force Survey data, 46–9, 143
- languages other than English, *see* migrants
- ‘Learn or Earn’ policy, 139
- learning, *see* education
- learning disability, *see* intellectual disability
- learning potential (welfare determinant), 356–7, 369
- legislation
 - adoptions from overseas, 104
 - aged care, 261
 - carers, 61
 - disability insurance, 6
 - domestic and family violence, 341

- life cycle, *see* age
- life expectancy, 22, 236–8
- lifestyle choices of older people, 252, 253, 259
- linguistically diverse backgrounds, people from, *see* migrants
- literacy and numeracy, 95–101
 - data linkage, 156
 - financial, 254
 - Indigenous students, 97, 98, 99, 114, 291
 - vulnerable children, 156
- Liveable housing design guidelines*, 253
- living arrangements, 16–20
 - co-resident carers, 62, 63, 241
 - older people, 241
 - people with disability, 321
 - young people, 136–8, 199; with disability, 158
 - see also* families and households; housing; supported accommodation for homeless people
- Living Longer Living Better* aged care reform package, 57, 261
- living rough, *see* improvised dwellings, tents or sleeping out
- loans, *see* home loans
- location (place)
 - children’s injuries, 83
 - death, 271
 - see also* geographical location
- lone parents, *see* one-parent families
- lone-person households, *see* single people
- long day care, 88, 187, 188, 190, 191
 - children requiring additional days, 375
 - workforce, 50, 51, 56
- long-term unemployed, 24, 358, 373
 - Wage Connect, 220
- Longitudinal Study of Australian Children, 78, 95, 366
- Longitudinal Surveys of Australian Youth, 121, 133, 136, 142, 147
- low-income households, *see* income

M

Malaysia, migrants from, 13, 14

males, *see* sex (gender)

management and commerce qualifications, 23
students, 129

management of welfare services, 359
effectiveness, 377

managerial positions, *see* occupations

Mapping of children and youth indicator reporting frameworks, 73

marginal housing residents, 19, 335
older people, 248, 330
young prison entrants and discharges, 163

marriage and marital status, 18, 20–1, 180–1
attitudes towards people with mental health problems, 315
carers with spouse or partner, 63; *see also* spouse carers
older people, 234
young people, 137–8
see also couple families

material resources (wellbeing determinant), 355, 364

maternity, *see* births

mathematical proficiency, *see* literacy and numeracy

mature-age workers, *see* older people and employment

Measures of Australia's progress, 347

Melbourne, *see* capital cities

Melbourne Institute, 178

Melbourne Institute of Applied Economic and Social Research, 67, 238

Melbourne Longitudinal Studies on Healthy Ageing, 241

men, *see* sex (gender)

mental health, 312–19
children, 312, 318
homeless people, 152, 314–15, 331, 332
mothers, 81
older people, 277–82

single people living alone, 195
young people, 151, 152, 154; prisoners, 163
see also dementia; intellectual disability; mood disorders; psychological distress; psychotic disorders

Mental Health Community Support Services (MHCSS) program, 317

Middle East and North Africa, migrants from, 382

migrant children

developmentally vulnerable, 91
intercountry adoptions, 103–4
literacy and numeracy, 97
participation in sport and cultural activities, 83

migrant young people

carers receiving respite services, 65
disability support services users, 158
not in employment, education or training, 133

migrants, 13–14, 26

older people, 234, 238; residential aged care, 253
Skill Shortage List, 54
welfare indicator, 361, 382
in welfare workforce, 53, 55

Migration Programme, 14

minimum data sets

ACAP, 264
disability (DS NMDs), 8, 67, 321
HACC, 8, 264
juvenile justice, 109

Ministerial Council for Education, Early Childhood Development and Youth Affairs, 97

mobility assistance, 273

older people, 234

mood (affective) disorders (depression), 312

discrimination and stigma, 315–16
mothers diagnosed with depressions, 81
older people, 281; in residential aged care, 278, 280

Personal Helpers and Mentors (PHaMs) program participants, 317, 318

young people, 151

mortality, *see* deaths
mortgages, *see* home loans
mothercraft and enrolled nurses, 49
mothers, *see* births; parents
multiple-family households, 17, 201
 housing tenure, 202
 Indigenous, 18
Multipurpose Household Survey, 230

N

National Aboriginal and Torres Strait Islander Flexible Aged Care Program, 307
National Aboriginal and Torres Strait Islander Social Survey, 187
National Affordable Housing Agreement (NAHA), 210, 334
National Aged Care Data Clearinghouse, 235
National Aged Care Workforce Census and Survey, 53
National Assessment Program: Literacy and Numeracy (NAPLAN), 96–9, 114, 156
National Carer Strategy, 61
National Centre for Social and Economic Modelling, 190
National Commission of Audit, 242
National Coronial Information System, 265
National Death Index, 265
National Disability Agreement, *see* disability support services
National Disability Insurance Agency, 6
National Disability Insurance Scheme, 6, 55, 56
 approved plans, 322
 information not reported, 67
 National Disability Agreement transitions, 321
 services used by children, 117
National Disability Insurance Scheme Act 2013, 6
national disposable income, 384
National Drug Strategy Household Survey, 80
National Early Childhood Development Strategy, investing in the early years, 73
National Early Childhood Education and Care Workforce Census, 50–1, 192
National Education Reform Agreement (NERA), 124
National Framework for Protecting Australia's Children 2009–2020, 56, 73, 106, 159
National Health Performance Framework (NHPF), 350, 353
National Health Workforce Data Set, 54, 58
National Indigenous Reform Agreement (NIRA), 124
national minimum data sets, *see* minimum data sets
National Partnership Agreement on Homelessness, 334
National Plan to Reduce Violence against Women and Children 2010–2022, 326, 341
National Quality Framework for Early Childhood Education and Care, 56, 186
National Research Organisation for Women's Safety, 341
National Respite for Carers Program (NRCP), 64
National School Statistics Collection, 125
National Skills Needs List, 54, 140
National Survey of Mental Health and Wellbeing, 154, 277–8, 312
National Survey of Mental Health Literacy and Stigma, 315–16
NATSEM, 190
natural increase in population, 14
 see also births; deaths
NDA, *see* disability support services
NDIS, *see* National Disability Insurance Scheme
neglect of children, *see* child protection
neighbours, *see* relatives and friends
Nepal, migrants from, 14
net national disposable income, effects of GFC on, 384
net overseas migration, 14
net worth, 26

