Australian Government
Australian Institute of Health and Welfare

Australia's welfare

2023 data insights







Australia's welfare

2023

data insights

The AIHW is a Corporate Commonwealth entity producing authoritative and accessible information and statistics to inform and support better policy and service delivery decisions, leading to better health and wellbeing for all Australians.

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

ISSN 2651-9771 (Online)
ISSN 1321-1455 (Print)

ISBN 978-1-922802-93-4 (Online)
ISBN 978-1-922802-94-1 (Print)

DOI 10.25816/43wp-h749

Suggested citation

Australian Institute of Health and Welfare (2023) *Australia's welfare 2023 data insights*, catalogue number AUS 246, AIHW, Australian Government.

Any enquiries relating to copyright or comments on this publication should be directed to:

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Published by the Australian Institute of Health and Welfare.

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.

Australian Government
Australian Institute of Health and Welfare

AIHW

The Hon Mark Butler MP
Minister for Health and Aged Care
Parliament House
Canberra ACT 2600

Dear Minister

On behalf of the Board of the Australian Institute of Health and Welfare (AIHW), I am pleased to present to you *Australia's welfare 2023*, 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 and welfare services in Australia. The report provides comprehensive coverage of welfare issues via topic summaries (online) and explores a selection of important topics in greater detail via narrative articles (print and online). The report underlines the importance of strengthening the evidence base to better meet the needs of policy advisers, service providers, 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 of policies and programs in Australia.

Yours sincerely

Dr Erin Lalor

Acting Chair
AIHW Board
10 July 2023

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About *Australia's welfare 2023*

Australia's welfare 2023 is the AIHW's 16th biennial welfare report. It consists of 3 products:

Australia's welfare 2023: data insights

This is a collection of 9 original articles on selected welfare issues, including on homelessness and housing affordability, employment and income support following the COVID-19 pandemic and measuring quality in aged care. It is available as a printed report and online as a PDF.

Australia's welfare: topic summaries

This is a collection of 42 web pages that present key facts on welfare in Australia, housing, education and skills, employment and income, social support, justice and safety, and Aboriginal and Torres Strait Islander people.

Australia's welfare 2023: in brief

This presents key findings and concepts to tell the story of welfare and wellbeing in Australia. It is available as a printed report and online as a PDF.

All products can be viewed or downloaded at:

www.aihw.gov.au/reports-data/australias-welfare

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Preface

Each year, the Australian Institute of Health and Welfare (AIHW) produces one of its 2 highly regarded flagship reports: *Australia's health* and *Australia's welfare*.

This year marks the 16th edition in the *Australia's welfare* series, *Australia's welfare 2023*.

Since its first release in 1993, the *Australia's welfare* series has been a reliable source of authoritative and accessible welfare-related information for decision-makers, policy advisers, service providers, researchers and the public.

In each edition, we bring together data from a range of credible sources to examine and present different perspectives on current and important issues facing Australians. *Australia's welfare 2023* provides a holistic picture of the current state of welfare and wellbeing in Australia and describes the underlying data environment.

Since early 2020, the COVID-19 pandemic has placed wellbeing at the forefront of our minds. During this time, access to timely and high-quality data has been critical not only in managing Australia's response to the pandemic but also in gaining important insights into changes that influence quality of life. While many of the measures taken to control the spread of the virus have since been relaxed or removed entirely, the lasting impacts continue to be felt across numerous different aspects of our lives. *Australia's welfare 2023* shows that Australia has made great progress in improving labour market outcomes, with most measures recovering quickly – faster than for previous recessions – and faring better than before the pandemic. It also shows that changes to working arrangements in Australia show no signs of reverting to pre-pandemic levels.

The insights that can be drawn from high-quality and comprehensive data continue to play an integral role in strengthening the evidence base for informed decision-making, including for delivering services to people who need them. *Australia's welfare 2023* presents some important insights from data linkage to fill gaps in knowledge. For example, it describes insights from the National Disability Data Asset Pilot phase on the characteristics, service pathways and outcomes for people with disability. These findings are now being used to help shape the design and implementation of an enduring disability data asset so that it can support research and subsequent policy initiatives aimed at improving outcomes for people with disability. Linked data from

the Multi-Agency Data Integration Project have also been used to gain new insights into the relative importance of various markers of socioeconomic status for accessing university. We hope these analyses highlight the importance of building the evidence base for understanding how people use services across areas of increasing policy relevance and for achieving long-term improvements in welfare and wellbeing for all Australians.

Australia's welfare 2023 also describes and assesses the current information environment for long-established welfare topics, including aged care and the welfare workforce. This is important for allowing a clear picture of what is known about these topics, where there are gaps in knowledge, and potential ways to improve understandings via data.

Australia's welfare 2023 has a multi-product format. Complementing the suite of articles in this report is a short holistic summary of welfare and wellbeing in Australia (in the print report *Australia's welfare 2023: in brief*) and over 40 topic summaries online, which provide key statistics and supporting information on housing, education and skills, employment and income, social support, and justice and safety.

The AIHW's core purpose is to produce authoritative and accessible information and statistics to provide stronger evidence for better decision-making and improved health and wellbeing. I am confident that data will play an increasing role in assisting us to do this and in informing public discussion and decision-making.

I would like to thank everyone involved in producing this report and to acknowledge the valuable advice provided by the many experts throughout the drafting and review stages. I extend special thanks to the authors of Chapter 7 in this report, contributed by our partners at the Life Course Centre: Dr Tomasz Zając and Associate Professor Wojtek Tomaszewski from the University of Queensland. We also extend our gratitude to the authors at the Australian Institute of Family Studies who wrote the 'Gambling in Australia' topic summary and at the Centre for Population at The Treasury who wrote the 'Profile of Australia's population' topic summary.

We are committed to improving the usefulness and relevance of our flagship reports and welcome your feedback via flagships@aihw.gov.au.

Rob Heferen

CEO

Introduction

In its broadest sense, welfare refers to the wellbeing of individuals, families and the community. Some people understand it to mean wellbeing; others see it primarily as government-funded income support payments and welfare services. Certainly, support and services in many areas of life do aid welfare and are critical to the wellbeing of an individual and their family.

A person's wellbeing can be influenced by environmental, social and economic factors at the individual, family and community level. The level and type of supports a person may need will depend on their life stage, level of disadvantage, health and disability status, social and economic participation, access to suitable housing, and their informal support networks – and the complex interrelationships between these factors.

The products that make up *Australia's welfare 2023* aim to describe the welfare data environment and provide a holistic picture of the current state of welfare and wellbeing in Australia. The report includes information on welfare services and supports and on factors that contribute to and influence the wellbeing of Australians – such as housing, employment, income, education and skills, social support and justice and safety. Each of the 9 articles that make up the 9 chapters in this report, *Australia's welfare 2023: data insights*, tells a piece of Australia's welfare story.

The opening chapter of this report looks at the future of the data and welfare information environment in Australia, touching on recent data improvements and ongoing challenges. A key feature is the inclusion of case studies that highlight how the AIHW and others are filling data gaps and using linked data to gain new insights. In particular, the chapter highlights the collaborative work taking place to build the National Disability Data Asset and the Australian National Data Integration Infrastructure, which have considerable potential to improve the quality of policy and program evaluation in Australia.

Some key trends, changes and challenges that have emerged since the onset of the COVID-19 pandemic are also explored. Chapter 2 reports on measures of social isolation, loneliness and wellbeing and how these have changed since the onset of the pandemic. Chapter 3 explores how employment and income support have fared following the initial impacts of the pandemic in Australia. It shows that Australia has made great progress in improving labour market outcomes since the pandemic's onset,

with many measures rebounding quite quickly – faster than for previous recessions – and in some cases faring far better than before the pandemic.

The AIHW plays an important role in describing the current data landscape, filling gaps and contributing to reporting where data were previously limited or under-researched. Chapter 4 explores homelessness in Australia – including housing pathways out of homelessness, and government policies and programs to support people experiencing housing insecurity. This topic is particularly important as challenges around housing affordability, the cost of living and financial stress continue to emerge. Chapter 5 reports findings from the National Disability Data Asset Pilot phase to describe service use and outcomes for people with disability in selected life areas. Moving beyond looking at individual services in isolation to focus instead on understanding the characteristics, patterns of service use and outcomes for people with disability has considerable potential to increase the quality of policy and program evaluation in Australia.

This report also presents new evidence on a range of well-established topics related to welfare and wellbeing. For example, Chapter 6 reports the experiences of people who have been in the child protection system and their interactions with youth justice supervision or homelessness services. It shows that being engaged in one of these 3 systems increases the risk of being involved with another. Chapter 7 presents new evidence from the Multi-Agency Data Integration Project to examine the relative importance of various markers of socioeconomic status (captured at an individual and area level) for accessing university. It tackles an under-researched area by contributing more comprehensive data than data sources typically used to study the effects of socioeconomic status on university enrolment in Australia. The study found that, of the socioeconomic measures analysed, the effect of parental education is associated with the largest change in the chances of entering university.

Finally, this report describes the existing data environment for 2 areas of great importance in the welfare data landscape. Chapter 8 reports how the quality of aged care is currently being measured, what the available data show about the quality of care, what gaps remain, and what new initiatives are being implemented or planned in the aged care data system to strengthen the monitoring of quality of care. Chapter 9 describes the welfare workforce in Australia – focusing on disability care, aged care and child care – and how these sectors and their workforces have changed over time.

A common theme across all chapters in *Australia's welfare 2023: data insights* is the importance of data and of building the evidence base to achieve long-term improvements in the lives of Australians. In different ways, each chapter shows the crucial role that data play in measuring, understanding and improving the welfare and wellbeing of Australians.

List of Australia's welfare: topic summaries

Australia's welfare: topic summaries are web pages that present key information and data on the welfare system, welfare of Australians and factors that can affect our wellbeing. The full list of topic summaries is provided here and can be viewed at www.aihw.gov.au/australias-welfare/summaries. Some topic summaries are updated as new data become available.

Welfare in Australia

Health and welfare links

Measures of welfare and wellbeing for Australia and similar countries

Philanthropy and charitable donations

Profile of Australia's population

Social isolation and loneliness

Understanding welfare and wellbeing

Welfare expenditure

Welfare workforce

Housing

Home ownership and housing tenure

Homelessness and homelessness services

Housing affordability

Housing assistance

Education and skills

Early childhood and transition to school

Higher education, vocational education and training

Primary and secondary schooling

Employment and income

Carer Payment

Changing patterns of work

Disability Support Pension

Employment and unemployment

Employment services

Income and income support

Income support for older Australians

Parenting payments

Unemployment payments

Social support

Adoptions

Aged care

Gambling in Australia

Informal carers

Specialised supports for people with disability

Volunteers

Justice and safety

Adult prisoners

Child protection

Family, domestic and sexual violence

Youth justice

Aboriginal and Torres Strait Islander people

Aged care for First Nations people

Community safety for First Nations people

Education of First Nations people

Employment of First Nations people

Housing circumstances of First Nations people

Income and finance of First Nations people

Profile of First Nations people

Specialised support and informal care for First Nations people with disability

The future of data

1

The future of data

Key messages

Data can be incredibly valuable. They can provide reliable information on health and wellbeing and on the impact of policies and programs. However, they do not speak for themselves – high-quality analysis is needed to bring data to life.

Much of the potential that data offer is yet to be realised as data are not always brought together in the way they could be. Data on government services have traditionally been analysed in isolation. This approach does not provide the sort of insights that can be gained by looking across service systems and focusing on how people engage with multiple services.

Data linkage can provide much more comprehensive insights than are possible by looking at individual services in isolation, but it can be slow and resource intensive.

The National Disability Data Asset, being led by the Department of Social Services, is based on a new, enduring approach to data linkage in Australia. To deliver this, the Australian Bureau of Statistics (ABS) and the AIHW are working with the states and territories to implement the Australian National Data Integration Infrastructure (ANDII). Importantly, the ANDII will bring together data from the states and territories and the Australian Government to provide more detailed insights than are possible by looking at data at one level of government in isolation.

While data linkage and integration have huge potential, they cannot overcome the adverse impact of the substantial data gaps that still exist. Some of these gaps have been highlighted by Royal Commissions and major inquiries. For example, the Royal Commission into Aged Care Quality and Safety highlighted several data gaps that limit an understanding of the quality of age care services and how these services affect wellbeing.

This chapter provides information on plans to improve data on aged care and on family, domestic and sexual violence. It also highlights the successful use of both single-touch payroll data by the ABS to provide very timely data on changes in employment, and linked data by the AIHW to better understand the health system.

Why is comprehensive and high-quality data important?

The word 'data' is the plural form of the Latin word *datum*. The ABS defines data as measurements or observations that are collected as a source of information; the *Cambridge Dictionary* defines data as information, especially facts or numbers, collected to be examined and considered and used to help decision-making, or information in an electronic form that can be stored and used by a computer.

On occasion, some people can be uncomfortable about quantitative data, feeling that they can obscure personal experience. This reservation can be overstated: data can, in fact, reflect the experience of thousands or millions of people.

Data can provide:

- representative information to inform policy and an understanding of societal trends
- important insights into how things are changing for different people. How do employment rates vary, for example, by age, gender, location and ethnic background?

Used well, data can provide reliable information on the quality of people's lives and how that is changing; importantly, they can show how this can vary for different groups. They can also provide information on the impact of policy and programs.

Data do not speak for themselves

> *'I have been in rooms with data and listened very carefully. They never said a word.'* (Wolpoff 1975)

While data can be very valuable, data do not speak for themselves. The value of data is obviously a function of how well they are used.

The quality of statistical analysis can affect the conclusions drawn from data. Advances in statistical techniques over the last 30–40 years have, in some cases, substantially improved the quality of insights that can be gleaned. To give an example, before the 1980s, economists often ran linear regression equations on time series data. As Engle and Granger (1987) pointed out, without care, this approach could lead to spurious correlations, as any apparent correlation between the data sets may simply reflect the fact that both series are increasing or decreasing over time. Engle and Granger (1987) developed a new approach to avoid such spurious conclusions, which transformed the way that economists use time series data.

In many cases, the data themselves will not answer the questions that people want them to. When assessing the impact of a policy or program, one should not just 'look up the data'. For example, one should not assess the impact of an employment program by simply observing the employment data, as employment is affected by many factors that may have nothing to do with that program, such as the state of the economy.

In evaluating the impact of policy or programs, one needs a sense of what the counterfactual is – that is, what would have happened in the absence of the policy or program? This sort of assessment requires considered analysis through, for example, modelling and the use of comparison or control groups.

Data are increasingly being used to gain new insights in many fields, including professional sports; but, again, the value of the data comes from the quality of analysis not just from the data themselves. A well-known example of this is evidence around the so-called 'hot hand' in basketball. The idea of a hot hand is that once a player shoots one goal, this can increase the likelihood that they will shoot more goals in a streak, and that the perceived hot hand does not simply reflect random variation. A 1985 paper by Gilovich and colleagues concluded that there is no hot hand in basketball; indeed, it was subsequently described as a myth. Since then, it is now generally accepted that the conclusion of these researchers that there is no hot hand in basketball was misplaced – and that there is now evidence that the so-called 'hot hand' is real (Gelman 2015). Importantly, this new conclusion did not come from new data – it came from better analysis. Data do not speak for themselves.

The use of artificial intelligence and machine learning can provide insights that may not come from more traditional statistical analysis but, in some cases, the approaches can be similar. For example, some machine learning approaches use logistic regression, which has been borrowed from statistics. In some cases, machine learning approaches will find connections in the data that a human would be unlikely to find. For some applications, it may not matter whether these relationships are causal or have a clear explanation. If a set of variables can be used to forecast what will happen in another variable, this may be valuable for forecasting, as long as this predictive relationship holds. However, if data are to be used to inform policy, one would normally want to understand the causal links.

It is difficult to predict exactly what machine learning and artificial intelligence will mean for data analysis, but it is clear that they will probably transform the amount of analysis that will be possible and the speed at which it can be done. These approaches are also likely to transform the way in which data are coded and structured.

Service systems and data linkage

A high proportion of data analysis on the performance of government services focuses on particular services in isolation. While this may, at times, be appropriate, in many cases it can be quite limited. By focusing on individual services, it is not possible to understand how service systems operate or to observe the way in which people use multiple services.

There is no agreed definition of the term 'service system'; however, people often talk about the health system or the justice system. When people use these terms, they are referring to a range of services not just one type of service. For example, the health system refers not only to hospitals but also to primary health care, while the justice system refers not only to prisons but also to the role of police and the courts.

In some federations, there are quite clear distinctions between the roles of different levels of government. In Germany, for example, education is primarily the responsibility of the various states (or *Länder*), with the federal government playing a relatively minor role. In Australia, on the other hand, responsibilities are often split, even within the one policy area. For example, the Australian Government plays the key role in funding primary health care while the states and territories operate the hospital system. In housing, the states and territories are responsible for social housing and homelessness services while the Australian Government is responsible for rent assistance.

This split in responsibility across levels of governments in Australia has made it challenging to bring data together to understand service systems; however, these challenges are increasingly being overcome through data sharing and data linkage. Through data linkage, it is possible to understand how people use various services; this, in turn, provides information to policy advisers on the interface between those services.

The AIHW created the National Integrated Health Services Information Analysis Asset (NIHSI AA) in 2018. This linked data asset brings together Australian Government data both on Medicare services covered by the Medicare Benefits Schedule (MBS) (such as general practitioner, specialist, pathology and diagnostic imaging services) and prescriptions supplied under the Pharmaceutical Benefits Scheme (PBS) with state and territory hospital and mortality data. This asset has been used to gain new insights on the operation of the health system (including analysis of service use in the last year of life) and on the extent to which people receive appropriate medications once they leave hospital. None of this analysis would have been possible with existing data on individual services.

The AIHW has also undertaken a large number of data linkage projects covering welfare services, including housing, child protection and the receipt of income support statements. The ABS has facilitated many linkage studies through the Multi-Agency Data Integration Project (MADIP), which combines information from data sets such as the ABS Census of Population and Housing (Census), the ABS National Health Surveys, the MBS, the PBS and mortality data.

As noted in *Australia's welfare 2021* (see AIHW 2021), several Australian states are leaders in data linkage. New South Wales and Victoria, for example, have both used it to gain a much better understanding of how people use various state services.

New national linkage system – the National Disability Data Asset and the ANDII

While notable progress has been made in recent years, Australia still lacks a genuine national data linkage system; rather, it has several state and territory systems, with Australian Government agencies (such as the ABS and the AIHW) playing an important role. In practice, it is time consuming to bring Australian, state and territory government data together for data linkage.

The National Disability Data Asset (disability data asset) is led by the Department of Social Services and overseen by the Disability Reform Ministers Council. The ABS and the AIHW are partnering to design, develop and deliver technical aspects of the disability data asset. The Pilot found that the key limiting factor when it comes to data linkage in Australia is data governance, not data availability or information technology (IT) infrastructure. (See http://www.ndda.dss.gov.au for information on the disability data asset.)

To deliver an enduring disability data asset, the ABS and the AIHW are working with the states and territories to implement the ANDII.

The ANDII is the national linkage and integration infrastructure. It includes a national spine and linkage model. It also includes data governance and streamlined data-sharing arrangements that enable the creation of data assets. ANDII also refers to an Information Communications Technology (ICT) solution, supported by linkage and analytical capabilities. The ANDII ICT solution is being built in the Cloud, which provides opportunities for enhanced security, scalability and controlled data sharing.

Importantly, the disability data asset will be co-governed by the Australian, state and territory governments and the disability sector, including people with lived experience. This will ensure that data are used appropriately, and that state and territory and Australian Government data are regularly linked together.

The ANDII will also be co-governed with the states and territories. It will entail more enduring data linkage than the slow, project-by-project approach that currently characterises much data linkage in Australia. The new system will also involve a 2-way data flow so that states and territories and the Australian Government have better access to data from other levels of government. Both the disability data asset and the ANDII will be subject to strict privacy and ethical oversight.

The ANDII has a huge amount of potential and can provide a genuine national approach to data linkage in Australia. Importantly, it will also facilitate the linkage of data across sectors to get a better understanding of how people use services across different policy areas. The value of this approach was shown by several of the disability data asset Pilot studies. For example, the Victorian study showed how National Disability Insurance Scheme (NDIS) clients with psychosocial disability used the

Victorian mental health system, while the New South Wales study showed how people with disability use the justice system. 'Chapter 5 Use of mainstream services and outcomes achieved for people with disability' includes Pilot findings from the disability data asset.

With access to linked data, policy advisers can move beyond looking at individual services in isolation. For example, how do people who use homelessness services use the health system? How can the health system better serve people who experience homelessness?

Linked longitudinal data can also be used to better understand how early events in someone's life can affect subsequent events. The AIHW demonstrated, for example, that a high proportion of young people in the juvenile justice system had earlier involvement with the child protection system (AIHW 2022c, see also 'Chapter 6 Children who have experienced child protection, youth justice and homelessness').

Linked longitudinal data have considerable potential to increase the quality of policy and program evaluation in Australia. There is often a lack of good evidence on programs and policies due to a dearth of good evaluations (Gray and Bray 2019). This lack of high-quality evaluation reflects several factors: one is a lack of access to high-quality data. Under existing arrangements, it can be difficult to use linked data for evaluations because of the time required to obtain all the necessary approvals. The more enduring approach to linkage through the ANDII will help to resolve this issue.

Linked data can be very useful for evaluation as it can be used to construct control and comparison groups so that outcomes for people who do and do not use a particular program can be compared. The marginal cost of using linked data in this way can be low – it is not always realistic given the cost, to undertake new surveys to conduct evaluations.

Data linkage and data gaps

While data linkage has huge potential, it cannot overcome the challenges created by data gaps. Several Royal Commissions have highlighted critical data gaps – these cannot be resolved with data linkage. Key recommendations of the Royal Commission into Aged Care Quality and Safety (Royal Commission 2021) were to create an aged care National Minimum Data Set and improve data on the interaction between the health and aged care systems. Another Royal Commission – the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability – highlighted a lack of useful, and nationally consistent, data on the extent of violence against (or abuse, neglect and exploitation of) people with disability. The 2020 Productivity Commission Report on mental health also highlighted key data gaps, particularly for mental health services provided in the community (Productivity Commission 2020).

AIHW's role in creating and reporting on evidence

The AIHW is a leading health and welfare statistics agency. Its legislated role is to work with others to develop information standards and collections across health and welfare, and to publish statistics across these areas. It works closely with governments – including state and territory authorities with health and welfare responsibilities, the ABS, and other statistics agencies – and with the academic and non-government sector to make this happen.

The AIHW collects, accesses and uses data from a range of sources, including from administrative, survey, longitudinal and linked sources, and the Census to present information on:

- the characteristics of people and their health and welfare needs, and how these change during their lives
- how the health and welfare needs of people differ, depending on where they live
- the availability and accessibility of health and welfare services in those places
- how service use changes over time.

The AIHW provides regular information on the health and welfare of the Australian population to assess how outcomes are changing over time. It also provides information on the health and welfare of particular groups, and on how they fare relative to the rest of the population. These groups include Aboriginal and Torres Strait Islander people; Australians who live in remote areas; veterans; older Australians in the aged care system; and Australians with disability, mental illness, in the child protection and justice systems, or who are prisoners.

The AIHW validates and standardises the data to allow comparisons to be made between different population groups, different places and over time.

The AIHW strives to make its data and findings accessible to a range of audiences through the release of many products, including summary and detailed reports. It has improved accessibility to information through interactive data visualisation. Much of the AIHW's data are now presented in an interactive form to make it easier to gain insights from data – and to make the data interesting.

The AIHW has a range of websites, some of which provide detailed data on particular products, such as:

- Australia's Disability Strategy Outcomes Framework
- GEN aged care data
- housing data dashboard
- mental health

- My Hospitals
- National Mental Health Service Planning Framework
- suicide and self-harm monitoring
- Aboriginal and Torres Strait Islander Health Performance Framework
- Indigenous Mental Health and Suicide Prevention Clearinghouse
- Regional Insights for Indigenous Communities.

These websites can all be accessed at https://www.aihw.gov.au/.

Case studies

The following section of this article presents 7 case studies. They show how the AIHW is filling data gaps and using linked data to gain new insights. These studies provide information on data gaps and challenges, plans to improve data, the importance of high-quality and comprehensive data and the potential for data linkage and integration across systems to support reporting and decision-making. They also identify work being done to improve data outside the AIHW. One study describes how The Smith Family, though partnership with the South Australian Department for Education, is using data to improve the operation of their programs to support students and their families. Another highlights the successful use of single-touch payroll data by the ABS to provide very timely data on changes in employment during the COVID-19 pandemic.

The 7 case studies presented are:

1. National Disability Data Asset
2. Using data integration to improve health and welfare insights for the ex-serving Australian Defence Force population
3. Data developments in family, domestic and sexual violence
4. Aged care data: challenges and improvements
5. Using data linkage to explore patterns of health service use in the last year of life among people who died by suicide
6. Better data for better futures: The Smith Family *Learning for Life* program
7. Using single-touch payroll data to meet changing needs.

Case study 1

1. National Disability Data Asset

About 1 in 6 (18%, or 4.4 million) Australians live with disability. The Australian Disability Strategy 2021–2031 (the Strategy) outlines a vision for a more inclusive and accessible Australian society where all people with disability can fulfil their potential as equal members of the community. The Strategy also commits to reporting on progress achieved against the Australian Disability Strategy Outcomes Framework (ADSOF), which reports on a broad range of measures from areas including health, education and employment.

Many of these measures are reportable through national surveys and administrative data collected by specialist disability supports, such as the NDIS and the Disability Employment Scheme. However, some key measures cannot currently be reported due to gaps in the existing evidence base.

Most people with disability do not use specialist disability services (only around 1 in 4 people with disability under age 65 are active participants in the NDIS); however, all use mainstream services such as health care, welfare and/or education services. But the data systems for these services often do not identify people with disability. And where these data are collected, they are often inconsistently defined or collected only for a subset of disability types. As a result, there is little consistent information on the use of mainstream services by people with disability.

Data linkage methodologies have the potential to fill many of these data gaps by sharing data across systems to:

- enable people with disability to be identified in mainstream systems that do not include a disability status 'flag'
- study pathways taken by people with disability through specialist and mainstream services
- study outcomes achieved for people with disability using particular services.

In recent years, governments in Australia have been working together to develop the National Disability Data Asset to enable such data sharing and linkage. During 2020 and 2021, Pilot studies integrated over 50 data sets from the Australian Government; the National Disability Insurance Scheme (NDIA); and the New South Wales, Victorian, Queensland and South Australian governments. This work provided valuable insights for 5 high-priority research projects focused on:

- early childhood supports
- interaction of people with disability with the justice system
- pathways from education to employment
- services and supports for people with disability and mental health issues
- outcomes measurement, focusing on housing-related supports.

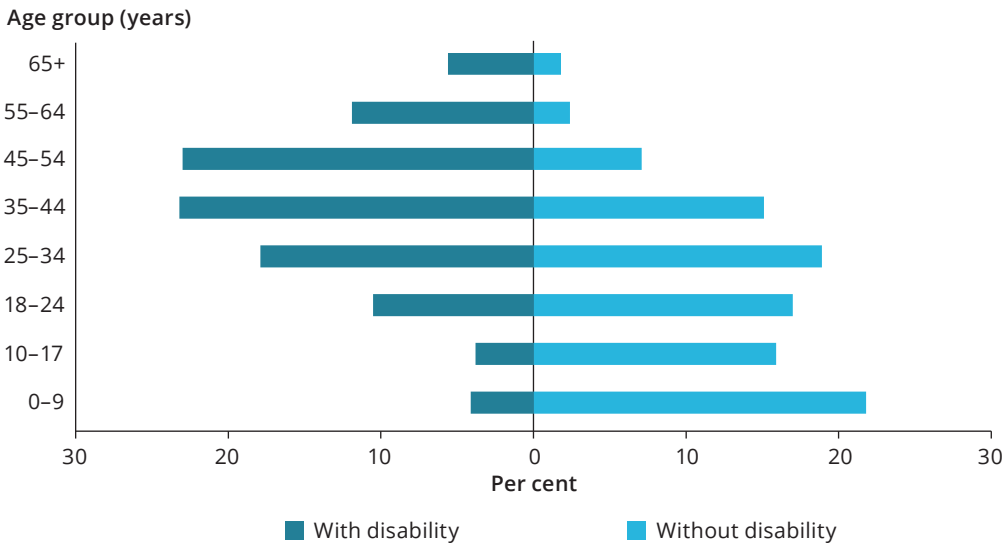
(continued)

These studies highlighted the tremendous potential for such data linkage approaches to support outcome reporting and inform policy development. For example, the investigation into specialist homelessness services (SHS) found that the current administrative data collections may be seriously underestimating the number of clients with disability.

The study found that 37% of all SHS clients in 2019–20 in the 4 participating jurisdictions were identified as having disability, compared with 2.3% of clients identified using the current disability flag. Psychosocial disability, in particular, had not been well captured in the existing homelessness services data collection (73% of clients had psychosocial disability according to linked data compared with 62% having a current mental health issue as described by existing data). The linked data also showed that 45% of SHS clients with disability had multiple disabilities and that clients with disability were more likely to be older than clients without disability (Figure 1.1).

Figure 1.1 SHS clients with disability are older than SHS clients without disability

Age distribution of SHS clients with and without disability in NSW, Vic, Qld and SA, 2019–20



Notes

1. There are limitations with identifying people with disability under the age of 25 and over the age of 64 years. Caution should be used for ages outside this range.
2. Percentages may not sum to 100 due to rounding.
3. Per cent calculations are based on totals less 'Not stated' (unless 'Not stated' has been combined with another category for confidentiality reasons).

Source: AIHW (2022) NDDA Outcomes Reporting pilot, unpublished AIHW analysis of data asset.

'Chapter 5 Use of mainstream services and outcomes achieved for people with disability' further explores the findings of the 4 National Disability Data Asset Pilot studies that relate to community services provided for people with disability.

The National Disability Data Asset partners are continuing to work on developing the asset, based on the learnings and consultations undertaken during the Pilot phase, and building towards the evidence required by the ADSOF and other emerging policy priorities.

Case study 2

2. Using data integration to improve health and welfare insights for the ex-serving Australian Defence Force population

The AIHW is a leader in providing high-quality health and welfare information. Its work program has built a strong evidence base for better decisions that deliver improved health and welfare outcomes. The evolution of its data integration program has exemplified innovation in identifying and rectifying key information gaps, as well as in responding to opportunities to develop and capture the data required to inform national priorities.

The AIHW conducts data integration in partnership with data custodians and specialists in integration and analysis. Linkage projects requiring the integration of Australian Government data are undertaken by an accredited integrating authority (see https://statisticaldataintegration.abs.gov.au/roles-and-responsibilities/integrating-authorities).

The AIHW has met stringent criteria covering project governance, capability and data management to gain this accreditation. In this capacity, it is trusted to integrate Australian Government data for high-risk research projects. To date, its integration projects have generated improved research outcomes that have identified vulnerable population groups, improved the understanding of health risk factors, and contributed to the development of targeted interventions. These projects have fostered new insights into dementia, disability, health service use, patient experiences of health care, and suicide.

The AIHW has extensively used the ABS's MADIP data asset to gain health and wellbeing data insights. The MADIP data asset was established in 2015. It is a secure data asset, combining data from various government agencies on health, education, government payments, income and taxation, employment and population demographics (including data from the Census) over time. It provides whole-of-life insights on various population groups in Australia, such as the interactions between their characteristics; their use of services like health care and education; and their outcomes, like improved health, employment and income circumstances. Integrated data assets, such as the MADIP data asset, allow complex questions and changes over time to be analysed with new and expanded insights to be gained that are not available from single data sources (ABS 2022b).

The ABS is trusted as the accredited integrating authority for the MADIP data asset. It collects and combines the data and provides access to authorised researchers while protecting individual privacy and keeping the information available in the MADIP data asset secure at all times.

Two AIHW projects have used the MADIP data asset to better understand the ex-serving Australian Defence Force (ADF) population following their separation from service. These projects were 2 of the first data integration projects to use Linkage Spine Interoperability

(continued)

(von Sanden 2020); this enabled Department of Defence (Defence) personnel data held at the AIHW to be combined with data held at the ABS in the MADIP data asset without the need for these organisations to share personal identifying information. Linkage Spine Interoperability increases efficiency in creating integrated data products between 2 agencies; it also reduces the risks of sharing personal information, and facilitates better use of person-centred data, enabling research efforts to be expanded.

Through data integration, the 'Understanding the wellbeing characteristics of ex-serving ADF members' project (Project 1) was, for the first time, able to include:

- comprehensive insights on female veterans not typically available through national surveys
- exploratory analysis of veterans' families, including spouses and children
- the release of 'Wellbeing outcomes on education, employment, income and housing circumstances' – a key highlight being the release of employment status for ex-serving ADF members following their transition from the ADF
- modelling analysis that provided insights on the ADF service characteristics that had the strongest statistical association with wellbeing outcomes, such as being employed, unemployed, attaining a bachelor's degree and earning a higher income (AIHW 2022b).

Data insights from this project paint a largely positive picture of wellbeing outcomes following separation from the ADF.

At the time of the 2016 Census, many ex-serving ADF members had attained higher education qualifications, were employed, earned higher incomes than the Australian population, owned their own homes (including people paying mortgages) and were socially connected by living in a family type household.

However, this is not the case for everyone. Those people who separated from the ADF involuntarily for medical reasons or served fewer years had an increased risk of facing wellbeing challenges (including higher unemployment rates and lower levels of education qualifications) and were receiving lower incomes in 2016 than people who separated for any other reason. People who served fewer years experienced similar wellbeing challenges when compared with people who served longer or served in the army or air force.

This project highlights the varied wellbeing outcomes following transition from ADF service. Through the strategic partnership between the AIHW and the Department of Veterans' Affairs, the work program will continue to ensure that the research captures the variation of outcomes of the ex-serving ADF population and supports the needs of all Australia's veterans and their families. Future work will include analysis of the 2021 Census ADF service status question which asks all Australians participating in the Census whether they had served in the ADF (see https://www.abs.gov.au/articles/australian-defence-force-service for more information).

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Data integration with the MADIP data asset was also used to explore socioeconomic characteristics of ex-serving ADF members who died by suicide (AIHW 2022a) (Project 2). For the first time, the AIHW undertook analysis to identify potential demographic and socioeconomic factors related to death by suicide among ex-serving ADF males. The analysis compares the cohort with the total ex-serving ADF male population, and with the general Australian male population who died by suicide.

Findings from this project show that ex-serving ADF males who died by suicide were more likely to be younger, to live alone, to have lower incomes or to be widowed/divorced/separated/never married.

This project complements the existing AIHW veterans' health and welfare program that aims to build a comprehensive profile of the health and welfare of Australia's serving and ex-serving ADF population. It also builds on the broader suicide and self-harm monitoring work conducted by the AIHW on the whole Australian population. It was used to inform the Royal Commission into the Defence and Veteran Suicide interim report (see https://www.aihw.gov.au/suicide-self-harm-monitoring and https://defenceveteransuicide.royalcommission.gov.au/publications/interim-report).

3. Data developments in family, domestic and sexual violence

Family, domestic and sexual violence (FDSV) is a major health, welfare and social issue in Australia and can have a lasting impact on individuals, families and the community. It can affect people of all ages and backgrounds, but predominantly affects women and children. There is currently no national definition of what constitutes FDSV. Violence is a broad term, referring to behaviours (or patterns of behaviour) that cause harm. Violence can occur in the form of assault, threat, abuse, neglect or harassment and is often used by a person, or people, to intimidate, harm or control others. Examples of forms of violence include sexual assault, emotional abuse, financial abuse, and stalking. FDSV can occur within a range of relationships and settings (see 'Family, domestic and sexual violence' at https://www.aihw.gov.au/reports/domestic-violence/family-domestic-and-sexual-violence).

The AIHW adopts a broad approach to reporting on FDSV, which includes violence against all people, and supports understanding of gender-based violence. Gender-based violence refers to violence against someone because of their gender, and is the focus of the National Plan to End Violence against Women and Children 2022–2032.

Data are essential to understand the extent, nature and impact of FDSV. Data also provide insight into peoples' understanding and attitudes towards violence and how people engage with health and welfare services after experiences of violence. The knowledge gained from these data can then be used to inform decision-making, service planning and resource allocation to improve outcomes for people who are, or may be, affected by FDSV. Another important role for data is in monitoring and evaluating programs provided specifically to assist people affected by FDSV and gender-based violence.

Through the National Plan to End Violence against Women and Children 2022–2032, the Australian, state and territory governments are committed to growing the evidence base and strengthening data collection systems. This builds on the work completed by governments and national information and research agencies to improve FDSV data and reporting under the previous national plan (National Plan to Reduce Violence against Women and their Children 2010–2022).

FDSV-related data and reporting have been substantially improved over the past decade but several national gaps remain. Currently, available data, collated from a range of sources, provide an incomplete national picture. These data sources include hospitals, child protection services, homelessness services, police, courts and population surveys. National gaps include having limited FDSV-related data on:

- services, including specialist FDSV services (services that respond specifically and mostly to people experiencing FDSV), primary health care, ambulance/paramedic care, emergency department care, drug and alcohol services and mental health services

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- service pathways, impacts and outcomes for victim-survivors, perpetrators and families
- select population groups.

In some cases, data are available at the state and territory level; however, comparability across collections is limited as different definitions and/or methods are used to support different requirements (which can be related to legislation and/or service scope). Data availability and/or comparability can also vary across public and private sectors.

The Australian Government funds the AIHW to develop a prototype specialist FDV services data collection and a national FDSV integrated data system. The prototype collection aims to draw together data from providers of specialist FDV crisis services. A large component of the project is devoted to understanding what data are collected, the systems used to collect and store the data, and current reporting by states/territories and/or services. The project will culminate in the development of a prototype collection that will support the collection of consistent and comparable data, regardless of the jurisdiction where the service is provided. The data to be included are still to be agreed; however, as well as basic demographics of people seeking and receiving specialist services (and information about the services), the collection of information on unmet demand, risk assessments, pathways through services (including referrals), outcomes and case complexity will be explored. A key principle of the prototype collection is that it uses a flexible and staged approach to data collection, which can be expanded and built on over time to include other types of services.

The integrated data system project aims to develop the foundations for an enduring national integrated data system related to FDSV victim-survivors and people who use violence. The long-term aim is to provide a more complete picture and a better understanding of the life experiences and outcomes of people experiencing FDSV by analysing 'joined up' de-identified national data collections. There are some challenges in developing this system due to the limited national data available to identify victim-survivors and people who use violence, but the collection of data from specialist FDV services will go some way to rectifying this in the future. The scoping stage of the project has involved consultation with stakeholders on potential research and policy questions that could be dealt with by a FDSV integrated data system.

4. Aged care data: challenges and improvements

The Royal Commission into Aged Care Quality and Safety concluded in 2021. Its final report identified shortcomings in aged care, including in data about aged care. The AIHW and the Department of Health and Aged Care are partnering to deliver:

- an aged care data strategy to drive system-wide improvement
- an Aged Care National Minimum Data Set (NMDS) to improve aged care data quality
- a National Aged Care Data Asset to better understand interactions and outcomes.

The data strategy will guide the approach for developing and continually improving a comprehensive aged care data system. Many people use aged care information and data, and for many different reasons. The AIHW is using what was heard through stakeholder consultations to develop the draft data strategy: the aged care data system must respond to the needs of different users and provide them with timely and comprehensive information.

The Aged Care NMDS will focus on a core set of aged care data variables. Common data standards and specifications are key to improving the quality of data about aged care.

The National Aged Care Data Asset will reveal how Australians access aged care and other related systems like health care, and what their needs and outcomes are. Data systems traditionally focus on individual programs, areas or settings and specific time periods. But, as people age, their care and support needs often become more complex and they rely on different services.

The data asset will be modular, including aged care, health and other services. It will allow for a broad system-based view, and ongoing study of questions related to evaluation, policy and research.

Benefit	What does this look like?
Improved reporting	Producing indicators of aged care system performance, such as how frequently or intensively people who use aged care also use other services, or how these patterns vary between different groups of people using aged care.
Monitoring effects	Assessing how particular population groups are affected as policies are implemented, the environment changes or other transitions occur. The data will facilitate follow-up analyses on the same cohort over time and increased visibility of cross-sector outcomes.
Planning at the local level	Supporting flexible use of in-scope information where data cross sector or region boundaries. For example, sometimes information is better centred around the geographical region where events take place, rather than on individual sectors, to present a meaningful picture of activity at the local level.

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Benefit	What does this look like?
Resource for research	Providing access to relevant data for research on the interface between aged care and health care, other high-priority topic areas and questions relating to particular populations, such as: • younger people in aged care • people with dementia • people using palliative care • veterans.
Setting the stage for the future	Adjusting to new or expanded data, systems, platforms and environments as they come into being. The data asset will be part of the scaffolding to build a better aged care data system.

5. Using data linkage to explore patterns of health service use in the last year of life among people who died by suicide

Using the NIHSI AA version 0.5, the AIHW explored patterns of health service use in the last year of life for people who died by suicide. This analysis showed that between 1 July 2010 and 31 December 2017, people aged 15–64 who died by suicide accessed fewer health services in their last year of life than people who died from other causes. About half (49%) of the people who died by suicide did not have any contact with hospitals during their last year of life, compared with 24% of people who died by other causes. About 1 in 10 (11%) people who died by suicide did not access any of the analysed health services in their last year of life.

This analysis also revealed some differences in health service use by sex and age group. Females (59%) who died by suicide, for example, were more likely to attend hospital for any reason in their last year of life than men (48%). Females aged 34–44 were the most likely to attend hospital (61%) and males aged 55–64 were the least likely to attend (45%). Females (30%) who died by suicide were more likely than males (19%) to have had a mental health hospitalisation (this excludes Emergency Department presentations) in their last year of life. Only 13% of women and 6% of men who died by suicide had hospital admissions for intentional self-harm in their last year of life.

An advantage of using the NIHSI AA, compared with previous studies, is that patterns of service use can be explored in both the MBS and the PBS. As a result, this analysis showed that people who die by suicide are considerably more likely to access MBS and PBS services in their last year of life than hospital services. This analysis also highlighted differences in MBS and PBS use between males and females. For instance, females who died by suicide had a higher use of MBS mental health services (57%) or PBS mental health prescriptions (71%) than males (37% and 50%, respectively) in their last year of life.

This analysis reinforces the importance of ensuring that suicide prevention activities also focus on people accessing health and community services (or no services at all), and not just on people who access hospital, MBS or PBS services (See 'Patterns of health service use in the last year of life among those who died by suicide' at https://www.aihw.gov.au/suicide-self-harm-monitoring/data/deaths-by-suicide-in-australia/health-service-use-in-the-last-year-of-life).

6. Better data for better futures: The Smith Family *Learning for Life* program

The Smith Family, an Australian not-for-profit organisation helping young Australians to overcome educational inequality, run a number of learning programs. The largest is its *Learning for Life* scholarship program, which provides extra support for children experiencing disadvantage to engage with school. It uses an early intervention approach to help children overcome the obstacles caused by disadvantage that often make it difficult to move through school and onto employment or further study.

The *Learning for Life* program has 3 integrated components that provide financial, relational and programmatic support, with The Smith Family team members providing support directly to students and families when they need it. The program, which supports around 60,000 children and young people each year (The Smith Family 2022), seeks to improve young people's educational, employment and life outcomes. Each student has a Unique Student Identifier; this enables the program to track school attendance, achievement and completion, as well as post-school engagement in employment, education and training. For example, 84% of students in year 12 and on the program in 2020 were in education, work and/or training 18 months after leaving school (The Smith Family 2022).

The effectiveness of a program like this – one that provides targeted support when it is needed – is highly influenced by the quality and timeliness of available data; in this case, the student-level data that the program team members have access to, and how quickly they have that access. Until recently, the educational information (like school attendance data and literacy and numeracy grades) that The Smith Family team members need to help them determine when and what type of support is needed, was available only through school reports once a year – usually after the school year was concluded. This timing presented a barrier to providing timely and targeted frontline service.

An ongoing partnership between The Smith Family and the South Australian Department for Education has seen this data access dramatically improve for *Learning for Life* students in South Australia since 2021. Through this data exchange partnership, The Smith Family has gained access to key educational data in real time for students on their program via a Department-hosted dashboard, as well as to data for similar students not on the program (for outcome comparisons). Data include attendance, the reasons for absences, achievement data (for example, meeting/not meeting the literacy/numeracy standard), student demographics, school enrolment, and behaviour management incidents – for example, suspensions. The data in the dashboard are the latest available; for example, the student-level attendance data are updated daily. With such timely data, *Learning for Life* team members can support students and families as issues emerge.

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For example, they can:

- quickly identify falls in attendance, understanding if multiple children in a family are not attending regularly and focusing on absences that are unexplained
- identify students struggling in literacy or numeracy, offering them access to The Smith Family programs focused on these areas
- reconnect with families who have to change schools, sometimes in times of crisis, ensuring support for the family continues
- advocate for families with their school, helping to establish a more positive relationship between them
- intervene early when a senior secondary student is at risk of disengaging from education
- identify and celebrate students' educational success.

Providing timely, targeted support has the potential to positively alter students' pathways through school for better overall educational outcomes. Currently, the dashboard provides data for over 4,700 *Learning for Life* students in South Australia. The potential for this to expand to around 10,000 in the state over the next 5 years as The Smith Family seeks to offer the program to more students.

The data-sharing arrangements were enabled by changes to the *Public Sector (Data Sharing Act) 2016* and Regulations that allowed non-government organisations to be included in such arrangements. Consent from the involved families was of central importance; the proposed arrangement was discussed in detail with *Learning for Life* families and 95% of them provided consent for 2-way sharing of their child's data between The Smith Family and the South Australian Department for Education.

This project demonstrates the power of data-sharing partnerships between government and non-government organisations for service-based improvements, and the benefits to students and families of live data for timely, targeted interventions.

Given the value already being seen by team members in South Australia from the data exchange, The Smith Family is developing similar arrangements with other jurisdictions, including Western Australia and Queensland.

See https://www.thesmithfamily.com.au/programs/learning-for-life for more information on *Learning for Life*.

7. Using single-touch payroll data to meet changing needs

Since the onset of the COVID-19 pandemic, the ABS has played an active role in compiling and releasing timely data to support informed decision-making. This has involved modernising existing data collection activities and using big data from both public and private providers.

An important example of this effort involves the use of single-touch payroll (STP) data secured from the Australian Taxation Office (ATO) (ABS 2022a). During the pandemic, the ABS and the ATO expedited work to use STP data to provide close to real-time information on changes in jobs and wages as restrictions to reduce the spread of COVID-19 (which had flow-on effects for income and work) were implemented.

The ABS used its evolving suite of Cloud-based information and ICT services to acquire, store and analyse STP data. Cloud-based ICT services are scalable to handle these big data sets, support modern programming languages and analytical techniques, and provide robust data protection controls.

The ABS received the first STP file, containing 351 million transactions, on 2 April 2020, and published the first 'Weekly payroll jobs and wages in Australia' release 19 days later. This release not only provided a national and state/territory picture of changes in jobs and wages during the pandemic – with breakdowns for sex, age group, industry, and employment size – but also included sub-state regional data (from July 2021).

The STP data released by the ABS have been invaluable in providing a timely understanding of the impact of the COVID-19 pandemic on businesses and households.

STP data are compiled into weekly indexes of payroll jobs and wages and published monthly (ABS 2022a). For more information, see https://www.transparency.gov.au/annual-reports/australian-bureau-statistics/reporting-year/2020-21-7 and https://www.transparency.gov.au/annual-reports/australian-bureau-statistics/reporting-year/2019-20-53.

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Social isolation, loneliness and wellbeing

2

Social isolation, loneliness and wellbeing

Key messages

- Loneliness and social isolation were concerns before the onset of the COVID-19 pandemic but have been exacerbated in the subsequent years.
- More people aged 15–24 now report feeling lonely than people aged 55 and over, with young females most likely to experience loneliness.
- People across all age groups appear to be having less social contact from 2001 to 2021.
- Social isolation and loneliness are among the many factors that can be detrimental to a person's wellbeing.

Social isolation and loneliness can harm both mental and physical health and may affect life satisfaction (Box 2.1). They are concerning issues in Australia due to the impact they have on peoples' lives and wellbeing.

Loneliness has been linked to premature death, poor physical and mental health (Holt-Lunstad et al. 2015), greater psychological distress (Manera et al. 2022) and general dissatisfaction with life (Schumaker et al. 1993).

Social isolation has been linked to mental illness, emotional distress, suicide, the development of dementia, premature death, poor health behaviours, smoking, physical inactivity and poor sleep – as well as biological effects, including high blood pressure and impaired immune function (Cacioppo et al. 2002 and Grant et al. 2009 in Holt-Lunstad et al. 2015). Social isolation is also associated with greater psychological distress (Manera et al. 2022) and sustained decreases in feelings of wellbeing (Box 2.2) (Shankar et al. 2015). Conversely, more frequent social contact is associated with better overall health (Botha 2022).

Box 2.1: Difference between social isolation and loneliness

Social isolation 'means having objectively few social relationships or roles and infrequent social contact' (Badcock et al. 2022:7). It differs from loneliness, which is a 'subjective unpleasant or distressing feeling of a lack of connection to other people, along with a desire for more, or more satisfying, social relationships' (Badcock et al. 2022:7). The 2 concepts may, but do not necessarily, coexist (Badcock et al. 2022; Relationships Australia 2018) – a person may be socially isolated but not lonely, or socially connected but feel lonely.

Some measures implemented in response to the COVID-19 pandemic, such as physical isolation and lockdowns, have had the potential to exacerbate pre-existing risk factors for social isolation and loneliness, such as living alone (Lim et al. in press). The pandemic highlighted the extent and impacts of loneliness and social isolation, a picture that will continue to unfold as more data from 2020 onwards become available.

Box 2.2: What is wellbeing?

Wellbeing is a concept that draws on both mental health and physical health. It has been defined as:

> '... the combination of feeling good and functioning well; the experience of positive emotions such as happiness and contentment as well as the development of one's potential, having some control over one's life, having a sense of purpose, and experiencing positive relationships' (Ruggeri et al. 2020:1).

Governments and policy advisers are becoming increasingly interested in wellbeing. This is because – beyond more traditional measures such as morbidity, mortality and economic status – wellbeing can indicate 'how people perceive their life is going from their own perspective' (CDC 2018). There is no consensus, however, on a single definition of wellbeing; it is often conceived of as multi-dimensional, integrating several factors that influence mental and physical health outcomes. For example, the framework to assess population wellbeing produced by the Organisation for Economic Co-operation and Development (OECD) includes, among several others, dimensions of income and wealth, health, social connections, subjective wellbeing, environment quality and civic engagement (OECD 2023).

Although wellbeing is influenced by social isolation and loneliness, it is far broader than just these 2 factors. This article largely focuses on subjective wellbeing and, in particular, the measure of life satisfaction. Life satisfaction is a widely used and robust measure of how someone broadly feels about their life circumstances (for example, see Biddle et al. 2022).

Who experiences social isolation and loneliness?

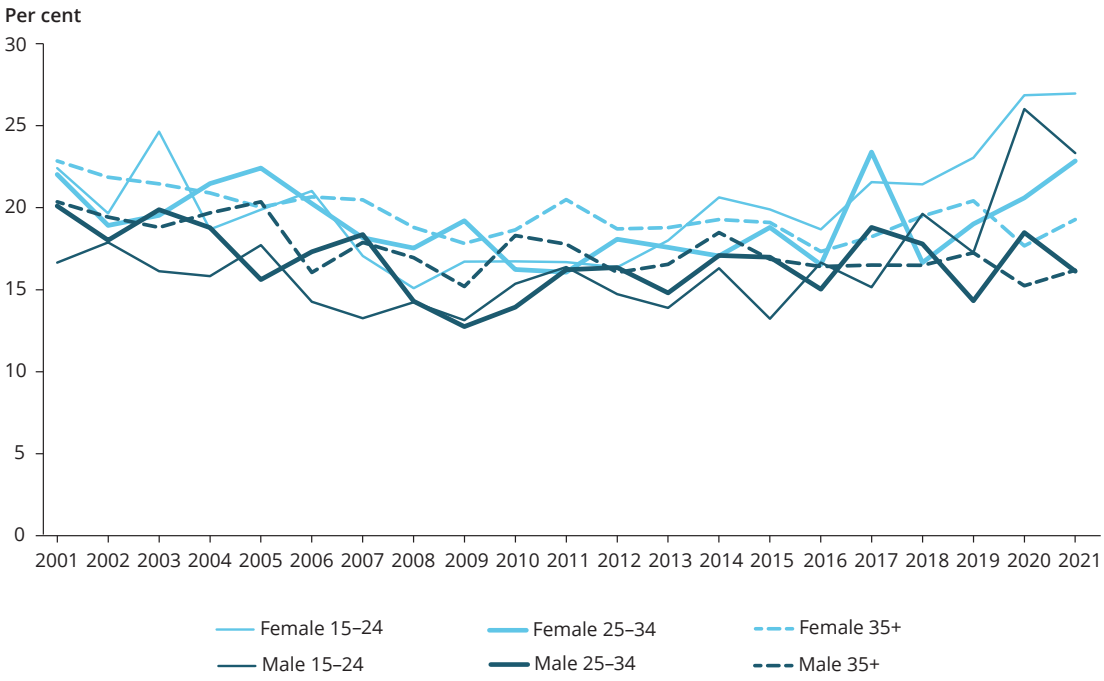
Loneliness among Australians was already a concerning issue before the COVID-19 pandemic, to the extent that it has been described as one of the most pressing public health priorities in Australia (Ending Loneliness Together 2022).

Loneliness

An increasing number of people aged 15–24, especially young females, have reported experiencing loneliness since 2012. As of 2021, 1 in 4 females aged 15–24 agreed with the statement 'I often feel very lonely', the highest proportion of any age group (Figure 2.1). Notably, the frequency of loneliness in this age group remains elevated as of 2021, while it appears to be either steady or reducing in most other age groups. Further, this may be an underestimate of the true extent of loneliness in these age groups due to stigma associated with loneliness (Lim et al. in press).

Figure 2.1: Loneliness in females aged 15–24 remains elevated

Proportion of respondents reporting 'I often feel very lonely', by sex and age group, 2001 to 2021



Source: AIHW analysis of Household and Labour Dynamics in Australia (HILDA) data, waves 1–21.

In a more positive development, the frequency of people aged 55 and over reporting loneliness has been steadily declining (Figure 2.2).

Figure 2.2: Loneliness has reduced among people aged 55 and over

Proportion of respondents reporting 'I often feel very lonely', by sex and age group, 2001 to 2021

Source: AIHW analysis of HILDA data, waves 1–21.

Data from the COVID-19 Impact Monitoring Survey showed that, in April 2020, during the nationwide lockdown, almost half (46%) of respondents reported feeling lonely at least some of the time in the past week (Box 2.3). Loneliness has generally declined since this time and fluctuated only slightly in the 2 years since, but, in August 2022 more than one-third (36%) of Australian adults reported experiencing loneliness at least some of the time in the week before the survey. Throughout the pandemic, young people (aged 18–24) were more likely than other age groups to report the highest levels of loneliness (Biddle et al. 2022).

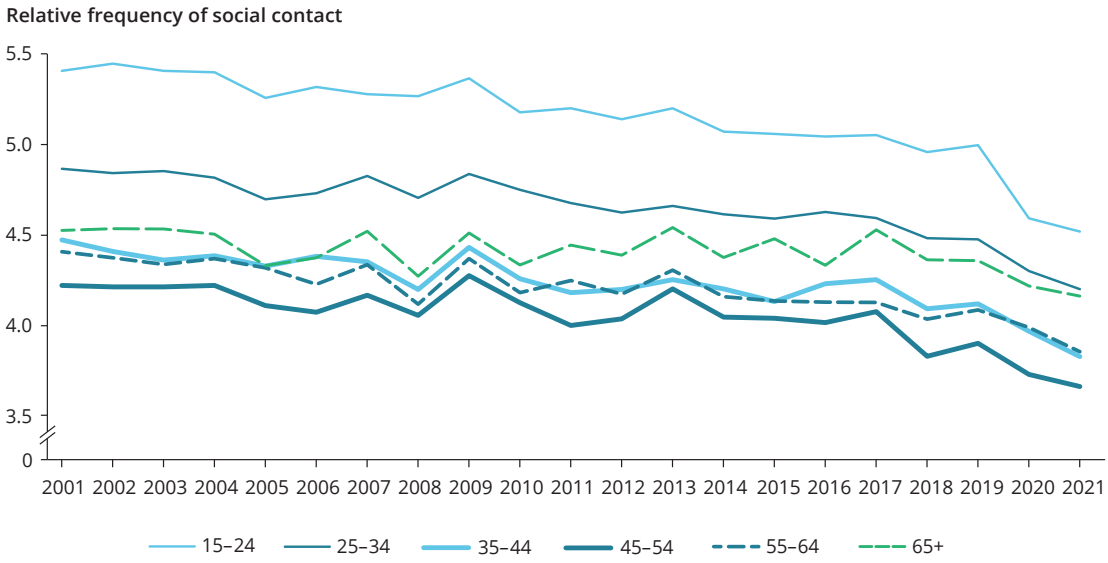
Australia's available data on loneliness do not allow for reliable international comparisons. In a recent systematic review of loneliness in 113 countries led by Australian researchers, Australian data could not be compared with those of other countries due to a lack of comparable prevalence data – except for the adolescent age group (Surkalim et al. 2022). The OECD has no comparable data for Australia on its measures of 'people feeling lonely' and 'people feeling left out of society' (OECD 2022).

Social isolation

The frequency of social contact, which may include both in-person and online contact (Box 2.4), has been declining across all age groups in Australia for at least 2 decades, with data from the HILDA survey showing a decline of 13% overall from 2001 to 2021. The average person now gets together socially with friends or relatives about once a month. Although people aged 15–24 reported the highest frequency of social contact overall, they have also shown the greatest relative decline over this period. On average, people in this age group have gone from socialising 2 or 3 times a month to about once a month (Figure 2.3).

Figure 2.3: Average frequency of social contact has declined across all age groups

Average frequency of social contact by age group, 2001 to 2021



Note: Numbers refer to responses to the HILDA question 'In general, about how often do you get together socially with friends or relatives not living with you?', with lower numbers indicating less frequent social contact. Refer to Botha (2022) for further details.

Source: AIHW analysis of HILDA data, wave 21 for year 2021; (Botha 2022) for years 2001 to 2020.

Analysis of data from the 2 participating cohorts of young people (born between 2003 and 2004) in the Longitudinal Study of Australian Children (LSAC) undertaken by the AIHW align with findings from the HILDA survey.

In 2021, the younger cohort (then aged 16–17) reported a higher level of loneliness than the older cohort (aged 18–19). Females also reported a higher level of loneliness than males. Consistent with other surveys, females reported a higher level of social support than males.

Box 2.3: Domestic and family violence

Family, domestic and sexual violence is a major health and welfare issue in Australia, occurring across all socioeconomic and demographic groups, but predominantly affecting women and children (AIHW 2022).

Social isolation is a well-recognised tactic of coercive control used by perpetrators to control their victims (Boxall and Morgan 2021). It ensures the victim does not hear other people's perspectives: perpetrators control the information the victim receives, reduce their help-seeking opportunities, and control the victim's ability to leave the abusive relationship (Stark 2007). Recent studies on the impact of the COVID-19 pandemic on Australians are identifying some adverse outcomes of stay-at-home orders associated with increased social isolation that put some women and children at higher risk of experiencing family violence (Morgan and Boxall 2020; Pfitzner et al. 2022).

An online survey of 166 practitioners conducted in Victoria during the 2020 lockdowns revealed that women's experiences of intimate partner violence worsened because of their increased social isolation, which reduced their ability to seek external help and support (Pfitzner et al. 2022). This trend was also identified in other cities and countries, with perpetrators using the social isolation provided by the stay-at-home orders to increase abusive behaviours towards victims within their homes (Piquero et al. 2021). An Australian study suggests the combination of increased social isolation and economic stress associated with the COVID-19 pandemic did increase the risks of domestic and family violence for women in current cohabiting relationships (Morgan and Boxall 2020).

Between 2019 and 2020, the proportion of Australians participating in groups fell – from 51% to 46% for social groups, from 25% to 21% for community groups and from 9% to 7% for civic and political groups (ABS 2021). The proportion of Australians who had face-to-face contact at least once a week with family and friends outside their household dropped markedly in 2020 (42% compared with 68% in 2019). This likely reflects the impact of the COVID-19 pandemic. The Australian Bureau of Statistics (ABS) projects that the number of people living alone will increase by almost 1 million between 2016 and 2041 (ABS 2019).

According to data from the COVID-19 Impact Monitoring Survey (Biddle et al. 2022), in February 2020, about 1 in 50 (2.1%) Australians reported never (that is, less than 'less than once a month') meeting socially with friends, colleagues or relatives. During the April 2020 nationwide lockdown, this figure reached 49.4%. By April 2022, while Australians were reporting greater levels of social interaction than in the previous 2 years, social interaction had still not returned to pre-pandemic levels. In August 2022, about 1 in 20 (4.8%) of Australians reported never meeting socially – more than double

pre-pandemic levels. Over 1 in 3 (35.4%) Australians reported meeting others socially once a month or less, compared with almost 1 in 4 (23.8%) in February 2020.

Box 2.4: Role of social media

Whether social media has potential benefits or negative impacts on people's experiences of social isolation has been discussed since the advent of this medium. There is no straightforward relationship, however, between social media use and experiences of social isolation and loneliness, whether positive or negative.

Researchers have identified some positive impacts of how social media can help people feel socially connected, especially adolescents (aged 11–19) who are looking for peers online to boost their psychosocial wellbeing, discuss identity development and encourage a sense of belonging (Allen et al. 2014). Other research has showed that using social media benefited young people (aged under 21) who experienced higher levels of social anxiety by increasing their ability to socialise, reducing their feelings of social isolation (Lin et al. 2017).

Even though adolescents can use social media to create supportive communities, research shows that the relationship between its use and loneliness can be dynamic and bidirectional. When it is used to escape physical social interactions, feelings of loneliness were found to increase (Nowland et al. 2017). Further, Nowland and colleagues (2017) posited that people experiencing loneliness may benefit from external support with their use of the Internet to ensure they engage in existing friendships and learn how to develop new ones online to reduce feelings of loneliness and social isolation.

More research has emerged since the COVID-19 pandemic started that investigates the use of social media by people of all ages and their experiences of social isolation, but findings are not always positive. For example, a study of people living in Norway, the United States of America, the United Kingdom and Australia looked at the impact of people's use of social media during the pandemic. The researchers found an association between emotional distress and more frequent use of social media (Geirdal et al. 2021).

Another international study investigating current research between online social networking and mental health outcomes for people aged 50 and over found that social media enhanced communication with family and friends, provided greater independence and self-efficacy, aided in the creation of new communities online, helped to form positive associations with wellbeing and life satisfaction, and was associated with decreased depressive symptoms (Chen et al. 2021).

As more studies are conducted through the pandemic and beyond, an understanding of how social media affects feelings of social isolation and loneliness should become clearer.

Preventing and reducing social isolation and loneliness

Participating in paid work and caring for others have been proposed as safeguards against loneliness. Engaging in volunteer work and maintaining active memberships of sporting or community organisations are also associated with reduced social isolation (Flood 2005). However, it is unclear whether community engagement can consistently act as a protective factor against loneliness. For example:

- one study found that loneliness is lower in people who spend at least some time each week volunteering (Flood 2005)
- another study found no relationship between loneliness and volunteering, or between loneliness and socialising and participating in sport and community organisations (Baker 2012).

For people aged 25–44, being in a relationship is a greater protective factor against loneliness for men than for women (Baker 2012). Women living with others and women living alone report similar levels of loneliness, while men living alone report higher levels of loneliness than men living with others (Flood 2005).

Although social isolation and loneliness are now well-recognised public health concerns, major gaps remain in understanding what works to resolve them (Smith and Lim 2020). Due to our diverse social needs, preferences and resources, there is no 'one size fits all' solution (Box 2.5) (Ending Loneliness Together 2022).

Wellbeing

Life satisfaction is a subjective measure simply of how satisfied a person is with their life, and is considered to be a key component of overall wellbeing (OECD 2020). From 2001 to 2018, according to the HILDA Survey, life satisfaction remained relatively stable (Wilkins et al. 2020). However, based the ABS General Social Survey (ABS 2021), overall life satisfaction (ranging from 0 'not at all satisfied' to 10 'completely satisfied') for Australians aged 15 and over fell from 7.5 in 2019 to 7.2 in 2020. Average life satisfaction in 2020 was low for people:

- aged 15–24 (6.9)
- living with a mental health condition (5.8)
- living with a long-term health condition (6.9)
- who described themselves as gay, lesbian or bisexual (6.3).

Box 2.5: Companion animals

Pets can play an integral part in people's lives, regardless of the person's culture, profession or age. Companion animals are one source of external support that can bring both physical and mental health benefits (Brooks et al. 2016). All types of companion animals may contribute to reducing social isolation and feelings of loneliness (Brooks et al. 2018; Kretzler et al. 2022).

Multiple studies have found an association between pet ownership and lower experiences of social isolation, particularly for children (Christian et al. 2020; Hartwig and Signal 2020; Kretzler et al. 2022). Further, research suggests that companion animals may positively influence experiences for older people (aged 60 and over) by increasing their sense of purpose and meaning, facilitating increased social interaction, reducing loneliness and improving emotional resilience (Zhe Hui Gan et al. 2019), as well as being potentially a protective factor against suicide (Young et al. 2020a). Owning a pet increases the opportunity for people to get to know their neighbours and for social interactions and forming friendships (Wood et al. 2015).

Brooks and colleagues (2018) systematically reviewed 17 studies that investigated the relationship between companion animals, specifically domestic animals, and the assistance these animals provided in helping people to manage their mental health conditions. The quantitative studies produced mixed findings, with people experiencing positive, negative and neutral impacts of their companion animal on their personal mental health.

Qualitative studies suggest, however, that people with mental health conditions may benefit from the direct support their companion animals provide. This support includes helping their owners to manage their mental health condition, reducing people's stress and regulating emotions – particularly beneficial during times of crisis, improving people's quality of life, providing a consistent source of comfort, and aiding social and community interactions. Companion animals were found to help mitigate feelings of social isolation and loneliness by providing physical warmth and companionship, and opportunities for non-judgemental communication for their owners. Further, they may offer a distraction or disruption when their owners experience panic attacks and other symptoms of mental illness (Brooks et al. 2018). On the other hand, negative impacts included difficulties with the daily commitment of pet ownership and the psychological stress when losing a companion pet.

Since the start of the COVID-19 pandemic, studies have mostly shown that the association between pet ownership, loneliness and social isolation has strengthened (Kretzler et al. 2022). One study found that cats gave their people an outlet for stress through the strong bonds they had established with owners, and the affection and comfort they provided, thus acting as a buffer to the social isolation created by the lockdowns (Currin-McCulloch et al. 2021). Dogs provided their people with daily reinforcement of positive behaviours such as routine, exercise and play, which all contributed to decreased feelings of social isolation (Bussolari et al. 2021).

It is not yet clear whether this strong relationship between people and their pets at the levels seen in the early years of the COVID-19 pandemic will persist in the future (Hughes et al. 2021; Young et al. 2020).

During the pandemic, there were '… as large swings in many wellbeing measures since perhaps the second world war' (Biddle and Gray 2022:6). The COVID-19 Impact Monitoring Survey, conducted by researchers from the Australian National University (ANU), charted trends in the wellbeing of Australians (aged 18 and over) throughout the pandemic and into late 2022 (Box 2.6). This research was based on longitudinal data comparable with pre-pandemic waves of data collection made through the quarterly survey, ANUPoll (Biddle et al. 2022). Notably, because infection and mortality rates in Australia had been relatively low during the first 2 years of the COVID-19 pandemic, the researchers were able to show that an increase in the stringency of pandemic-related restrictions had an association with individual wellbeing and loneliness (Biddle et al. 2022).

Various questions about wellbeing were posed to respondents in the COVID-19 Impact Monitoring Survey, including on life satisfaction. In each wave of data collection, respondents were asked 'Overall, how satisfied are you with life as a whole these days?' with a response of '0' meaning 'not at all satisfied' through to '10' meaning 'completely satisfied'.

In January 2020, when parts of southern and eastern Australia had recently experienced or were still experiencing major bushfires and high levels of air pollution due to bushfire smoke, average life satisfaction sat at 6.9, lower than it had been in October 2019 (7.1) (Biddle et al. 2022). Average life satisfaction has varied widely during the pandemic, with the lowest levels observed in April 2020 (coinciding with the first nationwide lockdown) and in August 2021 (6.5) (Biddle et al. 2022), when much of New South Wales and Victoria were under lockdown. Between January and May 2022, life satisfaction levels consistently increased (though they never reached pre-pandemic levels), before tapering off between August (~6.8) and October 2022 (6.7) (Biddle and Gray 2022).

The COVID-19 Impact Monitoring data showed that by October 2022 economic concerns were becoming increasingly important in explaining the wellbeing of Australians as price increases associated with rates of inflation not seen in Australia since the 1990s became a key determinant of life satisfaction. Household income in Australia declined in real terms by about 3.1% between April and October 2022, suggesting a decline in living standards (Biddle and Gray 2022). Life satisfaction in October 2022 was 10% lower for people who thought price increases were a very big problem (6.4) compared to those who did not (7.1), and 14% lower for those in the bottom income quintile (6.2) compared with the top income quintile (7.2). In a period of rising inflation, income matters more for life satisfaction, and therefore wellbeing, than it did early in the pandemic (Biddle and Gray 2022).

Box 2.6: Can we build our way to less loneliness and social isolation, and greater wellbeing?

The built environment in which people reside is thought to shape loneliness, social isolation and wellbeing more generally by providing the context in which they can pursue social engagement and other activities important in life such as employment, education and social interactions with friends and family. Empirical studies across the world have shown various features of the built environment, such as distances to services, walkability of surroundings, perceived safety of an environment and availability of green space, are related to reported levels of loneliness (Lam and Wang 2022). The links between transport disadvantage – which has been defined as ongoing difficulties with access to transport (Rosier and Macdonald 2011) – and social inclusion are also well established by international research (Ma et al. 2018).

A recent Australian study based on HILDA data from 2013 to 2017 found that the odds of becoming lonely after 4 years were inversely related to the amount of high-value green space in a locality. Adults living in neighbourhoods where at least 30% of land was parks, reserves and woodlands had a 26% lower chance of experiencing loneliness than adults in areas with less than 10% green space. For people who live alone, the relationship was even stronger, with the odds of becoming lonely halving. These results were found even when accounting for competing explanations, such as income, disability, age and employment (Astell-Burt et al. 2022).

As Ma and colleagues (2018) explain, Australian cities have 'grown up' since the industrial revolution and in the era of the private car. This has created urban environments where car ownership can be critical for transport. Some people, especially people on lower incomes, tend to live in less expensive outer suburbs with fewer amenities and services (including public transport); hence, they are driven into expensive private car ownership to maintain social connection and employment. The inability to own a car potentially contributes to transport disadvantage, a circumstance associated with increased social exclusion (measured by access to social help), as well as lower physical and mental health, and subjective wellbeing (Ma et al. 2018). Conversely, walkable neighbourhood environments with increased accessibility to amenities and services are associated with less transport disadvantage and increased social inclusion.

While considerable care is required in making international comparisons of subjective wellbeing, the data show that, on measures of subjective wellbeing and social support, Australia ranks towards the middle against other OECD countries. In 2019, on a scale of 0 to 10, Australians had an average life satisfaction of 7.5 (Department of the Treasury 2022). This was slightly higher than the 2018 OECD average of 7.4, ranking Australia 18th of 33 OECD countries on the measure of life satisfaction (OECD 2020). While the share of people reporting they have friends or relatives who can assist them has fallen from 97% in 2006 to 92% in 2021, on this measure Australians report higher levels of social support than the average (90%) and Australia ranks 19th of 38 OECD countries (OECD 2020).

The Department of the Treasury has developed a wellbeing framework to inform government policy. See the *Measuring what matters statement* at https://treasury.gov.au/publication/p2023-mwm for more information.

Further reading

Australian Institute of Health and Welfare – *Suicide and self-harm monitoring* at: https://www.aihw.gov.au/suicide-self-harm-monitoring/data/covid-19

Bankwest Curtin Economics Centre – *Stronger together: loneliness and social connectedness in Australia* at: https://bcec.edu.au/publications/stronger-together-loneliness-and-social-connectedness-in-australia/

Department of the Treasury – *Measuring what matters* at: https://treasury.gov.au/publication/p2023-mwm

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Employment and income support following the COVID-19 pandemic

3

Employment and income support following the COVID-19 pandemic

Key messages

This article explores how employment and income support in Australia have fared in the years since the onset of the COVID-19 pandemic (2020–2023). It compares the COVID-19 situation with previous recessions and economic downturns, and with the months before the pandemic. It examines a range of employment-related measures, and trends in income support and employment services. It also highlights some of the enduring changes to working arrangements that were accelerated by the COVID-19 pandemic and show no signs of reverting.

This article reports that Australia has made great progress in improving labour market outcomes, with most of the above-mentioned measures rebounding quickly – faster than for previous recessions and economic downturns – and faring far better than they were before the pandemic (see Figure 3.1). However, some parts of the labour force have been slower to recover, including industries that have a large share of part-time casual employees and were particularly affected in the early months of the pandemic (such as in the recreation and hospitality industries).

Key findings

Recovery following the COVID-19 pandemic has been much quicker than the recoveries from previous recessions and economic downturns. The employment rate took up to 10 years to recover after the recessions of the early 1980s and 1990s, and the economic downturn that followed the 2008–09 Global Financial Crisis (GFC). In contrast, the employment rate returned to the pre-pandemic level within 1 year of the onset of the COVID-19 pandemic in Australia (74.8% in March 2021 compared with 74.4% in March 2020).

This quick recovery comes despite the largest ever monthly fall in employment in April 2020 – a drop of 583,300 employed people aged 15 and over – and the lowest employment rate in 20 years in May 2020, at 69.5% for people aged 15–64. By November 2022, employment had recovered to record highs, and by October 2022 the unemployment rate was at its lowest in 50 years (3.4%). Employment rates for males and females and for all age groups had surpassed pre-pandemic levels by early to mid-2021.

These conditions created a tight labour market in late 2022 to early 2023, with around one job vacancy for every unemployed person in August 2022. This compares with 3 vacancies for every unemployed person before the pandemic in February 2020.

