Income Management Discussion Paper

Centre for Excellence in Child and Family Welfare

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Contents

Executive Summary

This paper provides an overview of the evidence supporting Income Management schemes in Australia whilst providing insight into the political context in which it developed. IM has developed overtime from being part of an ‘emergency response’ to a normalised government policy that appears to be expanded. There have been numerous evaluations conducted on Income Management programs and trials within the last decade, but they have varied considerably in their level of detail and academic rigour. Overall the evidence base for Income Management remains weak. Research does reveal that in some circumstances Income Management can be effective at meeting some objectives, but there are concerns that it is likely to make people more dependent on welfare in the long-term. Government discourse suggests that there are many aims of IM. These relate to reducing expenditure on vices such as drugs alcohol, tobacco, pornography and gambling, increasing expenditure on essential items, improving financial management, reducing dependence on welfare, and improving family and community outcomes. This paper will conclude with several alternative policy responses with strong evidence bases for their effectiveness at meeting their aims.

List of acronyms

CIM: Compulsory Income Management

CYWRT: Cape York Welfare Reform Trial

CPIM: Child Protection Income Management

FRC: Family Responsibilities Commission

IM: Income Management

NIM: New Income Management

NTER: Northern Territory Emergency Response'

PBIM: Place Based Income Management

VIM: Voluntary Income Management

SPAR: Supporting Persons at Risk

What is income management?

Income management refers to a government policy whereby access to a portion of a person’s regular welfare payments is restricted. The percentage of the individual’s payment/s that is restricted varies according to the specific scheme, but generally ranges between 50% and 80%. Conditions are put on this portion of their income and access is generally restricted by diverting the payment away from their regular account into a different account administered by the scheme. The quarantined payment can be accessed by a specific card which also allows for online payments, but not the withdrawal of cash. This quarantined income commonly prevents expenditure items such as alcohol, gambling, tobacco, pornography and drugs (as they usually requiring cash payment). Some IM schemes have required subjects to spend the payments at a restricted number of shops that were equipped to deal with cards such as the Basis card, whilst other schemes worked on regular EFTPOS machines. In Australia there are examples of both compulsory IM programs and voluntary programs.

Key themes/messages across the academic literature on IM

- Income Management evaluations have often reveal mixed results and the evidence supporting their effectiveness is limited (Taylor et al. 2016; Parsons et al. 2016; Klein 2016)
- There are often inconsistent views between people subject to IM, people working with participants and those implementing the program (Bray 2016)
- Frequently evaluations reported positive perceptions of change; however these perceptions were generally not supported by more robust evidence of change (Bray 2016).
- Whilst there may be some short term improvements regarding recipient's expenditure habits, several Australian evaluations suggest income management could be leaving people more dependent on welfare long-term and detract from their skills managing money into the future (Orima 2010: 12; DSS 2014: 69; Bray et al. 2014)- this was particularly true of voluntary IM where people were offered additional income for volunteering (FaHCSIA. 2012; Bray et al. 2014; Katz & Bates 2014).
- On this issue the Government appears to be oversimplifying the causes of complex social problems- silent on broader structural and systemic causes of disadvantage and social exclusion- instead framing it as individualised economic mismanagement (Mendes 2017; Lovell, 2016; Parsons et a 2016; Mendes 2013)
- The government appears strongly in favour of IM and is selective in the evidence it uses in public discourse (Bray 2016; Lovell, 2016)
- Consultation is often a technocratic exercise that does not meaningfully engage members of the community for their opinion and insight. Consultations have often been lacking transparency and opportunities for the general public to participate (Parsons et al 2016).
- Little consideration has been given to cost effectiveness of IM and alternative policy responses- several critics note that IM is very expensive (Parsons et al 2016)
- Policies such as IM are very difficult to evaluate- particularly assessing attitude and behaviour change and categorically isolating other externalities that may affect results (Bray et al. 2012; Mendes et al. 2014; Mendes et al. 2013)
- Whilst conditional welfare policies can be found around the world, Australia is the pioneer in Income Management. Other countries have tended to experiment with schemes such as Conditional and Unconditional Cash Transfers rather than Australia's IM schemes. New Zealand is beginning to implement IM schemes (Humpage, 2016).
- There is a difficulty in isolating the impacts of IM schemes from their associated increases in support services (Lovell, 2016; Parsons et al. 2016).

Bray et al. (2015) suggests that the other services may well be resulting in positive biases towards IM in the data collected across evaluations.
- Several evaluations have not adequately considered comparative or control groups to account for external variables (Parsons et al. 2016)
- The evaluations vary in their rigour, detail and the questions that they seek to investigate (Parsons et al. 2016; Bray 2016). Several academics have noted that the level of evidence obtained through some evaluations is 'quite low' (Hunt, 2017; Parsons et al. 2016; Lovell, 2016)
- Several IM evaluations have often relied on self-reported qualitative measures (Hunt, 2017)
- Most IM programs have been launched as trials- but they have been extended and continued indefinitely. There is little evidence of communities being consulted regarding the extension of trials (Parsons et al. 2016).
- The Parliamentary Joint Committee on Human Rights concluded that IM should only (PJCHR 2016: 62)
- Further marginalisation of disadvantaged groups (primarily indigenous Australians) has not been a focus in evaluations, but many commentators have highlighted this as a concern given IM top-down nature (Bray 2016; Altman 2016; Bielefeld, 2012).

Where IM appears to be most effective

- Where individuals have been assessed by a social worker or community panel and IM has been identified as a suitable option to address their specific needs (Bray et al. 2016).
- IM success has mostly been with voluntary participants (Parsons et al. 2016)
- where people have received IM as part of a holistic suite of services (see FaHCSIA 2012 for the Cape York Model) to address particular challenges they are facing (Parsons et al. 2016).
- when people are committed to making positive changes with regards to issues they are facing (Parsons et al. 2016)
- where there have been proper conversations with individuals to discuss IM and how that may improve their personal circumstances prior to being signed up to a scheme- better understanding, more consultative, less stigmatising, more likely to get the individual 'on-board' (Parsons et al. 2016).
- IM has been used as a short-term intervention for a specific purpose with specific goals (instead of the ongoing/permanent nature of most of the IM interventions).
- Consultation regarding the proposed IM scheme should be open, transparent and available to the general public (not just a pre-selected group of community leaders whose views and concerns may not reflect those of the people that will be subjected to the scheme) (Parsons et al. 2016).

The political context and justifications for IM

From an emergency response to a normalised policy

Australia was the first country to develop income management. Following the release of the *Little Children are Sacred Report* by the Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse (Wild & Andersen 2007), the Howard government reacted with the military-led Northern Territory Emergency Response (NTER) which included the quarantining of welfare payments of Aboriginal people in remote communities. Income management under this policy was framed as one aspect of a crisis response. This first example of compulsory income management drew strongly from a 2007 report conducted by Noel Pearson *From hand out to hand up* (Mendes 2013:498). The report recommends that welfare payments should be dependent upon meeting several requirements. These criteria consisted of parents ensuring a 100% attendance rate of their children at school, parents preventing neglect or child abuse, refraining from substance abuse, gambling or family violence and adhere to public housing rules (Pearson 2007). Behrendt and McCausland (2008) claim that this report had a significant impact on policy positions of the coalition Government and then Labor opposition in the years to come.

