

ACOSS Submission | October 2008

Australian
Council of
Social Service

# **Submission to the Senate Community Affairs Committee**

Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements) Bill 2008

ACOSS, October 2008

Australian Council of Social Service Locked Bag 4777, Strawberry Hills, NSW, 2012 Ph (02) 9310 6200 Fax (02) 9310 4822 info@acoss.org.au www.acoss.org.au

# Introduction

The Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements) Bill 2008 makes income support payments conditional on school enrolment and attendance.

These measures were announced in the 2008-09 Budget, as part of a \$17.6 million welfare reform package. Eight trials linking school enrolment and attendance with welfare payments are to begin in early 2009.<sup>1</sup>

The Schooling Requirements Bill has been referred to the Community Affairs Committee for its consideration of the 'effectiveness of the proposed measures and the impact on children and families'.

The Australian Council of Social Service (ACOSS) is the peak council of the community services and welfare sector and the national voice for the needs of people affected by poverty, disadvantage and inequality. We have prepared this submission to highlight our concerns about the effectiveness of this proposed legislation and its impact on children and families.

# The definition and scale of the problem

The Government has introduced the *Schooling Requirements Bill* as a measure to improve the rate of school enrolment and attendance among children of compulsory school age in Australia. However, neither the nature nor the scale of the problem has been clearly or accurately defined.

The Bill appears to be based on three assumptions:

- the extent of the problem requires drastic and severe measures;
- children in families in receipt of income support are more likely to have poor school attendance; and
- parental irresponsibility is a major factor in poor school attendance.

ACOSS is concerned that these assumptions are not supported by the evidence.

Australia's average school retention rate is reported to be 75%, which the Government seeks to increase to 90% by 2020.<sup>2</sup> The Australian Bureau of Statistics estimates that around 20,000 Australian children of compulsory school age may not be enrolled or regularly attending school, with many more not attending regularly enough to meet

<sup>&</sup>lt;sup>1</sup> Minister for Families, Housing, Community Services and Indigenous Affairs, 'Media release – Increasing school attendance in Cannington', 17/7/08

<sup>&</sup>lt;sup>2</sup> Prime Minister Kevin Rudd, quoted in 'No school, no cash: Plan to cut benefits to truants' families', 25/8/2008, Hwww.abc.net.auH.

reasonable benchmarks.<sup>3</sup> It has been estimated that Australia's situation has not materially improved since 2000 in terms of reducing rates of non-attendance, truancy or suspensions and may in fact be slightly worse.<sup>4</sup> However, there are significant problems with the data, which lacks national consistency, such that the scale of the problem is difficult to determine.<sup>5</sup>

Importantly, moves to improve school attendance data have been made, with States and Territories agreeing to provide aggregated government and non-government school attendance data to the Ministerial Council on Education, Employment, Training and Youth Affairs, which will be reported in the *National Report on Schooling in Australia* and analysed by the newly established National Student Attendance Unit.<sup>6</sup> The Commonwealth has also commissioned research on national rates of school enrolment and attendance, which will examine effective strategies and recommend complementary Commonwealth initiatives.<sup>7</sup>

There is little available analysis which compares Australian attendance rates with other jurisdictions to shed light on the relative seriousness of the national problem. However an OECD study of 15 year olds suggests that Australia was close to the OECD average on the index of participation.<sup>8</sup> There is no evidence to suggest that Australia has significantly higher than average rates of non-enrolment or attendance, which raises questions about the justifications for severe sanctions to address the issues and for proposals to roll these measures out nationally if the trials are successful.

#### No evidence on links between income source and school attendance

National school enrolment and attendance data is not disaggregated by reference to socioeconomic status, family income level or income source. As a result, there is no evidence indicating that children in families who receive income support are more likely to have poor school attendance records than children in families who are not in receipt of income support payments. Indeed, US research has suggested that geographic location is a stronger predictor of non-attendance than welfare status.<sup>9</sup> Despite this, the Government's school enrolment and attendance trials exclusively target parents who are in receipt of income support payments. The targeting of this measure to income support recipients lacks policy logic and is discriminatory.

<sup>&</sup>lt;sup>3</sup> The Hon Jenny Macklin, Minister for Families, Housing, Community Services and Indigenous Affairs, Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements) Bill 2008, Second Reading Speech

<sup>&</sup>lt;sup>4</sup> Graeme Withers, Disenchantment, Disengagement, Disappearance: Some recent statistics and a commentary on non-attendance in school, A paper prepared for the Learning Choice Expo conducted by the Dusseldorp Skills Forum, Sydney, 23-24 June 2004 at 4.

<sup>&</sup>lt;sup>5</sup> Graeme Withers at 11.

<sup>&</sup>lt;sup>6</sup> Marilyn Harrington and Peter Yeend, Bills Digest, Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements) Bill 2008, Parliamentary Library, 2 September 2008, no 14, 2008-09 (Bills Digest) at 6.

<sup>&</sup>lt;sup>7</sup> Bills Digest at 6.

<sup>&</sup>lt;sup>8</sup> Graeme Withers at page 68.

<sup>&</sup>lt;sup>9</sup> David Campbell and Joan Wright, 'Rethinking Welfare School Attendance Policies', Social Service Review, Vol. 79(1), March 2005.

#### School attendance in Indigenous communities

Six of the eight trial sites involved are predominantly Indigenous communities. Indigenous students have significantly lower retention rates than non-Indigenous students, at 42.9% compared to 75.6%.<sup>10</sup> The six Northern Territory trial sites are generally characterised as having poor rates of school attendance. Across the Northern Territory, the Commonwealth Government estimates that there are 2,000 children, or 20% of compulsory school age Indigenous students, who are not enrolled in school, with a further 2,500 not attending regularly and about 8,000 only attending school about 60% of the time.<sup>11</sup> However, it is not clear upon which basis the other trial sites have been selected. For example, Cannington, in metropolitan Perth, reportedly has an attendance rate of 92% which is roughly equivalent to the state average.<sup>12</sup>

Although the need for effective policies to improve Indigenous school attendance is clear, it is essential to accurately determine the *reasons* for non-attendance in these communities and develop a policy response which addresses the underlying causes of educational disengagement.

# The role of parental irresponsibility in school attendance

The trials rest on an assumption that an important factor in low school enrolment and attendance is parental irresponsibility <sup>13</sup> which can be addressed by 'encouraging greater parental responsibility so that parents are making clear their expectation that their children will go to school'. <sup>14</sup> This assumption is implicit in the rationale for the trials explained by Senator McLucas in her second reading speech:

The Bill aims to engender behavioural change in those parents who are reluctant to encourage their children to participate in school; by making the receipt of income support payments conditional on parents taking reasonable action to ensure their children are enrolled in school and attending regularly.<sup>15</sup>

The research discussed below indicates that parental irresponsibility is not a major factor affecting school attendance.

