Seven years of evaluating income management – what have we learnt? Placing the findings of the New Income Management in the Northern Territory evaluation in context

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Abstract

Income management programs – which restrict how some recipients of government transfers can spend these funds – have operated in Australia since 2007. The nature of the programs implemented varies, especially in regard to the combination of voluntary and compulsory elements, and there are also differences in scope and targeting. A number of evaluations and other studies of these programs have been undertaken. These vary in rigour, methodology, and the set of programs considered. This has led to an apparent diversity of findings, which has been exaggerated by selective use in public debate. The largest and most in-depth evaluation has been that of 'New Income Management' in the Northern Territory. This found that the program had not achieved its objectives and appears to have created dependence. The relative outcomes of the studies are considered.

Keywords: income management, conditional welfare, Indigenous policy, program evaluation

Introduction

Constraints on the way in which some recipients of government transfer payments can spend this assistance through 'income management' have been a feature of Australian social policies since 2007.

The largest program has been 'New Income Management' (NIM). The evaluation of this (Bray et al. 2012; 2014) found it had not achieved its objectives. Following this report the then Minister for Social Services said 'some of the findings are disappointing and seem to be inconsistent with more positive findings from evaluations of income management in other sites' (Andrews 2014b). This paper reviews the body of evaluations of income management in order to identify the extent of consistency across these studies, and in particular whether the NIM evaluation was out of step, and where there may be variation, the reasons why.

Three themes emerge. First, variation between programs, especially the mix between compulsory and voluntary elements and targeting, can lead to different outcomes. Secondly, variation in the scope and methodology of the evaluations. Some evaluations primarily rely upon the views and perceptions of participants and program managers; others, including the NIM evaluation, consider actual changes in behaviours and outcomes. Thirdly, and most critically, it is clear that after taking account of these there is a considerable degree of consistency in the findings of the evaluations.

A possible explanation for the apparent 'inconsistency' in the NIM evaluation findings lies in the selective way in which the results of the various evaluations have been cited in public debate, in particular by the Commonwealth Government, including successive Federal Ministers.

Background

The Australian Government introduced income management in 2007[1] to control how certain people can spend a portion of the income received from government transfer payments. Initially implemented in identified Indigenous communities in the Northern Territory (NT) as part of the 'Northern Territory Emergency Response' (NTER), and the more targeted Cape York Welfare Reform Trial, the policy has since been extended, with the original NT program being replaced in 2010 by 'New Income Management' (NIM). In December 2015 26,400 people were being income managed with 80 per cent of these on NIM. Most people subject to income management are Indigenous Australians.

The two major components of NIM are compulsory income management for people who have been in receipt of income support for an extended period, and Voluntary Income Management (VIM). In addition to these are other forms: Child Protection Income Management (CPIM), applied on referral from state child protection agencies; two forms of vulnerable income management – for people assessed as vulnerable by Centrelink social workers, or automatically for certain groups of young people; Supporting Persons at Risk (SPAR) for people referred by the NT Alcohol Mandatory Treatment Tribunal; and a separate measure for people referred by the Family Responsibilities Commission (FRC) as part of the Cape York Welfare reform trials.

Different combinations of these program components have been used in various initiatives. In the NT all elements have been implemented, other than the Cape York measure, which is the sole measure used in that location. The balance fall into two groups: Place Based Income Management (PBIM), and initiatives in South Australia (SA) and Western Australia (WA) focused on CPIM and VIM, but also including the vulnerable measure in the Ngaanyatjarra (NG) Lands, Aṉangu Pitjantjatjara Yankunytjatjara (APY) Lands, and Ceduna. PBIM was introduced in July 2012 in five locations as part of measures for 'addressing entrenched disadvantage' (Australian Government 2011). Unlike NIM, PBIM does not involve widespread compulsory income management as part of its program structure, but does include CPIM, VIM, and vulnerable income management. In August 2015 the Government announced an expansion of CPIM and VIM in SA following a coronial recommendation. In March 2016 the Government commenced implementing a trial of a 'Cashless Welfare Card'[2].

There have been a number of evaluations of these policies. The largest was the evaluation of NIM by researchers from the Australian National University (ANU), the Australian Institute of Family Studies (AIFS), and the Social Policy Research Centre (SPRC) at UNSW Australia. This presented two reports (Bray et al. 2012; 2014; see also Bray et al. 2015). The second report summarised the evaluation findings:

> 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. … Despite the magnitude of the program the evaluation does not find any consistent evidence of income management having a significant systematic positive impact (Bray et al. 2014: 316).