During the NTER period, the welfare of children and safety of children from sexual abuse was used as a justification for the government to restrict how ISP recipients could use their money Lovell 2016:440). Minister for Indigenous Affairs Mal Brough argued that the 'combination of free [welfare] money (in relatively large sums), free time and ready access to drugs and alcohol' had created 'appalling conditions for community members, particularly children" (Parliament of Australia 2007: 2). This further illustrates the political discourse attributing complex social problems with the poor economic decisions of individuals. Other NTER policies included compulsory leasing of the communities, more intense policing, high fines for alcohol and pornography and removal of cultural considerations in sentencing and bail hearings. The recommendations from the report to improve the safety of Aboriginal Children were not adopted as part of this. This Income Management response was supported by the Labor opposition at the time.

IM was further normalised under the new Rudd Government from 2007 where the NTER was replaced with New Income Management (NIM) (Lovell 2016: 441). It would affect all ISP recipients across the Northern Territory and would not be restricted to Aboriginal people like the previous policy. It would no longer be framed as a response to a crisis, instead an ongoing measure used to combat welfare dependency. They continued simular rhetoric to the previous coalition government regarding the social harms caused by welfare dependence, the responsibilities recipients need to demonstrate, and how IM can reduce dependence on welfare. This is shown by the language used by the former Minister for the Australian Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) Jenny Macklin. She publicly stated that "[t]he Government is committed to progressively reforming the welfare and family payment system to foster responsibility and provide a platform for people to move up and out of welfare dependence" (Macklin 2009).

Successive Commonwealth Governments have invested heavily in IM programs over the last decade. In a Background Note to the Parliament of Australia, Buckmaster, Ey & Klapdor (2012) estimated that the development and implementation costs of IM programs between 2005–06 and 2014–15 to be $1 Billion (which does not cover the entire costs).

Lovell (2016: 442) suggests that the political rhetoric across successive recent governments is likely to have contributed to the normalisation if IM.

Income Management and the present political climate (2014-2017)

In 2014 the then Abbot-led coalition government requested mining magnate Andrew Twiggy Forrest to lead a review into Indigenous training and employment following an election promise. Recommendation five of *The Forrest Review: Creating Parity* was a "Healthy Welfare Card" (Forrest 2014: 100-107). This would be a cashless debit card on which all welfare payments would go that would prevent spending on drugs, alcohol, gambling and pornography. The review appears to distance the "Healthy Welfare Card" (HWC) away from 'income management" as it would use EFTPOS facilities as opposed to separate machines needed for the BasicsCard. Whilst the report claimed improved life outcomes for those on the BasicsCard, it deems the card unsustainable and too problematic in its current form (p.102). Forest 2014:90) claimed that the HWC would help to improve school attendance by removing the distractions of alcohol, gambling and drugs, as well as manage their income more effectively, save for big expenses, and encourage investment "in a healthy life" (p.101). The report suggests that a successfully implemented HWC would also reduce the previous cash welfare system as an "irresponsible social experiment" (p.104).

Dr Shelley Bielefeld of the University of Western Sydney in Klein (2014:14-16) criticised the report for how it framed the Northern Territory's BasicsCard as having 'demonstrated ... benefits to welfare recipients'. Bielefeld highlights that the review failed to engage with the existing academic literature on IM and the extensive evaluations (Bray et al. 2012, 2014) of New Income Management that concluded the policy failed to meet its aims. Bielefeld also draws attention to the review's lack of engagement with human rights concerns raised in the 2013 Parliamentary Joint Committee on Human Rights Report.

The "Healthy Welfare Card" recommendation from the report was embraced by the coalition government and continues to act as the foundation by which the government promotes the Cashless Debit Card model. Mr Forrest has also continued to campaign strongly on the policy issue, including an advertising campaign (ABC 2017a).

The current Turnbull-led coalition Government is clearly intent on finding further opportunities to expand IM across Australia. The 2017 budget revealed an additional allocation of $145.5 million to expand current IM programs across Australia (Australian Government 2017: 152). All current income management trials were extended for a further year until 30 June 2019. This also included extended funding for the now-called ‘Money Support Hubs’ which operate in the same regions as the IM trials.

In 2017 the Interim Evaluation of the Cashless Debit Card trials was released and was widely publicised by the current government as a “success”. Before the release of the full evaluation, they have announced that it will be extended for a further year across the current sites, and expanded to two new locations in September 2017 (Australian Government 2017b:4). The Department of Social Services claim these two new locations will be chosen according to “community readiness and willingness, high levels of disadvantage and welfare dependence, and high levels of social harm caused by alcohol, drugs and gambling” (p.4).

The Cashless Debit Card trial legislation (which was proposed by the coalition) was supported by the Labor party who allowed the bill to pass the senate in October 2015 (The Guardian, 2015). Only the Greens and the then Senator Ricky Muir stood against the proposal. The Greens have remained strongly opposed to compulsory IM arguing that there is a lack of evidence to support it, and instead money should be spent on better funding support services (The Greens 2017, 2016).

In the 2017 budget, it was announced that the government are planning a trial whereby ‘welfare quarantining’ will be introduced for Newstart Allowance and Youth Allowance (Other) recipients who fail a drug test Australian Government 2017b(3-4). The trial that is scheduled to begin in January 2018 will randomly drug test 5000 people receiving payments in three (yet to be announced) areas. The cost of the trial has not been released as it is subject to commercial-inconfidence (p.3). Job-seekers who test positive to more than one drug test will be referred to a medical practitioner for an assessment and provided treatment options. Treatment programs can be included in people’s job plans and jobseekers can be exempt from the standard mutual obligations as they focus on addressing their barriers to work. A “data-driven profiling tool” will be used to identify jobseekers who are at higher risks of substance abuse which will inform who is selected for the trial. People who fail the drug test will be forced onto an income management scheme for a period of two years and be subjected to further random drug tests.

The drug testing and income quarantining announcement came under scrutiny from bodies such as the Victorian Council of Social Services (VCOSS) who claim the so-called ‘random’ nature of the trial is in fact discriminatory as it targets people “because they are poor” (VCOSS 2017).

In July 2017 the New South Wales Premier acknowledged that the state government is considering implementing something similar to the Cashless Debit Card following meeting with Andrew Forrest (ABC, 2017b). Whilst not disclosing any plans, the premier indicated they were looking at rural and remote parts of the state that they thought could benefit from income management.

New Conditionality

Mendes, Marston and Katz (2016) state that IM is a sign of the broader political shift affecting the social contract regarding the role of social security. They argue welfare is no longer being presented as an individual right, but it is now being used as a mechanism used by government to encourage desired behavioural change. Welfare payments and services often involve a level of 'conditionality' which requires individuals to demonstrate certain behaviours or changes to receive or continue receiving government payments.

Policies such as Income Management are symptomatic of 'new conditionality' (Taylor, Gray and Stanton 2016) or 'new paternalism' (Dee 2013). New conditionality or new paternalism differs from regular conditionality in that it seeks to alter additional behaviours previously considered to be private, influence social norms, apply conditions that seek to counter the perceived negative consequences of welfare and a sense of paternalism whereby the government knows best how individuals should behave. Lastly it is punitive as it does not offer additional monetary incentives for behavioural change, simply additional conditions (Dee 2013:275).

Reeves and Loopstra (2016) suggest that the move towards greater conditionality in welfare is indicative of 'neoliberal governmentality' (Foucault, Davidson & Burchell 2008) whereby citizens are subject to more intense surveillance and intrusion. According to this view, citizens deemed unproductive are deliberately placed into greater insecurity and anxiety to motivate the desired behaviour change. This serves to create new institutionalised social norms regarding the rights and obligations of citizens (Rose et al. 2006). Greater supervision of welfare makes it easier for government to frame welfare recipients as 'deviants' in the political discourse (Maki, 2011). Thomas and Buckmaster (2010:2) suggest new paternalism is marked by the government taking the role of a 'benign parent' and in the same way as a parent have "the right and the obligation to overrule the preferences of those deemed incapable of knowing their true interests".