<sup>&</sup>lt;sup>10</sup> Australian Bureau of Statistics (ABS), *Schools Australia 2007*, ABS Cat. No. 4221.0, ABS, Canberra, 2008, p.41,

Hhttp://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/91CC63D5C3277132CA2573FD0015D0EF/\$File/42 210\_2007.pdfH, accessed on 3 October 2008.

<sup>&</sup>lt;sup>11</sup> Minister for Families, Housing, Community Services and Indigenous Affairs, Media Release, 'NT trials to boost school attendance', 20/6/2008.

<sup>&</sup>lt;sup>12</sup> Mark McGowan, Former WA Minister for Education and Training, Transcript – School attendance measure, 17/7/2008, Perth, Minister for Families, Housing, Community Services and Indigenous Affairs, accessed at Hwww.fahcsia.gov.auH.

<sup>&</sup>lt;sup>13</sup> David Campbell and Joan Wright at 19.

<sup>&</sup>lt;sup>14</sup> The Hon Jenny Macklin, Minister for Families, Housing, Community Services and Indigenous Affairs, Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements) Bill 2008, Second Reading Speech.

<sup>&</sup>lt;sup>15</sup> Senator McLucas, Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements Bill) 2008 - Second Reading Speech.

# The Schooling Requirements Bill

The Schooling Requirements Bill ('the Bill') provides legislative authority to make income support payments conditional upon school enrolment and attendance.

Although these measures are initially to be rolled out in eight selected trial sites, the legislation is not limited to this application and establishes a framework for national roll out of the measures. The legislation therefore confers power on government officials to impose severe penalties on income support recipients, in the absence of evidence of the effectiveness of these measures.

#### Affected payments

Under the Bill, all social security pensions, benefits, service pensions and income support supplements are to be conditional upon school enrolment and attendance requirements, with the exception of Family Tax Benefit (FTB). This means that FTB payments will continue to be received during periods of other payment suspensions.

### **Conditionality and sanctions**

The Bill requires that parents (or carers of dependent children<sup>16</sup>) who receive income support provide evidence to Centrelink of their children's enrolment at school as a condition of receiving income support.<sup>17</sup> Where this requirement is not met, an enrolment notice will be provided to a parent, which must give details of:

- (a) how to comply with the notice; and
- (b) the initial period for compliance with the notice, and the Secretary's power to extend that period; and
- (c) the consequences ... of not complying with the notice. 18

If a parent has not met the enrolment notice conditions by the end of the specified compliance period and cannot demonstrate a 'reasonable excuse' for that failure or 'special circumstances', their income support payments will be suspended for up to 13 weeks.<sup>19</sup>

If a payment is suspended for a total period of 13 weeks or more (which need not be continuous), the Secretary must determine that the payment is to be suspended or cancelled.<sup>20</sup> If a parent is able to meet the enrolment notice conditions within a 13 week period, they will be entitled to arrears for the period of suspended payments, either as a lump sum payment or a series of regular payments.<sup>21</sup>

<sup>&</sup>lt;sup>16</sup> The legislation defines a 'schooling requirement child' of a person as a child who is a dependant child of the person, supposed to live with the person or spend time with the person under a family law order or parenting plan made under the *Family Law Act* 1975 (Cth) or in the person's care for at least 14% of the time assuming the family law order or parenting plan is complied with.

<sup>&</sup>lt;sup>17</sup> Section 124F.

<sup>&</sup>lt;sup>18</sup> Section 124F.

<sup>&</sup>lt;sup>19</sup> Section 124G.

<sup>&</sup>lt;sup>20</sup> section 124H(2).

<sup>&</sup>lt;sup>21</sup> Section 124J(4)-(6).

Division 3 of the Bill sets out the conditions around school attendance. It provides that if a school provides a notice that a child is failing to attend school and that the child's parent is failing to take 'reasonable steps' to ensure that the child attends school, an 'attendance notice' will be provided. Like the enrolment notice, the attendance notice must give details of compliance conditions, the compliance period and the consequences of non-compliance. In the same way, failure to comply with the attendance notice conditions, without reasonable excuse or special circumstances, will result in payment suspension. The same provisions apply regarding payment suspension, the payment of arrears and cancellation.

Where suspension of a payment exceeds 13 weeks, the relevant Secretary must make a decision as to whether to continue the suspension or cancel payments, which allows for the suspension of payments for longer than 13 weeks. This enables some flexibility on a case-by-case basis, where, for example, Centrelink may be aware that a parent is about to comply with the schooling provisions.<sup>26</sup> It also allows restoration and back pay to occur after the 13 week period in certain circumstances. Unlike payment suspension, the cancellation of a payment requires that a person re-apply for the payment to commence again. Significantly, the Bill would enable payments to be suspended before they have even begun.

# 'Reasonable steps' and 'special circumstances'

As noted above, the Bill provides that the school attendance provisions will apply only to parents who, in the opinion of a person responsible for the operation of a school, 'fail to take reasonable steps to ensure that the child attends school'.<sup>27</sup> In her Second Reading Speech, the Minister for Families, Housing, Community Services and Indigenous Affairs acknowledged that 'some children have unsatisfactory school attendance despite the best efforts of their parents.'<sup>28</sup> However, it is not clear how 'reasonable steps' will be assessed by schools or demonstrated and evidenced by parents.

As 'reasonable steps' and 'special circumstances' are not defined in the Bill, these will be the subject of guidelines, which are yet to be developed. The only indication of the kinds of factors that might be considered as 'special circumstances' has come from the Hon. Chris Evans who has suggested the following circumstances:

- no appropriate school places available in area;
- reasonable belief that the school cannot provide a safe environment (and no other appropriate school available);
- school or education authority rejects application (and no other appropriate school available); and

<sup>&</sup>lt;sup>22</sup> Section 124K(2).

<sup>&</sup>lt;sup>23</sup> Section 124K..

<sup>&</sup>lt;sup>24</sup> Section 124L..

<sup>&</sup>lt;sup>25</sup> See sections 124M-124N.

<sup>&</sup>lt;sup>26</sup> Bills Digest at 14.

<sup>&</sup>lt;sup>27</sup> Section 124K.

<sup>&</sup>lt;sup>28</sup> The Hon Jenny Macklin, Second Reading Speech.

school vacation period.<sup>29</sup>

These would provide only very limited grounds for avoiding payment suspension and exclude other significant grounds, for example, cultural factors, unstable housing, child behavioural problems, family conflict, medical conditions, disability and transport.

#### Information exchange and discretionary decisions

The Bill also includes provisions to enable information exchange between the department (including Centrelink) and schools, education departments and other portfolio departments, allowing school authorities to give information to Centrelink about school enrolment and attendance. However, the legislation does not impose mandatory reporting requirements on school authorities and officials. It is not clear whether Centrelink is to determine whether the required rate of attendance is reasonable and what expertise Centrelink officials will have in considering factors related to the school environment and family circumstances.

