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Evaluating New Income Management in the Northern Territory: Final Evaluation Report

September 2014

J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz

SPRC Social Policy Research Centre

Australian National University

For further information
Ilan Katz (ilan.katz@unsw.edu.au)

Social Policy Research Centre
Level 2, John Goodsell Building
Arts & Social Sciences
UNSW Australia
UNSW Sydney 2052 Australia
t +61(2) 9385 7800
f +61(2) 9385 7838
e sprc@unsw.edu.au
w www.sprc.unsw.edu.au

ISSN: 1446-4179
ISBN: 978-1-925218-25-1 (online)
SPRC Report 25/2014

The Social Policy Research Centre is based in Arts & Social Sciences at UNSW Australia. This report is an output of the Evaluation of New Income Management in the Northern Territory project, funded by the Australian Government Department of Social Services.

Suggested citation
Bray, J. R., Gray, M., Hand, K., & Katz, I. (2014). *Evaluating New Income Management in the Northern Territory: Final Evaluation Report* (SPRC Report 25/2014). Sydney: Social Policy Research Centre, UNSW Australia.

Research Team

Australian National University

J Rob Bray and Matthew Gray

Australian Institute of Family Studies

Kelly Hand

Social Policy Research Centre

Professor Ilan Katz (Chief Investigator)

Shona Bates (Social Policy Research Centre), Anna Jones (Social Policy Research Centre), and Mandy Yap (Australian National University) provided valuable research assistance.

Fieldwork

The fieldwork for the Longitudinal Survey of New Income Management was conducted by Colmar Brunton Social Research under contract to the Social Policy Research Centre, UNSW Australia. The fieldwork team was managed by Kylie Brosnan and Desleigh Dunnett.

The intermediary fieldwork was conducted by Kelly Hand, Australian Institute of Family Studies.

Acknowledgements

This evaluation has been commissioned by the Australian Government Department of Social Services.

The authors would like to acknowledge and thank all of those who participated in or assisted with the evaluation, including: the Aboriginal Medical Services Alliance of the Northern Territory (AMSANT), Aboriginal Peak Organisations Northern Territory (APONT), ALPA Stores, ARPNet at Charles Darwin University, the Australian Government Department of Health and Ageing, the Australian Government Department of Education, Employment and Workplace Relations, Brotherhood of St Laurence, Central Australian Aboriginal Legal Aid Services (CAALAS), Darwin Community Legal Service, Jaiirdi Consultants, Mission Australia, Money Workers Association of the Northern Territory, Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women's Council, North Australian Aboriginal Justice Agency (NAAJA), Northern Territory Legal Aid Commission, Northern Territory Council of Social Services (NTCOSS), Northern Territory Government Department of Education and Training, Northern Territory Government Department of Health, Northern Territory Department of the Attorney-General and Justice, Outback Stores, the Refugee Council of Australia, Tangentyere Council and the Tangentyere Research Hub.

We also acknowledge the helpful assistance of staff from the Australian Government Department of Social Services and Australian Government Department of Human Services. We would particularly like to acknowledge the assistance of Department of Human Services with the provision of administrative data for the purposes of the evaluation, along with the stores which provided us with BasicsCard and other sales data. We also would thank the staff in the Northern Territory Government Department of Children and Families whose assistance was critical for the evaluation of Child Protection Income Management and the staff from the Department of Human Services who similarly enabled us to undertake the evaluation of the Vulnerable stream of Income Management.

We also would like to acknowledge and thank the organisations and leaders in the communities in which the Longitudinal Survey of New Income Management was collected for their agreement for the survey to be conducted in their communities and also the members of these communities and elsewhere who participated in the survey and shared information with us about their lives and experiences of income management as well as participating in the feedback sessions about the evaluation.

Of course, the evaluation would not have been possible without the many people who provided information about their professional experiences during the course of the evaluation, including, staff from Department of Human Services Northern Australia and Social Work Services Branch, Department of Social Services State Office Northern Territory, Northern Territory Department of Children and Families, Money Workers Association of the Northern Territory and Financial Counselling services cross the Northern Territory, emergency relief, housing and legal services. We thank all the participants from these organisations and elsewhere who participated in interviews and focus groups for their time and valuable insights.

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Glossary

ABS	Australian Bureau of Statistics
AEDI	Australian Early Development Index
AIFS	Australian Institute of Family Studies
AIHW	Australian Institute of Health and Welfare
ALPA	Arnhem Land Progress Aboriginal Corporation
ALRA	*Aboriginal Land Rights (Northern Territory) Act 1976 (Cwth)*
ANU	Australian National University
APY	Anangu Pitjantjatjara Yankunytjatjara
ARO	Authorised Review Officer
ATM	Automatic Teller Machine
BMI	Body Mass Index
CDEP	Community Development Employment Projects
CIM	Compulsory Income Management
CLC	Central Lands Council
CP	Centrepay
CPIM	Child Protection Income Management
CSC	(Centrelink) Customer Service Centre
CYWRT	Cape York Welfare Reform Trial
DCF	Northern Territory Department of Children and Families
DEEWR	Australian Government Department of Education, Employment and Workplace Relations
DEY	Disengaged Youth
DHS	Department of Human Services
DSP	Disability Support Pension
DSS	Commonwealth Department of Social Services (formerly the Department of Family, Housing, Community Services and Indigenous Affairs)
EFTPOS	Electronic Funds Transfer Point of Sale
ESB	English Speaking Background
FaHCSIA	Australian Government Department of Families, Housing and Community Services and Indigenous Affairs (Former - see DSS)
FMP	Financial Management Program
FRC	Family Responsibilities Commission
FTB	Family Tax Benefit
HAAC	Home and community care
HEC	Household Expenditure Classification
HES	Household Expenditure Survey
IFSS	Intensive Family Support Services
IHS	Inverse Hyperbolic Sine (data transformation)
IM	Income Management
IS	Income Support
KDE	Kernel Density Estimate (a statistical technique)
LSNIM	Longitudinal Survey of New Income Management
LTWPR	Long-term Welfare Payment Recipient
MSP	Matched Savings Scheme (Income Management) Payment
NAPLAN	National Assessment Program - Literacy and Numeracy
NESB	Non-English Speaking Background
NGO	Non-government Organisation

NHMRC	National Health and Medical Research Council
NIM	New Income Management
NPARIH	National Partnership Agreement on Remote Indigenous Housing
NPY	Ngaanyatjarra Pitjantjatjara Yankunytjatjara
NT	Northern Territory
NTER	Northern Territory Emergency Response
NTER IM	Income management under the Northern Territory Emergency Response
OOS	Out of Scope
PPP	Parenting Payment Partnered
PPS	Parenting Payment Single
RDS	Rent Deduction Scheme
rhs	Right hand scale in figures which use a primary and secondary vertical axis. (Indicates which items are plotted against the secondary axis.)
SEAM	School Enrolment and Attendance Measure
SPAR	Supporting People at Risk
SPRC	Social Policy Research Centre
UTLAH	Unreasonable to Live at Home
VIM	Voluntary Income Management
VWPR	Vulnerable Welfare Payment Recipient

Executive Summary

Background

A relatively recent development in the Australian social security system has been the introduction of policies of income management for some people in receipt of income support payments. The policy limits the amount of income support paid to people as an unconditional cash transfer and imposes restrictions on how the remaining – sometimes termed 'quarantined' – funds can be spent. Income management was designed to ensure that these funds are spent on essential 'basic' items and to limit the amount of income that can be spent on tobacco, alcohol, pornography, and gambling.

Income management was first introduced in the Northern Territory in 2007 as part of the Federal Government's Northern Territory Emergency Response (NTER). The main form of income management currently in place is "New Income Management", which was introduced in the second half of 2010 to replace the NTER Income Management program and operates only in the Northern Territory.

New Income Management consists of a number of subprograms or streams. These are differentiated by: the criteria for determining who will be income managed; the proportion of income which is subject to income management; whether the person has access to exemptions from the program; and whether they receive any additional payment for participating in the program.

The first major stream comprises the Long Term Welfare Payment Recipient and Disengaged Youth measures (together referred to in this report as Compulsory Income Management), which applies compulsorily to people who have been in receipt of certain income support payments for more than a specified period. People placed on this form of income management are able to apply for an exemption. Exemptions cannot be gained from the other forms of New Income Management.

The second major stream, Voluntary Income Management, allows people who want to be on income management and are not on any of the forms of compulsory income management to participate in the program. The other income management measures operating in the Northern Territory are all relatively small and are applied on a compulsory basis. They include various forms of Vulnerable Income Management – some forms involve people being assessed by Centrelink as being vulnerable and others automatically being assessed as being vulnerable because of the types of income support payments they receive – and Child Protection Income Management, and Supporting People at Risk income management, to which people are referred by Northern Territory Government authorities.

While income management has been implemented in a number of other locations in Australia, it is only in the Northern Territory that the program is primarily composed of a compulsory component, which is simply linked to duration on payments and is implemented on such a large scale.

Income management is operationalised largely through the use of the BasicsCard, which is an EFTPOS card that can be used in approved stores and services to buy non-prohibited goods and cannot be used to withdraw cash.

In 2010, the then Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA, now the Department of Social Services (DSS)) commissioned this evaluation of New Income Management.

The Terms of Reference for the Evaluation are to:

1. provide evidence on the impact on New Income Management on those who are affected;

2. assess whether the reforms were implemented effectively;

3. understand whether New Income Management is a cost-effective model; so as to

4. inform future government decision-making and social policy formulation for both the wider and Indigenous communities.

The evaluation has been guided by the Evaluation Framework which was agreed with DSS, and sets out a series of evaluation questions against which income management would be evaluated. The main variation from the initial Evaluation Framework is that evaluation has, on the basis of a request from DSS, not undertaken the detailed investigation into the cost-effectiveness of the program.

The evaluation methodology is a mixed methods approach, which draws upon a large number of sources of information including: a longitudinal survey of people subject to income management; administrative data on the program and the people on it; qualitative data collection from people on income management; from those involved in implementing the program, and from organisations and others such as child protection workers, welfare, legal aid and advocacy groups, income management workers and stores; data on transactions from stores; reviews of social workers' case files; and a range of more general data that has been produced by the Australian Bureau of Statistics (ABS) and others.

A central principle of the evaluation approach was one of triangulation of findings, that is, using the multiple sources and types of data to compare and verify findings against each of the evaluation questions. This approach is important as much of the data used in the evaluation is not always consistent and frequently is an indicator or a perception rather than a direct measure

The full results of the evaluation are published as two volumes: Evaluating New Income Management in the Northern Territory: First Evaluation Report (July 2012); and this volume. The First Evaluation Report covered the initial implementation period of New Income Management and considered how effectively the measure was rolled out, how the transition from the NTER Income Management to New Income Management was managed, and the early impacts of New Income Management on individuals, families and communities. This report incorporates data up to the end of 2013 and the second wave of the fieldwork that was undertaken by the evaluation, and is primarily focused on the main outcome evaluation questions.

Key findings

The key findings are:

- Some 35,000 people have been subject to income management in the Northern Territory since the introduction of New Income Management.

- In December 2013 18,300 people were income managed. Of this total, 76.8 per cent were on the main compulsory measures, 20.1 per cent were on Voluntary Income Management, and the remaining 3.1 per cent were on the other seven measures and subprograms.

- 90.2 per cent of those being income managed are Indigenous. It is estimated that 1.3 per cent of non-Indigenous people and 34.0 per cent of Indigenous people aged 15 years and over living in the Northern Territory are subject to income management.

- Most people are on income management for extended periods. At the end of 2013 many had been income managed for more than six years. Over 60 per cent of Indigenous people currently being income managed were on income management as part of the NTER.

- Few exemptions have been granted and most exemptions have been obtained by non-Indigenous people who have an exemption rate of 36.3 per cent, compared with 4.9 per cent for Indigenous people. Indigenous people have both a low rate of application for exemptions and a high rejection rate for those who do apply. Almost all exemptions have been granted to people with dependent children; 0.6 per cent of those without children have gained an exemption.

- Income management appears to have been relatively successful in ensuring that the income managed portion of income is not spent on proscribed items. Expenditure of these income managed amounts, however, covers a very wide range of commodities and services, with no particular emphasis on the narrow set of 'priority needs' identified in the policy objectives of the program.

- While many, especially in urban areas, reported problems with the BasicsCard, others, especially in remote locations, appear to value the fee-free banking service it provides.

  - Significant problems reported with respect to the BasicsCard include the imposition of minimum purchase limits, the imposition of surcharges on the use of the card, and the limited number of outlets at which it could be used. In addition, the approach to merchant approval meant that many people reported having to purchase items at higher prices at approved merchants.

  - The payment of rent was a major problem for some people in urban areas in a range of situations, including group housing and where landlords sought cash payment.

- Program elements designed to build financial capabilities have not been successful. Despite over 29,400 people having been on the compulsory measures, only 1,139 people (3.9 per cent) had completed an Approved Money Management course, and 31 had obtained a Matched Savings Scheme Payment.

- People subject to income management who were surveyed have differing views about the program. Among Indigenous people on Compulsory Income Management, 41.2 per cent want to get off the program and 45.4 per cent want to remain on it. For non-Indigenous people the proportions are 56.2 per cent and 31.4 per cent. 80.0 per cent of those on Voluntary Income Management wish to stay on.

- Around two-fifths of people on income management thought that it had made things better for them; about one-third thought that it had made no difference, and about one-quarter thought that income management had made things worse for them. These mixed sentiments were reflected in many other areas, with substantial groups reporting that they felt more in control of their lives and money and that it was good for their children and substantial groups reporting the opposite. A substantial group of people subject to income management felt that income management is unfair, embarrassing and discriminatory.

  - The evaluation could not find any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people's behaviours.

  - There was no evidence of changes in spending patterns, including food and alcohol sales, other than a slight possible improvement in the incidence of running out of money for food by those on Voluntary Income Management, but no change for those on compulsory income management. The data show that spending on BasicsCard on fruit and vegetables is very low.

  - There was no evidence of any overall improvement in financial wellbeing, including reductions in financial harassment or improved financial management skills. There are very high rates of replacement of BasicsCards, and there has been little abatement in the rate at which BasicsCard transactions fail due to inadequate funds. There is no evidence of marked change in the extent to which people have low balances in their BasicsCard and income management accounts. While some groups reported a relative decrease in problems because they had given money to others, they however also reported – again relative to the control group – an increase in the extent to which they asked others for money to purchase essentials. There was no decrease in reported harassment at the community level.

  - More general measures of wellbeing at the community level show no evidence of improvement, including for children. Data was collected on the incidence of problems in families due to alcohol, drugs and gambling. This was analysed as to whether there were any problems, and whether there were severe problems. All the groups reported a relative reduction in the incidence of there being any problems, but no change or an increase in severe problems. Only those on Voluntary Income Management reported a relative reduction in alcohol problems in their family, but, along with others, no improvement in problems with drinking in their community.

- The evidence indicates that the targeting of assessed Vulnerable Income Management has identified a group of highly vulnerable individuals – around 150 at any one time. For this group some positive outcomes from income management have been reported and there is some evidence that while income management may assist in 'harm minimisation' for this group, they also need other supports. It is unlikely that income management can effectively build the capabilities of this group, but rather they will need this intervention on an ongoing basis.
- Many of those on income management want to remain on indefinitely. The main reasons people gave for wishing to remain on the program were that it was easier being on income management, it was easier to manage their money, that they are used to income management and it is easier to stay on, and that they liked having the BasicsCard.
- The evaluation found that, rather than building capacity and independence, for many the program has acted to make people more dependent on welfare.

Conclusion

The evaluation data does not provide evidence of income management having improved the outcomes that it was intending to have an impact upon. Indeed, rather than promoting independence and the building of skills and capabilities, New Income Management in the Northern Territory appears to have encouraged increasing dependence upon the welfare system, and the tools which were envisaged as providing them with the skills to manage have rather become instruments which relieve them of the burden of management. While at one level, and for some groups, this may still be seen as a positive outcome and one which they report as having improved their quality of life – and it is possible that some may be able to lift themselves out of their situation – more broadly it also comes at a cost of greater dependence.

This, though, is not the whole story of income management – many people report having been largely untouched by the measure since they are already managing effectively; others report that the program has been a major inconvenience, making life more difficult without changing outcomes and, as noted previously, many who report a sense of unfairness.

There is some evidence to show that in some specific circumstances income management may be a successful intervention as part of an individually tailored program in which some individuals can use it as an effective tool; however, there is no evidence to indicate that it has effects at the community level, nor that income management, in itself, facilitates long-term behaviour change.

Making income management a large-scale program – in the context of the Northern Territory where it applies to a substantial proportion of income support recipients – has meant that by-and-large income management has been implemented as an operational process with limited working with individuals and tailoring the program to their needs. Building capacity is a challenging process that requires time and resources, and it cannot be developed by simply imposing restraints.

1 Introduction

A relatively recent development in the Australian social security system has been the introduction of policies of income management for some people in receipt of income support payments. The policy limits the amount of income support paid to people as an unconditional cash transfer and imposes restrictions on how the remaining – sometimes termed 'quarantined' – funds can be spent. The purpose of these controls is given as ensuring that these funds are spent on essential 'basic' items and limiting the amount of income that can be spent on 'proscribed goods' including tobacco, alcohol, pornography, and gambling. Income management was first introduced in the Northern Territory in 2007 as part of the Federal Government's Northern Territory Emergency Response (NTER).[1]

The main form of income management currently in place is 'New Income Management'. This policy, which operates only in the Northern Territory, was introduced in the second half of 2010 to replace the NTER Income Management program. Since 2007 there have been a number of additional income management policies implemented in a range of other locations, and a brief overview of these is provided in Section 1.5.

This report is the final report of a large-scale evaluation of the New Income Management program, which has been implemented by the Australian Government in the Northern Territory.[2] The evaluation was commissioned by the then Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA, now the Department of Social Services (DSS))[3], as part of the commitment of the then Government that "The operation of the new scheme of income management in the Northern Territory will be carefully evaluated" (Australian Government, 2009). The evaluation has been undertaken over the period 2010 to 2014, with a substantial first report having been completed in July 2012 (Bray et al., 2012). The key findings from the First Evaluation Report are summarised in Section 1.4.

Background to the introduction of income management in the Northern Territory

Income management was introduced in the Northern Territory as one of the components of the NTER in 2007. This initiative, referred to here as 'NTER Income Management', was a blanket policy which was applied to people who received income support payments and who lived in one of 73 prescribed Indigenous communities, their associated outstations, or the 10 town camp regions of the Northern Territory (NT). The majority of these people were living in remote or very remote communities.

While NTER Income Management notionally applied to both Indigenous and non-Indigenous people who lived in these geographic areas and were in receipt of income support payments, there were exclusions for those who could demonstrate that they were not members of the community or had little connection with the community. A consequence of this was that the vast majority of people subject to NTER Income Management were Indigenous Australians. The NTER income management initiative operated until August 2010 when it was replaced with New Income Management.

[1] The NTER is also often simply called "the intervention".

[2] The Northern Territory is a self-governing territory within the Commonwealth of Australia. Although it accounts for about one-sixth of the land mass of Australia, it only contains one per cent of the population. Approximately half of the population live in the capital Darwin, while the balance are widely dispersed, many living in remote locations. Just over one-quarter of the population identify as being Indigenous in 2011.

[3] In this report we have generally referred to the department as the Department of Social Services regardless of the official name at various points in time.

New Income Management differs from the income management measure introduced under the NTER in several respects:

- Firstly it covers all areas of the Northern Territory, not only prescribed Indigenous communities. This reflected a key priority of the then government that the program would be implemented in a way that allowed for the restoration of the *Racial Discrimination Act 1975 (Cwth)*,[4] which had been suspended as part of the NTER. A full description of the policy and its context is provided in Chapter 2.

- Secondly, it only applied on a mandatory basis to the recipients of a selected range of income support payments, in particular excluding those on Age Pensions and the Disability Support Pension.

- Thirdly, it introduced the capacity for individuals to obtain an exemption if they could meet a set of criteria designed around demonstrating a set of appropriate behaviours;.

- Fourthly, it provided an option to participate voluntarily (Voluntary Income Management).

The current program consists of a number of subprograms or streams. These are differentiated according to: the specific criteria for determining who will be subject to the policy; the proportion of income which is subject to income management; whether the person has access to exemptions; and whether they receive any additional payment for participating in the program.

The major stream comprises the Long Term Welfare Payment Recipient and Disengaged Youth measures – collectively known as Compulsory Income Management – which applies compulsorily to people who have been in receipt of certain income support payments for more than a specified period. People placed on this form of Compulsory Income Management are able to apply for an exemption, and if successful they are not subject to Compulsory Income Management. Exemptions cannot be gained from the other forms of New Income Management.

The second major component is Voluntary Income Management which allows people who want to be on income management and are not on any of the pre-existing forms of compulsory income management that require participation in the program to choose to be income managed. This group is eligible for an additional incentive payment for every six months they remain in the program.

Other income management measures operating in the Northern Territory include various forms of Vulnerable Income Management (some forms involve people being assessed by Centrelink[5] as being vulnerable and others automatically being assessed as being vulnerable because of the types of income support payments they receive) and Child Protection Income Management.

Income management is operationalised largely through the use of the BasicsCard, which is an EFTPOS card that can be used in approved merchant outlets to buy non-prohibited goods and cannot be used to withdraw cash. People can also pay for goods and services using their income managed funds via several other payment mechanisms, including direct payment by Centrelink.

The introduction of New Income Management has been accompanied by a boost in funding for financial counselling, the provision of money management services to improve financial literacy and people's ability to manage money, and a Matched Savings Payment.[6]

1.1 Background to the evaluation

In May 2010 the then FaHCSIA (now DSS) commissioned a consortium consisting of the Social Policy Research Centre (SPRC) at UNSW Australia, the Australian National University (ANU) and the Australian Institute of Family Studies (AIFS) to develop an overarching framework for the evaluation of New Income Management to guide evaluation activities over the period 2010–14. Following a competitive tendering

[4] Referred to in this report as the Racial Discrimination Act.

[5] Centrelink is part of the Department of Human Services and is responsible for the delivery of a range of payments and services including income support. The Department of Human Services is responsible for the development of service delivery policy and provides access to social, health and other payments and services. This includes the payments for which the Department of Social Services is responsible for.

[6] The full title of the program is the Matched Savings Scheme (Income Management) Payment. We note that financial counselling is provided by many organisations some of which are funded by the Commonwealth. In our field work it has not always been possible to differentiate these services and for this reason we frequently refer to these services generically.

process, this consortium was then commissioned by DSS to undertake the evaluation of New Income Management.

The evaluation has been guided by the Evaluation Framework for New Income Management (SPRC & AIFS, 2010) as agreed with DSS; the evaluation has generally been undertaken as envisaged in the framework.[7]

The First Evaluation Report (Bray et al., 2012) covered the initial implementation period of New Income Management and considered how effectively the measure was rolled out, how the transition from the NTER Income Management to New Income Management was coordinated, and the early impacts of New Income Management on individuals, families and communities.

The evaluation consists of a number of components, described in Chapter 3. Our overall approach to analysis is to use the various methods of enquiry to triangulate with each other, thereby enabling findings to be cross-validated against different methodologies and different participant groups.

1.2 Evaluation: aims and questions

The Terms of Reference for the evaluation, as specified in the Evaluation Framework, are to:

1. "provide evidence on the impact on New Income Management on those who are affected
2. assess whether the reforms were implemented effectively
3. understand whether New Income Management is a cost-effective model so as to
4. inform future government decision-making and social policy formulation for both the wider and the Indigenous communities." [8]

The objectives of New Income Management and the associated program logic have been used to develop specific evaluation questions against which New Income Management is to be evaluated. There are a series of broad overarching research questions across the program as a whole, and individual research questions for each of the original four specific streams of the New Income Management model. The program logic for New Income Management is set out in detail in the Evaluation Framework (SPRC & AIFS, 2010).

The second term of reference was largely addressed in the First Evaluation Report and is only touched on briefly in this report, although issues with the operation of income management that have been identified from the data collected after the writing of the first report are discussed. This report is largely focused on the terms of reference concerning evidence on the impact of income management on those who are affected, and analysis of the evaluation data to inform government decision-making and social policy formulation.

One aspect of the original evaluation plan which has not been undertaken is the third of the terms of reference, that of understanding whether New Income Management is a cost-effective model. DSS has requested, because of problems of trying to disentangle the specific expenditures on income management from other Departmental and DHS expenditures, and problem of identifying quantifiable outcomes to which a value can be attached, that this component not be undertaken.

The evaluation addresses both the effectiveness of implementation and administration of New Income Management and the impact of income management at the individual, family, community and Northern Territory levels. The evaluation also includes a series of more specific evaluation tasks related to individual measures.

[7] The Evaluation Framework for New Income Management is available at http://www.dss.gov.au/sites/default/files/documents/evaluation_framework_nim.pdf

[8] These aims were set out originally in the Evaluation Framework.

1.2.1 Evaluation framework

The evaluation framework and the constituent questions to which we are responding are detailed in Table 1-1. As indicated above, the framework is based on a hierarchy of Overarching Questions, and within this are the process and outcome evaluations, and then the stream-specific research questions.

Table 1-1 New Income Management – Questions in the evaluation framework

OVERARCHING QUESTIONS

Process evaluation

1. How effectively has New Income Management been administered and implemented?
   (a) What have been the resource implications of implementing the program?
   (b) Have suitable individuals and groups been targeted by New Income Management?
   (c) Have people been able to transfer into and out of New Income Management appropriately?
   (d) What has been the effect of the introduction of New Income Management on service providers?
2. What is the profile of people on the different income management streams?
3. Have there been any initial process 'teething issues' that need to be addressed?*
4. What are the views of participants in the New Income Management model and their families on the implementation of the program?
5. Has the measure been implemented in a non-discriminatory manner?

Outcome evaluation

1. What are the short, medium and longer-term impacts of income management on individuals, their families and communities?
   (a) How do these effects differ for the various streams of the program (mainstream, voluntary, child protection, vulnerable)?
   (b) Have there been changes in spending patterns, food and alcohol consumption, school attendance and harassment?
   (c) What impact does New Income Management have on movement in and out of Northern Territory among people on the measure?
   (d) Has New Income Management contributed to changes in financial management, child health, alcohol abuse, violence and parenting (i.e. reduced neglect)?
   (e) Do the four streams achieve appropriate outcomes for their participants?
   (f) Has New Income Management had any unintended consequences (positive or negative)?
   (g) Are there differential effects for different groups? (including — if sufficient data is available — by Indigeneity, gender, location, age, educational status, work status, income, length of time on income support, marital status, family composition and diverse cultural and linguistic background)
   (h) Does income management provide value for money by comparison with other interventions?
   (i) Does New Income Management provide any benefits over and above targeted service provision?

RESEARCH QUESTIONS FOR SPECIFIC STREAMS OF THE NEW INCOME MANAGEMENT MODEL

Questions specific to the participation/parenting stream

1. Has New Income Management helped to facilitate better management of finances in the short, medium and long-term for people on income management and their families?
2. Has access to services or interventions improved for those families?
3. Have other changes in the wellbeing and capabilities of the individuals and families occurred?

Questions specific to the child protection stream

1. What has been the impact of income management on child neglect?
2. What has been the impact on child wellbeing in those families referred to the child protection measure?
3. What are the barriers and facilitating factors for child protection workers to use income management as a casework tool?
4. What (if any) service delivery gaps have impacted on the usefulness of Child Protection Income Management?

Questions specific to the vulnerable stream

1. Are vulnerable people appropriately targeted by this measure?
2. How does income management impact on the vulnerability of individuals?
3. Have people on this stream experienced changes in the level of harassment (e.g. humbugging)?

Questions specific to the voluntary stream

1. Have people who volunteered for income management been able to make an informed choice?
2. How long do voluntary income management recipients stay on the measure?
3. What are the key motivations for people who voluntarily access income management, and why do they stop?

1.3 Evaluation methodology

There are a number of challenges to evaluating New Income Management:

- New Income Management has been implemented comprehensively across the Northern Territory at the same time as the introduction or enhancement of many other policies and programs which impact upon much the same population as that subject to income management. This means that it may be difficult to establish a counterfactual and attribute any changes in outcomes to income management as opposed to other policies.

- The program logic envisages that the impacts of income management will occur at both the individual and the community level. This adds to the complexity of identifying program effects. In addition, many of the specific outcomes that the program seeks to achieve – such as financial management, changes in consumption and self-reliance – each pose measurement challenges.

- The fact that a previous income management policy had been operating in the Northern Territory since 2007 (NTER Income Management) means that it was not strictly possible to collect specific pre-income management data for large sections of the New Income Management population. The resulting lack of comprehensive baseline data for some of the key outcome measures – such as expenditure and consumption[9] – makes it more difficult to obtain estimates of the extent to which these changed following the introduction of New Income Management.

- The population on the program with the majority of people subject to income management being Indigenous and many living in remote or very remote areas of the Northern Territory. This poses specific challenges to collecting and interpreting information. These challenges can arise from the extent to which English is frequently not their first language and cultural differences from the broader Australian society. These differences partly related to different frames of reference, and partly due to

[9] Conceptually one approach to the evaluation would have been to focus on changes in individual household consumption using data collected prior to the introduction of the program and at a point in time after it was operational, using detailed household expenditure surveys. This was not feasible. Reasons include: the cost of such data collections; the difficulties in attempting to collect this type of data in remote communities with extended households and extensive levels of inter- and intra-household sharing; the characteristics of a significant portion of the population, including low levels of literacy and numeracy, and not having English as a first language; and, as noted, the difficulties of attempting to obtain baseline data at the time the evaluation was implemented given that New Income Management was in the process of implementation and that a high proportion of the population had already been on income management for a considerable period under the NTER. In addition, it is noted that even without these specific problems the ABS had considerable difficulties in obtaining accurate data on alcohol and tobacco consumption and gambling expenditure in their mainstream Household Expenditure Survey.

the history of colonisation, dispossession and policies such as the removal of children – the stolen generation – all of which impact upon how people engage with the researchers and respond to survey questions and qualitative interviews.

- These have been compounded by the logistical challenges in undertaking surveys and conducting qualitative interviews in remote and very remote areas of the Northern Territory.

Given these challenges, the evaluation strategy that has been adopted is to take a multi-method approach, which has involved collecting data from people subject to income management using a longitudinal survey, obtaining the views of those involved in implementing income management (Centrelink staff, financial counsellors, and child protection workers), and service providers working with people subject to income management. The data from these groups is collected using quantitative and qualitative techniques.

In addition to this survey and qualitative data, a wide range of administrative data is used. This has been drawn from the Centrelink operational and payment data, child protection system data, transaction data from merchants, and Northern Territory level data on alcohol sales, school enrolment and attendance. In addition, data from a range of other surveys collected for other purposes but which provide data for the Northern Territory are used. These include ABS surveys and a range of other official government data collections about children.

Chapter 3 provides further discussion of the methodology adopted and detail on the data collections used to implement the evaluation and address these questions.

Findings across these diverse sources, and often partial or imperfect measures of outcomes, are then brought together to identify common and consistent trends and outcomes, and through this process of triangulation to verify the robustness of the findings.

1.4 Findings from the First Evaluation Report

The first report of this evaluation, completed in July 2012 (Bray et al., 2012) reported a range of detailed evaluation findings about New Income Management. In terms of the effectiveness of the administration and implementation of New Income Management it was found that while there were some issues, overall the rollout of New Income Management progressed relatively smoothly. There were, however, some significant issues around the implementation of money management and financial counselling services and the Matched Savings Payment aspects of New Income Management.

The key findings were:

- Income management had a diverse set of impacts, with positive impacts for some, negative for others, and for the balance little impact. Taken as a whole there was no strong evidence that, at that stage, the program has had a major impact on outcomes overall. Although many individuals reported some gains, others reported more negative effects.

- There was some evidence that income management may have been making a contribution to improving the wellbeing for some, particularly those who have difficulties in managing their finances or are subject to financial harassment. Voluntary Income Management in particular was viewed positively by people to whom it is applied, and by other stakeholders.

- Many people subject to Compulsory Income Management appeared not to demonstrate the behaviour problems or financial difficulties that the measure was intended to remedy.

- Income management incurs costs to the individuals, who in many cases found it embarrassing and humiliating and in some cases demotivating. There were very mixed findings as to the extent to which being subject to income management has led to greater control over money.

- While it was difficult to fully differentiate views about the BasicsCard from income management itself, the evidence was that the BasicsCard was seen positively by some and negatively by others. The positive views appear to be driven by factors such as the safety the card can provide to some and the absence of costs – other than phone calls to check account balances – on its use.

- Based on the data available at the time of writing the First Evaluation Report, our view was that the findings pointed towards the conclusion that income management may assist a proportion of those on income support to cope with particular issues they face. At the same time, the program was being applied to many who do not believe that they need income management and for whom there is no evidence that they have a need for, or benefit from, income management. Income management has led to widespread feelings of unfairness and disempowerment.
- It was found that low numbers of people had engaged with the incentives (matched savings and exemptions), and other support services which are intended to complement income management, and that this may have mitigated the effectiveness of the program.
- The analysis suggested that for many people income management largely operated more as a means of control than as a process for building behaviours or changing attitudes or norms. This conclusion was reinforced by the fact that for major subgroups if a person did not obtain an exemption before commencing income management or shortly after, then it appears that they are likely to remain on income management.

1.5 Other forms of income management operating outside of the Northern Territory

Income management is not just being implemented in the Northern Territory. It has also been introduced as part of the Cape York Welfare Reform Trial; in a trial form in the Kimberley and Peel regions, and in the metropolitan area of Perth in Western Australia (WA); in five sites around Australia in what is termed 'Place Based Income Management', and in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in South Australia and the Ngaanyatjarra Lands (NG Lands) and Laverton Shire in Western Australia. It was introduced in Ceduna in South Australia in July 2014 as a further place-based program.

Table 1-2 Summary of current income management programs

Program	Location	Timescale	Measures
New Income Management	NT	August 2010	CIM, VIM, CPIM, VWPR, SPAR[10]
Cape York Welfare Reform Trial	Aurukun, Hope Vale, Coen, Mossman Gorge, (Qld)	July 2008	CYWRT IM (a)
WA trial	Kimberly, Perth Metro and Peel region	November 2008	CPIM, VIM, VWPR
Place-Based Income Management	Bankstown (NSW), Logan (Qld), Rockhampton (Qld), Playford (SA), Greater Shepparton (Vic)	July 2012	CPIM, VIM, VWPR (including housing measure in some locations)
Anangu Pitjantjatjara Yankunytjatjara (APY) Lands	APY Lands (SA)	October 2012	CPIM(b), VWPR, VIM
Ngaanyatjarra (NG) Lands, Laverton and Kiwirrkurra	NG Lands (WA)	April 2013	CPIM(b), VWPR, VIM

Note: CIM – Compulsory Income Management; VIM – Voluntary Income Management; CPIM – Child Protection Income Management, VWPR – Vulnerable Welfare Payment Recipients Income Management; SPAR – Supporting People at Risk Income Management; CYWRT IM Cape York Welfare Reform Trial Income Management

(a) Cape York Welfare Reform Trial Income Management is a form of targeted income management whereby decisions relating to placing a person on income management are made by an independent family responsibilities commission.

(b) CPIM is legislated for but not used in the APY and NG Lands

Source: http://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/income-management.

[10] From October 2012 to December 2012

As can be seen in Table 1-2 the major difference between income management in the Northern Territory and these other locations is that it is only in the Northern Territory that compulsory, as opposed to targeted vulnerable and child protection that mandatory income management is applied.

1.6 Existing research and evaluation of income management in the Northern Territory

There are a number of research studies and government reviews that provide information about income management in the Northern Territory. Most of this work relates entirely or primarily to NTER Income Management, with relatively little research on New Income Management. Most of the work was undertaken as part of research into the impact of the broader NTER, thus the outcomes examined are generally linked to the NTER as a whole and not specifically to income management. In addition, the research on the NTER does not tend to compare changes in the NTER areas with other locations or individuals. This section provides a brief overview of selected research and evaluation on income management; it does not attempt to provide a comprehensive review. The existing studies on income management in the Northern Territory have provided useful data. However, they are either small-scale or are focused on very specific aspects of income management.

One of the key existing evaluations is *The Northern Territory Emergency Response Evaluation Report 2011* (FaHCSIA, 2011a). The report provides an evaluation of the NTER and its impacts, and includes some limited information on income management. The key findings about income management (largely NTER Income Management) are:

- while there are mixed views about income management in the NTER communities, there are many people who believe that income management was bringing about positive outcomes, especially for children
- generally income management was viewed more favourably – or less negatively – by women than men
- some of those subject to income management felt shame and stigma
- the way in which income management was initially implemented under the NTER as a universal measure in prescribed communities without consultation, and requiring the suspension of the Racial Discrimination Act, caused anger
- there are practical difficulties in using the BasicsCard, including that it is not accepted by all retailers; it could be difficult for people to know their BasicsCard balances, and it made travel more difficult.

A study by the Equality Rights Alliance (2011) – which focused on women's experience of income management in the Northern Territory, including New Income Management) – was much more negative in its conclusion. This small-scale study involved group discussions and a survey of 168 women with direct experience of income management. The study found that many people had difficulties in understanding and using the BasicsCard, that most women thought the BasicsCard had not changed what they buy, had no effect on safety, and that "Centrelink and others in their community do not have respect for them, or consider them to be less competent with money or as parents, because they have a BasicsCard" (Equality Rights Alliance, 2011, p. 40). There was, however, a substantial minority of women who reported that income management had helped them to save money (22 per cent), made it easier to look after their family (23 per cent), had made them safer (28 per cent), and had reduced 'humbugging'.[11] While this study produces some insightful analysis, the scale and non-random nature of the sample means that the findings cannot be generalised as an overall population response.

An early study of NTER Income Management was undertaken by the Australian Institute of Health and Welfare (AIHW, 2010). The AIHW study was based upon a range of data, including information collected from a relatively small number of people subject to income management (76 were interviewed); stakeholder

[11] *Humbugging* is a term used in many Indigenous communities to refer to a range of circumstances in which people expect financial or other support from others. In some circumstances this reflects cultural practices of sharing and mutual support; in others it can have some negative connotations. Because of this ambiguity we have generally avoided the term, and instead have referred directly to financial harassment where this is the issue at stake. Nevertheless, the term is used in some quotations and in some of the survey instruments. It should also be noted that the term is also used more widely to mean pestering a person, or to denote overly demanding circumstances – 'it's just too much humbug'.

consultations; and surveys of store operators (merchants) and Government Business Managers. The AIHW evaluation report found evidence – classified by AIHW as evidence at the weaker end of the evidence hierarchy – that while there were mixed views about income management, more were positive than negative. It also reported that there were some improvements in child health, community wellbeing, and financial management skills, and that more money was being spent on food and less on the excluded items.

Two other studies have used store expenditure data for selected communities to examine whether there is evidence of income management having had an impact on expenditure patterns in the store.[12] The Central Land Council (CLC), using data for a single store in a remote Indigenous community, found an increase in spending on food and a decrease in expenditure on tobacco following the introduction of NTER Income Management (CLC, 2008). Brimblecombe et al. (2010), using data from ten Arnhem Land Progress Aboriginal Corporation (ALPA) stores over the period 2006 to 2009, concluded that the introduction had no impact upon expenditure patterns in the ten ALPA stores.[13] In Chapter 6 this report takes a much larger sample of expenditure data, not only from ALPA stores but from a range of providers across the Northern Territory, as well as detailed records of expenditure on the BasicsCard to examine the impact of income management on expenditure patterns.

A major review of the NTER was undertaken in 2008 by the NTER Review Board (Yu, Duncan & Gray, 2008). In relation to income management in the Northern Territory, the Review Board found that there were a range of competing views about its value and impact. They also found that some Aboriginal people living or shopping in the major regional centres "experienced frustration, embarrassment, humiliation and overt racism because of the difficulties associated with acquiring and using store cards" (Yu, Duncan & Gray, 2008, p. 20). However, they also found that many people "believed that income management provided a new opportunity to manage their income and family budgets in a way that they wanted to see continue", and that there was some evidence for the view that a "substantial number of families and children had benefited from income management" (Yu, Duncan & Gray, 2008, p. 21).

In this regard it is interesting to note the Review Board report:

> The most common view expressed in consultations, however, was that if people wanted to take advantage of a voluntary income management scheme they should be allowed to do so. There was also general support for the notion that income management should be made compulsory for those who had demonstrated in some way that they were not meeting their family or community responsibilities, especially if the wellbeing of children was at risk or if alcohol and drugs were being abused to the detriment of the community (Yu, Duncan & Gray, 2008, p. 21).

The *Northern Territory Emergency Response Evaluation Report 2011* (FaHCSIA, 2011a) provides detailed information on the trends in many of the aggregate outcomes up to and including 2010. For some of the outcome measures there has been little change, including for school attendance. However, there has been some improvement in reading achievement for year 3 students (NAPLAN), children's hearing, as well as a decline in middle ear conditions and reductions in the proportion of children with anaemia or who are underweight.

In June 2012 the Commonwealth Ombudsman reported on decision-making in relation to the Financial Vulnerability Exemption test and under the Vulnerable Welfare Payment Recipient measure (Commonwealth Ombudsman, 2012a). This contained 20 recommendations. The Ombudsman reported that these were all accepted and they were intending to review progress in three months' time (Commonwealth Ombudsman, 2012b). This is further noted in Chapters 5 and 12.

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12 A monitoring report of the licensing of stores as part of NTER Income Management was undertaken by DHS (FaHCSIA, 2009). The monitoring report was based upon interviews with store operators and did not involve collection of data from store customers or the analysis of store sales or financial data. This report found that store operators reported that they thought the overall impact of NTER Income Management had been positive for communities, and two-thirds of store operators interviewed reported an increase in the amount of healthy food purchased from their store. The store operators interviewed also reported that determining BasicsCard balances was a major issue.

13 The findings of this study have been the subject of some debate. It has been argued by some that the study had a number of limitations, including that "the conclusions were not put into proper context for the statistical model structure chosen, the use of a convenience rather than a true random sample, the use of an interrupted time-series analysis, inconsistencies with the dates used to determine the switch-on time of income management for stores in the study (versus the actual switch-on dates) and differences between ALPA stores and other community stores, suggesting that the results are not easily generalisable to other stores." (FaHCSIA, 2011a, p. 347).

The Australian National Audit Office undertook a performance audit of the effectiveness of administration of New Income Management in the Northern Territory by DSS and DHS. This report makes a number of findings about the administration of New Income Management and makes two recommendations regarding monitoring of the performance of New Income Management. The Australian National Audit Office reports also notes that:

> the nature of the practical operation of Income Management, such as the facilitation of bill payment arrangements, means that there is an inherent risk that instead of developing budgeting skills, customers may come to rely on DHS and choose to remain on Income Management (Australian National Audit Office, 2013, pp. 20–21).

There have been two evaluations of Child Protection Income Management in Western Australia (DSS, 2014a; ORIMA Research, 2010). The ORIMA Research (2010) evaluation also considered Voluntary Income Management. While there are some similarities between income management in Western Australia and Child Protection and Voluntary Income Management in the Northern Territory, the operation of Compulsory Income Management in the Northern Territory makes the operation of income management in these two jurisdictions quite different.

A major evaluation of the Cape York Welfare Reform Trial, including income management, found that income management mandated by the Family Responsibility Commission (FRC) had been effectively implemented and that it had been a successful intervention in ensuring the needs of families and children are met (FaHCSIA, 2012a). The Cape York Welfare Reform Trial income management is far more targeted than income management in the Northern Territory and is accompanied by a range of support services.

DSS has commissioned an evaluation of place-based income management (Deloitte Access Economics, 2013), but none of the evaluation findings were available at the time of writing this report.

A useful summary of income management and a number of the evaluations of the program is provided in Parliamentary Library Briefing Notes and Background Papers (Buckmaster & Ey, 2012; Buckmaster, Ey & Klapdor, 2012).

The Forrest Review into Indigenous employment has also considered income management as it currently operates in the Northern Territory and elsewhere. The report states:

> Income management was widely regarded as very helpful for vulnerable people, enabling them to manage their budgets, save for expenses and stay in stable housing. However, it is complex, it can be considered paternalistic and comes with a cost that renders it unsustainable and unsuitable for broader application.
>
> While income management is useful to stabilise an individual's circumstances, it can make transitions off welfare and into work more difficult. An alternative that provides similar support for welfare recipients but includes them in the country's mainstream banking and financial services system will do much more to build financial literacy and independence. (Forrest 2014, p. 27)

The review concludes that "it is very expensive for the government to administer and it has some stigma associated with it for the recipient" and that "expansion of this system is financially unsustainable." (Forrest 2014, p. 102)

In addition there are two reports which, while not directly related to the evaluation of income management, are nonetheless relevant. The first is the February 2011 report on 'Indigenous ATM issues' produced by the joint Treasury and Reserve Bank of Australia ATM Taskforce (Treasury & RBA, 2012). Following this the government has announced "a new commitment by the Australian banking industry and two major independent ATM companies to voluntarily provide free transactions at 76 ATMs across very remote Indigenous communities in the Northern Territory, Queensland, Western Australia and South Australia" (Swan & Macklin, 2012). The second is the 2011 report by the Cultural and Indigenous Research Centre Australia (CIRCA) presenting its findings on the evaluation of the Community Stores Licensing Program. This report concluded that while a range of factors contributed to food security, "Overall stores licensing has had a positive impact on food security, in terms of ongoing access to food that is safe and of sufficient quality and quantity to meet household needs." (CIRCA, 2011)

1.7 Structure of report

Chapter 2 provides an overview of the New Income Management Policy and how it is designed to operate. Chapter 3 provides an overview of the evaluation approach, and data sources. The characteristics of the population being subject to income management are described in Chapter 4. The chapter provides detailed information on the numbers of people participating in the different streams of income management over time, how long they remain being income managed, and what happens to them when they exit the program. The operation and outcomes of exemptions from Compulsory Income Management are analysed in Chapter 5.

Chapters 6, 7, and 8 focus on the outcomes of income management. Chapter 6 is concerned with how people subject to income management spend the portion of the government benefits that is subject to income management, and patterns of spending and failed transactions. Chapter 7 uses data from a large-scale longitudinal study of people subject to income management to examine people's views and experiences of income management and provides estimates of the extent to which income management has an impact upon a range of individual and community level outcomes. This is complemented by Chapter 8, which presents the findings of the qualitative data collection undertaken with this group. Chapter 9 examines aggregate measures of outcomes that income management may impact upon, including child health and development, school attendance, alcohol consumption and related harm, tobacco consumption and imprisonment rates, using data for a time period spanning the introduction of income management until the present. Chapter 10 presents the outcomes of the extensive consultations that have been conducted with a range of 'intermediaries' who are involved in various ways in the delivery of the program or are working with people who are affected by income management.

The next three chapters examine some of the specific income management measures in detail. Chapter 11 considers Voluntary Income Management, Chapter 12 Vulnerable Income Management, and Chapter 13 Child Protection Income Management. Chapter 14 addresses each of the key evaluation questions specified in the evaluation framework, drawing upon the range of data and discussions in previous chapters, and Chapter 15 presents the final overview of the evaluation. Chapter 16 is provided as an epilogue to the evaluation and contains matters arising from the feedback process that was undertaken in September 2014 in which members of the evaluation team presented the findings of the evaluation to program administrators, other intermediaries, peak organisations and members of the communities from which information was collected.

Appendices provide some supplementary material, including further documentation of different aspects of income management and this evaluation.

2 Overview of New Income Management policy

2.1 Introduction

This chapter provides an overview of the objectives, design and main elements of New Income Management. It also provides some background to the context in which the policy was implemented, including its relationship with the earlier policy of income management that operated as part of the Northern Territory Emergency Response (NTER).

There are two specific objectives for the chapter:

- To explain the rationale for the program and provide the policy and program context for it. This is important as there have been a number of different policy statements about the program over time, and changes made to the program. It is also critical because the program, as noted above, evolved from the previous form of income management introduced as part of the NTER, and the experience of individuals on the current measure is also shaped by their experiences and perceptions of this earlier measure.
- To provide an overview of the elements of New Income Management policy and how it operates. As a program New Income Management has a number of different components and provisions. These introduce some complexity into its operation, and to varying degrees impact upon the evaluation.

The chapter is structured as follows:

- discussion of the background to the program, including the former policy of income management under the NTER
- presentation of the formal objectives of the program
- a description of the program and its main components
- details of the key operational aspects of the program, including the scope for reviews of decisions, as well as the arrangements for transition from the former NTER income management
- an overview of some of the supporting programs and initiatives that were introduced or expanded as part of the rollout of New Income Management
- details of some of the other programs and initiatives that also impact on the New Income Management population. Many of these programs are important not merely as a result of their intrinsic contribution, but also from an evaluative perspective, as account needs to be taken of them so as to identify separately the specific impact of New Income Management.

2.2 The introduction of income management in the Northern Territory

The introduction of income management in the Northern Territory can be considered in three phases. The first was the introduction and operation of income management under the NTER, the second was the decision to extend this in the context of the development of New Income Management, and the third was the introduction of New Income Management itself. This section considers the first two of these phases.

2.2.1 The NTER

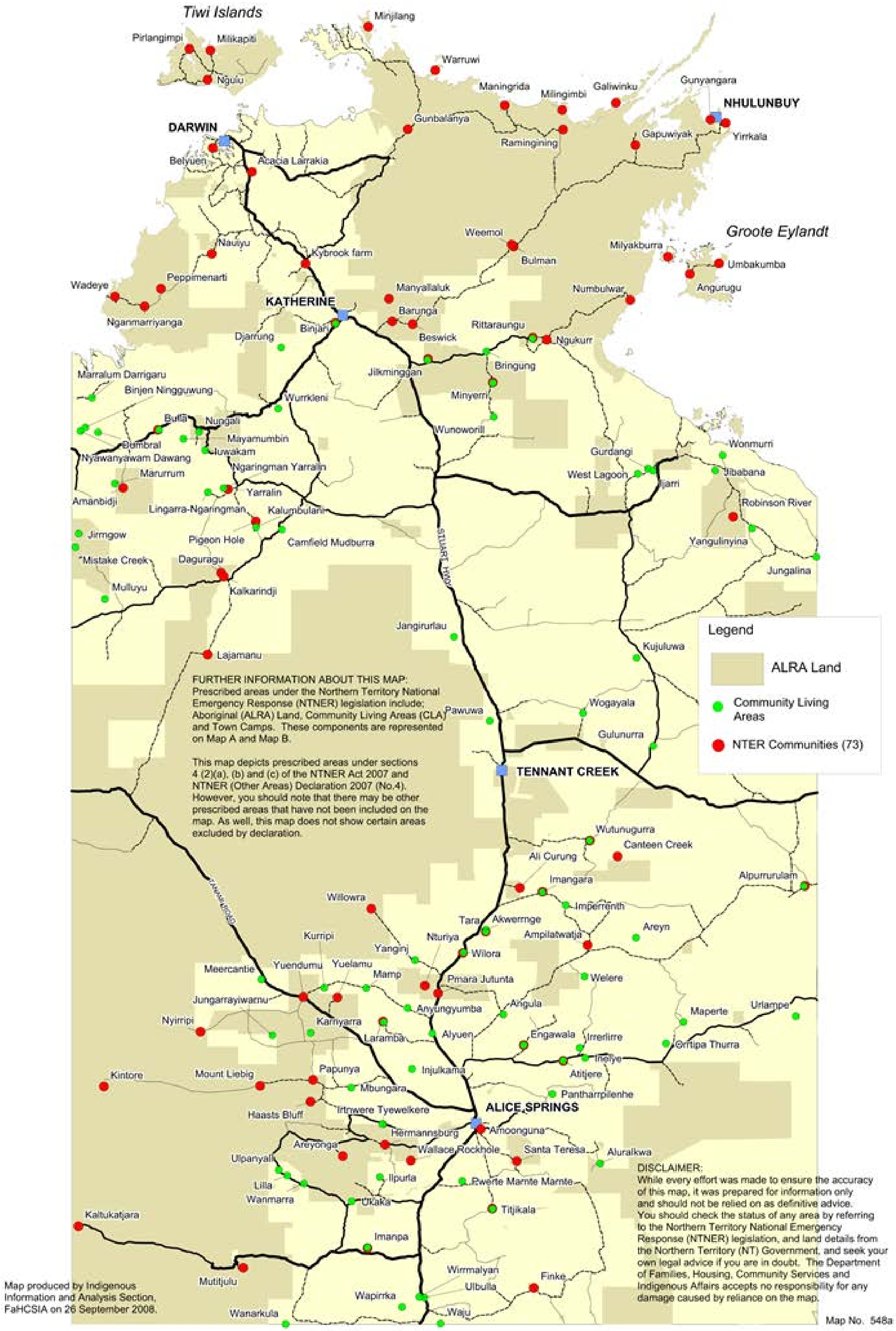
Compulsory income management for income support recipients was introduced as a policy by the Australian Government as part of the NTER.[14] The NTER was announced in July 2007 to respond to what was seen to be a critical situation in many Indigenous communities in the Northern Territory that was not being adequately responded to by existing policies and programs.

A central catalyst for the NTER was the report "Protection of Aboriginal Children from Sexual Abuse: Ampe akelyernemane meke mekarle (Little children are sacred)" (Northern Territory Government, 2007), which highlighted the issue of child sexual abuse in the Northern Territory.

The objective of the NTER was expressed in terms of "immediate, broad ranging measures to stabilise and protect communities in the crisis area", with "[a]ll action at the national level. … designed to ensure the protection of Aboriginal children from harm" (Brough, 2007). The NTER applied to 73 prescribed communities, their associated outstations, and the 10 town camp regions of the Northern Territory. This covered all land held under the *Aboriginal Land Rights Act (Northern Territory) 1976 (Cwth)*, all Aboriginal community living areas, and all Aboriginal town camps – in total an area of over 600,000 square kilometres (Yu, Duncan & Gray, 2008). The prescribed areas are shown in Figure 2-1 and Figure 2-2. In 2008, over 70 per cent of Indigenous people in the Northern Territory, or 45,500 Indigenous people, lived within prescribed areas.

[14] There have been longstanding provisions for the income support payments for some individuals to be managed on an individual basis under nominee arrangements. These involve the payment of a person's entitlement to a third party who takes on the responsibility for spending these funds on behalf of the person.

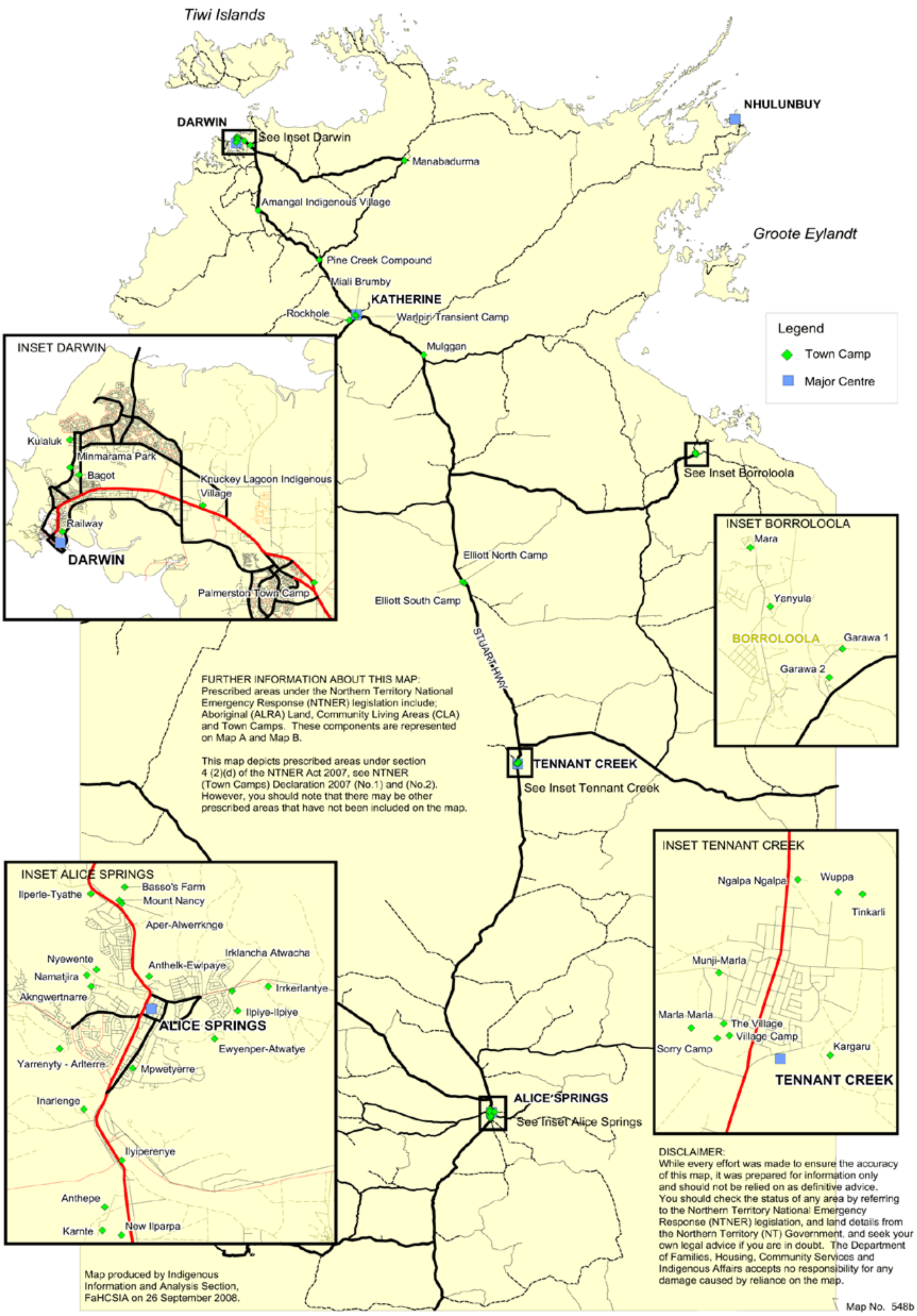
Figure 2-1 Map of NTER Prescribed Areas, Aboriginal (ALRA) land and community living areas



Note: ALRA Land is land held under the *Aboriginal Land Rights (Northern Territory) Act 1976 (Cwth).*

Source: Yu, Duncan & Gray (2008); Appendix 4.

Figure 2-2 Map of NTER Prescribed areas, town camps



Source: Yu, Duncan & Gray (2008); Appendix 4.

The NTER policies and program can be grouped into the seven measures outlined in Table 2-1.

Table 2-1 NTER measures

Measure 1: Welfare reform and employment
Income management and community stores
Increased participation opportunities for people on income support in remote communities
Community Development Employment Projects (CDEP) transition to jobs and employment services
Active school participation
Community employment brokers

Measure 2: Law and order
Alcohol, drugs and pornography
Increased police presence in communities
National Indigenous Intelligence Taskforce
Child Abuse Desk
Northern Territory Aboriginal Interpreter Services
Expansion of Northern Territory night patrol services
Additional legal services for Indigenous Australians

Measure 3: Enhancing education
Additional classrooms
Accelerated literacy program
School nutrition program
Volunteer teacher initiative
Quality teaching package

Measure 4: Supporting families
Children's services and family support (crèches, playgroups and early childhood services)
Child-at-risk workers for Northern Territory Child Protection Services
Safe place for families escaping family violence
Youth alcohol diversionary services

Measure 5: Improving child and family health
Child health checks, medical follow-up and treatment
Child special services
Drug and alcohol response

Measure 6: Housing and land reform
Five-year lease program
Urgent repairs to infrastructure
Permits
Community clean-up
Land compensation

Measure 7: Coordination
NTER Taskforce
Government Business Managers
Operations Centre
Community engagement and volunteering
Temporary accommodation of whole-of-government staff
Commonwealth Ombudsman support for NTER
Logistical support for NTER

Source: AIHW (2010).

Under the NTER model of income management, people living in the prescribed areas who received government income support payments had half of their income support payments income managed. Income managed funds were directed towards agreed priority needs and services such as food, rent and utilities. Income managed funds could not be used to purchase excluded items such as alcohol, tobacco or pornography, or used for gambling. Because of the targeting of largely Indigenous communities, the implementation of the NTER required the suspension of the *Racial Discrimination Act 1975 (Cwth)* (RDA). NTER income management applied to all income support recipients who were living in a prescribed area on 21 June 2007. [15]

The announcement of the NTER indicated that the purpose of the welfare reforms was "to stem the flow of cash going toward substance abuse and to ensure funds meant to be for children's welfare are used for that purpose [and] enforcing school attendance by linking income support and family assistance payments to school attendance for all people living on Aboriginal land and providing meals for children at school at parents' cost". At the time of announcement, the introduction of income quarantining was seen as a time-limited measure targeted at the long-term welfare-reliant group. Specifically, the government indicated their intention to introduce legislation to:

> "Reduce discretionary disposable income by quarantining 50 per cent of all Australian Government income support and family assistance payments, and CDEP[16] wages, for an initial period of twelve months, for people who have been, or become, in receipt of payment for two

[15] The payments with larger numbers of recipients include: Newstart Allowance, Parenting Payment Single, Parenting Payment Partnered, Age Pension, Disability Support Pension, Carer Payment, and ABSTUDY. While there were some limited exemptions under the NTER Income Management program, these can be largely considered as being 'technical' in terms of being granted to people who, while within the location, did not have strong local community connections.

[16] CDEP - Community Development Employment Projects.

years or longer for residents in prescribed communities, with those outside of these communities decided on a case by case basis by Centrelink" (Brough, 2007).

Income management under the NTER

While, as seen above, income management was only one of 37 initiatives that made up the NTER, it was probably the most widely recognised aspect of the NTER (Yu, Duncan & Gray, 2008).

2.2.2 The development of New Income Management

Following the 2007 federal election[17] the incoming Government decided to continue income management in the Northern Territory. However, it had as a priority to change its operation so that the Racial Discrimination Act could be reinstated.

Pending this, it extended the NTER income management arrangements. In announcing this, Minister Macklin indicated that "The Australian Government will continue comprehensive, compulsory income management as a key measure of the Northern Territory Emergency Response (NTER) because of its demonstrated benefits for women and children". Specifically, the Minister reported that "Women say that income management means they can buy essentials for their children such as food and clothes. Shopping habits in licensed stores have changed – more is being spent on fresh food, sales of cigarettes have halved and the incidence of 'humbugging' has fallen" (Macklin, 2008). This announcement also indicated that while the existing measure was to be extended for "at least 12 months", the government would "design a compulsory income management policy which does not require the suspension of the RDA". This subsequent development led to NTER Income Management being replaced with New Income Management in 2010 (Macklin & Snowden, 2010).

In mid-2010, just prior to the introduction of New Income Management in the Northern Territory, there were 16,726 income support recipients on NTER Income Management. At the same time there were 22,515 income support recipients living in the Northern Territory who were not being income managed, as they were outside the scope of the policy. These groups were, however, not wholly spatially separated, as people who were initially subject to income management because they lived in a prescribed area and subsequently moved within the Northern Territory continued to be subject to income management. This meant that by June 2010, there were a number of people in the Northern Territory living outside of prescribed communities who were subject to income management because they were previously living in a prescribed area.

A timeline of the main policy and program decisions relating to income management in the Northern Territory from the initial NTER through to more recent changes to New Income Management is provided in Table 2-2. Details of the way in which the transition from NTER Income Management to New Income Management are provided in Section 2.5.3 of this chapter, while statistics on the transition are in Chapter 4.

[17] Income management was introduced under a Liberal-National Party Coalition-led government in 2007. In November 2007, following a federal election, this government was replaced a government led by the Australian Labor Party. In September 2013 this government was replaced again following a federal election by another Liberal-National Party Coalition.

Table 2-2 Timeline for income management in the Northern Territory

2007	
15 June	"Little Children are Sacred" report released
21 June	NTER announced
17 July	Legislation (introduced 7 July 2007) passed and assented to. This provided the legislative framework for a range of NTER measures including the introduction of income management
21 July	Cut-off date for residential eligibility for income management
20 August	Community engagement before income management commenced
17 September	Rollout of income management commenced
2008	
8 September	BasicsCard rollout commenced
23 October	NTER Income Management extended
27 October	Rollout of income management completed
15 December	BasicsCard rollout completed
2009	
24 November	Government releases "Policy Statement: landmark reform to the welfare system, reinstatement of the Racial Discrimination Act and strengthening of the Northern Territory Emergency Response"
25 November	Legislation for New Income Management introduced to Parliament
2010	
1 July	Legislation for New Income Management passed by Parliament
9 August	Rollout of New Income Management commenced (Barkly Region – Zone 1)
30 August	Rollout of New Income Management commenced in Alice Springs, (Katherine, East Arnhem Land and other outback areas – Zone 2)
2 September	Rollout of New Income Management commenced in remaining outback areas
4 October	Rollout of New Income Management commenced in Darwin and Palmerston
31 December	*Racial Discrimination Act 1975 (Cwth)* fully reinstated
2011	
25 February	Transition from NTER Income Management to New Income Management largely completed (just 118 people remaining on NTER Income Management)
2013	
July	Changes to the Vulnerable Welfare Payment Recipient measure introduced. The changes created new 'automatic' triggers for being placed on income management.

2.3 Objectives of New Income Management

The Evaluation Framework developed to guide this evaluation (SPRC & AIFS, 2010) provides an overview of the objectives of New Income Management. As documented in this, articulation of the objectives of New Income Management is contained across a range of speeches and policy statements, as well as in the legislation itself. Two of the key documents are Minister Macklin's second reading speech (Macklin, 2009), and the Government's *Policy statement: landmark reform to the welfare system, reinstatement of the Racial Discrimination Act and strengthening of the Northern Territory Emergency Response* (Australian Government, 2009). This latter identifies the aims of New Income Management:

> "… [to] provide for the welfare of individuals and families, and particularly children … by ensuring that people meet their immediate priority needs and those of their children and other dependents. Income management can reduce the amount of welfare funds available to be spent on alcohol, gambling, tobacco products and pornography, and can reduce the likelihood that a person will be at risk of harassment or financial abuse in relation to their welfare payments.
>
> Governments have a responsibility – particularly in relation to vulnerable and at risk citizens – to ensure income support payments are allocated in beneficial ways. The Government believes that the first call on welfare payments should be life essentials and the interests of children.

In the Government's view the substantial benefits that can be achieved for these individuals through income management include: putting food on the table; stabilising housing; ensuring key bills are paid; helping minimise harassment; and helping people save money. In this way, income management lays the foundations for pathways to economic and social participation through helping to stabilise household budgeting that assists people to meet the basic needs of life. We recognise that these are benefits which are relevant to Indigenous people and non-Indigenous people in similar situations" (Australian Government, 2009, p. 1).

The broader objectives and framework were emphasised in the Second Reading Speech for the *Welfare Reform and Reinstatement of Racial Discrimination Act (Cwth) Bill.* The then Minister for Families, Housing, Community Services and Indigenous Affairs, in relation to income management, stated:

> "It introduces landmark reforms to the welfare system which, over time, will see the national rollout of a new scheme of income management of welfare payments in disadvantaged regions across Australia.
>
> Income management is a key tool in the government's broader welfare reforms to deliver on our commitment to a welfare system based on the principles of engagement, participation and responsibility.
>
> Welfare should not be a destination or a way of life.
>
> The government is committed to progressively reforming the welfare system to foster individual responsibility and to provide a platform for people to move up and out of welfare dependence." (Macklin, 2009).

The policy statement also identifies income management as a key tool in the Government's broader welfare reforms, which sought to promote responsibility and strengthen families. One part of this second goal was to ensure that income support payments were spent in a way that was consistent with their underlying purpose of providing the financial means for people to achieve an acceptable standard of living and to ensure that the needs of children were met.

The objectives of income management embedded in the legislation are:

a) "to reduce immediate hardship and deprivation by ensuring that the whole or part of certain welfare payments is directed to meeting the priority needs of:

   (i) the recipient of the welfare payment; and

   (ii) the recipient's children (if any); and

   (iii) the recipient's partner (if any); and

   (iv) any other dependants of the recipient;

b) to ensure that recipients of certain welfare payments are given support in budgeting to meet priority needs;

c) to reduce the amount of certain welfare payments available to be spent on alcoholic beverages, gambling, tobacco products and pornographic material;

d) to reduce the likelihood that recipients of welfare payments will be subject to harassment and abuse in relation to their welfare payments;

e) to encourage socially responsible behaviour, including in relation to the care and education of children;

f) to improve the level of protection afforded to welfare recipients and their families" (*Social Security (Administration) Act 1999 (Cwth)* – Section 123TB).

Reflecting these legislative provisions, the policy of income management operates to limit expenditure of income support payments on excluded items, including alcohol, tobacco, pornography, gambling products and participation in gambling. As such it seeks to ensure "that money is available for life essentials and provides a tool to stabilise people's circumstances, easing immediate financial stress" (Macklin, 2011).

As well as seeking to limit inappropriate spending directly, the policy objective – both directly through the tools associated with income management, and through supporting policies and programs – is to enhance household financial management. This objective includes a focus in the program on working with individuals to ensure that priority needs are met, and by limiting the availability of cash with the goal of assisting some individuals in resisting undesirable behaviour by their relatives and others (i.e., harassment for money or 'humbugging').

According to the program logic, the change in expenditure patterns which the program seeks to achieve is expected to result in a number of other benefits for children, parents and the broader community. For example, a reduction in negative expenditures may result in reductions in alcohol-fuelled violence, substance abuse and risky behaviour. Similarly, the promotion of positive expenditure patterns may result in meeting children's needs more effectively, including improved nutrition and increased spending on children's clothing and school-related expenses. This in turn may result in improvements in positive health behaviours and improved school attendance, which could then lead to improved educational outcomes.

In addition to the direct impact of expenditure constraints, the exemption criteria were seen as a means with which to reinforce some of these positive outcomes. For example, families would be able to secure exemptions if their children are immunised and if they are attending school, or if parents can demonstrate that children are engaged in activities such as structured, age appropriate social, learning or physical activities. For those without children, exemptions were designed to reward participation in employment and education.

At this broadest level the program is intended to reinforce responsible parenting and more generally promote principles of engagement, participation and personal responsibility, with this being reflected in positive outcomes across many domains including health, education, workforce participation and community wellbeing.

In this way New Income Management is intended to set in motion a series of positive behaviours that should be mutually reinforcing. The outcomes postulated from this include:

- short-term, e.g., changed expenditure patterns, less expenditure on excluded goods, more expenditure on priority items
- medium-term, e.g., take-up of referrals to money management and financial counselling service providers, improved educational attendance
- long-term, e.g., acquisition of money management skills, improved employment opportunities and improved educational attainment, and eventually to "tackle the destructive, intergenerational cycle of passive welfare" (Macklin, 2009).

The potential impacts of the model are not only expected to occur at the level of the individuals directly affected and their immediate families, but more generally in the communities in which these individuals live.

2.4 Overview of New Income Management and its subprograms

New Income Management is a policy which involves limiting the ways in which income support recipients can spend a proportion, usually half, of their income support payments.

As noted above, the actual income management component of the policy involves setting aside this portion of a person's payments and seeking to manage it in a way that meets the priority needs of individuals and any children who are dependent on them. This objective is given effect by the income managed component of the person's income support payment being provided either through payments directly from Centrelink to merchants, or through the BasicsCard, so that key expenditures are made and that this money is not able to be used to purchase 'excluded' goods. As noted above, these include such items as alcohol, home brew kits, home brew concentrates, tobacco products, pornographic material, and gambling goods and activities.

In 2010, when first implemented, there were four 'streams' or measures of New Income Management:

- Compulsory Income Management – which in turn comprised a Disengaged Youth and a Long-term Welfare Payment Recipients measure
- Voluntary Income Management;
- Vulnerable Welfare Payment Recipients measure – referred to here as Vulnerable Income Management
- Child Protection Income Management.

From December 2012 a fifth measure of income management was introduced; Supporting People at Risk (SPAR). This applies to people referred to income management under the Northern Territory Alcohol Mandatory Treatment Program (Northern Territory Department of Health, 2013b). Three further forms of Vulnerable Income Management were introduced in July 2013.

Table 2-3 Australian Government payments that may be subject to income management

Widow Allowance	Income Support Supplement
Youth Allowance	Defence Force Income Support Allowance
Austudy payment	Double Orphan Pension
Newstart Allowance	Family Tax Benefit
Sickness Allowance	Baby Bonus
Special Benefit	Maternity Immunisation Allowance
Partner Allowance	Carer Allowance
Mature Age Allowance under Part 2.12B	Child Disability Assistance
Parenting Payment (Partnered)	Carer Supplement
Parenting Allowance (other than non-benefit allowance)	Mobility Allowance
Age Pension	Pensioner Education Supplement
Disability Support Pension	Telephone Allowance
Wife Pension	Veterans Supplement
Carer Payment	Utilities Allowance
Parenting Payment (Single)	Assistance for Isolated Children Scheme, where the payment relates to a child or children at a Homelands Learning Centre
Bereavement Allowance	ABSTUDY payment that includes an amount identified as Pensioner Education Supplement
Widow B Pension	Social Security Bereavement Payment
Disability Wage Supplement	Veterans' Entitlement Bereavement Payment
Mature Age Partner Allowance	Northern Territory CDEP transition payment
Special Needs Pension	Various Advance Payments
ABSTUDY with living allowance	Pharmaceutical Allowance
Service Pension	

Individuals subject to Compulsory, Vulnerable and Voluntary Income Management have 50 per cent of their Centrelink payments income managed. For those on Child Protection Income Management this proportion rises to 70 per cent. Lump-sum payments are income managed in their entirety (100 per cent). Examples of the lump-sum payments are ABSTUDY with a Living Allowance and Pensioner Education Supplement arrears, Study Start-up Scholarship, and Relocation Scholarship.[18] In addition, the Baby Bonus is income managed at 100 per cent, as are urgent and advance payments.

For those people subject to income management, all of the Centrelink or Department of Veterans' Affairs payments shown in Table 2-3 fall within the scope of the payments to which income management will apply. The main Centrelink payments which can act as a trigger for the compulsory measures are the Newstart Allowance, Parenting Payments, and Youth Allowance. Further details are discussed in Section 2.4.2.

People who choose to go onto New Income Management as part of the Voluntary Income Management measure receive an incentive payment of $250, paid directly into their income managed account, for every consecutive six months during which they participate.

[18] The amount of income that is subject to income management is calculated after deducting automatic deductions such as Child Support and government debt.

Those on the compulsory[19] measures (Compulsory, Child Protection and Vulnerable Welfare Payment Recipient) who are eligible to participate may receive a one-off Matched Savings Payment of up to $500 from Centrelink if they complete an accredited money management course and then maintain a pattern of saving from their discretionary funds – i.e., funds which are not income managed – for 13 weeks or longer. The Matched Saving Payment is paid directly into their income managed account.

2.4.1 Costs of New Income Management

The budgeted cost of income management was between $94 million and $105 million for each year from 2010-11 to 2013-14. While detailed costing data are not available, $410.5 million was allocated for New Income Management in the 2010-11 Budget over the period 2009-10 to 2014-15, of which $5.9 million was to be spent in 2009-10 and $6 million to be spent in 2014-15. The budgeted cost of income management was between $94 million and $105 million for each year from 2010-11 to 2013-14. In the 2014-15 Budget an additional $101.0 million was appropriated to extend income management in the Northern Territory and in some other locations for another year.[20]

On a per person basis, the Auditor General reported the average expected cost of providing income management varied by geographic remoteness, being $2,400 to $2,800 per person per annum in urban areas, $3,900 to $4,900 per person per annum in rural areas, and $6,600 to $7,900 per person per annum in remote areas (Australian National Audit Office, 2013).

This section now considers the components of the program and their specific eligibility criteria and provisions in more detail.

2.4.2 Compulsory Income Management

Compulsory Income Management applies to two main groups of income support recipients. The first, under the **Disengaged Youth** measure, are people aged 15 to 24 years who have been receiving one of the following payments for three of the past six months: Youth Allowance; Newstart Allowance; Special Benefit;[21] or Parenting Payment Partnered or Parenting Payment Single. The second, under the **Long-term Welfare Payment Recipients** measure, are people aged 25 years and older who have been receiving one of the following payments for more than one of the past two years: Youth Allowance; Newstart Allowance; Special Benefit; or Parenting Payment Partnered or Parenting Payment Single.

A third, more technical form of compulsory income management is **Nominee Income Management.** This refers to people who are on income management, not because they have themselves met a particular criterion based on their own circumstances, but because they have appointed another person as their payment nominee and that person has been placed onto a compulsory measure of income management. For example, an Age Pensioner may have appointed one of their children to act as their "Payment Nominee", which means that the Age Pensioner's pension is paid to the child, and the child takes responsibility for spending this money on their parent's behalf. If this child is subject to income management, for example because they are a lone parent who has been receiving Parenting Payment for more than a year, then the Age Pension parent is automatically placed on Nominee Income Management.[22]

In most cases the process of placing people on Compulsory Income Management commences when Centrelink identifies that the person is about to meet the criteria by virtue of their duration on a particular payment, and will thus become subject to income management in around four weeks. At this point the person is sent a letter advising them that they will be subject to income management and requiring them to attend an interview with Centrelink to discuss their income management arrangements. In this interview, as

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[19] In this document we have sought to differentiate between "Compulsory Income Management" which represents those on Disengaged Youth and Long-term Welfare Payment Recipients, and "compulsory income management" which also includes these other measures. This differentiation is however frequently difficult given the way in which programs are grouped for different analysis and in some more general references.

[20] This funding covers the cost of income management in the Northern Territory, and in trial sites in Perth and the Kimberley region, Laverton, and Ngaanyatjarra Lands of Western Australia and Anangu Pitjantjatjara Yankunytjatjara Lands in South Australia as well as expansion to the Ceduna Region in South Australia. The amount does not cover place-based income management, which is already funded until 30 June 2016, or the Cape York initiative, which is separately funded until 31 December 2015.

[21] Only some persons on Special Benefit are subject to income management.

[22] Full details of this form of income management and how it is applied are provided in Australian Government (2014), Section 11.14.10.

detailed in Section 2.5.1, arrangements are made as to how their income managed funds are to be allocated, and they are also informed of their rights to seek an exemption from the measure.

Exemptions

Individuals who are subject to Compulsory Income Management are entitled to seek an exemption if they believe they can satisfy the exemption criteria.[23] The criteria for exemption differ according to whether the person has dependent children.

Those with dependent children can obtain an exemption if they can meet two criteria related to:

- responsible parenting
- absence of financial vulnerability.

In broad terms, responsible parenting is assessed on the basis of school-aged children attending school regularly for the past two terms (no more than five unexplained absences within this period). For those with preschool-aged children, the parent must meet a set of health and/or engagement requirements. These include appropriate participation in early childhood services or child care, and having appropriate vaccinations and health checks. The exemption criteria must be satisfied for all children under the responsibility of the parent.

Examples of the types of evidence required in order to demonstrate responsible parenting are:

- a school report
- a letter from the Department of Education
- proof of vaccination or formal conscientious objection to vaccination
- a report from medical or nurse practitioner or allied health professional
- the child's personal health record
- a copy of customer's Medicare record showing that the child has attended a medical appointment
- evidence that the child is attending approved child care.

Financial vulnerability is assessed on the basis of a person demonstrating that they have been:

- applying appropriate resources to meet their priority needs and the priority needs of their family
- using money management strategies – such as stable payment patterns and budgeting practices – to manage their financial resources, and it is likely the person will continue to do so in the future
- exercising control over their money and are not vulnerable to financial exploitation
- not regularly requiring urgent funds to pay for foreseeable costs, and did not frequently change their income support pay dates. Consideration must be given to the reasons for seeking the urgent payments or changing the payment dates.

Further details of the test are given in Appendix A.

For individuals without dependent children who are placed on Compulsory Income Management, an exemption is available if the person satisfies one of the following criteria. They:

- are a full-time student or new apprentice

[23] Effectively a person can apply for an exemption at any time while they are income managed. There are special provisions with regard to the actual implementation date of income management for those who seek an exemption when they are notified of the intention of Centrelink to place them on income management.

- have worked for 15 hours or more per week for at least the minimum wage for at least six of the last 12 months (FaHCSIA, 2010a).

Examples of the evidence required to demonstrate meeting these criteria are:

- payslips
- details of verified work hours on the customer's Centrelink record
- a letter from their employer
- profit and loss statement for customers who are self-employed.

If granted, an exemption from Compulsory Income Management usually applies for a 12-month period. Exceptions apply, for example: where there is a defined end-date such as at the end of an apprenticeship; when a student ceases full-time study; or when the person's circumstances change significantly, such as a change in dependants. It is possible for an individual to have an exemption from Compulsory Income Management and then to go onto Voluntary Income Management. They may choose to do this in order to qualify for the Voluntary Income Management Financial Incentive Payment. Similarly, it is possible that a person could have an exemption from Compulsory Income Management but then be referred to income management, for example, by the Northern Territory Child Protection Authorities, or by being identified as being vulnerable.

Exiting from Compulsory Income Management

The main ways of exiting from Compulsory Income Management are:

- the individual obtains an exemption from income management (as outlined above)
- they no longer receive an income support payment that is subject to Compulsory Income Management
- an excluded payment nominee is appointed in relation to the individual (effectively, an approved person takes responsibility for their money[24])
- the person moves away from a declared income management area for more than 13 weeks.

2.4.3 Vulnerable Income Management

Assessed Vulnerable Income Management

Vulnerable Income Management[25] is another compulsory form of income management. Initially there was a single form of Vulnerable Income Management. From July 2013 additional streams of Vulnerable Income Management were introduced. The initial form was designed to provide Centrelink social workers with an additional tool to use in providing their services to individuals who are vulnerable and/or at risk, for example, individuals on an Age Pension or Disability Support Pension who are subject to financial harassment, or who have an impaired capacity to manage their finances. Being placed on this form of income management requires an assessment of vulnerability by a Centrelink social worker. In this report this form of income management is referred to as "assessed Vulnerable Income Management". This continues to be the main form of Vulnerable Income Management.

The assessed Vulnerable Welfare Payment Recipients measure may apply to both people within and not within scope of either the Long-term Welfare Payment Recipients or Disengaged Youth measures, where they are assessed by a Centrelink social worker as potentially benefiting from income management in order to meet their social and parental responsibilities; to manage their money responsibly; or to build and

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[24] These 'excluded payment nominees' include: a public trustee; a payment nominee who is not subject to income management; or an organisation.

[25] The full name for this measure is the Vulnerable Welfare Payment Recipients measure.

maintain reasonable self-care. In order to be considered for Vulnerable Income Management a person has to be in receipt of a trigger payment (termed a Category H payment).[26]

In deciding whether a customer should be income managed under the Vulnerable Welfare Payment Recipients measure, Centrelink is required by the *Social Security (Administration) Act 1999 (Cwth)* to consider:

- whether the person is experiencing an indicator of vulnerability
- whether the person is meeting their priority needs and the priority needs of their partner, children or other dependants
- whether income management is an appropriate support for the person experiencing vulnerability to meet their responsibilities, to build and maintain self-care and to manage their money (Australian Government, 2014, Section 11.4.2.10).

With regard to the first of these criteria the specified 'Indicators of Vulnerability' are:

- Financial hardship: A person is defined as experiencing financial hardship where they are unable to access or engage in activities that meet their priority needs due to a lack of financial resources. The receipt of income support in itself does not define a person as experiencing financial hardship; rather, a lack of skills or an inability to manage limited resources may result in financial hardship.
- Financial exploitation: This is considered to occur when a person is subject to undue pressure, harassment, violence, abuse, deception or exploitation for resources by another person or people, including other family members and community members.
- Failure to undertake reasonable self-care: This may be due to factors including, but not limited to, substance abuse issues, problem gambling, and mental health issues.
- Homelessness or risk of homelessness: Where the person does not have, or is at risk of not having, access to safe, secure and adequate housing (Australian Government, 2014, Section 11.4.2.20).

The assessment of an individual as being a Vulnerable Welfare Payment Recipient is made by a Centrelink social worker. People are placed on this measure for a maximum duration of 12 months. Near the end of the 12-month period a Centrelink social worker conducts a further assessment. If the person is assessed as continuing to meet the criteria for being a Vulnerable Welfare Payment recipient, they continue on the measure for a further period of up to 12 months. There is no limit to the number of times a person can be reassessed or to the number of extensions to their being on the measure.

While the direct involvement of Centrelink in income management for vulnerable people through this measure is new, it is important to note that a range of mechanisms have been in place for some time which effectively involve ensuring that income support and related payments for vulnerable people are managed in a way to ensure they are used appropriately. At the most extreme, this has involved the option of the appointment of the Public Trustee, or some other person as trustee for the management of a person's affairs, including their income support payment. In other cases, income support has been paid on a more frequent basis to enable people access to some funds across the payment cycle.

Individuals on Vulnerable Income Management can exit in the following ways:

- if the individual is no longer seen as requiring or benefiting from income management
- if they are no longer receiving income support payments
- if an excluded payment nominee is appointed in relation to the individual
- where the individual moves away from a declared income management area.

[26] Category H payments are Widow Allowance; Youth Allowance; Austudy payment; Newstart Allowance; Sickness Allowance; Special Benefit; Partner Allowance; Mature Age Allowance under Part 2.12B; Parenting Payment (Partnered); Parenting Allowance (other than non-benefit allowance); Age Pension; Disability Support Pension; Wife Pension; Carer Payment; Parenting Payment (single); Bereavement Allowance; Widow B Pension; Disability Wage Supplement; Mature Age Partner Allowance; Special Needs Pension; ABSTUDY with living allowance; Service Pension; Income Support Supplement; and Defence Force Income Support Allowance.

Automatic Vulnerable Income Management measures

Three additional forms of Vulnerable Income Management were introduced in July 2013. These are all targeted at various groups of young income support recipients. The measures are:

- **Vulnerable Special Benefit.** This applies automatically to people who are under 16 years of age and granted Special Benefit.
- **Vulnerable Unreasonable to Live at Home**. The payment rate of Youth Allowance varies based upon whether a young person is assessed as being dependent or independent. A higher independent rate is usually paid to people who are older recipients, those who have supported themselves in employment for a threshold period, and those who are married or have a dependent child. A person may also be paid this higher rate if they can prove that it would be unreasonable for them to live at home. The circumstances in which this eligibility is granted are usually in the context of extreme family breakdown, risk of violence and sexual abuse, or a lack of stable housing. The 'Vulnerable Unreasonable to Live at Home' measure automatically applies to those aged 16 years old and over who have been granted the Unreasonable to Live at Home level of payment.
- **Vulnerable Crisis Payment.** This applies to people under the age or 25 years who have received a Crisis Payment on release from prison.

In this report these forms of income management are termed "automatic Vulnerable Income Management". While in each case the imposition of income management is triggered by the initial receipt of a particular payment, the person continues to be subject to income management for a 12-month period regardless of the payment they are on, as long as it is a Category H payment. Due to the late time at which these measures were introduced, no specific evaluation has been undertaken of this measure, although people on the measure have been included in the evaluation as part of the overall income management population.

2.4.4 Child Protection Income Management

Child Protection Income Management is a specific measure which involves, as identified above, a higher portion of income being income managed. It is provided as a tool that can be used by the Northern Territory Department of Children and Families (DCF) to assist in the management of child neglect. (Note the policy only applies in the case of child neglect, not in cases of child abuse.) This form of income management applies at the discretion of a DCF child protection caseworker and allows people to be referred to Centrelink to be subject to Child Protection Income Management if it is deemed that income management might contribute to improved outcomes for children. In order to be considered for Child Protection Income Management, an individual or their partner must be in receipt of a Category H payment (see Section 2.4.3 above) and include, in addition to the trigger payments for Compulsory Income Management, payments such as the Disability Support Pension.

In deciding to refer someone for Child Protection Income Management the caseworker was required to consider the following factors: the best interests of the child, or children, or young person, or people; the manner in which Centrelink benefits are being used; the availability of additional support services such as financial management services; and whether income management will improve their circumstances (FaHCSIA, 2011b). As discussed in Chapter 13 the effective criteria are established by internal DCF procedures.

Individuals on Child Protection Income Management can exit from income management in the following ways:

- the period of income management specified in the original notice ends
- the relevant child protection worker revokes the notice to apply income management
- the person is no longer receiving an income support payment, or they don't receive an income support payment and their partner's income support payment ceases
- an excluded payment nominee is appointed in relation to the individual.

This sub-program is considered in detail in Chapter 13.

2.4.5 Supporting People at Risk Income Management

Under the **Supporting People at Risk (SPAR)** income management measure, a recognised state or territory authority is able to notify Centrelink that a person be subject to income management under the *Social Security (Administration) Act 1999 (Cwth)* Part 3B. To date the Northern Territory Alcohol Mandatory Treatment Tribunal is the only recognised authority under this measure (see Northern Territory Department of Health, 2013b). The Tribunal issues income management orders for up to 12 months to people who have been placed into mandatory treatment. As with the automatic vulnerable measures, this component of the program is not being individually evaluated, but the population is part of the overall evaluation.

2.4.6 Voluntary Income Management

Voluntary Income Management allows income support recipients to choose to be subject to income management. The intention is that Voluntary Income Management can assist people to meet their priority needs and to learn how to manage their finances for themselves and/or their family in the long-term. People may decide to participate for a variety of reasons, including the effective role of the BasicsCard in the provision of fee-free banking services, seeking to avoid financial harassment, or because of the value of the financial incentive. In order to be considered, an individual or their partner must be in receipt of a 'Category H payment'; Chapter 4 shows that most of the people on Voluntary Income Management are in receipt of the Disability Support Pension, the Age Pension or Carer Payment.

Entry to Voluntary Income Management involves the person approaching Centrelink and asking to be placed on the measure. Centrelink staff may also discuss Voluntary Income Management with clients who present problems which Centrelink staff believe could be addressed through Voluntary Income Management, but are not serious enough to trigger the Vulnerable measure. The option of moving onto Voluntary Income Management was part of the exit interview for people who were subject to NTER Income Management and who were not within scope of the compulsory provisions of New Income Management. As discussed later, this group continues to account for the majority of people on this measure.

When people start Voluntary Income Management they must wait 13 weeks before they can choose to stop being income managed. After this period they can stop at any time. There is no set time period for Voluntary Income Management; there are limited review and appeal processes which cover issues such as decisions that a person cannot enter into an agreement, or matters relating to how the income managed funds are applied.

In deciding whether or not to allow an individual to participate, Centrelink must assess whether the person's circumstances make them suitable to be income managed. One factor that is taken into account is the level of Centrelink payments the client receives. If they receive only a small amount (for example, $50 per week) then the client may be advised that Centrepay may be a better option.[27] Centrelink can stop the Voluntary Income Management agreement at any time if the person ceases to meet the eligibility criteria.

If a person participates in Voluntary Income Management for 26 continuous weeks, they are eligible for the Voluntary Income Management Incentive Payment of $250. This incentive payment is paid for each block of 26 continuous weeks spent on Voluntary Income Management and the payment is income managed at 100 per cent.

2.4.7 Hierarchy of income management measures

If a person meets the criteria for more than one income management measure there is a hierarchy of the income management measures that applies, and the person is placed on the highest measure applicable to them at that time. The hierarchy from highest to lowest is:

[27] Centrepay is a voluntary bill-paying service provided to people who receive regular payments from Centrelink. It is a free service to the user.

- Cape York Income Management[28]
- Child Protection Income Management
- Supporting People at Risk Income Management
- Vulnerable Income Management
- Compulsory Income Management
- Voluntary Income Management.

People who cease one form of income management and meet the criteria for a measure that is lower in the hierarchy will be put on the lower measure. For example, if a person on Vulnerable Income Management is no longer assessed as vulnerable by Centrelink, they may still be subject to Compulsory Income Management and will continue to be income managed under this measure.

2.5 The operation of income management and transition from the NTER

This section considers three operational aspects of New Income Management. First, the way in which income managed funds are actually managed, and the ways in which a person can spend them; the second is a detailed presentation of the ways in which people subject to the measure can seek the review of decisions; and third, the way in which the program was implemented, focusing on the transition from NTER income management.

2.5.1 Spending income managed funds

There are several ways in which individuals who are subject to income management can spend their income managed money. These comprise: (i) using their BasicsCard (a type of EFTPOS card) at an approved merchant; (ii) by allocating money to cover certain regular expenses (e.g., rent, utility bills, school nutrition program) and having Centrelink make payments direct from the income managed money; or (iii) by organising for Centrelink to make one-off payments to a merchant for a particular good or service.

Allocations

When people first become subject to income management they meet with a Centrelink customer service adviser for an 'allocation interview'. The purpose of this is to determine how they spend their income managed money. At this meeting, the individual's priority needs (e.g., food, housing, education expenses, etc.) are identified and a plan is to be developed as to how these priority needs will be met. Decisions are then made as to the relative spending in different areas and the way in which this will be managed. The individual is able to change the allocations at any time, provided that Centrelink is satisfied that priority needs continue to be met.

The advice to Centrelink staff is that regular expense allocations for the following priority needs, where applicable, should be established: school nutrition program, food, medical expenses, rent, and utilities (e.g., electricity, gas, water). If a regular expense allocation is not set up for any of these priority needs, the Centrelink customer service adviser needs to ascertain how the customer is meeting these needs. The Centrelink data on allocations shows that the majority of income managed money is allocated to the BasicsCard (Chapter 5).

Once priority needs have been met, people can allocate income managed funds to items that are not priority needs, as long as they are not excluded items. This can include accumulating funds in their account as part of a plan to buy larger items, such as motor vehicles or whitegoods with their income managed funds, or simply held as a reserve or for allocation to their BasicsCard at a future time.

[28] This measure is part of the Cape York Welfare Reform Trial in Queensland, and is not part of NIM. However, if people are placed on Cape York income management and move to the NT they will continue on the Cape York measure, which is higher in the hierarchy than any measure that they may be eligible for under NIM.

The *Guide to Social Security Law* lists four guiding principles that should be used in all decisions regarding the use of income managed funds:

- "While the delegate has authority to make decisions about a person's income managed payments, the person should also have significant input to these decisions. The intention is to help the person meet their priority needs.
- Where a person has funds in their income management account, and the delegate is aware of an unmet priority need of the person, their partner, children and/or other dependants, then the delegate must take action to meet that need.
- Income managed funds cannot be unreasonably withheld from a person. If current and reasonably foreseeable priority needs have been met and a person seeks access to unspent funds, this request should be granted. The delegate should discuss the purpose of access to unspent funds; so that the delegate is assured that the payment will not be spent on excluded goods or services.
- If a person has children or other dependants in their care, the delegate must have regard to the best interests of those children and/or dependants in deciding how income managed funds should be used." (Australian Government, 2014, Section 11.1.3.10).

BasicsCard

All people subject to income management are offered a BasicsCard, although it is not compulsory, and in some circumstances Centrelink can withdraw the card. In practice, the vast majority of individuals subject to income management have a BasicsCard (see Chapter 6).

The BasicsCard is a PIN-protected card that lets people spend their income managed money at approved stores and businesses using the EFTPOS system. The BasicsCard has a maximum daily spend limit of $1,500 and its balance cannot exceed $3,000. People being income managed have the option to set a lower daily spend limit and a lower maximum balance. Centrelink has the discretion to cancel or suspend operation of a BasicsCard. Similar to an EFTPOS or credit card, the BasicsCard has standard terms and conditions.

The BasicsCard can, in certain circumstances, be used to make lay-by payments.[29] If a purchased good is returned, the money is refunded to the account attached to the BasicsCard. The rules preclude providing a cash refund.

An important aspect of the BasicsCard is that it is fee-free and there are no direct transaction costs associated with its use.[30] Replacement cards are provided free of charge. This is important in the context of remote communities, where high bank fees and transaction costs have been a major problem (House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, 2009). Although, from 1 December 2012, fee-free ATM access has been provided in selected very remote Indigenous communities – 49 in the Northern Territory. This change will have gone someway to dealing with the problems resulting from the very high ATM fees being incurred in some cases.[31]

While replacement of BasicsCards is free, replacement cards can only be issued in person. In some remote areas, where Centrelink does not have a permanent presence and Centrelink staff visit periodically, this can result in delays of up to six weeks for the provision of a replacement card. Sometimes in these cases some the funds may be transferred to an account at a store, which can be drawn upon or in some cases a "store card" is issued by the store and this is used in lieu of a BasicsCard.

[29] Lay-by refers to a purchase arrangement where a person wishes to purchase an item but does not have immediate sufficient funds and the merchant agrees to hold the item aside, with the person making a number of smaller, usually regular, payments until they have paid the purchase price, at which point they can pick up the item.

[30] As discussed further in Chapter 6, there is, however, some evidence of surcharges being imposed on the use of the card by merchants even if there are not direct charges for the use of the card.

[31] The criteria for the inclusion of an ATM in the fee-free arrangement are that: the ATM is located in very remote Indigenous communities based on indicators of remoteness provided by the ABS; the ATM is located in a community store, and not in a venue that provides alcohol or gambling services; and the residents of these very remote Indigenous communities lack access to an alternative retail banking service, such as a bank branch, bank ATM, post office (Bank@Post) or Traditional Credit Union (TCU) branch. (Swan & Macklin 2012).

BasicsCard holders receive a statement of transaction on their BasicsCard every three months or upon request from Centrelink.[32] Customers can check the balance of their BasicsCard in several ways. These include by:

- having a BasicsCard balance printed on EFTPOS receipts[33]
- using a BasicsCard Kiosk[34]
- by calling the income management line run by Centrelink[35]
- checking the online BasicsCard balance enquiry service operated by Centrelink
- visiting any Centrelink Customer Service Centre.

As at 16 May 2014 there were 879 merchants in the Northern Territory able to accept a BasicsCard.

2.5.2 Reviews of income management decisions

People who disagree with decisions to place them on Compulsory or Vulnerable Income Management, or who have an application for exemption from Compulsory Income Management rejected, have access to the full range of appeal rights available to Centrelink customers for all other Centrelink decisions. These can be exercised through Centrelink's Authorised Review Officers, the Social Security Appeals Tribunal, the Administrative Appeals Tribunal, and court appeals. In addition, individuals on assessed Vulnerable Income Management have access to the Centrelink Social Workers reconsideration process and there are some review processes available for those on the automatic measures.

Where a decision to place a person onto income management or to refuse an exemption is being reviewed under Social Security Law, the person continues to be income managed while their review is considered, unless otherwise directed by the relevant tribunal or court.

In the case of those subject to Child Protection Income Management, the imposition of income management can be appealed by making application to the child protection authority within the Northern Territory Department of Children and Families (DCF) with regard to the decision by this agency to refer them for income management. Separately, while on the measure, individuals can also appeal a Centrelink decision related to how their Centrelink or Department of Veterans' Affairs payments are being income managed, but not the income management decision itself.

2.5.3 Transition from NTER Income Management

Given that the New Income Management population was initially composed largely of people who had been on NTER Income Management, the process of transitioning from NTER Income Management to New Income Management has had a significant impact on the New Income Management program. The fact that income management had been part of the NTER also affected the attitudes and responses of those subject to the new measure when New Income Management was introduced. The administrative process of transition from NTER Income Management onto New Income Management is discussed in this section, with data on the transition being presented in Chapter 4.

Initial rollout of New Income Management to people on NTER Income Management

Implementation of New Income Management commenced on 9 August 2010 in the Barkly region. The program was then progressively rolled out geographically from the south to the north of the Northern Territory. The second region to have New Income Management implemented was Alice Springs,

[32] Centrelink is required to provide all people subject to income management a summary of their income managed account, which includes the balance of their Income Management account, balance of their BasicsCard account, and transaction statements for the Income Management and BasicsCard accounts.

[33] This option at the time of preparing this report was offered by Coles Supermarkets, Coles Express, Target, Target Country, Kmart, Kmart Tyre and Auto Service, and Bi-Lo.

[34] Available in 11 sites in the Northern Territory (Alice Springs: 3 locations; Bathurst Island; Darwin and Palmerston: 5 locations; Katherine; Wadeye).

[35] BasicsCard balance checking line has been a free call from fixed line phones since May 2009. Until 19 November 2012 mobile phone charge costs applied if a mobile phone was used. From November 2012 calls to the BasicsCard balance checking line have been free from a Telstra mobile.

Katherine, East Arnhem Land, and other outback areas commencing on 30 August 2010. The rollout in the remaining outback areas commenced on 2 September 2010, and in Darwin and Palmerston on 4 October 2010 (Macklin, 2010).

The process for moving onto New Income Management depended upon whether an individual was subject to NTER Income Management at the time New Income Management was implemented and, if so, whether they would qualify for Compulsory Income Management.

All individuals who were on NTER Income Management who became subject to compulsory forms of New Income Management, as a consequence of the type of income support payment they received and the length of time they had been in receipt of the payment, were automatically transferred to Compulsory Income Management under New Income Management.[36]

The general approach taken was that when individuals came in contact with Centrelink they were advised that the form of income management they were on had changed and an explanation provided as to how New Income Management operated, as well as being informed that they could choose to apply for an exemption if they wished where they believed they could meet the exemption criteria.

When the transition from NTER Income Management to New Income Management commenced in a particular area, those subject to NTER Income Management, but not subject to the compulsory New Income Management measures (Compulsory, Child Protection or Vulnerable Income Management), continued under the NTER Income Management arrangements until they had an interview with Centrelink. In the interview with Centrelink it was explained to them that they would cease being subject to NTER Income Management and that they could either volunteer for Voluntary Income Management or cease being income managed. Those who were not transitioned to a compulsory form of New Income Management were mainly receiving the Disability Support Pension or the Age Pension.

People not subject to NTER Income Management but subject to Compulsory Income Management

People who were not subject to NTER Income Management but subject to Compulsory Income Management were either:

- people who were living in an NTER area and who became eligible for Compulsory Income Management after New Income Management was introduced because of the length of time they had been in receipt of income support payments, or
- people who were living in a non-NTER area into which income management had expanded.

This latter group received a letter advising them that they were subject to Compulsory Income Management and that they needed to contact Centrelink. If they did not attend the scheduled interview with Centrelink, in urban areas they became subject to income management after 28 days. In remote areas this period was extended to 56 days to take account of the potential problems with arranging a meeting with Centrelink. If they were placed on income management after failing to attend a scheduled interview, half of their payments were placed in their income management account. The person was unable to spend this part of their payment until they obtained a BasicsCard or made other arrangements to allocate their income managed money to approved spending. This group had the opportunity to apply for an exemption if they believed that they met the criteria for exemption.

2.6 Supporting programs and initiatives

Two direct measures were introduced to support the implementation of New Income Management. Both of these are concerned with building up the financial management skills of people who are subject to income management.

[36] The one exception was people who were recorded as being full-time students and apprentices, who were automatically provided with an exemption. The circumstances of this group are discussed in Chapter 5.

2.6.1 Matched Savings Scheme Payment

The Matched Savings Scheme Payment is a component of New Income Management designed to encourage people on income management to develop a savings pattern and increase their capacity to manage their money. Under this scheme Centrelink matches savings dollar for dollar, up to a maximum of $500. In order to be eligible for the Matched Savings Scheme Payment, the person has to complete an Approved Money Management or similar approved course, and have achieved a 'pattern of saving' over a minimum of 13 weeks.[37] The Matched Savings Scheme Payment is available to people subject to Compulsory Income Management, Child Protection Income Management and Vulnerable Income Management. A person can only receive a Matched Savings Scheme Payment once.

The matched savings have to derive from non-income managed income (discretionary income) and are saved into a non-income management account that the individual needs to hold with a financial institution. In order to receive the matched amount, the person subject to income management must provide Centrelink with a certificate showing completion of an Approved Money Management course, and in addition must provide a Financial Institution Statement which shows their regular payments into their account.

2.6.2 Money management and financial counselling

The Australian Government funds money management and financial counselling services through the Financial Management Program, which has an objective of building financial resilience and wellbeing among those most at risk of financial and social exclusion and disadvantage. The program aims to help vulnerable people across a range of income and financial literacy levels to manage their money, overcome financial adversity, participate in their communities, and plan for the medium to long-term by fostering the improved use and management of money, and helping people to address immediate needs in times of financial crisis.

The provision of financial information, education and services, and the new incentives for saving, are intended to achieve improved savings and household budgeting, which in turn could result, for example, in the ability to purchase consumer durables that meet households' everyday needs, such as washing machines and fridges. Better financial management is intended to assist families in meeting important bills such as rent and utilities, which could in turn lead to more stable housing, thereby reducing the risk of eviction and homelessness.

The initial funding for the provision of financial counselling through the New Income Management package was $53 million over the period 2010-11 to 2013-14 including Departmental funding. This funding was provided via the Financial Management Program for both Commonwealth Financial Counselling[38] and Money Management Services including training and mentoring support for workers through the Financial Management Resource Support Unit. Over the period 2010-14, approximately $40 million was used to deliver Financial Counselling and Money Management Services. Unutilised funding was allocated to support other areas where income management was later introduced including in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands and Ngaanyatjarra Lands, to provide funding for Cooking in Stores trials and internet kiosk trials, and to establish and operate telephone financial counselling in the Northern Territory.[39]

Money management and financial counselling

Thirteen community organisations have been contracted by the Australian Government to provide money management services as part of the New Income Management package. As at 30 December 2013 these organisations employed 58 people in the Northern Territory.[40]

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[37] The individual can start saving for the Matched Savings Payment as soon as they have registered for the money management course. They do not need to have completed the course at the time they start saving.

[38] Commonwealth Financial Counselling is a service strategy under the Australian Government's Financial Management Program. Services are delivered by community and local government organisations and help people in personal financial difficulty to address their financial problems and make informed choices. Services may include direct casework (e.g., provision of advice and information), advocacy and/or negotiation; referral; and community education.

[39] Correspondence from DSS on 27 January 2014.

[40] Figures provided by DSS.

People with complex financial issues or those in financial stress or crisis may be referred to financial counsellors who are able to provide more detailed and higher levels of assistance.[41]

The types of support that can be provided by money management services are:

- providing education and intensive coaching in financial literacy and budgeting
- providing tools to implement individual and family budgeting and savings, and debt management plans, including on-going budget monitoring
- organising related family support and referrals
- assisting with accessing financial institutions and financial services information
- delivering education and information sessions relating to money management services that meet local community needs
- delivering approved money management courses to improve participants' understanding of how to manage their money, plan for the future, and identify what services are available to them.

One of the services provided by money management is an approved money management course. Such courses are based on the Financial Literacy Competency Standards from the Financial Services Training Package. The course covers topics such as developing and using a personal budget, developing and using a saving plan, and developing an understanding of debt and consumer credit (Australian Government, 2014, Section 11.1.15.20).[42]

2.7 Broader context

As has been indicated earlier in this chapter, New Income Management is only one of a range of policies impacting on people in the Northern Territory.

As outlined in Chapter 1, the NTER commenced in 2007. While a number of the activities under the NTER were short-term immediate interventions, the NTER also instituted many ongoing policies and programs. A number of these directly complement New Income Management, including actions to control alcohol, drugs and pornography and to link aspects of the receipt of welfare with children's school attendance, while many more are interventions that complement the wider goals of welfare reform and improved service delivery in the NTER communities.

In 2012, further funding for programs in the Northern Territory was provided by the Australian Government under the Stronger Futures in the Northern Territory National Partnership Agreement (Agreement). This Agreement provides $3.4 billion of funding over 10-years for 47 programmes and activities under nine Implementation Plans.[43]

Complementing the policies and programs introduced by the Federal Government, the Northern Territory Government had also introduced, expanded and revised its own programs. The following section briefly

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[41] Services provided by financial counsellors may include direct casework (e.g., provision of advice and information); advocacy and/or negotiation; referral; and community education. Circumstances that can lead to personal financial difficulty include unemployment, sickness, credit over-commitment, and family breakdown (FaHCSIA, 2012c).

[42] Language, literacy and numeracy assistance is available through the Financial Management Resource Unit for all DSS-funded money management workers. Prior to commencing accredited training, a skills and competencies analysis is undertaken to determine the appropriate training pathway for each worker.

[43] DSS have advised that:

"The Commonwealth is currently revising Stronger Futures in collaboration with the Northern Territory Government. The revision will realign the Agreement with Government priorities, including getting children to school, adults to work, making communities safer and reducing unnecessary administration and red tape. It will also ensure that funding is being used to the greatest effect.

The revised Agreement will create greater linkages with the Indigenous Advancement Strategy. This Strategy will see more than 150 programmes and services streamlined into five broad-based programmes to achieve better outcomes on the ground and make a lasting difference to the lives of Aboriginal people.

The Indigenous Advancement Strategy will be supported by the establishment of a new Remote Community Advancement Network in the Department of the Prime Minister and Cabinet. The Network will move to a Regional model rather than the current state and territory management arrangements so decisions can be made closer to the people and the communities they affect. It will support a new engagement with Indigenous people allowing flexibility of funding and ensuring it meets the aspirations and priorities of communities, rather than a one-size fits all approach." (email 18 August 2014).

looks at some of the changes that have occurred. The list is not exhaustive, but is illustrative of the way in which the environment in which income management operates has changed.

Government Business Managers (Government Engagement Coordinators)

Some 65 Government Business Managers were initially appointed to 72 remote communities as part of the NTER. The role of Government Business Managers[44], most of whom lived within the communities to which they had been appointed included:

- "providing the key liaison and consultation point in communities, including communicating the NTER measures at the local level, engaging with elders, and working collaboratively with other government representatives, including at the Territory and local levels;
- managing and coordinating the day-to-day activities of staff from different Australian Government agencies based in the community; and
- providing feedback on progress and local issues and concerns to government and to the NTER Operations Centre. Their knowledge and information guides coordinate government action and decision making tailored to the particular needs of a community." (DSS, 2014b)

Through undertaking these functions, Government Business Managers were seen as a mechanism to improve the effectiveness of existing programs as well as help to implement new programs. This included addressing the problems associated with programs being planned independently and delivered by a range of government departments with little informed understanding of individual community needs.

As such it would be expected that the appointment of these managers should have considerably increased the effectiveness of policies, as they impact at the level of the community and the individual.

Recently, as part of Stronger Futures in the Northern Territory, the Australian Government has reworked the Government Business Manager function and introduced Remote Engagement Teams. These teams consisting of Government Engagement Coordinators (previously termed Government Business Managers) and Indigenous Engagement Officers. These teams are working across approximately 50 communities, including homelands and town camps. The main focus of these teams is described as attempting to strengthen engagement with local people and organisations and support community involvement in local planning processes and the delivery of programmes and services in their community.

School Enrolment and Attendance Measure (SEAM)

The objective of the School Enrolment and Attendance (through Welfare Reform) Measure (SEAM) is to enhance the obligations on parents – or those with responsibility for a child – to ensure that children of compulsory school-age are enrolled in school and attend school regularly. In the first instance SEAM is intended to identify enrolment and attendance problems and seeks to provide assistance, such as Centrelink social work support to families, to fix these problems.

Where this initial intervention is unsuccessful in achieving a suitable outcome the program can involve the suspension of income support payments.[45] The purpose of this punitive element is "to encourage responsible parental or carer action" (DEEWR, 2012).

The SEAM Trial started in January 2009 in 14 schools in six sites in the Northern Territory[46] and was subsequently extended to cover more sites and communities. The program is currently operating in 15 sites in the Northern Territory.[47] People subject to income management can also be subject to penalties applied through the SEAM program. It is planned to further expand the SEAM program so that by the beginning of 2015 it is operating in 52 schools in 23 sites.

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[44] Government Business Managers have recently been renamed Government Engagement Coordinators. In this report the term Government Business Manager is generally used because this was the term used when the evaluation data was collected.

[45] If income support payments are suspended and subsequently the child returns to school on a regular basis within 13 weeks, the income support payments are reinstated with back pay.

[46] It also operated in 30 schools across six communities in Queensland.

[47] The Northern Territory sites are: Alice Springs , Alyangula, Angurugu, Katherine, Katherine Town Camps, Lajamanu, Milyakburra, Ngukurr, Ntaria (Hermannsburg), Numbulwar, Tennant Creek, Umbakumba, Wadeye, Wallace Rockhole and Yuendumu. (Department of Education, 2013).

School Nutrition Program

The School Nutrition Program is a breakfast and/or lunch service for school-aged children living in remote communities in the Northern Territory. The program is part of Stronger Futures (the NTER Emergency Response) and is administered by the Australian Government Department of Education. The program involves communities being funded to establish a school nutrition program, which involves employing local workers to prepare and deliver the meals. This program's objective is to increase school attendance, the performance of children, and to improve their nutrition. The food provided under this program needs to meet the Northern Territory Government Canteen Guidelines, which are based on the National Health Schools Canteens guidelines. These seek to ensure that healthy foods, including fruit and vegetables are on the menu, while limiting the intake of other items such as high-sugar breakfast cereals, un-iced cakes, ice cream and savoury hot food items, and banning items such as soft drinks, iced cakes, fruit drinks other than pure juices, and confectionery.

The program is designed so that the costs of the meals are met by parents through their income management contributions, Centrepay or cash contributions. As discussed in Chapter 6, the payment for this service is an identified priority for the allocation of income managed funds in a quasi-mandatory fashion. The program subsidises the costs to parents by providing financial assistance for infrastructure and other costs, including salaries for program employees (DSS, 2014c)

Northern Territory alcohol policies

There are several significant alcohol-related policies that have operated in the Northern Territory during the period in which income management has been operating. Some of these policies were in place well before the NTER, while others were introduced as part of the NTER, and yet others have been introduced since the implementation of New Income Management. In broad terms the policies include:

- The development of community based Alcohol Management Plans in some towns and a number of remote communities. These Alcohol Management Plans include payday supply restrictions, alcohol management plans and Electronic Management Enforcement Systems (ID systems).
- Restrictions on areas in which drinking can occur, including alcohol bans in many remote communities and town camps in Alice Springs and Darwin, as well as higher levels of enforcement of existing bans.
- The use of liquor permits.
- The ability to issue banning notices to individuals for up to 48 hours, or banning individuals for up to 12 months (exclusion order).
- Mandatory alcohol treatment for people repeatedly taken into police protective custody due to their alcohol abuse (commenced 1 July 2013). Orders are made by the Alcohol Mandatory Treatment Tribunal Northern Territory Department of Health (2013b). Orders mandate treatment and aftercare for people who chronically abuse alcohol. In December 2014 Alcohol Protection Orders were introduced.
- The Banned Drinkers Register, which operated from July 2011 to August 2012; operated via an electronic system which required customers to present photo identification before buying alcohol. People on the register were banned from buying alcohol.

Extended policing

Since the NTER was announced by the former Australian Government in June 2007 and continued through Stronger Futures, the Australian Government has provided funding for the establishment of temporary police stations in 18 remote Indigenous communities across the Northern Territory. The stations are being provided with all the equipment necessary to carry out policing functions in remote Australia. The initial establishment of temporary stations is being complemented by the construction of nine permanent stations. Of the 18 'temporary stations', 5 have been, or will shortly be, made permanent police stations.

Currently more than 60 additional police officers are working in remote communities that previously did not have a permanent police presence (DSS, 2009). Continued support is being provided to community night patrol services operating in 81 communities. These services act to support community members, especially women and children, and to defuse violent incidents before serious consequences arise, thereby seeking to improve the safety of the community. As well as increasing safety, this initiative employs more than 350 people in Northern Territory communities.

Remote School Attendance strategy

While this measure has only been introduced in 2014 and is outside the time period considered in the analysis, it is noted here as it is possible that its introduction may have impacted upon the responses obtained in some of the later consultations and other qualitative data collection. The Federal Government's remote school attendance strategy builds upon existing initiatives adopted by the Northern Territory Government, including its "Every child, every day" initiative introduced in 2010, and a tightening of the *Education Act (NT)* in 2011.

The program provides funding to employ school attendance supervisors and school attendance officers to help children to attend school. Total funding for the program is $46.5 million and while the program operates in some locations outside of the Northern Territory, most of the locations are within the Territory.

Stores Licensing

The Commonwealth Government has implemented a range of initiatives to promote food security and to provide fresh and healthy food to remote communities. The initiatives include the licensing and monitoring of stores in some 90 remote communities. Community Store Licensing commenced in 2007. The licensing requirements for the stores include that they stock a range of "safe and good quality food, drink and grocery items to meet the nutritional and related household needs of remote communities", as well as policies relating to the promotion of better nutritional outcomes and financial practices. A further requirement of licencing was that stores stopped providing informal credit – which is known as 'book-up'. The provision of 'book-up' meant that many people were permanently in debt to the store and as a consequence it was a major contributor to a cycle of debt that many people in remote communities experienced.

When licensing of community stores was introduced in 2007 under the NTER Act, Centrelink guidelines stated that stores in prescribed areas could not accept income managed funds or BasicsCard unless they were licensed under the Act. Under the Stronger Futures in the Northern Territory Act 2012 prescribed communities no longer apply and all community stores in the food security areas that are important for food security for Aboriginal communities are within the scope of the licensing provisions. The food security areas cover the entire Northern Territory except for major urban centres like Alice Springs, Darwin and Palmerston. The Stronger Futures in the Northern Territory Act 2012 does not require a store to be licensed to be able to accept income managed funds/BasicsCard, however, under revised guidelines, if it has been determined that a store is required to be licensed, the store must remain licensed for such access to continue. Licensing does allow for certain conditions to be imposed in relation to income managed funds, for example a condition may be made to state that a store must facilitate income management arrangements for customers.

The government has also established a wholly owned company, Outback Stores, to help to improve and sustain the network of remote community stores. The role of the company includes "subsidis[ing] stores that are not commercially viable but are important to their remote communities. At the request of a community, Outback Stores will also manage the local store on their behalf and, if a store is profitable, return the profits to the community." (DAFF, 2013)

These policies are also complemented by Northern Territory Government initiatives including the "Market Basket Survey" of remote stores. This has been in place since 1998 and monitors and reports on food cost, availability, variety and quality in remote community stores. The survey also collects and reports information on: store management, employment of Aboriginal people, existence of a store nutrition policy, community development initiatives and nutrition promotions.

Child and related health programs

There are a number of very significant policies and programs that have been implemented, including under the NTER, as well as pre-existing and more recent initiatives aimed at improving the health of Indigenous children in the Northern Territory. Together these programs provide many millions of dollars in additional funding and attempt to generate more appropriate and better coordinated health services. Examples include:

- Stronger Futures in the Northern Territory National Partnership Agreement – Health: involves Australian Government funding of $713.5 million over ten years provided to assist in addressing the challenges in accessing health care services by many Indigenous people in the Northern Territory. The funding is used to support improved access and coordination and health care service delivery in remote areas, including facilitating delivery of specialist and audiology health services for high disease burden conditions such as oral health and hearing health. It also includes access to child abuse trauma counselling and support services via the Mobile Outreach Service *Plus* program.

- Health services targeted at Indigenous children including in hearing, oral health, child abuse trauma counselling and support services via the Mobile Outreach Program; funding for primary health care; and additional alcohol and other drug workers (Department of Health, 2014).

- Stronger Indigenous Health Services Primary Health Care Service Maintenance Grants Program: funding to Aboriginal Community Controlled Health Organisations to repair, maintain and upgrade primary health care clinics and staff housing (Department of Health, 2014).

- Australia-wide Aboriginal and Torres Strait Islander Health Programs including: the Eye and Ear Health Program; National Partnership Agreement for Indigenous Early Childhood Development (including New Directions: Mothers and Babies Service); Australian Nurse–Family Partnership Program; and the Health for Life Program.

There is also a range of wider initiatives complementing these child health initiatives that seek to improve nutrition.

Child protection policies and programs

Since the introduction of New Income Management there have been two major developments in child protection in the Northern Territory that have a direct bearing on Child Protection Income Management. The first was an enquiry into the child protection system in the Northern Territory headed by Dr Howard Bath. The enquiry made a number of recommendations about how child protection services should be delivered in the Northern Territory, emphasising the need to support vulnerable families and intervene earlier to prevent child abuse and neglect (Bamblett, Bath & Roseby, 2010). The second change has been the introduction of the Intensive Family Support Service (IFSS).

IFSS is a free support service that provides intensive support to families in their homes and communities to help them improve the health, safety and wellbeing of their children. IFSS is available to families with children aged 0 to 12 years where neglect has been substantiated and where a parent is on Child Protection Income Management.[48] The referral pathway to IFSS is through Child Protection Income Management by the Department of Children and Families in order to be eligible for the service. The key objectives of IFSS are to reduce child neglect, keep families together, and reduce the use of out-of-home care by enhancing parenting skills.

IFSS also aims to strengthen the local Indigenous workforce through the provision of employment and training opportunities for staff involved in the delivery of IFSS (Australian Government, 2013b). The IFSS formed part of the Australian Government's package in response to the Bath Report, to support the Northern Territory Government's increased use of Child Protection Income Management, and to ensure that people on Child Protection Income Management were able to access complimentary family support. IFSS now forms part of Stronger Futures in the Northern Territory as one of the suite of services delivered as part of the Child, Youth, Family and Community Wellbeing Package seeking to meet the different needs of families and communities.

[48] There are some locations in the NT where families can access IFSS even if the parent is not on Child Protection Income Management.

The IFSS also provides funding designed to strengthen other services that support the safety and wellbeing of children, youth and families, build the capacity of non-government organisations, particularly Aboriginal controlled organisations and support the training and employment of Aboriginal people working in the human services sector in remote communities.

Housing

It is recognised that poor-quality and overcrowded housing is a major contributor to adverse health and other outcomes. In 2008, at the time of the NTER, the National Partnership Agreement on Remote Indigenous Housing (NPARIH) was implemented in order to attempt to increase the housing stock in order to reduce the extent of overcrowding and to improve the quality of the existing housing stock. By the end of 2013, in the Northern Territory, this program had resulted in 941 new houses, with a further 2,929 existing houses rebuilt or refurbished, resulting in around 3,500 new or replacement bedrooms being added to the housing stock..[49] The NPARIH is due to finish on 30 June 2018. In 2012-13 the Stronger Futures Housing Implementation Plan commenced. The Stronger Futures Housing works aim to delivery upgrades to existing public housing stock to improve the amenity and durability of the dwelling. Works are also undertaken to remove high-risk asbestos from public housing and other community buildings.[50]There have also been very substantial changes to the management of public and community housing, including in remote communities, in the Northern Territory.

2.8 Conclusion

This chapter provides an overview of the design of New Income Management and how it operates. Subsequent chapters deal with specific aspects of New Income Management and provide further details on aspects of its design and operation.

In terms of understanding the impact of the program, it is important to note the extent to which it is only one of a range of policy interventions in the Northern Territory, and that the experience and views of individuals are likely to be shaped not just by New Income Management, but also by the preceding NTER Income Management arrangements and the very wide range of policies and programs that are in place, especially in remote communities.

[49] Information on numbers of new houses built and the number of existing houses rebuilt or refurbished provided by DSS by email (18 August 2014).

[50] Information on the Stronger Futures Housing Implementation Plan provided by DSS by email (18 August 2014).

3 Evaluation processes and data sources

3.1 Introduction

This chapter provides a summary of the methodological approach to the evaluation and the data sources used. Further detail on the methods and data are provided in relevant chapters. A detailed overview of the evaluation methodology is available in the Evaluation Framework (SPRC & AIFS, 2010).

3.2 Evaluation methods and components

The evaluation methodology is a mixed-methods approach which has involved a number of data collections and analyses of existing surveys and administrative data. As part of the evaluation data has been collected from people subject to income management, DHS and DSS staff, people working in money management and financial counselling services, from organisations that work with people subject to income management (such as legal services) and from other services providers in areas such as emergency relief, housing and child protection. Further details on these are presented in this chapter.

In addition to this survey and qualitative data, a wide range of administrative data is used. This has been drawn from Centrelink operational and payment data, child protection system data, transaction data from merchants, and Northern Territory level data on alcohol sales, school enrolment and attendance. In addition, data from a range of other surveys collected for other purposes but which provide data for the Northern Territory, are used. These include ABS surveys and a range of other official government data collections about children.

In order to address the challenges involved in evaluating income management that have been outlined in Chapter 1, the broad evaluation methodology involves drawing together findings from a wide range of sources in order to identify common and consistent trends and outcomes, and by means of this process of triangulation, verify the robustness of the findings.

The major evaluation components are summarised in Table 3-1.

The evaluation methodology involves considering a wide range of existing indicators as well as indicators specifically derived for this evaluation. In this no specific indicator is seen as being definitive. The reason for this is that if income management is achieving its objectives of achieving substantial improvements in wellbeing and improved financial management skills and capabilities, then it would be expected that this would be consistently[51] reflected at least across a number of the indicators examined. It is worth bearing in mind that when a large number of indicators is considered – as is the case in this evaluation – even if a program is having no impact on outcomes, there will be a small number that may be positive or negative

[51] By 'consistently' we do not necessarily mean comprehensively, but rather that the movements across different indicators are not contradictory, or that there are good grounds for understanding why one indicator may have moved but not another.

merely by chance;[52] as such, an isolated positive or negative indicator cannot be interpreted as a measure of the success or otherwise of a program.

This approach not only reflects official statements about the purpose of income management, which articulate the range of different outcomes it was intended to produce – and underlies the detailed evaluation framework with its focus on "the short, medium and long term impacts … on individuals, their families and communities" – but it also reflects the scale of the program. Income management encompasses a large proportion of the Northern Territory population in receipt of income support payments, which in turn is a substantial share of the Northern Territory population. This means that if income management has a widespread substantial impact in addressing disadvantage and major problems prevalent in the affected population, this should show up in a range of indicators measured at the Northern Territory level.

Table 3-1 Summary of major evaluation components

Component	Details and timing
Longitudinal Survey of New Income Management (LSNIM)	Survey of people subject to income management in the NT and a control group sample of people outside the NT and not subject to IM. Quantitative and qualitative components Wave 1: December 2011 and March 2012 Wave 2: September 2013 and January 2014
Online survey of Centrelink staff, NT Department of Children and Families child protection workers, and money management and financial counselling staff	Undertaken in 2011 and 2012
Qualitative interviews and focus groups with intermediaries	Staff from the Commonwealth Department of Human Services (DHS) /Centrelink, Northern Territory Department of Children and Families, Money Management and Financial Counselling providers, NGOs and peak bodies Undertaken in 2011 and 2014
Review of DHS social worker assessment reports for assessed Vulnerable	2014
Analysis of stores sales data	Extensive analysis of data on sales from two groups of remote community stores and for a number of urban stores. Data spans the period from 2009 to 2013 with detailed data for 2013 and 2014.
Interviews with child protection caseworkers	Interviews focus on anonymised cases of families where the parents are subject to Child Protection Income Management. Data collected in 2014
Aggregate indicators for Northern Territory	Data for a wide range of indicators at the NT (and in some cases regional level) and national level compiled. Data generally spans period before and after introduction of income management Indicators related to child health, development and learning outcomes; school participation, diet, alcohol and tobacco consumption, alcohol-related harm and criminal justice measures
DHS administrative data related to income management	The evaluation has undertaken a systematic analysis of a range of administrative data on the population subject to income management, and on the actual patterns of spending of these funds Data spans the period from the introduction of income management to December 2013

[52] This is particularly likely where data is drawn from surveys rather than full enumeration of the population, or where data items are not always able to be precisely measured.

3.2.1 Government administrative data related to the operation of income management

A range of confidentialised unit record-level Commonwealth Department of Human Services (DHS) administrative data has been provided for the purposes of the evaluation. As confidentialised data it has been stripped of all identifiers such as names and addresses and the Customer Reference Number before being provided to the evaluation. DHS administrative data used in the evaluation includes:

- Multiple cross-section data on all people who have been income managed and who have been on income support. Data on those on income management has been provided since mid-2010. Key variables in these data include: whether currently in receipt of income support and on which payment; whether subject to income management and which measure; region of residence; and a range of characteristics, including Indigenous status, gender, age, whether they have a partner, if they have children for whom they claim Family Tax Benefit, and country of birth. On some records there is some additional data where this is collected for specific program administrative purposes. This includes information for some on visa class and disability – where these are relevant for assessment purposes, as well as why payments have been ceased – for example, when DHS knows this is because of incarceration or death.

  The dataset also includes some information on exemptions, including whether people have a current exemption or have applied for one in the past, and the outcome of the application and reasons for an exemption being, or not being, granted.

- Two special analytical data sets for October 2011 and 2013 which have permitted the above detail to be integrated with daily level transactions and balances on income management and BasicsCard accounts, along with information on Centrepay activities.

- Data related to the BasicsCard, including BasicsCards issued, and de-identified summary data on individual transactions, whether or not these are successful.

While these datasets provide a very significant set of information for use in the evaluation they have some limitations. First they do not provide information on characteristics that are not required for administrative purposes. Second, as data is drawn from a number of different datasets, using different extraction techniques and filters, there can be minor discrepancies between the reported numbers of persons in particular situations at any one point in time.

Aggregate summary data from Money Management and Financial Counselling Services was also provided for the purposes of the evaluation. This includes information on the number of clients' accessing different types of services, and some summary information on the characteristics of clients. Other administrative data related to the Matched Savings Scheme Payments, reviews and appeals.

3.2.2 Store sales data

Data on sales was provided by two groups of remote community stores and for a number of urban stores. The urban stores information contains data on BasicsCard and total expenditure at a detailed product level for the period 2009 to 2013.

The two groups of remote community stores provided detailed transaction data documenting individual transactions made using BasicsCards on a single day, along with total sales on that day at the same level of disaggregation. In addition, these stores have provided some longer-term aggregate data on specific sales including tobacco, with some further data also being made available from urban stores.

3.2.3 Aggregate outcome data

The program logic for income managements suggests that income management is expected to have an impact upon a range of broader outcomes – as outlined in the evaluation framework (SPRC & AIFS, 2010). Aggregate data for a wide range of indicators has been collated for the purposes of the evaluation, including indicators of child developmental outcomes and protection, school enrolments and attendance, alcohol and tobacco consumption, alcohol-related harm, and incarceration rates. For almost all of these indicators data collected before and after the introduction of income management is available.

Wherever possible, data are provided for the Northern Territory as a whole, for sub-regions of the Northern Territory and for Australia as a whole. The aggregate outcome data derives from a wide range of sources including ABS data, national child data collections (Australian Early Development Index; NAPLAN), child health data, hospital data, alcohol supply data, criminal justice data, child protection system data, and education department data.

3.2.4 Longitudinal Survey of New Income Management (LSNIM)

A two-wave longitudinal study of people subject to income management, the Longitudinal Survey of New Income Management (LSNIM), was conducted as part of the evaluation. The first wave of the LSNIM was undertaken between December 2011 and March 2012, and the second wave between September 2013 and January 2014.

The LSNIM is a sample survey of people on income management in the Northern Territory, with a contrast group of people receiving income support and living in similar circumstances in remote and regional locations in other states who were not subject to income management. The purpose of the survey was to gather people's views about the impact of income management on their own wellbeing and that of their families and communities, and the changes that have occurred since the introduction of income management. The survey also asked about their interactions with DHS, whether they had tried to exempt themselves from income management, and what other services they had accessed (Bray et al., 2012).

Eighty-five per cent of survey respondents in the first wave agreed to be contacted again for the second stage (Wave 2). By following up the same cohort, the evaluation aimed to be able to examine the longer-term effects of income management on recipients. In order to mitigate the effects of attrition, the second wave sample was topped-up with the inclusion of a further group of participants who fulfilled the selection criteria.

The inclusion of a comparison group, who were not on income management, assisted in assessing whether changes in the lives of participants and their families had been a result of income management or whether other factors were associated with changes in wellbeing. The survey was conducted by Colmar Brunton Social Research. Details of the sampling strategy, recruitment, survey methods and limitations are described in detail in the fieldwork report at Appendix B.

Sample

The Wave 2 LSNIM sample was drawn from people who participated in Wave 1 and agreed to participate in the second wave, and a top-up sample of people who did not participate in Wave 1, but were on income management at the time the Wave 2 top-up sampling was undertaken. The Wave 2 sample of 1,083 respondents consisted of 598 respondents who also participated in Wave 1 and the 485 from the top-up sample who did not participate in Wave 1. The second stage comprising 1,083 people included 924 respondents from the Northern Territory and 159 from the contrast sites. The sample attrition rate between Waves 1 and 2 was 65.8 per cent. Chapter 7 presents further detail on the effective retention rate for usable cross-wave quantitative analysis.

As in the first wave, potential participants were sent a letter from DSS to advise them of the evaluation, which provided a two-week period in which to decide whether to opt out of the study. Prior to providing contact details to the research team, DSS removed any people from the sample who opted out of the study or where contact details for the person were unknown.

Survey sites

LSNIM was conducted in six remote Indigenous communities: three in the Top End and three in central Australia and in Darwin and Alice Springs, including nearby communities and town camps. Communities were chosen because they had relatively large numbers of people on income management, and were sites where data collection did not clash with any other research activity. The selected sites were chosen to reflect the diversity of the Northern Territory.

Non-Indigenous participants were oversampled in order to allow for analysis at the subgroup level and also to provide some insight into the possible impact of income management on non-Indigenous income support recipients.