The 'new paternalism' and additional conditionality in Australia can be linked back to 1998 where the phrase 'mutual obligation' was popularised by the Howard Government (Harris 2001:19-23). Surveillance of welfare recipients in Australia significantly increased over the late 1990s following several reforms (Parker and Fopp 2005).

One major shift that the Howard Government achieved in the political discourse was a move away from a collective government and community responsibility of the disadvantaged members of our society, towards the obligations and self-reliance required of all individuals (Mendes 2009: 109; Carney 2011). This also included a concerted effort from the government to distinguish welfare-recipients from the rest of the population and label them as ‘dependant’ on welfare, not dissimilar to drug addicts (pp.105-106).

Mendes (2009) argues that the Howards government’s approach to welfare was been somewhat paradoxical. Whilst largely neoliberal in philosophy, the Howard Government’s expenditure on social welfare programs increased. This trend has seen some stark contrasts between ‘the deserving poor’ being offered additional services whilst some groups deemed undeserving of welfare have been treated more punitively. This distinction was highlighted in 2005 where the then Treasurer Peter Costello suggested that family payments should only be directed towards ‘good parents’ and taken from ‘bad parents’ that failed to demonstrate a particular set of values (pp.106-107).

Marston, Cowling & Bielefeld (2016) highlight the stark differences in the social policy approaches of IM and the National Disability Insurance System (NDIS). They suggest that IM recipients are framed as the ‘undeserving poor’ who require additional supervision to ensure their welfare is not misused. On the other hand, the NDIS is being framed as a milestone policy which will provide choice and help to empower people who deserve to be treated with greater dignity. The NDIS seeks to address structural injustices whilst IM appears to divert attention from structural issues towards individual responsibility for their circumstances.

Another recent example of mutual obligation was a 2013 decision towards the end of Gillard’s Prime Ministership. This meant that single parents whose youngest child had reached eight years old were moved from the sole parenting payment onto the onerous Newstart Allowance which requires individuals to spend significant time completing job applications or face significant financial penalties (Brackertz 2014:390). This unemployment benefit has continued to been shown to be inadequate to meet basic needs, particularly vulnerable single parents trying to care for their families (Morris and Wilson 2014; McKenzie, McHugh and McKay 2016).

New levels of welfare conditionality have been observed in other countries such as the United Kingdom (Reeves and Loopstra 2016). They have recently experienced a sharp increase in requirements made of recipients and harsher penalties for non-compliance. This is demonstrated by almost a doubling in the sanction rate between 2009/10 and 2014/15 from 2.6% of claimants being sanctioned per month up to 4.5% (p.2). Lonne et al. (2009) argue that child protection in the UK has been increasingly used as a ‘Trojan horse’ to increase surveillance systems on individuals or families thought to be creating problems or deemed dependant on welfare.

Policy Aims of IM

There has been some variation in the specific aims of different income management policies over the last decade, but there are general consistencies. Taylor et al. (2016:17) identifies that compulsory income management is somewhat unique in that it aims to achieve community wide outcomes through focusing on reducing individual’s substance use.

The objectives of Income Management according to the Social Security Legislation state that (Australian Government 2017c):

“Income management is a key tool in supporting disengaged youth, long-term welfare payment recipients and people assessed as vulnerable, and is aimed at encouraging engagement, participation and responsibility. The key objectives are to:

- reduce immediate hardship and deprivation by directing welfare payments to the priority needs of recipients, their partner, children and any other dependents,
- help affected welfare payment recipients to budget so that they can meet their priority needs,
- reduce the amount of discretionary income available for alcohol, gambling, tobacco and pornography,
- reduce the likelihood that welfare payment recipients will be subject to harassment and abuse in relation to their welfare payments, and
- encourage socially responsible behaviour, particularly in the care and education of children.”

The Australian Government’s current website (Department of Social Services 2017) claims that Cashless Debit Card trail aims to:

- Identify the best possible ways to provide support to people, families and communities in areas where there are high levels of welfare-dependence and substance abuse
- find an effective tool to reduce the consumption and effects of drugs, alcohol and gambling that impact on the health and wellbeing of communities, families and children.
- help stabilise a person’s situation

The reasons stated above show similarities to the previous Labor Government. According to Mendes et al. (2013:2), back in 2012 the Federal Government's aims for all IM programs were to:

- ensure that priority needs of the individual, their children and other dependents are met
- strengthen participants' financial capability and skills to reduce risk of hardship and crisis
- provide stability to enable disadvantaged people to better engage with the community, employment and education
- promote socially responsible behaviour, particularly in relation to children
- reduce the amount of funds available to be spent on excluded goods, including alcohol, home brew kits, home brew concentrates, tobacco products, pornographic material and gambling goods and activities.'

What does the evidence say about income management?

Income management has been criticised for emerging from political ideology and agendas for reforming welfare rather than a strong evidence base (Lovell 2016; Bray 2016; Bray et al. 2015; Parsons et al. 2016). The level of enthusiasm used by successive Federal Governments to promote income management often appears inconsistent with its limited evidence base. J. Rob Bray who has written extensively on income management (see Bray 2016b; Bray et al. 2012, 2014) expresses concern that successive governments and bureaucracies have demonstrated such a high level of commitment to IM that it has "…resulted in a process of rejection of evaluation findings when contrary to their belief in the program" (2016: 464). There is a continued tendency for the Federal Government to promote income management in the best possible light by highlighting the signs of success and being silent on the less positive evidence. This is demonstrated throughout the Department of Social Services website (DSS 2017).

There have been numerous evaluations of income management policies in Australia recently. Parsons et. al (2016) and (Bray 2016a) note that IM evaluations have varied in their rigour significantly with the more thorough evaluations providing less favourable findings of the schemes. They also explain that there are many challenges in conducting IM evaluations as it is very difficult to reliably measure the impact they have on the recipients' behaviour. The evaluations conducted have not sought to investigate whether the economics of each scheme stacks up when compared to other policy responses. Whilst cost-benefit analyses have not been conducted, IM has been criticised for the high costs in administering the schemes when compared to the costs for delivering alternative support services.

Despite IM first being first implemented to improve outcomes for children, as of 2016 there is no clear evidence that it has helped to improve child wellbeing despite publicised anecdotal evidence (Parsons et. al 2016: 25).

The evaluations of the NIM and PBIM are the only evaluations that can be considered robust “large-scale formal program evaluations” (Bray 2016a:453).This is due to their use of control groups and longitudinal data they obtained over several years (this is before the evaluations of the Cashless Debit Card). Furthermore, they warn that caution must be used when interpreting evaluation results citing the first NIM evaluation (Bray 2012: 195-196) where perceived and recorded changes often differed significantly. Bray (2016:460) notes that critics of the New Income Management evaluation (Bray et al. 2014) label it as an anomaly amongst other evaluations that appear to be more favourable of IM. However Bray (2016) argues that the NIM evaluation was the only one that relied not just on human perceptions of change, but went beyond this triangulating a wide variety of more reliable data types. Most of the evaluations lacked the “objective, and repeated, measures of outcomes and change” required to make meaningful claims of their effectiveness (p.463) .

