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Income support receipt for young people transitioning from out-of-home care 2022

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Young people who are, or have been, in out-of-home care (OOHC), such as foster, relative/kinship or residential care, face greater vulnerability and a higher risk of experiencing poor outcomes in key areas important to wellbeing. These areas include housing, education, employment, and involvement in the criminal justice system. This may reflect the significant life disruptions that led to their placement in care, wider exposure to disadvantage and trauma during their childhood, the quality, security and stability of their placements, and the lack of family and support networks to assist their transition from OOHC to independence (Mendes and McCurdy 2019; FaHCSIA 2011).

Young people may be particularly vulnerable in the time after they leave care, as they adjust to independent living, often with limited support networks. In order for governments to address this issue with appropriate programs and policies, there is a need for reliable national data on outcomes and broader service usage. Such an investigation requires linking administrative data sets, as single data collections are largely focused on a specific service or intervention. This report presents high-level results from linking 2 data sets – administrative historical OOHC data provided by all states and territories (except Queensland) for those born between 1990 to 2001 and Centrelink payment data up to 2021 – to examine receipt of income support and other payments leading up to and after leaving care.

The type of financial assistance a person receives can provide valuable insights into their life circumstances at the time, such as whether they are:

- unable to work (due to disability or caring responsibilities)
- looking for work (unemployed)
- pursuing further education or training (studying or undertaking an apprenticeship)
- raising a family
- experiencing personal crises such as family violence or contact with the justice system.

Among the out-of-home care study population:



Nearly 3 in 5 (56%) received income support—3 times as high overall as the Australian population, and almost 4 times as high by the age of 30 (54% vs 14%)



Females had higher income support receipt largely driven by parenting payments



Teenagers were up to 6 times as likely as the Australian population of the same age to be receiving **parenting payments**



Those who exited care **aged 17 or 18** were more likely to receive income support

AIHW

This report updates the AIHW's first national report published on this topic, *Income support receipt for young people transitioning from out-of-home-care* (AIHW 2021a). It uses 5 more years of Centrelink payment data up to June 2021 (data to June 2016 was used previously). This means outcomes for young people can be examined up to the age of 30, capturing more recent trends in payment receipt, including during 2020–21 and the COVID-19 pandemic. More in-depth analysis through preliminary statistical modelling has also been included, providing additional context and insights on OOHC characteristics and the receipt of payments. Further details on the methods used and payments included in this report can be found in Appendices A and B.

Summary

The OOHC study population was more likely to receive income support, and for longer periods of time, compared to the Australian population of the same age. The proportion of the OOHC study population receiving income support was highest at the ages they were transitioning from care (18-20 years), followed by a slight decline as they approached 30. However, despite this decline, the OOHC study population continued to have much higher receipt than the Australian population of the same age throughout their late twenties (54%–55% compared with 14%–16% between ages 25 and 29, respectively), with the difference in receipt between the two populations increasing with age.

The findings in this study have highlighted that the OOHC study population are in need of income support for longer or are repeatedly moving in and out of income support into their late 20's, suggesting they are at increased risk of not being able to maintain ongoing employment. For the Australian population of the same age, receipt of income support tends to be associated with key life stages such as pursuing further education or training or starting a family, resulting in shorter periods of time receiving income support rather than ongoing support.

For a more nuanced understanding of the life circumstances of recipients it is important to examine income support receipt by payment type. This analysis revealed that despite an overall decline in income support receipt with increasing age, largely driven by the decline in student and unemployment payments, a steady increase was observed in parenting, housing, and disability related payments up to the age of 30. This reflects the changing needs and circumstances of people who have left care as they get older. Many people in the OOHC study population transitioned between these different payments as their needs changed. The analysis also highlighted that receipt of payments varied depending on a person's OOHC characteristics; for example, those exiting care aged 17 or 18 were more likely to receive income support than those exiting care aged less than 3.

The findings presented in this report do not imply causation between a child's time in OOHC and their subsequent receipt of income support or other payments. These children may be affected by complex circumstances that contribute to their placement in OOHC, and which may also influence their need for further services, such as income support. Further, the characteristics of children who experience OOHC are quite different to those of other populations of the same age, which may influence receipt of income support based on eligibility requirements for these payments. These factors should be taken into consideration when drawing inferences in relation to the OOHC study population and other populations of the same age.

Key findings

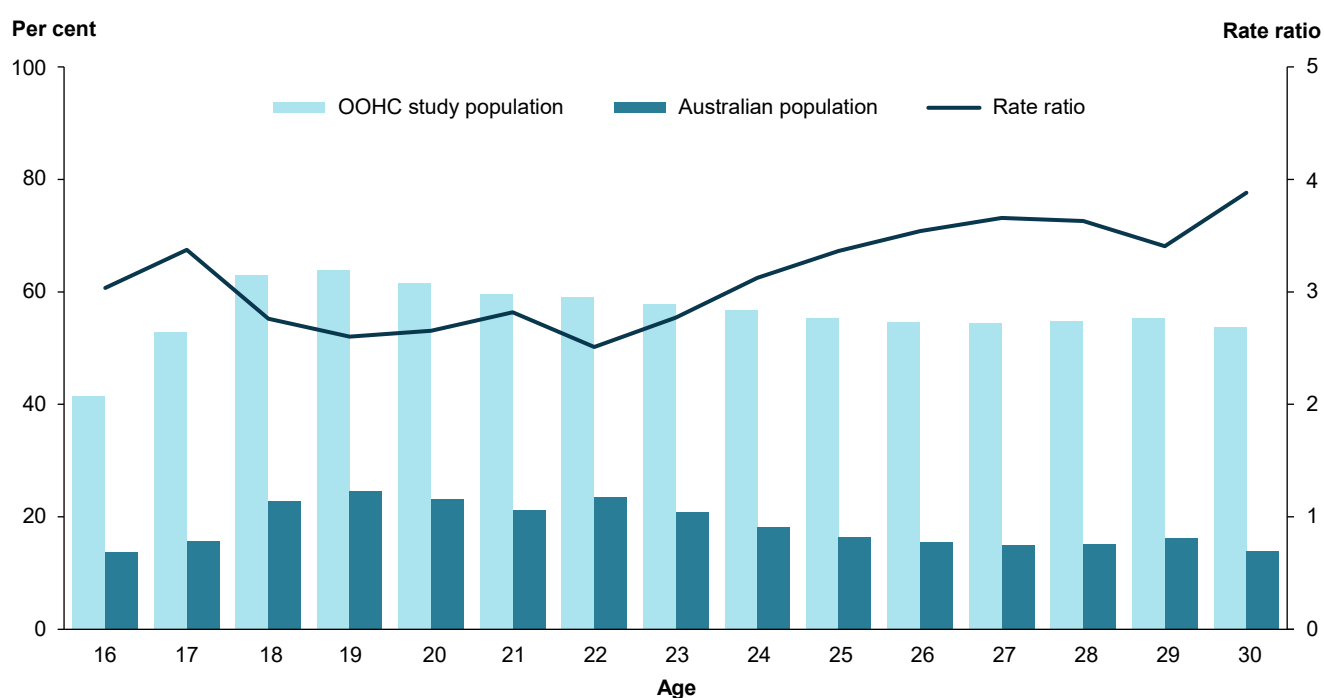
OOHC study population was 3 times as likely to receive income support as the Australian population of the same age, and this disparity increased with age

The OOHC study population (around 45,000 young people born between 1990 and 2001, who had at least one OOHC placement lasting 7 or more days) were 3 times as likely to receive income support payments at ages 16–30 (during 2006-07–2020-21) as the Australian population of the same age – about 6 in 10 (56%) compared with about 2 in 10 (18%), respectively. This is consistent with the findings from the 2021 report that also showed that the OOHC study population (aged 16–25) were 3 times as likely to receive income support in young adulthood (during 2007–2016). Note, these proportions relate to the receipt of income support on June 30 in the year a person turns each age, and a person may be counted as receiving income support at more than one age.

While income support receipt steadily declined as young people approached 30 years of age in both populations, the OOHC study population continued to have much higher receipt than the Australian population, with this difference increasing with age. As shown by the line in Figure 1, the greatest difference between income support receipt in young adulthood for the OOHC study population compared to the Australian population was at ages 26 to 30, where receipt was between 3.4–3.9 times as high, compared to 2.5–2.8 times as high for ages 18 to 23. For example, at age 30 over half (54%) of the OOHC study population received income support payments compared with 14% for the Australian population aged 30. At age 22 the corresponding proportions were 59% and 24%, respectively.

Income support receipt was highest for both populations at 19 years of age (64% for the OOHC study population and 25% for the Australian population). Receipt then gradually declined and stabilised at around 55% between ages 25 and 30 for the OOHC study population and around 15% for the Australian population at the same ages. Income support receipt was lowest for those aged 16 (41%) and 17 (53%) for the OOHC study population, and 14% and 16% for the Australian population (Figure 1).

Figure 1: OOHC study population 3 times as likely to receive income support in young adulthood as the Australian population, increasing to 4 times at age 30



Notes

1. The figure shows the proportion of young people receiving income support in 2007–2021, by age and population.
2. Receipt of income support is at the end of the financial year (at 30 June between 2007 and 2021) in which the person turned each year of age.

