



Australian Government

Australian Institute of Health and Welfare

# Australia's welfare 2017



**A.I.H.W**



# Australia's welfare 2017



The Australian Institute of Health and Welfare is a major national agency whose purpose is to create authoritative and accessible information and statistics that inform decisions and improve the health and wellbeing of all Australians.

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Report designed using art by Moira Nelson. Moira is a Canberra artist who describes herself as a social artist. She likes to produce art within a social and communal setting where she can be 'enlivened and inspired by the diversity of personalities involved'. She creates work that talks about the story of being human, with a particular emphasis on communication. Her interest in this stemmed from a car accident at age 20 which left her with a brain injury impacting on speech and memory. In addition to her own artistry, Moira volunteers and facilitates art programs for disadvantaged and disabled people, children and the wider community.



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](http://www.aihw.gov.au)



Australian Government  
Australian Institute of  
Health and Welfare

AIHW



The Hon Greg Hunt MP  
Minister for Health, Minister for Sport  
Parliament House  
Canberra 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 2017*, as required under Subsection 31(1A) of the *Australian Institute of Health and Welfare Act 1987*.

This edition continues the AIHW tradition of delivering high quality evidence and value-added analysis on welfare issues, together with insights into how future data could better meet the needs of policy analysts, researchers and the public.

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,

Mrs Louise Markus  
Chair  
AIHW Board

27 July 2017

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# Preface

In 2017, the Australian Institute of Health and Welfare (AIHW) celebrates a milestone, marking 30 years since the Australian Institute of Health Act came into effect on 1 July 1987. The AIHW gained its ‘welfare’ role in 1992, and since 1993 has published a biennial flagship report on welfare, the *Australia’s welfare* series. *Australia’s welfare 2017* is the 13<sup>th</sup> such report. This year’s edition illustrates just how far we have come in producing authoritative statistics on the welfare of Australians since the modest beginnings of the inaugural 1993 report.

The 2017 edition continues the AIHW tradition of delivering quality evidence on welfare issues and, in line with the Institute’s new strategic directions, demonstrates the AIHW’s core capabilities of being leaders in health and welfare data, drivers of data improvement, expert sources of value-added analysis, champions for open and accessible data and information, and trusted strategic partners.

The AIHW’s flagship reports are independent and highly regarded national compendiums on health and welfare: they are compiled from dozens of data sources and draw together a variety of perspectives at both the national and local level. They also serve as ‘report cards’ on the health and welfare of Australians—they investigate trends and consider how Australians are faring as a nation. Although *Australia’s welfare 2017* shows that most of us are doing well, the report highlights the diversity of disadvantage that exists in our communities, including among Indigenous Australians, vulnerable young people, people with disability, Australia’s homeless population, and those experiencing family and domestic violence.

*Australia’s welfare 2017* is framed around ‘welfare’ in its broadest context. The report is underpinned by the concept that a person’s wellbeing results from the interplay of many interrelated individual, societal and environmental factors that extend well beyond the provision of financial assistance and welfare services.

As in previous editions, *Australia’s welfare 2017* presents reliable and detailed information on population factors that influence the demand for welfare services, welfare spending and the composition of the community services workforce. It then looks at welfare with respect to various population groups and sectors, including children and youth, education and training, employment, housing, ageing and aged care, and disability. A chapter is dedicated to the welfare of Indigenous Australians, and the report concludes with a comprehensive analysis of welfare indicators based on a framework developed by the AIHW and published for the first time in *Australia’s welfare 2015*. This latest edition reports on the ‘wellbeing’ domain of the framework for the first time, after consideration of Australian and international work in this area.



*Australia's welfare 2017* follows a similar structure to recent biennial reports, combining short statistical 'snapshots' with 'feature articles' that explore topical issues in more detail. It considers the factors that help determine welfare from an individual, a family and a community's perspective, and looks at how Australia delivers and funds welfare services. It examines challenges ahead, such as those faced by the welfare workforce. It also looks at opportunities and challenges from a data and information perspective—and how organisations such as the AIHW can best fill gaps in welfare data.

This edition of *Australia's welfare* provides an overview of what we know about family, domestic and sexual violence—an area of significant community and policy interest in Australia and across the world. The article notes the AIHW's role in this sector, and the work it is doing to bring data sources together.

The report also looks at how to better understand health and welfare data. In today's world of 'big data', governments, businesses, the community and individuals all have an important role to ensure that data are used safely, efficiently and effectively to improve outcomes for all Australians. The report discusses what it means to turn 'big data' into 'smart data', and focuses on the growing need to integrate data sets to produce person-centred data, while protecting privacy. It highlights the gaps in national data, including who needs welfare support, people who face entrenched or persistent disadvantage, and the pathways that people take through the welfare and related systems. It also highlights opportunities for data linkage across national and jurisdictional data sets.

I am pleased to note that *Australia's welfare 2017* includes two feature articles authored by academic experts: 'Persistent disadvantage in Australia: extent, complexity and some key implications' (Professor Alan Hayes and Dr Andrew Hacker) and 'The changing nature of work and worker wellbeing' (Professor Mark Wooden). We extend our thanks to these authors, and also to Associate Professor Judith Yates for her contribution to 'The changing shape of housing in Australia'.

*Australia's welfare 2017* is accompanied by an *Australia's welfare 2017—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 2017* via [flagships@aihw.gov.au](mailto:flagships@aihw.gov.au).

**Barry Sandison**  
Director

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Many other staff from the AIHW and its collaborating units contributed time and expertise to the production of *Australia's welfare 2017*. Their contributions are also gratefully acknowledged.

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Professor Mark Wooden of the University of Melbourne authored Chapter 4.1 'The changing nature of work and worker wellbeing'.

Associate Professor Judith Yates of the University of Sydney contributed to the article Chapter 6.3 'The changing shape of housing in Australia'.

## External reviewers

The following experts are thanked for reviewing articles for *Australia's welfare 2017*:

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The following Australian Government departments and agencies were also involved in external review of relevant *Australia's welfare 2017* material:

- Australian Bureau of Statistics
- Department of Education and Training
- Department of Employment
- Department of the Environment and Energy
- Department of the Prime Minister and Cabinet
- Department of Social Services
- Digital Transformation Agency
- NHMRC National Institute for Dementia Research
- Productivity Commission

## Quality assurance

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

## Data sources

The best available information has been used to inform the report, drawn from a range of data sources that are referenced throughout the report. Most of the data sources are national collections managed by the AIHW and the Australian Bureau of Statistics (ABS). These 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 data are correct and conclusions are robust.

Although this report is published in 2017, many of the statistics refer to 2015 or earlier. This is because some data, such as population-based surveys and the ABS Census of Population and Housing (the Census), are collected every 3–5 years or less often. Given the comprehensive nature of this report, and the time it takes to prepare a compendium report of this scale, it is also possible that some other reports may be released by the AIHW or others with more recent data. For example, due to the timeframes for preparing this report, it was not possible to integrate the 2016 Census data with data presented in *Australia's welfare 2017* (see Box A).

### **Box A: 2016 Census data—first release and 2016 Census-based population estimates**

Data from the 2016 ABS Census of Population and Housing were released on 27 June 2017. Due to the AIHW's drafting timeframes for *Australia's welfare 2017*, it was not possible to include updated Census data within the main body of this report.

There were some notable findings from the 2016 Census that relate to several topic areas covered within the report, as highlighted below. Future iterations of *Australia's welfare* will be able to draw on these data in more detail.

#### **Population estimates**

On 27 June 2017, the ABS released preliminary Estimated Resident Population (ERP) re-based on the 2016 Census. Preliminary ERP for Australia was 24.4 million at 31 December 2016. Estimates for 2017 are not yet available but may differ from the projected number of 24.8 million at June 2017 used for this report and based on ABS population projections from the 2011 Census. New age and sex estimates for the total population, and estimates of the Indigenous population, were not available in time for the release of *Australia's welfare 2017*.

#### **Family and household composition**

According to the 2016 Census, there were 8.29 million households in Australia on Census night of which 5.9 million were family households, 2 million were lone-person households, and just under 0.4 million were group households. Of family households, 45% were couples with children, 38% were couples without children, and 16% were single parent families. The distribution of household type did not change between 2011 and 2016.

#### **Housing tenure**

The 2016 Census data showed a home ownership rate of 66%—comprising 35% with a mortgage and 31% of households that owned their home outright. Home ownership rates have been falling over time. While the overall home ownership rate has declined from 69% in 1991 to 66% in 2016, rates of outright home ownership have seen a larger drop, from 41% to 31% over the 25-year period; by comparison, rates of home ownership with a mortgage have risen from 28% in 1991 to 35% in 2016. Renters make up 31% of households compared with 27% in 1991. See Chapter 6.3 'The changing shape of housing in Australia' for more information.

The rate of home ownership for Indigenous households increased from 36% (25% with a mortgage and 11% without) in 2011 to 38% (26% with a mortgage and 12% without), in 2016.

#### **Overcrowding**

In 2016, overcrowding in households, based on those households needing one or more extra bedrooms, was 3.8%, up from 3.4% in 2011. Overcrowding was much higher for Indigenous households at 10.4% (down from 11.8% in 2011).

## Additional material online

This edition of *Australia's welfare* has a comprehensive online presence, including links to related web pages and supplementary tables that present the data underlying the charts in each chapter.

*Australia's welfare 2017* is available online. Individual PDFs are available for individual articles, for easy downloading and printing.

Visit *Australia's welfare 2017* online at

[www.aihw.gov.au/reports/australias-welfare/australias-welfare-2017](http://www.aihw.gov.au/reports/australias-welfare/australias-welfare-2017).

## Executive summary

### Welfare in Australia

- The Australian Government and state and territory governments spent an estimated \$157 billion on welfare in 2015–16 (cash payments, welfare services, and unemployment benefits), up from \$117 billion in 2006–07. This is an average growth rate (in real terms) of 3.4% per annum.
- Per person expenditure on welfare rose an average of 1.7% a year over the 10-year period in real terms (from \$5,663 to \$6,566 per Australian resident).
- Welfare spending now accounts for a larger proportion of gross domestic product than before: 9.5% in 2015–16 compared with 8.6% in 2006–07.
- In 2015, the welfare workforce represented 4.1% of the total workforce in Australia, an estimated 478,000 workers. The number of workers has increased by 84% since 2005.

See Chapter 1 for more information.

### Vulnerable groups

- About 4.4% (1 in 23) of Australians are estimated to experience deep and persistent disadvantage, as measured by social exclusion. However, this masks much higher rates among some population groups—for example, 24% of people living in public housing (more than 5 times the national average), 15% of people dependent on income support (more than 3 times), and 11% of Indigenous Australians (more than twice) live with deep and persistent disadvantage.
- Children under 15 in single-parent families were more than 3 times as likely to be in relative income poverty as those in two-parent families (41% compared with 13%) in 2013–14.
- About 46,500 children were in out-of-home care as at 30 June 2016. Indigenous children were 10 times as likely to be in out-of-home care (57 per 1,000 children) as non-Indigenous children (5.8 per 1,000) in 2015–16.
- Young people aged 10–17 under youth justice supervision during 2014–15 were 15 times as likely as the general population to be involved with the child protection system in the same year.

*continued*

### Vulnerable groups (continued)

- One in 6 Australian women have experienced physical or sexual violence from a current or former cohabiting partner since the age of 15. This compares with 1 in 19 men.
- Indigenous people living in *Very remote* areas are 1.4 times as likely to be unemployed and 1.5 times as likely to receive a government pension or allowance as their main source of income as Indigenous people living in *Major cities*.

See Chapters 1, 2 and 7 for more information.

### Education and employment

- In 2015, 4 in 5 children (78%) starting school were considered to be 'on track' developmentally, slightly higher than in 2009 (76%).
- Results for national literacy and numeracy testing in Years 3, 5, 7 and 9 have largely plateaued for students since 2008, and in the Programme for International Student Assessment test, Australia's 2015 results were significantly lower than those for 2009.
- 2.2 million people aged 15–64 were enrolled in formal study towards a non-school qualification in 2016—1.3 million (59%) were attending a higher education institution such as a university.
- There were 168,800 people commencing apprenticeships and traineeships in 2016—the lowest number since 1998.
- The proportion of Indigenous people aged 20–24 who had attained Year 12 or an equivalent level of education rose significantly from 45% in 2008 to 62% in 2014–15. Progress is on track to halve the gap in Year 12 attainment between Indigenous and non-Indigenous young people by 2020.
- Many more jobs today are part time: 31% of all jobs in 2016 involved part-time hours compared with 10% in 1966.
- The proportion of workers who were underemployed is at its highest level since the late 1970s, accounting for 9.3% of all employed people in 2016.
- The labour force participation rate has more than doubled among people aged 65 and over in the past 30 years, from 5.1% in 1986 to 13% in 2016. This reflects greater life expectancies and delayed retirement compared with previous generations.
- The proportion of lower skilled people (highest qualification Year 10 and below, including Certificate I/II) who were employed fell from 59% in 2008 to 54% in 2016. People whose highest qualification was a Bachelor degree maintained a steady rate of employment over the same period (around 84% employed in 2008 and 2016).
- One in 20 (5.1%) people aged 15–19 were not engaged in any form of education, training or employment in 2016 compared with 7.7% in 2005. By comparison, the rate for people aged 20–24 (around 12%) was similar in both 2005 and 2016.

See Chapters 3, 4 and 7 for more information.

## Ageing, disability and informal care

- Australia's population profile is changing. In 2017, an estimated 3.8 million Australians (15% of the population) are aged 65 and over, compared with 2.2 million (13%) in 2007.
- About 4.3 million Australians (18%) have a disability, and about 1.4 million people (5.8%) have a severe or profound core activity limitation. While the overall number of people with disability has increased from 4 million in 2003, the proportion of the population with disability has decreased over time (from 20% in 2003 to 18% in 2015).
- Dementia is a substantial challenge to Australia. Estimates suggest that in 2017, around 365,000 Australians have dementia. This number is projected to more than double to 900,000 people by 2050.
- In 2015, Australia had 2.7 million informal carers, of whom 856,100 were primary carers. One-third of primary carers spent 40 hours or more per week in their caring role, and one-third had spent 10 or more years in this role.

See Chapters 5 and 8 for more information.

## Housing and homelessness

- Between 1994–95 and 2013–14, the proportion of Australians who owned their home outright fell from 42% to 31%, and more home owners financed their purchase with a mortgage (rising from 30% to 36%). The 2016 Census confirmed these trends (see Box A).
- Over the same period, the proportion of people renting from private landlords rose from 18% to 26%. Those renters experienced a 62% (\$144) rise in average weekly housing costs, after adjustment for inflation.
- A smaller proportion of people aged 25–34 own a home today than 25 years ago—39% in 2013–14, compared with 60% in 1988–89.
- In 2015–16, 38% (106,000) of all clients seeking assistance from specialist homelessness services had experienced family and domestic violence. Of these clients, 92% were women and children, including 31,000 children under 15.
- Compared with other households, Indigenous households are less than half as likely to own their own home, more than twice as likely to rent, more than 7 times as likely to live in social housing, and more than 3 times as likely to live in overcrowded dwellings.

See Chapters 6 and 7 for more information.



## How are we faring?

**Based on an assessment of trends in the *Australia's welfare* indicators, we are faring well on many aspects of wellbeing:**

- Purchasing power has improved over the last 30 years. Australia's net disposable income per capita, adjusted for inflation, has increased by 1.9%, on average, per year.
- Weekly household income rose for all income quintile groups between 1994–95 and 2013–14.
- Education levels among people aged 15–74 have been increasing over time, from 55% holding a non-school qualification in 2009 to 59% in 2016.
- The level of school attendance for young people in youth justice detention rose between 2011–12 and 2015–16 (96% to 98% for students of compulsory school age and 93% to 99% for students of non-compulsory school age).
- The proportion of employees working 50 hours or more per week (in paid employment) dropped between 2004 and 2017—from 26% to 20% for males and 8% to 7% for females.
- We are living longer and enjoying more years without disability: years of life lived without disability rose by 3.9 years for males and 3 years for females between 2003 and 2015.
- Australia enjoys high air quality compared with many other OECD countries and our greenhouse gas emissions have been gradually falling since 2000.
- Crime victimisation rates fell between 2008–09 and 2015–16 for most types of serious crime, such as physical assault and malicious property damage.
- Our perceptions of safety have also improved. More than half of us (52%) reported feeling very safe or safe walking alone in our local area after dark in 2014, compared with 48% in 2006.
- The proportion of Indigenous households living in overcrowded conditions fell from 27% in 2004–05 to 21% in 2014–15.

**However, a few aspects of our lives warrant closer attention:**

- In 2013–14, 1 in 2 lower income rental households were in housing stress, that is, spending more than 30% of their gross income on housing costs. This is up from 42% in 2005–06.
- While the distribution of income in Australia has shown little change in recent years, income inequality has risen since the mid-1990s as measured by the Gini coefficient.
- Although employment rates have fluctuated over time, there has been an upward trend for youth unemployment rates and for long-term unemployment as a proportion of all unemployment between 2008–2009 and 2017.
- Volunteering rates among adults declined from 36% in 2010 to 31% in 2014.
- Men are more than twice as likely as women to report feeling safe walking alone at night (72% compared with 34% in 2014).

See Chapter 9 for more information.



# Chapter 1

# Welfare in Australia



# 1.0 Introduction

Australia is a diverse nation. Its more than 24 million people have diverse cultural, social and economic backgrounds, and live in a variety of communities. Each person has different abilities, resources, experiences and welfare needs. This chapter looks at the major concepts in understanding welfare across the Australian population.

So, what do we mean by a person's welfare? In the broadest sense, welfare refers to the wellbeing of people—being secure, happy, healthy and safe. This is why the terms 'wellbeing' and 'welfare' are often used interchangeably. *Australia's welfare 2017* is underpinned by the concept that a person's wellbeing results from the interplay of many interrelated individual, societal and environmental factors.

Welfare support provided or funded by governments is complex and wide ranging. Many may see it primarily as income support and tax concessions, but policies and programs for wellbeing extend far beyond this. For example, providing universal services for education and health—and targeted support for housing, employment, disability, ageing and aged care (among others)—is critical to the wellbeing of an individual and their family.

The Australian Government and state and territory governments, non-government organisations and individuals all contribute to welfare spending. In 2015–16, the Australian Government and state and territory governments spent more than \$157 billion on welfare, up from nearly \$117 billion in 2006–07. Welfare spending as a proportion of gross domestic product also increased over the period, from 8.6% to 9.5%.

This chapter profiles the welfare workforce—an estimated 478,000 people who work in early childhood education and care, residential care and a variety of other social support services, such as adoption support and disability assistance. The welfare workforce has grown by 84% (219,000 people) over the past decade. In 2015, it represented more than 4% of the 11.8 million people employed in Australia.

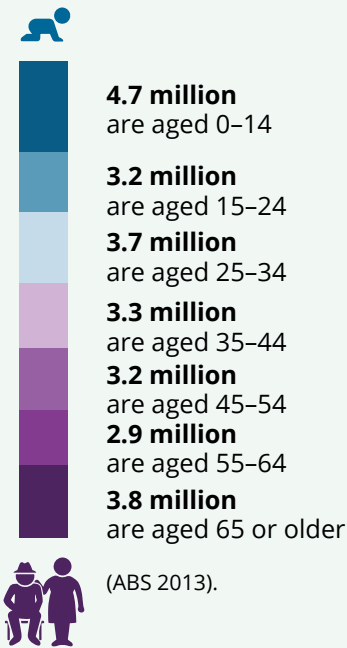
A special feature article commissioned for *Australia's welfare 2017* examines the extent and complexity of persistent disadvantage. It reports that several groups in the community face rates of deep and persistent disadvantage that are 2 to 5 times that of the national average. As the article makes clear, dealing with such disadvantage has potentially profound, positive social and economic effects.

Lastly, this chapter looks at the changing data landscape—in particular, the public data agenda, and the challenges and opportunities presented by 'big data'. It explores the ever growing expectation that organisations such as the AIHW can deliver high-quality information faster, while protecting individual privacy, and profiles the 'person-centred' data model for health and welfare services.

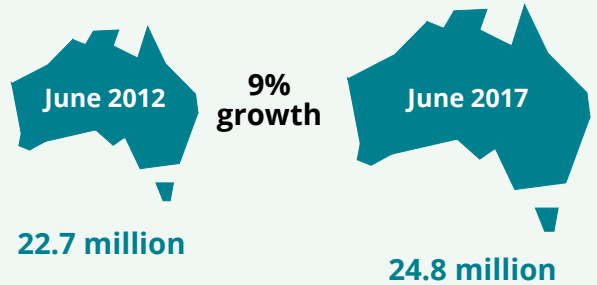
# 1.1 Who we are

*Australia's welfare 2017* draws on a variety of data sources, about people, their wellbeing, and the welfare services they access. Major data sources drawn on are national collections managed by the AIHW and the Australian Bureau of Statistics (ABS).

Based on ABS projections, Australia's population in **June 2017** was around **24.8 million** people, of whom:



## Australia's population has grown

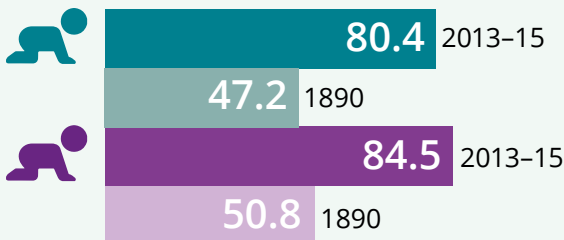


In 2017, an estimated **3.1%** of Australians were Aboriginal and Torres Strait Islander—**761,300 people** (ABS 2014b).

In 2016, **29%** of Australians were born overseas—**6.9 million people** (ABS 2017b).

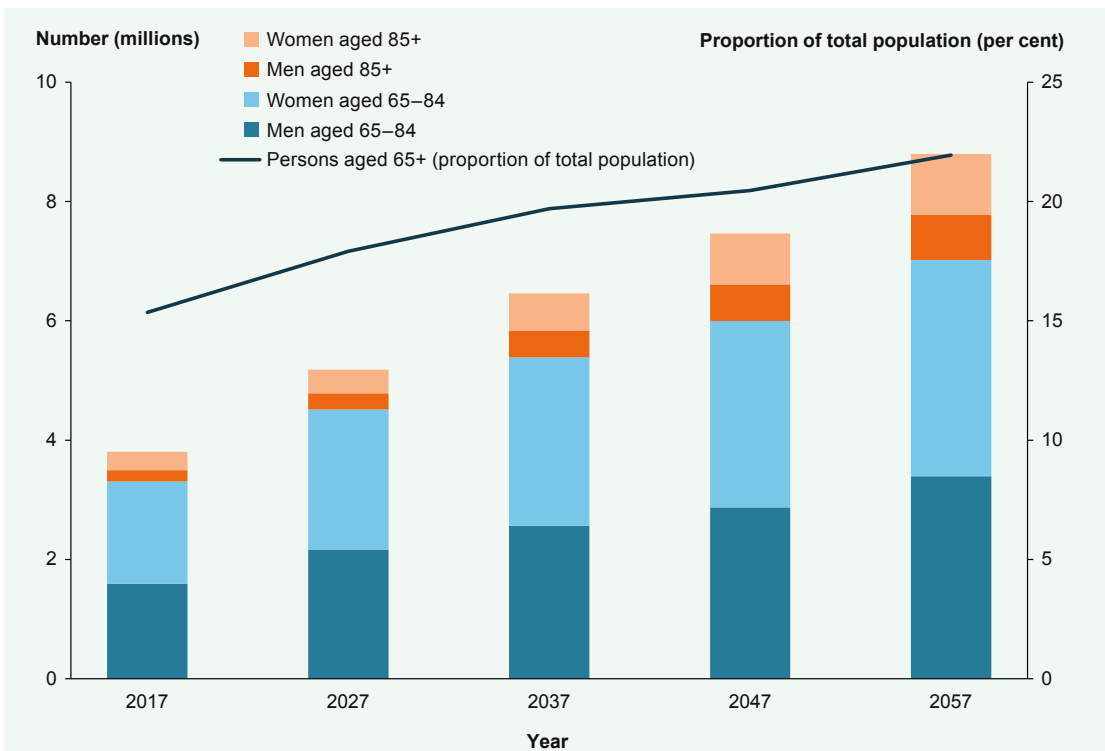


In 2015–16, **207,325** people permanently migrated to Australia—189,770 (92%) from migration programs and 17,555 (8.5%) from humanitarian programs (Phillips & Simon-Davies 2017).



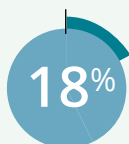
A **boy** born between 2013 and 2015 can expect to live **80.4 years** and a **girl 84.5 years** (ABS 2016c). This compares with 47.2 and 50.8 years, respectively, in 1890 (ABS 2014a).

**Australia's population is ageing.** Both the number of older Australians and the proportion of Australia's population aged 65 and over are growing. ABS projections for 2017 show that the 3.8 million people in Australia aged 65 and over make up 15% of our total population of 24.8 million. By 2057, the number of people aged 65 and over is projected to more than double to 8.8 million, making up 22% of the total population of 40.1 million. In 2017, there are around half a million very old (aged 85 and over) Australians, making up 2.0% of the population. This proportion is projected to increase to 4.4% by 2057 (Figure 1.1.1) (ABS 2013).



Source: AIHW analysis of ABS 2013.

**Figure 1.1.1: Number and proportion of the population aged 65 and over, by age group and sex, 30 June 2017, 2027, 2037, 2047 and 2057**



**4.3 million** Australians—around **18% of our population**—had a disability in 2015, of whom 1.4 million (5.8%) had a severe or profound core activity limitation (ABS 2016a).

In 2016, **31% (more than 1.2 million) of children aged 0-12** attended an approved child care service. Nearly 17,700 approved child care services were offered (Productivity Commission 2017).





In 2016, nearly **3.8 million students** were enrolled in more than **9,400 schools across Australia** with nearly two-thirds of students (65%) in government schools, 20% in Catholic schools and 14% in independent schools (ABS 2017c).

In 2015, **78%** of children starting primary school were **'on track' developmentally**; **22%** were developmentally vulnerable on one or more domains, with this proportion being the same as in 2012, and an improvement on 2009 (24%). The rate of Indigenous children found to be developmentally vulnerable on one or more domains has fallen, from 47% in 2009 to 43% in 2012 and 42% in 2015 (AEDC 2016).

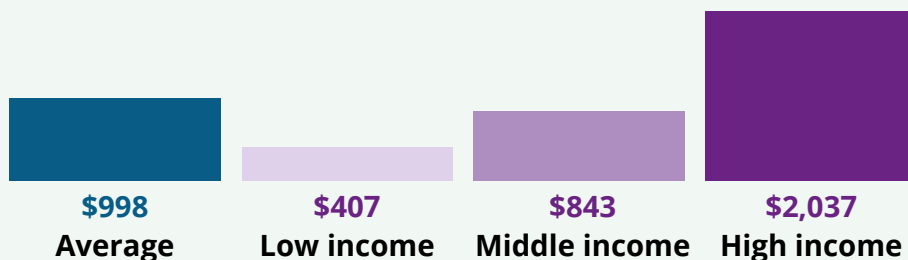


In 2016, around **3.3 million** (31%) of the 10.5 million Australians aged 15–74 with a non-school qualification had a Certificate III/IV and **4.6 million** (44%) had a **Bachelor degree or higher**. The proportion of the total population aged 15–74 holding a Bachelor degree or above has **more than tripled** in the last 30 years, from 7.2% in 1986 to 26% in 2016 (ABS 2016b).

As at April 2017, **77%** of Australians aged 15–64 **were participating in the labour force** (people working and actively looking for work). Almost **1 in 3** (31%) employed people in this age group **worked part time**, compared with 10% in 1966. The unemployment rate was **5.7%**—or an average of 730,000 unemployed Australians in this age group each month (ABS 2017a).



In 2013–14, in real terms, **the average disposable household income** (after adjusting for the number of people in the household) was **\$998 per week**, compared with \$746 in 2003–04 (in 2013–14 dollars). Low-income households had an income of \$407 per week (\$323 in 2003–04), middle-income households \$843 per week (\$657) and high-income households \$2,037 per week (\$1,432) (ABS 2015).



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# 1.2 Where we live

Where we live affects our wellbeing. Many of the factors that shape our lives and wellbeing—such as job opportunities, community networks, air pollution and access to clean water and personal safety—are influenced by where we live (OECD 2015).

Most Australians live in capital cities. As at June 2016:



**71%** lived in *Major cities*  
**17.2 million people**



**Growth from 2006**

**21%**



**18%** lived in *Inner regional areas*  
**4.4 million people**

**14%**



**8.7%** lived in *Outer regional areas*  
**2.1 million people**

**8.5%**



**1.3%** lived in *Remote areas*  
**319,000 people**

**5.2%**



**0.8%** lived in *Very remote areas*  
**202,000 people**

**10%**

(ABS 2017b).

Similarly, the majority of Aboriginal and Torres Strait Islander people live in *Major cities* (35%). However, a high proportion of the Indigenous population live in *Inner regional areas* (22%), *Outer regional areas* (22%), *Remote areas* (7.7%) and *Very remote areas* (14%). By comparison, less than 2% of the non-Indigenous population live in *Remote* or *Very remote* areas of Australia (ABS 2013).

# Our households and families

According to Australian Bureau of Statistics (ABS) household and family projections, in 2017, the majority (71%, or 6.7 million) of the 9.4 million Australian households are family households, 25% (2.3 million) are single-person households and 4.3% (403,000) are group households (ABS 2015c).

The number of households in Australia is projected to grow by up to 3.3 million over the next 20 years, to between 12.6 million and 12.7 million in 2036. Family households are still expected to be the most common household type over this time—nearly 70% of households in 2036 (up to 8.8 million). But the household type projected to grow most is Australians living alone, increasing by up to 45% over the next 20 years to between 3.3 million and 3.4 million by 2036. This mainly relates to the ageing of the population, as many older Australians live alone (ABS 2015c).

In 2016, the vast majority of families were couple families (84%) and, of these, 44% had dependants living with them (see Box 1.2.1; Figure 1.2.1). Of the nearly 949,000 single-parent families, 65% had dependants living with them (ABS 2017a).

In 2016, there were an estimated 52,400 same-sex couples (0.9% of all couple families), an increase from 39,400 in 2012 (ABS 2017a).

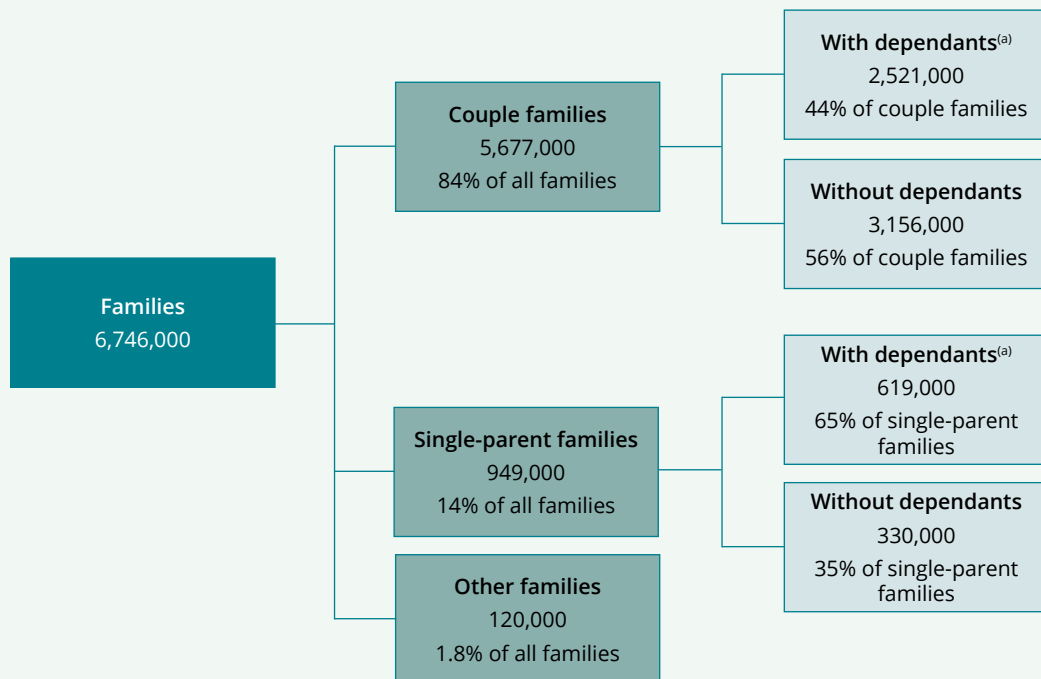
## **Box 1.2.1: What is a family?**

The ABS defines a family as ‘a group of two or more persons that are related by blood, marriage (registered or de facto), adoption, step or fostering, and who usually live together in the same household. This includes all families such as newlyweds without children, same-sex partners, couples with dependants, single mothers or fathers with children, and siblings living together. At least one person in the family has to be 15 years or over. A household may contain more than one family’ (ABS 2017a).

Families are classed as having, or not having, dependants, and there are two types of dependant: children aged under 15, and students aged 15–24 who are at school or studying full time at a tertiary institution 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 single-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).



(a) Includes children aged under 15 and dependent students aged 15–24.

Note: Numbers and percentages may not add to totals due to rounding.

Source: ABS 2017a.

**Figure 1.2.1: Structure of Australian families, 2016**

## Indigenous households

According to the 2011 ABS Census, compared with other households, Indigenous households are:

- less likely to be single-person households (14% compared with 25%)
- more likely to consist of 2 or more families (6% compared with 2%)
- more likely to contain 5 or more people (23% compared with 10%).

Families in Indigenous households were more likely than families in other households to include children aged under 15 (59% compared with 38%) and more likely to be single parent families with children aged under 15 (28% compared with 8%) (see Chapter 7.1 'Community factors and Indigenous wellbeing').

## Our homes

Fewer Australians own their own home today than 20 years ago. In 2013–14, 67% of Australians owned their home (with or without a mortgage) compared with 71% in 1994–95. Households today are less likely to own their home outright and are more likely to be financing the purchase of their own home with a mortgage (Table 1.2.1) (ABS 2015d).

The proportion of households renting has been increasing over the past 20 years, particularly for those renting from a private landlord (ABS 2015d) (see Chapter 6.3 'The Changing shape of housing in Australia').

**Table 1.2.1: Home ownership in Australia**

Tenure and landlord type	1994–95 (%)	2013–14 (%)
Own home outright	41.8	31.4
Own home with a mortgage	29.6	35.8
Renting from private landlord	18.4	25.7
Renting from a state or territory housing authority	5.5	3.6

Source: ABS 2015d.

## Indigenous home ownership

Data from the National Aboriginal and Torres Strait Islander Social Survey show that, in 2014–15, almost one-third of Indigenous households owned their own home, either with a mortgage (20%), or without (10%). Nearly 7 in 10 Indigenous households were renters—30% lived in social housing, while the remainder (39%) were private renters or rented from another type of landlord.

The rate of home ownership among Indigenous households (30%) was less than half that for other households (68%) and was similar to the proportions in 2012–13 and 2008 (both 32%) (SCRGSP 2016) (see Chapter 7.1 ‘Community factors and Indigenous wellbeing’).

## Homelessness

Being homeless can severely affect a person’s mental and physical health, education and employment opportunities, as well as their ability to participate fully in social and community life. On Census night 2011, close to 105,000 Australians were classified as homeless. These people lived as follows:

- 41,400—in severely crowded dwellings (those that require 4 or more extra bedrooms to accommodate the residents)
- 21,300—in supported accommodation for the homeless
- 17,700—in boarding houses
- 17,400—temporarily with other households
- 6,800—sleeping rough
- 700—in temporary lodgings (ABS 2012).

About 279,000 Australians were supported by homelessness agencies in 2015–16—that is, 1 in 85 people in the Australian population. This compares with about 236,000 clients in 2011–12, or 1 in 94 people in the Australian population.

Currently, the single biggest client group for these services is people experiencing family and domestic violence (38% of all clients; 106,000 people). The number of family and domestic violence clients has increased by 33% since 2011–12 (see Chapter 2.7 ‘Family, domestic and sexual violence’).

Specialist homelessness service (SHS) clients with a current mental health issue are the fastest growing client group within the SHS population, growing at an average rate of 13% per year since 2011–12. In 2015–16, 26% of all clients (72,400 people) had a current mental health issue (see Chapter 6.2 ‘Homelessness’).

## What is missing from the picture?

Overall, the availability of information on the demographic, social, economic and welfare status of Australians is good, but there are some gaps. For example, there is little information on people who experience homelessness who do not seek help from service organisations. According to the ABS 2014 General Social Survey, two-thirds of people who had experienced homelessness in the last 10 years (about 950,000 people) did not seek assistance during their most recent experience of homelessness, compared with the 476,000 people who did (ABS 2015b).

Statistics on the wellbeing of smaller subgroups of the population and changes to their living circumstances over time can be difficult and/or costly to obtain. For example, further information is needed on pathways in and out of homelessness and the longer term outcomes for service users. Further information about population cohorts using multiple, cross-sector services is also needed.

The AIHW is actively contributing to the knowledge and understanding of the clients of multiple services, such as drug and alcohol treatment services and child protection services, by undertaking data linkage projects using de-identified information about the users of these services. For more information about data linkage, see Chapter 1.7 'Understanding health and welfare data'.

## Where do I go for more information?

The ABS collects information on Australia's population through its 5-yearly Census of Population and Housing (the last Census was conducted in 2016). It also has extensive data on a range of welfare-related topics, including housing and income. More information is available on 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 these two sectors. The reports are available for free download at the AIHW website.

Extensive information on the welfare of Indigenous Australians is also available on the [AIHW](#) website.

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# 1.3 Understanding welfare

## Welfare and wellbeing

In the broadest sense, welfare refers to the wellbeing of people—the state of ‘faring well’; for example, being secure, happy, healthy and safe. Hence, the terms ‘wellbeing’ and ‘welfare’ are often used interchangeably (Econlib 1999–2012). The Organisation for Economic Co-operation and Development (OECD) (2015a) states that ‘well-being is multidimensional, covering aspects of life ranging from civic engagement to housing, from household income to work-life-balance, and from skills to health status’.

A range of interdependent factors can affect wellbeing. At the individual level, these include a person’s knowledge, attitudes, behaviours and responses to life events. Factors on a broader scale might include access to education, employment, secure housing, the environment, community networks and safety.

The circumstances under which people grow, live, work and age, and the systems put in place to deal with illness’ (CSDH 2008) help to determine an individual’s health, and are important contributors to wellbeing. Many of these elements are shaped by social and economic forces; they are also shaped by government direction (CDSH 2008). Policies at all levels of government can substantially influence the wellbeing of individuals and, hence, the broader population.

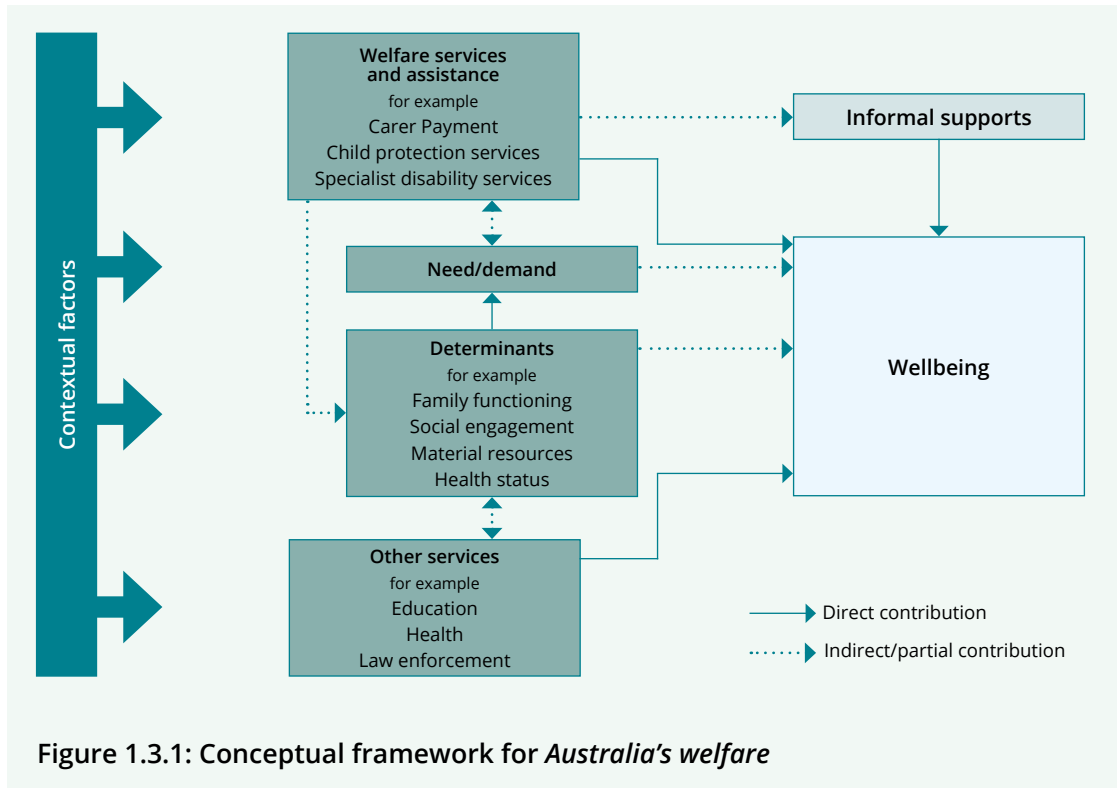
Australia’s federated governing system sees responsibility for policy, services and assistance shared between different levels of government (see Figure 1.3.3). Adding to this, these government agencies face a range of complex challenges in trying to meet the needs of the population. Challenges include changing population demographics (such as population ageing and decreasing family size), the changing nature of the Australian workforce, housing affordability issues, and government fiscal constraints.

Given this context, welfare support provided or funded by governments in Australia is complex and broad in nature. Some may see ‘welfare’ as primarily income support and tax concessions. But government policies and programs for wellbeing extend well beyond this. Universal services (such as education and health) and those more specifically focused on support for housing, employment, disability, ageing and aged care (among others) are, together, often critical to the wellbeing of an individual and their family. Mindful of this, governments are increasingly moving toward more comprehensive policies and programs to improve wellbeing overall. This requires coordinated efforts to address the factors that cause disadvantage and inequality (Buckmaster 2009).

## Conceptual framework for *Australia’s welfare*

The concepts of welfare can be organised in many different ways. Figure 1.3.1 presents the conceptual framework used for this report. It shows the complexity of welfare as a concept—and that wellbeing, in general, results from the interplay of many interrelated factors. See also Chapter 9 ‘Indicators of *Australia’s welfare*’, which presents indicators underpinning this conceptual framework.

The framework acknowledges that welfare services and assistance—a large focus of this article—are not the only policy and program areas that governments and others (including non-government and for-profit organisations) adopt to improve wellbeing. Other policy and service areas, such as health and education services, interact with and influence the need or demand for welfare services.



**Figure 1.3.1: Conceptual framework for *Australia's welfare***

The framework recognises the overarching importance of contextual factors—such as sociodemographic trends (for example, population ageing and immigration patterns), policy settings and general economic conditions (for example, Gross National Income and labour market efficiency)—which can influence the allocation of welfare expenditure and workforce availability. Contextual factors can help to enable or inhibit people's ability to meet their everyday needs. For example, a neighbourhood with good footpaths and close access to parks, open spaces or recreational facilities can promote healthy behaviours, such as walking and physical activity (NHFA 2009), that affect wellbeing.

The need and demand for services are mediated by informal supports and the availability of welfare and other services—both at the individual and community level. 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 informal and other formal support services.

Determinants play a central role in the framework (Figure 1.3.1). These are factors that can positively or negatively affect a person's wellbeing, and thus increase or decrease the likelihood that he or she will need welfare assistance. For example, a person's health status affects their ability to work, earn an income or contribute to their community. These are all factors that research shows are closely linked to wellbeing. Another example is family functioning: strong family functioning and cohesion contribute directly to wellbeing, and may also protect family members from needing welfare services because the family is a source of support (physical, emotional, financial, and so on). Loss of this support due to family breakdown may lead to a family member's requiring welfare assistance, such as shelter or income supplementation.

For many determinants, the action can be in both directions. For example, having access to social networks is associated with positive benefits like enhanced self-esteem, and access to emotional support; however, negative social interaction is also associated with outcomes such as poorer mental health and psychological wellbeing (Lincoln 2000).

## Health, welfare and wellbeing

Health, welfare and wellbeing are strongly interrelated. The World Health Organization (WHO) defines health as 'a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity' (WHO 1948). This definition recognises that being in 'good health' is linked with having positive wellbeing, and that, conversely, health status is closely linked with an individual's wellbeing status. More recently, the WHO defined positive mental health as being 'a state of well-being in which the individual realizes his or her own abilities, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community' (WHO 2001). This later definition recognises the fundamental role of social contribution and engagement to wellbeing (see Chapter 4.1 'The changing nature of work and worker wellbeing'; Chapter 7.1 'Community factors and Indigenous wellbeing'; Chapter 8.2 'Participation in society by people with disability', and Chapter 9 'Indicators of *Australia's welfare*').

## Welfare services and assistance

Many people do not need support, or their need for support may vary as their circumstances and life stage change. If support is needed, it can come from a variety of sources—both formal (government and other organisations) and informal (family, friends and community groups)—and vary in nature and extent. This support in times of need can bolster a person's wellbeing. In fact, for people facing major challenges or suffering from long-term hardship, support in the form of welfare services and assistance is likely to be fundamental to wellbeing (see Chapter 1.6 'Persistent disadvantage in Australia: extent, complexity and some key implications' for more information).

As already noted, welfare services and assistance (income support, tax concessions and welfare services) are just one part of a larger network of services and assistance provided by governments and non-government organisations to improve the wellbeing of individuals, groups and, thus, the Australian population.



This report presents a comprehensive picture of available information on welfare services and assistance, with reference to closely related policy and program areas, such as health and education. To begin, a brief overview is provided of the key types of welfare services and assistance in Australia today.

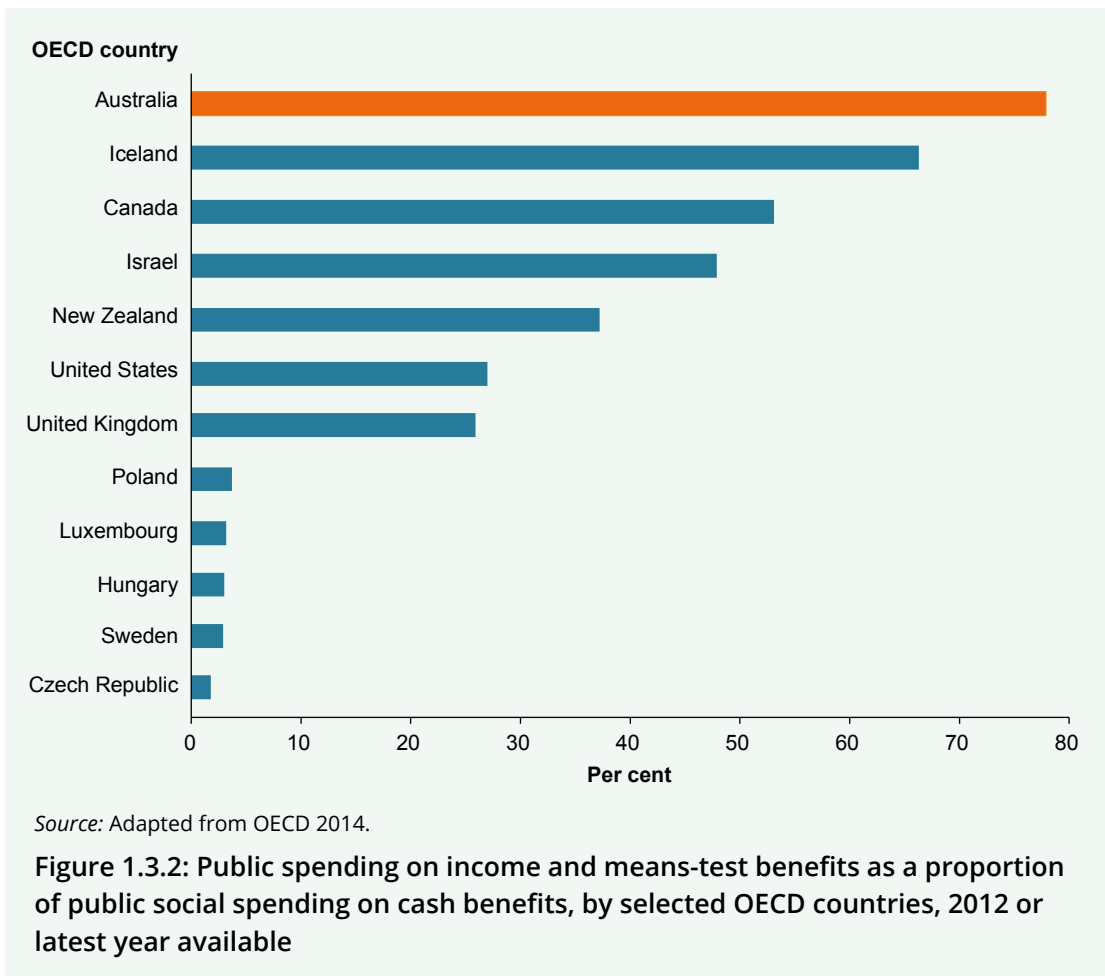
## Income support and tax concessions in Australia

Australia's income support payments are financed from government revenue, with no separate social security contributions. This differs from what occurs in many other OECD countries, where employers and employees partly finance the system, and some benefits are tied to past earnings; for example, in parts of Europe, the United States and Japan, people who have earned relatively higher incomes receive more if they need to access benefits (Whiteford 2015).

The income support system redistributes income via the tax system (from people who are well-off to people who are most disadvantaged), and acts as a 'safety net' for people not able to support themselves (DSS 2017b). In Australia, income support payments are subject to means testing, a process used to determine eligibility for benefits. Means testing helps to ensure that resources are focused on supporting people with relatively lower incomes and fewer assets. It plays a more prominent role in Australia than in other countries, particularly in continental Europe. In fact, Australia is the highest means testing country in the OECD, with around 80% of spending on cash benefits (for example, age pensions and veterans' payments) determined by means testing (OECD 2014) (Figure 1.3.2).

Australia's transfer payment system also differs from those in the majority of other OECD countries. Australian Government transfer payments are financed solely from general revenue, rather than relying on contributions via a social security system financed by employers and/or employees. Australia's compulsory superannuation contributions also work to reduce the reliance on the Age Pension over time (Productivity Commission (Australia) 2015) (see also Chapter 1.4 'Welfare expenditure'). Because cash benefit payments in Australia are at a flat rate (not based on prior earnings) and generally means tested, Australia's spending on these benefits is comparatively low compared with spending in other OECD countries. (Australia was the 6th lowest spender in 2014, at 8.6% of Gross Domestic Product, or GDP (Whiteford 2015)).

As well, in 2011, around 42% of social benefits in Australia went to the lowest (or most disadvantaged) quintile of households. This compares with slightly more than 20% of benefits, on average, going to the lowest quintile of households across all OECD countries. Further, only 3.8% went to the highest 20% of households in Australia—the lowest figure of all OECD countries and well below the OECD average of 20% (CEDA 2014; OECD 2014).



## Major income support payments

The most commonly accessed income support payment types are the Age Pension, Newstart Allowance and Youth Allowance. The Age Pension is by far the largest income support payment, with the most recipients (2.6 million eligible senior Australians, as at December 2016) (DSS 2017a). However, 2 in 5 (42%) people who received the Age Pension in 2015–16 were on a part rate. This means, that due to means testing, they receive only part of the payment. The proportion of the population receiving a part rate has been increasing over time. This is mostly due to new retirees who reach pension age having higher levels of income and assets than retirees before them, which, in turn, can be largely attributed to the design of Australia's compulsory superannuation system (Productivity Commission (Australia) 2015; DSS 2016b).

There is also a range of supplementary payments. These comprise various additional long- or short-term payments, including those made during transitional periods to help with particular life situations or costs. The Family Tax Benefit A is the supplementary payment type with the largest recipient group (1.5 million families received assistance with the cost of raising children, as at December 2016) (DSS 2017a). Other types of supplementary payment include Paid Parental Leave and the Carer Allowance. There are also many payments accessed less often for people in time of need, such as the Crisis Payment (a one-off payment for people in severe financial hardship), the Bereavement Allowance and the Double Orphan Pension.

## Tax exemptions and concessions

Various tax exemptions, deductions, offsets, concessional rates and deferral of tax liabilities are provided for welfare purposes. For example, a taxpayer may be entitled to claim a tax offset when they support a close family member receiving a disability support pension. Offsets are also available for eligible taxpayers who are seniors or pensioners, low-income earners, or beneficiaries of particular payments and allowances (ATO 2016). Governments at all levels, and some private organisations, also issue concession and health cards to eligible Australians. These provide access to discounts—mainly for medication and health services (DHS 2017).

Based on modelled tax expenditures (which are underpinned by a set of assumptions, and may exclude some alternative tax arrangements), tax expenditures in 2015–16 accounted for around 30% of welfare expenditure—up from 27% in 2014–15 (AIHW welfare expenditure database). The Treasury estimated that tax expenditure or concessions by the Australian Government for welfare amounted to \$47 billion in 2015–16 (for more information on tax concessions and welfare expenditure, see Chapter 1.4 'Welfare expenditure').

## Welfare services

Welfare services (often referred to as 'community 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 others in need. For example, they may help to develop community networks and infrastructure that help to access services.

Some services (such as those for health and education) help to enhance wellbeing for individuals throughout their life. There are also those specifically seen as 'welfare' or 'social' services. These services respond to need across people's lives, aim to encourage participation and independence, and assist in creating a cohesive society (DSS 2015).

Figure 1.3.3 presents a summary of the major welfare service types provided in Australia that are discussed in more detail in this report, together with income support and supplementary payments (described above). These service types closely align with the outcome priorities of the Department of Social Services: social security (financial support), families and children, ageing and aged care, disability and carers, and housing (DSS 2015).



It is also worth noting that beneath the high-level services described in Figure 1.3.3 are services that can and do cross service types and sectors. For example, respite care provides a formal break for clients and their families in the context of out-of-home care, disability support services, aged care services, and for young informal carers. Similarly, support for family, domestic and sexual violence may be delivered in specialist homelessness and other service settings, as well as being provided through family support services (see Chapter 2.7 ‘Family, domestic and sexual violence’: Figure 2.7.4). There are also other services that foster wellbeing in, or across, other sectors.

Note that while this report discusses areas of policy and program interest outside of these specific welfare services, its focus is generally on welfare outcomes (for example, entering employment, readiness for school, or attaining school qualifications).

## Current and future reforms

Reforms to the delivery of Australian welfare services in recent years have aimed to introduce a more person-centred approach in providing welfare services. The National Disability Insurance Scheme, which is being rolled out at a national level between 1 July 2016 and July 2020, is one example of how this approach has been adopted in the disability sector (see Chapter 8.1 ‘People with disability’; Chapter 1.7 ‘Understanding health and welfare data’). Another trend emerging among governments responsible for social policy—both nationally and internationally—is developing new and innovative ways to fund and deliver welfare services.

## Social investment approaches

Over recent years, there has been growing interest in a ‘social investment’ approach to complex welfare issues. In its most general sense, social investment involves spending on programs up front to provide better long-term outcomes for a given population. This has the added benefit of achieving future savings for government, as better outcomes mean reduced future reliance on government services and/or income support. For example, a United States study estimated that the long-term benefits of an early childhood program focused on vulnerable families yielded a return on investment of over 13% per annum, while showing substantial and sustained improvements in outcomes for the families, including in health, education, employment and contact with the criminal justice system (Garcia et al. 2016). Research in the United Kingdom has also shown benefits from prenatal interventions for ‘at risk’ mothers, with regular visits from a family nurse before and after the birth of a child (and continuing to the child’s second birthday) showing a wide range of positive outcomes for both mother and child (EIF 2017).

The major principles behind social investment have been established for some time, with their application expanded in recent years. Internationally, this includes the European Commission’s establishment of a social investment package in 2013. It incorporates the development of a strong evidence base to determine what interventions work when aimed specifically at children. This social focus has now been transformed into the European Pillar of Social Rights, which sets out an ambitious agenda across three major reform areas—equal opportunities and access to the labour market, fair working conditions, and adequate and sustainable social protection (European Commission 2016, 2017).

## Social impact bonds

The expansion of ‘investment’ to incorporate privately-funded bonds is relatively new but a rapidly growing initiative. First developed in 2010 by the United Kingdom Government, these ‘social impact bonds’—also known as ‘social benefit bonds’—are offered to private investors, who provide capital to fund specific projects in return for a future financial return paid on delivery of specific social outcomes.

Australian governments have begun to introduce social impact bonds, with some early successes evident.

- Australia’s first social impact bond was the Newpin Social Benefit Bond—a program to reunite families and prevent entry into statutory out-of-home care. The program restored a total 130 children to their families in New South Wales between 2013 and 2016, while delivering an above-target return to investors of 12.2% in 2016 (OOSII 2017).
- In early 2017, the South Australian Government launched Aspire—Australia’s first social impact bond to focus on the homeless population. It aims to improve health, employment, justice and housing outcomes for up to 600 individuals over a 4-year period (SVA 2017).
- The Victorian Government has announced its intention to develop its first social impact bond in 2017. It will work collaboratively with an NGO consortium in focusing on improved outcomes for young people leaving out-of-home care (Premier of Victoria 2017).

## Welfare investment approaches

Alongside the expansion of social investment has been the introduction of Australia’s Priority Investment Approach, modelled on the New Zealand welfare investment model. While ‘social investment’ and ‘welfare investment’ are increasingly being used interchangeably, in an Australian and New Zealand context, the latter is more narrowly focused.

Welfare investment refers to specific programs that use detailed actuarial modelling to provide a baseline estimate of individual lifetime welfare costs to guide the targeting of packages of services at the group or individual level. They are set up to project and track actual government savings over the long term, providing information that feeds back into better targeting and more effective services. They also allow innovative approaches to reduce long-term welfare dependency to be tested (OECD 2015b, 2017) (see also Box 1.3.1).

The adoption of welfare investment principles is proving to be applicable at state level. The Victorian Government has drawn on the principles from the New Zealand and Australia-wide models to establish the Victorian Social Investment Integrated Data Resource. This Data Resource—a large, integrated state-wide data set—is intended to be used to identify priority groups for early intervention, create a model of expected future costs, and apply this to develop packages of services that better support people in these groups.

### Box 1.3.1: Investment approaches to welfare

A welfare investment model aims to reduce the reliance of a population on government welfare payments. This is done by estimating—via statistical modelling—how many people will be likely to rely on these payments into the future (and for how long), and then developing interventions (investments) to reduce this contact as much as possible.

#### New Zealand model

New Zealand's welfare investment model introduced a world-first approach by estimating lifetime costs of the working-age population who are, or are likely to be, reliant on social security payments (Taylor Fry 2016). In late 2011, the New Zealand Government announced a welfare package coupled with a baseline valuation report (Taylor Fry 2011), with an overall target of reducing future government liabilities by \$NZ 13 billion by 30 June 2018 (SSC 2016).

#### Australia's Priority Investment Approach

The development of an Australian welfare investment model was a major recommendation of the McClure report into Australia's welfare system (Reference Group on Welfare Reform 2015). It cited the New Zealand model as having substantial potential in an Australian context. In 2015–16, the Australian Government announced funding to implement the Australian Priority Investment Approach. This included an initial actuarial valuation of the Australian Government's social security system. The total future lifetime cost of providing social support for the whole model population was estimated to be \$4.8 trillion as at 30 June 2015 (DSS 2016c). In 2016–17, a further \$96.1 million was committed to creating a 'Try, Test and Learn Fund' to finance the development and implementation of innovative targeted early intervention programs. The first tranche (round) of the 'Try, Test and Learn Fund' is focused on three priority groups:

- young carers aged under 25 who started receiving the Parenting Payment at age 18 or under and who are still receiving an income support payment
- young parents aged under 25 who are receiving a Carer Payment or are at immediate risk of going onto the payment
- young students aged under 25 who have moved, or are at risk of moving, from study to an extended period on an unemployment payment.

Trials of new policy responses, which will be developed from a shortlist of ideas, are scheduled to be rolled out in the second half of 2017 (DSS 2016a). The Australian approach differs from the New Zealand model in that it has not set specific targets for cost or recipient reduction. Rather, its overall goals are to: improve lifetime wellbeing through targeted interventions to increase the capacity of people to live independently of welfare (especially through employment), manage the risk of intergenerational welfare dependency, and reduce long-term social security costs. The Australian model also projects future welfare use for the entire Australian resident population, including both current recipients and people not currently in the system.

Some concerns have been raised about the potential of the investment approach to produce unexpected or perverse outcomes. It has been noted that reducing eligibility for some types of benefits could result in the emergence of other social issues (for example, an increase in homelessness) (Productivity Commission (New Zealand) 2015; Taylor Fry 2011). In an Australian context, the Australian Council of Social Service has also noted concerns that the initial focus on young people does not consider the immediate needs of other sections of the population; for example, older jobseekers (ACOSS 2014).

## What is missing from the picture?

Many welfare-related data sources are restricted by their focus on a single, specific area, often related to the receipt of a single service at a defined point in time. This limits the ability to analyse and report meaningful information about an individual's wellbeing.

Linking data from multiple sources (data linkage) can provide more information about an individual or institution than one data source alone. In certain cases, this can provide a time sequence, helping to show a 'pathway' (for example, the sequential contact an individual makes with services across systems) and provide insights into cause and effect. The AIHW has undertaken several data linkage projects—for example, linking data from youth justice, child protection and specialist homelessness services to better understand the characteristics of vulnerable young people across all three sectors (see 'Where do I go for more information?'). Further linkage may provide more meaningful data on health and welfare service requirements and outcomes at an individual level (see Chapter 1.7 'Understanding health and welfare data' for further discussion on current data gaps).

## Where do I go for more information?

Up-to-date information on payments and allowances for all income support programs, including eligibility criteria, can be sourced from the [Department of Social Services](#) and [Department of Human Services](#) websites. A guide to Australian Government payments is available on the Department of Human Services website.

Access the [DSS website](#) for information on government support for families and children, seniors, communities and vulnerable people, homeless people, people with disability and carers.

AIHW reports on welfare service usage and clients can be found at [www.aihw.gov.au](http://www.aihw.gov.au). Topics of interest may include:

- Aged care: [www.aihw.gov.au/aged-care/](http://www.aihw.gov.au/aged-care/)
- Child protection: [www.aihw.gov.au/child-protection/](http://www.aihw.gov.au/child-protection/)
- Disability: <https://www.aihw.gov.au/reports-statistics/health-conditions-disability-deaths/disability/overview>
- Homelessness: <https://www.aihw.gov.au/reports-statistics/health-welfare-services/homelessness-services/overview>
- Housing assistance: <https://www.aihw.gov.au/reports-statistics/health-welfare-services/housing-assistance/overview>
- Youth justice: <https://www.aihw.gov.au/reports-statistics/health-welfare-services/youth-justice/overview>

The linkage report: [\*Vulnerable young people: interactions across homelessness, youth justice and child protection 1 July 2011 to 30 June 2015\*](#) is available for free download.



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# 1.4 Welfare expenditure

The Australian and state and territory governments contribute to welfare spending, as do non-government organisations and individuals. The Australian Government primarily contributes through cash payments relating to its areas of responsibility, as 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 providing 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 by funding organisations in the non-government sector to deliver them. 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 1.4.4) 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 in this article.

At the time of writing, the most recent welfare expenditure data available for state and territory governments and for Indigenous Australians was for 2012–13, as published in the *2014 Indigenous expenditure report* (SCRGSP 2014), and in *The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples: 2015* (AIHW 2015). State and territory data were estimated for 2011–12 and for 2013–14 to 2015–16 using available trend data. Based on the estimated data, in 2015–16, state and territory governments spent \$17.8 billion on welfare, all on services with no expenditure on cash benefits (42.1% of government expenditure on welfare services and 11.3% of government expenditure on welfare overall). This outlay is similar to the proportions in 2012–13, when data sourced from the *2014 Indigenous expenditure report* indicated proportions of 44.4% and 11.7%, respectively. (See also Chapter 7.5 'Income and employment for Indigenous Australians' for more details on the number of Indigenous Australians who receive income support payments and other benefits from the Australian Government.)

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 (AIHW 2007). 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 1.4.2).

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 1.4.3).

This article covers the amounts spent on financial assistance and welfare services; however, it does not assess the adequacy or effectiveness of this expenditure.

Expenditure is reported in constant prices (that is, adjusted for inflation) except where noted (see Box 1.4.1).

#### **Box 1.4.1: Current and constant prices**

‘Current price’ refers to expenditure reported for a particular year, unadjusted for inflation. ‘Constant price’ estimates in this article indicate what the equivalent expenditure would have been had 2015–16 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 Australian Bureau of Statistics (ABS). The Consumer Price Index was used for cash payments and the government final consumption expenditure implicit price deflator was used for welfare services.

## Trends in welfare expenditure

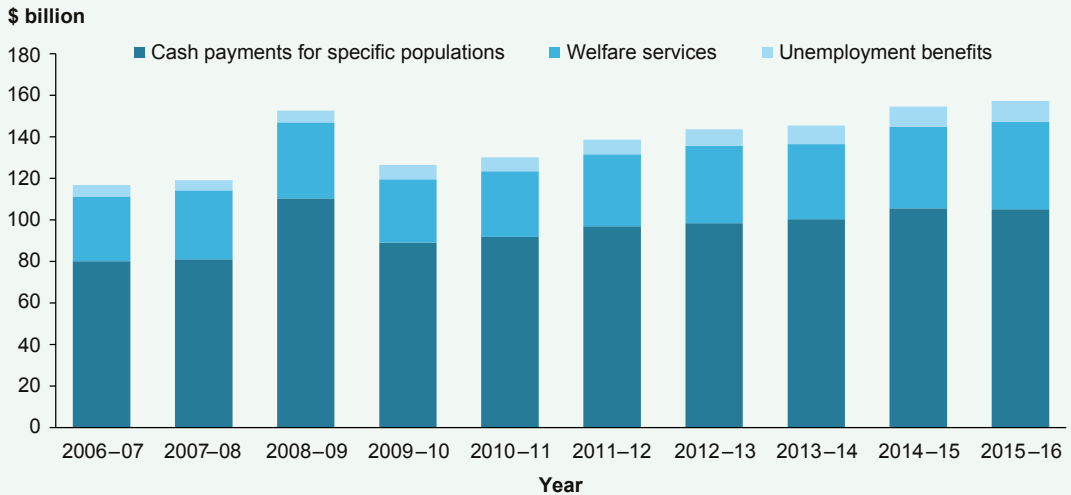
In 2015–16, expenditure by Australian and state and territory governments on welfare was \$157.2 billion, up from \$116.8 billion in 2006–07 (constant prices—see Box 1.4.1 for information). It included 66.8% (\$105.1 billion) in cash payments for specific populations (not including unemployment benefits), 26.9% (\$42.2 billion) in welfare services and 6.3% (\$9.9 billion) in unemployment benefits (Figure 1.4.1).

Welfare expenditure increased between 2006–07 and 2015–16, with an average annual growth rate of 3.4% in real terms. There was a notable increase in 2008–09, when the Australian Government implemented several initiatives as part of a response to the Global Financial Crisis (GFC). These initiatives increased expenditure substantially in that year.

Expenditure grew faster than the population, which grew at an average of 1.7% a year over the 10-year period. This resulted in per person expenditure rising an average of 1.7% a year over the 10-year period in real terms (from \$5,663 to \$6,566 per Australian resident) (Supplementary Table S1.4.4).

Welfare expenditure grew more quickly than the overall economy over the same period. Gross Domestic Product (GDP) grew by 2.7% in constant prices each year between 2006–07 and 2015–16, compared with 3.4% annual growth in welfare spending. As a result, welfare expenditure grew from 8.6% of GDP in 2006–07 to 9.5% in 2015–16 (Figure 1.4.2).

As a proportion of taxation revenue, government spending on welfare was 29.3% in 2006–07. It then rose in response to the GFC, contributed to by both increases in welfare spending and slow taxation revenue growth. The spending-to-revenue ratio remained higher in the following years, ending the period at 35.1% of revenue in 2015–16.

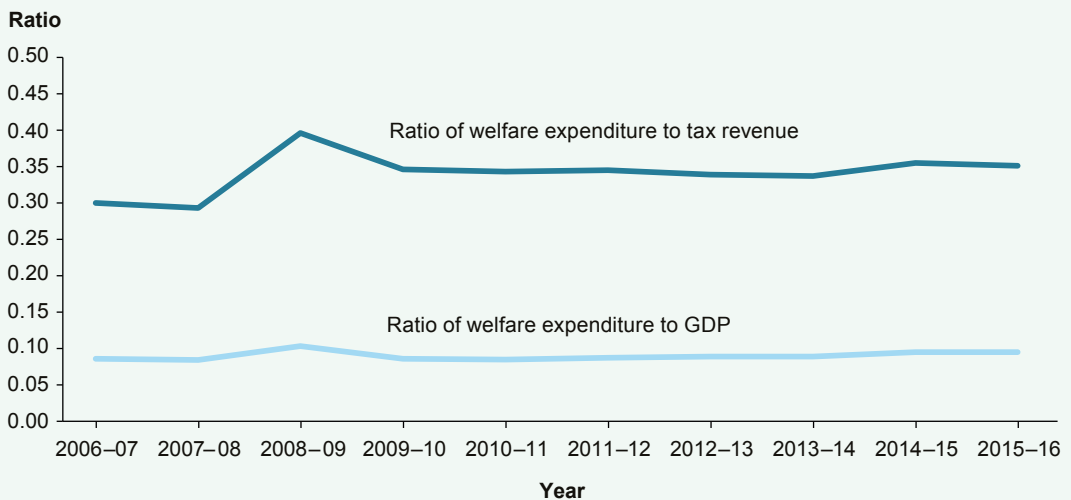


*Notes*

1. Estimates for states and territories have been modelled for 2011-12 and for 2013-14 to 2015-16.
2. 'Cash payments for specific populations' includes associated Commonwealth Rent Assistance, as well as one-off payments made as part of the Economic Security Strategy in 2008-09.
3. Only expenditure on Newstart Allowance and associated Commonwealth Rent Assistance is included in 'unemployment benefits'.
4. Constant price estimates are expressed in terms of 2015-16 prices (see Box 1.4.1).

*Source:* AIHW welfare expenditure database.

**Figure 1.4.1: Government welfare expenditure, by type of expenditure, constant prices, 2006-07 to 2015-16**



*Note:* Estimates for states and territories have been modelled for 2011-12 and for 2013-14 to 2015-16.

*Source:* AIHW welfare expenditure database.

**Figure 1.4.2: Ratio of government welfare expenditure to tax revenue and GDP, 2006-07 to 2015-16**

## Cash payments

In 2015–16, the total amount spent by governments on cash payments, excluding unemployment benefits, was estimated at \$105.1 billion, down slightly from \$105.5 billion the previous year but up from \$80.0 billion in 2006–07 (Figure 1.4.3). The contribution of cash payments to total welfare spending was 66.8% in 2015–16, which was relatively unchanged from 2006–07 when it was 68.6%.

Of the estimated \$115.0 billion spent on cash payments (including unemployment benefits) in 2015–16, \$46.4 billion was for older people, \$30.9 billion was for families and children, \$26.0 billion for people with disability, \$9.9 billion was spent on unemployment benefits, and the rest was on 'other' cash payments (Figure 1.4.3).

Between 2006–07 and 2015–16, spending grew at an average rate per year by 5.7% for people with disability, by 3.5% for older people and by 1.2% for families and children. Spending on 'other' cash payments fell by 3.6% on average per year (Table S1.4.3).

### **Box 1.4.2: Which cash payments are included?**

The estimates of cash payments in this article include expenditure by the Australian Government, such as for the Age Pension, Disability Support Pension, Veterans' Affairs pensions 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.

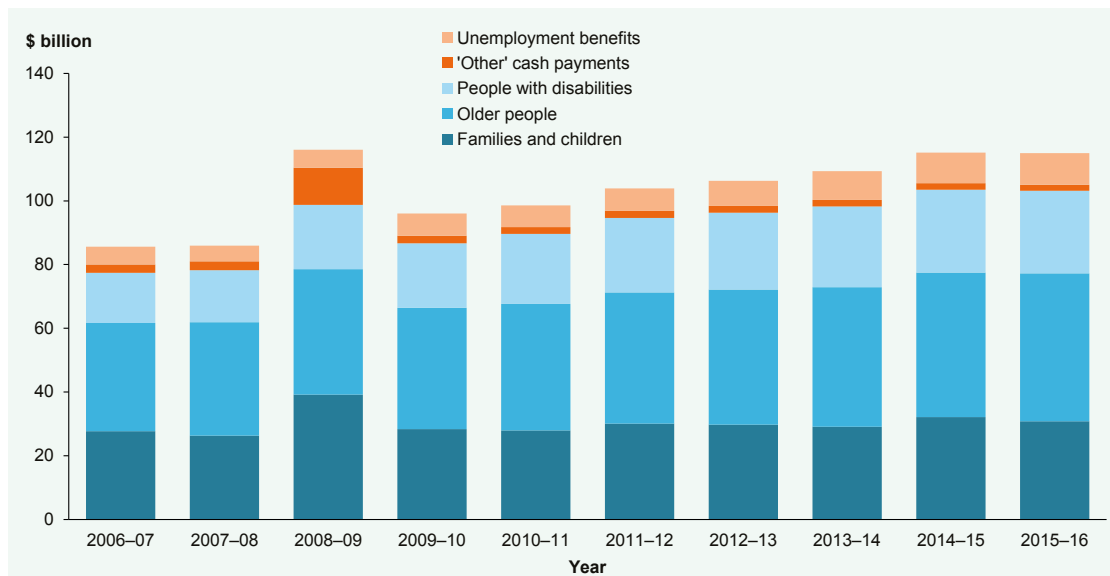
Also, to maintain comparability over time, Youth Allowance, Austudy and ABSTUDY are not included in the estimates in this article (although information on these allowances is included in Chapter 4.2 'Key employment trends').

Youth Allowance (Student) 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 2015–16, \$2.4 billion was spent on Youth Allowance for students.

Youth Allowance (Other) is available to eligible young people aged 16 to 21 who are looking for work or undertaking other activities to improve their employment prospects. In 2015–16, \$1.0 billion was spent on Youth Allowance (Other) (DSS 2017c).

Austudy provides financial assistance to full-time students and apprentices aged 25 and over (\$0.6 billion in 2015–16) and ABSTUDY provides support to Indigenous people who are studying or undertaking a full-time apprenticeship (\$0.3 billion in 2015–16) (DSS 2017a).



#### Notes

1. Estimates for states and territories have been modelled for 2011-12 and for 2013-14 to 2015-16.
2. Constant price estimates are expressed in terms of 2015-16 prices (see Box 1.4.1).
3. Data include associated Commonwealth Rent Assistance.

Source: AIHW welfare expenditure database.

**Figure 1.4.3: Government cash payments expenditure, by major area of expenditure, constant prices, 2006-07 to 2015-16**

## Unemployment benefits

Between 2006-07 and 2015-16, the total amount spent on unemployment benefits (Newstart Allowance) grew from \$5.6 billion to \$9.9 billion in real terms. There are two main contributing factors. Firstly, there was an increase in the number of unemployed persons; the average annual unemployment rate increased from 4.8% in 2006 to 5.8% in 2016 (See Chapter 4.2 'Key employment trends': Figure 4.2.1). Secondly, there was a large number of Parenting Payment recipients who transferred to Newstart Allowance between 2011-12 and 2013-14 (DSS 2017b) (Table S1.4.4). While it is difficult to directly track this shift in expenditure between categories, there were similar, (though not quite as large) decreases in cash payments to 'Families and children' and 'Other' cash payments in the corresponding period.

In real terms, spending per person on unemployment benefits increased from \$270 per Australian resident in 2006-07 to \$414 per Australian resident in 2015-16.

# Welfare services

In 2015–16, the total amount spent by governments on welfare services was estimated at \$42.2 billion, up from \$31.2 billion in 2006–07 and \$39.4 billion in the previous year (Table S1.4.1). 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 more recent years is not available.

Due to a lack of state and territory spending data for recent years, it is difficult to be certain what proportion of spending on welfare services was by the states and territories as opposed to the Australian Government. Based on the modelled data, in 2015–16, it is estimated that the state and territory governments were responsible for 42.1% of government expenditure on welfare services.

## **Box 1.4.3: 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).

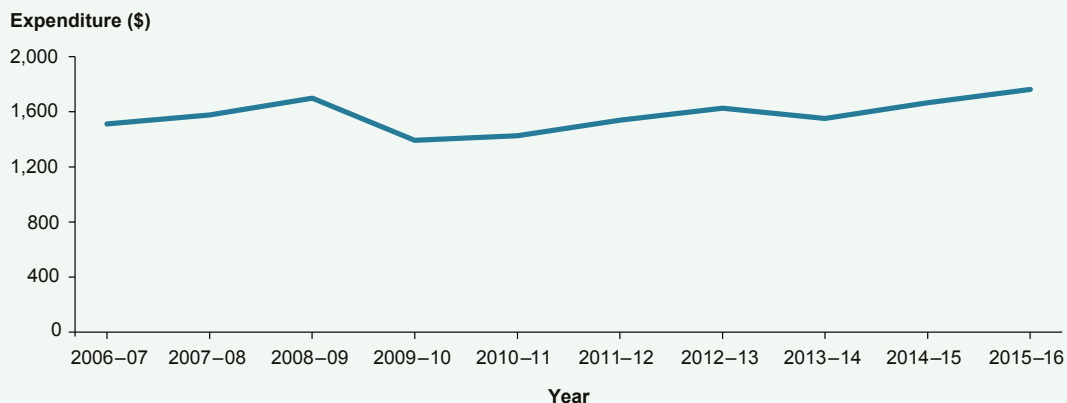
The welfare services estimates include government expenditure only (see Box 1.4.4 for information about non-government expenditure).

Welfare spending defined according to these 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.

The average amount spent by governments on welfare services per Australian resident in 2015–16 was \$1,763, up from \$1,512 in 2006–07 and \$1,667 in 2014–15 (Figure 1.4.4).

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 and for 2013-14 to 2015-16.
2. Constant price estimates are expressed in terms of 2015-16 prices (see Box 1.4.1).

Source: AIHW welfare expenditure database.

**Figure 1.4.4: Government welfare services expenditure per Australian resident, constant prices, 2006-07 to 2015-16**

#### Box 1.4.4: Non-government community service organisations

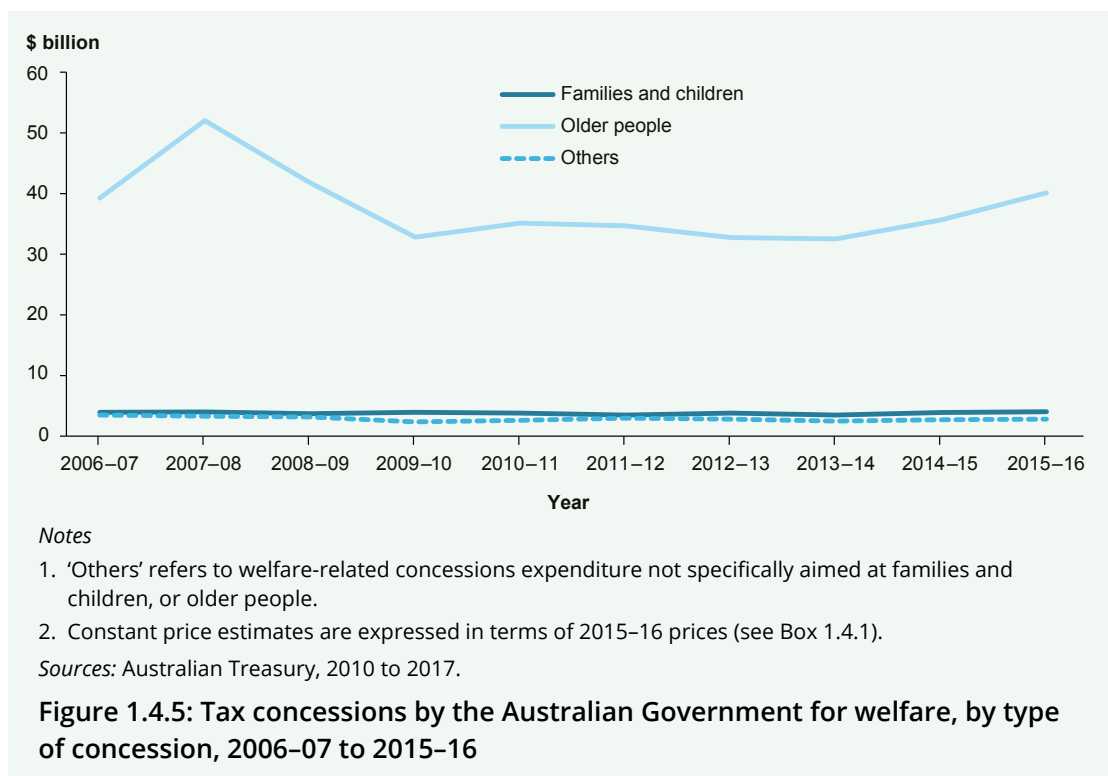
Non-government organisations, particularly non-government community service organisations (NGCSOs), play an important part in delivering welfare services. As indicated earlier, governments fund a large part of the services delivered by NGCSOs. This expenditure is included in the analysis of welfare services expenditure in this article. NGCSO expenditure that comes through fees paid by clients or NGCSOs' own sources, such as fund-raising, is not included. This is 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. The most recent year for which comprehensive data for NGCSOs are available was 2008-09 (AIHW 2011), though some data on not-for-profit NGCSOs is available for 2012-13 (ABS 2015).

## 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 \$47 billion in 2015-16. This does not include any tax expenditures by state, territory 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 foregone potential revenue rather than expenditure (Treasury 2017).

Most of the tax concessions total (\$35 billion, or 75%) was for concessions for superannuation, which aim to assist people to save for or fund their retirement. Of the remainder, \$4.0 billion (9%) was for concessions for families and children (Table S1.4.6). Tax concessions for families and children include exemption from taxation for disaster relief and child care assistance payments.

Australian Government tax concessions for welfare peaked in 2007–08 (Figure 1.4.5). The decline in concessions in 2008–09 and 2009–10 reflects the effects of the GFC, in particular, slower growth in the profits of superannuation funds (Treasury 2012).



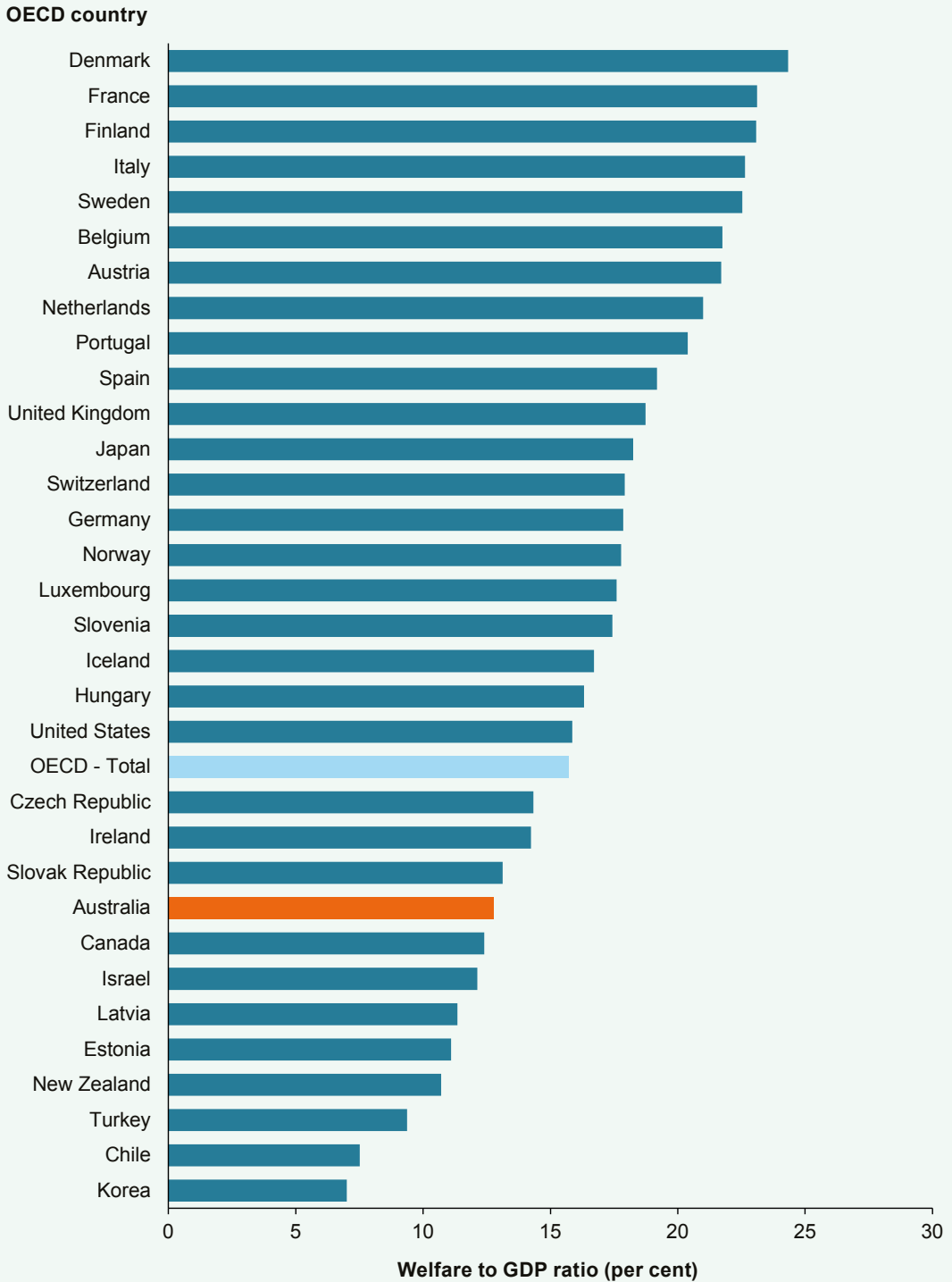
## International comparisons

There are many difficulties in comparing the welfare spending of different countries. Social support structures in many countries are complex, and not necessarily comparable. Systems generally involve 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 2013 show that welfare expenditure in Australia was 12.8% 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 17.1% (Figure 1.4.6) and puts Australia's welfare expenditure in the lowest third of all OECD countries (OECD 2017).



Note: Excludes health, active labour market programs and housing from OECD Social expenditure database. Data for Greece, Mexico and Poland are not yet available.

Source: OECD Social Expenditure database 2017.

Figure 1.4.6: Welfare expenditure as a proportion of GDP, OECD countries, 2013

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

- the benefits are generally more targeted through means testing than being based on factors such as past earnings (see Chapter 1.3 'Understanding welfare')
- the system is largely funded by general government revenue rather than by contributions by employers or insured employees
- benefits are not time limited.

Australia has a different demographic and employment structure than many other OECD countries. For example, the proportion of the population who are aged differs; so do unemployment rates. This drives differences in aged and unemployment pension structures. 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 capital—infrastructure and equipment to support welfare provision—and who is paying. Some important disaggregations (such as between Australian and state/territory government expenditure) have not been included in this article due to a lack of up-to-date data.

## Where do I go for more information?

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

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# 1.5 Welfare workforce

An estimated 478,000 people were employed in the welfare workforce (see Box 1.5.1) in 2015. This workforce has grown by 84% since 2005 (259,000 employed people in 2005). About 2,000 people per 100,000 population were employed in the welfare workforce in 2015 (an increase of 56% since 2005); of the people employed, about 5 in 6 were female. Overall, the welfare workforce represented 4.1% of the total 11.8 million people employed in Australia in 2015.

## Box 1.5.1: Defining the welfare workforce

There is no single definition of the welfare workforce. In this article, it is defined as people who are employed both in a community service industry and a community service occupation, such as an early childhood education and care worker in the preschool education industry.

Community service industries were identified using the Australian and New Zealand Standard Industrial Classification (ABS 2006); community service occupations were identified using the Australian and New Zealand Standard Classification of Occupations (ABS 2013).

The definition excludes some people in a community service occupation who are not employed in a community service industry, such as nurses employed in the health sector (hospitals) or counsellors in the school education sector. Likewise, it excludes some people employed in a community services industry who are not in a community services occupation; for example, accountants, administration staff and tradespeople.

In this article, community service industries have been grouped into three categories:

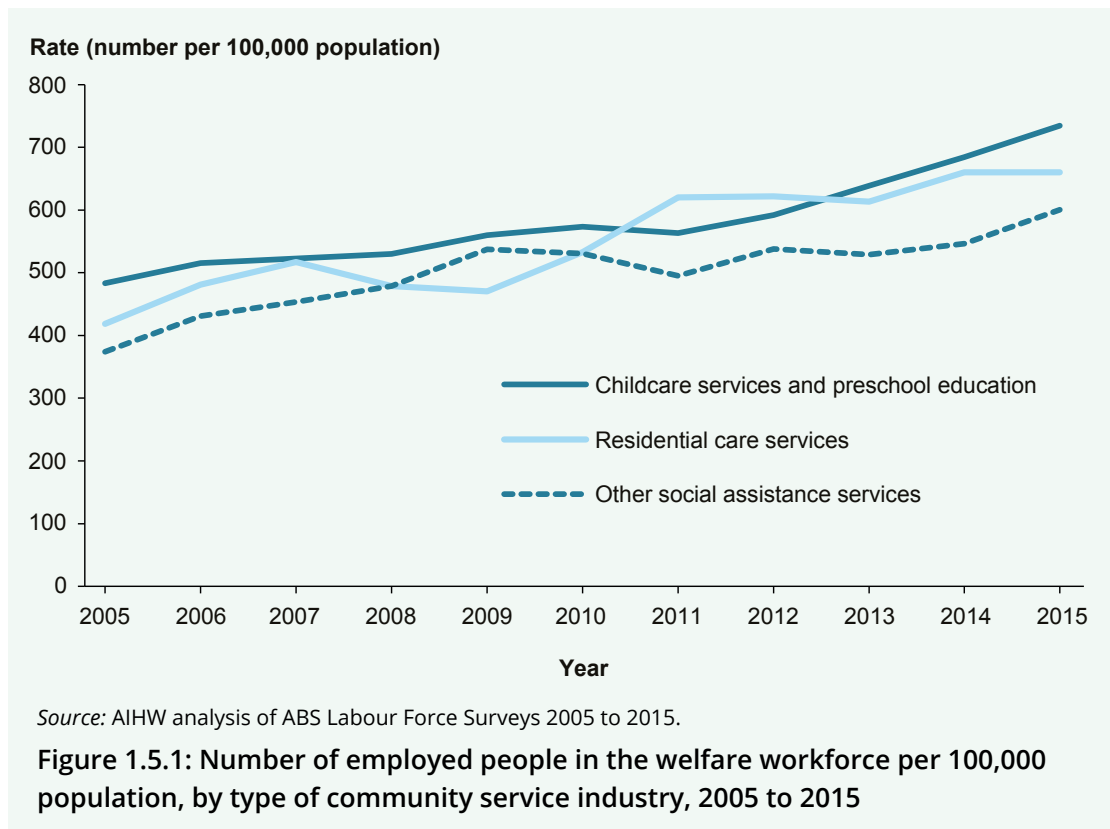
- child care services and preschool education, which includes child care services, operation of nurseries, child-minding services and accredited pre-primary school education
- residential care services, which includes aged care residential services and other forms of residential care services
- other social assistance services, which includes a variety of social support services such as adoption services, adult day care centres, and disability assistance services.

The data source used for information on this workforce is the ABS Labour Force Survey (ABS 2016). This Survey collects information on the number of people employed in occupations and industries and not full-time equivalent staff rates. For this article, 'employed people' refers to a head count of workers.

## Community service industries

The industry with the largest welfare workforce in both 2005 and 2015 was the *Child care services and preschool education* industry; however, it varied somewhat throughout the period as the workforce numbers fluctuated (Figure 1.5.1).

The welfare workforce per person rates of all three community service industries (see Box 1.5.1) grew between 50% and 60% over 2005–2015: 52% for the *Child care services and preschool education* industry (from 484 to 734 employed people per 100,000 population), 58% for the *Residential care services* (from 419 to 660) and 60% for the *Other social assistance services* industry (from 374 to 600).



## Community service occupations

*Early childhood education and care workers* was the largest community services occupation group in the welfare workforce in 2015, at 711 employed people per 100,000 population (Table 1.5.1). *Early childhood education and care workers* were almost exclusively employed in the *Child care services and preschool education* industry in 2015.

The *Aged and disabled carers* occupation group was the second largest group, growing from 196 to 515 employed people per 100,000 population between 2005 and 2015. This group is expected to grow substantially with the rollout of the NDIS, with the Productivity Commission estimating that 1 in 5 new jobs created in Australia over the next few years will need to be in the disability care sector (Productivity Commission 2017).

The number of *Nursing support and personal care workers* also grew, from 132 to 239 employed people per 100,000 population between 2005 and 2015. Of the remaining occupations, Table 1.5.1 shows that half of them experienced growth over the period, while the other half were in decline.

Some occupations were distributed across multiple industries. *Aged and disabled carers*, for example, were distributed mostly between *Residential care services* and *Other social assistance services*. Around 70,000 workers, or 15% of the total welfare workforce, were *Aged and disabled carers* working in the *Other social assistance services* industry (Figure 1.5.2).

**Table 1.5.1: Number of employed people in the welfare workforce per 100,000 population, by type of community service occupation, 2005 and 2015**

Occupation	2005	2015	Growth (%)
Early childhood education and care workers	453	711	57
Aged and disabled carers	196	515	163
Nursing support and personal care workers	132	239	82
Registered nurses	231	173	-25
Welfare support workers	87	132	51
Social workers	24	60	152
Welfare, recreation and community arts workers	25	49	96
Enrolled and mothercraft nurses	46	27	-41
Counsellors	26	32	24
Psychologists	14	6	-60
Special care workers	6	3	-43

*Notes*

1. Early childhood education and care workers include child carers, child care centre managers and early childhood (pre-primary school) teachers.
2. Diversional therapists, education aides, special education teachers and Indigenous health workers are included as community service occupations in totals; however, the number of workers in these occupations within community service industries is small and not reported separately.
3. Data shown are the annual average of quarterly data for 2005 and 2015.

*Source:* AIHW analysis of ABS Labour Force Survey 2005 and 2015.

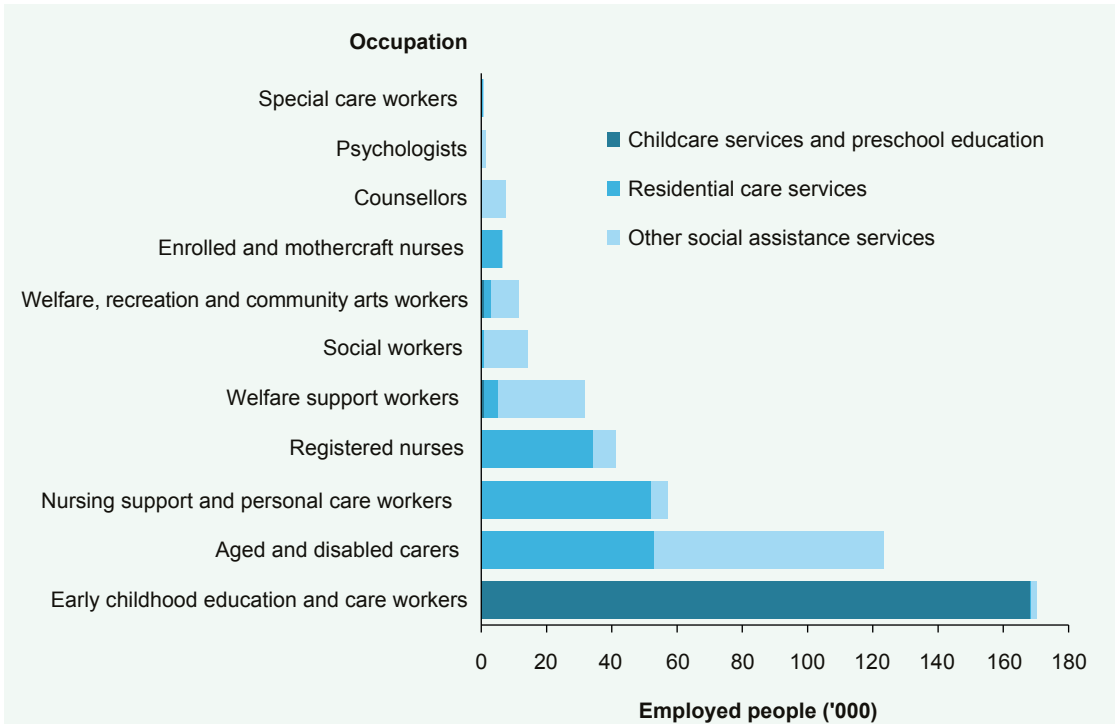
## What is missing from the picture?

While some information is available from the ABS Labour Force Survey, routine monitoring of details of the welfare workforce, and from the perspective of the whole sector, is limited. In the health sector, there is a mandatory national registration system for certain health professionals, with a range of workforce information updated at the time of annual registration renewal. This type of information is not consistently collected for the welfare workforce but could usefully inform workforce planning.

## Where do I go for more information?

More information about the Australian workforce is available from the [ABS Labour Force Survey](#).





#### Notes

1. Early childhood education and care workers include child carers, child care centre managers and early childhood (pre-primary school) teachers.
2. Diversional therapists, education aides, special education teachers and Indigenous health workers are included as community service occupations in totals; however, the number of workers in these occupations within community service industries is small and not reported separately.
3. Data shown are the annual average of quarterly data for 2015.

Source: AIHW analysis of ABS Labour Force Survey 2015.

**Figure 1.5.2: Number of employed people in the welfare workforce per 100,000 population, by type of community service industry and occupation, 2015**

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# 1.6 Persistent disadvantage in Australia: extent, complexity and some key implications

Alan Hayes and Andrew Hacker, Family Action Centre, University of Newcastle

Why does disadvantage persist for some but not others? And, what might be done about it? This article describes the extent of persistent disadvantage in Australia, examines a range of complex contributing factors, and discusses some key implications for dealing with persistent disadvantage.

## Extent of persistent disadvantage in Australia

Australia has had a longstanding focus on disadvantage. This focus gained momentum with Henderson's work on measuring poverty—a distinct but related concept (Commission of Inquiry into Poverty & Henderson 1975; Johnson 1996). Disadvantage is complex, with no universally preferred definition or approach to measurement. Rather, there is a range of approaches to conceptualising it, and various measures can often be complementary (McLachlan et al. 2013). A detailed discussion of each approach is beyond the scope of this article; however, describing some well-established examples may show the difficulties in measuring persistent disadvantage (for more detailed discussions on the different concepts and measures, see McLachlan et al. 2013; Saunders 2011).

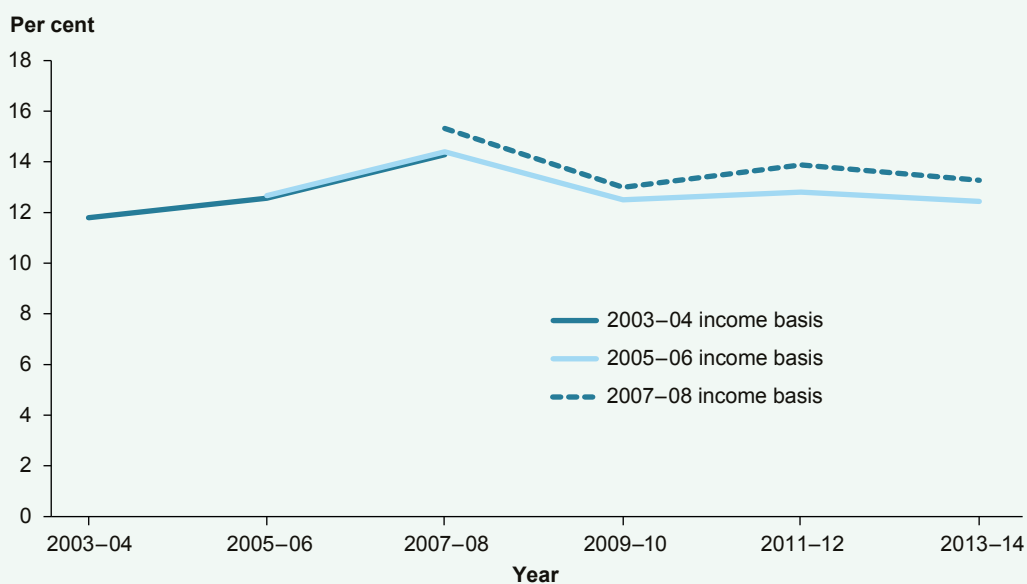
## Absolute and relative poverty measures

One common proxy measure for disadvantage is poverty of income, measured in absolute or relative terms (McLachlan et al. 2013). Absolute poverty is commonly defined as not having enough income to cover the cost of a given basket of goods that provides an agreed minimal level of decency (in this sense, the measure is not completely absolute as it is relative to changing views of decency). Based on absolute poverty rates in the Household Income and Labour Dynamics in Australia (HILDA) survey, the proportion of people in absolute income poverty in Australia has been estimated to have dropped from 13% in 2001 to 3.9% in 2014 (Wilkins 2016).

However, the picture is different if considering relative income poverty. In Australia, this measure usually assesses the proportion of households with an equivalised income that is less than 50% of the national median equivalised household income (McLachlan et al. 2013). Considering Australian rates of relative income poverty from 2003–04 to 2013–14, 'the overall

picture on a ten-year trend basis is one of a persistent and entrenched poverty rate around 12%' (Figure 1.6.1) (ACOSS 2016: p.17). Similar analysis by the Melbourne Institute has indicated that, from 2001 to 2014, trends have generally been toward slowly reduced relative poverty in Australia (despite a rapid rise in 2007), but that relative poverty has nonetheless remained between 10.3% and 13.0% (Wilkins 2016). Further, there has been an estimated increase of more than 2 percentage points in the proportion of children living in relative poverty (2004 to 2014), with an estimated 17% of children aged under 15 currently living in households below the poverty line (ACOSS 2016).

The apparent lack of decline in relative poverty in Australia contrasts with absolute poverty reductions and has occurred despite more than 25 consecutive years of economic growth. As an example of economic growth, Australians born in 1991 now have an average household disposable income about twice what it was when they were born, even after accounting for rising prices and population growth (ACOSS 2016).



*Note:* Figure shows an estimate of the proportion of people living in households with incomes below the poverty line of 50% of national median income.

*Source:* ACOSS 2016.

**Figure 1.6.1: Poverty trend (50% of median, after housing costs), all persons, Australia, 2003-04 to 2013-14**

Measures of relative income poverty have been used for international comparisons (Förster & d'Ercole 2009; McLachlan et al. 2013). The Organisation for Economic Co-operation and Development (OECD) has estimated that the proportion of people facing relative income poverty in Australia in 2014 was 12.8% (compared with an OECD average of 11.4%) (ACOSS 2016). This placed Australia fourteenth highest (or among the middle third of countries), despite its relative prosperity compared with other nations in the OECD. While the characteristics of the compared nations certainly differ, the fact that six countries had relative income poverty proportions of 8% or less suggests that reductions in relative income poverty may be possible.

However, these measures of income poverty (whether absolute or relative) are cross sectional snapshots (even if repeated over time). They do not directly indicate how many people are persistently impoverished since individuals can, and do, move in and out of poverty. An alternative is to measure the duration of poverty. The Melbourne Institute analysed HILDA data from 2002 to 2013 for persons aged over 18 who entered poverty, reporting the number of years before they exited it ('poverty spell durations') (Wilkins 2016). While the majority of people entering poverty (61%) had a spell of 1 year, others had spells lasting 2 years (17%), 3 years (7.4%), 4 years (4.4%), 5 years (2.5%) or 6 or more years (8.2%). Wilkins (2016) also provides a second, similar analysis, but using duration of receiving income support payments. Whether measuring snapshots of absolute or relative poverty or the duration of poverty, all such measures are proxies of disadvantage since they rely on measuring income. Measures based solely on income are limited in assessing disadvantage as they do not account for financial resources other than income (for example, savings or home equity) nor for the range of non-financial factors that may contribute to disadvantage (for example, poor health, low education or limited community participation) (Förster & d'Ercole 2009; McLachlan et al. 2013).

## Measuring persistent disadvantage

A multifaceted approach to measuring persistent disadvantage has been employed by the Productivity Commission, using the Social Exclusion Monitor (SEM) (Box 1.6.1). Table 1.6.1 shows estimated proportions of segments of the Australian population facing deep and persistent social exclusion from 2001 to 2010, based on the SEM (McLachlan et al. 2013). The table lists population groups where estimates were at least twice that of the national estimate. Groups with estimates above (but less than twice) the national estimate are not shown, but include single adults (aged 18 to 64), single adults aged over 65, all adults aged over 65, and migrants (from a non-English-speaking background).

### **Box 1.6.1: Social Exclusion Monitor**









The SEM provides a composite measure of disadvantage based on seven dimensions: material resources, employment, education and skills, health and disability, social support, community participation, and personal safety perceptions. Disadvantage (social exclusion) is scored from 0 to 7, with scores of 2 or more defined as deep exclusion and of 3 or more as very deep exclusion (for further details on the SEM, see McLachlan et al. 2013; Scutella et al. 2013). The Productivity Commission estimated that between 2001 and 2010, deep exclusion levels among Australians aged 15–64 affected:

- almost 3% for 5 years or more (465,000 people)
- around 1% for 7 years or more (165,000).

The average duration for deep exclusion was 1.7 years, and 1.4 years for very deep levels of exclusion (McLachlan et al., 2013).

The Productivity Commission also reported on yearly shifts between various levels of social exclusion, from 2001 to 2009. It found that the largest proportion of people facing deep or very deep social exclusion in any given year experienced less exclusion (lower SEM scores) the year after. These findings were consistent with the Melbourne Institute's analysis of durations of poverty (Wilkins 2016) and analyses of the Panel Study of Income Dynamics (PSID) in the United States (for example, Duncan & Vandell 2012; Gottschalk et al. 1994). However, the Productivity Commission also found that, of people who were very deeply socially excluded in any given year, 31% remained so the following year and that, of people who were deeply socially excluded, 37% remained so the following year and 8% moved on to being very deeply socially excluded (proportions being a year-on-year average across the period) (see McLachlan et al. 2013: Table 3.7).

**Table 1.6.1: Proportion of people aged 15 and over facing deep and persistent disadvantage, by selected population groups, 2001 to 2010**

	<b>Group</b>	<b>Facing deep and persistent disadvantage (%)</b>
	Living in public housing	23.6
	Dependent on income support	15.3
	Unemployed	11.5
	Lone parents	11.3
	With a long-term health condition or disability	11.2
	Indigenous Australians	10.8
	Highest educational attainment Year 11 or below	9.3
	All Australians	4.4

*Notes*

1. Deep and persistent disadvantage is defined as being an individual aged 15 and over and having a SEM score of 2 or more for 4 or more years between 2001 and 2010.
2. Groups are not mutually exclusive.

*Source:* McLachlan et al. 2013.

# Complexity of persistent disadvantage

Disadvantage is a multifaceted phenomenon with both individual and environmental factors interacting in complex ways to alter its likelihood and persistence.

## Individual attributes

The likelihood that external risk factors will result in persistent disadvantage seems to be amplified or mitigated by various individual characteristics. These interactions between environmental and individual characteristics are further complicated given that, while some individual characteristics are largely stable over time (for example, ethnicity and sex), others may or may not change (for example, attitudes) and yet others will certainly change (for example, age, employment status, family status).

## Indigenous status

*Indigenous Australians (aged 15 and older) had more than twice the prevalence of deep and persistent social exclusion (10.8%) compared with that for all Australians (4.4%) (see Table 1.6.1).*

On virtually any measure of disadvantage, Aboriginal and Torres Strait Islander Australians are over-represented, and this disadvantage appears to persist (SCRGSP 2016). For example, while educational attainment for Indigenous Australians is increasing, large educational gaps remain between Indigenous and non-Indigenous people (see Chapter 7.4 'Closing the gap in education'). In 2014–15, 47% of Indigenous people aged 20–64 either had a Certificate level III or above or were studying at any post-secondary level—a 21% increase from 26% in 2002. However, a similar rise of 18% was also seen for non-Indigenous people of the same age, from 52% in 2002 to 70% in 2014–15. So this educational gap has remained largely steady (SCRGSP 2016).

Similarly, the Indigenous employment rate (48%) in 2014–15 was much lower than the non-Indigenous employment rate (73%), and the gap has not changed substantially since 2008 (PM&C 2017). Median equivalised gross weekly household incomes for Indigenous Australians are two-thirds of those for non-Indigenous Australians (\$556 vs \$831 in 2014–15) (see Chapter 7.5 'Income and employment for Indigenous Australians'). More than 1 in 5 (22%) Indigenous Australians reported experiencing physical or threatened violence in 2014–15, a rate 2.5 times higher than for non-Indigenous Australians (SCRGSP 2016). As at 30 June 2015, Indigenous Australians made up more than one-quarter (27%) of the adult prison population, and the imprisonment rate for Indigenous Australian adults was 13 times that for non-Indigenous adults. In 2014–15, the juvenile detention rate for young Indigenous Australians was 25 times that for their non-Indigenous counterparts (see Chapter 2.6 'Youth justice supervision' and Chapter 7 'Indigenous Australians').

## Sex

Research indicates that females are consistently more likely to live in households below the poverty line than males. This is primarily due to their generally lower rates of employment, lower wages and the associated impacts of their greater family caring commitments (ACOSS 2016). Nationally, in 2014, the rates of poverty for females were estimated to be 1 percentage point higher than those for men (13.8% vs 12.8%, respectively) (ACOSS 2016). Similarly, deep and persistent social exclusion has been found to be more prevalent for females (5.2%) than for males (3.7%) (national prevalence: 4.4%) (McLachlan et al. 2013).

Cobb-Clark et al. (2016) explored the relative durations, for females and males, of two key markers of persistent poverty: housing insecurity (for example, living with friends or in a motel) and homelessness (for example, sleeping on the street or in crisis accommodation). They found that, on average, females leave circumstances of housing insecurity around 2 months sooner than males. In contrast, they tended to remain homeless for around 1.4 months longer than males (although this was not statistically significant). The study attributed the longer duration of homelessness for females to their being more likely to enter crisis accommodation (characterised by relatively longer stays) while males were more likely to be sleeping rough (characterised by shorter durations).

## Attitudes

Unlike other individual factors such as ethnicity, sex or age, attitudes can be directly influenced by public policy. Changes of attitude may, in turn, alter behaviours, which may change the course of disadvantage. For example, Baron and Cobb-Clark (2010) found that Australian high school students who more strongly believed they could control life events were more likely to complete Year 12 by age 18 and to obtain a university entrance rank. Further, entrance ranks tended to be higher for students reporting stronger beliefs about control. In contrast, a study of the behaviours of Dutch students facing financial disadvantage due to changes to university funding found that students with an 'all-will-be-well' attitude were less likely to act to tackle this perceived concern (Stroebe 2013). This was independent of the perceived extent of the concern, or the perceived effectiveness of action. Similarly, a study in the Midwestern United States found that where low-income mothers attributed their own poverty to romantic relationships or to children, this was positively associated with beliefs about upward mobility, while self-focused attributions were negatively associated with such beliefs (Mickelson & Hazlett 2014).