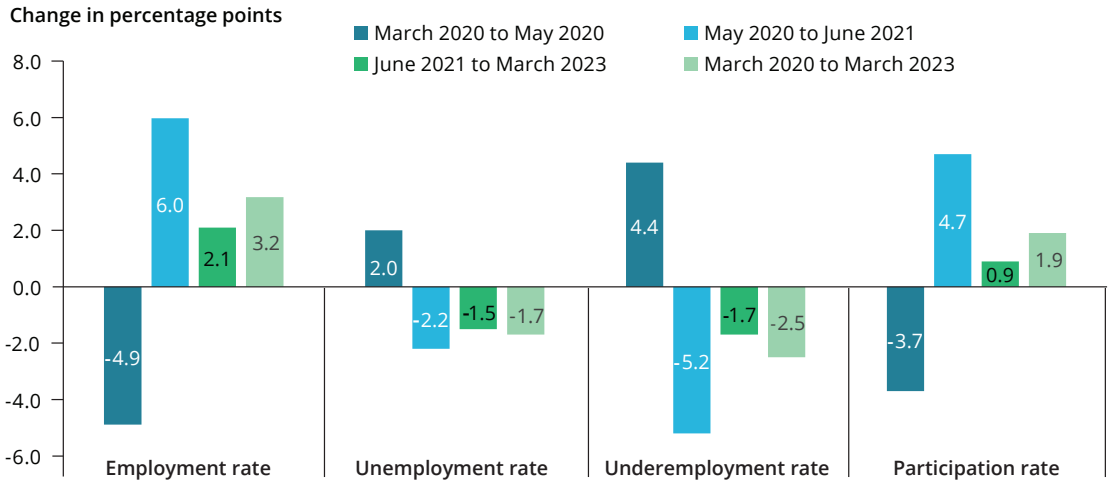
The industries most affected by the social distancing measures had the steepest declines in employment and the slowest recoveries to pre-pandemic levels. This particularly affected recreation and hospitality industries, which, from February 2020 to May 2020, had 50% and 47% declines in hours worked, respectively. These steep declines were influenced by part-time casual employees who were more likely to work in these industries, and who may not have been eligible for the JobKeeper Payment if they were employed on a regular basis for less than 12 months.

Some changes to working arrangements that were accelerated by COVID-19, such as working from home, show no signs of reverting to pre-pandemic levels. In April 2022, almost twice as many people as before the pandemic were working from home at least once per week (46% compared with 24%). Almost 3 in 5 (58%) employees report that productivity was the same or better following an increase in hours worked from home in 2020. Women with hybrid work arrangements reported increases in job satisfaction, though this was not the case for men.

Income support receipt rose steeply during the height of the pandemic (from 24% to 28% of the population aged 16 or over between March and June 2020), but then returned to previous trends of a declining reliance on income support. While the number of JobSeeker recipients had returned to pre-pandemic levels by September 2022, recipients are staying on payments for longer.

Figure 3.1: Despite many fluctuations over the past 3 years, key labour force measures have recovered to pre-pandemic levels

Percentage point change in key labour force measures from March 2020 to March 2023



Note: The figure presents the percentage point increases and decreases for the seasonally adjusted employment rate (ages 15–64), unemployment rate, underemployment rate and participation rate (ages 15–64) at key time points between March 2020 and March 2023.

Source: Labour Force Survey (ABS 2023c, tables 1, 18 and 22).

Introduction

It has been more than 3 years since the COVID-19 pandemic arrived in Australia and triggered a period of economic downturn that was felt across the country. The onset of the pandemic in the early months of 2020 had a substantial impact on the lives of Australians. Australia successfully controlled the spread of the virus over the first 2 years of the pandemic through widespread social distancing measures, testing and contact tracing, activity and business restrictions, and local and international travel restrictions. However, these measures had extensive consequences for the Australian labour market and economy. Many people lost their jobs; others were not able to work as many hours as they would like or relied on income support payments to cover everyday costs.

This economic downturn affected the employment status and income levels of some individuals and households more than others; it also resulted in a considerable shift in working arrangements. The economic response of Australian governments in providing support packages aimed to cushion the impact of this initial shock to the economy caused by these activity and business restrictions. 'Chapter 4 The impacts of COVID-19 on employment and income support in Australia' in *Australia's welfare 2021: data insights* examined some of these short-term impacts of the pandemic on Australia's labour market, using data up to May 2021 (see AIHW 2021a). This article is a follow-up to the article in that chapter published in September 2021.

When the previous article was published, many labour force measures were yet to fully return to pre-pandemic levels, as Australia was still grappling with ongoing outbreaks, evolving strains of the virus, and continuing periods of lockdown/restrictions in parts of the country (Figure 3.2). Since then, many of the steps taken to control the spread of the virus have been relaxed or removed entirely, such as social distancing, mask wearing and limited travel both domestically and internationally.

Over recent years, Australia has made great progress in continuing to improve employment outcomes, with most measures faring better than pre-pandemic levels in March 2020. This article explores how employment and income support in Australia has fared following the initial impacts of COVID-19 (that is, post-2020), focusing on the 3 years to March 2023 (the latest available data at the time of writing this article). It discusses these patterns in the context of longer term trends, comparing them with what followed previous recessions and economic downturns, and with the situation in the months before the onset of the pandemic. It examines employment and work (including employment, unemployment, underemployment, casual employment, hours worked and changes in working patterns), receipt of income support payments and participation in employment services.

This article also investigates whether this recovery is similar across population groups (age and sex), for different industries and by type of employment (full- or part-time employment). It explores whether the changes in working arrangements at the height

of the pandemic – such as employers providing more flexible working arrangements – have continued, drawing attention to what appears to be an enduring shift in working from home arrangements. It also discusses changes in the profile of new income support recipients and employment service participants who have continued to receive income support, despite broader improvements across labour market metrics.

In spite of a strong recovery to March 2023 across many employment-related measures, the effects of COVID-19 are far from over, with outbreaks still occurring across the globe at the time of writing. This article explores the current picture (from 2020 to March 2023); however, the consequences of the pandemic will no doubt continue to be felt for years into the future.

The consequences of the pandemic on employment-related measures over the last 3 years have had a large impact on income levels. In particular, increasing inflation and the phasing out of government support packages since late 2021 will likely lead to increases in financial stress and financial hardship for many Australians. The impact of COVID-19 on income levels is not discussed in this article, but further details can be found in 'Income and income support' at www.aihw.gov.au/reports/australias-welfare/income-support.

Note that, in this article, the month of any references to 'pre-pandemic' varies by data source and depends on data availability. Such references usually refer to the period before business shutdowns began affecting the economy (from late March 2020) rather than when the first case of COVID-19 was confirmed in Australia (25 January 2020).

Overview of COVID-19 outbreaks and responses

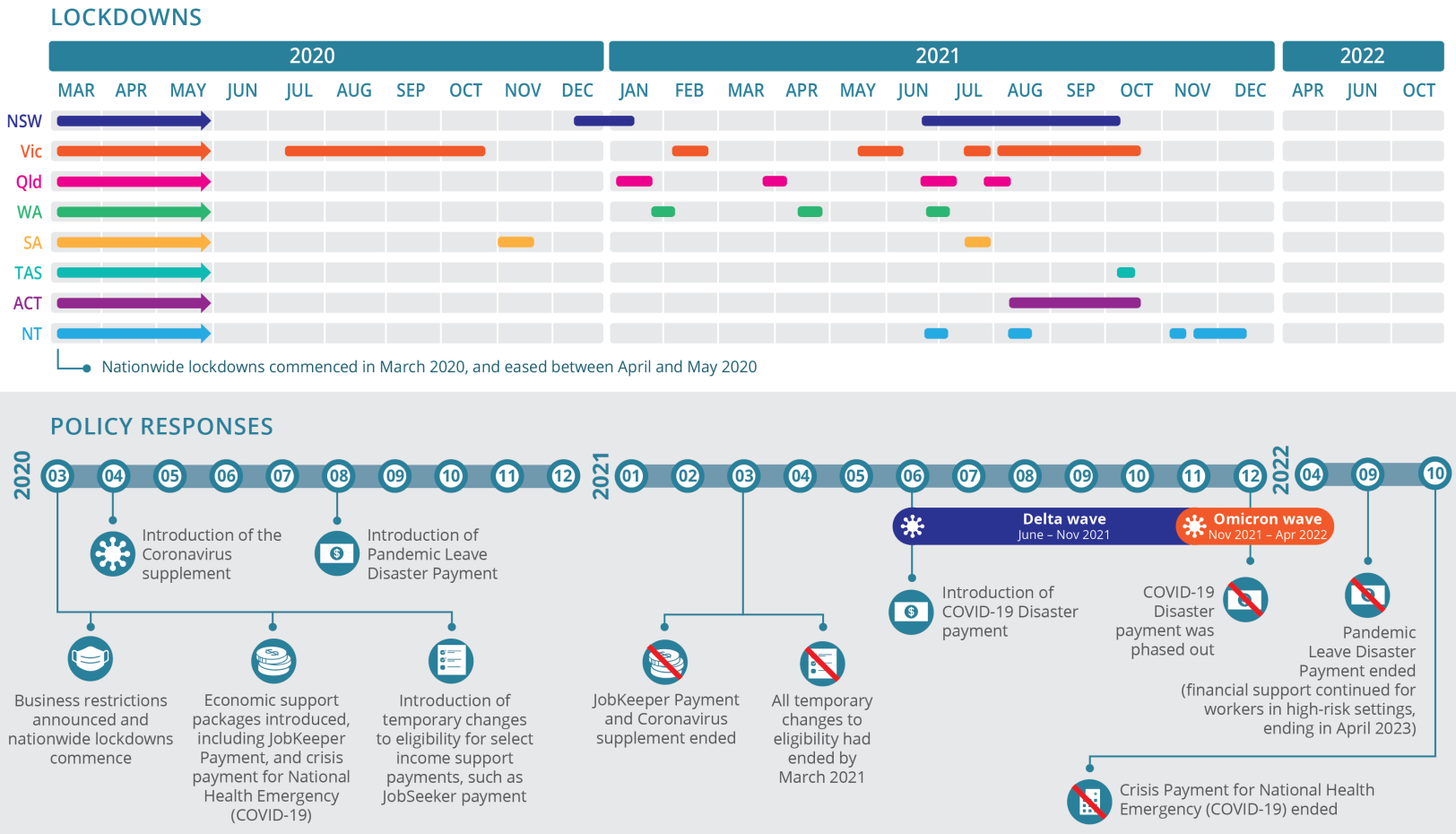
A range of public health measures (widespread social distancing, lockdowns and activity/business restrictions) were introduced from March 2020 to control the spread of COVID-19. The extent of these measures varied across the states and territories, as shown in Figure 3.2. These measures – although effective in containing case numbers – extensively affected employment and working arrangements for many Australians. A range of additional government economic support packages were made available to support those people affected (see AIHW 2021a:85 for further details).

These public health measures in 2020, supported by policy responses, resulted in large declines in case numbers by the end of that year. Progressively, by late 2020–early 2021, restrictions were eased and businesses reopened, with the economic support packages reducing as a result.

From mid-2021 to late 2022, new COVID-19 variants started to emerge (such as the Delta and Omicron variants); lockdowns were re-introduced and business restrictions tightened again (but not to the same extent as in 2020). These measures were eased after the peak of the Omicron wave (in December 2021), leading, in turn, to increasing case numbers in mid-2022. From 2022, the economic support packages were focused on people who tested positive to the virus, and who worked in high-risk settings (such as aged care or hospital care), rather than broadening eligibility for payments or stimulus payments as was the case in 2020.

As shown in Figure 3.2, there have been several key policy measures and lockdowns/restrictions in each state and territory since the onset of COVID-19, which help to contextualise the impact of the pandemic on the employment and income support measures presented in this article. (Note that, for brevity, the state or territory is referenced, although the lockdown may have occurred only in certain parts of that jurisdiction.)

Figure 3.2: Timeline of COVID-19 lockdowns and policy responses



Sources: Services Australia 2023, ABS 2021b, Ferlitsch 2022, Klapdor et al. 2022.

Has employment recovered from COVID-19 in Australia?

Employment underpins the economic output of a nation and enables people to support themselves, their families and their communities. It is also tied to physical and mental health and is a key factor in overall wellbeing. Given this, it is important to understand and assess the impact of the COVID-19 pandemic on employment and work, and how this has changed over time.

This section explores how the pandemic affected employment and work arrangements, from the early months of 2020 – with the introduction of social distancing and other business-related restrictions to slow the spread of COVID-19 – until March 2023 (the latest available data at the time of writing). It provides longer term trends to highlight the impact of the economic downturn during the pandemic on employment and how the recovery compares with that for previous recessions and economic downturns. It also examines whether some population groups (and industries) were more affected than others, providing key insights that could inform economic policy to ensure that those people most adversely affected are receiving adequate levels of support.

This section uses data primarily from the Australian Bureau of Statistics (ABS) Labour Force Survey (LFS), which supports routine reporting of standard measures of labour force participation, including employment, unemployment and underemployment (see Box 3.1 for further details). It also draws on data from the ABS Household Impacts of COVID-19 Survey and the Household, Income and Labour Dynamics in Australia (HILDA) Survey to explore changes in working arrangements observed since the onset of the pandemic (ABS 2022a, 2023c, 2023d; DSS 2022b).

Box 3.1: Labour force data sources and definitions

Data from the ABS LFS (ABS 2023c, 2023d) are used to report on measures of participation in the labour market – employment, unemployment and underemployment. The information presented uses the original and seasonally adjusted data series where available.

The measures included in this article are defined below.

Employment rate (also known as the employment-to-population ratio) describes the number of employed people as a proportion of the civilian population. For the purposes of this article, the employment rate refers to the working-age population, people aged 15–64. This age restriction has been applied as it is important to account for the size of the population when monitoring longer term trends in employment rates, given the growth in the population aged 65 and over in recent decades.

(continued)

Box 3.1 (continued): Labour force data sources and definitions

Unemployment rate describes the proportion of the population aged 15 and over in the labour force who are unemployed. Unemployed is defined as people not employed in the survey reference week who had:

- either actively looked for work in the last 4 weeks and were available for work in the reference week, or
- had been waiting to start a new job within the last 4 weeks and could have started had it been available.

Underemployment rate describes the proportion of the population aged 15 and over in the labour force who were underemployed. Underemployed is defined as people who are either:

- employed part time who want to work more hours and are available to start working more hours within the next 4 weeks, or
- employed full time but worked fewer than 35 hours during the survey reference week for economic reasons (including being stood down or insufficient work being available).

Labour force participation rate describes the proportion of the population who are in the labour force (employed or unemployed). For the purposes of this article, the labour force participation rate refers to the working-age population, people aged 15–64.

See *Standards for Labour Force Statistics* (ABS 2018) for more details on these labour force definitions.

JobKeeper and JobSeeker Payments and ABS LFS definitions

People who received the JobKeeper Payment in 2020 were counted as being employed in the ABS LFS. This was because the LFS considers people to be employed if they were away from their job for any reason (including if they were stood down) and were paid for some part of the previous 4 weeks (including through the JobKeeper scheme) (ABS 2020a).

People who receive the JobSeeker Payment are classified in the ABS LFS, based on their labour market activity; recipients may be unemployed, employed, underemployed or not in the labour force. In March 2020, the mutual obligation requirements that people till then ordinarily had to meet to receive the JobSeeker Payment (which could include looking for work or studying) were suspended in response to the business and activity restrictions introduced to control the spread of COVID-19. These requirements were gradually re-introduced from June 2020 (see Figure 3.2 for further details). These changes may have influenced whether people were actively searching for jobs – which would affect whether they were classified as 'unemployed' or 'not in the labour force' in the ABS LFS. They would, however, remain as 'not employed' in the ABS LFS unless they actually had a job.

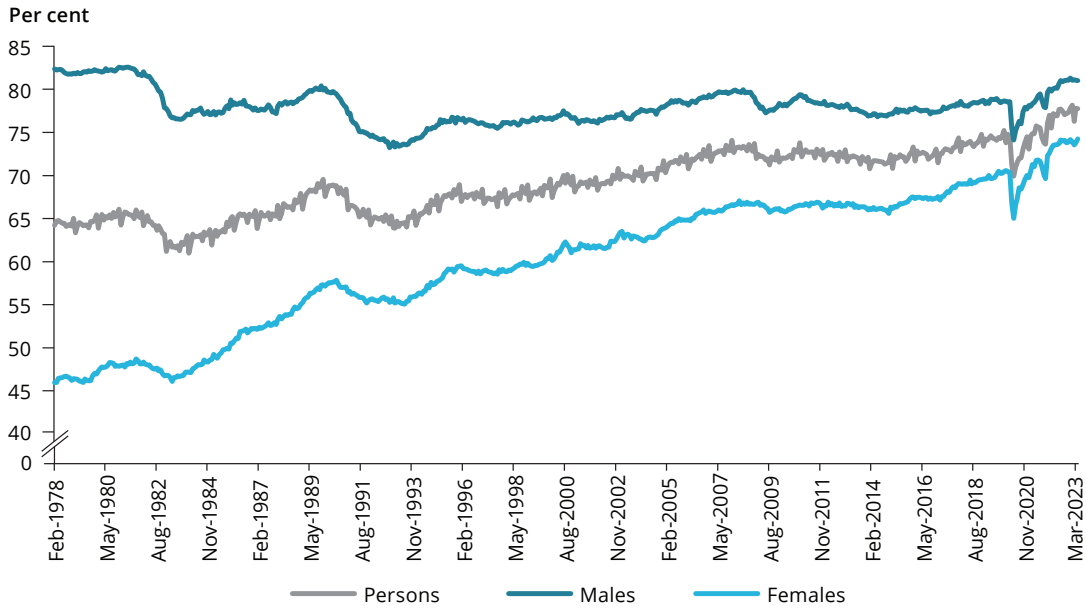
Recovery after COVID-19 pandemic faster than for previous recessions

The seasonally adjusted employment rate for people aged 15–64 in Australia has steadily increased since the current LFS series began in 1978 (ABS 2023c). Females have driven this growth: their employment rate increased from 45.9% to 74.2% between February 1978 and March 2023, compared with a decline from 82.4% to 81.0% for males over the same period (see Figure 3.3). This longer term increase in employment has occurred despite employment falling during the:

- the recessions in the early 1980s and 1990s
- the economic downturn that followed the 2008–09 GFC
- the economic downturn at the start of the COVID-19 pandemic (March 2020) after the announcement of restrictions on social gatherings and the cessation of many activities.

Figure 3.3: Growth in employment rates driven by females

Seasonally adjusted employment rates for 15–64-year-olds by sex, February 1978 to March 2023



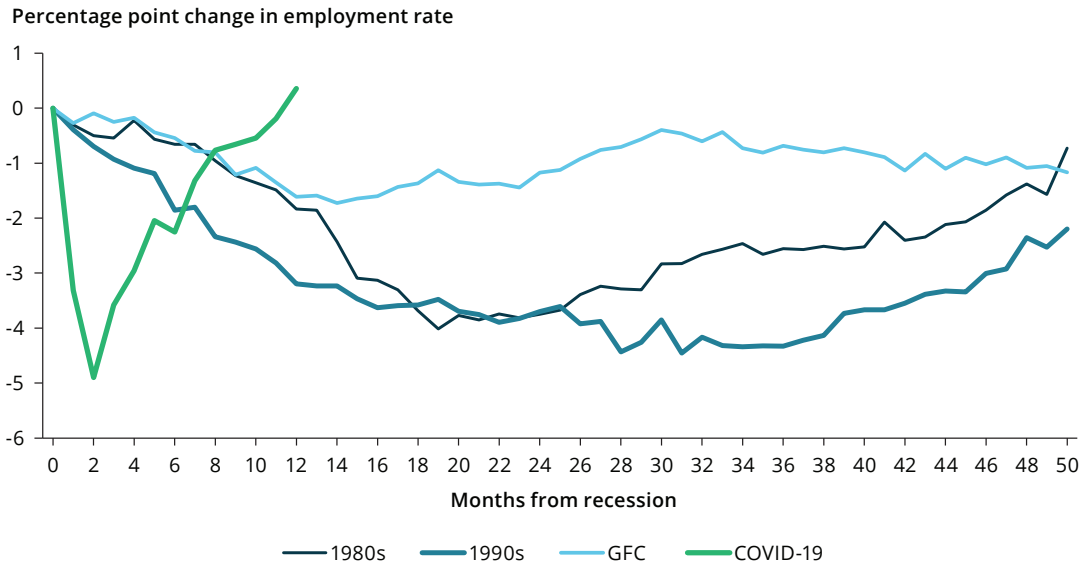
Source: ABS Labour Force Survey (ABS 2023c: Table 18).

Following these earlier recessions and economic downturns, the employment rate (for people aged 15–64) took between 5 and 10 years to recover. After the 2008–09 GFC, for example, the employment rate in mid-2008 (73.4%) did not return to this level until late 2017, 9 years later. Similarly, with the recession in the early 1990s, the employment rate in July 1990 (68.7%) did not return to this level until 9 years later, in December 1999. Given this, the relatively quick recovery that followed the initial economic downturn in response to COVID-19 – see the V-shaped recovery (steep decline followed

by steep rise to previous peak) in Figure 3.4 – took many by surprise. The employment rate returned to the pre-pandemic level within 1 year of the pandemic starting in Australia – 74.8% in March 2021 compared with 74.4% in March 2020. The employment rate continued to improve, reaching a record high in November 2022 (77.7%), despite some fluctuations along the way (see Figure 3.5).

Figure 3.4: Despite steep decline in employment rate at the onset of COVID-19, recovery was much quicker than for other recessions and economic downturns

Percentage point change in seasonally adjusted employment rates for 15–64-year-olds in the months following each recession or economic downturn



Note: Percentage change in employment rates is calculated from the month with the highest employment rate before the recessions/economic downturns to the month when it returns to the same/similar level. The first observation point (zero months) is in September 1981, July 1990, June 2008 and March 2020 for the 1980s, 1990s, GFC and COVID recessions/economic downturns, respectively.

Source: ABS Labour Force Survey (ABS 2023c; Table 18).

Largest monthly fall in employment in April 2020 – to record highs in November 2022

Between March and April 2020, the number of employed people (seasonally adjusted) fell by 583,300 – the largest monthly fall on record. As a proportion of the population aged 15–64, the seasonally adjusted employment rate fell from 74.4% in March 2020 to 71.1% in April 2020, before gradually increasing to a record high of 77.7% in November 2022. In March 2023, the employment rate was 77.6% (see Figure 3.3).

Over this period, the employment rate dipped at various times in response to the public health measures introduced to manage the spread of COVID-19 and new strains of the coronavirus (see Figure 3.5). Specifically, these dips occurred in May 2020 (in the

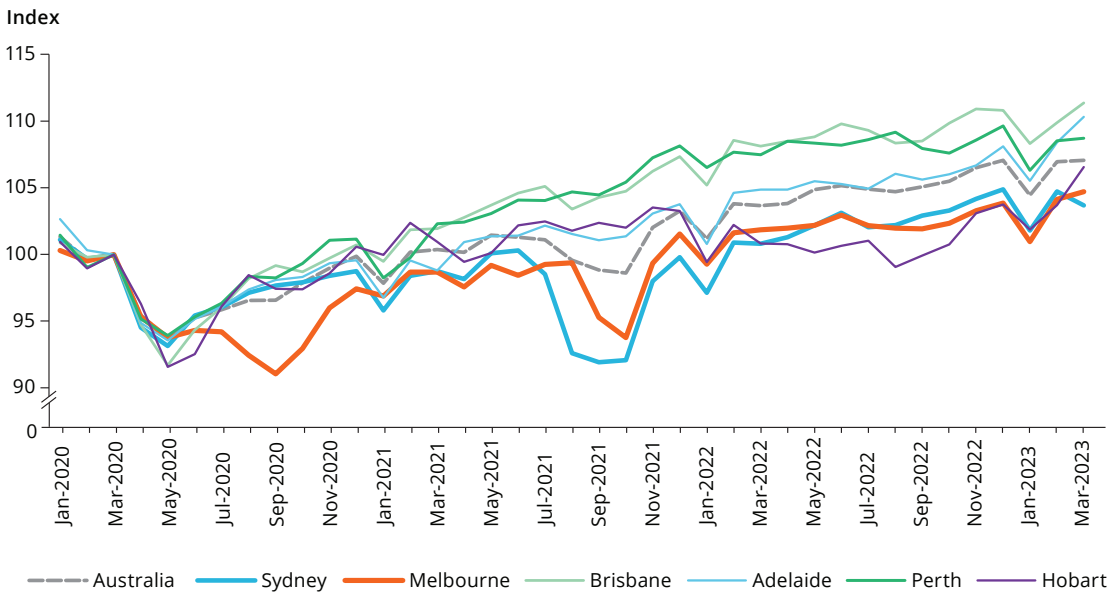
early months of the pandemic) and in late 2021 when restrictions and lockdowns were tightened to contain the spread of the Delta variant of the coronavirus (see Figure 3.2 and AIHW 2021a for further details).

The steep falls and rises in employment have been largely consistent across the states and territories. However, the tighter restrictions in Melbourne in August 2020 (due to the second wave of COVID-19) and in Sydney in August 2021 (to contain the Delta variant) led to larger falls in employment in these regions than in the rest of Australia (see Figure 3.2 for further details on these state-specific lockdowns). As shown in Figure 3.5, Melbourne experienced the largest fall in employment in September 2020 (8.9% fall from March 2020 levels); a similarly large fall (7.9%) was experienced in Sydney in October 2021 (compared with more modest falls in Melbourne of 6.2%).

All capital cities had surpassed pre-pandemic levels of employment by March 2023. However, the employment growth in Melbourne and Sydney since March 2020 has been slower (4.7% and 3.7% growth, respectively), compared with the other cities (6.6%, 8.7%, 10% and 11% for Hobart, Perth, Adelaide and Brisbane, respectively).

Figure 3.5: Melbourne and Sydney had largest falls in employment in line with tighter restrictions to control the spread of COVID-19

Number of people in employment in capital cities from January 2020 to March 2023, presented as an index (March 2020=100)



Note: The data in this figure are presented in the form of an index, representing the number of people in employment in Australia and in each capital city between January 2020 and March 2023 as a proportion of people in employment in March 2020 in Australia and in each capital city.

Source: ABS Labour Force Survey (ABS 2023d: Table LM1).

Steep falls in hours worked from April 2020 – as employment declines and workers take more leave – recovered by late 2022

Another way to understand changes in employment is to examine the monthly aggregated hours worked. This measure may highlight the impact of a recession or economic downturn on the labour market before it is reflected in changes to the employment rate; reducing hours worked during an economic downturn is often an early response by businesses to minimise people losing their jobs (ABS 2020b).

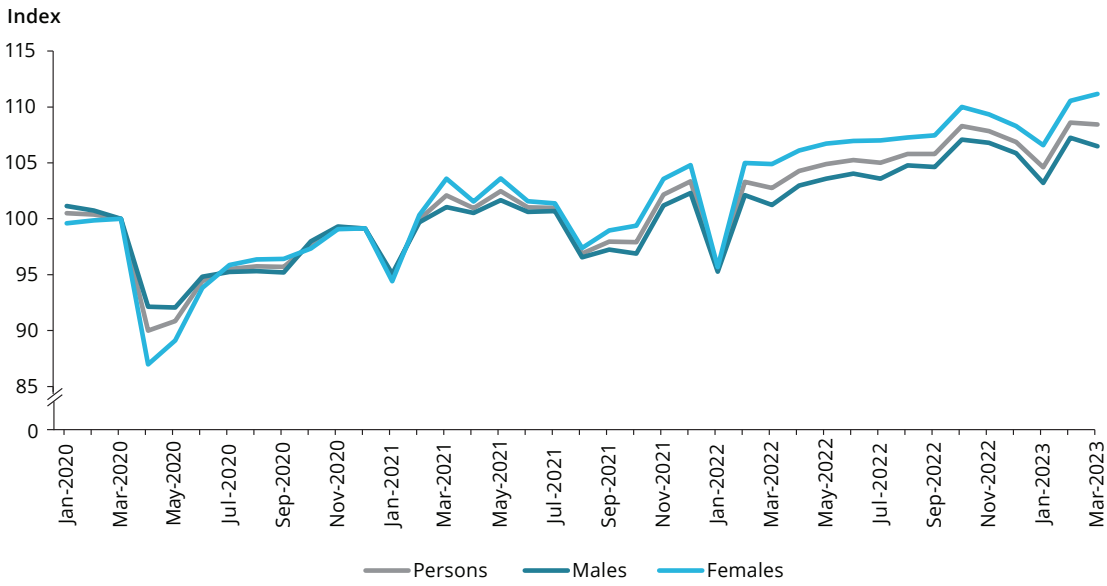
As shown in Figure 3.6, seasonally adjusted monthly hours worked fell by 10% between March and April 2020, by far the steepest on record and greater than declines for previous recessions or economic downturns (0.3%–0.6% monthly falls in the 1980s and 1990s recessions and the GFC). The high number of people receiving the JobKeeper Payment in April 2020 (3.4 million), who were counted as employed even if they were working zero hours, may have contributed to this large decline in monthly hours worked (AIHW 2021a).

Hours worked then generally rose or remained stable in most months to October 2022. However, there were notable falls in January 2021 (monthly fall of 4.4%), August 2021 (monthly fall of 4.0%) and January 2022 (monthly fall of 7.7%). The dips in January are associated with a larger number of people than usual taking leave over the holiday period – especially in January 2022, when 39% of all employed people took leave compared with 22% in January 2020 and 20% in January 2019 (ABS 2023a). The dip in August 2021 is likely due to the lockdowns and restrictions following the Delta variant outbreak (Figure 3.5).

The number of hours worked in February 2023 was the highest since the current LFS started in 1978 – 8.6% higher than in March 2020 and 8.7% and 5.1% higher than in February 2021 and February 2022, respectively. In March 2023, hours worked were 8.4% higher than March 2020 levels.

Figure 3.6: Steep falls in hours worked in April 2020 (as employment declined) and in January 2022 (as workers took more leave) but recovered by late 2022

Proportion of seasonally adjusted hours worked from January 2020 to March 2023, presented as an index (March 2020=100)



Note: The data in this figure are presented in the form of an index, representing the number of seasonally adjusted monthly hours worked by sex, between January 2020 and March 2023 as a proportion of hours worked in March 2020.

Source: ABS Labour Force Survey (ABS 2023c: Table 19).

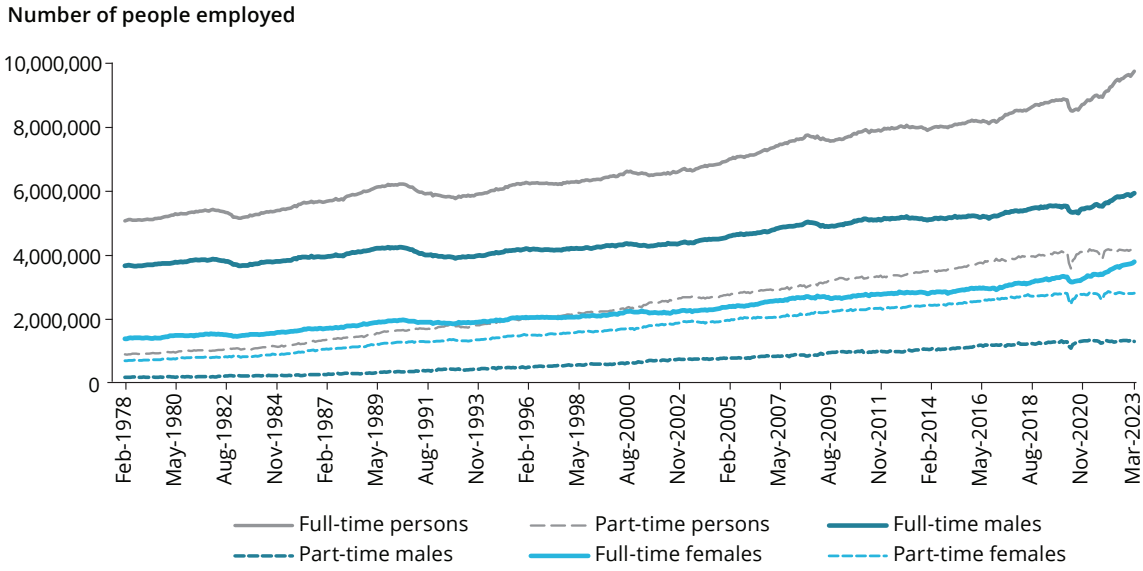
Part-time employment fell at the onset of the pandemic unlike in previous economic downturns, driven by casual part-time employees

In the decades preceding the COVID-19 pandemic, the number of part-time and full-time employees had both been steadily increasing overall (4.5- and 2.9-fold increases, respectively, between February 1978 and March 2020) (see Figure 3.7).

Consistent with the overall employment level, there were periods of decline in the number of full-time employees in 1983, 1990–1993 and 2008–09 (quarterly declines of up to 2.5%), before a steep drop at the onset of the pandemic (3.8% decline between March and May 2020). These falls reflect the impact of economic downturns and recessions on employment; however, declines for part-time employees were not observed to the same extent until the COVID-19 pandemic, when they had the largest recorded decline since the current LFS series began in 1978 (13% decline between March and May 2020). By March 2023, the part-time employment rate for people aged 15–64 was similar to that for March 2020 (23% and 22%, respectively), while the full-time employment rate exceeded pre-pandemic levels – 56% and 52%, respectively, or 889,900 more people in full-time employment in March 2023 than in March 2020 (ABS 2023c).

Figure 3.7: Full- and part-time employment steadily increasing, but part-time employment declined faster during COVID-19 than in previous recessions and economic downturns

Number of seasonally adjusted employed people by employment status and sex, February 1978 to March 2023



Source: ABS Labour Force Survey (ABS 2023c: Table 1).

The pandemic had a larger impact on part-time employment than did previous recessions and economic downturns due to the social distancing measures and lockdowns/restrictions. These measures, which were unique to the COVID-19 pandemic, particularly affected casual employees (defined as people without leave entitlements, based on available data from the ABS LFS). Indeed, casual part-time employees made up 93% of the decline in the number of part-time employees from February 2020 to May 2020 (ABS 2023d). They were the people more likely to be working in industries most affected by the social distancing measures, such as hospitality, retail and recreation. These industries had the most part-time casual employees in February 2020 – 48%, 28% and 28% of all employees, respectively, compared with 16% for administrative and support services and 1–13% for all other industries (ABS 2023d). Casual employees may also not have been eligible for the JobKeeper Payment (to remain attached to their jobs) if they were employed on a regular and systematic basis for less than 12 months. They would therefore not be classified as 'employed' in the same way as non-casual employees (even if the non-casual employees were not working; see Box 3.1).

During the height of the COVID-19 pandemic in May 2020, the proportion of people employed on a casual basis dropped to the lowest rate (20.6% of all employees) since August 1991 (ABS 2020c). It then progressively increased to 22.1% by February 2023,

though still below the pre-pandemic level (24.1% in February 2020) and slightly lower than levels observed in February 2015 and 2016. Both the decline in casual employment at the onset of the pandemic, and the recovery since, were driven by part-time casual employees, who made up 66% of the fall from February–May 2020 and 61% of the growth from May 2020–February 2023 (ABS 2023d).

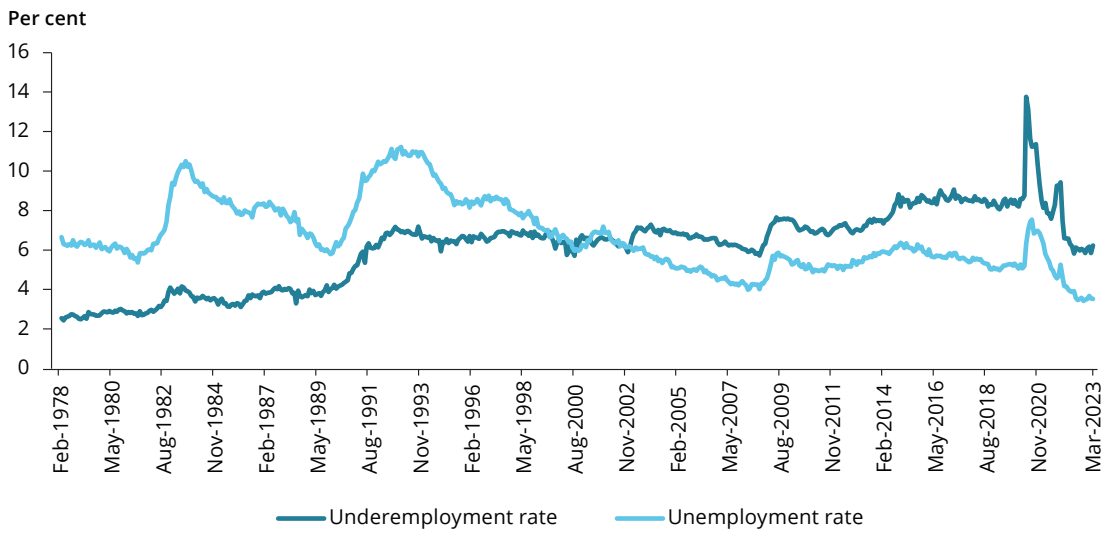
Underemployment rate lowest in over 14 years in November 2022

The underemployment rate (number of underemployed people as a proportion of the labour force) has been gradually increasing since the late 1970s (start of the current LFS series), as shown in Figure 3.8. The underemployment rate has been just above 8% since 2014 (except in July 2016 and February 2017 where it reached 9%), and it was 8.6% before the pandemic in February 2020. However, in the early months of the pandemic, the underemployment rate rose steeply to a record high in April 2020 (13.8%) before declining to pre-pandemic levels by December 2020 (8.5%); it has since continued to decline – to 6.2% in March 2023 (despite some fluctuations around October 2021 when it increased to 9.4%).

In March 2023, the underemployment rate was similar to the low rate observed in mid-2008 before the economic downturn associated with the GFC, with 302,200 fewer underemployed people than before the pandemic in March 2020.

Figure 3.8: Underemployment rate has been gradually increasing but fell in 2022, while unemployment rate has been generally falling since the 1990s

Seasonally adjusted underemployment and unemployment rates from February 1978 to March 2023

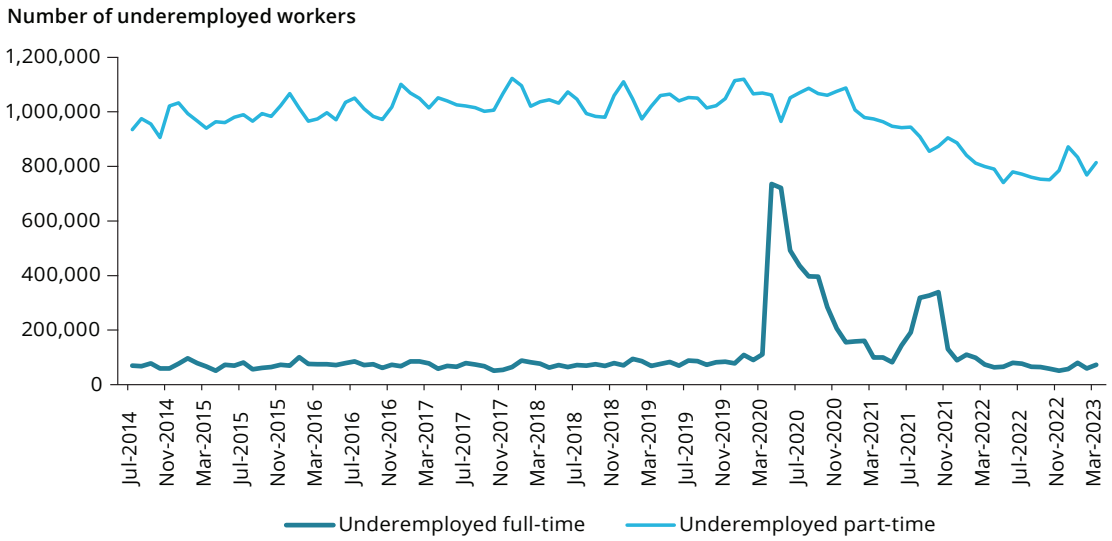


Source: ABS Labour Force Survey (ABS 2023c: tables 1 and 22).

As shown in Figure 3.9, these initial increases in the underemployment rate were largely driven by full-time underemployed workers (that is, full-time employees who worked fewer than 35 hours during the survey reference week for economic reasons, including being stood down or there being insufficient work available). There was a 7-fold increase in the number of full-time underemployed workers in April 2020 (rose by 625,100), with the number remaining higher than pre-pandemic levels until January 2022 (with some fluctuations from March to May 2021). In January 2022, the number of full-time underemployed workers started to decline, and by November 2022 was 54% lower than before the pandemic. It then increased in most months to March 2023, at which time it remained 34% lower than pre-pandemic levels.

Figure 3.9: Large increase in full-time underemployed workers at times of COVID-related lockdowns/restrictions but smaller impact for part-time underemployed workers

Number of seasonally adjusted underemployed people by employment status, between July 2014 and March 2023



Source: ABS Labour Force Survey (ABS 2023c: Table 24).

The number of part-time underemployed workers, on the other hand (that is, part-time employees who want to work more hours and are available to start working more hours within the next 4 weeks), declined in most months from March 2020 to March 2023 – to 24% below pre-pandemic levels. This suggests that the initial months of the COVID-19 pandemic had a large impact on reductions in hours for full-time workers for economic reasons but a smaller impact on the preferences of part-time employed people for more hours.

Note that these patterns are likely to have been affected by the JobKeeper Payment, which was introduced in March 2020. As full-time employed people who work part-time hours in the reference week for economic reasons count as underemployed, this payment is likely to have caused a spike in the underemployment rate (as some people on JobKeeper worked zero or reduced hours).

Unemployment at lowest rate in 50 years by October 2022

Since the early 1990s, the seasonally adjusted unemployment rate has declined, from 10–11% in 1992–93 to 3.4% in October 2022, the lowest rate in almost 50 years. This is a strong recovery in the unemployment rate from the early months of the pandemic, when the unemployment rate increased from 5.2% in March 2020 to a peak of 7.5% in July 2020 (Figure 3.8). It then gradually declined to 3.4% in October 2022 and remained relatively stable to March 2023, at 3.5%. However, there were some rises to the unemployment rate over this period, including in October 2021 where it increased to 5.4%, coinciding with national lockdowns/restrictions in response to the Delta variant.

These unemployment rates represent an increase of 303,100 unemployed people between March and July 2020, and a decline of 508,700 unemployed people between July 2020 and March 2023 (to 507,000 in March 2023). In March 2023, there were 205,600 fewer unemployed people than before the pandemic in March 2020.

Note that the JobKeeper Payment had a protective effect in keeping employees connected to their employers. People who received the payment were counted as being employed in the ABS LFS, as the LFS considers people to be employed if they were away from their job for any reason (including if they were stood down) and were paid for some part of the previous 4 weeks (including through the JobKeeper Payment scheme) (ABS 2020a). Without this payment, it is likely that there would have been a larger increase in the unemployment rate in 2020.

The 'effective unemployment' rate developed by the Treasury includes unemployed people, people who have recently withdrawn from the labour force and people still connected to their employer but working zero hours. In April 2020, the 'effective unemployment' rate was 15%, considerably higher than the ABS unemployment rate of 6.3% (in April 2020). The 'effective employment' rate then dropped to 11% in June 2020, as restrictions started to ease and employment increased, with fewer people working zero hours (Kennedy 2020).

Many Australians left the labour force at the onset of the pandemic, but participation was the highest on record by June 2022

The early months of the pandemic saw large numbers of people leave the labour force entirely; that is to say, they were not employed or unemployed. This may have been due to the temporary suspension of mutual obligation requirements, such as actively searching for jobs for people receiving income support payments from March–August 2020 (see Box 3.1 for further details). It may also reflect the adverse impact that school closures had on employment, and people not being able to find work due to lockdowns and other public health measures.

In April 2020, the number of people in the labour force fell by 460,800, with a further fall of 206,600 in May 2020 – the largest monthly falls on record (3% and 2% monthly decline, respectively) (ABS 2023c). By October 2020, the number of people in the labour force had returned to pre-pandemic levels and generally increased for most months to March 2023. However, there were some fluctuations, including a fall in August–September 2021 (by 272,000 people), reflecting the national lockdowns/restrictions to contain the Delta variant. By March 2023, there were 698,200 more people in the labour force than in March 2020 (14.4 million compared with 13.7 million). This growth was primarily driven by the high numbers of people who were employed, as the number of unemployed people had decreased to levels previously seen in 2008.

In terms of the seasonally adjusted participation rate – which is the combination of employed and unemployed people as a proportion of the working-age population (15–64 years) – the participation rate fell from 78.6% to 74.9% between March and May 2020. It then gradually increased, reaching a peak of 80.6% in November 2022, fell slightly before reaching a similar level again in March 2023 (80.6%).

Over the last 4 decades the seasonally adjusted participation rate for people aged 15–64 has steadily increased (from 68.9% in February 1978 to 80.6% in March 2023). Females have driven this growth; their participation rate increased from 50.2% to 76.9% between February 1978 and March 2023, compared with a decline from 87.4% to 84.2% for males over the same period (ABS 2023c).

Some industries had steeper initial declines in hours worked and took much longer to recover

As discussed in 'Chapter 4 The impacts of COVID-19 on employment and income support in Australia' in *Australia's welfare 2021: data insights* (see AIHW 2021a), the shutdowns and social distancing measures affected some occupations and industries more than others. The industries particularly affected in the early months of the pandemic, including hospitality and recreation, have taken much longer to return to pre-pandemic levels than others.

Between February 2020 and May 2020, the number of hours worked in accommodation and food services declined by 47%; they then started to recover each quarter before declining again in August 2021 to lower than the level observed in February 2020 (34% lower). The number of hours worked did not reach pre-pandemic levels until almost 2 years later, in November 2022 (6.1% higher than in February 2020). The number of employed people in accommodation and food services also recovered in November 2022, at 3.2% higher than in February 2020 (ABS 2023d).

Hours worked in arts and recreation services also had a steep fall between February and May 2020 (by 50%) and another large decline in hours worked in August 2021 (30% decline from May 2021). Since then, it has experienced a slow recovery, only returning to pre-pandemic levels in February 2023.

Other industries with relatively small declines in hours worked at the onset of the pandemic had mostly all returned to pre-pandemic levels by May 2022, if not before. For example, the Transport, Postal and Warehousing industry, which fell by 23% between February and May 2020, had returned to February 2020 levels by February 2021. The Information Media and Telecommunications industry, which declined by 16% initially, had recovered by May 2022.

Note that the arts and recreation industries account for around 2% of all employed people (1.9% in February 2020, or 249,400 people) and accommodation and food services for around 7.1% (or 926,500 people). Industries with more employees, such as Health Care and Social Assistance (1.8 million employees in February 2020, or 14% of employees) or Professional, Scientific and Technical Services (1.2 million or 8.9% of employees), fell by 4–6% between February and May 2020 but returned to pre-pandemic levels by February 2021 and November 2020, respectively.

Female employment initially fell and recovered faster, but both males and females had record high employment in mid to late 2022

'Chapter 4 The impacts of COVID-19 on employment and income support in Australia' in *Australia's welfare 2021: data insights* (see AIHW 2021a) showed that females were more heavily affected in the early months of the COVID-19 pandemic, as they were more likely to work as casual employees than males and more likely to work in customer-facing industries, which were hardest hit by social distancing measures (for example, retail, hospitality and recreation) (Dados and Taksa 2020).

Between March and May 2020, the number of employed females (seasonally adjusted) fell at a faster rate than for males (by 7.8% or by 481,700 compared with 5.7% or by 386,600 for males). By February 2021, the number of employed males and females had returned to pre-pandemic levels. By March 2023, the number of employed females exceeded pre-pandemic levels by 8.0% (or by 488,400) and males by 6.1% (or by 415,300) (see Figure 3.10).

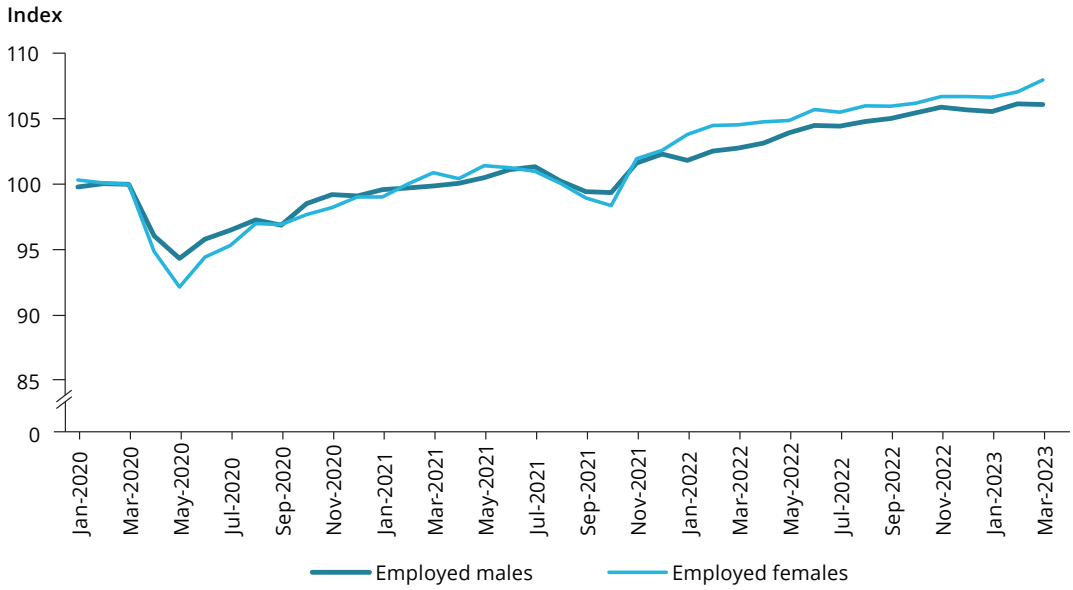
In terms of the employment rate for people aged 15–64, females returned to pre-pandemic levels earlier than males – February 2021 compared with May 2021 for males. The female employment rate continued to increase for most months to March 2023, reaching 74.2% – the highest employment rate for females in the current LFS series (despite some dips around October 2021 and January 2023). Males reached the highest employment rate in November 2022 (81.3%), falling slightly to 81.0% by March 2023 (ABS 2023c).

It is important to understand these patterns within the broader context of changes in the labour force over this period. Females were more likely to leave the labour force than males in the early months of the pandemic – 390,700 fewer females in the labour force compared with 276,700 fewer males between March to May 2020 (a 6.0% decline compared with a 3.8% decline, respectively). Females and males then quickly returned to the labour force, as restrictions started to ease and employment increased, with the number of females and males in the labour force similar to or exceeding pre-pandemic levels for most months between October 2020 and March 2023. In March 2023, the number of females and males in the labour force was 6.0% and 4.3% higher, respectively, than in March 2020 (by 288,800 females and 253,400 males) (ABS 2023c).

In the early months of the pandemic, the number of unemployed males (seasonally adjusted) rose at a faster rate than the number of unemployed females (22% rise compared with an 11% rise, respectively, between March and April 2020). By April–May 2021, the unemployment rates for males and females had returned to pre-pandemic levels. They continued to decline to March 2023 – unemployment rates of 3.7% and 3.4% for males and females, respectively, in March 2023 compared with 5.3% and 5.1%, respectively, in March 2020.

Figure 3.10: Female employment initially fell faster and recovered quicker, but both males and females reached record high employment in mid to late 2022

Number of employed people, by sex, from January 2020 to March 2023, presented as an index (March 2020=100)



Note: The data in this figure are presented in the form of an index, representing the seasonally adjusted number of employed people by sex between January 2020 and March 2023 as a proportion of employed people in March 2020.

Source: ABS Labour Force Survey (ABS 2023c: Table 1).

Young people had the steepest fall in employment rates in April 2020, but reached record high employment by mid-2022

As mentioned earlier, the employment rate for people aged 15–64 in Australia has been steadily increasing since the current LFS series began in 1978, despite some falls associated with the early 1980s and 1990s recessions, and with the economic downturns following the 2008–09 GFC and the start of the COVID-19 pandemic. These shocks have all been felt particularly acutely by young people who are more likely to be engaged in the labour force on a casual or part-time basis.

Over the last 40 years, young people aged 15–24 have experienced the largest declines in the employment rate following these economic downturns – annual declines of up to 5.6 percentage points in 1983, 7.1 percentage points in 1991 and 4.4 percentage points in 2009, compared with declines of less than 3.5 percentage points for all other age groups (ages 25–64) for these years. These declines were even greater for young people aged 15–24 at the onset of the COVID-19 pandemic in March 2020.

As reported in 'Chapter 4 The impacts of COVID-19 on employment and income support in Australia' in *Australia's welfare 2021: data insights* (see AIHW 2021a), young

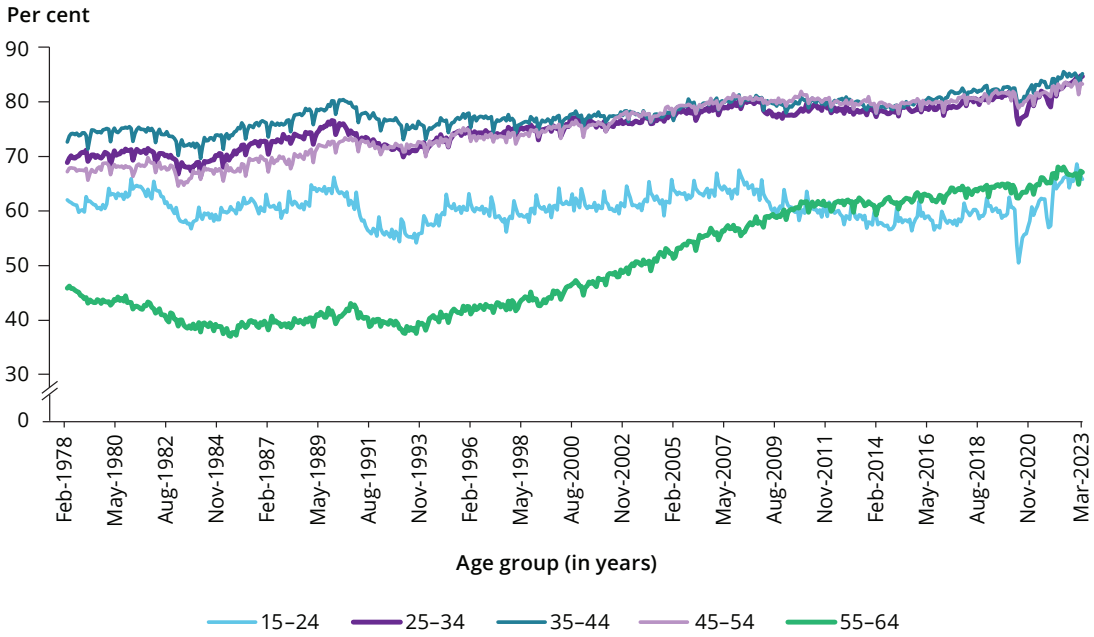
people aged 15–24 saw the steepest decline in employment rates at the onset of the pandemic. The employment rate for this age group fell by almost 10 percentage points between March and May 2020 (from 60% to 51%), compared with a fall of 5 percentage points for people aged 25–34 (81% to 76%) and falls of 1–3 percentage points for all other age groups (35–64).

People aged 15–34 also experienced notable falls in employment rates in September and October 2021 with the Delta outbreak (falls of 2–3 percentage points). These declines were not observed to the same extent in other age groups, suggesting that people aged 15–34 are particularly affected by loss of work during lockdowns/restrictions, as they are more likely to work in industries hit hardest by social distancing measures (for example, retail, hospitality and recreation).

By early 2021, the employment rate for all age groups had recovered to pre-pandemic levels and continued to increase to reach record highs in mid to late 2022, as shown in Figure 3.11.

Figure 3.11: Young people had the steepest falls in employment rates in 2020 but recovered quickly, reaching record highs in 2022

Employment rate by 10-year age groups from February 1978 to March 2023



Source: ABS Labour Force Survey, detailed (ABS 2023d: Table 1).

The number of employed people across all working-age groups was higher in March 2023 than in March 2020 – 12% higher for ages 15–24, 3.9% higher for ages 25–34, 9.9% higher for ages 35–44, 3.3% higher for ages 45–54 and 5.9% higher for ages 55–64. Full-time employment fully accounted for the growth in employment among people aged 25–64 (as part-time employment declined) and 68% of the growth for people aged 15–24 (ABS 2023d).

There were relatively small changes to the employment rate of people aged 65 and over in the 3 years to 2023 – remaining stable over the early months of the COVID-19 pandemic (around 13–14% from March to May 2020) before resuming the steep increase observed for this age group since the early 1990s (from 4.5% to 15% between March 1993 and March 2023) (ABS 2023d). This increase may reflect longer term changes in the delayed transition to retirement, and the increasing retirement age. The decisions of older Australians to remain in the workforce longer will also likely be influenced by the type of work being undertaken, informal caring commitments, the presence of an employed spouse or partner, and having additional supporting income. Older Australians today have an increased life expectancy and increased years of disability-free life. As such, individuals may have both an increased need and an increased capacity to work longer (AIHW 2021b).

A high employment rate and low unemployment rate has created a tight labour market with an abundance of job vacancies

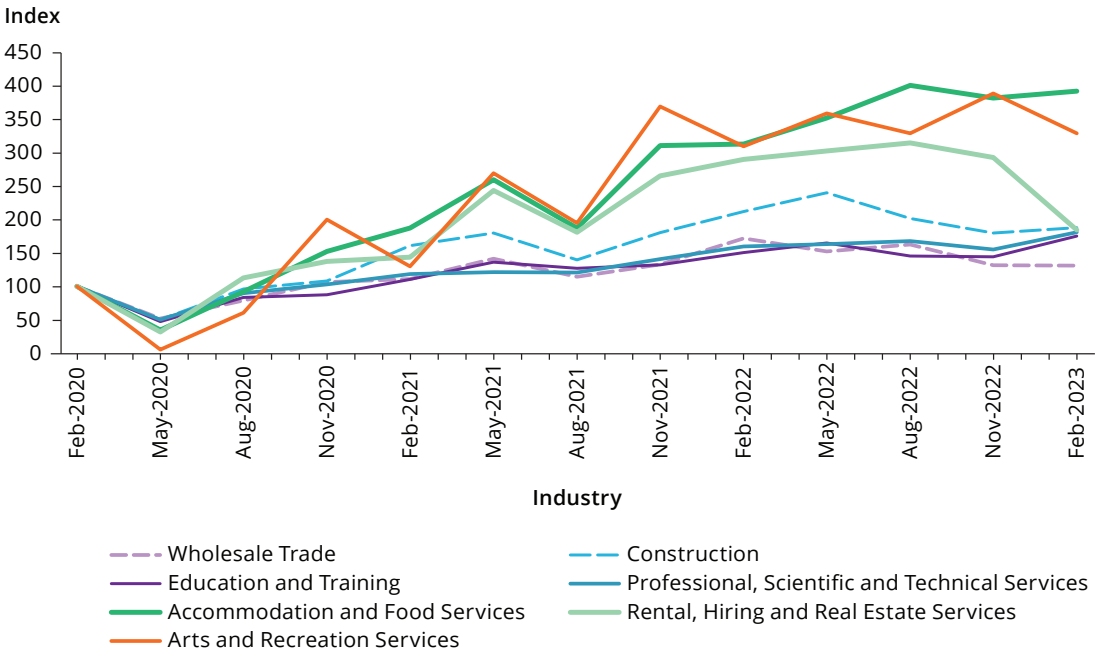
The record high employment rate and record low unemployment rate resulted in a tight labour market in the second half of 2022 and early 2023. A tight labour market is one in which the demand for workers is high relative to the supply. In other words, there is an abundance of job vacancies, and a scarcity of unemployed people available to fill those roles.

In August 2022 there was a similar number of unemployed people (497,800) to job vacancies (466,500). This compared to three times as many unemployed people as job vacancies before the pandemic (694,900 unemployed people compared with 227,900 job vacancies in February 2020). By February 2023, the number of unemployed people had increased slightly (by 4.4%) and the number of job vacancies had decreased slightly (by 6.9%) since August 2022 (508,600 unemployed people and 438,500 vacancies), resulting in just over one unemployed person for each vacancy (ABS 2023b, 2023c).

The data on job vacancies also shows that – as mentioned earlier – the customer-facing industries (arts/recreation and hospitality) have been particularly affected by the pandemic. These industries have seen a 3–4-fold increase in job vacancies between February 2020 and February 2023 (see Figure 3.12).

Figure 3.12: Arts/recreation and hospitality industries, those most affected by the pandemic, have seen a 3–4-fold increase in job vacancies

Number of job vacancies from February 2020 to February 2023 for specific industries with the largest percentage decreases between February 2020 and May 2020, presented as an index (February 2020=100)



Note: The data in this figure are presented in the form of an index, representing the number of job vacancies from February 2020 to February 2023 for the 7 industries that had the largest percentage decreases in vacancies between February 2020 and May 2020, as a proportion of the number of job vacancies in February 2020.

Source: ABS Survey of Job Vacancies (ABS 2023b: Table 4).

The labour shortages over the last 3 years are also due to:

- strict border control since March 2020
- a large number of temporary visa holders leaving the country
- a slow return to pre-pandemic migration levels. Net overseas migration dropped to 193,000 people in 2019–20, below the 5-year average of 227,000 people; it then fell further in 2020–21, with 85,000 more people leaving the country than entering it (net outflow). This was the first recorded net outflow since World War II.

As borders increasingly started opening, net overseas migration began to increase, with the number of overseas arrivals approaching pre-pandemic levels (150,000 in March 2022 compared with 163,700 in March 2020). This led to the Australian population's growing by 0.9% in the 12 months to March 2022 – which includes an estimated 97,900 people added from net overseas migration. There has also been a strong return of international students (ABS 21 September 2022).

Working from home arrangements show no signs of reverting to pre-pandemic levels

The COVID-19 pandemic resulted in a number of changes to working arrangements, many of which are still in place and are likely to remain in the future in some capacity – working from home is one example.

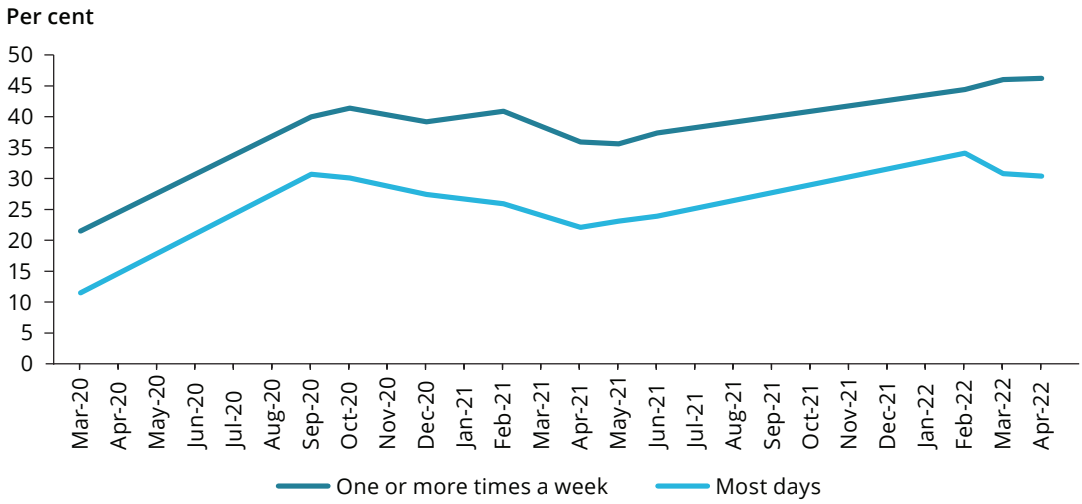
Before the pandemic (before 1 March 2020), 13% of people aged 18 and over with a job reported working from home most days according to the ABS Household Impacts of COVID-19 Survey. Following the lockdowns and restrictions in the early months of the pandemic to contain the spread of the coronavirus, the proportion working from home most days more than doubled to around 26–31% between September 2020 and February 2021 (see Figure 3.13). It then fell to around 22–23% in April–May 2021, presumably reflecting fewer lockdowns in place around the country at this time, before rising again to 30% by April 2022 – over twice as high as it was before the pandemic. This may reflect employers updating and formalising their flexible work arrangement policies.

The number of people working from home one or more times a week also increased over the last 2 years, from 24% before 1 March 2020 to 39–41% from September 2020 to February 2021; it then dropped slightly to 36% in April and May 2021. By April 2022, 46% had worked from home one or more times a week (in the last 4 weeks), the highest level recorded since the pandemic began in March 2020.

The sustained increase in working from home suggests there may not be a return to pre-pandemic levels. Indeed, the results of the Taking the Pulse of the Nation Survey from July 2022 suggest that 88% of Australian workers would like to work from home at least partially, and 60% would prefer a hybrid work arrangement with days in both the office and at home (Melbourne Institute: Applied Economic and Social Research 2022).

Figure 3.13: Steep increase in people working from home since before the pandemic which remains elevated

Proportion of employed adults working from home in the last 4 weeks, before March 2020 to April 2022



Notes

1. The figure presents the proportion of employed adults working from home in the last 4 weeks. Those people working from home 'one or more times a week in the last 4 weeks' includes people who worked all or most days from home, and people who worked at least once a week from home.
2. The data plotted for 'March 2020' were in response to a survey question whereby respondents were asked how much they worked from home 'before March 2020'.

Source: ABS 2021a; ABS 2022a; ABS 2022b.

Most people report little change in productivity and job satisfaction following an increase in working from home

Working from home has affected the productivity (that is, the measure of output per unit of labour) of employees in different ways. The Productivity Commission (2021) acknowledges that productivity is likely to vary depending on the industry, organisation, the nature of work, and individual characteristics and circumstances. For example, working from home may hinder productivity due to the physical distance between colleagues, and the challenges in collaborating and exchanging information. On the other hand, many employees have an improved work–life balance in not having to commute each day, and being better rested for work as a result (Productivity Commission 2021).

Most people in paid employment who increased the amount of time they spent working from home at the start of the pandemic reported little change in productivity. According to self-reported data from the HILDA Survey, almost 3 in 5 (58%) respondents

indicated that their productivity was the same or better following an increase in hours worked from home – 24% reported positive impacts, 33% no change in productivity, and 42% reported negative impacts. Note that this reporting period is from the earlier months of the pandemic (in 2020), when many employees were forced to work from home at short notice, potentially with inadequate workstations at home, and with many working families concurrently required to supervise children undertaking remote learning (Wilkins et al. 2022). While self-reported productivity data from the HILDA Survey may not be an objective or economy-wide measure of productivity, the results are consistent with other studies. One such study, which conducted a randomised controlled trial to investigate the effects of hybrid work arrangements on productivity, found no evidence to suggest a substantial positive or negative impact of hybrid working on productivity (Bloom et al. 2023).

In terms of job satisfaction, there are advantages and disadvantages in working from home. It may provide employees with a greater sense of autonomy and control. On the other hand, if employees are excessively monitored, it may decrease organisational attachment (Productivity Commission 2021). This relationship may depend to some extent on the amount of time spent working from home (or away from the office) (Allen et al. 2015).

Research from the Melbourne Institute: Applied Economic and Social Research found a positive association between working from home and job satisfaction for women, but not for men (Laß et al. 2023). This analysis used a linear fixed effects model to examine job satisfaction of people employed in both 2019 and 2021 (but who only worked from home in 2021) and controls for the characteristics of workers – including, for example, age, partnership status, employment type, supervisory responsibilities, employer size and industry. Mothers who worked at home for 3 days per week and in the workplace for 2 days had a 12% increase in average job satisfaction. This may be related to increased opportunities to undertake both work and family responsibilities (Wooden et al. 5 December 2022).

Has the receipt of income support returned to pre-pandemic levels?

Adequate levels of income help a person to support themselves, their family and the community more broadly. However, some people may not be able to earn enough income to meet the everyday costs of living, and therefore require government assistance, such as income support and other payments.

The type of financial assistance a person receives often reflects their life circumstances at the time of receipt – payments are designed to assist:

- people pursuing post-school learning
- people unable to work (due to disability or caring responsibilities)
- people unable to find work or to secure sufficient work
- families with the cost of raising children
- people facing high rental costs (see Box 3.2 for further details).

In 2019–20, around 1 in 5 households (22%) reported government pensions and allowances as their primary source of income (ABS 2022c).

As described in Box 3.2, a number of government income support packages were introduced from March 2020 (the Coronavirus Supplement, and expanded eligibility criteria to access the JobSeeker Payment). These were in response to the impacts on the labour market of the widespread social distancing and other business-related restrictions put in place to slow the spread of COVID-19 (for further details see AIHW 2021a:85). Note that the JobKeeper Payment was a wage subsidy and/or income transfer program administered by the Australian Taxation Office and paid to eligible businesses and not-for-profits. It was not an income support payment; however, some people may have been eligible to receive the JobKeeper Payment and part-rate income support or other payments, depending on their circumstances. For more information, see Department of The Treasury (2020).

This section examines the main income support payments available for people who are unable to find work or to work sufficient hours (and who are under the income and assets threshold) – the JobSeeker Payment and Youth Allowance (other). These payments are referred to as unemployment-related payments (for brevity), noting that some people receiving these payments (people working insufficient hours or exempt from the mutual obligation to be looking for work) would not be defined as unemployed according to the ABS definition (as discussed in the previous section). This section of the article focuses particularly on changes in receipt of unemployment-related payments before and during the peak of the COVID-19 pandemic, and in the months since (covering the period March 2020 to March 2023).

Data are sourced from publicly available data (as at mid-2023) on income support receipt – Department of Social Services payment demographic quarterly data (DSS 2023) – unless otherwise noted. The patterns and trends presented in this section should be considered in the context of the employment results presented in the previous section.

Box 3.2: Income support payments

Australia's social security system, administered by Services Australia, aims to support people who cannot (or cannot fully) support themselves, by providing targeted payments and assistance. Where this is a regular payment that helps with the everyday costs of living, it is called an income support payment, with the type of payment often reflecting life circumstances at the time of receipt. This article focuses on this category of payment. Note that individuals can receive only one income support payment at a time.

Income support payments are subject to means-tested arrangements. This is to ensure that the income support targets those people most in need, by assessing an individual's income and assets to determine eligibility for a full or part-rate payment. People receiving income support payments are required to report income from all sources (including work, investments and/or substantial assets). The income test for income support payments includes income test free areas and proportional income test withdrawal rates. Some payments are also subject to activity tests; for example, to remain qualified for a payment, recipients of unemployment payments are required to actively look and prepare for work in the future.

In late March 2020, short-term policy changes were made to the JobSeeker Payment – such as waiving the assets tests, waiting periods, and mutual obligation requirements – in response to the COVID-19 pandemic. These changes provide important context for interpreting the income support data presented in this article as increasing the number of people eligible for the payment is likely to increase the number of people who receive it.

As well as short-term policy changes to the JobSeeker Payment, some new and existing recipients of unemployment payments and other income support payments also temporarily received the Coronavirus Supplement (see AIHW 2021a:85 for further details). These temporary changes to the JobSeeker Payment and Coronavirus Supplement ended on 31 March 2021. However, additional economic support packages continued to be available for individuals who worked in high-risk settings and who tested positive for COVID-19 up until early 2023. For further details on eligibility criteria for all payments included in this section, see Services Australia 2023.

(continued)

Box 3.2 (continued): Income support payments

In this article, income support payments include Age Pension, student payments, unemployment payments (Newstart Allowance, JobSeeker Payment, Youth Allowance (other)), disability-related payments (Disability Support Pension, Carer Payment) and other income support payments (including Special Benefit, Sickness Allowance and Bereavement Allowance). They do not include other payments available through the social security system, such as those that assist with the cost of raising children (Family Tax Benefit), supplementary payments for carers or rent assistance.

A small number of recipients of income support payments were aged under 16 in March 2023: 645 for ABSTUDY (Living Allowance), 10 for Youth Allowance (student and apprentice), 5 for Youth Allowance (other), 5 for Carer Payment, 70 for Parenting Payment Single and 800 for Special Benefit. These recipients are included in the counts and numerators of the proportions of the population aged 16 and over, or aged 16 to 24, receiving income support, to ensure consistency in reporting.

Income support receipt rose during height of the pandemic, but returned to declining reliance on income support by September 2022

Over the last 2 decades, the proportion of the Australian population aged 16 and over receiving income support payments (such as unemployment, disability, parenting and age-related payments) has been generally falling, from a high of around 29% between June 2001 and 2003 to 24% in June 2019, the lowest level in 20 years (see Figure 3.14). These declines reflect, in part, labour market conditions (as discussed in the previous section) as well as changes to the social security system over the last decade – including changes to the types of payment that are available and their eligibility criteria, and enhanced mutual obligation requirements (see AIHW 2019:56–57 for further details).

At the height of the COVID pandemic, with the introduction of social distancing and business-related restrictions, the receipt of income support payments rose steeply – from 24% to 28% of the population aged 16 or over between March and June 2020 (or from 5.0 to 5.8 million), returning to the rates observed in the early 2000s. Since June 2020, the number and proportion of people receiving income support have declined each quarter, with 892,600 fewer peoople in March 2023 than in June 2020, and a return to pre-pandemic levels (5.0 million or 24% of the population aged 16 and over).

The steep rise in income support payments in the early months of the pandemic was driven by people receiving unemployment payments (such as Newstart Allowance/ JobSeeker Payment and Youth Allowance (other)). People receiving these payments

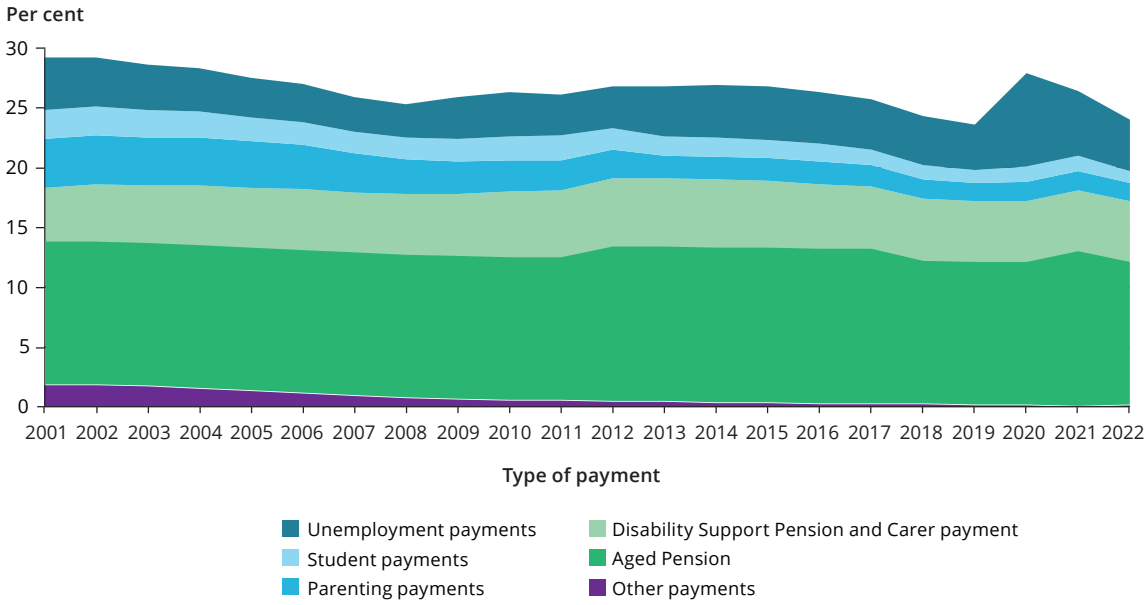
accounted for 85% of the increase in income support receipt between March and June 2020. This reflects the high number of people unemployed or unable to work and the increasing eligibility for JobSeeker payment in response to the COVID-19 pandemic (see Box 3.2). The number of people receiving:

- unemployment payments rose by 82% between March and June 2020, from 886,200 to 1.6 million, or from 4.3% to 7.8% of the population aged 16 and over. It then gradually declined, returning to pre-pandemic levels by September 2022. The proportion of the population receiving these payments returned to pre-pandemic levels by June 2022 (4.3%), before falling further to 3.8% by March 2023 (76,500 fewer people than in March 2020)
- student payments rose by 32% between March and June 2020, from 210,200 to 276,700 or from 1.0% to 1.3% of the population aged 16 and over. It then steadily declined, returning to pre-pandemic levels by September 2022, and continued to decline to March 2023 (30,600 fewer people than in March 2020). However, these payments rose and fell often over this 2-year period, with numbers in June and September 2021 similar to the high levels observed in June 2020
- parenting payments rose by 12% between March and June 2020 (from 298,300 to 335,500, or from 1.5% to 1.6% of the population aged 16 and over), with Parenting Payment Partnered accounting for two-thirds of this increase. By March 2023, parenting payment receipt was slightly below the pre-pandemic level in March 2020
- disability-related payments (Disability Support Pension or Carer Payment) have been gradually increasing since September 2019, with 31,500 more people receiving these payments in March 2023 than in March 2020. However, as a proportion of the population aged 16 and over, it has remained relatively stable at around 5%, including during the COVID-19 pandemic in 2020
- Age Pension has been steadily increasing in almost every quarter over recent years, from 2.5 million in September 2019 to 2.6 million in March 2023. Despite this gradual increase, there was a decline of 0.7% in September 2021; however, this likely reflects increases in the qualifying age for the Age Pension rather than the impact of the COVID-19 pandemic. The proportion of the population aged 65 and over receiving this payment has gradually declined over recent years – from 62% in 2019 to 58% by June 2022 – and this trend of a gradual decline continued throughout the COVID-19 pandemic (see 'Income support for older Australians' at https://www.aihw.gov.au/reports/australias-welfare/income-support-for-older-australians for further details).