Community consent

Community consent to undertake both stages of the evaluation was obtained in each of the Indigenous remote communities and Alice Springs and Darwin town camps. Consent was not required to undertake the evaluation in the "non-town camp" areas of Alice Springs and Darwin. The approach to community consent varied for each community. Relevant authorities in every Aboriginal community involved in the research gave written permission for the research to take place in their community.

Qualitative interviews

Both waves of the LSNIM included semi-structured qualitative interviews, which were conducted alongside the main LSNIM interviews. The interviews sought to gain in-depth information relating to people's views about income management and its impact on their lives. In the first wave 95 interviews were conducted, and 46 interviews were undertaken in Wave 2. Interviews were not conducted in the contrast sites in the first phase, but in the second phase 6 interviews were conducted with community members in the remote contrast sites at the request of participants.

3.2.5 Interviews with intermediaries

Interviews – both group and individual – were undertaken with 120 intermediaries from a range of agencies to explore both the functioning of aspects of income management and of the perceived impacts of different income management measures.

These interviews contribute both to a broad understanding of the operation and impacts of income management and understanding of specific income management measures such as the Vulnerable Welfare Payment Recipient measure and the Child Protection Income Management. Interviews were conducted with:

- 40 staff from money management and financial counselling services
- 43 staff from the Australian Government Department of Human services. This included: 24 social workers who participated in interviews focused on the Vulnerable Welfare Payment Recipient measure and income management more broadly, and Customer Service Officers, remote servicing staff, Income Management Coordination Officers and exemptions staff
- 49 child protection staff (including managers and caseworkers) about the Child Protection Income Management measure and the impacts of income management in the communities more broadly (26 staff participated in interviews focused on these broader issues and 23 staff discussed these issues as part of the case file interviews outlined below)
- representatives of service providers and agencies that work with or represent people subject to income management, including both legal services and peak bodies.

3.2.6 Case file interviews with Child Protection caseworkers from the Northern Territory Department of Children and Families

The First Evaluation Report contained only limited data regarding the impact of Child Protection Income Management. The small numbers subject to Child Protection Income Management meant that the sample for the longitudinal client study (LSNIM) did not provide a sufficient sample of people subject to this measure to allow analysis for the subgroup. It was also not possible to conduct a separate quantitative analysis of the impact of income management on this group. Qualitative interviews with clients also did not specifically identify issues related to this measure.

The second stage of the evaluation sought to address this gap in data through the conduct of a more focused study of the Child Protection Income Management measure and its impact on children and families. In addition to interviews with child protection workers from the Northern Territory Department of Children and Families and other intermediaries, 23 interviews with child protection caseworkers about 32 case files interviews have been undertaken.

Caseworkers of selected cases were identified and asked to respond to the following evaluation questions: why families were referred to the Child Protection Income Management measure; what supports they received and, where relevant, why the measure was either extended or discontinued; and what impact the Child Protection Income Management measure had on the parenting capacities of the parents/carers and the wellbeing of children. Caseworkers/managers extracted relevant data directly from the paper files, which they retain. These interviews were conducted anonymously in the sense that the name of the client was not disclosed to the evaluation team, and no specific identifying data were provided. Overall, 18 cases were derived from a sample list of 103 families selected from DHS data were able to be matched to caseworkers still employed by DCF. Another 14 discussions were undertaken concerning cases that were not on the final sample list but were cases they felt able to discuss in detail.

3.2.7 Vulnerable Welfare Payment Recipient social work assessment report review

The First Evaluation Report found that, due to the small numbers of people on the Vulnerable Welfare Payment Recipient measure, the evaluation was not able to draw conclusions about the impact of the measure on individuals and families or to ascertain their views about the measure. In the second stage of the evaluation additional information was gathered regarding the use of the measure and its impact on individuals.

As mentioned in Chapter 2, the initial form of the Vulnerable Welfare Payment Recipient measure was designed to provide DHS social workers with an additional tool to help individuals who were vulnerable and/or considered to be at risk. Being placed on this form of income management – referred to in this report as assessed Vulnerable Income Management – requires an assessment of vulnerability completed by a social worker. A review of 30 randomly selected social work assessment reports was completed. Half of the assessment reports related to people on the measure living in urban areas, and half living in remote areas of the Northern Territory. Prior to providing the reports to the research team, DHS removed identifying information except for information relating to gender and age.

A tool was developed and used to review each report (Appendix G). The review tool was designed to capture information relating to the characteristics and circumstances of people on the measure, the range of circumstances under which people are deemed suitable to exit the measure, the impact of the measure on the recipients, and what additional interventions or supports assist in addressing or minimising vulnerability. Three researchers were involved in completing the reviews. Data from the reviews were thematically analysed in terms of the reported views of recipients, wellbeing and level of vulnerability; the presence of any substance abuse; the availability of any formal supports or informal supports; family relationships; their ability to manage their finances; and information relating to the Vulnerable Income Management assessment process.

3.3 Ethics approval

As outlined in the First Evaluation Report, ethics approval was sought separately for the baseline and main evaluation components – the latter including the survey of people on income management. Approval was sought from the UNSW Australia Human Ethics Research Committee, the Human Ethics Research Committee of the Northern Territory Department of Health and Menzies School of Health Research, and the Central Australian Human Research Ethics Committee. Community feedback sessions were completed at the end of Wave 1.

As reported above, the evaluation plan was revised after the first stage to focus on specific areas which were considered to be of particular interest. In addition, the survey instrument and topic guides for the qualitative interviews were amended to reflect the focus of the evaluation.

For the second stage of the evaluation, including Wave 2 of the LSNIM, additional approval was sought from each ethics committee concerning the revisions to the LSNIM survey instrument and the methodologies to be used for the second stage of the evaluation. Ethics approval was provided by each of the three committees as follows: UNSW Australia Human Ethics Research Committee (ref HC11169, approved 14 August 2013); the Human Ethics Research Committee of the Northern Territory Department of Health and Menzies School of Health Research (ref HOMER-2011-1627, approved 6 September 2013); and the Central Australian Human Research Ethics Committee (ref HREC-12-108, approved 1 November

2013). As reported above, consent was provided by each of the relevant remote communities prior to commencement of fieldwork. A second set of community feedback sessions was conducted after completion of the analysis and feedback has been incorporated into this report.

The ethical requirements for this research included that: participants should give informed consent to participation and retained the right to withdraw at any stage; Indigenous communities were to provide consent to undertake the research; feedback should be provided to the communities; no individual should be identifiable in the report; communities should similarly not be identifiable, other than the urban communities of Darwin and Alice Springs.

4 The population on income management

This chapter provides detailed information on the characteristics of the population subject to income management. It specifically considers the number of people on the different streams of income management over time, how long they remain being income managed and what happens to them when they cease to be so. It describes the characteristics of the current population and also looks at the extent to which there have been changes from when New Income Management commenced being implemented in mid-2010.

The analysis focuses on the period to December 2013. The chapter:

- Reports on the relative roles of the different programs in determining the overall income managed population, and how this has developed over time.
- Examines the key demographic characteristics of the population.
- Reviews the incidence of income management – that is the proportion of the income support population to which the policy applies.
- Examines the time people spend on income management and some of the factors associated with this.
- Reports on the use of some of the supplementary measures associated with the income management initiative.

4.1 Introduction and background to data

The analysis is based upon administrative data derived from the DHS data system on the administration of the program through Centrelink that has been supplied for the purposes of the evaluation. A summary of the DHS/Centrelink Administrative datasets used in the evaluation is provided in Chapter 3. In reporting on these it is noted that the data, as administrative by-products, are often complex and at times incomplete. These data characteristics require various decisions to identify appropriate populations, and as a consequence data used here may not match official program statistics as released by DSS and DHS. Because the data are drawn from a series of different datasets, often designed to meet specific reporting requirements, some small inconsistencies in actual numbers may also occur. These inconsistencies do not have any material impact upon the analysis or the conclusions that are drawn. The data has been perturbed in small cells to preserve confidentiality. Where data are reported on Indigenous status, this refers to voluntary self-identification in Centrelink records. People who did not state their Indigenous status are included with non-Indigenous.[53]

[53] It should be noted that for this and other reasons some caution needs to be exercised in interpreting results for "Indigenous" and "non-Indigenous" people in this analysis. Firstly, for many people, specifying their Indigenous identity is a sensitive and context dependent matter. This may lead them not to state their identity in some circumstances. Secondly, there can be administrative errors in reporting Indigenous identification in data systems and thirdly the above process may result in Indigenous people whose status is not recorded being misclassified as being non-Indigenous.

4.2 The Northern Territory income management population

This section provides an overview of the numbers of people subject to each stream of income management in the Northern Territory[54] and how this has changed since August 2010. It then provides an overview of the Indigenous status, gender and type of income support payment received for those subject to income management, using data for December 2013.

4.2.1 Numbers subject to income management in the Northern Territory since August 2010

There were 16,869 people on income management in the Northern Territory just prior to the transition from NTER Income Management to New Income Management in late July 2010 (Figure 4-1). New Income Management was rolled out progressively across the Northern Territory from August to December 2010. The numbers on NTER Income Management fell rapidly to 346 by December 2010 and to 20 by June 2011. As New Income Management was progressively rolled out across the Northern Territory and replaced NTER Income Management, the total number of people in the Northern Territory subject to income management fell to a low of 15,209 in mid-October 2010, but since that time has increased to 18,300[55] as at 20 December 2013. This growth has largely been as a consequence of changes in the size and composition of the income support population in the Northern Territory, although it has also been affected by changes to the income management program, including the introduction of some additional streams.

As documented in Chapter 2, in 2010 when New Income Management was first implemented, it had four streams: Compulsory; Voluntary; Vulnerable; and Child Protection. From December 2012 a fifth steam, Support People at Risk (SPAR), was introduced. This stream consists of people referred to income management under the Northern Territory alcohol mandatory treatment program (see Northern Territory Department of Health, 2013b). In 2013 the program was further extended by additional streams of people being identified under the vulnerable measure.

The growth in the income managed population in the Northern Territory was mainly comprised of growth in the Compulsory Income Management measure. This has increased steadily, from full rollout of New Income Management, rising from 10,647 on 28 January 2011 to 14,050 by December 2013. Of the population on income management in the Northern Territory, the proportion of people that are on the Compulsory Income Management measure has crept up from about 70 per cent in early 2011 to be around 76 to 78 per cent by late 2013.

The number of people on Voluntary Income Management reached a peak of 4,707 in December 2010, as many people who were subject to NTER Income Management, but who were not subject to Compulsory Income Management, moved to Voluntary Income Management (see Bray et al., 2012 for detailed analysis of the transition from NTER Income Management to New Income Management). The number of people on Voluntary Income Management has slowly but steadily declined to 3,675 in December 2013.

The number of people on the different income management measures in the Northern Territory over the period July 2010 to December 2013 is shown in Figure 4-1, Figure 4-3, and Figure 4-4. These three figures are provided because the numbers on the different programs vary considerably, and the detail of trends in some of the smaller individual programs tends to become lost when the figures are scaled by the number on the larger programs. This is illustrated in Figure 4-2.

Compulsory Income Management accounts for 76.8 per cent of the income managed population in December 2013, with a further 20.1 per cent on Voluntary Income Management. This leaves the other 3.1 per cent of the population split between the remaining seven initiatives – with the proportions on these

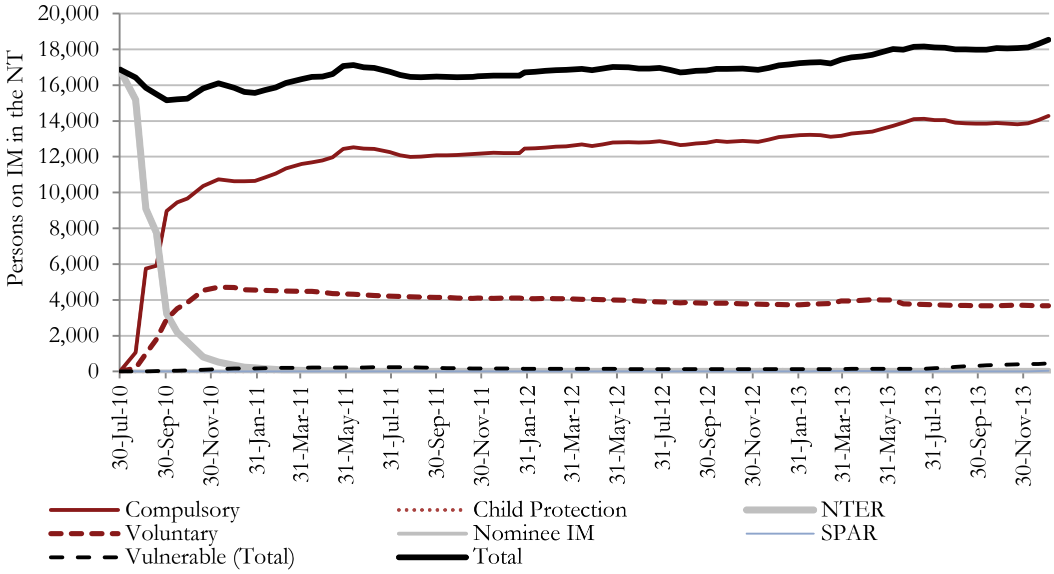
For this reason the text frequently refers to this population as "people who identify as Indigenous", as well as more abbreviated reference to them as being the Indigenous population.

[54] For the purposes of the evaluation all people who are living in the Northern Territory and are subject to income management are treated as being on New Income Management, regardless of where the actual decision to place them on income management was made. This approach has little impact on the overall population.

[55] The count of the number of people on income management in the Northern Territory varies between the different datasets used in this analysis. In most cases these differences are small and do not affect the interpretation of data. In addition, the totals of some tables will not add to the full population as a result of some records not containing particular variables used in cross-classifications in the tables.

varying from 0.93 per cent on Assessed Vulnerable Income Management to just 0.02 per cent on the automatic Special Benefit Vulnerable measure.

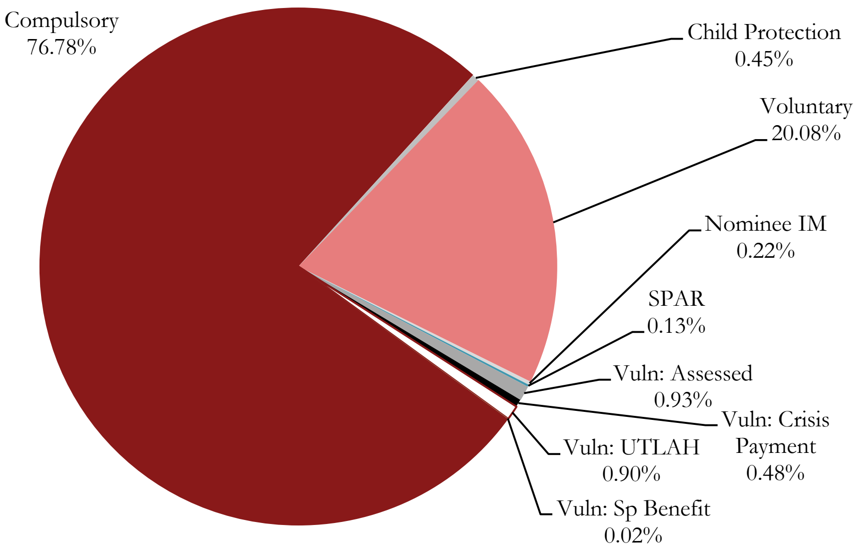
Figure 4-1 Number of people on income management in the Northern Territory by initiative, July 2010 to December 2013



Notes: At some points in time there was one person living in the Northern Territory who was on Cape York Income Management. Cape York IM is not shown in the figure.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Figure 4-2 Persons subject to income management in the Northern Territory by income management stream, December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

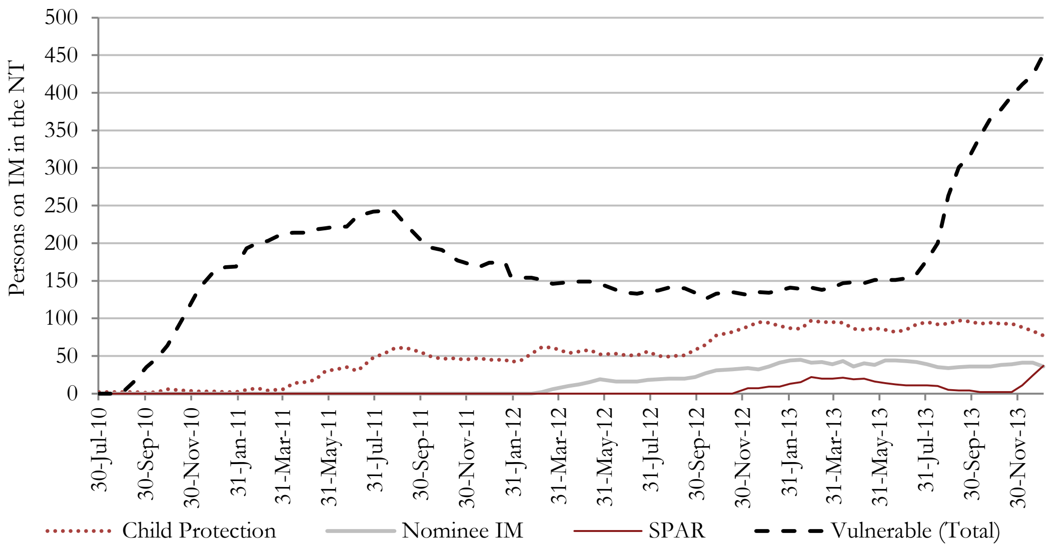
In raw numbers in December 2013 there were 18,300 people being income managed in the Northern Territory. The majority were subject to one of the two Compulsory Income Management measures: Disengaged Youth (3,981); and Long-term Welfare Recipient (10,071). These two measures comprise over three-quarters of those subject to income management. A further 3,675 people were subject to Voluntary Income Management, which comprises 20.1 per cent of all those on income management in the Northern Territory. There were much smaller numbers on the other forms of income management, with 170 subject to assessed Vulnerable Income Management, 255 subject to automatic Vulnerable (165 on Unreasonable to

Live at Home, 3 on Special Benefit, and 87 on Crisis Payment), 24 on SPAR Income Management, and 41 subject to Nominee Income management.

Over time it is estimated that 34,950 people have been on income management at some stage in the Northern Territory since the introduction of New Income Management in 2010 until December 2013, 29,477 who have been on one of the compulsory measures at some time.

The numbers of people on Child Protection and SPAR Income Management have been small throughout the period that New Income Management has been in place. While also small in the aggregate, there has been some increase in the numbers on Child Protection Income Management, from around 50 in mid-2012 to around 90 in late 2012, and the number has remained at around this level.

Figure 4-3 Number of people on income management in the Northern Territory by selected initiatives, July 2010 to December 2013

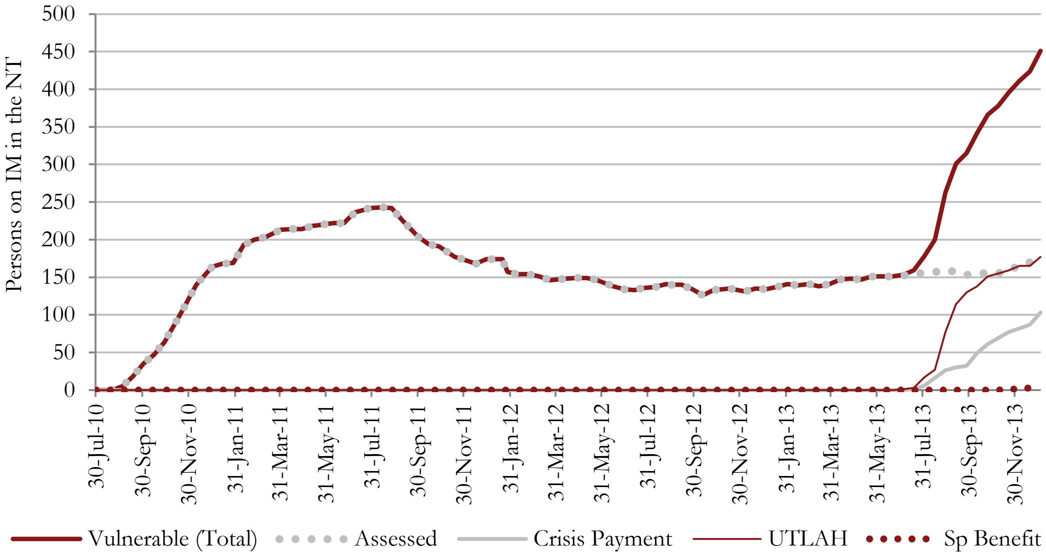


Notes: This figure provides details of the smaller initiatives forming part of income management in the NT; it excludes NTER, Compulsory and Voluntary Income Management.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

There has been a notable increase in the number of people subject to Vulnerable Income Management from around 150 in mid-2013 to 424 in December 2013, largely reflecting increasing numbers of people subject to the new forms of automatic Vulnerable Income Management (as shown in Figure 4-4). Indeed, as shown, the numbers of people subject to the assessed measure has remained relatively stable over the past two years at around 150 people, while the other measures have grown very rapidly since its introduction in July 2013, to the point where, in December 2013 the number on the Unreasonable to Live at Home (UTLAH) measure equals the number of people on the assessed measure.

Figure 4-4 Number of people on income management in the Northern Territory: Composition of Vulnerable streams, July 2010 to December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.3 Key demographic characteristics

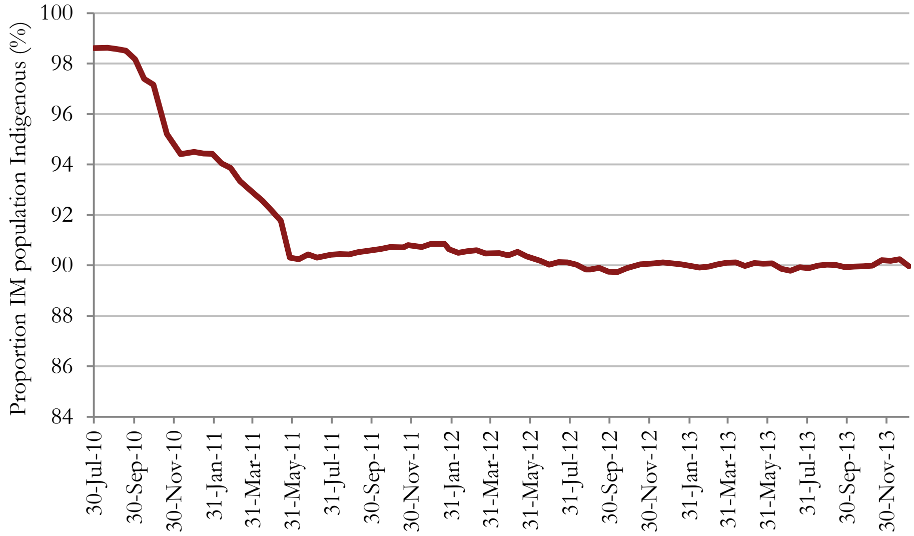
This section considers the distribution of the income managed population by major demographic characteristics including Indigenous status, gender, family status, and country of birth. While for some of these characteristics trends over time are considered, in other cases the focus is on the structure of the population in December 2013.

4.3.1 Indigenous status

The overwhelming majority of people subject to income management are Indigenous. Figure 4-5 shows the proportion of the income management population who are identified as Indigenous over the period July 2010 to December 2013. The proportion of people who identified themselves as Indigenous declined from 98.6 per cent in July 2010 to 90 per cent by May 2011. The proportion has remained at around 90 per cent from May 2011.

This pattern reflects the transition from income management under the NTER to New Income Management. The initial fall in the proportion of those on income management who are Indigenous reflects both the expansion of income management beyond the NTER-prescribed communities to cover all areas of the Northern Territory, and the changes in the targeting of the two programs which saw some of the original income managed group exit the program.

Figure 4-5 Proportion of people on income management in the Northern Territory who are identified as Indigenous Australians, July 2010 to December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Table 4-1 Income managed population in Northern Territory by stream and Indigenous status, December 2013

Stream of income management	Population on income management			Distribution by Indigenous identity			Proportion
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	Indigenous
		Number			- % -		- % -
Compulsory							
Disengaged Youth	3,573	408	3,981	21.6	22.8	21.8	89.8
Long-Term Welfare	8,829	1,242	10,071	53.5	69.5	55.0	87.7
Total Compulsory	*12,402*	*1,650*	*14,052*	*75.1*	*92.4*	*76.8*	*88.3*
Child Protection	76	7	83	0.5	0.4	0.5	91.6
Voluntary	3,620	55	3,675	21.9	3.1	20.1	98.5
Assessed Vulnerable	167	3	170	1.0	0.2	0.9	98.2
Automatic Vulnerable							
Unreasonable to Live at Home	102	63	165	0.6	3.5	0.9	61.8
Special Benefit	1	2	3	0.0	0.1	0.0	33.3
Crisis Payment	82	5	87	0.5	0.3	0.5	94.3
Total Automatic Vulnerable	*185*	*70*	*255*	*1.1*	*3.9*	*1.4*	*72.5*
SPAR	24	0	24	0.1	0.0	0.1	100.0
Nominee	40	1	41	0.2	0.1	0.2	97.6
Total	16,514	1,786	18,300	100.0	100.0	100.0	90.2

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

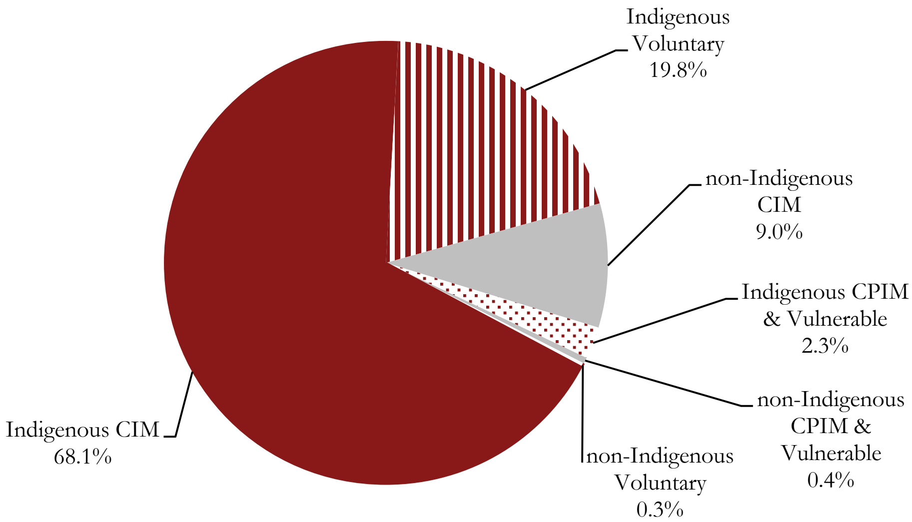
Table 4-1 shows the number of people subject to each of the New Income Management measures according to Indigenous status. Overall, there were 16,514 Indigenous and 1,786 non-Indigenous people subject to the measures, meaning that Indigenous Australians account for 90.2 per cent of those subject to income management. There are differences between the proportions of those subject to income management who are Indigenous across the different streams of income management:

- The stream with the highest proportions of participants who identify as Indigenous was SPAR Income Management where all of the 24 participants in December 2013 were Indigenous.
- This was followed by Voluntary Income Management (98.5 per cent), assessed Vulnerable Income Management (98.2 per cent) and Nominee Income Management (97.6 per cent).
- A slightly lower proportion of those subject to Compulsory Income Management are Indigenous (88.3 per cent).

- The lowest proportion (72.5 per cent) was recorded amongst those on the three Automatic Vulnerable Income Management measures.

Figure 4-6 provides a summary of the composition of people subject to income management by Indigenous status and stream of Income management, with Child Protection and all forms of Vulnerable Income Management grouped together. By far the largest group is Indigenous on Compulsory Income Management (68.1 per cent of those subject to income management), followed by Indigenous Voluntary Income Management (19.8 per cent), and then non-Indigenous Compulsory Income Management (9.0 per cent).

Figure 4-6 Composition of people subject to income management in the Northern Territory by Indigenous status and main program, December 2013



Notes: CIM: Compulsory Income Management, including SPAR, and Nominee Income Management.

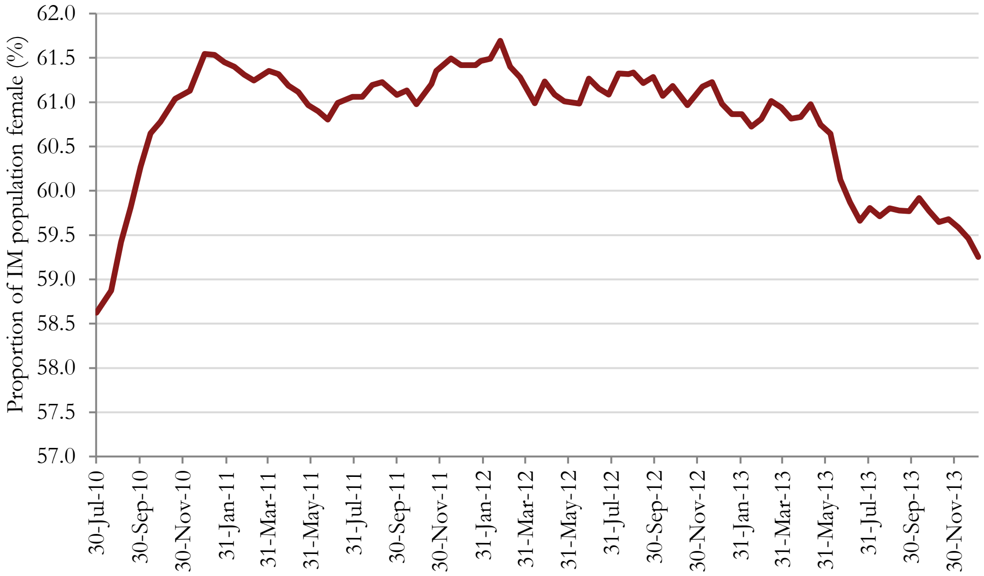
Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The extent to which the high level of Indigenous representation in income management reflects their level of usage of income support, or is caused by other factors is considered in more detail in Section 4.4.2.

4.3.2 Gender

Overall, 59.2 per cent of those subject to income management in the Northern Territory are female. The proportion of those on income management who were female initially increased during the rollout of New Income Management, then plateaued until the end of 2011 (Figure 4-7). After this it has declined slightly, with a major fall in mid-2013. Just prior to the rollout of New Income Management, 58.6 per cent of those on the NTER Income Management were female; following the full rollout of New Income Management, this increased to a peak of 61.5 per cent in December 2011. After this it showed some fluctuation – and a new peak in February 2012 at 61.7 per cent before settling back at around 61 per cent, before falling rapidly to 59.7 per cent in July 2013.

Figure 4-7 Women as a proportion of the population subject to income management in the Northern Territory, July 2010 to December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

There are some differences between streams of income management in the proportion of people who are female (Table 4-2). The income management stream with the highest concentration of women is Child Protection Income Management (80.7 per cent) and the lowest is for some of the automatic forms of Vulnerable Income Management. For example, just 16.1 per cent of those subject to income management because they have received a Crisis Payment are female. There is little difference in the proportion of those subject to Compulsory Income Management, Assessed Vulnerable or on Voluntary Income Management who are women.

Table 4-2 Income managed population in Northern Territory by stream and gender, December 2013

	Male	Female	Total	Male	Female	Total	Proportion female
		Number			- % -		
Compulsory Income Management							
Disengaged Youth	2,497	1,442	3,981	23.1	19.7	21.8	62.7
Long-Term Welfare	5,900	4,072	10,071	54.5	55.6	55.0	58.6
Total CIM	*8,397*	*5,514*	*14,052*	*77.6*	*75.3*	*76.8*	*59.8*
Child Protection IM	67	14	83	0.6	0.2	0.5	80.7
Voluntary IM	2,147	1,522	3,675	19.8	20.8	20.1	58.4
Assessed Vulnerable	94	76	170	0.9	1.0	0.9	55.3
Automatic Vulnerable							
Unreasonable to Live at Home	85	79	165	0.8	1.1	0.9	51.5
Special Benefit	2	1	3	0.0	0.0	0.0	66.7
Crisis Payment	14	71	87	0.1	1.0	0.5	16.1
Total Automatic Vulnerable	*101*	*151*	*255*	*0.9*	*2.1*	*1.4*	*39.6*
SPAR	9	15	24	0.1	0.2	0.1	37.5
Nominee IM	10	26	41	0.1	0.4	0.2	24.4
Total	10,825	7,318	18,300	100.0	100.0	100.0	59.2

Notes: A small number of records have missing data on gender and therefore the sum of male and female do not add to the total.

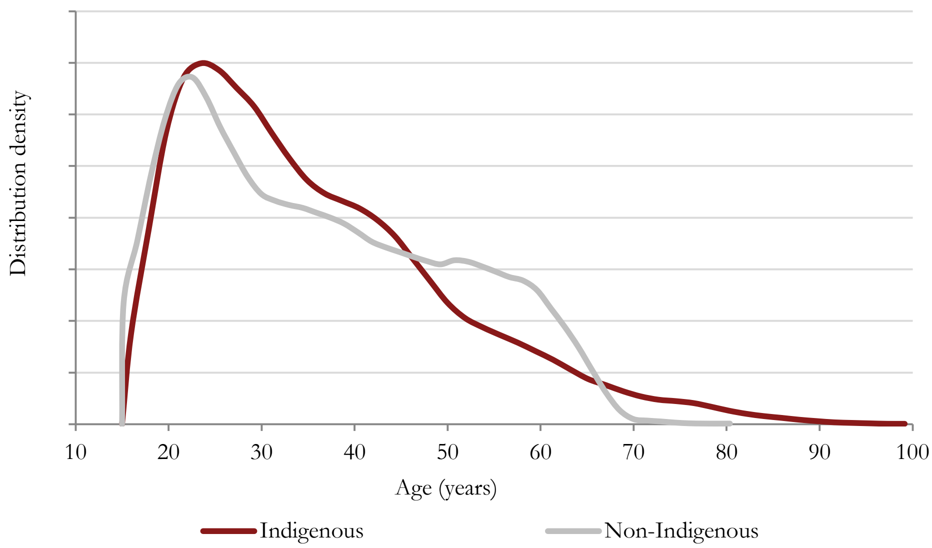
Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.3.3 Age

The average age of people subject to income management is 36.1 years. This figure, however, reflects the long tail of older people on the program. Looking at the other distributional points, a quarter of the population is aged 25 years and under, and half of the population is aged 33 years or under. Three-quarters are aged under 45 years.

While the average ages of Indigenous and non-Indigenous participants are almost identical and there is only a single year of difference in the median age, 33 years for those who identify as being Indigenous and 34 years for those identified as non-Indigenous, as illustrated in Figure 4-8 there are some differences in the shape of the age distribution. The distribution of non-Indigenous people on income management by age shows a very rapid fall-off after the early 20s until age 30 then only a small decline before falling rapidly from age 60.

Figure 4-8 Density plots of the age distribution of the income managed population in the Northern Territory by Indigenous status, December 2013



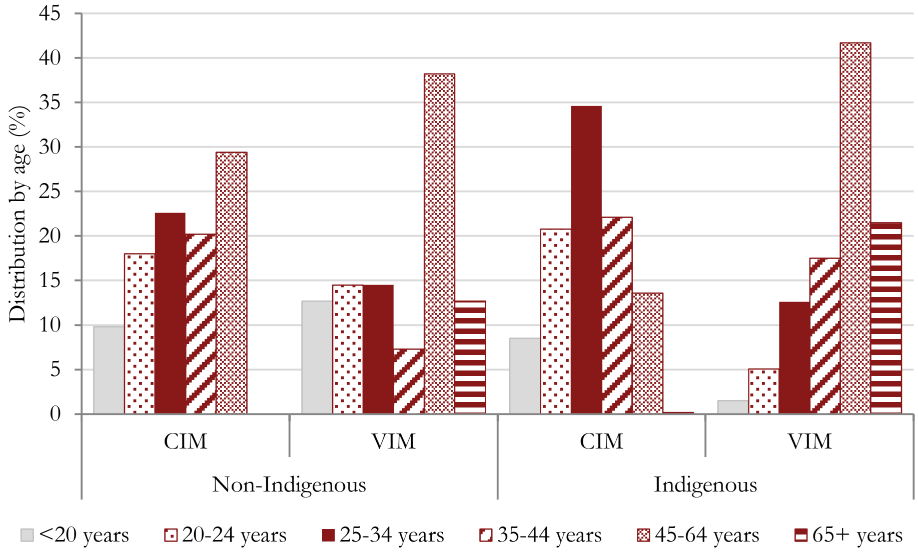
Note: KDE using Epanechikov kernel and bandwidth of 2.8. As the density estimate is a smoothing function it tends in this figure to obscure particular administrative age cut-offs. No vertical scale is given as this relates to the density of the distribution and does not allow an easy interpretation.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The age structure by Indigenous identification and broad type of income management is shown in Figure 4-9. In this the dip in the distribution of the non-Indigenous population on income management can be seen in the 35 to 44-year age group. The age structure of those on Voluntary Income Management is much older than those on Compulsory Income Management for both Indigenous and non-Indigenous participants. For example, 21.5 per cent of Indigenous on Voluntary Income Management are 45 to 64 years and 41.7 per cent are aged 65 years or older. This compares to 13.6 per cent of Indigenous people subject to Compulsory Income Management who are aged 45 to 54 years and 0.2 per cent who are 65 years plus.

For Compulsory Income Management, the Indigenous population has a younger age profile than the non-Indigenous population. For example, 63.9 per cent of Indigenous people subject to Compulsory Income Management are 34 years or younger, compared to 50.4 per cent of non-Indigenous people. However, for Voluntary Income Management the Indigenous age structure is substantially older than that of the non-Indigenous age structure, although it is important to bear in mind that only 55 non-Indigenous people are on Voluntary Income Management.

Figure 4-9 Age distribution of people subject to income management in the Northern Territory by Indigenous status and broad stream of income management, December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.3.4 Family type

The single largest family type[56] of people subject to income management is a single person (39.8 per cent), followed by people who live in a couple with dependent children (28.9 per cent), single parents (17.8 per cent), and people living in a couple without dependent children (13.5 per cent). This means that just under half (46.7 per cent) of those subject to income management have dependent children.[57]

Table 4-3 provides a breakdown of the family type of individuals on income management by detailed program stream, and Table 4-4 by Indigenous status and type of income management. There are big differences in the composition by family type of Indigenous and non-Indigenous people. Well over half (60.2 per cent) of non-Indigenous people subject to income management were a single person and 22.5 per cent were single parents. Just 17.3 per cent were living as a member of a couple (10.3 per cent with dependent children and 7.0 per cent without dependent children). This means that about two-thirds of non-Indigenous people subject to income management did not have dependent children. For Indigenous people, well over one-third, 37.5 per cent, were single persons and just under one-third were living as a member of a couple with dependent children. The remaining third were split between single parent families (17.3 per cent) and people living as a member of a couple without dependent children (14.2 per cent). This means that 51.7 per cent of Indigenous people subject to income management did not have dependent children.

A much higher proportion of Indigenous people on Voluntary Income Management are single people than are those subject to Compulsory Income Management (59.0 per cent and 31.5 per cent respectively). Correspondingly, a much smaller proportion of Indigenous people on Voluntary Income Management have dependent children than those subject to Compulsory Income Management. For example, 35.7 per cent of Indigenous people subject to Compulsory Income Management live as a member of a couple with dependent children, compared to 13.9 per cent of those on Voluntary Income Management and 19.6 per cent of those on Compulsory Income Management are a single parent, compared to 9.3 per cent of Indigenous people on Voluntary Income Management.

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[56] While the language of 'family' is used here, the data actually relates to the income unit classification of the person and not the family structure of the household. Hence a single person may be an older child living at home with their parents. Given that the central interest is in those families with dependent children, the nomenclature of 'family' has been maintained.

[57] Because individuals are assessed for income management based upon their characteristics, these estimates represent a count of personal characteristics and not a count of the actual families. While in some couples both members may be subject to income management, in other couples only one may be.

One point to note in this data is that a small but significant number of people on Child Protection Income Management do not appear to have dependent children (4.8 per cent are just recorded as living with a partner only and 6.0 per cent as a single person). This is an issue that will be covered in the separate supplementary report on Child Protection Income Management.

A high proportion of those on assessed Vulnerable are single persons (84.1 per cent), as are those on automatic Vulnerable Income Management (76.9 per cent) and SPAR (83.3 per cent). This reflects the nature of the targeting of these measures.

Table 4-3 Family type of persons on income management in the Northern Territory by stream of income management, December 2013

	Couple with dependent child	Single parent	Couple only	Single person	Total
			Number		
Compulsory Income Management					
Disengaged Youth	1,167	696	449	1,665	3,977
Long-Term Welfare	3,523	2,172	1,313	3,063	10,071
Total CIM	*4,690*	*2,868*	*1,762*	*4,728*	*14,048*
Child Protection IM	38	36	4	5	83
Voluntary Income Management	509	344	652	2,170	3,675
Assessed Vulnerable	9	6	12	143	170
Automatic Vulnerable					
Unreasonable to Live at Home	7	5	8	145	165
Special Benefit	0	0	0	3	3
Crisis payment	22	2	15	48	87
Total Automatic Vulnerable	29	7	23	196	255
SPAR	0	0	4	20	24
Nominee IM	9	3	13	16	41
Total	5,284	3,264	2,470	7,278	18,296
			Composition		
			- % -		
Compulsory Income Management					
Disengaged Youth	29.3	17.5	11.3	41.9	100.0
Long-Term Welfare	35.0	21.6	13.0	30.4	100.0
Total CIM	*33.4*	*20.4*	*12.5*	*33.7*	*100.0*
Child Protection IM	45.8	43.4	4.8	6.0	100.0
Voluntary Income Management	13.9	9.4	17.7	59.0	100.0
Assessed Vulnerable	5.3	3.5	7.1	84.1	100.0
Automatic Vulnerable					
Unreasonable to Live at Home	4.2	3.0	4.8	87.9	100.0
Special Benefit	0.0	0.0	0.0	100.0	100.0
Crisis payment	25.3	2.3	17.2	55.2	100.0
Total Automatic Vulnerable	*11.4*	*2.7*	*9.0*	*76.9*	*100.0*
SPAR	0.0	0.0	16.7	83.3	100.0
Nominee IM	22.0	7.3	31.7	39.0	100.0
Total	28.9	17.8	13.5	39.8	100.0

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Table 4-4 Family type by broad stream of income management and Indigenous status, NIM, December 2013

	Couple with dependent child	Single parent	Couple only	Single person	Total
	Non-Indigenous (Persons)				
Compulsory IM (a)	184	404	117	1,065	1,770
Voluntary IM	5	7	12	36	60
Total	189	411	129	1,101	1,830
	Indigenous (Persons)				
Compulsory IM (a)	4,591	2,516	1,701	4,043	12,851
Voluntary IM	504	337	640	2,134	3,615
Total	5,095	2,853	2,341	6,177	16,466
	Non-Indigenous (Distribution %)				
Compulsory IM (a)	10.4	22.8	6.6	60.2	100.0
Voluntary IM	8.3	11.7	20.0	60.0	100.0
Total	10.3	22.5	7.0	60.2	100.0
	Indigenous (Distribution %)				
Compulsory IM (a)	35.7	19.6	13.2	31.5	100.0
Voluntary IM	13.9	9.3	17.7	59.0	100.0
Total	30.9	17.3	14.2	37.5	100.0

Notes:

(a) Includes Vulnerable measures, Child Protection, SPAR, and Nominee Income Management.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.3.5 Age and number of children

This section considers those subject to income management by detailed stream of income management and the number and characteristics of their dependent children.

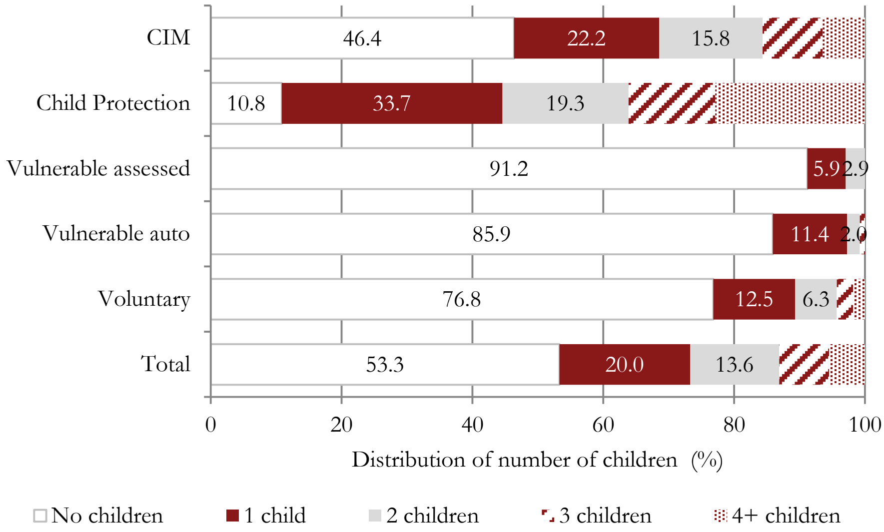
As illustrated in Figure 4-10, some 53.3 per cent of people on Income management have no children.[58] This childless proportion varies by program type: it is 10.8 per cent for those on the Child Protection measure and rises to 91.2 per cent for those who have been assessed as vulnerable.

Amongst people subject to income management with dependent children the average age of the youngest child within these families is 4.9 years (under school-age) and the average number of children is 2.0.

Indigenous people subject to income management, who have dependent children have, on average, slightly younger and fewer children than non-Indigenous people. For example, the average number of children for non-Indigenous people subject to income management is 2.2, compared to 2.0 for Indigenous people with dependent children subject to income management. This particular pattern in part appears to be the result of differential rates of exemptions by both Indigenous status and number of children, and the higher rate of exemption recorded by those people who have just one child relative to those with more.

[58] In this analysis the presence of a child is based on whether or not a person or their partner is in receipt of Family Tax Benefit for a child. While this is an effective measure of the presence of children from the perspective of policies which relate to how income support payments are used, it does not necessarily represent the actual responsibility of the person for a child. For example, a grandparent may be caring for a child notwithstanding the fact that a parent is receiving the FTB for that child. In these data the grandparent would be recorded as childless while the parent would be identified as having a child, even if that child was not living with the parent. Kinship responsibilities are also not identified in this type of analysis.

Figure 4-10 Number of dependent children by stream of income management, NIM, December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Within the income management initiatives, people on the Child Protection measure had the highest average number of children (2.5) and a relatively younger average age of the youngest child (3.3 years of age). On average, those on assessed Vulnerable and Voluntary Income Management had older children, with an average age of the youngest dependent child of 8.1 and 7.9 years respectively.

Overall, 20.0 per cent of people subject to income management had one child, 13.6 per cent had two children, 7.7 per cent had three children, and 5.5 per cent had four or more children (Figure 4-10). Looking simply at those with children, 42.8 per cent of families with children had just one child. A further 29.1 per cent had two children, 16.4 per cent had three children, and the remaining 11.8 per cent had four or more children.

Table 4-5 Number and age of children of people subject to income management in the Northern Territory by Indigenous status and type of income management, December 2013

	Average age of youngest child (years)	Average number of children (number)	Number of people with at least one child (number)	Proportion with children - % -
		Indigenous		
Compulsory	4.6	2.0	6,984	56.3
Child Protection	3.5	2.6	69	90.8
Voluntary	8.0	1.8	841	23.3
Assessed Vulnerable	8.1	1.3	15	9.0
Automatic Vulnerable				
Unreasonable to Live at Home	1.5	1.0	11	10.8
Special Benefit	-	-	0	0.0
Crisis payment	2.0	1.4	24	29.6
Total Automatic Vulnerable	*1.9*	*1.3*	*35*	*18.9*
Total	5.0	2.0	7,944	48.2
		Non-Indigenous		
Compulsory	4.8	2.2	582	34.5
Child Protection	1.0	1.0	5	71.4
Voluntary	5.7	1.7	12	20.0
Assessed Vulnerable	-	-	0	0.0
Automatic Vulnerable				
Unreasonable to Live at Home	0.0	1.0	1	1.6
Special Benefit	-	-	0	0.0
Crisis payment	-	-	0	0.0
Total Automatic Vulnerable	*0.0*	*1.0*	*1*	*1.4*
Total	4.7	2.2	600	32.8
		Total		
Compulsory	4.6	2.1	7,566	53.7
Child Protection	3.3	2.5	74	89.2
Voluntary	7.9	1.8	853	23.2
Assessed Vulnerable	8.1	1.3	15	8.8
Automatic Vulnerable				
Unreasonable to Live at Home	1.4	1.0	12	7.3
Special Benefit	-	-	0	0.0
Crisis payment	2.0	1.4	24	27.6
Total Automatic Vulnerable	*1.8*	*1.3*	*36*	*14.1*
Total	4.9	2.0	8,544	46.7

Notes: Average number of children and age of youngest child is calculated for those with dependent children.

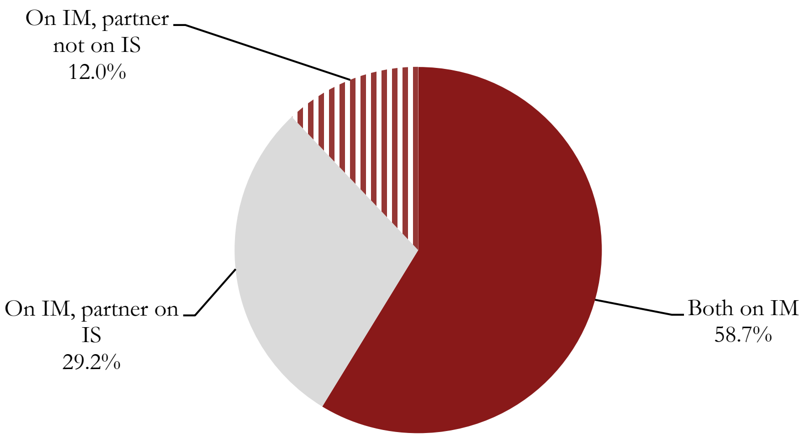
Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.3.6 Income management and couples

An important factor that will influence the potential impact of being income managed on consumption is whether people living with an income managed person are also subject to income management. Findings from the First Evaluation Report indicated that most people share goods and services with others living in the same household and indeed with extended family. Because receipt of income support payments and the targeting of income management are based on individual eligibility, just because one member of a couple is subject to income management does not necessarily mean that their partner is.

Overall, in 58.7 per cent of couples with at least one person subject to income management, both members of the couple are subject to income management, and in 29.2 per cent of couples one is subject to income management and the partner receives income support but is not subject to income management. In the remaining 12.0 per cent of couples one member is subject to income management and the other is not receiving an income support payment (Figure 4-11). Of the 1,239 couples in which one member is subject to income management and the other receives income support but is not subject to income management, in just 121 couples this is because the member not subject to income management has an exemption from income management. In two-thirds (66.8 per cent) of couples in which both are receiving an income support payment and at least one member is subject to income management, they are both income managed.

Figure 4-11 Income management and income support receipt status of couples in which at least one member is subject to income management in the Northern Territory, December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Table 4-6 provides information on the income management and income support status of couples according to whether they have dependent children and Indigenous status. Around 60 per cent of Indigenous couples have both members of the couple subject to income management, irrespective of whether they have dependent children. For Indigenous couples without dependent children, around one-third (32.7 per cent) have one member subject to income management and the other receiving an income support payment but not subject to income management.

Table 4-6 Income management and income support receipt status of couples in which at least one member is subject to income management in the Northern Territory by whether have dependent children and Indigenous status, December 2013

	Indigenous		Non-Indigenous	
	Couple only	Couple with dependent children	Couple only	Couple with dependent children
		%		
Both on IM	57.5	60.0	51.7	39.1
On IM, partner receiving IS	32.7	27.0	36.8	44.1
On IM, partner not receiving IS	9.7	13.0	11.5	16.8
Total	100.0	100.0	100.0	100.0

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Further analysis shows that where both members of a couple identify as being Indigenous and one is on income management, in 70.1 per cent of cases both are on income management. A similar rate, 69.1 per cent, is recorded in couples where one person identifies as being Indigenous and the other does not. Where neither identify as being Indigenous the rate is 45.2 per cent.

These data indicate that for a significant proportion of couples, only a relatively small proportion of total household income is likely to be subject to income management. This raises two potential questions. The first is whether in these households the imposition of income management has an impact on the relationship – potentially empowering the person whose income is being managed, or alternatively affecting their relative standing in a less positive way. The second is whether the policy has much residual capacity to shape the consumption of the household where typically just a quarter or less of income is subject to the measure.

4.3.7 Country of birth

In addition to the 90.2 per cent of the income management population who were Indigenous, 7.6 per cent were non-Indigenous Australian-born, 1.6 per cent were born overseas in a non-English speaking country, and 0.6 per cent per cent were born in major English-speaking countries.[59] Thus approximately 16 per cent of the non-Indigenous population subject to income management was from a non-English speaking background.

Table 4-7 Indigeneity and broad region of birth of people subject to income management in the Northern Territory, Compulsory and Voluntary Income Management, December 2013

	Compulsory	Voluntary	Total IM	On IS but not on IM	Proportion on income management (%)
			Number		
Australian-Born Indigenous	12,891	3,620	16,511	9,679	63.0
Australian-Born Non-Indigenous	1,344	44	1,388	8,942	13.4
Overseas-Born – ESB	100	2	102	1,596	6.0
Overseas-Born – NESB	286	9	295	3,246	8.3
Total	14,621	3,675	18,296	23,463	43.8
			Composition (%)		
Australian-Born Indigenous	88.2	98.5	90.2	41.3	
Australian-Born Non-Indigenous	9.2	1.2	7.6	38.1	
Overseas-Born – ESB	0.7	0.1	0.6	6.8	
Overseas-Born – NESB	2.0	0.2	1.6	13.8	
Total	100.0	100.0	100.0	100.0	

Note: ESB – English-speaking background, NESB – Non-English speaking background. The Compulsory Income Management category includes CIM, Vulnerable IM, Child Protection IM, SPAR, and Nominee Income Management, IS Income Support.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

While the relative incidence of income management for those on income support is considered later in this chapter, the above data indicates that the proportion of income support recipients born outside Australia who are income managed is low: 7.6 per cent (6.0 per cent of those born in major English-speaking countries and 8.3 per cent of those born in other countries), and well below the rate for persons born in Australia, whether they are Indigenous or not, of 49.0 per cent (13.4 per cent of non-Indigenous and 63.0 per cent for Indigenous people).

This, however, is not the case for all groups of migrants. Particularly high rates of income management are found upon those migrants from Afghanistan (40.9 per cent), the Sudan (33.3), Burma (24.2 per cent), Fiji (23.1 per cent), and Papua New Guinea (21.0 per cent). In contrast, only 2.2 per cent of those income support recipients born in Malaysia are on income management, and 2.6 per cent of those born in Sri Lanka. It is noted that for some of these sub-populations only relatively small numbers of people are on income support.

Visa status

Of those subject to income management in December 2013, 251 (1.4 per cent) had a visa status on their Centrelink record. Of these 251 people, 29.9 per cent held a family visa, 38.6 per cent a humanitarian arrival visa, and 31.2 per cent had other kinds of visa. A total of 171 were not Australian citizens or permanent residents and did not have a visa status recorded in the Centrelink data. The rate of income management was relatively high – 26.9 per cent – for those who held a humanitarian visa.

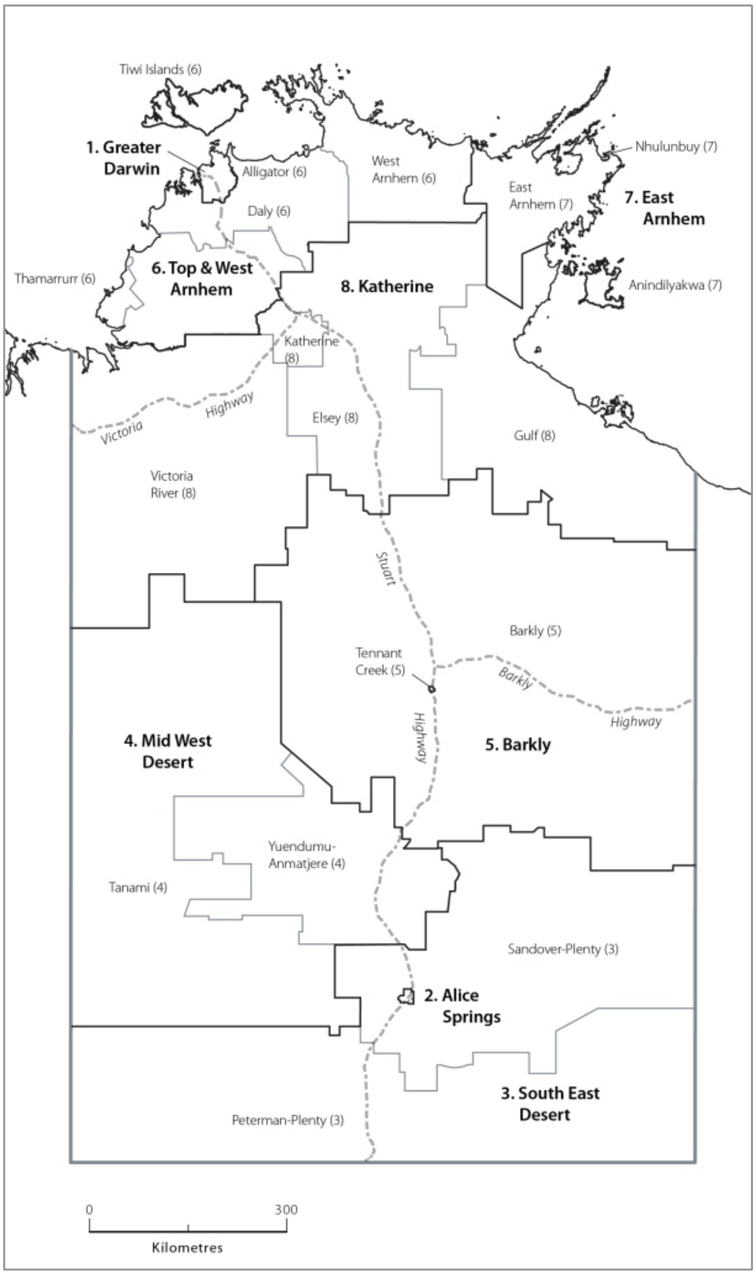
[59] Main English-speaking countries defined as EP Group 1: Canada, Ireland, New Zealand, South Africa, United Kingdom, USA, and Zimbabwe. This is consistent with the classification used by the Department of Immigration, Multicultural and Indigenous Affairs (2003).

4.3.8 Income management by location

In large part discussion of the geographical distribution of people by location occurs in Section 4.4.3, as a key characteristic of this is the variation in the rate of income management amongst income support recipients.

Figure 4-13 shows the trends in the number of people on income management by location and Indigenous identification. The geographic classification used is based upon aggregation of data at the ABS SA2 Australian Statistical Geography Standard Classification (ABS, 2011a), and the areas are shown in the map at Figure 4-12 (Appendix D provides details of the locations).

Figure 4-12 Geographic regions used in the NIM evaluation

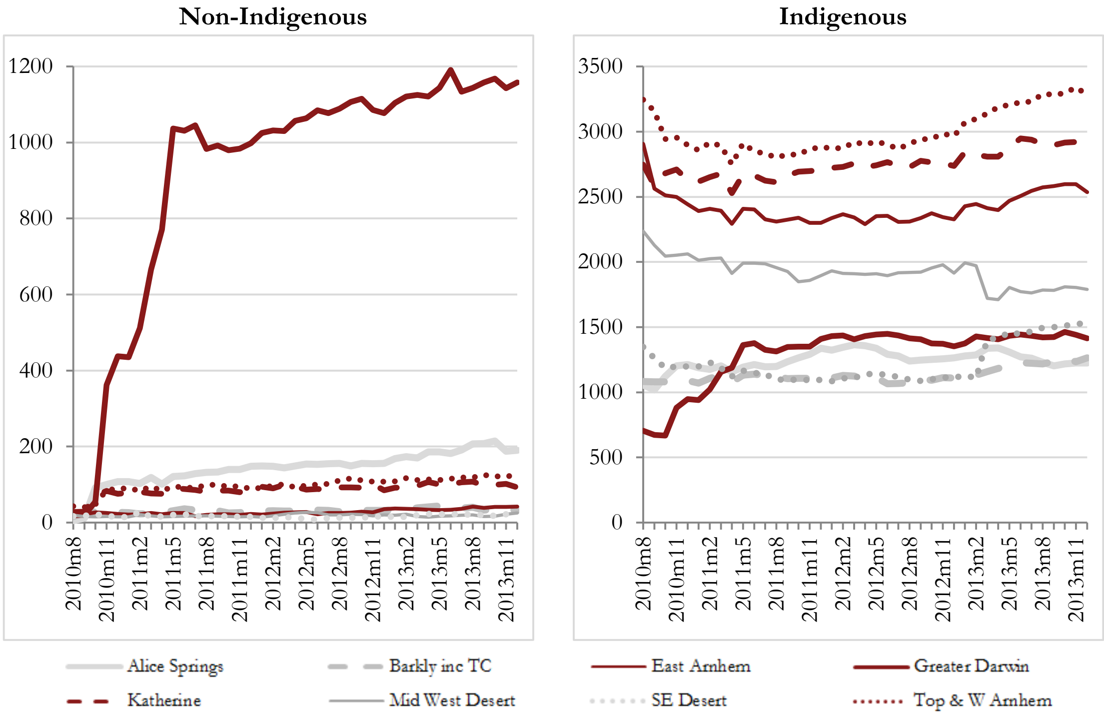


Note: Based on aggregations of ABS Statistical Areas Level 2, Australian Standard Geographical Classification.

The figure showing the numbers of people on income management by location over time effectively provides an insight into the geographic effect of the rollout of New Income Management. Most apparent is the way in which this effect is mainly manifest in Darwin. This is particularly clear in the non-Indigenous figure. The number of non-Indigenous people in Darwin subject to income management grew from just 19 in August 2011 to 1,037 in May 2011. Since then the numbers have grown slowly, so that by December 2013 there were 1,158 non-Indigenous people in Darwin on income management. While there has also been strong growth in Alice Springs, as can be seen, it has less than one-sixth of the number of non-Indigenous income managed people as does the Greater Darwin region.

Although there has also been growth in the number of Indigenous people on income management in Darwin this has increased from a much higher base – 704 in August 2010 to 1,415 in December 2013. The pattern of growth in the number of Indigenous people on income management in the Greater Darwin region is, however, quite different to that seen in other locations which in general show a decline up until mid-2012. Since 2012 there has been growth, which in most, but not all regions, has resulted in there now being higher numbers on income management than at the time of the transition from NTER Income Management to New Income Management.

Figure 4-13 Number of people subject to income management in the Northern Territory by region and Indigenous identification, 2010–2013



Note: In the data it would appear that in early 2013 there was some reclassification of the location of some Indigenous people on income management between the Mid-West Desert and South-East Desert Regions.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.4 Income support payments and the incidence of income management

Whether or not a person on income support is on income management is a function of a range of factors. In large part it is a product of the program targeting which specifies that only those in receipt of certain payments are within scope of Compulsory Income Management. Even for this group, the proportion who fall within the scope of Compulsory Income Management depends upon the distribution of duration on the payment, and to some extent whether people who have not met the duration threshold decide to go onto Voluntary Income Management, as well the other activities people may be undertaking. For those on payments to which Compulsory Income Management does not apply, it depends upon the extent to which people choose to go onto Voluntary Income Management and to a much lesser degree the extent to which programs such as assessed Vulnerable, Child Protection and SPAR use criteria other than specifics of income support receipt to determine whether a person should be subject to income management.

4.4.1 Type of income support payment received

The types of income support payments that have the largest numbers of people subject to income management are Newstart Allowance (8,718), Disability Support Pension (2,588), Parenting Payment Single (2,116), Parenting Payment Partnered (2,114) and Youth Allowance (1,721) (Table 4-8). Table 4-8 also shows the numbers on income management by type of payment and the proportion of people receiving the income support payment who are income managed. For Indigenous income support recipients the rates of income management are 85.7 per cent for those receiving Parenting Payment Partnered, 79.3 per cent for those receiving Newstart Allowance, 76.3 per cent for those receiving Parenting Payment Single, 44.9 per cent for those receiving Age Pension, 40.0 per cent for those receiving Disability Support Pension, and 22.8 per cent for those receiving Carer Payment.

The rates of income management are lower for non-Indigenous people relative to Indigenous people for all income support payments. A particularly striking difference is the much lower rate of income management of non-Indigenous recipients of Parenting Payment Single (24.1 per cent), compared to a rate of 76.4 per cent among Indigenous recipients of Parenting Payment Single.

Table 4-8 also shows that the composition of type of benefit received by the Indigenous and non-Indigenous population subject to income management differs considerably. In particular, 4.9 per cent of Indigenous people subject to income management were receiving the Age Pension, compared to 0.5 per cent of non-Indigenous people subject to income management.

Table 4-8 Persons being income managed in the Northern Territory by Indigenous status and type of income support payment received, December 2013

	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total
	Number on income management			Distribution by income support type (%)			% of those receiving payment on IM		
ABSTUDY	1	5	6	0.1	0.0	0.0	16.7	1.1	1.3
Age Pension	8	788	796	0.4	4.8	4.4	0.1	44.9	9.6
Carer Payment	1	183	184	0.1	1.1	1.0	0.2	22.8	13.5
Disability Support Pension	36	2,552	2,588	2.0	15.5	14.1	1.1	40.0	26.8
Newstart Allowance	1,105	7,613	8,718	61.9	46.1	47.6	45.9	79.3	72.6
Parenting Payment Partnered	88	2,026	2,114	4.9	12.3	11.6	28.5	85.7	79.1
Parenting Payment Single	292	1,824	2,116	16.4	11.0	11.6	24.2	76.3	58.8
Partner Allowance	0	1	1	0.0	0.0	0.0	0.0	25.0	3.0
Sickness Allowance	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Special Benefit	4	2	6	0.2	0.0	0.0	25.0	100.0	33.3
Widow Allowance	1	41	42	0.1	0.2	0.2	1.7	62.1	33.3
Wife Pension (Age)	0	3	3	0.0	0.0	0.0	0.0	60.0	11.1
Work for the Dole	0	1	1	0.0	0.0	0.0	0.0	33.3	4.3
Youth Allowance	249	1,472	1,721	13.9	8.9	9.4	34.9	74.2	63.8
Total (a)	1,785	16,511	18,296	100.0	100.0	100.0	11.7	63.9	44.5

Notes:

(a) Includes Austudy and Bereavement Allowance.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

There are differences in the type of income support payments received by those on various New Income Management measures (Table 4-9). The majority of people subject to Compulsory Income Management are receiving Newstart Allowance (58.5 per cent), with a significant minority receiving Parenting Payment Partnered or Parenting Payment Single (14.3 per cent each) and Youth Allowance Other (11.4 per cent). Those subject to Voluntary Income Management are drawn primarily from those on the Disability Support Pension (65.8 per cent), followed by the Age Pension (20.8 per cent), with a smaller proportion drawn from Newstart Allowance and Carer Payment (4.4 per cent and 4.8 per cent respectively).

The third panel of Table 4-9 shows the proportion of people on particular income support payments in the Northern Territory who are subject to income management. This ranges from 79.1 per cent of those on

Parenting Payment Partnered and 72.6 per cent for Newstart Allowance, to 13.5 per cent of those on Carer Payment and 9.6 per cent of those receiving the Age Pension.

Table 4-9 Persons being Income Managed in the Northern Territory by stream and major income support payment received, December 2013

	Compulsory Income Management(a)	Voluntary Income Management	Total
	Persons on income management		
Age Pension	32	764	796
Carer Payment	7	177	184
Disability Support Pension	172	2,416	2,588
Newstart Allowance	8,555	163	8,718
Parenting Payment Partnered	2,087	27	2,114
Parenting Payment Single	2,084	32	2,116
Other (b)	11	48	59
Youth Allowance	1,673	48	1,721
Total	14,621	3,675	18,296
	Composition of IM population (%)		
Age Pension	0.2	20.8	4.4
Carer Payment	0.0	4.8	1.0
Disability Support Pension	1.2	65.7	14.1
Newstart Allowance	58.5	4.4	47.6
Parenting Payment Partnered	14.3	0.7	11.6
Parenting Payment Single	14.3	0.9	11.6
Other (b)	0.1	1.3	0.3
Youth Allowance	11.4	1.3	9.4
Total	100.0	100.0	100.0
	Rate of income management (%)		
Age Pension	0.4	9.3	9.6
Carer Payment	0.5	13.0	13.5
Disability Support Pension	1.8	25.0	26.8
Newstart Allowance	71.2	1.4	72.6
Parenting Payment Partnered	78.0	1.0	79.1
Parenting Payment Single	57.9	0.9	58.8
Other (b)	1.3	5.5	6.7
Youth Allowance	62.1	1.8	63.8
Total	35.6	8.9	44.5

Notes:

(a) Compulsory Income Management measure includes Child Protection Income Management, all forms of Vulnerable Income Management, SPAR, and Nominee Income Management.

(b) Includes ABSTUDY, Austudy, Bereavement Allowance, Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance, Wife Pension (Age), and Work for the Dole.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.4.2 Proportion of income support recipients subject to income management: incidence by age, gender and Indigenous status

Figure 4-14 shows by gender and Indigenous status the proportion of people in the Northern Territory who received an income support payment who were subject to income management (in this chapter referred to as the income management rate) over time. Table 4-10 shows the proportion of the population by gender and Indigenous status on income management in December 2013. During the initial rollout period the proportion of non-Indigenous men and women on income support who were subject to income management increased from a very low level (0.9 per cent for women and 1.6 per cent for men) to 10.8 per cent for women and 8.8 per cent for men by May 2011. Since May 2011 the proportion of non-Indigenous people on income support who are subject to income management has increased further, and as of December 2013 is 11.5 per cent for women and 11.8 per cent for men.

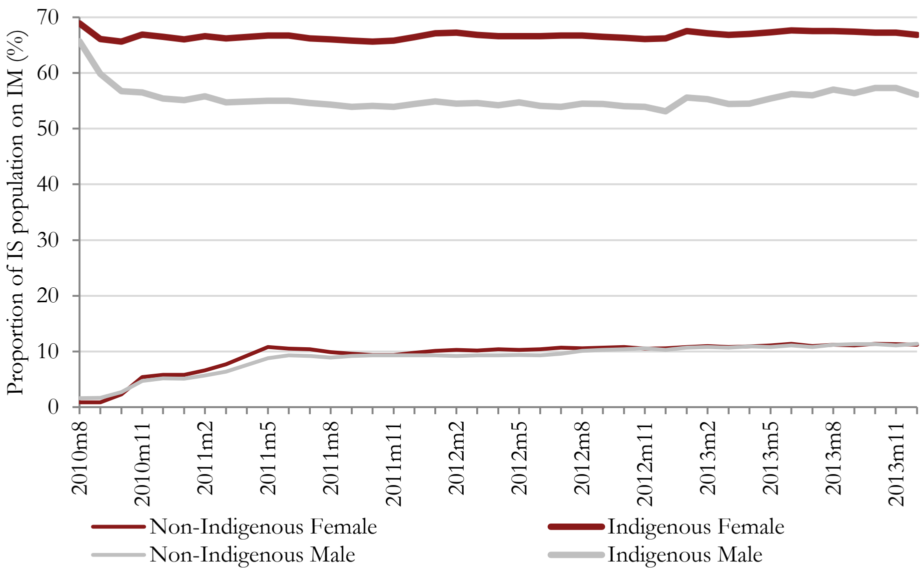
Table 4-10 Persons on income support and income management in the Northern Territory by gender and Indigenous status, December 2013

	Income Managed	Income support	Rate
	Persons		%
	Indigenous		
Men	6,508	11,054	58.9
Women	9,997	14,774	67.7
Total	16,505	25,828	63.9
	Non-Indigenous		
Men	902	7,649	11.8
Women	882	7,638	11.5
Total	1,784	15,287	11.7
	All persons		
Men	7,410	18,703	39.6
Women	10,879	22,412	48.5
Total	18,289	41,115	44.5

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The proportion of Indigenous income support recipients subject to income management decreased slightly during the period of transition from NTER Income Management to New Income Management as the range of income support payments that were subject to Compulsory Income Management narrowed. The rate of income management is higher for Indigenous women than men. In December 2013, 58.9 per cent of Indigenous men and 67.7 per cent of Indigenous women on income support were subject to income management. Although the difference has fluctuated over time, it appears that the gap may be narrowing slightly as a consequence of a small increase in the proportion of Indigenous men subject to income management from around 55 per cent in late 2012 to around 59 per cent by the end of 2013.

Figure 4-14 Proportion of income support recipients in the Northern Territory subject to income management by gender and Indigenous status, August 2010 to December 2013



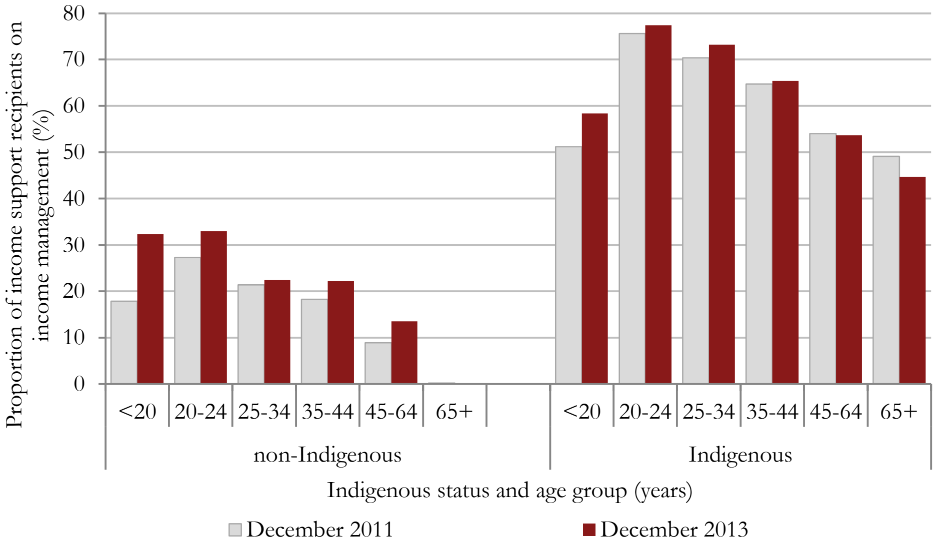
Note: Data in this figure do not always match that given in other figures and tables, as a result of having been derived from a different data set which records slightly lower numbers of persons on income management. Trends within the data are considered to be accurate.

Population in receipt of an income support payment excludes those with no payment type recorded in the data.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Figure 4-15 shows the income management rate by age for Indigenous and non-Indigenous in December 2011 and December 2013. For all age groups the income management rate is much higher for Indigenous than non-Indigenous. The rate is highest, for both Indigenous and non-Indigenous people aged 20 to 24 years, and then decreases steadily with age to be lowest for those aged 65 years and over.

Figure 4-15 Proportion of people on income support subject to income management in the Northern Territory by Indigenous status and age group, December 2011 and December 2013 (%)



Note: Data in this figure do not always match that given in other figures and tables, as a result of having been derived from a different data set which records slightly lower numbers of persons on income management. Trends within the data are considered to be accurate.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Between 2011 and 2013 there have been changes in the rate of income management by age groups for both the Indigenous and non-Indigenous population, although as seen above the overall disparity remains. Amongst the non-Indigenous there has been an increase in the rate of being income managed for all age groups, with the largest increases being for those aged less than 20 years – as a result of the new forms of automatic income management, particularly for those receiving the payment related to being unreasonable to live at home – with a smaller but still noticeable increase for those aged 20 to 24 years. The non-Indigenous population shows the same pattern, although a much smaller magnitude of change, up to and including the 35 to 44-year age group. For the two older age groups the rate declines. This decline is very slight for the 45 to 64-year age group, but marked for those aged over 65 years. This reflects the declining use of Voluntary Income Management.

4.4.3 Incidence by location

This section provides an overview of the proportion of income support recipients in each geographic area that are subject to income management over the period from mid-2010 to the end of 2013. Table 4-11 shows the number of Indigenous and non-Indigenous people respectively subject to income management by location in December 2010, 2011, 2012 and 2013. There are differences between locations in the proportion of the Indigenous and non-Indigenous income support population that are subject to income management. In December 2013 the proportion of Indigenous income support recipients on income management was higher in the remote areas, ranging from 68.2 per cent in the Top and West Arnhem Land to 74.5 per cent in the Mid-West Desert region. Rates are lowest in Alice Springs (51.4 per cent) and Greater Darwin (37.8 per cent). Barkly (including Tennant Creek) and Katherine have rates between these extremes, although tend to be closer to that of the remote areas. For Indigenous people, while there is some variation in the rates of income management over time, the variation is relatively small.

For the non-Indigenous population the proportion of income support recipients subject to income management is much smaller.[60] There is variation between regions, but the vast bulk of non-Indigenous people subject to income management are in Greater Darwin and Alice Springs. The proportion of non-Indigenous income support recipients subject to income management is 11.2 per cent in Alice Springs and 10.2 per cent in Greater Darwin. While there are substantially higher rates in East Arnhem and the Mid-

[60] Issues with Indigenous identification have been noted earlier in this chapter. Because of these some caution needs to be exercised in considering the data on the identified non-Indigenous population in remote areas as these are particularly sensitive to the accuracy of identification given the often very small non-Indigenous population sizes.

West Desert, these relate to small numbers of people (in December 2013, 42 in East Arnhem and 25 in the Mid-West Desert).

Table 4-11 Income management rates by Indigenous status and location in the Northern Territory, December 2010 – December 2013

	Dec-10	Dec-11	Dec-12	Dec-13	Dec-10	Dec-11	Dec-12	Dec-13
	Number Income Managed				Proportion Income Managed (%) (a)			
	Indigenous							
Alice Springs	1,212	1,338	1,265	1,225	50.8	51.0	51.7	51.4
Barkly	1,090	1,115	1,109	1,263	65.3	65.4	63.9	66.3
East Arnhem	2,443	2,300	2,326	2,535	71.9	67.2	66.3	67.6
Greater Darwin	948	1,410	1,353	1,415	25.7	36.1	35.9	37.8
Katherine	2,629	2,705	2,737	2,910	65.0	65.3	64.2	63.9
Mid-West Desert	2,061	1,895	1,914	1,789	80.7	76.3	74.7	74.5
SE Desert	1,199	1,095	1,113	1,524	75.6	71.9	69.1	73.6
Top & W Arnhem	2,896	2,879	2,965	3,282	71.9	68.5	66.3	68.2
Total	14,478	14,737	14,782	15,943	62.0	61.4	60.7	62.2
	Non-Indigenous							
Alice Springs	108	148	156	190	7.2	8.9	9.6	11.2
Barkly	27	31	32	32	15.7	17.2	21.5	19.0
East Arnhem	23	23	35	42	22.5	19.7	29.7	31.6
Greater Darwin	438	998	1,077	1,158	4.0	8.8	9.6	10.2
Katherine	76	86	85	93	9.6	11.3	10.7	10.9
Mid-West Desert	15	16	20	25	40.5	40.0	52.6	62.5
SE Desert	14	15	17	28	10.9	22.4	38.6	47.5
Top & W Arnhem	88	88	108	121	15.5	15.1	17.4	17.2
Total	789	1,405	1,530	1,689	5.6	9.5	10.5	11.3

Notes:

(a) Income managed rate is the population subject to income management as a proportion of the population in receipt of income support payments.

Data in this table does not always exactly match that given in other figures and tables, as a result of having been derived from a different data set which records slightly lower numbers of persons on income management. These discrepancies are not material.

One consequence of this variation is that the proportion of Indigenous people on income support subject to income management in the table for December 2013 is 62.2 per cent, in contrast to the 63.9 per cent derived from the more detailed dataset; for non-Indigenous people the rate of 11.3 per cent in the table compares with 11.7 per cent in the more detailed dataset.

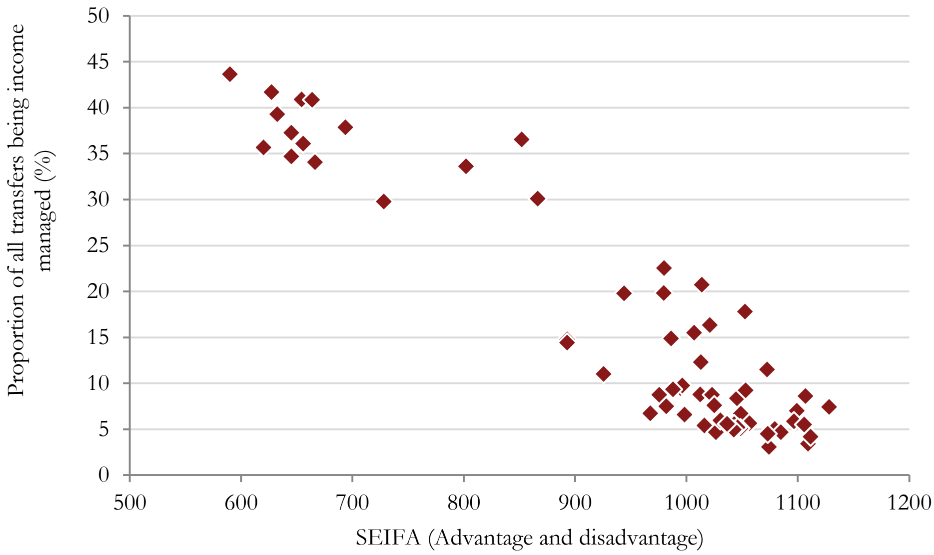
Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Incidence by location and socio-economic status

Another dimension of location is that of the socio-economic status of a location, the incidence of income management by this characteristic is shown in Figure 4-16. The data in this figure has been plotted at the geographic level defined by ABS as a 'Statistical Area – Level 2' (SA2) and using the ABS Socio Economic Indicator for Areas (SEIFA) of advantage and disadvantage as a measure of socio-economic status. These SA2s are locations of some two to four thousand people – and in urban areas can be roughly translated as suburbs and permit quite detailed analysis. The second difference in the figure is that rather than plotting the population on income management, it plots the proportion of income support and related transfer payments which are actually income managed funds. If, for example, everyone in the location only received payments that were subject to income management and these were all income managed at 50 per cent, then the locational average would be 50 per cent.

As can be seen in the figure, there is a very strong relationship between the socio-economic status of a location and the proportion of transfers that are subject to income management. In those areas of highest advantage and lowest disadvantage, just three and-a-half to seven and-a-half per cent of all the transfer payments made in the area are funds under income management. In the most disadvantaged, least advantaged location this rises to 43.6 per cent.

Figure 4-16 Proportion of transfer payments income managed by socio-economic status of location (SA2) in the Northern Territory, December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

This pattern is affected by several factors. In the higher socio-economic status locations people are more likely to receive transfers such as Family Tax Benefit without any income support payments, and the balance of payments is more likely to be towards payments such as the Age Pension, which does not trigger automatic income management. They may also be more likely to gain exemptions from income management.

The figure does, however, illustrate that in the most disadvantaged locations between 35 and 45 per cent of the funds being paid as welfare payments through DHS are actually being controlled under income management – that is, placed on people's BasicsCard or made by DHS as payments on their behalf.

The proportion of the population in the Northern Territory subject to income management

Across the Northern Territory it is estimated that almost one in ten of the population aged 15 years and over is subject to income management. However, this average disguises the massive difference between the experience of the Indigenous and the non-Indigenous populations in the Territory. As shown in Table 4-12:

- An estimated 11.0 per cent of the non-Indigenous population aged 15 years and over in the Northern Territory is in receipt of an income support payment from the Australian Government. Of this group, 11.7 per cent is subject to income management. As a consequence, some 1.3 per cent of the total non-Indigenous population aged 15 years and over in the Northern Territory is subject to income management.
- The impact on the Indigenous population is much greater. In the first instance it is estimated that over half (53.2 per cent) of the Indigenous population aged 15 years and over is in receipt of income support, and of this proportion 63.9 per cent is subject to income management – as a result just over a third (34.0 per cent) of the Indigenous population in the Northern Territory aged 15 years and over is estimated to be subject to income management.

Table 4-12 Estimated population rate of income management by Indigenous status in the Northern Territory, December 2013

	Non-Indigenous	Indigenous	Total
		- Persons -	
Population 15 years and over (a)	138,679	48,555	187,234
Income support	15,288	25,834	41,122
Income management	1,785	16,512	18,297
Rates – proportion of:		- % -	
Population on income support	11.0	53.2	22.0
Income support recipients on income management	11.7	63.9	44.5
Population on income management	1.3	34.0	9.8

Notes:

(a) Estimated from ABS (2013a) and ABS (2014a)

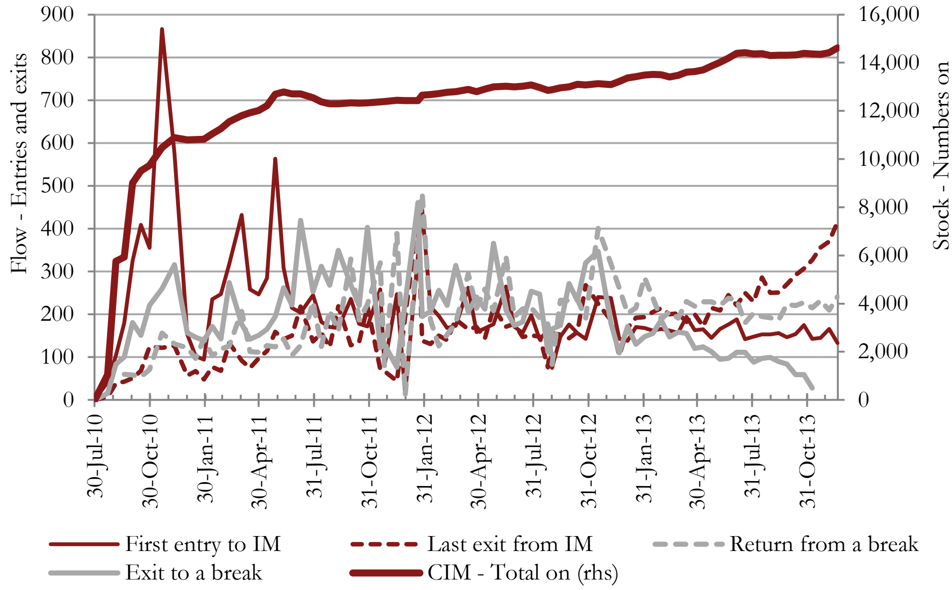
Source: Derived from DHS Administrative data provided for the purposes of the evaluation, ABS (2013a) and ABS (2014a).

4.5 Time spent on income management, flows and duration

4.5.1 Flows onto and off income management

Figure 4-17 and Figure 4-18 show the stock on and flows onto and off Compulsory and Voluntary Income Management respectively. The transition from the NTER Income Management to New Income Management can be seen in the spike in first entries for Compulsory and Voluntary Income Management during the second half of 2010. For Compulsory Income Management, while there are fluctuations in entries and exits, there is no clear pattern[61]. For Voluntary Income Management there is a spike in last exits from income management in mid-2013, which appears to be related to people moving, or returning, to South Australia.

Figure 4-17 Flows onto and off Compulsory Income Management in the Northern Territory, 2010–2013

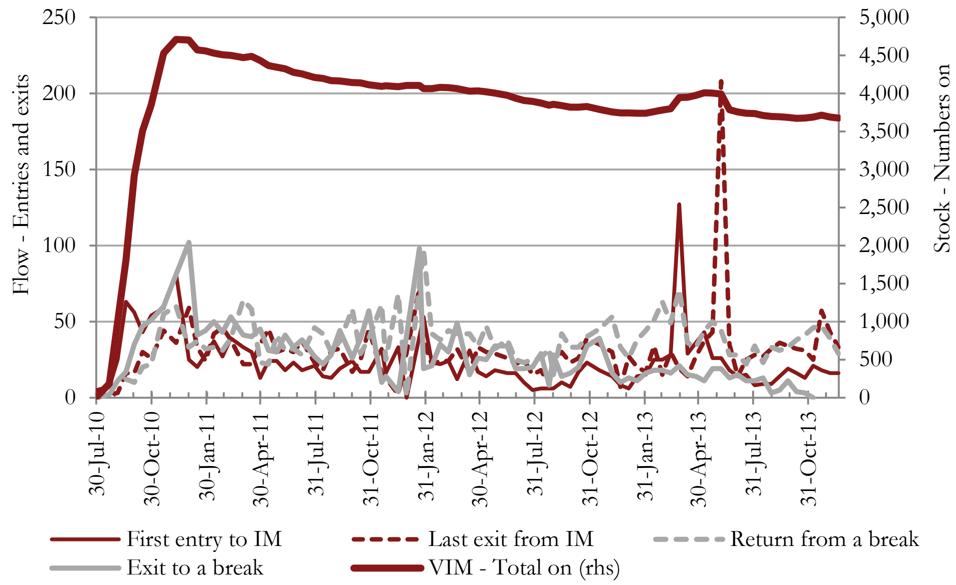


Notes: In this figure the Compulsory Income Management measure includes Child Protection Income Management, all forms of Vulnerable Income Management, SPAR, and Nominee Income Management.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

[61] The apparent increases in 'last exit' seen in the chart in mid to late 2013 is an artefact of the method. It reflects the lesser time available in the dataset at this point to observe returns to income management after a break.

Figure 4-18 Flows onto and off Voluntary Income Management in the Northern Territory, 2010–2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.5.2 Length and proportion of time on income management

This section initially focuses on the proportion of time that people who are on income management actually spend on income management while in receipt of income support payments. In doing so it also presents data on the average time spent to date by those who are on the program, and those who have exited. Section 4.5.4 provides a more detailed review of the duration of time spent on income management and the issues associated with measuring this. In this section the focus is on all people who have been on New Income Management up to the end of December 2013 and their experience of income management and income support, after they first moved onto income management,[62] over the period from August 2010 to December 2013. As such the analysis does not take into account any previous experience they may have had of income management under the NTER, nor does it take account of their future experience. Hence the data should not be interpreted as an 'average experience' of income management, since for many this is both a historical and continuing experience.

For all people who have been on income management, the average number of weeks spent subject to income management between August 2010 and December 2013 – either to date for those who are still on at the end of 2013, or for those who have completed their time on the program – is 83.9 weeks, and the median number of weeks is 69.0. The average proportion of the time they are in receipt of income support for which they are subject to income management is 77.3 per cent, and the median is 98.8 per cent (Table 4-13). On average Indigenous people spend: much longer subject to income management; a longer period of time receiving income support payments; and a higher proportion of time while in receipt of income support payments subject to income management, than non-Indigenous people. On average, Indigenous people spend 97.1 weeks on income management out of 124.5 weeks receiving income support, compared to non-Indigenous people who spend, on average, 34.0 weeks on income management out of 54.7 weeks receiving income support.

[62] The nature of the data is such that a record for each person only commences when they first go onto income management, but after this point a record is kept of their income support and income management experience.

Table 4-13 Number of weeks on income management and proportion of time on income support subject to income management between August 2010 and December 2013, persons in the Northern Territory by Indigenous status

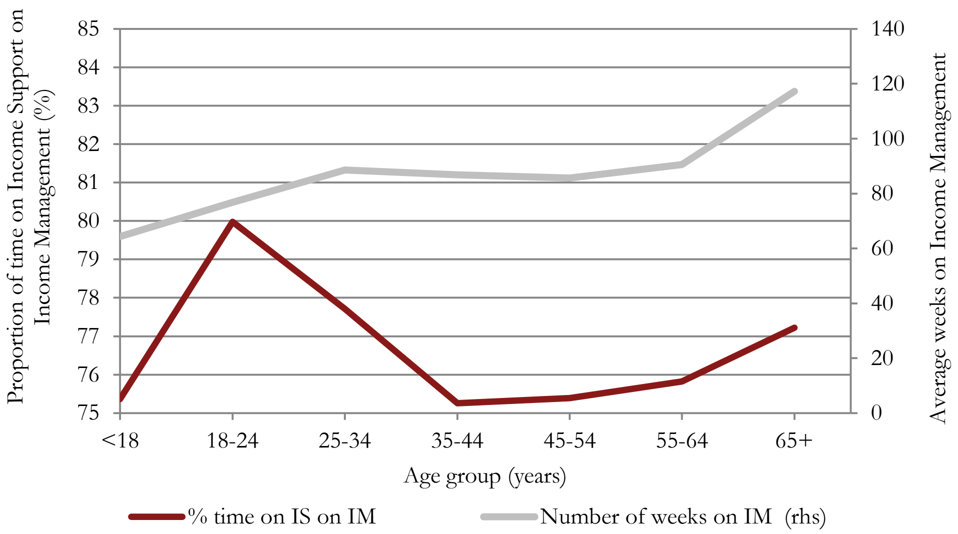
	Number of weeks on income management	Weeks receiving income support	Proportion of time receiving income support subject to income management (%)
		Indigenous	
Mean	97.1	124.5	77.6
Median	96.0	148.0	97.4
		Non-Indigenous	
Mean	34.0	54.7	75.9
Median	16.0	34.0	100.0
		Total	
Mean	83.9	109.9	77.3
Median	69.0	126.0	98.8

Notes: Table population restricted to people who spend some time subject to income management (excludes people who received an exemption prior to commencing income management). The proportion of time receiving income support subject to income management differs from the average number of weeks subject to income management divided by the average number of weeks receiving income support. This is because the average number of weeks is weighted by the number of weeks, whereas the proportion of time spent subject to income management is the average of the proportion calculated for each individual, and is therefore not weighted by duration.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Figure 4-19 shows the average number of weeks on income management and the proportion of time on income support payments spent subject to income management over the period August 2010 to December 2013 by age group for all people who have spent some time on income management in the Northern Territory. The average number of weeks spent on income management increases with age from 64.3 weeks for those less than 18 years of age – who have had relatively little time to be income managed – to 117.2 weeks for those aged 65 years and older. The proportion of time spent on income support subject to income management is between 75 per cent and 80 per cent for all age groups, with no consistent pattern.

Figure 4-19 Length of time subject to income management and proportion time on income support in the Northern Territory between August 2010 and December 2013, by age

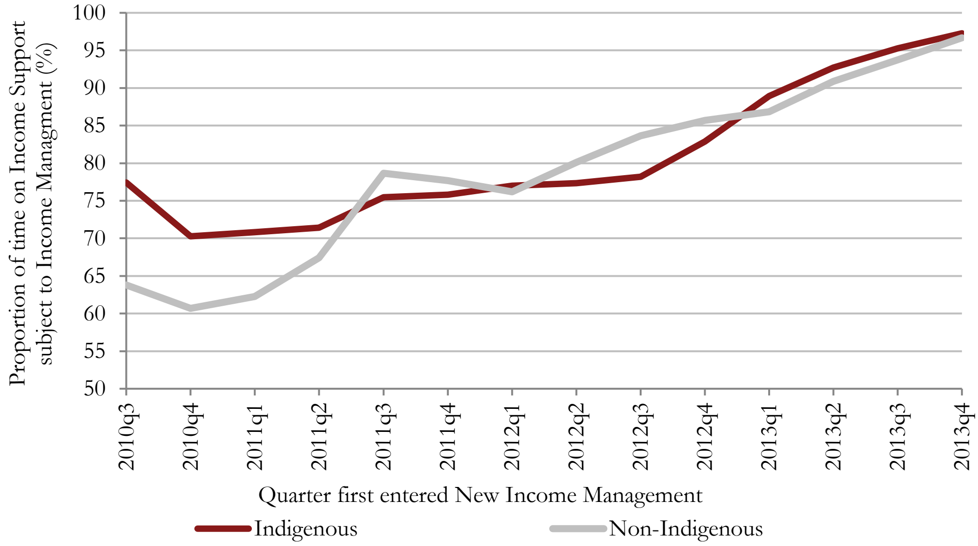


Notes: Figure population is restricted to people who spend some time subject to income management (excludes people who received an exemption prior to commencing income management).

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Figure 4-20 shows the proportion of time spent on income support subject to income management according to when a person was first on New Income Management in the Northern Territory. Those who transitioned from NTER Income Management to New Income Management mostly entered New Income Management in the third or fourth quarter of 2010.

Figure 4-20 Proportion of time on income support subject to income management between August 2010 and December 2013, by when first on New Income Management in the Northern Territory and Indigenous status



Notes: Figure population is restricted to people who spend some time subject to income management (excludes people who received an exemption prior to commencing income management).

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The proportion of time spent on income management is relatively high – nearly 70 per cent of the time on income support – irrespective of when the person first entered New Income Management for both Indigenous and non-Indigenous, although the proportion of time subject to income management is lower for non-Indigenous, who entered before the third quarter of 2011, compared to Indigenous, who moved onto New Income Management during this period. The entry cohorts that included a high proportion of people who had been on NTER Income Management spend a higher proportion of time subject to income management than those who entered a little later. Apart from this initial cohort, the proportion of time on income support spent subject to income management increases the more recent the first entry onto income management occurs. However, this result needs to be treated with caution as it may be biased by the non-recording of previous periods of income management and the non-recording of periods of income support prior to being income managed.

4.5.3 Dynamics of income management and duration

This section provides a summary of the movements on and off income management as well as movements between income management streams. It also analyses the length of time (duration) that people are subject to income management and how this differs according to type of income management, Indigenous status, and gender.

Transitions over time: From NTER to December 2013

As discussed in Chapter 2, the experience of people on New Income Management in the Northern Territory cannot be detached from their previous experience of income management under the NTER. Given this, it is useful to commence consideration of the transitions of people on income management by looking at the experience of those who had been on income management prior to the introduction of New Income Management. Table 4-14 provides information on the income management and income support receipt status in December 2013 of people who were subject to NTER Income Management in July 2010, just prior to the transition from NTER Income Management to New Income Management. Overall, 62.4 per cent of those on NTER Income Management were still on income management three and a half years later, 21.2 per cent were receiving an income support payment but were not on income management, and 16.3 per cent were not receiving an income support payment, although 2.6 per cent of this group were receiving some other form of transfer – such as Family Tax Benefit or Assistance for Isolated Children. Of those receiving an income support payment, 74.6 per cent were still on income management three and a half years later.

Table 4-14 Income management status in December 2013 of people subject to NTER Income Management in July 2010

Status in December 2013	Population subject to NTER IM in July 2010	
	Persons	Proportion (%)
NT Income management		
Compulsory	6,974	41.6
Voluntary	3,131	18.7
Other (a)	260	1.6
Total	*10,365*	*61.9*
Interstate IM	93	0.6
Total still on IM	10,458	62.4
Income support		
Exempt	166	1.0
Income support not income managed	3,387	20.2
Total	*3,553*	*21.2*
Other	440	2.6
No record	2,297	13.7
Total	16,748	100.0

Notes:
(a) Child protection, Nominee, SPAR, and Vulnerable Income Management.
Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

At the end of 2013 people who had been on income management under the NTER accounted for 56.6 per cent of the population on income management in the Northern Territory:

- 49.5 per cent of those on Compulsory Income Management; and
- 85.2 per cent of those on Voluntary Income Management.

For Indigenous people the proportion rises to 62.5 per cent of those on income management in December 2013, with these proportions rising to 55.9 per cent of those on Compulsory Income Management and 86.0 per cent of those on voluntary.

Transitions over time: December 2012 to December 2013

Table 4-15 shows the transitions for those on income management in December 2012 to December 2013. As an example of how to interpret the table: the top row of numbers shows that of those Indigenous people in December 2012 who were on Compulsory Income Management, 79.1 per cent were still on Compulsory Income Management 12 months later, while a very small proportion moved to Voluntary Income Management (0.5 per cent) or had been placed on Child Protection Income Management or Vulnerable Income Management (1.2 per cent). Of the 20.9 per cent who were no longer on income management 12 months later, almost half were still in receipt of an income support payment (8.6 per cent) and just over half were no longer in receipt of an income support payment (10.6 per cent).

A number of points can be taken from the analysis of transitions in Table 4-15.

- The rates of movement off income management from Compulsory and Voluntary Income Management are much higher for non-Indigenous compared to Indigenous people. Almost half of non-Indigenous people on Compulsory Income Management in December 2012 (49.7 per cent) were no longer on compulsory income management 12 months later, compared to 19.7 per cent of Indigenous people on Compulsory Income Management. The higher rate of movement off Compulsory Income Management is in part due to a higher rate of movement off income support amongst non-Indigenous people on Compulsory Income Management, and in part due to a higher rate of still being in receipt of an income support payment but no longer being on Compulsory Income Management.

- For both Indigenous and non-Indigenous persons the rates of movement off Voluntary Income Management are lower than for Compulsory Income Management. The difference is largely, although not entirely, due to a lower rate of movement off income support receipt. This makes sense given that Voluntary Income Management applies to people on payments that are generally longer term (for example, Disability Support Pension or Age Pension, for which the main reason for ceasing to receive the payment will be death or movement to another type of payment; for instance, from Disability Support Pension to Age Pension).

Table 4-15 Transitions in income management status in the Northern Territory by Indigenous status, December 2012 to December 2013

December 2012	December 2013					
	Compulsory	Voluntary	Child Protection/ Vulnerable	Income support not income management	Not receiving income support	Total
	%					(Persons)
	Indigenous					
Compulsory	79.1	0.5	1.2	8.6	10.6	11,372
Voluntary	4.1	82.5	1.0	7.4	5.0	3,692
Child Protection/ Vulnerable	25.3	2.6	51.5	13.7	6.9	233
	Non-Indigenous					
Compulsory	49.2	0.3	1.1	21.6	27.8	1,619
Voluntary	0.0	69.4	0.0	16.3	14.3	49

Notes: There were only 5 non-Indigenous people on Child Protection or Vulnerable Income Management in December 2013, and thus the transitions are not reported for this group.

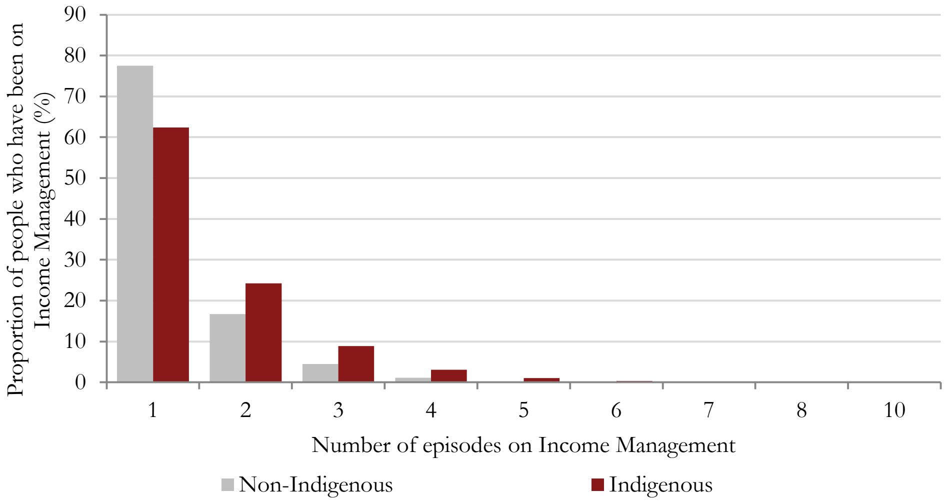
Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Spells on income management

Most people who are subject to income management have only one spell on the program. However, over one-third have had more than one spell, with this proportion likely to increase over time.[63] For the purpose of this analysis a person is considered to have exited income management if they have not been income managed for a six-week period. If they return to income management after a break for a period greater than this, they are considered to have commenced a new spell. The distribution of the population on income management by the number of spells they have had on the measure is shown in Figure 4-21.

[63] Because we can only observe the experience to date we cannot identify whether or not a person will have multiple spells; however, to the extent people who have had one spell in the past have had a number of spells, it can be equally expected that this is the case for people currently on their first spell.

Figure 4-21 Number of spells of income management between August 2010 and December 2013 persons in the Northern Territory by Indigenous identification



Notes: A spell is defined as a continuous period on income management with no breaks of greater than six weeks.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

As indicated in the figure, 77.5 per cent of non-Indigenous people who have been on income management in the Northern Territory have only one spell on the program. A further 16.7 have two spells, and 4.5 per cent have three spells. The remainder of the group have between four and six spells. The incidence of multiple spells is higher for Indigenous participants, of whom only 62.4 per cent have a single spell. 24.2 per cent of this group have had two spells and 8.9 per cent three spells. The remaining 4.5 per cent have had between four and ten spells on the program.

Transitions between programs

Table 4-16 shows the transitions between the different income management measures over the period December 2012 to December 2013. The table is restricted to people who were subject to income management at both points in time and splits these changes into cases where there is a change in income management measures without a break in being subject to income management (top panel) and where there was a break in being income managed when the person moved between income management measures (bottom panel).

The 23,053 movements identified in the table relate to the population of 34,950 people who have been on New Income Management at some point, with some people having multiple transitions between streams and others none.

Focusing on people who move between income management measures without a break in being subject to income management, after those leaving NTER Income Management, the measure with the largest number moving directly to another income management measure is Voluntary Income Management (1,980), followed by those leaving the Disengaged Youth measure (1,881) and the Long Term Welfare Payment Recipient measure (519).

For people moving directly from Voluntary Income Management to another form of income management, the majority moved to the Long Term Welfare Payment Recipient measure (1,041) and the Disengaged Youth measure (709). A small number (191) moved to assessed Vulnerable Income Management. Of those moving from the Disengaged Youth measure, the majority (1,584) move directly to the Long-Term Welfare Payment Recipient measure, reflecting the fact that they had moved beyond the age range for the Disengaged Youth measure. Smaller numbers moved to the Unreasonable to Live at Home measure (114), Child Protection Income Management (70) and Voluntary Income Management (53). Of those leaving the Long Term Welfare Payment Recipient measure to another income management measure, almost half (237) moved to Child Protection Income Management and almost half moved to Voluntary Income Management (235).

Table 4-16 Transitions between income management measures, persons in the Northern Territory between late 2010 to December 2013

Old Initiative(a)	New Initiative CIM	Diseng Youth	LTWPR	Chld Protect	Vul Asses	Vul Crisis	Vul UTLAH	SPAR	Nomin-ee	VIM	Total
Switches between programs without having a break in being subject to income management											
NTER IM	444	2,866	5,669	1	99	0	0	0	0	4,920	13,999
Disengaged Youth	0	0	1,584	70	3	34	114	1	22	53	1,881
LTWPR	0	15	0	237	1	0	0	26	5	235	519
Chld Protect	0	61	190	0	4	0	0	0	0	15	270
Vul Assessed	0	7	1	4	0	0	0	5	0	52	69
Vul UTLAH	0	0	0	0	0	2	0	0	0	0	2
SPAR	0	0	7	0	2	0	0	0	0	3	12
Nominee IM	0	43	7	0	0	0	0	0	0	5	55
VIM	0	709	1,041	24	191	4	0	8	3	0	1,980
Total	444	3,701	8,499	336	300	40	114	40	30	5,283	18,787
Switches between programs involving a break in being subject to income management											
NTER IM	7	483	703	17	27	5	0	3	6	630	1,881
CIM	0	135	173	1	1	0	0	0	2	53	365
Disengaged Youth	0	0	401	8	0	65	63	0	25	340	902
LTWPR	0	1	0	34	4	0	0	4	9	388	440
Chld Protect	0	7	24	0	1	1	0	0	0	6	39
Vul Assessed	0	5	1	0	0	0	0	1	1	36	44
SPAR	0	0	2	0	0	0	0	0	0	1	3
Nominee IM	0	16	6	0	0	1	0	0	0	3	26
VIM	0	224	296	7	17	3	1	11	7	0	566
Total	7	871	1,606	67	50	75	64	19	50	1,457	4,266

Notes: A person is considered as having a break in income management if they are not subject to income management for a 42-day period (6 weeks).

(a) CIM = Compulsory Income Management. It is presented in this way here because the two streams of Disengaged Youth and Long Term Welfare Payment Recipient were not separately identified in the data for several months in late 2010. Of the 444 people who moved from NTER Income Management to CIM without a break, 365 then go from CIM to another income management measure (i.e., they moved from NTER Income Management to New Income Management) but then moved onto this program before the detailed income management measures were coded in the DHS data and were recoded into another income management measure. Of the remaining 79, it is likely that they exited income management before the New Income Management streams were identified in the dataset.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Turning to people who moved between income management measures but had a break in being subject to income management, the measure with the largest number making this kind of transition is Disengaged Youth (440), followed by the Voluntary Income Management (566) and the Long Term Welfare Payment Recipient measure (440). Of those moving from the Disengaged Youth measure to other forms of income management (with a break), 401 moved to the Long Term Welfare Payment Recipient measure and 340 moved to Voluntary Income management. Of those moving from the Long Term Welfare Payment Recipient measure, most moved onto Voluntary Income Management (388). Regarding those moving from Voluntary Income Management, a large majority were moving either to the Disengaged Youth measure (224) or the Long Term Welfare Payment Recipient measure (296).

Overall, of people subject to Child Protection Income Management, 336 moved directly from another income management measure, and 67 had previously been on another income management measure but had a break in income management before moving to Child Protection Income Management. The majority of those coming onto Child Protection Income Management had previously been on another form of income management; of these, the largest group came from the Long-Term Welfare Payment Recipient measure, followed by the Disengaged Youth measure. Similarly the majority of those moving from another form of income management onto the various Automatic Vulnerable Income Management measures came from the Disengaged Youth measure. Many of those moving onto the Assessed Vulnerable measure came from Voluntary Income Management.

4.5.4 Duration of time spent on income management

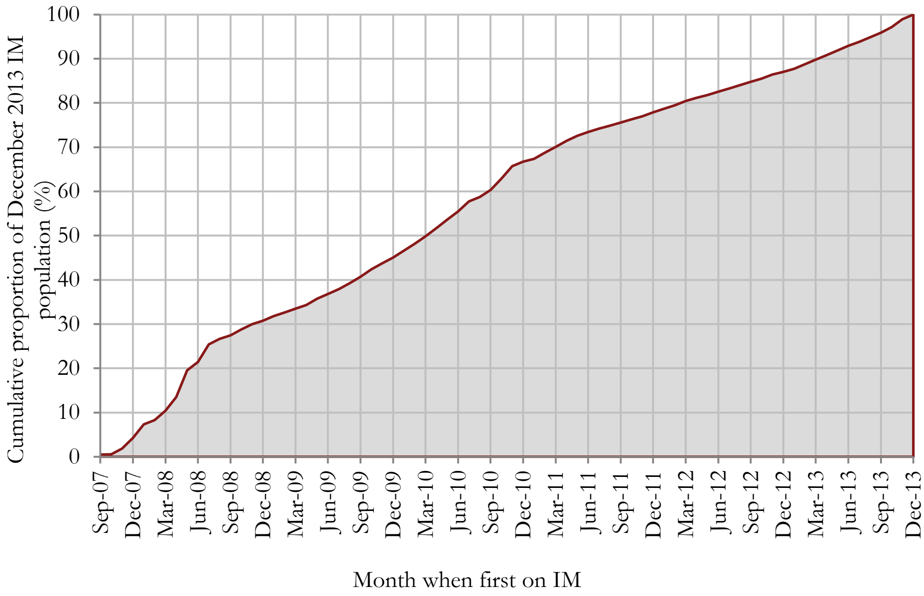
Some data has been presented in Section 4.5.2 on the average duration of income management for people currently on the program and those who have exited. This section considers these matters in greater depth.

Estimating the duration on income management is not a straightforward exercise for several reasons. First, it is not possible to project the future duration on income management of those in the most recent data (termed "right censoring" in the technical literature). Second, decisions have to be made as to how to define the end of a spell of income management. For example, a person may cease being subject to income management due to suspension of their income support payments for a short period, and then return to payments and continue to be subject to income management: in such circumstances, should they be classified as having exited from income management? How long a period off income management should constitute the end of income management? In the following analysis a range of approaches have been taken and are explained in the discussion.

Current income management population by date of first commencement

Figure 4-22 illustrates when people on income management as of 20 December 2013 were first subject to income management. The figure shows the cumulative proportion of those subject to income management in December 2013 by their estimated first commencement date.[64] The data on commencements is monthly and starts in September 2007, which was when NTER Income Management was introduced. While individuals are plotted on the basis of their first commencement, this does not necessarily mean that they have all been on income management continually since then, although a significant proportion have been. Even when breaks have occurred, these are often for relatively short periods.

Figure 4-22 Month first subject to income management, persons on income management in the Northern Territory as at 20 December 2013



Note: The month when first on income management is the first date a person is known to have been subject to income management derived from the data provided for the evaluation. This may understate the number who had been on NTER IM at an earlier time but were not current as at 30 July 2010, or a person who was on income management at that date but had a break in being subject to income management.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

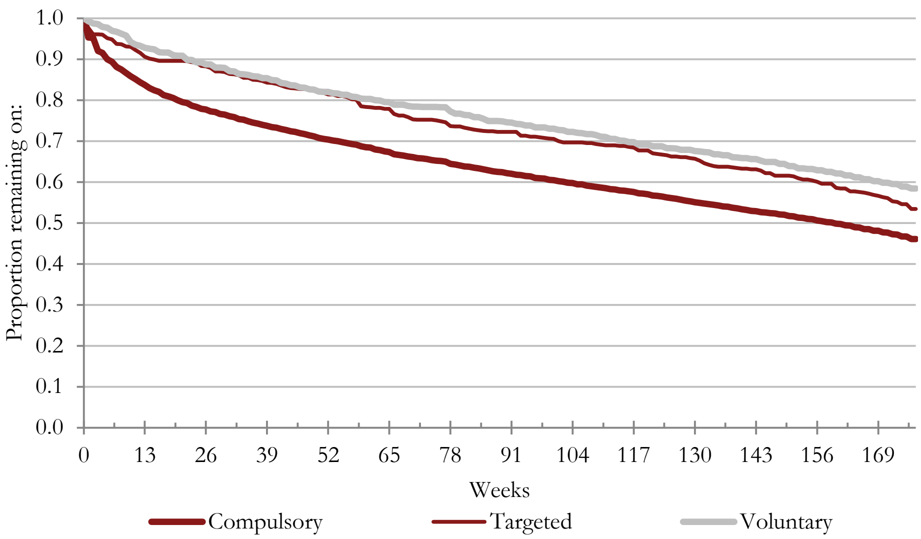
[64] The evaluation only has 'current' records from mid-2010. These records do, however, contain information on the duration a person has been on income management prior to the record date. For this data the 'time first on' has been estimated from these data. A limitation of this methodology is that if a person exits income management, the duration counter may be reset and the data will not correctly identify the 'first date' a person was subject to income management prior to June 2010.

Of those on income management in December 2013, 21.4 per cent had already been on income management by June 2008. Almost 60 per cent of those on income management in December 2013 were first on NTER Income Management and transitioned to New Income Management in late 2010. In contrast, just 13.0 per cent of those on income management as of December 2013 were first subject to income management within the previous 12 months. It is clear that the vast majority of those on income management have had a very long history of being on income management, with 58.7 per cent having first been on for three years or longer and 21.4 per cent for five and a half years or longer.

Survival analysis of duration on income management

An alternative way of understanding how long people are subject to income management is survival analysis. A survival analysis provides an estimate of the probability of remaining subject to income management over time.[65] Figure 4-23 shows the survival functions by type of income management. In this figure people have been classified into three broad categories 'Compulsory' income management, covering the Long Term Welfare and Disengaged Youth measures; 'Targeted' income management (a classification that includes Child Protection Income Management, Vulnerable Income Management, Nominee Income Management, SPAR, and any people living in the Northern Territory who have been placed in the Cape York program) and 'Voluntary', those on Voluntary Income Management.

Figure 4-23 Duration analysis: Kaplan-Meier survival function by type of income management, New Income Management



Note: Excludes persons with an exemption who did not spend time on income management.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The survival analysis shows that the group that has the lowest probability of remaining on income management after 52 weeks is those on Compulsory income management (70.4 per cent remaining on), followed by Targeted (81.4 per cent) and Voluntary (82.0 per cent). After 104 weeks the proportion of those still on Compulsory income management is 59.8 per cent, still on the targeted measures 69.7 per cent and the proportion still on Voluntary is 72.2 per cent. After 156 weeks the proportion estimated to be remaining on Compulsory income management falls to 50.6 per cent, the proportion still on Targeted falls to 60.1 per cent, and the proportion on Voluntary falls to 62.9 per cent. Given that there are a range of reasons people cease receiving income support payments – for example, finding paid employment, changes in their family circumstances, incarceration, and death – these are long durations on income management.

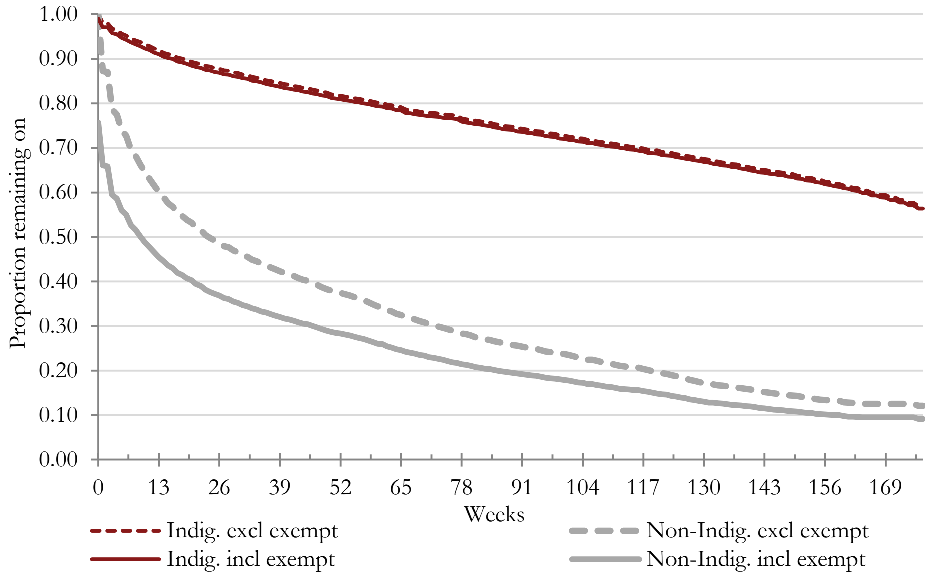
Figure 4-24 shows the estimated survival function on income management by Indigenous status. The figure firstly shows the survival function estimated only for those who did not obtain an exemption prior to starting being income managed (the population shown in the other figures) and secondly to include those

[65] Survival functions were initially developed for use in medical research and are concerned with estimating the proportion of people who survive after various intervals after a diagnosis, treatment or other occurrence. In its use here the concept of 'survival' is that of remaining on income management. It is a non-parametric statistical technique that uses data from an incomplete and censored population to generate a survival estimate. As the technique does not forecast survival beyond the maximum period for which it has available data, the survival functions as plotted here all end showing a proportion of the population still 'surviving'.

who obtain an exemption prior to starting being income managed. The impact of the higher rate of exemption among non-Indigenous (discussed in Chapter 5) can be seen in Figure 4-24 in the 24.3 per cent having a duration of zero weeks, whereas just 1.0 per cent of non-Indigenous have such duration.

The duration of the spells that non-Indigenous people spend on income management is much shorter than that of Indigenous people. For example, after 13 weeks, 60.1 per cent of non-Indigenous people remain subject to income management (excluding those who gain an exemption prior to being income managed), compared to 92.0 per cent of Indigenous people who commence being income managed. After 104 weeks, 72.1 per cent of Indigenous people remain income managed, compared to 22.8 per cent of non-Indigenous people. When account is taken of exemptions, only 49.5 per cent of non-Indigenous people are on income management 13 weeks after their initial proposed commencement date, compared with 91.1 per cent of Indigenous people

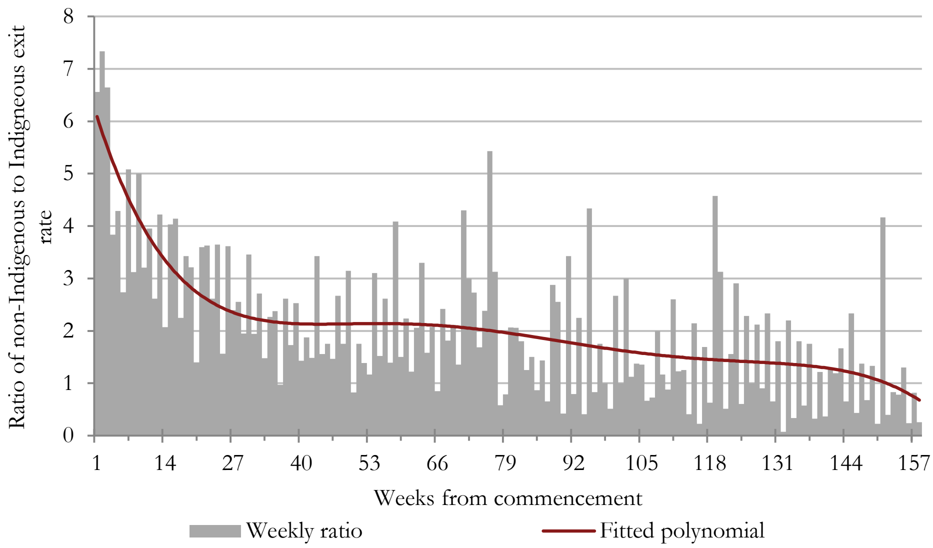
Figure 4-24 Duration analysis: Kaplan-Meier survival function by Indigenous status (including those who receive an exemption prior to being income managed), New Income Management



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

This pattern can also be considered in terms of an exit rate – the proportion of people who exit after each week on the program. The one-week exit rate is higher for the non-Indigenous population compared to the Indigenous population for most of the durations able to be studied, but the difference falls with increasing duration. The ratio of the one-week exit rate for the non-Indigenous to Indigenous populations is shown in Figure 4-25. The ratio 6.56 at one week means that non-Indigenous people are 6.56 times as likely to have exited from income management over the first week compared to Indigenous people on the measure.

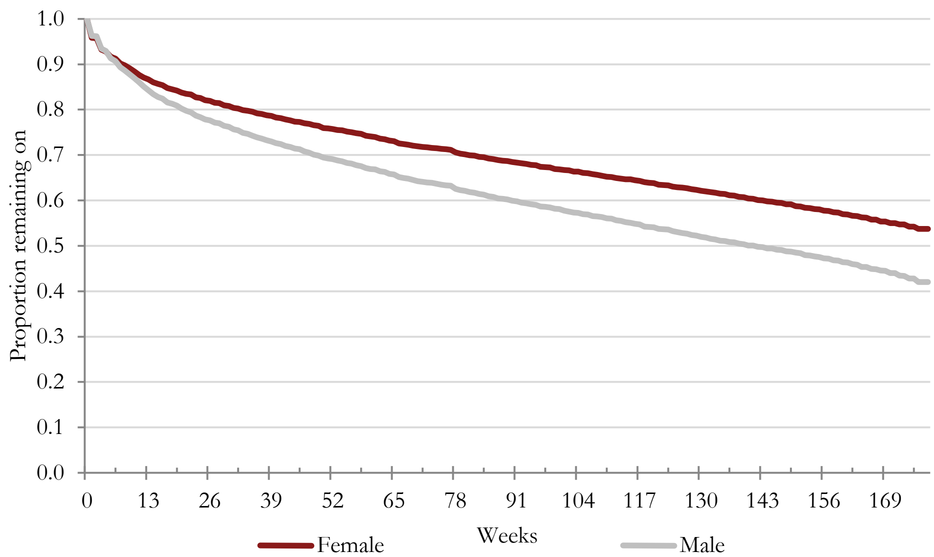
Figure 4-25 Ratio of non-Indigenous to Indigenous exit rate from income management by length of time on income management, New Income Management



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The survival function by gender is shown in Figure 4-26. This clearly shows that women are less likely to exit income management than men. At the end of a year the estimated proportion of women who will still be on income management is 75.7 per cent, compared with 69.1 per cent of men. At the end of two years the proportions are 66.3 per cent and 57.2 per cent, and at the end of three years 57.7 per cent and 47.2 per cent. This pattern is entirely driven by the experience of Indigenous people on income management, as the experience of non-Indigenous men and women is almost identical. At the end of one year, for example, just 38.7 per cent of those non-Indigenous people who actually commence being income managed remain on the measure, as do 37.7 per cent of non-Indigenous men.

Figure 4-26 Duration analysis: Kaplan-Meier survival function by gender, New Income Management



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

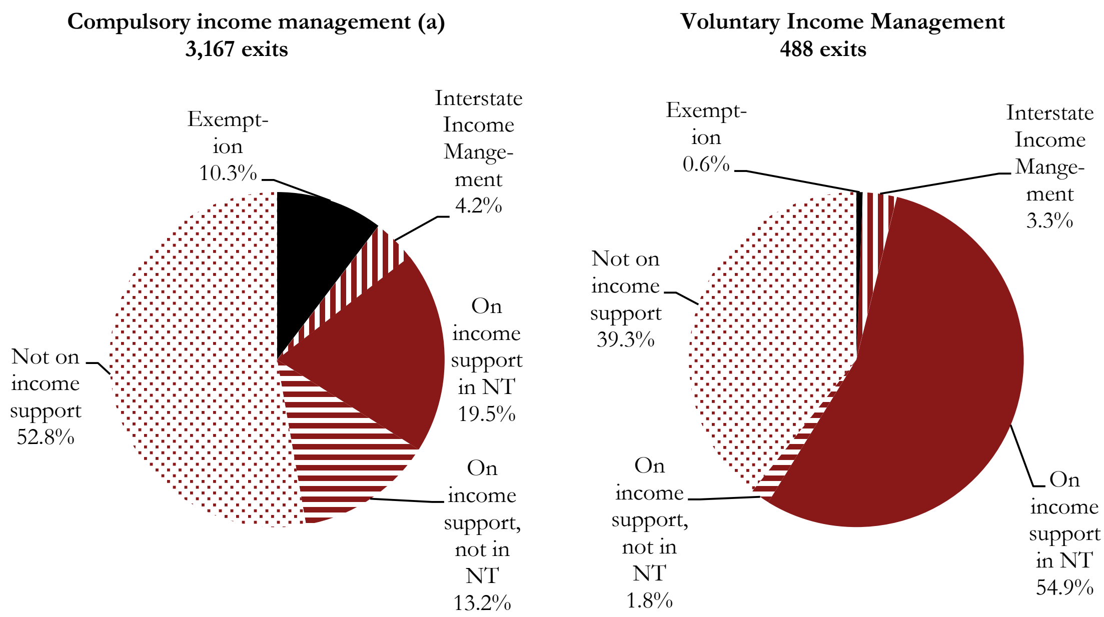
4.5.5 Exits from income management

People who leave income management do so in different ways. Figure 4-27 illustrates the income support status of people who were subject to income management in the Northern Territory at the end of December 2012, but not in December 2013. It shows five forms of exits from income management: through obtaining an exemption from income management; moving interstate but remaining on income management; remaining on income support in the Northern Territory without being income managed (for example, by moving to a non-income managed payment, or ceasing to have a duration on payment, which makes the person subject to income management); moving interstate but remaining on income support; or no longer receiving income support. It excludes those who have moved from one stream of income management to another.

Of the 3,167 people who had been on compulsory income management in the Northern Territory in December 2012 and were no longer on income management in the Northern Territory in December 2013, the main form of exit from New Income Management in the Northern Territory was because they exited income support (52.8 per cent), followed by 19.5 per cent who remained on income support in the Northern Territory but were no longer subject to income management, 10.3 per cent who gained an exemption, and 13.2 per cent who moved interstate but remained on income support.[66]

There were 488 people who had been on Voluntary Income Management in December 2012 and exited over the period January to December 2013.[67] Of these, 54.9 per cent remained on income support in the Northern Territory; 39.3 per cent were no longer on income support; 3.3 per cent were interstate and on income management; 1.8 per cent were on income support in another state or territory; and 0.6 per cent were exempt.

Figure 4-27 Income support status of people exiting income management in the Northern Territory between January and December 2013



Notes:

(a) Compulsory income management includes Child Protection Income Management, Vulnerable Income Management, SPAR, and Nominee Income Management in addition to CIM.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Table 4-17 provides information by broad stream of income management and Indigenous status about the income support status of people who ceased being subject to income management between December 2012 and December 2013. That is, in contrast to the above figure, it excludes those who exit income management in the Northern Territory but are subject to income management outside of the Northern Territory. In broad terms the income support status of Indigenous and non-Indigenous people exiting the various forms of compulsory income management are similar. The main difference is that, while a similar proportion of Indigenous and non-Indigenous people remain on income support after these compulsory income management measures, non-Indigenous people are about twice as likely to have left the Northern Territory and half as likely to remain in the Northern Territory as are Indigenous people. The number of

[66] In the table and figure a person is classified as being on Compulsory or Voluntary Income Management on the basis of the type of income management they were on in the first period. This may not be the same as that at the time immediately prior to exit.

[67] There were an additional 174 people who exited from Voluntary Income Management and went onto Compulsory Income Management over this period, and 63 people who exited Compulsory Income Management and chose to go onto Voluntary Income Management.

non-Indigenous people leaving Voluntary Income Management is very small (only 15 over the period January to December 2013) and this needs to be taken into account when comparing Indigenous and non-Indigenous people exiting from Voluntary Income Management. The main difference is that non-Indigenous people are a little less likely to be receiving an income support payment, and Indigenous people relatively more likely to be still receiving an income support payment and to be living in the Northern Territory.

Table 4-17 Income support status of people exiting income management between January and December 2013 by Indigenous status and broad stream of income management

	Indigenous		Non-Indigenous		Total
	VIM	CIM	VIM	CIM	
			%		
Exemption	0.7	10.6	0.0	11.2	9.4
On income support in the NT	57.1	23.9	46.7	10.5	25.3
On income support not in the NT	1.8	10.7	6.7	22.3	12.2
Not on income support	40.5	54.7	46.7	55.9	53.1
Total	100.0	100.0	100.0	100.0	100.0
Total (Persons)	457	2,234	15	801	3,507

Notes: Table excludes those who move to another state but remain on income management.

CIM includes Child Protection Income Management, Vulnerable Income Management, SPAR, and Nominee Income Management.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

4.5.6 Exits due to death and imprisonment

As indicated above, in most cases when people move off income support there is little information to identify what has happened to them. There are two exceptions to this: exits because of death, or because of imprisonment. Exits for these reasons can also be seen, in some circumstances, as important indicators of the outcomes for people who are subject to income management.

While it is likely that the data are not comprehensive, and may understate exits due to these reasons, it nevertheless provides some insight.

Exits from income management due to death

In total, 619 Indigenous people and 16 non-Indigenous people subject to income management are recorded on the Centrelink administrative data as having died over the period between late 2010 and 2013. In almost all of these cases the person's death was either while they were being income managed or a short time after they appeared to move off income management. Deaths accounted for 6.0 per cent of Indigenous people exiting from income management and 0.3 per cent of non-Indigenous people. This reflects a range of factors, the two most significant being the extent to which some older Indigenous income support recipients chose to go onto Voluntary Income Management and the much shorter life-expectancy of the Indigenous population compared to the non-Indigenous population.

Given the small number of deaths recorded amongst the non-Indigenous population on income management, we do not present any detailed analysis of these deaths, other than that contained in the table.

Focusing on the Indigenous population, there are substantial differences in the numbers of deaths and proportion of exits accounted for by death between streams of income management. The stream with the largest number of deaths is Voluntary Income Management. The data indicate that 461 Indigenous people on this measure have died since it was first implemented. This accounts for 19.5 per cent of exits from Voluntary Income Management by Indigenous people; that is, one in five of the Indigenous people who exit this program do so because they died.

The higher proportion of exits being a result of death for Indigenous people on Voluntary Income Management is to be expected given the older average of those on Voluntary Income Management (see Figure 4-9) and the higher proportion on Disability Support Pension with the possibility that this disability may relate to a health condition with an increased risk of mortality.

Table 4-18 Exits from income management on the Northern Territory due to death by stream of income management and Indigenous status, late 2010 to December 2013

	Died		% exits due to death	
	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous
	Number		- % -	
Compulsory	12	128	0.2	1.7
Child protection	0	0	0.0	0.0
Vulnerable assessed	0	30	0.0	28.0
Vulnerable automatic	0	0	0.0	0.0
Voluntary	4	461	4.9	19.5
Total	16	619	0.3	6.0

Notes: Compulsory includes Compulsory Income Management, SPAR Nominee Income Management.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

The proportion of exits due to death was highest for the assessed Vulnerable stream. In this program death explains some 28.0 per cent of the exits, with 30 deaths being recorded amongst the Indigenous participants on this measure. As discussed in Chapter 12, it is likely that this result is related to the characteristics of this population and the way in which it is targeted at some highly vulnerable individuals.

The remaining deaths of Indigenous participants were recorded by those on the compulsory measure. Here 128 deaths were recorded, with these accounting for 1.7 per cent of exits.