New South Wales, 51, 104, 117, 336
 Indigenous population, 291, 293
see also states and territories

New Zealand, migrants from, 13

Newborn Supplement, 214

Newborn Upfront Payment, 214

Newstart Allowance and unemployment benefits, 179, 219, 220
 Indigenous recipients, 298, 299
 welfare expenditure, 31–2, 35
 young recipients, 147, 148; specialist homelessness services presentations, 164

non-English-speaking backgrounds, *see* migrants

non-government community service organisations (NGCSOs), 37

non-government sector school attendance, 93, 94–5

non-professional occupations, *see* occupations

non-school qualifications, *see* qualifications and educational attainment

North Africa and Middle East, migrants from, 382

North America, migrants from, 382

North-East Asia, migrants from, 13–14, 382

North-West Europe, migrants from, 13–14, 382

Northern Territory, 109
 Darwin, remoteness category of, 15
 Indigenous population, 291, 293
see also states and territories

not-for-profit organisations, 37
 homelessness services, 52
 staff attraction and retention, 55

not in employment, education or training (NEET), 132, 133
 welfare indicator, 360, 380

not in labour force
 full-time students, 42, 132
 parents, 190
 young people, 143

numeracy, *see* literacy and numeracy

nurses and nursing care, 48, 49, 57
 aged care workers, 54

nursing support and personal care workers, 49

O

obesity and overweight rates for children, 81, 82
 Indigenous, 110

occasional care centres, 191
 workforce, 51

occupations, 46–7, 48–58
 early childhood education and care workers, 49, 50–1, 54, 56, 57, 192
 gap year takers, 142
 parents, and students' literacy and numeracy standards, 98
 police, 360, 379
 primary care practitioners, 360, 380

Oceania and Antarctica, migrants from, 13–14, 382

OECD, 238, 253, 347
see also international comparisons

offenders, *see* youth justice supervision

old-age dependency ratio, 171–2, 382

older people, 11–13, 14, 231–85, 381
 carers, 62, 63, 66–7, 251, 252
 with disability, *see* older people with disability
 employment, *see* older people and employment
 health, self-assessed, 365
 homeless, 248, 305, 330
 housing, *see* older people and housing
 income, *see* older people and income
 Indigenous, 294, 298, 299, 305; aged 85 and over, 234
 single people living alone, 194, 195, 241; in private rental accommodation, 240
 welfare expenditure, 34, 35, 38, 242, 249; aged care, 245–6, 376
see also age of older people

older people and employment (mature-aged workers), 24, 42, 43, 174, 228–30, 249–50
 Indigenous Australians, 44
 policy context, 252
 welfare workforce, 51, 53

- older people and housing, 199–201, 240–1, 247–8, 253
 - Commonwealth Rent Assistance (CRA), 247;
 - housing costs stress among renters with and without, 224
 - intention to stay in current residence, 259
 - older people and income, 26, 239–41
 - income support, 242–3; as main source, 26, 240, 242; welfare expenditure, 34, 35, 242, 249
 - single people living alone, 26
 - superannuation, 38, 239–40
 - see also* Age Pension
 - older people with disability, 237–8
 - aged 85 and over, 234
 - Disability Support Pension recipients, 243
 - disability support services users, 246
 - living with carer, and take-up of aged care services, 241
 - welfare indicator, 358, 374
 - one-parent families, 16, 17, 74
 - child care, 88, 187–91
 - children's participation in sport or cultural activities, 83
 - employment, 88, 89, 187–90
 - family cohesion, 366
 - housing, 183, 201–2, 223; housing costs as proportion of income, 209
 - income, 188–9; government payments, 179, 223, 299
 - Indigenous, 18
 - jobless, 77, 354, 372
 - parental involvement in informal learning, 78
 - preschool programs, 89
 - school attendance, 95
 - volunteering involvement, 69
 - young people as parent, 137, 138
 - one-person households, *see* single people
 - open employment services, *see* Disability Employment Services
 - Organisation for Economic Co-operation and Development, 238, 253, 347
 - see also* international comparisons
 - organised sport, children playing in, 83
 - other cash payments, 34, 35
 - other families, 16, 17, 74
 - see also* group households
 - 'other income', 202
 - other sectors (welfare indicator domain), 350, 353, 360, 379–81
 - Other social assistance services*, 47
 - employment, 48
 - out-of-home care for children and young people, 105–6, 160
 - safety, 358, 360, 377
 - out-of-school hours care, 187, 188
 - children requiring additional days, 375
 - workforce, 50, 51
 - outer regional areas, *see* geographical location
 - overcrowded dwellings, 324, 370
 - Indigenous households, 306, 327, 329;
 - welfare indicator, 357, 371
 - older people, 248
 - overseas adoptions, 103–4
 - overseas-born population, *see* migrants
 - overseas comparisons, *see* international comparisons
 - overweight and obesity rates for children, 81, 82
 - Indigenous, 110
- ## P
- paid employment, *see* employment
 - Pakistan, migrants from, 14
 - palliative care, 283–5
 - parental leave, 214
 - Parental Leave Pay, 214
 - parenting, children and youth groups, volunteering involvement in, 70
 - Parenting Payment, 35, 179
 - Indigenous recipients, 298, 299
 - specialist homelessness services
 - presentations, 164
 - parenting practices, 78