These patterns were largely similar for both males and females. However, the increase in people receiving parenting payments was driven by increases for females in the early months of the pandemic (from 2.7% to 3.0% for females aged 16 and over); the proportion remained steady for males.

Figure 3.14: Income support receipt rose during height of the pandemic, driven by unemployment payments, but returned to previous trend, with a declining reliance on income support

Proportion of people aged 16 and over receiving income support by payment type, June 2001 to June 2022



Note: Before March 2020, unemployment payments included Newstart Allowance and Youth Allowance (other). After March 2020, it includes JobSeeker Payment and Youth Allowance (other), and Sickness and Bereavement Allowance are included in the JobSeeker counts.

Sources: AIHW analysis of Department of Social Services Benefit and Payment Recipient Demographics – quarterly data on www.data.gov.au (June 2014– June 2022), and of unpublished data constructed from Services Australia administrative data (June 2001–June 2013).

Number receiving JobSeeker Payment returns to pre-pandemic levels, but people are staying on payments for longer

While the proportion of the population aged 16 and over receiving the JobSeeker Payment (hereafter referred to as Jobseeker) returned to pre-pandemic levels by September 2022, the nature of this receipt changed. Before the pandemic in March 2020, over 1 in 4 (26%) people receiving JobSeeker had been receiving income support for less than 1 year, 14% for 1–2 years, and 22% for 2–5 years, similar to the proportions observed over the previous 5 years.

At the onset of the pandemic in March 2020, with an influx of new recipients, the proportion of JobSeeker recipients receiving income support for less than 1 year rose steeply to 57% in June 2020, before gradually falling to 49% by December 2020 and continuing to decline to 22% by March 2023 (see Figure 3.15). As the proportion of short-term (under 1 year) recipients fell, the proportion of JobSeeker recipients on income support payments for 1–2 years rose steeply in 2021, from 11% in December 2020 to

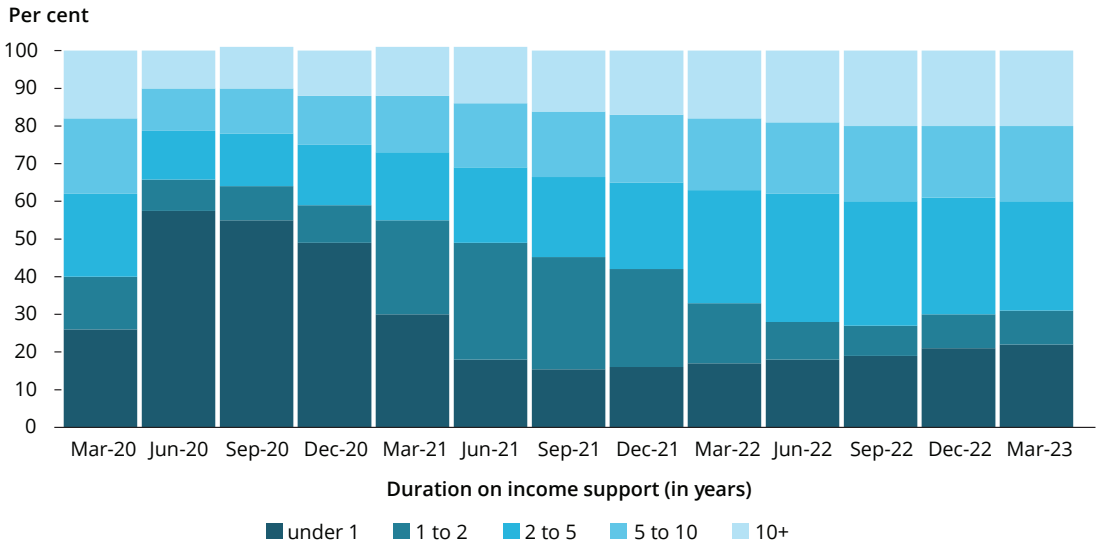
25–31% in 2021. Similar large increases were observed in 2022 and 2023 for people on payments for 2–5 years, from 16% in December 2020 to 29–34% in March 2022–March 2023.

This indicates an increase in long-term recipients of Jobseeker and a reduction in short-term recipients. In March 2023, there were 20% more recipients who had been receiving payments for 2–5 years than in March 2020 (213,400 compared with 177,900). On the other hand, in March 2023, there were 35% fewer JobSeeker recipients who had been on income support payments for 1–2 years (69,400 compared with 107,300 in March 2020) and 21% fewer recipients who had been on income support for less than 1 year (161,900 compared with 204,400, or 42,500 fewer recipients).

The steep growth in the number and proportion of unemployment payment recipients on income support for 2–5 years since the pandemic began occurred within the context of steady growth in the receipt of long-term income support over the past decade. The average duration of income support receipt increased from 237 weeks for current Newstart recipients in March 2015, to 294 weeks in March 2019, to 319 weeks for current JobSeeker recipients in March 2023. As well, the proportion of Newstart/JobSeeker recipients on income support for 5 or more years increased by 10 percentage points from March 2015 to March 2023 (30% to 40%, respectively).

Figure 3.15: After an initial spike in short-term JobSeeker recipients in the early months of the pandemic, by March 2023, people were staying on income support for longer

Duration of income support receipt (in years) for current JobSeeker recipients, March 2020 to March 2023



Source: AIHW analysis of Department of Social Services Benefit and Payment Recipient Demographics – quarterly data on www.data.gov.au (2020–2023).

Steeper rises in receipt of unemployment payments for young people, but all age groups at pre-pandemic levels by September 2022

The total number of people receiving unemployment payments broadly returned to pre-pandemic levels by September 2022; however, some age groups have been slower to return than others.

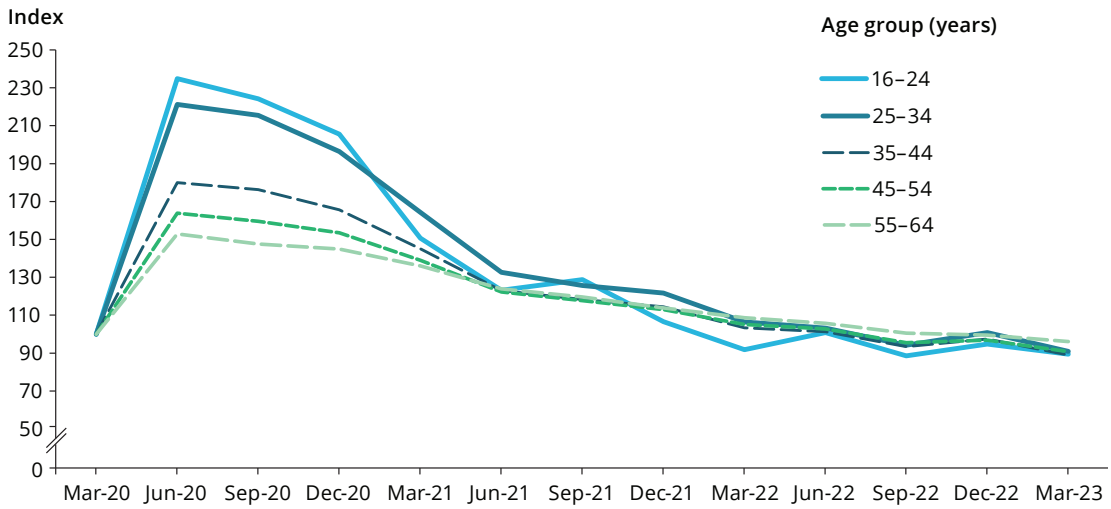
As shown in Figure 3.16, people aged 25–34 had the steepest initial increase in receipt of unemployment payments – more than doubling from 166,100 to 367,600, or from 4.4% to 9.7% of the population aged 25–34, between March and June 2020. Receipt of unemployment payments then gradually declined, with the number of people aged 25–34 receiving unemployment payments returning to a level similar to that before the pandemic (March 2020) by June 2022, and the proportion of people in this age range by September 2022. By March 2023, the number and proportion of this age group receiving unemployment payments declined further to 4.0% of the population aged 25–34 (despite some fluctuations in December 2022).

Young people aged 16–24 experienced the second steepest initial increase in the number of people receiving unemployment payments – more than doubling from 140,900 to 331,100 between March and June 2020, or from 4.8% to 11% of the population aged 16–24. However, this age group was also the first to return to pre-pandemic levels (by March 2022) and receipt continued to fall to March 2023 – 14,600 less people than in March 2020 or 4.4% compared with 4.8% of the population aged 16–24.

The 35–44, 45–54 and 55–64 age groups saw more modest increases in receipt of unemployment payments in the early months of the pandemic (1.5–1.8 times as high in June 2020 as in March 2020) and had returned to similar or lower than pre-pandemic levels by September 2022, despite a small spike in June 2022. By March 2023, the number of people receiving unemployment payments in these age groups had continued to decline.

Figure 3.16: Young people aged under 34 had the steepest increase in unemployment payment receipt at the start of the pandemic but had recovered by 2022

Number of people receiving JobSeeker and Youth Allowance (other) by 10-year age groups between March 2020 and March 2023, represented as an index (March 2020=100)



Note: The data in this figure are presented in the form of an index, representing the number of people receiving JobSeeker and Youth Allowance (other) by 10-year age groups, between March 2020 and March 2023 as a proportion of the total number of people in each age group receiving these payments in March 2020.

Source: AIHW analysis of Department of Social Services Benefit and Payment Recipient Demographics – quarterly data on www.data.gov.au (2020–2023).

Continued steep increase in people aged 65 and over receiving JobSeeker in the 6 years to March 2023

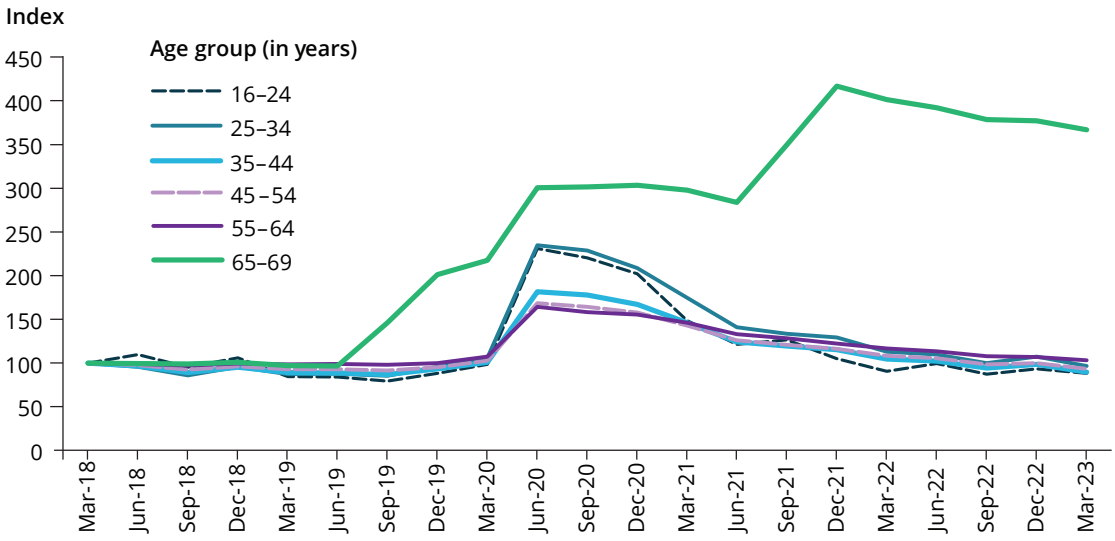
Overall, the proportion of people aged 65 and over receiving income support payments has been declining (from 72% to 63% between 2013 and 2023), consistent with the patterns observed for all age groups. However, in recent years there have been steep increases in receipt of specific payments (such as JobSeeker and Disability Support Pension) for people aged 65 and over.

Between September 2017 and March 2023, the number of people aged 65 and over receiving JobSeeker/Newstart Allowance increased steeply (from 5,100 to 39,100 or from 0.1% to 0.9% of the population aged 65 and over). A similar pattern was also observed for people receiving Disability Support Pension (from 59,500 to 124,700 or 1.4% to 2.8% of this age group), while people receiving Age Pension declined over this period (from 65% to 58% of the population aged 65 and over).

These increases are being driven by people aged 65–69, suggesting it is likely to be a result of increases to the eligibility age for Age Pension and people continuing to receive other income support payments for longer before transitioning to Age Pension. The qualifying age for Age Pension has increased by 6 months every 2 years since 1 July 2017. Indeed, after each of these increases, the number of people aged 65-69 receiving JobSeeker in subsequent quarters rose markedly – an increase of 51% in September 2019 and 38% in December 2019, compared with small changes, ranging from declines of 4.7% to increases of 2.5%, in most other quarters (see Figure 3.17; see also 'Income support for older Australians' at https://www.aihw.gov.au/reports/australias-welfare/income-support-for-older-australians for further details). However, these increases in the number of people aged 65–69 receiving unemployment payments in recent years may also be influenced by this age group's seeking to remain engaged in the labour force for longer (AIHW 2021b).

Figure 3.17: Unemployment payment receipt increased steeply for people aged 65–69 with each increase to qualifying age for Age Pension

Number of people receiving unemployment payments by 10-year age groups between March 2018 and March 2023, presented as an index (March 2018=100)



Notes:

1. The data in this figure are presented in the form of an index, representing unemployment payment receipt by 10-year age groups between March 2018 and March 2023 as a proportion of unemployment payment receipt for each age group in March 2018.
2. Before March 2020, unemployment payments included Newstart Allowance and Youth Allowance (other). After March 2020, it includes JobSeeker Payment and Youth Allowance (other), and Sickness and Bereavement Allowance are included in the JobSeeker counts.

Source: AIHW analysis of Department of Social Services Benefit and Payment Recipient Demographics – quarterly data on www.data.gov.au (2018–2023).

Has participation in employment services returned to pre-pandemic levels?

The Australian Government funds employment services so that people receiving income support have access to support that will help them find and keep a job (see Box 3.3 for further details). Employment services programs typically include:

- services that help individuals during their job search, such as helping them to find jobs or writing resumés
- services that help unemployed individuals start their own business
- training programs aimed at helping to improve the employability of people who are unemployed
- work experience programs that place unemployed people in work-like activities (such as Work for the Dole).

Employment services primarily support people who receive specific income support payments, such as people receiving unemployment and parenting payments. To continue to receive such payments, an individual may need to participate in an employment services program to meet mutual obligation (activity-testing) requirements.

This section explores the caseload and outcomes of employment services in Australia, before and during the peak COVID-19 pandemic and in the months since (covering the period 2015–2023). It focuses on the mainstream program Workforce Australia (comprising Workforce Australia Services, Workforce Australia Online and Transition to Work) and jobactive/Transition to Work before July 2022. The caseload represents the people who are participating in mainstream employment services at a given point in time, and outcomes refer to the employment status of a participant after their participation. This section also examines whether some population groups were particularly affected by the pandemic, as indicated by their increased use of employment services in the early months of 2020.

The patterns and trends observed in employment service receipt and outcomes should be considered in the context of the employment and income support results presented in the previous sections of this article. Employment service usage will increase when income support receipt increases as a response to unfavourable labour market conditions; that is, rising unemployment and underemployment and falling employment (see Box 3.3 for how these measures differ from one another).

Box 3.3: Employment services in Australia

From 2015–22, mainstream employment services, which provide participants with the support they need to access and maintain secure work, included jobactive Provider Services, Online Employment Services, and Transition to Work (implemented in February 2016). It also included the New Employment Services Trial implemented between 1 July 2019 and 30 June 2022.

From July 2022, mainstream employment services refer to Workforce Australia Services, Workforce Australia Online and Transition to Work (DEWR 2022b). Note that Transition to Work is a youth specialist program that operates quite differently from Workforce Australia; however, it is still included in the 'mainstream' caseload. To be eligible for these services, a person must be receiving an income support payment that is activity tested, living in a non-remote area, and not eligible for Disability Employment Services (DES). DES support people living with disability to find and keep employment. Employment services also includes the Community Development Program for people living in remote areas.

This article focuses on mainstream employment services and DES.

This section also reports on employment outcomes for a sample of jobseekers who have previously participated in, or are currently participating in, Workforce Australia (or jobactive before 4 July 2022) or Transition to Work. These jobseekers are selected to respond to a survey at the end of a given month and their employment outcomes are measured around three months after being selected (the outcome being their employment status at the time). Data are aggregated over 12 month periods, and this article reports on participants selected for the survey between January and December 2021 .

The total number of employment service participants does not necessarily align with the total number of people who are unemployed, as presented earlier in this chapter, based on the ABS definition (that is, people who are looking for work, and available to start work, but who did not work any hours at all in the reference week). Employment service participants include people who are unemployed, but also people who are employed and eligible for income support as they are not earning enough or not working enough hours. It also includes some people who would otherwise be defined as not being in the labour force. This includes Australians aged 55 and over who volunteer full time to meet their mutual obligation requirements, and individuals with temporary exemptions from mutual obligation requirements due to illness, caring responsibilities and other personal circumstances.

The number of employment service participants, and how this has changed over the course of the pandemic, can therefore provide a different perspective on the scale and composition of unemployment and underemployment in Australia. It can also provide insights into the characteristics of people who have been able to move closer to the labour market, and of people who are experiencing longer term unemployment or underemployment.

Number receiving mainstream employment services doubled at the onset of the pandemic and returned to typical levels by late 2022 despite record low unemployment rate

In the decade to 2015, the total mainstream employment service caseload had been relatively stable before starting a gradual decline, from 828,900 in February 2015 to 653,600 in February 2020, or a 21% decline (see Figure 3.18). This is consistent with the gradual decline in the number of people receiving unemployment and parenting payments over recent years (see previous section) and, in turn, a smaller number of people with mutual obligations (such as needing to participate in an employment services program to receive an income support payment).

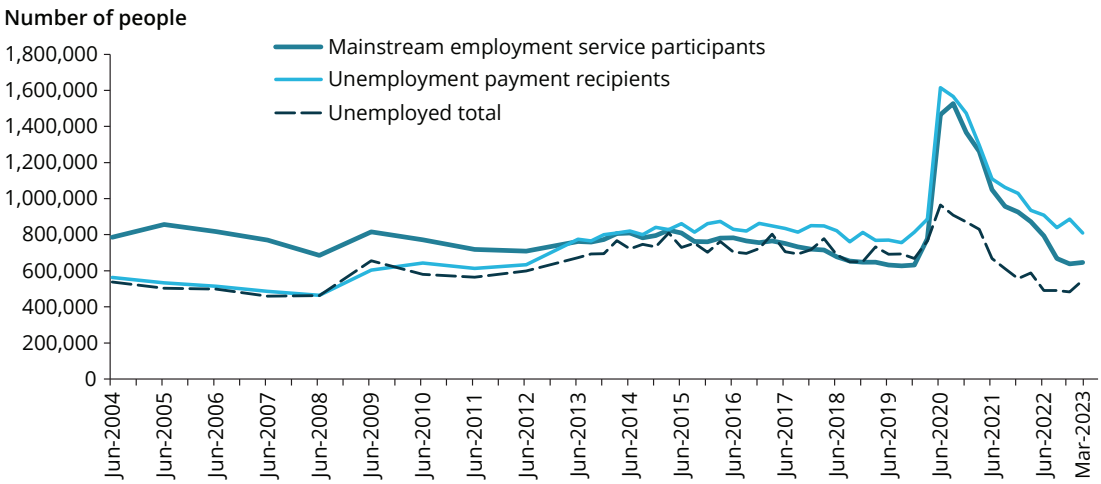
At the start of the pandemic, however, the caseload more than doubled, from 653,600 on 29 February 2020 to a peak of 1.5 million in September 2020, reflecting the steep rise in the number of people receiving Jobseeker and Youth Allowance (other) over this period. Since then, the total caseload has declined each month. By October 2022, it was back to pre-pandemic levels (650,600, or 0.5% lower than it was in February 2020), and had declined slightly to 645,600 participants by March 2023, similar to the caseload level in March 2019.

These typical caseload levels were observed despite the unemployment rate in March 2023 dropping to 3.6%; much lower than the unemployment rate in March 2019 (5.1%; see Figure 3.18). This discrepancy is because employment services are accessed by a broader range of people than just people who are defined by the ABS as being unemployed. It suggests that, despite low unemployment rates, the need for employment support is similar to that for pre-pandemic levels (see Box 3.3 for more information).

As shown in Figure 3.18, from 2012, the number of employment service participants has followed a similar trend to people receiving unemployment payments. This reflects the introduction of mutual obligation requirements where recipients are required to participate in an employment service program.

Figure 3.18: Mainstream employment service participants spiked early in the pandemic – back to pre-pandemic levels by October 2022, despite record low unemployment

Number of people participating in mainstream employment services, receiving unemployment payments, and unemployed (ABS definition), June 2004 to March 2023



Sources: AIHW analysis of unpublished data provided by the Department of Employment and Workforce Relations (June 2004-January 2023) and DEWR 2023 for mainstream employment service data from February 2023 to March 2023, AIHW analysis of Department of Social Services Benefit and Payment Recipient Demographics - quarterly data on www.data.gov.au (June 2014–March 2023) and unpublished data constructed from Services Australia administrative data (June 2004–June 2013), and ABS Labour Force Survey (ABS 2023c: Table 1).

Many employment service participants who joined at the onset of the pandemic continue to receive services

Before the COVID-19 pandemic, many new employment service participants had a brief period of service and exited the caseload in under 1 year. Following the pandemic, the composition of duration of registration changed, with fewer short-term participants and more long-term participants.

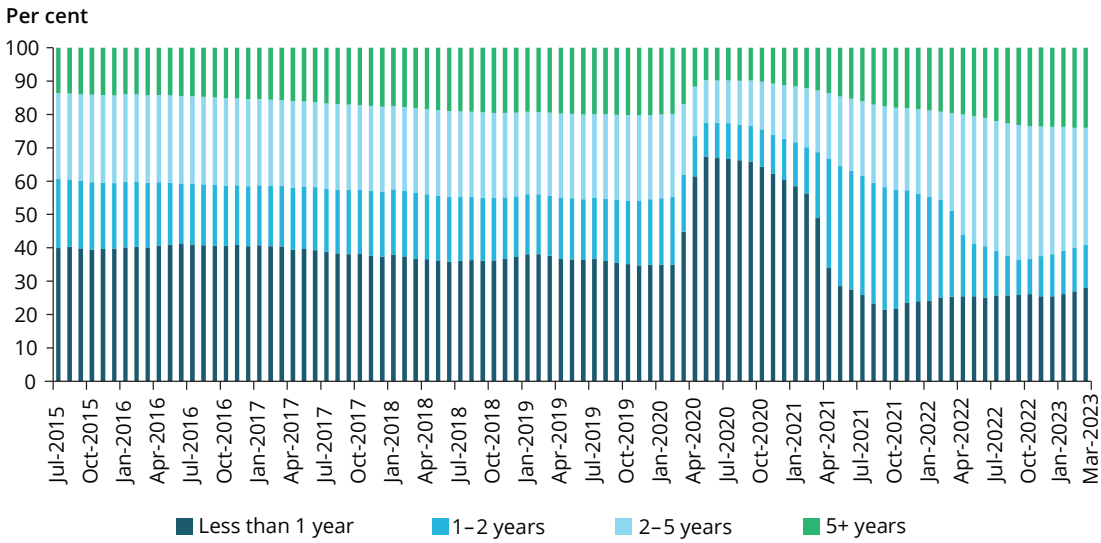
Between February 2020 and March 2023, the proportion of short-term participants declined – from 35% to 28% for participants registered for less than 1 year and from 20% to 13% for participants registered for 1–2 years. Coinciding with this decline, the proportion of long-term participants increased – from 25% to 35% for participants registered for 2–5 years and from 20% to 24% for participants registered for 5 or more years.

Before the pandemic, the proportion of short-term participants (registered for less than 2 years) had been declining and that of long-term participants (registered for 2 or more years) increasing, but at a much slower rate (see Figure 3.19). Unpublished

analysis by the Department of Employment and Workplace Relations of the caseload highlights that people referred to employment services between 20 March 2020 and 30 June 2020 tended to be the first to leave when restrictions were lifted. New participants with disability, people of mature age (aged 55 and over), people with low levels of education (who have not completed secondary school), or individuals referred to employment services before March 2020 were more likely to remain on the caseload.

Figure 3.19: Fewer short-term participants and more long-term participants in mainstream employment services in 2023 than before the pandemic

Proportion of recipients in mainstream employment services caseload by duration of registration, July 2015–March 2023



Source: AIHW analysis of unpublished data provided by the Department of Employment and Workforce Relations from July 2003 to January 2023; DEWR 2023 for mainstream employment service data from February 2023 to March 2023.

Certain population groups were more heavily represented in the increased caseload in the early months of the pandemic, with characteristics different from those of the typical caseload; it consisted of younger, more highly educated people who were more likely to live in cities and less likely to be Aboriginal or Torres Strait Islander (First Nations) people or refugees. For example, 28% of the participants referred to mainstream employment services between 1 July 2020 and 30 June 2021 (the inflow) were aged under 25 as opposed to 21% of the total caseload as at 29 February 2020; these proportions were similar for other age groups. A lower proportion of the inflow were First Nations people (8.1% compared with 13% of the total caseload) (DEWR 2023; House of Representatives Workforce Australia Employment Services Committee 2022).

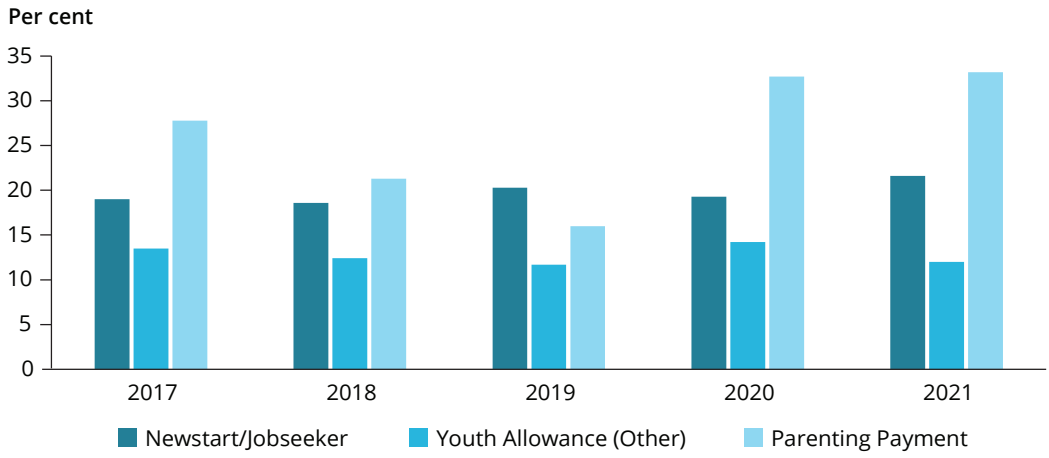
Employment outcomes for participants were adversely affected by the pandemic, in line with labour force measures

Despite a large increase in the mainstream employment services caseload in the early months of the pandemic, the proportion of participants able to secure employment declined based on a monthly survey of a sample of participants (see Box 3.3 for further details). This is consistent with other labour force measures explored in previous sections of this article. Around 42% of all people who responded to the survey in 2020 were employed when outcomes were measured, compared with 46–50% in 2017–2019. By 2021, this had recovered to 51%.

The proportion of participants reported as not in the labour force when outcomes were measured remained relatively stable from 2017 to 2021 (17–20%), suggesting that the pandemic did not have a large impact overall on participants who were not in the labour force. However, this is not the case for participants receiving parenting payments, who were more likely to be not in the labour force compared with participants receiving other income support payments. The proportion of participants receiving parenting payments who were not in the labour force increased steeply from 16% to 33% between 2019 and 2021, while the proportions for Youth Allowance (other) and Newstart/Jobseeker recipients remained relatively stable over this period (see Figure 3.20). This may reflect that parents with young children experienced greater challenges in re-entering the labour force in the years after the onset of COVID-19, due to the need to care for children who would usually be at school or in care.

Figure 3.20: jobactive participants receiving parenting payments were more likely to not be in the labour force than participants receiving other payments

Number of jobactive participants who are not in the labour force, by payment type, January 2017–December 2021



Note: For people who participated in a program in a given 12 month period (from January to December), employment outcomes (in this case, being not in the labour force) are measured around 3 months later.

Source: Employment Services Outcomes reports from 2017 to 2022 published by the Department of Employment and Workplace Relations (DEWR 2022a).

Gradual increase in Disability Employment Services caseload numbers, and outcomes had returned to pre-pandemic levels by March 2021

Unlike the mainstream caseload, DES caseloads have been gradually increasing since 2017. The total caseload increased by 46%, from 190,600 cases in September 2017 (the earliest available data) to 280,200 in March 2020, reaching a peak of 315,900 in June 2021. It then remained relatively stable until January 2022, before gradually falling to March 2023 (it declined by 12% between January 2022 and March 2023).

While the number of people accessing DES continued to steadily increase throughout the early months of the pandemic, the outcomes of DES were more heavily affected. From May 2020 to August 2020, for example, the number of people who had been working at or above their minimum required hours for 13 weeks (that is, people with 13-week outcomes) were between 14% and 18% lower than the same months in the previous year, a reversal of the pattern seen in previous years. By March 2021, the number of people with 4, 13, 26 and 52 week outcomes were all similar or higher than before the pandemic in March 2020 (DSS 2022a).

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Homelessness and housing affordability in Australia

4

Homelessness and housing affordability in Australia

Key messages

- Around 2.2 million Australians have been without a permanent place to live at some point in their lives.
- The number of people experiencing homelessness in Australia increased between 2001 and 2021; the rate of homelessness fluctuated over this time, being highest in 2001, with a more recent decline between 2016 and 2021.
- Over half of all people supported by homelessness agencies in 2021–22 were at risk of homelessness (that is, they were not yet experiencing homelessness) at the start of support, and most of these clients were renting in the private rental market.
- Over 35,000 clients of specialist homelessness services in 2021–22 were experiencing persistent homelessness – an increase from 29,500 people in 2018–19.
- The proportion of households living in social housing declined over the decade to 2022.
- Around 175,000 households were waiting for public housing in 2022; around 39% of these were considered greatest needs households, an increase from 28% in 2014.
- Median weekly costs for private rental increased by more than 11% across capital city areas over the year to June 2023 while rental vacancy rates fell to around 1%, reflecting a tight private rental market.
- Recurrent government spending on housing and homelessness services was $497 per person in 2020–21 (excluding capital expenditure), the same in real terms as in 2011–12.
- Around $4.9 billion was spent on Commonwealth Rent Assistance in 2021–22, supporting around 1.3 million income units, of which around 44% (582,000 income units) were in rental stress after receiving the support payment; most people in rental stress were also receiving JobSeeker (193,000 income units) or Aged Pension (113,000).

Access to safe, adequate housing is central to the health and wellbeing of individuals and families. Secure and affordable housing is the basis for social connectedness and a contributor to the social determinants of health and wellbeing (Wood et al. 2016).

Housing costs, be they the cost of servicing a housing loan or the cost of rent, are a major component of the household budget. Housing affordability has become an issue in Australia, particularly in recent years, with increases in the price of purchasing a home and strong increases in the cost of private rental accommodation (ABS 2023f; CoreLogic 6 July 2023).

House prices have generally risen across Australia over the last decade. House prices in major cities, where almost three-quarters (or 75%) of Australia's population live, have increased substantially. For example, the median house transfer price in Sydney increased from around $640,000 in the last quarter of 2012 to around $1.27 million at the end of 2022; Melbourne median prices increased from around $508,000 to $842,000 over the same period (ABS 2023f). In more recent months, house prices have fallen as interest rates increased (CoreLogic 2023; RBA 2023a).

While home ownership remains an aspiration of many Australians, an increasing proportion of households rent a property from a private landlord. In 1994–95, around 18% of households were renting in the private rental market, growing to around 26% of households in 2019–20 (ABS 2022). The cost of private rental accommodation has increased substantially over recent years, especially throughout the COVID-19 pandemic (CoreLogic 6 July 2023).

This article explores:

- homelessness in Australia, including insights into people experiencing homelessness – such as the reasons for seeking support, repeat homelessness, and risk factors associated with people receiving long-term support
- housing pathways out of homelessness – including the stock of social housing and waiting lists, the private rental market, and a brief commentary on housing affordability challenges and home ownership
- government policies and programs to support people experiencing housing insecurity.

Homelessness in Australia

Homelessness is a visible and extreme form of social exclusion and has severe adverse social, health and economic consequences for people.

The reasons people experience homelessness, or become at risk of losing their home, are multi-faceted, involving structural and individual drivers (Johnson et al. 2015). Social, economic and health-related circumstances contribute to being at risk of or experiencing homelessness. For example, personal circumstances such as relationship changes (divorce or separation), disability, mental or health issues, family and domestic violence, or trauma may have an impact on employment circumstances and income, which can, in turn, affect housing security. Structural factors – such as a lack of income, employment, or access to safe, appropriate and affordable housing – may also influence a person's housing situation.

There are several definitions of homelessness (Box 4.1). These technical definitions underpin the various data sources used to describe homelessness in Australia.

In 2019, an estimated 2.2 million Australians had been without a permanent place to live at some time in their lives (ABS 2020). The most common reasons given by people for their most recent experience of being in this situation was that it was due to:

- family/relationship breakdown (1 million people or 48%)
- housing being too expensive (356,000 people or 16%)
- unemployment (304,000 people or 14%).

Most (75% or 1.6 million) people without a permanent place to live stayed with relatives or friends.

Box 4.1: Defining homelessness

There is no single definition of homelessness. Researchers, advocates and policy advisers have interpreted homelessness in many ways. In Australia, statistical definitions developed for specific data collections are commonly used.

Census of Population and Housing

The Australian Bureau of Statistics (ABS) defines homelessness for the Census of Population and Housing (Census) as the lack of one or more elements that represent 'home'. The ABS statistical definition considers homelessness to be 'when a person does not have suitable accommodation alternatives'. Specifically, people are considered homeless if their current living arrangement:

- is in a dwelling that is inadequate
- has no tenure, or if their initial tenure is short and not extendable, or
- does not allow them to have control of, and access to, space for social relations (ABS 2012).

These conceptual components are used to develop 'homelessness operational groups' that describe broad categories of living situations considered to be homeless. Importantly, the definition includes people living in severely overcrowded conditions.

Specialist Homelessness Services Collection

The Specialist Homelessness Services Collection is the national data set on the specialist support provided to Australians who are homeless or at risk of homelessness. The data collection is limited to people receiving support from a specialist homelessness services (SHS) agency and is not designed to measure homelessness – noting that agencies support both people experiencing homelessness and people at risk of homelessness.

Box 4.1 (continued): Defining homelessness

An SHS client is considered homeless if they are living in non-conventional accommodation (such as living on the street, often termed rough sleeping), living in short-term or emergency accommodation (such as crisis accommodation) or in accommodation without tenure (such as living temporarily with friends and relatives) (AIHW 2022a). The definition does not include overcrowding as a form of homelessness.

For further information, see 'Technical paper: Alignment of the Specialist Homelessness Services Collection (SHSC) and the ABS Census definitions of homelessness' (AIHW 2022c).

Trends in homelessness in Australia

Around 122,000 people were estimated to be experiencing homelessness in Australia on the night of the 2021 Census (based on definitions in Box 4.1) (ABS 2023d):

- Almost 47,900 (39%) were living in severely crowded dwellings – around 12,200 in Greater Sydney, 9,700 in the Rest of Northern Territory (that is, excluding Greater Darwin) and 7,700 in Greater Melbourne.
- Almost 24,300 (20%) were living in supported accommodation for the homeless.
- Around 7,600 (6%) were rough sleeping (Figure 4.1).

Around 56% of these people were male, 21% were aged between 25 and 34 and 20% identified as Aboriginal and Torres Strait Islander (First Nations) people.

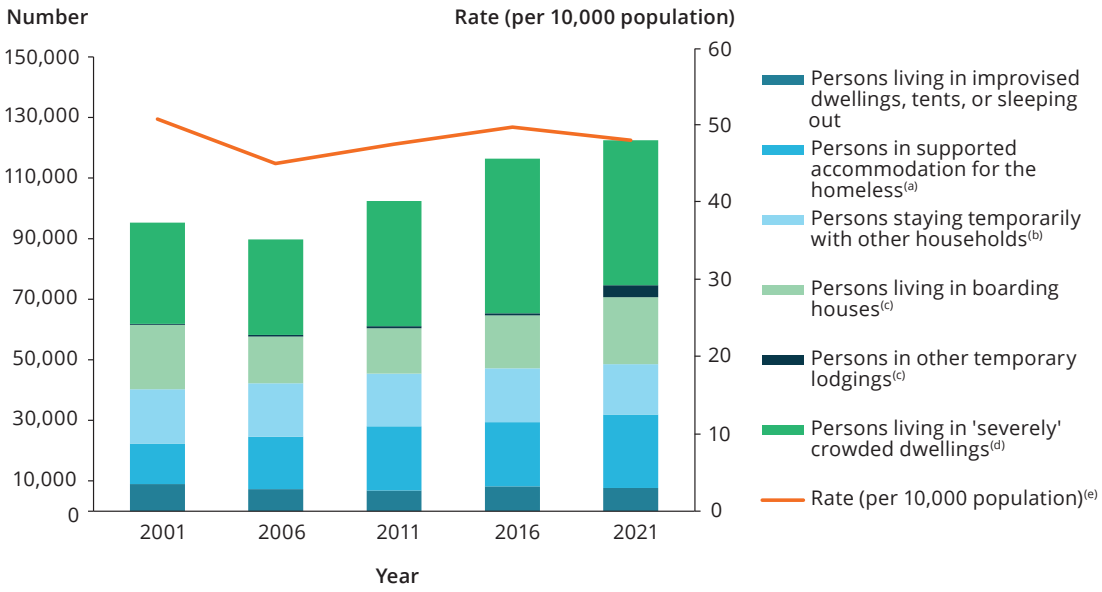
Of the nearly 25,000 First Nations people experiencing homelessness on Census night, most (nearly 15,000 people or 60%) were living in severely crowded dwellings, almost 4,800 (19%) were living in supported accommodation for the homeless and around 2,300 (9.3%) were rough sleeping.

Between 2001 and 2021, the number of people experiencing homelessness increased from around 95,000 to 122,000; most of the increase was people living in severely crowded dwellings. Between 2001 and 2021, the rate of homeless people fluctuated between 50.8 per 10,000 population in 2001 to 48.2 in 2021, noting that the 2021 Census was conducted during the COVID-19 pandemic (ABS 2023c).

The rate of First Nations people experiencing homelessness has declined over the last 4 Censuses. It is important to note, though, that the number of people identifying as being of Aboriginal and/or Torres Strait Islander origin significantly increased between Censuses, which has affected these results. See *Estimating homelessness: Census – reference period 2021* for more detail (ABS 2023d).

Figure 4.1: The number of people experiencing homelessness in Australia has increased, but the rate of homeless people declined between 2016 and 2021

Number of homeless people, by homeless operational group, 2001 to 2021



(a) For 2021, 2016 and 2011, persons accommodated by SHS are included. For 2006, persons in the Supported Accommodation Assistance Program are included.

(b) Includes 'visitor only' households where all persons report having no usual address.

(c) Data for 2021 are not directly comparable with data in previous Censuses due to improvements in data quality through greater use of administrative data.

(d) Includes usual residents in dwellings needing 4 or more extra bedrooms under the Canadian National Occupancy Standard (CNOS). See the 'Methodology' section of the source for more information.

(e) For 2001, 2006 and 2011, data exclude Other Territories (Jervis Bay, Cocos (Keeling) Islands, Christmas Island and Norfolk Island). For 2016 and 2021, data include Other Territories (Jervis Bay, Cocos (Keeling) Islands, Christmas Island and Norfolk Island).

Notes

1. The 2021 Census was conducted during the COVID-19 pandemic, which posed data collection challenges, especially the coverage of people experiencing homelessness. See *Estimating homelessness: Census methodology – reference period* 2021 (ABS 2023c) for more information on how these challenges were addressed.
2. For 2001, 2006 and 2011, rates are based on the Census count of persons (based on place of usual residence, excluding usual residents of Other Territories, and excluding at sea, migratory and offshore regions). For 2016 and 2021, rates are based on the Census count of persons (based on place of usual residence, including usual residents of Other Territories, and excluding at sea, migratory and offshore regions).

Sources: AIHW SAAP collection, Census of Population and Housing 2001, 2006, 2011, 2016, 2021 (ABS 2018, 2023d).

On Census night in 2021, a further 93,000 people were considered to be living in marginal housing (considered to be at risk of homelessness) – that is, people living in other crowded dwellings (with crowding not classified as severely overcrowded), other improvised dwellings, and marginally housed in caravan parks.

As a snapshot-in-time estimate, the Census does not capture information about people who may experience homelessness on nights other than Census dates. Also, the Census does not provide information on the length of time people experience homelessness, or on the context around the experiences of people without a home. Other data are needed to describe the broader experiences of people without a home.

Insights into SHS clients experiencing homelessness

SHS agencies support people experiencing homelessness or people at risk of homelessness. The data collated about SHS clients differ from Census data in many ways. The most critical differences are:

- SHS data are a measure of all clients receiving support every day of the year while Census data are captured for people on a single night
- the different ways in which homelessness is defined in each collection (see Box 4.1).

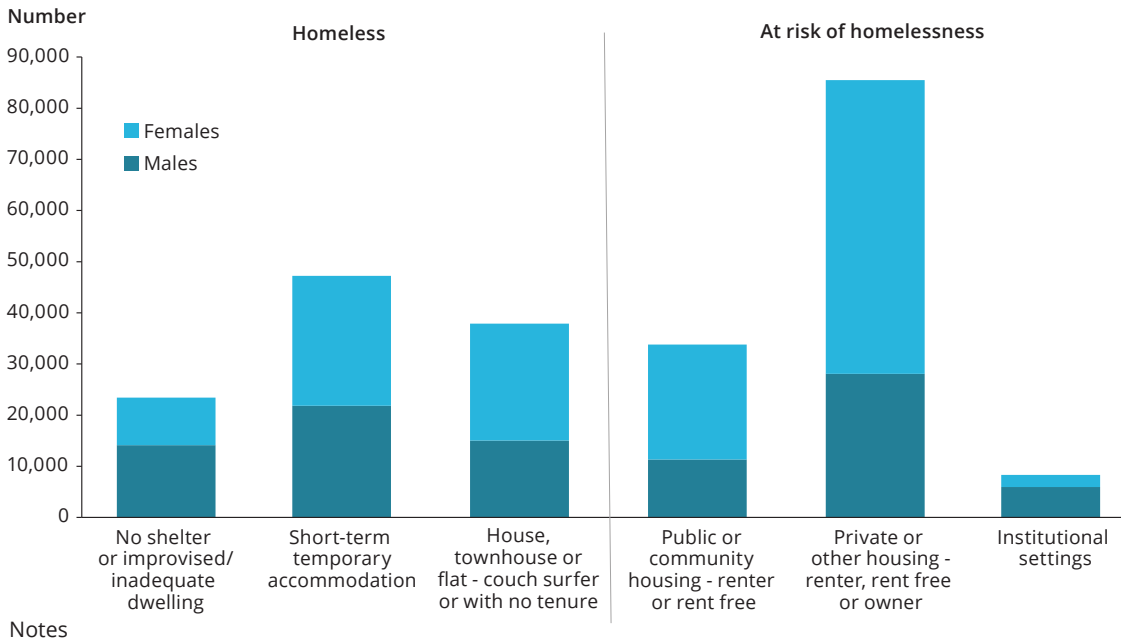
Census data are the best estimate of prevalence of homelessness on a single day of the year. SHS data complement Census data by providing information on the context and profile of people at risk of or experiencing homelessness, and the services they receive from SHS agencies.

In 2021–22, SHS agencies across Australia provided support to almost 272,700 clients (AIHW 2022a). Between 2011–12 and 2021–22, the rate of SHS clients fluctuated, from around 106 people per 10,000 population in 2011–12 to a peak of around 119 in 2016–17, before declining to 106 in 2021–22. These fluctuations reflect support provided to people in need, which can be limited by the amount of support available. Hence, these figures do not reflect total demand for funded support services and should not be used as a measure of prevalence of homelessness in Australia.

Among SHS clients whose housing situation was known at the start of their first support period in 2021–22, most clients (around 140,000 or 56%) were at risk of homelessness while around 110,200 (44%) were experiencing homelessness (Figure 4.2).

Figure 4.2: More than half of all people supported by SHS agencies were at risk of homelessness, and most of these were renting in the private rental market

Number of SHS clients, by housing situation at the start of support and sex, 2021–22



Notes

1. Housing circumstances are determined based on the client's type of residence, tenure and conditions of occupancy at the start of their first support period.
2. Housing situations 'Other homeless', 'Other at risk' and 'Not stated' are not shown.

Source: Specialist Homelessness Services Collection, AIHW 2022a.

Health challenges or other personal circumstances may make people more vulnerable to experiencing homelessness (Johnson et al. 2015). Of the 110,200 SHS clients experiencing homelessness at the start of their first period of SHS support in 2021–22, around:

- 41,200 (37%) had a current mental health issue
- 36,600 (33%) were experiencing family and domestic violence
- 19,500 (18%) were aged 15–24, presenting alone to agencies
- 8,100 (7.4%) were aged 55 or older (AIHW 2022a).

(Note that clients may be in one or more groups.)

SHS agencies collect information on the housing situation of clients every month that a person remains a client of an agency. Between 2011–12 and 2021–22, the number of SHS clients experiencing homelessness at some time during their period of SHS support steadily increased, from around 42% (103,000) of all SHS clients in 2012–13 to almost 49% (134,000) in 2021–22. That is, SHS clients were more likely to experience time without a home during 2021–22 than in previous years.

Reasons for seeking support from SHS agencies

The reasons people seek support from SHS agencies are diverse. SHS clients describe their reasons for seeking assistance, and agencies record all reasons as well as their single main reason for seeking support.

Housing crisis (for example, eviction) (24%), inadequate and inappropriate living conditions (18%) and family and domestic violence (17%) were the most common main reasons for seeking support among clients experiencing homelessness at the start of their first period of SHS support in 2021–22 (Table 4.1). These are similar to the top 3 main reasons in 2011–12. Financial difficulties (around 40%) was the most common reason for seeking assistance throughout the period from 2011–12 to 2021–22, although was less commonly nominated as the main reason for seeking assistance (6–10%). Housing affordability stress, as a reason for seeking assistance, increased from 20% of clients experiencing homelessness in 2011–12 to around 2 in 5 (38%) clients in 2021–22.

Table 4.1: Around 2 in 5 homeless SHS clients nominated housing affordability as a reason for seeking assistance in 2021–22

Proportion of SHS clients experiencing homelessness by the 6 most common main reasons for seeking assistance (%), selected years

		2011–12	2016–17	2021–22
Housing crisis	Main reason	18	35	24
	Any reason	35	61	47
Inadequate or inappropriate dwelling conditions	Main reason	14	13	18
	Any reason	32	36	40
Domestic and family violence	Main reason	13	17	17
	Any reason	22	30	30
Housing affordability stress	Main reason	4.0	3.5	8.0
	Any reason	20	30	38
Previous accommodation ended	Main reason	7.0	5.8	6.5
	Any reason	24	26	27
Financial difficulties	Main reason	9.5	5.5	6.1
	Any reason	41	41	42

Note: Percentages are based on the numbers of SHS clients experiencing homelessness at the start of the first support period during the financial year.

Source: AIHW unpublished analysis of the Specialist Homelessness Services Collection.

Ongoing and repeat homelessness

For some people, a period of insecure housing can be short lived; for others, ongoing or chronic homelessness can be a feature of their lives.

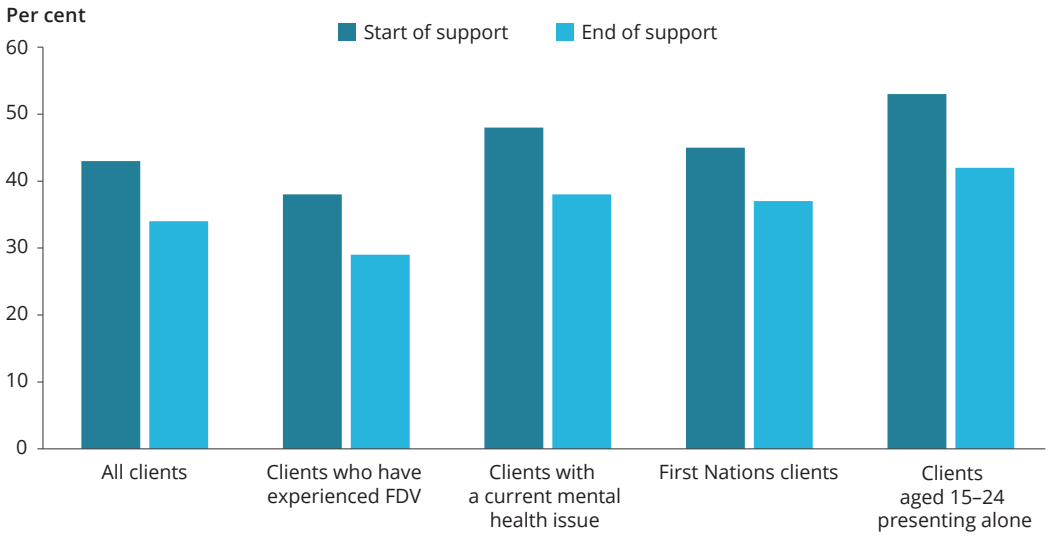
In 2021–22, around 201,000 clients finished support during the year. Of these, around 44% were experiencing homelessness at the start of support (Figure 4.3). By the end of support, fewer clients (around 34%) were experiencing homelessness, but this does include around 9,500 clients who were at risk of homelessness at the start of support that ended support homeless.

Clients experiencing family and domestic violence were less likely to be homeless at the start (38%) and end of support (29%) than some other client groups, including:

- First Nations clients (46% homeless at the start and 37% homeless at the end of support)
- clients with a current mental health issue (49% and 38%, respectively)
- clients aged 15–24 presenting alone (53% and 42%, respectively).

Figure 4.3: Clients aged 15–24 presenting alone to SHS agencies were the group most likely to be experiencing homelessness at the start and end of support

Proportion of SHS clients with closed support experiencing homelessness at the start and end of support, by selected groups, 2021–22



FDV = family and domestic violence.

Notes

1. Data are limited to clients who finished a period of support from an SHS agency during 2021–22; they do not cover changes to these clients' housing situation during their support period, of which there could be multiple changes.
2. Per cent is based on total clients where a housing situation at both the first presentation and at the end of support is known, and excludes 'Not stated/other' at both first presentation and at end of support.

Source: Specialist Homelessness Services Collection, AIHW 2022a.

These results indicate that, even with the support of specialist services, people may experience homelessness for long periods of time or cycle in and out of homelessness.

People experiencing repeat episodes of homelessness are a priority cohort in the National Housing and Homelessness Agreement (NHHA) (CFFR 2018) (see below for more detail on the NHHA). Indicator (h) – 'a decrease in the number of people that experience repeat homelessness' – is an indicator designed to monitor the effectiveness of the NHHA.

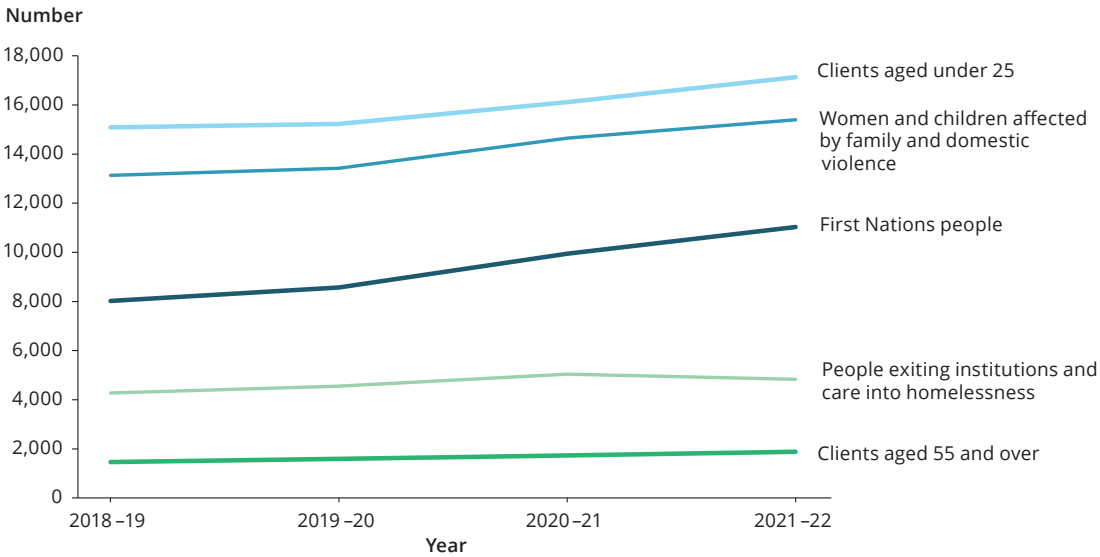
Two specific measures capture different patterns of repeat homelessness (NHHA indicator (h)) experienced by SHS clients (AIHW 2022a):

1. clients experiencing persistent homelessness (more than 7 out of 24-months homeless while a client of an SHS agency)
2. clients returning to homelessness after a period of more secure housing (pattern of homeless-housed-homeless).

The number of people experiencing persistent homelessness increased over the period of the NHHA, from 29,500 clients in 2018–19 to 35,200 in 2021–22. Increases were particularly evident among clients aged under 25, women and children affected by family and domestic violence, and First Nations people (Figure 4.4).

Figure 4.4: The number of SHS clients experiencing persistent homelessness increased over the 4 years to 2021–22 to around 35,000 people

Number of SHS clients experiencing persistent homelessness, 2018–19 to 2021–22



Note: Clients may be in more than one group.

Source: Specialist Homelessness Services Collection, AIHW 2022a.

Conversely, the number of people experiencing a return to homelessness (homeless, housed and then homeless again) fell over the period of the NHHA, from around 16,800

clients in 2018–19 to around 16,100 in 2021–22. Reductions in the number of clients were seen in most cohort groups, except for First Nations clients (where it increased from around 5,800 clients in 2018–19 to 6,000 in 2021–22) and for people aged 55 and over (650 clients in 2018–19 to 730 in 2021–22).

Repeat and ongoing episodes of homelessness may be a symptom of inadequate housing options for some of the most vulnerable people in society.

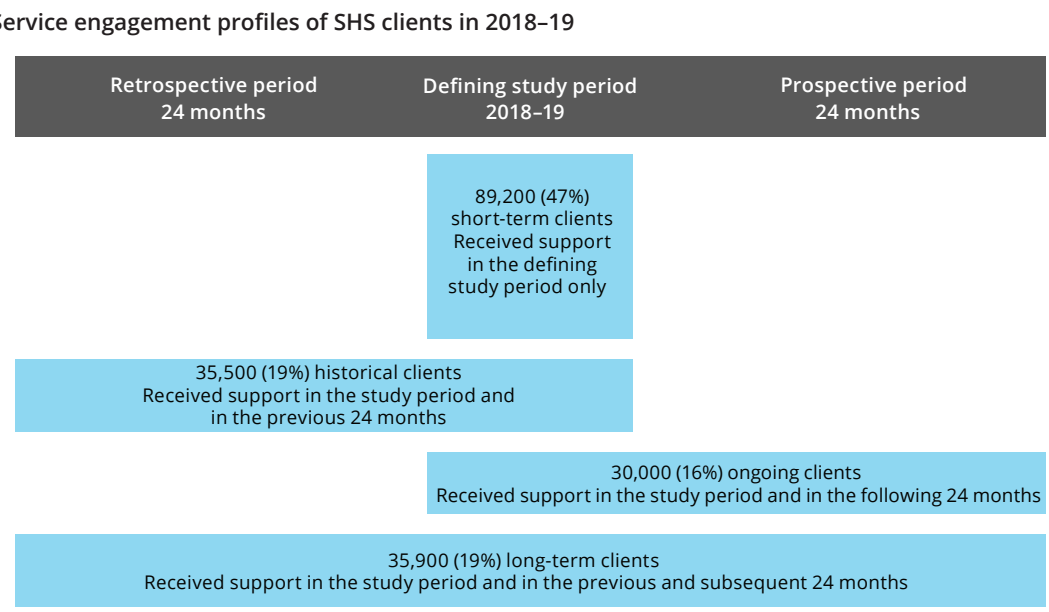
Insights into long-term support from SHS agencies

Data over long periods of time can be used to understand risk factors associated with repeat or ongoing SHS support. These insights can support and improve policy and program development by providing more insightful evidence about specific cohorts.

The following analyses used long-term data to understand service use patterns of SHS clients over time and the risk factors associated with repeat or ongoing support. The analyses are not restricted to clients who are experiencing homelessness, as experiencing homelessness is one of the risk factors studied.

Around 190,500 SHS clients aged 16 and over received SHS support at some point in 2018–19 (AIHW 2023a). Of these clients, almost half (around 89,200 or 47%) received support only during the 12-month period. Around 35,500 clients (19%) received services at some point during the previous 24-month period, around 30,000 (16%) continued to receive services in the following 24-month period and around 35,900 (19%) received services at various times throughout the 5-year period (Figure 4.5).

Figure 4.5: Over half of all SHS clients received multiple periods of support from SHS agencies over many years



Source: SHS client pathways, AIHW 2023a.

Statistical methods can be used to examine whether characteristics in the defining period are associated with receiving SHS support in the future. Two descriptive regression models were used to assess the risk of future service use:

1. a 'client characteristic' model containing only client characteristics
2. a 'reasons' model that supplements the client characteristics, including with 26 reasons why a client sought support during the defining study period.

The results from the client characteristic model demonstrate that among SHS clients in 2018–19, controlling for other factors, the characteristics having the greatest association with future SHS support were:

- having transitioned from custody at some time in the defining study period (39% greater likelihood)
- having been unemployed or not in the workforce at some time while receiving support in the defining study period (39% greater)
- being a First Nations person (35% greater). This is partly due to the difficult social and economic circumstances faced by some First Nations people and a higher prevalence of health risk factors (AIHW 2020; POA 2004)
- starting a period of support in public housing or community housing, and ending that period of support in a different housing situation (26% greater)
- having been homeless at some time in the defining study period (26% greater)
- having problematic drug or alcohol issues in the defining study period (25% greater).

Factors associated with a reduced likelihood of using services in the future include having owned a home sometime in the defining study period (20% lower likelihood) and having ended support in public housing (having started a support period elsewhere) during the defining study period (15% lower).

The reasons model demonstrated that having financial difficulties as a reason for seeking assistance, or being itinerant as a reason, were associated with an increased likelihood of ongoing SHS support (19% and 22% greater likelihood, respectively). Lack of income is not a specific reason for seeking assistance but is included in the broader category of 'financial difficulties'. Also, clients whose reason for seeking assistance was 'transition from custodial arrangements' were 26% more likely to receive SHS support into the future.

Long-term data are important to identify cohorts of clients who have a pattern of ongoing and long-term support, providing evidence for the development of targeted policies and programs for these vulnerable groups. However, even with targeted support programs, successful transition into a home for people experiencing homelessness depends on the availability of affordable housing.

Housing pathways out of homelessness

The experiences of repeat homelessness and long-term ongoing SHS support described in the previous section highlight the challenges faced by people experiencing homelessness in securing long-term housing. Broadly, housing in Australia consists of homes owned by the people living in them (with or without a mortgage), private rental accommodation and social housing. This section explores some of features of the housing market.

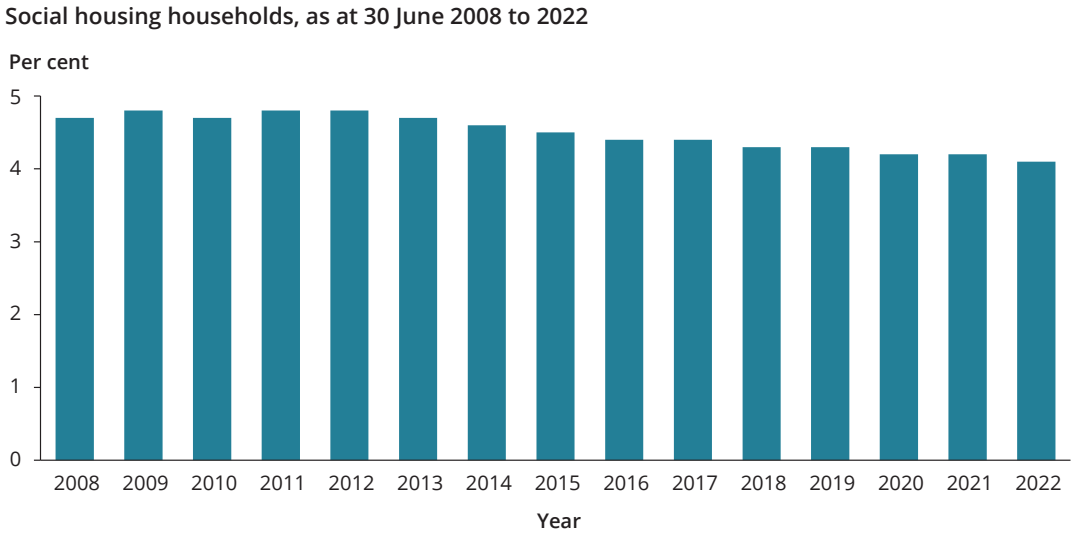
Social housing – stock, allocations and waiting lists

Social housing is a type of rental housing wholly or partly funded by government, which is rented to eligible people and owned or managed by government or a community housing organisation. There are 4 main government-funded social housing programs in Australia: public housing, state owned and managed Indigenous housing (SOMIH), community housing and Indigenous community housing.

As of June 2022, there were around 443,000 social housing dwellings in Australia (AIHW 2023b). Between June 2006 and June 2022, the number of social housing dwellings increased by 36,200 dwellings.

While the number of dwellings has increased, the supply of social housing has not kept pace with growth in the overall number of households in Australia. The number of households increased from around 8.08 million households in 2008 to 10.1 million in 2022. Since 2008, the proportion of households living in social housing steadily declined, from a peak of 4.8% in 2011 to 4.1% in 2022 (Figure 4.6).

Figure 4.6: The proportion of households living in social housing has declined



Note: Social housing households is a count of public housing, SOMIH, community housing and Indigenous community housing households in the reference year. For SOMIH, Northern Territory data were reported from 2018 as only limited aggregate information was provided in 2017.

Source: Housing assistance in Australia, AIHW 2023b.

State/territory housing authorities implement the policies that define the eligibility criteria for social housing, and manage the allocation of dwellings to tenants, either directly (for example, public housing) or indirectly (for example, via funding of community housing). People experiencing homelessness are generally considered to be in greatest need of social housing allocation and therefore are prioritised over households not considered to be in greatest need (AIHW 2023b). However, allocating limited social housing dwellings also depends on the urgency of personal circumstances and other factors. These include the availability of a particular dwelling type (for example, a dwelling that has the number of bedrooms required for a household) and the location of a dwelling that matches the tenant's needs (for example, proximity to employment and education).

The number of greatest needs households due to homelessness who were allocated a social housing dwelling has been relatively stable over time, from around 14,300 households in 2013–14 to around 13,700 in 2021–22.

Among 2 of Australia's social housing programs, the number of households on the social housing waiting list has increased, particularly greatest needs households – a classification that is broader than just people experiencing homelessness (Table 4.2). For public housing, around 68,000 households were considered to be in greatest need on the waiting list at the end of June 2022, an increase from 43,200 households at the end of June 2014.

Table 4.2: The number of households waiting for social housing is increasing

Households on the social housing waiting list by social housing program type and greatest needs status, as at 30 June 2014 to 2022

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public housing									
Greatest need households on waiting list[(a)]	43,224	39,565	37,897	38,030	45,828	52,644	58,511	67,656	68,088
Other households on waiting list	111,342	114,424	109,987	104,460	94,750	95,876	96,630	95,852	106,616
Total households on waiting list	154,566	153,989	147,884	142,490	140,578	148,520	155,141	163,508	174,624
Greatest need households on waiting list[(b)] (%)	28.0	25.7	25.6	26.7	32.6	35.4	37.7	41.4	38.9
SOMIH									
Greatest need households on waiting list[(a)]	3,827	3,461	3,796	4,018	4,696	5,674	4,398	6,539	7,111
Other households on waiting list	4,181	4,137	4,403	4,120	6,097	6,427	6,474	5,559	6,613
Total households on waiting list	8,008	7,598	8,199	8,138	10,793	12,101	10,872	12,098	13,724
Greatest need households on waiting list[(b)] (%)	47.8	45.6	46.3	49.4	43.5	46.9	40.5	54.1	51.8

(a) For SOMIH, excludes Tasmania and the Northern Territory data, as greatest need information was not available in these jurisdictions.

(b) Percentage calculated using 'Total households on waiting list', which includes Tasmania and Northern Territory data, as the denominator.

Notes

1. Excludes households requesting a transfer to a different dwelling within the same housing program.
2. A household is 'greatest need' if, as at 30 June of the reference year, occupants were subject to one or more of the following circumstances:
   - they were homeless
   - their life or safety was at risk in their accommodation
   - their health condition was aggravated by their housing
   - their housing was inappropriate to their needs
   - they had very high rental housing costs.
3. Data may not be comparable over time and comparisons could be misleading. See the relevant data quality statements for more information.

Source: AIHW National Housing Assistance Data Repository, AIHW 2023b.

Changes to the number of households on waiting lists are not necessarily a measure of changes in underlying demand for social housing. Changes to allocation policies, priorities, and eligibility criteria put in place by state/territory housing authorities, as well as their implementation, can affect waiting lists. Further, some people who wish to access social housing may not apply due to the long waiting times or lack of available options in their preferred location. (See AIHW 2023b for further details.)

Increased reliance on the private housing market

The decline in the proportion of social housing stock relative to the population and growing social housing waiting lists mean that the housing pathway for people experiencing homelessness is more likely to be into a home in the private housing market than into social housing.

The reliance on the private housing market as a pathway for people experiencing homelessness can be seen in the housing outcomes for SHS clients who were experiencing homelessness at the start of SHS support (Table 4.3):

- from 2013–14 onwards, more clients ended support housed in private housing than in social housing
- the number of clients in public or community housing at the end of support has remained relatively stable, despite fluctuations in the total number of homeless clients.

These observations may reflect the limited number of social housing dwellings available for clients experiencing homelessness. This is important since ending support in public housing has been shown to be a protective factor against the need for future SHS support (see Insights into long-term support from SHS agencies above).

Table 4.3: Housing outcomes for SHS clients experiencing homelessness at the start of support, 2011–12 to 2021–22

	SHS clients homeless at the start of support[a]	Housed at the end of support		Public or community housing		Private housing		Homeless at the end of support	
Year	Number	Number[c]	%[b][c]	Number	%[b]	Number	%[b]	Number	%[b]
2011–12	61,502	15,871	26%	7,197	12%	6,610	11%	45,631	74%
2012–13	64,944	18,326	28%	8,371	13%	7,747	12%	46,618	72%
2013–14	76,201	23,522	31%	10,165	13%	10,896	14%	52,679	69%
2014–15	92,362	31,425	34%	12,929	14%	15,264	17%	60,936	66%
2015–16	101,081	35,024	35%	14,087	14%	17,565	17%	66,057	65%
2016–17	104,578	37,285	36%	14,549	14%	19,267	18%	67,293	64%
2017–18	103,154	35,768	35%	13,769	13%	18,828	18%	67,386	65%
2018–19	106,124	36,781	35%	13,794	13%	19,736	19%	69,343	65%
2019–20	107,855	36,680	34%	13,499	13%	20,047	19%	71,175	66%
2020–21	105,157	35,021	33%	14,015	13%	17,976	17%	70,136	67%
2021–22	104,868	32,212	31%	13,174	13%	16,165	15%	72,656	69%

(a) Total number of clients experiencing homelessness at the start of support with known housing situation at the end of support.

(b) Proportions based on the number of clients experiencing homelessness at the start of support.

(c) Number and proportion housing in Institutional settings and Other at risk included in the Housed total but not shown separately in this table.

Source: Specialist Homelessness Services Collection, AIHW 2022a.

Housing affordability challenges

Housing affordability has worsened over recent times, especially for Australia's low- to moderate-income households (Pawson et al. 2019). High housing costs can have an impact on the household budget – for example, making less money available for food and health care. Rising housing costs, such as increases to rent, can result in people becoming at risk of or experiencing homelessness. Equally, high housing costs can be a barrier to securing a home for people experiencing homelessness (Baker et al. 2015).

Housing affordability often focuses on people on low to moderate incomes. This is because low- to moderate-income households are often less likely to be able to respond to financially related shocks that may threaten their capacity to maintain or secure housing – such as changes in personal income circumstances, or moderate increases in the cost of rent (Stone et al. 2020).

While focusing on low-income households is important, it is also worth considering housing market trends broadly. Other groups may also be at risk of homelessness if housing costs increase substantially; for example, households with large debts during periods of rapid interest rate rises.

This section briefly explores housing affordability issues for low-income households, and some broader housing affordability trends, noting that the conditions that evolved during the COVID-19 pandemic had marked impacts on the Australian housing market (NHFIC 2023).

Rental stress – low-income households

The 30/40 housing stress measure is defined as lower income households (lowest 40% of income) that spend more than 30% of gross household income on housing costs (Rowley et al. 2015; Yates 2007).

There were an estimated 1.5 million low-income renter households in Australia in 2019–20; around two-fifths (42% or 619,000) of these were considered to be in rental stress (based on the 30/40 measure) (ABS 2022). The proportion in rental stress varied between the capital cities and the rest of the state and territory areas.

Overall, the scale of rental stress has increased over time:

- In 2007–08, 39% of low-income renter households in greater capital city areas (around 278,000 households) and 30% in the rest of the state areas (138,000 households) were considered to be in rental stress.
- By 2019–20, 45% of low-income renter households in greater capital city areas (an estimated 415,000 households) and 36% of low-income households in the rest of the state areas (201,000 households) were considered to be in rental stress.

In 2019–20, among all lower income households, those in the private rental market (58%) were most likely to be in housing stress; they were spending, on average, 32% of gross household income on housing costs, compared with owners with a mortgage (37% in housing stress spending, on average, 27% of income on housing costs) and people renting from state or territory housing authorities (4.7% and 21%, respectively) (ABS 2022a).

Private rental market affordability

Over the 12-months to June 2023, median advertised rents increased across all states and territories and in the combined capital city and regional areas (Table 4.4). At the same time, vacancy rental rates fell. These data illustrate the rental market supply and cost barriers potentially faced by people experiencing homelessness.

Table 4.4: The median rent in major cities increased by more than 11% in the combined capital city areas over the 12 months to June 2023

Rental market trends, 12 months to June 2023

Region	Median rent	12-month change in median rent	Vacancy rate Q2 2023	Vacancy rate Q2 2022
Sydney	$733	12.9%	1.5%	1.9%
Melbourne	$551	12.6%	0.8%	1.7%
Brisbane	$614	10.3%	1.2%	1.1%
Adelaide	$549	9.6%	0.4%	0.4%
Perth	$599	13.4%	0.7%	1.2%
Hobart	$552	1.3%	2.7%	1.6%
Darwin	$600	3.5%	1.3%	1.5%
Canberra	$669	-2.8%	2.2%	1.2%
Combined capital city areas	$617	11.5%	1.1%	1.5%
Combined regional areas	$517	4.9%	1.5%	1.4%
Australia	$589	9.7%	1.2%	1.5%

Q2 = quarter 2.

Source: CoreLogic Quarterly Rental Review, Q2 2023, CoreLogic 6 July 2023.

Rental affordability is broader than advertised rents, that is, rents paid by existing and new tenants are important to understand housing affordability in context with other cost of living pressures. Across Australia, rents paid increased by 1.6% in the quarter to March 2023 and 4.9% annually; the largest annual rise since 2010 (ABS 2023b). Among the capital cities, Perth (7.6%), Brisbane (7.0%) and Darwin (6%) had the largest annual increase, while Melbourne (3.1%) had the smallest increase.

The cause of the increase in advertised rents occurred has been in part in response to conditions that evolved during the COVID-19 pandemic. During the early phases of the pandemic, rents, particularly in major cities, fell in part due to changes in demand, such as lower net overseas migration and city-to-region migration (Pawson et al. 2021).

However, from 2021, rents have generally risen as both housing demand and supply conditions changed. These factors were:

- low rental vacancy rates, in part due to the sale of investment rental properties to owner-occupiers and increasing net overseas migration
- building supply chain issues
- increases in housing loan interest rates (NHFIC 2023).

Cost of living pressures, combined with declining real wage growth, meant that financial pressures on low-income households renting in the private rental market increased throughout 2022 and into 2023 (RBA 2023b). As presented earlier, financial difficulties and housing affordability stress are some of the most common reasons people seek support from SHS agencies.