Altman (2007) challenges the notion that too much money has been invested into remote Aboriginal communities. Instead he argues that a long term perspective reveals that many of these communities have been chronically under-resourced and not provided the same level of expenditure on basic services afforded elsewhere in Australia. This has resulted in a legacy of inadequate infrastructure and services. He notes however that additional expenditure alone is not going solve the complex socioeconomic problems facing many of these areas.

The Australian Council of Social Services (ACOSS) suggests that some of the underlying causes of the social problems in the communities facing IM include inadequate income, overcrowded housing, lack of employment options, limited education and skills required for the available jobs, severe health problems and long term unemployment (ACOSS 2014: 12). ACOSS therefore argues that government slogans such as ‘intergenerational welfare dependency’ to justify IM are not evidence-based.

Evaluations of Australian Income Management Schemes

- Evaluation of Cape York Welfare Reform (2012)
- Review of Child Protection Income Management in Western Australia (2014)
- Evaluation of the Child Protection Scheme of Income Management and Voluntary Income Management Measures in Western Australia (2010)
- Evaluation of New Income Management in the Northern Territory: Final Report (2014)
- Evaluation of Voluntary Income Management in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands (2014)
- Evaluation of Place-Based Income Management (2015)

- [Cashless Debit Card Trial - Wave 1 Evaluation report (2017)]

Evaluation of Cape York Welfare Reform (2012)

The CYWR is not only an IM scheme, but includes a range of 15 support services to assist people to offer the best care that they can to their families.

The Cape York Welfare Reform (CYWR) differs significantly from other IM schemes in that it sought to empower the local Aboriginal communities in which it was based by giving them a strong level of governance power (Powell et al. 2016: 13-14). It is a joint initiative between The Commonwealth and Queensland governments, regional organisations in Cape York and the four local communities. Consultations with communities were held over two years prior to the implementation of the IM reform in 2008 which strongly contrasts with the approaches of other IM programs. Qualitative and survey data revealed that community opinions of the program continued to improve over the period up until 2012.The evaluation was conducted by a range of consultants and researchers appointed by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

The aims of the CYWR are to “reverse the deterioration of social and economic conditions in Cape York Indigenous communities over recent decades” (FaHCSIA 2012:1). The claim on which the program was founded is that the worsening of socioeconomic circumstances in these communities is associated with “passive welfare dependence”, “individual responsibility” being eroded and well-meaning but counterproductive government policies (p.1). These aims and premise sound similar to other IM programs, but an examination of the details reveals that it has a far greater focus on meaningfully tackling underlying challenges facing individuals. It focusses on improving access to education, promoting economic development and access to housing whilst also aiming to improve individual responsibility.

Income Support Payment recipients are referred to a statutory body called Family Responsibilities Commission (FRC) when they fail to meet a behavioural obligation. These include commitments to sending their children to school, ensuring the safety of their children and a referral is also triggered with criminal offences and tenancy breaches (p15).

The FRC consists of a range of professionals and community leaders. They conduct conferences with the community member where they seek to understand their circumstances. They will then assess whether a level of income management for a period of time would assist them help better manage their finances amongst a host of other CYWR wrap-around supports. These include courses to help improve parenting skills, a program to address family violence, financial assistance, case management to help children engage with school, drug and alcohol supports as well as mental health services. The FRC is solutions-focused, involves the individual in the process and supported by the community.

Whilst a range of positive signs were observed, finding from the CYWR evaluation were not able to establish a causal relationship between the range of interventions and positive perceptions of prosocial behaviour and community change. That said, CYWR was observed as a positive example of procedural justice and community-led policy where individuals were treated with respect. The evaluation deemed the role of the FRC Commissioners to be a successful aspect of the overall reform. However this was more to do with the support, guidance and listening ear they offered individuals rather than the punitive power they exercised in applying compulsory income management (FaHCSIA 2012: 50).

The report suggests that after four years of the trial there were a number of signs that community members felt that their lives were 'on the way up' and that they were experiencing less daily living problems. Dr Michael Limerick acknowledges that whilst some of these improvements are modest, they are perhaps in line with what could realistically be expected at that stage of the social change process (p.2). It found there to be some evidence that CYWR participants had been empowered to take greater responsibility over their affairs and that their personal expectations had raised. It is suggested that these positive changes could lead to further positive behavioural changes that were not yet evident.

It found that the greatest success was seen by CYWR who 'bought into' the program and meaningfully engaged with a range of support services to help them address their particular challenges. Results were least successful for people who were hard to reach and did not engage with support services (p.3).

The evaluation claims the Conditional Income Management component of the CYWR had an impact on encouraging and assisting people to better address the needs of their families and children. However this component could not be isolated from the support and guidance provided by the FRC (p.4).

The report concluded that whilst some of CYWR's improvements may seem subtle, they provide evidence of progress on a level seldom seen in reform programs targeted towards Queensland Aboriginal communities. It also emphasises that the provision of economic opportunities for local people in the region is fundamental to helping people move from welfare dependence (p.7).

Evaluation of New Income Management in the Northern Territory: Final Report (2014)

The evaluation (conducted at UNSW) is the most comprehensive and robust evaluation conducted on IM so far according to Bray et al. (2016). A major focus of the research process was triangulation of the data as sometimes various sources provided divergent results (Bray et al. 2014:xx).The report concluded that overall there was a weak improvement regarding outcomes for some people on VIM, but overall no changes for people on compulsory income management (Bray et al. 2014). It found that NIM was expensive and overall ineffective at achieving its stated aims. Where there were identified positive changes regarding wellbeing, they were generally consistent with Australia-wide trends making them unlikely attributable to IM.

There were some positive impacts for some individuals such as a reduction in humbugging, some lower expenditure on socially undesirable purchases and examples of families saving more money. However, these individual successes did not amount to community-level changes. Whilst there were very positive reports about improvements in financial management of participants, this was inconsistent with data recording the actual changes. Whilst they suggest these perceptions should be considered, their importance does not outweigh direct measurement of changes when considering the impact of IM.

Final feedback consultations with community representatives revealed they saw little meaningful change with regards to outcomes for children and alcohol abuse. The report was also critical of apparent differential treatment between Aboriginal and non-Aboriginal welfare recipients. It found Indigenous people were substantially less likely to receive an exemption from IM (4.9 %) when they applied as compared to 36.3% for non-Indigenous (2014: 300). Aspects of the scheme intended to equip people with necessary financial management skills such as the Approved Money Management course were largely unsuccessful. Only 3.9% of NIM participants had completed the course (p.xxi).

They concluded that overall the evidence does not suggest IM "…has any effects at the community level, nor that income management, in itself, facilitates long-term behavioural change" (Bray et al. 2014: 320). Instead of empowering people with skills to manage their income and become less dependent on welfare, the evaluation reached the opposite conclusion:

"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 (Bray et al. 2014: 320)".

The evaluation did find some evidence that NIM can be successful in certain circumstances when used as a form of harm minimisation for highly vulnerable people before receiving other services. They reiterated that it is unlikely that NIM will build these people's capabilities as this requires additional support services to address underlying issues (p.xxii).

The report was critical of the large-scale nature of NIM which meant it was unable to meaningfully address the individual circumstances of people placed on the scheme (p.xxii).

Cashless Debit Card Trial - Wave 1 Evaluation report (2017)

On 14 May 2017, the Commonwealth government made the decision to extend the current cashless debit card trials that have been taking place in Ceduna (South Australia) and the East Kimberley (Western Australia) until 30 June 2018. As part of the 2017-18 budget, the government also announced an expansion of the trial to a further two locations from 1 September 2017.