Data on the age at which people died (as approximated by age at last receipt of an income support payment) shows that 12.6 per cent of the deaths were of people aged under 25 years; 16.5 per cent of deaths were for the age group 35 to 44 years; 40.9 per cent comprised the age group 45 to 64 years; and 30.0 per cent of deaths occurred in the age group 65 years and over. Analysis indicates that these results are not inconsistent with the profile expected for Indigenous death, given the much lower life expectancy of Indigenous people (ABS, 2013b).

Exits from income management due to incarceration

Incarceration of a person receiving an income support payment results in cancellation of the payment, and therefore incarceration is one of the reasons for exiting from income management. In addition it represents a poor wellbeing outcome. In many cases the interactions between incarceration and income management are complex, and for this reason the analysis here is concerned with a number of these complexities and some of the key characteristics of the group that is affected.

There are 1,555 people in the Northern Territory who were receiving an income support payment between mid-2010 and the end of 2013 who were incarcerated one or more times during this period. Of income support recipients who were incarcerated, 77.1 per cent (1,199) had been subject to income management either before or after, or both before and after, being incarcerated.[68] The majority of income support recipients who have been subject to income management and who were incarcerated were male (88.7 per cent) and Indigenous (93.6 per cent).

Of income support recipients subject to income management who were incarcerated, 90.5 per cent were subject to income management prior to incarceration and over half (53.7 per cent) were subject to income management before and after incarceration. Some of those who are not recorded as having been subject to income management after incarceration may have still been incarcerated at the end of 2013, the most recent point in time included in the data used in the evaluation.

The age profile of those incarcerated is relatively young, with 3.6 per cent under 20 years of age, 19.3 per cent 20 to 24 years, 42.9 per cent 25 to 34 years, 26.4 per cent 35 to 44 years and 7.8 per cent 45 to 64 years of age.

[68] Experience of income management refers to any income management irrespective of whether the person was subject to income management at the time of incarceration. However, in 71.5 per cent of cases those subject to income management before incarceration were subject to income management immediately prior to their incarceration.

Table 4-19 Income management status of income support recipients in the Northern Territory who experience incarceration, 2010 to 2013

	Number	Composition	
		All	All with IM experience
		- % -	
IM before prison only	441	28.4	36.8
IM after prison only	114	7.3	9.5
IM before and after prison	644	41.4	53.7
Total with IM experience	1,199	77.1	100.0
No IM	356	22.9	
Total	1,555	100.0	

Notes: An individual may have been incarcerated one or multiple times. For people with multiple incarcerations, IM before prison is defined as being on income management before either first or subsequent spells of incarceration, and IM after prison is defined as being on income management after either first or subsequent spells of incarceration.

Some people who were on IM before incarceration but do not have any income management recorded after incarceration may still have been in prison at the end of 2013 – the Centrelink data does not record whether a person is incarcerated at any particular point in time; rather, incarceration is recorded as a reason for termination of income support payments.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

4.6 Money Management and Financial Counselling Services

In addition to the aspects of income management that are designed to restrict how people spend their money, there are elements that are designed to improve the ability of people to manage their money. This aspect of income management involves two strategies supported by specific program initiatives: (i) improving budgeting skills via financial education (money management courses and financial counselling); and (ii) encouraging people to develop a savings pattern by providing a Matched Savings Payment. This section provides an overview of use of Money Management and Financial Counselling Services and the extent to which people have received a Matched Savings Scheme Payment.

The analysis in this section is mainly based upon data provided by contracted money management and financial counselling services providers along with some data from people subject to income management collected in the LSNIM. Qualitative findings from focus groups with Money Management and Financial Counselling service providers are reported in Chapter 10.

As outlined in Chapter 2, the Matched Savings Payment is designed to encourage people on income management to develop a savings pattern and increase their capacity to manage their money. Under this scheme, Centrelink matches savings dollar for dollar up to a maximum of $500. A Matched Savings Payment can be made for savings of less than $500, but a person can receive a Matched Savings Payment only once. The Matched Savings Payment is available to people subject to Compulsory Income Management, Child Protection Income Management, and Vulnerable Income Management. To be eligible for the Matched Savings Payment, the person has to have completed an approved money management course and have achieved a 'pattern of saving' over a minimum of 13 weeks. People are required to save this money from their non-income managed funds. However, the matched payment becomes part of their income managed funds.

Number of people accessing management and financial counselling services

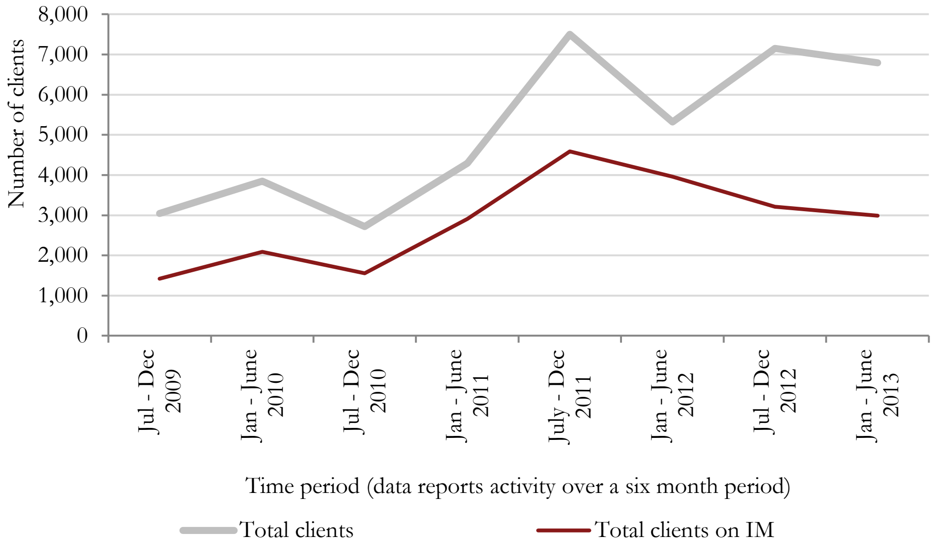
While money management services have been delivered in the Northern Territory for some time, the number of sites from which they were offered had been low. In 2008 the program was considerably expanded and by February 2011 was being provided in about 215 different locations. Commonwealth Financial Counselling services are also provided by seven organisations servicing communities across the Northern Territory.

Money management services include approved money management courses, workshops, and individual coaching and support around financial management and literacy; assistance with planning and setting goals to save for more expensive items such as whitegoods; and assisting people to make better use of financial services such as ATMs, internet and telephone banking. Data on the number of people accessing money management and financial counselling services comes from the contracted money management and financial counselling service providers' reports to DSS.[69]

Figure 4-28 shows the number of people accessing Money Management Services in the Northern Territory over the period 2009 to 2013. The numbers in this figure include both people on income management and those people not on income management. Figure 4-29 provides a breakdown of clients on income management according to whether they are on Compulsory Income Management or Voluntary Income Management, for the period commencing July 2010. They also include services only provided on a one-on-one basis. Services are also provided in the form of workshops, and the number of workshops is shown in Figure 4-30.

The total number of people accessing these Money Management Services increased from 3,845 over the six month period just prior to the transition from NTER Income Management to New Income Management (January to June 2010) to a peak of 7,499 over the period July to December 2011. The number then fell to 5,321 in the period January to June 2012, and since then has been around 7,000 per six-month period. The vast majority of clients of Money Management Services are Indigenous people, with the proportion who are Indigenous varying from 90.2 per cent in July to December 2010 to 97.9 per cent for the period July 2011 to June 2012.

Figure 4-28 Number of clients provided services by Money Management Service providers in the Northern Territory, 2009–2013



Notes: Some of the clients who received services provided by Money Management Service providers who are not recorded as being on income management by the service provider may in fact have been on income management. Clients are not required to advise service providers that they are currently on income management in order to receive Money Management Services.

Source: Derived from reports provided by Money Management Services to DSS.

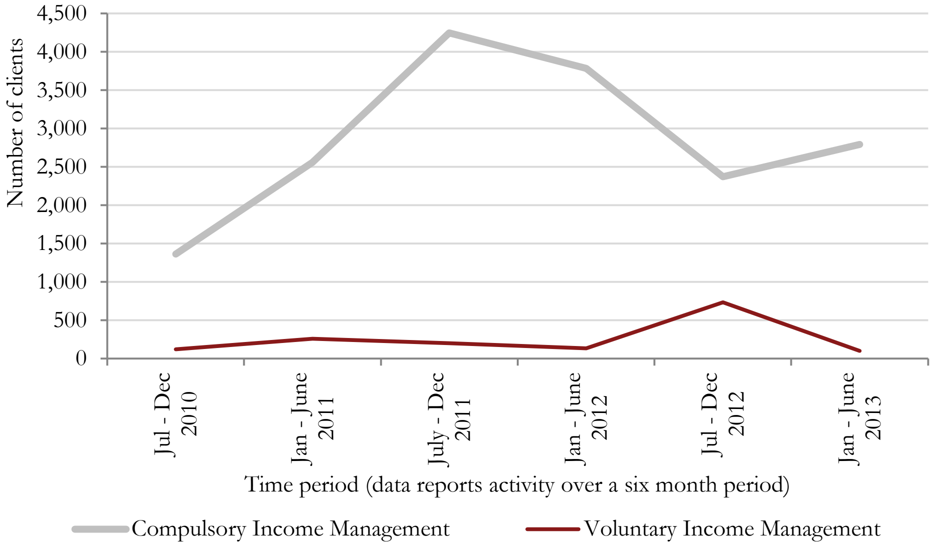
The number of people who were using Money Management Services who are identified as being subject to income management is reported to have increased from 2,089 in the six months just prior to the transition to New Income Management (January to June 2010) to 4,588 over the period July to December 2011, and since then has steadily declined to 2,990 in January to June 2013.

Much of the increase and then decline in the number of individuals subject to income management accessing Money Management Services after July 2010 comprises people on Compulsory Income Management (Figure 4-29). There is virtually no change in the number of those on Voluntary Income Management accessing these services except for a spike in the reported number in July to December 2012.

[69] It is noted that money management and financial counselling are separate service types although some of the services are a combined Commonwealth Financial Counselling and Money Management Service, and there is some overlap in what is actually provided to the clients, in most cases this is not the situation. While this distinction is important from a program perspective, it is less important for understanding income management, and from the perspective of individuals accessing the services it is not a differentiation they are usually aware of or note. In addition individuals will frequently be unaware of the funding of the services they receive, especially when these are delivered by third parties. For this reason we have not sought in this analysis to reflect the detailed program structure underlying these services.

(It should be noted that this is likely to be an underestimate of the actual number of people assisted because the data in Figure 4 29 does not include people who only attended workshops.)

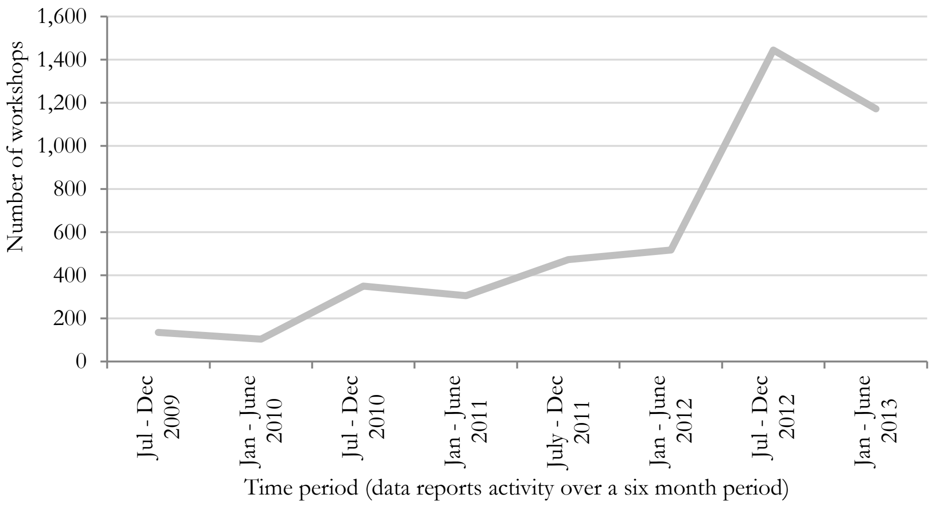
Figure 4-29 Numbers assisted by Money Management Service providers by type of income management in the Northern Territory, 2010–2013



Source: Derived from reports provided by Money Management Services to DSS.

The number of workshops provided by Money Management Services initially increased from 105 for the period January to June 2010 to 517 for the period January to June 2012. The number of workshops then tripled to 1,445 for the period July to December 2012 (Figure 4-30).

Figure 4-30 Number of workshops run by Money Management Services in the Northern Territory, 2009–2013

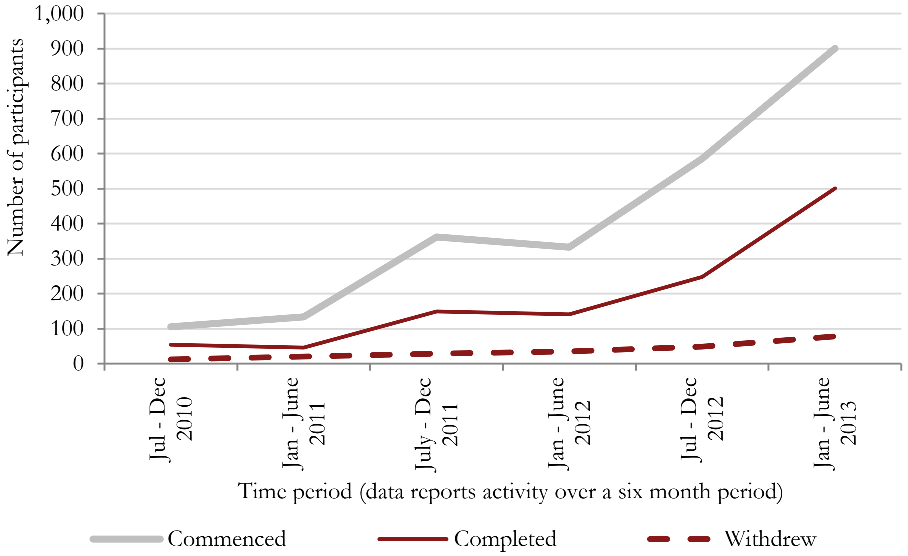


Source: Derived from reports provided by Money Management Services to DSS.

Money management services provide approved money management courses and workshops. Only a relatively small proportion of the money management services provided are approved money management courses, although there has been a sharp increase in July to December 2012 and a further increase in January to June 2013. Over the period January to June 2013, 901 people commenced an approved money management course. Of these, 501 completed the course, 78 withdrew, and 322 were apparently still undertaking the course in June 2013.

While the majority of those commencing approved money management courses are Indigenous, the proportion who identify as being Indigenous fell from 94.3 per cent over the period July to December 2010, to 78.5 per cent over the period July to December 2011, and increased to 96.0 per cent for the period January to June 2013.

Figure 4-31 Number of clients attending Approved Money Management courses in the Northern Territory, 2010–2013



Source: Derived from reports provided by Money Management Services to DSS.

DSS analysis based on the reports of service providers indicate that some of the reasons cited for problems in attracting people to courses include "fear, genuine disinterest, shame, and lack of relevance." It has been reported that "[t]here has been minimal attendance to all workshops in remote areas. There is very little incentive or interest in the current Matched Savings Scheme for those that receive mining royalties." With respect to urban locations these reports have stated that: "[u]rban clients who have a high level of financial literacy have shown the most interest in the Matched Savings Scheme, however the course content has very little to offer them and is seen as 'hoops to jump through'". (DSS, 2014d)

To the end of June 2013 a total of 1,139 people had completed an approved money management course. This number is not substantial relative to the total of 34,950 people who have been on income management in the Northern Territory and 29,477 people who have been on compulsory measures between the end of 2010 and December 2013.

Matched savings scheme payment

Very few people received a Matched Savings Scheme Payment. As at mid November 2013, just 31 Matched Savings Scheme Payments had been made since New Income Management was introduced in 2010. Virtually all of these payments were made to people on the Long Term Welfare Payment Recipient measure.

The perspective of people on income management of money management and financial counselling

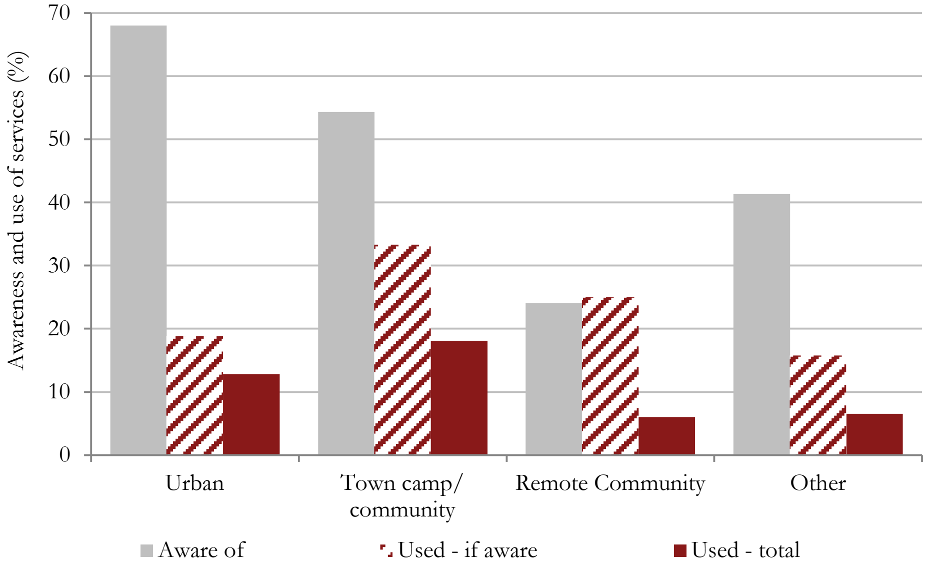
In the LSNIM people who were currently on income management or had been in the past were asked about their knowledge and experience of these services.[70]

Around half of the survey participants indicated that they were aware of the services, and of those who were aware about one in five said that they had spoken with a service in the past four weeks. As shown in

[70] In the survey people were asked about these services generically, although interviewers had a list of some of the main service providers to act as prompts. It is not known to what extent the services reported by respondents in the LSNIM were actually Commonwealth funded services.

Figure 4-32, although almost seventy per cent of respondents in main urban areas reported being aware of the services, this level of awareness was much lower in other locations, falling to just below a quarter in remote communities.

Figure 4-32 Knowledge and use of money management and financial counselling services in the Northern Territory, by broad type of location, LSNIM, Wave 2, 2013



Source: LSNIM Wave 2.

There were also different responses by location to the question of whether, if they were aware of the services, they had used them in the previous four weeks. The highest ratio of use to knowledge was in Town Camps and similar Indigenous communities in major urban areas, where a third of those who knew of the services had used them. While there was higher awareness of the services in urban area, the level of use by those who knew of the services was the lowest in any of the three major locations. When taken as a share of the responding population the effective usage rate of the services was between 6 and 18 per cent.

The most commonly reported reason for going to a service was because someone had told them to. 27.7 per cent said it was because Centrelink had told them, and a further 11.9 per cent because another organisation had done so. This was followed by seeking to obtain help with a budget (21.8 per cent), because they had debts (16.8 per cent), and to obtain help with how to save money (13.9 per cent).

The most common services they received were face-to-face support with working out how to make a budget (23.8 per cent), and specific assistance with particular bills where the service made contact with the biller to help work out how payment may be managed (16.8 per cent). These two services were then followed by undertaking an Approved Money Management course for the Matched Savings Scheme Payment (15.8 per cent). A further 9.9 per cent of people indicated that while the service provider had recommended that they do this course, they had decided not to.

On the whole, people who attended these services report having found them useful – although in some cases a significant minority did not. Classified by broad income management category, the highest level of satisfaction was expressed by those on Voluntary Income Management (87.5 per cent) and those who had either exited income management or gained an exemption (78.6 per cent). Lower, but still on balance positive views were reported by Indigenous people who were on compulsory income management (67.5 per cent) and non-Indigenous people on these measures (60.9 per cent).

As noted in Section 1.4 the first report of the evaluation identified the existence of a number of concerns about the implementation of these services. Some of these are further considered in Chapter 10. As noted in Chapter 16 from discussions undertaken as part of the final feedback it would appear that many of these remain unaddressed.

4.7 Summary

This chapter provides an overview of the Northern Territory income management population and its characteristics based upon DHS administrative data. The data show that the number of people subject to income management in the Northern Territory has grown gradually, and that this has been due to increases in the numbers of people on Compulsory Income Management and the automatic Vulnerable Income Management measures. Increases in the number of people on these income management measures have offset the gradual but steady decline in the numbers on Voluntary Income Management. The increase in the number of people subject to income management largely reflects an increase in the number of people in the Northern Territory receiving income support payment.

In December 2013 there were 18,300 people on income management in the Northern Territory. Over the period New Income Management has been operating, 34,950 people have been on the program.

- 90.2 per cent of people subject to income management in the Northern Territory are Indigenous Australians, which is well in excess of the proportion of income support recipients who identify as Indigenous (62.8 per cent).
  - The proportion who identify as Indigenous is 72.5 per cent for the automatic Vulnerable measures, 88.3 per cent for Compulsory Income Management, 91.6 per cent for Child Protection Income Management, 98.2 per cent for assessed Vulnerable, and 98.5 per cent for Voluntary Income Management (as at December 2013).
- Women comprise 59.2 per cent of those subject to income management.
  - The proportion of the people on the streams of the program who are female is 39.6 per cent for the automatic Vulnerable measures, 55.3 per cent for assessed Vulnerable, 58.4 per cent for Voluntary, 59.8 per cent for Compulsory Income Management, and 80.7 per cent for Child Protection Income Management (in December 2013).
- The average age of people subject to income management is 36.1 years. A quarter of the population is aged 25 years and under, and half of the population is aged 33 years or under. Three-quarters are aged under 45 years.
- Most people subject to income management are single (39.8 per cent), followed by people who live as member of a couple with dependent children (28.9 per cent), single parents (17.8 per cent) and people living in a couple without dependent children (13.5 percent). This means that just under half (46.7 per cent) of those subject to income management have dependent children.
- There are big differences in the composition by family type of Indigenous and non-Indigenous people subject to income management.
  - Well over half (60.2 per cent) of non-Indigenous people on income management are single and 22.5 per cent were single parents. Just 17.3 per cent were living as a member of a couple (10.3 per cent with dependent children and 7.0 per cent without dependent children). About two-thirds do not have dependent children.
  - For Indigenous people, 37.5 per cent are single and 30.9 per cent were living as a member of a couple with dependent children. The remaining third were split between single parent families (17.3 per cent) and members of a couple without dependent children (14.2 per cent). This means that 51.7 per cent did not have dependent children.
- The types of income support payments that have the largest numbers of people subject to income management are Newstart Allowance (8,718), Disability Support Pension (2,588), Parenting Payment Single (2,116), Parenting Payment Partnered (2,114), and Youth Allowance (1,721).
- For Indigenous income support recipients the rates of income management are 85.7 per cent for those receiving Parenting Payment Partnered, 79.3 per cent for those receiving New Start Allowance, 76.3 per cent for those receiving Parenting Payment Single, 44.9 per cent for those receiving Age

Pension, 40.0 per cent for those receiving Disability Support Pension, and 22.8 per cent for those receiving Carer Payment.

- The median length of time spent on income management by Indigenous people between August 2010 and December 2013 is 96.0 weeks, and for non-Indigenous people it is 16.0 weeks. In many cases however, these are incomplete spells, and this does not therefore reflect the amount of time they are likely to remain on income management. Of people on income management in December 2013, 58.7 per cent had been on income management for three years or longer, and 21.4 per cent for five and-a-half years or longer. Of all people, 56.6 per cent – and 62.5 per cent of Indigenous people – on income management in December 2013 had been on NTER Income Management in July 2010. This includes 55.8 per cent of those Indigenous people on compulsory income management and 86.0 per cent of those on voluntary.

- Overall, 63.9 per cent of Indigenous income support recipients are subject to income management and 11.7 per cent of non-Indigenous income support recipients were subject to income management. There are differences between geographic locations in the proportion of the income support population that are subject to income management.

  - In December 2013 the proportion of Indigenous income support recipients who were income managed varied from: 37.8 per cent in Greater Darwin and 51.4 per cent in Alice Springs; to 73.6 per cent in the South-East Desert area; and 74.5 per cent in the Mid-West Desert area.

  - At the same time the proportion of non-Indigenous income support recipients subject to income management varied from 10.2 per cent in Greater Darwin; 10.9 per cent in Katherine; and 11.2 per cent in Alice Springs; to 31.6 per cent in East Arnhem; and 62.5 per cent in the Mid-West Desert.

- Across the Northern Territory it is estimated that in December 2013 1.3 per cent of the non-Indigenous population aged 15 years and over were subject to income management. For Indigenous residents the equivalent proportion was 34.0 per cent.

- There has been some increase in the number of people who have engaged with Money Management Services. However, numbers remain small, with 1,139 completions of approved money management courses and 31 matched savings payments being recorded for people in the Northern Territory since 2010. People who have used money management and financial counselling services have been generally positive about these, but there is a low level of awareness about these services in remote locations.

5 Exemptions

A major distinguishing feature of the Compulsory Income Management stream of New Income Management[71] is that people can gain access to an exemption from being income managed if they are able to demonstrate certain behaviours. While the NTER Income Management had scope for exemptions, these were limited to people who could show they did not have a strong connection with the Indigenous communities at which the program was targeted. Exemptions do not apply to Voluntary Income Management as people can choose to exit this program whenever they wish after the initial 13-week period; as the other streams (in particular Child Protection and Vulnerable) are narrowly targeted, usually based on individual assessment, exemptions do not apply per se, although individuals have access to appeal rights if they believe they have been inappropriately targeted. Where exemptions are granted they are usually for one year.

In addition to considering exemptions this chapter also provides some analysis of the use of appeal processes.

5.1 Purpose and background

In announcing the introduction of New Income Management the Government stated its intention, as part of its policy objective to "tackle the intergenerational cycle of passive welfare", to offer "evidence-based exemptions" (Australian Government, 2009, p. 1).

5.1.1 The objective of exemptions

The Guide to Social Security Law presents a set of core principles for the granting of exemptions. The two policy relevant principles are that:

- It is intended that income management promote personal responsibility and positive social behaviour by providing pathways to evidence-based exemptions for people who have a demonstrated record of responsible parenting, or participation in employment or study.
- Exemptions are available in cases where income management is not necessary because a person has met the broad outcomes that comprise the objectives of income management. (DSS, 2014e)

The detailed criteria and related material on the assessment of applications for an exemption have been provided in Section 2.4.2 in Chapter 2.

5.1.2 Background

The first report from this evaluation has provided extensive analysis of the operation of exemptions, including the exemptions which applied under the NTER Income Management. This report does not seek to repeat this material.

One specific aspect of exemptions, that of the operation of the financial vulnerability assessment – along with decisions relating to determinations under the vulnerable measure – was the subject of a review undertaken by the Commonwealth Ombudsman in 2012 (Commonwealth Ombudsman, 2012a). This

[71] The Disengaged Youth and the Long Term Welfare Payment Recipient streams.

constituted an extensive review of the processes implemented by Centrelink in administering these elements and the underlying DSS guidelines.

The Commonwealth Ombudsman examined a sample of decisions and the processes the agencies used in determining financial vulnerability, and made seven recommendations with respect to this aspect of the review. These and the response by the departments are detailed in the Commonwealth Ombudsman's report. The responses included improved work flow and documentation, additional training for staff, revision of the Guide to Social Security Law, and ensuring improved access to interpreter services.

5.2 Trends in exemptions

This section is concerned with variation in the level and rate of exemptions over time. Before presenting this the definition of exemptions in terms of scope as used in this report needs to be specified. While this is a technical issue, it is clarified here since the data we present may differ from that contained in official documents.

5.2.1 Scope of analysis

There are effectively two types of exemptions which operate under New Income Management. The first are automatic exemptions for full-time students and apprentices. The second are those exemptions which are granted on the basis of individual application to Centrelink.

It is this second form of exemption that is the focus of this chapter, as it was in the First Evaluation Report.

There are two reasons for this:

- As the automatic exemptions operate in terms of a person being determined not to be subject to income management, the circumstances of these groups are the same as those persons who are on other forms of income support that are out of scope of income management.
- These exemptions effectively apply only to non-Indigenous people. Indigenous people who are undertaking the equivalent activities are eligible for the ABSTUDY program, which is a specific income and education support program aimed at addressing Indigenous disadvantage in education and is outside of the scope of income management. Inclusion of this group of exemptions would hence bias the analysis, inappropriately inflate the number of exemptions being granted to non-Indigenous people and result in the analysis being undertaken on two different population definitions depending upon Indigeneity.

Reflecting this, the language of exemptions in the balance of this chapter simply refers to those with a non-automatic exemption. Those exempted because they are a full-time student or apprentice have been identified as being 'out of scope'.

A consequence of this is that the levels of exemptions presented here may be lower than those reported in some official statistics, as these tend to include the 'out of scope' group.

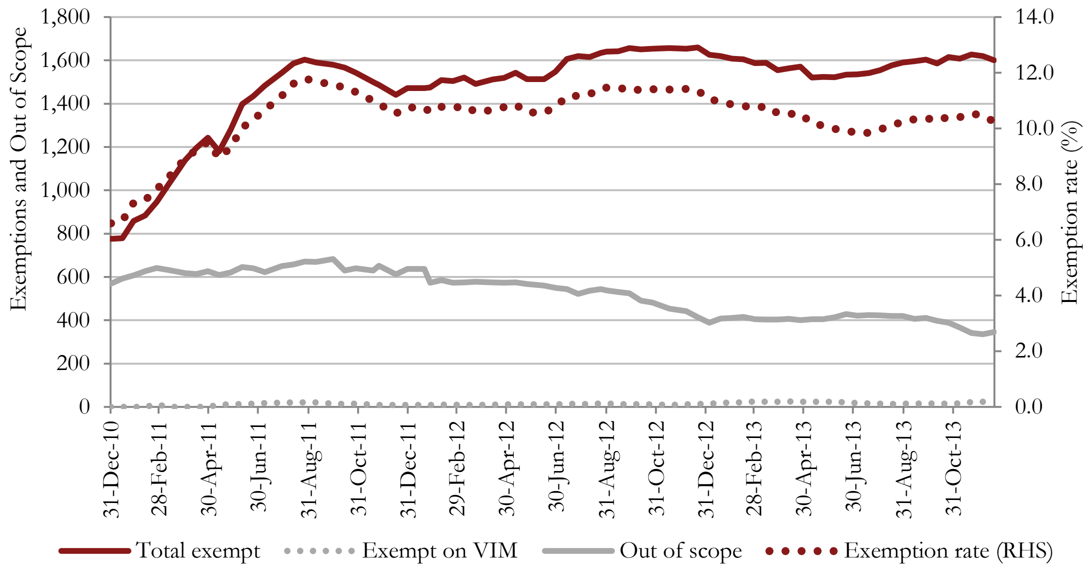
5.2.2 Trends in exemptions

After an initial period associated with the rollout of New Income Management, the number of people with an exemption from the program rose to around 1,600 people in August 2011. It has remained around this level since that time.

The exemption rate (the number of people exempt as a proportion of the number of people who are on Compulsory Income Management – that is, the Disengaged Youth and the Long Term Welfare Payment Recipient streams – plus the number with an exemption) has over the same period initially risen to a peak of 11.8 per cent and, while fluctuating, has shown a slight decline over time. The exemption rate reached a low of 9.8 per cent in mid-2013 before increasing towards the end of the year. This is shown in Figure 5-1.

At the end of December 2013 there were 1,601 people with a current exemption from income management. This represents and exemption rate of 10.2 per cent when taken as a proportion of the sum of people with an exemption and the 14,048 people on the two compulsory streams from which an exemption can be gained. As illustrated in Figure 5-1, among those who have an exemption from Compulsory Income Management there is a very small group who have obtained an exemption but have then chosen to go onto Voluntary Income Management. This group – which is included in the exempted population – has fluctuated between 10 and 25 people over the period, with 21 in this situation at the end of 2013. One potential reason for a person on Compulsory Income Management making this choice – of seeking an exemption from one form of income management and then moving back onto the program – is that it allows them to obtain the additional incentive payment made to people on the voluntary program.

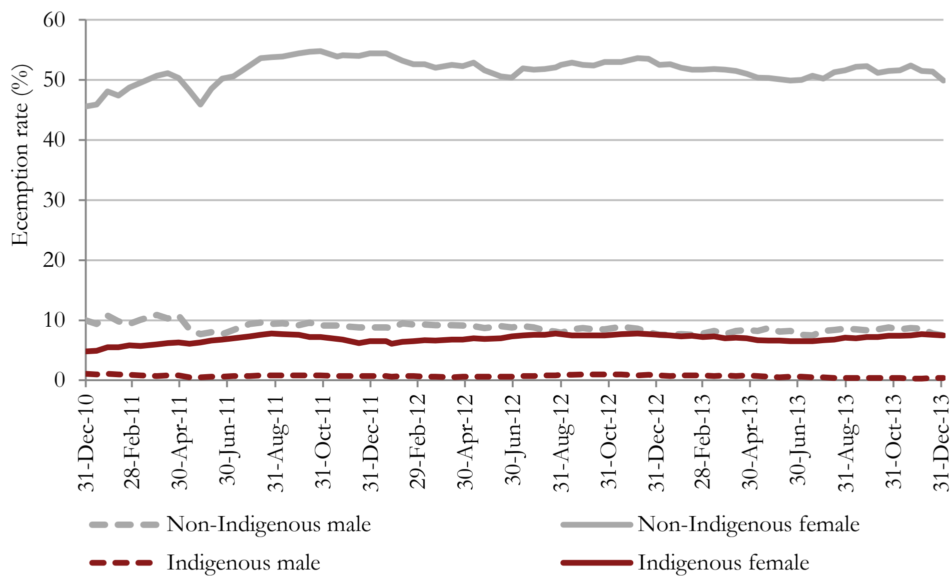
Figure 5-1 Numbers exempt, out of scope exempt and exemption rate, NIM, 2010 to 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Also shown in Figure 5-1 is the 'out of scope' group, who are automatically exempt by virtue of being full-time students or apprentices. This group reached a peak of just over 680 persons in late 2011, but has since declined to just 346 in December 2013. It is probable that a major reason for this decline was the income support policy change in January 2012 which made Family Tax Benefit Part A the main payment for full-time secondary students aged 16 to 17 years, whereas previously they were eligible to receive Youth Allowance in their own right.

Figure 5-2 Exemption rate by gender and Indigenous status, NIM, December 2010 to December 2013



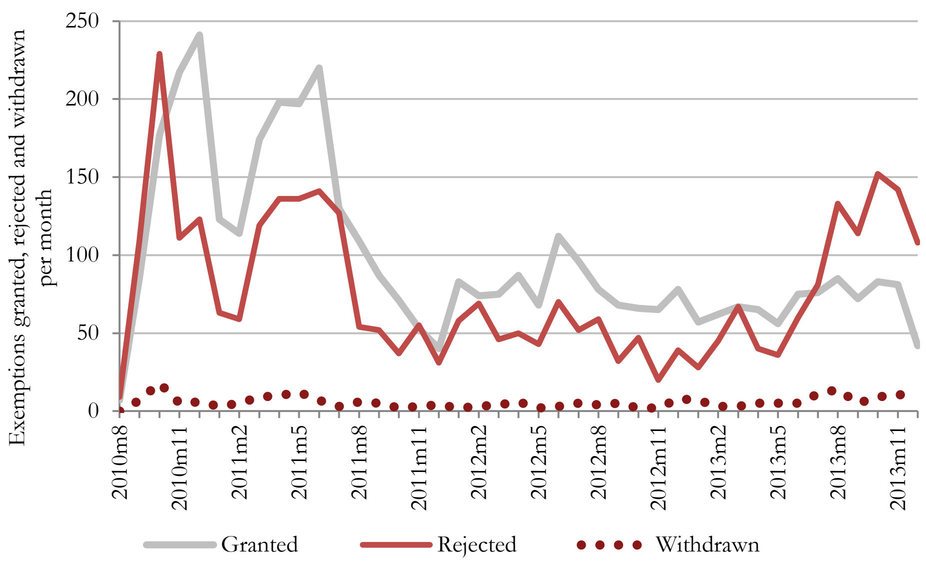
Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The rate of exemption varies dramatically by both gender and Indigenous status. This will be considered further in this chapter. Figure 5-2 presents the trends over time in the exemption rate for the population, split by these two characteristics.

- The exemption rate for non-Indigenous women has been around 50 per cent since its initial rise to this level with the rollout of New Income Management in late 2010 and early 2011. In December 2013 it was 51.4 per cent.
- The exemption rate for non-Indigenous men has for most of the period been the second highest of the four classifications considered here. It is, however, less than 20 per cent of the rate for non-Indigenous women and has been so since the transition from NTER Income Management.[72] While the exemption rate for non-Indigenous men initially sat at around 10 per cent, over time it has declined, and in December 2013 it was 7.8 per cent.
- Indigenous women initially had an exemption rate of some five percent, with this increasing slowly to reach a peak of just under eight per cent in late 2011. Since then it has fluctuated between 6.1 and 7.8 per cent with no discernible pattern. In December 2013 at 7.6 per cent, it was just below the rate for non-Indigenous males.
- After the initial transition from the NTER Income Management, the exemption rate for Indigenous men has been continuously at or below one per cent and for the final third of 2013 it has been below half a percent. In December 2013 it was 0.4 per cent.
- In aggregate, the exemption rate for women was 15.2 per cent in December 2013 and 1.6 for men; for Indigenous people it was 4.9 per cent and for non-Indigenous 36.3 per cent.

The evaluation has only limited data on the actual numbers of exemption applications lodged and granted. This precludes detailed analysis of these aspects of the exemption process. It is nevertheless possible to identify when people were first recorded as having an exemption, or when they were first recorded as having an application for an exemption rejected or withdrawn. Figure 5-3 plots the monthly levels of these first exemptions and of first rejection or withdrawal of an application for exemption. As the plot illustrates, these levels have fluctuated over time. Up until the third quarter of 2011 the level of successful and rejected exemptions was very high – reaching peaks of over 200 a month, before showing some stability with around 75 approvals and 50 rejections per month until late 2013 when there was a rapid acceleration in the rate of rejections – up to a peak of 150 rejections in October 2013.

Figure 5-3 First exemption, rejection or withdrawal by month, NIM, August 2010 to December 2013



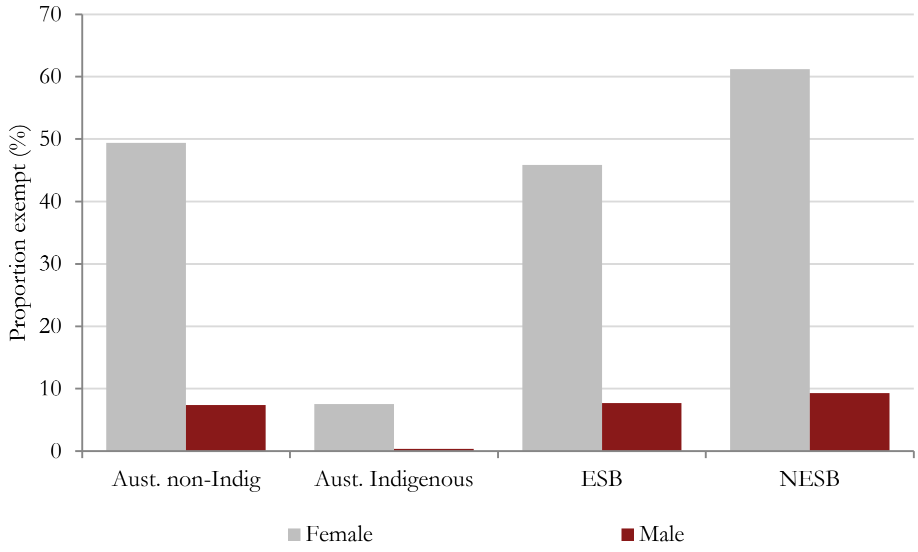
Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

[72] Under NTER Income Management the exemption rate for non-Indigenous men and women was about equal at 40 per cent.

5.2.3 Characteristics of the population with exemptions

Of those with an exemption at the end of 2013, 97.4 per cent have been granted their exemption on the basis that the health and engagement activities of their children had been met, and 2.3 per cent had been granted an exemption because they were in regular paid employment.

Figure 5-4 Exemption rate by gender, broad region of birth and Indigenous status, NIM, December 2013



Notes: Excludes 16 people without details of country of birth.
ESB/NESB as per Table 4-7.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The low exemption rates for Indigenous Australians and in particular Indigenous men have already been noted. Figure 5-4 expands upon this to include data for people born outside of Australia. As illustrated the exemption rate for women dominates. In December 2013 it ranged between 61.2 per cent for women born in non-English speaking countries; 49.9 per cent for non-Indigenous Australian-born women; 45.8 per cent for women born in the major English speaking countries; and 7.6[73] per cent for Indigenous women. For men the rates were uniformly much lower. The highest exemption rate for men was 9.3 per cent for those born in non-English speaking countries and 7.7 per cent for those born in English-speaking countries. This was followed by 7.4 per cent for non-Indigenous Australian born males and just 0.4 per cent for Indigenous males.

For most of these population subgroups the male exemption rates were around 15 per cent of the female rates. For Indigenous men this proportion fell to just five per cent.

Table 5-1 presents the exemption rates in December 2013 by reference to a wide range of demographic and other characteristics. As shown in the table, the rate of obtaining an exemption not only varies on the basis of these characteristics, but depending on the characteristic it can also vary differently for men and women and for Indigenous and non-Indigenous people. Working through the table:

- By age group the highest exemption rates for men were recorded for those aged 35 to 44 years. While this was the case for both non-Indigenous and Indigenous men, the rates achieved for these groups in this age group were quite different. For non-Indigenous men it was 16.7 per cent and for Indigenous men 0.7 per cent. The exemption rates for men aged under 25 years were very low for both Indigenous and non-Indigenous people. For women the highest exemption rates occurred at an earlier age. For non-Indigenous women it was the 25 to 34 year age group which had the highest exemption

[73] The data used in this chapter is drawn from a number of different datasets. Because of slight differences in timing and scope, the estimates of the number of people on income management and exempt from the program differ between these. Our approach is to provide the estimates as derived from the specific datasets, rather than making any adjustments for consistency. Hence the estimated rate of exemptions of 7.6 per cent for Indigenous women compared with the rate of 7.5 per cent shown previously.

rate of 60.2 per cent. The peak exemption rate for Indigenous women was recorded for a slightly younger group, those aged 20 to 24 years, and was 10.6 per cent.

- The locations with the highest exemption rates were those with mainly urban populations: Darwin and Alice Springs. The variation in exemption rates was particularly marked for the Indigenous population. In Darwin 26.3 per cent of Indigenous women gained an exemption, and in Alice Springs 14.8 per cent. In other locations the rate was between 2.6 per cent and 6.1 per cent. Although there was a similar pattern for Indigenous men, the highest exemption rate they achieved was 2.0 per cent in Darwin. The variation in the non-Indigenous rate was much less, although again the two more urban locations had the highest rates. It should be noted that in four out of the eight regions there were fewer than 50 non-Indigenous people who were potentially in scope of Compulsory Income Management.

- Reflecting the predominance of exemptions being granted for having met child-related outcomes, the highest exemption rates were recorded by those on Parenting Payment. Those on Parenting Payment Single had higher rates of exemptions than those on the partnered payment. There was also an appreciable group of non-Indigenous women on Newstart who had obtained an exemption. However, the exemption rate of this group at 28.5 per cent was half of the rate for non-Indigenous women on the parenting payments. Again, here the difference in exemption rates for Indigenous and non-Indigenous people was large. For women in receipt of Parenting Payment Single the rates were 17.7 per cent for Indigenous women, compared with 69.0 per cent for non-Indigenous women, and on the partnered rates 8.4 per cent compared with 56.7 per cent. Although the table shows a high rate for those on 'other payments', the population on these payments was very small.

- As would be expected from the preceding data, there are clear differences by family type. The highest exemption rates by this classification were achieved by lone parents – with this being most marked by those whose youngest child was aged less than five years. This was an issue discussed in the First Evaluation Report and is likely to be associated with the fact that it is easier to meet the criteria relating to young children – health checks and participation in activities – than it is to achieve the required level of school attendance by older children. The pattern is particularly apparent amongst the Indigenous population. The exemption rate for Indigenous women who are lone parents was 20.2 per cent for those with a child under the age of five, and less than half of this – 8.6 per cent – for those whose youngest child was over five years. The exemption rates for those in couple-only families and for lone persons were uniformly low – between 1.5 per cent and 4.8 per cent for non-Indigenous and 0.0 per cent and 0.6 per cent for people who identify as being Indigenous.

- While there was not as much differentiation in the rates of exemption by number of children – other than a very low exemption rate for those without children – there is some indication that the exemption rate falls for those families with more than three children.

  In aggregate the exemption rate for people with dependent children was 17.1 per cent; for those without it was 0.6 per cent. Women with children had an exemption rate of 21.0 per cent, compared with 0.9 per cent for those without. For men the rates were 3.7 per cent and 0.4 per cent.

- The final classification in the table presents the exemption rates by the age of the youngest child. Reflecting what has already been seen in the classification by family type, there is a broad pattern of decline in the rate of exemption with increases in the age of the youngest child. In addition to the very strong and persistent gap in the rates for Indigenous and non-Indigenous people there were some differences in the pattern at particular ages. While non-Indigenous people had a higher exemption rate if their youngest child was aged two to four years, rather than aged under two years, for the Indigenous population it was highest, at 12.0 per cent for those with the youngest children, and declined with each successive age group until it was just 2.0 per cent for those whose youngest child was aged 15 years and over.

Summary

Exemption rates vary considerably for different groups. They are highest amongst non-Indigenous people with children, including those born in non-English speaking countries. In contrast they are very low for those without children. The exemption rate for males is much lower than that for women.

Across all demographic characteristics the exemption rate for Indigenous people is very substantially below those of other groups.

Table 5-1 Exemption rates by selected characteristics by Indigenous identification and gender, NIM, December 2013

	Exemption Rate						Population (CIM + Exempt)	
	Non-Indigenous			Indigenous				
	Male	Female	Total	Male	Female	Total	Non-Indigenous	Indigenous
Age Group (years)								
Under 20	1.8	31.4	20.9	0.0	5.8	4.1	158	1,036
20–24	1.5	49.6	36.0	0.2	10.6	6.9	470	2,723
25–34	4.8	60.2	46.3	0.3	8.8	5.7	748	4,632
35–44	16.7	56.5	43.2	0.7	5.5	3.7	613	2,881
45–64	7.7	38.2	22.5	0.3	3.5	2.1	661	1,727
Region								
Alice Springs	5.3	46.8	33.1	0.7	14.8	10.5	284	910
Barkly incl. Tennant Creek	5.0	43.8	22.2	0.3	5.5	3.5	36	1,016
East Arnhem	0.0	13.3	8.5	0.1	2.9	1.8	47	2,079
Greater Darwin	9.8	55.3	40.4	2.0	26.3	18.6	1,941	1,384
Katherine	3.6	46.7	28.2	0.1	6.1	3.8	131	2,266
Mid-West Desert	0.0	0.0	0.0	0.0	2.6	1.6	27	1,425
South East Desert	0.0	31.8	20.0	0.0	3.8	2.3	35	1,268
Top & West Arnhem	2.8	30.6	16.8	0.3	4.2	2.8	143	2,646
Income Support Type								
Newstart Allowance	4.0	28.5	14.5	0.1	1.9	1.0	1,301	7,421
Parenting Pay. Partnered	38.1	56.7	54.9	9.1	8.4	8.4	215	2,140
Parenting Pay. Single	65.3	69.0	68.8	15.5	17.7	17.6	935	2,137
Youth Allowance	0.9	1.2	1.1	0.0	0.3	0.2	187	1,289
Other	100.0	81.8	83.3	0.0	81.8	75.0	12	12
Family Type								
Cple youngest chld <5 yrs	9.0	56.6	43.8	0.2	8.7	5.5	249	3,093
Cple youngest chld 5 yrs +	17.2	57.9	44.2	0.2	2.4	1.5	86	1,656
Couple only	3.5	1.8	2.7	0.1	0.2	0.2	113	1,597
Sngl parent youngest <5yrs	64.3	69.1	68.9	10.3	20.2	20.0	662	1,576
Sngl parent yngest 5 yrs +	55.4	63.7	62.8	8.9	8.6	8.7	522	1,329
Single	1.5	4.8	2.6	0.0	0.6	0.3	1,013	3,742
Number of children								
0	1.5	4.1	2.4	0.1	0.4	0.2	1,133	5,396
1	38.2	68.2	64.5	1.1	11.2	8.8	629	3,178
2	38.5	65.8	62.9	0.7	10.3	7.8	491	2,220
3	33.3	63.5	60.7	0.6	10.9	8.2	224	1,316
4	16.7	54.5	50.0	0.0	8.9	6.6	100	590
5	0.0	50.0	41.7	2.3	7.1	6.0	36	199
6 or more	16.7	35.0	30.8	0.0	12.2	9.5	26	95
Age of youngest child (persons with a child only)								
Under 2 years	13.2	61.8	57.2	0.0	16.0	12.0	407	2,128
2–4 years	36.0	69.8	66.4	0.8	11.7	9.1	494	2,502
5–9 years	41.8	65.6	62.4	1.5	6.7	5.4	418	1,892
10–14 years	37.5	59.2	55.7	0.8	4.7	3.7	149	919
15 years and over	66.7	46.9	50.0	2.8	1.7	2.0	38	153
Total	7.8	51.4	36.3	0.4	7.6	4.9	2,650	12,999

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

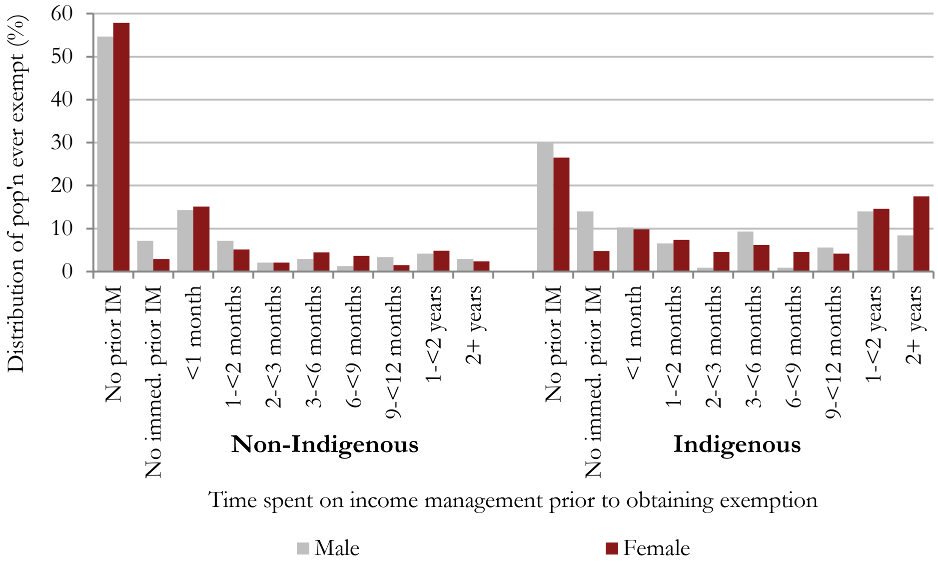
5.3 The dynamics of exemptions

Behind the static data on the number of people with an exemption, or subject to income management at any one time, there are many different pathways. This section considers some of these, in particular, the ways in which people experience income management prior to obtaining an exemption and the experience of people after having had an exemption.

5.3.1 Experience on income management prior to first exemption

Most people who obtain an exemption from income management have little if any actual experience of being income managed. This is illustrated in Figure 5-5.

Figure 5-5 Time on income management prior to obtaining an exemption, all persons who have obtained an exemption from income management in the Northern Territory, population with an exemption in December 2013



Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

This experience is again one which has very marked differences between Indigenous Australians and others. Of non-Indigenous women who obtain an exemption, 57.9 per cent do not have any experience of being income managed. That is, they gain their exemption prior to actually being subject to the measure. When account is taken of the group who at an earlier point in time had an experience of income management, but were not on income management immediately before the exemption was granted, or were on income management for less than a month prior to gaining an exemption, this proportion rises to over three-quarters. The situation is similar for non-Indigenous men, although these men were somewhat more likely to have had an earlier experience of income management, but again, over three-quarters of all of those who have an exemption fall into these three categories.

These direct pathways are also significant amongst the relatively small group of Indigenous people gaining exemptions, but are at lower levels. Just a quarter of those who do obtain an exemption move directly to their exemption with no time on income management. This increases to just over 40 per cent obtaining an exemption after less than a month on income management in the current spell, compared with the three-quarters for non-Indigenous people gaining quick exemptions. Among Indigenous people the proportion obtaining exemptions with this limited engagement is a little higher for men (54.2 per cent) compared with women (41.1 per cent). However, this figure needs to be seen in the context of the actual exemption rates for Indigenous men which, as indicated above, were just 0.4 per cent at the end of December 2013.

At the other end of the distribution of prior income-management experience, just over seven per cent of non-Indigenous people with exemptions have more than one years' experience on income management prior to obtaining an exemption. In contrast, 31.5 per cent of Indigenous people do, with this being much higher for women than for men.

From these data it is clear that in a large part exemptions are operating as a means of non-application of income management to a group who can already meet the exemption guidelines when placed on the program, rather than acting as an incentive to change behaviour.

5.3.2 Transitions

Only half the non-Indigenous population with an exemption in December 2012 were recorded as still being exempt in December 2013. There were many reasons for this. Just over a quarter of those who were no longer exempt were recorded as being on FTB or in receipt of Assistance for Isolated Children (AIC), suggesting that they or their partners now have a higher income and hence were no longer eligible for income support. Just over 20 per cent were recorded on income support payments not subject to income management in the Northern Territory, with the same percentage on income support payments in other states. A smaller proportion (17.5 per cent) was back on compulsory income management, and six per cent had no record in the Centrelink system. For Indigenous people with exemptions in December 2012, some 40 per cent were still exempt in December 2013, while over 30 per cent were back on compulsory income management. This level of reversion appears to suggest that many in this group have considerable problems in obtaining an extension of their exemption status.

Table 5-2 Persons with an exemption from income management in the Northern Territory, one year transitions, December 2012 and December 2013

	December 2012 exempt, status in Dec 2013		December 2013 exempt, status in Dec 2012	
	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous
		- % -		
Exempt	50.8	39.3	54.0	39.5
Exempt VIM	0.0	0.3	0.0	0.0
CIM	8.5	32.2	9.8	38.3
Targeted CIM	0.1	0.2	0.0	0.3
VIM	0.1	0.2	0.0	0.5
Interstate IM	0.1	0.3	0.0	0.0
NT Income Support	9.9	10.5	19.5	10.9
NT FTB/Other	13.1	8.2	4.3	2.8
Interstate Income Support	10.4	6.3	8.1	4.2
Interstate FTB/Other	1.1	0.5	0.4	0.5
No record	5.9	2.2	3.9	3.1
Total	100.0	100.0	100.0	100.0
Population (Persons)	1,011	649	951	650

Note: This includes persons with an exemption who were on Voluntary Income Management. Of those with this status in December 2013, 76.9 per cent were on Compulsory Income Management in December 2014.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The pattern of transitions into an exempt status in December 2013, shown in the second two columns of the table, is in many ways the interaction between these transition-off patterns and the data on the previous prior income management experience considered earlier. For the Indigenous population 39.5 per cent of those exempt in December 2013 had been exempt a year earlier, with 38.3 per cent having been on compulsory income management. 10.9 per cent had been on income support in the Northern Territory but not subject to income management (most probably because they had not yet met the trigger time period on payment). For non-Indigenous persons the proportion who maintain an exempt status from a year earlier is higher at 54.0 per cent, and the relativity between flows from being on income support only (19.5 per cent in the Northern Territory and 8.1 per cent interstate) and having been on income support with income management (9.8 per cent) is reversed.

Thus, gaining an exemption is not necessarily a one-way exit from income management. A considerable segment, in particular of Indigenous people, exits exemptions by returning to compulsory income management.

Summary of dynamics

There are many paths both onto and off income management and exemptions from the program. For non-Indigenous women in particular, most exemptions do not involve the person ever having been on income management. In contrast, a significant proportion of Indigenous people spend a substantial amount of time on income management before obtaining an exemption.

Exemptions are not always a one-way move off income management; rather, a substantial group, in particular of Indigenous people, fail to maintain an exempt status over time.

5.4 Analysis of the incidence of exemptions

The extent to which the rate of exemptions varies with a wide range of characteristics has been discussed above. However, this type of descriptive analysis is limited, as individuals have a wide range of characteristics, and tables such as those presented earlier can reflect the interaction of these, making it difficult to ascertain the particular influence of specific characteristics. The following analysis therefore uses regression techniques to identify the factors associated with obtaining an exemption. For this a probit regression technique is used.[74] For ease of interpretation, along with the parameter values, the marginal effect of the parameter is given (Table 5-3). For the categorical variables this is the probability of a person with the characteristic and other characteristics evaluated at the mean. For continuous variables the marginal effect is the probability that is associated with a single-unit change in the variable.

Two separate models have been estimated, one for people with dependent children and one for those without. This is done for two reasons. The first is that the policies under which exemptions are granted have differential grounds for those with and without children. Secondly, the use of different models allows for a larger set of variables to be included in the model for those with children.

While the variables included in the models identify some of the factors which may be associated with differences in outcomes, a range of other characteristics for which data is not available may also play a role. Where such omitted variables exist, to the extent they have a relationship with variables actually included in the model, they may create a bias in the analysis. For example in the case of education, if levels of education vary systematically with the SES of a location, and education has an impact on applying for and being successful with an application for exemption, then this may be reflected in the estimated parameter value of the SES of the location. This needs to be borne in mind in interpreting results from this analysis.

In considering the first model: for people with children, the model has a pseudo R-square of 0.364, suggesting that the model fit is reasonable and that it provides some insight into the factors associated with the exemption rate. Within the model, gender, partner status, age of youngest child, and the ABS Socio-Economic Index for Areas (SEIFA) are all significant at the 0.01 level or higher. The parameter for region of birth/Indigeneity indicates that the probability of obtaining an exemption for being Indigenous and being born in a non-English speaking country are significantly different – again at the 0.01 level – to that of non-Indigenous people born in Australia, but being born in an English-speaking country is not. The other variables included in the model – age, the number of children, and the duration people have spent on income support since July 2010 – are not statistically significant.

Turning to the values of the marginal effects, it can be seen that the probability of obtaining an exemption for a male with children (0.0766) is just half that of a female with children (0.1847) – controlling for all of the other variables included in the model. That is, if a man and woman otherwise had the same characteristics in terms of location, age, duration on income support, etcetera, the probability of the woman obtaining an exemption would be 18.5 per cent – and a man 7.7 per cent.

Consistent with the data seen earlier, lone parents have a higher probability of obtaining an exemption (0.1878) than partnered people with children (0.1386). One possible reason for this is that effectively a couple has to share the option for an exemption based upon the care of children between two partners. This is because only one of them can claim an exemption for children engaging in appropriate activities, whereas a single parent does not need to make this distribution with a partner. The highest probability of exemption by the combined indicator of Indigenous status and region of birth is for those persons born in non-English speaking countries (0.4539); for Australian-born non-Indigenous people it is 0.3360; and for Indigenous Australians it less than one-third of this (0.1082). While the marginal effect for those born in English-speaking countries is close to that of non-English speaking countries, this result was not statistically significant, suggesting that the data had a high degree of variability. The marginal effect identified for the age of youngest children suggests that the probability of an exemption falls by around one percentage point for each additional year of age of the youngest child. That is, a person with a youngest child aged ten has a ten-percentage point lower probability of gaining an exemption compared to one whose child is under one year of age. The marginal value associated with the SEIFA of the location indicates that a person in the most disadvantaged locations has a 0.2115 lower probability of securing an exemption than a person in the most advantaged locations.

[74] A probit model is used because the dependent variable, whether or not a person achieves an exemption, is dichotomous – either the person is or is not exempt. Probit has been used in preference to a logit as it enables easier interpretation.

Table 5-3 Exemptions, regression analysis of factors associated with obtaining an exemption, persons subject to, or with exemptions from, Compulsory Income Management in the Northern Territory, December 2013

	People with dependent children			People without dependent children		
Observations	9,097			6,523		
R-squared	0.3643			0.2093		
	Parameter		Marginal effect	Parameter		Marginal effect
Gender						
Female			0.1847			0.0112
Male	-0.8115	***	0.0766	-0.5452	***	0.0031
Partner Status						
Not-Partnered			0.1878			0.0063
Partnered	-0.3039	***	0.1386	-0.1170		0.0048
Aust. Non-Indigenous			0.3360			0.0138
Indigenous	-1.0117	***	0.1082	-0.5919	***	0.0031
ESB	0.2841		0.4216	-0.3853		0.0054
NESB	0.3876	***	0.4539	-0.3757		0.0055
Age	0.0019		0.0003	-0.0202		-0.0003
Age -squared	0.0000		0.0000	0.0005		0.0000
Children - number	-0.0784		-0.0124			
Children - number - squared	-0.0087		-0.0014			
Children - age youngest	-0.0694	***	-0.0110			
Children - age youngest - squared	0.0008		0.0001			
Time on income support	-0.0073		-0.0012	-0.0429		-0.0006
Time on income support - squared	0.1414		0.0225	0.3428		0.0048
SEIFA	0.0027	***	0.0004	0.0012	**	0.0000
Constant	-2.5524	***		-3.9433	***	
Population mean			0.1698			0.0060

Notes: Population excludes persons with automatic exemptions.
* statistically significant at p<0.10, ** significant at p<0.05, *** significant at p<0.01

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

The second model concerns people without children. The fit of this model is less precise than the earlier model, with the pseudo R-square = 0.2093. This lower fit essentially indicates that there are factors not included in the model which explain more of the differences in the rate of exemptions. Nevertheless, the model is valuable in providing relatively robust estimates for some of the variables included in the model. The first is gender. A male without children has an estimated marginal probability of an exemption of just 0.0031 compared with 0.0112 for a woman. This result indicates that the probability of a male without children is less than one-third of that of a woman, but also that, regardless of gender, the probability of gaining an exemption amongst people with no children is very small. Turning to Indigeneity and region of birth, the only significant difference is between being an Indigenous Australian and being a non-Indigenous Australian-born individual. While the probability of gaining an exemption for a non-Indigenous person without children is 0.0138, for an Indigenous person it is one-fifth of this: 0.0031. The only other significant difference is recorded for the SEIFA of the location in which the person lives. Again, while the marginal effects are low, a person without children in the most advantaged locations has a 0.0180 probability of gaining an exemption – almost double the 0.010 identified for a person with the same characteristics in the most disadvantaged area.

Obtaining an exemption can be seen as a two-stage process. The first involves the person making an application – encompassing the person taking a decision to seek an exemption, including their understanding of their right to do so, and having the skills to prepare it, and capacity to collect and present supporting material – and the second is whether or not the application will be assessed positively or rejected. As was undertaken in the First Evaluation Report, both of these stages can be modelled.

For this report, given the relatively good fit of the above models, while we have repeated this modelling strategy, we are not presenting these models in detail but rather focus on the comparative parameter values for Indigenous and non-Indigenous Australians. Table 5-4 presents the marginal probabilities of making an application, and then the probabilities for those who had made such an application, and the success of this for these two groups – both with and without children. The coefficients for these two groups were significant in both models.

Table 5-4 Two-stage hurdle regression model of whether an application is made and the success of this, marginal probability for Indigenous and non-Indigenous Australian-born population, by presence of children, persons subject to, or with exemptions from, Compulsory Income Management in the Northern Territory, December 2013

		Probability of:	
		Making an application	Application successful
		- % -	
With dependent children	Non-Indigenous	55.0	65.9
	Indigenous	33.4	34.3
Without dependent children	Non-Indigenous	4.2	41.7
	Indigenous	2.9	11.3

Note: Derived from two-stage probit model, using the same explanatory variables included in Table 5-3.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

As shown, for this population of people potentially subject to income management – that is, either on income management or with an exemption – who have children, the probability of making an application, and then of such an application being successful, is considerably higher for non-Indigenous people. While a third of Indigenous people make an application, more than half of the non-Indigenous Australian-born population do so. The success rate of these applications for Australian-born non-Indigenous people is almost double that of the Indigenous population. A similar set of results, albeit with much lower probabilities, is observed for the population without children. This second model, however, shows a much lower relative success rate of application for Indigenous Australians. The success rate associated with being non-Indigenous of 41.7 per cent is almost four times that of being Indigenous, at 11.3 per cent.

The first report also presented this type of analysis for the population with children split by those who were living in areas which were prescribed areas under the NTER. This reported that while 76.5 per cent of the non-Indigenous population in non-NTER locations had made an application, with 75.5 per cent of these being successful, that for the Indigenous population living in the prescribed areas only 21.9 per cent had made an application, with a success rate of just 28.7 per cent. Due to concerns about the coding of these locations in some later records, we have not replicated this exact analysis, but rather have presented, in Table 5-5, similar results comparing the Darwin and Alice Springs regions (as have been previously defined in this report) relative to other locations as the spatial parameter.

Non-Indigenous Australian-born people with children in the broadly defined Darwin and Alice Springs regions have an application rate for exemption of 74.3 per cent, with 80.2 per cent of these applications being successful. In contrast, in the other regions of the Northern Territory 25.3 per cent of Indigenous people made an application – with a success rate of just 18.4 per cent. These results, while not having exactly the same geographic scope as that presented in the first report, suggest that very little has changed over the two-year period.

Table 5-5 Two-stage hurdle regression model of whether an application is made and the success of this, marginal probability for Indigenous and non-Indigenous Australian-born population with children, by broad region, persons subject to, or with exemptions from, Compulsory Income Management in the Northern Territory, December 2013

		Probability of: Making an application	Application successful
		- % -	
Darwin & Alice Springs	Non-Indigenous	74.3	80.2
	Indigenous	54.3	51.3
Balance	Non-Indigenous	48.2	58.4
	Indigenous	25.3	18.4

Note: Derived from two-stage probit model, using the same explanatory variables included in Table 5 3.

Source: Derived from DHS Administrative data provided for the purposes of the evaluation.

Summary

Statistical modelling confirms the earlier descriptive analysis of exemptions from New Income Management and shows:

- Very limited access to exemptions by people without children.
- Lower rates of exemption for men when compared to women.
- Relatively high exemption rates for persons born in non-English speaking countries who have children.
- Low exemption rates for Indigenous Australians – with these being reflected in both low application rates and low success for those applications which are made. These exemption rates are considerably lower outside of the main urban areas and the data suggests there has been no closure of the very large gaps we reported on in our first report.

5.5 The views and experience of people with exemptions

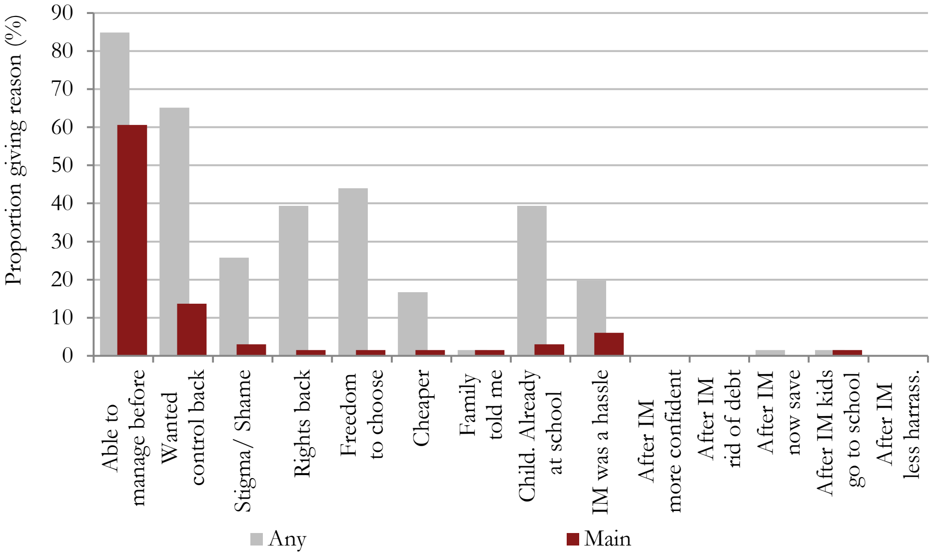
The LSNIM – the longitudinal survey used for the evaluation, forms the basis of analysis in Chapter 8. It is, however, useful at this point to report on some of the specific data collected in the survey relating to exemptions. This section reports findings on those with an exemption, and in the following section on those who have been unsuccessful in obtaining an exemption, or are currently in the process of seeking one. As detailed in later discussion, the survey was not designed as a random population sample, but rather sought to ensure a wide scope of coverage, including experiences in diverse communities, and contained a significant oversampling of non-Indigenous participants. It collected both quantitative and qualitative responses from participants.[75]

5.5.1 Motivation for seeking an exemption

The overwhelming motivation that people report in the LSNIM for seeking an exemption was a belief that they had the ability to manage their money effectively before the introduction of income management. The distribution of both the main and all reasons for seeking an exemption is illustrated in Figure 5-6.

[75] There were 66 people in the survey who identified as having obtained an exemption: 90.6 per cent of these were women, and 67.1 per cent were non-Indigenous.

Figure 5-6 People with an exemption from income management, main and any reason why they sought an exemption, LSNIM, Wave 2, 2013



Source: LSNIM Wave 2.

As Figure 5-6 shows, 61.5 per cent of respondents gave the response "I was able to manage my money quite ok before income management" as their main reason for having sought an exemption, with 86.2 per cent citing it as one of the reasons. The next major response was that "I wanted control of my own money", with 13.8 per cent giving this as their main reason and 66.2 per cent providing it as one of the reasons. The third-ranked main reason was that income management was a "hassle", although this was provided by only 6.2 per cent as the main reason and by 20.0 per cent as any reason. Three other reasons, with few giving them as a main reason, were frequently given as "other" reasons. These were: wanting the freedom to choose what people spent their money on (44.6 per cent); wanting their rights back; and because their children already attended school regularly or had their health checks (both at 40.0 per cent).

The LSNIM also included some questions which may reflect either 'bad motivations' for seeking an exemption or reflected situations where a person's behaviour had changed because of income management and they were now capable of managing. With respect to the first, just 1.5 per cent of respondents indicated that their main, or indeed any, reason for seeking an exemption was because their family told them to. Even this response is possibly open to two interpretations. The first is that the person was under undue pressure from people seeking to exploit them, the second is that of the family supporting them in making an application for exemption. Four response categories attempted to get at the second set of reasons – that of being better-equipped to manage money without income management because of their experience of being income managed. These took the following form: "After being on income management: I felt more confident in managing my money/I got rid of my debts/I saved money/my children now attend school and have their health checks". Only two of these questions had any response, with 1.5 per cent of respondents giving the "children now attending school" response as their main reason, and the same proportion agreeing with the response on saving as "another reason".

Overall, there were few differences in the pattern of responses given by Indigenous and non-Indigenous survey respondents.

On average, respondents who gained an exemption considered that the process of doing so was easier rather than harder, although a significant group indicated that they did not find it that way. The composition of responses was: 14.8 per cent saying they agreed strongly with the statement that it was easy, 41.0 per cent agreeing, 8.2 per cent being neutral, 24.6 disagreeing, and 11.5 per cent strongly disagreeing. Participants generally felt that Centrelink had been supportive in the exemption process (76.2 per cent).

Despite these positive responses, many found the process of obtaining an exemption shaming and humiliating, with 42.5 per cent of non-Indigenous and 55.0 per cent of Indigenous survey respondents saying that they agreed, or agreed strongly, with this statement. In the case of non-Indigenous participants, fewer than half – 45.0 per cent – said they did not find it shaming, while 40.0 per cent of Indigenous respondents gave this response.

Some of the views expressed by respondents are shown in Table 5-6. Reflecting the above findings, these views are diverse. Some people were very positive, with several reporting that they saw the process as being one which was important, and indeed potentially desirable, even if in some cases it was not necessarily pleasant. Others saw it as being unnecessary, overly complicated and humiliating.

Table 5-6 Views on the process of obtaining an exemption, LSNIM Wave 2, 2013

Just had to take in my son's needle records so it was pretty easy.
Extremely humiliating.
It was easy.
Just that Centrelink can be a bit useless and not giving me the complete information. The first appointment I had with Centrelink they told me I had to bring in a doctor's certificate and then the second time I spoke with someone from Centrelink I was told something else.
It can take three days to sort out, the staff are so busy and they take a long time, they want to help but are just so busy.
It's really annoying.
Long and very drawn out, that said the lady that did the interview was good-humoured and apologetic, said this happens all the time and she gets people like me all the time who are more than capable, the process was way too long, far harder than is needed.
It was really easy and I do agree with why they would be so nosey as to what you are spending your money on. I mean its tax payers' money not yours.
It was hard, I don't see why exemption from money management had anything to do with truancy, I had no idea that would have any effect on my payments, getting the records from the school can be hard, and making deadlines is difficult as it is according to school management.
I found it degrading and very offensive.
It was straight-forward, not a hassle to understand why you have to go through it. A good process.
It's not a pleasant experience but I understand the reason why it's there. It was an easy process and the staff were good.
The questions that they ask as to whether you are entitled to an exemption are good because as much as everyone says they can manage their money they can't.

Source: LSNIM Wave 2.

A number of the respondents, while being asked specifically about the operation of the exemption process, made more general comments about income management and the income management process. Again, there were a wide variety of views about the program, and the conceptualisation of having the exemption process.

Table 5-7 More general views on exemptions, LSNIM Wave 2, 2013

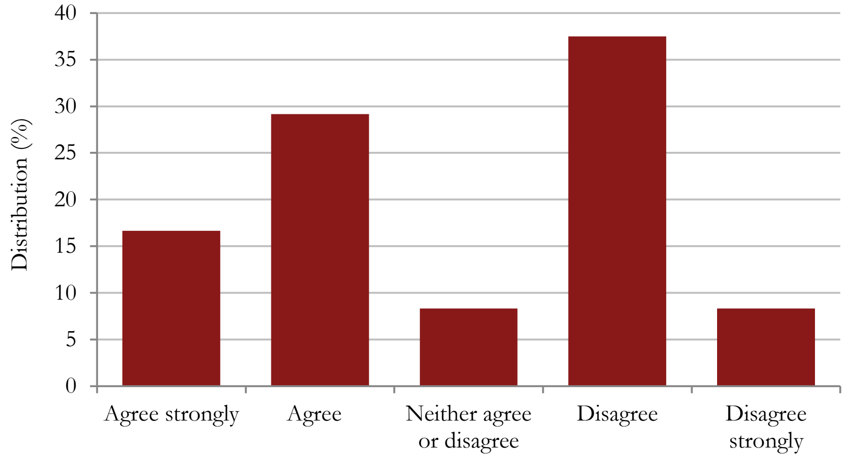
I do think it is a good idea to have the card and then have to go through the process to prove you don't need to be on it. That way people have to prove they are doing right by their kids. Means the kids are safe.
They are tarnishing everyone with the same brush; I would welcome Centrelink to come into my home and see my lifestyle, I don't drink, smoke, or gamble: audit me, I'm happy for them to come.
I was automatically put on when I arrived in Darwin. First woman spoke to at Centrelink was very rude and told me that I couldn't manage my money and I actually teach budgeting and finance …
I just know personally that I would not like to have to pull out the BasicsCard in public.
It really needs to be looked at and be changed. You should have a choice whether or not to be on. It is stressful.

Source: LSNIM Wave 2.

This diversity of views was also apparent when, at the end of the questions about the exemption process and their motivations, those respondents who had actually spent time on income management were asked whether they agreed or disagreed with the statement that "Income management was good for me" (This question was asked of a more limited population because in the survey, as in the case of exemptions more generally, many respondents had moved directly to an exemption without ever being on income management).[76]) As shown in Figure 5-7, the views of the population were virtually split down the middle in their response on this.

[76] Only 25 of the people surveyed responded to these questions, although some two-thirds of those with an exemption indicated that they had been on income management at some time.

Figure 5-7 People with an exemption from income management who had been on income management response to 'income management was good for me', LSNIM, Wave 2, 2013



Source: LSNIM Wave 2.

The survey also asked the group who had been on income management their assessment of the impact of income management on aspects of managing their lives. Essentially this question, rather than seeking an overall opinion, sought to identify what specific impacts the program had.

Table 5-8 People with an exemption from income management who had been on income management whether income management made it easier or harder, LSNIM, Wave 2, 2013

	Much easier	Easier	Same	Harder	Much harder	Total
			- % -			
Manage money	8.0	24.0	32.0	24.0	12.0	100.0
Save money	8.0	12.0	48.0	24.0	8.0	100.0
Enough for food	8.0	28.0	40.0	20.0	4.0	100.0
Pay bills on time	9.1	22.7	36.4	27.3	4.6	100.0
Know how much money you have	8.0	28.0	40.0	12.0	12.0	100.0
Look after children	10.0	15.0	60.0	15.0	0.0	100.0
Meet family obligations	9.1	22.7	50.0	18.2	0.0	100.0

Source: LSNIM Wave 2.

These results, as shown in Table 5-8, are in many ways dominated by neutral responses. In each set of responses there is a high proportion, and at times a majority, of people responding that it made no difference. The balance of respondents tend to be clustered, in roughly equal numbers, saying it had made it either easier or harder. The table is distinguished by a lack of extreme results. That is, very few people responded that income management had made things "much easier", or "much harder". As such, for this group of people that have gained an exemption it would appear that the program had only a mild impact, with no evidence of population-wide change in one direction or the other.

Summary – the views and experiences of people who have obtained an exemption

People with an exemption from income management have largely been motivated to seek an exemption by a belief that they were managing their finances adequately before the introduction of income management; and while the program did not, on balance for most, have either a strong positive or negative impact on their capacity to manage their day-to-day lives, they had a desire for control and freedom to choose.

While some problems were experienced in the exemption process, most felt it was relatively easy – but a very substantial proportion of people indicated a sense of shame and humiliation as a consequence of being subject to it.

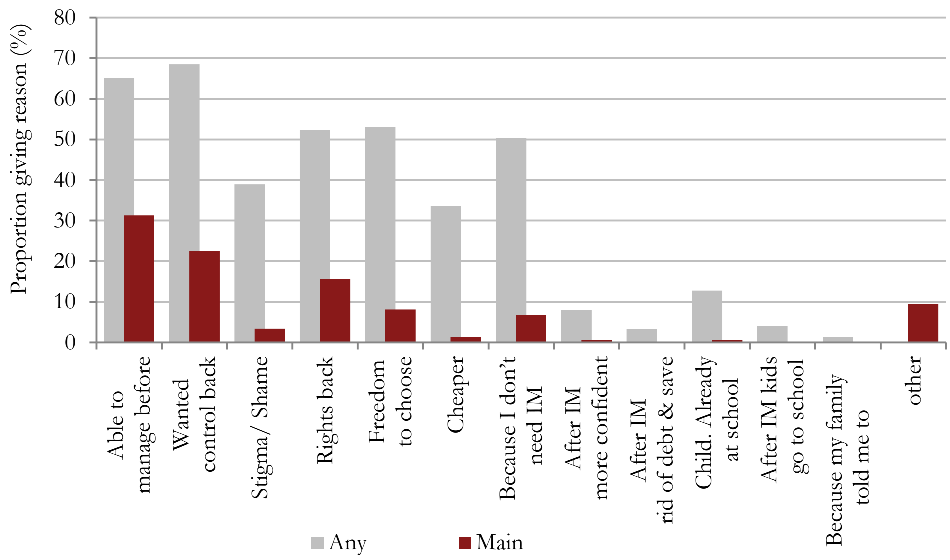
There was a near-total absence of positive responses indicating that income management itself had helped provide people with the skills, capacity and motivation to better manage their lives and hence become eligible for an exemption.

5.6 The experience of seeking an exemption

Another set of similar questions were asked in the LSNIM of those persons who had "tried to leave" income management. While not all in this group appear to have made a formal application for an exemption, a substantial number of people have. The reason for the more general casting of this question was that from the first wave of the survey it was apparent that the formal processes and language of the program are very poorly understood by many, and a question couched in technical terms of having formally applied for an exemption would not have elicited a response from many. Some 147 respondents participated in this section of the survey, 61.2 per cent of whom identified as being Indigenous Australians and 60.5 per cent of whom were women.

Although not as marked as in the case of people who achieved an exemption, people seeking to exit income management provided a similar pattern of responses to the questions on their reason for seeking to get off the program. This is shown in Figure 5-8.

Figure 5-8 Persons who had tried to leave income management, main and other reasons for seeking to exit, LSNIM, Wave 2, 2013



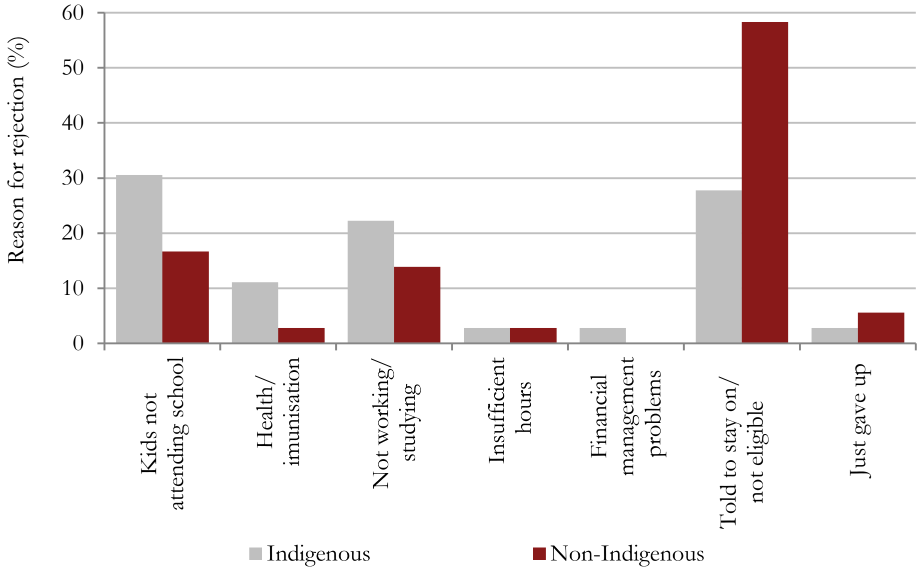
Source: LSNIM Wave 2.

Almost one third, 31.3 per cent, gave as their main reason, and almost two thirds, 65.1 per cent, as any reason, a belief that they were able to manage their money prior to income management. This was followed by 22.5 per cent saying their main reason was a desire to regain control over their money, 15.7 per cent who wanted their rights back and 8.2 who expressed their motivation in terms of freedom to choose what they spent their money on. Across the population five reasons were cited by a majority of respondents as being one of the reasons for seeking an exemption. These, in addition to the already noted belief that they were able to manage their money adequately before income management, were: wanting control back, wanting rights back, wanting the freedom to choose, or quite simply, that they did not believe they needed income management.

Consistent with the question of those who had gained an exemption a number of questions about motivations were couched in terms of changes which had been brought about by income management. Only one of these was cited as the main reason by any respondents – this was increased confidence – but this response was given by just 0.7 per cent of those in the survey. As seen in the figure the responses to the other questions were all below 10 per cent even as 'any' reasons and in general were below five percent.

While some people who had made applications to get off income management and had this rejected had a clear understanding of the reasons why they had been unable to obtain an exemption, many did not. Figure 5-9 illustrates the responses from people to the question of why their application was refused.

Figure 5-9 Persons who had tried to leave income management, understanding of reasons why their application was refused, LSNIM, Wave 2, 2013



Source: LSNIM Wave 2.

Interestingly, as illustrated in the figure, there appears to be a higher level of comprehension of the specific reasons for rejection among the Indigenous respondents, with 30.6 per cent of this group saying the rejection was because their children were not attending school regularly, 11.1 per cent because their children did not have their health or immunisation records up to date, and 22.0 per cent because they failed to meet the requirements for working or study. In contrast, 58.3 per cent of the non-Indigenous respondents gave reasons which are grouped as simply being told that they were not eligible or that they should stay on the program.

The LSNIM did not ask specific quantitative questions for this population about the exemption process, but rather asked people "Can you tell us what happened when you were trying to get an exemption?" This elicited a large number of responses, a selection of which is detailed below. These responses have been grouped into five themes; the first is about the process, the second is people's understanding of the reasons for being rejected, third are some specific comments on the employment criteria, the fourth contains some responses which would suggest that many people have a poor understanding of the criteria, and finally a small number of responses suggest that a group of people on the program have very little knowledge of the processes available to them.

A very clear theme in views around the experience of trying to obtain an exemption (see Table 5-9) concerned the amount of paperwork people were required to complete and records they had to obtain. In some cases this resulted in people simply walking away from the process. This problem was often compounded by the fact that English was not their first spoken language. In other qualitative data collection this type of experience has been further explored. A particular issue raised by many was the reliance by Centrelink on a centralised exemptions team that people had to deal with by phone. This presented a range of problems for some, including: the cost of contact, difficulties relating to language, and cultural preferences to deal with people face-to-face.

Table 5-9 Persons who had tried to leave income management, experience of the process, LSNIM, Wave 2, 2013

Too much paperwork.
I had to hang up because the telephone queue was too long and I didn't have the credit on my mobile to wait that long to be connected.
The first time I went for an exemption my four year-old daughter didn't have her health check on the system, this time round they are doing it and I have had a doctor send a letter saying that she is happy and healthy.
I gotta fill out big mob paper work.
They didn't tell me how I can do it. So I left it, too hard. No help or explain to me what I gotta do.
No help from Centrelink.
Too much documents.
The paperwork didn't go through in time, because I was not able to access a fax machine so it was cancelled, but now I just have to wait 13 weeks and I will automatically go off income management because I'm in Queensland now.
They said that we gotta get attendance records and immunisation records, but too much hassle.
I rang them and asked for an exemption and they said they would call me back at 3 and they didn't. The next day they rang me and said I had to wait for an interpreter and it could take up to a week. By the time they called they said I couldn't get off.
Said go to school get records for W____ and go clinic health check for V___.
They made it very difficult to get it and didn't support me to do the exemption.
[Interviewer notes] They said she was entitled to exemption. She had to go back with kids' attendance which is good. Didn't follow through with it because she doesn't like to wait. Thinks she will follow through with it soon but she is sick of the stuffing around they make her do.

Source: LSNIM Wave 2.

Another issue which was often identified were problems with obtaining school and health records. Not only does this frequently require time, but can involve cost, especially where people may have to travel long distances to access health services and obtain health records. While this process would be relatively easy for people who are educated, articulate, understand bureaucratic systems and live in urban areas, this is not the case for others. For many Indigenous people in particular, for whom English is not their first language and who are without these skills and who – frequently very accurately – see themselves as being powerless, this can be a major challenge.

As noted in the chapter on intermediaries, this has at times meant that people have had to use legal and other advocacy services to undertake what should be a relatively straightforward process.

A further issue raised by a number of the respondents were problems they encountered when they moved interstate. In such a situation a person has to spend a further 13 weeks on income management before they automatically exit. In many cases this causes problems, as they have only a limited number of outlets at which the BasicsCard is accepted, there is a higher level of stigma associated with the card because it is not common, and it is often difficult after moving to a new city to assemble the paperwork needed to achieve an exemption.[77]

Figure 5-9 showed that many people lacked a real understanding of the reasons for their application for an exemption being rejected. This was also reflected in the responses some people gave to the question on what happened to them when they tried to get off, as detailed in Table 5-10.

Table 5-10 Persons who had tried to leave income management, understanding of the reasons why they were rejected, LSNIM, Wave 2, 2013

I had to get all the paperwork from the school and doctors check-up and then I had to answer the questions and I must have answered one wrong cause they said no.
I tried to get off it, I went to two different appointments and took in my letters from the doctors and they said no I'm not eligible. This has caused me more anxiety and depression.
Centrelink told me to stay on income management a little bit longer.
They said they would not get me off. Centrelink did not say why.
Told we didn't fit the factors required.
They said she had to stay on it 'cause everyone in the Territory is on it.

Source: LSNIM Wave 2.

[77] DSS advise that some of these requirements have been reduced and that people who have moved interstate and want to apply for an exemption within the 13 weeks can now sign a statutory declaration saying they have met the criteria.

As noted, not all of these responses are necessarily related to formal applications for exemptions. They do, however, reinforce findings across the range of data collections and consultations that there is a persisting poor understanding of the reasons for not being able to exit income management. Although Centrelink does write to people advising them of a rejection of an application and providing them at times with information about the exemption process, these are frequently couched in relatively technical terms related to the criteria for the program. This is illustrated in Figure 5-10, which presents two extracts from standard letters, the first requesting health documentation, and the second relating to the rejection of an application because of missing documentation.

Figure 5-10 Extracts from standard Centrelink letters on the provision of information in support of an application for exemption

Extract relating to provision of health records

Health check documents for Josephine
You need to provide at least **one** of the following documents for Josephine to show she has received all age appropriate health checks:

- Personal Health and Immunisation Record
- A letter from your doctor, specialist, health clinic or hospital showing that Josephine has received all age appropriate health checks, or
- A statement from Medicare showing immunisations and medical appointment attendance.

Medical therapy documents for Josephine
If Josephine is attending an approved medical therapy, you need to provide a letter from a health professional confirming that Josephine is regularly attending speech therapy, occupational therapy, physical therapy or another approved medical therapy.

Extract from letter rejecting application for exemption due to non-supply of information

Your request for an exemption has been rejected because you did not give us the documentation we requested by 30 July 2014. If you give us the documentation we can reassess your request.

If you are unsure what documentation you need to give us, please call us on **1800 132 594.**

Source: DHS examples of standard letters CIM_EM4_Rejected and CIM_EM1 (Request for child health documentation).

The specific exemption criterion on employment was cited by many as being very difficult to meet. At the broader level people who were seeking employment talked elsewhere in the survey and in consultations about the desire to obtain full-time work as a means of getting off income support, rather than seeing employment as a means of getting off income management but remaining on income support. For others their perspective was that they had endeavoured to obtain employment, but the limited work they could obtain was not sufficient to prove a case for an exemption. Table 5-11 provides some examples of the different circumstances in which this issue was raised.

Table 5-11 Persons who had tried to leave income management, meeting the requirements for employment, LSNIM, Wave 2, 2013

I got my paperwork from work to say I work full time and then they still wouldn't take me off it because they reckon it was only a part-time work not full time.
Went to Centrelink on the phone, got told that I could have an exemption if I could show working for 15 hours a week for 6 months, but when I sent it all in they said it had to be every week and not an average.
Was told I had to work 16 hours a week to get off it. I have a doctor's certificate to say I can't work more than 10 though.

Source: LSNIM Wave 2.

As noted in many of the responses, there was clear evidence of a lack of understanding by people on income management of the criteria which needed to be met in order to obtain an exemption. A second dimension to this was some false understandings of what the criteria are. This is a particular problem when these misunderstandings tend to be much more limiting than the actual criteria for the program, and people may be reluctant to seek an exemption because they feel they cannot meet the criteria. Examples reported in the LSNIM of such understandings are given in Table 5-12

Table 5-12 Persons who had tried to leave income management, misstatements of the exemption criteria, LSNIM, Wave 2, 2013

The Centrelink agent told me that I could not get off it because I live in a low-income area and if I moved to a suburb with a higher average income I could then get off income management.
They weren't helpful: only single parents, students and elderly can get off it.
I asked if could get off but they said cos I wasn't on a pension yet I couldn't do it.

Source: LSNIM Wave 2.

Finally there was a group who commenced responding to the survey question because they wanted to get off income management, but it appears that they had only informally asked Centrelink about this rather than making a formal application for an exemption. When they were confronted by the more formal questions on the exemption process in the survey, they indicated that they had little or no knowledge that such a process existed or how they could access it. Table 5-13 presents some of these responses.

Table 5-13 Persons who wanted to leave income management, lack of knowledge of exemptions, LSNIM, Wave 2, 2013

Don't know what to do and who to see about it.
No one told me about this, and who to talk to.
I don't know about this.

Source: LSNIM Wave 2.

Summary – experience of people trying to get off income management

In broad terms people seeking to obtain an exemption from income management have similar motivations to those with exemptions. The LSNIM and other data collections identify that many people in this group have problems with the processes. The first problem is simply understanding the processes, and the second concerns the difficulties they encounter as they try to work through these processes. Issues of a lack of understanding seem to be widespread and range from matters such as knowing the reasons why an application for an exemption was rejected, through to an understanding of the criteria for exemptions and knowledge about how to go about obtaining one.

While on balance those who succeeded in obtaining an exemption reported that they found the process easy, this sense is not apparent in the responses of people who have been unable to gain an exemption or are currently still in the process of seeking one.

As with those who have obtained an exemption, very few of those who have tried or are trying to obtain an exemption feel that income management has played a role in preparing them for this.

5.7 Appeals and reviews of decisions

The appeal rights under income management have been described in Chapter 2. Table 5-14 details the number of appeals by level of appeal by year and the Indigenous status of the appellant. Since 2010, 393 appeals have been lodged, with between 68 and 150 appeals being lodged per year, but with no particular time trend apparent. The 255 appeals lodged by non-Indigenous people is almost double the number lodged by Indigenous people, despite the disproportionate number of people on income management who are Indigenous.

Table 5-14 Appeals relating to income management, 2010 to 2013

Appeal to:	2010	2011	2013	2013
Indigenous				
Original Decision Maker	28	26	14	16
Authorised Review Officer	7	16	9	16
Social Security Appeals Tribunal	2	1	2	0
Administrative Appeals Tribunal	0	1	0	0
Total	37	44	25	32
Non-Indigenous				
Original Decision Maker	17	45	23	34
Authorised Review Officer	21	53	20	30
Social Security Appeals Tribunal	1	5	0	3
Administrative Appeals Tribunal	0	3	0	0
Total	39	106	43	67
Total				
Original Decision Maker	45	71	37	50
Authorised Review Officer	28	69	29	46
Social Security Appeals Tribunal	3	6	2	3
Administrative Appeals Tribunal	0	4	0	0
Total	76	150	68	99

Note: Data based on number of Finalised Appeals by the Case Area of North Australia.

Source: Derived from administrative data provided for the purposes of the evaluation by DHS.

Most appeals result in the affirmation of the original decision. In 2012 and 2013, of the 75 appeals that went to an Authorised Review Officer (ARO), 64 were affirmed, two were withdrawn, and just 9 upheld. Of those going to the Social Security Appeals Tribunal, two were affirmed, one withdrawn, and 2 dismissed for non-appearance.

Table 5-15 Outcomes of appeals relating to income management by decision-making level, combined 2012 and 2013

	Original Decision Maker	Authorised Review Officer	Social Security Appeals Tribunal	Administrative Appeals Tribunal
Affirmed Decision	19	64	2	0
Decisions set aside	1	9	0	0
Decisions varied	0	0	0	0
Withdrawn	4	2	1	0
Decision Explained	2	0	0	0
Priority Review	11	0	0	0
Referred to ARO after internal review	50	0	0	0
Dismissed for Non-Appearance	0	0	2	0
No jurisdiction	0	0	0	0
Total	87	75	5	0

Note: Data based on number of Finalised Appeals by the Case Area of North Australia.

Source: Derived from administrative data provided for the purposes of the evaluation by DHS.

The main change in appeals over the above period has been that there has been a shift, commencing in 2012, for appeals to an original decision maker to be referred to an Authorised Review Officer, rather than being determined by the original decision maker themselves.

5.8 Exemptions – summary

Offering people access to exemptions is identified in the program guidelines as one of the principal means by which income management seeks to promote "personal responsibility and positive social behaviour". There is little evidence that this is the case.

The evidence examined in this chapter indicates that:

- The overall rate of exemptions is low, and in December 2013 was 10.2 per cent of the potential Compulsory Income Management population.

- This level is similar to, or indeed a little below, the average rate recorded for the program over time.
- Exemption rates vary significantly for different groups:
  - While parents with dependent children have an exemption rate of 17.1 per cent, the very limited criteria under which a person without dependent children means that the exemption rate for this group is just 0.6 per cent.
  - There is a very large and persistent difference in the extent to which Indigenous Australians obtain exemptions from income management, with this being even more marked for those who live outside the major urban areas. This gap reflects both lower application rates for exemptions and a much lower success rate for these applications.
  - In December 2013, while 36.3 per cent of the non-Indigenous population potentially eligible for Compulsory Income Management has an exemption, just 4.9 per cent of the non-Indigenous population does.
  - While non-Indigenous women had a 51.4 per cent exemption rate, only 0.4 per cent of Indigenous men were exempt.
- There are different pathways into and out of exemptions:
  - For non-Indigenous people most access exemptions with no or little actual time on income management.
  - This is not the case for Indigenous Australians, who frequently spend considerable time on income management prior to an exemption.
  - Exemptions are not a one-way path of income management; rather, many people who initially have an exemption do not maintain this over time.
  - This has implications for the policy. If people are returning to income management because of changing circumstances; for example, children leaving home, it seems unusual that a person can be deemed to be capable of managing their finances while they have a child, but require their income to be managed if the child becomes independent. If they are reverting to income management because they have failed to be able to meet the same criteria as they previously had, this suggests that neither income management nor exemption from it are achieving sustainable behavioural change.
  - While people have the option of obtaining an exemption and then moving onto Voluntary Income Management, very few have chosen this path.
- The primary motivation of people seeking an exemption appears to be a belief that they managed their finances in a satisfactory manner before income management. In addition, there were strong themes of a desire to be in control of their money and to have the freedom to choose how to spend this.
  - In general, most people with an exemption found the process relatively easy, with Centrelink being supportive. At the same time a very large group of respondents said that having to go through the process was shaming and humiliating.
  - Those seeking an exemption were less positive about the process, in particular the amount of paperwork they needed to collect and the problems this could pose. More generally they show a low level of understanding of the processes and the criteria.
  - Both of these groups did not consider that the experience of income management had made any significant change to their ability to manage their finances.

Exemptions constitute a mechanism that is disproportionately used by non-Indigenous people with children, most of whom are never actually placed on income management. Access to exemptions by Indigenous Australians is low and there is no evidence of the gap closing, nor is there evidence of access to exemptions operating as an incentive for changing behaviours, or of income management playing a role in preparing people to be in a situation in which they can gain an exemption.

6 Patterns of consumption and financial management

This chapter is primarily concerned with how people subject to income management spend the income managed share of their government benefits. It focuses on two questions. First, to what extent has income management been effective in changing patterns of consumption? Second, to what extent has income management led to improvements in the quality of financial management? From the evaluation perspective there are also questions relating to how the program has been implemented.

This chapter is structured as follows:

- An initial overview of some of the objectives of the policy with regard to consumption.
- An exploration of how people allocate their income managed funds, and analysis of the Centrepay facility to manage the spending of their income support.
- Issues associated with BasicsCard use: including where spending on the card occurs; the incidence of failed transactions; and some perspectives on how the BasicsCard is used on a day to day basis.
- Analysis of the types of items purchased using BasicsCards in a selection of stores.
- Reviewing the extent to which data on the incidence of failed transactions and the pattern of spending can help understand trends in financial management capability.

6.1 Consumption and the objectives of New Income Management

The objectives of income management which are related to changing patterns of consumption have been enunciated both in the legislation and in policy statements. In the legislation this is expressed as an aim to "reduce the amount of discretionary income available for alcohol, gambling, tobacco and pornography" (Australian Government, 2014, 11.1.1.30). In policy terms the objective has been expressed as follows: "The reforms will help fight passive welfare and mean that more money goes to food, clothes, rent and less money goes to buying alcohol and gambling" (Macklin & Snowdon, 2009).

DHS describes the BasicsCard "as a way for customers to use their income managed money to buy priority items at a variety of approved stores and businesses" and indicates that "Customers can use their BasicsCard to buy things they need such as food, clothes, health items and hygiene products" (DHS, 2013).

The policy statements on income management, and the strategies adopted by the program, reflect two specific goals for changed consumption behaviour:

- A reduction in spending on alcohol, gambling, tobacco, and pornography.
- Increased spending on 'basic items', or at least in ensuring that all 'basic needs' are met before money is spent on other items.

These in turn are seen as a mechanism to "help people manage and get control of their lives by directing funds to their priority needs" (DSS, 2014f) and "strengthen participants' financial capability and skills" (DSS, 2014j).

An important point to bear in mind is that achieving one of these objectives does not necessarily mean that the other will be achieved. For example, it is in principle possible for an individual to spend more on "basics" or, as they are described in the policy objectives, "priority goods and services", without reducing spending on alcohol, tobacco, gambling, and pornography, by reducing their spending on other non-basics such as entertainment. Conversely, a reduction in spending on these excluded items can occur without an increase in spending on basic items, or indeed with some basic needs remaining unmet.

Appendix E provides more details on what are defined as priority goods and services. This listing is relatively restrictive, and in operational terms is also affected by Departmental decision-making. For example, while expenditure on child care and development is identified as being a priority area, it is noted that this only extends to "toys that Human Services is satisfied are educational – this does not include electronic toys" (Centrelink 2012). Similarly, while sanctioning "the acquisition, repair, maintenance or operation of: (i) a motor vehicle; or (ii) a motor cycle; or (iii) a bicycle", this is conditional on this being used "wholly or partly for purposes in connection with any of the above needs", with "these needs" being defined in terms of addressing health needs, child care, education and training, employment, and attending funerals.[78] [79]

6.2 How income managed funds are allocated

People can choose to spend their income managed funds through a range of mechanisms, including: allocation to a BasicsCard, which can be used for the purchase of non-prescribed items from approved merchants; the direct payment of regular bills such as housing; through the payment of bills on their behalf; and as the allocation of funds to stores.

Initial decisions on the allocations between these various expenditures are made at an "allocation interview" with Centrelink just prior to the time at which their income management commences.[80] These interviews can leave flexibility in the allocations and people have the capacity to change their allocations over time. If they wish, people can maintain a balance in their income management account and request, over a payment cycle, or cumulatively over time, for this to be allocated to their BasicsCard, or to be used to pay for goods and services on their behalf. In popular parlance the amount held back for later allocation is often called a "kitty".

While the objective of the allocation interview is for Centrelink to work with an individual to come to a set of allocations that reflect the person's priorities and which are consistent with the broader set of objectives of income management (as interpreted by the Centrelink officer). Centrelink officers can, however, be more directive. As discussed later in this Chapter, with respect to the School Nutrition Program, the Guide to Social Security Law indicates:

> If a parent does not nominate to direct their income managed funds towards a school meals/nutrition program, where one is available, the delegate should investigate the reason for this choice. The onus is on the parent to show how they are meeting their children's daily food

[78] These criteria are those that were in place for most of the period over which this evaluation has been based. DSS advise they were revised with regard to toys on 13 May 2013 to read:

'Toys if they meet the following criteria:

- provide opportunities for physical activity and develop gross-motor skills
- promote literacy, numeracy, thinking skills and social skills
- help children develop fine motor skills and imagination
- encourage creative play, role modelling, language development and fun.

NB: Stores that primarily sell electronic consoles and games will be excluded from eligibility for the BasicsCard due to the requirement to sit while interacting with a screen rather than exercising and socialising, and due to the difficulties associated with limiting the sale of M rated games that potentially are violent or aggressive.'

DSS further advise "Consequently the attachment was removed from eRef completely on 3/1/2014".

[79] The conditions relating to acquisition, repair or maintenance of vehicles reflect legislative provisions.

[80] An exception to this occurs when a person has not engaged with Centrelink within the required timeframe and income management is automatically applied. In these cases, Centrelink seeks to conduct an Initial Assessment Interview at the next opportunity.

needs. If the delegate is not satisfied that the person meets the daily food needs of their children, the delegate must take action to meet the priority need as set out in the [*Social Security (Administration) Act 1999 (Cwth)*] section 123YA, including by allocating income managed funds to a school meals/nutrition program, where available. (DSS, 2014g)

6.2.1 Allocations to BasicsCard

Most income managed funds are allocated to a BasicsCard. The data used in this analysis is based upon actual allocations, not the notional allocations which may have been made at the initial interview. Across the income managed population as a whole, in October 2013, 79.7 per cent of all funds were allocated to BasicsCards. There is, however, considerable variation in this proportion (see Table 6-1).[81]

Table 6-1 Allocations of income managed funds to BasicsCard in the Northern Territory, October 2013

	Proportion of income managed funds allocated to BasicsCard						Average prop'n to BasicsCard (a)	Persons
	100%	75-<100%	50-<75%	25-<50%	0>-<25%	Nil		
	Distribution of income managed population (%)						- % -	
Income management classification								
CIM Indigenous	45.8	25.9	18.2	6.3	1.6	2.3	81.7	12,160
CIM non-Indig.	56.2	9.1	11.4	9.6	4.3	9.4	74.2	1,599
Child Protect.	19.2	46.8	18.1	13.8	0.0	2.1	78.4	94
Vuln Assessed	39.4	21.9	15.5	7.7	2.6	12.9	73.4	155
Vuln Auto	74.2	8.1	6.1	4.6	2.0	5.1	85.9	198
VIM	28.9	29.3	22.2	10.4	3.6	5.5	75.8	3,660
Gender								
Male	55.7	18.5	13.1	5.8	2.2	4.7	83.1	7,067
Female	35.3	29.2	21.7	8.5	2.3	3.1	78.3	10,799
Indigenous identification								
Indigenous	42.0	26.6	19.0	7.2	2.0	3.1	80.2	16,135
Non-Indigenous	56.3	9.4	11.3	9.5	4.2	9.3	74.5	1,731
Age group								
Under 20 years	80.2	8.3	4.7	2.6	0.8	3.5	92.1	1,327
20-24 years	58.7	24.7	9.7	3.1	1.0	2.7	87.5	3,145
25-34 years	39.6	28.7	20.3	6.9	1.9	2.7	79.5	5,201
35-44 years	36.0	26.4	22.0	9.9	2.7	3.1	77.3	3,738
45-64 years	36.0	24.5	21.8	9.6	3.3	4.7	76.1	3,631
65 years & over	15.8	24.5	27.3	14.7	5.0	12.7	65.8	824
Duration on income management								
< 1 month	67.5	9.5	9.0	4.7	1.9	7.4	86.6	677
1-<3 months	68.6	10.7	8.1	4.3	1.9	6.6	84.5	1,717
3-<6 months	66.3	13.7	9.3	5.4	1.7	3.6	85.6	1,934
6-<12 months	56.2	19.4	13.5	5.6	1.7	3.6	82.6	2,838
1-<2 years	45.0	25.2	18.2	7.4	1.8	2.4	80.9	3,304
2 years +	23.7	34.7	25.6	9.7	2.9	3.3	75.6	7,396
Total	43.4	25.0	18.3	7.5	2.2	3.7	79.7	17,866

Note:

(a) Weighted by amount of funds income managed.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

Overall, 43.4 per cent of people allocate all of their funds to their BasicsCard. Men are more likely to do this than women (55.7 per cent compared with 35.3 per cent). Above-average incidence of allocation of all funds to BasicsCard is also seen by non-Indigenous people subject to Compulsory Income Management (56.2 per cent), those on the automatic vulnerable measures (74.2 per cent) and young people (80.2 per cent for those aged under 20 years and 58.7 per cent for those aged 20 to 24 years). In contrast, just 15.8 per cent of those aged 65 years and over allocate all their income managed funds to their BasicsCard.

[81] The data used in this analysis is based upon daily data provided by Centrelink for the purpose of the analysis. The data comprises two files, one for October 2011 and another for October 2013. The data here has been drawn from the latter file. For each individual subject to income management a fortnight of transactions has been extracted, usually in the first half of the month. Elsewhere in this chapter data are based on all BasicsCard transactions, not just those over this limited period.

Just 3.7 per cent of people subject to income management choose to put none of their income managed funds onto a BasicsCard.[82] This is more frequently seen among non-Indigenous people on compulsory income management (9.4 per cent) and those who are on the assessed Vulnerable measure (12.9 per cent). In addition, higher non-allocation of any funds to BasicsCards is more likely to occur among those aged 65 years and over (12.7 per cent).

The proportion of those with an allocation to a BasicsCard increases with length of time spent on income management (Figure 6-1). However, very soon after starting income management the majority of people have an allocation to their BasicsCard (92 per cent having an allocation to their BasicsCard in their first week of income management). The proportion with a BasicsCard allocation then steadily increases. After three months 95 per cent of people have an allocation to a BasicsCard, and after nine months around 96 per cent have such an allocation. The reasons for this pattern are not entirely clear. In some cases it reflects delays in issuing a BasicsCard, as this process requires face-to-face contact with the person being income managed. In other cases it may simply be the result of a person initially declining to use a BasicsCard but then deciding that they would like to use this as a mechanism for spending some or all of their income managed funds.

While people who have been on income management for more than two years have a very low level of non-use of a BasicsCard (3.3 per cent), they are relatively less likely to put all of their funds through their BasicsCard, with just 23.7 per cent doing so.

Overall, 86.6 per cent of people subject to income management use their BasicsCard to spend 50 per cent or more of their income managed funds. Even for people who do not allocate all of their funds to their BasicsCard, in the majority of cases the proportion allocated to the BasicsCard is relatively high.

This high level of allocations to BasicsCard illustrates the importance of the BasicsCard to income management and hence the focus on it in this chapter.

Figure 6-1 Proportion of people subject to income management in the Northern Territory with an allocation to a BasicsCard by duration of time on income management in their first year on the program, October 2013

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

6.2.2 Other allocations

Before considering the use of BasicsCard in more detail, this section reviews the range of other payments made directly by Centrelink from people's income managed funds. These are summarised in Table 6-1, which shows the proportion of the income managed population that has this type of allocation by the

[82] In this discussion the focus is on the allocation of funds to a BasicsCard and not whether the person has a BasicsCard issued to them. As noted in section 6.3.1, only 1.0 per cent of the income managed population has not had a BasicsCard issued to them.

broad purpose of the allocation. This is presented by broad stream of income management. The table also shows the average spending through each type of allocation for the subgroup of people who allocate some of their income managed funds to that allocation.

The most common allocation is to housing, with 35.7 per cent of those on income management having such an allocation, with an average expenditure on this item of $102 per fortnight. Payment of housing was most common amongst those on Voluntary Income Management (48.4 per cent) and Indigenous people on compulsory measures (35.0 per cent). In contrast it was relatively infrequent among non-Indigenous people subject to compulsory income management, with just 15.8 per cent having an allocation to housing. However, non-Indigenous people subject to compulsory income management who have an allocation to housing have an average allocation of $198 per fortnight, about twice the size of the allocation for the other groups.

This difference in level and rate of allocation reflects the considerably different living arrangements of the two populations. The majority of non-Indigenous people subject to income management are living in urban Darwin and facing much higher housing costs. This is reflected in the higher average expenditure. The lower proportion with allocations is a function of differences in tenure. In large part the housing rents of Indigenous people are paid to Territory Housing or to community housing authorities. In contrast, non-Indigenous people are more likely to live in private rental housing. For many people it can be more difficult to pay for this through income managed funds. Some landlords seek to have rent paid in cash, while others are unwilling to receive payment through Centrelink, or individuals subject to income management are unwilling to have this information shared with their landlord. Another issue arises in group or shared housing where the rent is paid by one person who is then reimbursed in cash by the other household members. This type of payment through income management, while possible, again runs into a range of difficulties. The funding of housing directly from income managed funds is identified as one of the priority needs.

The second major allocation grouping is spending on Schooling and Children. This type of allocation is dominated by payments for the School Nutrition Program. As discussed in Chapter 2, this program involves an obligatory payment by parents to help cover the costs of the program. Overall, 15.4 per cent of people subject to income management have an allocation for the School Nutrition Program. The average allocation amount (for those with such an allocation) is $85 per fortnight. This amount is often for multiple children.

As noted in the introduction to this Chapter, the School Nutrition Program is identified as a high-priority payment in the legislation. The Guide to Social Security Law states "If the child/student is enrolled to attend school (approved absences aside), and an approved school meals/nutrition program is available at the school the child/student attends, then a deduction for the school meals/nutrition program is strongly recommended." (DSS, 2014g)

In the more detailed discussion in the Guide to Social Security Law it indicates that this "strong recommendation" essentially involves a reverse burden of proof by the parent if they choose not to make this payment, and the potential for the allocation to be made without their consent. "The onus is on the parent to show how they are meeting their children's daily food needs. If the delegate is not satisfied that the person meets the daily food needs of their children, the delegate must take action to meet the priority need as set out in the *Social Security (Administration) Act 1999 (Cwth)*, section 123YA, including by allocating income managed funds to a school meals/nutrition program, where available." (DSS, 2014g) [83]

Nine per cent of people have an allocation for food. This apparently low proportion is because most food purchases are made by people using their BasicsCard. Where these expenditures appear as direct allocations, this type of arrangement can include making a payment to a store as a credit which a person can then draw down on, or it can involve monies credited to a specific store card. It has been reported that such credits can occur where a person has lost their BasicsCard and they are waiting for a Centrelink remote service team to visit a community so that the card can be replaced.

[83] DSS advise that while there is potential for School Nutrition Payments to be made without the customer's consent, there is no evidence that this is occurring frequently. They advise that In practice, Centrelink staff do not generally make allocations without the customer's consent.

Table 6-2: Income managed funds allocation by type, NIM, October 2013

	Compulsory IM Indigenous		Compulsory IM non-Indigenous		Voluntary IM		Total	
	Average spend those with ($)	Prop-ortion with (%)	Average spend those with ($)	Prop-ortion with (%)	Average spend those with ($)	Prop-ortion with (%)	Average spend those with ($)	Prop-ortion with (%)
BasicsCard	388	97.6	360	90.7	412	94.5	390	96.3
School & child	86	19.1	85	1.2	79	9.3	85	15.4
Council	20	0.8	0	0.0	20	1.4	20	0.9
Fines	51	0.1	43	0.2	23	0.1	47	0.1
Food	183	6.5	147	0.8	173	21.1	179	9.0
Homecare	79	0.6	0	0.0	88	15.3	87	3.6
Housing	98	35.0	198	15.8	96	48.4	102	35.9
Transport	61	2.6	50	0.2	61	1.6	61	2.2
Utilities	69	3.2	106	11.5	52	3.6	76	4.0
Other	135	13.4	267	24.5	134	12.8	155	14.3
Total	464	100.0	437	100.0	514	100.0	471	100.0

Notes: The Compulsory income management category includes Compulsory Income Management, Vulnerable Income Management, Child Protection Income Management, SPAR, and Nominee Income Management.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

6.2.3 Interaction with Centrepay

In addition to allocations from income managed funds, a person is also able to allocate some of their income support payments to meet expenses through the use of the Centrelink Centrepay arrangement. This enables the direct crediting of a portion of a person's income support to a third party as payment for the provision of goods and services, or in some cases debt.

Centrelink staff at the allocations interview are encouraged to propose the use of this facility in addition to income management. The guide states that: "The delegate should encourage the person to establish Centrepay from their discretionary, non-income managed payments to meet some priority needs and/or other regular expenses." (DSS, 2014h)

The use of Centrepay by people subject to income management has grown strongly. In October 2013 around 30 per cent of people on income management also made payments through Centrepay, compared with a little over 20 per cent in October 2011.

As shown in Table 6-3, the incidence of the use of Centrepay in conjunction with income management in October 2013 varies from 16.9 per cent for the non-Indigenous population on compulsory measures, to 30.1 per cent of the Indigenous population on the same measures and 41.7 per cent of those on Voluntary Income Management.

The three major purposes for which payments are made through Centrepay by people who are subject to income management in the Northern Territory are: housing, transport, and court fines. 13.3 per cent of all people on income management and 42.7 per cent of those who use Centrepay use it to pay for housing. This is primarily for government and community housing (37.3 per cent of those using this facility) along with 3.9 per cent using it to pay for short-term housing and boarding facilities. Just 0.1 per cent use it for private rental. The average housing payment is $76 per fortnight.

Table 6-3 shows in the second panel the proportion of people who are paying for their housing through either or both mechanisms. Across the whole income managed population 42.6 per cent are allocating some funds through these mechanisms for housing. This proportion ranges from 59.4 per cent for those on Voluntary Income Management to 19.6 per cent of non-Indigenous people on compulsory measures.

Table 6-3 Use of Centrepay in addition to income management, NIM, October 2013

Allocation arrangement for income management and whether uses Centrepay	Program type			Total
	Compulsory IM Indigenous	Compulsory IM Non-Indigenous	Voluntary IM	
		- %-		
BasicsCard only	34.7	49.7	17.7	32.6
IM allocations only	1.8	7.6	2.5	2.5
BC and IM allocations	33.5	25.7	38.1	33.7
IM only	69.9	83.1	58.3	68.8
All BC & Centrepay	11.1	7.2	11.2	10.8
All IM alloc & Centrepay	0.7	1.7	3.0	1.2
BC, IM alloc & Centrepay	18.3	8.0	27.5	19.2
IM & Centrepay	30.1	16.9	41.7	31.3
	100.0	100.0	100.0	100.0
Whether has a direct payment for housing:				
Both IM & CP	5.4	2.8	9.1	5.9
Income Management	29.6	13.1	39.3	30.0
Centrepay	6.8	3.5	11.3	7.4
Neither	58.2	80.7	40.3	56.7
Total	100.0	100.0	100.0	100.0

Notes: BC – BasicsCard, IM – Income Management, CP - Centrepay

The Compulsory Income Management category includes CIM, Vulnerable IM, Child Protection IM, SPAR, and Nominee Income Management.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

Fewer details are available on the expenditure on transport and court fines. Transport payments through Centrepay are made by 11.5 per cent of the income managed population and by 36.9 per cent of this population who use Centrepay. Although information is limited it appears that a major element of the spending on transport relates to costs involved in 'return to country/return home' services.[84] These seek to assist individuals and families who usually live in remote locations but have come to major territory urban centres for community, health or other reasons, to return to their home community. These transport costs are frequently high and are funded through a third party who is then reimbursed over time by a regular Centrepay deduction. The average transport payment is $73 per fortnight. 3.8 per cent of the income managed population are paying a fine through Centrepay – 12.1 per cent of those using the facility. The average fortnightly payment is $48.

For the group who make additional payments on Centrepay, some of the payments are relatively small, with a quarter making allocations which are equal to 8.3 per cent or less of the value of their income managed amount and half making an allocation of less than 16.7 per cent. On the other hand, some allocations are high. A quarter of the people with a Centrepay deduction make an allocation which is equal to 29.6 per cent or more of the value of their income managed funds, and 10 per cent make an allocation of more than 45.8 per cent of the value of their income managed funds. Using the notional rate of income management of 50 per cent, this latter group would be effectively managing a little under three quarters of their total payments through Centrelink.

6.3 BasicsCard

As seen above, the BasicsCard is the primary means by which income managed funds are spent and for many people the card has become synonymous with income management. The BasicsCard, Figure 6-2, is a reusable debit card with Personal Identification Number (PIN) protection. It can be used at approved merchants for the purchase of non-proscribed items.

To be eligible to become a BasicsCard merchant the criteria include the following:

- the main business is the sale of priority goods and services including food (excluding take-away, restaurants and cafes), clothing, basic household items, health and related items and services)

[84] The Larrakia Nation Aboriginal Corporation is one of the major providers of this type of service for people in Darwin. See Larrakia Nation (2014). The conditions for the service include that the "Client must receive Centrelink payments…. Client must sign Centrepay deduction form."

- the merchant needs to demonstrate an ability to prevent the sale of excluded goods and services
- sales of excluded goods and services is less than 50 per cent of total annual dollar value turnover of the merchant
- the merchant must have Point of Sale facilities available for the use of the BasicsCard and be able to provide an itemised receipt for each BasicsCard transaction to the relevant card holder at the time of the transaction (Department of Human Services, 2014a).

There is 'BasicsCard accepted here' signage available for merchants.

Figure 6-2 The BasicsCard

6.3.1 BasicsCard issue and replacement

By the end of 2013, 346,642[85] BasicsCards had been issued to people income managed in the Northern Territory. This comprises 55,986 cards issued as new cards at the commencement of a spell on income management, 37,366 cards issued when original cards have expired, and 253,290 replacement cards for cards which have been lost, damaged, mislaid or stolen. All cards are issued on a face-to-face basis by Centrelink. Card issue can be undertaken on the spot in Centrelink offices and by remote servicing teams operating outside of Centrelink offices.

The distribution of the number of BasicsCards replaced (excluding the replacement of expired cards) is shown in Table 6-4. Only a quarter of people who have been subject to income management have not had a card replaced, with a quarter having 10 or more replacement cards issued and 1.2 per cent having more than 50 replacement cards. Having a replacement card, and having large numbers of replacement cards is more frequently associated with having multiple episodes on income management, and is also associated with length of time spent on income management.

Table 6-4 Number of replacement BasicsCards, by spells on income management, persons with a BasicsCard, NIM to end December 2013

Number of replacement BasicsCards	Number of spells on income management			Total
	One	Two	3 or more	
		- %-		
Nil	40.3	15.0	8.1	26.2
One	12.2	10.1	7.5	10.7
2–4	16.4	20.3	20.2	18.4
5–9	12.3	23.1	23.6	18.0
10–19	11.6	20.6	24.5	16.8
20–49	6.4	9.8	13.3	8.6
50 or more	0.9	1.1	2.8	1.2
	100.0	100.0	100.0	100.0
Distribution of population	48.4	37.3	14.3	100.0

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

There are also differences in the number of replacement cards issued to people on the various streams of income management and by other characteristics. Over half the non-Indigenous population who are

[85] This number may include a small number of replacement cards issued in 2010 to people who were still on NTER Income Management at the time of the replacement.

currently on compulsory forms of income management, or have been on it in the past,[86] have not had a replacement BasicsCard, and indeed 5.2 per cent have never had a BasicsCard (Table 6-5). In contrast, only 4.4 per cent of the population on Voluntary Income Management have never had a replacement card and the overwhelming majority have had five or more cards, with almost 25 per cent having 20 or more replacement cards issued to them and almost five per cent having had 50 or more replacement cards.

Many reasons might contribute to these high levels of replacement. One obvious issue is the duration of time people have been on income management. For those with durations of 6 months the average number of replacement cards is 1.7. This increases to 2.6 for those with durations of 12 months, 5.8 for people with durations of 24 months, and 9.9 for those who have durations of 36 months on income management. This pattern persists for main groups on income management. For non-Indigenous people on compulsory income management who have been on the program for between 10 and 12 months the number of replacement cards is 0.6, increasing to 1.6 for those on income management for between 22 and 24 months. For Indigenous people on compulsory streams of income management the equivalent rates of replacement are 2.6 and 5.5, and for people on Voluntary Income Management 4.7 and 9.4. Another issue, which has been reported as occurring at the early stage of the program, was that some people on income management had been used to single-use stored value cards and had disposed of their BasicsCard once the initial balance had been used. This, however, does not explain the continued high rate of card replacement, which shows no specific abatement that could be ascribed to this factor. More detailed analysis of some of the factors associated with card replacement, and the extent to which this has changed is presented in section 6.5.1. In addition Chapter 10 reports commentary from intermediaries about their perceptions of some of the reasons for these results. In this discussion it is also noted that some intermediaries suggest that lost cards and failed transactions are not good measures of financial capability. While we note these perspectives we consider that nevertheless these are useful metrics .

Table 6-5 Number of replacement BasicsCards, persons by broad income management stream, NIM to end December 2013

Number of replacement cards	Program element			Total
	CIM Indigenous	CIM non-Indigenous	VIM	
		-%-		
No card issued	0.7	5.2	0.4	1.0
Nil	9.6	52.6	4.4	12.8
One	7.7	17.2	5.1	8.1
2–4	19.0	13.6	16.1	17.9
5–9	24.2	6.6	24.3	22.5
10–19	25.1	3.8	26.1	23.2
20–49	12.4	0.7	18.7	12.5
50 or more	1.3	0.2	4.9	1.9
	100.0	100.0	100.0	100.0

Note: Persons are classified into program type by the final form of income management they are on.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

6.3.2 BasicsCard transactions

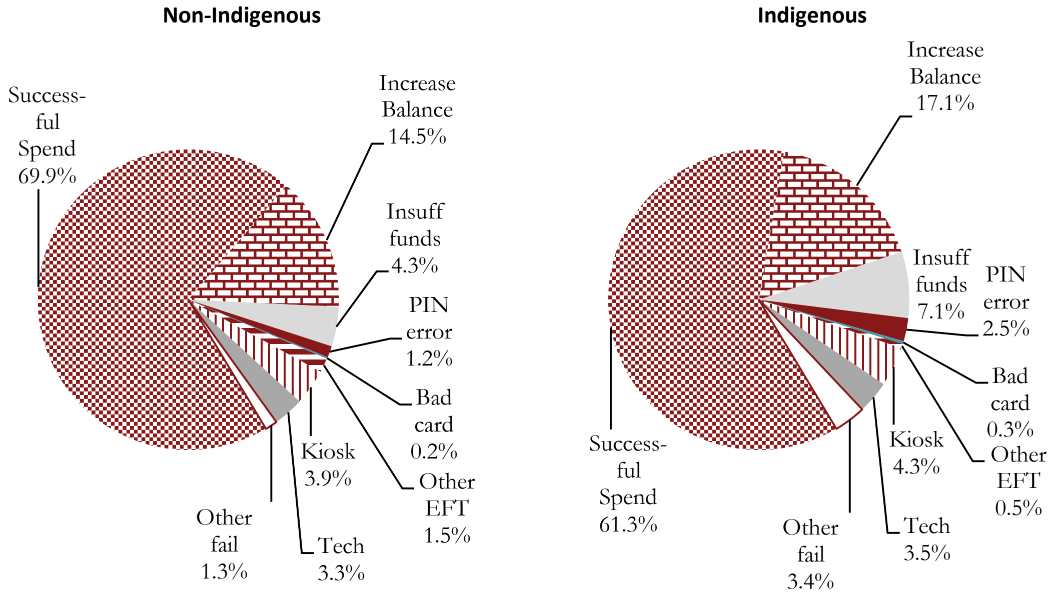
There are around half a million transactions on BasicsCards per month for people who are being income managed in the Northern Territory. The composition of these transactions in the 2013 calendar year is shown in Figure 6-3. The major types of transactions are: successful spends – which account for 62.0 per cent of all transactions; transfers by Centrelink of funds from a person's income management account to their BasicsCard – 16.9 per cent of transactions; and attempted transactions which fail because the person has insufficient money in their account – 6.9 per cent. The remainder includes inquiries at kiosks about the balance on accounts (4.2 per cent), incorrect PINs being provided to a store (2.4 per cent) and, as noted in the figures, transactions associated with card problems, including attempts to use expired or cancelled cards, technical transactions associated with card activation, account closing and card unblocking, and other card failures including additional PIN failures where no store is identified.

[86] Defined on the basis of the final income management status. Hence people who have ended a past spell on income management with a classification of compulsory are classified as having been on compulsory even if they may have spent more time on other measures. For current spells people are again classified by their current income-management stream. Chapter 4 has presented some analysis of transitions between payments.

As can be seen in Figure 6-3, the incidence of problems with transactions is much more common amongst Indigenous BasicsCard users, where for example 7.1 per cent of transactions are rejections due to insufficient funds and 2.5 per cent are PIN errors at a store. By comparison, the rates amongst non-Indigenous users are 4.3 per cent and 1.2 per cent respectively.

Subsequent analysis in this chapter focuses on two of these types of transactions: successful spends, which form the basis of more detailed consideration of how people use their BasicsCards; and transactions which have failed due to a lack of funds. These latter, in the first instance, provide some insight into the financial management capability of individuals, how aware they are of their financial position, and what actions they take to ascertain that they have funds before they attempt to use a card. They also have implications for stores that need to deal with the consequences of these attempts.

Figure 6-3 Composition of BasicsCard transactions by Indigenous identification, NIM 2013



Note: All transactions for people on income management in the Northern Territory in 2013 calendar year. In total there were 6,523,359 transactions over this period.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

Before examining these dimensions of the analysis, Table 6-6 provides some additional insight into the two major forms of transactions – transfers onto BasicsCard and successful spends. The table shows the number and average value of transfers and spending transactions at selected percentile points of the distribution of these two measures of transfers and payments (p50 gives the values for the median).[87]

On average people have 2.1 transfers each fortnight from their income management account onto their BasicsCard, although a quarter (p25) have less than 1.4 such transactions and a further quarter have more than 2.8 (p75). The median number of transfers onto people's BasicsCard is 2.0 (p50). This is perhaps typified by a person who receives both income support and FTB and has these paid to them in alternate weeks. While some of these transfers are quite small, with five per cent being for $18.00 or less, the median[88] transfer is $117.35, and the average $155.74. This relationship indicates that the distribution of the value of transfers onto the BasicsCard is skewed, with a small number of large transactions forcing the average upwards.

[87] It should be noted that these data are based on a fortnightly average number of transactions for each person, constructed as an average over the period in 2013 for which they had transactions on their BasicsCard account. For convenience and clarity this is provided as a pseudo fortnight of spending. This approach has allowed streamlining of the number of transactions and has reduced the number of outliers with nil or large numbers of transactions in any one fortnight. A consequence of this is that when the number of transactions is presented in the table and in discussion this refers to an average, and not a discrete specific monthly count, hence the fact that the number of transactions at some points of the distribution is expressed in decimals.

[88] The median is the middle of the distribution – where half of the transactions are of a greater value and half are of a lesser value. The distributions of the number of transactions and the value of transactions are independent. That is, for example, the p25 value of transfers is based upon the distribution of all transfers ranked by value: it is not the value of the transaction which has been identified as being at the 25th percentile of the distribution of frequency of the number of transactions.

Table 6-6 Characteristics of selected transactions, NIM 2013

	Value and number at selected percentile points of the distribution					Average
	p5	p25	p50	p75	p95	
	Number of transactions					
Number of transfers to BasicsCard per fortnight	0.7	1.4	2.0	2.8	4.0	2.1
Number of payments on BasicsCard per fortnight	1.9	4.5	6.8	10.0	16.0	7.7
	Value of transactions ($)					
Av. value of transfers	18.00	70.00	117.35	200.00	400.00	155.47
Av. value of spending	3.42	10.69	23.35	50.00	140.27	41.80

Note: All transactions for people on income management in the Northern Territory in 2013 calendar year.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

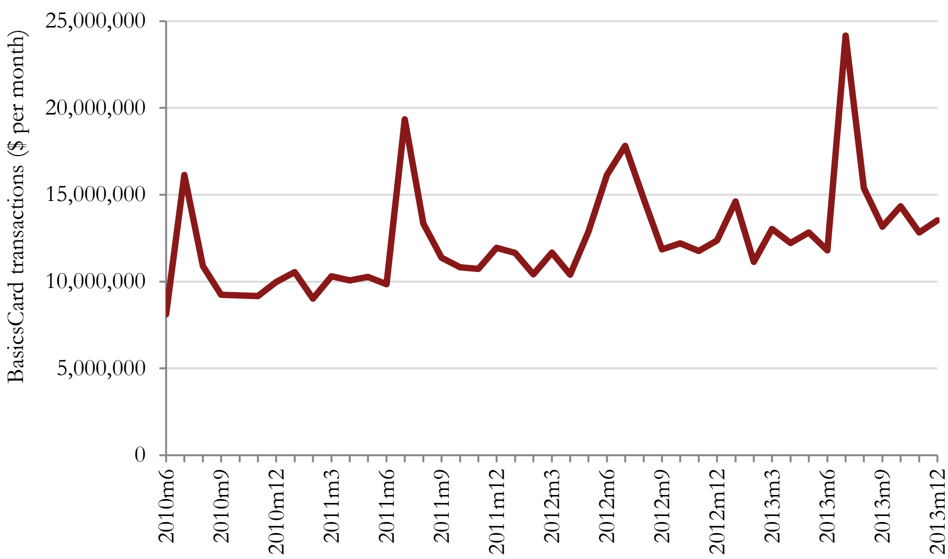
A quarter of people make an average of 4.5 or fewer successful payment transactions per fortnight on their BasicsCard, with half of the population making 6.8 or fewer. At the upper end of the distribution a quarter make ten or more transactions and five per cent make more than 16 transactions per fortnight. There is also considerable variation in the size of transactions. A quarter of these are for less than $10.69, and half are for amounts under $23.35. In contrast, a quarter of transactions are for $50 or more and the largest five per cent of transactions have an individual value of $140 or more.

The median value of a payment transaction by a non-Indigenous person is $20.15, while that of an Indigenous person is a little higher at $23.70. Indigenous BasicsCard users also have more transactions, with the median of their average fortnightly transactions being 7.1, compared with a lesser 5.2 by non-Indigenous people. There are also differences by family characteristics, with sole parents having the highest number of spending transactions and people living as a member of a couple without dependent children having the lowest. By age, people under 20 years have the lowest number of transactions. This then increases for the 25 to 34 year and 35 to 44 year age groups before declining for older people.