## Age

Data suggest that older age (particularly beyond the traditional age of retirement at 65) somewhat increases the likelihood of poverty (ACOSS 2016). People aged over 65 (at 13%) are more likely to experience poverty than people of typical working age (25–64: 12%) (though less likely than children aged under 15: 17%). Similarly, people aged over 65 have been found to be the least likely to exit poverty (Wilkins 2016), and people aged over 60 represent 'close to two-fifths' of people who are deeply and persistently disadvantaged (McLachlan et al. 2013). Similar patterns have been observed with homelessness. Cobb-Clark et al. (2016) have reported evidence that the likelihood of people experiencing homelessness or housing insecurity quickly moving to more stable accommodation decreases with age (that is, the older a person, the longer before they secure stable housing). Similarly, while the current proportion of people seeking specialist homelessness services who are older (aged over 55) is relatively small (8% in 2015–16), this group represents one of the fastest growing populations seeking help from specialist homelessness agencies (AIHW 2016b). This group has shown an average annual growth rate of 9.5% since 2011–12, more than twice the rate of the general population seeking specialist homelessness services. This may be of greater concern for such disadvantaged people given the evidence that greater age may be associated with a greater likelihood that disadvantage will persist.

# Family characteristics

## Family structure and relationships

People living in lone-parent families are more likely to experience disadvantage. As at June 2016, the majority (83%) of the 618,900 one-parent families with dependants in Australia were single mother families (ABS 2017b). Australian children living in lone-parent families are more than 3 times as likely to be in poverty as children in two-parent families (41% vs 13%) (ACOSS 2016). This is consistent with international evidence that, compared with two parent families, poverty tends to be higher for households headed by single parents (Corcoran & Chaudry 1997) and that children living in the absence of fathers are more likely, as adults, to move downward in the income distribution (Hancock et al. 2013).

*The prevalence of deep and persistent social exclusion for lone-parents (11%) is more than twice the national prevalence (4.4%) (Table 1.6.1).*

Divorce and separation are associated with greater likelihood of experiencing disadvantage, and evidence suggests the impacts may span multiple generations. Previous research has consistently shown that the likelihood of separation in adulthood is greater for adults whose own parents have separated (D’Onofrio et al. 2007; Wolfinger 2005, 2011). Of the few studies of the effects of divorce on multiple generations, Amato and Cheadle (2005) reported that lower educational attainment and more marital discord among grandchildren may be correlated with divorce among their grandparents. In a study that highlights the complex interactions between life events (such as relationship breakdown) and individual factors (in this case, age and sex), de Vaus et al. (2014) found that females who experienced a relationship breakdown late in life—especially those who did not re-partner—were more likely to move into poverty than males who had a relationship breakdown in their later years.

The quality and type of parenting and nurturing has important impacts on the life chances of children. Being disadvantaged does not necessarily diminish the quality of parenting; however, caregivers need sufficient education, time and support to ensure the health and wellbeing of children (Engle et al. 1999; Harper 2004a). Persistent poverty, exclusion and disadvantage may increase the stresses and strains on caregivers and reduce the resources and supports they need to optimally nurture child development.

## Family income and housing

A growing number of international and Australian studies have examined the relationships between the incomes of consecutive generations (Andrews & Leigh 2009; Broom & Jones 1969; Cobb-Clark 2010; Corak 2013; Huang et al. 2016; Leigh 2007; Mendolia & Siminski 2016; OECD 2010). In summary, these studies provide two main findings. First, they suggest that there is a correlation between the income of one generation and the next. Second, they suggest that the strength of this correlation is associated with the income inequality of a country, such that greater income inequality is associated with a stronger correlation between generational incomes—in other words, greater inequality between higher and lower incomes is associated with reduced income mobility between generations, as measured by the Gini coefficient (see Chapter 9.2 ‘Indicators of *Australia’s welfare*’). While estimates of social mobility for Australia have varied over the last decade, all the estimates suggest that Australia has relatively greater social mobility than countries such as Italy, the United States and the United Kingdom, but less than the Nordic countries.



Using PSID data, Duncan et al. (2010) assessed the consequences of child poverty for a range of adult outcomes while controlling for average later childhood and adolescent family incomes as well as a large range of demographic variables. They found that early childhood poverty was associated with both lower earnings and lower work hours in adulthood.

Source of income is associated with disadvantage.

*For people dependent on income support, the prevalence of deep and persistent social exclusion (15%) is more than 3 times as high as the national prevalence of such exclusion (4.4%) (Table 1.6.1).*

Analysis by Cobb-Clark (2010) indicates that, relative to young people from families with no income support, people from families with intensive, multi year income support tend to have poorer education and health outcomes, and engage in more risky behaviours. Importantly, however, this study indicated that young people from families with intensive income support also have a decreased sense of control over life events. This was associated with a lower likelihood of completing year 12 and lower university entrance ranks. The study suggests that these attributional and educational attainment factors are likely to be more important mediators of poor education, health and behavioural outcomes than the receipt of welfare payments.

In terms of housing, children who experience homelessness tend to have a lower likelihood of employment as adults, with men being more at risk than women (Cobb-Clark & Zhu 2015).

*The highest prevalence of deep and persistent social exclusion was for people living in public housing (24%) (Table 1.6.1).*

## Life events

People living in disadvantaged circumstances are more likely to experience multiple adverse life events (Baxter et al. 2012; Moloney et al. 2012). Moreover, adversity is far from randomly distributed, with people in disadvantage experiencing both a higher frequency and higher severity of adverse events, while simultaneously having a lower likelihood of effective protective influences that enable them to bounce back. In short, vulnerability tends to beget further vulnerability (Baxter et al. 2012).

## Job loss

Loss of employment is a major life event that has marked impacts on families.

*For people aged over 15, the prevalence of deep and persistent social exclusion was more than twice as high among people who were unemployed (11%) as the national prevalence (4.4%) (Table 1.6.1).*

Living in jobless households is associated with children tending to have both poorer social-emotional wellbeing, and health and educational outcomes (Gray & Baxter 2012; Gray et al. 2011), particularly in families where joblessness endures (Gray & Baxter 2011). These effects may extend across multiple generations, with research by Hancock et al. (2013) finding that 'being in a jobless family was also associated with experiences of grandparent joblessness'. Factors that predict future joblessness include current joblessness, along with lower education level and long-term individual health problems (Hérault et al. 2015) (see Chapter 9.2 'Indicators of Australia's welfare').

## Changes in health

*The prevalence of deep and persistent social exclusion for people with a long-term health condition or disability (11%) is more than twice that of the national prevalence (4.4%) (Table 1.6.1).*

Good health is a key asset and ill health is the single most widespread hazard affecting poor households (Harper 2004b). Reduced health is a key driver of downward social mobility. This is because reduced health diminishes the workforce participation of individuals and their carers, which alters household dependency ratios. In Australia, data indicate that 81% of people who are deeply and persistently socially excluded have a long-term health condition or disability (McLachlan et al. 2013).

## Relationship conflict and violence

Exposure to physical, emotional and/or psychological violence is associated with the intergenerational transmission of poverty. In Australia, domestic violence is the main reason that women and children leave home and is consistently cited among the most common reasons for seeking support from specialist homelessness services (AIHW 2016a; Spinney 2012). Domestic violence has negative impacts on children's educational performance. It is also associated with being more likely to have to repeat grades, discipline problems, and poor child mental health (Aldaz-Carroll & Morano 2001). Where violence leads to family breakdown, it further contributes to persistent intergenerational disadvantage through impacts such as asset loss, inheritance loss, reduced income, and reduced social networks (Bird & Shinyekwa 2005). Johnson et al. (2008) identify domestic violence as one of five 'typical' pathways into homelessness in Australia, along with mental health, substance abuse, youth (first experience of homelessness when aged under 18), and housing crisis pathways (see also Mackenzie and Chamberlain (2001) for domestic violence as a major factor in family breakdown; see Chapter 2.7 'Family, domestic and sexual violence').

## Educational opportunity and human capital

A lack of education is associated with greater risks of disadvantage. People with inadequate education are more likely to experience unemployment, low income, poor health and high rates of involvement with the criminal justice system (Vinson 2007). In the United States, persistent poverty is highest among people who have not completed high-school (Bird 2007). Consistent with this, Australian research indicates that 61% of people who are deeply and persistently disadvantaged have low educational attainment (Year 11 or below).

*The prevalence of persistent deep disadvantage among Australians with low educational attainment (9.3%) is twice that of the national average prevalence of such disadvantage (4.4%) (Table 1.6.1).*

The effects of limited education may also be intergenerational, with household poverty and disadvantage associated with having parents with limited education (Aldaz-Carroll & Morano 2001; Emerson & Souza 2005; Falkingham & Ibragimova 2005; Handa et al. 2004).

In contrast, increased education is widely considered to be a protective factor in later life (Bird 2007). In many countries, schooling correlates strongly with adult earning potential and actual income (Aldaz-Carroll & Morano 2001; Emerson & Souza 2005). Education may also reduce the risk of housing insecurity (Cobb-Clark et al. 2016). Educational opportunities for girls and women are important in interrupting persistent disadvantage, and more educated mothers are more likely to send their children to school (Christiaensen & Alderman 2004; Rose & Dyer 2008) (for more information on education, see Chapter 3 'Education in Australia').

## Wider risk factors

As well as factors associated with individuals and their immediate families, circumstances and settings, several wider factors can affect persistent disadvantage. These include the local neighbourhood, and structural economic changes.

### Location and disadvantage

Evidence suggests that, relative to urbanised areas, disadvantage is more prevalent (Saunders & Wong 2012) and persistent (Tanton et al. 2012) in regional and remote parts of Australia. However, people experiencing disadvantage can be co-located with others who are more mobile, making it difficult to precisely describe disadvantage in locational terms (McLachlan et al. 2013).

Saunders and Wong (2012) analysed how deprivation and social exclusion among Australian adults varied (based on 2010 Poverty and Exclusion in Modern Australia (PEMA) survey data). They found that people in rural areas or villages experienced the highest prevalence of deprivation, generally higher rates of social disengagement, the highest rates of service exclusion, and higher rates of economic exclusion. In contrast, people living in the inner city experienced the lowest prevalence of deprivation and generally lower rates of social disengagement (for an extended locational analysis of the PEMA data, also see Saunders & Wong (2014)).

Tanton et al. (2012) examined entrenched disadvantage and found that multiple-life-stage-disadvantage is more prevalent in *Remote* and *Very remote* areas of Australia, and not as prevalent in most (though not all) capital cities. Most people living in *Major cities* were in areas that were not designated as 'disadvantaged' for any life-stage. Consistent with Tanton et al. (2012), Vinson and Rawsthorne (2015) provide evidence of the prominence of disadvantaged localities in rural areas and on the fringes of metropolitan areas.

### Changes to economic and labour market conditions

Labour markets do change, and certainly have changed in Australia (see Chapter 4.1 'The changing nature of work and worker wellbeing'). For example, in 1966, manufacturing accounted for around one-quarter of all jobs (ABS 2007); as at February 2017, it accounted for 7.5% of jobs (ABS 2017a). In the 1980s, casual employment (that is, employment without entitlement to annual or sick leave) climbed steadily, representing 13% of employees in 1982, and 20% in 1989 (Dawkins & Norris 1990). Since that time, the proportion of casual employees has remained at around 20% (Wooden 2016). The proportion of jobs requiring higher skills and qualifications has grown, possibly associated with the expansion of disruptive technologies such as automation (Department of Employment 2016). Such changes do not necessarily result in disadvantage. However, for people already on a pathway toward disadvantaged circumstances, risks may be even further increased by such economic changes, if they or members of their family do not have the skills, capabilities or qualifications needed to make a shift in line with changing labour market conditions.

# Some key implications

Dealing with complex issues such as persistent disadvantage has potentially profound and positive social and economic effects. As a parallel example, Brown et al. (2012) reported on the anticipated benefits of government action to reduce health inequities, concluding that if Australia adopted WHO recommendations to tackle the social determinants of health this would potentially mean:

- some 170,000 extra Australians could enter the workforce, generating \$8 billion in extra earnings
- around \$4 billion in annual savings in paying welfare support
- around 60,000 fewer people admitted to hospital annually, resulting in savings of \$2.3 billion in hospital expenditure
- 5.5 million fewer Medicare services each year, resulting in annual savings of \$273 million
- 5.3 million fewer Pharmaceutical Benefit Scheme scripts filled each year, resulting in annual savings of \$184.5 million each year.

One key implication of the complexity of persistent disadvantage is to recognise that many of the contributing factors are dynamic and, therefore, amenable to change. Conceptualising disadvantage as a state that can dynamically change over the life course is foundational to public policy in this area since it is these alterable factors—both within and around individuals—that public policy can most directly consider.

## Multidimensional approaches to measurement

The complex and dynamic character of persistent disadvantage calls for a multidimensional approach to measurement and monitoring (Martinez & Perales 2015). Such an approach informed the widely adopted SEM, used to estimate the prevalence of deep and persistent disadvantage for various groups highlighted throughout this article. Measures such as the SEM highlight that there may be both clear differences and overlaps in the trends of different dimensions of disadvantage. For example, a recent analysis of HILDA data showed that the domains of health and disability, material resources, social support, and education and skills all contributed to increased disadvantage between 2001 and 2013. However, these were offset by relative decreases in disadvantage over the same period related to safety perceptions, employment, and community participation (Martinez & Perales 2015). Considering the trends and relationships between various dimensions of disadvantage may more fully inform practice.

Australia has extensive data resources, including its existing longitudinal collections (for example, Growing up in Australia, the Longitudinal Study of Australian Children; the Australian Longitudinal Study on Women's Health; the HILDA survey and the Longitudinal Surveys of Australian Youth, along with the collections of the Australian Bureau of Statistics). Australia has also developed longitudinal social security administrative data to support the Priority Investment Approach (see Chapter 1.3 'Understanding welfare'). While bearing in mind issues of ethics and privacy, integrating government administrative data sets via data linkage and/or combining them with other evaluative or research data has the potential to provide better understanding of different forms of disadvantage. This could guide initiatives that target persistent disadvantage in Australia (see Chapter 1.7 'Understanding health and welfare data').

## Priority population groups

As indicated in Table 1.6.1, the prevalence of deep and persistent social exclusion is substantially greater than the national average for several identifiable groups:

- public housing tenants
- people dependent on income support
- unemployed people
- lone parents
- persons with a long-term health condition or disability
- Indigenous people
- people with low educational attainment.

These demographic indicators flag segments of the population that may benefit from more focused efforts to reduce disadvantage. Clearly, where individuals fall into multiple categories, further prioritising how best to support them may need to be considered. The wider context also warrants consideration. Rural and remote communities, as well as suburbs on the outskirts of capital cities, may be areas where initiatives to tackle disadvantage could be of benefit (Saunders & Wong 2012; Tanton et al. 2012; Vinson & Rawsthorne 2015).

## Possible approaches to reducing disadvantage

The OECD (2010) recommended considering a range of approaches to increasing social mobility. Several of these recommendations focused on education, namely:

- prioritising education that facilitates social and economic mobility
- supporting education 'at both ends' through facilitating both early childhood education and greater completion of secondary schooling
- enabling greater equity of access to tertiary education
- facilitating greater local autonomy to match educational resources to local need
- enhancing teacher quality generally, and particularly encouraging quality teachers to work with school populations from disadvantaged backgrounds.

Surrounding these educational approaches, other approaches recommended for consideration include:

- urban planning that increases the heterogeneity of school populations
- taxation approaches that provide incentives and pathways from welfare to work
- child care arrangements that simultaneously support employment and child education (Duncan et al. 2007; OECD 2010).

# Adopting a multi-strategic approach to reducing persistent disadvantage

As discussed, persistent disadvantage is complex. It is both multifaceted and dynamic. A diverse range of individual attributes, family characteristics, life events, and wider geographic and economic factors interact to increase the risk of moving into and remaining in disadvantage.

Recent changes in social policy have focused on better targeting of policy and practice. This change has been influenced by the multi-strategic New Zealand Investment Approach. As reinforced in the McClure Report, this approach has four pillars of welfare reform:

- welfare system simplification
- skill development and ability
- strengthening employer engagement
- incentives and community support through encouragement of philanthropy and volunteering (McClure et al. 2015) (see also Chapter 1.3 'Understanding welfare').

However, as suggested by the range of possible approaches to reducing disadvantage outlined above—covering areas including education, urban planning, taxation and child care—dealing with persistent disadvantage would likely benefit not only from adopting a multi-strategic approach to welfare, but also to tackling issues of public concern more broadly. Problems as complex as persistent disadvantage clearly require a coordinated approach that involves authentic community engagement, shared aspirations and goals, evaluation systems that facilitate strategic learning, prioritising locally effective activities, and facilitating necessary change (Cabaj & Weaver 2016; Kania & Kramer 2011). In Australia, a coordinated approach has been evaluated, with longitudinal outcomes (from 2002 to 2011), providing emerging evidence that such an approach may be able to reduce persistent disadvantage (Homel et al. 2015). From a data perspective, much of this could be facilitated through better integrated data sources—for example, linkage between service data at state/territory and Commonwealth government level.

Given that social and economic disadvantage are dynamic states rather than fixed traits of individuals, the circumstances and contexts that contribute to persistent disadvantage can be directly considered. Multidimensional measures of persistent disadvantage (for example, SEM) can be illuminated by considering the range of factors that contribute to persistent disadvantage, tracking these over time, and identifying demographic indicators around which persistent disadvantage tends to cluster. The value of multidimensional measures could be further enhanced through integration with Australia's existing longitudinal data collections and with administrative data and other collections, including those of the AIHW and the Australian Bureau of Statistics.

Practice models based on coordinated approaches may provide a framework to deal with persistent disadvantage and have an emerging evidence base for their effectiveness. Approaches that prioritise targeted, multi-strategic initiatives to move people from persistent disadvantage carry promise for delivering substantial social and economic benefits.

## Where do I go for more information?

More information can be found in key documents at the following websites: [AIHW](#), [ACOSS](#), [OECD](#), from the Productivity Commission, and from several other reports (full details of which are provided in the references): *The cost of inaction on the social determinants of health* (Brown et al. 2012); *Collective impact 3.0: an evolving framework for community change* (Cabaj & Weaver 2016); *A new system for better employment and social outcomes* (McClure et al. 2015); *Deep and persistent disadvantage in Australia* (McLachlan et al. 2013); *Dropping off the edge* (Vinson & Rawsthorne 2015).

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# 1.7 Understanding health and welfare data

## Changing data landscape

In today's world of 'big data', governments, businesses, the community and individuals have access to more data than ever before. 'Big data'—the unprecedented volume, diversity and speed of data generation—is growing at a rapid pace, with the volume of digital data expected to almost triple in size between 2017 and 2020 (Productivity Commission 2017; Reimsbach-Kounatze 2015).

As its 2015 public data policy statement makes clear, the Australian Government is well aware of this trend, and of the pressing need to exploit this 'strategic national resource' (PM&C 2015a). It sees potential benefit in making non-sensitive data 'open by default' by not restricting its use or redistribution. Indeed, there may be substantial economic returns in making 'high-value' data sets (such as detailed geospatial data) more publicly accessible and enabling them to be analysed by a range of freely available tools. While the need to manage 'big data' is clearly evident, the key issue for all data users is to ensure these data are used in the most effective manner; that is, 'smart data'.

The Australian Government's agenda is to improve and, where appropriate, simplify data sharing arrangements (PM&C 2015b). It emphasises the importance of developing partnerships with government and non-government stakeholders, especially researchers (PM&C 2016a). For example, the creation of the new Data Integration Partnership of Australia in the 2017 Budget signals an ongoing commitment to '...improving policy, programs and service delivery through the better use of government data to assist in delivering a more productive economy' (DOF 2017).

There is a growing interest in unstructured data—for example, social media posts and web searches. This is being fostered by the development of machine learning techniques, where computers can track through large amounts of information for meaning, without needing explicit programming.

## Privacy, security and social licence

The Australian Government's public data agenda faces substantial challenges. There is ever growing pressure to deliver high-quality, useable information faster, while ensuring that individual privacy is protected. The Productivity Commission's *Inquiry on Data Availability and Use* (Productivity Commission 2017) highlights the critical importance of obtaining 'social licence' from the community. It is suggested that, on the whole, people are willing to make their information available, but on several conditions. They need to trust how it will be handled. They need to feel that they have control over how and who will use it. They also need to see (and ideally directly benefit from) its potential value.

Improved security is becoming more and more important as the volume of digital data expands. People who collect sensitive personal information must keep their security technology up to date. However, these steps, along with tighter privacy legislation, can only go so far to prevent breaches. These are often due to human error and cannot always be foreseen. The Productivity Commission concludes that the best approach is to assess the level of data required for different uses. In other words, risk will be minimised if sensitive information is only collected when necessary. Risk management needs to be a central focus of all data collection activity.

## Increased interest in person-centred data

Alongside the mounting volume of data are growing expectations about how these data assets will be used. More emphasis is being put on ensuring that public data will be used to improve outcomes for Australian people. For example, comprehensive data are essential to develop social investment models and evaluate the impacts of programs or policies for various population groups.

Figure 1.7.1 shows the elements of policy and program areas for a person-centred data model. These form much of the ‘content’ of the evidence base needed to understand the experiences of the population and various cohorts within it. Across these elements, questions can be formed around:

- the characteristics of a population cohort—such as age, sex and geographical location
- determinants of the needs for support, and factors influencing outcomes—covering social, behavioural and individual factors
- interactions with the health and welfare ‘system’—for example, eligibility and access, barriers (such as cost or distance), unmet need, pathways through the system
- outcomes from interactions with the system—notably education, employment and social/participation outcomes; and health and general wellbeing
- aspects of the system that can either help or hinder intended outcomes—including policy parameters, funding models, system resources (for example, workforce levels, skills and distribution), system performance (efficiency, integration/coordination, safety/quality, responsiveness), informal carer capacity.

This model recognises that the various components may interact, and that the level of support required will differ according to individual circumstances.

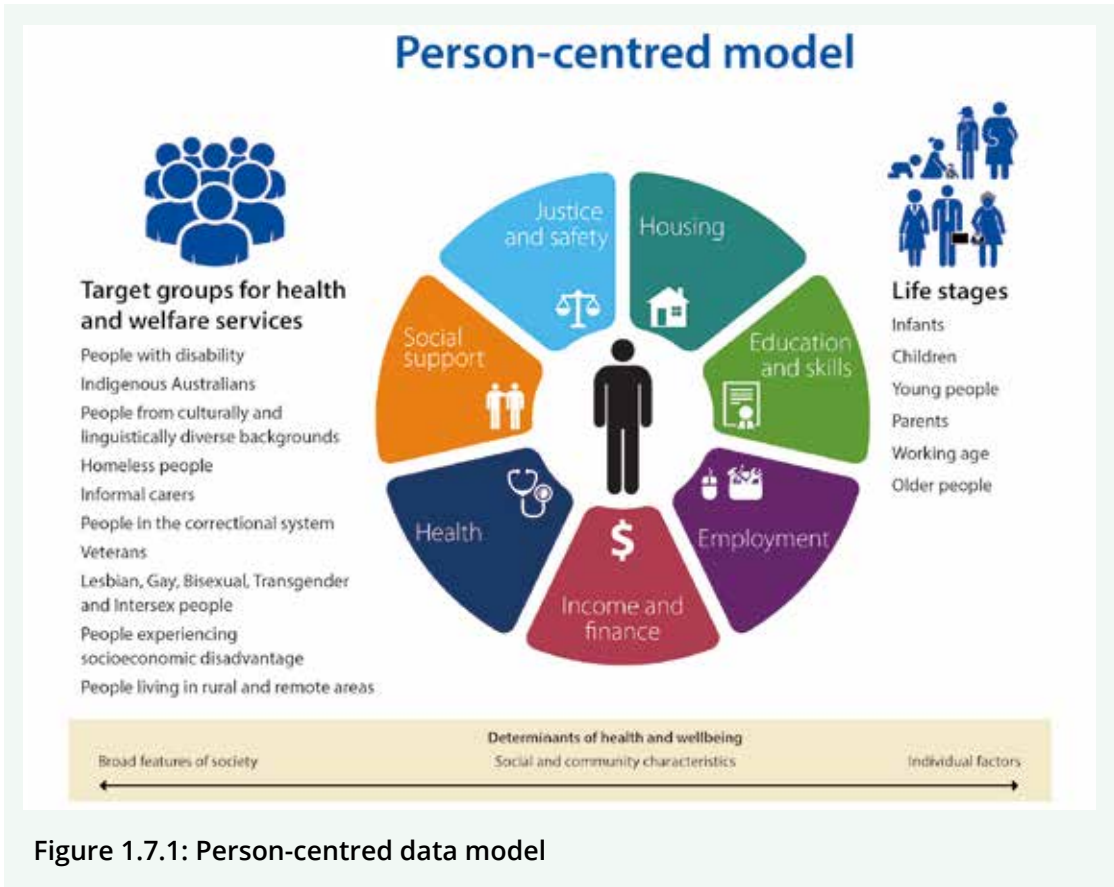


Figure 1.7.1: Person-centred data model

## Types of data sources

Broadly speaking, major health and welfare data sources in Australia are either administrative data (such as collected when running a service or program) or survey data (for a targeted sample on a given topic). Each type of data has advantages and disadvantages. Choosing which one to use often comes down to purpose and the capability of each collection to measure what is needed.

The rapid growth of digitally accessible data is likely to allow much broader uses of administrative data sources (as well as to explore the potential of unstructured data). But joining administrative and survey data can provide deeper insights. This technique is used effectively, for instance, in the Business Longitudinal Analytical Data Environment. This data set combines administrative data from the Australian Tax Office with business survey data from the Australian Bureau of Statistics to tell a rich story about the characteristics and outcomes of businesses across Australia (Kalisch 2016).

Data can also be described as cross-sectional or longitudinal. A cross-sectional data source represents a particular population at a specific time. A longitudinal data source collects data on the same subjects repeatedly over time. Most Australian data collections are cross-sectional. But longitudinal studies are becoming more prevalent, as their usefulness in many policy contexts becomes more recognised. They can help governments to understand

how individuals respond to different situations over time; they can also identify individual pathways, and (in some instances) be directly linked to changes and outcomes after specific policy interventions (FaHCSIA 2013). Over the past 20 years, there have been concerted efforts in Australia to collect longitudinal data on a range of populations. Among these efforts was the formation, in 2014, of the National Centre for Longitudinal Data. This Centre promotes further use of longitudinal data in Australia and supports collaborative projects between researchers and policy makers (DSS 2017).

## Getting the most out of data

The level and accessibility of data in 2017 is substantial. It needs, however, to be meaningfully used, not only to create evidence that informs decisions, but also to improve outcomes that can be interpreted in a policy context (as above, it needs to be ‘smart’ data). Data users need the skills to handle and analyse data in general; they also need to be aware of the relevant policies and contextual background (AIHW 2016a). It is essential that work in this regard is framed by strong data governance arrangements that meet legislative requirements and align with community expectations around privacy, confidentiality and data security.

## Data standards

Data standards play a critical role in the meaningful use of data. ‘Metadata’ (data about data) allows users to have a consistent understanding of the meaning and representation of underlying data. It is a key part of making data sources as clear and usable as possible. In fact, a generally accepted principle in statistical collections is that quality metadata leads to better data. Metadata supports consistent and transparent collection of data across national, state and territory boundaries and, in some cases, across a substantial number of agencies’ data systems. For example, the Specialist Homelessness Services Collection draws on data from around 1,500 disparate non-government agencies across Australia. The comparable collation of this information supports the evidence base about people seeking homelessness services.

## Data access and data sharing

The Australian Government’s public data agenda is still in its early stages. But it offers many opportunities to enhance data access, paying close attention to privacy and data security. It is expected that by making non-sensitive data ‘open by default’, and creating integrated data sets that are widely accessible, many data gaps can be filled. Having much richer and integrated longitudinal data in future will help to answer more complex research questions. It will also better enable person-centred data to be collected and analysed. Important strategies will be to continue to improve and maximise the use of existing data sets while being proactive in identifying those that could be integrated.

All levels of government see more open data as a priority. For example, data.gov.au has been created as a central access point for a range of public data sets drawn from Australian, state/territory and local government data sets. The growing demand for individuals to control their own data is being acknowledged. This includes knowing which individuals or agencies can access this information (as seen in models such as My Health Record).

Arrangements for data sharing are progressing. One of the first major Australian Government initiatives is the Multi-Agency Data Integration Project. This involves creating an enduring, linked data set that draws information from several government data sources to answer key policy questions that can only be done by linking multiple sources. It is expected that this integrated data set will be made available to researchers via a ‘trusted user’ model—which allows broad data access while keeping strong privacy provisions (ABS 2016; PM&C 2016b). Some Australian and state/territory governments—Western Australia and New South Wales in particular—have already set up data integration models to answer complex policy questions, setting good examples of how multi-agency data integration models can work (Productivity Commission 2017).

A demonstration project is underway to test the linkage of a data set based on hospitals data routinely provided to the AIHW by jurisdictions with Medical Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS) data. The linked data set would be a source of patient-centred information about services provided by Australia’s hospitals, medical and other services subsidised through the MBS and pharmaceuticals dispensed under the PBS. This would enhance the ability to examine patient journeys through the Australian health system.

## Data linkage

Data linkage (also called data matching, data integration or record matching) is a process that allows users to combine information from multiple databases, while preserving privacy, to tell a much more powerful story than would be possible from a single source (AIHW 2014). As indicated earlier in this article, linking multiple data sources can enable more meaningful person-centred analyses, which cannot be carried out on individual data sets in isolation. Integrating data in this way can help policy makers to improve their understanding of a range of issues. These include patient- or person-centred outcomes, individuals’ life courses, and the patterns of a person’s interactions with various service sectors. There are many recent examples that show the substantial value that can be gained from linking multiple data sources (see Box 1.7.1 for a selection).

The number and variety of data linkage activities have increased rapidly in recent years. Three Commonwealth Integrating Authorities were set up between 2012–2014 (the AIHW, the Australian Bureau of Statistics and the Australian Institute of Family Studies). These authorities provide a secure environment in which the development of linkage projects can be fostered. Western Australia undertook over 800 projects between 1995–2016 under its WA Data Linkage System (WADLS), while the SA–NT DataLink consortium has delivered results for over 40 projects since it was set up in 2009 (DLWA 2016a, 2016b; University of South Australia 2017). Data linkage is a powerful tool. Yet challenges remain, before its benefit can be maximised. The time taken to gain approvals to use data for linkage is one pressing issue. It can affect the ability of researchers to analyse data and release results in a timely way. Another issue is the re-use of linked data for follow-up projects, a matter that is being widely discussed. Currently, most data linkage projects are funded as one-off activities. They therefore need full re-approval to use data before researchers can carry out further investigations (AIHW 2016c; Productivity Commission 2017).

**Box 1.7.1: Selected recent examples of major data linkage projects****Specialist Homelessness Services and Youth Justice clients**

An estimated 187,500 young people aged under 18 accessed homelessness services over a 4 year period, or about 30% of all clients. This data source was linked with the Juvenile Justice National Minimum Data Set. From this linkage, it was learned that 5,133 of these young people also had some contact with youth justice supervision. This group, compared with other specialist homeless clients of the same age, had 5 times the rate of drug and alcohol issues, double the rate of mental health issues and an overall need for more intensive support. Governments and service providers can use this analysis to design and provide more targeted responses at an individual level. For example, ensuring that mental health services are available for people exiting youth justice services and seeking homelessness support.

**Human papilloma virus (HPV) vaccination program and cervical abnormalities**

This study, based on Victorian HPV vaccination and Pap test data, was a world first. It showed that a population-based HPV vaccination program has produced a fall in cervical abnormalities within 5 years of its start.

**MBS and the Australian Cancer Database**

MBS data on 680,000 computerised tomography (CT) scans were linked to the Australian Cancer Database. This showed that exposure to CT scans in childhood increased the incidence of cancer.

**Diabetes care outcomes**

This pilot study involved linkage across a range of health data sources to evaluate whether new models of care deliver better quality outcomes for people with diabetes than existing practices. The study enabled several evidence-based recommendations to be developed around the integration of diabetes care and funding mechanisms.

*Sources:* AIHW 2014, 2016, 2016d; McKinsey and Company 2011.

## Major gaps in health and welfare data

### Filling data gaps

In the context of health and welfare data gaps, several themes have been identified in recent years. These include gaps in:

- the availability of prevalence data (for example, users of primary health care, and Australians who experience child abuse and neglect)
- the ability to measure meaningful outcomes for people who receive health and welfare services
- the ability to measure and track unmet demand for services
- the availability of data to measure pathways and transitions within and across different service types and across jurisdictions (AIHW 2013, 2015).

Statistical agencies work closely with data users to give priority to filling data gaps across a range of data sources. The broader accessibility of data gives governments the chance to engage with stakeholders more widely and meaningfully than ever before to better ascertain and meet their needs. For example, gaps in information collected at the local level can be determined (along with strategies to fill them) by communicating directly with Primary Health Networks and sharing relevant data with them. This strategy will allow researchers and policy experts to better target groups of interest. It will also enable them to adapt their approaches to produce much more meaningful, outcomes-based information.

Data linkage has enormous potential, but much more needs to be done to fully exploit its benefits. Data gaps in relation to services and outcomes for people with disability provide one example of these potential opportunities, and the challenges faced (Box 1.7.2).

### **Box 1.7.2: Filling data gaps in the disability sector**

People with disability may access a range of specialist disability and mainstream health and welfare services. The creation of the National Disability Insurance Scheme (NDIS) and its subsequent national rollout highlights the opportunity and challenges of producing person centred data about services used by people with disability.

Currently, disability services data are collected at a jurisdictional level. They are collated from state/territory and Australian Government data sources via the National Disability Services National Minimum Data Set (DS NMDS). This data set provides an annual breakdown of people who access specialist disability services funded by Australian and state/territory governments. Information collected includes the characteristics and care needs of people with disability, the type and nature of support provided to them, and the mix of services they have received over the year.

The creation of the NDIS provides a chance to capture more comprehensive and meaningful data about people with disability (including outcomes) as they shift to the new model of service delivery. During the transition period, National Disability Agreement service users will continue to be captured in the DS NMDS.

The challenge from a national data perspective will be, firstly, how to capture important data about people who are ineligible for the NDIS once the rollout is complete. Then it will be a question of how best to fill long-standing gaps in available data on the use of mainstream health and welfare services by people with disability.

## Future opportunities

The rapid growth in digital data will continue to accelerate. How to make optimal use of this huge and increasingly unstructured source of information is a major challenge. But it also presents an opportunity to develop better ways to analyse and present data, and to partner with a wider range of collaborators. These are issues yet to be fully dealt with. It will be an iterative process, as the full extent of how data will be used in the coming decades cannot be envisaged. Ensuring that data are used as effectively as possible will require a mix of leadership, trust and openness at all levels of government and beyond.



## Where do I go for more information?

Latest news and resources on Australia's public data agenda can be found on the Department of the Prime Minister and Cabinet's [Public Data](#) web page. Currently available public data sets are also accessible via <http://data.gov.au>.

More information on Australia's key longitudinal data sets is available via the Department of Social Services' [National Centre for Longitudinal Data](#).

Further information on the AIHW's data linkage program, including information for prospective researchers, can be found on the AIHW website [data linking](#) page, or by contacting the AIHW Data Integration Services Centre ([linkage@aihw.gov.au](mailto:linkage@aihw.gov.au)).

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## Chapter 2

# Children, youth and families



## 2.0 Introduction

How a family functions—and its social and demographic characteristics—are critical to the health and wellbeing of its members. The adversity faced by many families in Australia can be profound and have widespread repercussions. Challenges might be to secure housing tenure or employment, access social services and support, achieve financial security, develop parenting skills or deal with family conflict and violence. The effects (both positive and negative) on children and young people of their family relationships and interactions, school performance and social interactions, and whether they are safe from harm can be lifelong. This chapter opens with a discussion of key national statistics in early childhood education and care—both of which play a crucial role in child development. Over three-quarters of 4 year-olds (77%) are enrolled in a preschool program in Australia and nearly half of all children aged under 13 attend some type of child care. The majority of children are ‘on track’ developmentally when they start primary school, but about 1 in 5 are vulnerable on one or more developmental domains.

This chapter highlights the importance of providing a stable and secure home for the 46,500 children in statutory out-of-home care. About three-quarters of the almost 31,000 children who had been continuously in care for 2 or more years as at 30 June 2016 had experienced more than one placement in their most recent episode of care.

Two groups of vulnerable young Australians are profiled—children in child protection and young people in the youth justice system. Young people who become involved in the youth justice system are more likely than the general population to have been homeless and been under child protection. They are also at risk of continued and more serious involvement in the criminal justice system later in life. Nearly 5,500 young people aged 10 and over are under supervision on an average day in Australia, though that number has fallen over the past 5 years. Despite this, males, Indigenous young people, and young people from low socioeconomic areas continue to be over-represented in youth justice.

This chapter concludes with a feature article that examines family, domestic and sexual violence in Australia. This is an area of heightened community concern and a key priority for all levels of government in Australia. About 1 in 6 Australian women have experienced physical or sexual violence from a current or former cohabiting partner, compared with around 1 in 19 men.

## 2.1 Children in child care and preschool programs

Early childhood education and care plays an important role in a child's cognitive and social development and supports the workforce participation of parents. Participation in early childhood education programs has been found to improve school readiness, expressive and receptive language, and positive behaviour for all children (Urbis Social Policy 2011). In Australia, early childhood education services are provided by government and non-government organisations in a range of settings, including kindergartens, preschools and child care centres (ABS 2015). Child care can be broadly categorised as either formal or informal (Box 2.1.1).

An early childhood education and care service may offer more than one service type. The most common type of integrated service is preschool delivered within a long day care centre.

### Box 2.1.1: Formal and informal child care

Formal child care is regulated care away from the child's home. It is primarily provided to children aged 0–12 through five models:

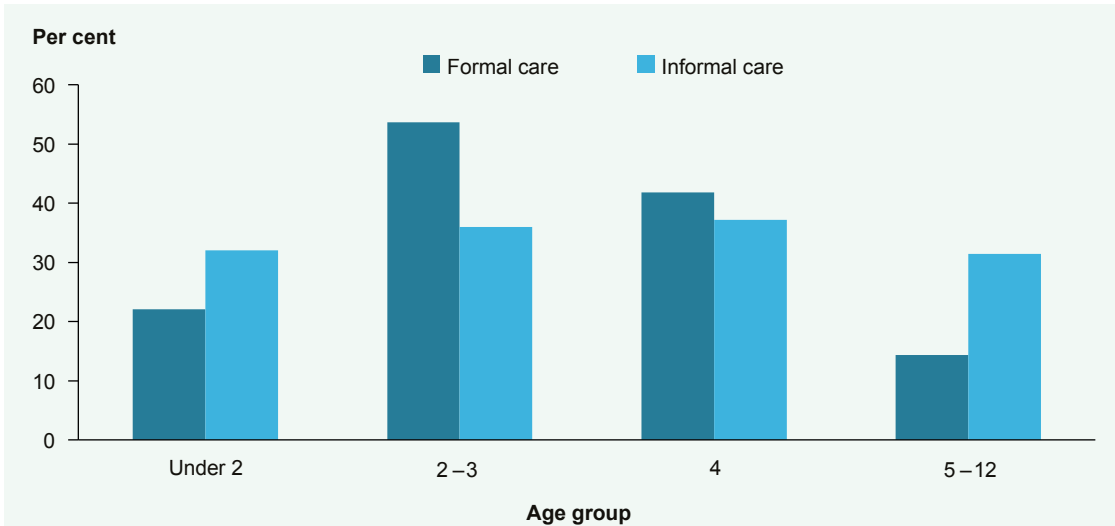
- long day care
- family day care
- occasional care
- outside school-hours care
- preschool.

Informal paid or unpaid care is non-regulated care that is arranged by a child's parent or guardian, either in the child's home or elsewhere (ABS 2015). It comprises care by:

- grandparents
- (step) brothers or sisters
- other relatives (including a parent living elsewhere).

## Children in child care

In 2014, 48% (or 1.8 million) of all children aged 0–12 usually attended some type of child care (Box 2.1.1), a decrease from 52% in 2011; 52% 'did not usually attend any care' in 2014. Patterns of use of formal and informal care varied by age. Under the age of 2, 22% of children 'usually attended formal child care' and 32% 'usually attended informal child care'. The highest level of overall care attendance was among 2- and 3-year-olds, of whom 54% usually attended formal child care and 36% attended informal child care (Figure 2.1.1).



Source: ABS 2015.

**Figure 2.1.1: Children aged 0–12 who usually attended child care, by care type and age group, 2014**

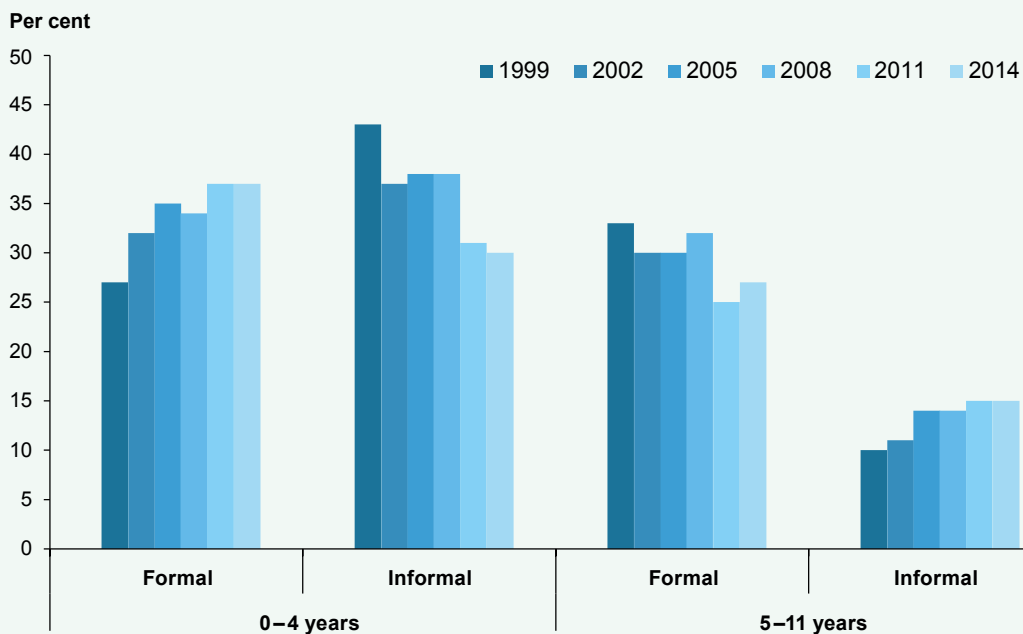
## Trends in formal and informal care

Between 1999 and 2014, there was an increase in the proportion of children attending formal care, and a decrease in children being cared for by relatives. This was particularly the case for 0–4-year-olds:

- In 2014, 37% of children aged 0–4 attended formal child care—an increase from 27% in 1999. This period saw an increase in young children attending long day care (from 18% to 31%).
- The proportion of 0–4-year-olds receiving informal care (for example from grandparents or other relatives) decreased between 1999 and 2014, from 43% to 30% (Figure 2.1.2).

For 5–11 year olds, the increase in formal care between 1999 and 2014 was mostly due to an increase in children attending before and/or after school care—up 63%, from 8% to 13% (ABS 2015).

Grandparent care has been the most dominant type of informal care since 1999. In 2014, almost 1 in 4 (23%) 0–4-year-olds and 1 in 6 (16%) 5–11-year-olds were cared for by their grandparents (ABS 2015).



#### Notes

1. Due to changes in data collection, time series data are not available for (a) type of care attended last week and (b) for children aged 0-11.
2. Formal care does not include preschool for time series analysis.
3. Some children attend both formal and informal care and will be counted in each sector.

Source: ABS 2015.

**Figure 2.1.2: Proportion of children aged 0-4 and 5-11 in child care services, by care type—1999, 2002, 2005, 2008, 2011, and 2014**

## Family characteristics and care type

The proportion of children attending formal child care was similar for children in couple or one parent families (24% and 23%, respectively) (ABS 2015). In 2014, children in one-parent families were more likely to attend informal child care (44%) than children in couple families (30%). Grandparents were the most common source of informal child care (23% in one parent families and 22% in couple families) in 2014 (ABS 2015).

The employment status of children's parents and the composition of their family appear to influence the use of child care. Sixty per cent (60%) of children in couple families where both parents were employed attended child care—32% attended formal care and 40% attended informal care (children could attend more than one type of care). In one-parent families with the parent in employment, 72% of children aged 0-12 attended some type of care—29% attended formal care and 57% attended informal care.

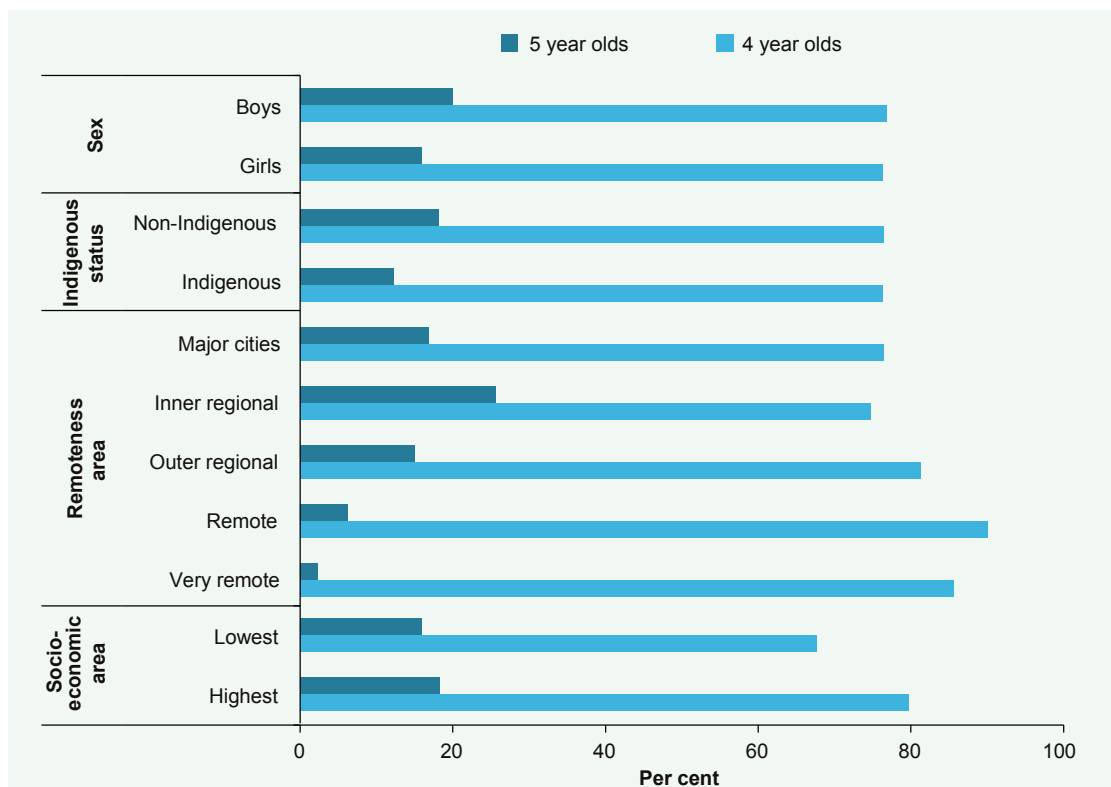
# Preschool participation

An early childhood education or preschool program is defined as a program delivered in the year before full-time school (YBFS) in a diversity of settings, including long day care centres, stand-alone preschools and preschools that are part of schools. The program is to provide structured, play-based early childhood education delivered by a qualified early childhood teacher in accordance with the Early Years Learning Framework and the National Quality Framework. Preschool programs are tailored to meet the learning needs of younger children. Since 2008, the Australian Government has provided more than \$2.8 billion to assist states and territories achieve universal access to quality early childhood education programs through a series of National Partnership Agreements on Universal Access to Early Childhood Education. Universal access aims to ensure that all children participate in a quality, early childhood education program in the YBFS, with a focus on participation by Indigenous, vulnerable and disadvantaged children. The program is delivered for 600 hours per calendar year (or 15 hours per week for 40 weeks). Participation in a quality program is a major first step in laying the foundations for future learning, including children's school readiness and transition to full time school, as well as future school success.

In 2016, more than 297,000 children were enrolled in a preschool program in the YBFS (Figure 2.1.3). Of these children, around 243,000 were aged 4, and nearly 55,000 aged 5—representing 77% of all children aged 4 and 18% of all children aged 5. Of all these children, almost 15,000 were Aboriginal and Torres Strait Islander children (76% of Indigenous 4-year-olds and 12% of Indigenous 5-year-olds)(ABS 2017).

Children in couple families were more likely to have participated in a preschool or preschool program (88%) if one or both parent(s) were employed, compared with neither parent being employed (45%). Of children in couple families with one parent employed, 86% attended a preschool or a preschool program. In one-parent families, around three-quarters of children participated in a preschool or a preschool program whether the parent was employed or not (75% and 76%, respectively). More than 1 in 4 preschool program enrolments in Australia were free of fees and over half had out-of-pocket costs ranging between \$1 and \$4 per hour, on average. Children participated in a preschool for an average of 15 hours per week at an average cost to parents and guardians of \$65 per week (ABS 2015).





Source: AIHW analysis using ABS TableBuilder. Source data in TableBuilder was ABS cat. no. 4240.0.55.003—Microdata: preschool education, Australia, 2016.

**Figure 2.1.3: Proportion of children aged 4 and 5 participating in a preschool program in the YBFS, by sex, Indigenous status, remoteness area and socioeconomic area, 2016**

## What is missing from the picture?

While there are data available on the number of enrolments, there are limited reliable data available on actual attendance rates in preschool programs. Data on attendance are collected in the labour force survey during one week of the year, which may not represent the attendance patterns across the year.

Information about the working arrangements used by parents to help care for their child was not available for parents who were out of scope of the labour force survey for any reason (for example, parents who were members of the permanent Defence Force were not included in the survey).

More work needs to be done to evaluate the effectiveness of preschool programs and to investigate ways to increase participation in programs for vulnerable and at-risk children who stand to gain the most from quality preschool.

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. As well, very few child care centres operate outside traditional working hours, and the impact on families who work unusual hours or shift work and require child care is unknown.

## Where do I go for more information?

More information on early childhood education is available at [www.education.gov.au](http://www.education.gov.au) and [www.abs.gov.au](http://www.abs.gov.au). Information on payments available to families can be found on the Department of Human Services website: [www.humanservices.gov.au](http://www.humanservices.gov.au).

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## 2.2 Transition to primary school

The transition from early childhood education to primary school is a time of potential challenge and stress for children and families. Evidence suggests that children who have a positive start to school are likely to engage well and experience success later in life (Farrer et al. 2007). This transition involves not only how children move into and adjust to new learning environments but also how families and schools interact and cooperate. These are all interlinked for building competencies and preparedness in children, schools and families. The starting age for the first year of school varies between 5 and 6 years across the states and territories.

This article provides an overview of 'school readiness'. It focuses on whether children are developmentally on track, at risk or vulnerable, based on results from the 2015 Australian Early Development Census (AEDC) (Box 2.2.1).

### Box 2.2.1: School readiness

The AEDC is a population measure that looks at how young children have developed by the time they start their first year of full-time school. The Australian Government delivers the AEDC in partnership with the states and territories, the Centre for Community Child Health and the Telethon Kids Institute, to examine how young Australian children have developed as they start their first year of full time education.

The AEDC data are collected using a validated instrument to assess development in 5 broad areas (domains): physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication skills and general knowledge. The AEDC measure of school readiness is defined as the proportion of children developmentally on track on 4 or more (of the 5) domains. School readiness has been demonstrated as a strong predictor of a child's later literacy, numeracy and other cognitive and behavioural outcomes (AEDC 2015).

In the first data collection cycle in 2009, cut-off scores were set for each of the 5 domains:

- children falling below the tenth percentile were categorised as 'developmentally vulnerable'
- children falling between the tenth and twenty-fifth percentile were categorised as 'developmentally at risk'
- all other children were categorised as 'developmentally on track'.

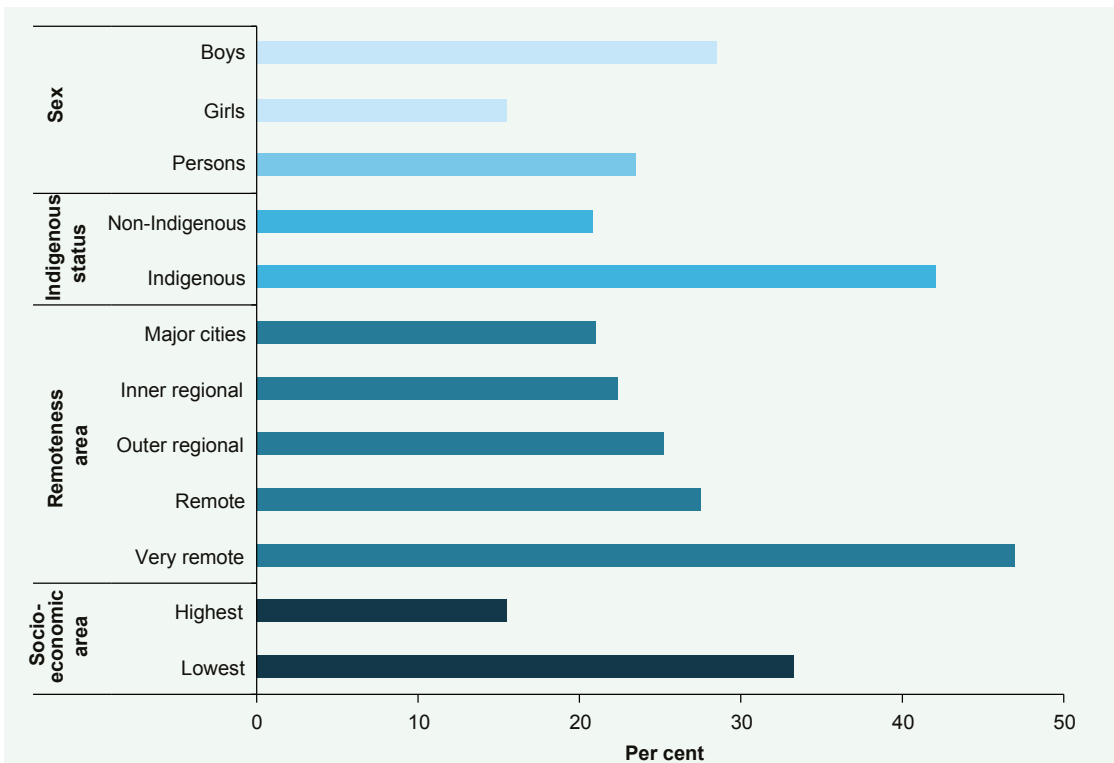
The cut-off scores set in 2009 provide a reference point against which later AEDC results can be compared. These have remained the same across the three collection cycles

*Source:* AEDC 2016.

# Developmental vulnerability

In 2015, 22% of Australian children entering primary school (around 63,000 children) were assessed as vulnerable on 1 or more domains (with 11% vulnerable on 2 or more). The proportions of children assessed as developmentally vulnerable were similar for the social competence (9.9%), emotional maturity (8.4%), communication skills and general knowledge (8.0%), and physical health and wellbeing (9.7%) domains. A smaller proportion of children were considered vulnerable in the language and cognitive skills domain (6.5%).

- In 2015, a higher proportion of boys (29%) were developmentally vulnerable on 1 or more domains than girls (16%) (Figure 2.2.1).
- Developmental vulnerability on 1 or more domains among Indigenous children dropped over the three censuses, from 47% in 2009, to 43% in 2012, and 42% in 2015. It also fell among children with a language background other than English, from 32% in 2009, to 30% in 2012, and 28% in 2015 (AEDC 2016).
- Children living in the lowest socioeconomic areas were around twice as likely to be developmentally vulnerable on 1 or more domains than children living in the highest socioeconomic areas (33%, compared with 16%) (Figure 2.2.1).
- Results differed by state and territory. For example, 37% of Northern Territory students (1,200 students) were vulnerable on 1 or more domains compared with 20% of New South Wales students (18,400) (AEDC 2016).



Source: AEDC 2016.

**Figure 2.2.1: Proportion of children assessed as developmentally vulnerable on 1 or more AEDC domain, by sex, Indigenous status, remoteness area and selected socioeconomic areas, 2015**

Overall, the proportion of developmental vulnerability reduced between 2009 and 2012. There has been a small decrease in the proportion of children developmentally vulnerable on 1 or more domains (from 24% in 2009 to 22% in 2012) and the proportion of children developmentally vulnerable on 2 or more domains (from 12% in 2009 to 11% in 2012). The proportion vulnerable on 1 or more domains remained stable in 2015, at 22% (AEDC 2016). Of the 5 domains, the proportion of children who were developmentally vulnerable increased in 2 of the domains between 2009 and 2015.

- The proportion of children who were developmentally vulnerable on the social competence domain increased from 9.5% in 2009 and 9.3% in 2012 to 9.9% in 2015. This change was more pronounced in larger jurisdictions.
- The proportion of children developmentally vulnerable in physical health and wellbeing increased from 9.4% in 2009 to 9.7% in 2015.
- After decreasing from 8.9% in 2009 to 7.6% in 2012, the proportion of children vulnerable in the emotional maturity domain increased to 8.4% in 2015.
- Improvements have been made in children's communication skills and general knowledge, with 8.5% of children developmentally vulnerable on 1 or more domain in 2015—a decrease from 9.0% in 2012 and 9.2% per cent in 2009.
- Gains have also been made in children's language and cognitive skills in 2015 (6.5%), with a decrease in developmental vulnerability from 6.8% in 2012 and 8.9% in 2009 (AEDC 2016).

## What is missing from the picture?

Recently the AEDC was linked with the Longitudinal Survey of Australia's Children. Targeted research projects using this data asset would allow examination of 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. Establishing data linkage protocols similar to those produced via the numerous SA–NT Datalink projects (<https://www.santdatalink.org.au/>) could enable greater use of matched data to follow long-term outcomes.

## 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 as part of the Children's Headline Indicators at [www.aihw.gov.au/chi/](http://www.aihw.gov.au/chi/). The now discontinued report, *A picture of Australia's children 2012*, is also available for free download at the AIHW website.

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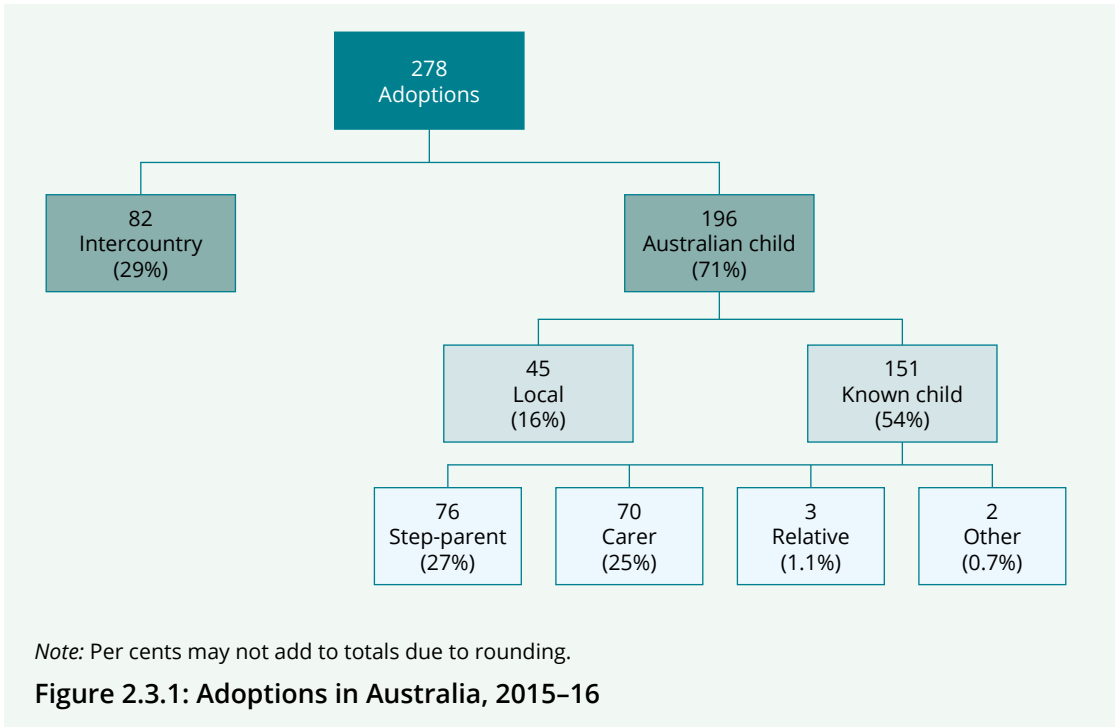
# 2.3 Adoptions

Adoption is one of the options used to provide permanent care for children not able to live with their families. It is a process where full parental rights and responsibilities for a child are legally transferred from the child's parent/s to his or her adoptive parent/s. Other options for permanent care include long-term care and protection orders (see Chapter 2.5 'A stable and secure home for children in out-of-home care').

## Types of adoption

There were 278 adoptions in Australia in 2015–16. An adoption of an Australian child can be either a 'known child adoption' (where the child and the adoptive parent/s were previously known to each other) or a 'local adoption' (where the child and the adoptive parent/s are not known to each other). Children can also be adopted from overseas—an intercountry adoption (Figure 2.3.1). Generally, with intercountry adoptions, the child and the adoptive parent/s are not known to each other.

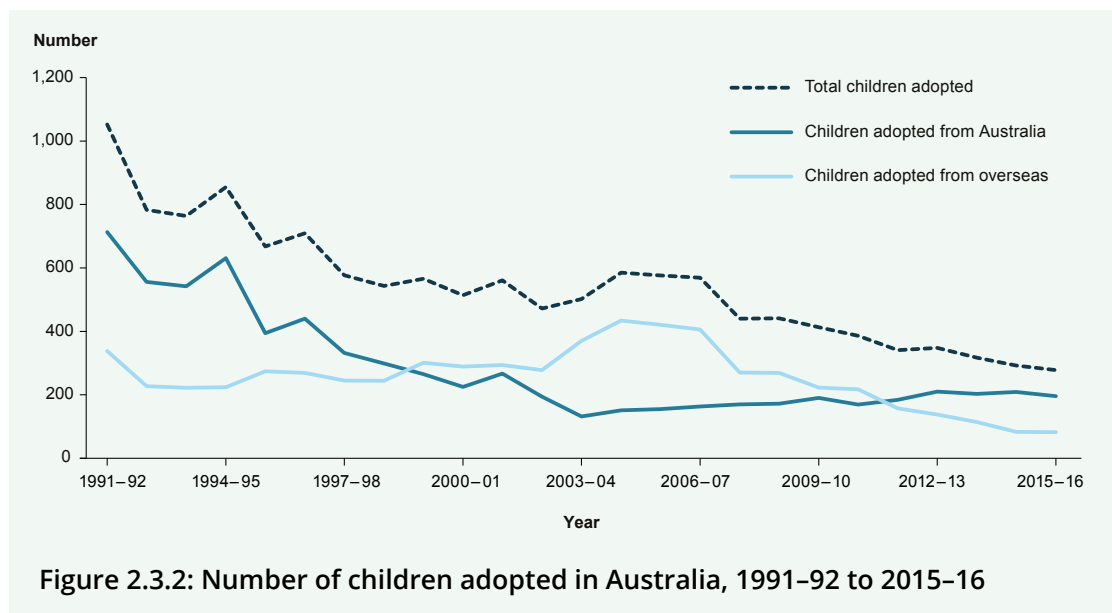
Among Australian children, there were 151 known child adoptions and 45 local adoptions in 2015–16. Most known child adoptions were by step-parents and foster carers (27% and 25% of all adoptions, respectively). In 2015–16, there were 82 intercountry adoptions, 90% of which were from Asian countries.



## Trends in adoption

Adoptions have declined by 74% over the last 25 years, from 1,052 in 1991–92 to 278 in 2015–16 (Figure 2.3.2). Similar declines have occurred for both Australian child and intercountry adoptions (73% and 76%, respectively). Known child adoptions represent an increasing proportion of all adoptions, as the overall number of adoptions continues to fall. They accounted for 54% of adoptions in 2015–16, compared with 18% in 2006–07. Within known child adoption, adoption by carers (such as foster parents) rose from 21% in 2006–07 to 46% in 2015–16, while step-parent adoption fell from 76% to 50% over the same period.

These changes are due to a complex interplay of factors. These include views on the circumstances in which adoption might be considered appropriate, and the availability of both contraception and legalised abortion, and financial support for single parents. They also include increasing labour force participation of women, reproductive innovations, and efforts to improve the outcomes for children in out-of-home care through alternative legal orders or adoption by carers. Similarly, economic and social changes have enabled children who might otherwise have needed intercountry adoption to remain with their family or be adopted in their country of origin.



## Characteristics of adoptees and adoptive parents

In 2015–16, 3 in 5 (60%) adopted children were boys. The difference was more pronounced among children aged under 10 (63% boys), than children 10 and over (55%). The age profiles of adoptees also varied by type of adoption—100% of local adoptees, 71% of intercountry adoptees and 8.6% of known child adoptees were aged under 5. For intercountry adoption, the proportion of infant (aged under 12 months) adoptions declined from 47% in 2005–06 to 8.5% in 2015–16.

The majority of intercountry adoptions in Australia have consistently been from Asia, in line with global adoption trends. In 2015–16, 90% of intercountry adoptions were from Asian countries. The most common countries of origin were the Philippines (24% of intercountry adoptions), Thailand (22%), Taiwan (20%) and South Korea (17%). The main country of origin has changed over time, from China or the Philippines between 2005–06 and 2009–10, to Taiwan or the Philippines since.

The characteristics of adoptive parents also varied with the type of adoption. In 2015–16, 48% of local adoptive parents and more than 80% of intercountry adoptive parents were aged over 40. This proportion increased from 62% in 2006–07 for intercountry adoptive parents but has remained largely unchanged for local adoptive parents (47% in 2006–07).

## What is missing from the picture?

Little is known in Australia about the long-term outcomes of adoptions, including the proportion of adoption disruption (breakdown between placement and legal finalisation of adoption) or legal dissolution of adoptions over time.

Data on expatriate adoptions (when an Australian living abroad for 12 months or more adopts a child through an overseas agency) and known child intercountry adoptions (where the child and adoptive parent/s are previously known to each other) are also limited. These types of adoptions are generally excluded from the data for intercountry adoptions described in this section.

## Where do I go for more information?

More information on adoption in Australia is available on the AIHW website [www.aihw.gov.au/adoptions/](http://www.aihw.gov.au/adoptions/). The report *Adoptions Australia 2015–16* is also available for free download.



## 2.4 Child protection

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

### 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 2015–16:



- About 162,200 (or **1 in 33**) **Australian children** aged 0–17 **received child protection services**.



- **Children receiving child protection services were most likely to be infants** under the age of 1 (38 per 1,000 children) and were least likely to be aged 15–17 (21 per 1,000).



- **Almost three-quarters** (73%) of children receiving child protection services were **repeat clients**. This means that they had previously been the subject of an investigation or were discharged from a care and protection order or a funded out-of-home care placement.



- **Three in 5** (60%) children receiving child protection services **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.

### Substantiations

In 2015–16, around 45,700 children were the subject of a substantiation—an increase of 21% over a 5-year period, from about 37,800 in 2011–12. The rate at which children were subject to a substantiation rose from 7.4 per 1,000 children in 2011–12 to 8.5 per 1,000 in 2015–16 (Figure 2.4.1).

Emotional abuse was the most common primary type of abuse or neglect substantiated (45%), followed by neglect (25%), physical abuse (18%) and sexual abuse (12%).

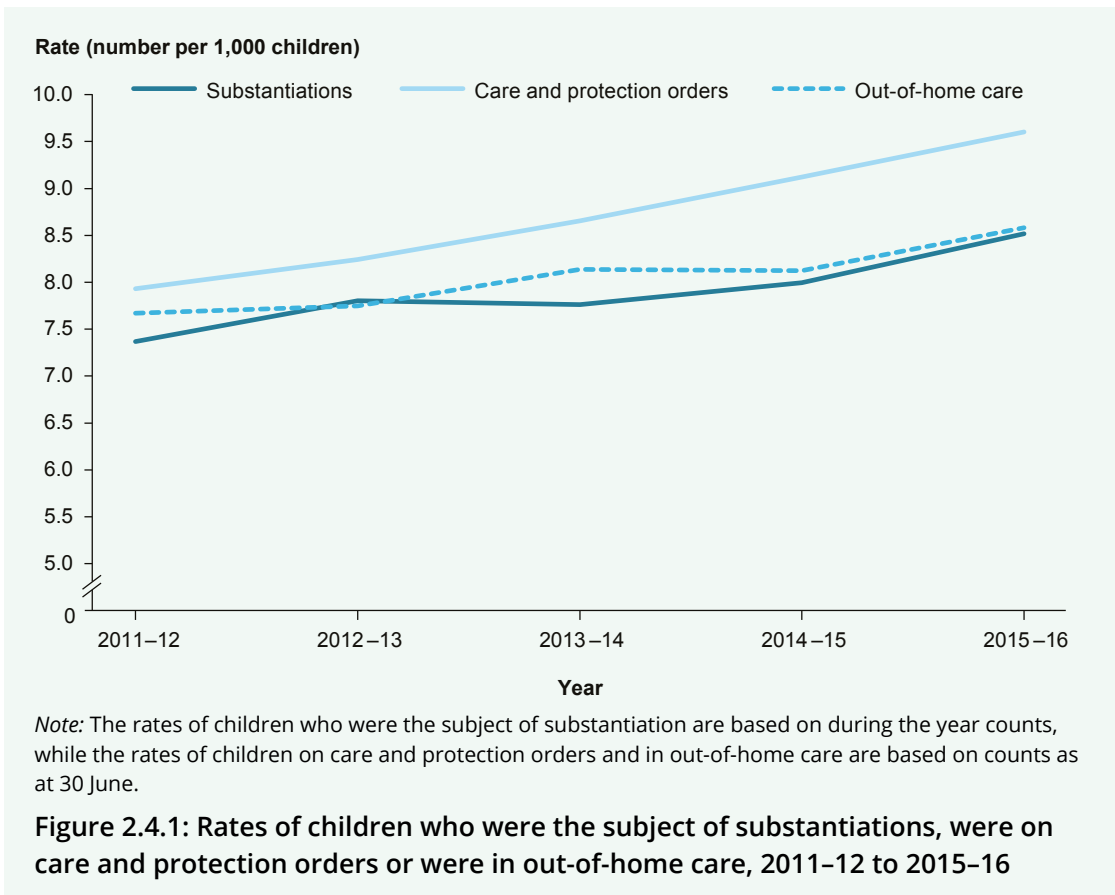
# Care and protection orders

About 52,000 children were on care and protection orders as at 30 June 2016—an increase of 27% from around 41,000 as at 30 June 2012. The rate of children on care and protection orders increased over the 5 years to 30 June 2016, from 7.9 to 9.6 per 1,000 children (Figure 2.4.1). Two-thirds (64%) were on finalised guardianship or custody orders (most of which were long term), 19% of children were on third-party parental responsibility orders (again mostly long term), 12% were on interim and temporary orders, and 5.2% were on other types of orders.

## Out-of-home care placements and carers

As at 30 June 2016, there were about 46,450 children in out-of-home care—an increase of 17% from 39,600 as at 30 June 2012. There were 7.7 children in out-of-home care per 1,000 children as at 30 June 2012, which rose to 8.6 per 1,000 as at 30 June 2016 (Figure 2.4.1; see also Chapter 2.5 'A stable and secure home for children in out-of-home care').

The vast majority (94%) of children in out-of-home care were in home based care—39% in foster care and 49% in relative/kinship care.



# Some groups are over-represented

Compared with non-Indigenous children, Aboriginal and Torres Strait Islander children were:



- 7 times as likely to be the subject of substantiations
- 9 times as likely to be on care and protection orders
- 10 times as likely to be in out-of-home care.

Compared with children living in *Major cities*, children in combined *Remote* and *Very remote* areas were:



- 4 times as likely to be the subject of substantiations
- 2 times as likely to be in out-of-home care.

## What is missing from the picture?

The AIHW is continuing 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 efforts include improving data on disability status and cultural and linguistic diversity, and linking to other data sets to measure the health and welfare outcomes for children receiving child protection services. All data which are currently lacking or of unusable quality.

## Where do I go for more information?

More information on child protection in Australia is available at [www.aihw.gov.au/child-protection/](http://www.aihw.gov.au/child-protection/). The report *Child protection Australia 2015–16* is also available for free download at the AIHW website.

## Reference

COAG (Council of Australian Governments) 2009. Protecting children is everyone's business: National Framework for Protecting Australia's Children 2009–2020. Canberra: COAG.

## 2.5 A stable and secure home for children in out-of-home care

Some children are not able to live in safety and security with their parents. There are several reasons for this. It may be that children have been, or are at risk of being, abused or neglected and need a more protective environment. It may be that parents are incapable of providing adequate care for them, or that alternative accommodation is needed during times of family conflict. When these situations occur, state and territory departments responsible for child protection may intervene and place children in out-of-home care.

Out-of-home care is overnight care for children aged 0–17, where financial support from state or territory departments responsible for child protection is given or offered to the carer. It can include kinship care (provided by relatives of the child), foster care, family group homes and residential care. During 2015–16, more than 55,600 children (10.4 per 1,000 children) were supported in out-of-home care placements (AIHW 2017). More than one-third (36%) of all children in out-of-home care as at 30 June 2016 were Aboriginal and Torres Strait Islander children and more than half (52%) were boys (AIHW 2017). The number of children in out-of-home care across Australia has increased considerably over recent years—overall, 5,300 more children were in out-of-home care in 2015–16 than in 2012–13 (an increase of 11%) (AIHW 2014, 2017). For more information on child protection, see Chapter 2.4 ‘Child protection’.

### Social and economic impact

The social and economic costs associated with out-of-home care are substantial. There is the personal cost for children and their families. There is also a sizable cost to the community, in providing child protection services at the state and territory level (\$4 billion in 2015–16, see Box 2.5.1) and welfare and other services related to the long-term poorer outcomes for many children who have been in care.

Research shows that negative experiences in early life (including child abuse and neglect) increase the likelihood of developmental delays and of difficulties with learning, memory and self regulation (Center on the Developing Child at Harvard University 2016; McLachlan et al. 2013). This can have longer term impacts on health and wellbeing and on a person’s ability to be a productive member of society—representing a substantial cost to government in terms of workforce participation, health care and social assistance (Kezelman et al. 2015; McLachlan et al. 2013). Box 2.5.1 presents the recurrent cost of out-of-home care in 2015–16 and recent estimates of the longer term costs associated with negative childhood experiences.

### Box 2.5.1: Estimating the cost of abuse and neglect

- In Australia, the national recurrent expenditure on out-of-home care services alone was \$2.7 billion in 2015–16—a real increase of \$240.2 million (9.7%) from 2014–15 (SCRGSP 2017). The total cost of child protection, including out-of-home care services, was almost \$4 billion.
- The longer term cost to government of negative family functioning was estimated to be \$5.4 billion per year in 2010 (Access Economics 2010).
- The cost of unresolved trauma from physical, sexual and emotional abuse has been estimated at \$6.8 billion per year (Kezelman et al. 2015).

The experience of out-of-home care has been shown to further affect the health and wellbeing of children unable to live with their parents. However, differences between children who experience abuse or neglect and who are later placed in out-of-home care and children who remain at home may contribute to this effect. These differences include the type and severity of the abuse or neglect experienced and socioeconomic characteristics (Berger et al. 2009).

Of particular concern are children who have extended periods in out-of-home care, and who may ‘drift in care’, moving between multiple home-based placements or between home-based and residential care (Strijker et al. 2008). These circumstances have been linked with negative outcomes in a range of areas, including:

- mental health and wellbeing (Leve et al. 2012; McGrath-Lone et al. 2015; Reilly 2003; Staines 2016)
- educational attainment (Leve et al. 2012; McGrath-Lone et al. 2015; Reilly 2003; Smith & McLean 2013; Staines 2016)
- access to suitable accommodation (Staines 2016)
- employment (Courtney et al. 2001; Reilly 2003; Staines 2016)
- life satisfaction and relational stability (Leve et al. 2012).

The negative outcomes may be severe and include:

- homelessness (Courtney et al. 2001; Reilly 2003)
- disproportionately high rates of substance abuse (Staines 2016)
- over-representation in youth justice systems (Courtney et al. 2001; Reilly 2003; Staines 2016)
- vulnerability to further abuse and violence (Courtney et al. 2001; Reilly 2003)
- premature death (McGrath-Lone et al. 2015).

The Prison Reform Trust in the United Kingdom reported recent findings that there had been little or no improvement in outcomes for children in care in recent years and this was compounded by placement instability (Staines 2016).

Young people who enter the income support system before the age of 18—in particular, young people leaving out-of-home care—are a group requiring support to prevent long-term dependence on income support (Reference Group on Welfare Reform 2015). Australia does not yet have comparable evidence of the outcomes for children in care or changes over time (see ‘What is missing from the picture?’ at the end of this article). Longitudinal data are critical to understand the outcomes for children in care and the efficacy of policies and systems to support them. Linkage of administrative data sets held by government agencies can maximise the information available to better understand the characteristics and pathways of disadvantaged groups (McLachlan et al. 2013).

## Importance of a stable and secure home

Developing secure relationships, including those with non-parent carers, can mitigate or reverse negative outcomes such as those already mentioned (Center on the Developing Child at Harvard University 2016). This is because a ‘child who has been subject to trauma and loss requires a deep, meaningful and sustained primary attachment relationship to heal’ (McPherson & MacNamara 2014: 224). Therefore, a key aim for children in out-of-home care is to achieve a stable, long-term care arrangement. The processes that state and territory departments responsible for child protection take to achieve this goal are broadly termed ‘permanency planning’.

The importance of permanency for children and young people in out-of-home care is widely recognised in Australia and internationally. The concept emerged in the United States in the 1970s, where there was increasing concern that children unable to live with their families were ‘drifting in care’, with multiple, unstable foster care placements over extended periods (Roth 2013).

In Australia, the impact of out-of-home care on children and young people, as well as the direct and indirect cost to the community, has been examined over many years in parliamentary inquiries, Council of Australian Governments (COAG) reforms and coronial inquests. In 2015, Australia’s Senate Inquiry into Out-of-home Care (Senate Community Affairs References Committee 2015) showed heightened policy interest in providing ways to achieve long-term care, with safety of the child and stability of placement as prime objectives. The Inquiry concluded that placement stability and emotional security in the early years are critical to a child’s development and important in securing positive outcomes (Senate Community Affairs References Committee 2015). It also recommended that a project be undertaken to develop a nationally consistent approach to legal forms of permanence—including guardianship orders and adoption—and to research improving access to those placements (Senate Community Affairs References Committee 2015).

In November 2016, Community Services ministers of Australian and state and territory governments agreed to develop a set of guiding principles to drive permanency arrangements for children in out-of-home care. These included a focus on permanency and stability, on the timeliness of permanent care decisions and on improving outcomes for Indigenous families and children. Further, it was agreed that reform efforts be directed toward improving consistency in permanent care arrangements across jurisdictions, and to investigating possible schemes for mutual recognition of the suitability of carers.

# Permanency planning—what are the options?

Permanency planning, in the context of child protection, is defined as ‘the process of making long-term care arrangements for children with families that can offer lifetime relationships and a sense of belonging’ (Tilbury & Osmond 2006: 266). Permanency may be understood in terms of both the legal framework for individual care arrangements (for example, a care and protection order or an adoption order), and the actual placement stability achieved. It is important to note, however, that placement stability can occur without a long-term legal order and, conversely, that a long-term legal order does not necessarily result in placement stability.

## Legal permanency

The legal framework of permanency is based on the orders that establish long-term care arrangements. For national reporting purposes, short-term care and protection orders (which anticipate reunification with the family) are for 2 years or less. Long-term orders seek to set continuity or stability of care, where the carer and the care arrangements are unchanged over an extended period, once safe reunification with the child’s family has been ruled out. However, as noted, not all long-term orders provide placement stability in practice.

## Placement stability

Placement stability refers to stability in both the care relationship and residential location. In general, the fewer placements a child has, the greater is his or her stability. However, measures of placement stability are confounded in the available national data by a number of factors. These include placement changes to enhance the child’s wellbeing (including reunification attempts), respite provision, sibling co-location efforts, and attempts to find a ‘forever home’. Achieving long-term care—particularly when the child is placed outside the kinship network—requires extensive planning. Considerable efforts are made to achieve a match between child and carer to increase safety and security, while reducing the risk of placement disruption.

## Permanency planning in practice

There are jurisdictional differences in the approach and terminology used for child protection practices in Australia. Yet, some concepts, both in planning for permanency and in the actions taken to achieve long-term care arrangements, are shared (AIHW 2016c). These can be broadly grouped as:

- reunification with the family of origin
- long-term alternative care on third-party parental responsibility or guardianship/ custody orders
- adoption orders.

These three broad options have very different legal bases and practical outcomes (see Box 2.5.2).

## **Box 2.5.2: Options for achieving permanency**

### **Reunification**

Reunification is a planned process to safely return a child home after a period of time in care to be with their birth parent(s), family or former guardian (and enabling the child to stay); this occurs when it is in the child's best interests, and where it will safeguard his or her long-term stability and permanency (AIHW 2016c). By returning to the family of origin, the child may be deemed to have exited care. Parental rights and responsibilities may resume as normal, although in some cases a care and protection order can remain in place for a period.

### **Third-party parental responsibility orders**

These orders transfer all duties, powers, responsibilities and authority (to which parents are entitled by law) to a nominated person(s) whom the court considers appropriate. The nominated person may be an individual, such as a relative, or an officer of the state or territory department (AIHW 2017).

### **Guardianship/custody orders**

Guardianship orders involve the transfer of legal guardianship to the relevant state or territory department or non-government agency. Custody orders generally refer to 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 (AIHW 2017).

Guardianship or custody orders can be for specific periods. For national reporting purposes, these are classified as:

- **long-term orders:** transfer guardianship/custody until the child is 18. In some jurisdictions, this may also include orders for a specified period of more than 2 years
- **short-term orders:** transfer guardianship/custody for a specified 'short-term' period of 2 years or less.

### **Adoption orders**

Adoption is a legal process involving the transfer of the rights and responsibilities for the permanent care of a child from the child's parent(s) to his or her adoptive parent(s). The legal relationship between the child and the parent(s) is severed and any legal rights that existed from birth regarding the birth parent(s), such as inheritance, are removed. The legal rights of the adopted child become the same as they would be if the child had been born to the adoptive parent(s) (AIHW 2016a).

### **Known carer adoption**

This is adoption by the foster parent(s) or other non-relative(s) who has been caring for a child in out-of-home care, and been responsible for the daily care and control of the child for the period specified by the relevant state/territory department before the adoption (AIHW 2016c). (In some jurisdictions, adoption from care may not be viewed as part of permanency planning, or, while legally available, it may be rarely used in practice—in particular, for Indigenous children and young people.)



As well, due to the inherent uncertainties in securing permanency, dual planning processes are common. This is especially the case, given the critical importance of age considerations and the need to minimise delays in putting decisions into practice. Jurisdictions may plan for safe reunification while actively seeking to identify potential long-term alternative care.

Permanency planning is not a static process. Children may move from one care and protection order to another and/or from one placement to another. This may be due to efforts to find the most suitable long-term care, or to placement disruption. Further, children who have exited out-of-home care due to reunification or adoption may re-enter out-of-home care at a later stage. This would then require further consideration about how permanency may be achieved.

## Challenges in achieving permanency

Children who have experienced abuse and neglect are one of the most vulnerable groups in the community (COAG 2009); those who are subsequently placed in out-of-home care have a broad range of needs (Bath 2015). Caring for these children can be particularly challenging, due to behavioural issues or additional needs arising from disability or developmental delay (Bath 2015; DHS 2016). Some children may also find it hard to form attachments with carers (Meredith Carter & Associates 2015). Carers may thus carry a greater burden of care when parenting children who are unable to live with their birth parents (DHS 2016; Meredith Carter & Associates 2015).

Permanency planning needs to be individualised and must consider all these issues, along with the child's age and whether siblings may be placed together (Murphy et al. 2012; Pritchett et al. 2013; Selwyn et al. 2014). However, permanency decisions also need to be timely; research indicates that a child's age—in particular, age at entry to care—is a strong predictor of placement disruption (Selwyn et al. 2014). The older a child is when adopted, the greater the likelihood of adoption breakdown (Unwin & Mişca 2013).

The challenges to achieving permanency for children in out-of-home care can result from a blend of barriers at the child, family and agency level (seen in 'crisis-driven placements') and difficulties in matching suitable carers with children who already experience health and behavioural issues (Thomson et al. 2016).

Kinship carers report stress, financial strain, health concerns and poor resources as common experiences, with problems compounded by lack of preparation and training (AIFS et al. 2015; Dunne & Kettler 2006; McPherson & MacNamara 2014). Agency level barriers within child welfare systems add to the challenges, including the complexity of processes and the availability of adequate supports and services for children and carers alike (Murphy et al. 2012).

Overall, the availability of out-of-home carers is declining, as the number of children entering care and the complexity of their needs increase (Fernandez 2014; Treggeagle et al. 2014). Together, these challenges potentially increase the average number of placements a child may experience, reflecting a lack of placement choices and the additional placement efforts required (Fernandez & Atwool 2013).

# Who are the children needing long-term care?

Reunification (or safe return home) is the policy priority for children in out-of-home care across all states and territories. This will not be achieved for some children, so permanent alternative care arrangements will be needed.

Across all states and territories, policies for permanency planning indicate that children who have been in care for 2 or more years need a decision on their long-term care arrangements (AIHW 2016c) (see the Glossary for relevant out-of-home care definitions).

Almost 31,000 (67%) of the 46,500 children in out-of-home care as at 30 June 2016 had been continuously in care for 2 or more years (AIHW 2017). Of children who have been in 'long-term care' (that is, for 2 or more years):



most (70%) were aged between 5 and 14, with a median age of 10 (see Supplementary Table S2.5.1)



more than one-third (36%) were Indigenous (Table S2.5.2)



94% were living in home-based out-of-home care, including 43% with relatives/kin (Table S2.5.3)



almost three-quarters (74%) had experienced more than 1 placement in their most recent episode of care (Table S2.5.4).

## What do we know about the level of permanency achieved for these children?

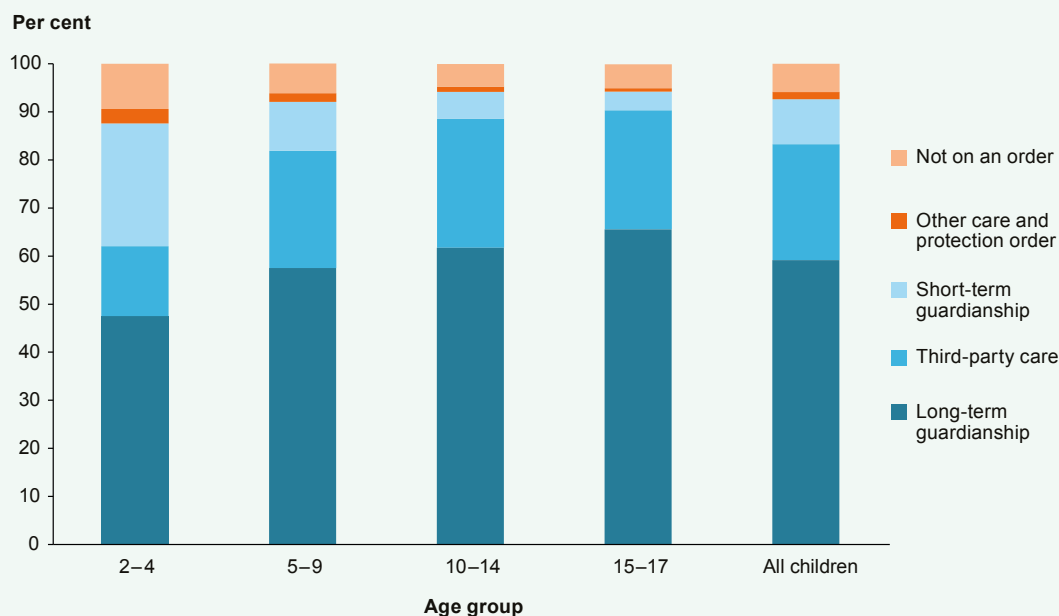
This section presents available data on the long-term care arrangements for children in out-of-home care, and adoption by known carers.

### Children remaining in out-of-home care

The available data indicate that most children in out-of-home care for 2 or more years, including children who have had more than 1 care arrangement, achieved some level of stability of care, if not permanency.

Of the children who had been in care for 2 or more years, most (83%) were on a long-term care and protection order:

- one-quarter (24%) were in a third-party parental care arrangement—home-based care where parental responsibility had been transferred to the carer
- around three-fifths (59%) were on long-term finalised guardianship or custody orders (Figure 2.5.1).



*Note:* This figure includes only children who had been continuously in out-of-home care for 2 or more years as at 30 June 2016.

*Source:* AIHW Child Protection Collection 2016.

**Figure 2.5.1: Children aged 2–17 in long-term out-of-home care, by legal arrangement and age group, 30 June 2016**

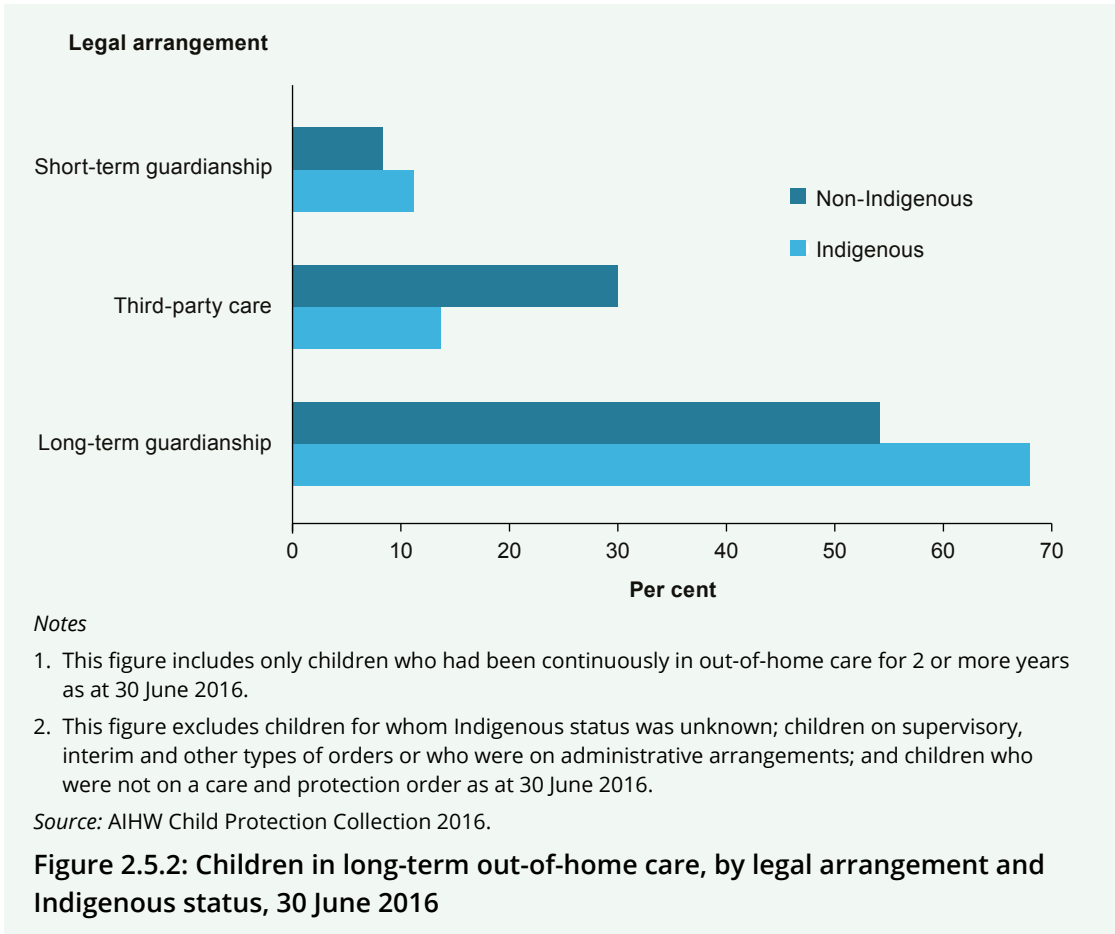
Similar patterns were generally seen across age groups. However, children aged 2–4 were less likely to be on a long-term third-party parental responsibility order and more likely to be on short-term guardianship/custody orders than older children. Young people aged 15–17 were more likely to be on a long-term guardianship order and living in residential care than other children (Table S2.5.5).

Most (88%) children on a long-term guardianship or custody order were living in home-based care with a foster or relative/kinship carer. A smaller proportion (8.1%) were living in residential care or family group homes (Table S2.5.6). Children living in home-based care (that is, in a family setting with a carer) are seen to have better developmental outcomes than children living in residential care with paid, rostered staff (AIFS et al. 2015; Cashmore 2011; DHHS 2014). Residential care may be used for children who have complex needs or to keep large sibling groups together.

Figure 2.5.2 shows that, when compared with non-Indigenous children, Indigenous children were:

- more likely to be on long-term guardianship/custody orders (68% compared with 54%)
- less likely to be in long-term third-party care arrangements (14% compared with 30%).

These findings may reflect a difference in approach to achieving permanency for Indigenous children. Permanence for Indigenous children does not rely on individual relationships but rather to belonging to, and being cared for in, extended family and kin networks; hence, placement with family and community should be considered before other permanent care arrangements (SNAICC 2016).

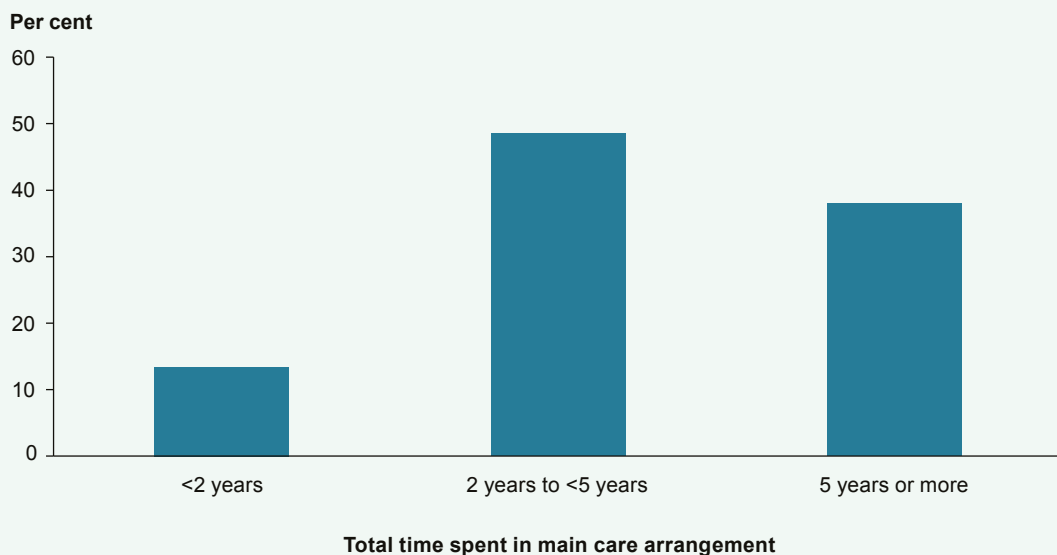


Most (87%) children who had been in care for 2 or more years had also spent at least 2 years in one main care arrangement (Figure 2.5.3).

This finding is based on the most recently available child protection data, which cover the 2 year collection period 2014–15 to 2015–16. These data include all placements that were open during this collection period, including those that began in a previous collection period. Therefore, time spent in each care arrangement can include time spent outside the 2 year collection period.

Multiple placements are generally viewed as representing instability for a child. However, in the national data, the higher number of placements that some children have experienced can also reflect:

- the use of regular respite care to support an existing long-term placement
- attempts to achieve a more permanent care arrangement (that is, a new placement with relatives/kin or other long-term carer)
- preparation for transition from care (for example, change in placement to independent living or residential care)
- shared care arrangements where children regularly spend a specified number of nights in more than one care arrangement.



#### Notes

1. This figure includes only children who had been continuously in out-of-home care for 2 or more years as at 30 June 2016.
2. For this analysis, 'main care arrangement' has been selected, based on the longest total duration (the sum of all care periods) spent in a care arrangement.
3. Time spent in the main care arrangement can include placements that began in a previous collection period and therefore can include time spent outside the 2-year collection period.

Source: AIHW Child Protection Collection 2016.

**Figure 2.5.3: Children in long-term out-of-home care, by time spent in the main care arrangement, as at 30 June 2016**

## Views of children in out-of-home care

A recent survey of more than 2,000 children in out-of-home care indicated that 91% felt safe and settled in their current placement, 94% felt close to at least one family group (either the people they lived with, family members, or both) and 97% felt they had an adult who cared about what happened to them, now and in the future (AIHW 2016d).

Two longitudinal surveys currently underway in New South Wales and Victoria will also, in future, provide valuable insights into the experience of children and young people in out-of-home care.

### New South Wales Pathways of Care longitudinal study

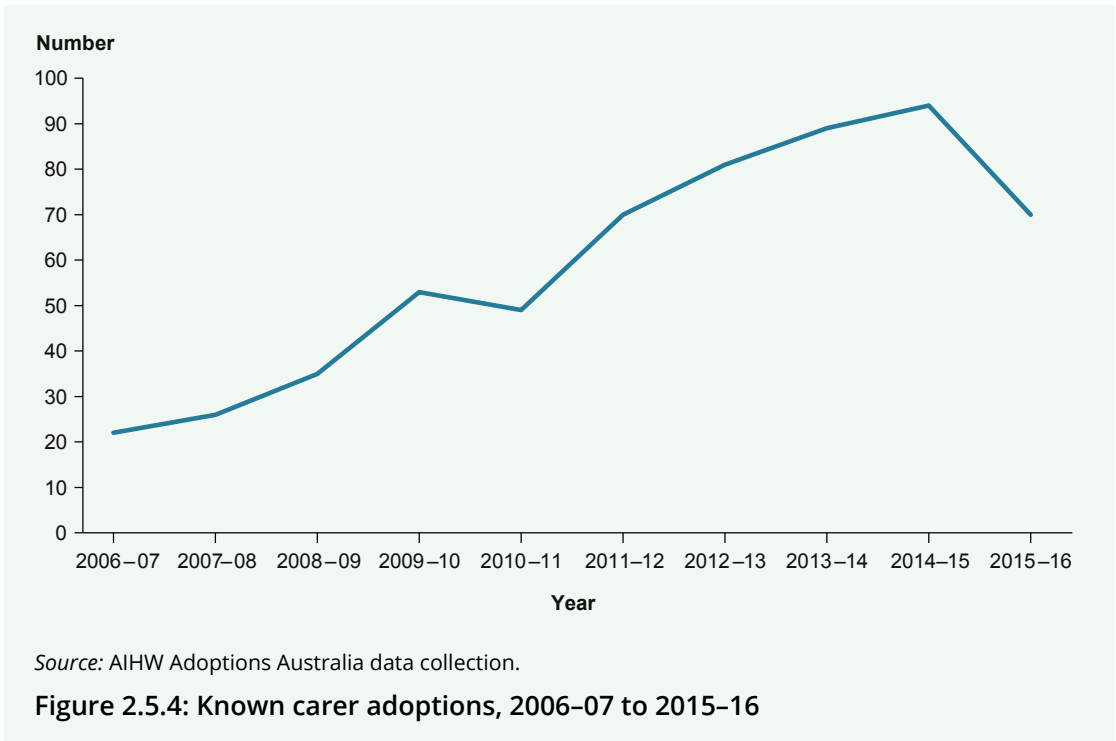
This large-scale longitudinal study is following a cohort of children and young people who entered out-of-home care for the first time ever between May 2010 and October 2011. Baseline information was collected at entry to out-of-home care and ongoing data are being collected on out-of-home care experiences and developmental wellbeing. These data include those on domains related to physical health, cognitive/learning ability, social-emotional wellbeing and safety. Data on their involvement in child protection, out-of-home care, health care, education and the justice system will be linked and matched to the survey results. The results of the study will be used to inform casework practice and enhance out-of-home care systems to improve outcomes for children in care (NSW FACS 2017).

## Beyond 18 longitudinal study in Victoria

This is a study of young people who were aged 16–19 in 2015 and had spent time in out-of-home care in Victoria. Participants are asked to complete three surveys between 2015 and 2018 to document their views on being part of the child protection system and leaving care. Information collected will be related to their out-of-home care and life experiences, health, relationships and education. The study aims to improve the support provided to young people while they are in care, while they make the transition from care and after they leave care (AIFS & DHHS 2017).

## Children adopted from out-of-home care

In Australia, 70 children were adopted from out-of-home care ('known carer' adoptions, see Box 2.5.2) in 2015–16. The number of 'known carer' adoptions rose between 2006–07 and 2014–15 (from 22 to 94), before falling to 70 adoptions in 2015–16 (see Chapter 2.3 'Adoptions') (Figure 2.5.4).



Australian jurisdictions differ in the extent to which they use adoption to achieve permanency for children in out-of-home care (AIHW 2016c; Box 2.5.2). The majority of carer adoptions were finalised in New South Wales, reflecting that state's policies for options to achieve stability. The recent fall in known carer adoptions is due in part to the application of long-term guardianship orders to children in out-of-home care in New South Wales, from late 2014 (AIHW 2016a).

## Placement stability in adoptions

Very little is known in Australia about placement stability in adoptions. Currently, the only Australian national data available are on intercountry adoptions at 12 months after placement of the child with the adoptive family (AIHW 2016a).

Disruption and dissolution of adoptions occur at different points in the adoption process but both result in either the child's return to (or entry into) out-of-home care or placement with new adoptive parents.

- Disruption is an adoption process that ends after the child is placed in an adoptive home but before the adoption is legally finalised.
- Dissolution is an adoption that ends after it is legally finalised.

Studies in the United States have reported disruption (in some cases including dissolution) rates between 6% and 11% (Coakley & Berrick 2008). Studies in the United Kingdom that separate disruption and dissolution report disruption rates of between 4% and 11% (Selwyn et al. 2014).

## Changing perceptions of the role of adoption

Adoption of children from out-of-home care has been of increasing interest in recent years. This has been reflected in legislative changes in some jurisdictions. For example, on 1 April 2014, the New South Wales Parliament passed the Child Protection Legislation Amendment Bill 2014. The amendments aim to streamline the process of adopting children and young people in out-of-home care. Amendments in Western Australia (effective late 2012) reintroduced relative adoption as a legislative option and strengthened the carer adoption process (AIHW 2016a).

However, adoption is only one option in permanency planning for children in out-of-home care and is not as widespread in Australia as in England or the United States (Fernandez & Atwool 2013; Ross & Cashmore 2016).

In the United States, the majority of children adopted from out-of-home care were adopted by their foster carers; in the United Kingdom, the majority were 'stranger/matched adoptions' (Selwyn et al. 2014).

The most recent data for the United States indicate that nearly 54,000 children were adopted from foster care in 2014–15. As at 30 September 2015, there were 428,000 children in foster care, of whom more than 110,000 were waiting to be adopted (US Department of Health and Human Services 2016). Over a similar period, in England, more than 5,300 children, of almost 70,000 in care, were adopted (UK Department for Education 2015). This compares with Australia's 94 known carer adoptions for the same period, where 54,000 children were in out-of-home care (AIHW 2015, 2016b).

Opinions differ among legislators, policy makers, practitioners, academics and the community about the use and appropriateness of adopting children from out-of-home care (Ross & Cashmore 2016). This includes a concern not to replicate the Stolen Generations and Forced Adoption, which have been the subject of national apologies (Senate Community Affairs References Committee 2015; SNAICC 2016; Tregeagle et al. 2014).

Adoption may be considered to be in the 'best interests' for some children; however, it is not suitable for all, especially for children who do not wish to be adopted (Bonfili 2015). Some research has estimated that half of the children for whom restoration had been excluded were not suitable for adoption (Tregeagle et al. 2014). This may be due to existing family and/or kinship ties preventing adoption. For children who are placed with relatives/kin, adoption is not generally considered appropriate (AIHW 2016a), while the Aboriginal and Torres Strait Islander Placement Principle (Lock 1997) views the adoption of Indigenous children as a last resort. A child's age, history of abuse, and emotional /behavioural problems may mean that, for some children, long-term out-of-home care with skilled foster parents may be a better permanency option than adoption (Queensland Department of Communities 2011).

The availability of sufficient numbers of carers to adopt children, other than infants, has been questioned (Ainsworth 2016). Many potential adoptive parents prefer to adopt infants and younger children, while children identified as needing adoption may often be older and have had repeated restoration efforts and care placements, sometimes resulting in additional behaviour disorder issues (Tregeagle et al. 2014; Unwin & Mişca 2013). Casework assistance with contact, therapeutic, practical and emotional support, and financial assistance have all been identified as critical to the success of adoption (UCCYPF 2014), but may be reduced or become time limited on adoption (Ross & Cashmore 2016).

## What is missing from the picture?

National child protection data are limited in the extent to which they can describe the level of permanency achieved. This is due to the difficulties in determining when a care arrangement has become permanent. The number of children who exited out-of-home care and were reunified with their family cannot be reported using existing national data. Similarly, data are not available on the number of children who experience disruptions to reunification attempts or long-term care arrangements.

National information about permanency-related concepts for children and young people in out-of-home care could be enhanced by the development of:

- nationally standardised definitions of permanency
- national data on the specific reasons children are placed in out-of-home care, including family characteristics
- national data on the reasons for changes in placement, which may help to identify placement changes made to promote permanency
- linked data to support comparisons of outcomes between children who have different experiences of out-of-home care and children who have never entered care
- linked data on the life course of young people exiting care at age 18
- a follow-up survey of children in out-of-home care, including qualitative components, increasing consistency of methodology across jurisdictions
- reportable data on adoption disruption and dissolution
- national data on the types and levels of family support services provided.



## What is the AIHW doing?

The AIHW is continuing to work with state and territory departments responsible for child protection to:

- develop and implement an agreed ‘reunification/permanency’ indicator under Standard 1 of the [National Standards for Out-of-Home Care](#)
- expand reporting of known carer adoptions to better understand the children for whom this permanency option has been used
- provide a composite view of long-term care in national reports by:
  - reporting on long-term and short-term finalised guardianship/custody orders in [Child protection Australia](#)
  - reporting on adoption orders as well as care and protection orders in [Child protection Australia](#)
  - reporting on third-party parental responsibility orders in [Adoptions Australia](#), to complement data on known carer adoptions including relevant research.
- improve the availability and comparability of national child protection data, with a focus on the framework for reporting on out-of-home care in Australia.

Linkage of child protection data with youth justice and specialist homelessness services data has been undertaken. The potential for linking out-of-home care data with other data sets related to health and welfare to enable outcomes reporting is also being explored.

## Where do I go for more information?

More information about child protection is available at [www.aihw.gov.au/child-protection/](http://www.aihw.gov.au/child-protection/). The report [Child protection Australia 2015–16](#) and [other recent publications](#) are available for free download.

More information about adoptions is available at [www.aihw.gov.au/adoptions/](http://www.aihw.gov.au/adoptions/). The report [Adoptions Australia 2015–16](#) is available for free download.

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## 2.6 Youth justice supervision

Young people who commit, or allegedly commit, a crime may be dealt with under the youth justice system. In Australia, youth justice is the responsibility of state and territory governments, and each jurisdiction has its own legislation, policies and practices. However, the general processes by which young people are charged and sentenced, and the types of legal orders available to the courts, are similar.

Young people can be charged with a criminal offence if they are aged 10 and older. The upper age limit for treatment as a young person is 17 in all states and territories except Queensland, where it is 16. Some young people aged 18 and older are also involved in the youth justice system. This may be due to the offence being committed when the person was aged 17 or younger, with supervision continuing once they turn 18.

### Young people under youth justice supervision

On an average day in 2015–16, 5,482 young people aged 10 and older were under youth justice supervision in Australia, with a total of 11,007 supervised at some time during the year. Among people aged 10–17, this equates to a rate of 21 young people per 10,000 population, or about 1 in every 476 young people being under supervision on an average day.

Most young people under youth justice supervision on an average day were supervised in the community (84%). Although 17% were in detention on an average day (some were supervised in both the community and detention on the same day), more than 2 in every 5 young people (44%) under supervision experienced detention at some time during the year.

Young people may be supervised when they are unsentenced—that is, when they have been charged with an offence and are awaiting the outcome of their court matter, or when they have been found, or have pleaded, guilty and are awaiting sentencing. In 2015–16, more than half (57%) of young people in detention on an average day were unsentenced.

### Some groups are over-represented

Compared with non-Indigenous young people, on an average day, Aboriginal and Torres Strait Islander young people were:



- 17 times as likely to be under supervision
- 15 times as likely to be supervised in the community
- 25 times as likely to be in detention.

Compared with young females, on an average day, young males were:



- 4 times as likely to be under supervision
- 4 times as likely to be supervised in the community
- 8 times as likely to be in detention.

Compared with young people living in *Major cities*, on an average day, people in *Very remote* areas were:



- 10 times as likely to be under supervision
- 10 times as likely to be supervised in the community
- 9 times as likely to be in detention.

Compared with young people living in the highest socioeconomic areas, on an average day, young people living in the lowest socioeconomic areas were:

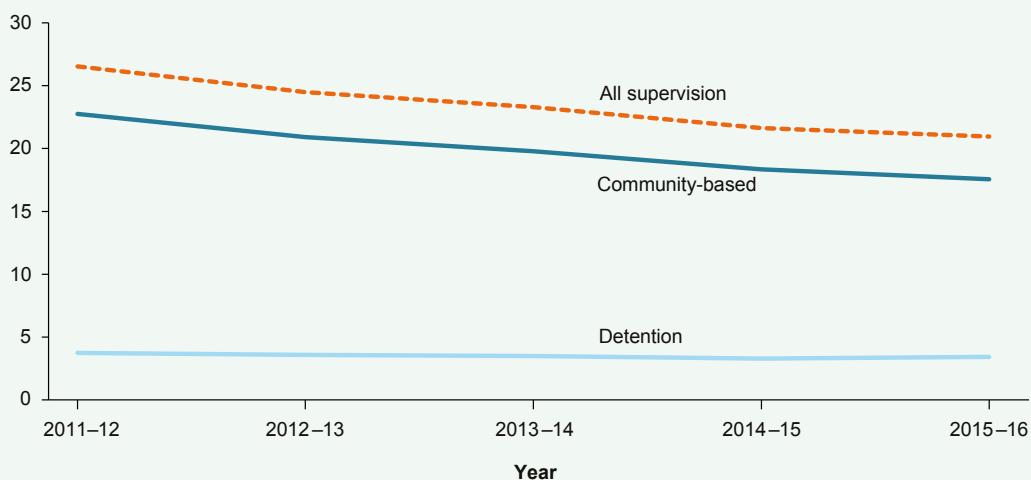


- 6 times as likely to be under supervision
- 7 times as likely to be supervised in the community
- 6 times as likely to be in detention.