The report identified some evidence, mainly from intermediaries, of possible benefits in limited cases as part of an individualised targeted and managed set of interventions. Nonetheless, the overall findings were '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' (2014: 320). In contrast to the main compulsory component the evaluation found some more positive, although still limited, outcomes for VIM.

As noted in the introduction, at the time of the public release of the final NIM evaluation, the then Minister suggested these findings were at odds with other research.

Income management evaluations and related studies

Income management programs have been subject to a number of evaluations and academic and community analysis. There is also a significant body of research and evaluation associated with the Intervention in the NT of which income management was one component.

Three major evaluations addressed Income Management under the NTER (NTERIM). The NTER Review Board (Yu et al. 2008) evaluation encompassed the breadth of NTER measures, mainly drawing on extensive consultations. It recommended NTERIM be replaced by a voluntary program and that compulsory income management should 'only apply on the basis of child protection, school enrolment and attendance and other relevant behavioural triggers' (2008: 12). The Australian Institute of Health and Welfare (AIHW) drew upon pre-existing focus group and interview data and reported some positive findings for child health, expenditure and community outcomes, but noted that 'the overall evidence about the effectiveness of income management was not strong' (AIHW 2010: 16). The Department of Families, Housing, Community Services and Indigenous Affairs[3] (FaHCSIA 2011) also produced an evaluation report on the NTER. Discussion of income management in this was based on pre-existing material.

Two evaluations have been produced on the initial Western Australian initiatives: ORIMA Research reported in 2010 on CPIM and VIM; and DSS in 2014 on CPIM. ORIMA reported that the programs 'were effective measures in helping people meet their priority needs and those of their children' (ORIMA 2010: 17). The DSS study noted positive reports from intermediaries on child outcomes, but that with regard to 'socially responsible behaviour, the findings were more varied' (DSS 2014: 14).

The 2012 Cape York Welfare Reform (CYWR) Evaluation (FaHCSIA 2012) found that this form of income management had been a successful element, but 'the evidence suggests that the impact of the local FRC Commissioners is in their listening, guiding and supporting role, rather than in the exercising of their punitive powers to order income management' (2012: 50).

The SPRC evaluated VIM in the APY lands (Katz & Bates 2014), reporting an overall perception that the program had a positive, but limited effect.

A major evaluation of PBIM was undertaken by Deloitte (2014a; 2014b; 2015a; 2015b) using a longitudinal survey and control population. This found some positive outcomes for those on VIM, but not for those on compulsory income management. It concluded by suggesting that the automatic trigger for the vulnerable measure – the main compulsory element – be removed.

Some issues

In considering the evaluations and other studies of income management two factors need to be borne in mind. Firstly is variability in the scope, methodology and rigour of these evaluations. A crucial methodological difference is reliance upon reported perceptions of change on the one hand, and actual measurement of change on the other. Evidence (see *Significant NIM evaluation findings*, below) indicates that reported perceptions of change may not be a good measure of effectiveness.[4] Secondly, there is considerable variability in the forms of income management under scrutiny in the different studies. This includes whether people are compelled, or have chosen to go onto the program, and whether compulsory programs are tightly targeted at individuals, or applied to a wider population. Such program differences can be expected to lead to different outcomes.

Only two evaluations – of NIM and PBIM – can be considered as large-scale formal program evaluations. Both of these have a higher level of robustness generated through the systematic use of control groups and longitudinal data to measure change. As a consequence of the magnitude of the program in the NT – with over a third of the Indigenous population aged 15 years and over on income management – the NIM evaluation was also able to use extensive and independent data on wider community outcomes to test its findings.

Other research

In addition to the formal evaluations, aspects of the programs have been considered in a wide range of studies and reviews. These include: consultations undertaken by the Central Land Council (CLC 2008); a study of consumption changes headed by researchers from the Menzies School of Health Research (Brimblecombe et al. 2010); the Equality Rights Alliance (2011) study of women's experience of income management; research into the impact of licensing of remote stores by Cultural & Indigenous Research Centre Australia (CIRCA 2011); the Community Safety and Wellbeing Research Survey undertaken by Bowchung Consulting (Shaw & d'Abbs 2011). Abbott et al. (2013) report a study prior to the introduction of income management in Ceduna. The Forrest Review (Forrest 2014) proposed a new form of income management, with Indigenous community responses to this report collected by the SA Commissioner for Aboriginal Engagement (2014). The Reference Group on Welfare Reform (McClure 2015) concluded on the basis of consultations that the program 'should be used judiciously and should be delivered in conjunction with financial capability and other support services' (2015: 25). There is also an extensive academic and wider literature.