### Relationship with income management regimes

Provisions enabling income support payments to be quarantined where children are not enrolled or attending school were passed in the *Social Security and other Legislation Amendment (Welfare Payment Reform) Bill 2007*. By contrast, the *Schooling Requirements Bill* creates provisions relating to the suspension and cancellation of payments where parents fail to comply with enrolment and attendance requirements. Unlike the income management provisions, parents affected by the *Schooling Requirements Bill* will retain the usual social security appeal rights and payments will continue pending the outcome of an appeal.

Some of the trial sites are also 'prescribed communities' under the Northern Territory Emergency Response (NTER). Therefore, income support recipients in these communities are currently subject to the NTER income management regime. In addition to income management, affected parents will now face the risk of payment suspension under the *Schooling Requirements Bill*.

<sup>&</sup>lt;sup>29</sup> Bills Digest at 13, citing Senator Chris Evans, 'Question without Notice: Indigenous communities', Senate, Debates, 1 September 2008, p. 21, Hhttp://www.aph.gov.au/hansard/senate/dailys/ds010908.pdfH, accessed on 2 September 2008.

# A departure from the principle of inalienability

Income support is an essential part of the social welfare system and the market economy by enabling those who are disadvantaged to purchase basic goods and services.

Under existing social security legislation, income support payments are generally 'inalienable' which means that where a person qualifies for a payment and entitled to an amount of payment, the payment is their legal right and cannot be refused or provided to someone else. Social security legislation sets out very limited exceptions to the principle of inalienability, for example, to allow for voluntary Centrepay arrangements. The *Schooling Requirement Bill's* provisions of suspension and cancellation will override these inalienability provisions.

ACOSS seeks to ensure that the principle of the inalienability of income support payments is respected and that the legal and policy mechanisms to improve school enrolment and attendance are proportional to the scale of the problem, targeted to those most at risk and designed to address the causes of educational disengagement.

# The evidence base: school attendance and welfare payment trials

Various welfare reform models designed to improve educational engagement through a combination of incentives and sanctions have been trialled in Australia and overseas. There is considerable evidence from program evaluations about what works and what doesn't in encouraging school enrolment and attendance.

The current trials seek to employ sanctions rather than incentives to motivate behavioural change. In this way the trials differ from incentive-based models used overseas with some success. The evidence base for sanctions approaches, drawn mainly from the US experience, is much weaker.

In this section, Australian and overseas school attendance and welfare reform programs are analysed to assess the likely effectiveness of the proposed trials and identify key features of effective programs and policies to improve educational engagement.

#### The Halls Creek trials

Two separate trials designed to improve school enrolment and attendance have been conducted at Halls Creek in the Kimberley. The first trial involved the threat of sanctions for non-attendance at Centrelink interviews but was suspended due to concerns about the legality of the suspension regime. This led to its replacement with a second trial, the 2006 *Engaging Families* trial, which had two objectives: to increase participation in job-related activities among Parenting Payment recipients and to encourage parents to make their children attend school regularly.

The 2005 sanctions-based trial reportedly increased attendance rates from 54% to 80%, but the number of trial participants was very low (16 income support recipients) and results

should be interpreted cautiously, particular in light of strong international research indicating that sanctions have a limited impact on school attendance.

The Engaging Families trial involved 30 income support recipients, and encouraged parents to participate in employment related activities with parents agreeing to send their children to school. It did not result in any increase in school attendance rates. Although there were no threats of sanctions, the findings of the trial nonetheless point to the some of the causes of low attendance and the limited capacity of parents to change attendance patterns. These findings were that:

- Variations in the quality of teachers and schools impact negatively on attendance rates. The school must be an attractive option for children and they must want to be in the classroom with their teacher.
- There was a need to better address bullying at schools to encourage greater attendance.
- The housing situation (poor quality and overcrowded) in Halls Creek was unlikely to provide an environment in which families could be 'work and school ready'.
- Many parents felt powerless about getting their children to attend school, especially those children aged 12 years and upwards, suggesting the need for additional parenting services.<sup>30</sup>

# Shared Responsibility Agreements and school attendance: The Wadeye 'no school, no pool' trial

Shared Responsibility Agreements (SRAs) were introduced in 2003 and make the provision of Government funding and services to Indigenous communities contingent on community initiatives and outcomes. A number of SRAs contain 'no school, no pool' obligations, and other variations (e.g. no scouts, no access to sporting facilities). Communities have made various undertakings under SRAs to improve attendance, for example, setting up a transport roster and preparing students for the school day.

The Northern Territory community of Wadeye implemented a 'no school, no pool' program within the framework of a Shared Responsibility Agreement with the Government. When the \$1.1 million pool was opened in 2004, school attendance spiked sharply with 600 students attending in the first term but by the end of the year enrolments had fallen to 100, attributed to inadequate school infrastructure to meet the increased demand.<sup>32</sup>

#### United States sanctions-based approaches

In the 1980s and 1990s an increasing number of state governments in the USA introduced schemes requiring school attendance as a condition of welfare cash assistance. A 2005 study of seven US welfare school-attendance programs that made use of financial sanctions found that 'sanction-only' programs had a negligible effect on school

<sup>&</sup>lt;sup>30</sup> Department of Employment and Workplace Relations, 'Halls Creek Engaging Families Trial February – July 2006 Evaluation Report', September 2006.

<sup>&</sup>lt;sup>31</sup> Loretta de Plevitz, 'No School, No Funds: Shared Responsibility Agreements and Indigenous Education', 2006 *Indigenous Law Bulletin* 55.

<sup>&</sup>lt;sup>32</sup> ABC, The 7:30 Report, 'Questions raised over Wadeye program', Murray McLaughlin, 28/4/2008.

attendance.33 Those which combined sanctions with individual case management also saw no positive increase in attendance rates.<sup>34</sup> Only programs which combined sanctions, case management, support services and financial incentives for attendance or graduation saw limited but positive results, with case management seen as a the critical variable. 35 Even in these cases, the reported gains were in enrolment rates, rather than longer term improved attendance patterns or other indexes of wellbeing. The critical finding of this study was that 'case management services are critical to the ability of welfare school-attendance programs to achieve their objectives' with most evaluations crediting improvements in attendance to 'the ability of case managers to convey information about support services and potential bonuses or to provide those services directly'. 36

The study also found that geographic location was a stronger predictor of non-attendance than welfare status and that illness rather than truancy was the major cause of absence. It concluded that sanctions-based models spent disproportionate resources monitoring attendance rather than addressing the underlying causes of non-attendance, including social exclusion factors.37 However, it did find that the use of attendance monitoring to trigger social service interventions had merit.38

The study concluded by acknowledging that some cases of 'egregious truancy' exist, some of which are amongst families receiving income support, and that sanctions sometimes play a role in remedying the problem. However, the authors suggest that policy makers need to seriously consider 'whether the costs of maintaining a welfare school-attendance program are worth these marginal gains'. They suggest that one promising direction arising from the review was to build on the idea that attendance monitoring can be a useful tool to trigger social service interventions, but that partnerships should be developed between welfare agencies and schools and parents and community organisations.<sup>39</sup> Further, the authors argue that separate systems for welfare recipients and others are difficult to justify, are unfair and complex to administer.<sup>40</sup>

To highlight one example, the US State of Delaware has applied strict financial penalties to parents who do not meet welfare reform rules, which include engaging in activities aimed at 'positive family functioning and economic self-sufficiency'. Sanctions fall into three broad categories, most relevantly including Teen Responsibility Sanctions which are applied if a dependant teen does not maintain satisfactory school attendance or, if out of school, does not participate in an employment or training activity. The sanctions invoked take away funding for the teen's needs from the grant (a \$68 penalty) and remove the caretaker's portion of the grant if he/she is not working to remedy the situation.