## Fewer young people under supervision

Over the 5-year period from 2011–12 to 2015–16, the number of young people aged 10 and over under supervision on an average day fell by 21% (from 6,959 to 5,482), while the rate of those aged 10–17 under supervision fell from 27 to 21 per 10,000 (Figure 2.6.1). The number of young people aged 10 and over in community-based supervision on an average day fell by 23% (from 5,970 to 4,598) while the rate of those aged 10–17 fell from 23 to 18 per 10,000. Among those in detention, the numbers and rates also fell during the 5-year period, although to a lesser degree. The number of young people aged 10 and over in detention fell by 11% (from 1,024 to 914) and the rate among those aged 10–17 went from 4 to 3 per 10,000.

Rate (number per 10,000 young people)



Note: National totals include non-standard data for the Northern Territory.

**Figure 2.6.1: Rate of young people aged 10–17 under supervision on an average day, by supervision type, 2011–12 to 2015–16**

## Time under supervision

When all time spent under supervision is considered, young people who were supervised during 2015–16 spent a total of 182 days—or about 6 months, on average—under supervision. The average length of time under supervision has remained stable over the last 5 years, ranging between 180 and 182 days.

Young people spent more time, on average, under community-based supervision during the year (171 days) than in detention (69 days). For young people in detention, sentenced detention lasted substantially longer (103 days on average) than unsentenced detention (44 days).

## Returns to sentenced supervision

Most young people who receive a supervised youth justice sentence serve only 1 sentence, and do not return to sentenced youth justice supervision. Of young people under sentenced youth justice supervision from 2000–01 to 2015–16 and born between 1990–91 to 1997–98, 61% received only 1 supervised sentence before the age of 18.

A sizeable minority of young people who entered sentenced youth justice supervision went on to receive a total of 5 or more supervised sentences before they turned 18. For young people whose first supervised sentence was detention, more than 1 in 4 (27%) received a total of 5 or more supervised sentences, compared with 1 in 7 (15%) of young people whose first supervised sentence was community based.

## Involvement with child protection services

Some young people under youth justice supervision are also involved with the child protection system. Young people aged 10–17 under youth justice supervision during 2014–15 were 15 times as likely as the general population to be involved with the child protection system in the same year. Similarly, young people involved with the child protection system were 14 times as likely as the general population to be under youth justice supervision in the same year.

## What is missing from the picture?

Data are limited on the health and welfare status and health service use of young people under supervision, and on their health and wellbeing outcomes once they exit youth justice supervision. Information on the pathways between youth justice supervision and adult correctives services is currently not available, due to the current lack of linkable national data on adult corrective services. The Northern Territory did not provide standard data for the Juvenile Justice National Minimum Data Set in 2015–16, but non-standard data have been included in national totals where possible. The AIHW will be working with the Northern Territory to enable the provision of standard data in future years. Non-standard data are not included in some analyses (such as for remoteness or socioeconomic areas) or data linkage studies, due to issues around completeness and comparability with standard data.

## Where do I go for more information?

More information on youth justice in Australia is available at [www.aihw.gov.au/youth-justice/](http://www.aihw.gov.au/youth-justice/). Recent youth justice publications, including the *Youth justice in Australia 2015–16* bulletin and state fact sheets are also available for free download at the AIHW Youth justice in Australia 2015–16 page at: <http://www.aihw.gov.au/publication-detail/?id=60129558624>.

## 2.7 Family, domestic and sexual violence

Family, domestic and sexual violence is a major health and welfare issue in Australia and globally. The World Health Organization (WHO) estimates that 30% of women who have been in a relationship have experienced physical or sexual violence from an intimate partner since the age of 15 (WHO 2013). Almost 1.5 million Australian women have experienced violence from a current or former partner since the age of 15 (ABS 2013b). Approximately 1 in 6 Australian women have been subjected to physical or sexual violence by a current or former cohabiting partner, compared with 1 in 19 men (ABS 2013b).

This article provides an overview of the available data and research on family, domestic and sexual violence, primarily where the violence involved a female victim and a male perpetrator. This scope is consistent with the focus of recent inquiries and associated policies: the evidence, overwhelmingly, is that women are the victims of family, domestic and sexual violence, and the perpetrators are men.

If you are experiencing domestic or family violence or know someone who is, please call 1800RESPECT (1800 737 732) or visit the [1800RESPECT website](#).

### What is family, domestic and sexual violence?

Domestic violence is usually defined by a set of violent behaviours between current or former intimate partners: one partner tries to exert power and control over the other through fear. Violent behaviour can include physical, sexual, emotional and psychological abuse. Behaviour toward the victim can include limiting their access to finances, preventing them from contacting family and friends, demeaning and humiliating them, and threatening them or their children with injury or death (COAG 2012).

Family violence is more broadly defined, and refers to violence between family members as well as between current or former intimate partners. For example, it can include acts of violence between a parent and a child. 'Family violence' is the preferred term for experiences of violence between Aboriginal and Torres Strait Islander people, as it covers the broad range of extended family and kinship relationships in which violence may occur (Closing the Gap Clearinghouse 2016) (see Chapter 7.1 'Community factors and Indigenous wellbeing' for more information about the experiences of family violence for Indigenous Australians).

Sexual violence refers to behaviours of a sexual nature carried out against a person's will using physical force or coercion (or any threat or attempt to do so). Sexual violence can be perpetrated by partners in a domestic relationship, former partners, other people known to the victims, or strangers.

## Policy context

Family, domestic and sexual violence has become an increased community concern and a key priority for Australian and state and territory governments. There have been several recent national and state and territory inquiries into government responses to it. They all highlight the need to improve the integration of service responses for victims, to invest in prevention and early intervention, and to hold perpetrators more accountable (DPMS 2016; NSW Ministry of Health 2016; Social Development Committee of the Parliament of South Australia 2016; Special Taskforce on Domestic Violence in Queensland 2015; State of Victoria 2016).

*The National Plan to Reduce Violence against Women and their Children—2010–2022* (the National Plan) was released in 2011 with a vision that Australian women and their children can live free from violence in safe communities (COAG 2012). The plan focuses on two main types of violence: domestic/family violence and sexual assault. These types of violence mainly affect women. The National Plan aims to achieve a 'significant and sustained reduction in violence against women and their children' (COAG 2012).

The National Plan provides a framework for coordinating governments to deliver on four action plans over the 12 years. Its focus is on the following six outcomes:

- communities are safe and free from violence
- relationships are respectful
- Indigenous communities are strengthened
- services meet the needs of women and their children experiencing violence
- justice responses are effective
- perpetrators stop their violence and are held to account.

The Third Action Plan 2016–19 under the National Plan was launched in October 2016.

It outlines what governments, communities, businesses and individuals can do to reduce violence against women and their children through 36 practical actions, across six national priority areas, over the next 3 years.

## What do we know?

### Prevalence of family, domestic and sexual violence

Based on the Australian Bureau of Statistics (ABS) Personal Safety Survey (PSS) (see Box 2.7.1), since the age of 15:

- 1 in 6 (17%) Australian women, compared with around 1 in 19 men (5.3%) have experienced violence from a current or former cohabiting partner
- 1 in 4 (25%) women have experienced emotional abuse by a current or former cohabiting partner.

In the 12 months before the survey:

- women aged between 18–24 were the most likely age group to experience sexual and/or physical violence by any type of perpetrator (13%)
- women were also more likely to experience violence from a known person (4.0% of all women) than from a stranger (1.7%) (ABS 2013b).



For information on the family, domestic and sexual violence experiences of men in Australia, see Box 2.7.2.

### **Box 2.7.1: Measuring violence in the ABS Personal Safety Survey**

The PSS is designed to provide national level data on the prevalence of, and information about, the most recent experience of violence. Some data refer to partner violence—that is, from a person the respondent currently lives with (or lived with), in a married or de facto relationship. Partner violence does not include violence between intimate partners who were not living together at the time of the incident—this relationship is classified as ‘boyfriend/girlfriend or date’. The PSS asks people over the age of 18 about experiences of violence since the age of 15. It also asks about characteristics of their most recent incident of violence. The latest data come from the 2012 PSS, with the 2016 survey due for release late in 2017.

*Source: ABS 2013b.*

### **Box 2.7.2: What about male victims of family, domestic and sexual violence?**

This article primarily focuses on women and children as victims of family, domestic and sexual violence; however, men can be, too. The 2012 PSS is one of the primary data sources of experiences of men as victims of violence, and how this differs from the experiences of women. This section highlights some of the key findings for male victims, based on reported experience of violence since the age of 15.

#### **Males are more likely to experience violence than women**

- Men are more likely to experience physical violence than women. Five in 10 men (or 4.1 million) have experienced some form of physical violence, compared with 1 in 3 women (3 million).
- Men are less likely to experience sexual violence than women, with 1 in 22 men (0.4 million) reporting that they had experienced sexual violence since the age of 15, compared with 1 in 5 women (1.7 million).
- Men are more likely to experience violence from a stranger (36% or 3 million). Women are more likely to experience it from someone they know (36% or 3.1 million).

#### **Violence against men is less likely to be from their partner**

- One in 19 (5.3%) men (448,000) have experienced violence from a current or former partner, compared with 17% of women (1.5 million).
- Fourteen per cent (14%) of men (1.2 million) had experienced emotional abuse from a female partner, compared with 25% of women from a male partner.
- Slightly less than half of men who had experienced emotional abuse from a female partner reported feeling anxiety or fear due to the abuse (46% for former partners and 43% for current partners). This compares with 76% of women who felt anxiety or fear due to emotional abuse from a former partner and 63% from a male current partner.

*Source: ABS 2013b.*

Understanding the prevalence and extent of victims' experiences of violence relies on data collected either through surveys, or for administrative purposes (such as police, health or specialised services data). Use of these data sources to measure the prevalence of family, domestic and sexual violence relies on:

- victims' perception of what constitutes this violence
- victims' willingness to disclose/report the incident
- how the incident is disclosed/reported (ABS 2013a).

Family, domestic and sexual violence can also be disclosed to agencies such as police, health, legal or other specialist services—or just to family and friends. It can also be reported through surveys. The PSS is the most comprehensive source of the experience of interpersonal violence in Australia. However, there are still communities of interest for whom the PSS does not collect detailed information. These include women with disability, women from culturally and linguistically diverse backgrounds, transgender and gender diverse people, and Indigenous peoples (Cox 2015). Dealing with these data gaps will foster a better understanding of experiences of violence for all women and their children.

## Risk factors for family domestic and sexual violence

There is no one single cause of family, domestic and sexual violence. It is often a mix of interrelated factors—both individual and interpersonal. Individual factors include personal values and beliefs, mental health, drug and alcohol use. Interpersonal factors include learned patterns of behaviour within relationships. The broad consensus in the literature is that the underlying drivers of this violence reflect inequalities in the distribution of power, resources and opportunity between males and females and the way in which gender roles are formed (OurWatch, ANROWS & VicHealth 2015; VicHealth 2014).

Measures of gender equality can include differences in male and female life expectancy, employment, education, income and representation in political and senior management positions. The 2016 Gender Gap Index (World Economic Forum 2016) ranks Australia in the top third countries included (46th of 144 countries), achieving the highest scores of gender equality for educational attainment, but the lowest for political empowerment (women in parliament or ministerial positions).

Family, domestic and sexual violence can be experienced across all age, socioeconomic and demographic groups. However, there are some common elements associated with raised levels of this type of violence. It is often associated with alcohol and drug use—in 2012, 56% of women who had been physically assaulted by a man reported that alcohol or drugs contributed to the most recent incident of assault (ABS 2013b). As well, victims are commonly:

- young women, particularly women who are inexperienced in relationships or in a relationship where there is a substantial age gap between partners (Flood & Fergus 2008)
- unemployed women (or women who rely on government payments as their main source of income) (ABS 2013b)
- women born overseas (ABS 2013b)
- women with disability (ABS 2013b)

- Indigenous women—in 2014–15, the rate of hospitalisations for assaults related to family violence for Indigenous women was 32 times the rate for non-Indigenous women (SCRGSP 2016)
- women who are pregnant—in 2012, 25% of victims had their first experience of violence from a previous partner during their pregnancy (ABS 2013b).

## Attitudes towards violence against women

Communities whose attitudes reflect greater levels of gender equality are more likely to have lower rates of domestic, family and sexual violence (UNIFEM 2010). Attitudes towards violence against women in Australia are measured every 4 years through the National Community Attitudes towards Violence Against Women Survey (NCAS)—the most recent data available are from the 2013 survey (VicHealth 2014). This survey measures community knowledge and attitudes towards violence against women, gender roles and relationships, and responses to violence. It also tracks changes in knowledge and attitudes over time (between 1995, 2009 and 2013). The next NCAS will be conducted by Australia’s National Research Organisation for Women’s Safety (ANROWS) in 2017.

Overall, the results of the 2013 NCAS were generally positive. Only 4% to 6% of Australians believe that violence against women is justified in certain circumstances (Table 2.7.1). The majority also acknowledge that physical and non-physical violence (such as constant criticism, stalking, intimidation, and controlling social contact) are serious behaviours and a form of violence against women. Almost all Australians (98%) stated that they would intervene if a woman they know was being assaulted. There is room for improvement, though. Twenty-one per cent (21%) agree that the violence can be excused if the perpetrator regrets it, and 18% believe that men should take control and be the head of the household (reflecting attitudes towards gender roles and relationships).

In general, attitudes towards violence against women are fairly consistent across Australia. This is irrespective of location, educational attainment and type of employment. There are particular groups, however, that are more likely to endorse attitudes that support violence against women, and have a poor understanding of what constitutes it. These groups are:

- men in general, particularly young men and men who have experienced multiple forms of disadvantage
- young people aged 16–24
- people from countries where English is not the main language spoken, especially people who have recently arrived in Australia.

**Table 2.7.1: Summary of positive and concerning knowledge and attitudes towards violence against women in Australia, 2013**

<b>Aspect</b>	<b>Positive findings</b>	<b>Concerning findings</b>
Knowledge of violence	Most Australians recognise that violence against women is more than just physical violence, and can be a wide range of behaviours designed to intimidate and control women. Women were more likely than men to recognise that violence can be non-physical as well as physical.	26% did not believe that someone who tries to control their partner by denying them money is a form of partner violence (34% for males, 18% for females). 64% believed the main cause of violence against women is that some men cannot control their anger (65% for males, 64% for females).
Knowledge of the law	96% agree that domestic violence is a criminal offence (94% for males, 98% for females).	Nearly 1 in 10 believe that a woman cannot be raped by someone she is in a relationship with (10% for males, 8% for females).
Patterns and consequences of violence	89% of Australians believe that it is reasonable for the violent partner to be made to leave the family home (87% for males, 91% for females).	78% found it difficult to understand why women stay in a violent relationship (79% for males, 76% for females).
Attitudes for minimising/trivialising the violence	95% of Australians believe that violence against women is a serious issue (94% for males, 96% for females).	38% of Australians believe it is acceptable to track a female partner by electronic means without their consent (43% for males, 32% for females).
Circumstances in which violence can be justified or excused	Only 4% to 6% of Australians believe that violence against women is justified (depending on the scenario).	21% believe that domestic violence can be excused if the violent person regrets it (26% for males, 17% for females).
Responding to family, domestic and sexual violence	98% of Australians are prepared to intervene if a known woman was being assaulted by her partner (98% for males, 97% for females).	Only 57% of Australians would know where to get help for a domestic violence problem (53% for males, 60% for females). This percentage has fallen from 62% in 2009.

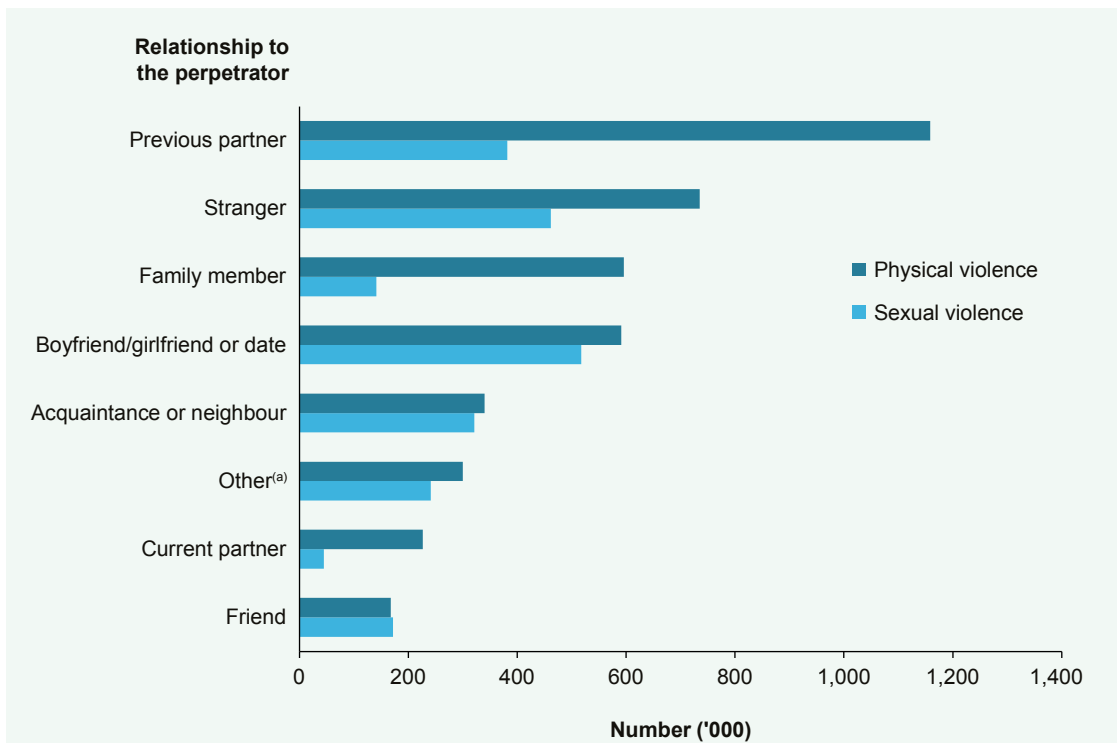
*Note:* Includes all survey respondents aged 16 and over.

*Source:* 2013 NCAS (VicHealth 2014).

## Relationship to the perpetrator

Women were more likely than men to have experienced physical or sexual violence by a partner. An estimated 17% of all women aged 18 and over (nearly 1.5 million women) and an estimated 5.3% of all men of the same age (around 450,000) had experienced violence from a current or former cohabiting partner since the age of 15. Women were also more likely than men to have experienced violence by a partner in the 12 months before the survey. An estimated 1.5% of all women aged 18 and over had experienced violence by a partner, compared with 0.6% of all men of the same age in the 12 months before the survey (ABS 2013b).

The relationship between the victim and the perpetrator differs for women in cases of physical violence and for women who have ever experienced sexual violence (Figure 2.7.1). Of women who have ever experienced physical violence since the age of 15, the most common type of known perpetrator was a previous partner (1.2 million or 13% of all women). For women who had experienced sexual violence, more than half a million (5.9% of all women) reported that the perpetrator was their boyfriend/girlfriend or date, and almost half a million reported that the perpetrator was a stranger (5.3% of all women) (ABS 2013b).



(a) Includes counsellor/psychologist/psychiatrist, doctor, priest/minister/rabbi, prison officer, ex-boyfriend/ex-girlfriend and any other known persons.

Source: ABS 2013b.

**Figure 2.7.1: Women who have experienced violence since the age of 15, by type of violence and relationship to the perpetrator, 2012**

# Impacts of family, domestic and sexual violence

Family, domestic and sexual violence affects more than just victims: perpetrators, families, workplaces and communities are all impacted in some way. These impacts include economic costs, homelessness, health consequences, and collateral effects on children. Some of these impacts are described in this section.

## Economic

Family, domestic and sexual violence can have a major impact on victims and the broader community. It places a substantial workload on specialist services, hospitals and other health services, and the justice system. The cost of violence against women and their children in Australia in 2015–16 was estimated at \$22 billion (KPMG 2016). Almost half of this cost (\$10.4 billion) is linked to the ongoing health impacts of violence. The direct economic impact on victims of violence can also be substantial.

Women who had experienced violence in the past 2 years were more likely than women who had not to have higher levels of debt, more difficulty in paying bills, insufficient money for food, and to have requested material assistance from welfare agencies (Cortis & Bullen 2016). Further, Indigenous women, pregnant women, women with disability, and women who are homeless are under-represented in the PSS. Taking these groups fully into account may add \$4 billion to these costs in 2015–16 (KPMG 2016).

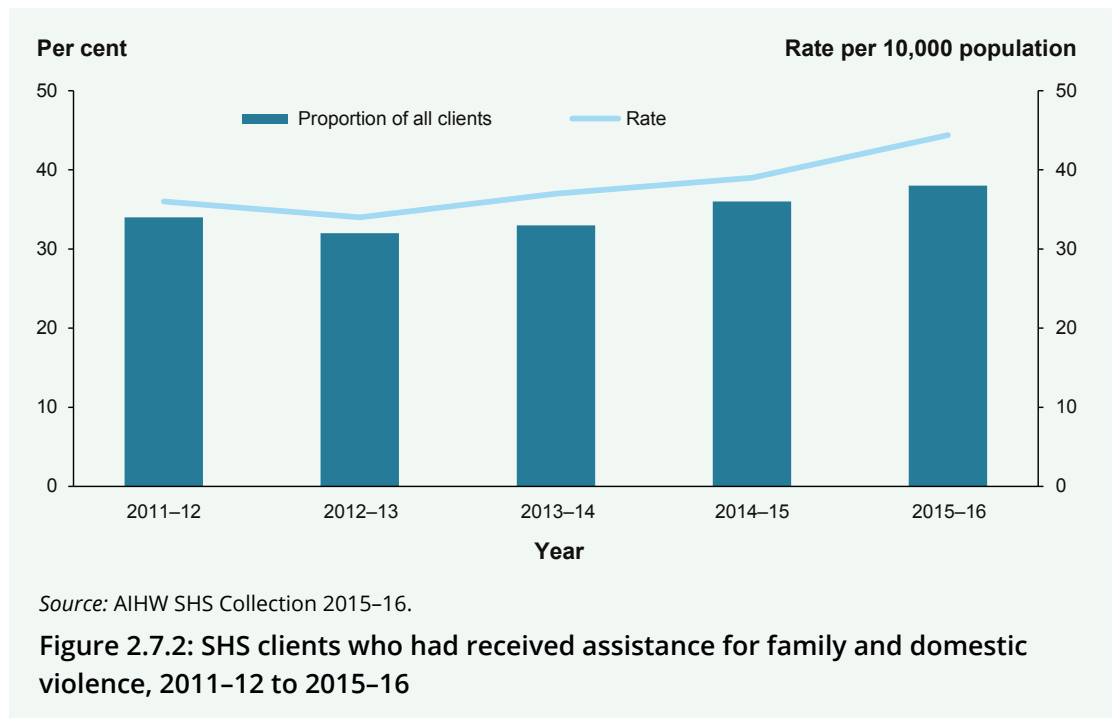
## Housing and homelessness

Family, domestic and sexual violence is the leading cause of homelessness and housing instability in Australia (Spinney 2012). It is also consistently one of the most common reasons that clients seek help from specialist homelessness services (SHS) (AIHW 2016a). This sort of violence is most often experienced in the victim's home; hence, escaping it can be very difficult without social and financial support (ABS 2013b; Cortis & Bullen 2016).

SHS offer a range of supports. These include crisis and emergency accommodation, income support, counselling, referrals to legal services, connections to social housing providers, other specialised support, and referrals to specialist providers (AIHW 2016a) (see Chapter 6.2 'Homelessness' for more information about SHS).

In 2015–16, 38% of SHS clients (106,000) had experienced family and domestic violence and 92% of these were women and children (Figure 2.7.2). The number of family and domestic violence clients has increased by 33% since 2011–12 (AIHW 2016a).

In some cases, women can seek support to remain safely in the home with their children while the perpetrator is removed (through criminal justice responses); this option is commonly referred to as 'safe at home' (Breckenridge et al. 2016). Safe at home programs aim to maximise women's safety, allow for integrated service responses, prevent homelessness, and support women's economic security (Breckenridge et al. 2016).



## Health

Violence can have a severe impact on the physical, mental and behavioural health of women and children. The effects can be immediate and acute, long-lasting and chronic or, in some cases, fatal (WHO 2013). A study into the burden of disease (including illness, injury and premature death) for adult women who had been exposed to intimate partner violence in their lifetime (using 2011 data) found that:

- 1.4% of the total burden of disease in adult women was attributed to physical/sexual cohabiting partner violence (Ayre et al. 2016)
- anxiety disorders made up 35% of the burden attributed to cohabiting partner violence, followed by depression (32%) and self-inflicted injuries (19%) (Ayre et al. 2016)
- among women aged 25–44, intimate partner violence (includes boyfriend, date or cohabiting partner) was the leading risk factor, responsible for a greater contribution to the disease burden in this age group than alcohol use and tobacco use (Webster 2016).

## Injuries leading to hospitalisation or death

Family, domestic and sexual violence can result in serious injury, and may lead to the hospitalisation or death of the victim. In 2013–14, more than 20,000 people (13,800 males and 6,300 females) were admitted to hospital for assault injuries (AIHW 2017b). The overall rate of assault injury among women and girls was 56 cases per 100,000 population, compared with 121 for men. For females hospitalised for assault injuries, 59% of hospitalisations involved a perpetrator who was a spouse or domestic partner (for cases where the perpetrator was specified). 'Parents' (195 cases) and 'other family members' (726 cases) accounted for nearly half of the remaining cases where the type of perpetrator was specified.

Between 2002–03 and 2011–12, there were around 2,600 homicides in Australia, two-fifths of which were classified as domestic or family homicides (Cussen & Bryant 2015). Sixty per cent (60%) of these domestic and family violence homicides were classified as intimate partner homicides (around 650 incidents). Of these intimate partner homicides:

- 75% of the victims were female
- 68% occurred in the victim's home
- 44% involved a prior history of domestic violence
- more than 1 in 3 had alcohol detected in either the perpetrator (36%) or the victim (35%).

## Children living with violence

Exposure to family and domestic violence can have a substantial impact on a child's development, physical and mental wellbeing and schooling (Campo 2015). Children exposed to such violence have higher rates of social and emotional and behavioural problems than children with mothers who did not experience it (Shin et al. 2015). Children experiencing family and domestic violence are vulnerable to homelessness, which can further disrupt schooling, social networks and feelings of safety and belonging (AIHW 2016a; Campo 2015).

Evidence suggests that a substantial number of children are exposed to family and domestic violence. For example:

- 6 of 10 (more than 730,000) women who experienced violence from an ex-partner reported that they had children in their care at the time of the violence, and 77% of these women reported that their children had seen and heard the violence (ABS 2013b)
- 29% (about 31,000) of clients who sought assistance from SHS for family and domestic violence were aged 14 or younger (AIHW 2016a)
- emotional abuse (including exposure to family violence) was the primary abuse type for 45% (more than 20,300) of child protection substantiations (AIHW 2017a)
- more than half (54% or about 6,500) of young people who were both clients of SHS and child protection services had experienced domestic and family violence. This was higher than the proportion for SHS-only clients (44%) (AIHW 2016b).

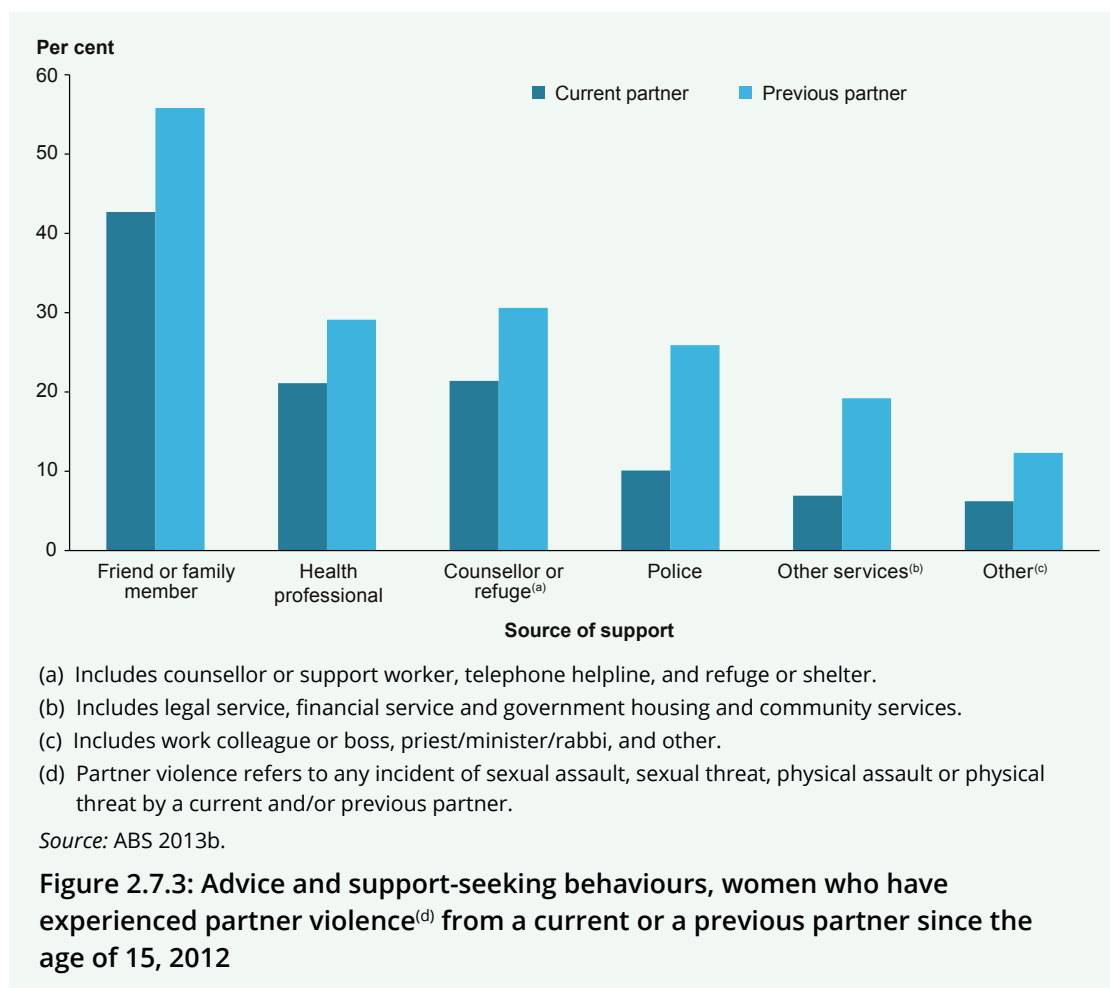
Certain vulnerable groups continue to experience higher levels of violence and disadvantage. These include Indigenous children and young people; people in out-of-home care; people with disability; people who are sexually diverse, transgender, gender diverse and intersex; people from culturally and linguistically diverse backgrounds, and people living in rural and remote areas (AHRC 2016).

## Support after family, domestic or sexual violence incidents

After a family, domestic or sexual violence incident, victims might seek support or disclose the incident to informal networks (such as friends and family) or to formal support services (such as health professionals, police, legal services and housing assistance). More than two-thirds (68%) of women who experienced physical violence from a male perpetrator had sought advice or support following the incident (ABS 2013b).



The most common source of support for women was from a friend or other family member (43% for current partner violence and 56% for previous partner violence) (Figure 2.7.3). These networks play a substantial role in helping women who have experienced family, domestic or sexual violence (Meyer 2010). Support services or support networks can assist women who have experienced violence to feel safe and live free of violence (Morgan & Chadwick 2009).



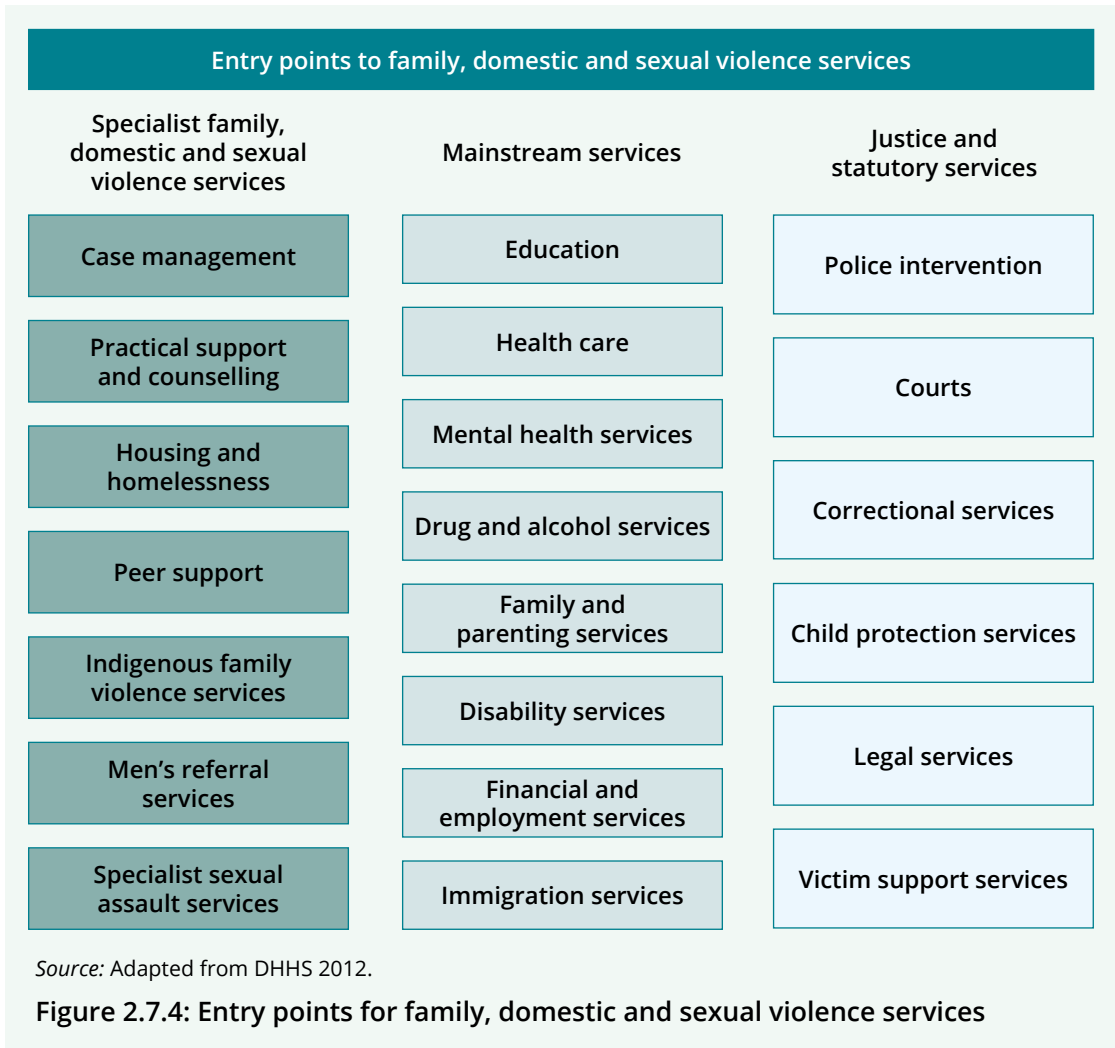
## Family, domestic and sexual violence services

Women and their children need to feel safe and have access to appropriate services when reporting family, domestic and sexual violence, and perpetrators should be held to account for their actions. The three main service entry points for people experiencing this violence are:

- specialist domestic and family violence and sexual assault services (including refuges and other housing/homelessness services, crisis services, forensic services, counselling, financial assistance, and perpetrator intervention services)
- mainstream services (including health and education services)
- justice and statutory services (including police, family courts and child protection services) (Figure 2.7.4).

Although multiple entry points into services accommodate the diversity of needs for victims and perpetrators, they can be difficult to access and navigate (State of Victoria 2016).

Family, domestic and sexual violence policy and programs are delivered by government and non-government services across a wide range of sectors; therefore, it is important that service delivery is well integrated. An integrated response requires information and expertise to be shared among agencies to effectively assess risk, enhance efficiency, and improve the data collection to build evidence to deliver services better (PM&C 2016). Effective service integration also reduces the need for victims to have to re-tell their experience to multiple service providers, creating further trauma.



## Reporting to police

Police intervention is one of the key entry points into the family, domestic and sexual violence service 'system'. When incidents of such violence are not reported, perpetrators are not held to account for their behaviour by the law, and victims may not get access to the help and services needed to support them (Birdsey & Snowball 2013). Police have the authority to arrest and charge perpetrators, issue interim protection orders for the victims, and coordinate and facilitate referrals to specialist services.

In most cases, there is no specific offence type used for family, domestic and sexual violence. In published police data, such violence may be associated with the following offence types:

- homicide (including murder and attempted murder)
- acts intended to cause injury (including assault and stalking)
- sexual assault
- abduction/harassment/stalking
- property damage
- breach of violence and non-violence orders.

The quality of police data on the number of reported incidents and offences depends on police accurately classifying incidents and associated offences. As there is no consistent process to identify family, domestic and sexual violence across states and territories, caution should be exercised when interpreting such violence from recorded crime data.

According to data reported to police for offences related to family, domestic and sexual violence (for selected states and territories) in 2015–16:

- the most common offence type was *acts intended to cause injury* (ranging from 49% to 80% of all incidents reported)
- there were 4–5 times as many male offenders as female offenders
- the median age of perpetrators ranged between 31 and 34 (ABS 2017b).

Unfortunately, a considerable number of family, domestic and sexual violence incidents are not reported to police. Data from the PSS show that:

- only 20% of women who had experienced physical and sexual violence from a current partner had contacted the police
- only 42% of women who had experienced physical and sexual violence from a previous partner had contacted the police
- women were more likely to report to police if they had experienced more than one incident of partner violence. This was most evident for violence experienced by previous partners. Of the women who had experienced previous partner violence, 6.5% reported it to police after one incident compared with 36% who reported it after more than one incident (ABS 2013b).

### Factors affecting reporting to police

In a study of victims attending domestic violence services, only half had reported the most recent incident of violence to police (Birdsey & Snowball 2013). Victims were more likely to report the incident if there was a current apprehended violence order against the perpetrator, if they were physically injured, if there was property damage, or if they thought their children were at risk. The most common reasons for not reporting the incident to police were:

- fear of revenge from the offender/fear of further violence (14%)
- embarrassment and shame (12%)
- thinking that the incident was too trivial/unimportant (12%)
- bad/disappointing experience with reporting previous incidents to police (10%) (Birdsey & Snowball 2013).

## Family, domestic and sexual violence perpetrators in criminal courts

Data from the criminal courts show how perpetrators (or defendants) move through the justice system in incidents of family, domestic and sexual violence where criminal charges have been laid by the police. As for police data, there is no consistent process to identify charges related to family, domestic and sexual violence across states and territories.

Therefore, caution should be used when interpreting family, domestic and sexual violence reporting from criminal courts data.

According to data reported from selected state and territory magistrates' courts in 2015–16 for offences related to family and domestic violence:

- *acts intended to cause injury* were the most common principal offence related to family and domestic violence
- defendants finalised for one or more offences related to family and domestic violence were more likely to be male than female across all jurisdictions (ranging from 84% to 89% of defendants)
- the majority of defendants were proven guilty (ranging from 72% to 87% of defendants)
- of the defendants proven guilty of *acts intended to cause injury*, the majority (ranging from 64% to 80%) were sentenced to a non-custodial order, except in the Northern Territory where 86% were sentenced to a custodial order (ABS 2017a).

### What is missing from the picture?

There is no single source of truth on the prevalence of violence (Cox 2015). The ABS PSS does provide detailed information on specific incidents of violence every 4 years. There is little information, however, on the experiences of persons from culturally and linguistically diverse backgrounds; on people who identify as lesbian, gay, bisexual, trans and/or intersex; on older people (elder abuse); and on people with a disability (Mitra-Kahn et al. 2016). Information on the experiences of Indigenous people are collected in the ABS National Aboriginal and Torres Strait Islander Social Survey, but this is collected only every 6 years (ABS 2016a).

The family, domestic and sexual violence 'system' is diverse. It covers multiple sectors and represents multiple entry or intervention points. For most agencies involved, data collections do not specifically flag family, domestic and sexual violence cases. This represents a major lost opportunity to gain insights into patterns of service use.

Other key data gaps identified include risks and drivers of family, domestic and sexual violence (such as mental health, drug and alcohol use); characteristics of victims and perpetrators; and the outcomes of specialised services and interventions for victims, perpetrators and children.

There is also sparse information on the family, domestic and sexual violence workforce, in terms of its numbers, skills, qualifications and distribution.

## What is the AIHW doing?

Family, domestic and sexual violence data are collected through the data systems used to support policing, justice, corrections, health and community services (including SHS). These systems are often not 'linked up', meaning that the individual pathways of women and their children experiencing violence—and of perpetrators—cannot be tracked across systems. This presents a major barrier in determining which interventions are most effective in supporting and protecting women and their children.

Under the National Plan, all governments in Australia are committed to developing a National Data Collection and Reporting Framework (DCRF), being led by the ABS (ABS 2014). This framework is the basis for building a common language and a coordinated and consolidated approach to service-level data collection. Building on the work of the ABS and the DCRF, the AIHW—in partnership with the Department of Social Services, the ABS, ANROWS and several jurisdictions—will develop an initial capability in the form of a national family, domestic and sexual violence data clearinghouse and national report. Subject to ongoing funding, the data clearinghouse is designed to:

- coordinate national reporting of family, domestic and sexual violence data
- provide a platform for improving quality and consistency of existing data collections
- develop a shared understanding of data gaps and priority data developments
- facilitate the linkage of data sets, subject to appropriate protocols
- promote researcher access to individual or linked data sets.

The AIHW has also been assisting the Department of Social Services to develop a set of progress indicators related to the *National Outcome Standards for Perpetrator Interventions* (COAG 2015). It will be preparing annual reports against these indicators, starting with 2015–16 data.

In June 2017, the AIHW participated in a WHO expert group in Geneva on methodological and measurement issues for statistics on violence against women. Data availability, plus identification of data gaps and limitations, need to be addressed for the purposes of national and international monitoring. AIHW is actively contributing in this space, sharing its expertise internationally.

## Where do I go for more information?

More information about the PSS and the National DCRF for family, domestic and sexual violence is available from the ABS website at [www.abs.gov.au](http://www.abs.gov.au).

Further information on violence against women and their children can be found on the ANROWS website at [www.anrows.org.au](http://www.anrows.org.au).

More information about clients experiencing domestic violence in the SHS collection is available at [www.aihw.gov.au/homelessness-publications/](http://www.aihw.gov.au/homelessness-publications/).

The report *Domestic and family violence and homelessness 2011–12 to 2013–14* and other recent publications are available for free download.

More information about the *National Plan to Reduce Violence against Women and their Children—2010–2022* is available at the [Department of Social Services website](http://www.dss.gov.au).

For more information about the National Sexual Assault, Domestic Family Violence Counselling Service, see the [1800RESPECT website](http://www.1800RESPECT.gov.au).

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## Chapter 3

# Education in Australia



## 3.0 Introduction

Participating and engaging in learning and formal education from an early age are central to a person's development and future ability to lead a productive and fulfilling life. Low school attainment and poor engagement with school can lead to poorer outcomes across the life course, including poverty and social exclusion.

This chapter looks at some of the key aspects of secondary and higher education and training in Australia—from secondary school attendance and completion, to options such as apprenticeships, traineeships and tertiary education. As the chapter shows, education can be a lifelong pursuit and there are many important factors in considering pathways from education to employment. For example, completion of schooling and higher levels of educational attainment (particularly tertiary level qualifications) open up broader employment opportunities and outcomes (such as higher relative earnings) in the future.

In 2016, the proportion of people studying for post-school qualifications was highest among people aged 20–24 (42%), but 15% of 25–34-year-olds, 8.1% of 35–44-year olds and 3.5% of 45–64-year-olds were also enrolled.

All Australian children must attend school until they complete Year 10. Young people must then participate in full-time education, employment or training (or a mix of these) until they are 17. Reflecting this, most (91%) people aged 15–24 were engaged in education and/or employment in 2016. As well, more young Australians aged 20–24 are completing Year 12, or its equivalent, than a decade ago. The Year 12 completion rates for young Aboriginal and Torres Strait Islander people have also risen over the past decade.

Young people not in education, employment or training (often referred to as the 'NEET' group) are seen to be completely disengaged from work and study. In 2016, 8.8% of 15–24-year-olds, 5.1% of 15–19-year-olds and 12% of 20–24-year-olds were not in education, employment or training.

This chapter also reviews how Australian children are faring in education, both at home and internationally. The National Assessment Program—Literacy and Numeracy (NAPLAN) tests are conducted each year for all students across Australia in Years 3, 5, 7 and 9. The results for 2016 were very similar to those for previous years. Big gaps remain for vulnerable groups, including for Indigenous Australians, students whose parents have low levels of education, students whose parents work in unskilled occupations, and children involved in the statutory child protection system.

On the world stage, Australia's performance of late has been mixed. It was one of 72 countries to take part in the 2015 Programme for International Student Assessment—a survey of 15-year-olds' competencies in reading, mathematical and scientific literacy. Although it scored above the average for 35 Organisation for Economic Cooperation and Development countries, Australia's average scores have decreased significantly since 2009 for reading; since 2006 for scientific literacy; and since 2003 for mathematical literacy.

# 3.1 Pathways through education and training

Education and training are crucial to a person's development and ability to lead a productive and fulfilling life. They promote self-confidence and independence and provide the skills and competencies needed to obtain employment and stay competitive throughout adulthood. Completion of schooling and higher levels of educational attainment (particularly tertiary level qualifications) open up broader employment opportunities and outcomes (such as higher relative earnings) in the future.

In Australia, schooling is compulsory until the completion of Year 10, after which young people must participate in full-time education, employment or training (or a combination of these activities) until the age of 17. After secondary school, young people can enter the workforce, complete further study, or combine both. There are several education and training options available, with many young people continuing their education pathway through higher or vocational education and training (including apprenticeships and traineeships) (see Chapter 3.3 'Apprenticeships and traineeships'; 3.4 'Tertiary education').

However, not all young people are participating in education, employment or training (those who are not are referred to as the 'NEET' group). Non-participation among young people has been linked to future unemployment, lower income and employment insecurity (Pech et al. 2009), placing these young people at risk of social and economic disadvantage and social exclusion.

## Transitions

### Key milestones

Achieving certain milestones is important if young people are to successfully move on to full-time employment or further study. Evidence has identified the following key transition ages:

- 15—engagement in school, with sufficient literacy and numeracy skills to complete Year 12 or an equivalent vocational qualification (like a Certificate III)
- 19—possessing an initial qualification (or be in the process of completing it)
- 24—being in the process of establishing a career path, having obtained a higher-level vocational qualification or a higher education qualification (for example, a Bachelor degree); young people without an initial qualification at age 19 should have re-engaged with education and training (Liu & Nguyen 2011; Victorian Government 2010).

## School completion and transition to further study or work

Students who complete Year 12 tend to have more successful transitions from education to work (Ryan 2011) and are more likely to gain employment and/or continue onto tertiary education. These transitions are established early—for example, over 6 in 10 students establish academic success in early to middle childhood and a similar proportion maintain this through to school completion. Similar proportions are also fully engaged in education or work by their mid-20s (Lamb et al. 2015).

Completion rates have been rising over time, with the proportion of people aged 15–64 who had completed Year 12 (or equivalent) increasing from 65% in 2006 to 76% in 2016 (ABS 2016b) (see Chapter 3.2 ‘School retention and completion’).

Many factors can influence the likelihood that a student will complete their schooling. For example, literacy levels at the age of 15 are a strong indicator for future achievements, including Year 12 completion, university attendance, and university completion. Parental aspirations are also important—secondary students whose parents wish them to attend university are far more likely to complete Year 12 (NCVER 2014).

Australia still has a high number of people who are not completing Year 12 by the time they are 19 (estimated at around 81,000 in 2014) (Lamb et al. 2015). Attending and completing school can be challenging for some young people. Year 12 (or equivalent) completion rates at age 19 are generally lower for people attending school in *Remote* and *Very remote* areas, who live in low socioeconomic areas, who are Indigenous (Lamb et al. 2015) or who have a disability (ABS 2016a).

## Optimal pathways

There are many possible pathways through and beyond the education system. There is not one path of ‘best fit’. However, certain factors will maximise one’s chances of positive outcomes after secondary school.

Longitudinal research that considered the most successful ‘paths’ (defined as leading to goals to undertake further higher study and/or gain employment) found slightly different results for males and females. While the ‘best’ path for males differs across a range of desired outcomes, Year 12 completion is a common factor in each. For females, the ‘best’ pathway was clearly identified as completion of Year 12, followed by university study (Karmel & Liu 2011).

## Employment outcomes

In 2016, people with higher levels of educational attainment were more likely to be employed: 80% of people with a Bachelor degree or above and 76% with a Certificate III or IV were employed, compared with 67% of people with Year 12 and 44% of people with Year 11 or below as their highest educational attainment (ABS 2016b). However, while educational attainment has been improving over time (see Chapter 3.2 ‘School retention and completion’; Chapter 3.4 ‘Tertiary education’), it is becoming more challenging for young people to find sustainable or full-time employment, even after graduating from higher education (Torii & O’Connell 2017).

The proportion of young people (aged 15–24) in full-time work is decreasing, and the percentage working part time is increasing. This trend is consistent with that for all people of working age (see Chapter 4.1 ‘The changing nature of work and worker wellbeing’). As at March 2017, 27% of people aged 15–24 worked full time, compared with 35% 10 years ago and 48% 30 years ago. The proportion working part time in 2017 was 31%—increasing from 28% a decade ago and 13% three decades ago (AIHW analysis of ABS 2017).

Understanding employment outcomes and opportunities for young people is complicated by the fact that young people are generally disproportionately affected by tough labour market conditions. Labour market outcomes have not improved for Australians aged 15–29 since 2008 (OECD 2016a)—as reflected in the youth unemployment rate. This rate has continued to rise since the Global Financial Crisis, but has been consistently higher than the overall unemployment rate over many years (13% in 2016 compared with an overall unemployment rate of 5.7%) (see Chapter 4.2 ‘Key employment trends’).

## University graduates

In 2016, 71% of university graduates were working full time within 4 months of finishing their undergraduate degree. While this was an increase from 69% for the previous year, it was a large drop from 85% in 2008. Since the Global Financial Crisis, graduates have taken longer to gain a position in the labour market (QILT 2016).

University graduates from more skill/practical based degrees are more likely to succeed in entering the labour market immediately after graduating. For example, Medicine and Pharmacy graduates were the most likely graduates to gain full-time employment (at more than 96% of graduates) in 2016. In contrast, for more generalist degrees in fields such as Creative arts, Communications, and Science and mathematics, less than 62% gained full-time employment immediately (within 4 months) after graduating (QILT 2016).

## Apprentices and trainees

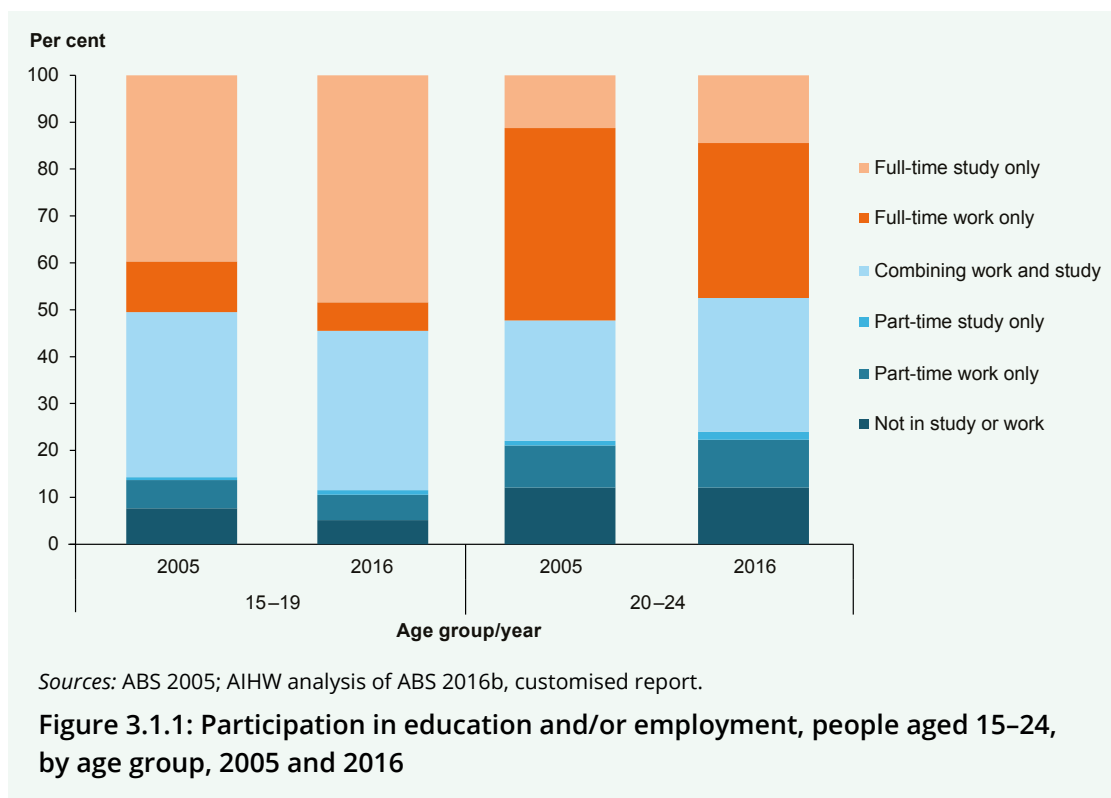
Most people (around 80–90%) who have completed an apprenticeship or traineeship are employed after training (Hargreaves et al. 2017). Older apprentices are more likely than their younger counterparts to be undertaking training at a higher level, and are more likely to complete their training.

There is a continuing growth in the proportion of apprentices undertaking apprenticeships at older ages. These are often workers with established skills, experience and prior qualifications. There is a need for more apprenticeship pathway options (and higher learning options, such as diploma and associate degrees) for this group (see Chapter 3.3 ‘Apprenticeships and traineeships’).

# Who is missing out?

Young people who are not in education, employment or training (often referred to as the ‘NEET’ group, or ‘NEETs’ for ease of reference) are seen to be completely disengaged from work and study. Low educational attainment and poor literacy and numeracy skills increase young people’s risk of being a NEET, with around 40% of NEETs in Australia never having obtained an upper secondary qualification (OECD 2016a; 2016b). Females make up around 60% of the NEET group in Australia—this over-representation is often attributed to their domestic duties and child care obligations. NEET rates are also higher than average among Indigenous youth (making up 10% of the NEET youth, compared with around 3% of the population) and among migrants from non-English-speaking countries (18%) (OECD 2016c).

In 2016, most (91%) people aged 15–24 were engaged in education and/or employment (AIHW analysis of ABS 2016b; customised report). However, 8.8% of people aged 15–24 were not. This varied by age: 5.1% of people aged 15–19 (75,300 people) and 12% of people aged 20–24 (200,400 people) were not engaged in education and/or employment (Figure 3.1.1).



Between 2005 and 2016:

- the proportion of 15–19-year-olds not in employment, education or training decreased (from 7.7% to 5.1%, respectively)
- the proportion of 20–24-year-olds not in employment, education or training remained similar (at around 12%)

- the proportion of young people aged 15–19 and 20–24 engaged in full-time work (and not studying) decreased, while the proportion increased for young people engaged in full-time study only
- the proportion of 20–24-year-olds combining work and study increased slightly—from 26% to 29%.

Relative to the international scene in 2015:

- the proportion of Australians aged 15–19 who were not in education or employment was similar to the Organisation for Economic Co-operation and Development (OECD) average (6.0% compared with 6.3%, respectively), with Australia ranked 18th out of 32 OECD countries with available data
- among people aged 20–24, the Australian non-participation rate in 2015 (13%) was lower than the OECD average (17%), and ranked 11th out of 32 OECD countries (OECD 2017).

As already indicated, labour market conditions affect employment opportunities for young people. Several other factors may influence the proportion of the population who are NEETs, such as changed entitlements to Youth Allowance (see later in this article), or perceptions by young people that Year 12 and post-school qualifications are needed to be competitive in the job market (Gilfillan 2016).

## Government financial support

The Australian Government offers several payments to support young people undertaking study, training or an apprenticeship. The two main payments are Youth Allowance (Student and Apprentice) and ABSTUDY (Non-living allowance), with around 155,800 and 20,800 recipients, respectively, as at December 2016 (DSS 2017).

The Council of Australian Governments made a commitment to help young people to achieve their educational potential and make the transition to employment through the National Partnership Agreement on Youth Attainment and Transitions (COAG 2009). This agreement outlined that young people who have not attained Year 12 or equivalent must undertake full-time education or training to be eligible for Youth Allowance.

The Australian Government can also assist eligible students with the cost of their tuition fees through subsidised university places, known as Commonwealth Supported Places (CSPs) and the Higher Education Loan Program (HELP). Information about CSPs and HELP loans are available on the Study Assist website at [www.studyassist.gov.au](http://www.studyassist.gov.au).

### What is missing from the picture?

While longitudinal data, such as from the Longitudinal Surveys of Australian Youth, can provide substantial insight into educational pathways, a large gap remains in the ability to identify and track individuals over time. Unique student identifiers, which could remove duplicate records and allow tracking of movements across state/territory and educational sectors, would provide a means to do this in future.

The annual Australian Bureau of Statistics 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 often, from the National Aboriginal and Torres Strait Islander Health Survey and National Aboriginal and Torres Strait Islander Social Survey. 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 from the ABS [Survey of Education and Work](#) and from the [National Centre for Vocational Education Research](#).

For the latest information on available payments and eligibility criteria, see the Department of Human Services website at [www.humanservices.gov.au](http://www.humanservices.gov.au).

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## 3.2 School retention and completion

Completing Year 12 or an equivalent vocational qualification is seen as a key milestone in the formal development of an individual's skills and knowledge and for improving their economic and social opportunities in life (see Chapter 3.1 'Pathways through education and training').

People with Year 12 qualifications are more likely to continue further study, particularly in higher education, and to enter the workforce. The Australian Government has committed to ensuring that all young people have the opportunity to complete Year 12 or its vocational equivalent.

The states and territories are also committed to increasing rates of school completion.

### School retention

Most young people stay at school until Year 12. In 2016, the apparent retention rate to year 12 (see Box 3.2.1) was 84%. There has been a gradual increase in the apparent retention rate over the last 6 years (up from 78% in 2010) (ABS 2017).

In 2016, the retention rate was higher for females (88%) than males (81%). This has been the case for many years (for example, rates were 83% compared with 73%, respectively, in 2010).

The apparent retention rate to Year 12 for Aboriginal and Torres Strait Islander students has increased steadily, from 47% in 2010 to 60% in 2016, but it is still lower than the non-Indigenous rate (79% in 2010 and 86% in 2016). However, the gap (between the Indigenous and non-Indigenous rate) has narrowed over the same period (from 32 percentage points to 26 percentage points) (ABS 2017).

#### **Box 3.2.1: Measurement of retention rate**

The apparent retention rate to Year 12 is an estimate of the percentage of students who stay 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 term 'apparent' is used because the measure is derived from total numbers of students in each of the relevant year levels, not by tracking the retention of individual students over time. A higher or increasing rate is desirable. This suggests that a larger proportion of students are continuing in school, which may result in improved educational outcomes.

Care needs to be taken, however, in interpreting this measure. It does not take account of factors such as student migration between states and territories, students repeating a year of education or returning to education after a period of absence, or the impact of full fee paying overseas students (SCRGSP 2017).

# Completion of Year 12 or equivalent

Completion of Year 12 or its equivalent has risen in recent decades. This is likely to be due to several factors, including the commitment from government to raise the minimum level of education of young people (for example, national agreements for education and Indigenous reform; Box 3.2.2).

## Box 3.2.2: Council of Australian Governments: selected education and Indigenous reform agreements

The Council of Australian Governments (COAG) (2016) agreed to the following benchmarks:

- lift the Year 12 or equivalent or Certificate II attainment rate to 90% by 2015 (from 2008)
- lift the Year 12 or equivalent or Certificate III attainment rate to 90% by 2020 (from 2008)
- halve the gap for Indigenous people aged 20–24 in Year 12 attainment or equivalent attainment rates by 2020.

The 2015 COAG benchmark outlined in Box 3.2.2, while close, was not met (completion rate of 88% for Year 12 or a Certificate II or above in 2015, for those aged 20–24). The 2020 target of Year 12 or equivalent Certificate III attainment is on track to be met, with an attainment rate of 87% in 2015 (COAG 2016).

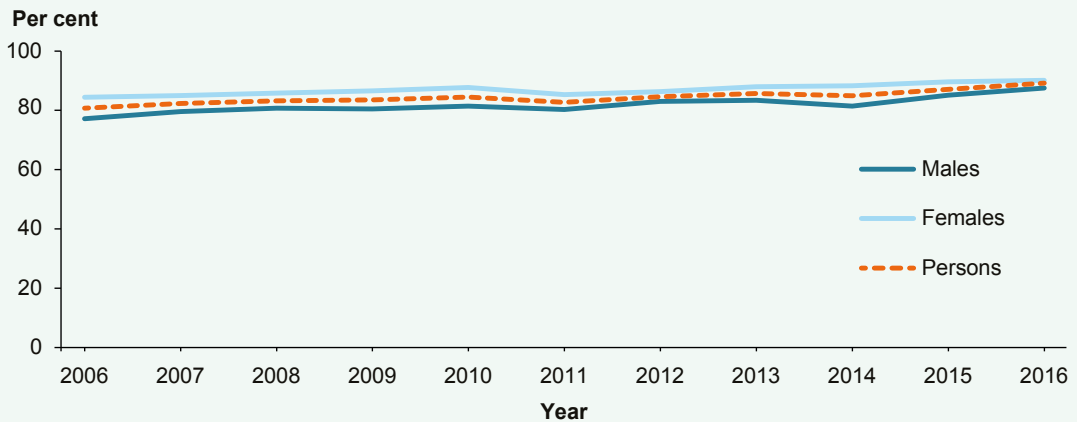
The target to halve the gap between Indigenous and non-Indigenous students in rates of Year 12 or equivalent attainment is also on track to be met by 2020 (COAG 2016). In 2014–15, 62% of Indigenous people aged 20–24 had completed Year 12 or equivalent or above, an increase from 45% in 2008 (SCRGSP 2016), and 'the gap' decreased to 25 percentage points (see Chapter 7.4 'Closing the gap in education').

According to the Australian Bureau of Statistics (ABS) Survey of Education and Work, in 2016:

- 3 in 4 (76%) people aged 15–64 had an educational attainment of Year 12 or equivalent or a non-school qualification at Certificate III level or above, an increase from 65% in 2006. There was no change to this proportion when also including people with a highest qualification of Certificate II (ABS 2016).

Among people aged 20–24 in 2016:

- almost 9 in 10 (89%) had attained Year 12 or equivalent or a non-school qualification at Certificate III level or above, and 90% for Certificate II or above. This is an increase from 81% and 82%, respectively in 2006 (see also Chapter 9.2 'Indicators of *Australia's welfare*')
- females (90%) were slightly more likely to have attained Year 12 or a Certificate III or above than males (88%). This has been the case for many years (Figure 3.2.1)
- attainment of Year 12 or a Certificate III or above generally decreased with remoteness. People aged 20–24 in *Major cities* were most likely to have completed Year 12 or Certificate II or above (92%), while people aged 20–24 in *Outer regional* (76%) and *Remote and Very remote* (77%) were least likely (ABS 2016).



Source: ABS 2016.

**Figure 3.2.1: Completion of Year 12 or equivalent or a non-school qualification at Certificate III level and above, people aged 20–24, by sex, 2006 to 2016**

## What is missing from the picture?

Information on apparent retention rates was sourced from the ABS National School Statistics Collection, currently a large 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. Reasons for this include 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 2016). To obtain an accurate measurement of student retention rates, and account for these variables, unique student identifiers would ideally be used to track individual students over time.

## Where do I go for more information?

More information on youth education is available from the ABS [Survey of Education and Work](#) and [Schools, Australia](#).

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## 3.3 Apprenticeships and traineeships

Apprenticeships and traineeships are well-established parts of the vocational education and training system. They integrate on- and off-the-job training, combining training and employment to enable skill development and workforce participation. Australia's apprenticeship and traineeship system offers nationally recognised qualifications in more than 500 occupations. These include traditional trades as well as most sectors of business and industry. Apprentices are trained in a skilled trade (such as electrical, plumbing, cabinet making or automotive trades) or a non-trade (such as hospitality and child care). Trainees are trained in vocational areas, such as office administration, information technology and tourism. Secondary students of working age may choose to do a school-based apprenticeship. This allows them to gain a formal qualification and earn a wage for their time in the workplace, while completing their school studies (see also Chapter 3.1 'Pathways through education and training').

### Key demographics and trends

As at 30 September 2016, there were 278,500 apprentices and trainees in training—a decrease of 5.7% 12 months earlier (NCVER 2017a). In 2015, the majority (74%) of apprentices and trainees aged 15–24 were male, 4.9% were Indigenous, and 1.9% were people with disability (including impairment or long-term condition) (AIHW analysis of NCVER 2016).

Time series analysis by the National Centre for Vocational Education Research (NCVER) shows that for apprenticeships and traineeships in 2016 (as at June 30):

- commencements (in the previous 12 months) had been declining since they peaked in 2012, and were at their lowest since 1998 (168,800 in 2016)
- completions (in the previous 12 months) had been declining since they peaked in 2013, and were at their lowest since 2002 (107,900 in 2016) (NCVER 2017b).

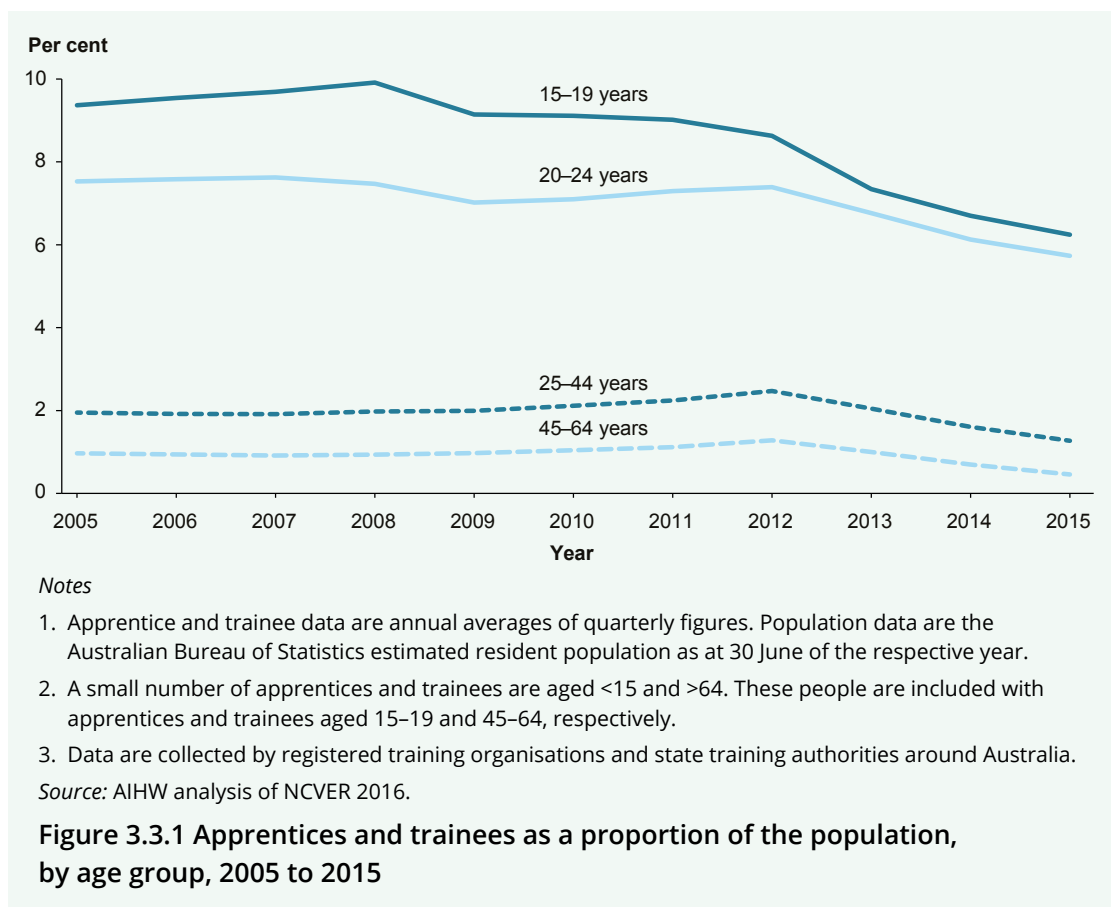
Most of the recent declines were in non-trade occupations. Declines from 2013 coincided with the removal of Australian Government incentive payments for the start and completion of apprenticeships and traineeships not on the National Skills Needs list (Atkinson & Stanwick 2016; Hargreaves & Bloomberg 2015).

### Age

While most apprentices are young, the proportion of older apprentices has been increasing over the last few decades. In 2016, apprentices aged 25–64 accounted for 45% of non-trade apprentices (up from 22% in 1996) and 28% of trade apprentices (compared with 8% 20 years before) (Hargreaves et al. 2017).

Analysis by calendar year shows that, in 2015:

- there were around 187,000 apprentices and trainees aged 15–24 in Australia, or 6.0% of the population aged 15–24 (a decline from 258,000, and 8.7% of 15–24-year-olds in 2008) (Figure 3.3.1)
- 15–19-year-olds (6.2% of the population aged 15–19) were slightly more likely to be undertaking an apprenticeship or traineeship than 20–24-year-olds (5.7%); however, this gap has narrowed since 2005 (9.4% compared with 7.5%, respectively)
- 1.3% of the population aged 25–44 were apprentices and trainees, a 32% decrease from 1.9% in 2005
- 0.5% of people aged 45–64 were undertaking an apprenticeship or traineeship, a decrease from 1.0% in 2005
- a greater proportion of apprentices and trainees aged 15–19 were undertaking school based apprenticeships (23%) than in 2008 (17%) (AIHW analysis of NCVET 2016).



# Outcomes of apprenticeships

Completion rates for adult trade apprentices have steadily increased over time, while those for younger trade apprentices are on a slow but steady decline (Hargreaves et al. 2017).

Most people who complete an apprenticeship or traineeship are employed after training. In 2016, more than 90% of trade apprentices and almost 80% of non-trade apprentices were employed six months after finishing training, with rates slightly higher for people aged 15–24 than for people aged 25–64. For people who were not employed before they starting training, completing a trade apprenticeship resulted in employment for 84% of 15–24-year-olds and 66% of 25–64-year-olds. Around half of all people who were not employed before starting a non-trade apprenticeship were employed after completing their training (Hargreaves et al. 2017).

Younger apprentices (aged 15–24) were more likely to report job benefits due to their training than older (aged 25–64) apprentices—such as getting a job, or an increase in earnings or promotion at work. Most trade apprentices were employed in the occupation they trained for (Hargreaves et al. 2017).

## What is missing from the picture?

Understanding of apprenticeship and traineeship participation and completion is limited. Key data gaps in this area include factors that influence both the start and completion of these qualifications, the destination and outcomes of apprentices and trainees after they exit the system, and the type and level of training being undertaken relative to known industry needs. Future research should respond to shifting consumer demand for online learning.

## Where do I go for more information?

Comprehensive, quality data on apprentices and trainees are available from the [National Centre for Vocational Education Research National Apprentices and Trainees Collection](#) and the Australian Bureau of Statistics [Survey of Education and Work](#).

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## 3.4 Tertiary education

Higher levels of educational attainment are associated with higher employment rates and higher relative earnings, more social engagement and better health (OECD 2016).

Tertiary education in Australia can be broadly categorised as either 'higher education' or vocational education and training (VET). Higher education is generally delivered in a university setting, leading to a Bachelor, Master or Doctoral degree. VET focuses on delivering skills and knowledge for a specific industry, leading to Certificate and Diploma qualifications. It is delivered by Registered Training Organisations such as Technical and Further Education (TAFE) institutions. According to the Australian Bureau of Statistics (ABS) Survey of Education and Work, non-school qualifications considered above Year 12 attainment are those at the Certificate III level or above (includes Diploma, Advanced Diploma, Bachelor degree, Post-graduate Diploma, Master degree and Doctorate) (ABS 2016; AQFC 2013).

There were 172 registered higher education providers in Australia as at October 2015, 40 of which were Australian universities (DET 2015). There were 1.4 million students enrolled at Australian higher education institutions during 2015—the vast majority (92%) in universities. Around 74% of higher education students were domestic, 71% were enrolled on a full-time basis, and 55% were female. In 2015, 1.1% of students were from an Aboriginal or Torres Strait Islander background, an increase of 7.1% since 2014 (DET 2016).

In 2015, there were 4,277 VET training providers (including Australian providers operating overseas), with total enrolments of about 4.5 million students during the year. Two-thirds (67%) of all VET students were enrolled with private providers, with a further 21% enrolled in TAFE institutions (NCVER 2016).

### Enrolments in non-school qualifications

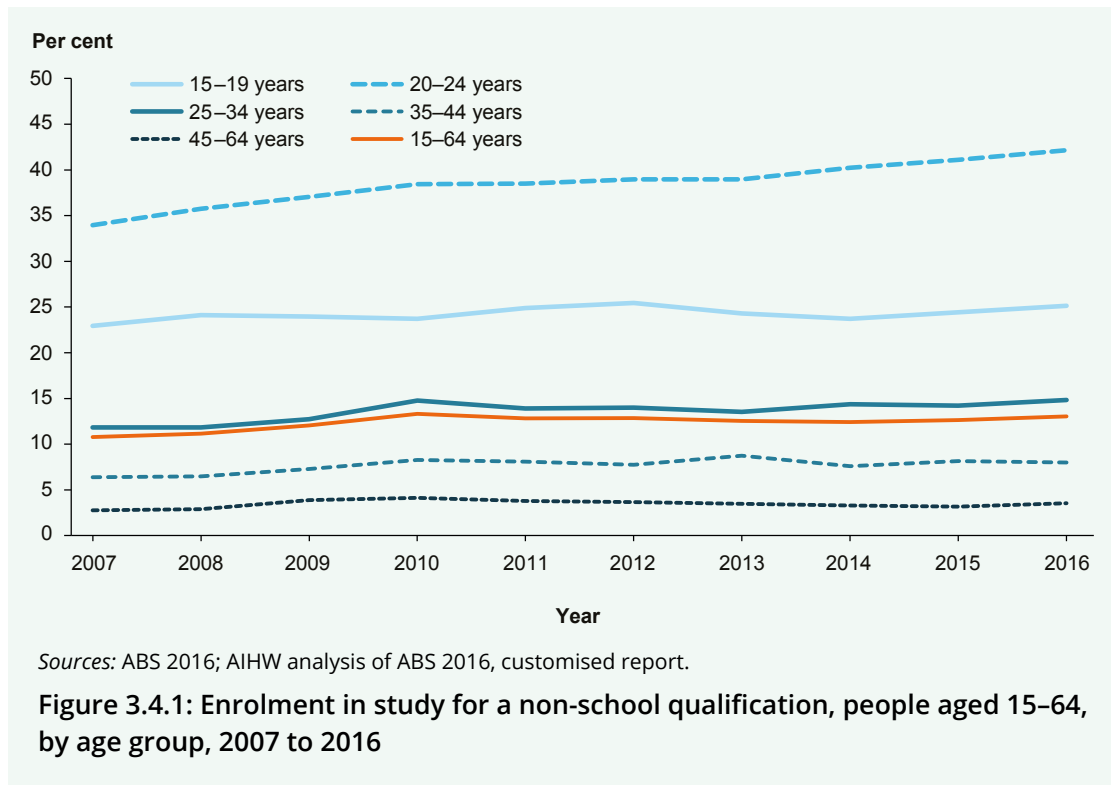
According to the ABS Survey of Education and Work, in May 2016, there were 2.2 million people aged 15–64 enrolled in formal study for a non-school qualification. Of these:

- 1.3 million (59%) were attending a higher education institution, such as a university, and 498,800 (22%) were attending a TAFE institution
- two in 5 (42%) were enrolled in a Bachelor degree, while 1 in 5 were enrolled in a Certificate III or IV (19%)
- similar proportions of males (42%) and females (41%) were enrolled in a Bachelor degree. Males (22%) were more likely than females (16%) to be studying for a Certificate III or IV, while females (17%) were more likely to be studying for an Advanced Diploma or Diploma than males (12%)
- the most common fields of study were Management and commerce (24% of people enrolled) and Society and culture (21%). Between 2008 and 2016, the proportion of enrolled students studying Engineering and related technologies fell from 12% to 8.8%, while the proportion studying Health increased from 11% to 14%



- the proportion of people studying for non-school qualifications was highest among people aged 20–24 (42%), followed by those for people aged 15–19 (25%), 25–34 (15%), 35–44 (8.1%) and 45–64 (3.5%) (ABS 2016).

Enrolments for non-school qualifications increased proportionally for all age groups from 2007–2016. The largest increases were seen among people aged 20–24 (from 34% to 42%) and 25–34 (12% to 15%) (Figure 3.4.1).



## Attainment of non-school qualifications

As at May 2016, 59% of people (10.5 million) aged 15–74 had attained a non-school qualification. Of these:

- 44% (4.6 million people) had a Bachelor degree or higher qualification
- more than one-quarter (26%) had a qualification above a Bachelor degree level; this proportion has more than tripled since 1986 (when it was 7.2%)
- males (60%) were more likely than females (58%) to have attained a non-school qualification
- people aged 25–34 (73%) and 35–44 (72%) were most likely to hold non-school qualifications, followed by people aged 45–54 (66%), 55–64 (58%) and 65–74 (47%) (ABS 2016).

## What is missing from the picture?

The annual ABS Survey of Education and Work provides the most detailed population based data on 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 the National Aboriginal and Torres Strait Islander Social Survey. Both Indigenous and small level geography data are available every 5 years from the Census. Limited data for Indigenous students are available from the Department of Education and Training's higher education statistics.

## Where do I go for more information?

More information on youth education is available from ABS [Survey of Education and Work](#) and [Schools, Australia](#).

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## 3.5 How are we faring in education?

This article looks at Australia's progress in educational engagement and attainment. It presents key statistics on school attendance, literacy and numeracy, and considers some major international comparisons.

### School attendance

Attendance rates are the number of days that students attend school as a percentage of all possible school attendance days.

Nationally in 2016:

- the attendance rate for primary school students in Years 1 to 6 was 94%
- attendance rates for students in the compulsory high school years (Years 7 to 10) were generally lower than for younger students, and declined for more senior years (from 93% in Year 7 to 90% in Year 10)
- rates of school attendance were slightly higher for non-government schools than government schools for Years 1 to 6 (94% and 93%, respectively, across all years) and for secondary school students (for example, 94% and 92% for Year 7, and 92% and 88%, respectively, for Year 10 non-government and government schools) (SCRGSP 2017).

Attendance rates have been steady since 2014 (SCRGSP 2017); however, there are some notable variations within the Aboriginal and Torres Strait Islander population (see Chapter 7.4 'Closing the gap in education' for detailed information on school attendance for Indigenous and non-Indigenous students).

### Literacy and numeracy

Literacy and numeracy skills are essential for successful learning, healthy child and youth development, active participation in society and, ultimately, the economic productivity and performance of nations (DECD 2013). The National Assessment Program—Literacy and Numeracy (NAPLAN) tests are conducted annually for all students across Australia in Years 3, 5, 7 and 9. The data provide nationally comparable results on the performance of students in the assessment domains of reading, writing, language conventions (spelling, grammar and punctuation) and numeracy (ACARA 2016). Two main measures are used to report achievement: the percentage of students achieving at the agreed national minimum standard (NMS) and the mean score.

The most recent report (ACARA 2016) showed that, at the national level, results had largely plateaued for students since 2008. Exceptions are shown in Table 3.5.1 and represent the few 2016 national results for which differences in achievement at the NMS, or improvements in mean scores, were significantly different from those for 2008.

Table 3.5.1 NAPLAN national results by domain—significant change 2008 to 2016

NAPLAN domain	National results where a significant difference was recorded	Direction of change	2008	2016
	Year 3 achievement at or above the NMS	↑	92.1%	95.1%
Reading	Year 5 mean score	↑	484.4	501.5
	Year 9 mean score	↓	565.9 (in 2011)	549.1
Writing	Year 9 mean score	↓	565.9 (in 2011)	549.1
<b>AB_</b>				
Spelling	Year 3 mean score	↑	399.5	419.8
<b>" ? ! *</b>				
Grammar and punctuation	Year 3 achievement at or above the NMS	↑	91.7%	95.5%
<b>+ -</b> <b>X ÷</b>				
Numeracy	Year 5 mean score	↑	475.9	493.1

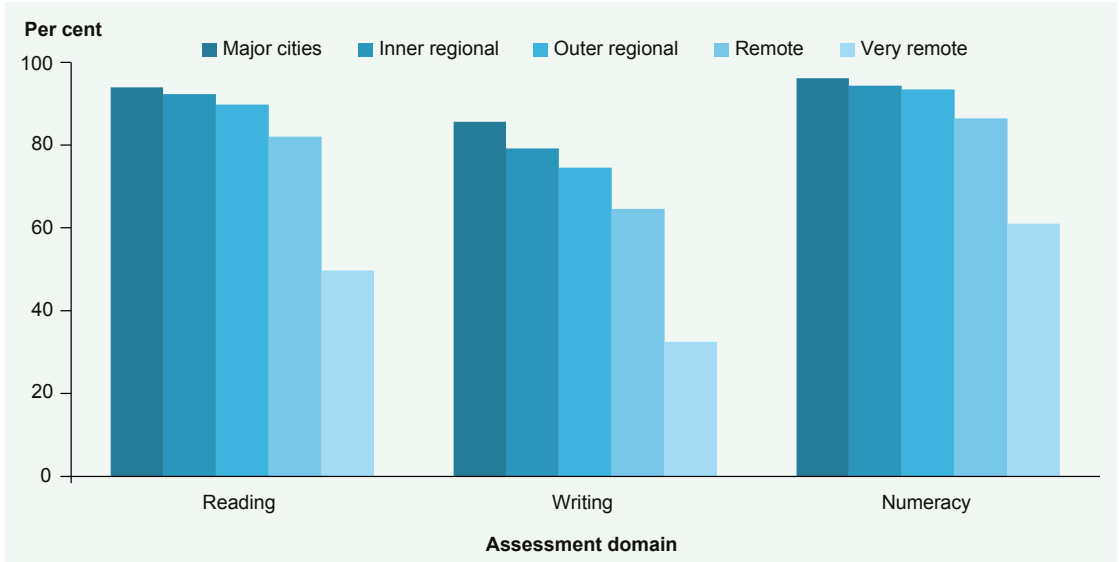
Notes

1. The NMS is the agreed minimum acceptable standard of knowledge and skills without which a student will have difficulty making sufficient progress at school. The mean score refers to the NAPLAN 'scale score'. Any given scale score represents the same level of achievement over time within a domain. For example, a score of 700 in reading in 1 year represents the same level of reading achievement in other testing years (ACARA 2016).
2. The year 9 writing score comparison was based on 2011 as this is the earliest year against which 2016 results can be compared.

Source: ACARA 2016.

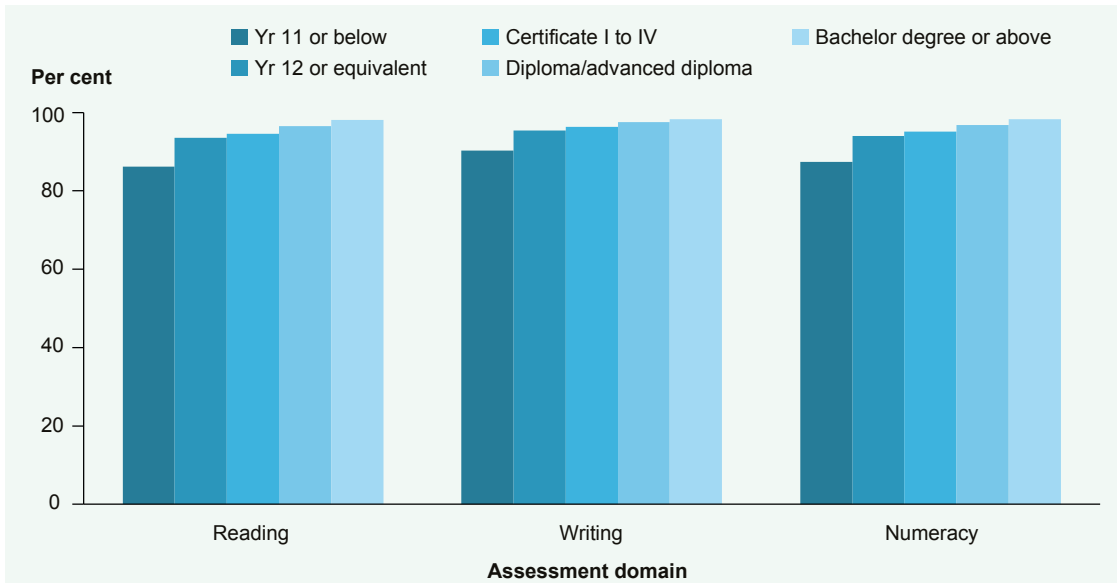
Other points of interest are:

- There were improvements in some domains in each state and territory, particularly for Western Australia and Queensland. The Australian Capital Territory, New South Wales and Victoria have the highest mean achievement across the domains for Years 3, 5 and 7.
- There have been significant improvements for Indigenous students in some domains, but the gap between Indigenous and non-Indigenous achievement is still wide (see Chapter 7.4 'Closing the gap in education').
- Lower levels of achievement persist for disadvantaged groups, including students living in *Very remote* areas (see the example for Year 9 students in Figure 3.5.1), students whose parents have relatively low levels of education (see the example for Year 3 students in Figure 3.5.2), students whose parents work in unskilled occupations (ACARA 2016), and children involved in the statutory child protection system (see AIHW 2015).



Source: ACARA 2016.

**Figure 3.5.1: Year 9 achievement at or above NMS, by NAPLAN assessment domain and remoteness area, 2016**



Source: ACARA 2016.

**Figure 3.5.2: Year 3 achievement at or above NMS, by NAPLAN assessment domain and parental educational level, 2016**

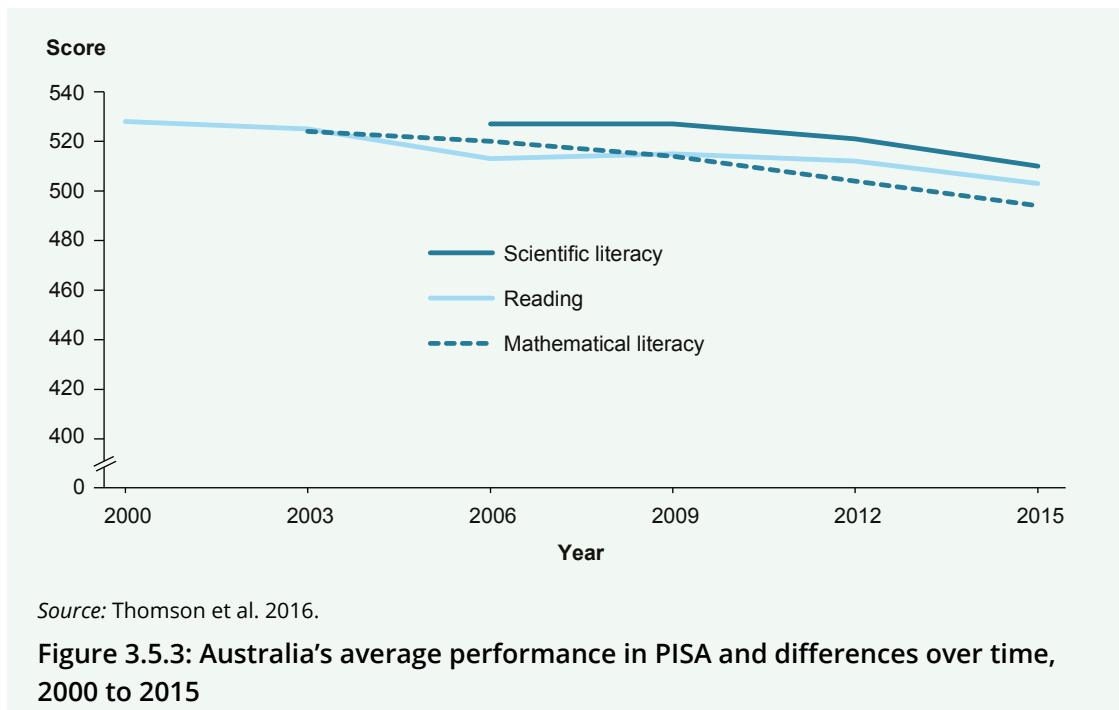
# How do we compare internationally?

The Programme for International Student Assessment (PISA) is a survey of the competencies of 15-year-olds in reading, scientific literacy and mathematical literacy. Results from the 2015 PISA show that Australia's recent performance has been mixed. Masters (2016) notes that the ability of Australian students to apply higher order skills and thinking—as indicated by results in the three literacy competency areas—has been declining since 2000.

In 2015:

- Australia's average scores had decreased significantly since 2009 for reading; since 2006 for scientific literacy; and since 2003 for mathematical literacy (see Figure 3.5.3)
- the scores for reading (503), scientific literacy (510) and mathematical literacy (494) were still higher than the average scores across the 35 participating Organisation for Economic Co-operation and Development (OECD) countries (out of the 72 participating countries and economies) in each domain (493 for both reading and scientific literacy and 490 for mathematical literacy)
- Australia's performance was significantly below that of 11 countries for reading, 9 countries for scientific literacy and 19 for mathematical literacy (see Figure 3.5.4)
- the national scores on all 3 domains were generally comparable to those of New Zealand and the United Kingdom, but were significantly lower than Canada's, and significantly higher than those for the United States
- Australia's scores were about 1 year of schooling lower for reading, 1.5 years of schooling lower for science and 2.3 years of schooling lower for mathematics than the scores of Singapore, the highest performing country on all three domains in 2015.

See other international comparisons in Box 3.5.1.





*Note:* Australia is compared with only those countries that achieved an average score that was higher than the lowest performing OECD country.

*Source:* Thomson et al. 2016.

**Figure 3.5.4: How Australia compared with other countries/economies in PISA, by number of countries, 2015**

### Box 3.5.1: Other international comparisons—TIMSS and PIRLS

The Trends in International Mathematics and Science Study (TIMSS) monitors trends in mathematics and science achievement every 4 years, at the Year 4 and Year 8 levels. TIMSS 2015 was the sixth assessment. TIMSS results consistently show East Asian countries and economies (mainly Singapore, Hong Kong, Chinese Taipei, Korea and Japan) as the highest performers.

Australia was outperformed by 12 countries (out of 39) in Year 8 mathematics and by 21 countries (out of 49) for Year 4 mathematics. Australia's performance in mathematics has not differed significantly since the last survey in 2011. In science, Australia was outperformed by 17 countries (out of 47) for Year 4, and by 14 countries (out of 39) for Year 8. Australia had higher average achievement for Year 4 science than in 2011 and the same level for Year 8.

The Progress in International Reading Literacy Study (PIRLS) has monitored trends in reading achievement at Year 4 level since 2001. It is conducted every 5 years, making 2016 the fourth assessment (results available in December 2017). In 2011, Australia, in its first year of participation, was outperformed by 21 countries (out of 45 participating countries) (Mullis et al 2012).

*Source:* IEA 2017.

In terms of tertiary education attainment, in 2015, Australia ranked eleventh out of 35 OECD countries for Bachelor degree or above qualifications for those aged 25–64 (32%). Switzerland was ranked first (42%), followed by Belgium (36%). Australia's proportion was slightly lower than that for the United States (34%) and the United Kingdom (33%) but was above that for New Zealand and Canada (both 30%) and the OECD average (28%) (OECD 2016).

## What is missing from the picture?

International studies may not discern important factors influencing school achievement in different countries, such as the social, political and cultural environment. To understand a country's academic performance, it is necessary to also consider country-specific data and research, particularly for differing population groups and geographic regions. It is interesting, though, that both domestic and international data, as described here, highlight potential issues with Australia's educational performance. This has implications for its future direction.

## Where do I go for more information?

More information about NAPLAN is available at [www.nap.edu.au/](http://www.nap.edu.au/). For PISA, see [www.acer.edu.au/ozpisa/](http://www.acer.edu.au/ozpisa/), and for TIMSS and PIRLS, visit <https://timssandpirls.bc.edu/>.

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# Chapter 4

# Our working lives



# 4.0 Introduction

For most of us, paid work plays a big role in our lives. Someone who starts full-time work in their 20s will likely spend at least 70,000 hours at work over the next 40 years.

Work does much more than help to pay our bills; it can be good for our overall health and wellbeing. Unemployment and joblessness increase not only the risk of economic hardship, but also the risk of deprivation and social exclusion.

This chapter examines various aspects of work—from the changing nature of work and the impact this has had on our wellbeing, to the increasing participation of seniors in the workforce. We also consider some recent trends in the labour market and jobless rates. Finally, we discuss the many Australians who work for free—our volunteers.

The Australian labour market has changed considerably over the last half century. The overall employment rate (proportion of the population who are employed) among people aged 15–64 has increased. As well, many more jobs are now held by women. The composition of jobs has also changed: in 1966, manufacturing accounted for about 25% of all jobs, and the services sector for 56%. Today, manufacturing accounts for about 7% of jobs, and service industries for almost 80%. Since 2008, there has been a marked decline in the proportion of lower skilled people who are employed. For instance, the proportion of people whose highest qualification was Year 10 and below who were employed fell by 8.5% between 2008 and 2016.

The notion of a standard-length work week—centred on the 8-hour day, 5-day week—is no longer the norm. As reported in the specially commissioned article in this chapter, the proportion of employed people working part-time has risen substantially; for men, this share has risen more than threefold over the last half century.

Should we be concerned about these changes? The commissioned article presents evidence that it is not the actual number of hours usually worked that matters for worker wellbeing, rather whether the number of hours align with worker preferences.

With increasing life expectancies and improvements in health care, most Australians will grow older and live longer, healthier and more actively engaging lives than any previous generation. For some older Australians, this includes staying longer in the workforce. Over the last 3 decades, the employment rate of Australians aged 65 and over has more than doubled; in fact, it was at an all-time high of 9.1% as at June 2016.

Every day, thousands of Australians work for free, giving their time, services or skills to help others. Volunteers provide a valuable service to the community—the value of their contribution to not-for-profit organisations has been estimated at \$17 billion a year. In 2014, an estimated 5.8 million people aged 15 and over did some voluntary work. Australia's volunteer rate fell to 31% in 2014 after several years on the increase; however, we are still above the OECD average.

# 4.1 The changing nature of work and worker wellbeing

**Mark Wooden**, Melbourne Institute of Applied Economic and Social Research, University of Melbourne

The Australian labour market has changed markedly over the last half century. While the overall employment rate among the ‘working-age population’ (people aged 15–64, as defined by the Australian Bureau of Statistics, or ABS), has trended upward—from around 65% as at August 1966 (ABS 2007) to 72% as at August 2016 (ABS 2016c)—the more substantial changes have been in the composition of employment.

First, females account for a much greater proportion of the workforce today than in 1966: 47% of all jobs in 2016 were held by females (ABS 2016c), compared with just 30% in 1966 (ABS 2007).

Second, and associated with the growth in female labour force participation, many more jobs today are part time: 31% of all jobs in 2016 involved part-time hours (ABS 2016c), compared with 10% in 1966 (ABS 2007).

Third, there has been a marked change in the industrial composition of jobs. Manufacturing accounted for about 25% of all jobs in 1966, while what might be loosely described as the ‘services sector’ (all industries excluding agriculture, mining, manufacturing and construction) accounted for 56% (ABS 2007). In 2016, manufacturing accounted for only around 7% of jobs, while the services sector accounted for almost 80% (ABS 2016d).

Fourth, there has been a marked growth in the proportion of high-skilled jobs, often argued to be driven by a rapid recent growth in disruptive technologies and automation (Department of Employment 2016). This, in turn, has been associated with an increased demand for a more educated and qualified workforce. As a result, around 2 in 3 (66%) people in the labour force in 2016 had a non-school qualification, with 27% having a university (Bachelor degree or higher) qualification (ABS 2016a). In contrast, in the late 1970s, only 36% of the labour force had a post-school qualification, and 6.7% had a degree (see ABS 1979 for a classification of ‘post-school qualifications’) (ABS 1979).

But are workers necessarily better off? Greater gender equality at work (at least in terms of access to jobs), more jobs that provide opportunities to use skills, and a greater proportion of jobs in industries that are inherently safer and provide more pleasant working environments would all seem to be unequivocally beneficial developments (Safe Work Australia 2002; Skills Australia 2012; WGEA 2016).

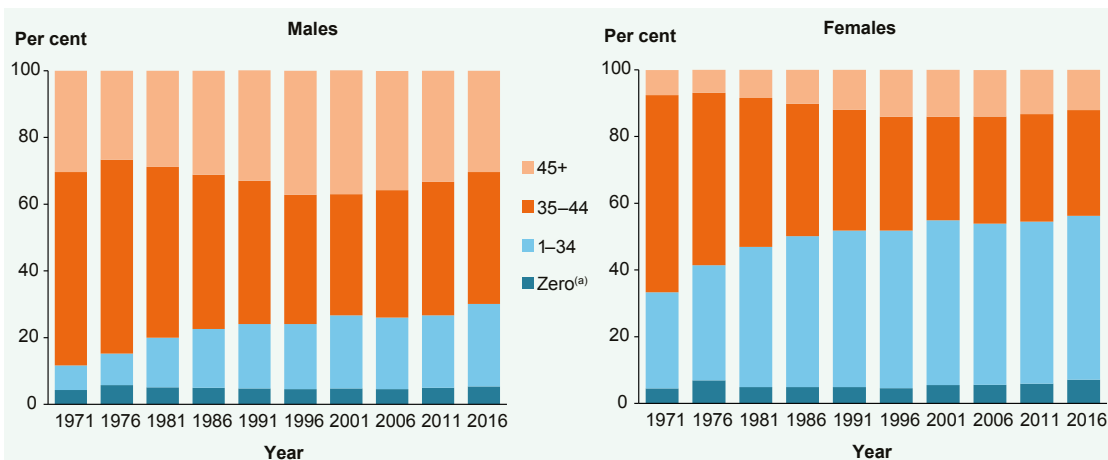
At the same time, though, many commentators have expressed concern that the quality of many jobs has declined. The media, for example, regularly reports stories that emphasise the rise in low-wage, part-time and insecure jobs (Adonis 2016; Cleary 2016; Smith 2014). There is also evidence, both in Australia and internationally, suggesting that many of the new jobs are low quality (for example, Green et al. 2010; Kalleberg 2011; McGovern et al. 2004). In particular, it is widely believed that jobs increasingly require workers to work longer hours and/or more unsocial hours or accept non-standard employment contracts involving either part-time hours or a lack of job security (and often both).

In this article, the question of job quality in Australia is examined. In particular, the article looks at data describing recent trends in working time and the incidence of non-standard employment, and at associations with measures of worker wellbeing.

## Working time

### Trends

The ABS Labour Force Survey (LFS) is the starting point for any analysis of working time trends in Australia. This survey has long included a question on the number of hours actually worked in all jobs held during the survey reference week. Figure 4.1.1 uses data for selected years from this survey to summarise the changing distribution of working hours since 1971. It shows that the notion of a standard-length work week—centred on the 8-hour day, 5-day week—has not been the norm for a long time. At the start of the period, in 1971, 58% of all employed people reported working between 35 and 44 hours a week, which is roughly equivalent to a standard work week once allowance is made for some modest level of paid overtime. By the end of the period (August 2016), this proportion was slightly less than 40% among males and less than 32% among females.



(a) Includes, for example, people on leave, on strike, and who did not work any hours during the reference week because of shift arrangements.

Sources: 1971–1986: ABS Labour force, Australia (ABS cat. no. 6202.0); 1991–2016: ABS Labour force, Australia, detailed—electronic delivery (ABS cat. no. 6291.0.55.001).

**Figure 4.1.1: Composition of employment, by weekly hours actually worked and sex, 1971 to 2016**

Figure 4.1.1 shows there has been a marked growth in the proportion of employed people working part-time hours. This is reflected in the rising share of people reporting working fewer than 35 hours during the survey reference week. Among males, this share has risen more than three-fold, from just 7.4% in 1971 to 25% in 2016. Growth has been less rapid among females, but the share is much higher: 49% of employed females in August 2016 worked fewer than 35 hours per week (29% in 1971). However, there has been very little growth in the share of females working fewer than 35 hours since the turn of the century—most of the growth occurred in the 1970s and 1980s.

When data on the incidence of part-time work are examined—as officially measured by the ABS, which defines a part-time worker somewhat differently to other sources (see Box 4.1.1)—there is still evidence that the part-time share among females has continued to rise; albeit at a slower rate in more recent years. As at August 2016, 46% of employed females worked part time compared with 45% 15 years earlier. Among males, however, recent growth has been much more striking. Part-time employment for males rose from 14% in August 2001 to almost 18% in August 2016, with most of this rise occurring since 2009.

#### **Box 4.1.1: Measurement of part-time employment**

Thirty-five hours per week is the cut-off point conventionally used to distinguish full time from part-time work in Australia. However, that definition typically requires information on the number of hours usually worked (not just on the number of hours actually worked, which is what is reported in Figure 4.1.1). Therefore, in the LFS, the ABS defines a part-time worker as someone who usually works fewer than 35 hours per week and did so during the survey reference week (ABS 2013).

Very differently, other surveys (for example, the Household, Income and Labour Dynamics in Australia (HILDA) Survey) collect data only on usual hours of work. Hence, the definition of part-time work is solely based on whether usual weekly hours of work are fewer than 35.

The proportion of workers reporting actually working fewer than 35 hours in a specific week will thus overstate the extent of part-time work as it will include some people who usually work full-time hours.

The share of workers in part-time employment in Australia is very high by international standards. While international comparisons are complicated by differences in definitions, data suggest that among Organisation for Economic Co-operation and Development (OECD) countries, only the Netherlands (38%) and Switzerland (27%) employ proportionally more part-time workers than Australia. In 2015, the OECD average proportion of workers in part time employment was 17% (defined by the OECD as people usually working fewer than 30 hours per week in their main job). The most comparable figure for Australia was around 24% (OECD 2016).

Australia is also relatively distinctive in having a workforce where the high incidence of part-time work is accompanied by a relatively high proportion of workers reporting working long hours each week. The OECD ranks Australia tenth out of 38 included member and partner countries for the proportion of its workers (13%) working 'very long hours' (50 hours or more per week as defined by the OECD) (OECD 2015).

As at August 2016, around 12% of females in paid employment reported that they worked long hours (defined here as 45 hours or more a week) during the survey reference week (Figure 4.1.1). This compares with 7.5% of females in 1971. Among employed males, the proportion working long hours is now back to where it was at the start of the period, after rising steadily for 2 decades between the mid-1970s and mid-1990s. Among females, the share of working long hours has been falling over the last 15 years or so.

In summary, the following points are noteworthy:

- The traditional 35- to 40-hour work week is less common today than 50 years ago.
- The main change in working-time patterns is growth in part-time employment.
- Much of the relative growth in part-time employment was concentrated in the 1970s and 1980s. Among males, however, growth in part-time employment has accelerated in recent years.
- During the 1980s and 1990s—and while the part-time employment share was rising—there was also a trend towards long work weeks. This trend stopped, and reversed in the 2000s.

## Working-time mismatch

Concerns about the relatively high incidence of both part-time and long work hours are rooted in the notion that the best jobs are those where weekly hours most closely conform to industrial norms. However, there is now strong evidence that it is not the number of hours worked that matter most for worker wellbeing, but whether, and the extent to which, those hours (often driven by employer needs and demands) are aligned with worker preferences.

Survey data consistently show that most part-time workers, and especially females, have strong preferences for part-time work. For example, 2015 HILDA Survey data show that 87% of females in part-time work prefer part-time work (that is, working fewer than 35 hours per week). Among males in part-time jobs, the proportion who prefer part-time hours, while lower than that for females, still represents a sizeable majority (74%).

Studies of job satisfaction have mostly been unable to detect sizeable negative associations with part-time work (for example, Booth & van Ours 2008; D'Addio et al. 2007; Roeters & Craig 2014). Instead, some researchers have focused on the underemployed—part-time workers working fewer hours than desired—arguing that the insufficiency of work among some part-time workers is comparable to unemployment (see Anderson & Winefield 2011). Underemployment, like unemployment, is a source of stress that has the potential to compromise health and wellbeing.

The ABS LFS estimates the number of part-time workers who would prefer more hours. These workers, along with full-time workers who worked fewer than full-time hours during the survey reference week, are defined by the ABS as underemployed workers (see Box 4.1.2). Figure 4.1.2 shows that the (seasonally adjusted) rate of underemployment has trended upward since 1978 for both males and females. It rose steeply during the recession of the early 1990s, but then did not return to pre-recession levels. Since 2011, the rate has climbed steadily upward. In 2016, the underemployment rate was at a record high, accounting for 9.3% of all employed people (or 8.7% of the labour force). This is very different from the trend in the much more well-known unemployment rate, which was 5.6% in 2016, around half its peak of 11% in 1993.

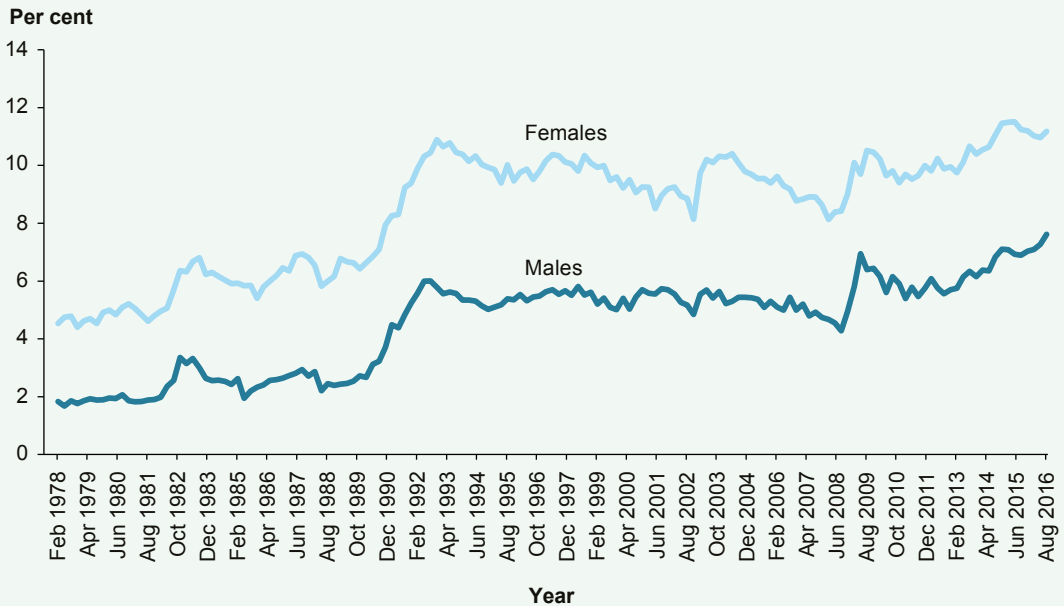
## Preferences for working hours

### Box 4.1.2: How the ABS defines underemployment

The ABS classifies an employed person as underemployed if they are either:

- (i) employed on a part-time basis and want to work more hours (and are available to start work with more hours, either in the survey reference week or in the 4 weeks after the survey), or
- (ii) employed full time but worked fewer than 35 hours during the survey reference week for economic reasons.

Source: ABS 2013.



Note: Data are seasonally adjusted.

Source: ABS 2016b, Table 22.

**Figure 4.1.2: Underemployment rate in Australia (as a proportion of employed people), by sex, February 1978 to August 2016**

The data the ABS collects on working time preferences have limitations. For example, the monthly LFS collects data about preferences for more hours, but not preferences for fewer hours. The likelihood that, at any point in time, the preferences of all workers will coincide with the needs of their employer is very low. For example, the ABS Business Longitudinal Dataset shows the most common response to skill shortages is current employees working more hours at the request of their employer (Healy et al. 2012). Therefore, overemployment can be expected to be especially pronounced when firms face difficulties recruiting additional labour. As well, the LFS is asked on the basis that 'any responsible adult in the household' can respond to the questions. This means that one person in the household answers on behalf of all others, which can be problematic for questions eliciting information about preferences.

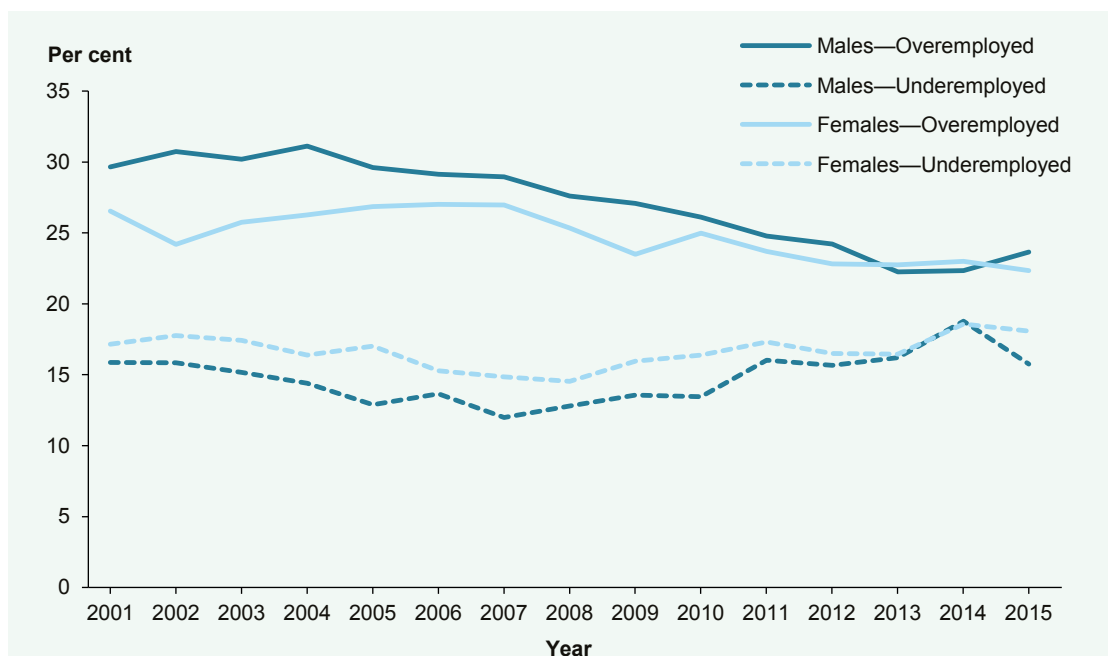
The HILDA Survey is an alternative source of data on working-time mismatch. The annual household panel survey began in 2001. Each year, employed respondents are asked to indicate:

- how many hours they usually work each week, including any paid or unpaid overtime
- whether they would prefer to work fewer, more, or about the same hours as currently (while taking into account how any change would affect income)
- if more or fewer preferred hours are nominated, how many.