Challenges with the supply and affordability of housing stock across Australia have been described in detail in the *State of the nation's housing report 2022–23* (NHFIC 2023). Key points detailed in this report relating to the rental market include:

- stronger than anticipated population growth from 2022 onwards
- rising interest rates, adversely affecting first home buyer affordability through reduced borrowing capacity
- new housing supply below requirements, with a projected gap between new household formation and new housing supply
- worsening affordability for renters.

The report highlights the challenges across the private rental market, particularly for low-income households.

Home ownership

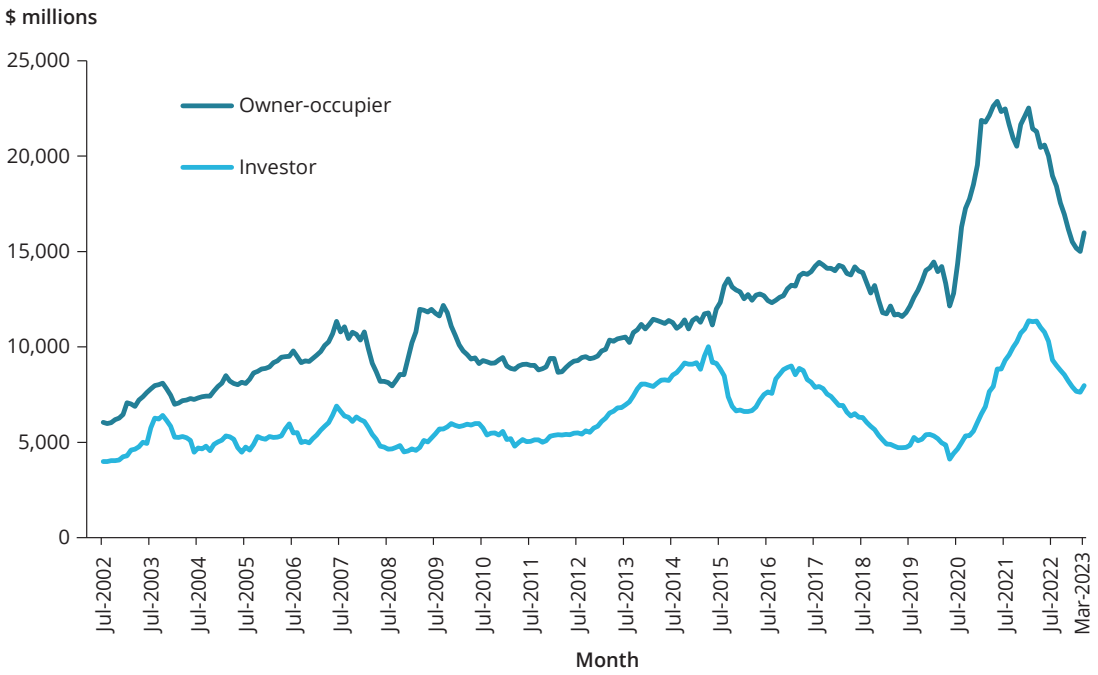
The evidence presented earlier in this article finds home ownership to be a protective factor against people returning to SHS agencies for support. Home ownership rates in Australia are falling, particularly when age is considered. The home ownership rate of people aged 30–34 was 64% in 1971, falling to 50% in 2021 (AIHW 2022b). For Australians aged 25–29, the difference was similar – 50% in 1971 compared with 36% in 2021. Home ownership rates have also fallen among people nearing retirement; rates for people aged 50–54 were 78% in 1971 falling to 72% in 2021.

Barriers to purchasing a home include both market and personal factors – for example, the availability of dwellings for sale, the price of dwellings, the price of money loaned for housing (housing interest rates) and lending criteria enforced by lenders (including the amount of money required as a deposit). Government support to assist with home ownership is often aimed at a specific group – for example, Australian government programs for first home buyers, people purchasing their first home in regional areas and support for single parents (NHFIC 2022).

Throughout 2020, conditions were more favourable for people to buy a home. In particular, interest rates for housing loans during 2020 were the lowest since the 1960s (RBA 2023a). These conditions led to record lending to people to buy a home in which to live (termed owner-occupied) – compared with investors – throughout 2021 and 2022 (Figure 4.7, ABS 2023e). New lending to owners peaked in May 2021 ($22.9 billion), around 2.5 times the amount lent to investors ($8.9 billion). Lending to investors ($11.4 billion) peaked in January 2022. More recent increases to interest rates have resulted in reduced lending to both investors and first home buyers, the latter being particularly affected by reduced borrowing capacity (NHFIC 2023).

Figure 4.7: New lending for housing to owner-occupiers peaked in mid-2020 to early 2021 at around 3 times the value loaned to investors

New lending commitments to households ($) (current prices, seasonally adjusted) for housing (excluding refinancing), by lender type, July 2002 to March 2023



Source: ABS 2023e.

Two cohorts of home owners with a mortgage may be at risk of being unable to meet housing loan costs as interest rates rise: people who do not have the income to accommodate increases in interest rates beyond a certain level, and people who started a fixed interest rate for a fixed period of time and face large increases in repayments when these terms finish.

Across the housing loan market, the Australian Prudential Regulation Authority (APRA) requires lending institutions to report information on risk indicators, loan serviceability characteristics and non-performing loans (APRA 2023). The value of non-performing

loans as a share of total credit outstanding was 0.72% in the March 2023 quarter. Given that housing loan interest rates rose sharply during the second half of 2022 and into 2023, this measure will provide critical insights into whether households can continue to meet their housing loan repayments. However, household savings accumulated during the pandemic (ABS 2023a) which may have an impact on the risk profile of home owners with a mortgage.

Government housing-related support

Governments develop policies to deliver a range of support services both to assist people to avoid homelessness, and to people experiencing homelessness. Over time, there have been a range of policies and intergovernmental agreements relating to housing and homelessness as well as a range of direct and indirect interventions in the housing market (King 2022). The most recent intergovernmental agreement was the NHHA, which came into effect on 1 July 2018 (Box 4.2).

Box 4.2: National Housing and Homelessness Agreement

The NHHA describes roles and responsibilities of state/territory governments and the Australian Government in delivering social housing and support for people experiencing homelessness and for people at risk of homelessness. The objective of the NHHA is to contribute to improve access to affordable, safe and sustainable housing across the housing spectrum (CFFR 2018).

The NHHA provides more than $1.6 billion in Australian Government funding to the states and territories a year; it provided dedicated funding of $129 million for homelessness services in 2020–21, which states and territories were required to match. Under the NHHA, state/territory governments are responsible for administering and delivering social housing and homelessness services that meet local needs, taking into consideration other relevant services delivered at the local level. The Australian Government is responsible for income support payments, provision of some programs and services related to housing and homelessness, and settlement policy and programs. The NHHA includes a number of indicators to measure the success of the agreement across the housing–homelessness domains.

Government spending on housing and homelessness support services

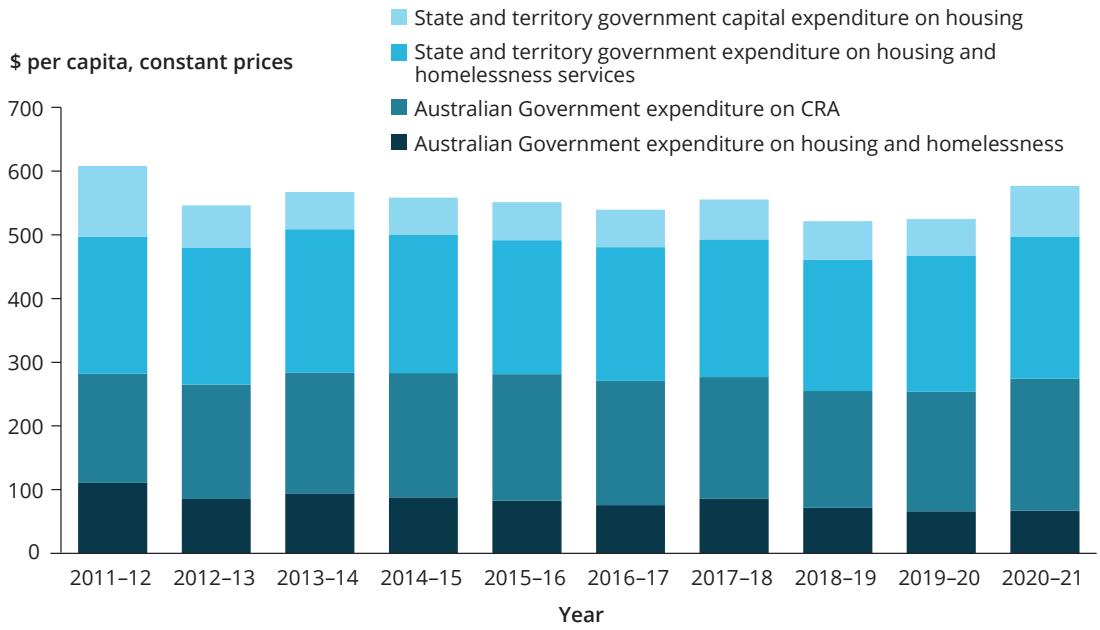
Government spending on housing-related supports and services often fluctuates over time due to the substantial capital costs involved when commitments are made to deliver new housing. While these investments (termed capital spending) are critical for establishing houses, ongoing (termed recurrent) spending reflects the costs of housing and homelessness support provided to people in need.

Between 2011–12 and 2020–21, per capita spending on housing and homelessness support services fluctuated from around $608 per person in 2011–12 (real prices indexed to 2020–21) to $577 in 2020–21, with a low of $521 in 2018–19 (Figure 4.8). Excluding capital spending, spending on housing and homelessness support services was around $497 per person in 2011–12, falling to a low of $461 in 2018–19 and increasing to $497 in 2020–21.

In 2020–21, state and territory government spending on housing and homelessness support services ($222 per person) was the largest component, followed closely by spending on Commonwealth Rent Assistance ($207 per person).

Figure 4.8: Total government housing-related spending decreased in real terms since 2011–12; recurrent spending remained the same

Government spending ($ per capita constant prices indexed to 2020–21) on housing and homelessness services and support, 2011–12 to 2020–21



CRA = Commonwealth Rent Assistance.

Note: Australian Government real expenditure is limited to the NHHA and related agreements.

Source: AIHW analysis of *Report on Government Services 2023* (SCRGSP 2023).

Two of the largest components contributing to total expenditure are rent assistance and government-funded SHS, both described in more detail below.

Financial support for renters

Commonwealth Rent Assistance

Commonwealth Rent Assistance (CRA) is the most common form of housing assistance received by Australian households to assist with the cost of housing. CRA is paid to eligible families and individuals who live in private rental accommodation or community housing and pay rent over specified thresholds (Box 4.3).

Box 4.3: Commonwealth Rent Assistance

CRA is a non-taxable payment, generally paid fortnightly to eligible recipients as part of a recipient's primary payment rate (DSS 2023). It is available to eligible recipients who rent in the private rental market or community housing. To be eligible, families or individuals must be in receipt of a social security payment more than the base rate of the Family Tax Benefit Part A – or an eligible veterans' income support payment – and pay or be liable to pay more than a specified rent threshold.

Qualification for CRA is assessed as part of the process for claiming a social security payment and it forms part of the rate of that payment. For information about CRA eligibility, see www.dss.gov.au/housing-support/programmes-services/commonwealth-rent-assistance#2.

CRA is paid at 75 cents for every dollar above a minimum rental threshold until a maximum rate (or ceiling) is reached. The minimum threshold and maximum rates vary according to the household or family situation, including the number of children.

Certain social housing tenants are eligible for CRA, such as people living in community housing or Indigenous community housing and, in some states and territories, SOMIH. CRA is not generally payable to public housing tenants as state and territory housing authorities already subsidise rent for these tenants.

As of June 2022, around 1.3 million income units (people or related groups of people) received CRA, amounting to a total cost of $4.9 billion (AIHW 2023b; SCRGSP 2023). The median CRA payment was $145.80 per fortnight, equivalent to 30% of median fortnightly rent ($480 per fortnight) (AIHW 2023b).

As of June 2022, the key characteristics of the income units receiving CRA were:

- almost half (46%) were single people with no dependent children
- over one-quarter (27%) were aged 65 and older – an increase from around 18% in 2013
- almost one-quarter (24%) received JobSeeker as their primary payment type, followed by Age Pension (23%) and Disability Support Pension (20%).

The median fortnightly rent varies across Australia and, as a result, the median CRA payment received as a proportion of median fortnightly rent also varies by location. As of June 2022, the CRA entitlement as a proportion of rent was lower in capital cities than what it was in areas outside capital cities, with the magnitude of difference varying across states and territories. In New South Wales, the CRA entitlement was about one-quarter of the median fortnightly rent in Sydney (26% of $560 median fortnightly rent), but one-third (33% of $440) in the rest of the state. The difference in Tasmania was smaller, with the CRA entitlement around one-third of the median fortnightly rent in both Hobart (33% of $443) and the rest of state (34% of $426).

Rental stress and CRA

CRA reduces recipients' rental stress. Rental stress presented here is defined as a CRA income unit that spends more than 30% of its gross income on rent. It is important to note that labour market conditions during the COVID-19 pandemic substantially affected the number of people eligible for CRA. As well, for a limited time, the Coronavirus Supplement was included as income for certain types of income support payments and included in the calculation of rental stress for 2020. (For more detailed information on the impact of additional payments, see Klapdor 2020.)

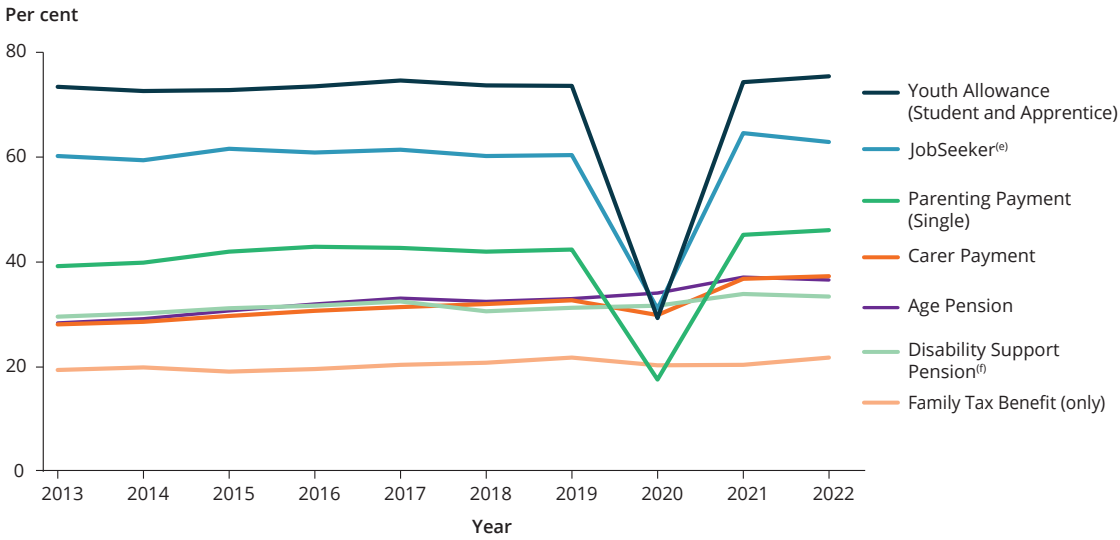
As of June 2022, around 1.3 million income units received CRA. More than two-fifths (44% or around 582,000 income units) of CRA recipients were in rental stress after receiving CRA; around 1 in 6 (16%) were paying more than 50% of their income on rent after receiving CRA (AIHW 2023b). Around a million income units would have been in rental stress if they had not been receiving CRA (72% or 955,000 income units).

The proportion of CRA recipients in rental stress varied by payment type, with the highest proportions among people receiving Youth Allowance (various types, 60–75%), Austudy (72%), Parenting Payment (partnered) (68%) and JobSeeker (63%) payments (Figure 4.9 and AIHW 2023b for categories not shown). People receiving JobSeeker (193,000 income units) as their primary payment type were the most common group to be experiencing rental stress, followed by people receiving Age Pension (113,000 income units).

Since 2013, the proportion of income units in rental stress has remained relatively stable, except during the COVID-19 pandemic (see above). However, rental stress increased among people receiving Age Pension from around 28% of income units in 2013 to 37% in 2022. Older people living in private rental accommodation may be more likely to be adversely affected by increases in the cost of private rental accommodation as they have limited capacity to increase their income and may find it more difficult to find and relocate to more affordable rental accommodation.

Figure 4.9: Around 2 in 5 of all income units receiving CRA were in rental stress; most people in rental stress were also receiving JobSeeker

Income units[a] receiving CRA in rental stress[b], by 7 most common primary payments[c], 2013 to 2021[d]



(a) An income unit comprises a single person (with or without dependent children) or a couple (with or without dependent children) receiving a social security or family assistance payment and expected to share financial resources. Single social security recipients living together in the same household are regarded as separate income units. One member of a couple is treated as the reference person for the recipient household, based on the type of payment they receive. The order of priority is: Pensions; Allowances; Family Tax Benefit (FTB).

(b) Rental stress indicates income units that are paying more than 30% of their income on rent. The proportion of income paid on rent is calculated as: (weekly rent–weekly CRA)/weekly gross income. Excludes a small number of income units where affordability details are incomplete. Weekly gross income includes reported private income (for FTB-only income units, estimated income is used) plus regular income support and family payments (excluding CRA) paid to the income unit. Income support paid includes the Coronavirus Supplement paid to the income unit. The Family Tax Benefit paid to the income unit does not include the end of year supplement.

(c) The primary payment type is the primary payment of the reference person.

(d) Data are at the last Friday in June of the reference year.

(e) In March 2020, the JobSeeker Payment replaced Newstart Allowance, and subsumed Bereavement Allowance, Sickness Allowance and Wife Pension.

(f) Includes income units where at least one member was in receipt of the Disability Support Pension at the last Friday in June of the reference year.

Note: Includes income units paid CRA under the *Social Security Act 1991* (Cwlth) or under *A New Tax System (Family Assistance) Act 1999* (Cwlth) who were entitled to a daily rate of assistance at the last Friday in June of the reference year.

Source: AIHW analysis of Department of Social Services data (Australian Government Housing Dataset); AIHW 2023b.

State/territory government support

State and territory governments also provide support to renters; this support is mostly in the form of private rent assistance (PRA) to low-income households experiencing difficulty securing or maintaining private rental accommodation. PRA is usually provided as a one-off form of support such as bond loans and rental grants but can also include ongoing rental subsidies and payment of relocation expenses. PRA varies between states and territories as some products are not offered by all states and territories.

In 2021–22, PRA was provided to around 56,900 unique households; about 42,000 households fewer than its peak in 2016–17 (98,000 households) (AIHW 2023b). Households may receive more than one type of PRA and they may also receive multiple assistance payments for each type of PRA. There were around 71,000 total instances of PRA payments in 2021–22, a decrease from around 129,000 in 2015–16.

Government-funded specialist homelessness services

SHS agencies provide immediate and crisis support services for people experiencing homelessness or at risk of homelessness. As described in the NHHA, each state and territory is responsible for funding and managing SHS agencies according to local need – that is, taking into consideration all other programs and services delivered within a state/territory.

The number of clients assisted by specialist homelessness agencies increased to almost 272,700 in 2021–22, from 236,400 in 2011–12: an average annual increase of 1.4% since 2011–12. The rate of SHS clients increased from 105.8 clients per 10,000 population in 2011–12 to 106.2 clients in 2021–22 (AIHW 2022a).

The most common SHS client group in 2021–22 was people experiencing family and domestic violence (AIHW 2022a). Family and domestic violence (27% of all clients) and housing crisis (20%) were the 2 most common main reasons for seeking assistance.

SHS clients' unmet need for accommodation and unassisted clients

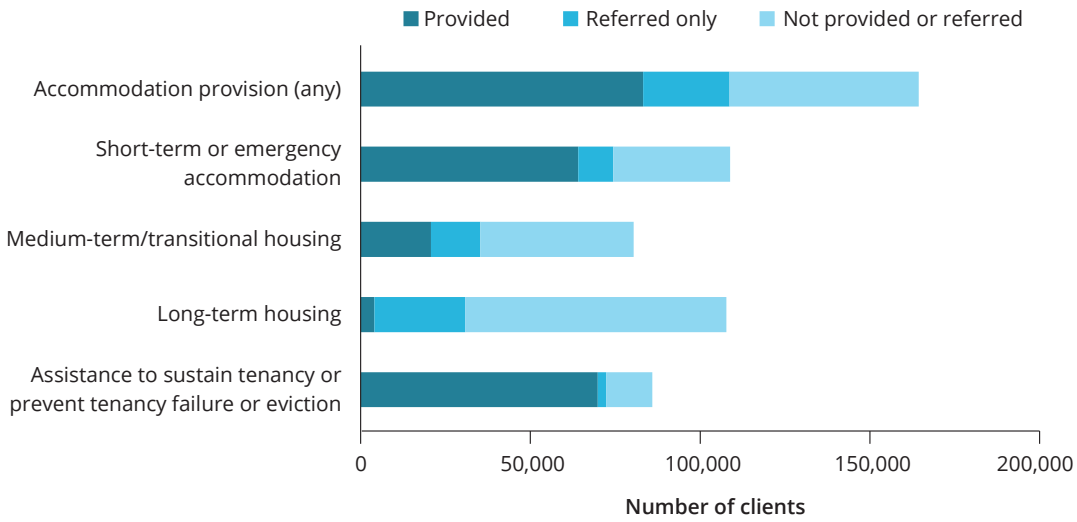
Clients receiving support from SHS agencies can receive a wide range of services depending on their individual circumstances. Unmet need is an SHS client's need for a particular service that the agency could not provide. Agencies can also refer clients to another service for assistance.

In 2021–22, around 40% of clients (or 108,800 people) needed short-term or emergency accommodation:

- Nearly 64,100 (59%) of clients requesting this service were provided with assistance.
- Around 10,300 clients (9.5%) were referred to another agency for this type of support.
- Around 34,400 clients (32%) were neither provided with this type of support nor referred to another agency (Figure 4.10). The level of unmet accommodation need has not improved over time, with similar patterns recorded in 2016–17 (AIHW 2018).

Figure 4.10: Around one-third of clients of SHS in 2021–22 who needed accommodation support were not provided this type of support

SHS clients with a need for accommodation and housing assistance, by need met status, 2021–22



Source: Specialist Homelessness Services Collection, AIHW 2022a.

These results generally reflect the type of accommodation available to SHS agencies – that is, emergency and short-term accommodation was provided more often as it may be directly provided by an SHS agency compared with long-term housing which agencies are often not funded to deliver.

Unassisted requests are instances where a person asks for assistance from an SHS agency and does not receive it when requested. It should be noted that the information collected about unassisted people is limited as it is not always appropriate or possible for an agency to collect the same detailed information on such people as they would if they were to become clients.

Across Australia, there were around 105,000 unassisted requests in 2021–22, equating to around 288 unassisted requests per day. Around 167 unassisted requests per day were for short-term or emergency accommodation; most of these (95 instances per day) were not provided because the agency did not have any accommodation available. The number of unassisted requests has increased over time. In 2016–17, there were, on average, 261 unassisted requests per day, 147 for short-term or emergency accommodation (AIHW 2018).

Combined, the unmet demand and unassisted data indicate that there is more demand for SHS support than can be provided. It is important to note that non-government services and charities can – and do – support people in need beyond the SHS specific funding program; however, routine data sources on this additional support are not collated nationally and therefore the total amount of support provided to people facing housing insecurity each year is unknown.

Conclusion

Housing insecurity is faced by hundreds of thousands of people in Australia every year. Tens of thousands of Australians have no place to call home. When rental accommodation costs increase rapidly, and rental vacancies are scarce, many people face housing uncertainty, especially people on low incomes. Pathways out of homelessness become more difficult when rents are high and repeat experiences of homelessness becomes a feature of the daily lives of tens of thousands of Australians.

Further reading

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Use of mainstream services and outcomes achieved for people with disability

5

Use of mainstream services and outcomes achieved for people with disability

Key messages

Historically, there have been little available data on the use of mainstream services by people with disability and, where data are available, their scope and quality are quite variable. This has limited the available information about the patterns of service use and outcomes for people with disability.

This article draws on analysis and results from the National Disability Data Asset (disability data asset) Pilot phase, which used data that describe:

- use of disability supports
- use of mainstream supports (government-provided supports and services that are not specifically for people with disability). In the Pilot, data on selected mainstream services were included, based on policy priority and availability.

The data from different service systems were brought together by matching records that correspond to the same person in a way that did not identify them. This method of combining data is called data linkage. The Pilot phase of the National Disability Data Asset was the first time many of these sources had been linked to help gain insights for people with disability.

The Pilot phase comprised 5 studies that focused on selected service systems and specific age groups. This article contains results from 4 of these that focused on welfare outcomes. Each study – undertaken using linked data for a single state, or small group of states in Australia – revealed valuable new insights for the groups of people with disability using mainstream services, and the pathways taken through these services.

These National Disability Data Asset Pilot studies found that, compared with people without disability, Australians with disability overall have lower education and employment outcomes. They are also over-represented in their need for housing support, and in their contact with child protection services and with the justice system, both as victims and perpetrators of crime.

(continued)

Key findings from the Pilot studies are detailed below:

- Children with disability and with developmental vulnerabilities in New South Wales had more days absent from school, and performed below peers on the National Assessment Program – Literacy and Numeracy (NAPLAN) in year 3.
- Nearly 1 in 3 people who had used a disability support service in New South Wales reported being the victim of a crime, and 1 in 8 reported being the victim of a violent crime.
- On average, secondary school students with disability in South Australia scored lower in standardised tests than students without disability. Students whose scores were lower were less likely to complete secondary education, go onto tertiary studies, and find employment in later life.

Existing data on public housing and homelessness assistance underestimate the proportion of service users with disability. Across New South Wales, Victoria, Queensland and South Australia, the study found that people with disability were:

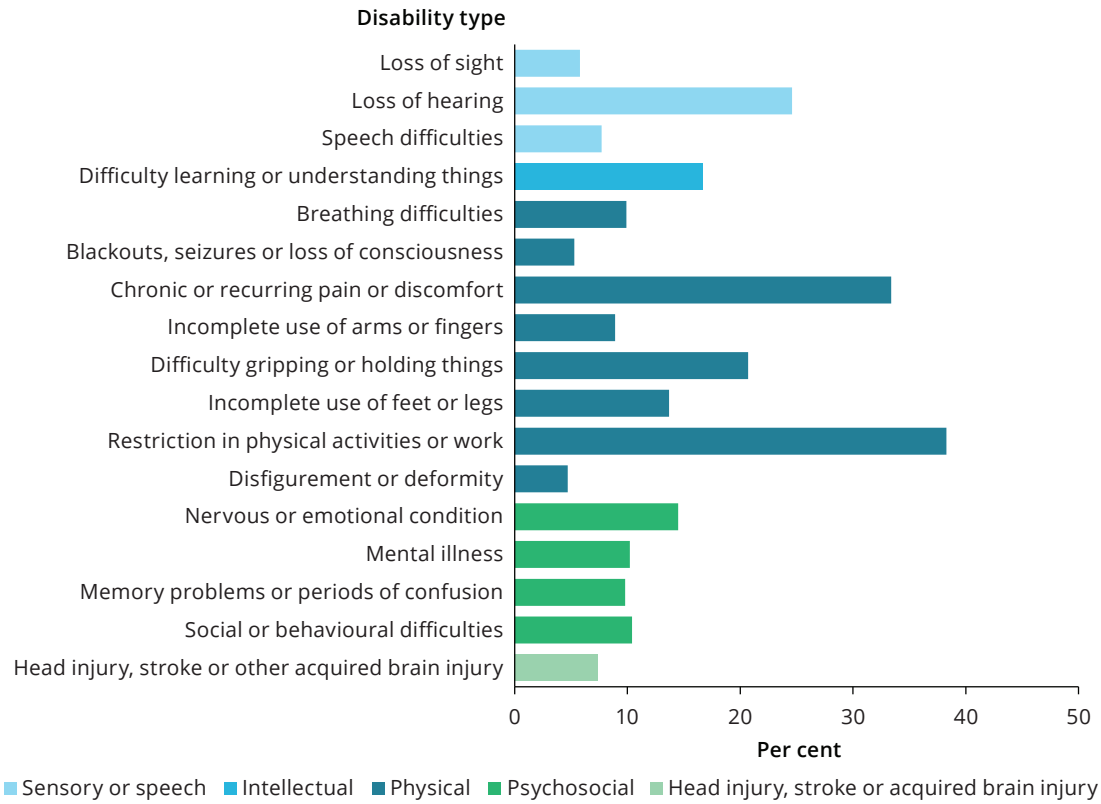
- more likely to rely on housing and homelessness supports than people without disability
- 7 times more likely to live in public housing than people without disability
- 5 times more likely to access specialist homelessness services than people without disability.

The successful completion of these test cases clearly demonstrated the potential of linked data to inform disability policy. These findings are now being used to help to shape the design and implementation of an enduring disability data asset to support policy and research initiatives aimed at improving outcomes for people with disability.

About 1 in 6 (18%, 4.4 million) Australians live with disability. Disability is broadly defined as a limitation, restriction or impairment that restricts everyday activities and has lasted for at least 6 months (ABS 2019a). Disability can encompass a diverse range of limitations, restrictions and impairments, with many people with disability experiencing more than one (Figure 5.1).

Figure 5.1: Disability includes a diverse range of limitations, restrictions and impairments

Prevalence of different types of disability among people with disability in Australia, 2018



Note: Totals may sum to greater than 100% as a person may have multiple disabilities.

Source: ABS 2019b.

Like all Australians, people with disability use many mainstream services throughout their lives – namely, those services that government funds and/or provides for the entire population, not just for people with disability. Examples include health care, primary and secondary schooling, justice and policing, public housing and child protection.

Not all mainstream services collect data on whether the service recipient has disability; where they do, the data can be of poor quality, incomplete or inconsistent. Hence, there is a lack of information available on the experiences of people with disability using mainstream services, and the outcomes achieved (AIHW 2022b).

Aim

This article presents findings from the recent National Disability Data Asset Pilot phase, which used linked data to identify people with disability in data sets from selected mainstream services, and to explore their characteristics, service pathways and outcomes (see Box 5.1). These findings enhanced an understanding of the use of mainstream services by people with disability, and enabled attempts to answer questions such as those below:

- Are there differences in school and early education participation for children with disability?
- How does disability affect students' secondary school education and subsequent participation in the workforce as a young adult?
- Are children with disability more likely to come into contact with the child protection system?
- Are people with disability over-represented as victims or offenders, and what supports for people with disability are needed when in contact the justice system?
- Which people with disability are receiving housing and homelessness supports?

Box 5.1: What is the National Disability Data Asset?

In September 2019, the former Council of Australian Governments Australian Data and Digital Council agreed to develop an enduring disability data asset, subject to sustainable funding (Robert, the Hon. S 2019). The former Disability Reform Council (now Disability Reform Ministers) endorsed this decision (DSS 2019). The Australian Government then committed funding to build the National Disability Data Asset's next stage, conditional on states and territories agreeing to its co-governance and the supply of data.

The disability data asset is a new approach for connecting information about people with disability for research and analysis. It is intended to bring together de-identified person-level data from Australian, state and territory governments and non-government agencies. The shared and integrated data should enable a better understanding of how people with disability are supported through services, payments and programs across multiple service systems.

If implemented, the disability data asset will assist governments and researchers to understand both successful and unsuccessful pathways for achieving outcomes for people with disability. It will also include digital platforms that allow the general population – including people with disability, their families and carers – to explore the data in ways relevant to their circumstances.

The disability data asset has the potential to achieve a range of long-term benefits for people with disability, disability organisations, researchers and governments. These include improved:

- understanding of how different supports and services contribute to outcomes for people with disability
- understanding of how to better reach and serve vulnerable groups in the community
- access to better, more complete data from system-wide and person-centred perspectives
- evidence on the supports and services that work, enabling disability organisations to deliver those designed for the needs and situation of people with disability (NDDA 2021a)
- data quality – filling gaps, making disability information consistent when analysing different services and outcomes and developing a data improvement plan.

The disability data asset will enable a shared understanding of outcomes for people with disability arising from disability policy changes. This will support evaluations and policy development to help improve specialist and mainstream services and supports.

(continued)

Box 5.1 (continued): What is the National Disability Data Asset?

One example of the disability data asset's potential future use is to support the successful delivery and monitoring of Australia's Disability Strategy 2021–31, Australia's national disability policy framework. The Strategy tracks and reports outcomes for people with disability through the Outcomes Framework. See the 'Further reading' section of this article for more information on these topics, and up-to-date information on the progress of the Strategy.

National Disability Data Asset Pilot

The project underwent 2 years of testing and development called the Pilot during 2020 and 2021 (NDDA 2021). This phase linked around 50 data sets from the Australian Government; the National Disability Insurance Agency; and the New South Wales, Victorian, Queensland and South Australian governments. Guided by its Disability Advisory Council, the Pilot aimed to assess the disability data asset's potential value by providing insights into 5 high-priority Pilot studies that were focused on the following themes:

- early childhood supports (for New South Wales)
- interaction of people with disability with the justice system (for New South Wales)
- pathways from education to employment (for South Australia)
- services and supports for people with disability and mental health issues (for Victoria)
- outcomes measurement, focusing on housing-related supports (for New South Wales, Victoria, Queensland and South Australia).

These Pilot studies were exploratory, designed to test the feasibility of using a large-scale linked data asset to provide evidence for key disability policy questions. They were conducted by research teams in different jurisdictions and employed a range of different methodologies and data sources. More work will be required to evaluate the benefits of the different methodologies and to further standardise approaches employed in the disability data asset.

As the Commonwealth Accredited Integrating Authorities who prepared the linked data, the AIHW and the Australian Bureau of Statistics (ABS) met stringent criteria on the creation, access and use of the data. These included protocols to ensure secure end-to-end data management, processes to manage re-identification risks, stringent information and communications technology security, and robust governance (AIHW 2021b). In particular, the studies and data activities were approved by Australian, state and territory government ethics committees and guided by input from First Nations expert panels.

What data are available concerning people with disability?

In Australia, a range of services and payments support people with disability and help them to participate in various aspects of everyday life. Supports provided nationally include the:

- Disability Support Pension (DSP)
- National Disability Insurance Scheme (NDIS)
- Disability Employment Services (DES).

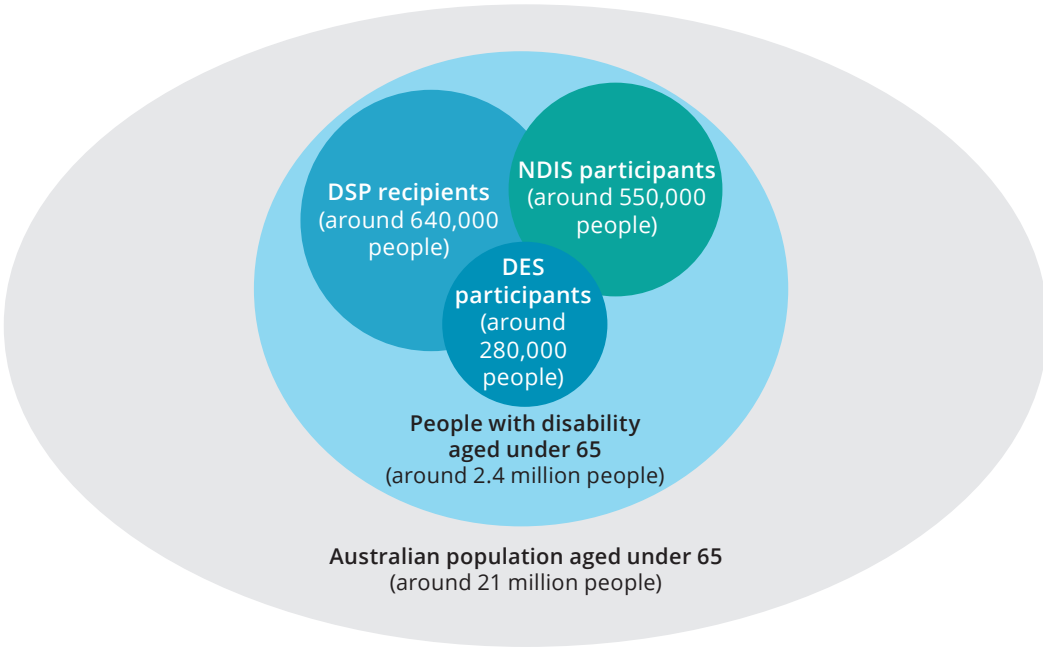
The above 3 programs target people whose disability arises before selected age cut-offs. These ages are 65 for the NDIS and the pension age (currently 66 years and 6 months) for both the DSP and DES. Some of these programs allow an active participant to continue to receive supports beyond the age eligibility cut-off for new applicants.

These programs collect and report detailed data on the characteristics of people receiving the supports provided under the schemes, the types of supports received and, in some cases, the outcomes achieved (for more information, see the 'Further reading' section at the end of this article).

It is estimated that around 2 in 3 (66%) of all people with disability below age 65 (2.4 million people) do not access the DSP or NDIS supports (Figure 5.2). This reflects eligibility criteria of these schemes around disability severity and permanence, and the life activities affected. It should also be noted that these schemes generally do not collect data on the use of mainstream services by their clients. Therefore, additional data sources are needed to describe the full range of service experiences for all people with disability.

Figure 5.2: Most Australians with disability do not use specialist disability support

Key disability cohorts in the Australian population, aged under 65, 2018 to 2022



Notes

1. Areas for the different programs and their overlaps are for illustrative purposes only and are not to scale.
2. Counts for the Australian population and for people with disability are from 2018 and are based on self-reported disability status.
3. Counts for DSP recipients and NDIS participants are from 2022 and are based on data from disability-specific programs that require evidence of disability.
4. The count for DES participants is from 2020 and is based on data from disability-specific programs that require evidence of disability.
5. Around 800,000 people under age 65 received DSP and/or NDIS supports as of December 2022.

Sources: ABS 2019a, 2019c; DSS 2020, 2023; NDIA 2021, 2022.

As mentioned earlier, mainstream services often do not collect data on whether the person using the service has disability; where they do, the data can be limited. The ability to capture more comprehensive information about disability status across mainstream services has historically been hampered by:

- existing data sources for service use by people with disability being fragmented, dispersed and incomplete
- complexity of the concepts underpinning definitions of disability and challenges in collecting this information during a service encounter
- low adoption of a disability 'flag' to identify people with disability across mainstream data sources

- inconsistent definitions for disability across existing data sources (that is, data sources tend to use definitions of disability that are specific to that service type).

As a result, information about mainstream service use is inconsistent and inadequate to determine outcomes or areas of improvement for people with disability.

Data linkage enables new insights

Data linkage is used to fill existing data gaps and improve upon existing data by bringing together multiple data sources while preserving privacy. It can combine information about the lives of people with disability to enable:

- flagging of people with disability in mainstream collections that do not currently include a disability status 'flag'
- flagging of people with disability who do not receive specialist disability supports
- understanding of pathways of people with disability through and between specialist and mainstream service systems
- exploration of outcomes achieved for people with disability, using various support types (including the study of disadvantages or inequalities experienced by people with disability in relation to people without disability).

Data linkage can be optimised by including data from many different service systems to create a linked data asset. This means analyses can include contributions from all services and other supports relevant to the outcomes of interest.

Insights from the National Disability Data Asset

Recent data linkage work has begun to deal with these issues and data gaps. In particular, the recent disability data asset Pilot studies (which integrated over 50 data sets) have provided valuable insights into the lives of people with disability and highlighted the potential for such approaches.

This article explores the findings of the disability data asset Pilot studies that relate to community services provided for people with disability. Overall, these studies found that a linked data asset like the disability data asset could:

- flag people with disability in data sets that
  - do not have such flags, providing findings that could be reported for the first time, such as the comparatively high proportion of people with disability who are victims of crime
  - have limited disability status information, allowing findings such as a better estimate of the proportion of public housing tenants with disability

- enable the reporting of disability type, which provides evidence of the over-representation of people with psychosocial disability using specialist homelessness services
- enable the analysis of
  - service pathways for potential intervention points, such as highlighting the comparatively high number of children with disability using early childhood education
  - outcomes achieved at different stages of a service system such as the education and employment outcomes achieved during and after high school.

Early childhood

A child's early years are a critical period, having a tremendous impact on learning and development in later life. Early provision of childhood education services can improve long-term outcomes (AIHW 2015). Understanding the services that children use, and their impact, can help both the community and governments to provide services that better enable children to reach their potential. However, understanding how disability and developmental vulnerabilities progress over childhood and the interaction with the variety of disability supports and mainstream services accessed over time can be challenging.

The Early Childhood Pilot study explored these interactions for children in New South Wales, using services such as the education system and specialised disability supports, as well as interactions with the child protection system. It also explored the prevalence of disability among children in these systems (Box 5.2).

Box 5.2: Early Childhood Pilot study

The National Disability Data Asset Early Childhood Pilot study (Early Childhood study) used linked data to measure outcomes for over 2.3 million children in New South Wales who were born between 2003 and 2019. The study used linked data to identify children who when aged 6 or under (before age 7) may have disability or be developmentally vulnerable. The study used data from the following government supports and services to investigate service use and outcomes for children with disability:

- the NDIS
- school student records from New South Wales government schools
- NAPLAN test results
- Medicare-subsidised medical appointments
- the child protection system.

(continued)

Box 5.2 (continued): Early Childhood Pilot study

Developmentally vulnerable children

The Australian Early Development Census (AEDC) collects data every 3 years on how ready young Australian students are for their first year of full-time school. It measures 5 areas of early childhood development, and scores each area as either developmentally on track, at risk, or vulnerable.

Students who are developmentally vulnerable in 2 or more domains are considered to be the most vulnerable and are referred to as 'developmentally vulnerable' in the Early Childhood study report. Around 1 in 10 (10%) New South Wales children in the AEDC are categorised this way. This does not include children with an identified special needs status – who have chronic medical, physical or intellectual disabilities based on medical diagnosis.

Children with disability

Children were identified as having disability if, before the age of 7, they had:

- been accepted into the NDIS or used the equivalent disability supports funded under the National Disability Agreement (NDA) before the NDIS, or
- used services subsidised by the Medicare Benefits Schedule relating to disability, or
- been identified in the AEDC as a child with special needs status, or
- had their disability notified to the NSW Department of Education.

A child could be identified as having both disability and developmental vulnerability, except for those with a special needs status in the AEDC.

Disability was broadly classified as intellectual/learning, psychosocial, sensory/speech, physical/diverse or other disability.

See *Early Childhood Supports in NSW* (NDDA 2022a) for further details of the study.

Disability in early childhood

Over 2 million children under age 7 live in Australia. Of these children, about:

- 1 in 20 (5.2%) are estimated to have disability, using the ABS Survey of Disability, Ageing and Carers (ABS SDAC, ABS 2019b)
- 1 in 9 (11%) are developmentally vulnerable on 2 or more domains in the AEDC (see Box 5.2 for the definition of developmental vulnerability) (DESE 2021).
- 2.9% are active NDIS participants as of June 2020 (NDIA 2020).

The Early Childhood study determined that around 1 in 8 (13%) children in New South Wales born between 2003 and 2019 had been identified as having disability before age 7. This identification was based on first use of a disability-specific support or first identification of disability during use of a mainstream service (this is quite different from the survey methodology used by the ABS SDAC to generate the 5.2% referred to above).

The study also found that 1 in 10 (10%) children in New South Wales were developmentally vulnerable when assessed through the AEDC (Box 5.2).

Among children identified as having disability:

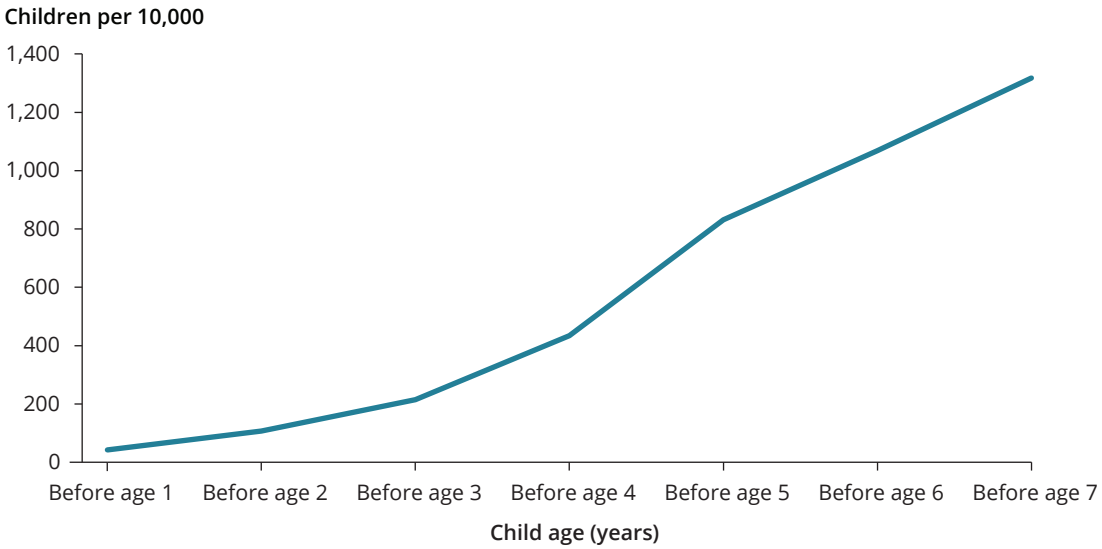
- 55% had an intellectual/learning disability
- 40% had a psychosocial disability
- 19% had a sensory/speech disability
- 15% had a physical disability
- 27% had multiple disabilities.

For ages up to and including age 6, the study found a steady increase in disability identification as age increased (Figure 5.3).

The Early Childhood study found that around 40,000 (13%) of New South Wales children with disability born between 2003 and 2019 were or had been active NDIS participants by June 2019 (NDDA 2022a).

Figure 5.3: Number of young children identified as having disability increases with age

Rate of children identified in the Early Childhood study as having a disability, by age of disability identification, NSW children born between 2003 and 2019, per 10,000



Source: NDDA 2022a.

Use of early childhood education

Enrolment in primary and secondary education is mandatory for children in Australia. Early childhood education and care are options for families before primary school and can include preschool, centre-based day care and family day care options.

The Early Childhood study found that, in New South Wales, 80% of children identified as having disability before age 7 were enrolled in early childhood education before starting primary school. This proportion was higher than for children with developmental vulnerability (60%) and for children not identified as having disability (56%).

These findings highlight that early childhood education may be a useful intervention point for additional support. The likelihood of being enrolled in early childhood education did not vary with disability type.

Use of disability supports by children from non-English-speaking backgrounds

The Early Childhood study found that children with disability from an English-speaking background were more likely to have used disability supports than children with disability from a non-English-speaking background. Around 2 in 5 (39%) New South Wales children with disability who had an English-only language background made use of NDIS supports, compared with 14% of children with disability from a non-English language background.

Early education outcomes

The Early Childhood study examined education outcomes, including:

- year 3 NAPLAN score
- school attendance.

The Early Childhood study's linked data enabled NAPLAN results for children with and without disability to be compared. Children with disability were less likely to meet the National Minimum Standard (NMS) on year 3 NAPLAN. Around 1 in 4 children with disability and 1 in 3 children with developmental vulnerability achieved below the NMS compared with 1 in 10 children without disability.

Among children with disability, children with intellectual/learning or physical/diverse disabilities were the least likely to achieve the NMS (over 3 times less likely than children without disability). Children with sensory/speech or psychosocial disability were over 2 times less likely to meet the NMS than children without disability.

Children with disability or developmental vulnerability were, on average, absent from school more than peers without disability or developmental vulnerability. Primary school students without disability or developmental vulnerability were absent for 12 days per year on average. This was slightly higher for children with disability (around 15 days per year) and developmental vulnerabilities (around 17 days per year) (NDDA 2022a).

The study's report did not explore the reasons for absenteeism, and whether these differed between children with disability and children without disability.

Contact with the child protection system

The Early Childhood study explored contact with the child protection system, given this is a well-established risk factor for developmental vulnerability and poor educational outcomes (AIHW 2022a).

In Australia, state and territory child protection agencies assist vulnerable children who have been, or are at risk of being, abused, neglected or otherwise harmed, or whose parents are unable to provide adequate care and protection. A child can be brought to the attention of these agencies (known as a notification), which can then result in an investigation into the risk of harm to the child. If the investigation identifies sufficient reason to believe that the child is at risk of abuse, neglect or harm, arrangements can be put in place to protect the child, including placement in out-of-home care.

Nearly 2 in 5 (37%) children placed in out-of-home care between 2003 and 2019 were identified as having disability before age 7. Over 1 in 5 (22%) of all children who have been in out-of-home care had an intellectual/learning disability and about 1 in 5 (17%) had a psychosocial disability.

Secondary education outcomes

Education is about gaining the knowledge and skills a person needs to participate in all aspects of daily life. Having a higher level of education generally results in better employment outcomes and higher income – key factors in economic security, independence and subjective wellbeing (AIHW 2021a).

Available evidence demonstrates that levels of educational attainment are lower for people with disability than for people without disability. For example, an estimated 1 in 3 (34% or 1.2 million) people with disability aged 20 and over have completed year 12 or equivalent. This is much lower than the 2 in 3 (66% or 9.7 million) people without disability in this age range (ABS 2019b).

Of working-age people (ages 15–64) who acquired disability before age 15, more than 1 in 5 (21% or 85,000) left school before age 16, compared with 1 in 11 (8.9% or 1.2 million) people without disability (ABS 2019a).

Box 5.3: Education to Employment Pilot study

The National Disability Data Asset Education to Employment study examined data for nearly 190,000 South Australian students who enrolled in year 10 in a government school at any time between 2005 and 2019. Most students in the study were aged between 15 and 17. Students who left school before year 10 were not included. Based on data for 2021, around 63% of enrolments in South Australia are in government schools (ABS 2021).

Students with disability

The South Australian Department of Education collects information about students' disability to help understand their needs and support their education. The Education to Employment study used this information to identify around 19,000 students with disability.

The study also used records for disability-specific supports provided under the NDA; however, not all students with disability use these supports. This can be due to their not meeting eligibility criteria for the supports, support availability, or the choice of the student or their parent or guardian. This method identified nearly 11,000 students who used disability-specific supports.

The study examined outcomes for these 2 groups of students separately. The report did not discuss whether there was an overlap between the 2 groups.

(continued)

Box 5.3 (continued) : Education to Employment Pilot study

NAPLAN

NAPLAN is a test designed to measure students' academic progress throughout their studies. It is intended that all students participate, with adjustments to enable participation by students with disability. An application can be made to not participate, such as when a child has disability that severely limits their ability to access and complete the test.

Analysis methods

The study examined the effect that disability may have had on a student's NAPLAN participation or results, their secondary school completion, and later outcomes. The analysis considered the students' gender; whether they lived in a major city, regional or remote community; the socioeconomic disadvantage of the region in which they lived; and whether they spoke English or another language at home.

Several of the results in the study's report are presented as differences in percentage points. This article presents the expected proportion of students with disability who would achieve the outcome measured, if all known factors other than disability were equal to those students without disability. See *NDDA pilot – South Australian test case: education to employment* (NDDA 2022d) for more information on the technical details of the study, including its use of multivariate analyses.

The highest level of educational attainment for people with disability has improved over the last decade but is still generally lower than for people without disability (AIHW 2022b). For example, the highest level of educational attainment was a bachelor's degree or higher for:

- 17% (or 614,000) of people with disability aged 20 and over
- 11% (or 107,000) of people with severe or profound disability in the same age range.

This compares with 35% (or 5.0 million) of people without disability aged 20 or over (ABS 2019a).

While there is evidence of this difference in education outcomes across the Australian population, there is less information available on the challenges and obstacles faced by people with disability during education and the impact this has on post-school outcomes.

To start filling this data gap, the Education to Employment Pilot study brought together information on year 10 students from South Australia, including their disability status and whether they begin further studies and employment after secondary school (Box 5.3). It explored:

- their achievement at secondary school, based on NAPLAN results and completion of secondary school
- whether they started further studies or found employment after secondary school
- if students with strong achievements at secondary school were more likely to either start further studies or find employment
- and whether there were differences between students with and without disability.

NAPLAN participation and results

Since 2016, nearly 9 in 10 year 9 students in South Australia have participated in the NAPLAN reading and writing tests. The Pilot study found that a student with disability was 26 percentage points less likely to participate in NAPLAN at year 9 than a peer without disability, suggesting that around 7 in 10 students with disability participate in year 9 NAPLAN. (See Box 5.3 for details on how this study calculated results for students with disability.)

The Education to Employment study found that whether or not a student participated in year 9 NAPLAN varied with the type of disability:

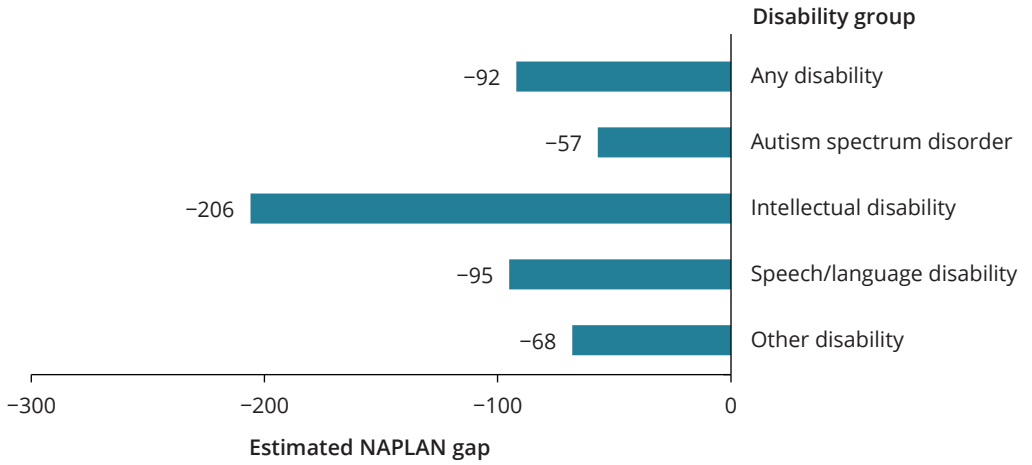
- Around 1 in 3 students with intellectual disability participated (based on a gap of 63 percentage points).
- Around 6 in 10 students with autism spectrum disorder participated (a gap of 30 percentage points).
- Around 3 in 4 students with a speech, language or communication disability participated (a gap of around 15 percentage points).

The study found that the average year 9 NAPLAN results for students with disability were 74 points below the average for students without disability (488 compared with 562). As students with disability were less likely to participate in NAPLAN testing, the study predicted that the gap would increase if all students participated (see Figure 5.4; and Box 5.3 for definition of these gaps). This gap varied by disability type, with students with intellectual disability estimated to be the most disadvantaged (Figure 5.4).

Higher scores in year 7 NAPLAN tended to lead to higher scores in year 9 NAPLAN. This trend was found across all types of disability as well as for students without disability.

Figure 5.4: Students with all disability types achieve lower NAPLAN results than their peers without disability

Estimated gaps between students with disability and other students on year 9 NAPLAN score in SA, 2008 to 2019



Notes

1. Includes only South Australian students enrolled in year 10 in government schools between 2005 and 2019.
2. Gaps are calculated based on results from students who participated in year 9 NAPLAN and estimates for students who did not.

Source: NDDA 2022d.

Year 12 completion rates

The Education to Employment study found a difference in the level of educational completion for people with and without disability. About 2 in 5 (41%) students with disability who started year 10 completed the SACE (year 12 certificate) compared with 3 in 5 (59%) students without disability.

There were indications that the lower proportion of year 12 completions for people with disability reflected their lower results on the year 9 NAPLAN. Where students with and without disability had similar year 9 NAPLAN results, they were similarly likely to complete the SACE. However, students with an intellectual disability were less likely to complete SACE even when their NAPLAN results were equivalent to students without intellectual disability.

Outcomes after secondary school

The Education to Employment study found that South Australian students with disability were 23 percentage points less likely to enrol in further education after high school than students without disability. However, the difference reduced to 5 percentage points when their educational achievements and other factors were equivalent. This difference is mostly due to a gap of 26 percentage points in students with disability enrolling in a bachelor's degree or above compared with former students without disability. Students with disability were slightly more likely to enrol in Vocational Education and Training (VET) courses at the Certificate I–II level than students without disability.

South Australian students with disability who enrolled in a bachelor's degree and above were 26 percentage points less likely to complete their studies. This gap shrank if prior educational achievement at NAPLAN, and SACE completion, were equivalent; however, students with intellectual or language and communication disabilities remained disadvantaged. A smaller gap (7 percentage points less likely) was observed for students enrolled in VET Certificate III–IV, while VET Certificate I–II and diplomas saw similar completion rates.

People with disability are disadvantaged in achieving equal work and pay

The Education to Employment Pilot study found that students with disability were between 20 and 26 percentage points less likely to be employed after secondary school than students without disability.

Students with disability who did go on to obtain employment were 18 percentage points less likely to be employed full time than students without disability. The gap reduced to 15 percentage points for students with disability who had a similar educational achievement to students without disability. Even when employed full time, people with disability earned around 16% to 22% less per week than people without disability.

Contact with the justice system

Whether people with disability in the justice system are offenders or victims, it is important that they are provided with equal access to justice and, where needed, receive appropriate services and other supports.

The National Disability Data Asset Justice Pilot study (the Justice study) aimed to enhance understanding of these issues by bringing together information on disability service use and data on contact with the justice system in NSW (Box 5.4). This article presents some of the study's findings on the experiences of people with disability who have been victims of crime, and people aged 10–17 with disability who committed offences.

Victims of crime

Exploring the experiences of people with disability as victims of crime and the quality of support offered in the justice system can provide insights into how to improve outcomes for this group.

Combining multiple years of justice system and disability support data allowed the Justice study to explore the recent histories of people with disability who were victims of crime. In particular, it found that for people who had used a core disability support (Box 5.4) and were born in or before 2008:

- about 1 in 3 were recorded as being the victim of a crime between 2009 and 2018
- about 1 in 8 were recorded as being the victim of a violent crime between 2009 and 2018
- about 1 in 4 First Nations women with disability were recorded as being the victim of a violent crime. The rate was higher (nearly 2 in 5) if they were aged between 15 and 18.

Box 5.4: Justice study

The Justice study brought together data for about 2.8 million people in New South Wales, comprising people who received disability supports or services or had contact with the justice system as victims or offenders between 2009 and 2018. Within the broader study, youth justice outcomes were examined for people born between 1997 and 2000.

People with disability

This study considered a person to have used a core disability support if they:

- had a NDIS plan
- had received DSP payments
- had received specialist disability supports funded under the NDA.

A broader disability indicator included the above, and anyone who had:

- received disability-specific Medicare supports
- received an income support payment (determined by Services Australia) with records of a reduced capacity to work due to a medical condition, whether temporary or ongoing.
- a hospital episode with a diagnosis indicative of disability
- reported their disability when seeking specialist homelessness services or public housing support.

The study also considered records of criminal offenders in custody who were referred to Statewide Disability Services, or who were identified as intelligence quotient below 70. This cohort did not contribute to the analyses described in this paper to ensure statistical validity.

Disability was further defined as being cognitive, physical or psychosocial. The study did not investigate whether a disability was present before the crimes investigated by the justice system. See *Interaction of people with disability and the justice system in NSW* (NDDA 2022c) for more information on the technical details of this study.

Young people with disability in the justice system

The Justice study found that between 2009 and 2018, around 1 in 8 (13%) people who received a core disability support were recorded as having committed an offence before age 18, compared with 1 in 17 (5.8%) people who did not access these supports (Table 5.1).

Offences by people aged under 18 can be dealt with by way of a police caution, a youth justice conference or a court proceeding. A potential outcome for cases proceeding to court in New South Wales between 2009 and 2018 was dismissal under the (now repealed) *Mental Health (Forensic Provisions) Act 1990* (NSW)(MHA).

While only 3.5% of people aged 10–17 in New South Wales received a core disability support, this group made up a higher proportion both of young people with a police caution, youth justice conference or court appearance (7.7%), and of young people who had one or more remanded or sentenced custody episodes (17%) (Figure 5.5). People aged 10–17 with a psychosocial disability were the most likely to have committed an offence or had a remanded or sentenced custody episode before age 18 (Table 5.1).

Table 5.1: Proportion of young people (aged 10–17) born between 1997 and 2000, by disability status and group, who offended or had a custody episode in New South Wales between 2009 and 2018

Disability group	With a recorded offence (%)	Have had a custody episode (%)
No disability	5.8	0.7
Any disability	13.0	4.0
Physical	7.4	2.0
Cognitive	12.4	3.9
Psychosocial	15.8	4.8

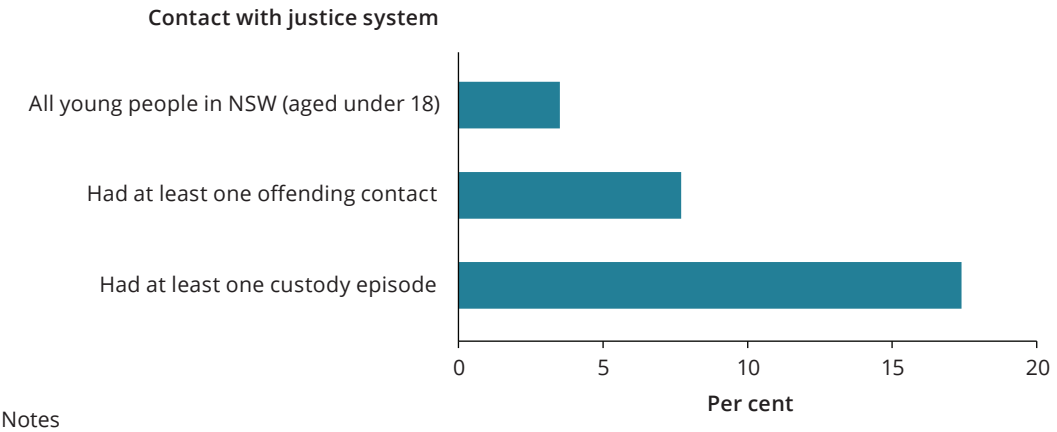
Notes

1. A person may have more than one of the above disabilities.
2. Includes people born in New South Wales between 1997 and 2000.
3. Offences determined from records of police cautions, youth justice conferences and court appearances.
4. Custody episodes include remanded and sentenced custody.

Source: Boiteux and Poynton 2023.

Figure 5.5: Young people with disability are over-represented in the justice system

Proportion of young people (aged under 18) with disability born between 1997 and 2000 (based on core disability support use definition), by contact with justice system in NSW between 2009 and 2018



Notes

1. Offending contact includes police cautions, youth justice conferences and court appearances.
2. Custody episodes includes both remanded and sentenced custody.
3. Offending contact population includes those with custody episodes.

Source: Boiteux and Poynton 2023.

Diversions

Diversions under the *Young Offenders Act 1997* (NSW) (YOA) allow young people aged 10–17 to be receive a police warning, police caution, or referral to a youth justice conference rather than proceeding to court for an offence. To be eligible for diversion, the person must:

- have committed an eligible offence
- admit guilt, and
- not have more than three prior cautions.

For eligible offences, around 9 in 10 (93%) offenders received a YOA diversion for their first offence instead of proceeding to court. The Justice study found that these proportions were the same for young offenders with and without disability. However, young people with disability were less often eligible for a YOA diversion due to the type of offence committed.

Not all offences are eligible for diversion – and some may be eligible only in certain circumstances. For offences known to be ineligible or those where eligibility could not be determined, first-time offenders aged 10–17 with disability were less likely to be diverted from the criminal justice system (31%) than first-time offender in the same age bracket without disability (46%). This analysis may have been affected by differences in the type of offences committed and the ability of the source data to identify those offences eligible for diversion.

Dismissals under the NSW Mental Health Act 1990

The Justice study found that people with disability were more likely to receive a dismissal under the MHA, and less likely to be found guilty, than people without disability.

Until 2018, the MHA allowed judicial officers to consider applications to dismiss cases if the accused suffered from a mental health condition – and where the offence was not strictly indictable. The judicial officer had the option to order the person into care, treatment and/or assessment for their condition.

For first offences that proceed to court, if the offence type was eligible for MHA dismissal:

- around 1 in 6 (16%) offenders aged 10–17 with disability received an MHA dismissal compared with only 2.4% of offenders aged 10–17 without disability
- around 3 in 4 (74%) offenders aged 10–17 with disability were found guilty, compared with around 9 in 10 (88%) offenders aged 10–17 without disability
- the remaining cases were found not guilty or otherwise withdrawn. These proportions did not differ between offenders aged 10–17 with disability (9.8%) and offenders without disability (9.5%) (Boiteux and Poynton 2023).

If the offence type was ineligible for an MHA dismissal, offenders aged 10–17 with disability were found guilty in just over half (55%) of cases compared with about 4 in 5 (81%) for offenders without disability.

Overlap with child protection

The Justice study found that nearly 9 in 10 (89%) alleged offenders aged 10–17 with disability had already been notified to the child protection system, whether there was a substantiated need for protection or otherwise (counted before their first offence). This compared with 5 in 10 (51%) people aged 10–17 with disability without an alleged offence at age 15. Nearly 2 in 3 (63%) people aged 10–17 with disability accused of an offence had more than 6 prior child protection notifications, compared with 1 in 4 (23%) of people aged 10–17 with disability without an offence.

Influence of early use of disability supports

People aged 10–17 with disability were less likely to become offenders if they began using disability services (including the NDIS or the prior NDA-funded supports) at a younger age. The study found that the odds of people aged 10–17 with disability offending was around 1.5 times higher if their first use of disability services was when aged 13–15, and 1.8 times higher if aged 16–17 (this includes the DSP), compared with people aged 10–17 whose first disability services use was when aged 10–12.

Homelessness and housing supports

Housing plays a major role in the health and wellbeing of all people, by providing shelter, safety and security. The availability of affordable, sustainable and appropriate housing helps people with disability to participate in the social, economic and community aspects of everyday life. A person who does not have access to stable housing may experience compounding consequences, including homelessness, poor health and lower rates of employment and education.

The Outcomes Reporting Pilot study evaluated the extent to which data from the disability data asset could be used to derive a comprehensive disability indicator (Box 5.5). Much of this evaluation was based on a comparison with the ABS Survey of Ageing, Disability and Carers (SDAC).

Public housing and specialist homelessness services (SHS) are among the few mainstream services that routinely gather and report data on people's disability status. This Pilot study compared the cohort based on the linkage-derived disability indicator with the cohort estimated each year, using disability flags from the annual public housing and SHS data collections. This allowed the extent to which these disability flags under-report the number of people with disability who use these services to be explored.

The new linked data also allowed the public housing and SHS service use data to be disaggregated by disability type for the first time.

Unlike the other Pilot studies, this Pilot study included data from multiple states, in this case, New South Wales, Victoria, Queensland and South Australia.

Box 5.5: Outcomes Reporting Pilot study

The National Disability Data Asset Outcomes Reporting Pilot study explored the circumstances of people who have used public housing, state owned and managed Indigenous housing (SOMIH), SHS and Commonwealth Rent Assistance (CRA).

The housing and homelessness data sources contributing to the study were:

- public housing data between June 2018 and June 2020 from New South Wales, Victoria, Queensland and South Australia. In June 2020, records indicate 420,000 people used public housing
- data from SOMIH between June 2018 and June 2020 from Queensland and South Australia. Nearly 13,000 people used SOMIH on 30 June 2020
- data from SHS between July 2011 and June 2020 from New South Wales, Victoria, Queensland and South Australia. Between July 2019 and June 2020, over 230,000 people were assisted by SHS
- data for people in income units that received CRA between June 2010 and March 2020. Over 2.2 million people were in an income unit that received CRA in March 2020.

This article focuses on the data for public housing and SHS. A person may receive support from more than one of these services at a time.

(continued)

Box 5.5 (continued): Outcomes Reporting Pilot study

Definition of disability

People accessing these housing supports were identified as having a disability if they:

- were an active participant in the NDIS
- had used equivalent disability supports funded under the NDA before the NDIS
- had received DSP or other disability-specific income supports or Centrelink payments
- had received Medicare Benefits Schedule payments for services relating to disability
- had Pharmaceutical Benefits Schedule funded scripts for pharmaceuticals specific to disability conditions
- had a disability flagged in the public housing, SOMIH or SHS data.

Disability was further classified into 6 broad groups:

- sensory and speech
- intellectual disability
- physical disability
- psychosocial disability
- acquired brain injury
- other.

Quality of derived disability indicator

The study's indicator did not identify as many people with disability under age 25 or above age 64 as identified by the ABS Survey of Disability, Ageing and Carers. This means that some records were not flagged in the services data as belonging to people with disability when they should have been. For some services, this could affect a substantial proportion of users – for example, 55% of people living in public housing are younger than 25 or older than 64.

See *Identification of people with disability in linked administrative data for service use and outcomes reporting in housing* (NDDA 2022b) for more information on the technical details of the study.

Specialist homelessness services

Specialist homelessness agencies provide a wide range of services to assist people who are experiencing homelessness or who are at risk of homelessness, ranging from general support and assistance to immediate crisis accommodation.

Around 1.1% of Australians, or 230,000 people, are assisted by SHS each year (AIHW 2022c). Based on the Pilot study's derived disability indicator, an estimated 3.5% of people with disability use SHS in a year, compared with 0.7% of people without disability.

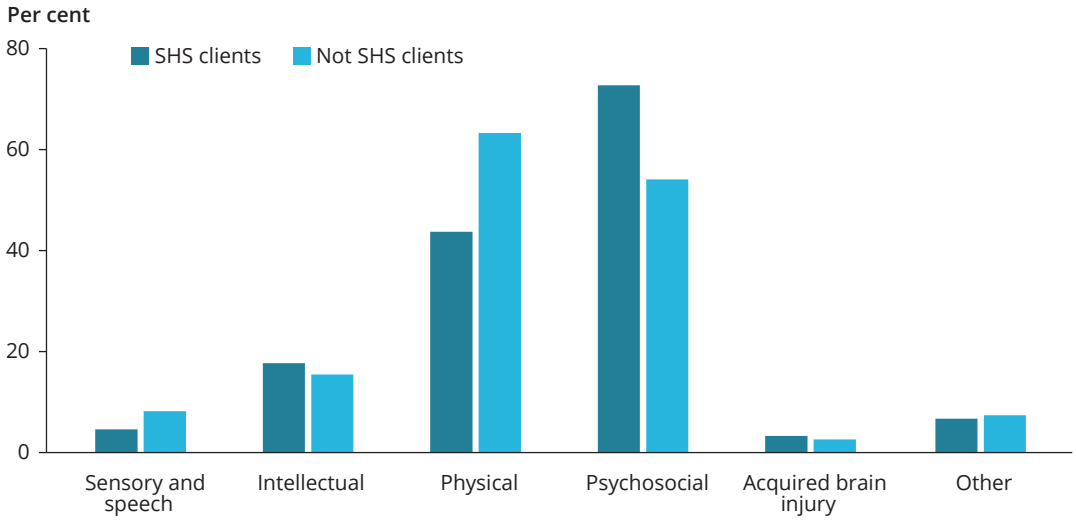
The Outcomes Reporting study's investigation into SHS suggests that the current administrative data collections underestimate the number of clients with disability. The study found that 37% of all SHS clients in 2019–20 in the 4 participating jurisdictions were identified as having disability, compared with 2.4% of clients identified using the current administrative data. This more than a 10-fold difference in the number of clients identified with disability suggests that the current disability flag is mainly identifying disability for people with more severe impairment.

The study's method also provided richer information regarding disability than already available with the current administrative data. This allowed the service use of people with different disability types, or support needs, to be compared. For example, of the SHS clients identified as having disability using the derived indicator, 73% were identified as having psychosocial disability. This information is not available in the SHS data alone.

Among people with disability, there was a higher prevalence of psychosocial disability among SHS clients (73%) than among the general population (54%) (Figure 5.6). The linked data also showed that 45% of SHS clients with disability had multiple disabilities. Clients with disability were more likely to be older than clients without disability (Figure 5.7).

Figure 5.6: Psychosocial disability is more prevalent among people with disability who are SHS clients than among people with disability who are not

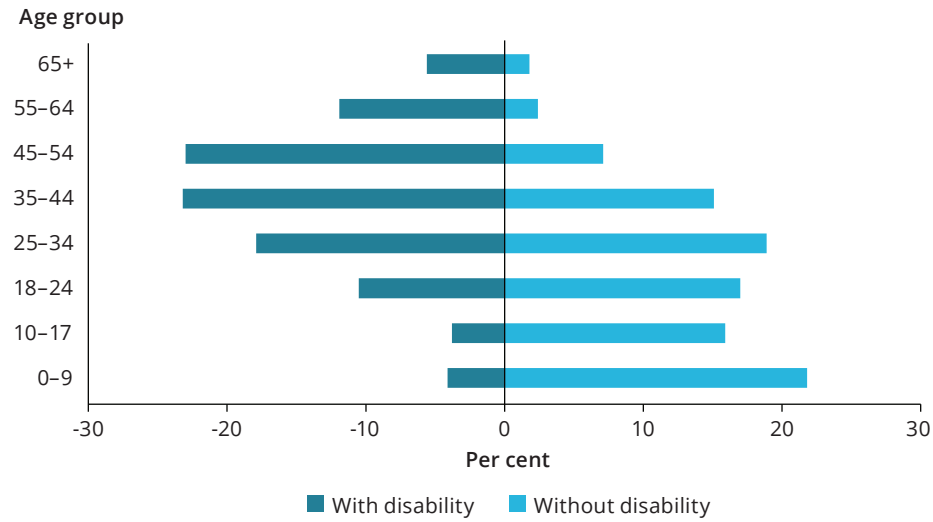
Prevalence of disability groups among people with disability in NSW, Vic, Qld and SA by their SHS client status, 2019–20



Source: AIHW (2022) NDDA Outcomes Reporting Pilot, unpublished AIHW analysis of data asset.

Figure 5.7: SHS clients with disability are older than SHS clients without disability

Age distribution of SHS clients with and without disability in NSW, Vic, Qld and SA, 2019–20



Notes

1. There are limitations with identifying people with disability under the age of 25 and over the age of 64 years. Caution should be used for ages outside this range.
2. Percentages may not sum to 100 due to rounding.
3. Per cent calculations are based on totals less 'Not stated' (unless 'Not stated' has been combined with another category for confidentiality reasons).

Source: AIHW (2022) NDDA Outcomes Reporting Pilot, unpublished AIHW analysis of data asset.

Public housing

Public housing is a form of social housing managed by state and territory housing authorities. This includes dwellings owned by the housing authority or leased from the private sector or other housing program areas. Public housing provides public rental housing or is leased to public housing tenants, with allocations based on assessed levels of need.