Key NIM evaluation findings

The NIM evaluation presented extensive findings in its two reports. Six specific aspects of these are considered below: the attitudes and perceptions of people on the measure; four dimensions of impact – consumption; financial behaviour; individual and community outcomes; and dependence – and the relative impact on Indigenous Australians. In reviewing these, the findings of other evaluations are considered.

Perceptions and views of people on Income Management

The NIM evaluation identified diverse views, both favourable and unfavourable, about income management amongst those subject to the measure. The evaluation recognised that these have a value, but in themselves are not evidence of program success or failure.

A similar diversity of views around income management is recorded in most studies, although the balance varies. The NTER evaluation (AIHW 2010: 37) reported that 65.6 per cent thought income management was 'good'. The CLC study of six communities summarised its findings: 'Responses across survey participants were evenly divided between people in favour and opposed to income management. Gender and age were not significant factors in influencing people's level of support for income management' (CLC 2008: 4).

Perceptions also vary depending on who is asked. The 2010 ORIMA WA study reports different views concerning the impact of the program on family relationships voiced by intermediaries and people on the measure (ORIMA 2010: 128, 130).

Impact on consumption

The NIM evaluation reported three main findings related to consumption. The first was that the concept of increasing spending on 'priority needs' was effectively rhetorical,[5] with the program only restricting spending on excluded items. The second was an absence of evidence of the share of spending on tobacco declining, or that of fruit and vegetables increasing. The third was that, while there was a weakly significant improvement in people on VIM reporting running out of money for food, there was no change for those subject to compulsory measures.

These findings are in general, although not universally, supported by the other studies. With respect to tobacco the CLC 'six communities' study reports one store having a one-year fall in the share of spending on tobacco from 12.2 per cent of the identified items to 6.9 per cent (CLC 2008: 36). AIHW reports three-quarters of stores indicating that tobacco sales were unchanged. Using detailed sales data for remote stores Brimblecombe, as with the NIM evaluation, finds no change. AIHW suggests 85 per cent of smokers on income management reduced spending on tobacco. This is a high figure and, as with the CLC report of reduced spending, is not supported by sales data or by the Australian Bureau of Statistics (ABS) National Aboriginal and Torres Strait Islander Health Survey (NATSIHS), which showed no change, and even a slight worsening, in the incidence of daily smoking amongst the NT Indigenous population between 2004-05 and 2012-13 (Bray et al. 2014: 231). Deloitte reports that while in interviews some people stated that income management had reduced their dependence on alcohol and tobacco (Deloitte 2015b: 58), the longitudinal survey found that 'PBIM did not have a significant impact on the financial stability, alcohol consumption patterns, gambling patterns, tobacco consumption patterns or housing stability' (2015b: 61).

The NIM evaluation found a pattern of lower spending on BasicsCard on fruit and vegetables relative to non-BasicsCard spending in both major urban and remote stores.[6] Both the NIM evaluation and the Brimblecombe research suggests no change over time. In contrast, AIHW reported very strong improvements relating to NTERIM, with three-quarters of participants reporting spending more money on food, over half spending more on vegetables, and over two-thirds of store managers reporting increased healthy food sales. Data on child nutrition from the ABS NATSIHS cited in Bray et al. (2014: 225–226) showed inconsistent results for Indigenous children, with minor improvements in milk consumption between 2004-05 and 2012-13, a very marked decline in vegetable consumption, and an improvement in fruit consumption. The study noted this may be affected by initiatives introduced in 2007 as part of the School Nutrition Program. More generally – and consistent with the NIM evaluation – the NATSIHS reports continuing evidence of poor nutrition, with over one-third of children not having an adequate daily fruit intake and some 95 per cent not having an adequate vegetable intake. If the reported changes cited in the earlier studies were correct, it appears highly improbable that the effects cannot be seen in sales trends, the adequacy of current diets, or in health surveys.