Responses to this set of questions provides measures of the incidence of both underemployment and overemployment (that is, employed people who prefer to work fewer hours each week while taking into account any effect on their income), as well as the extent of those mismatches.

## Underemployment and overemployment

Data from the HILDA Survey describing trends in the incidence of both underemployment and overemployment are presented in Figure 4.1.3. The figure also shows that there has been a general rise in the level of underemployment in recent years; these levels are much greater than suggested in Figure 4.1.2. This is due, in part, to full-time workers who prefer more hours being included among the underemployed in these data, and because workers have not had to be available to work the additional hours to be classified as underemployed. (The HILDA Survey started collecting data on ‘availability to work additional hours’ only in 2010.) Even if underemployment had been restricted to people who usually work part time but preferred more hours (and who were available to work those additional hours), the estimated rate of underemployment in 2015 would have been 11%. This is still 2 percentage points higher than the rate derived from the ABS data for this period.



Source: Wooden et al. 2016.

**Figure 4.1.3: Underemployed and overemployed workers (as a proportion of employed people), by sex, 2001 to 2015**



Figure 4.1.3 also shows that, historically, there have been many more overemployed workers (that is, people who would prefer to work fewer hours) than underemployed workers. At the same time, the incidence of overemployment has been in decline over the last 15 years. Today, the gap between the underemployment and overemployment shares is much smaller than it was at the start of the century.

The combined result of these different trends—rising underemployment but falling overemployment—is that the overall level of mismatch has fallen since 2001. In 2001, around 46% of males and 44% of females workers reported preferred hours that were different from usual hours. In 2015, the comparable proportions were 39% and 40%.

The data also show evidence of a clear time divide, with many part-time workers reporting that they work too little and many full-time workers reporting they work too much (Wooden et al. 2016). Also, the patterns in mismatch are highly gendered: females, who are much more likely to be working part time, are also much more likely to prefer part-time hours; while males, who are more likely to work long hours, are also more likely to prefer long hours.

The numbers presented in both figures 4.1.2 and 4.1.3 are based on a count of heads. As such, they are not necessarily a good guide to the overall level of mismatch. That requires extra information on the extent of mismatch (that is, the size of the difference between preferred and usual hours of work). As noted earlier, this information is collected in the HILDA Survey, with the data indicating that, for most workers reporting mismatch, the extent of mismatch is considerable. For example, in the most recent survey wave (2015), the mean level of mismatch was 13.4 hours per week among males and 12.1 hours per week among females, with mean hours (the difference between hours worked and desired hours) of overemployment slightly higher (by about 1 hour) than mean hours of underemployment. These levels have changed very little over time.

## Working time and worker wellbeing

So, does working time—more specifically, working hours that are not in line with worker preferences—affect worker wellbeing? Associations between three indicators of worker wellbeing and usual weekly hours worked, cross-classified by working-time mismatch, were analysed using the HILDA survey (Table 4.1.1).

The three indicators of wellbeing used were:

1. *job satisfaction*: records responses, on a 0 to 10 scale, to the question: ‘All things considered, how satisfied are you with your job?’
2. *life satisfaction*: records responses, again on a 0 to 10 scale, to the question: ‘All things considered, how satisfied are you with your life?’
3. *mental health*: measured with the Mental Health Inventory, a measure that involves 5 items assessing the frequency of symptoms of anxiety and mood disturbance over a 4 week period. Scores on each item are summed and then transformed to a range from 0 to 100.

**Table 4.1.1: Indicators of worker wellbeing (mean scores), by usual weekly hours worked and working-time mismatch, 2001 to 2015 (pooled)**

<b>Hours usually worked per week</b>	<b>Well-matched</b>	<b>Underemployed</b>	<b>Overemployed</b>
<b><i>Job satisfaction (0-10)</i></b>			
≤34	8.1	7.3	7.3
35-40	7.8	7.4	7.1
41-49	7.9	7.7	7.1
50+	8.0	7.5	7.2
<b>Total</b>	<b>7.9</b>	<b>7.3</b>	<b>7.2</b>
<b><i>Life satisfaction (0-10)</i></b>			
≤34	8.1	7.7	7.8
35-40	7.9	7.7	7.7
41-49	8.0	7.8	7.7
50+	8.0	7.5	7.6
<b>Total</b>	<b>8.0</b>	<b>7.7</b>	<b>7.7</b>
<b><i>Mental health (0-100)</i></b>			
≤34	76.0	71.7	73.7
35-40	76.3	73.2	73.8
41-49	77.4	75.1	74.7
50+	78.4	73.0	74.7
<b>Total</b>	<b>76.6</b>	<b>72.2</b>	<b>74.3</b>

*Note:* Observations are drawn from the first 15 waves of the HILDA Survey and pooled, with each observation weighted by the relevant cross section weight.

*Source:* Wooden et al. 2016.

The data presented in Table 4.1.1 suggest four main conclusions.

- First, worker wellbeing does not vary much with the length of the usual work week. Consider, for example, job satisfaction levels among the group of workers who report that their usual work hours are consistent with preferences (the well-matched). The mean job satisfaction score within this group was 7.9, varying from 7.8 for people working a standard 35-40 work week to 8.1 for part-time workers and 8.0 for people working long work weeks (50 hours or more).
- Second, regardless of the number of hours worked, both underemployed and overemployed workers report lower levels of satisfaction and mental health than well matched workers. In the case of job satisfaction, these differences are quite large, with mean scores of 7.2 and 7.3 for the overemployed and underemployed, respectively, compared with 7.9 for workers who are well matched.

- Third, these differences are most marked with respect to job satisfaction. The differences are smaller when examining the other two wellbeing measures, but nevertheless remain statistically significant (at a 95% confidence level). These smaller differentials for life satisfaction and mental health are to be expected, and reflect the fact that broader measures of wellbeing will depend much more on factors outside work.
- Fourth, these lower levels of wellbeing do not differ much between the underemployed and the overemployed.

In summary, it is not the number of hours worked that matters for worker wellbeing, but whether those hours accord with worker preferences. Further, other more extensive and statistically sophisticated analyses of these data have found that the conclusions reported here are robust when controlling for individual characteristics (for example, Otterbach et al. 2016; Wooden et al. 2009).

Note that very little has been said here about the forces influencing either worker or employer preferences for working hours. This lies largely beyond the scope of this article. It should not be assumed, though, that the factors driving underemployment will be the same as those driving overemployment. Indeed, there may well be very different, if not opposing, forces at work (Reynolds & Aletraris 2006).

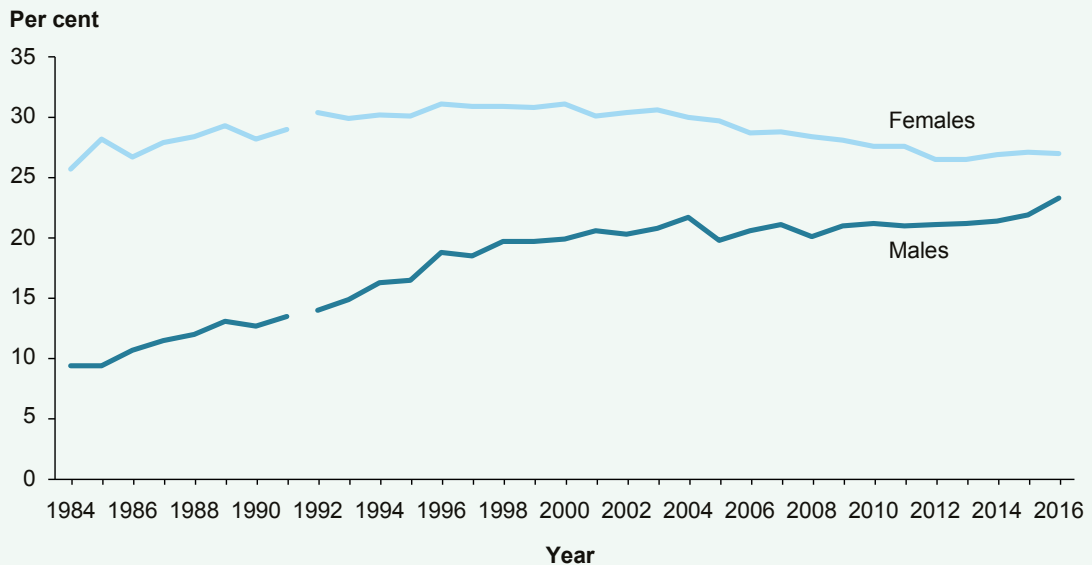
## Job security and precarious employment

Another often expressed view is that jobs in Australia today are more insecure than at any other time in Australia's recent (post-World War II) history, and that growth in more precarious non-standard forms of employment (such as casual work, fixed-term contracts, labour hire, and as self-employed contractors) is the major reason for this rise in insecurity (for example, see ACTU 2011). This has important consequences for worker wellbeing, with job insecurity being a source of stress and hence a negative influence on health outcomes (Benach et al. 2014). The potential adverse consequences do not just end with health consequences, however. The greater financial insecurity associated with more insecure forms of work can, for example, also affect the ability of workers to obtain loans or obtain accommodation in the rental market (Independent Inquiry into Insecure Work 2012).

## Incidence of, and trends in, non-standard employment

Available data confirm that the incidence of non-standard forms of employment (especially casual employment) is very high in Australia. Still, there is relatively little evidence of significant growth in the share of total employment accounted for by these non-standard jobs over the last 2 decades.

For example, data collected by the ABS on the proportion of employees without either paid annual leave entitlements or paid sick leave entitlements (typically synonymous with casual employment) suggest that most of the growth in the casual employment share occurred before the late 1990s (see Figure 4.1.4 for the trend in this share between 1984 and 2016). The proportion of female employees without paid leave entitlements peaked in 1996, at about 31%, but declined to 27% by 2016. Among male employees, there has been no obvious trend decline, with the proportion reporting no paid leave entitlements fluctuating around 20–21% for most of the period since 2000. However, in 2016, there was a noticeable jump in casual employment levels among male workers (to 23%).



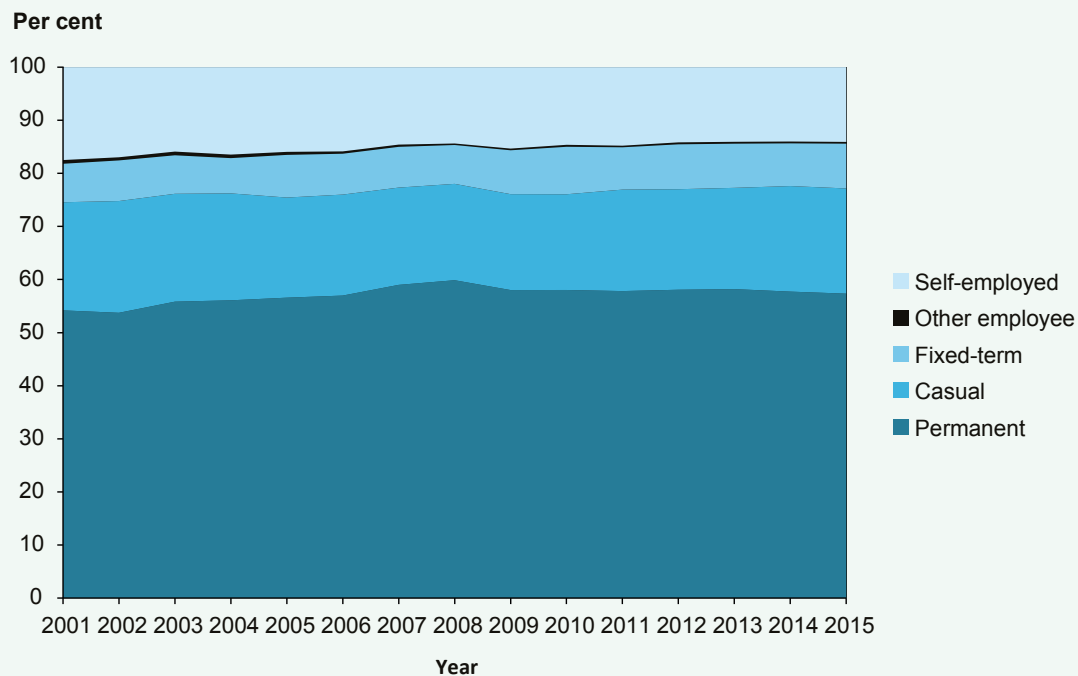
*Note:* All figures are for the month of August. Figures for 1984 to 1991 include employee managers of incorporated enterprises, and are therefore not directly comparable with figures for other years.

*Sources:* 1984–1988: Dawkins & Norris 1990; 1988–1992: ABS Employment Benefits, Australia (ABS cat. nos 6334.0 and 6310.0); 1993, 1994 and 1997: ABS Weekly Earnings of Employees (Distribution), Australia (ABS cat. no 6310.0); 1995: ABS 1995; 1996: ABS 1996; 1998–2013: ABS Employee Earnings, Benefits and Trade Union Membership, Australia (ABS cat. no 6310.0); 2014–2016: ABS Labour Force, Australia, Detailed, Quarterly (ABS cat. no 6291.0.55.003).

**Figure 4.1.4: Employees without paid leave entitlements (proportion of all employees) by sex, 1984 to 2016**

Similarly, there is little evidence that other forms of non-standard employment have been growing relative to more traditional forms of employment—that is, permanent wage and salary earner jobs—in recent years. For example, data collected in the HILDA Survey allow the sorting of employees into one of three main groups based on their employment contract in their main job: fixed-term contract, casual, or permanent/ongoing. Adding the self employed gives the total employed population.

Figure 4.1.5 shows how the composition of the employed workforce by contract type/employment status has changed over the last 15 years. In 2015, permanent employees accounted for 57% of all employed people—3.1 percentage points higher than in 2001. Virtually all this growth has been offset by a decline in the self-employment share, which has been steadily declining throughout this period; ABS data suggest the decline in the self employment share began in the early 1990s (see Atalay et al. 2014). In contrast, the casual employment share has been fairly stable since 2001, at around 20% of the employed workforce, while the share of workers on fixed-term contracts has increased by only 1.2 percentage points (from 7.2% to 8.4%).



Source: Wooden et al. 2016.

Note: 'Other' employees includes people who could not be categorised elsewhere; this incorporates some apprentices, persons working on probation and some employees working on a commission basis.

**Figure 4.1.5: Composition of employment, 2001 to 2015**

Almost 1 in 3 employees in Australia have non-standard forms of employment, with casual and fixed-term contract employees combined accounting for 28% of the employed workforce. However, this level is nothing new, with most (if not all) of the growth in the share of non-standard jobs occurring before the turn of the century.

## Non-standard employment, job insecurity and worker wellbeing

HILDA Survey data show that non-standard forms of employment (that is, casual employment and fixed-term contract employment) are associated with relatively higher levels of job insecurity. This can be seen in Table 4.1.2, where employment status (and whether working full-time or part-time hours) is cross-classified by a measure of job insecurity—the expected probability of job loss during the next 12 months. The mean probability of job loss among full-time casual employees is almost 20% among males, and more than 15% among females. The comparable proportions among full-time permanent employees are about half this (10% and 8%, respectively). Rates of perceived job loss are also relatively high among fixed-term contract workers. Among females, fixed-term contract jobs are associated with the highest probabilities of job loss. However, there is little evidence of part-time jobs being more insecure than full-time jobs—the mean perceived probability of job loss was noticeably lower among part-time casual employees than among their full-time equivalents.

**Table 4.1.2: Probability of job loss, employed people, by employment type and full-time/part-time status and sex, 2001 to 2015 (pooled)**

Employment status	Mean probability of job loss (%)		Probability of job loss ≥50%	
	Males	Females	Males	Females
Full-time permanent	9.9	7.8	8.9	7.4
Part-time permanent	10.5	7.1	10.1	7.0
Full-time casual	19.8	15.5	24.0	19.2
Part-time casual	13.1	11.9	13.0	12.8
Full-time fixed term	16.0	17.8	16.3	19.8
Part-time fixed term	19.5	17.8	20.8	22.4

*Note:* The probability of job loss is derived from answers to the question: ‘What do you think is the per cent chance that you will lose your job during the next 12 months? (that is, get retrenched or fired or not have your contract renewed.)’. Observations are drawn from the first 15 waves of the HILDA Survey and pooled, with each observation weighted by the relevant cross-section weight.

*Source:* Wooden et al. 2016.

Except for satisfaction with job security, differences in wellbeing across the different employment types are mostly very small (Table 4.1.3), with no differences for overall life satisfaction. Job satisfaction levels, on the other hand, are slightly lower among males in casual jobs than males in permanent jobs (but this difference is quite small, at 7.4 and 7.6, respectively). More sophisticated statistical analysis of the HILDA Survey data (covering the first 10 survey waves) that controls for other personal characteristics suggests that the difference is greater—perhaps twice as large (Buddelmeyer et al. 2015). This analysis, however, was unable to detect any significant differences in job satisfaction between males in fixed-term contract jobs and males who were permanent employees, nor was there any evidence that the job satisfaction of female workers varies with contract type.

**Table 4.1.3: Indicators of worker wellbeing (mean scores), employed people, by employment type and sex, 2001 to 2015 (pooled)**

<b>Employment type and sex</b>	<b>Satisfaction with job security (0–10)</b>	<b>Overall job satisfaction (0–10)</b>	<b>Life satisfaction (0–10)</b>	<b>Mental health (0–100)</b>
<b>Males</b>				
Permanent employee	8.1	7.6	7.9	76.7
Casual employee	7.3	7.4	7.9	74.7
Fixed-term contract employee	7.5	7.6	7.9	76.6
Self-employed	7.4	7.7	7.8	77.3
<b>Females</b>				
Permanent employee	8.3	7.7	7.9	74.7
Casual employee	7.6	7.6	7.9	72.2
Fixed-term contract employee	7.0	7.6	7.8	73.3
Self-employed	7.7	8.0	8.0	75.9
<b>All people</b>				
Permanent employee	8.2	7.6	7.9	75.8
Casual employee	7.5	7.5	7.9	73.2
Fixed-term contract employee	7.3	7.6	7.9	75.0
Self-employed	7.5	7.8	7.9	76.8

*Note:* Observations are drawn from the first 15 waves of the HILDA Survey and pooled, with each observation weighted by the relevant cross section weight.

*Source:* Wooden et al. 2016.

Both male and female casual employees report lower mental health levels than permanent employees, but the difference is again small. Further, it is not obvious in which direction the causation runs—it may be that mental health issues make it difficult for workers to both obtain and retain permanent work. Other research (also involving the HILDA Survey data) controls for reverse causation and is unable to find any evidence that casual or fixed-term contract employment is harmful for mental health (Richardson et al. 2012).

Recent research undertaken in Europe (Jahn 2015; Origo & Pagani 2009) suggests that it is not employment type that is so critical for worker wellbeing, but perceived job insecurity, which, in turn, may be only imperfectly correlated with employment type. Very few so called permanent jobs are in fact permanent. While rates of job loss are considerably lower for permanent employees than for other types of worker, when permanent employees do lose their job, the cost to those individuals, both economically and psychologically, may be considerable.

Table 4.1.4 shows mean scores on the four wellbeing indicators by employment type, cross classified by a simple measure of job insecurity.

**Table 4.1.4: Indicators of worker wellbeing (mean scores), employed people, by employment type and job security, 2001 to 2015 (pooled)**

<b>Employment type and job security (% distribution)</b>	<b>Satisfaction with job security (0–10)</b>	<b>Overall job satisfaction (0–10)</b>	<b>Life satisfaction (0–10)</b>	<b>Mental health (0–100)</b>
Permanent—secure (41.1%)	8.8	7.9	8.0	77.1
Permanent—moderately insecure (21.3%)	7.7	7.4	7.7	74.4
Permanent—insecure (5.6%)	5.3	6.7	7.5	71.1
Casual—secure (12.2%)	8.3	7.9	8.1	74.5
Casual—moderately insecure (7.1%)	7.3	7.4	7.8	72.7
Casual—insecure (3.4%)	4.9	6.7	7.4	70.0
Fixed-term contract—secure (4.7%)	8.4	7.9	8.0	76.5
Fixed-term contract—moderately insecure (2.9%)	7.1	7.5	7.7	74.8
Fixed-term contract—insecure (1.8%)	4.5	7.0	7.6	71.2

*Note:* A secure job is defined as one where the respondents report zero probability of job loss in the next 12 months; a moderately insecure job is one where this probability is non-zero but less than 50%; and an insecure job is one where this probability is 50% or more. Observations are drawn from the first 15 waves of the HILDA Survey and pooled, with each observation weighted by the relevant cross-section weight.

*Source:* Wooden et al. 2016.

The data reported in Table 4.1.4 clearly show that it is not employment type that matters so much for worker wellbeing but how insecure workers feel in their jobs. Most casual employees in Australia report zero chance of losing their job in the year ahead (54%) and, on average, these workers do not report lower levels of job or life satisfaction than permanent employees. Mental health wellbeing levels are slightly lower among casual employees, but, again, the differences are small. This could reflect a causal process where mental health problems are an obstacle to securing permanent jobs (rather than the result of casual employment).

In contrast, there are marked differences between workers when differentiated based on their reports of expected probability of job loss. Workers in secure jobs (regardless of their contractual arrangement) report not only much higher satisfaction with job security, but also being much better off on each of the three other wellbeing indicators.

So, does this mean non-standard employment is not the problem for worker wellbeing that it is often thought to be? Yes and no. Very clearly, it is job insecurity that is most critical for worker wellbeing. Yet it remains the case that the likelihood of being in an insecure job is much greater when the contract for that job is casual or for a fixed-term.



## What is missing from the picture?

When examining working time, the focus has been on the number of hours worked, but equally important may be when those hours are worked (for example, the time of day or week). Data to inform this question may be available from the Australian Time Use Survey (ATUS), but information is dated—the ATUS was last conducted in 2006.

## Where do I go for more information?

For a broader review of recent trends in the Australian labour market, see Wilkins and Wooden (2014).

More information about the HILDA Survey, including how to obtain the unit record data file, is available at <http://melbourneinstitute.unimelb.edu.au/hilda>.

For more detailed analyses of the relationship between working-time mismatch and measures of worker wellbeing that use HILDA Survey data, see Wooden et al. (2009) and Otterbach et al. (2016).

For a more detailed analysis of the relationship between non-standard employment and job satisfaction that uses HILDA Survey data, see Buddelmeyer et al. (2015).

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## 4.2 Key employment trends

Employment, and the economic resources gained from it, underpins a society's ability to support itself. Having a job helps a person to satisfy their own needs and wants. It also helps them to support their family and their community more broadly. Without employment, some people depend on welfare services and supports, among other society responses. This article provides information on employment trends and on some of the main Australian Government programs that deliver income support and employment services to unemployed people. Box 4.2.1 sets out the main concepts and definitions used when discussing the employment of the population.

### Box 4.2.1: Employment concepts and definitions

The 'working age population' in this article is all people aged 15–64.

The 'youth population' in this article is all people aged 15–24.

The 'employment to population ratio' is a measure of the total level of employment. It is the proportion of the total working age population who are employed (that is, the number of working age people employed divided by the total working age population). Data for this measure are based on monthly trend estimates.

The 'unemployment rate' is the number of unemployed people expressed as a percentage of the labour force. The unemployment rate used is an average of monthly rates over a calendar year. To be defined as unemployed, a person must be:

- aged 15 or older
- not currently working and has actively looked for work at any time in the 4 weeks leading up to the end of the survey reference week
- available for work in the survey reference week or waiting to start work in a new job within 4 weeks from the end of the reference week.

Formal definitions of these terms and information on how the data are collected can be found in supporting documentation for the Australian Bureau of Statistics (ABS) Labour Force Survey (ABS 2017).

## Long-term employment trends

Over the last 40 years, Australia has generally seen rising levels of employment. This is despite three labour market downturns: in the early 1980s, the early 1990s, and after the Global Financial Crisis (GFC) of 2007–08.

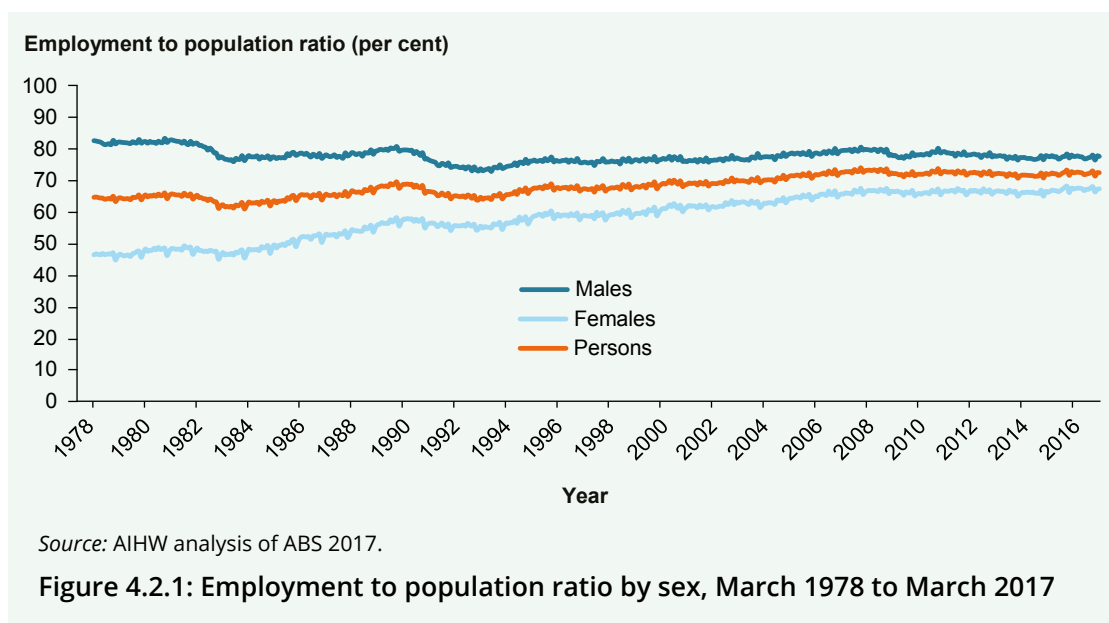
The downturns in the 1980s and 1990s saw a substantial fall in the working age employment to population ratio (see Box 4.2.1) over a few years, after which it grew to surpass pre-event levels. For example, from mid-1981 to mid-1983, the ratio fell from 65% to 62%, but was more than 65% by the end of 1987. The downturn relating to the GFC saw the ratio fall by less than 2 percentage points (73.3% to 71.7%) and last for only 1 year (mid-2008 to mid 2009). Since then, it has been relatively stable, moving between a low of 71.5% and a high of 72.9% (Figure 4.2.1).

## Trends for males

Male employment mirrored the overall employment trends up to 2008. Since then, there has been a marked decline in the working age employment to population ratio. It fell from a high of 80% in early 2008 to a low of 77% in mid-2009. Despite bouncing back in 2010–11, the rate has trended downward since the GFC, reaching a 13-year low of 77% throughout most of 2014. It was 77% in March 2017.

## Trends for females

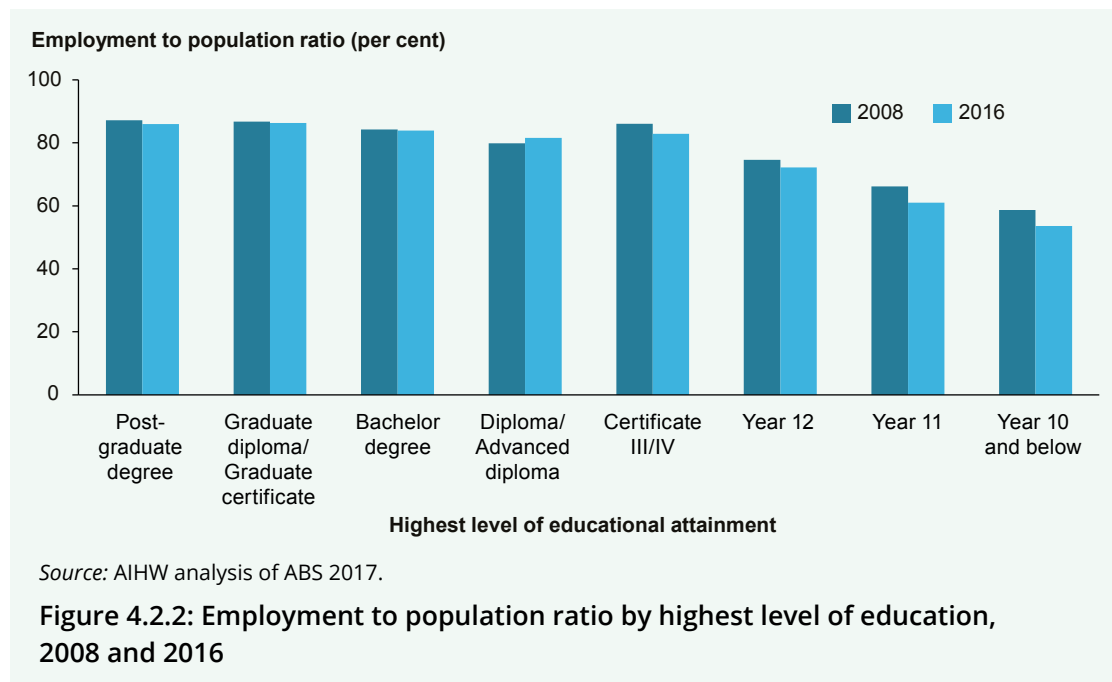
The story is more positive for females. Over the course of the last 40 years, the female working age employment to population ratio has been rising. From around 46–47% during the late 1970s, the rate continued to grow until the late 2000s. From the end of 1985, at least half of all working age females were employed; by early 2008, this figure had risen to two-thirds of all working age females. Since 2008, growth in female employment has slowed, although the GFC did not result in a substantial downturn in female employment. Since the start of 2017, the female working age employment to population ratio was 67.3%, which is close to its highest ever level of 67.4% (in early 2016).



## Education and employment

Since 2008, despite relative stability in employment, there has been a marked decline in the proportion of lower skilled people who are employed. For instance, the proportion of people whose highest qualification was Year 10 and below (including Certificate I/II) who were employed fell from 59% to 54% between 2008 and 2016. By comparison, the proportion of people whose highest qualification was a Bachelor degree who were employed fell only slightly from 84.2% in 2008 to 83.9% in 2016 (Figure 4.2.2).

In general, more than 4 of every 5 people who have a Diploma or higher educational qualification are employed. This compares with just over half (54%) of all people with 'Year 10 and below' (including Certificate I/II) being employed in 2016.

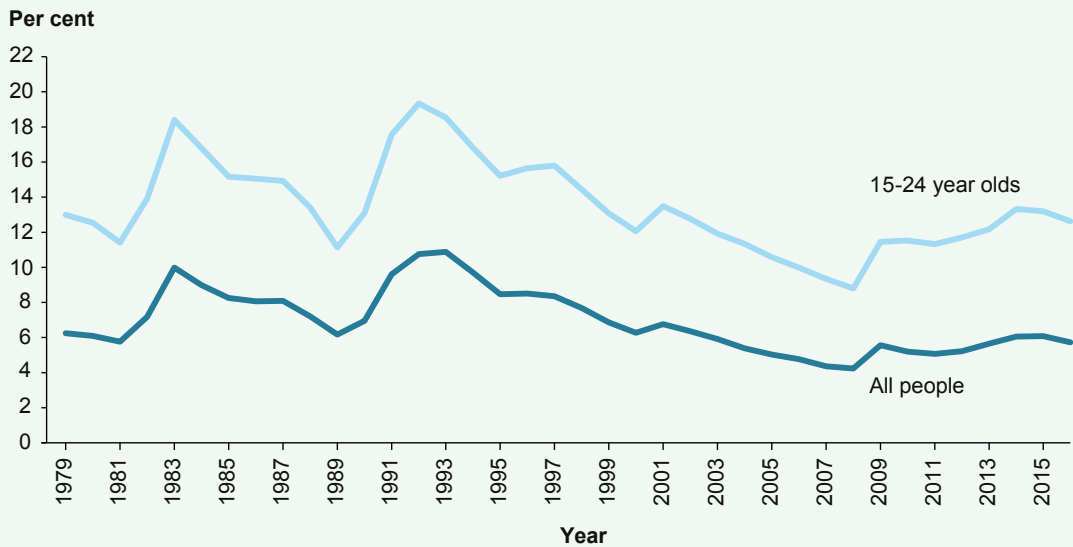


## Youth unemployment

Over the long term, the unemployment rate has showed some variation (Figure 4.2.3). The youth unemployment rate followed a similar pattern to the total unemployment rate, albeit with consistently higher rates.

The two key peaks in youth unemployment align with the recessions of the early 1980s and 1990s—18% (1983) and 19% (1992), respectively. After the second peak, the youth unemployment rate fell to its lowest level of 8.8% in 2008. Unlike the pre-GFC labour market downturns, the youth unemployment rate has continued to rise, as opposed to fall sharply (as was expected), and was 13% in 2016.

The gap between the youth unemployment rate and the total unemployment rate has tended to be more pronounced when total unemployment rates are higher, with the reverse being true when the unemployment rate is lower. This suggests that the unemployment rates in the youth population group are more sensitive to economic changes than they are for the population as a whole.



Source: AIHW analysis of ABS 2017.

Figure 4.2.3: Average annual unemployment rates, 1979 to 2016

## Support while looking for work

The Australian Government helps people while they look for work through several payments and services. Financial assistance is available through the following programs:

- **Newstart Allowance:** provides financial help to people aged 22 or older who are looking for suitable paid work. The benefit covers unemployed people as well as some underemployed people. In 2015–16, the Department of Human Services finalised about 696,000 Newstart Allowance claims, an increase from 671,000 claims in 2014–15 (DHS 2016).
- **Youth Allowance (other):** available to people looking for work, or undertaking approved activities, who are aged 16–21; full-time students aged 18–24; and apprentices aged 16–24. The benefit has similar rules to those for the Newstart Allowance but notably includes parental income tests, unless independence exemptions are met. In 2015–16, the Department of Human Services finalised about 417,000 Youth Allowance (other) claims, a drop from 424,000 claims in 2014–15 (DHS 2016).
- **Job Commitment Bonus:** targets job seekers aged 18–30 who have been long-term unemployed (unemployed for 12 months or more). Two payments are made if a job seeker is eligible. The first, of \$2,500, is made after 12 months of continuous work and the second, of \$4,000, is made for completing a further 12 months of work. In 2015–16, the Department of Human Services processed about 4,300 claims for the first payment (DHS 2016).

The jobactive program is the main Australian Government funded program that supports job seekers in finding employment, linking them with employers. On 1 July 2015, jobactive replaced the Job Services Australia program. The jobactive program supports both job seekers and employers (by delivering employment services). In 2015–16, nearly 350,000 job placements were made through the program (Department of Employment 2016). In 2015–16, 43% of job seekers who had participated in jobactive for 6 months moved off income support, or had substantially reduced their reliance on it (Department of Employment 2016).

People with disability, illness or injury can access Disability Employment Services to find and keep a job. In 2015–16, 31% of participants for this service were employed within 3 months of accessing it (DSS 2016). Australian Disability Enterprises also provides a wide range of supported employment opportunities for people with disability. In 2015–16, just under 19,900 employees were assisted by this agency (DSS 2016).

On 1 July 2015, the Community Development Programme began to support jobseekers in remote Australia. It supports around 35,000 people, 83% of whom identify as being Aboriginal and Torres Strait Islander (PM&C 2017).

## What is missing from the picture?

As jobactive has been in existence only since 1 July 2015, there are insufficient data to measure performance over a long-term period for this program.

## Where do I go for more information?

More information on labour force data is available from the [ABS Labour Force Survey](#).

More information on support for unemployed people in Australia is available at the [Department of Human Services](#) and [Department of Employment](#) websites.

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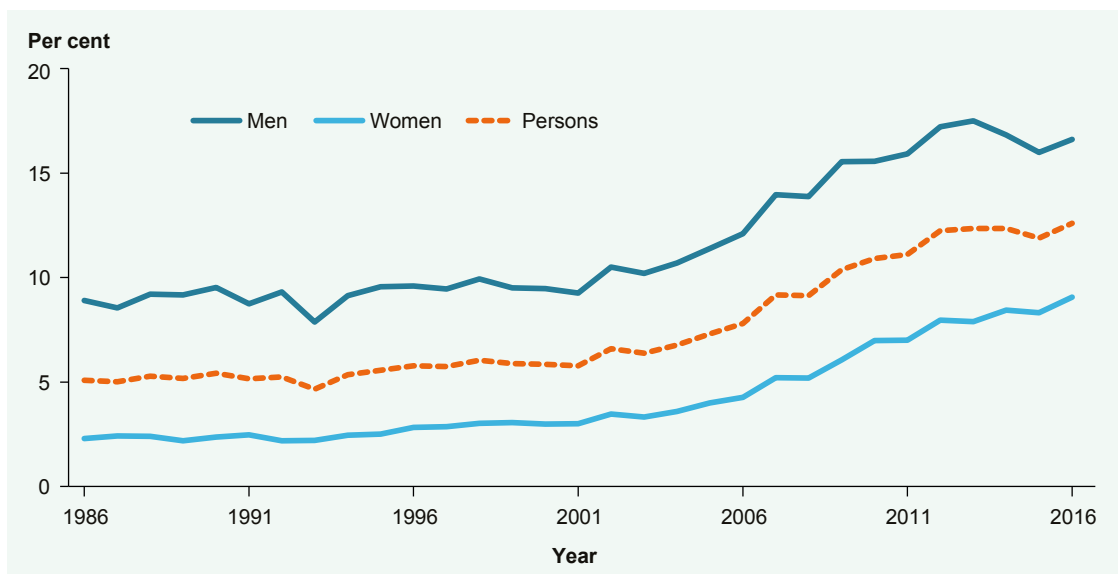
# 4.3 Seniors in the workforce

Australia's older generation (people aged 65 and over) is continuing to grow. With increasing life expectancies and improvements in health care, more of us will grow older and live longer, healthier and actively engaging lives. This has implications at both the national and individual level, including (but not limited to) those to do with the economic workforce and retirement income planning.

Recent policy changes to meet these challenges include increasing the eligibility age for the Age Pension as well as introducing incentives (such as the Work Bonus and Restart) to encourage seniors back into the workplace, and employers to hire mature-aged workers.

## Increasing participation and part-time work

Over the last 3 decades, the employment rate (employment to population ratio) has generally increased among people aged 65 and over, from 5.1% in 1986 to 13% in 2016 (ABS 2016a; (Figure 4.3.1). Over the same period, the unemployment rate for this age group remained relatively stable at around 1.4%.



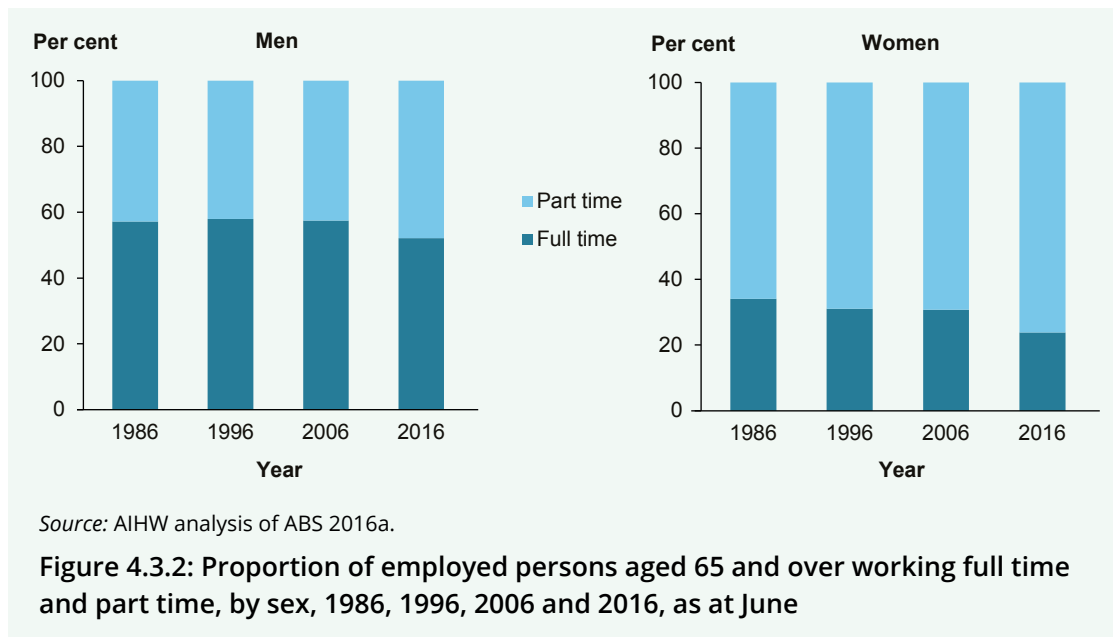
Source: AIHW analysis of ABS 2016a.

Figure 4.3.1: Employment rate, people aged 65 and over, by sex, June 1986 to June 2016



In recent decades, there has been a downward trend in full-time work and an upward trend in part-time work for older Australians. In 1986, a slightly higher proportion of employed older people worked full time (51% compared with 49% working part time) (ABS 2016a). However, the balance between full-time and part-time work shifted in 1997. Since then, there has been a higher proportion in part-time work, steadily increasing to a peak of 59% in 2016.








Employed older women were more likely to work part time than men (Figure 4.3.2). Over the last 3 decades, the majority of employed older women worked part time, with the proportion doing so increasing from 66% in 1986 to 76% in 2016. The proportion of employed older men who worked part time has also increased—though not as much—rising from 43% in 1986 to 48% in 2016.



## International comparisons

Labour force data for Australia, relative to that for other countries, suggest that older Australians are faring relatively well against the Organisation for Economic Co-operation and Development (OECD) average (Table 4.3.1). The latest OECD data show that the unemployment rate for Australians aged 65 and over in 2015 was below the OECD average. However, the participation (people working and actively looking for work) and employment rates for people aged 65 and over were just short of the OECD average and well below the rates for New Zealand, Japan and the United States.

Table 4.3.1: Labour force participation, employment rate and unemployment rate, people aged 65 and over, selected OECD countries and OECD average<sup>(a)</sup>, 2015

							
	OECD	Australia	Canada	Japan	New Zealand	United Kingdom	United States
<b>Participation rate (%)</b>	13.8	12.2	13.4	22.1	22.1	10.3	18.9
<b>Employment rate (%)</b>	14.1	12.0	12.8	21.7	21.7	10.1	18.2
<b>Unemployment rate (%)</b>	2.6	1.5	4.5	2.0	1.6	1.9	3.8

(a) International comparisons should be treated with caution as countries have different population profiles. For example, the share of the population in the upper age ranges (80 and over) might vary.

Source: OECD 2017.

## Reasons for not working

The most recent data on persons not in the labour force show that, in 2016, there were around 101,100 discouraged job seekers—people available to start work within the next 4 weeks but not actively seeking work (ABS 2016b). Of these people, close to one-third (30% or 30,400) were aged 65 and over. The most commonly reported reason for not actively looking for work among older discouraged job seekers was that they believed they would be considered too old by employers.

In 2014–15, close to 4 in 5 people (79%) aged 65 and over had retired (ABS 2016c). Among men and women, the retirement rate was similar (78% and 80%, respectively). For people who had retired at age 65 and over, reaching retirement age was the most commonly reported reason for leaving their last job (62%). The retirement rate of seniors in 2014–15 was lower than what it was a decade ago (83% in 2004–05).

### What is missing from the picture?

Information on Indigenous labour force participation and retirement is limited and is not presented in this article. While the Australian Bureau of Statistics (ABS) publishes labour force data for Indigenous Australians in the National Aboriginal and Torres Strait Islander Social Survey and the Aboriginal and Torres Strait Islander Health Survey, there is no annual measure currently available. Similarly, there are limitations to presenting data on retirement as the ABS Retirement and Retirement Intentions Survey, used in this article, does not include information on the Indigenous status of respondents.

## Where to go for more information?

For more information on labour force participation and retirement, see the ABS reports [Labour Force](#) and [Retirement and Retirement Intentions](#).

To find out more on the Work bonus and Restart incentives, visit the following sites: [Department of Human Services](#) and [Department of Employment](#), respectively.

A paper assessing the changing role of part-time work in Australia was released in 2008 and is available for free download via the Productivity Commission's website.

See: [www.pc.gov.au/research/supporting/part-time-employment](http://www.pc.gov.au/research/supporting/part-time-employment).

The report [Too old to work, too young to retire](#) overviews seniors in the workforce, providing insight to their experiences, vulnerabilities and future aspirations. For further information on research around age discrimination in the workplace, and the laws in place to prevent this, see the [Willing to Work](#) report by the Australian Human Rights Commission.

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## 4.4 Working for free—volunteers in Australia

Australians have a long history of volunteering across many aspects of community life. Volunteers provide an irreplaceable service to the community. Volunteering benefits both the economy and the health and wellbeing of volunteers. In 2012–13, the estimated value of voluntary work in not-for-profit organisations was equivalent to \$17 billion (ABS 2015a). Organisations report that volunteers bring new insights, enhance the image of the organisation, increase the efficiencies and volume of operations, and improve effectiveness; volunteering also broadens the networks and professional skills of the volunteers themselves (PwC 2016). Many report that volunteering makes them happier, and provides them with a sense of personal satisfaction, which has flow-on health benefits.

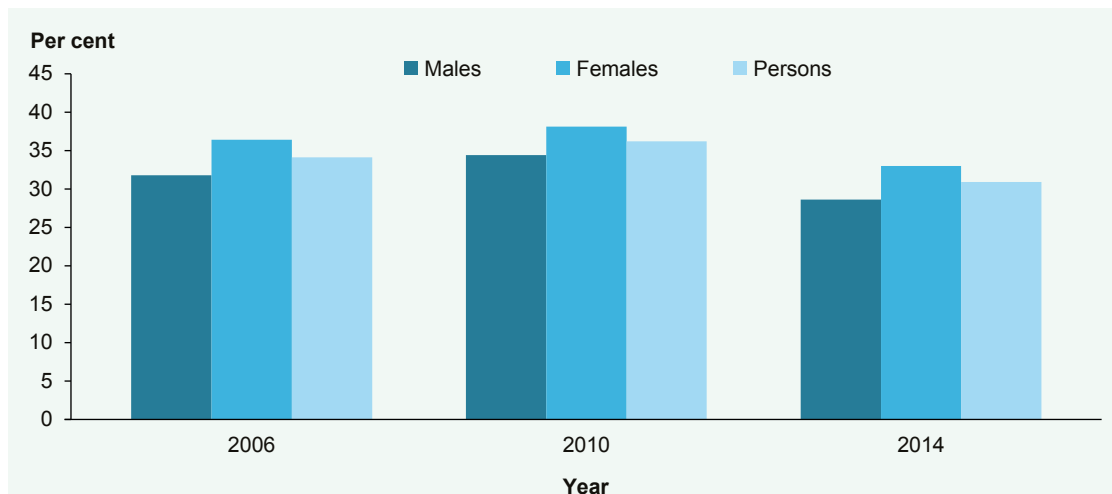
### Fewer people are volunteering

The Australian Bureau of Statistics (ABS) General Social Survey (GSS) defines a volunteer as 'someone who is over the age of 15 and, in the previous 12 months, willingly gave unpaid help, in the form of time, service or skills, through an organisation or group' (ABS 2015a). Informal volunteering, such as the care provided by informal carers, is not included under this definition (for information on informal carers, see Chapter 8.3 'Informal carers').

Data from the GSS show that, in 2014:

- an estimated 5.8 million people aged 15 and over (or 31% of the population) participated in voluntary work
- an estimated 748 million hours of voluntary work were provided (or an average of 128 hours per volunteer)
- sport and physical recreation (31%) was the most common type of organisation for which people volunteered
- fundraising or sales (23%) was the most common type of voluntary work undertaken
- the proportion of the population who volunteered was lower than in previous years, and the change between 2010 and 2014 was statistically significant (Figure 4.4.1; ABS 2015b).

Australia's volunteer rate fell for the first time in 2014 after several years on the increase. Yet, it is still above the Organisation for Economic Co-operation and Development (OECD) average. In 2012, the volunteer rate for working-age people (aged 15–64) in Australia was 40%, compared with the OECD average of 34% (OECD 2016). Nevertheless, the decline in the rate of volunteering is concerning as it has links to the economy and health, is thought to be an indicator of wellbeing (for example, by building social connections) and is often highlighted by the World Health Organization as contributing to an age-friendly world (WHO 2015).



Source: ABS 2015b.

**Figure 4.4.1: Proportion of people aged 15 and over who undertook unpaid voluntary work in the last 12 months, by sex, 2006, 2010 and 2014**

## Who volunteers?

In 2014, volunteering was highest among:



people born in Australia (34%), compared with people born overseas (26%)



females—who made up 54% of all volunteers



young people aged 15–17 (42%), followed by people aged 35–44 (39%) and 65–74 (35%)



people living in *Outer regional* and *Remote* areas (39%), compared with people living in *Major cities* (30%)



people working part time (38%), followed by people who were unemployed (31%) and people working full time (30%)



people with a Bachelor degree or above (41%), compared with people without a non-school qualification (25%)



people living in households in the highest gross household income quintile (39%), compared with people living in the lowest (23%).

(ABS 2015b)

# Helping—the main reason to volunteer

According to the GSS, in 2014, helping others and helping the community was the most commonly reported reason for volunteering (64%), followed by personal satisfaction (57%), to do something worthwhile (54%), and personal or family involvement (45%) (ABS 2015a). Around one-third of volunteers reported the reason for being a volunteer was for the social contact (37%), and to use their skills or experience (31%).

## What is missing from the picture?

Aboriginal and Torres Strait Islander communities and people from a non-English speaking background undertake large amounts of informal volunteering. As most definitions of volunteering explicitly exclude less structured and informal volunteering, these groups of people are often under-represented in national rates of volunteering. For a deeper understanding of volunteering among these groups, see the report [Giving and volunteering in culturally and linguistically diverse and Indigenous communities](#).

Rates of volunteering appear to be in decline. Data on why this is occurring—such as societal factors (including changes in work patterns and living arrangements)—and on the impacts on society (for example, on trust and social cohesion) are not readily available. The associated implications for organisations that rely on volunteers are also unknown. Understanding the demand for, or potential undersupply of, volunteers is hindered by the unavailability of reliable data.

## Where do I go for more information?

Information about volunteers in this snapshot is sourced from the ABS [General Social Survey](#).

An entire chapter was dedicated to volunteering in the 2015 edition of the OECD's biennial publication [How's Life?](#), which summarises a range of data measuring wellbeing.

See also Chapter 9.2 'Indicators of *Australia's welfare*'.

## References

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## Chapter 5

# Ageing and aged care



# 5.0 Introduction

Australia's population profile is changing: we are living longer than ever before. As a result, older Australians now make up a greater proportion of the total population. In 2017, an estimated 3.8 million Australians (15% of the population) are aged 65 and over compared with 2.2 million (13%) in 2007.

This chapter looks at two of the key issues facing older Australians: aged care and dementia. Many older people are choosing to stay in their home for longer. The clear majority can live independently in households, with or without support. In 2015, only 5.2% of older people lived in cared accommodation, such as nursing homes and aged care hostels.

One in 4 older people aged 65 and over lives alone. Living alone is generally seen as a risk factor for social isolation—a condition that can affect health and wellbeing. Yet, there seems to be minimal differences in social participation between older people who live alone and older people who live with others.

Almost 40% of older people aged 65 and over need help with at least one activity, such as mobility, communication, health care or property maintenance. As might be expected, the older people are, the more likely they are to need help. This assistance may be given informally by family members, friends and neighbours, or formally by a service or organisation. Spouses and partners provide the most informal help for older Australians.

Dementia is a substantial challenge to Australia, particularly as the population continues to age. While it is not caused by age, dementia does primarily affect older people. It is difficult to determine the exact number of people with dementia as there are no national data on how many people are diagnosed. However, estimates suggest that in 2017, around 365,000 Australians had dementia, 99% of whom were aged 60 and over. This number of people affected by dementia is projected to rise considerably, to 900,000 people by 2050.

According to the Australian Bureau of Statistics Survey of Disability, Ageing and Carers (SDAC), around half of people with dementia lived in cared accommodation (such as residential aged care facilities and hospitals, as well as group homes). The other half lived in households (such as private dwellings and self-care units within retirement villages).

Almost all people with dementia have a disability. The majority (95%) of people living in cared accommodation always needed help with at least one core activity (mobility, self-care or communication) compared with 56% of people living in households.



# 5.1 Ageing and aged care

Australia's older generation are generally classified as people aged 65 and over; that is, people born before 1952. They are commonly called the 'baby boomer generation' or 'baby boomers'. The expectations of baby boomers about the type of aged care they want, and their right to choose, are changing, with many preferring to remain in their home for longer (Productivity Commission 2011).

In 2017, there were an estimated 3.8 million older Australians (equivalent to 15% of the population), an increase from 2.2 million people (13% of the population) 10 years earlier (ABS 2013, 2014). Very old Australians (aged 85 and over) accounted for 2.0% of the population in 2017, with this proportion projected to increase to 4.4% by 2057 (ABS 2013). The increasing number of older people and the changing characteristics of the ageing population are associated with a range of issues. These include the implications for high-level aged care; a need for policies and services that respond to the needs of this population and support healthy, positive ageing; and the potential for social isolation and elder abuse.

## 1 in 4 older people live alone

In 2015, the vast majority (95%) of older people lived in households, with the remainder (5.2%) living in cared accommodation, such as residential aged care facilities (ABS 2016). More than one-quarter (27%) of older people living in households lived alone and this proportion is projected to remain about the same through to 2036 (ABS 2015). Women were more likely to live alone than men (35% compared with 18%).

Living alone is generally considered to be a risk factor for social isolation (see Box 5.1.1). However, data from the 2015 Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers showed minimal differences overall in social participation between older people who lived alone and people who lived with others. One important sign of social and community participation is contact with family and friends. In 2015:

- 88% of older people who lived alone were visited at home by friends or family in the last 3 months, a slightly lower proportion than for people who lived with others (92%)
- older men who lived alone were less likely to have been visited by family or friends (83%) in the last 3 months than were older men who lived with others (91%); there was little difference between women who lived alone and women who lived with others (91% and 92%, respectively)
- the proportion of older people who went out to visit friends and family in the last 3 months differed little between older people who lived alone (84%) and older people who lived with others (86%).

### Box 5.1.1: Social isolation

Social isolation is seen as the objective state of having minimal contact with others; it differs from loneliness, which is a subjective state of negative feelings associated with having a lower level of contact than desired (Wenger et al. 1996). Some recent definitions embed the construct of loneliness within social isolation (Hawthorne 2006), but others argue they are conceptually distinct. Regardless, research has found that social isolation is associated with increased mortality (Steptoe et al. 2013), as well as with poorer health behaviours (smoking and physical inactivity) and biological effects (high blood pressure and inflammation) (Shanker et al. 2011).

Older people are at an increased risk of social isolation due to a number of environmental factors, primarily the loss of physical or mental capacity or the loss of friends and family members (WHO 2016). It is estimated that around 1 in 5 (19%) older Australians are socially isolated, with the highest rates occurring in the largest urban regions and in sparsely populated states and territories (Beer et al. 2016).

## Informal providers—the main form of support

Almost 40% of older people aged 65 and over needed assistance with at least one activity in 2015 (ABS 2016). The need for assistance increased with age, from 22% of people aged 65–69 to 89% of people aged 90 and over. Activities with the highest reported need for assistance included:

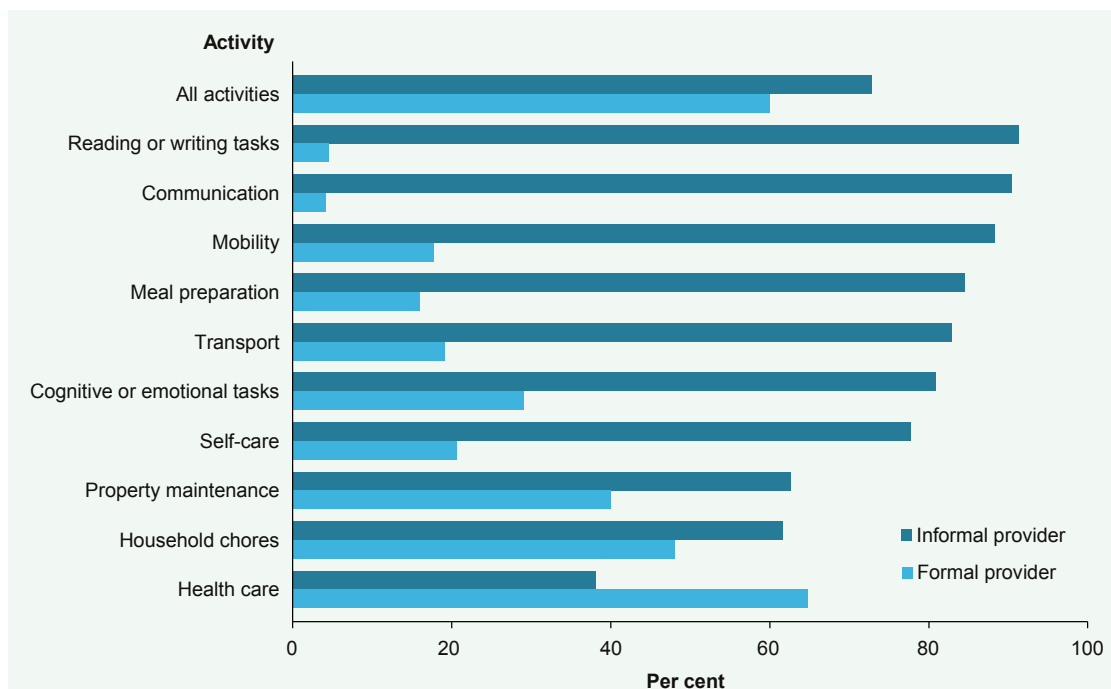
- personal activities (27%)—such as self-care, mobility, communication, cognitive or emotional tasks, and health care
- property maintenance (20%).

The most common types of personal activities for which older people needed assistance were:

- health care (23%)
- mobility (16%)
- self-care (12%).

Both formal and informal providers assist people who live in households. Informal providers are family, friends, neighbours or others who provide help but are not attached to an organisation. Formal providers provide regular paid help and work for an organisation. More than one type of provider may assist older people. Overall, in 2015, 73% of older people who needed assistance were helped by an informal provider, and 60% by a formal provider (ABS 2016). There were some notable differences between the type of activity for which assistance was needed and the provider type (Figure 5.1.1):

- informal providers predominately helped with communication and with reading or writing tasks (more than 90% for each activity)
- health care was the only activity where the majority of care was delivered by formal providers (65%)
- household chores had the most even split between support by informal and formal providers (62% and 48%, respectively).



Source: ABS 2016.

**Figure 5.1.1: Australians aged 65 and over living in households who needed assistance, by activity type and provider type, 2015**

Spouses and partners provided informal assistance to more than one-third (35%) of all older Australians needing assistance and close to half (48%) of older Australians who received support from an informal provider (ABS 2016). Children were the second most common informal providers for people who needed assistance (21% were daughters and 18% sons).

## How many people receive aged care services?

Aged care is currently provided to older people through three main programs:

- the Commonwealth Home Support Programme (CHSP)—provides entry-level support services (such as transport, assistance with food preparation and meals, and personal care) to help older people remain independent and in their homes and communities for longer
- the Home Care Packages Program—offers packages of services at four levels of care to enable people to live at home for as long as possible, with care needs (including clinical services) increasing incrementally for each level of care
- residential aged care—provides a range of care options and accommodation on a permanent or respite basis for older people who are unable to continue living independently in their own homes.

As well as the mainstream programs, flexible care programs provide care for special groups or circumstances in mixed settings. Transition Care is the largest of these, providing support for older people to return home after a hospitalisation.

The use of aged care services is often seen as a progression—from low-level or temporary care to high-level, permanent care; however, this is not necessarily the case. Some people may never use aged care services; if they do, their progression through the care system is not necessarily linear and they may enter at any level.

Aged care is increasingly being provided through community-based programs to support people to remain living at home for longer. In 2015–16, many more people used one of the community-based aged care programs than residential aged care (Table 5.1.1). Some people used more than one program during the year; for example, more than half (52%) of the people who used respite residential aged care during 2015–16 later entered permanent care (DoH 2016).

**Table 5.1.1: Number of people accessing aged care programs, by program type, 2015–16**

Aged care program	Persons
Commonwealth Home Support Program	640,000
Home and Community Care <sup>(a)</sup>	285,400
Home Care Packages Program	88,900
Residential aged care	
Permanent	235,000
Respite	56,900
Transition Care	24,700

(a) The CHSP was launched in July 2015, incorporating Home and Community Care Program (HACC) and a number of smaller programs. In 2015–16, Western Australia and Victoria had not yet transitioned to CHSP and, in these states, support services to assist people to continue living independently at home were provided under HACC.

Source: DoH 2016.

## Elder abuse

Older people who rely on others to help them with their needs may be susceptible to elder abuse. The World Health Organization (WHO) defines elder abuse as ‘a single or repeated act, or lack of appropriate action, occurring within any relationship where there is an expectation of trust, which causes harm or distress to an older person’ (WHO 2016). Elder abuse can have physical outcomes—death, psychological effects and an increased risk of hospitalisation or residential aged care admission.

The rates of elder abuse in high to middle income countries, as estimated by the WHO, range from 2.0% to 14%, with the most common form of abuse being financial (1.0% to 9.2%) (WHO 2015). Other forms of abuse include neglect, and physical, sexual and psychological abuse. Victims are more likely to be women, have a physical or mental disability, and be care dependent and socially isolated. Rates of abuse may be higher for older people living in institutions than in the community (WHO 2016).

Currently, little data are available on elder abuse in Australia (see 'What is missing from the picture?'). The ageing of the Australian population suggests that the potential for elder abuse may increase in coming years. This makes the need for reliable and nationally standardised data increasingly important in order to measure and monitor progress in this area.

## What is missing from the picture?

Individually, many data collections gather information on older Australians and how they use particular services, such as those offered through the aged care or health systems. However, the interactions between these systems are poorly captured—identifying individual people's movements between aged care and hospital, for example, requires data linkage. Such linkage has previously been carried out as part of the AIHW's Pathways in Aged Care (PIAC) work, and could be repeated. For general information on data linkage, see Chapter 1.7 'Understanding health and welfare data'.

Data on the use of aged care by Aboriginal and Torres Strait Islander people may be an underestimation of the true number using aged care programs as Indigenous status may not be accurately collected or people may choose not to identify as Indigenous. For information on the use of aged care services by Indigenous Australians, see Chapter 7.6 'Use of disability and aged care services by Indigenous Australians'.

Data on elder abuse in Australia—including its prevalence, the type of abuse, who carried out the abuse, and in what context or setting abuse may be more likely to occur—are currently not comprehensively collected or reported. Some data are collected in surveys (for example, the ABS Personal Safety Survey) and there is limited mandatory reporting of some forms of elder abuse in residential aged care (in relation to suspected, alleged or witnessed assaults). But there are no data collected for other aged care services (such as community-based aged care programs), and the extent of elder abuse that occurs at home is largely unknown.

An inquiry for the Australian Law Reform Commission (ALRC) on elder abuse was announced in early 2016, with the report *Elder Abuse—A National Legal Response* tabled in June 2017. The report includes 43 recommendations for law reform, with the aim to safeguard older people from abuse. As part of these, the ALRC recommends building the evidence base for elder abuse through a national prevalence study, including the development of standardised measures of elder abuse for consistent data collection (ALRC 2017).

## Where do I go for more information?

More information on how ageing affects a person's life and experiences is available in the most recent (2015) ABS Survey of Disability, Ageing and Carers.

For a more detailed analysis of the aged care sector and characteristics of people in aged care, visit the GEN website [gen-agedcaredata.gov.au](http://gen-agedcaredata.gov.au). Previous publications using PIAC, which links data from a number of aged care programs, are also available on this website.

More information on aged care services is available on the [My Aged Care](#) website.

The Australian Institute of Family Studies published the research report, [Elder abuse: Understanding issues, frameworks and responses](#), which provides insight into elder abuse in the Australian context.

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## 5.2 Dementia and people's need for help from others

Dementia is not a specific disease. Rather, it is a group of conditions characterised by the gradual impairment of brain function. It commonly affects people's ability to think, remember and reason—and their personality—and impairs other core brain functions, such as language and movement. The condition is degenerative and irreversible. Dementia is the second most common underlying cause of death and it contributes to Australia's burden of disease through years of life lost from death and disability. In 2014, it was the leading underlying cause of death for 12,000 people, with an estimated 33 people dying from dementia each day. People may also die with dementia; it was recorded as an associated cause of death for a further 35,600 deaths in 2014. In 2011, it accounted for 3.4% of the overall burden of disease, and was the leading cause of total burden for females aged 85 and over.

Dementia is a substantial challenge to Australia's care systems, particularly as the population continues to age. While it is not caused by age—and should not be considered as an inevitable consequence of ageing—dementia does primarily affect older people. The AIHW report [Dementia in Australia](#) indicates that only 1.3% of the estimated 365,000 people with dementia in Australia in 2017 were aged under 60. The number of people affected by dementia is estimated to rise considerably, to 900,000 people by 2050.

People's health generally declines as dementia progresses; they increasingly need help from others, including informal carers and aged care services. Often, as the impacts of dementia worsen, the increasing burden on informal carers such as family members influences care decisions, such as whether to move to residential aged care or stay at home. It is expected that greater numbers of older people in Australia will choose to stay at home for longer (see Chapter 5.1 'Ageing and aged care'). Hence, it will be increasingly important to ensure that informal carers are adequately supported and that people receive an appropriate level of formal care at home. It is similarly important to ensure that people within residential aged care receive care that is appropriate to their needs.

This article focuses on how dementia affects people's functional ability and their need for assistance and how these factors differ, not only between people with dementia in cared accommodation (commonly permanent residential aged care) and people who still live at home, but also between people with and without dementia in permanent residential aged care.

### People with dementia

The Australian Bureau of Statistics Survey of Disability, Ageing and Carers (SDAC) estimated that there were more than 194,000 people with dementia in Australia in 2015 (ABS 2016b). This estimate is lower than that produced by the AIHW for the report [Dementia in Australia](#). While the SDAC criteria were broadened in 2015 to better identify people with dementia (ABS 2016a), the survey primarily collects information from the perspective of disability and impairment and it may underestimate the prevalence of dementia in the population; for more information, see 'What is missing from the picture?'

Based on AIHW analyses of the 2015 SDAC, just over half (51%) of people with dementia lived in households (such as private dwellings and self-care units within retirement villages), with the remaining 49% living in cared accommodation (such as residential aged care facilities, hospitals and other institutions that provide care, as well as group homes) (ABS 2016b).

In 2015, people living with dementia in cared accommodation were more likely to be:

- older (62% were aged 85 and over, compared with 28% of people with dementia living in households—the average age of a person with dementia in cared accommodation was 85.3, compared with 77.9 for households)
- women (70%, compared with 53% for men)
- widowed (59%, compared with 29%. This varied further by sex—70% of women living in cared accommodation were widowed, compared with 32% of men) (ABS 2016b).

Overall, people with dementia in cared accommodation were more likely to indicate restrictions in line with common dementia symptoms than people living in households. These included memory problems or confusion (86%, compared with 68% in households), social or behavioural issues (67%, compared with 18%) and partial or complete loss of speech (52%, compared with 9.3%) (ABS 2016b).

Almost all people with dementia identified by the survey had a disability (99% of people with dementia living in cared accommodation, and 94% of people with dementia living in households). As might be expected, the likelihood of needing assistance with core activities was greater for people with dementia living in cared accommodation: 95% of these people always needed assistance with at least one core activity (mobility, self-care or communication) and 16% with all three, compared with 56% and 7.8%, respectively, for people with dementia living in households (ABS 2016b).













## Dementia in permanent residential aged care

After people enter permanent residential aged care, their care needs are assessed using the Aged Care Funding Instrument (ACFI). This tool is not a comprehensive assessment, but it does provide some information on people's care needs as they relate to service provision in residential aged care. People are assessed on 12 items that measure care needs on three broad domains—activities of daily living, behaviour, and complex health care.

Almost 92,000 people with dementia were living in permanent residential aged care as at 30 June 2016 (representing 52% of the total). People with dementia were more likely to be rated as requiring a 'high' level of assistance on all three domains (42%, compared with 23% of people without dementia). For many specific items, the differences were even greater (Table 5.2.1).



**Table 5.2.1: Proportion of people in permanent residential aged care with/without dementia who were assessed as being most dependent, by ACFI domain<sup>(a)</sup> and individual item<sup>(b)</sup>, as at 30 June 2016**

	ACFI domain/item	With dementia (%)	Without dementia (%)
	<b>Activities of daily living</b>	<b>63</b>	<b>48</b>
	Nutrition	26	9
	Mobility	61	56
	Personal hygiene	90	76
	Toileting	77	63
	Continence	86	70
	<b>Behaviour</b>	<b>80</b>	<b>43</b>
	Cognitive skills	46	9
	Wandering	16	5
	Verbal behaviours	65	50
	Physical behaviours	53	32
	Symptoms of depression <sup>(c)</sup>	14	18
	<b>Complex health care</b>	<b>61</b>	<b>61</b>
	Taking medications	45	44
	Health-care procedures and activities	33	35

- (a) Proportion of people who received the highest rating (H, or high) on a domain based on the ratings on the underlying individual items.
- (b) Proportion of people who received the highest rating (D, or most dependent) on an individual item relating to day-to-day care needs (defined by need for assistance, frequency, or degree of impairment/inference in function, as relevant to item).
- (c) Fewer than 1 in 6 people were assessed as showing symptoms of depression that caused major interference with their ability to function and participate in activities. However, ACFI data also showed that 2 in 5 (42%) people with dementia had been diagnosed with depression, and slightly more than half (51%) of people without dementia.

Source: AIHW analysis of ACFI data.

Further information on health conditions that affect people's care needs in permanent residential aged care is also available through information collected via the [ACFI](#).

## What is missing from the picture?

It can be difficult to determine the exact number of people with dementia. There are no national data or population-based surveys with diagnostic criteria on dementia to identify how many people are diagnosed with dementia—and diagnoses cannot be relied on to accurately capture the number of people with dementia, as the condition may go unrecognised (particularly in its early stages).

Some data on people with dementia are available from administrative data sources, such as those relating to deaths, hospitalisations, aged care assessments and pharmaceutical prescriptions. Each of these sources provide some information on particular groups of people with dementia. However, people with dementia may not be reliably identified as they come into contact with various services; for example, data on how people with dementia use aged care outside of permanent residential aged care are not readily available, although this can be analysed in more detail using the Pathways in Aged Care (PIAC) linkage map. Data linkage could be used to improve our understanding of how different services are used by people with dementia, as well as to improve estimates of the number of people living with dementia in Australia.

## Where do I go for more information?

More information about people with dementia is available at [www.aihw.gov.au/dementia/](http://www.aihw.gov.au/dementia/), and the report [Dementia in Australia](#) is available for free download. Recent publications drawing on PIAC linkage work include information on how some people with dementia used aged care—to find out more about PIAC and other aged care data, see [GEN](#).

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## Chapter 6

# Housing and homelessness



# 6.0 Introduction

'Having a roof over one's head' is generally seen to be essential to the wellbeing of individuals and families. Access to housing is very important. It is just as important that this housing is safe, affordable and suitable for people's specific needs.

Each night in Australia, more than 105,000 Australians are homeless. They may be spending the night in supported accommodation for the homeless, sleeping in temporary accommodation, 'couch surfing', sleeping on the street, or living in severely crowded dwellings.

Homelessness can profoundly affect a person's mental and physical health, their education and employment opportunities, and their ability to participate fully in social and community life.

This chapter profiles homelessness and social housing in Australia, and examines the changing shape of housing and home ownership.

In 2015–16, homelessness agencies were supporting nearly 280,000 people—or 1 in 85 Australians. These agencies assist not only people who are homeless, but also people who are at risk of becoming homeless (this includes providing generic services to people facing housing crises). Six in 10 clients were female, 1 in 6 were children, and nearly one-third were under the age of 18.

Over the past 3 decades, home ownership rates have fallen in Australia, with younger people being particularly affected. Despite mortgage interest rates being substantially lower (on average) over the last 20 or so years, and the government incentives for first home buyers, the overall home ownership rate has fallen.

Between 1994–95 and 2013–14, the proportion of Australians who owned their home (with or without a mortgage) fell from 71% to 67%. The 2016 Census found similar trends. The pattern of home ownership also changed over this time. The proportion of Australians owning their home outright fell from 42% to 31%, while the proportion financing their purchase with a mortgage rose from 30% to 36%. People aged 25–34 had the steepest decline in home ownership rates over the period.

The gap between household income and house prices in Australia has widened over the past 3 decades, creating a barrier to home ownership for many. As a result, more people are renting. The proportion of Australians in private rental is higher than ever before, with 26% of the population renting in 2013–14 compared with 18% in 1994–95. Half of the estimated 1.3 million lower income rental households were in rental stress in 2013–14, as were 62% of lower income households renting in the private market.

Social housing programs that provide rental housing at below market rates are available for eligible Australians. The programs focus on low-income households in greatest need. These households include Aboriginal and Torres Strait Islander Australians, younger and older Australians, people with disability, people experiencing domestic and family violence, and the homeless. There were 394,000 households living in social housing at 30 June 2016. A further 195,000 were on the waiting list at June 2016.

# 6.1 Social housing

Social housing is eligible rental housing that is provided by government or non-government (including not-for-profit) organisations, at below market rates. The aim is to alleviate housing pressures. Having access to appropriate and secure housing that is affordable can limit the risk of low-to-moderate income Australians being socially excluded by factors such as homelessness, overcrowding and poor physical and mental health.

## Social housing programs

In Australia, there is a range of social housing programs that fall under a regulated funding model (Box 6.1.1).

### Box 6.1.1: Main social housing programs and funding, 2015–16

**Public rental housing**—This is the largest social housing program (Figure 6.1.1). It comprises publicly owned dwellings administered by state and territory governments. Rents are subsidised for eligible low-income tenants so that they generally pay no more than 30% of their gross income on rent.

**State owned and managed Indigenous housing (SOMIH)**—These dwellings, managed by state and territory governments, are aimed at low-to-moderate income households with at least one member who identifies as being an Aboriginal or Torres Strait Islander Australian (see also Chapter 7.1 ‘Community factors and Indigenous wellbeing’).

**Mainstream community housing**—This is the second largest social housing program (Figure 6.1.1). Mainstream community housing is generally delivered by not-for-profit organisations to low-to-moderate income or special needs households. Community housing models vary across states and territories. Generally, state or territory governments provide community housing organisations with some assistance, be it direct funding or land and property.

**Indigenous community housing**—This housing is owned or managed by an Indigenous community housing organisation. These organisations may either directly manage the dwellings they own or sublease tenancy management services to the relevant state/territory housing authority or another organisation. This housing is made available to households with at least one Indigenous tenant (see also Chapter 7.1 ‘Community factors and Indigenous wellbeing’).

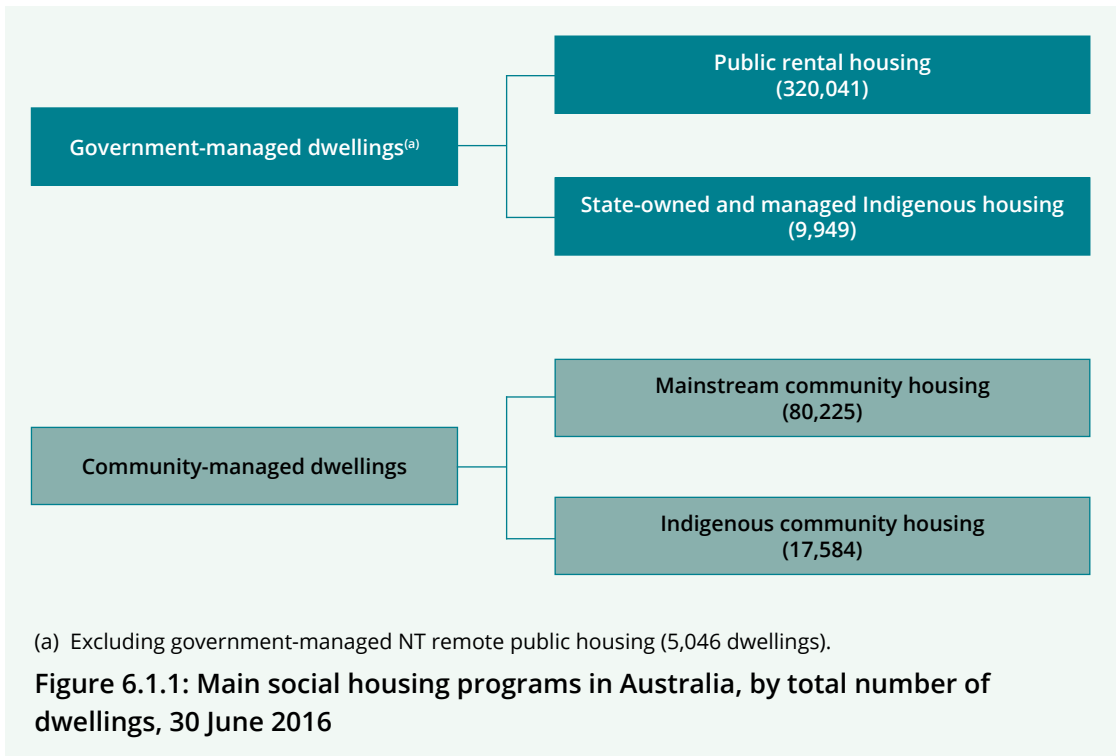
**Commonwealth funding** for social and affordable housing programs is provided via the National Affordable Housing Specific Purpose Payment and via National Partnerships between the Australian and state and territory governments.

Over the past decade, policy changes have seen a gradual shift in the social housing sector, from government-managed housing programs toward community-managed housing.

In the 9 years from 2007–08 to 2015–16, the total number of social housing dwellings has risen by 5.6% (or 22,800 dwellings) to 432,800:

- The largest rise has been in community-managed housing programs; specifically, for mainstream community housing, where dwelling numbers have more than doubled, from 36,000 to more than 80,000.
- In contrast, dwelling numbers have dropped in government-managed programs; specifically, for public rental housing, where dwellings dropped by nearly 18,000 to 320,000 dwellings.
- Although their numbers have dropped, public housing dwellings continue to make up the majority of social housing (75%) (Figure 6.1.1).

Although the total number of social housing dwellings has risen, this growth rate is not keeping pace with household growth. Therefore, the share of social housing is declining. Over the 9-year period, social share has gradually fallen from 5.1% to 4.7% (see also Chapter 6.3 ‘The changing shape of housing in Australia’).



# Social housing tenants

As at 30 June 2016, 394,000 households were living in social housing (public rental housing, SOMIH and mainstream community housing)—a 4.0% increase from 379,000 households in 2008. An estimated 845,000 tenants made up these households across Australia. Indigenous households made up 9.4%, or 29,293, of public rental housing households and 7.9%, or 5,377, of mainstream community households while SOMIH and Indigenous community housing programs were focused on Indigenous households.

Social housing tenant characteristics such as the age of the main tenant, main income source and living arrangements can vary across social housing programs (Table 6.1.1).

**Table 6.1.1: Ongoing<sup>(a)</sup> social housing tenants, by selected housing program and selected characteristics, 30 June 2016**

	Number of households (% change from 2008)	Sex <sup>(b)</sup> (%)		Age <sup>(b)</sup>	Living arrangement	Income
		Male	Female			
<b>Public rental housing</b>	312,000 (-6%)	37	63	54% older Australians (aged 55+)	54% living alone	29% disability support pension
<b>SOMIH</b>	9,700 (-22%)	24	76	64% aged 35–64	36% sole parent with dependent children	32% on other government payments <sup>(c)</sup>
<b>Mainstream community housing</b>	72,400 (+103%)	41	59	67% aged >45	59% living alone	n.a.

n.a. not available.

(a) 'Ongoing' means that the household's tenancy is not concluded.

(b) Excludes cases where sex or age were 'not stated' (less than 3% in each program).

(c) 'Other government payments' are government payments provided other than set government allowances, pensions or cash incomes.

Social housing has focused on low-income households in greatest need who can also have special needs. This includes Indigenous Australians, young and older Australians, people with disability, people experiencing domestic and family violence, and the homeless. Based on the proportion of newly assisted households in greatest need, these vulnerable households accounted for more than half of all newly housed tenants in the public rental housing, SOMIH and mainstream community housing programs in 2015–16.

The proportion of new public rental housing allocations provided to greatest need households increased from 36% in 2003–04 to 74% of newly allocated households in 2015–16. Over the same period, however, the total number of new public rental housing allocations reduced from 31,000 households to 20,500, in part due to a reduction in public rental housing dwelling stock (Figure 6.1.2).



## Social housing wait lists and prioritisation

Demand for social housing is strong. As at 30 June 2016, there were around 195,000 households on social housing waiting lists. Both the waiting lists themselves, and the wait times for many households, are very long. As at 30 June 2016, 47% of households waiting for public housing had been doing so for more than 2 years. This excludes households considered to be in greatest need, who remain a priority for provision of housing assistance (see also Chapter 9.2 'Indicators of *Australia's welfare*').

## Tenant satisfaction

Over time, social housing has been a stable form of tenure for vulnerable tenants. For the allocation of affordable housing to be considered successful, the dwelling must meet the needs of the household. In 2015-16, 2 in 5 (42%) public rental households and 1 in 3 (34%) SOMIH households had been in the same tenancy for over a decade. This low tenant turnover, together with ongoing demand for social housing, poses a challenge when bridging the gap between supply and demand.

The National Social Housing Survey presents a profile of social housing tenants and their satisfaction with services provided by their housing provider (see Box 6.1.2). In 2016, tenants living in mainstream community housing had higher levels of satisfaction (80%) than tenants in other social housing programs (73% for public rental housing and 68% for SOMIH).



### Box 6.1.2: Social housing tenant satisfaction

Personal experiences of social housing vary among tenants. To record the influence of individual experiences on social housing satisfaction, the National Social Housing Survey documents tenant comments. These comments reflect both the benefits and the difficulties faced by tenants. Here are two:

*I thank you for giving me a place when my world fell from under me.*

*I have had several inspections over the years. I have holes in my floor which has [sic] been inspected at least 5 times by a housing inspector. No side and back fence. Window can't be open or closed due to termites. Fireplace still full of bricks and falling into lounge room for 6 years now, very dirty, holes in the wall.*

2014 National Social Housing Survey

## What is missing from the picture?

To further support low-income Australians into stable housing, governments across Australia fund services to support people who are homeless or at risk of homelessness, known as Specialist Homelessness Services. Support from these service providers includes assisting social housing tenants to maintain their social housing tenure. More on these services is available through reports linked below and in Chapter 6.2 'Homelessness'.

## Where do I go for more information?

For more information about housing assistance in Australia, see reports available online at [www.aihw.gov.au/housing-assistance-publications/](http://www.aihw.gov.au/housing-assistance-publications/). The report *Housing assistance in Australia 2017*, the [National Social Housing Survey: a summary of national results 2016](#), [Specialist homelessness services 2015-16](#), and other recent publications are available for free download.

## 6.2 Homelessness

Homelessness can profoundly affect a person's health (mental and physical), their education and employment opportunities and their ability to participate fully in social and community life.

On Census night in 2011, more than 105,000 men, women and children in Australia were estimated to be homeless (see Glossary for a definition of 'homeless'). This figure included people who were in supported accommodation for the homeless, in temporary accommodation, in severely crowded dwellings (those requiring 4 or more extra bedrooms to accommodate them adequately) and people who were 'sleeping rough'. More than half of these people were male (56%). The majority were aged under 35 (60%, compared with 46% in the general population), 1 in 5 (20%) were in supported accommodation and about 1 in 15 (6.4%) were 'sleeping rough' (ABS 2012).

The rate of homelessness in 2011 was 48.9 people for every 10,000 population. This is an increase of 8.2%, from 45.2 people per 10,000 population in 2006. The estimated number of homeless Australians is expected to rise in the 2016 Census, as the enumeration strategy and methodology used will better capture this population.

Governments across Australia fund a range of services called specialist homelessness services (SHS) to support people who are homeless or at imminent risk of homelessness (Box 6.2.1).

### Box 6.2.1: Specialist homelessness services

A number of factors can not only lead to homelessness, but become barriers to ending it. These include domestic violence, diagnosed mental health issues, drug and/or alcohol issues, and release from custodial settings (for example, an adult correctional facility, youth detention or correctional centres, and immigration centres). SHS are geared to meeting the particular needs of these clients.

This article provides an overview of the characteristics of people who access SHS, with more detailed analysis presented for people experiencing mental ill health and leaving custody, as captured by the Specialist Homelessness Services Collection.

**Specialist homelessness services**—These services are delivered by non-government organisations. They include agencies that specialise in delivering services for specific groups (such as young people, Indigenous people or people experiencing family and domestic violence). They also include agencies that provide more generic services to people facing housing crises. Currently, people experiencing family and domestic violence are the single biggest client group within the Collection (38% of all clients) (for more information, see Chapter 2.7 'Family, domestic and sexual violence').

**Specialist Homelessness Services Collection**—This national data collection, conducted by the AIHW, contains data collected by homelessness agencies funded under the National Affordable Housing Specific Purpose Payment and the National Partnership Agreement on Homelessness. These data include information on clients receiving the services, the assistance they requested and outcomes achieved. National data from 5 collection years are now available.

More than 800,000 Australians were supported by homelessness agencies between 2011–12 and 2015–16. In 2015–16 alone, 279,196 clients were supported, representing 1 in 85 Australians (1.2% of the total population).

## Characteristics of clients

### Age and sex

Of clients who sought assistance from homelessness services in 2015–16:



- 6 in 10 were female (59%, or almost 166,000)



- 1 in 6 were children under the age of 10 (16%, or nearly 46,000 clients); there were similar numbers of boys and girls



- nearly 3 in 10 clients were aged under 18 (28%, or nearly 79,000); about half were female (40,000)



- clients aged 25–34 made up the largest age group (19%); 7 in 10 (68%) were female



- about 12,000 older women (55 and over) sought services, a 52% increase since 2011–12



- most commonly, clients were living in single-parent families (34%) when they sought support.

### Clients with a current mental health issue

The Australian Government's national approach to reducing homelessness identifies untreated mental health as one of the main pathways into homelessness, and has given priority to this vulnerable group (COAG 2009).

Specialist homelessness agencies support many people with mental health issues, providing a range of health, housing and general services. Clients with a current mental health issue (see Glossary for a definition of clients with a current mental health issue) make up the fastest growing client group in the SHS population. Increased rates of identification, greater community awareness and reduced stigma about mental health have all potentially driven the increase in self-identification and reporting of mental illness among SHS clients. On average, this client group has grown at a rate of 13% per year since 2011–12 (Table 6.2.1). The increase has been faster for females, growing at an average rate of 14% per year since 2011–12. The equivalent growth rate for males over this period was 11%.

The rate of service use by clients with a mental health issue has increased 50% in 5 years, from 20 people per 10,000 population in 2011–12 to 30 people in 2015–16.

Similar to the general SHS population, the majority of clients with a current mental health issue were female (58%) in 2015–16.

**Table 6.2.1: SHS clients with a current mental health issue, 2011–12 to 2015–16**

	2011–12	2012–13	2013–14	2014–15	2015–16
<b>Number of clients</b>	44,835	48,599	56,281	63,062	72,364
<b>% of all clients</b>	19.0	19.9	22.2	24.7	25.9
<b>Rate (per 10,000 population)</b>	20.1	21.4	24.3	26.9	30.4

*Note:* Rates are crude rates based on the Australian estimated resident population as at 30 June of the reference year.

## Clients leaving custodial arrangements

People who leave custodial settings are seen to be at increased risk of homelessness and they are also less likely to exit homelessness (Johnson et al. 2015). Being able to secure stable housing may reduce the likelihood of their reoffending (Australian Government 2008).

The number of clients who had recently left custodial settings grew, on average, by 11% each year between 2011–12 and 2015–16 (Table 6.2.2). The growth rate is higher for females (15%) than males (10%). In part, at least, this rise is a response to programs that connect people leaving custody with SHS services. The vast majority of clients are leaving adult prisons (84% in 2015–16); another 15% left youth centres.

The rate of service use has also increased for people who have recently left custodial settings, from 2.3 people per 10,000 population in 2011–12 to 3.3 people in 2015–16. However, despite increasing rates of service use, fewer clients in this group are receiving accommodation than before (45% in 2011–12 and 38% in 2015–16). As well, people who are given accommodation stay fewer nights. (The median nights of accommodation per client has fallen from 31 in 2011–12 to 26 in 2015–16.)

The majority of clients who had recently left custodial settings in 2015–16 were male (77%), with most males aged between 25 and 44 (58%).

**Table 6.2.2: SHS clients leaving custodial arrangements, 2011–12 to 2015–16**

	2011–12	2012–13	2013–14	2014–15	2015–16
<b>Number of clients</b>	5,132	6,399	6,756	6,866	7,804
<b>% of all clients</b>	2.2	2.6	2.7	2.7	2.8
<b>Indigenous (%)</b>	24	23	23	25	27
<b>Rate (per 10,000 population)</b>	2.3	2.8	2.9	2.9	3.3

### Notes

1. Rates are crude rates based on the Australian estimated resident population as at 30 June of the reference year.
2. Indigenous proportions include only clients where Indigenous status is known, and consent given. About 10% of clients each year were excluded on these basis.

## What is missing from the picture?

To help governments and homelessness service providers to better focus their delivery of services, more information is needed on pathways in and out of homelessness as well as on the longer term outcomes of service users. More information is also needed on individuals who use services across sectors. The AIHW is actively contributing to this knowledge and understanding of clients who use multiple services—such as drug and alcohol treatment services, as well as child protection services and youth justice—by carrying out data linkage projects.

## Where do I go for more information?

For more information about SHS in Australia, see reports available online at: [www.aihw.gov.au/homelessness-publications/](http://www.aihw.gov.au/homelessness-publications/). The report *Specialist homelessness services 2015–16* and other recent publications are available for free download.

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## 6.3 The changing shape of housing in Australia

Housing, even in its simplest form, meets two basic human needs: shelter and security. Its influence on the welfare of households is substantial, affecting, for example, health and wellbeing, education, employment and social and community participation. So fundamental is housing that the right to it is recognised by a number of international agreements, including the Universal Declaration of Human Rights (article 25.1). Economically, buying a home is often the largest financial investment a household will make, and it provides a means of saving for millions of Australians. It is also a key source of voluntary retirement savings and financial security for a majority of age pension recipients. As well, housing is a vehicle for asset/wealth accumulation for a growing number of households and, relatively more recently, a growing number of investors.

The 'great Australian dream' of owning one's own home is slipping away for some groups of Australians. While aggregate home ownership rates (that is, households with or without a mortgage) have declined modestly in Australia over the past 20 years—from 71% in 1994–95 to 67% in 2013–14—there have been more dramatic falls for younger age groups and lower income groups, suggesting barriers for those groups wishing to buy (ABS 2015a).

The decline in home ownership has not been uniform. Underpinning the national decline is a widening disparity in ownership rates and trends across Australia. Data from the annual Australian household-based panel survey show that since 2001 the largest fall in home ownership rates has been in Victoria (7.8 percentage point decline to 66%) followed by New South Wales (4.3 percentage points) and South Australia (2.5 percentage points), with little net change in Queensland and Western Australia (Melbourne Institute of Applied Economic and Social Research 2016). Globally, the aggregate home ownership rate in Australia ranks twenty-ninth among the 35 countries in the Organisation for Economic Co-operation and Development (OECD).

Since 1945, Australians have enjoyed high rates of home ownership and relatively low housing costs. In the past few decades, however, housing trends in Australia have changed:

- High home ownership rates have been threatened as house price increases have outpaced rises in household incomes.
- Australia has experienced declining housing affordability (both rental and purchase affordability). Affordability issues are particularly affecting younger generations and lower income groups. With these groups having limited opportunities to become home owners, this trend threatens to widen economic inequalities between owners and renters and destabilise wealth transfer between generations.
- Levels of exit from ownership are higher for someone entering home ownership in 2001–10 than for someone who entered it before 2001 (Wood et al. 2013). It is estimated that 1 in 5 (22%) Australians exited home ownership in the decade to 2010, with one-third of these people never re-entering it.

- The focus in providing direct housing and housing assistance has shifted—from lower income working families to the most vulnerable in society, such as people living with disability or experiencing domestic and family violence. The proportion of newly assisted households in greatest need more than doubled in the 12 years to 2015–16 (to 74% in public housing and 56% in state owned and managed Indigenous housing).

These trends have created policy challenges for governments of all levels. Exits from home ownership, as well as delayed and reduced rates of entry across the life course, threaten the high levels of home ownership on which Australian retirement incomes policy is based. This has the potential to place increasing demand on housing assistance, particularly on the Commonwealth Rent Assistance (CRA) scheme (Wood et al. 2013).

Further, Australia's retirement policy is largely based on low housing costs in older age. With fewer Australians tending to own their house outright at retirement, this increases pressure on the welfare system, as a greater proportion of superannuation money will be spent on housing costs. Where increasing numbers of people entering retirement are potentially reliant on social housing or private rental (as a result of their inability to own their own home), costs to government could be reasonably expected to escalate.

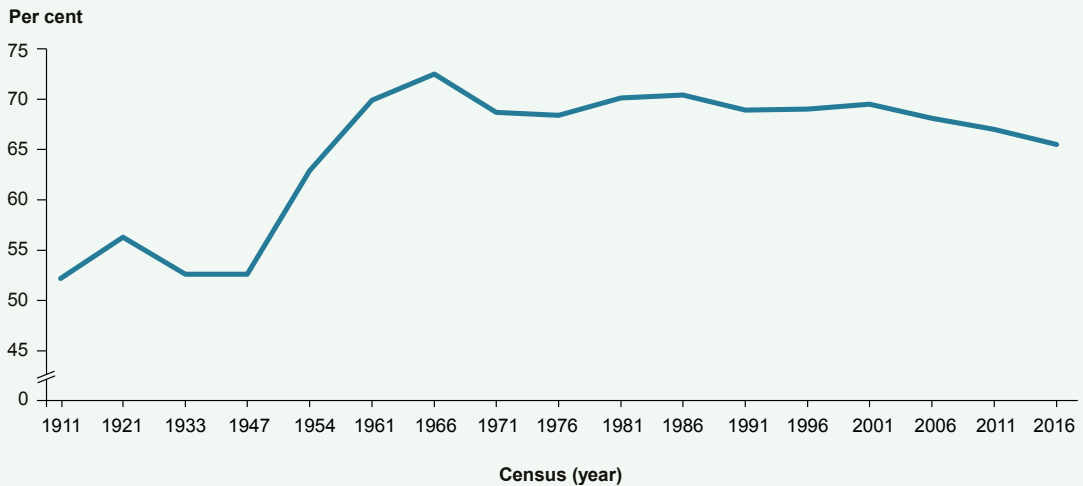
## Home ownership and changing trends in housing tenure

Home ownership rates in Australia rose substantially after World War II (Figure 6.3.1). In part, this can be attributed to government policies that promoted home ownership, improving housing affordability and increasing supply, together with rapidly growing household incomes and the lifting of constraints on housing finance.

While aggregate home ownership rates have remained stable in Australia since the mid-1960s, the rates of home ownership for different age cohorts have varied markedly. This variation has been driven by substantial changes in the factors influencing the housing market over the past 20 or so years. For example, until the early 1990s, growth in the housing stock increased at a faster rate than the population. However, in 2011, the shortage of housing, relative to the underlying demand for it, was estimated at 228,000 dwellings (NHSC 2012).

Over this 20 or so year period, steady population growth, combined with other demographic changes—the growth of single-person and single-parent households (for example, as a result of more family breakdowns, and a decline in marriage rates), declining average family size, and an ageing population—placed upward pressure on dwelling stock.

Despite mortgage interest rates being substantially lower, on average, over the last 20 or so years and the government incentives to first home buyers, the overall home ownership rate has declined by 6 percentage points to 66% (Census 2016), its lowest figure since the 1954 Census (Figure 6.3.1).



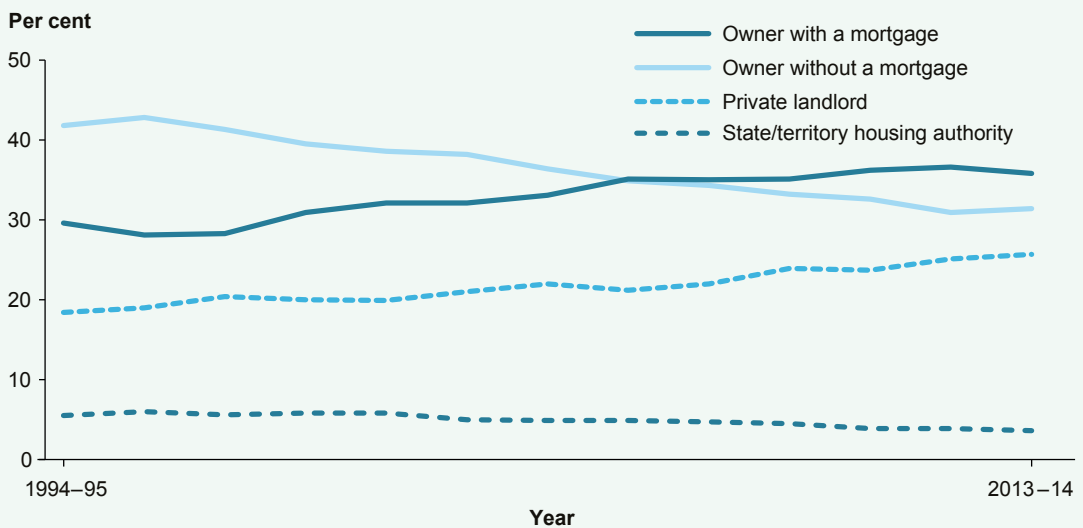
**Notes**

1. Percentages are of occupied private dwellings, excluding those for which tenure is not stated.
2. Censuses were conducted irregularly until 1961.

Source: ABS Censuses, as charted by Eslake 2013.

**Figure 6.3.1: Australian home ownership rates at Censuses, 1911 to 2016**

Over the past 20 years, there has also been a major shift in home ownership trends across Australia (Figure 6.3.2). Nationally, the proportion of home owners without a mortgage has continued to fall, while the proportion of renters has increased.



Note: Excludes 'Renter-other landlord type' and 'Other tenure type', which were steady at around 1.5% and 2.5%, respectively.

Source: ABS 2015a.

**Figure 6.3.2: Changes in housing tenure in Australia, 1994-95 to 2013-14**

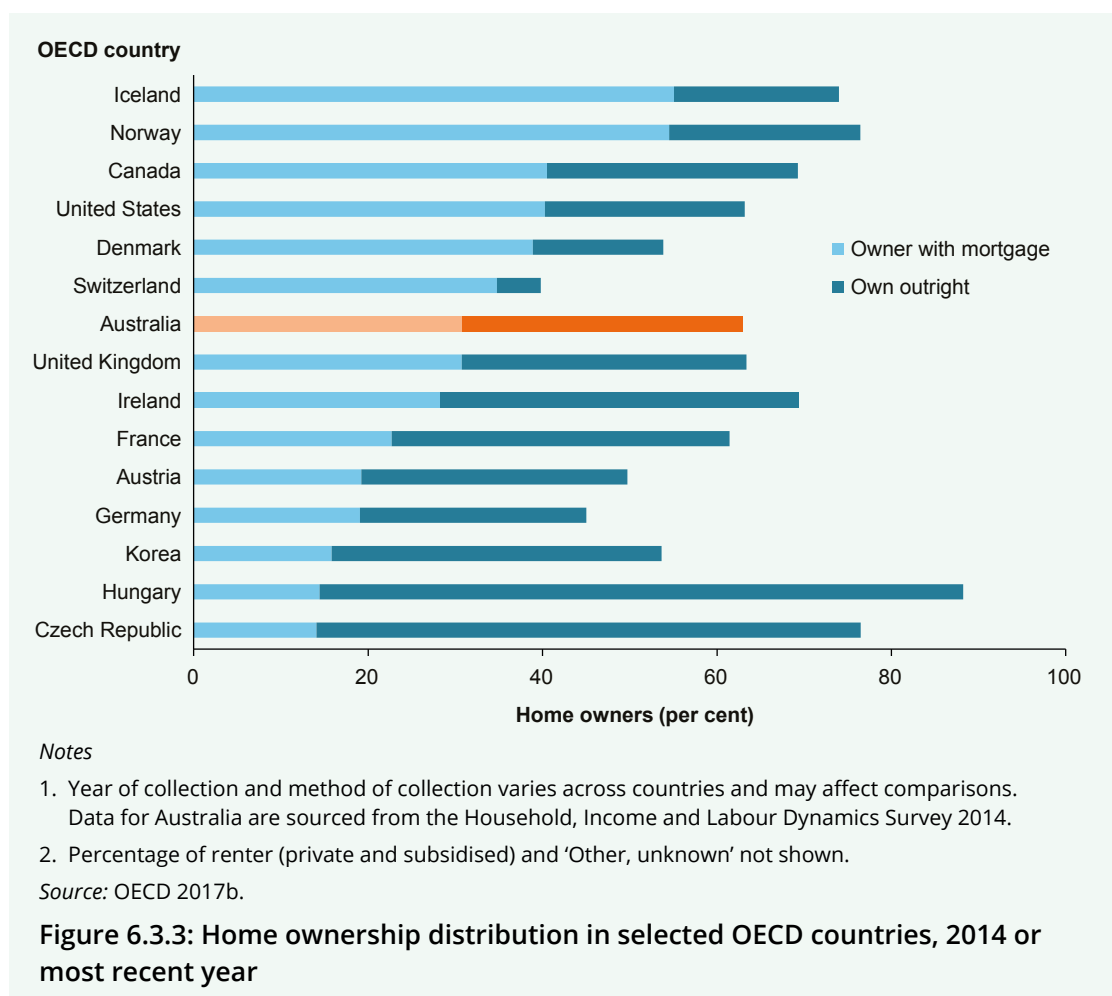


Between 1994–95 and 2013–14, the proportion of Australians who owned their home outright fell from 42% to 31%. Over the same period, more home owners financed their purchase with a mortgage (increasing from 30% to 36%).

Australians are renting in greater proportions than 2 decades ago. The private market has seen the greatest increase in renter numbers, up 7 percentage points to 26% over 20 years. In contrast, state/territory housing authorities are contributing fewer rental properties in the market, down 1.9 percentage points to 3.6%.

## Global trends in home ownership rates

Home ownership is still the most common tenure type in Australia, as it is in many other OECD countries (Figure 6.3.3). However, home ownership rates have tended to increase in many OECD countries over recent decades, unlike the Australian experience (Andrews & Sánchez 2011). Contributing to this trend overseas, at least in part, are changes in the characteristics of households (including population ageing, household structure, and income and education) and policy influences, such as mortgage market innovations (including the relaxation of deposit constraints, increasing home ownership rates among lower income households, and tax reliefs on mortgage debt financing) (Andrews & Sánchez 2011).



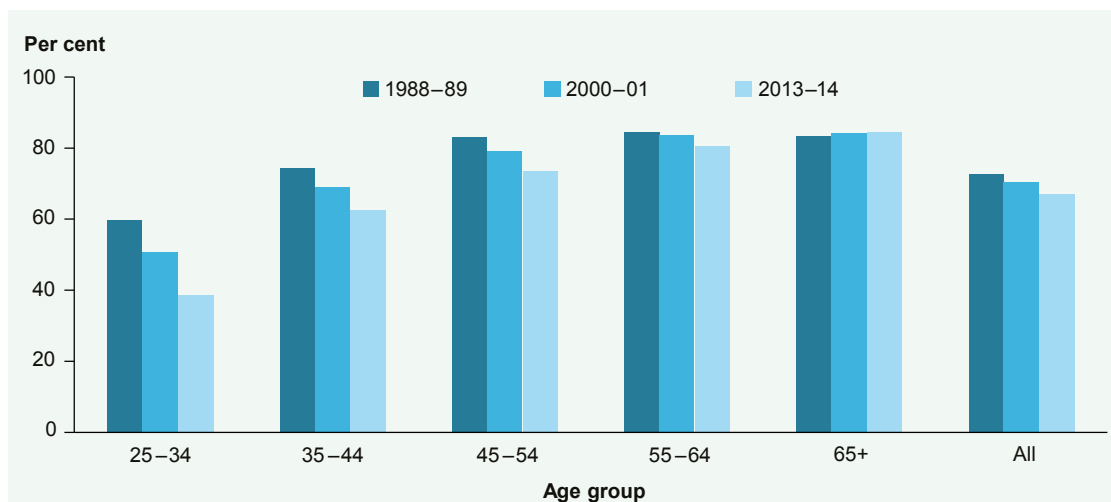
While Australia ranks in the lowest quarter of OECD countries in terms of aggregate home ownership rates (twenty-ninth), it ranks in the top third for home owners with a mortgage (selected OECD countries are shown in Figure 6.3.3). It is similar to Ireland, Spain, Portugal, United Kingdom, Finland and Belgium at around 30%.

From an international perspective, national housing outcomes and policy challenges are contemporary issues. To help countries measure access to affordable housing and strengthen the knowledge base for policy evaluation, an online OECD Affordable Housing Database has been developed, with support from the European Union.

## Home ownership across the generations, and changing housing careers

Housing careers can be thought of as the sequence of housing circumstances an individual or household occupies over their life (Beer et al. 2006). Research shows that Australia is experiencing generational change when it comes to home ownership, with younger households being principally affected by factors such as economic constraints, lifestyle choices and work-home preferences (Burke et al. 2014; Yates 2011).

The steepest decline in home ownership rates across the 25 years to 2013–14 has been for people aged 25–34 (Figure 6.3.4) (see Supplementary table S6.3.1). This is typically the age at which first transitions into home ownership are made. But, fewer and fewer people in this age group are entering home ownership, with a 21 percentage point decline to just 39% in 2013–14 (compared with 60% in 1988–89). Home ownership rates for people aged 35–44 also fell, but not so much (12 percentage points). People aged over 65 (the age of retirement) were the only age group to increase their rate of home ownership and, even then, the increase was marginal. Census data from 2016 became available just prior to the release of this publication and confirm this trend of diminishing home ownership rates among younger Australians. From 2006 to 2016 Census data reveal the greatest declines in home ownership have been in the 25–34 and 35–44 year age groups (from 51% down to 45% and from 68% to 62%, respectively).

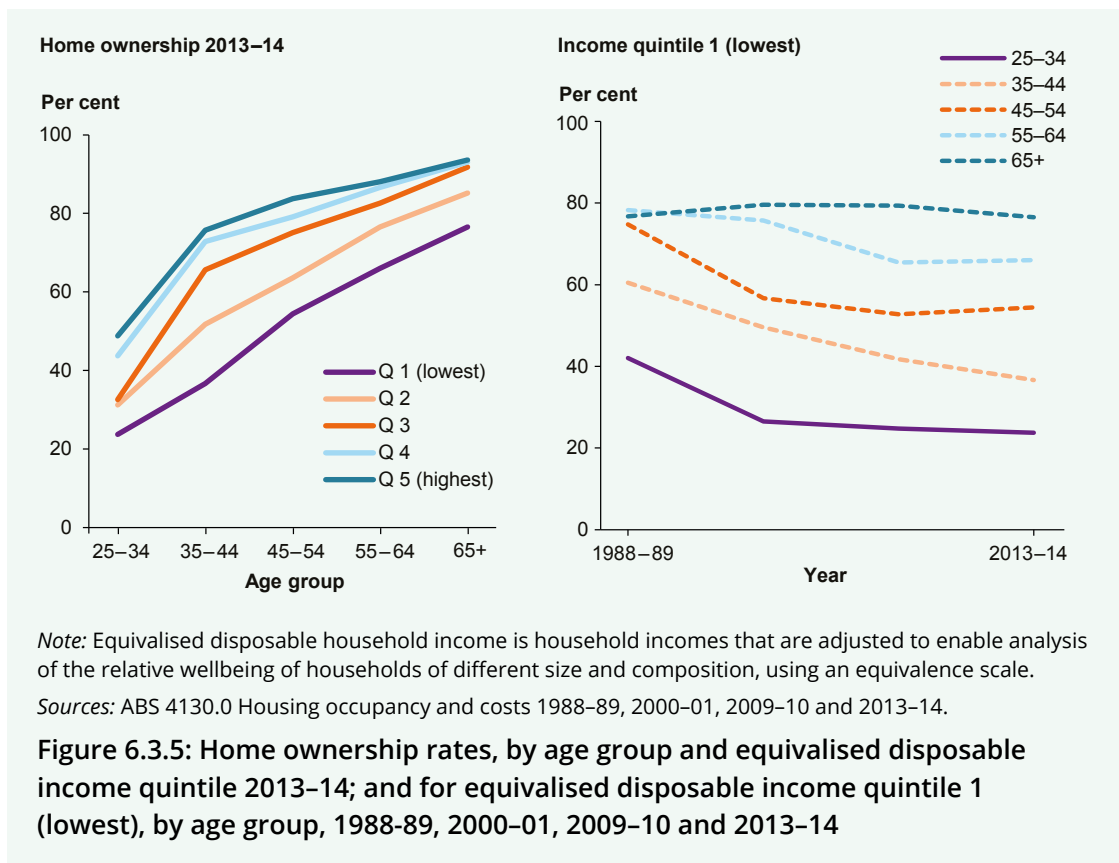


Sources: ABS 4130.0 Housing occupancy and costs 1988–89, 2000–01 and 2013–14.

**Figure 6.3.4: Home ownership rates, by age group, 1988–89, 2000–01 and 2013–14**

Consistent with a decline in ownership rates among younger Australians is evidence of first home buyers being older than they were a decade ago (ABS 2015a). In 2000–01, 61% of first home buyers were aged between 25–34; by 2013–14, this proportion had dropped to less than half (49.6%). At least in part, the financial impacts of higher education costs and compulsory superannuation contributions on younger generations have been implicated in their deferral into home ownership, as they save for a deposit in a market of increasing house prices (Burke et al. 2014; Yates 2011). In the absence of real income growth, the effect of increased house prices on the time taken to save for a deposit is significant, particularly in Sydney and Melbourne. Estimates reveal that since 2006, the average number of years required to save for a deposit in Sydney increased from 5 to 8 years and in Melbourne, 4 to 6 years (Australian Government 2017).

While lifestyle preferences and choices affect purchasing decisions across all age groups, constraints that strongly impede access of younger households are largely financial. These constraints include the price of dwellings themselves, deposit requirements, and access to mortgages. For each age group, home ownership rates increase notably with household income. Over the past 25 years, however, home ownership rates have declined more steeply for younger Australians earning the least (Figure 6.3.5).

