



Australian Government

Department of Education, Employment and Workplace Relations

**SUBMISSION TO THE SENATE
COMMUNITY AFFAIRS COMMITTEE
INQUIRY INTO THE
SOCIAL SECURITY AND VETERANS'
ENTITLEMENTS LEGISLATION
AMENDMENT (SCHOOLING
REQUIREMENTS) BILL 2008**

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Terms of Reference

1. The Department of Education, Employment and Workplace Relations (DEEWR) makes this submission in response to the Senate Community Affairs Committee Inquiry into the *Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements) Bill 2008* ('the Bill'). This submission has been prepared in consultation with the Department of Families, Housing, Community Services and Indigenous Affairs.
2. The provisions of the Bill will underpin the 'Improving School Enrolment and Attendance through Welfare Reform Measure' (SEAM). This measure was announced as part of the 2008–09 Budget by the Hon Jenny Macklin MP, Minister for Families, Housing, Community Services and Indigenous Affairs. The Bill was introduced into Parliament by the Hon Julia Gillard MP, Minister for Education, Employment and Workplace Relations.
3. The terms of reference for the Inquiry are to examine the 'the effectiveness of the proposed measures and the impact on children and families'.

Introduction

4. Attendance at school is one of the principal factors in school achievement and students who are regularly absent from school are those at greatest risk of dropping out of school early, becoming long-term unemployed, dependent on welfare and being involved in the criminal justice system.
5. While it is difficult to quantify, estimates based on Australian Bureau of Statistics (ABS) population data compared with state/territory enrolment numbers suggest that nationally up to 20,000 children of compulsory school age are not enrolled in school nor registered for home-schooling according to state/territory law. Aggregate data provided by state/territory education departments indicates that attendance rates in government schools across the country are generally in the range of 91 to 93 per cent. The instance of individual children not meeting an attendance benchmark in a government school over a term may well be higher than 7 to 9 per cent.
6. States and territories have primary policy, funding and operational responsibility for schools. This includes legislation in each jurisdiction outlining parents' legal requirements to ensure that their children of compulsory school age are enrolled and attending school and penalties for the failure to do this.
7. SEAM will introduce conditions on the income support payments received by parents to ensure that, consistent with community expectations, they take reasonable steps to fulfil basic parental responsibilities in relation to their children's schooling. In this way, the measure will provide an additional policy lever to assist states and territories in their efforts to combat non-enrolment and poor attendance. Parents who are not in receipt of income support will remain subject to state and territory arrangements to promote enrolment and attendance, including possible sanctions under relevant state or territory legislation.
8. Payment conditions requiring labour market participation have a long-established history in the Australian social security system. A requirement to meet minimum education or training attendance benchmarks also forms part of the qualification rules

for student income support payments. There are some Australian precedents for linking benefits to conditions to promote desirable parenting behaviours. For example, the linkage of Maternity Immunisation Allowance to childhood vaccinations improved Australia's immunisation rate substantially. More recently, eligibility for Baby Bonus has been made conditional on registration of the birth of the child.

9. SEAM has been designed as a trial to help build the currently limited evidence base on the impact of a welfare conditionality approach to improving school enrolment and attendance amongst the children of welfare recipients. International experience does show, however, that welfare conditionality linked to school attendance works best when combined with other support services, especially a direct case management service.

10. The aim of the measure is to improve outcomes for children by requiring that parents receiving income support ensure their children of compulsory school age are enrolled in school and attending regularly. The measure will trial the use of attaching conditions to income support payments to engender behavioural change for those parents who have not enrolled their children in school or fail to work with schools to address issues relating to their child's poor attendance.

11. In the event that parents do not ensure that their children are enrolled in school and regularly attending, Centrelink will take all necessary steps to encourage parents to do this prior to any implications for their income support payments. The measure contains a number of protections prior to the potential application of a payment suspension. These include consideration of whether the parent has a reasonable excuse or special circumstance for not getting their children to school. State, territory and non-government school authorities will employ existing strategies to help parents to address non-attendance issues, and Centrelink social workers will also be available to provide support and referrals to other services as required.

12. Centrelink currently uses payment suspensions when people fail to undertake requested actions, such as responding to requests for information. In most cases people comply within a few days and the payment suspension is lifted. Under SEAM, payments will be restored with full back pay as soon as the parent complies, provided that this occurs within a 13 week period. As a further protection, Family Tax Benefit will remain available to families as a source of income during any period of income support suspension.

Overview of the measure

13. Subject to final negotiations with jurisdictions, it is anticipated that the measure will be delivered in the following manner.