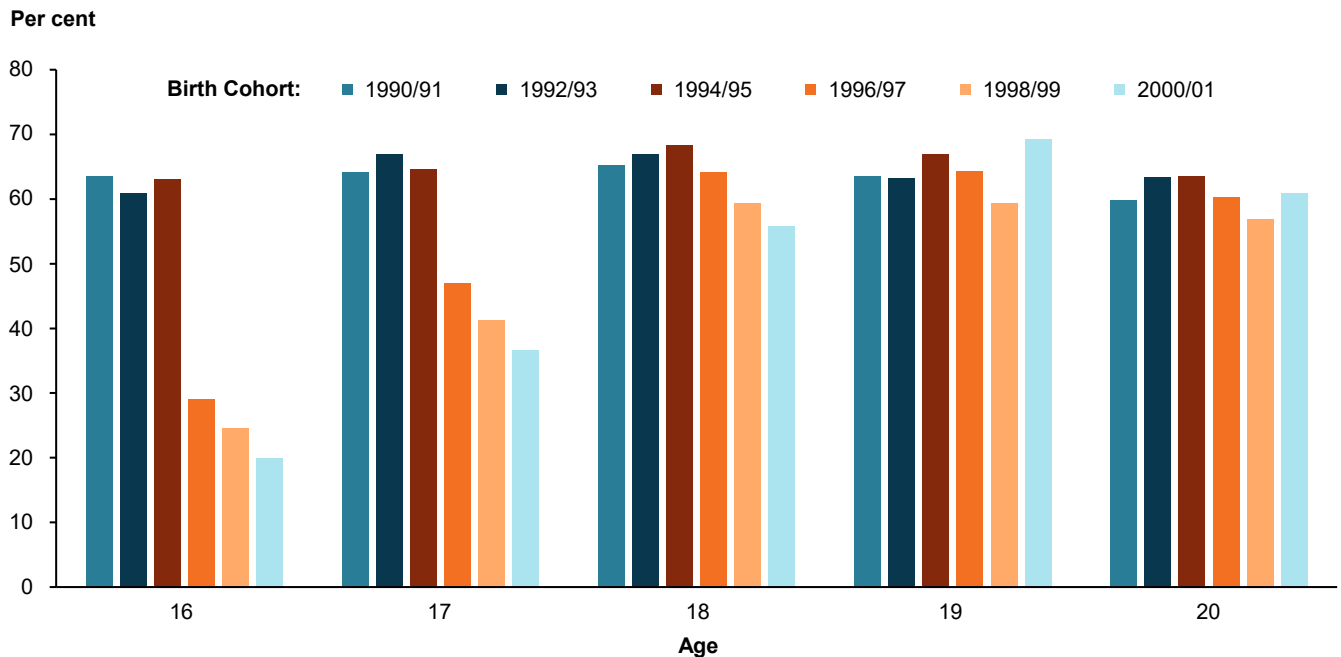
Source: Supplementary Table 1 (online).

Fewer people aged 16 and 17 are receiving income support than previously

Receipt of income support payments has declined over time for those aged 16 and 17. Over 60% of the older birth cohorts (those born between 1990–91 and 1994–95) received income support payments at ages 16 and 17, similar to the proportions for those aged 18–21. However, income support receipt for those in the younger birth cohorts (those born from 1995–96 onwards) was substantially lower at these ages – 20% at age 16 and 37% at age 17 for 2000–01 birth cohort and 29% and 47%, respectively, for the 1996–97 birth cohort (Figure 2). The younger birth cohorts were receiving these income support payments at ages 16 and 17 between 2011–12 and 2020–21. This large decline in income support receipt over this period was not observed for older age groups (18–21).

The large decline in income support receipt for those aged 16–17 may reflect changes to eligibility requirements introduced in 2012, particularly for Youth Allowance (Student), that largely affected those aged under 18 receiving payments in recent years (see Appendix A for further details). Interestingly, over the same period the decline in income support receipt for the Australian population aged 16–17 was much steeper than for the OOHC study population – falling from 29% in 2010–11 to 2.7% in 2016–17 for those aged 16, and 23% in 2011–12 to 6.3% in 2017–18 for those aged 17 (see Supplementary Table 1).

Figure 2: OOHC study population born after 1994/95 were less likely to receive income support at ages 16 and 17 than those born before



Notes

1. The figure shows the proportion of young people receiving income support by age and birth cohort for the OOHC study population.
2. Receipt of income support is at the end of the financial year (at 30 June between 2007 and 2021) in which the person turned each year of age.

Source: Supplementary Table 1 (online).

Types of payments received during young adulthood reflect changing life circumstances

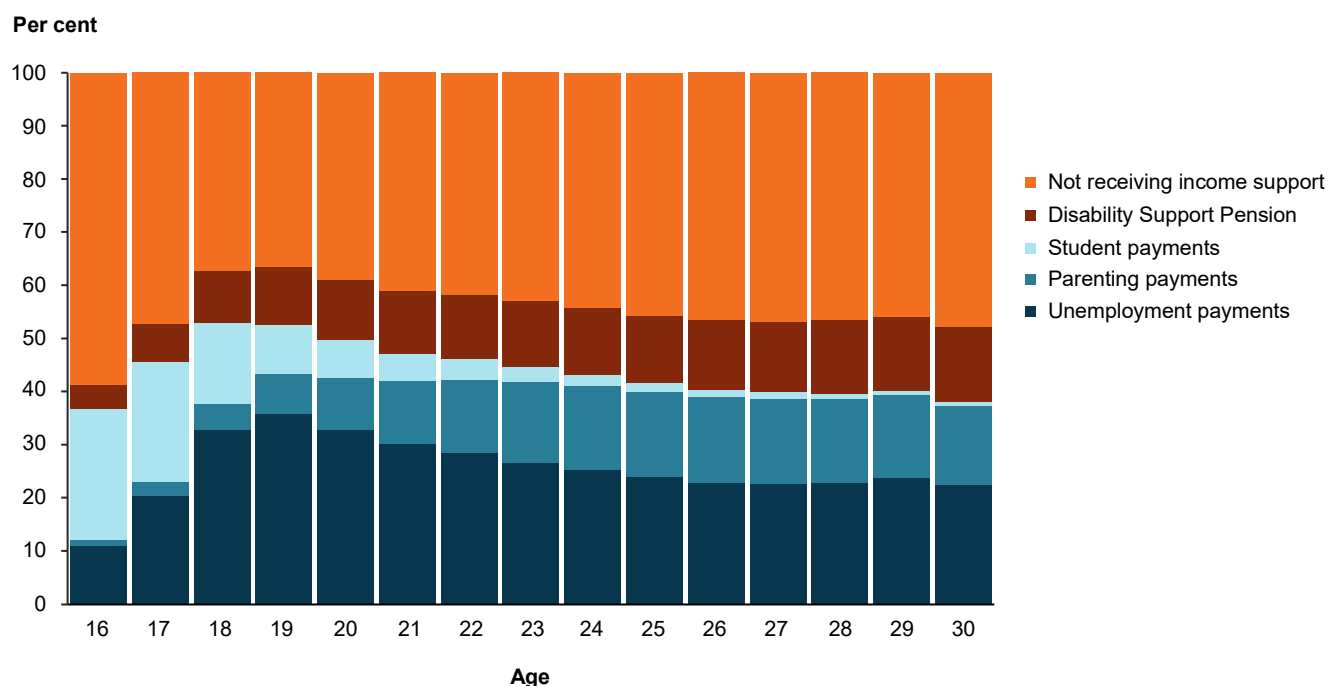
The type of financial assistance a person receives can provide insights into their life circumstances. The types of payments received varies with age and as young people transition from studying, to looking for work, and caring for a family.

As shown in Figure 3, at age 16, the most common income support payment received among those in the OOHC study population were student payments. However, at ages 18–21, student payment receipt fell sharply, the receipt of unemployment payments declined, and parenting payments and Disability Support Pension (DSP) rose. Between ages 22 and 30, receipt of parenting payments and DSP continued to increase slowly, and unemployment payments and student payments continued to fall.

These overall patterns were similar for the Australian population of the same age, except the large drop off in student payments did not occur until age 23 (see Supplementary Table 2).

Despite income support payments generally declining to age 30, a considerable proportion of the OOHC study population were still receiving income support at age 30 – over 1 in 5 (22%) were receiving unemployment payments, 1 in 7 (14%) were receiving parenting payments and 1 in 7 (14%) were receiving DSP. The corresponding proportions for the Australian population were 5.8%, 4.4% and 2.0%, respectively.

Figure 3: Receipt of student payments fell sharply from age 19, while parenting and disability payment receipt rose for the OOHC study population



Notes

1. The figure shows the proportion of young people receiving income support in 2007–2021, by payment type and age, for the OOHC study population.
2. Receipt of income support is at the end of the financial year (at 30 June between 2007 and 2021) in which the person turned each year of age.

Source: Supplementary Table 2 (online).