Based on results at the halfway mark of the trial, there have been some positive outcomes for a minority of the trial participants who were able to save more money and spend less on alcohol (Orima 2017). However the majority of participants who had their payments compulsorily quarantined report that the scheme had no impact or made their lives worse. There is limited evidence in the evaluation commissioned by the government to attribute any reduction in harm associated with drugs and gambling to the card.

The evaluation presents data in ways that emphasise the positive impact of the scheme. It highlights that, of the 66% participants who reported drinking alcohol, taking drugs or gambling during or before the trial, 33% reported a reduction in at least one of these things. However, this means the vast majority of participants in the scheme did *not* report a reduction in alcohol, drugs or gambling.

The evaluation's strong conclusions do not reflect the mixed findings throughout the report, particularly some of the data contained in the lengthy appendices of the report. Despite the evaluation only being at the halfway mark of the trial, and despite many community stakeholders warning that it is too early to assess the scheme's effectiveness, the Commonwealth government is already proceeding as though this approach to welfare reform has been a success.

Evaluation of Voluntary Income Management in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands (2014)

The evaluation of the VIM in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands was conducted by the Social Policy Research Centre at UNSW (Katz &Bates 2014). This area consists of the remote north-western corner of South Australia. The evaluation was less detailed than others and lacked resources to triangulate data and collect longitudinal data. The report was released two years after the implementation of the scheme. Representative sampling was not used. Problems in obtaining case file information resulted in the review having less extensive data than they envisaged.

The evaluation drew from qualitative and quantitative data obtained from community members as well as Department of Social Services resources. The report found that the community members were in favour of IM following a consultation process (Katz & Bates 2014:1). Reasons for wanting IM generally included humbugging, substance abuse, gambling and child neglect. Unlike most IM programs, most people on IM were voluntary participants.

It found that there were positive aspects of the scheme, but overall the measurable outcomes were limited. Whilst the reliable data pointing to positive change was restricted, community members were generally of the view that the scheme had a positive impact.

The evaluation makes clear that the majority of the evaluation is based on the views of community members. Therefore it is unable to definitively conclude whether or not the income management has been effective at meeting its aims. According to community members, the biggest success of the program was a perceived reduction in humbugging (p.2).

The report concluded that the range of social issues raised by the community is complex, and that income management alone may not be able to make meaningful change across all of these issues (p.2).

Evaluation of Place-Based Income Management (2015)

The aims of the Place-Based Income Management (PBIM) according to the report are to improve people’s financial stability and redirect funds towards essential items. PBIM has included five locations across Australia since 2012.

The scheme has three streams (Deloitte 2015: i):

- The Voluntary Measure (VIM): for people who wished to have their income managed to assist with their finances
- The Vulnerable Measure (VULN): a compulsory stream for people judged as vulnerable by a Department of Social Services social worker
- The Child Protection Measure (CPIM): child protection workers are able to refer parents, carers or young people to have their income managed if it is thought it will improve outcomes for a child or young person.

The evaluation was conducted by Deloitte over a period of three years. Similar to the New Income Management Evaluation conducted by Bray et al. 2016, the PBIM evaluation obtained data from a broad range of sources so it could be triangulated. It was obtained through face to face interviews, a longitudinal survey, secondary data, online surveys with stakeholders, as well as focus groups.

The evaluation found evidence that suggested participants who voluntarily participated (VIM) were better able to save money and spend it effectively (p.ii). However people who were compulsory put on IM from an automatic trigger (VULN) were less likely to report that IM assisted them manage their finances (p.iii). This cohort often said that IM impacted their capacity for informal living where cash is required.

Self-motivation emerged as a key theme through interviews with participants and stakeholders when assessing the effectiveness of IM (p.iii).

The evaluation of the PBIM conducted by Deloitte reached positive conclusions regarding the voluntary aspect of the scheme, but did not deliver favourable conclusions regarding its compulsory component.

They found that the PBIM may encourage greater dependency on the program rather than building their capacity to manage their income independently (p.v).

Similarly to other IM schemes, the associated money management courses were not widely taken-up (only 17.4%). The lack of uptake of support services led Deloitte to question whether any budget management skills that participants developed over the period of IM could be sustained after the conclusion of the program (p.iii).

The longitudinal surveys did not identify any sustained or significant change with regards to consumption habits of alcohol, drugs and gambling (p.iii).

A reduction in humbugging was identified by participants and stakeholders over the course of the evaluation.

Longitudinal data did not reveal any improvement in education and care outcomes for children over the duration.

The uptake for the CPIM was low- this was associated with state governments requiring individuals to give consent before being placed on IM (p.iv).

Deloitte made a series of recommendations for government to consider if they are looking to expand the scheme across Australia (p.iv-v). These include:

- Placing financial education as a more central element to IM
- Flexible percentages of IM
- Better relationships with housing authorities
- Improve and expand the network of Basic Card facilities

- Better targeting of PBIM sites
- Implement a formalised transition process for people to take greater control of their income to where they no longer require IM

Deloitte concluded that PBIM should be refocussed on people that are likely to benefit from such a program.

Review of Child Protection Income Management in Western Australia (2014)

The aims of the Child Protection Income Management in Western Australia (CPIM) are consistent with most IM policies with a focus on addressing the needs of children and young people (10. The Review was conducted by the Australian Government Department of Social Services with the assistance of the Western Australian Government. CPIM had incrementally been introduced in Perth and the Kimberley since 2008. CPIM in WA is 70% whilst the voluntary participants have 50% of their payments managed. The scheme operates with the Basic Card.

Mixed methods were used in the review so that data could be triangulated. Sources included case files as well as interviews with CPIM recipients and staff. They claim that due to the limitations of the data, generalisations cannot be drawn from it.

Findings from the evaluation included:

- IM was seen to have some success at meeting needs of participants and their children
- Amongst young people without children, IM was considered to help them manage their finances and pay things such as rent.
- Participants provided both positive and negative feedback on IM. Positives included assisting them to regulate their expenditure to ensure enough they have enough money for important things such as food, clothing and schooling. Negatives included not being able to use their card at many shops that do not have basic card facilities as well as problems regarding payment for transport in the Kimberley.
- Casefile analysis revealed that where people had severe debt problems, income management helped to improve these issues.
- Interviews revealed perceptions that IM could both be empowering and disempowering depending on the person’s circumstances and the availability of support services.

Nearly all participants were reported to be angry at the time they were put on IM (p.14). Attitudes often changed over time as they thought more about how they manage their money. A third of those interviewed wanted to stay on IM, a third wanted to leave IM once they felt they were better able to manage their income and the remaining third wanted to cease IM immediately.

The report found that it was unclear whether IM helped people to develop better financial management skills (p.13).

Evaluation of the Child Protection Scheme of Income Management and Voluntary Income Management Measures in Western Australia (2010)

The first evaluation of CPSIM and VIM in Western Australia was conducted by ORIMA Research (2010). The evaluation found mixed findings with different groups of people reporting very different accounts of its effectiveness. This evaluation used a variety and volume of data sources than the subsequent DSS (2014) review. This included administrative data from Centrelink, Child Protection, financial management service providers, qualitative surveys with clients (including comparison group), surveys from peak welfare bodies and focus groups with community members.