With respect to food security AIHW reported the purchase of more food was 'identified consistently across the research' (2010: 46), with the ORIMA WA evaluation reporting the proportion running out of food decreased from 59 per cent prior to being placed on income management, to 29 per cent while on the measure, and to 16 per cent after having left the program (2010: 122). The DSS evaluation of the same program reports that about a third of people spoke of no longer running out of money for food each day. The APY study did not look at change, but found that 72.5 per cent of those who had chosen to go onto VIM had run out of money for food in the past four weeks, compared with 56.1 per cent of those not on income management (Katz & Bates 2014: 22). The need for caution in interpreting data on perceived improvements in food was highlighted in the first NIM evaluation report (Bray et al. 2012: 195–196), which presented analysis of the marked discrepancies between perceived and recorded change in the ability to purchase adequate food for some income-managed populations. Overall, the NIM evaluation found a small and weakly significant improvement in the incidence of running out of money for food for those on VIM, and no change for people on the compulsory measures. This is very similar to changes recorded in the PBIM, although in this latter evaluation none of the movements was statistically significant between the baseline and final survey.

Impact on financial behaviours

The NIM evaluation concluded that there was minimal impact from income management on the financial capability of participants. Specifically, while there were very positive reports of perceived improvements, these were not sustained in actual changes.

In its discussion of financial management the ORIMA study concluded: 'The evaluation found some evidence of a positive impact of the measures on the financial management capabilities of participants, but this was not as conclusive as the evidence in relation to … wellbeing' (ORIMA 2010: 17). The AIHW study, relying upon the perception of respondents in surveys, and on stakeholders in focus groups, reported some positive change. The APY Lands VIM study suggested that people had a feeling of greater control, but that the management of cards was frequently quite 'flexible'. This was also found in the NIM evaluation, by the Queensland Parliamentary Committee on the Cape York trial (Ruthenberg 2014: 8), and by Deloitte: 'it is recognised that mechanisms remain for customers to "get around" using the BasicsCard' (2015b: 68). The WA DSS CPIM study concluded: 'It remained unclear whether income management provided recipients with financial management skills' (DSS 2014a: 69–70).

In summarising its findings the Deloitte study observes: 'For VIM customers, PBIM appeared to have a positive impact on their capability to better save and spend their money' (2015b: ii), but those on the compulsory measure: 'did not demonstrate a significant improvement in their capability or confidence in saving or spending their money' (2015: iii).

Impact on individual and community outcomes

The NIM evaluation took a multi-level approach to identifying outcomes, considering these for individuals, the communities in which they live, and across the NT. It found no systematic pattern of improvement that could be associated with income management. Indeed, overwhelmingly the indicators pointed to no change, or where there was change, this was consistent with Australia-wide trends. While some mild family problems appear to have declined, the occurrence of more severe problems had not, or in some cases might have increased. With respect to financial harassment it also found a reduction, among Indigenous people,[7] in the incidence of problems because people gave money to others for those on both voluntary and compulsory measures, but equally an increase in the incidence of these people asking others for money for essentials. At the community level there was no consistent evidence of change in this problem.[8] The lack of any systematic improvement was also found in the final feedback consultations. Lack of substantive change was also identified for other community problems, including child outcomes and excessive drinking. Further evidence of any improvement across a diverse set of NT outcomes such as child mortality, education, alcohol-related crime, and hospital admission, was absent.

ORIMA (2010) presented a number of inconsistent findings. On the one hand, surveys of participants indicate that 70 per cent of people on CPIM reported less drinking in their community, with 67 per cent saying there was less violence, 62 per cent less gambling, and 60 per cent less 'humbugging' (financial and related harassment) (2010: 132), along with slightly lower decreases for VIM participants, except for humbugging, which increased (2010: 215). In contrast, in responses from Centrelink and Child Protection staff and financial advisers it reported, 'on average … no material impact was the option most commonly selected by respondents in relation to all behaviours except excessive drinking (where respondents were more likely to report that IM had had a positive impact)' (2010: 133).

The CLC study reported that 39.2 per cent of people said there was less alcohol consumption and 18.4 per cent slightly less (CLC 2008: 51). The extent of this perceived change not only varied across communities, but was also attributed to a range of policies including more policing and increased penalties for transporting alcohol into communities. It also reported, with one exception: 'The perspective of most GBMs [Commonwealth General Business Managers] from the communities surveyed was that there had been no real shift in alcohol consumption in communities' (2008: 54). Reflecting these results it concludes that, notwithstanding perceptions of a decrease in consumption, evidence is inconclusive if not absent.

There is relatively little on measurable outcomes available on the Cape York program, although the evaluation (FaHCSIA 2012) identified a decline in the rate of adverse notices issued to people in some locations, suggesting that some behaviours had changed. This, however, was small. The overall reduction was from an average of 0.88 per quarter to 0.87 per quarter, although varying by location (2012: 209). On less direct outcomes, such as building independence, and higher participation in education, training and employment, it noted that 'the trial has not yet brought about significant behaviour change in these areas' (2012: 62). It also raised the question of attributing change to a specific factor. This was also the case in the AIHW (2010) study, which recorded some reported improvement in child and community wellbeing from participant interviews and stakeholder focus groups, but observed:

> It was also difficult to separate the effects of income management on these outcomes from the effects of other NTER measures designed to improve the wellbeing of children, families and communities .... In relation to the impact on families, the data from the client interviews showed that only a minority thought there had been changes since income management (2010: 61).