<sup>35</sup> Ibid.

<sup>&</sup>lt;sup>33</sup> Campbell and Wright.

<sup>&</sup>lt;sup>34</sup> Ibid.

<sup>&</sup>lt;sup>36</sup> Ibid at 5.

<sup>&</sup>lt;sup>37</sup> Ibid at 21.

<sup>38</sup> Ibid.

<sup>&</sup>lt;sup>39</sup> Ibid at 21.

<sup>&</sup>lt;sup>40</sup> Ibid at 21.

An evaluation of the program found that:

- many clients received sanctions and these led to a substantial loss of benefits;
- family circumstances made it difficult for some clients to meet the rules, while others appeared not to have understood the requirements;
- lack of motivation to comply with requirements did not reveal a strong effect on noncompliance rates;
- sanctions were more common among mothers who had more children and those citing transport needs suggesting the program may place a greater burden on larger families and those with transport challenges;
- a fairly low proportion of those sanctioned were able to 'cure' their sanctions, with a
  larger group remaining non-compliant until their cases proceeded to closure –
  suggesting the impact of sanctions in achieving behavioural change may not be as
  significant as is assumed by those devising such policies; and
- staff in social security offices needed clear policy guidance in distinguishing wilful non-compliance from non-cooperation arising from misunderstanding and difficult personal circumstances.<sup>41</sup>

# Conditional Cash Transfers: an incentives approach

A number of developing countries, particularly in Latin America and the Caribbean, have introduced Conditional Cash Transfers (CCTs) which offer an additional payment to parents in return for fulfilment of an obligation, for example, ensuring children are enrolled in school or receive child health checks.<sup>42</sup>

The defining differences between the proposed Australian trials and CCTs are that CCTs rely on incentives rather than sanctions to achieve behavioural change and that CCTs affect payments that are discretionary rather than existing entitlements.

The education component of CCTs typically makes the receipt of education grants (and in some cases cash or in-kind support for school materials) conditional on school enrolment and regular attendance (usually 80-85% of school days).<sup>43</sup> The grants variously reflect the direct and indirect costs of education, the opportunity cost of work for older children and in some cases involve an incentive to encourage female enrolment and attendance.<sup>44</sup>

The results of CCT schemes are mixed. While school attendance programs have seen enrolments increase, this has not necessarily translated into significantly increased

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<sup>&</sup>lt;sup>41</sup> David J. Fein and Wang S. Lee, Abt Associates Inc., The ABC Evaluation – Carrying and Using the Stick: Financial Sanctions in Delaware's A Better Chance Program, Executive Summary, May 1999, prepared for Delaware Health and Social Services Division of Social Services.

<sup>&</sup>lt;sup>42</sup> Examples include Mexico's *Programa de Educacion, Salud y Alimentacion* (PROGRESA, renamed Opportunidades), Columbia's *Familias en Accion* program, Honduras' *Programa de Asignacion Familiar* (PATH). For a more comprehensive list, see Laura B. Rawlings, 'A new approach to social assistance: Latin America's experience with conditional cash transfer programmes', *International Social Security Review* Vol 58, 2-3/2005.

<sup>&</sup>lt;sup>43</sup> Laura B. Rawlings, 'A new approach to social assistance: Latin America's experience with conditional cash transfer programmes', International Social Security Review Vol 58, 2-3/2005 at 140.

<sup>&</sup>lt;sup>44</sup> Laura B. Rawlings at 141.

attendance<sup>45</sup>. Further, it is difficult to separate the effects of increased income from incentives, particularly under the Progresa program in Mexico which has significantly increased incomes.

Like the proposed Australian trials, CCT schemes are premised on the assumption that there are 'demand-side bottlenecks' causing lower rates of access to education and health services among low-income families. However, this assumption is not supported by evidence.<sup>46</sup>

An evaluation of seven CCT schemes in Latin America and the Caribbean has emphasised the importance of ensuring the availability of high quality education and health services:

...CCTs are not a substitute for the provision of quality supply-side investments, but are instead a complement that directly addresses the problem of insufficient demand for health and education services from the poor while at the same time being critically dependant upon access to high-quality health and education services. Indeed, the provision of high quality health and education services should be a prerequisite to the implementation of a CCT programme lest the transfer be conditioned upon the mandated use of poor-quality, ineffective services.<sup>47</sup>

A CCT trial has been running in New York City since September 2007, involving 2,500 families. 'Opportunity NYC', which is modelled on the Mexican *Progresa* and *Opportunidades* programs, pays parents in six New York City neighbourhoods 'rewards' for a specified range of activities. The trial is designed to encourage parents to 'behave responsibly toward their children'. Rewarded activities include:

- regular school attendance;
- attendance at parent/teacher meetings;
- improvements on standardised school test scores(ELA and MATH);
- having health insurance;
- yearly health checkups;
- · yearly dental checkups; and
- full-time employment.<sup>48</sup>

Each item on the list offers a specific payment. For example, if a child goes to school regularly, a parent will receive a \$50 payment every other month. 49 Notably, this trial marks a departure from the traditional US sanctions approach for non-compliance with social security rules discussed above.

The trial will be evaluated after another year and results are not yet available. However, criticisms have been expressed about the lack of strategic vision and poverty targets, as

<sup>&</sup>lt;sup>45</sup>Laura B. Rawlings, at 149.

<sup>&</sup>lt;sup>46</sup> Sudhanshu Handa and Benjamin Davis, 'The Experience of Conditional Cash Transfers in Latin America and the Caribbean', *Development Policy Review*,

<sup>&</sup>lt;sup>47</sup> Laura B. Rawlings at 140.

<sup>&</sup>lt;sup>48</sup> Accessed at the Opportunity NYC website on 26/9/08 at Hhttp://www.opportunitynyc.info/faq\_en/H.