Findings from the evaluation included (pp.8-16):

- 60% of participants interviewed felt that it had made their lives better.
- 60% felt it had made their children's lives better
- Two thirds of CPSIM and VIM participants said that they have recommended it to others
- There was some evidence that CPSIM could be beneficial where there has been child neglect linked to financial problems.
- There was a reduction in the amount of times families were not able to pay for an important purchase after going onto IM.
- Simular to feedback from stakeholders in other IM evaluations, they raised positive and negative potential long-term outcomes that could come as a result. Possible positive outcomes raised included better financial management and budgeting skills as well as better outcomes with regards to family wellbeing. Potential negative outcomes raised included becoming more dependent on welfare by taking more responsibility away from them.
- Most stakeholders agreed that the effectiveness of IM would largely be dependent upon the provision of other support services to address specific issues people face.
- The uptake for financial management supports for both CPSIM and VIM was low. The main reason given for not going was lack of awareness of the program. Stakeholders felt the main reason was a lack of understanding of how such a program could assist them
- AN increased proportion of participants across CPSIM and VIM felt that they were able to save money after IM.

Conclusions (pp.17-18)

- CPSIM and VIM were effective at helping people meet the needs of their children

- There was some evidence to suggest participants were better able to manage their finances, but this was not conclusive.
- A low uptake of financial counselling and money management was a constraint on its effectiveness
- Further dependence on welfare is a risk of this policy
- There were gaps in the understanding of participants regarding the policy and associated supports

Recommendations (pp. 18-22)

- Develop a communications campaign
- Improve communication with participants about how the program works
- Provide training to Child Protection and Centrelink on IM
- Increase the number of stores accepting BasicsCards
- Improve communication with participants about why they are placed on IM and how it will help
- Encourage Compulsory clients when finished to go onto the voluntary scheme
- Give voluntary participants choice regarding the percentage managed

There has been some concern whether Centrelink had addressed all the required considerations before applying Vulnerable Welfare Payment Recipients (VWPR). Following a review of Centrelink decision-making up to June 2012, the Commonwealth Ombudsman found that in only eight of 59 cases had they addressed all the mandatory considerations before making the decision to apply VWPR (Commonwealth Ombudsman (2012).

Are there evidence-based alternatives to income management?

As previously mentioned, the official aims of Income Management programs are quite broad. They include reducing expenditure on vices, increasing expenditure on essential items, improving financial management, reducing dependence on welfare, and improving family and community outcomes. The following sections will provide some alternative evidence-based programs that have proven to improve outcomes across some of these areas. Given indigenous Australians are overrepresented in most Income Management schemes, it will seek to highlight programs that have also been successful for indigenous Australians. The evaluation highlights that longitudinal research is required to assess the long-term impact of FI.

Evidence based programs to improve saving skills of low income earners and deal with financial stress

Matched savings programs (MSPs) begun in the 1990s. They provide an incentive to low income earners to save money by matching their savings they make. The programs vary in the details including the types of conditions that apply to the savings and their duration. MSP is not punitive in the same way that many compulsory IM is as it encourages saving behaviour by offering rewards. It is estimated that there have been 85,000 participants across 1,000 MSPs un the United States since the 1990s Birkenmaier (2014). MSP's in the United States have tended to be up to three years in duration to encourage saving for housing. Other MPS have focussed on other priority areas such as encouraging investing in education. They have also been increasingly implemented across developing countries in Africa to encourage saving for various needs (Lombe et al., 2014).

Saver Plus

Saver Plus is an Australian MSP developed by the Brotherhood of St Lawrence and ANZ bank that has been running since 2004. It is jointly funded by the bank and the Australian Government's Department of Social Services. It is currently available across 60 sites in Australia for low income earners. It is not currently available in all the areas subject to IM. ANZ match every dollar a participant puts into a saving account up to $500 over a 10 month period. They are allocated a worker over this period who can assist them with savings skills and other money-related information. Participants are required to save towards an education-related goal and attend at least 10 hours of the *MoneyMinded* financial education course. It has been subject to numerous evaluations (Fry et al 2008; Brotherhood of St. Laurence 2011; Russell et al 2011; Russell & Kutin 2015; Russell, Stewart, & Cull, 2015). Recent findings reveal that the program is effective at improving long-term saving behaviour amongst participants as well as providing them access to financial education. 94% of participants were found to have continued to save the same amount a year after their completion of the program (Russell & Kutin 2015: 8). Since 2009, the return on investment has been assessed as at least $3.98 for every dollar invested (Russell, Stewart, & Cull, 2015: 14). This investment in education has resulted in better employment opportunities, greater income levels, better financial security and more intergenerational opportunities. Additionally the program overall contributed to greater social and individual wellbeing (p14). Some of the other key outcomes from participants following Saver Plus included (Russell & Kutin 2015: 15):

- 84% of participants encouraged their children and family members to save
- 85% had better control over their finances
- 87% were more able to plan ahead
- 81% were more able to deal with unexpected expenses

- 86% are more able to deal with financial problems
- 48% reduced their dependence on Government benefits
- 39% were able to start a new job
- 93% had greater self-esteem
- 58% had greater connections to the community

Financial Counselling

Financial counselling (FC) is less focussed on addressing the individual causes of financial stress and debt facing individuals, but helps them to manage their overall circumstance. According to Livingstone *et al*. (2009:2), Australia's financial counselling program represents best practice across the world. Historically however it has not been extensively evaluated (Brackertz 2014: 391). It has evolved from an emergency response program in the 1970s towards a community development model with social justice principals. It now focuses on longer term prevention as well as short term interventions. Its contemporary form brings together advocacy, skills and education to empower individuals and referrals to other support services (Pentland, 2006). The program is delivered by a large number of largely not-for-profit bodies across Australia. Advice is either provided in person or over the phone. Central to the program is independence of the financial counsellors to prevent conflict of interest. The program is jointly funded by Commonwealth and State governments. The administration of the program however has been criticised for inadequate and precarious funding as well as a lack of personal development for workers (Guthrie, 2012).

Brackertz's (2014) evaluation was the first substantive investigation in Australia's financial counselling since Schetzer (2007, 2008) which found that 65% of people benefited from the program. Brackertz's (2014) used a randomly selected sample of Salvation Army FI clients which resulted in 225 surveys being completed (p.395). It found that utilities were the source of debt for the most participants with it affecting 56% of respondents (p.399). Stress about the future was the most prevalent stressor affecting 68% of participants (p.400). Findings regarding the perceived effectiveness of FC were very positive. 94% of participants indicated they are more likely to seek help sooner for financial issues after having been through IM (p.401). 75% felt they were better able to manage debt, 74% felt they were better able to budget their income, 69% felt they were more positive about the future and 63% reported an improvement in their mental and emotion wellbeing (p.402). Only 37% of participants however felt they were better able to save money as a result. Whilst this figure appears low Brackertz (2014:403) suggests that this is actually a positive figure given the difficulty it is for many of these people on very low incomes to save at all. The evaluation concludes that FC cannot address the underlying causes of financial stress such as inadequate income and lack of suitable finance options; it can mitigate crises (p.403). Given the case management nature of the program, it suggests that it is most effective when individuals seeking help have multiple financial stressors they are dealing with simultaneously (p.404).

Evidence based programs to improve financial literacy of low income earners

Financial literacy is not simply about knowledge, but acquiring the ability to translate this into positive financial decisions and behaviours Collins & Holden, 2014). This has become an increasingly important area as the world has continued to increase in complexity (Atkinson et al. 2007). Worthington (2013) identified that whilst there has been a big number of financial literacy programs and evaluations conducted in Australia, there had not yet been a comprehensive review conducted. Worthington (2013:5) quotes ANZ saying that financial literacy consists of “The ability to make informed judgements and to take effective decisions regarding the use and management of money”. Worthington (2013:15-16) contends that the amount and diversity of financial literacy schemes available in Australia makes it difficult for marketing purposes for people to understand what is available, and for whom. Lyons et al. (2006) highlight that welfare participants may be wary of disclosing financial information to support services because of fears that they may lose their income.