Females received higher levels of income support overall, driven primarily by parenting payments

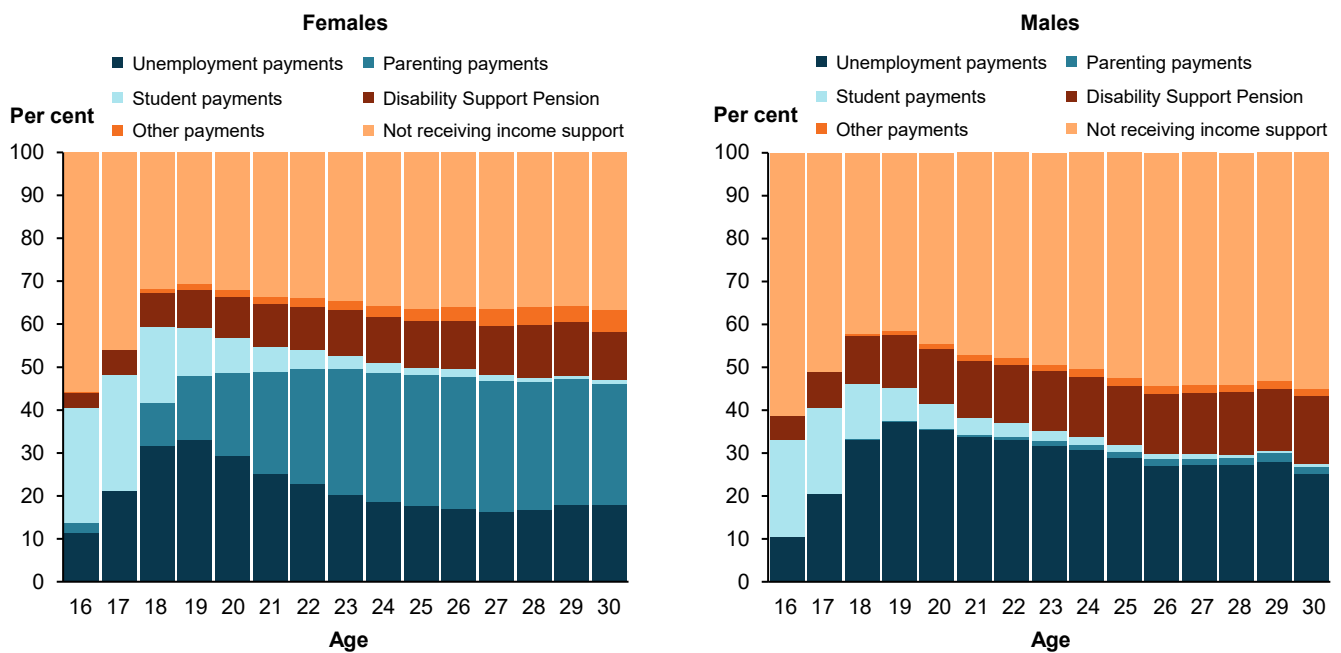
This study examined for the first time whether income support varied by sex for the OOHC study population. It found that while females accounted for a slightly lower proportion of the OOHC study population (49% compared with 51%), they accounted for a higher proportion of all income support recipients (54%). This disparity increases with age, ranging from 5 percentage points higher at age 16 (44% compared with 39%, respectively) to 17–18 percentage points higher at ages 26–30 (63–64% compared with 45–47% for males). By age 30, 63% of females were receiving income support payments compared with 45% of males. Similarly for the Australian population of the same age, the majority (55%) of all income support recipients were females, however the disparity with males at different ages was not as large. Receipt at age 16 was relatively similar for females and males (14% and 13%, respectively), but then increased to 4–5 percentage points higher for females between ages 26–30 (16–18% of females received income support compared with 11–14% for males) (see Supplementary Table 3).

This pattern is driven by specific types of income support payments, as shown in Figures 4 and 5 for the OOHC study population. At ages 16 and 17, the increased income support receipt of females was partially driven by student payments. By the older ages (22–30), the receipt of student payments declined and was similar between males and females, while receipt of parenting payments was substantially higher among females (ranging from 27–31% between these ages compared with 0.6–1.8% for males). Indeed, females accounted for 97% of all parenting payments received between the ages of 16 and 30.

Despite the overall higher levels of income support receipt for females, a higher proportion of males in the OOHC study population received unemployment payments than females from age 19 to 30 (on average 31% for males compared with 21% for females), with this difference greatest for ages 23–30. This may reflect the increase in parenting payments for females at these ages. Receipt of Disability Support Pension (DSP) was slightly higher for males than females across all ages, with 13% of males and 10% of females in the OOHC study population receiving DSP. Further, receipt of Crisis Payment was twice as high for males (5.7%) as for females (2.8%) in the OOHC study population.

Similar patterns were observed in the Australian population, albeit with smaller disparities between males and females (see Supplementary Table 3).

Figures 4 and 5: Females received higher levels of income support overall, driven primarily by parenting payments, for the OOHC study population



Notes

1. The figures show the proportions of the OOHC study population receiving income support, by age and payment type, for females and males, respectively, in 2007–2021.
2. Receipt of income support is at the end of the financial year (at 30 June between 2007 and 2021) in which the person turned each year of age.

Source: Supplementary Table 3 (online).

Large drop off in student payments by age 21 for the OOHC study population

The study population was less likely to remain on student payments up to the age of 21, compared to the Australian population of the same age, consistent with the findings in the previous 2021 AIHW report (AIHW 2021a).

The OOHC study population was 2.4 times as likely as the Australian population to receive a student payment before age 18 (24% compared to 10%), with receipt also slightly higher at age 18 at 15% compared to 12% for the Australian population. This pattern then reversed with the Australian population 1.7 times as likely to receive a student payment between ages 20–21 (10% compared with 6.0% for the OOHC study population). By age 27, student payment receipt had declined to around 1% in both populations and remained stable until age 30.

While this study did not explore the reasons for the fall in student payments, it may be related to payment eligibility requirements. This study examined whether the OOHC study population received payments whilst still in care and found that 1 in 2 (51%) of those whose first payment was a student payment, received the payment before their final exit from care. The considerably higher receipt of student payments at ages 16–17 (compared with the Australian population of the same age) may reflect that the OOHC study population were more likely to meet the [eligibility requirements](#) for student payments (in particular independent/living away from home requirement) while attending secondary school (Services Australia 2022). The subsequent large drop off in receipt of student payments, from 25% at age 16 to 9% at age 19, may indicate that the OOHC study population were less likely to transition to post-secondary school studies. For the Australian population, the proportion of people receiving student payments between these ages increased slightly from 11% to 12%. The section below provides further details on movements from student payments to other payments, which may provide broad indications of the factors that influence the large drop off in student payments from age 19.

Transitions to unemployment payments a common pathway for the OOHC study population

As shown in Figures 6 and 7 (and described in Box 1), of those in the OOHC study population who were observed up to age 25 and received a student payment on their 18th birthday, over 1 in 3 (37%) were still receiving student payments on their 19th birthday. Of the remainder, 36% transitioned to unemployment payments, 3% to parenting payments and 20% to not receiving income support. Between their 19th and 21st birthdays, the same pattern was observed, where around 1 in 3 continued receiving student payments or transitioned to unemployment payments (29% and 32%, respectively), and an increased proportion moved to receiving parenting payments (5%) or to not receiving income support payments (31%).

For the Australian population observed to age 25 receiving student payments, around 1 in 2 were still receiving student payments at their 19th and 21st birthdays (54% and 47%, respectively). Less than 1 in 5 had moved to unemployment payments (18% and 11%, respectively), and around 1 in 100 had transitioned to parenting payments (0.7% and 1.3%, respectively). The higher continuity on student payments for the Australian population to age 21 may reflect their higher completion rates for post-secondary school studies, however additional data sources would be required to investigate this further.

Despite the transition from student to unemployment payments being a common pathway for the OOHC study population, there were also large proportions moving off unemployment payments at each birthday. For the OOHC study population, the proportion of those who continued to receive unemployment payments up to their 25th birthday decreased from 66% at their 19th birthday, to 55% at their 21st, and 48% at their 25th birthdays. This decline in receipt of unemployment payments was largely due to transitions at their 21st and 25th birthdays to parenting payments (12% and 14%, respectively), or to not receive income support (25% and 31%, respectively).

The Australian population followed a similar pattern where proportions of those continuing to receive unemployment payments between their 19th and 25th birthdays declined from 55% to 37%. Larger proportions ceased to receive income support at their 21st and 25th birthdays (40% and 46%, respectively) and smaller proportions transitioned to parenting payments (8% and 10%), compared with the OOHC study population.

Box 1: Understanding the pathways analysis and Sankey charts

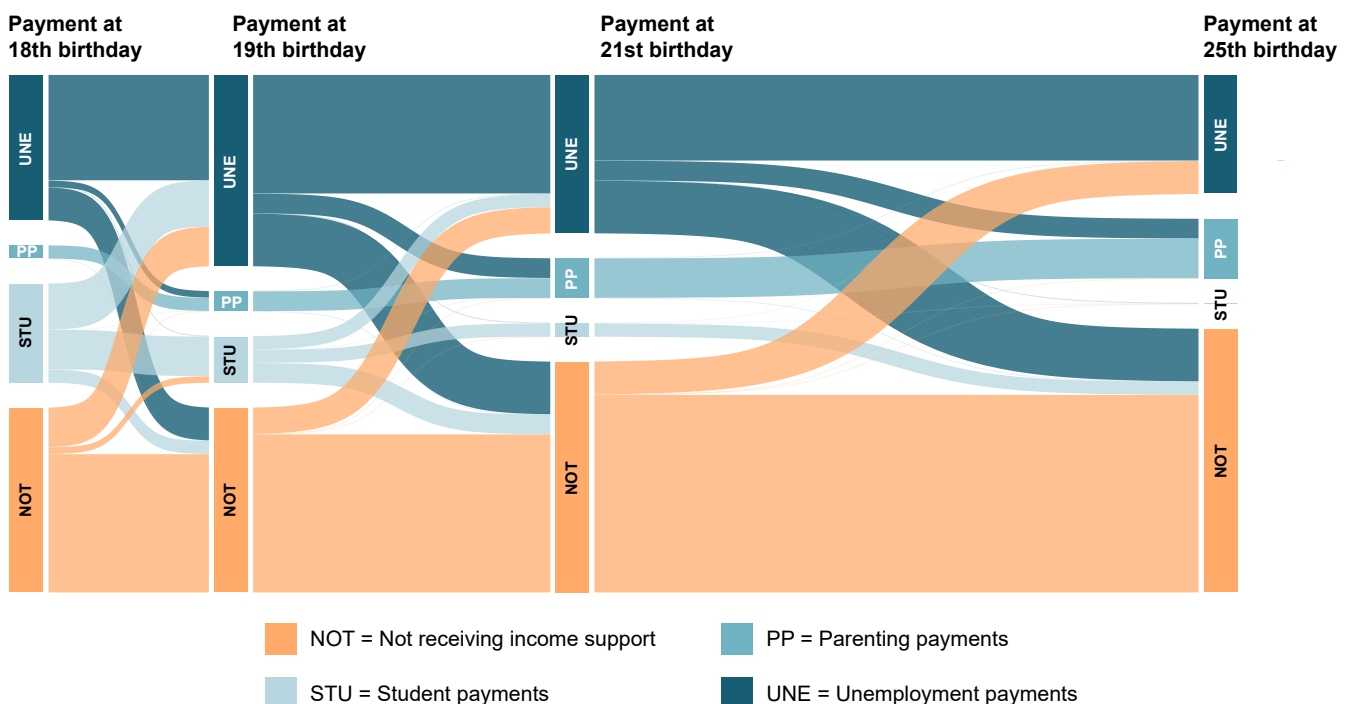
Understanding the movement of income support recipients between different payment categories and receiving and not receiving income support provides insights into changing life circumstances. Additionally, the length of time spent interacting with the social security system cannot be assessed through the point-in-time analysis presented in other parts of this report. Of particular interest is exploring transitions between payments in the years following a care leavers 18th birthday, as this assists in gaining a better understanding of their transition to independence, which can be a particularly vulnerable time as they adjust to independent living, often with limited support networks.