6.3.3 Spending on BasicsCard

The level of spending on BasicsCard over time is characterised by two factors, as illustrated in Figure 6-4. The first is a general upwards trend over time, reflecting increased numbers of people on income management, increases in the rate of payments, and changes in the proportion of their income managed funds that people choose to allocate to their BasicsCard. The second is some pronounced seasonality, with the spending peaking mid-year and a smaller peak at the end of the year.

Figure 6-4 Persons on income management in the Northern Territory, total BasicsCard spending by month, June 2010 to December 2013



Source: Derived from DHS administrative data provided for the purposes of the evaluation.

Taking the first – the trend of increasing spending – the average level of spending per month on BasicsCard by people on income management in the Northern Territory has increased from $10.4 million in the last seven months in 2010, to an average of $11.5 million per month in 2011 and $12.8 million in 2012, reaching $14.1 million in 2013. The seasonal pattern is driven by two factors. Most prominent is the impact of the mid-year FTB supplement payments. The smaller end-of-year peak is associated with Christmas spending.

6.3.4 Where BasicsCards are used

In the Northern Territory there are 838 merchants approved for BasicsCard, with a further 9,252 across the rest of Australia. The composition of sales by broad type of store groups over time is shown in Figure 6-5. As can be seen in the figure, no particular sector dominates sales, although several trends are apparent. The key trends are:

- The share of sales at community owned stores has declined. This is the case for both the two major chains of these stores (ALPA and Outback[89]), and for unaffiliated community owned stores.[90] The share of sales by these stores has declined from as high as 30.5 per cent for the two chains and 23.1 per cent for the independent community stores in June 2010 to 22.2 per cent and 18.2 per cent respectively in December 2013. While the proportion of sales taking place at these stores shows a mid-year dip, this is a relative, rather than absolute impact and in fact these stores see their sales increase dramatically at this point each year. It is also probable that these stores' sales are affected by seasonal patterns, with the community members becoming more mobile during the dry season.

  The initial factor that drove this decline was the introduction of New Income Management and the increasing number of people subject to income management who live in urban locations not serviced by these stores.

- The share of sales at the 'Big 2' retail groups – Coles/Wesfarmers and Woolworths – has increased over time. Initially there was a steep jump from 12.6 per cent in June 2010 to 20.3 per cent in February 2011 with the rollout of New Income Management, but since then the proportion has fluctuated at or above this point, peaking at 23.0 per cent in December 2013.

- The most volatile sector is "Other", picking up a disproportionate share of mid-year sales which reflect the impact of FTB supplement payments paid after the end of the financial year. More detailed analysis of this sector indicates that a major share of this movement is associated with clothing purchases. The share of purchases occurring at clothing and footwear stores that are one of the types of stores in this classification increases from some 3 to 3.5 per cent to levels of 6.0 to 6.8 per cent in July each year. Department and similar stores also show an increase in the share of sales of some one-and-a-half percentage points at these seasonal points. There are also some more minor increases in the proportion of sales at "Other transport" outlets and those which are coded as miscellaneous.

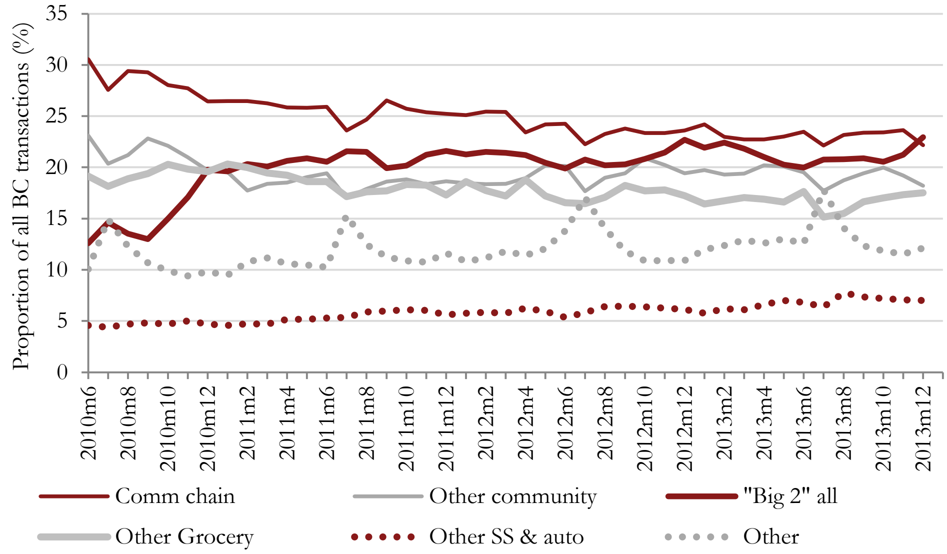
- Over time there has also been an increase in the value of sales at service stations. This has increased steadily from just under five per cent to around seven per cent. No further information is available on the composition of these sales, and it should be noted that the range of items sold at these outlets can go well beyond fuel and other automotive products.[91]

[89] ALPA stores consist of both stores owned by the members of these communities and stores that they manage on behalf of other communities. Outback Stores is a Commonwealth Government-owned company with an independent board, providing retail services to remote stores on behalf of Indigenous communities.

[90] Detailed ownership data are not available on the dataset provided by DSS for the purpose of the evaluation. The identification of Community and other stores has been derived from the trading name and other publicly available data.

[91] Some service stations are, however, only approved for BasicsCard for fuel and related automotive product sales.

Figure 6-5 Composition of value of BasicsCard sales to persons on income management in the Northern Territory by broad classification of stores, sales by month, June 2010 to December 2013



Notes: Comm. chain – community chain (ALPA and Outback); 'Big 2' all - Coles/Wesfarmers and Woolworths including affiliated service stations; other Grocery – "Independent chains" and independent grocery retailer; Other SS & auto – other service stations and other automotive services (e.g., mechanics).

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

The composition of sales on BasicsCard varies distinctly by location. Table 6-7 shows the composition of sales by a more detailed breakdown by store type and by location. In this table the location is a person-based indicator and is derived from the last residential location recorded for the person in the administrative data used in the evaluation. The regions are the same as used in Chapter 4. Because of this person-based approach the location does not necessarily reflect where the store is located or where the transaction actually occurred. An illustration of this is, for example, the recording of sales at the 'Big 2' retail stores in locations such as the SE Desert region, where neither of these chains has a presence. In this case the data would typically be sales made to people in communities while they are in a location such as Alice Springs.

Sales in the Greater Darwin region are dominated by the 'Big 2' retail/supermarket chains, with 53.4 per cent of sales. Within the region sales at these stores rise as high as 56.4 per cent for people in Palmerston and 54.7 per cent in Litchfield. Besides this, in the Darwin region there are disproportionate sales at service stations and automotive outlets. There is also a higher than average use of taxis, with this rising in some specific locations – in Darwin city for example 12.0 per cent of the value of BasicsCard spending is on taxis, and in Berrimah 8.8 per cent.

While the 'Big 2' chains also have a high share of sales in Alice Springs, a significant proportion is also taken by the independent chains (e.g., IGA, Foodland, Drakes). Alice Springs also has a high expenditure on taxis.

Sales in other locations are particularly influenced by the geography of retail outlets. In the East Arnhem and Top and West Arnhem regions sales are dominated by various remote community stores. This is also the case in Katherine and the Mid-West and South-East Desert regions, although in these there is, to varying degrees, some share taken up by the 'Big 2' retail/supermarket chains and non-aligned grocery stores.

The Barkly and Katherine regions provide a more mixed picture, with sales being much more broadly spread across a range of outlets; Barkly has a relatively high proportion of sales occurring at service stations, while Katherine as a region has high levels of spending on taxis, at 3.9 per cent. Within the Statistical Area Level 2 of Katherine this increases to 8.3 per cent of all expenditure.

Table 6-7 Distribution of BasicsCard sales to people on income management in the Northern Territory by type of outlet and region, 2013

	Region (last geographic region identified for person)								Total
	Alice Springs	Barkly incl. Tennant Creek	East Arnhem	Greater Darwin	Katherine	Mid-West Desert	SE Desert	Top & W Arnhem	
				- % -					
Community store ‘chains’	2.5	25.1	53.5	2.1	35.4	16.9	12.9	18.7	23.0
Other community stores	5.0	9.2	3.4	1.5	8.2	29.2	30.7	50.4	19.2
‘Big 2’ retail	38.6	9.0	7.9	53.4	15.1	12.8	18.0	6.8	19.0
Main independents	12.2	1.2	1.8	0.9	0.4	4.6	5.2	1.5	2.7
Other grocery related	12.8	24.4	16.2	9.9	17.9	16.3	16.7	5.9	13.8
Specialist food, etc.	1.1	4.5	0.2	0.8	0.3	0.4	0.5	0.3	0.7
Other department store & related	1.5	3.6	3.7	2.5	2.3	0.6	0.8	3.9	2.6
Clothing/Footwear	5.1	4.1	4.8	3.4	3.3	4.2	3.8	2.8	3.8
Charity stores	0.4	0.1	0.1	0.6	0.3	0.2	0.2	0.1	0.3
Miscellaneous.	0.9	2.6	0.3	0.7	1.7	0.3	0.5	0.3	0.8
‘Big 2’ Service Stations	5.1	1.2	0.3	5.8	1.8	2.2	2.8	0.7	2.2
Other Service Stations & Automotive	8.2	12.5	2.2	9.5	7.6	9.2	5.3	4.7	6.8
Taxis	4.4	0.8	3.5	4.7	3.9	1.9	1.7	1.9	3.0
Other transport	1.4	0.7	1.4	2.0	0.7	0.5	0.6	1.5	1.2
Chemist/Health	0.6	1.0	0.4	1.5	0.5	0.1	0.1	0.3	0.5
Accommodation	0.5	0.1	0.2	0.7	0.5	0.3	0.2	0.2	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Aggregate 2013 BasicsCard sales ($169.0 million), location based upon last location for the person in 2013.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

One question which has been raised about BasicsCard relates to the extent to which it is ‘channelling’ people to shop at the major supermarket chains. This was often put in terms of the BasicsCard ‘forcing people to use these major chains’. The data examined by the evaluation suggests that while the two major chains account for a high proportion of sales in the markets they service, the level of spending identified in the data is not inconsistent with the overall market shares of these stores and hence there is no specific BasicsCard impact on this..[92]

A further issue to note in considering the pattern of consumption is the extent to which many people in the Northern Territory have limited access to retail services. More detailed analysis of the BasicsCard spending shows, for example, that in some locations on average over 80 per cent of all the BasicsCard purchases by those persons who have used their card at least once in a month at a particular store, are made at that store.

The composition of consumption by income managed subgroups (Table 6-8) largely reflects the geographic distributions of the populations. Non-Indigenous people on compulsory measures spend 57.3 per cent at the ‘Big 2’ retail chains, compared with 16.6 per cent of Indigenous people on compulsory income management measures and 12.8 per cent for those on Voluntary Income Management. For the most part the expenditure patterns of those on the voluntary measure and Indigenous people on the compulsory measure are very similar, with the exception of taxis, which account for 4.1 per cent of spending by people on Voluntary Income Management, compared with 2.8 per cent for Indigenous people on the compulsory measures. Overall, Indigenous people on compulsory forms of income management in the Northern

[92] There is considerable variation in the estimated market shares of the major supermarket groups, in part associated with the definition of the scope of the market – for example groceries only or more widely. The Australian Competition and Consumer Commission in 2008 stated “the ACCC’s view is that the MSCs [major supermarket chains] account for between 55 per cent and 60 per cent of consumer expenditure on grocery items. Woolworths accounts for at least 30 per cent and Coles around 25 per cent.” (ACCC, 2008 p 48)). In a report for Coles, Delloite Access Economics report data from Coles which estimates that Woolworths had 41.1 per cent of the grocery market and Coles/Bi-Lo 31.0 per cent (see Deloitte Access Economics, 2012). The Master Grocers Australia, claim that Woolworths and Coles control 75 per cent of the grocery market in Australia (see Master Grocers Australia, 2014). Roy Morgan estimated in December 2013 that spending at Woolworths accounts for 39.0 per cent of all grocery dollars with spending at Coles accounting for a further 33.5 per cent – a total of 72.5 per cent. (Roy Morgan Research, 2014)

Territory spend 44.6 per cent of their BasicsCard money at remote community based stores. For the population on Voluntary Income Management the proportion is 47.7 per cent.

Table 6-8 Distribution of BasicsCard sales to people on income management in the Northern Territory by type of outlet and main income management stream, 2013

	Income management main classification			Total
	CIM Indigenous	CIM non-Indig.	VIM	
		- % -		
Community store 'chains'	25.3	3.3	22.7	23.0
Other community stores	19.3	2.5	24.9	19.2
'Big 2' retail	16.6	57.3	12.8	19.0
Main independents	2.7	1.5	3.2	2.7
Other grocery related	14.5	6.7	14.4	13.8
Specialist food, etc.	0.7	0.7	0.8	0.7
Other department stores & related	2.6	2.2	2.7	2.6
Clothing/Footwear	3.9	2.5	3.8	3.8
Charity stores	0.2	0.4	0.3	0.3
Miscellaneous	0.8	0.7	0.9	0.8
'Big 2' Service stations	1.9	7.1	1.5	2.2
Other Service Station & Automotive	6.7	9.8	5.9	6.8
Taxis	2.8	1.5	4.1	3.0
Other transport	1.2	1.3	1.2	1.2
Chemist/Health	0.4	1.9	0.4	0.5
Accommodation	0.3	0.5	0.4	0.3
	100.0	100.0	100.0	100.0

Note: Aggregate 2013 BasicsCard sales, program type based on last income management program status for the individual.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

Over half of the BasicsCard spending by non-Indigenous people on compulsory streams of income management occurs at the 'Big 2' retail chains, with very low sales at community stores. In contrast to the other two populations, this group has relatively low spending on taxis, higher spending at service stations and on automotive services, and much higher relative spending on chemists and related health services.

While the question of failed transactions is considered at a later point in this chapter, in analysing these patterns of expenditure by store type and location, it is useful to consider the incidence of this outcome at the same level. This is done in Table 6-9. By region most areas have a similar level of rejection – around 10 per cent of all attempted sales in 2013. There are, however, distinct exceptions in East Arnhem and Greater Darwin. (In addition Alice Springs and Barkly have slightly lower than average rates.) In East Arnhem 14.1 per cent of BasicsCard transactions are declined due to people having inadequate funds in their BasicsCard account. This disproportionately high rate of failed transactions is also reflected, in most cases, at the type of outlet level. It reaches 19.8 per cent for the payment of taxi fares.[93] In contrast, the rate of failed transactions in Greater Darwin is just 6.8 per cent, falling as low as 3.5 per cent at specialist food outlets such as bakeries and butchers, and 4.3 per cent at chemists and other health services.

By type of outlet across the Northern Territory the highest rate of these failed transactions concern paying for taxi fares (13.6 per cent) and transactions at ALPA and Outback stores (12.0 per cent). In contrast, they are much less frequent at Chemists (6.0 per cent) and for transactions at the 'Big 2' retail chains. This latter pattern persists across the regions. In most locations the failure rate at the larger supermarkets is around two percentage points lower than that at other stores, while the rate at chemists is around three percentage points lower. For taxis the differential is some 3 to 5 percentage points above the average rate within the location.

[93] In discussions in the feedback process in September 2014 it was reported that because of this high rejection rate many taxi drivers were quoting a fixed fare and then charging this to BasicsCard prior to making the trip. Data on taxi fares charged to BasicsCard indicates that there are a large number of transactions which seem to be for a fixed amount, rather than the distribution which would be expected if distance based fares were charged.

Table 6-9 Proportion of BasicsCard sales to people on income management in the Northern Territory that fail due to inadequate funds, by type of outlet and region, 2013

	Region								Total
	Alice Springs	Barkly incl. Tennant Creek	East Arnhem	Greater Darwin	Kath-erine	Mid-West Desert	SE Desert	Top & West Arnhem	
	Proportion of transactions failed due to insufficient funds (%)								
Community “chains”	9.7	7.8	14.2	11.6	11.7	10.8	12.0	10.6	12.0
Other community stores	11.7	8.8	15.3	9.1	8.3	11.1	11.7	10.0	10.5
‘Big 2’ retail	7.1	8.0	11.5	5.9	7.0	8.7	8.0	8.2	7.0
Main independents	5.9	6.5	14.9	7.5	9.6	7.4	7.8	9.2	7.5
Other grocery related	10.0	8.2	13.8	7.8	9.6	11.2	11.9	9.7	10.5
Specialist food etc.	6.6	7.3	13.5	3.5	7.9	7.9	6.1	8.3	7.1
Oth dept & related	6.2	6.7	13.7	5.5	7.5	10.5	10.8	10.0	9.8
Clothing/Footwear	9.9	8.5	11.9	5.6	8.3	12.1	10.2	7.6	9.3
Charity stores	6.4	7.7	8.8	6.4	7.9	8.6	5.9	8.2	7.2
Misc.	10.1	10.8	9.3	5.0	5.2	10.9	15.4	7.8	8.0
‘Big 2’ Service Station	7.1	7.6	11.4	5.8	6.7	9.9	8.9	9.6	7.4
Other Service Station & Automotive	7.9	8.9	12.8	6.4	9.2	11.2	9.3	8.5	8.7
Taxis	13.3	11.3	19.8	11.8	11.2	13.3	14.3	14.9	13.6
Other transport	11.9	9.9	13.3	7.5	9.2	12.8	13.1	10.2	10.0
Chemist/Health	4.1	6.7	11.0	4.3	6.8	7.3	7.6	7.2	6.0
Accommodation	10.7	6.9	13.1	10.8	8.6	10.2	13.2	13.2	10.8
Total	8.4	8.3	14.1	6.8	9.7	10.7	10.8	10.0	10.0

Note: Based on aggregate 2013 BasicsCard transactions, location based upon last location for the person in 2013.

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

6.3.5 The experience of using BasicsCard

Chapter 7 reports on the views and experiences of people on income management as collected in the second wave of the LSNIM. The survey also contained some specific questions relating to the use of BasicsCard. These questions considered what might be seen as improper use of the BasicsCard and other mechanisms to circumvent income management and the extent to which using BasicsCard caused problems for people in undertaking their purchases.

Inappropriate use of BasicsCard and circumventing income management

The LSNIM questions asking about aspects of the misuse (or at least use not consistent with guidelines and conditions of use) of the BasicsCard were seen as being potentially sensitive for some people. For this reason the questions were framed in terms of “do you or anyone in your family” to avoid a person potentially admitting to breaching the conditions in response to the survey. The interviewers were also given the option of using an even more indirect framing of “does anyone around here” where the more direct question was considered as potentially too confronting. The results to these questions are given in Table 6-10, initially split by the type of location in which the person lived, and secondly by the broad form of income management and Indigenous identification.

The first three questions reported in the table relate to behaviours which effectively breached the BasicsCard guidelines concerning the use of the card by the individual for their own and their family’s needs. These were whether people went shopping with others and shared/swapped their BasicsCards. Overall, 34.7 per cent of those who answered this question gave an affirmative response.[94] The reported incidence of this type of behaviour was particularly high in non-urban, typically remote communities, where

[94] While this is presented as an aggregate proportion from the LSNIM as a matter of simplicity and ease of interpretation, this needs to be viewed with some caution. The LSNIM, as has been indicated previously, is not designed as a representative population survey and has an oversampling of some groups including non-Indigenous, and does not cover all locations. Hence this figure while suggestive should not be interpreted as being representative of the income managed population overall.

42.9 per cent reported it. Conversely, only 22.2 per cent of the relatively small group living in 'Other locations' said this occurred. It was also most frequently reported by Indigenous people on compulsory forms of income management, and quite unusually at almost equal rates by non-Indigenous people on compulsory measures and those on Voluntary Income Management.

The second question was that of giving a BasicsCard to other people to use it on their behalf. This was the most frequently reported behaviour with 44.1 per cent of those responding saying it occurred. This again was most frequently reported by people living in remote communities. In contrast to the previous question, it was answered affirmatively by equal proportions of Indigenous respondents on compulsory forms of income management and by those on Voluntary Income Management, but much less frequently by non-Indigenous respondents.

The third question was that of giving the card to others so that they could use it for themselves. The response to this question was similar to that of the first question, with a third agreeing in total, but with a lower proportion of agreement, in this case 25.8 per cent, among non-Indigenous people on compulsory forms of income management.

Table 6-10 Ways of use of BasicsCard and related questions, LSNIM Wave 2, 2013

	Location				Program			Total
	Urban	Town Camp/ Settle-ment	Non-urban Comm-unity	Other	CIM Indig-enous	CIM non-Indig.	VIM	
	Proportion reporting that event occurred (%)							
Do you/anyone in your family:								
Share/swap BasicsCards when shopping with others	32.9	26.5	42.9	22.2	37.1	30.5	31.5	34.7
Let others use BasicsCard/PIN on behalf	41.6	34.5	55.3	11.1	48.5	32.0	45.3	44.1
Let others use BasicsCard/PIN for self	34.2	18.1	44.7	11.1	38.6	25.8	30.7	34.4
Swap food/groceries for money, alcohol, tobacco	23.1	4.9	8.0	11.1	14.4	22.7	8.1	15.5
Swap cards for money, alcohol, tobacco	19.6	2.4	7.6	11.1	12.4	18.1	8.2	13.2
Cash from taxis	16.7	3.6	10.8	11.1	14.0	11.4	9.7	12.8
Gamble using BasicsCard	3.2	0.0	3.8	0.0	3.7	2.4	0.0	2.8
Get stores to sell tobacco and alcohol on BasicsCard	10.4	0.0	3.7	0.0	6.3	10.4	1.4	6.6
Did you:								
Pay more because using BasicsCard	38.9	26.0	39.4	12.5	41.3	33.1	23.5	36.7
Couldn't buy something on BasicsCard	72.7	35.1	42.0	100.0	55.7	80.2	33.3	59.0

Source: LSNIM Wave 2.

The next group of questions concerned ways in which people could get around the restrictions imposed by income management. The first two questions involved swapping items that could be purchased on BasicsCard for cash, alcohol and tobacco. The first or these asked about swapping food and groceries for these items; the second was swapping for these items using phone, power and other cards. A priori it was expected that this latter would be more common as these cards could form a de facto currency with a known value and were highly portable and could be on-sold to others. This was not the case. For all groups, except those on Voluntary Income Management, and then only by the slightest margin, people reported the swapping of food and groceries as the more common approach. Overall the level of incidence was low – with just 15.5 per cent identifying the swapping of groceries and 13.2 per cent the swapping of cards as a means of obtaining cash, alcohol and tobacco. In both cases these behaviours were reported by a higher proportion of non-Indigenous people on compulsory measures.

A slightly lower proportion, just 12.8 per cent, reported getting cash from taxi drivers. This involves the taxi driver either charging more than the fare is worth and providing the balance, or a proportion[95] of this, to the person as cash, or simply booking up journeys that they did not make and again providing a proportion of the value of these as cash. Just 3.6 per cent reported this was the case in Town Camps and similar settlements. This response, more than any of the others, suggests that while the question could at its

[95] No attempt was made to obtain data on the discount rate which applied in these transactions.

broadest be seen as reporting on hearsay – that some people do it – people were in fact reporting on their own behaviour. The reason for this interpretation is that in qualitative discussions in these communities people indicated that they were aware of this occurring, and indeed most could identify the taxi drivers who would 'do a deal' in this regard. The nature of these communities is such that information is very freely exchanged, and hence, if people were merely reporting awareness then it would be expected that there would have been a very high positive response to this question.

The final questions concerned gambling on BasicsCard – which was only reported by 2.8 per cent of respondents and was limited to urban locations and non-Indigenous participants – and getting stores to sell alcohol and tobacco to people on BasicsCard. This again was mainly reported in urban locations and more frequently by non-Indigenous respondents, but in aggregate was only reported by 6.6 per cent of respondents.

Impact of BasicsCard on purchasing by individuals

The remaining two questions asked whether people ever had to pay more for an item because they were using BasicsCard or were unable to purchase an item they wanted because their money was channelled through their BasicsCard.

Over a third of people reported having to pay more because of the use of BasicsCard, and almost 60 per cent identified situations where they were unable to purchase items because of their use of BasicsCard. Paying more for items was most frequently reported by Indigenous people subject to compulsory forms of income management, and not being able to purchase an item was reported by non-Indigenous people on these measures. Amongst this latter group the level of agreement with the question rose to 80.2 per cent.

Where people responded to these questions the survey contained a follow up question about the circumstances. A selection of these responses is provided in Table 6-11.

Table 6-11 Examples provided of cases where a respondent was either unable to buy an item or had to pay more because their available funds were on their BasicsCard, LSNIM Wave 2, 2013

Minimum payments and surcharges
Mini buses charge extra $2 if you use BasicsCard.
Because it is classed as a card so you actually have to buy a certain amount to use it. So because I had to buy tampons I couldn't actually buy them without buying other things.
Basic things like 10 per cent surcharge just for using BasicsCard, a lot of shops and taxis do that. I can't use it on the bus so I have to catch a cab at $20 instead.
Yep at one chemist I used to go to you had to spend $10 just to use your BasicsCard.
Taxis they charge you like an extra $5 on top if you have a BasicsCard.
Went to a shop and went to buy a drink and the minimum had to be ten dollars or over to use the EFTPOS and had to buy something else to use my BasicsCard
5 dollar minimum purchase at ___ shops so if shopping for milk and it's less they charge you the five dollar fee. Fast food outlets don't accept BasicsCard.
Mini bus and taxis if it's cash it's $11 and with the BasicsCard it's $14.
Unable to pay bills at the post office and in the country town I live in the local shop doesn't accept BasicsCard and if the shops do, it's a $10 minimum to use it.
At __ store they accept it but you had to pay more to spend your money on it.

Unable to use it in some places
I can't buy a laksa from the markets on the weekend 'cause the markets don't accept BasicsCard.
I would usually buy my fruit and groceries from my local markets and now I can't do that. I hate giving my money out to people I don't want to shop with.
Yes 'cause some places don't take BasicsCard like restaurants and the Darwin show.
Buying washing machine at retail store.
Limited stores, some mechanics do not accept BasicsCard. To do it you need to do all this paperwork and get Centrelink to do it.
I could not use BasicsCard at a sports store.
Wanted to purchase washing machine but could not they don't take it, same as airlines and government utilities.
A car, we had the money but it was all in the BasicsCard.
Because I couldn't go to the show.
It is hard when you got big mob money on the BasicsCard, and you can't pay bills because BasicsCard is not accepted at Australia Post, or many other government agencies …
Yes when I have wanted to buy my fruit and veg from the markets and they don't accept BasicsCard
I tried to pay my power and water bill, wasn't able to because PowerWater do not accept the basic card and neither does the post office.
Baby shopping there are certain shops that don't accept it, should just roll it out to every shop except for alcohol and tobacco shops.
Wanted to get a skip bin and go to ___ to get paint and mop bucket but they both don't accept the BasicsCard
Things like Avon and things like that, and that's cheaper than buying in the stores, but if it comes in one wrong week I can't use my card to pay for it.
At getting fuel in NSW and at the doctors in NT.
Yep appliance shops and clothes shops and all your bonus money goes on BasicsCard.
Unable to buy car essentials because ___ & ___ do not accept it.
Yes very much plenty of times, in Queensland because they don't have the BasicsCard facility down there.
I wanted to treat myself to a pizza walked in to pay for it and had no cash so walked back out very shameful.
Now my car's in the garage and I have to pay cash cause they don't take BasicsCard and only certain places take it.
Just I like to go buy things like tickets for concerts and you can't. Needed tyres and couldn't get them either.
When I went to Adelaide for a holiday I couldn't pay certain stuff because BasicsCard wasn't accepted.
BasicsCard has been good for the enforced food purchases, but other than that my son has infantile spasms and needs special therapy that can't be paid for on BasicsCard.
Clothes I don't like going to ___ and ___ all the time, wanna get nice things but there's no nice shops who have it.
I went to a certain clothes shop but they didn't accept the BasicsCard therefore I couldn't buy what I wanted to buy.
Yes fuel, I went to ___ put $60 fuel in and because the fuel station is connected to the pub they don't take BasicsCard. So I couldn't pay for my fuel which was very embarrassing.

Problems of paying more because of limited stores
Yeah had to buy DVD from ___ cause __ didn't accept BasicsCard and were having a special.
Wanted to have takeaway and can't just get fish and chips which is cheap. Have to go to ___ take away and spend 100 dollars for one night's food.
Having to catch a cab which is way more expensive than the bus!!!
Going to stores that don't accept BasicsCard and really wanting something from there but you have to go somewhere that accepts BasicsCard and buying it for more.
Certain things off eBay, I use it to save money, also car services, I have a lot of mates who are mechanics and can get stuff done cheaper but Centrelink won't pay them …
Cannot make purchases at certain stores which may have cheaper options, very frustrating as I am a bargain shopper.

More general issues
Businesses can choose whether they want to accept the BasicsCard. Very judgemental.
My uncle's funeral I didn't have enough money in my basic card to buy my bus ticket to go for his funeral but lucky I had my June/July top-up money.
I had to get new furniture and have to wait for days to get it all processed and get quotes from places for Centrelink to pay them it was really embarrassing.
___ stores had to take time out to get a letter from Centrelink to buy from that store which took too much time.
Yes some people get real aggressive and the kids are crying for hot food and you can't get it because they don't take BasicsCard and it really hurts you.

Source: LSNIM Wave 2.

A range of themes can be drawn from these qualitative responses:

- Many stores impose a minimum purchase amount on the use of EFTPOS cards and extend this to BasicsCard. Taxis in particular impose a surcharge on the use of EFTPOS and appear to impose this commonly on the use of BasicsCard.[96]

- Many retail and service outlets do not accept BasicsCard. This includes major services such as the Post Office[97] and utilities such as PowerWater. While in this latter case they will accept Centrepay deductions and other direct credits, a person who receives a power bill cannot simply walk into the office and pay it with their BasicsCard.[98]

- Non-acceptance of BasicsCard is a major issue for people who seek to purchase items from outlets other than a standard shop, including markets, the internet and direct sales. This is a particular problem for people in Darwin, where various markets are a significant supplier of fresh fruit and vegetables, as well as for informal eating out. While it is potentially possible for some of these outlets to become registered merchants, some of the requirements, such as itemised receipts and records, would add substantially to their costs, given their business models.

- The inability to use the card for events such as shows, which are important community and recreational events, has been a recurrent theme, especially for many younger respondents and parents.

- The issues which arise due to the requirements merchants need to meet in order to be approved to accept BasicsCard transactions. While stores that primarily sell items such as DVDs or phones cannot gain approval as BasicsCard merchants, there are no restrictions on the purchase of these items from stores such as supermarkets, which all sell these items.

  While in theory these purchases can be made by arrangement with Centrelink, this imposes a considerable administrative burden upon the individuals to document the item they wish to purchase, then deal with Centrelink, including potentially having to answer a series of questions as to whether or not they have met their basic expenditure, and then after payment has been arranged to return to the store after a period to obtain the product. As cited in a number of examples given above, this also means that many people are unable to take immediate benefit from discounted and sales pricing, and end up having to pay full retail prices if they wish to purchase an item. This issue can also be seen in the case of takeaway food. While a supermarket can sell this to a person on BasicsCard, a restaurant or takeaway food outlet cannot.

While it can be argued that some of the items which people report not being able to be purchased on BasicsCard can be purchased from their non-income managed part of their income support payment, it should be noted that in a number of cases, for example, where a person needs to use this cash component

[96] The Centrelink merchant terms and conditions state that the merchant "(f) not impose any charge or fee on a Card Holder, in addition to the price of the goods and services to be supplied, because the Card Holder has made a BasicsCard Transaction, unless the Merchant imposes that same charge or fee on all EFTPOS card transactions it processes; (g) not impose a minimum spend for a BasicsCard Transaction of more than $5" (see Department of Human Services, 2014b). DSS state that the experience reported by people of paying higher minimum purchase amounts "is not supported by compliance checks.

[97] While the BasicsCard was apparently accepted by some Post Offices, it was not accepted at others. According to Australia Post (2013), changes to the Australia Post electronic transaction system have now enabled it to become an approved BasicsCard merchant. DSS advise that from 20 January 2014 customers can use BasicsCard at Australia Post outlets to pay bills that have POSTbillpay as an option, purchase phone credits, stamps or send parcels.

[98] DSS advise that on 3 June 2014 Power and Water were approved to accept payment via BasicsCard".

to pay for housing costs in situations where they cannot do this on BasicsCard or through a direct payment, that virtually all of the money they have available for other purchases is on their BasicsCard – giving them no capacity to make these other purchases in any alternative way.[99]

6.4 Spending at stores

Some urban stores and two groups of remote community stores have made a major contribution to this evaluation by providing detailed information on sales. In the case of the urban stores the data a time series of aggregate expenditure on BasicsCard and total expenditure at a detailed product level. In the case of community stores it was detailed transaction data documenting individual transactions on BasicsCard on a single day, along with total sales at the store on that day at the same level of disaggregation. In addition, these stores have provided some longer-term aggregate data on specific sales, including tobacco. These data have been drawn upon extensively in the underlying analysis of the evaluation, but have not been reproduced in detail as much of the data is commercial in-confidence.

In analysing these data particular attention also needs to be given to the extent to which there are differences in the populations on income management that use different types of stores. Those who shop at community stores are mainly Indigenous people living in isolated communities, while those shopping at retail chains are an urban population and are much more likely to be non-Indigenous. The data used in the analysis has no additional details on individuals other than that they made the purchase using a BasicsCard.

Tobacco sales at stores

While this evaluation is not a compliance evaluation, it would be noted that the data from retailers indicate that a small amount of BasicsCard funds are used to purchase tobacco directly. The proportion we have identified is around 0.1 to 0.2 per cent. From a range of other sources it would appear that this represents one per cent or less of the usual share of retail sales on this product. As such it can be considered that the BasicsCard has been implemented in accordance with the guidelines. Looking at the data in more detail it would appear that the sales that have slipped through are often in complex situations, for example, where a person may commence a purchase using their personal debit card, have this rejected due to lack of funds, and then seek to complete the transaction with their BasicsCard, by which time the actual content of the sale is no longer obvious or remembered by the operator.

It should be noted that the imposition of the limitation on the sale of alcohol and tobacco – as well as restrictions on gambling products – is a manual process that is wholly reliant upon the checkout operator/sales assistant ensuring that the item is not being purchased.[100] Discussions with stores indicate that this has placed these staff in a position where they have faced pressure to make such sales, and that stores have had to take disciplinary action, including termination of employment in some cases where staff have succumbed to this pressure.[101] More generally stores indicated that, notwithstanding this, the actual implementation of the restriction was facilitated by the fact that there were only two significant items, alcohol and tobacco, and that these were already subject to various conditions of sale – in particular minimum purchase age – and hence staff were used to enforcing restrictions on them and treating them differently to other sales.[102]

6.4.1 Major sales on BasicsCard

In the first instance this analysis considers the major items bought with BasicsCards. For this the most detailed level of data disaggregation has been used. As these disaggregations are often at a product level a

[99] In discussions associated with providing feedback to communities which had participated in the LSNIM a number of additional purchasing problems were raised. These were difficulties with purchasing second hand motor vehicles through private arrangements, as opposed to car yards, and that while it was easy to use the BasicsCard when travelling to purchase fuel there were greater difficulties with items such as tyres.

[100] While this aspect is subject to audit and stores need to maintain detailed records of all sales, this is only undertaken retrospectively and hence action cannot be taken in any one sale, although persistent breaches may lead to withdrawal of the merchant's approval to accept BasicsCard.

[101] This pressure can be particularly strong in smaller communities where Indigenous staff members may have cultural obligations to those seeking to make such purchases.

[102] This is also likely to be the case with pornography, where similar age restrictions apply, although this was not followed up in any of the discussions.

similar item may appear more than once – for example, two different flavours of soft drink or power cards (used in pre-pay power meters) of different denominations.

Table 6-12 shows the top-selling items for these two groups. In each case the top-selling 20 items at the level of disaggregation provided by the stores is shown. While there are many differences between the two lists, in part due to one being in an urban environment and the other in more remote communities, and the different way in which items are defined and aggregated, there are also a number of common items – as measured by share of the value of spending – including:

- phone cards
- soft drinks
- canned and fresh meat products.

It is also clear from the data provided by the merchants that the ranking of these top-selling items on BasicsCard differs from that of other sales in the store. One reason for this is the extent to which top-selling items by value at stores tend to be dominated by tobacco sales.

Table 6-12: Top-selling 20 individual items on BasicsCard at selected stores in the Northern Territory, 2013

Urban stores (selected stores only)				Community stores			
Rank	Item	Share of BC spending (%)	Rank of non-BC spending	Rank	Item (a)	Share of BC spending (%)	Rank of non BC sales
1	Telstra recharge	3.6	7	1	Telstra pre-paid $30	4.3	8
2	Lamb chops	2.9	14	2	Coca Cola pet 1.25ltr	3.4	4
3	BBQ chickens	2.8	9	3	PAWA power card $20.00	2.7	5
4	Grilling beef	2.1	4	4	Powdered milk 1kg	1.7	13
5	Soft drinks	1.5	30	5	Bread hi fibre sliced 700gr	1.4	16
6	Eggs	1.5	29	6	Canned corned beef 200gm	1.1	22
7	Canned meat	1.4	150	7	Telstra recharge $30	1.0	9
8	DVDs	1.4	85	8	DVDs assorted	1.0	21
9	Flavoured milk	1.4	6	9	PAWA power card $10.00	1.0	20
10	Bread	1.2	64	10	Bread white 650g ea	1.0	29
11	Toilet paper	1.2	11	11	Coca Cola can 375ml	0.9	15
12	Soft drinks	1.2	17	12	Beef T bone tray pack 500g	0.9	63
13	Casserole beef	1.1	71	13	Teabag rounds 200s	0.8	30
14	Shampoo	1.1	25	14	Canned corned beef 340gm	0.8	23
15	Infants' clothing	1.1	31	15	Flour plain 1kg	0.6	33
16	Soft drinks	1.0	2	16	Wholemeal sliced 700gr	0.6	25
17	Cereal	0.9	15	17	Premium T-bone steak	0.6	34
18	Beef mince	0.9	12	18	Bread white 650gr	0.5	67
19	Instant noodles	0.9	128	19	Chicken wings 500g	0.5	66
20	Potatoes	0.9	13	20	Beef steak Y-bone	0.5	45

Notes: Data provided by selected merchants for the purposes of the evaluation.

6.4.2 The composition of BasicsCard Sales

Looking first at sales at the community stores, the sales on BasicsCard are primarily on food and related grocery items. These account for 61.4 per cent of the BasicsCard sales and 55.7 per cent of other sales.[103] Within this product grouping two blocks of spending stand out:

- spending on sugar-based soft drinks, which account for 8.7 per cent of all BasicsCard sales, although this share is a little below its equivalent in non-BasicsCard sales

[103] The classification system does not permit the easy identification of food items and the data can be grouped in various ways. It should be noted that the classification of "Other grocery" contains a range of dry food products as well as other grocery items such as cleaning products.

- spending on meat products, with 7.2 per cent of sales on BasicsCard being for fresh or frozen meat and a further 4.1 per cent of sales being for processed meats. Both of these shares are well above the 5.6 per cent and 3.6 per cent respectively recorded for non-BasicsCard sales.

Within food spending, spending on fruit and vegetables is low. Just 1.1 per cent of the sales on BasicsCard are on fresh fruit and 0.9 per cent on fresh vegetables. These shares are only 60 per cent of the shares of the sales of these items made by other means: 1.8 per cent and 1.4 per cent respectively.

More detailed analysis of the sales from a subset of these stores indicates that within BasicsCard spending on fruit and vegetables the major item purchased were bananas (18.5 per cent of sales). These were followed by frozen green vegetables, and then three pre-packaged items identified as: fruit packs; salad packs; and vegetable packs.

Table 6-13 Relative shares of BasicsCard and non-BasicsCard sales, excluding alcohol and tobacco at selected community stores, 2013

	Share of BasicsCard Sales	Share of non-BasicsCard Sales	Ratio of BasicsCard to non-BasicsCard sales
	- % -		Ratio
Fresh fruit	1.1	1.8	0.6
Fresh vegetables	0.9	1.4	0.6
Frozen/canned veg	0.6	0.5	1.2
Canned fruit	0.1	0.2	0.5
Frozen chips	0.0	0.1	0.6
Fresh/frozen meat	7.2	5.6	1.3
Processed meat	4.1	3.6	1.2
Other chiller	4.8	4.4	1.1
Bread	4.0	3.2	1.3
Sugar	2.2	1.5	1.5
Water	1.1	1.1	1.1
Soft drinks – sugar	8.7	8.9	1.0
Soft drinks – diet	1.0	1.2	0.9
Cordial – sugar	1.0	0.9	1.1
Cordial diet	0.0	0.0	1.6
Milk drinks	0.3	0.9	0.4
Juices	1.8	1.9	0.9
Other grocery	22.3	18.6	1.2
Confectionery	5.6	5.9	0.9
Takeaway	4.3	5.1	0.8
Clothing/Manchester	2.8	2.6	1.1
Variety/H'ware/Toys/Elect	10.7	14.8	0.7
Mobile phones	2.5	1.4	1.8
Phone cards	6.0	5.1	1.2
Power cards	3.7	3.9	0.9
Fuel cards	0.5	1.4	0.4
Other fuel	1.2	1.9	0.6
Music card	0.1	0.1	0.7
No detail	1.0	2.0	0.5
Washing tokens	0.1	0.0	12.0
	100.0	100.0	

Note: Data based on a single day of sales in more than 30 community stores. Data are for October 2013 and March 2014.

Source: Data provided by selected merchants for the purposes of the evaluation.

Phone and power cards featured highly in the top-selling items on BasicsCard (Table 6-12). In aggregate, phone cards account for 6.0 per cent and power cards for 3.7 per cent of BasicsCard sales at these stores. While the share of BasicsCard sales accounted for by phone cards is a little higher than the share these contribute to total sales, the share of sales of power cards is slightly below.

The evaluation has undertaken extensive analysis of the sales of these cards and considers that the high level of phone card spending does not seem out of step with the important role that mobile phones play in enabling people to maintain networks in the Northern Territory. While there may be concern that these cards are used as a means of cashing out' their BasicsCard funds and avoiding the strictures of income management, the case for this does not appear to be strong:

- As previously cited, the reported incidence of this behaviour in the LSNIM is relatively low, and to the extent that it occurs, it appears that people are just as likely to swap food as they are these cards.
- Secondly, these data are for community stores, and the responses in the LSNIM suggest that to the extent that cards are used in this way it is more frequent in urban areas, and within the non-Indigenous population.
- Detailed analysis of these data at the individual store level indicates there is little to suggest a systemic problem. In most locations the spending by people using BasicsCard on phone cards is not inconsistent with overall spending on these cards, and while phone card spending is often higher relative to the sales of other cards, there is nothing to suggest that these cards would be any more tradeable than other cards that do not have elevated sales. This suggests that the level of sales is more likely to be a result of their use for communications.

The data made available to the evaluation from community stores also permits examination of the composition of the basket of goods purchased in each BasicsCard transaction. The data for a subset of these stores show that:

- The size of these transactions is generally quite low. A quarter of the transactions are for just one or two items, half are for four or fewer items, and just a quarter involve purchases of more than nine items.
- A total of almost one-third of all BasicsCard transactions recorded in this subsample involved the purchase of some sugar-based Coca Cola or Pepsi drinks. This proportion of transactions increases to just under half when the wider range of sugar-sweetened soft drinks are included.
  - In contrast just 10.0 per cent of purchases included a diet soft drink and just 5.9 per cent bottled water.
- 14.2 per cent of BasicsCard sales involve some fruit or vegetables; 20.3 per cent the purchase of bread; and 24.1 per cent fresh, frozen or processed meat.

Data for the urban stores is given in Table 6-14. The table shows major product groupings of expenditure, along with more specific detail. In contrast to the community based stores where BasicsCards constitute a relatively significant portion of sales, the contribution of BasicsCard to the sales in these urban stores is very small. It should be noted that the proportion of sales in this table vary from those given in the top-selling items, which are based upon supermarket sales only.

In aggregate, 42.5 per cent of sales at these stores on BasicsCard are for the purchase of food, a little below the 55.9 per cent share of non-BasicsCard sales. Within these food sales:

- Although the expenditure on fruit and vegetables on BasicsCard was considerably higher than that recorded in the community stores, at 5.9 per cent of sales it remains well below the 10.7 per cent recorded for non-BasicsCard spending.
  - Fresh fruit accounted for 1.9 per cent of BasicsCard sales compared with 3.9 per cent of non-BasicsCard spending. For fresh vegetables the proportions were 3.2 per cent and 5.3 per cent respectively. As a share of food spending, fresh fruit accounts for 4.5 per cent of BasicsCard spending as opposed to 7.0 per cent of other spending, with the ratios for vegetables being 7.5 per cent and 9.5 per cent, and the aggregate being 13.8 per cent of BasicsCard spending and 19.1 per cent of other spending.
- Spending on soft drinks accounted for 2.5 per cent of BasicsCard sales and on water 0.3 per cent. In both cases these shares were below those for non-BasicsCard sales, with this lower spending being more pronounced in the case of water.

- Meat accounted for 10.6 per cent of BasicsCard sales and 24.9 per cent of BasicsCard spending on food, somewhat above the 19.3 per cent share it represents in other food spending. Within this category there were some differences. Sales on processed meats, beef and veal and lamb was much higher, especially with regard to lamb, while spending on poultry was much lower.
- The purchase of takeaway foods accounted for 1.9 per cent of BasicsCard sales, compared with 1.0 per cent of other sales. The high level of spending on BasicsCard largely reflects the sales of barbequed chickens in these stores.

Table 6-14 Composition of sales, excluding tobacco, urban stores, 2013

	Total expenditure		Food expenditure	
Classification (a)	BasicsCard	Other	BasicsCard	Other
		- % -		
Fresh fruit	1.9	3.9	4.5	7.0
Fresh vegetables	3.2	5.3	7.5	9.5
Other fruit and vegetables	0.7	1.5	1.7	2.6
Total fruit and vegetables (b)	*5.9*	*10.7*	*13.8*	*19.1*
Processed/Beef/lamb	7.7	5.9	18.1	10.6
Other	2.9	4.9	6.8	8.7
Total meat	*10.6*	*10.8*	*24.9*	*19.3*
Cereals/Bread/Cakes	5.7	7.3	13.3	13.0
Meals out and fast foods	1.9	1.0	4.5	1.7
Soft drink	2.5	3.3	5.8	5.9
Water	0.3	0.7	0.6	1.2
Other food	15.8	22.1	37.1	39.6
Total food (c)	*42.5*	*55.9*	*100.0*	*100.0*
Clothing & footwear	21.4	12.5		
Phone & acc. (d)	2.8	0.3		
Phone card (d)	2.7	1.4		
AV equip (d)	2.4	1.1		
DVD/CD (d)	2.7	1.1		
Elect Games (d)	2.7	0.6		
Music downloads (d)	0.5	0.2		
Other	22.2	27.0		
Total	100.0	100.0		

Notes:

(a) ABS Household Classification Coding, except as noted in (b) below (ABS 2011b).

(b) Excludes HEC 30703 Dried fruit and nuts (although this is included in total food expenditure); if this is included, then the share of BasicsCard expenditure on HEC 3 "Fruit and vegetables" increases to 6.0 per cent, and of other expenditure to 11.6 per cent.

(c) HEC Level 1 grouping 3 Food.

(d) Non-HEC coding directly from detailed item description

Source: Data provided by selected merchants for the purposes of the evaluation.

Clothing and footwear sales accounted for 21.4 per cent of BasicsCard sales, well above the share of other sales. This reflects the use of some urban stores as a major source of clothing for people on BasicsCard. These data span over a year of sales and also pick up the surge of sales associated with the July FTB reconciliation payment. As well as being much higher at the aggregate level, the composition of sales is noticeably different, with BasicsCard sales being disproportionately allocated to men's, children's and infant's clothing, but lesser on women's clothing.

Sales on BasicsCard are also disproportionately high with regard to entertainment and recreation, with this being particularly marked with regard to mobile phones and accessories, electronic games and DVDs. Within this product grouping, the sale of phone cards accounts for 2.7 per cent of all BasicsCard sales. While this proportion is well below that seen in the community stores, it is almost double the proportion of other sales on this item. The level of spending on DVDs and related items is consistent with information obtained in fieldwork. In particular, it was put to the evaluation team that in overcrowded housing personal DVD players are frequently used by young people as a means of creating private space.

6.4.3 Spending over time – evidence of change

Figure 6-6 and Table 6-7 present time series data on the sales of tobacco and fruit and vegetables for a subset of remote community stores. The purpose of these data was to enable the analysis of the impact of income management on the shares of spending on these items.

The relationship between income management and fruit and vegetable sales has been a contentious question. Research by the Menzies School of Health Research based on store sales data (Brindlecombe et al., 2010) found that "Income management independent of the government stimulus payment appears to have had no beneficial effect on … fruit and vegetable sales." In contrast the AIHW using a survey of 76 people on income management and reports from 66 store operators reports "The data suggested that income management had resulted in some changes in people's expenditure patterns … with half (50.0 per cent or 37) [of the interviewees] buying more fruit and vegetables." and that "More than two-thirds of store operators (68.2 per cent or 45) reported an increase in sales of fruit and vegetables and healthy food." (AIHW, 2010).

Figure 6-6 Selected community stores, proportion of total expenditure on fruit and vegetables and tobacco, April 2009 to October 2013

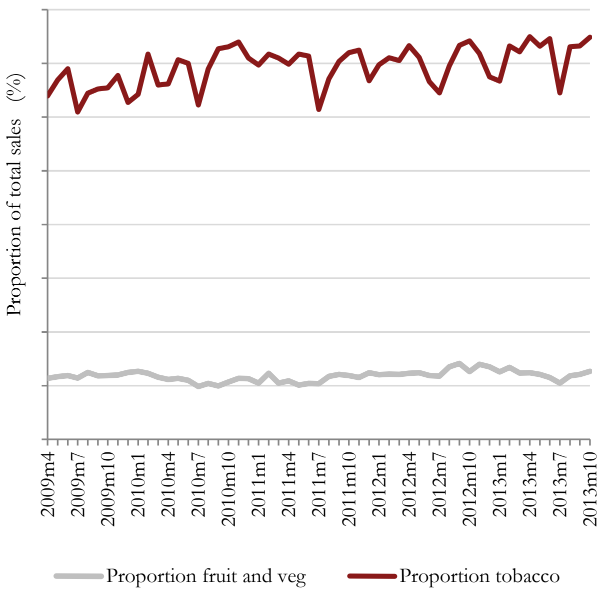
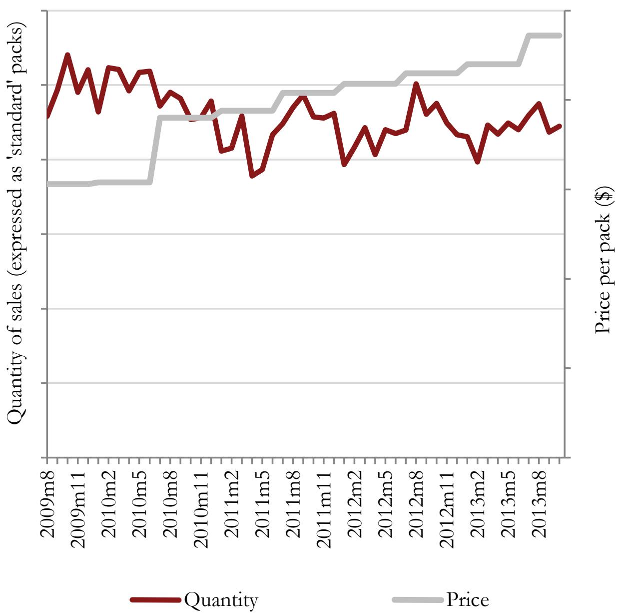


Figure 6-7 Selected community stores, tobacco price and estimated volume of sales, August 2009 to October 2013



Note: Values omitted from vertical axis to protect commercial data. The later commencement of the tobacco quantity series reflects initial data problems in the series.

Source: Data provided by selected merchants for the purposes of the evaluation.

In the case of tobacco one of the expressed goals of income management was to seek to limit the funds spent on this, along with alcohol and gambling. As can be seen in Figure 6-6 and Figure 6-7:

- While there has been some decrease in the volume of tobacco from the level reached in late 2009, this is linked to the steep price increase in mid-2010, which saw the volume of sales slide over the subsequent year, after which they recovered some of the loss and have remained stable since. The proportion of value of spending on tobacco has increased slightly over the period, with this again being most marked at the time of the initial steep increase in prices, but potentially more recently also reflecting subsequent increases.

- The share of spending on fruit and vegetables has been largely stable and low over the period, with no evidence of any trend.

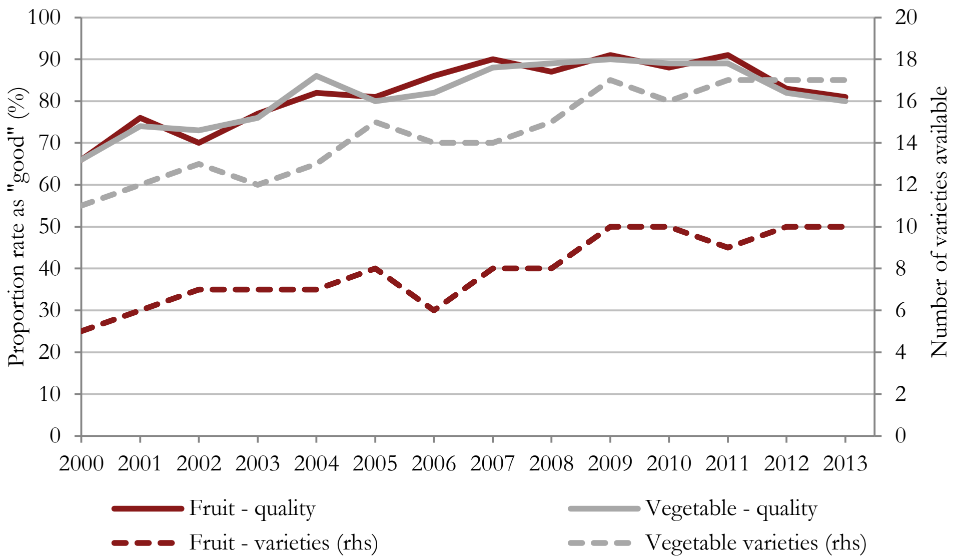
Despite extensive analysis, which drew upon detailed income support data at the community level, no significant and consistent relationship was able to be found between the share of spending on tobacco or fruit and vegetables and the proportion of individuals on income management or the level of income managed funds in communities.

Other possible explanations for low fruit and vegetable consumption – availability and low incomes

Two questions which arise from this and earlier analysis regarding the level of fruit and vegetable purchases are whether it is a consequence of poor supply, especially in remote stores, and secondly whether the low level of relative consumption in both remote locations and urban areas can be attributed to an income effect.

The question of supply of fresh fruit and vegetables is a concern to the Northern Territory Department of Health and is one of the subjects it focuses on in the annual Market Basket Survey. This survey collects information on the cost of foods in remote stores, the range available to people to choose from, and in the case of fruit and vegetables, the quality of the produce on offer. In 2013 the study collected data from 72 rural and remote stores. The results of this survey as they concern the quality and range of fruit and vegetables are shown in Figure 6-8.

Figure 6-8 Availability and quality of fruit and vegetables in Northern Territory remote stores, 2000–2013



Source: Derived from Northern Territory Market Basket Survey 2013 (Northern Territory Department of Health, 2013a).

The data reveals an increasing variety in the supply of fresh fruit and vegetables in these stores since 2000. Although there were also improvements in the quality of the goods available for purchase up until the mid to late 2000s, this then stabilised and has fallen slightly over the past two years. This does not suggest that the range of products may be a major constraint on purchase. This finding is also reinforced by the higher spending, at the same stores, on fruit and vegetables by those who were not using BasicsCard, again suggesting that the question of supply is not the dominant explanation.

The second question is whether or not it is an income effect and the low incomes of people who are on income management are driving the low consumption. To provide one perspective on this, data have been extracted from the 2009–10 Household Expenditure Survey (HES) and analysed to look at the spending patterns of low-income households, specifically whether or not these households spend a smaller proportion of their budget than others on fruit and vegetables. Table 6-15 presents the results of this analysis. The data in the table shows the spending pattern of low-income households – those with equivalised disposable incomes that place them in the fifth to nineteenth percentiles of households – relative to those with incomes above this point. The results are presented for Australia as a whole, and for non-urban locations in Queensland, South Australia, and Western Australia. These latter have been chosen as quasi-comparators with the Northern Territory. Data for the Northern Territory cannot be extracted from the HES.

Table 6-15 Spending on fruit and vegetables as a share of total food spending excluding restaurant meals, Household Expenditure Survey 2009–10

	Non Metropolitan Qld, SA & WA			Australia		
	Low income	Other	Total	Low income	Other	Total
	- % -					
Fresh fruit	5.8	5.3	5.4	5.8	5.5	5.6
Canned, frozen and bottled fruit	0.7	0.4	0.4	0.6	0.4	0.4
Dried fruit and nuts	1.3	1.2	1.2	1.1	1.1	1.1
Vegetables nfd	0.3	0.0	0.1	0.1	0.1	0.1
Fresh vegetables	6.0	6.5	6.4	6.6	6.2	6.3
Frozen vegetables	1.2	0.7	0.8	1.1	0.7	0.7
Other vegetables	0.8	0.8	0.8	0.9	0.9	0.9
Total	16.2	15.1	15.3	16.3	15.0	15.1

Note: nfd – not further defined.

Source: ABS Household Expenditure Survey 2009–10. Derived from ABS (2009–10).

These results indicate that in the HES these low-income households, regardless of location, spend a higher proportion of their food budget on fruit and vegetable products than higher-income households. This result also stands for fresh fruit sales, although those in non-metropolitan locations in Queensland, South Australia and Western Australia spend less on fresh vegetables. This, however, is fully compensated for by higher spending on frozen vegetables.

Similar analysis for all Australian households by main source of income (excluding those with zero and negative incomes, for which a source of income cannot be derived) shows that those households with income support payments as their main source of income spend on average 16.5 per cent of their non-restaurant food budget on fruit and vegetables, compared with 14.9 per cent for those with incomes derived from other sources. The households with income support payments as their main source tended to spend more of their food budget on fresh fruit than those with other sources (5.8 per cent compared with 5.6 per cent). This was also true of fresh vegetables (7.0 per cent compared with 6.2 per cent). In addition they spent more, 1.1 per cent, on frozen vegetables than the 0.7 per cent spent by the other households.

These results suggest that there is no evidence that the low consumption of fruit and vegetables seen in the store-level data is simply a consequence of income support recipients subject to income management having low incomes and that low income households consume less of these items.

Although it is likely that the high prices in remote stores may have affect total consumption, it is unlikely to be a driver of the pattern that has been seen. Relative to a Darwin supermarket, the Market Basket Survey reports that prices are 46 per cent higher for fruit and 61 per cent higher for vegetables in the remote locations. This, however, is not disproportionate to the overall cost difference of the basket between these locations of 49 per cent (Northern Territory Department of Health, 2013). As well as not explaining the difference with the pattern of consumption of others making their purchases in the same location but not on BasicsCard, the issue of costs in remote locations does not explain the existence of the differential in stores in the major urban areas as well.

The more probable explanation of the low spending on fruit and vegetables by those on income management both today and prior to the introduction of income management is related to historical patterns of diet and is not the consequence of misallocation of spending to items such as alcohol and tobacco.

6.4.4 BasicsCard failed transactions at the store level

Section 6.5.2 provides aggregate data on the consequences of failed transactions. The detailed information from stores allows for some limited additional analysis of this, especially on how it impacts at the individual level. In the data there were 45 cases where a rejection could be studied. These cases of 'put back' transactions are where a person makes an unsuccessful transaction, but then tries again while still at the checkout to make a reduced set of purchases, which is then successful. The cases considered here represent just 3.3 per cent of the successful BasicsCard transactions under consideration. As noted in the aggregate

DHS administrative data, most card rejections end in termination rather than continuation of the transaction. These are, however, not identified in the store data used in this section.[104]

In the cases where people reduced the number of items in their basket, most simply removed a single item (64.4 per cent) with two items being removed in 13.3 per cent of cases, and three or more items in the remainder. In ten of the 29 cases where a single item was removed, the original purchase was only for two items, with a further seven involving an initial purchase of three items. On average the removal of items reduced the original total purchase of $78.90 by $18.54. The movement at the median was much less – a median reduction of $11.56 from a basket worth $46.13.

People who recorded an initial rejection of their transaction due to insufficient funds, but still completed a purchase, not only involved additional time after the rejection (on average 64.9 seconds) to process the purchase, but also had a longer transaction period prior to the rejection (85 seconds compared to 45 seconds).

6.4.5 Summary of store-level findings

Data on the sales by stores in the above section, while not comprehensive, provides important insight into the way in which income managed funds are used. Some of the key issues to arise from it are:

- In large part spending on BasicsCard reflects overall patterns of consumption, and is not limited to what have been identified as priority items, but rather has been shaped by the lifestyles and aspirations of the population on income management.
  - This is clearly seen in areas such as spending on electronic gaming – in clear contrast to the language of DHS in describing priority goods as including "toys that Human Services is satisfied are educational – this does not include electronic toys" (DHS, 2014).
  - While BasicsCard spending does include significant spending on mobile phone cards and phones, these have a very important role in enabling people to maintain networks, especially with the very diverse and mobile population of the Northern Territory. There was little evidence of mobile phone cards being used any more than other mechanisms to work around restrictions imposed by income management.
- The pattern of food consumption revealed by purchasing behaviour, especially in remote communities, has significant health and wellbeing implications. In making this comment it is noted by the evaluation that the major store groups are very much aware of these issues and have been working over an extended period to address this problem.
  - In particular, the data reveal very low expenditures on fruit and vegetables. There is no evidence of income management or the BasicsCard having any significant positive impact on this, and while the time series data used in this evaluation do not extend to the period prior to the initial introduction of NTER Income Management, the very low levels of consumption seen in the data presented above suggest that some of the claims about substantive change in the level of consumption do not appear to be validated.
- In addition to the absence of any significant change in the level of fresh fruit and vegetable consumption, the evaluation could not identify any change in the tobacco sales which can be attributed to income management. While there is evidence that changes in price have affected the volume of sales, the value of sales has increased.

6.5 Changing financial capabilities?

The final section of this chapter considers what information can be gained from BasicsCard transactions and income management accounts that can help in understanding whether or not the imposition of income management is helping individuals to manage their finances in a more responsible way, and hence being more effective at managing their own and their family's needs.

[104] In this detailed analysis we have only extracted data for those sales that have been successfully completed using a BasicsCard. Hence where no sale was made, no details were obtained. Similarly, a sale that failed on BasicsCard but then was successfully transacted on a private card or in cash is not identified.

6.5.1 BasicsCard replacements

BasicsCards are issued with a three-year period of validity. As shown in Section 6.3.1, only a small proportion of people, including those who are on income management for the three-year validity of the card, appear to hold their card for the full three years. Cards are very frequently replaced. While some loss and replacement of cards can be expected with any form of debit card, the rates identified with respect to BasicsCard appear to be very high.

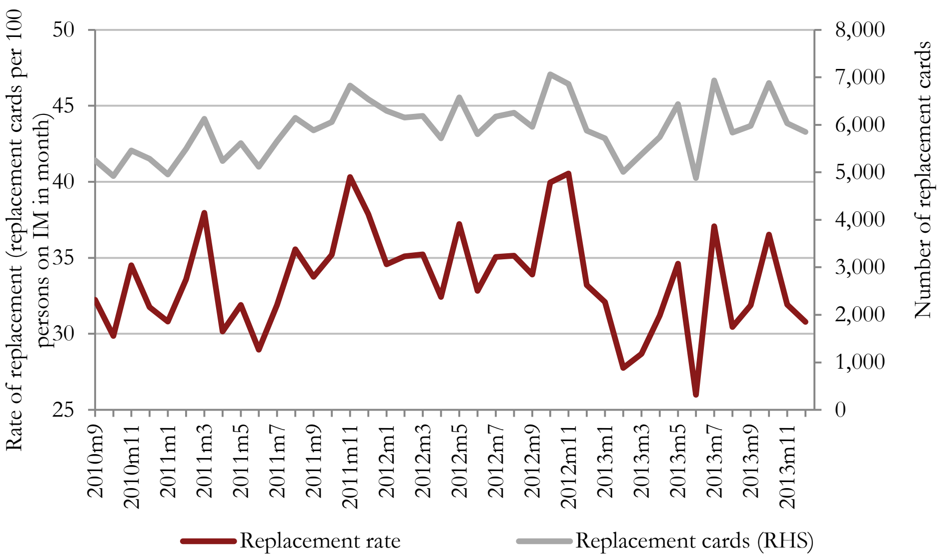
This high rate of loss and replacement can be considered as being contrary to basic good financial management practice which places some importance on this type of PIN-secured debit card being held securely and treated with care. While it can be suggested that the free replacement of these cards, and the relative ease of replacement for those living in locations with easy access to a Centrelink office, makes replacement of the card a relatively costless exercise and hence makes people indifferent as to whether they bother about making sure they have the card with them when they go shopping or keeping the card secure, this ignores the more fundamental question as to what behaviour is consistent with being in control of one's finances. (It is to be emphasised here that while it is very easy to obtain a replacement card if one has convenient access to a Centrelink office, this is not the case for people without this access. In remote areas for example, people must either travel very long distances or wait some weeks for the next visit from the Centrelink remote service team.)

Similarly, while it has been noted that it was reported that some people when initially placed on income management may have treated the cards as a one-off stored value card, it would be expected that after this difference was explained to them at the time their initial replacement card was issued and, if their financial management skills had improved, this type of misunderstanding would soon be corrected.

Finally, if the card is seen as valued in the service it provides to individuals, it would be expected that it would be treated in a way that reflected this value.

For all of these reasons the extent to which cards need to be replaced can be interpreted as one indicator of good financial practice, and changes in the incidence of card replacement as evidence of change in this practice. As illustrated in Figure 6-9, the number of cards replaced per month has increased from around five thousand in late 2010 to around six thousand per month. The rate of replacement has mainly been around 30 to 35 cards per 100 persons on income management, although the data suggests there may have been a small but marked structural shift in late 2012.

Figure 6-9 Replacement BasicsCards, number issued and rate of replacement per month, NIM, September 2009 to December 2013



Source: Derived from DHS administrative data provided for the purpose of the evaluation.

One way of clarifying the association of a range of characteristics of individuals subject to income management with requiring replacement cards is to use regression analysis. This allows the identification of the contributions individual characteristics make to the outcome – and here two are considered: the number of replacement cards a person has required, and changes in this over time. Table 6-16 presents the results of regression analysis.[105] Three regression models pertaining to replacement cards have been estimated.

- The first seeks to identify the characteristics which best predict the number of cards issued to a person in 2013. This regression is based upon a population of 15,158 people who were on income management for most of the year.[106] This model has a reasonably good fit, with an R^2 of 0.149. For this population there was an average of 5.31 cards issued in the year, (given in the table as the mean value of the dependent variable). Table 6-16 also shows, in the final columns, the distribution of characteristics of the population. This is provided for the full 2013 population and for the matched 2011 to 2013 population (that is, the population that was subject to income management in 2011 and 2013), which is used in the regressions modelling of the factors associated with changes, at the individual level, in the number of BasicsCards issued.

- The second and third models seek to predict the extent to which there was a reduction in the number of cards issued over time. Two time periods are modelled: between 2012 and 2013; and between 2011 and 2013. As can be expected, the populations for these models were smaller, at 11,888 and 9,876 respectively, as people had to be within the population in both the base and the final year to be included. Both these models had a very poor fit, with an $R^2 = 0.013$ for the model for the one-year change and $R^2 = 0.018$ over the longer period. As indicated at the end of the table, over both periods there was on average a very slight increase in the number of replacement cards. That is, in the coding of the data there is a decrease in the reduction of the number of replacement cards. This was -0.131 over the one-year period and -0.388 over the two-year period.

Characteristics associated with the frequency of replacement cards

Looking at the first model:

- Relative to women, men have slightly fewer replacement cards, but this difference was not statistically significant.

- A number of family types were statistically significant. Relative to a person who was part of a couple without dependent children, people who were members of a couple with a child had almost one less replacement card per year, with little difference by the age of the youngest child. Being a single parent with a child aged over five years was associated with having 0.33 fewer replacement cards. In contrast, a single person was associated with having an additional 0.5 replacement cards. However, to the extent that these parameter values are relative to an average of 5.3 replacement cards, these differences must be seen as being slight, rather than constituting important differences.

- Some of the largest differences are evident in the type of income management a person was on, although it should be noted that the classification used is that of the last status the person had in the year, and not their status at the time a card may have been replaced. Relative to a person who was on the Long Term Welfare Payment Recipient measure, being on SPAR is associated with an additional ten replacement cards; on the Assessed Vulnerable measure, five additional cards; and on Child Protection, 1.8 additional cards. This result would suggest that these measures can be considered as having, by this metric, a high degree of targeting at those who are particularly poor financial managers.

[105] All have been undertaken using robust regression techniques.

[106] For these regressions two sliding windows were used to select the population based upon their use of the BasicsCard. The first was whether the person used their card both prior to 1 March and after 30 November in the particular year, or used their card prior to 1 February and after 30 October. If either of these criteria was met they were kept within the analysis population for the year.

Table 6-16 Regression analysis of the incidence of replacement of BasicsCards and transactions which fail due to insufficient funds, and changes over time, NIM

	Number of BC replacements in 2013		Proportion of trans. insufficient funds 2013		Change in number of BasicsCards 2012 to 2013 (+ = fall)		Change in number of BasicsCards 2011 to 2013 (+ = fall)		Change in failure rate 2012 to 2013 (+ = fall)		Change in failure rate 2011 to 2013 (+ =fall)		Full 2013 pop	2011 to 2013 pop
Population	15,158		15,158		11,888		9,876		11,888		9,876		15,158	9,876
R-square	0.149		0.182		0.013		0.018		0.015		0.032			
	Coefficient		Coefficient		Coefficient		Coefficient		Coefficient		Coefficient		Prop'n population	
Female	Reference												0.622	0.669
Male	-0.132		0.872	***	0.097		0.141		0.278	***	0.440	***	0.378	0.331
Final family type														
Cple yng <5 yrs	-0.849	***	-1.692	***	-0.210	*	0.151		0.408	*	0.422		0.193	0.195
Cple kids 5+ yrs	-0.952	***	-1.079	***	-0.011		0.162		0.459	***	0.343		0.117	0.135
Cple only	Reference												0.135	0.137
Sngl yng <5 yrs	0.028		-2.611	***	-0.129		0.032		0.265		0.728	***	0.086	0.081
Sngl kids 5+ yrs	-0.330	***	-2.794	***	-0.237	*	-0.197		0.279		0.645	***	0.102	0.113
Single	0.519	***	-1.448	***	-0.139		-0.058		0.216		0.409	*	0.367	0.340
Last IM status on record														
Diseng Yth	0.304	***	-0.098		-0.162		-0.245	*	-0.022		0.208		0.188	0.132
LTWPR	Reference												0.554	0.560
Chld Protect	1.790	***	1.876	***	-0.163		-0.322		-1.069	***	1.245	*	0.004	0.004
Vul Assessed	5.076	***	3.641	***	0.258		0.769		-0.574		-0.424		0.009	0.010
Vul Crisis Pay	0.749	*	-0.903		0.390		1.151		-1.225		1.467		0.004	0.003
Vul UTLAH	0.330		-0.827		0.205		-1.117		0.719		-0.610		0.005	0.002
SPAR	9.971	***	3.002	***	-2.789	*	-5.107	***	-0.860		2.569		0.001	0.001
Nominee IM	-0.662		-0.162		0.723		0.192		-0.596		-0.776		0.001	0.001
VIM	-0.478		0.114		0.519		0.620		-0.569		-0.767		0.206	0.273
exempt VIM	-0.855	*	0.389		-0.202		0.124		0.197		-0.737		0.001	0.001
I/S IM	-0.030		0.680	*	0.637	***	0.550		0.059		0.546		0.022	0.010
OOS exempt	1.688	***	0.110		0.000		0.000		0.000		0.000		0.000	0.000
Exempt no IM	-0.822	***	-0.394		0.314		1.433	***	-0.821		0.542		0.004	0.003
Last type of income support received														
NSA	Reference												0.473	0.436
YAL	-0.309	***	0.856	***	-0.095		-0.365		0.554	*	-0.051		0.066	0.023
PPP	0.425	***	-1.157	***	0.072		0.143		-0.206		-0.248		0.128	0.143

PPS		-0.113		-1.018	***	-0.004		0.040		0.053		-0.364		0.119	0.115
CAR		0.564		-0.571		-0.584		-0.660		0.698		1.352		0.011	0.013
DSP		1.934	***	1.544	***	-0.316		-0.630		0.730		0.600		0.155	0.204
AGE		0.945	***	0.936		-0.317		-0.477		0.680		0.474		0.045	0.063
Other		0.323		0.627		-0.455		-0.714		0.513		1.045		0.003	0.004
														Values	
Advance payments (IHS)		0.430	***	0.612	***	0.049		0.024		-0.055		0.142	*	3.156	3.320
Urgent payments (IHS)		0.368	***	0.225	***	-0.010		-0.014		0.106	***	0.178	***	0.488	0.434
Last location while on Income support/Indigeneity															Prop'n population
Greater Darwin	Non-Indig.	Reference												0.046	0.012
	Indigenous	2.312	***	1.312	***	0.172		-0.262		0.211		-0.037		0.077	0.057
Alice Springs	Non-Indig.	0.567	*	0.757		-0.167		0.347		-1.881	***	-0.054		0.007	0.002
	Indigenous	2.796	***	1.539	***	0.651	***	0.667	***	0.083		0.042		0.073	0.074
Katherine	Non-Indig.	0.416		-0.886		0.727		0.182		0.060		-1.244		0.004	0.002
	Indigenous	1.750	***	3.079	***	0.350	***	0.180		0.330		0.052		0.170	0.182
Barkly incl. TC	Non-Indig.	0.602		-0.114		-0.041		0.639		1.206		-0.090		0.001	0.001
	Indigenous	1.992	***	1.729	***	0.331	***	0.439	*	0.098		-0.932	***	0.069	0.071
East Arnhem	Non-Indig.	0.171		6.231	***	1.001	***	0.258		1.575	*	1.809		0.002	0.001
	Indigenous	0.841	***	7.108	***	0.835	***	0.771	***	1.062	***	1.336	***	0.151	0.167
Top & W	Non-Indig.	1.853	***	1.432	*	-0.164		-0.988		0.220		0.838		0.006	0.003
Arnhem	Indigenous	2.468	***	3.048	***	0.617	***	0.445	***	0.041		1.298	***	0.194	0.209
SE Desert	Non-Indig.	1.223		3.621	***	-0.311		-0.128		-0.353		-2.798	***	0.001	0.001
	Indigenous	1.368	***	3.776	***	0.429	***	0.481	***	-0.587	***	-1.424	***	0.088	0.096
Mid-West	Non-Indig.	1.211	*	3.034	***	-0.315		2.022	***	0.514		-0.477		0.002	0.001
Desert	Indigenous	2.092	***	3.752	***	0.559	***	0.584	***	0.201		-0.310		0.106	0.119
Other locations	Non-Indig.	-0.373	***	12.144	***	-		-		-		-		0.000	0.000
	Indigenous	2.338	***	4.729	***	-1.103		0.581		1.424		-6.649	***	0.001	0.000
														Values	
Time on IM (years)		-0.545	***	-3.130	***	-0.777		-1.371		-0.920		-2.909	***	3.0	3.4
Time on IM (years) squared		0.219	***	0.726	***	0.156		0.239		0.177		0.614	***	9.6	11.4
Age years		0.076	***	0.170	***	-0.048	***	-0.050	***	-0.073	***	-0.082	***	36.6	38.7
Age years square		-0.001	***	-0.001	***	0.000	***	0.000	***	0.001	***	0.001	***	1,537	1,705
Constant		0.290		4.153	***	1.252		2.190		2.815	***	4.500	*		
Dependent variable – av. value		5.310		10.077		-0.131		-0.388		0.619		1.290			

Source: DHS administrative data provided for the purpose of the evaluation.

In contrast, the automatic vulnerable crisis payment stream was associated with a weakly significant increase of 0.75 cards, and the result for the automatic Unreasonable to Live at Home was not significant. (The data also shows a higher number of cards being associated with a final status of being automatically exempted because of being a full-time student or apprentice. The inclusion of this category reflects the use of end-2013 status as the basis of individual description.) The population size of these groups is very small. Of note in these data is that while the parameter value of being on Voluntary Income Management is the equivalent to half a replacement card less, this is not statistically significant – despite the fact that this is a large segment of the population; this points to a high degree of variability within this group.

- Relative to being on Newstart, the largest differences were being on Disability Support Pension, which was associated with two additional cards, and the Age Pension an additional 0.95 cards. Smaller differences were seen with being on Youth Allowance, which was associated with 0.3 of a card less, while being on Parenting Payment Partnered with 0.4 of a card more.

- Having received an advance or urgent payment was associated with having more replacement BasicsCards. Because of the characteristics of the distribution of this variable it has entered the model as an Inverse Hyperbolic Sine function[107] of the number of episodes, but can be interpreted as a doubling in the number of episodes being associated with an additional half a card.

- Whether or not a person identifies as being Indigenous is entered into the model as an interaction effect with the geographic location of the person. In all cases the interaction with being Indigenous was significant, with being Indigenous being associated with having more replacement cards relative to a non-Indigenous person in Greater Darwin. The number of additional cards ranged from 0.8 in East Arnhem to more than two in Greater Darwin, Alice Springs, the Top and West Arnhem and the Mid-West Desert. The only strongly significant regional difference for non-Indigenous people (other than a residual group of “other locations”) was in the Top and West Arnhem region – an additional 1.9 cards.

- Both time on income management and age enter the regressions as a quadratic, since the relationship between age and the time people spend on income management, with the number of cards, was not expected to be linear. Essentially the parameters on time suggest that being on income management for just one year was associated with 0.3 of a card less; for two years 0.2 of a replacement card less; three years with 0.3 of a card more; and 4 years 1.3 of a card more, with the number of replacement cards increasing rapidly beyond this point. The age parameter is more complex – being roughly flat at one additional card (relative to the intercept value) for ages between 20 and 45, although peaking at 1.24 cards at age 35, and then declining to almost zero at age 65 and negative 0.3 at age 70. As such, it appears that this factor largely offsets the Age Pension effect seen earlier.

Overall, these results indicate that, while some of the variation in the number of BasicsCards issued can be explained by the characteristics of the population that are available from the administrative data, very few appear to have a very marked effect on the number of replacement cards issued, particularly when the high average number of replacement cards is taken into account. Those characteristics – which do have a major impact on making a person more likely to have more replacement cards – are being identified as vulnerable, being on Disability Support Pension, and being Indigenous, although this varies by location. Conversely, being in a couple with children reduces the number of replacement cards.

Changes in the number of replacement cards over time

The regression modelling of change in the number of replacement cards over time, as indicated above, only had very low predictive power. To the extent that it varies by the characteristics of people on income management, this poor fit indicates that these are characteristics which are not available to us in DHS data. Looking at the aggregate matched data indicates that the average number of replacement cards for this matched population rose from 5.34 in 2012 to 5.48 in 2013, and from 5.25 in 2011 to 5.66 in 2013. (The differences between the number of replacement cards in 2013 are a consequence of the use of a matched sample for each period and hence differences in the 2013 population which can be matched to the earlier period.)

[107] The inverse Hyperbolic Sine function is similar to using the logarithm, but is a transformation that can be used with data with significant numbers of zero values.

Given the relatively poor fit of these models, the results given in the table will not be considered in detail. In interpreting the parameters it also should be noted that the data has been coded so that the model seeks to predict the fall in the number of replacement cards issued per person over time; hence a positive parameter value indicates a positive outcome; that is, fewer replacement cards being required over time.

- Gender is not significant over either time period, nor most family characteristics. Those couples with a young child show some deterioration in the short term, but this is weakly significant only, and over the longer term has the opposite sign. The parameter for single parents with a youngest child aged over five years in 2013 are negative over both periods, but only weakly significant in the first.
- By income management status the most significant result is the strong and negative change for those on the Supporting People at Risk measure relative to the base case of people on Long Term Welfare Payment Recipient measure. The parameter is weakly significant in the short term and strongly significant in the second, and the effect size is large – an increase of 2.8 replacement cards over the one-year period, and five cards over the two-year period. People on the disengaged youth stream also showed a negative movement that was weakly significant in the second period. There were also some changes for those who had moved interstate or had received an exemption.
- There were no significant changes associated with type of income support.
- Indigenous identification was significant in the analysis by location – with most Indigenous people, except those in Greater Darwin, reporting an improvement relative to non-Indigenous people in Greater Darwin. This was more consistent in the shorter time period, and points to a decline between 0.4 and 0.8 of a card per year. By location there was little significant change for non-Indigenous people, although there was an improvement of one card per year in the short term in East Arnhem, and two cards per year in the longer term in the mid-West Desert region, but with no consistent result in the shorter term.
- Age was significant in both models and pointed to a U-shaped effect, which over the shorter term ranged from -0.8 at age 20, through a low of -1.4 at age 55, before slightly improving to -1.3 at age 65 years.

At most these data would suggest that there has been a very slight improvement in the number of replacement cards issued to Indigenous people over time, relative to the non-Indigenous population on income management. While there are clear and quite large differences in the number of replacement cards that different population subgroups have sought, there is no clear evidence of any population subgroup showing marked improvement over time.

6.5.2 Failed BasicsCard transactions

Figure 6-3 and Table 6-9 have already presented some information on the proportion of BasicsCard transactions that fail because the person had insufficient funds in their account. As has been discussed earlier in this chapter, such failed transaction can be seen as evidence of poor financial management skills, and to the extent income management seeks to stabilise households and improve the control that people have over their spending, it is to be expected that the incidence of this type of failure should reduce over time.

Across the income managed population of people who used a BasicsCard, in 2013 only 6.9 per cent did not record at least one failed transaction. By gender men had a higher incidence of no failed transactions (8.6 per cent) than women (5.6 per cent). Only 2.5 per cent of those on Voluntary Income Management did not record a failure, along with 4.4 per cent of Indigenous people on compulsory measures. Among non-Indigenous people on compulsory measures, 19.0 per cent reported no failures.

Who experiences failed BasicsCard transactions?

There is considerable variation in the incidence of failed transactions on BasicsCard due to insufficient funds by different personal and program characteristics. Some of these are illustrated in Table 6-17. The overall rate of failed transactions by Indigenous people on income management in the Northern Territory of 10.4 per cent is well above that of the non-Indigenous population of 5.7 per cent, although this differential varies considerably at the more detailed level.

Across age groups, at the aggregate level there is a marked trend to increasing levels of failed transactions for older age groups. This ranges from 8.0 per cent for those aged less than 20 years to 13.1 per cent for those aged 65 years and over. Although this pattern holds for Indigenous people, it does not for the non-Indigenous population on the program. For this group the rate for those less than 20 years of age is 7.1 per cent; it then falls across ages to a low in the 45 to 64 year age group, and then rises slightly. As a consequence, while the Indigenous rate for the 45 to 64 year age group is two and-a-half times that of the non-Indigenous population of the same age, for the under 20 age group it is just one percentage point higher. By family type the rate is highest across the population as a whole for those who are members of a couple without dependent children, and lowest for sole parents with a child above the age of five. The biggest difference by Indigenous status for these family types is among couples with children above the age of five only. For non-Indigenous people of this family type on income management the rate of failed transactions is 5.2 per cent, while for those identifying as Indigenous it is over double this at 11.8 per cent.

Table 6-17 Proportion of transactions which fail due to insufficient funds, NIM, 2013

	Non-Indigenous	Indigenous	Total
		- % -	
Gender			
Female	5.6	9.6	9.4
Male	5.9	12.0	11.3
Age group (years)			
Under 20 years	7.1	8.1	8.0
20–24	6.4	8.5	8.2
25–34	5.5	9.4	9.1
35–44	5.5	11.0	10.5
45–64	5.2	12.9	12.2
65 years and over+	6.7	13.2	13.1
Family Type			
Couple youngest child under 5 years	7.0	9.0	8.9
Couple youngest dependent 5 yrs +	5.2	11.8	11.6
Couple only	6.8	13.0	12.7
Sole parent youngest child under 5 yrs	4.4	7.0	6.7
Single parent youngest dependent 5yrs +	4.8	8.9	8.6
Single person	6.2	11.7	10.9
Income management stream			
Disengaged Youth	6.6	8.3	8.1
Long-Term Welfare Payment Recipient	5.2	9.8	9.3
Child Protection	8.7	9.7	9.7
Vulnerable – Assessed	12.1	19.0	18.8
Vulnerable – Crisis Payment	9.0	8.6	8.6
Vulnerable – Unreasonable to Live at Home	6.1	6.9	6.6
Vulnerable – Special Benefit	-	3.7	2.0
SPAR	7.0	14.8	14.7
Nominee IM	7.3	10.7	10.5
Voluntary Income Management	7.9	13.2	13.2
Exempt on VIM	4.5	8.2	7.3
Income support payment			
Newstart Allowance	5.8	10.7	10.1
Youth Allowance	7.5	9.3	9.0
Parenting Payment Partnered	6.6	8.5	8.4
Parenting Payment Single	4.4	7.0	6.7
Carer Payment	4.1	10.7	10.6
Disability Support Pension	9.0	14.0	13.9
Age Pension	6.7	13.2	13.2
Other	4.4	13.1	12.6
Total	5.7	10.4	10.0

Source: Derived from DHS administrative data provided for the purpose of the evaluation.

By income management stream there are some very apparent differences. The highest level of failed transactions, with 18.8 per cent of their transactions failing due to insufficient funds, is among those who have been assessed as being vulnerable. In contrast, the rate for those on the automatic vulnerable measures is much lower. For those on special benefit it is 2.0 per cent, and for those who have been classified as being unreasonable to live at home it is 6.6 per cent. For those who have been placed on income management because they have received a crisis payment on release from prison the rate is 8.6 per cent, with this being the one category where the rate for Indigenous people is below that of others.

The experience of failed transactions is substantially higher for people on Voluntary Income Management, with 13.2 per cent of attempted transactions being unable to be made because of insufficient funds in people's BasicsCard accounts. This is well above the rate for those on the compulsory measures.

By type of income support payment the lowest rates of these failed transactions are recorded by those on Parenting Payment Single (6.7 per cent), and the highest by those on Disability Support Pensions (13.9 per cent). It is also somewhat elevated at 13.2 per cent for Age pensioners.

What happens when a transaction fails?

A failed transaction because of insufficient funds can be responded to in several ways. In some cases a person may be able to complete their purchase by using cash or a personal credit or debit card. We have no information on the extent to which this occurs.

Alternatively, they can either give up on the transaction (that is, abandon it as failed) and attempt to make their purchases at a later point when they have funds, or they can reduce the number of items they are trying to purchase in order to lower the cost to a level that can be met from their available funds – a 'put back' transaction.

In 2013 there were 287,632 cases where a person had a failed transaction because of a lack of funds in their account followed by a successful transaction. In 39.9 per cent of cases the gap between these transactions was more than ten hours, and in 7.6 per cent of cases it was between one and ten hours, while in 4.3 per cent it was between 15 minutes and an hour. Five per cent involved a gap of five to 15 minutes and 44.1 per cent involved gaps of less than five minutes. It is this latter group which is being considered here, as people in this group usually undertake a follow-on attempt at a transaction at the same store, usually with a reduced basket of goods.

The data suggests this second process is very frequent. Data on the phenomenon are in Table 6-18 and Table 6-19. The first table indicates frequency of occurrence of these 'put back' or reduced item purchases, while the second looks at some of the operational aspects of it. The first very clear difference in the table is the level of incidence. While 42.7 per cent of the non-Indigenous population subject to compulsory income management do not have at least one episode of this type of transaction, the equivalent proportion is just 8.1 per cent for Indigenous people on the compulsory measures and 5.1 per cent for people on Voluntary Income Management. Most people in these latter two groups report some two to nine episodes, although 18.6 per cent of Indigenous people on compulsory measures and 28.4 per cent of people on Voluntary Income Management had ten or more such episodes in 2013.

Table 6-18 Incidence of reducing purchases to have a successful transaction within five minutes of having a failed transaction, NIM, 2013

Number of reduced item purchase transactions	Compulsory Income Management		Voluntary Income Management
	Indigenous	Non-Indigenous	
	Distribution of incidence (%)		
0	8.1	42.7	5.1
1	11.8	24.0	7.3
2–4	31.2	24.7	23.4
5–9	30.3	6.9	35.8
10–19	16.2	1.6	24.2
20+	2.4	0.1	4.2
	100.0	100.0	100.0

Source: Derived from DHS administrative data provided for the purpose of the evaluation.

A high proportion of these actions involve relatively small transactions; a quarter involves an initial transaction[108] of less than $16.00, and half involves an initial transaction of less than $33.15. The median final transaction that is successful is $20.00, and the median amount 'put back' is $7.77. Indeed, in three-quarters of these transactions the amount put back is less than $17.70. (It should be noted here that the distribution of the percentile points is undertaken independently on each of these three values. That is, the median final transaction is the median value of the successful transaction that finished the episode, not the value of the amount of the final transaction of the median initial transaction).

Table 6-19 'Put back' transactions, distributions of initial and final value and time taken, NIM, 2013

	Value and other characteristics at selected points of the distribution					Average Value
	p5	p25	p50	p75	p95	
Value of:			- $ -			
'Initial' attempt	6.00	16.00	33.15	71.75	177.00	55.91
Final Transaction	2.85	8.40	20.00	50.00	146.63	40.68
Amount deducted	1.00	3.78	7.77	17.70	50.00	15.23
			Minutes			
Time taken	0.40	0.58	0.87	1.58	3.67	1.27

Source: Derived from DHS administrative data provided for the purpose of the evaluation.

The second characteristic shown in the table is the amount of time between the initial and final transaction. This averages a bit over one and-a-quarter minutes and usually reflects the time taken at the checkout while a person works out which items they need to take out of their purchases and the operator makes the second transaction. This, however, is of course only one aspect of the time costs these transactions impose on stores, which then have to follow up the transaction by restocking items, which if they involve a perishable item often needs to be done as a matter of urgency. Discussions with stores suggest that most have a routine for this and the overall level of stock loss, as opposed to time loss, is relatively small.

As indicated, the transactions analysed here are only those which are completed within five minutes of the initial rejection. A more detailed review of the data suggests that a significant proportion of the additional transactions in the 15 minutes following rejection should also be included, although in some cases it is less clear as to whether these are put backs or second attempts.

Case studies of serial rejections

The vast majority (92.7 per cent) of people on income management in 2013 had some repeated episodes of unsuccessful transactions; that is, two or more unsuccessful transactions unbroken by a successful purchase. Most people had fewer than three such episodes. Some, however, had considerable sequences of rejection. Detailed below are some examples of these:

- On 29 January a middle-aged woman made a minor purchase of a value of $4.10 on her BasicsCard in the late afternoon. Apparently aware that she had only a limited balance left, she attempted a few minutes later to make a further purchase for $5.00, but this was rejected due to a shortage of funds. The next day she attempted to make a purchase just before noon, which was again rejected. Later that afternoon she attempted unsuccessfully three further purchases, initially for $21.75, then for $15.60 and finally for $10.70. The following day, she tried to make a more major purchase of $55.58, which was again rejected. The next day she again made two attempts, one around lunchtime and one in the evening, both of which failed due to insufficient funds. By 5 February when she next tried using her BasicsCard, some money had been transferred into her account. This amount, though, was not sufficient to enable her to pay for the $209.43 worth of groceries she presented to the checkout at 11 am; half an hour later she pared her purchases back to $86.92 and was successful.

- On 1 July a young man made a successful purchase for $7.00 just before 9 am. In the mid-afternoon of the same day he tried to make a purchase for $4.00 but had this rejected due to insufficient funds. The

[108] While described here as the initial transaction, it is effectively the last unsuccessful transaction which is being recorded. In many cases the transaction involves multiple attempted transactions with a reducing balance each time. In the data extraction, however, only the last transaction that was rejected due to an inadequate balance has been included.

next morning he visited another store and tried to make a purchase for $4.50 which was rejected. Over the next five days he attempted to make a purchase at three different stores for amounts between $2.00 and $5.50 on a further 12 occasions, failing each time. Finally on 9 July he had some funds transferred into his account and his attempt to make a $4.00 purchase succeeded.

- On 18 April a woman aged over 65 years who was on Voluntary Income Management, and who was responsible along with her partner for some children, made a successful purchase. She then sought to buy a range of goods, initially valued at $105.17. This was in excess of the balance she had left in her account, and was rejected on the basis of having insufficient funds. Over the next seven minutes she reduced her attempted purchases on five occasions – until it was a total of $4.67, with this also being rejected. Later that day she attempted to make a minor purchase for $5.45, which was also rejected. This was also the case the next day when she tried again to make a purchase of this value. After this she did not try to use her BasicsCard for two days, but then tried again early in the morning on both 22 and 23 April with minor purchases, but again was rejected. She returned later that morning when some funds had been transferred to her BasicsCard. This amount, however, was not sufficient for her $227.79 of purchases. She nonetheless was able to remove some items and then made a successful purchase for $206.68.

Actions taken to address failed transactions

Over time Centrelink has taken a range of measures to make it easier for people to check the balances they have on their BasicsCard and hence reduce the potential for them to attempt to make transactions which are rejected because of inadequate funds. These include:

- The installation of 11 free standing BasicsCard Kiosks in key shopping centres and some stores which enable people to check their balances as they commence shopping.
- The installation of phones in some community stores linked to the income management line.
- An internet-based BasicsCard balance enquiry service – this has been supplemented by the development by some stores of a smartphone application.
- Freecall phone facilities. This type of facility was originally introduced in May 2009 but involved costs for people using mobile phones. In November 2012 a freecall facility from Telstra mobile phones was introduced.
- One of the major retail/supermarket groups has an opt-in balance printing arrangement which allows people using their BasicsCard to have their remaining balance printed on the receipt when they make a purchase.

It would be expected that the progressive rollout of these facilities should have had a major effect in improving the ability of people to avoid the failure of transactions due to insufficient balances.[109]

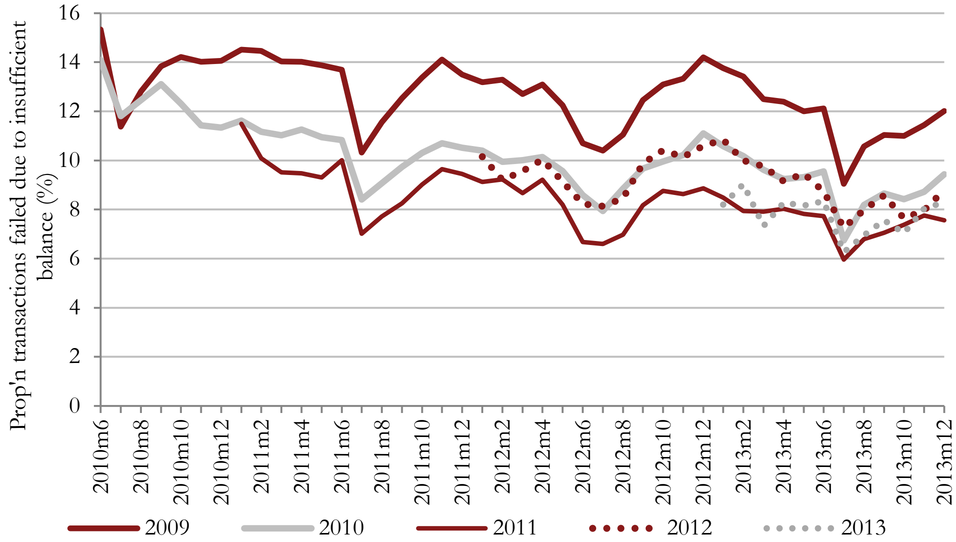
Trends in failed BasicsCard transactions by date of entry onto income management (entry cohort)

Over time there has been a reduction in the rate at which transactions have failed due to inadequate balances. In part this trend has been a cohort effect, with each successive cohort entering income management having a lower rate, potentially reflecting their higher level of financial capability. This, and the trends for cohorts over time, is shown in Figure 6-10.[110]

[109] Problems in checking balances, including excess waiting times and non-functioning equipment were repeatedly raised in the September 2014 feedback process. This suggests that some significant issues still remain.

[110] The size of the cohorts varies considerably. For the population still on income management at the end December 2013, 44.9 per cent are in the 2009 cohort, 22.0 per cent in the 2010 cohort, 11.4 in the 2011 cohort, 9.4 per cent in the 2012 cohort, and 12.4 per cent in the 2013 cohort.

Figure 6-10 Monthly rate of failed transactions due to inadequate balances by entry cohort, persons on income management in the Northern Territory in December 2013, June 2010 to December 2013



Source: Derived from DHS administrative data provided for the purpose of the evaluation.

In addition to the cohort effect and time trends the data show a very strong seasonal pattern, with the rate of failed transactions falling strongly each July. This again is likely to be the effect of the payment of the FTB supplement. It is not possible on the data available to the evaluation to determine whether the fall in the rate of failed transactions is a result of people making more planned and structured purchases related to how they intend to spend this additional income, or simply a matter of people being less financially constrained and hence less likely to be running very low balances.

The entry cohort effect can be seen in comparing the experiences of the cohorts in the first three months of data which are available for them. In the case of the 2009 and 2010 cohorts (mainly those who had been on NTER Income Management), it has been necessary to use the data from June 2010. These give an average failure rate of 13.1 per cent and 12.7 per cent. The 2011 cohort can be seen in its entirety, and has an average in the first three months – January to March 2011 – of 9.8 per cent, with the rate for the 2012 cohort being 9.5 per cent, and for that entering in 2013, 8.8 per cent.

There is also evidence of some decline in the failure rate over time within cohorts. For the periods up to 2012 to 2013 these changes have on the whole been quite small. However, as seen in Table 6-20, they have been very marked between 2012 and 2013, even for those cohorts which have prior to this shown only relatively small declines. In this table the failure rate is that recorded in the last three months of the year. This has been done to minimise the immediate impact of new entrants; and the population is limited to those who are still on income management in December 2013.

Table 6-20 Changes in the rate of failed transactions by NIM cohort 2010 to 2013 for persons on income management in the Northern Territory, December 2013

Average October to December failed transaction rate	Entry cohort 2009	2010	2011	2012	2013
	Transactions failed due to inadequate funds as a proportion of all transactions (%)				
2010	14.1	11.7	-	-	-
2011	13.7	10.5	9.4	-	-
2012	13.5	10.4	8.8	10.4	-
2013	11.5	8.9	7.6	8.1	7.8
	Change in failure rate				
2010 to 2011	-0.4	-1.2	-	-	-
2011 to 2012	-0.2	-0.1	-0.6	-	-
2012 to 2013	-2.1	-1.6	-1.2	-2.3	-

Source: Derived from DHS administrative data provided for the purpose of the evaluation.

Given the extent of the change during 2012 to 2013, its impact across cohorts, and its break with the previous trend, it is likely that this reflects an exogenous change, rather than changing behaviours. It is quite probably the impact of the introduction of the freecall facility on mobile phones. Once this is taken into account, while there is some decline in the rate of failed transactions over time, this is a very gradual process.

Changes in the rate of failure over time – what individual factors impact

In addition to the regressions concerning replacement cards that have been discussed earlier, Table 6-16 also presents a similar modelling exercise focused on the rate of failed transactions. As with card replacement, three regression models are presented. The first considers the factors that may explain the 2013 failure rate, with the other two models looking at change in the rate of failed transactions between 2012 and 2013, and 2011 and 2013. In a similar fashion to the earlier results, while the point in time model produces a relatively good fit, with an R^2 of 0.182, the fit of the change models is quite poor, at $R^2 = 0.015$, for the 2012 to 2013 change and $R^2 = 0.032$ for the change between 2011 and 2013. As with the earlier analysis, the data used has been derived on the basis of a sliding window to include a population of people who were on income support for most of the year in each of the years under study.

In the first model the parameter values indicate the difference in the rate of failure either compared with the reference group, or as a function of the change of a unit in the value of the independent variable. The magnitude of the parameter needs to be assessed in relative terms to the mean value of the rate of failure, which is 10.8:

- Being male relative to being a woman increases the rate of failure by 0.9 percentage points, which is significant.
- Relative to the couple-only family, all other family types were significantly associated with a lower failure rate, with the magnitude of this varying from -1.1 for a couple with children to -2.8 for a single parent with dependent children with the youngest aged five years and over.
- Only three types of income management showed highly significant differences relative to a person on the Long Term Welfare Payment Recipient stream, with each having a higher rate. These were those on assessed Vulnerable Income Management, which was associated with an increase in the failure rate by 3.6 percentage points, SPAR (3.0), and child protection (1.9). While the results for the automatic vulnerable measures were not significant, they had in contrast a negative sign. The parameter value associated with Voluntary Income Management was small and insignificant. There was a weak positive result also for those whose last record showed them as being on income management in another state.
- Being on Disability Support Pension was associated with a 1.5 percentage point higher failure rate, relative to a person on Newstart, and on Youth Allowance a rate 0.9 per cent higher. In contrast, being on Parenting Payment was associated with a lower failure rate: -1.2 percentage points for those on the partnered payment and -1.0 for those on the single rate.

- Increases in the rate of receipt of either an advance or an urgent payment was associated with a higher failure rate – with a doubling of the receipt of this being associated with an increase of 0.6 of a percentage point for advance payments and 0.2 for urgent payments.

- Relative to a non-Indigenous person in Greater Darwin, the failure rates for people who identify as being Indigenous were significantly higher in all of the regions. This was particularly so in East Arnhem (7.1 percentage points higher), but was between 3 and 4 percentage points higher in Katherine, Top and West Arnhem, and the two Desert regions. While significantly higher rates were also recorded by Indigenous people in Greater Darwin, Alice Springs and Barkly relative to non-Indigenous people in Darwin, these were all in the range of 1.3 to 1.7 percentage points. The high parameter value for Indigenous people in the East Arnhem region was largely reflected in the rate for non-Indigenous people, which was 6.2 percentage points above that of a similar person in Darwin. Higher rates were also recorded for non-Indigenous people in the South-East Desert region (3.6 percentage points) and the Mid-West Desert Region (3.0). Living in the Top and West Arnhem region was associated with a slightly significant 1.4 percentage point increase. There was a very high 12.1 parameter for the small group living in other locations – including those who were interstate.

- The time spent on the program was modelled as a quadratic and was significant. The parameter for time varies from a value of -1.3 for people who have been on for six months, increasing to -3.4 at two years and then declining to -2.9 after three years.

- The parameter for age showed a decreasing rate of increased failures, from 2.8 at age 20 years to 5.2 at age 60, before a decline for ages beyond this point.

Overall, this model indicates that higher failure rates were associated with being Indigenous, with this interacting strongly with region, with some locations being associated with high rates of failure that also flowed on in some cases to the non-Indigenous population. Higher failure rates were associated with some of the targeted compulsory measures, but not the automatic ones and people on Disability Support Pension. Voluntary Income Management participants showed no difference. In contrast, people on Parenting Payment and families with children, especially lone parents, had lower failure rates.

Turning to the two models of change in the rate of failed transactions: for the matched populations the rate of change over the short term was 0.6 percentage points, from 11.0 per cent in 2012 to 10.4 per cent in 2013, and over the longer period from 12.0 per cent to 10.8 per cent – an improvement of 1.3 percentage points, with the differences in the 2013 rates again attributable to the reduced sample.

In both models being a male relative to a female was significant and was associated with a decline of 0.28 and 0.44 percentage points in short and longer-term models. While all family types were associated with an improvement relative to the base case of a couple-only household, only some of these were significant, and none were significant over both periods. In the longer-term model both groups of sole parents were associated with an improvement of around 0.7 percentage points, while the couples with children group was significant, with an improvement of 0.5 percentage points in the short term. Only one income support program showed any difference to the base case of the Long Term Welfare Payment Recipient. This was the Child Protection Income Management steam. However, while the short term change was negative (-1.1) and relatively strongly significant, the longer-term change was of a slightly greater magnitude in the opposite direction, although it was only weakly significant.

There was only one weakly significant parameter for type of income support – a negative value of -0.6 associated with being on Youth Allowance relative to Newstart. While having an urgent payment was significant and positive in both periods, it only had a small parameter value of 0.1 in the short term and 0.2 in the longer term.

By location and Indigenous identification there were two consistent significant movements. The first was an improvement of 1.1 percentage points in the first period and 1.3 over the longer period for Indigenous people in East Arnhem, and a negative shift of -0.6 in the 2012 to 2013 model and -1.4 in the model from 2011 to 2013 for Indigenous people living in the South-East Desert region. Over this longer period positive gains were also reported in the Top and West Arnhem region, and a negative one in Barkly. The outcomes for non-Indigenous people in Alice Springs also showed a negative shift relative to those in Greater Darwin in the short term, while there was a strong negative shift in the longer term for non-Indigenous people in the South-East Desert region – echoing the change seen in the Indigenous population.

Duration on income management was significant in both the models of change, with this being more marked in change over the two-year period. However, as the models are based on a population which has been on income management for an extended period, the parameter is only estimated from limited variability and has little substantive impact. Age has a slight U-shaped distribution. In the one-year model this would suggest that relative to a 50 year-old a 20 year-old would have an improvement of 0.7 percentage points, and a 65 year-old an improvement of 0.1 percentage points.

Again however, these figures underline the more fundamental problem of the lack of fit of the model, suggesting that whatever has impacted on change over time in the rate of failure, it is not associated with the variables included in the model.

6.5.3 Financial balances

This final section of the chapter considers the state of the combined balances people hold in their income managed accounts and on their BasicsCard. That is, the total value of any yet-to-be allocated money in their income management account, and the value of the balance they can draw upon using their BasicsCard. This analysis is primarily concerned with changes in these between October 2011 and October 2013, and a matched population has been used to allow for the experience of individuals to be studied over time.

There are several reasons for being interested in these balances. The first is that having low balances for a substantial period leaves people vulnerable to unexpected expenses and at higher risk of failed transactions and other adverse outcomes. Secondly, one of the objectives of income management is promoting good financial practices, including savings, for example for major household whitegoods.[111] Thirdly, in qualitative data collection, the role of the BasicsCard account as a reserve 'kitty' was frequently mentioned.

In considering these data, two issues need to be considered as potentially influencing trends over the period:

- The first is that in October 2013 many people received an Income Support Bonus[112] (median value $90) in addition to their usual payment. As such they would have had extra money in their accounts in the second period of the comparison – and in many cases due to the nature of the bonus they may have been unaware of this. For these reasons it should be expected that the balances of some people in October 2013 are higher than they would otherwise have been. This will tend to bias the analysis towards suggesting an improvement in their financial situation and caution needs to be taken because of this.
- Secondly no correction has been made for the impact of inflation and increases in the value of pensions and allowances over time. This again will bias the results to suggest that balances in 2013 are higher than those in 2011.

Minimum balances

Table 6-21 and Table 6-22 consider the 'minimum balance' that people have in their combined income management and BasicsCard accounts in October 2011 and October 2013. For this a fortnight period has been constructed for each person, which allows for the changes in these accounts to be studied. The smallest combined balance recorded by the person in this period is the minimum balance used for these tables.

Table 6-21 shows, across the population, the distribution of minimum balances for the matched population. In 2013 34.0 per cent of this population had a minimum balance, at some point in the fortnight, of under a dollar, and 82.3 per cent of the population held, at some time in the fortnight, a minimum balance of under $10.

[111] This approach is noted in the DSS explanatory page "How does income management work?": "This means people can plan ahead to buy larger items such as motor vehicles or whitegoods with their income managed funds" (DSS, 2014i) .

[112] The Income Support Bonus payment was part of the then Government's 2012-13 budget commitment to introduce a new supplementary allowance for certain income support recipients. The objective was to enable them to manage unanticipated expenses such as urgent repairs on the family car or appliances, bills that are higher than expected, or unforeseeable medical or dental costs by providing an additional $210 a year to single recipients and $175 a year to members of a couple. The payment was made to recipients of Newstart Allowance, Youth Allowance, Parenting Payment, Austudy, ABSTUDY, Living Away From Home Allowance, Sickness Allowance, Exceptional Circumstances Relief Payment, Transitional Farm Family Payment, and Special Benefit. The Government has announced its intention to abolish this supplementary payment.

Table 6-21 Distribution of minimum balances in BasicsCard and income management Accounts, NIM, October 2011 and 2013

	Comp. Indigenous		Comp. non-Indig.		VIM		Total	
	2011	2013	2011	2013	2011	2013	2011	2013
				-%-				
< $1	33.6	36.5	22.6	23.2	27.5	29.3	31.5	34.0
$1–9	51.6	50.9	34.1	33.7	47.1	43.7	49.7	48.3
$10–49	9.2	6.0	17.7	12.7	10.5	9.5	9.9	7.2
$50–$99	2.6	2.4	10.9	5.9	5.2	4.6	3.6	3.1
$100–499	2.7	3.8	10.9	18.9	7.5	8.8	4.3	5.8
$500 and over	0.3	0.5	3.7	5.7	2.3	4.2	1.0	1.7
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Based on a matched sample of 11,693 people income managed in both October 2011 and October 2013.

Source: Derived from DHS administrative data provided for the purpose of the evaluation.

Over the two years there has not been much significant change in the level of these minimum balances, with the equivalent 2011 balances being 31.5 per cent and 81.2 per cent. While this suggests that there has been a slight increase in the proportion of the population who has had a very low balance, with the proportion having a balance of less than $10 at some time in the fortnight increasing from 81.2 per cent to 82.3 per cent, this change of 1.1 per cent is marginal. Of course, if people are using these accounts as a reserve or as a means of savings, balances above these minimal amounts would be expected. Looking at this upper end of balances, there has been a slight shift. This has involved a fall in the proportion of people holding a balance of between $10 and under $50, from 9.9 per cent of the population to 7.2 per cent, and an increase of 1.7 per cent in the proportion of people with balances over $100. As such, to the extent changes have occurred, these have involved a slight increase in the proportion of people who hold very low balances and an increase in the proportion holding higher balances. However, in both cases the shift is small, being just one or two percentage points. And, as has been noted above, this shift may have been affected by the payment of the Income Support Bonus and changes in the rate of payment.

Indigenous people on compulsory streams of income management had lower minimum balances than other groups. In 2013, 87.4 per cent had a minimum balance of less than $10 compared with 56.9 per cent of non-Indigenous people on the same measures, and 72.9 per cent of people on Voluntary Income Management. This pattern is also seen in the holding of higher balances. Only 6.6 per cent of Indigenous people on the compulsory measures have a minimum balance of $50 dollars or more, compared with 30.4 per cent of non-Indigenous people, and 17.6 per cent of those on voluntary measures.

Table 6-22 Minimum balances, NIM, October 2011 and October 2013

Oct 2011 minimum Balance	October 2013 minimum balance < $1	$1–9	$10–49	$50–$99	$100–499	$500 and over	Total
			- %-				
< $1	13.5	14.4	1.7	0.7	1.0	0.2	31.5
$1–9	16.2	25.8	3.5	1.5	2.3	0.4	49.7
$10–49	2.5	4.7	1.1	0.5	1.0	0.2	10.0
$50–$99	0.8	1.6	0.4	0.2	0.4	0.2	3.6
$100–499	0.9	1.6	0.5	0.2	0.8	0.3	4.3
$500 and over	0.1	0.2	0.1	0.1	0.2	0.3	1.0
Total	34.0	48.3	7.2	3.1	5.8	1.7	100.0

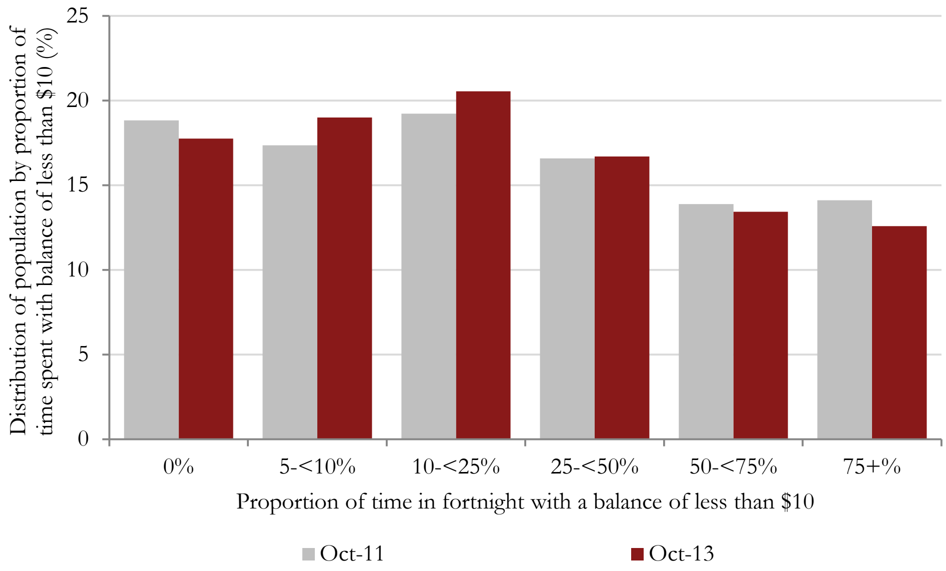
Source: Derived from DHS administrative data provided for the purpose of the evaluation.

Table 6-22 matches the balances at the two points in time at the individual level to look at the extent to which individuals have changed their balances over time. Of those who had a minimum balance of under $50 in October 2011, 91.4 per cent also had a balance below this level in 2013. Using a lower minimum balance as a comparison point, 86.0 per cent of those who had a minimum balance of under $10 in October 2011 had a minimum balance of under $10 in October 2013.

Time spent with low balances

In terms of risk it is not necessarily just the level of the minimum balance held by a person which is important, but the amount of time they spend with this balance. This is the focus of the chart in Figure 6-11 and Table 6-23. The figure plots the amount of time a person on income management spends with less than $10 available for spending across both their income management account and their BasicsCard account. Reflecting the fact that some people have higher minimum balances than this amount, 17.8 per cent of the matched population in October 2013 did not have a balance below this at any time in the fortnight. This compares with 18.8 per cent in 2011. As noted above, this change is marginal.

Figure 6-11 Proportion of time spent with a balance of less than $10, NIM, October 2011 and October 2013



Source: Derived from DHS administrative data provided for the purpose of the evaluation.

A little over a quarter, 26.0 per cent of all people in this matched sample in October 2013 had a balance of less than $10 for more than half the time in the fortnight, with 12.6 per cent, almost half of this group, having a balance of less than $10 for more than three-quarters of the time. As can be seen in the figure, there has been a small decrease in this proportion, with the proportion with a balance of less than $10 per week for more than half the time over the two week period, falling by two percentage points from 28.0 per cent to 26.0 per cent. This fall was composed of a one and half percentage point fall in the proportion with a low balance for more than three quarters of the time and a half of a percentage point fall in the proportion with a low balance for between one half and three quarters of the time.

These aggregate effects are in large part reflected in the data for each of the main streams of the income managed population. Amongst Indigenous people on the compulsory measures there has been a slight fall from 15.4 per cent to 13.7 per cent in the proportion spending more than 75 per cent of their time with a balance below $10, with the proportion spending more than half their time in this position decreasing from 30.4 per cent to 28.8 per cent. The proportion of non-Indigenous people on income management with low balances for a large part of the time has also decreased – as has the proportion of people who were not in this position at any time. The population on Voluntary Income Management also showed improvement. The proportion on low balances for more than half of the fortnight fell from 23.7 per cent to 20.8 per cent. Amongst those on Voluntary Income Management there was an increase in the proportion of those who had no time on these low balances – from 25.5 per cent to 27.1 per cent.

This movement was however not replicated for the other two population groups considered. The proportion of Indigenous people on compulsory income management who never had such a low balance declined by 2.2 percentage points from 14.8 per cent to 12.6 per cent, while there was a very small decline for non-Indigenous people from 43.3 per cent to 43.1 per cent.

Table 6-23 Proportion of time spent with a balance of less than $10, by broad income management streams, NIM, October 2011 and October 2013

	Comp. Indigenous		Comp. non-Indig.		VIM		Total	
	2011	2013	2011	2013	2011	2013	2011	2013
				-%-				
0%	14.8	12.6	43.3	43.1	25.5	27.1	18.8	17.8
5–<10%	17.4	19.2	15.4	17.2	17.5	18.8	17.4	19.0
10–<25%	20.0	21.8	11.9	13.1	18.4	18.4	19.2	20.6
25–<50%	17.4	17.6	14.0	12.5	14.9	14.9	16.6	16.7
50–<75%	15.1	15.1	8.2	8.2	11.7	10.0	13.9	13.4
75+%	15.4	13.7	7.2	6.0	12.0	10.9	14.1	12.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Derived from DHS administrative data provided for the purpose of the evaluation.

In summary therefore the data on minimum balances suggest that only a small proportion of people on income management hold any significant reserves of these funds, either to meet urgent needs or as a means of saving. This is most evident among Indigenous people on compulsory measures, and to a lesser extent those on Voluntary Income Management. To the extent there have been changes in the two years between 2011 and 2013 for people who were on income management over the period, these have been marginal and have seen a slight polarisation of the position of people. In addition, as noted, there is potential for these data to have been upwardly biased in the second period as a result of the payment of the Income Support Bonus and changes in the value of income support payments. Given the small changes observed, it is most appropriate to describe the situation as unchanged, with most people in much the same position in 2013 as they were in 2011. Certainly there is no evidence of any significant shift towards greater savings or in avoiding having low balances over extended periods, despite people spending an additional two years on income management.

6.6 Conclusion

This chapter has considered many aspects of the consumption behaviour of people on income management, including how they manage their finances.

As demonstrated in this chapter, the BasicsCard is the key instrument used by people to spend their income managed funds, and a significant minority supplement this by using Centrepay to manage some regular payments. The use of BasicsCard has been accompanied by very high rates of card replacement and transactions which have failed because people have insufficient funds in their accounts. Although replacement cards appear to be easy to obtain in major urban locations, it can be a fraught experience in others.

While much of the language and administrative structures around income management emphasise the use of these funds for the purchase of 'basics', the data clearly points to the card being best characterised as a general purchase card across a wide range of consumer goods with just the limitation of the exclusion of alcohol and tobacco. This restriction seems to have been reasonably effectively applied, but there is little evidence, from analysis of sales data, of it having impacted to any extent on tobacco sales.

In day-to-day purchasing many people do find that the BasicsCard does cause problems. Specific issues include:

- The fact that some stores and services impose minimum purchase amounts or charge surcharges for the use of cards, which extends to BasicsCard. While not always inconsistent with the terms of merchant approval, this is a direct and inappropriate impost on people subject to income management. There appears to be no rationale for this cost being imposed on people being income managed.
- The approach to merchant approval results in people having to make purchases at certain stores rather than others, based simply on the balance of goods sold by the merchant and not the product which is being purchased. It is also clear from analysis that the narrow and "virtue based" concept of income management spending, which this policy reflects, is not the way in which income managed funds are used, and the policy limits opportunities for people to shop in an effective manner.

There is strong evidence that the individual-based conceptualisation of the BasicsCard does not reflect the reality of the way in which it is used. It is unclear whether this has any real consequences for the impact of income management. One option to manage this would be to include photo identification on the card.

To the extent some people are motivated to circumvent the limitations of obtaining alcohol and tobacco with their funds, it appears they can do so, although the proportion doing so is relatively low. There is no evidence to suggest that they use phone or similar cards any more than other means to do so. Rather, the high sales of these items reflect the importance of communications for people on income management.

Data on the consumption of food items, in particular in remote communities, points to some profound problems (which have been identified in previous studies) that can have serious health consequences. Income management does not appear to have any impact on this. In particular, analysis indicates a disproportionately low level of spending on fruit and vegetables on BasicsCard and the data show no evidence of this situation having improved.

Income management appears to have had little impact on changing the financial vulnerability of people when this is measured in terms of their ability to hold funds in reserve or to save.

Data on two aspects of the operation of BasicsCard have been used to seek to identify groups who appear to face particular difficulties, or an absence of problems; and to identify evidence of income management having positive effects on building individual capabilities.

- Identifying this type of subgroup has been difficult. Across the data there is clear evidence of much poorer outcomes for Indigenous people. There is some evidence that some of the targeted measures which involve individual assessment including the Assessed Vulnerable, Child Protection and SPAR measures, have identified groups with particularly poor outcomes and poor management skills. This is not the case with the automatic vulnerable measures, but this may be a reflection of the short time these have been in operation. The position of those with children, including lone parents, appears to be less adverse than that of other groups when it is assessed on the basis of their financial management behaviours.

- While there has been some slight reduction in the rate of failed transactions, to the extent change has occurred, it would appear that one reason for this has been the provision of improved means for people to check their balances. When the most significant of these is accounted for, the analysis does identify the possibility that there has been an improvement of around 0.6 percentage points per year which may reflect better use of the facilities as well as more incremental change in accessibility. Using this measure as a metric for financial capability also indicates that those people who have been placed on income management for the first time in more recent years are more skilled than those originally placed on the program. There is no evidence of changes in the rate of obtaining replacement cards to suggest that these are being managed any more responsibly.

7 Views and experiences of those subject to income management

This chapter reports on the views and experiences of those people who were subject to income management in the Northern Territory. It is mainly based on data collected through the Longitudinal Survey of New Income Management (LSNIM), which forms part of this evaluation project. Although a rich source of both qualitative and quantitative data, interpreting some of the results of the survey is not a simple exercise and we have done so cautiously.

There are many reasons for this, including:

- Views among people subject to income management about the program and their experiences on it are diverse and often mixed. Many people are very positive about the program, others highly negative. For some the program has a significant impact on their lives – either positively or negatively – while for others it has a negligible impact, having little effect on what they do or on the outcomes of these activities. For many, income management is a policy which they see as having both positive and negative impacts. This presents particular issues when they have been confronted in the survey with questions which seek to obtain a more global view of the impact of the program or their views on it. This is one of the reasons the quantitative component of the survey has been balanced by qualitative interviews.

- Increasingly it is difficult for many people subject to the measure to differentiate between 'income management' in terms of the policy that controls how they can spend a portion of their 'income support' and the provision of 'income support' itself. The first reason for this is that, while in programmatic and bureaucratic terms the two are quite distinct elements of the transfer system, from the perspective of many recipients of income support the system is perceived of as a whole. That is, as a single complex system which has a wide range of rules – ranging from eligibility, to the specific payments which are made to them and the rates at which they are paid, and in the case of income management how they can spend the money, with which they engage in passive terms – most frequently doing their best to behave in the way in which the system expects. From this perspective questions about a single element of this construction, that of 'income management' are not necessarily separable or comprehensible from the system as a whole.

  This in many cases is further complicated by the extent to which many of the people whose views we sought had had their income support payments subject to income management for periods of up to six and half years – making the substantial part of their experience of income management and income support inseparable. In this context a simple question such as "Do you wish to get off income management?" may variously be interpreted as: "Do you wish to stop having your payment subject to income management?", "Do you wish to have more control over the way in which your funds subject to income management are managed?, "Do you want to get off income support?" or "Do you want to get a job and earn your own money?".

  This difficulty is further complicated by the extent to which many of the people whose views we sought did not have English as their first language.

- While the data collection was largely undertaken by an independent company, with the fieldwork mainly being conducted by Indigenous interviewers, the collection of these data was viewed by many respondents as the "government collecting information". This perception can shape responses in several ways. In some cases it can result in the respondent answering questions in the way that they

> consider the government wants to hear. In other cases respondents may use it as a means of sending a message to government, relating to what they see as being a lack of consultation about the program, or in expressing defiance of, and frustration with, government including their views about the intervention. Cultural attitudes can also play a role – especially in seeking to avoid confrontation.
>
> The impact of some of these factors was highlighted for this evaluation when undertaking community feedback on the First Evaluation Report. One of the points noted in this earlier report was an apparent contradiction between reported improvements in the wellbeing of children by survey respondents and the trends in quantitative measures of outcomes. In feedback we were told "what else do you think we would say – it would be a shame job if we said things had got worse for our children – and if we did, what would happen? Would the government take them away again?" (Community feedback, Alice Springs).

These issues do not mean that the collection of the information on the views and experiences of people subject to the measure is a futile effort, or that the data are necessarily misleading. Rather it emphasises the need for caution and respect in its interpretation. It is also one of the reasons this evaluation has placed a priority on the use of multiple data sources, and for results to be triangulated.

Finally, from an evaluation perspective as we have previously stated, it is important to base the analysis on the outcomes achieved by the program relative to its objectives, and not simply views of participants and others. An effective program may not be viewed positively by some participants, while a popular program may be ineffective.

7.1 Approach

The chapter is structured in two main sections. The first considers some of the perspectives on income management that emerge from the quantitative components of the LSNIM; and the second analyses changes over time in some of the outcomes, such as being unable to purchase food and capacity to pay bills, on which data were collected in the survey. The more qualitative data collected as part of the evaluation is reported on in Chapter 8.

7.2 The LSNIM

As discussed in Chapter 3, the LSNIM was conducted in two waves. The initial wave of the survey (Wave 1) was undertaken between December 2011 and March 2012, and the second wave (Wave 2) between September 2013 and January 2014. Appendix B provides details on the survey, and Appendix C provides the survey instrument.

The fieldwork report contains information on the overall response rate and attrition from the survey; however, not all of these responses were suitable for quantitative analysis. The following discussion concerns the usable quantitative sample of the survey.[113]

The survey comprised both a population subject to income management and a control population (also called the contrast sites) drawn from other states where the program did not operate. The initial wave of the survey generated 1,065 quantitative respondents, and the second wave generated 1,063. This 1,063 comprised 566 ongoing respondents who had participated in the first wave of the survey and an additional top-up sample of 497. Although the attrition rate of usable quantitative responses of 45.9 per cent between waves was high, analysis does not show indications of significant bias in the attriting sample, relative to continuing, sample. The level of attrition varied between 40.2 per cent among non-Indigenous people subject to Compulsory Income Management and 48.5 per cent for Indigenous people subject to the same measure. The attrition rate for the control group of 47.9 was marginally above the 43.4 per cent of the treated group. Amongst those on income management, those who did not participate in the second wave were slightly more likely to express a view that they wanted to get off income management (49.5 per cent), than those who remained in the sample (45.4 per cent). Women accounted for 69.6 per cent of the continuing sample, compared with 62.7 per cent of the attriting sample.

[113] As detailed in Appendix B there were 1,083 Wave 2 surveys completed; of these 1,021 were described as complete, 52 as incomplete, and ten partial. For the analysis here a number of the incomplete and partial survey responses have been used where they contain usable data.

The composition of the second wave, by their status in the first wave and their reported second wave characteristics, is illustrated in Table 7-1.

Overall, there is considerable stability in the classification of people by their income management status between the two waves. The major exception to this was the non-Indigenous compulsory income management population, where just 50 per cent remain in the same classification, with the balance obtaining an exemption or otherwise exiting income management. The table also shows some small 'unusual' movements, such as changing Indigenous identification and a small number of the non-Indigenous control population respondents reporting that they were on income management in the second wave of the survey. These changes have been accepted in the new population, although the reasons behind them are not entirely clear.

In addition to the group still subject to income management, the second wave of the LSNIM included several groups of people who, while they had been subject to income management, were no longer in the program. As indicated earlier, this can be because they obtained an exemption, had moved onto forms of income support which are not subject to the measure, have chosen to exit Voluntary Income Management, or have gained employment. In the case of the additional sample, while many of the survey participants had been on income management at the point the sample was selected, by the time the survey was undertaken they no longer were. Reflecting the cautionary note in the introduction, it is considered that there is some uncertainty around the classification of some of the participants in the second wave. Many individuals consider that they are, for example, 'exempt' from income management due to being on a form of income support for which it is not compulsory, rather than actually obtaining a formal exemption from income management. While some attempt has been made to classify people appropriately, this has not always been possible.[114]

Table 7-1 LSNIM Quantitative Analysis Second Wave Population

	Wave 1 continuing sample by Wave 1 classification					Supplementary Wave 2 sample	Total
Wave 2 classification	CIM Indigenous	CIM non-Indigenous	VIM	Control Indigenous	Control non-Indigenous		
CIM Indigenous	170	1	8	0	0	186	365
CIM non-Indigenous	0	55	0	0	1	92	148
VIM	6	0	70	0	1	14	91
Ex-CIM Indigenous	26	1	0	0	1	44	72
Ex-CIM non-Indig.	2	39	0	0	0	84	125
Ex-VIM	2	1	6	0	0	7	16
Exempt Indigenous	6	0	1	0	0	14	21
Exempt non-Indig.	0	13	0	0	0	55	68
Control Indigenous	0	0	0	96	6	0	102
Control non-Indig.	0	0	0	8	46	1	55
Total	212	110	85	104	55	497	1,063

Notes: CIM: All compulsory forms of income management; VIM: All Voluntary Income Management regardless of Indigenous Identification; Ex-: Was on identified form of income management at some point but was not at the time of the second wave survey; Exempt: has an exemption from income management, or has had one at a previous point in time but is not currently on income support.

Source: LSNIM Wave 2.

One further aspect of the LSNIM needs to be noted. This is that it was not designed as a representative sample survey. There are a number of reasons for this. The first is that it was designed to ensure the representation of the diversity of the population subject to income management. To enable this, the non-Indigenous population was oversampled (representing 38.4 per cent of the non-control survey respondents in Wave 2, as opposed to 10.0 per cent of the income managed population). Secondly, to implement the survey in a cost-effective manner it was conducted in a limited number of communities, with these being selected to provide information on the diversity of communities in the Northern Territory, rather than as a random sample.

[114] The second wave questions in the LSNIM required a degree of complex sequencing dependent upon the initial and current income management status of individuals. The problems of identifying this status accurately, along with some differences in the administrative sample selection data and person's perception of their income management status raised some issues with this sequencing. These were addressed in post-survey data processing.

As well as collecting quantitative data, a subgroup of LSNIM participants participated in more in-depth qualitative surveys.

7.2.1 Characteristics of the LSNIM population

Table 7-2 compares, by Indigenous status, some of the demographic characteristics of LSNIM respondents with the income managed population.

As illustrated, both the LSNIM income managed population and the control group cover the spectrum of characteristics of the income managed population, but with some, at times considerable, differences in the relative size of the populations. Clearly apparent is the extent of oversampling of the non-Indigenous population; a slight bias towards women, especially in the continuing sample; and an under-representation of youth in the continuing sample. There is also a bias towards the over 65 year age group in the control group and a bias against families with dependent children in favour of single people in the LSNIM. This latter is particularly marked in the supplementary sample and the control group.

This result is however consistent with the role of the LSNIM as a broad survey of the diversity of the population subject to income management. It does though reinforce the need to avoid interpreting the raw results as being representative of the income managed population as a whole. Where the issue of structure is important, such as in the evaluation of changes over time, action has been taken to use methodologies, such as matching, and the reporting of results by subgroups, to minimise any adverse effects.

Table 7-2 Comparison of structure, LSNIM Wave 2 sample and Income managed population

	LSNIM population			IM population
	Continuous	Additional	Control	(December 2013)
			- % -	
	Gender			
Male	28.6	40.6	36.9	40.5
Female	71.4	59.4	63.1	59.5
	100.0	100.0	100.0	100.0
	Indigenous identity			
Indigenous	70.7	53.3	65.0	90.0
Non-Indigenous	29.3	46.7	35.0	10.0
	100.0	100.0	100.0	100.0
	Age			
Under 25	12.0	31.7	13.4	24.8
25–34	28.4	23.9	21.7	29.1
35–44	22.2	18.0	17.8	21.0
45–54	18.9	13.1	14.6	13.0
55–64	12.9	8.0	8.3	7.7
65+	5.5	1.9	24.2	4.5
Missing	-	3.4	-	-
	100.0	100.0	100.0	100.0
	Family type			
Single person	45.3	56.7	63.7	39.8
Couple only	16.2	14.4	21.0	13.5
Lone Parent	25.4	17.8	5.7	17.8
Couple dependent children	13.2	11.2	9.6	28.9
	100.0	100.0	100.0	100.0
Population	433	473	157	18,296

Source: LSNIM Wave 2 and DSS administrative data.