Wagland and Taylor (2015) state that a review of the literature on Aboriginal financial literacy reveals three major barriers- culture, remoteness and socioeconomic status. They argue that the various considerations of indigenous cultures are rarely properly considered when designing and implementing financial literacy programs. Within Aboriginal families and communities, there is an expectation and understanding that resources are to be shared, without worrying whether it will be reciprocated. Kinship and familial responsibility tends to be far more central to indigenous Australians’ identity than most non-indigenous Australians (Purdie et al. 2010; Peterson and Taylor 2003). Wagland and Taylor (2015) argues this is a major cultural difference that creates a tension with the western expectation that people should take responsibility to put their own financial needs for their future wellbeing ahead of others.

Whilst individual saving is generally promoted as a virtue in western societies, in Australian indigenous cultures it can be considered to be selfish and stingy (Senior, Perkins, & Bern, 2002). Wagland and Taylor (2015) conclude that if financial literacy programs are to be effective in Aboriginal communities, meaningful engagement with culture and understanding is required. They highlight the 2014 *My Moola* Program (pp.43-44) and the financial literacy program provided by the Cape York Welfare Reform (pp.45-46).

In Charge of My Money

The Australian program In Charge of My Money was launched in 2011 following Wesley Mission's third report on financial stress (Wesley Mission 2010). The education program is divided into three modules: these are Know it—Your income and expenses, Do it—Managing your money and Review it—Managing your debt (Zanoni et al. 2016: 43). The program's first evaluation was conducted by Macquarie University and funded by Financial Literacy Australia using a mixed method approach Zanoni et al. (2016). It found that the program is suitable for some of Australia's most socially and economically disadvantaged people, including those facing drug, alcohol and gambling addictions. After reviewing the literature, Zanoni et al. (2016) concluded that the program is is in line with best practice from the available literature (p.9). It concluded that the program was successful at enabling participants to retain useful financial information well beyond the time people completed the program (p.12).

5-12 months after the program, 56% of participants felt they were better able to manage their debt than before the program (p.126). 85% said they would recommend it to their friends. Text messages reminding participants of their goals appeared to have a positive influence on reducing 'emotional spending' (p.119). Only 11% of participants thought that the program could be made more relevant to their circumstances (p.122).

My Moola

The financial literacy program My Moola is based around a series of 10 workshops that address a range of issues relating to money for indigenous Australians (Moodie, Diallo Roost & Dommers 2014: 2). The evaluation was conducted by the Brotherhood of St Lawrence. As with the program implementation, the evaluation was conducted with culture at the forefront. Whilst the evaluation was not able to measure change over time, a variety of data sources were triangulated to strengthen the reliability of the findings. The evaluation concluded that My Moola contributed to positive changes at the individual, family and community levels. It states that whilst it can be used as a stand-alone program, it is most effective when used in conjunction with other relevant support programs as they acknowledge it is often a component of complex issues facing indigenous people. It was concluded that flexibility in its service delivery across sites was key in order to best compliment the range of other services available at a local context (p.32). It also emphasised that using local organisations in the trial sites was important as they are best-placed to understand the unique local circumstances, community considerations and able to maintain respectful relationships with local people (p.23).

Conditional Cash Transfers and Unconditional Cash Transfers

Conditional Cash Transfers (CCTs) and Unconditional Cash Transfers (UCTs) are being much widely trialled around the world than IM (Taylor et al 2016). The evidence for CCTs and UCTs appears to be stronger than that of IM, although it has not been trailed in Australia (Parsons et al. 2016:78). They have been used widely across the developing world to improve health and educational outcomes particularly in poorer areas. As of 2014, UCTs had been introduced in 199 developing countries and 52 countries had CCTs for poor households (Gentilini et al 2014). The evidence suggests that recipients have used the money they have received effectively to assist their families become better off. Whilst several programs have been encouraging, not enough time has passed to assess their long-term impacts. CCTs and UCTs have the benefit of not being punitive in the same way as IM.

They provide additional incentives for families to ensure their children attend school and maternal child health appointments. There is a strong evidence base to suggest CCTs are effective at improving school attendance amongst poor households, however the evidence regarding maternal child health outcomes is mixed (Fiszbein & Schady 2013).

Banerjee et al. (2015) sought to investigate the fear that cash transfer programs were making the poor lazy and contributing to people leaving the workforce. Their analysis across seven randomised evaluations found no evidence suggesting this to be the case. Additionally a 2014 literature review on cash transfers by Evans & Popova for The World Bank found no evidence to suggest that they led to an increase in spending on alcohol and tobacco (Evans & Papova 2014:3).

Evidence based programs to improve outcomes for children and families

After reviewing the aims and effectiveness of IM policies in Australia, Parsons et al. (2016: 45-74) compiled a list of 46 alternative programs that have existing evidence bases, 18 of which had been tried in Australia. Of this, Parsons et al. recommend five interventions they suggest would be most effective working with Aboriginal people: Nurse Family Partnership, The Incredible Years, Multisystemic Therapy, SafeCare and Triple-P. Parsons et al. (2016) emphasise the argument made by Robinson *et al. (*2016) that regardless of the evidence base behind a program, they will not be successful in Aboriginal communities without several careful considerations. These include genuine ongoing consultation with the affected communities, obtaining their consent, and understanding the particular local circumstances.

Nurse Family Partnership

The program for low income mothers involves a nurse regularly visiting a mother between their second trimesters and when the child turns two years old. The nurse provides information across a range of health issues, but also is able to provide referrals to a range of programs for additional supports. Parents are involved in developing individual family support plans and receive encouragement along the journey. Visits range between 1 and 1.5 hours and vary between 20 and 30 over a space of 2.5 years. An evaluation was conducted using a control group which compared NFP's effectiveness across a range of indicators with the regular program (Olds *et al.* 2002). It found the NFP group had continued to make improvements in their lives when compared to the control group two years after the intervention. A follow-up when the children were six years old showed similar results (Olds *et al.* 2004).

The Incredible Years

This Incredible Years is a suite of programs used to prevent as well as treat behavioural issues affecting four to eight year olds by a skilled clinician. The intervention seeks to work with various people in the young person's life with a focus on the child, parents and teachers. The parent programs seek to increase the competencies and confidence of the parents as well as strengthen families (Webster-Stratton & Reid 2011:118). The school teacher component consists of a six day course which covers a range of competencies and seeks to improve the home-school connection for students. The course is captured in a book *How to Promote Social and Emotional Competence*. The child intervention consists of 22 sessions to teach them problem solving and social skills. It is provided with a DVD that shows 180 vignettes. The program seeks to build a range of interpersonal skills in the young person that they can draw upon to deal with different situations they will deal with in their lives. Many evaluations have been conducted on The Incredible Years. The first evaluation conducted by Webster-Stratton, Jamila Reid and Stoolmiller (2008) revealed…

SafeCare

SafeCare is a program that targets parents of children aged 0-5 where there is a risk of child protection involvement or an existing history of child abuse or neglect (Parsons et al. 2016:48-49). The program consists of 90 minute weekly sessions over a period up to 20 weeks. The program seeks to build the skills of the parents to interact well with their children, respond to difficult behaviour, prevent household hazards and respond to various issues. SafeCare is used in Australia (including indigenous families) and overseas, with good evidence of effectiveness with Native American families.