To investigate these transitions, young people aged 18–25 were observed over time to investigate what income support payment (if any) they were receiving at their 18th, 19th, 21st and 25th birthdays. The report published in 2021 (Section 3.5), examined transitions between income support payments through an analysis of income support receipt on the 18th birthday, and at subsequent birthdays. This report, however, presents a different perspective by examining transitions between the 18th, 19th, 21st and 25th birthdays, rather than only transitions from the 18th birthday. This allows a more granular understanding of movements between payments as the study populations age and at key life stages.

Note this analysis does not capture all the changes over this period, but rather it captures the payment an individual was receiving at these specific birthdays. The Sankey charts (see Figures 6 and 7) provide a visual representation of the pathways between these birthdays for certain payment types, to highlight the most common transitions at these key life stages. Note, only the main pathways between these payment types have been presented, with some of the less common pathways concealed in the figures (see Supplementary Table 4 for more details).

This analysis could not be extended to age 30 due to suppression, however previous analysis has shown that patterns of income support receipt are relatively stable from ages 25 to 30.

Figure 6: Transitions from student payments to unemployment payments a common pathway at 18th and 19th birthdays for the OOHc study population

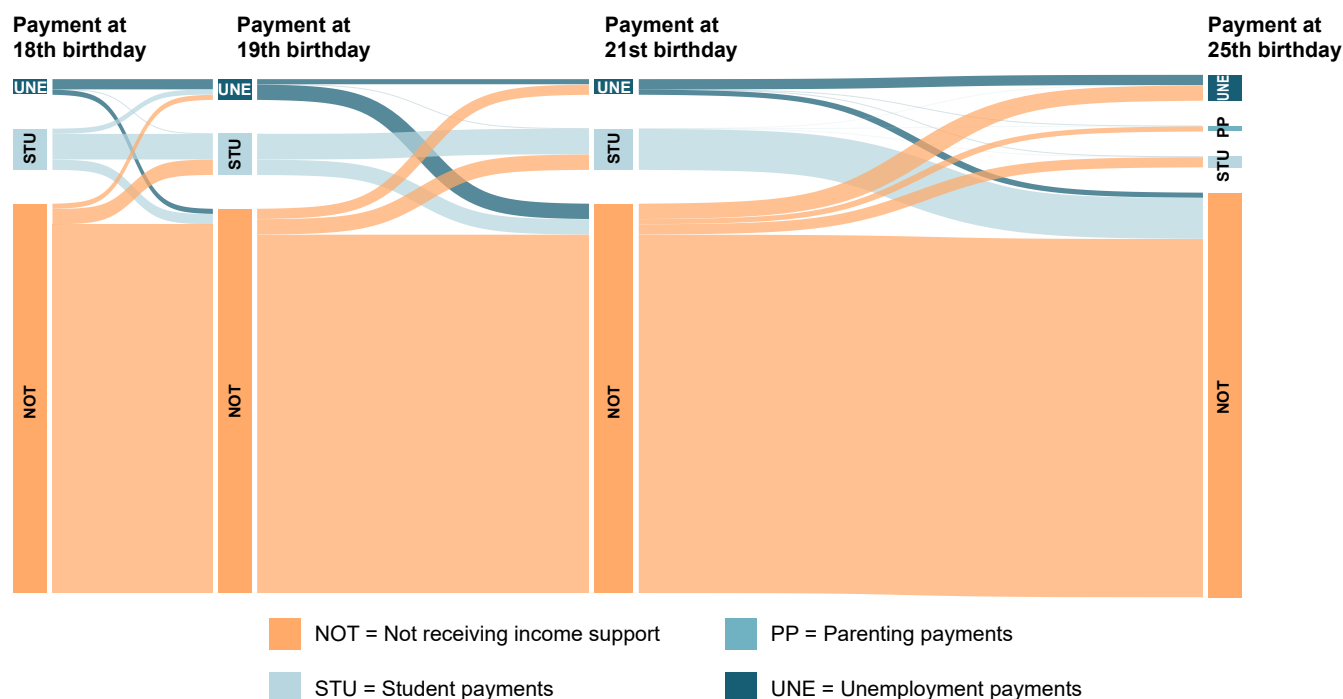


Notes

1. The figure shows pathways between payments for 18th, 19th, 21st and 25th birthdays between 2007–2021 for the OOHc study population.
2. Figure only includes those who were observed up to age 25, therefore only those born between 1 July 1990 and 30 June 1996.
3. Only pathways between unemployment, parenting, student payments and not receiving income support are displayed.
4. Receipt of income support is at the individual's birthday of the specified age.

Source: Supplementary Table 4 (online).

Figure 7: Large proportions of the Australian population remained on student payments to their 21st birthday



Notes

1. The figure shows pathways between payments for 18th, 19th, 21st and 25th birthdays between 2007–2021 for the Australian population.
2. Figure only includes those who were observed up to age 25, therefore only those born between 1 July 1990 and 30 June 1996.
3. Only pathways between unemployment, parenting, student payments and not receiving income support are displayed.
4. Receipt of income support is at the individual's birthday of the specified age.
5. In this figure, parenting payments at 18th, 19th and 21st birthdays are not displayed due to small counts and suppression.

Source: Supplementary Table 4 (online).

Receipt of parenting payments, particularly in teenage years, far higher for the OOHC study population

Around 12% of the OOHC study population received a parenting payment in young adulthood, compared with 2.9% of the Australian population. For the OOHC study population, receipt of parenting payments increased steeply with age from 1.2% at age 16, to 9.7% at age 20, 15% at age 23, and then remained relatively stable to age 30. The Australian population followed a similar pattern albeit with smaller proportions, as 0.2% received parenting payments at 16, increasing to 2.1% at age 20, 3.5% at 23 and then stabilising around 4% between ages 25–30. The OOHC study population's receipt of parenting payments from ages 16–30 ranged from 3 to 6 times as high as the Australian population of the same age (Figure 8).

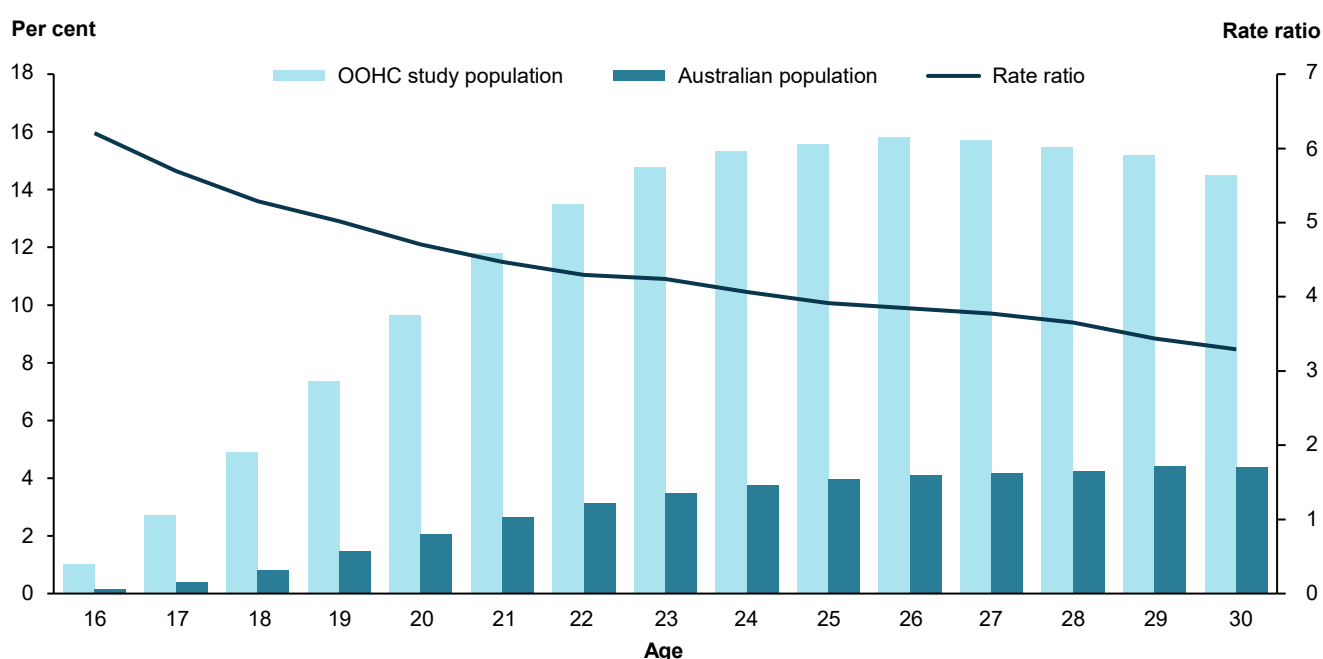
Of particular interest is the substantial proportion of the OOHC study population aged 16–20 that received parenting payments – 1.2–9.7% compared with 0.2–1.5% for the Australian population of the same age, or 5 to 6 times as high. Receipt in teenage years was highest at age 19, with 7.4% of the study population receiving parenting payments compared to 1.5% of the Australian population at this age.