parents, 22

- child development, involvement in, 76, 78
- domestic and family violence perpetrators, 340
- educational attainment, and student literacy and numeracy standards, 98
- living elsewhere from natural children, 16, 17; providing informal child care, 188
- non-working mothers, 95
- occupations, and student literacy and numeracy standards, 98
- older, 251
- shared-care arrangements, 181
- sons and daughters caring for, 65, 251
- young people as, 22, 138, 181
- young people living with, 136–7, 199
- see also* couple families with children; one-parent families; working parents

Parliamentary Budget Office, 249

part-time employment, *see* full-time/part-time employment

part-time/full-time study, 132

partners, *see* couple families; domestic and family violence; marriage and marital status; spouse carers

Pathways in Aged Care (PIAC) project, 264, 265, 268, 272

Patterns in use of aged care 2002–03 to 2010–11, 265, 268

pay, *see* income

pensions, *see* income support

people, *see* population

people with disability, *see* disability and disability services

per person real net national disposable income, 384

per person welfare expenditure, 32

- unemployment benefits, 35
- welfare services, 36–7; Indigenous Australians, 39, 302, 304, 305, 306

performance measurement and reporting, 346, 347, 350–1, 353, 357–60, 370–4

performance reporting (welfare indicators), 343–86

perinatal depression, 81

permanent full-time/part-time employment, *see* full-time/part-time employment

personal attitudes towards mental illness, 315–16

personal care assistance, *see* activity limitations

Personal Helpers and Mentors (PHaMs) program, 317, 318

personal relationships, *see* relationships

personal resources (wellbeing determinant), 355–6, 365–6

personal safety, *see* safety

Personal Safety Survey, 326

personality and behavioural disorders, 318

persuasive writing, students achieving at or above national minimum standards, 96–8

Perth, *see* capital cities

PFF project, 75

Philippines, migrants from, 13, 14

physical assault victims, 161

physical disability, 116, 157, 226, 306

PIAC project, 264, 265, 268, 272

PIRLS, 100

PISA, 100, 101

police, 360, 379

policy context

- adoptions, 103, 104
- aged care, 244, 260–3
- ageing, 236–57
- carers, 61, 64
- child protection, 73, 159; workforce, 55, 56
- disability-related, *see* National Disability Insurance Scheme
- domestic and family violence, 326, 341
- education, *see* policy context for education and training
- housing assistance, 203, 210
- income support, 154
- Indigenous employment, 292, 301, 304
- justice reinvestment model, 161
- welfare workforce, 54–7

- policy context for education and training, 139
 - apprentices and trainees, 140
 - early childhood education and care, 73, 113, 186; workforce, 54, 56, 57
 - Indigenous children and young people, 113, 124, 129
 - tertiary education, 129
 - Year 12 attainment, 124
- political and civic groups, participation in, 251
- population, 11–26
 - see also* age; per person welfare
 - expenditure; sex (gender)
- population ageing, *see* ageing
- population census, *see* Census of Population and Housing
- population distribution, *see* geographical location
- population growth, 14, 361, 381
 - geographical location, 15
 - Indigenous Australians, 293
 - older people, 233–4, 381
- Positive Family Functioning project, 75
- post-school education, *see* tertiary education
- Post Traumatic Stress Disorder (PTSD), attitudes towards people with, 316
- postpartum (postnatal) depression, 81
- pregnancy, *see* births
- Pregnancy and Employment Transitions Survey, 191
- preschools, *see* early childhood education and care
- primary care practitioners, access to, 360, 380
 - homeless people, 333
- primary carers, *see* carers
- primary education, 90–102
 - data linkage, 156
 - government assistance payments, 215, 217
 - injuries at school, 83
 - literacy and numeracy standards, 95–101, 156; Indigenous children, 97, 98, 99, 114, 291
 - school attendance, 93–5; Indigenous children, 94–5, 113, 290–1
 - see also* early childhood education and care; school readiness
- primary homelessness, *see* improvised dwellings, tents or sleeping out
- prisoners, *see* detention
- private dwellings, *see* home; housing
- private hospitals, palliative-care related separations, 283, 284
- Private Rent Assistance (PRA), 222
- private renters, 19, 183, 197–202, 383
 - housing assistance, 222, 223, 224, 247
 - see also* rental stress
- private sector school attendance, 93, 94–5
- Productivity Commission, 61, 95, 352
 - early childhood education and care survey, 186
 - Review of Government Services, 347
- professional occupations, *see* occupations
- profound or severe core activity limitations, *see* activity limitations
- Programme for International Student Assessment (PISA), 100, 101
- Progress in International Reading Literacy Study, 100
- psychological distress (resilience), 278–9
 - parenting hostility association, 78
 - welfare indicator, 355, 365
- psychologists, 49
- psychotic disorders (psychiatric (psychological) disability, schizophrenia), 312, 314, 318
 - children, 116
 - discrimination and stigma, 315–16
 - income, 313
 - Indigenous Australians, 306
 - supported employment service users, 226
 - young people, 157, 158
- PTSD, attitudes towards people with, 316
- public hospitals, palliative-care related separations, 283, 284
- public housing, 223
 - cost per service output, 376
 - homelessness and housing data linkage project, 8
 - new allocations, 223

waiting times, 375
see also state-owned and managed
Indigenous housing

public housing renters, 183, 197, 198, 201–2,
223, 383
 age, 183, 199–200, 210
 homeless people, 336
 housing costs as proportion of income,
 207–8, 223
 older people, 247; move to residential aged
 care, 241
 satisfaction, 376
 single people living alone, 194

public (government sector) school attendance
rates, 93, 94–5, 291

public (government sector) workers, 239

punctuation and grammar, students achieving
at or above national minimum standards, 96