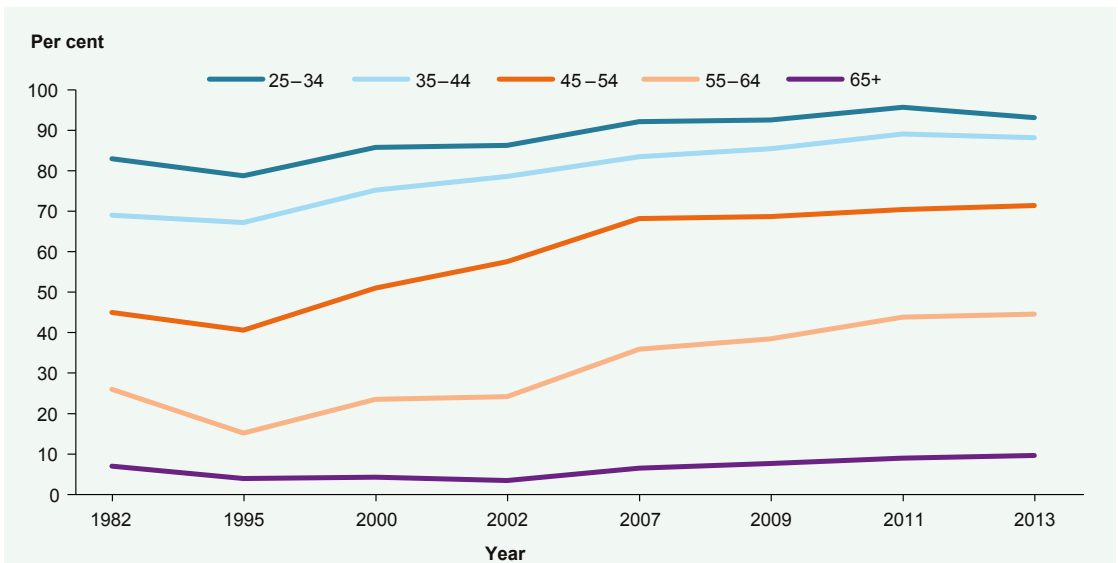


# Generational changes in mortgage indebtedness

Australian households have adapted to increased affordability pressures by not becoming home owners or, if they are home owners, taking on more debt. This latter option has been enabled both by the willingness of households to take on more debt and lenders changing their practices to offer larger mortgages (Tomlinson & Burke 2012). The current climate of low interest rates has also been an influential factor in household indebtedness.

More than 70% of Australian households had some level of debt during 2013–14, with housing debt a major component of this (ABS 2015b). For those households with a mortgage, more than 4 in 10 (44%) were servicing a total debt that was three or more times their annualised disposable income. This is a 10.5 percentage point increase since 2003–04. This greater level of debt taken on by more Australian home owners with a mortgage makes many of these households vulnerable to economic hardship. Further, repayment affordability may well become an issue for these households should interest rates rise in the future.

Among home owners, the proportion of households with a mortgage has grown across all age groups during the past 3 decades (Figure 6.3.6). This rise in mortgage indebtedness coincided with the house price boom in the late 1990s. The proportion of older mortgagors is climbing most steeply, particularly for people approaching retirement (aged 45–54 and 55–64). In 1982, less than half (45%) of people born during the Depression, from 1928 to 1937 (austerity babies), were financing a mortgage when aged 45–54. By comparison, in 2013, 71% of people born between 1957 and 1966 (mainly baby boomers), were financing a mortgage when aged 45–54. This trend is of particular concern as these households approach retirement without their home and asset base being paid off. For people looking to retire in the next 10 years, 45% of 55–64-year-olds in 2013 were still servicing a mortgage, compared with just 26% in 1982.



Sources: ABS 4130.0 Housing occupancy and costs 1982–83, 1995–96, 2000–01, 2002–03, 2007–08, 2009–10, 2011–12 and 2013–14. Graph based on that published in Ong et al. 2013.

**Figure 6.3.6: Proportion of home owners with a mortgage, by age group, selected years**

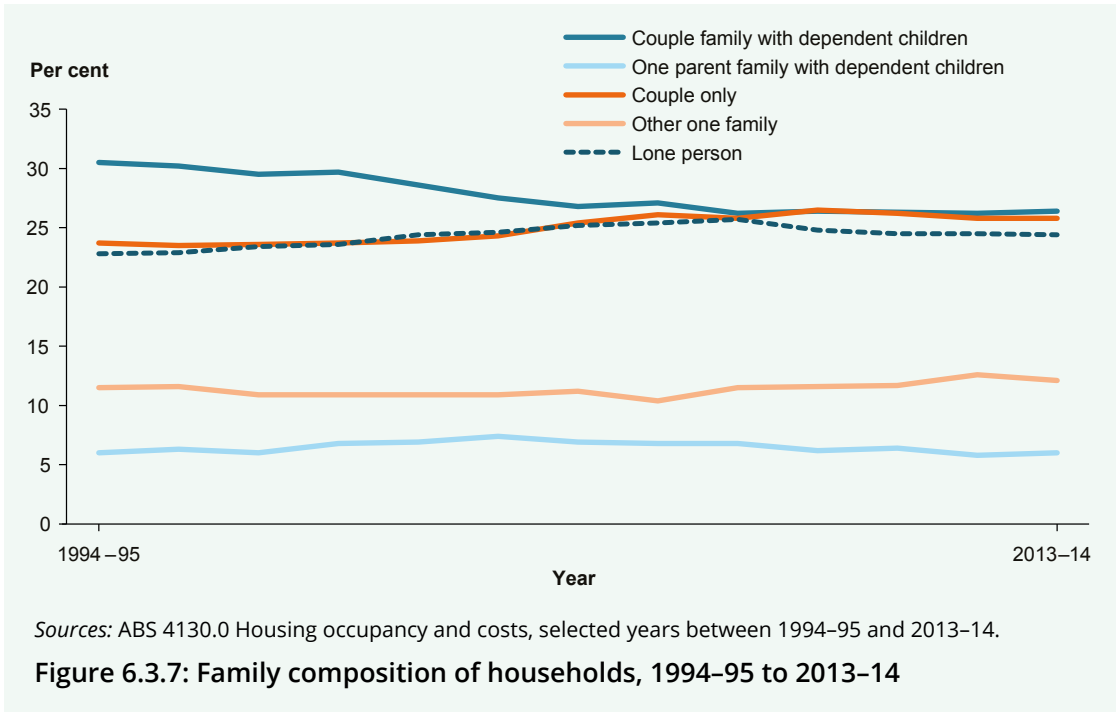
The recent housing boom of the late 1990s has seen house prices rapidly escalate, with corresponding deteriorations in purchase affordability, particularly for people trying to enter the housing market, and those rental households on low incomes. Decreasing levels of housing purchase affordability in Australia have forced many households to adapt by borrowing more, deferring the purchase of a home, moving into more affordable housing (such as apartments and townhouses) and moving to more affordable locations. Despite this, low-income and single-income working age households are increasingly being left out of the home purchase market (Wood et al. 2013).

## Australian population—demographic changes and challenges

There is evidence of a decline in household formation since 2006. Between 1994–95 and 2013–14, the Australian population grew by around 31%, with accelerated growth between 2006 and 2013 on the back of increases in overseas migration. Over the same period, the number of households in Australia increased from 6.5 to 8.8 million, a rise of 34% (ABS 2015b). The number of people in these households, on average, has declined steadily for many years; by 2006 it had fallen to its lowest point, 2.5 people per dwelling (ABS 2015b). After this time, households formed at a slower rate than population growth, implying that people were not forming households at the same rate as before. Rising house prices in the face of unaccompanied growth in incomes, a lack of available dwellings (that is, insufficient or mismatched supply) and a lack of affordable dwellings have been proposed as possible reasons for a decline in household formation (AHURI 2016; ABS 2011; Reserve Bank of Australia 2015).

The composition of families is also changing, presenting its own housing challenges (Figure 6.3.7). Family households remain the most common household type, but there have been changes in their composition. Couple families with dependent children have declined from 31% in 1994–95 to 26% in 2013–14, while the proportion of couple-only families (25.8%, up from 23.7%), and multiple-family households (2.3%, up from 1.3%) have all increased.

With family structure changing, so too, are families' housing choices and preferences. The challenge is for housing options to be responsive, flexible and affordable to meet this change. For example, as the numbers of lone-person and couple-only households grow, these households may increasingly seek smaller dwellings. Increases in non-nuclear family households are likely to expose a growing number less likely to have the financial resources, or the need, to buy a large single family home. Other challenges include having sufficient options for older households who may prefer to age in their own home or in alternative appropriate accommodation.



Future projections forecast 4.3 million more households in Australia by 2036, increasing from 8.4 million in 2011 to between 12.6 and 12.7 million in 2036 (ABS 2015c), an increase of between 49% and 51%. There were about 7.8 million Australian households living in private dwellings in 2011, estimated to increase by 49% to 11.6 million by 2031. Family households are projected to have the largest increase over the projection period, remaining the most common household type in Australia.

## Housing affordability: trends and distribution

Given current population projections, demand for housing will continue to grow. This increased demand will put pressure on dwelling prices, with a particularly adverse effect for low-income households.

A number of factors influence house prices, and therefore housing affordability (Box 6.3.1).

### Box 6.3.1: Determinants of housing affordability in Australia

Demand for housing is influenced by factors such as:

- population growth
- changes in household composition
- economic circumstances, such as household income and the number of income earners in the household
- interest rates and access to affordable finance
- tax settings
- attractiveness to investors (profitability and percentage returns) compared with the asset classes
- rental prices and availability
- consumer preferences, such as the size, location, tenure and quality of housing; the balance between housing costs and the costs of transport; and demand for second/ holiday homes.

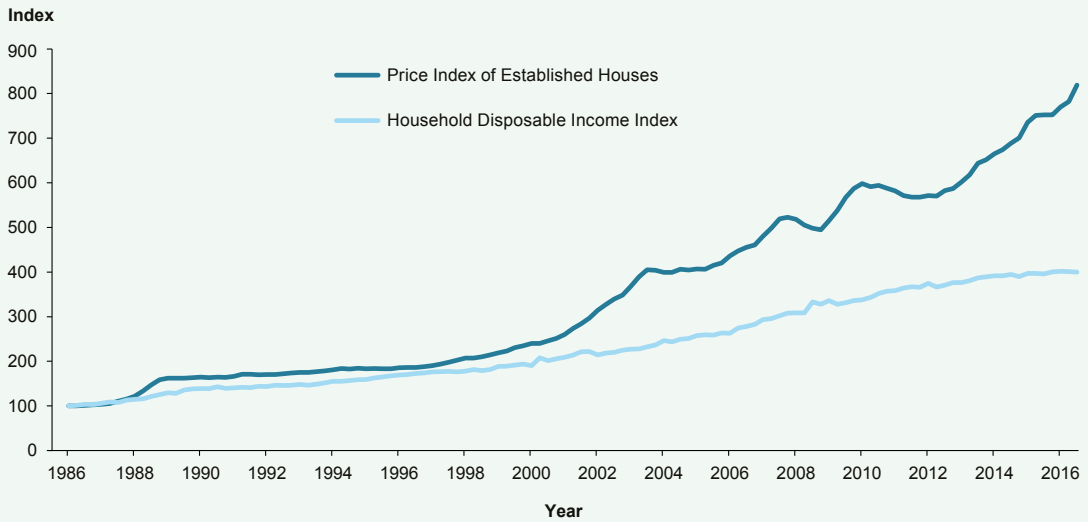
The supply of housing is influenced by a range of factors, such as:

- land availability, such as zoning and restrictions on land tenure that do not readily permit land to be developed, sold, or individually owned
- land release and development processes, including fees and regulation
- the costs of construction and providing essential infrastructure, such as water, power, and sewerage
- the availability of skilled labour in the construction industry
- the level of services (such as public transport) and employment required to attract households into locations
- government taxes and subsidies
- interest rates and access to affordable sources of development finance.

*Sources:* Adapted from PM&C 2014; Kirchner 2014; NHSC 2009; The Senate Select Committee on Housing Affordability in Australia 2008; URC 2008.

The gap between household income and dwelling prices in Australia has widened over the past 3 decades, creating a barrier to home ownership for many (Burke et al. 2014) (Figure 6.3.8). This gap has been fuelled by rapid house price growth, after the financial system was deregulated, with the total value of Australian housing estimated to be \$6.5 trillion (CoreLogic RP Data 2016a).

House prices in Australia have increased substantially in recent decades. The OECD noted in its biennial survey that they have reached unprecedented highs in Australia, increasing by 250% in real terms since the 1990s (OECD 2017a). The impact of higher house prices has been partially offset by lower mortgage interest rates, increased credit availability and changes in financial agency practices. These favourable lending conditions and low interest rates have encouraged buyers into the market, despite the growth in house prices themselves.



Sources: ABS cat. no. 5206.0 various years; ABS cat. no. 6416.0 various years. Graph based on that published in Burke et al. 2014.

**Figure 6.3.8: Established house prices compared with household disposable income, Australia, 1986 to 2016**

As Figure 6.3.9 shows, house price growth has not been uniform across Australian cities. Sydney prices have seen the steepest rises, particularly in the past 5 years, and are the most expensive. By contrast, Hobart has the lowest median house price, currently less than half that of Sydney.



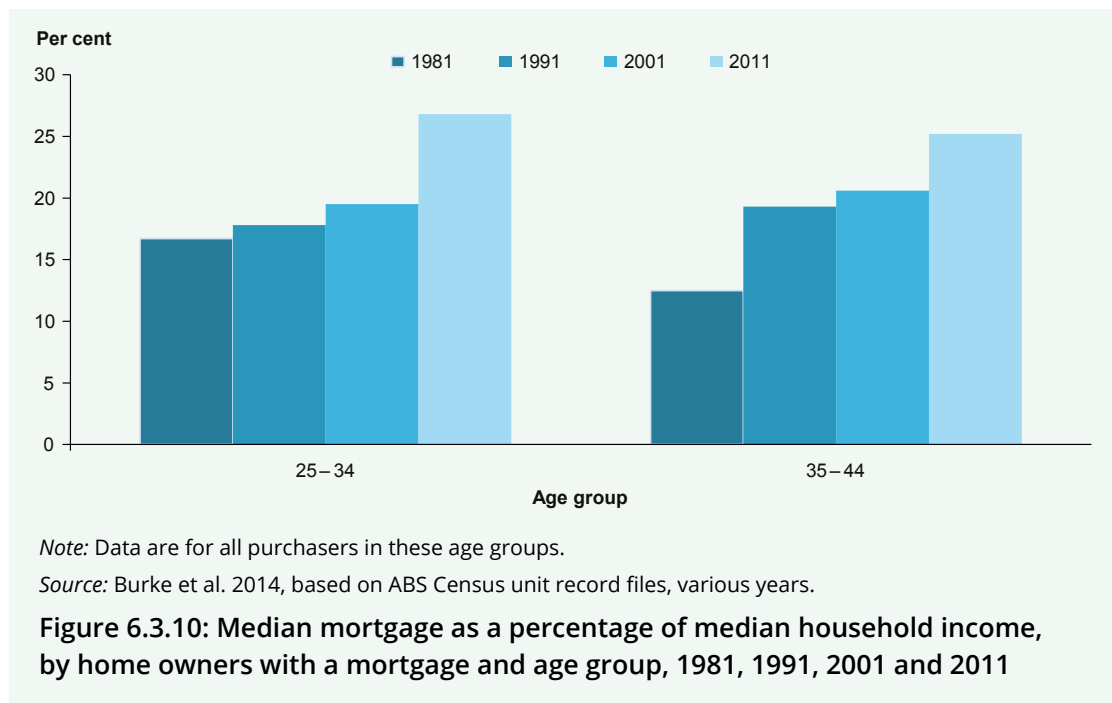
Note: Capital cities have been ordered from highest to lowest median price as at September 2016.

Source: ABS 2016a.

**Figure 6.3.9: Median price of established houses, by capital city, March 2002 to September 2016**



With house prices outpacing income growth, repayment affordability is affected. The cost of mortgages rose substantially in the 30 years to 2011 (Figure 6.3.10). This rise has been particularly felt by younger home buyers. The proportion of median household income spent on mortgage repayments increased by more than 50% for people aged 25–34 between 1981 and 2011. This proportion more than doubled over the same period for people aged 35–44, with this age group paying around 25% or more of their median household income on mortgage repayments (Burke et al. 2014).



## What is affordable, to whom and where?

Generally, measurements of housing affordability focus on quantifying housing stress as a proxy for all housing affordability driven outcomes (Gabriel et al. 2005; Rowley & Ong 2012). Measurements of housing stress primarily focus on the financial aspects of housing affordability, ignoring the wider non-financial impact of housing quality, location, economic participation and social and neighbourhood issues. A key issue with common housing stress measures (for example, house price to income ratio and the 30:40 rule—that is, housing costs below 30% of household income for the bottom 40% of the household income distribution) is that they include buyers and renters, but ignore people trying to enter the housing market.

The concept of affordability means different things to different people and households, and it depends on the housing situation. Affordability for home owners relates to purchase and repayment expenses; for renters, it relates to rental expenses. For the highest income households, affordability is a matter of exercising choice, rather than being restricted in accessing the market. For people with more modest means (with lower income and/or accumulated wealth assets), affordability is, and remains, a major issue and affects their ability to access the housing market.

The level of affordability experienced by buyers is influenced by many factors, including interest rates, asset wealth, dwelling prices, household composition, and the level of household income (Box 6.3.1).

From June 1993 to June 2016, the standard variable interest rate for housing loans fluctuated but trended downward, decreasing from 9.50% to 5.35%. This has helped people with a mortgage, but not renters. House prices have outpaced income growth over the past decade, contributing substantially to the decline in purchase affordability, particularly for lower income renters, and single-income households.

## Affordability for rental households

For households renting, affordability is also declining (Hulse et al 2014). Stronger demand for housing generally leads to a tighter rental market, which has a disproportionate impact on lower income private renters.

The proportion of Australians in private rental is higher than ever before, with more than one quarter (26%) of the population renting in 2013–14, compared with just 18% in 1994–95 (ABS 2015a). Over the same period, renters have had a 62% (or \$144) increase in average weekly housing costs. This is substantially higher than for owners with a mortgage (42%) or public housing renters (45%) over this time (ABS 2015b).

The number of lower income households renting has also grown; there were an estimated 1.3 million households in 2013–14. The proportion of these lower income rental households in rental stress (spending more than 30% of their gross income on housing costs) (see Chapter 9.2 'Indicators of *Australia's welfare*') has also increased. Half (50%) of the estimated 1.3 million lower income rental households were in rental stress in 2013–14, up from 40% in 2007–08 (ABS 2015a). For lower income households renting in the private market (about 912,500), 62% were in rental stress in 2013–14. The growing population of lower income households who are private renters represents a growing divide in home ownership and wealth inequity in Australia.

## Affordability for households entering the market

Research indicates that it is future households that will face major affordability constraints (Eslake 2013; Rowley & Ong 2012). The barriers to purchasing a home are increasingly an issue for younger Australians and lower income households as they try to become home owners.

To highlight the difficulty in entering the housing market, the AIHW analysed a cross section of the community, to examine their opportunity to buy a home in the 2013–14 market. The population included private renter households who did not own a property—an estimated 2.3 million private rental households. An affordable dwelling price was estimated (affordable price point) using median gross household income data applied in a mortgage calculation for particular household or income groups in each Australian capital city (see 'Methods and conventions' section of this report for supplementary technical information related to the purchase affordability indicator; S6.3.1). Income data vary considerably across capital cities and therefore create quite different affordable price points; hence, outcomes are relative for each city. The proportion of dwellings sold in each capital city at or below these price points was calculated, providing an insight into the prospects for people wanting to get into the housing market. This analysis excluded Australians who were housed through social housing programs or who received government subsidised rent, as these households have different financial situations (and incomes) and are less likely to be in a position to buy a house.

Only about 1 in 6 (15%) of all dwellings sold in Australia in 2013–14 could have been bought by private rental households in Australia earning the median household income (CoreLogic RP Data 2016b).

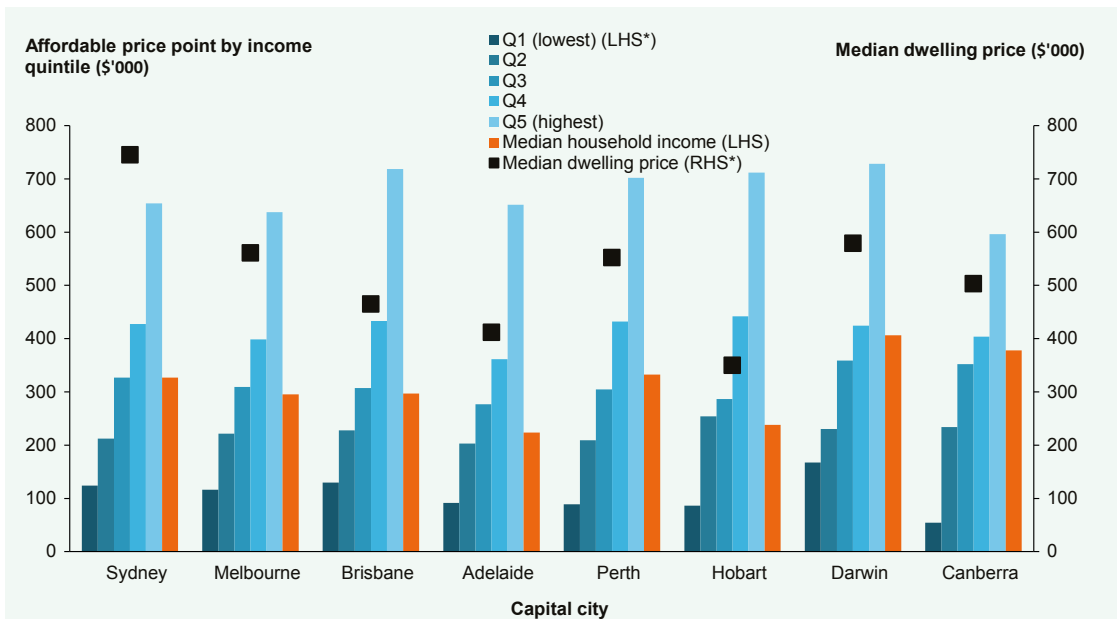
Of the 544,875 dwellings sold in Australia in 2013–14, 71% were in capital cities, with the remaining 29% across the rest of the states/territories. This reflects the distribution of the Australian population.

AIHW analyses of affordable purchase price data show the influence of broad location, income and household composition on the potential of rental populations to buy a dwelling in capital cities in Australia in 2013–14. The analyses reveal a notable degree of ‘unaffordability’ for these households.

## Household income and affordability

Across all capital cities, both the median house and unit price exceeded the calculated maximum affordable dwelling price for the median income rental household.

The gap between the affordable price point for the median rental household income and median dwelling price was most pronounced for households in Sydney, with a median house price of \$745,000. This figure is higher than even the affordable price point for the highest income quintile (Figure 6.3.11).



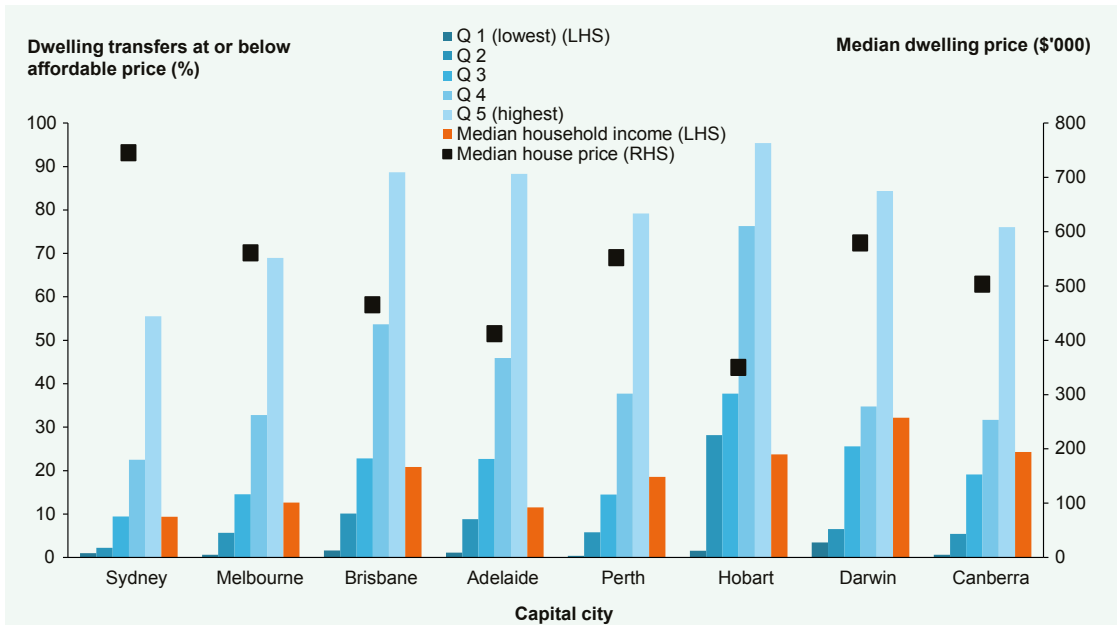
*Note:* Equivalised disposable household income is household incomes that are adjusted to enable analysis of the relative wellbeing of households of different size and composition, using an equivalence scale.

\* LHS = left hand side; RHS = right hand side.

*Sources:* AIHW analysis of ABS 2016b; CoreLogic RP Data 2016b.

**Figure 6.3.11: Median price of established houses and maximum affordable price points, by equivalised disposable income quintile and capital city, 2013–14**

Overall, the proportion of dwellings sold that were affordable to the median income rental household across the capital cities ranged from 9.4% in Sydney to around 32% in Darwin (Figure 6.3.12). These locational differences are driven by differences in household incomes and the distribution of the prices of dwellings sold during 2013–14.



Note: Equivalised disposable household income is household incomes that are adjusted to enable analysis of the relative wellbeing of households of different size and composition, using an equivalence scale.

\* LHS = left hand side; RHS = right hand side.

Sources: AIHW analysis of ABS 2016b; CoreLogic RP Data 2016b.

**Figure 6.3.12: Median price of established Australian houses and proportion of dwellings transferred at or below the maximum affordable price point, by equivalised disposable income quintile and capital city, 2013–14**

For rental households in the lowest equivalised disposable household income quintile (the lowest income earners), there were considerably fewer opportunities to enter the property market. For example, from less than 1% of dwellings sold in Perth to 3.5% in Darwin were affordable for these households (Figure 6.3.12).

By comparison, households in the highest equivalised disposable household income quintile, (the highest income earners) could afford to buy up to 95% of dwellings sold in Hobart and more than 75% of dwellings in all other capital cities, except for Sydney and Melbourne. Only 56% of dwellings sold in Sydney were affordable to the highest income earners and 69% in Melbourne.

There were not only fewer opportunities for financially constrained households to buy an affordable property, but also limited choice in the type of dwelling, depending on location (Figure 6.3.13). Sydney was the only capital city where there were more units than houses transferred below the affordable price point for people in the lowest two income quintiles (quintile 1, 64%; quintile 2, 52%). In Darwin, Melbourne and Brisbane, where the affordable

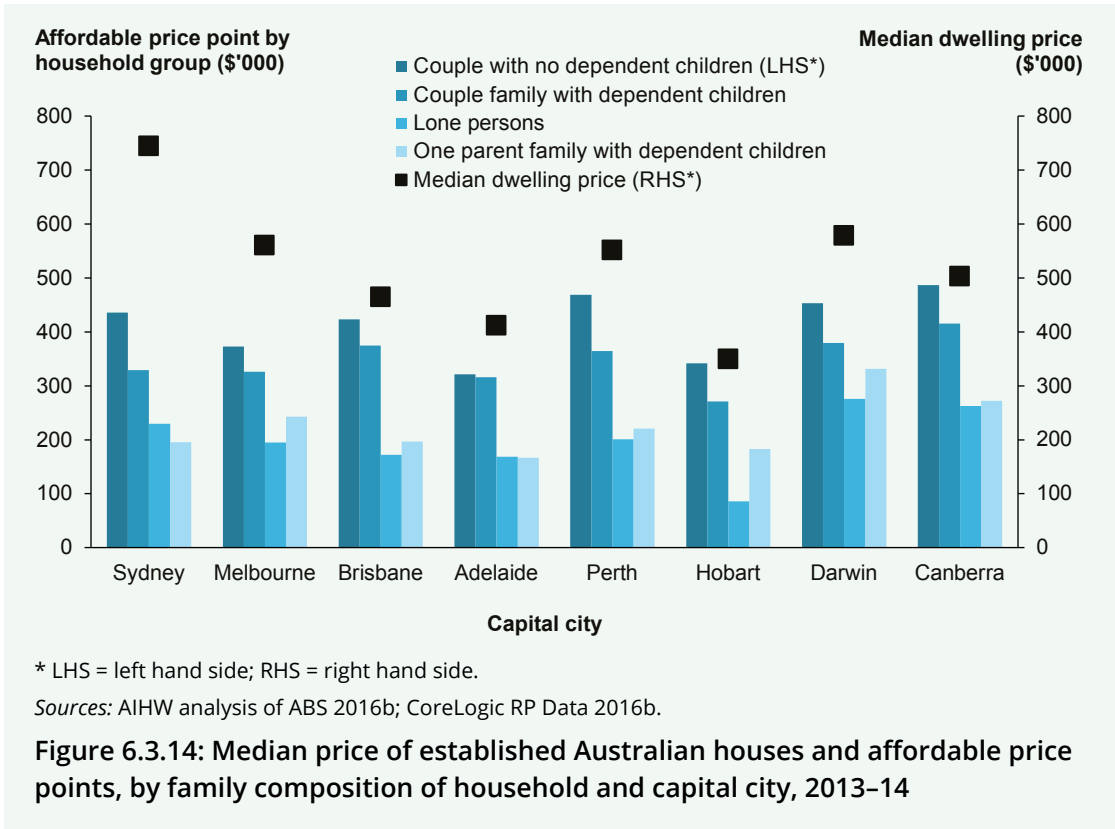
price point was also high, renters in the lowest income quintile would have had fewer opportunities to buy a house than renters in capital cities with lower affordable price points (Hobart, Adelaide, Perth and Canberra). These analyses imply that, for renters in the lowest income quintile living in capital cities with the highest affordable price points, choice of dwelling type would be constrained.



## Household composition and affordability

Purchase affordability is influenced not only by household income, but also by the composition of the household itself. Households with a single income and/or dependants have reduced borrowing capacity, while the adequacy of the dwelling is influenced by family size. While calculated affordable price points varied across household types and capital cities, one thing remained constant: the median house price across all capital cities was above the maximum affordable dwelling price point across all household types.

For certain household types, the gap between median income and affordable price point was greater than others (Figure 6.3.14). Across most capital cities, this gap was largest for lone-person households, followed closely by single-parent households with dependent children.

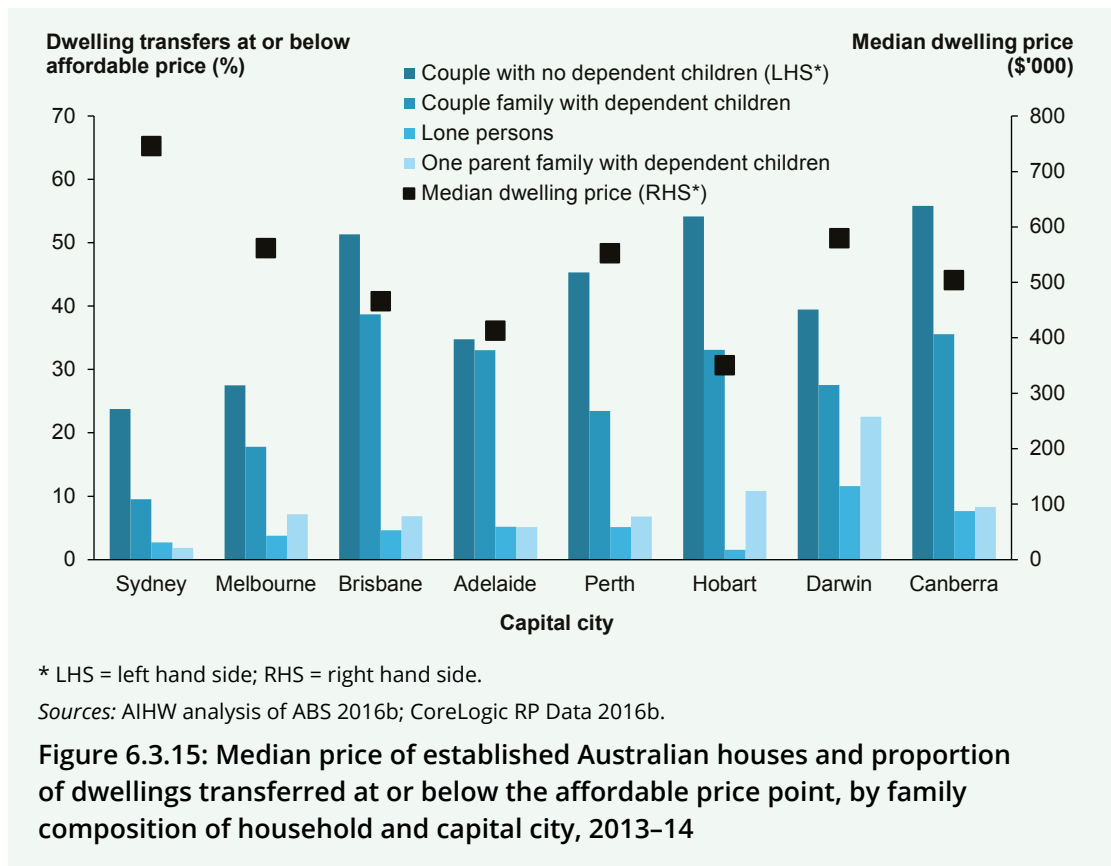


The vast majority of affordable dwellings transferred across all Australian capital cities in 2013-14 were not affordable for single-income households; that is, one-parent families with dependent children and lone-person households (Figure 6.3.15).

Sydney was the least affordable capital city. For single-income households, just 1.8% (or 2,144) of dwellings sold in 2013-14 were deemed affordable, and for lone-person households just 2.7% (or 3,180). A similar trend was observed for single-income and lone-person households in the four other capitals, ranging from a 10% in Adelaide to 12% in Perth and Brisbane.

Couples with no dependent children had the greatest opportunity to buy a house across all capital cities. For example, a couple with no dependent children earning the median income could have bought about half of all dwellings sold in Canberra, Hobart, Perth and Brisbane. However, in Sydney, even these households could only have bought around 24% of properties.

These data show that, for most rental households across most income quintiles, median house prices were well above what these households could comfortably afford. Despite this price issue, the Australian housing market continues to grow, with more and bigger houses being bought. Higher income earners accessing bigger and better homes, and investors entering the housing market, have been responsible for some of the economic pressures contributing to rising real house prices.



## Housing assistance

### Direct housing assistance

Increasing affordability issues have the potential to increase the number of households in housing stress and hence the demand for direct housing assistance. A range of incentives and programs are available to directly assist low-to-moderate income households and households who are particularly disadvantaged or vulnerable. These include measures to help households pay for housing, to increase the supply of affordable housing and to assist with rental subsidies and the provision of social housing.

Social housing programs are available for lower income Australians who need housing and meet eligibility criteria. Latest figures estimate that Australia has nearly 433,000 social housing dwellings (public rental housing, mainstream community housing, state owned and managed Indigenous housing, Indigenous community housing). This stock, however, is shrinking; it is not keeping up with household growth (4.7% in 2016, down from 5.1% in 2007–08) (AIHW analysis of National Housing Data Repository), effectively reducing the number of social housing dwellings available. The composition of the 'Australian population' accessing social housing assistance has changed over time, with the most disadvantaged groups (for example, the homeless, people with disability, and Indigenous populations) accounting for a growing proportion of people who receive housing assistance (see also Chapter 6.1 'Social housing').

A growing proportion of Australians are renting in the private market, including many lower income households. As social housing dwellings as a proportion of all dwellings decrease, lower income households find themselves having to rent in the private market. Where lower income households remain in the private rental market, they may be helped financially through the CRA scheme. The growth of the CRA over the past 10 years, both in terms of the number of recipients and government expenditure, indicates a growing reliance on this funding in a rental market with increasing rental costs and a growing population of lower income renters. The number of CRA recipients increased by 43% to 1,346,000 income units in 2015–16, while real government expenditure increased to nearly \$4.4 billion, up from \$2.6 billion over the same period.

An adequate supply of affordable, sustainable rental housing is a key requirement to meet the increasing demand on social housing. The Australian Government has responded to this need by establishing an Affordable Housing Working Group, following a request from state and territory Treasurers at the Council on Federal Financial Relations meeting in October 2015. The Working Group's final report was considered by Treasurers in December 2016. Following this, the Australian Government established an Affordable Housing Implementation Taskforce that is investigating innovative ways to harness private sector investment in the social housing sector including through the National Housing Finance and Investment Corporation (NHFIC). NHFIC will operate an affordable housing bond aggregator to encourage greater private and institutional investment and provide cheaper and longer-term finance to registered providers of affordable housing.

## Indirect housing assistance and affordability

Indirect housing assistance provided through so called tax expenditures (for example, capital gains tax and negative gearing) is a major contribution towards housing assistance in Australia. The value of housing tax expenditures reported for 2015–16 was about \$60 billion (Table 6.3.1), an increase of almost 40% since 2005–06. This increase reflects the increase in housing wealth accumulated over this period.

In 2015–16, indirect assistance to owner-occupiers via the capital gains tax exemption on the family home was estimated at almost \$55 billion (Table 6.3.1) in the 2015 Tax Expenditures Statement (Treasury 2016b).

The 50% discount on capital gains was estimated to provide up to a further \$6 billion to investors in residential property in 2015–16.

These estimates represent an upper bound of the benefits to housing investors, since the data apply to all investments that generate capital gains. The Grattan Institute provided an estimate of about \$5 billion in 2011–12 from the capital gains tax discount for investors in residential property, to which it adds about a further \$2 billion, considering the negative gearing opportunities provided by the asymmetric treatment of income and expense (Kelly et al. 2013). As at 2011, total quantified tax expenditures were estimated to account for almost 9% of gross domestic product, with housing tax expenditures accounting for around one third of the total (Treasury 2011).



**Table 6.3.1: Large housing tax expenditures and capital gains tax 2005–06 to 2015–16 (estimated)**

Year	CGT main residence exemption (\$b)	CGT discount for individuals and trusts (\$b)
2005–06	40	5
2006–07	40	6
2007–08	41	10
2008–09	29	9
2009–10	40	4
2010–11	37	4
2011–12	32	5
2012–13	36	4
2013–14	46	4
2014–15	55	6
2015–16 (estimated)	55	6

\* CGT = Capital Gains Tax.

*Note:* All estimates are based on a revenue foregone approach.

*Sources:* Treasury 2016b and earlier years.

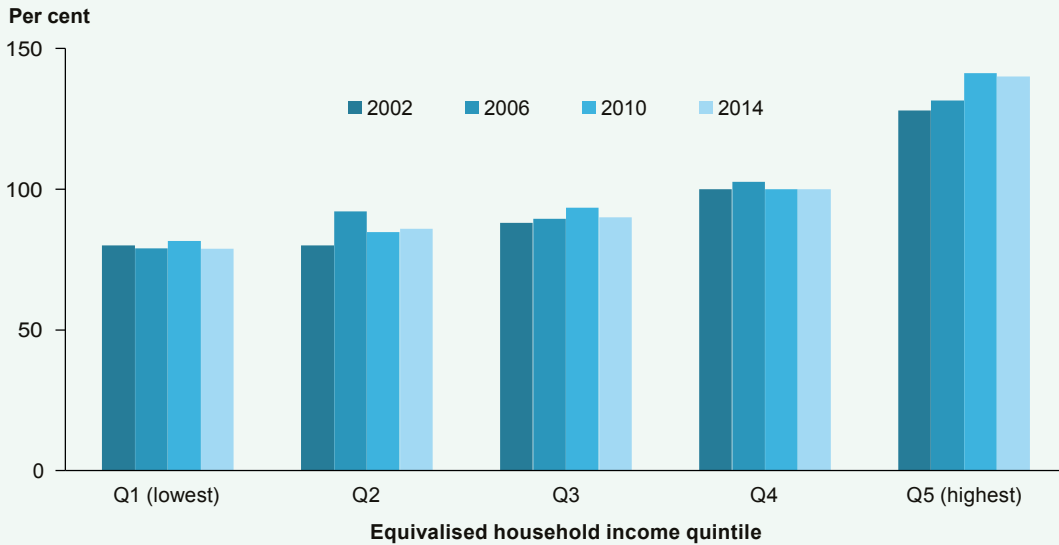
Regardless of what impact measurement issues have on revenue or what tax benchmark is used to identify them, tax expenditures have a substantial impact on the equity and efficiency outcomes of Australia’s housing system.

Housing wealth, both in the form of owner-occupied (Figure 6.3.16) and other residential property wealth, has increased more rapidly for households in the highest income quintile over the past decade than it has for households in all lower quintiles. Households in the top income quintile, therefore, have benefited more from the tax concessions accorded to owner-occupied housing and to investment housing than have all other households.

Tax concessions that exempt some or all the income earned from housing—whether this is earned by owner-occupiers or by investors—make investment and speculation in residential property more attractive than it otherwise would be (Treasury 2010).

Investors compete directly with potential home buyers; established owners are encouraged to improve their housing living standards. Both responses add to demand pressures in the housing market. In light of the relatively sluggish supply responses across Australia, they contribute to upward pressures on dwelling prices and to the increasing difficulties faced by would-be home buyers.

Subsidies for home ownership are often justified because of the associated economic and social benefits. Of these, contributions to wealth accumulation and to protection against poverty in older age are central. As increasing proportions of younger, and particularly lower income households, are excluded from home ownership, these arguments become less compelling. As argued almost a decade ago, tax expenditures support home owners, not home ownership (The Senate Select Committee on Housing Affordability in Australia 2008).



*Note:* Equivalised disposable household income is household incomes that are adjusted to enable analysis of the relative wellbeing of households of different size and composition, using an equivalence scale.

*Source:* Reserve Bank of Australia statistics, Analysis of Australian Housing and Urban Research Institute data.

**Figure 6.3.16: Ratio of quintile median dwelling wealth of primary residence to median dwelling wealth of all households, by equivalised disposable income quintiles, 2002, 2006, 2010 and 2014**

Direct housing assistance, such as that provided through CRA, is often justified on equity grounds. This assistance is relatively tightly aimed at lower income households at risk of facing financial stress as a result of high housing costs in the private rental market. Indirect housing assistance, however, is not so focused, with the greatest assistance going to high-income and high-wealth households. This inequitable distribution of assistance has been well documented over the past 25 years.

## What is missing from the picture?

With generational changes occurring with home ownership, there is limited information in the following areas:

- the housing aspirations of different population groups—whether by choice or necessity, what trade-offs are individuals and households willing to make when it comes to housing? Population groups of particular interest include, for example, youth, aged people, the homeless, people with disability and Indigenous people. Trade-offs might include increased mortgage repayments during periods of low interest rates, increased indebtedness, tenure options, location, and quality across the life course
- measurements of affordability—these are currently limited to measuring the cost burden on households and do not include, for example, the wider non-financial impact of housing quality or location
- housing stress—this measure examines only the position of households currently in home ownership; it does not quantify, for example, the would-be households who are unable to form.

The supply of housing and drivers of supply are outside the scope of this article.

## Where do I go for more information?

More information on housing assistance in Australia is available at: [www.aihw.gov.au/housing-assistance/haa/2016/](http://www.aihw.gov.au/housing-assistance/haa/2016/). More information on OECD housing affordability measures is available at: <http://www.oecd.org/social/affordable-housing-database.htm>.

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## Chapter 7

# Indigenous Australians



# 7.0 Introduction

Aboriginal and Torres Strait Islander people are the Indigenous peoples of Australia. They are not one group, but comprise hundreds of groups that each have their own distinct set of languages, histories and cultural traditions.

There were an estimated 761,300 Indigenous Australians, or 3% of the total Australian population, in June 2017. Indigenous communities pass on knowledge, tradition, ceremony and culture from one generation to the next through language, performance, protection of significant sites, storytelling and the teachings of Elders. In 2014–15, 62% of Indigenous Australians aged 15 and over identified with a clan, tribal or language group, and 74% recognised an area as homelands or traditional Country.

As a group, Indigenous Australians experience widespread socioeconomic disadvantage and health inequality. This chapter examines factors affecting their wellbeing, including community safety; closing the gap in Indigenous education; income and employment; and use of disability and aged care services.

Educational achievements of Indigenous children and youth have been improving but substantial gaps remain. The Australian Early Development Census (AEDC) is an assessment of 'school readiness' carried out in a child's first year of full-time schooling, usually at the age of 5. The AEDC results show that the gaps in child development between Indigenous and non-Indigenous children have, on average, developed even at this early age. In all three AEDC collections since 2009, Indigenous children were more than twice as likely as non-Indigenous children to be assessed as developmentally vulnerable. However, there has been encouraging progress: the proportion of Indigenous children assessed as vulnerable on 1 or more of the 5 assessed domains dropped from 47% in 2009 to 42% in 2015—a larger fall than for non-Indigenous children over this period.

Of the three education-related Closing the Gap targets for which trend data are available, only one is on track—the target to halve the gap in Year 12 attainment by 2020.

The gap between Indigenous and non-Indigenous Australians continues into working age. Indigenous Australians aged 15–64 are less likely to be in the labour force than non-Indigenous Australians, on average earn less, and are more likely to receive a government pension or allowance as their main source of income. However, the proportion of Indigenous adults with incomes in the bottom 20% of equivalised gross weekly household incomes has decreased over the past decade.

# 7.1 Community factors and Indigenous wellbeing

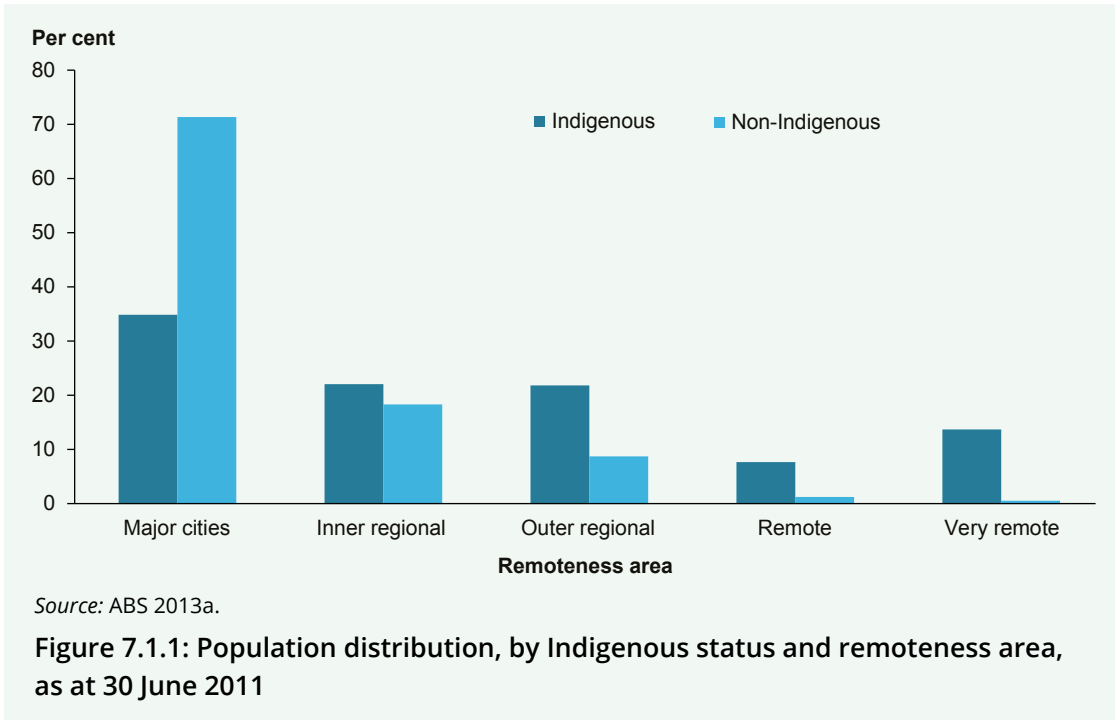
Aboriginal and Torres Strait Islander people are the Indigenous peoples of Australia. They live in all parts of the nation, from major cities to remote tropical and desert areas. Indigenous Australians are not one group, but comprise hundreds of groups that have their own distinct set of languages, histories and cultural traditions.

Indigenous Australians can be of Aboriginal origin, Torres Strait Islander origin, or both. The Australian Government defines Indigenous Australians as people who are of Aboriginal or Torres Strait Islander descent, who identify as being of Aboriginal or Torres Strait Islander origin and who are accepted as such in the communities in which they live, or have lived. In most data collections, a person's Indigenous status is based on the first two parts of this definition.

## Indigenous population

As at 30 June 2017, there were an estimated 761,300 Indigenous Australians, who made up 3.1% of the total Australian population (ABS 2014). Indigenous population estimates based on the 2016 Census were not available at the time of writing (see Box A in this report's preliminary pages). The Indigenous population is much younger than the non-Indigenous population, and Indigenous Australians are more likely than non-Indigenous Australians to live outside of the *Major cities* areas.

- In the 2011 Census, 90% of Indigenous Australians identified as being of Aboriginal origin only, 6% as Torres Strait Islander origin only, and 4% as both Aboriginal and Torres Strait Islander origin.
- In June 2011, the median age of the Indigenous population was 21.8 (compared with 37.6 for the non-Indigenous population). Only 3.4% of the Indigenous population was aged 65 or over compared with 14% of the non-Indigenous population (ABS 2013a).
- The majority (79%) of Indigenous Australians live in non-remote areas, with more than one third (35%) living in *Major cities*. 7.7% live in *Remote* areas, with a further 14% in *Very remote* areas (see Glossary for information about the remoteness classification used in this report). By comparison, 1.7% of the non-Indigenous population live in *Remote* or *Very remote* areas of Australia (Figure 7.1.1).
- More than half of all Indigenous Australians live in New South Wales (31%) or Queensland (28%), with a further 13% in Western Australia and 10% in the Northern Territory.
- The Northern Territory has the highest proportion of Indigenous Australians in its population at 30%; in the other jurisdictions, Indigenous people make up 1–4% of the population (ABS 2013a).



The 2011 Census identified around 209,000 households where at least one Indigenous person was a usual resident (referred to in this section as an Indigenous household).

- Three-quarters (75%) of these were one-family households, 6% consisted of two or more families, 14% were one-person households and 5% were group households.
- Indigenous households were less likely than other households to be single-person households (14% compared with 25%), more likely to consist of 2 or more families (6% compared with 2%) and more likely to contain 5 or more people (23% compared with 10%) (ABS 2012a).

In 2011, there were 181,700 families living in Indigenous households.

- Families in Indigenous households were more likely than families in other households to include children aged under 15 (59% compared with 38%), and more likely to be one parent families with children aged under 15 (28% compared with 7.7%).
- The proportion of families with dependent students was similar in Indigenous and other households (14% and 15%, respectively) (AIHW analysis of ABS 2011 Census (TableBuilder)).

## Why focus on Indigenous Australians?

Indigenous Australians experience widespread socioeconomic disadvantage and health inequality. They are more likely than non-Indigenous Australians to be exposed to poverty, unemployment, violence, substance abuse and imprisonment. Indigenous children tend to have poorer educational outcomes than non-Indigenous children (see Chapter 7.4 'Closing the gap in education'), and are more likely to have contact with the child protection and youth justice systems. Given current mortality rates, an Indigenous baby born in 2010–2012 has an expected life span 10 years shorter than that of a non-Indigenous baby (ABS 2013b).



The reasons for these disparities are complex, and include dispossession, marginalisation, and racism, as well as the ongoing and cumulative effect of past policies of forced removal and cultural assimilation (HREOC 1997; SCRGSP 2016a).

The 2008 National Indigenous Reform Agreement (the Agreement) (COAG 2008) commits all Australian governments to actions aimed at closing the gap in Indigenous disadvantage. The Agreement notes that efforts will be directed across seven key platforms: early childhood, schooling, health, economic participation, healthy homes, safe communities, and governance and leadership. It also acknowledges the importance of culture and of eliminating discrimination. The wide range of actions across multiple sectors recognises the complex web of factors involved in creating and perpetuating Indigenous disadvantage, and that the approach to closing the gap must be coordinated and multifaceted. It must involve not just governments but also the corporate sector, non-government organisations and the Indigenous community.

In October 2015, the Australian Government released the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013–2023. The Implementation Plan outlines 106 actions to be taken by the Australian Government, the Aboriginal community controlled health sector, and other key stakeholders to give effect to the vision, principles, priorities and strategies of the National Aboriginal and Torres Strait Islander Health Plan 2013–2023. The Implementation Plan sets a number of goals to be achieved by 2023 for a set of 20 indicators for Indigenous health care processes and outcomes at the national level. These goals complement the existing Council of Australian Governments (COAG) Closing the Gap targets and focus on prevention and early intervention across the life course. For more information on the Implementation Plan, its vision and the context for its goals, see *National Aboriginal and Torres Strait Islander Health Plan 2013–2023* (DOH 2015) and the associated technical companion document (AIHW 2015).

This chapter focuses on two of the key factors that support the wellbeing of Indigenous Australians: a well-functioning community and a safe, secure home with working facilities. Information about some of the factors that reduce Indigenous wellbeing (such as exposure to discrimination and violence) and on educational outcomes, employment and income for Indigenous Australians can be found in other parts of Chapter 7.

## Indigenous community functioning

Indigenous communities pass on knowledge, tradition, ceremony and culture from one generation to the next through language, performance, protection of significant sites, storytelling and the teachings of Elders. Family and kinship are integral to establishing relationships, positions and obligations within and outside the community (Bourke & Edwards 2004). Having a cohesive and well-functioning community, which provides opportunities for education, employment and recreation, as well as the infrastructure of adequate housing, transport and other services—and where people are empowered to make choices—can help to deal with the social and economic issues that result in social isolation, poor mental wellbeing, and anti-social behaviour (such as violence, crime and drug use) (ABS 2004; Hirschfield & Bowers 1997; Victorian Government 2015).

Functioning in this context is about the things people achieve or experience, consistent with their account of wellbeing. It varies from basic needs (such as being adequately nourished and being free from avoidable disease) to very complex activities or personal states (such as being able to take part in the life of the community and having self-respect). The conversion of capabilities into functioning is influenced by the values and personal features of individuals, families and communities, and by the social and cultural environment in which they live. Different cultures give greater or lesser priority to different types of functioning (Sen 1999, as cited in AHMAC 2015).

In 2008 and 2010, workshops were undertaken to inform the development of community functioning measures for the Aboriginal and Torres Strait Islander Health Performance Framework. These workshops drew together Indigenous people from across Australia, who described the various elements of family and community life essential for high levels of functioning. Six themes central to Indigenous Australian community functioning were identified: Connectedness to Country, land, and history, culture and identity; Resilience; Leadership; Having a role, structure and routine; Feeling safe; and Vitality (AHMAC 2015).

The next few sections present information about some aspects of community functioning that relate to each of these themes. The majority of the data are drawn from the Australian Bureau of Statistics (ABS) National Aboriginal and Torres Strait Islander Social Survey (NATSISS), conducted most recently in 2014–15, with previous surveys conducted in 2008 and 2002. The available data suggest that, in terms of these key themes supporting wellbeing through community functioning, circumstances for Indigenous Australians have either been maintained or have improved since 2008. Comparison data for non-Indigenous Australians is from the ABS 2014 General Social Survey (GSS).

## Connectedness to country, land and history, culture and identity

This theme comprises being connected to country, land, family and spirit; strong and positive social networks with Indigenous people; a strong sense of identity and being part of a collective; and sharing, giving and receiving, trust and love, and looking out for others (AHMAC 2015).

In 2014–15:

- 62% of Indigenous Australians aged 15 and over identified with a clan, tribal or language group, and 74% recognised an area as homelands or traditional country
- 18% of Indigenous people aged 15 and over spoke an Australian Indigenous language, with a further 20% speaking some words. Around one-third (34%) of Indigenous people aged 4–14 spoke at least some words of an Indigenous language
- an Indigenous language was the main language spoken at home for 11% of Indigenous Australians aged 15 and over, and for 7.5% of Indigenous children aged 4–14. Speaking an Australian Indigenous language as the main language spoken at home was considerably more common in remote than non-remote areas (41% compared with 2.0% for people aged 15 and over)
- almost two-thirds (63%) of Indigenous Australians aged 15 and over and three-quarters (75%) of Indigenous children aged 4–14 had been involved in Indigenous cultural events, ceremonies or organisations in the previous 12 months (ABS 2016)

- more than 4 in 5 (83%) Indigenous Australians aged 15 and over had weekly face-to-face contact with family or friends living outside their household, a higher proportion than among non-Indigenous Australians (77%) (ABS 2015a; 2016)
- half (50%) of Indigenous Australians aged 15 and over provided support (such as money, food, clothing or transport) to relatives living outside their household (ABS 2016).

These results are all similar to those from the 2008 survey. Comparable data from the 2002 survey indicate that the proportion speaking an Indigenous language (including as a main language spoken at home) was similar in 2014–15 and 2002, while the proportion identifying with a clan or language group was higher in 2014–15 (62% compared with 54% in 2002). However, the proportion of Indigenous Australians who had attended an Indigenous cultural event in the last 12 months was somewhat lower in 2014–15 than in 2002 (63% compared with 68%) (AIHW 2017a).

## Resilience

This theme comprises coping with the internal and external world; power to control options and choices; ability to proceed in public without shame; optimising what you have; challenging injustice and racism, standing up when required; coping well with difference, flexibility, and accommodating; ability to walk in two worlds; engagement in decision making; and external social contacts (AHMAC 2015).

In 2014–15 among Indigenous Australians aged 15 and over:

- 62% had not experienced unfair treatment in the previous 12 months
- 86% had not avoided situations in the previous 12 months due to past unfair treatment
- almost all (97%) had participated in sporting, social or community activities in the previous 12 months
- 49% felt able to have a say in their community on important issues at least some of the time. This is similar to the result among non-Indigenous Australians (53%)
- of people who were employed and had cultural responsibilities, their work allowed them to meet these responsibilities in 71% of cases
- most (92%) could get support from outside their household in times of crisis. This is similar to the result among non-Indigenous people (95%) and an increase since 2008 (89%)
- 80% of people who had seen a general practitioner in the previous 12 months felt that their doctor listened carefully to them, and 85% felt that their doctor showed respect
- 81% felt that their doctor could be trusted (ABS 2016)
- more than half (58%) felt that local police could be trusted, an increase from 52% in 2008 (AIHW 2017a).

## Leadership

This theme comprises strong Elders in family and community, both men and women; role models, both men and women; strong direction, and vision; and a 'rock', someone who has time to listen and advise (AHMAC 2015).

In 2014–15:

- half (51%) of Indigenous children aged 4–14 in remote areas and almost one-quarter (23%) of Indigenous children in non-remote areas spent at least 1 day with a leader or Elder each week
- most (82%) Indigenous Australians aged 15 and over had someone outside the household in whom they could confide
- half (50%) of Indigenous Australians aged 15 and over living in remote areas felt that their community had strong leadership, and more than half (52%) felt that the leaders in their community had time to listen and give advice (ABS 2016).

## Having a role, structure and routine

This theme comprises having a role for self: participation, contributing through paid and unpaid roles; capabilities and skills derived through social structures and experience through non-formal education; knowing boundaries and acceptable behaviours; sense of place—knowing your place in family and society; being valued and acknowledged; and disciplined (AHMAC 2015).

In 2014–15:

- 61% of Indigenous Australians aged 15–64 were in the labour force, with most of these people (79%) being employed. By comparison, 77% of non-Indigenous Australians aged 15–64 were in the labour force in 2014, with 94% of these people being employed (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder) and AIHW analysis of ABS 2014 GSS (TableBuilder))
- 72% of Indigenous Australians aged 15 and over lived in a household where household members had not run out of money for basic living expenses in the previous 12 months, a similar proportion to that in 2008 (AIHW 2017a).

More information about income and employment among Indigenous Australians can be found in Chapter 7.5 'Income and employment for Indigenous Australians'.

Data from the 2011 Census show that:

- families living in Indigenous households were more likely than those in other households to have had some or all residents move house in the previous year (29% compared with 19%) (AIHW analysis of ABS 2011 Census (TableBuilder)).

## Feeling safe

This theme comprises lack of physical and lateral violence (see Glossary); safe places; emotional security; cultural competency; and relationships that can sustain disagreement (AHMAC 2015).

In 2014–15 among Indigenous Australians aged 15 and over:

- most (84%) felt safe at home alone after dark, an increase from 80% in 2008
- over half (54%) felt safe walking alone in their local area after dark, similar to the result from 2008 (53%)
- most (87%) had not been a victim of physical violence in the previous 12 months, a similar proportion to that in 2008 (85%) (AIHW 2017a).

More detailed information about safety issues, contact with the criminal justice system and the exposure of Indigenous Australians to violence can be found in Chapter 7.3 'Community safety among Indigenous Australians'.

## Vitality

This theme covers community infrastructure, access to services, education, health, income and employment (AHMAC 2015).

In 2014–15:

- 47% of Indigenous Australians aged 15 and over had a non-school qualification—that is, educational attainments other than those of a pre-primary, primary and secondary education. These qualifications may be attained after completing school, or concurrently with obtaining school qualifications. This proportion was significantly higher than that in 2008 (32%)
- 22% of Indigenous Australians aged 15 and over were enrolled in formal study—a significant increase from 19% in 2008
- 39% of Indigenous Australians aged 15 and over were daily smokers, a drop from 45% in 2008 and 49% in 2002, but still almost 3 times the rate among non-Indigenous Australians (ABS 2016)
- the majority (74%) of Indigenous Australians aged 15 and over who had tried to access services in the previous 12 months (such as health care, utilities, employment services and financial institutions) had no problems accessing these services. This was the same as for non-Indigenous Australians (74%) (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder) and AIHW analysis of ABS 2014 GSS (TableBuilder))
- 81% of Indigenous Australians were living in houses of an acceptable standard (AIHW 2017a)
- 40% of Indigenous Australians aged 15 and over rated their general health as very good or excellent, a fall from 44% in 2008 (ABS 2016).

## Housing and homelessness

A stable and adequately maintained and serviced home is fundamental for health. As well, it provides a safe and secure environment, and underpins a well-functioning community. Not having affordable, secure and appropriate housing can have negative consequences. These include homelessness, poor health, and lower rates of employment and education participation—all of which can lead to social exclusion and disadvantage.

This section focuses on housing stability (including tenure and housing assistance), housing quality (including facilities and structural soundness) and potential overcrowding. It also looks at homelessness and the use of relevant support services by Indigenous Australians.

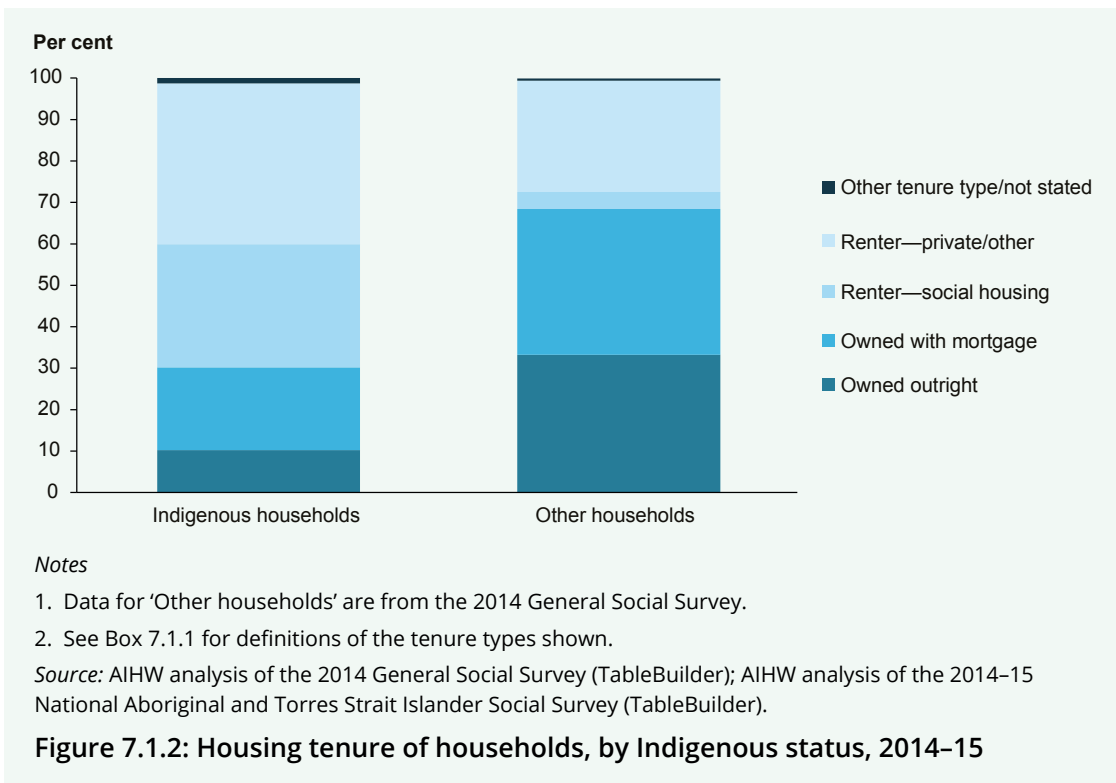
## Housing tenure

Housing tenure describes whether a dwelling is owned or rented, or occupied under some other arrangement (see also Box 7.1.1). Survey data from the NATSISS show that, in 2014–15, of the estimated 283,900 Indigenous households:

- 3 in 10 (30%) were home owners—10% owned their home outright (about 29,000 households) and 20% had a mortgage (56,900 households)
- nearly 7 in 10 (69%) were renters—30% lived in social housing (about 84,400 households), while the remainder (39%) were private renters or rented from another type of landlord (110,300 households)
- 1.3% occupied their dwelling under some other arrangement, or did not provide information on household tenure (Figure 7.1.2).

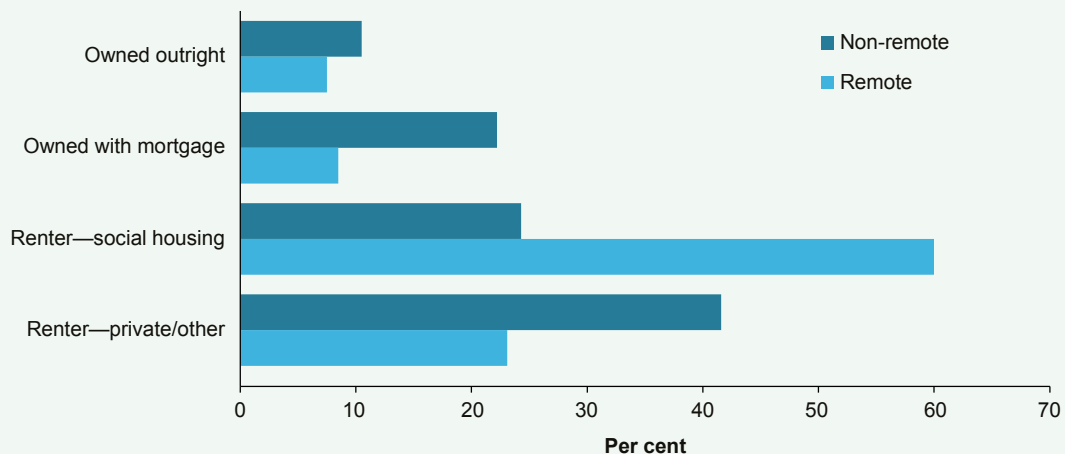
The rate of home ownership among Indigenous households (30%) was less than half that for other households (68%) (Figure 7.1.2).

The proportion of Indigenous households who owned their home with or without a mortgage in 2014–15 (30%) was similar to the proportions in 2012–13 and 2008 (both 32%) (SCRGSP 2016a).



There were also differences in tenure type by remoteness area (Figure 7.1.3). In 2014–15:

- Indigenous households in non-remote areas were twice as likely to own their home (with or without a mortgage) as Indigenous households in remote areas —33% compared with 16%
- Indigenous households in remote areas were more than twice as likely to live in social housing as Indigenous households in non-remote areas—60% compared with 24%.



Note: See Box 7.1.1 for definitions of the tenure types shown.

Source: AIHW analysis of the 2014–15 National Aboriginal and Torres Strait Islander Social Survey (TableBuilder)

**Figure 7.1.3: Housing tenure of Indigenous households, by remoteness area, 2014–15**

#### Box 7.1.1: About the housing tenure data in this article

Tenure type describes whether a dwelling is owned, rented, or occupied under some other arrangement. For the analyses shown in this chapter, distinctions are made between:

- two types of home owners—people with and without a mortgage. The category ‘owned with a mortgage’ consists of participants in rent/buy and shared equity schemes and those living in a household in which payments were being made on mortgages or secured loans towards the purchase of the dwelling.
- two types of renters:
  - people renting from social housing providers
  - private/other renters (includes people renting from real estate agents, unrelated persons, relatives, owner–managers of caravan parks, employers and other landlords, and people for whom landlord type was not stated)
- households with some other tenure type (including dwellings being occupied under a life tenure scheme) and households for which information on tenure type was not stated.

Households occupying their dwelling ‘rent free’—that is, where the household exchanges no money for lodging and is not an owner of the dwelling—are classified as renters.

Information about housing tenure can be presented about ‘households’ (see Glossary) or about ‘people living in households’. This article presents information about households. Indigenous households are defined as households in which at least one resident (of any age) identified as being of Aboriginal and/or Torres Strait Islander origin.

## Housing assistance

Housing assistance aims to relieve the pressures of housing costs, and provide safe and secure housing for many low-income households, particularly households that are disadvantaged or vulnerable (see also Chapter 6.1 'Social housing').

Due to the multiple disadvantages that many Indigenous Australians face in the housing market, they are a priority group for (or focus of) many housing assistance services. This section provides information on the programs that assist the largest number of Indigenous households, namely Commonwealth Rent Assistance (CRA) and social housing (see Box 7.1.2). Note that the data in this section are administrative by-product data, rather than survey data as in the previous section on 'Housing tenure'. Due to differences in the collections, the estimates of the number of households living in social housing differ between the two sources.

### Assistance from CRA

CRA is a non-taxable income supplement payable to eligible people who rent in the private or community housing rental markets (see Box 7.1.2). Recipients of CRA are 'income units'—that is, a person or a group of persons within a household, whose command over income is shared (see Glossary).

Data on the recipients of CRA show that:

- as at 26 June 2016, 67,387 income units receiving CRA reported having an Indigenous member (this represents 5% of all CRA recipients of around 1.3 million income units)
- the proportion of Indigenous income units in total CRA income units has increased from 3.6% in 2009 to 5.0% in 2016
- over the period 2009 to 2014, the proportion of Indigenous income units in rental stress, even after receiving CRA, ranged within a narrow band of 29% to 31%; this proportion was slightly higher in 2015 and 2016 (both 33%) (AIHW analysis of AIHW 2014a; SCRGSP 2014, 2015, 2016b, 2017).

While CRA data relate to income units rather than to households, data from the ABS 2013–14 Survey of Income and Housing suggest that, in practice, the clear majority of income units are households. Specifically, data from that survey indicate that, among CRA recipients, there are about 9.3 households for every 10 income units (see the 'Methods and conventions' section of this report for supplementary technical information related to housing assistance data; S7.1.1). Using this information, it can be estimated that 62,900 Indigenous households were receiving CRA in June 2016—equating to one-quarter (25%) of all Indigenous households (see 'Methods and conventions'; S7.1.2). By comparison, an estimated 13% of other households (or about 1.2 million) were receiving CRA. Although an estimated 75% of Indigenous households do not receive CRA, some would receive other forms of housing assistance.



### Box 7.1.2: Major housing assistance programs

**Social housing:** This is rental housing provided by not-for-profit, non-government or government organisations to eligible households, with rents set below market rates (based on a percentage of a tenant's income).

There are four main social housing programs in Australia. Of these, two are 'mainstream' programs available to all Australians—public housing and community housing (see Chapter 6.1 'Social housing'). The other two are specifically aimed at Indigenous Australians—state owned and managed Indigenous housing, and Indigenous community housing. As well, from 2008–09, some remote dwellings in the Northern Territory were transferred from Indigenous community housing programs to public housing. These are referred to as 'NT remote public housing'.

**Commonwealth Rent Assistance:** This is a non-taxable income supplement funded by the Australian Government. It is payable to people who rent in the private housing market and receive an income support payment, or more than the base rate of Family Tax Benefit Part A, and who pay rent above a minimum threshold. CRA is paid at 75 cents for every dollar above a minimum rental threshold until a maximum rate is reached. The minimum threshold and maximum rates vary according to the composition of an income unit's household, including the number of children. CRA may also be payable to people living in mainstream community housing or Indigenous community housing and, in some jurisdictions, to people living in state owned and managed Indigenous housing.

Recipients of CRA are 'income units' not households (see Glossary). Indigenous income units are those in which at least one member has self-identified as being Indigenous.

## Social housing assistance

As at 30 June 2016:

- 44,228 Indigenous households lived in social housing managed through either the public housing program, mainstream community housing program or state owned and managed Indigenous housing programs
- almost 18% of Indigenous households were living in social housing managed by one of these three programs, compared with 3.9% of other households
- of these three programs, public housing was the largest provider of social housing to Indigenous households, with 13% of Indigenous households living in this housing
- Indigenous households were 4 times as likely as other households to live in public housing (12% compared with 3.1%, respectively) and 3 times as likely to live in mainstream community housing (2.2% compared with 0.7%) (Table 7.1.1).

**Table 7.1.1: Households living in social housing, by Indigenous status, 30 June 2016**

Type of social housing	Indigenous households		Other households	
	Number	Rate <sup>(a)</sup>	Number	Rate <sup>(a)</sup>
Public housing	29,293	11.8	282,926	3.1
Mainstream community housing <sup>(b)</sup>	5,377	2.2	62,821	0.7
State owned and managed Indigenous housing	9,558	3.8	102	0.0
<b>Total</b>	<b>44,228</b>	<b>17.8</b>	<b>345,849</b>	<b>3.8</b>

(a) Per 100 households. See 'Methods and conventions'; S7.1.2 for information on the denominator used.

(b) Total household counts for Mainstream community housing data may not match other published totals due to gaps in detailed information about tenants. Queensland provided partial unit record tenant data for the first time in 2015–16 (unit record data was not available for 3,840 households). Unit record data are not provided for the Northern Territory.

Sources: AIHW analysis of ABS 2015b; AIHW 2017b; AIHW National Housing Assistance Data Repository.

In addition to the dwellings managed by these three social housing programs, Indigenous households also access social housing via the Indigenous community housing program and the Northern Territory remote public housing program. Together, these two programs managed 22,630 dwellings in 2015–16, however information about whether these dwellings are tenanted and the Indigenous status of tenants living in these dwellings is incomplete or not available. For more information on social housing, see Chapter 6.1 'Social housing'.

## Housing quality

The 2014–15 NATSISS collected information on basic types of household facilities that are considered important for a healthy living environment, as well as whether the household dwelling had any major structural problems. These data show that in 2014–15:

- 29% of Indigenous Australians (28% of people aged 15 and over and 32% of people aged under 15) were living in a dwelling with major structural problems. Most commonly, these problems were major cracks in the walls or floors, followed by major plumbing problems
- 15% of Indigenous Australians (15% of people aged 15 and over and 14% of people aged under 15) were living in a household in which at least 1 basic facility considered important for a healthy living environment (namely, facilities for preparing food, for washing clothes, for washing people, or sewerage facilities) were not available or did not work
- nearly 1 in 5 (19%) Indigenous people were living in a house that did not meet an acceptable standard; that is, at least one basic household facility was unavailable or there were more than 2 major structural problems (Table 7.1.2).

Indigenous Australians in remote areas were more likely than Indigenous Australians in non-remote areas to be living in a dwelling with major structural problems (37% compared with 27%), that lacked basic household facilities (27% compared with 11%) and that did not meet acceptable standards (31% compared with 16%) (Table 7.1.2).

The proportion of Indigenous adults living in dwellings with major structural problems or in which 1 or more basic facilities were not available was similar in 2014–15 and 2008. Comparable data for non-Indigenous Australians are not available.

**Table 7.1.2: Proportion of Indigenous Australians living in dwellings with structural problems or with household facilities that are not available or do not work, by remote and non-remote areas, 2014–15**

	Non-remote	Remote	Australia
<b>Major structural problems</b>			
Number of types of structural problem			
1–2	*20.5	*27.7	22.0
3 or more	6.6	8.9	7.1
<i>At least 1 major structural problem</i>	*27.1	*36.8	29.1
<b>Most common structural problems</b>			
Major cracks in walls / floors	10.8	13.2	11.3
Major plumbing problems	*6.2	*12.1	7.4
Walls or windows that are not straight	*5.8	*10.7	6.9
Major electrical problems	*5.0	*9.9	6.1
Wood rot / termite damage	5.8	6.3	5.9
<b>Household facilities</b>			
Has household facilities that are not available or do not work <sup>(a)</sup>	*11.3	*26.7	14.5
<b>Facilities that do not work</b>			
Facilities for preparing food	*6.8	*18.3	9.1
Facilities for washing clothes or bedding	*5.7	*15.2	7.7
Facilities for washing people	2.1	5.1	2.8
Sewerage facilities	*2.2	*4.2	2.6
<b>Overall housing standard<sup>(b)</sup></b>			
Not acceptable	*16.1	*31.1	19.3
<b>Total<sup>(c)</sup></b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>542,800</b>	<b>143,800</b>	<b>686,900</b>

\* Statistically significant difference between the proportions for remote and non-remote areas ( $p < 0.05$ ).

(a) Includes facilities such as cooking facilities, a fridge, toilet and bath or shower.

(b) A house was deemed to be of an acceptable standard where it had fewer than 3 structural problems and had working facilities for washing people, for washing clothes or bedding, for preparing food, and working sewerage facilities. A house was deemed to be not of an acceptable standard where any of these facilities were unavailable or there were more than 2 structural problems.

(c) Total includes 'not stated' responses. Sum of components does not equal the total as households may have reported more than one type of structural problem or lack of access to more than one type of household facility.

Source: AIHW analysis of 2014–15 National Aboriginal and Torres Strait Islander Social Survey (TableBuilder).

## Overcrowding

In basic terms, overcrowding occurs when a dwelling is too small for the size and composition of the household living in it. Overcrowding can put stress on household infrastructure, such as food preparation areas, sewerage systems and laundry facilities. It can also adversely affect health, education and family relationships (AIHW 2014b; SCRGSP 2016a).

Various approaches are used to define and measure the extent of overcrowding. This chapter uses the definition currently used by the ABS, which is based on the Canadian National Occupancy Standard (CNOS) (see Glossary). Using this definition, a dwelling is overcrowded if it requires at least one additional bedroom to accommodate the people who usually live there, given their ages, sex, and relationships to each other.

Note that the concept of overcrowding is subjective; Indigenous people—indeed, any Australians—may be defined as living in overcrowded conditions based on a particular standard such as the CNOS, but may themselves not feel that their household is overcrowded (Keys Young 1998; Memmott et al. 2012).

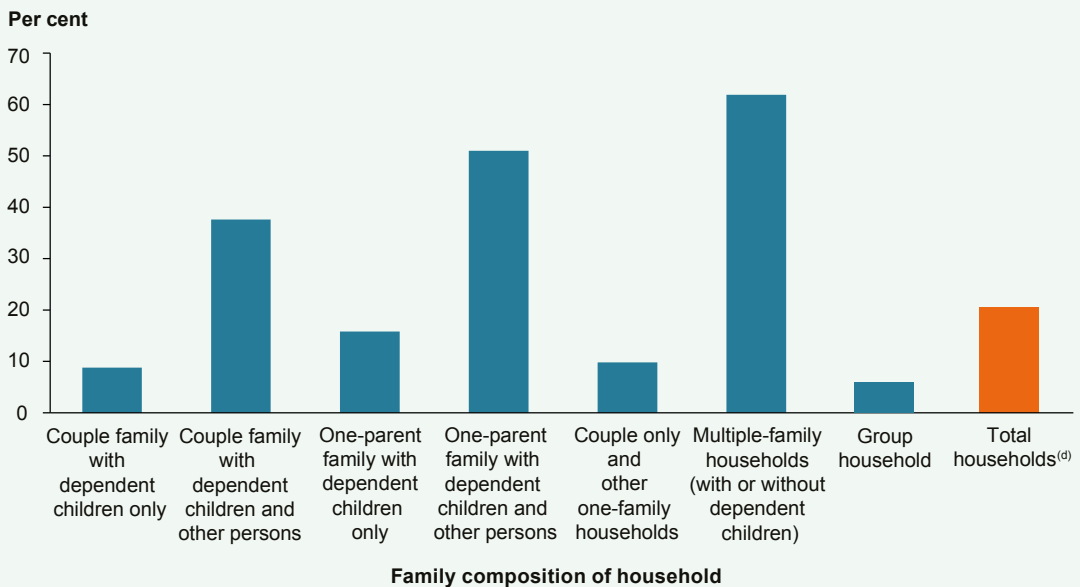
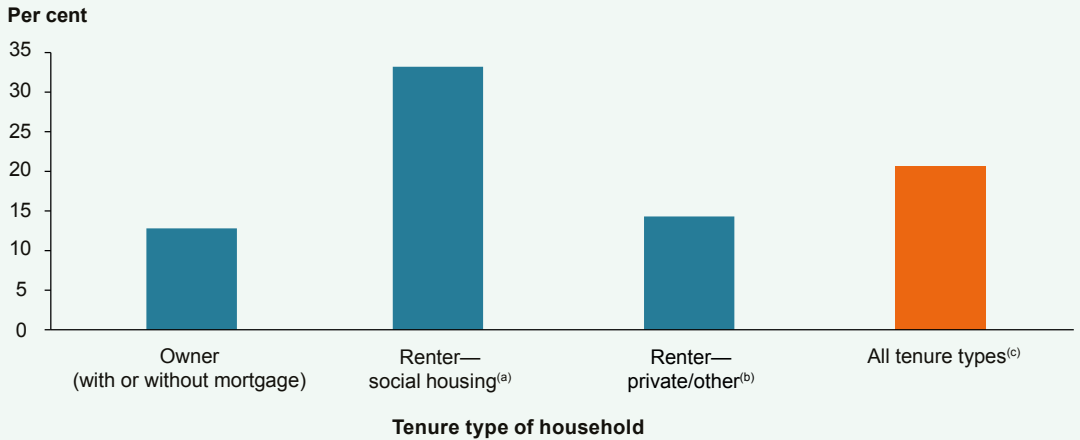
According to data from the 2014–15 NATSISS, 10% of Indigenous households were living in overcrowded dwellings (29,000 households). This was 3 times the rate of overcrowding among other households (3.0% in 2013–14, corresponding to about 258,300 households, based on the ABS Survey of Income and Housing) (ABS 2016).

As well as information about Indigenous households, data are also available on the number of Indigenous people living in overcrowded dwellings. Those data show that, in 2014–15:

- 1 in 5 (21%, or 141,400 people) Indigenous Australians were living in overcrowded dwellings
- younger Indigenous Australians were more likely than Indigenous Australians in older age groups to live in overcrowded conditions—about one-quarter of people aged under 15 and aged 15–24 were living in overcrowded conditions (24% and 25%, respectively), compared with 17% of people aged 24–34, 35–44 and 45–54, and 10% of people aged 55 and over
- Indigenous Australians living in remote areas were more than twice as likely to be living in overcrowded conditions as Indigenous Australians in non-remote areas—41% compared with 15%
- across states and territories, the rate of overcrowding was highest in the Northern Territory, where just over half (53%) of Indigenous Australians were living in overcrowded conditions. The rate of overcrowding in the Northern Territory was about double that for the jurisdiction with the next highest rate—Western Australia (25%)
- within the Northern Territory, the rate of overcrowding was highest in *Very remote* areas, where two-thirds (67%) of Indigenous Australians were living in overcrowded conditions (compared with 36% in *Remote* areas, and 31% in non-remote areas)
- the rate of overcrowding varied according to housing tenure, with the highest rate among Indigenous Australians living in social housing (33%), and the lowest among Indigenous Australians living in a home owned outright or with a mortgage (13%)
- the rate of overcrowding also varied according to the family composition of the household (Figure 7.1.4).

Available data suggest a decline in overcrowding over time:

- NATSISS data indicate that the proportion of Indigenous people living in overcrowded conditions decreased from 27% in 2004–05 to 21% in 2014–15 (see Chapter 9.2 'Indicators of *Australia's welfare*'). (SCRGSP 2016a).
- Census data indicate that the proportion of Indigenous households that were living in overcrowded conditions fell from 16% in 2001 to 11% in 2016.



(a) Consists of households renting their dwelling (or occupying it rent free) from a state or territory housing authority, housing co-operative or church group, Indigenous Housing Organisation, community housing or Council.

(b) Consists of households renting their dwelling (or occupying it rent free) from real estate agents, unrelated persons, relatives, owner/managers of caravan parks, employers and other landlords, and those for whom landlord type was not known.

(c) Includes households with other tenure types and households for which tenure type was not stated.

(d) Includes lone-person households.

Source: AIHW analysis of 2014–15 NATSISS (TableBuilder).

**Figure 7.1.4: Indigenous people living in overcrowded households, by tenure type, and by family composition of household, 2014–15**

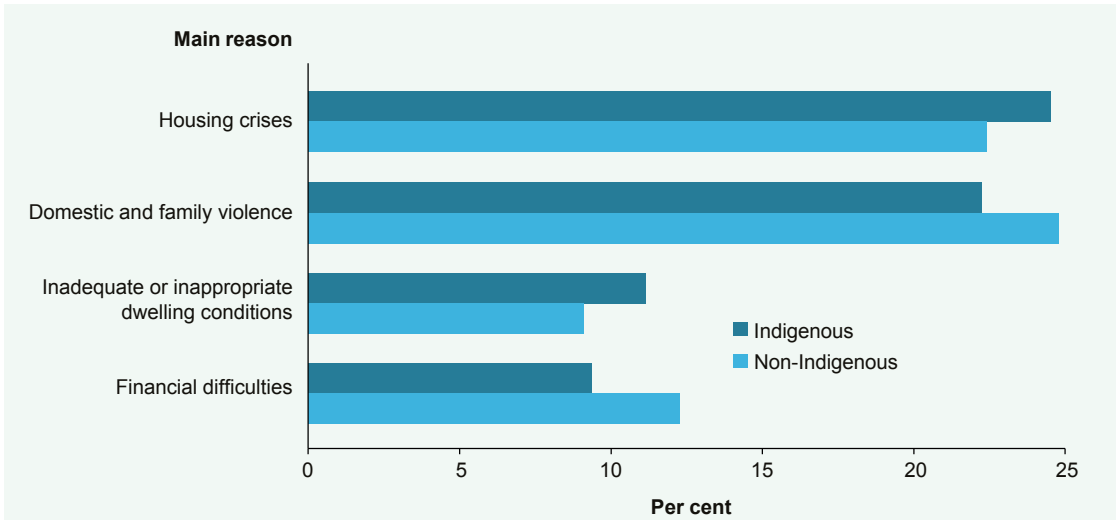
## Homelessness

The 2014–15 NATSISS asked Indigenous Australians about experiences of homelessness. Note, however, that the NATSISS did not specifically ask about the experience of living in severely crowded dwellings (households that require 4 or more bedrooms according to the CNOS), which is considered homelessness under the ABS statistical definition (see Glossary). According to NATSISS data:

- 29% of Indigenous Australians aged 15 and over (an estimated 129,000 people) had been homeless at some time in their life. More than 1 in 4 (27%) of these people had been homeless in the previous 2 years. The results were similar for males and females (ABS 2016). By comparison, data from the 2014 GSS suggest that 13% of non-Indigenous Australians aged 15 and over had ever experienced homelessness.

Governments across Australia fund a range of services to support people who are homeless or at risk of becoming homeless. These specialist homelessness services (SHS) are delivered by non-government organisations. These include those that specialise in delivering services to specific groups (such as young people or people experiencing domestic and family violence), as well as those that provide more generic services to people facing housing crises.

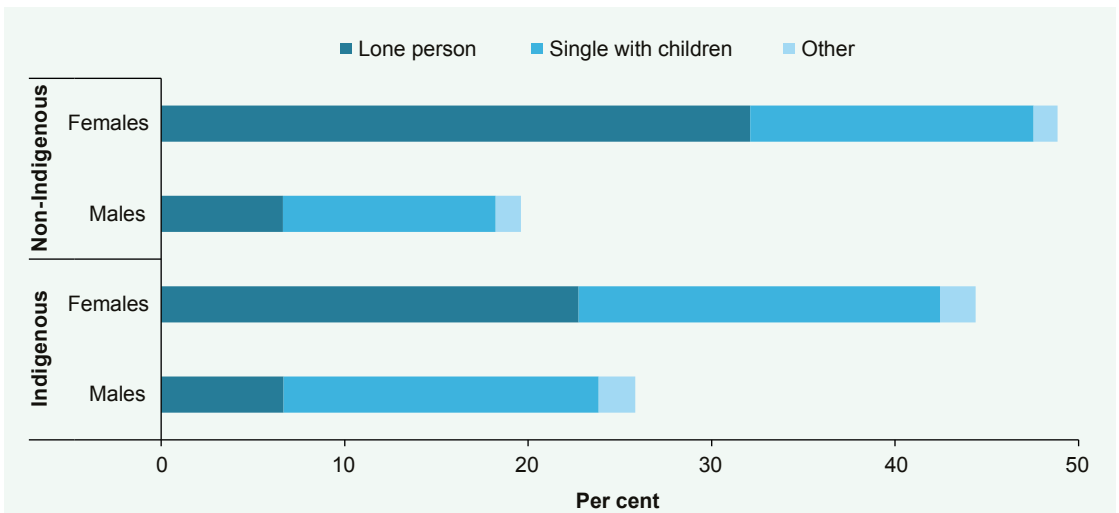
- In 2015–16, an estimated 61,700 Indigenous people accessed SHS.
- Indigenous people made up 24% of people accessing SHS in 2015–16. The rate of use of these services among Indigenous Australians was more than 9 times that for non-Indigenous Australians.
- A total of 61% of Indigenous SHS clients in 2015–16 were female, compared with 58% of non-Indigenous clients.
- Indigenous SHS clients tend to be younger than non-Indigenous clients; in 2015–16, more than half (54%) were aged under 25 compared with two-fifths (41%) of non-Indigenous clients.
- In 2015–16, more than 1 in 5 Indigenous SHS clients (22%) cited domestic and family violence as their main reason for seeking assistance, slightly less than the proportion among non-Indigenous clients (25%) (Figure 7.1.5).
- More than 1 in 3 (37%) Indigenous SHS clients in 2015–16 reported domestic and family violence as a reason for seeking assistance or were assessed by the SHS agency as having a need for domestic and family violence assistance, a similar proportion to that among non-Indigenous clients (37%). Lone females and single clients accompanied by children were more likely than other clients to require domestic and family violence assistance (Figure 7.1.6).
- The proportion of Indigenous clients ending an SHS support period in stable housing (either public or private) increased from 57% in 2012–13 to 64% in 2015–16 (AIHW 2017b).



Note: The four most common reasons given by Indigenous clients for seeking assistance are shown. These were also the four most common reasons for non-Indigenous clients, but in a different order.

Source: AIHW 2017b.

**Figure 7.1.5: SHS clients, main reason for seeking assistance, by Indigenous status, 2015–16**



Source: AIHW SHS Collection Data Cubes.

**Figure 7.1.6: SHS clients citing domestic and family violence as a reason for seeking assistance or being assessed by the SHS agency as requiring such assistance, by Indigenous status, sex, and family type, 2015–16**

## What is missing from the picture?

Much of what we know about Indigenous Australians and the gap between Indigenous and non-Indigenous outcomes relies on statistics that are calculated using data from the Census, surveys and administrative data from service providers. These data collections rely on people identifying themselves and/or their family members as Indigenous, and this information being accurately recorded and supplied to relevant agencies. The AIHW and the ABS strive to collect and present accurate data, as well as to ensure that service providers are aware of the importance of collecting accurate Indigenous status information. However, they acknowledge that, for various reasons, not all Indigenous people are identified in the different data sets, which can lead to an under-count. For example, it is estimated that around two-thirds of Indigenous Australians have formally identified as such to Medicare either on enrolment or using the Voluntary Indigenous Identifier form. Under-identification of Indigenous people in key data collections makes it difficult to report accurately on the circumstances and experiences of Indigenous Australians, and to assess whether their needs are being met.

The Indigenous estimated resident population (ERP) is derived from the Census counts after adjusting for the under-count and for those records where Indigenous status is unknown. In 2011, the Indigenous under-count was estimated to be 17% (114,000 persons) and about 1 million Census records (4.9%) had an unknown Indigenous status (ABS 2012b). The 2011 Indigenous ERP was 669,881 people—an increase of 152,838 people, or 30% from the 2006 ERP. The increase was due to several factors, including natural population growth, improved Census estimates and changes in Indigenous identification.

Caution is needed when comparing data from two Censuses. For example, Census data show that, in 2006, 4.6% of Indigenous Australians needed help with daily activities due to a disability or health condition, compared with 5.7% in 2011. This could suggest that the proportion of Indigenous people who needed help has increased since 2006. However, the change could be due to more people with a disability being identified as Indigenous in 2011 or due to the population having aged since 2006. While it is likely that all scenarios have contributed, it is often difficult to separate these effects.

Complete information on the use of housing assistance among Indigenous Australians is not currently available. There is a lack of reliable information on the number of households living in social housing and also receiving CRA; hence, it is not possible to derive the number of Indigenous (or other) households receiving assistance from at least one major housing assistance program.

There is a high level of missing information about Indigenous status in some housing assistance data (for example, Indigenous status was missing for 25% of households in public housing in 2015). The coverage of some administrative data collections is also incomplete (for example, data on mainstream community housing in the Northern Territory are not available by Indigenous status).

Available information about the housing aspirations of Indigenous people is limited. Research suggests that most Indigenous Australians aspire to home ownership, with the main motivations being intergenerational asset building for future generations, and housing security (Memmott et al. 2009). Further information about the housing aspirations of Indigenous Australians would be useful in determining the appropriateness of current housing policies.



If successful programs are to be put in place to deal with the myriad of factors underlying and perpetuating Indigenous disadvantage, more information about the effectiveness of existing or newly implemented programs is needed. There has been relatively little robust evaluation of the performance and effectiveness of Indigenous programs and policies (Department of Finance and Deregulation 2009; Productivity Commission 2015). Rigorous evaluation of policies, programs and interventions can provide the evidence for ‘what works’ and ensure that future efforts are directed at strategies that produce positive outcomes for Indigenous Australians.

## Where do I go for more information?

Data on issues covered in this Chapter are available from [The health and welfare of Aboriginal and Torres Strait Islander peoples: 2015](#), and the [Aboriginal and Torres Strait Islander Health Performance Framework](#).

The [AIHW website](#) includes further information on housing assistance programs. The reports [Housing circumstances of Indigenous households: tenure and overcrowding](#), [Housing assistance for Indigenous Australians](#) and other recent publications are available for free download.

Information from the 2014–15 NATSISS is available from the [ABS website](#).

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## 7.2 Factors affecting the social and emotional wellbeing of Indigenous Australians

Social and emotional wellbeing is strongly linked to the welfare of the individual and community. Stressful life events, recent or past trauma, and experiences of discrimination, bullying or harassment can adversely affect a person's social and emotional wellbeing and contribute to higher levels of psychological distress and poor mental health (Ferdinand et al. 2012; Kelaher et al. 2014; Net Industries 2017). These experiences may reduce people's willingness to contact services, negatively affecting their health and welfare outcomes (Kelaher et al. 2014).

Poor social and emotional wellbeing is also linked to employment: it can be a barrier to finding or keeping a job, stressful events at work can affect mental health, and the loss of a job or inability to find work can cause or increase psychological distress (Harnois & Gabriel 2000; Krueger et al. 2011; Olesen et al. 2013). Problems with finding or keeping employment have broader impacts on income, living conditions and opportunities for the affected individual as well as their family and community (Belle & Bullock 2010).

Social and emotional wellbeing for Aboriginal and Torres Strait Islander Australians is a broad construct that includes mental health as well as factors such as connection to country, culture, spirituality, ancestry, family and community (Gee et al. 2014). Factors linked to poor social and emotional wellbeing among Indigenous Australians include discrimination, grief, past and ongoing child removals and unresolved trauma, social exclusion, economic and social disadvantage, incarceration, experiences of violence, substance use and poor physical health (Zubrick et al. 2014).

Mental and substance use disorders are the largest contributor to the burden of disease in Indigenous people, accounting for 19% of the total burden in 2011 (AIHW 2016). Suicide and self-inflicted injuries accounted for a further 4.5% of the burden. Dealing with the causes of poor social and emotional wellbeing, self-harm and suicide are therefore critical to improving both the health and welfare of Indigenous Australians.

The effects of stressful events on wellbeing are influenced by differences in resilience—that is, how people cope with stress and the resources they have available to make adjustments (Net Industries 2017). These resources may be physical (for example, health status), personal (such as values, self-control, and religious beliefs) or social (such as networks and supports). Resilience is strongly related to an individual's environment, and the ability of their family, community and culture to provide these resources in culturally meaningful ways (First Nations Information Governance Centre 2014; Ungar 2008).

For Indigenous Australians, factors such as family and community connectedness, supportiveness, sharing and leadership have been found to be important in building resilience and strength, and in enhancing social and emotional wellbeing (McLennan 2015; Parker & Milroy 2014). This finding reinforces the importance of a well-functioning community as a key factor in improving the social and emotional wellbeing of Indigenous Australians. More information about community functioning is provided in Chapter 7.1 'Community factors and Indigenous wellbeing'.

This chapter looks at some of the key factors affecting and reflecting the social and emotional wellbeing of Indigenous Australians, including psychological distress and life stressors, experiences of discrimination, substance use, and self-harm and suicide.

## Psychological distress and stressors

According to the Australian Bureau of Statistics (ABS) 2014–15 National Aboriginal and Torres Strait Islander Social Survey (NATSISS):

- more than two-thirds (68%) of Indigenous Australians aged 15 and over had experienced at least one personal stressor in the previous 12 months. The most commonly experienced stressors were the death of a family member or close friend (28%), not being able to get a job (19%), serious illness (12%) and work-related stressors (11%)
- more than one-quarter (28%) of Indigenous Australians aged 15 and over and almost one-third (32%) of Indigenous children aged 0–14 lived in a household where household members had run out of money for basic living expenses at least once in the previous 12 months
- one-third (33%) of Indigenous Australians aged 15 or over had experienced high or very high levels of psychological distress in the previous 4 weeks
- Indigenous adults were 2.6 times as likely as non-Indigenous adults to have high or very high levels of psychological distress (ABS 2016).

## Experiences of discrimination

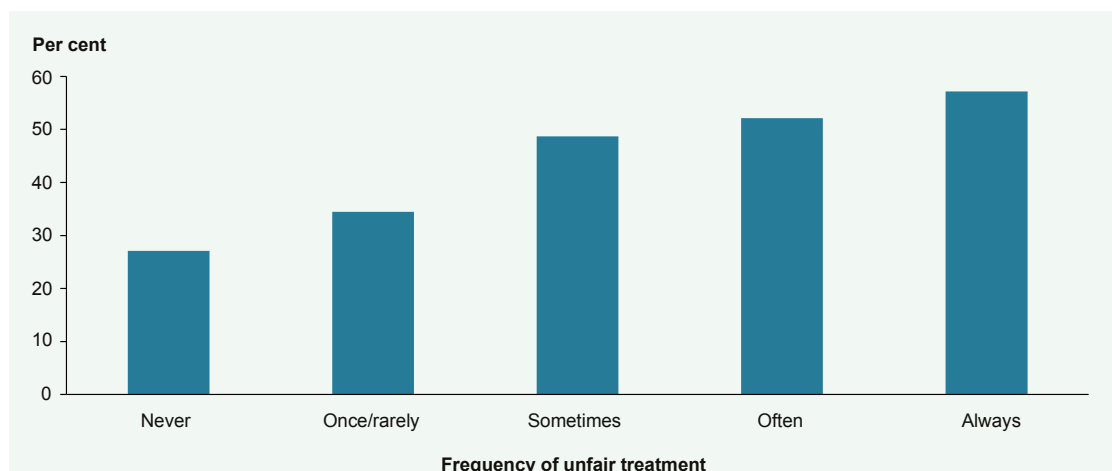
Racism and discrimination affect wellbeing in several ways, both directly and indirectly. They cause psychological distress and increase the risk of mental health issues, such as depression (Ferdinand et al. 2012; Priest et al. 2011). They are also associated with risky behaviours, such as substance use (Paradies 2008). Anticipation of being subject to racism may cause anxiety. Fear of discrimination may lead to avoidance of certain people, places or situations, which can have negative consequences—for example, not seeking health care when it is needed, poor school attendance, or social isolation. This avoidance can have profound effects on socioeconomic outcomes and health status.

A survey of Aboriginal people in Victoria found that the risk of high levels of psychological distress increased as the volume of racism experienced increased (Ferdinand et al. 2012). According to Reconciliation Australia, 46% of Indigenous respondents to its 2016 Reconciliation Barometer survey reported experiencing racial prejudice in the previous 6 months, compared with 18% of general community respondents (Reconciliation Australia 2017).

According to the 2014–15 NATSISS, of Indigenous Australians aged 15 and over:

- one-third (33%, or about 148,400 people) felt that they had been treated unfairly in the previous 12 months because they were Indigenous. The most commonly reported form of unfair treatment was hearing racial comments or jokes (23%), followed by being called names, teased or sworn at (14%), and not being trusted (9.3%)
- 4.8% (21,100 people) reported that discrimination had been a stressor in their lives in the previous 12 months
- 14% (62,300 people) had avoided situations in the previous 12 months due to past unfair treatment (ABS 2016).

Among Indigenous people aged 15 and over who felt they had been treated unfairly in the previous 12 months because they were Indigenous (148,400 people), 44% had high or very high levels of psychological distress. This was 1.6 times the rate of high/very high psychological distress among Indigenous people who had not been treated unfairly in the previous 12 months (27%). The proportion of Indigenous Australians with high or very high levels of psychological distress increased with the frequency of unfair treatment experienced in the previous 12 months—from 34% of people who felt unfairly treated once or rarely to 57% of people who always felt unfairly treated (Figure 7.2.1).



Source: AIHW analysis of 2014–15 NATSISS (TableBuilder).

**Figure 7.2.1: Proportion of Indigenous Australians aged 15 and over with high or very high levels of psychological distress, by frequency of unfair treatment in the previous 12 months, 2014–15**

## Use of alcohol and other drugs

Alcohol and other drugs are the cause of, or contribute to, a wide range of social problems among Indigenous Australians. These include violence, social disorder, family breakdown, child neglect, loss of income or diversion of income to purchase alcohol and other substances, and high levels of imprisonment (Wilkes et al. 2014). See also Chapter 7.3 ‘Community safety among Indigenous Australians’ for information on contact with the criminal justice system and experiences of violence among Indigenous Australians.

# Alcohol

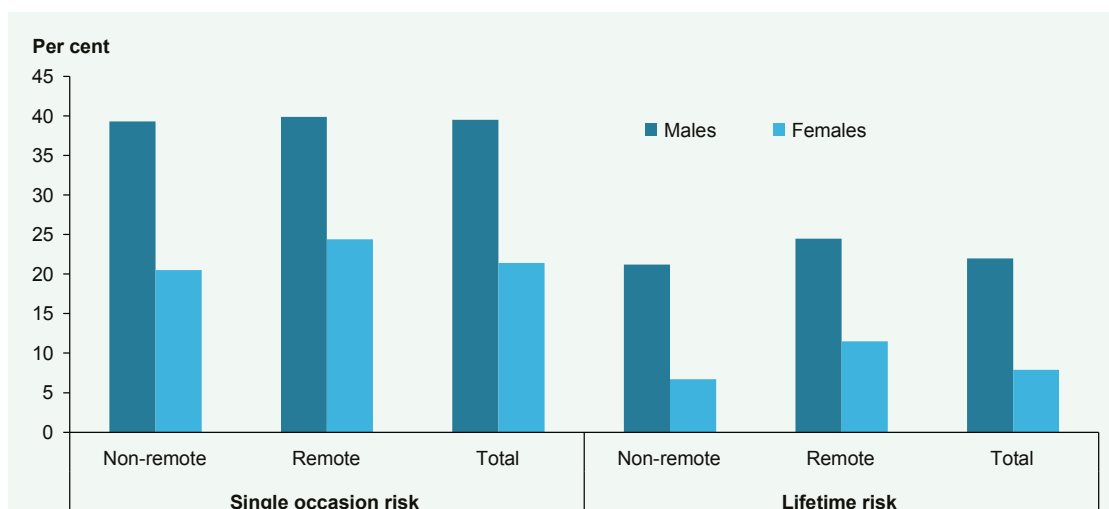
Most Australian adults drink alcohol, and do so at levels that cause few adverse effects. However, a substantial proportion of people drink at levels that increase the risk of alcohol-related harm to themselves and others. As well as the risks to an individual's physical health, harmful use of alcohol is associated with anti-social behaviour, violence, anxiety, depression, self-harm, road traffic accidents, and other unintentional injuries (NHMRC 2009).

According to the 2014–15 NATSISS, among Indigenous Australians aged 15 and over:

- 38% were abstainers (that is, they never consumed alcohol, or had consumed alcohol on 1 day or less in the previous 12 months)
- 15% drank at levels that exceeded the Australian guidelines for lifetime risk of long-term harm (more than 2 standard drinks per day, on average), a decrease from 19% in 2008
- 30% had consumed alcohol at a level that exceeded the Australian guidelines for single occasion risk of harm at least once (more than 4 standard drinks on a single occasion), a decrease from 38% in 2008
- drinking at risky levels was significantly more common among males than females (Figure 7.2.2).

Data from the 2011–12 Australian Health Survey and the 2012–13 Australian Aboriginal and Torres Strait Islander Health Survey show that, after adjusting for age:

- Indigenous Australians aged 15 and over were 1.2 times as likely as non-Indigenous Australians of this age to abstain from alcohol
- the proportions of Indigenous and non-Indigenous people aged 15 and over drinking at levels that put them at risk of lifetime harm were similar
- Indigenous Australians aged 15 and over were 1.1 times as likely as non-Indigenous Australians of this age to drink at levels putting them at risk of short-term harm (ABS 2013).



Source: AIHW analysis of ABS 2016.

**Figure 7.2.2: Proportion of Indigenous Australians drinking at risky levels, by sex and remoteness area, 2014–15**

## Other drug use

According to the 2014–15 NATSISS, 30% of Indigenous Australians aged 15 and over had used other drugs (drugs other than alcohol and tobacco) in the previous 12 months, an increase from 22% in 2008. The most commonly used substance was marijuana (19%), followed by analgesics or sedatives used for non-medical purposes (13%). About 1 in 20 (4.8%) Indigenous Australians aged 15 and over had used amphetamines in the previous 12 months. Amphetamines can be used in several forms (for example, powder, tablet or ice); survey data for the total Australian population suggest that the preferred form is ice (or crystal methamphetamine), with half (50%) of recent amphetamine users aged 14 and over in 2013 reporting that they mainly use ice (AIHW 2014).

Data from the 2013 National Drug Strategy Household Survey suggest that Indigenous Australians are more likely than non-Indigenous Australians to report using substances, particularly marijuana and pharmaceuticals used for non-medical purposes (AIHW 2014).

## Self-harm and suicide

Suicide and self-harm cause great distress and grief in both Indigenous and non-Indigenous communities. Indigenous Australians experience higher rates of self-harm and death from suicide than non-Indigenous Australians. Underlying this is a complex set of factors, including the effects of past trauma; psychological distress; geographic and social isolation and marginalisation; socioeconomic disadvantage; substance abuse; and experiences of violence, abuse and neglect.

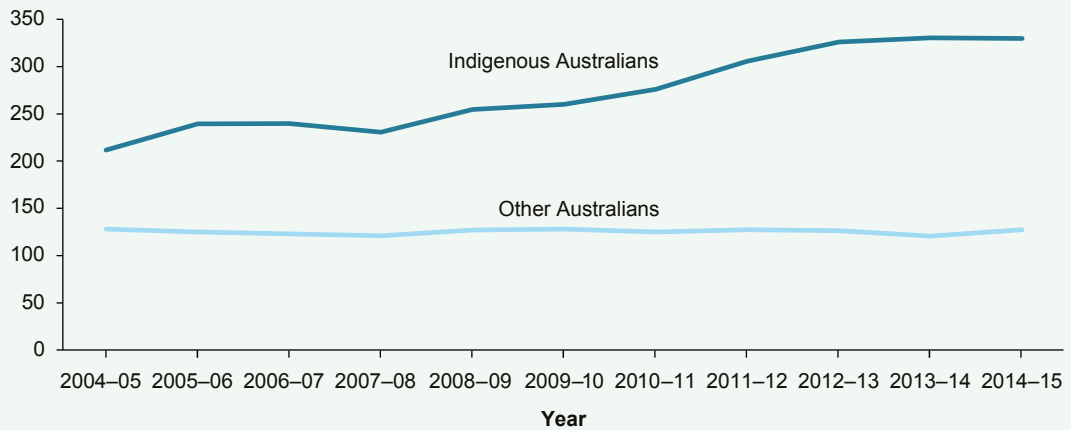
In 2014–15, there were more than 2,200 hospitalisations of Indigenous Australians for non-fatal self-harm (that is, a hospitalisation for self-inflicted injury where the patient was discharged alive)—an age-standardised rate of 315 per 100,000 population. This was 2.6 times the rate for non-Indigenous Australians.

- Among both Indigenous and non-Indigenous Australians, females were more likely than males to be hospitalised for non-fatal self-harm.
- The age-standardised rate of hospitalisations of Indigenous Australians for non-fatal self-harm increased by almost 60% between 2004–05 and 2014–15. By comparison, the rate for other Australians remained stable during this period (SCRGSP 2016) (Figure 7.2.3).

Between 2011 and 2015, there were 690 deaths due to suicide among Indigenous Australians in New South Wales, Queensland, Western Australia, South Australia and the Northern Territory combined—an age-standardised rate of 23 per 100,000 population. This was 2.1 times the rate for non-Indigenous Australians in those jurisdictions.

- Among both Indigenous and non-Indigenous Australians, males were around 3 times as likely as females to die from suicide.
- The suicide death rate was greatest among Indigenous Australians aged 25–34, at 41 per 100,000 population (SCRGSP 2016).
- Between 2006 and 2015, the suicide death rate increased among both Indigenous (from 19 to 26 per 100,000 population) and non-Indigenous Australians (from 10 to 13 per 100,000 population) (Figure 7.2.4).