This finding is consistent with other studies that have shown higher prevalence of young parents amongst care leavers compared to the general population (see Muir et al. 2019; Mendes 2009 for further details).

The high proportion of parenting payments in teenage years was largely driven by females. Between ages 16 to 19 (not including age 17 due to suppression) receipt of parenting payments among females increased from 2.4% to 15% and from 0% to 0.1% for males. While this includes both Parenting Payment Single and Parenting Payment Partnered (PPP), most parenting payment recipients were single parents, accounting for 84% of all parenting payment recipients for both males and females in the OOHC study population. In the Australian population, a similar pattern can be observed albeit with smaller proportions. Receipt of parenting payments increased from 0.4% to 3.0% for females, remained at close to 0% for males from 16 to 19, and PPS accounted for 75% of all parenting payments.

The high proportion of parenting payments in teenage years for the OOHC study population, primarily for females, indicates that this population is at an increased risk of being single teenage mothers compared with the Australian population (15% compared with 3.0% at age 19). This suggests that the OOHC study population, in particular young females, may have specific support needs as they transition into adulthood.

Figure 8: In teenage years, the proportion of the OOHC study population receiving parenting payments was at least 5 times as high as the Australian population



Notes

1. The figure shows the proportion of young people receiving parenting payments in 2007-2021, by age and population.
2. Receipt of income support is at the end of the financial year (at 30 June between 2007 and 2021) in which the person turned each year of age.

Source: Supplementary Table 5 (online).

Parenting payment recipients tend to continue receiving these payments over the course of many years. The majority of the OOHC study population who received parenting payments continued to receive these payments at their 19th, 21st and 25th birthdays, with a slight decline at each birthday (88%, 83% and 72%, see Supplementary Table 4). The decline in parenting payments at the 25th birthday can be attributed to increasing proportions ceasing to receive income support and moving to other payment types. Between the 21st and 25th birthdays, those transitioning from parenting payments to not receiving income support increased from 5% to 11%, to unemployment payments increased from 10% to 12%, and to DSP/ other payments increased from 1% to 4%. While a similar pattern was also observed for the Australian population in terms of the declining proportion remaining on parenting payments, from 92%–72% between the 19th and 25th birthdays, a much higher proportion transitioned to not receiving income support (19%) than unemployment payments (6%) by their 25th birthday.

Other payments are also available to assist with the cost of raising children, such as the Family Tax Benefit (FTB) Part A and B. Similar to parenting payments, the OOHC study population were far more likely to receive these payments, particularly in teenage years, than the Australian population – 1.2% at age 16 increasing to 8.3% at age 19, compared with 0.2-1.8% for the Australian population of the same age. The proportion of the OOHC study population receiving FTB continued to increase with age, from around 14% to 24% between ages 21 and 30 and from around 3.4% to 9.8% for the Australian population of the same ages (See Supplementary Table 5).

Receipt of Crisis Payment 13 times as high for the OOHC study population

A Crisis Payment is a one-off payment for those experiencing challenging or unstable personal circumstances (see Appendix B for further details). Similar to the previous report, the updated analysis indicated much higher receipt of Crisis Payment for the OOHC study population as compared to the Australian population of the same age (AIHW 2021a). Specifically, the OOHC study population were up to 13 times as likely to receive Crisis Payment than the Australian population of the same age.

For the OOHC study population, the proportion in receipt of Crisis Payment tripled between the ages of 16 to 18 (1.5% to 4.1%) then further increased at age 19 (to 4.5%) and remained stable to age 28 (around 5%). At ages 29 and 30 there was a large decline in receipt of Crisis Payment, down to 1.1%. This overall age pattern is consistent for the Australian population of the same age, although proportions are considerably lower, where receipt increased from 0.1% to 0.5% between ages 16–22, remained steady to age 28 and declined to 0.1% at age 30.

The sharp decline at ages 29 and 30 may reflect that only 1–2 birth cohorts are observed at these ages, and they were observed at these ages in 2019–20 and 2020–21 during the COVID-19 pandemic. AIHW (2021c) has previously reported that many women who had experienced physical or sexual violence did not seek help in the first 12 months of the pandemic. The report also found a decline in Crisis Payment receipt at the onset of the pandemic for family and domestic violence (just one of the payments that falls under Crisis Payment), which may be contributing to the drop off in Crisis Payment receipt observed in this report.

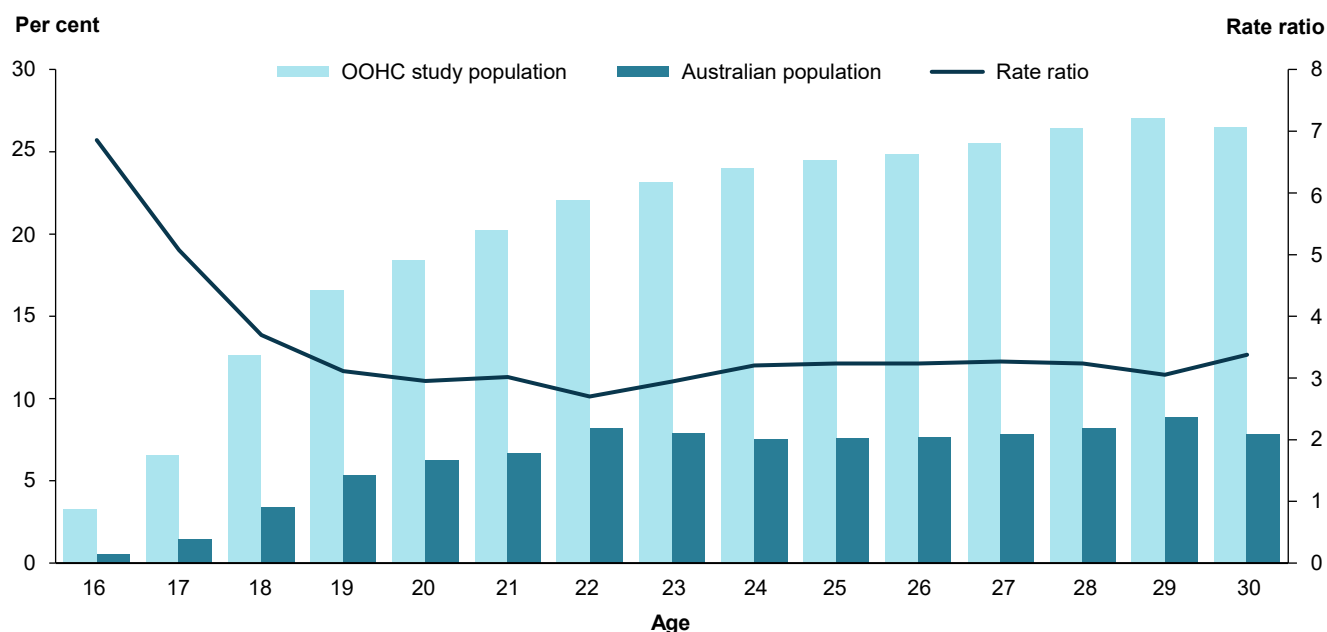
Receipt of rent assistance increased with age

Commonwealth Rent Assistance (CRA) is a supplementary payment for people who receive certain income support payments and pay rent. For the OOHC study population, CRA receipt increased gradually with age from 13% at age 18, to 20% at age 21, and to 26–27% between the ages 27–30. For the Australian population of the same age, the proportion of CRA recipients increased slightly from 3.4% at 18, to 6.7% at 21, and remains stable around 8% from ages 22 to 30 (see Figure 9).

For the OOHC study population, receipt of CRA among females was almost twice as high as males from age 21, and increased between the ages of 21 to 30 from 25% to 33% for females, and from 15% to 20% for males. The same pattern was observed for the Australian population albeit with lower proportions, increasing from 9.1–11% for females and 4.4–6.0% for males between ages 21 to 30. The higher receipt of CRA among females is driven by the higher receipt of income support overall by females compared with males, given that only income support recipients can receive CRA.

The steep increase in CRA receipt may suggest that the OOHC study population, and females in particular, face additional challenges in obtaining affordable, independent housing as they get older. This is supported in the literature, which has highlighted that care leavers are more likely to experience adverse housing outcomes, including instability and homelessness, as compared to the general population (Martin et al. 2021).

Figure 9: Proportion of the OOHC study population receiving rent assistance increased with age but remained relatively stable for the Australian population from age 22



Notes

1. The figure shows the proportion of young people receiving Commonwealth Rent Assistance in 2007–2021, by age and population.
2. Receipt of income support is at the end of the financial year (at 30 June between 2007 and 2021) in which the person turned each year of age.

Source: Supplementary Table 6 (online).

Duration of income support receipt was longer for OOHC study population

The time a person spends receiving income support can provide context for their circumstances and the level of support they require; some recipients require short-term income support, such as when they are in between jobs, while others require long-term support due to health conditions or being unable to find work.

In this report we have calculated duration on income support using two different methods (see Box 2). Both methods highlighted that the OOHC study population was more likely to receive income support for longer periods of time than the Australian population of the same age.

Box 2: Understanding duration receiving income support

In this report we have calculated duration using two different methods. Both these methods reflect total time spent receiving income support (count of total days over the observation period) and do not reflect whether recipients have continuously received income support over the observation period.