The PBIM evaluation, as noted, did not find changes in drinking or gambling. However, it cites anecdotal reports suggesting a potential impact for some individuals where they were self-motivated to change. In looking at child outcomes Deloitte reported: 'the longitudinal survey did not find evidence of any direct improvements in the care or education of children for participants on any measure' (2015b: iv). Concerning harassment, the duality of NIM finding was also seen. Deloitte reported: 'PBIM had been effective in reducing the vulnerability of individuals to financial exploitation and harassment with respect to their welfare payments' (2015b: iii), but also observed 'reports of negative impacts placed on relationships – where some respondents noted an increased dependence on others around them for funds' (2015a: 88).

The APY study was tentative in its conclusions, noting 'it was not possible to verify these findings through objective measures of changes in wellbeing' (Katz & Bates 2014: 2). Given this it summarised its findings as: 'There are mixed responses in relation to the impact of income management on the wellbeing of the community as a whole, but overall there is a belief that it has had a positive impact so far, although its impact is limited' (2014: 1), but further indicated 'findings are not able to provide indications of changes in overall community wellbeing resulting from the implementation of income management through outcome measures such as school attendance, child health assessments, child protection notifications, crime rates, or changes in spending patterns' (2014: 42).

Impact on dependence

A concluding observation of the NIM evaluation, as cited earlier, is that the program appears to have encouraged increasing dependence on the welfare system rather than fostering independence and building capacity. This conclusion was based upon a number of the more detailed findings, including the extent to which some people wished to remain on income management – and the main reasons nominated for wishing to do so. Analysis also found little evidence of improved financial capability and low levels of engagement with services to build financial management skills.

The risk of dependence has been a recurrent theme in many of the studies. ORIMA (2010) cited the risk that: ‘clients might become dependent on the system and not be able to manage their finances without remaining on IM’ (2010: 12). This was echoed in the 2014 DSS report on the same program: ‘Intermediaries suggested that income management could cause dependency for some recipients, evidenced in their inability to budget without it’ (DSS 2014: 69). The PBIM evaluation noted in the medium-term report that the data raises ‘the question of dependency on external financial management’ (2015a: 26–27) and that, for some young people impacted by the automatic trigger, ‘income management was detrimental to their establishment of financial independence’ (2015b: 53). The Auditor General (ANAO 2013) also identified this as a risk along with external commentators including Brown (2010) and Arthur (2013).

The Forrest Review reported a risk of reinforcing dependence because ‘it can make transitions off welfare and into work more difficult’ (Forrest 2015: 27). McClure noted the risk of leaving people without skills to manage their money.

Impact on Indigenous Australians

Overwhelmingly income management is a policy that has been imposed on Indigenous Australians, through geographic targeting, over-representation of Indigenous people on income support – especially the specific payment types targeted – and low exemption rates under NIM.

While the NIM evaluation reported it had ‘not identified any active and overt discrimination … and there was no evidence produced that Centrelink staff tend to be prejudiced or discriminatory’ (Bray et al. 2014: 300), it continued: ‘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’ (2014: 300).

The evaluation of PBIM reported: ‘Indigenous status was found to be of relatively low importance in determining the propensity for a customer to be on PBIM’ (Deloitte 2014b: 28). The DSS evaluation of CPIM in WA (DSS 2014a), besides observing that 63 per cent of people placed on CPIM were Indigenous, makes no analysis of the relative impact on Indigenous people. Similar scant coverage is provided in the ORIMA report other than noting that ‘Indigenous CPSIM[9] clients were slightly less likely to exit the program’ (2010: 56). The AIHW study of NTERIM is also largely silent on this matter.

Summary

Most research has identified a range of views on different aspects of income management, some strongly positive, and others very negative. The balance of views varies, between those on compulsory and voluntary measures, by location, the specific question asked, and who it is asked of. There is a group who feel it has enhanced their wellbeing and made life easier. The NIM evaluation noted that while these views need to be considered, they are not a substitute for direct measurement of changes in outcomes and circumstances as a basis for identifying the impact of the program.