Rate (number per 100,000 population)



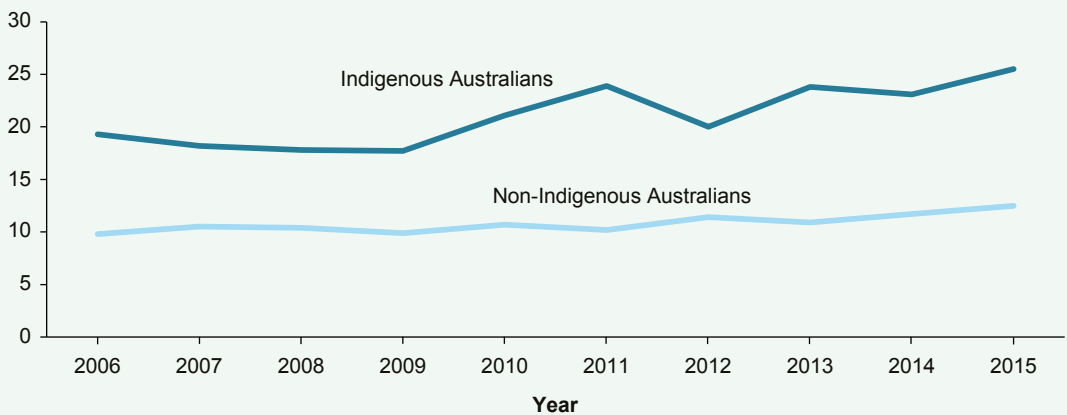
Notes

1. 'Non-fatal' refers to records where the patient was discharged alive. 'Intentional self-harm' refers to a principal diagnosis of injury and poisoning (ICD-10-AM codes S00-T98) and a first reported external cause reported for ICD-10AM codes X60-X84, based on the International Statistical Classification of Diseases and Related Health Problems, 10th Revision, Australian Modification.
2. Rates have been directly age-standardised to the 2001 Australian standard population and are expressed per 100,000 population.

Source: SCRGSP 2016.

**Figure 7.2.3: Rate of non-fatal hospitalisations for intentional self-harm, by Indigenous status, 2004-05 to 2014-15**

Rate (deaths per 100,000 population)



Notes

1. Rates have been directly age-standardised to the 2001 Australian standard population and are expressed per 100,000 population.
2. Suicide includes ICD-10 codes X60-X84 and Y87.0. Causes of death data from 2006 onward are subject to a revisions process. The status of data in this figure is: 2006-2012 (final), 2013 (revised), 2014-2015 (preliminary).

Source: AIHW 2017.

**Figure 7.2.4: Suicide rates, by Indigenous status, 2006 to 2015**



Being part of a resilient, well-functioning community that includes strong family and community support networks, that minimises exposure to harm, and that provides opportunities for engagement can help to prevent suicide among Indigenous Australians (DoHA 2013). Access to culturally appropriate and coordinated support services, and the involvement of Elders in establishing suicide prevention activities at the community level, is also critical (Dudgeon et al. 2016). Research among First Nations people in Canada has also found that community empowerment, self-determination, and renewal and maintenance of culture protect against suicide (Chandler & Lalonde 2008).

If you or someone you know needs help:

[Lifeline 13 11 14](#)

[beyondblue 1300 22 4636](#)

[Kids Helpline 1800 55 1800](#)

## Where do I go for more information?

Relevant AIHW reports such as [The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples 2015](#) are available for free download from the AIHW website.

The [Aboriginal and Torres Strait Islander Suicide Prevention Evaluation Project \(ATSISPEP\) website](#) contains a range of resources related to suicide prevention in Indigenous Australian communities.

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## 7.3 Community safety among Indigenous Australians

Many factors can influence community safety and wellbeing for Aboriginal and Torres Strait Islander people. Among the positive influences are being connected to country, land, family and spirit; having strong and positive social networks; and having strong leadership in both the family and the community (see Chapter 7.1 'Community factors and Indigenous wellbeing' for more information about these and other positive influences on community functioning).

This article focuses on contact with child protection services, contact with the criminal justice system, and community experiences of safety and violence. Indigenous Australians are over-represented in Australia's child protection, youth and adult justice systems. They also experience violence (particularly family and domestic violence) at rates well above those of non-Indigenous Australians. Factors contributing to this include past experience of violence and abuse (including in childhood), long-term social disadvantage, use of alcohol and drugs, and the ongoing impact of past dispossession and forced removal policies that have caused psychological trauma and contributed to the breakdown of traditional parenting, culture and kinship practices (SCRGSP 2016).

### Contact with child protection services

The child protection system across Australia assists vulnerable children who have been, or are at risk of being, abused, neglected or otherwise harmed, or whose parents are unable to provide them with adequate care or protection. Children may receive a mix of child protection services. These include '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 (see also Chapter 2.4 'Child protection' and Chapter 2.5 'A stable and secure home for children in out-of-home care').

Factors that may be associated with child abuse and neglect include poverty, substance abuse by parents, marginalisation, social isolation, parental exposure to violence and crime, low levels of parental educational achievement, and inadequate housing (AIHW 2014; Scott 2014). All these factors are more common among Indigenous Australians than non-Indigenous Australians. Protecting Indigenous children requires a multifaceted approach that takes account of these factors, and strengthens and empowers Indigenous families and communities (SNAICC 2015).

- In 2015–16, more than 46,600 Indigenous children aged 0–17 received child protection services and about 12,900 (43.6 per 1,000 population) were the subject of a child protection substantiation—a rate around 7 times that for non-Indigenous children (Figure 7.3.1).
- The most common reasons for substantiations for Indigenous children were emotional abuse and neglect (accounting for 39% and 36% of cases, respectively). By comparison, 47% of substantiations for non-Indigenous children were due to emotional abuse, and 20% due to neglect.
- More than one-third of children (35%) on care and protection orders as at 30 June 2016 were Indigenous despite making up only 5.5% of the Australian population aged 0–17.
- As at 30 June 2016, there were more than 16,800 Indigenous children in out-of-home care, a rate almost 10 times that for non-Indigenous children (Figure 7.3.1).

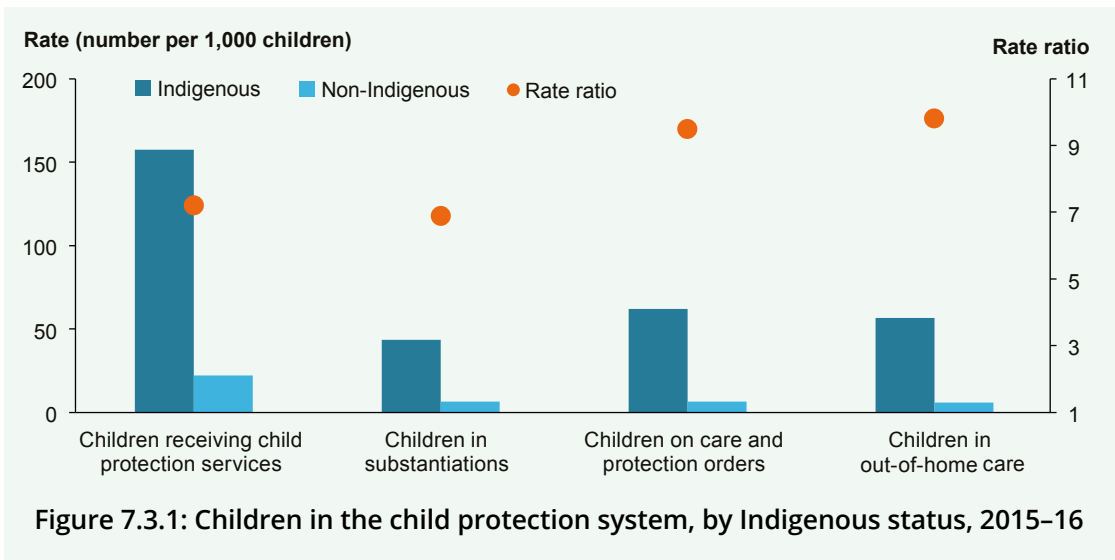


Figure 7.3.1: Children in the child protection system, by Indigenous status, 2015–16

## Contact with police and the criminal justice system

In 2014–15, around 1 in 7 (15%) Indigenous people aged 15 and over reported that they had been arrested in the previous 5 years (20% of males and 9.2% of females) and over 1 in 3 (35%) had been formally charged by police at least once in their lifetime (48% of males and 23% of females) (ABS 2016a). Comparable data for the non-Indigenous population are not available.

## Youth justice

Supervision of young people on legal orders is a major aspect of Australia's youth justice system (see Chapter 2.6 'Youth justice supervision'). On an average day in 2015–16, the majority (84%) of young people under supervision were supervised in the community, with the remainder in secure detention facilities.

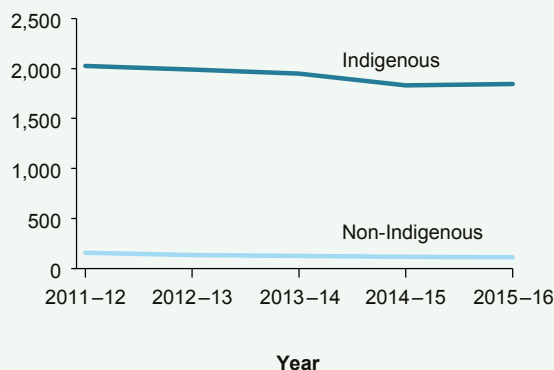
- Although only 5.5% of young Australians aged 10–17 are Indigenous, on an average day in 2015–16, nearly half (48%) of people of this age under supervision were Indigenous. Among people aged 10–17 supervised in detention, more than half (59%) were Indigenous.
- For both Indigenous and non-Indigenous Australians, about 4 in 5 people aged 10–17 under supervision on an average day in 2015–16 were male (80% for Indigenous, 83% for non-Indigenous). These proportions were higher among people in detention (89% for Indigenous, 91% for non-Indigenous).
- Between 2011–12 and 2015–16, the rate of Indigenous people aged 10–17 under supervision on an average day fell from 2,026 to 1,845 per 100,000 population (Figure 7.3.2).

## Adult imprisonment

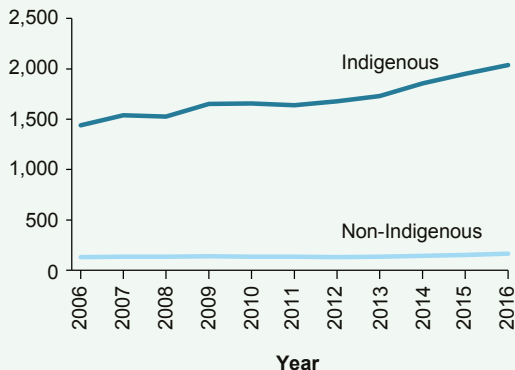
Indigenous Australians are greatly over-represented in adult prisons. They are generally younger than non-Indigenous prisoners and more likely to have been imprisoned before.

- As at 30 June 2016, around 10,600 prisoners identified as Indigenous. This accounted for more than one-quarter (27%) of the total Australian prison population. The Indigenous age-standardised imprisonment rate was 13 times that for non-Indigenous Australians (2,039, compared with 163 per 100,000 population) (ABS 2016b).
- Around 1 in 4 (24%) Indigenous prisoners were aged 24 or under, compared with 1 in 7 (14%) non-Indigenous prisoners.
- The majority of Indigenous and non-Indigenous prisoners were men (90% and 93%, respectively).
- Three-quarters (76%) of Indigenous prisoners had been imprisoned before, compared with half of non-Indigenous prisoners (49%).
- Between 30 June 2006 and 30 June 2016, the age-standardised Indigenous imprisonment rate increased by 42% compared with a 24% increase for non-Indigenous Australians (Figure 7.3.2).

**Youth under supervision per 100,000 population**



**Adult prisoners per 100,000 population**



*Notes*

1. Data for youth relate to young people aged 10–17 in detention or community supervision on an average day in the relevant year.
2. Data for adults are age-standardised rates for prisoners aged 18 and over (17 and over in Queensland) as at midnight on 30 June in the relevant year.

Sources: ABS 2016b; AIHW 2016.

**Figure 7.3.2: Youth under supervision per 100,000 population, 2011–12 to 2015–16 and adult prisoners per 100,000 population, 2006 to 2016, by Indigenous status**

## Community experiences of safety and violence

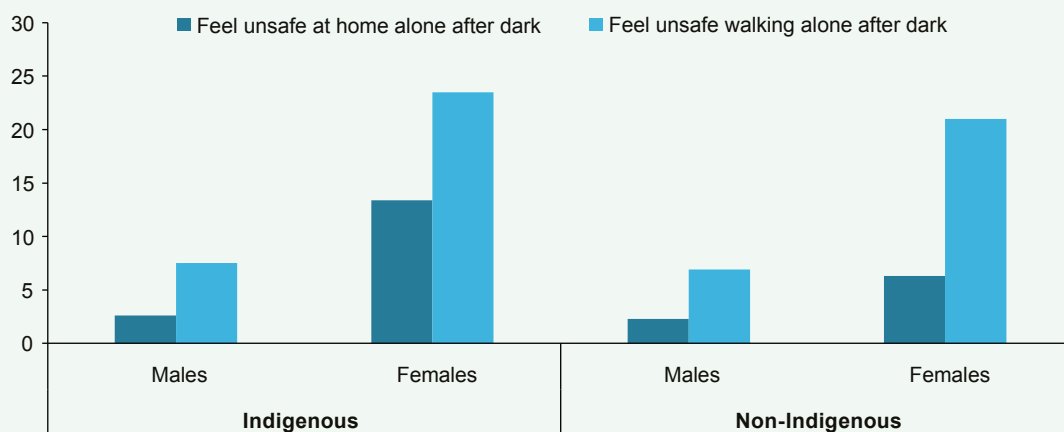
Family violence in Indigenous communities is both a cause and an effect of social disadvantage, intergenerational trauma, poor parenting and substance misuse (see also Chapter 7.2 'Factors affecting the social and emotional wellbeing of Indigenous Australians' for information on the use of alcohol and other drugs by Indigenous Australians). It is likely to be linked to the effects of colonisation and dispossession, and past policies of removal, disempowerment and assimilation (Memmott et al. 2001).

In 2014–15 among Indigenous Australians aged 15 and over:

- 16% felt unsafe walking alone in their local area after dark and 8.1% felt unsafe at home alone after dark. Among both Indigenous and non-Indigenous Australians, females were more likely than males to feel unsafe when alone after dark (Figure 7.3.3)
- in the previous 12 months, 13% had experienced physical violence and 16% had been threatened with physical violence (ABS 2016a)
- more than two-thirds (68%) of people who had experienced physical violence reported that alcohol or other substances contributed to the most recent incident
- almost two-thirds (63%) of women and more than one-third (35%) of men who had experienced physical violence reported that the perpetrator of the most recent incident was a family member (AIHW analysis of ABS 2014–15 National Aboriginal and Torres Strait Islander Social Survey)

- the majority (69%) were aware of there being problems in their neighbourhood or community. The most commonly reported problems were theft (44%), dangerous or noisy driving (41%), alcohol (38%) and illegal drugs (37%) (ABS 2016a)
  - by comparison, 67% of non-Indigenous people aged 15 and over were aware of there being problems in their local area. The problems they most commonly reported were noisy driving (38%), dangerous driving (36%), offensive language/behaviour, rowdy behaviour and noisy neighbours (all 17%) (AIHW analysis of ABS 2014 General Social Survey)
- Indigenous Australians in remote areas were more likely to report neighbourhood or community problems than Indigenous Australians in non-remote areas (82% compared with 65%), and were more than twice as likely to report problems with alcohol, family violence, assault, rape, neighbourhood conflict and gambling (ABS 2016a).

Per cent



Source: AIHW analysis of 2014 General Social Survey (TableBuilder) and AIHW analysis of 2014–15 National Aboriginal and Torres Strait Islander Social Survey (TableBuilder).

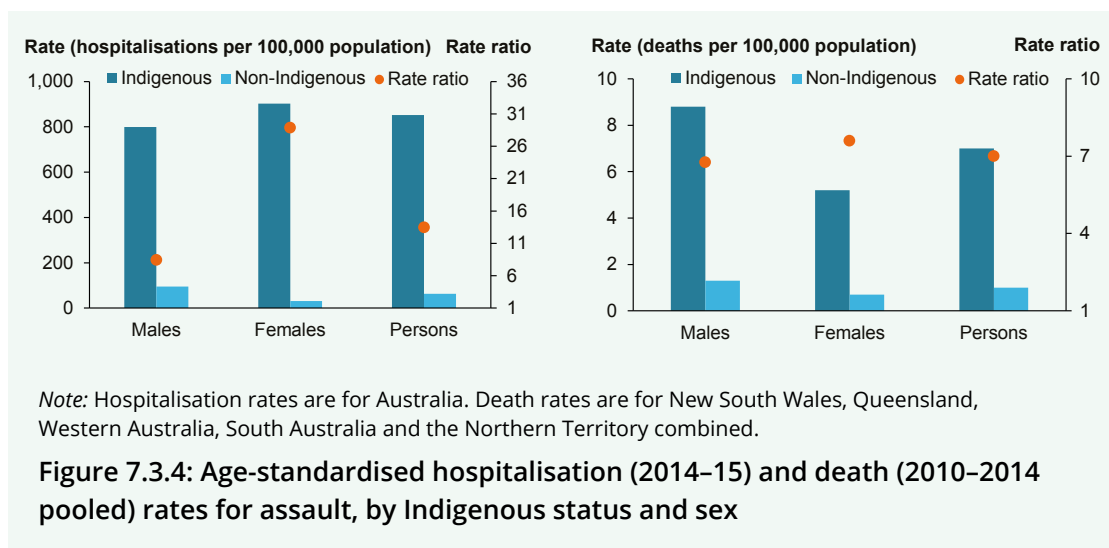
**Figure 7.3.3: Feelings of safety when alone after dark, people aged 15 and over, by sex and Indigenous status, 2014–15**

## Hospitalisations and deaths due to assault

In 2014–15, the Indigenous age-standardised hospitalisation rate for non-fatal assault (that is, hospitalisations for injuries inflicted by another person where the patient was discharged alive) was more than 13 times the rate for non-Indigenous Australians (852 compared with 63 per 100,000 population) (Figure 7.3.4). The ratio was even higher for females (29 times as high) and for people living in *Remote* and *Very remote* areas (19 times as high).

Indigenous Australians are also more likely than non-Indigenous Australians to die from assault. Over the 5-year period 2010–2014 in New South Wales, Queensland, Western Australia, South Australia and the Northern Territory combined:

- there were 192 deaths due to assault among Indigenous Australians. The Indigenous age-standardised rate of deaths from assault was 7 times as high as the rate for non-Indigenous Australians (7.0 compared with 1.0 per 100,000 population) (Figure 7.3.4)
- Indigenous and non-Indigenous males were around twice as likely as their female counterparts to die from assault (age-standardised rate ratios of 1.7 for Indigenous and 1.9 for non-Indigenous) (SCRGSP 2016).



## What is missing from the picture?

The prevalence of violence in Australia is difficult to determine as not all incidents are reported to police or other authorities. Incomplete identification of Indigenous Australians in relevant data collections also reduces the accuracy of estimates of violence among Indigenous Australians. Determining the prevalence of domestic or family violence is further complicated by the fact that even when incidents are reported, the victim may not disclose that the incident was perpetrated by a family member (ABS 2013). For the hospital separations data on non-fatal assault cited in this article, the relationship of the perpetrator to the victim was recorded in only 51% of cases.

The AIHW is developing reporting capability in the form of a national Family, Domestic and Sexual Violence data clearinghouse. The clearinghouse will coordinate national reporting, and provide a platform for improving data quality and for identifying data gaps and priority data developments. The AIHW may also conduct data linkage and facilitate the access of researchers to data. More information is provided in Chapter 2.7 'Family, domestic and sexual violence'. The collection of more detailed data regarding experiences of violence among Indigenous Australians would provide valuable information to support policy and service responses to this issue.



## Where do I go for more information?

More information about community safety for Indigenous Australians is available from the reports [The health and welfare of Aboriginal and Torres Strait Islander peoples](#) and the [Aboriginal and Torres Strait Islander Health Performance Framework](#).

More data on [child protection](#) and [youth justice](#) can be found on the AIHW website.

Detailed information on prisoners, offenders and victims of reported crime are available from ABS [Crime and Justice](#) statistics.

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## 7.4 Closing the gap in education

Good health and wellbeing throughout life depend to a considerable extent on sound education. For Aboriginal and Torres Strait Islander Australians, in particular, education can provide opportunities to avoid the several disadvantages they face (ABS 2011; Biddle 2006; Biddle & Cameron 2012).

The Council of Australian Governments (COAG) is committed to a number of Closing the Gap targets for education (Box 7.4.1); this article reviews the progress made against these. It also analyses, for Indigenous people, several other aspects of school and tertiary educational attainment and transitions from school to work, as well as education related employment outcomes. In addition, it assesses the patterns of early childhood development and school readiness for Indigenous (and non-Indigenous) children from the most recent 2015 Australian Early Development Census (AEDC).

### Box 7.4.1: COAG Closing the Gap targets related to education

- Ensure that 95% of all Indigenous 4-year-olds are enrolled in early childhood education by 2025.
- Close the gap between Indigenous and non-Indigenous school attendance within five years (by 2018).
- Halve the gap for Indigenous children in reading, writing and numeracy achievements within a decade (by 2018).
- Halve the gap for Indigenous Australians aged 20–24 in Year 12 (or equivalent) attainment rates (by 2020).

Source: PM&C 2017.

Of the education related targets, the 2020 target on Year 12 attainment is on track to be met, but not the 2018 target on reading and numeracy; and progress will need to accelerate for the 2018 school attendance target to be met (PM&C 2017). It is too early to properly assess progress on the new 2025 target on early childhood education. The previous 2013 early childhood education target expired unmet (PM&C 2017).

## Early childhood development (school readiness)

Indigenous disadvantage has an early onset. Many Indigenous children fall behind, even on the earliest measures of childhood development. This is usually related to Indigenous households generally being in lower socioeconomic areas, with children inheriting the disadvantage of the families into which they are born (Daly and Smith 2005; Guthridge et al. 2016). Indigenous children also face several other unique developmental constraints not generally shared by the wider population. Common among these are multiple early life stressors—from deaths and adult imprisonment occurring more often in their families, from having severe illnesses and accidents, from experiencing discrimination (Shepherd and Zubrick 2012) and from the intergenerational effects of forced separation (Silburn et al. 2006).

A key marker of early childhood development in Australia is available through the AEDC assessments (Box 7.4.2). The AEDC assessments have been validated as a valuable measure of school readiness and have strong potential to predict later-stage school learning outcomes for the individual child (Brinkman et al. 2013).

#### **Box 7.4.2: Australian Early Development Census**

- The AEDC is a census type data collection. It has been conducted every 3 years since 2009 for all children in their first year of full-time schooling, usually when aged 5.
- School teachers assess these children on five domains of early childhood development:
  - physical health and wellbeing
  - social competence
  - emotional maturity
  - language and cognitive skills
  - communication skills and general knowledge.
- The assessments are based on teacher observations; the children do not participate in tests.
- For each of the five AEDC domains, children are given a score between 0 and 10. The distribution of scores achieved is quite skewed, with most children receiving high domain scores (towards 10). Such a distribution, with greater sensitivity at the lower end of the scale, is reasonable for a measure focused on levels of vulnerability in child development.
- The numerical scores of the AEDC assessments are used to classify all assessed children into three categories: 'developmentally vulnerable', 'developmentally at risk' and 'developmentally on track'.
- In the first data collection (2009), a series of cut-off scores were set for each of the five domains to convert numerical scores into these three categories. Children falling below the 10th percentile were categorised as 'developmentally vulnerable'. Children ranked between the 10th and 25th percentile were categorised as 'developmentally at risk', and all other children were categorised as 'developmentally on track'.
- The cut-off scores set in 2009 for these classifications remain the same across the three collection cycles.
- Two additional summary assessments of vulnerability are made of whether a child is assessed as developmentally vulnerable on any one or more of the five domain(s), and on two or more domains.
- The AEDC recently introduced a new measure of early childhood development, the Multiple Strength Indicator, that focuses on the more advanced skills and competencies of the assessed children (Gregory and Brinkman 2016a). Results on this Indicator are not presented in this chapter.
- The AEDC data collection instrument has been validated to measure developmental vulnerability for Indigenous children in the Australian context (Silburn et al. 2009).

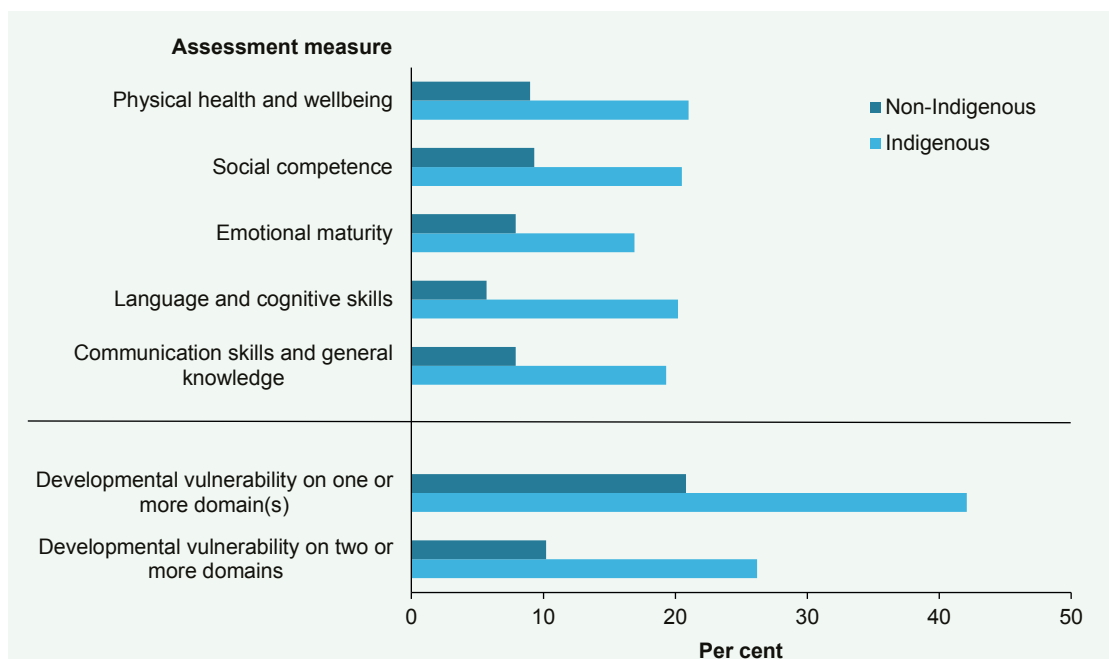
*Source:* DET 2016b.

The three collections of the AEDC (2009, 2012 and 2015) show that gaps in child development between Indigenous and non-Indigenous children have, on average, formed even at this early age. In all three collections, Indigenous children were more than twice as likely as non-Indigenous children to be assessed as developmentally vulnerable. This was the case for the result on each of the five specific test domains and for both the vulnerability summary indicators used in AEDC data reporting (vulnerable on one or more of the five domain(s), and vulnerable on two or more of the five domains).

## 2015 AEDC results

The latest AEDC collection (2015) assessed around 302,000 children (of whom about 17,300, or 5.7%, were Indigenous). The results showed that, nationally, around 42% of all Indigenous children were categorised as developmentally vulnerable on one or more of the five AEDC domain(s), compared with 21% of all non-Indigenous children (Figure 7.4.1). As well, 26% of Indigenous children were assessed as vulnerable on two or more of the five domains, compared with the non-Indigenous rate of 10% (DET 2016b).

Figure 7.4.1 also shows the proportion of children assessed as vulnerable on each of the five AEDC domains. The Indigenous rates were at least 2 times higher than the non-Indigenous rates for all domains, with the smallest gap (still 2.1 times as vulnerable) in the emotional maturity domain. The largest gap (3.5 times as vulnerable) was in the language and cognitive skills domain.

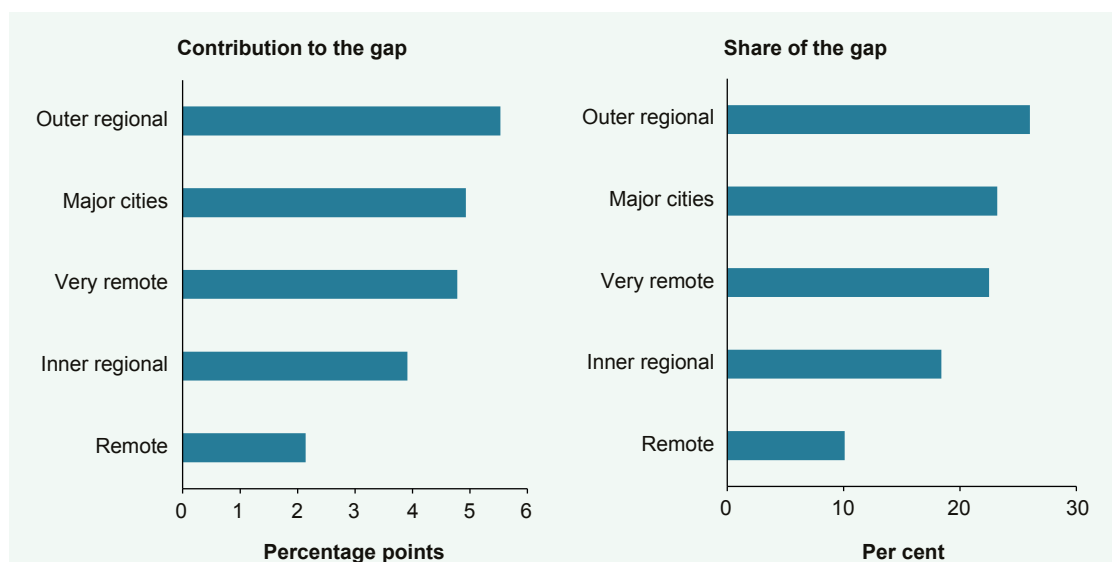


Source: DET 2016b.

**Figure 7.4.1: Proportion of developmentally vulnerable children in each of the five domains and on vulnerability summary measures, by Indigenous status, 2015**

A contributing factor to the higher vulnerability rate of Indigenous children at the national level is that Indigenous children who live in *Remote* and *Very remote* areas have much higher levels of vulnerability, and more Indigenous children live in these areas, as a share of all Indigenous children, than is the case for non-Indigenous children. In 2015, about two-thirds (66%) of Indigenous children living in *Very remote* areas were assessed as vulnerable on one or more domain(s), as were 52% of Indigenous children in *Remote* areas (AIHW analysis of 2015 AEDC data, unpublished).

The *Very remote* and *Remote* areas jointly contribute to around one-third of the national gap between Indigenous and non-Indigenous children in the proportion vulnerable on one or more domain(s); the *Very remote* areas alone contribute to 22% of the national gap (Figure 7.4.2). The majority of Indigenous children, however, live in *Major cities* and *Inner and Outer regional* areas, so these regions contribute to the major share (two-thirds) of the national gap. The highest single-region contribution to the national gap is *Outer regional* areas (26%), followed by *Major cities* (23%) and *Inner regional* areas (18%) (AIHW analysis of 2015 AEDC data, unpublished).



*Note:* The national gap on this measure is 21.3 percentage points (and the sum of the left horizontal bars equals 21.3).

*Source:* AIHW analysis of AEDC data, unpublished.

**Figure 7.4.2: Contribution to the national gap in vulnerability on one or more domain(s) between Indigenous and non-Indigenous children, by remoteness area, 2015**

At the national level, encouraging progress has been made to reduce the gap in early childhood development outcomes between Indigenous and non-Indigenous children. The proportion of Indigenous children assessed as vulnerable on one or more domain(s) decreased from 47% in 2009 to 43% in 2012, and to 42% in 2015. This was a larger decrease than for non-Indigenous children over this period for whom this proportion decreased from 22% in 2009 to 21% in 2015 (DET 2016a).

The AEDC results for Indigenous children also vary by sex. A consistently lower proportion of Indigenous girls were assessed as vulnerable on each of the five domains, and on the two vulnerability summary measures. This pattern was also seen for non-Indigenous children. For instance, in the 2015 AEDC assessments, 34% of Indigenous girls were assessed as vulnerable on one or more of the five domain(s), compared with 50% of Indigenous boys. The biggest relative difference by sex was on the emotional maturity domain: only 10% of Indigenous girls were assessed as vulnerable compared with 24% for Indigenous boys, making boys almost 2.5 times more likely to be assessed as vulnerable on this domain (AIHW analysis of 2015 AEDC data, unpublished).

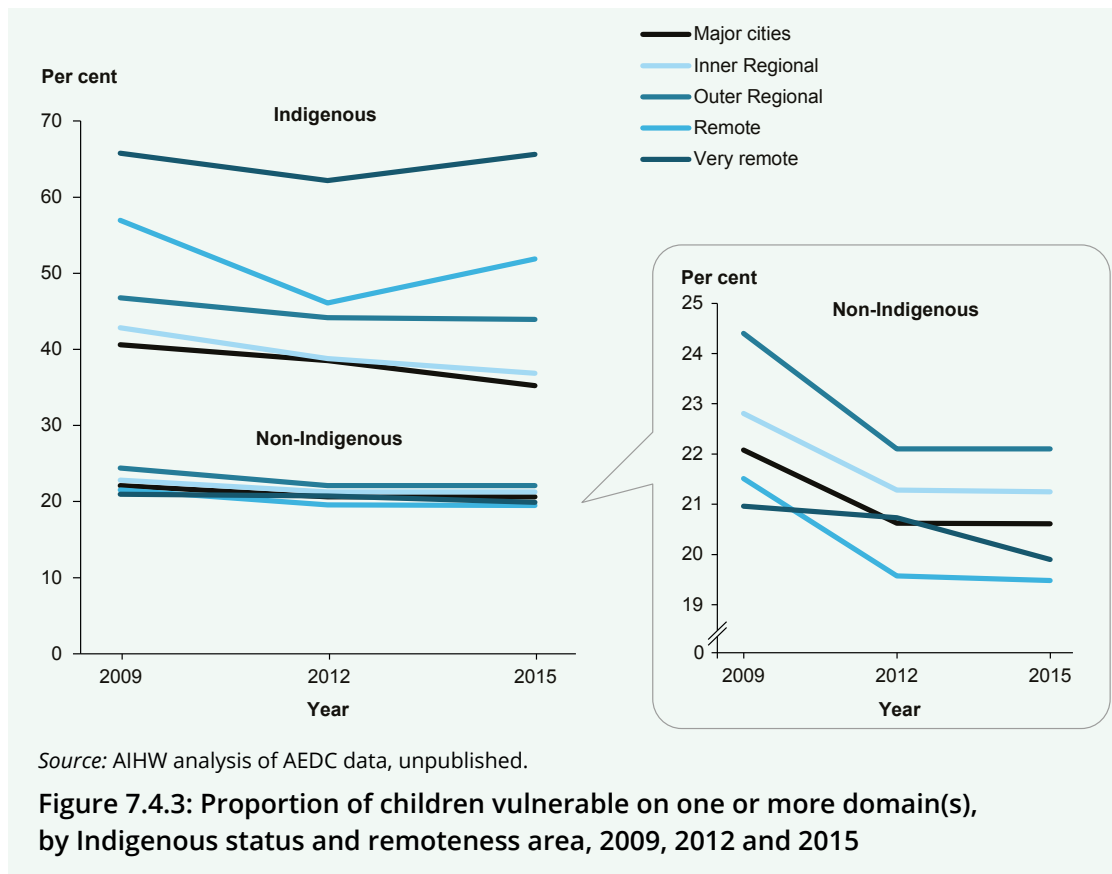
## Trends in AEDC results by remoteness areas

The results presented in this sub-section are based on unpublished AIHW analyses of the unit record AEDC data. Over time, changes have been uneven across remoteness areas in the proportion of Indigenous children assessed as vulnerable on one or more domain(s) (Figure 7.4.3). Between 2009 and 2015, this vulnerability rate decreased most in *Inner regional* areas (from 43% to 37%) and in *Major cities* (from 41% to 35%); both changes were significant, based on the critical difference method recommended in Gregory and Brinkman (2016b). However, when comparing changes between the two most recent AEDC collections (2012 and 2015), the vulnerability rate for Indigenous children increased significantly in *Remote* and *Very remote* areas and decreased significantly in *Major cities* and *Inner regional* areas. There was no change for Indigenous children living in *Outer regional* areas.

In *Very remote* areas, the proportion of Indigenous children assessed as vulnerable on one or more domain(s) increased by 3.5 percentage points (from 62% in 2012 to 66% in 2015); the 2015 vulnerability rate was almost the same as in the first collection of 2009, offsetting almost all the decrease observed between 2009 and 2012 (Figure 7.4.3).

Around 18% of all Indigenous children in the 2015 AEDC collection lived in *Remote* or *Very remote* areas (DET 2016b). The uneven pattern in developmental vulnerability across remoteness areas over time means that Indigenous children in *Remote* and *Very remote* areas are falling further behind (increasing gaps) in their early development. This comparison applies not just with non-Indigenous children in these areas, but also with Indigenous children living in *Major cities* and *Inner and Outer regional* areas.

The high rate of developmental vulnerability of Indigenous children in *Remote* and *Very remote* areas is not due mainly to the effect of geographical location. A similar pattern is not observed for non-Indigenous children. A smaller population of non-Indigenous children live in these areas, but their development vulnerability is not higher than in other areas. Indeed, in the 2015 AEDC collection, non-Indigenous children living in *Remote* and *Very remote* areas had the lowest and second lowest rate of vulnerability on one or more domain(s) among all non-Indigenous children (Figure 7.4.3 inset).



## Progress in the Closing the Gap targets in education (and student achievements in PISA)

### Early childhood education

In December 2015, the COAG agreed to a new target on access to quality early childhood education for 4-year-old Indigenous children. The previous target expired unmet in 2013. The new target is to ensure that 95% of all Indigenous 4-year-olds are enrolled in early childhood education by 2025. The new target extends beyond the original focus on Indigenous children living in remote communities; it aims to increase the participation of all Indigenous children in high-quality early childhood programs nationally (PM&C 2017).

This target has two measures of progress:

- the proportion of children enrolled in a preschool program in the year before full-time schooling
- the proportion of children attending a preschool program in the year before full-time schooling.

Baseline data for this target for 2015 have been recently released, using a revised method to calculate the numerators and the denominators of both measures (SCRGSP 2016a). The revised baseline data are derived from the National Early Childhood Education and Care Collection, which is managed by the Australian Bureau of Statistics. The revised method used in the new baseline takes account of the variation in school starting ages by jurisdiction, and how this interacts with population estimates. Also, the attendance rates reported for measure (b) are calculated as a percentage among children enrolled in a preschool program, rather than as a percentage of the relevant population of children, as was reported previously (SCRGSP 2016a).

The new baseline data for 2015 are therefore not comparable with previously reported data. Progress against this target should be assessed only in relation to the revised 2015 baseline and using future data releases consistent with the new methodology.

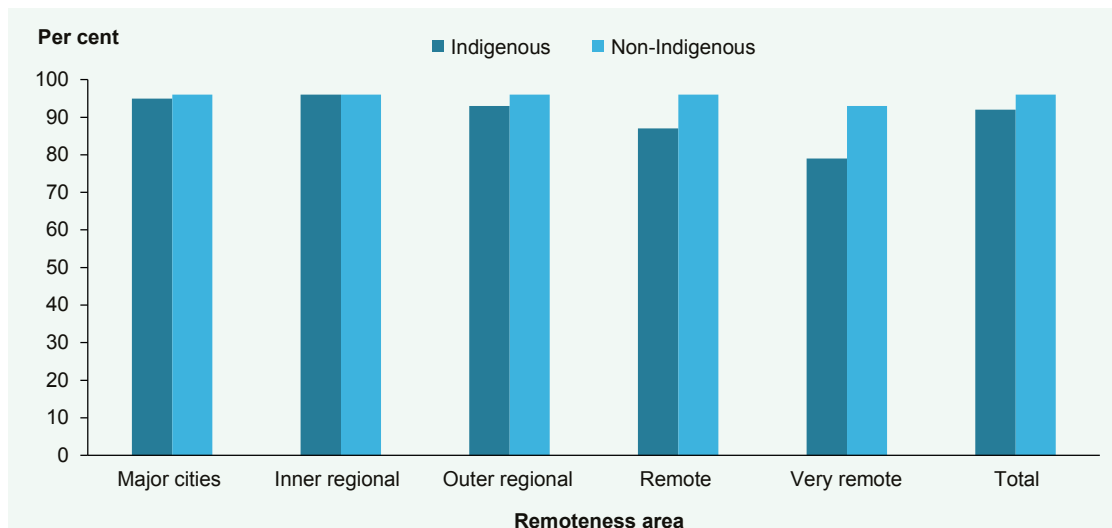
The revised baseline data for 2015 show a total of 14,200 Indigenous children enrolled in a preschool program in the year before full-time schooling. Expressed as a ratio of the potential population of children (taking account of the different rules on school starting ages in each state and territory), this represents a rate of 87% of all Indigenous children enrolled in a preschool program in the year before full-time schooling. The comparable non-Indigenous rate was 98% (SCRGSP 2016a).

The 2015 preschool enrolment rate for Indigenous children in the year before full-time schooling varied considerably across jurisdictions. To highlight some continuing misalignment of the numerator and denominator counts—even within the revised baseline methodology—the enrolment rate for Indigenous children exceeds 100%, as presently computed, in three jurisdictions (Western Australia, South Australian and the Australian Capital Territory). The lowest rate was 77% in New South Wales, followed by 84% in the Northern Territory, 85% in Queensland and 94% in Victoria (SCRGSP 2016a).

For preschool attendance, the revised 2015 baseline data show a total of 12,900 Indigenous children attending at least 1 hour of preschool (in the reference week of the National Early Childhood Education and Care Collection). As a proportion of Indigenous children enrolled in preschool, the national Indigenous preschool attendance rate in 2015 was 92%. The equivalent attendance rate for non-Indigenous children was 96%. There is significant variation across jurisdictions in the estimated preschool attendance rates for Indigenous children (expressed as a proportion of children enrolled) in the year before full-time schooling. Five jurisdictions recorded rates of 95% or higher (New South Wales, Queensland, South Australian, Tasmania and the Australian Capital Territory), with a low of 73% in the Northern Territory, followed by 88% in Western Australia and 92% in Victoria (SCRGSP 2016a).

There was also significant variation across remoteness areas in preschool attendance rates in the year before full-time schooling for Indigenous children (Figure 7.4.4). In 2015, *Major cities* and *Inner regional* areas recorded attendance rates of 95% or higher, and *Very remote* areas had the lowest rate, of 79%. For comparison, preschool attendance rates for non-Indigenous children varied little by remoteness areas, ranging from 93% attendance in *Very remote* areas to 96% attendance in all other areas.





Source: SCRGSP 2016a.

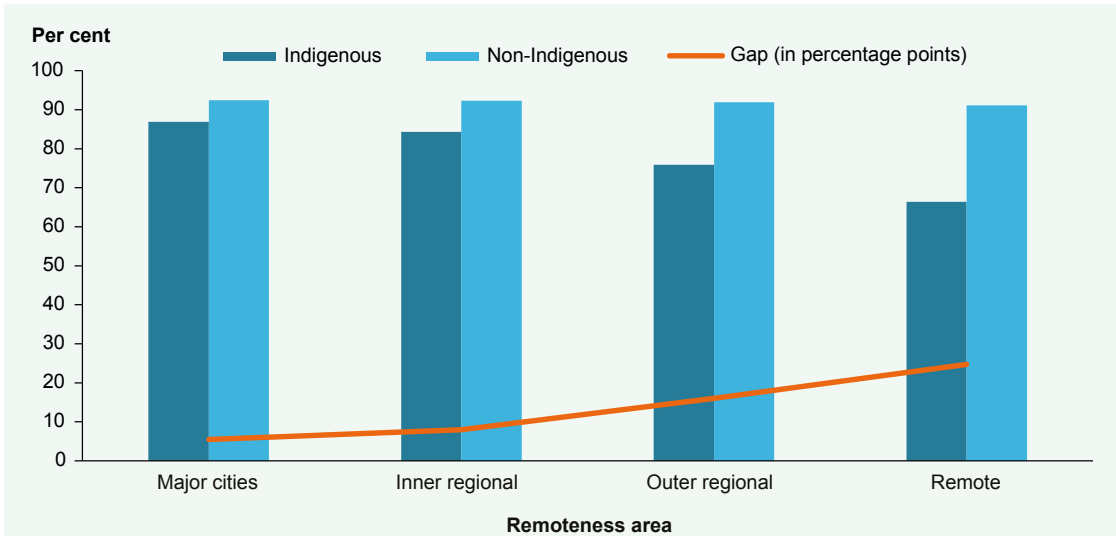
**Figure 7.4.4: Proportion of enrolled children attending a preschool program in the year before full-time schooling, by Indigenous status and remoteness area, 2015**

## School attendance (Year 1 to Year 10)

In May 2014, COAG agreed to a new target to close the gap in school attendance rates between Indigenous and non-Indigenous students by the end of 2018. The baseline data for this new target were developed for 2014. The baseline and progress measures for this target calculate the school attendance rate for Indigenous and non-Indigenous students in each grade from Year 1 to Year 10 (using Semester 1 data), as well as a combined attendance rate for Year 1 to Year 10.

In 2016, the attendance rate for Indigenous students was 83% (about the same rate as in 2014), and for non-Indigenous students, 93%. The gap in attendance rates of 10 percentage points in 2016 was the same as in 2014. Progress will need to accelerate for this target to be met (PM&C 2017).

The overall school attendance rate in 2016 for Indigenous students was highest in *Inner regional* areas (87%) and *Major cities* (86%), declining steadily with increasing remoteness (to 66% in *Very remote* areas) (Figure 7.4.5). Attendance rates for non-Indigenous students varied little across remoteness areas (ranging from 93% in *Major cities* to 91% in *Very remote* areas). The largest gap in attendance rates between non-Indigenous and Indigenous students was in *Very remote* areas (25 percentage points), and the smallest gap was in *Inner regional* areas (5.5 percentage points).



Note: The gap denotes the difference between the non-Indigenous and Indigenous rates, as represented by the heights of the corresponding columns in the figure.

Source: SCRGSP 2016a.

**Figure 7.4.5: Student attendance rate in Years 1–10 (combined), by Indigenous status and remoteness area, 2016**

The attendance rate for Indigenous students also varies greatly between primary and secondary schools. For instance, in 2016, the average attendance rate for Indigenous students in primary school (Years 1–6) was 86%, and 79% in secondary school (Years 7–10). The lowest attendance rate among all Indigenous students in Years 1–10 was 75%, in Year 10 (SCRGSP 2016a).

The school attendance target has two supplementary measures associated with it:

- proportion of students who attend school 90% or more of the time, by Indigenous status
- number and proportion of schools achieving 90% or more average school attendance, by Indigenous status.

Table 7.4.1 shows data for these additional measures.

**Table 7.4.1: Students attending school 90% or more of the time and schools achieving 90% or greater average attendance, by Indigenous status, 2016**

	Proportion of students attending school 90% or more of the time (%)	Proportion of schools achieving 90% or greater average attendance (%)
Indigenous students	49	48
Non-Indigenous students	79	86

Note: Government schools in New South Wales are excluded from the additional measure for proportion of students attending school 90% or more of the time due to lack of data.

Sources: PM&C 2017; SCRGSP 2016a.

## Literacy and numeracy

The COAG target is to halve the gap in school achievements in reading, writing and numeracy between Indigenous and non-Indigenous students by 2018. The gap is assessed by measuring the difference between the proportion of Indigenous and non-Indigenous students who are at or above the National Minimum Standard (NMS) in the National Assessment Program—Literacy and Numeracy (NAPLAN) test results (see Box 7.4.3 and Box 7.4.4 for further details).

Progress on this measure since the 2008 baseline year has been mixed. Consistent trends are not usually found, due to the variability in the NAPLAN results from year to year for Indigenous students.

### Box 7.4.3: About National Assessment Program—Literacy and Numeracy

- The NAPLAN tests are conducted every year for all students across Australia in Years 3, 5, 7 and 9. Each year, over 1 million students nationally sit the NAPLAN tests.
- Assessments are made on three main domains (reading, writing, and numeracy), and two other language-related sub-domains (spelling, and grammar/punctuation).
- The Australian Curriculum, Assessment and Reporting Authority (ACARA) prepares national reports on each year's NAPLAN results. Student achievements are reported in two ways—a scaled score, and in performance bands.
- The scaled scores are constructed so that a given score represents the same level of achievement over time on a domain. This means these scores are consistent across the test for Years 3, 5, 7 and 9. Increases in the scaled score for the same student tested over a period of years (that is, in Years 3, 5, 7 and 9) show comparable improvements in the ability of that student.
- The conversion of scaled scores into performance bands provides an extra indicator of whether a particular child's achievement level on a specific test is at or above a pre-agreed NMS set for each test and year level.
- Every year, a small proportion of students are exempted from the NAPLAN tests.
- Children can also be withdrawn from the NAPLAN testing program at the request of their parent/carer, or be absent on the day of the test.
- Exempt students are included in the count of students participating in the NAPLAN testing program and are assessed to not have met the NMS; but they are excluded from the calculation of the mean scores.
- Withdrawn and absent children are not included in the counts of participating students nor in the calculations of the proportion of students who have met the NMS.
- A higher proportion of Indigenous students are regularly exempted, withdrawn or absent from the NAPLAN tests than non-Indigenous children. The combined proportion of Indigenous students exempted, withdrawn or absent is also generally higher in higher grades (SCRGSP 2016a). This can affect comparability of results for the same group of students over time.

Source: ACARA 2016.

#### **Box 7.4.4: NAPLAN results and methods used to measure progress against the COAG target**

- Progress against the Closing the Gap targets in reading, writing and numeracy is assessed using data on increases since the 2008 baseline in the proportion of Indigenous students who are at or above the NMS (not in reference to the mean scaled scores of Indigenous and non-Indigenous students).
- The target to halve the gap by 2018 has been converted into an agreed trajectory between 2008 (the baseline year) and 2018 (the target year) on the proportion of Indigenous students meeting the NMS (COAG 2012).
- The trajectories are a guide to measure progress from baseline performance to achievement of the target. They are, however, only indicative, with the national trajectories developed from those that each state and territory has adopted to measure its own progress.
- Achieving the annual trajectory progress points are neither requirements nor guarantees that the final target point will be reached. Still, it is customary to use the agreed annual trajectory points as a basis for assessing whether the latest calendar year's NAPLAN results are on track to meet the target by 2018.
- The annual trajectory points for assessing progress were developed for the three main NAPLAN test domains (reading, writing and numeracy). The original trajectories for the writing test (COAG 2012), however, are not currently valid, due to changes in the genre of the writing test.
- The NAPLAN writing tests have two alternate genres—narrative writing and persuasive writing. From 2008 to 2010, the test genre was narrative and from 2011 to 2015 it was persuasive. In 2016, the writing test switched back to narrative, and new analytical methods were developed to place scores for the narrative task and the persuasive task on the same scale. Results for both genres of the writing test are therefore comparable over time, but only from 2011 onwards.
- There are no agreed Closing the Gap trajectories for writing using the new combined scale from 2011 onwards. Therefore, assessment of progress against the COAG Closing the Gap target on literacy and numeracy is confined to the NAPLAN reading and numeracy domains, in Years 3, 5, 7 and 9 (a total of 8 test-year and test-domain combinations).
- As well as the COAG endorsed measures of progress against this target, other measures of progress reported on the achievements of Indigenous students are changes over time in their mean NAPLAN test scores, and gains in mean score made by the same cohort of students as they are tested in higher school grades.

*Source:* ACARA 2016.

## Progress against the annual trajectory

The usual way to assess progress against this literacy and numeracy target is to compare the latest calendar year NAPLAN results with the national trajectory points for that year. Among the 8 test-year and test-domain combinations with an agreed trajectory point for 2016 (see Box 7.4.4), the 2016 results on the proportion of Indigenous students meeting the NMS showed that only numeracy in Year 9 was on track to meet the 2018 target.

Figure 7.4.6 tracks the annual performance of Indigenous and non-Indigenous students in the NAPLAN reading and numeracy tests between 2008 and 2016; the agreed trajectory points consistent with meeting the target in 2018 are also shown. In 2016, apart from Year 9 numeracy, the achievement levels by Indigenous students are below the agreed trajectory points for 2016. Achievements below the 2016 trajectory levels signal that progress achieved by 2016 is not on track to meet the 2018 target levels for Indigenous students. (The Year 3 reading achievement in 2016 is very close to the agreed trajectory point, with the deficit being only 1.8 percentage points).

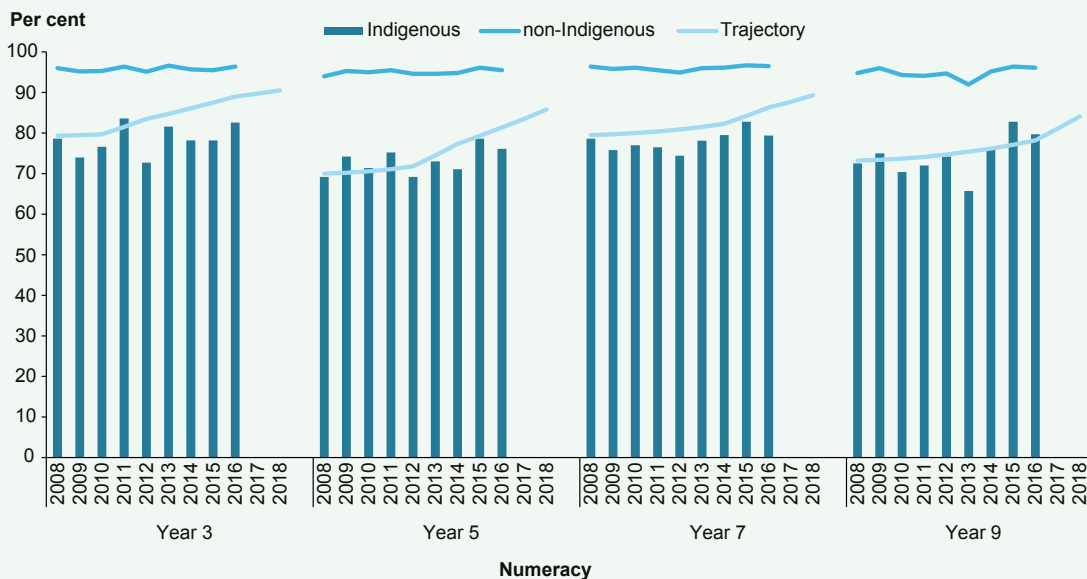
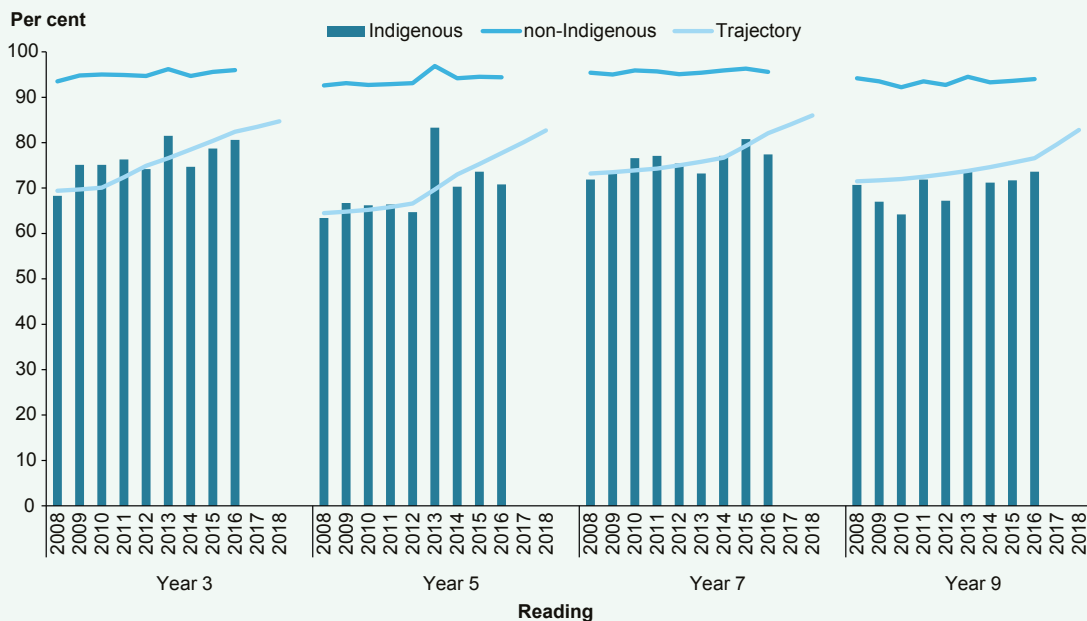
Figure 7.4.6 also shows the large variability in the proportion of Indigenous students who meet the NMS across different calendar years in NAPLAN tests. The NAPLAN tests are designed to be equivalent in difficulty across calendar years so that the scaled scores measure the same level of achievement across different cohorts of children tested. Yet, for Indigenous students, there is unexpected variability in the results on the proportion meeting the NMS across different years, such as the one-off large increase in 2013 Year 5 reading results.

These large and unexplained fluctuations in the Indigenous NMS results across years suggest that, in assessing progress against this target, a narrow focus looking only at the latest calendar year results may not be appropriate. Using the 2015 NAPLAN results for Indigenous children, instead of the latest 2016 results, the assessment of progress against the target is quite different.

The 2015 results for the proportion of Indigenous students meeting the NMS (also in Figure 7.4.6) show that for half of the measures (4 of the 8), progress was on track to meet the 2018 target in Years 5, 7 and 9 numeracy and in Year 7 reading. By the same token, if results in a future year improved, showing an increase in the number of measures on track, the general variability of NMS results for Indigenous students means that they would also need to be treated with some caution.

## Indigenous NAPLAN results and gaps by remoteness areas

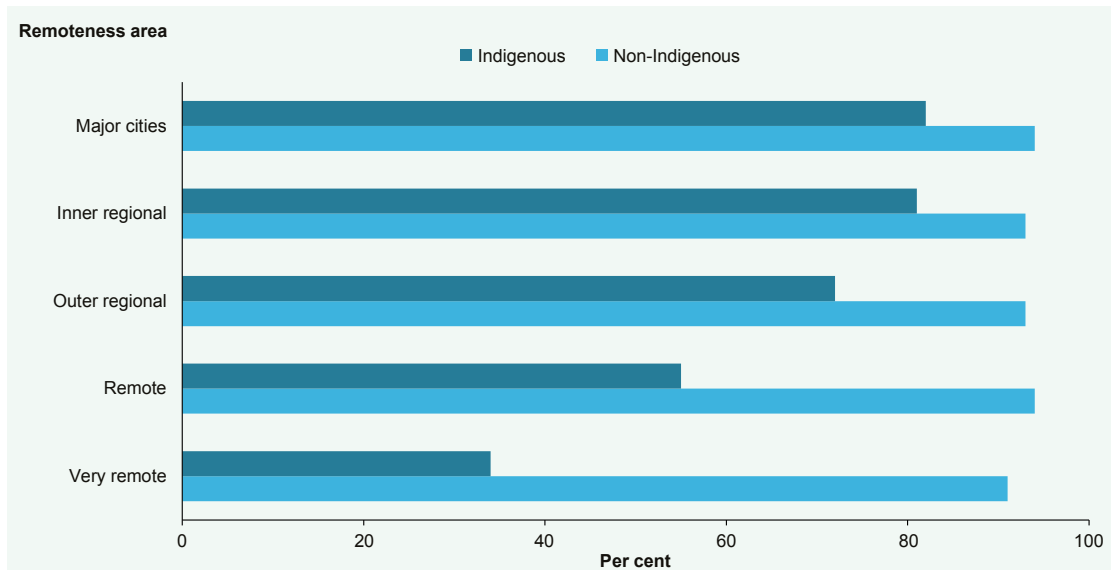
The proportion of Indigenous students who achieve the NMS declines substantially with increasing remoteness, while there is little variation by remoteness for non-Indigenous students. There are large gaps not only between Indigenous and non-Indigenous students but also within Indigenous students by region of residence. For instance, in Year 9 reading in 2016, the gap in the proportion achieving the NMS between Indigenous and non-Indigenous students in *Very remote* areas was 57 percentage points. There was also an almost equally large gap of 48 percentage points in Year 9 reading results between Indigenous students in *Very remote* areas and *Major cities* (Figure 7.4.7).



*Note:* The annual trajectory points shown are for Indigenous student results. They represent achievements consistent with halving the gap between 2008 and 2018, and were developed through the National Indigenous Reform Agreement process. These trajectory points are given in Schedule G of COAG (2012).

*Sources:* AIHW analyses of NAPLAN data in ACARA 2016 and previous NAPLAN national reports; COAG 2012.

**Figure 7.4.6: NAPLAN performance in reading and numeracy, by Indigenous status and year level, and trajectories for Indigenous achievements (percentage meeting the NMS), 2008 to 2016**



Source: AIHW analysis of NAPLAN data in ACARA 2016.

**Figure 7.4.7: Proportion of students meeting the NMS in Year 9 Reading, by Indigenous status and remoteness area, 2016**

The substantially poorer NAPLAN performance of Indigenous students living in *Remote* and *Very remote* areas is a major concern as it contributes significantly to the national gap, even though the overwhelming majority of Indigenous students live in non-remote areas. Using data from an earlier 2014 NAPLAN testing round for Year 5 reading, the Productivity Commission (2016) estimated that *Very Remote* areas accounted for one-third of the national gap in the NMS percentage for Year 5 reading. This one-third share in the national gap is substantially disproportionate to the share of Indigenous students in *Very remote* areas (only 12% in 2014) because of the considerably larger gaps in NAPLAN achievements that occur there.

Indigenous students in metropolitan and provincial areas, accounting for a large majority of the Indigenous student population, still contributed more than half (55%) to the national gap in 2014 Year 5 reading. But the contributions of the *Remote* and *Very remote* areas were also significant (adding up to 45%). The Productivity Commission (2016) concluded that, to be effective and equitable, approaches to closing the gap on literacy and numeracy need to improve the educational outcomes of Indigenous students in all regions—metropolitan, provincial, remote and very remote areas (as well as across all states and territories).

## Improvements in Indigenous results since the baseline of 2008

### Improvements in achieving the NMS

As well as checking if annual trajectory points are met, progress against the reading, writing and numeracy targets is assessed through improved NAPLAN performance of Indigenous students—that is, by comparing the proportion of Indigenous students achieving the NMS in the 2008 baseline year with the latest year of results (point to point comparisons).

Between 2008 and 2016, there were statistically significant increases in the proportion of Indigenous children who achieved the NMS in:

- 4 of 8 measures of the reading and numeracy test domains (reading in Years 3 and 5 and numeracy in Years 5 and 9)
- 4 of 8 measures in the spelling and grammar/punctuation tests in Years 3, 5 and 7 (both tests in Year 3, and grammar/punctuation in Years 5 and 7)
- 1 of 4 measures of the writing results (Year 3, comparing results of 2011 with 2016).

### **Improvements in mean NAPLAN scores**

The NAPLAN annual reports also report the mean scores achieved by Indigenous students in the NAPLAN tests over time. This measure is not formally agreed to by COAG to assess progress against this target.

Using 2008 data as the baseline, almost half (7 of the 16 measures, excluding writing) showed statistically significant increases in the mean NAPLAN test scores achieved by Indigenous students in 2016. These were in Years 3 and 5 in reading; Year 5 in numeracy; Year 3 in spelling; and in Years 3, 5 and 7 in grammar/punctuation. For the writing test, the mean score was not statistically higher in 2016 than the revised baseline of 2011 for any year level.

## **Gaps in school achievements—perspective from the Programme for International Student Assessment**

Australia has participated in the Programme for International Student Assessment (PISA) since its inception. PISA is administered to 15-year-old students (who are usually in Years 9, 10 or 11) (see Box 7.4.5 for further details on the PISA). PISA results are a valuable indicator of the school achievements of Indigenous students, even though the PISA is not a formal measure related to the COAG target on literacy and numeracy.

Like for NAPLAN, PISA results consistently show significant gaps in the average achievements of Indigenous and non-Indigenous students. Several of these gaps have been reduced over time, however, more noticeably in the latest results for 2015, because of declines in the PISA performance of non-Indigenous students. However, the gap in performance of Indigenous students remains substantial. Indigenous students tend to be under-represented at the higher proficiency levels and over-represented at the lower proficiency levels in all domains in PISA tests.

### **PISA 2015 results**

Australia's results from the PISA 2015 show that Indigenous students continue to achieve significantly lower scores than non-Indigenous students in all three major test domains.

In 2015, the mean score achieved by Indigenous students in reading literacy was 435 points, compared with a mean score of 506 points by non-Indigenous students. (This resulted in a gap of 71 points.) This level of difference in the mean scores indicates that Indigenous students, on average, were behind by around 2.3 years of schooling in reading literacy, compared with non-Indigenous students (Thomson et al. 2016).



In 2015, the mean score attained by Indigenous students in mathematical literacy was 427 points, compared with a mean score of 497 points for non-Indigenous students. (This represents a gap of 70 points.) The mean scores in scientific literacy for Indigenous and non-Indigenous students were 437 and 513 points, respectively (that is, a gap of 76 points). The gap of 70 points in the mean score in mathematical literacy indicates Indigenous students, on average, were behind by around 2.3 years of schooling; correspondingly, the gap of 76 points in scientific literacy indicates they were, on average, behind by around 2.5 years of schooling (Thomson et al. 2016).

## Comparisons of PISA results over time

Time trends for the Australian PISA test results on the mean scores of Indigenous and non-Indigenous students on the three core domains show that the gaps in these mean scores have narrowed slightly mainly due to significant declines in the mean performance of non-Indigenous students (Figure 7.4.8).

The starting point for the comparisons in Figure 7.4.8 is the PISA test cycle in which a particular test domain was the major domain for the first time. The recommendation that the most reliable way to establish a trend for PISA results is to compare major domain results (Thomson et al. 2016) could not be followed here as it would severely reduce the number of data points for comparison. Instead, the latest 2015 results (in which scientific literacy was the major domain) are compared with the first instance in which a particular domain was the major domain (2000 for reading, 2003 for mathematical literacy, and 2006 for scientific literacy.) The first full assessment of each domain as the major domain sets the scale of assessment and provides a valid starting point for future comparisons (Thomson et al. 2016).

All three core domains show that for non-Indigenous students the mean scores in 2015 are lower than the first point of comparison with a major domain assessment. For Indigenous students, there was a significant decline in performance in mathematical literacy but no change in results for reading or scientific literacy. In all instances, the relative decline in mean scores for non-Indigenous students has been greater which has led to a small reduction in the gap between Indigenous and non-Indigenous mean scores. In general, though, this is not a desirable way to reduce the school achievement gaps.

### **Box 7.4.5: About the Programme for International Student Assessment**

- PISA is a standardised test of the knowledge and skills administered to 15-year-olds by the Organisation for Economic Co-operation and Development in over 70 countries. It tests young people's ability to apply their knowledge and skills to real-life problems and situations, rather than how well a specific curriculum is learned.
- This means that PISA results can be consistently compared, both across countries and across time (OECD 2015).
- International results from the PISA are used regularly by many participating countries to evaluate the effectiveness of their school education systems.
- The PISA has been administered triennially since 2000. Australia has participated in all cycles of the PISA, and six sets of results for Australian students are now available.
- In 2015, over half a million students (representing 28 million 15-year-olds in 72 countries and economies) took the 2-hour PISA test. Students were assessed against three core domains (scientific, mathematical and reading literacy) as well as in collaborative problem solving. Australian students also took part in an optional assessment of financial literacy.
- Since the first cycle, the PISA has focused on the three core domains, but one domain is selected as the major domain in each test cycle. A substantial part of the total test time is devoted to the major domain.
- The distinction between major and minor domains matters. The recommended most reliable way to establish a trend for results in an assessment domain is to compare results between cycles when that assessment domain was the major domain.
- PISA testing in Australia has consistently ensured that enough Indigenous students are sampled to allow for reliable reporting of results by Indigenous status.
- In Australia, PISA results are reported as mean scores achieved in each of the three domains at the national and jurisdictional level. Results are also reported for each domain by selected demographic groups at the national level.
- In some test cycles, the sample of Australian students who sit for the PISA are also invited to become part of the Longitudinal Surveys of Australian Youth (LSAY), and to be interviewed regularly until age 25. The LSAY is a valuable longitudinal data resource covering the critical periods of school completion and transitions to employment or further education and training (NCVER n.d.).
- PISA test scores are important markers of students' cognitive ability around the end of compulsory schooling. Analyses of LSAY data in the Australian context show that PISA test scores are reliable predictors of later educational and employment outcomes (for example see Mahuteau et al. 2016; Nguyen 2010).

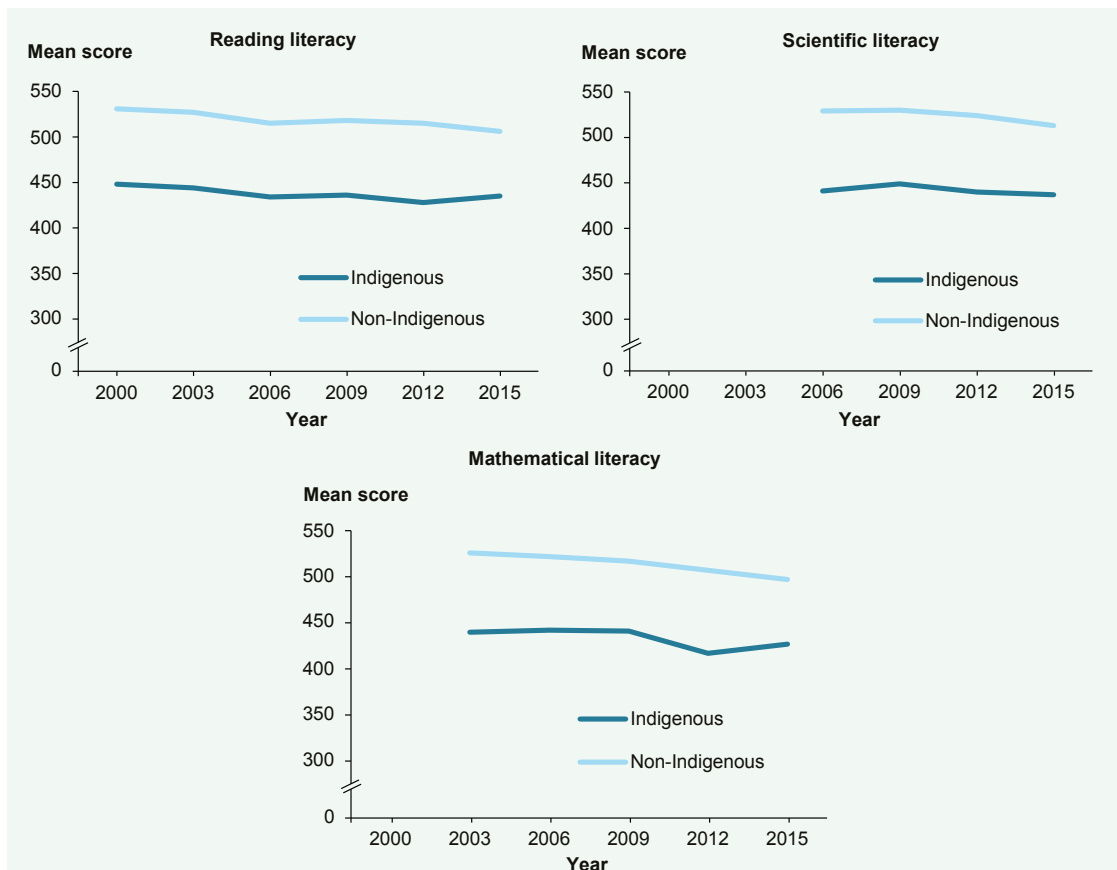
*Source:* Thomson et al. 2016.

A welcome feature in the trends in Figure 7.4.8 is that the Indigenous mean scores increased in 2015 compared with 2012 in two domains—by 7 points in reading literacy, and by 10 points in mathematical literacy. Both increases are statistically significant.

In reading literacy between 2000 and 2015, there was a 13-point decline in the mean score of Indigenous students (not statistically significant). A larger decline of 25 points in the scores of non-Indigenous students over this period was statistically significant. This results in a reduction in the gap in reading literacy between Indigenous and non-Indigenous students of 12 points (from 83 points in 2000 to 71 points in 2015). (Statistical significance of changes in the gap cannot be readily assessed.)

In mathematical literacy between 2003 and 2015, there also was a 13-point decline in the mean score of Indigenous students (from 440 points in 2003 to 427 points in 2015). This decline is statistically significant. Despite this decline, the gap in mathematical literacy was reduced by 16 points (from 86 points in 2003 to 70 points in 2015), again due to a larger (and statistically significant) decline in the performance of non-Indigenous students.

In scientific literacy since 2006, the mean score of Indigenous students has not changed significantly. It ranges from 441 in 2006 to 437 in 2015. There has, however, been a significant reduction of 16 points in the mean score for non-Indigenous students. The gap in the mean score in scientific literacy between Indigenous students and non-Indigenous students has decreased by 12 points (from 88 points in 2006 to 76 points in 2015).



*Note:* The starting point for the time series in each domain is the PISA test cycle in which that domain was the major domain for the first time.

*Source:* Thomson et al. 2016.

**Figure 7.4.8: Mean PISA scores for Australian students, by Indigenous status, 2000, 2003, 2006, 2009, 2012 and 2015**

## PISA results and subsequent education outcomes

Analyses of the longitudinal link between the PISA sample of students and LSAY follow-up till age 25 in some of the Australian PISA test cycles show that PISA test scores are a good predictor of later employment and educational outcomes. Analyses of the 2003 PISA/LSAY cohort found that higher PISA scores in reading and mathematical literacy were linked with higher Year 12 completion and post-school university enrolment for both Indigenous and non-Indigenous students (Nguyen 2010).

A later more detailed analysis (Mahuteau et al. 2016) focusing on the educational outcomes of Indigenous students who participated in the PISA cohorts in 2006 and 2009 showed that:

- there was only a very modest improvement in the PISA results of Indigenous students at age 15 between the 2006 and the 2009 cohorts, once other background characteristics of the students in the two cohorts were controlled for
- a large part of the gap (50% to 63%) in the mean PISA scores of Indigenous and non-Indigenous students in these cohorts could be attributed to differences in their socioeconomic area and other background variables, and to differences in the schools that Indigenous students attend. However, a sizeable part of the gap still remains unexplained by these socioeconomic and school-related factors
- there was no significant difference between the subsequent educational outcomes of Indigenous and non-Indigenous students after taking account of their academic achievement at age 15, as reflected in the PISA scores. For example, the Year 12 completion rate and subsequent university enrolment rates were similar for Indigenous and non-Indigenous students who had similar PISA test scores.

A key implication of this last finding is that remedial efforts to advance Indigenous educational outcomes need to begin much earlier than age 15. At this age, gaps in academic achievement have already been set, and are shown to largely determine future outcomes. This reinforces the well-understood evidence from the international child development literature that early investment in the lives of disadvantaged children will help to reduce inequality in outcomes, in both the short and long term (Cunha and Heckman 2007).

However, it is noteworthy that given the same levels of ability developed by age 15 (as represented by the PISA scores), Indigenous students appear not to be further disadvantaged in subsequent educational outcomes. Indigenous students have the same rate of completing high school and acquiring further educational qualifications as non-Indigenous students with similar levels of PISA test achievements at age 15.

If sustained advances can be made in early childhood development vulnerability and school learning outcomes for future cohorts of Indigenous children, it would be very likely that they can attain the same rates of subsequent educational outcomes as non-Indigenous children—for both Year 12 completion and participation in tertiary education. The international literature on PISA assessments has found that 15-year-old PISA students who had attended at least 1 year of pre-primary school scored better on the PISA tests, particularly for mathematical literacy in 2015, than students who did not go to preschool (Sparks 2017).

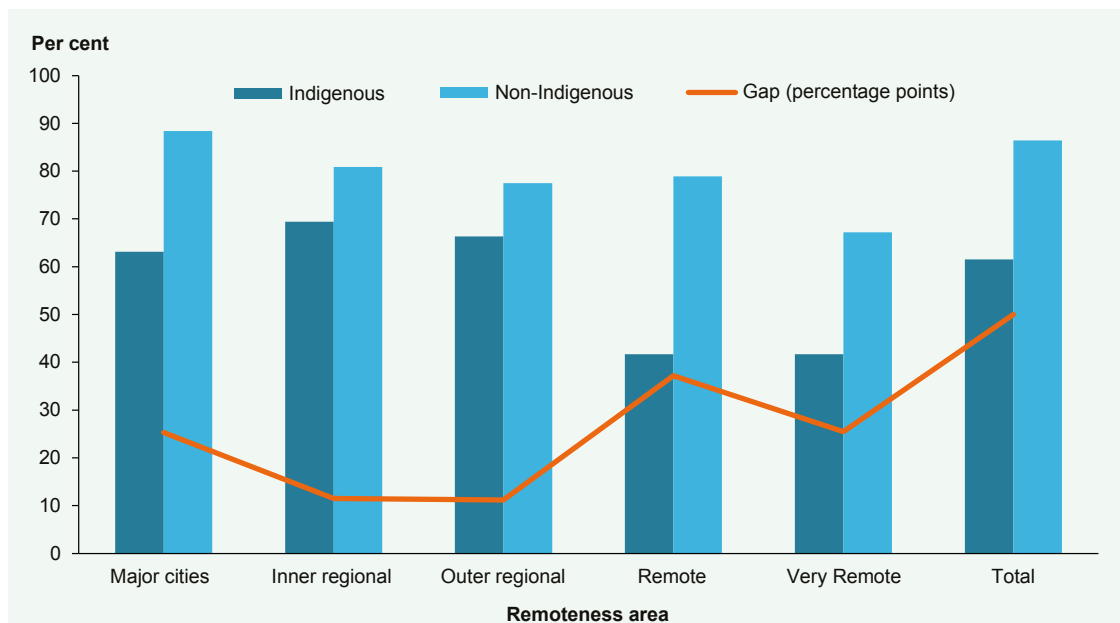
## Year 12 attainment

Progress on the Year 12 attainment target can be measured from either Census or survey data. While the Census is the preferred official data source, the most recent Indigenous data for this target are from the 2014–2015 National Aboriginal and Torres Strait Islander Social Survey. Those data show this target is on track to be met (PM&C 2017).

In 2008 (survey baseline data), the Year 12 attainment gap between Indigenous and non-Indigenous 20–24-year-olds was 40 percentage points (attainment rates of 45% and 85%, respectively). The COAG target is to halve that gap by 2020.

The proportion of Indigenous 20–24-year-olds who have attained a Year 12 or equivalent level of education has increased significantly, from 45% in 2008 to 62% in 2014–2015; in 2014–15, the gap between Indigenous and non-Indigenous 20–24-year-olds decreased to 25 percentage points (with 62% and 86% attainment rates, respectively) (PM&C 2017). This shows that in relation to the survey-based estimates of this target measure, about two-thirds of the final reduction of the gap needed by 2020 has already been achieved by 2014–15.

In 2014–15, Year 12 attainment among Indigenous 20–24-year-olds was substantially higher in non-remote areas than in remote areas. It ranged from the highest rate of 69% in *Inner regional* areas to 42% in both *Remote* and *Very remote* areas (Figure 7.4.9).



*Note:* The gap denotes the difference between the non-Indigenous and Indigenous rates, as represented by the heights of the corresponding columns in the figure.

*Source:* AIHW analyses of ABS 2014, 2016.

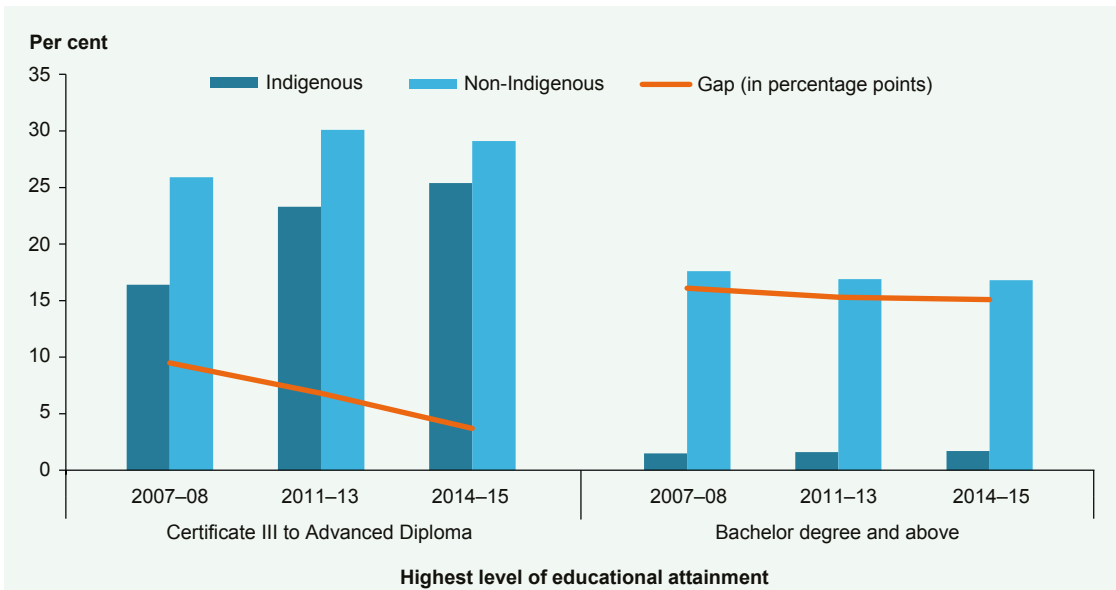
**Figure 7.4.9: Proportion of population aged 20–24 with at least Year 12 or equivalent educational attainment, by Indigenous status and remoteness area, 2014–15**

# Post-school education and training

## Post-school qualifications

Post-school qualifications are those obtained through successful completion of vocational education and training and/or higher education at universities. They include postgraduate/bachelor/diploma/certificate degrees from universities, and certificates in vocational education. Post-school qualifications are often classified as Certificate level III or higher in vocational education programs. That convention is adopted for the data reported in this section. Some individuals may complete post-school qualifications without having completed Year 12 in school; and some may take vocational educational courses while still enrolled in school. All of the latter category are excluded from the analyses in this section, irrespective of the Certificate level enrolled in, because they are still in school.

In 2014–15, slightly more than one-quarter (27%) of Indigenous 20–24-year-olds had obtained a post-school qualification (Certificate level III or higher)—double the rate (13%) in 2002 (SCRGSP 2016b). (These proportions exclude individuals still studying at any level). In 2014–15, the majority of Indigenous 20–24-year-olds with a post-school qualification had completed a Certificate III to an advanced diploma (25% of all 20–24-year-olds), and 1.7% had a Bachelor degree or higher. In 2014–15, Indigenous 20–24-year-olds had almost caught up with their non-Indigenous counterparts in attainment rates for a Certificate III to an advanced diploma, but a large gap remained in attaining a Bachelor degree or higher (Figure 7.4.10).



*Note:* The gap denotes the difference between the non-Indigenous and Indigenous rates, as represented by the heights of the corresponding columns in the figure.

*Source:* SCRGSP 2016b.

**Figure 7.4.10: Post-school qualifications at Certificate III level to Advanced Diploma, and Bachelor degree and above for people aged 20–24, by Indigenous status, 2007–08, 2011–13 and 2014–15**

Among all Indigenous persons aged 20–64, in 2014–15, 39% had obtained a post-school qualification—an increase from 18% in 2002 (SCRGSP 2016b). However, over time, there has not been a narrowing of the gap between the Indigenous and non-Indigenous population because post-school qualifications have also increased at about the same pace for the non-Indigenous population of 20–64-year-olds.

The rate of post-school attainment for Indigenous adults aged 20–64 decreases with remoteness area of residence. In *Major cities*, half of Indigenous 20–64-year-olds have attained a Certificate III level or above (including Bachelor and above). This rate decreases progressively with remoteness (50% in *Major cities*, 43% in *Inner regional areas*, 36% in *Outer regional areas*, 28% in *Remote areas* and 19% in *Very remote areas*).

## Higher education enrolments

The number of Indigenous students enrolled in higher education has increased steadily over time. Between 2006 and 2015, enrolments increased by more than 80% (from 8,800 to 16,100) (DET 2016c). However, Indigenous students are still under-represented in tertiary enrolments, accounting for only 1.1% of all higher education domestic enrolments in 2015 (DET 2016a).

## Participation in vocational education and training

In Australia, a wide range of agencies provide vocational education and training (VET) services. Their funding models vary from being fully publicly funded to fully privately funded. Data collected on Australia's VET services are reported on an annual basis for the total level of VET activity, and quarterly for only government-funded activity. Indigenous trainees feature prominently in both types of data collections.

### Total VET activity

In 2015, around 4.5 million students were enrolled in vocational training, with 4,277 Australian providers. Of these students, about 165,500 (3.6%) were reported as Indigenous, 3.7 million (81%) as non-Indigenous and 698,900 (15%) did not report their Indigenous status (NCVER 2016a).

In 2015, there were 170,100 VET program enrolments for Indigenous students. Among these, 89% were in Australian Qualifications Framework (AQF) programs and the rest (11%) in non-AQF programs. These Indigenous students were enrolled in 1.3 million specific VET subjects.

### Government-funded VET activity

In the first 9 months to 30 September 2016, there were 1.1 million students enrolled in the government-funded VET system, of whom 69,900 (6.5%) were Indigenous (NCVER 2016b). Indigenous students have a higher share in total enrolment for government-funded VET places than in total VET activity; this share has increased from 5.4% in 2011 (SCRGSP 2017).

The number of Indigenous students undertaking government-funded training in the first 9 months of 2016 increased by 14% over that for the corresponding period in 2015. This was a larger increase than the 4% increase in government-funded VET enrolments for non-Indigenous students over the same period.

Expressed as a proportion of the relevant Indigenous total population, Indigenous participation in government-funded VET has decreased slightly, from 12% in 2011 to 10% in 2015. Among Indigenous 18–24-year-olds, in 2015, almost one-quarter (24%) participated in a government-funded VET program, compared with 16% of non-Indigenous people in the same age group. The Indigenous participation rate in government-funded VET among 18–24-year-olds has, however, decreased slightly from 27% in 2011 (SCRGSP 2017).

## Load pass rate of Indigenous students

The VET load pass rate has improved for Indigenous students, from 65% in 2004 to 77% in 2015. The VET load pass rate for Indigenous students has increased 3.5 percentage points since 2011 and 10.7 percentage points since 2006. Accordingly, the gap between Indigenous and non-Indigenous students in the VET load pass rate has reduced by half to 6.5 percentage points in 2015 compared to 13 percentage points in 2006 (SCRGSP 2016b). (The VET load pass rate is the ratio of hours studied by students who passed their subject(s) to the total hours committed to by all students who passed, failed or withdrew).

## Transition from school to work

The transition from school to work or further education and training is an important milestone for young people. A commonly used measure of the lack of success in this transition is expressed as the proportion of 17–24 year olds who, after leaving school, are not 'fully engaged' in employment or further education and/or training (that is, the total time spent either separately, or in combination, in employment and further education/training is less than what constitutes a normal 'full-time' basis of involvement; note this is different to 'NEET'; see Chapter 3.1 'Pathways through education and training').

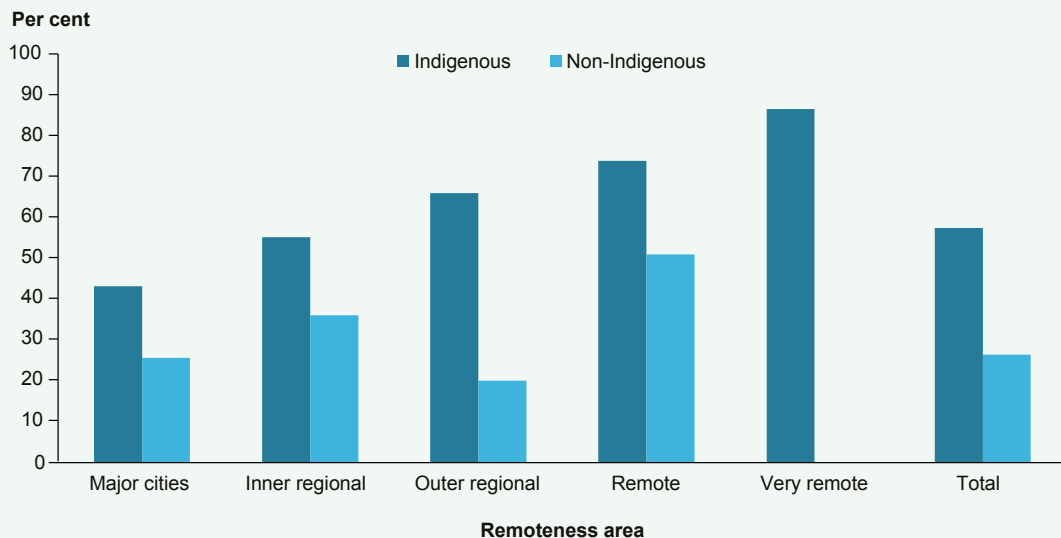
Indigenous young people aged 17–24 are more likely not to be fully engaged than non-Indigenous Australians of the same age. In 2002, more than two-thirds (68%) of young Indigenous Australians were not fully engaged. This proportion declined to 57% in 2014–15. In contrast, the proportion of young non-Indigenous Australians not fully engaged in employment, education and/or training increased slightly over the same period (from near-stable rates of around 25% between 2002 and 2012–13 to 26% in 2014–15) (SCRGSP 2016b). This led to a narrowing of the gap between Indigenous and non-Indigenous 17–24-year-olds between 2002 and 2014–2015 (from 43 to 31 percentage points).

The proportion of young Indigenous people not fully engaged in employment, education and/or training increases with remoteness of residence. In 2014–15, this rate ranged from 43% in *Major cities* to 87% in *Very remote* areas. However, the greatest gap in this rate between Indigenous and non-Indigenous 17–24-year-olds was in *Outer regional* areas (46 percentage points). The gaps in other regions were less than half the gap in the *Outer regional* areas (Figure 7.4.11).

## Education and employment outcomes

The educational outcomes for many Indigenous youth and working age adults have generally improved over time. This is likely to continue, but there is still a long way to go before the remaining gap between the Indigenous and non-Indigenous populations for educational outcomes is closed. The gaps in educational qualifications are salient because they often are the sources of later gaps in employment and other socioeconomic indicators and health status (ABS 2011; Karmel et al. 2014).





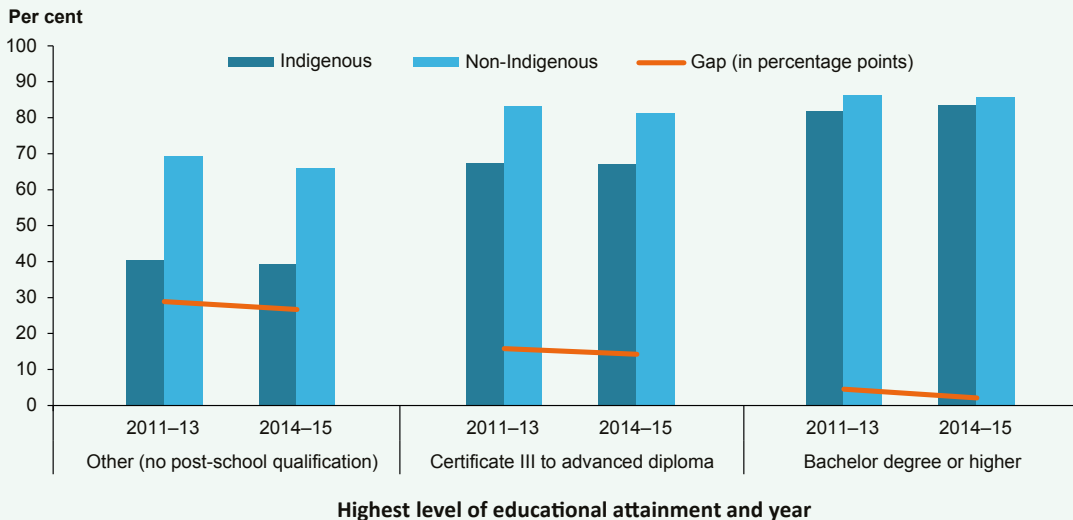
*Note:* The proportion of non-Indigenous 17-24-year-olds who were not fully engaged in employment, education and/or training in *Very remote* areas was not available for 2014-15. Hence, the gap between the non-Indigenous and Indigenous rates are not separately indicated for any of the remoteness areas.

*Source:* SCRGSP 2016b.

**Figure 7.4.11: Young people aged 17-24 not fully engaged in employment, education and/or training, by Indigenous status and remoteness area, 2014-15**

The key role of education as a 'leveler' of some of the other related gaps is clearly shown by the links between the highest level of post-school qualifications and the gaps in employment status. Not many Indigenous people aged 18-64 have a Bachelor degree or higher level of qualification. However, once they achieve that level of qualification, they consistently report high levels of employment (expressed as an employment ratio) of more than 80%. There also are only minimal gaps when compared with the employment to population ratio for non-Indigenous people aged 18-64 who have a Bachelor degree or higher level of qualification.

In 2014-15, the employment to population ratio for Indigenous people aged 18-64 varied greatly by the level of post-school qualifications (Figure 7.4.12). Among people with only a Certificate I or II (or lower), only 39% were employed. The employment ratio increased substantially to 69% for people with a Certificate III to an advanced diploma. The employment ratio increased further to 84% for people with a Bachelor degree or higher. The gap in the employment to population ratio between Indigenous and non-Indigenous persons aged 18-64 with only a Certificate I or II (or lower) was 27 percentage points in 2014-15. This gap was lower by almost half (14 percentage points) for people with a Certificate III to an advanced diploma. The employment ratio gap almost disappears (only 2 percentage points) for people with a Bachelor degree or higher level of qualification.



#### Notes

1. 'Bachelor degree or higher' comprises Bachelor degree, Graduate Diploma/Graduate Certificate and Postgraduate Certificate; 'Certificate III to advanced diploma' includes Certificate III/IV, Certificate III/IV not further defined and Advanced Diploma/Diploma; and 'Other (no post-school qualification)' comprises Certificate I and II, Certificate I and II not further defined, Certificate not further defined and people who do not have a post-school qualification (includes secondary school educational attainment and no post-school qualification).
2. The gap denotes the difference between the equivalent non-Indigenous and Indigenous rates, as represented by the heights of the corresponding columns in the figure.

Source: SCRGSP 2016b.

**Figure 7.4.12: Employment to population ratio, people aged 18–64, by level of highest educational attainment and Indigenous status, 2011–13 and 2014–15**

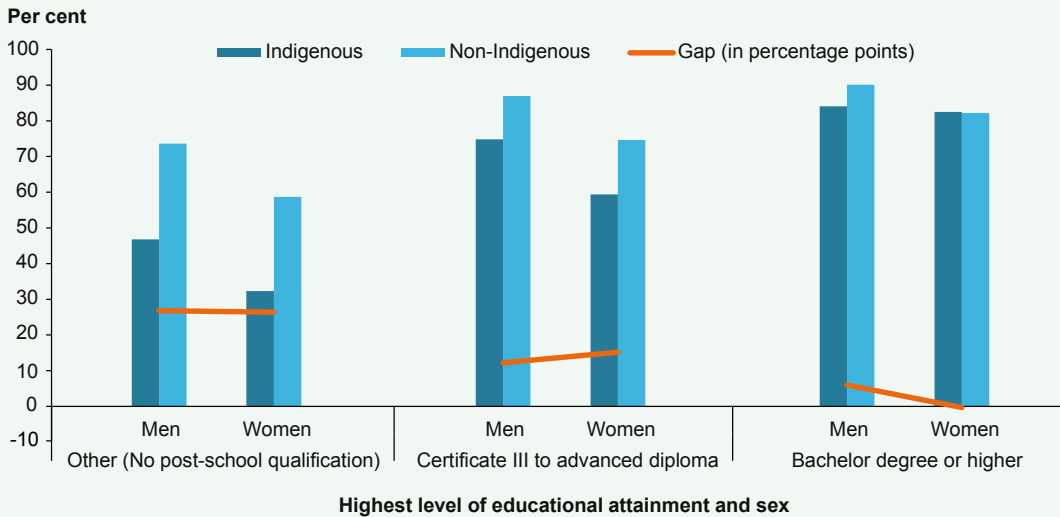
As shown in Figure 7.4.13, the boosts for employment of attaining a Certificate III or above is clear, for both Indigenous men and women.

The employment to population ratio for Indigenous men increased from 47% for men without a post-school qualification to 75% for men with a Certificate III to advanced diploma. This ratio increased further to 84% for Indigenous men with a Bachelor degree or higher.

For Indigenous women, the increases in the employment to population ratio were similar: from 32% for women without a post-school qualification to 59% for women with a Certificate III to advanced diploma, and 83% for women with a Bachelor degree or higher.

The gaps between the proportions of Indigenous and non-Indigenous adults employed are high for both men and women with education levels below Certificate III (shown as 'Other' in Figure 7.4.13). For people with a Bachelor degree or higher, Indigenous employment rates are consistently high (above 80%) for both men and women, and the gaps with non-Indigenous employment are much smaller. A gap does not exist for Indigenous women with a Bachelor degree or higher (both employment rates are between 82% and 83%).

A qualification at the level of Certificate level III is thus seen as the critical threshold level of education that greatly improves the employment prospects of Indigenous workers and reduces the employment gaps between them and equivalently qualified non-Indigenous working age adults. This is a consistent pattern seen in other time periods (Karmel et al. 2014; SCRGSP 2016b).



#### Notes

1. 'Bachelor degree or higher' comprises Bachelor degree, Graduate Diploma/Graduate Certificate and Postgraduate Certificate; 'Certificate III to advanced diploma' includes Certificate III/IV, Certificate III/IV not further defined and Advanced Diploma/Diploma; and 'Other (no post-school qualification)' comprises Certificate I and II, Certificate I and II not further defined, Certificate not further defined and people who do not have a post-school qualification (includes secondary school educational attainment and no post-school qualification).
2. The gap denotes the difference between the non-Indigenous and Indigenous rates, as represented by the heights of the corresponding columns in the figure.

Source: SCRGSP 2016b.

**Figure 7.4.13: Employment to population ratio, people aged 18–64, by level of highest educational attainment, Indigenous status and sex 2014–15**

## What is missing from the picture?

The Closing the Gap agenda and its early learning and education measures have helped to substantially improve our understanding of the early onset of gaps in child development and learning outcomes for many Indigenous children. Family background, school characteristics and remote locations play important contributing roles.

Much less is known, however, about the origins and trends in the development of non-cognitive skills of Indigenous children. The child development literature stresses that cognitive and non-cognitive skills work together to produce successful adult outcomes, and that one helps to develop the other. Further analyses are needed on how Indigenous (and non-Indigenous) children from disadvantaged backgrounds can be helped to acquire non-cognitive skills—such as perseverance, motivation and self-esteem—that are vital in producing successful adult outcomes, including in education. This requires developing further, as well as making greater use of, any existing data on children linked over different services and outcome measures.

## Where do I go for more information?

Early learning and care and achievements in school literacy and numeracy are part of the regular reporting by the AIHW on Children's Headline Indicators. These are disaggregated by Indigenous status, remoteness area and socioeconomic area (see AIHW [Children's Headline Indicators](#) for more information).

More information about the AEDC results is provided in the national reports prepared for each collection [2015 AEDC National Report](#), and community level report cards and maps are available online at 2015 AEDC Community Profiles.

Detailed annual national reports on the NAPLAN tests are produced by ACARA; see NAPLAN—[National reports](#) by year. As well, trends in NAPLAN results over time by Indigenous status and remoteness area (among others) are available at [ACARA NAPLAN time series data](#).

A fuller discussion of the gaps in educational outcomes and other broader measures related to education are reported regularly in the Overcoming Indigenous Disadvantage Reports prepared by the Steering Committee for the Review of Government Service Provision. The latest report was released in November 2016; see [Overcoming Indigenous Disadvantage: Key Indicators 2016](#).

### Publication disclaimer

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# 7.5 Income and employment for Indigenous Australians

One way in which Aboriginal and Torres Strait Islander Australians face socioeconomic disadvantage is through disparity of income. Low income is associated with a wide range of disadvantages, including poor health, shortened life expectancy, poor education, substance abuse, reduced social participation, crime and violence (AHMAC 2015). Income is also closely linked to employment status.

Besides providing income, being employed has important benefits for the health, social and emotional wellbeing of individuals, families and communities. However, job seekers often face many barriers in pursuing employment, including living with a physical or mental illness or disability, or having caring responsibilities. Indigenous Australians have, on average, lower employment rates than non-Indigenous Australians for a range of reasons. These include lower levels of education and training, living in areas with fewer employment opportunities, higher levels of contact with the criminal justice system, experiences of discrimination, and lower levels of job retention (Gray et al. 2012).

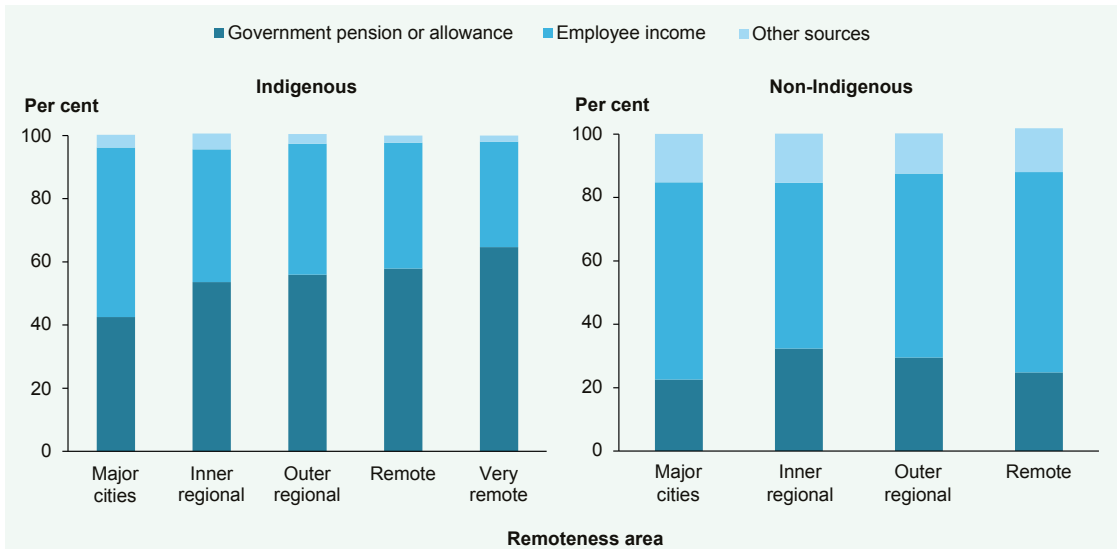
## Income

This section looks at income among people aged 15 and over. (People of this age are most likely to be earning or receiving an income, including income support payments and the aged pension). Data for Indigenous Australians are drawn from the Australian Bureau of Statistics (ABS) 2014–15 National Aboriginal and Torres Strait Islander Social Survey (NATSISS), and for non-Indigenous Australians from the 2014 General Social Survey (GSS).

In measuring and comparing income, it is important that the number of people living in a household—particularly children and other dependants—is taken into account. To do this, reported incomes are adjusted to create a comparable measure called equivalised gross household income (see Glossary).

- In 2014–15, an estimated 36% of Indigenous people aged 15 and over had incomes in the bottom 20% of equivalised gross weekly household incomes, compared with 16% of non-Indigenous people in the same age bracket. Comparable trend data are not available for Indigenous people aged 15 and over; however, for Indigenous people aged 18 and over, the proportion with incomes in the bottom 20% of equivalised gross weekly household incomes decreased from 49% in 2008 to 37% in 2014–15. The equivalent proportion for non-Indigenous people in the same age bracket remained relatively stable over time (16% in 2008; 17% in 2014–15) (SCRGSP 2016).
- For people aged 15 and over, the median equivalised gross weekly household income of Indigenous people was lower than that for non-Indigenous people (\$556/week compared with \$831/week). The median equivalised gross weekly household income for Indigenous people aged 15 and over was also lower in *Very remote* areas (\$400/week) than in *Major cities* (\$671/week).

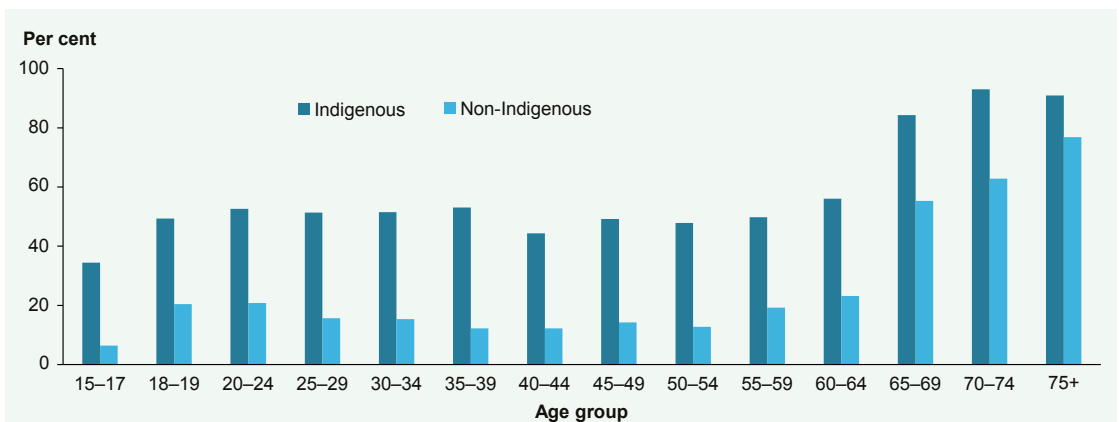
- The proportion of people aged 15 and over whose main source of income was a government pension or allowance increased with remoteness for Indigenous people but showed little variation for non-Indigenous people (Figure 7.5.1).
- A higher proportion of Indigenous people aged 15 and over received a government pension or allowance as their main source of income (52%) compared with non-Indigenous people aged 15 and over (25%). This was the case across all age groups (Figure 7.5.2).



Note: The 2014 GSS did not collect data for *Very remote* areas.

Source: AIHW analysis of ABS 2014 GSS (TableBuilder); AIHW analysis of ABS 2014-15 NATSISS (TableBuilder).

**Figure 7.5.1: Main source of income, people aged 15 and over, by Indigenous status and remoteness area, 2014-15**



Source: AIHW analysis of ABS 2014 GSS (TableBuilder); AIHW analysis of ABS 2014-15 NATSISS (TableBuilder).

**Figure 7.5.2: Government pension or allowance as the main source of income, people aged 15 and over, by Indigenous status and age group, 2014-15**

## Income support

The Department of Social Services compiles Centrelink data on the number of recipients of various Centrelink income support payments and supplements. These data do not include payments made by the Department of Veterans' Affairs. In this section, 'income support payments' are defined as those that cannot occur concurrently, to avoid double counting. These payments include ABSTUDY, the Age Pension, the Disability Support Pension, The Carer Payment, Newstart Allowance and Youth Allowance. People receiving income support payments may also be receiving other allowances or supplements, such as the Carer Allowance or Family Tax Benefit.

At the end of the June quarter of 2016, around 45% of Indigenous Australians aged 15 and over (220,800 people) were receiving some form of Centrelink income support payment, compared with 26% of non-Indigenous Australians of this age (4.9 million people). Though the number of people receiving support payments has grown—from around 209,000 Indigenous Australians and 4.8 million non-Indigenous Australians at the end of June 2014—the proportions of the Indigenous and non-Indigenous populations receiving payments has not changed over this time (AIHW analysis of ABS 2014; DSS 2016).

The most common income support payments received by Indigenous Australians were Newstart Allowance, the Disability Support Pension and the Parenting Payment (Table 7.5.1).

**Table 7.5.1: Main Centrelink income support payments received by Indigenous Australians, June quarter 2016**

<b>Income support payment</b>	<b>Number of recipients<sup>(a)</sup></b>	<b>% of reference Indigenous population</b>	<b>Reference Indigenous population<sup>(a)</sup></b>
Newstart Allowance	68,500	19.3	354,900 (aged 22–64)
Disability Support Pension	47,400	10.2	447,600 (aged 16–64)
Parenting Payment	44,400	9.6	463,500 (aged 15–64)
Youth Allowance	18,800	13.9	134,800 (aged 16–24)
Age Pension	18,200	58.7	31,000 (aged 65+)
Carer Payment	13,400	2.9	463,500 (aged 15–64)
ABSTUDY (Living Allowance)	8,900	1.9	463,500 (aged 15–64)
<b>Total receiving Centrelink income support payments<sup>(b)</sup></b>	<b>220,800</b>	<b>44.6</b>	<b>494,500 (aged 15+)</b>

(a) Rounded to nearest hundred.

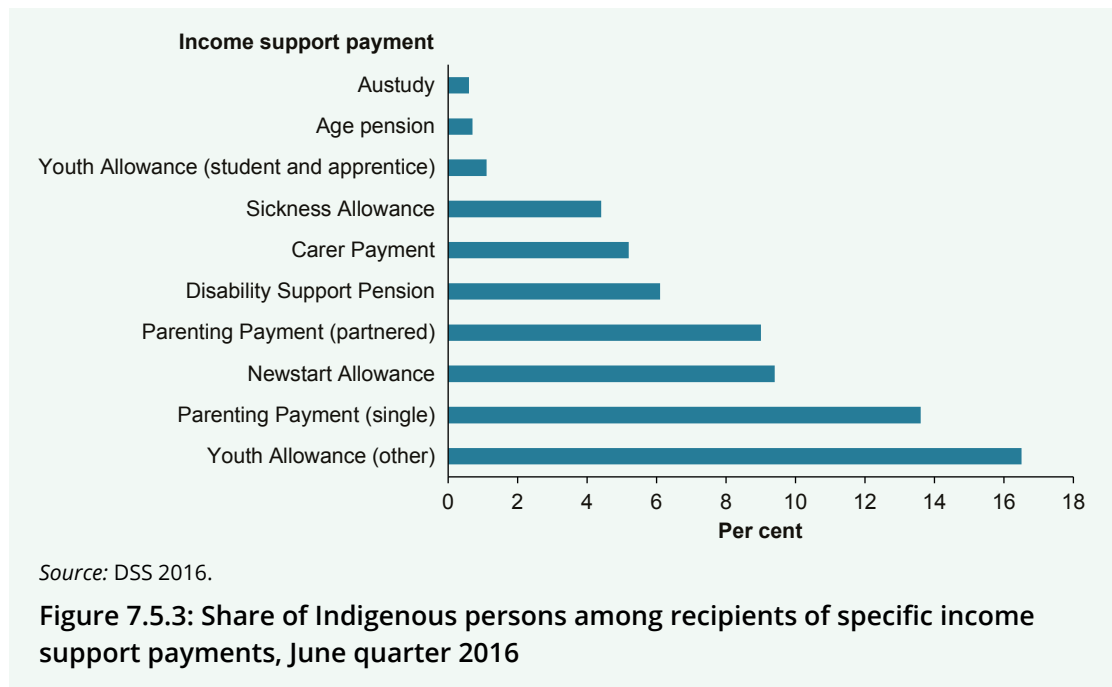
(b) Columns do not add to total as 'Total receiving Centrelink income support payments' includes other payment types not listed in the table.