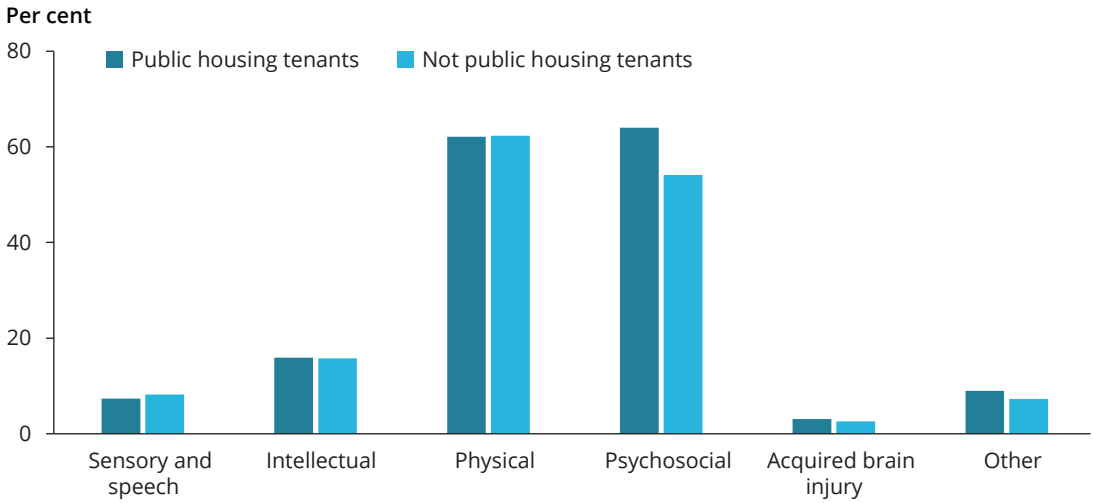
As with the SHS data above, the Outcomes Reporting study found that the public housing administrative data from the 4 jurisdictions underestimated the number of tenants with disability. Based on administrative data currently collected by state and territory public housing authorities, it is estimated that 1 in 4 (27%) public housing tenants in the 4 jurisdictions have disability. In comparison, the linked data from the Pilot study showed that nearly 1 in 2 (47%) public housing tenants in the 4 jurisdictions have disability.

The linked data showed that, each year, people with disability are roughly 7 times more likely to be public housing tenants than people without disability. As of June 2020, around 1 in 10 people (8.3%) with disability lived in public housing compared with 1.2% of people without disability.

From the linked data, the study could determine disability types among public housing tenants for the first time. Half (50%) of public housing tenants with disability had more than one disability. Around 3 in 5 (64%) people with disability living in public housing had a psychosocial disability and 3 in 5 (62%) had a physical disability. These proportions were similar to those for people with disability not living in public housing (Figure 5.8).

Figure 5.8: Public housing tenants with disability have more psychosocial disability than people with disability who are not public housing tenants

People with disability in NSW, Vic, Qld and SA and their public housing tenancy status, by disability group, as at 30 June 2020



Source: AIHW analysis of data asset, Outcomes Reporting Pilot.

The study found that, as at 30 June 2020, 25% of public housing tenants had received SHS assistance in the previous 8 years. Public housing tenants with disability (26%) were likely to have accessed SHS assistance at the same rate as public housing tenants without disability (24%). Of public housing tenants with disability, people with acquired brain injury (31%), psychosocial disability (30%) and intellectual disability (28%) were more likely to have accessed homelessness assistance than people with sensory/speech (20%) or physical disability (22%).

The linked data was used to inform several measures related to social housing in the Australian Disability Strategy Outcomes Framework (see the section headed 'Further reading'). One such measure was the average time waited for social housing, which is currently reportable only for people with disability as a whole. While the study found that wait times for people with disability and for people without disability were similar, they did vary between people with different disability types. Public housing households including a member with acquired brain injury (42%) had the highest proportion of households allocated housing within 3 months of application; those with sensory and speech disability had the lowest (29%).

Conclusion

The successful completion of the Pilot studies demonstrated the potential of linked data to generate new insights and inform disability policy across a wide range of service systems. In particular, the findings from these studies clearly showed the ability of linked data assets to:

- flag people with disability in data sets that
  - lack disability indicators, allowing new insights to be reported for the first time (for example, the comparatively high proportion of people with disability who are victims of crime)
  - have limited disability status information, allowing more accurate data to be published (for example, the greater than previously reported proportion of public housing tenants with disability)
- enable analysis of
  - results by disability type for the first time, potentially identifying overlooked groups (for example, the over-representation of people with psychosocial disability in SHS)
  - pathways for people with disability, highlighting areas of potential intervention (for example, the comparatively high number of children with disability using early childhood education)
  - outcomes achieved for people with disability at different stages within a service system (for example, educational and employment outcomes during and after high school).

It should be noted that the results obtained were specific to the conditions in each jurisdiction where the Pilot was conducted; larger, more broad-scale studies would be required for findings to be determined that more broadly apply beyond the specific parameters of each Pilot study. Also, these studies were exploratory in nature; they aimed to test the feasibility of large-scale data linkage and analysis, using a range of approaches by several different teams. While this feasibility has been clearly shown, further work is required to standardise the methodologies used in such a data asset.

These findings are now being used to help to shape the design and implementation of an enduring disability data asset so that it can support policy and research initiatives aimed at improving outcomes for people with disability.

Further reading

For more information on:

- the Australian Disability Strategy, see its topic on the Disability Gateway website at www.disabilitygateway.gov.au/ads. It describes the purpose and direction of the Strategy and how Australian, state, territory and local governments will contribute. Information on the Strategy's Outcomes Framework is at www.disabilitygateway.gov.au/node/3121. This lists measures to be included as part of the Outcomes Framework
- the Outcomes Framework measures, see Australia's Disability Strategy pages on the AIHW website www.aihw.gov.au/australias-disability-strategy. This includes the most up-to-date data for how the different measures are tracking
- the status and direction of the National Disability Data Asset, see its website at www.ndda.dss.gov.au. Information presented includes its vision, current progress for its implementation and how the disability community is involved in its design and governance
- disability-specific supports, see the *Specialised supports for people with disability* snapshot of *Australia's welfare 2021* at www.aihw.gov.au/reports/australias-welfare/supporting-people-with-disability. This describes federally funded supports – including the National Disability Insurance Scheme, the Disability Support Pension and Disability Employment Services – and presents an overview of other supports available.

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Children who have experienced child protection, youth justice and homelessness

6

Children who have experienced child protection, youth justice and homelessness

Key messages

- Around 72,700 children aged under 18 (or 1.3% of children aged under 18 in Australia) were on care and protection orders during 2020–21, including around 56,900 children aged under 18 in out-of-home care.
- During 2020–21, nearly 9,300 young people aged 10 and over were under youth justice supervision, and more than half (53% or nearly 5,000) had interacted with the child protection system at some point in the previous 5 years, including just over 1 in 5 (21% or about 1,900) young people aged 10 and over who had been in out-of-home care.
- Over 78,500 children aged under 18 received support from specialist homelessness services (SHS) in 2020–21.
- Children aged under 18 who presented for SHS support and were on care and protection orders were more likely than other SHS clients of the same age to have experienced homelessness and to have received more intensive and varied support when accessing SHS support.
- Children aged under 18 on care and protection orders and young people aged 10–17 leaving custody were both more likely to receive SHS services in the future.
- Children aged under 18 who have been in out-of-home care were 3 times as likely to receive income support at ages 16–30 compared with the Australian population of the same age.

Introduction

Children interact with several systems and services as they transition to adulthood, including education and health services. Some children may have increased risk factors, including safety concerns, housing concerns or engagement in criminal activities. Children with multiple disadvantages face numerous and intersecting vulnerabilities – leading to potential involvement with the child protection system, the criminal justice system and/or housing services.

This chapter explores the experiences of children who have been in the child protection system and their interactions with youth justice supervision or homelessness services. Child protection and homelessness services data are presented for children aged under 18, and youth justice data for young people aged 10 and over, unless otherwise specified.

Child protection departments may work to strengthen families, with referrals to intensive family support services at any time for advice, education and support when a child is safe to stay at home. A child aged under 18 may also have contact with the formal child protection system if:

- it is not safe for them to remain at home
- they are at risk of being abused or neglected, or
- their parents are unable to provide adequate care.

In 2020–21, about 56,900 children aged under 18 were in out-of-home care.

The youth justice system is the set of processes and practices for managing young people aged 10–17 who have committed, or allegedly committed, an offence. Some young people aged 18 and over remain in the system due to their potential vulnerability or because they are still serving a sentenced order for offences committed before the age of 18. During 2020–21, nearly 9,300 young people aged 10 and over were under youth justice supervision.

An important feature of the youth justice system in Australia is diversion. Police may divert young people from further involvement with the youth justice system through a range of non-court actions, such as cautions, conferencing, counselling, and infringement notices. Courts may also decide to:

- dismiss a charge
- divert the young person from further involvement in the system (for example, by referral to other services), or
- transfer the young person to specialist courts or programs.

Another important feature of the youth justice system is the supervision of young people aged 10 and over on legal orders. They may be supervised in the community or in detention facilities, although most young people under youth justice supervision are supervised in the community. This is partly because a key principle in Australian youth justice is that young people should be placed in detention only as a last resort.

Specialist homelessness agencies provide a wide range of services to assist people who are experiencing homelessness or who are at risk of homelessness, ranging from general support and assistance to immediate crisis accommodation. Between 2014 and 2017, specialist homelessness services (SHS) supported more than 168,000 children aged under 18, of whom 16,000 were on a care and protection order at the time of their support or were transitioning from child safety placements.

Children engaged with the child protection system, youth justice supervision or homelessness services are at an increased risk of being involved with one or both of the others. Data on children who have been in contact with the child protection system, the youth justice system and homelessness services can assist support staff,

case workers and policy advisers to get the best outcomes for these children. It can also benefit families and communities by helping to inform them how they can support their children.

Child protection system

This section looks at children aged under 18 who came into contact with the child protection system. This may include children who were:

- subjects of investigations for alleged child maltreatment notifications
- on a care and protection order, which gives child protection departments partial or full legal responsibility for their welfare
- placed in out-of-home care as they were unable to live at home due to child safety concerns.

In Australia, state and territory governments are responsible for statutory child protection. Relevant departments support vulnerable children:

- who have been, or are at risk of being, abused, neglected or otherwise harmed
- whose parents are unable to provide adequate care or protection.

Child protection departments provide and/or fund a range of services to support children in the child protection system to ensure they have stable, long-term care arrangements. These include:

- intensive family support services
- care and protection orders
- out-of-home care.

In 2020–21, 1 in every 32 Australian children aged under 18 (178,800) came into contact with the child protection system, which may include investigations of notified abuse/neglect, care and protection orders or placement in out-of-home care.

A summary of the main components of the child protection system, and the number of children in contact with these components, is presented in Table 6.1.

Table 6.1: Components of the child protection system for vulnerable children aged under 18, 2020–21

Component	When does a child interact with this component?	What's involved?	How many children?
Investigation	Children become the subject of an investigation when a child protection department receives a notification of child maltreatment that meets a threshold for further action.	Child protection workers investigate an allegation of child maltreatment. This includes a range of information gathering activities such as interviews, record checks and home visits.	121,000
Care and protection order	Orders are granted for children who have been found to be the victims of child abuse/neglect or are in need of protection. In most cases this occurs following a substantiation; however, orders can be made to remove children from unsafe environments immediately.	An order conferring legal responsibility for a child is made through the courts. This has the effect of transferring parental responsibility for the child to the child protection department, or an authorised Aboriginal community-controlled organisation, or a nominated carer, or initiating supervision of parents.	72,700
Out-of-home care	Out-of-home care placements are provided to children who are unable to live at home. This may be for child protection reasons or to provide respite for parents.	A child is placed in alternative accommodation as they are unable to live at home. The type of placement is dependent upon each child's circumstances.	56,900
Intensive family support services	Families can be referred to intensive family support services at any time. Child protection departments may utilise these services in less severe cases and to help facilitate reunification of families.	Families are referred to these services for advice, education and support. The aim is to prevent separation of children from parents and to achieve reunification where possible.	36,400

Source: AIHW 2022a.

Children aged under 18 who are at a serious risk of harm or have no other care options are placed on care and protection orders.

The 3 main categories of legal responsibility conferred by care and protection orders are:

- parents retain legal responsibility
- departments are given legal responsibility
- nominated carers are given legal responsibility.

Care and protection orders

Care and protection orders are legal orders or arrangements that give child protection departments partial or full responsibility for a child's welfare. Children aged under 18 are placed on care and protection orders if they are at a serious risk of harm or there are no other care options. Children might be admitted (or re-admitted) to a care and protection order for various reasons, including substantiated abuse, irretrievable breakdown in the relationship between the child and their parents, or where parents are unwilling and/or unable to adequately care for the child.

The type of order issued for each child depends on many factors, such as the child's age, alternative care options available, the severity of harm to the child, the time period associated with various protection orders and/or the likelihood of the child's remaining in care or being reunited with their family.

Around 72,700 children aged under 18 were on care and protection orders in 2020–2021.

Children in out-of-home care

Out-of-home care is overnight care for children aged under 18 who are unable to live with their families due to child safety concerns.

Children aged under 18 are placed in out-of-home care when:

- they are the subject of substantiated child abuse and/or neglect, and need care and protection
- parents are incapable of providing adequate care
- alternative accommodation is needed during times of conflict
- parents or carers need respite.

Consistent with the principle of keeping children with their families, out-of-home care placements are considered as a last resort. Children who are, or have been, in out-of-home care – such as foster, relative/kinship or residential care – face high levels of vulnerability and have a high risk of experiencing poor outcomes in key areas important to wellbeing. They are more likely to experience both immediate

(for example, education and health) and longer term adverse outcomes (for example, employment, substance abuse, criminal involvement, and housing) than children living at home (AIFS 2016, 2019; Gypen et al. 2017). These experiences may reflect the:

- life disruptions that led to their placement in care
- wider exposure to disadvantage and trauma during their childhood
- quality, security and stability of their placements
- lack of family and support networks to assist their transition from out-of-home care to independence (FaHCSIA 2011; Mendes and McCurdy 2019).

In Australia, around 46,200 children aged under 18 were in out-of-home care as at 30 June 2021. The vast majority of these children (91%) were in homebased care. Of the children in out-of-home care:

- 54% were in relative/kinship care
- 36% were in foster care
- 1.3% were in other types of home-based care.

Table 6.2 provides further information on the types of placement considered to be inscope for out-of-home care.

Table 6.2: Types of out-of-home care placement for children aged under 18

Type of out-of-home care	Where is the child living?	Who is caring for the child?
Home-based care	The home of a carer who is reimbursed for care expenses. This includes relative/kinship care, foster care and other home-based out-of-home care.	A nominated and approved carer, such as a relative, family friend or non-familial foster carer.
Residential care	In a residential building with paid staff.	Staff employed to provide care to children placed in the residence.
Family group homes	A home provided by a department or agency.	Live-in carers who are reimbursed and/or subsidised for providing care to the child.
Independent living	A private board or lead tenant household.	The child is responsible for their own care, with the department retaining oversight of their welfare.
Other	The child may have another living arrangement, such as in a disability service, boarding school, hospital or hotel/motel.	These placements may have rostered or paid staff but are generally not home-like environments.

Source: AIHW 2022a.

Children who experience out-of-home care can have poorer outcomes than children who do not (Gypen et al. 2017) as they are affected by the complex circumstances (such as exposure to disadvantage, vulnerability and trauma) that contributed to their being placed in out-of-home care. These situations are likely to influence their need for further services and support as they transition into adulthood, including financial government assistance through income support, housing services and health systems. The long-term consequences of a poor start in life can flow through to adulthood and include increased reliance on government payments and health systems, as well as other programs (Gypen et al. 2017; Walsh et al. 2018).

Research shows that children who are, or have been, in out-of-home care were 3 times as likely (between 2006–07 and 2020–21) to receive income support payments at ages 16–30 compared with the Australian population of the same age (56% compared with 18%) (AIHW 2022b). While receipt of income support generally tends to be for short periods associated with key life stages – such as pursuing further education or training, or starting a family – it appears more likely to be ongoing support for the out-of-home care population. For example, children who have been in out-of-home care were 4 times as likely to be on income support at age 30 as the Australian population of the same age (54% compared with 14%) and 5 times as likely to be on income support for 6 or more years as the Australian population aged 16–30 (49% compared with 11%) (AIHW 2022b).

As well, children with experiences of out-of-home care are 13 times as likely as children without these experiences to receive a Crisis Payment, due to challenging or unstable personal circumstances (including prison release or domestic violence). Receipt of a Crisis Payments nearly triples between ages 16–18 (from 1.5% to 4.1%) and then gradually increases to 5.0% at age 28 (compared with 0.1% to 0.5% between ages 16–22 and 0.1% between ages 28–30 for the Australian population) (AIHW 2022b).

Demographics of children in out-of-home care

Aboriginal and/or Torres Strait Islander children

As at 30 June 2021, about 19,500 Aboriginal and/or Torres Strait Islander (First Nations) children aged under 18 were in out-of-home care – a rate of 58 per 1,000 First Nations children aged under 18.

Rates for First Nations children in out-of-home care varied by age groups. First Nations children aged 5–9 and 10–14 had the highest rates of out-of-home care (65 per 1,000 First Nations children), while First Nations children aged under one had the lowest rate (30 per 1,000).

In 2020–21, 63% of First Nations children aged under 18 in out-of-home care were placed with First Nations or non-Indigenous relatives/kin or other First Nations caregivers (AIHW 2022a). The relatively high proportion of First Nations children placed

either with First Nations caregivers or with relatives is likely due to the Aboriginal and Torres Strait Islander Child Placement Principle (ATSICPP). For more information, see *The Aboriginal and Torres Strait Islander Child Placement Principle indicators* at https://www.aihw.gov.au/reports/child-protection/atsicpp-indicators/contents/about.

Children with disability

Children with disability are a particularly vulnerable group, especially children in the out-of-home care system (Royal Commission into Institutional Responses to Child Sexual Abuse 2016).

Disability is a multi-dimensional and complex concept and jurisdictions may define it differently. There are also differences in how information about disability is captured in jurisdictional processes and client information systems. Bearing this in mind, as at 30 June 2021, data on disability status was available for 63% of children aged under 18 in out-of-home care. Of these children, about 30% were reported as having disability (AIHW 2022a).

Age

As at 30 June 2021, almost one-third (32%) of children in out-of-home care were aged 10–14; a similar proportion were aged 5–9 (30%).

Children in residential care were older than children in home-based care – 87% of children in residential care or family group homes were aged 10 or over, while only 45% of children of the same age were in home-based care.

Less than 2% of children in residential care or family group homes were aged under 5, compared with 24% of children in home-based care (AIHW 2022a).

For more information on the demographics of children in out-of-home care, see *Child protection Australia 2020–21* at https://www.aihw.gov.au/reports/child-protection/child-protection-australia-2020-21/contents/about.

New substantiations for children in care

Sometimes a child in care can be the subject of further abuse – for example, by their carer or another person in the household or care facility, or where the carer is assessed as having failed to protect the child.

In the context of state and territory child protection systems, abuse in care refers to the abuse of children aged under 18 (including children at risk of abuse) who are:

- in out-of-home care
- on third-party parental responsibility orders, or
- on other orders that transfer full or partial parental responsibility for the child to an authority of the state or territory.

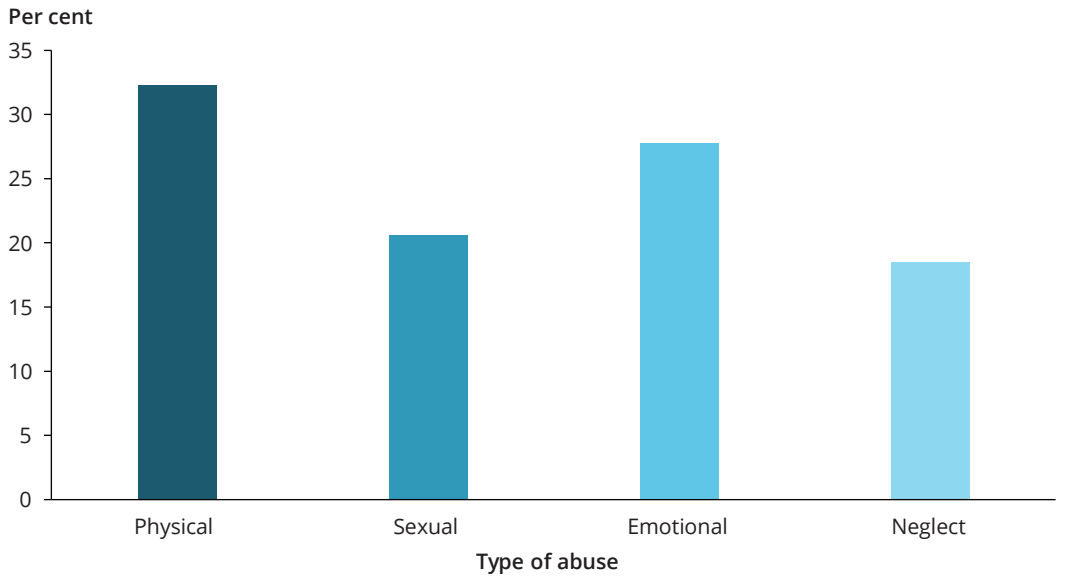
Abuse in care can involve physical abuse, sexual abuse, emotional abuse and neglect.

In 2020–21, around 1,400 children were the subject of a substantiation of abuse in care. Among these children:

- 41% were aged 10–14 at the time of substantiation, followed by children aged 5–9 (27%) and 15 and over (22%)
- more were girls (54%) than boys (46%)
- 46% were First Nations children
- physical abuse was the most common primary type of abuse in care (32%), followed by emotional abuse (28%), sexual abuse (21%) and neglect (19%) (Figure 6.1).

Figure 6.1: Nearly one-third of children aged under 18 abused in care were physically abused

Children aged under 18 who were the subject of a substantiation of abuse in care, by primary type of abuse, 2020–21



Source: AIHW 2022c.

For more information on new substantiations for children in care, see *Safety of children in care 2020–21* at https://www.aihw.gov.au/reports/child-protection/safety-of-children-in-care-2020-21/contents/about.

Children in care have already experienced negative life events and may have been removed from their families of origin because of severe abuse. If these children are then abused while in care, the compounding experience of more abuse may result in further complex trauma and cumulative harm (Uliando and Mellor 2012). Children in care who have experienced abuse are at an increased risk of involvement with

the juvenile justice system (Yampolskaya et al. 2011). Abuse in care can also lead to placement instability as children may be removed from a placement after disclosing abuse. Once moved, the survivor may experience further placement changes as carers are unable to manage the ways in which children express complex trauma (Royal Commission into Institutional Responses to Child Sexual Abuse 2017).

In some instances, changes in placement are necessary to achieve better outcomes for children. These may be to move a child experiencing further abuse in their out-of-home care placement, to place children with their siblings or relatives, or to provide a better fit between a carer and the child (AIFS 2021b).

Given that the demand for out-of-home care placements continues to increase (Uliando and Mellor 2012) and the number of children in care steadily increases (AIHW 2022a), it may be challenging to source a new foster or kinship placement if a child is removed because of abuse. This may result in living instability for the child, or their placement in a residential care facility. Placement instability may also lead to further adverse outcomes, such as homelessness and rough sleeping, as a result of there being no viable placement options.

Research shows that a sense of security, stability and permanency are strong predictors of improved outcomes for children after they leave care. Children in planned, stable out-of-home care placements tend to have better learning and psychosocial outcomes than children experiencing instability in out-of-home care (AIFS 2016).

Stability and permanency outcomes for children in out-of-home care

For children in out-of-home care, permanency is about securing a safe, stable and loving home with families that can offer lifetime relationships and a sense of belonging (Tilbury and Osmond 2006). Permanency is a multi-faceted concept, with at least 3 dimensions:

1. relational permanence: the opportunity to experience positive, caring and stable relationships with significant others
2. physical permanence: stable living arrangements
3. legal permanence: the legal arrangements of a child's custody and guardianship (AIFS 2021a; Osmond and Tilbury 2012).

Children exit out-of-home care to a range of permanency outcomes, including reunification, adoption and third-party parental care arrangements. The stability of these permanency outcomes can be measured, using the number of children who return to out-of-home care after their exit. Of the nearly 6,500 children aged 0–16 who exited out-of-home care to a permanency outcome in 2019–20, 87% did not return to care within 12 months.

For some children, the relevant child protection department may deem it in their best interest to remain in out-of-home care for longer periods (2 or more years). Of the 31,400 children aged under 18 who had been in out-of-home care for 2 or more years as at 30 June 2021, 82% were on long-term guardianship orders. Of the children who had been in out-of-home care for 2 or more years, most (87% or 27,300) had fewer than 3 placements in the previous 2 years. This suggests that most children who enter out-of-home care experience physical and legal permanency with their living arrangements and guardianship (AIHW 2023). For further information on permanency outcomes, see *Permanency outcomes for children in out-of-home care: indicators* at https://www.aihw.gov.au/reports/child-protection/permanency-outcomes-children-indicators/contents/about.

Experiences of youth justice and child protection

This section presents information on young people aged 10 and over under youth justice supervision during 2020–21 who had also been involved in the child protection system in the 5 years from 1 July 2016 to 30 June 2021. Information on these young people includes their age when first under youth justice supervision, their out-of-home care living arrangements, their placements and their time in care.

Youth justice data presented in this section are for young people aged 10 and over, unless otherwise specified. For this age group, some comparisons are made between young people under youth justice supervision who were placed in out-of-home care and young people who were not (that is, they had no contact with the child protection system).

For more information on the data used in this section and its comparability, see *Young people under youth justice supervision and their interaction with the child protection system 2020–21* at www.aihw.gov.au/reports/youth-justice/young-people-under-youth-justice-supervision/summary.

What is youth justice supervision?

Youth justice supervision is a component of the youth justice system. In Australia, the states and territories are responsible for dealing with young people who have committed, or are alleged to have committed, criminal offences. Young people enter the youth justice system when the police investigate them for allegedly committing an offence and (depending on the outcome of the investigation) charges may be laid. If the young person is found guilty, a court will then sentence them.

The youth justice system applies to young people aged 10–17 at the time of the offence in all states and territories. Some young people aged 18 and over remain in the system due to their potential vulnerability or because they are still serving a sentenced order for offences committed before the age of 18. In Victoria, some young people aged 18–20

may be sentenced to detention in a youth justice facility. Children aged under 10 cannot be charged with a criminal offence in any state or territory.

There were nearly 4,700 young people under youth justice supervision In Australia on an average day in 2020–21.

A youth justice department may supervise young people aged 10 and over at any stage of their pathway through the youth justice system. There are 2 main types of supervision:

- Community-based supervision: This made up 84% (or about 3,900) of the youth justice population on an average day in 2020–21. It involves young people being supervised by a youth justice department while living in the community. Young people may be unsentenced (before a young person's case is heard by the court or while the case is in progress), or a court may have sentenced them to a period of community-based supervision. Community-based supervision is also provided for young people released from sentenced detention on parole or supervised release.
- Detention: This made up 17% (or about 790) of the youth justice population on an average day in 2020–21 (proportions may not sum to 100% as some young people aged 10 and over were under community-based supervision and detention on the same day). It involves young people being supervised by a youth justice department while being detained in a youth justice centre or detention facility. As with young people under community-based supervision, these young people may be unsentenced or a court may have sentenced them to a period of detention.

For more information on the programs and services offered by each state and territory for young people under community-based supervision and in detention, see Appendix 4 of *Youth Justice in Australia 2020–21* at www.aihw.gov.au/getmedia/343e7be4-e676-4ec8-9c31-fc9ce5922291/aihw-juv-138-Appendix-4.pdf.aspx.

Young people may be under multiple types of youth justice supervision in the same year, or concurrently, where supervision orders relate to different charges. For example, a community-based supervision order may contain a period of detention, or a young person may be in sentenced community-based supervision and receive an additional unsentenced community-based supervision order for additional offences.

For more information on youth justice supervision in Australia, see *Youth justice in Australia 2021–22* at www.aihw.gov.au/reports/youth-justice/youth-justice-in-australia-2021-22/contents/summary.

Young people who have experienced both youth justice and child protection

Research shows that children who have been abused or neglected are at greater risk of engaging in criminal activity and entering the youth justice system. For example,

one study found that being maltreated as a child roughly doubles the probability of committing a crime (Currie and Tekin 2006).

While most children who are abused and neglected do not go on to offend, a large proportion of children who do offend have a history of abuse or neglect (AIFS 2011). This is particularly so for young people in detention. A survey of young people aged 14 to 21 in detention in New South Wales found that 64% of young women and 68% of young men had experienced any childhood abuse or neglect, while 46% and 27%, respectively, had suffered severe abuse or neglect (JH&FMHN and JJNSW 2017).

Other research has found that young people who have experienced a greater number of substantiations for reported abuse or neglect, ongoing abuse from childhood through to adolescence, and placement in out-of-home care are more likely to receive a conviction than young people in the general population (Malvaso et al. 2017).

Involvement with the youth justice system can make involvement with the child protection system more likely, or vice versa. For example, a young person's contact with the youth justice system might lead to a child protection notification being made if abuse or neglect is suspected by, or reported to, child protection agency staff (AIFS 2020).

Different age cohorts can have contact with the youth justice system (aged 10 and over) and the child protection system (aged 0–17); hence, involvement in the youth justice system tends to happen after involvement in the child protection system. This is highlighted in *'Crossover kids': vulnerable children in the youth justice system: Report 2 – Children at the intersection of child protection and youth justice* (SAC 2020), which found that 74% (569 of 767) of young people aged 10–17 had not offended before being placed in out-of-home care. Over half (61% of 287) of the young people aged 10–17 who experienced residential care who offended committed their first offence either during or after their first residential care placement (SAC 2020).

Interactions with the child protection and youth justice systems

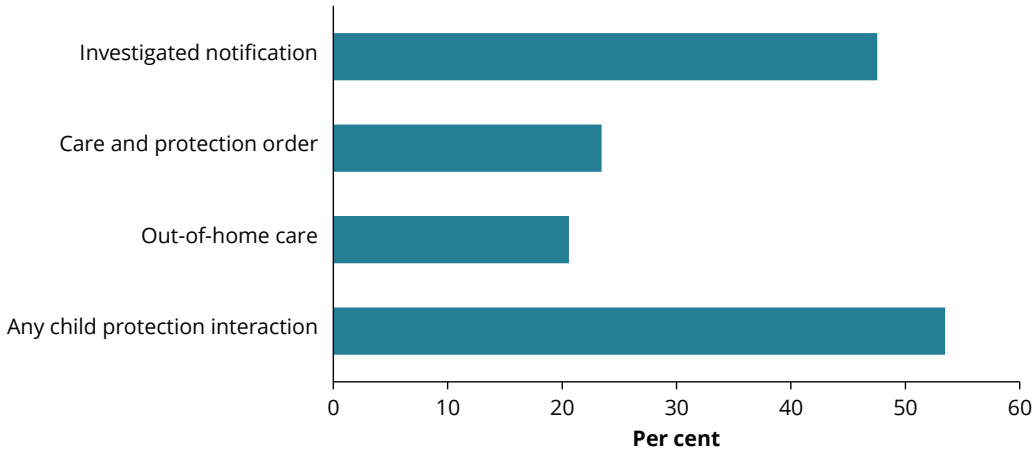
Of the nearly 9,300 young people aged 10 and over under youth justice supervision during 2020–21, 53% (or almost 5,000) had an interaction with one of the 3 main components of the child protection system (see Table 6.1 for more information on these components) in the 5 years from 1 July 2016 to 30 June 2021:

- almost half (48%) were the subject of investigated notifications
- almost one-quarter (23%) had a care and protection order
- about one-fifth (21%) had at least one out-of-home care placement in the 5 years from 1 July 2016 to 30 June 2021 (Figure 6.2).

More than 1 in 4 (28%) young people aged 10 and over under youth justice supervision during 2020–21 had an interaction with the child protection system during 2020–21.

Figure 6.2: More than half of young people aged 10 and over under youth justice supervision had an interaction with one of the 3 main components of the child protection system

Proportion of young people aged 10 and over under youth justice supervision during 2020–21 who had an interaction with the child protection system in the 5 years from 1 July 2016 to 30 June 2021, by type of child protection service



Note: Out-of-home care includes all funded living arrangements that are in scope for out-of-home care, including respite care. See Table 6.2 for details on in-scope living arrangements.

Source: AIHW child protection and youth justice supervision linked data collection 2020–21.

A slightly higher proportion of young people in detention than under community-based supervision in 2020–21 were placed in out-of-home care in the 5 years from 1 July 2016 to 30 June 2021 (24% compared with 20%).

Demographics

During 2020–21, males made up 79% of young people under youth justice supervision; females made up 21%.

Females under youth justice supervision during 2020–21 were about 1.8 times as likely as males to have had an interaction with out-of-home care during the 5-year period from 1 July 2016 to 30 June 2021 (32% compared with 18%).

First Nations young people

It is important to understand how the past shapes the lives of First Nations people today: they have a long history of trauma, cultural dispossession and forced displacement and assimilation – which affects their physical, mental and social wellbeing. For more information, see *Determinants of health for Indigenous Australians* at https://www.aihw.gov.au/reports/australias-health/social-determinants-and-indigenous-health.

First Nations young people continue to be over-represented in all aspects of the child protection and youth justice systems. For example, while only 5.8% of young people aged 10–17 in Australia identified as being First Nations, almost half (49%) of the young people aged 10–17 under youth justice supervision on an average day in 2020–21 were First Nations young people. Further, more than half (53%) of young people aged 10–17 in detention were First Nations young people.

During 2020–21, nearly 4,100 First Nations young people aged 10 and over and almost 5,000 non-Indigenous young people aged 10 and over were under youth justice supervision. Of these:

- 1 in 4 (25%) First Nations young people were also placed in out-of-home care in the 5 years from 1 July 2016 to 30 June 2021
- nearly 1 in 5 (18%) non-Indigenous young people were also placed in out-of-home care in the 5 years from 1 July 2016 to 30 June 2021.

Age at first supervision

Among young people aged 10 and over under youth justice supervision in 2020–21, young people with out-of-home care during the 5-year period from 1 July 2016 to 30 June 2021 had a first youth justice supervision at a younger age than young people who had not been in out-of-home care during the same period.

Young people under youth justice supervision during 2020–21 who had been placed in out-of-home care in the 5 years from 1 July 2016 to 30 June 2021 were nearly 3 times as likely to be aged 10–13 at their first youth justice supervision than young people under youth justice supervision only (37% compared with 13%). Young people with multiple placements in out-of-home care (more than one) were more likely than young people with one placement to be under youth justice supervision at an early age (38% compared with 32%) (Table 6.3).

Table 6.3: Young people aged 10 and over under youth justice supervision during 2020–21 who had an interaction with the child protection system in the 5 years from 1 July 2016 – 30 June 2021, by age at first supervision and type of interaction

Age at first youth justice supervision (years)	Youth justice only		Youth justice and out-of-home care		Youth justice and one placement in out-of-home care		Youth justice and multiple placements in out-of-home care (more than one)	
	No.	%	No.	%	No.	%	No.	%
10–13	573	13.3	716	37.5	113	31.8	564	38.1
14–17	3,340	77.4	1,166	61.0	236	66.5	894	60.4
18+	401	9.3	28	1.5	6	1.7	22	1.5
Total	4,314	100	1,910	100	355	100	1,480	100

Notes

1. Out-of-home care includes all funded living arrangements that are in scope for out-of-home care, including respite care. See Table 6.2 for details on in-scope living arrangements.
2. Total number of placements will not sum to the out-of-home care total as the count of placements excludes respite care.

Source: AIHW child protection and youth justice supervision linked data collection 2020–21.

Living arrangements

Living arrangements are the type of placement that a child aged under 18 receives when in out-of-home care, and can include residential care, foster or relative/kinship care and other types of care (see Table 6.2 for more information on out-of-home care types).

For this section, out-of-home care is measured by selecting living arrangements that are in scope for out-of-home care. Young people aged 10 and over may have been in more than one type of out-of-home care, so proportions will not sum to 100%. For more information, see *Young people under youth justice supervision and their interaction with the child protection system 2020–21* at https://www.aihw.gov.au/reports/youth-justice/young-people-under-youth-justice-supervision/summary.

For young people aged 10 and over under youth justice supervision in 2020–21 who had been placed in out-of-home care (about 1,900) at least once in the 5 years from 1 July 2016 to 30 June 2021:

- almost 3 in 4 (73%) had at least one placement in residential care
- about 2 in 3 (68%) had at least one placement in foster or relative/kinship care
- 18% had a placement only in foster or relative/kinship care.

This distribution equates to 15% of people under youth justice supervision in 2020–21 having had a placement in residential care, 14% having had a placement in foster or relative/kinship care and 3.7% having had a placement in only foster or relative/kinship care in the 5 years from 1 July 2016 to 30 June 2021.

Placements and time in care

Continuous time in out-of-home care and the number of placements are measures of the stability of a child's living situation.

The time in continuous care is the time spent in out-of-home care with no breaks longer than 60 days. Breaks in care can occur due to a child being reunified with their family, adopted, placed in a more permanent type of care, entering detention or for other reasons (AIHW 2022a).

Placements are the distinct living arrangements that occur in a period of care, such as relative/kin care, foster care and residential care.

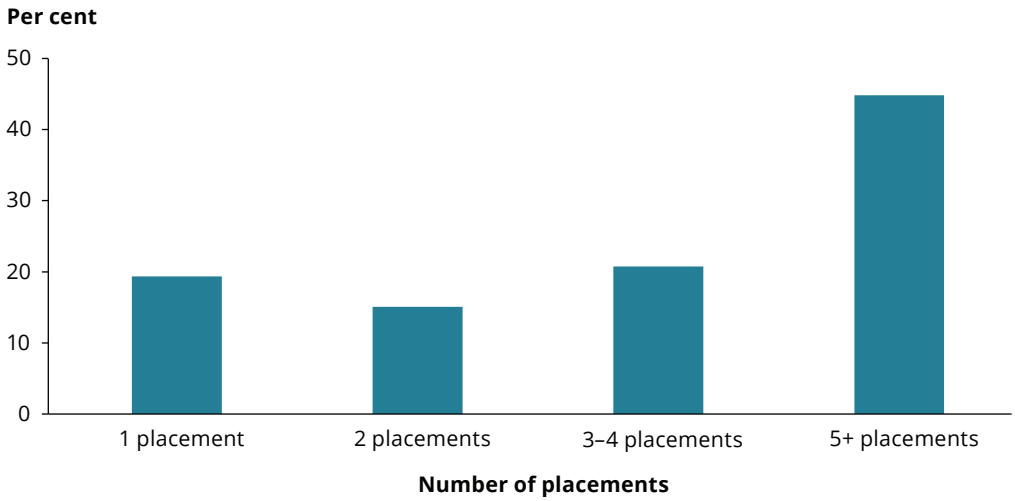
For this analysis, young people aged 10 and over who were in living arrangements that were in scope for out-of-home care (see Table 6.2) were selected, and periods of respite were excluded (for more information, see the Technical notes to *Young people under youth justice supervision and their interaction with the child protection system 2020–21* at https://www.aihw.gov.au/reports/youth-justice/young-people-under-youth-justice-supervision/summary).

Of young people aged 10 and over who had been under youth justice supervision during 2020–21 and in out-of-home care (about 1,900) between 1 July 2016 to 30 June 2021:

- 2 in 5 (40%) had been in continuous out-of-home care for one year or less, while 1 in 4 (25%) had been in continuous out-of-home for 4 or more years
- 1 in 5 (20%) had one care placement, more than 1 in 3 (36%) had 2–4 placements and 45% had 5 or more placements (Figure 6.3)
- just under 1 in 4 (23%) had 5 or more placements when in care for 1 year or less. In contrast, almost 3 in 5 (58%) had 5 or more placements when in care for 4 or more years. The longer young people had been in care, the more likely they were to have had more than one placement.

Figure 6.3: Young people aged 10 and over under youth justice supervision and in out-of-home care were likely to have had 5 or more placements in out-of-home care

Proportion of young people aged 10 and over under youth justice supervision during 2020–21 who had been in out-of-home care in the 5 years from 1 July 2016 to 30 June 2021, by number of placements



Note: The number of placements excludes respite care.

Source: AIHW child protection and youth justice supervision linked data collection 2020–21

Homelessness services and child protection

Homelessness

Safe, secure housing is fundamental to people's health and wellbeing, and children aged under 18 are particularly vulnerable to the detrimental effects of homelessness. Governments across Australia fund services to support people who are homeless, or at risk of homelessness. Services are delivered mainly by non-government organisations, including those that:

- specialise in delivering services to specific target groups (such as children aged under 18, or people experiencing family and domestic violence)
- provide more generic services to children aged under 18 facing housing crises (AIHW 2022d).

There are several definitions of homelessness (Box 6.1). These technical definitions underpin the various data sources used to describe homelessness in Australia.

Specialist homelessness services (SHS) supported over 76,000 children aged under 18 in 2021–22 (AIHW 2022d). Of these children, 7,900 were on a care and protection order at the time of their support, or reported transitioning from foster care and child safety residential placements among their reasons for seeking support.

Box 6.1: Defining homelessness

There is no single definition of homelessness. Researchers, advocates and policy advisers have interpreted it in many ways. In Australia, statistical definitions developed for specific data collections are commonly used.

Census of Population and Housing

The Australian Bureau of Statistics (ABS) defines homelessness for the Census of Population and Housing (Census) as the lack of one or more elements that represent 'home'. The ABS statistical definition considers homelessness to be 'when a person does not have suitable accommodation alternatives'. Specifically, people are considered homeless if their current living arrangement:

- is in a dwelling that is inadequate
- has no tenure, or if their initial tenure is short and not extendable, or
- does not allow them to have control of, and access to space for, social relations (ABS 2012).

These conceptual components are used to develop specific 'homelessness operational groups' that describe broad categories of living situations considered to be homeless. Importantly, the definition includes people living in severely overcrowded conditions.

Specialist Homelessness Services Collection

The SHS collection is the national data set on specialist support provided to Australians who are homeless or at risk of homelessness. The data collection is limited to people receiving support from an SHS agency and is not designed to measure homelessness (noting that agencies support both people experiencing homelessness and people at risk of homelessness).

An SHS client is considered homeless if they are living in non-conventional accommodation (such as living on the street, often termed rough sleeping), living in short-term or emergency accommodation (such as crisis accommodation) or in accommodation without tenure (such as living temporarily with friends and relatives) (AIHW 2022d). The definition does not include overcrowding as a form of homelessness.

For further information, see *Technical paper: alignment of the Specialist Homelessness Services Collection (SHSC) and the ABS Census definitions of homelessness* (AIHW 2022f) at https://www.aihw.gov.au/reports/homelessness-services/technical-paper-alignment-of-the-shsc/summary.

Why do people experience homelessness?

Homelessness can be the result of many social, economic and health-related factors. Individual factors, such as low educational attainment, whether someone is working, experience of family and domestic violence, ill health (including mental health) and disability, trauma, and substance misuse may make a person more at risk of becoming homeless (Fitzpatrick et al. 2013). Structural factors, including lack of adequate income and limited access to affordable and available housing, also contribute to risk of homelessness (Johnson et al. 2015; Wood et al. 2015).

Families with children make up a large proportion of SHS clients (just under half reported a living arrangement at the start of support of one parent or couple with child/ren in 2021–22) (AIHW 2022d). This highlights the impact of homelessness or risk of homelessness on children aged under 18. Nearly 70% of children aged under 18 who presented to an SHS agency in 2021–22 did so as part of a family group (single parent/guardian or couple with child/ren) (AIHW 2022e).

Some children present for homelessness support on their own. Of the children aged under 18 who presented to an SHS agency in 2021–22, around 18% did so independently (AIHW 2022e). Some risk factors involved in children's entries into homelessness include family conflict (including domestic violence or abuse), problems at school (including academic failure and suspension), a history of problem behaviours and problematic substance and/or alcohol use (Grattan et al. 2021; Heerde et al. 2020; Heerde et al. 2021). Conversely, the structural factors involved in the underlying conditions of youth homelessness include limited affordable housing, financial insecurity, and accessibility issues with welfare services (Johnson et al. 2015; Mackenzie et al. 2020; Pearl et al. 2021).

Homelessness services

Across Australia, SHS agencies aim to assist people experiencing or at risk of homelessness through prevention or early intervention, and by supporting these people during and after a housing crises. The agencies receive government funding to deliver accommodation-related and personal services, they vary in size and in the types of assistance they provide.

The SHS Collection is the national data set on specialist support provided by SHS agencies to Australians who are homeless or at risk of homelessness (Box 6.2).

Box 6.2: Specialist Homelessness Services data

The SHS Collection started on 1 July 2011. Data are provided by over 1,700 government-funded agencies that deliver homelessness services to people in need of support. These data are based on interactions between clients and service providers and are collected at fixed points in time:

- at the start of a support period
- at the end of every month during a support period
- at the end of a support period.

SHS agencies provide these data to the AIHW on a monthly basis. For detailed information about the Collection, see www.aihw.gov.au/about-our-data/our-data-collections/specialist-homelessness-services-collection.

Longitudinal data

The analyses of SHS data presented in this article are based on longitudinal data constructed from support-period level data between 2014–2017.

For the longitudinal analysis, most client characteristics were measured by examining whether a particular event or situation occurred at any of the 3 time points for any of the support periods that occurred within 2014–2017. During this time frame:

- the client's state or territory, age and sex are recorded at the start of the first support period.
- vulnerabilities – including mental health issues, drug and/or alcohol problems, and experience of family and domestic violence issues – are assessed, using the same criteria as detailed in *Specialist homelessness services annual report 2021–22* at https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/about.

Longitudinal variable derivations are explained in more detail in the Methodology section of *Specialist homelessness services client pathways: analysis insights* at www.aihw.gov.au/reports/homelessness-services/shs-insights/contents/technical-notes/methodology.

Reporting children aged under 18 on care and protection orders in the Specialist Homelessness Services Collection

Pathways into homelessness for children aged under 18 on care and protection orders are complex. For example, children aged under 18 who present alone may have absconded from their home due to family violence, abuse or neglect (Noble-Carr and Trew 2018). Children may also seek support from SHS agencies with their carers.

A client is reported as being under a care and protection order if they are under 18 and reported 'transition from foster care/child safety residential placements' as a reason for seeking assistance (or the main reason for seeking assistance), or had a current care arrangement (see Table 6.2 for more information on out-of-home care types).

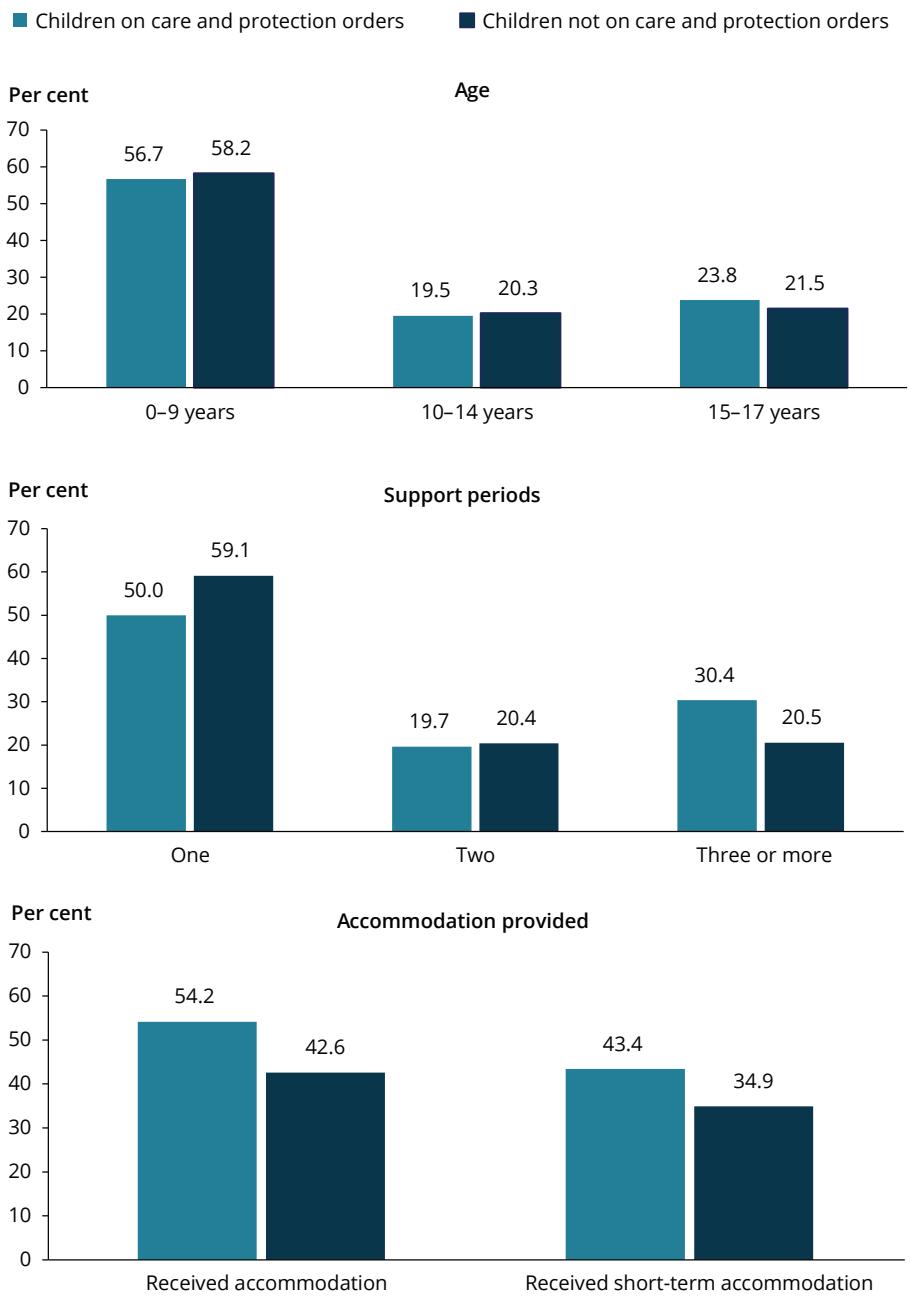
Key findings from the SHS longitudinal data

SHS supported over 168,000 children aged under 18 between 2014 and 2017. Of these, 16,000 were on a care and protection order at the time of their support, or reported transitioning from foster care and child safety residential placements among their reasons for seeking support.

There was no marked difference in the age profile of children receiving SHS support who were on care and protection orders compared with children who were not; over half (57%) were aged 0–9 (Figure 6.4). Note: children not on care and protection orders were defined as clients aged 17 and under who received support between 2014 and 2017 but who were not recorded as being on a care and protection order or as having 'transition from foster care and child safety residential placements' as a reason for seeking support from SHS.

Figure 6.4: Children aged under 18 on care and protection orders were more likely than other SHS clients aged under 18 to have multiple periods of SHS support

SHS clients aged under 18 on care and protection orders 2014–2017, key findings



Note: Percentages are calculated using total clients within the cohort as the denominator (child protection order clients: 15,936, non-child protection order clients: 152,469).

Source: AIHW analysis of SHS longitudinal data 2014–2017; Table S6.4.

SHS clients aged under 18 on a care and protection order were more likely to have experienced homelessness

Two-thirds (67% or 10,700 children) of the 16,000 care and protection order clients had experienced homelessness while seeking or receiving support sometime in the period 2014–2017. This compares with 55% of children who received SHS support in that time but were not on care and protection orders at the time of support.

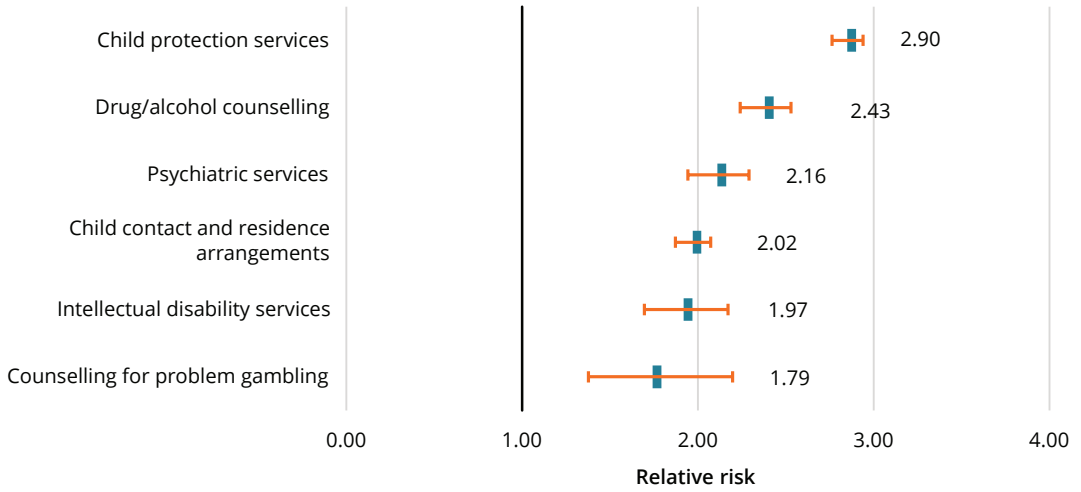
SHS clients aged under 18 on a care and protection order received more intensive and varied support

Children aged under 18 on care and protection orders sometime between 2014 and 2017 received more SHS support than children not on such orders; 30% received 3 or more episodes of SHS support compared with 21% of children not on care and protection orders (Figure 6.4). A greater proportion of children aged under 18 on care and protection orders received accommodation support sometime between 2014 and 2017 (54% compared with 43%), typically short-term accommodation (43% compared with 35%) (Figure 6.4).

Children aged under 18 on care and protection orders were more likely to receive nearly all types of service, including child protection services (2.9 times more likely), drug or alcohol counselling (2.4 times more likely), psychiatric services (2.2 times more likely) and intellectual disability services (2.0 times more likely) (Figure 6.5).

Figure 6.5: SHS clients aged under 18 on a care and protection order were more likely to come into contact with the child protection system, drug/alcohol counselling and psychiatric services than other clients aged under 18

SHS clients aged under 18 on care and protection orders 2014–2017, relative risk of need for services



Note: Relative risk is derived by comparing 2 groups for their likelihood (risk) of an event. It is calculated by dividing the probability of a child protection order client needing an SHS service/assistance by the probability of a non-child protection order client needing an SHS service/assistance.

Source: AIHW analysis of SHS longitudinal data 2014–2017 ; Table S6.5.

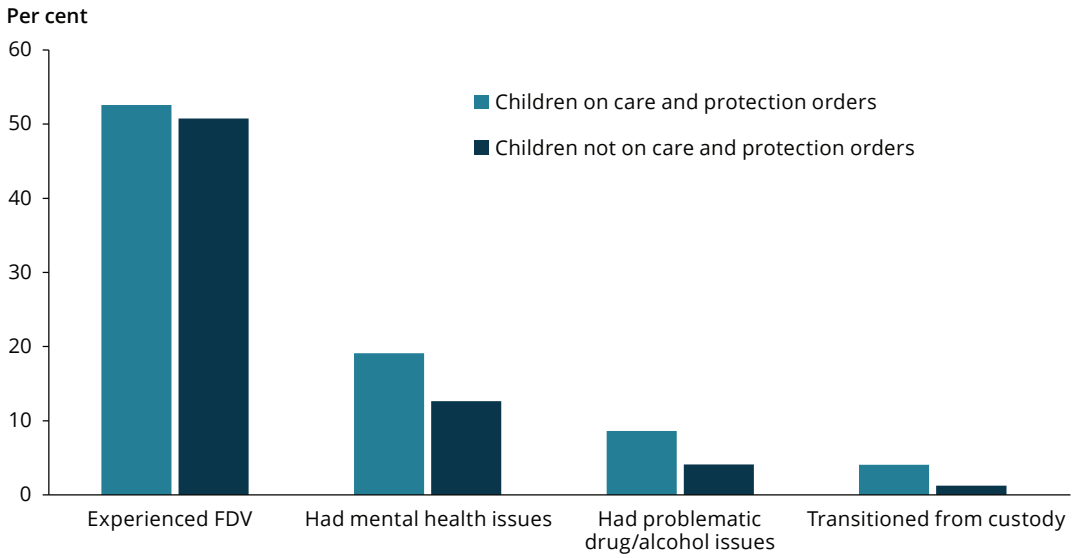
Among their reasons for seeking support, children aged under 18 on a care and protection order at some time in 2014–2017 were more likely to report disengagement with school or other education and training as a reason for seeking support (8.1% compared with 4.6% of children not on care and protection orders).

Children aged under 18 on care and protection orders during 2014–2017 were more likely than children not on care and protection orders:

- to have had mental health issues (19% and 13%, respectively)
- to have had problematic drug or alcohol issues (8.6% compared with 4.1%)
- to have transitioned from custody (4.1% compared with 1.2%) (including clients aged over 9 who were transitioning from or had exited youth or juvenile justice detention centres between 2014 and 2017) (Figure 6.6).

Figure 6.6: SHS clients aged under 18 on a care and protection order experienced more vulnerabilities than other SHS clients aged under 18

SHS clients aged under 18 on care and protection orders 2014–2017, by client vulnerabilities



Source: AIHW analysis of SHS longitudinal data 2014–2017; Table S6.4.

Note: FDV = family domestic violence.

Longer term engagement with SHS

Regression models were used to examine which client characteristics or support experience between 2014–2017 were associated with ongoing SHS support (beyond 2014–2017).

Of the 16,000 children aged under 18 whom SHS supported between 2014–2017 who were on a care and protection order, nearly 23% (3,600) received SHS support in the future (2017–2021); children with a mental health issue between 2014–2017 were more likely to receive support in the future than children without a mental health issue. First Nations children aged under 18 on a care and protection order were also more likely to access SHS services than non-Indigenous children on care and protection orders.

Transitioning from custody between 2014 and 2017 was also associated with an increased likelihood of receiving SHS support in the future (22% more likely); nearly 650 children aged under 18 (4.1%) on care and protection orders were transitioning from custody at the time of their SHS support. Of the 3,600 children who continued to receive SHS support in the future, 200 (5.5%) were transitioning from custody at the time of their future SHS support.

Conclusion

Some children who have experienced out-of-home care may face continued vulnerabilities and are at a higher risk of experiencing poor outcomes in key areas important to their wellbeing. These areas include employment, involvement in the criminal justice system and housing.

Children aged under 18 who are, or have been, in out-of-home care are 3 times as likely to receive income support payments at ages 16–30 than the Australian population of the same age. As well, income support for the out-of-home care population appears to be ongoing. For example, children who have previously been in out-of-home care were 4 times as likely to be on income support at age 30 and 5 times as likely to be on income support for 6 or more years as children who have not been in out-of-home care.

Most children experiencing abuse and neglect or who have interacted with the child protection system do not have subsequent interactions with the youth justice system. However, of those young people aged 10 and over who are under youth justice supervision, more than half had interacted with the child protection system at some point in the previous 5 years. About 1 in 5 young people aged over 10 involved in the youth justice system have been in out-of-home care at some point. Children who have experiences in both child protection and youth justice are more likely to be First Nations people, younger at their first youth justice supervision and have multiple placements while in out-of-home care.

Similarly, children aged under 18 on care and protection orders are more likely to experience homelessness than people who are not on care and protection orders when seeking support from SHS services. SHS clients aged under 18 on care and protection orders experience more vulnerabilities than other clients of the same age and are also more likely to be in contact with the child protection system, drug/alcohol counselling and psychiatric services.

Children engaged in any one of these systems – the child protection system, youth justice supervision, and homelessness services – are at an increased risk of being involved with one or both of the others. A better understanding of the characteristics and pathways of children in the child protection system, under youth justice supervision and who access SHS can help support staff, case workers and policy advisers to get the best outcomes for these children.

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Relative influence of different markers of socioeconomic status on university participation

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Relative influence of different markers of socioeconomic status on university participation

This article is authored by Tomasz Zając and Wojtek Tomaszewski and has been contributed by the Life Course Centre. The Life Course Centre is a national research centre investigating the ways in which deep and persistent disadvantage endures within families and across generations.

This article contains empirical analysis completed by the authors. It draws on data from the Multi-Agency Data Integration Project to investigate the relative importance of various markers of socioeconomic status, captured at an individual and area level, for accessing university.

Key messages

This article analyses the relative influence of different markers of socioeconomic status (SES) on university participation captured at the age of 19. All SES measures included in the analysis (both individual-level and area-based measures) were found to be significantly associated with the probability of enrolling in a bachelor course at university.

In all cases, being a member of a more advantaged SES group is associated with a higher probability of enrolling in a bachelor course at university. The strength of the relationship varies, depending on the measure of socioeconomic status, with parental education being associated with the largest change in the chances of entering university.

Further, when other measures of SES are controlled for, the strength of the relationship between family income and the likelihood of enrolling in university falls noteably. On the other hand, the effect of parental education changes much less when other aspects of SES are controlled for. Low levels of parental education appear to have a particularly detrimental impact on the likelihood of university enrolment.

An area-based measure of SES – while less important once other SES measures were controlled for – was still found to be associated with the likelihood of enrolling at university. In other words, young people who live in low-SES areas are less likely than others to attend university even when family characteristics are taken into account.

This article leverages customised data from the Multi-Agency Data Integration Project (MADIP) to investigate the relative importance of various markers of SES, captured at an individual and area level, for accessing university.

The article starts with a brief overview of the relevant literature on measuring university participation among people from low-SES backgrounds. Discussion on individual-level versus area-level measures capturing low SES is particularly highlighted.

The article then presents new empirical evidence, leveraging robust and large-scale MADIP data. The core of the customised MADIP data used in the analyses include the 2016 Census of Population and Housing (Census) data linked to records exported from the Higher Education Information Management System. Empirical analyses focus on the cohort of young people aged 16 or 17 at the time of the 2016 Census, who typically still live with their parents. The young people's records are linked to the records of their parents to capture various social background characteristics, including parental education, occupation and family income, as well as an area-based measure of SES, based on the residential address. The data are used to predict subsequent university enrolment, based on higher education records linked to the Census data. The analyses also include investigating differences between males and females in the effects of different markers of SES on university enrolment.

The article makes 2 important contributions to the literature:

- First, it uses novel data on a much larger scale and with higher accuracy than data sources typically used to study the effects of SES on university enrolment in Australia.
- Second, it tackles an under-researched area. Specifically, while there is a wealth of literature on the effects of SES on university enrolment, comparatively few studies investigate the relative influences of the different facets of SES. It is particularly important to evaluate the net effect of an area-based measure of SES, over and above the individual-level SES indicators, as area-based indicators represent the main approach to measuring SES used for policy setting and monitoring in Australia.

Background

There is extensive empirical evidence demonstrating that, compared with their more socioeconomically advantaged peers, people from low-SES backgrounds have lower chances of enrolling in university (for example, Harvey et al. 2016; Tomaszewski et al. 2018; Tomaszewski et al. 2022); however, a number of important research gaps remain. These include the limited evidence on the relative influence of various facets of socioeconomic status (such as parental occupation, education or income) on the chances of participation in higher education. There are several specific areas where evidence is scarce that warrant further research:

- the relative influence of individual-level versus area-level markers of socioeconomic advantage or disadvantage

- any differences between males and females in respect to the influences of the various SES facets on university enrolment
- the lack of studies that include a measure of income as an indicator of SES at an individual level, with studies typically opting for indicators of parental occupation and education.

A consideration of income is important from an educational policy and practice perspective: in fact, recognising that it was a key barrier to participation in higher education participation provided the rationale for establishing the Higher Education Contribution Scheme (HECS). Income is also often used by universities as a main criterion for allocating student support, such as scholarships.

Measuring SES

SES is a broad concept, encompassing aspects that extend beyond material circumstances (APA 2017). While the notion of SES, including low SES, is commonly referred to in social science research and policy, there is no universal or widely agreed way to measure it. Individual studies approach the operationalisation of SES in different ways, with choices often limited by the data at hand, particularly in the case of studies relying on secondary data. Common approaches include capturing data on parental occupation and/or education, often at a point in time when the study objects are/were assumed to be living with their parents, such as at the age of about 14–17. While some studies rely on a single indicator of parental education or occupation, others combine the 2 into a single measure (see, for example, Houng and Justman 2014). Family income – or another measure of family resources, such as household possessions or wealth – is another way to proxy SES, which is considered different from measures of parental occupation or education.

Using a composite index combining different markers into a single scale is another common way of capturing SES. One of the best known examples is the Organisation for Economic Co-operation and Development (OECD) Index of Economic, Social and Cultural Status (ESCS) used in the Programme for International Student Assessment (PISA). The ESCS combines into a single score distinct measures of the financial, social, cultural and human capital resources available to students, and is typically operationalised as a weighted average of 3 indexes: parental educational attainment (in years), parental occupational status on the 'International Socio-Economic Index' scale (Ganzeboom et al. 1992), and a measure of 'household possessions' (Avvisati 2020). Such indexes offer standardised and reliable proxies for SES, which can be used in comparative analyses (including across countries); however, they mask the relative influence of the different facets that are combined into an overall index, something that might be of interest from a policy and practice point of view. For instance, previous research (for example, Buis 2013) suggests that both parents' occupation and

education independently influence their children's educational outcomes, which makes a case for considering them as separate markers of SES.

Yet another way to capture SES is through area-level measures, which offers a convenient approach that can be used for policy monitoring, and place-based interventions, in the absence of detailed data on individual circumstances. In Australia, the most common area-based SES measures are the set of Socio-Economic Indexes for Areas (SEIFA) developed by the Australian Bureau of Statistics. The SEIFA comprises a set of 4 indexes that rank areas in Australia according to relative socioeconomic advantage and disadvantage (see Box 7.1 for more details). One of these indexes, the SEIFA Index of Education and Occupation (IEO) has been used by the Australian Government to monitor and set policy in higher education – as described in the following section.

SES measurement in the context of equity in higher education

People from low-SES backgrounds comprise one of the officially designated equity groups in higher education in Australia (DEET 1990; Tomaszewski et al. 2018). In official higher education equity reporting and policy monitoring, SES has been captured using an area-based indicator, specifically, by the SEIFA IEO score of the Statistical Area Level 1 (SA1) area of a student's permanent address (initially, postcode area was used instead of SA1). The SEIFA IEO uses Census data on the occupational and educational characteristics of communities to rank geographic areas. The 'low SES' equity group is defined as individuals living in the areas that fall in the bottom 25% of the distribution.

While useful for policy setting and monitoring, some limitations of area-based SES measures have been pointed out (see Tomaszewski et al. 2018), including that:

- a purely area-based measure that excludes information on individual-level socioeconomic circumstances may result in misclassification of people (for example, a high-income family living in a low-SES area would still be classified as low SES) (see Box 7.1)
- it assumes uniformity within the low-SES category, with the 25% (quartile) cut-off not being granular enough to identify different levels of disadvantage within the category (Harvey et al. 2016)
- the address information supplied at the time of higher education study may not accurately reflect where a student grew up (Dockery et al. 2016), which could be particularly the case for mature-age students (James et al. 2008)
- the current SEIFA-based measure may lead to under-reporting of low-SES students in Australian higher education because of the higher probability of people from higher SES backgrounds participating in higher education, irrespective of the SES classification of the area in which they reside (AIHW 2014).

Box 7.1: Challenges of using area-based measures

SEIFA ranks areas in Australia according to relative socioeconomic advantage and disadvantage, based on information from the Census. It consists of 4 indexes:

1. Index of Relative Socio-economic Disadvantage
2. Index of Relative Socio-economic Advantage and Disadvantage
3. Index of Education and Occupation (IEO) (used in this article)
4. Index of Economic Resources.

For more information, see 'Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016' at www.abs.gov.au/ausstats/abs@.nsf/mf/2033.0.55.001.

While area-based measures such as SEIFA are useful for policy monitoring, they have certain limitations. Chief among them is the fact that indexes like SEIFA represent an average of all households in an area. While representing the general level of socioeconomic disadvantage of all people in an area, they do not necessarily reflect individual circumstances, and the diversity of people or households based in that area.

As such, area-based measures can mask substantial variation within areas; making inferences about individuals who live in an area based on aggregate data for that area might result in ecological fallacy or measurement errors (AIHW 2014; Bok 2010; Dockery et al. 2016; James et al. 2008; NBEET 1996). For these reasons, it is often informative to consider both area-based and individual measures of inequality, including SES.

Given the above issues, the measurement of low SES in the context of higher education in Australia has attracted considerable attention from policy advisers over the years. For example, the Australian Government initiated 2 consultations in the HE sector about such a measure, resulting in 2 discussion papers: *Measuring the socio-economic status of HE students* (DEEWR 2009) and *Moving to an enhanced indicator of HE students' socio-economic status* (DIICSRTE 2013). The current measure of low SES based on the SA1 was also tested as part of these consultations. However, despite a handful of notable exceptions (Tomaszewski et al. 2018; Tomaszewski et al. 2022), the relative contributions of area-based and individual-level SES indicators to an understanding of disadvantage in the higher education context remain understudied.

This article presents the most comprehensive analysis of these issues to date, using more robust data, compared with those used in the previous studies.

Multi-faceted nature of SES

As outlined earlier, SES is commonly captured in empirical studies using a single measure – whether in the form of an individual characteristic (for example, family income, parental occupation or education), an individual-level index combining several of such characteristics (for example, the PISA ESCS measure), or as an area-level composite measure (for example, SEIFA indexes).

By contrast, this article jointly examines the influence of a number of socioeconomic markers typically used as measures of SES on chances of participating in higher education. This is important because it enables an understanding of the relative influence of different facets of SES on the chance of university participation. Further, the approach employed in this article enables an examination of whether, and to what extent, individual-level characteristics still matter after taking account of area-level characteristics (and vice-versa) – which has important implications from a policy point of view.

The following section outlines the data that we use in the empirical part of the article, and operationalises the different facets of SES that are included in the analyses.

Data and methods

Data set and sample selection

This article leverages a customised MADIP extract. The extract comprises the 2016 Census records linked to, among others, higher education data on university enrolments and immigration records provided by the Department of Home Affairs. These rich data allow us to track university enrolments between 2016 and 2019 of the entire cohort of Australian citizens and permanent residents aged 16 or 17 at the time of the 2016 Census who lived with at least one parent. Non-citizens and non-permanent residents are excluded as they are not eligible for Commonwealth-funded places at universities and their enrolments are not recorded in the data. The analytic data set comprises 446,322 individuals, which offers markedly higher robustness to the analyses, compared with the data used in previous studies.

Measures

The outcome variable for our analyses is a binary measure capturing higher education participation in the years following the 2016 Census. We use higher education records on enrolments to identify individuals who enrolled in any bachelor's level course. We track the enrolment status of 16-year-olds up until 2019 and 17-year-olds only until 2018; that is, until they are 19, so that enrolment rates do not differ due to the age difference.

It is worth noting that our outcome captures transitioning to higher education straight after completing secondary school, or soon thereafter, rather than at more mature ages. Based on national data, in 2018, 63 per cent of first-year domestic students enrolled in undergraduate courses were aged 20 or younger, 14 per cent were aged between 21 and 24 and the remaining 22 per cent of students were aged 25 and older (Universities Australia 2020).

Our key independent variables capture 4 aspects of socioeconomic status: family income, parental education, parental occupation, and socioeconomic status of the area of residence.

- **Family income:** The sample was divided into 5 income brackets: $1,249 per week or less, $1,250–$1,999, $2,000–$2,999, $3,000 or more, and a partial or no information category.
- **Parental education:** Parental education captures the highest educational attainment among parents. The variable can have one of 3 values: 1) completed year 11 or less, 2) completed secondary education, certificate, or diploma and 3) completed bachelor's degree or higher.
- **Parental occupation:** The process is similar for parental occupation. We use Major Groups in the Australian and New Zealand Standard Classification of Occupations to group occupations in 3 categories according to their prestige:
  - first group (low-status category): comprises machinery operators, drivers and labourers as well as individuals who are either unemployed or not in the labour force
  - second group (middle category): consists of technicians and trades workers, community and personal service workers, clerical and administrative workers, and sales workers
  - third group (high-status category): includes high-status occupations, such as managerial or professional positions. Our measure of parental occupational status is the maximum of the values recorded for the parents.
- **Socioeconomic status of the area of residence:** We use the IEO, which is one of the SEIFA published by the Australian Bureau of Statistics, as our area-based measure of relative social advantage or disadvantage. Specifically, we use IEO quantiles.

Further, for comparative purposes, we derived binary variants of the above variables. These variables capture membership in the most disadvantaged category for each variable. For example, in the case of education, the binary variable distinguishes between individuals whose parents completed, at most, year 11 and the rest of the sample.

Finally, to test whether the relationships between socioeconomic status and accessing university differ between males and females, we include sex as a stratifying variable in the analyses.

Control variables

Our models control for an encompassing set of other relevant factors such as Indigenous status (yes/no), Non-English Speaking Background status (yes/no), coming from a regional area (yes/no), and living in a single-parent household (yes/no). Table 7.1 presents summary statistics of all variables included in the analyses.

Table 7.1: Descriptive statistics on analytical variables

	Per cent
Commencing higher education	43.4
Family income	
$1,249 or less	22.8
$1,250–$1,999	18.6
$2,000–$2,999	20.8
$3,000 or higher	23.3
Partial or no information	14.5
Parental occupation	
Machinery operators, drivers, labourers, unemployed	21.6
Technicians/ Trades, service, administrative, or sales workers	36.4
Managers/ professionals	42.0
Parental education	
Year 11 or less	17.8
HS/Certificate/Diploma	48.8
Bachelor or higher	33.4
SEIFA IEO	
IEO 1st quintile	18.1
IEO 2nd quintile	20.6
IEO 3rd quintile	21.3
IEO 4th quintile	21.1
IEO 5th quintile	18.9
Female	48.7
Indigenous	3.9
NESB	16.4
Remoteness area	
Major cities	70.9
Inner regional Australia	19.5
Outer regional Australia	8.3
Remote Australia	0.8
Very remote Australia	0.4
Single parent	24.2

NESB = non-English speaking background.

Analytic approach

Our analyses involve a series of logistic regression models. In the first phase, our analysis focuses on documenting the associations between each measure of SES and enrolling in a bachelor course (denoted hereafter as BA in this article), and demonstrating how the effects of each variable change after adjusting for other markers of SES. Because of that, and because we adjust for other disadvantaging factors (see the previous section headed 'Control variables'), our approach accounts for the fact that students can have multiple disadvantage – that is, belong to multiple disadvantaged groups.

The modelling proceeds in steps. We first fit models with just one SES measure at a time, followed by a model including all measures at once. The models take the following form:

$$\ln\left(\frac{p(E=1)}{1-p(E=1)}\right) = \alpha + \beta_1 SES + \beta_2 C + e$$

where

E is a binary variable capturing enrolment in a BA course

α is the model's intercept

SES represents one or all socioeconomic status measures

C is a set of control variables

the βs are vectors of coefficients to be estimated

e is the regression error.

For ease of interpretation, we present all model results as odds ratios (ORs) and average marginal effects (AMEs), which we calculated holding the other covariates at their observed values. As the focus of this study is on the association between social disadvantage and accessing university education, we chose the most privileged category for each variable as the reference group. Therefore, reported AMEs can be interpreted as a gap in the probability of enrolling in a BA course between the group of interest and the most privileged group.