Enrolment

14. Parents receiving a variety of Commonwealth income support payments living in a selected trial location who have children of compulsory school age will be contacted by Centrelink and required to provide enrolment information. Those who fail to provide enrolment information to Centrelink without a reasonable excuse will be required to engage with Centrelink and will be offered social worker assistance. Those parents who still fail to enrol their children in school may have their income support payments suspended until they do enrol them. Payments will be fully re-instated with back pay if parents meet the requirement within 13 weeks.

Attendance

15. Parents receiving income support will also be expected to take reasonable steps to ensure that their children are regularly attending school. In instances where a child is not attending regularly, the relevant state, territory or independent education authority can inform Centrelink. Parents receiving income support will be required to show they are working with the school or education authority to try to improve their child's school attendance. If a parent cannot demonstrate they are doing their best to improve their child's school attendance, they may have their income support payments suspended until such time as they can demonstrate this.

16. If the parent engages with the school (even if the child's attendance does not improve), the parent will be considered to be fully meeting their responsibilities and there will be no possibility of a payment suspension under the measure. Therefore only parents whose children are not attending regularly **and** who have failed to engage with the school to rectify the issue will face payment suspension. This recognises that parents may be constructively working with schools but are unable to change the behaviour of (particularly older) children.

17. For both the enrolment and attendance components of the measure, Centrelink will offer social worker support to assist parents meet their requirements. Other payments, such as Family Tax Benefit, will remain available to parents during any period of suspension.

18. It should be emphasised that attendance is the primary responsibility of state and territory education authorities. States and territories, not the Commonwealth, have the legislation to enforce school attendance and the ability to prosecute those parents whose children are not regularly attending school. They are responsible for determining what constitutes acceptable and unacceptable absences from school. SEAM has been designed to offer the states and territories a tool to complement their existing strategies for managing unacceptable absenteeism. SEAM will only be used by states and territories where they have tried, and failed, to engage a parent regarding their child's irregular school attendance.

Evidence base

19. Analysis of international research indicates that poor attendance is associated with lower academic outcomes and early school leaving. Studies also demonstrate that children without regular attendance can experience economic disadvantage for life, increased levels of unemployment, increased likelihood of engagement in criminal activity, increased likelihood of substance abuse, poorer physical and mental health in adulthood and increased likelihood of having children who exhibit problem behaviour¹.

United States of America

20. The United States (US) has linked income support to children's school attendance since the late 1980s. In particular, attention has been paid to teenage parents, with a mixture of approaches adopted.

¹ Withers, G (2004) Disenchantment, Disengagement, Disappearance: Some Recent Statistics and a Commentary on Non-attendance in School, *Dusseldorp Skills Forum*, Glebe NSW.

21. Programs, such as California's Cal-Learn, focused on encouraging teen parents to attend school through a scheme of financial rewards, sanctions and intensive case management. Unlike SEAM, the Cal-Learn program focused on the parent's attendance rather than the child's, primarily because children of teen parents are generally not yet of compulsory school age. The case management/sanctions approach of Cal-Learn proved to be highly successful with participants in the program graduating at a significantly higher rate than their non-participant counterparts. The evaluators of the program were able to conclude this was the result of case management², an approach SEAM is utilising though its use of existing school and education system based interventions with students and families and the provision of Centrelink social workers.

22. The other approach undertaken in the United States uses only sanctions. One such program, Learnfare, required dependent children, or young parents, between the ages of 13 and 19, who are receiving an income support payment, to maintain their school attendance and graduate from high school. Those who failed to maintain their school attendance or did not graduate risked losing part or all of their income support payments³. Again, the focus was on the young parent or teenager in receipt of payments and is more akin to Youth Allowance Student, whereby students have to maintain enrolment and attendance levels for continued payment entitlement.

23. In summary, the US experience illustrates the benefits of case management approaches. However, it provides limited evidence in relation to payment conditionality because US measures tend to target a different policy objective, namely the school completion of teen parents.

United Kingdom

24. Like the US, the United Kingdom (UK) has also focused on encouraging teenage parents to return to school, by way of an Education Maintenance Allowance⁴. Again, unlike SEAM, this approach focuses on the parent's education rather than the child's. In part this is because the incidence of lone parenthood in both of these countries is more of a pressing social policy problem than in Australia.

25. In addition, the UK prosecutes parents of truanting children, although limited information available suggests that this has not reduced the truancy rate in the UK⁵. It is important to note that, unlike in the UK, the Commonwealth Government does not have the legislative ability to prosecute a parent for failing to ensure their child is regularly attending school. This legislative ability rests with state and territory governments.

Australia's experiences in school attendance and welfare conditionality

26. The concept of linking welfare payments to person's labour market participation requirements is not new in Australia and is based on the principle of mutual obligation. However, linking a person's income support payments to other behaviours, such as their child's school enrolment and attendance, is a relatively new concept. As

² Campbell, D. & Wright, J (2005). Rethinking Welfare School-attendance policies, *Social Service Review*, 79 (1), 2–28.

