There are currently two national inquiries into the experiences of children in out-of-home care (OOHC). One is examining how child welfare authorities respond to allegations of sexual abuse in substitute care systems, while the other is broadly analysing the strengths and weaknesses of the OOHC system.

Yet neither is specifically exploring the experiences of young people transitioning from care or their post-care outcomes, which to use a football analogy is a bit like a team which puts in a big effort during the first half of a grand final, but neglects the decisive second half. And as a report released last week shows, urgent action is required to improve the access of care leavers to further and higher education.
Fortuitously, the Commonwealth Government’s recently released welfare reform report, written by Patrick McClure, highlights the value of targeting extra resources to groups who are at high risk of long-term reliance. And specific reference is made to young people who have transitioned from state out-of-home care.

This proposal is welcome, given that the Commonwealth currently provides only a one-off Transition to Independent Living Allowance payment of financial assistance up to $1500 for young people aged 15-25 years who have departed out-of-home care or juvenile justice or indigenous kinship care arrangements within the past 24 months.

The allowance can be used to assist with payments for housing, furniture, education, employment and training, and transport. Clearly this assistance should not be limited to a one-off payment given that care leavers often have to move a number of times before they are able to attain stable housing.

To be sure, most States and Territories have passed legislation providing for assistance to care leavers up to 21 years of age. But in practice most such support is discretionary rather than mandatory, and many of the approximately 3000 young people who annually transition out of care at 18 years of age or earlier end up in unstable housing with little family or community support.

This approach seems to reflect a narrow economic judgement that additional assistance will only encourage further expensive dependency on state support. But an alternative argument holds that greater social investment in care leavers in the short to medium term – that is by approximating the ongoing support that responsible parents in the community typically provide to their children after they leave home – will actually reduce the degree of dependency and government costs in the longer term.

Those young people who are provided with ongoing support with accommodation, education and employment, and family and social relationships are more likely to access mainstream social and economic opportunities, and less likely to experience social exclusion and become reliant on crisis intervention welfare, health and criminal justice services.

There is increasing evidence from cost-benefit analysis studies that targeted leaving care supports would produce large savings in the long term.

For example, a 2005 study by the Victorian Centre for Excellence in Child and Family Welfare, titled Investing for Success: The economics of supporting young people leaving care, estimated the costs of not supporting young people after they leave care. It estimated the long-term costs to the state government associated with service used by these young people (for example, for health and mental health services, police, criminal justice, child protection, drug and alcohol, and housing) at $738,741 per person over a 42 year timeframe.

That is, each annual cohort of approximately 450 young people would cost the state approximately $332 million per year over the next 42 years, and this is without counting federal costs such as income security and lost taxation revenue. Conversely, a supportive transition model for care leavers up to 25 years of age would only cost the state 11 per cent of this total. The CECFW advised the government to 'spend a little more now to save a lot in the future'.
Similarly, a 2006 national study by Morgan Disney & Associates called *Transition from Care: Avoidable costs to governments of alternative pathways of young people exiting the formal child protection care system in Australia* used data analysis and interviews with key practitioners to examine the costs and benefits for governments of five alternate pathways for young people leaving care ranging from low service demand to expensive high service demand.

They estimated that just over half of all care leavers go on to be heavy service users throughout their lives costing the community around $2 billion or $43 million per annum. In contrast, the equivalent costs for 1150 people in the general community are estimated to be $3.3 million per annum.

Additionally, a 2009 study by Mark Courtney and colleagues in the USA found that the benefits of extending foster care from 18 till 21 years and consequently enhancing educational outcomes would be approximately $72,000 for each young person. In short, the gain would be almost $2 for every $1 outlay on keeping young people in care longer.

To date, the level of social investment in Australia arguably remains far smaller than that required to significantly promote the social inclusion of all care leavers in mainstream social and economic life.

Hopefully, Patrick McClure’s report will inspire greater investment in care leavers to lift their educational and other opportunities.

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