Anglicare Australia
in every Community

# Submission to review of the Transition to Independent Living Allowance

**April 2025**

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## About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of $2.94 billion, a workforce of over 24,000 staff and 6,000 volunteers, the Network delivers 37 different service types in the Australian community. Our services are delivered to over 500,000 people.

As part of its mission the Anglicare Australia Network partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice. Our first strategic goal charges us with reaching this by influencing social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.

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## Introduction

Anglicare Australia welcomes the opportunity to provide input to the Australian Institute of Family Studies review of the Transition to Independent Living Allowance (TILA). This submission has been informed by the contributions of Anglicare Australia Network members who deliver Out-of-Home Care (OoHC) services.

Anglicare Australia believes that children and young people deserve to be supported and have their basic needs met to provide them with every opportunity to fully participate in their communities. Collectively our members deliver support to thousands of children and young people each year. This includes providing OoHC services, such as kinship care, foster care and residential care, to over 7,000 children and young people across seven states and territories.

An adequate and secure income is the cornerstone that allows people to look after themselves and plan for the future. While many young people continue to receive support from their families into their twenties, including having the option to live at home to save on rent[i], young people leaving care often lack these same supports. They are also left to navigate further disadvantage stemming from their histories of trauma. For example, care leavers are more likely to experience mental ill-health, have lower levels of education and experience homelessness compared to the general population.[ii]

It is because of these extra barriers that care leaves face, that it is integral they receive adequate support as they become independent. The TILA was designed with the goal to help young people leaving formal care achieve long lasting positive outcomes. It provides a contribution towards the costs of transitioning to independent living, such as bond payments, purchasing essential household items and accessing counselling or other mental health supports. However, the TILA is failing to adequately support care leavers. This is largely because the payment stalled, remaining at $1,500 since 2009 and failing to keep pace with the rising cost of living.

This review presents a critical opportunity to improve financial support for young people leaving care and ensure that they have the best possible chance of transitioning well to independent living. Beyond the financial assistance the TILA provides, the payment must be easily accessible and accompanied by wrap-around support services for young people leaving care to ensure that their holistic needs are met.

## Raising the rate of payments

Moving out of home is not a cheap feat for any young person. For young people leaving care they face routine expenses such as rent, bills, food and transport, as well as the costs associated with additional supports like therapeutic services and mental health services.[iii]

Moreover, many young people, including those leaving OoHC, have limited work experience and are employed in casual or low-skilled jobs, and thus have lower or precarious incomes. While the $1,500 TILA payment provides some support, it does little to address the real cost of the very items it is meant to assist with. In 2025, the national median rent per room was $247.[iv] Even if a young person leaving care manages to secure a room when rental vacancy rates are extremely low, they would have to spend two-thirds of their TILA on the bond and the additional third on the first two weeks of rent which is expected when beginning a tenancy.[v] Ongoing rental payments, bills, whitegoods, and furnishings will still need to be paid for or purchased on top of this in addition to other living costs such as transport or groceries .

To address this issue, we call on the Federal Government urgently increase the value of the TILA. Drawing from the example of the Leaving Violence Program, which offers up to $5,000 in financial support to victim-survivors leaving violent relationships, we suggest raising the TILA to a similar amount to better reflect the true costs of starting life independently.[vi] Furthermore, the payment should be indexed annually to keep pace with inflation.

Anglicare Australia also urges the Government raise social security payments above the poverty line. Government benefits are an important source of income for care leavers, even when receiving income from employment.[vii] Youth Allowance is one of the main sources of government benefit for care leavers and it is set at an unliveable level. In the fifteen years that Anglicare Australia have been researching the rental market through our annual Rental Affordability Snapshot, rental affordability for a single person on Youth allowance has always been below one percent. Immediately raising social security payments above the poverty line would help lift thousands of care leavers out of poverty and give many more the freedom to make choices that will help them thrive.

Lifting the rate of income support payments will also benefit young people who have been exposed to the care system but are not in state care after the age of 15, such as young people in out-of-home care who were reunified with their family before age 15. These young people are frequently excluded from transition support services like TILA, even though they are vulnerable to many of the same risks faced by other young people exiting the OoHC system.

**Recommendations**

Anglicare Australia recommends:

- An urgent increase to the value of the Transition to Independent Living Allowance. The payment amount should better reflect the true costs of starting life independently and the payment should be indexed annually.
- An increase to the rate of social security payments about the poverty line.

## Reforming administration of TILA

The purpose of the TILA, as its name suggests, is to assist young people leaving care to transition to independent living. Yet, under current arrangements, young people leaving care cannot access the allowance directly. Instead, they must discuss using the TILA funds with caseworkers, who then purchase items or services on their behalf.

While it is understandable that this is intended to ensure the funds are spent responsibly, this process is disempowering for care leavers. It implies a distrust in their ability to manage finances, even though they are expected to take responsibility for their lives once they leave care. Instead, Anglicare Australia recommends that the administration of the TILA is transferred to Centrelink, with state and territory governments responsible for informing Centrelink about eligible young people.