While there is a consistent pattern of the balance of perceptions of change in consumption of some food items being positive, those studies that have considered sales, consumption, and food security in longitudinal terms find little or no evidence of this happening, and poor nutritional outcomes continue unabated by program activity. There is limited evidence suggesting a decrease in tobacco use by some on VIM but not more generally, and sales do not appear to have been affected. Similarly, there is little evidence of any change in alcohol consumption, on which there were at times mixed perceptions, and which may be affected by other policies. Where food security has been tracked over time there is some – although not wholly consistent – evidence of limited improvements for the VIM population, but a more general finding of no effect for those on compulsory income management.

Turning to more general individual and community outcomes, most studies found positive perceptions of improvement reported by some participants and intermediaries. These reports, however, were not necessarily consistent within and between groups. More importantly, when perceptions of gains, for example in school attendance, were compared with actual changes as recorded by schools, they were not supported. In addition, while some studies found results which, in isolation, might suggest gains, these did not form part of any persistent pattern of improvement, as would have been anticipated. Furthermore, as was the case with financial harassment (see *Significant NIM evaluation findings*, above), closely related behaviours indicated contradictory patterns. For example, in the NIM evaluation while Indigenous respondents reported fewer problems because of others asking them for money, they more frequently asked others for assistance, and there was no overall positive change in their perceptions of the incidence of financial harassment at the community level.

The question of increased dependence has been raised consistently across many of the studies, including both of the two major policy reviews. The finding of the NIM evaluation in this regard is well supported.

The NIM evaluation reports that income management disproportionately impacts on Indigenous Australians. In large part this question is not considered by other studies; however, the PBIM study suggests that Indigeneity only makes a minor direct contribution to the likelihood of being on income management under this program.

Reflections on the evidence and interpretation

The above analysis shows that once the scope and methodologies of individual studies, along with some of the caveats present in reports, are considered, there is a degree of consistency across the research as to the impact of income management or, more precisely, the lack of impact of the program on changing adverse outcomes and behaviours, in particular for those placed on the program on a mandatory basis. This raises the question as to why there continues to be a persistent view within government that the program should be maintained, and indeed expanded.

This is considered in this final section, focusing initially on how the findings of the research have been portrayed by government.

On interpreting the findings

Was the NIM evaluation out of step?

The above analysis would suggest that while more robust than those of many of the other studies, the NIM evaluation findings tend to build upon these studies. To the extent there are differences, these relate to the NIM evaluation going beyond simply relying upon the perceptions of participants and certain intermediaries as they were reported to, or interpreted by, evaluators, to directly measuring outcomes. This is consistent with the scale of this evaluation.

Also relevant are differences in the scope and nature of the various income management regimes which have been implemented and evaluated. Other than the early studies of NTERIM, most evaluations have concerned VIM and CPIM only.

While also applying a narrower program scope, the PBIM evaluation had a number of methodological similarities. As with the NIM evaluation, this found some positive, although limited, outcomes for VIM, but these findings were not replicated for those on the compulsory elements – the primary focus of the NIM evaluation.

Why a perception of inconsistency?

One of the reasons a sense of inconsistency may have arisen is as a consequence of repeated selective use of evaluation findings. This is examined below with regard to the first NIM evaluation report, and then the short-term PBIM and the APY Lands reports.

Government reporting of the findings of the first evaluation report on NIM

The first NIM evaluation report presented key findings: ‘Taken as a whole there is not strong evidence that, at this stage, the program has had a major impact on outcomes overall. Although many individuals report some gains, others report more negative effects’ (Bray et al. 2012: xxiii), and ‘more generally our analysis suggests that for many people the program largely operates more as a means of control rather than a process for building behaviours or changing attitudes or norms’ (2012: xxiv).

Minister Macklin’s press release (2012) stated the report ‘found that among Indigenous people on income management in the Northern Territory, there was a statistically significant perception of an improvement in their ability to afford food’, and that it found ‘income management may make a contribution to improving wellbeing for some, particularly those who have difficulties in managing their finances or are subject to financial harassment'.

The first part of the Minister's statement, the perception of being able to afford food, is a partial quote and omits the second half of the report text, which provides an important qualification to these reported views. The full point reads:

> Amongst Indigenous people on income management, there was a statistically significant perception of an improvement in their ability to afford food. Relative to the control group there was no reduction in the extent to which they reported running out of money for food (Bray et al. 2012: xviii).

That is, while participants had a perception of change, this was not reflected in outcomes. This misleading presentation is even more marked given the specific discussion of the lack of alignment between perceived and reported changes in the ability to have enough money for food in the report (2012: 195–196).