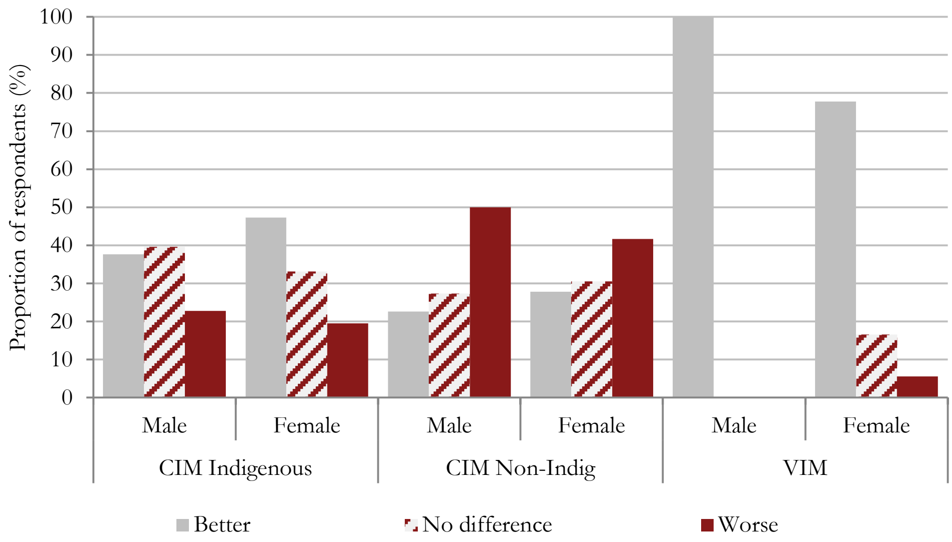
7.3 The views and experiences

The following section draws upon the LSNIM to review the experiences and views of people subject to income management and some of their reported outcomes. It focuses on presenting the results from the second wave as a point-in-time description. Section 7.4 presents more detailed evaluative analysis, which concentrates on changes in outcomes over time.

7.3.1 Overall assessment of income management

The first report of the evaluation identified a diversity of views of participants about income management. As illustrated in Figure 7-1, this continues to be the case. In response to a summary question as to whether or not people considered income management had made things better or worse for them, 40.7 per cent of the respondents said that it had made things better, 32.3 per cent that it had made no difference, and 26.9 per cent that it had made things worse. These aggregate figures, however, do not reflect the experiences of subgroups.

Figure 7-1 Overall do you think income management has made things better for you?, people currently on income management, LSNIM, Wave 2, 2013



Note: Excludes "Do not know" and "Prefer not to say" responses.
Source: LSNIM Wave 2.

Those who had chosen to go onto Voluntary Income Management overwhelmingly considered that the impact of the program was positive, with 100.0 per cent of the small group of male respondents providing this response, along with 77.8 per cent of women. Among those on the compulsory measure, views were much more divided. Of the Indigenous respondents 44.1 per cent said it had a positive impact, 35.3 per cent said it made no difference, and 20.6 per cent said it had made things worse. Women in this group were somewhat more positive than the men, who were more likely to report that it had made no difference.

The views of non-Indigenous people subject to Compulsory Income Management were much more negative, while again this was less marked for women. In aggregate almost twice the proportion (45.5 per cent) considered that income management had made things worse for them, as opposed to 25.4 per cent who said that it had made things better, and just over a third, 35.3 per cent, saying that it had made no difference.

From an evaluation perspective several interpretations can be placed on this and similar results from other questions:[115]

- The results can be treated as a 'vote' about the value of the program. From this perspective it can either be said that on balance more people are positive than negative and hence the program should be said to be successful, or that there was no absolute majority as many said it made no difference and hence no interpretation can be made.
- The results can be treated as a measure of the relative effectiveness of the program, which was designed to benefit all participants. From this perspective the data can either be interpreted as being

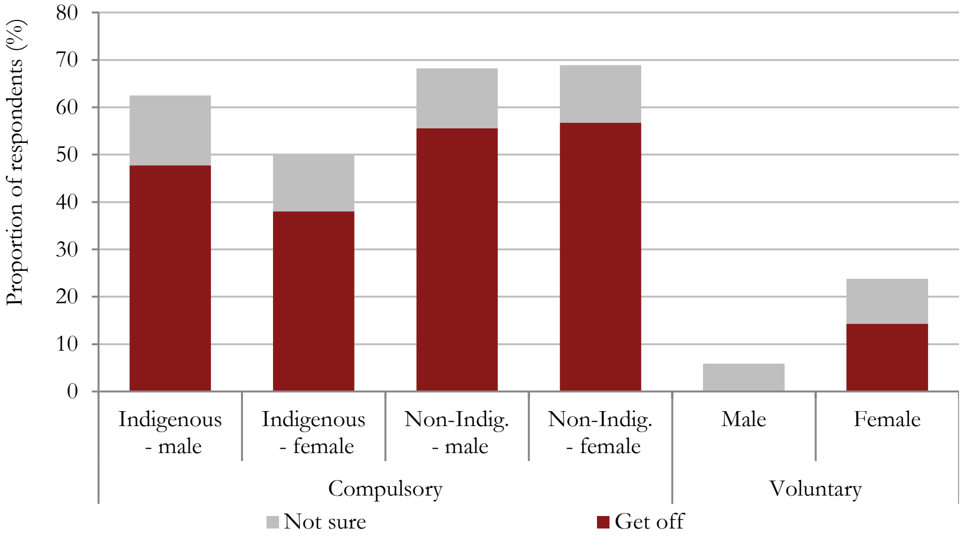
[115] This type of response also needs to be considered from the perspective of attribution theory, and the extent to which people seek to relate outcomes to a particular cause, and also the extent to which income management is associated with income support, and the lack of clarity among some respondents in this regard. In other words, income management may be viewed positively because it is seen as part of the package of income support and income management – and hence people consider the fact that they receive income as being the positive; or, conversely, negative views may reflect feelings about the rate of payment they receive.

relatively ineffective – as for the majority of participants it did not achieve its goal – or partially effective in that a significant proportion of people considered that they benefited from it.

- The results are not used directly in an evaluative sense but rather as indicative of a wide range of impacts, potentially related to differences in circumstances and characteristics of the people affected by the measure.

Our approach is to use the data mainly in the third way, and to use it as a mechanism to build a better understanding of the reasons why people give a particular response, and to identify how they perceive the program impacting on them.

Figure 7-2 Objective for income management, persons currently on income management, proportion expressing a desire to 'get off' or unsure, LSNIM, Wave 2, 2013



Note: Excludes "Prefer not to say" responses.
Source: LSNIM Wave 2.

A similar pattern of diverse responses can be seen to a question about the aim people had with respect to continuing with income management; that is, whether they wished to stay on or get off. The proportion who gave their objective as getting off, along with those who were not sure, is shown in Figure 7-2. The balancing gap represents the proportions who wish to stay on.

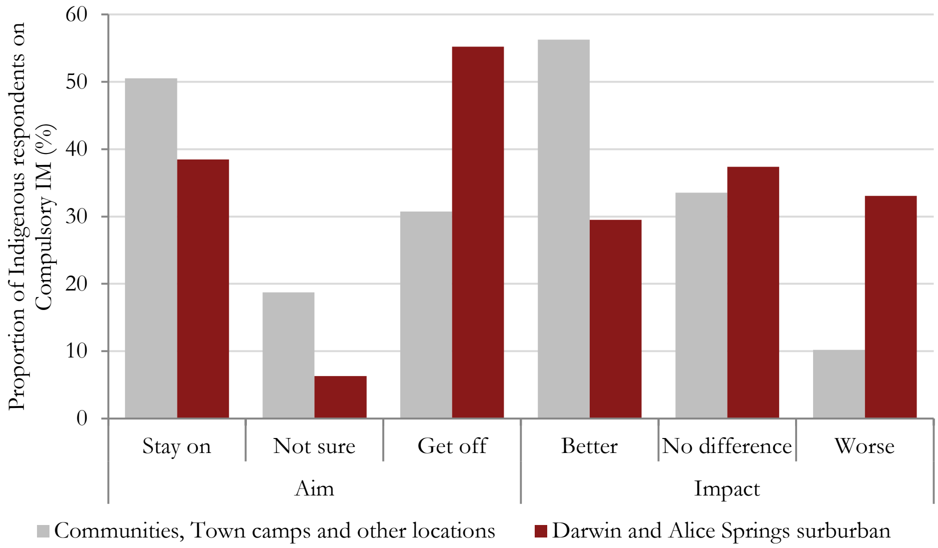
Interpreting this response, however, is more complex than this and introduces an additional question about the way in which income management impacts upon people.

A clear majority of non-Indigenous respondents to the survey report that their objective is to get off income management – 55.6 per cent of men and 56.8 per cent of women. A further 12.7 per cent of non-Indigenous men and 12.2 per cent of non-Indigenous women said they were not sure. In contrast, the proportions of Indigenous participants saying they wanted to get off were lower, at 47.7 per cent of the men and 38.1 per cent of the women. Among those on Voluntary Income Management, none of the men in the survey, and only 14.3 per cent of the women saw getting off the program as a goal.

Treating the Indigenous population as homogeneous is however quite misleading. As illustrated in Figure 7-3, the aspirations of Indigenous people subject to compulsory income management for remaining income managed vary very considerably by location. While 30.7 per cent of those who live in communities, in urban town camps, in small towns and other locations say that their goal is to get off income management, 55.2 per cent of those living in urban and suburban Darwin and Alice Springs state this as their objective. A similar pattern is seen in terms of their views on the impact of the program. Although a clear majority, 56.3 per cent of these respondents living in communities and similar locations, said that they consider the program has made things better for them, less than a third, 29.5 per cent of those living in urban locations responded in this way. More dramatically, three times as many – 33.1 per cent compared with 10.2 per cent of Indigenous people in these urban locations – said that being income managed had made their lives worse, with a further, almost 40 per cent, reporting that it had made no difference.

This pattern of results appears to persist across many other questions and tends to place the results for Indigenous people living in these urban locations much closer to the responses provided by non-Indigenous persons who are largely concentrated in these same locations. As such, many of the differences which apparently relate to Indigeneity would appear to relate to geography[116] and the different lifestyles in different locations.

Figure 7-3 Indigenous respondents subject to Compulsory Income Management, aims for remaining on income management and whether income management has made life better or worse, LSNIM, Wave 2, 2013



Note: Excludes "Prefer not to say" responses.
Source: LSNIM Wave 2.

Before considering the reasons people gave for wishing to stay on or exit income management, it should be noted that these preferences do not necessarily remain stable over time. Looking at the population who were on Compulsory Income Management in Wave 2 of the LSNIM and who expressed a preference to either stay on or move off the measure in both waves of the survey, a quarter of those who said they wished to stay on in Wave 1 now say that they wish to exit, while a third of those who has previously indicated a desire to exit, now say that they wish to stay on. Overall, though, these movements have only slightly changed the aggregate proportion wishing to exit from 51.7 per cent in the first wave to 46.9 per cent in the second. As illustrated in Table 7-3, while around a third of the population reported wishing to remain on income management in both waves, and a third a desire to exit, the balancing one-third changed their aspiration.

Three possible explanations can be suggested for these movements. They may reflect changes in how people perceive the usefulness or otherwise of income management for them; they may reflect changes in the circumstances of people, which in turn affect the impact of income management on them; or it may be that people have mixed views on the program and may give differing responses depending upon how they weigh up these issues at any one point in time. In this latter situation, as well as in situations where the preference of individuals is only slightly tilted one way or the other, it is quite probable that responses to repeated questions may be unstable.

[116] Notwithstanding this result, because of the sample design and the deliberate policy of oversampling the potential non-Indigenous population, the results in this analysis are mainly provided according to Indigeneity rather than attempting to group data by location.

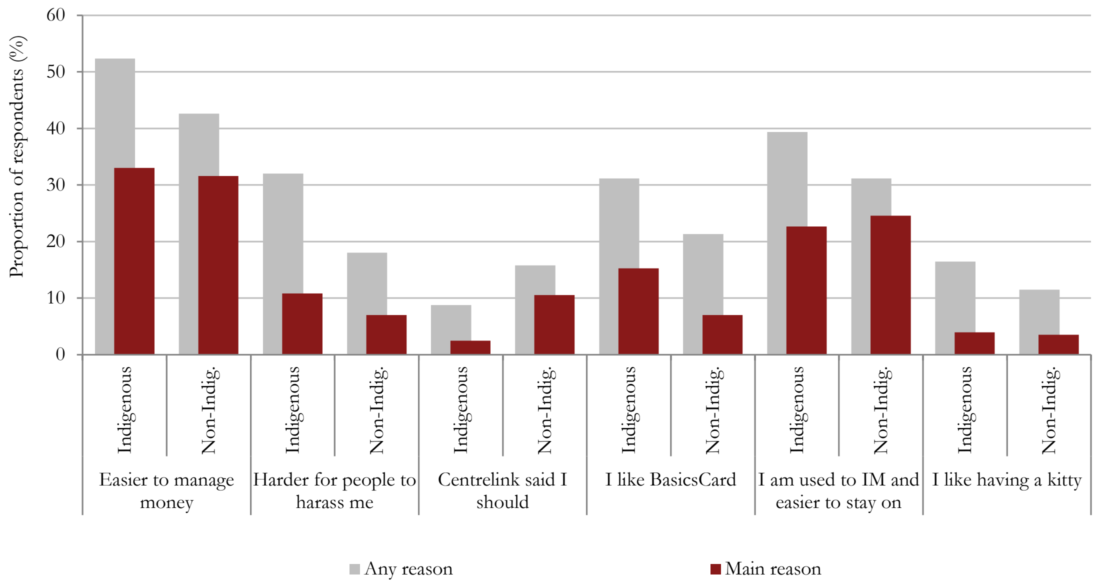
Table 7-3 Persons subject to Compulsory Income Management, aspirations in terms of remaining on or exiting the program in Waves 1 and 2 of the LSNIM (2011 and 2013), matched sample

Objective: (%)	Wave 2		
Wave 1	Stay on	Get off	Total
Stay on	35.7	12.6	48.3
Get off	17.5	34.3	51.7
Total	53.1	46.9	100.0

Note: Excludes "Prefer not to say" and those who were "unsure" responses.
Source: LSNIM Waves 1 and 2.

The LSNIM asked people who expressed a view, either positive or negative, about exiting income management for their main, and all, reasons for their position. Figure 7-4 presents the responses for those who wished to remain on the program and Figure 7-5 those of the group who wished to exit.

Figure 7-4 Persons on Compulsory Income Management who wish to remain on, reasons why, LSNIM, Wave 2, 2013



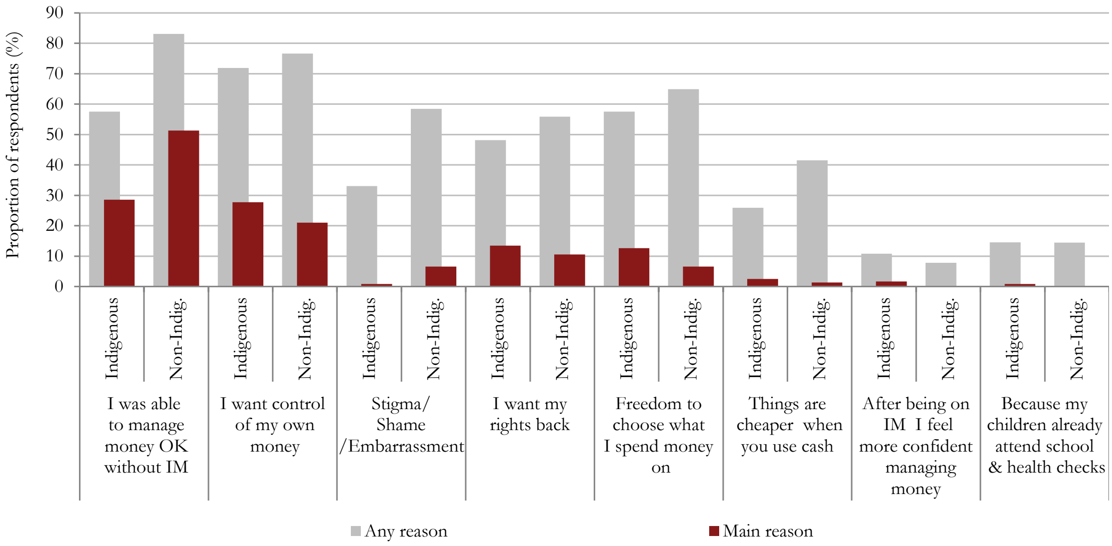
Note: Excludes "Do not know" and "Prefer not to say" responses.
Source: LSNIM Wave 2.

Two major reasons dominate the 'main reason' given by both Indigenous and non-Indigenous respondents who wished to remain on income management. These were that it was easier to manage money (around a third of both groups of respondents) and that they are used to income management and that it is easier to remain on the program. This second response was given more frequently as the main reason by non-Indigenous participants (24.6 per cent) than Indigenous participants (22.7 per cent). 15.3 per cent of Indigenous respondents cited the BasicsCard as their main reason – compared with 7.0 per cent of non-Indigenous participants. A further 10.8 per cent of Indigenous participants stated that it was harder for others to harass them for money. Not shown in the figure are the 11.8 per cent of Indigenous and 15.8 per cent of non-Indigenous respondents who reported "Other reasons". Closer examination of these results suggest that many relate to acquiescence, with responses such as "Because I am not stressed about running out the door to get off it", "No choice don't know what else to do", "Cause I'm used to it", and "Been on it too long and it's going to be hard to get used to the system" being supplied in their explanatory comments.

When asked about all of the reasons for their position, the pattern of responses, while similar, sees two other factors come into greater prominence. The first is that over 30 per cent of Indigenous respondents, and a little more than half this proportion of non-Indigenous respondents, report that income management makes it harder for people to harass them for money. Secondly, there is a strong increase in the proportion reporting that they liked BasicsCard. While the proportion citing protection against financial harassment is far from trivial, given the extent to which this is cited frequently as one of the major reasons for income management, it is relatively low. The question that arises is whether this result is because the problem is less severe than claimed, or whether income management only provides a partial response. Given other results in this and other chapters, both appear to have some validity.

There was also a surge in the proportion who indicated that the fact that they are used to income management and it is "easier to stay on" is one of the reasons why they wish to remain on it. This rose to almost 40 per cent of Indigenous respondents, and 30 per cent of non-Indigenous respondents.

Figure 7-5 Persons on Compulsory Income Management who wish to exit, reasons why, LSNIM, Wave 2, 2013



Note: Excludes "Do not know" and "Prefer not to say" responses.
Source: LSNIM Wave 2.

There are two main reasons given as to why people wanted to exit income management. The first was that people did not see why they were required to go on the program because they considered that they already had the ability to manage their money effectively. Of Indigenous respondents, 28.6 per cent gave this reason, with 51.3 per cent of non-Indigenous people providing this answer also. The second was a cluster of closely aligned, and more philosophically based reasons, variously expressed as a desire to control their own money, wanting rights back, and being able to express freedom of choice. One of these three reasons was given as the main reason for wanting to exit the program by 53.8 per cent of Indigenous respondents and 38.2 per cent of non-Indigenous respondents.

While the issues of avoiding stigma and being able to purchase items more cheaply using cash were raised by many as secondary reasons, they were relatively infrequently cited as a primary motivation. The survey questions also allowed for a series of responses around people having gained some positive outcomes from income management, with this in turn meaning that their situation had improved and that they no longer required to be income managed. These responses provided respondents the opportunity to report on having paid off debt, or of building money management skills because of income management. Only one of these options had many positive responses – and even then as a secondary reason. This concerned people reporting that after having been on income management they now feel more confident in managing money. Just one per cent of respondents gave this as a primary reason.

As indicated, one of the reasons cited by those wishing to exit income management was that they felt no personal need for the program. This sentiment – and the broader question of targeting – was followed up in two questions which asked all survey respondents in the Northern Territory whether they agreed or disagreed with two statements on the application of income management. The first of these statements was that "All people on income support should be on income management" and the second, "While not everyone on income support should be on income management, some people should". The responses to these questions by the population currently subject to income management, along with those who have exited by obtaining an exemption or through other means (for example moving off income support, or onto a program not subject to mandatory income management) are shown in Table 7-4.

The table indicates that it was only among those currently on Voluntary Income Management that a majority of respondents felt that the program should be mandatory for all income support recipients. Even here, only 54.7 per cent of the population felt this way. In contrast, there was a uniform and overwhelming view by all of the population subgroups that some people should be subject to the measure.

A second feature of the table is the strength of the views. The question included the option of answering that a person either agreed or disagreed with the statement, or that they did so "strongly". On the whole the responses to these two questions tended to elicit milder statements of agreement or disagreement.

Table 7-4 Views as to whether or not all people should be subject to income management, LSNIM, Wave 2, 2013

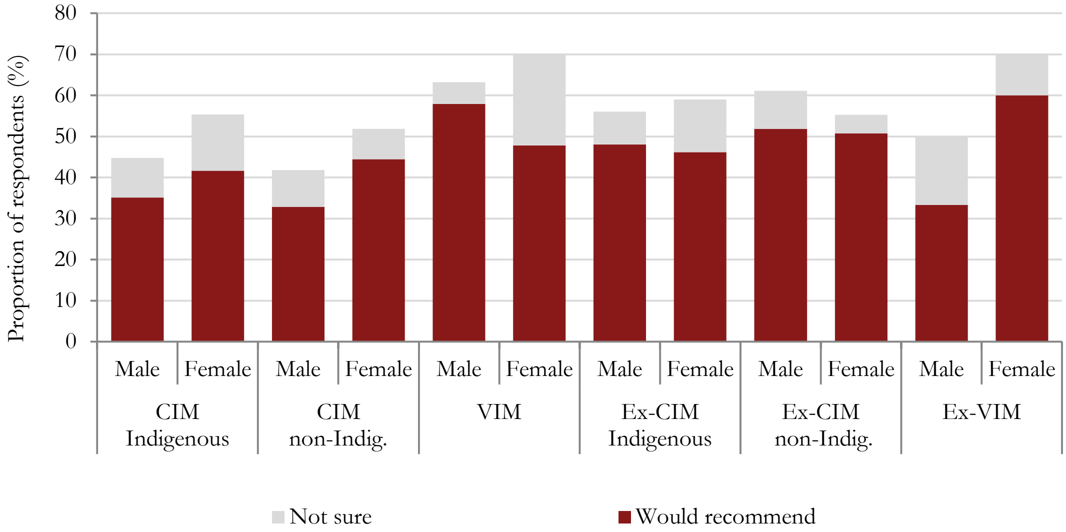
	Agree strongly	Agree	Neither Agree or Disagree	Disagree	Disagree strongly	Total
	All people on income support should be on income management					
CIM Indigenous	10.1	26.9	10.1	38.3	14.6	100.0
CIM non-Indigenous	6.8	14.4	5.5	45.9	27.4	100.0
VIM	14.1	40.6	25.0	18.8	1.6	100.0
Ex-CIM Indigenous	6.5	12.9	9.7	54.8	16.1	100.0
Ex-CIM non-Indigenous	3.3	14.0	9.1	54.5	19.0	100.0
Ex-VIM	12.5	31.3	6.3	43.8	6.3	100.0
Exempt Indigenous	9.5	4.8	4.8	52.4	28.6	100.0
Exempt non-Indigenous	4.6	21.5	4.6	32.3	36.9	100.0
	While not everyone on income support should be on income management some people should					
CIM Indigenous	15.3	61.3	6.7	12.1	4.5	100.0
CIM non-Indigenous	18.9	65.7	7.7	4.2	3.5	100.0
VIM	11.9	70.1	11.9	6.0	0.0	100.0
Ex-CIM Indigenous	23.8	55.6	7.9	12.7	0.0	100.0
Ex-CIM non-Indigenous	24.0	57.9	7.4	9.9	0.8	100.0
Ex-VIM	6.7	80.0	6.7	6.7	0.0	100.0
Exempt Indigenous	14.3	76.2	4.8	0.0	4.8	100.0
Exempt non-Indigenous	30.3	63.6	1.5	4.5	0.0	100.0

Note: Excludes "Do not know" and "Prefer not to say" responses.
Source: LSNIM Wave 2.

This pattern suggests two insights. The first is that income management is not seen by a large group on the program as a defining or transformative initiative, but rather it is a measure which, either because of its limited impact or because it contains both some positive and negative factors, is seen as being on average only weakly positive or negative when judged as a whole. Secondly, the relatively small groups who were opposed, let alone strongly opposed, to applying income management to some people, would suggest that where there is opposition to the measure, it is not a blind opposition to the program, but rather is a response to the way in which it has been implemented as a blanket measure, rather than targeted to the specific needs and circumstances of individuals.

This can also be seen in the question about whether or not they would recommend income management to others.

Figure 7-6 Whether they would recommend income management to others, LSNIM, Wave 2, 2013



Source: LSNIM Wave 2.

Across the whole LSNIM Northern Territory sample, excluding those who had obtained an exemption,[117] only 43.2 per cent of respondents confidently said they would make such a recommendation, with a further 11.3 per cent being uncertain.

The highest proportion (60.0 per cent) reporting they would recommend income management to others was recorded amongst the relatively small group of women who had been on Voluntary Income Management but had left the program. While only 39.4 per cent of those currently on Compulsory Income Management said they would recommend going onto income management, 49.8 per cent of those who had exited this measure said that they would. Although these proportions varied by gender and Indigenous identification, the general relationship between the views of those currently on the measure and those who had exited is relatively consistent.

Treating the responses to the above questions as a broad measure of the views of the population who have experienced income management in the Northern Territory, two generalised themes emerge:

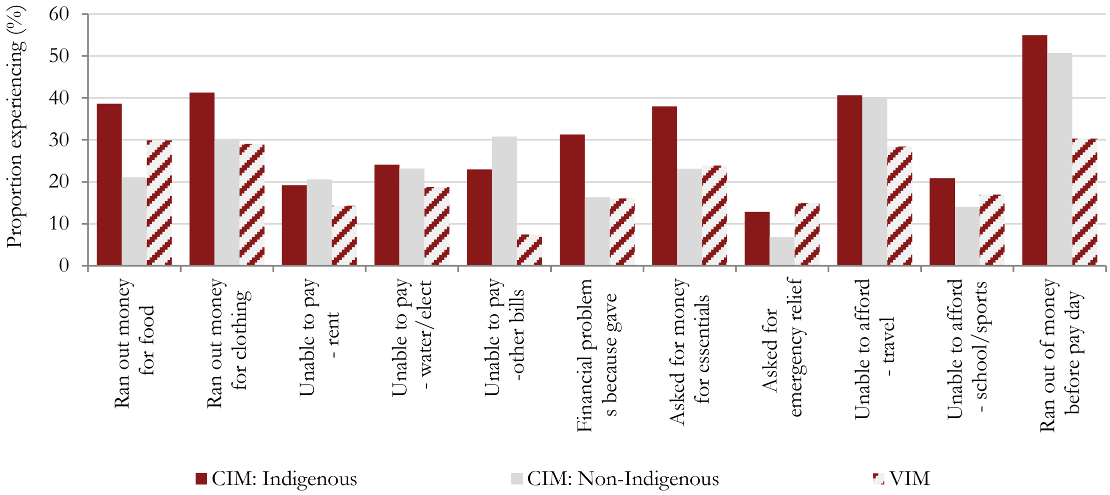
- The first is that while many people subject to the measure are opposed to being income managed as being inappropriate to their needs, capabilities and aspirations, the measure is seen as having a role in a much more targeted application; and
- The motivation of those wishing to remain on the program largely appear to be focused on the program making life easier for them, and the fact that they have adjusted to the program as a way of life. In this context few see themselves coming off the measure.

7.3.2 Current outcomes

Notwithstanding the extended period for which most of the respondents have been on income management, as illustrated in Figure 7-7, many still report adverse day to day living outcomes.

[117] The group with exemptions was excluded from this analysis as only a small number responded to this question and in many cases people gained exemptions with little if any actual experience of income management.

Figure 7-7 Persons subject to income management, incidence of selected adverse financial outcomes, LSNIM, Wave 2, 2013



Note: Excludes "Do not know" and "Prefer not to say" responses and "not applicable" responses where particular questions were not relevant – such as questions about children's' school, sporting and other activities for people without children, and travel for those who had no need for travel in the previous month.

Source: LSNIM Wave 2.

In most cases the most adverse responses are reported by Indigenous people on compulsory income management, and include 38.6 per cent who reported that at some time in the past month they had run out of money for food, and 41.3 per cent that they had run out of money for clothing. Consistent with this result, 55.0 per cent of this group said that they had run out of money before 'pay day' at some time in the month.

Almost a third of this group, 31.3 per cent, reported that they had experienced financial problems in the previous four weeks because they had given money to others, and just over a third, 38.0 per cent, reported that they had asked others for money in order to obtain some essentials. While over half, 54.6 per cent, of those who responded to both these questions reported neither, 23.0 per cent reported both events occurring. Indeed, of those who reported that they had had financial problems because they gave money to others, 74.3 per cent reported asking others for money because they could not afford to buy essentials.

While this type of behaviour was also reported by non-Indigenous people in the survey, the extent of the overlap at the individual level of both running into financial problems because of providing money to others, and then in turn seeking money from others, is much lower. This raises a further question: to what extent is this response simply reporting the results of demand sharing behaviour (sharing on the basis of a request from another person to whom you have a cultural obligation) and to what extent it is more adverse financial harassment?[118]

While Indigenous people subject to Compulsory Income Management usually had worse outcomes than non-Indigenous people across the range of questions, this was not the case with respect to two questions regarding their ability to pay rent and being able to pay other bills. The explanation of this is likely to relate to the different circumstances of these two groups. In the case of rent a high proportion of Indigenous people live in communities where rents are relatively low, and in housing managed by public housing authorities, with rents being paid directly by Centrelink from the person's income managed funds or through Centrepay, as has been seen in Chapter 6. In contrast, non-Indigenous people are more likely to be living in Darwin and paying rent to private landlords, either individually or as part of a group household.

[118] The balance between demand sharing as a cultural value and as an exploitative process has been discussed extensively by Noel Pearson, often linked with the impact of passive welfare: "Demand sharing was ultimately reciprocal and underpinned generosity and mutuality. But when demand sharing came into contact with passive welfare, alcohol, drugs and gambling, what was a valuable cultural tradition was highly susceptible to corruption and exploitation" (Pearson, 2007). More generally, he has also identified a link with people being frustrated in their efforts to find an outlet for their aspirations: "For the majority who are daunted by the prospect of realising self-interest in the public domain, then self-interest is pursued within the kinship and demand-sharing network of the community's culture. So cultural reciprocity and generosity turns into humbugging, bludging and ruthless manipulation, exploitation and plain theft and fraud within and between families." (Pearson, 2011).

These rents are likely to be much higher and frequently need to be paid in cash. Similarly, living in these urban environments they are more likely to have a more diverse set of expenses and bills for items such as motor vehicle repairs.

On almost all of these measures the experience of Indigenous people on Voluntary Income Management was better than that of Indigenous people on Compulsory Income Management. No single reason is likely to explain this. In part it may be the extent to which those who chose income management are more likely to be motivated to use the program to achieve the goals they have set for themselves; alternatively, it may be differences in the demographic characteristics, including the older average age of those on Voluntary Income Management. Finally it may just be an income effect, as those on the voluntary measure are more likely to be on pension rate payments, rather than on the lower rates paid on allowances. For a single person this difference is over $8,000 per year and hence is likely to have a significant impact on their outcomes and ability to manage. They are also receiving additional money in the form of the incentive payment made to people who choose to go onto income management.

The extent to which these outcomes have changed over the time people have been on income management is considered in Section 7.4 as part of the analysis directed at identifying the impact of the measure.

7.3.3 Experience of being on income management

The LSNIM contains a series of questions about how frequently people feel in a particular way about income management. In response to questions relating to positive feelings of being in control of their lives, having control over money, that things are better for the person and their family and that they feel safer, around 40 to just under 50 per cent of Indigenous program participants, on both compulsory and voluntary measures, say they feel this way "all" or "most" of the time. In contrast only a quarter of non-Indigenous participants express the same sentiments.

Although, as indicated in Table 7-5, the level of positive agreement amongst Indigenous respondents to these questions was similar for those on the voluntary and compulsory measures, this was not the case at the other end of the spectrum – those who reported that they never felt this way about the program. While some 15 to 20 per cent of Indigenous respondents on compulsory measures responded that they never felt these sentiments, the proportion amongst those on the voluntary measure was much lower, in the range of 6 to 10 per cent.

A critical factor in this result is again the different experience of the Indigenous populations living in different locations. In non-urban locations just 8.9 per cent of Indigenous respondents on compulsory forms of income management reported that they never felt that they were more in control of their lives because of income management, with a further 6.7 per cent saying this occurred hardly ever. In contrast, in urban areas other than town camps, 31.0 per cent stated that they never felt this way and a further 10.6 per cent that they hardly ever felt this way.

In general the pattern of responses is consistent across questions. The one exception is with regard to the question of 'not being worried about money'. Here responses by those on Voluntary Income Management and Indigenous people on compulsory measures tended to be much more muted, with 10 per cent fewer people indicating that they mostly had no worries. This suggests, even to the extent some people saw income management as providing them with a means of managing their money, that it is not sufficient to address the underlying challenges posed by their low incomes.

Table 7-5 Frequency of feeling about aspects of life while subject to income management, positive outcomes, LSNIM, Wave 2, 2013

	Frequency people feel: (distribution %)						Total
	All	Most	*Sub-total: All or Most*	Sometimes	Hardly ever	Never	
			More in control of life				
CIM: Indigenous	24.6	18.3	*42.9*	30.6	8.4	18.0	100.0
CIM: Non-Indigenous	9.6	14.1	*23.7*	16.3	14.8	45.2	100.0
VIM	32.1	11.1	*43.2*	35.8	12.4	8.6	100.0
			Things are better for me and my family				
CIM: Indigenous	25.3	19.1	*44.5*	29.6	8.6	17.3	100.0
CIM: Non-Indigenous	11.3	16.1	*27.4*	18.6	13.7	40.3	100.0
VIM	34.6	14.8	*49.4*	33.3	9.9	7.4	100.0
			More control over my money				
CIM: Indigenous	30.8	18.0	*48.8*	30.5	5.5	15.1	100.0
CIM: Non-Indigenous	13.4	16.4	*29.9*	15.7	11.9	42.5	100.0
VIM	36.6	11.0	*47.6*	37.8	8.5	6.1	100.0
			Not worried about money				
CIM: Indigenous	21.9	16.8	*38.6*	32.6	6.3	22.5	100.0
CIM: Non-Indigenous	13.3	13.3	*26.7*	18.5	14.1	40.7	100.0
VIM	27.5	7.5	*35.0*	30.0	13.8	21.3	100.0
			I feel safer				
CIM: Indigenous	26.4	20.5	*46.9*	31.4	4.7	17.0	100.0
CIM: Non-Indigenous	9.9	15.2	*25.0*	17.4	15.2	42.4	100.0
VIM	40.2	4.9	*45.1*	34.2	11.0	9.8	100.0

Note: Excludes 'do not know' and 'not applicable' responses.

Source: LSNIM Wave 2

The same block of questions in the LSNIM also contained some potential negative aspects. These concerned the psychological/social impact of income management, and whether or not people felt discriminated against by having to go onto income management, whether they were embarrassed by being income managed and whether they felt it was not fair. The responses to these questions are shown in Table 7-6.

Consistent with the results of the first wave of the survey as reported in the first report of the evaluation, the dominant feeling was one of unfairness. This was particularly marked among non-Indigenous respondents on compulsory measures. Of respondents in this category, 41.5 per cent said that they had a sense of unfairness all of the time, with a further 15.6 per cent feeling this way most of the time. Indeed, only 19.3 per cent of this group responded that they never felt that it was unfair for them to be subject to income management. As with the responses to many other questions, the views of Indigenous people subject to the compulsory measure varied considerably by location. Some 45.1 per cent of those living in the mainly urban and suburban locations of Darwin and Alice Springs reported that they felt a sense of unfairness all or most of the time, compared with 27.2 per cent of those in other locations.

Table 7-6 Frequency of feeling about aspects of life while subject to income management, negative outcomes, LSNIM, Wave 2, 2013

	Frequency people feel: (distribution %)						Total
	All	Most	*Sub-total: All or Most*	Sometimes	Hardly ever	Never	
			Discriminated against				
CIM: Indigenous	20.5	7.9	*28.4*	30.5	12.4	28.7	100.0
CIM: Non-Indigenous	34.6	8.8	*43.4*	13.2	13.2	30.2	100.0
VIM	10.4	3.9	*14.3*	33.8	18.2	33.8	100.0
			Embarrassed				
CIM: Indigenous	20.2	7.3	*27.5*	29.2	12.3	31.0	100.0
CIM: Non-Indigenous	33.8	11.8	*45.6*	19.9	10.3	24.3	100.0
VIM	11.3	2.5	*13.8*	32.5	20.0	33.8	100.0
			Not fair				
CIM: Indigenous	25.8	9.0	*34.8*	33.0	11.4	20.7	100.0
CIM: Non-Indigenous	41.5	15.6	*57.0*	17.8	5.9	19.3	100.0
VIM	13.2	5.3	*18.4*	31.6	19.7	30.3	100.0

Note: Excludes 'do not know' and 'not applicable' responses.

Source: LSNIM Wave 2.

Another perspective on these questions can be considered in looking at the extent to which people never felt any of these negative experiences. This varied from between just a third of those on Voluntary Income Management in response to the questions on discrimination and embarrassment, to fewer than 20 per cent of non-Indigenous people subject to compulsory measures. In many ways the first of these results is particularly surprising as it would suggest that while this group of people appear to have voluntarily chosen to go onto income management, the majority still at times experience some negative sentiments about the program and its impact on their lives.

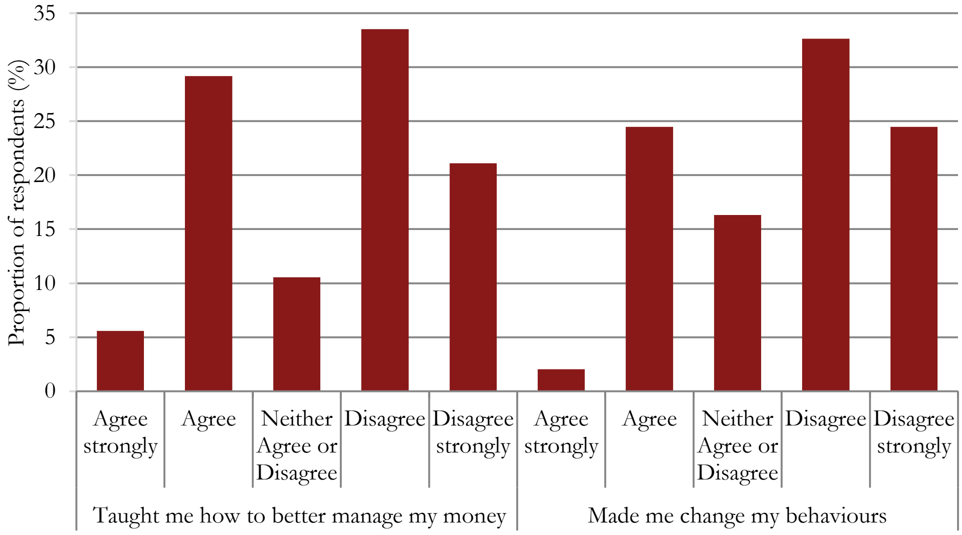
Perspectives of those who have exited the program

Those people who had exited income management – that is, those who were no longer subject to the measure – were asked a series of questions which invited them to reflect upon their experience of being income managed. As was previously seen in Table 7-4, when compared to the population currently on income management, this group was somewhat more positive about the program.

Figure 7-8 and Table 7-7 present the results of four questions asked of this group – these were the extent to which they agreed with the statements "Income management was good for me"; "Income management was good for my children"; "Income management taught me how to better manage my money"; and "Income management made me change my behaviours (in a positive way)."

Two particular features of responses to these questions are apparent in Table 7-8. The first is that the results are quite polarised, with significant numbers both agreeing and disagreeing with each of the statements, indicative of there being little agreement about, or alternatively quite diverse experiences of, the program. The second, somewhat more subtle feature is that while most people were willing to venture a perspective, with very few providing the neutral "Neither agree nor disagree" answer, there was, in a similar way to the questions about the appropriateness and value of income management as a program for welfare recipients, a relatively very low level of "strong agreement" response to any of the statements. That is, to the extent people feel positively they do so in a relatively lukewarm way. In contrast, while people who disagreed again tended to use the more limited "Disagree" response, the number of "Strongly disagree" responses was much more apparent.

Figure 7-8 Persons who have exited Compulsory Income Management, reflections on impact of being on the program, LSNIM, Wave 2, 2013



Note: Excludes "Do not know" and "Prefer not to say" responses.
Source: LSNIM Wave 2.

Taking the first statement "Income management was good for me", 35.8 per cent of Indigenous and 34.0 per cent of non-Indigenous people who had exited income management expressed agreement, although fewer than 10 per cent strongly agreed. These proportions were very markedly outweighed by the 52.8 per cent of Indigenous and 54.7 per cent of non-Indigenous respondents who disagreed with the statement. This group included a quarter of Indigenous and 20 per cent of non-Indigenous respondents who strongly disagreed.

Table 7-7 Persons who have exited Compulsory Income Management, reflections on impact of being on the program, LSNIM, Wave 2, 2013

	Extent of agreement: Distribution (%)					Total
	Agree strongly	Agree	Neither Agree or Disagree	Disagree	Disagree strongly	
	Income management was good for me					
Indigenous	9.4	26.4	11.3	28.3	24.5	100.0
Non-Indigenous	5.7	28.3	11.3	34.9	19.8	100.0
	Income management was good for my children					
Indigenous	10.0	43.3	3.3	30.0	13.3	100.0
Non-Indigenous	8.8	32.4	11.8	29.4	17.6	100.0
	Income management taught me how to better manage my money					
Indigenous	5.8	38.5	7.7	23.1	25.0	100.0
Non-Indigenous	5.7	24.5	11.3	39.6	18.9	100.0
	Income management made me change my behaviours					
Indigenous	2.0	28.6	24.5	16.3	28.6	100.0
Non-Indigenous	2.1	22.9	11.5	41.7	21.9	100.0

Note: Excludes "Do not know", "Prefer not to say" and where relevant "Not applicable" responses.
Source: LSNIM Wave 2.

The second question, concerning income management being good for the person's children, recorded from the much smaller group of respondents for whom the question was relevant, obtained the most positive of any of the responses. While again only a small group, 10.0 per cent of Indigenous and 8.8 per cent of non-Indigenous respondents strongly agreed with the statement. Overall, 53.3 per cent of Indigenous and 41.2 per cent of non-Indigenous LSNIM respondents who had exited income management agreed to some extent. While in the case of non-Indigenous respondents this proportion was outweighed by the 47.1 per cent who disagreed, this was not the case for Indigenous respondents, where a lesser 43.3 per cent did so.

In response to the third question, while again a solid group of respondents gave a response indicating that they believed income management taught them how to better manage money, this was outweighed by the proportion disagreeing. In the case of Indigenous respondents the relative proportions were 44.3 per cent agreeing and 48.1 per cent disagreeing. Amongst non-Indigenous respondents the proportion was 30.2 per cent relative to 58.5 per cent.

The lowest level of agreement with any of the statements was recorded in response to the question asking about whether income management led the person to change their behaviours. Just two per cent of the respondents to the LSNIM who had exited income management strongly agreed with this statement, while in total only 30.6 per cent of Indigenous and 25.0 per cent of non-Indigenous respondents did so. These were well outweighed by the 44.9 per cent and 63.6 per cent respectively who disagreed.

7.3.4 Summary of views and experiences as identified in the LSNIM

As presented, there is a marked diversity of views and experiences amongst the population subject to income management. While for some it is a positive experience, which they believe has enabled them to better manage their lives, and for some from which they have learnt new skills, for others this is not the case. Rather, they see the program as having little real direct impact on their ability to manage their lives, and indeed one which at times impedes their capacity to do so. In doing so the program also imposes costs on the group, building a sense of unfairness, of being discriminated against, and embarrassment as they go about their daily activities.

To the extent there are positive sentiments from many, these frequently reflect not so much a sentiment of the program assisting them to change their lives and build their skills, but rather that the program has made their life easier. Reflecting this, this group shows little desire ever to move off income management, and indeed shows fear of the adjustments they would be required to make if they were to take responsibility for managing their funds themselves.

At a broader level the responses were frequently, but not always, tempered with some tepidity. This was most frequently seen in the absence of strong agreement or disagreement with responses to many of the questions, especially where these were cast about the program as a whole.

7.4 Changes in outcomes and attitudes

The final, and perhaps most significant question from an evaluation perspective, is the extent to which the outcomes of individuals and the communities in which they live were impacted on by income management.

The longitudinal nature of the LSNIM allows this analysis to be based upon a comparison of changes in the responses recorded in 2011 and in 2013. For this analysis the focus is on the groups who have continued to be subject to income management in both waves of the survey. The reason for this approach is that it is difficult to attribute any changes in outcomes for those who have exited the program to income management. While in some cases the change may reflect, at least in part, their experience on the program, in many other cases it is more likely that the key factors will relate to their experience after (or indeed their reason for) exiting the program including for example gaining employment, and the higher income associated with this.

Three sets of outcomes are considered here:

- The incidence of adverse behaviours at the personal level within the close family.
- The occurrence of poor outcomes at the community level.
- The extent to which a person experiences adverse financial outcomes and stresses.

In each case we consider a number of individual indicators, along with aggregate measures created through combining a larger number of individual indicators into a single measure. These latter are considered to be more robust instruments for assessing changes in outcomes, as it would be anticipated that, to the degree income management impacts on behaviours and outcomes, this would be reflected across a range of outcomes rather than in a single isolated indicator. In addition, these combined measures provide greater statistical robustness. In all cases the responses to questions have been recoded so that a positive score represents an improvement in outcomes.

The section then concludes with a brief overview, using the same statistical tools, of the extent to which attitudes about being subject to income management may have changed.

7.4.1 Impact on adverse behaviours

The LSNIM contained in both waves a series of questions asking whether or not drinking alcohol, smoking marijuana or the use of other drugs, and gambling were a problem "for your family". The interviewing instructions emphasised that the question was being posed in terms of the "little family/close family" to ensure that the question was directed at the immediate sphere of the person subject to income management and the group of persons who were likely to be economically impacted by the restrictions imposed through income management.

The responses to the questions were sought in terms of whether or not the problem was "Not a problem", "A bit of a problem" or "A very big problem". In the matched longitudinal dataset some 49.6 per cent of the second wave responses indicated that none of these three items was a problem, although 15.5 per cent of respondents indicated that at least one was a very big problem. Looking at the three major populations on income management, the incidence of any problem in the second wave was 52.3 per cent for Indigenous people on compulsory income management, 58.3 per cent for Indigenous people on Voluntary Income Management, and 15.2 per cent for non-Indigenous people subject to compulsory income management. For these three groups the incidence of a 'very big problem' was 24.1 per cent, 20.8 per cent, and 3.4 per cent respectively.

As noted in the First Evaluation Report, one issue which arises from these responses is that it suggests there is a significant group of the population subject to income management who are not adversely affected by these problems. This is an important question for the evaluation as it directly responds to the evaluation questions concerning the targeting of the measure, and the need for people to be subject to the measure if responding to this type of problem is seen as being a central motivation for the program.

In the analysis here, however, we focus on a second dimension of the evaluation – that of the outcomes from the intervention, and address the question of whether or not income management has had an impact on the incidence of these problems.

Table 7-8 provides the summary results of the analysis. The results shown are those of a 'difference in difference' estimator for the changes in outcomes for the populations subject to income management relative to the control groups.[119] For this analysis responses have been rescaled so that a positive score represents an improvement. As such, a score at, or close to, zero indicates that any change in these indicators over time for those on income management are no different to those in the control group who are not affected by the measure. A positive score suggests that the 'treated' population – that is, those persons who have been on income management – have achieved a positive change in outcomes of a greater magnitude than that of the control group, or a negative change of a lesser magnitude. Conversely a negative score indicates, again relative to the control group, that the change for the income managed group is less positive, or more negative. Hence these difference in difference measures do not report the actual change, but rather whether the change that has been recorded for the treated population is greater or smaller than that of those who have not been treated. This allows the analysis to focus on whether or not the program has made a difference, rather than having to account for many other external influences. In the table the statistical significance of the results is given.[120] The particular form of difference in difference estimator

[119] The difference in difference estimator focuses on the extent to which the difference in scores for the 'treated group' relative to the 'control group' changes before and after the 'treatment' – in this case an additional two years of income management. The estimates presented in this section have been derived using a propensity score match approach, which introduces a weighting to best match individuals in the control and treatment groups rather than simply relying upon group means (Villa, 2012; Blundell & Costa Dias, 2008). In all models the propensity score matching has been implemented using demographic characteristics including: age, family characteristics, gender, and education.

[120] As always the statistical significance of this type of result should be taken into account, but not always be treated as a rigid tool in determining whether the finding is important or not. The measure of one of the degrees of confidence in the estimate varies from a zero effect, with the 90 per cent, 95 per cent and 99 per cent levels of confidence being shown. Attention needs also to be given to the actual parameter value. That is, just because a change is statistically significant it does not necessarily mean it is a big change,

used in these models uses propensity score matching to better match the population in the treatment and non-treatment group; this approach recognises the difference in demographic and other characteristics of the control and New Income Management samples in the LSNIM.[121]

The results in the table are initially presented for the three individual questions treating the degrees of incidence of the problem as a linear interval scale, after which two aggregate measures are considered. These involve a dichotomous scale and first record whether or not any of the three items represent either a “bit of a problem” or a “very big problem” (that is, if there are any problems); and secondly, whether any constitute a “very big” problem. As detailed above the simple interpretation of the parameter values in the table is that a positive number indicates a relative improvement for people on income management while a negative indicates a relative decline.

Looking at the initial panel indicates only two statistically significant results, both for the group on Voluntary Income Management. The first is where an improvement is reported with regard to alcohol being a problem; and the second less substantial and less significant, but negative score indicates a relative increase in problems relating to gambling in the families of those on Voluntary Income Management. Most of the other parameters in this panel are not just statistically insignificant but small – indicating no real change for those on the compulsory measures.

Table 7-8 Difference in Difference analysis of whether or not alcohol, drugs and gambling are a family problem, change between Waves 1 and 2 of the LSNIM (2011 to 2013) for people subject to income management

Problems for family	Indigenous Compulsory Income Management		Indigenous Voluntary Income Management		Non-Indigenous Compulsory Income Management	
			Specific problems (a)			
Alcohol	-0.033		0.359	**	0.069	
Drugs	0.027		0.079		-0.091	
Gambling	0.012		-0.280	*	-0.002	
			Aggregate measures (b)			
Any problem	0.291	***	0.389	***	0.306	**
Any “very big” problem	-0.119		-0.240	***	-0.085	

Notes:

(a) Individual problems have been scored using a three-point scale (0 for a very big problem, 1 for a bit of a problem, and 2 for no problems; a positive score thus indicates an improvement for the treatment group (those on income management) relative to the control group over the period.

(b) The aggregate measures have been scored with a value of 1 for the absence of all of the problems and 0 if any is reported. Again a positive response indicates an improvement relative to the control group.

* Statistically significant at p<0.10: ** statistically significant at p<0.05: *** statistically significant at p<0.01.

Source: LSNIM Waves 1 and 2.

The aggregate measures suggest a more complex pattern of results. The first most striking result is a consistent improvement across all three population subgroups relating to the incidence of any of the three problems at any level. That is there is a marked and statistically significant improvement, relative to the control group, in the proportion of individuals who report that they do not experience any of these problems in their family. Balanced against this is a pattern of negative results with regard to the incidence of a “very big” problem. This, however, was only statistically significant for those on Voluntary Income Management.

and hence significant in policy terms. Similarly, while estimates that are not significant need to be treated with considerable caution, they should not be entirely dismissed.

Furthermore, especially in this type of analysis where there are multiple indicators that all represent different dimensions of wider phenomena – such as experiencing some form of social problem, or overall financial wellbeing – there is value in paying attention to the consistency of trends across the indicators, rather than any one, unless there are good conceptual reasons to expect an impact to occur differentially in one outcome but not another.

[121] In using this control population a question arose as to whether or not the whole population should be maintained as the control or simply those still in receipt of income support payments. Considerable sensitivity testing was undertaken on this question and in the end the whole control population was maintained. This essentially makes no material difference to the pattern of results, but was preferred as the results using this methodology were more robust and avoided some concerns with the size of the control population when this was overly restricted.

Taken in aggregate these results suggest that there is some relative lessening in the incidence of more minor problems relating to alcohol, drugs and gambling for each of the sub-populations subject to income management when compared with a similar population which was not on income management, but no improvement, or in fact even potentially a relative deterioration for those on Voluntary Income Management, in the incidence of more severe problems associated with these three items.

As has been discussed previously, it needs to be noted that income management is not the only policy affecting outcomes for people in the Northern Territory, and that the results above reflect a combination of the impact of being on income management as well as other programs in areas such as health, education and community safety that have been implemented over recent years.

7.4.2 Impact on community outcomes

The LSNIM contains a set of eight questions which focus on the incidence of problems at the community/ location level. Three of these questions concern child outcomes: whether children are being looked after; being taught language and culture; and going to school; with the balance of the eight questions being more general. This second group comprises adults fighting over money, excessive alcohol consumption, drug use in the community, gambling, and people "hassling" others for money.

Again the responses to these questions have been coded so that a positive score represents an improvement in outcomes, and difference in difference estimators has been derived using propensity score matching.

Considering the selected individual items, in the first instance there is a dominance of negative scores – suggesting relative to the control locations that change in these community level outcomes over the last two years is less positive, or more negative. This was particularly marked among those subject to Compulsory Income Management, with large negatives in the difference in difference indicators being recorded across all of the specific items shown in Table 7-9. In three cases – whether or not children are looked after properly, whether they attend school, and whether people are hassled or harassed for money – these changes were statistically significant. In the case of those on Voluntary Income Management only the negative change with regard to children attending school was statistically significant – and then only weakly.

Table 7-9 Difference in difference analysis of the perceived incidence of problems at the community/location level, change between Waves 1 and 2 of the LSNIM (2011 to 2013) for people subject to income management

Problems in community	Indigenous Compulsory Income Management		Indigenous Voluntary Income Management		Non-Indigenous Compulsory Income Management
	Specific child related problems (a)				
Kids not looked after properly	-0.528	***	0.016		-0.072
Kids not going to school	-0.288	**	-0.310	*	-0.265
	Specific community problems				
Drinking too much	-0.628		-0.446		-0.086
Hassling for money	-0.298	**	0.229		-0.071
	Aggregate measures (b)				
Community – child outcomes	0.024		-0.027		-0.060
Community – general outcomes	-0.061		-0.002		-0.027

Notes:

(a) Individual problems have been scored using a three-point scale (0 for a very big problem – which happens a lot of the time, 1 for a small problem – which happens a bit of the time; and 2 for not a problem – it does not happen here. A positive score thus indicates an improvement for the treatment group (ie those on income management) relative to the control group over the period.

(b) The aggregate measure is an average of all of the individual responses. Again, a positive response indicates an improvement relative to the control group.

* = statistically significant at $p<0.10$; ** = statistically significant at $p<0.05$; *** = statistically significant at $p<0.01$.

Source: LSNIM Waves 1 and 2.

Turning to the two aggregate measures, the results are both small and statistically insignificant, although in all but the child outcomes as reported by those subject to Compulsory Income Management, the signs are negative.

While these results suggest that there has been some deterioration in some of these outcomes, we would be very cautious about making this interpretation. As indicated in the introduction to this chapter, we had some concerns about the apparent degree to which positive community wellbeing outcomes were reported in the first wave of the LSNIM when these results were compared with other data sources. Looking at the parameter values of the aggregate measures and the lack of statistical significance, an outcome of no change would be the most appropriate interpretation.

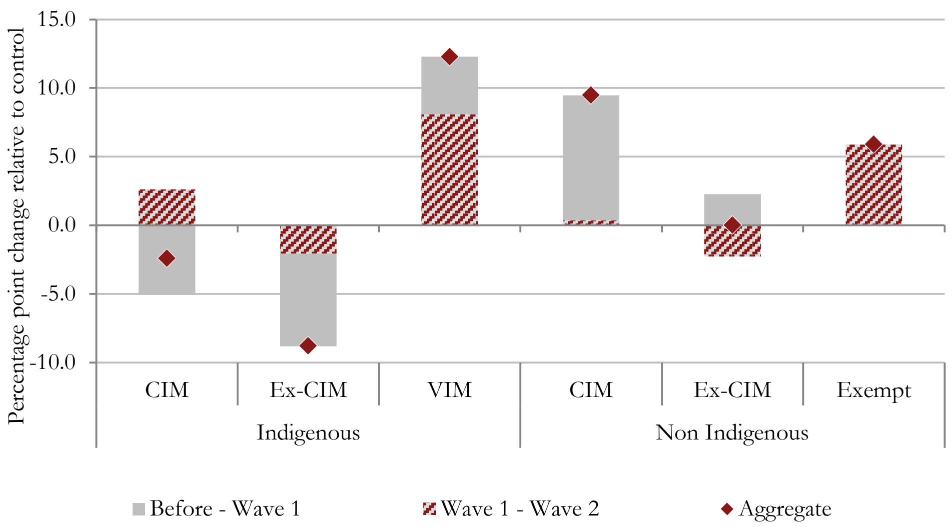
7.4.3 Impact on household financial wellbeing outcomes

Eleven questions in the LSNIM address the incidence of money related problems across the waves. These ask whether or not a household ran out of money for food, or clothing, was unable to pay a range of bills – rent, electricity and other bills, whether they could save, whether they had financial problems because they gave money to others, or had to seek assistance from others, including seeking emergency relief, and being unable to do things such as visiting friends and paying for school activities because of a shortage of money. Unlike the other questions, these questions have been asked of the LSNIM participants three times. In the first wave of the survey they were asked about the incidence of these outcomes prior to being subject to income management, as well as in the preceding four weeks. This latter question was then repeated in the second wave. This provides a richer dataset – and an extended time period for consideration. Specifically, in addition to being able to compare a small set of items on pre-income management to current circumstances, as was done in the first report, it is possible for the analysis here to take into account the impact of a further two years of income management, and to consider the impact of income management over this period on a wider set of outcomes.

At the same time as introducing additional information and permitting an extended period of analysis, the inclusion of a second time period also adds to the complexity of the results, in particular where changes over time are not consistent – either across time periods or within time periods for particular subgroups.

This is illustrated in Figure 7-9 and Figure 7-10, which present the changes in the incidence of not running out of food because of a shortage of money, and not having financial problems because a person gave money to someone else, relative to the control group over each of the periods. (Again, these data have been coded so that a positive score indicates a positive outcome.)

Figure 7-9 Change in incidence of not running out of food, relative to control group, before income management to Wave 1, and Wave 1 to Wave 2 (pre-income management 2011, 2013)



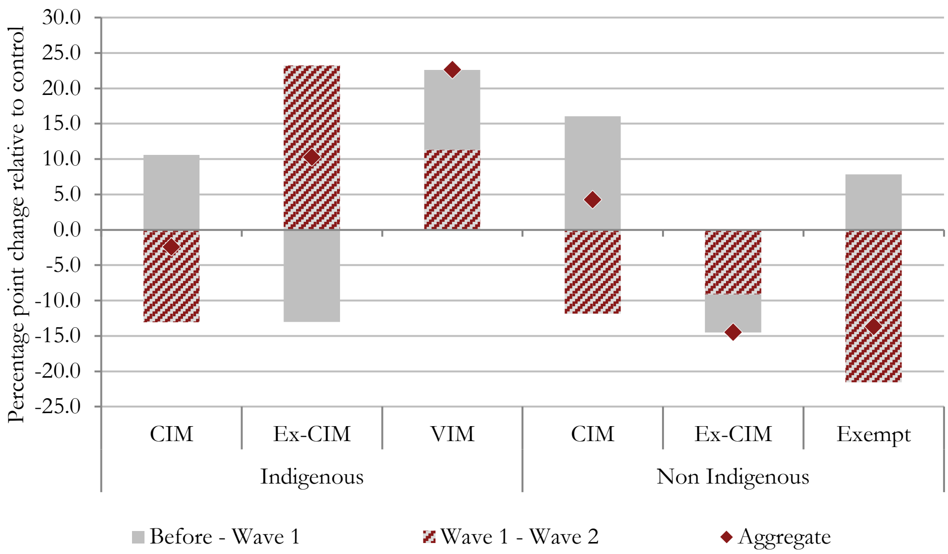
Source: LSNIM Waves 1 and 2.

As can be seen in the first of these two figures, Indigenous people compulsorily subject to income management showed a decrease in the extent to which they avoided running out of money for food relative to the control group between starting on income management and the first wave of the LSNIM. This situation was reversed between the first and the second wave of the survey, with the outcomes for the group improving relative to the change in the control group. In contrast, the outcomes for those on

Voluntary Income Management improved over both periods, while those identifying as being Indigenous who had exited compulsory income management reported a relative decline in both periods.

Turning to the second figure – the extent to which people avoided having financial problems due to having given money to others, one sees a reversal of the situation for Indigenous people subject to compulsory income management. This group now shows a relative improvement in the first period and a relative decline in the second period. For Indigenous people on the voluntary stream of income management the relative movement is positive in both periods, while non-Indigenous people subject to compulsory income management, while compared with the non-Indigenous control group, show the same pattern as Indigenous people on this program.

Figure 7-10 Change in incidence of not having financial problems due to having given money to others, relative to control group, before income management to Wave 1 and Wave 1 to Wave 2, (pre-income management, 2011, 2013)



Source: LSNIM Waves 1 and 2.

From an overall program evaluation perspective these patterns of movements suggest that there is need for considerable caution in interpreting these changes as being causally associated with income management, or at least as indicating the need for an interpretation which takes into account why the program may differentially impact on those on the voluntary and compulsory measures and over the two time periods.

The results of the more sophisticated difference in difference analysis of these results are presented in Table 7-10. While this essentially uses the same data as the above graphs, its results can differ from that shown in the figures. This results from two factors. The first is the extent to which the figures are based upon a slightly smaller sample size (which has data for each of the three time periods, compared with just the beginning and end point in the table). Secondly, because rather than simply relying upon differences in group means alone, the difference in difference estimator adopts a more rigorous form of matching between individuals to reduce the extent to which the comparison may be biased due to differences in the composition of the control and treatment populations.

The results of the difference in difference analysis are presented in Table 7-10. This presents results for: a) three specific individual outcomes – running out of money for food; having financial problems due to having given money to others; and having to ask others for money to purchase essentials; b) an aggregate of the three questions on paying bills on time; and c) an aggregate of the 11 items on which information on adverse financial outcomes were sought. This last is entitled “absence of negative outcomes” in the table. Again, all of these have been coded so that a positive score represents an improvement.

Table 7-10 Difference in difference analysis of absence of specific adverse financial outcomes, before income management to Wave 2 (pre-income management, 2013)

Whether in the past four weeks	Indigenous Compulsory Income Management		Indigenous Voluntary Income Management		Non-Indigenous Compulsory Income Management
			Specific outcomes (a)		
Did not run out of money for food	0.029		0.176	*	-0.014
Did not have problems paying bills (b)	0.340		0.077	**	0.035
Did not have problems because gave money to others	0.185	**	0.197	*	0.050
Did not have to ask others for money for essentials	-0.199	**	-0.288	***	-0.032
			Aggregate measure (c)		
Absence of negative outcomes	-0.012		-0.009		-0.004

Notes:

(a) Individual problems have been scored using a scale of 1 for the absence of a problem and 0 if it is reported. A positive score hence indicates an improvement for the treatment group (ie those on income management) relative to the control group over the period.

(b) This is the average of being unable to pay for rent, being unable to pay for electricity and water, and being unable to pay other bills. This broader measure enables the data to encompass a larger proportion of the population for which a single one of these items may be out of scope.

(c) The aggregate measure is an average of all of the individual responses. Again, a positive response indicates an improvement relative to the control group.

* = statistically significant at p<0.10; ** = statistically significant at p<0.05; *** = statistically significant at p<0.01.

Source: LSNIM Waves 1 and 2.

Indigenous people subject to Compulsory Income Management have positive outcomes on the first three individual measures, although only the response to not having problems due to giving money to others was statistically significant, while the parameter values on the question of running out of money for food are very small. Conversely, there is a statistically significant increase in the extent to which they had to ask others for money to obtain essentials. The data for Indigenous people on Voluntary Income Management, again shows positive changes to the first three questions, but in this case all were statistically significant, although some very weakly so. As with Indigenous people on the Compulsory measure there was a reported deterioration in having to ask other for money for essentials - this result was strongly significant. None of these individual items are statistically significant for non-Indigenous people subject to Compulsory Income Management. All three groups report a negative change on the aggregate measure, although in no case is this statistically significant.

These responses, when taken as a whole, do not appear to indicate any marked changes in these outcomes relative to the control group that was not subject to income management. Potentially it may be considered that there has been some decrease in the incidence of humbugging leading to financial problems, but this is balanced by an increase in people on income management seeking assistance from others. The results for people who identify as Indigenous Australians on Voluntary Income Management are somewhat more positive, although the statistically most robust result for this group is the negative response to the question concerning asking others for assistance.

As an indicator of income management leading to better financial outcomes these results provide little support for any such change having occurred for those on compulsory measures. Again, it needs to be noted that these outcomes not only reflect the impact of income management, but also of the other policies and programs that have been put in place.

7.4.4 Changes in attitudes to income management

The final element of this consideration is concerned with the extent to which there have been changes in attitude about income management. As discussed earlier in this chapter, responses with regard to how people feel about income management appear to be more positive in the second wave of the LSNIM and in the accompanying qualitative data collection. The question remains whether or not these are part of broader shifts with regard to attitudes about the receipt of welfare. The LSNIM provides some scope for this to be tested. While this comparison is less robust than those presented above, where the same questions are used for both the treatment and control groups, it is still considered to have merit. (The difference here relates to the fact that while it is easy to collect information on the incidence of particular outcomes from both those on income management and those who are not, it is of course not possible to ask those not on income management about their feelings about the program. As a best alternative the same set of questions is posed to this group more generally about income support. Further, while some questions such as sense of financial control can be explored using this methodology, others, such as desire to remain on income management, cannot.) In addition, in contrast with the questions on outcomes, this analysis simply concentrates on changes in attitudes over the past two years, and does not compare outcomes with those prior to income management.

Table 7-11 Difference in difference analysis of feelings about income management, change between Waves 1 and 2 (2011, 2013)

Attitude (recoded so that a higher score is positive)	Indigenous Compulsory Income Management		Indigenous Voluntary Income Management		Non-Indigenous Compulsory Income Management	
Specific outcomes (a)						
Not fair being income managed	0.148		-0.532		1.031	
I feel discriminated against	1.365	***	0.271		1.159	
Things are better for me and my family	-1.424	***	-1.180	**	2.165	***
I feel I have more control over my money	0.636		0.120		2.695	***
Aggregate						
Summary measure	0.770	***	0.036	*	0.902	

Notes:

(a) Responses to these questions were collected on a Likert scale of time frequency which varied from the person feeling in this way: “All the time” through five graduations to “Never” feeling this way. All responses have been recoded onto a five-point scale from -2 to +2 in a way that a higher score represents a more positive outcome.

(b) Average of 8 items: I feel discriminated against; Being on income management is embarrassing; I am more in control of my life; it is not fair; things are better for me and my family; I feel I have more control over my money; I am not worried about money when I have income management; and I feel safer on income management.

Source: LSNIM Waves 1 and 2.

The table suggests a diversity of responses. Both Indigenous and non-Indigenous people subject to compulsory income management report a decline in the relative incidence of feeling that being on income management is unfair or that they feel discriminated against because they are being income managed. This shift is significant for Indigenous respondents. The relative direction of change in response to the question on whether being on income management was positive for them, was negative and statistically significant for Indigenous people on both compulsory and Voluntary Income Management. In contrast, it was strongly positive and significant for the non-Indigenous compulsory income management population, which also showed a relatively positive and significant improvement with regard to feeling that they were more in control over their money.

The summary measure, which averages the results to all eight of the questions in this part of the survey, was positive for all three population groups, but only significant for Indigenous respondents subject to Compulsory Income Management.

While this is the least robust of the measures of change, it would suggest mild support for the result seen in the descriptive data that people’s feelings about being on income management are more positive in the second wave of the LSNIM.

7.4.5 Summary of personal and community outcomes

This section has considered a wide range of indicators of individual, family and community outcomes to identify the extent to which income management has improved outcomes, as reported by people in the longitudinal survey undertaken as part of the evaluation. The overall results do not suggest that there has been any transformative impact. While there is some suggestion that there has been a decrease in the relative extent to which families may face any problems due to alcohol, drugs and gambling, this is counterbalanced by an increase or no change in having more severe problems from these causes. In addition to showing the same aggregate pattern, those on Voluntary Income Management in addition to showing the same aggregate pattern have positive change with regard to problems with alcohol, but deterioration with respect to gambling. Similarly, while there is an apparent relative improvement with regard to being adversely affected by humbugging at the individual level, there is no evidence of this reducing at the community level; and there has been a relative increase in the propensity of people subject to income management to seek financial assistance from others in order to obtain essentials. There is no evidence of there being improvements at the individual level when all of the indictors are drawn together.

While as indicated above the data does not point to any consistent significant improvements by subgroup, this is most apparent for those on compulsory measures. In the case of those on Voluntary Income Management the picture is more complex – with a pattern of some apparent improvements on a number of specific indicators, but with these being countered by some strong negatives, and an absence of change in the aggregate measures.

Despite the absence of these effects there appears to be a softening of the attitudes of people subject to income management to the policy; this however may be another reflection of the extent to which those on the program have adjusted to it and accept, and indeed prefer it as an easier way of managing.

7.5 Summary

This chapter draws together two strings of analysis. The first are the views of those who are currently subject to income management or have exited the program as quantified in the LSNIM. The second uses data derived from the LSNIM to evaluate the extent to which income management may have impacted on the outcomes of those on the program.

The first section identified several themes. The initial theme was a wide diversity of views about the program, ranging from the highly positive to the negative. The second was some evidence that, while there was a considerable group who report that they feel they were gaining benefit from the initiative, this was being achieved not so much by an enhancement of their skills and abilities, but rather by making management of their lives easier, frequently through additional tools such as the BasicsCard. A strong sentiment from this group was a desire to remain on the program indefinitely. In contrast, for others income management stimulates some strong negative sentiments of unfairness, embarrassment and discrimination, and acts against what people express as their desire to control their own lives, and their freedom.

The final section considers the extent to which income management has actually improved outcomes. While this analysis found a few isolated positive outcomes, including a relative reduction in moderate problems associated with alcohol, drugs, and gambling at the family level, these were balanced by no change, or even a relative increase in higher-level problems from these causes, and no evidence of any community wide impacts. Similarly, while identifying a relative decrease in the incidence of adverse outcomes from financial harassment at the individual level, there was an increase in the extent to which people on income management sought financial assistance from others. There was no aggregate impact across the whole domain of financial wellbeing outcomes. To the extent there were positive shifts, these were more apparent for those who had chosen to go onto Voluntary Income Management, rather than those who were obliged to go onto the compulsory measures.

8 Views of people on income management – qualitative findings

The following chapter outlines the themes that emerged from analysis of the qualitative interviews which were conducted in conjunction with the Longitudinal Study of New Income Management Survey. The numbers of participants within the different income management subgroups were quite small. However, the responses assist in illustrating some of the views and experiences reported in the survey (refer to Chapter 7). Responses to open questions made by people who participated in the survey have also been incorporated in the findings.

8.1 Introduction

As outlined in Chapter 3, semi-structured qualitative interviews were conducted alongside the Longitudinal Study of New Income Management Survey with 46 people as part of the second phase of the evaluation. A total of 40 interviews were conducted with people living in the Northern Territory and six were with people living in the remote contrast sites. Of the interviews conducted with people in the Northern Territory, 29 people were living in urban areas and 11 in remote areas. This included 31 people on income management at the time of the interview, four people who had been on income management but were no longer, two nominees, and three senior elders. Women were more likely to participate in the interviews, with 22 female participants interviewed compared to 15 male participants. The gender of the three senior elders was not recorded. Almost two thirds of interview participants were Indigenous and one third non-Indigenous. The number of people interviewed on each of the different income management measures is outlined in Table 8-1. Each subgroup was quite small, aside from those on Voluntary Income Management.

Six interviews were conducted in the remote contrast sites. This included two people on Voluntary Income Management, two young people wishing to commence income management, and two service providers.

Table 8-1 Number of qualitative interviews, 2013 and 2014

Area	CPIM	CIM-LTWPR	CIM-DEY	VIM	VWPR	Exempt Exited	Senior elder	Nominee	Service provider	Other	Total
NT – urban	2	3	5	10	5	4	-	-	-	-	29
NT – remote	-	1	-	-	1	-	3	2	-	4[a]	11
Contrast Site B – remote	-	-	-	2	-	-	-	-	2	2[b]	6
Total	2	4	5	12	6	4	3	2	2	6	46

Notes: (a) Participants were on income management but the type of income management was not recorded.
(b) Participants wishing to commence income management.

The interviews involved series of supplementary questions that were undertaken at the conclusion of the survey. The interviews explored the following broad questions:

- Participants' perceptions of what they feel is good or bad about income management.
- The differences in having a BasicsCard to a key card?
- Participants' attitudes to staying on income management or getting off income management.

- The reasons why people have voluntarily taken up income management.
- Changes in health and wellbeing; including the use of tobacco/alcohol/gunja/gambling while on income management.
- The impact of income management on how well people manage their money.
- Impacts of income management on the overall community health and wellbeing.

In both the qualitative interviews and the survey responses, non-Indigenous participants, especially women, were more likely to answer questions, and their answers were longer and more detailed. This is reflected in the selection of quotes below. Generally, people who responded to the open-ended questions in the survey were more likely to provide negative responses, and similarly in the interviews negative views were more strongly expressed. This is often the case when open-ended questions are provided. The quotes presented below are therefore illustrative of themes which emerged from the analysis, and numbers of quotes are not necessarily proportionate to the numbers of people who responded in a particular way to the point, but are indicative of the themes which emerged from the response. Where a particular point was made by the majority of participants in the qualitative interviews, this is pointed out in the analysis.

8.2 Views and experiences

8.2.1 Navigating the income management system

Participants in the qualitative interviews were asked about what they felt was good or bad about income management. Reflecting the patterns in survey responses about different aspects of the measures, there were some differences in responses to these questions based on whether people were on the voluntary or compulsory measures. This was particularly the case in regard to how people experienced the process of being placed on income management and how they were informed about this.

People who were on compulsory forms of income management frequently spoke about a lack of notice and information from Centrelink regarding their income support payments starting to be quarantined into the income management account. Late or no notification for people being put into the income management system resulted in some people not being able to immediately apply for an exemption, and for others it caused problems with direct debit payments from bank accounts.[122]

> How the information was initially put out was a bit random. No information or warning about being put on income management. It wasn't voluntary. (Exited, non-Indigenous female living in urban area, interview)

> I received a letter late and then it was too late to not be put on income management. (CIM-DEY, non-Indigenous male living in urban area, interview)

> One week I was getting the full amount, the next week I got half the amount. That's how I found out I was on income management. (CIM-DEY, non-Indigenous male living in urban area, interview)

> I never got told, just started getting less money. (CIM-LTWPR, Indigenous male living in remote area, interview)

For one person, the lack of notice led to a period of financial hardship because she did not have sufficient funds available to pay rent or bills. As they explained:

> I didn't know I was on income management, I got put on income management and then found out I was on it because I didn't have enough money in my bank to pay my rent …. I actually ended up with debt because I couldn't pay my rent that fortnight and it put me out for the next two months …. when I went into Centrelink they told me that they had sent me out a letter

[122] DSS advise that the official process is that Centrelink notify people in writing their payments will be income managed requesting they contact Centrelink. Letters includes advice that if they do not make contact within 28 (urban), or 56 (non-urban), days income management may automatically commence. There is some discussion of this commencement process from the perspective of intermediaries in Section 10.3.1

> advising of this changeover and giving me the option to get an exemption, but I didn't receive any letters. (Exempt, non-Indigenous female living in urban area, interview)

Once income management had been established, people across the different types of income management noted that routine communication with Centrelink related to managing their income managed funds could be challenging. A small number of people on Vulnerable and Voluntary Income Management spoke about the inconvenience of needing to make telephone calls to Centrelink to have money transferred from the account containing their unallocated income managed funds, colloquially known as their kitty, onto their BasicsCard, or to arrange bill payments. Lengthy waiting times while on the telephone to Centrelink were seen as inconvenient and reported as being costly when the only option was to call via a mobile phone.[123] As people explained:

> I have to wait a long time when I ring up Centrelink to transfer money over to my BasicsCard. (Vulnerable, Indigenous male living in urban area, interview)

> The main thing about BasicsCard is money in the kitty has to be transferred over to BasicsCard and you have to buggerise around with that. It costs you money on the phone too: charged at normal rate. That's a problem. You spend about an hour on the phone. (Exited, Indigenous male living in urban area, interview)

> Bill payment arrangements – you have to call up and provide bill/account payment details. When I've paid out a bill I have to make changes to this and call waiting is problematic. It also costs money on your phone call too. I only have a mobile phone and there is no such thing as a free call with a mobile. (Voluntary, non-Indigenous female living in urban area, interview)

A couple of people did, however, speak positively about the assistance received from staff when they did contact Centrelink:

> Best thing is the service [at Centrelink]. I've rung up and spoke to people and had no dramas with Centrelink …. I've had problems with internet banking for BasicsCard, transferring from kitty onto the card …. I spoke to a lady and she helped me track down the problem. (CIM-DEY, non-Indigenous female living in an urban area, interview)

> The lady I spoke to in the exemption team was amazing. (Exempt, non-Indigenous female living in an urban area, interview)

Exemptions and appeals

Participants in the qualitative interviews were asked about whether they wished to remain on income management and whether they had attempted to gain an exemption or to exit income management. Almost half of the participants on compulsory income management who were interviewed spoke of wishing to exit income management. However, a number of challenges were raised including not being provided with clear information from Centrelink relating to the process of getting an exemption or lodging an appeal, and the perception that the process was complex and arduous. As people explained:

> I don't have any information on that. I've asked what I need to do to get off it, twice now and gotten nowhere. So I've just given up. (CIM-LTWPR, non-Indigenous male living in urban area, interview)

> The [exemptions] process doesn't seem to be easy. I'd have to go into Centrelink to get told to fill in another form and then after doing that I'd be told that I need to come back on another day to have an interview. It's a big run around. I don't even know what I have to do to actually get off income management. (CIM-DEY, non-Indigenous male living in urban area, interview)

> Tried to get off income management but you've got to do all these tests. I want to get off that BasicsCard. I don't want to be managed. (CPIM, Indigenous male living in urban area, interview)

[123] DSS advise that as of November 2012 phone calls made from Telstra mobile phones to the Centrelink "free call" number became free. Prior to this only calls from fixed phone services were free and calls from mobiles were charged at full mobile rates, as they continue to be on non-Telstra phones. The issue of changing of these calls has been one of the key issues that the Australian Communications and Media Authority has been working on since 2010, the deadline for all providers to provide this to all freecall numbers is January 2015. (ACMA 2013)

These challenges were similar to those raised in survey responses by people on compulsory income management. The survey asked participants about their experience when trying to get an exemption. Both Indigenous and non-Indigenous participants spoke of challenges. The key challenges raised were not receiving sufficient assistance or information from staff at Centrelink, the amount of documentation required, or having their application rejected due to school attendance records of their children.

On the other hand, the two people interviewed who had been successful in gaining an exemption spoke about finding the exemption process quite straightforward. Both were non-Indigenous females who had school-aged children and were living in an urban area. They spoke of arranging health checks through their general practitioners, organising school attendance records, and discussing with a DHS staff member how they budget and manage their finances. However, one expressed concern that while she was able to understand the process it may be challenging for certain groups of people:

> It was easy for someone like me but for those people who have low literacy and numeracy skills I can see how it would be a daunting task. (Exited, non-Indigenous female living in urban area, interview)

The other spoke of being provided with incorrect information by professionals involved in the exemption process, which indicates there may be a need for further community education:

> I was given incorrect information on the doctor's medical papers by the doctors, which screwed me around really badly. It was really embarrassing as they made me out to look like I didn't know what I was doing. (Exempt, non-Indigenous female living in urban area, interview)

There were mixed views expressed by survey participants who had gained an exemption from income management when asked about the exemption process. Again, those commenting were non-Indigenous females living in urban areas. Half of those who commented spoke about the process being straight-forward, with most commenting that they could understand the rationale behind the process, including the potential intrusiveness of the questions relating to personal money management decisions. As people explained:

> It was really easy and I do agree with why they would be so nosey as to what you're spending your money on. I mean it's tax payers' money not yours. (Exempt, non-Indigenous female living in urban area, survey response)

> It was straightforward, not a hassle, I understand why you have to through it. A good process. (Exempt, non-Indigenous female living in urban area, survey response)

> It's not a pleasant experience but I understand the reason why it's there. It was an easy process and the staff were good. (Exempt, non-Indigenous female living in urban area, survey response)

However, the other half of the participants who commented spoke about the process being lengthy or frustrating, with a couple of people acknowledging that they felt embarrassed or humiliated during the process:

> Long and very drawn out, that said the lady that did the interview was good humoured and apologetic, said this happens all the time and she gets people like me all the time who are more than capable, the process was way too long, far harder to get me off it than it was for them to put me on it. (Exempt, non-Indigenous female living in urban area, survey response)

> I found it annoying that I had to do all the running around for paperwork from the school and doctors …. I also think its shaming to ask your child's school to give you an attendance record as then they know your payments are government funded and look at you differently every time you're behind in your fees or any other struggles you may have. (Exempt, non-Indigenous female living in urban area, survey response)

> The way in which the income management is structured doesn't work. The appeal system doesn't work and makes people have to go through ridiculous steps to prove they are not in need of income management …. People should be exempt from income management who do not have alcohol, drug or gambling problems. My child regularly attends school and it is condescending to

> be asked to provide proof of this when it is a given in the way I bring my children up. I am far happier now that I am off it and can pay all of my bills and manage my money myself. (Exempt, non-Indigenous male living in urban area, survey response)

8.2.2 Fairness of the income management process

Around a quarter of people across income management types, with the exception of people on VIM, expressed the view during the qualitative interviews that the income management system would be fairer if compulsory income management was decided on a case-by-case basis rather than being applied universally:

> I think it needs to be a case-by-case implementation. You can't prequalify people because that would be discriminatory, so you would have to look at each case individually. (Exited, non-Indigenous female living in an urban area, interview)

This point of view was most often held by people interviewed who reported a pre-existing ability to budget and manage their finances. This group of people perceived little personal benefit from being placed on income management, although they felt that it may be useful for those who were less able to manage their finances or who were experiencing difficulties with substance abuse. They suggested that the assessment process required modifying:

> Regardless of whether or not someone is on an income support payment, they should be assessed properly to ascertain whether or not they will actually benefit from being on income management. Some people who are on income management are capable of managing their money and do so quite well. A more holistic approach, finding out whether or not there is substance abuse or care of children issues, this should be identified and then the person placed on income management. If the person does not have issues it's a waste of government money as well as the person on income management is really inconvenienced. (CIM-LTWPR, Indigenous female living in urban area, interview)

A number of people who participated in the survey, predominantly people who were either exempt or had exited income management, shared this perspective:

> They should take more of a close look at people's circumstances and then make a judgement on it. (CIM-LTWPR, non-Indigenous male living in an urban area, survey response)

> There are a small minority who will benefit but it should not be a blanket solution. (Exited, non-Indigenous female living in urban area, survey response)

> Don't put people in the same basket. Do a bit more investigating on how people spend their money. (Exited, non-Indigenous male living in urban area, survey response)

> They are tarnishing everyone with the same brush. I welcome Centrelink to come into my home and see my lifestyle. I don't drink, smoke or gamble. Audit me. I'm happy for them to come. (Exempt, non-Indigenous female living in urban area, survey response)

> If there's someone who has a problem with drink I would tell them to go on it to get help; but if not, then not. In my view everyone should be on the same level. If you can't support your kids by buying food, drinking, gambling too much and taking drugs then yes, put them on income management; but if you support your family the right way then no. (Exited, non-Indigenous male living in urban area, survey response)

A small number of people also commented, in either the survey or the interview, on what they perceived as inherent value judgements behind the introduction of income management by the Federal Government. This included some participants seeing income management as a measure targeted at Indigenous people:

> I believe the BasicsCard and income management is racist and very discriminatory … if one person is on income management then everyone should be on it. All kinds, not just black mob cause they think we can't manage our money, not just a few States, the whole of Australia. (CIM-LTWPR, Indigenous male, survey response)

> Being income managed has changed their lifestyle which is good for some people but the Government shouldn't paint us all with the one brush. Because most of us have different lifestyles and we are not all the same. (Exited, Indigenous female living in an urban area, survey response)

> I asked why I got put on a black fella card and I was told that I chose to go on it. That's not true. (CIM-LTWPR, non-Indigenous male living in urban area, interview)

There was also a sense that income management was about imposing a way of living that was not necessarily relevant to the people who are subject to it. As people noted:

> Their way of thinking [Government], they think it's a good thing to do. But it's their way of thinking. (CPIM, Indigenous male living in urban area, interview)

> Income management is being forced on to people. Feels that this has created more of an issue where people can't give money as a family obligation and this means there is more stress in the community and can result in crime, unhappiness, and less safety. There is no understanding from the Government behind why people do things, it is just about making them stop a behaviour, for example, drinking. (Exempt, non-Indigenous female living in urban area, survey response)

This theme was also supported in interviews with intermediaries that included legal services, child protection and Centrelink staff who noted that income management did not take into account the ways that many Indigenous families in remote areas lived and shared their money.

8.2.3 Money management and financial counselling

There were mixed views as to the perceived benefits of income management in terms of providing assistance with money management and budgeting to meet essential household needs and expenses. Just over a quarter of people interviewed, who were either on a compulsory income management measure (Compulsory Income Management, Vulnerable Income Management and Child Protection Income Management) or who were exempt or had exited income management, spoke about the negative impact of income management on meeting essential household needs and expenses. People in this group were from a variety of different age groups, predominantly lived in urban areas, and were largely, although not solely, non-Indigenous. No one in this group spoke of having substance abuse issues at the time of commencing income management.

This group described difficulty managing given the reduced amount of non-allocated funds available when on income management. This had implications for people in having sufficient funds available to cover rent, bills and other payments, when payments could not be made directly through the income management system. Over half of this sub-group spoke of experiencing an increase in financial hardship resulting from these restrictions. Issues raised related to the high cost of living in urban areas in the Northern Territory, particularly difficulties faced in covering the cost of private rental when not all landlords are able or willing to accept income managed funds. As people explained:

> I find it's made things more complicated … I still have to look after our bills and household costs. The price of living here is high; money is spent and budgeted as tightly as possible. We were better off before income management. We managed it ourselves and could work things out a lot easier. (CIM-LTWPR, non-Indigenous female living in urban area, interview)

> I pay $500 a week in rent here, and I pay that straight to my landlord. I have to share with my ex-partner. It's the only way I can keep up with the bills. But rent is so expensive. There are a lot of people who can handle their money that shouldn't be on it. (Vulnerable, Indigenous female living in urban area, interview)

> Money management doesn't exist because there's not enough cash to manage. I have to pay $80 per week in rent which means there's no money left to manage. (CIM-LTWPR, non-Indigenous male living in urban area, interview)

A couple of people who spoke about these issues suggested that a change to the percentage of money quarantined to the BasicsCard could make the issue more manageable:

> Family support can cause problems …. It takes all the cash. We get less than what we owe. I only get $170 and rest is BasicsCard. If they could balance it out better it wouldn't be so bad. (CPIM, non-Indigenous male living in urban area, interview)

> My rent is $30 more than the Centrelink payment so I need to do casual work. This screws up payments depending on how much work I get. I've been looking for full-time work but no success as yet …. I help people to grow food gardens. Friends and that. So my need for $270 in the BasicsCard isn't required … all I need is $80 on my BasicsCard. It becomes an embarrassment. (Exited, non-Indigenous female living in urban area, interview)

Increased financial hardship was often accompanied by an increase in emotional distress, with half the group reporting that income management directly impacted on their emotional wellbeing. As people explained:

> It makes life a lot harder actually. I was already suffering from depression and that just made it worse. (Vulnerable, Indigenous female living in urban area, interview)

> Cash goes on rent so you have to live off your BasicsCard. You can't go and do little things because you can't use the BasicsCard. Your future's gone. Hate to be a young person on it. (CIM-LTWPR, non-Indigenous male living in urban area, interview)

The majority of people in this group considered there may be potential benefits of income management for people who may experience difficulty managing money, but felt they themselves had sound money management skills. Given this, being placed on income management was seen as unnecessary and often a hindrance to successful financial management. As people explained:

> I want to feel that I'm in control again. I can decide how and what I spend my money on. It's not like I drink or take drugs. I've been looking after myself and my family for a long time now and I'm pretty sure I can do that still. I'm not that far gone. I'm getting on and I've been unwell, but I can still look after my family right …. It's like taking over your finances. It's not fair on people that don't need it. (CIM-LTWPR, non-Indigenous female living in urban area, interview)

> I know how to handle my money. I have a degree in business management and I'm a qualified hairdresser who has managed salons. I know what I need to do and I was doing fine before the incident. I had some problems after that but I don't understand why I have to have my money managed and I don't know why I can't get off it. (Vulnerable, Indigenous female living in urban area, interview)

> I'm very good at saving money. In fact before I was on income management I was actually able to save money, but now that I am on income management I have a really hard time saving money. (CIM-DEY, non-Indigenous female living in urban area, interview)

On the other hand, almost half of the people interviewed, predominantly those on the Vulnerable and Voluntary measures, spoke of income management having a positive effect in enabling them to meet essential household needs and expenses. People in this group commonly lived in public housing, mostly in town camps/communities or remote areas. They described income management as beneficial for ensuring bills and rent were paid, and money was available for food. As people explained:

> Makes you handle and manage money more carefully. You watch what you buy. Stuff for the house. Bills are always paid and food always. (Voluntary, Indigenous male living in urban area, interview)

> Income management is good when you're paying bills. Without the BasicsCard we'd be stuck. I know they say about going back to normal ways, but once they do that all the money goes to grog. (Exited, Indigenous male living in urban area, interview)

> I stay on it more for the convenience. Someone else pays my bills and it's easier to budget at the end of the day …. It's a bit like a bill-paying account. You don't have to worry about bills getting paid on time. (Voluntary, non-Indigenous female living in urban area, interview)

> I think it has made a positive difference to how I spend my money. I never used to be very good with that, I like that it gets done for me really. I don't have to worry about it. Now all my bills get paid and I've got money for food and there is more in the groceries, so it been good like that. (CIM-LTWPR, non-Indigenous female living in urban area, interview)

People in this group tended to report that they experienced difficulty managing their finances prior to commencing on income management, with just over half the group reporting that a significant amount of money would previously have been spent on alcohol, cannabis (referred to as 'gunja') or gambling. A significant advantage identified in terms of financial management was the assistance provided by income management to alter previous spending patterns. Most in this group, as well as a number of survey participants, spoke about income management assisting them to save money and ensure that funds were available for food and essential items across the length of the pay period. As people explained:

> Helps me manage my money; It just made it easier to manage my money. Half on keycard and half on BasicsCard, it just made it easier for me. Before when income management started, I used to spend all my money in a couple days or one week. But now it's better. (Voluntary, Indigenous male living in urban area, interview)

> I wanted to go on because when we get cash we spend it really quick and then have to wait until next payday to see some cash. By that time we run out of food and go hungry. I wanted to go on income management because I was struggling. (Vulnerable, Indigenous female living in urban area, interview)

> Not overspending my money. I used to always spend spend but now I have a limit to what I spend my money on. (exempt, non-Indigenous female living in urban area, survey response)

> I used to be real frivolous with my money but now I think about tomorrow and not just today, it's helped me understand the value of money. (Vulnerable, Indigenous female living in urban area, survey response)

However, there were mixed views expressed as to whether income management provided assistance in enhancing money management or budgeting skills. One person interviewed, who was exempt from income management, commented that income management does not sufficiently teach people to budget:

> Doesn't actually teach them to really manage their budget appropriately. For example, do you go to the servo and spend $70 on food but really only end up with about $20 worth of food? …. Should teach people how to manage their money not manage it for them. (Exempt, non-Indigenous female living in urban area, interview)

This view was supported by a couple of respondents in the survey who described income management as a short-term strategy that did not necessarily enhance the skills of those who required assistance:

> I can see the merits of it and how it can work for people especially out in communities, but there should be more choice in how much is quarantined and not just a blanket number …. I feel that it's just a Band-Aid fix and really more time spent on education of how to manage money is needed, more consultation with community and people actually on the ground experiencing it. (Exempt, non-Indigenous female living in urban area, survey response)

> I don't think income management is actually teaching people to be self-sufficient and responsible it just controls it all for them, so people aren't actually learning. (Exempt, non-Indigenous female living in urban area, survey response)

However other participants had the opposite view:

> BasicsCard has changed people's way of spending their money and teaching them to spend it properly. Teaching them to spend it on to buying more food, clothes and other stuff instead of wasting it on grog, drugs and gambling. (CIM-LTWPR, Indigenous male living in urban area, interview)

> It's a great idea to teach how to allocate your money better and to allocate your money for your bills. (Exited, non-Indigenous male living in urban area, survey response)

> It's just taught me to be positive and not just chuck around my money. It taught me on how to budget my money. (Exited, Indigenous female living in urban area, survey response)

8.2.4 Restrictions resulting from income management

Across all income management types people raised issues relating to the restrictions imposed through the use of the BasicsCard. People spoke about being forced to shop in large supermarket chains rather than alternative options such as food markets, health food shops or food cooperatives:

> You can only go to certain area. Places that you can get what you need. It does force you to use (person named major supermarket) (CIM-DEY, non-Indigenous male living in urban area)

> Well [my local] shop. You can't use it there anymore. They had the BasicsCard facility removed because they were selling grog and tobacco to the Aboriginals (CIM-DEY, non-Indigenous male living in urban area).

> Being income managed in the Northern Territory meant that I could only use my BasicsCard there and that was at limited places, I found it to be very hard to live my life, i.e., get fuel at certain places and shop where I would normally (I mainly use a health shop). I was put on income management not by choice and it is terrible for me (survey response, Indigenous female).

Not being able to use BasicsCard to pay utility bills (until recently), credit bills or private property rental was a significant issue for some people[124]:

> It's a government card so you should be able to use the thing on government facilities or utilities but you can't. Like power, water or the post office. (CIM-LTWPR, Indigenous male living in rural area, interview)

> Because they make it harder to pay bills by putting me on income management which takes too much time to ring around on the phone to get bills paid for. And takes so much more time to go from place to place to get letters and cheques to take to where you need to pay. (CIM-LTWPR, non-Indigenous male, survey response)

> Electricity and certain basics – you can't pay your bills with it. I feel like a kid not being able to pay my power bill with BasicsCard and need to call Centrelink to ask them to transfer my money for me. (Vulnerable, Indigenous female living in urban area, interview)

> It is flawed in that certain bills and expenses cannot be paid through income management. If it is to work better changes need to be made. For example, rent should be able to be paid to private landlords and credit card payments should be able to be made through income management. (Exempt, non-Indigenous male living in urban area, survey response)

Access to pharmacies and restrictions in being able to travel interstate were also commonly raised by people across income management types:

> I have had chemist refuse BasicsCard which caused problems with me accessing my medication. (Vulnerable, Indigenous female living in urban area, interview)

> Places won't accept it. Leaving the state I had problems using it at second-hand shops and pharmacies. I had to get a prescription filled for my daughter and couldn't find a chemist that would accept it. (Voluntary, non-Indigenous female living in urban area, interview)

> Travel is also a bit difficult because of a lack of facilities around Australia. (Exempt, non-Indigenous female living in urban area, interview)

[124] As noted earlier in footnotes 97 and 98 there have been some expansion in the range of merchants, including utilities and Australia Post, who accept the BasicsCard

One person noted that the situation had improved somewhat since income management was first introduced in the Northern Territory, as more places within the Northern Territory accept BasicsCard than previously:

> Fair now, but five years ago it wasn't. More people know about it. My friend lost his keys: we called a locksmith and paid it with BasicsCard. Five minutes: sorted. (Vulnerable, Indigenous female living in urban area, interview)

8.2.5 Changes in financial harassment ('humbug')

At an individual level there were mixed responses to whether income management had reduced financial harassment or 'humbugging' for the participant. Most of those who reported issues during interviews were either on Vulnerable or Voluntary Income Management measures and living in town camps or communities, with older people reporting more harassment than younger people. For those reporting ongoing financial harassment with the introduction of income management, it was often for food and accommodation rather than directly for cash:

> BasicsCard has not changed humbug for me at all. That mob don't take no for an answer. They use me as a temporary house and when they come in from Groote Eylandt and Daly River way, they stay here and don't help me with anything. (Vulnerable, Indigenous female living in urban area, interview)

> I got big mob of grandchildren. They humbug me for feed and that. I'm a big-hearted woman, I like to share things with my family. Especially grandchildren, I can't be hard. Maybe a little bit of dollars, mostly I just give them a feed and cigarette … but we black fella hey, we do that, we share with our families. (Voluntary, Indigenous female living in urban area, interview)

> Sometimes if you got big family and they come over they eat all your food and it's gone then too. (Vulnerable, Indigenous female living in urban area, interview)

Security issues, including theft of the BasicsCard, were also raised in a small number of cases by people interviewed as contributing to ongoing financial harassment:

> Still humbug and stealing. They get the cards out of their bag when they sleep … so they can still steal their BasicsCard food … me and my wife, they steal our cards. Not really different, still need to look after it the same as a keycard. (Voluntary, Indigenous male living in urban area, interview)

> I lived at a community and supervised at a bank and I know how people share their information and their pins. Family will humbug or come in with someone else's card and try to get a balance on it or withdraw money … with the BasicsCard it's no different … there should be a photo ID on the cards. (Exempt, non-Indigenous female living in urban area, interview)

One older woman interviewed spoke of gaining assistance from her daughter to keep her BasicsCard safe, as she would otherwise most likely hand it over to family members requesting assistance:

> I couldn't hold my money. People would run to me for food, grog, smoke, but this time I only share with family … I still help them. My daughter, she looks after my BasicsCard for me. I can't have it here so she helps me with that. (Voluntary, Indigenous female living in urban area)

However, it was difficult to determine, based on the small sample of interviews conducted, whether changes in financial harassment following the introduction of income management was potentially location-specific, as a number of participants in the surveys who lived in remote areas indicated that income management had assisted with managing financial harassment. A number of people, predominantly older women on Voluntary Income Management, also spoke about income management providing some protection from financial harassment or financial exploitation. This group spoke about wishing to remain on income management due to the above-mentioned benefits and subsequent improvements to their quality of life:

> I'm an old lady, it is good for me and my kids and grandkids can't get money off me, I'm very strong with my money. When I'm sick I'll give my granddaughter to get me medicine and food that's all. (Vulnerable, Indigenous female living in remote area, survey response)

> Sometimes I feel good about it. Other times I'm no good. My feelings go up and down about being on income management. When I'm on income management it saves me from being humbug but then it still little money that I'm getting compared to other mob. (Voluntary, Indigenous female living in remote area, survey response)

> Family always asking for money but BasicsCard helps me be more relaxed because you can't get money from BasicsCard. (Voluntary, Indigenous male living in remote area, survey response)

> Income management made my life better, ever since I came onto income management. Ever since the intervention and when I first got my BasicsCard. That's when my life started to change. (Indigenous female living in remote area, interview)

One person commented during an interview that it was people with alcohol or drug problems who continued to harass others for money within the community. This is consistent with information shared by another person, living in the remote comparison site, who spoke about the personal benefits of having been on Voluntary Income Management for a short period. She explained that her husband was a heavy marijuana user and could be abusive towards herself and her children. Prior to commencing on income management, he would commonly use all the fortnightly income to purchase drugs or alcohol. Income management had been a positive measure for this person, in that she had learnt strategies to ensure that money was available to purchase food. She had, however, elected to not remain on income management as she kept losing her BasicsCard. As she explained:

> Last year, all my money got spent on payday. I had to give it to other people, mainly my husband so he could buy gunja and grog. My husband used to take all the money. Now I hide it. I tell people that I got less than I really do … I did that because I had to get my kids back from welfare and stop these problems …. I'm off it now, but the BasicsCard taught me to save my money. I made the choice to put my kids first and look after them. On the BasicsCard I didn't have to give all my money to my husband, and that taught me to hide money so I had some for a feed for my kids. (Exited, Indigenous female living in remote contrast site)

While financial harassment often occurred for Indigenous people, some non-Indigenous people also reported experiencing harassment from friends, often for food or cigarettes. A couple of younger people spoke of no longer being as harassed since commencing income management:

> I do have one friend who tends to humbug a bit. Mostly for ciggies. It's a bit better now because I just say "no". It's a lot better. (CIM-LTWPR, non-Indigenous female living in urban area, interview)

At a community level, a number of people interviewed spoke of income management failing to make a significant difference to the incidence of financial harassment or humbugging, although some of the methods were observed to have changed:

> You pull up to servos and see all the people on BasicsCard trying to humbug people to pay for fuel with BasicsCard and get the cash for themselves. (Vulnerable, Indigenous female living in urban area, interview)

> Every day if I go out: I get humbugged wherever I go. Down town, down the beach … I've noticed an increase in prostitution as well. They have come up to me a lot more than they used to and ask me if I want sex for $20 or a six-pack. (CIM-LTWPR, non-Indigenous male living in urban area, interview)

> If they can't get cash out of people then they will humbug for a feed because they've spent all their money on whatever and have no food. (Exempt, non-Indigenous female living in urban area, interview)

8.2.6 Health and wellbeing

There were mixed views as to the perceived benefits of income management both in terms of providing assistance with accessing food and other essential items and reducing drug and alcohol consumption. Similar to the responses in the quantitative survey, people on compulsory income management and those who were exempt or had exited income management spoke about limited change in their quality of life or behaviour following the introduction of income management. As one person explained:

> You spend it all on food, rent, bills, so it doesn't make much difference to me. (CIM-DEY, non-Indigenous living in urban area, interview)

People on the Vulnerable and Voluntary Income Management measures were more likely to speak about positive benefits of income management to their wellbeing, including being better able to care for themselves or their family. Having funds specifically designated to be used for food and other essential items had enabled these people to make positive changes to their spending habits. As people reported::

> Now when I get my BasicsCard money I buy nice food, like yoghurt. Really improving my health and attitude. That's because I am homeless and don't have my kids. BasicsCard has helped me to change the path I am on. (Vulnerable, Indigenous female living in urban area, interview)

> I wanted to go on because when we get cash we spend it really quick and then have to wait until next pay day to see some cash. By that time we run out of food and go hungry. (Vulnerable, Indigenous female living in urban area, interview)

A number of people on various income management measures spoke about the personal health benefits of having less money available for the purchase of alcohol or drugs:

> Get myself feed and clothing. It's okay when I get onto BasicsCard. I used to spend all my money on, you know, drinking and gambling. (Voluntary, Indigenous female living in urban area, interview)

> Helped to cut down my drinking because I can't buy that grog with BasicsCard. (Voluntary, Indigenous male living in urban area, interview)

> I used to drink a lot and it kind of slowed me down. You know that BasicsCard has got its ups and downs. (CIM-LTWPR, Indigenous female living in urban area, survey response)

> Can't buy grog or smokes, can't gamble, it works better for me because money has got to go to food and bills, if I have too much cash I get little bit silly. (CIM-LTWPR, non-Indigenous female living in urban area, survey response)

> Before I was income managed I used to get full cash money and I used to spend my money on grog in one hit. Never realising I had four kids to clothe and feed but at that time. I went crazy drinking and I forgot about them. My Grandparents used to looks after them for me. Now that I have been income managed and I got a BasicsCard I have changed a lot. Now my kids come first before anything and I have really slowed down drinking. It has helped me manage my money better and I am careful of what I am spending it on. Looking after myself, my kids and my parents and we are all healthy and one big happy family. (CIM-LTWPR, Indigenous female living in remote area, survey response)

When people spoke about changes in drug and alcohol consumption in relation to income management they tended to speak about individual changes. At a community level, several people across income management types spoke of seeing limited overall change:

> Nah, it's gotten really bad here. Not better at all. Still drinking and fighting going on. (Voluntary, Indigenous male living in urban area, interview)

> People just don't care about their lives, they just still drink, smoke and gamble with their extra money. (Vulnerable, Indigenous male living in urban area, interview)

> People still drink a lot of grog and a big problem in our camp. (CIM-DEY, Indigenous male living in urban area, survey response)

There were mixed views as to whether children in the community were experiencing a better quality of life with the introduction of income management. This appeared to depend to a degree on where people lived. In one remote community a number of people interviewed spoke of the positive changes for children with the introduction of income management:

> Better, much better. Everybody slowing down on drinking. Now they spend more on food and their kids …. Our incomes go to school and the community people are trying to give their children a chance of a better life. (Voluntary, Indigenous female living in remote area, interview)

> Income management has made a difference for every parent in this community. (Voluntary, Indigenous male living in remote area, interview)

In the survey, some people living in urban areas also spoke about seeing improvements for children in their local community:

> Kids are going to school; mothers are doing big shops for food and clothing, that's all I can say. It's good. (Voluntary, non-Indigenous male living in urban area, survey response)

> Our camp is a family camp we encourage, support and look after all kids here. (Exited, Indigenous female living in urban area, survey response)

However, in other locations people's views were more mixed relating to potential benefits for children. People spoke about ongoing issues with drug and alcohol use and violence within their local community, with some people feeling that income management had helped to mitigate some of these issues, and others feeling income management had resulted in limited change for children:

> Most people look after their kids and all that other stuff. Others spend their money on kava/drugs. They the ones who should be on income management. Most of us are decent people. (Senior elder, remote area, interview)

> Some kids are healthier but most are not. It depends on the home environment if it's stable or not, if the parents are alcoholics or drug addicts. (Exempt, Indigenous female living in urban area, survey response)

> Kids are getting less food because parents are drinking and smoking more, and the carbon tax has pushed up the price of food, kids are less happier because of the drugs problem which is causing more suicides and they are not happy with what we are offering with the electronic pacifications. There are less cultural activities because the parents are just permanently drunk all the time. (Exited, non-Indigenous female living in urban area, survey response)

In the survey, participants were asked to comment on what had changed for children in the community. Participants mentioned a broad range of different issues that had impacted on the wellbeing of children, which as discussed below largely did not relate directly to income management. Issues described by participants included a reduction in cultural activities, varying levels of parental involvement, the quality of food being consumed, reduced school attendance, drug use and boredom. As people noted:

> Kids are bored, 'cause they're too into drugs. You speak to 90 per cent of the kids these days and there doing weed. And they are eating more junk food these days. (Exempt, non-Indigenous female living in urban area, survey response)

> They get more food but it is unhealthy and they go to school less because they think they can do what they want and they need more cultural activities. (CIM-DEY, Indigenous female living in urban area, survey response)

> Less healthy because their parents aren't spending their money where they should be. Parents are spending their money on more junk food and aren't feeding their kids healthy food. And you can spend money at the corner shops now. Because the parents are drunks and the kids are up until all hours of the night. (Exempt, non-Indigenous female living in urban area, survey response)

While most of the 500 responses to this aspect of the survey did not cite income management a considerable proportion (around 100 – some 20 per cent) either explicitly mentioned income management as a factor or made references which are likely to refer to income management. Most of these were positive although frequently they said little more than "BasicsCard had made a big change" or " more food money". Some of the more detailed comments included:

> Because of BasicsCard they are healthier and they get more food and parents take their kids to school more. 'Cause when we didn't have basics card people would gamble and drink and smoke all their money away. (CIM, Indigenous woman living in remote community)
>
> Kids are attending school a lot more ,because mothers are making sure there is food ,clothing and other essentials that is needed. All I can say is that the basics card has helped in these areas. (CIM, Indigenous woman living in urban area)
>
> I think when all the parents especially young ones are all on that income management it stopped them and settled them right out. (VIM, Indigenous man living in remote community)

Some cite both income management and other factors as being important to child outcomes in the community in which they live:

> Food wise you got basics card that and school wise you got school programs that help get the kids to school welfare has opened the eyes of parents considering the parenting of the kids in the community. (CIM, Indigenous woman living in town camp)
>
> Kids are going to school more and education has been a big priority. The kids have been able to learn the white fella way and their own way. Having income management makes families more responsible for looking after kids. (CIM, Indigenous woman living in remote community)

Others however say income management as impacting on children in the community in a negative way:

> Income management is being forced on to people. This has created more of an issue where people can't give money as a family obligation and this means there is more stress in the community and can results crime, unhappiness, and less safety. (ex-CIM, Non-Indigenous woman in urban area, survey response)

Elsewhere in the survey in response to direct specific questions about the impact of income management the issue of children was raised by a small number of people who mentioned that being on income management had resulted in additional difficulties as parents. A couple spoke of conflict arising within the family because the children did not understand why they were not able to receive spending money from their parents, and others spoke of not being able to afford specific items or activities, such as having a family meal out together. These difficulties related to having insufficient discretionary funds available to make these sorts of choices. As people explained:

> You can't do much on BasicsCard and income management. You can't take kids to the cinema and Darwin show don't use it and Mindil Beach market don't use it and even just to sit down and eat in the eatery you can't use the BasicsCard. (CIM-LTWPR, Indigenous female living in urban area, survey response)
>
> Well I'm getting more frustrated and if the kids need new school uniforms and books and I can't buy them because schools don't take BasicsCard. (CIM-LTWPR, non-Indigenous female living in urban area, survey response)

8.2.7 Comparison sites

A total of six interviews were conducted in the remote comparison sites for the Longitudinal Survey of New Income Management. Voluntary Income Management had been introduced in these communities since the First Evaluation Report. Interviews were conducted with a range of people, including two community members, two people who had commenced income management, and two people who wished to commence income management. These interviews were conducted at the request of the participants.

The community members interviewed expressed some concern about how Voluntary Income Management had been explained by DSS (then FaHCSIA) and DHS staff who had visited the community prior to the commencement of the program. Both felt that undue emphasis was placed on unrealistic long-term benefits of income management, such as being supported in accruing funds to purchase a car or to take a holiday, without sufficient information as to how this would be possible:

> FaHCSIA staff visited the community and told people about the card. They explained that people would be able to buy cars and go on holidays. In my opinion the Centrelink staff didn't place enough emphasis on the fact that the cars would be paid for via people saving some of their Centrelink payment. Some residents believed that Centrelink might buy them a car (Community member working in a remote area)

> I watched Centrelink people talking to people about the BasicsCard. They said things like 'you will be able to get a car, have a holiday'. They said that just to get people to sign up. It was shocking. (Community member working in a remote area)

One of the community members felt that the local community office should have been tasked with explaining Voluntary Income Management, as the local office has an understanding of the community and the systems within the community.

The people interviewed who had recently commenced income management, or who were hoping to commence income management in the near future, spoke of the benefits of income management. These were similar to those described by people living in remote communities in the Northern Territory, and included additional protection from financial exploitation, and structured assistance to ensure that money was available across the pay period.

> Being on the BasicsCard has been good for managing my money. I can make it last further. I spend a little bit every few days, and then I've still got some left till the payday (Voluntary, Indigenous female living in remote area)

> I'm not on the BasicsCard. I'm trying to get on so that I can save some of my money. They have told me I have to wait. I want to be on it because I am really sick of the humbug I get. I used to work, but as soon as I got paid everyone wanted my money …. It's hard to manage your money. Mine goes like its water. That's why I want to go on the BasicsCard. Everyone should go on so that they can learn to manage their money (Indigenous male living in remote area).

Few people from the remote comparison sites who participated in the survey provided additional comments, except in relation to the question of what had contributed to change for children in the community. Most survey participants provided a comment to this question, with half mentioning the opening of a youth centre, and the subsequent increase in youth and cultural activities. A smaller number spoke of the benefits of income management in terms of ensuring regular access to food.

9 The broader impacts of income management

9.1 Introduction

Income management has always been designed as a community level as well as an individual-level intervention. As such it is expected to produce positive impacts upon a substantial proportion of those who are subject to the measure, as well as the communities in which they live. Thus it should contribute to improvements in a range of aggregate outcomes for the Northern Territory. As outlined in the Evaluation Framework, areas in which the program logic suggests that income management is expected to have an impact include child developmental outcomes and protection, school enrolments and attendance, alcohol and tobacco consumption, alcohol-related harm, incarceration rates, and gambling.[125]

The approach taken in this chapter is to examine aggregate measures of relevant indicators at the Northern Territory level and where data allow, at the regional level for a time period spanning the introduction of income management until the present. Because New Income Management replaced an earlier form of income management (NTER Income Management), as documented in Chapter 4, a substantial portion of those on New Income Management since the second half of 2010 had already been subject to income management for some time. Thus the approach taken in this analysis is to consider, wherever data are available, time periods before the NTER and the introduction of NTER Income Management. Wherever possible the patterns are examined separately for Indigenous and non-Indigenous people. This is because the vast majority of those subject to income management are Indigenous (see Chapter 4) and therefore aggregate impacts of income management are more likely to be experienced by the Indigenous community. In addition, where the available data allow, the outcomes of Indigenous and non-Indigenous people in the Northern Territory are compared to people outside the Northern Territory in order to try and identify whether any changes in the Northern Territory are Northern Territory specific or more general.

As has been detailed in Chapter 2, income management is not the only policy operating in these fields. There have also been large investments in child health and in education, and a marked expansion of law enforcement, as well as actions such as the placement of Government Business Managers in communities to ensure that programs are more effective and appropriate to local needs. All of these should also have positive impacts on aspects of outcomes we are considering here. A consequence of this is that to the extent that there are changes it is not necessarily possible to attribute this to one policy or the other. It is also noted that these outcomes may also be affected by other factors, such as demographic and cultural forces, and macro-economic factors. However, some of these factors are unlikely to have a short-term impact on trends.

This chapter provides an overview of a range of outcomes that income management is expected to impact upon either directly or indirectly. The first part of this chapter focuses on child health and wellbeing, and the second part on a range of outcomes including alcohol, a measure of alcohol-related harm, and imprisonment rates. The focus on child outcomes in this chapter reflects the intrinsic importance of these, the extent to which changes for children were a priority for income management and the conduct of a specific sub-project within the evaluation in this regard, the results of which form the basis of this chapter.

[125] If effective, income management is also expected to have the effect of reducing gambling expenditure. Data limitation has meant that we have not considered the time trends in gambling expenditure in the Northern Territory.

The rollout of income management in the Northern Territory provides an opportunity to examine its impact on a number of outcomes over time. If income management were to have an effect on these outcomes, it would be expected that the effect would first be identified in the 73 prescribed NTER communities, beginning around 2008 or 2009. The effect should then be seen across the Northern Territory, especially for Indigenous people – as Indigenous people constitute the vast majority of those on income management – from 2010 onwards. In particular, there should be an improvement in outcomes for Indigenous people in the Northern Territory as compared to Indigenous people in the rest of Australia, particularly from 2010 onwards.

9.2 Child health and wellbeing in the Northern Territory

The initial focus in this chapter is on child health and wellbeing. While not all of the population subject to income management have children, a significant proportion do; the outcomes of children are potentially at risk from adverse behaviours and outcomes at the community level, and hence improvements in wellbeing by others are likely to have spill-over effects. Of course, for those with children, the core of the objectives of income management is to ensure that income is appropriately spent on them and their needs.

9.2.1 Child health and wellbeing measures and data sources

Child health and wellbeing is generally understood to be multi-dimensional and incorporates more than just physical health. A child's wellbeing includes being healthy and well physically, emotionally, culturally and socially (AIHW, 2012). The measures of child health and wellbeing, time periods examined and data sources used in this paper are summarised in Table 9-1.

Table 9-1 Child health and wellbeing measures and data sources

Outcome measure	Time period	Data source
Developmental outcomes at age 5 (Australian Early Development Index) Physical domain Social domain Emotional domain Language / Cognitive domain Communication domain	2009 & 2012	AEDI survey
Learning outcomes (at school years 3, 5, 7 and 9) Reading Numeracy Grammar and punctuation Spelling Narrative / persuasive writing	2008-2013	NAPLAN testing
School enrolment and attendance	2009 – 2012	
Infant mortality	2006 – 2012	AIHW
Low birth weight	2006 – 2011	AIHW
Immunisation of children	2008 – 2012	AIHW
Deaths due to injury	2005-07 – 2009-11	AIHW
Disability (requires assistance with care activities)	2006 & 2011	Census
Under/overweight (15–17 years)	2004-05 & 2002-13	National Aboriginal and Torres Strait Islander Health Survey
Hospitalisation rates Infectious and parasitic diseases Diseases of the respiratory system Injury and poisoning Total hospitalisations	2006-07 – 2010-11	
Diet (fruit and vegetable intake, cow milk consumption (12–17 years)	2004-05 & 2002-13	National Aboriginal and Torres Strait Islander Health Survey
Child protection Substantiations of notifications Care and protection orders Out-of-home care	2006-07 – 2010-11 & some 2012	AIHW

9.2.2 Developmental outcomes

Developmental outcomes of five-year olds

Every three years the Australian Early Development Index (AEDI) is used to assess the developmental outcomes of Australian five-year olds. The AEDI measures how children are doing across five developmental domains (physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication and general knowledge) using a teacher-completed checklist of approximately 100 questions for each student in their class. The cut-offs of whether students were developmentally vulnerable are derived from a ranking of all children's AEDI domain scores from the lowest to highest; the bottom tenth percentile is classified as developmentally vulnerable. The AEDI was administered for the first time in Australia in 2009 and for a second time in 2012.

In 2009, 3,650 children in the Northern Territory were surveyed across these five developmental domains. Of these children, 47 per cent were Indigenous. In 2012, 3,470 children were surveyed, with 40 per cent identifying as Indigenous children. Whilst the children were located across the different AEDI regions, the majority of the children were based in the Darwin AEDI Region.

Table 9-2 provides information on AEDI scores for children in the Northern Territory and nationally in 2009 and 2012. A much higher proportion of Northern Territory five-year old children are developmentally delayed than five-year old children nationally. Between 2009 and 2012, there have been substantial improvements in the proportion of students who were developmentally vulnerable in one or more domains for the Northern Territory as a whole. This is true for both Indigenous and non-Indigenous students. There were also improvements for children nationally, with the exception of physical health and wellbeing, which was unchanged. While the improvements nationally are smaller in absolute terms than those in the Northern Territory, the baseline national rate of children developmentally delayed is much lower than in the Northern Territory and thus the scope for improvement is less.

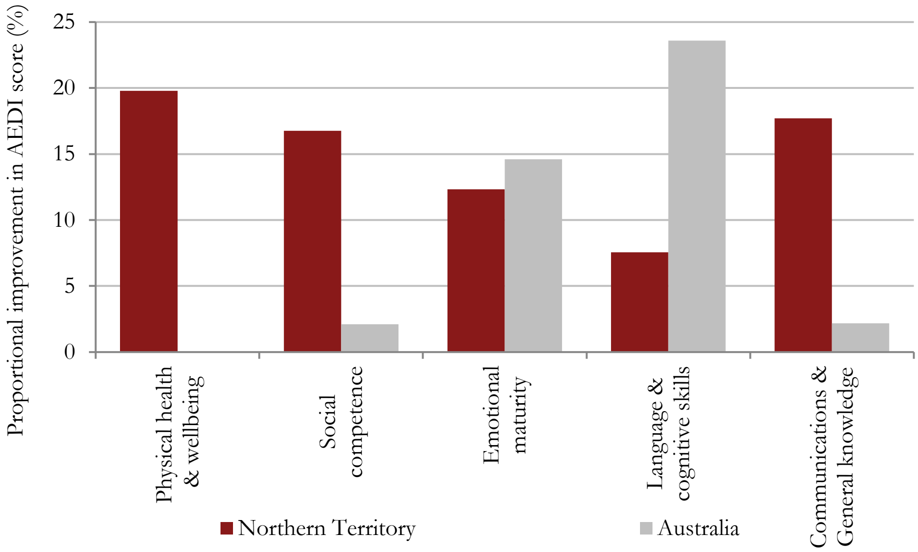
Table 9-2 Proportion of children developmentally vulnerable by AEDI domain, Northern Territory and Australia, 2009 and 2012

	NT		Australia	
	2009	2012	2009	2012
	%			
Physical health & wellbeing	18.7	15.0	9.3	9.3
Social competence	17.9	14.9	9.5	9.3
Emotional maturity	15.4	13.5	8.9	7.6
Language and cognitive skills	22.5	20.8	8.9	6.8
Communication & general knowledge	17.5	14.4	9.2	9.0

Source: Australian Government (2013a, Table 3.1).

Figure 9-1 presents these above results as proportional gains. In three domains – "Physical health and wellbeing", "Social competence" and "Communication and general knowledge" – the relative improvement in the Northern Territory outstripped the national change. In one, "Emotional Maturity", the rate of change was similar, and while showing some improvement, the remaining domain, "Language and cognitive skills", exhibited a rate of improvement much lower than that recorded nationally. On balance these results can be seen as a positive outcome.

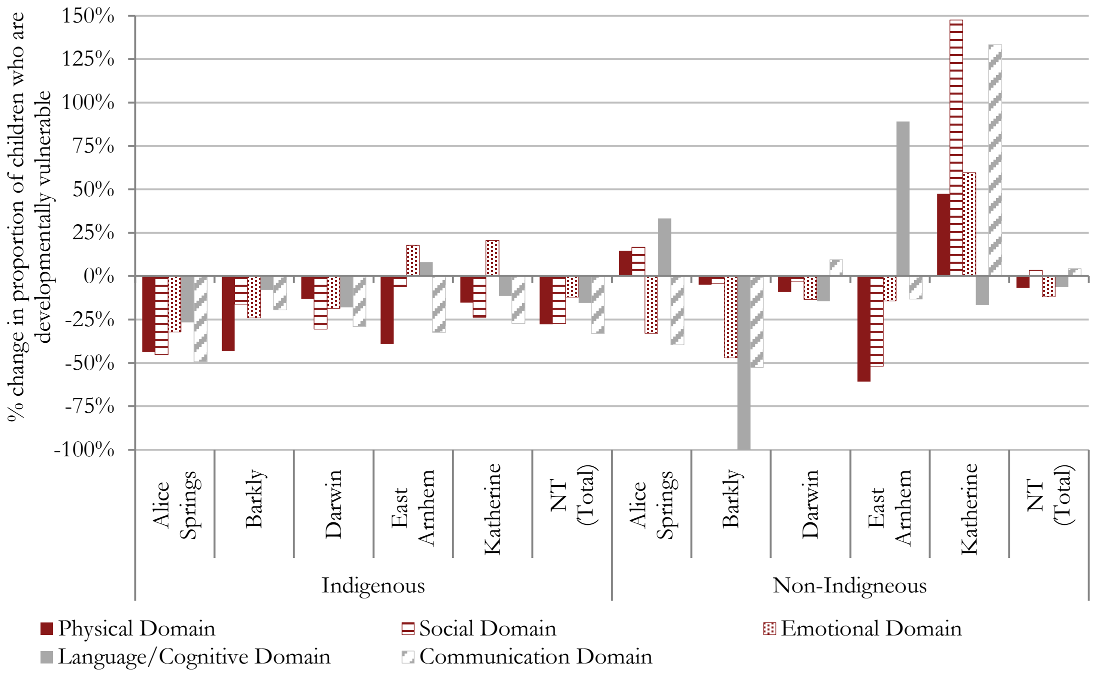
Figure 9-1 Proportional change in improvement by AEDI domain, Northern Territory and Australia between 2009 and 2012



Source: Derived from Australian Government (2013a, Table 3.1).

Figure 9-2 shows the change in AEDI scores between 2009 and 2012 for each region for Indigenous and non-Indigenous children. The changes in scores are presented in terms of the percentage change in the proportion of children that are developmentally vulnerable. To give an example, a change of -10 per cent means that between 2009 and 2012 the proportion of children who were developmentally vulnerable in the particular domain fell by 10 per cent. The main point to take from Figure 9-2 is that there was a reduction in the proportion of Indigenous children that were developmentally vulnerable between 2009 and 2012 for virtually all domains in virtually all regions. For non-Indigenous children the picture is more mixed, with improvements for most domains for most regions, but big increases in the proportion of children in Katherine that were developmentally vulnerable.

Figure 9-2 Percentage change between 2009 and 2012 in proportion of children who are developmentally vulnerable by AEDI domain by region and Indigenous status



Notes: Numbers in the figure are the percentage change between 2009 and 2012 in the proportion of children that are developmentally vulnerable.

Source: AEDI 2009 and 2012.

9.2.3 Learning outcomes

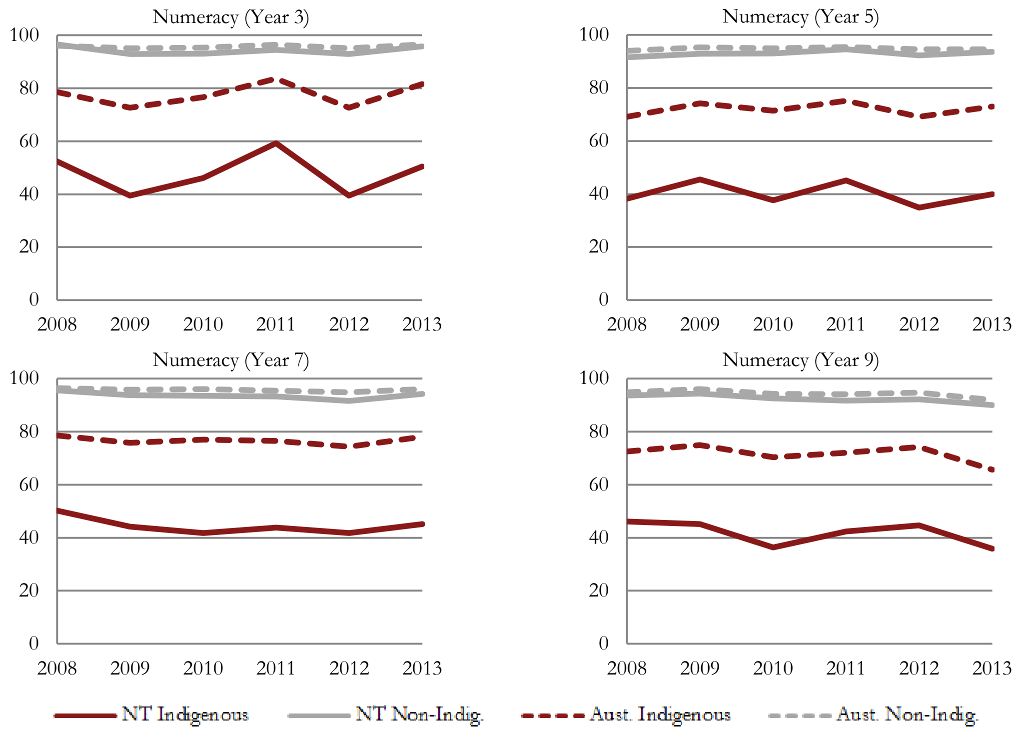
The National Assessment Program – Literacy and Numeracy (NAPLAN) has been administered annually since 2008 and assesses the performance of students in a range of areas including numeracy, reading, grammar, spelling, and writing. Children are assessed when they are in school years 3, 5, 7 and 9. The measurement of writing ability changed in 2011, which means that it is not possible to estimate changes in this domain and it is therefore not considered in this paper. The analysis in this paper focuses on two measures for each assessment: the proportion of students at or above the national minimum standard; and the mean score.

Proportion of children at or above the national minimum standard of achievement

Figure 9-3, Figure 9-4, Figure 9-5 and Figure 9-6 show the proportion of students for each school year who are at or above the national minimum standard for each assessment for the period 2008 to 2013. The results are presented separately for Indigenous and non-Indigenous children in the Northern Territory and nationally. For all four domains examined, Indigenous children in the Northern Territory have much poorer outcomes than non-Indigenous children and Indigenous children nationally.

For Northern Territory Indigenous children the numeracy results fluctuate from year to year, but no trend is apparent (Figure 9-3). There is perhaps some evidence of an improvement in numeracy for Northern Territory Indigenous and Indigenous children Australia-wide at Years 3 and 5, no change at Year 7, and a worsening at Year 9 from 2012 to 2013, but it is too early to tell whether this a trend; the fact that the same pattern is evident for Indigenous children in the Northern Territory and nationally strongly suggests that it is not a factor specific to the Northern Territory that explains this increase.

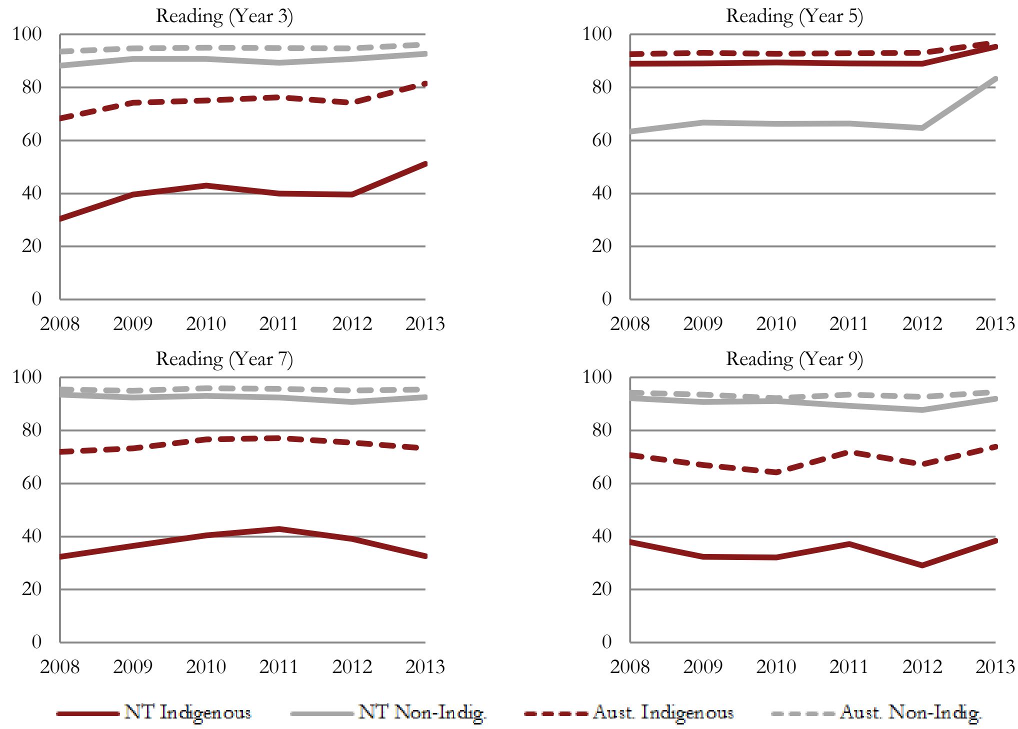
Figure 9-3 Proportion of children with numeracy at or above the national standard, by Indigenous status, NAPLAN, 2008–2013



Source: Authors' calculations using NAPLAN Reports 2008–2013 (Australian Curriculum, Assessment and Reporting Authority 2008, 2009, 2010, 2011, 2012, 2013).

Over the period 2008 to 2013 there is no evidence of an increase in the proportion of Indigenous children at or above the national minimum standard for reading (Figure 9-4). The only exception is for Year 3 Indigenous children – Northern Territory and Australia-wide – for whom there has been an increase in the proportion of children at or above the national minimum standard. Between 2012 and 2013 there was a very substantial increase in the proportion of Northern Territory Indigenous children in Year 3 and Year 5 at or above the national minimum standard for reading. The very similar pattern for Indigenous children nationally strongly suggests that it is not Northern Territory specific factors that explain the 2012 to 2013 improvements or the improvements for Year 3 children.

Figure 9-4 Proportion of children with reading at or above the national standard, by Indigenous status, NAPLAN, 2008–2013



Source: Authors' calculations using NAPLAN Reports 2008–2013 (Australian Curriculum, Assessment and Reporting Authority 2008, 2009, 2010, 2011, 2012, 2013).