Q

qualifications and educational attainment, 23
 Indigenous Australians, 114, 130, 292, 293
 older people, 238–9
 parents, and student literacy and numeracy
 standards, 98
 welfare workforce, 50–7, 192
 working age people, 173–4
 young people, 129–31, 140, 141
 see also higher education; vocational
 education and training; Year 12

quality, 360, 377
 early childhood education and care, 56, 186
 parenting, 78
 see also data gaps and data developments

Queensland, 51
 Indigenous population, 293
 see also states and territories

R

reading, *see* literacy and numeracy

'real terms', 33

reasons
 child care use, 88, 187, 374, 375
 children in child protection system, 105
 mothers return to work, 190
 older people relocate, 259
 retirement, 229
 young people living at home, 136

reasons homelessness services sought, 20, 327,
341
 housing outcomes, for people with
 complex needs, 331
 Indigenous Australians, 327
 older people, 330
 people with mental disorders, 314
 working-age people, 211
 young people, 161, 164, 329, 331

recidivism, 107, 108
 justice reinvestment model, 161

record linkage, *see* data linkage

recreational activities of children, 83

recruitment of welfare workforce, 54–5

recurrent welfare expenditure, *see* welfare
expenditure

regional areas, *see* geographical location

registered births, 21

registered divorces, 21

registered marriages, 20, 138

registered nurses, 49
 aged care workers, 54

relationships, 356, 366–7
 breakdown, as reason for specialist
 homelessness services presentations, 164,
 211
 carers, 63, 67
 single people living alone, 195
 transitions to independence, 137–8
 see also domestic and family violence;
 family functioning; social engagement

- relatives and friends
 - carers' relationships with, 67
 - domestic and family violence perpetrators, 340
 - informal child carers, 188, 191
 - older people living with, 241
 - providing out-of-home care for children and young people, 105
 - support from, in time of crisis, 367
 - young people living with, 137
 - see also* grandparents; parents
- relatives and friends, homeless people staying temporarily with, 323
 - Indigenous Australians, 327, 329
 - older people, 330
- religious and spiritual groups
 - Catholic sector school attendance, 93, 94–5
 - volunteering involvement, 69, 70, 251
- relocation by older people, 259
- remarriages, 20
- remote areas, *see* geographical location
- Remote Jobs and Communities Program, 301, 303
- rental stress (housing costs as proportion of income), 207–8, 209, 222
 - Commonwealth Rent Assistance (CRA) and, 223–4
 - older people, 240
- renters, 19, 183
 - housing assistance, 222, 223–4, 247, 305
 - income generated by investments, 202
 - Indigenous, 204, 205, 305
 - leaving and re-entering home ownership, 205–6, 208
 - tenancies and tenancy failure, as reason for specialist homelessness services presentations, 211
 - see also* private renters; social housing
- Reserve Bank of Australia, 206
- residential aged care (RAC), 241, 244–6, 264–74
 - ANZIC definition, 47
 - clients aged 85 and over, 234, 235, 258, 266, 267, 269–70
 - hospital patients, 259
 - Indigenous residents, 307
 - mental health, 278, 280; dementia, 272
 - migrant residents, 253
 - policy context, 260, 262
 - service standards, compliance with, 377
 - welfare expenditure, 245–6; cost per service output, 376
 - workforce, 53
- residential aged care respite care admissions (RRC), 259, 262, 265, 266, 270
 - entry into, after ACAT assessment, 268
 - program use in years before death, 271, 272
- residential care services, 47
 - out-of-home care for children and young people, 105–6, 160; safety, 358, 360, 377
 - workforce, 48; earnings, 56
- respite care
 - disability support services users, 321
 - young carers, 64, 65
 - see also* residential aged care respite care admissions (RRC)
- responsiveness (welfare system performance indicator), 359, 376
- retention of welfare workforce, 55
- retention rates at school, *see* Year 12
- retirement, 228–30
- Retirement and Retirement Intentions Survey, 230, 240
- retirement income, *see* Age Pension; superannuation
- Review of Australia's Welfare System, 154, 164
- Review of Government Services, 347
- Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People, 129
- rooms, 323, 324
 - lone-person households, 194
 - older people downsizing, 259
 - see also* overcrowded dwellings
- rough sleeping, *see* improvised dwellings, tents or sleeping out
- rural Australia, *see* geographical location