<sup>&</sup>lt;sup>49</sup> Ibid.

well as the failure to address some of the structural and welfare service problems in the areas affected 50

### Summary of overseas evidence

Overseas experience offers a number of lessons about the effectiveness of different approach to improving school enrolment and attendance:

- sanctions (for example, threat of payment suspension) have had limited success and only where accompanied by case management, support services and financial incentives, with case management not sanctions the critical variable<sup>51</sup>;
- parental lack of motivation is not the major factor in non-compliance with conditions

   this is related instead to a lack of capacity, attributable to the complex range of social issues disadvantaged parents may experience;
- geographic location is a better predictor of attendance than welfare status;
- illness rather than truancy is the major cause of school non-attendance; and
- incentive schemes are more effective than sanctions-only schemes, but both can be undermined by the lack of supply to meet any increase in demand.

<sup>&</sup>lt;sup>50</sup> Natalie Branosky, 'Opportunity New York City', August 2008, Issue 196, Working Brief, Centre for Economic and Social Inclusion, pg 12.

Larissa Behrendt and Ruth McCausland, 'Welfare payments and school attendance: An analysis of experimental policy in Indigenous education', An Issues Paper for the Australian Education Union, Jumbunna Indigenous House of Learning, University of Technology, Sydney, August 2008 at 9.

#### The causes of school non-enrolment and non-attendance

#### General

The causes of children's non-enrolment and non-attendance are complex and clear distinctions must be made between authorised and non-authorised absences when analysing the data. Solutions to issues of educational disengagement must be adapted to address identified risk-factors in the relevant social and cultural context.

A national US survey on the causes of low school attendance found that health issues, rather than truancy, are the major cause of welfare student absences.<sup>52</sup> The links between poor health and socio-economic status are complex and must be explored. For example, the National Aboriginal Community Controlled Health Organisations (NACCHO) *Ear Trial and School Attendance Project* found that ear disease among Indigenous children had a significant impact on school attendance, with attendance rates of 69% for children with ear disease compared to 89% for children without. Poor nutrition is also a factor affecting educational engagement for children in Indigenous communities.<sup>53</sup>

Research literature suggests a number of other factors related to unauthorised non-attendance, including:

- family relationships and values;
- cultural values:
- excessive home responsibilities;
- peer pressures;
- weak reading skills;
- anxiety about course deadlines;
- fear of bullying;
- dislike of particular lessons or particular teachers; and
- perceived irrelevance of the curriculum.<sup>54</sup>

By failing to address any of the complex causes of low school attendance and assuming that parental irresponsibility is a major cause of non-attendance, the *Schooling Requirements Bill* is unlikely to have a significant positive impact on the families and children it is designed to assist. Rather, it poses real risks of material hardship for families who are unable to meet the welfare conditions imposed upon them.

<sup>&</sup>lt;sup>52</sup> David J. Fein et al, 1999, 'The ABC Evaluation: Do Welfare Recipients' Children Have a School Attendance Problem?' Report prepared for the Delaware Health and Social Services Department. Abt Associates, Cambridge, MA.

<sup>&</sup>lt;sup>53</sup> Senate Employment, Workplace Relations, Small Business and Education Committee (SEWRSBEC) 200, Katu Kalpa – Report on the Inquiry into the effectiveness of education and training programs for Indigenous Australians, The Parliament of the Commonwealth of Australia.

<sup>&</sup>lt;sup>54</sup> Graeme Withers at 10.

#### Some specific causes of school non-attendance affecting Indigenous students

The rate of school retention, enrolment and attendance is lower for Indigenous students than non-Indigenous students. Much work has been done to analyse the reasons for the educational disengagement of Indigenous students and must form the basis of effective policy responses to these issues. Identified factors associated with Indigenous non-attendance include:

- frustration and low self-esteem due to poor performance;
- lack of identification with educational values and expectations;
- school failure to respect and validate cultural and self-identity and supply experiences that are relevant to life's circumstances;
- the level of education of a child's carers;
- the risk of clinically significant emotional or behavioural difficulties;
- the occurrence of a high number of life stress events;
- language barriers;
- inadequate sleep;
- a history of attending day-care (with those who had never attended day-care more likely to have low attendance rates); and
- schools with high numbers of aboriginal students and those in the highest quartile of Socioeconomic Index for Schools – both more likely to have lower attendance rates.<sup>55</sup>

In addition, remote Indigenous communities experience extreme shortages of educational infrastructure and services. The Combined Aboriginal Organisations of the Northern Territory report that 94% of Indigenous communities in the NT have no pre-school, 56% have no secondary school and 27% have a local primary school that is more than 50 kilometres away, with only 17% of communities having their own primary school. Given the severe lack of access to educational services, it is not surprising that Indigenous children are not enrolled in or attending schools. In many cases, the distances involved in accessing education are prohibitive and in other cases the quality of educational infrastructure and teaching services is so poor that students have little to gain from attending school. In this context, a sanctions-based policy response that seeks to increase demand without substantially addressing supply issues is likely to have little impact.

<sup>&</sup>lt;sup>55</sup> The Western Australian Aboriginal Child Health Survey: Improving the Educational Experiences of Aboriginal Children and Young People, Curtin University of Technology and Telethon Institute for Child Health Research, 2006, p 115.

# Effective approaches to improving school attendance

#### **Background: the role of the States and Territories**

In Australia, the States and Territories have always had responsibility for school attendance, with state and territory legislation imposing a legal obligation on parents and carers to ensure that children are enrolled in, and regularly attend, school, are registered in home schooling or are eligible for an exemption. State and Territory education authorities have developed a range of policies and programs to improve school attendance, which are often linked to more general programs targeting students at risk of disengagement, those with behavioural problems and Indigenous programs.<sup>56</sup> Some common features of existing State and Territory legislative provisions and programs include:

- Systems of regulated exemptions for attendance—including home education, distance education, inability to attend because of illness or disability, and suspension or expulsion.
- General prohibition of children of compulsory school age working during school hours; mandatory daily attendance registers for each school.
- Processes for pursuing and resolving the non-enrolment or non-attendance of compulsory school aged children. These processes may be initiated by a school or other concerned persons, or by authorised attendance officers (including police) who are empowered to approach any child of compulsory school age who is not in school during school hours. Mediation, counselling and support, usually involving interagency collaboration, are provided to families and children.<sup>57</sup>

State and Territory legislation also provides for the prosecution of parents for failing in their obligations to encourage their children to attend school. This has generally been viewed as a last resort by education authorities, but there has been some shift in recent years towards an increase in prosecutions and legislative amendments in some states to increase the prosecution rate.<sup>58</sup>

It is not clear how the schooling requirements welfare reform trials will interact with existing State and Territory policies and initiatives. This lack of planning and clarity creates risks of both service duplication (for example, where case management services are provided under both Commonwealth and State/Territory government programs) as well as program inconsistency, for example, state and territory mediation processes being undermined the imposition of income support sanctions and a resulting loss of trust in relevant authorities.

#### Research on what works

Australian research indicates that measures to track student attendance must be accompanied by school initiatives of a more general kind aimed at improving the quality of school life and learning conditions for those individuals or groups most at risk of

<sup>&</sup>lt;sup>56</sup> Bills Digest.

<sup>&</sup>lt;sup>57</sup> Ibid at 4.