The first method accounts for the different follow-up periods for each birth cohort as it calculates the proportion of time between a recipient’s 18th birthday and the end of the observation period (30 June 2021) for each birth cohort.

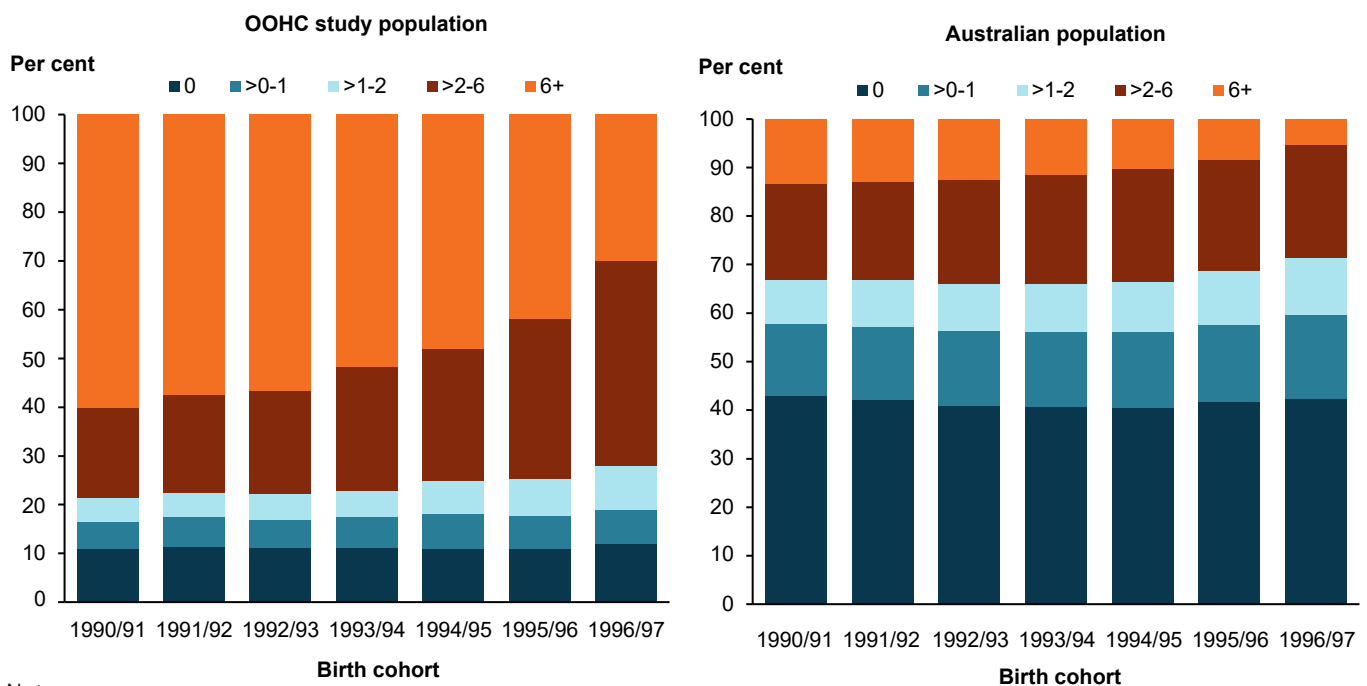
The second method calculates the sum of time spent receiving income support between their 18th birthday and the end of the observation period, presented as years receiving income support. This method does not account for the fact that the length of the observation period will differ based on a person’s year of birth. For example, the 1990–91 cohort was observed for 13 years since turning 18 (in 2008–09), whereas there were only 7 years since the youngest birth cohort turned 18 (1996–97 birth cohort turned 18 in 2014–15). This analysis of years spent receiving income support, particularly as compared to the Australian population, provides valuable insights on whether young people are requiring longer-term support from the social security system.

Almost half (46%) of the OOHC study population were receiving income support for the majority (75–100%) of time between their 18th birthday and the end of the observation period (30 June 2021). The corresponding proportion for the Australian population of the same age was 10%.

As shown in Figures 10 and 11, the proportion of the OOHC study population receiving income support for 6 or more years was on average 5 times as high (49%) as for the Australian population of the same age (11%). This may reflect the ongoing difficulties faced by the OOHC study population in securing work, and the need for frequent interactions with the social security system over a long time period as a result.

In contrast, the Australian population was more likely to receive income support for less than 2 years, 67% on average compared to 24% for the OOHC study population. This highlights that when the Australian population received income support, they were more likely to receive it for shorter periods of time.

Figures 10 and 11: OOHC study population was around 5 times as likely to receive income support for 6+ years compared with the Australian population



Notes

1. The figures show the number of years receiving income support in 2007–2021 by selected birth cohorts, for the OOHC study population and Australian population, respectively. Only birth cohorts that were observed for more than six years are included in the figures.
 2. Due to each birth cohort turning 18 in different years, total time observed will vary by birth cohort.
- Source: Supplementary Table 7 (online).

Steep rise in receipt of unemployment payments in the early months of the COVID-19 pandemic

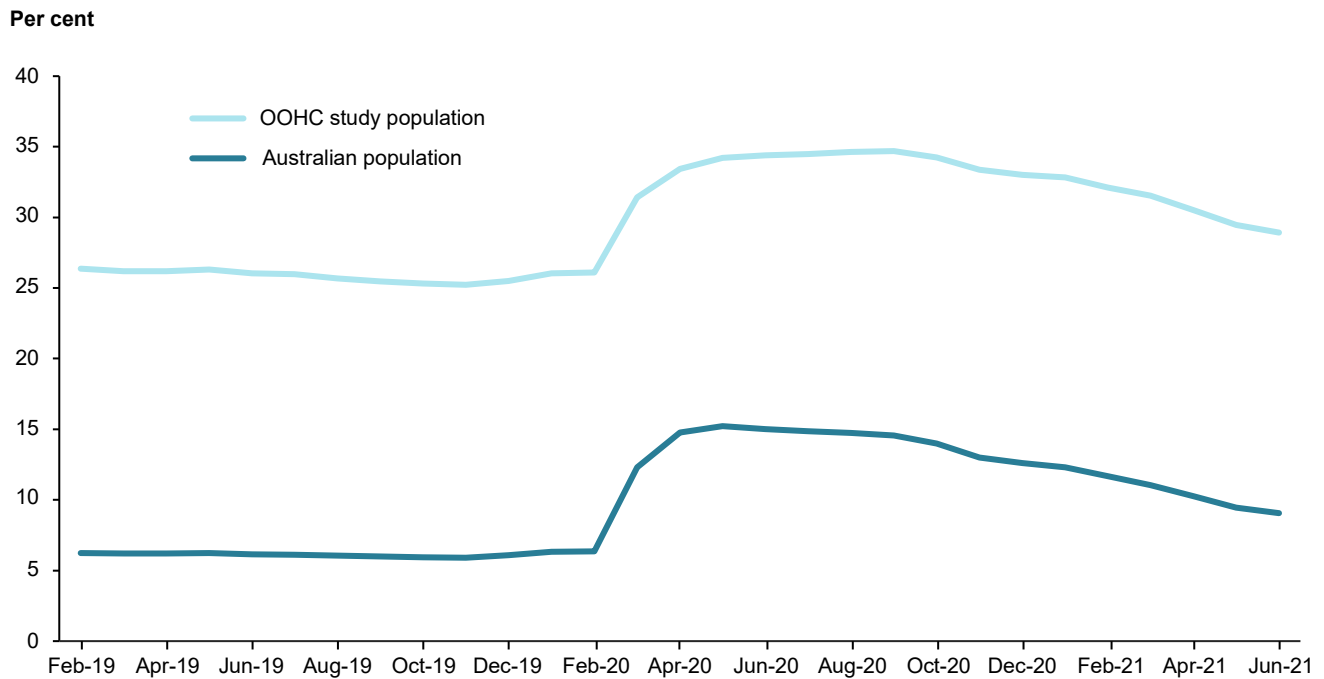
Previous AIHW reporting has indicated that young people (aged 16–24) were more likely to work in occupations and industries most affected by the shutdowns and spatial distancing measures to control the Coronavirus 2019 (COVID-19) pandemic in 2020 (for example, retail, hospitality, and recreation). These factors together with the economic support packages introduced to offset these adverse labour market impacts (see the Appendix A) resulted in a steep increase in the number of young people receiving unemployment payments in the early months of the pandemic (AIHW, 2021b).

In this study, receipt of unemployment payments during the early months of the pandemic showed similar patterns for both the OOHC study population and the Australian population. Both populations saw an increase of 5–6 percentage points in the receipt of unemployment payments between February and March 2020—with the OOHC study population increasing from 26% to 31%, and the Australian population increasing from 6% to 12% (Figure 12). Receipt was at its peak in August to September 2020 (35% for the OOHC study population and 15% for the Australian population), before steadily declining to 29% for the OOHC study population and 9% for the Australian population by June 2021.

While these overall patterns were similar for both populations, the relative increase for the Australian population was much steeper than for the OOHC study population at the onset of the pandemic, with the proportion doubling from 6% to 12% between February and March 2020. The relative increase for the OOHC study population was less steep, however the proportion of the study population receiving unemployment payments was still twice as high as the Australian population between April and October 2020 and around 3 times as high thereafter.

In both populations the proportions receiving student, parenting and other payments (including DSP) remained relatively consistent over this period (February 2020 to June 2021).

Figure 12: Steep rise in receipt of unemployment payments for both populations in March 2020 followed by steady decline from September 2020



Notes

1. The figure shows the proportion of young people receiving unemployment payments from February 2019 to June 2021, by population.
2. Receipt of income support is based on the payment received at the end of each month.

Source: Supplementary Table 8 (online).