S

- safety of children, 83
 - in out-of-home care, 358, 360, 377
 - see also* child protection; domestic and family violence
- salaries, *see* income
- same-sex couples, 18, 138
- satisfaction, 359, 376
 - carers with caring role, 63, 67, 376
 - volunteers, 69
 - young mothers, 138
- schizophrenia, *see* psychotic disorders
- school attendance, 93–5
 - Indigenous students, 94–5, 113, 290–1
- school-based apprenticeships, 127
- school completion, *see* Year 12
- school readiness (developmentally vulnerable children), 76, 90–2, 95, 156
 - Indigenous children, 91, 290
 - welfare indicator, 356, 369
- school retention, *see* Year 12
- schooling, *see* primary education; secondary education
- schooling or employment restriction, 157, 158, 321
- Schoolkids Bonus, 215
- Schools Geographic Location Classification System, 97–8, 99
- science literacy, 100
- secondary education, 121, 122, 124–6
 - attendance rates, Years 7–10, 93, 94–5, 291
 - Indigenous students, 114, 124, 291, 292
 - literacy and numeracy, 96–101, 291
 - parents with Year 11 and below as highest qualification, 98
 - school-based apprenticeships, 127
 - young carers, 65
 - see also* student payments
- secondary homelessness, 323
 - see also* boarding house residents; relatives and friends, homeless people staying temporarily with; supported accommodation for homeless people
- sector fragmentation, 57
- self-care assistance, 234, 273
- self-harm (injury), intentional, 83, 151
 - see also* suicide
- self-identification by Indigenous Australians, 293
- semi-detached townhouses, 194
- Senate inquiries
 - justice reinvestment, 161
 - palliative care, 284
- sensory/speech disability, children with, 116, 117
- separation and divorce, 21, 180–1
- Service Pension, *see* Age Pension
- severe or profound core activity limitations, *see* activity limitations
- sex (gender), 11–13
 - carers, 62–3, 65, 66, 179; people retiring to become, 229
 - children, *see* sex (gender) of children
 - with disability, *see* sex (gender) of people with disability
 - divorce and separation, 180
 - domestic and family violence victims, 326, 340, 341, 367
 - education, *see* sex (gender), and education and training
 - employment, *see* sex (gender) and employment
 - health, 365
 - homeless people, *see* sex (gender) of homeless people
 - income support, 179
 - Indigenous Australians, *see* sex (gender) of Indigenous Australians
 - life expectancy, 22, 236, 237–8
 - marriage, 234; age at, 20, 138, 180
 - mental health, *see* sex (gender) and mental health
 - older people, *see* sex (gender) of older people
 - psychological distress, 279, 365
 - single parents, 16, 69
 - social housing tenants, 223
 - suicide, 151, 281
 - support in time of crisis, 367

- volunteers, 69, 70, 234, 368
- young people, *see* sex (gender) of young people
- sex (gender), and education and training, 121, 173–4
 - apprentices and trainees, 127
 - developmentally vulnerable children, 91
 - Indigenous Australians, 293
 - literacy and numeracy standards, 96
 - older people, 239
 - school attendance, 94
 - tertiary education, 129, 130, 140
 - Year 12 retention and attainment, 124, 125
- sex (gender) and employment, 24, 42, 174–5, 176–8
 - Indigenous Australians, 44, 293
 - long-term unemployed, 373
 - older people, 24, 174, 229, 250; superannuation coverage, 239–40
 - retirement reasons, 229
 - welfare workforce, 50, 52, 53, 54; child protection services, 51, 55
 - working families, 178, 190–1
 - young people, 145, 354, 373; not in employment, education or training, 133
- sex (gender) and mental health, 277–8, 314–15
 - aged care residents with depression, 280
 - Personal Helpers and Mentors (PHaMs) program participants, 317
 - young people, 151, 152
- sex (gender) of children, 11–13
 - births registered, 21
 - developmentally vulnerable, 91
 - with disability, 116; National Disability Agreement services recipients, 117
 - literacy and numeracy standards, 96
 - overweight and obesity comparisons with other OECD countries, 81, 82
 - school attendance, 94
 - under youth justice supervision, 107–8
- sex (gender) of homeless people, 20, 327, 334, 335, 341
 - Indigenous Australians, 305, 327
 - older people, 330
 - young, 161, 164
- sex (gender) of Indigenous Australians, 12–13
 - aged care residents, 307
 - domestic and family violence assault hospitalisations, 340
 - educational attainment, 293
 - employment, 293; geographical location, 44
 - homeless, 327; homelessness support services clients, 305
 - life expectancy, 22
 - psychological distress, 279
- sex (gender) of older people, 11–13
 - aged 85 and over, 234, 266, 267
 - aged care, 266, 267, 280; Indigenous, 307
 - with disability, 234, 237–8
 - educational attainment, 239
 - employment, 24, 174, 229, 250; superannuation coverage, 239–40
 - homeless, 330
 - life expectancy, 236, 237–8
 - mental health, 277–8; aged care residents with depression, 280
 - psychological distress, 279
- sex (gender) of people with disability, 320
 - children, 116, 117
 - Disability Support Pension recipients, 179
 - National Disability Agreement services recipients, 117, 321
 - older people, 234, 237–8
- sex (gender) of young people, 11–13, 121, 154
 - apprentices and trainees, 127
 - in criminal justice system, 156, 162
 - disability support services users, 158
 - employment, 145, 354, 373
 - mental health, 151, 152
 - not in employment, education or training, 133
 - specialist homelessness services users, 161, 164
 - substance use, 152
 - tertiary education, 129, 130, 140
 - Year 12 retention and attainment, 124, 125
- sexual violence, victims of, 326
- shared-care parenting arrangements, 181
- short-term accommodation, *see* marginal housing residents