<sup>&</sup>lt;sup>58</sup> Ibid at 5.

disengagement and truancy.<sup>59</sup> Common features of effective truancy prevention and intervention policies and programs include:

- intensive ongoing interventions;
- well-defined attendance policies;
- · parental engagement;
- family counselling;
- individualised plans;
- a team based approach;
- · trained school staff; and
- ongoing evaluation.<sup>60</sup>

Graeme Withers provides the following list of school and community factors commonly cited as conducive to support for young people at risk:

- whole school commitment to reducing absenteeism and suspensions, involving not only the whole school community, but also its surrounding community;
- provision of options for any suspended students, allowing their learning to proceed;
- changing a school climate to emphasise cooperation and to encourage active learning, to take place in and out of the classroom;
- cultural inclusiveness and sensitivity to learning styles, languages and traditions amongst minority ethnic groups;
- smaller schools where values and expectations are shared and clear, both in policies and in their enactment;
- a thorough system of pastoral care and counselling, which reaches parents as well as students;
- dynamic classrooms led rather than ruled by teachers;
- classrooms which respond flexibly to students' stated or perceived needs, rather than a rigid, qualifications-driven process; and
- strengthening teachers' skills with in-service education which enables them to function more professionally than for a wider range of student abilities and interests.<sup>61</sup>

Larissa Behrendt recently outlined a number of available policy mechanisms that have been shown to be effective in improving attendance and retention rates for Indigenous students including:

• 'breakfast and lunch programs that attract children from dysfunctional families to school;

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<sup>&</sup>lt;sup>59</sup> Graeme Withers at 5.

<sup>&</sup>lt;sup>60</sup> M. Decker Gerrard, A. Burhans and J.Fair, Effective Truancy Prevention and Intervention: A Review of Relevant Research for the Hennepin County School Success Project. Wilder Research Center, Saint Paul, Minnesota, 2003 at p.2.

<sup>&</sup>lt;sup>61</sup> Graeme Withers at 22.

- programs that bring the Aboriginal community into the schools (such as an elder-inresidence program) by providing a person who can liaise between Aboriginal students and the school environment:
- Aboriginal teachers and teacher aides who can also provide a support role for Aboriginal students and influence changes to curriculum and teaching methods;
- curriculum that engages Aboriginal children because it teaches them the essentials in a way that resonates with their culture, values and world views; and
- programs such as that developed by Aboriginal educationalist Chris Sarra that unite approaches that promote self-esteem and build confidence through engaging with culture with a focus on academic excellence.<sup>62</sup>

Behrendt argues that successful approaches to improving school enrolment and attendance work on building the relationship between the school and the community and generally include home visits and community liaison, personal contact with follow up, planning and goal setting. <sup>63</sup> Evaluations have also highlighted the effectiveness of a number of innovative programs designed to improve Indigenous education engagement, for example, the Clontarf Foundation program, which works to re-engage Indigenous boys and young men in education by making participation in football programs conditional upon attendance at school and application to studies. <sup>64</sup>

As noted above, case management has been identified as a critical factor in determining the success of school enrolment and attendance schemes. Although the Government has indicated that parents will be offered case management and the assistance of Centrelink social workers, there has been no commitment to additional resources to ensure that Centrelink and schools have the capacity to provide these additional support services.

The quantity and quality of supply arises as a key theme in the research literature on school attendance and enrolment programs. Although six of the eight trial sites are in the Northern Territory, the NT education system does not currently have the capacity to cater for the needs of all eligible students.

A number of education initiatives have been announced as part of the Northern Territory Emergency Response (NTER) with additional measures for the NT contained in this year's Budget under the *Closing the Gap*. The NTER measures include funding for early childhood education (crèches and play groups) and \$19.1 million for 'enhancing education' (for professional development of teachers, construction of additional classrooms and literacy and numeracy programs).<sup>65</sup>

In the 2008-9 Federal Budget, the Government committed \$98.8m over five years to provide extra funding for 200 additional teachers for the 2,000 Aboriginal children who are not enrolled in school in the 73 "prescribed communities" in the Northern Territory as well as \$56.4 million over 4 years to expand intensive literacy and numeracy programs in schools and to support teachers to develop individual learning plans for every Indigenous student for

<sup>64</sup> For more information, see The Clontarf Foundation website at Hhttp://www.clontarffootball.com/H.

<sup>&</sup>lt;sup>62</sup> Larissa Behrendt, 'Rethinking indigenous policy', *The Age*, 25/8/2008.

<sup>&</sup>lt;sup>63</sup> Behrendt and McCausland at 29.

<sup>&</sup>lt;sup>65</sup> Lesley Russell, Commonwealth Indigenous Budget Bulletin, macroeconomics.com.au, June 2008 at 22-23.

every year of schooling up to Year 10. Some \$28.9 million over four years was allocated towards the cost of building and operating 3 new boarding colleges for secondary students in the Northern Territory in years 8-12. In addition, \$16.6 million has been allocated over four years for additional early childhood and informal parenting services for Indigenous children and their families across Australia.

At this stage, the impact of most of the measures cannot be assessed as construction of additional infrastructure and recruitment of additional staff have not yet been completed. In June 2008, the Government reported that the first intake of 19 teachers were currently undergoing remote teacher training, pending deployment. What is clear is that the Government's commitments fall well short of the estimated \$690 million over 5 years required achieving substantial improvements in Indigenous education in the NT. The Australian Education Union (AEU) has provided even higher estimates of the cost.

A related problem with the proposed welfare reform models is that they fail to improve the quality of existing services, where this may be a key deterrent to attendance. For example, poor quality teaching in schools or poor school infrastructure, both create poor learning environments for children which may have been primary reasons for non-attendance. Therefore, better educational outcomes may not necessarily follow from increasing attendance rates.

The UK Government set a target of reducing unauthorised absences by one third by 2002 and required Local Education Authorities to reflect this national goal in local targets. Funding was made available to support locally devised programs and police were given new powers to pick up truants found in public places and return them to school. Higher penalties were also imposed for parents convicted of school attendance offences, along with a program of 'truancy sweeps'. UK research provides some support for the efficacy of prosecutions at least in making parents aware of their responsibilities and realising the importance of school attendance.<sup>68</sup> However, research has also found that the impact of prosecutions in improving attendance in disadvantaged families was limited and that prosecution was only effective where parents were in a position to effect change in their child's behaviour.<sup>69</sup>

# Analysis of the likely effectiveness of the proposed measures and the impact on children and families

The legislation provides for income support payments to be suspended for 13 weeks in cases in which parents fail to take 'reasonable steps' to ensure their children are enrolled in or attending school. The Minister has stressed that suspensions are not designed to last for the full 13 weeks, with an expectation that many suspensions will last only a few days until

 $<sup>^{66}\,\</sup>text{Australian}$  Government, 'Northern Territory Emergency Response: One Year On', June 2008 at 23.