In the next step, we compare the relative importance of the different facets of socioeconomic status for university enrolment. We do so by modifying the model with all SES measures. We replace multi-category measures of SES with their dichotomised and standardised versions, which allows us to directly compare regression coefficients across SES variables.

Finally, we investigate to what extent the observed patterns differ by sex. We achieve that by splitting the sample into 2 groups, and fitting the models for males and females separately.

Results

Approximately 43% of the sample accessed higher education by the age of 19. However, the enrolment rates vary depending on the social background. Table 7.2 presents abridged results from the first 2 steps of the analysis. The first column contains ORs and AMEs for variables of interest in models, including just one measure of SES (Box 7.2). The second column reports coefficients from the model that includes all the SES measures. The results in both columns account for the control variables. Full sets of results – that is, including coefficients for all the control variables – are available in tables 7.4 to 7.7 at the end of this article. The results in Table 7.2 suggest that all facets of SES investigated in this study are independently associated with the probability of starting BA-level studies.

Box 7.2: Odds ratios and average marginal effects

Odds ratios

ORs are exponentiated regression coefficients. ORs greater than 1 indicate that a one-unit increase in a given explanatory variable is associated with an increase in the odds of respondents taking the value 1 (starting university studies) in the outcome variable, all else being equal. Correspondingly, ORs smaller than 1 indicate that a one-unit increase in a given explanatory variable is associated with a decrease in the odds of respondents taking the value 1 in the outcome variable, all else being equal.

As our measures of SES are all coded as dichotomous or sets of dichotomous variables, the associated ORs represent the OR between a given group and the reference category. The ORs that equal 1 indicate no difference in odds between a given group and the reference category. An OR value greater than 1 indicates that the odds for a given group are higher than the odds for the reference category. Correspondingly, an OR value smaller than 1 indicates that the odds for a given group are lower than the odds for the reference category.

Average marginal effects

In the case of logistic regression, AMEs represent the average change in probability of respondents taking the value of 1 (starting university studies in this case) associated with a one-unit increase in a given explanatory variable, while holding other covariates at their observed values. As our measures of SES are all coded as dichotomous or sets of dichotomous variables, the associated AMEs can be interpreted as predicted differences between a given group and the reference category in the probability of starting university studies. These differences account for the control variables in the models.

Overall patterns

Across all measures, membership in a more advantaged group – that is, one with higher status – is associated with the highest probability of enrolling in a BA course. As expected, correlations between the SES measures result in smaller estimated effects of SES measures when we move from fitting models with a single SES measure to fitting the model comprising all measures at once. While introducing additional controls does not make any of the associations statistically non-significant, the reduction in the effect's magnitude varies between measures.

Family income

Controlling for other measures of SES affects the results for family income the most. In the model with family income as the single measure of SES, the OR for the most disadvantaged group (individuals coming from families with incomes below $1,249) is 0.38 ($p$<0.001), indicating that this group had odds of entering higher education 62% smaller than their counterparts from families with the highest incomes (the reference category). This translates into a 21 percentage points (pp) lower predicted probability of starting a BA course.

The estimated effects for other income groups were noticeably smaller but still substantial. Compared with the reference category, the probability of enrolment was 17 pp smaller (OR=0.47, p<0.001) for young people from families with incomes in the $1,250–$1,999 category, 12 pp smaller (OR=0.58, p<0.001) for people in the $2,000–$2,999 income category and 15 pp smaller (OR=0.51, p<0.001) for people with no information on family income. However, adding other measures of disadvantage as controls to the model changes these results considerably; it leads to an increase in ORs for all income groups, indicating a smaller difference between the odds of starting university studies for individuals in a given income group and individuals coming from the most affluent families (the reference group). For example, the estimated OR for the lowest income group grows from 0.38 (p<0.001) when income is the only SES measure in the model to 0.88 (p<0.001) when other measures are included. Hence, the estimated difference in probability of starting university studies shrinks to 2 pp. Moreover, differences between income groups other than the highest all but disappeared. Both ORs and AMEs for all income groups are similar after controlling for other measures of SES.

Parental occupation

The drop in the effect size due to the introduction of other SES measures is less pronounced in the case of parental occupation. The estimated gap between individuals whose parents work in occupations in the middle-status category (technicians/ trades, service, administrative, or sales workers) and individuals with parents in occupations

belonging to the high-status category (managers/ professionals) reduces from −17 pp (OR=0.45, p<0.001) when it was the only measure of SES in the model to −4 pp (OR=0.82, p<0.001) when other SES measures are introduced. For the low-status category, the AME changes from −26 pp (OR=0.29, p<0.001) to −9 pp (OR=0.63, p<0.001), which still represents a notable gap.

Parental education

The difference between effects estimates based on the adjusted and unadjusted models is smallest in the case of parental education. For individuals belonging to the middle category –that is, the group whose most educated parent finished secondary education or earned a certificate or diploma – the AME is −26 pp (OR=0.32, p<0.001) when the models includes just parental education and control variables. Adjusting for other measures of SES reduces the gap, but it remains substantial, at −18 pp (OR=0.44, p<0.001).

Individuals whose parents finished education in year 11 or earlier are even less likely to start BA-level studies. Using the first model, we estimate the gap in the probability of enrolling in a BA-level course to be −37 pp (OR=0.17, p<0.001). After including other SES variables in the model, the gap is still at −26 pp (OR=0.28, p<0.001). In other words, even after controlling for other measures of SES, the estimated effect of parental education is sizeable. This suggests that the bulk of the observed differences in the chances of entering higher education are driven by parental education, more so than by other facets of SES.

Area-based measure

The IEO index is another measure for which estimated effects on the probability of enrolling in a BA course remain substantial, even after controlling for other measures of SES. When IEO is the sole measure of SES in the model – which also includes the non-SES control variables – the AMEs range from −14 pp (OR=0.55, p<0.001) for individuals living in areas belonging to the 4th quintile (the second most advantaged group) to −34 pp (OR=0.21, p<0.001) for individuals living in areas in the 1st IEO quintile. Adding other measures of SES to the model reduces the estimated effects to −8 pp (OR=0.68, p<0.001) and −19 pp (OR=0.40, p<0.001), respectively.

Patterns among males and females

Columns 3 to 6 in Table 7.2 present the results from models fitted for males and females separately. We do not find any major differences between the 2 sub-samples. The observed patterns are very similar to those described above, suggesting a lack of marked differences between males and females in the effects of SES on university participation.

Table 7.2: Abridged results from logistic regression models of higher education participation using multi-categorical measures of SES

	Total				Males				Females			
	1		2		3		4		5		6	
	Models unadjusted for other SES measures		Model adjusted for other SES measures		Models unadjusted for other SES measures		Model adjusted for other SES measures		Models unadjusted for other SES measures		Model adjusted for other SES measures	
	OR	AME	OR	AME	OR	AME	OR	AME	OR	AME	OR	AME
Family income (ref. $3,000 or higher)												
$1,249 or less	0.38***	−0.21	0.88***	−0.02	0.38***	−0.21	0.92***	−0.02	0.38***	−0.22	0.85***	−0.03
$1,250–$1,999	0.47***	−0.17	0.85***	−0.03	0.45***	−0.17	0.85***	−0.03	0.48***	−0.17	0.85***	−0.03
$2,000–$2,999	0.58***	−0.12	0.87***	−0.03	0.56***	−0.13	0.86***	−0.03	0.60***	−0.11	0.88***	−0.03
Partial or no information	0.51***	−0.15	0.86***	−0.03	0.50***	−0.15	0.85***	−0.03	0.52***	−0.15	0.87***	−0.03
Parental occupation (ref. Managers/ professionals)												
Machinery operators, drivers, labourers, unemployed	0.29***	−0.26	0.63***	−0.09	0.29***	−0.25	0.65***	−0.08	0.30***	−0.27	0.62***	−0.10
Technicians/ Trades, service, administrative, or sales workers	0.45***	−0.17	0.82***	−0.04	0.43***	−0.18	0.80***	−0.04	0.48***	−0.17	0.83***	−0.04
Parental education (ref. BA or higher)												
Year 11 or less	0.17***	−0.37	0.28***	−0.26	0.16***	-0.37	0.26***	-0.27	0.19***	-0.37	0.31***	-0.26
SE/Certificate/Diploma	0.32***	−0.26	0.44***	−0.18	0.30***	-0.27	0.41***	-0.19	0.34***	-0.24	0.46***	-0.17
SEIFA IEO (ref. 5th quintile)												
IEO 1st quintile	0.21***	−0.34	0.40***	−0.19	0.19***	−0.34	0.37***	−0.19	0.23***	−0.33	0.43***	−0.18
IEO 2nd quintile	0.30***	−0.27	0.48***	−0.15	0.27***	−0.28	0.45***	−0.16	0.33***	−0.25	0.53***	−0.14
IEO 3rd quintile	0.39***	−0.21	0.56***	−0.12	0.37***	−0.23	0.54***	−0.13	0.42***	−0.20	0.60***	−0.11
IEO 4th quintile	0.55***	−0.14	0.68***	−0.08	0.52***	−0.15	0.66***	−0.09	0.58***	−0.12	0.73***	−0.07
Controls		Yes		Yes		Yes		Yes		Yes		Yes
Observations		446,322		446,322		229,180		229,180		217,142		217,142

Statistical significance: * p<0.05, ** p<0.01, *** p<0.001.

Note: Data from customised MADIP data set.

Relative influence of different SES measures

While the models with multi-categorical SES variables are well suited to demonstrate the associations between SES facets and starting university studies – as well as the consequences of introducing additional controls – comparisons across explanatory variables require a degree of caution. Therefore, to compare the magnitude of the estimated effects, we turn to the results from the logistic regression model that includes dichotomised and standardised versions of SES measures.

Table 7.3 presents the results from the logistic regression model for the entire sample as well as for the male and female sub-samples. The results confirm our earlier observations that the effects of family income are relatively weak compared with other variables, among which parental education seems to affect the probability of enrolling in a BA course most. The ORs for these variables are 0.93 (p<0.001) and 0.74 (p<0.001), respectively. Again, we do not observe any major differences between the sub-samples, suggesting the effects of SES are similar among males and females.

Table 7.3: Abridged results from logistic regression models of higher education participation using standardised binary measures of SES

	Total	Males	Females
	OR	OR	OR
Low income	0.93***	0.94***	0.93***
Low parental educational attainment	0.74***	0.72***	0.76***
Low parental occupational status	0.81***	0.82***	0.81***
Lowest SEIFA IEO quintile	0.79***	0.78***	0.81***
Controls	Yes	Yes	Yes
Observations	446,322	229,180	217,142
Pseudo R^2	0.114	0.107	0.095

Statistical significance: * p<0.05, ** p<0.01, *** p<0.001.

Note: Data from customised MADIP data set.

Discussion

In this study, we leveraged unique linked administrative data on the entire cohort of 16- and 17-year-olds in Australia to provide comprehensive and robust evidence on associations between various facets of socioeconomic status and starting university education. Using the powerful MADIP data, we were able to demonstrate the differences in the probability of entering higher education by family income, parental occupation, parental education and an area-based IEO. Further, we compared results from models fitted for males and females separately to investigate whether the observed effects differed between the 2 sub-samples.

All SES measures included in the analyses proved to be significantly associated with the probability of enrolling in a BA course, suggesting that the different SES facets have independent influences on university participation. As expected, the individual effects of the different SES facets were reduced once other measures of SES were introduced to the model. However, the magnitude of the observed effects, as well as the impact of introducing additional controls, vary across the SES measures. Specifically, the disadvantage stemming from low levels of parental education appears to have a particularly detrimental effect on the chance of university enrolment. Even after controlling for all other measures of SES, the difference in the predicted probability of enrolling in a BA course between the most disadvantaged and the most advantaged groups is 26 pp. By contrast, the effects of family income are much less pronounced, even in the absence of the other SES variables, and drop even further once those variables are included. As a result, the predicted gap between the most privileged and least privileged groups is just 2 pp, when adjusting for the influences of the other SES facets.

Interestingly, despite its limitations, an area-based measure of SES was significantly associated with the outcome variable. Further, it remained so even after the other SES measures were introduced as model controls. The estimated difference in the probability of enrolling in a BA course between people residing in the areas belonging to the 1st and 5th IEO quintiles is 19 pp. That means that coming from a low-SES area is a disadvantaging factor, independent of family SES characteristics.

Overall, the results confirm that the respective individual-level, as well as area-based measures, present independent influences on university participation. While the relative strength of the association with university enrolment varied, each of the SES markers considered in this study showed an independent statistical effect. Parental education has emerged as a particularly relevant SES facet, which is consistent with previous studies (for example, Buis 2013). An area-level indicator also remained statistically significant, despite controlling for parental education, occupation and family income, suggesting that individual- and place-based dimensions are both relevant and should be independently considered. Finally, the observed patterns do not differ between the sexes, suggesting that SES has similar relevance for university participation for both males and females.

Table 7.4: Results (ORs) from logistic regression models of higher education participation, using multi-categorical measures of SES, complete set of model coefficients

	(1) Income	(2) Occupation	(3) Education	(4) IEO	(5) All SES measures
Family income (ref. $3,000 or higher)					
$1,249 or less	0.38***				0.88***
$1,250–$1,999	0.47***				0.85***
$2,000–$2,999	0.58***				0.87***
Partial or no information	0.51***				0.86***
Parental occupation (ref. Managers/ professionals)					
Machinery operators, drivers, labourers, unemployed		0.29***			0.63***
Technicians/ Trades, service, administrative, or sales workers		0.45***			0.82***
Parental education (ref. BA or higher)					
Year 11 or less			0.17***		0.28***
HS/Certificate/Diploma			0.32***		0.44***
SEIFA IEO (ref. 5th quintile)					
IEO 1st quintile				0.21***	0.40***
IEO 2nd quintile				0.30***	0.48***
IEO 3rd quintile				0.39***	0.56***
IEO 4th quintile				0.55***	0.68***
Female	1.90***	1.92***	1.98***	1.93***	2.01***
Indigenous	0.34***	0.37***	0.39***	0.39***	0.45***
NESB	2.46***	2.68***	2.30***	2.47***	2.80***
Remoteness class (ref. Major cities)					
Inner regional Australia	0.51***	0.50***	0.53***	0.65***	0.64***
Outer regional Australia	0.48***	0.46***	0.53***	0.64***	0.65***
Remote Australia	0.31***	0.31***	0.37***	0.41***	0.43***
Very remote Australia	0.15***	0.15***	0.19***	0.20***	0.22***
Single parent	0.69***	0.67***	0.67***	0.56***	0.77***
Observations	446,322	446,322	446,322	446,322	446,322
Pseudo R^2	0.095	0.113	0.140	0.116	0.158

NESB = non-English speaking background; statistical significance: * $p<0.05$, ** $p<0.01$, *** $p<0.001$.

Note: Data from customised MADIP data set.

Table 7.5: Results (ORs) from logistic regression models of higher education participation, using multi-categorical measures of SES, complete set of model coefficients for males

	(1) Income	(2) Occupation	(3) Education	(4) IEO	(5) All SES measures
Family income (ref. $3,000 or higher)					
$1,249 or less	0.38***				0.92***
$1,250–$1,999	0.45***				0.85***
$2,000–$2,999	0.56***				0.86***
Partial or no information	0.50***				0.85***
Parental occupation (ref. Managers/ professionals)					
Machinery operators, drivers, labourers, unemployed		0.29***			0.65***
Technicians/ Trades, service, administrative, or sales workers		0.43***			0.80***
Parental education (ref. BA or higher)					
Year 11 or less			0.16***		0.26***
HS/Certificate/Diploma			0.30***		0.41***
SEIFA IEO (ref. 5th quintile)					
IEO 1st quintile				0.19***	0.37***
IEO 2nd quintile				0.27***	0.45***
IEO 3rd quintile				0.37***	0.54***
IEO 4th quintile				0.52***	0.66***
Indigenous	0.30***	0.33***	0.35***	0.35***	0.41***
NESB	2.46***	2.69***	2.33***	2.52***	2.83***
Remoteness class (ref. Major cities)					
Inner regional Australia	0.47***	0.46***	0.49***	0.61***	0.60***
Outer regional Australia	0.41***	0.39***	0.44***	0.56***	0.56***
Remote Australia	0.25***	0.26***	0.30***	0.34***	0.35***
Very remote Australia	0.11***	0.11***	0.15***	0.16***	0.18***
Single parent	0.67***	0.66***	0.67***	0.55***	0.74***
Observations	229,180	229,180	229,180	229,180	229,180
Pseudo R^2	0.088	0.108	0.140	0.114	0.159

NESB = non-English speaking background; Statistical significance: * p<0.05, ** p<0.01, *** p<0.001.

Note: Data from customised MADIP data set.

Table 7.6: Results (ORs) from logistic regression models of higher education participation, using multi-categorical measures of SES, complete set of model coefficients for females

	(1) Income	(2) Occupation	(3) Education	(4) IEO	(5) All SES measures
Family income (ref. $3,000 or higher)					
$1,249 or less	0.38***				0.85***
$1,250–$1,999	0.48***				0.85***
$2,000–$2,999	0.60***				0.88***
Partial or no information	0.52***				0.87***
Parental occupation (ref. Managers/ professionals)					
Machinery operators, drivers, labourers, unemployed		0.30***			0.62***
Technicians/ Trades, service, administrative, or sales workers		0.48***			0.83***
Parental education (ref. BA or higher)					
Year 11 or less			0.19***		0.31***
HS/Certificate/Diploma			0.34***		0.46***
SEIFA IEO (ref. 5th quintile)					
IEO 1st quintile				0.23***	0.43***
IEO 2nd quintile				0.33***	0.53***
IEO 3rd quintile				0.42***	0.60***
IEO 4th quintile				0.58***	0.73***
Indigenous	0.36***	0.40***	0.41***	0.41***	0.47***
NESB	2.45***	2.66***	2.27***	2.43***	2.78***
Remoteness class (ref. Major cities)					
Inner regional Australia	0.55***	0.54***	0.57***	0.68***	0.67***
Outer regional Australia	0.55***	0.53***	0.60***	0.72***	0.73***
Remote Australia	0.36***	0.37***	0.43***	0.47***	0.49***
Very remote Australia	0.18***	0.18***	0.22***	0.24***	0.25***
Single parent	0.72***	0.69***	0.68***	0.57***	0.79***
Observations	217,142	217,142	217,142	217,142	217,142
Pseudo R^2	0.075	0.093	0.115	0.093	0.132

NESB = non-English speaking background; statistical significance: * $p<0.05$, ** $p<0.01$, *** $p<0.001$.

Note: Data from customised MADIP data set.

Table 7.7 Results (ORs) from logistic regression models of higher education participation, using standardised binary measures of SES, complete set of model coefficients

	Total	Males	Females
Low income	0.93***	0.94***	0.93***
Low parental educational attainment	0.74***	0.72***	0.76***
Low parental occupational status	0.81***	0.82***	0.81***
Lowest SEIFA IEO quintile	0.79***	0.78***	0.81***
Indigenous	0.40***	0.36***	0.43***
NESB	2.73***	2.72***	2.74***
Remoteness class (ref. Major cities)			
Inner regional Australia	0.53***	0.49***	0.57***
Outer regional Australia	0.51***	0.43***	0.59***
Remote Australia	0.34***	0.27***	0.40***
Very remote Australia	0.17***	0.13***	0.20***
Single parent	0.73***	0.70***	0.75***
Female	1.92***		
Observations	446,322	229,180	217,142
Pseudo R^2	0.114	0.107	0.095

NESB = non-English speaking background; statistical significance: * p<0.05, ** p<0.01, *** p<0.001.

Note: Data from customised MADIP data set.

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Measuring quality in aged care: what is known now and what data are coming

8

Measuring quality in aged care: what is known now and what data are coming

Key messages

Aged care is used by many Australians

Aged care – delivered in both residential and home settings – is used by many Australians. In 2021–22, 34% of the target population, received some type of aged care. By the time they die, around 4 in 5 people aged 65 or over would have used aged care (based on 2010–11 data).

The quality of aged care is important to track and monitor

The quality of aged care directly affects people's outcomes, including their quality of life; this makes it important to monitor the quality of care provided. As well, the Australian Government (which is responsible for regulating aged care services) needs evidence of their quality and of whether they are providing value for the public money spent on them.

There have been limited data on quality until recently, but the situation is improving

Until recently, there has been only limited data on the quality of aged care. In response to the Royal Commission into Aged Care Quality and Safety, which was completed in 2021, there is now a range of new data available. Governments and providers have begun to make concerted efforts to improve this situation, with initiatives recently taken to collect more data. Further data development is also underway.

Data on 5 domains of clinical quality indicators in residential aged care show stable rates or small declines

The indicators provide data over 6 quarters using standardised definitions. This article provides details on how to interpret the individual indicators.

Results between July 2021 and December 2022 show that:

- around 9–11% of care recipients had unplanned weight loss, with little change in this proportion over time
- around 6% of residents had one or more pressure injuries, with around 2 in 5 (41%) of these injuries being in the least severe stage (intact skin). Again, there was little change over time in this indicator
- a little over 30% of people had a fall, though these resulted in severe injuries in a much smaller number of cases (around 2% of care recipients). The rates have remained steady

- polypharmacy (being prescribed 9 or more medications) was relatively common, with around 35–40% of people living in residential aged care falling into this category. There has been a small but steady decline in this indicator since the July–September 2021 quarter
- physical restraints were used for a little over 20% of residents, with a small apparent decrease in this indicator over the period
- antipsychotics were provided to around 20% of residents, with around half of these residents having a diagnosis of psychosis. This indicator has shown small declines since the July–September 2021.

Compliance checks against Quality Standards identify and aim to rectify services that have significant quality issues

In the July–September 2022 quarter, 177 (6.6%) of the 2,676 residential aged care services in operation were found to be non-compliant with the sector's Quality Standards – similar to the number in the previous quarter.

In the same period, for home-care services, 64 (2.9%) of the 2,206 operational services were found to be non-compliant.

Aged care, which includes a range of programs in both residential and community settings, is used by many Australians. In 2021–22, around 1.5 million people received some form of aged care, representing 34% of the corresponding population (Department of Health and Aged Care 2022a). Nearly 246,000 people received permanent residential aged care, and over 1 million people received either home care or home support. Other ways to use aged care include residential respite care, flexible care programs and other aged care services; some people received care through more than one program.

The majority of older people – defined here as people aged 65 and over, and First Nations people aged 50 and over – will use some type of aged care at some stage before the end of life. Four in 5 (80%) people aged at least 65 who died in 2010–11 used aged care in the 8 years before their death (AIHW 2015). For more details on the people using aged care see 'Aged Care' at www.aihw.gov.au/reports/australias-welfare/aged-care.

Aged care has been co-funded by governments since the 1940s, evolving from being exclusively residential care to a mix of residential and community-based care. In 2021–22, the Australian Government alone spent $25 billion on aged care (Productivity Commission 2023), making up around one-quarter of its health and aged care portfolio expenditure that year (Department of Health and Aged Care 2022b).

It is important to track and monitor the quality of care provided. Crucially, the level of quality of that care can directly affect an individual's 'quality of life' – defined as 'an individual's perception of their position in life … in relation to their goals, expectations,

standards and concerns' (WHO 2023a). Monitoring the quality of care provided is also a key part of the government's regulatory role in delivering aged care, and in ensuring that its spending in this area represents value for public money.

Outcomes of aged care services, and various elements of the complex delivery model involving both government and non-government sectors, have been the subject of many reviews and inquiries over several decades (Duckett et al. 2020; Royal Commission 2019). Many of these reviews also supported mandatory quality reporting by service providers (Royal Commission 2019).

More recently, increasing public attention has focused on the quality and safety of aged care services provided – particularly on concerns around instances of substandard care. This culminated in the Royal Commission into Aged Care Quality and Safety (hereafter referred to as the Royal Commission), which was conducted between late 2018 and early 2021 (Royal Commission 2021a). As a result, the Australian Government is introducing a series of reforms for the aged care sector which aim, ultimately, to influence the quality of services delivered, both in residential and community settings.

The substantial challenges encountered during the COVID-19 pandemic – including the high numbers of COVID-19 infections and related mortality in residential care compared with that in the general community – have also increased public focus on residential aged care. Existing workforce challenges were exacerbated and became more visible during the pandemic, such as high levels of turnover and difficulties in attracting staff (see Chapter 9 'Welfare workforce: demand and supply').

Data and information are important not only to understand the quality of aged care services, but also to identify areas for improvement and monitor steps towards better quality. The Royal Commission highlighted that quality had not to date been adequately measured; it recommended that a comprehensive approach in this regard would include indicators to measure quality, benchmarking for continuous improvement and a Star Rating system for residential aged care services to compare providers (Royal Commission 2021b).

Quality of care data have several users and uses:

- Individuals and their families can use it to inform decisions they may need to make about which aged care service to use.
- The data also support aged care providers in improving the quality of their service.
- Regulators can use the data to monitor compliance with the Standards and identify and respond to potential risks.

The data enable policy makers and researchers to evaluate services and system outcomes to ultimately improve them.

There have been recent developments in national data about aged care quality, particularly in residential aged care facilities. For example, a program of quality indicator measurement has started, and Star Ratings for residential aged care services were first released in December 2022.

- The quality indicator measures relate to 5 clinical conditions in residents that reflect standards of care quality.
- The Star Ratings program provides an overall rating of all residential aged care services in Australia, and ratings across 4 component quality of care domains: compliance, residents' experience, staffing minutes and quality measures.

The initial data are summarised in this article (see the section headed 'Information available now' later in this article). Further developments are underway, with extra data starting to be collected in 2023.

This article covers what is meant by quality in aged care, how it is currently being measured, what the available data show about quality of care, what gaps remain, and what new initiatives are being implemented or planned in the aged care data system to strengthen monitoring of quality of care. The article's focus is on the monitoring of 'within' program quality. Other issues that affect quality of care, such as access to care, is out of scope of this article, but is being explored through further aged care research projects at the AIHW.

What is meant by quality of care?

Aged care covers various care functions

Quality in aged care is affected and influenced by various components of care. These include clinical care, support with personal care and general day-to-day activities (for example, bathing, eating, moving around) and social and emotional support – all delivered while aiming to maintain the dignity of the person receiving the care. Quality is relevant to all these aspects of care delivery. Quality care is about not only keeping people safe and preventing substandard care – but also creating physical and social environments that enable frail older people to have fulfilling lives, despite their illnesses and disabilities.

Defining quality of care

Quality in aged care covers several concepts and domains. At the broad level, quality of care can be defined as the degree to which care for individuals and populations increases the likelihood of desired outcomes (WHO 2023c) and minimises the likelihood of poor, undesirable and unsafe events. Domains of quality of care include that it needs to be:

- **effective:** providing care based on scientific knowledge to all who could benefit and not to those people unlikely to benefit; this avoids underuse and overuse
- **efficient:** avoiding waste, including waste of equipment, supplies, ideas and energy
- **accessible/timely:** reducing waits and sometimes harmful delays
- **acceptable/person-centred**: providing respectful care that is responsive to individual patient preferences, needs and values
- **equitable:** providing care that does not vary in quality because of personal characteristics such as gender, ethnicity, geographic location and socioeconomic position
- **safe:** avoiding harm to care recipients (Caughey et al. 2022; NASEM 2022).

Quality of life is key

One important component of care quality is how it affects the quality of life of individuals – that is, an individual's wellbeing and/or overall health. Quality of life in itself is an important measurable outcome from aged care services. The Royal Commission, for example, noted that:

> High quality aged care delivers a high quality of life. It enables people to engage in meaningful activities that provide purpose, and provides the opportunity for people to remain connected to their community (Royal Commission 2021b).

There is an association between quality of life and quality of care; efforts to improve quality of care can be expected to improve quality of life. Good clinical outcomes (for example, relief of pain, or improved mobility) can result in improved quality of

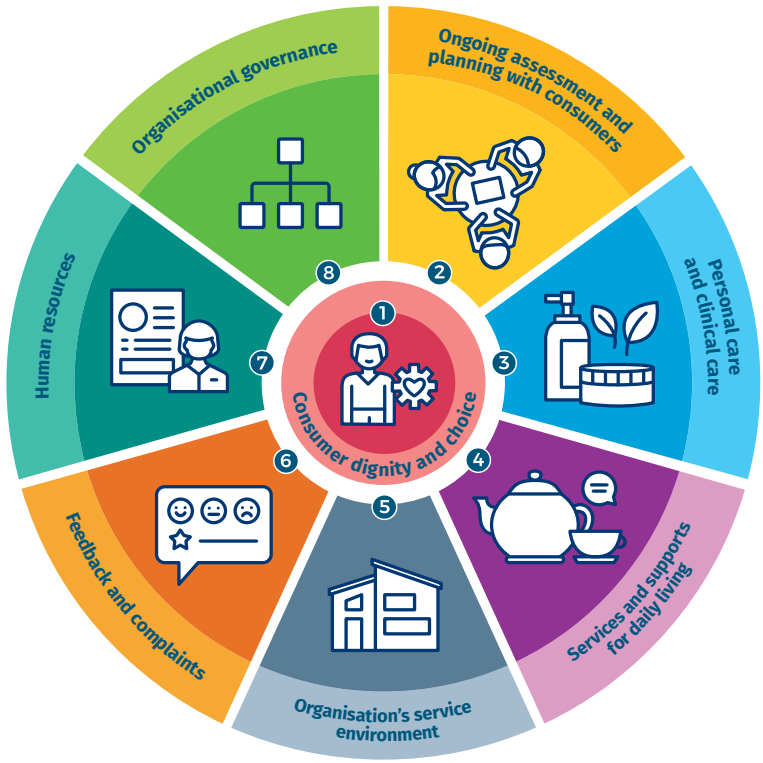
life. Perception of quality of life is dynamic within an individual and varies between individuals. The quality of life of people in residential aged care is typically affected by pre-existing ill health and loss of independence; therefore, efforts to improve it through high-quality care in the residential aged care setting are challenging, but very important.

Australian Aged Care Quality Standards

Australia has a set of Standards that define the type and quality of care that people receiving aged care (at home or in a residential setting) can expect from government-funded providers (Department of Health and Aged Care 2022d) (Figure 8.1). This care covers various functions (personal care, clinical care, services and supports for daily living), ongoing assessment and planning as well as various service-level areas (human resources, service environment, governance and feedback/complaint mechanisms). Most importantly, in the centre is the consumer, specifically highlighting the importance of dignity and choice with this foundation standard.

The Quality Standards document outlines the detail underpinning each of these Standards. For example, 'Standard 1: consumer dignity and choice' reflects 7 concepts: dignity, respect, identity, culture, diversity, cultural safety, and choice.

Figure 8.1: Consumer dignity and choice is at the centre of the Australian Aged Care Quality Standards



Source: Aged Care Quality and Safety Commission.

The aged care regulator, the Aged Care Quality and Safety Commission (hereafter referred to as the Commission), checks and publicly reports the compliance of service providers against these Standards (ACQSC 2022) (see the section headed 'Compliance with Quality Standards' later in this article). Information on compliance and quality in aged care services is publicly available on the 'My Aged Care' website through the 'Find a provider' tool.

Following recommendations from the Royal Commission, the Standards are (at the time of writing) being reviewed, with a focus on strengthening governance, diversity, dementia care, food and nutrition, and clinical care. A draft set of new guidelines is available (Department of Health and Aged Care 2022d).

How is quality of care measured?

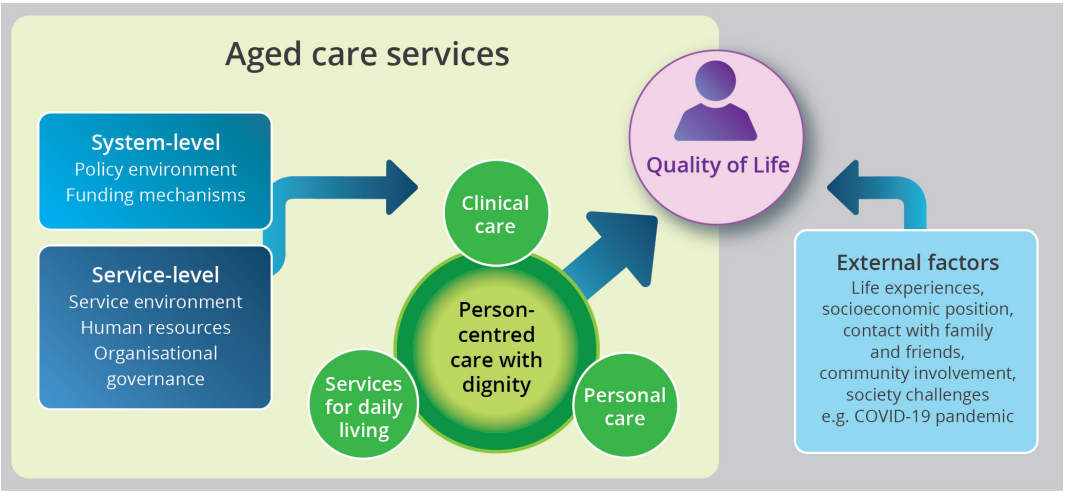
What needs to be measured?

Conceptual models

To help assess areas to measure, it is useful to depict the relationships between various functions of aged care at the different levels to be covered by data (individual, service and system levels). Figure 8.2 has the individual at the centre of the care continuum – as do the Australian Aged Care Quality Standards. The figure has various other components of the Standards placed at the individual level (covering aspects of direct care) and the service level (such as staffing, governance) of the aged care system. More broadly, system-level factors include policy and funding. These all contribute to an individual's quality of life. External factors also affect quality of life, such as contact with family and friends, socioeconomic position and society-wide challenges.

Figure 8.2: Individual-, service- and system-level quality considerations – and external factors – influence quality of life

Conceptual model for components of quality in aged care for measurement



Several conceptual models provide further context about measuring quality of care (NASEM et al. 2022). One used consistently, particularly in relation to measuring quality in aged care, is described by Donabedian (1966). This model provides a framework for evaluating quality of care through measures of:

- structure: for example, workforce, services, organisational culture, stated organisational policy and protocols
- process: for example, models of care, minimum care minutes, clinical care
- outcomes: for example, rates of falls, patient satisfaction, quality of life (Last 2001).

Ideally, a mix of these types of measures will provide a range of perspectives.

A focus on monitoring

Program monitoring is the 'systematic collection, management, analysis and use of … data to support strategic decisions for … program management' (WHO 2023b). It provides transparent information to many stakeholders: care recipients, their families, advocates, service providers and many parts of government. It is essential information for assessing the extent of substandard care and for highlighting areas for policy and regulation focus.

Government organisations have a central role in monitoring aged care services in Australia. The AIHW provides routine reporting on aged care service use and the people who use that care on the GEN Aged Care Data website, as well as quarterly and annual reporting on the National Mandatory Aged Care Quality Indicator Program. The Department of Health and Aged Care has a key role in policy and program management and therefore in monitoring quality in aged care through its reporting activities. These activities include, for example, financial reporting, consumer experience surveys and the care minutes component of Star Ratings. The Commission plays a critical role in regulation and thus in monitoring and responding to quality of care compliance and serious incidents in the sector.

Information available now

To provide the required information across various quality domains (effective, efficient, timely, person-centred, equitable and safe care), across the different levels of the aged care system (system-, service- and individual-level) and from different measurement perspectives (structure, process, outcomes), a range of data is required.

The key sources of data currently able to be reported at the national level, most of which have only become available in recent years, are:

- residential aged care quality indicators (weight loss, falls, pressure injuries, physical and chemical restraint, multiple medication use)
- consumer experience surveys
- workforce data (aggregated data on workforce numbers and roles)

- compliance (against the Quality Standards), serious incidents, and complaints data.

Several new sources of data – either soon to start being collected or which have recently started being collected – are not yet available for detailed national reporting:

- new residential aged care quality indicators (activities of daily living, incontinence care, hospitalisation, workforce turnover, consumer experience, quality of life; see Box 8.4)
- improved consumer experience surveys
- components of the new Star Rating program, such as care minutes received (Box 8.1)
- financial data (Box 8.1).

Box 8.1: Recently released data: service-level Star Ratings, care minutes and financial data

During the drafting of this article, some new data were released related to quality of care, though not in sufficient detail for national reporting. A brief summary is provided here.

Star Ratings

The Star Ratings program rates residential aged care services across Australia. Its objective is to support Australians using these services (and their representatives) so that they can easily compare them and make informed choices based on an overall Star Rating and 4 sub-categories. It provides a rating from 1–5 stars for 4 components of quality for individual residential care services: compliance, residents' experience, time each resident receives care ('care minutes') and quality measures. An overall star rating is also provided that incorporates information from these components (with a weighting of 30%, 33%, 22% and 15%, respectively). The ratings are updated as new information becomes available.

The program, which started in December 2022 in response to a recommendation from the Royal Commission, initially reported that 90% of services had received 3 stars or above:

- 1% of services received 1 star
- 9% received 2 stars
- 59% received 3 stars
- 30% received 4 stars
- 1% received 5 stars (Kelly and Egan 2022).

These Star Ratings are viewable in the 'Find a provider' part of the My Aged Care website (My Aged Care 2023b). Note that data are presented below for some of these components.

(continued)

Box 8.1 (continued): Recently released data: service-level Star Ratings, care minutes and financial data

Care minutes

Some initial information on care minutes across the sector became available in 2023. This showed that the average care minutes per resident per day between July and September 2022 was 187 minutes (Department of Health and Aged Care 2023e). Local/state/territory government providers had the highest average care minutes (229 minutes), followed by not-for-profit (189 minutes) and for-profit providers (179 minutes). Average care minutes per day from registered nurses was 34 minutes. Mandatory care minutes are planned to start in October 2023, when residents will be expected to receive a total of 200 minutes per day, of which 40 minutes will be from registered nurses. These mandatory minutes will increase to 215 and 44, respectively, in October 2024.

Financial data

A snapshot of financial data in the aged care sector for the July–September 2022 quarter was released in early 2023 (Department of Health and Aged Care 2023e). It showed that 1 in 3 (34%) residential care providers and around 4 in 5 (78%) in-home aged care providers were profitable. It also showed that median spending on food and ingredients in residential aged care was $12.40 per resident per day. This was fairly consistent across most provider types, apart from the local/state/territory government providers, where the median cost per person was higher at $16.60.

Assessing data availability

Domains of quality

Some of the domains of quality are covered relatively well by available monitoring data:

- Safe care can be assessed in part through the quality indicators (for example, falls, pressure injuries), compliance data and serious incident reporting.
- Person-centred care can be assessed through the consumer experience surveys, the forthcoming quality of life data, and via the compliance data.
- Effective care is covered to some degree via the restraint and polypharmacy data, as well as via some of the other clinical data – for example, unplanned weight loss, pressure injuries, collected through quality indicators.
- Equitable care could be examined via further analysis of data across population groups – for example, geographical, and potentially other groups if data were to become available at those levels.

- Timely care are not currently part of the group of data outlined here. Data on waiting times would be the basis of this and there is current discussion across relevant government agencies about how information in this area might be improved. Currently, data on the number of people waiting on a Home Care Package at their approved level is reported by state and territory of residence and level of approval in quarterly Home Care Package Program data (Department of Health and Aged Care 2022c).
- Efficient care is not part of an explicit monitoring exercise so is not covered by the data described here. However, analysis of some of the data described here could potentially inform such an assessment; for example, using financial or workforce data.

Levels of the aged care system

Two of the 3 levels of the aged care system are covered relatively well by the data, though gaps in these do still remain.

- Relating to the service-level of the system, information is available for compliance and Star Ratings.
- Relating to the individual-level of the system, information is available for quality of life, consumer experience, falls, unplanned weight loss, and care minutes (though these are currently only for the residential care sector).

There are less routine data available about quality at the system level. The exception is financial data, which are routinely reported (Department of Health and Aged Care 2023e; Productivity Commission 2022). Assessment at the system level more broadly is more likely to occur at irregular intervals, often by researchers or as part of inquiries. The recent Royal Commission is an example: it undertook a detailed assessment of these aspects. A coherent performance framework for the aged care system would be a valuable addition to guiding quality of care.

Note that the level at which data are collected or reported is a different concept to the level of the aged care system described above. Aged care data may be collected at the system-, service- or individual-level. For example, information about falls in residential aged care are collected for each service to describe the experience of individual aged care users and input into the Star Ratings for residential aged care facilities.

Structure, process, outcomes

Data are available across all 3 components of the Donabedian model – structure, process and outcomes – described above (see the section headed ‘Conceptual models’ earlier in this article).

What is known now

The Royal Commission identified many examples of substandard care, which could have resulted in considerable harm to the individual (Royal Commission 2021b). These included instances in complex and routine care, as well as cases of deliberate abuse.

Substandard care was particularly found for complex care – such as from medical conditions that can change rapidly. The Royal Commission identified dementia, mental health and end-of-life care as areas of particular concern. Many instances of substandard care were also identified in relation to food and nutrition, oral care, mobility, skin care, incontinence care, medication management, infection control and meeting social and emotional needs.

Instances of abuse were especially confronting, including restrictive practices without a clear justification and/or clinical indication – either via medication or physical restraint. Abuse, which includes physical and sexual assault by staff and other residents, was found to be not uncommon (Royal Commission 2021b). There was also concern that the system struggled to meet the needs of certain groups such as LGBTQI+ groups and First Nations people. The Royal Commission made many recommendations to deal with these serious concerns. These have now been considered by the Australian Government and several subsequent reforms are underway.

This section presents a summary of currently available data for national reporting on the quality of care in the aged care sector.

Residential aged care quality indicators

Currently, the area of aged care with the most comprehensive data on quality is residential care. Boxes 8.2 and 8.3 provide some contextual information on these residents and services.

Box 8.2: Profile of people in residential aged care

As at 30 June 2022,180,750 people were using permanent residential aged care. Of these:

- 2 in 3 (66%) were women
- the median age for women was 87, and 84 for men
- 1.1% were First Nations people, and their median age was 75
- 1 in 5 (20%) were born in a non-English-speaking country
- 9.0% preferred to speak a language other than English
- 53% had dementia
- most had a high care needs rating in at least one care domain, based on their latest Aged Care Funding Instrument (ACFI) assessment (68% of people for activities of daily living, 68% of people for cognition and behaviour, and 58% of people for complex health care).

For more details on the people using aged care, see 'Aged Care' at www.aihw.gov.au/reports/australias-welfare/aged-care.

Box 8.3: Residential aged care services in Australia

As at 30 June 2022, 811 providers were delivering residential aged care through 2,671 services. There were 219,965 residential aged care places – for both permanent and respite admissions.

Most residential aged care services were operated by not-for-profit organisations (57%), followed by private organisations (35%) and government organisations (8%).

More than 3 in 5 (62%) of residential aged care services were located in metropolitan areas, compared with 21% in rural, remote and very remote areas. However, the number of residential aged care services per capita was highest in small rural towns – 1.2 residential aged care services per 1,000 people in the target population aged 70 and over.

For more information, see the 'Providers, services and places in aged care' topic on GEN Aged Care Data at https://www.gen-agedcaredata.gov.au/Topics/Providers,-services-and-places-in-aged-care.

Overview of indicators

All residential services funded by the Australian Government provide it with important information on a quarterly basis about a set of 5 quality indicator domains (Box 8.4). These indicators are largely clinical in nature, although many have broader implications. For example, unplanned weight loss measures a clinical outcome, but also may reflect the quality and appropriateness of the food or the dining environment.

The 5 domains of indicators have been collected since July 2021 using the current definitions. Similar data were also collected for 3 of these indicator domains for the preceding 2-year period starting July 2019; these earlier data are not directly comparable with the current data.

The Quality Indicator Program expanded with further data in April 2023, when an additional 6 domains were added to the program, including Quality of Life and Consumer Experience measures (Box 8.4). Data are not yet available for reporting on these indicators.

Box 8.4: Current and new residential aged care quality indicators

Data are currently available for 5 domains of indicators from the mandatory Quality Indicator Program for residential aged care services subsidised by the Australian Government. The indicators are collected quarterly and reported on the GEN Aged Care Data website at https://www.gen-agedcaredata.gov.au/Topics/Providers,-services-and-places-in-aged-care; this website also contains further details, including how each indicator is measured.

The domains of these indicators are (Department of Health and Aged Care 2023c):

- **pressure injuries** – percentage of care recipients with pressure injuries, reported against 6 severity levels. A pressure injury is a localised injury to the skin and/or underlying tissue due to pressure, shear or a combination of these factors
- **unplanned weight loss** – percentage of care recipients with unplanned weight loss. There are 2 categories: significant unplanned weight loss (5% or more compared with the previous quarter) and consecutive unplanned weight loss (unplanned weight loss every month over 3 consecutive months of the quarter)
- **falls and major injury** – percentage of care recipients experiencing a fall, and the percentage with major injury from a fall. Major injury includes bone fractures, joint dislocations, closed head injuries with altered consciousness and/or subdural haematoma

Box 8.4 (continued): Current and new residential aged care quality indicators

- **use of physical restraint** – percentage of care recipients who were physically restrained reported as 2 categories: use of physical restraint, and use of physical restraint exclusively through use of a secure area (environmental restraint). Use of physical restraint is defined as any practice that restricts the freedom of movement of a care recipient, including physical restraint, mechanical restraint, environmental restraint, and seclusion, but excluding chemical restraint. Environmental restraint is reported separately as the percentage of residents restrained solely on the basis of living in a locked building
- **medication management** – proportion of care recipients falling into 2 categories: polypharmacy (9 or more prescribed medications) and use of antipsychotics. Data on antipsychotic use without a diagnosis of psychosis are also collected. Other medications that may be used as chemical restraint are not included.

On 1 April 2023, data collection started for several new indicators. These are:

- **quality of life** – percentage of care recipients who report 'good' or 'excellent' quality of life. Data are collected using the Quality of life – Aged Care Consumers survey instrument, either through self-completion, interviewer-facilitated completion or proxy-completion
- **consumer experience** – percentage of care recipients who report 'good' or 'excellent' experience of the service. Information is collected from care recipients using the Quality of Care Experience – Aged Care Consumers survey instrument, either through self-completed, proxy-completed or interviewer-facilitated means
- **decline in activities of daily living (ADL)** – percentage of care recipients who experienced a decline in activities of daily living. ADLs are self-care activities – such as managing personal hygiene, dressing, toileting and eating – that are important to maintain independence, health status and quality of life.
- **incontinence care** – percentage of care recipients who experienced incontinence associated dermatitis. Incontinence is any accidental or involuntary loss of urine from the bladder or faeces from the bowel. Incontinence associated dermatitis is a type of irritant contact dermatitis arising primarily from inadequate continence management
- **emergency department hospital visit** – percentage of care recipients who had one or more emergency department presentation(s). Data are also collected on residents assessed for hospitalisation. Many emergency department presentations are avoidable if care recipients have timely access to appropriate care. Excessive transfers to hospital may indicate poor care quality and access
- **workforce turnover** – percentage of staff turnover. This indicator measures the proportion of staff – including care management staff, nurses and personal care workers – who stopped working during the quarter.

General considerations for interpreting the information from these quality indicators are outlined in Box 8.5. Specific considerations for each indicator are noted in the text accompanying figures 8.4 and 8.5.

Box 8.5: General considerations in interpreting the quality indicators

What does an indicator measure mean?

The quality indicators measure the prevalence (frequency) or incidence (new cases) of the measure in the population during the preceding 90 days. For most of the indicators currently being reported, lower values indicate better care. For the new quality of life and consumer experience indicators, higher values will represent better care.

The indicators were selected because they are more likely to affect older Australians even when not receiving aged care (as part of the normal ageing process) and therefore there is no expectation that the measures will be zero. A balance will often need to be found to enable as much autonomy and freedom as possible, while also preventing harm. For example, the potential physical injury from falls needs to be balanced with ensuring the individual is provided with as much dignity and freedom of movement as possible. Another example is with polypharmacy (optimal treatment of diseases versus risks of interactions and dispensing errors).

In making comparisons and identifying trends, quality indicators need to be monitored across successive periods of time (for example, at least a year) rather than only examining quarter-to-quarter changes – this avoids over-interpretation of random rises and falls in individual quality indicators.

Effect of complexity of care needs

The current indicators provide a point estimate of the number of events in a service, without accounting for the different profile of the individuals in these services. This is important for the services to understand their performance and to be able to implement any improvements.

However, different resident profiles (known as the 'casemix') can make it difficult to compare services, or make comparisons over time. Increasing frailty and the presence of various diseases or multiple diseases can increase the likelihood of an individual being counted for a particular indicator. This means that services with different casemix profiles may have different indicator measures. For example, lower mobility may increase the risk of pressure injuries, but may lower the number of falls. This highlights the importance of risk-adjustment in service-level reporting (discussed further in the section headed 'Looking ahead' later in this article).

Box 8.5 (continued): General considerations in interpreting the quality indicators

Data are reported at the service level

The residential aged care service indicators are designed for and reported at the service level. While this provides very useful data for providers, regulators and consumers, it also presents certain challenges. For example, it is not possible to look at changes over time for the same individual or to adjust results to reflect the individual's level of care needs. Data developments currently underway aim to meet this challenge (see the section headed 'Looking ahead' later in this article).

Comparisons – over time, across regions, between providers

As well as differences across services due to variations in casemix (as discussed above), other differences may need to be considered when interpreting comparisons across time, regions or providers. Different numbers of people living in residential care who come from vulnerable populations or diverse cultures, or who have special needs, may also affect the indicator measures. As well, during the COVID-19 period, many more challenges in the aged care sector affected patient care, potentially introducing an external influence that could modify any underlying trends over time.

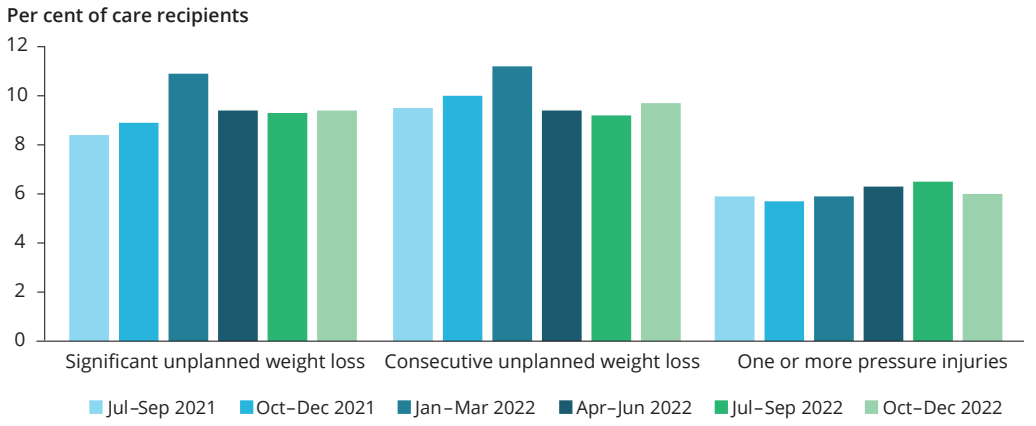
Variation over time

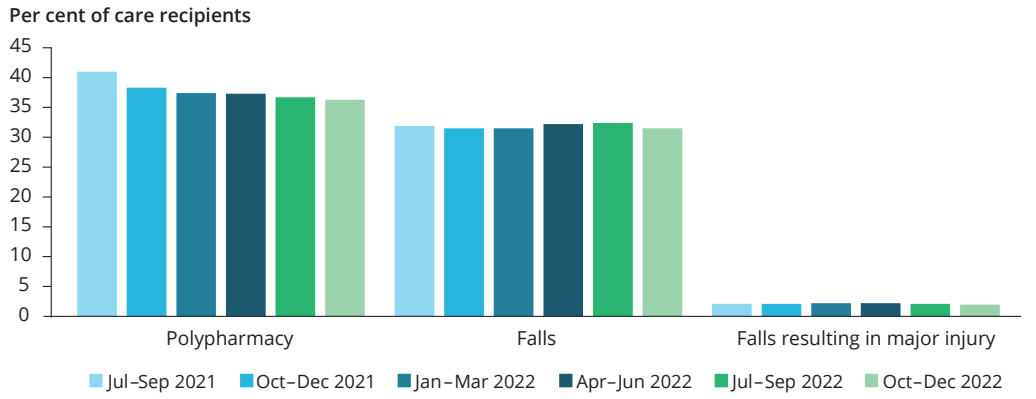
Over the 6 quarters with data available, for most indicators there has been little variation over time at the national level (Figure 8.3). Many of the general considerations described in Box 8.5 may apply to these results. Other observations are described below:

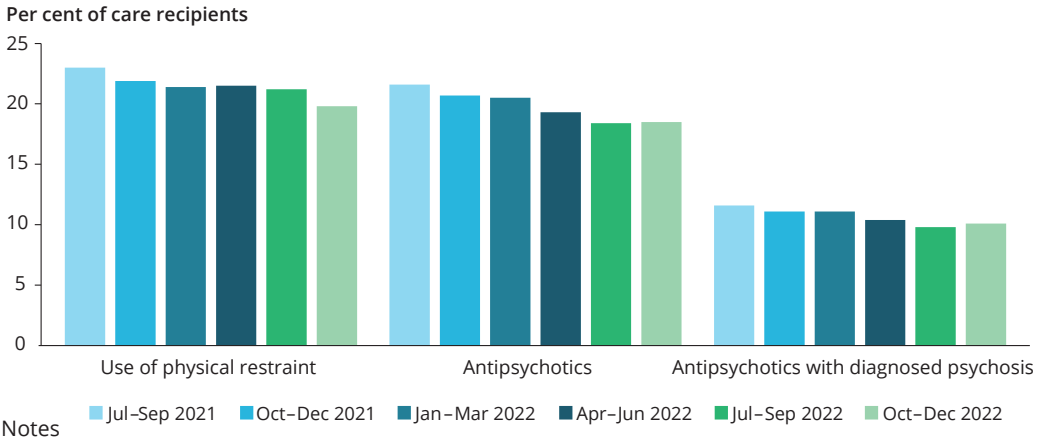
- Around 9–11% of care recipients in a particular quarter between July 2021 and December 2022 had unplanned weight loss against both indicators, with little change over the 6 quarters. Earlier data using a different definition for unplanned weight loss also showed a relatively flat time trend (AIHW 2021a; AIHW 2021b). With the weight loss indicators, it is not possible to determine if weight loss is due to illness or to dietary intake problems.
- Over the July 2021 to December 2022 period, around 6% of residents had one or more pressure injuries, with little change over time. The largest numbers in the October–December 2022 quarter were stage 1 injuries (intact skin, in 41% of residents with pressure injuries) and stage 2 injuries (partial thickness skin loss, in 47% of residents). Note that an individual can have more than one pressure injury, and these can be in different severity categories.
- Polypharmacy was relatively common, with around 35–40% of people living in residential aged care being prescribed 9 or more medications. There has been a small but steady decline in this indicator since the July–September 2021 quarter.
- Falls were also relatively common – occurring in a little over 30% of people, though these resulted in severe injuries in a much smaller number of cases (around 2% of care recipients). There was no change over time.
- Physical restraints were used for around 20% of residents. The data show a small decrease in use of these since the July–September 2021 quarter. Three days of records within the quarter are examined to construct this indicator. The 3 days are chosen by providers but must vary each quarter and not be known to direct care staff.
- Antipsychotics were provided to approximately 20% of residents, with around half of these residents recorded as having a diagnosis of psychosis. This indicator has shown small declines since the July–September 2021 quarter.

Figure 8.3: The indicators showed relatively stable or small changes over time

Residential aged care quality indicators, July 2021–December 2022







Notes

1. See boxes 8.4 and 8.5 for more details.
2. Quasi-Poisson regression was used to model the observed unadjusted indicators over time. The largest changes were found for antipsychotic use (declined by 3.3% on average per quarter), use of physical restraint (declined by 2.3% on average per quarter) and polypharmacy (declined by 2.1% on average per quarter). The corresponding incident rate ratios were 0.967 (95% CI 0.961–0.973), 0.977 (95% CI 0.968–0.986) and 0.979 (95% CI 0.975–0.983).

Source: Department of Health and Aged Care, data extracted 13 February 2023, published on GEN-agedcaredata.gov.au.

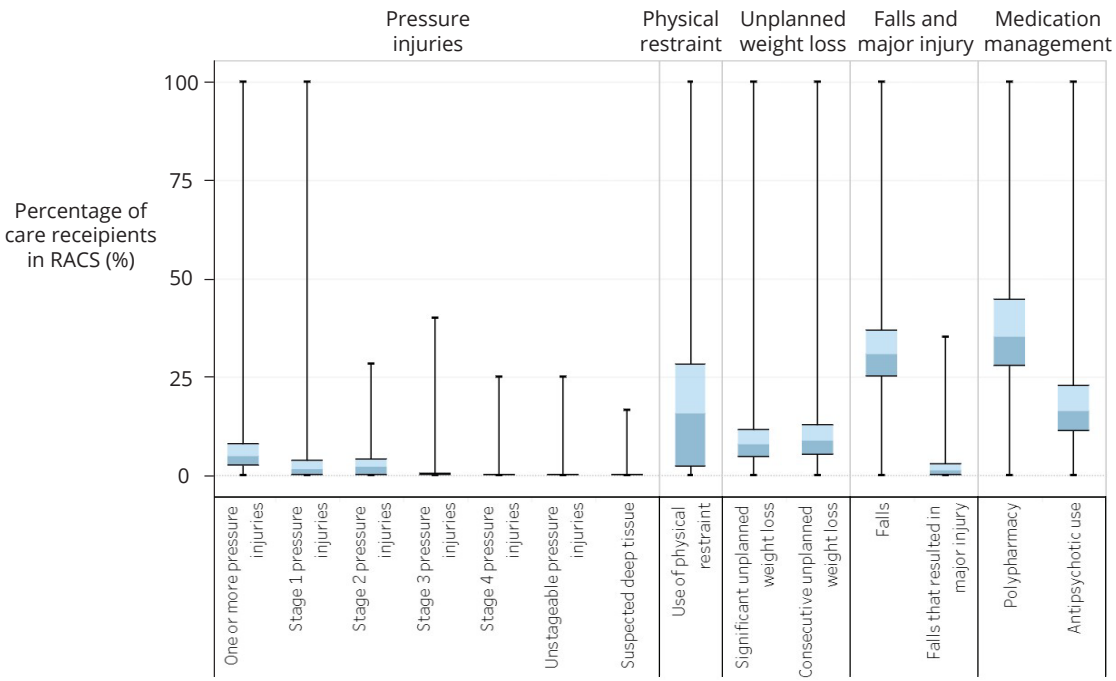
Variation across services

The aggregate percentages shown in Figure 8.3 mask considerable variation across providers. Figure 8.4 provides a summary of this spread for a selection of indicators. The values shown in the box plots are the minimum value (bottom of the vertical line), 25th percentile (lowest point of the box), the 50th percentile (or median; the middle of the box), 75th percentile (highest point of the box) and the maximum value (top of the vertical line). Thus, the middle 50% of values fall into the box for each indicator, with those services with values in the second lowest quarter of values corresponding to the light blue area, and those in the second highest quarter corresponding to the darker blue area.

In most cases, as is shown here, there is a large range in the values across services. However, in general, the middle 50% of services have a much smaller range (for example, for one or more pressure injuries, this is between 2.8% and 8.5%). Some indicators range between 0% and 100%. Note that the number of services reporting 100% prevalence rates was small (0.0% to 1.9% of services for different indicators). While these outliers in the data could be errors in reporting, they have not been removed as some of them may be valid.

Figure 8.4: Substantial variation exists across services

Distribution of residential aged care quality indicators, October to December 2022



Source: Department of Health and Aged Care, data extracted 13 February 2023, published on GEN-agedcaredata.gov.au.

Variation across geographic areas

As well as data over time and across services, geographical differences are also reported for the indicators above (AIHW 2022). There was some variation across states and territories, though the jurisdictions with the highest and lowest values varied by indicator. The data show a similar picture across remoteness regions, with no clear pattern emerging. For more information, see https://www.gen-agedcaredata.gov.au/Topics/Quality-in-aged-care#Residential%20Aged%20Care%20Quality%20Indicators.

Consumer experience surveys

Consumer experience interviews (CEIs) can provide important information on how care is viewed by the recipient. A new CEI survey program began in 2022 (now known as the Resident's Experience Survey); around 20% of residential care recipients were interviewed, ensuring that culturally diverse and special needs groups were included (Department of Health and Aged Care 2023f). Residents are interviewed by a third-party consortium. The interview comprises 14 questions – 12 scaled questions that are quick to answer and 2 free text ones that aim to empower residents to elaborate on their experience. These data are a component of the Star Ratings but are not currently available at the national level.

Some results are available from previous surveys conducted in 2017–18, 2018–19 and in the second half of 2019 (available at https://www.gen-agedcaredata.gov.au/Topics/Quality-in-aged-care/Explore-consumer-experience-in-aged-care). Between 80–98% of people surveyed in these time periods responded positively to the different questions. Responding positively meant answering 'always' or 'most of the time' for some questions; and 'strongly agree' or 'agree' for others. The highest proportion of positive responses were for questions around safety, respect and health-care needs being met (around 98% positive for each of these). People responded less positively to questions about liking the food (85% liked it) and having staff available to talk to if they are feeling sad or worried (80%).

Note, though, that results from these surveys should be interpreted with caution due to factors such as small sample sizes, and subsequent lack of generalisability of results to the whole residential aged care population (AIHW 2020). These surveys were administered by auditors alongside their assessment of the service's accreditation standards. The aim was to interview around 10% of residents; however, there is no information on how representative the sampled group was, or on characteristics of non-responders, so as to assess for potential sampling problems. Also, the various surveys cannot be compared across time due to differences in methods.

Workforce

The size, mix and qualifications of the workforce are important enablers for quality aged care. The final report of the Royal Commission highlighted that there were limited data available on the aged care workforce (Royal Commission 2021a). Some recent information has been released on care minutes in residential aged care, with initial results summarised in Box 8.1. Also, as noted in Box 8.4, new workforce data are becoming available on staff turnover as part of the new quality indicators.

A recent report on aged care employment by the Australian Productivity Commission estimated the total aged care workforce at 434,000 (102,000 management, ancillary and other workers; and 332,000 personal care workers, nurses and allied health professionals). Details can be found at www.pc.gov.au/inquiries/completed/aged-care-employment/report. The report used the 2020 aged care workforce census commissioned by the (then) Department of Health and other data sources to produce the estimates.

This 2020 census found itself that nearly 278,000 workers were in residential aged care, of whom 75% were in direct care roles (see the *2020 Aged Care Workforce Census Report* [PDF 5.1 MB] at https://gen-agedcaredata.gov.au/Resources/Reports-and-publications/2021/October/2020-Aged-Care-Workforce-Census-Report).

In home-based care, just over 80,000 workers were providing care as part of the Home Care Packages program (80% of these people were providing direct care) and a little over 76,000 for the Commonwealth Home Support Program (78% providing direct care). Note that workers may have been counted more than once if they worked for more than one care provider.

The census was conducted during the COVID-19 pandemic. The staffing situation may therefore have been atypical (for example, with a then 'surge workforce' to deal with the major challenges faced in responding, and managing, during the pandemic circumstances). The census timing, together with methodological changes compared with previous censuses, make it difficult to compare workforce estimates over time.

The Department of Health and Aged Care plans to collect workforce data more regularly in the future and improve the consistency of methods. Over time, this will support an improved understanding of staffing in areas that are important for the quality of aged care.

Compliance, serious incidents and complaints

The Commission manages the accreditation of residential aged care services across Australia, and the quality review of home services. This includes assessing their performance against the Quality Standards through comprehensive audits and assessment contacts. Services found to have sufficient quality against the Standards

achieve or retain accreditation; this enables them to receive government subsidies for the services they provide. Further details are outlined below for both residential and home-based care services.

Note a process is followed for services found to be non-compliant that aims to rectify any identified problems (ACQSC 2022). The Commission also has processes for receiving complaints about substandard care and for serious incident reporting, as outlined below (ACQSC 2022).

Compliance with Quality Standards

In the period July–September 2022, 177 (6.6%) of the 2,676 residential services in operation were found to be non-compliant against the Quality Standards – similar to the number in the previous quarter (ACQSC 2022:26). Most non-compliance fell into the 'very few requirements not met' category, though there were a number where 'many/all requirements' were not met. The 'personal and clinical care' standard had the highest number of services found to be non-compliant. The most frequent specific area of non-compliance was 'safe and effective personal and clinical care'.

In the same period for home-care services, 64 (2.9%) of the 2,206 operational services were found to be non-compliant. The 2 areas with the highest number of services found to be non-compliant were 'organisational governance' and 'ongoing assessment and planning with consumers' (ACQSC 2022:47).

As part of the Star Ratings program first published in December 2022, information on accreditation status for individual residential services were included (Department of Health and Aged Care 2022e; My Aged Care 2023a). Previously, 'dot ratings' were available from 2020. Ratings are assigned from 1 star ('The aged care home has current compliance issues, and the Commission has put conditions on the home until the issues are fixed.') to 5 stars ('The Commission visited the aged care home and gave an accreditation period of 3 or more years. The service has had no compliance issues for the last 3 years.').

Serious incident reporting and complaints

Residential services are required to notify the Commission of 8 types of reportable incidents:

1. unreasonable use of force
2. unlawful/inappropriate sexual contact
3. neglect
4. psychological or emotional abuse
5. unexpected death
6. financial abuse
7. inappropriate restrictive practices
8. unexplained absence from care (ACQSC 2023).

In the quarter to September 2022, there were 11,677 reportable notifications (ACQSC 2022:18-19). The most common incident was unreasonable use of force (61%), followed by neglect (16%). As a rate, there were 6.2 incident notifications per 10,000 occupied bed days for the year ending September 2022. Serious incident reporting was extended to in-home aged care services in late 2022, but no data are publicly available at this stage.

The formal complaints process to the Commission covers both residential and community-based care services (ACQSC 2022). In the quarter to September 2022, there were 1,197 complaints about residential aged care in 780 residential services (ACQSC 2022:12-13). This is equal to 0.64 complaints per 100 residents. In home services, there were 832 total complaints in the same period (ACQSC 2022:40).

Using linked data to examine quality

Combining data from different data sources through data linkage has many benefits. It enables chronological sequences of events to be constructed for individual service users, while protecting privacy. In relation to aged care quality, it can establish an individual's pathway through the system, incorporate information on their health and social needs, and make comparisons with the general population.

AIHW analysis

The AIHW analysed the interface between the aged care and health systems (using linked data) as an input to the Royal Commission (AIHW 2019). This analysis combined aged care data with Medicare data, Pharmaceutical Benefits Scheme data, deaths data and hospital data for Victoria and Queensland.

It found that people in permanent residential aged care were:

- more likely than people receiving in-home aged care to have had an antipsychotic prescription
- less likely to have had an emergency department presentation
- more likely to have had a hospital admission for a fall.

This would partly reflect that people in residential care are likely to be frailer, and more likely to have dementia and other conditions that could affect these findings.

Registry of Senior Australians

The Registry of Senior Australians (ROSA) is another example of the use of linked data. It monitors several indicators in residential aged care (Inacio et al. 2020), home care and home support for people receiving home care packages (Caughey et al. 2022) – some at the national level and some for South Australia. Hospital data are now also included for New South Wales, Victoria and Queensland. Many of the indicators overlap in content with the national indicator program for residential care presented in Figure 8.3. Note that the ROSA indicators are presented in both crude and risk-adjusted formats.

An area included in the ROSA data that has not been included in the current mandatory Quality Indicator Program uses hospital and deaths data to track unfavourable outcomes – notably unplanned hospitalisations and premature mortality. However, a hospitalisation indicator is included in the new indicators with data collected from April 2023. Presented below are 2 indicators with their definitions (Inacio et al. 2020: Appendix 2):

- **premature mortality for long-term residents:** proportion of long-term residents whose main cause of death is 'external causes' (for example, falls, medication errors, other accidents) and considered potentially avoidable
- **emergency department presentations for long-term residents:** proportion of long-term residents who had an emergency department visit within 30 days of re-entry to aged care from hospital.

The results for these 2 indicators (Figure 8.5) are shown for individual services (the dots). The dashed line in each graph shows the average obtained from a statistical model that summarises the indicator by service size, with risk-adjustment to account for differences across services.

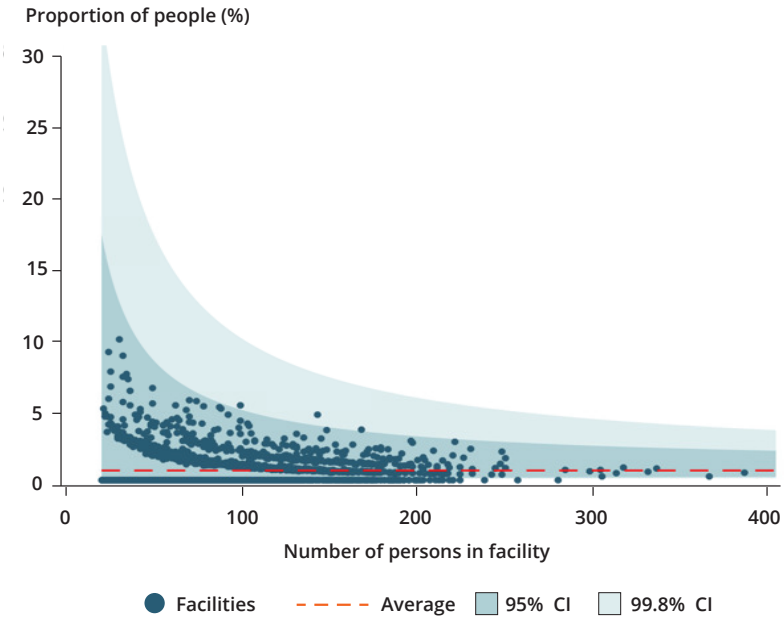
The graphs show the 'expected' variation in performance using upper and lower confidence intervals around the average value for each indicator. A confidence interval (CI) is the range of values in which the true estimate may lie; in these plots, the 95% and 99.8% CIs are shown. A service that may have an estimate below or above these intervals was considered an outlier.

For the national indicator of premature mortality (Figure 8.5A), there were three facilities (out of 2,746) above the 95% CI, with none above the 99.8% CI. There were no facilities below the 95% or 99.8% CIs – however, for this indicator, the lower CIs are at zero so it is not possible to be below the CI (Inacio et al. 2023).

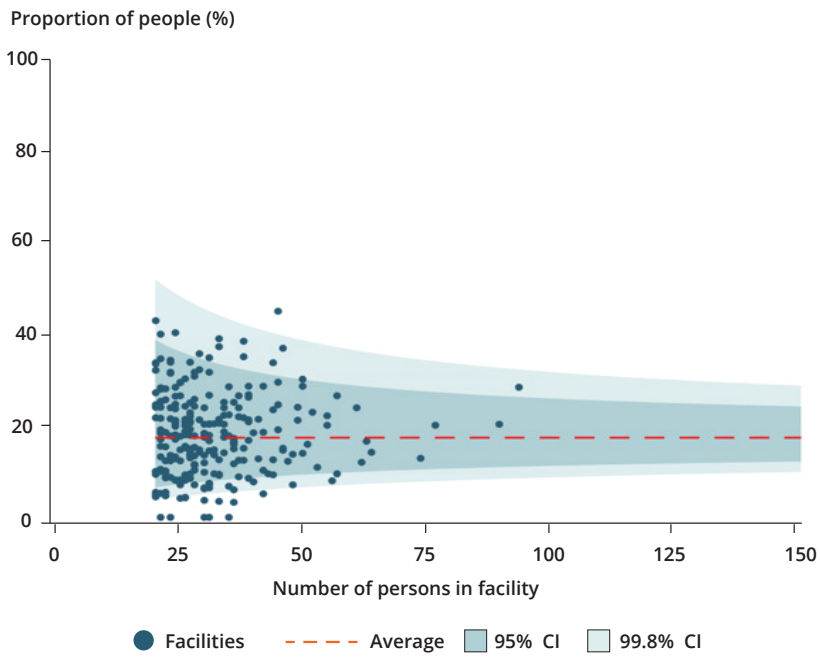
For emergency department presentation after hospitalisation in Victoria (Figure 8.5B), 14 facilities (out of 757) were above the 95% CI, with one facility above the 99.8% CI. There were no facilities below the 95% or 99.8% CIs.

Figure 8.5: A very small number of facilities had risk-adjusted death or hospitalisation rates outside the expected range

(A) Adjusted premature mortality in residents of residential aged care in 2,746 services in Australia, 2019



(B) Adjusted emergency department presentations after hospitalisation in 757 Victorian services, 2019



Note: For the emergency department presentations indicator, risk-adjustment was made for age, sex, number of emergency inpatient hospitalisations the year before, number of comorbidities, and hospital length of stay. For the premature mortality indicator, adjustment was made for age, sex, and number of comorbidities.

Source: Inacio et al. 2023, Appendix 1.

Looking ahead

The Royal Commission made many recommendations on how the quality of aged care could be improved, and data development was highlighted as an important component. Data availability has improved, and further data are becoming available. Notably, 6 new indicators as part of the Quality Indicator Program in residential aged care services started collection on 1 April 2023, with the first data expected to be published around July–August 2023 (as discussed in Box 8.4).

Developments and gaps in the aged care data system

Gaps remain in the data on quality in aged care, and collection challenges are also evident. Notably, only very limited data are currently available on the quality of in-home aged care. In this article, the only areas with data from home-based care were for compliance and workforce. However, the Australian Government is working on an improved in-home aged care program and associated reporting, expansion of the Quality Indicator Program into home-based care, and new quality of life measures that will help to fill some of the data gaps (Department of Health and Aged Care 2023a). Enhancements to the Star Rating and Quality Indicator programs announced in the May 2023 Federal Budget (Department of Health and Aged Care 2023d) are expected to provide additional data for monitoring quality in aged care. Gaps also remain for other important areas – for example, interactions with the health system and premature deaths.

Important developments are underway to improve the aged care data system as part of broader aged care reforms (Department of Health and Aged Care 2023b). A National Aged Care Data Strategy is expected to be finalised by the end of 2023. It will be underpinned by an implementation plan that aims to realise the vision of a data system that effectively collects, secures, uses and shares information to support the provision of high-quality care that maximises health and wellbeing. Consultation with stakeholders to date has highlighted the importance of prioritising data governance, workforce data literacy and capability, and data standardisation and harmonisation, as well as dealing with data gaps (on clinical and care needs, safety and quality of care, workforce, and the diversity of people using aged care).

Two key data improvement activities being led by the AIHW (funded by the Department of Health and Aged Care) will tackle these priorities, including filling critical data gaps:

- The Aged Care National Minimum Data Set (NMDS) will standardise the collection and reporting of a core set of aged care data (see Glossary). The data standards for the first version of the NMDS were endorsed in June 2023 and are being implemented over a 12-month timeline. The NMDS first version focused on standardising existing data that are mostly at the person level; subsequent versions will look to expand the data items in scope. Where possible, the focus of the NMDS data standards is on person-level data, recognising that this substantially improves the value of resulting analysis.

- The Aged Care Data Asset will integrate person-level data collected across different settings to better understand the interfaces between aged care, health and welfare. The data asset will enable exploration of how people access aged care programs – including their interactions with other related systems – and of what this reveals about the needs and outcomes of Australians using aged care. It will be built in stages, with the first stage focusing on the interface between aged care and the health system. In the future, the data asset will be accessible to policy analysts and researchers for approved projects.