- shortages
 - carers, 62
 - volunteers, 69
 - welfare workforce, 54, 55, 56, 57
- siblings
 - domestic and family violence perpetrators, 340
 - informal child care provided by, 188, 191
- Sickness Allowance, 299
- single parents, *see* one-parent families
- single people (lone-person households), 17, 18, 194–6
 - older, 194, 195, 241; in private rental accommodation, 240
 - palliative care, 284
 - specialist homelessness services presentations, 164
 - young, 137, 182; homeless, 331
 - see also* marriage and marital status; one-parent families
- single people (lone-person households) and housing, 182, 183, 201–2, 208
 - Commonwealth Rent Assistance (CRA) recipients, 223
 - costs as proportion of income, 209; older people, 240
 - Indigenous Australians, 204; specialist homelessness services clients, 327
- sisters, *see* siblings
- skill shortages in welfare workforce, 54, 56, 57
- sleep interruption reported by carers, 63
- smoking
 - during pregnancy, 79–80, 110
 - young people, 152
- social activities, *see* social engagement
- social connectedness welfare indicator, 356, 367
- social engagement, 356, 367–8
 - homeless people, 333
 - older people, 241, 251, 252
 - people with disability, 357, 372
 - with people with mental health problems, 315–16
 - single people living alone, 195
 - volunteers, 69
 - young people, 134
 - see also* volunteering
- social housing, 223
 - stock, 222
 - waiting times, 359, 375
 - see also* public housing
- social housing tenants, 210, 223
 - homeless people, 335–6
 - Indigenous Australians, 204, 305
 - satisfaction, 376
 - single people living alone, 194
 - see also* public housing renters
- social phobia, *see* anxiety disorders
- social security payments, *see* income support
- social workers, 49
- society and culture students, 129
- Society at a glance*, 347
- socioeconomic status, 136
 - children developmentally vulnerable, 91
 - homeless people's housing outcome after support, 331
 - palliative care, 283–4
 - school attendance, 95
 - tertiary education students, 129
 - volunteering involvement, 69
 - young mothers, 138
 - see also* income; Indigenous Australians; jobless families
- sole parents, *see* one-parent families
- SOMIH, *see* state-owned and managed Indigenous housing (SOMIH)
- sons and daughters, as domestic and family violence perpetrators, 340
- South Africa, migrants from, 13, 14
- South and Central America, migrants from, 382
- South Australia, 117
 - see also* states and territories
- South-East Asia, migrants from, 13–14, 382
- Southern and Central Asia, migrants from, 13–14, 382
- Southern and Eastern Europe, migrants from, 13–14, 382

- special care workers, 49
- specialist homelessness services, 19–20, 211, 325, 334–6, 341
 - cost per service output, 376
 - housing tenure, clients receiving assistance to sustain, 222
 - Indigenous clients, 111, 305, 327
 - mental health issues, clients with, 152, 314–15, 331
 - older clients, 248, 330
 - people with complex needs, 331–3
 - repeat periods of homelessness, clients having, 360, 379
 - welfare indicators, 359, 360, 379
 - workforce, 52
 - young clients, 152, 155, 164; experiencing domestic and family violence, 161; prison entrants and discharges, 163
- Specialist Homelessness Services Collection, 8, 325
 - older people, 330
 - people with complex needs, 331, 332
 - young people, 329
- speech/sensory disability, children with, 116, 117
- spelling, students achieving at or above national minimum standards, 96
- spending, *see* welfare expenditure
- sport and physical recreation
 - children, 83
 - volunteering involvement, 69, 70
- spouse carers, 66, 251
 - informal child care, 190, 191, 251
- spouses, *see* marriage and marital status
- staff turnover in welfare workforce, 51, 52, 55
- standards, *see* literacy and numeracy; quality
- state and territory housing authorities, *see* public housing
- state-owned and managed Indigenous housing (SOMIH), 210, 223, 247
 - cost per service output, 376
 - tenant satisfaction, 376
 - waiting times, 375
- states and territories, 15
 - child care, children needing additional, 374
 - children developmentally vulnerable, 90
 - Home and Community Care programs, 244
 - household income, 25
 - housing assistance, 222; *see also* public housing
 - housing tenure, 198; Indigenous Australians, 205
 - literacy and numeracy standards, 98
 - National Disability Insurance Scheme roll-out, 6, 117
 - school attendance, 93–5; Indigenous students, 94–5, 291
 - welfare expenditure, 36
 - youth justice supervision, 162
 - see also* capital cities; geographical location
- step-families, 16, 181
- stigma attached to mental health problems, 315–16
- Strengthening Immunisation for Children measure, 214
- stress, 278–9
 - carers reporting illnesses related to, 63
 - Indigenous Australians in overcrowded households, 306
 - parenting hostility association, 78
 - psychological resilience welfare indicator, 355, 365
- student payments, 147–8, 179, 217, 219
 - Indigenous recipients, 34, 217, 298, 299
 - Schoolkids Bonus, 215
 - welfare expenditure, 34
- students, *see* education and training
- study fields, 129
- Sub-Saharan Africa, migrants from, 382
- substance use, 312
 - contribution to assault incidents, 161
 - homeless people, 331, 336
 - in pregnancy, 79–81, 110
 - young people, 152
- substantiations of child abuse and neglect, 105, 106, 156, 160
 - Indigenous children, 111
 - person responsible living in household, 377

suicidal thoughts, attitudes towards employing someone with, 81

suicide

maternal mortality rate for psychosocial morbidity, 81

older people, 280–1

young people, 151

superannuation and retirement savings, 239–40, 254

tax concessions, 38

supplementary payments, *see* income support

supported accommodation for homeless people, 323

domestic or family violence victims, 327

Indigenous Australians, 327, 329

with mental health issues, 314

older people, 330

supported employment services, 220, 225, 226, 321

Survey of Disability, Ageing and Carers (SDAC), 67, 320

children, 116

older people, 234, 241, 260, 273

Survey of Education and Work, 122

Survey of Employee Earnings and Hours, 56

Survey of Employers Who have Recently Advertised, 55

Survey of Employment Arrangements, Retirement and Superannuation, 230

Survey of Income and Housing (SIH)