³ Legislative Audit Bureau (1997) An evaluation of the Learnfare Program: Final report. Legislative Audit Bureau, State of Wisconsin.

⁴ Respect Taskforce (2006) Respect Action Plan.

⁵ Paton, G. 'Truancy up despite fines for parents', *The Telegraph*, 1 May 2008

mentioned previously, the Maternity Immunisation Allowance and recent changes to the Baby Bonus relating to the registration of the birth of the child provide examples of conditions related to parenting behaviours.

27. In order to test welfare conditionality approaches and their effect on behaviour, SEAM is being trialled in a cross-section of locations across Australia. These include metropolitan, rural and remote areas. While there have been some limited previous Australian trials relating to school attendance, as outlined below these differed in scope and methodology from the proposed SEAM trial approach.

Halls Creek Trial⁶

28. In 2005, the Halls Creek School in Western Australia, along with the local Centrelink office, undertook a trial linking parents' welfare payments to their children's attendance. This trial was halted as it was not supported by legislation and the short duration of the trial means that there is no evidence on its outcomes.

Halls Creek 'Engaging Families' Trial⁷

29. After the cessation of the first Halls Creek trial, the (then) Commonwealth Department of Employment and Workplace Relations (DEWR) funded the Halls Creek 'Engaging Families' Trial in 2006. This trial had two aims, the first being to encourage parents to become more involved in work-related activities. This included the observance of regular work practices such as personal time routines and keeping appointments. The second aim was to encourage parents to play a more active role in trying to improve school attendance among their children.

30. Participation in the trial was voluntary and no parent participating in the trial had their income support payment suspended for trial-related reasons. The voluntary approach used in the trial to engage parents in job related activities was accompanied by highly intensive and continuous support on the ground by Job Network, Centrelink and DEWR staff. Attempts by the Department and trial organisers to encourage parents to voluntarily engage with the school met with limited success. There was no evidence that the approach trialled – which did not attach any conditions to parents' welfare payments – resulted in an improvement in children's school attendance.

'Welfare payments and school attendance: An analysis of experimental policy in Indigenous education by Professor Larissa Behrendt and Ruth McCausland'

31. In August 2008 Professor Larissa Behrendt and Ruth McCausland released a paper entitled 'Welfare payments and school attendance: An analysis of experimental policy in Indigenous education'. The paper expressed a concern for the lack of evidence in linking welfare conditionality to school attendance.

32. The paper contains a description of SEAM that does not reflect the provisions of the Bill – in particular it assumes that income management is to be the tool used under the measure to engender behavioural change. As previously indicated, SEAM does not use income management but rather potential payment suspension to encourage

⁶ Department of Employment and Workplace Relations (2006), *Halls Creek Engaging Families Trial February-July 2006- Evaluation Report*.

⁷ Department of Employment and Workplace Relations (2006), *Halls Creek Engaging Families Trial February-July 2006- Evaluation Report*.

income support recipients to ensure their children are enrolled in school and regularly attending.

33. Income management is a longer term tool that has been used in the Northern Territory Emergency Response and is shortly to be used in the Western Australian Child Protection trial. In essence, income management focuses on ensuring that income support payments are used to meet priority needs such as food, housing, utilities and health costs, and reduces their availability to fuel behaviours such as drug and alcohol consumption, and problem gambling.

34. SEAM will use potential payment suspension because there is no particular linkage between misuse of income support payments to fund behaviours potentially harmful to children and school attendance. It is also considered that actions such as enrolling a child in school and engaging with a school regarding a child's attendance are tasks that are readily within a parent's ability to address, with appropriate support from schools and Centrelink such as that envisaged under the measure.

Application of insights from overseas experience

35. SEAM has been developed to incorporate the 'lessons learnt' from the available evidence base. It adopts a payment conditionality approach in combination with the family supports to be provided through the school system and Centrelink social workers (including referrals to other locally available services as required). The evaluation of the trial phase will provide critical data to contribute to an evidence base; an issue that has been highlighted by commentators as being a critical component for future policy consideration.

Measure impact on children and families

36. The SEAM legislation and policies have been drafted to ensure parents and families who do the right thing are not adversely affected and that parents not meeting their responsibilities are offered support to do so.

37. Parents who are meeting their basic parental responsibilities by ensuring their children are enrolled in school and who are doing their best to encourage their children to attend regularly are complying with the measure. The few remaining parents will be offered support by both Centrelink social workers and the school to help them meet their requirements before any suspension is considered.

38. Support will be provided, with Centrelink social workers working with parents to identify any reasonable excuse or special circumstances that may impact on their ability to comply. as well as liaising with schools and support agencies to help parents meet their requirements.

