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Children negatively impacted by early intervention restrictions

School attendance and birth weights lower after policy introduced

As the government extends its Income Management program, new research indicates the original rollout in the Northern Territory did not improve school attendance and birth outcomes, and had negative short-term effects.

Analysis reveals the federal government's initial income management scheme – first introduced in 2007 during the Northern Territory Emergency Response (NTER) or 'intervention', and now commonly known as Cashless Debit Card – coincided with significant negative outcomes for children in the short term, and no noticeable improvements in the long run. Income management restricts a large portion of welfare payments to being spent only on essentials such as food, housing and clothing.

The research team from the [School of Economics at the University of Sydney](#) and the [Menzies School of Health Research in Darwin](#) examined daily school attendance records of children attending NT government schools in the 73 Aboriginal communities and 10 town camps affected by the policy. As income management was introduced to communities in stages between September 2007 and October 2008, the researchers used this as a 'natural experiment' and compared the pre- and post-school attendance outcomes for children in each of these communities. The researchers found school attendance declined by four percent on average in the first five months, after which attendance rates eventually returned to their initial levels.

In a second study, the research team compared the birth weights of babies born in communities affected by income management with babies born in communities not yet affected by the policy. The study showed the average birthweight of babies who were in utero when income management was introduced to their community was over 100 grams lighter, and that the babies were at slightly higher risk of low birthweight (less than 2500 grams).

"Our studies focussed on school attendance and birth outcomes because they are good proxies for child wellbeing; the data measured them accurately and frequently, important given the policy was rolled out in such a short time frame," said lead investigator of the studies Associate Professor Stefanie Schurer, from the University of Sydney's [School of Economics](#) and [Charles Perkins Centre](#).

"It was only possible to do this analysis by the linkage of de-identified school attendance and birth outcome data provided by the NT Departments of Health and Education.

“We were surprised by the findings. We expected to find a positive impact or, at worst, no impact at all to the introduction of income management.”

Professor Sven Silburn, a co-investigator from the [Menzies School of Health Research](#) and leader of the NHMRC-funded Northern Territory data linkage partnership through which access to the data was facilitated, said: “We don’t know whether the negative impact we found was because of the policy itself, because of administrative challenges and implementation problems – for which we find some evidence in the data – or because of negative sentiment surrounding its compulsory introduction in these communities.

“We know from the data that the negative impacts of income management on birth outcomes were not due to an increase in mothers’ smoking or drinking during pregnancy – in fact these behaviours were unaffected,” he added.

“We therefore need to investigate further to understand what caused the unintended effects.”

Associate Professor Schurer explained: “We are now looking at alternative data sources to try to explain our findings. A preliminary analysis of data from the Longitudinal Study of Indigenous Children (LSIC) showed that a transition into income management was associated with an increase in the mother’s experience of being ‘humbled’, or receiving excessive demands for money, and reporting that children were being upset by family arguments.”

“Income management changes the way household resources are allocated and consumed and therefore may affect the dynamics of family decision-making. It would seem important to ensure this doesn’t inadvertently lead to additional stress and conflict in the household,” she added.

“Considering our findings, we are concerned that the federal government’s intended extension of income management, even in an amended form, may have similar unintended consequences,” Professor Silburn concluded.

The two studies were released today as working papers in the [ARC Life Course Working Paper Series](#) and findings are being presented to a community of experts at the Asian and Australasian Society of Labour Economics (AASLE) Inaugural Conference in Canberra this week.

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