Access to the payment must be automatic to ensure that administrative hurdles do not prevent young people from accessing the TILA. This is particularly important as care leavers often have lower levels of educational attainment compared to the general population, meaning complex administrative requirements can be a deterrent for accessing deserved support. For example, 28.5 percent of children on guardianship and custody orders in South Australia scored "needs additional support" on their Year 5 NAPLAN literacy test, compared to 7.1 percent of all Year 5 students in the state.[viii]

Further, the payment should be structured better to reflect the evolving needs of young people leaving care over time. Each care leaver is on their own independent living journey, some may decide to delay further education, look to start a family, or use independent life as an opportunity to pursue new interests. Our members all shared concerns about the overwhelming nature of the one-off payment for care leavers. Leaving care is a challenging and emotional time, and young people may not be in the right headspace to make thoughtful decisions about when and how to use their TILA. Anglicare Australia believes it would be more beneficial to provide access to lump sum or partial payments, that can be accessed multiple times between the ages of 18 and 25.

Changing how the TILA is administered would also increase its uptake. Presently, without an approved leaving care plan and access to a caseworker, young people cannot use the TILA they are entitled to. Only 67.6 percent of young people in care aged 15 have a current documented and approved leaving care plan[ix], meaning many are potentially missing out on the payment. Staff shortages and high rates of turnover in the child protection system also mean that young people in care are subjected to a revolving door of caseworkers.[x] This makes it hard for them to build relationships with caseworkers and stay in contact with them once they leave care. Young people should not be locked out of support they deserve due to circumstances beyond their control.

**Recommendations**

Anglicare Australia recommends that modifications be made to the administration of the Transition to Independent Living Allowance to:

- Make the payment automatic for all eligible care leavers, instead of accessible upon request; and
- Structure the payment to allow for care leavers to access it more than once.

## Raising the TILA age of eligibility

Governments in Australia are legally required to provide care and support to young person in care until they reach the age of 18. In recent years, all states and territories have also introduced some form of extended care programs, allowing groups of care leavers to remain in care until the age of 21. For example, in Victoria, all young people leaving care are eligible for extended care up to 21, except for young people on targeted care packages. Yet, TILA can be accessed from the age of 15 and as noted in the discussion paper 60 percent of TILA recipients in 2023-24 were aged under 18 years.

Current government policy settings require the child protection system to begin preparing a young person to leave care as 15 years old and while there may be a range of reasons why a young person exits care before the age of 18, they are very much still a child. Early planning for independent living is vital, however young people should not be forced to decide how to spend their one-off TILA funds at a young age. Care leavers experience an accelerated transition to independence, which often results in them being homeless, in the criminal justice, unemployed or a new parent with the first years of leaving care. In fact, around 30 percent of young people leaving OoHC experience homelessness at some stage within their first year after leave care.[xi]

TILA should be used to support a safe and sustainable transition to independent living, not as a cost relief measure for young people who should be having their needs met by government, family or carers. TILA utilisation data indicates that the payment is most often used for housing expenses or to purchase essential household goods. While financial support for these goods and services is necessary for care leavers, these are not costs a 15- to 17-year-old should be responsible for. Further, allowing access to TILA at such a young age means those that use it cannot access support later and when they most likely need it most.

Anglicare Australia Network members overwhelmingly agreed that young people leaving care should not be allowed to access TILA until the age of 18. This change should be made in addition to the previously mentioned recommendation of allowing TILA to be accessed more than once.

**Recommendations**

Anglicare Australia recommends that eligibility for the Transition to Independent Living Allowance be removed for care leavers under the age of 18.

## Adequately funding support services

Many young people leaving care face additional barriers to independent living. Recognising the complexity of an individual's circumstances is necessary to truly provide the support they need, and this in turn requires relationships-based practice.[xii] To do that, community service organisations require ongoing and sustainable funding to employ skilled staff permanently. Funding levels must be adequate to cover all overheads associated with service provision, including data collection and evaluation, IT capacity and administrative costs. Funding models must also account for higher staffing costs and costs of service delivery in regional and remote areas.

## Conclusion

Anglicare Australia appreciates the opportunity to contribute to the Australian Institute of Family Studies review of the Transition to Independent Living Allowance. Both this review and the others being undertaken as part of the Safe and Supported consultation, provide a valuable opportunity to make meaningful change for children and young people in care.

Children and young people deserve to be supported and have their needs met and to be supported to fully participate in their communities. For children in care, attaining this support comes with extra barriers yet when achieved, the impact can be immense. Anglicare Australia calls on the Federal Government to raise TILA to reflect the real cost of independent living and to automate its administration through Centrelink. By doing this we can create a child protection system that not only supports those in care but also enables them to live fulfilling and meaningful lives once they leave.

We would welcome the opportunity to further discuss these recommendations with the review team, or to provide further information from the Anglicare Australia Network.

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[v] SQM Research (2024) National Vacancy Rates rise to 1.4%.
[vi] Department of Social Services (2025) Leaving Violence Program.
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[viii] Report on Government Services (2025) Child protection services.
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[x] Allies for Children (2023) Social Worker Shortage & Future Demand 2021-2023.
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[xii] Feather, J et al. (2023) Transitional support interventions for care leavers: a scoping review. Children & Society.