The impact on complying parents is minimal

39. In relation to enrolment, parents will be required to inform Centrelink of the school at which their child is enrolled. This information can be provided to Centrelink via phone, a standard lodgement form or in person. Centrelink will not require 'proof' of enrolment for the majority of parents affected by the measure; the details provided by the parent will be sufficient. As part of a targeted verification process, some parents may be selected to provide evidence of enrolment; this evidence may be as simple as an enrolment letter or even a recent school report. New claimants will be

required to provide evidence of enrolment as part of the new claim process, in keeping with their requirement to provide evidence of a range of information relevant to their payment application.

40. For the attendance component, the vast majority of parents will already be taking steps to ensure their child is attending school regularly. If the child is not attending regularly, the parent will need to engage with the school to try and improve the child's attendance. If the child's attendance improves, Centrelink will not suspend the parent's payments. Even if the child's attendance does not improve, provided the parent is constructively working with the school, no payment consequence can follow under the measure.

Family Tax Benefit is still payable

41. In the event a parent has their income support payment temporarily suspended for either the enrolment or attendance component of the measure, their Family Tax Benefit, including any rent assistance component, remains payable. This provides families with continued access to financial resources.

Suspension, payment restoration and back payment within 13 weeks

42. Only those parents who are deliberately not complying with the measure's requirements and who do not have a reasonable excuse or special circumstance (see below) will have their payments suspended. This is to protect children and ensure suspension is used as a last resort where all other avenues have been explored.

43. If a parent has their income support suspended for failing to comply with either the enrolment or attendance components of the measure, their payments will be restored as soon as they comply. It is expected that in most cases this would occur within a very short period, usually within the next fortnightly payment instalment period. Provided that this occurs within a 13 week period, the parent's payment will be fully back paid. Centrelink will have the ability to direct back payments to specific expenses or to make back payments available to families by instalment.

44. The legislation allows for periods of 'stop-start' suspension, whereby payments are restored if a person commits to complying, either through engaging with the school or enrolling their child. However, if the parent still has not complied by the required time they can then be suspended once again. This approach ensures that families are not placed in financial hardship while endeavouring to comply with the requirements for which they were initially suspended.

Centrelink social worker engagement and reasonable excuse

45. The reasonable excuse provisions, as well as Centrelink social worker engagement, are designed to protect parents who cannot comply with the measure for a variety of reasons. Centrelink social workers will be called upon to intervene with parents who may be facing suspension to offer assistance and to assess whether a parent's inability to comply comes under the scope of reasonable excuse or special circumstance provisions.

46. In certain instances, such as where experience of domestic violence is disclosed, Centrelink social workers will also refer the customer to other relevant support services. In this way, parents who may have broader issues that contribute to family

functioning and their ability to get their children to school may be more likely to be identified and assisted as a result of this measure.

47. Any excuses provided by a parent for non-compliance will be assessed by Centrelink prior to a suspension being imposed on the customer, and their validity can be reconsidered at any point during suspension if the parent provides further information. If it becomes apparent that a person has a reasonable excuse during their suspension period, the suspension will be lifted and payments will be restored and back paid.

48. Those parents affected by the measure may be eligible for consideration under reasonable excuse provisions for a variety of reasons. Of those reasons some may be due to a parent's inability to comply with the measure, such as experience of mental illness. Special circumstance provisions may also apply, in the case of issues beyond a parent's control, such as a natural disaster which prevents the child attending school.

Payment cancellation only in extreme circumstances

49. After the 13 week suspension period Centrelink has the discretion to cancel an income support recipient's payment. A decision to cancel payment would never be taken lightly. However, there may be circumstances where it becomes apparent that, after 13 weeks of suspension, the parent has no intention of trying to meet their responsibilities to get their children to school and no reasonable excuse or special circumstance exists. Payment cancellation may be appropriate in such circumstances. It is important to note that those people who cannot comply with the measure would have previously been identified by social workers and so will not reach the cancellation stage.

Conclusion

50. The SEAM legislation and policy are designed to encourage behavioural change, where necessary, through linking parents' income support payments to their children's school enrolment and attendance. The proposed arrangements are intended to minimise inconvenience for parents who comply with the measure. After engagement with social workers, only those parents who do not comply and have no reasonable excuse or special circumstance for failing to do so will face payment suspension. At this time Family Tax Benefit will still be payable so families can purchase necessities. Income support will be restored and fully back paid as soon as parents comply, provided this occurs within a 13 week period. Parents may only face the ultimate cancellation of their income support payment in extreme cases where their payment has been suspended for more than 13 weeks and their unwillingness to engage with Centrelink or their child's school to remedy enrolment or attendance issues has been established.

51. The measure will be trialled to establish an evidence base in the Australian context on the effectiveness of the proposed arrangements. This recognises that overseas trials, while relevant, provide a limited basis for comparison due to their focus on schooling related requirements for teen parents which are more akin to the eligibility criteria for Australian student income support payments.