OOHC characteristics and receipt of certain payment types later in life

This section explores whether specific OOHC characteristics for the OOHC study population influence their receipt of income support payments. Note the findings presented here do not imply causation between a young person’s time in OOHC and their subsequent receipt of income support or other payments. These young people may be affected by complex circumstances that contribute to their placement in OOHC but may also influence their need for further services, such as income support.

Similar to the previous report, receipt of specific income support payments varied across the OOHC characteristics. While there was some variation across most of the OOHC categories for each payment, there were a number of OOHC characteristic categories where these differences were more substantial, including:

- Receipt of unemployment payments was higher for those with a higher number of placements (9+) and those exiting care at 12–16 years, while those who entered and exited care before age 3 had a lower proportion receiving an unemployment payment.
- Receipt of student payments was slightly higher for those with fewer placements (less than 9 placements), those exiting care aged 17 and over, and for females.
- Receipt of DSP was higher for those who had primarily been in residential/group home care, those with a high number of placements (9+), those exiting care aged 17 and over, and for males.
- Receipt of parenting payments was highest for those first entering care aged 13 and over, those exiting care between the ages of 12–16, and for females.
- These findings were generally consistent for Indigenous Australians and Other Australians, as shown in Supplementary Table 9.

Multivariate analysis

Multivariate logistic regression analysis was used in this report to assess the estimated effect of a selection of OOHC characteristics on the receipt of income support payments between the ages of 18–25. The modelling includes all OOHC characteristics from the administrative data used in this study. Note there may be other, unobserved variables which explain patterns in income support receipt that are not controlled for in this analysis. This modelling included a subset of the OOHC study population that were born between 1990–91 and 1995–96, as these birth cohorts were all observed up to the age of 25 (see Appendix C for further details).

The results presented in this report are discussed in terms of the estimates of the odds ratio (OR) that apply to a specific explanatory variable (OOHC characteristic) in increasing or decreasing the likelihood of observing a specific outcome (such as receipt of unemployment payments). All odds ratios presented in the report are adjusted odds ratios estimated through the modelling process. Note that the regression results presented in this report describe statistical associations, rather than causal effects, between the selected explanatory variables (OOHC characteristics) and outcome measures (receipt of income support payments between the ages of 18–25).

This analysis, similar to the analysis presented above, found that those entering and exiting care at older ages, and with a higher number of placements, were more likely to receive specific income support payments, as described below and shown in Table 1.

Note that the results presented here include the OOHC characteristics with the largest effects; however, the full results from all regression models are included in Supplementary Table 10.

Those exiting care aged 17 and 18 were more likely to receive income support payments

The OOHC study population who exited care aged 17 and 18 were more likely to receive income support payments than those who exited before age 3 – those that exited aged 17 and 18 were more likely to receive unemployment payments, student payments and DSP (odds ratios of 1.4, 2.2 and 3.4, respectively). Those exiting care at ages 12–16 were also more likely to receive unemployment payments, DSP, and parenting payments (odds ratios of 1.8, 1.8, 1.5, respectively).

Those with higher numbers of placements were more likely to receive unemployment & parenting payments and less likely to receive student payments

The OOHC study population with high numbers of placements whilst in care were more likely to receive certain income support payments – those with 9 or more placements were more likely to receive unemployment or parenting payments compared to those with less than 3 placements (odds ratios of 1.9 and 1.8, respectively). For student payments the reverse was observed as those with 3 or more placements were less likely to be receiving student payments compared to those with less than 3 placements (odds ratios of 0.9 and 0.7). For DSP receipt, number of placements were not significantly different.

Those entering care for the first time at older ages were more likely to receive unemployment and parenting payments but less likely to receive DSP

The OOHC study population who first enter care aged 13 years and over were more likely to receive parenting payments (odds ratio of 1.6) and unemployment payments (odds ratio of 1.4), and less likely to receive DSP (odds ratio of 0.6), compared with those entering care aged less than 3.

Those in residential care most likely to receive DSP

The largest differences by main placement type were observed for those receiving DSP, where the OOHC study population in residential/family group home care were more likely to receive DSP than those in foster care (odds ratio of 1.7).

Table 1: Adjusted odds ratio estimates for income support receipt at ages 18–25 for OOHC study population

OOHC Characteristics	Income support type			
	Unemployment payments	Student payments	Disability Support Pension	Parenting payments
Main placement type				
Relative(s)/ kinship vs Foster	1.32	1.12	0.67	1.24
Residential/ group home vs Foster	Not significant	0.62	1.74	Not significant
Other vs Foster	1.33	1.14	Not significant	1.43
Total placements				
3–8 vs 1–2	1.35	0.88	Not significant	1.38
9+ vs 1–2	1.91	0.74	Not significant	1.75
Age at entry				
3–5 vs <3	1.21	Not significant	0.77	1.20
6–12 vs <3	1.18	Not significant	0.72	1.26
13+ vs <3	1.35	Not significant	0.62	1.62
Age at exit				
3–7 vs <3	1.26	1.16	1.46	Not significant
8–11 vs <3	1.48	1.29	1.65	1.27
12–16 vs <3	1.79	1.18	1.83	1.54
17+ vs <3	1.35	2.16	3.38	Not significant
Sex				
Male vs Female	1.24	0.72	1.37	0.03
Indigenous Status				
Indigenous Australians vs Other Australians	1.59	0.67	0.91	2.18

Note: Results are reported if significant at the 5% level. See Supplementary Table 10 (online) for 95% confidence intervals for each odds ratio. Source: Supplementary Table 10 (online).

Income support receipt for Indigenous Australians

As shown in the previous AIHW report, Aboriginal and Torres Strait Islander peoples were more likely to be in receipt of income support payments and continue receiving these payments for longer. Of key interest is whether Indigenous Australians with specific OOHC placement characteristics were more likely to have higher income support receipt, which was not presented in the previous report.

To explore this, we fitted separate regression models for Indigenous and non-Indigenous Australians. Many of the OOHC characteristic categories for the Indigenous model were not significant which may in part be due to the smaller counts for the Indigenous OOHC study population. However, for the categories

that were significant, the results were largely consistent with the full model for some payment types:

- those that exited care aged 17 years and older were more likely than those who exited before age 3 to be receiving student payments and DSP (odds ratios of 1.7 and 3.3, respectively)
- those first entering care aged 13 years and older were more likely to be receiving unemployment and parenting payments than those who entered care before age 3 (odds ratios of 1.4).

However, a key difference in the Indigenous model was that those who exit care aged over 3 were less likely to receive unemployment payments than those who exited before age 3 (odds ratios of 0.6–0.7 compared with 1.4–1.7 for the non-Indigenous population). Additionally, for the Indigenous OOHC study population, those who exited care at 12–16 were not found to be significantly more or less likely to receive unemployment payment than those who exited before age 3, whereas in the non-Indigenous OOHC study population they were more likely (odds ratio of 2.1).

Opportunities for future work

There are further opportunities to expand the analysis presented in this report to provide deeper insights into the outcomes of the OOHC study population. Updates with more recent Centrelink data, for example, would enable us to explore the population beyond the age of 30, and additional birth cohorts at older ages.

Including additional data collections would also help us to better understand the impact of other factors on outcomes for people leaving OOHC, given that this study only focuses on income support payments as one indicator of life circumstances. For example, including data collections that capture housing outcomes, such as those accessing homelessness services, would provide a more holistic understanding of the life circumstances and challenges experienced by young people leaving care.

Linkage studies such as this one provide crucial information on outcomes of young people leaving care that is essential for policy and planning across all levels of government and can be used to inform the development of policy and practice, such as the monitoring and evaluation of supported care and extended care models.

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Appendices

Appendix A

Overview of methodology

A brief overview of the data sources and methods used in this study are presented below. For more information refer to Chapter 2: Methods and Appendix in the [AIHW 2021 report](#).

Data sources

The data linked in this study were:

- **OOHC data** from all state and territory government departments responsible for child protection (except Queensland), which included young people born between 1 July 1990 and 30 June 2001 who had been in OOHC. This time period was chosen to ensure that the OOHC study population included only those with a full placement history (i.e., reached the age of 18) at the time the OOHC data was provided to the AIHW in 2019.
- **Centrelink data** from the Department of Social Services (DSS) data asset Data Over Multiple Individual Occurrences (DOMINO) on income support and other payment receipt between 2007 and 2021. Note the observation period ends on 30 June 2021.

It should be noted that there were different follow up periods depending on the child's year of birth. Those born in the earlier birth cohorts (i.e., 1990–91) are observed up to the age of 30 in 2021, whereas those born in later birth cohorts (i.e., 2000–01) will only be observed up to the age of 20 in 2021. This means that certain ages are not observed in particular financial years. For example, there is no one from the OOHC study population aged 16–19 in 2021, as the youngest birth cohort included is 2000–01 (who turn 20 in 2021).

This approach also means that people in different birth cohorts will be observed at a common age in different financial years. For example, those born in 1990–91 turn 16 in 2006–07, while those born in 1991–92 turn 16 in 2007–08. For this reason, changes in eligibility requirements that are related to age will affect each birth cohort differently (see *Factors influencing income support receipt* below for further details).

It is also worth noting that, due to the additional years of Centrelink data, three additional birth cohorts (1998–99, 1999–00 and 2000–01) were able to be included in this updated analysis. These cohorts were included in order to increase the number of people observed at each age, thereby reducing the number of cells that require suppression due to small cell sizes. The data presented in this report for the 16–25 age range are therefore not directly comparable to those included in the previous report.

OOHC study population

OOHC provides alternative accommodation for children who are unable to live with their families due to the need for a more protective environment, when parents are incapable of providing adequate care, when alternative accommodation is needed during times of conflict, or when parents/carers need respite.