Sources: AIHW analysis of ABS 2014; DSS 2016.

Centrelink data on income support recipients confirm that Indigenous Australians are more likely than non-Indigenous Australians to rely on government payments as their main source of income. These data show that almost 17% of recipients of Youth Allowance (other than student/apprentice), almost 14% of recipients of the single Parenting Payment, and around 9% of recipients of the Newstart Allowance and the partnered Parenting Payment were Indigenous Australians (Figure 7.5.3).



The comparatively low proportions of recipients of Austudy and the student and apprentice Youth Allowance who are Indigenous are due to the availability of ABSTUDY, which is an alternative payment specifically for Indigenous students.



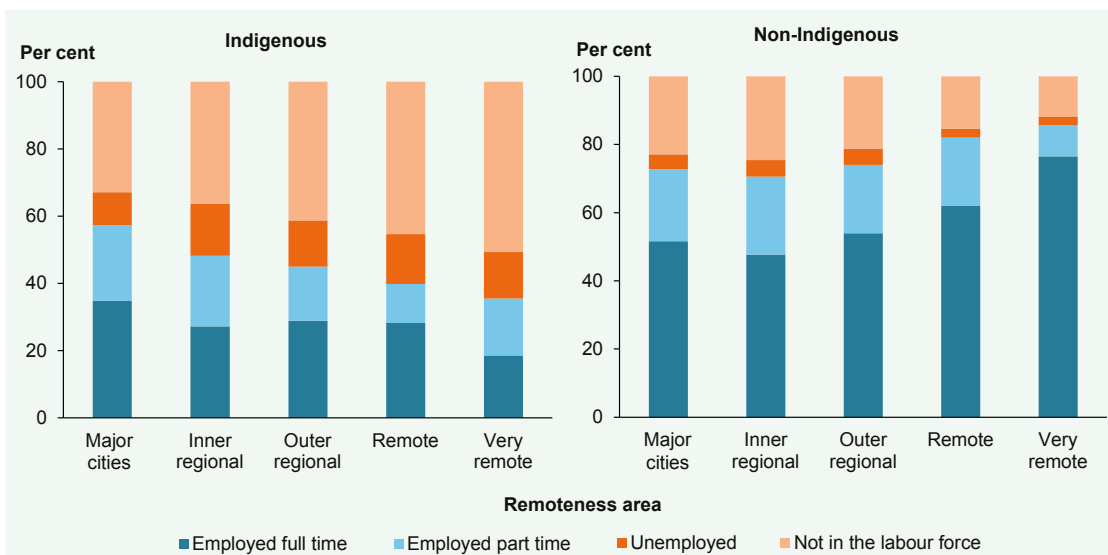
## Employment

The labour force comprises all people who are employed (people who have worked for at least 1 hour in the reference week) or unemployed (people who are without work, but have actively looked for work in the last 4 weeks and are available to start work). The remainder of the population is not in the labour force.

According to the ABS 2014–15 NATSISS and the ABS 2014 Survey of Education and Work, among people aged 15–64:

- 61% of Indigenous Australians were in the labour force, compared with 77% of non-Indigenous Australians
- the proportion of employed Indigenous Australians decreased with remoteness, but the proportion of non-Indigenous Australians employed in remote areas was higher than in non-remote areas (Figure 7.5.4)
- the Indigenous unemployment rate (number of people unemployed as a proportion of people in the labour force) was 21% overall—it was lowest in *Major cities* (15%) and highest in *Very remote* areas (28%) (ABS 2016)
- most (92%) Indigenous Australians who were unemployed reported having had difficulties in finding work. The most commonly reported difficulties were that there were no jobs available; there were transport problems; they had no driver's licence; and had insufficient education, training or skills (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder)).

Between 2004–05 and 2014–15, the proportion of Indigenous Australians aged 15–64 in the labour force remained relatively stable (60–65%) (SCRGSP 2016).



Source: AIHW analysis of ABS 2016.

**Figure 7.5.4: Labour force status, people aged 15–64, by Indigenous status and remoteness area, 2014–15**

Changes in Indigenous community employment programs mean that much of the 2014–15 Indigenous employment information is not comparable with that collected in the 2008 NATSISS (ABS 2016). In 2008, Indigenous people in communities could access the Community Development Employment Projects (CDEP) scheme; they received wages, and were classified in the 2008 NATSISS results as employed. In July 2013, the CDEP was replaced by the Remote Jobs and Communities Program; people accessing this program received income support payments and were classified in the 2014–15 NATSISS results as either unemployed or not in the labour force, depending on whether they were actively looking for work.

Excluding CDEP participants from the 2008 data provides comparable information about the proportion of Indigenous people aged 15–64 who were employed. These data suggest that there has been no change in the Indigenous employment to population ratio, which was 48% in both 2008 and 2014–15.

The Closing the Gap target for employment set by the Council of Australian Governments aims to halve the gap in employment between Indigenous and non-Indigenous Australians within a decade (by 2018). This target is not on track, with Indigenous employment rates (excluding CDEP participants) remaining stable at 48% and non-Indigenous employment rates falling slightly from 75.0% in 2008 to 72.6% in 2014–15 (PM&C 2017).

## Main occupations and industry of employment

Data from the 2014–15 NATSISS show that the main occupations of employed Indigenous Australians aged 15 and over were as community and personal service workers (21%), followed by technicians and trades workers (16%), general labourers (16%) and professionals (13%). Only 6.2% listed their occupation in their main job as managers. For the non-Indigenous employed population aged 15 and above, data from the 2014 GSS show that the most common occupation was professionals (22%), followed by clerical and administrative workers (15%), technicians and trades workers (14%) and managers (14%). Less than 20% of employed Indigenous Australians aged 15 and over worked as managers or professionals, compared with 36% of non-Indigenous Australians (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder) and AIHW analysis of ABS 2014 GSS (TableBuilder)).

The main industry or sector of employment for Indigenous Australians aged 15 and over was health care and social assistance (15%), followed by public administration and safety (11%). Three other sectors each had around 9% of total Indigenous employment (construction, accommodation/food services, and retail trade), with the mining sector accounting for a further 3.1% of employed Indigenous persons aged 15 and over in 2014–15 (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder)).

## Indigenous participation in the community services workforce

The provision of community services depends on having an adequate, accessible and skilled workforce. The community services workforce comprises people in paid employment who provide services such as personal and social support, child care, and special education services. This is complemented by the assistance of family members, other informal carers, and volunteers.

There is no agreed definition of which occupations make up the community services workforce. This chapter uses the definition outlined in Box 7.5.1, which was developed for *Australia's welfare 2013* in consultation with relevant Australian Government departments.

According to the 2014–15 NATSISS and the 2014 GSS:

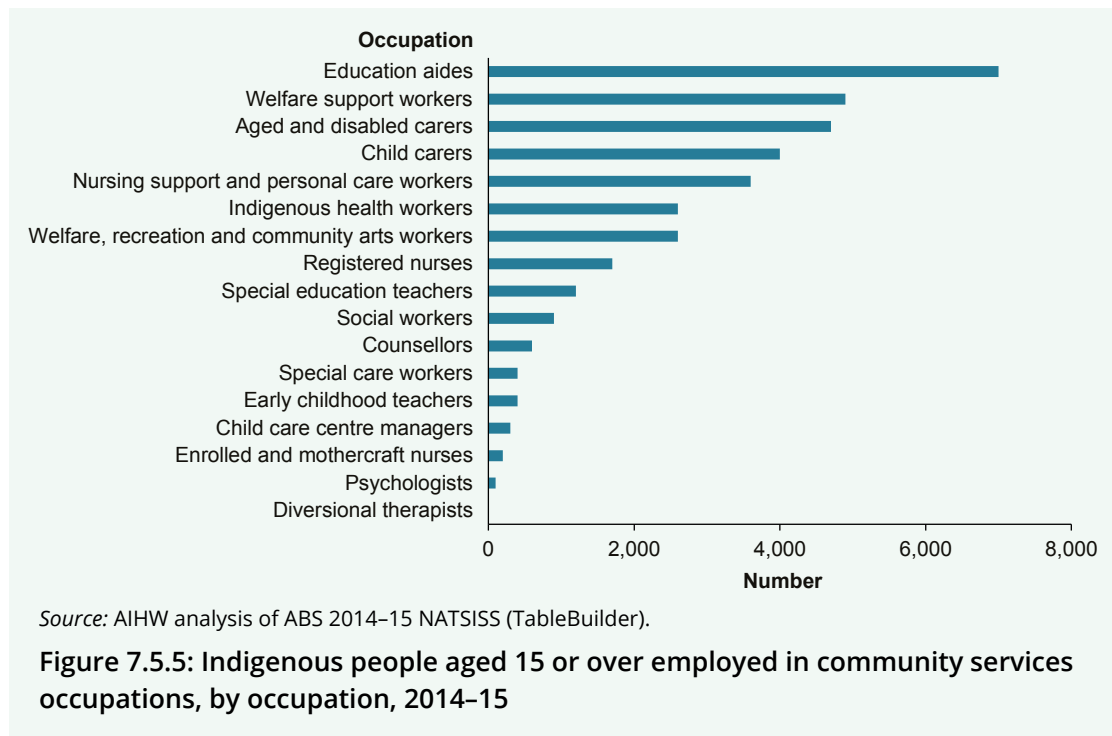
- an estimated 35,200 Indigenous Australians aged 15 or over worked in community services occupations, accounting for 3.7% of all community services workers
- the largest community services occupation group for Indigenous Australians was education aides (an estimated 7,000 workers), followed by welfare support workers (4,900) and aged and disabled carers (4,700) (Figure 7.5.5)
- Indigenous Australians are more likely than non-Indigenous Australians to be employed in the community services workforce. In 2014–15, 7.9% of the Indigenous population aged 15 or over was employed in community service occupations, compared with 5.0% of the non-Indigenous population of this age
- around 1 in 6 (17%) Indigenous Australians who were employed in 2014–15 were part of the community services workforce, compared with around 1 in 13 (7.8%) non-Indigenous employed people (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder) and AIHW analysis of ABS 2014 GSS (TableBuilder)).

### **Box 7.5.1: Community services occupations**

For the purposes of this chapter, 17 occupations are considered to be community services occupations, based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO) (ABS 2013). These are:

- child care centre managers
- child care workers
- education aides
- early childhood (pre-primary school) teachers
- special education teachers
- registered nurses
- enrolled and mothercraft nurses
- nursing support and personal care workers
- Indigenous health workers
- counsellors
- psychologists
- social workers
- welfare support workers
- aged and disabled carers
- special care workers
- welfare, recreation and community arts workers
- diversional therapists.

This definition does not include some relevant occupations due to the absence of relevant categories in the ANZSCO (for example, employment services workers).



## Where do I go for more information?

Data on income and employment among Indigenous Australians are available in [The health and welfare of Aboriginal and Torres Strait Islander peoples: 2015](#) and the [Aboriginal and Torres Strait Islander Health Performance Framework](#).

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# 7.6 Use of disability and aged care services by Indigenous Australians

## Indigenous Australians with disability

Data from the Survey of Disability, Ageing and Carers (SDAC) show that, in 2015, one quarter (24%, 125,000 people) of Aboriginal and Torres Strait Islander Australians living in households reported living with disability—defined as any limitation, restriction or impairment which restricts a person’s everyday activities, and has lasted, or is likely to last, for at least 6 months (see also Chapter 8.1 ‘People with disability’) (ABS 2016a). After adjusting for differences in population age structure, Indigenous Australians were 1.8 times as likely as non-Indigenous Australians to be living with disability. Of Indigenous Australians with disability, 38,100 people (7.3% of the total Indigenous population) had severe or profound core activity limitation, meaning they sometimes or always need help with day-to-day activities related to self-care, mobility and communication (ABS 2016a).

Disability prevalence estimates are available from the 2014–15 National Aboriginal and Torres Strait Islander Social Survey (NATSISS), but only for Indigenous people aged 15 and over. These estimates are markedly higher (45%, 199,800 people) than those from the 2015 SDAC (29%, 101,000 people); however, the scope and collection methodology for these two surveys differed (ABS 2016a, 2016b). For example, the SDAC used a larger set of screening questions, which are more effective in differentiating between people with disability and people with long-term health conditions but no disability; this may have contributed to the higher estimates from the NATSISS (ABS 2016a). As well, the SDAC did not include people living in *Very remote* areas and discrete Indigenous communities. Excluding *Very remote* areas from the NATSISS data, however, does not change the estimated disability prevalence rate among Indigenous people aged 15 and over (45%, 173,200 people). Estimates of Indigenous people aged 15 and over with a profound or severe core activity limitation—which has a much narrower definition than overall disability—are similar across the two surveys (NATSISS—7.7%, 34,300 people; SDAC—7.6%, 26,300 people).

## Use of disability support services

Under the National Disability Agreement (NDA), government services are provided to people with disability to assist them with areas of daily living, such as accommodation, community involvement and employment. Data on the use of these services are collected and reported by the AIHW in the Disability Services National Minimum Data Set (DS NMDS).

In 2015–16, around 19,300 Indigenous Australians used disability support services under the NDA, accounting for 5.8% of service users. Indigenous service users were generally younger than non-Indigenous service users, with an average age of 28 compared with 35.

Intellectual disability was the most common primary disability reported by Indigenous and non-Indigenous service users (28% and 25%, respectively), followed by physical disability (19% for both) and psychiatric disability (18% and 20%, respectively).

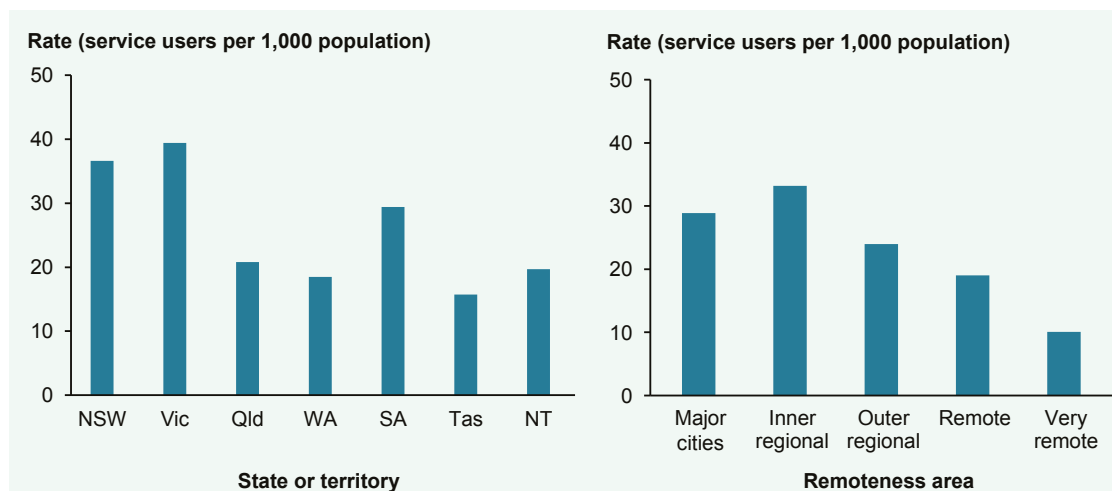
The most common service group used by Indigenous service users was community support (54%), followed by employment (37%), community access (13%), respite (12%) and accommodation support (11%). By comparison, the most common service group used by non-Indigenous service users was employment (46%), followed by community support (44%), community access (15%), accommodation support (12%) and respite (11%).

Almost all service users were aged under 65 (97% of Indigenous and 94% of non-Indigenous service users). After adjusting for differences in population age structure, Indigenous Australians aged under 65 used disability support services at almost twice the rate of non-Indigenous Australians aged under 65 (27 per 1,000 compared with 14 per 1,000 population).

## Location

In 2015–16, the rates of Indigenous people using disability support service were highest in Victoria and New South Wales (39 and 37 per 1,000 population, respectively) and lowest in Tasmania (16 per 1,000) (Figure 7.6.1).

The rate at which Indigenous people aged under 65 used disability support services was higher in non-remote areas than in remote areas (Figure 7.6.1).



*Note:* The Australian Capital Territory Government did not collect DS NMDS data in 2015–16.

**Figure 7.6.1: Crude rates (per 1,000 population) of Indigenous people aged under 65 using disability support services, by state and territory and by remoteness area, 2015–16**

## Labour force

In 2015–16, the proportion of disability support service users aged 15 and over who were in the labour force was similar for Indigenous (68%) and non-Indigenous (70%) people. Among those in the labour force, Indigenous service users were less likely to be employed (21%) than non-Indigenous service users (34%).

## National Disability Insurance Scheme

From 1 July 2013, users of disability support services in trial sites began moving to the National Disability Insurance Scheme (NDIS) (see Chapter 8.1 'People with disability' for more information). The NDIS aims to provide Australians aged 65 and under who have permanent and significant disability with the reasonable and necessary support to participate in everyday life (NDIA 2016a). With the progressive roll out of the NDIS across Australia, it is expected that many existing NDA service users will move to it and cease to be counted in the DS NMDS collection over time.

Data on the NDIS are collected by the National Disability Insurance Agency (NDIA) (the independent statutory agency implementing the NDIS) and published in quarterly reports. As at 31 December 2016, Indigenous Australians represented 5.2% (3,200 people) of the 61,200 people with approved plans who are participating in the NDIS (NDIA 2016b). In comparison, of the 4.1 million people with disability living in households in 2015 (based on SDAC data), 3.1% were Indigenous (125,000). Among people with severe or profound disability (1.2 million people), 3.2% were Indigenous (38,100 people) (ABS 2016a).

## Aged care services

Aged care support is available to older Australians through three main types of care—the Home Care Packages Program, residential aged care and the Commonwealth Home Support Programme (CHSP) (see Chapter 5.1 'Ageing and aged care' for more information). Data on Indigenous status in the CHSP are not yet available for reporting; for more information see 'What is missing from the picture?' later in this chapter.

Information in this article relates to the use by Indigenous Australians of services in mainstream programs. Flexible care programs are also available, including one specifically aimed at older Indigenous people—the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. As at 30 June 2015, 31 aged care services were funded to deliver 802 aged care places through this program (Department of Health 2015).

## Target population

The Indigenous population has a younger age structure and shorter life expectancy than the non-Indigenous population. Conditions associated with ageing may also affect Indigenous Australians earlier. Given these circumstances, the aged care target population comprises Indigenous Australians aged 50 and over and non-Indigenous Australians aged 65 and over.

Of the 3.8 million Australians in the aged care target population in 2016, around 112,000 (3.0%) were Indigenous people.

## Home Care

The Home Care Packages Program is designed to provide clients with an individually tailored and coordinated package of services to support them in living independently in the community for as long as possible. Home Care Packages are available at four levels of care. Progressively higher levels of help are offered to support people with basic, low, intermediate, or high care needs.



It should be noted that more than one-third (36%) of home care client records in 2016 did not include Indigenous status (Table 7.6.1). Hence, these data should be used with caution.

As at 30 June 2016, 4.2% of Home Care clients with recorded Indigenous status in client records identified as Indigenous Australians. Of those clients with recorded Indigenous status, 3.9% of those receiving level 1 (basic) care and 5.3% of those receiving level 2 (low) care were Indigenous (Table 7.6.1).

**Table 7.6.1: Proportion of people using Home Care Packages, by level of care and Indigenous status, 30 June 2016**

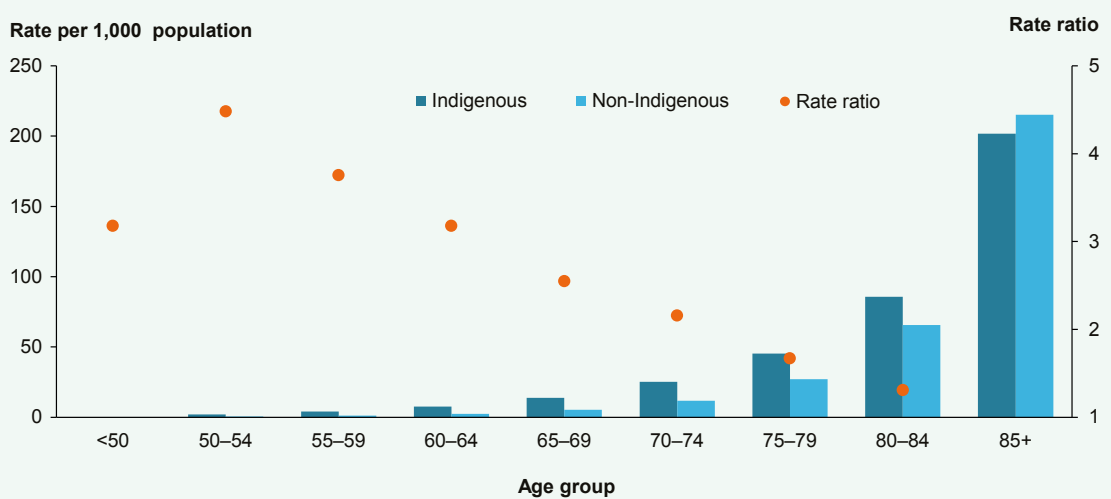
Indigenous status	Home Care levels of care				Total Home Care
	Level 1 (basic care)	Level 2 (low care)	Level 3 (intermediate care)	Level 4 (high care)	
	<b>% of total clients</b>				
Indigenous	1.7	3.3	1.4	1.5	2.7
Non-Indigenous	42.9	58.2	60.3	72.1	61.4
<i>Not stated</i>	55.3	38.6	38.3	26.3	35.9
<b>All clients</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>% of clients with recorded Indigenous status</b>				
Indigenous	3.9	5.3	2.2	2.1	4.2
Non-Indigenous	96.1	94.7	97.8	97.9	95.8
<b>Clients with recorded Indigenous status</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Note:* Columns may not add to 100% due to rounding.

## Residential aged care

As at 30 June 2016, there were 1,531 Indigenous Australians in permanent residential aged care. This represents 0.9% of permanent residential aged care residents and 0.2% of the total Indigenous population.

The age profile of Indigenous people in permanent residential aged care was substantially younger than that of non-Indigenous people. One-quarter (26%) of Indigenous permanent aged care residents were aged under 65 compared with only 3.3% of non-Indigenous aged care residents. Indigenous Australians had higher rates of aged care use in all age groups until age 85 (Figure 7.6.2).

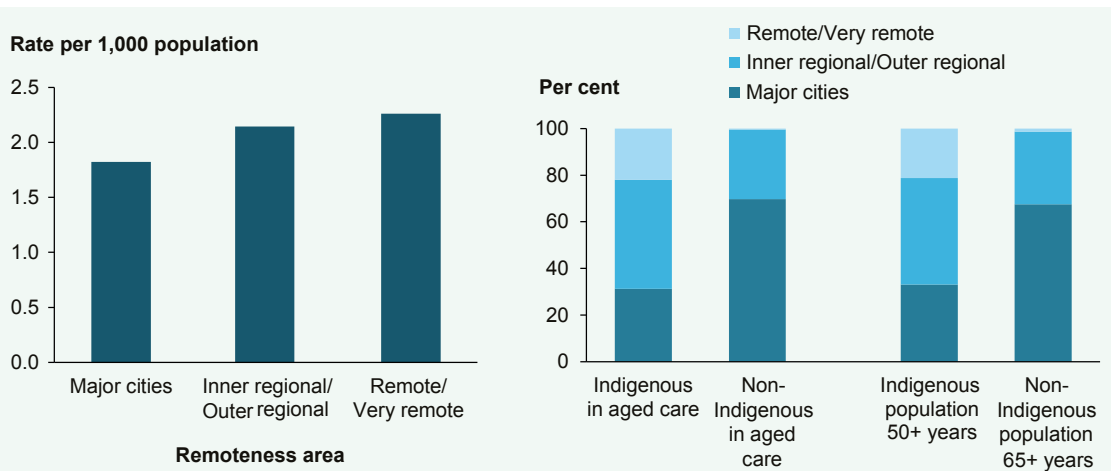


Note: Rate ratio not shown on graph if ratio is less than 1.

**Figure 7.6.2: Rate (per 1,000 population) and rate ratio for use of permanent residential aged care, by Indigenous status and age group, as at 30 June 2016**

As at 30 June 2016, the rate of Indigenous Australians in permanent residential aged care was highest in *Remote and very remote* areas and lowest in *Major cities* (Figure 7.6.3).

The pattern of aged care residents by remoteness differed for Indigenous and non-Indigenous people, with around one-third (31%) of Indigenous aged care residents in *Major cities*, compared with more than two-thirds (70%) of non-Indigenous residents. The observed patterns of aged care residents by remoteness closely mirrors the corresponding aged care target population patterns (Figure 7.6.3).



**Figure 7.6.3: Crude rate of Indigenous people in permanent residential aged care by remoteness area and proportion of people in permanent residential aged care and proportion of population, by Indigenous status and remoteness area, as at 30 June 2016**

## What is missing from the picture?

The CHSP was launched in July 2015. It incorporates Home and Community Care (HACC) and several smaller programs, and is the largest of the aged care programs. Because of the transition to a new system some data items, including Indigenous status, were unavailable for reporting in the first year (2015–16).

As self-identifying one's Indigenous status is not compulsory, the number of people presented who identified themselves as being of Aboriginal and Torres Strait Islander origin may be an underestimate of the true number of Indigenous people using these programs.

Information about geographical location (remoteness) is based on the location of the service provider for all programs except HACC. Although the location of care recipients can be inferred from the location of service providers, some care recipients may live outside the geographical areas or jurisdictions of service providers.

Some socio-demographic characteristics of care recipients are recorded when they apply for care; these may have changed by the time recipients are receiving care. These include usual residence status and living arrangements.

## Where do I go for more information?

More information about use of disability support services by Indigenous Australians is available from [Disability support services: services provided under the National Disability Agreement 2015-16](#) and the [Aboriginal and Torres Strait Islander Health Performance Framework](#).

More data about the use of aged care services by Indigenous Australians are available from the [AIHW National Aged Care Data Clearinghouse](#).

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## Chapter 8

# Disability and carers



# 8.0 Introduction

As has been reported throughout *Australia's welfare 2017*, some Australians face profound disadvantages. These can affect not only their physical and mental health, but also their participation in education, employment and social activities. This chapter profiles Australians living with disability and discusses some of the challenges they face, including being meaningfully involved in everyday life.

Living with disability may limit what a person can do in their daily life, or restrict their participation in other ways. Socioenvironmental factors can add to these difficulties—for instance, availability of services, accessibility of the physical environment, and social attitudes towards people with disability. How people with disability participate in society can also be influenced by the opportunities and help available to them, as well as by the severity of their disability.

About 4.3 million Australians (or 18% of the population) have a disability, and about 1.4 million people with disability have a severe or profound core activity limitation. This means that they sometimes or always need help with everyday activities—self-care, mobility and communication.

While the number of people with disability has increased over time (from 4 million in 2003), the proportion of the population with disability has decreased (from 20% in 2003 to 18% in 2015).

The majority of people with disability live in households; only 4.5% live in some form of cared accommodation. People with disability are about 4 times as likely as people without disability to rely on a government pension or allowance as their main source of income. While around 1.1 million people with disability of working age participated in the labour force in 2015, almost as many (1.0 million) did not.

Almost all people with disability take part in some social activities away from home, but this involvement differs by the severity of disability. People with severe or profound limitation are less likely to leave home to take part in everyday activities as often as they would like.

This chapter also profiles Australia's 2.7 million informal carers—about one-third of whom are primary carers for a person with disability. The time and costs of providing care to another person can present challenges for carers. There may be increased financial stress, limited access to education and employment, and restricted involvement in social and community life. One-third of primary carers spend 40 hours or more per week caring for the recipient of care, and one-third have spent 10 or more years in the caring role.

# 8.1 People with disability

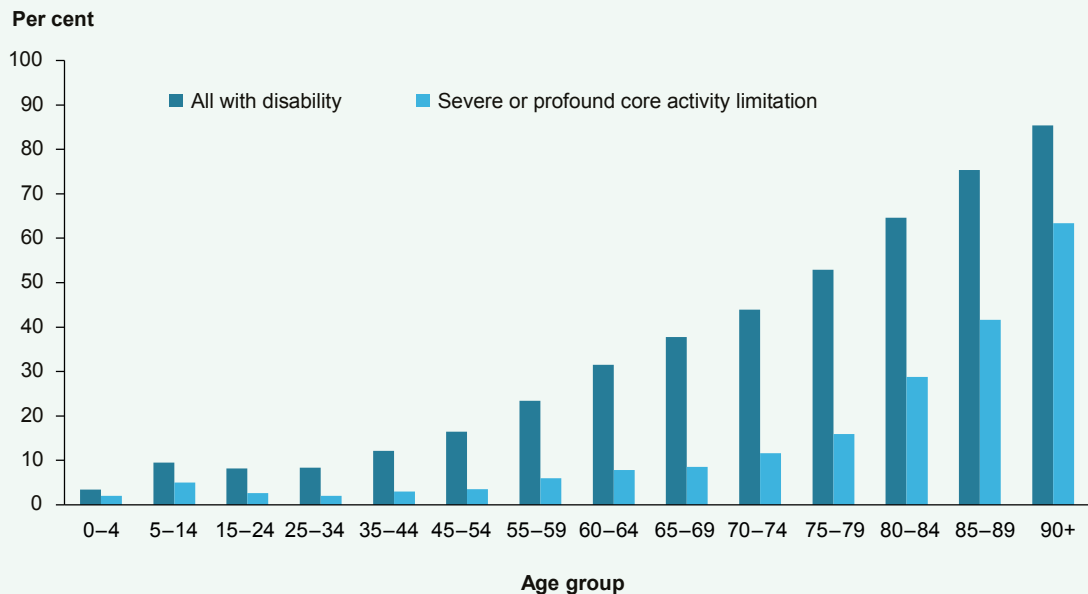
The World Health Organization estimates that 15% of the world's population (1 billion people) have disability, which it defines as any impairment, activity limitation or participation restriction (WHO 2016). The Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers (SDAC) collects information on the wellbeing, functioning and social and economic participation of people with disability in Australia. The SDAC uses a broad construct of disability (Box 8.1.1) designed to align with the WHO's International Classification of Functioning, Disability and Health 2001 (ABS 2016).

## Box 8.1.1: Australian Bureau of Statistics definition of disability

The ABS SDAC defines a person with disability as someone who has one or more specified types of limitations, restrictions or impairments that restrict everyday activities, and which has lasted (or is likely to last) for at least 6 months. The severity of disability is further defined by the degree of assistance or supervision required in core activities—self-care, mobility and communication—and grouped for mild, moderate, severe and profound limitation. People can also be identified as having a disability and schooling or employment restriction only, or disability and no restriction or limitation (ABS 2016). The concept 'people with disability' contains all of these definitions, and thus also includes 'people with severe or profound limitation'.

## How many Australians have disability?

In 2015, an estimated 4.3 million Australians had disability—nearly 1 in 5 people (18%). While the number of people with disability has increased over time, from 4 million in 2003, the proportion of the population with disability has decreased (from 20% in 2003) (see Chapter 9.2 'Indicators of *Australia's welfare*'). Of the 4.3 million people with disability, about 1.4 million (or 5.8% of the total population) had severe or profound core activity limitation. This means that they sometimes, or always, need help with day-to-day activities related to self-care, mobility and communication. The likelihood of having disability or severe or profound core activity limitation generally increased with age (Figure 8.1.1).



Source: ABS 2016.

**Figure 8.1.1: Proportion of the population with disability and severe or profound core activity limitation, by age group, 2015**

The SDAC also found that, in 2015:

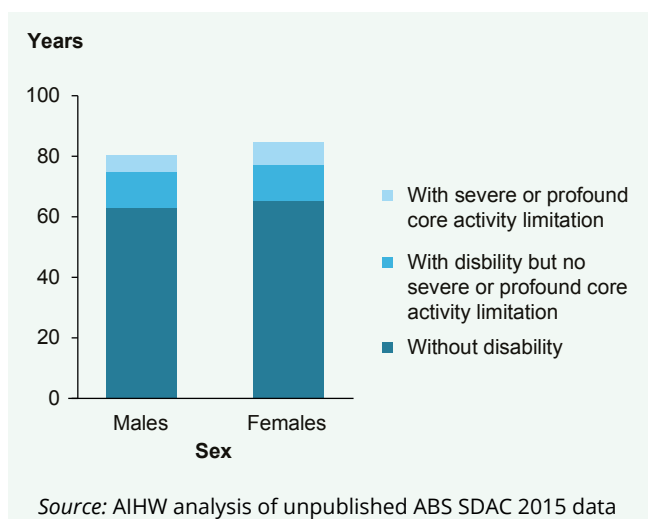
- disability prevalence was similar for males (18%) and females (19%), but females were slightly more likely to report severe or profound core activity limitation (6.4%) than males (5.3%)
- around 8% of people with disability reported having schooling or employment restrictions (see Chapter 8.2 'Participation in society by people with disability' for more information on education and employment for people with disability)
- close to 4 in 5 people (79%) with disability reported a physical condition as their main long-term health condition, with the rest reporting a mental or behavioural disorder (21%). In recent years, there has been a notable increase in people who report mental and behavioural disorders as their main long-term condition—up from 17% in 2009 and 19% in 2012
- the majority of people with disability lived in households—with 75% living with others and 21% living alone. The remaining 4.5% lived in cared accommodation
- a government pension or allowance was the main source of personal income for 42% of people with disability of working age (15–64) living in households, followed by wages or salary (37%). By comparison, wages or salary was the main source of personal income for the majority (68%) of people of working age without disability: fewer than 1 in 10 (8.5%) reported a government pension or allowance as their main source of personal income



- more than half (59%) of people with disability living in households reported needing help with at least 1 of 10 specified activities of daily living. These activities included self-care, mobility, communication, cognitive or emotional tasks, health care, reading or writing tasks, transport, household chores, property maintenance and meal preparation. The most common activity requiring assistance was health care (29%), followed by property maintenance (27%)
- of people who need help with daily activities, 62% reported their needs were fully met, 35% partly met and 2.7% not met at all. The most common activities for which a need for assistance was not fully met were property maintenance (7.7%) and cognitive or emotional tasks (7.5%)
- of people aged 15 and over living in households who received assistance from organised services in the 6 months before the survey, the majority (85%) were satisfied with the quality of service received (where the level of satisfaction could be determined).

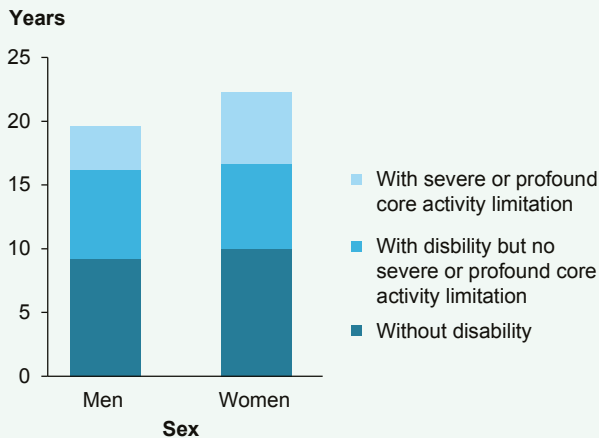
## How long can we expect to live with and without disability?

The life expectancy of Australians has continued to increase for both males and females in recent decades. Most of these increases correspond to an increase in disability-free life expectancy, which is the expected number of years living without disability. Between 2003 and 2015, the disability-free life expectancy increased from 59.1 years to 63.0 years for males, and from 62.2 years to 65.2 years for females.



**Figure 8.1.2: Expected number of years of life with and without disability at birth, by sex, 2015**

On average, boys born in 2015 could expect to live 63 years without disability and another 17 years with disability, including 5.4 years with severe or profound core activity limitation (Figure 8.1.2). Girls born in 2015 could expect to live an average of 65 years without disability and another 19 years with disability, including 7.5 years with severe or profound core activity limitation.



Source: AIHW analysis of unpublished ABS SDAC 2015 data and unpublished ABS abridged Australian life tables 2013–2015.

**Figure 8.1.3: Expected number of years of life with and without disability at age 65, by sex, 2015**

Life expectancies at birth are influenced by mortality in early life. Hence, looking at life expectancies at age 65 provides an insight into healthy ageing (Figure 8.1.3). Men aged 65 in 2015 could expect to live, on average, a further 9 disability-free years, followed by 10 years with disability, including 3 years with severe or profound core activity limitation. Women aged 65 could expect to live, on average, a further 10 years without disability and another 12 years with disability, with close to half of those 12 years being with severe or profound core activity limitation.

The disability-free life expectancy estimates of people aged 65 are average estimates for the total population of that age group, including people who already have disability. As such, the number of expected years of life with disability for a person who does not have a disability at age 65 would be fewer than those presented, which average the experience of people both with and without disability at age 65.

Further information on disability-free life expectancy is presented in Chapter 9.2 ‘Indicators of *Australia’s welfare*’.

## What support services are available to people with disability?

The disability services environment has changed a lot in recent years. Since 1991, government-funded services for people with disability have been provided under various iterations of the National Disability Agreement (NDA) (see Box 8.1.2). In 2012, the Australian Government introduced the National Disability Insurance Scheme (NDIS) (see Box 8.1.3), which is expected to largely replace the NDA over time.

Both the NDA and the NDIS reflect the intention of the Australian Government to improve the lives of people with disability, their families and carers. This intent is captured in the National Disability Strategy 2010–2020 (DSS 2016b) (see Box 8.1.4).

# How many people receive support under the National Disability Agreement?

Under the NDA, government services are provided to people with disability to help them with aspects of daily living, such as accommodation, community involvement and employment.

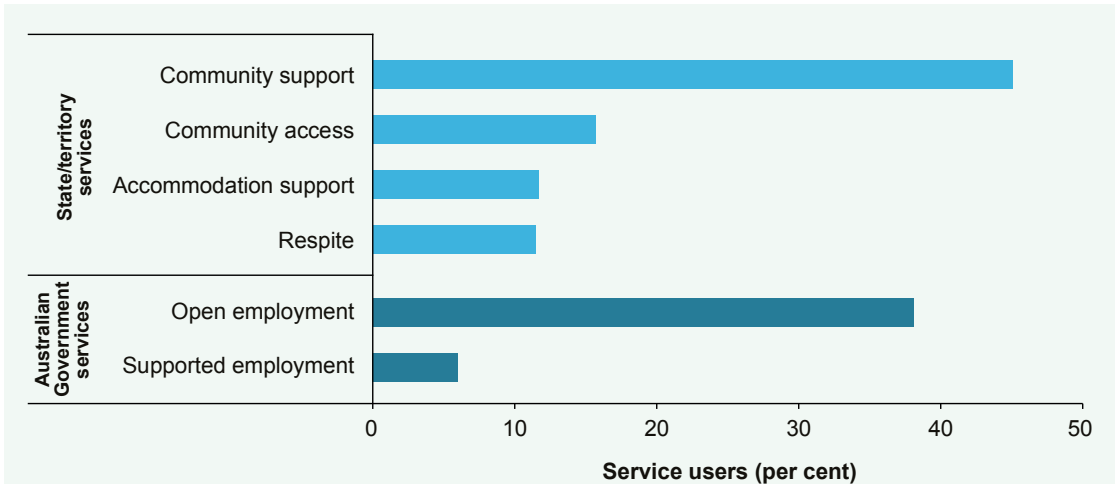
## **Box 8.1.2: National Disability Agreement**

Under the NDA, the Australian and state and territory governments fund a range of disability support services that aim to ensure 'people with disability and their carers have an enhanced quality of life and participate as valued members of the community' (COAG 2009). Eligibility requirements vary between jurisdictions, and the service a person can receive is largely subject to availability (for example, based on the number of available places in certain programs). Services are mainly delivered by 'block-funded' providers, with funding allocated directly to the provider.

Information on the use of services under the NDA is collected and reported by the AIHW in the Disability Services National Minimum Data Set (DS NMDS).

In 2015–16, around 332,000 people used disability support services under the NDA. (Note, however, that this is an underestimate as it excludes data from the Australian Capital Territory Government, which did not collect data in 2015–16.) The average age of service users was 35, and 5.8% were aged 65 or over. More than half (59%) were male and 6.0% were Indigenous. Intellectual disability was the most common primary disability type of service users (25%), followed by psychiatric disability (20%) and physical disability (19%).

Community support services, which support a person with disability in living in a non-institutional setting, were the most commonly used services (45%) (Figure 8.1.4). The next most commonly used services were open employment services (38%), which help people to gain and/or retain employment in the open labour market.



Note: People can use more than one type of service.

Source: Disability Services National Minimum Data Set 2015–16.

**Figure 8.1.4: Proportion of disability support service users by service group, 2015–16**

## Transition of National Disability Agreement service users to the National Disability Insurance Scheme

Although most NDA service users are expected to move to the NDIS as it is rolled out, not all users will be eligible. For example, people aged 65 and over are not eligible to enter the NDIS, but those who turn 65 after becoming an NDIS participant may continue to receive support until they enter the aged care system. As well, some specialist disability support programs, such as open employment services, will not be included in the NDIS and will continue to operate separately. In 2015–16, there were 19,090 NDA service users aged 65 or older, and 126,470 who used open employment services. As not all users of services under the NDA will be supported under the NDIS, governments have set up ‘continuity of support’ arrangements. These will allow people who do not meet requirements for NDIS entry to continue to receive support services consistent with their current arrangements.

During 2015–16, 3,500 NDA service users were reported in the DS NMDS as having moved to the NDIS, adding to the 9,600 reported to have made the transition since the start of the NDIS. The data published by the National Disability Insurance Agency (NDIA) on people with an approved and active NDIS plan might not match the DS NMDS data on NDA service users who moved to the NDIS (see next section). There are several reasons for this. For instance, the NDIA data include data for people who have not been reported as part of the DS NMDS, such as people referred directly to the NDIS. This is especially the case for very young children and people who meet the early intervention eligibility requirements under the NDIS.

## How many people receive support under the National Disability Insurance Scheme?

According to the NDIA, 74,900 people with approved plans were participating in the NDIS (known as ‘active participants’) as at 31 March 2017 (NDIA 2017b). This excludes 700 people who had received an approved plan but have since exited the scheme, bringing the total number of people who have received support from the NDIS to 75,600. As well, almost 2,400 children have received a referral to the Early Childhood Education Intervention gateway. This initiative is designed to connect children aged 0–6 with early childhood providers to identify needs and provide timely access to information and support.

### Box 8.1.3: National Disability Insurance Scheme

The NDIS aims to provide Australians with permanent and significant disability with the reasonable and necessary support needed to participate in everyday life (NDIA 2016). The NDIS is a substantial change to how services are provided to people with disability in Australia. Arrangements under the NDA largely see service providers funded for places in a set number of assistance programs. On the other hand, NDIS participants receive an individualised plan of the support needed to achieve their goals, and a funding package to purchase this support.

The NDIS was introduced through trial sites from 1 July 2013. The transition to the full scheme will occur progressively from 1 July 2016. The roll out of the NDIS varies by state and territory. In some jurisdictions, it is being rolled out geographically: people enter it at different times, according to where they live. In other jurisdictions, people enter it at different times according to their age. Full national roll out is scheduled to be completed by 1 July 2019 in all states and territories except for Western Australia, where roll out will be completed by 1 July 2020 (NDIA 2017a).

The NDIA—an independent statutory agency whose role is to implement the NDIS—collects data on the NDIS, and publishes them in quarterly reports.

NDIS active participants were younger than NDA service users, and more than half of them (52%) were aged 18 and under, as at 31 March 2017 (NDIA 2017b). The majority of participants were male (63%) and 5.1% were Indigenous. Intellectual disability was the most common primary disability group of participants (37%), followed by autism (28%) and psychosocial disability (6.5%).

Once the NDIS is fully implemented, it is estimated that it will support 475,000 people with significant and permanent disability—460,000 aged under 65; and 15,000 aged 65 and over who entered the scheme before turning 65 (Productivity Commission 2017). This represents about 11% of all people with disability in Australia (based on SDAC estimates), and 64% of people with severe or profound disability aged under 65.

#### **Box 8.1.4: The National Disability Strategy**

The National Disability Strategy 2010–2020 (DSS 2016b) outlines the shared national vision for improving the lives of Australians with disability, their families and carers. It is an important mechanism to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities (UN 2006) are incorporated into policies and programs across all levels of government. The Strategy embodies a national approach to inclusive public policy development and to improved access to mainstream services.

The Strategy's first implementation plan, *Laying the groundwork 2011–2014*, set the foundations to drive reform in the planning and delivery of both mainstream and disability specific programs and services. The second implementation plan, *Driving action 2015–2018*, builds on ongoing commitments to improve outcomes for people with disability.

## What financial support is available for people with disability?

As well as support services (such as those mentioned in this article that are received under the NDA or through the NDIS), people with disability may be eligible to receive financial assistance to help with activities of daily life. The Disability Support Pension and the Mobility Allowance are two such programs (DSS 2016a). Other financial support, such as to assist with study or housing, may also be available for people with disability.

In 2015–16, close to 782,900 people received the Disability Support Pension. This pension provides financial support for people with a physical, intellectual or psychiatric condition who are unable to work for 15 hours or more per week within the next 2 years because of their impairment and who have participated in a program to help prepare for, find or maintain work; or for people who are permanently blind (DHS 2017; DSS 2016a). The pension is available to people aged between 16 and the age pension age. Pension recipients represent about 18% of the total estimated number of people with disability in 2015 (according to SDAC), and about 36% of people with disability aged 15–64 (the closest comparable age group).

The Mobility Allowance was provided to about 60,000 recipients in 2015–16. This financial support helps with transport costs for people aged 16 and over who cannot use public transport without substantial assistance and who are participating in approved activities, such as work or study.

People with disability may also be eligible for various government concession cards, which provide recipients with access to selected goods and services at a discounted rate (DSS 2017) (see also Chapter 1.3 'Understanding welfare'). People getting the Disability Support Pension will automatically be issued with a Pensioner Concession Card. People who receive the Mobility Allowance but not the Disability Support Pension will receive a Health Care Card. State and territory governments, local governments and private businesses may provide further concessions for health, household costs, education or transport.

Financial support for children with disability is available through payments made to their parents or carers, such as the Child Disability Assistance Payment, which is available to recipients of the Carer Allowance (see Chapter 8.3 'Informal carers').

## What is missing from the picture?

It is currently not possible to provide a full picture of the experiences of people with disability in Australia and how these might be changing over time. People with disability interact with every aspect of social policy and programs in Australia. They access both specialist and mainstream services across a wide variety of areas. Although there are many data collections across different agencies that collect information on people with disability (such as the AIHW, the ABS, the Department of Social Services and the NDIA), there is currently no national process to collectively report on available data in a person-centred way, understand data quality issues, or to identify and fill data gaps.

While there is no denying that a comprehensive and consolidated picture of the experiences of, and outcomes for, people with disability is desired, there are challenges involved in doing so. Currently, specialist disability support services are provided through multiple avenues—including under the NDA, NDIS, Basic Community Care, and Disability Employment Services. Hence, the total number of people receiving disability support services, and the extent of overlap of users, is difficult to determine. There are also challenges related to the varying definitions of disability used across different sources of data. Disability is generally defined depending on the type and purpose for which the data were collected. This means that definitions may differ between population surveys as well as in administrative data.

Adding to the challenge, most mainstream services (for example, health and aged care) do not include a way to identify whether a person has disability. So, comprehensive reporting on the use of these services by people with disability, and on the interactions between specialist and mainstream services, is not possible. To help address this, the AIHW has developed a disability 'flag' that can be used to identify records of people with a disability within mainstream data collections. The flag derives from a standard set of questions that assesses a person's level of functioning and need for support in everyday activities. These questions are based on the International Classification of Functioning, Disability and Health, and are broadly consistent with the short disability questions that the ABS uses in a number of its social surveys. Versions of the flag have been implemented in the AIHW's Specialist Homelessness Services Collection and the National Prisoner Health Data Collection, and are in the process of being implemented within other AIHW collections. A wider implementation of the flag would improve the ability to report more comprehensively on people with disability, and to do so in a more person-centred way.

Data linkage is another option that could be used to more comprehensively examine the experiences of people with disability than is possible from a single source. For example, linking disability support services or payments data to national hospital data, the Medicare Benefits Schedule or the Pharmaceutical Benefits Scheme could provide an insight into how people with disability interact with mainstream health services, and how these services complement specialist disability supports. Likewise, linking disability support services data to aged care could help improve understanding of the interactions between these two sectors. Chapter 1.7 'Understanding health and welfare data' explores further the opportunities and challenges associated with using data linkage to fill data gaps, including those related to disability.

## Where do I go for more information?

For more information relating to disability and the use of disability support services, see [www.aihw.gov.au/disability/](http://www.aihw.gov.au/disability/). The AIHW reports *Disability support services: services provided under the National Disability Agreement 2015–16* and *Life expectancy and disability in Australia: expected years living with and without disability*, and other recent publications related to disability in Australia are available for free download. Information on people with disability from the most recent ABS SDAC is available from [Disability, ageing and carers, Australia: Summary of findings, 2015](#).

The NDIS website, <https://www.ndis.gov.au>, provides information about the scheme for people with disability, families and carers, services providers and the wider community.

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## 8.2 Participation in society by people with disability

The *United Nations Convention on the Rights of Persons with Disabilities* sets out rights for people with disability, one of which protects the right of people with disability to participate fully in all aspects of life (United Nations 2006). However, people with disability often face challenges in doing so, and their rates of participation in education, employment and social activities are generally lower than for people without disability.

Any disability may limit the activities a person undertakes in their daily life (such as tasks relating to self-care, mobility and communication), or restrict their participation in other ways. How people with disability participate in society can also be affected by the opportunities and assistance available to them, and by the severity of their disability.

The Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers (SDAC) uses a broad construct of disability, defining it as any limitation, restriction or impairment that restricts a person's everyday activities, and has lasted, or is likely to last, for at least 6 months (see Chapter 8.1 'People with disability' for more detail). Almost 1 in 5 (18%) Australians—4.3 million people—had a disability in 2015. This represented an increase of 8.7% from 2003, at the same time as the general population increased by almost 19%. Around 1 in 3 people with disability (1.4 million) had severe or profound limitation.

The following article presents key findings from AIHW analyses of the 2003 and 2015 ABS SDAC. More detail is available in the related fact sheets (see 'Where do I go for more information?').

### Trends in education and work

#### School attendance

In 2015, there were 336,000 children and younger people with disability aged 5–20 living in households in the community and attending school or an educational institution. This represents 1 in 14 (7.1%) people in this age group. The number of students with disability increased by 4.0% between 2003 and 2015, growing at a slower rate than the number of people in the same age group in the general population (up by 9.2%). At the same time, the number of students with severe or profound limitation increased by 11%.

For students with disability, common schooling options are special schools (those that enrol only students with special needs), special classes within a mainstream school (those that specifically support students with special needs), or ordinary classes within a mainstream school (where students with disability may receive extra, tailored supports). Between 2003 and 2015, there was a shift towards students with disability attending special schools. The number of students who attended a special school increased by 35% for people with disability, and by 31% for people with severe or profound limitation. In 2015, 15% of children and young people with disability, and 26% of students with severe or profound limitation, attended a special school. At the same time, fewer students attended special classes within a mainstream school environment—decreasing from 2003 by 22% for people with disability, and by 8.0% for people with severe or profound limitation. In 2015, 19% of students with disability, and 22% of people with severe or profound limitation, attended special classes in a regular school.

An increasing number of students with disability also needed assistance in other ways with their schooling. This included help provided by a person, by using special equipment, or through other arrangements such as for access, transport or assessment. The need for part-time attendance at school increased considerably. Between 2003 and 2015, the number of students requiring 1 or more days off school each week increased by 47% for people with disability, and by 79% for people with severe or profound limitation. In 2015, 10% of students with disability and 14% of people with severe or profound limitation attended school part-time.

## Employment

### Labour force participation

Around 1.1 million working-age people (aged 15–64) with disability living in households participated in the labour force, either by working or looking for work in 2015. Almost as many people with disability did not participate in the labour force (1.0 million), with more than half (57%) of them reporting having an employment restriction that meant they were permanently unable to work.

The number of people with disability in the labour force has fallen by 3.0% between 2003 and 2015. This is similar to the 3.3% fall in the overall number of working age people with disability living in households over that period. At the same time, the number of working age people without disability participating in the labour force increased by 23%.

There has been little change in the overall labour force participation rate for people with disability. Around half of working age people with disability were participating in the labour force (53% in 2003 and 2015), compared with 81% and 83%, respectively, for the overall population. The rate of labour force participation varied by the severity of people's disability. Two-thirds (68%) of people with disability and schooling or employment restrictions only, and one-quarter (25%) of people with severe or profound limitation (down from 30% in 2003), were either employed or looking for work in 2015.

## Employment

In 2015, around 580,000 working age people with disability were employed full time, and 453,000 part time. The number of people with disability who were working fell (down by 4.6% from 2003), and considerably fewer people with severe or profound limitation were working (down by 17%). In 2015, half (48%) of working age people with disability, and 22% of people with severe or profound limitation, were employed, compared with 79% of people without disability. The patterns of work changed between 2003 and 2015, with a trend towards part-time work. Between 2003 and 2015, the number of people with disability working full time dropped by 16%, and the number of people with severe or profound limitation by 41%. At the same time, the numbers of those working part time increased by 14% and 7.4%, respectively. By comparison, the number of people without disability in full-time and part-time employment increased over this period (by 12% and 33%, respectively). In 2015, employed people with disability were more likely to work part-time, compared with employed people without disability—44% of employed people with disability, and 63% of those with severe or profound limitation, were working part-time hours, compared with 32% of employed people without disability (see Supplementary Table S8.2.1 for additional information on employment).

## Unemployment




Unemployment rates are calculated as the proportion of people participating in the labour force who were unemployed and looking for work. These rates are thus affected by not only the number of unemployed people but also the size of the labour force. Unemployment rates also showed variation by disability severity. Overall, for all people with disability, the unemployment rate was 10% in 2015 (9% in 2003), 13% for people with a schooling or employment restriction (15% in 2003) and 14% for people with severe or profound limitation (11% in 2003).

For more information, see Chapter 9.2 'Indicators of *Australia's welfare*'.

## Social activities

There were 2.1 million people aged 15–64 with disability living in households in 2015. The likelihood of participating in some aspects of community life varied, depending on the severity of a person's disability (Table 8.2.1). The differences in general measures of participation were small. For example, in 2015, most people with disability and people with severe or profound limitation had participated in at least one social activity at home (96% and 93%, respectively) and away from home (94% and 89%) in the previous 3 months. On some specific measures, such as internet use, the difference was greater. Overall, four-fifths (81%) of people with disability had used the internet in the previous 3 months; among people with severe or profound disability, the proportion was lower (68%) (Table 8.2.1).

**Table 8.2.1: Participation rates in selected social activities for people aged 15–64 with disability or with disability and severe/profound limitation living in households, 2015**

Participation type	Disability (%)	Severe/profound limitation (%)
 Had a driver's licence <sup>(a)</sup>	84.2	64.0
 Destination of last trip was shopping <sup>(b)</sup>	30.0	32.6
 Participated in social activities at home <sup>(c)</sup>	96.0	93.4
<i>Visits from friends/relatives</i>	89.8	88.5
<i>Telephone calls from friends/relatives</i>	92.8	86.6
 Used the internet <sup>(c)</sup>	80.9	68.0
<i>For online banking</i>	64.7	47.2
<i>For social networking</i>	72.7	70.2
 Left home as often as would like	70.0	48.0
 Participated in social activities away from home <sup>(c)</sup>	94.0	89.0
<i>Visited friends/relatives</i>	92.8	90.2
<i>Went out with friends/relatives</i>	74.1	65.3
 Attended a cultural venue <sup>(d)</sup>	69.0	57.4
<i>Movies</i>	55.2	42.1
<i>Library</i>	30.4	24.0
 Felt safe/very safe at home after dark	81.1	69.5
 Able to find support from others in times of crisis outside of members of own household	90.9	86.3
 Difficulty with access <sup>(e)</sup>	26.7	31.6
 Avoided community situations due to disability <sup>(d)</sup>	41.3	61.9
 Experienced discrimination due to disability	13.8	21.8

(a) Excludes people aged under 17.

(b) People who took a trip in the previous 2-week period.

(c) At least once in the previous 3-month period.

(d) At least once in the previous 12-month period.

(e) Had difficulty with mobility/communication and difficulty accessing community facilities/buildings in the previous 12-month period.

Source: AIHW analysis of ABS 2015 Survey of Disability, Ageing and Carers (TableBuilder).

## What is missing from the picture?

With currently available data, it is not possible to provide a full picture of the experiences of people with disability in Australia. The SDAC is a valuable source of information for estimating the number of people with disability and the nature of their disability, but information from other data sources is needed to provide a consolidated picture of the experiences and outcomes of people with disability as they engage in various aspects of life in Australia. For more information, see Chapter 1.7 'Understanding health and welfare data' and Chapter 8.1 'People with disability'.

The SDAC has been conducted regularly since 1981, with changes over the years. Many items, particularly for social and community activities, are either recently introduced, or not comparable across the years, and some items are only applicable to specific subgroups. For example, questions on participation in social and community activities are only asked of people with disability living in households, rather than of all people with disability or people without disability (although these questions are asked of carers and people aged 65 and over). Some populations are also outside of the survey's scope: while data are collected for Indigenous people with disability, the SDAC excludes people who live in *Very remote* areas and discrete Indigenous communities, and the resulting data may not be representative of the prevalence or experience of disability for all Indigenous people.

## Where do I go for more information?

More information about people with disability is available at [www.aihw.gov.au/disability/](http://www.aihw.gov.au/disability/). The factsheets for *Disability in Australia: changes over time in inclusion and participation in community living, employment and education* are available for free download, as well as other recent publications such as *Disability support services: services provided under the National Disability Agreement 2015–16* and *Life expectancy and disability in Australia*.

The ABS also provides information on people with disability through a [Summary of findings](#) and supporting data from each Survey of Disability, Ageing and Carers.

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## 8.3 Informal carers

Informal carers provide care to others who need help or support due to disability, health conditions or ageing, outside the formal care sector (where paid care is provided by trained professionals). Often, informal carers are people close to the person in need, such as family and friends. Informal care covers a wide range of activities, such as personal care, transport assistance and medical care. It may be provided alongside formal care, or shared with other informal carers. Informal carers play an important role in assisting people who need help in their daily lives, with an estimated 1.9 billion hours of unpaid care provided in 2015 (Deloitte Access Economics 2015).

This article focuses on carers of people with disability, health conditions, or frailty due to old age, and not on the large number of Australians who provide informal care for children (Box 8.3.1).

### Box 8.3.1 Informal carers of children

Other people beside parents or guardians may care for children on an informal basis. Grandparents are the most common informal carers for children aged 12 and under (ABS 2015). Other informal carers may be (step) brothers or sisters, other relatives (including a parent living elsewhere) or other (unrelated) people such as friends, neighbours, nannies or babysitters.

In 2014, 1 in 5 (22%) children aged 12 and under usually received care from a grandparent; grandparents provided an average of 10 hours of care per week—almost all (98%) of their care was unpaid (ABS 2015).

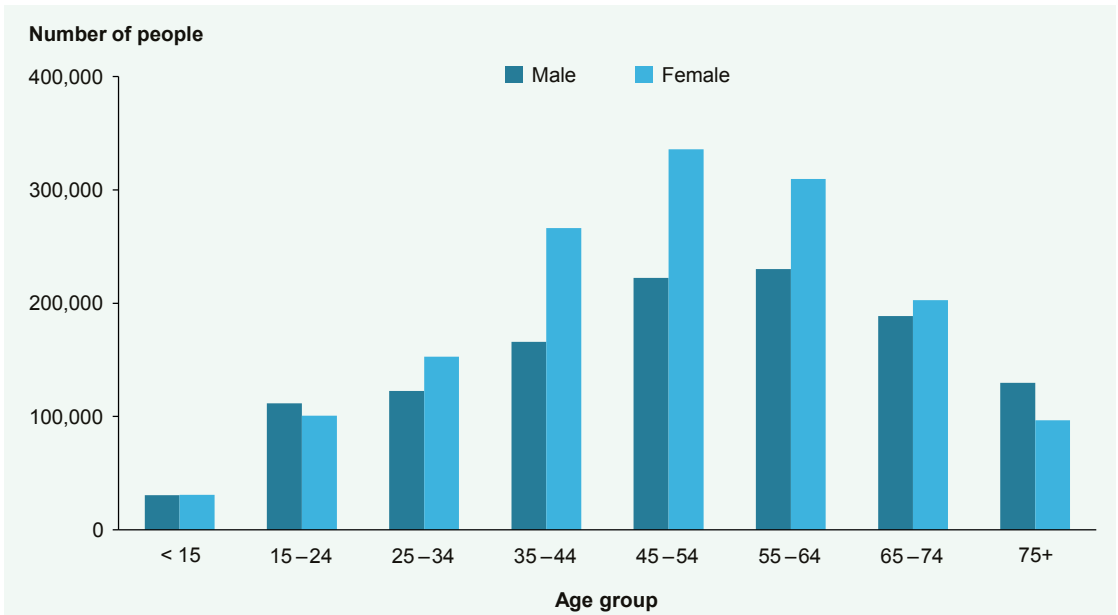
For more information on formal and informal child care in Australia see Chapter 2.1 'Children in child care and preschool programs'.

Being an informal carer can be rewarding, but challenging. Informal carers may experience social isolation, physical and emotional strain and restricted education and employment opportunities. Recent research has shown that carers who provided a high level of care and were employed in the workforce were most likely to be adversely affected (Kenny et al. 2014).

## How many informal carers are there in Australia?

In 2015, 1 in 9 Australians (2.7 million people) were informal carers according to the Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers (SDAC). The SDAC collects information about people who provide informal care in Australia—their health, wellbeing and participation in the community and workforce. In particular, information is collected about primary carers (the main caregivers): people aged 15 and over who live in the same household as the person with disability and provide them with the most help. In 2015, there were an estimated 856,100 primary carers in Australia, representing 3.7% of the population.

In 2015, more than half of informal carers were female (56%). There were significantly more female carers than male carers aged 35–64 (Figure 8.3.1). One in 10 (10%) carers were aged under 25, and more than 2 in 10 (23%) were aged 65 and over.



Source: ABS 2016.

**Figure 8.3.1: Number of carers, by age group and sex, 2015**

Between 2009 and 2015, the number and proportion of carers in Australia has remained steady, with an estimated 2.6 million carers in 2009 and 2.7 million in 2015, representing 12% of the population in both years. Over the same period, the number of primary carers increased from 771,400 (3.6%) to 856,100 (3.7%), although the proportion of primary carers in the population remained similar. Primary carers now make up 32% of all carers, compared with 29% in 2009.

The 2015 SDAC found that:



**Almost all (96%)** primary carers care for a **family member**.



**Two-thirds (67%)** of primary carers stated **'family responsibility'** as their reason for taking on a caring role.



**2 in 5 (38%)** primary carers reported having **disability**, with **1 in 5 (21%)** experiencing severe or profound core activity limitation.



**One-third (33%)** of primary carers spend **40 hours or more** each week caring for their main recipient of care.



**One-third (33%)** of primary carers have spent **10 or more years** caring for their main recipient of care.

# What challenges do carers face?

The time and costs associated with providing care to another person can be challenging for carers, particularly for the primary carer. The caring role may create increased financial stress, limit the carer's access to education and employment, or restrict their participation in social and community life. Table 8.3.1 shows differences in income, employment and education between primary carers, other (non-primary) carers and non-carers.

**Table 8.3.1: Income, employment and education levels for primary carers, other (non-primary) carers and non-carers, 2015**

Measure	Primary carers	Other (non-primary) carers	Non-carers
Median gross personal weekly income <sup>(a)</sup> (\$)	520	813	900
Government pension or allowance as main source of income <sup>(a)</sup> (%)	42.7	18.0	11.3
Unemployment rate <sup>(b)</sup> (%)	7.3	6.4	5.4
Workforce participation rate <sup>(b)</sup> (%)	43.3	63.9	69.2
Educational attainment of Year 12 or higher <sup>(b)</sup> (%)	63.2	69.0	71.3

(a) People aged 15–64 years.

(b) People aged 15 and over.

Source: ABS 2016.

In 2015, in the 3 months before the survey, most (94%) primary carers had participated in a social or community activity away from home, such as visiting friends or relatives or taking part in sport or physical recreation. Three-quarters (76%) of primary carers took part in such activities without the person they cared for. Primary carers who spent, on average, 40 hours or more caring per week were less likely to participate in social and community activities outside the home without the person they cared for (65%), compared with primary carers who spent fewer than 20 hours on average providing care (86%).

## Young carers

Young carers are people aged under 25 who provide informal care for another person, often a parent or family member. According to the 2015 SDAC, there were an estimated 272,200 young carers in Australia, including 59,100 aged under 15 (ABS 2016). This equated to around 1 in 12 (8.3%) people aged under 25 in Australia being carers. About 20,700 carers aged 15–24 were primary carers, and the majority (61%) of these were caring for a parent.



Aspects of the caring role can be enjoyable and rewarding. But an intensive caring role may affect the ability of young carers to participate in life—such as in education, employment and social activities—to the same extent as other young people. Analysis of the SDAC indicates that primary carers aged 20–24 were less likely to have completed Year 12 or equivalent (32%) than both non-primary carers (72%) and non-carers (80%) of the same age (ABS 2016). Primary carers aged 15–24 were also less likely to be employed (43%) than non-primary carers (56%) and non-carers (60%). However, most (97%) young primary carers (aged 15–24) had participated in a social or community activity away from home without the recipient of care in the last 3 months.

## Older carers

Older carers are people aged 65 and over who provide informal care for another person, often their spouse or partner, their child, or their own parent. There were an estimated 618,000 older carers in Australia in 2015, representing close to 1 in 5 people (18%) aged 65 and over (ABS 2016). More than one-third of older carers were primary carers (234,100 people). The majority cared for their partner (76%), with a smaller proportion caring for their child (9.1%) or parent (8.1%).








As well as the challenges faced by all carers, older carers may experience increased stress and anxiety over the decline of their own health, or the future care of their care recipient when they are no longer able to provide care (Bellamy et al. 2014). Close to 1 in 5 (19%) older carers reported often feeling worried or depressed due to their caring role, while more than 2 in 5 (44%) reported that their main recipient of care did not have a fall-back informal carer. Many older carers are long-term carers, with 2 in 5 (41%) having been a primary carer for their current recipient of care for 10 years or more. Long-term care may amplify the social, emotional, physical and economic challenges faced by carers (Carers Australia 2010). However, it is important to note that caring can also provide many positive benefits for both the carer and recipient of care, with 40% of older carers reporting that their caring role contributed to a closer relationship with the person they cared for.

## Carers of people with autism

People with autism spectrum disorder and their carers are a growing population, in Australia and around the world (WHO 2016). Analysis of the SDAC indicates that, in 2015, an estimated 164,000 people had autism spectrum disorders in Australia (ABS 2016). This number has more than doubled since 2009, when 64,400 people were identified as having autism (ABS 2014). This increase has been mirrored by an increase in the number of people who provide care to someone with autism who is living in their household, from 35,000 primary carers in 2009 to 79,900 primary carers in 2015.

In 2015, there were 69,700 primary carers whose main recipient of care reported autism as their main condition (that is, the condition that causes the most difficulty in daily life). Close to two-thirds (65%) of these carers were women aged 35–54. Compared with primary carers for people with other conditions, primary carers of people with autism were more likely to work part time, care for 60 hours or more per week, and to have reported needing further support in their caring role (Table 8.3.2). Primary carers of people with autism were as likely to be employed full time as other primary carers. These findings, particularly those relating to employment, may be partly related to the age profile of primary carers of people with autism.

**Table 8.3.2: Primary carers of people with autism as their main condition compared with primary carers of people with other main conditions, 2015**

Measure	Primary carers of people with autism as main condition (%)	Primary carers of people with other main conditions (%)
 Employed working full time	16.4	15.1
 Employed working part time	38.6	19.0
 Provides care for 60 hours or more per week	46.8	31.5
 Has suffered financially because of their caring role, through a decrease in their income or an increase in expenses	80.6	52.3
 Has lost touch (or is losing touch) with existing friends	37.3	23.6
 Has experienced a change in their physical or emotional wellbeing because of their caring role	56.4	38.5
 Needs further support to assist in their caring role	58.1	36.4

Source: AIHW analysis of ABS 2015 Survey of Disability, Ageing and Carers (TableBuilder).

## What support is available for carers?

A variety of government-funded services and financial support programs are available to assist carers with their caring responsibilities.

### Support services

Non-financial support services for carers include counselling, information and advice, and respite care (short-term alternative care arrangements to provide a break for both the carer and the person being cared for). In 2015, 14% of carers reported they had used respite care for their main recipient of care. Female carers were more likely to have used respite care than male carers.

Under the National Disability Agreement, respite services are also available to people with disability, their families and carers. In 2015–16, more than 38,200 people with disability were provided with respite services under this Agreement (excludes data from the Australian Capital Territory Government, which did not collect data in 2015–16; see the AIHW report *Disability support services: services provided under the National Disability Agreement 2015–16* for more information). Most of this group (91%) reported having a primary carer.

The Young Carers Respite and Information Services Program also supports young people with a substantial caring role to complete their secondary education or vocational equivalent (DSS 2016d). The program helps carers who need support due to the demands of their caring role by way of respite care, education support services and information, referral and advice. Respite and education support services are delivered by the national network of 54 Commonwealth Respite and Carelink Centres; information, referral and advice are delivered by Carers Australia and state and territory carers' associations. Respite services will move to the National Disability Insurance Scheme (NDIS) as the scheme rolls out, to be accessed through the care recipient's plan. For more information on the NDIS, see Chapter 8.1 'People with disability'.

Several local and national organisations provide counselling and information services for carers. In 2015–16, Carers Australia, the national peak body representing carers, provided counselling for more than 8,000 carers, and helped more than 60,000 people with information and advice (Carers Australia 2016).

## Financial support

Carers may receive financial payments, depending on their caring arrangements and the needs of the person they care for (DSS 2016b). In 2015–16, close to 605,800 people received the Carer Allowance. This is a supplementary payment for carers who provide a certain level of daily care and attention to a person with disability or a severe medical condition (excluding carers whose care recipient qualified for a Health Care Card only) (DSS 2016a). This represents more than two-thirds (71%) of the estimated number of primary carers in 2015 (from SDAC). The number of people receiving the Carer Allowance has increased in recent years, up from around 590,200 recipients in 2013–14 and almost 601,400 recipients in 2014–15 (DSS 2016a). In June 2016, 70% of Carer Allowance recipients were aged 45 and over (DSS 2016c). Carers aged under 25 accounted for 2.0% of recipients.

In 2015–16, financial support was also provided, through the Carer Payment, to almost 260,600 carers who were unable to support themselves through substantial paid employment because of their caring responsibilities (DSS 2016a). As well, there were about 629,000 recipients of the Carer Supplement and around 154,400 recipients of the Child Disability Assistance Payment. (Both these payments depend on recipients receiving specific qualifying payments, such as the Carer Allowance.) Carers may also be eligible for other forms of financial assistance, such as support for education, housing or access to Health Care Cards.

## What is missing from the picture?

At present, it is difficult to gain a consolidated picture of the experiences of carers in Australia. While some self-reported information is available from the Survey of Disability, Ageing and Carers, detailed data about the use of support services is limited. Carers may receive support through a number of government and non-government programs across a wide variety of areas, including the disability, aged care and health systems. In addition to specific programs targeted at carers, carers are also affected by the support provided to the person they care for. There is a lack of comprehensive data on the support services used by carers (such as counselling and information services), including interactions with mainstream and specialised services, pathways through these services, and the outcomes of these interactions (including how the type and level of support provided to care recipients impacts carers' lives). This is particularly an issue for groups such as young carers, who face unique challenges because of their age. Data linkage, such as between carer payments and health or education datasets, could enable a better understanding of the experiences of carers in Australia, their interactions with services, and their associated outcomes, providing a clearer evidence base for policy decisions.

The introduction of the NDIS presents an opportunity to collect better data on informal carers of people with disability. From 1 July 2013, people with disability who met eligibility requirements started the transition to the NDIS to receive formal assistance with everyday life (see Chapter 8.1 'People with disability'). Carers of NDIS participants may be involved in planning and implementing a person's care plan. The NDIS reports some information on families and carers of participants, including baseline outcome indicators covering financial support, workforce participation, social participation and health (NDIA 2017). However, detailed information on the carers of NDIS participants, such as their relationship to the participant and the extent of their caring responsibilities (for example, the number of hours spent caring per week, the type of caring activities undertaken) is not currently available. Such information would also be limited to carers of NDIS participants, meaning a gap will remain around those who care for people who are not eligible for the NDIS, such as older Australians.

## Where do I go for more information?

For more information on informal carers, see [www.aihw.gov.au/informal-care-ageing](http://www.aihw.gov.au/informal-care-ageing). Information on carers of people with disability who access disability support services under the National Disability Agreement is available in the bulletin [Disability support services: services provided under the National Disability Agreement 2015–16](#), which is available for free download from the AIHW website. Information on carers from the most recent ABS Survey of Disability, Ageing and Carers is available from [Disability, ageing and carers, Australia: Summary of findings, 2015](#).

The [Carer Gateway](#) is a national website and phone service launched in December 2015. It provides information and advice to carers, and can connect carers with suitable services in their local area.

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## Chapter 9

# Indicators of *Australia's welfare*



# 9.0 Introduction

Indicators are commonly used to assess the performance of policies, programs or services, and to meet accountability and transparency requirements. Ideally, they provide information on change in outcomes, and inform quality improvements of services and programs. Indicators are useful in highlighting particular results in an area of interest and in helping people to ask questions about why the result is as it is.

Indicators are simple statistics, such as numbers or rates, that summarise issues that are often complex; therefore, they should not be used in isolation. Contextual information should always be used to interpret and use indicator results.

The AIHW has been reporting on indicators of *Australia's welfare* as part of its biennial welfare flagship reports since 2003. Following a review, the 2015 edition of *Australia's welfare* included a new conceptual framework and a framework for these indicators (see Chapter 8 of *Australia's welfare 2015* for a discussion of the developmental work).

The indicator framework is designed to measure and report on the key components of the conceptual framework guiding the *Australia's welfare 2017* report (see Chapter 1.3 'Understanding welfare' Figure 1.3.1). In doing so, it aims not only to summarise the performance and outcomes of Australia's welfare services but also to provide insight into what determines the demand for them. It also includes several measures relating to the overall wellbeing of the Australian population. The wellbeing domain indicators are reported for the first time in 2017, and their development is discussed in Chapter 9.1 'The *Australia's welfare* indicator framework'. Chapter 9.2 'Indicators of *Australia's welfare*' presents data for 53 indicators across all five domains of the framework, including first results for 14 new wellbeing indicators.



## 9.1 The *Australia's welfare* indicator framework

The indicator framework for *Australia's welfare* has three core domains—wellbeing, determinants, and welfare services performance (Figure 9.1.1). Two additional domains—contextual factors, and other factors—recognise the role of other influences, such as access to primary care practitioners, population growth and economic conditions. Each component in the framework represents an area for which it is useful to assess progress and which can inform service improvement.

Data were reported against four of the five domains in *Australia's welfare 2015*, but were not presented for the wellbeing domain pending further conceptual development and scoping. A discussion of the wellbeing domain follows.

This 2017 edition of *Australia's welfare* has 61 indicators, including updated or newly reported results for 39 indicators and first results for 14 new wellbeing indicators. See Table 9.2.2 in Chapter 9.2 'Indicators of *Australia's welfare*' for the complete set of indicators across all domains. More information on definitions and context can be accessed online at [www.aihw.gov.au/reports/australias-welfare/australias-welfare-2017/related-material](http://www.aihw.gov.au/reports/australias-welfare/australias-welfare-2017/related-material).

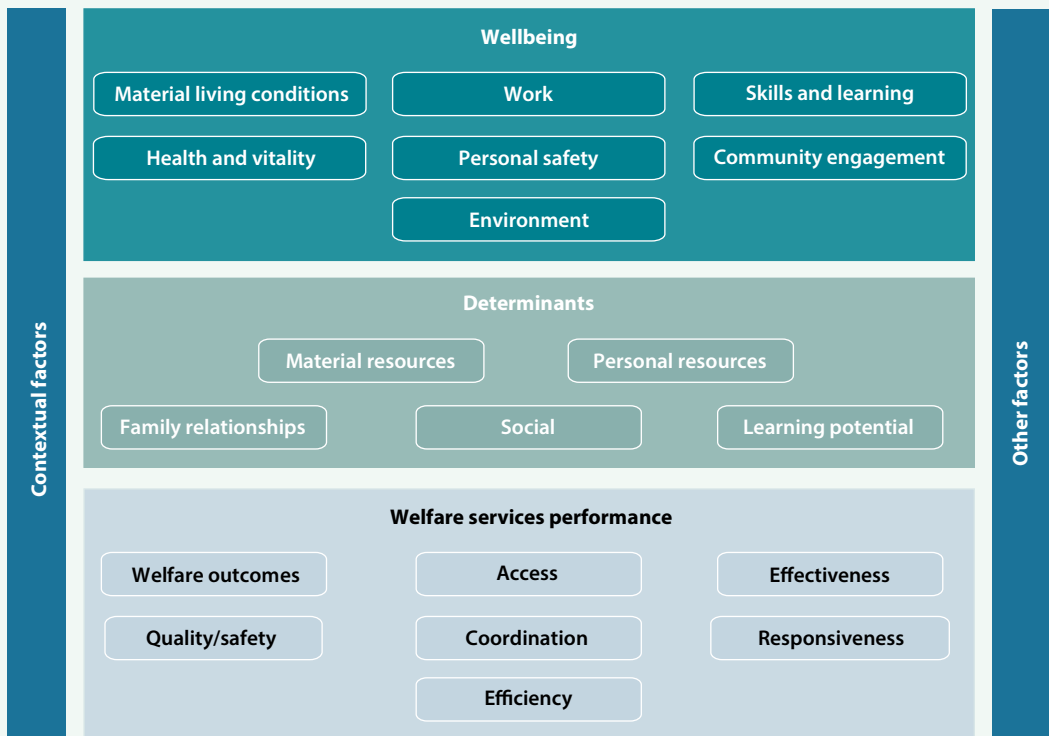


Figure 9.1.1: Indicator framework for *Australia's welfare*

# Developing the wellbeing domain for the indicator framework

As discussed in Chapter 1.3 'Understanding welfare', wellbeing is a complex synthesis of factors that influence happiness or satisfaction with our lives. It can be highly individual and subjective, with different meanings for different people, and can change across the life course. Some people place more importance on financial wealth, others on their physical and/or mental health. In reality, wellbeing is a product of many, often interrelated, factors. Measuring wellbeing at the population level therefore presents a range of challenges. This section presents information on current national and international measurement of wellbeing and introduces the wellbeing indicators selected by the AIHW for the indicator framework shown in Figure 9.1.1.

The measurement of the wellbeing of communities and nations has become increasingly widespread, driven, in part, by a growing recognition that traditional high-level summary economic measures such as Gross Domestic Product (GDP) are, at best, partial measures of a nation's progress. Some studies have shown that countries with higher GDPs are well down the list in rankings, based on subjective wellbeing measures, suggesting that factors other than income can matter for wellbeing (Helliwell et al. 2016).

Several national and international wellbeing indicator sets and frameworks were investigated in developing a wellbeing domain for *Australia's welfare*, and are briefly outlined here. They represent just a small subset of work that is being conducted in this field. Composite indexes of wellbeing are used by some organisations. Others use a set of indicators, without any attempt to aggregate or average results to a single number.

The AIHW's approach to the selection of themes for the wellbeing domain has been to initially map existing national and international frameworks sourced from a desktop review. This draws on the extensive body of research in the area. A strong focus is placed on topics that are relevant to the Australian welfare context and to the *Australia's welfare* report series. In selecting the detailed indicators, the availability of Australian data sources was considered, particularly where the data can be disaggregated sub-nationally, or lend themselves to trend reporting.

## Wellbeing measurement and reporting in Australia

Australia's interest in investigating national wellbeing and progress is reflected in a variety of frameworks and measures that have been developed for the Australian context.

The Australian Bureau of Statistics (ABS) was a frontrunner in this respect. It published *Measures of Australia's progress* every 2–4 years between 2002 and 2013, with the 2013 report reflecting a major revision undertaken during 2011–12. The framework covers four domains—society, economy, environment, and governance—and provides a useful set of indicators to inform conceptual thinking and to show whether life in Australia is getting better (ABS 2013). The ABS also has a framework for social statistics more broadly, which considers individual and societal wellbeing, and the influences and actions that can have an impact on and change the state of wellbeing (ABS 2015a).

The first *The Australia we want* report of the Community Council for Australia (2016) presented initial findings on how Australia is performing against a set of measures selected by a group of 60 leaders in the Australian charity and not-for-profit sector. The measures define the Australia that these leaders aspire to live in, and how well we are doing in realising these goals across the nation. The indicators for the reporting framework are grouped into four domains or principles: Just, fair, safe; Inclusive, equal opportunity, united, authentic; Creative, confident, courageous, optimistic; and Generous, kind, compassionate. Results are presented at both the national and state/territory level.

The Department of Social Services (DSS), responsible for national social policy and management of welfare services funded by the Australian Government, uses a conceptual wellbeing framework to guide its policy planning and program development. The framework identifies long-term priorities for improving the lifetime wellbeing of people and families in Australia. It is structured around four wellbeing domains that lend themselves to performance measurement and monitoring—independence, life readiness, family functioning, and strong communities—and two cross-cutting domains of access to opportunity and individual risk factors (DSS 2016).

Several Australian states and territories have also invested in developing wellbeing frameworks to govern planning and policy. See Box 9.1.1 for an example of one state's outcomes framework for welfare services that incorporates wellbeing concepts.

#### **Box 9.1.1: Human Services Outcomes Framework of the New South Wales Department of Family and Community Services**

The New South Wales Department of Family and Community Services has developed a framework based around the question: *What matters for an individual over the course of their life?* It identifies the factors that have an impact on the life course and, particularly, the interconnectedness of these factors. The framework provides a conceptual underpinning and structure for the department's services and outcomes.

The framework has seven domains of wellbeing: home, health, education and skills, economic, safety, social and community, and empowerment. The department explains that its first application of the framework has been to social housing, which:

*'...helps focus our collective effort on using social housing assistance to improve outcomes for tenants and users of our services. It makes transparent the continuum from what we deliver to how people benefit and what outcomes they ultimately achieve...'*

NSW Department of Family & Community Services 2016

A number of wellbeing indexes have also been developed or are under development in Australia. Examples include the Australian National Development Index (ANDI) and the Scanlon Foundation's Scanlon-Monash Index (SMI) of social cohesion. The ANDI is a composite index, based on a conceptual framework that encompasses 12 social, economic, health and environmental domains, and is described as 'a holistic measure of national progress and wellbeing' (ANDI 2017). The SMI of social cohesion incorporates five domains: belonging, worth, social justice and equity, political participation, and acceptance/rejection. While these domains are not all directly related to wellbeing, indicators touch on many of the themes seen in other wellbeing measures, such as income equality, community participation, trust, and life satisfaction (Markus 2016).

## International wellbeing measurement and reporting

The fifth Organisation for Economic Co-operation and Development (OECD) World Forum on Statistics, Knowledge and Policy in 2015 included a strong focus on the measurement of wellbeing. This reflects the topic's current acceptance in mainstream policy discussions at the highest level (OECD 2015a). Three approaches to the measurement of wellbeing are discussed here—an indicator set approach, a subjective measure and an objective measure.

Since 2011, the OECD has been reporting on wellbeing in *How's life? Measuring well-being*. The report documents a wide range of wellbeing outcomes, with comparative and trend data for OECD countries. It is part of the OECD Better Life Initiative, which aims to promote 'better policies for better lives'. The *How's life* framework has three conceptual areas: material conditions, quality of life, and sustainability. Eleven domains—each with a concise set of relevant indicators—capture these conceptual areas: income and wealth, jobs and earnings, work life balance, housing, environmental quality, health status, education and skills, social connections, civic engagement and governance, personal security, and subjective wellbeing (OECD 2015b).


Countries can be ranked by indicator but there is no overall summary index. Recent findings show that OECD countries ranking in the top third for GDP per capita—such as Australia, Canada, the United States and Norway, among others—do well overall in terms of material resources, such as income. However, these same countries may have weaknesses in other areas, such as in work-life balance, and housing affordability. This shows that all countries have areas for improvement. Australia does not perform particularly well on some measures, such as employees working long hours, and perceived personal safety. The *How's life* report also notes something that is useful to keep in mind when viewing the indicator data in Chapter 9.2: that different groups within a country's population can have very different wellbeing outcomes (OECD 2015b).

The fifth World Happiness Report was published in 2017, ranking more than 150 countries by their happiness (also referred to as subjective wellbeing) levels, based on a global survey in which participants are asked to rate the quality of their current lives on a scale of 0 to 10. The authors use six key variables—GDP per capita, social support (having someone to count on in times of trouble), healthy life expectancy, social freedom (freedom to make life choices), generosity (donations in the previous month) and perceived absence of corruption—to explain most of the variation in subjective wellbeing between countries. Australia was ranked ninth with Norway the highest ranked. New Zealand, the United States and United Kingdom came in at eighth, fourteenth and nineteenth, respectively (Table 9.1.1) (Helliwell et al. 2017).

The United Nations produces the Human Development Index (HDI), which is a summary measure across the dimensions of: a long and healthy life (measured by life expectancy), being knowledgeable (measured by mean years of schooling), and having a decent standard of living (measured by gross national income per capital). The scores of these three dimensions are aggregated into a composite index. The HDI is reported for up to 188 countries, most recently in 2014. Australia was ranked second, after Norway. The United States, Canada and New Zealand were ranked eighth, ninth and tenth, respectively, and the United Kingdom came in at fourteenth (Table 9.1.1) (United Nations 2016).

On each of the above measures, Australia and similar countries generally perform relatively favourably. There are advantages and disadvantages of each type of measure. It can be hard to obtain a holistic view when multiple indicators are used, however, summary measures can also be difficult to interpret as, in isolation, they provide no underlying information as to the composition of the ranking score. For the wellbeing domain in the *Australia's welfare* indicator framework, as described further in this chapter, AIHW chose to follow an approach similar to that of the OECD's *How's life*, with a small set of key indicators rather than an index or aggregate score. An important purpose of the AIHW's wellbeing indicators is the ability to consider them together with indicators in other parts of the indicator framework. For example, trust, perceptions of safety and life satisfaction can be coupled with social connectedness and volunteering in the determinants domain; and indicators of financial and employment stress in the welfare services performance domain. While international rankings are of interest, they are not the main purpose of the AIHW's wellbeing domain.

**Table 9.1.1: Country ranks for wellbeing summary measures, selected countries and years**

Measure	Year						
		World best	Australia	New Zealand	Canada	United States	United Kingdom
World happiness report <sup>(a)</sup>	2017	Norway	9	8	6	14	19
UN Human Development Index	2014	Norway	2	10	9	8	14

(a) Ranks are based on national average scores when people are asked to evaluate the quality of their lives on a scale of 0 to 10.

Sources: Helliwell et al, 2017; United Nations 2016.

## Themes and indicators for the AIHW wellbeing domain

While there are different views on which measure best represents wellbeing, there is much consensus on what makes us satisfied with our lives, and what is considered human progress (OECD 2015b). There is close alignment across frameworks on such topics as the economy and jobs, education and skills, health, social engagement, personal safety, the environment, and overall life satisfaction or happiness.

As shown in the previous sections on measurement and reporting, wellbeing measures can stand alone; however, in the context of *Australia's welfare*, it is the interrelationships between wellbeing and the other domains of the framework that are of interest. For example, the data should help to assess how the outcomes of welfare service support contribute to achieving and maintaining satisfying and fulfilling lives at the individual, family and community levels. Outcomes measured by indicators in the other domains may influence our wellbeing. In turn, though, our wellbeing will have an impact on our opportunities and choices in life and, to some extent, determine when and how we might interact with the welfare system. The complexity of these interactions means that the placement of indicators within particular domains can be somewhat arbitrary—that is, some indicators could sit just as easily in one domain as another. The AIHW has focused on coverage and completeness of the indicator set as a whole, and encourages readers to view the indicators on the same basis.

The authors' scoping and review resulted in seven themes being selected for the wellbeing domain in the Australia's welfare indicator framework: material living conditions, work, skills and learning, health and vitality, personal safety, community engagement, and environment. Some themes, such as personal relationships, were not included in the wellbeing domain but are represented by indicators in other domains, such as the determinants domain. Fifteen indicators were identified for the wellbeing domain which, together, can meaningfully, usefully and concisely provide a picture of Australia's wellbeing now and into the future (Table 9.1.2). Including a customised wellbeing domain has allowed the AIHW to select the themes, indicators and data for the Australian context, while drawing on global and scientific experience.

The detailed indicators within each theme and indicator area of the wellbeing domain were selected based on standard indicator criteria of relevance, understandability, ability to be actioned/sensitivity to change, feasibility of measurement, and technical robustness. This resulted in 14 indicators being defined. One indicator, for lifelong learning, could not be defined (see Box 9.1.2). As well as this data gap, several gaps remain within other domains of the indicator framework, as set out in the next section.

Table 9.1.2: Indicators for the wellbeing domain

Theme	Indicator number	Indicator summary form	Context
<b>Material living conditions</b>	1	Purchasing power	Measure of national economic wellbeing reflecting real standard of living
	2	Income inequality	Indicator of inequality in the distribution of income in society which is associated with disparities in both health and wellbeing outcomes.
	3	Adequate housing	Indicator of adequate housing which is essential to meet basic needs for shelter, and is a protective factor for health and childhood development.
<b>Work</b>	4	Employment to population ratio	Indicator reflecting a person's resource base as having a job helps protect the household from poverty, and is a major contributor to personal wellbeing.
	5	Employees working 50 or more hours	Measure of [lack of] work-life balance, which reflects complexity of life and residual resources to engage in social interactions.
<b>Skills and learning</b>	6	Non-school qualification	Measure of higher education level which is associated with better material living conditions, better health and greater civic involvement.
	7	Lifelong learning	Indicator of a society that promotes and provides infrastructure for further learning, which is associated with greater wellbeing.
<b>Health and vitality</b>	8	Disability-free life expectancy	Derived measure combining life expectancy with disability prevalence: better reflects aggregate human capacity than life expectancy.
	9	Life satisfaction	Subjective indicator of wellbeing, reflecting the notion that people are their own best judge of their wellbeing. Counterbalances objective measures.
<b>Personal safety</b>	10	Crime victimisation	Measure of safe environment, which is essential to overall mental and physical wellbeing.
	11	Perceptions of safety in the community	Subjective indicator of personal safety, and associated with confidence and social engagement. Counterbalances objective measure.
<b>Community engagement</b>	12	Level of generalised trust	Indicator of, or proxy for, social capital, which is an important contributor to wellbeing directly, and signals other aspects of social participation.
	13	Voter enrolment	Indicator of take-up of basic human right to have a political voice.
<b>Environment</b>	14	Air quality	Indicator of environmental quality. Poor air quality can have a major impact on health, the environment and the economy and can exacerbate conditions such as asthma and other respiratory disorders.
	15	Greenhouse gas emissions	Indicator of environmental sustainability. Increasing greenhouse gas concentrations have an impact on global temperatures and the earth's climate, with consequences for ecosystems and human settlements.

## What is missing from the picture?

Inevitably, there will be some compromise between the ideal set of indicators and those that are reportable in practice. In the *Australia's welfare* indicator framework, data gaps have been kept to a minimum, and proxy indicators have been selected in some instances. Remaining data gaps are outlined in Table 9.1.3 and further explored below.

Table 9.1.3: Data gaps—*Australia's welfare* indicator framework

Domain: sub-domain	Indicator number	Indicator (summary form)	Context	Comment
<b>Wellbeing: Skills and learning</b>	7	Lifelong learning	Indicator of a society that promotes and provides infrastructure for further learning, which is associated with greater wellbeing.	No indicator defined. See Box 9.1.2.
<b>Determinants: Material resources</b>	18	Housing security	Indicator of the ability to maintain tenancy in housing of a satisfactory standard which contributes directly to wellbeing, and reflects adequate financial resources.	No data; no proxy.
<b>Welfare system performance: Welfare outcomes</b>	38	Safe return home for children in out-of-home care	Measure of long-term outcome for children in out-of-home care. For some of these children, 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.
<b>Welfare system performance: Efficiency; sustainability</b>	43	Cost per service output (by sector)	Cost per unit output is a simple measure of the efficiency of service delivery: the aim is to reduce costs without compromising quality.	Data not reported in 2017 due to interpretation issues around the meaning/ desired direction of trends.
	44	Management expense ratio (by sector)	The administrative costs associated with delivering services are a measure of efficiency—and to some extent, indicate sustainability.	No data are available, as, for most programs, the administrative costs are spread over program components, and not separately reportable. While aggregate measures may be possible to compile, they are not readily available.
<b>Welfare system performance: Coordination</b>	50	No indicators identified		



## Housing security

When considering how to develop an indicator for housing security, areas such as housing tenure (for example, home owners, renters), affordability, homelessness, and housing mobility might be considered (AIHW 2010). Information about housing tenure is presented in Indicator 58, affordability in Indicator 30, and homelessness in Indicators 29, 41 and 49 (see Chapter 9.2 'Indicators of *Australia's welfare*').

An indicator on housing mobility could be considered as a proxy for housing security (AIHW 2010). Existing data show that renters are more than 6 times as likely as home owners (with or without a mortgage) to have moved at least 4 times in the last 5 years, and people in private rental accommodation are 2 times as likely as people living in state/territory housing to have moved at least 4 times in the last 5 years (ABS 2009, 2015b).

While this could provide some useful information, not moving from a residence does not mean that the residence is satisfactory; there could be issues with housing condition, overcrowding (see Indicators 3 and 31 in Chapter 9.2 'Indicators of *Australia's welfare*') or personal safety. More work is needed to define this indicator.

## Safe return home for children in out-of-home care

There are no data currently available to report on this indicator. However, work has been undertaken to facilitate future reporting. The AIHW, in consultation with state and territory departments responsible for child protection, has developed indicator specifications for reporting on the number of children who return home, or for whom alternative permanent care arrangements have been provided. A field test was undertaken as part of the 2015–16 National Child Protection data collection. Data are expected to be reported under the National Standards for Out-of-Home Care, following an assessment of data availability/quality and subject to approval (AIHW 2016).

## Efficiency indicators: Cost per service output, and Management expense ratio by sector

Data for Indicator 43, Cost per service output, were included in *Australia's welfare* 2015 but have not been reported in this report due to interpretation issues. There is lack of clarity around which components are included in the costs (for example, administrative costs, rebates and subsidies) and therefore what the desired direction of change should be.

Management expense ratios aim to measure administrative costs, such as overheads as a proportion of total program costs, and are a measure of efficiency. The Report on Government Services (RoGS) has several efficiency output indicators in its community sector performance indicators: for example, *Administrative expenditure as a proportion of total recurrent expenditure* (in the disability services sector), *Expenditure per head of target population* (aged care services), *Expenditure per placement* and *Cost per child in out of home care* (child protection services). However, each sector has different measures and, within sectors, there are issues to do with comparing data, due to different policies in states and territories.

Both indicators will be reviewed for future editions. Readers are referred to the RoGS website for further information on efficiency output indicators by sector: <http://www.pc.gov.au/research/ongoing/report-on-government-services/2016/community-services>.

## Welfare system performance: coordination

This remains a data gap in the framework, but its importance is highlighted in many sectors. For example, the Victorian Royal Commission into Family Violence highlighted the need for better integration of services, including among the justice sector, health services, homelessness services, victim support services, and others (State of Victoria 2016). More work is needed to define 'coordination' and to explore indicators that might measure this concept. This is challenging but measuring and reporting what is important can often lead to increased efforts being directed toward an area.

## Lifelong learning

An indicator for *Lifelong learning* in the Wellbeing domain could not be defined (see Box 9.1.2 for further discussion). Although no single indicator seems to adequately measure the complex and expansive concept of lifelong learning, readers are directed to the results of various indicators in the *Australia's welfare* framework—such as Non-school qualification (Indicator 6), Year 12 attainment (Indicator 28), Work–life balance (Indicator 5), Volunteering (Indicator 25), and Access to the internet (Indicator 26)—for insight into factors that contribute to and reflect aspects of lifelong learning.

### Box 9.1.2: Lifelong learning

As the term implies, lifelong learning occurs throughout the life course. It is learning that goes beyond traditional schooling or formal study and is flexible, diverse and available in different times at different places. Delors (1996) described four pillars of lifelong learning:

- **Learning to know**—mastering learning tools rather than acquisition of structured knowledge
- **Learning to do**—equipping people for the types of work needed now and in the future, including innovation and adaptation of learning to future work environments
- **Learning to live together, and with others**—peacefully resolving conflict; discovering other people and their cultures; fostering community capability; individual competence and capacity; economic resilience; and social inclusion
- **Learning to be**—education contributing to a person's complete development: mind and body, intelligence, sensitivity, aesthetic appreciation and spirituality.

It is unlikely that any one indicator can capture lifelong learning. Canada uses a measure of progress in this area known as the Composite Learning Index (CLI). The CLI is constructed from 15 indicator areas and 26 specific measures.

#### Canada's Composite Learning Index—pillars and indicator areas

##### Learning to know

Youth literacy skills

High school dropout rate

Participation in post-secondary education

University attainment

##### Learning to live together

Participation in social clubs and organisations

Learning for other cultures

Volunteering

##### Learning to do

Availability of workplace training

Participation in job-related training

##### Learning to be

Exposure to media

Learning through sports

Learning through culture

Access to broadband internet

Access to learning opportunities

Social and economic outcomes

*Source:* Lifelong Learning Council Queensland Inc. 2016.

A similar index, the European Lifelong Learning Indicators (ELLI) Index, is constructed from 17 indicators and 36 specific measures organised under the same four pillars as the CLI. It is used to generate a lifelong learning score for European Union member states (Hoskins et al. 2010).

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## 9.2 Indicators of *Australia's welfare*

The *Australia's welfare* indicator framework aims to summarise the performance of Australia's welfare services, track individual and household determinants of the need for welfare support, and provide insight into the nation's wellbeing status more broadly. The framework brings together an overview of key topics and data presented in *Australia's welfare*, and enables many aspects of welfare to be considered in an objective and holistic way. Box 9.2.1 presents some key findings.

### Box 9.2.1: Key results

- Nearly two-thirds of us rate our overall life satisfaction as high.
- We are living longer without disability—years of life lived without disability have risen by 3.9 years for males and 3.0 years for females since 2003.
- Crime victimisation decreased between 2008–09 and 2015–16 for most types of serious crime, such as physical assault and malicious property damage. Our perceptions of safety have also improved.
- Around 86% of families report good to excellent family cohesion.
- A total of 89% of 20–24-year-olds in 2016 had completed Year 12 or at least a Certificate III, up from 80% in 2005.
- One in 5 men (20%) and 1 in 14 women (7%) in paid employment were working 50 hours or more per week in 2017; however, these rates have dropped from 26% and 8% respectively in 2004.
- The proportion of Indigenous households living in overcrowded conditions fell from 27% in 2004–05 to 21% in 2014–15.
- In 2013–14, 1 in 2 (50%) lower income rental households spent more than 30% of their gross income on housing costs, an 8 percentage point increase from 2005–06.
- While the distribution of income in Australia has shown little change in recent years, income inequality has risen since the mid-1990s as measured by the Gini coefficient.
- While rates have fluctuated over time, there has been an upward trend for youth unemployment rates and the long-term unemployment ratio (long-term unemployment as a proportion of all unemployment) since 2008–2009.
- There were 1.4 million jobless families in Australia in 2016, representing 22% of all families—similar to rates in 2012 (20%).

Chapter 9.1 ‘The *Australia’s welfare* indicator framework’ focused on the concepts underpinning the indicator framework, and the development of its wellbeing domain. This chapter presents the indicator data. The first results for the wellbeing domain and updated results for the other four domains—determinants, welfare services performance, other sectors and context—are reported here. A diagram of the indicator framework depicting its five domains and associated sub domains is included in Chapter 9.1 ‘The *Australia’s welfare* indicator framework’. Table 9.2.1 presents a summary of the status of all indicators.

**Table 9.2.1: Indicator status *Australia’s welfare* 2017**

Indicator status	Number of indicators
Updated since <i>Australia’s welfare</i> 2015	38
First time reportable (Indicator 41: Unmet demand for homelessness services)	1
New indicators (wellbeing)	14
Not able to be updated (Indicator 29: Homelessness rate; Indicator 23: Partner violence)	2
Not reportable <sup>(a)</sup>	6
<b>Total</b>	<b>61</b>

(a) Not reportable: Lifelong learning (Indicator 7), Housing security (18), Safe return home for children in out-of-home care (38), Cost per service output (43), Management expense ratio (44), and Coordination (50).

Information on indicators not reported in 2017 and work in progress to meet the data gaps is provided in Chapter 9.1 ‘*Australia’s welfare* indicator framework’. New in this edition is an assessment of trends for the indicator set (Table 9.2.2), and an explanation of how trends were assessed follows.

Data for some indicators are disaggregated by population subgroups, such as age, sex, Indigenous status, or income quintile. Other indicators are presented as time series. Decisions around how data are presented largely depend on what data are available, the quality of these data, and what will be most informative for the reader. Maintaining consistency of data presentation over time is also a priority.

## Indicator results

Table 9.2.2 provides an overview of all indicators and an assessment of trends. Indicator results are then presented by domain, together with a summary of key results.

### Assessment of trends

Trend data are presented in the figures wherever possible. Where a trend series is not provided, the commentary usually includes a reference to earlier years’ data if this is meaningful.

Where 5 years or more of good-quality trend data are available for at least 3 data points, Table 9.2.2 lists trends as being favourable, unfavourable or unchanged. 'Good quality data' should meet, as far as possible, minimum criteria for accuracy, completeness and comparability (see the AIHW's Metadata Online Registry for more information on data quality: <http://meteor.aihw.gov.au/content/index.phtml/itemId/480742>).

A favourable trend contributes to greater wellbeing and might mean that the indicator is declining (such as homelessness rates). Where there is a longer time series, it is used in the assessment. So, a trend may appear as favourable or unfavourable in the short term, but be given a contrary assessment in the table, based on a longer time series.

Where sufficient data are available, but the trend direction cannot be confidently determined (due to data quality or other issues), an assessment of 'no clear trend' is made. Changes in definitions can be problematic for determining trends. Further, changes in government policies and programs may mean that some comparisons cannot be made with earlier years. If sufficient good-quality trend data are not available, an assessment of 'no data/insufficient data' is made.

**Table 9.2.2: Indicators of Australia's welfare—trend assessment**

Domain/ sub-domain	Indicator number	Indicator	Time period for trend assessment	Trend <sup>(a)</sup>
<b>WELLBEING</b>				
<b>Material living conditions</b>	1	Purchasing power	1987–2016	Favourable
	2	Income inequality	2003–04 to 2013–14	Unfavourable
	3	Adequate housing	2007–08 to 2013–14	No change
<b>Work</b>	4	Employment to population ratio	1997–2017	No clear trend <sup>(b)</sup>
	5	Employees working 50 hours or more	2004–2017	Favourable
<b>Skills and learning</b>	6	Non-school qualification	2009–2016	Favourable
	7	Lifelong learning	..	..
<b>Health and vitality</b>	8	Disability-free life expectancy	2003–2015	Favourable
	9	Life satisfaction	..	No data/ insufficient data
<b>Personal safety</b>	10	Crime victimisation	2008–09 to 2015–16	Favourable <sup>(c)</sup>
	11	Perceptions of safety in the community	2006–2014	Favourable
<b>Community engagement</b>	12	Level of generalised trust	2006–2014	No change
	13	Voter enrolment	2010–2016	Favourable

*continued*

Table 9.2.2 (continued): Indicators of Australia's welfare—trend assessment

Domain/ sub-domain	Indicator number	Indicator	Time period for trend assessment	Trend <sup>(a)</sup>
<b>Environment</b>	14	Air quality	1998–2015	Favourable
	15	Greenhouse gas emissions	2000–2016	Favourable
<b>DETERMINANTS</b>				
<b>Material resources</b>	16	Household income	1994–95 to 2013–14	Favourable
	17	Access to emergency funds	..	No data/ insufficient data
	18	Housing security	..	..
<b>Personal resources</b>	19	Psychological resilience	2001 to 2014–15	No change <sup>(d)</sup>
	20	Self-assessed health status	2004–05 to 2014–15	No change
	21	Functional status	2003–2015	Favourable
<b>Family relationships</b>	22	Family cohesion	..	No data/ insufficient data <sup>(e)</sup>
	23	Partner violence	..	No data/ insufficient data <sup>(f)</sup>
<b>Social engagement</b>	24	Social connectedness	2006–2014	No change
	25	Adults who volunteer	2006–2014	Unfavourable
	26	Internet access	2006–07 to 2014–15	Favourable
<b>Learning potential</b>	27	School readiness	2009–2015	Favourable
	28	Year 12 attainment	2005–2016	Favourable
<b>WELFARE SERVICES PERFORMANCE</b>				
<b>Welfare services outcomes</b>	29	Homelessness	2001–2011	No clear trend
	30	Lower income rental households in housing stress	2005–06 to 2013–14	Unfavourable
	31	Indigenous households living in overcrowded conditions	2004–05 to 2014–15	Favourable
	32	Labour force participation for people with disability	2003–2015	No change
	33	Social participation for people with disability	2003–2015	No change
	34	Jobless families	2005–2016	No change
	35	Long-term unemployment ratio	2004–2017	Unfavourable
	36	Youth unemployment rate	2004–2017	Unfavourable

*continued*



Table 9.2.2 (continued): Indicators of Australia's welfare—trend assessment

Domain/ sub-domain	Indicator number	Indicator	Time period for trend assessment	Trend <sup>(a)</sup>
	37	Older people with care needs supported	2003–2015	Favourable
	38	Safe return home for children in out-of-home care	..	..
<b>Access</b>	39	Waiting times for social housing	..	No data/ insufficient data <sup>(g)</sup>
	40	Difficulty accessing child care	..	No data/ insufficient data <sup>(h)</sup>
	41	Unmet demand for homelessness services	2011–12 to 2015–16	No clear trend <sup>(i)</sup>
<b>Responsiveness</b>	42	Satisfaction with services	..	No data/ insufficient data
<b>Efficiency</b>	43	Cost per service output	..	..
	44	Management expense ratio	..	..
<b>Safety and quality</b>	45	Compliance with service standards	..	No data/ insufficient data
	46	Safety and security of children and young people in out-of-home care	2010–11 to 2015–16	No change
<b>Effectiveness</b>	47	Job seekers off benefits after participation in employment services	..	No data/ insufficient data <sup>(j)</sup>
	48	Young people in detention attending education/training	2011–12 to 2015–16	Favourable
	49	Repeat periods of homelessness	..	No data/ insufficient data <sup>(k)</sup>
<b>Coordination</b>	50	No summary indicators defined	..	..
<b>OTHER SECTORS</b>				
	51	Police operational staffing levels	2009–10 to 2015–16	No change
	52	Access to primary care practitioners	2011–2015	Favourable
	53	Young people not in education, employment or training	2005 to 2016	No clear trend <sup>(l)</sup>
	54	Emergency services response time	..	No data/ insufficient data

*continued*

**Table 9.2.2 (continued): Indicators of Australia’s welfare—trend assessment**

<b>CONTEXT<sup>(m)</sup></b>		
55		Population size and growth
56		Population ageing and dependency ratio
57		Overseas born population
58		Housing tenure
59		Government welfare expenditure
60		Welfare workforce
61		Economic conditions

- (a) Favourable = trend moving in desired direction; Unfavourable = trend moving contrary to desired direction; No change = no movement in the trend; No clear trend = sufficient data are available to assess a trend but the trend cannot be determined with confidence due to potential data quality or confounding issues; No data/insufficient data = trend not assessed due to no trend data being available or insufficient data points over at least 5 years; .. = not applicable.
- (b) Continuing a trend that was evident in the late 1970s, the employment to population ratio has risen for women and fallen for men. Overall, there is little change, with a slightly unfavourable trend for all people over the last 10 years and a slightly favourable trend over the last 20 years.
- (c) The crime victimisation rate is declining for most types of serious personal and household crime.
- (d) Trend is an age-standardised rate for high or very high levels (combined) of psychological distress.
- (e) The family cohesion variable in the Longitudinal Survey of Australian Children is not recommended for trend analysis.
- (f) Partner violence data for 2016 are expected to be available in late 2017.
- (g) Trend data on waiting times for social housing are impacted by state and territory variation in wait list management over time which, together with changes to core systems in 2014–15, impact comparability of data between years.
- (h) Comparison with previous surveys for the variable additional days of child care required in the ABS survey of Childhood education and care is not recommended.
- (i) Interpretation of the trend is difficult due to changes in service delivery models in some jurisdictions.
- (j) Changes in employment programs impact on the comparability of trend data.
- (k) A trend assessment cannot be made due to data quality issues with data prior to 2012–13.
- (l) The trend is favourable for 15–19-year-olds but unfavourable for 20–24-year-olds.
- (m) No trend assessment is made for context indicators.

## Wellbeing domain—indicator results

This domain presents indicators of our national wellbeing, reflecting the breadth and complexity of this concept. Over time, the domain will indicate, it is hoped, our progress towards better lives and greater happiness. The domain will highlight our collective strengths and weaknesses and point to areas for improvement. See Box 9.2.2 for key findings from the wellbeing domain.

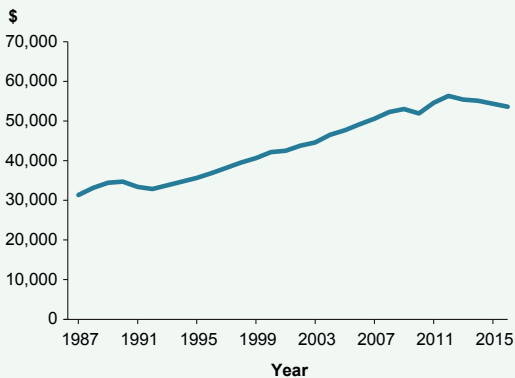
### Box 9.2.2: Key results—wellbeing domain

Results from the initial measurement of wellbeing against the new indicator set show that:

- Real net national disposable income per capita rose steadily over the 30 years to June 2016 but has dropped since 2012.
- While the distribution of income in Australia has shown little change in recent years, income inequality has risen since the mid-1990s as measured by the Gini coefficient.
- Achieving a healthy work–life balance can be difficult: 20% of men and 7% of women in paid employment worked 50 hours or more per week in 2015. The rates have declined from 26% and 8%, respectively, in 2004 but are high compared with rates in some European and Nordic countries.
- Nearly two-thirds of Australians rate their overall satisfaction with life as high. Internationally, in 2016, Australia ranked 9th out of 38 Organisation for Economic Co-operation and Development (OECD) countries on life satisfaction.
- Australians are living longer without disability—years of life lived without disability in 2015 had increased since 2003 by 3.9 years for males, to 63 years, and by 3.0 years for females, to 65.2 years.
- Crime victimisation fell between 2008–09 and 2015–16 for most types of serious crime, such as physical assault and malicious property damage. Rates for malicious property damage more than halved over the period (11.1% down to 4.8%). Sexual assault rates have not changed since 2009.
- Our perceptions of safety have improved, although there are still substantial differences between the sexes. In 2014, 72% of men reported they felt safe walking alone in their local area after dark compared with just 34% of women.
- Education and skill levels have been increasing over time in the population, particularly for women. The proportion of women aged 35–44 with non-school qualifications increased from 61% in 2009 to 73% in 2015.
- Our air quality is relatively high. The concentration of fine particulate matter in Australia's atmosphere is lower than the OECD average and has been dropping gradually over time.
- More than 1 in 4 of us (28%) somewhat or strongly disagree that most people can be trusted.