The second half of the statement raises the possibility that the program: 'may make a contribution to improving the well-being of some'. This omits the substance of the preceding paragraph of the report:

> The evidence gathered to date … suggests that NIM has had a diverse set of impacts. For some it has been positive, for others negative and for others it has had little impact. Taken as a whole there is not strong evidence that, at this stage, the program has had a major impact on outcomes overall. Although many individuals report some gains, others report more negative effects. (Bray et al. 2012: xxiii)

On its website the Department presented the totality of the findings as follows: 'One of the findings from the first report, released in November 2012, was that Indigenous communities perceived an improvement in child wellbeing and ability to afford food' (Australian Government 2014).

This again refers to the perception of running out of food, but also adds perceived improvements in child outcomes. Again the evaluation drew specific attention to the lack of consistency between perceived and actual changes. It cited earlier studies: 'For example, the NTER evaluation found that participants in NTER communities had much more positive views about the effects of the NTER in relation to factors such as school attendance than were actually reflected in the rates of school attendance' (2012: 196) and, looking at data on changes in school attendance, emphasised the 'considerable gap between perceptions and actual change' (2012: 214), repeating this in the conclusion: 'Indigenous people subject to income management … reported strong perceptions of improvements … cautions need to be exercised in interpreting these findings. … such perceptions are not confirmed by objective data where it is possible to test this' (2012: 255). (The final evaluation report discusses some of the reasons why this occurs (Bray et al. 2014: 167-168)).

Government reporting of the findings of the PBIM and APY Lands evaluations

In response to the short-term PBIM and final APY Lands evaluation reports, released in 2014, the then Minister Kevin Andrews presented the findings as:

> Mr Andrews said the reports show income management is helping individuals and families to better budget and stabilise their lives.
>
> ‘The reports found that the vast majority of people who volunteered for income management were positive about the initiative, reporting lower stress levels and marked improvements in their ability to manage their money.
>
> ‘In addition, those on voluntary income management reported they had reduced their use of substances such as alcohol and in the APY Lands there were also improvements reported in child well-being (Andrews 2014a).

Notable in this presentation is that only the results of the PBIM evaluation for those on the voluntary measure were cited, not the results for the overwhelming majority of participants who had been placed on compulsory measures. While the PBIM evaluation identified some positive outcomes for those on VIM, the evaluators clearly reported that these were not replicated in the study for those on the compulsory measure.

The media release also addresses the APY study. The release’s ‘finding’ with respect to substance abuse compares with the text of the report: ‘Overall there is mixed evidence at this stage for the effect of income management on substance misuse and gambling, with different community members having different views and perceptions’ (Katz & Bates 2014: 38). Nor is the optimistic cast of the Minister’s language tempered by other findings such as: ‘the survey found high levels of deprivation in the community, with over 70 per cent of participants saying that they had run out of money in the past four weeks’ (2014: 21).

The second Ministerial reference to the APY evaluation concerns ‘improvements’ in child outcomes. The report was much less definite on this: ‘the majority of participants were non-committal about changes in child wellbeing. Of those who did respond, most felt there had been no change’ (2014: 33). The evaluation further indicated that the

> findings should all be considered in the light of the methodology for this project, which is primarily based on the views of community members … therefore the findings are not able to provide indications of changes in overall community wellbeing resulting from the implementation of income management through outcome measures such as school attendance, child health assessments, child protection notifications, crime rates, or changes in spending patterns’ (2014: 42).

The Department of Social Services on its website summarised the final findings of the Deloitte study as showing that improved financial management, the reduction of harassment and abuse relating to welfare payments, confidence in saving and spending, and improved housing stability were the most positive outcomes for people participating in Placed Based Income Management. (DSS 2015b)

As with the ministerial statement, this focuses on 22.3 per cent of the PBIM population on VIM – not the 77.7 per cent on compulsory income management. As the evaluation reported: 'For VIM customers, PBIM appeared to have a positive impact on their capability to better save and spend their money … VULN-AT did not demonstrate a significant improvement in their capability or confidence in saving or spending their money' (Deloitte 2015b: ii–iii).