Evidence based programs to improve spending habits and promote positive lifestyle changes

Deadly Choices

Much of the material on income management regards promoting healthier lifestyle choices. The Deadly Choices program is a school-based program for indigenous children to help promote healthy choices and raise awareness of chronic diseases. It "encourages Indigenous young people to be positive role models in reshaping health, lifestyle and physical activity choices among family, friends and networks." (Malseed et al. 2014, 588-599). Participants in the program were aged between 11 and 18. The evaluation consisted of hour long workshops once a week, over seven weeks. A control group was used to compare the findings. The evaluation found that the program was successful at improving knowledge, shifting attitudes and self-belief. It also showed promising signs with regards to improved diets and physical activity before and after the program. Smoking rates of the students dropped from 18.5% to 10.3% (p. 593). Given the small sample size (103), caution should be made in generalising the findings. However the evaluation shows real promising signs with regards to improving health outcomes for young indigenous people.

Gambling Decisions

Gambling Decisions was a six week early stage problem-gambling controlled trail in Canada. It used brief cognitive/behavioural treatment which offers participants the choice between working towards controlled gambling or abstinence (Robson et al. 2002:239). The program seeks to address various underlying issues that contribute to gambling addiction. These include the person's thought processes that relate to gambling, triggers, coping mechanisms and improving self-confidence (p.241).

The sample size was relatively small with 60 of the 79 participants completed the program in the trial. Data was collected before the trial, after completion and 12 months after its completion. A control group was not used for ethical reasons. Results for the trial were encouraging. It found that average gambling losses for participants over a four week period reduced from $608 CAD before the trial, down to $113 at completion of the program, and continued to decrease down to $73 12 months after the trial. 73% of clients reported moderate or major financial problems before the program, but this reduced to 23% 12 months after (p.249). 50% reported moderate or major relationship issues prior to GD, and this reduced to 15% 12 months after the trial.

Conclusion

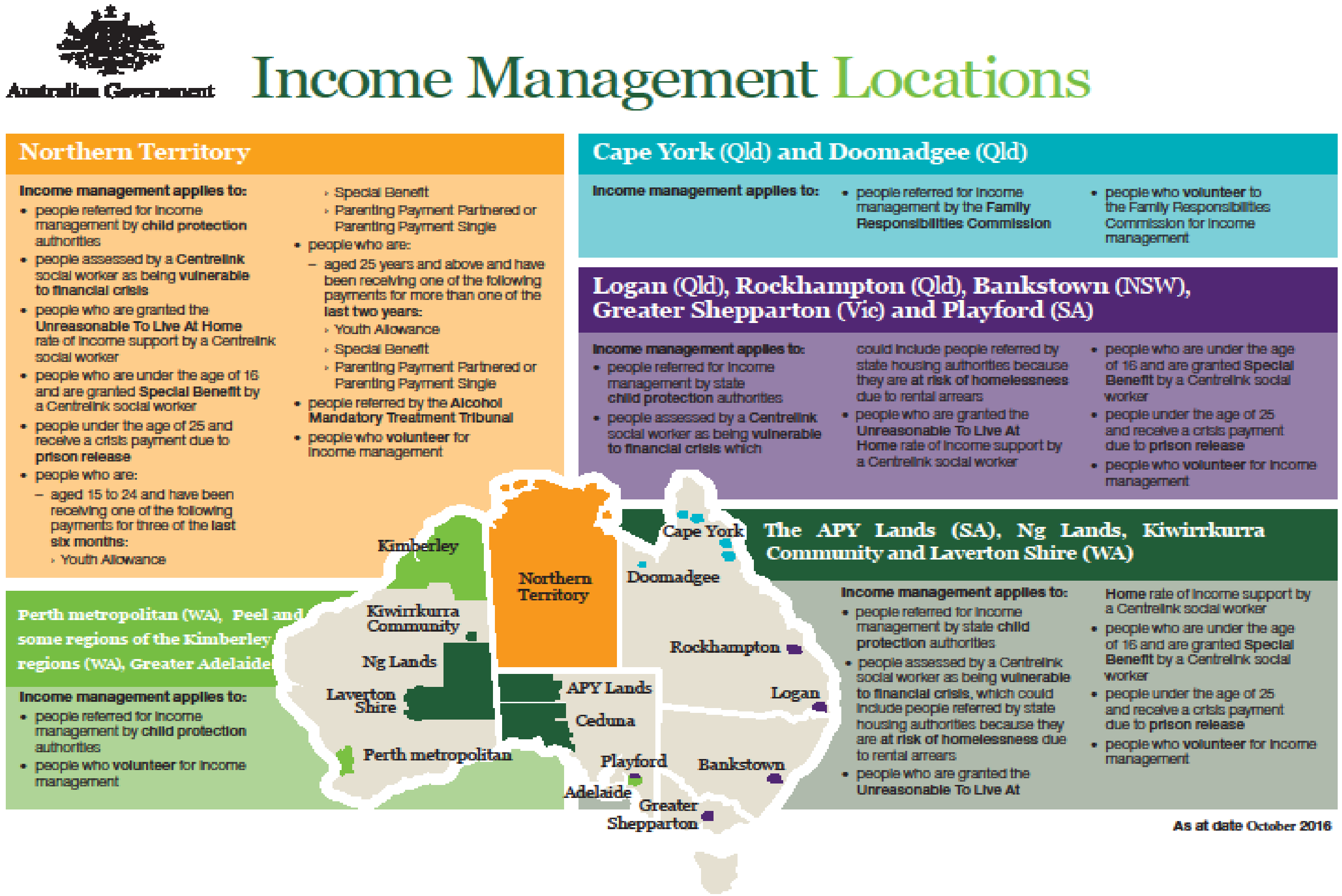
Overall, the evidence does not support income management as the policy solution it is promoted to be. Whilst income management does not appear to be cost effective, the federal government appears determined to expand and extend trials whilst also plan a new income quarantining program. Income Management is consistent with the broader shift towards greater conditionality and paternalism applied to social security.

If IM is to be used, it should be only implemented where the particular circumstances of an individual warrant such a controlling intervention. IM has not been effective where it has been used as a blanket response. Furthermore, marketing voluntary IM may be further entrenching welfare dependency by taking further control away from people. If IM is going to have a chance of success, it should be implemented within the following circumstances recommended by the academic literature:

- When IM has been recommended by a social worker or community panel following the consideration of all other options
- Where IM has been properly explained to an individual and they understand what it is, and discussed whether it can help them
- Where an individual has particular challenges around managing their finances
- Where IM is being used strategically as part of a holistic strategy to address the individuals particular needs
- Where there are time restrictions on the intervention, not ongoing as most trials have been
- Where there are plans to transition people off IM
- Circumstances where there is child neglect, and the neglect is directly associated with financial problems

As previously mentioned, IM does not meaningfully address or improve underlying issues that contribute to people's social and economic situation. This is despite various IM programs' aims to improve socioeconomic wellbeing for individuals, families and communities, reduce expenditure on vices whilst promote spending on necessary items, reduce welfare dependency and improve financial management skills. There does not appear to be a single program that can address all of these issues simultaneously. The evaluated programs discussed in the previous section provide a snapshot of evidence-based programs that have been found to be effective at addressing some of these issues.

The Cape York Welfare Reform included IM, but the evaluation indicated that it was used far more selectively and strategically as part of a holistic suite of measures to meet the particular needs of an individual (FaHCSIA 2012). This model stands out considerably when compared to the majority of IM trials that have been conducted in the past decade. The model appeared to involve and respect the individual facing financial issues much more so than the paternalistic top-down alternative IM programs.



Map of Income Management across Australia as of October 2016. Source: Australian Government (2016)

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