<sup>&</sup>lt;sup>67</sup> Michaela Kroneman, *Education is the key: An education future for Indigenous communities in the Northern Territory*, Australian Education Union, 2007 at 34-35.

<sup>&</sup>lt;sup>68</sup> S. Kendall, School Attendance and the Prosecution of Parents: Effects and Effectiveness, National Foundation for Educational Research, Berkshire, England, 2004, at Hhttp://www.nfer.ac.uk/research-areas/pims-data/summaries/school- attendance-and-the-prosecution-of-parents-effects-and-effectiveness-.cfmH, accessed on 1 October.

<sup>&</sup>lt;sup>69</sup> Ibid.

'parents re-engage with Centrelink and their school'.<sup>70</sup> However, where the causes of non-attendance are complex or parents lack the capacity to change school attendance patterns quickly it is possible that patterns of non-attendance will take some time to change, placing enormous financial stress on families.

Despite the fact that the school enrolment and attendance trials are designed to improve outcomes for children, the payment suspension mechanism poses a serious risk to family social and economic wellbeing. A thirteen week suspension period is unprecedented in Australia social security legislation, and is more severe than the existing eight week suspension period under the Newstart Allowance breach provisions (although there is no equivalent system for arrears payment to Newstart recipients). The Government has provided no coherent explanation for the imposition of an even more extreme penalty regime around these school enrolment and attendance trials. The schooling requirement provisions are motivated by the desire to address the 'welfare conundrum' but are much tougher than the emergency response measures and are 'being proposed when the evidence about the effectiveness of income support withdrawal and legal sanctions to improve school attendance is mixed.'<sup>71</sup>

The Government has also argued that very few families are likely to experience a 13 week payment suspension, assuming that most parents will meet the conditions of their payments well within that time frame or be forced to by the fact that:

A welfare-dependant family will not be able to tolerate that level of financial disadvantage even if they continue to receive income supplement payments such as Family Tax Benefit Part A.<sup>72</sup>

In her second reading speech, Senator McLucas stated:

It is anticipated that a very small number of parents will have their income support payments suspended and even less, if any, will have their payments cancelled. The Bill has been carefully developed to ensure that mechanisms are available to minimise any adverse effects on parents and their families as an outcome of suspended income support payments. For example, even though a parent may not have satisfied their requirements under the measure, the Bill allows for the temporary lifting of a suspension as an inducement to encourage parental cooperation. Family Tax Benefit will not be affected by the measure and will continue to be payable, subject to normal eligibility.

However, no evidence has been produced to support the assumption that few families will be affected by long payment suspensions. The findings of US research on sanctions-based schemes demonstrate that many clients received sanctions and these led to a substantial loss of benefits. <sup>73</sup> Ironically, payment suspension is likely to increase the risks of many of the social exclusion factors that the Government has cited as linked to school

<sup>72</sup> Bills Digest at 21.

<sup>&</sup>lt;sup>70</sup> The Hon Jenny Macklin, Second Reading Speech.

<sup>&</sup>lt;sup>71</sup> Bills Digest at 21.

<sup>&</sup>lt;sup>73</sup> David J. Fein and Wang S. Lee, Abt Associates Inc., The ABC Evaluation – Carrying and Using the Stick: Financial Sanctions in Delaware's A Better Chance Program, Executive Summary, May 1999, prepared for Delaware Health and Social Services Division of Social Services.

disengagement including homelessness and child neglect. Further, payment suspension will be directly counter to the objective of the policy by making it impossible for families to meet the costs involved in getting children to school, for example, transportation.

ACOSS opposes the suspension of income support payments linked to school enrolment and attendance requirements. If these trials are to proceed, we seek to ensure that rigorous evaluation systems are established to monitor the economic and social impact on families and children.

# Other concerns about the Schooling Requirements Bill

# The *Bill* discriminately targets income support recipients, Indigenous people and women

The school enrolment and attendance trials apply only to those parents who are recipients of income support. Parents of children who are not enrolled or not attending school who have another income source are not affected by the policy, regardless of their role in their children's poor school engagement. The policy differentiates between parents on the basis of income source rather than conduct and discriminates against income support recipients. As noted above, this targeting is not based on any evidential link between income support receipt and school enrolment and attendance rates.

As noted above, six of the eight trial sites are in predominantly Indigenous communities: Hermannsburg, Wallace Rockhole, Tiwi islands, the town of Katherine, Katherine Town Camps and Wadeye. Only one of the announced trial sites is a non-Indigenous community, with another metropolitan location yet to be announced. While the six Indigenous trial sites are characterised by low rates of school enrolment and attendance, the blanket imposition of the measures on whole communities is problematic and the policy response is not based on evidence about the causes of non-attendance is these communities. In particular, though there has been some additional investment to recruit additional teachers to the NT, create additional classrooms and improve literacy and numeracy, investment is not adequate to support full attendance and the trials will begin before this infrastructure is in place and its effects on school attendance can be determined.

The school enrolment and attendance trials are also likely to disproportionately affect women, who comprise the majority of parents on income support. Hany of the women in trial areas which are also affected by the NTER have already lost control over their spending patterns under income management and now face the risk of prolonged payment suspension under the *Schooling Requirements Bill*.

Further, there are risks that the policy is likely to adversely and disproportionally affect Indigenous families which have a non-nuclear family structure, where the responsibilities for getting children to attend school may be borne by a number of people, and those families which are highly mobile.

<sup>&</sup>lt;sup>74</sup> Australian Bureau of Statistics, *Australian Social Trends* 2001, 4102.0 , 'Income support: Income support among people of workforce-age' accessed at http://www.abs.gov.au/Ausstats/ABS@.nsf/2f762f95845417aeca25706c00834efa/33ab68b17185bc28ca2570ec 000cbb47!OpenDocument'

### The trials will involve serious implementation and resource challenges

There are a number of implementation and resource issues which are likely to raise serious challenges for schools, educational authorities and Centrelink in implementing the trials.

The trials rely on parents providing enrolment evidence to Centrelink and schools reporting non-attendance to Centrelink. There are several problems with these proposals. The first is the administrative burden that will be imposed on parents required to provide and update information on enrolment to Centrelink. It is not clear how often this information will be required to be updated.

The second is that schools must exercise discretion in deciding when to report an attendance problem to Centrelink and which families to report, knowing that the consequences for families and children may be severe. The Bill provides no detail as to the level of attendance that is considered unacceptable nor what evidence would be required to demonstrate 'special circumstances' or that 'reasonable steps' had been taken. The Minister for Families, Housing, Community Services and Indigenous Affairs has indicated that this reporting step should only be taken after school principals have attempted to work with parents to encourage non-attenders to come to school and feel they can't do any more with the parents.<sup>75</sup> However, it is not clear what resources are being directed to schools to ensure they have the capacity to engage in this kind of monitoring, and to provide support and assistance to families in the first instance to encourage attendance. There is capacity for enormous discrepancies in the amount of school support that families are provided before being reported to Centrelink.