Limitations of the program evaluation approach

Before concluding this review of the evidence from the evaluations of income management, there is value in considering what such evaluations fail to do. Malezer (2013) refers to the tendency for evaluations to be framed by government and mainstream non-Indigenous perspectives rather than by the priorities and needs of Indigenous people themselves. Associated with this, as is more generally recognised in evaluation literature, is the narrowness of program evaluation, which is solely concerned with what has happened against the objectives of the program (see Stufflebeam 2001; Ahlenius 1997). In the context of the NTER, strong criticism also comes from Altman & Russell (2012), who conclude that 'evaluation becomes another technique of governmentality and an obfuscating tool. Evaluation in the context of the Intervention then has been effectively divorced from the issues it seeks to assess' (2012: 19).

While the NIM evaluation was undertaken in a classical program evaluation framework, this wider concern was addressed in an epilogue chapter to the final report (Bray et al. 2014: Chapter 16). This chapter arose from the final community feedback discussions:

> 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 (2014: 326).

Specific issues raised included: better employment opportunities within communities; addressing housing, especially overcrowding; education; and persistently 'the need for policies to be built up at the community level and implemented by communities' (2014: 327).

Conclusion

Since its introduction in 2007 income management programs have been subject to a substantial number of evaluations. The nature of these evaluations, the forms of income management studied, and the findings have varied. Notwithstanding this, some clear themes emerge:

- In all but PBIM the program has disproportionately impacted on Indigenous Australians.
- There are mixed views about the program from those who are subject to the measure and those working with them or involved in the implementation.
- Although questions about perceptions of change are frequently, although not universally, answered in the positive, these findings are not supported in studies using objective, and repeated, measures of outcomes and change.
- To the degree there have been any impacts on outcomes, these are for people who have chosen to go onto VIM. In contrast there is no evidence of such impacts for those placed on compulsory income management under generalised categorical targeting.
  - The evidence base of the smaller highly targeted compulsory measures is less substantive and more reliant upon qualitative information, but suggests potential benefits where individuals are motivated to make changes and are supported by case workers and other interventions.
- There are recurrent concerns that the program is creating dependency rather than fostering independence.

In this context claims that the findings of the NIM evaluation were inconsistent appear to be misplaced.

Rather, claims of inconsistency are likely to arise from a desire to 'prove' program success. This has been done through several processes: selective use of individual results rather than concern about consistency or overall impact; failing to differentiate between various implementations of income management, especially voluntary relative to broad-scale compulsory programs; and reliance upon reported perceptions of change, rather than on actual measurement of change and outcomes. While the motivation to justify the success of programs might just be political expediency, the persistence of this behaviour points towards a more concerning situation where the level of commitment to the program, within elements of government and the bureaucracy, has resulted in a process of rejection of evaluation findings when contrary to their belief in the program.

Finally it needs to be noted that the top down imposition of the policy may not only have detracted from any potential positive impact, but has further marginalised groups, including Indigenous Australians, and deprived communities of the opportunity to participate in building solutions to the problems that they see as being their priorities. This has not been strongly addressed in the evaluations, which have instead been structured to focus on more limited questions of implementation and program-specific outcomes.

Acknowledgements

The author was a researcher in the consortium contracted by the Australian Department of Social Services (then the Department of Families, Housing, Community Services and Indigenous Affairs) to undertake the evaluation of New Income Management in the Northern Territory. An earlier version of this paper was presented at an Academy of the Social Sciences in Australia workshop 'Examining Income Management Programs in Australia' held in Melbourne, 16–17 July 2015. I am grateful to participants at the conference for their comments on this earlier version.

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Endnotes

[1] Similar approaches are used in a number of countries with varying degrees of targeting and control, including the UK 'Azure Card' issued to some asylum seekers; 'Money Management' in New Zealand for some youth; and the Supplemental Nutrition Assistance Program ('Food Stamps') in the US.

[2] This involves 80 per cent of income support payments being placed on a debit card which cannot be used to access alcohol or cash. During the 12 month trial period in Ceduna, and Kununurra and Wyndham income mangement programs in these locations have been suspended.

[3] Renamed Department of Social Services (DSS) in September 2013.

[4] The underlying reasons for this include usual respondent biases such as social desirability and attribution, but also the cultural context (see Bray et al. 2014: 168).

[5] The legislation prescribes a restricted range of goods as being 'priority needs'.

[6] The study documents the reasons why this finding cannot be simply ascribed to the differential consumption patterns of low-income households.

[7] The problem of financial harassment, also referred to as humbugging, is mainly associated with Indigenous communities where it can involve a corruption of traditional sharing arrangements. There was no change identified for non-Indigenous people on compulsory income management.

[8] Indigenous people on compulsory income management reported a statistically significant worsening in people 'hassling for money', while those on VIM reported a statistically non-significant improvement.

[9] Child Protection Scheme of Income Management.

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