

## A FEDERAL AND STATE COST BENEFIT ANALYSIS. EXTENDING CARE TO 21 YEARS

# A Summary

Today, most young people live at home with their parents well into their 20s. Government funding and support for those in state care stops at just 18. It means vulnerable young people, who've already had difficult lives, are left to fend for themselves.

## Financial & social impact by terminating care at 18

Deloitte Access Economics in 2018, found that the financial impact of the current cohort of care leavers aged 18 to 21 years due to higher usage of government services is estimated to be \$1.8 billion for the Commonwealth Government and \$0.6 billion for the state and territory governments over the next 10 years, giving a total impact of \$2.4 billion.

### In the first 12 months out of foster care:

- ▶ 35% will have stayed in five or more places, struggling to find a safe and secure place to live.
- ▶ 29% will be unemployed, around three times the national average.
- ▶ 46% of males and 22% of females will be involved with the justice system.

## Benefits if care was extended to 21 years

- ▶ Rate of teen pregnancy reduced from 16.6% to 10.2%;
- ▶ Educational engagement increased from 4.5% to 10.4%;
- ▶ Homelessness halved from 39% to 19.5%;
- ▶ Hospitalisation rates reduced from 29.2% to 19.2%;
- ▶ Rate of mental illness reduced from 54.4% to 30.8%;
- ▶ Rate of smoking reduced from 56.8% to 24.5%;
- ▶ Dependence rates reduced from 15.8% to 2.5%.

A benefit cost ratio of 2.0, that's every \$1 invested in the reform would be expected to generate a return on \$2 if care was extended to 21 years.



## Research shows it's better for them and for society.

A major report by Deloitte Access Economics shows that for every extra \$1.00 spent on continuing foster care to 21, society benefits by \$2.00 in reduced crime, homelessness, mental health care, hospitalisation and drug dependency.

**Give them a better chance in life.  
Continue foster care to age 21.**

**Better for them, better for society.**