Further, the Minister has indicated that 'case management for support from schools and from Centrelink social workers' will be offered to families before any consideration is given to suspension of payments. However, there is no legislative requirement that such case management be offered, nor is it clear what resources will be available to provide effective case management services to all families who could benefit from them.

The Minister has stressed that 'the privacy of parents on income support will ... be respected' and that schools will not be provided with a list of families on income support, and no 'wholescale release of data by Centrelink' is to be undertaken. However, little detail has been provided about what information is to be exchanged and how the privacy of income support recipients is to be protected. The Government has indicated that it is in the process of developing protocols with the respective governments in the areas in which the trials are taking place for the necessary exchange of information. However, with no current mechanism to require state and territory education authorities to provide this information to Centrelink, the policy is likely to be very unevenly applied. Further, the AEU has raised concerns about the likely impact of the school enrolment and attendance trials on relationships of trust between schools and families due to the role of schools in reporting families with attendance problems to Centrelink.

<sup>&</sup>lt;sup>75</sup> Transcript – School attendance measure, 17/7/2008, Perth, Minister for Families, Housing, Community Services and Indigenous Affairs, accessed at Hwww.fahcsia.gov.auH.

<sup>&</sup>lt;sup>76</sup> The Hon Jenny Macklin, Second Reading Speech.

<sup>&</sup>lt;sup>77</sup> The Hon Jenny Macklin, Second Reading Speech.

Under the Bill, parents will not have their payment suspended where they have taken 'reasonable steps' to get their children to attend school. Again, there is little information provided as to what such 'steps' might involve, how they would be evidenced and who would assess the 'reasonableness' of parent's actions. It appears that schools, and school principals in particular, will conduct this initial assessment before deciding whether to report a parent to Centrelink. As noted above, there is therefore potential for the policy to be applied unevenly across the trial sites, depending on the school's capacity to work with families to address underlying issues, the willingness of schools to report parents and the basis on which they assess the reasonableness of parents' actions. On the other hand, if Centrelink rely on school assessments on the basis that Centrelink social workers lack education expertise, the mechanical application of sanctions for attendance failure would be unfair and counter-productive. This is not a problem that lends itself to a mechanical solution.

Further, payment reinstatement will be dependent on advice from schools, with no guarantees that this notification will be done expeditiously. It is also not clear how many days a child would need to be attending school again for a parent to be considered compliant with their obligations.

In addition, there is currently little information about how responsibility will be apportioned between parents for the non-enrolment or attendance of their child. How this policy will be applied in cases in which both parents are on income support is not clear – will both parents be seen as equally responsible and both payments suspended, depriving the family of all income, or is it envisaged that although one parent may be considered to be taking 'reasonable steps' the other may be penalised for not doing so? Where neither parent is considered to be taking 'reasonable steps' but only one is on income support, the mechanism will have very unfair effects. The assessment of parental culpability by schools and Centrelink is likely to be very complex and resource intensive. These issues create real risks that the policy will be unfairly and unevenly applied. Further, given the potential costs of monitoring and reporting by schools, educational authorities and Centrelink it is essential that the cost-effectiveness of these measures is critically examined.<sup>78</sup>

Finally, the Bill states that arrears may be paid in instalments or as a lump sum. It is likely that people who have had their payment suspended for some time will have entered into debt by the time arrears are paid. A lump sum payment would be a better mechanism for repayment than instalments over a period to ensure that debts are able to be discharged.

# The relationship between payment suspension and income management is not yet clear

Income management was introduced by the Coalition Government as part of the NTER. It is now being extended beyond the Northern Territory within the National Framework on Child Protection and has been introduced in Cape York. The Government is currently working on implementation of income management linked to child protection in the Kimberley and

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<sup>&</sup>lt;sup>78</sup> Handa and Davis at 523.

Cannington areas.<sup>79</sup> It has not announced the roll out of income management linked to school enrolment or attendance, nor how these measures might interact with the payment suspension regime introduced by the *Schooling Requirements Bill*.

The Social Security and other Legislation Amendment (Welfare Payment Reform) Act 2007, passed in June 2007, designates five situations in which a person may become subject to an income management regime:

- 1. income management of residents in prescribed communities as part of the NTER:
- 2. income management linked to child protection;
- 3. income management linked to school enrolment;
- 4. income management linked to school attendance; and
- 5. income management as recommended by the Family Responsibilities Commission, Cape York.

Income management operates by 'quarantining' a proportion of an individual's social security payment. The quarantined proportion may only be used to meet specified priority needs and cannot be accessed as cash. The important difference between the income management regime and the *Schooling Requirements Bill* is that income management payments are diverted to a Centrelink controlled account with 50% of funds designated for expenditure on defined 'priority' needs. There are no provisions for the suspension or cancellation of payments under income management. By contrast, the *Schooling Requirements Bill* places no conditions on the way in which income support payments are spent, but imposes severe penalties for failure to comply with conditions relating to school enrolment and attendance.

Another important difference between the two welfare reform models is that income management applies to all income support payments and supplements (including FTB Part A) while the *Schooling Requirements Bill* applies only to income support payments (a narrower category of income support and recipient families).

It is not clear how the payment suspension trials are to interact with the school enrolment and attendance income management models nor with the NTER model currently operating in six of the trial sites. At present, despite existing legislative authority for income management linked to enrolment and attendance, the Government has only announced the trialling of payment suspension.

#### Conclusion

ACOSS has serious concerns about provisions of the *Schooling Requirements Bill* which would make income support payments conditional upon school enrolment and attendance.

Problems associated with enrolment, attendance and educational engagement are complex. ACOSS is concerned that neither the scale nor nature of these problems has been accurately or clearly defined in the formulation of a policy response. In this

<sup>&</sup>lt;sup>79</sup> Minister for Families, Housing, Community Services and Indigenous Affairs, Media Release, 'Increasing school attendance in Cannington', 17/7/2008.

submission, we have sought to better define the nature and scale of the problem, in order to evaluate both the effectiveness and the proportionality of the proposed measures.

The school attendance trials rest on a number of assumptions which lack an evidence base. The first of these is that parental irresponsibility plays a major role in affecting school attendance rates. The second is that school enrolment and attendance is a more significant problem among children in income support receiving families than other families.

The measures proposed include severe penalties for non-compliance and create serious risks of extreme financial hardship. This is despite evidence suggesting that sanctions-based approaches to improve school attendance are of very limited effectiveness. The proposed measures ignore evidence on the complex causes of poor school attendance as well as features of effective programs to increase attendance. The targeting of welfare recipients and Indigenous families is also discriminatory. In addition, the trials are likely to be undermined by serious implementation and resource challenges.

If these trials are to proceed, the Government must ensure close monitoring to measure progress towards the objectives of increasing school enrolment and attendance and improving educational outcomes for children. In addition, a significant increase in the supply of education services and infrastructure and improvements to the quality of teaching should be provided as a complement to the trials.