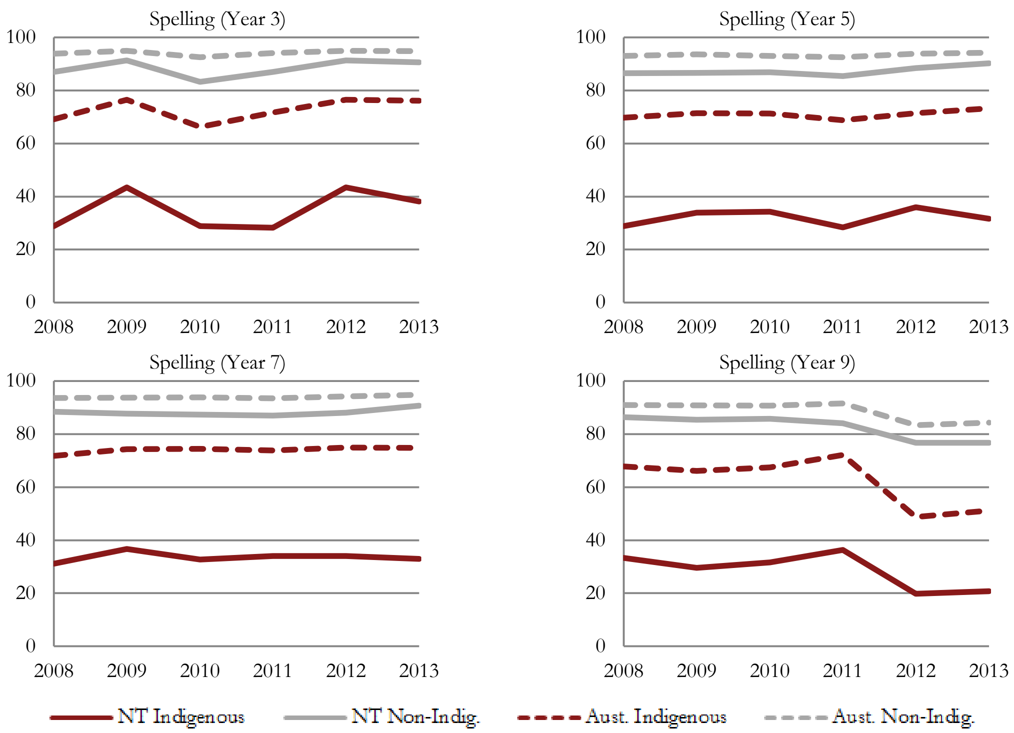
Inspection of the data on the proportion of children at or above the national minimum standard for grammar and punctuation results leads to the conclusion that at Year 3 and Year 5 there has been little change between 2008 and 2012, but a substantial improvement between 2012 and 2013 for Indigenous children in the Northern Territory and Australia-wide (Figure 9-5). For Indigenous children – Northern Territory and nationally – at the Year 7 and 9 levels, there is evidence of some increase between 2011 and 2012, but then a greater decrease between 2012 and 2013 in the proportion at or above the national minimum standard. Without further years of data it is difficult to interpret what this pattern means.

While the proportion of Northern Territory Indigenous children at or above the national minimum standard for spelling varies from year to year, there is no clear pattern of change.

Figure 9-5 Proportion of children with grammar at or above the national standard, by Indigenous status, NAPLAN, 2008–2013

Source: Authors' calculations using NAPLAN Reports 2008–2013 (Australian Curriculum, Assessment and Reporting Authority 2008, 2009, 2010, 2011, 2012, 2013).

Figure 9-6 Proportion of children with spelling at or above the national standard, by Indigenous status, NAPLAN, 2008–2013



Source: Authors' calculations using NAPLAN Reports 2008–2013 (Australian Curriculum, Assessment and Reporting Authority 2008, 2009, 2010, 2011, 2012, 2013).

Average achievement for each domain of assessment

This section presents information on the mean score for each assessment of Indigenous students in the Northern Territory and nationally.

Table 9-3 shows the mean score for Northern Territory children in 2008, 2010 and 2013 and the results of statistical tests of whether the 2008 and 2013 scores differ and whether the 2010 and 2013 scores differ. Table 9-4 provides this information nationally.

At Year 3 level there were statistically significant improvements in reading, grammar and punctuation and spelling between 2008 and 2013 and between 2010 and 2013 in the Northern Territory. At Year 5 level there have been statistically significant improvements across most domains between 2008 and 2013 and between 2010 and 2013 in the Northern Territory. At Year 7 and 9 levels the picture is much more mixed, with some improvements, some worsening, and a number for which there is no significant change in the Northern Territory. The pattern of changes is very similar for Indigenous children in the Northern Territory and nationally, suggesting that much of the change is not being driven by Northern Territory specific factors.

Table 9-3 Achievement of Years 3, 5, 7 and 9 Indigenous students in the Northern Territory, NAPLAN, 2008–2013

	Mean (standard deviation)						Difference	
	2008		2010		2013		2008–2013	2010–2013
Year 3								
Numeracy	275.0	(72.0)	266.0	(77.2)	271.1	(68.8)	↓	↑
Reading	208.1	(117.7)	246.3	(108.3)	265.8	(96.8)	↑*	↑*
Grammar and Punctuation	176.7	(133.3)	218.0	(116.0)	254.7	(107.5)	↑*	↑*
Spelling	208.4	(113.1)	213.5	(120.2)	253.3	(94.6)	↑*	↑*
Year 5								
Numeracy	355.9	(67.0)	351.6	(77.2)	360.8	(64.7)	↑	↑*
Reading	307.3	(107.8)	326.7	(102.5)	370.0	(77.4)	↑*	↑*
Grammar and Punctuation	286.4	(125.7)	295.6	(121.0)	343.2	(87.5)	↑*	↑*
Spelling	313.5	(107.7)	333.8	(103.9)	331.6	(101.7)	↑*	↓
Year 7								
Numeracy	428.3	(67.8)	416.5	(73.0)	417.4	(66.7)	↓*	↑
Reading	386.1	(93.0)	412.4	(79.9)	391.2	(90.7)	↑	↓*
Grammar and Punctuation	346.8	(109.7)	364.5	(99.5)	344.0	(113.4)	↓	↓*
Spelling	375.9	(104.8)	389.4	(98.4)	382.9	(110.1)	↑	↓
Year 9								
Numeracy	470.5	(70.8)	456.9	(72.6)	451.6	(80.7)	↓*	↓
Reading	446.5	(94.8)	445.1	(81.5)	456.2	(82.6)	↑*	↑
Grammar and Punctuation	411.5	(107.3)	413.5	(104.5)	397.3	(111.3)	↓*	↓*
Spelling	428.5	(109.2)	431.9	(101.3)	443.0	(103.3)	↑*	↑*

Notes: Statistical significance of changes on NAPLAN scores are undertaken using a two-sample mean-comparison test with both equal and unequal variance. * indicates that the scores are significantly different at the 95 per cent confidence level.

Source: Authors' calculation using NAPLAN Reports 2008–2013 (Australian Curriculum, Assessment and Reporting Authority 2008, 2009, 2010, 2011, 2012, 2013).

Table 9-4 Achievement of Years 3, 5, 7 and 9 Indigenous students Australia, NAPLAN, 2008–2013

	Mean (standard deviation)						Difference	
	2008		2010		2013		2008–2013	2010–2013
Year 3								
Numeracy	327.6	(70.6)	325.3	(71.2)	332.3	(65.5)	↓*	↑*
Reading	313.7	(96.3)	330.8	(89.6)	343.7	(82.9)	↑*	↑*
Grammar and Punctuation	305.5	(106.3)	317.6	(100.9)	345.0	(89.3)	↑*	↑*
Spelling	319.6	(96.8)	317.7	(99.6)	341.1	(87.9)	↓*	↑*
Year 5								
Numeracy	408.0	(65.8)	416.9	(70.5)	417.4	(66.0)	↑*	↑
Reading	403.4	(88.9)	409.6	(81.7)	439.4	(67.4)	↑*	↑*
Grammar and Punctuation	402.4	(99.2)	409.4	(92.9)	424.2	(74.3)	↑*	↑*
Spelling	417.1	(89.5)	423.4	(84.1)	427.7	(83,7)	↑*	↑*
Year 7								
Numeracy	476.2	(67.2)	477,5	(66.6)	475.7	(63.6)	↑	↓*
Reading	466.5	(76.3)	477.0	(67.7)	472.4	(72.3)	↑*	↑*
Grammar and Punctuation	446.3	(86.5)	455.2	(79.5)	451.7	(87,4)	↑*	↑*
Spelling	474.0	(86.8)	483.5	(82.0)	485.1	(84.6)	↑*	↑
Year 9								
Numeracy	515.1	(65.6)	515.2	(64.7)	507.9	(72.2)	↑*	↓*
Reading	513.8	(73.2)	505.6	(67.1)	520.1	(65.0)	↓*	↑*
Grammar and Punctuation	494.7	(79.4)	501.5	(76.5)	492.5	(82.6)	↑	↓*
Spelling	514.6	(85.0)	515.4	(80.6)	528.7	(75.5)	↑*	↑*

Notes: Statistical significance of changes on NAPLAN scores are undertaken using a two-sample mean-comparison test with both equal and unequal variance. * indicates that the scores are significantly different at the 95 per cent confidence level.

Source: Authors' calculation using NAPLAN Reports 2008–2013 (Australian Curriculum, Assessment and Reporting Authority 2008, 2009, 2010, 2011, 2012, 2013).

Overall, the results suggest that improvements are occurring at the early years at school across the different assessments, but that the outcomes for Years 7 and 9 are mixed.

9.2.4 School enrolment and attendance

This section focuses on the number of enrolments and the attendance rate of Indigenous and non-Indigenous children living in urban (for example, Darwin), remote and very remote areas in the Northern Territory.[126] Enrolment refers to the average number of enrolments over a four-week period and covers all preschools, primary and secondary schools in the Northern Territory. While we would ideally like to be able to report data on enrolment rates, rather than just on enrolment numbers, estimates of the enrolment rates do not appear to be available for the Northern Territory. The attendance rate refers to the proportion of time students attend out of all possible periods of time they are expected to be at school.

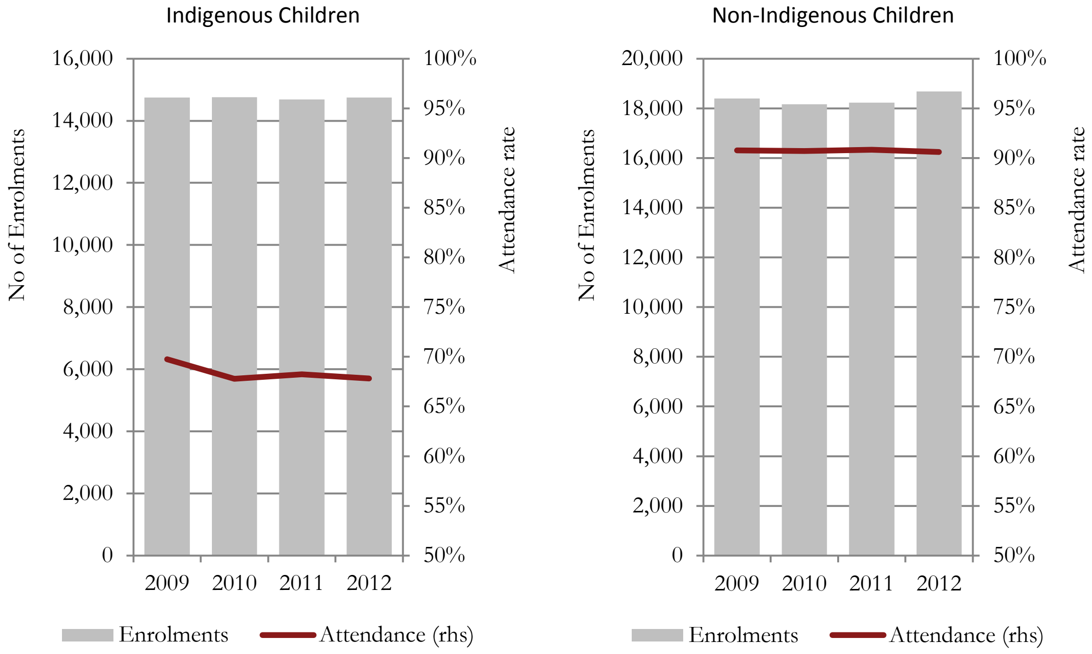
For the Northern Territory as a whole the school attendance rate of Indigenous children has fallen slightly from 69.7 per cent in 2009 to 67.8 per cent in 2012 (Figure 9-7). There has been no change in the attendance rate of non-Indigenous children in the Northern Territory. The attendance rate for Indigenous students is around 20 percentage points lower than that of non-Indigenous students, and is particularly low in very remote areas, at 58.1 per cent in 2012 (Figure 9-10).

[126] Data are from the NT Department of Education Enrolment and Attendance Statistics Database.

While the Northern Territory has released data for 2013, it reports that "[i]n 2013 new processes were introduced in the collection and processing of Enrolment and attendance (E&A) data, due to these changes 2013 E&A data cannot be compared to previous years." (Northern Territory Government Department of Education, 2014).

The data released by the Department show that as of Term 2 2013 the attendance rate by Indigenous students in provincial schools was 81.5 per cent, for those in remote schools 71.9 per cent, and in very remote schools 54.8 per cent. The equivalent rates for non-Indigenous students were 88.5 per cent, 81.1 per cent and 60.0 per cent.

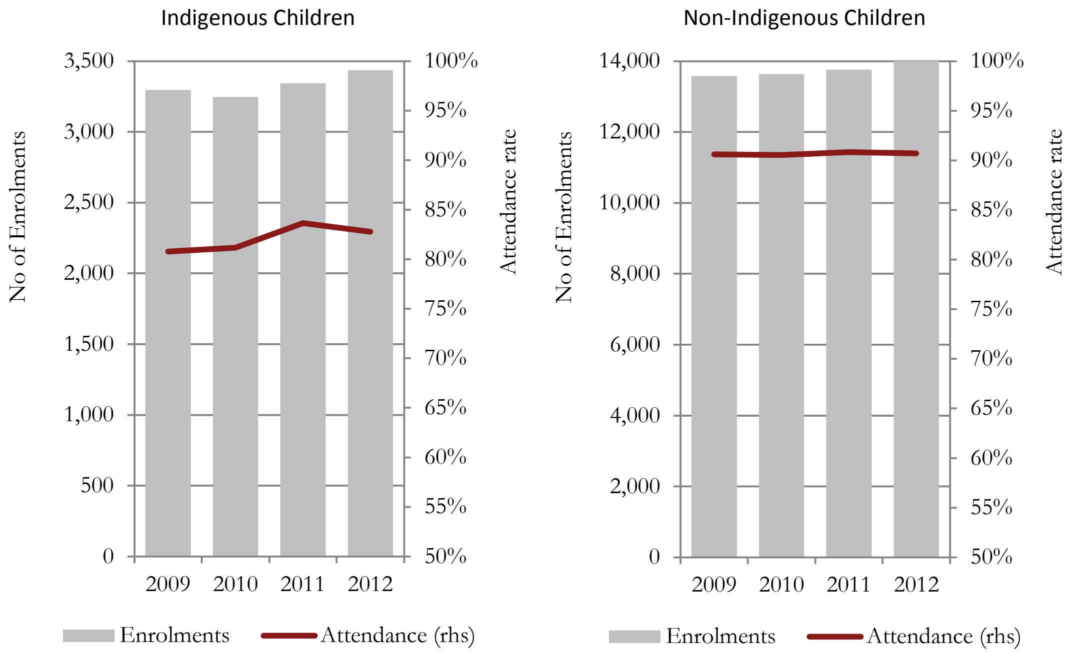
Figure 9-7 Enrolment and attendance rate by Indigenous status of children, Northern Territory Total, 2009–2012



Source: Northern Territory Department of Education (2013).

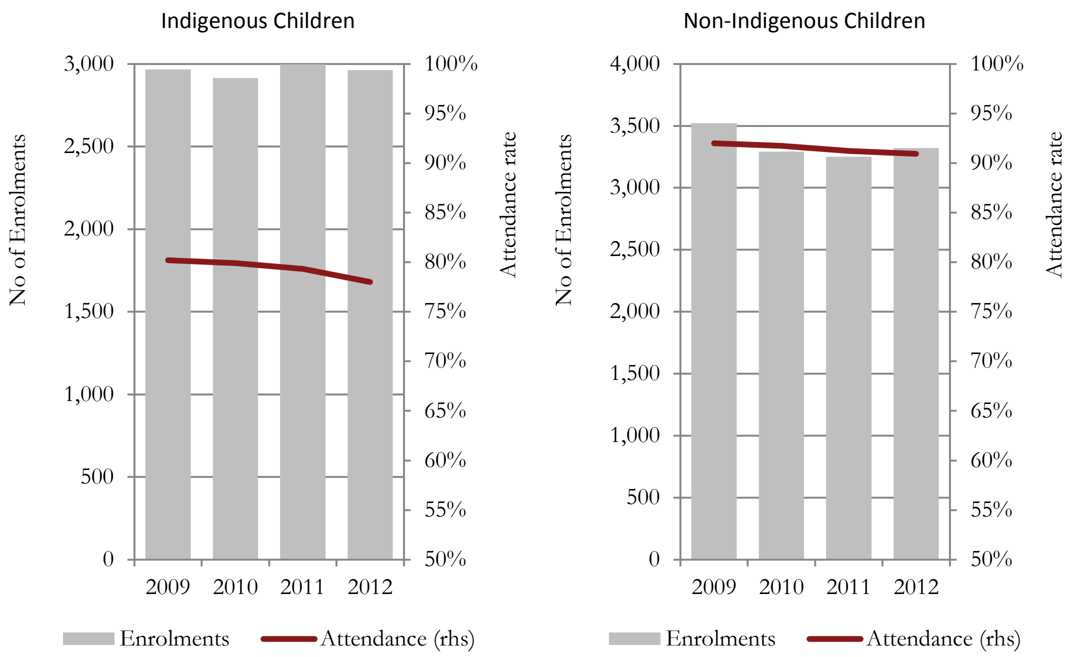
Figure 9-8, Figure 9-9, and Figure 9-10 provide information on enrolment numbers and school attendance rates for Indigenous and non-Indigenous students in provincial, remote and very remote areas for the years 2009 to 2012. The attendance rates for Indigenous students in the Northern Territory ranged between 60 per cent and 90 per cent across the different regional areas, with the highest attendance rate being accorded to the students in the Northern Territory provincial areas. Whilst the attendance rate has increased over time for students based in the provincial areas of the Northern Territory, attendance rates have remained constant or have marginally declined between 2009 and 2012 for students located in Northern Territory remote and Northern Territory non-remote areas.

Figure 9-8 Enrolment levels and attendance rates in provincial schools in the Northern Territory by Indigenous status of children, 2009–2012



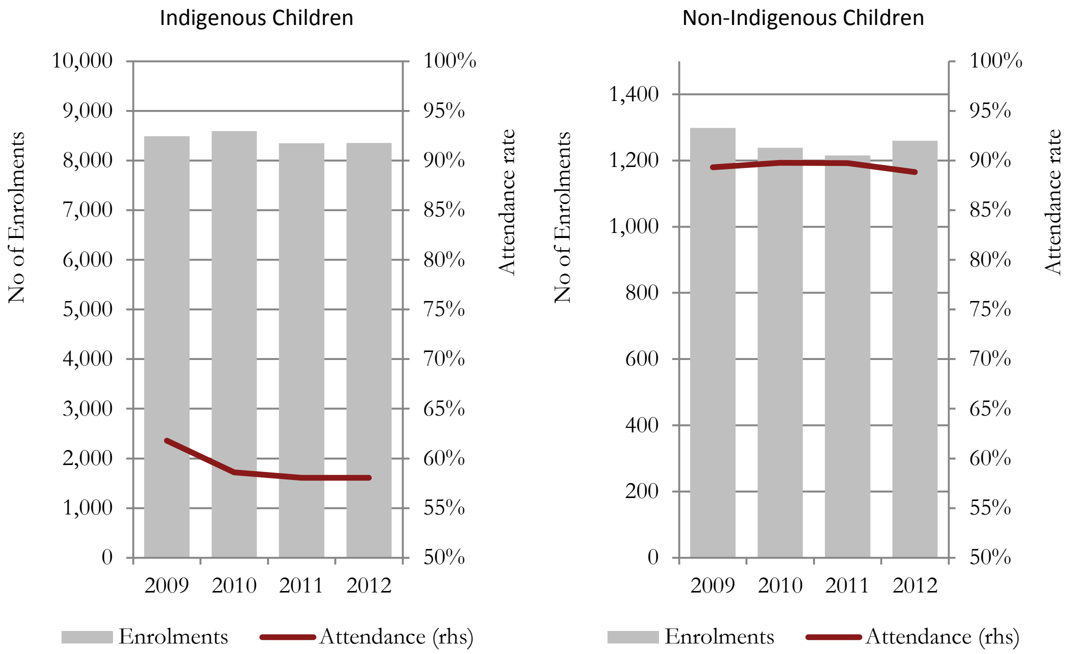
Source: Northern Territory Department of Education (2013).

Figure 9-9 Enrolment levels and attendance rates in remote schools in the Northern Territory by Indigenous status of children, 2009–2012



Source: Northern Territory Department of Education (2013).

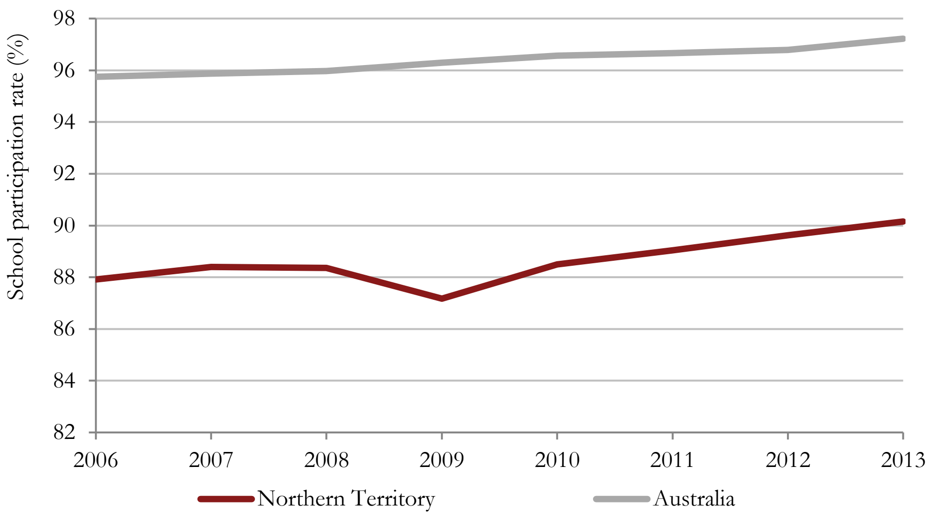
Figure 9-10 Enrolment levels and attendance rates in very remote schools in the Northern Territory by Indigenous status of children, 2009–2012



Source: Department of Education Northern Territory Enrolment and Attendance Statistics 2009–2012.

The preceding figures provide data on the number of children enrolled at school. The number of enrolments can change either because of the number of children of school age or because the enrolment rate changes. Figure 9-11 shows the school participation rates for children of compulsory school attendance age for the Northern Territory and Australia over the period 2006 to 2013. The school participation rate is derived from data on the number of students as of 1 July each year, and the number of school-aged children is the estimated resident population of school-aged children as of 30 June each year.

Figure 9-11 School participation rates children 15-years of age or younger, Northern Territory and Australia, 2006–2013



Notes: The School Participation Rates measure the proportion of Australian residents of a specified age who are enrolled in school on a specified reference date.

Source: ABS (2014b).

The school participation rate has increased for children in the Northern Territory, and for Australia as a whole over the period 2006 to 2013. For Australian children as a whole it has increased from 95.8 per cent to 97.2 per cent, and for children in the Northern Territory the school participation rate is estimated to have increased from 87.9 per cent to 90.2 per cent between 2006 and 2013. Thus the increase in the school participation rate is similar for children in the Northern Territory as it is for Australia as a whole.

9.3 Child health and wellbeing

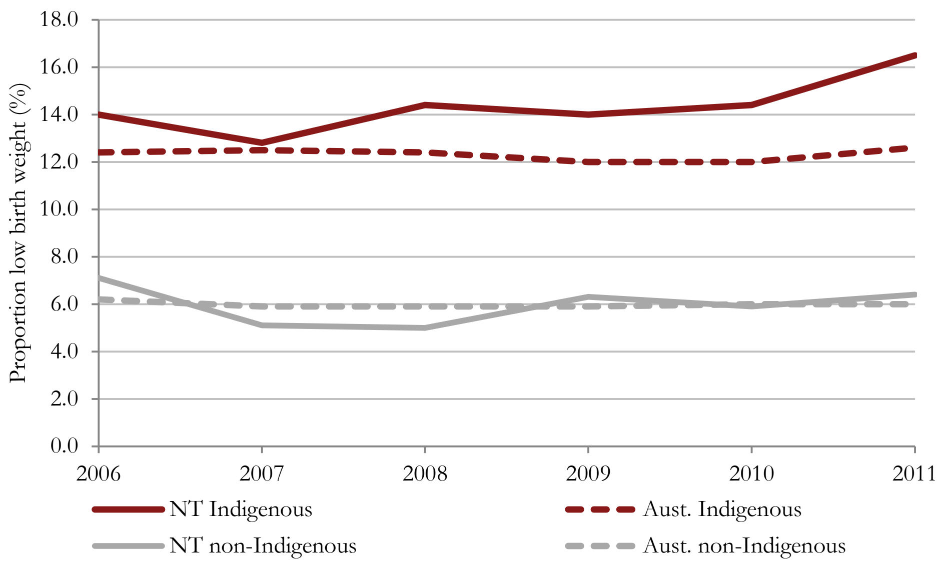
This section explores whether there is any evidence of changes in the health status of children in the Northern Territory before and after the introduction of New Income Management. For some of the outcome measures data are only available before NTER Income Management (2007) and post-New Income Management. For other outcome measures the most recent data available are for 2011.

9.3.1 Low birth weight

The proportion of infants born with low birth weight is an important indicator for child health and wellbeing because low birth weight is associated with increased risk of complications and development of other health conditions in childhood and adulthood (Mathers et al., 1999). There are many factors associated with low birth weight, some of which include the age of the mother, care during pregnancy, inadequate nutrition, and consumption of alcohol and tobacco during pregnancy (Campbell, 2004).

Figure 9-12 shows the proportion of low birth weight infants – defined as having a birth weight of less than 2,500 grams – born to mothers by Indigenous status between 2006 and 2011 in the Northern Territory and Australia-wide. Indigenous mothers have a higher probability of having a low birth weight infant in comparison to non-Indigenous mothers – about twice as likely. There is no evidence of any improvement in the proportion of babies born to Indigenous mothers that are low birth weight in the Northern Territory or Australia-wide over this period. Indeed the data indicates an increase in the proportion of babies with a low birth weight born to Indigenous mothers in the Northern Territory between 2007 and 2011 with this being particularly marked between 2010 and 2011.

Figure 9-12 Low birth weight infants as a proportion of births, Indigenous status of mothers, Northern Territory and Australia, 2006–2011



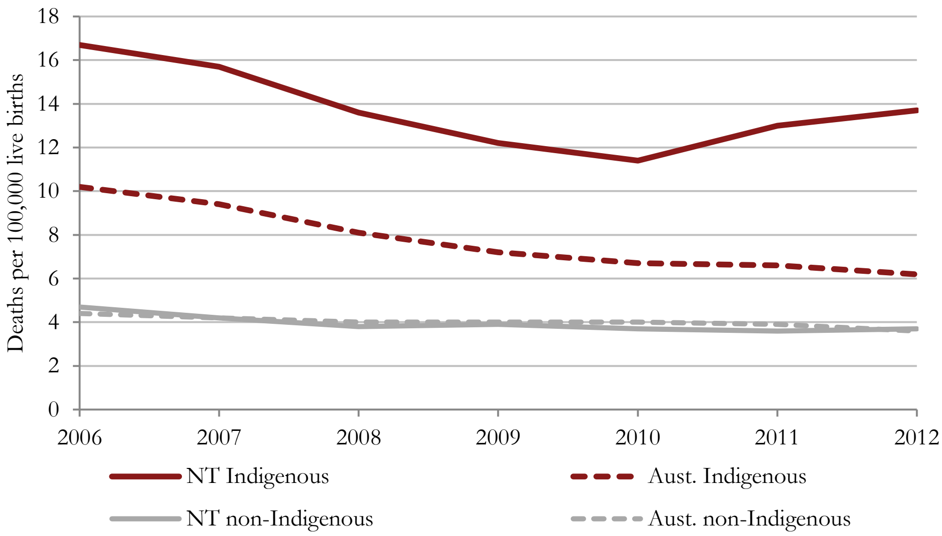
Source: AIHW Interactive Child Indicators Database.

9.3.2 Infant mortality

Figure 9-13 shows the infant mortality rates over the period 2006 to 2012 for Indigenous and non-Indigenous infants in the Northern Territory and nationally. The infant mortality rate is based on the number of children under the age of one who die relative to the number of live births. The NT Government notes that "The neonatal death rate (up to age 28 days) is generally regarded as an indicator of the quality of pregnancy related services, while the post-neonatal death rate (from 28 days to one year) is commonly related to living conditions" (Northern Territory Government 2011). It is a rate which is also clearly linked to low birth weight and the factors which contribute to this.

The infant mortality rate for Indigenous children is much higher than that of non-Indigenous children, and is higher for Indigenous children in the Northern Territory than for Indigenous children nationally. Both the Indigenous and non-Indigenous infant mortality rates in the Northern Territory fell over the initial period from 2006 to 2010. The biggest decrease over this period in the infant mortality rate was for Indigenous babies in the Northern Territory where the rate fell from 16.7 per cent to 11.4 per cent. Since 2010 the two series have moved quite differently and while the rate for non-Indigenous children in the Northern Territory has declined the infant mortality rate for Northern Territory Indigenous babies increased quite substantially to 13.7 per cent in 2012.

Figure 9-13 Infant mortality rate (deaths per 100,000 live births) by Indigenous status, Northern Territory and Australia, 2006–2012

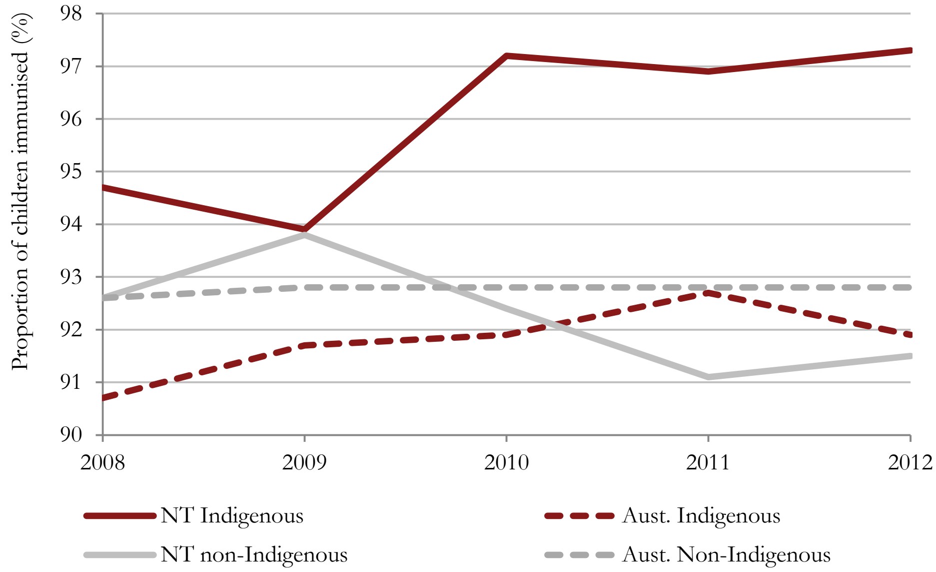


Source: AIHW Interactive Child Indicators Database.

9.3.3 Immunisation rates

Figure 9-14 shows the proportion of children on the Australian Childhood Immunisation Register who are fully immunised at two years of age over the period 2008 to 2012. Northern Territory Indigenous children have higher rates of immunisation that non-Indigenous children in the Northern Territory, and compared with Indigenous and non-Indigenous children nationally. The rate of immunisation of Northern Territory Indigenous children increased from just over 95 per cent in 2008 to around 98 per cent in 2010, and since then has remained at about this level. There was little change in the immunisation rates for other groups of children over the period 2008 to 2012.

Figure 9-14 Child immunisation rates by Indigenous status, Northern Territory and Australia, 2008–2012

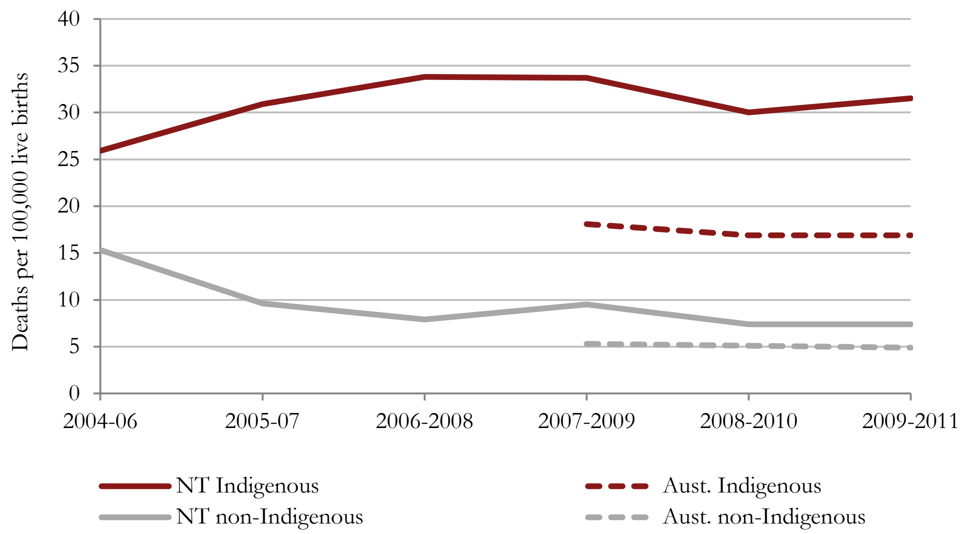


Source: AIHW Interactive Child Indicators Database.

9.3.4 Injury related deaths

Figure 9-15 reports the injury related deaths amongst Indigenous and non-Indigenous children between 2005-07 and 2009-11 in the Northern Territory and for Australia as a whole. The rate of death due to injury is highest in the Northern Territory compared to the other jurisdictions. This is true for both Indigenous and non-Indigenous children. There was an increase in reported deaths due to injury of Northern Territory Indigenous children between 2005-07 and 2007-09. However, for the period between 2007-09 and 2009-11, the injury related death rates for Northern Territory Indigenous children fell slightly.

Figure 9-15 Child deaths due to injury, per 100,000 children, by Indigenous status, Northern Territory and Australia, 2004-06–2009-11



Source: AIHW Interactive Child Indicators Database.

9.3.5 Disability

The main source data on the incidence of disability of Indigenous and non-Indigenous children in the Northern Territory is the Population Census, which has collected information on disability since 2006. The census measures disability according to an individual's need for assistance in the core activities of self-care, communication and mobility due to a disability, long-term health condition or effects of old age.

Table 9-5 shows the proportion of children (0 to 4 years, 5 to 9 years and 10 to 14 years) that have a disability (as measured by requiring assistance with core activities). In the Northern Territory, the proportion of Indigenous children with a disability increased between 2006 and 2011 for all age groups for both boys and girls, with the exception of boys aged under five years of age, for whom there was a slight decrease in the proportion with a disability. The non-Indigenous population showed slight increases in the proportion of children with a disability for boys for all age groups, and a slight decline for girls aged 5 to 9 years and girls aged 10 to 14 years.

While the proportion of children in the Northern Territory being reported on the Census as having a disability is lower than for Australia as a whole for both Indigenous and non-Indigenous people, in Australia as a whole there were increases between 2006 and 2011 in the proportion of children being reported as having a disability. The Northern Territory experience mirrors that of the experience for Australia as a whole.[127]

Table 9-5 Proportion of children having a disability by gender and Indigenous status, Northern Territory and Australia, Census, 2006 and 2011

Age group	Indigenous				Non-Indigenous			
	Boys		Girls		Boys		Girls	
	2006	2011	2006	2011	2006	2011	2006	2011
	%							
Northern Territory								
0–4 Years	1.17	0.94	0.45	0.70	0.80	1.03	0.57	0.48
5–9 Years	1.08	1.71	0.44	1.05	2.13	2.60	1.42	1.37
10–14 Years	1.38	2.25	0.82	1.04	1.68	2.79	1.10	1.17
Australia								
0–4 Years	1.51	1.88	0.96	1.16	1.15	1.30	0.73	0.79
5–9 Years	3.46	5.18	1.97	2.66	2.79	3.57	1.43	1.69
10–14 Years	3.47	4.95	2.09	2.68	2.54	3.44	1.39	1.73

Source: ABS Census Table Builder 2006, 2011.

9.3.6 Diet

The National Aboriginal and Torres Strait Islander Health Survey (NATSIHS) was conducted in 2004-05 and 2012-13. This allows comparison of data collected before the NTER and after the transition to New Income Management. As has been discussed previously in considering these data, attention needs to be given to other interventions, in particular the School Nutrition Program introduced as part of the NTER, which was concerned directly with changing the nutrition received by school-aged Indigenous children in the Northern Territory.

According to the 2012-13 NATSIHS, around 75 per cent of Indigenous children nationally aged 12 to 17 years have an adequate daily fruit intake.[128] The proportion with adequate daily fruit intake differs between remote and non-remote areas. Aboriginal and Torres Strait Islander children living in remote areas are more likely to have reported an adequate daily fruit intake compared to children living in non-remote areas (75.6 per cent compared to 72.1 per cent). When the analysis is focused on vegetable intake, the picture of children's health is less positive. Only 13 per cent of children living in remote areas reported having an adequate vegetable intake, with the rate of 15 per cent for children living in non-remote areas being only a little better.

[127] There is some evidence that Indigenous people are less likely to identify as having a disability than are non-Indigenous people who have the same "objective" rate of disability (see Biddle et al., 2012).

[128] Based on the 2013 NHMRC Australian Dietary Guidelines (see NHMRC, 2013).

Using customised tables from the ABS, Table 9-6 reports the dietary indicators for children aged between 12 and 17 years in Northern Territory by remote and non-remote locations. Table 8 suggests that in non-remote areas of the Northern Territory, about 64 per cent of children reported having adequate daily fruit intake in 2012-13. This was a substantial increase from 2004-05 where 45.1 per cent of children reported having an adequate daily fruit intake. There is only a marginal difference between the remote and non-remote consumption of adequate fruit amongst children in the Northern Territory (64 per cent compared to 66 per cent).

Whilst a large share of children had an adequate daily fruit intake, only six per cent of children reported having an adequate daily vegetable intake in non-remote Northern Territory in 2012–13. Since 2004–05, the proportion of children who reported having adequate daily vegetable intake in non-remote Northern Territory halved from 12.3 per cent of children to six per cent. The share in the non-remote areas is also three times that of the remote areas of the Northern Territory, where only two per cent of children aged 12 to 17 years reported having consumed sufficient vegetables according to the NHMRC guidelines.[129]

In terms of milk consumption, on the whole more than 90 per cent of Indigenous children in the remote and non-remote areas of the Northern Territory reported having consumed milk. The milk consumption of children in the non-remote areas is higher than in remote areas. Furthermore, between 2004-05 and 2012-13 surveys, the share of the child population aged 12 to 17 years who consumed milk has increased regardless of whether they are located in remote or non-remote Northern Territory.

Table 9-6 Diet of children aged 12 to 17 years, Indigenous by remoteness, Northern Territory, 2004-05 and 2012-13

Proportion reporting achieving	Non-Remote		Remote	
	2004-05	2012-13	2004-05	2012-13
		- % -		
Adequate daily fruit intake	45.1 (a)	64.0	na	66.1
Adequate daily vegetable intake	12.3 (a)	5.9 (a)	na	2.1 (a)
Cow milk consumption	93.7	95.2	91.9	94.3

Notes:
(a) ABS indicates there are caveats about data quality.
Source: Customised data from the NATSIHS 2004-05 and NATSIHS 2012-13.

For Indigenous children living in non-remote areas of the Northern Territory, the data shows that the proportion of children with an adequate daily fruit intake has increase substantially and milk consumption has increased slightly, but that the proportion of children with an adequate vegetable consumption has halved. While on balance there may have been an improvement in children's diet the evidence is not consistent. It is probable that to the extent change has occurred it is likely to be largely the effect of other more direct programs such as the School Nutrition Program.

9.3.7 Body Mass Index

Table 9-7 provides information on the extent to which Indigenous children are underweight, overweight, or have a normal weight, based on Body Mass Index (BMI) in 2004-05 and 2012-13. While in 2004-05 female children were more likely to be of a normal weight than male children, by 2012-13, male children are more likely than female children to have a normal weight (58 per cent for male children compared with 42 per cent for female children). The proportion of children who reported BMIs that placed them in the normal weight category fell from 2004-05 to 2012-13. In particular, for females the share who reported a normal BMI decreased from 72 per cent to 42 per cent.

Obesity is more of a concern in 2012-13 than it was in 2004-05. Almost one in every three Indigenous children were overweight or obese in 2012-13. In comparison, one in every five male children and one in every ten female children was overweight or obese in 2004-05. Whilst caution has to be exercised in interpreting the ABS estimates given the high standard errors, the general trend does point to increases in the proportion of children that are either underweight or overweight.

[129] Ibid.

Table 9-7 Distribution of Body Mass Index for Indigenous children aged 15 to 17 years by gender, Northern Territory, 2004-05 and 2012-13

	Males		Females	
	2004-05	2012-13	2004-05	2012-13
	- % - (a)			
Underweight	17.3	11.4	17.8	27.0
Normal weight	60.6	57.7	72.3	42.0
Overweight/obese	22.1	31.0	10.0	31.1

Notes:

(a) ABS indicates there are caveats about data quality of all of these estimates.

Source: Customised data from the National Aboriginal and Torres Strait Islander Health Survey 2004-05 and 2012-13.

9.3.8 Hospitalisation rates of Indigenous children

The hospitalisation rates for Indigenous children in the Northern Territory have not changed substantially between 2006-07 and 2010-11. There has been a steady increase in the hospitalisation rates between 2006-07 and 2009-10, but a decline between 2009-10 and 2010-11 when total hospitalisation fell from 258.1 to 244.7 per 1,000 (Table 9-8). Across the whole time period there has been a decline in the hospitalisation rates due to infectious and parasitic diseases, but an increase of almost ten percentage points in hospitalisation due to diseases of the respiratory system.

Table 9-8 Age-standardised hospitalisation rates of Indigenous children aged 0–14 years by diagnoses, Northern Territory, 2006-07–2010-11

	Infectious and parasitic diseases	Disease of respiratory system	Injury, poisoning and certain other consequences of external causes	Total hospitalisations
	per 1,000 children			
2006-07	35.9	52.1	24.3	225.8
2007-08	37.2	51.1	25.0	237.9
2008-09	33.1	59.6	25.9	258.9
2009-10	31.4	58.0	29.3	258.1
2010-11	24.5	61.3	28.8	244.7

Source: FaHCSIA (2012b).

9.3.9 Child protection indicators

Table 9-9 shows the trend in child protection indicators in the Northern Territory in terms of substantiations of notifications, care and protection orders, and out-of-home care. The rate of substantiations for Indigenous children in the Northern Territory is higher than the non-Indigenous rate. Over the period 2006-07 to 2010-11 there has been a very substantial increase in the substantiations of notifications, care and protection orders, and children in out-of-home care. The largest increase in substantiations of notifications over this period was 2009-10 and 2010-11.

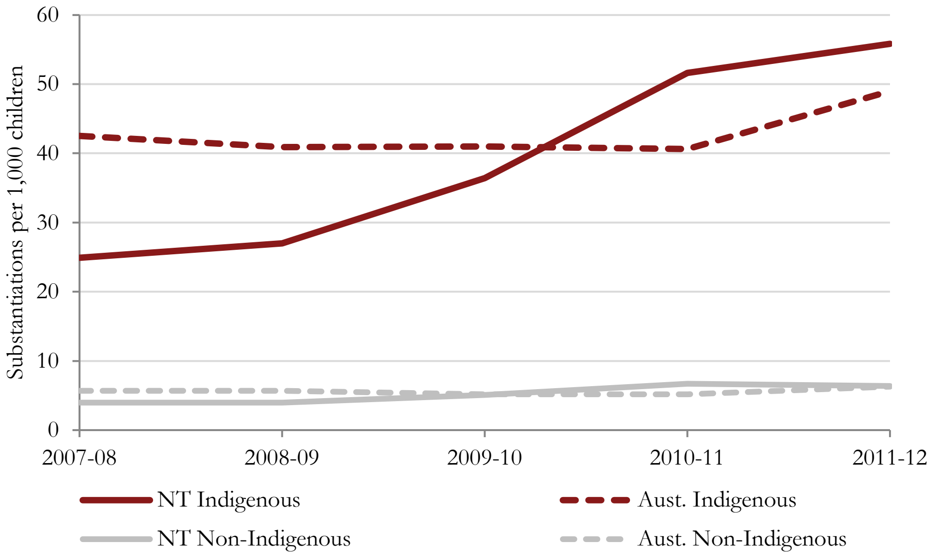
Table 9-9 Child Protection Indicators, Northern Territory, 2006-07–2010-11

	2006-07	2007-08	2008-09	2009-10	2010-11
	per 1,000 children				
Substantiations of notifications					
Indigenous rate	16.8	23.7	24.1	31.9	43.3
Non-Indigenous rate	4.2	4.0	3.9	4.7	6.6
Relative greater risk for Indigenous children (rate ratio)	4.0	5.9	6.1	6.7	6.6
Care and Protection orders					
Indigenous rate	12.1	14.6	15.8	18.6	20.9
Non-Indigenous rate	4.1	4.2	4.1	5.2	4.2
Relative greater risk for Indigenous children (rate ratio)	2.9	3.5	3.8	3.6	5.0
Out-of-home care					
Indigenous rate	10.8	11.3	13.2	14.9	18.2
Non-Indigenous rate	3.5	3.1	3.4	4.0	3.8
Relative greater risk for Indigenous children (rate ratio)	3.1	3.6	3.9	3.7	4.8

Source: FaHCSIA (2012c).

The rate of children aged 0 to 12 years who were the subject of child protection substantiation is given in Figure 9-16. In 2011-12, the rate of child protection substantiation for Indigenous children is approximately 8.7 times that of non-Indigenous children in Australia. In the Northern Territory, that rate is 7.8 times.

Figure 9-16 Child protection substantiations per 1,000 children, Northern Territory and Australia, 2007–2012



Source: AIHW Interactive Child Indicators Database.

It appears that the rate of child protection substantiations for Indigenous children in the Northern Territory has been increasing over the period 2007-08 to 2011-12. There have been two large increases over the time period. The first occurred between 2008-09 and 2009-10 when the rate of child protection substantiations increased from 27.0 to 36.4 per 1,000 children. There was a further increase between 2009-10 and 2010-11, from 36.4 per 1,000 children to 51.6 per 1,000 children.

There is an interesting point to note in comparing the Northern Territory to the Australian pattern, as the rate of Indigenous child protection substantiation was higher for Australia compared to the Northern Territory prior to 2009-10. Since then, the rate in the Northern Territory has surpassed that of the Australian pattern.

These trends are difficult to interpret because they are derived from reported and investigated cases and do not necessarily reflect changes in the underlying rate of child neglect, abuse and maltreatment. There have been a number of significant changes to the child protection system and other service delivery systems in the Northern Territory following the "Bath" report into child protection in the Northern Territory

(Bamblett, Bath and Roseby, 2010), which have impacted on rates of reporting in the Northern Territory over this period.

While detailed data for 2013 is not yet available initial data published by AIHW indicates that across the Northern Territory the number of children aged between 0 and 17 years on care and protection orders has increased from 11.1 per 1000 children as at 30 June in 2010 to 11.6 in 2011, 12.5 in 2012 and 12.9 in 2013. (AIHW, 2014 Table 4.5)

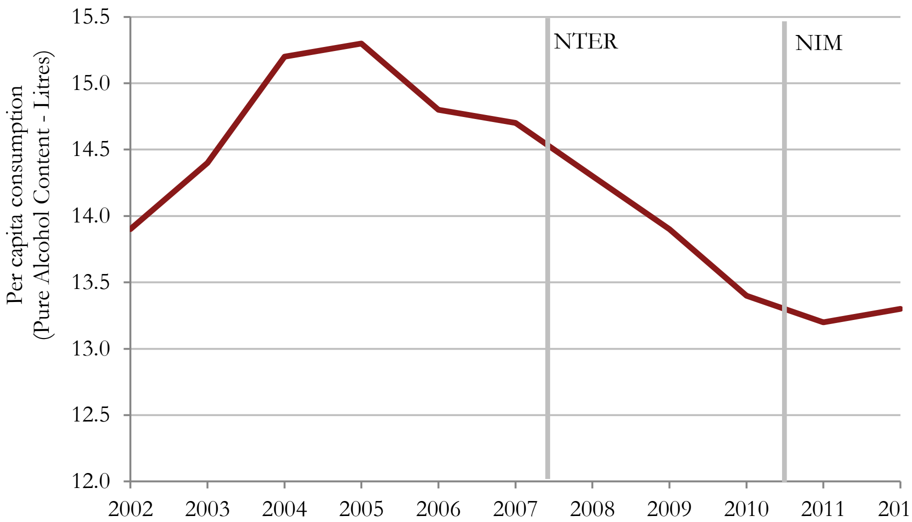
9.4 Impact on alcohol consumption and consequences

This second part of this chapter is primarily focused on the level of alcohol consumption and its consequences. In this latter we have included imprisonment rates, as alcohol is a major contributor to this in the Northern Territory. It is recognised that income management has sought not merely the control of alcohol consumption, but also that of tobacco and the extent to which people gamble. These latter two are not considered here. In the first instance there is limited data available on tobacco expenditure and consumption of a nature suitable for aggregate analysis, although we do consider some self-reported data on smoking, and Chapter 6 considers some details on tobacco sales at some stores. The major concerns about gambling, especially in communities, relate to informal gambling – typically card games organised at the community level.

9.4.1 Alcohol consumption per capita

This section provides an overview of alcohol consumption in the Northern Territory for the period 2005 to 2012. The data are from the Department of Business in the Northern Territory. The measure of alcohol includes beer, spirits, and wine. Figure 9-17 shows per capita alcohol (pure content) consumption in the Northern Territory over the period 2002 to 2012. The consumption per capita in the Northern Territory was exhibiting an increasing trend in the period of 2002 to 2005. Since 2005, the consumption per capita has been declining over time. Per capita alcohol consumption increased from just under 14 litres per capita in 2002 to a little over 15 litres per capita in 2005. Between 2005 and 2011 per capita alcohol consumption has steadily decreased. There was a very slight increase between 2011 and 2012, but more recent data are required in order to determine whether the increase is sustained. This decline in alcohol consumption commenced prior to the introduction of NTER Income Management. Focusing on the NTER Income Management to New Income Management transition period, between 2008 and 2009, per capita alcohol consumption fell by 2.8 per cent; while between 2010 and 2011 it fell a further 1.5 per cent.

Figure 9-17 Alcohol consumption per capita in the Northern Territory, 2002–2012

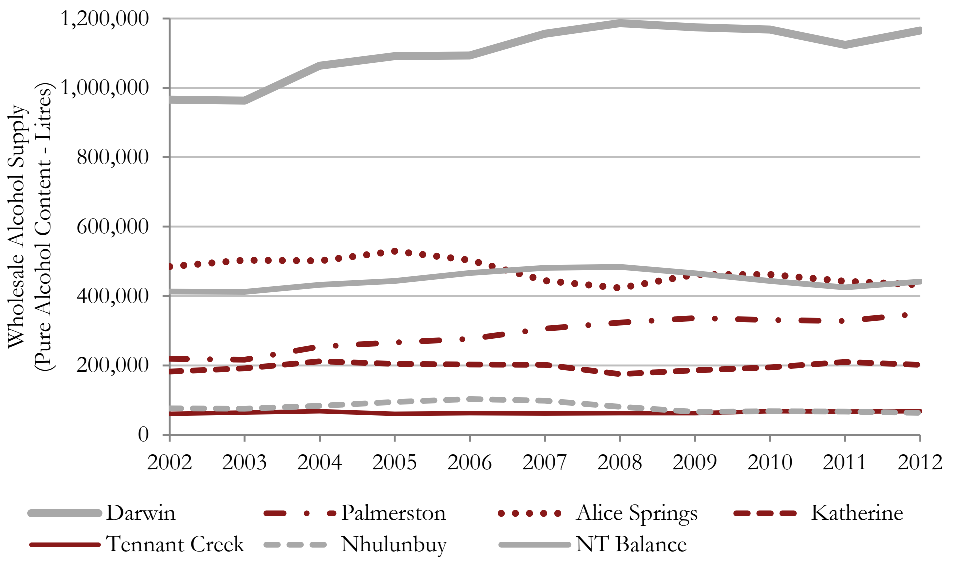


Source: Northern Territory Department of Justice (2009) & Northern Territory Department of Business (2013).

Regional data on wholesale alcohol supply is not available on a per capita basis for the Northern Territory. However, total wholesale supply by region is available. While per capita alcohol consumption has fallen for the Northern Territory, the wholesale alcohol supply increased from 2,349,028 litres of pure alcohol content in 2000-01 to 2,651,375 in 2012-13. Over the period 2000-01 to 2012-13 wholesale alcohol supply increased by 12.9 per cent across the Northern Territory. There were significant differences across regions, with increases of 61.6 per cent in Palmerston, 22.3 per cent in Darwin, 22.9 per cent in Katherine, 14.6 per cent in Tennant Creek, and 13.0 per cent in the balance of the Northern Territory. There were decreases of 23.9 per cent in Alice Springs and 7.9 per cent in Nhulunbuy. If Alice Springs is excluded, then wholesale alcohol supply increased in the Northern Territory by 23.8 per cent. The increases on wholesale alcohol supply while per capita alcohol consumption is falling appears to be largely explained by population increases.

Figure 9-18 charts wholesale alcohol supply by broad geographic regions in the Northern Territory. Inspection of the time trends in wholesale alcohol supply by regions reveals that there is no obvious association between the introduction of the NTER Income Management – and other NTER initiatives – and wholesale alcohol supply, or with the transition from NTER Income Management to New Income Management in the second half of 2010.

Figure 9-18 Wholesale alcohol supply in the Northern Territory by region, 2002–2012



Source: Northern Territory Department of Justice (2009) & Northern Territory Department of Business (2013).

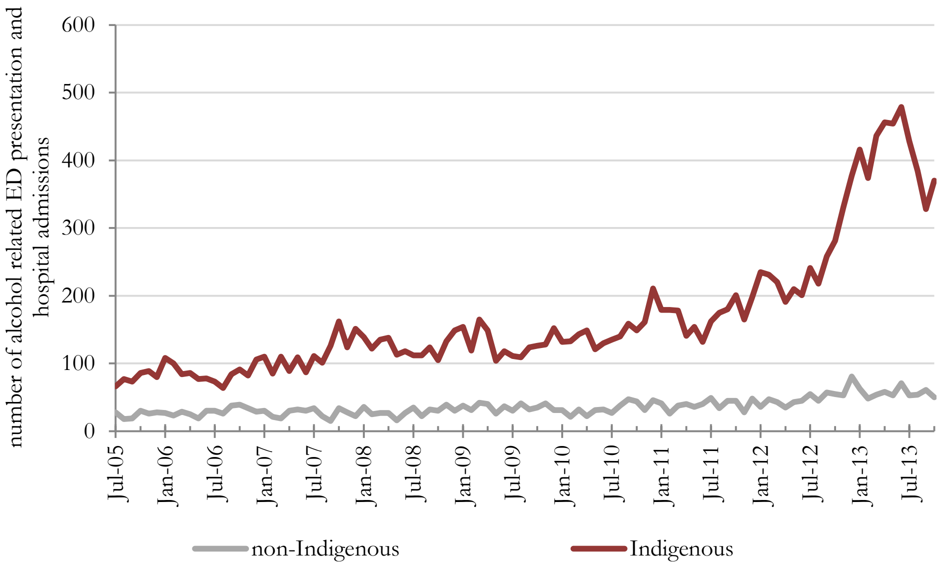
9.4.2 Alcohol-related presentations to emergency departments and public hospitals

Concern about alcohol consumption is of course motivated by the adverse outcomes resulting from excessive consumption. These cause concern amongst health services (as well other services), which are frequently required to deal with both the direct health consequences such as alcohol poisoning as well as the consequences of alcohol-fuelled violence and other behaviours. Because of this health services have implemented robust data collections on whether alcohol abuse is a factor in presentations and admissions, one of which is considered here.

Data are available on the number of presentations to emergency departments and hospital admissions that are alcohol-related. The number of alcohol-related emergency department presentations and admissions for Indigenous people in the Northern Territory increased from around 70 to 80 per month during the second half of 2005 to between 328 and 479 per month during the second half of 2013 (Figure 9-19). The number of alcohol-related presentations to the public hospital system is much lower for the non-Indigenous population, but also increased, from around 20 to 30 per month in the second half of 20005 to around 50 per month during the second half of 2013. There are no apparent changes in the number of alcohol-related hospital presentations that are clearly associated with the introduction of the NTER Income Management or New Income Management.

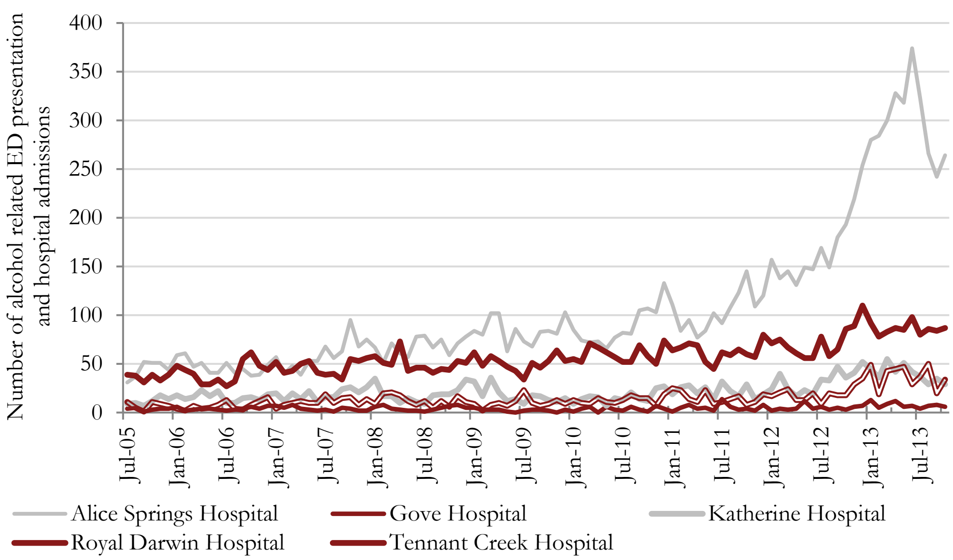
Figure 9-20 shows the number of alcohol-related presentations to emergency departments and public hospital admissions by hospital. While there have been increases for all hospital (except Gove which has very small numbers of alcohol-related presentations), the greatest increase by far has been in the Alice Springs Hospital. It is interesting that the increase in alcohol-related emergency department presentations and hospital admissions at the Alice Springs Public hospital, despite the decreases in wholesale alcohol supply in the Alice Springs area.

Figure 9-19 Alcohol-related emergency department presentations and admissions by Indigenous status, Northern Territory, 2005–2013



Source: Northern Territory Government Department of Health (2014), Attachment A.

Figure 9-20 Alcohol-related emergency department presentations and admissions by public hospital, Northern Territory, 2005–2013



Source: Northern Territory Government Department of Health (2014), Attachment A.

9.4.3 Self-reported consumption measures: tobacco and alcohol

This section provides information on self-reported tobacco[130] and alcohol consumption by Indigenous people in the Northern Territory. The data are from the National Aboriginal and Torres Strait Islander

[130] We have been unable to locate Northern Territory level tobacco sales data, but rather use data from selected stores. These data are reported in Chapter 6.

Health Survey (NATSIHS) 2004-05 and the NATSIHS 2012-13. This allows estimates of the extent to which tobacco and alcohol consumption have changed from before the NTER and after the introduction of New Income Management.

Table 9-10 shows the proportion of Indigenous adults who smoke daily, the proportion whose alcohol consumption places them at long-term risk, and the proportion whose alcohol consumption exceeds lifetime risk guidelines. The proportion of the population smoking daily and the proportion consuming alcohol at high-risk levels were all slightly higher in 2012-13 than in 2004-05, although the relatively small sample sizes make interpreting small differences as changes problematic. However, the results do not provide any evidence of a positive change having occurred. In the case of smoking, the Northern Territory results also need to be compared with broader community level results. Data from *Australian Health Survey* suggest that rates of daily smoking (of people aged 18 years and over) fell from 22.4 per cent in 2001 to 18.9 per cent in 2008-08 and 16.1 per cent in 2011-12 (ABS, 2013c).

Table 9-10 Rates of self-reported smoking and risky alcohol consumption by Indigenous adults in the Northern Territory, 2004-05 and 2012-13

	2004-05	2012-13
	%	
Daily smoking	31	34
Alcohol – long-term risk	5	6
Alcohol – exceeded lifetime risk guidelines	7	9

Notes: The consumption of alcohol at long-term risk levels is based upon the 2001 NHMRC Guidelines; the measure of alcohol consumption exceeding the lifetime risk guidelines is based on the 2009 NHMRC Guidelines.

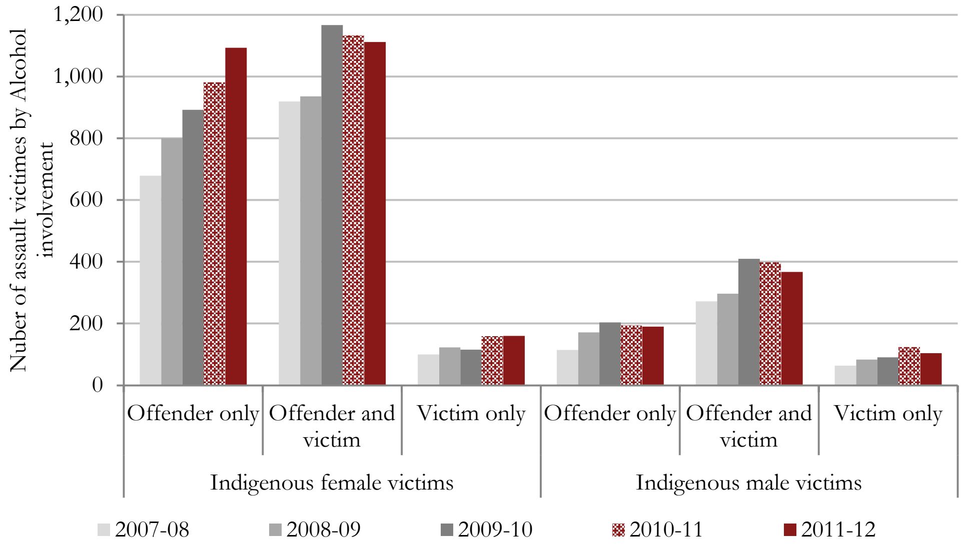
Source: ABS, Customised cross-tabulations form the NATSIHS 2004-05 and NATSIHS 2012-13.

9.4.4 Crime and alcohol-related crime

The Northern Territory government provides data on the number of assaults and whether alcohol was recorded as being involved. Over the period 2007-08 to 2011-12 the number of alcohol-related assaults on Indigenous women has increased substantially, particular in cases where the offender is recorded as being alcohol-affected, but the victim is not recorded as being alcohol-affected (Figure 9-2122). Over this period, the number of recorded alcohol-related assaults on Indigenous men also increased, but from a much smaller base than recorded assaults of Indigenous women.

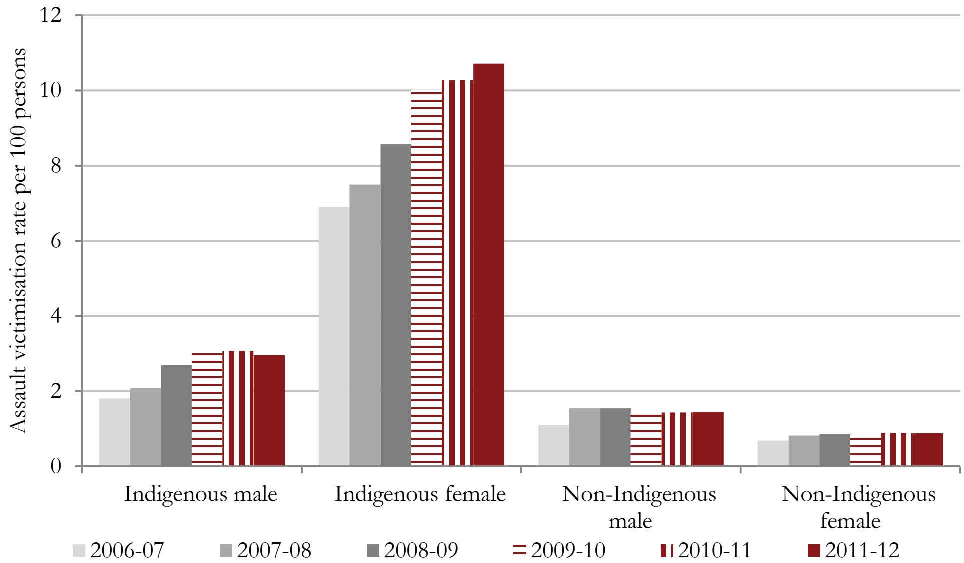
Figure 9-2223 provides information on the assault rate (per 100 persons) in the Northern Territory over the period 2007-08 to 2011-12. Over this period the rate of recorded assaults of Indigenous men increased from 1.8 to 3 per 100 population. For Indigenous women it increased from 6.9 to 10.7 per 100 population. For the non-Indigenous population the assault rate increased between 2007-08 and 2008-09 and since then has been more or less constant.

Figure 9-21 Indigenous alcohol–related assault victims by sex and nature of alcohol involvement, Northern Territory, 2007-08 to 2011-12



Source: Northern Territory Department of the Attorney General and Justice (2012).

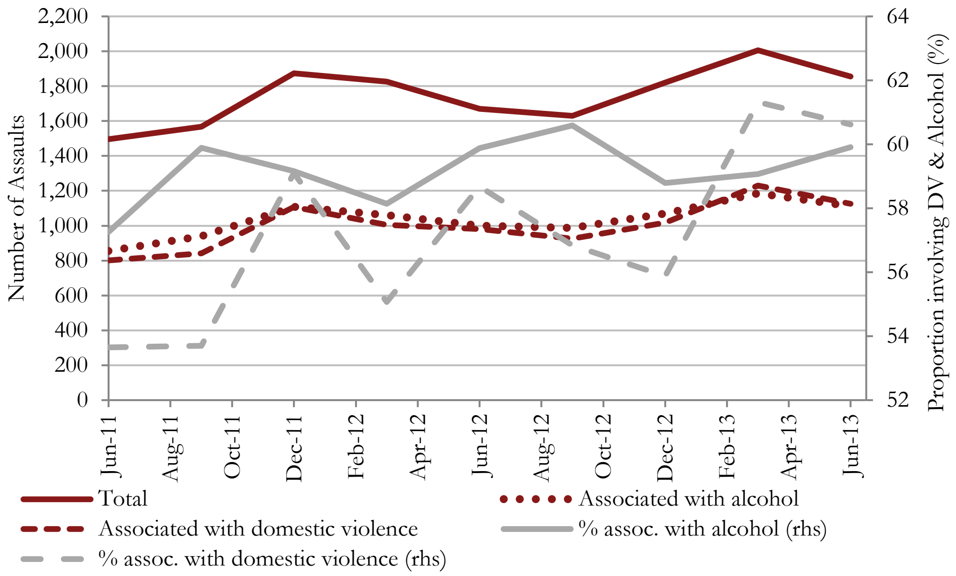
Figure 9-22 Assault victimisation rates by Indigenous status and sex, Northern Territory, 2007-08 to 2011-12



Source: Northern Territory, Department of the Attorney General and Justice (2012).

Figure 9-2324 provides information on the number of assault offences in the Northern Territory (left-hand axis) and the proportion of assaults that involved domestic violence and alcohol (right-hand axis) over the period 2011 to 2013. The total number of assaults increased from 1,495 for the June 2011 quarter to 1,856 in the June 2013 quarter. The proportion of assaults that were associated with domestic violence and the proportion associated with alcohol are high and increasing. Over the period July 2011 to July 2013, the proportion associated with domestic violence increased from 53.6 per cent to 60.6 per cent and the proportion associated with alcohol increased from 57.3 per cent to 59.9 percent.

Figure 9-23 Quarterly assault offences by alcohol involvement and domestic violence association, Northern Territory, 2011 to 2013



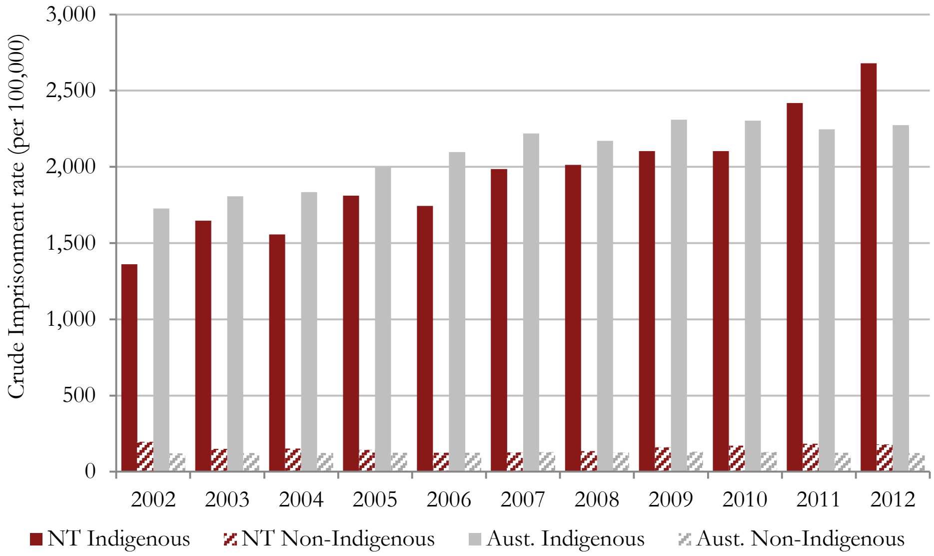
Source: Northern Territory Department of the Attorney-General and Justice (2013).

9.4.5 Imprisonment rates

This section provides data on the trends in the imprisonment rate in the Northern Territory. The data are drawn from the National Prisoner Census, which is undertaken by the ABS on 30 June each year. The National Prisoner Census does not cover persons held in juvenile justice institutions, police custody and psychiatric custody. Figure 9-2425 shows the imprisonment rate (per 100,000 adult population) for the Northern Territory and Australia over the period 2002 to 2012. The incarceration rate is much higher for Indigenous than non-Indigenous people both in the Northern-Territory and Australia as a whole. For the Northern Territory Indigenous population the incarceration rate increased very substantially over the period 2002 to 2012; and while the incarceration rate for Indigenous people Australia-wide also increased over this period, the increase was smaller than for the Northern Territory Indigenous population. No impact of either the NTER or the transition to New Income Management is apparent from the incarceration rate time series.

Incarceration rates decrease with age, and to the extent to which there are relative changes in the age distribution of the Indigenous and non-Indigenous population between 2002 and 2012 may impact upon the relative changes in incarceration rates. Figure 9-2526 shows the age-standardised incarceration rate by Indigenous status for the Northern Territory and Australia as a whole. While the Indigenous rates are lower than the rates which have not been age-standardised, the conclusion is that the incarceration rate for Indigenous people in the Northern Territory has increased more rapidly than for Indigenous people Australia-wide.

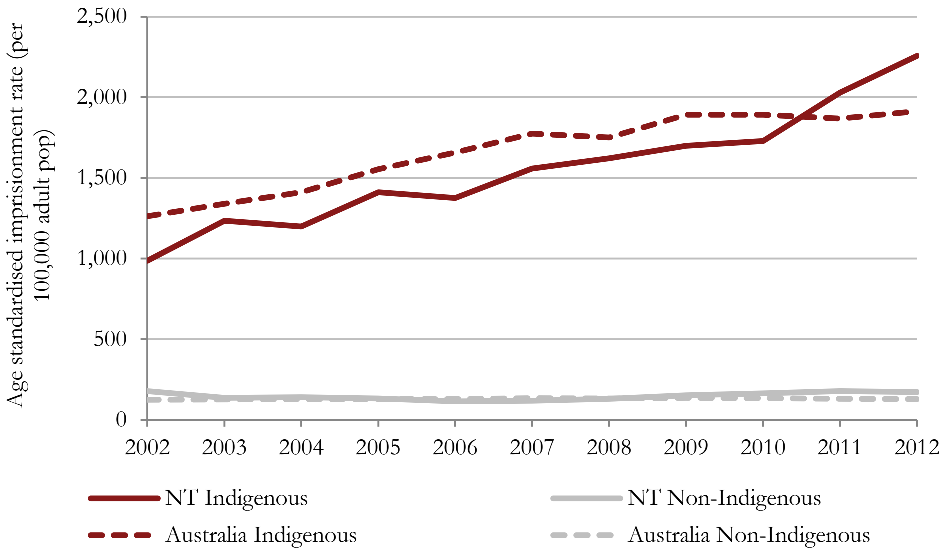
Figure 9-24 Imprisonment rate by Indigenous status (rate per 100,000 adult population) Northern Territory and Australia, 2002–2012



Source: ABS (2013d).

Figure 9-2425 shows the crude imprisonment rate for the Indigenous and non-Indigenous population between 2002 and 2012 for the Northern Territory as well as Australia as a whole. The crude imprisonment rate for the Indigenous population in Australia ranged between 14.3 times the non-Indigenous rate in 2002 to about 18.4 times in 2012. For the Northern Territory, the ratio of the crude imprisonment rate of Indigenous people relative to non-Indigenous ranged between 6.9 times in 2002 to 14.8 times in 2012. The ratio between the Indigenous and non-Indigenous crude imprisonment rate is larger at the national level when compared to the Northern Territory pattern.

Figure 9-25 Age-standardised imprisonment rate by Indigenous status (rate per 100,000 adult population), Northern Territory and Australia, 2002–2012



Source: ABS (2013d).

Between 2008 and 2009, the crude imprisonment rate rose from 2,014 per 100,000 adult population to 2,104 per 100,000 adult population. This was approximately a 4.5 per cent increase in the rate. In comparison, there was a substantial increase in the crude imprisonment rate between 2010 and 2011. The rate increased from 2,103 per 100,000 adult population to 2,419 per 100,000 adult population (15 per cent increase). The pattern of crude imprisonment rate for the non-Indigenous population in the Northern

Territory also exhibited an increase between 2008-09 and also 2010-11, with the larger percentage increase occurring in 2008-09.

9.5 Summary

This chapter has documented change in the aggregate levels of a range of measures of child health and wellbeing, school enrolment and attendance, alcohol sales and consumption, tobacco use, alcohol-related harm, and imprisonment.

If income management is having a significant impact in addressing poor child outcomes as a consequence of the money being provided to parents being inappropriately used for other consumption such as alcohol, tobacco and gambling, given the extent to which the policy impacts across the population, and in particular the Indigenous population in the Northern Territory it would be expected that this would be seen at the aggregate as well as the individual level. These aggregate outcomes should also reflect the impact of improvements in other aspects of conduct at the community level and, more specifically, on parents through the objective of the policy to "strengthen families by ensuring that welfare is spent where it is intended – on the essentials of life and in the interests of children."

In turn these outcomes should be reflected in a range of aggregate-level data on community and population outcomes. This should be particularly apparent for the Indigenous population, a high proportion of whom are affected by income management. For the purpose of this evaluation the question is what improvements can be found that are consistent with the impact income management seeks to have on outcomes. As has been noted in Chapter 2, one complication is that many of the outcomes would be expected to be affected also by the extensive expenditure on other programs that are often even more directly targeted at addressing problems in these domains.

Summarising the data reported in this Chapter:

- While the AEDI results are not consistent, in general there appear to have been some strong reductions in the extent to which children are developmentally vulnerable, although the rate of improvement in the Northern Territory only exceeded the national rate in three out of five domains.
- School achievement shows that while there are some gains in the early years of school these are not reflected in the data for later years. The pattern of changes for Indigenous children in the Northern Territory are generally similar to those found for Indigenous children nationally.
- School attendance has improved at the provincial level, but has either remained stable or fallen in remote and non-remote locations, suggesting no generalised trend.
- Across a wide range of child health indicators there is no evidence of any consistent positive change.
- There has been a substantial decrease in per capita alcohol consumption from the mid-2000s. However, this decrease started well before the NTER and is almost certainly driven by factors other than income management.
- The number of alcohol-related presentations to emergency departments and admissions to public hospitals by Indigenous people in the Northern Territory has increased dramatically since the mid-2000s.
- Imprisonment rates of the Indigenous population have increased in the Northern Territory since 2002 at a faster rate than amongst the Indigenous population Australia-wide.

When the data are taken as a whole, not only does it suggest that there has been very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory, but it also suggests that there is no evidence of changes in aggregate outcomes that can plausibly be linked to income management.

10 The perspectives of intermediaries

10.1 Introduction

This chapter provides analysis of the key themes that emerge from the interviews with staff from organisations implementing income management or working with people subject to income management (collectively we term these organisations intermediaries). Data has been collected from Centrelink staff, money management and financial counselling service providers, child protection workers, non-government organisations that provide emergency relief, housing services, legal service and advocacy groups, and peak bodies (merchants and legal services).

The chapter begins with a brief overview of the number of interviews undertaken and the approach used, and then describes key themes from the data collected regarding income management in the Northern Territory. These analyses are split between the operational and implementation issues outlined by the intermediaries' interviews, and their perceptions of the impacts and outcomes that they have observed at both the individual and community level in relation to income management in the Northern Territory. While this second evaluation report has a primary focus on outcomes, it is important also to understand how different aspects of the operation and/or implementation of income management in the Northern Territory may impact the experiences of those subject to income management.

The findings presented here are based on qualitative interviews with a range of intermediaries working with people subject to income management across the Northern Territory. While significant proportions of money management and financial counselling staff and Centrelink social workers are represented here, we cannot be sure that the sample is representative of all service providers in the Northern Territory. However, the themes and supporting quotes presented in this chapter, unless specified otherwise, are themes that consistently emerged from interviews with intermediaries. These themes serve both to illustrate and to provide context to quantitative findings presented elsewhere in the report, as well as allowing for analysis of some issues that are not easily identified using surveys and administrative data.

Detailed analyses of intermediary interviews as they relate to the Vulnerable Welfare Payment Recipient measure are reported in Chapter 12. While some of the material from interviews with child protection workers has been included in this chapter, the majority of these data will be reported in the separate supplementary report on Child Protection Income Management.

10.2 Methodology

Interviews with both groups and individuals have been undertaken with 120 intermediaries from a range of organisations. The intermediaries interviewed hold a range of positions in their organisations and come from a range of backgrounds. The interviewers covered operational and implementation issues associated with income management and perceptions of whether income management assists people, and whether there are differences between the income management measures.

The following interviews – group and individual – were conducted:

- Managers and staff from 11 of the 12 organisations providing Money Management Services, and all of the seven organisations providing Commonwealth Financial Counselling services in the Northern Territory were interviewed. This involved 40 participants across four focus groups.

- Staff from the Australian Government DHS including 43 staff, including 26 social workers. The social worker interviews focused on Vulnerable Income Management, others were Customer Service Officers; remote servicing staff; Income Management Coordination Officers; and exemptions staff.
- Northern Territory Department of Children and Families (DCF) child protection staff, including regional directors, head office staff, managers, and caseworkers (29 participants across six interviews).
- Interviews with five representatives of five agencies providing emergency relief.
- One interview with a representative from an agency providing housing-related services.
- Interviews with eight representatives of five service providers and agencies that work with or represent people subject to income management, including both legal services and peak bodies.

Interviews took between 20 minutes and two hours. The general interview schedule and interview schedules for the Vulnerable and Child Protection Income Management-focused interviews, are provided in Appendices F to G. Each organisation was sent a copy of the interview schedule in advance of the interview in order to assist participants in providing informed consent, to prepare for the interview and consult with colleagues as required. Participants were also invited to raise other issues that were not included in the interview schedules, but which they thought were relevant to income management in the Northern Territory.

It is noted that in discussions with DHS staff the evaluation sought to obtain from them their professional assessment of their experience of working in the administration of income management and with people on the measures, and of the outcomes the program achieved for this group. On the whole we believe that the views we obtained clearly reflect this perspective. The views of individual staff of course should not be taken as representing the official position of the agency

10.3 Operational and implementation issues

This section provides an overview of findings from the interviews relating to operational and implementation issues including processes around commencing income management and setting up allocations, exemptions, the use of BasicsCards, money management and financial counselling services, and other services that support people subject to income management. These issues continue to be important in the experience of people subject to income management.

10.3.1 Commencing income management

In the first stage of the evaluation, much of the discussions with intermediaries about the process for people coming into income management focused on the transition from NTER Income Management to New Income Management. The second-stage intermediary interviews have focused on issues for people commencing income management for the first time.

A widespread view among the money management and financial counselling staff and managers was that most of the people they see who are subject to income management have only a very limited understanding of the program and most people think of income management as being the BasicsCard.

A number of participants from the money management and financial counselling services, particularly servicing remote areas, reported that there was a great deal of confusion for some people subject to income management about differences between Voluntary Income Management and the compulsory measures. They also reported that some of the people they worked with who were on the voluntary measure think they are not allowed to come off it at all. Many of these were clients who had been on income management 'since day one', during the NTER. Interview participants who worked in legal services also said that some of their clients who were on Voluntary Income Management did not understand that they could choose to come off income management:

> The people on Voluntary Income Management that we see don't identify with it being voluntary (Legal service)

There was also a concern across financial counselling, money management, legal services and advocacy staff that there are still clients who do not understand that they are on income management and that some of their income support payments are in a separate account. In this situation people just accept that whatever goes into their bank account must be the right amount and they don't follow up with DHS about why they have less money. Interviewees observed that this is likely to be the most vulnerable people. In these cases people can experience considerable hardship until this issue is resolved.

> People just accept whatever money is in the bank. They don't question the amount. (Money management worker)

When a person becomes subject to income management, DHS seeks to inform them of this in a number of ways, including discussions during routine face-to-face contact at a Customer Service Centre or through a Remote Services Team, via the telephone, and through written communications such as letters. This varies slightly according to the way in which people go onto income management. For example, DHS staff participating in interviews explained that when a customer was a couple of months from qualifying for income management via one of the participation measures, they would start reminding the person that this would be happening soon, so that they were aware of this prior to written communications being sent when they attended a Customer Service Centre or called DHS about other income support matters. In instances where people had been referred to the Child Protection Income Management measure, in addition to sending letters to these customers the Income Management Coordination Officer would call the customer to explain what was happening and to try and start the process of setting up allocations.

These face-to-face interactions and telephone calls were seen as being an important step in the process, as it was acknowledged by DHS staff that many people who were moving onto income management either failed to receive the letters or were unable to understand them. This was a particular issue for remote communities or where people were homeless or very mobile:

> Urban customers tend to receive letters, but where they go to a local post office or to communities we can't guarantee the letter is received. It is important they get their mail, as if they miss their appointments they can be put on auto-IM. This is bad because customers only get access to 30 per cent or 50 per cent of their payment. I don't like doing this. (Centrelink Customer Service Officer)[131]

To try and avoid people being in a situation where their income support is being automatically income managed, this DHS staff member described strategies to contact customers, such as calling the Centrelink agent or the local store, or placing a note on their file to put the customer through to them if they call the general phone line.

10.3.2 Setting up income management – allocations

The quality of allocations by DHS staff for income managed funds are seen by financial counselling, money management and legal services staff as being of varying quality and was very much dependent on individual DHS staff involved in doing these allocations:

> It depends on who the Centrelink worker is on how they make allocations for debts. Some are very focused on debt and others are more concerned about financial wellbeing and hardship. It depends on their knowledge, experience and compassion. (Financial counsellor)

Across both of the focus groups undertaken with financial counsellors and interviews with legal services, concerns were expressed that allocations of income managed funds were being set up in ways that did not benefit their clients. Many noted that they had seen examples of poorly set up allocations that have led to debts being accrued and people being worse off financially:

> I have clients with thousands saved and Centrelink thinks it's great to save so much but they are living in very straitened circumstances. (Financial counsellor)
>
> I have seen cases where the allocations haven't been good and money has built up. This leads to pressure and financial exploitation. (Centrelink social worker)

[131] The problem of mail delivery arose on a number of occasions, and was discussed in some communities in the September 2014 feedback process. Many difficulties were reported in the mail distribution system within communities and a number of communities noted that they regularly had to return substantial quantities of undelivered Centrelink correspondence.

There was also a strong concern across interviews with these services about the way that DHS staff manage the payments of people's debts through their income managed funds and the potential longer term financial impacts this has on people subject to income management:

> I had a client with $2,500 worth of fines and they had him paying $200 per fortnight and he couldn't afford to live. (Financial counsellor)

The key concern relating to the issue of debt is that money management and financial counselling staff and legal and advocacy services observed that DHS staff sometimes set up people's allocations to pay off debts that people may not be legally required to pay – for example, that the age of the debt means it will soon be written off or that the debt has been accrued when it shouldn't have been. Financial counsellors noted that they can often advocate on behalf of their clients to have such debts reversed or reduced, but this is harder if their clients have already begun paying off the debt. Financial counsellors and legal services observed that debt issues seem to be dealt with differently depending on which individuals at DHS set up the allocations. Some DHS staff are very concerned with debt and there is a strong focus on this in how they do allocations; others are more concerned around issues of financial wellbeing and hardship. Financial counsellors expressed a preference for referrals being made to them to work out how best to manage debt using income managed funds before allocations to pay off debts are set up by DHS:

> We need more financial counsellors looking at where people's money is going – especially in relation to housing and debt …. There needs to be proper oversight to ensure proper management of funds and to ensure people can afford it; especially with hire purchase leasing arrangements. (Legal service)

Additionally, allocations to pay for rent were also seen as problematic. Legal services in particular expressed concerns about rent being paid twice by some people – once through their income managed funds and once through their non-income managed funds. Overpayments are problematic as they created financial hardship in the short term and were also hard to retrieve from landlords or housing agencies without legal support:

> I think that they [housing allocations] are happening in a paradigm where everyone must pay rent … there's a lot of confusion about remote rent. (Legal service)
>
> Housing wants compulsory rent deductions. It can easily happen where people pay twice – from income managed and non-income managed finds. (Legal service)

These views were echoed by the interview participant from the housing support service who also noted that in transitioning to income management, many of their clients ended up overpaying their rent from both income managed and non-income managed funds. Where this did occur, people often had to wait a long time to have their overpayments returned. In other cases people were reported to incur housing debts when allocations were difficult to match to housing costs – such as having to split rent payments across both income managed and non-income managed funds.

Allocations for people who were working were noted as a challenge by intermediaries across the different service types. This is because allocations are based on a percentage of people's income managed funds, which in turn is 50 per cent or 70 per cent of someone's income support payment. A frequently cited example by financial counsellors and Centrelink Customer Service Officers involved the situation in which a person's income support payment decreases due to working in a fortnight. This means the actual amount paid through income management for bills such as rent decreases. This can mean a shortfall in the amount of rent paid and possible debts:

> You get people starting work that have to report earnings but that changes their income managed amount and throws out allocations, so payments don't get made and they go into arrears. (Financial counsellor)

DHS staff also noted concerns about rent payments. Some were aware of the risk of having payments made twice and would use contact with people on income management to check that allocations were correct. However, DHS staff also noted that consistent delays in payments of rent and other bills by Centrelink using people's income managed funds were more of an issue. Delays were usually attributed to capacity issues within the staff team, with DHS responsible for making these payments.[132] This was reported to have led to some landlords refusing to accept income managed funds and to have caused significant distress to some people subject to income management:

> Sometimes people's rent doesn't go through on correct days and it's very stressful when rent is late … places around here won't accept income managed funds now because payments have been late. (Centrelink Customer Service Officer)

10.3.3 Exemptions

Exemptions were discussed in interviews with money management and financial counsellors, legal services and DHS staff. The general view across all of these interviews was that exemptions were difficult to achieve for most people subject to income management in the Northern Territory. This related to the limited circumstances in which exemptions applied, some aspects of the financial vulnerability test, and the level of evidence needing to be produced by people applying for exemptions.

Since the previous evaluation report, new processes have been put into place that reflect feedback from the 2012 review by the Commonwealth Ombudsman of the financial vulnerability assessment that is part of the exemptions process. As discussed in Chapter 5, the review made seven recommendations regarding the financial vulnerability test relating to improved documentation, additional training for staff, a revision of the *Guide to Social Security Law*, and ensuring improved access to interpreter services.

DHS staff described these changes as including more stringent reporting about reasons for not allowing an application for an exemption, and new processes to ensure that customers subject to the compulsory income management measures are regularly informed of their right to apply for exemptions when engaging with Centrelink regarding other matters. Many of these changes were welcomed by the exemptions staff interviewed for the evaluation, and they noted they now felt clearer about the process and more comfortable in granting exemptions than before the Ombudsman's report:

> There were a lot of exemptions being rejected at first because sometimes it wasn't always clear and there's a fine line of what we saw as being financially vulnerable. The Ombudsman came in and that led to changes in how we did documentation and assessed change. Now it's quite a process to reject an exemption. (Centrelink Customer Service Officer)

DHS staff saw a difference in the reasons for people from remote versus urban locations applying for exemptions:

> Community people get humbugged for their BasicsCard and would like money to go into their bank account …. Urban people feel humiliated and stigma and say I can manage my money fine. (Centrelink Customer Service Officer)

The new "service offer", whereby people are asked during interactions with Centrelink about whether they would like to apply for an exemption was noted as having increased the numbers of people speaking with the exemptions team, but not always with full awareness of why or what was involved.

> People are put through automatically, but they don't know what they are there for. (Centrelink Customer Service Officer)

It was noted by both exemptions team staff and Centrelink staff working directly with customers – either remotely or in town – that once the exemptions process was explained to customers they frequently decided not to proceed.

> They ask about them and when I explain what they need to do they usually say no. (Centrelink Customer Service Officer, remote)

Sometimes this was because the customer felt they would not be eligible; in other cases it was because the process seemed too complex and challenging. Centrelink staff also said that other customers lost interest in applying for an exemption when they realised that coming off income management would result in them no longer having a BasicsCard. This was also identified as happening by money management and financial

[132] DHS advise in response to this observation that payments are commonly late due to customers reporting late; as a result funds are not available to make regular payments.

counselling and legal services staff, who also observed that their clients found the processes complex and challenging, particularly in remote communities and for people who did not speak English as their first language.

Exemptions team staff noted that while the clarifications to the financial vulnerability tests gave them greater confidence to grant exemptions, most exemption applications were ultimately rejected when people failed to lodge their supporting documentation – such as health checks or school attendance records or payslips – within 28 days of making the application. It was seen as potentially challenging to gather this information. Health services and schools did not always supply the right information and were described as being unhelpful at times:

> They [health services] get a bit annoyed depending on how many people come in requesting information. Especially this time of the year [when lots of people request exemptions due to reconciliation payments]. Schools are the same … usually you find the admin ladies say "we don't get funded for this and it takes so much time!" (Centrelink Customer Service Officer, remote)

In other cases the documentation required when seeking the exemption can seem onerous and unreasonable:

> I had a client who was working and reporting his income over a six-month period. Centrelink accepted his verbal reports of income and hours worked to change his income support payments. But when he went to get off income management he was then told he needed to bring back six months of payslips. There's a huge amount of bureaucracy around exemptions. In the end people throw up their hands! (Legal service)

DHS staff involved in assessing exemptions also noted some concerns with the financial vulnerability test applied to customers seeking an exemption. This test involves asking the customer a series of questions over the phone. The test was seen to be difficult to conduct over the phone. Staff involved with exemptions also noted that they felt some of the questions that were seen to identify vulnerabilities failed to recognise the realities of life in remote communities and the adaptability of people to use tools such as the BasicsCard to minimise financial pressures and exploitation. The two areas of concern related to questions about BasicsCards and the frequency of people changing their income support payment days. These participants did not see multiple replacements of BasicsCards or failed transactions as on their own being definitive markers of financial vulnerability at the individual level:

> The questions about BasicsCards failed transactions and replacements don't tell us anything to do with being financially vulnerable … people just don't check their balances … people don't look at the BasicsCard as a keycard [an EFTPOS card issued by a bank]. There are not the same restrictions on a BasicsCard as a keycard. And you use it differently … [with the questions about changing payment days] people know in a community when payday is, so they change it to avoid humbug – we see this as being smart not vulnerable. (Centrelink Customer Service Officer)

There were mixed views about the length of exemptions, which are granted for a one-year period. While DHS staff tended to see a time limit as important, since it allowed for change in circumstances to be monitored and addressed, money management, financial counselling and legal services staff questioned the need for this and felt that changes in circumstances could be monitored or addressed in other ways. DHS staff noted that where people had already been successful in receiving an exemption they usually were able to obtain an extension. However, occasionally people did not receive the letters asking them to reapply and this led to people being automatically returned to Compulsory Income Management. When this happened it was stressful and upsetting for the person:

> Sometimes people might get switched onto auto-IM because they didn't get their mail and they can get upset. (Centrelink Customer Service Officer)

Beyond these process-related issues, the exemptions criteria were viewed by DHS staff, financial counselling, money management and legal services staff to be very difficult for most people subject to Compulsory Income Management to achieve. Where people had children, they often failed to receive an exemption due to their children having more than five unexplained absences at school. In cases where there were six or seven absences, DHS staff noted that it would be good to have some discretion to provide exemptions to people who otherwise met the criteria. Legal services also expressed concerns that these criteria did not acknowledge the impact of cultural responsibilities such as parents needing to travel for funerals and the person caring for the child in their absence not being aware of or able to meet expectations around school attendance:

> A couple of clients, women with kids, have come from states where there is no income management and they have been very angry. They felt like they have had to jump through too many hoops such as getting documentation – and missing school is quite common here due to cultural obligations. (Legal service)

DHS staff as well as financial counselling, money management and legal services staff noted that exemptions were particularly difficult to achieve for people who did not have children. In many communities it was challenging to find ongoing employment or enough hours of paid work to meet their criteria. This meant there were few options for people who are clearly not vulnerable and able to manage their money well:

> Some people don't need income management and they don't have kids in their care. They need other criteria other than work in circumstances where their health has prevented them from working or where they can't find jobs. (Centrelink Customer Service Officer)

However, a view that exemptions were difficult to get did not mean that all intermediaries thought that they should be easier to achieve. Some DHS staff argued that they should be difficult to achieve and that if people don't like income management they "should go and get a job":

> I think it's targeted quite well – very well. I mean if people don't want to go out and work, if they've got no inclination to go out and work why should they get an exemption from it? (Centrelink Customer Service Officer)

10.3.4 Use of BasicsCards

A key tool in using income management is the BasicsCard. As outlined in Chapter 6, 85.5 per cent of people subject to income management use their BasicsCard to spend 50 per cent or more of their income managed funds.

Overall, most intermediaries noted that many people liked the convenience of having a BasicsCard – particularly as it provides fee-free banking. Money management, financial counselling and legal services frequently noted that people living in remote communities who did not like being on income management would like to keep their BasicsCard for this reason.:

> In part it has got to do with the level of banking services that were available to people – it's filling a vacuum rather than improving it. (Legal service)

While DHS staff were generally of the view that a key purpose of BasicsCards was to decrease financial exploitation, they consistently noted that this was not always the case. But some felt it did allow for this financial exploitation to be minimised somewhat or slowed down:

> Even with the BasicsCard elderly people are still being exploited, but it lessens it and makes another hurdle for family members. (Centrelink social worker)
>
> Customers with learning difficulties use very simple PIN codes that the family may know. So it becomes an issue for keeping money safe from family and humbug. (Centrelink, Customer Services Office, remote)
>
> It's normalised that people come in regularly with stolen or lost cards, but usually they are held by a family member. (Centrelink social worker)

DHS staff noted that for the most vulnerable customers, who frequently lost or had their BasicsCards taken from them, a response was setting up a daily allocation of a small amount of funds to their BasicsCard or to a local store – this allowed them to have greater access to basic needs such as food on a daily basis. This practice also seemed to be replicated informally by people by keeping their cards at the local store:

> On communities a lot of BasicsCards holders keep them at the shop and just go in and ask for the balance and buy food. (Legal service)

Other intermediaries also noted that BasicsCards were not able to prevent financial exploitation and were also sold or exchanged by their owners for cash or goods such as alcohol:

> I have a client who asks for her BasicsCard to be suspended when she goes to certain communities. (Legal service)
>
> It's a commodity like anything else. (Legal service)

The requirement that BasicsCards are only issued in person meant that people in remote communities could also wait a considerable time for BasicsCards to be replaced if lost as it depended upon the next visit from a DHS Remote Servicing Team:

> [In a remote community] if you lose your BasicsCard it's a two-week minimum to replace it. (Service provider, remote communities)

In these cases DHS staff explained that they would set up an allocation for people at the local store until they were able to access a new BasicsCard. However, some intermediaries noted that people were often not aware of this option and instead tried to manage without these funds in the interim.

10.3.5 Supporting people subject to income management – money management and financial counselling services

Key themes have emerged from interviews with money management and financial counselling services including issues relating to referrals and co-servicing, the types of services provided by money management, and financial counselling and the matched payment scheme. These themes are explored in each section below.

Referrals

Across the four focus group interviews with money management and financial counselling staff, participants reported getting lots of referrals, but that they ended up with few clients from these referrals, with most actual clients – whether subject to income management or not – being self-referred.

As part of their regular interactions with income management customers, DHS staff ask them whether they would like to access a money management course or a financial counsellor. Since late 2013, in instances where people agree to this the DHS staff member makes a referral to the local money management or financial counselling provider via a new internet based portal. This portal provides contact information for the customer, which the service can then use to follow up the referral. The new referral portal with DHS had mixed support and was seen as something that should not be the only measure of success for the various programs, but staff suggested that it is helping with a more collaborative approach. There was concern expressed in the focus groups conducted in August 2013 that the focus on statistics that had come with the portal would mean services would begin focusing on chasing people referred via the portal rather than working with people who are presenting at services with needs. This seemed less of a concern in the later focus groups:

> Most of our clientele are self-referred. The focus on the portal referrals means we spend days to get to people who just said yes to get Centrelink off their backs rather than working with people who really want it. (Financial counsellor)

There was also concern expressed that the portal will give focus to those with most access to Centrelink – that is, people in towns where permanent Customer Service Centres are located rather than those in remote locations.

Focus group participants also expressed some concerns that DHS staff don't really understand what their services actually do – this means they are unable to give a "good referral" that encourages people to take up the service. This in turn was seen to decrease the success of measures such as the portal. It also means clients do not know what Money Management and Financial Counselling services have to offer them, and so do not engage with the service and follow up with referrals.

Many clients who do attend the services that they are referred to via the portal also think that they are being referred to a DHS service and believe it is compulsory and that they have to attend:

> I'm sure if FMP people were tax agents they'd do a roaring trade. They'd be more inclined to take it up because they can see the benefit. (Centrelink Customer Service Officer, remote)

Overall, word of mouth was seen to be the most successful form of referral for clients to these services:

> The portal relies on the fact of a good referral. But Centrelink staff don't know what we do. So it's not an effective referral. They put lots of energy into the portal but not into good referrals. (Financial counsellor)

Challenges in establishing trust and rapport with people living in remote communities were also noted by both Centrelink staff and money management and financial counsellors:

> The customers need to have confidence in the person they're dealing with. They need to not be a stranger but not too friendly. A customer won't want to speak to a family member or friend. And then you have poison cousins[133]. So there are cultural reasons. This is a problem "in community" where you only have one person to choose from. (Centrelink Customer Service Officer, remote)

Co-servicing

The focus groups with money management and financial counselling services were undertaken at the beginning of the co-servicing approach being rolled out. There were mixed views about how effective this approach would be. Some service providers who visited remote communities felt that visiting communities in partnership with DHS staff had the potential to damage relationships with communities where they have worked hard to build a rapport. They believe they need to be seen as separate from DHS:

> There's also the problem of going onto community with DHS. We don't want them associated with us. (Money management worker)

Where co-servicing had already taken place there were mixed views about its success among money management and Centrelink staff. For some staff members it hadn't been very successful:

> We tried to co-service in CSC but it didn't work because [DHS] staff don't understand what we do. (Money management worker)
>
> They (money management) come once or twice a week but I haven't seen any difference. They set up a table in the front but people are a bit shy, it's in front of all the people in the waiting area. (Centrelink Customer Service Officer)

Others noted that they had successfully undertaken co-servicing and had found it a productive way of working to meet their clients' needs:

> We have done some visits [with DHS]. They've gone really well. We know the people so we can tell DHS about their situations and we can all work together to solve lots of problems. (Money management worker)

There were also concerns about more practical issues; for example, in many communities there is not enough accommodation to allow visits by both DHS and service staff at the same time. In these cases services were exploring options to attend a community directly after DHS had visited as a way of trying to capture the potential benefits of co-servicing.

What money management services do in practice

Following from the First Evaluation Report in which it was reported that money management workers and financial counsellors noted that there was demand for a highly diverse range of services beyond what they were directly contracted to provide, Stage 2 of the evaluation sought to explore what these services are doing with clients to meet their needs and what money management and financial counselling staff believed were the most useful services they could offer people subject to income management.

Money management workers observed that clients come to money management because they have nowhere else to go. They usually come to the service with very specific issues that they need addressed, and then other issues may also emerge. Money management workers see their key role as letting people know what their rights are and to assist people in developing financial skills and literacy.

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[133] "Poison cousins" refer to a cultural taboo on some people having contact with or communicating with some kin.

Their work with clients often focuses on dealing with the 'basics' such as superannuation, tax returns, and setting up internet and telephone banking.

The main issues clients bring to money management services include getting ID; sorting out financial problems; and debts related to direct debits from a number of companies involved in direct sales of goods and services, such as hampers, photographs, home appliances, telecommunications and transport. Staff from money management services identified that people in remote communities are being signed up to services they cannot actually receive because it is not available were they live. People also frequently arrive at money management services with letters from banks or other businesses that they do not understand.

Because of the very specific needs that people come to their services with, money management workers tend to see the training courses they are asked to deliver as not being particularly relevant, believing that in many cases people would benefit more from individual trouble-shooting.

Expressing views similar to those reported in the First Evaluation Report – which reported that there were a number of inadequacies in the courses that were offered – money management workers argued that learning has to be relevant and appropriate. Courses need to have flexibility that allows those running them to recognise local differences and strengths as well as needs. While the content of the courses were seen to be so inappropriate that people in remote areas often thought they were funny, they were also seen as being disrespectful – people who attended would stay but only out of politeness:

> Learning has to be relevant and appropriate. If not, it's only good manners keeping them there. (Money management worker)
>
> The program needs to be more culturally appropriate. They need to understand that we never had money …. The hierarchy is not hearing what we are telling them works. I need to be acknowledged for my knowledge, age and experiences and be given the flexibility to do my work. We need more Aboriginal people based on community doing works with support from people in town, and paid an appropriate wage, not CDEP. I believe we need to give Aboriginal people back control of Aboriginal money. (Money management worker)

What financial counselling services do in practice

Financial counsellors were also asked about what types of services they provided to people subject to income management, as well as to people who attended their services more generally. Participants in these discussions said it was hard to define what the role of Financial Counsellors was, as they saw their primary role as responding to what people need.

Financial counsellors across both focus groups stressed that most of the clients on income management attending their services have low money literacy, which impacts on people's ability to understand money and income management.

As outlined above, financial counsellors spoke about spending a lot of time sorting out people's allocations because of debts – in particular debts relating to rent – as these often lead to financial hardship and the inability of people to meet their basic needs such as food and bills.

Incentive payments and the Matched Savings Scheme

Intermediaries across the board noted that little seemed to have changed in levels of using the Matched Savings Scheme – this is consistent with the administrative data, which record only 31 Matched Savings Scheme Payments having been made. Reflecting the findings reported in the First Evaluation Report, interview participants saw two primary barriers to people engaging in this scheme. The first was that for many people, attempting to save up to $500 over 13 weeks and thus establishing a pattern of saving was not a realistic goal as they are on such low incomes that they struggle to make ends meet. The second was that as soon as people became aware that the $500 Matched Savings Scheme Payment paid upon achieving the savings goal is paid into their income management account, they decided not to participate in the program. This reaction is related to the savings for the Matched Savings Scheme Payment being required to be from non-income managed funds.

Many of the intermediaries interviewed said that the Voluntary Income Management incentive payment was a popular feature. Intermediaries perceived that many people on Voluntary Income Management who do not appear to need to be on income management in order to budget effectively chose to be on income management in order to get the $250 incentive payment. Another reason for people wanting to be on income management which was identified by intermediaries was access to the equivalent of free banking via the BasicsCard. Money management and financial counselling staff as well as some DHS staff identified these as reasons for choosing to be on Voluntary Income Management:

> The really switched-on ones go on voluntary because the $250 [bonus payment] is worthwhile. But they actually don't need income management. (Financial counsellor)
>
> [Customers get exemptions] and then they go on voluntary and they get a $250 bonus every six months. I mean, why wouldn't you? I have had so many of them that stay on income management because they like it but I say to them, look, get the exemption, go on voluntary and get the $250 every six months. (Centrelink Customer Service Officer)

As has been seen in Chapter 5, very few people have gone down this path. Over the period for which data are available only some ten to 25 people have been on Voluntary Income Management while holding an exemption from the compulsory measure.

10.3.6 Supporting people subject to income management – other services

This section initially considers the experience of Emergency Relief Services, and then the experience of support services.

Emergency relief services

Emergency relief services are primarily funded by the Commonwealth Government and provide direct assistance, typically through a food, transport or similar voucher, part payment of outstanding accounts and material assistance such as household goods, food parcels and clothing to help people deal with an immediate financial crisis.

Of the five emergency relief services that participated in the evaluation, three were agencies that provided services specifically to Aboriginal people, one provided services mainly to Aboriginal people and one reported that very few Aboriginal people accessed their service. The services provided emergency relief in the Darwin, Katherine and Alice Springs areas.

None of the emergency relief services reported that the introduction to income management had led to significant changes in demand for their services – either in terms of an increase or decrease in demand. These services reported that people generally sought emergency relief when large bills came in (such as large power bills) or to cover unexpected bills such as medical expenses. Services that worked primarily with Aboriginal people said that in many cases, emergency relief was sought for food when family was visiting.

There were mixed views about income management amongst the interview participants from emergency relief services. Participants from the three services that primarily worked with Aboriginal clients and offered a range of services beyond emergency relief expressed a strong view that income management had not led to significant change for their clients and could make life more difficult for people who often did not need to be on income management to take care of their everyday expenses. The participant from the fourth emergency relief service that worked with Aboriginal clients said that income management had assisted some of their more vulnerable clients to better manage their money but that there were some people who were on it who did not need it. The participant from the fifth service did not feel able to comment on income management as a policy as it was not a core part of their work with clients.

Support services

Continuing the findings from the First Evaluation Report, intermediaries across the different service types noted that there were significant service gaps for people subject to income management – especially those who were the most vulnerable and experiencing the most difficulties.

Gaps were noted for the following types of services:

- homelessness and housing services
- social and emotional services
- alcohol and drug services
- support for mental illness
- nutrition and home cooking.

Remote communities in particular were seen to have few services available to address the needs of people subject to income management. This was seen as a barrier to longer-term goals of people being able to manage their own money:

> There is nothing to link people into. (Centrelink Social worker)
>
> [For remote customers] how can you get people to a point where they can be independent where there are no services? (Centrelink social worker)
>
> Sometimes all the allocations in the world aren't resolving homelessness or lack of services. (Centrelink social worker)
>
> It is quite frustrating when you've coaxed this person to do it [accepting a referral] and then you can't get through to anyone. (Centrelink Customer Service Officer)

Comments from DHS staff, child protection workers and legal service staff emphasised the need to focus on groups and families rather than individuals when working with Indigenous clients:

> Services need to work to support a family to pool money and buy food. (Centrelink social worker)

Another issue for remote communities was that it is not always clear what services are available and what they are doing and when they are visiting, even if technically a lot of services are funded to visit and assist these communities:

> There is a community with 56 services coming in and coming out but no one knows who they are or what they're doing. (Centrelink social worker)

10.4 Perceived outcomes and impacts of income management

All intermediaries participating in interviews for Stage 2 of the evaluation were asked about their perceptions of the impacts of income management in terms of both individuals and communities. In addition to their observations about income management in general, intermediaries were also asked about for which groups income management seemed to work best for, and for which groups income management did not work as well. The key areas of outcomes raised by interview participants included issues of targeting and the differing impacts of income management on different groups, the efficacy of income management as a budgeting tool, and the impact of income management on financial exploitation and community level effects.

10.4.1 Targeting of measures and differential impacts

All intermediaries participating in the interviews across the different service types observed that there seemed to be differential impacts for people, depending on their circumstances and how they understood income management. For example, most intermediaries across the service types noted that there were some women and older people in communities who can benefit greatly from income management and use it to their advantage to get bonus payments – if on the Voluntary Income Management measure – and to save money:

> Senior Indigenous women are very positive about income management. They have money available to find food. (Centrelink social worker)

But some felt that the focus on women and income management was reinforcing ideas about who is responsible within families for providing care and people's basic needs:

> If women only are on income management it reinforces that they are responsible for paying for food. (Centrelink social worker)

> [When women's money is income managed], men's money is for play money. (Emergency relief service)

Two legal services also spoke about the impacts of income management on men. These services expressed concerns that many men in remote communities did not apply for income support payments because of a sense of shame – and that income management was exacerbating this. This meant that some families had access to women's income support payments only:

> There are lots of Aboriginal men not on welfare because of embarrassment or shame …. Therefore you have a man who humbugs his wife for money. (Legal service)

> There's been lots of dialogue about income management and women and children …. Men's experiences of income management are pushed to the edges. One way men engage with income management is to not engage with Centrelink and therefore income management – this in turn increases deprivation. (Legal service)

There was a diversity of views about the impacts of income management on people living in remote communities. Some thought it was most beneficial to people in remote communities. This was generally due to perceived higher levels of financial exploitation, and lower financial literacy. A smaller number also mentioned it was easier to manage as there were limited options to spend your money in remote communities:

> It works exceptionally well for our remote customers for managing their affairs. But for in-town customers who have higher education levels they may be more capable of managing their affairs. Non-Indigenous customers especially are quite loud about it. (Centrelink Customer Service Officer, remote)

> It works in remote communities where there's a lot of humbug of women …. It doesn't work in towns because there's a lot more options to spend your money. In remote there's only limited places to spend your money. (Legal service)

Other participants saw some more negative impacts for people in remote communities. Examples cited including prices for goods going up as a result of more money being available as a result of income management and also that people who already had constrained choices tended to have these further restricted.

There was also diversity in intermediaries' perceptions of income management according to the different measures. There was general agreement that those subject to Voluntary Income Management were able to make good use of its features to budget, save for their goals and make use of the bonus payments. Similarly there was some agreement that income management assisted those who were most vulnerable to ensure their basic needs were met. However, there was less agreement about the value of the Compulsory Income Management measures. There were concerns among some DHS staff and other service providers more broadly that there were people subject to these measures that did not need assistance to manage their money and whose lives were made more difficult by income management:

> I think the bluntness of the instrument will mean there's no real benefits to people's financial or health outcomes. (Service provider, remote communities)

> People on Centrelink payments have a huge bureaucracy to deal with: they need to comply in a huge way. Every call to Centrelink is hugely time consuming. Income management puts an extra layer of contacts on them. Income management wears people out. (Legal service)

> Income management crushed the spirits of a whole heap of people who are trying. There's a lot of proud people who have deflated. (Service provider, remote communities)

People subject to Compulsory Income Management were seen to include a wide range of people with different capacities and vulnerabilities around managing their money. This includes people with significant vulnerabilities that in other cases might be seen to be eligible for the Child Protection Income Management and Vulnerable Welfare Payment Recipient measures. This sometimes means that people with significant vulnerabilities can be missed:

> [CIM] obviates the need [for CPIM or VWPR]. It masks and hides it. Any income management measure that's in place takes people off the radar. (Centrelink social worker)

In other circumstances the value of moving people from Compulsory Income Management to the Child Protection Income Management and Vulnerable Welfare Payment Recipient measures was not seen as being useful or a good use of resources. This view was expressed by both DHS and child protection staff.

10.4.2 Income management as a budgeting tool

Income management was viewed by DHS staff in particular as being a good budgeting tool that helped people on low incomes or with low levels of financial literacy to 'make ends meet'. Most of DHS staff participating in interviews working in a Customer Service Officer role noted that the customers they worked with tended to appreciate these benefits over time:

> I'm a supporter of income management. I think it's a good tool for people to have. If you're on a Centrelink payment you don't get that much anyway to survive for a fortnight. So it's good to have that backup for necessities. (Centrelink Customer Service Officer, remote)

> Sometimes my customers [who are subject to income management] think they're getting more money than before because … they have bills paid and money left over … (Centrelink Customer Service Officer)

> I see people looking healthier and putting on weight. (Centrelink social worker)

However, it was also reported by DHS staff as well as money management, financial counselling and legal services staff that it was not always easy for people to spend their money. Despite acknowledged improvements in the range of merchants accepting BasicsCards, intermediaries across the different service types spoke of instances in which people were unable to purchase goods or participate in activities. This included shopping at markets, attending local shows and accessing different forms of transport. Accessing private rental also continued to be an issue, with many private landlords unable or unwilling to register as Third Party Organisations to accept income managed funds. Similarly, people living in shared accommodation or paying board to family members also had trouble paying their housing costs via their income managed funds.

Perceived negative impacts of income management included: that it made it more difficult for people to manage and control their money; and that it did not address crucial capacity issues around financial literacy and money management:

> Income management makes it harder for people to keep track of their money because it's spread across different things – it's hard to know when you've been underpaid. And the worst time to find out is in the supermarket queue …. If people set it up for paying rent and they are working they don't know how much is being paid by Centrelink and how much they need to set aside. (Legal service)

> The purpose of income management is to get people to be financially self-sufficient, but it hasn't changed. It's only made people's lives more difficult. There's lots of saying what they think you want to hear. (Centrelink Customer Service Officer)

> We still get queries from people about where their money goes. It's become an automated process where people don't make payments themselves – it's sort of "set and forget". (Legal service)

Income management was also seen as being something that limited people's capacity to manage their own money in the longer term.

> Are we just going to budget for people for the rest of their lives? If things don't get paid they blame us [Centrelink]. It's "you didn't pay my rent"; before income management it was "I didn't pay my rent". (Centrelink Customer Service Officer)

10.4.3 Impacts of income management on financial exploitation

Frequently discussed in interviews was the potential of income management to minimise the occurrence or impacts of financial exploitation. There was some support for the idea that income management has been able to address financial exploitation for some people. This was a particularly strong theme for DHS staff, but some financial counselling and money management staff also noted that they had clients who liked income management for this reason:

> I think it's great. Fantastic! It's the best thing that has happened to people in the NT. It's given security to a lot of customers in relation to how money is being spent. And humbugging is a huge issue up here and a lot of customers voluntarily go onto income management to avoid that humbugging. I think it should be Australia-wide for every welfare recipient, with some exemptions. (Centrelink Customer Services Officer)
>
> Some of our vulnerable clients are being protected from humbug. (Money management worker)

There was also an acknowledgement from many DHS staff – as well as most financial counselling and money management staff, child protection workers and legal services – that financial harassment and exploitation still occurred for people subject to income management. Data on this issue collected from people subject to income management are reported in Chapter 7.

There were also concerns from some DHS staff as well as other intermediaries that income management could also negatively impact on cultural arrangements around sharing resources within families, and that setting up income management for people in these circumstances can be complex, time consuming, and disruptive to arrangements that are already working well:

> Income management can interfere with family arrangements where people pool money. (Centrelink social worker)
>
> The Aboriginal way is that when someone is in need and they have no tucker you help them out, even if you are trying to do your matched savings. (Money management worker)
>
> You're not just working with a nuclear family or an individual. There's lots of people involved … the way people's income is administered is very complex and it takes a huge amount of time to work out what is going on. (Child Protection worker)

10.4.4 Perceived impacts of income management on individuals and communities

Reflecting the findings presented elsewhere in this report from Centrelink administrative data and the LSNIM data, there was little support from intermediaries for the idea that income management has led to community level change.

Most intermediaries across all of the different service types – DHS, money management and financial counselling, child protection and legal services – noted that income management has not stopped problems within communities such as drug and alcohol misuse, family violence and financial exploitation:

> One of the negative consequences is the perception that income management is the cure of all social ills. (Centrelink social worker)
>
> We've had income management for seven years – homelessness, overcrowding, alcohol use haven't been affected. (Legal service)

Income management was not seen as having long-term or broader community impacts; rather, impacts were seen to have been quite specific benefits to individuals for the period of time that they are subject to income management, but not necessarily something that led to long-term change. It was seen as a tool but not as something that was transformative or skill-building:

> What life skills are we giving customers? If they're no longer vulnerable, if they've not done the money management courses, do we know they have grasped the fundamentals? (Centrelink Social Worker)
>
> Income management is simply a tool. It's simply part of a bigger intervention. It's not just reflecting skills of the individual. It's about the communities around them – they haven't changed. (Centrelink Social Worker)
>
> It's not a behavioural modification tool for families in our area. (Child protection worker)

> Income management is a short-term tool to manage income and not a change agent. (Child protection worker)
>
> There's some social impact but people know how to work the system, such as selling their BasicsCards. (Financial counsellor)

The exception to this view was a small number of DHS Customer Service Officers who saw income management as a tool to address what they saw as a culture of entitlement to welfare – that is, it acted as a disincentive to stay on income support:

> I think it's the mindset that the Government has control over them. But it's the Government's money. If you don't like it, get a job. (Centrelink Customer Service Officer)

Income management was also reported to have become normalised for many people living in the Northern Territory. DHS staff in particular saw income management as becoming a way of life for many people. While some saw this as a sign of positive acceptance, others saw it as a passive acceptance, of giving up or just a reflection of Indigenous people in the Northern Territory as being used to having to adapt to whatever 'welfare' is doing to them at any given time:

> Income management is a way of life now. They know they've got money for food and priority needs. But people are going to share no matter what. (Centrelink Customer Service Officer)
>
> There's an understanding that eventually you'll go on it when your time comes …. There's an expectation that eventually you'll go on it in the NT. The young ones have seen their parents on it and they are fairly accepting of it. But that would be the nature of the people too. (Centrelink Customer Service Officer, remote)
>
> If they were to turn it off, they'd make themselves a laughing stock because they have no outcomes … they can't just turn it off because they've achieved nothing. The Government needs to take the next step of making customers responsible for their money. (Centrelink Customer Service Officer)
>
> Income management isn't attached in people's minds as a reflection of social responsibility – it's a condition of payment. (Legal service)

Taking into account their perceived lack of a widespread community change in areas where income management had been rolled out, the value for money of income management was questioned, with people wondering if these same funds could be more effectively spent:

> In the communities that I visit it's widely acknowledged that there are low levels of financial literacy. Income management is such a huge program but it is only addressing such a small part of financial skills and issues. Comparing the size of income management to non-compulsory programs in these areas, just imagine if that money was spent on education and support in these issues. It would go a long way. At the end of the day the Commonwealth isn't getting value for money. (Legal service)

10.5 Summary

Interviews with a range of intermediaries suggest that the aspects of the operation of income management have continued to be refined. This has led to changes to the way that referrals are undertaken to money management and financial counselling services and the ways that exemptions to Compulsory Income Management are applied for and considered; although, as the administrative data show, there has been no change in the exemption rate for Indigenous and a slight decrease in the exemption rate for non-Indigenous people.

Overall, while aspects of income management seem to be being implemented well from the perspective of many of the intermediaries interviewed, the challenges of working in the Northern Territory and particularly in remote communities has meant that many intermediaries felt that the experiences of people subject to income management could be improved.

There were mixed views about the effectiveness of income management in assisting both individuals and communities. While many of the intermediaries felt that some people had benefited from income management, those who benefited tended to be people who had chosen to be on income management or who were particularly vulnerable to financial exploitation or had limited capacity to manage their own money. Intermediaries generally agreed that for many other people income management was unneeded and something that made these people's lives more difficult. The exception to this view came from a number of Centrelink Customer Service Officers who stated that in their view that anyone who receives "government money" should be subject to income management – either to ensure funds are properly spent or to create an incentive for them to move off income support.

Overall, all of the intermediary groups who took part in interviews saw community impacts as somewhat limited. There was a degree of frustration that little had changed at the community level. While income management seeks to limit financial exploitation and people's ability to misuse alcohol and drugs, these problems are still being seen as being widespread within communities – with people simply learning to work around the restrictions that income management places on them.

11 Voluntary Income Management

This chapter is concerned with the Voluntary Income Management stream. This was one of the elements of New Income Management, which distinguishes it from the former NTER Income Management. Voluntary Income Management provides an opportunity for people who are not subject to compulsory income management to choose to be income managed. People who choose to go onto the measure are paid a Voluntary Income Management Incentive Payment of $250 for every 26 continuous weeks that they remain on the program.

Under Voluntary Income Management an income management rate of 50 per cent of regular payments and 100 per cent of lump-sum payments, including advances, applies. These lump-sum payments include the Incentive Payment mentioned above.

At the time New Income Management was introduced, people who had been subject to NTER Income Management but not targeted under the new program were given the option at their exit interview to transfer onto Voluntary Income Management. It is not entirely clear as to what extent the choices made in this process were made with a clear understanding of the options available to people.

11.1 Overview of the program

Extensive information on this program stream and the experience of participants has already been provided in earlier chapters of this report. Some of this is summarised here along with more specific analysis of the motivations and views of those participating in it.

In December 2013 there were 3,675 people on Voluntary Income Management in the Northern Territory, 20.1 per cent of the total population of people income managed in the territory. The number on the stream at the end of December 2013 was a 21.9 per cent decline from the peak of 4,707 recorded three years earlier in December 2010 which occurred with the rollout of New Income Management. At that time this represented 29.2 per cent of the income managed population in the Northern Territory.

11.1.1 Population characteristics

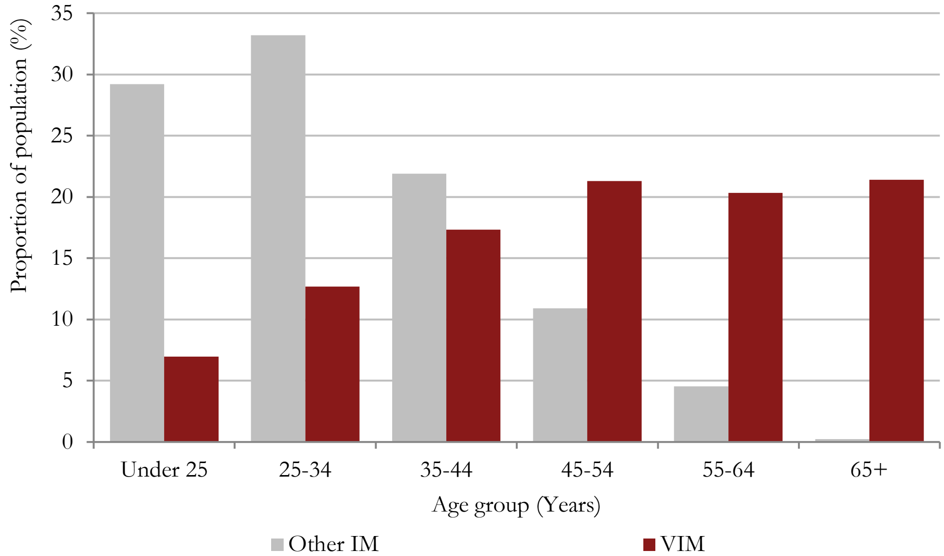
There are many demographic differences between the population on Voluntary Income Management compared to the population on other forms of income management.

Most significantly, population on the Voluntary measure is almost wholly Indigenous. Just 60 out of the 3,675 people on the program in December 2013 did not identify as Indigenous, and thus 98.4 per cent of those on Voluntary Income Management are Indigenous. This compares with 87.9 per cent across the other streams of New Income Management.

The population is largely composed of older people. Some have a partner, but relative to the compulsory measures few have dependent children. As discussed in section 4.3.4, 58.8 per cent of participants in this stream of income management are single, with a further 17.9 per cent living with a partner and no children. These proportions compare with 34.9 per cent and 12.0 per cent across other streams. Just under a quarter have children, with these people mainly being a member of a couple. There is little difference between the participants on Voluntary Income Management and other forms by gender. Women account for 58.5 per cent of those on Voluntary Income Management compared with 59.7 per cent of those on other streams.

The relative age distribution of people on Voluntary Income Management and other streams is shown in Figure 11-1. While the distribution of people on the other streams peaks in the 25 to 34 year age group, for Voluntary Income Management the major age groups are older, with roughly equal proportions in the 45 to 54 year, 55 to 64 year, and 65 years and over age groups, each of which contains around 20 per cent of the population on the program. It is in the latter two age groups that the largest contrast is seen with the other forms of income management. In particular, while 21.4 per cent of those on the voluntary measure are aged 65 years and over, the proportion on the other streams is just 0.2 per cent.[134]

Figure 11-1 Comparative age composition of people on Voluntary Income Management and other income management streams in the Northern Territory, December 2013



Source: Derived from DHS administrative data provided for the purposes of the evaluation.

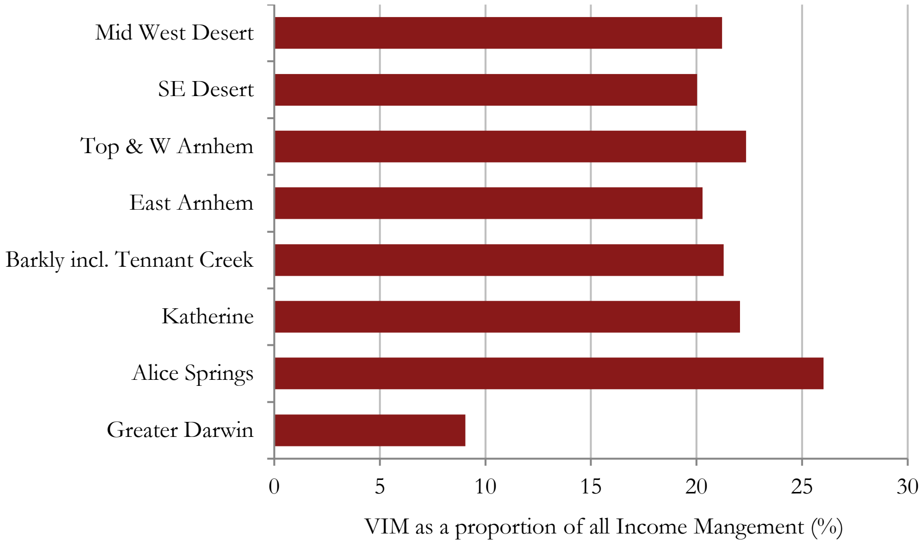
Because the criteria for the compulsory forms of income management are predominantly based on receipt of particular payments, the types of income support received by people on Voluntary Income Management differs from others on the program. This is discussed in Section 4.4.1. Some 65.7 per cent of all people on Voluntary Income Management in December 2013 were in receipt of a Disability Support Pension, and a further 20.8 per cent were on an Age Pension.

Location

There are two quite marked variations in the geographic distribution across the Northern Territory of the population on Voluntary Income Management relative to other forms of income management. As illustrated in Figure 11-2, in most locations between 20 and 22 per cent of people on income management have chosen the voluntary form. In Alice Springs this proportion is higher, at 26.0 per cent. In Darwin it is substantially lower, at 9.1 per cent.

[134] This is mainly due to the targeting of other measures. Age pensioners are excluded from Compulsory Income Management, and Child Protection Income Management is aimed at people with children. Only the Vulnerable measure target group potentially engages this age group.

Figure 11-2 Proportion of people on income management in the Northern Territory on Voluntary Income Management by region, December 2013



Source: Derived from DHS administrative data provided for the purposes of the evaluation.

These regional disparities continue even if only the Indigenous population on income management is considered. Analysed on this basis, the proportion of the Indigenous income managed population who were on Voluntary Income Management in Darwin increases to 15.5 per cent. That in Alice Springs increases to 29.9 per cent.

Interactions with other forms of income management

As well as having strong historical associations with the NTER Income Management, Voluntary Income Management has many interactions with other forms of income management. Table 11-1 presents these. In part these interactions reflect the operation of the hierarchy of the measures and the fact that if a person on Voluntary Income Management becomes subject to another form of income management through the triggering of their targeting criteria they move off Voluntary Income Management to these measures.

Since the introduction of the program, 8,485 people have been on Voluntary Income Management in the Northern Territory at some point. The majority of these (73.5 per cent) had originally been on income management under the NTER. Amongst those currently on Voluntary Income Management this proportion is higher, with 86.5 per cent of those people on Voluntary Income Management in December 2013 having originally been subject to income management under the NTER.

As also shown in the table, many people who were on various compulsory streams had also been on Voluntary Income Management at some stage. In December 2013 this included 13.3 per cent of those on the Disengaged Youth stream, 9.0 per cent of those on Long-Term Welfare Payment Recipient measure, 19.3 per cent of those on Child Protection income management, and 67.1 per cent of those on the assessed Vulnerable measure. In many cases, however, only a short time has been spent on the Voluntary measure. For example, 64.9 per cent of those on the Disengaged Youth measure in December 2013 who had been on Voluntary Income Management at some time had been on for less than three months, and 89.6 per cent had been on for less than six months. Durations of less than three months were also recorded by 32.3 per cent of those on the Long-Term Welfare Payment Recipient measure, and by a quarter of those on the Child Protection and Vulnerable assessed measures and who had also been on Voluntary Income Management.

Table 11-1 Persons who have been on Voluntary Income Management or are currently on income management in the Northern Territory, whether ever been on Voluntary Income Management and current income management status, December 2013

	Ever been on VIM			Current on IM but never on VIM		Total	Proportion who have ever been on VIM (%)
	Had been on NTER IM	Not NTER IM	Total	Had been on NTER IM	Other		
Currently on income management in the Northern Territory							
Disengaged Youth	205	322	527	1,330	2,120	3,977	13.3
LTWPR	558	345	903	5,169	3,996	10,068	9.0
Child Protection	8	8	16	45	22	83	19.3
Vulnerable Assessed	96	18	114	40	16	170	67.1
Vulnerable Crisis Pay	8	4	12	32	43	87	13.8
Vulnerable UTLAH	0	7	7	12	146	165	4.2
Vulnerable Spec. Benefit	0	0	0	0	3	3	0.0
SPAR	7	4	11	9	4	24	45.8
Nominee IM	2	3	5	6	30	41	12.2
VIM	3,159	491	3,650	0	0	3,650	100.0
Exempt – on VIM	12	9	21	0	0	21	100.0
Total – Current IM	***4,055***	***1,211***	***5,266***	***6,643***	***6,380***	***18,289***	***28.8***
Distribution (%)	22.2	6.6	28.8	36.3	34.9	100.0	
Proportion ever VIM on IM	65.0	53.8	62.1				
Not currently on income management in the Northern Territory							
Interstate income manage	39	199	238				
OOS Exempt	0	2	2				
Exempt no IM	13	18	31				
NT Benefits & PP	129	90	219				
NT Pension	1,038	201	1,239				
NT FTB	71	26	97				
Interstate Income Supp.	70	140	210				
Interstate other	2	6	8				
Dead	454	39	493				
No record	365	317	682				
Not on IM	***2,181***	***1,038***	***3,219***				
Total ever on VIM							
Total	6,236	2,249	8,485				

Source: Derived from DHS administrative data provided for the purposes of the evaluation.

Turning to the group that had originally been on NTER Income Management and had moved onto Voluntary Income Management, 50.8 per cent are still on Voluntary Income Management and 14.2 per cent are on various forms of compulsory and targeted income management in the Northern Territory. Of the balance, 16.6 per cent are on Pensions without being income managed, 7.2 per cent have died, and 5.9 per cent are not on the Centrelink administrative data system.

As has been detailed in Section 4.5.4 the time spent on income management by people on Voluntary Income Management is longer than that of other groups.

One very small group of people on Voluntary Income Management have gained an exemption from Compulsory Income Management and then chosen to be on the voluntary measure. As discussed in Chapter 5, the motivation for this is likely to be that it enables them to access the incentive payment made to those on the voluntary measure. In December 2013 there were only 21 people in this situation – just over half of whom had been on income management under the NTER.

11.1.2 Behaviours and outcomes

Outcomes of people on Voluntary Income Management have been identified in previous chapters, as have some of their views on income management. In interpreting these results it should also be noted that on average those on Voluntary Income Management have higher incomes than those on other payments. This mainly arises from the higher rate at which the Age Pension and the Disability Support Pension are paid relative to Parenting Payment Partnered, Newstart Allowance and Youth Allowance. These differences are large. For example, while a single person aged 40 years on Newstart would receive an allowance of around $260 per week, a similar person on the Disability Support Pension would receive some $415. Annually the pensioner would receive over $8,000 more than the person on an allowance.

Expenditure and consumption (Chapter 6)

- People on Voluntary Income Management were less likely to allocate all of their funds to their BasicsCard. They had a relatively high incidence of allocations to housing and were also much more likely to be paying some bills directly though Centrepay as well as via income management.