The OOHC study population for this project was created by linking the above data sets to include around 45,000 young people, born between 1990 and 2001, who had at least one OOHC placement (lasting 7 or more days) from all states and territories except Queensland. Unlike other AIHW OOHC reporting which records counts of young people in care at a point in time (such as 30 June 2021), this study captures all young people who have been recorded as having an OOHC placement at some point between 1 July 1990 and 30 June 2019, when the data was supplied. Note that the OOHC data provided to the AIHW for this project was prior to the introduction of extended care models.

Note the definition of OOHC used in this study differs from those used in other AIHW publications, due to differences in the data supplied (longitudinal historical OOHC population), policy changes over time, and the focus of the analysis. The counts and client characteristics of the OOHC study population are therefore not directly comparable with the annual child protection service activity reporting (as reported in AIHW 2022 *Child Protection Australia*).

Linkage methods

These data sources were linked together using a key-based linkage method – Statistical Linkage Keys (581) and postcode data were used to link records across each dataset. A preliminary linkage was also completed using the Medicare Consumer Directory (MCD) to improve linkage quality. Overall, 96% of the OOHC study population was linked to DOMINO.

Comparator populations

Patterns of income support and other payment receipt – types of payments, duration on payment, and pathways between payments – were examined for various populations to quantify whether young people who have been in OOHC have different experiences from the Australian population of the same age.

Factors influencing income support receipt

Over the past two decades there have been notable demographic, social, and economic shifts, as well as changes within the social security system for how payments are administered, that have influenced trends and patterns in the receipt of income support.

Over the observation period of our study (1 July 2007–30 June 2021), there have been specific changes to the eligibility criteria for payments, including changes to income test thresholds and qualifying age for payments, tightening of eligibility criteria for Disability Support Pension (DSP), and enhanced activity testing (including mutual obligation requirements that take into account the recipients age, assessed work capacity, and whether they are a carer of a dependent child). The most notable of these changes for our study population was a change in 2012, whereby students aged 16 to 17 were no longer eligible for Youth Allowance unless they were classified as independent, were living away from home, or were already receiving Youth Allowance.

These changes, combined with labour market conditions over this period, may have implications for comparability of the results across birth cohorts and especially for recent care leavers. This should be considered when interpreting the results in this report. For further details on policy changes up to 2016, see Appendix C in previous report (AIHW 2021a)

Some additional policy changes have occurred beyond 2016 including:

- JobSeeker payment replaced Newstart Allowance in March 2020 becoming the main unemployment payment for those aged 22 and over.
- Consolidation of JobSeeker with several other payments (such as Sickness Allowance and Bereavement Allowance).
- Short term changes to unemployment payments in response to the COVID-19 pandemic such as:
 - Waiving asset tests and waiting periods between March 2020 and September 2020.
 - Suspension of mutual obligation requirements between March and June 2020.
- Family Tax Benefits (FTB) have had several changes between 2016–2020 including to immunisation requirements, exemptions, and eligibility.

Refer to Department of Social Services [Descriptions of payments and benefits](#) for further information on policy changes as well as the Australia's Welfare 2021 article: [Impact of COVID-19 on employment and income support in Australia](#) (DSS 2022, AIHW 2021).

Appendix B

This report divides income support payments into 4 major categories as shown in Table A1. It also includes a range of other benefits and allowances to both income support recipients as well as others in need of support. An individual can only receive one income support payment at a time. Other benefits and payments may be received in addition to income support payments. This report includes some of these benefits and allowances, as listed in Table A1.

Table A1: Overview of income support and other payments

Income support payment types	
Student payments	<ul style="list-style-type: none">• Support for individuals undertaking apprenticeships/ study at primary, secondary, and tertiary levels.• Available to students and apprentices aged 16-24 years.• Includes Youth Allowance (Student and Apprentice), ABSTUDY and Austudy.
Unemployment payments	<ul style="list-style-type: none">• Support for individuals who are unemployed or earning under the income threshold.• Includes Newstart Allowance (which was replaced by the JobSeeker Payment in March 2020) and Youth Allowance (Other). <p>Note: Not all unemployed people may be receiving these payments as they could be receiving other income support payments instead or may not meet other eligibility criteria such as assets tests.</p>
Parenting payments	<ul style="list-style-type: none">• Can be accessed by low-income parents, in recognition of the impact that caring for a young child (aged under 8 years for single parents and aged under 6 years for partnered parents) can have on a parent's capacity to undertake full-time employment.• Includes Parenting Payment Single and Parenting Payment Partnered.
Disability Support Pension (DSP)	<ul style="list-style-type: none">• Supports those who have a reduced capacity to work because of an impairment or disability. <p>Note: Not all people with disability may be receiving DSP as they may not require the payment or meet eligibility criteria, and as such the DSP information presented in this report should not be used as a proxy for disability.</p>
Other benefits and payment types	
Family Tax Benefit (A and B)	<ul style="list-style-type: none">• Assists with the everyday costs of raising children.• It consists of 2 parts: FTB Part A is a per child payment based on family circumstances and FTB Part B is a per family payment that provides extra help to single parents and some couple families with one main income earner.• The income threshold for these payments is higher than for parenting payments (described above). <p>Note: The data in this report relate to the number of FTB A recipients observed at the end of the financial year in which they turn each age, and do not reflect the number of payments an FTB A recipient receives. An individual who received multiple payments will only be counted once.</p>
Crisis payment	<ul style="list-style-type: none">• A one-off payment given to income support recipients facing a number of different personal circumstances including prison release, domestic violence, and arriving into Australia as a humanitarian entrant. <p>Note: The data in this report relate to the number of people who received at least one Crisis Payment at any point in the financial year they turn each age. An individual who received multiple payments will only be counted once</p>
Commonwealth Rent Assistance	<ul style="list-style-type: none">• An income supplement to assist with the cost of rental accommodation which is payable to people who rent in the private market or community housing.

Appendix C

Multivariate logistic regression methodology

Multivariate logistic regression analysis was used to investigate the association between receipt of income support payments and several explanatory variables (OOHC characteristics) at the same time. It was important to only include people who were observed for the same ages (18–25) in the model so that they would have the same opportunity to receive an income support payment. For this reason, analysis was limited to certain birth cohorts (1990–91 to 1995–96), and to the receipt of payments between the ages of 18–25 only. Other ages were excluded as not all selected birth cohorts were observed at those ages.

The modelling includes all OOHC characteristics from the administrative data used in this study. Note there may be other unobserved variables which explain patterns in income support receipt that are not controlled for in this analysis. A multicollinearity test of these OOHC characteristics revealed that some characteristics were highly correlated with others, such as length of time in care, and was therefore excluded from the model. Categories for OOHC characteristics were formulated based on the distribution of each category for receiving/not receiving each income support payment and the size of the categories. Note that the categories for the OOHC characteristics differ from those published previously by the AIHW.

Separate regression models were fitted for each payment type, with models further stratified by Indigenous status, as shown in Table A2 below. The reference group for the OOHC characteristics was chosen as the first category in the group.

Table A2: Variables included in the multivariate logistic regression models

OOHC Characteristics	Payments
Main placement type (Foster*, Relative(s)/ kinship, Residential/group home, Other)	1. Unemployment payments (received/not received) 2. Parenting Payments (received/not received)
Total number of placements (1-2*, 3-8, 9+)	3. Disability Support Pension (received/not received)
Age at entry to care (<3*, , 3-5, 6-12, 13+)	4. Student Payments (received/not received)
Age at exit to care (<3*, 3-7, 8-11, 12-16, 17+*)	
Sex (Female*, Male)	
Indigenous status (Other Australians*, Indigenous Australians)	
* Denotes the reference group	

Note: Indigenous Australians are defined as those in the OOHC study population born between 1 July 1990–91 and 30 June 1995–96 who identified as Aboriginal or Torres Strait Islander. Other Australians are defined as those in the OOHC study population born between 1 July 1990–91 and 30 June 1995–96, who were non-Indigenous and those for whom Indigenous status was missing/not stated.

Interpretation of results

The logistic regression model estimates the odds ratios, which are used to assess the relative difference for odds of an outcome event occurring (receipt of income support) for varying levels of a factor (OOHC characteristics) in a study population. Odds ratios compare the likelihood of the event occurring for an individual with a given OOHC characteristic, to the likelihood for an individual with the reference characteristic, after controlling for other OOHC characteristics. For example, for the characteristic 'main placement type', foster care is used as the reference group to compare how the odds of receiving a payment differ to other main placement types. The odds of an outcome is not the same as the probability of that outcome occurring. The odds ratios from the models should not be used to compare the relative importance of the effects of the explanatory variables, as these are dependent on the choice of the reference subgroup for each categorical variable.

An odds ratio of greater than 1 can be interpreted as increased likelihood of the event occurring for that group compared to the reference group, and an odds ratio of less than 1 can be interpreted as a decreased likelihood of the event occurring for that group compared to the reference group.

Importantly, the regression modelling undertaken with the OOH-C-DOMINO longitudinal data is neither causal/explanatory nor predictive. That is, it neither aims to test causal hypothesis about which OOH-C characteristics are relevant to outcomes (as per causal or explanatory modelling), nor is it predictive, that is, it is not intended to model future outcomes (Shmueli, 2010). Instead, the modelling of the OOH-C-DOMINO data is descriptive. Their purpose is to examine the association between the dependent and independent variables. The models are not refined nor are they internally validated; they therefore cannot be assumed to have predictive value. Furthermore, there is no a priori development of causal theories that would allow the models to explain the reasons for given outcomes. Instead, the results serve as a starting point for further questions that could be subsequently addressed in exploratory models that explore individual causal factors.

Please note only certain findings of interest are presented in this report; refer to the Supplementary Table 10 for all odds ratios produced from the models.

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