low-income households, definition of, 207

Survey of People Living with Psychotic Illness, 312

Survey of Retirement and Retirement Intentions, 230, 240

Sydney, *see* capital cities

T

Taiwan, adoptions from, 104

Tasmania, 15, 51, 156

see also states and territories

taxation expenditure (tax concessions), 38

Child Care Rebate, 34, 216

taxation revenue, 4

welfare expenditure as proportion, 33, 354, 383

TCP, *see* Transition Care Program

technology, 254

broadband internet access, 356, 368

teenagers, *see* children; young people

Telethon Kids Institute, 90

tent living, *see* improvised dwellings, tents or sleeping out

tertiary education (further education, post-school education), 23, 129–31, 139–40, 141

Indigenous Australians, 129, 130, 291–2, 293

older people, 238–9

see also higher education; qualifications and educational attainment; student payments; vocational education and training

tertiary homelessness, *see* boarding house residents

threatened assault victims, 161

TILA, 159

time

adoptions from overseas, processing times for, 104

aged care use after ACAT assessment, 268

aged care use before death, 265, 266–7, 269–70

carers provided care, 251

child care additional days required, 375

child care weekly hours, 190

emergency services response, 360, 381

marriage, duration of, 181

mothers return to work, 178

preschool program attendance per week, 89

unemployment, duration of long-term, 24

volunteering by older people, frequency of, 251

under youth justice supervision, 107, 108
see also hours worked

TIMMS, 100–1

tobacco smoking, *see* smoking

Torres Strait Islanders, *see* Indigenous Australians

total dependency ratio, 171–2, 382

total fertility rates, 22

total household net worth, 26

townhouses, semi-detached, 194

traditional working age, *see* working age

training, *see* education and training

Transition Care Program (TCP), 245, 253, 263, 271
ACAT assessments, 267, 268
data collected from, 264, 265

transition to independence, 135–50
young people leaving child protection system, 159, 160

Transition to Independent Living Allowance, 159

transition to primary school, *see* school readiness

transition to retirement, 229

transition to work, 132–4, 140
gap year, 142
mothers, 178, 190–1, 214

transport services, HACC, 69

trauma, 329, 336
PTSD, attitudes towards people with, 316

Treasury, 38, 249

Trends in International Mathematics and Science Surveys (TIMMS), 100–1

trust, by volunteers, 69

turnover of welfare workers, 51, 52, 55

U

underemployment, 176
parents receiving child care benefits, 358, 374
young people, 145–6

undergraduate students, *see* higher education students

unemployment, 24, 42, 43
carers, 66
child care use, 188
homeless people, 8
Indigenous Australians, 44, 298, 299; in employment services programs, 303–4
older people, 228
people with disability, 225; with employment restriction, 226
people with mental disorders, 314
welfare indicators, 357–8, 360, 372–3, 378
see also employment services; jobless families; Newstart Allowance and unemployment benefits

unemployment of young people, 42, 43, 145, 146, 354
income, 147
not in employment, education or training (NEET) group, 133
prison entrants and discharges, 163
welfare indicators, 358, 373

United Kingdom, migrants from, 13, 14

United Nations Human Development Index (HDI), 347

units/flats and apartments, 194, 241

universities, *see* higher education

University of Queensland, Institute for Social Science Research, 52

University of Western Australia, 318

unmet needs, *see* demand and unmet needs

unpaid work, 44, 61–70
see also carers; volunteering

Use of aged care services before death 2010–11, 264

user fees for NGSCO services, 37

user rights, welfare services' compliance with, 377

V

vacation care, workers engaged in, 50, 51

vaccination (immunisation) of children, 81, 82

value
informal care, 61

intervention programs during childhood and adolescence, 75, 76
 owner-occupied dwellings, 19
 volunteering, 70

vegetable and fruit consumption, by Indigenous children, 110

very remote areas, *see* geographical location

VET, *see* vocational education and training

Veterans' Home Care (VHC), 262, 264, 265, 270–1
 ACAT assessments, 267–8

veterans pensions, *see* Age Pension

victims of assault, *see* violence

Victoria, 51, 156, 244
 Mental Health Community Support Services (MHCSS) program, 317
 NDIS launch site, 117
 volunteering study, 70
 youth justice, 162
 see also states and territories

Vietnam, migrants from, 13, 14

violence, victims of, 155, 160–1
 see also domestic and family violence

Violence and Commonwealth laws report, 341

vocational education and training (certificate and diploma qualifications), 130
 graduate employment, 140
 Indigenous Australians, 292
 welfare workforce, 192
 working-age people, 173, 174

vocational education and training students, 122, 129
 apprentices and trainees, 121, 127–8, 140; Australian Apprenticeships Incentives Programme, 57
 Indigenous, 292
 working age, 174
 see also student payments

volunteering, 69–70
 older people, 251, 252; aged 85 and over, 234
 welfare indicator, 356, 368
 young people, 134

vulnerable children, 73–87
 children with disability, 82, 116–18
 on guardianship/custody orders, 156
 youth justice supervision, 107–9
 see also child protection; Indigenous children; school readiness

vulnerable young people, 154–67
 see also homeless young people; young people with disability