- They were more likely to have had multiple replacement BasicsCards. In part this is a result of their longer durations, but also because the population has a disproportionate share of those who have had very high numbers of replacement cards. Over half of those who have had more than 50 replacement cards are on Voluntary Income Management. Statistical analysis suggested that in 2013 there was no difference in the number of BasicsCards issued to people on Voluntary Income Management relative to those on the LTWPR stream, once other population characteristics are taken into account.

- Compared with other Indigenous people on income management, they were a little less likely to report sharing their BasicsCard with others while shopping, as well as being less likely to report that various forms of abuse or avoidance of the constraints on the card were occurring in their family. They reported having much lower rates of having paid more for an item because they were using BasicsCard or having not being able to purchase an item because of the card.

- The rate of failed BasicsCard transactions for people on Voluntary Income Management is 13.2 per cent. This is well above the average of the income management population as a whole of 10 per cent. When account is taken of the composition of the population on the measure the rate is similar to that of those on the LTWPR stream. The rate of failed transactions for people on Voluntary Income Management has not shown any major change over recent years relative to other streams of income management.

- People on Voluntary Income Management tend to spend less time than other Indigenous people on income management with very low balances in their accounts, although more than non-Indigenous people. One possible reason for this is their higher incomes. There is some suggestion of a slight improvement over time. The magnitude of this, however, is very small. For example, the proportion who have a minimum balance of less than $10 across their income management account and BasicsCard at some point in a fortnight fell from 74.5 per cent in 2011 to 72.9 per cent in 2013 – a decline of 1.6 percentage points. Similarly, the proportion who had such a balance for more than half the time in the fortnight fell over the same period from 23.7 per cent to 20.8 per cent – a 2.9 percentage point change.

- The analysis of consumption of particular goods cannot differentiate between people on different forms of income management.

View and experience (Chapter 7)

- People on Voluntary Income Management were much more likely than those on compulsory income management to report feeling that income management had made things better for them, and to express a desire to remain on the program.

- Of those on Voluntary Income Management, 43.2 per cent report feeling more in control of their lives all or most of the time. Similarly, 49.4 per cent report feeling that things were better for themselves and their family all or most of the time. While most report that they hardly ever or never feel discriminated against or embarrassed by being on income management, around 15 per cent report feeling this way all or most of the time – along with 18.4 per cent who feel it is not fair. As has been noted earlier, one-third of the respondents who were on Voluntary Income Management never felt this way; this suggests that while there is a group who on balance feel positive enough about the program to want to remain on it, there are nevertheless some aspects which impose costs on them.

- Detailed analysis of outcomes, relative to the control group indicates that Indigenous people on Voluntary Income Management:

- Report a reduction in alcohol as a problem for their family, although they report an increase in gambling problems. While they report that the family experience of any problems with alcohol, gambling and drugs has declined, the incidence of one or more of these as a severe problem has increased. All of these factors are statistically significant.

- Report no statistically significant changes at the community level in terms of children being looked after properly, too much drinking, financial harassment, or more generally over the two-year period between the two waves of the survey.

- Report a weakly significant decline over the two years from 2011 to 2013 in their perception of whether children in their community/location attend school.

- Report, when compared with their situation prior to income management, weakly significant improvements with respect to having run out of money for food or having problems because they had given money to others, along with a more significant improvement in being able to pay bills; but at the same time report a highly significant increase in having to ask others for money to purchase essentials.

- Are less likely in 2013 than they were in 2011 to consider that things are better for themselves and their family with income management, but are, very weakly, more positive about the program overall.

11.2 Motivation for being on Voluntary Income Management

Overwhelmingly the ambition of those on Voluntary Income Management is to continue on the program, with 80.0 per cent of those surveyed indicating this, with a further 8.8 per cent saying that they were not sure.

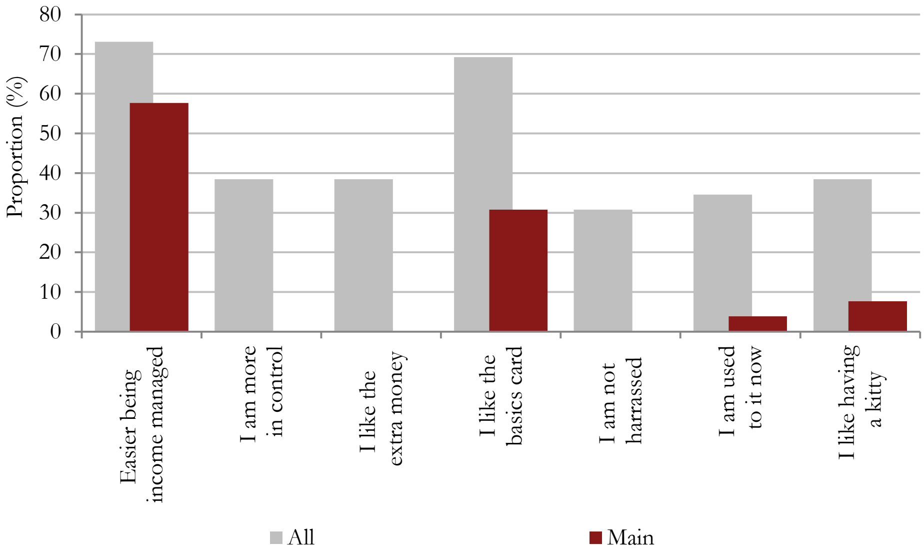
Most (64.0 per cent) report that they can remember choosing to go onto Voluntary Income Management and a similar proportion report that they are aware of receiving the incentive payment for being on Voluntary Income Management. This result is not surprising given the extent to which income management has become embedded in the structure of income support and, as has been noted, the difficulty many people have in distinguishing these policies. A further issue is the extent to which Indigenous people accept what they are told by government departments and in some cases do not have the confidence to question what they are told.

When asked for the reasons why they wish to remain on Voluntary Income Management, two responses dominate. The first is that it is easier being on income management. The majority, 57.7 per cent of respondents, gave this as their main reason, and 73.1 per cent indicated that it was one of the reasons (see Figure 11-3).

The second most frequent reason – both as a main reason and as any reason – was the BasicsCard. As was discussed in the first report of the evaluation, a key reason for this is the way in which the card effectively provides a banking service which otherwise could be quite costly. Although there have been some improvements in access to ATMs and the cost of using these, the lack of charges for balance checking and the free replacement of cards associated with BasicsCard provide it with a number of advantages over those cards issued by banks, especially for consumers who may only use a very limited number of shopping outlets and where these all accept the card.

Beyond these two reasons the only other main reasons people gave for wishing to remain on the measure were liking to have a kitty (7.7 per cent) and the fact that people are "used to it" (3.9 per cent). Turning to all of the reasons they gave, as they could provide additional reasons to the main reason, being more in control, liking the extra money, and having a kitty all gained support at around the 40 per cent level, followed by "being used to it". The protection that income management might provide from financial harassment was not cited by any respondent as a main reason, although just under a third identified not being harassed as one of the other reasons for remaining on income management.

Figure 11-3 People on Voluntary Income Management, main and all reasons for wishing to remain on the program, LSNIM Wave 2, 2013



Source: LSNIM Wave 2.

11.3 Conclusion

While there has been considerable movement by people over time onto and off the program, overwhelmingly the population on Voluntary Income Management in December 2013 are Indigenous people who were originally on income management under the NTER.

This group appears to be motivated primarily by the perception that being on income management makes their life easier, and that the BasicsCard provides them with some advantages, especially as a no-cost banking service.

There is scant evidence to suggest that being on Voluntary Income Management has any significant impact on outcomes. The data does not provide evidence of improving levels of financial capability when this is measured by metrics such as reduced failed transactions or replacement BasicsCard. Data on minimum balances suggest some minor change – but this is in the region of gains of one to three percentage points across the whole population. Drawing upon data reported by participants on their own and community level outcomes, the analysis provides mixed findings in several dimensions. There is a reported decline in alcohol as a problem, but an increase in gambling; and while the incidence of any problems appears to have reduced, the incidence of severe problems has increased. Similarly, while there has been an apparent improvement in being able to pay bills on time and potentially also in running out of money for food and having problems because they gave money to others, there has been an apparent increase in asking others for money so that they can buy essentials. While on balance these data do not suggest a significant overall change in outcomes, they are nevertheless somewhat more positive for people on Voluntary Income Management than they are for those on the compulsory measures suggesting that for some in this group the program has led to some limited gains.

In summary, Voluntary Income Management in general is viewed positively by those on the program, as they perceive it as making their lives easier and providing access to a free transaction card. It has, however, had only a small, and somewhat uncertain, impact on outcomes and is likely to make people less likely to move off income support. Given the population is largely on the Disability Support Pension and Age Pension and living in circumstances where they are unlikely to gain employment, this might be seen as having more limited consequence.

12 Vulnerable Income Management

12.1 Introduction

This chapter provides findings related to the Vulnerable Income Management[135] measure. The small numbers of people on this measure, meant that it was not possible in the First Evaluation Report to draw conclusions about the impact of the Vulnerable Income Management measure on individuals and families, or to ascertain their views about the measure. In the second stage of the evaluation, additional information was gathered regarding the use of Vulnerable Income Management and the impact of the measure on individuals. Findings are based on focus groups with DHS social workers, a review of a sample of DHS social worker assessment reports, analyses of administrative data derived from the DHS administrative data system, and interviews with a small number of people subject to Vulnerable Income Management who took part in the LSNIM (refer to Chapter 3: Methodology).

The analysis focused on the following themes:

- targeting of Vulnerable Income Management measure
- changes in decision-making practice in relation to Vulnerable Income Management since phase one of the evaluation
- sources of referrals to Vulnerable Income Management measure
- assessment and review processes
- views of those persons subject to Vulnerable Income Management
- outcomes for people placed on Vulnerable Income Management
- services and supports available to people on Vulnerable Income Management
- pathways off Vulnerable Income Management.

12.2 Context

As outlined in Chapter 2, the Vulnerable Income Management measure is another compulsory form of income management. Initially there was a single form of Vulnerable Income Management; however, from July 2013 additional streams of Vulnerable Income Management were introduced. The initial form was designed to provide Centrelink social workers with an additional tool to use in providing their services to individuals who are vulnerable and/or at risk; for example, individuals on an Age Pension or Disability Support Pension who are subject to financial harassment, or who have an impaired capacity to manage their finances. Being placed on this form of income management requires an assessment of vulnerability by

[135] The full name for this measure is the Vulnerable Welfare Payment Recipients measure.

a DHS social worker, referred to in this report as assessed Vulnerable Income Management. This remains the main form of Vulnerable Income Management.[136]

In deciding whether a customer should be income managed under the assessed Vulnerable Income Management measure, Centrelink is required by the *Social Security (Administration) Act 1999 (Cwth)* to consider:

- "whether the person is experiencing an indicator of vulnerability
- whether the person is meeting their priority needs and the priority needs of their partner, children or other dependants
- whether income management is an appropriate support for the person experiencing vulnerability to meet their responsibilities, to build and maintain self-care and to manage their money." (Australian Government, 2014, Section 11.4.2.10).

The specified 'Indicators of Vulnerability' are:

- "Financial hardship: A person is defined as experiencing financial hardship where they are unable to access or engage in activities that meet their priority needs due to a lack of financial resources. The receipt of income support in itself does not define a person as experiencing financial hardship, rather a lack of skills or an ability to manage limited resources may result in financial hardship.
- Financial exploitation: This is considered to occur when a person is subject to undue pressure, harassment, violence, abuse, deception or exploitation for resources by another person or people, including other family members and community members.
- Failure to undertake reasonable self-care: This may be due to factors including, but not limited to, substance abuse issues, problem gambling, and mental health issues.
- Homelessness or risk of homelessness: Where the person does not have, or is at risk of not having, access to safe, secure and adequate housing". (Australian Government, 2014, Section 11.4.2.20).

People are placed on this measure for a maximum duration of 12 months at a time. After this period a DHS social worker must conduct a further assessment. If the person is assessed as continuing to meet the criteria for the Vulnerable Income Management measure, they are placed on the measure for a further period of up to 12 months. There is no limit to the number of times a person can be reassessed or to the number of extensions to their being placed on the measure.

Since the first report of the evaluation of New Income Management (NIM) in the Northern Territory, there have been a number of changes in relation to decision-making practice with regard to people on the Vulnerable Income Management measure. In 2012 the Commonwealth Ombudsman began a review of the decisions made when applying income management to people who have been assessed by DHS social workers as eligible for Vulnerable Income Management. In response to a number of criticisms of the way decisions were made, as outlined in the Ombudsman's Interim Report, a taskforce was established to examine the decision-making process.

The Taskforce raised a number of issues to be addressed, including:

- A need for better management of the social workers responsible for Vulnerable Income Management decisions.
- Inadequate training of social workers responsible for making Vulnerable Income Management decisions.

[136] While in December 2013 assessed vulnerable remained the largest single form of vulnerable, with 170 persons on this stream, almost an equal number are now on the automatic vulnerable Unreasonable to Live at Home measure (165 persons) and 87 persons are on the Crisis Payment measure.

- Lack of documented customer wellbeing assessments.
- Lack of documentation of the customer's relevant personal circumstances or referrals to other sources for assistance.
- The need for greater use of interpreters during the decision-making process.
- Problems with the design of the Vulnerable Income Management process, including hidden parts and segmented processes affecting quality, timing and transparency.
- A need for a quality assurance framework, in particular a requirement for a report for each Vulnerable Income Management decision, to be completed within five working days (Commonwealth Ombudsman, 2012a: pp. 37-38).

Following the release of the Ombudsman's report, rules around the recording of the social workers' decisions to place people on the vulnerable measure and to renew the measure for another period were tightened.

The second major change to the Vulnerable Income Management measure was the introduction of a number of new streams in July 2013. The new streams of Vulnerable Income Management applied automatically to young people who were not full-time students or apprentices, were not currently on Compulsory Income Management, and were:

- Granted the Unreasonable To Live At Home (UTLAH) rate of payment by a DHS social worker.
- Under the age of 16 years and were granted a Special Benefit Payment by a DHS social worker.
- Under the age of 25 years and released from prison and had received a Crisis Payment within the last 13 weeks.

The new streams were therefore different to the assessed Vulnerable Income Management measure in that they were not subject to assessment by a social worker; rather, they were initiated by the 'trigger' criteria specified above. These automatic measures also applied to a rather different demographic to that of the assessed Vulnerable Income Management measure.

As the primary data collection relating to the Vulnerable Income Management measure for the evaluation was conducted in mid to late 2013 and involved discussions with DHS social workers, the analysis in this chapter has focused on the assessed Vulnerable Income Management measure, which was familiar to DHS social workers.

12.3 Methodology

This chapter is based on focus groups with DHS social workers, a review of DHS social work Vulnerable Income Management assessment reports, analysis of DHS administrative data to profile people receiving the Vulnerable Income Management measure, and a small number of interviews with people on the assessed Vulnerable Income Management measure conducted as part of the LSNIM. These methods are outlined in detail in Chapter 3. Table 12-1 provides a breakdown of data collection by method.

Table 12-1 Types of data collected about the assessed Vulnerable Income Management measure

Methodology	Total
DHS social work vulnerable assessment report reviews	30
DHS social work focus groups	8 (26 social workers involved)
Interviews with people on assessed Vulnerable Income Management	6

The focus group questions (Appendix F) and file review tool (Appendix G) were designed to capture information relating to the characteristics and circumstances of people on the measure, decision-making practices of social workers when determining the range of circumstances under which people are deemed suitable to enter or exit the measure, the impact of the measure on those subject to it, and what additional interventions or supports assist in addressing or minimising vulnerability.

The focus groups involved most of the DHS social workers working in the Northern Territory. While DHS management encouraged staff to speak openly, and the discussions within the groups appeared to be candid, with a diversity of views expressed, the fact that the interviews took place at work and among colleagues means participants may have felt constrained in their remarks. The assessment report review is of a sample of assessments only, and these were selected for the evaluation by the DHS. This means that there are limits to the extent to which these data may be generalised as we are unable to ascertain the extent to which this sample represents the collection of assessments as a whole. Table 12-2 outlines the demographic information available for people who were the subject of the assessment reports included in this sample.

Table 12-2 Demographic characteristics of the assessment report review sample

Sex (n=30)	Distribution (%)
Male	43.3
Female	56.7
Age (n=23)	Age (years)
Mean	50.5
Location (n=30)	Distribution (%)
Remote	60.0
Town	26.7
Mobile between locations	13.3

Difficulties in establishing contact with many of the people on the assessed Vulnerable Income Management measure in the LSNIM sample were experienced by those involved in conducting the qualitative interviews with people on the measure. Barriers to making contact with potential interview participants included people having no fixed address or no longer residing in the township or community where they were registered with Centrelink. Some participants in this group also presented with a number of cognitive and mental health issues that could make it difficult for them to participate in interviews, even with assistance. The six people on the assessed Vulnerable Income Management measure who participated in a qualitative interview were Indigenous and lived predominantly in urban areas. The number of interviews conducted was low and therefore the views and experience described may not be representative of all people on the assessed Vulnerable Income Management measure. However, they do provide an indication of some of the context behind the experiences reported within the survey.

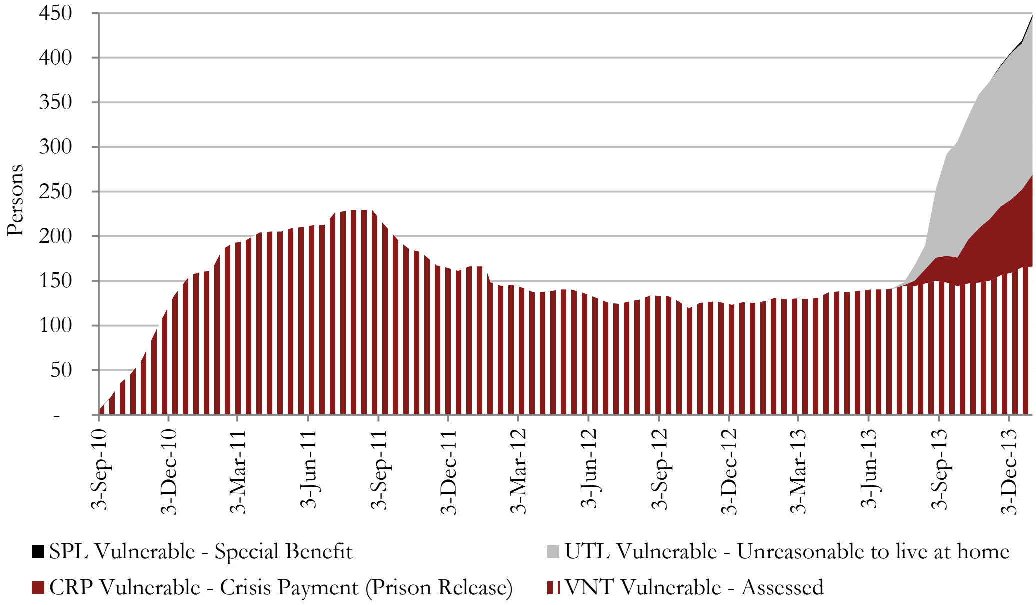
12.4 Findings

As previously outlined, the following analysis has focused on assessed Vulnerable Income Management and does not include analysis of the 'youth triggers' forms of the measure that were introduced in July 2013.

12.4.1 People on the Vulnerable Income Management measure

Figure 12-1 shows the number of people on all Vulnerable Income Management measures in the Northern Territory from September 2010 to December 2013. The figure shows a significant rise in numbers after July 2013 because of the addition of the new forms of automatic Vulnerable Income Management.

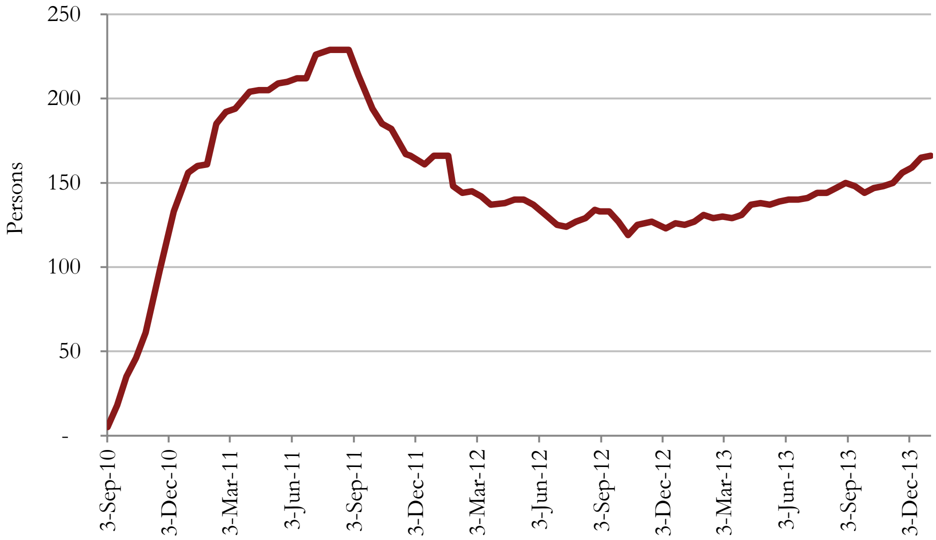
Figure 12-1 Number of people on Vulnerable Income Management in the Northern Territory by type of measure, September 2010 to December 2013



Source: Derived from DHS administrative data provided for the purposes of the evaluation.

The numbers of people on the Assessed Vulnerable Income Management measure show a rather different pattern to the total number of people on the vulnerable measures from mid 2013 on. In the first year after its introduction in mid-2010, numbers on the measure rose rapidly to a maximum of 243 in August 2011. Numbers then fell to settle at around 130–140 in 2012 until mid-2013, after which they have slowly risen again, reaching around 165 in December 2013

Figure 12-2 Number of people on Assessed Vulnerable Income Management in the Northern Territory, September 2010 to December 2013

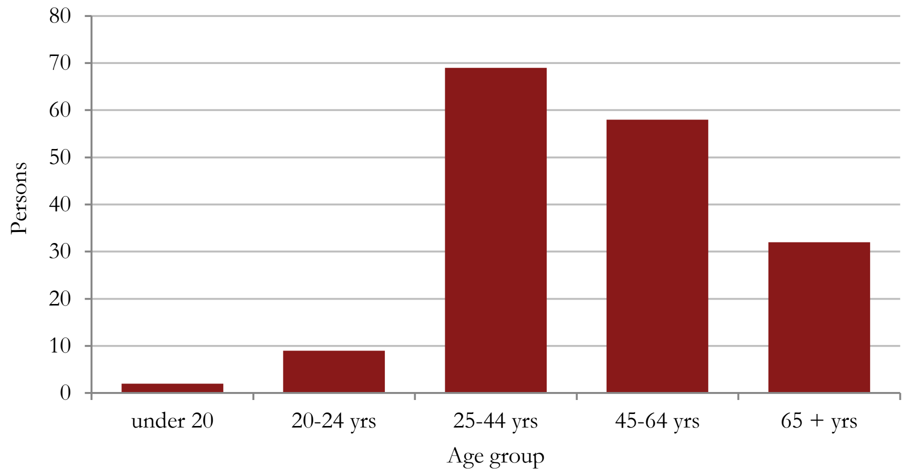


Source: Derived from DHS administrative data provided for the purposes of the evaluation.

The majority of people on the assessed vulnerable measure are women (55.3 per cent in December 2013). The vast majority of people who have been on assessed Vulnerable Income Management are Indigenous. A maximum of four non-Indigenous people have been on the measure at any one time, and as of December 2013 there were three non-Indigenous people on the measure out of a total of 170 (1.7 per cent). This is despite the fact that, compared to other welfare payments, there are higher numbers of non-Indigenous people receiving the Age Pension and the Disability Support Pension (the payments most associated with the Vulnerable measure) than on most other payment types, but very low numbers of non-Indigenous people receiving these payments on income management.

Most of people on the measure are between 25 and 64 years old, as indicated in Figure 12-3 below.

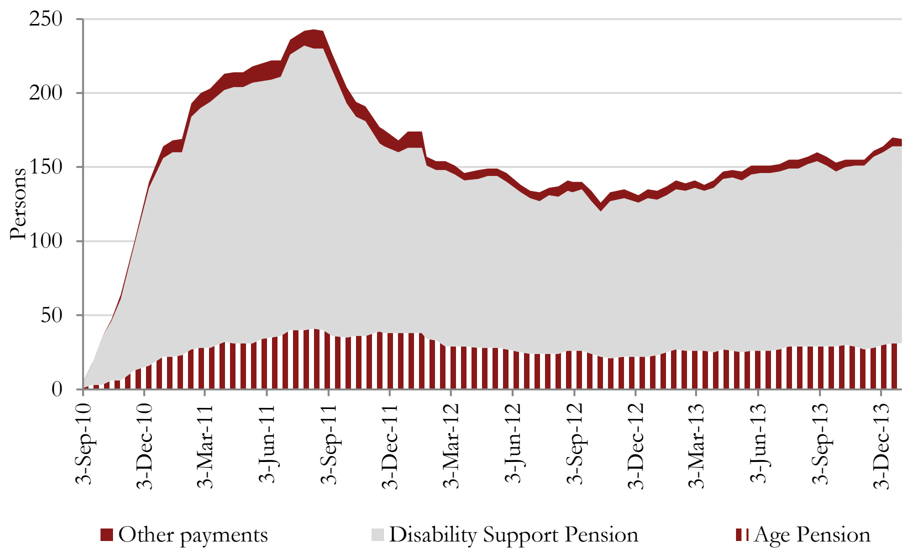
Figure 12-3 Age distribution of people on assessed Vulnerable Income Management in the Northern Territory, December 2013



Source: Derived from DHS administrative data provided for the purposes of the evaluation.

In relation to the type of benefit received, the vast majority of people have been Disability Support Pension recipients, accounting for around 80 per cent over the years since the measure was introduced. The Age Pension has consistently accounted for just under 20 per cent, with one to three per cent on a range of other benefits, as indicated in Figure 12-4.

Figure 12-4 Income support payment type of people on assessed Vulnerable Income Management in the Northern Territory, September 2010 to December 2013



Source: Derived from DHS administrative data provided for the purposes of the evaluation.

12.4.2 Targeting

The assessed Vulnerable Income Management measure was designed to provide DHS social workers with an additional tool to help individuals who were vulnerable and/or at risk; for example, individuals on an Age Pension or Disability Support Pension who were subject to financial harassment, or who have impaired capacity to manage their finances.

The review of the 30 Vulnerable Income Management social work assessment reports revealed that of the 30 people in the sample, 23 had either mental illness or disability, with four people experiencing both. People with disability (n=19) were commonly described as having an intellectual disability (n=16), although some also had physical disabilities (n=9). There were also five people who had issues related to aging, such as physical frailty or cognitive decline, which resulted in them being classified as vulnerable. A high proportion of people experienced substance abuse issues (n=21). These factors regularly made people more susceptible to financial harassment and exploitation, and reduced self-care, even with the introduction of income management.

The measure was commonly described in the focus group interviews and in the assessment reports as a "harm minimisation measure" that ensured people had money available to meet their most basic needs such as food and shelter. People subject to the Vulnerable Income Management measure were described by social workers as being "people without other protections" and as a group which:

> … falls through the gaps in the other service system … and because they are people with diminished capacity they are vulnerable to exploitation. (DHS Social Worker)

12.4.3 Changes in decision-making practice since Stage One of the evaluation

Within the focus groups there was a clear shift in the description of how the Vulnerable Income Management measure was being implemented compared with the description provided in interviews during the first stage of the evaluation (Bray et al., 2012). In particular, social workers described a change in their decision-making process. In the first stage interviews, many social workers had expressed a preference for people to choose Voluntary Income Management rather than being placed on Vulnerable Income Management, as the voluntary measure was perceived to enable the person to have a greater sense of control over their lives. Participants in the focus groups in Stage 2 of the evaluation also reflected on this change in approach. As one participant explained:

> Initially if someone chose to go on Voluntary Income Management we saw them as demonstrating skills to meet their priority needs, so they didn't need the vulnerable measure. (DHS Social Worker)

However, social workers in the second stage reported that people had tended to come off Voluntary Income Management at high rates when, in the social workers' views, many continued to require income management. As reported above, the Ombudsman's review in mid-2012 led to the development of revised guidelines for social workers on recording assessments. The guidelines provided advice to social workers on how they could 'better use the voluntary and vulnerable measures' (DHS Social Worker). The guidelines reiterated the policy that if a person met the defined criteria for vulnerability, they should be placed on Vulnerable Income Management, regardless of whether or not they volunteered for income management, but that if a person is already on income management, then they are not required to be assessed for Vulnerable Income Management. Most focus group participants viewed the tightening of guidelines around assessment as a positive change, although this was not a universal perspective. Some social workers still felt that best practice should involve giving people the chance to make changes voluntarily through going on to Voluntary Income Management.

Another area of change in practice raised during the focus groups related to contacting third parties during the assessment or review process for Vulnerable Income Management. Social workers reported that it was now deemed acceptable to contact a third party without the consent of the person who is being assessed when information was required for the purposes of assessment or review. This was seen as a particularly important development in the context of the Northern Territory where many of the people subject to Vulnerable Income Management were difficult to locate for the purposes of assessment and review.

12.4.4 Sources of referrals for Vulnerable Income Management

Referrals were reported during the focus groups to primarily come from within the DHS through the Customer Service Officers. Many of the social workers participating in the focus groups noted that Customer Service Officers tended not to refer people already on other compulsory income management measures. In addition, referrals could also be received from third parties, such as aged care facilities and community stores, and from other social workers within the DHS. Participants in the focus groups felt that most of the people referred were people who displayed clear signs of being vulnerable:

> The vulnerabilities are visually apparent when people are referred and are instantly recognisable. Where people are less visibly vulnerable they are not being referred. (DHS Social Worker)

> The main trigger for local staff is someone always coming in and asking for food because they are hungry. (DHS Social Worker)

At the time of the focus groups (late 2013), there was also a sense that most of the people who were suitable for the vulnerable measure had been identified and much of the work had shifted to reviews rather than new assessments:

> We are seeing fewer people who have never been on the Vulnerable Welfare Payment Recipient measure – there is more of a focus on reassessment … most new Vulnerable Welfare Payment Recipient clients are moving from Voluntary Income Management. (DHS Social Worker)

However, it was also acknowledged that the presence of both Compulsory Income Management and Voluntary Income Management in the Northern Territory was likely to impact the rates of referrals to Vulnerable Income Management, with more people likely to be suitable for the measure than those referred. This is especially the case because those on other income measures are not required to be assessed for Vulnerable Income Management, even if they appear to meet the criteria:

> It [Compulsory Income Management] obviates the need. It masks and hides it. So does Voluntary Income Management. Any income management measure takes people off the radar. (DHS Social Worker)

12.4.5 Assessment and review processes

Being placed on this form of income management requires an assessment of vulnerability by a DHS social worker. Social workers are required by the *Social Security (Administration) Act 1999 (Cwlth)* to determine whether a person is eligible for Vulnerable Income Management based on set criteria as outlined in Chapter 2. This includes considering whether a person is experiencing one of four specified indicators of vulnerability: financial hardship; financial exploitation; failure to take reasonable self-care; and homelessness or risk of homelessness.

The review of the 30 DHS social work assessment reports identified which of these indicators were recorded by social workers for assessing people as vulnerable. These are outlined in Figure 12-3. Ongoing financial exploitation, difficulties with money management, and reduced self-care were the primary reasons cited by social workers in the reports for a person continuing on the measure. Reduced self-care was mainly, but not always, a result of continued substance abuse. Homelessness or risk of homelessness was present for almost half but was mostly not raised as the primary concern. Continued Vulnerable Income Management was deemed the most appropriate measure in all but two of the assessment reports reviewed, and in those two cases the client was taken off the Vulnerable measure because of administrative issues to do with nominee status, not because their vulnerability had diminished.

Table 12-3 Vulnerabilities identified for people subject to assessments as part of the assessment review

Identified as vulnerable using DHS criteria	Response (persons)	Response - % -
Financial hardship	13	43.3
Financial exploitation	20	66.7
Failure to take reasonable self-care	15	50.0
Homeless or risk of homelessness	13	43.3

Note: n=30

More than one vulnerability could be selected.

Source: Authors' audit of DHS social work files.

The assessment process was described by social workers as being very detailed and labour-intensive. Assessments occur both at the time of deciding whether or not someone meets the vulnerability criteria and again towards the end of each period that they are subject to the measure (usually 12 months) – an end of notice review. Reviews can also be undertaken on request unless a review has been requested in the past 90 days.

Assessment reports were described as being highly structured tools, with the rationale for the decision as to whether someone was suitable for the measure needing to be clearly supported by the information collected as part of the assessment or review process. Social workers participating in the focus groups were generally supportive of this structured approach to assessments and reviews:

> Now we have more of a framework. Before we did [assessments] without much direction. (DHS Social Worker)

Some focus group participants did, however, question the value of the time required to undertake the assessment or review process and the extent to which this detracted from time working to assist vulnerable people. As one social worker noted:

> It's become about the paperwork rather than developing interventions to help people. (DHS Social Worker)

This was particularly the case when speaking about people with long-term vulnerabilities, such as people with acquired brain injury, which were unlikely to change. A number of social workers commented that regular reviews were time-intensive, and that it was clear during the review that the situation would remain unchanged. However, other social workers disagreed with this perspective and noted that while the vulnerability might not change, the supports around people may differ and hence regular reviews remained important and worthwhile.

Of the social work assessment reports reviewed, six assessments were completed face-to-face with the person, and ten were completed with the person via telephone. The remaining 14 assessments were completed based on available information in the person's DHS file and/or discussion with one or more third parties. Five of these assessments were based on a review of the person's file only. A common reason cited for people not being involved in the assessment process was the lack of available contact details. An assessment based solely on review of a person's file was seen by many of the social workers interviewed as necessary in order to progress a referral, but was acknowledged to have limitations. Some social workers expressed concern about undertaking assessments and reviews based on a person's file notes only. As one explained:

> I struggle to do file reviews because I feel like a detective rifling through someone's lifestyle. It sits uncomfortably with me because I am making assumptions about people's lives. You're doing a file assessment based on your own values and beliefs. (DHS Social Worker)

Eleven of the assessments in the assessment report review involved consultations with third parties. Focus group participants explained that the key to involving third parties in the assessment process was finding "the right person". This person was described as someone who knows the person being assessed and who has the appropriate levels of experience and knowledge to comment:

> When you are getting a third-party verification you need to take into account the third party's experience, how long they've been there. (DHS Social Worker)
>
> You need to talk to experienced service providers and make sure the Vulnerable Welfare Payment Recipient measure is not interfering with good arrangements. (DHS Social Worker)

Overall it appears that the assessments, although burdensome for some workers, are an essential part of the process. They ensure that these clients have at least some regular contact with Centrelink, and that changes in their circumstances are recorded and assessed. The rigid criteria for vulnerability have the advantage that they facilitate consistency and fairness, but the disadvantage is that they limit the ability of the assessment to focus on the specific needs of the individual. Nevertheless, overall the system appears to be working well. However, the fact that many assessments are conducted without a face-to-face meeting, and are often only able to draw on information provided by third parties, is considered by all stakeholders to be unfortunate. This means that clients are not able to have their views and wishes recorded.

12.4.6 Outcomes for people on the vulnerable measure

Most of the DHS social workers who took part in the focus groups viewed the Vulnerable measure as having a limited but important impact on people subject to Vulnerable Income Management. Social workers frequently used the term "harm minimisation", acknowledging that while the measure did not resolve the issues or vulnerabilities experienced by people, it did assist with providing for people's basic needs:

> It's a bandaid. (DHS Social Worker)
>
> We see people looking healthier, putting on weight. (DHS Social Worker)
>
> You look at what was the trajectory before income management and if the Vulnerable Welfare Payment Recipient measure stops it, that's a success. (DHS Social Worker)

This is consistent with the feedback from third parties which was noted in the DHS social work assessment reports. Third-party consultants consistently identified the measure as making a positive contribution to the wellbeing of these clients. This included contributing to a reduction in alcohol or drug consumption, stabilisation of the person's living situation, or ensuring access to community support services, such as Home and Community Care (HACC) and Meals on Wheels.

The social worker assessment report review also indicated that 11 of the 16 clients who were involved in their assessment process believed that income management had been beneficial. Identified benefits included ensuring that money was available for the purchase of food and other essential items, and assisting people to refuse requests from others for money (financial harassment). However, several people subject to assessments were also noted in the reports as having expressed the opinion that they wished for greater control over management of their own funds, but as reported above, these views were overridden by the assessor.

This mix of positive and negative views was also reflected in the interviews with the six people subject to Vulnerable Income Management who took part in the qualitative component of the LSNIM, and from comments made by 19 of the 21 participants when completing the survey. For example, one interview participant initially disliked the measure and the restrictions it placed on how she spent her money. However, over time she had come to recognise the benefits of having been placed on the measure:

> Now when I get my BasicsCard money I buy nice food, like yoghurt. Really improving my health and attitude. That's because I'm homeless and don't have my kids. BasicsCard has helped me to change the path I'm on. Three years [ago] I wasn't on BasicsCard. I can't even remember because I was drinking and smoking too much. (Indigenous female living in an urban area, interview)

Eight of the 21 LSNIM participants subject to the measure (including three people who also spoke about benefits of the measure in the qualitative interviews) identified benefits of the measure in terms of assisting with money management and ensuring sufficient funds were available for the purchase of food and other essential items:

> Income management has made my life better and safer for me and I can easy look after myself and my family. I wanted to go on because when we get cash we spend it really quick and then have to wait until next payday to see some cash. By that time we run out of food and go hungry. I wanted to go on income management because I was struggling. (Indigenous female living in an urban area, interview)
>
> Because before I used to spend all my money on gambling and now I always have money on my BasicsCard for food. (Indigenous female living in remote area, survey response)
>
> I used to be real frivolous with my money but now I think about tomorrow and not just today. It's helped me understand the value of money. (Indigenous female living in urban area, survey response)

However, one interview participant was very critical of Vulnerable Income Management and spoke of experiencing greater hardship as a result of being placed on the measure:

> I was forced on this three years ago. I'm on disability [support pension] and it has caused me a lot of problems. I was homeless for some time because I was on the BasicsCard and income management. (Indigenous female living in an urban area)

This person acknowledged that the measure could be useful for certain people in ensuring that food and other essential items were available for children. In her own situation, however, she felt capable of managing her own finances and did not like the lack of financial control she experienced while on income management. In both the qualitative interviews and the survey she spoke of attempting to gain an exemption on a number of occasions but had not been successful:

> I've tried several times. Haven't been given an exemption because I'm on Vulnerable. They are very invasive and don't want to take me off it. (interview)
>
> I used to have a drug habit and have been sober for over 12 months and feel like I should be reviewed now. I'm doing the right things and have shown full improvement. (survey response)

While there were examples discussed in the focus groups of cases such as those noted above where people report consequential change, as cited at the beginning of this section social workers overall did not view the measure as being able, in and of itself, to support broader change in personal circumstances or behaviour:

> All the allocations in the world aren't going to resolve homelessness, lack of services and vulnerabilities. (DHS Social Worker)

Substance abuse

Social workers participating in the focus groups reported that most of the people they ended up assessing as being eligible for Vulnerable Income Management experienced some form of drug or alcohol misuse. This was reflected in the analyses of the social work assessment reports, which found that two-thirds (n=21) of the reviewed reports indicated that the person being assessed experienced some level of drug or alcohol dependency, and in eight assessment reports this was cited by the social work assessor as one of the primary reasons for the continuation of the measure. Three of the people assessed were reported to have spoken positively about the measure in terms of helping to reduce their drug or alcohol dependence. This was achieved primarily through reducing the amount of discretionary funds available for the purchase of drugs or alcohol. However, for at least five others, drug and alcohol dependence continued, with one person reportedly speaking openly during her assessment about bartering her BasicsCard at petrol stations in order to gain funds to purchase drugs.

The assessment report reviews indicated that five people had engaged with, or were in the process of engaging in drug and alcohol rehabilitation programs, either on a voluntary or mandatory basis. However, mixed success was noted, with two people reportedly returning to heavy alcohol consumption on completion of their rehabilitation program. Two other people were noted to have successfully reduced their alcohol consumption over the twelve-month period prior to their assessment. However, it was reported that other factors may make it difficult for a person to maintain this reduction in alcohol consumption. In these instances the measure was extended for a further twelve months in order to determine whether the behaviour change was temporary or permanent. This reflects findings from the focus groups with social workers, where it was also noted that few of the people subject to the measure had successfully addressed alcohol problems in the longer term. Focus group participants also noted that many people subject to Vulnerable Income Management were suffering from the effects of neurological damage brought on by alcohol or substance misuse.

Financial harassment

The social work assessment report reviews highlighted that financial harassment or exploitation was a significant issue for people subject to Vulnerable Income Management. Financial exploitation was an identified vulnerability, according to DHS criteria, in two-thirds of the assessment reports reviewed. Assessment findings indicated that both family members and community members were the instigators of financial harassment, depending on each person's circumstances. Social work assessment reports noted that the measure assisted in reducing the impact of financial harassment and exploitation, but did not completely eliminate it. This was consistent with feedback from social workers during the focus groups. As one social worker explained:

> It's containing the worst of [financial] exploitation but it doesn't stop it … the BasicsCard can become the point of vulnerability. (DHS Social Worker)

Several of the financial options available through the measure were noted in the social work assessment reports as helping to provide additional financial security for people. Six people were reportedly using daily or weekly allocations to the BasicsCard, and two were using store allocations rather than the BasicsCard to reduce further the incidence of financial harassment. These practices were also flagged within the focus groups as tools commonly used to try and minimise the risk of financial exploitation for people subject to this measure. However, data from both the assessment reports and focus groups found that many people were reported as continuing to experience financial harassment even with these safeguards in place.

Several people were noted in the assessment reports to have additional safeguards put in place, either in a formal or informal capacity, to protect them from ongoing financial exploitation or harassment. In terms of formal processes, two people had made payment nominee arrangements which assisted with reducing financial exploitation from family members. Alternatively, three people received informal support from local shop owners, community support services or aged care providers. This support included holding the person's BasicsCard to prevent it from being stolen, or not disclosing the full amount of funds available when family members were present. These approaches to providing greater support to the most vulnerable clients were also described across the focus groups.

Financial management

Ten people were noted in their DHS social work assessment report to have spoken about the personal benefits of Vulnerable Income Management in terms of ensuring that sufficient funds were available for essential items, such as food. These people reportedly noted that without the allocation of funds onto the BasicsCard they would either be more likely to spend the money on drugs and alcohol, or be subject to greater financial harassment.

Almost half of those being assessed (n=13) were identified in their assessment report as having a reduced cognitive capacity due to the nature of their disability, which limited their ability to manage their funds without assistance. In these instances the measure was viewed as beneficial in assisting with money management and providing some protection from financial harassment or exploitation. It was noted by social workers within these assessments that people in this group were unlikely to benefit from financial counselling or money management courses.

Only two social work assessment reports noted that the person may benefit from attending financial counselling or a money management course. In these instances, attending a course was viewed as contributing to a pathway off income management. Data from the focus groups with social workers supported these findings. These services were seen to have limited benefits to most of the people subject to Vulnerable Income Management due to their cognitive abilities or advanced age. However, with younger people, these services were seen to potentially benefit them and assist with moving them off the measure. But it was noted that for this group they needed more than just learning about managing money – they needed support to learn a range of life skills such as cooking. As one social worker explained:

> It's more than just money – they need to have classes around nutrition, how to cook simple quick meals. (DHS Social Worker)

When reviewing a person's DHS file, social work assessors had access to financial transaction records relating to expenditure of income support and could gather information including the number of times a person: had requested crisis payments or urgent payments; had requested a replacement BasicsCard; had insufficient funds to make a transaction; or used the incorrect pin number when using their BasicsCard. Assessors could also review a person's typical spending patterns, including where they used their BasicsCard and the pattern of spending on the card. This information then forms part of the assessment of a person's financial management skills and their ongoing need for Vulnerable Income Management. Of the 13 people who were assessed as being vulnerable to ongoing financial hardship, nine of the assessments used the person's income support expenditure information as part of the rationale for continuation on the vulnerable measure.

12.4.7 Services to support people on Vulnerable Income Management

Across the focus groups a common issue raised was the limited services available, especially in remote areas, to support people on Vulnerable Income Management:

> I worry about identifying people's vulnerabilities, but having nothing to support them. (DHS Social Worker)
>
> How can you get people to a point where they can be independent when there are no services? (DHS Social Worker)

> There are services but they're pretty limited, for example there are only two alcohol rehabilitation services in Central Australia. (DHS Social Worker)

Often the only service or support identified by focus group participants as being consistently available to people on the measure was the DHS:

> Sometimes the only people actually maintaining these very vulnerable people are Centrelink staff. (DHS Social Worker)

Different patterns of interaction between people on the measure and Department of Human Services staff were evident from the social work assessment report reviews. Several of the assessment subjects were noted to be well known to Centrelink staff due to seeking regular assistance from Customer Service Officers and social workers. Contact was often initiated due to issues relating to financial hardship or financial exploitation. People subject to the assessments were reported to frequently seek replacements of their BasicsCard, make changes to income management allocations, and seek advice as to how to manage financially. One person was noted as having requested a replacement of his BasicsCard on 46 occasions over the preceding 12-month period. His file indicated that he had both a disability and a mental health issue, had alcohol dependency issues and was the victim of financial exploitation by parties unknown. While this person requested exceptionally frequent replacement of his BasicsCard, it was not unusual for people to be recorded in their assessment as having requested numerous replacements. These findings are also reflected in the administrative data from the DHS, which showed high rates of replacements of BasicsCards for people subject to this measure compared to other measures (frequency of replacement BasicsCards is discussed in detail in Chapter 6). This was also supported by interviews with social workers and other intermediaries, who noted that high levels of BasicsCard replacements could be an indicator of financial harassment or self-care issues.

Focus group participants spoke of the assessment process for Vulnerable Income Management as providing an opportunity to engage and connect regularly with people subject to the measure and to work with them to make improvements to their personal circumstances. Even when support services were available, it was noted that it could take recipients time to accept referrals, and so opportunities for repeated contact were deemed to be useful:

> It allows us to do some good social work, empower and build self-esteem. (Human Services Social Worker)
>
> Social work involvement is a big benefit. That customer is on social work's radar … this means you touch base with the customer every now and then and you are able to offer and re-offer services. You need to offer some referrals such as meals on wheels multiple times before the customer will take it up. (Human Services Social Worker)

Aside from the DHS, it was noted in the social work assessment reports that those being assessed experienced varying degrees of support from other agencies within their community. Five of the eight people with mental health issues had regular contact with a medical service due to issues with medication management. Some older people were linked to community service or aged care providers, and received Home and Community Care (HACC) packages (n=3) and/or Meals on Wheels (n=3), or resided in a residential aged care facility (n=2). These support services tended to result in regular monitoring of the person's circumstances and wellbeing. However, others were noted in the reports as saying they had accessed community supports, such as shelters or crisis accommodation on an ad hoc basis only (n=4), and a number of people being assessed had no identified supports.

12.4.8 Informal support and family relationships

In 12 of the reviewed social work assessment reports there were no identified informal supports that the people being assessed regularly utilised. This finding was not dependent on whether the person had been directly involved in the assessment process and was therefore able to identify informal supports, although each of the six people who took part in a face-to-face assessment did have some form of informal support. The group in which no informal supports were noted tended to experience multiple vulnerabilities, with the majority having a disability or mental health issue in conjunction with alcohol and/or drug dependency, and were either peripatetic or living in long grass.

In the reviewed social work assessments the 18 people who were noted as having informal support networks commonly lived with or close to a family member or friend. For 11, their housing situation was relatively stable, although overcrowding was noted in a couple of instances. The family members or friends were usually considered to be supportive of the recipient, with a couple of people having elected to move in with family members for additional protection from financial harassment and exploitation from other family members.

12.4.9 Pathways off Vulnerable Income Management

Most DHS social workers who took part in the focus groups noted that they had never taken someone off Vulnerable Income Management following an assessment. This was seen to reflect the nature of the population on the measure particularly people in receipt of Age Pension and Disability Support Pension. People in receipt of those payments who have complex and chronic health problems are less likely to meet the criteria to exit from the measure. Social workers reported that when they did make an assessment that someone should come off the measure this decision was heavily scrutinised. The most commonly identified pathway off the measure was when someone subject to it moved into supported accommodation. The exceptions to this were young people who had been placed on the measure through automatic triggers. For this group, access to employment or study was seen as a pathway off the measure. However, it was noted that opportunities for both employment and study were limited within many remote communities.

While Adult Guardianship was another pathway, this was seen as being problematic in remote communities where there is little infrastructure to support people through this measure.[137] It also took a long time for assessments and decisions to be undertaken. Social Workers in many cases stated that income management provided greater supports for these people in remote communities. Often even when people transitioned from Vulnerable Income Management to Adult Guardianship, the Adult Guardian as their nominee would often then put them onto Voluntary Income Management. As one social worker noted:

> In the Northern Territory, remoteness means infrastructure with Adult Guardianship is not robust and the Adult Guardianship tools are less extensive than income management tools. (DHS Social Worker)

Two out of the 30 people being assessed in the reviewed social work assessment reports were deemed during the assessment process as no longer requiring the measure. In both these cases, the reason for ceasing the measure related to the person no longer being eligible due to payment nominee arrangements having been put in place. According to social security policy, payment nominee arrangements cannot co-occur with Vulnerable Income Management arrangements when the payment nominee has been classified as an "excluded payment nominee for income management purposes". That is, when the payment nominee is not in receipt of Centrelink payment or income management. In one case, both the person on the measure and the payment nominee expressed a wish that income management continue; however, this was not possible unless the payment nominee agreed to take up Voluntary Income Management personally. Both the person being assessed and the payment nominee identified that the payment nominee's responsibilities would increase with cessation of the measure as there would be a greater amount of discretionary money for them to manage. In the other case, it was noted that the financial structures put in place through income management, namely store allocations, had been successful and would need to be replicated through Centrepay arrangements following the cessation of the measure.

The analysis in Chapter 4 of this report indicates that 86 people have exited from Vulnerable Income Management since it was introduced. Of these 30 (28.0 per cent) died and most of the rest exited to other income management measures, particularly Voluntary Income Management.

12.5 Summary

This chapter provides analysis of data from DSS administrative datasets, interviews with stakeholders and people on assessed Vulnerable Income Management, as well as a review of 30 DHS social worker files.

[137] Under the Guardianship and Trusteeship Act, a judge can appoint the Public Trustee as trustee if (a) sufficient evidence is presented to the court that the person cannot manage his/her own financial affairs and (b) there would be a substantial benefit from such an appointment. Once appointed, the Public Trustee is responsible for protecting and managing the person's financial affairs. The Public Trustee will continue to look after the person's affairs until a judge determines that the person is well enough to look after his/her own affairs. The money and assets would then be returned as quickly as possible. (Source: http://www.justice.gov.nt.ca/PublicTrustee/index.shtml)

Numbers of people on Vulnerable Income Management have fluctuated since its introduction in mid-2010, but have remained between 150–250 people throughout most of this period. DHS data show that most people on Vulnerable Income Management are Indigenous people who are in their thirties to sixties, and many have long-term chronic conditions that limit their ability to care for themselves. Most are receiving the Disability Support Pension or the Aged Pension, and data from the focus groups and file assessment reviews demonstrate the high levels of disability that this population experiences.

Once on Vulnerable Income Management, findings indicate that very few people exit the measure. While there were differing views about the appropriateness of the measure, most social workers felt that it was beneficial for certain people in that it provided a level of assurance that their money would be spent on basic necessities and that they would not go hungry. There was a consensus that the measure provides a degree of "harm minimisation" but does not address the underlying chronic difficulties of the clients which, in their view, require a high level of support that is often not available. The small number of interviews conducted with people on the measure as part of the LSNIM, and reports of clients' views in the social worker's files supported social workers' views that the measure assisted in stabilising their financial situation and reducing financial harassment. For some it had further benefits, facilitating them eating healthily and in general improving their situation. Being on the measure was also seen by social workers as providing both access to assessments and contact with Centrelink on a regular basis.

Virtually all people on this measure are Indigenous. This raises the question of whether there may be non-Indigenous people who would meet the vulnerability criteria, especially as, compared to Indigenous people, the numbers of non-Indigenous people receiving the Age Pension and Disability Support Pension (the two welfare payments most common for those Vulnerable Income Management) is relatively higher compared to Indigenous people on those measures than those receiving other income support payments, yet the proportion on income management is very much lower.

13 Child Protection Income Management

This chapter examines the operation and impacts of Child Protection Income Management in the Northern Territory. As has been detailed in Chapter 2, there are a number of distinct characteristics of this program element:

- Under the measure, 70 per cent of a person's income support payments are subject to income management rather than the 50 per cent that applies to other forms of New Income Management;
- A person can be placed on the measure for periods of between three and 12 months, with these periods able to be extended on the basis of a review; and
- As this is the second highest-ranked type of income management in the hierarchy of the measures,[138] people can be moved from other forms of income management onto Child Protection Income Management.

In large part the results presented in this Chapter are from a sub-study focused specifically on the child protection measure. The sub-study was conducted in order to provide detailed information about this measure, which was not able to be examined in depth in the first evaluation report. As was reported on in the first evaluation report, the relatively small numbers of people on Child Protection Income Management meant that very limited data were available to assess the effectiveness of the measure at that stage. This limitation arose from several factors including the sample size and sampling methodology of the LSNIM. Qualitative interviews associated with the LSNIM also did not specifically identify issues related to Child Protection Income Management.[139] Furthermore, the different referral pathway for this measure and the specific services associated with it required a separate sub-study to be conducted. Of particular note is the relationship with IFSS, a Commonwealth-funded family support service that aims to provide highly vulnerable families with access to evidence-based, intensive parenting support in their homes and communities and to assist the development of parenting skills. IFSS is available in a range of locations across the Northern Territory, with access to the service being available to families for a period of up to 12 months where a parent is on Child Protection Income Management and there are children aged 0 to 12 years within the family.[140] [141]

For this reason, in this second phase of the evaluation a more focused study of Child Protection Income Management and its impact on children and families has been undertaken. As with the overall evaluation, this study involved a range of methods that have allowed findings to be triangulated in order to allow for a deeper understanding of the issues. While some of these data sources are the same as those used in the overall evaluation, additional methods and resources were used in this sub-study, including accessing case file material from Department of Children and Families via caseworker interviews, and more general

138 Child Protection Income Management sits second in the hierarchy of measures behind Cape York Income Management.

139 One of the findings of the first wave of LSNIM was that many clients were not very clear about which specific strand of Income Management they were allocated to.

140 See http://www.ifss.net.au/about-ifss/what-is-ifss.html for a more detailed overview of the IFSS model.

141 IFSS is subject to a separate evaluation which will report separately. Part of that evaluation involved a survey of IFSS providers and qualitative interviews with a number of IFSS stakeholders. A question on Child Protection Income Management was included in survey and the interview topic guide. This material has been made available for this chapter. However this evaluation has not had access to the findings of the IFSS evaluation itself.

interviews with caseworkers and a small number of IFSS staff. The study also drew on some of the material generated for the IFSS evaluations which is specifically relevant to Child Protection Income Management.

The aims of this component of the evaluation are to:

- assess the impact of Child Protection Income Management on children and families in relation to children's wellbeing and safety for different groups of clients on Child Protection Income Management
- identify which groups of clients are most/least likely to benefit from Child Protection Income Management
- study the reasons for Department of Children and Families clients being referred or not referred to Child Protection Income Management
- examine the services and supports families have accessed while on Child Protection Income Management
- understand why Child Protection Income Management has been renewed or discontinued and whether clients have continued on other forms of income management following exit Child Protection Income Management.

The research also examined the operation of the referral process from the Department of Children and Families to DHS. As indicated above, although limited findings about this program were made in the first evaluation report, one issue that was identified in the qualitative interviews with DHS and Department of Children and Families staff as part of the first stage of the evaluation was that many workers were reluctant to refer people to Child Protection Income Management. Reasons for this reluctance included: beliefs about whether or not income management was an appropriate policy response to child protection needs, ideological objections to the measure, the fact that most clients were already subject to income management, and the added administrative burden on Department of Children and Families staff of maintaining clients on Child Protection Income Management. One specific issue that was raised relating to the administration of the process was a requirement to keep case files open for the duration of time a person was on Child Protection Income Management. This requirement has since been relaxed.

13.1 Methodology and data sources

There are six key data sources used in this chapter.

DHS administrative data

Data provided by DHS have been analysed to describe the Child Protection Income Management population and rates of referrals. This includes the number and characteristics of people subject to Child Protection Income Management at December 2013 as well as the numbers of people ever subject to Child Protection Income Management since July 2010 through to December 2013.

IFSS administrative data

Additional information was provided by DSS about the number of Child Protection Income Management clients engaging with the IFSS.

IFSS Evaluation data

With the approval of the DSS, Colmar Brunton provided data from the evaluation of IFSS they conducted on behalf of DSS. Specifically, this chapter draws survey responses from 14 IFSS service provider staff members about their perceptions of the impacts of Child Protection Income Management on the clients they worked with, as well as a summary of qualitative interviews with a range of services providers in the Northern Territory concerning their perceptions of Child Protection Income Management.

Child protection staff interviews

Interviews with 47 employees of Department of Children and Families were conducted focusing on their views of Child Protection Income Management, including their descriptions of how the measure is being used by staff in the Department and their perceptions of how Child Protection Income Management is working for the families they work with. This included data collected from a total of 28 Department of Children and Families staff who participated in policy focused interviews – five group interviews with two to eight participants, and two individual interviews, all conducted face-to-face — and from 23 staff who discussed these issues during the initial part of case file interview that focuses on their broad approach to using the measure in their work – four of whom also participated in the policy focus groups.

Case file interviews with Department of Children and Families caseworkers

These interviews focused on the details of selected case files where a primary carer had been referred to Child Protection Income Management. This involved interviews with 23 Department of Children and Families staff regarding 32 cases. A sampling frame comprising the details of 104 families was provided to the evaluation team by Department of Children and Families. The sampling frame included the location of the family, the periods of time the primary carer was subject to Child Protection Income Management, case file IDs relating to the child protection cases for that family that seemed to correspond to the period of Child Protection Income Management, and the name of the Department of Children and Families caseworker allocated to this case. No names or other identifying information relating to the clients were provided with this file to the evaluation team. As there is no flag within the Department of Children and Families' electronic data collection system, this sample has been developed by matching information provided to Department of Children and Families by DHS about dependent children of people who had ever been subject to Child Protection Income Management to case files within Department of Children and Families' system. The original list provided to Department of Children and Families included details of 1094 children for manual matching by Department of Children and Families staff to the sample list of details of families and cases. Only 310 of these children were able to be matched to both a case number and a caseworker, which were linked to 104 individual primary carers. For the purpose of the sample these groups were referred to as "families". This sample list was then provided to each region to determine whether the nominated caseworkers were available to speak about these families. Overall, 18 cases derived from the sample list of 103 families were able to be matched to caseworkers still employed by Department of Children and Families.[142] Given the limited number of cases that were able to be discussed by workers from the extracted sample list, another 14 interviews were undertaken relating to cases that were not on the final sample list but were cases they felt able to discuss in detail. Both the sample list cases and the new cases discussed involved a mix of positive and negative outcomes, and analyses of the data shows no systematic bias either way.

The case file interviews were spread across the three Department of Children and Families regions, with 12 cases discussed from the Central Australia region, ten from Greater Darwin, and ten from the Katherine and Northern Remote regions. Of the 32 families, 31 were identified as Indigenous. Most families were a single parent family (n=14) or a couple family (n=8), and 4 of the families had another female relative as the primary caregiver.

Desk-top policy review

Department of Children and Families policy documents and forms relating to the policy were also provided to the evaluation team by Department of Children and Families.

13.2 Operation of Child Protection Income Management

This section provides an overview of the operation of Child Protection Income Management in the Northern Territory. It discusses the numbers and characteristics of people subject to Child Protection Income Management and explores how the policy is implemented in practice, drawing on policy documents from Department of Children and Families as well as interviews with managers and caseworkers from the Department about their use of the measure, considering the circumstances in which referrals are made, the nature of families who are referred to Child Protection Income Management, and the supports that are put into place for these families in addition to income management.

[142] Many of the caseworkers allocated to families in the sample list were no longer employed by the Department. In addition, for some families the case that was related to the Child Protection Income Management referral was not able to be identified within the data recording system.

13.2.1 People on the Child Protection Income Management measure

As discussed in Chapter 4, people subject to Child Protection Income Management make up a very small proportion of the income management population in the Northern Territory. According to DHS administrative data provided for the purpose of the evaluation, in December 2013 the 83 people on this measure represented 0.5 per cent of people subject to income management in the Northern Territory. Seventy-six (91.6 per cent) of the people on the measure in December 2013 were identified in the DHS database as Indigenous. The majority (80.7 per cent) were women. Those living as a member of a couple with dependent children accounted for 45.8 per cent, 43.4 per cent comprised single parents with dependent children, with the remainder being split between being a member of a couple or a single person with no dependent children. Although the DHS data does not provide information as to how some people on Child Protection Income Management appear to have no children, interviews with Department of Children and Families staff elicited some possible reasons why this is the case. The first is that these are people who have been subject to Child Protection Income Management and then subsequently lost the care of children or have been placed on Child Protection Income Management in preparation for reunification with a child who has previously been removed from their care. A further possible reason relates to the fact that the family identification in the administrative data is based upon children for whom Family Tax Benefit is paid; in some cases this may be a grandparent or other relative.

Over the course of the implementation of New Income Management from July 2010 through to December 2013, DHS administrative data indicate that 415 people have been subject to Child Protection Income Management.[143] As can be seen in the data presented in Figure 4-3 in chapter 4, the program has had distinct phases. In the second quarter of 2011 the number of people increased from fewer than ten to approximately 50, remaining at around this level until the fourth quarter of 2012 when it increased to around 90 individuals – a level it has since maintained.

13.2.2 Understanding and implementation of Child Protection Income Management in the Northern Territory

Child protection is a significant policy concern in the Northern Territory. In 2012-13, AIHW (2014) reported that 61.7 per 1000 children in the Territory are receiving child protection services, compared with an Australian average of 26.1 per 1000. In 2012-13, a total 33,806 child protection investigations were undertaken as a result of 9,985 notifications to the Northern Territory's Department of Children and Families. Of the 1,204 cases of substantiations of reports received during 2012-13, the main reason was neglect (47.1 per cent or 567 cases), followed by emotional abuse (35.2 per cent), physical abuse (16.4 per cent) and sexual abuse (1.3 per cent) (AIHW, 2014). Compared with other jurisdictions, the proportion of substantiated cases involving neglect as the primary concern was high, while the proportion of cases with sexual abuse as the primary concern was lower than in other states/territories.

To support the implementation of this measure the Northern Territory's Department of Children and Families has developed a policy statement and a number of forms and materials for assessments and for working with families.[144] These documents provide a framework for Department of Children and Families caseworkers to make decisions about the need for and appropriateness of referrals to Child Protection Income Management.

The policy statement describes Child Protection Income Management as a tool that can support the work of caseworkers in addressing child neglect and harm and that is to be used with, and may enhance the efficacy of, other support services. Child Protection Income Management is also to be considered when its use would allow a child to stay in the care of their primary carer.

The statement further outlines both the circumstances where caseworkers must refer people to Child Protection Income Management and circumstances where such referrals may be considered worthwhile. Under this statement:

[143] This figure may include people who have been referred to Child Protection Income Management by another child protection department, such as the Western Australian Department of Child protection, but who have resided in the Northern Territory whilst on the measure.

[144] Copies of these internal documents were provided to the evaluation team as context to implementation of the policy.

- caseworkers are required to make referrals to Child Protection Income Management for people who are the primary carer of a child and where there has been a substantiation of child neglect; or
- where there has been a substantiated child protection investigation that includes concerns such as substance abuse, failure to thrive, and/or gambling.

Exceptions to these obligations are available where there is no evidence that the use of the person's income support payment, or indeed the failure of use of these, has contributed to the child protection concerns.

Further, the policy states that caseworkers may wish to consider the use of Child Protection Income Management in cases of reunification with a child where there were concerns related to neglect or substance abuse, failure to thrive and/or gambling, or where a young person is transitioning out of home care and it is found that their misuse of income support payments is having a significantly detrimental impact on their wellbeing.

DHS assesses each referral to identify whether the carer is eligible for Child Protection Income Management – ie whether she or he is receiving the relevant income support payments. At the time of the referral to Child Protection Income Management being made, the caseworker is required to recommend to DHS what the priority needs for the family are as a guide by which DHS and the client can set up the allocations. The policy states, however, that this is a recommendation only and will be taken into account in discussions between DHS and the client.

Staff views on the policy and procedures

An initial question for the evaluation was the extent to which staff members in Department of Children and Families were aware of these policies, their views about them, and the extent to which they took account of the policies in their work.

All Department of Children and Families staff who participated in policy focused or case file interviews were able to speak about the requirements of the policy, and were aware that there was a requirement to make referrals where neglect had been substantiated. Most also flagged the fact that there was the potential to seek exceptions where there was no evidence that the concerns for this family were linked to "how they used their money".

Many staff who participated in the policy focused interviews acknowledged that although there was a requirement to make a referral to Child Protection Income Management where there was a substantiation of neglect, the number of referrals to Child Protection Income Management was much lower than the number of cases substantiated for neglect. Staff interviewed reported a number of reasons for this. In some cases there was a reported lack of awareness of the measure due to staff turnover. Referrals were also not made – or if made were not accepted by DHS – when the family involved was not receiving income support payments and were therefore not eligible for Child Protection Income Management. Across all the regions this was noted as an issue. In some cases, through the investigation process, other family members may also step in and take on the care of children. So although neglect has been substantiated, the children may not be in the care of the primary carer by the end of the investigation period, in which case a referral to Child Protection Income Management is not made.

In other cases staff reported that referrals were not made as the issues for the family were described as not being caused by problems with financial management or related to substance abuse or gambling. In a number of focus groups and interviews there was considerable discussion by the staff who were participating regarding what they perceived as the importance of understanding that neglect was a complex issue that was not always related to having money available to spend on children's needs. Examples given in these discussions were that neglect may be related to problematic parent/child attachment, or simply to parents' poor understanding of the physical and emotional needs of their children and their children's dependency on them to meet their basic needs. In these cases, some managers and caseworkers saw little benefit in making referrals to Child Protection Income Management, as their clients needed other services – for instance, parenting skills, child development knowledge. This view was also supported by caseworkers and IFSS staff interviewed as part of the IFSS evaluation:

> I think it's a very simplistic and reductionist view assume that if you manage people's income, 70 per cent, that somehow that will address the neglect issues which in that case you're almost always

> talking about whether children are fed or not. I think that's a really simplistic understanding of neglect. So I guess I wouldn't base it around that, I wouldn't base it on child protection income management as the trigger for the response (ie IFSS), I think that's flawed. I think if you're wanting to tackle neglect then you probably need a range of supports and services recognising a spectrum. (Manager at Provider interviewed as part of the IFSS evaluation)

While agreeing that money was not the primary factor in all cases, some caseworkers still saw value in trying Child Protection Income Management for these families, as it might help and would not cause harm:

> You still have to try it and see. The less money for alcohol and gambling the better. (Caseworker)

Although there was general agreement that not all neglect cases could be assisted by a Child Protection Income Management referral, there were mixed views among Department of Children and Families staff about whether the policy should be changed to reflect the more complex nature of neglect and to allow for greater discretion for caseworkers in making a referral. Most staff emphasised the importance of decisions about referrals being led by caseworker assessments and experience:

> The mandated approach is a problem. There's no space for workers to think about how it could be useful. (Team Leader)

However, a number also noted tension between this and the very low rates of referrals when staff were not compelled to refer to Child Protection Income Management in instances where neglect had been substantiated or where other substantiated types of harm included concerns such as substance abuse, failure to thrive, and/or gambling::

> If it's not mandated it would fall by the wayside as it doesn't fit with people's core beliefs. (Caseworker)

Other barriers to using Child Protection Income Management in working with families where there had been substantiation of neglect included concerns about lack of access in the smaller, more remote communities to financial counselling or money management services and other family support services:

> Staff are more comfortable doing Child Protection Income Management referrals when they have something like Intensive Family Support Services available to wrap around the families. (Manager)

A small number of participants raised concerns about the potential negative impact of referrals to Child Protection Income Management on their relationships with clients who they were trying to work with to improve their parenting, particularly where such a referral might be seen as punitive. However, in contrast to this perspective of income management, other Department of Children and Families staff expressed a view that there often seemed little point in making referrals as the passivity and acceptance of many clients around income management – especially those clients who were already subject to some form of compulsory income management – meant it made little impact on clients' desire to change:

> It's another thing welfare has put on them. (Team leader)

Most Department of Children and Families clients who were considered as potentially subject to referral to Child Protection Income Management were reported to already be on some form of income management. A number of workers noted observed that therefore at times referrals were not made to Child Protection Income Management because there appeared to be little value in increasing the percentage of income subject to income management:

> If [other] income management wasn't there it would have a different impact. People are already on 50 per cent so the extra 20 per cent doesn't mean much. (Manager)

However, other workers saw the 70 per cent of income as a useful tool to maximise the pressure on families to meet their children's needs while they worked with other services to address their issues. There did not seem to be any systematic differences between Department of Children and Families staff who saw the measure as useful in this way and those who did not, either by region or length of time of experience within child protection work.

13.2.3 Characteristics of referrals to Child Protection Income Management

While the DHS administrative data provides some information on the demographic and related characteristics of those placed on Child Protection Income Management, much more limited information is available about the issues families are presenting with when being referred to Child Protection Income Management.

To address this, a detailed series of case-file interviews were undertaken. Although not a representative sample, these interviews offer significant insight into the different circumstances in which these referrals are made and the circumstances of the families involved. This section draws on: the 32 case-file interviews undertaken about child protection cases where a Child Protection Income Management referral has been made; and the broader insights from participants in the policy related interviews.

Most of the referrals had occurred within the context of investigations teams (n=29) and were made at the time of the substantiation being determined and prior to the case being passed onto Department of Children and Families teams involved in longer-term casework with families.

Reflecting the policy, 31 of the 32 case file interviews involved a substantiation of neglect as the trigger for referral to Child Protection Income Management. The other case was a reunification case involving a grandparent who had sought the care of her grandchild but was referred to Child Protection Income Management as part of the reunification due to self-identified gambling issues.

Of the neglect substantiations, four involved medical neglect as the primary concern and four identified lack of supervision as the primary or only concern. Family violence was also a factor in 12 cases, with emotional harm also substantiated as part of the investigation for some of these cases. Drug and/or alcohol misuse was identified in 26 cases and gambling was noted for a further three.

Almost all (n=27) of the families had had previous contact with Department of Children and Families prior to the incident for which the Child Protection Income Management referral had been made. While not all of these contacts had resulted in substantiations, it was reported that many had and that the issues identified as part of these earlier notifications, whether substantiated or not, tended to be very similar to those identified as part of the case for which the Child Protection Income Management referral was made. Financial harassment from family or community members was also noted as a concern for six of the 32 families included in the case file interviews sample.

Very few families were reported as having a strong negative response to being told they were being referred to Child Protection Income Management. Around a quarter of families were reported to have welcomed the referral (n=8) and one family was reported as having requested the referral. However, mostly families were reported as saying very little about the referral – this tended to be interpreted as passive acceptance by Department of Children and Families staff as "yet another thing that welfare was doing to them". Families who were positive about the referral were described as being keen to work to keep their children in their care, to avoid financial harassment or to save for a specific goal such as buying a washing machine.

A number of families – especially those living in more remote areas – were described as being very transient and difficult to locate. This made engaging with these families about their referral to Child Protection Income Management difficult. As a consequence, delays of months could occur in a referral a referral being made if staff were unable to locate the family and speak with them about the referral and the reasons it had been made, as it is expected practice that referral is not finalised until a conversation with a family has been undertaken.

There was only limited information regarding the length of time the official referral was made for. This was because this information was not routinely recorded on the Department of Children and Families database, and written notes and records were not available for many of the cases included as they had subsequently been closed or passed onto another team. For ten cases the initial referral was for three months; for eight cases it was for 12 months and for six cases six months. The initial referral period for the other eight cases was unknown. Where longer periods of time were chosen, this was usually because workers expected it would take an extended time for families to change as a result of either Child Protection Income Management or the other interventions that had been implemented:

> I put them on for 12 months because the neglect had gone on for so long that I thought it would give it time to get it embedded in their thinking. (Caseworker)

Three-month referrals tended to be made for families that were described by caseworkers as being placed on Child Protection Income Management "because of the policy" but where the caseworker had no strong sense that Child Protection Income Management would achieve positive outcomes for the family.

13.2.4 Other supports and interventions for families referred to Child Protection Income Management

Most of the Child Protection Income Management referrals discussed in the case file interviews were reported as being accompanied by referrals to support services and agencies.

The most commonly reported referral was to an Intensive Family Support Service (IFSS) (n=19). From the commencement of the program in July 2011 through to the end of January 2014, 172 families and 449 children had accessed IFSS. Of these approximately 120 were referred following a referral to Child Protection Income Management.145

> Referrals to IFSS were described by many of the staff as crucial to being able to build the capacity of families to care for their children.
>
> It's a bit easier when you have services working together to realise the same goal. (Caseworker)

The IFSS program provides clients with a highly intensive level of service, which was described by staff as involving almost daily engagement for most families and comprising very practical, hands-on assistance:

> They would have someone come into the house at 7:30 to get Mum up and out of bed and the kids to school. (Caseworker)
>
> The service went in for 20 hours a week to show her how to clean the house and maintain it. (Caseworker)

Other types of assistance from IFSS services included case management, budgeting advice, taking children to school, taking parents grocery shopping to show them the kinds of food and cleaning and other products they needed to buy to ensure the wellbeing of their children.

Many workers who had made referrals to an IFSS program said that being able to make this referral was the primary benefit of Child Protection Income Management.

> It's a success story because IFSS are right on the ground, doing face-to-face work and assessing daily and looking at budgeting and seeing if food and clothes are there and working with the family. (Caseworker)

Around half of these workers reported that they viewed the two programs as being mutually supportive of each other, indicating, for example, that Child Protection Income Management had a role to play in ensuring the success of the IFSS intervention, as it restricted families' access to money to buy drugs and alcohol.

Other services and interventions put into place for families referred to Child Protection Income Management included other family support and counselling services – especially family violence services – and health services and alcohol and drug rehabilitation services.

While referrals to money management and financial counselling services were routinely requested as part of the Child Protection Income Management referral to DHS, several workers believed their clients had accessed these services and other than selecting the option on the referral form to DHS for a referral to

[145] Data supplied by DSS in March 2014. It should be noted, however, that some families may have been referred to IFSS without a referral to Child Protection Income Management. DSS has advised that the referral pathway to IFSS is through the State or Territory child protection agency. In the Northern Territory, families must be referred to Child Protection Income Management Child Protection Income Management to be eligible for the service. In selected remote service areas, Priority of Access will apply in service areas where there is a limited child protection footprint and Child Protection Income Management referral activity. This will ensure that families on Child Protection Income Management continue to have priority access to the service, but also allow for other families in the community who may not be on Child Protection Income Management or engaged with child protection authorities to access the program while there are vacancies.

one of these services to be made, there was little discussion by caseworkers of these services. As in the first wave of the evaluation, responses to questions about referrals to money management and financial counselling were that this was "something that Centrelink does". Where caseworkers stated that their clients had received budgeting assistance, this was seen as being primarily delivered by IFSS workers.

Many of the case file interviews related to families who were from remote communities, and especially the smaller communities, and identified a lack of services for caseworkers to refer people to. In particular, there were few services that could provide the intensive support that many of the families needed, as services tended to visit these communities rather than being located permanently in those areas. This lack of services was seen as limiting for caseworkers, who were also concerned about the large time gaps between visiting each family. In these situations caseworkers reported that they relied on health services and community child safety and wellbeing officers to remain in contact with the families and monitor their progress.

13.2.5 Operational issues

Discussions around operational issues relating to Child Protection Income Management largely focused on interactions and information sharing between the Department of Human Services (DHS) and Child Protection Income Management staff. A significant proportion of caseworkers expressed frustration at not knowing the outcomes of referrals and also by not having a mechanism within their own recording systems to remind them of when a Child Protection Income Management referral period was due for review. Department of Children and Families staff were not aware of how they might access this information from DHS.

Setting up and managing allocations were also seen as challenging by the Department of Children and Families staff who participated in either the policy or case file interviews, with a range of issues emerging. One of these was the complexity of setting up allocations where money was managed and shared in large households and extended families. This posed problems not just for making recommendations to DHS about how the family's income managed funds should be prioritised, but also, in the first instance, the simple problem of understanding how existing arrangements operated.

> It's all very complicated and people who live in the houses might not know who pays the rent or not. It could be one person it could be shared … it takes a huge amount of time to work out what is going on. (Team leader)

Another issue arose concerning the situation of clients making decisions to change their allocations via DHS without consulting with the caseworker. It was suggested that in these circumstances any gains in their financial situation could easily be lost. For example, one worker spoke about a client who had been progressing very well with Child Protection Income Management but who was eventually subject to a high level of housing debt due to moving allocations around on almost weekly basis. Others were concerned that people had taken on debts with hire purchase companies for household goods, but often these goods were not to be found in their homes and caseworkers were unable to determine the interest costs or length of time the payments were for, even though they were allocated through people's income managed funds. While acknowledging that it was not always possible to ascertain this information, caseworkers saw these issues as barriers to Child Protection Income Management succeeding for some families.

Caseworkers were keen to work more closely with DHS staff in setting up Child Protection Income Management so that it best met the needs of the families. Some staff spoke about examples of DHS staff being posted to a Department of Children and Families office being very valuable in improving their understanding of the measure and in obtaining valuable advice about how to organise allocations. Other Department of Children and Families staff also expressed a preference for allocations to be set up with direct involvement of the worker and for change to be limited to those who are approved by the client's worker. In some cases this was conducted informally – for example, where close relationships existed between Department of Children and Families and DHS staff, DHS staff would contact Department of Children and Families about significant changes to a client's allocations. Some Department of Children and Families staff also suggested that it would be useful for clients if DHS staff were involved in the initial discussion they undertook with clients about their referral to Child Protection Income Management so that they could better explain the process and again work collaboratively between DHS, Department of Children and Families and the client to determine out the best allocation of their income managed funds.

Department of Children and Families staff across many of the interviews and focus groups also observed that not being able to record information systematically about whether or not Child Protection Income Management referrals had been made and accepted within the Department's own electronic record keeping system created challenges for them in retaining and sharing information about referrals to Child Protection Income Management. They also felt that this made it challenging for them as an organisation to understand the impacts of Child Protection Income Management in a systematic way and to be able to obtain a sense of how well Child Protection Income Management was working for different families.

13.3 Impacts and outcomes associated with Child Protection Income Management

This section provides insights into the outcomes observed by Department of Children and Families staff for families subject to Child Protection Income Management. It includes interview data from both the policy focused interviews and case file interviews. This section also draws on the small numbers of responses from IFSS staff surveyed as part of the IFSS evaluation concerning their perceptions of the impacts of Child Protection Income Management on the families they work with.

Views around the perceived impacts of Child Protection Income Management were mixed in both the policy and case file interviews. Overall, most of the Department of Children and Families staff spoke about Child Protection Income Management being useful in some cases and not useful in others. Child Protection Income Management was not seen as being particularly effective by many caseworkers in cases where, for example, the nature of neglect was limited to, medical neglect that was based on a lack of understanding, or lack of supervision that is related to problems such as inadequate parenting skills rather than alcohol, drug misuse or gambling. However, a smaller number of caseworkers felt that it was not harmful to try Child Protection Income Management in these cases and that it might provide assistance where it was appropriately buttressed by other actions:

> Going on 70 per cent helps. Most families benefit from it … when we've referred to Child Protection Income Management for three months, they've learnt a new way of living that is not their usual way. But Child Protection Income Management is not done in isolation. It goes with referrals to services. (Caseworker)

Child Protection Income Management was in general seen to be most useful in those cases where there was a very specific problem – Child Protection Income Management could be used in these cases to limit expenditure, and provide structure and stabilisation to household finances. In these situations the high level of income management (70 per cent) could – where the person was committed to change – limit the cash money available to people to buy alcohol, drugs (in particular marijuana) and take part in gambling. Along with this, micromanagement of household spending allowed people to pay their rent and meet their children's needs while people were still trying to resolve their problems with drugs and alcohol:

> If she'd had unlimited access to all her cash things would have been worse. The most important thing is the next day after a binge she had money for some food (Caseworker).

Crucially, however, these impacts were seen as being effective when they were implemented as one part of a solution for a family along with other supports such as the IFSS and other services as part of a mutually reinforcing web of activities:

> It is another support we have put into place that she is working with. (Caseworker)

As part of the case file interviews caseworkers were asked what outcomes they had been seeking for the family when they had referred them to Child Protection Income Management. For eight of the cases, caseworkers stated that they did not have any specific goals for Child Protection Income Management, but had made the referral simply because it was required by the policy because of a substantiation of neglect. These tended to be medical neglect and lack of supervision cases, as outlined above. In three of the cases Child Protection Income Management was being used to work towards or support reunification with children. In most cases the intention was expressed by caseworkers as being a mix of increasing the amount of money available to meet priority needs while limiting the funds available to access alcohol, drugs and/or gambling. In five cases maintaining access to housing was a key outcome, and in four cases minimising the impact of financial exploitation was also flagged as a primary reason by caseworkers for making referrals to Child Protection Income Management.

Many of the workers who participated in the case file interviews stated that it was important to maintain clear goals about what Child Protection Income Management should achieve for families in order for it to be used successfully:

> The success of Child Protection Income Management comes down to an understanding of what the options are … if you don't really know how it works it's hard to sell it to your clients … you need to determine what its use is [in a particular case] and it can be successfully used. (Caseworker)

While minimising the impacts of or access to alcohol, drugs and/or gambling was seen as a critical goal for most of the referrals to Child Protection Income Management in the case file interviews, only four cases were reported by caseworkers as having outcomes where these issues were resolved. Caseworkers reflected that while Child Protection Income Management was able to reduce access to cash money for these products, where clients were not willing to engage with services and work with them to resolve these issues they were easily able to work around the restrictions of Child Protection Income Management to access money for these addictions. This issue and the ability of clients to work around the restrictions of Child Protection Income Management more generally were also frequently raised in the more policy focused interviews:

> I think she gambles her BasicsCard too …. But if they lose their BasicsCard they'll just go and humbug the winner for food anyway. (Caseworker)

> This family is very clever and they have found ways around Child Protection Income Management … part of it too is the willingness of the family to participate. There are families that don't want to change. (Caseworker)

> Alcohol is not always directly related to money because Aboriginal people are so communal. You can stop someone's income for accessing alcohol but they can still get it – but at least they still have some money to pay for the kids' food. (Team leader)

In terms of outcomes as described in the case file interviews, of the 32 cases, 12 were reported as having ended with the issues being resolved and no more notifications to date (this includes three instances where the case is still open but it is progressing as hoped and is expected to be closed soon) and six cases were reported as ongoing with the family continuing to work with the Department, but without clear outcomes at this stage. In 15 cases further notifications in relation to neglect were reported, and 14 cases have ended with the child being removed from the charge of the primary carer or with extended family taking on the care of children.

The 12 cases where issues were resolved and where there were no further notifications were all cases in which the caseworker indicated that the parents were willing to engage with the Department and the services arranged to support them, and where there were services available to those families to meet their needs. Not surprisingly, these cases were less complex and tended to involve families who had relatively short-term overall involvement with the Department. In some of these cases Child Protection Income Management had a stabilising influence on families while other interventions were being undertaken.

The cases that had ended with further notifications or the removal of children involved families that had experienced multiple and complex issues and were involved long-term with Department of Children and Families. Given the small sample size and diversity of circumstances it is hard to comment specifically on the role of Child Protection Income Management in these cases. However, as indicated above, workers interviewed about these cases believed that Child Protection Income Management and other interventions implemented were something that had been worth trying to see if families could be assisted in resolving these issues without removing their children.

As part of the case file interviews caseworkers were also asked whether the initial period of Child Protection Income Management had been extended. In six cases it was reported that Child Protection Income Management had been extended. Extension of Child Protection Income Management usually occurred because it was considered that the measure was achieving positive results and continuation was seen as something the family could benefit from. Three of these families were reported as having requested to stay on Child Protection Income Management. In most of the case file interviews, caseworkers reported that they had not extended the period on which the person was subject to Child Protection Income Management. This included cases where the children had been removed from the family or where the children had gone to live with another relative. In three cases the worker did not know if Child Protection Income Management had been extended as the case had been transferred to another team and this information was not noted on the file. In another three cases the initial referral was yet to expire.

One factor in deciding whether or not Child Protection Income Management should be extended related to whether or not the client would be continuing on another form of income management when their period of Child Protection Income Management ended. For example, in both the case file interviews and policy interviews the fact that people would be returning to Compulsory Income Management and 50 per cent income management was seem as a reason to let the referral expire. Conversely, where the primary carer was in receipt of a pension payment such as the Age Pension or Disability Support Pension, caseworkers reported considering carefully whether or not they should continue with Child Protection Income Management. This was due to the fact that these clients would not be subject to any form of compulsory income management, and also because the higher payment rates were seen as making these clients particularly vulnerable to financial exploitation from others who were subject to one of the compulsory forms of income management.

The mixed views about whether or not Child Protection Income Management was able to assist clients with their issues was also reflected in the survey responses of IFSS workers participating in the DSS-commissioned evaluation of these services. Of the 14 people who responded to these survey questions, four gave a response of "don't know" to each of the items. While the numbers of responses are very small they do suggest that, as with the case file interviews and policy interviews, Child Protection Income Management is seen as having a positive impact around half of the time and no impact the rest of the time.

Table 13-1 IFSS staff perceptions of the impact of Child Protection Income Management on their clients

Possible impact of Child Protection Income Management…	A very positive impact	A somewhat positive impact	No impact	Don't know	Total
		- Number of responses -			
Improves budgeting ability	1	4	5	4	14
Helps parents provide more fresh food for their children	2	4	4	4	14
Gets children to school	2	3	5	4	14
Reduces financial harassment	3	2	5	4	14
Reduces alcohol/substance abuse	2	2	6	4	14
Reduces gambling	2	1	7	4	14

Note: The same four respondents answered "don't know" to each of the questions.

Source: IFSS evaluation survey of IFSS staff, 2014.

13.4 Conclusion

The number of people placed on Child Protection Income Management is small both in comparison with the overall income management population and as a proportion of cases of substantiated child neglect. This latter suggests that the policy guidelines within Department of Children and Families may not be fully implemented by child protection staff when they are making decisions about whether or not Child Protection Income Management should be used in their work with a family, although a range of other factors may also come into play.

Overall, the interviews with Department of Children and Families staff suggest that Child Protection Income Management is perceived as a tool that can be useful in working with families to address their needs where neglect exists due to money management issues. Its primary contribution, where it is effective, is seen to be one of stabilising families and limiting access to money for alcohol, illegal substances and gambling while other interventions such as IFSS are implemented that can address broader issues experienced by these families and create longer-term change, such as improved knowledge of children's developmental stages, their dependency on parents for care and nurture, and development of the specific parenting skills required to meet children's health, physical, emotional, social and wellbeing needs.

As with the 2014 review of Child Protection Income Management in Western Australia[146], which found that families on Child Protection Income Management "generally experienced multiple problems and needed a holistic approach to support them, with income management being only one component in a raft of support mechanisms" (DSS, 2014a, p. 14), the effectiveness of the measure in the Northern Territory was commonly regarded as being largely dependent upon the circumstances in which it was used:

- It was generally seen as being most effective in those cases where families were willing to engage with services and with a process of change. Conversely, caseworkers noted that the potential impacts of Child Protection Income Management were limited where families were unwilling make such a commitment, and that in these circumstances families were able to use a number of strategies to circumvent the restrictions of Child Protection Income Management.

- It was seen as a more useful tool for working with families where neglect was linked to the management of money, or alcohol or substance misuse, or problem gambling, with less support for its application in cases where the neglect arose from other causes – although some felt it did not do harm in these situations.

- It was seen as being most effective where it was part of a range of services and where it played a reinforcing role to these.

  - In particular, caseworkers and other Department of Children and Families staff we interviewed saw the IFSS service model as being of great value to families referred to Child Protection Income Management and families where neglect was an issue more broadly. Many attributed the apparently successful outcomes for families referred to Child Protection Income Management to the work of these services in helping families developing understanding of their children's needs and the basic life skills needed to meet these needs.

  - The issue of inadequate support services, especially in more remote locations, was highlighted by many of the staff.

These findings also need to take account of the high degree of targeting of the use of this measure, with fewer than one hundred people on it at any one time.

There also appears to have been a shift in the attitude of many of the Department of Children and Families staff towards Child Protection Income Management since the first phase of the evaluation. In contrast to Phase 1, very few staff raised ideological concerns about the use of income management and there was evidence that Child Protection Income Management is being increasingly accepted by Department of Children and Families staff as a potentially useful tool in their work with families. However, there remained a very strong view that professional judgment was paramount in determining the efficacy of this tool for individual families rather than automatic procedures requiring implementation of Child Protection Income Management. This finding was also reflected in the recent review of Child Protection Income Management in Western Australia, where growing acceptance of the measure by workers was recorded (DSS, 2014a). Changing operational processes were also seen as being important; in particular, the removal of the requirement to maintain cases as 'open cases' while a client was on Child Protection Income Management was seen to have removed a significant barrier to caseworkers making referrals to Child Protection Income Management., although this had not resulted in increases in numbers of referrals.

[146] Child Protection Income Management differs in the Northern Territory from the measure in Western Australia in that a higher proportion of the people in the Northern Territory who are subject to Child Protection Income Management are already on other forms of income management, whereas in Western Australia the majority of people on Child Protection Income Management have not.

14 Findings against the evaluation framework

14.1 Introduction

This chapter draws upon the material provided in earlier chapters to address the specific evaluation questions set out in the Evaluation Framework for New Income Management (SPRC & AIFS, 2010). These questions were identified by the DSS (then FaHCSIA) as central to the effectiveness of New Income Management and its implementation. In Chapter 15 we present our overall findings.

As has been documented in this report:

- The evaluation is based on in-depth analysis of the program and extensive consultation with those subject to income management and those involved, at all levels, with its operation. Specifically this has included: a major longitudinal survey of people subject to income management and a comparison group of income support recipients outside of the Northern Territory; extensive analysis of Centrelink administrative data on income management and income support recipients; administrative data on BasicsCard transactions; and detailed store-level data on these transactions and the products people purchase. The evaluation has drawn upon extensive interviews, and some surveys, with: Centrelink staff; those involved in providing money management and financial counselling services; child protection workers; and merchants in the Northern Territory. It has also used a range of published and unpublished data on wider outcomes for people living in the Northern Territory.

- Central to the evaluation has been the use of triangulating results from multiple data sources and a strong focus on identifying multiple measures of outcomes, thereby seeking to identify consistent patterns of change.

- Wherever possible we have sought to test reported and perceived outcomes from surveys and interviews against quantitative and independent measures of change.

14.1.1 The evaluation framework

The evaluation framework comprises three elements:

- Matters relating to the implementation of the New Income Management initiative as a whole — “Overarching questions – Process evaluation”.

- The evaluation of the overall impact of the program — “Overarching questions – Outcome Evaluation”.

- Specific questions about some of the particular streams of the program.

14.2 Overarching questions – Process evaluation

The First Evaluation Report contained a number of evaluation findings related to the early implementation issues. In this report these issues are not reported on in detail.

1. How effectively has New Income Management been administered and implemented?

This question contains four sub-parts which are considered below.

1. (a) What have been the resource implications of implementing the program?

The costs of New Income Management can be separated into costs to: the Federal Government; the Northern Territory Government; service providers; and merchants. In addition there may be direct and indirect costs borne by the individuals who are subject to income management.

The publicly available data shows that $410.5 million was allocated for New Income Management in the 2010-11 Budget for the period 2009-10 to 2014-15, of which $5.9 million was to be spent in 2009-10 and $6 million to be spent in 2014-15. The budgeted cost of income management was between $94 million and $105 million for each year from 2010-11 to 2013-14.[147] An additional $101.0 million was provided in the 2014-15 Budget to allow for a one-year expansion of income management in the Northern Territory and some other sites. On a per person basis, the Auditor General reported that the original expected cost of providing income management varied by geographic remoteness, being $2,400 to $2,800 per person per annum in urban areas, $3,900 to $4,900 per person per annum in rural areas, and $6,600 to $7,900 per person per annum in remote areas (Australian National Audit Office, 2013).

The evaluation does not have access to information on the actual expenditure on New Income Management by the Federal Government, but the main broad areas of expenditure by department are:

- DSS: Income management policy development; program management and monitoring; funding of the evaluation; and expanded management of financial counselling and related activities.
- DHS: Program implementation including the overall infrastructure: procurement of BasicsCard services; liaison with merchants; changes to information technology systems to enable the management of income management accounts, including user interface, and report generation on income management; increased resourcing of Centrelink offices to manage the program; undertake allocation interviews; issue BasicsCards; social worker involvement in referrals; development of centralised exemption team; develop back office operations to manage BasicsCard, including telephone requests for balances and payments.

The primary direct resource implications from income management for the Northern Territory government are those associated with the operation of Child Protection Income Management and referrals under Supporting People at Risk

Income management has had resource implications for a range of community service providers. For many this appears to be relatively limited. For two groupings the impact has been greater:

- Expanded financial counselling and money management services were one of the elements of the implementation of New Income Management. This included the infrastructure related to the matched savings payment. Additional resources have been provided, as indicated above, as part of the Federal Government funding.
- It has also had an impact on legal, advocacy and support services, which have had to assist people in navigating the income management system. In some cases this is relatively frequent, but not intensive work with matters such as helping people to obtain replacement cards; in other cases the matters require more intensive assistance over a period of time; for example, applications for exemptions and appeals. While some limited funding was provided for legal services associated with the NTER, including NTER Income Management, there is no ongoing funding provided by DSS or the DHS for this purpose.

[147] This does not include the funding for Money Management and Commonwealth Financial Counselling services in 2010-11.

There have also been resource implications for merchants. In the first instance these relate to the processes of gaining approval to be a BasicsCard merchant. In some cases this has had implications for the technology they need to have in place, including the extent to which the move away from cash transactions has required very considerable upgrades in communications in remote areas so as to be able to maintain EFTPOS services, of which BasicsCard is a major component. Secondly, as has been identified in this report, the proportion of BasicsCard transactions that fail is high. The additional time taken in transactions and in restocking when items are removed from purchases imposes costs upon merchants.

1. (b) Have suitable individuals and groups been targeted by New Income Management?

This question is answered in terms of whether the program has been targeted at those groups who are financially vulnerable and have poor money management and related skills.

Assessed against these criteria the evidence suggests that:

- Many of the people placed on the Disengaged Youth and Long Term Welfare Payment Recipient measures face challenges in managing on their low incomes. For many this is exacerbated by the high housing costs in Darwin, and for others the high costs associated with living in remote locations. There is, however, little evidence to suggest that the main challenges they face are primarily caused by poor financial management or inappropriate expenditures. There is no evidence that targeting income management on the basis of duration in receipt of income support payment provides a solid basis for identifying those with particular vulnerabilities or a low level of money management skills. Similarly, there is no evidence that the range of income support payments at which Compulsory Income Management is targeted reflects the groups at highest risk. There is some evidence to suggest that more recent cohorts being placed on income management have better financial management skills than those who commenced earlier on income management.

- The targeting of assessed Vulnerable Income Management appears, on the whole, to be identifying a group of highly vulnerable individuals. The extent of vulnerability is clear from a number of indicators including rates of death, failed transactions and low account balances, and according to the assessments of various people who work with people on income management, for instance, legal services, and advocacy services. The separate question of whether the program is effective in addressing this vulnerability is considered in Section 14.4.2.

- The automatic Vulnerable measures have only been introduced relatively recently and the amount of data we have been able to collect on this group is more limited. The evaluation evidence we do have suggests that the group in receipt of Crisis Payment may be relatively vulnerable – although this may be in terms of a need of a range services appropriate to their circumstances. On the other hand, relying upon the limited data we have, there is no evidence that the other groups placed on the automatic vulnerable measures have any particular vulnerability related to their financial management capabilities.

- The evaluation evidence from child protection caseworkers and the file review suggests that Child Protection Income Management is on the whole being targeted to a vulnerable group, many of whom have problems related to alcohol, drug misuse or gambling.

- The small number of people on Supporting People at Risk and Nominee Income Management means that there is insufficient data available to assess the suitability of targeting in relation to these measures.

In summary, where targeting is based on individual assessment it appears to be successful in identifying those who are most vulnerable and with low skills; whereas with targeting based on automatic criteria such as program type and duration this is not the case.

1. (c) Have people been able to transfer into and out of New Income Management appropriately (e.g. choosing to transfer from income management under NTER to Voluntary Income Management)?

There are two aspects to this evaluation question. The first concerns movements such as the transition from NTER Income Management to New Income Management. The second relates to the capacity of people to gain exemptions.

Transition from the NTER Income Management to New Income Management

The issue of the transition from the NTER Income Management was addressed in detail in the First Evaluation Report. The key finding was that the transition from the NTER Income Management to New Income Management was virtually complete by February 2011. It was noted in the First Evaluation Report that it was not entirely clear the extent to which all transitions from NTER Income Management to Voluntary Income Management were fully informed. The evidence collected in the second wave of the LSNIM indicates that while there continues to be some confusion among people about the initiative they are on and the extent to which they chose to be on Voluntary Income Management, they on the whole wish to remain on income management.

Exemptions

The criteria for exemptions provide separate pathways for those with and those without dependent children. For those with children, the exemption criteria are related to outcomes for children and passing a financial vulnerability test. For people without dependent children, the exemption criteria relate to having substantial part-time employment.

Overall, the exemption rate[148] in December 2013 was 10.2 per cent and over the past year the rate has been trending downwards. The rate varies considerably between groups.

- For Indigenous men the exemption rate is 0.4 per cent and for Indigenous women it is 7.6 per cent.[149]
- For non-Indigenous people the exemption rate for men is 7.8 per cent and for women 51.4 per cent.
- Overall, 97.4 per cent of exemptions that have been granted have been on the basis that the health and engagement activities of their children had been met, and 2.3 per cent because of being in regular paid employment. This is reflected in an exemption rate for people with children of 17.1 per cent and for those without 0.6 per cent.

The data in this evaluation report does not identify any closing of the gap in the exemption rates for Indigenous and non-Indigenous people.

In large part, the employment pathway to obtaining an exemption has been ineffectual. To the extent people on income support payments are looking for work, they are generally seeking full-time employment, and if they are successful they tend to move off income support. The type of intermittent, casual and often part-time work picked up by some while searching for full-time ongoing employment generally does not qualify them for an exemption. This has resulted in very low exemption rates for singles and members of couples without children.

With respect to the child-based criteria, non-Indigenous women in urban areas who have the skills to negotiate the paperwork and Centrelink systems have relatively high rates of exemptions. Indeed, the data indicates that the majority of these exemptions are granted to people prior to actually being income managed. However, for other women with dependent children, obtaining an exemption is much more difficult.

The First Evaluation Report identified significant problems with the exemption process, stating:

[148] As detailed in Chapter 5, those groups who obtain automatic exemptions (full-time students and apprentices) have been treated as out of scope of income management – this equates to the treatment of Indigenous students in receipt of ABSTUDY. The exemptions considered in the evaluation are those which arise from individual applications for exemption.

[149] Figures on exemption rates are for December 2013.

> There seemed to be little support available to assist people in developing and presenting their case for exemption; gathering the supporting documentation was too demanding for many people. The centralisation of the exemption process in Darwin was also a barrier for people in other locations who prefer dealing face to face rather than over the telephone. The process for obtaining exemptions was seen by many stakeholders as imposing a heavy reverse burden of proof on people subject to income management to prove they meet the exemption criteria (Bray et al, 2012).

There is little evidence to suggest this has changed. In particular, Indigenous people continue to apply for exemptions at a much lower rate and with lower success.

Exemptions are a mechanism that is disproportionately used by non-Indigenous women with children, most of whom do not actually experience income management. Access to exemptions by Indigenous Australians is low and there is no evidence of the gap in the exemption rate for Indigenous and non-Indigenous people closing; nor is there evidence of access to exemptions operating as an incentive for changing behaviours, or of income management playing a role in preparing people to be in a situation where they can gain an exemption.

1. (d) What has been the effect of the introduction of New Income Management on service providers?

The New Income Management program includes substantial additional funding for money management and financial counselling services, and there has been a substantial increase in the number of clients attending these services since the introduction of New Income Management. As indicated in the First Evaluation Report, money management service providers reported a range of concerns related to the content of the approved money management courses, including a mismatch between what they were required to provide and what their income managed clients needed including inappropriate nature of the course material (too high level for some and not appropriate for others).

There were also concerns about the administration of the Matched Savings Scheme Payment and unrealistic expectations around the scheme. The income management of payments made for meeting savings targets are considered an insult by many service providers and people subject to income management.

Since the introduction of New Income Management only 31 people have received a Matched Savings Scheme Payment; this is a very low number given that almost 29,500 people have been subject to the compulsory elements of New Income Management in the Northern Territory which forms the target group for this program.

The data collected in the second stage of the evaluation indicates that the findings of the First Evaluation Report continue to be the case.

In terms of the broader service sector, including legal and advocacy services, there is some additional workload associated with assisting clients with income management-related issues. While the evaluation has not been able to quantify the increased workload for the broader service sector, interviews with the service sector reveal that it is not insignificant.

In the case of remote stores the introduction of BasicsCard has resulted in a major shift towards the use of electronic rather than cash transactions. This has resulted in a need for significant upgrades to communications and the development of multiple backups, including satellite-based links given the vulnerability of much remote infrastructure. Where these systems break down major issues can arise, as people are suddenly unable to make any purchases on their BasicsCard, have reduced cash on hand to make cash purchases, and households tend not to hold any food stocks in reserve. In some locations this has resulted in severe tensions.

2. What is the profile of people on the different income management streams?

The profile of people on the different income management streams is extensively documented in Chapter 4. A summary of the profile of people subject to income management is provided here. The figures reported are for December 2013 unless otherwise noted.

In December 2013 there were 18,300 people being income managed in the Northern Territory: 10,071 on the Long-term Welfare Recipient measure; 3,981 as Disengaged Youth; 3,675 people on Voluntary Income Management; 170 assessed Vulnerable Income Management; 165 on Unreasonable to Live at Home, 3 on Special Benefit; 87 on Crisis Payment, 24 on SPAR Income Management; and 41 subject to Nominee Income management.

The vast majority of people subject to income management are Indigenous, although there are some differences in the proportion between the measures. Overall, 90.2 per cent of those subject to income management in December 2013 were Indigenous. The proportion of people on income management that are Indigenous varies from 72.5 per cent of those on the automatic Vulnerable measures, 88.3 per cent of those subject to Compulsory Income Management, 91.6 per cent of those on Child Protection Income Management, 98.2 per cent of those on assessed Vulnerable, and 98.5 per cent of those on Voluntary Income Management.[150] The proportion of people on income management that are Indigenous is much larger than the proportion of income support recipients who are Indigenous (62.8 per cent).

Women comprise just under 60 per cent of those subject to income management. There is considerable variation between the income management streams in the proportion who are women, ranging from 39.6 per cent for automatic Vulnerable, 55.3 per cent for assessed Vulnerable, 58.4 per cent for Voluntary, 59.8 per cent for Compulsory Income Management, and 80.7 per cent for Child Protection Income Management.[151]

The average age of people subject to income management is 36.1 years. This figure however reflects the long tail of older people on the program: a quarter of the population is aged 25 years and under, and half the population is aged 33 years or under, with three-quarters aged under 45 years.

Most people subject to income management are single[152] (39.8 per cent), followed by people who live as a member of a couple with dependent children (28.9 per cent), single parents (17.8 per cent), and people living as a member of a couple without dependent children (13.5 per cent). This means that just under half (46.7 per cent) of those subject to income management have dependent children.

There are big differences in the composition of family type of Indigenous and non-Indigenous people. Well over half (60.2 per cent) of non-Indigenous people subject to income management are single and 22.5 per cent were single parents. Just 17.4 per cent were living as a member of a couple (10.3 per cent with dependent children and 7.0 per cent without dependent children). This means that about two-thirds of non-Indigenous people subject to income management did not have dependent children. For Indigenous people, 37.5 per cent were single and 30.9 per cent were living as a member of a couple with dependent children. The remaining third were split between single parent families (17.3 per cent) and members of a couple without dependent children (14.2 per cent). This means that 51.7 per cent of Indigenous people subject to income management did not have dependent children.

The types of income support payments that have the largest numbers of people subject to income management are Newstart Allowance (8,718), Disability Support Pension (2,588), Parenting Payment Single (2,116), Parenting Payment Partnered (2,114), and Youth Allowance (1,721).

For Indigenous income support recipients the rates of income management are 85.7 per cent for those receiving Parenting Payment Partnered, 79.3 per cent for those receiving Newstart Allowance, 76.3 per cent

[150] Figures for December 2013.

[151] Figures for December 2013.

[152] Data are not available on actual living arrangements of people, only whether they have a partner or dependent children for whom they or their partner receives Family Tax Benefit payments. A single person may be living by themselves, can be a non-dependent child living with their parents, a grandparent living with their children, or living with others in a wide range of different household types.

for those receiving Parenting Payment Single, 44.9 per cent for those receiving Age Pension, 40.0 per cent for those receiving Disability Support Pension, and 22.8 per cent for those receiving Carer Payment.

3. Have there been any initial process ‘teething issues’ that need to be addressed?

The First Evaluation Report identified several initial process ‘teething issues’ including the coverage of BasicsCard merchants, referrals to money management and financial counselling services, and the provision of information on children’s school attendance and health records for people seeking exemptions.

The data collected in the second stage of the evaluation reveal that there continue to be some issues associated with the implementation of income management. Key issues are:

- The imposition of minimum purchase amounts or surcharges for the use of BasicsCard by some stores and service providers.
- The process for obtaining exemptions, which remains very difficult for a high proportion of people subject to income management.
- Delays of up to six weeks in issuing replacement BasicsCards in some remote areas.
- Income management continues to make it difficult for some people to manage their money effectively. Specific problems identified are the payment of rent to private landlords in urban locations; inability to spend income managed funds at alternative outlets such as markets; and limited merchant acceptance of the BasicsCard in some sectors, including chemists, government services, and utilities. In addition, due to the nature of the rules around merchant approval, people are limited in the range of outlets at which they can purchase specific goods or services, despite these being available more widely and at times more cheaply. We do not though find evidence to suggest that income management has “forced people to shop at the two major supermarket chains” in terms of market share, rather than for particular items.
- If people move interstate they remain subject to income management for the first three months. This can cause considerable problems if they move to an area where income management is not generally in operation because few if any interstate outlets would accept the BasicsCard.
- There continue to be reports of long waiting times on the phone when contacting Centrelink about income management-related issues. Similarly, there continues to be a group who would much rather deal face-to-face, especially with respect to exemptions. There continue to be questions about the limited availability of interpreters, and much of the correspondence continues to be difficult for people to understand, especially for those with poor literacy and with languages other than English.
- Notwithstanding the recent introduction of the toll-free number for some mobile users, there continues to be a need for increased investment in the capacity of people to access information easily on their BasicsCard balance.

4. What are the views of participants in the New Income Management model and their families on the implementation of the program?

There is considerable diversity of views amongst people on income management about all aspects of the program, both positive and negative. While some aspects of the program including its implementation obtain strong negative and positive views, for other aspects views are not as strong or polarised.

In presenting these views we reiterate that the structure of our qualitative and quantitative data collection from the population subject to income management were designed to obtain a cross-section of experiences and not as a representative sample, and that responses in these surveys are often shaped by respondents’ cultural values and by perceptions of how the responses may be used.

Across all respondents to the second wave of the LSNIM just over 40 per cent felt that the program had made things better for them, just under a third said it made no difference, and over a quarter said it had made things worse. In general, those on Voluntary Income Management were more positive and non-

Indigenous respondents the most negative. However, across all groups there was a considerable mix of views.

Most people (80 per cent) on Voluntary Income Management who were surveyed in the LSNIM said they wished to remain on income management. Half of the Indigenous women and 36.7 per cent of Indigenous men on the compulsory measures wanted to remain on income management. The proportion wanting to remain on income management was under one-third for non-Indigenous people. People living in urban areas were much more likely to report that the program had made things worse and much less likely to report that it had made things better; they were also much more likely to want to get off the program.

For those wishing to remain on the program the primary motivations were that it made it easier to manage their money and they are used to it. In addition, access to the BasicsCard was seen by many as an attraction.

Notwithstanding these positive views, a high proportion of the population on income management report some level of feeling discriminated against and/or that their being on income management was unfair or embarrassing (this is considered further below).

There were similarly diverse responses to questions about the services provided by Centrelink and in the processes associated with income management. The variation in these, and views about income management more generally, would appear to arise from the following factors:

- The income management population, as with any group of people, have diverse values and aspirations. While some value independence and making their own decisions, others, especially when confronting complex problems, prefer having some decisions being taken on their behalf.
- Some people have the skills to negotiate Centrelink processes easily: people with these skills tend to be more positive about income management. Other people who do not have the experience, knowledge or skills to negotiate Centrelink processes easily, find the procedures frustrating.
- The quality of service provided by Centrelink varies between individuals and offices.
- The great diversity of circumstances found in the Northern Territory, including between remote and non-remote communities.

5. Has the measure been implemented in a non-discriminatory manner?

In the first report of the evaluation we noted that we had not identified any active and overt discrimination in the implementation of New Income Management in the Northern Territory, and there was no evidence produced that Centrelink staff tend to be prejudiced or discriminatory. This remains the case.

At the same time, income management disproportionately impacts on the Indigenous community in the Northern Territory and this group has not been able to avail itself of mechanisms such as exemptions at anything like the same rate as the non-Indigenous population. Specifically:

- Income management has a much greater effect on the Indigenous than the non-Indigenous population in the Northern Territory. Its impact on the Northern Territory non-Indigenous population as a whole is marginal, with an estimated 1.3 per cent of non-Indigenous people aged 15 years and over on the program in December 2013, whereas a substantial proportion, estimated at 34.0 per cent of Indigenous people aged 15 years and over in the Northern Territory are subject to income management.

  Ninety per cent of people subject to income management are Indigenous. By income management stream this varies from 72.5 per cent of those on the automatic Vulnerable measures, 88.3 per cent of those subject to Compulsory Income Management, 91.6 per cent of those on Child Protection Income Management, 98.2 per cent of those on assessed Vulnerable, and 98.5 per cent of those on Voluntary Income Management.
- Indigenous people are much less likely to apply for, or be granted, an exemption. There has been no increase in the rate of exemption for Indigenous people, although the exemption rate has decreased slightly for non-Indigenous people. In addition, there seems to be little substantive support available to people who need to prepare cases to prove their applications for exemptions. Thus the parameters set

for exemptions effectively exclude a substantial proportion of Indigenous people from being granted an exemption from income management. For large groups of Indigenous people subject to income management the exemption rates are very low. For Indigenous men the exemption rate is 0.4 per cent and for Indigenous people living outside of Darwin and Alice Springs the exemption rate varies from 3.8 per cent to 1.6 per cent.

- Many Indigenous participants in the qualitative interviews and survey responses described the policy as being racist and some non-Indigenous people disparagingly refer to having been placed on a "blackfellows program".

Data from the longitudinal survey of people subject to income management (LSNIM) showed that an overwhelming majority of both Indigenous and non-Indigenous people on income management had a sense, at some time or another, of being treated unfairly by being income managed, with many of these describing the program as being discriminatory. Specifically:

- 28.4 per cent of Indigenous and 34.6 per cent of non-Indigenous people on compulsory income management say that they feel they are discriminated against all or most of the time. About 30 per cent of each of these groups said they never felt this way.

- 34.8 per cent of Indigenous and 57.0 per cent of non-Indigenous people on compulsory income management say that they feel it is not fair being on income management, all, or most of the time. Only 20 per cent of each of these groups said they never felt this way.

14.3 Outcome evaluation

Within this broad heading of the Evaluation Framework, nine specific sub-questions have been posed. For the purposes of clearly and logically addressing these we are presenting them in a different sequence to that detailed in the framework so as to firstly look at the overall impact and then some of the more specific issues.

This section has been structured into three sub-sections. The first considers the overall outcomes of income management, the second considers the impact on subgroups, and the third addresses remaining questions.

14.3.1 The overall impact of income management

1. What are the short, medium and longer-term impacts of income management on individuals, their families and communities?

This question has been the key focus of the second phase of the evaluation. To address it we have used a wide range of data including:

- the longitudinal survey of people subject to income management and a control group of people outside of the Northern Territory who are not subject to income management in order to examine the incidence of a range of issues and changes in outcomes at both the individual and community level;

- data generated by people's use of BasicsCards and account balances, which provide measures of financial capabilities, for example, the number of lost cards, the rate of failed transactions, and the prevalence of low balances;

- expenditure data obtained from stores; and

- aggregate measures of relevant indicators at the Northern Territory level and, where data allows, at the regional level, for a time period spanning the introduction of income management until the present.

Using data from the survey of people subject to income management – and from the control group – the effects of income management on change across a wide range of individual, family and community level outcomes were estimated. In addition to these specific measures of change the evaluation also collected subjective assessments of change, in particular whether or not people subject to income management considered that the program had been beneficial. Responses to this question varied considerably.

Overwhelmingly those on Voluntary Income Management reported that income management had made things better for them. The perspectives of those on compulsory measures was more mixed. Amongst Indigenous people 44.1 per cent said it was positive, 35.3 per cent that it had made no difference and 20.6 per cent that it had made things worse. Only a quarter (25.4 per cent) of non-Indigenous people said it had made things better, while 45.5 per cent said it had made things worse. Against these mixed responses the balance of this section considers a set of more specific and objective measures

(b) Have there been changes in spending patterns, food and alcohol consumption, school attendance and harassment?

The evaluation has sought to examine each of these areas in detail. As discussed above, there is no clear evidence of any consistent positive changes:

- **Spending patterns**

  The evaluation has looked at spending patterns using a range of different sources. As discussed below, there are no changes at the aggregate level in spending on food and tobacco[153] that can be ascribed to income management, and alcohol sales appear to be maintaining a longer-term trend. The evaluation has specifically looked at two key indicators of the pattern of spending of those subject to income management. These are the minimum balances over a fortnight that people hold in their income management and BasicsCard accounts over time, and the extent to which they attempt to make transactions for which they have insufficient funds. These balances represent their unspent money, with the minimum balance reflecting whether they hold any in reserve for emergencies, and the duration they have low balances the period over which they are at risk.

  With respect to changes in minimum balances, we find using a matched sample that the proportion of people who had a minimum balance below $10 at some time in the fortnight increased marginally between 2011 and 2013 from 81.2 per cent to 82.3 per cent. There has, however, also been a similarly small decrease in the proportion of the population who have such a low balance for more than half the time, from 28.0 per cent to 26.0 per cent. We consider neither of these changes to be substantive.[154]

  One in ten BasicsCard transactions fail due to insufficient funds. While this rate is high, it is lower than it has been in the past. One reason for the overall decline in the failed BasicsCard transaction rate is the apparent higher financial capability of more recent cohorts placed on income management. In addition, improved facilities for checking balances have also had an impact. This leaves a potential improvement of around half a per cent per annum which might be ascribed to people better understanding and using the system, including improved balance checking before attempting transactions and improved financial management skills.

- **Food consumption**

  The data collected by the evaluation points to very poor diets in remote communities. Purchase of fruit and vegetables on BasicsCard is low and below that of spending on fruit and vegetables using other methods of payment in remote communities and in urban areas. Detailed analysis suggests this cannot be explained by relatively high prices for fruit and vegetables, limited availability of fruit and vegetables, or the effect of low incomes.

  The evaluation also has examined trends in the share of spending on fruit and vegetables for a significant number of remote stores. This analysis shows no appreciable change since early 2009, and no association with changes in the proportion of people in the community who were subject to income management could be found. Furthermore, the very low current levels of expenditure on fruit and vegetables would appear to preclude there having been a major improvement prior to the time period we have considered. This analysis also considered trends in tobacco sales. These have

[153] As has been noted while the evidence is that there is very little direct expenditure on tobacco on the BasicsCard this result simply addresses a process evaluation question and does not address the more significant outcome evaluation question of whether there has been a change in the level of tobacco spending associated with the introduction of income management.

[154] As discussed in the body of the analysis, these data have not been adjusted for changes in the rate at which payment is made and prices change, nor has account been taken of the payment of the Income Support Bonus in 2013. Both of these will tend towards it appearing that people are holding higher balances in 2013.

increased as a share of sales, although the volume has dropped in response to price changes. No relationship could be found between these sales and proportion of the population in the community on income management.

Data from the National Aboriginal and Torres Strait Islander Health Survey have identified an increase in fruit but not vegetable consumption by Indigenous children. This may reflect the impact of policies such as the school nutrition program.

Analysis of the results from the longitudinal survey indicates that, relative to the control group, there was a weakly significant improvement since the introduction of income management for those Indigenous people on Voluntary Income Management in the extent to which they ran out of money for food. There was no significant change for either Indigenous or non-Indigenous people in the compulsory streams.

In summary, there appears to be no impact of income management in addressing the significant nutrition issues which many, in particular remote Indigenous people face.

- **Alcohol**

At the individual family level, data from the survey of people subject to income management suggests no improvement in the incidence of alcohol-related issues for either Indigenous or non-Indigenous people on Compulsory Income Management relative to the control group. When considering a broader measure which includes alcohol, drugs and gambling-related problems it emerges that while there have been reductions in the incidence of moderate problems related to alcohol, drugs and gambling, there has been no improvement – and possibly worsening – of severe problems related these issues. For those on Voluntary Income Management there was a relative reduction in reporting of problems due to alcohol, but an increase relating to gambling. When the broader measures of problems are considered, there was also a decline of moderate-level problems, but worsening of severe problems was also statistically significant.

People were also asked about alcohol problems at the community level. There were no statistically significant changes from the difference-in-difference analysis in the level of reported problems for either those on compulsory or Voluntary Income Management, although the direction of change for all groups was towards a relative worsening of problems because of drinking.

At the aggregate level, alcohol sales on a per capita basis in the Northern Territory have been falling for some time, with the declines starting before the NTER Income Management was introduced. There has been no change in this trend with the introduction of New Income Management. Alcohol-related presentations to hospital emergency departments and admissions have increased, as have alcohol-related assaults since the introduction of income management.

- **School attendance**

The survey of people subject to income management included a community level question on whether there was a problem with children not attending school. Responses to this by Indigenous and non-Indigenous people on compulsory income management and Indigenous people on Voluntary Income Management all pointed to worsening relative to the experience of the control group over the past two years. This though was only moderately significant for Indigenous people on compulsory streams and weakly for those on voluntary.

Northern Territory Department of Education data show that between 2009 and 2012 the school attendance rate for Indigenous children has fallen slightly from 69.7 per cent to 67.8 per cent. The attendance rate for non-Indigenous children is around 90 per cent and has not changed between 2009 and 2012. The school participation rate (proportion of children of compulsory school attendance age) of those enrolled increased in the Northern Territory from 87.9 per cent to 90.2 per cent between 2006 and 2013. This is a similar increase found for Australia as a whole, for which the school participation rate increased from 95.8 per cent to 97.2 per cent.

- **Harassment**

The evaluation has several pieces of data on financial harassment. The survey of people subject to income management (LSNIM) contains two specific questions about this at the individual level. The first is whether people had financial problems because they had given money to others; the second was whether they had to ask other for money for essentials. The difference-in-difference analysis of these data, which focused on the change in the incidence of these problems since people had moved onto income management, found that Indigenous people on both voluntary and compulsory income management had both a statistically significant improvement with respect to problems because of giving money and a worsening incidence of asking others for money. In the case of Indigenous people on Voluntary Income Management, the reduction in problems because of giving was only weakly statistically significant, while that of the increase in asking was strongly significant. There was no significant change for non-Indigenous people.

The LSNIM also asked about the extent to which hassling for money was a problem in the respondents' community. Again, relative to the control group Indigenous people on Compulsory Income Management reported a statistically significant increase in this type of problem, and Indigenous people on Voluntary Income Management reported a non-significant decline.

People who wanted to stay on income management were asked why they wished to remain on the program. Only a small proportion of those on compulsory income management said the main reason was because it made it harder for people to harass them for money (10.8 per cent of Indigenous and 7.0 per cent of non-Indigenous). When asked about all reasons these proportions only increased (to 32.0 per cent and 18.0 per cent).

The qualitative interviews with financial counselling and money management workers, service staff, Centrelink officers and other intermediaries provided mixed reports about the extent to which income management reduced financial harassment, but there was general agreement that it had not eliminated financial harassment. This is consistent with the survey of people subject to income management.

(d) Has New Income Management contributed to changes in financial management, child health, alcohol abuse, violence and parenting (i.e. reduced neglect)?

The evaluation sought to identify whether income management has had an effect on financial management skills, child health, alcohol abuse, violence, and parenting. The key findings in relation to these outcomes are:

- **Financial management**

  A number of the questions in the LSNIM elicited positive assessments by many individuals of the impact of income management on their financial management including those who have exited income management, where some 44 per cent of Indigenous and 30 per cent of non-Indigenous respondents agreed with the statement that "income management taught me how to better manage my money" – although just 5.8 per cent of Indigenous and 5.7 per cent of non-Indigenous did so 'strongly'. The major reason cited by those who wished to remain on compulsory income management was that it made it easier to manage one's money, with over half of Indigenous and 40 per cent of non-Indigenous indicating this was one of the reasons for their goal, although fewer than a third of Indigenous and non-Indigenous gave this as their main reason.

  Between 40 and 50 per cent of Indigenous people on income management indicated that most or all of the time they felt that they were more in control of their life, and had more control over their money. In contrast some 50 to 60 per cent of non-Indigenous people reported that they hardly ever or never felt this way. One per cent of Indigenous people wishing to exit compulsory income management reported that their main reasons was that after their experience of income management they felt more confident managing money and 10 per cent gave this as a subsidiary reason. The proportion of non-indigenous people giving this response was smaller. None reported that one of the reasons was because they either paid off debt or saved money under income management.

  These perceptions, though, need to be assessed against the other evidence collected in the evaluation including from the LSNIM, administrative data on failed transactions, lost cards and minimum income management account balances and reports from intermediaries. Analysis of these data sources does not provide any substantive evidence of income management resulting in improvements in financial management skills across the population which has been income managed. There has been no reduction in the rate of replacement cards being issued, and as outlined above, most people continue to have low minimum balances in their income management and BasicsCard accounts. While rates of failed transactions because of a lack of funds in the person's account have declined very slightly, they remain high. While as such there is some evidence of income management being used as a financial management tool this does not appear to be leading to improved capabilities across the population subject to income management.

On balance therefore the weight of evidence suggests that despite the perceptions of some people, income management has not had an overall positive impact on financial management capacity.

- **Child health**

  In order to assess the impact of income management on child health the evaluation has largely relied upon aggregate measures, supplemented with some limited data collected from people subject to income management. The data show no clear pattern of improvement in child developmental and health outcomes in the Northern Territory that is consistent with income management having had a positive impact on outcomes for children. Outcomes considered are developmental outcomes, learning outcomes, school enrolment and attendance, infant mortality, low birth weight, immunisation of children, death of children due to injury, disability, under/overweight, hospitalisation, prevalence of diseases, and child protection system indicators.

- **Alcohol**

  As discussed above, the evidence is that income management has had no impact on alcohol consumption or alcohol-related harm.

- **Violence**

  Aggregate data for the Northern Territory shows that rates of assault are higher after the introduction of income management than they were before.

- **Parenting**

  Improvements in the quality of parenting are expected to show up in measures such as school attendance, child development, child health, and injuries to children. No evidence of an effect of income management on any of these indicators was found. The LSNIM data on community outcomes found no significant change across a range of child outcomes over the past two years.

As noted above, there is no evidence that New Income Management has contributed to changes in financial management, child health, alcohol abuse, violence and parenting. This conclusion is based upon the survey of people subject to income management and the control group, BasicsCard transaction data, income management account balances, and aggregate measures of outcomes measured at the Northern Territory and regional level.

(f) Has New Income Management had any unintended consequences (positive or negative)?

Two specific outcomes can effectively be considered as unintended:

- The first is the way in which income management has not built independence and individual capability, but has rather acted, to make some people's lives easier and relieving them of having to manage aspects of their finances. This in turn has led many to aspire to remain on income management, and hence income support. There are several sources of information on this impact in the report, with the limited impact on capability being discussed elsewhere in this chapter. The effect of the program having made life easier and of relieving people of the burden of financial management was most strongly seen in the LSNIM in the case of Voluntary Income Management, with over 70 per cent of the overwhelming majority of respondents who indicated that they wanted to remain on income management saying that a reason for this was that it was easier being income managed. A substantial proportion of the Indigenous population on compulsory income management measures also expressed a desire to stay on income management. Amongst this group over half responded in the survey that one of the reasons for this was that it was easier to manage their money and 40 per cent saying a reason was that they were used to it and it was easier to stay on

The effect of increased reliance upon the welfare system was also raised by a number of the intermediaries, as well as being cited in some of the qualitative interviews. This included observations about income management having become a "way of life".

It is also an issue which, as discussed in Chapter 1, has been raised by both the Australian National Audit Office which noted that "there is an inherent risk that instead of developing budgeting skills, customers may come to rely on DHS" and the Forrest Review which considered that income management "can make transitions off welfare and into work more difficult".

- The extent to which the BasicsCard, despite a range of problems with its operation, has gained considerable support, in large part because it provides a cheap banking service. This is especially true in remote communities where normal banking services can frequently be expensive, and by others where they get the benefit of free replacement cards. Having access to the BasicsCard is a common reason given for wanting to remain on income management.

Taking these two factors together there is some evidence that for a sub-group of people on income management the program has provided them with tools that they have been able to use to make their lives easier and hence enhance their quality of life, although neither building capacity or changing aggregate outcomes. For a large proportion of people on Voluntary Income Management, and a significant minority of those on compulsory measures this can be seen as the a result of two factors. First is the extent to which the BasicsCard can in some circumstances provide a low cost payment option with limited obligations and relatively few restrictions especially in locations where most purchasing is done at a limited range of formal approved outlets. Secondly is the degree to which other elements of income management can take care of a range of regular and associated payments. In addition, for some, income management is reported to provide some structure to their spending. A subgroup within this population also report that they use the BasicsCard as a tool to reduce inappropriate demands from others.

As seen in the assessment of the program against the outcome criteria these aspects do not, however, appear to effectively lead to either enhanced financial management skills nor, with the possible exception of those who have chosen to go onto Voluntary Income Management, any positive change in objective measures of household well-being. No groups reported benefits with respect to problems at the community level.

(i) Does New Income Management provide any benefits over and above targeted service provision?

This question concerns whether or not the broad application of income management provides benefit over and above a more targeted model. Given that the evaluation has found no evidence of significant or widespread benefits of income management and it is quite a costly program, the overall conclusion is that New Income Management does not provide any benefits over and above targeted service provision.

In addition to the extent that the broad application of income management imposes costs on many participants directly with regard to their ability to use their financial resources effectively, and indirectly through the adverse effects in the sense of unfairness many feel, this also needs to be taken into account.

There is some evidence that income management has resulted in Centrelink paying more attention to ensuring that people are receiving the correct income support payment. The evaluation evidence is that this was particularly the case during the initial implementation of income management.

Summarising the impact

Taking the results as a whole, the conclusion is that there is no evidence of any consistent positive impacts on problematic behaviours related to alcohol, drugs, gambling, and financial harassment, in the extent to which financial hardships and stresses are experienced – for example, running out of food, not being able to pay bills, or on community level outcomes such as children not being looked after properly, school attendance, drinking, and financial harassment.

The findings from the survey of people subject to income management that income management is not resulting in better individual, family or community level outcomes is consistent with the analysis of aggregate outcome measures, indicators of financial management skills, BasicsCard use and account balance records, and store-level expenditure data.

The analysis of aggregate measures of child health and wellbeing, school enrolment and attendance, alcohol sales and consumption, alcohol-related harm, tobacco use, and imprisonment results in the conclusion that there has been very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory, but also that there is no evidence of changes in aggregate outcomes that can plausibly be linked to income management. Of particular significance are the findings that alcohol-related harm has not been reduced since the introduction of income management – if anything it has worsened.

Analysis of store sales data also provides no evidence of changes in consumption patterns or expenditure on food. And in fact a smaller proportion of BasicsCard expenditure is on fruit and vegetables compared to expenditure made using means other than BasicsCard.

Income management appears to have had little impact on changing the vulnerability of people when this is measured in terms of their ability to hold funds in reserve or to save, as measured by the number of replacement cards being issued and failed transactions There is no substantive evidence that income management is building financial management skills.

The program has impacted negatively on some through limiting their purchasing options, increasing costs and making housing more difficult. Many more feel a sense of shame and unfairness.

While reporting these overall outcomes we note as has been discussed that there appears to be some cause to consider that very tightly targeted income management may be beneficial as part of a package of strategies for high vulnerable groups and that those who have chosen Voluntary Income Management report positive outcomes as well as there being some, very limited, evidence of some gains for this group.

14.3.2 How has income management impacted on subgroups?

(a) How do these effects differ for the various streams of the program (mainstream, voluntary, child protection, vulnerable)?

The general finding that income management has not had significant or widespread impacts on a range of important outcome measures holds for both Compulsory and Voluntary Income Management.

For the most part, expenditure patterns are similar for those on the voluntary and compulsory income management measures. While there are differences in the rates of failed transactions due to insufficient funds, and differences in the number of replacement cards between the various income management measures, there is no evidence of different rates of change in these outcomes for most of the income management measures. The only exceptions are for those subject to the Disengaged Youth and SPAR measures, who had an increase in the number of replacement BasicsCards being issued and in failed transactions.

While people on Voluntary Income Management are more positive about income management than those on the compulsory measures, there is inconsistent evidence on whether Voluntary Income Management affects outcomes. In contrast to those on the compulsory income management measures where there is no evidence of improvement in specific household outcomes with respect to running out of money for food and in being able to pay bills the data for those on Voluntary Income Management suggests some gains may have been achieved on these specific items, although as with other groups on income management there is no improvement in the aggregate measure of household financial well-being outcomes. There are also contradictory findings for those on Voluntary Income Management at the household level on 'humbugging' and problems relating to alcohol drugs and gambling, and a reported lack of improvement in these problems, and related issues, at the community level.

More generally it can be suggested that there is evidence of a range of subgroups in terms of the program effects:

- A group comprising mainly those on Voluntary Income Management and some of those on compulsory measures, more so those in remote locations, who feel that income management has made managing their money easier, however as discussed above, with some possible but not conclusive exceptions for those on the voluntary measure, there is no evidence of any significant change in outcomes nor of improvements in financial management capability and behaviours.

- A small group of highly vulnerable people for whom income management is only part of the range of interventions. Anecdotal evidence suggests that where people are motivated some in this group have found income management a useful tool to stabilise their situation while other interventions seek to address problems, for others it is simply a tool to manage their spending.
- A group who are largely unaffected by the program, some of whom have quite negative sentiments about being subject to income management and its consequences.
- A group who feel that the program has made things worse for them, with income management creating difficulties including paying rent and other expenditures and who find that the income management curtails their independence. This group is much more likely to be urban and non-Indigenous.

(e) Do the four streams achieve appropriate outcomes for their participants?

The broad conclusion is that there is no evidence that income management results in significant widespread improvements in outcomes although substantial proportions of people on the program report that the program has made things either better or worse.

For the small number of people subject to assessed Vulnerable Income Management there is only limited data on outcomes, but the available data – primarily from the qualitative interviews with intermediaries – do indicate that Vulnerable Income Management provides a degree of "harm minimisation" but does not address the underlying chronic difficulties of the clients, which requires a high level of support that is often not available.

For the small number of people subject to Child Protection Income Management there is also relatively little data on outcomes, with the evaluation relying on the views from child protection caseworkers. The interviews with child protection caseworks suggests that this measure is a tool which, when used in conjunction with other services and interventions, can sometimes be useful in stabilising families and limiting access to money for alcohol, illegal substances and gambling.

(g) Are there differential effects for different groups? (including — if sufficient data is available — by Indigeneity, gender, location, age, educational status, work status, income, length of time on income support, marital status, family composition and diverse cultural and linguistic background)

The evaluation has undertaken extensive analysis of whether different impacts of income management can be found for people with different characteristics, including many of those identified in the evaluation question. The evaluation data suggest that none of the key individual or family characteristics define specific groups for which there is evidence that income management has a positive impact upon outcomes.