## Material living conditions: Purchasing power

**Definition:** Real net national disposable income (RNNDI) per capita.



*Note:* Chain volume measures; annual, original series.

*Source:* ABS 2016b.

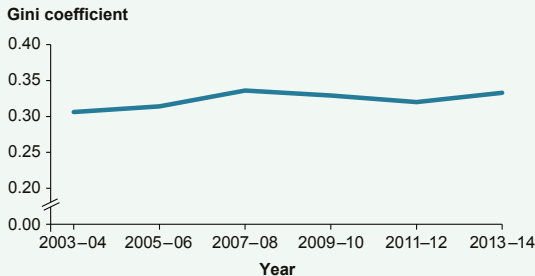
**Indicator 1: Real net national disposable income per capita, June 1987 to June 2016**

- RNNDI per capita rose from \$31,340 in 1987 to \$53,630 per annum in 2016.
- Over the 30 year period, RNNDI grew at 1.9% per annum on average.
- RNNDI peaked at \$56,330 in June 2012 and then dropped by 1.2% per annum on average, returning to 2009 levels.

See also Indicator 61 'Economic conditions'.

## Material living conditions: Income inequality

**Definition:** The Gini coefficient.



*Notes*

1. The Gini coefficient is a summary measure of inequality of income distribution, representing the income distribution of a nation's population. It has a score range between 0 and 1. The closer to 1, the higher the income inequality.
2. Estimates from 2007-08 are not directly comparable with those for prior years.

*Source:* ABS 2015c.

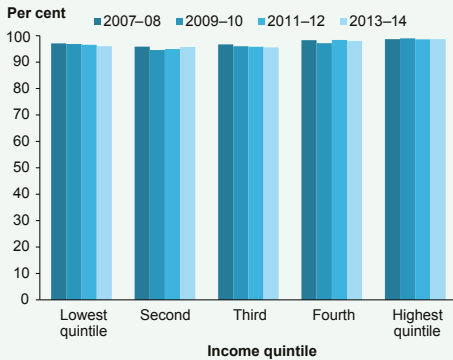
**Indicator 2: Gini coefficient—income, 2003-04 to 2013-14**

- Australia's Gini coefficient fluctuated around 0.32 for the decade to 2013-14. In 2013-14, the coefficient was 0.333, an increase from 0.306 in 2003-04.
- Australia's income distribution appears to have become more unequal since the mid 1990s, reflected in a slight upward trend in the Gini coefficient (Dollman et al 2015).
- OECD data for 2014 show that the Gini coefficient for Australia (0.337) was similar to that of New Zealand (0.333) and lower than that of the United Kingdom (0.358) and the United States (0.394). It was higher than the OECD average (0.318), which was rescribed in late 2016 as being the highest on record since the mid-1980s (OECD 2016).

See also Indicator 16 'Household income'.

## Material living conditions: Adequate housing

**Definition:** Households that do not require extra bedrooms (%)—Housing utilisation (measured using the Canadian Occupancy Standard) by equalised disposable household income.



### Notes

1. Data are for households who either do not require any extra bedrooms or that have at least one bedroom spare.

Source: ABS 2015d.

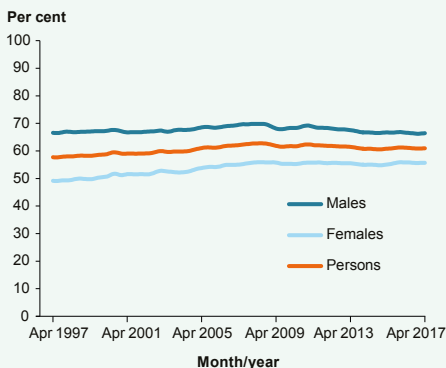
**Indicator 3: Households that do not require extra bedrooms, by equalised disposable household income quintiles, 2007-08 to 2013-14**

- In 2013-14, most households had enough bedrooms. However, households in lower income quintiles were less likely to have enough or spare bedrooms (96% for the first, second and third quintiles; 98% for the fourth quintile; and 99% for the highest income quintile).
- This situation has changed little over the 7 years to 2013-14.
- In 2013-14, renter households were less likely than households that owned or were buying their own home to have enough or spare bedrooms (94% compared with 98%).

More information: Chapter 6.1 'Social housing' and Chapter 6.3 'The changing shape of housing in Australia'.

## Work: Employment to population ratio

**Definition:** The number of employed persons expressed as a percentage of the Australian population aged 15 and over.



*Note:* Trend is a smoothed, seasonally adjusted series of estimates. Denominator is the population aged 15 years and over and includes the employed, unemployed and people not in the labour force.

Source: ABS 2017b.

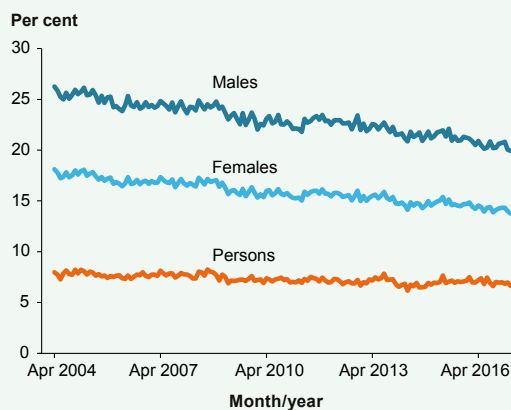
**Indicator 4: Employment to population ratio, Australia, 1997 to 2017**

- Over the last 20 years, the percentage of the Australian population that is employed has risen slightly, from 58% to 61%.
- The employment to population ratio has changed little for men, at 67%. By contrast, it rose for women from 49% to nearly 56% between 1997 and 2017.
- The ratio peaked at 63% in mid-2008. The highest rate for men was 70% and for women, 56%, both recorded in 2008.
- The employment to population ratio is a high-level summary measure. It does not reflect hours worked, types of employment, employment preferences, or job security.

More information: Chapter 4.2 'Key employment trends'.

## Work: Employees working 50 hours or more

**Definition:** Hours usually worked—proportion of employees working 50 or more hours per week, people aged 15 and over.



*Note:* Employed persons who usually worked 50 hours or more in all jobs.

*Source:* ABS 2017d.

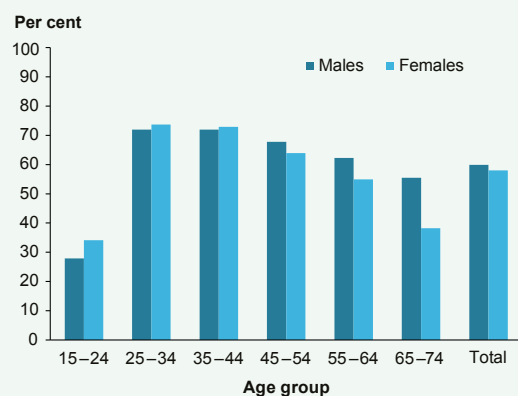
**Indicator 5: Employed people 15 years and over working 50 hours or more per week, 2004 to 2017**

- Working 50 hours or more per week may affect wellbeing. So, too, can underemployment and a mismatch between desired and actual hours worked.
- About 14% of the population were working 50 hours or more per week in April 2017. One in 5 (20%) males and 1 in 14 (7%) females were working these hours.
- The rates have decreased over time, from 26% for males and 8% for females in January 2004.
- OECD data show that Australia has one of the highest rates for this indicator. It is similar to the rates for New Zealand and the United Kingdom, but lower than Japan. Rates are much lower in many European and Nordic countries, and in Canada (OECD 2017b).

More information: Chapter 4.1 'The changing nature of work and worker wellbeing'.

## Skills and learning: Non-school qualification

**Definition:** The proportion of people aged 15–74 with non-school qualifications.



*Source:* ABS 2016d.

**Indicator 6: People aged 15–74 with a non-school qualification, by age group and sex**

- In 2016, 59% of the Australian population aged 15–74 held a non-school qualification, such as a university degree or vocational education certificate.
- The percentage was slightly higher for males (60%) than females (58%).
- Education levels have been rising gradually over time in the population. Between 2009 and 2016, for example, the proportion of the population aged 15–74 with non-school qualifications increased by 3.9 percentage points.
- The gains have been more marked for females. The largest differences over time were for females aged 35–44, 12 percentage points, from 61% in 2009 to 73% in 2016.

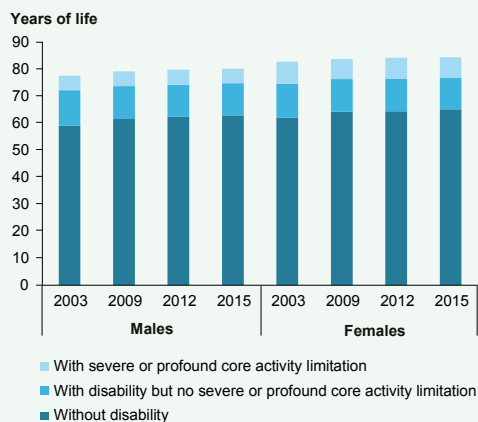
More information: Chapter 3.4 'Tertiary education'.

## Skills and learning

**Indicator 7:** Lifelong learning—no indicator defined. See Chapter 9.1 'The Australia's welfare indicator framework', Box 9.1.2 for more information.

## Health and vitality: Disability-free life expectancy

**Definition:** Disability-free life expectancy at birth.



Source: AIHW 2017.

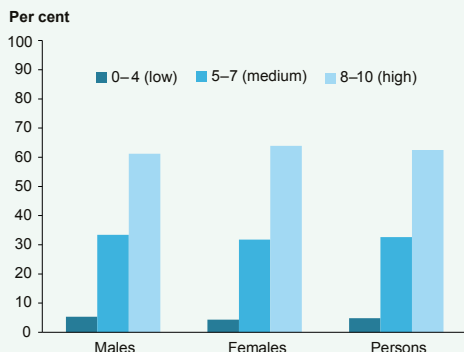
**Indicator 8:** Expected years of life at birth, by sex, 2003, 2009, 2012, 2015

- A boy born in 2015 can expect to live, on average, 80.4 years and a girl, 84.5 years. This is 2.6 and 1.7 extra years for males and females, respectively, compared with 2003.
- On average, boys born in 2015 can expect to live about 63 years without disability, 11.9 years with disability (but no severe or profound core activity limitation), and a further 5.4 years with severe or profound core activity limitation.
- The equivalent figures for girls born in 2015 are 65.2, 11.8 and 7.5 years.
- Years of life lived without disability have increased by about 2% for both males and females since 2003 (3.9 years for males and 3.0 years for females).

More information: Chapter 8.1 'People with disability'.

## Health and vitality: Life satisfaction

**Definition:** Overall life satisfaction scores for people aged 15 and over (%).



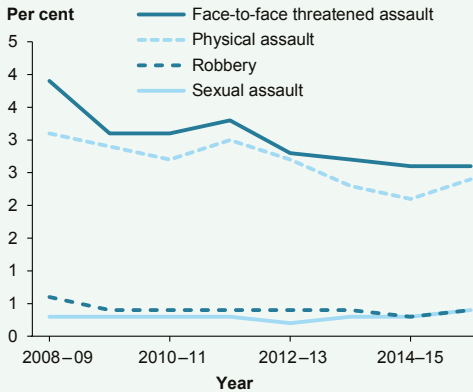
Source: ABS 2015b.

**Indicator 9:** Overall life satisfaction score in score ranges, people aged 15 and over, by sex, 2014

- In 2014, similar proportions of males and females rated their overall life satisfaction as low (5.3% and 4.3%, respectively); medium (33% and 32%) or high (61% and 64%).
- The average life satisfaction score on a scale of 0 to 10 was 7.6.
- People aged 75 and over were more likely to rate their life satisfaction as high (72%) than people aged 15–24 (63%).
- In 2016, Australia ranked ninth out of 35 countries on this measure, and higher than the OECD average. Australia's average score changed little over 2013–2016 (OECD 2017a).

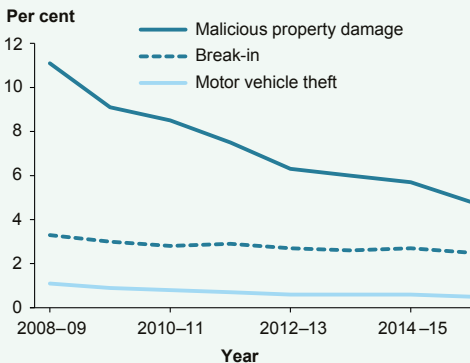
## Personal safety: Crime victimisation

**Definition:** Rate (%) who experienced selected personal and household crime in the last 12 months, people aged 15 and over.



Source: ABS 2017a.

### Indicator 10a: Victimisation rate, selected personal crimes, 2008-09 to 2015-16



Source: ABS 2017a.

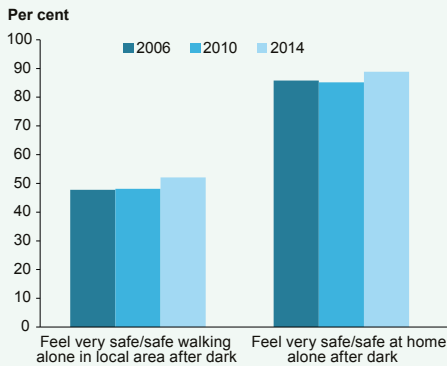
### Indicator 10b: Victimisation rate, selected household crimes, 2008-09 to 2015-16

- Household and personal crime victimisation rates generally fell between 2008-09 and 2015-16. However, the sexual assault rate did not, remaining stable over the period (0.3%).
- Rates for malicious property damage more than halved over the period (11.1% down to 4.8%).
- Data from the ABS General Social Survey also show a drop in crime victimisation rates. In the 12 months leading up to the survey, rates fell from 11% in 2006 to 8.0% in 2014 for threatened or actual physical violence, and from 9.4% in 2006 to 7.1% in 2014 for attempted or actual break-in (ABS 2015b).



## Personal safety: Perceptions of safety in the community

**Definition:** The proportion of adults who report feeling very safe or safe walking alone after dark/alone at home after dark.



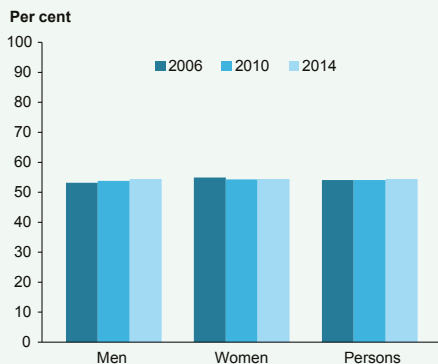
Source: ABS 2015b.

**Indicator 11: Adults who report feeling very safe or safe walking alone after dark/being alone at home after dark, 2006, 2010 and 2014**

- Perhaps reflecting the results for Indicator 10, adults reported feeling safer in their community in 2014 than in earlier years. More than half (52%) reported feeling very safe or safe walking alone in their local area after dark, compared with 48% in 2006.
- Similarly, the rates for feeling very safe or safe at home alone after dark also improved, from 86% in 2006 to 89% in 2014.
- While improvements were seen for both sexes, men feel much safer in their community than women. In 2014, 72% of men reported that they felt safe walking alone in their local area after dark compared with just 34% of women.

## Community engagement: Level of generalised trust

**Definition:** Proportion of adults who somewhat agree or strongly agree that most people can be trusted.



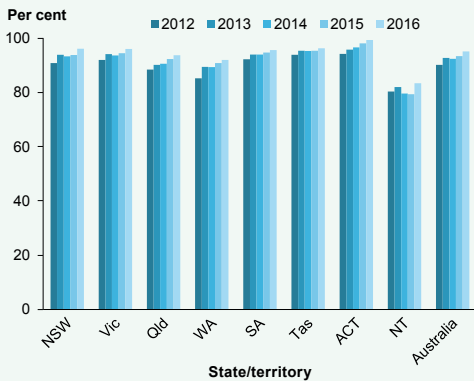
Source: ABS 2015b.

**Indicator 12: Adults who somewhat agree or strongly agree that most people can be trusted, by sex, 2006, 2010 and 2014**

- Levels of generalised trust did not change between 2006 and 2014, with about 54% of adults strongly agreeing or somewhat agreeing that most people could be trusted.
- Rates were similar for men and women.
- More than one-quarter (28%) of adults in 2014 somewhat or strongly disagreed that most people could be trusted.

## Community engagement: Voter enrolment

**Definition:** Proportion of eligible Australian adults enrolled to vote.



Note: As at 30 June each year.

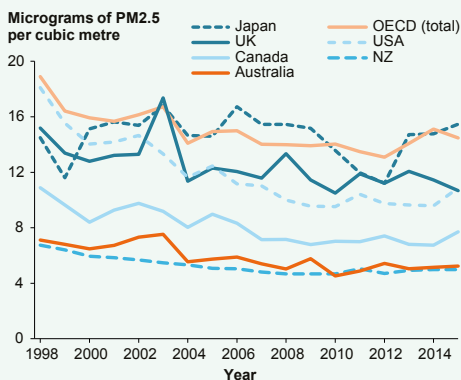
Source: AEC 2017.

### Indicator 13: Eligible Australian adults enrolled to vote, by state and territory, 2012 to 2016

- The proportion of eligible Australians aged 18 and over who are enrolled to vote has risen since 2012, from 91% to 95% in 2016.
- The increase was seen in all jurisdictions, with the ACT having the highest enrolled population (99%) and the NT the lowest (84%) in 2016.
- Federal elections in 2013 and 2016 may explain higher rates of increase in those years.
- As at 31 December 2016, more than 800,000 eligible Australian citizens were not on the electoral roll.
- Nationally, the proportion of adults enrolled to vote is higher for women (51%) than men (49%).

## Environment: Air quality

**Definition:** Mean population exposure to PM2.5 micrograms per cubic metre.



Notes

1. PM2.5 is fine particulate matter that is less than 2.5 microns in diameter. The major components of particulate matter are sulphate, nitrates, ammonia, sodium chloride, black carbon, mineral dust and water.
2. The underlying PM2.5 concentrations estimates have been derived using satellite observations and chemical transport models, calibrated against ground-based measurements.

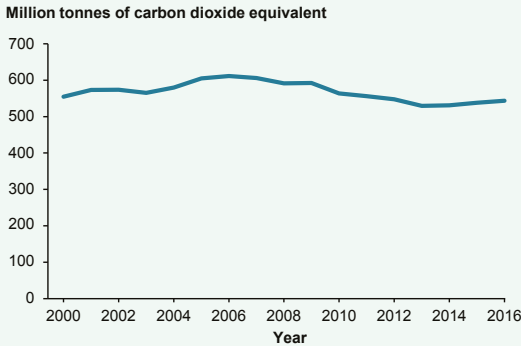
Source: OECD 2017b.

### Indicator 14: Micrograms of PM2.5 per cubic metre, 1998 to 2015

- Australia has comparatively good air quality compared with selected OECD countries and the OECD as a whole.
- Australia's concentration of PM2.5 per cubic metre in 2015 (5.2 micrograms) was about one third that of the OECD average (15 micrograms).
- While there have been some fluctuations, the concentration of PM2.5 has dropped in Australia since 1998, from 7.1 to 5.2 micrograms of PM2.5 per cubic metre in 2015.
- All Australia's capital cities have very good air quality, based on assessment of PM2.5, according to findings of the State of the Environment 2016 report (Department of the Environment and Energy 2017a).

## Environment: Greenhouse gas emissions

**Definition:** Greenhouse gas emissions—million tonnes of carbon dioxide equivalent (Mt CO<sub>2</sub>-e).



### Notes

1. National inventory total (including the land sector).
2. Estimates are based on the Kyoto Protocol classification system (Cancun Agreement quantified economy-wide emission reduction target (QEERT)) and are used to track progress towards Australia's 2020 emission reduction target. See also Department of the Environment and Energy 2017b.

Source: Department of the Environment and Energy 2017b.

**Indicator 15: Greenhouse gas emissions, million tonnes of carbon dioxide equivalent, 2000 to 2016**

- Australia's greenhouse gas emissions have dropped by 2% since 2000 to 543.3 million tonnes (Mt) of carbon dioxide equivalent (CO<sub>2</sub>-e) in the year to December 2016.
- In the year to December 2016, the energy sector contributed most emissions (79%), followed by agriculture (13%), industrial processes and product use (6%), and waste (2%) (Department of the Environment and Energy 2017b).
- Australia's emissions per capita and per dollar of gross domestic product (GDP) have declined over the last 27 years, reducing by 24% and 39% respectively since 2000 (Department of the Environment and Energy 2017b).

## Determinants domain—indicator results

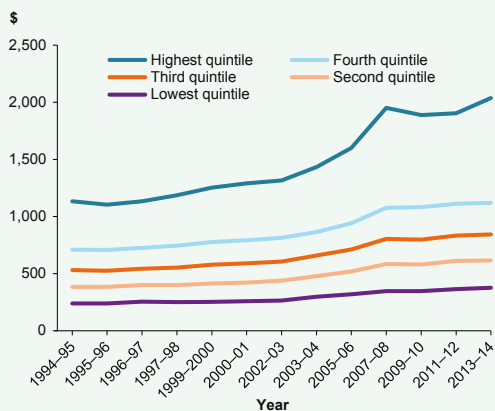
The determinants domain focuses on those factors that influence health and welfare and, potentially, demand for welfare services; that is, they can be risk factors for needing welfare support. The determinants indicators are closely related to the wellbeing indicators. See Box 9.2.3 for key findings from the determinants domain.

### Box 9.2.3: Key results—determinants domain

- The prevalence of disability has decreased for all types of disability, from 20% in 2003 to 17% in 2015, as well as for disability with severe and profound core limitation (from 6.2% to 5.4%) (age standardised rates).
- In terms of social connectedness, 95% of the adult population could get support in times of crisis, and 85% could get access to emergency funds in a hurry.
- About one-third of people living in the lowest income households reported they could not get access to emergency funds quickly compared with 2% of people living in the highest income households.
- Around 86% of families report good to excellent family cohesion.
- In 2016, 89% of 20–24-year-olds had completed Year 12 or Certificate III, up from 80% in 2005, and 85% in 2012.
- Household internet access has been increasing over time, and is now at about 86%.
- One in 5 children were developmentally vulnerable on one or more domains in 2015. There is improvement for Indigenous children but the rates are still twice as high as for non-Indigenous children.
- A gradient towards increased disadvantage with increasing remoteness persists. Completion rates for Year 12 decline with increasing remoteness, as does internet access.

## Material resources: Household income

**Definition:** Average weekly household income adjusted for the number of household members.



*Note:* Intervals between surveys have varied over time so trends should be interpreted with caution. From 2005-06, the survey of income and housing was run every 2 years. Prior to that, it was generally run every 2 years.

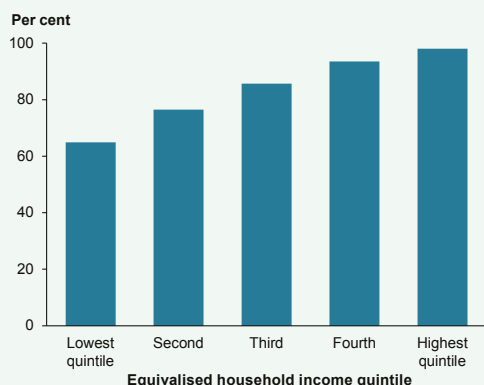
*Source:* ABS 2016e.

**Indicator 16: Equivalised weekly household income, by income quintile, 1994-95 to 2013-14 (constant 2013-14 dollars)**

- Equivalised weekly household income has risen for every quintile since 1994-95.
- The highest quintile had the highest growth of 80%, from 1994-95 to 2013-14.
- The growth rates for all other quintiles showed similar trends over the same period; however, since 2003-04, the gap has widened somewhat between each quintile level.
- The difference between the highest quintile and the lowest quintile nearly doubled between 1994-95 and 2013-14.

## Material resources: Access to emergency funds

**Definition:** The proportion of people aged 18 and over able to raise \$2,000 in a week for something important.



*Source:* AIHW analysis of ABS 2014-15 National Health Survey (TableBuilder).

**Indicator 17: Ability to raise \$2,000 in a week for something important, people aged 18 and over, by equivalised household income quintile, 2014-15**

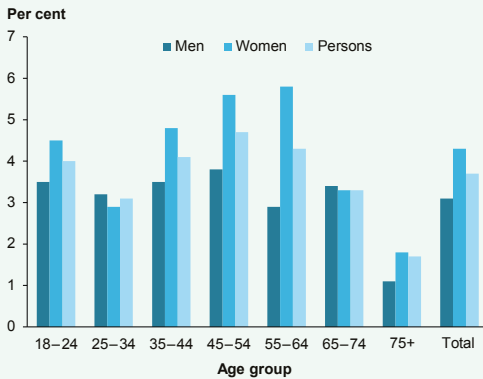
- Based on questions asked in the ABS 2014-15 National Health Survey, 85% of people aged 18 and over could raise \$2,000 in a week for something important.
- In contrast, lower income households reportedly had more difficulty in raising emergency funds at short notice. About one-third (35%) of people living in the lowest income households reported they could not do so. This compares with just 2% of people living in the highest income households.
- Similar results were reported for 2011-12. This suggests that the level of financial vulnerability for low-income households has not changed substantially in 4 years.

## Material resources: Housing security

**Indicator 18:** No indicator defined. See Chapter 9.1 'The *Australia's welfare* indicator framework' for more information.

## 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).



*Note:* 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.

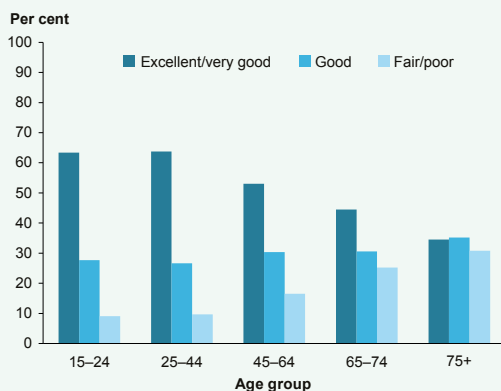
*Source:* AIHW analysis of ABS 2015e.

**Indicator 19: Adults with very high levels of psychological distress, by age group and sex, 2014-15**

- In 2014-15, 3.7% of adults had very high levels of psychological distress.
- Women (4.3%) were more likely than men (3.1%) to have very high levels of psychological distress, with women aged 55-64 having the highest rate (5.8%).
- Age-standardised rates of high or very high levels of psychological distress (combined) have not changed significantly between 2001 (13%) and 2014-15 (12%).
- Rates of high or very high psychological distress were more than twice as high for adults living in low socioeconomic areas (18%) than for adults in high socioeconomic areas (7%) (ABS 2015f).

## Personal resources: Health status (self-assessed)

**Definition:** The proportion of people aged 15 and over who self-assess their health as excellent or very good.



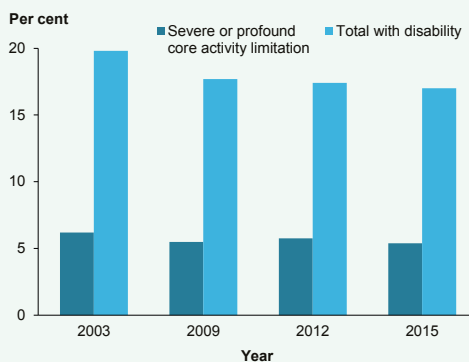
*Source:* ABS 2015e.

**Indicator 20: Self-assessed health status, by age group, 2014-15**

- In 2014-15, 56% of Australians aged 15 or over described their health as excellent or very good.
- Younger people were more likely than older people to rate their health as excellent or very good—63% of people aged 15-24 compared with 35% of people aged 75 or over.
- The proportion of people who described their health status as excellent or very good in 2014-15 was similar to the rate in 2004-05.
- Self-assessed health status was slightly higher for females (58%) than males (55%).

## Personal resources: Functional status

**Definition:** [Proxy used] Disability prevalence rate (expressed as age-standardised rate).



### Notes

1. Rates have been directly age-standardised to the Australian population as at 30 June 2001.
2. The change between the 2003 and 2009 surveys, being a six year period, should be compared with caution with change between the later surveys run at 3 year intervals.

Source: ABS 2016c.

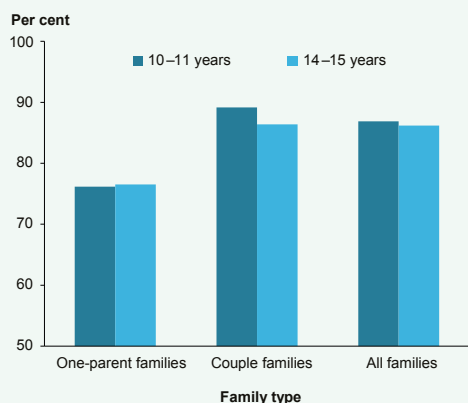
**Indicator 21: Age-standardised prevalence of severe or profound core activity limitation, and all with disability, 2003, 2009, 2012 and 2015**

- After adjusting for age structure changes, the proportion of people with disability fell from 20% in 2003 to 17% in 2015.
- Over the same period, the proportion of people with severe or profound core activity limitation also fell, from 6.2% to 5.4%.
- Total disability prevalence was the same for males and females (17%). For people with severe or profound core activity limitation, the rates were 5.2% for males and 5.6% for females.

More information: Chapter 8.1 'People with disability'.

## Family relationships: Family cohesion

**Definition:** The proportion of families with children aged 10–11 and 14–15 who reported 'good', 'very good' or 'excellent' family cohesion.



*Note:* Family cohesion is a measure of family functioning and is defined in the Longitudinal Study of Australian Children as the ability of family members to get along with one another. The primary carer answers the relevant survey question on behalf of the family.

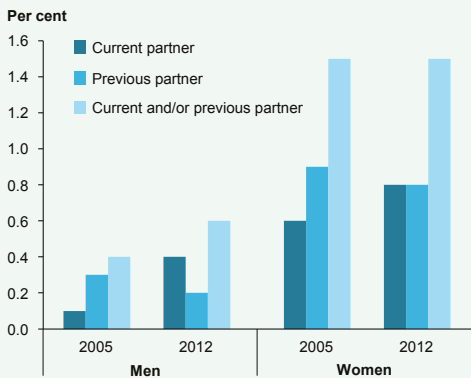
Source: AIHW analysis of DSS, AIFS & ABS 2016.

**Indicator 22: Families with good, very good or excellent family cohesion, families with children aged 10–11 and 14–15, by family type, 2014–15**

- According to *Growing up in Australia: The Longitudinal Study of Australian Children* (Wave 6), family cohesion was 'good', 'very good' or 'excellent' in the majority of families with children of both age groups—87% for families with children aged 10–11 and 86% for families with children aged 14–15.
- These results are very similar to those reported for 2012–13.
- A higher proportion of couple families than one parent families reported high levels of family cohesion (89% versus 76% for families with children aged 10–11 and 86% versus 77% for families with children aged 14–15).

## Family relationships: Partner violence

**Definition:** The proportion of people who experienced any incident of sexual assault, sexual threat, physical assault or physical threat by a current and/or previous partner in the previous 12 months.



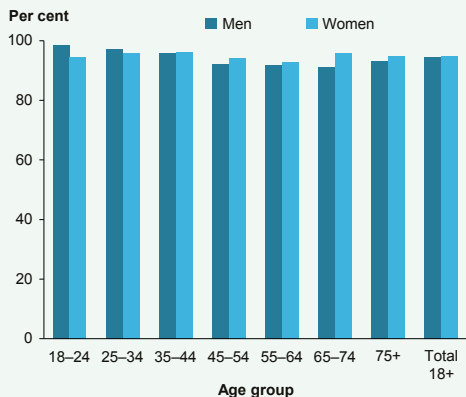
Source: ABS 2013a.

**Indicator 23: Experience of partner violence in previous 12 months, by partner status and sex, 2005 and 2012**

- Women are more likely than men to have experienced partner violence: in 2012, an estimated 1.5% of women and 0.6% of men aged 18 and over had experienced violence by a current and/or previous partner in the 12 months before the survey.
  - Despite appearances, there were no statistically significant changes between 2005 and 2012 in the proportion who reported experiencing partner violence in the 12 months before the survey, for either men or women.
  - Partner violence data for 2016 are expected to be available in late 2017.
- More information: Chapter 2.7 'Family, domestic and sexual violence'.

## Social engagement: Social connectedness

**Definition:** The proportion of adults who could get support in a time of crisis from people living outside the household.



Source: AIHW analysis of ABS 2014 General Social Survey confidentialised unit record file.

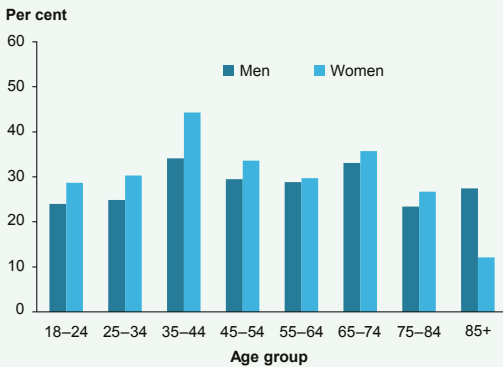
**Indicator 24: People who could get support in a time of crisis from outside the household, by age group and sex, 2014**

- In 2014, 95% of people aged 18 and over indicated that they could get support in a time of crisis from people living outside their own household.
- Women aged 35 and over were slightly more likely than men to be able to get support; the opposite was true for people aged 18-34.
- Family members were the most commonly reported source of support (for 79% of adults), followed by friends (66%) and work colleagues (23%).
- The overall proportion of people able to get support outside the household has stayed much the same, at 93% in 2006 and 95% in 2014.



## Social engagement: Adults who volunteer

**Definition:** The proportion of people who performed voluntary work at least once in the year.



*Note:* Voluntary work is unpaid help, willingly provided to an organisation or group.

*Source:* AIHW analysis of ABS 2015b.

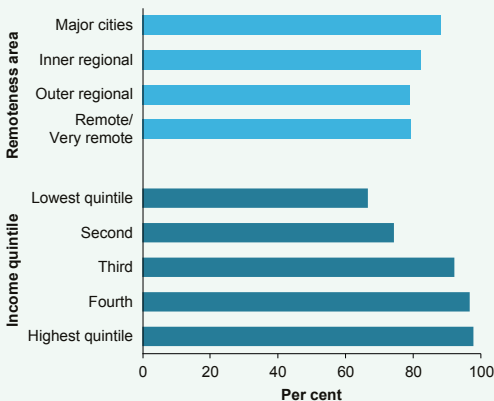
### Indicator 25: Adults who volunteer, by age group and sex, 2014

- In 2014, about 5.4 million people aged 18 and over (31% of adults) worked voluntarily for an organisation in the previous 12 months.
- This rate has declined since 2010 (36%) and is lower than in 2006 (34%).
- There were slightly more female than male volunteers (33% and 29%, respectively). Rates were higher for women than men in every age group, except for people aged 85 and over (27% males and 12% females).
- The proportion of people who did voluntary work was highest among people aged 35–44 (39%). Rates for men and women were also highest in this age group (34% and 44%, respectively).

More information: Chapter 4.4 'Working for free—volunteers in Australia'.

## Social engagement: Internet access

**Definition:** [Household access is used as a proxy for personal access.] The proportion of households that have internet access at home.



*Note:* Estimates presented for 2014–15 are not directly comparable with estimates for previous surveys which allowed the identification of the type of internet connection.

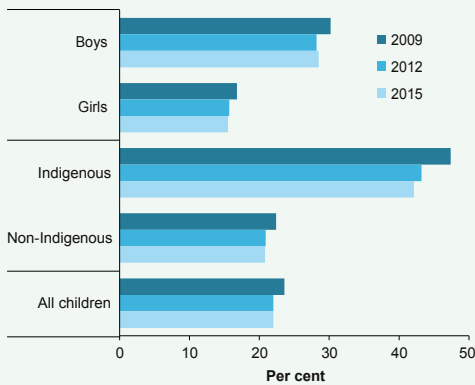
*Source:* ABS 2016f.

### Indicator 26: Households with internet access at home, by remoteness area and by equivalised disposable household income, 2014–15

- Nearly 86% of Australian households had internet access at home in 2014–15, up from 67% in 2007–08.
- Access was higher in *Major cities* (88%) and *Inner regional areas* (82%) than in the more remote parts of Australia (79% for both *Outer regional* and *Remote/Very remote areas*).
- Internet access at home has generally increased for all Australians. However there is still a sharp gradient in access across household income levels. It ranges from 67% among households in the lowest equivalised disposable income quintile to 98% among households in the highest quintile.

## Learning potential: School readiness

**Definition:** The proportion of children developmentally vulnerable on one or more domains of the Australian Early Development Census (AEDC).



Source: DET 2016.

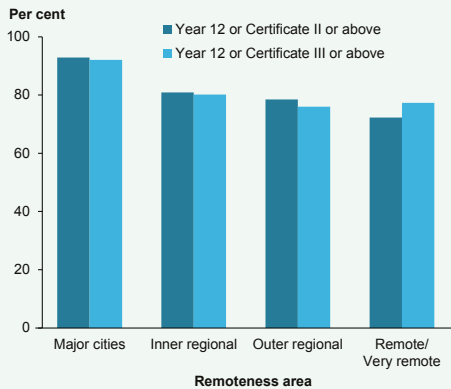
**Indicator 27: Children developmentally vulnerable on one or more domains of the AEDC, by sex and Indigenous status, 2009, 2012 and 2015**

- In 2015, about 1 in 5 (22%) children were developmentally vulnerable on one or more domains. This was the same as in 2012 and a small improvement on 2009 (24%).
- Boys were almost twice as likely to be developmentally vulnerable on this measure (around 29%) as girls (around 16%).
- Indigenous children were twice as likely to be developmentally vulnerable on one or more domains as non-Indigenous children (around 42% compared with around 21%, respectively).
- The rate of developmental vulnerability of Indigenous children has fallen, from 47% in 2009 to 42% in 2015.

More information: Chapter 2.2 'Transition to primary school' and Chapter 7.4 'Closing the gap in education'.

## Learning potential: Year 12 attainment

**Definition:** The proportion of young people aged 20–24 who have completed Year 12 or gained a qualification at the Australian Qualifications Framework Certificate II/III or above.



Source: ABS 2016d.

**Indicator 28: Completion of Year 12 or Certificate II/III or above, people aged 20–24, by remoteness area, 2016**

- In 2016, 90% of people aged 20–24 had completed Year 12 or Certificate II or above, and 89% had completed Year 12 or Certificate III or above. These percentages were up from 81% and 80% in 2005, and 86% and 85% in 2012, respectively.
- Completion rates were higher for women than for men—92% compared with 89% for attainment of Year 12 or Certificate II or above and 90% compared with 87% for attainment of Year 12 or Certificate III or above.
- Completion rates decreased with increasing remoteness, from 93% and 92% in *Major cities* for attainment of Year 12 or Certificate II or above, and Year 12 or Certificate III or above, to 72% and 77% in *Remote/Very remote* areas.

More information: Chapter 3.2 'School retention and completion' and Chapter 7.4 'Closing the gap in education'.

## Welfare services performance domain—indicator results

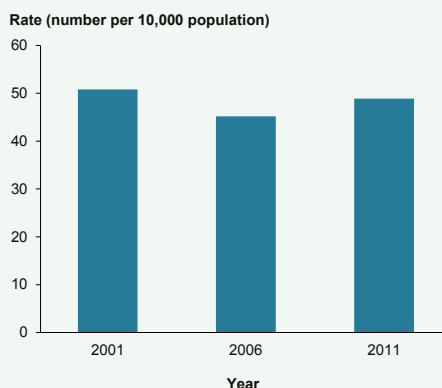
A role of welfare payments and services is to provide a 'safety net' for people who experience disadvantage on a short- or long-term basis. This domain reports on the extent to which the major services, supports, payments and interventions contribute to providing an adequate level of support and achieving better welfare outcomes for Australians. The pathways between welfare support and long-term outcomes are not direct; therefore, these indicators can provide only high-level insights about likely impacts on individuals. See Box 9.2.4 for key findings from the determinants domain.

### Box 9.2.4: Key results—welfare services performance

- In 2015, most people (94%) aged 15–64 with disability had participated in social activities away from home in the last 3 months. The majority of people with disability aged 65 and over reported that their needs were fully met (67%) in 2015.
- More than 98% of young people in youth justice detention were in education and/or training. The level of school-aged attendance for this population group increased over the period from 2010–11 to 2014–15.
- The proportion of Indigenous households living in overcrowded conditions dropped from 27% in 2004–05 to 21% in 2014–15, with improvements seen across all remoteness areas.
- Satisfaction with particular services ranged from 67% for clients of Centrelink to 80% for community housing clients.
- After a period of improving rates between 2004 and 2008, there has been an upward trend for the male and female long-term and youth unemployment rates from late 2008/early 2009.
- There were 1.4 million jobless families in Australia in 2016, representing 22% of families. Over half a million children aged under 15 (13% of all children in this age group) were living in jobless families.
- One in 2 (50%) lower income rental households were spending more than 30% of their income on housing in 2013–14, with this figure rising since 2005–06 (42%).

## Welfare services outcomes: Homelessness

**Definition:** The number of homeless people per 10,000 population.



Source: ABS 2012.

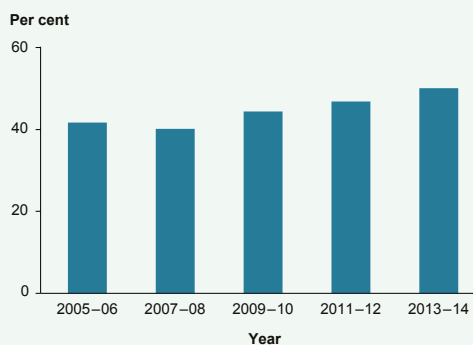
**Indicator 29: Homelessness rate, number per 10,000 population, 2001, 2006 and 2011**

- In 2011, the homelessness rate was 49 people per 10,000 population as enumerated in the Census.
- The 2011 rate increased by 8% from 45 per 10,000 in 2006, but decreased from 51 per 10,000 in 2001.
- The increase between 2006 and 2011 was due to the increase in people considered to be living in severely overcrowded conditions.
- Specialist Homelessness Services (SHS) client numbers have increased, from 236,429 clients in 2011–12 to 279,196 in 2015–16. Nearly half (47%) of these clients in 2015–16 had sought assistance during the previous 4 years.
- The number of SHS clients who were homeless on presenting to an SHS agency increased from 70,580 (41%) in 2011–12 to 108,570 (44%) in 2015–16 (AIHW 2016a).

More information: Chapter 6.2 'Homelessness'.

## Welfare services outcomes: Lower income rental households in housing stress

**Definition:** The proportion of lower income rental households in housing stress (spending more than 30% of their gross income on housing costs).



Notes

1. Lower income households have 38% of people with equivalised disposable household income (EDHI) between the 3rd and 40th percentiles of EDHI.
2. Excludes households with nil or negative total income.
3. Excludes lower income 'owners without a mortgage' and 'owners with a mortgage'.

Source: ABS 2015d.

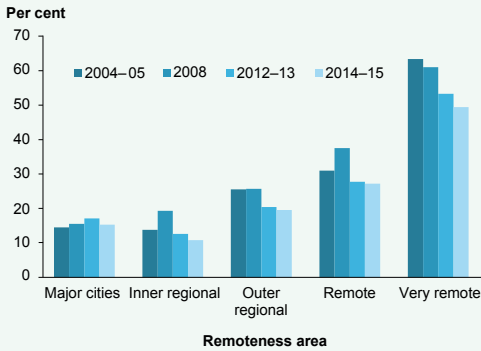
**Indicator 30: Proportion of lower income rental households spending more than 30% of their gross income on housing costs, 2005-06 to 2013-14**

- In 2013–14, 1 in 2 (50%) lower income rental households spent more than 30% of their gross income on housing costs. This is an 8 percentage point rise from 42% in 2005–06.
- The proportion of lower income rental households in housing stress rose steadily between 2007–08 and 2013–14.
- For lower income households renting privately, the proportion in housing stress continued to rise, from 54% in 2011–12 to 62% in 2013–14.

More information: Chapter 6.3 'The changing shape of housing in Australia'.

## Welfare services outcomes: Indigenous households living in overcrowded conditions

**Definition:** The proportion of Indigenous households that require one or more extra bedroom(s) to accommodate usual residents, based on the Canadian National Occupancy Standard.



Note: See Glossary for 'overcrowding'.

Source: SCRGSP 2016.

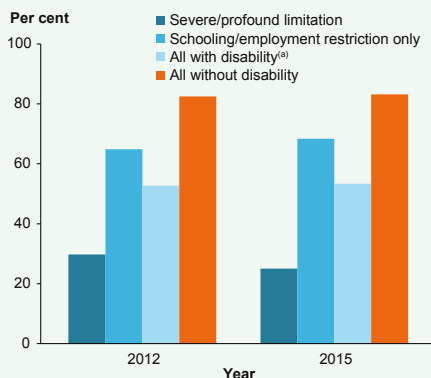
**Indicator 31: Overcrowding in Indigenous households, by remoteness area, 2004-05, 2008, 2012-13 and 2014-15**

- Between 2004-05 and 2014-15, the proportion of Indigenous households living in overcrowded conditions dropped from 27% to 21%.
- Improvements were seen across each of the remoteness areas, with the greatest change in *Very remote* areas.
- However, a three-fold difference remains in the rate of overcrowding in *Very remote* areas (49% in 2014-15) compared with *Major cities* (15%).

More information: Chapter 7.1 'Community factors and Indigenous wellbeing'.

## Welfare service outcomes: Labour force participation for people with disability

**Definition:** The proportion of people aged 15-64 who are working or looking for work, by disability status.



(a) Includes people with severe/profound limitation and schooling/employment restrictions.

Sources: AIHW analyses of ABS 2012 and 2015 Surveys of Disability, Ageing and Carers.

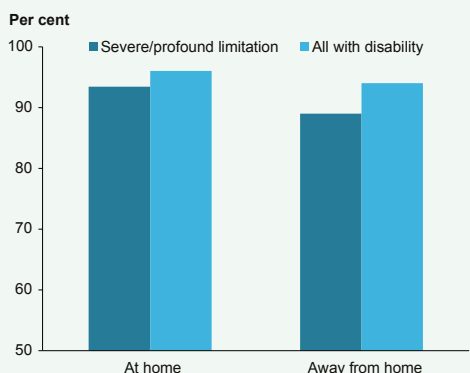
**Indicator 32: Labour force participation for people aged 15-64, by disability status, 2012 and 2015**

- In 2015, labour force participation was lower for people with disability and severe or profound limitation (25%) than for people with schooling or employment restriction only (68%), or for all people with disability (53%) and people without disability (83%).
- Participation declined slightly for people with severe or profound limitation from 30% in both 2003 and 2012 to 25% in 2015.
- Participation remained steady for people without disability in 2015. However, it rose for people with disability and schooling or employment restriction(s) only (65% in 2012), returning to its 2003 level (68%).

More information: Chapter 8.2 'Participation in society by people with disability'.

## Welfare services outcomes: Social participation for people with disability

**Definition:** The proportion of people aged 15–64 with disability living in households who engaged in social activities at home or away from home in the last 3 months.



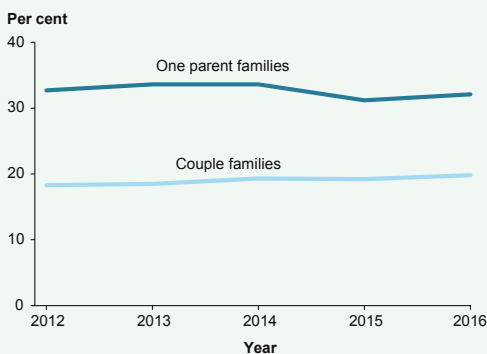
Source: AIHW analysis of ABS 2016c.

**Indicator 33: Participation in social activities, people aged 15–64 with disability, by disability severity, 2015**

- In 2015, most people (94%) aged 15–64 with disability had participated in social activities away from home in the last 3 months.
  - The proportion was slightly lower for people with disability and severe or profound limitation (89%).
  - The difference was less marked for participation in social activities at home (93% for people with severe or profound limitation, and 96% for all people with disability).
  - These rates have changed little since 2003.
- More information: Chapter 8.2 'Participation in society by people with disability'.

## Welfare service outcomes: Jobless families

**Definition:** The proportion of households where no-one in the family aged 15 and over is employed, including dependants.



Note: A jobless family is a family where no person usually resident in the family (including dependants) is employed.

Source: ABS 2017c.

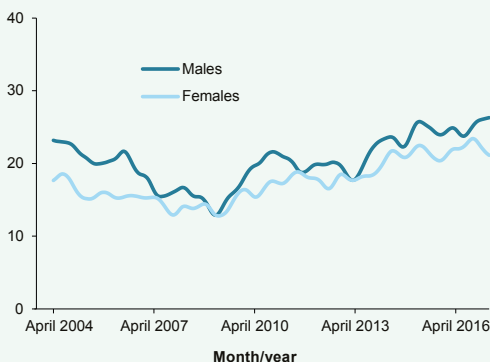
**Indicator 34: Jobless families, by family type, 2012 to 2016**

- In June 2016, there were 1.4 million jobless families in Australia (22% of all families).
- Of these, around 1.1 million were couple families and around 304,400 were one parent families.
- Eleven percent (127,600) of jobless couple families and 70% (213,900) of jobless one parent families had dependants.
- There were 580,000 children aged 0–14 living in jobless families (13% of all children aged 0–14). This proportion has changed little since 2012.

## Welfare services outcomes: Long-term unemployment ratio

**Definition:** The number of long-term unemployed persons (unemployed for 52 weeks or more) expressed as a percentage of the total unemployed population aged 15 and over.

Per cent of total unemployed



*Note:* Figure presents ABS 'trend' series, which is a smoothed seasonally adjusted series of estimates.

*Source:* ABS 2017d.

**Indicator 35: Long-term unemployment ratio, people aged 15 and over, by sex, 2004 to 2017**

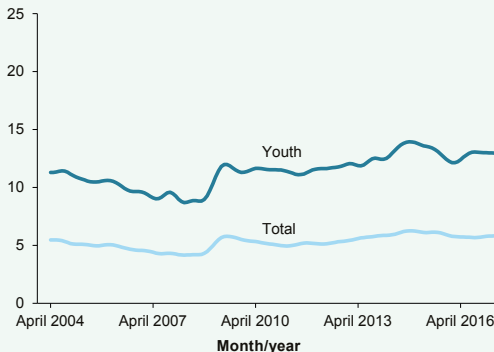
- One in 4 (24%) unemployed people had been unemployed for 52 weeks or more, as at April 2017.
- The long-term unemployment ratio was generally higher for males than females from April 2004 to April 2017.
- There has been an upward trend for the male and female long term unemployment ratios since early 2009.
- The difference between the male and female long-term unemployment ratio has fluctuated over the period. As at April 2017, the difference was 5.2% (26.3% for males, and 21.1% for females).

More information: Chapter 4.2 'Key employment trends'.

## Welfare services outcomes: Youth unemployment rate

**Definition:** The number of unemployed people aged 15–24, expressed as a percentage of the total number of people aged 15–24 in the labour force.

Per cent



*Note:* Figure presents ABS 'trend' series, which is a smoothed seasonally adjusted series of estimates.

*Source:* ABS 2017b.

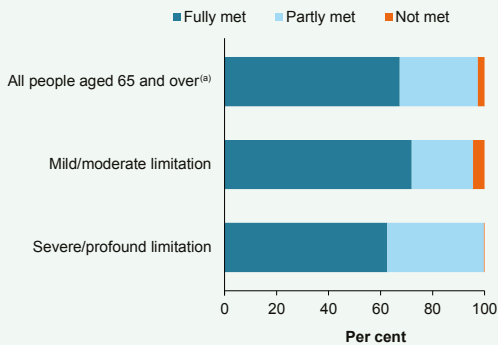
**Indicator 36: Youth (aged 15–24) and total unemployment rates, 2004 to 2017**

- Between April 2004 and April 2017, the youth unemployment rate was higher than the total unemployment rate.
- The difference in rates between 2004 and 2017 was largest in October 2014, when it was 7.7 percentage points.
- While rates have fluctuated over time, there has been an upward trend in the youth unemployment rate since October 2008, with the rate peaking in October 2014 at 14%.
- At April 2017, the youth unemployment rate was 13% (14% for males, and 12% for females).

More information: Chapter 4.2 'Key employment trends'.

## Welfare services 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.



(a) Includes people with and without disability.

Source: AIHW analysis of ABS 2016c.

**Indicator 37: People aged 65 and over living in households, by extent to which need for assistance was met and disability status, 2015**

- The majority of people aged 65 and over had their needs fully met (69%). This is a small improvement since 2003 (64%).
- The proportion of people who reported their needs were fully met was higher among people with mild or moderate core activity limitation than among people with severe or profound core activity limitation (72% and 63%, respectively).
- People with mild or moderate core activity limitation were most likely to report not having their needs met at all (4%).

More information: Chapter 5.1 'Ageing and aged care'.

## Welfare services outcomes: Underemployment of parents receiving child care benefits

Note this indicator was reported in *Australia's welfare 2015* using proxy data. However a re-assessment of the value of the available data resulted in the decision to remove this indicator from the indicator set.

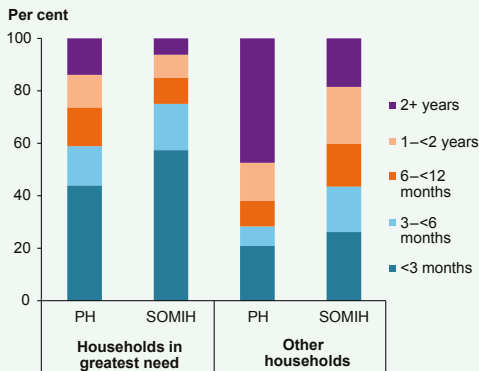
## Welfare services outcomes: Safe return home for children in out-of-home care

**Indicator 38:** No indicator defined. See Chapter 9.1 'The *Australia's welfare* indicator framework' for more information.



## Access: Waiting times for social housing

**Definition:** The length of time households in greatest need wait to be allocated social housing.



*Note:* PH = public housing. SOMIH = state owned and managed Indigenous housing.

*Source:* AIHW—National Social Housing Assistance Data Repository.

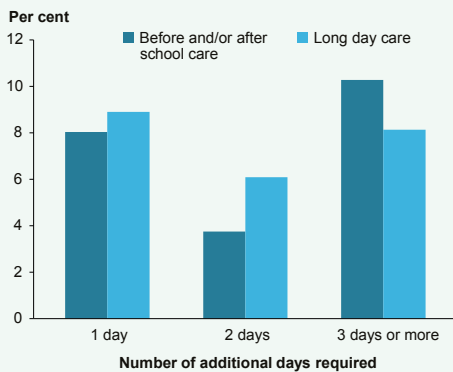
**Indicator 39: Waiting time for social housing, households in greatest need and other households, by social housing program, 2015-16**

- A total of 14% of households in greatest need for public housing waited 2 years or more to be allocated housing—similar to 2013-14 (15%). 47% of other households also waited 2 years or more.
- For households in greatest need for SOMIH, 6% waited over 2 years to be allocated housing, compared with 19% of other households.
- The proportion of housing allocations made to those in greatest need has remained relatively stable for public housing and SOMIH over the past 5 years (around 75% for public housing and 58% for SOMIH).

More information: Chapter 6.1 'Social housing' and Chapter 6.3 'The changing shape of housing in Australia'.

## Access: Difficulty accessing child care

**Definition:** Proportion of children aged 0-12 attending formal child care who require additional days of care.



*Source:* ABS 2015a.

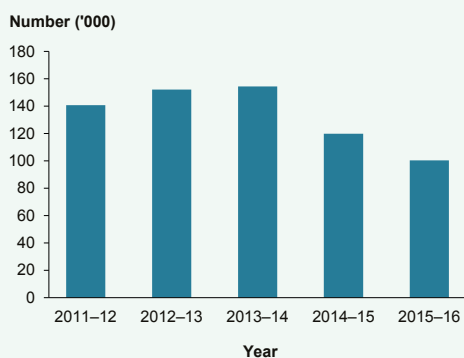
**Indicator 40: Proportion of children aged 0-12 attending formal child care who require additional days of care, by number of days and care type, 2014**

- In 2014, parents reported that additional formal care was required for 250,800 children aged 0-12 (27% of all children attending formal care; 7% of all children aged 0-12).
- The greatest need was for 3 or more extra days of care in before and/or after school care (10% of children attending before and/or after school care).
- The most common reason parents needed care was for work-related purposes (153,300 children).

More information: Chapter 2.1 'Children in child care and preschool programs'.

## Access: Unmet demand for homelessness services

**Definition:** [Proxy used] Number of unassisted requests for specialist homelessness services (SHS).



### Notes

1. Unassisted requests for specialist homelessness services (SHS) assistance relate to people who were not able to be offered any services by an SHS organisation or agency.
2. An unassisted request can relate to one or more people seeking SHS assistance. These people may have approached more than one agency or returned to the same agency another day.
3. Previously published data for 2011-12 have been revised.
4. The 2011-12 data exclude those for South Australia.

*Source:* Specialist Homelessness Services Collection, 2011-12 to 2015-16.

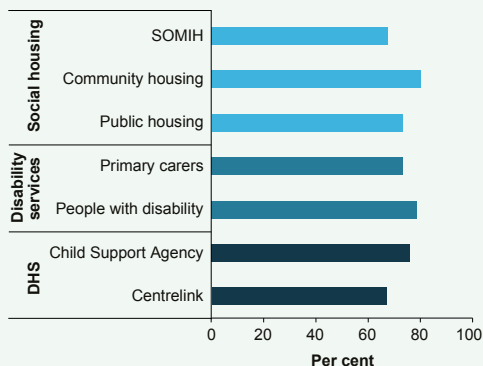
**Indicator 41: Number of unassisted requests for SHS, 2011-12 to 2015-16**

- Between 2011-12 and 2015-16, nearly 700,000 requests for SHS could not be met by SHS agencies.
- The total number of unassisted requests gradually increased, from 140,700 in 2011-12 to 154,400 in 2013-14.
- The decrease in unassisted requests recorded from 2014-15 was, in part, due to the introduction of new service delivery models in the sector.

More information: [Specialist homelessness services annual report, 2015-16](#).

## Responsiveness: Satisfaction with services

**Definition:** The proportion of clients satisfied with the service received (within specific programs/sectors).



*Notes*

1. SOMIH = state owned and managed Indigenous housing.
2. Department of Human Services (DHS) data are for financial year 2015-16; disability services data are for calendar year 2015; social housing data are for calendar year 2016.

Sources: DHS 2016; SCRGSP 2017.

**Indicator 42: Client satisfaction with service provision, selected services, 2016 (or nearest available year)**

- For the services included here, satisfaction ranged from 68% for clients of SOMIH services to 73% for clients of public housing, and 80% for community housing clients.
- There was a 10 percentage point increase in SOMIH client satisfaction, from 58% in 2014 to 68% in 2016.
- A total of 79% of people with disability and 73% of primary carers were satisfied with services received. This was not significantly different from what it was in 2012.
- Client satisfaction with Centrelink was steady in 2015–16 (67%) compared with 2013–14 (68%); however, it had decreased for the Child Support Agency, from 84% to 76%.

More information: Chapter 6.1 'Social housing' and Chapter 6.3 'The changing shape of housing in Australia'.

## Efficiency: Cost per service output

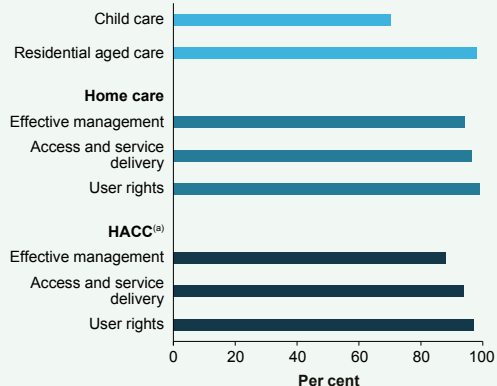
**Indicator 43:** Data not reported. See Chapter 9.1: 'The *Australia's welfare* indicator framework'.

## Efficiency: Management expense ratio

**Indicator 44:** No indicator defined. See Chapter 9.1: 'The *Australia's welfare* indicator framework'.

## Safety and quality: Compliance with service standards

**Definition:** The proportion of services that comply with applicable service standards (by sector).



(a) In most jurisdictions, Home and Community Care (HACC) has been consolidated into Home Care; therefore, HACC figures here are only for Western Australia.

(b) For information on programs included, see online data tables and SCRGSP 2017.

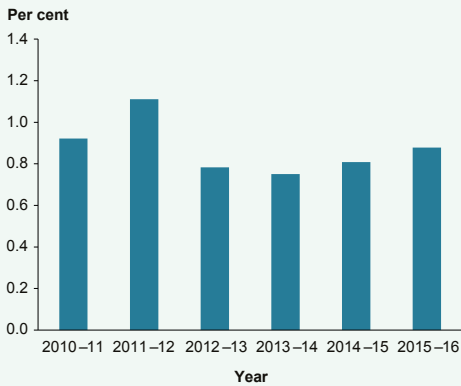
Source: SCRGSP 2017.

### Indicator 45: Compliance with service standards, selected sectors<sup>(b)</sup>, 2015-16

- As at 30 June 2016, 70% of approved child care services with a quality rating achieved an overall rating that met or exceeded National Quality Standards, slightly higher than for the previous year (67%).
- In 2015-16, 98% of residential aged care services held 3-year accreditation, similar to results for the previous year.
- Community aged care services are assessed against three service standards. In 2015-16, the proportion of Home Care services meeting the standards ranged from 94% to 99%. For HACC services (Western Australia only), the proportion ranged from 88% to 97%. Figures are not comparable with those for previous years.

## 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.



### Notes

1. Children in out-of-home care include young people up to 17 years.
2. Excludes the Northern Territory for all years and South Australia for 2014-15 and 2015-16, as data were not available for this indicator.

Source: SCRGSP 2017.

**Indicator 46: Children in out-of-home care who were the subject of a child protection substantiation and the person responsible was living in the household, 2010-11 to 2015-16**

- In 2015-16, less than 1.0% of children in out-of-home care were the subject of a child protection substantiation where the person responsible was living in the household.
- Over the period from 2010-11 to 2015-16, the number of children in this group has varied slightly, with a low of 365 children (0.8%) in 2013-14 and a high of 522 children (1.1%) in 2011-12.
- The 2015 national pilot survey on the views of children and young people in out-of-home care found that 91% reported feeling both safe and settled in their current placement (AIHW 2016b).

More information: Chapter 2.4 'Child protection'.

## Effectiveness: Job seekers off benefits after participation in employment services

**Definition:** The proportion of job seekers off benefits after participation in employment services.

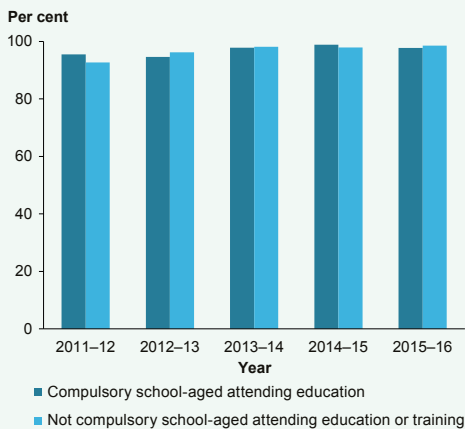
- On 1 July 2015, Job Services Australia was replaced with a new employment program, jobactive. Six months of data were collected for job seekers participating in jobactive from 1 July 2015 to 31 December 2015. Their income support status was measured six months later between 1 January 2016 and 30 June 2016.
- The results showed that 43% of job seekers moved off income support or substantially reduced their reliance on income support 6 months after participation in the jobactive program.

*Source:* Department of Employment 2016.

**Indicator 47: Proportion of job seekers off benefits after participation in employment services**

## Effectiveness: Young people in detention attending education/training

**Definition:** The proportion of young people in detention attending education/training.



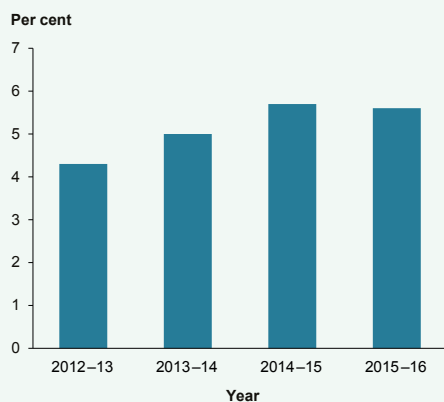
*Source:* SCRGSP 2017.

**Indicator 48: Young people in youth justice detention attending education/training, by school age, 2011-12 to 2015-16**

- The vast majority (almost 98%) of young people in youth justice detention were in education and/or training.
- There were very similar results for both compulsory school-aged and non-compulsory school-aged young people in youth justice detention.
- The level of compulsory and non-compulsory school-aged attendance rose over the period from 2011-12 to 2015-16 (96% to 98% for compulsory education; 93% to 99% for non-compulsory education).

## Effectiveness: Repeat periods of homelessness

**Definition:** The proportion of homelessness services clients who had more than one period of homelessness within the reporting period.



Source: Specialist Homelessness Services Collection, 2012-13 to 2015-16.

**Indicator 49: Clients experiencing repeat periods of homelessness, 2012-13 to 2015-16**

- During 2015-16, 5.6% of clients receiving specialist homelessness assistance had more than one period of homelessness.
- On average, 1 in 20 clients of specialist homelessness services had more than one period of homelessness in a year.
- The proportion of clients experiencing repeat homelessness increased between 2012-13 and 2015-16 (7% annual growth on average).

More information: Chapter 6.2 'Homelessness'.

## Coordination: no indicators identified

**Indicator 50:** No indicator defined. See Chapter 9.1: 'The *Australia's welfare* indicator framework'.

## Other sectors domain—indicator results

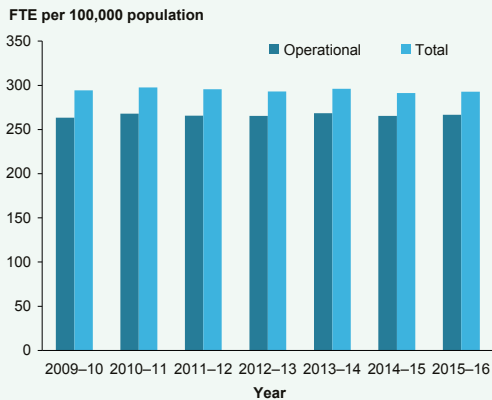
This domain recognises the contribution of other sectors to the determinants of wellbeing, and outcomes of welfare services. The four indicators presented here are not intended to provide a comprehensive summary of each sector. They are included to acknowledge the many complexities that have an impact on welfare and wellbeing. See Box 9.2.5 for key findings from the other sectors domain.

### Box 9.2.5: Key results—other sectors

- Young people not in education, employment or training are at risk of social exclusion, and more likely to require welfare support. Rates have reduced slightly since 2013; however, in 2015, 5.1% of people aged 15-19 and 12% of people aged 20-24 were not working or studying.
- The highest rate for full-time equivalent (FTE) general practitioners in 2015 was in *Remote/Very remote* areas, with 136 FTE general practitioners per 100,000 population. Rates increased in all remoteness areas between 2011 and 2015.

## Other sectors: Police operational staff levels

**Definition:** The number of operational full-time equivalent police staff per 100,000 population.



FTE = full-time equivalent

Note: Estimated resident population as at 30 June each year.

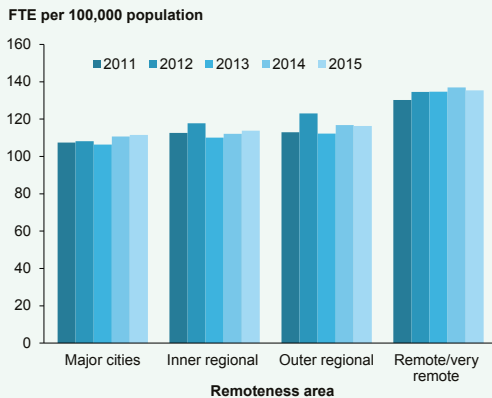
Sources: ABS 2016a; SCRGSP 2017.

**Indicator 51: Operational and total police staff per 100,000 population, 2009-10 to 2015-16**

- The rate of FTE operational police staff has been steady over the 7 years to 2015-16, at around 266 police per 100,000 population.
- The proportion of operational to total police staff has also been steady over the period, at about 90%.
- Around 75% of the population were generally satisfied with police services.

## Other sectors: Access to primary care practitioners

**Definition:** The number of full-time equivalent general practitioners per 100,000 population.



Notes

1. FTE = full-time equivalent
2. The FTE number is based on total weekly hours worked. A standard working week is 40 hours.
3. Data cannot be compared with data presented in *Australia's welfare 2015* that were based on Medicare data which only take into account MBS-billable work.
4. From 2013 the survey directs Australian General Practice Training program trainees to select Specialist in training rather than General practitioner.

Source: National Health Workforce Data Set medical practitioners 2015.

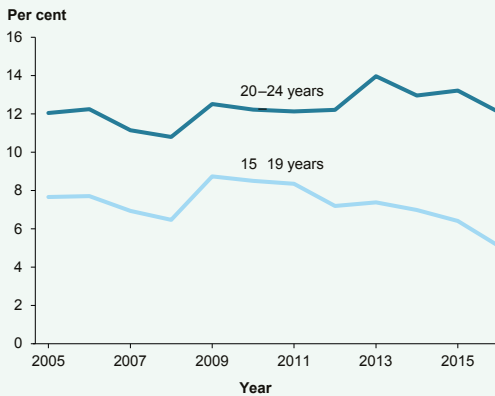
**Indicator 52: General practitioners per 100,000 population, 2011 to 2015**

- In 2015, the highest general practitioner (GP) FTE rate was in *Remote/Very remote* areas, with 136 FTE GPs per 100,000 population. The lowest FTE rate was in *Major cities*, at 112 FTE per 100,000 population.
- Although there were some fluctuations, GP FTE rates increased in all areas between 2011 and 2015.
- The National Health Workforce Data Set used here captures total hours worked, including hours not billed to Medicare. This is particularly relevant for rural and remote GPs who may do a broader scope of work than their urban counterparts, including work that would not normally be considered primary care.



## 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.



Source: AIHW analysis of ABS 2016d.

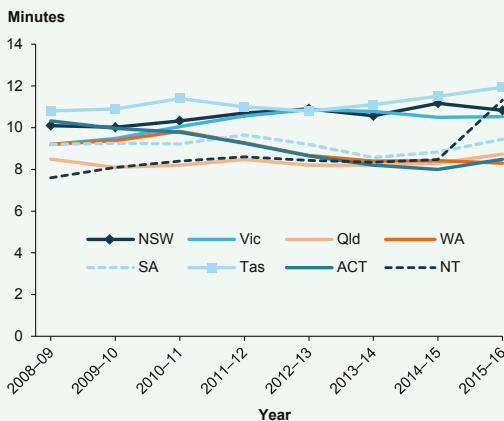
**Indicator 53: Young people not in education, employment or training, by age group, May 2005 to May 2016**

- After peaking at 8.7% in May 2009, the rate of people aged 15–19 who were not in education, employment or training fell to 5.1% in 2016.
- The rate for people aged 20–24 peaked in 2013 at 14% and then fell to 12% in 2016, equivalent to the rate in 2005.

More information: Chapter 3.1 'Pathways through education and training'.

## 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.



Note: Data cannot be aggregated to a national total.

Source: SCRGSP 2017.

**Indicator 54: Median ambulance response time to emergency incidents, capital cities, by jurisdiction, 2008-09 to 2015-16**

- In 2015–16, ambulance services nationally made 1.85 million emergency responses, a rate of 77 per 1,000 population.
- The median ambulance response time for emergency (or code 1) incidents ranged from 8.3 minutes in Perth to 11.9 in Hobart.
- Response times varied across the states and territories, with the Australian Capital Territory and Western Australia showing decreases in response time since 2008–09. Trends should be interpreted with caution due to changes in reporting methods.

## Context domain—indicator results

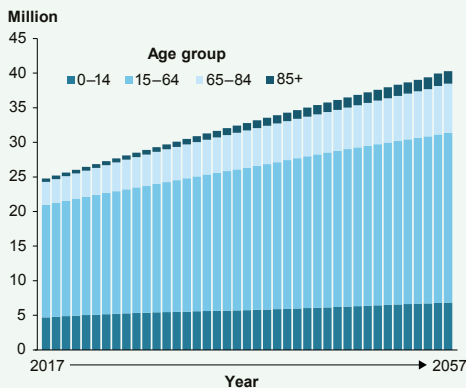
This domain provides broad contextual information that is expected would aid in the interpretation of other indicators, and overall performance. It covers major sociodemographic factors, such as population ageing and migration, and general economic conditions. See Box 9.2.6 for key findings from the context domain.

### Box 9.2.6: Key results—context domain

- Australia's population is projected to grow from 24.8 million in 2017 to 40.1 million in 2057.
- The 85 and over age group is projected to grow from around 500,000 people in 2017 to 1.8 million in 2057. This age group is expected to grow at the fastest rate of all age groups.
- The total dependency ratio for Australia is expected to increase from 52 dependants per 100 working-aged people in 2017 to 64 per 100 in 2057.
- The proportion of home owners without mortgages has declined by 25% and the proportion of private renter households has increased by 7 percentage points over 1994–95 to 2013–14.
- Gross Domestic Product has risen since 2010 in line with other OECD countries.

## Context: Population size and growth

**Definition:** The projected number of usual residents.



*Note:* Series B projections. Population projections make assumptions about future fertility and mortality patterns and net overseas migration. The ABS Series B projections make modest assumptions about each of these components.

*Source:* ABS 2013b.

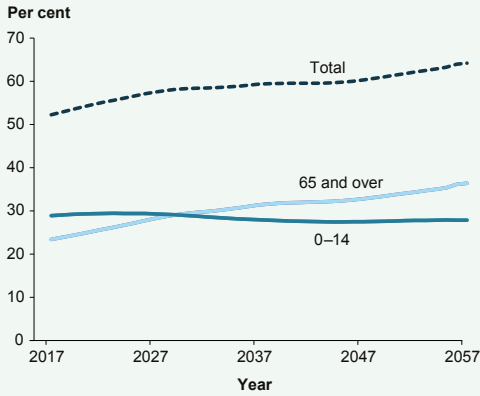
**Indicator 55: Projected population, by age group, 2017 to 2057**

- Australia's population is projected to grow from 24.8 million in 2017 to 40.1 million in 2057.
- The 85 and over age group is projected to grow at 3.2% per year, from around 500,000 people in 2017 to 1.8 million in 2057. It is the fastest growing age group, followed by people aged 65 to 84.
- The 0–14 age group has the slowest annual growth rate (0.9%) of all the age groups.

More information: Chapter 1.1 'Who we are'.

## Context: Population ageing and dependency ratio

**Definition:** The number of people aged under 15 and the number of people aged 65 and over, divided by the number of people aged 15–64, expressed as a percentage.



Note: Series B projections.

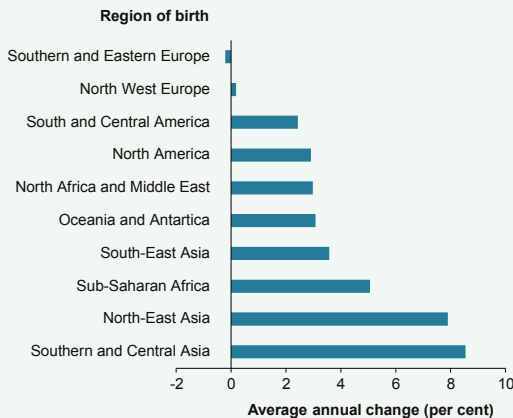
Source: ABS 2013b.

### Indicator 56: Projected dependency ratio, by age group, 2017 to 2057

- The total dependency ratio for Australia is expected to increase from 52 dependants per 100 working-aged people in 2017 to 64 per 100 in 2057.
- This is mostly driven by the increase in the 65 and over dependency ratio, from 23% in 2017 to 36% in 2057. This is consistent with the rapid increase in the number of people at older ages compared with people aged under 65.
- Although the 0–14 dependency ratio is expected to drop 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.

## Context: Overseas born population

**Definition:** The change in the number of people usually resident in Australia who were born overseas.



Source: AIHW analysis of ABS 2017e.

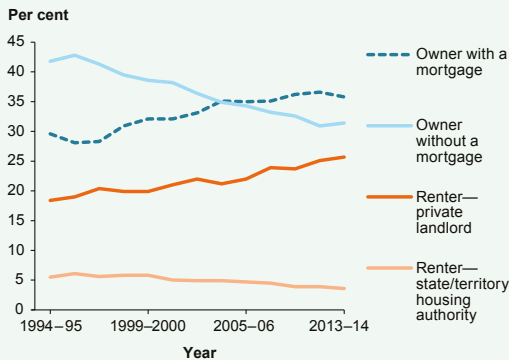
### Indicator 57: Average annual change in estimated resident population, by region of birth, 1992 to 2016

- Over the period 1992 to 2016, the proportion of the total Australian population born overseas has increased from 23% to 29%.
- The number of Australian residents born in Southern and Central Asia has risen the most rapidly, from 112,000 in 1992 to 803,000 in 2016 (a rate of 8.5% per year). Immigrants from North-East Asia and Sub-Saharan Africa had the next highest growth rates for the period, at 7.9% and 5.1%, respectively.
- Compared with 1992, the number of residents in 2016 born in Southern and Eastern Europe has declined.

More information: Chapter 1.1 'Who we are'.

## Context: Housing tenure

**Definition:** The proportion of total households by housing tenure.



### Notes

- Housing tenure refers to the nature of the legal right to occupy the dwelling in which the household members reside.
- Excludes 'Renter—other landlord type' and 'Other tenure type', which were steady at around 1.5% and 2.5%, respectively.

Source: ABS 2015c.

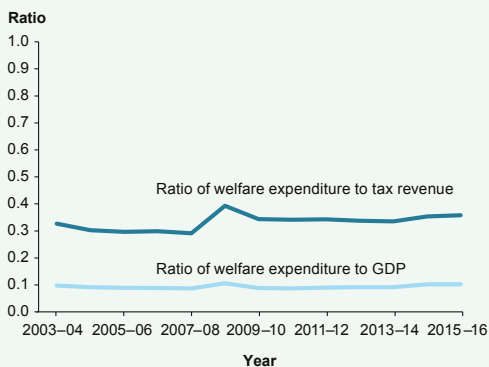
**Indicator 58: Housing tenure, by selected tenure types, 1994-95 to 2013-14**

- About two-thirds (67%) of all households were home owners in 2013-14 (36% with a mortgage; 31% without).
- Owners with a mortgage made up the majority of household tenures—after a 25% decrease, since 1994-95, of owners without mortgages.
- Private renter households increased by 7.3 percentage points between 1994-95 and 2013-14.

More information: Chapter 6.3 'The changing shape of housing in Australia'.

## Context: Government welfare expenditure

**Definition:** The ratio of government welfare expenditure to tax revenue and to Gross Domestic Product (GDP).



Note: Estimates for states and territories have been modelled for 2011-12.

Source: AIHW welfare expenditure database.

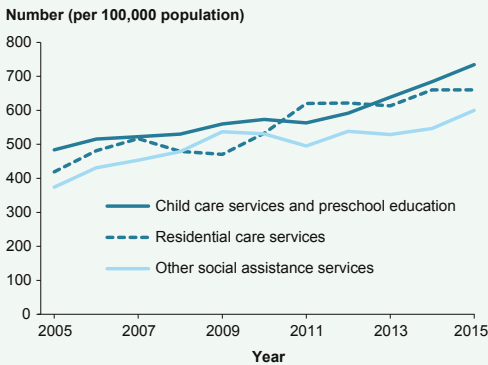
**Indicator 59: Ratio of government welfare expenditure to tax revenue and GDP, 2003-04 to 2015-16**

- Since 2008-09, the ratio of welfare expenditure to tax revenue and welfare expenditure to GDP have remained relatively stable (at around 0.34 and 0.09, respectively).
- The peak in both ratios in 2008-09 coincides with the GFC. The GFC had a negative impact on both tax revenues and GDP. The government's response included short-term increases in spending.

More information: Chapter 1.4 'Welfare expenditure'.

## Context: Welfare workforce

**Definition:** The number of people employed in the welfare workforce per 100,000 population.



Source: AIHW analysis of ABS Labour Force Surveys 2005 to 2015.

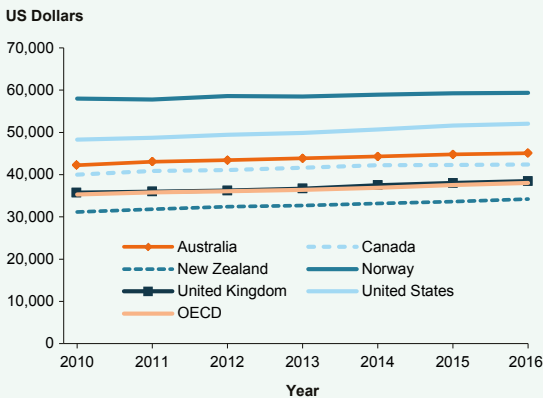
**Indicator 60: Number of employed people in the welfare workforce per 100,000 population, by type of community service industry, 2005 to 2015**

- The number of people in community service occupations employed in community service industries (the welfare workforce) generally rose between 2005 and 2015.
- The child care services and preschool education industry increased from 484 employed people per 100,000 population in 2005, to 734 per 100,000 in 2015.

More information: Chapter 1.5 'Welfare workforce'.

## Context: Economic conditions

**Definition:** Gross Domestic Product (GDP) per capita (US Dollars (USD), constant prices, constant Purchasing Power Parities (PPPs)).



Note: Countries are compared on a constant price basis, with constant PPPs and using a common base year of 2010. See OECD 2017d for more information on PPPs.

Source: OECD 2017c.

**Indicator 61: GDP per capita Australia, selected OECD countries and OECD total, 2010 to 2016**

- Australia's GDP per capita in 2016 was USD 45,083. This was higher than New Zealand (USD 34,211) and the OECD average (USD 38,019) but lower than the USA (USD 52,066).
- Norway had the highest GDP per capita among selected OECD countries at USD 59,366 and New Zealand had the lowest at USD 34,211.
- GDP per capita in Australia rose from USD 42,239 to 45,083 over the period, an average annual increase of 1.1%.
- Average annual growth was highest in New Zealand (1.6%) and lowest in Norway (0.4%).

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Glossary

Acronyms and abbreviations

Methods and conventions

Symbols



# Glossary

**Aboriginal or 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**.

**absolute income poverty:** A state of poverty where a person does not have enough income to cover the cost of a given basket of goods that provides an agreed minimal level of decency.

**accommodation support:** Services that provide accommodation to people with disability, and services that provide support to enable a person with disability to remain in their existing accommodation or to move to more suitable or appropriate accommodation.

**administrative data collection:** A data set that results from the information collected for the purposes of delivering a service or paying the provider of the service. This type of collection is usually complete (that is, all in-scope events are collected), but it may not be fully suitable for population-level analysis because the data are collected primarily for an administrative purpose.

**adoption:** The 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.

**age pension age:** The age at which a person becomes eligible to receive the age pension (subject to income, asset and residency requirements). The age pension age has changed over time and depends on a person's date of birth. Between 1 July 2013 and 30 June 2017 the age pension age was 65 years. From 1 July 2017, the qualifying age increased to 65 years and six months, and will increase by 6 months every 2 years to reach 67 years by 1 July 2023.

The age pension age is also used to determine eligibility for other payments, such as the Disability Support Pension, for which recipients must be aged between 16 and the age pension age.

**age structure:** The relative number of people in each age group in a population.

**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-specific rate:** A rate for a specific age group. The numerator and denominator relate to the same age group.

**age-standardisation:** A method of removing the influence of age when comparing populations with different **age structures**. This is usually necessary because the rates of many diseases vary strongly (usually increasing) with age. The age structures of the different populations are converted to the same 'standard' structure, and then the disease rates that would have occurred with that structure are calculated and compared.

**age-standardised rate:** A rate for which the influence of age is removed by converting the age structures of the different populations to the same 'standard' structure. This provides a more valid way to compare 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 enters 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.

**attendance rate (school):** The number of actual full-time equivalent student-days attended by full-time students in Years 1 to 10 as a percentage of the total number of possible student days attended over the period.

**Australian Standard Geographical Classification (ASGC):** Common framework defined by the Australian Bureau of Statistics for collecting and disseminating geographically classified statistics. The ASGC was implemented in 1984 and the final release was in 2011. It has been replaced by the **Australian Statistical Geography Standard (ASGS)**.

**Australian Statistical Geography Standard (ASGS):** Common framework defined by the Australian Bureau of Statistics for collecting and disseminating 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.

**Bachelor degree or higher:** An undergraduate or post-graduate qualification at a university.

**big data:** There is no single, agreed definition, but the term is commonly used to describe the relatively recent global growth in the number of very large data sets, and the growing volume of unstructured data emerging from the increasing digital transfer of information.

**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 order:** Legal order or arrangement that gives 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 worker:** Employed person who generally works irregular hours, usually fewer than a full-time worker, and is not entitled to paid leave.

**Centrelink:** A program of the Department of Human Services. Centrelink delivers a range of government payments and services for retirees, the unemployed, families, carers, parents, people with disability, 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 Force, 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.

**clients exiting custodial arrangements (specialist homelessness services):** Specialist homelessness service clients are counted as leaving a custodial setting if, in their first support period during the reporting period, either in the week before or at presentation:

- their dwelling type was: adult correctional facility, youth or juvenile justice detention centre or immigration detention centre, or
- their reason for seeking assistance was: transition from custodial arrangements, or
- their source of formal referral to the agency was: youth or juvenile justice detention centre, or adult correctional facility.

Some of these clients were still in custody when they began receiving support.

Children aged under 10 identified as exiting from adult correction facilities or youth/juvenile justice detention centres have been excluded because of concerns about the quality of the data; children aged under 10 cannot be charged with a criminal offence in any jurisdiction in Australia.

**clients with a current mental health issue (specialist homelessness services):** A specialist homelessness service client was identified as having a current mental health issue if they provided any of the following information:

- at the start of a support period, they were receiving services or assistance for their mental health issues, or had in the past 12 months
- their formal referral source to the specialist homelessness agency was a mental health service
- 'mental health issues' was a reason for their seeking assistance
- their dwelling type either a week before presenting to an agency, or when presenting to an agency, was a psychiatric hospital or unit
- they had been in a psychiatric hospital or unit in the last 12 months
- at some stage during their support period, a need was identified for psychological services, psychiatric services or mental health services.

This analysis does not include clients aged under 10.

**community access:** Services designed to provide opportunities for people with disability to gain and use their abilities to enjoy their full potential for social independence.

**community-based supervision:** Supervision of a young person in the community by a juvenile justice agency while that person is waiting either for an initial court appearance for an alleged offence or 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:** A living arrangement where the place of usual residence is a private or non-private dwelling, as distinct from **residential aged care**, a 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 support:** Services that provide the support needed for a person with disability to live in a non-institutional setting.

**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**.

**core activity:** Term used in discussions of disability, referring to the basic activities of daily living; namely, self-care, mobility and communication.

**core activity limitation:** A limitation where someone needs help with—or is having difficulty in using aids and equipment for—self-care, mobility and/or communication. See also **disability, severe or profound core activity limitation** and **mild or moderate 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** comprising two people 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 linkage 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'.

**dementia:** A general term for disorders characterised by worsening mental processes (such as Alzheimer disease or vascular dementia). Symptoms include impaired memory, understanding, reasoning and physical functioning.

**dependency ratio:** The number of people 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 aged under 15, or a **dependent student**. Note, this definition applies to the Australian Bureau of Statistics Census of Population and Housing and may differ somewhat the definitions in other collections. 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 Australian Bureau of Statistics Census of Population and Housing and may differ somewhat from the definitions in other collections. 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 waiting for either an initial court appearance for an alleged offence or for a court hearing or outcome, or completing an order after the finalisation of a court case. It includes remand and sentenced detention.

**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-free life expectancy:** An indication of how long a person can expect to live without disability. See also **life expectancy**.

**Disability Support Pension (DSP):** A pension that 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, and have participated in a program to help prepare for, find or maintain work, or
- are permanently blind.

**domestic violence:** A set of violent behaviours between current or former intimate partners, where one partner aims to exert power and control over the other through fear. Domestic violence can include **physical violence**, **sexual violence**, **emotional abuse** and **psychological abuse**.

**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:** A category of workers that includes child carers, child care centre managers and early childhood (pre-primary school) teachers.

**early intervention:** In the childhood development sector, this describes 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.

**elder abuse:** A single or repeated act, or lack of appropriate action, occurring within any relationship where there is an expectation of trust, which causes harm or distress to an older person.

**emotional abuse (children):** 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.

**emotional abuse from a partner:** Abuse between current or former cohabiting partners that occurs when a person is subjected to behaviours or actions (often repeatedly) aimed at preventing or controlling their behaviour, with the intent to cause them emotional harm or fear through manipulation, isolation or intimidation.

**employed:** Describes people aged 15 and over who, during the reference week of the Australian Bureau of Statistics 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 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 Australian Bureau of Statistics Labour Force Survey and may differ somewhat from the definitions in other collections. 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 Australian Bureau of Statistics 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:** Describes a person's status who is registered for a course of study at an educational institution.

**episode of care:** The period during which a child remains in **out-of-home care**. During this period, a child may have one or more different out-of-home care placements, including placements lasting fewer than 7 days. If a child has a return home or a break of less than 60 days before returning to the same or different placement, he or she is considered to be continuously in care during this period.

**equivalised household income (disposable or gross):** 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 to enjoy the same level of economic wellbeing as the household in question. Equivalised *disposable* household income is based on income after essential costs are deducted, as opposed to *gross* (that is, total) income, or *net* (that is, after-tax) income.

**estimated resident population (ERP):** The official Australian Bureau of Statistics estimate of the Australian population. The ERP is derived from the 5-yearly Census counts, and is updated quarterly between Censuses, based on births, deaths and net migration. It is based on the usual residence of the person. Rates are calculated per 1,000 or 100,000 mid-year (30 June) ERP.

**family:** Two or more persons, one of whom is aged at least 15, 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 children aged 0 to 5, 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.

**family group home:** A home for children provided by a department or community-sector agency that has live-in, non-salaried carers who are reimbursed and/or subsidised for providing care.

**family violence:** Includes violence between family members as well as current or former intimate partners. For example, family violence can include acts of violence between a parent and a child. Family violence is the preferred term used to identify experiences of violence for Indigenous people as it encompasses the broad range of extended family and kinship relationships in which violence may occur.

**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 aged care:** 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.

**formal child care:** Regulated care away from the child's home. The main types of formal care are before and/or after school care, **long day care**, **family day care** and occasional care.

**foster care:** A form of **out-of-home care** where the caregiver is authorised and reimbursed (or was offered but declined reimbursement) by the state/territory for the care of the child. (This category excludes relatives/kin who are reimbursed.) There are varying degrees of reimbursement made to foster carers.

**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 Australian Bureau of Statistics Survey of Employee Earnings and Hours and may differ somewhat from the definitions in other collections.



**full-time workers:** **Employed** people who usually worked 35 hours or more a week (in all jobs) and those who, although usually working fewer 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 Australian Bureau of Statistics Labour Force Survey and may differ somewhat from the definitions in other collections. Compare with **part-time workers**.

**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.

**home-based out-of-home care:** Care provided for a child who is placed in the home of a carer, who is reimbursed (or who has been offered but declined reimbursement) for the cost of care of that child. Home-based out-of-home care includes care provided by relatives/kin who are reimbursed, foster care, third-party parental care and other home-based out-of-home care.

**homeless:** As defined by the Australian Bureau of Statistics, people who 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 reside in the same dwelling, and who make common provision for food or other essentials for living. Can also be a single 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* are households not described by the other two types; for example, multiple single-family households.

**housing affordability:** 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.

**impairment:** Any loss or abnormality of psychological, physiological or anatomical structure or function.

**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:** A range of pensions and benefits paid by Australian Government to support people who have little or no private income, or to help 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 defacto) with no dependent children
- a couple (married, registered or defacto) with one or more dependent children.

A non-dependent child living at home, including one who is receiving an income support payment in his or her own right, is regarded as a separate income unit. Similarly, a group of non-related adults sharing accommodation are counted as separate income units.

**Index of Relative Socio-Economic Disadvantage:** One of the set of **Socio-Economic Indexes for Areas** for ranking the average socioeconomic conditions of the population in an area. It summarises attributes of the population such as low income, low educational attainment, high unemployment and jobs in relatively unskilled occupations.

**Indigenous:** A person of Aboriginal and/or Torres Strait Islander descent who identifies as an Aboriginal and/or Torres Strait Islander. See also **Aboriginal or Torres Strait Islander**.

**Indigenous household:** A household that contains one or more **Indigenous** people.

**Indigenous status:** Whether a person identifies as being of **Aboriginal or Torres Strait Islander** origin.

**informal carer:** A person of any age who provides any informal assistance, in terms of help or supervision, to people with disability or long-term conditions, to children, or to people aged 65 and over. This assistance must be ongoing, or likely to be ongoing, for at least 6 months. 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.

**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 the World Health Organization in May 2001.

**investigation:** 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 assess 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 the definitions in other collections. 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 and over in the same group.

**lateral violence:** Violence that is directed at one's peers or community members. It may include bullying behaviours such as gossip, intimidation, shaming, backstabbing and attempts to cause social isolation, as well as physical violence. It is a learned behaviour where an oppressed or powerless person or group directs their anger at those around them, instead of at their oppressors. It is believed to occur worldwide in minorities, and particularly Aboriginal peoples.

**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, which 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.

**long-term unemployment ratio:** The number of **long-term unemployed** people, expressed as a percentage of the total unemployed population.

**Longitudinal data:** A data source that collects data from the same sample of subjects multiple times over a given time.

**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.

**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.

**mild or moderate 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.

**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 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 Australian Bureau of Statistics Census of Population and Housing and may differ somewhat from definitions in other collections. See also **dependent child**.

**non-Indigenous:** People who have indicated that they are not of **Aboriginal or Torres Strait Islander** descent.

**non-school qualification:** Educational attainments other than those of pre-primary, primary and secondary education. They include qualifications at the following levels: Post-graduate 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**.

**Notification (child protection):** Contact made to an authorised department by people or other bodies alleging 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**.

**older household:** A **household** with a **reference person** aged 65 and 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 35 countries (including Australia) that are mostly developed but some are 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 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:** Overnight care for children aged 0–17, where the state makes a financial payment or where a financial payment has been offered but has been declined by the carer. See also **residential care, family group homes, foster care, relative/kinship care, independent living, other out-of-home care**.

**out-of-school-hours care:** 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:** Describes a situation in a dwelling where one or more additional bedrooms are required 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**.

**partner violence:** A set of violent behaviours a respondent experienced from a person they currently live with, or lived with at some point; does not include violence by a boyfriend/girlfriend or date.

**part-time worker:** Employed person who usually worked fewer than 35 hours a week (in all jobs) and either did so during the reference week of the ABS Labour Force Survey, or was not at work in the reference week. Note this definition applies to the ABS Labour Force Survey and may differ somewhat from definitions in other collections. Compare with **full-time workers**. See also **employed**.

**Persistent disadvantage:** In this report, a measure derived using the Social Exclusion Monitor (SEM). The SEM is a composite measure that considers the seven domains of material resources, employment, education and skills, health and disability, social support, community participation, and personal safety perceptions. Disadvantage (social exclusion) is scored from 0 to 7, with scores of 2 or more defined as *deep exclusion* and of 3 or more defined as *very deep exclusion*.

**physical abuse:** Any non-accidental physical act inflicted upon a child by a person having the care of a child.

**post-school qualification:** See **non-school qualification**.

**preschool:** 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 start formal schooling.

**primary carer:** A person who provides most of the informal assistance, in terms of help or supervision, to a person with one or more disabilities or aged 65 and over in one or more of the core activities (communication, mobility and self-care). The 2015 Survey of Disability, Ageing and Carers included as carers people aged 15 and over who identified themselves as carers or were nominated by a care recipient as a carer. See also **informal carer**.

**projection (population):** Is not a forecast but instead illustrates changes that would occur if the stated assumptions were to apply over the period in question.

**psychological abuse:** Behaviours including limiting access to finances, exclusion from contacting family and friends, demeaning and humiliation, and any threats of injury or death directed at the victim or their children.

**quintile:** A group derived by ranking a population according to specified criteria (for example, income) and dividing it into five equal parts. The term can also mean the cut-points that make these divisions—that is, the 20th, 40th, 60th and 80th percentiles—but the first use is the more common one. Commonly used to describe socioeconomic groups based on **socioeconomic position**. Also used to describe income groups.

**rate:** 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. A rate ratio 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). A rate 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 1 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 definitions in other collections.

**Relative income poverty:** The proportion of households with an equivalised income that is less than 50% of the national median equivalised household income. (Note that there is more than one measure for relative income poverty, and therefore this definition may differ somewhat from definitions in other reports).

**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), or 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:** A classification that divides each state and territory 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 (ARIA)** 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. Before 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 among permanent residents as needing high or low care.

**residential care (aged care and younger people with disability):** See **residential aged care**.

**residential care (out-of-home care):** A type of out-of-home care where the placement is in a residential building whose purpose is to provide placements for children and where there are paid staff.

**respite services:** Services that support community living by people receiving assistance from informal carers. Direct respite is respite care where the primary purpose is to meet carer needs by providing them with a break from their caring role; this 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; have retired from work, or from looking for work; and are not intending to look for, or take up, work in the future.

**schooling restriction:** A restriction determined for people aged 5 to 20 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 definitions in other collections. 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**. Note, this definition applies to the ABS Census and may differ somewhat from definitions in other collections.

**sexual abuse:** Any act by a person, having the care of a child that exposes the child to, or involves the child in, sexual processes beyond his or her understanding or contrary to accepted community standards.

**sexual violence:** Behaviours of a sexual nature carried out against a person's will using physical force or coercion (or any threat or attempt to do so). Sexual violence can be perpetrated by partners in a domestic relationship, former partners, other people known to the victims, or strangers.

**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**.

**social exclusion:** The opposite of **social inclusion**.

**social housing:** Rental housing that 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 (SOMIH), mainstream and Indigenous community housing and the Crisis Accommodation Program.

**social housing programs:** Social housing is rental housing funded, or partly funded by government, that is owned or managed by the government or a community organisation. There are four main social housing programs in Australia:

- public rental housing
- state owned or managed Indigenous housing (SOMIH)
- mainstream community housing
- Indigenous community housing.

**social impact bonds:** An approach for financing social service programs. They are offered to investors, who provide capital to fund specific projects—which are expected to result in improved social outcomes and public sector savings—in return for a future financial return paid on delivery of those specific social outcomes. They are also known as 'social benefit bonds'.



**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**.

**social investment:** An investment activity that has an expected social outcome (or improvement) and a financial return (or savings). More generally, it is spending on programs up front to provide better long-term outcomes for a given population.

**socioeconomic position:** An indication of how 'well off' a person or group is. In this report, socioeconomic groups are mostly reported using the **Socio-Economic Indexes for Areas**, typically for five groups (quintiles), from the most disadvantaged (worst off or lowest socioeconomic group) to the least disadvantaged (best off or highest socioeconomic group).

**Socio-Economic Indexes for Areas (SEIFA):** A set of indexes, created from Census data, that aim to represent the **socioeconomic position** of Australian communities and identify areas of advantage and disadvantage. The index value reflects the overall or average level of disadvantage of the population of an area; it does not show how individuals living in the same area differ from each other in their socioeconomic group. This report generally uses the **Index of Relative Socio-Economic Disadvantage**.

**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.

**specialist homelessness service:** Assistance provided specifically to people who are experiencing homelessness or who are at risk of homelessness.

**substantiations (child protection):** Substantiations of notifications received during the current reporting year are 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:** 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.

**Survey data collection:** A data set that results from sampling individual units from the population. No sample will ever be fully representative of the population, but if carefully designed and implemented, samples will be highly representative for drawing conclusions about characteristics of the whole population.

**tertiary education:** Tertiary education in Australia can be broadly categorised as either 'higher education' or vocational education and training (VET). Higher education is generally delivered in a university setting, leading to a Bachelor, Master or Doctoral degree. VET focuses on delivering skills and knowledge for a specific industry, leading to Certificate and Diploma qualifications. It is delivered by Registered Training Organisations such as Technical and Further Education institutions.

**traditional working age:** In this report, refers to the ages of 15 to 64.

**underemployed:** Employed persons aged 15 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 after 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 definitions in other collections.

**underemployment rate:** The number of underemployed workers expressed as a percentage of the labour force.

**underutilisation (housing):** Occurs where a dwelling contains one or more bedrooms surplus to the needs of the **household** occupying it, according to the **Canadian National Occupancy Standard**. Compare with **overcrowding**.

**unemployed:** Describes 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 definitions in other collections. Compare with **employed**.

**unemployment rate:** The number of **unemployed** people, expressed as a percentage of the **labour force**.

**usual resident:** Refers to all people, regardless of nationality, citizenship or legal status, who usually live in Australia, except foreign diplomatic personnel and their families. It includes usual residents who are overseas for less than 12 months over a 16-month period. It excludes overseas visitors who are in Australia for less than 12 months over a 16-month period.

**victimisation rate (crime):** The total number of people/households who experienced a crime type, expressed as a percentage of all people/households. This is a measure of how prevalent a crime type is in a given population.

**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 volunteers as a percentage of the relevant population.

**working-time mismatch:** When the number of hours a week an employed person works does not align with their preferences for working hours.

# Acronyms and abbreviations

ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACFI	Aged Care Funding Instrument
ACT	Australian Capital Territory
AEDC	Australian Early Development Census
AIHW	Australian Institute of Health and Welfare
ALRC	Australian Law Reform Commission
ANDI	Australian National Development Index
ANROWS	Australia's National Research Organisation for Women's Safety
ANZSCO	Australian and New Zealand Standard Classification of Occupations
AQF	Australian Qualifications Framework
ATUS	Australian Time Use Survey
Aust	Australia
CDEP	Community Development Employment Projects
CHSP	Commonwealth Home Support Programme
CLI	Composite Learning Index
CNOS	Canadian National Occupancy Standard
COAG	Council of Australian Governments
CRA	Commonwealth Rent Assistance
CSP	Commonwealth Supported Place
CT	computerised tomography
DCRF	Data Collection and Reporting Framework
DS NMDS	Disability Services National Minimum Data Set
EDHI	equivalised disposable household income
ERP	estimated resident population
FTB	Family Tax Benefit
FTE	full-time equivalent
GDP	gross domestic product
GFC	global financial crisis
GSS	General Social Survey
HELP	Higher Education Loan Program
HACC	Home and Community Care
HDI	Human Development Index
HILDA	Household, Income and Labour Dynamics in Australia
HPV	human papilloma virus
K10	Kessler Psychological Distress Scale—10 items
LFS	Labour Force Survey
LGBTI	lesbian, gay, bisexual, transgender and intersex
LSAY	Longitudinal Surveys of Australian Youth

MBS	Medicare Benefits Schedule
NAPLAN	National Assessment Program—Literacy and Numeracy
NATSIHS	National Aboriginal and Torres Strait Islander Health Survey
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NCAS	National Community Attitudes towards Violence Against Women Survey
NDA	National Disability Agreement
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NEET	not in education, employment or training
NGCSO	non-government community service organisation
NGO	non-government organisation
NMS	national minimum standard
NSW	New South Wales
NT	Northern Territory
OECD	Organisation for Economic Co-operation and Development
PBS	Pharmaceutical Benefits Scheme
PEMA	Poverty and Exclusion in Modern Australia
PH	public rental housing
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
PSID	Panel Study of Income Dynamics
PSS	Personal Safety Survey
Qld	Queensland
RNNDI	real net national disposable income
RoGS	Report on Government Services
SA	South Australia
SDAC	Survey of Disability, Ageing and Carers
SEM	Social Exclusion Monitor
SHS	Specialist Homelessness Services
SMI	Scanlon-Monash Index
SOMIH	state owned and managed Indigenous housing
TAFE	Technical and Further Education
Tas	Tasmania
TIMSS	Trends in International Mathematics and Science Study
VET	vocational education and training
VHC	Veterans' Home Care
Vic	Victoria
WA	Western Australia
WADLS	WA Data Linkage System
WHO	World Health Organization
YBFS	year before full-time school

# Methods and conventions

## Age-standardisation

This is a method of removing the influence of age when comparing populations with different age structures—either different populations at 1 time or the same population at different times. For this report, the Australian estimated resident population as at 30 June 2001 has been used as the standard population. The same population was used for males and females to allow valid comparison of age-standardised rates between the sexes (see Table A1).

Two different methods of age-standardisation can be used: direct and indirect. Direct age-standardisation has been used in this report.

## Direct age-standardisation

This is the most common method of age-standardisation, and is used in this report for prevalence, hospitalisations and most deaths data. This method is generally used when the populations under study are large and the age-specific rates are reliable. The calculation of direct age-standardised rates has 3 steps:

Step 1: Calculate the age-specific rate for each age group.

Step 2: Calculate the expected number of cases in each age group by multiplying the age-specific rate by the corresponding standard population for each age group.

Step 3: Sum the expected number of cases in each age group and divide this sum by the total of the standard population to give the age-standardised rate.

**Table A1: Age composition of the Australian population at 30 June 2001**

Age group (years)	Australia, 30 June 2001
0	253,031
1-4	1,029,326
5-9	1,351,664
10-14	1,353,177
15-19	1,352,745
20-24	1,302,412
25-29	1,407,081
30-34	1,466,615
35-39	1,492,204
40-44	1,479,257
45-49	1,358,594
50-54	1,300,777
55-59	1,008,799
60-64	822,024
65-69	682,513
70-74	638,380
75-79	519,356
80-84	330,050
85 and over	265,235
<b>Total</b>	<b>19,413,240</b>

Source: ABS 2003.

## 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.

## 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.

## 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.

# Supplementary technical information

This section contains technical information related to the purchase affordability indicator in Chapter 6.3 'The changing shape of housing in Australia' (S6.3) and the housing assistance data presented in Chapter 7.1 'Community factors and Indigenous wellbeing' (S7.1).

## S6.3.1 Purchase affordability indicator

**Affordable dwelling:** A dwelling sold in the reference year where mortgage repayments represent up to 30% of gross household income, assuming a home loan of 100% of the value of the dwelling, a term of 25 years, and the standard variable housing loan rate of banks as reported by the Reserve Bank, averaged out over the financial year (5.97% in 2013–14).

### **Computation:**

1. Median gross household income was estimated for the following household groups, within each equivalised disposable household income quintile and within household (composition) groups (couple with no dependent children, couple family with dependent children, lone persons, one parent family with dependent children) within each housing market. Data were sourced from the 2013–14 Survey of Income and Housing (ABS 2016).
2. These income data were applied in a mortgage calculation to determine the maximum dwelling price that was affordable to particular household groups (equivalised disposable household income quintiles and household composition groups).
3. The proportion of dwellings sold in each location at or below each of these maximum prices was then calculated. Data were sourced from CoreLogic RP-data (CoreLogic RP-Data 2016).

## S7.1.1 Converting income units to household numbers

Recipients of Commonwealth Rent Assistance (CRA) are 'income units', rather than households. More than one person/group within a household can receive CRA. To derive an estimate of the rate of Indigenous households receiving CRA, data at the income unit level must be converted to the household level.

Because the Australian Bureau of Statistics (ABS) 2011–12 Survey of Income and Housing (SIH) collects information about both income units and households, information from this survey can be used to derive a conversion factor. Those data suggest that, among CRA recipients, there are an estimated 93.4% as many households as income units in Australia (unpublished data from the ABS SIH).

To enable estimates of rates of households receiving CRA to be derived for this paper, this conversion factor was applied to the data about CRA income units. For example, for Indigenous income units:

- (a) 67,387 Indigenous income units received CRA as at 26 June 2016
- (b) applying the conversion factor of 93.4% provides an estimated number of Indigenous households receiving CRA of 62,939.

A conversion factor by Indigenous status is not available and how the conversion factor may differ between Indigenous households and other households is not clear; thus, the one factor is applied to both Indigenous and other income units. Note also:

- the proportion of households to income units is an estimate calculated from a survey sample



- methods to collect information about income units vary between the CRA data collection (which are administrative data pertaining to a specific day) and the SIH (self-reported survey data collected throughout a yearly cycle)
- care should be taken when comparing data from different data sources due to the different methodologies used (AIHW 2014).

## S7.1.2 Estimating number of households

Chapter 7.1 'Community factors and Indigenous wellbeing' presents information on the proportion of Indigenous households receiving assistance from the various social housing programs and CRA in June 2016.

To calculate these proportions, information is required on the total number of households in Australia in 2016, by Indigenous status. ABS produces projections of household growth (ABS 2015); however, these are not published by Indigenous status. Hence, to estimate the number of Indigenous and other Australian households, information from the 2011 Census has been used. To derive such estimates for 2016, the proportion of Indigenous households as enumerated in the 2011 Census was applied to the total projected number of households for 2016 (using series II—the middle range of the three different projection scenarios).

An example of the process is set out here, using the number of Indigenous households across Australia:

- (a) the number of households with an Indigenous member, as enumerated in the 2011 Census count, was 209,048—representing 2.7% of all households enumerated (7,760,322) (AIHW analysis of 2011 Census TableBuilder)
- (b) according to the ABS series II household projections, the total number of households in 2016 was 9,241,497
- (c) applying the (unrounded) Census-derived proportion of the number of households that are Indigenous provides an estimated count of 248,948 Indigenous households in 2016.

This estimated count was then used as the denominator when calculating rates of usage of social housing and CRA by Indigenous households at the national level.

The approach assumes that the proportion of households with an Indigenous member as identified in the 2011 Census accurately reflects the proportion of households with an Indigenous member in 2016. While there is likely to be some under-identification of Indigenous households in the Census, this issue is mitigated to some degree as there is also under-counting in administrative data on the number of all households living in social housing. In other words, there is some degree of under-counting in both the numerator and the denominator of the social housing rates presented, but the extent of such under-counting is not known.

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# Symbols

\$	Australian dollars, unless otherwise specified
—	nil or rounded to zero
%	per cent
'000	thousands
n.a.	not available
n.d.	no date
..	not applicable
n.p.	not published due to small numbers, confidentiality or other concerns about the quality of the data
>	more than
<	less than
≥	more than or equal to
≤	less than or equal to

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## Australia's welfare 2017: in brief

This edition of *Australia's welfare* is accompanied by a mini companion report, *Australia's welfare 2017: in brief*, that summarises key statistics and concepts from the main report.







*Australia's welfare 2017* is the 13<sup>th</sup> 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.

The report covers:

- Understanding welfare
- Australia's welfare spending and workforce
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- Young people
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