Analysis and interpretation of data will expand once individual-level data are available. This will enable the different casemix of services (some with a higher proportion of high-needs care recipients than others) to be accounted for. This risk-adjustment would mean that services with a similar casemix could be compared with each other. It could also help in interpreting some indicators. For example, services with mostly low-needs residents may have higher numbers of falls as more people are mobile. Individual-level data would also enable a person's pathway between services to be tracked and, ultimately, between community and residential services.

Resolving known data gaps in capturing people's health conditions, care needs or diverse characteristics and in establishing consistent measures for clinical needs or functional status would make it possible, among other things, to account for normal ageing declines in functioning over time.

Funding changes

The Royal Commission highlighted the inadequacy of funding in the aged care sector, especially in terms of the distribution of funds for residential aged care. In response, the Australian Government implemented the research-informed Australian National Aged Care Classification (AN-ACC) for residential aged care funding in October 2022. It replaces the ACFI, which had been in use for more than a decade and found to be no longer fit for purpose (McNamee et al. 2017). A key feature of the AN-ACC funding model is that a resident's assessment for funding is undertaken independently and separately from their care planning. The funding assessment is conducted by an external assessor, and the care planning is done within the residential aged care service by the team who know the resident's care needs best. For funding, an individual is assigned to a casemix category that reflects their care needs. Services are also given a fixed payment per day to enable providers to have financial certainty in planning and managing their services.

The new clinically based classification system of the AN-ACC can be used to identify staffing requirements that reflect the needs of the mix of residents living in residential care. It can also support quality improvements and benchmarking between comparable services; for example, Quality Indicator Program indicators such as falls

can be adjusted for the complexity of residents based on the overall classifications derived from AN-ACC assessments (Loggie et al. 2021). However, as a funding tool, AN-ACC assessment data do not provide all required information about people's health conditions (for example, dementia diagnosis), care needs or functional status. Deploying a similar funding tool for in-home aged care will also require careful planning to ensure all relevant factors are considered.

On 4 May 2023, the Australian Government announced a commitment to fund the 15% pay increase to the minimum wage for aged care staff previously awarded by the Fair Work Commission (Wells A, the Hon. MP 2020; Fair Work Ombudsman 2023).

Care minute standards

Care minute 'target' standards in residential aged care services were introduced from 1 October 2022. This initiative was a response to the Royal Commission's final report that found that staffing levels were a key determinant of the quality of care received by aged care residents. The initial care minutes target is a sector-wide average of 200 minutes of care per resident per day, including 40 minutes from a registered nurse. The care time targets for each facility will be adjusted according to the AN-ACC casemix classification for each resident. Services with higher needs residents will receive more funding while also being required to meet higher care minute targets. Care minute standards will be mandatory from 1 October 2023 and will increase to an average of 215 minutes (including 44 minutes of registered nurse time) from 1 October 2024. Also from 1 July 2023, providers must have a registered nurse onsite and on duty 24 hours a day. New quarterly reporting of direct care time and costs began for the July–September 2022 period as part of the new Quarterly Financial report (see Box 8.1 for an overview of care minutes results). Care minutes data are being used to inform the new Star Ratings, with data about 24/7 registered nurse onsite contributing at a later date.

It is not certain whether providers will be able to source the workforce needed to implement these requirements in full. However, the data will provide better transparency to enable these determinations to be made or to support further reforms. Aged care workforce data need to be improved to better understand the current and future demand for workers, as well as the impact of reforms.

It will be possible to look for patterns in the Quality Indicator Program indicator data from residential aged care services over time in parallel with the implementation of the care minutes to determine if mandated care minutes are coinciding with improvements in measured quality indicators (for example, whether increased staff turnover is associated with lower care minutes).

Conclusion

The quality of aged care is very important for people using them, their families, governments, and the whole community. Data to enable assessment of this have been sparse until quite recently. However, governments and providers have started making substantial efforts to improve the situation, with initial data becoming available as presented in this article. Further data are now being collected that can be presented in the future. To ensure full assessment of the quality of care, and to highlight areas for further improvement, it is important that these data improvements not only continue to be built on in a way that is sustainable for governments and providers, but also to use systems that enable efficient capture and use of the data. A coherent performance framework for the aged care system would be a valuable addition to guide the monitoring of quality of care.

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Welfare workforce: demand and supply

9

Welfare workforce: demand and supply

Key messages

- The welfare workforce grew by 65% from 2012 to 2022 – mainly driven by the increase in the number of individuals working in Aged and Disabled Carers occupations. During this same period, the growth in overall workforce was 53%.
- The demand for welfare workers – particularly in aged care, disability, and early childhood education and care services – is expected to increase further, due to factors such as an ageing population, an increasing number of participants in the National Disability Insurance Scheme (NDIS) and the growing participation of women in the overall workforce which has increased the demand for child-care services.
- The welfare workforce, while mostly female, changed slightly over the decade from 2012 to 2022 to include more males, particularly in the Aged and Disabled Carers occupations, due to increased demand for services in this sector. In 2022, women made up 83% of the welfare workforce.
- Average earnings for welfare workers remain lower than those for similar occupations in other industries, but the gap has narrowed.
- From 2012 to 2021, men's average earnings in the welfare workforce grew faster than women's.
- In 2022 full-time employment in the welfare workforce slightly exceeded part-time employment for the first time in a number of years. This shift coincided with the pandemic and a greater reduction in part-time compared with full-time welfare workers.
- The impact of the pandemic varied by occupation – Aged Care and Child Care services reported substantial pressures due to staff shortages, while Disability Support services reported financial hardship due to clients cancelling their shifts.
- Note that this analysis differs from that for the former National Skills Commission Care Workforce Labour Market Study, which includes Allied Health Professional occupations and the industries that provide Allied Health services in their study.

Introduction

For the purposes of this article, the welfare workforce is defined as one that provides welfare-related services and support to individuals, including people in child-care facilities, people with disability and people who need assistance due to ageing (Box 9.1).

Based on this definition, around 663,000 individuals were employed in the welfare sector (ABS 2023a) as of 2022. These welfare workers help with tasks such as personal care (for example, bathing, toileting and feeding), providing counselling and guidance, and implementing support plans for clients. Their role was particularly highlighted during the COVID-19 pandemic.

The welfare sector is constantly evolving; it is important, therefore, to keep track of changes in service delivery models, government policies and community needs, as these may affect the demand for, and supply of, workers in the sector. Monitoring the supply and demand pressures on the welfare workforce helps to inform efforts to ensure its workers have the necessary skills and knowledge to deliver efficient and adaptable services.

Box 9.1: Defining the welfare workforce

The welfare workforce is difficult to quantify and study – particularly due to overlaps with and movements between sectors such as health – and the lack of a dedicated data collection focusing on this professional group. Given these limitations, the AIHW used a combination of industry and occupation categories to estimate the welfare workforce drawing on data reported in the Australian Bureau of Statistics (ABS) Labour Force Survey (ABS 2023b).

For the purpose of this analysis, the AIHW identified a number of occupations in the Australian and New Zealand Standard Classification of Occupations (ANZSCO) that are also engaged in work in select industries in the Australian and New Zealand Standard Industrial Classification (ANZSIC) to represent the best approximation of the 'welfare workforce'. Selecting the occupations and industries included in this analysis was based on the following key criteria:

- Individuals were in paid employment and provided services directly to welfare-related industries, excluding workers in sectors such as health and hospitality.
- People employed in community service industries, who had community service occupations, were included.
- Community service industries included the following ANZSIC classifications:
  - Residential Care Services (Group 860), Preschool Education (Group 801), Child Care Services (Group 871) and Other Social Assistance Services (Group 879).

(continued)

Box 9.1 (continued): Defining the welfare workforce

- Community service occupations included the following ANZSCO classifications:
  - 2411 Early Childhood (Pre-primary School) Teachers
  - 2544 Registered Nurses
  - 2721 Counsellors
  - 2723 Psychologists
  - 2725 Social Workers
  - 2726 Welfare, Recreation and Community Arts Workers
  - 4114 Enrolled and Mothercraft Nurses
  - 4117 Welfare Support Workers
  - 4211 Child Carers
  - 4231 Aged and Disabled Carers
  - 4233 Nursing Support and Personal Care Workers
  - Other Community Service Occupations (for example, 1341 Child Care Centre Managers, 2415 Special Education Teachers, 4113 Diversional Therapists, 4115 Indigenous Health Workers, 4221 Education Aides, 4234 Special Care Workers).

The welfare workforce definition excludes some people in community service occupations who do not work in a community service industry. For example, a registered nurse working in a hospital would not be classified as part of the welfare workforce, though a registered nurse working in a residential aged care setting would be. Similarly, a teacher working in child care or preschool would be included, while a teacher working in a school would be excluded. Note also that teachers in preschool education, according to the ABS classification, include only those individuals in purely preschool units, not teachers in units where pre-primary school education is provided in conjunction with normal primary school education (ABS 2013).

Volunteering is an important part of the welfare workforce. However, since it is unpaid work, it is not discussed in this article.

The main data used in this article are drawn from ABS survey data. See the ABS web page – on Labour Force, Australia methodology – for more information on the strengths and limitations of these data (ABS 2023b).

From 2012 to 2022, the size of the welfare workforce grew by 65% to 663,000 workers. The majority of this growth (64%) was driven by growth in the Aged and Disabled Carers occupations.

Over the longer term, a number of factors are increasing the demand for welfare workers:

- An ageing population, alongside increasing funding for aged care services (ABS 4 November 2021), is creating demand for Aged and Disabled Carers.

- The increasing demand for, and number of participants in, the NDIS (NDIS 2022a) is creating demand for Disability workers.
- The increased participation of women in the labour force, is likely to increase the demand for Early Childhood Education and Care workers (ABS 2021).

The demographics of a workforce can offer important insights in designing initiatives to influence supply – for example, an ageing workforce can signal higher rates of imminent retirement, which, in turn, indicates a need to invest in preparing younger people to capably replace those workers who are leaving. The welfare workforce is:

- predominantly female (83%), though less so over time
- getting younger and almost on par with the average age of the overall workforce, which is ageing
- becoming slightly more dependent on overseas trained workers.

The education and employment conditions of the welfare workforce also affect the supply of its workers. Education levels continue to increase – between 2012 and 2022, the number of individuals in the welfare workforce who held a bachelor's degree or higher grew by 53%, exceeding the equivalent growth rate of the overall workforce of 46%. This increase in education level corresponds with increasing wages, although these still lag behind those for similar occupations in different industries. For example, a nurse working in health care is likely to be paid more than a nurse working in aged care.

The Aged Care, Disability Care and the Early Childhood Education and Care workforces make up the bulk of the welfare workforce and, as such, reflect its overall profile, with some notable exceptions:

- The Aged and Disabled Carers workforce has a much higher proportion of male and part-time workers compared with other occupations in the welfare workforce.
- The Early Childhood Education and Care workforce is predominantly female compared with other occupations in the welfare workforce.

While the welfare workforce has grown, due to factors described above, other medium and longer term factors continue to increase the demand for workers in this sector. The COVID-19 pandemic, for example, disproportionately affected segments of the welfare workforce compared with the overall workforce. The Aged Care sector was the most affected, with aged care residents being particularly vulnerable to outbreaks, more severe illness and death. Demand for Aged and Disabled Carers increased as visitor restrictions reduced the available support of volunteers and families. Simultaneously, supply was affected, due to the increased illness of and stress on the workforce and the restrictions placed on workers in working across multiple facilities.

At the same time, there is strong competition for welfare workers from other industry sectors, particularly the health sector.

Welfare workforce overview

As of 2022, 662,542 individuals were employed in community service occupations in the community service industry in Australia (Table 9.1), comprising 4.9% of the country's employed population. Of this workforce, 26% were employed in Residential Care Services, 18% in Child Care Services and 45% in Other Social Assistance Services.

Between 2012 and 2022, the welfare workforce grew by 65%, while the growth in overall workforce was 53%.

From 2012 to 2022, the 3 occupations with the highest growth rates were Aged and Disabled Carers, Early Childhood (Pre-primary School) Teachers, and Social Workers, with growth rates of 166%, 132% and 101%, respectively. The number of Aged and Disabled Carers per 100,000 population increased from 444 in 2012 to 1,032 in 2022.

Aged and Disabled Carers were the primary contributors to the growth of the welfare workforce between 2012 and 2022, accounting for 64% of the increase; this was followed by Early Childhood (Pre-primary School) Teachers (11%) and Child Carers (10%).

Note that the size of the workforce alone does not guarantee an increase in direct services to the community, as this depends on factors such as the number of hours worked; the workforce also includes people who carry out administrative duties.

Table 9.1: Total welfare workforce based on individuals employed in community service occupations within community service industries, 2022

	Community service occupations	Other occupations	Total
Community service industries	662,542 people employed in community service occupations in community service industries (for example, Child Carer workers in the child care services industry, Youth welfare service, Adoption service, Welfare counselling service): this is considered to be the welfare workforce of Australia in this article.	242,704 people employed in other occupations in community service industries (for example, as administrators, accountants, tradespeople, Health and Welfare Services Managers and labourers).	905,246
Other industries	621,672 people employed in community service occupations in other industries (for example, nurses working in hospitals, and counsellors in the education industry).		
Total	1,284,215		

Note: Annual average of quarterly data from original series estimates.

Source: ABS 2023a.

For an overview of the welfare workforce, see *Welfare workforce* at https://www.aihw.gov.au/reports/australias-welfare/welfare-workforce.

Demand for the welfare workforce

The demand for the welfare workforce has been steadily increasing over the years and is expected to continue growing; it is estimated that by 2049–50, 721,800 workers will be required (NSC 2022a). This increase can be largely attributed to factors such as an ageing population, increasing disability rates, and social policy reforms as well as a growing recognition of the importance of providing quality care to vulnerable individuals. For instance, 646,012 people are expected to be participating in the NDIS scheme by June 2024, and 693,889 by June 2025 (NDIS 2022a). Policy changes at both national and state levels that aim to offer free high-quality early childhood education of 15 hours per week (600 hours per year) to all 3-year-old children will increase demand for child-care workers.

Ageing population

The Australian population is ageing; between 2012 and 2022, the population aged 85 and above grew from 421,000 (1.8% of the population) to 549,000 (2.1%) (ABS 2023c). Life expectancy in Australia has also increased: male life expectancy in 2018–20 was 81.2 years, increasing from 80.9 years in 2017–2019, while that for females was 85.3 years, increasing from 85.0 years in the previous year (ABS 4 November 2021). These trends have considerably influenced the demand for aged care services.

Concurrently, the number of people using permanent residential aged care grew from 167,000 people in 2012 to 181,000 people in 2022 (up by 8.3%). The number of people using home care increased almost 4-fold over this period, from 55,000 people in 2012 to 216,000 people in 2022 – a rise of 294%. Moreover, between 2017 and 2022, people using Commonwealth Home support increased by 13% (Table 9.2). For more information on people using aged care services and other topics related to aged care, see the AIHW GEN website (AIHW 2023a).

Table 9.2: Number of people using aged care services grew by 294% between 2012 and 2022

Year	Permanent residential care	Respite residential care	Home care	Commonwealth Home support	Transition care
2012	166,960	4,034	54,708	-	3,439
2013	168,989	4,125	56,532	-	3,481
2014	173,930	2,809	59,708	-	3,455
2015	172,803	4,971	57,916	-	3,605
2016	175,994	5,047	64,243	-	3,624
2017	178,710	5,354	71,942	722,838	3,556
2018	180,892	5,671	91,847	783,043	3,683
2019	182,664	6,047	106,707	840,984	3,603
2020	183,965	5,958	142,436	839,373	3,499
2021	183,894	7,135	176,157	825,383	3,662
2022	180,750	7,458	215,742	818,228	3,535

Source: AIHW 2023a.

An ageing population increases the demand for aged care services; yet it is reported that staffing levels in residential care remain well below those required to meet the basic standards of care (200 minutes of care per resident per day) (CEDA 2022).

Growth in number of people using disability-related services

In 2018, more than 4 million people in Australia reported they had disability – around 18% of the population. The prevalence of disability increases with age. Around 1 in 8 (12%) people aged under 65 have some level of disability, rising to 1 in 2 (50%) for people aged 65 and over (AIHW 2022c). As Australia's population continues to age, the demand for disability care will grow. Moreover, the roll-out of the NDIS (for people aged under 65) in recent years has also driven the demand for disability care (NSC 2022a).

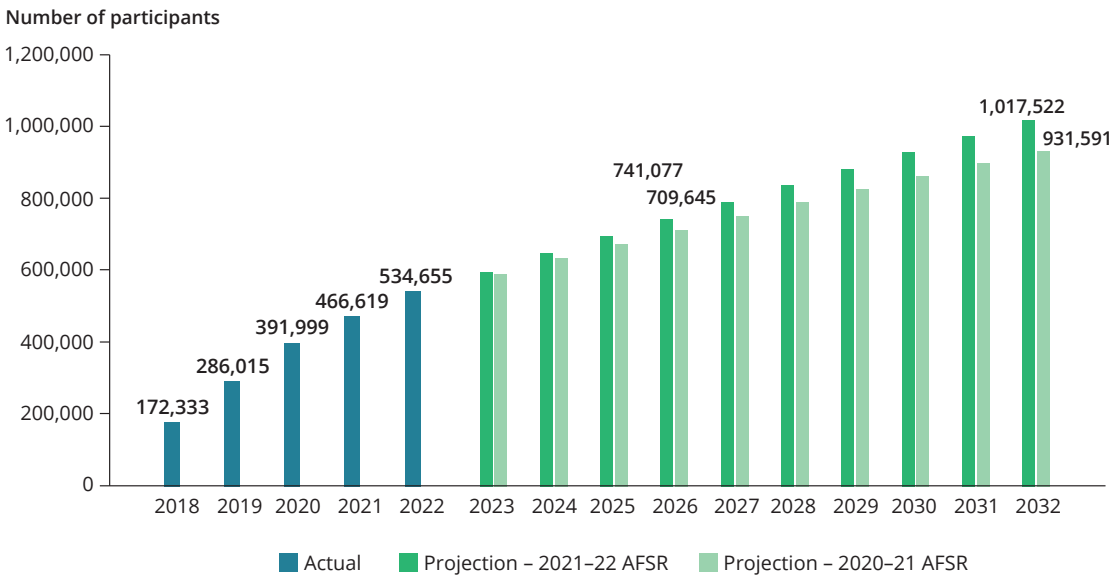
From June 2018 to June 2022, the number of NDIS participants increased from 172,000 to 535,000; by June 2032, it is expected to exceed 1 million (Figure 9.1) (NDIS 2022a)

The National Disability Insurance Agency's Annual Financial Sustainability Report 2021–22 estimates that there will be 646,012 participants in the scheme by June 2024, and 693,889 by June 2025 (NDIS 2022a).

By July 2025, an estimated additional 128,000 workers will be needed to meet the full demand of NDIS participants (that is, from the 325,000 workers in 2021–22 to an estimated 453,000 workers by July 2025) (NDIS 2022a).

Figure 9.1: One million NDIS participants forecast by 2032

Number of actual participants in the NDIS scheme, and the projected number of future participants, 2018 to 2032



AFSR = Annual Financial Sustainability Report (NDIS report).

Source: NDIS 2022a.

Increased demand for mental health services

The National Study of Mental Health and Wellbeing conducted in 2021 estimated that over 2 in 5 Australians (44%) have a mental disorder during their lifetime. To meet the rising demand for mental health services, various levels of government provide and fund a range of services. The key services are:

- Medicare-subsidised mental health-specific services and support for psychosocial disability through the Medicare Benefits Schedule (MBS)
- specialised mental health services provided by the states and territories
- access to psychiatrists, psychologists and other allied health professionals (AIHW 2022b).

These mental health programs have increased over time (NSC 2022a). For example, during the COVID-19 pandemic, the Australian Government increased Medicare funding for mental health to 20 sessions with a psychologist per year on a Mental Health Care Plan. This program was returned to 10 sessions per year on 1 January 2023 (DoHAC 2022a).

The combined growth in mental health services and use of mental health programs has substantially increased the demand for a mental health workforce. It is expected that Registered Nurses will experience the largest growth (29.9%) over the 10 years to 2031, followed by General Practitioners (29.1%) and Resident Medical Officers and Psychiatrists (29.0%). Growth is also expected across all non-medical mental health roles, with Social Workers expected to be the largest occupation group, growing from 34,340 to 43,370 (26.3% growth), followed by Psychologists (33,060 to 42,040, 27.2%) and Counsellors (30,400 to 38,190, 25.6%) (NSC 2022a).

Demand for early childhood education and child-care workforce

Quality early childhood education and care give children developmental opportunities and improve school readiness, while supporting workforce participation of parents/caregivers. The Early Childhood Education and Care sector includes centre-based child care and preschool services.

In 2017, around 60% of children aged 0–4 (925,900) attended some form of child care and nearly 296,000 (90%) eligible children were enrolled in a preschool program in the year before full-time school (AIHW 2022a). From 2012 to 2022, there has been little change in the number of children aged 0–4: 1.49 million in 2012 and 1.50 million in 2022 (ABS 2023c). However, with increases in female labour force participation, the demand for child care and preschool services will grow. (Women made up almost half the paid workforce in 2020, but currently choose to work part time more often than men) (ABS 2021).

Further, policy changes at both national and state levels that seek to provide 15 hours per week (or 600 hours per year) of free high-quality early childhood education for all 3-year-old children are expected to drive up demand for child-care workers (DoE 2022b).

A vital factor in the delivery of high-quality education and care is an ongoing, experienced and well-qualified workforce. However, developing and retaining an Early Childhood Education and Care workforce continues to be increasingly challenging across the sector. To support the recruitment, retention, sustainability and quality of the sector's workforce, the Australian Children's Education & Care Quality Authority developed a National Workforce Strategy, titled *Shaping our Future* (2022–2031). It is intended as a roadmap for ongoing collaboration and partnerships between sector stakeholders in advancing the goal of a sustainable, highly skilled and professionally valued workforce (ACECQA 2022).

Emerging occupations across the welfare workforce

Changes in business requirements, technology and consumer preferences and needs have driven the creation of new roles and the evolution of existing ones. Certain social, cultural and economic challenges and opportunities can also create demand for emerging and new jobs in the labour market. Going forward, it is important to identify the emerging skills and requirements of new jobs to cope with demand. The demand for some of the emerging roles in the care and support workforce are outlined in Box 9.2 (NSC 2022a).

Box 9.2: New roles in the care and support workforce are potentially emerging: care coordinators, support coordinators and peer support workers

The number of job advertisements for care coordinators has almost tripled since 2013 and grown by almost 2,220% (off a low base) for support coordinators over the same period. More importantly, the role of support coordinators grew by over 236% between 2016 and 2017, which can be attributed to the NDIS national roll-out; it has continued to grow year on year since then.

In mental health, the role 'peer support workers' (sometimes referred to as lived experience workers) has emerged and grown over time. In 2020, there were over 4 times as many online job advertisements for this role than in 2013.

Given the nature of this and other emerging roles, it is likely they are more than just emerging job titles; in fact, they may be emerging occupations as their job descriptions and skills profiles are unique in respect to other occupations in the ANZSCO.

Adding these new occupations to the ANZSCO list will necessitate further disaggregated specialisations in the existing occupations list.

Evolving social care reforms

The welfare workforce represents a sizeable and growing share of the labour market. Policy changes across care and support programs can potentially increase access to care and support and cause a spike in demand. Moreover, policy reforms can ease or exacerbate workforce pressures, directly or indirectly.

Examples of some policy changes that will have an impact on the demand of the welfare workforce are described below:

- Following the recommendations of the Royal Commission into Aged Care Quality and Safety, the Australian Government committed to having 24/7 registered nurses in all aged care facilities from 1 July 2023. The Government also committed to introducing a mandatory 200 minutes of care time per resident per day, to start in October 2023, increasing to a mandatory 215 minutes from October 2024. Other changes include providing tailored support for older people with disability, and redesigned in-home aged care to meet the changing needs of older Australians (DoHAC 2022c). In the 2022–23 Budget, the Australian Government allocated $48.5 million for 15,000 additional aged care training places for new and existing personal care workers (DoHAC 2022b).

- In 2022, the Australian Parliament passed changes to the NDIS to make the scheme simpler and more straightforward, and to remove some of the legislative barriers that have affected participant experiences. These changes are designed to support greater and faster access to services (NDIS 2022b). The Australian Government also set up the NDIS Review and is seeking to implement the recommendations and findings of the Disability Royal Commission to improve disability services and support.

For more information, see:

  - the 2022 NDIS legislation amendments at https://www.ndis.gov.au/news/7975-2022-ndis-legislation-amendments-july-update
  - the NDIS Review at https://www.ndisreview.gov.au/about
  - the Disability Royal Commission at https://disability.royalcommission.gov.au/.

- The Australian Government will spend around $4.5 billion to deliver more affordable child care by increasing Child Care Subsidy rates from July 2023; it is also taking measures to improve conditions for the Early Childhood Education and Care sector. The Productivity Commission was tasked to undertake a comprehensive inquiry into this sector and provide recommendations to reduce barriers to workforce participation (DoE 2023).

All of these reforms are expected to increase demand for skilled workers in the welfare workforce.

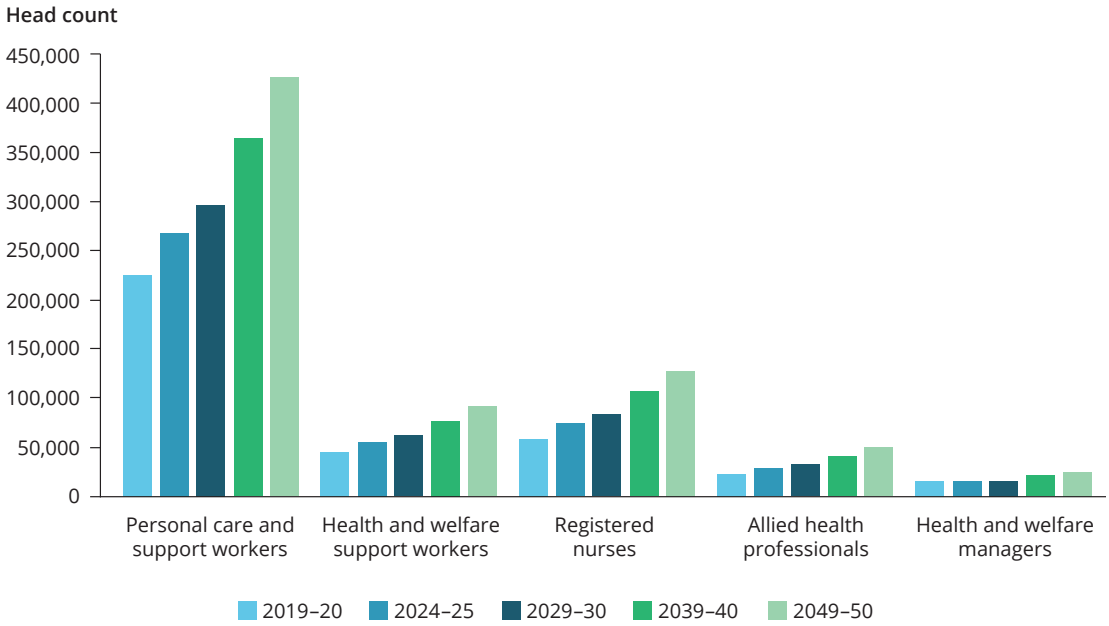
Projected welfare workforce demand

Considering the assumptions and other potential policy changes detailed above, it is predicted that the demand for the welfare workforce will increase substantially in the foreseeable future. By 2049–50, it is estimated that 721,800 welfare workers will be needed. Future demand for the welfare workforce will account for approximately 3.9% of total employment, compared with 2.9% in 2019–20. This will require around 1 in every 25 individuals in the Australian workforce to work in the welfare sector by 2049–50.

From an occupation standpoint, the majority of the welfare workforce will continue to be driven by personal care and support workers (comprising Aged and Disabled Carers and Nursing Support and Personal Care Workers). The number of personal care and support workers is projected to reach around 427,000 in 2049–50 (Figure 9.2) (NSC 2022a).

Figure 9.2: The workforce demand by headcount for Personal care and support workers is expected to reach around 427,000 in 2049–50

Projected care and support workforce (head count), by occupation group, 2019–20 to 2049–50



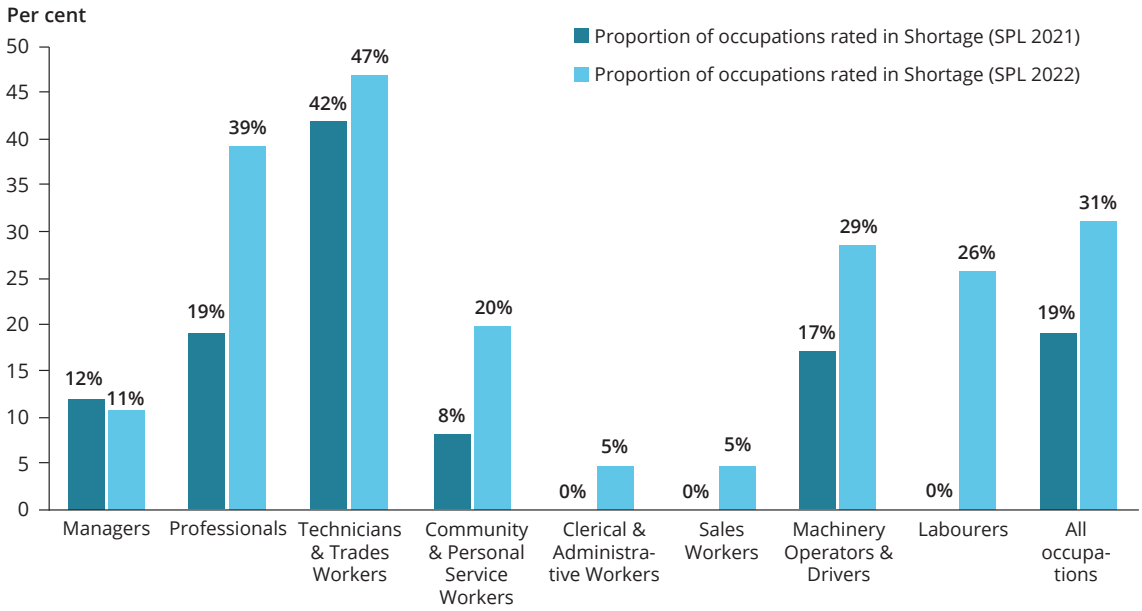
Source: NSC 2022a.

While the demand for the welfare workforce is projected to increase, there is currently a shortage of workers in this sector. The 2022 Skills Priority List report indicates that the Community and Personal Service Worker occupation group saw a higher proportion of occupations in shortage, rising to 20% in 2022 from 8.0% in 2021. Within the Community and Personal Services Workers major group, the Aged or Disabled Carers and Child Care Workers are the largest employing occupation in shortage (Figure 9.3) (NSC 2022b).

As well, according to the May 2023 Labour Market update report by Jobs and Skills Australia, Child Carers and Aged and Disabled Carers are among the top 20 occupations in demand. The report also highlights that these occupations have a significantly above-average job mobility as well as having below average qualified applicants-per-vacancy. The low job retention rate and low number of qualified applicants for these occupations could be driven by the high workloads and work pressures, working conditions and low pay. This suggests difficulties in retaining existing workers in these roles (JSA 2023).

Figure 9.3: In 2022 more occupations were in national shortage compared with 2021

Proportion of occupations in shortage on the 2021 and 2022 Skills Priority List, by major occupation group



SPL = Skills Priority List.

Source: NSC 2022b.

Supply of welfare workforce

Monitoring the supply of the welfare workforce is important to ensure that there are enough workers available to meet the needs of the community. This monitoring includes assessing if there are any shortages or surpluses in the workforce, identifying areas where there may be skill gaps or shortages and understanding trends and patterns in the workforce.

Monitoring also enables organisations to identify areas where they may need to invest in training or development programs, either to build the skills of their existing workforce or to attract new workers.

From 2012, the welfare workforce in Australia grew by 65% to more than 663,000 employees in 2022 (ABS 2023a). This section provides an overview of the characteristics of this workforce.

Factors that influence the supply of the welfare workforce

'Supply' can refer to both the existing workers within the workforce, and also the pool of potential workers in the labour market that may be utilised with further education or reskilling, or by changes to migration settings.

This article discusses the existing welfare workers, and analyses some of these influencing factors – trends in workforce demographics, training and education, average earnings, occupation type and the impact of COVID-19.

Demographics of the welfare workforce

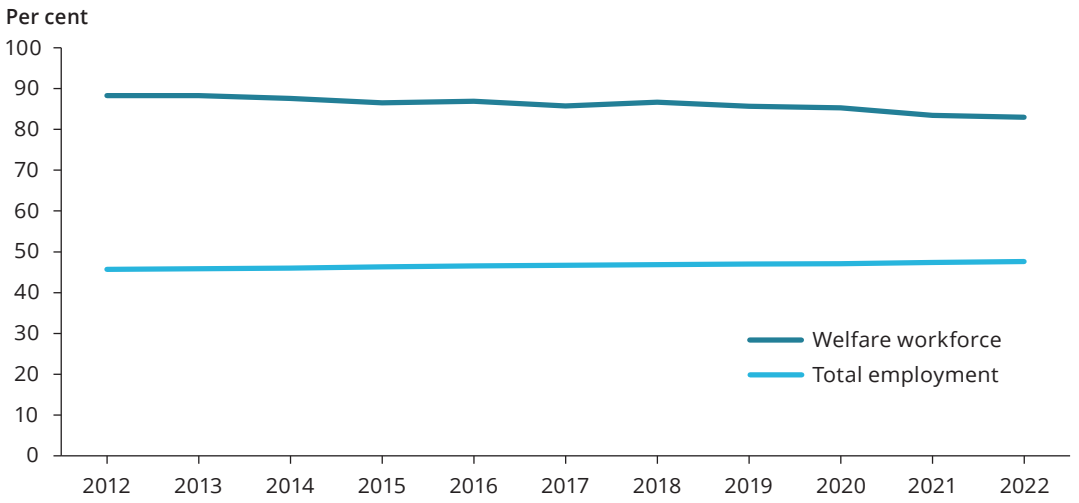
Understanding the supply of the welfare workforce means, firstly, understanding its current composition and how this has changed over time. This section looks at the gender and age profile of this workforce as well as the number of overseas trained workers (the latter being particularly important for increasing supply in the short term). (Note that gender in this analysis reflects differences between men and women, though underlying data may relate to 'sex'.)

Women make up most of the welfare workforce

In 2012, women represented 88% of the welfare workforce and 46% of the total employment. This has changed slightly over time; in 2022, women still made up the majority (83%) of the welfare workforce, and still less than half (48%) of the total employment (Figure 9.4).

Figure 9.4: Women represented 83% of the welfare workforce in 2022

Proportion of females in the welfare workforce and the total employed labour force, 2012 to 2022

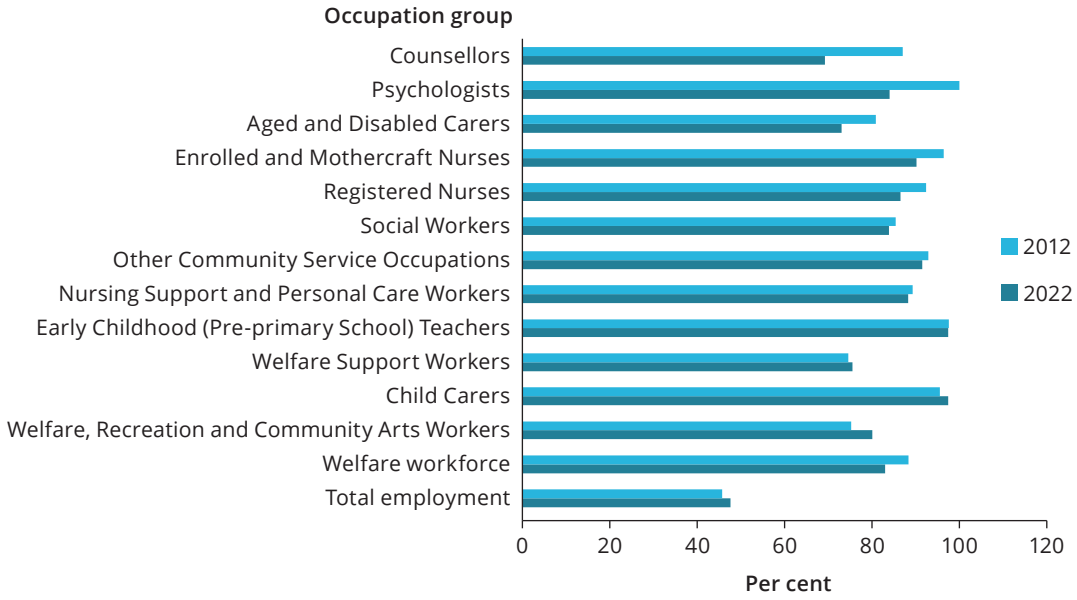


Source: ABS 2023a.

In 2022, Early Childhood (Pre-primary School) Teachers and Child Carers had the highest proportion of female workers, accounting for 97% of the workforce, followed by Enrolled and Mothercraft Nurses with 90%. The proportion of female workers in the Registered Nurses occupation fell from 92% in 2012 to 86% in 2022 (Figure 9.5).

Figure 9.5: In 2022, Early Childhood (Pre-primary School) Teachers and Child Carers had the highest proportion of female workers.

Proportion of women in the welfare workforce, by occupation, 2012 and 2022

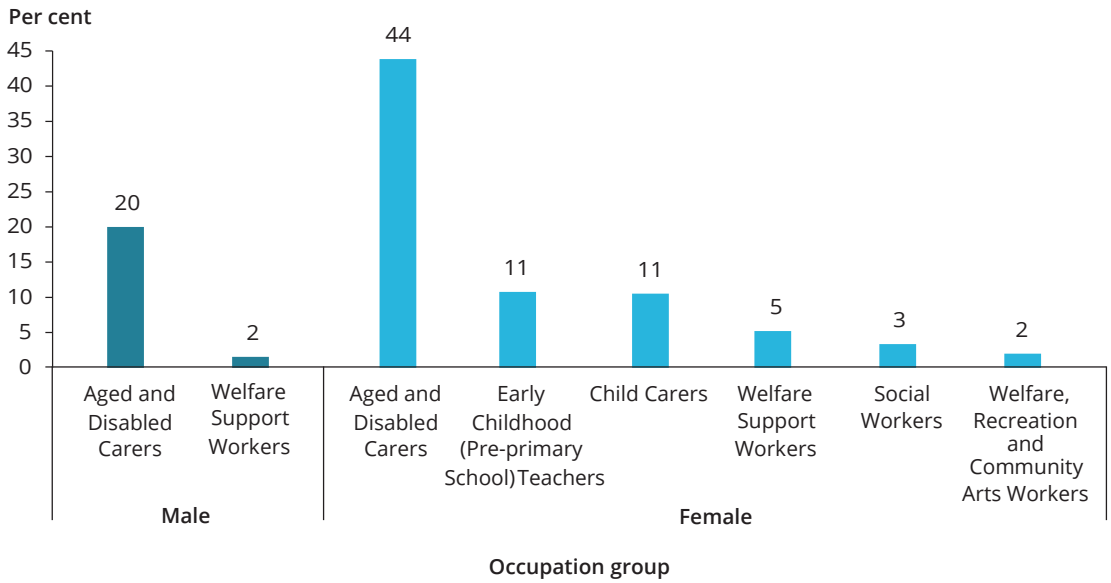


Source: ABS 2023a.

Aged and Disabled Carers is the occupation with the largest welfare workforce. It contributed most (44%) to the growth in female employment from 2012 to 2022 (Figure 9.6).

Figure 9.6: Aged and Disabled Carers contributed 44% to the growth in female employment from 2012 to 2022.

Contribution of male and female workforce to the growth of welfare workforce, 2012 to 2022



Source: ABS 2023a.

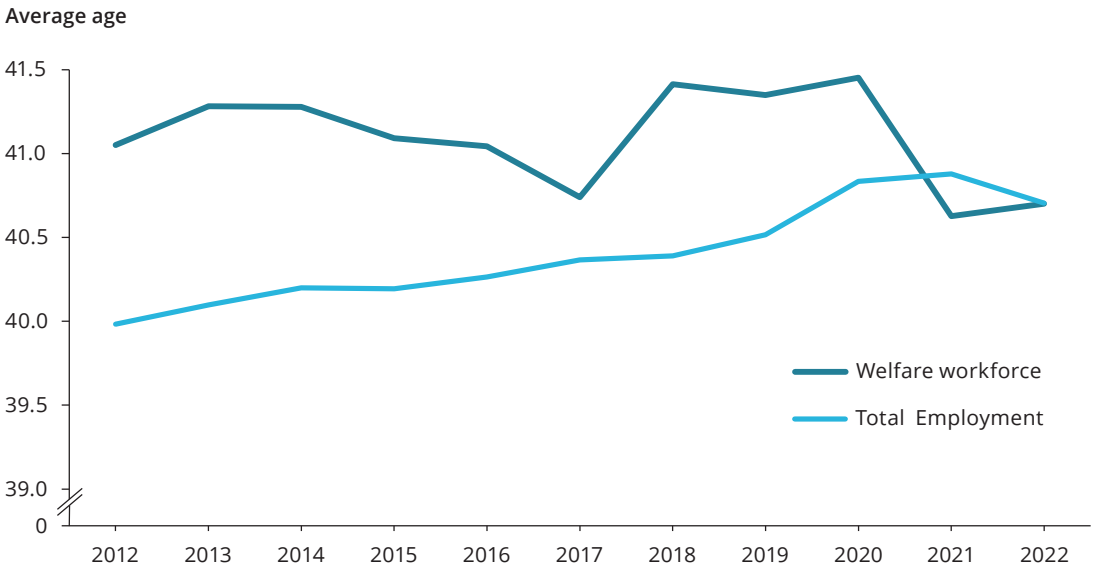
Welfare workforce is getting younger

In 2022, the average age of the welfare workforce was around 41 years, comparable to the average age of all employed people. While the average age of the overall workforce has increased over time, the welfare workforce has become younger. The average age (40.70 years) of the welfare workforce in 2022 fell slightly by 0.35 years compared with the average age in 2012 (41.05 years). Between 2020 and 2021, the average age in the welfare workforce, dropped from 41.5 years in 2020 to 40.6 years in 2021 (Figure 9.7).

In 2022, individuals in the Child Carers occupation had the lowest average age (36 years), while individuals in the Counsellors occupation had the highest (47 years) (Figure 9.8).

Figure 9.7: Average age of welfare workforce has decreased

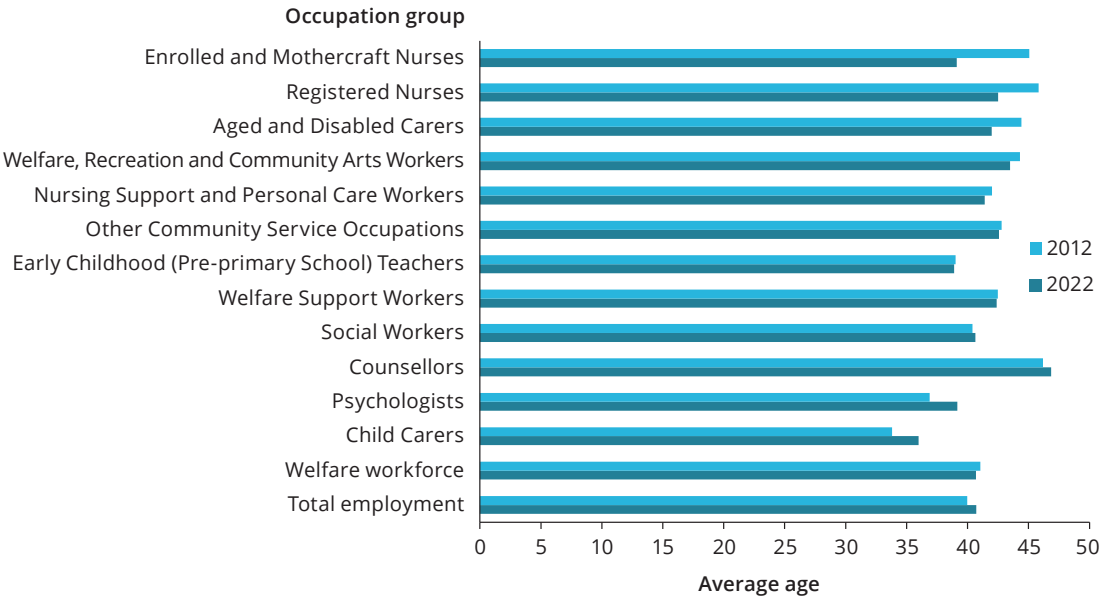
Average age of the welfare workforce and the total employed labour force, 2012 to 2022



Source: ABS 2023a.

Figure 9.8: Individuals in the Child Carers occupation had the lowest average age

Average age by occupation, 2012 and 2022



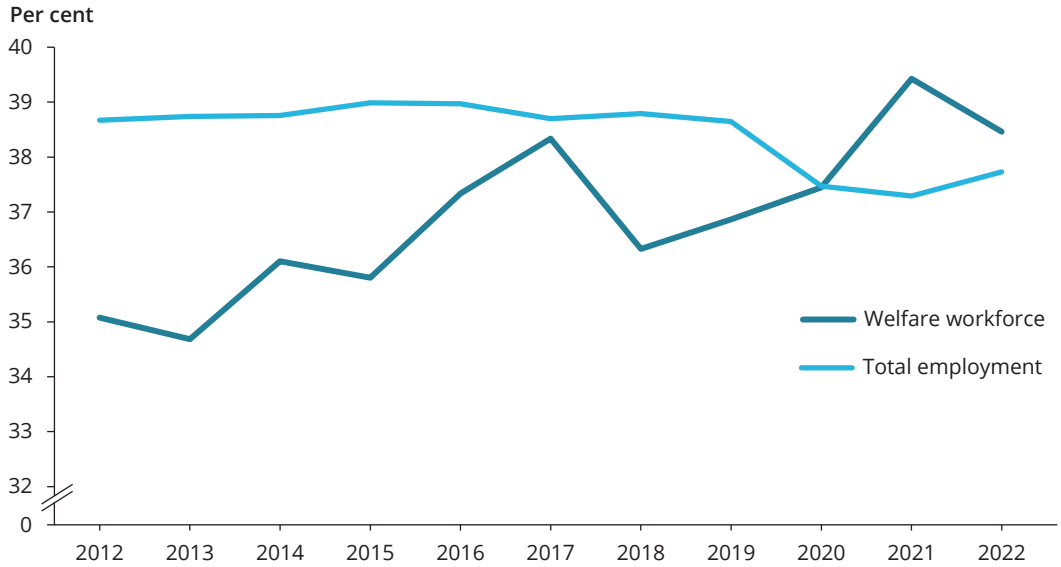
Source: ABS 2023a.

Another way to look at demographics of the welfare workforce is to analyse the proportion of young people (aged 34 and under) in the workforce. Figure 9.9 shows that this proportion has generally increased over time. Both the welfare workforce and the overall workforce had similar proportions of workers aged 34 and under in 2022 (38%). Among the occupations, Child Carers had the highest proportion of workers in this age group (52%), followed by Psychologists (44%). Occupations with the largest fall in average age – Enrolled and Mothercraft Nurses, Registered Nurses, and Aged and Disabled Carers – also had the largest rise in the proportion of young people, with respective increases of 22%, 10% and 10% (Figure 9.10).

During the COVID-19 pandemic, the Australian Government introduced the JobMaker Hiring Credit and the JobTrainer Fund. The JobMaker Hiring Credit scheme was an incentive for businesses to employ additional young job seekers aged 16–35. The Certificate III in Individual Support and the Certificate IV in Disability were among the courses offered for free or at low cost through the JobTrainer fund (NDS 2021). Younger people and people who had lost their jobs during the early stages of the pandemic were encouraged to enrol in these courses.

Figure 9.9: Higher proportion of workers aged 34 and under in the welfare workforce in 2021 due to policy change

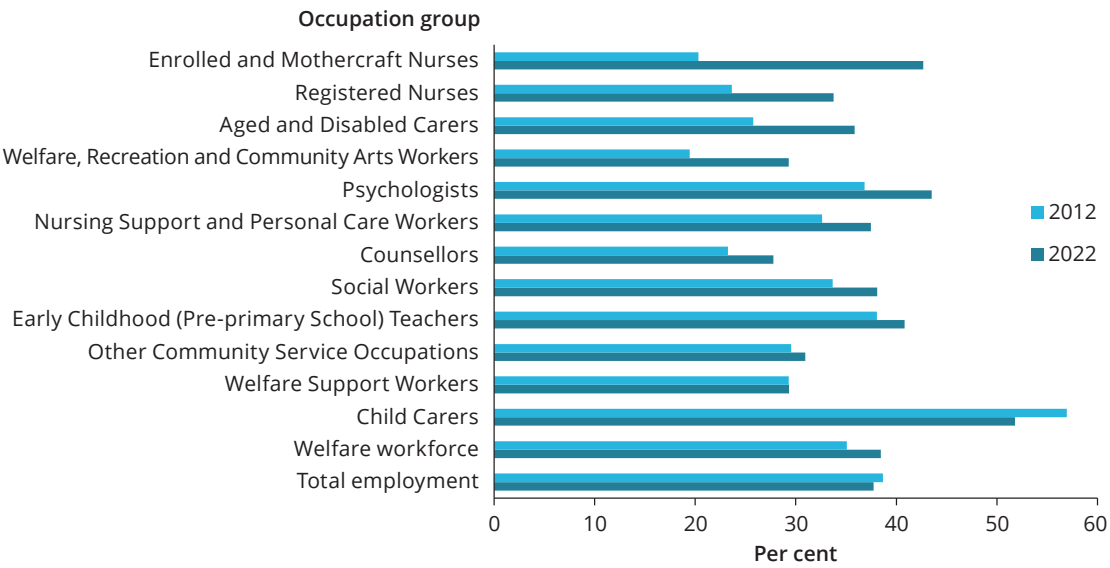
Proportion of welfare workforce aged 34 or under, 2012 to 2022



Source: ABS 2023a.

Figure 9.10: In 2022, 52% of Child Carers in the welfare workforce were aged 34 and under

Proportion of welfare workforce aged 34 or under by occupation, 2012 and 2022

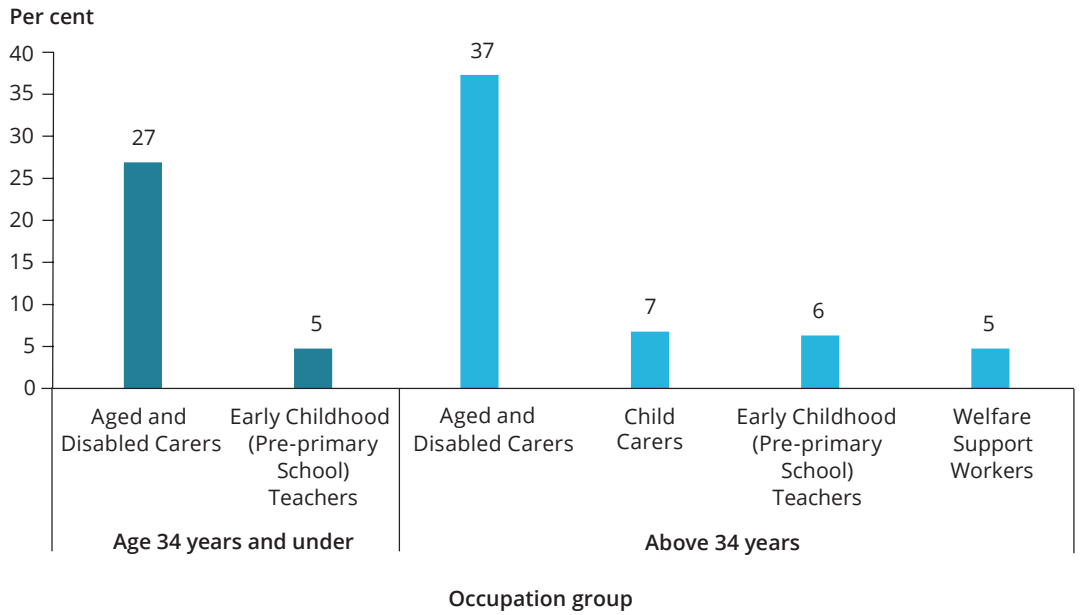


Source: ABS 2023a.

The occupation with the largest welfare workforce is Aged and Disabled Carers; it made the highest contribution (27%) to growth in the younger welfare workforce between 2012 and 2022 (Figure 9.11).

Figure 9.11: Aged and Disabled Carers contributed the most (27%) to the growth of workers aged 34 and under

Contribution of people aged 34 and under, and over 34, to the growth of the welfare workforce, 2012 to 2022



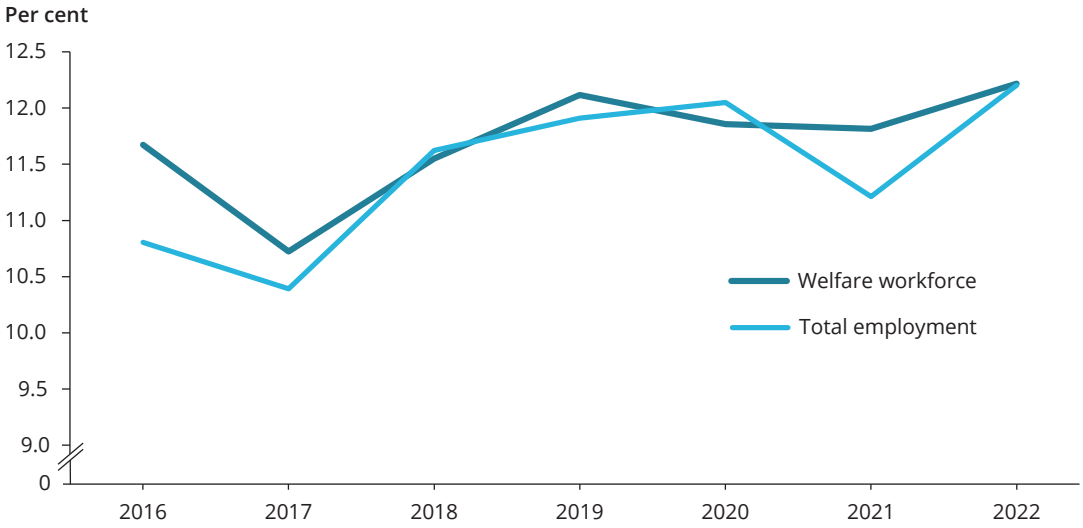
Source: ABS 2023a.

Overseas trained welfare workers increased

The proportion of welfare workers trained overseas increased from 11.7% in 2016 to 12.2% in 2022 – an increase of 23,860 individuals (Figure 9.12). In 2022, the occupations with the highest proportion of workers trained overseas were Nursing Support and Personal Care Workers (18.6%) and Registered Nurses (15.9%) (Figure 9.13).

Figure 9.12: In 2022, the proportion of overseas trained workers in the welfare workforce was similar to that of the total labour force

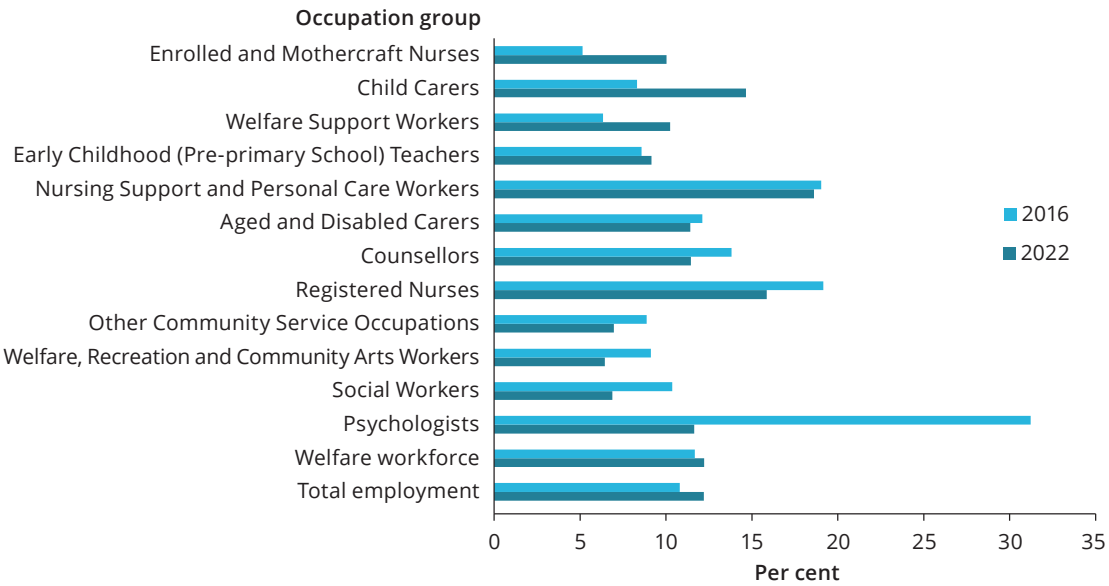
Proportion of overseas trained workers in the welfare workforce, 2016 to 2022



Source: ABS 2023a.

Figure 9.13: In 2022, 18.6% of Nursing Support and Personal Care Workers were overseas trained

Proportion of overseas trained workers, by occupation, 2016 and 2022

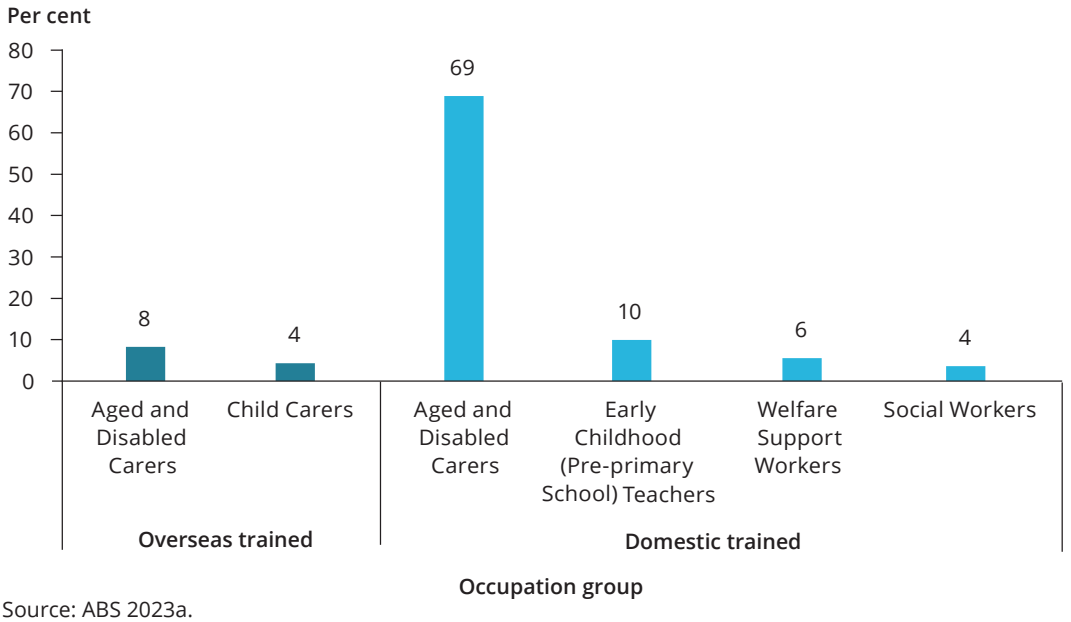


Source: ABS 2023a.

Between 2016 and 2022, overseas trained Aged and Disabled carers accounted for around 8% of the growth of the welfare workforce (Figure 9.14).

Figure 9.14: Between 2016 to 2022, overseas trained Aged and Disabled carers contributed around 8% to the growth of the welfare workforce.

Contribution of overseas and domestic trained workers to the growth of the welfare workforce from 2016 to 2022



Source: ABS 2023a.

Education and type of employment

Overall, the welfare workforce has become more educated, though this varies by occupation. Increased levels of education, in turn, can drive higher wages. The growth in earnings, however, has not been equally distributed by gender.

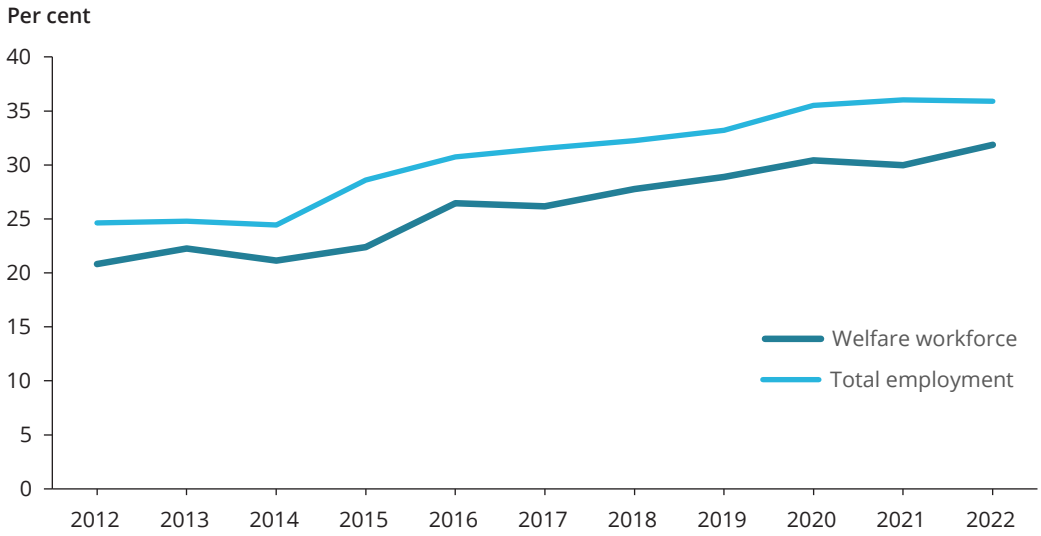
Welfare workforce is becoming more educated

The proportion of the welfare workforce with a bachelor's degree or higher increased between 2012 and 2022. During this time, the number of individuals in the welfare workforce who held a bachelor's degree or higher grew by 53% – which exceeded the equivalent growth in the overall workforce (46%) (Figure 9.15).

In 2022, 56% of Early Childhood (Pre-primary School) Teachers and 20% of Aged and Disabled Carers in the welfare workforce held a bachelor's degree or higher. In the same year, 32% of workers in the welfare workforce and 36% in the overall workforce held a bachelor's degree or higher (Figure 9.16).

Figure 9.15: A 53% growth in welfare workforce staff with bachelor's degree or higher

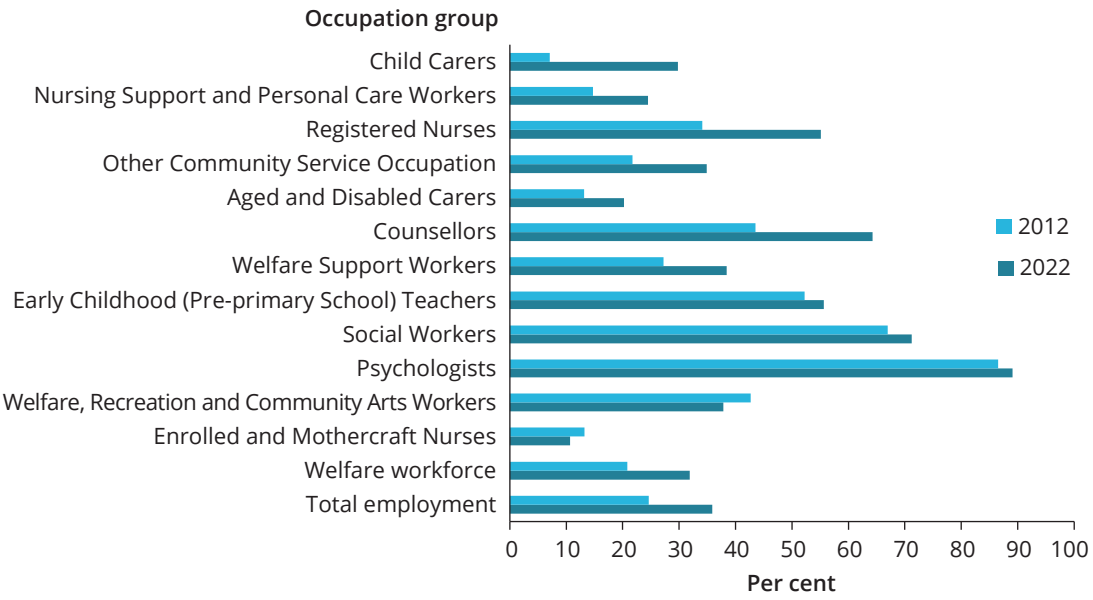
Proportion of welfare workforce with a bachelor's degree or higher, 2012 to 2022



Source: ABS 2023a.

Figure 9.16: Twenty per cent of Aged and Disabled Carers in the welfare workforce had a bachelor's degree or higher in 2022

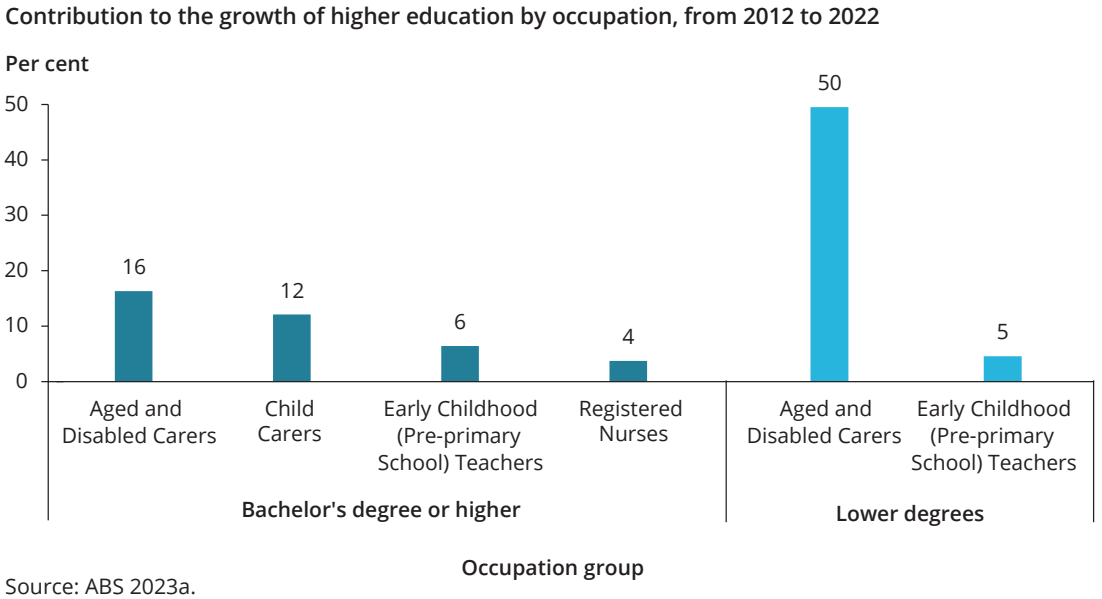
Proportion of welfare workforce with a bachelor's degree or higher, by occupation, 2012 and 2022



Source: ABS 2023a.

From 2012 to 2022, workers with a bachelor's degree or higher in the Aged and Disabled Carers occupation contributed to 16% of the growth in staff with a bachelor's degree or higher in the welfare workforce, despite accounting for only 3% of the welfare workforce in 2012 (Figure 9.17).

Figure 9.17: Aged and Disabled Carers occupation contributed most to the growth of higher education in the welfare workforce from 2012 to 2022



Source: ABS 2023a.

Vocational qualification

In 2022, the Aged and Disabled Carers (26%) and Nursing Support and Personal Care Workers (28%) occupations had the highest proportion of welfare workers with a vocational qualification; however, the proportion of workers with a vocational qualification had fallen from 22.5% in 2012 to 19.5% in 2022. During this same period, the proportion of Early Childhood (Pre-primary School) Teachers with a vocational qualification increased by 9.6% while Aged and Disabled Carers with a vocational qualification fell by around 2%.

Average earnings have increased

The average hourly earnings for welfare workers (community service occupations in community service industries) was $35 in 2021, while workers in the non-welfare workforce (non-community service occupations in non-community service industries) earned $45 per hour (Figure 9.18).

As of 2021, Registered Nurses continued to earn the highest average hourly wage ($50) among welfare workers, while Child Carers earned the lowest, at $28 per hour. In the same year, occupations such as Social Workers, Welfare Support Workers, and Counsellors had hourly earnings of $44, $41 and $43, respectively (Figure 9.19).

From 2012 to 2021, hourly earnings for the welfare workforce grew by 8.7% but fell by 6.1% for these occupations in non-welfare industries. This does not reflect a fall in wage rates, however, but rather changes in the composition of the workforce.

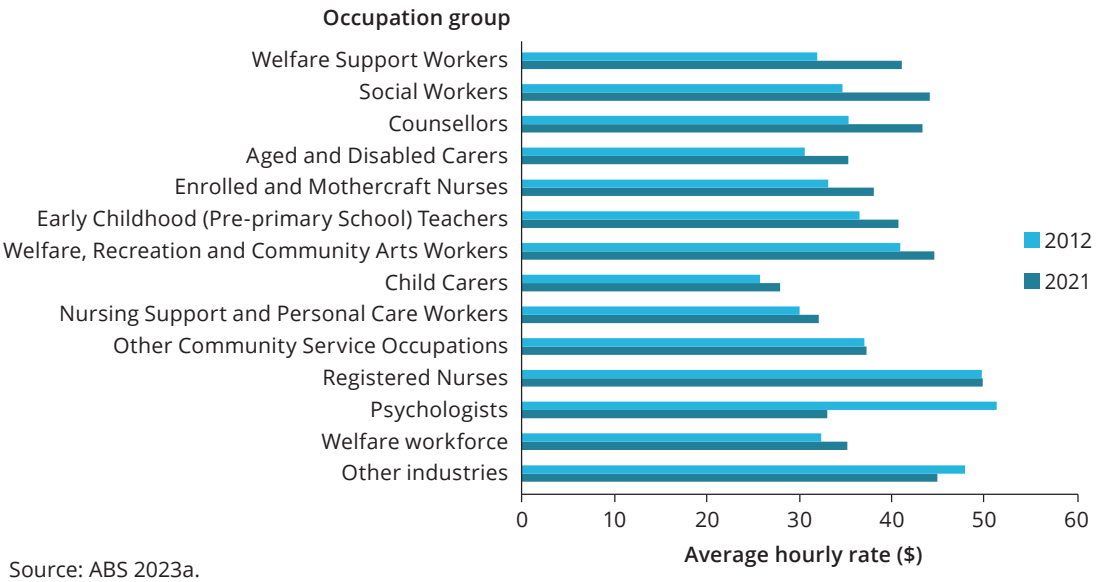
Figure 9.18: Average hourly rate is lower in the welfare industry than in the non-welfare industry

Average hourly rate in the welfare workforce and non-welfare workforce, 2012, 2018 and 2021

Note: Data for Social Workers and for Early Childhood (Pre-primary School) Teachers are from 2018 (not 2021).
Source: ABS 2023a.

Figure 9.19: In 2021, the average hourly wage for Registered Nurses was $50

Aveage hourly rate in the welfare workforce, by occupation, 2012 and 2021

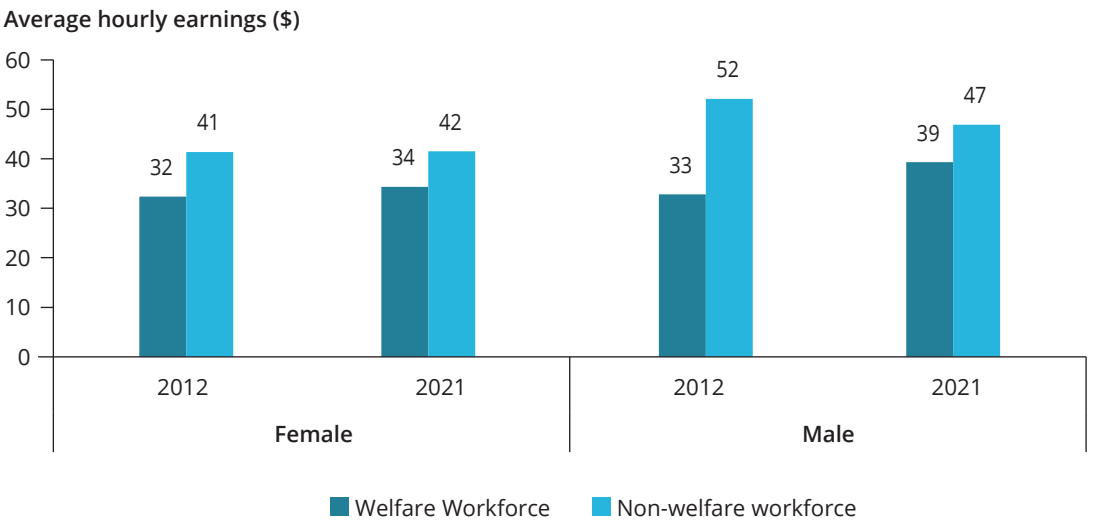


Source: ABS 2023a.

In 2012, male workers in the welfare workforce in the welfare sector earned $33 per hour compared with $32 per hour for female workers (using the constant price of 2021 dollars). However, in 2021, male workers were had higher hourly earnings than female workers, with males earning $39 per hour and females, $34 (see Figure 9.20). The average hourly earnings had increased by 6% for female workers but by 20% for male workers.

Figure 9.20: Men's average earnings in the welfare workforce increased more than women's

Average hourly rate in the welfare workforce, by sex, 2012 and 2021

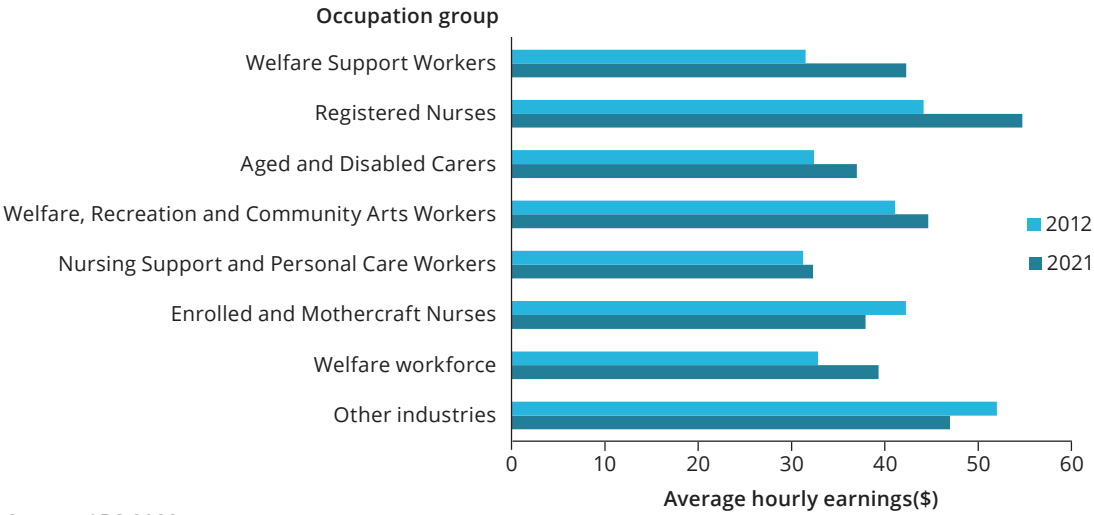


Note: Data of earnings for men and women are not available for all occupations.
Source: ABS 2023a.