Across the information considered by the evaluation there are though some clear differences in the way in which income management impacts on urban areas relative to remote locations. In particular, in urban locations there were higher levels of reporting of problems, in particular around paying for housing and using a diverse range of shopping outlets. The mechanisms of income management were not seen as sufficiently flexible across the range of different tenure arrangements, nor for more informal shopping arrangements. These in turn were reflected in people reporting higher levels of problems because of income management. In remote areas there was greater evidence of the program having been embedded in the lifestyle of people, and it was viewed more positively, especially the BasicsCard including its role as a low cost transaction card.

14.3.3 Broader questions

(c) What impact does New Income Management have on movement in and out of Northern Territory among people on the measure?

This question was addressed in the First Evaluation Report. The evaluation finding was that there is no evidence of any change in the level of movement in and out of the Northern Territory among people on the measure.

While a number of the people identified as exiting income management are recorded as continuing to receive income support in locations outside the Northern Territory, the extent to which this occurs is not inconsistent with other indicators of mobility.

Given these initial findings no further analysis on this question has been undertaken.

(h) Does income management provide value for money by comparison with other interventions?

As noted in Chapter 1, this component of the evaluation has not been undertaken. DSS requested, because of the problems of trying to disentangle the specific expenditures on income management from other DSS and DHS expenditures, and the problem of identifying quantifiable outcomes to which a value can be attached, that this element of the evaluation not be taken forward .

While we have not attempted to estimate the economic return from income management, the combination of it being a relatively expensive program with an average cost of around $5,000 per person per year, and the lack of evidence for widespread positive impacts means that the cost of any benefits would be very high. For example, a five per cent improvement in an outcome would cost the government about $100,000 per year for each person who benefits.

14.4 Research questions for specific streams of the New Income Management model

The Evaluation framework contained a set of specific questions on:

- Compulsory Income Management
- Vulnerable Income Management
- Voluntary Income Management
- Child Protection Income Management.

These questions are considered below.

14.4.1 Questions specific to the Compulsory Income Management stream[155]

1. Has New Income Management helped to facilitate better management of finances in the short, medium and long-term for people on income management and their families?

As discussed in relation to the overall assessment of the impact of income management on financial management skills, the evaluation evidence is that income management has not assisted the vast majority of people subject to Compulsory Income Management to improve their management of their finances over the short, medium or long term, or to develop financial management skills.

[155] This was termed the participation/parenting stream in the original formulation of the evaluation questions in the evaluation framework.

2. Has access to services or interventions improved for those families?

The evaluation has not been able to quantify changes in access to services, nor to assess the quality of service provision in the Northern Territory and how this has changed over time. However, there are many new service initiatives instigated in the Northern Territory and services continue to be implemented.

There is no evidence that income management has contributed to better access to services or interventions for families, other than money management and financial counselling services that are funded as part of New Income Management, and Intensive Family Support Services that are linked to Child Protection Income Management – and which will be discussed with the findings from that stream.

3. Have other changes in the wellbeing and capabilities of the individuals and families occurred?

There is no evidence of other changes in the wellbeing and capabilities of the individuals subject to Compulsory Income Management or that of their families that can be attributed to income management.

14.4.2 Questions specific to the vulnerable stream

When New Income Management was introduced there was a single steam of Vulnerable Income Management, with people being placed on this form of income management on the basis of assessment by a Centrelink social worker. From July 2013 three new forms of Vulnerable Income Management were introduced that have an automatic trigger which results in people being placed on the measure. The trigger criteria are: being assessed as being Unreasonable to Live at Home for the purposes of Youth Allowance; being under 16 years of age and receiving Special Benefit; and being under 25 years of age; and receiving a Crisis Payment on release from prison.

In December 2013, there were 170 people subject to assessed Vulnerable Income Management and 255 people subject to automatic Vulnerable (165 on Unreasonable to Live at Home, 3 on Special Benefit, and 87 on Crisis Payment). While the evaluation considers the automatic Vulnerable measures to the extent that there are available data, the recent introduction of these measures and the small numbers of people on them means that there is little evidence available on outcomes.

1. Are vulnerable people appropriately targeted by this measure?

Assessed Vulnerable Income Management is used in a very small number of cases and as discussed in relation to the overall question about the targeting of income management, assessed Vulnerable is possibly crowded out by Compulsory Income Management and Voluntary Income Management. In December 2013, 98 per cent of those on assessed Vulnerable Income Management were Indigenous, and it is not clear why so few non-Indigenous Centrelink clients are deemed to be suitable for this measure despite the fact that there are likely to be many non-Indigenous income support recipients who are equally vulnerable.

The indicators are that many of the people subject to Vulnerable Income Management have long-term chronic conditions that limit their ability to care for themselves; analysis of numbers of replacement BasicsCards being issued, failed transactions, and income management account balances suggests that the group has very poor financial management skills.

The reasons why there are so few non-Indigenous people on the Vulnerable measure requires further investigation, especially since there are large numbers of non-Indigenous income support recipients on Disability Support Pension and Age Pension, which are most associated with this measure.

In contrast, the automatic Vulnerable measure, in particular those on the Unreasonable to Live at Home measure, do not appear to have particularly poor financial management outcomes. The small numbers on the other measures limit our capacity to make any substantive finding

2. How does income management impact on the vulnerability of individuals?

Evaluation evidence is that assessed Vulnerable Income Management can provide a degree of "harm minimisation" for people who are vulnerable by assisting in coping with their financial situation and possibly by reducing, but not eliminating, financial harassment. The Vulnerable Income Management program has also increased the extent to which people are assessed regularly by Centrelink and have regular contact with Centrelink.

However, it does not address the underlying chronic difficulties of the clients which, in the view of respondents, require a high level of support that is often not available. The evaluation data suggest that people on Vulnerable Income Management have long durations on income management.

3. Have people on this stream experienced changes in the level of harassment (e.g. humbugging)?

Evaluation evidence is that income management that assessed Vulnerable Income Management can provide a degree of "harm minimisation" and can help to reduce, but not eliminate, financial harassment. However, it does not address the underlying chronic difficulties of the clients which, in their view, require a high level of support that is often not available. We have not been able to collect data on this group to determine whether they have increased their own level of humbugging.

Centrelink staff value assessed Vulnerable Income Management as an option for vulnerable clients without seeking legal guardianship or similar measures.

14.4.3 Questions specific to the voluntary stream

Under this stream people who are not subject to Compulsory Income Management (including the targeted measures) can choose to be income managed. People who choose to go onto the measure are paid a "Voluntary Income Management Incentive Payment" of $250 for every 26 continuous weeks they remain on the program. In December 2013 there were 3,675 people on Voluntary Income Management in the Northern Territory. The number on Voluntary Income Management has gradually declined from its peak of 4,707, which occurred with the rollout of New Income Management during the second half of 2010.

This decline is a result of a range of factors, with people exiting due to death, due to leaving income support, and partly due to those leaving income management but remaining in receipt of an income support payment.

Voluntary Income Management is generally viewed positively by those on the program: they perceive it as making their lives easier, and providing access to a free transaction card. However, as documented elsewhere in this chapter, it has relatively little impact on outcomes, and because of its attraction is likely to make people less likely to move off income support. Given the population is largely on the Disability Support Pension and Age Pension and living in circumstances in which they are unlikely to gain employment, this however is of limited consequence.

1. Have people who volunteered for income management been able to make an informed choice?

There is some evidence that Centrelink pushed individuals from NTER Income Management into Voluntary Income Management (as reported in the first report). While there was considerable lack of clarity in the responses to the first wave of the longitudinal survey as to whether people felt that they had chosen to go on this program, at the time of the second interview (about two years later), around 80 per cent of people on Voluntary Income Management who participated in the LSNIM reported that they wished to stay on income management. Nevertheless, quantitative and qualitative interviews have confirmed that there is confusion for some about their status and their right to opt out of income management.

2. How long do Voluntary Income Management recipients stay on the measure?

On average, people on Voluntary Income Management remain on income management for long periods of time. The data suggests that 82.0 per cent of people on Voluntary Income Management were still on income management after 52 weeks, 72.2 per cent were still on income management 104 weeks later, and after 156 weeks 62.9 per cent were still on income management. Given that there are a range of reasons people cease receiving income support payments – for example, finding paid employment, changes in their family circumstances, incarceration, and death – these are long durations on income management.

While there has been considerable movement over time onto and off the program, 86.5 per cent of the population on Voluntary Income Management in December 2013 had originally been on NTER Income Management, and hence had been on income management three years or more earlier.

The evaluation evidence is that a large majority of people on Voluntary Income Management want to remain on income management (80.0 per cent), with 8.8 per cent not sure and just 11.2 per cent wanting to come of income management.

3. What are the key motivations for people who voluntarily access income management, and why do they stop?

As mentioned above, the majority of people subject to Voluntary Income Management were previously on the NTER Income Management initiative. The primary motivation for being on Voluntary Income Management is the perception that being on income management makes their life easier, and that the BasicsCard provides them with some advantages, especially as a no-cost banking service.

The vast majority of people on Voluntary Income Management remain on for long periods of time. Of those who exit from Voluntary Income Management off all forms of Northern Territory income management, about 55 per cent remained on income support in the Northern Territory, and about 40 per cent were no longer on income support.

14.4.4 Questions specific to the child protection stream

In December 2013 there were 83 people on Child Protection Income Management. While the majority of those on Child Protection Income Management have dependent children, there is a minority who do not have dependent children living with them. This group includes people who have been subject to Child Protection Income Management and then subsequently lost the care of children or have been placed on Child Protection Income Management in preparation for reunification with a child who has previously been removed from their care.

Child Protection Income Management differs from the other forms of income management operating in the Northern Territory in several ways. Placement of people on Child Protection Income Management occurs on the basis of a referral from the Northern Territory Department of Children and Families, rather than a decision taken by DHS. A higher proportion of income support payments are subject to income management (70 per cent). A person can be placed on the measure for periods of between three and 12 months, with these periods able to be extended on the basis of a review. People can be placed on this measure while on other forms of income management.

When interpreting the findings in relation to Child Protection Income Management it is important to bear in mind that the main technical difference between this and other New Income Management streams is that a higher proportion of income is managed under Child Protection Income Management than the other streams. The other main difference is that Child Protection Income Management is applied to families that are generally already heavily engaged with the service sector as part of dealing with the child protection concerns related to the family. In particular, families subject to Child Protection Income Management may also be eligible for Intensive Family Support Services, which provide a much higher level of services than those offered to most vulnerable families in the Northern Territory. This means that it is difficult to disentangle the impact of the higher proportion of funds income managed and the service system context in which income management is being applied.

1. What has been the impact of income management on child neglect?

Data suggests that the proportion of referrals to Child Protection Income Management relative to the number of child protection notifications and substantiations is relatively small.

AIHW report that the rate of children on care and protection orders in the Northern Territory has increased from 11.1 per 1000 children aged up to 17 years as at 30 June in 2010 to 11.6 in 2011, 12.5 in 2012 and 12.9 in 2013.(AIHW, 2014.)

Interviews with child protection caseworkers and a small number of Intensive Family Support Services staff indicate that while Child Protection Income Management does not, in and of itself, assist families with child neglect issues, it can be useful when used as part of a broader based service system response in assisting families to address their needs where neglect exists due to money management issues or alcohol and drug misuse.

The effectiveness was seen as being dependent upon the willingness of families to engage with services and with a process of change. The measure is reported to have very little impact where parents/carers are not committed to change. In these cases a number of strategies were used to “work around” the restrictions. As such Child Protection Income Management is a tool which when used by caseworkers in conjunction with other interventions can assist in improving outcomes for children who are experiencing neglect.

In summary there is no evidence of Child Protection Income Management having an overall impact on the level of child neglect, and given the magnitude of the measure it appears that any major impact is unlikely. Where used as part of a set of responses the measure, in particular where families are willing to engage with this and other services, can have an impact at the individual case level.

2. What has been the impact on child wellbeing in those families referred to the child protection measure?

The interviews conducted with child protection caseworkers indicate, that in their experience, the primary contribution is by assisting in stabilising families and limiting access to money for alcohol, illegal substances and gambling while other interventions that can address broader issues experienced by these families are implemented.

3. What are the barriers and facilitating factors for child protection workers to use income management as a casework tool?

While there is a policy requirement for child protection caseworkers to make a referral to Child Protection Income Management where there was a substantiation of neglect, the number of referrals to Child Protection Income Management was much lower than the number of cases substantiated for neglect. The non-referral occurs for a range of reasons including the assessment of the child protection caseworker that the issues for the family were not being caused by problems with financial management or related to substance abuse or gambling. Where child neglect arose from circumstances such as problematic parent–child attachment, or simply to parents’ poor understanding of the physical and emotional needs of their children, and their children’s dependency on them to meet their basic needs the role of income management as a caseworker tool was seen to be limited.

Some Northern Territory Department of Children and Families staff expressed the view that there often seemed little point in making referrals as the passivity and acceptance of many clients around income management – especially those clients who were already subject to some form of compulsory income management meant it made little impact on clients’ desire to change.

There was also some evidence that Northern Territory Department of Children and Families caseworkers were referring some families to Child Protection Income Management in order to access Intensive Family Support Services.

4 What (if any) service delivery gaps have impacted on the usefulness of Child Protection Income Management?"

While this was issue was not a major focus of the evaluation, the evaluation data clearly highlights that there are gaps in the service delivery system, particularly in the more remote communities. Child protection case workers identified that in these cases, service delivery system gaps – particularly financial counselling or money management services and other family support services – limited the effectiveness of Child Protection Income Management.

14.5 Summary

This chapter specifically responds to the questions identified in the evaluation framework. The implications of this for the program as a whole are considered in the final chapter of this report.

15 Conclusion

The findings presented in this evaluation report are those from an intensive research project. The evaluation has used data from a wide range of sources, including people subject to income management, people involved in implementing income management and working with people subject to income management, merchants, administrative data relating to people on income management, including transaction data and aggregate outcome data for the Northern Territory. In Chapter 14 the findings have been presented against the detailed evaluation questions, which were set out in the framework established for the evaluation. This chapter presents these findings as a more general overview evaluation of the program as assessed against three questions which are framed around the policy objectives and the intended effect of income management:

- What was the impact of income management in reducing adverse outcomes for individuals, their families and the communities in which they live?
- Has income management improved individual capabilities, including self-reliance?
- Has income management been targeted appropriately?

15.1 Views and perceptions of income management

There are diverse views and experiences of income management. The differences arise from different aspirations and values, the circumstances in which people live, and the ways in which income management interacts with their day-to-day lives. This diversity of experience of income management is expressed in a range of positive and negative sentiments about income management as a whole, and about particular aspects of income management.

From an evaluation perspective, while peoples' views of income management are important, the essential question remains as to whether income management improves outcomes. Good policy may not always be seen positively by those whom it affects or by those implementing it, nor do positive feelings about a program mean that it is effective.

The survey of people subject to income management suggests that:

- Around two-fifths of people thought that income management had made things better for them; about one-third thought that it had made no difference; and about one-quarter thought that income management had made things worse for them.
- Around eight in ten people on Voluntary Income Management said they wished to remain on income management, and between 30 and 50 per cent of those on the compulsory measures wished to remain on income management.
- A substantial group of people subject to income management felt that income management is unfair, embarrassing and discriminatory. The extent to which people felt this way has, however, diminished over the years that income management has been operating. Only 20 per cent of those on Compulsory Income Management measures and 30 per cent of those on Voluntary Income Management reported never feeling that being on income management was unfair.

15.2 Impact on adverse outcomes

The aims of income management are to improve the wellbeing of people receiving income support payments and to improve outcomes for themselves, their families, the communities they live in, and the Northern Territory as a whole. Whether it achieves these is the basis on which it should primarily be assessed.

A wide range of measures related to consumption, financial capability, financial harassment, alcohol and related behaviours, child health, child neglect, developmental outcomes, and school attendance have been considered as part of this evaluation. Some of these are at the individual level and others more widely across the population. In the previous chapter we have presented these data in detail against the specific evaluation questions. The key outcome measures, sources of evaluation data and findings are summarised in Table 15-1.[156]

Despite the magnitude of the program the evaluation does not find any consistent evidence of income management having a significant systematic positive impact. Some 35,000 people have been on the program at some point, and there were 18,000 people on it at the end of December 2013, many of whom have been on for extended periods.

The key findings are:

- Data on spending point to continued major problems of diet and poor levels of fruit and vegetable consumption, in particular for Indigenous people living in remote communities. There is no evidence of income management having resulted in changes in spending or consumption, including on alcohol, tobacco, fresh fruit and vegetables.
- At the household level across a wide range of measures there has been no aggregate improvement in financial wellbeing; although some groups report an improvement in the level of financial harassment they experience, they also report more frequently having to ask others for money, and there has been no reported reduction in harassment at the community level.
- At the family level individuals report there has been a decline in the overall incidence of any difficulties related to alcohol, drugs and gambling, but no change in the incidence of severe problems from these. In fact, all groups show a worsening of these severe problems, although this is only statistically significant for Indigenous people on Voluntary Income Management. This group also reports specific improvement in problems from alcohol, but worsening for gambling. At the community level no significant improvement has been reported, and looking at broader measures across the Northern Territory, there is little evidence of change in alcohol-related harm. If anything, these outcomes have worsened, although there is no evidence that this is in any way related to income management.
- There is no evidence of changes in school enrolments or learning outcomes that can be attributed to income management, and in many locations there are stagnant or falling rates of school attendance. Those on income management report no significant change across a range of child wellbeing outcomes in their communities over the past two years.

[156] When attempting to estimate the impact of a program, the possibility that outcomes would have worsened in its absence needs to be considered. In the case of this evaluation – which has found no consistent evidence of income management having a significant positive impact – we have considered the possibility that in the absence of income management, outcomes would have worsened, and therefore a finding of no improvement masks an underlying positive impact.

In this analysis we dismiss this possibility for the following reasons. First, the evaluation methodology has been designed to construct a counterfactual of what would have occurred in the absence of income management. This has been achieved through the collection of data from people on income support payments living outside of the Northern Territory and who are not subject to New Income Management (the control group), and wherever possible by looking at the trends in outcomes, both in the Northern Territory and for Australia as a whole. Second, there is no reason to expect that in the absence of income management that outcomes in the Northern Territory would have worsened autonomously. For example, while various labour market indicators are volatile, the trend of employment to population ratio in the Northern Territory has increased from 71.0 per cent in August 2010 to 71.8 per cent in December 2013. Indeed, given the large additional investments made in the Northern Territory through the NTER and subsequently, it would be expected that any Northern Territory-specific change would be more positive. This conclusion is reinforced by the wide range of potential impacts of income management that the evaluation considered.

Table 15-1 Summary of evidence of impact of income management on expenditure patterns, financial outcomes, and a range of individual and community level outcomes

Indicator	Source and time period	Findings
Alcohol, drugs, and gambling		
Incidence of adverse impacts on family from alcohol, drugs, and gambling	LSNIM Change between 2011 and 2013	No sig. change in specific problems for Indigenous & non-Indigenous CIM. Improvement alcohol, deterioration gambling for Indigenous VIM. Improvement for all in any problem from these, but deterioration in severe problems, only sig. for Indigenous VIM.
Alcohol and tobacco consumption (Indigenous only)	NATSIHS 2004-05 to 2012-13	Indigenous adults 2004–05 to 2012–13, no change in risky levels of alcohol consumption, and smoking rate increased slightly.
Alcohol supply	Wholesale alcohol supply data 2002 to 2012	Per capita alcohol supply decreased starting in 2005. No change in trend apparent following NTER IM and NIM being introduced.
Community level problems: drinking, financial harassment, child health and education	LSNIM Change between 2011 and 2013	Children not looked after – sig deterioration Indigenous CIM, not going to school – deterioration sig Indigenous CIM & Indigenous VIM. Child outcome aggregate – no change. Community drinking – deterioration all but not sig. Hassling for money – sig deterioration Indigenous CIM, non sig improvement Indigenous VIM and non sig deterioration non-Indigenous CIM. Community aggregate – non sig deterioration all.
Alcohol-related harm	NT Health Department 2005 to 2013	Number of alcohol-related presentations to emergency departments and hospital admissions has increased sharply – very unlikely to be directly linked to IM.
Individual financial outcomes		
Individual financial outcomes and financial harassment	LSNIM Pre-income management to 2014	Problems as a result of giving money to others – improvement sig Indigenous CIM, weakly sig Indigenous VIM. Asking others for money for essentials – worsening sig Indigenous CIM & Indigenous VIM. Running out of food – improvement weakly sig for Indigenous VIM, not sig for Indigenous CIM, deterioration non-Indigenous CIM. Problem paying bills on time – improvement, only sig Indigenous VIM. Absence of financial stress – small deterioration non sig for all. Only 30% Indigenous CIM & Indigenous VIM who want to stay on IM say harassment a reason; 10% Indigenous CIM & 0% Indigenous VIM as main reason.
Child health and developmental outcomes		
Child developmental and learning outcomes	AEDI 2009 to 2012	AEDI for NT children still very poor. Between 2009 and 2012 rate of improvement in the NT was above national in three domains lower in two. Largest gap and lowest rate of improvement in language and cognitive skills.
Child learning outcomes	NAPLAN 2008–20113	Some improvements in NAPLAN (early years only) but these are consistent with national trends, years 7 and 9 mixed results – no general improvement.
School enrolments and attendance	NT Government Education Department ABS estimates	Indigenous school attendance fell slightly 69.7% 2009 to 67.8% in 2012. Total attendance has improved at provincial level, stable or fallen in remote and non-remote location. Increase in school participation rate consistent with national trend (ABS).
Child health	Range of data including from NT government, ABS and AIHW	Across a wide range of child health indicators there is no evidence of any consistent positive change.
BasicsCard expenditure	Transaction data from retailers in remote and non-remote areas	Disproportionately low proportion of BasicsCard expenditure on fruit and vegetables in both remote and urban areas. Absolute level in remote very poor, high sales of sugar-sweetened soft-drinks. No increase in fruit and vegetable sales or decreases in tobacco sales since 2009 in remote community stores.
Criminal justice		
Imprisonment rates	ABS National Prisoner Census 2002 to 2012	Increased for Indigenous and has increased for Indigenous NT at a faster rate than Indigenous Australia-wide, including strong increase in 2010 to 2012.
Assault rates	NT Government crime statistics 2007-08 to 2011-12	Increases in assault rates, including 24% increase June 11 to June 2013.

Notes: CIM Compulsory Income Management; VIM Voluntary Income Management; sig. statistically significant.

A wider concern is that not only are many of these indicators ones which could have been expected to change in the light of the aspirations for the impact of income management, but they are also areas which have been targeted by and had large investments through other programs.

While there are some individuals, in particular those who chose to go on the voluntary stream, who find income management a useful tool and say that it has produced benefits for them, there is no systematic evidence of this generating change that can be identified across the income managed populations and the communities they live in as a whole.

15.3 Improved capabilities

One of the key mechanisms by which income management was expected over the longer term to tackle the "intergenerational cycle of passive welfare" is via improved financial management, capabilities and building independence over the long term.

The evaluation has drawn on several sources of data in order to evaluate the impact of income management on individual capabilities, including people subject to income management, merchants, DHS administrative data on BasicsCard use, and intermediaries involved with implementing income management or working with people subject to income management. The evaluation evidence on the impacts of income management on individual capabilities is summarised in Table 15-2.

Table 15-2 Summary of evidence of impact of income management on individual capabilities

Indicator	Source and time period	Findings
Minimum Balances	DHS administrative data October 2011 to Oct 2013	Proportion with minimum balance <$10 in fortnight increased marginally from 81.2% to 82.3%. Proportion with balance <$10 for more than half of fortnight fell slightly from 28.0% to 26.0%.
BasicsCard replacement cards	DHS administrative data 2010–2013	Replacement rate of cards is high: about 30 cards per 100 persons on income management per month; no reduction in rate of issue of replacement cards.
Failed transactions	DHS administrative data 2010–2013	Around 10% of transactions fail due to insufficient funds. Some minor decline over time: around 0.6 percentage points per year.
Matched Savings Scheme Payments	DHS Administrative data 2010–2013	Only 31 Matched Savings Scheme Payments made over period 2010–13.
Skills learnt from being income managed	LSNIM 2013	Just 1% of those on Compulsory Income Management give having gained skills from being on income management as the main reason for wanting to exit income management.
Exemption rate	DHS Administrative data 2010–2013	Exemption rate is low and has been trending downwards; exemption rate close to zero for Indigenous in remote areas; exemption rate 0.6% for those without children and 0.4% for Indigenous men.
Views of Centrelink, money management and financial counselling and other service provider staff	Interviews 2011, 2012 and 2014	Mixed views from Centrelink staff about whether income management builds individual capability, but money management and financial counselling and other service providers generally take the view that income management has not built individual capabilities.

No substantive evidence that income management is resulting in improvements in financial management skills or of its impact on building financial capabilities has been found. In particular, the aspects of income management that are designed to assist people to improve their money management skills have been ineffective. This is most obvious in the case of the Matched Savings Payment, which has only been paid to 31 people on income management since 2010. Similarly, the exemption provisions of New Income Management, although providing a means for some, in particular non-Indigenous women in urban areas, to avoid being placed on income management, do not appear to be working as an incentive for people to change their behaviours. Just 0.4 per cent of men and 0.9 per cent of women without children have been able to gain an exemption.

Reliance upon income management

Many of those on income management want to remain on income management indefinitely. This is particularly the case amongst the Indigenous population for which rates of income management are much higher and many people have been on income management for a number of years. Just under one-half of Indigenous men and just over one-third of Indigenous women on compulsory income management measures who were surveyed in this evaluation aim to get off income management.

Several factors appear to contribute to this. From the perspective of many of those on income management the BasicsCard has provided easy and fee-free banking. In association with this and other provisions people report that income management simply makes it easier to manage their money. There also appears to be a degree of habituation; people have been on income management for a number of years, have gotten used to it, and to change this situation is threatening.

As such, rather than the program building people's capacity and motivating them to take responsibility and become independent and self-reliant, for these people it has acted to make their lives more comfortable by relieving them of having to take responsibility for some aspects of their financial management. This in turn has made them more dependent and reliant upon welfare

15.4 Targeting

The data analysed for the evaluation shows that many people in the Northern Territory on income support payments experience poor outcomes and financial hardship. They face many challenges in their lives and frequently have, in addition to low incomes, poor health, low education, and extensive family and other community responsibilities. The poor financial management skills of some is only one factor that contributes to the problems this group experiences.

There was no evidence that targeting income management on the basis of duration in receipt of income support payment provides an effective basis for identifying those with particular vulnerabilities or a low level of money management skills. Similarly, there is no evidence that the range of income support payments at which Compulsory Income Management is targeted reflects the groups at highest risk. Compulsory Income Management is imposed upon a large group of people whom income management does not assist. This imposes costs upon those subject to income management and to the government.

The evaluation evidence indicates that the targeting of assessed Vulnerable Income Management has been effective at identifying a group of highly vulnerable individuals. For a number of people in this small group (around 150 at any one time) some positive outcomes from income management have been reported. At the same time the evidence we have collected suggests, that while income management is one of the tools that can assist in harm minimisation for this groups, they also need other supports. Furthermore, it is unlikely that income management can effectively build the capabilities of this group, but rather they will need this intervention on an ongoing basis.

In summary, where the targeting is based on individual assessment it appears to be successful in identifying those who are most vulnerable and with low skills. However, where the targeting is based on automatic criteria such as program type and duration, this is not the case.

Exemptions

The second dimension of targeting is that of exemptions. As has been discussed above, this was seen as a mechanism with two functions: first, to provide incentives; and second, to minimise the extent to which people who were financially capable were placed on Compulsory Income Management simply by virtue of their length of time on income support payments. As noted above, it has achieved little with respect to the first function. With respect to the second it can only be considered as partially effective. It has only offered a real opportunities for those with children, and in particular non-Indigenous people in urban locations. Many others find the system hard to deal with.

15.5 Conclusion

In the previous chapter we have presented our findings against the detailed evaluation criteria for New Income Management operating in the Northern Territory, which were agreed with the then Department of Families, Housing, Community Services and Indigenous Affairs as the basis against which we would evaluate the program. Across most of the evaluation criteria we find that income management has not achieved its objectives.

We have looked here at the evidence against the criteria of better outcomes, improved capabilities and appropriate targeting. Again, we report that evidence for the program having achieved its goals is absent. There is, though, evidence of a diverse range of impacts of income management on perceived well-being, in some cases this is positive and in others negative. Strongly positive perceptions were reported by those on Voluntary Income Management where there is some, but not wholly consistent, evidence of improvement in some aspects of household outcomes for this group. This is not the case for those on compulsory measures where the balance of evidence clearly points to no improvement.

Indeed, rather than promoting independence and the building of skills and capabilities, New Income Management in the Northern Territory appears to have encouraged increasing dependence upon the welfare system, and the tools which were envisaged as providing people with the skills to manage have rather become instruments that relieve them of the burden of management. While at one level, and for some groups, this may be still seen as a positive outcome and one which they report as having improved their quality of life – and it is possible that some may be able to lift themselves out of their situation – more broadly it also comes at a cost of greater dependence.

This, however, is not the whole, nor majority, story of income management. Many people report having been largely unaffected by the measure since they are already managing effectively; others report that the program has been a major inconvenience, making life more difficult without changing outcomes and, as noted previously, many within this group and more widely report a sense of unfairness.

There is some evidence to show that income management may be a successful intervention when used as part of an individually tailored program for some individuals who have been specifically targeted as a result of their identified individual vulnerability or problem such as child protection. The evidence is that some people within this group can use it as an effective tool, including to stabilise their situation while other initiatives seek to address underlying problems. However, taken as a whole, there is no evidence to indicate that income management has any effects at the community level, nor that income management, in itself, facilitates long-term behavioural change.

Why may this have occurred?

While the evaluation is not able to definitely identify the reasons for New Income Management in the Northern Territory failing to achieve the objectives set for it, in our view one of the major reasons for this is that several of the policy assumptions and assessments that were made when designing income management have turned out to be incorrect. These include the following:

- That most people who met the criteria for compulsory income management were not spending more than half their income on alcohol, tobacco, gambling and pornography. For people spending less than half of their income on prohibited items, income management did not act to constrain their expenditure on these items.
- The expectation that income management would prevent financial harassment and abuse because people could not withdraw their income managed funds in cash. While there are problems of financial harassment and abuse, this does not just relate to people wanting cash. People are still harassed for their income managed funds and items they purchase with these. Addressing financial harassment and abuse requires both individual and community action.
- The belief that by offering the incentive of a matched savings payment and imposing some restriction on how people spend half of their government benefits would assist them to develop financial management skills. This has proven to be incorrect.

Making income management a large-scale program – in the context of the Northern Territory where it applies to a substantial proportion of income support recipients – has meant that by-and-large income management has been implemented as an operational process with limited working with individuals and tailoring the program to their needs. Building capacity is a challenging process that requires time and resources, and it cannot be developed by simply imposing restraints.

16 Epilogue – Reporting Back

After the completion of our evaluation of New Income Management as recorded in earlier chapters of this report, the final phase of the project involved the evaluation team engaging in a final round of consultations, feedback visits and discussions about the evaluation findings. These involved meetings with key intermediaries in the Northern Territory including Commonwealth and Territory Government Departments, peak representative organisations, groups involved in the provision of services to people impacted by income management and meeting with members of urban and remote Indigenous communities.

These discussions served a number of purposes. The meetings with peak organisations and intermediaries were primarily focused on providing information on our initial findings and testing these in discussions. In the case of communities, in addition to undertaking the above two functions, the visits were an opportunity to again thank communities, elders of these communities and participants in the LSNIM for assisting with the project and to provide feedback to individual communities on what the information collected in the LSNIM said about their own community.[157]

In finalising this report we have decided to report on these discussions in this final, epilogue chapter, rather than seeking to incorporate the material from our meetings and discussions into the body of the report.

We have done so for two reasons. The first is that in large part this final reporting back process did not lead us to any major revisions of our report and the findings contained in it. Secondly in the discussions many of the matters raised by people, especially in communities, go beyond the scope of the evaluation and do not fit within the structure of the report. While the process was, as discussed above, primarily a feedback process and not a formal process of consultation to the extent people raised issues with us we believe we have an obligation to report on these, but would stress that these are not presented here as formal community views, although frequently the people involved were senior elders of the community.

16.1 Perspectives on income management

Consistent with material presented in earlier chapters of this report these consultations identified a diverse range of views about income management at the individual level. Many people spoke about the program in a positive way, especially their use of the BasicsCard ("it is my food and clothing money"), and in some communities, but not others, a number of the people with whom we spoke said that the program has been beneficial for them.[158] Many others expressed strongly negative views. These were motivated by negative experiences – such as limited shopping choices, or more generally about the nature of the program itself: "they treat us like we are little kids".

[157] Each of the communities was provided with a community specific brochure which detailed the main findings of the evaluation and reported on some specific results from the LSNIM for that community. The community consultations were facilitated by Colmar Brunton and in some cases researchers from Tangentyere Research Hub.

[158] As the survey results showed in all communities a mix of community views about income management, and the feedback sessions only involved a limited number of people in each community, caution needs to be taken in interpreting the views we were provided with as being representative of the community as a whole.

16.1.1 Response to major findings

Notwithstanding this diversity of views when we reported the main conclusions of the evaluation, across the range of consultations, there was in general strong endorsement of the overall findings. Specifically:

- There was little surprise, and indeed in general strong agreement in almost all discussions, about the finding of a lack of any substantive change in outcomes as a result of income management. Quite simply the program was not seen in general as being transformative of either individuals or communities. To the extent changes were reported at the community level the people we spoke with tended to credit these to other programs and initiatives. They mentioned, for example, the introduction of Opal fuel, specific football programs to channel the energies of young people, the extent to which some communities had been able to restore cultural practices including the reintroduction of ceremonies or, in some communities, other aspects of the intervention.
- There was general agreement with the conclusion of the evaluation that there was a tendency for income management to increase dependence on the welfare system. While some saw this as a problem others did not. Increasing dependence was variously described. In some discussions it was related to fewer decisions people had to make, in others it was described in terms of some people just acquiescing to the measures, and in others to habitualisation. With respect to this latter a number of people made reference to the fact that while the program had been introduced as a short term stabilisation policy, the program had now been in place in their communities for seven years.
- At the same time the BasicsCard is strongly supported and valued by many (but far from all) who consider it made their lives better, with some also reporting that they had modified some of their behaviours. In some discussion the positive aspect was described in terms of a reduction in the temptation of cash.
- There was rarely a total rejection of income management as a possible tool to be used for some people in these discussions. Rather people said it should be targeted at those who are having particularly poor outcomes due to their inability to manage their money, and those who wish to use it. In particular there continue to be some strong sentiments expressed about the way it had been imposed on Aboriginal people. Some saw it as just continuing paternalistic practices – e.g., “my mother used to go to the mission store to collect her rations in a wheelbarrow – now I have a shopping trolley and BasicsCard”.[159]

We were frequently asked about the cost of income management and whether we had done any cost benefit analysis of the effectiveness of this program relative to other initiatives that could have been undertaken to improve outcomes in communities.

16.1.2 Other Income Management issues

Many of the issues raised by people in our conversations reflected matters reported in the body of the report, but given the timing of these consultations, it is noted that they continue to persist. These include the problems of checking BasicsCard balances. There were recurrent complaints about the waiting times with telephone calls to Centrelink – very frequently by people having to wait on the phone in front of a store for an extended period to find out what their balance was so that they could undertake their shopping. Other automated systems were frequently non-functional, and in at least one community people raised the problem of communication breakdowns which resulted in stores being unable to perform BasicsCard transactions and as a consequence having to go without food.

Many of the people we spoke with reiterated that they were perplexed as to why they could use the card to purchase some items (such as takeaway food and electronic items) at one store but not another. As in the report the limited acceptance of the card at some clothing and sporting goods stores was seen as being a real problem and a number of people raised the problem of trying to purchase cars in informal arrangements. Others reported that while it was easy to obtain petrol when travelling they had experienced

[159] The issue of this historical continuity has been identified by other researchers including Bielefeld who notes “Early colonial attitudes about the desirability of placing limitations on access to money for Indigenous Australians have been resuscitated in recent years” (Bielefeld, 2012 p 522)

problems with purchasing other motor vehicle related items such as tyres. In a number of places we have added additional material to the report, primarily through footnotes, to incorporate these matters.

Problems of Centrelink reliance upon written correspondence was raised in many communities – with reports of large numbers of mail items being returned to Centrelink as being undeliverable and of many items going astray.

Across almost all communities people saw a strong need for better money management education – but again there was very widespread criticism of existing services, about how they engage with communities and the materials they use. People were frequently aware of the services that have been funded but felt that the mere existence of services was not sufficient: "they are popping up everywhere and they don't do anything for our people".

16.1.3 How individuals engage with Income Management

The discussions which arose in the feedback process revealed a wide range of different ways in which individuals "made income management work for them". In many cases these were contradictory, while some reported that they could walk past people seeking money from them and wave their BasicsCard at them and say "all my money is on my card", others reported that people were harassed for their BasicsCard.

Some talked about their BasicsCard money effectively being their money to live on and the balance of their payments being for recreation and other uses while others spoke of the money on BasicsCard not being seen as 'real money' since they never really held it and they were limited with what they could spend it on, "it doesn't feel like your money". In the first group people talked about the BasicsCard being safer in that it enabled them to have a separate source of money for food – than taking the risk of cash being dissipated. Some reported that while they kept their Key Card (debit card) secure, they allowed others to use their BasicsCard. One woman reported leaving it to her daughter to use for caring for her children (which she explained in terms of being a cultural obligation as a grandparent) while she was away from the community, while many others talked about BasicsCard use by others – with and without permission.

Many discussed undertaking shopping and using their BasicsCard on a collective basis with others "we share – that's the Aboriginal way". Although some suggested the use of photographic identification on BasicsCards this was generally advanced as an anti-theft strategy rather than a limitation on using it on a collective basis.

16.1.4 Humbug and harassment

There was considerable discussion about humbug. This revealed many subtle and complex aspects to the practice. Many indicated that it was inextricably linked with sharing and to their Indigenous identity. "There will always be problems with humbug because Aboriginal people have obligations". Others sought to differentiate between good and bad humbug "humbug is sharing – it's bad humbug when they use it on wrong things". In some communities different experiences of humbug were given by different people – with this not necessarily being consistent. In some communities people talked about bad humbug of vulnerable older people by youth (including taking people's BasicsCard to go shopping in major towns), in others older people (often elders) reported having no problems with humbug, while younger people, including sole parents said it was an issue.

While as reported above some people used their BasicsCard as a means of simply addressing attempts to humbug them in particular situations, across all communities people did not report any overall reduction in the level of humbug as a consequence of the introduction of BasicsCard. A number of people spoke of being subject to humbug for food rather than cash since the introduction of income management. In several of our meetings people identified cases where humbug had increased for some people who gained cash earnings from employment – and where people had quit their jobs in response. There were mixed reports as to whether there was humbug for the earnings of artists. In some communities this was reported as being avoided through strategies such as placing these earnings on store accounts.

16.2 Income management and community priorities

Because we have been engaged to evaluate income management against the defined set of evaluation criteria, specific questions related to this have been the focus of our report and of the surveys, interviews and consultations we have undertaken as part of the project. In reporting back on the evaluation to communities, peak organisations and others it became obvious that while many people were interested in the impact that the program was having – and often had strong views on the measure – income management was not seen as being the key to obtaining change and that there were many other issues that they considered to be more important to improving outcomes and they wanted their views on these communicated.

In reporting these, we would emphasise again that these views were not collected as part of a formal consultation with communities about these matters, and are not presented here as community views, but rather that as these matters were raised in our discussions we believe that it is appropriate to report on them.

The most frequently raised issue was employment. At times this was couched in terms of the role of income management "BasicsCard works well for older people but young people need jobs", or in other cases just raised in terms of what people felt the community needed. The question of employment was raised in almost all of our visits to communities. In these discussions there were persistent requests by individuals in a number of communities for the reintroduction of CDEP. This request was presented in many different ways. Central for many was the role of CDEP as a means of providing employment in communities – and linking income to work – not as 'sit down' money. It was also frequently put in terms of a way in which important services can be provided within communities by community members and also as means of the community controlling some aspect of its day to day life. More generally, in particular amongst remote communities, there was a strong emphasis in the views expressed by those people who were part of the discussions on the need for jobs to be developed within communities so as to enable young people to live and work in their community, rather than people having to leave communities if they wanted a job. To the extent improvements in outcomes were cited in some communities this was frequently put down to factors such as additional employment.

Housing was raised by people in several communities with people pointing out that it was often exceptionally difficult to manage money (let alone achieve a quality life) in severely over-crowded housing, and that under these circumstances it was hard to see how income management could really affect things. In one of the communities it was reported that a recent community housing census identified 18 people living in a two bedroom house.

In other cases the issues raised by people in the discussions were more immediate concerns such as difficulties in obtaining approval for alcohol management plans, and heavy handed police interventions.

People were also concerned about education and training with some expressing a strong desire for young people to remain in education rather than being in receipt of income support. In many, but not all, of the communities we visited a number of the people we spoke with were very positive about the Remote School Attendance Strategy, "the yellow shirts", and about what they saw as a marked improvement in school attendance. Those who expressed this view felt that this initiative had been well developed in consultation with local communities, and employed community members who could work effectively and constructively with families where there were attendance problems, as well as with the school. Conversely in one location it was reported that the Town Camps had lost their school bus service, because of a decision had been taken by the schools that this was the parents' responsibility and not the schools' and that this had increased problems with school attendance and there were strongly negative feelings about the role of mainstream truancy officers.[160]

In a number of communities some people reported what they saw as a decline in community services and control with the extension of shires into local communities. A related issue, raised in some communities,

[160] In at least two of the communities a specific concern raised by members of the community related to what they saw as the risk of children being taken from them if truancy officers become involved in attendance problems with children. As we have noted in the main report the scarring effect of the stolen generations is for many an integral element of their relationship with state authorities.

was the extent to which some commercial operations such as bus services had resulted in a decline in community alternatives as well as resulting in high levels of spending.

Finally there was a very strong view expressed by many of the people we spoke with that there was the need for policies to be built up at the community level and implemented by communities. There was strong resentment about the way in which the intervention (which is seen by communities as being the commencement of income management) was imposed without consultation; this was also the case in the small number of places where those who participated spoke quite positively about some aspects of the intervention.

16.3 Summary

The final phase of the evaluation involved feedback and discussions on the findings of the evaluation. This process, in large part saw strong agreement with our analysis and did not lead to any substantive change in the findings of the evaluation.

The process however did emphasise that while there are many views about income management, including the extent to which some people value the initiative while others see it as a major imposition, that income management is not in general seen as being the key for changing community outcomes but rather changes to a diverse set of other policies and programs were considered to be priorities.

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Appendices

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Appendix A: Financial Vulnerability Test for Exemptions

The *Guide to Social Security Law* (Australian Government, 2014) details the way in which the Financial Vulnerability Test is operationalised by Centrelink, identifying the issues which a Centrelink Officer should discuss with the person making an application for an exemption and the types of evidence they should consider in making a decision. This is shown below:

Guidelines for assessing financial vulnerability (extract from the Guide to Social Security Law)

The delegate needs to be satisfied that the person had, over the last 12 months, shown no signs of financial vulnerability, with regard to the considerations set out below.

Note: These considerations are intended to create an overall impression of a person's financial circumstances, and no set weight should be attributed to each. Each factor should be considered, and those that are relevant taken into account. The considerations should not be treated as a checklist and the discussion points do not necessarily indicate that a person is financially vulnerable. The questions are designed to identify whether a person has faced any significant financial challenges and whether they have been able to manage their money to effectively deal with those challenges or should be considered financially vulnerable as a result.

Factor	Discussion points with person	Evidence
Principle: Person has been applying appropriate resources to meet their priority needs, & the priority needs of their family.		
Income management allocations.	- If income management allocations were regularly changed, what was the reason for this? - If the allocations were never changed, why not? - Is the person meeting their priority needs and the priority needs of their family with their income managed funds, and did they direct discretionary income to these priority needs? - Will the person be able to manage their money to meet these priority needs without income management? - How does the person intend to meet these priority needs without income management? - Does the person intend to continue to pay for the priority needs that were being paid for with income managed funds or do they intend to stop paying for these things? If so, why?	- Are or were there regular allocations in place for a variety of priority needs? - How are/were the persons priority needs being met? - How are/were the priority needs of a person's family being met?

Factor	Discussion points with person	Evidence
Principle: Person had control over their money & was not subject to financial exploitation.		
Financial exploitation.	- Does the person have a password protected or a deny access record? If so, why? - Has the person had money taken from their account without their permission? - Does the person find it difficult to say no to some family members or others when asked for money? - Does the person need to hide money or have secret money? - Is the person having trouble meeting their priority needs or making their money last from one payment to the next because they are making purchases for other people or giving other people their money? - Have third parties been contacting Centrelink regarding the person? If so, why? - Has this been at the request of the person? - Was the person aware that third parties had been contacting Centrelink? - Have these issues been resolved, or are they ongoing?	- Password protected Centrelink record. - Deny access record. - Evidence of denied contact from third parties. - Evidence of financial exploitation.
Principle: Person uses money management strategies to manage their financial resources, and is likely to continue to do so in the future.		
Use of Centrepay.	- Has the person used Centrepay? - If Centrepay arrangements have been started and then stopped, what was the reason for this? - Has the person enquired about Centrepay but found that the third party organisation is not registered? - Is the person aware of Centrepay options? - If the person has not used Centrepay is this because they were able to pay their bills on time without it? - Is it likely that the person will remain on Centrepay, or elect to go onto Centrepay in the future?	- Current or previous DHS arrangements. - Length of time using Centrepay arrangements. - Evidence of frequent changes to Centrepay - ons and offs.
Money management courses.	- Has the person completed a course to learn or update financial skills? - Did the person develop a personal budget as a result of attending this course? - Did the person stick to the budget or achieve any financial goals (significant purchases e.g. white goods, saving money for a specific purpose etc.) as a result of attending the course?	- Grant of MSP Previous referrals coded in the referrals cluster. - Evidence of completion of a course.

Factor	Discussion points with person	Evidence
Demonstrated budgeting and savings.	- Does the person have a good idea about their expenses and how much income they have each week/fortnight? - Does the person have a budget? Is it likely the person will remain on this budget in the future? - Does the person have any financial goals and a plan for achieving them? - Does the person have any regular payments set up outside of Centrepay or income management - such as direct credit instalments or payment of utilities? - Has the person been evicted for not paying rent in the last 12 months? If so, how did this come about? - Has the person had a service or utility disconnected in the last 12 months? If so, how did this come about? - Has the person used lay-by to purchase any significant items (e.g. white goods) in the last 12 months? - How does the person plan to pay for large bills like car registration or winter gas/electricity bills? - Does the person have unpaid fines or significant debts?	- Evidence of budgeting activity.
BasicsCard declined transactions (incurred at the fault of the person).	- Has the person had a high number of declined transactions? If yes, why? - Does the person have the ability to easily check their BasicsCard balance? - How does the person typically plan to pay for groceries each week/fortnight? - Is money set aside or does the person spend what's left on their card? - When the person goes shopping, do they have a good idea about what they need and how much it's going to cost? - When the person has insufficient funds to purchase all the things they want, how do they decide what to buy and what to put back (are essential food items being covered)?	- Evidence of high number of declined transactions (incurred at the fault of the person).
BasicsCards use.	- Did the person need a replacement BasicsCard? If yes, why? - Has the person given their personal identification number (PIN) to anyone else and had money taken from their account without their permission? - Does the person use book-up and leave their card at the shop? - Do people take and use their card without their permission?	- Evidence of frequent replacement BasicsCards.

Factor	Discussion points with person	Evidence
Principle: Person did not regularly require urgent funds to pay for foreseeable costs, & did not frequently change their income support pay dates.		
Urgent payments.	- Is there a pattern suggesting that the person is applying for urgent payments for the same things each time - late rent, utility bills, public transport costs etc? - Did the urgent funds applications relate to expenditure that the person could have foreseen and planned for? - If the urgent payment applications have been rejected, what were the reasons?	- Urgent payment applications that have been granted or rejected in the last 12 months.
Change of payday code.	- What are the reasons for the change in income support pay dates?	- Evidence of frequent payday code changes.

Source: Australian Government (2014), Section 11.1.14.

Appendix B: LSNIM – Fieldwork Report

B.1 Introduction

This report details the methodology for the Longitudinal Study of New Income Management (LSNIM) Wave 2 research. The firm Colmar Brunton was contracted by the Social Policy Research Centre to undertake the fieldwork, which took place between August 2013 and February 2014 across the Northern Territory and the selected comparison sites. Information outlined in this appendix is a summary of the methodology as reported by Colmar Brunton.

B.2 Community engagement

B.2.1 Community consent

Consent to undertake Wave 2 of the research was obtained in each of the Indigenous remote communities and urban town camps or communities. Consent to undertake research in the other urban areas of Alice Springs, Darwin and Cairns was not required. The process for obtaining consent varied for each community, although communities were all initially contacted through the Government Engagement Co-ordinator (GEC).

B.2.2 Community feedback

In April 2013, a newsletter was provided to communities outlining the progress of the research (Wave 1). The newsletter was well received and, for the most part, community members agreed that the results represented the general sentiments in their community.

A final newsletter was circulated within the communities that participated in the research during September 2014. Members of the evaluation team visited most of the communities and also provided oral feedback, Colmar Brunton and associated researchers arranged for the feedback to the remaining communities.

B.3 Sampling

The sample frame for the project was the DHS Centrelink Administration Database.

B.3.1 Selection criteria in Northern Territory

The sampling criteria in the Northern Territory included the following specification:

- on income management at the time of data extraction
- geographic location
- contact details (full: including title, name (first, last), postal address, home address, telephone number and mobile telephone number if available)
- age: 18 years old and over
- participated in Wave 1 of the study and consented to participate in Wave 2.

Additional data provided about each potential participant included:

- Indigenous status – yes/no indicator

- Diverse Cultural and Linguistic Backgrounds (DCALB) indicator – yes/no indicator
- sex
- age
- current income management measure
- whether participant had ever had a BasicsCard
- whether participant was subject to income management under Northern Territory Emergency Response (NTER)
- date commenced on income management
- whether applied for exemption – yes/no indicator
- language spoken and requirements for an interpreter
- nominee type
- nominee name
- nominee postal address.

B.3.2 Selection criteria in comparison sites

The sampling criteria in contrast sites included the following specification:

- aged over 18 and under 25 years and had been receiving Youth Allowance, Newstart Allowance, Special Benefit, Parenting Payment Partnered or Parenting Payment Single for 13 of the previous 26 weeks; or
- aged 25 years and over (and younger than pension age) and had been receiving Youth Allowance, Newstart Allowance, Special Benefit or Parenting Payment Partnered, Parenting Payment Single for 12 of the previous 24 months
- on Age Pension or Disability Support Pension
- geographic location.

Additional information provided about each potential participant included:

- Indigenous status – yes/no indicator
- Diverse Cultural and Linguistic Backgrounds (DCALB) indicator – yes/no indicator
- sex
- age
- language spoken and requirements for an interpreter
- nominee type
- nominee name
- nominee postal address
- contact details (full: including title, name (first, last), postal address, home address, telephone number and mobile telephone number if available).

B.3.3 Sample cohorts

There were two sample cohorts in Wave 2 of the research: Wave 1 participants who had agreed to participate again in 2013-14, and an additional sample provided from Centrelink Administration Database by DSS. These cohorts are referred to as Wave 1 Follow Up and Wave 2 Top Up.

Potential participants from the Wave 2 Top Up sample were sent a letter from DSS to advise them of the research and to provide a two-week period in which to decide whether to opt out of the study. Prior to providing contact details to the research team, DSS removed any people from the sample who opted out of the study or where contact details for the person were unknown. Participants were assigned a six-digit code to maintain their anonymity during data analysis.

Participants from the Wave 1 Follow Up sample retained the unique six-digit code they were assigned in Wave 1 to maintain anonymity and facilitate data linkage with Wave 1. DSS provided contact details for Wave 1 participants from the Centrelink Administration Database.

B.3.4 Sample summary

The following table is a summary of participant records supplied by DSS for the purposes of the research, including records for participants from Wave 1 who agreed to participate in Wave 2. There were 4264 sample records provided to the research team.

Table 1, Selected sample

Location	Total sample selected by DSS	Wave 1 follow Up	Wave 2 top Up	Opted out	Return to sender	Sample issued to researchers
Northern Territory - urban	3628	435	3133	42	18	3568
Northern Territory - remote	493	268	222	1	2	490
Contrast site A - urban	159	159	-	-	-	159
Contrast site B - remote	47	47	-	-	-	47
Total	4327	909	3355	43	20	4264

There were a number of people who chose to opt out of the research after the sample had been provided to Colmar Brunton. This group of people were removed from the research and a status of “opt out” recorded. No person who was known to have opted out of the study was contacted by Colmar Brunton.

Wave 1 Follow Up participants who had moved interstate or to other sites were included in the Wave 2 sample and all attempts to follow up an interview were made either by telephone or face-to-face. Potential participants from Wave 2 Top Up sample who had moved from the address provided and were no longer in the selected sites were recorded as “Out of Scope”. People in this group were not allocated to interviewers. A Wave 2 Top Up sample for the contrast sites was not provided by DSS.

B.4 Fieldwork administration

B.4.1 Recruitment of interviewers

Interviewers were recruited from Colmar Brunton’s pool of casual staff and individual sub-contractors. Additional interviewers were sourced by Colmar Brunton from ARPNet at Charles Darwin University, Tangentyere Research Hub, and Bowchung Pty Ltd. A total of 38 interviewers were involved in the research, with some working in multiple locations. Just under half of the interviewers had previous experience with the research, most of whom were involved in Wave 1 fieldwork. The majority of interviewers were Indigenous, and approximately two-thirds had experienced being on income management at some time.

B.4.2 Training of interviewers

Colmar Brunton held workshops in each area to familiarise interviewers with the fieldwork material and train them in the use of technology (iPads) used to conduct the fieldwork. Workshops were held between August and October 2013. Each team included interviewers who were involved with fieldwork in Wave 1 of the research. Wherever possible, new interviewers were paired with experienced interviewers. Field leaders were assigned to each fieldwork team and could access support from a Colmar Brunton Project Manager, as required, throughout the period of the fieldwork.

B.4.3 Encouraging participation

A significant factor in the successful engagement with Indigenous communities was the involvement of Indigenous interviewers who were known or known through association to the participants. The research would not have been able to be conducted without the expertise of the Tangentyere Research Hub, ARPNet and Colmar Brunton Indigenous researchers and subcontractors.

Non-Indigenous participants were more difficult to engage in the Northern Territory compared to the urban comparison site location. Many were disinterested in participating and although some were unhappy about being on income management, this did not appear to be the reason that they did not wish to participate. Some participants had other sources of income and were not interested in the policy or the impact on themselves, and, in many cases, were quite apathetic about it.

Alice Springs proved to be the most difficult site to engage both Indigenous and non-Indigenous participants in Wave 2. It is not clear why this was the case; however, interviewers had great difficulty in contacting participants or securing interviews when they were able to establish contact. In many cases, participants did not make themselves available for appointments even after these were booked.

The option to immediately complete the survey appeared to be preferable to many participants and interviewers had more success in recruiting participants where they offered to conduct the research over the telephone. This pattern was evident in the urban areas but was not the case in more remote communities.

As in Wave 1, an incentive was provided to participants who took part in Wave 2 of the research. In the major urban centres a $30 gift cards were issued through Coles Supermarket stores with restrictions placed on the purchase of alcohol and tobacco. Participants who were interviewed in Wave 1 were familiar with the gift card process and these incentives were more readily accepted in the urban locations. In the remote communities, arrangements were made to obtain vouchers equating to $30 through the local community stores. This sometimes included a combination of store vouchers and power cards.

B.5 Quantitative data

The Longitudinal Study for New Income Management Survey (Wave 2) was used to collect data for quantitative analysis. The survey used in Wave 1 was revised for the Wave 2 fieldwork. This revision was undertaken by representatives from University on New South Wales, Australian National University, DSS and Colmar Brunton. Indigenous researchers with Tangentyere also provided feedback on the revised questionnaire to ensure appropriate cultural and language issues were considered.

B.5.1 Administration of the surveys

The surveys were administered using Computer Assisted Personal Interviewing (CAPI) on Apple iPads. The survey was scripted into an online HTML version and survey responses were entered directly into the online collection system. Where Internet connectivity was poor or not available hardcopy surveys were used. Data from the hardcopy surveys was later entered manually into the online collection system. Qualitative statements and comments made during the surveys were recorded on a survey notes page and later manually entered into MS-Excel for analysis purposes.

The average length of time taken to complete the survey in the Northern Territory was 43 minutes. The comparisons sites tended to involve a shorter survey completion rate, averaging 20 minutes.

B.5.2 Completed Surveys

The research aimed to complete 1000 surveys in the Northern Territory sites and 300 surveys in comparison sites. During the fieldwork, a total of 924 surveys were completed in the Northern Territory and a further 159 surveys completed in the comparison sites. The cohort sample size in the comparison sites was insufficient to reach the desired targets as a Wave 2 Top Up sample was not provided by DSS.

Of the 909 participants from Wave 1 who agreed to be contacted again for Wave 2, 598 participants completed the Wave 2 survey (66 per cent). There were a further 485 surveys completed as part of the Wave 2 Top Up cohort, reaching a total of 1083 surveys completed. As the fieldwork period progressed, priority was placed on contacting the Wave 1 Follow Up cohort in the Northern Territory. The Wave 2 Top Up cohort was not as actively pursued.

Table 2: Summary of survey outcomes

	Total	Indig-enous	Non-Indig.	Male	Female	Urban	Re-mote	Northern Territory	Compar-ison sites
Wave 1 Follow Up									
Agreed to be re-contacted for W2	909	630	279	307	602	594	315	703	206
Number unable to be contacted	226	167	59	79	147	133	93	197	29
Number who refused	56	24	32	29	27	51	5	38	18
Number out of scope	29	28	1	19	10	15	14	29	0
Wave 1 Follow Up participants surveyed	598	411	187	180	418	395	203	439	159
Wave 2 Top up									
Number attempted contact	1858	794	1064	928	930	1704	154	1858	0
Number unable to be contacted	971	430	541	514	457	943	28	971	0
Number who refused	347	70	277	175	172	338	9	347	0
Number out of scope	55	45	10	38	17	38	17	55	0
Top up participants surveyed in W2	485	249	236	201	284	385	100	485	0
Total surveyed in W2	1083	660	423	381	702	780	303	924	159

In Wave 2 of the study, the conversion rate was quite high in that most people who were contacted agreed to participate (conversion Rate = 1083 interviews / (1083 interviews + 403 refusals) = 73 per cent). However, interviewers experienced substantial difficulty making contact with potential participants resulting is a significantly lower response rate (response rate = 1083 surveys / (2767 potential participants – 84 out of scope) = 40 per cent).

At the time at which they consented to take part in Wave 2, participants were asked if they would consent to being contacted for Wave 3. 512 participants indicated they would be willing to take part in a further wave of the research.

B.5.3 Profile of participants

The research aimed to include 70 per cent Indigenous and 30 per cent non-Indigenous participants. The final sample included 61 per cent who identified as being Indigenous. Non-Indigenous people were more likely than Indigenous people to refuse to participate (23 per cent compared to 6 per cent), although rates of being unable to contact were similar across the two groups.

More females took part in the research than males (65 per cent compared to 35 per cent of total number surveyed). Males were slightly more likely to refuse (16.5 per cent compared with 12.9 per cent) and were somewhat harder to contact (48 per cent of males were unable to be contacted compared with 39.4 per cent of females).

B.5.4 Refusal to participate

There were 403 people who refused to participate in the survey. Analysis of contact sheets indicates that a third refused to provide a reason for not participating (33 per cent). A lack of interest or not wanting to participate (26 per cent) was the most common reason provided by those who offered an explanation.

Table 3: Reason for refusal

Reason for refusal	Wave 1 Follow Up	Wave 2 Top Up	Number of Refusals	%
Nil Response	16	115	131	33%
Not interested / Did not want to	24	80	104	26%
Not on Income Management	4	76	80	20%
Too busy	8	59	67	17%
Late Opt Out	2	9	11	3%
Unwell, unable to complete, looking after small children	2	8	10	2%
TOTAL	56	347	403	100%

Some of the people who refused to undertake the survey spoke quite negatively about income management and expressed a desire not to spend time speaking about it. A number of people (20 per cent) stated they had either never been on or were no longer on income management. In this instance, interviewers explained that their perspectives would still relevant to the research, however, participation was voluntary.

B.5.5 Reasons for non-contact

A substantial amount of potential participants could not be contacted during the fieldwork period (40 per cent). Interviewers attempted to contact potential participants on various days and at differing times, with between three to twelve contact attempts made to each potential participant. Interviewers were unable to obtain accurate contact details for 142 participants from Wave 1 who had moved. Forty participants were not in their community at the time of the fieldwork as people commonly travel indefinitely to see family in other communities. A further 31 potential participants repeatedly failed to meet at the agreed appointment time and place.

Table 4: Reason for non-contact

Reason for non-contact	Wave 1 Follow Up	Wave 2 Top Up	Total	%
Unable to make contact	97	844	941	78%
Moved, unable to locate	40	102	142	12%
Unable to finalise during fieldwork	42	-	42	4%
Away during fieldwork	24	16	40	3%
Failed to make appointment	21	10	31	3%
Too sick	3	-	3	0%
Total	227	972	1197	100%

Unable to contact or locate

Within the sample provided, there were 120 people with no fixed address or incomplete address records. Interviewers enquired about these people in town camps and other communities, with some were reported to have returned to their remote communities. A small number of people with no fixed address were known to be living in 'long grasser' on the outskirts of towns and communities. For safety reasons, interviewers were directed not to attend any 'long grass' camps. Subsequently, these people were removed from the local sample.

There were also a number of people listed as living temporary accommodation, including local hostels or night shelters, who were unable to be located. Those in rehabilitation and health care facilities were also not contacted directly. Protocols required that the facilities be contacted as a primary contact point. Not all facilities would allow the interviewers to contact potential participants. In instances where people were registered as living in caravan parks or back packer facilities, management was also contacted in order to determine if the person was still residing at the facility prior to undertaking a visit.

Contact attempts

There were 1197 potential participants who could not be contacted during fieldwork. A number of participants from Wave 1 were no longer living in the same locations and new contact details were not known. There was also a pattern of potential participants not being at home for their scheduled appointment, even when the appointment was confirmed. Interviewers offered to conduct interviews in a range of alternate venues, including local libraries, food outlets or local stores, to ensure that participants felt comfortable speaking with the interviewer.

At least three call attempts made to all potential participants. Participants who failed to meet at the agreed appointment time were given the opportunity to reschedule, however, it was decided that if the participant did not make the agreed appointment on three separate occasions, no further attempt to secure an appointment would be made. A number of potential participants were coded as 'unable to finalise' as further calls could have been made had time permitted.

B.5.6 Out of scope

Some potential participants were deemed to be out of scope of the study (n=80). Reasons for qualifying as being out of scope included having moved out of the Income Management area, having died, or having been incarcerated or admitted to hospital for the period of the fieldwork.

Table 5: Reason for out of scope

Reason for out of scope	Wave 1 Follow Up	Wave 2 Top Up	Total	%
Moved out of site	15	44	59	70%
Deceased	8	2	10	12%
Jail	4	5	9	11%
Hospital	2	4	6	7%
TOTAL	29	55	84	100%

B.5.7 Data cleaning and coding

Of the 1083 surveys completed, it was established that 1021 (94.3 per cent) of the surveys constituted full, useable cases. Surveys which contained either insufficient data or illogical data were removed from the data set. A number of incomplete surveys contained completed sections of data which were used for analysis purposes.

Table 6: Useable cases

Location	Complete Record	Incomplete removed	Partial	Total
Northern Territory	866	49	9	924
Wave 1 Follow Up	414	21	4	439
Wave 2 Top Up	452	28	5	485
Comparison Site	155	3	1	159
Wave 1 Follow Up	155	3	1	159
Total	1021	52	10	1083

B.6 Qualitative data

Qualitative methods included individual interviews with participants and open-ended comments obtained during the surveys.

B.6.1 Recruitment strategy

The research focused on re-interviewing participants who took part in Wave 1 although Wave 2 Top Up participants were also interviewed. In urban areas, people completing the survey were asked if they would also participate in an interview. In remote areas a similar approach was applied, however, elders and other community members were also invited to participate in an interview if they expressed a desire to provide feedback relating to income management. A total of 46 interviews were conducted.

Targeted participant groups for the interviews included the following:

- participants on Vulnerable Welfare Payment Recipient (VWPR) measure (clients may have substance, gambling and mental health problems)
- participants on Child Protection Income Management (CPIM)
- participants on Disengaged Youth (DEY) Income Management measure
- participants on Voluntary Income Management (VIM)
- couples and lone parents with school age children
- people who have obtained exemptions from income management.

Table 7: Profile of qualitative interviews

Area	CPIM	CIM-LTW	CIM-DEY	VIM	VWPR	Exempt Exited	Senior elder	Nom-inee	Service provider	Other	Total
NT - urban	2	3	5	10	5	4	-	-	-	-	29
NT - remote	-	1	-	-	1	-	3	2 CIM-LTW	-	-4	11
Contrast Site B - remote	-	-	-	2	-	-	-	-	2	2	6
Total	2	4	5	12	6	4	3	2	2	6	46

B.6.2 Interviews

Semi-structured qualitative interviews were conducted alongside the Longitudinal Study for New Income Management Survey with a select number of participants. To address the evaluation objectives, the qualitative interviews included the following topics:

- participant's perceptions of what they feel is good or bad about income management
- differences between having a BasicsCard compared to a key card
- participant's attitudes to whether they wish to stay on or come off income management, including why some participants have voluntarily taken up Income Management
- changes in health and wellbeing; including the participant's use of tobacco/alcohol/gunja/gambling
- impact of income management on how well the participant manages their money
- impacts of Income Management on the overall community health and wellbeing.

Interviews and short-answer responses to survey questions were not audio recorded. Interviewers worked in pairs with one person asking the questions and the other taking written notes. The notes from the interviews were thematically coded and analysed using QSR Nvivo qualitative analysis software (QSR International, 2012).

B.7 Limitations

The interviewers experienced problems establishing contact with some of the target groups for the research. Many of the people on the Vulnerable Welfare Payment Recipient (VWPR) Income Management measure were difficult to locate. Reasons for this included people having no fixed address or no longer residing in the township or community where they were registered with Centrelink. Attempts were made by interviewers to obtain alternative contact details. Contact sheets were reviewed by the local Indigenous researchers in an attempt to draw on known community links and rehabilitation or refuge facilities were contacted to determine whether the person was staying at the facility. Some people were known to have significant substance abuse issues and live in 'long grass' camps where it was deemed unsafe for interviewers to visit. Participants in this group also presented with a number of cognitive and mental health issues which could make it difficult for them to complete surveys, even with assistance.

People under the age of 25 were another group who were difficult to engage in the research. Again, contact details were often no longer current and there was a poor response rate to telephone calls and voice messages. People on Child Protection Income Management (CPIM) measure were often reluctant to take part in either the survey or individual interview due to the sensitivity of the subject matter. Interviewers opted not to pressure this group to take part in interviews.

Interviewers discovered that there were a number of people in the research sample provided by DSS who had no knowledge of having been on income management. When their details were checked with the information provided it was identified that they had been on income management for a matter of days or weeks. This created some confusion for both the participant and the interviewers.

Parts of the Northern Territory experienced extreme weather during the fieldwork period which restricted access to participants in certain remote communities. This included difficulty gaining access to the community and difficulty travelling within the community during the fieldwork period. A number of communities were also engaged in Sorry Business or had other cultural commitments during the fieldwork period which reduced research participation.

Appendix C: LSNIM – Survey Instrument

QMS FACE TO FACE FIELD REQUIREMENTS [FIELD BRIEFING NOTES & QUESTIONNAIRE]	
Project No.: 585	**Project Name**: Longitudinal Study of Income Management

1. Background Information and Objectives of the Research

This is the second wave of the client survey asking people being income managed about their experience of being income managed, views about income management, and the impact it has on their ability to achieve their particular aspirations in the context of their lives.

2. Schedule/Timing

Wave 2

Community Engagement and Awareness	August 2013
Training	26-30 August 2013
Main Fieldwork	1 September – 30 November 2013

3. Interview Length

Quantitative Survey
Interview length = 25-45 mins using tablet laptop touch screen to record answers

4. Incentive/Thank You

Participants will be given $30 gift for short survey and extra $30 gift for longer qual survey.

INTERVIEWER AND PROGRAMMING INSTRUCTIONS IN CAPITAL AND BOLD – Question text in black

QUESTIONNAIRE

This survey will take about 25-35 minutes to complete and we will keep your answers private and combine it with all the others, so no one will know that it was you who said those comments. You can tell me at any time if you don't want to answer a particular question or if you want to stop.

PREQ1 IDEN
PREQ1. Would you like to participate?
1. Yes
2. No – Refused
3. No – Unable to locate / make contact.
4. No – Lives out of scope specify postcode:________________

IF 2 or 3 or 4 IN Q1, ABORT – RECORD STATUS FOR REPORTING

SECTION A: ABOUT YOU

NOTE QA1A TO QA2A: BASIC DEMOGRAPHICS TAKEN FROM DHS RECORD. TO BE CONFIRMED AS PART OF INTERVIEW INTRODUCTION BY INTERVIEWER

QA1. GENDER
QA1. **NOTE GENDER. DO NOT READ (SR)**

1. Male
2. Female

Q2. AGE
Q2.What is your date of birth or Age? **Clients should be 18 years or over. (SR)**

Date of Birth
/ /

PROGRAM TO CALCULATE AGE – So that means you are *<AGE>?*

OR IF DON'T KNOW ASK: How old are you? **RECORD AGE NUMERICALLY**

OR IF DON'T KNOW APPROXIMATE AGE RECORD AGE RANGE

1. 18 – 19
2. 20 – 24
3. 25 – 29
4. 30 – 34
5. 35 – 39
6. 40 – 44
7. 45 – 49
8. 50 – 54
9. 55 – 59
10. 60 – 64
11. 65 and over

99. Prefer not to say

98. Under 18 – TERMINATE INTERVIEW

INTERVIEWER: DO NOT READ OUT. IF KNOWN RECORD:

QA3. Do you identify as being Aboriginal or Torres Strait Islander origin?

1. No
2. Yes, Aboriginal
3. Yes, Torres Strait Islander
4. Yes, both
5. Prefer not to say

QA6. PARTNER
QA6. Who are you living with? **(MR)**

1. Spouse/partner
2. Children and/or young people (aged up to and including 17 years)
3. Your Parents
4. Other family members
5. Non relative/friend housemates/roommates
6. I live on my own

99. Prefer not to say

QA7. CHILDPAYMENT
QA7. Do you have children that you receive child benefit payments from Centrelink for? **(SR)**

INTERVIEWER: INCLUDE FORMAL OR INFORMAL CARE ARRANGEMENTS. INCLUDE THOSE CHILDREN THEY MAY NOT BE LIVING WITH BUT GET MONEY FOR.

1. Yes
2. No

IF CODE 1 IN QA7 CONTINUE
IF CODE 2 IN QA7 SKIP TO SECTION B

QA7AA. HOW MANY CHILDREN AS MAIN CARER
QA7AA. How many kids are you the main carer for?

PROGRAMMING: ALLOW NUMERIC OPTIONS 1-99 IN OE

QA7A CHILDRENCARE
QA7A. Can you give me the details of the kids you care for? (**SR PER ROW**)

INTERVIEWER: Main carer is someone that looks after most of the primary care needs of the child.

	First Name or Initial	Age	Are you the main carer?		Are you the birth (biological) parent?	
			Yes	No	Yes	No
1. Child/YP 1	Specify...	<0-17>	1	2	1	2
2. Child/YP 2	Specify...	<0-17>	1	2	1	2
3. Child/YP 3	Specify...	<0-17>	1	2	1	2
4. Child/YP 4	Specify...	<0-17>	1	2	1	2
5. Child/YP 5	Specify...	<0-17>	1	2	1	2

99 Prefer not to say
IF CODE 99 IN QA7A SKIP TO SECTION B

PLEASE FILTER BASED ON CHILDREN AGED 5 to 15 YEARS AT QA4 AND INSERT NAME IN TABLE.

QA9. CHILDREN AT SCHOOL
QA9. How often did <Insert Name or Initial> go to school <he/she> was supposed to last term? **(MR)**

INTERVIEWER: SCHOOL INCLUDES PRESCHOOL OR PREP FOR 5 YEAR OLDS

	Every Day	Most Days	Sometimes	Never	Don't Know
1. Child under 5-15, 1	1	2	3	4	5
2. Child under 5-15, 2	1	2	3	4	5
3. Child under 5-15, 3	1	2	3	4	5
4. Child under 5-15, 4	1	2	3	4	5
5. Child under 5-15, 5	1	2	3	4	5
Allow up to 20	1	2	3	4	5

IF CODES 1, 2 OR 5 IN QA9 GO TO SECTION B
IF CODES 3 OR 4 FOR ANY CHILD GO CONTINUE

QA9A. WHY NOT AT SCHOOL
QA9A. Why didn't <insert name or Initial> go to school more often? (MR)

INTERVIEWER: DO NOT READ OUT RESPONSES

1. Have other cultural or family obligations that are more important than school
2. Don't need to go to school
3. Have no way of getting there / No Transport
4. The school in my area is not culturally appropriate for my child / concerned not learning their culture
5. The school in my area is not good quality / concerned about quality of education
6. Child has special needs / has a disability or very sick
7. Child is picked on / bullied or scared to go to school
8. Child doesn't like school / doesn't want to go to school
9. Child is taken to school – but leaves
10. Other please specify **(PLEASE PROVIDE TEXT BOX FOR RESPONSE)**

99. Prefer not to say

QA10. CURRENT RESIDENTIAL STATUS
QA10. What is your living arrangement RIGHT NOW, are you…? (SR)

INTERVIEWER READ RELEVANT RESPONSES

1. Living in a house/unit/caravan that you own or are purchasing
2. Staying in a house/unit/caravan rented or paid for by you – owned by a private landlord
3. Staying in a house/unit/caravan rented or paid for by you – owned by the Department of Housing or by the community
4. Staying in a house/unit/caravan owned by friends or family – to whom you pay some rent
5. Staying in a house/unit/caravan owned by friends or family – to whom you pay no rent
6. Staying in a house/unit/caravan rented or paid for by friends or family – to whom you pay some rent
7. Staying in a house/unit/caravan rented or paid for by friends or family– to whom you pay no rent
8. Staying in a house/unit/caravan owned by the community – for which no one pays rent

9. Moving around with no house/unit/caravan to stay in regularly
10. Sleeping rough / long grass / on the streets
11. Sleeping in car
12. Living in a shelter, refuge or other temporary accommodation
13. Other please specify **(PLEASE PROVIDE TEXT BOX FOR RESPONSE)**
99. Prefer not to say

QA11. LAST YEARS RESIDENTIAL STATUS
QA11. What is your living arrangement LAST YEAR, were you…? (SR)

INTERVIEWER READ RELEVANT RESPONSES
1. Living in a house/unit/caravan that you own or are purchasing
2. Staying in a house/unit/caravan rented or paid for by you – owned by a private landlord
3. Staying in a house/unit/caravan rented or paid for by you – owned by the Department of Housing or by the community
4. Staying in a house/unit/caravan owned by friends or family – to whom you pay some rent
5. Staying in a house/unit/caravan owned by friends or family – to whom you pay no rent
6. Staying in a house/unit/caravan rented or paid for by friends or family – to whom you pay some rent
7. Staying in a house/unit/caravan rented or paid for by friends or family– to whom you pay no rent
8. Staying in a house/unit/caravan owned by the community – for which no one pays rent
9. Moving around with no house/unit/caravan to stay in regularly
10. Sleeping rough / long grass / on the streets
11. Sleeping in car
12. Living in a shelter, refuge or other temporary accommodation
96. Other, please specify **(PLEASE PROVIDE TEXT BOX FOR RESPONSE)**
99. Prefer not to say

SECTION B: EDUCATION AND TRAINING

QB1. COMPLETED TRAINING
QB1. Have you finished any other study or training such as ....? (MR)

INTERVIEWER: READ OUT RESPONSES AND MAKE SURE THEY HAVE FINISHED THIS TRAINING
1. Trade/Apprenticeship
2. Certificate (business college, TAFE, VET)
3. Diploma (business college, TAFE, VET, UNI)
4. Degree (bachelor) or Post-Graduate (PHD, Masters etc)
5. Other please Specify **(PLEASE PROVIDE TEXT BOX FOR RESPONSE)**
95. None of these **(DO NOT READ OUT**)
99. Prefer not to say

QB2. LICENCES/CERTIFICATES

QB2. Do you have: (SR PER ROW)

	Yes	**No**	**Don't know**	**Do not want to say**
White card (working safely in the construction industry)	1	2	3	4
Working with Children clearance card. Say card relating to state – Ochre Card in NT, Blue Card in Qld., Police Clearance in SA,	1	2	3	4

Working With Children Check (WWC Check) card in WA.				
Drivers licence (all that apply)				
3a. Car	1	2	3	4
3b Light truck or higher	1	2	3	4
3c Motorbike	1	2	3	4

QB3. STUDYING
QB3. Are you studying or training now? (SR)

INTERVIEWER: This might be studying or doing a VET course, Job Network course, or some other training (Registered Training Organisation RTO).

1. Yes
2. No
99. Do not want to say

IF CODE 1 CONTINUE TO QB4
IF CODE 2 or 99 SKIP TO SECTION C

QB4. TYPE OF STUDY TRAINING
QB4. What type study or training is this? (OE)

INTERVIEWER: RECORD DETAILS – IF POSSIBLE TYPE OF COURSE AND SUBJECT AREA.

……………………………………………………………………………………

QB5. COURSE LOAD
QB5. Is this study Full-time or part-time?

1. Full-time
2. Part-time
97. Don't Know

SECTION C: EMPLOYMENT

QC1. WORK LAST WEEK
QC1. In last 4 weeks, did you do any work? (MR)

INTERVIEW: CLARIFY REMOTE JOBS AND COMMUNITIES PROGRAM (RJGP) OR WORK FOR THE DOLE IS INCLUDED. CDEP SCHEME REPLACED BY RJCP FORM 1ST JULY 2013

1. Yes, Remote Jobs and Communities Program/Work for dole
2. Yes, other paid work
3. No
4. No, retired / too old to work
5. No, unable to work / disability pension
99 Prefer not to say

IF CODE 1 OR 2 CONTINUE TO QC2
IF CODE 3 SKIP TO QC4
IF CODE 4, 5 or 99 SKIP TO SECTION D

QC2. CURRENT JOB
QC2. How long have you been doing that job(s)? (SR)

INTERVIEWER: SELECT THE TIME MODE THEN THE NUMBER

1. Number of years.........
2. Number of months.........
3. Number of days.........

98. Don't Know
99. Prefer not to say

QC3. HOURS WORKED
QC3. How many hours did you work doing that job(s) per week? (SR)

INTERVIEWER: AVERAGE NUMBER WORKED ACROSS THE LAST 4 WEEKS

QC3a Number of days worked in last week …………………………
QC3b Number of hours per day (average)……………….........

QC3c:
98. Don't Know
99. Prefer not to say

IF CODE 99 IN QC3 SKIP TO SECTION D, ELSE CONTINUE

QC4. LOOKING FOR WORK
QC4. At any time in the last four weeks have you been looking for work? (SR)

1. Yes
2. No
98. Don't Know
99. Prefer not to say

IF CODE 1 IN QC4 SKIP TO SECTION D
IF CODE 2, 98 OR 99 IN QC4 CONTINUE TO QC5

QC5. LIKE A JOB
QC5. Even though you have not been looking for work in the last 4 weeks, would you like a job? (SR)

1. Yes
2. No
98. Don't Know
99. Prefer not to say

SECTION D: MONEY AND FINANCES

We would now like to ask you some questions about how easy it is for you to manage financially.

QD1. EASE OF MANAGING FINANCIALLY
QD1. How easy or hard is it for you to… (SR PER ROW)

	Very easy	Easy	Neither easy or hard	Hard	Very hard	Don't know	Not applicable
1. Manage your money	1	2	3	4	5	6	
2. Save money	1	2	3	4	5	6	
3. Have enough money for food	1	2	3	4	5	6	
4. Pay bills on time	1	2	3	4	5	6	
5. Know how much money you have	1	2	3	4	5	6	
6. Look after your children	1	2	3	4	5	6	7
7. Look after family obligations	1	2	3	4	5	6	7
8. Pay for housing	1	2	3	4	5	6	7

QD2. MONEY LAST 4 WEEKS
QD2. In the last 4 weeks did any of the following happen to you? (SR PER ROW)

INTERVIEWER: READ RESPONSES.

	Yes	No	Don't know	Not applicable
1. Ran out of money to buy food	1	2	3	
2. Ran out of money to buy clothes	1	2	3	
4. Were unable to pay for your rent on time	1	2	3	4
5. Were unable to pay for water and electricity bills on time	1	2	3	4
6 Had other bills that you could not pay	1	2	3	4
7. Have you saved money	1	2	3	
8. Gave money to others causing financial problems for you	1	2	3	
9. Asked for money from others because you could not buy essential things (e.g. food, clothes, medicine, bills)	1	2	3	
10. Asked for emergency relief	1	2	3	
11. Unable to afford to travel to visit family/friends	1	2	3	4
12. Unable to pay for school activities/trips or sports for children	1	2	3	4
13. Ran out of money before next 'pay day'	1	2	3	

QD3. CONTROL OVER MONEY
QD3. Do you have more or less control over your money in your family than you did 12 months ago?

1. More control now
2. About the same
3. Less control now
98.Not sure

99. Prefer not to say

IF CODE 1 OR 3 IN QD3 CONTINUE TO QD4

FOR ALL OTHER CODES SKIP TO SECTION E

QD4. WHY MORE OF LESS CONTROL
QD4. WHY MORE/LESS CONTROL OVER MONEY (OE)

INTERVIEWER: PROBE FULLY

1. Record response ………………………………..
2. No Comment

SECTION E: WELLBEING

QE1. HEALTH
QE1. Would you say your health is? **(SR)**

1. Good
2. Ok
3. Not so good

99. Prefer not to say

QE2. ALCOHOL
QE2. Is drinking grog (alcohol) for your family a...? **(SR)**

INTERVIEWER: FAMILY MEANS LITTLE FAMILY OR CLOSE FAMILY

1. Not a problem
2. Bit of a problem
3. Very big problem
99 Prefer not to say

QE4. DRUGS
QE4. Is smoking gunja or taking other drugs for your family a...? **(SR)**

INTERVIEWER: FAMILY MEANS LITTLE FAMILY OR CLOSE FAMILY
1. Not a problem
2. Bit of a problem
3. Very big problem
99. Prefer not to say

QE5. GAMBLING
QE5. Is gambling for your family a...? **(SR)**

INTERVIEWER: FAMILY MEANS LITTLE FAMILY OR CLOSE FAMILY
1. Not a problem
2. Bit of a problem
3. Very big problem
99 Prefer not to say

QE6. CHANGE IN FAMILY PROBLEMS
QE6. Have you had more or less of these problems (like drinking, drugs or gambling) in your family than a year ago? **(SR)**

INTERVIEWER: READ OUT RESPONSES
1. A lot more
2. A bit more
3. About the same
4. A bit less
5. A lot less
99 Prefer not to say

IF CODE 1,2,4,OR 5 IN QE6 CONTINUE
OTHER CODES SKIP TO SECTION F

QE7. REASONS FOR CHANGE IN FAMILY PROBLEMS
QE7. What has made the difference? (OE)

INTERVIEWER: NOTE THE REASONS FOR THE POSITIVE OR NEGATIVE DIFFERENCES
1. Record response..
2. No Comment

SECTION F: COMMUNITY WELLBEING

The next few questions are about this community where you live now, <insert sample location>.

QF1. CHANGES IN CHILDREN IN LAST 12 MONTHS
QF1. Have you noticed any of the following changes in children in <insert sample location> in the last 12 months? (SR PER ROW)

	Healthier	**About the same**	**Less healthy**	**Don't know**
1. Health	1	2	3	4
	More food	**About the same**	**Less food**	**Don't know**
2. Food	1	2	3	4
	Safer	**About the same**	**Less safe**	**Don't know**
3. Safety	1	2	3	4
	Going to school more	**About the same**	**Going to school less**	**Don't know**
4. School	1	2	3	4
	Happier	**About the same**	**Less happy**	**Don't know**
5. Happiness	1	2	3	4
	More cultural activities	**About the same**	**Less cultural activities**	**Don't know**
6. Cultural activities	1	2	3	4

If report other than 2 or 4 to all questions go to QF2, other SKIP to QF3

QF2 What do you think has contributed most to the change that you have seen for children in your community over this period?

……………………………………………………………………………………………………..............................

I going to read out a list of problems some communities may or may not have. Please tell me which are a problem and which are not a problem in <insert sample location>?

QF3. CHANGES IN P12M
QF3. Is any of these a problem in <insert sample location> in the last year? (SR PER ROW)

Problem	**Big problem** (happens a lot of the time)	**Small problem** (happens a bit of the time)	**Not a problem** (doesn't happen here)	**Don't know**
1. Kids not being taught culture or language	1	2	3	4
2. Kids not being looked after proper	1	2	3	4
3. Kids not going to school	1	2	3	4
4. Men and Women fighting about money	1	2	3	4
5. Drinking too much	1	2	3	4
6. Smoking gunja or taking drugs	1	2	3	4
7. People spending all their time gambling	1	2	3	4
8. People hassling others to give them money	1	2	3	4

SECTION G: MONEY MANAGEMENT

QUESTIONS IN SECTION G & H ASKED ONLY OF NT SAMPLE. IF IN CONTROL SAMPLE (OUTSIDE NT) GO TO SECTION I

QG1. MM AND FINANCIAL COUNSELLING AWARENESS
QG1. Have you heard of money management and financial counselling services (that is people who help you work out money problems or teach you how to manage money better)

INTERVIEWERS will have a list of services in the area which they can use to elaborate the question

1. Yes
2. No
3. Not sure
99. Do not want to say

IF CODE IF 1 IN QG1 CONTINUE TO QG2
IF CODE 2, 3 OR 99 SKIP TO SECTION H

QG2 SPOKEN TO MMFCS IN P4WKS
QG2. Have you spoken to someone from a money management or financial counselling services in the last 12 months?

1. Yes
2. No
3. Not sure
99. Do not want to say

IF CODE 1 IN QG2 CONTINUE TO QG3
IF CODE 2, 3 OR 99 SKIP TO SECTION H

QG3. MM VISIT WHY
QG3 Why did you see a Money Management or financial counselling service? (MR)

INTERVIEWER: DO NOT READ OUT. PROBE FULLY

1. Centrelink told me to
2. Because another organisation told me to
3. I had debts
4. I had a big bill
5. Run out of money
6. Help with a budget
7. Help save money.
8. To get a no interest loan
9. To help get off Income Management
10. I got a bill I could not understand
11. I did not understand where my money was going
12. I lost my ATM card
13. I had a problem with the bank
14. To do an approved Money Management course
15. Other reasons, what? **(PLEASE PROVIDE TEXT BOX FOR RESPONSE)**

99. Prefer not to say

QG3B. MM VISIT SUMMARY
QG3B. What happened when you went to the service? (MR)

INTERVIEWER: DO NOT READ OUT

1. I did the approved Money Management Course for the matched savings payment (with DHS)
2. I participated in a financial education/ money management workshop with a group of people

(including financial literacy courses such as Moneybusiness, Moneyminded)

3. I was given a financial education/literacy training course on a one to one basis (including MoneyBusiness and other financial literacy education – which goes beyond just working through a household budget)
4. They told me I should do more money management education but I decided not to
5. They explained how I could make a budget (individual, family or household)
6. They explained the bills to me so that I knew what I had to do
7. They spoke with someone about the bills and worked out the next steps and how I could pay them
8. They helped fill out paperwork for me
9. They helped contact my bank/credit union to replace my ATM card or other banking problems
10. I got a loan to help me buy whitegoods (NILS)
11. I got a loan for another purpose
12. They offered me Emergency Relief - paid a bill
13. They offered me Emergency Relief - gave me a food parcel
14. They offered me Emergency Relief - they gave me cash/a voucher
15. They referred me to someone who gave me emergency relief
16. Other reasons, what? **(PLEASE PROVIDE TEXT BOX FOR RESPONSE)**

99. Prefer not to say

QG4. MM SERVICE USEFUL
QG4. Did you find that the service was useful

1. Yes
2. No

98. Don't know
99. Prefer not to say

QG5. MM SERVICE USEFUL WHY (OE)
QG5. Why was that? Briefly record reason:
……

SECTION H: EXPERIENCE OF INCOME MANAGEMENT

STREAMING BASED ON IM

People will be automatically based upon their current income management status according to their Centrelink record. Because this information may be out of date some of the modules commence with questions to confirm that the person had been streamed appropriately

INTERVIEWER: TO ANSWER THIS QUESTION MEANS YOU HAVE TO HAVE A CONVERSATION WITH THE PERSON TO FIND OUT WHAT THEIR CURRENT SITUATION WITH INCOME MANAGEMENT IS.

QH1A. Centrelink records show that you were on <insert old IM status> and you are now on <current IM status>. PROBE

INTERVIEWER TO RECORD

1. Those no longer on income support or a payment subject to compulsory IM (and where they have not chosen to go onto VIM): GO TO QH1

2. Those with an exemption from compulsory IM: GO TO QH11

3. Those currently on Voluntary IM: GO TO QH25

4. Those who were on Voluntary IM but have moved off: GO TO QH19

5. Those on various forms of compulsory IM: GO TO QH35

6. Control group go directly to SECTION I

CODE 1 - THOSE NO LONGER ON INCOME SUPPORT OR A PAYMENT SUBJECT TO COMPULSORY IM (AND WHERE THEY HAVE NOT CHOSEN TO GO ONTO VIM)

ASK TO CONFIRM THEY ARE NO LONGER ON INCOME SUPPORT/INCOME SUPPORT PAYMENT SUBJECT TO IM

QH1. Centrelink records indicated that you are:

(a) (for those not on Income Support) not getting (insert name of previous payment) any more:

or

(b) (for those on a non IM payment) you have moved onto (insert payment) which is not subject to income management and you have not chosen to go into Voluntary Income Management.

Is this correct?

1. Yes
2. No
3. Don't know

IF CODE 1 IN QH1 SKIP TO QH5

IF CODE 2 OR CODE 3 CONTINUE TO QH2

FOR THOSE WHO ARE SHOWN ON THE ADMIN DATA AS BEING OFF PAYMENT BUT WHERE RESPONDENT SAYS THEY ARE RECEIVING IT.

QH2 What payment are you currently on?

……………………………………………………………………………………………

Note Family Tax Benefit is not an income support payment and if this is the only payment they receive they should continue in this sequence.

If a valid income support payment for the purpose of income management continue to QH3

IF NOT GO TO QH5

QH3. IM CURRENT USE BASIC CARD
QH3. Are you currently subject to IM (Using a BasicsCard)?

1. Yes
2. No
3. Don't know

IF CODE 1 IN QH3 CONTINUE TO QH4

IF CODE 2 OR CODE 3 SKIP TO QH5

QH4. WHY NO CURRENT IM
QH4. Is this compulsory or voluntary Income Management

1: Compulsory
2: Voluntary
3. Don't know

IF CODE 1 OR CODE 3 IN QH4 SKIP TO QH34

IF CODE 2 IN QH4 SKIP TO QH25

HAVE EXITED FROM IM

QH5. WHY NOT ON IM
QH5. Why are you not on Income Management now? (SR)

INTERVIEWER: DO NOT READ OUT. PROBE FULLY

1. I got a job and no longer receive income support
2. My partner got a job and I am not eligible for income support
3. Took up full-time study (and are eligible for AUSTUDY or YA (Student) with automatic exemption)
4. Moved onto another payment (DSP, Carer Payment, Age Pension) which is not subject to compulsory IM
5. Still on income support not subject to income management (for example where a person has had a break off payments and is no longer categorised as long term)
6. They took my payment away because I breached the rules
7. I do not know Centrelink just told me
99. Prefer not to say
96. Other (interviewer to note detailed circumstance to allow coding)

……………………………………………………………………………………………………

QH6. WAS IM A REASON FOR CHANGE
QH6. Was the fact that you were on Income Management an important reason for this change

1. Yes
2. No
99. Prefer not to say

IF CODE 1 IN QH6 ASK QH7. ELSE SKIP TO QH8

QH7. IF YES WHY WAS IM A REASON FOR CHANGE

QH7. If yes could you please explain how? (OE)

……………………………………………………………………………………………………

QH8. EXPERIENCE ON IM STATEMENTS
QH8. Looking back at your experience on income management do you agree or disagree with the following statements. Being on income management made [MANAGING YOUR MONEY] EASIER, ABOUT THE SAME OR HARDER (SR PER ROW)

	Much easier	Easier	About the same	Harder	Much harder	Don't know	Not applicable
1. Manage your money	1	2	3	4	5	6	
2. Save money	1	2	3	4	5	6	
3. Have enough money for food	1	2	3	4	5	6	
4. Pay bills on time	1	2	3	4	5	6	
5. Know how much money you have	1	2	3	4	5	6	
6. Look after your children	1	2	3	4	5	6	7
7. Look after Family obligations	1	2	3	4	5	6	7
8. Improve your housing	1	2	3	4	5	6	7

QH9. PERSONAL STATEMENTS ON IM
QH9. Do you agree or disagree with the following statements: Income management? (SR PER ROW)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know	Not applicable
1. Was good for me	1	2	3	4	5	6	
2. Was good for my children	1	2	3	4	5	6	7
3. Taught me how to better manage my money	1	2	3	4	5	6	
4. Made me change my behaviours (in a positive way)	1	2	3	4	5	6	

If response other than 3 or 6 to QH9(4) – change in behaviours

QH10. POSITIVE BEHAVIOUR CHANGE REASONS (OE)
QH10. If response other than 3 or 6 to QH9(4) – change in behaviours.

Could you please explain in what way your behaviours changed?

……………………………………………………………………………………..........................………………….

……........................

SKIP TO QH54

CODE 2 - THOSE WITH AN EXEMPTION FROM COMPULSORY IM

QH11. CONFIRMATION OF IM EXEMPTION STATUS
QH11. Centrelink records indicated that you have an exemption from IM. Do you still have an exemption? (SR)

1. Yes
2. No
3. Don't know

IF CODE 1 IN QH11 CONTINUE TO QH11A

IF CODE 2 OR 3 IN QH11 GO TO QH35 (STREAM BACK TO COMPULSORY)

QH11A. PREVIOUS IM BEFORE EXEMPTION
QH11A. Before you were given an exemption were you actually on Income Management? (SR)

Yes

No

(NOTE: IF CODE 1 IN QH11A THEN QH16 NEEDS TO BE ASKED WHEN THEY GET TO IT)

QH12. REASONS FOR SEEKING EXEMPTION
QH12. Why did you seek an exemption? (MR)

INTERVIEWER: DO NOT READ OUT. PROBE FULLY

1. I was able to manage my money quite ok before Income Management
2. I wanted control of my own money
3. The stigma / shame / embarrassment of Income management
4. I wanted my rights back
5. I wanted to have the freedom to choose what I spend money on
6. Things are cheaper when you can use cash not BasicsCard
7. Because my family told me to
8. Because my children already attended school and have their health checks
9. Because being on Income Management was a hassle
10. After being on Income Management I felt more confident in managing my money
11. After being on Income Management I got rid of my debts
12. After being on Income Management I saved money
13. Because after being on Income Management my children now attend school and have their health checks
14. Because people stopped harassing me for money
97. Other (please Specify)..
99. Prefer not to say

QH13. MOST IMPORTANT REASON FOR SEEKING EXEMPTION
QH13. Which of these is the most important? (Record reason number) ….

QH14. EASE OF GAINING EXEMPTION
QH14. Thinking about how you got the exemption could you indicate how strongly you agree or disagree with the following statements (SR PER ROW)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
1. I found it easy to obtain an exemption from Income Management	1	2	3	4	5	6
2. Centrelink were supportive in the process of achieving an exemption	1	2	3	4	5	6
3. I found it shaming/ humiliating having to prove that I did not need to be income managed	1	2	3	4	5	6

QH15. FURTHER COMMENTS ABOUT GAINING EXEMPTION (OE)
QH15. Are there any comments you would like to make about the exemption process:
1. Yes (record)………………………………………………………………………………………
2. No

ASK QH16 IS CODE 1 AT QH11A, ELSE SKIP TO QH16A

QH16. REFLECTION STATEMENTS ON IM MANAGEMENT
QH16: Thinking back to when you were on Income Management was it easier or harder to

	Much easier	Easier	About the same	Harder	Much harder	Don't know	Not applicable
1. Manage your money	1	2	3	4	5	6	
2. Save money	1	2	3	4	5	6	
3. Have enough money for food	1	2	3	4	5	6	
4. Pay bills on time	1	2	3	4	5	6	
5. Know how much money you have	1	2	3	4	5	6	
6. Look after your children	1	2	3	4	5	6	7
7. Look after Family obligations	1	2	3	4	5	6	7

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QH16A. PERSONAL STATEMENTS ON IM MANAGEMENT
QH16A. Again looking back to when you were on Income Management do you agree or disagree with the following statements: Income management. (SR PER ROW)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know	Not applicable
1. Was good for me	1	2	3	4	5	6	
2. Was good for my children	1	2	3	4	5	6	7
3. Taught me how to better manage my money	1	2	3	4	5	6	
4. Made me change my behaviours (in a positive way)	1	2	3	4	5	6	

If response other than 3 or 6 to QH16a(4) – change in behaviours.

QH16B. POSITIVE PERSONAL CHANGES WITH IM MANAGEMENT (OE)

QH16B. Could you please explain in what way your behaviours changed?

……………………………………………………………………………………………………......................

QH17. DIFFERENCE SINCE GAINING EXEMPTION
QH17. Overall do you think getting an exemption from Income Management has...? (SR)

1. Made things much better for you
2 Made things a bit better for you
3. Made no difference for you
4 Made things a bit worse for you
5. Made things much worse for you
97. Don't Know
99. Prefer not to say

SKIP TO QH54

CODE 4 - THOSE WHO WERE ON VOLUNTARY IM BUT HAVE MOVED OFF

QH19. CONFIRMATION OF EXITED VIM STATUS
QH19. Centrelink records indicate that you are not on Voluntary Income Management any more. Are you still off it? (SR)

1. Yes, I'm still off Voluntary IM
2. No, I'm back on Voluntary Income Management
3. I'm now on another IM measure (which one?) ....
14. Don't know

IF CODE 1 GO TO QH20

IF CODE 2, 3 OR 14 GO TO QH25 (Stream back to VIM)

QH20. REASONS FOR GOING OFF IM
QH20. Why did you go off income management? (MR)

INTERVIEWER: DO NOT READ OUT. PROBE FULLY

1. I was able to manage my money quite ok without Income Management
2. I wanted control of my own money
3. The stigma / shame / embarrassment of Income management
4. I wanted my rights back
5. I wanted to have the freedom to choose what I spend money on
6. Things are cheaper when you can use cash not BasicsCard
7. Because my family told me to
8. It was not worth the hassle to get the extra money ($250 for every 26 weeks paid to people on VIM)
9. After being on Income Management I now feel more confident in managing my money
10. After being on Income Management I got rid of my debts
11. After being on Income Management I saved money
12. Because I was not being harassed for money
13. Nothing
14. Other Specify...
15. I didn't realise that I had a choice about going onto the program
99 Prefer not to say

PROGRAMMING: SHOW CODES SELECTED AT QH20

QH21. MOST IMPORTANT REASON FOR GOING OF IM
QH21. Which of these is the most important? …….

PROCESS OF COMING OFF VOLUNTARY INCOME MANAGEMENT

QH22. EASE OF GOING OFF VIM
QH22 Do you agree or disagree with the following statements: (SR PER ROW)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
1. I found it easy to go off VIM	1	2	3	4	5	6
2. Centrelink were supportive in the process of going off VIM	1	2	3	4	5	6

QH22A. FURTHER COMMENTS ABOUT GOING OFF VIM (OE)

QH22A. Are there any comments you would like to make about the process of exiting from VIM: (OE)

……………………………………………………………………………………………………

QH23. VIM - REFLECTION STATEMENTS ON IM MANAGEMENT
QH23: Thinking back to when you were on Income Management was it easier or harder to… (SR PER ROW)

	Much easier	Easier	About the same	Harder	Much harder	Don't know	Not applicable
1. Manage your money	1	2	3	4	5	6	
2. Save money	1	2	3	4	5	6	
3. Have enough money for food	1	2	3	4	5	6	
4. Pay bills on time	1	2	3	4	5	6	
5. Know how much money you have	1	2	3	4	5	6	
6. Look after your children	1	2	3	4	5	6	7
7. Look after Family obligations	1	2	3	4	5	6	7
8. Pay for housing	1	2	3	4	5	6	7

QH23A. VIM - PERSONAL STATEMENTS ON IM MANAGEMENT
QH23A. Again looking back to when you were on Income Management do you agree or disagree with the following statements: Income management… (SR PER ROW)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know	Not applicable
1. Was good for me	1	2	3	4	5	6	
2. Was good for my children	1	2	3	4	5	6	7
3. Taught me how to better manage my money	1	2	3	4	5	6	
4. Made me change my behaviours (in a positive way)	1	2	3	4	5	6	

If response other than 3 or 6 to QH23a(4) – change in behaviours.

QH23B. VIM - POSITIVE PERSONAL CHANGES WITH IM MANAGEMENT (OE)
QH23B. Could you please explain in what way your behaviours changed?

………

………

QH24. DIFFERENCE SINCE EXITING VIM
QH24. Overall do you think exiting from Voluntary Income Management has...? (SR)

1. Made things much better for you
2. Made things somewhat better for you
3. Made no difference for you
4. Made things somewhat worse for you
5. Made things much worse for you

97 Don't Know
99 Prefer not to say

SKIP TO QH54

CODE 3 - THOSE CURRENTLY ON VOLUNTARY IM

QH25. CONFIRMATION OF VIM STATUS
QH25. Your Centrelink record says that you are on Voluntary Income Management, that is you could receive all your payments in cash but you have chosen to use the BasicsCard or have Centrelink pay some of your bills from your money? (SR)

Are you still being income managed/have a BasicsCard
1. Yes
2. No

INTERVIEWER: IF NO, PROBE FURTHER TO IDENTIFY WHETHER THEY HAVE RECENTLY EXITED FROM VIM AND IF SO STREAM THROUGH VIM EXIT QUESTIONS GO TO QH20

QH26. REMEMBER CHOOSING VIM
QH26. Do you remember choosing to go onto Voluntary Income Management? (SR)

1. Yes
2. No/Don't know

99. Prefer not to say

IF CODE 1 CONTINUE TO QH27

IF CODE 2 OR 99 SKIP TO QH29

QH27. REASONS FOR CHOOSING VIM
QH27. What was the reason that you chose to go onto Voluntary Income Management? (MR)

INTERVIEWER: DO NOT READ OUT. PROBE FULLY

1. Because it makes it easier to manage money
2. Because it makes it harder for people to humbug me for money
3. Because Centrelink said I should
4. Because I like the BasicsCard
5. Because I had got used to being on income management and it was easier to stay on
6. Because I like the extra payment they make.

96. Other, PLEASE SPECIFY ………………………………………………………
99. Prefer not to say

PROGRAMMING: SHOW CODES SELECTED AT QH27

QH28: which of these was the most important reason? …… (record number)

QH29. AWARENESS OF EXTRA CENTRELINK MONEY
QH29. Because you are on Voluntary Income Management Centrelink pays you an extra $250 every 6-months. Do you know that you get this? (SR)

1. Yes
2. No/Don' know
99. Prefer not to say

IF CODE 1 IN QH29 CONTINUE TO QH30

IF CODE 2 OR 3 IN QH29 SKIP TO QH31

QH30. IMPORTANCE OF RECEIVING EXTRA CENTRELINK MONEY
QH30. Is receiving this money important for you staying on income management? (SR)

1. Yes
2. No
99. Prefer not to say

QH31. THOUGHTS ABOUT GOING OF VIM
QH31. Have you ever thought of going off Voluntary Income Management?

1. Yes
2. No
99. Prefer not to say

IF CODE 1 IN QH31 CONTINUE TO QH32

IF CODE 2 IN QH31 SKIP TO QH33

QH32. REASONS FOR THINKING ABOUT GOING OF VIM
QH32. Why is that? (MR)

INTERVIEWER DO NOT READ OUT. PROBE FULLY
1. I was able to manage my money quite ok before Income Management
2. I want control of my own money
3. The stigma / shame / embarrassment of Income management
4. I want my rights back
5. I want to have the freedom to choose what I spend money on
6. Things are cheaper when you can use cash not BasicsCard
7. Because my family says I should
8. It is not worth the hassle to get the extra money
9. After being on Income Management I feel more confident in managing my money
10. After being on Income Management I have got rid of my debts
11. After being on Income Management I have saved money
12. Because people have stopped harassing me for money
96. Other (please Specify)..
99 Prefer not to say

PROGRAMMING: SHOW CODES SELECTED AT QH32
QH32A MAIN REASON FOR THINKING ABOUT GOING OF VIM
QH32A. Which of these is the main reason (Record number) …. (OE)

QH33. REASONS FOR NOT THINKING ABOUT GOING OFF VIM
QH33. Why haven't you? Probe fully.

DO NOT READ OUT Multiple answers can be given
1. Easier being income managed
2. I am more in control of my money
3. Like the extra money
4. Like the Basics Card
5. I do not get harassed for money when I am on IM
6. I am used to it now
7. I like having a kitty
8. Other Specify …………………………………………………………………
99 Prefer not to say

PROGRAMMING: SHOW CODES SELECTED AT QH33
QH33A: Which of these is the main reason (Record number) ….

QH34. REASONS FOR NOT THINKING ABOUT GOING OF VIM
QH34. Do you think you will ever want to go off Income Management? (SR)

1. Yes
2. No
3. Not sure
99. Prefer not to say

CONTINUE TO QH35

THIS SECTION IS ALSO HAS QUESTIONS FOR POPULATION CURRENTLY ON INCOME MANAGEMENT (COMPULSORY AND VOLUNTARY).

THOSE ON COMPULSORY IM STREAM IN AT THIS POINT.

<u>CODE 5 - THOSE ON VARIOUS FORMS OF COMPULSORY IM</u>

Q35 Your Centrelink record indicates that you are subject to compulsory income management and that you have a BasicsCard is this correct:

1. Yes
2. No

IF CODE 1 IN QH35 SKIP TO QH36
IF CODE 2 IN QH35 AND CODE 5 IN QH1A CONTINUE TO QH35A
IF CODE 2 IN QH35 AND CODE OTHER THAN 5 IN QH1A SKIP TO QH43

Q35A If no probe to identify whether need to stream to
1. **Those no longer on income support or a payment subject to compulsory IM (and where they have not chosen to go onto VIM): THEN GO TO QH1**
2. **Those with an exemption from compulsory IM: THEN GO QH11**
3. **Those currently on Voluntary IM: THEN GO QH25**

We would like to ask some questions about how you manage with Income Management and the BasicsCard

QH36. ALLOCATE TOTAL INCOME TO BASIC CARD OR KITTY
QH36. Do you allocate all of your income managed money to Basics Card and other bills or do you leave some unallocated (in your kitty) (SR)

1. I allocate it all and do not keep some in kitty
2. keep some in kitty

99. Prefer not to say

IF CODE 1 IN QH36 CONTINUE, ELSE SKIP TO QH37

QH36A. ALLOCATE TOTAL INCOME TO BASIC CARD OR KITTY
QH36A Do you usually spend all of your kitty before you get your next payment from Centrelink? (SR)

1. Yes
2. No
99. Prefer not to say

QH37. AWARENESS OF OTHERS BASICS CARD USAGE
QH37. DO YOU OR ANYONE IN YOUR FAMILY/ or alternatively DO PEOPLE AROUND HERE (SR PER ROW)

	Yes	**No**	**Don't know**	**Do not want to say**
1. Go shopping with other people and swap or share BasicsCards to be able to pay the bill ?	1	2	3	4
2. Give their BasicsCard and PIN to other people to do shopping on their behalf?	1	2	3	4
3. Give their BasicsCard and PIN to other people to do shopping for themselves?	1	2	3	4
4. Swap food and groceries for money, alcohol or tobacco?	1	2	3	4
5. Buy gift, phone or fuel cards which are then sold or swapped for money, alcohol or tobacco	1	2	3	4
6. Get cash from taxi drivers or other people who charge it to the BasicsCard	1	2	3	4
7. Gamble using BasicsCard	1	2	3	4
8. Get people in a store to sell tobacco or alcohol on BasicsCard	1	2	3	4

QH38. REPLACED BASICS CARD
QH38. Have you lost your BasicsCard and had it replaced? (SR)

1. Yes
2. No
3. Not sure

99. Prefer not to say

IF CODE 1 IN QH38 CONTINUE, ELSE SKIP TO QH40

QH39. FREQUENCY OF REPLACING BASICS CARD
QH39. How often have you had your BasicsCard replaced? (SR)

1, 1-3 times
2. 4-10 times
3. More than 10 times

QH40. PAYING MORE WITH BASICS CARD
QH40. Have you ever had to pay more for something because you have had to use your BasicsCard? (SR)
1. Yes
2 No
3. Not sure
99. Prefer not to say

IF CODE 1 IN QH40 ASK QH40A, ELSE SKIP TO QH41.

QH40A. EXPLAIN PAYING MORE WITH BASICS CARD
QH40A. Can you explain? (OE)

INTERVIEWER: ASK FOR AN EXPLANATION AND RECORD.

………………………………………………………………………………………………..

QH41. INABILITY TO PAY WITH BASICS CARD
QH41. Have there been occasions when you have wanted to buy or pay for something but have been unable because your money was on BasicsCard.. (SR)
1. Yes
2 No
3. Not sure
99. Prefer not to say

IF CODE 1 IN QH41 ASK QH41A, ELSE SKIP TO QH42.

QH41A. INABILITY TO PAY WITH BASICS CARD EXPLAIN OCCASIONS.
QH41A. Can you explain? (OE)

INTERVIEWER: ASK FOR AN EXPLANATION AND RECORD.

………………………………………………………………………………………………..

QH42. BASICS CARD - EASE STATEMENTS
QH42. Because of BasicsCard and Income management is it easier or harder to

	Much easier	Easier	About the same	Harder	Much harder	Don't know	Not applicable
1. Manage your money	1	2	3	4	5	6	
2. Save money	1	2	3	4	5	6	
3. Have enough money for food	1	2	3	4	5	6	
4. Pay bills on time	1	2	3	4	5	6	
5. Know how much money you have	1	2	3	4	5	6	
6. Look after your children	1	2	3	4	5	6	7
7. Look after Family obligations	1	2	3	4	5	6	7
8. Pay for housing	1	2	3	4	5	6	7

QH42A. BASICS CARD - PERSONAL STATEMENTS ON IM MANAGEMENT
QH42A. Do you agree or disagree with the following statements: Income management. (SR PER ROW)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know	Not applicable
1. Is good for me	1	2	3	4	5	6	
2. Is good for my children	1	2	3	4	5	6	7
3. Teaches me how to better manage my money	1	2	3	4	5	6	
4. Makes me change my behaviours (in a positive way)	1	2	3	4	5	6	

IF RESPONSE OTHER THAN 3 OR 6 TO QH42A(4) – CHANGE IN BEHAVIOURS.

QH42B. BASICS CARD - POSITIVE PERSONAL CHANGES WITH IM MANAGEMENT (OE)
QH42B. Could you please explain in what way your behaviours changed? (OE)

……

……

QH43. FREQUENCY OF FEELINGS ABOUT IM
QH43 How often do you feel this way about income management?
PROGRAMMING: RANDOMISE STATEMENTS. SR PER ROW

	All the time	Most of the time	Sometimes	Hardly ever	Never	DK N/A
1.I feel discriminated against being Income Managed	1	2	3	4	5	6
2. Being on Income Management is embarrassing	1	2	3	4	5	6
3. I am more in control of my life since being on Income Management	1	2	3	4	5	6
4. It is not fair for me to be income managed	1	2	3	4	5	6
5. Things are better for me and my family on Income Management	1	2	3	4	5	6
6. I feel I have more control over my money	1	2	3	4	5	6
7. I am not worried about money when I have income management	1	2	3	4	5	6
8. I feel safer on Income Management	1	2	3	4	5	6

IF CODE 3 (ON VOLUNTARY INCOME MANAGEMENT) IN QH1A GO TO QH53, OTHERWISE CONTINUE

QH44. THOUGHTS ABOUT GOING OF IM
QH44. Have you tried to get off income management? (SR)

1. Yes
2. No
3. Not sure

IF CODE 1 CONTINUE

IF CODE 2 OR 3 SKIP TO Q50

QH46. REASONS FOR THINKING ABOUT GOING OFF IM
QH46. Why did you try to get off income management? (MR)

INTERVIEWER: DO NOTE READ OUT. PROBE FULLY

1 I was able to manage my money quite ok before Income Management
2 I want control of my own money
3 The stigma / shame / embarrassment of Income management
4 I want my rights back
5 I want to have the freedom to choose what I spend money on
6 Things are cheaper when you can use cash not BasicsCard
7 Because I don't need to be income managed
8 After being on Income Management I now feel more confident in managing my money
9 After being on Income Management I now have no debts and have saved extra money
10 Because my children already attend school and have their health checks
11 Because after being on Income Management my children now attend school and have their health checks
12 Because my family told me to
95. Nothing

96. Other (Specify)..
98. Prefer not to say

PROGRAMMING: SHOW RESPONSES SELECTED IN QH46.
QH46A. MAIN REASON FOR THINKING ABOUT GOING OF IM
QH46A: Which of these is the main reason (Record number) ….

QH47. EXPLANATION OF WHAT HAPPENED WHEN TRY TO GET EXEMPTION FROM IM
QH47. Can you tell us what happened when you were trying to get an exemption, who did you speak with and what did they say or do? (OE)

……………………………………………………………………………………………………

QH48. CENTRELINK INFORMING OF UNSUCCESSFUL EXEMPTION
QH48 Did Centrelink tell you that your application for an exemption was not successful? (SR)

1. Yes
2. No
3. Not sure

99. Prefer not to say

IF CODE 1 IN QH48 CONTINUE ELSE SKIP TO QH50

QH49. WHY WAS EXEMPTION UNSUCCESSFUL
QH49. Why were you not successful?

1. Kids did not go to school
2. Kids not immunised
3. Kids didn't have health check
4. I was not working or studying
5. They said that I had a poor record of financial management
6. Other, please specify……………………………………………

QH50. AIM FOR IM
QH50. (Population currently on Compulsory Income Management – interviewer to ensure that person is understanding Income Management not Income Support)

1. Stay on income management
2. Get off income management
3. Not sure

99. Prefer not to say

IF CODE 1, 3 OR 99 IN QH50 CONTINUE TO QH51

IF CODE 2 IN QH50 SKIP TO QH52

QH51 What are the reasons you want to stay on IM? (SR)

INTERVIEWER: DO NOT READ OUT. PROBE FULLY.

1. Because it makes it easier to manage money
2. Because it makes it harder for people to harass me for money
3. Because Centrelink said I should
4. Because I like the BasicsCard
5. Because I am used to being on income management and it is easier to stay on
6. Because I like having a kitty
7. Other, please specify ………………………………………………………

99. Prefer not to say

PROGRAMMING: SHOW RESPONSES SELECTED IN QH51.

QH51A: Which of these is the main reason (Record number) ….

QH52. REASONS FOR WANTING TO GET OFF IM
QH52. What are the reasons you want get off?
INTERVIEWER: DO NOT READ OUT. PROBE FULLY.

1. I was able to manage my money quite ok without Income Management
2. I want control of my own money
3. The stigma / shame / embarrassment of Income management
4. I want my rights back
5. I want to have the freedom to choose what I spend money on
6. Things are cheaper when you can use cash not BasicsCard
7. After being on Income Management I now feel more confident in managing my money
8. After being on Income Management I got rid of my debts
9. After being on Income Management I saved money
10. Because my children already attend school and have their health checks
11. Because after being on Income Management my children now attend school and have their health checks
12. Nothing
96. Other Specify reasons ……………………………………………………………………………
99. Prefer not to say

PROGRAMMING: SHOW RESPONSES SELECTED IN QH52

QH52A. MAIN REASON WANTING TO GET OFF IM
QH52A: Which of these is the main reason (Record number) ….

QH53. Overall do you think Income Management has...?

1. Made things better for you
2. Made no difference for you
3. Made things worse for you
4. Don't Know

99. Prefer not to say

All NT feeds back to this point

QH54. RECOMMEND IM
QH54 If someone wasn't on Income Management would you recommend it to them?

1. Yes
2. No
3. Don't Know

99 Prefer not to say

Q55. STATEMENTS ON RECEIVERS OF INCOME SUPPORT
Q55. Do you agree or disagree with the following statements? (SR PER ROW)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
1. All people on income support should be on income management	1	2	3	4	5	6
2. While not everyone on income support should be on income management some people should	1	2	3	4	5	6
3. Income management might teach people useful skills about managing their money	1	2	3	4	5	6

QH56. FURTHER COMMENTS ABOUT IM (OE)
QH56 Are there any other comments you would like to make about Income Management? (OE)

…………………………………………………………………………………………………….

END SURVEY FOR NT

SECTION I: CONTROL GROUP (WA/QLD ONLY)

QI1.

QI1. Have you heard about Income Management where half of a person's income support payments have to be spent on basics on what is called a BasicsCard (a sort of debit card issued by Centrelink which cannot be used to purchase alcohol or tobacco) or by direct payment by Centrelink instead of just being paid into peoples bank accounts.? (SR)

1. Yes
2. No

IF NO IN QI1 SKIP TO QI3, ELSE CONTINUE

QI2A. PERSONAL USE OF IM
QI2A. Have you ever been on income management yourself? (SR)

1. Yes
2. No
98. Don't know
99. Prefer not to say

QI2B. KNOWN OTHERS WHO HAVE USED IM
QI2B. Do you know people who have been on income management

1. Yes
2. No
98. Don't know
99. Prefer not to say

QI3. STATEMENTS ON RECEIVERS OF INCOME SUPPORT
QI3. Do you agree or disagree with the following statements? (SR PER ROW)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
1. All people on income support should be on income management	1	2	3	4	5	6
2. While not everyone on income support should be on income management some people should	1	2	3	4	5	6
3. Income management might be useful for me	1	2	3	4	5	6
4. Income management might teach people useful skills about managing their money	1	2	3	4	5	6

QI4. RECEIVER OF INCOME SUPPORT
QI4. Are you currently still in receipt of Income Support
1. Yes
2. No

IF CODE 1 IN QI4 CONTINUE, ELSE SKIPT O SECTION Z

QI6. FREQUENCY OF FEELINGS ABOUT INCOME SUPPORT
QI6. How often do you feel this way about income support?
PROGRAMMING: RANDOMISE STATEMENTS. SR PER ROW

	All the time	**Most of the time**	**Sometimes**	**Hardly ever**	**Never**	**DK N/A**
1.I feel discriminated against being on Income Support	1	2	3	4	5	6
2. Being on Income Support is embarrassing	1	2	3	4	5	6
3. I am more in control of my life since being on Income Support	1	2	3	4	5	6
4. It is not fair for me to be on Income Support	1	2	3	4	5	6
5. Things are better for me and my family on Income Support	1	2	3	4	5	6
6. I feel I have more control over my money being Income Support	1	2	3	4	5	6
7. I am not worried about money when I have income Support	1	2	3	4	5	6
8. I feel safer on Income Support	1	2	3	4	5	6

SECTION Z: MANDATORY QMS REQUIREMENTS

CONCLUSION

That's the end of the interview. As this is social research, it is carried out in compliance with the Privacy Act and the information you provided will be used only for research purposes. Your answers will be combined with those of other people.

CONSENT AND INCENTIVE PAYMENT

Could you please sign the consent form to confirm that you agreed to participate in the survey, and that I have provided you with the gift. **INTERVIEWER GET PAPER CONSENT FORM AND ENTER OUTCOME**

1. Signed Consent form
2. Did not sign consent form.

INTERVIEWER GAVE INCENTIVE AND ENTER OUTCOME

1. INCENTIVE GIVEN – Specify
2. NO INCENTIVE GIVEN

QA2A. ISSUES ARRISING DURING INTERVIEW

QA2A. **NOTE ANY ISSUES ARISING. DO NOT READ OUT (OE)**

____

DISPLAY CASE NUMBER – INTERVIEWER TO RECORD THIS ON CONTACT SHEET
(cross reference for RESPONDENT ID and CASE NUMBER)

INTERVIEWER'S DECLARATION	
I certify that this is a true, accurate and complete interview, conducted in accordance with industry standards and the AMSRS Code of Professional Behaviour (ICC/ESOMAR). I will not disclose to any other person the content of this questionnaire or any other information relating to this project.	
Interviewer Name:	<drop down list>
Date:	<auto record>

Appendix D: Geographic Regions

Region used in report	ABS Classification		
	SA2_NAME_2011	SA3_NAME_2011	SLA
Greater Darwin	Darwin Airport	Darwin City	Darwin (C)
Greater Darwin	Darwin City	Darwin City	Darwin (C)
Greater Darwin	East Point	Darwin City	Darwin (C)
Greater Darwin	Fannie Bay - The Gardens	Darwin City	Darwin (C)
Greater Darwin	Larrakeyah	Darwin City	Darwin (C)
Greater Darwin	Ludmilla - The Narrows	Darwin City	Darwin (C)
Greater Darwin	Parap	Darwin City	Darwin (C)
Greater Darwin	Stuart Park	Darwin City	Darwin (C)
Greater Darwin	Woolner - Bayview - Winnellie	Darwin City	Darwin (C)
Greater Darwin	Alawa	Darwin Suburbs	Darwin (C)
Greater Darwin	Anula	Darwin Suburbs	Darwin (C)
Greater Darwin	Berrimah	Darwin Suburbs	Darwin (C)
Greater Darwin	Brinkin - Nakara	Darwin Suburbs	Darwin (C)
Greater Darwin	Buffalo Creek	Darwin Suburbs	Darwin (C)
Greater Darwin	Charles Darwin	Darwin Suburbs	Darwin (C)
Greater Darwin	Coconut Grove	Darwin Suburbs	Darwin (C)
Greater Darwin	East Arm	Darwin Suburbs	Unincorporated NT
Greater Darwin	Jingili	Darwin Suburbs	Darwin (C)
Greater Darwin	Karama	Darwin Suburbs	Darwin (C)
Greater Darwin	Leanyer	Darwin Suburbs	Darwin (C)
Greater Darwin	Lyons (NT)	Darwin Suburbs	Darwin (C)
Greater Darwin	Malak - Marrara	Darwin Suburbs	Darwin (C)
Greater Darwin	Millner	Darwin Suburbs	Darwin (C)
Greater Darwin	Moil	Darwin Suburbs	Darwin (C)
Greater Darwin	Nightcliff	Darwin Suburbs	Darwin (C)
Greater Darwin	Rapid Creek	Darwin Suburbs	Darwin (C)
Greater Darwin	Tiwi	Darwin Suburbs	Darwin (C)
Greater Darwin	Wagaman	Darwin Suburbs	Darwin (C)
Greater Darwin	Wanguri	Darwin Suburbs	Darwin (C)
Greater Darwin	Wulagi	Darwin Suburbs	Darwin (C)
Greater Darwin	Howard Springs	Litchfield	Litchfield (M)
Greater Darwin	Humpty Doo	Litchfield	Litchfield (M)
Greater Darwin	Koolpinyah	Litchfield	Litchfield (M)
Greater Darwin	Virginia	Litchfield	Litchfield (M)
Greater Darwin	Weddell	Litchfield	Litchfield (M)
Greater Darwin	Bakewell	Palmerston	Palmerston (C)
Greater Darwin	Driver	Palmerston	Palmerston (C)
Greater Darwin	Durack - Marlow Lagoon	Palmerston	Palmerston (C)
Greater Darwin	Gray	Palmerston	Palmerston (C)
Greater Darwin	Moulden	Palmerston	Palmerston (C)
Greater Darwin	Palmerston - North	Palmerston	Palmerston (C)
Greater Darwin	Palmerston - South	Palmerston	Palmerston (C)
Greater Darwin	Rosebery - Bellamack	Palmerston	Palmerston (C)
Greater Darwin	Woodroffe	Palmerston	Palmerston (C)
Alice Springs	Charles	Alice Springs	Alice Springs (T)
Alice Springs	East Side	Alice Springs	Alice Springs (T)
Alice Springs	Flynn (NT)	Alice Springs	Alice Springs (T)
Alice Springs	Larapinta	Alice Springs	Alice Springs (T)
Alice Springs	Mount Johns	Alice Springs	Alice Springs (T)
Alice Springs	Ross	Alice Springs	Alice Springs (T)

Region used in report	ABS Classification		
	SA2_NAME_2011	SA3_NAME_2011	SLA
South East Desert	Sandover - Plenty	Alice Springs	MacDonnell (S)
South East Desert	Petermann - Simpson	Alice Springs	MacDonnell (S)
Mid West Desert	Tanami	Alice Springs	MacDonnell (S)
Mid West Desert	Yuendumu - Anmatjere	Alice Springs	Central Desert (S)
Barkly incl. Tennant Creek	Barkly	Barkly	Barkly (S)
Barkly incl. Tennant Creek	Tennant Creek	Barkly	Barkly (S)
Top & West Arnhem	Alligator	Daly - Tiwi - West Arnhem	West Arnhem (S)
Top & West Arnhem	Daly	Daly - Tiwi - West Arnhem	Victoria-Daly (S)
Top & West Arnhem	Thamarrurr	Daly - Tiwi - West Arnhem	Victoria-Daly (S)
Top & West Arnhem	Tiwi Islands	Daly - Tiwi - West Arnhem	Tiwi Islands (S)
Top & West Arnhem	West Arnhem	Daly - Tiwi - West Arnhem	West Arnhem (S)
East Arnhem	Anindilyakwa	East Arnhem	East Arnhem (S)
East Arnhem	East Arnhem	East Arnhem	East Arnhem (S)
East Arnhem	Nhulunbuy	East Arnhem	Unincorporated NT
Katherine	Elsey	Katherine	Roper Gulf (S)
Katherine	Gulf	Katherine	Roper Gulf (S)
Katherine	Katherine	Katherine	Katherine (T)
Katherine	Victoria River	Katherine	Victoria-Daly (S)

Appendix E: Definition of priority needs and excluded goods

Section 123TH Social Security (Administration) Act 1999

123TH Priority needs

(1) For the purposes of this Part, a person's priority needs are as follows:

(a) food;

(b) non-alcoholic beverages;

(c) clothing;

(d) footwear;

(e) basic personal hygiene items;

(f) basic household items;

(g) housing, including:

(i) rent; and

(ii) home loan repayments; and

(iii) repairs; and

(iv) maintenance;

(h) household utilities, including:

(i) electricity; and

(ii) gas; and

(iii) water; and

(iv) sewerage; and

(v) garbage collection; and

(vi) fixed-line telephone;

(i) rates and land tax;

(j) health, including:

(i) medical, nursing, dental or other health services; and

(ii) pharmacy items; and

(iii) the supply, alteration or repair of artificial teeth; and

(iv) the supply, alteration or repair of an artificial limb (or part of a limb), artificial eye or hearing aid; and

(v) the supply, alteration or repair of a medical or surgical appliance; and

(vi) the testing of eyes; and

(vii) the prescribing of spectacles or contact lenses; and

(viii) the supply of spectacles or contact lenses; and

(ix) the management of a disability;

(k) child care and development;

(l) education and training;

(m) items required for the purposes of the person's employment, including:

(i) a uniform or other occupational clothing; and

(ii) protective footwear; and

(iii) tools of trade;

(n) funerals;

(o) public transport services, where the services are used wholly or partly for purposes in connection with any of the above needs;

(p) the acquisition, repair, maintenance or operation of:

(i) a motor vehicle; or

(ii) a motor cycle; or

(iii) a bicycle;

that is used wholly or partly for purposes in connection with any of the above needs;

(q) any thing specified in a legislative instrument made by the Minister for the purposes of this paragraph.

(2) For the purposes of this Part, excluded goods or excluded services are not priority needs.

123TI Excluded goods and excluded services

Excluded goods

(1) Each of the following goods are excluded goods for the purposes of this Part:

(a) alcoholic beverages;

(b) tobacco products;

(c) pornographic material;

(d) goods specified in a legislative instrument made by the Minister for the purposes of this paragraph.

Excluded services

(2) Each of the following services is an excluded service for the purposes of this Part:

(a) gambling;

(b) a service specified in a legislative instrument made by the Minister for the purposes of this paragraph.

Appendix F: Vulnerable Focus Group Questions

Evaluation Income Management in the Northern Territory – final evaluation data collection

Topic Guide for DHS Staff

This interview is part of the second stage of the evaluation of New Income Management in the NT and focuses on the Vulnerable Income Management (VWPR). We are interested in talking to you how you are using the vulnerable measure and in your work at the DHS and how effective you think VWPR is in your work with clients.

Participation in this interview is voluntary. This means you can say NO.

<u>The interview is not about evaluating the DHS or an individual's work practices;</u> rather its aim is to elicit your views about how Income Management is impacting on your work and your clients.

We understand that the provision of information can be a sensitive matter. Please be assured that your confidentiality will be maintained throughout the research process. I'd also like to remind you that you may withdraw your consent to participate in the study at any time during the interview.

After starting the interview with a brief discussion about where you work and your role there, the questions will cover 6 broad areas:

1. How/when is the vulnerable measure being used by DHS staff?
    a. What are the key triggers for referring a DHS customer to VWPR?
    b. What are the potential benefits of the VWPR for different circumstances and clients?
    c. In what circumstances is VWPR not appropriate?
    d. How does Voluntary Income Management, Compulsory Income Management, and other Centrelink options such as Centrepay and weekly payments affect decision making about how VPWR is used?
    e. How have these priorities changed since income management in the NT was initiated? Do you think these changes have improved the use of VWPR?
2. Do you think VWPR is targeted appropriately?
    a. Are there people who should be on VWPR but are not currently on the measure?
    b. Are there people who are on VWPR who should be on another measure?
3. What are the range of circumstances under which clients move off the Vulnerable measure, and do clients continue on other forms of IM?
4. What is the impact of income management on the individuals involved, i.e. is it helping address issues that it is designed to?
5. What additional interventions (by social workers or others) benefit customers on the Vulnerable measure to address or minimise their vulnerabilities?
6. Are clients able to access the appropriate services and interventions?

Appendix G: Vulnerable File Review

NIM Evaluation Vulnerable Case file Audit Instrument

Case number

....

Demographics

Age

Age in years

....

Age

Year of birth (enter 1 Jan if actual date not specified)

....

Sex

○ Male

○ Female

Location

○ Remote

○ Town

○ Peripatetic (moves around)

Circumstances

What are their issues

☐ mental health

☐ AoD dependence

☐ disability

☐ victim of financial harassment (family)

☐ victim of financial harassment (others)

Other

....

Page 1 of 7

Family / social circumstances

☐ no contact

☐ regular contact

☐ lives with family

Other

....

Relationship with family

	Unfriendly			Neutral			Friendly
Relationship with family	○	○	○	○	○	○	○

Housing

○ stable

○ lives with family

○ supported accommodation/aged care

○ homeless

○ peripatetic / long grass

Other

....

IM issues

Identified as vulnerable using DHS criteria

☐ Financial hardship

☐ Financial exploitation

☐ Failure to take reasonable self-care

☐ Homeless or risk of homelessness

Other

....

Length of time on IVO

Months

....

Page 2 of 7

Number of renewals

numbers

....

Previous IM status

- ○ Voluntary
- Compulsory
- ○ Child Protection
- Not on IM
- ○ Not on income support
- Not known
- ○ Other

Comment

....

Reason for renewal (if renewed)

....

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....

Type of assessment

- ○ FTF contact
- Not FTF contact (third party information)
- ○ Phone
- Other

Comments

....

Page 3 of 7

Reason for ceasing (if they have come off IM)

....

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....

....

Quality of assessment process

- ○ Full and comprehensive (FTF with client, speak to others)
- Reasonable (not FTF or information from others)
- ○ Inadequate (incomplete/superficial)
- Poor (no contact with client or others - desk based)

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Comment on quality of assessment process

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Support received

From DHS

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Page 4 of 7

From other providers

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Informal support

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Identified pathway off IM?

○ **Yes**

○ **No**

Comment on pathway off IM

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Client's view

Have they appealed?

○ Yes

○ No

Page 5 of 7

Comment on appeal (outcome?)

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Other evidence of client's view

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Impact of IVO

Positive impacts?

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Negative impacts?

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Overall impact

	Positive		Neutral		Negative
	○	○	○	○	○

Overall - what difference has it made

....

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Other comments

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