W

Wage Connect, 220

wages, *see* income

waiting lists for social housing, 223

waiting times for social housing, 359, 375

war widows/widowers, *see* Age Pension

wealth (net worth), 26

weight of children, 81, 82
 birthweight, 78, 81, 82, 110
 Indigenous, 110

welfare, meaning of, 3

welfare and community groups, volunteering involvement in, 69, 70, 134, 251

welfare dependence, 294–300

welfare expenditure, 31–41
 cost per service output, 359, 376
 global finance crisis (GFC) effects, 32, 34, 36, 38; as proportion of GDP, 32, 33, 354
 Indigenous services, 302, 304, 305, 306
 older people, 34, 35, 38, 242, 249; aged care, 245–6, 376
 welfare indicators, 359, 361, 376, 383

Welfare Expenditure Series of publications, 31

welfare indicators, 343–86

welfare outcomes (welfare system performance sub-domain), 350, 357–8, 370–4

welfare payments, *see* income support

welfare, recreation and community arts workers, 49

welfare sector fragmentation, 57

welfare services, 5–7

welfare services, expenditure on, 31–2, 36–7
 cash payments included in estimates, 34
 deflator used to estimate, 33
 Indigenous Australians, 39

welfare support workers, 49

welfare system, 3–7, 345–6
 impacts of population ageing, 236–57
see also income support; welfare services

welfare workforce, 45–60
 aged care, 53–7, 253
 early childhood education and care workers, 49, 50–1, 54, 56, 57, 192
 welfare indicators, 361, 384

wellbeing, 3
 children, role of family in, 73–87
 reporting, 347–52

Western Australia, 6, 51, 109, 244, 336
see also states and territories

widows, 234

wives, *see* couple families; marriage and marital status; parents; spouse carers

women, *see* births; domestic and family violence; sex (gender)

work, *see* employment; unpaid work

working age, 169–230
 carers, 65–6
 Indigenous Australians, 292–3, 295–302

working hours, *see* full-time/part-time employment; hours worked

working parents, 25, 177–8
 child care, 88, 187, 188, 190–1;
 under-employment of parents receiving benefits, 358, 374
 children's participation in sport or cultural activities, 83
 financial assistance, 214
 preschool program attendance, 89
 student literacy and numeracy standards, 98
 young mothers, 138

World Bank, 348

World development indicators, 348

World Health Organization (WHO), 252, 280, 320
 Commission on the Measurement of Economic Performance and Social Progress, 347, 349

writing, students achieving at or above national minimum standards, 96–8

Y

Year 1, transition to, *see* school readiness

Years 1–6 school attendance rates, 93–5

Year 3 school attendance rates for Indigenous children, 291

Years 3, 5, 7 and 9 literacy and numeracy standards, *see* literacy and numeracy

Year 4 mathematics and science, international assessment of, 100–1

Year 5 Indigenous attendance rates, 94

Years 7–10 school attendance rates, 93, 94–5

Year 8 mathematics and science, international assessment of, 100–1

Year 10 as highest Indigenous qualification, 292

Year 10 Indigenous attendance rates, 94, 95, 291

Year 11 and below as highest qualification of parents, and student literacy and numeracy, 98

Year 12 (school completion, school retention), 121, 122, 124–6
 gap year, 142
 Indigenous Australians, 292; young, 114, 124, 291
 welfare indicator, 357, 369

Young Carers Respite and Information Services Program, 65

Young Minds Matter survey, 318

young people, 11–13, 14, 42, 119–67
 carers, 65
 dependent students, 136, 137
 with disability, *see* young people with disability
 education and training, *see* young people, and education and training
 employment, *see* young people and employment

- health, 365
- housing, *see* young people and housing
- income support payments, *see* income support and young people
- mothers, 22, 138, 178, 181
- non-dependent, 16, 17, 74
- see also* age of young people; children; families and households; homeless young people; Indigenous young people; sex (gender) of young people
- young people, and education and training, 121–34, 139–42
 - in detention, 360, 378
 - full-time study, not in the labour force, 42, 132
 - fully engaged in employment or, 132, 141–7, 373
 - teenage mothers, 138
 - see also* apprentices and trainees; secondary education; student payments
- young people and employment, 24, 42–3, 132–4, 140–8
 - with disability, 158; schooling or employment restriction, 157, 158
 - fully engaged in education and training or, 132, 141–7, 373
 - global financial crisis (GFC) effects, 143, 145, 354
 - homeless people, 164
 - Indigenous Australians, 44
 - mothers, 138
 - prison entrants and discharges, 163
 - welfare indicators, 358, 360, 373, 380
- young people and housing, 19, 182, 183, 199–201
 - Commonwealth Rent Assistance (CRA), housing costs stress among renters with and without, 224
 - first home buyers, 202
 - income, 184, 202
 - social housing tenants, 210
- young people with disability, 154, 155, 157–8
 - apprentices and trainees, 128
 - not in employment, education or training, 133
- Youth Allowance, 147–8, 219
 - Indigenous recipients, 298, 299
 - specialist homelessness services presentations, 164
 - welfare expenditure, 34
- youth justice supervision, 154, 155, 156, 162–3
 - education and training of young people in detention, 360, 378
 - young people aged 10–14 under, 107–9

Australia's welfare 2015 is the 12th biennial welfare report of the Australian Institute of Health and Welfare. This comprehensive report provides an authoritative overview of the wellbeing of Australians, examining a wide range of relevant topics.

This edition combines analytical feature articles on a variety of contemporary welfare issues with short statistical snapshots following a life-course approach. It covers:

- Understanding welfare
- Australia's welfare spending and workforce
- Child wellbeing
- Young people
- Working age
- Growing older
- Diversity and disadvantage in Australia
- Indicators of Australia's welfare.