When analysing the average hourly earnings by occupation in the welfare workforce, it was observed that, in 2021, men had higher average hourly earnings than women. For instance, men working in the Aged and Disabled Carers occupation had average hourly earnings of $37, while women earned $35 per hour. Similarly, male Registered Nurses had average hourly earnings of $55 compared with $49 for female Registered Nurses (figures 9.21 and 9.22). (Note that the difference observed for hourly earnings for Registered Nurses is based on average earnings so may not take into consideration different salary increments within a profession.)

Figure 9.21: In 2021, men working in the Aged and Disabled Carers occupation had average hourly earnings of $37

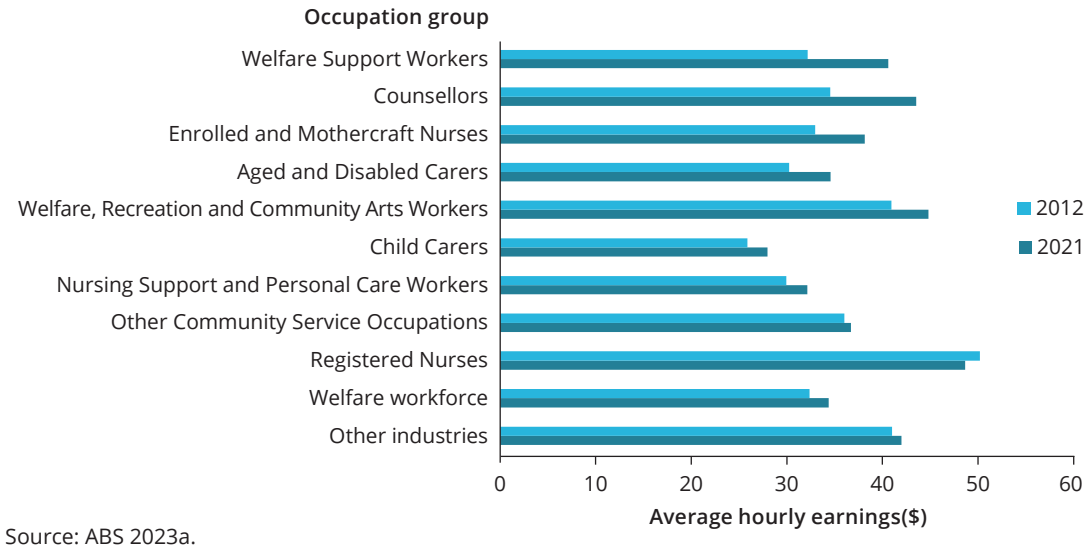
Men's average hourly earnings in the welfare workforce by occupation, 2012 and 2021



Source: ABS 2023a.

Figure 9.22: In 2021, women working in the Aged and Disabled Carers occupation had average hourly earnings of $35

Women's average hourly earnings in the welfare workforce by occupation, 2012 and 2021



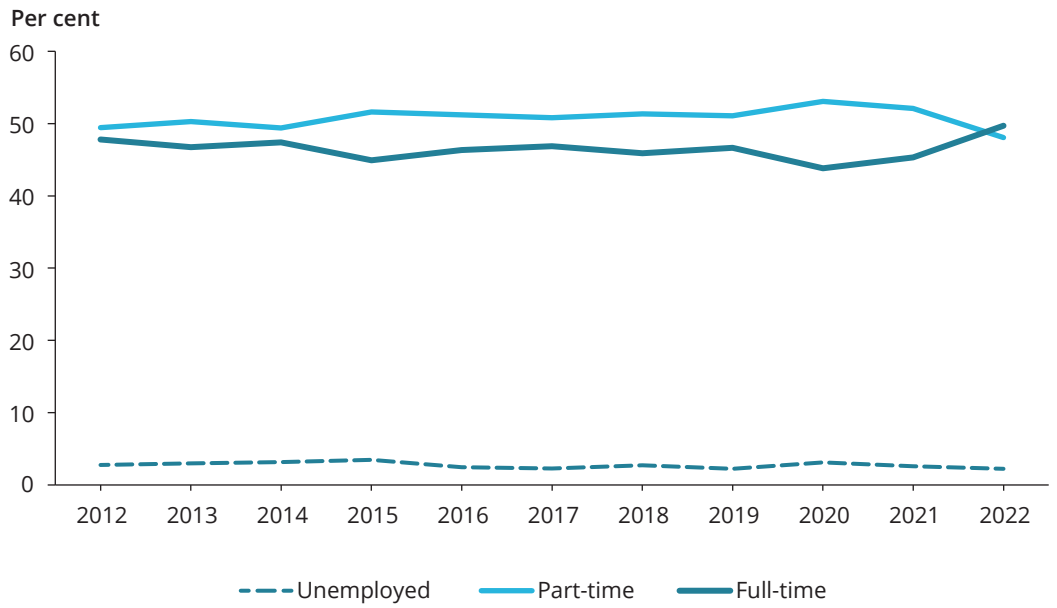
Source: ABS 2023a.

More full-time than part-time workers

The proportion of part-time workers in the welfare workforce fell from 53% in 2020 to 48% in 2022, while the proportion of full-time workers (who typically work 35 or more hours per week in all jobs, increased over the same period (Figure 9.23). This change coincided with the COVID-19 pandemic, which caused a greater reduction in the number of part-time than full-time welfare workers; it may also have resulted from Australia's extended international border closure, which restricted the supply of overseas trained workers (NSC 2022). In 2019, the proportion of individuals working part time in the welfare workforce was 51%, compared with 48% in the total employment. In 2022, these proportions fell to 48% and 45%, respectively.

Figure 9.23: More of welfare workforce is working full time

Proportion of welfare workforce, by type of employment, 2012 to 2022

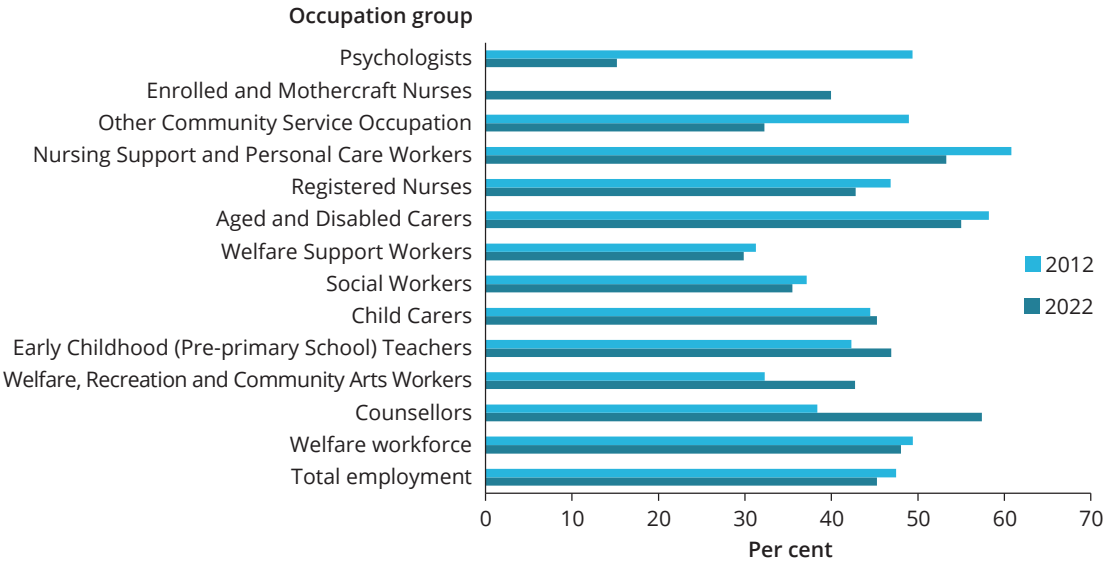


Source: ABS 2023a.

As shown in Figure 9.24, in 2022, Counsellors (57%) was the occupation with the largest proportion of workers working part time, followed by Aged and Disabled Carers (55%).

Figure 9.24: In 2022, 55% of Aged and Disabled Carers were working part time

Proportion of part-time workers in the welfare workforce by occupation, 2012 and 2022



ABS 2023a.

Supply of the welfare workforce by occupation

Aged care workforce

The following analyses are based on the Department of Health 2020 Aged Care Workforce Census (DoHAC 2021). The purpose of this census was to offer a periodic snapshot of the aged care sector workforce to inform the Australian Government and the sector on its size, growth, characteristics and skill sets.

As a result of the COVID-19 pandemic, this census did not collect data directly from individual workers in the aged care sector. Instead, aged care providers completed the census for their workforce as at November 2020. Hence, demographic information is based on what these aged care providers knew.

A total of 1,329 residential aged care (RAC) facilities (49%), 616 Home Care Packages Program (HCPP) providers (47%) and 505 Commonwealth Home Support Programme (CHSP) providers (38%) responded to the survey across various aged care planning regions.

Key characteristics of the aged care workforce in 2020

Number of employees: As of 2020, 208,903 direct care workers (including nurses, personal care workers and allied health staff) were employed in the aged care sector in RAC facilities, 64,019 in HCPP providers and 59,029 in CHSP providers – a combined total of 331,951 direct care workers. The largest group of direct care workers across all 3 service types are personal care workers. (Note that where staff work for multiple providers or across different service types, these numbers may overestimate the actual size of the workforce.)

Gender of employees: The aged care workforce remains predominantly female, with women making up 86% of all workers in RAC facilities. The proportion of male nurses (6%) and personal care workers (11%) in HCPP providers was lower than that for RAC facilities (14% for both).

Age of employees: In 2020, around half of RAC workers were aged under 40 and around 33% of HCPP workers were aged under 40.

Educational level: In 2020, 66% of personal care workers held a Certificate III or higher in a relevant direct care field. (Direct care workers are people who work directly with individuals in need of care. They provide hands-on assistance, support and care to individuals who need help with their daily living activities.)

Country of origin: In 2020, about 35% of the total RAC workforce had a culturally and linguistically diverse (CALD) background (that is, from non-English speaking countries). Similarly, 21% of the direct care workers in HCPP providers had a CALD background.

Part-time work: Direct care workers are increasingly working part time. In 2020, 93% of RAC workers and 91% of HCPP workers were doing part-time jobs.

Disability workforce

The NDS Workforce Census is an annual survey conducted by National Disability Services (NDS) in Australia to gather data and glean insights on the disability workforce. These census data are distinct from the workforce data collected by the ABS Workforce Survey, which relies on ANZSCO classifications.

The disability sector itself designed the NDS Workforce Census to provide relevant, useful and up-to-date information on disability support workers and allied health workers. The census report for 2023 provides information on the characteristics of the disability workforce, including age and employment status for the 2022 calendar year. The 2023 census received responses from 437 providers representing 86,343 workers (NDS 2023). The following workforce attributes were reported in the NDS Workforce Census 2023.

Permanent work: The percentage of the disability workforce in permanent roles is approximately 59%, with 80% of permanent workers working part time.

Casualisation: There is an increase in casual employees with 39% of the workforce working casual roles, up from 31% in 2020.

Average hours worked: The average number of hours worked per week are increasing with workers working an average 22.6 hours per week, up from 18.9 hours in 2021.

Age of employees: The majority of the disability workforce is aged between 25 to 44 years old (51%), followed by workers over 55 (20%), 45 to 54-year-olds (20%) and 14 to 24-year-olds (9%).

Child care workforce

Early childhood education and care services workforce

The early childhood sector includes a range of early childhood education and care (ECEC) services, such as preschool, centre-based day care, kindergarten, family day care, in-home care, childminding services and before- and/or after-school care or vacation care. In 2022, 173,619 staff were employed as ECEC workers in community service industries. Almost three-quarters (71%) of the ECEC workforce were Child Carers; the remaining 29% were Early Childhood (Pre-primary School) Teachers (ABS 2023a).

Key characteristics of the ECEC workforce

Data from the ABS Labour Force Survey (ABS 2023a) estimated that, in 2022:

- under two-thirds (61.6%) of the ECEC workforce were employed in Child Care Services, followed by Preschool Education (37.7%), Other Social Assistance Services (0.6%) and Residential Care Services (0.1%)
- the majority of the total ECEC workforce was female (96.8%)
- the average age of Child Carers was 35.9, and 38.9 for Early Childhood (Pre-primary School) Teachers – both younger than the average age (41) of the overall workforce
- only 2.1% of child carers were Aboriginal or Torres Strait Islander (First Nations) people, compared with 2.3% for the welfare workforce and 1.3% for the overall workforce

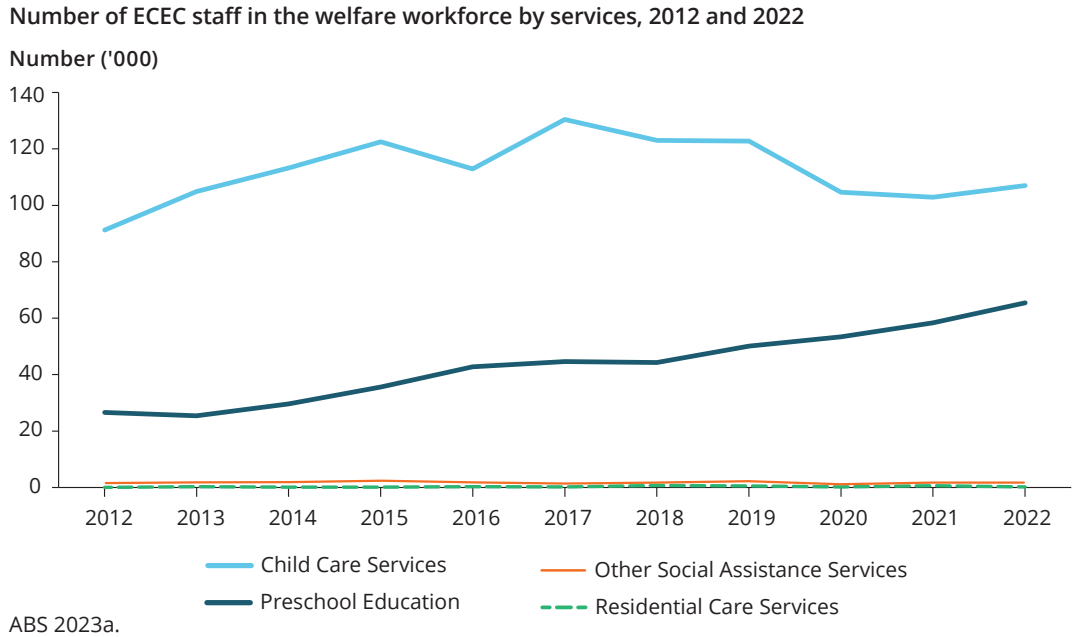
- the majority of ECEC staff (82.2%) had an educational qualification; 37.3% had a bachelor's degree or higher, 23.4% had an undergraduate diploma and 17.2% had skilled vocational qualifications
- the proportion of workers with a bachelor's degree or higher was higher among Early Childhood (Pre-primary School) Teachers, at 56%, than in the welfare workforce (32%) and in the overall labour force (36%)
- the proportion of ECEC staff employed full time was slightly higher than the proportion employed part time (53% compared with 47%)
- 13.0% of the ECEC workforce were overseas trained migrants/migrant workers compared with 11.9% in the previous year.

Changes in the ECEC workforce over time

Between 2012 and 2022:

- the ECEC workforce had an annual average increase of 4.1%; ECEC staff employed in Preschool Education services had an annual average increase of 9.7% (Figure 9.25)
- the proportion of female staff in the ECEC sector remained stable at over 95%
- the average age of Child Carers increased from 33.7 in 2012 to 35.9 in 2022
- the proportion of ECEC staff having skilled vocational qualifications dropped by 4.4%, while those having a bachelor's degree or higher increased by 21.3% points
- the proportion of overseas trained migrants/migrants workers in the total ECEC workforce increased from 8.4% in 2016 to 13.0% in 2022.

Figure 9.25: Pre-school education is growing faster than other services



ABS 2023a.

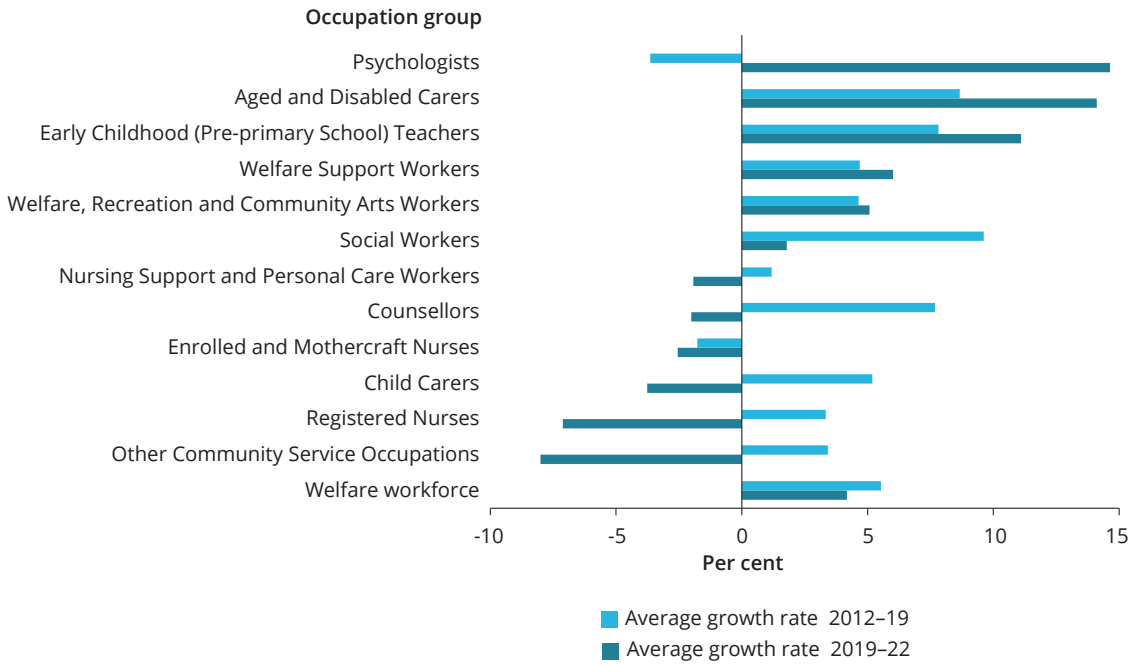
For more information on ECEC, see the 2021 Early Childhood Education and Care National Workforce Census report (DoE 2022a).

Impact of the COVID-19 pandemic on the supply of the welfare workforce

The impact of the COVID-19 pandemic on the growth of the welfare workforce was analysed by comparing ABS Labour Force Survey data from 2 periods: 2012 to 2019, and 2019 to 2022. While the annual growth rate for the total welfare workforce between 2019 and 2022 was lower (4.2%) than that between 2012 and 2019 (5.5%), some occupations such as Aged and Disabled Carers and Early Childhood (Pre-primary School) Teachers saw an increase in annual growth compared with the pre-pandemic period (Figure 9.26).

Figure 9.26: Psychologists and Aged and Disabled Carers occupation had the highest growth during the pandemic

Annual growth by occupation, pre-pandemic period compared with pandemic period

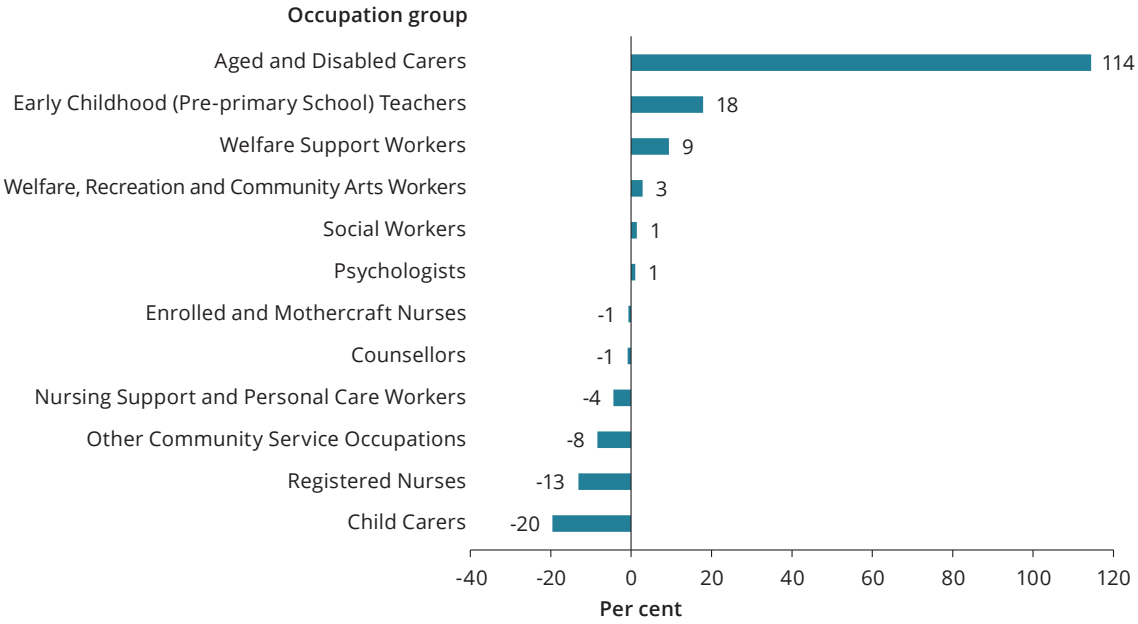


ABS 2023a.

Aged and Disabled Carers made the largest contribution to growth during the pandemic (2019 to 2022), accounting for 114% of the growth during this period (as shown in Figure 9.27).

Figure 9.27: Aged and disabled carers made the largest contribution to growth in the welfare workforce during the COVID pandemic

Contribution to growth of the welfare workforce by occupation, from 2019 to 2022



Source: ABS 2023a.

Impact of COVID-19 on welfare workforce demographics

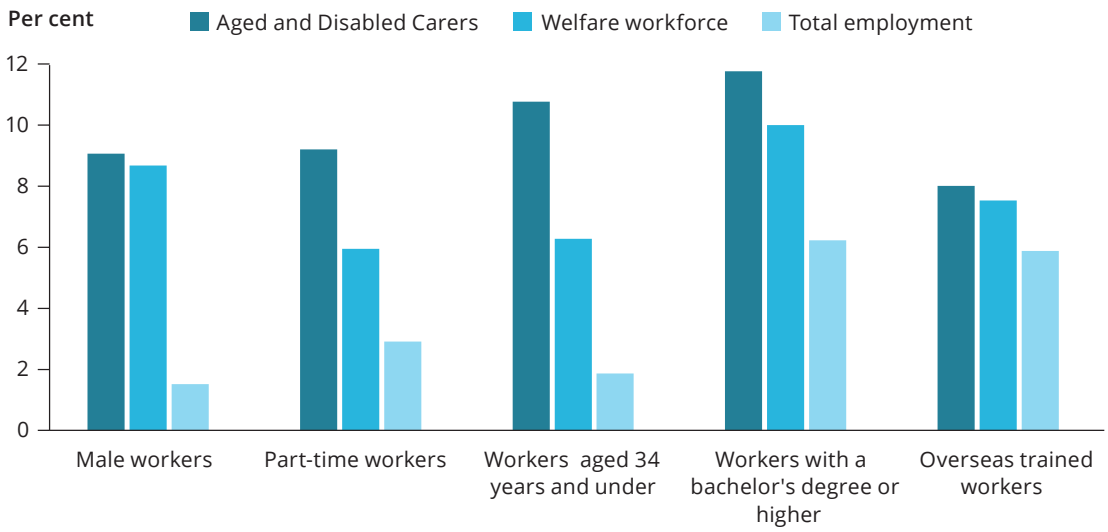
The Aged and Disabled Carers workforce was the main driver of the growth of the welfare workforce between 2019 and 2022 – it increased from around 180,500 in 2019 to more than 268,000 in 2022. The high demand for staff in this occupation has resulted in some substantial demographic changes, including an increase in the number of male workers and a greater proportion of young people.

Before the COVID-19 pandemic (2012 to 2019), the annual average growth rates for male workers and staff aged 34 and under in the Aged and Disabled Carers workforce were 9.1% and 10.8%, respectively (Figure 9.28), compared with 27% and 22% during the pandemic period from 2019 to 2022 (Figure 9.29).

However, the proportion of overseas workers in the welfare workforce declined compared with that in the overall workforce. (Note that Aged and Disabled Carers represented a subset of the total welfare workforce.)

Figure 9.28: Pre-pandemic, the annual growth rate of male workers in the Aged and Disabled Carers workforce was 9.1%

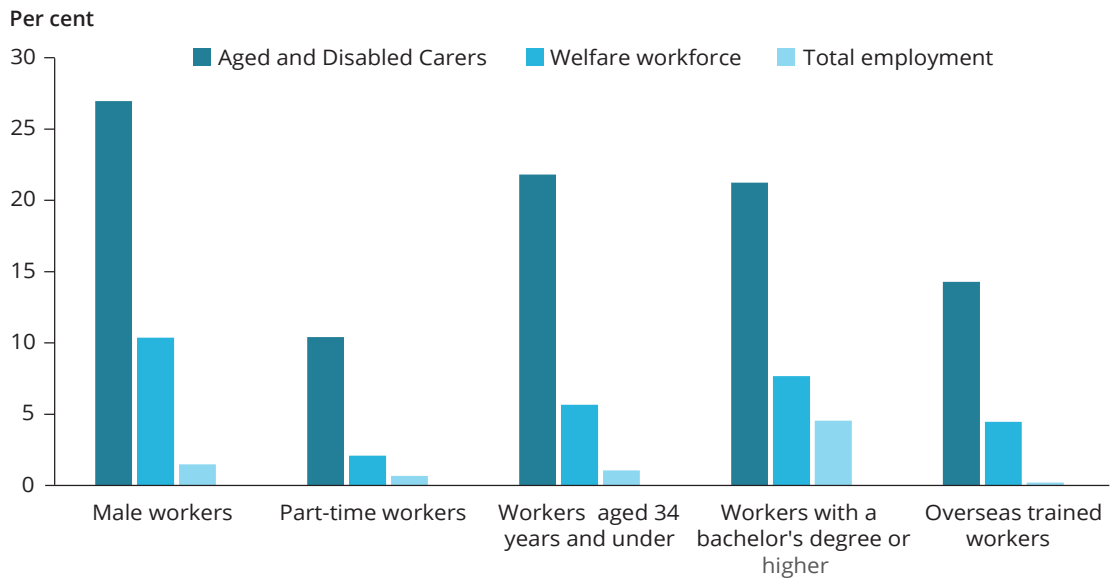
Pre-pandemic annual growth rates, selected groups from 2012–2019



Source: ABS 2023a.

Figure 9.29: Increase in annual growth rate of male workers in the Aged and Disabled Carers workforce

Pandemic annual growth rates, selected groups from 2019–2022



Source: ABS 2023a.

Impact of the COVID-19 pandemic on supply by occupation

The welfare workforce provides essential services to people in need. The impact of the pandemic on the welfare workforce varied by occupation. Aged Care and ECEC services reported substantial pressures due to staff shortages exacerbated by COVID-19, while Disability Support services reported financial hardship due to clients cancelling shifts.

Aged care workforce

The COVID-19 pandemic heavily affected the aged care sector. Aged care residents had higher rates of COVID-19 outbreaks, more severe illness and more deaths. Social distancing and visitor restrictions introduced during the pandemic had a huge impact on the informal support the residents received. Support from volunteers and family members was reduced, and aged care workers had to undertake additional tasks and roles to fill these gaps. For a workforce already under pressure with staff shortages, low pay and poor working conditions, this was difficult for many. Aged care workers reported feeling distressed, detached and devalued during the pandemic (Tierney et al. 2022).

The Australian Nursing and Midwifery Federation surveyed workers in early 2022 on the impact of COVID-19 on the aged care workforce. Based on the responses of the 985 participants who completed the survey, it was found that an estimated 21% of workers intended to leave their employment within the next 12 months, and 37% within the next 1–5 years (ANMF 2022).

The previous Australian Government had put some 'stop gap' measures in place to retain and grow the workforce during the pandemic. These measures included:

- the JobMaker Hiring Credit scheme (an incentive for businesses to employ additional young job seekers aged 16–35)
- the JobTrainer Fund (adding the Certificate III in Individual Support to those courses being offered for free or at low cost)
- deployment of Australian Defence Force personnel where needed to support the aged care workforce (CEDA 2022).

Disability workforce

The COVID-19 pandemic presented many challenges for disability service providers and their workforce. Pre-existing workforce issues – such as workforce supply shortages, staff working across multiple sites, high turnover rates, and insufficient time and resources for training of staff – were exacerbated during the pandemic (Cortis and Toorn 2020).

The COVID-19 pandemic highlighted the need for ongoing support and investment in the disability workforce. Training in disability-specific infection control was developed with the sector following a review in July 2022. Infection control webinars were also held between July and September 2022 for the disability workforce. As well, disability service providers have developed the capacity to handle workforce shortage and

prepare for potential future COVID-19 outbreaks (NDIS Quality and Safeguards Commission 2022).

The pandemic created many hurdles for the disability sector, but there were also some positive developments (Box 9.2). As Australia moves to 'COVID Normal', it is important that lessons are learnt from the pandemic experience to date, and that a clear strategy is developed that supports the sector with workforce issues and prepares it for future outbreaks (Stamet 2021).

Box 9.2: Positive impacts of COVID-19

- **Recognition of the importance of support work:** In the early stages of the pandemic, the disability workforce was not clearly defined as an essential workforce. Advocacy by many, including the NDS, ensured that this workforce was included on the list of workers providing an essential service.
- **Allowance for international students to work more than 40 hours per fortnight:** Temporary relaxation of the cap on working hours for international students working for an aged care or NDIS provider meant that they could work more than 40 hours per fortnight.
- **Government support to keep and grow the workforce:** Besides the JobKeeper payment and the JobMaker Hiring Credit, the Australian Government also put in place the JobTrainer Fund. The Certificate III in Individual Support and Certificate IV in Disability were among the courses offered for free or at low cost through this fund.
- **Increased use of technology:** Physical restrictions imposed on working arrangements by the pandemic meant that the welfare workforce had to make greater use of technology. Through the increased frequency of these online communications, virtual cultural initiatives and daily catch-ups (through tools such as Zoom, Teams and email), employees across the Australian workforce felt more connected and more able to contribute than ever before (NDS 2021).

Early childhood education and care workforce

During the pandemic, ECEC services were deemed to be essential to the economy. In Australia, most ECEC services were kept open during the pandemic, except for those in Victoria, which were closed for 6 weeks to everyone except documented essential workers (Logan et al. 2021). When ECEC staff were infected or isolating, many centres were left with insufficient staff to open all rooms (De Courten et al. 2021). Moreover, concerns for health and safety, staffing issues and the increasing number, frequency and rigour of cleaning and hygiene negatively affected the wellbeing of ECEC staff and contributed to many leaving the workforce (Logan et al. 2021). The job vacancy rates in the ECEC sector were around 50% higher during the pandemic than they were before the pandemic (De Courten et al. 2021).

Challenges in attracting, training and retaining a welfare workforce

The increase demand for welfare workforce have created challenges for the sector in attracting, training and retaining a sufficient workforce. With some parts of the sector already facing skills shortage and high staff turnover, it is crucial to adapt and adopt strategies that will improve the capacity of the workforce to meet future needs.

The key challenges in attracting and retaining workers stem from:

- a poor sector reputation
- poor working conditions, including high client–staff ratios
- a lack of career paths and professional development opportunities
- low rates of remuneration (NSC 2022a).

In consultation with Workforce Innovation and Development Institute (WIDI) stakeholders have also consistently identified a lack of support through supervision, and concerns about safety and wellbeing.

In 2020, RAC facilities reported a total of 9,404 vacancies in direct care roles. In the same year, estimated vacancies for direct care roles in HCPP and CHSP providers were 6,479 and 6,117, respectively. Personal care workers made up almost half of the total vacancies (Table 9.3) (DoHAC 2021).

Table 9.3: Vacancies in aged care, 2020

			Total Vacancies
Job role	Residential Aged Care	Home Care	Commonwealth Home Support
Nurse Practitioner	21	24	20
Registered Nurse	1,995	297	282
Enrolled Nurse	829	124	154
Personal Care Worker	6,212	5,817	5,307
Allied Health Professional	202	197	327
Allied Health Assistant	145	20	27

Source: DoHAC 2021.

As well, the number of exits from the welfare workforce in the recent years has increased. People aged 18 to 39 were more likely to change employers or leave the sector. The top 3 reasons given for leaving the community service sector were:

- to develop new skills
- to pursue more career opportunities (not enough in the sector)
- to try something different (HESTA 2021).

According to the WIDI, remuneration and access to training and development are also factors contributing to exits from the workforce.

Some strategies to rebuild the aged care workforce include:

- increasing award wages in the sector
- recruiting personal care workers directly, by adding them to the temporary or permanent skilled migration lists. For more information refer to the recently announced Aged Care Sector Labour Agreement (DoHAC 5 May 2023).
- providing better career pathways and working conditions
- developing low-cost re-training options for people returning to the industry to boost skills and attract workers
- investing in new technologies to improve productivity (CEDA 2022).

Initiatives to meet these challenges

Already, the Australian Government has implemented several measures to mitigate the shortage of aged care workers, including a wage increase. The Fair Work Commission made an interim decision to increase the award wages of aged care workers in direct care roles by at least 15% (Fair Work Ombudsman 2023).

The Australian Government is also funding a number of programs to build, train and support the aged care workforce, for example:

- setting up the Aged Care Registered Nurses' Payment (a payment of up to $6,000 for Registered Nurses working with the same employer in aged care for set eligibility periods)
- introducing fee-free TAFE and additional university places to support an increase in the aged care workforce. The fee-free TAFE program is available for individuals seeking education and training in the care workforce. It aims to support and prioritise the development of skilled professionals in the care sector by removing the financial barrier to their education and training (DoHAC 2023b).

The Aged Care Workforce Strategy, launched in 2018, is another government scheme designed to tackle the workforce problems facing the aged care sector in Australia. The strategy sets out various measures and plans to create a skilled, diverse and sustainable workforce. Its initiatives to improve workforce planning and development include developing workforce data and research and promoting innovation in workforce practices (DoHAC 2023a).

The Australian Government has developed a plan to meet the workforce needs of the disability sector – the NDIS National Workforce Plan 2021–2025 (the NDIS Workforce Plan). The NDIS Workforce Plan includes initiatives to attract, develop and retain workers, increase access to training and education, and support career development and progression. The plan aims:

- to improve the quality and quantity of workers in the disability sector
- to increase the range of skills and expertise of workers
- to ensure that the needs of NDIS participants are met by a skilled and diverse workforce (DSS 2021)

Additionally the Australian Government committed during the 2022 election, to develop a comprehensive NDIS Workforce Strategy.

The WIDI at the RMIT University in Melbourne is leading the Skills in Employment Project funded through Jobs Victoria, which aims to promote workforce growth and development in the disability and aged care sectors through large-scale workforce recruitment and training. The project is designed to address long-standing challenges in these sectors for creating sustainable recruitment and employment pathways for new workers. The capacity and capability of employers to support and supervise new workers during recruitment, while on the job and in training has also been a long standing issue, that has in-part led to high attrition rates for workers new to these sectors, together with relatively poor retention in training through Registered Training Organisations (RTOs).

The project adopts a work-integrated learning model that enables participants to work while undertaking a Certificate III Individual Support (Ageing) or a Certificate IV Disability. The project utilises a three-way partnership approach that involves the employer, the employee undergoing on-the-job training, and RMIT as the lead training and assessment provider. Large scale recruitment activity is supported through the use of assessment centres, and dedicated workplace mentors are assigned to all workers and their supervisors to support integration of training and work duties, career development and to build organisational capability in supervision.

Through this project, the WIDI is assisting 500 new workers (including experienced workers displaced by COVID-19) to transition to employment in the community service sector. Priority groups include women aged over 45, young people, and long-term unemployed people and people at risk of becoming so. All project participants gain an accredited qualification, providing them with a strong foundation for continued employment within the sector (WIDI 2023b).

Training for the welfare workforce

The welfare workforce in Australia plays a critical role in supporting vulnerable individuals and families. To ensure that this workforce has the necessary skills and knowledge to deliver effective and responsive services, it is essential to provide its workers with appropriate training. However, this endeavour faces some pressing challenges, including:

- *limited resources:* the resources to invest in training programs are limited and there is limited capacity to supervise and support workers who are studying
- *variation in skills and knowledge:* the different levels of skills and knowledge required can make it challenging to design training programs that meet the needs of all workers
- *limited access to training:* people working in remote and regional areas may have access only to limited training opportunities
- *time constraints:* many welfare workers have demanding workloads, with limited time for training and professional development.
- *Financial barriers:* many students need to continue to earn a wage to support themselves while studying, which can act as a barrier to change careers or upskill.

Key focus areas for training

To ensure that the workforce has the skills and knowledge to meet current and future demand, the specific needs and hurdles the sector faces must be considered when designing training programs. The key areas of focus for a training program are:

- *dementia care training*: with increases in the prevalence of dementia among the elderly, this training would provide aged care workers with skills to support residents living with dementia
- *palliative care training*: palliative care is an essential part of end-of-life care. This training would equip workers to provide physical, emotional and spiritual support to residents nearing the end of their life
- *infection control*: infection control is critical in preventing the spread of diseases in aged care facilities
- *cultural competence*: in a multicultural country like Australia, it is essential for staff to have an informed sensitivity to different cultural beliefs, values and practices. Training should focus on cultural awareness, cultural safety and cross-cultural communication. This would provide the disability workforce with the competence and empathy to effectively meet the unique needs of people from different cultural backgrounds
- *self-care training*: the welfare workforce is often exposed to high levels of stress and burnout. Self-care training would equip the staff with skills to maintain their wellbeing and build resilience in challenging situations

- *technology training*: technology training would equip the workforce with skills to effectively use technology to deliver services, including data collection and management, communication and online services. Technology training programs are critical in building the capacity of the workforce
- *assistive technology training*: this training would provide the disability workforce with knowledge of assistive technology options and how to support people with disability to use them effectively (DoHAC 2023b; NSC 2022a).

Identifying the different forms of training required across the welfare sector and the different providers can be challenging, as:

- the type and level of training and qualifications required to work in the welfare workforce vary considerably between different parts of the sector, and even within sectors
- some roles in the disability and aged care sectors (for example, personal care workers) have no mandated minimum qualifications, though other roles do (like nurses)
- there are a large number of educational programs to prepare students to join the welfare workforce, from Certificate level through to higher degrees.

The Australian Government has put in place a number of programs to build, train and support the aged care workforce – for example, fee-free Technical and Further Education (TAFE), more university places, increased numbers of student clinical placements and employment opportunities for new nurse graduates (DoHAC 2023a).

The Australian Government is also developing the National Strategy for the Care and Support Economy; this strategy outlines a plan of action for a sustainable and productive care and support economy that provides quality care and decent employment opportunities. It will establish a long-term vision for the care and support economy, encompassing various sectors such as aged care, disability care and support, veterans, and early childhood education and care (PM&C 2023).

The WIDI's Higher Apprenticeship and Traineeships Social Service Project (HATSSEP) is enhancing workforce capability across the aged care and disability sectors via an innovative 'earn & learn' model that is providing upskilling and credentials for 400 experienced workers. The program builds on a pilot to develop a model for higher apprenticeships in the social services sector, offering existing workers the opportunity to undertake a Certificate IV Disability or an Advanced Diploma Community Sector Management. All organisations and workers participating in the HATSSEP receive wrap-around support to assist with successfully integrating training and workplace duties. Dedicated mentors are assigned to all workers and their supervisors to help build organisational capability in workplace training. A community of practice provides additional peer support for workplace supervisors (WIDI 2023a).

Monitoring supply and demand in the care workforce

A number of different data sources are required to comprehend and monitor the factors that influence the supply and demand dynamics of the welfare workforce. Data sources such as industry projections, recruitment activity, labour market statistics, and information on government welfare policies and macro-economic trends can help to reveal trends in the welfare workforce may be heading.

Addressing data gaps

Accurate and comprehensive workforce data can provide valuable insights into the current supply and demand dynamics of the welfare sector, including any gaps or shortages in the workforce. Such data can also aid in workforce planning and development by enabling organisations to better anticipate future service demand, and plan for their workforce needs accordingly. Moreover, having reliable and up-to-date workforce data can facilitate evidence-based decision-making and provide a basis for evaluating the impact of policies and programs.

Currently, there are gaps in data for the welfare workforce in Australia, making it difficult to accurately estimate its size and composition. According to the WIDI, traditional approaches to understanding the size and characteristics of the social services workforce present a range of challenges. For instance, the ANZSCO/ANZSIC descriptors offer limited insights and do not distinguish between the various sub-sector workforces (for example, people working in family violence, and the mental health and homelessness sub-sectors). Further, direct surveys of the workforce provide point-in-time insights only, are resource intensive and are not usually comparable across sub-sectors.

WIDI, in collaboration with the sector and peak bodies, is developing innovative approaches to overcome deficiencies in these methods – one of which is working with the ABS to link existing national and jurisdiction-level data via the Multi-Agency Data Integration Project (MADIP). The approach adopted in the MADIP is intended to provide ongoing, comparable and longitudinal workforce insights to develop and refine methods that can be used in workforce planning across Australian sub-sector workforces. The WIDI is also investigating new frameworks to describe the functions of specific roles and job categories across the social services workforces. This initiative aims to anticipate future training needs and support the growth of the workforce in coming years (WIDI 2023c).

Hence, future improvements and developments of welfare workforce data should:

- *improve data capture*: this includes reviewing the ANZCO and ANZSIC classifications, incorporating more detailed industry categories and updating the occupational categories and job descriptions to ensure they remain relevant and accurately reflect the work being performed in various industries. As well, the classifications should be defined more flexibly to accommodate emerging job roles and job transitions

- *improve the quality and response rate of surveys*: this will ensure that the data collected are more accurate and representative of the population of interest
- *improve the use of linked data*: linked data can provide a more comprehensive view of the welfare workforce. Data from different sources can be combined to provide a better understanding – including information on employment, qualifications, training, and demographics. Using linked data also allows for more complex analysis, such as examining the career pathways of workers or identifying workforce gaps
- *create a monitoring framework with repeatable transparent methods for use across the sector*: This will allow for consistency in data collection and analysis, making it easier to compare data across different regions or sectors within the industry. As well, it promotes transparency in the collection and reporting of data, which can increase trust in the system.

Developments are also underway to improve the aged care data system as part of broader aged care reforms. A National Aged Care Data Strategy is expected to be finalised by the end of 2023. Consultation with stakeholders to date has highlighted the importance of prioritising data governance, workforce data literacy and capability and data standardisation and harmonisation – as well as mitigating data gaps, including workforce data. Funded by the Department of Health and Aged Care, the AIHW is leading the development of 2 key data improvement activities, these include:

- an Aged Care National Minimum Data Set
- the National Aged Care Data Asset.

These data will help to drive efforts to fill critical data gaps in the aged care sector. For more information on the aged care data improvements, see the AIHW GEN website (AIHW 2023b).

The NDIS has implemented a workforce monitoring framework, consisting of the NDIS Workforce Capability Framework and the NDIS Workforce Census, to gain a comprehensive understanding of the NDS workforce. The framework is designed to capture information on the size, demographics and training requirements of the workforce (NDIS 2023).

Workforce monitoring framework

The workforce monitoring framework proposed by the former National Skills Commission (NSC 2022a) aims to provide an understanding of the balance between workforce supply and demand over time. The framework typically includes regular surveys or censuses of the workforce to gather data on demographics, qualifications, employment characteristics and training needs. The data collected are used to inform policy decisions, workforce planning, and training strategies. Implementing such a framework would help to ensure that the workforce is adequately trained, equipped and staffed to meet the demand for care services.

The framework has 3 main components:

1. Regular snapshots with point-in-time assessments of the demand and supply factors affecting the care and support workforce.

   Indicators of demand include variables such as:

   - recruitment activity, recruitment difficulty and job vacancies
   - skills shortages, both at a regional and national level
   - labour market characteristics and trends
   - changes in the size of the workforce
   - workforce productivity and retention rates
   - relative wage growth of the care workforce compared with that in the overall workforce.

   Drivers of supply include:

   - enrolments and completions in training and education
   - migration and immigration levels
   - job movement and transitions
   - workforce use and hours worked.

2. Adjustment/resetting of the baseline of demand and supply models, based on new information, to revise future forecasts. This involves looking at how the size of the workforce at a given point in time differs from the projections and expectations for it at that point in time.

   To understand the drivers of demand differences, this aspect of the framework would investigate and report on changes in care and support program parameters and settings as well as demographic shifts. To understand the drivers of supply differences, the framework would investigate and report on participation rates in the care workforce, productivity levels, domestic migration patterns and international immigration settings.

3. Regular assessment of the impacts of new policy on the demand for and supply of the workforce. An example of a likely increase on demand is the Australian Government's aged care policy to increase, from October 2024, the care minute requirement (sector wide) to an average of 215 minutes per day, including a minimum 44 minutes of registered nurse time.

Note: The National Skills Commission has been abolished with the passage of the Jobs and Skills Australia (National Skills Commissioner Repeal) Act 2022. In November 2022, Jobs and Skills Australia commenced as an Australian Government statutory body, for more information, see https://www.jobsandskills.gov.au.

Further reading

For more information on the Australian workforce, see:

- ABS Employee Earnings and Hours (https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6306.0Main+Features1May%202016?OpenDocument)
- ABS General Social Survey – summary results, Australia for more information on volunteering. (https://www.abs.gov.au/statistics/people/people-and-communities/general-social-survey-summary-results-australia/latest-release#voluntary-work-and-unpaid-work-support)
- ABS Labour Force Survey (https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release)
- Aged Care Workforce Census (https://gen-agedcaredata.gov.au/Resources/Reports-and-publications/2017/March/The-aged-care-workforce,-2016)
- Disability Workforce Census (https://www.nds.org.au/resources/all-resources/workforce-census)
- Workforce Innovation and Development Institute (https://www.widi.org.au).

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Acknowledgements

In addition to the individual acknowledgements below, many other staff from the AIHW contributed time and expertise. We gratefully acknowledge the work of the publishing, design, website, media, communications, executive and parliamentary teams, data custodians, subject matter experts, data visualisation specialists, and the statistical advisor.

Steering committee

Fadwa Al-Yaman, Fleur de Crespigny, Rob Heferen, Matthew James, Richard Juckes, Andrew Kettle, Gabrielle Phillips, Louise York.

Project management team

Simone Brown, Joanne Curtis, Elyse Kambisios, Sarah Kamppi, Darryl Miller.

Authors

Patrick Bell, Shona Curvers, Matthew James, Kindalin Masters, Sushma Mathur, Lynelle Moon, Emily Norton, Daniel Palamara, Nikki Schroder, Garveeta Sookram, Josh Sweeney, and Matthew Webb.

The AIHW gratefully acknowledges Dr Tomasz Zając and Associate Professor Wojtek Tomaszewski from The University of Queensland who authored Chapter 7 'Relative influence of different markers of socioeconomic status on university participation'.

Valuable contributions in support of authors were made by David Braddock, Jenny Brew, Isabela Burgher, Geoff Callaghan, Helena Chui, Amanda Donges, Callin Ivanovici, Chris Killick-Moran, Claire Lee-Koo, Sally Mills, Rosalind Morland, Leah Newman, Maria Ortiz Salazar, Alexandra Palamara, Claire Reid, Anne-Marie Rushby, Anastasia Sartbeyava, Caitlin Szigetvari, and Jason Thomson.

A special thanks to Chris Halacas, Dr Jessica Lee-Ack and colleagues at the Workforce Innovation and Development Institute at the RMIT University who contributed several case studies included in Chapter 9 'Welfare workforce: demand and supply'.

External reviewers

Thanks to the following experts for reviewing chapters of this report.

Reviewer	Chapter
Dr Michelle Lim – Ending Loneliness Together	2. Social isolation, loneliness and wellbeing
Professor Nicholas Biddle – ANU Centre for Social Research and Methods, Australian National University	
Professor Roger Wilkins – University of Melbourne	3. Employment and income support following the COVID-19 pandemic
Alicia Hall – The National Housing Finance and Investment Corporation	4. Homelessness and housing affordability in Australia
Professor Emerita Gwynnyth Llewellyn – University of Sydney	5. Use of mainstream services and outcomes achieved for people with disability
Marilyn Chilvers – New South Wales Government, Department of Customer Service	6. Children who have experienced child protection, youth justice and homelessness
Helen Burford – Tasmanian Government, Department for Education, Children and Young People	
Emma Cook – Australian Government, Department of Health and Aged Care	8. Measuring quality in aged care: what is known now and what data are coming
Professor Maria Inacio – South Australian Health and Medical Research Institute	
Michael Gurney – Aged Care Quality and Safety Commission	
Professor Len Gray – The University of Queensland	
Emma Gleeson – Australian Government, Department of Health and Aged Care	9. Welfare workforce: demand and supply
Stephanie Kaiser – Australian Government, Department of Health and Aged Care	
Fan Xiang – Australian Government, Department of Health and Aged Care	

Thanks also to the following organisations and Australian Government departments and agencies for reviewing chapters of this report:

ACT Government

Australian Bureau of Statistics

Australian Taxation Office

Department of Education

Department of Employment and Workplace Relations

Department of Health and Aged Care

Department of the Prime Minister and Cabinet

Department of Social Services

Department of The Treasury

Department of Veterans' Affairs

NSW Department of Customer Service

Queensland Government Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

SA Government

The Smith Family

Abbreviations

ABS	Australian Bureau of Statistics
ACFI	Aged Care Funding Instrument
ADF	Australian Defence Force
ADL	activities of daily living
ADSOF	Australian Disability Strategy Outcomes Framework
AEDC	Australian Early Development Census
AME	average marginal effects
AN-ACC	Australian National Aged Care Classification
ANDII	Australian National Data Integration Infrastructure
ANU	Australian National University
ANZSIC	Australian and New Zealand Standard Industrial Classification
ANZSCO	Australian and New Zealand Standard Classification of Occupations
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office
ATSICPP	Aboriginal and Torres Strait Islander Child Placement Principle
CALD	culturally and linguistically diverse
Census	Census of Population and Housing
CEI	consumer experience interview
CHSP	Commonwealth Home Support Programme
CI	confidence interval
CNOS	Canadian National Occupancy Standard
CPO	care and protection order
CRA	Commonwealth Rent Assist
DES	Disability Employment Services
DSP	Disability Support Pension
ECEC	early child education and care

ESCS	Index of Economic, Social and Cultural Status
FDSV	family, domestic and sexual violence
FDV	family, domestic violence
GFC	Global Financial Crisis
HATSSEP	Higher Apprenticeship and Traineeships Social Service Project
HCPP	Home Care Packages Program
HECS	Higher Education Contribution Scheme
HILDA	Household, Income and Labour Dynamics in Australia
ICT	information communications technology
IEO	Index of Education and Occupation
IT	information technology
LFS	Labour Force Survey
LSAC	Longitudinal Study of Australian Children
MADIP	Multi-Agency Data Integration Project
MBS	Medicare Benefits Schedule
MHA	*Mental Health Act 1990* (NSW)
NAPLAN	National Assessment Program – Literacy and Numeracy
NDA	National Disability Agreement
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NDS	National Disability Services
NHHA	National Housing and Homelessness Agreement
NIHSI AA	National Integrated Health Services Information Analysis Asset
NMDS	National Minimum Data Set
NMS	National Minimum Standard
OECD	Organisation for Economic Co-operation and Development
OR	odds ratio

PBS	Pharmaceutical Benefits Scheme
PISA	Programme for International Student Assessment
pp	percentage points
PRA	private rent assistance
RAC	residential aged care
ROSA	Registry of Senior Australians
RTO	Registered Training Organisation
SA1	Statistical Area Level 1
SACE	South Australian Certificate of Education
SDAC	Survey of Disability, Ageing and Carers
SEIFA	Socio-Economic Indexes for Areas
SES	socioeconomic status
SHS	specialist homelessness services
SOMIH	state owned and managed Indigenous housing
STP	single-touch payroll
SV	sexual violence
TAFE	technical and further education
VET	Vocational Education and Training
WIDI	Work Innovation and Development Institute
YOA	*Young Offenders Act 1997* (NSW)

Symbols

%	per cent
$	Australian dollars, unless otherwise specified
<	less than
>	more than
≤	less than or equal to
≥	more than or equal to
..	no data/insufficient data
'000	thousands
n.a.	not available

Glossary

ABSTUDY: A group of **means-tested** payments (which may include a living allowance and/or other supplementary benefits) for eligible **First Nations** students and apprentices who are in an approved course, or doing an Australian apprenticeship or traineeship.

activities of daily living: Day-to-day activities for which a person may need support, including with eating, mobility, bathing, getting dressed and toileting.

administrative data: Data collected by governments or other organisations that are generated during the routine administration of program or service delivery; while not designed or originally intended for research, these data can still be a valuable source of information to support research.

age for young people under youth justice supervision: The age of a young person (10 and over) under youth justice supervision as at 1 July 2020. Note that data presented in tables in this report on age breakdowns of people aged 10 and over under youth justice supervision may differ from data published in other youth justice publications where age is selected at a different time.

Age Pension: A **means-tested** income support payment paid to older Australians who meet age (**Age Pension qualifying age**) and residency requirements, subject to income and **asset tests.**

Age Pension qualifying age: The age at which a person becomes eligible to receive the **Age Pension** (subject to income, asset and residency requirements). The 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 was 65 years and 6 months, and it increased by 6 months every 2 years to reach 67 years by 1 July 2023.

aged care: Personal and/or nursing care that supports older people – defined here as people aged 65 and over, and First Nations people aged 50 and over – to stay as independent and healthy as they can. Much formal aged care is subsidised through government programs; the 3 largest programs are **home support**, **home care** and **residential aged care**. This care is delivered primarily in **residential aged care services** and through care visits to the home.

aged care workforce: Carers who directly provide or manage care in residential and community **aged care** settings. They are registered nurses, enrolled nurses, **personal care** attendants, community care workers and **allied health professionals**.

allied health professionals: People who work in a range of professions involved in providing health services outside of emergency, medical, dental and nursing care.

asset test: A test to determine eligibility for government payments based on property or items that an individual or their partner owns, or has an interest in.

at risk of homelessness: A term that describes a person who either is at risk of losing their accommodation or is experiencing one or more of a range of factors that can contribute to homelessness.

average: The sum of all values in a set of values, divided by the number of values in that set. Often used as a representative value of that set.

care and protection order: A legal order or arrangement that gives child protection departments some responsibility for a child's welfare.

carer: A person who cares for another person (often a relative or friend) and is responsible for making decisions about that person's daily care. See also **Carer Payment.**

Carer Payment: A **means-tested** income support payment for someone who provides constant care for a person with physical, intellectual or psychiatric disability, or a severe medical condition – or for a person who is frail aged – and, due to their caring role, is unable to support themselves through substantial paid employment.

casual employment: defined in this article as people without leave entitlements (such as paid sick leave or annual leave), based on currently available data from the Australian Bureau of Statistics Labour Force Survey. Note that in March 2021, a statutory definition for casual work was introduced. This definition states an employee is casual if they accept an offer of employment without a firm advance commitment to ongoing work with an agreed pattern of work (Fair Work Ombudsman 2021). Casual workers may work full time or part time. See also **full-time worker** and **part-time worker**.

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 the Australian Bureau of Statistics Census of Population and Housing and estimated population counts
- overseas residents in Australia
- members of non-Australian defence forces (and their dependants) stationed in Australia.

community service industries: Services that comprise 3 main groups (residential care services, child care services and preschool education, and other social assistance services).

Coronavirus Supplement: A supplement payment made between 27 April 2020 and 31 March 2021 to new and existing recipients of select government payments, including **JobSeeker Payment**, **parenting payment**, **Youth Allowance**, and a number of other income support payments.

COVID-19: A disease caused by the new coronavirus SARS-CoV-2, a novel type of coronavirus which emerged in December 2019 and was classified as a global pandemic in March 2020 by the World Health Organization.

data linkage: Bringing together (linking) information from 2 or more data sources believed to relate to the same entity, such as the same individual or the same institution. This linkage can provide more information about the entity. In certain cases, it can 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'.

disability: An umbrella term for impairments, activity limitations and participation restrictions. All of these can interact with a person's health condition(s) and environmental and/or individual factors to hinder their full and effective participation in society on an equal basis with others. There are varying degrees of disability – from having no evident impairment or limitation to a complete loss of functioning. It can be associated with genetic disorders, illnesses, accidents, ageing, injuries or a combination of these factors.

disability flag: A means of indicating which records in **administrative data** are for a person with **disability**. This allows outcomes to be measured for a group or different groups of people with disability without the individuals being identified.

disability identification methodology: The steps taken to process one or more data sources with information on **disability**. In the National Disability Data Asset, these steps typically include using multiple data sources that complement each other to create new **disability flags**.

Disability Support Pension: A **means-tested** income support payment for people aged 16 and over – but under **Age Pension age** (at claim) – who have a reduced capacity to work because of their **disability**.

disability support worker: A worker who assists people with **disability** with various physical and emotional tasks, including **personal care**, cooking and cleaning, shopping, programs for community activities, and emotional support and friendship.

domestic violence: Set of violent or intimidating behaviours between current or former intimate partners, where a 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**. See also **family violence.**

emotional abuse: Behaviours or actions that are perpetrated with the intent to manipulate, control, isolate or intimidate, and which cause emotional harm or fear.

emotional abuse (children): Act by a person having the care of a child that results in the child's suffering any kind of significant emotional deprivation or trauma. Children affected by exposure to family violence are also included in this category.

employed: The term 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 (comprising employees and owner–managers), or
- worked for 1 hour or more without pay in a family business or on a farm (contributing family workers), or

- were employees who had a job but were not at work and were:
  - away from work for fewer than 4 weeks up to the end of the reference week, or
  - away from work for more than 4 weeks up to the end of the reference week and received pay for some or all of those 4 weeks, or
  - away from work as a standard work or shift arrangement, or
  - on strike or locked out, or
  - on workers' compensation and expected to be returning to their job, or
- were employers, own-account workers or owner–managers who had a job, business or farm, but were not at work.

Note that this definition applies to the Australian Bureau of Statistics Labour Force Survey and may differ somewhat from definitions in other collections. Compare with **unemployed**. See also **labour force**.

employed (as defined by the National Disability Data Asset Education to Employment pilot study): this term describes people who:

- had tax prepaid as Pay As You Go installments relating to employment, or
- work for payment or profit, or as an unpaid helper in a family business, during the week prior to Census night (8 August 2016), or
- have a job from which they are on leave or otherwise temporarily absent, or
- are on strike or stood down temporarily

Note that these definitions apply to data derived by the researchers from the Australian Tax Office's Pay As You Go data and to the Australian Bureau of Statistics Census of Population and Housing 2016.

employment rate: The number of employed people expressed as a percentage of the **civilian population** in the same group. The denominator includes people who are **unemployed** or not in the **labour force**. Also referred to as the employment-to-population ratio.

equivalised household income: A measure of income that reflects economic wellbeing relative to household size and composition. It is used to determine low-income status for a household.

Family Tax Benefit: Income-tested government benefit to assist with the everyday costs of raising children. See also **Family Tax Benefit Part A** and **Family Tax Benefit Part B**.

Family Tax Benefit Part A: A per-child payment for a dependent child aged 0–15, or 16–19 if in full-time secondary study.

Family Tax Benefit Part B: A per-family payment. It is paid to couples with one main income until the youngest child is aged 13. It is also paid to single parents, non-parent **carers** or grandparent carers until the child is aged 16, or 16–18 if in full-time secondary study.

family violence: Violence between family members as well as between current or former intimate partners. Can include acts of violence between a parent and a child. This is the preferred term used to identify experiences of violence for **First Nations people** as it encompasses the broad range of extended family and kinship relationships in which violence may occur.

First Nations people: People who have identified themselves, or have been identified by a representative (for example, their parent or guardian), as being of Aboriginal and/or Torres Strait Islander origin.

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.) Degrees of reimbursement made to foster carers vary.

full-time employee: See **full-time worker**.

full-time worker: Employed person who usually worked 35 hours or more a week (in all jobs) or who – although usually working fewer than 35 hours a week – worked 35 hours or more during the reference week of the Australian Bureau of Statistics Labour Force Survey. (This definition applies to this survey and may differ somewhat from definitions in other collections.) Compare with **part-time worker**.

full-time worker (as defined by the National Disability Data Asset Education to Employment pilot study): this term describes people who worked 35 hours or more in all jobs during the week prior to Census night (8 August 2016). This definition applies to data from Australian Bureau of Statistics Census of Population and Housing 2016 and may differ somewhat from definitions in other collections.

home-based aged care: Assistance that includes **aged care services** provided to older people – defined here as people aged 65 and over, and First Nations people aged 50 and over – in their own homes, including through 2 programs: **home care** and **home support**. Also referred to as community-based care and in-home aged care.

home care: Support and care services given to older people – defined here as people aged 65 and over, and First Nations people aged 50 and over – in their own homes, formally called the Home Care Packages Program. Services are offered in packages of care, which can comprise **personal care** and domestic support, as well as clinical and allied health services. Four levels of care support people with basic (Level 1), low (Level 2), intermediate (Level 3) and high (Level 4) care needs. Effective from 2013, the program combined similar previous programs – Community Aged Care Package, Extended Aged Care at Home, and Extended Aged Care at Home Dementia.

home support: Entry-level support services for older people – defined here as people aged 65 and over, and First Nations people aged 50 and over – so they can continue to live independently at home, formally called the Commonwealth Home Support Programme. Effective from 2015, this program combined similar previous programs – the Commonwealth Home and Community Care Program, National Respite for Carers, Day Therapy Centres, and Assistance with Care and Housing for the Aged.

housing affordability: The cost of housing compared with the financial situation of households. Housing affordability is often measured using the proportion of households in financial housing stress.

housing stress: A measure of housing affordability related to the proportion of household income spent on basic housing costs (that is, rent or mortgage). (Owner-occupiers without a mortgage cannot experience housing stress according to this definition.) Households considered to be in financial housing stress are low income households whose housing costs are more than 30% of the gross household income.

income support payment: A sub-category of regular payments by the Australian Government that assist with the day-to-day costs of living.

income test: Test to determine an individual's eligibility for the full or part-rate of a government payment, based on their earnings from work, investments and/or substantial assets.

income threshold: the amount a person can earn before their **income support payments** and other benefits is reduced.

income unit: One person or a group of related people in a household whose command over income is shared, or any person living in a non-private dwelling who receives personal income.

investigation: Investigations are the process whereby the relevant department obtains more detailed information about a child who is the subject of a notification received between 1 July and 30 June of the relevant financial year. Departmental staff make an assessment about the harm to the child and their protective needs. An investigation includes sighting or interviewing the child where it is practical to do so.

JobSeeker Payment: A **means-tested** income support payment for working-age Australians (aged over 22 but under **Age Pension qualifying age**) who are looking for work, participating in approved activities that may increase their chances of finding a job, or earning under the **income threshold**. Receipt of this payment is typically subject to an **asset test** and **mutual obligation requirements**. In March 2020, this payment replaced the **Newstart Allowance**, and was consolidated with several other payments (such as Sickness Allowance and Bereavement Allowance).

labour force: People **employed** or **unemployed** but actively looking for work during the reference week of the Australian Bureau of Statistics Labour Force Survey. Note that this definition applies to this survey and may differ somewhat from definitions in other collections. See also **not in the labour force**.

labour force participation rate: For any group, the **labour force** (employed or unemployed) expressed as a percentage of the **civilian population** in the same group.

living arrangement: For those children on a care and protection order, the type of care in which a child is living.

loneliness: Subjective state of negative feelings about having a lower level of social contact than desired.

long-term unemployed: People aged 15 and over who have been unemployed for 52 weeks or more.

low-income household: A household whose equivalised gross income (see **equivalised household income**) falls in the bottom two-fifths (40%) of the population. This measure does not necessarily indicate eligibility for government assistance that is targeted at low-income households, and assistance may also be provided to households that do not meet this definition.

mainstream services: Services available to the public for essential parts of their lives. Some of these services are used by nearly all of the population, such as education and health care. Others apply only in limited circumstances or to support the most vulnerable, such as public housing and child protection.

means tested: A formal process used to determine eligibility for full or part payment based on whether a person's income from all sources (income, investments, assets) is below certain **income thresholds**. Most social security payments are means-tested.

mutual obligation requirements: Requirements to ensure that people receiving activity-tested **income support payments** are actively looking for work and participating in activities to help them find employment. These requirements differ depending on the recipient's age, assessed work capacity and whether they are the primary **carer** of a dependent child. Examples of mutual obligation requirements include accepting offers of suitable paid work, showing evidence of job searches, attending appointments with employment services providers, and participating in approved education or training courses or programs.

National Assessment Program – Literacy and Numeracy (NAPLAN): An annual assessment for all students in years 3, 5, 7 and 9. It tests the types of skill that are essential for every child to progress through school and life. The tests cover skills in reading, writing, spelling, grammar and punctuation, and numeracy. The assessments are undertaken every year.

national minimum data set (NMDS): A data set specification that stipulates a minimum set of data elements (data items) that must be collected and reported across Australia. An NMDS reflects national agreement to collect these data in the same way, according to agreed data standards. For example, the Aged Care National Minimum Data Set will standardise the collection and reporting of a core set of aged care data.

neglect (children): Any serious acts or omissions by a person having the care of a child that, within the bounds of cultural tradition, constitutes a failure to provide conditions essential for the healthy, physical and emotional development of that child.

Newstart Allowance: A **means-tested** income support payment for working-age Australians (aged over 22 but under the **Age Pension qualifying age**) who are looking for work, participating in approved activities that may increase their chances of finding a job, or earning under the **income threshold**. This payment was replaced by the **JobSeeker Payment** in March 2020.

non-Indigenous: The term describes people (including children) who have not been identified as being **First Nations** people – that is, being of **Aboriginal and/or Torres Strait Islander** descent; this excludes people of unknown **Indigenous** status.

not in the labour force: A term that describes people who are not employed and not looking for work or about to begin work (**unemployed**). Includes retirees, students and people taking care of children or other family members, among others. See also **labour force**.

out-of-home care: Overnight care for children aged under 18 for which there is ongoing case management and a financial payment (including where this payment is offered but declined by the **carer**).

parenting payment: A **means-tested income support** payment for principal **carers**, recognising the impact that caring for young children can have on a parent's capacity to undertake full-time employment. See also **Parenting Payment Single** and **Parenting Payment Partnered**.

Parenting Payment Partnered: A **means-tested income support** payment for partnered parents until their youngest child turns 6.

Parenting Payment Single: A **means-tested income support** payment for single parents where the youngest child is aged under 8. Single parents must satisfy part-time **mutual obligation requirements** of 30 hours per fortnight once their youngest child turns 6 (unless exempt; see **Partial Capacity to Work**). Note, the May 2023 budget announced a change to expand the eligibility to include single parents with children aged under 14 from 20 September 2023.

Partial Capacity to Work: A person with a physical, intellectual or psychiatric impairment has a partial capacity to work if the impairment prevents them from working at least 30 hours per week at the relevant minimum wage or above, independently of a program of support, within the next 2 years. Work capacity is assessed for activity-tested payments, such as **JobSeeker Payment, Parenting Payment Single** and **Youth Allowance (other)** payments.

part-rate payment: A government payment to an individual that is not the full amount that may be received for that particular benefit type. Whether an individual is eligible for full or part payment is often based on whether the income they earn is below or above a certain threshold.

part-time worker: An employed person who usually worked fewer than 35 hours a week (in all jobs) and did so during the reference week of the Australian Bureau of Statistics Labour Force Survey, or was not at work in the reference week. This definition applies to this survey and may differ somewhat from definitions in other collections. Compare with **full-time worker**. See also **employed**.

personal care: Services to assist with everyday tasks such as bathing and getting dressed, eating, going to the toilet, grooming, getting in and out of bed, and moving about.

Pharmaceutical Benefits Scheme (PBS): A national, government-funded scheme that subsidises the cost of a wide variety of pharmaceutical drugs, covering all Australians, to help them afford standard medications. The PBS lists all the medicinal products available under the PBS and explains the uses for which subsidies can apply.

physical abuse (children): Any non-accidental physical act inflicted on a child by a person having the care of a child.

physical violence: Behaviours that can include slaps, hits, punches, being pushed down stairs or across a room, choking and burns, as well as the use of knives, firearms and other weapons, or threats of such acts.

psychological abuse: Behaviours that can include limiting access to finances, preventing the victim from contacting family and friends, demeaning and humiliating the victim, and any threats of injury or death directed at the victim or their children.

rate: One number (numerator) divided by another number (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.

real terms: The phrase 'real terms' is used to describe spending in constant prices. Constant price estimates for spending have been derived using deflators produced by the Australian Bureau of Statistics (ABS).

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)
- a person reimbursed by the state/territory for the care of the child (or who has been offered but declined reimbursement).

For **First Nations** children, a kinship carer may be another **First Nations** person who is a member of their community, a compatible community or from the same language group.

rental stress: A household living in rental accommodation whose housing costs are more than 30% of the gross household income.

residential aged care: A program that provides **personal care** and/or nursing care to people in a **residential aged care service** (sometimes known as a nursing home or aged care home). The care provided to residents also includes meals and accommodation (including cleaning services, furniture and equipment).

residential aged care service: A facility – sometimes known as a nursing home or aged care home – that provides **residential aged care**. The service must meet specified standards in the quality of the built environment, care, and staffing levels in accordance with the *Aged Care Act 1997* (Cwlth).

residential care (children): A form 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.

sexual abuse (children): Behaviours of a sexual nature by one person upon another, typically used within specific contexts or for a certain age group, such as elder abuse or child abuse. Sexual abuse of a child refers to any act that exposes a child to, or involves the child in, sexual activities that: the child does not understand, the child does not or cannot consent to, are not accepted by the community, or are unlawful. It includes, but is not limited to, sexual assault. Other behaviours include forcing a child to watch or hear sexual acts, taking sexualised photos of a child, and sexually explicit talk.

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). Can be perpetrated by partners in a domestic relationship, former partners, other people known to the victims, or strangers.

social exclusion: Opposite of **social inclusion**.

social housing: Rental housing funded or partly funded by government, which is owned or managed by a government or community organisation and let to eligible persons.

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.

social isolation: State of having minimal contact with others. Compare with **social exclusion.** See also **social inclusion**.

social security system and payments: A system, administered by Services Australia, that aims to support people who cannot (or cannot fully) support themselves, by providing targeted payments and assistance. Where this is a regular payment that helps with the everyday costs of living, it is called an **income support payment**. The type of financial assistance a person receives often reflects their life circumstances at the time of receipt – payments are designed to assist:

- people pursuing post-school learning
- people unable to work (due to disability or caring responsibilities)
- people unable to find work or to secure sufficient work
- families with the cost of raising children
- people facing high rental costs.

Special Benefit: An **income support payment** for people who are not eligible for other income support payments and experiencing financial hardship due to reasons beyond their control, such as not meeting age or residency requirements of payments.

student payments: The range of government payments available to support people who are studying or undertaking an apprenticeship. In this report, the focus is on **means-tested income support** payments, including **Youth Allowance (Student or Australian Apprentices)**, **ABSTUDY** (Living Allowance) and Austudy (for people aged 25 and over).

specialist homelessness agency: An organisation that receives government funding to deliver specialist homelessness services to a client. These can be either not-for-profit or for profit agencies.

specialist homelessness agency client: A person who receives a specialist homelessness service. To be a client, the person must receive a service directly and not just be a beneficiary of a service. Children (of any age) who present with an adult and receive a service are considered clients. Children of a client or other household members who present but do not directly receive a service are not considered clients.

specialist homelessness service: The assistance provided by a **specialist homelessness agency** to a client to respond to or prevent homelessness. The specialist homelessness services in scope for the Specialist Homelessness Services Collection include:

- accommodation provision
- assistance to sustain housing
- family/domestic violence services
- mental health services
- family/relationship assistance
- disability services
- drug/alcohol counselling
- legal/financial services
- immigration/cultural services
- other specialist services and general assistance and support.

substantiation: Alleged incidents are classified as 'substantiated' where there has been found reasonable cause to believe that the child has been, was being, or is likely to be abused or otherwise harmed. Substantiation does not necessarily require sufficient evidence for a successful prosecution and does not imply that treatment or case management was, or is to be, provided. Substantiations may also include cases where there was a 'failure to protect' a child by someone with parental authority, or where there was no suitable caregiver, such as children who have been abandoned or whose parents/carers are deceased.

type of abuse: One of the 4 types, or categories, of **substantiation**: **physical abuse**, **sexual abuse**, **emotional abuse**, and **neglect**. Each category includes findings of actual harm or significant risk of harm. Where more than one type of abuse has occurred, the substantiation is classified to the type likely to be the most severe in the short term, or to place the child most at risk in the short term, or, if such an assessment is not possible, to the most obvious form of abuse.

underemployed: The term describes **employed** people aged 15 and over who want, and are available for, more hours of work than they have. It refers to:

- people who are 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 Australian Bureau of Statistics Labour Force Survey
- people employed full time who worked part-time hours during the reference week of the survey (that is, fewer than 35 hours) for economic reasons (including being stood down or there being insufficient work available).

This definition applies to the above-mentioned 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**.

unemployed: The term describes people aged 15 and over who were not **employed** during the reference week of the Australian Bureau of Statistics Labour Force Survey, and:

- had actively looked for work in the previous 4 weeks and were available for work in the reference week, or
- were waiting to start a new job within 4 weeks of the end of the reference period and could have started it had it been available.

This definition applies to the above-mentioned survey and may differ somewhat from definitions in other collections. Compare with **employed**.

unemployment payment: Benefit or payment available to working age people (aged 16 and over but under the **Age Pension** qualifying age) looking for work or earning under the **income threshold**, including the **Youth Allowance (other)**, the **JobSeeker Payment** and the **Newstart Allowance** (which ceased 20 March 2020).

unemployment rate: The number of **unemployed** people, expressed as a percentage of the **labour force**.

welfare workforce: Paid employees working in a community service occupation within a community service industry

working age population: This term generally refers to people aged 15–64.

Youth Allowance (other): A **means-tested income support** payment for young people aged 16–21 who are looking for work, temporarily unable to work, or undertaking approved activities. Qualifying for this payment is subject to a parental **means test** unless the young person is considered independent.

Youth Allowance (Student and Australian Apprentices): A **means-tested income support** payment for full-time students and Australian apprentices aged 16–24.

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