Income management in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands: lessons for income support policy

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International conference on welfare reform, ANU
Overview

- IM in the APY lands
- Findings from evaluation
- Links to IM and conditionality
- Implications for income support
# IM Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Location</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM</td>
<td>NT</td>
<td>CIM, VIM, CPIM, VWPR, SPAR*</td>
</tr>
<tr>
<td>Cape York Welfare Reform Trial</td>
<td>Aurukun, Hope Vale, Coen, Mossman Gorge, QLD</td>
<td>CYWRT IM</td>
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<tr>
<td>WA trial</td>
<td>Kimberly, Perth Metro</td>
<td>CPIM, VIM</td>
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<tr>
<td>Place Based IM</td>
<td>Bankstown (NSW), Logan (Qld), Rockhampton (Qld), Playford (SA), Greater Shepparton (Vic)</td>
<td>CPIM, VIM, VWPR (including housing measure in some locations)</td>
</tr>
<tr>
<td>Anangu Pitjantjatjara Yankunytjatjara (APY) Lands</td>
<td>APY Lands (SA)</td>
<td>CPIM(b), VWPR, VIM</td>
</tr>
<tr>
<td>Ngaanyatjarra Lands</td>
<td>Ng Lands and Laverton Shire (WA)</td>
<td>CPIM(b), VWPR, VIM</td>
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*Between 10.12-12.12*
IM Locations

## Age profile of APY population

<table>
<thead>
<tr>
<th>Age</th>
<th>n</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td>under 15 years</td>
<td>605</td>
<td>28.7</td>
</tr>
<tr>
<td>15–64 years</td>
<td>1406</td>
<td>66.8</td>
</tr>
<tr>
<td>65 years and above</td>
<td>95</td>
<td>4.5</td>
</tr>
<tr>
<td>Total</td>
<td>2106</td>
<td>100.0</td>
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People in the APY Lands ever on IM

<table>
<thead>
<tr>
<th>IM measure</th>
<th>n</th>
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<tbody>
<tr>
<td>NT Disengaged Youth / Long-Term Welfare Recipient</td>
<td>162</td>
</tr>
<tr>
<td>Northern Territory Emergency Response</td>
<td>124</td>
</tr>
<tr>
<td>Voluntary</td>
<td>432</td>
</tr>
<tr>
<td>Child Protection / Vulnerable</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>729</td>
</tr>
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</table>
Income Management

The Government would like to talk with you about how income management could help families, and find out what model might work best on the APY lands.

Income managed money to buy important things like food and clothes
Help with budgeting so there is money to look after the children
No more humbug—less money spent on gambling, alcohol and tobacco

Government representatives will be able to provide information and answer your questions about income management at the RPA consultations sessions in May.

There will be an Interpreter and the opportunity to ask questions.

To find out more call 1800 656 279 (freecall)
Purpose

• The Trial is aimed at assisting vulnerable children, families and individuals and enhancing opportunities for people entering or returning to the workforce.

( Commonwealth of Australia and the State of South Australia, 2012)
Aims of IM in APY lands

• reduce immediate hardship and deprivation by directing welfare payments to priority needs
• 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
• encourage socially responsible behaviour, particularly in the care and education of children.
Findings

• The majority of community members were positive about income management being introduced into the APY Lands.

• The fact that the communities had requested income management, and had been consulted, appears to have had a major influence on the communities’ views.

• Similarly the fact that the vast majority of people on income management in the APY Lands were on the Voluntary measure has facilitated the acceptance of income management in the APY Lands.
Findings

• There are mixed responses in relation to the impact of income management on the wellbeing of the community, but overall there is a belief that it has had a positive but limited impact so far.

• The impact of income management appears mainly to have been felt in terms of reduced levels of financial harassment; smaller impacts on substance misuse and parenting and no impact on schooling.

• There were some reported improvements in child wellbeing.
Some community members found Voluntary Income Management very useful for managing their finances. However, income management has not suited everyone.

Income management has reportedly reduced financial harassment but for some people financial harassment has increased because of the reduced amount of cash in the community.

Some community members reported pooling funds, so the impact of income management is reduced.

Some community members reported having practical difficulties accessing income-managed funds.
Findings

- Overall the introduction of IM into the APY Lands appears to be positively viewed by the community.
- Financial harassment, hardship, substance misuse and gambling reportedly continue to provide serious and ongoing challenges to these communities.
- Income management alone may not be able to make significant inroads into the social problems within the community.
Implications for welfare reform
Debates about IM

• Ideological
• Political
• Empirical

• Most of the debate has been ideological
Wider implications

- Voluntary measure is more effective than compulsory IM
- Context and implementation issues are as important as content.
  - Thus concept of ‘what works’ can be simplistic
- NTER tainted the ‘Brand’
- Diversity of use of IM by different people
  - Not all welfare payment recipients are financially incompetent and not all use alcohol or drugs.
- Very important for people to take control – at the individual level and community level.
Wider issues cont

- IM (and most behaviour change and ‘nudge’ approaches) are not the main game; most members of the community much more concerned about housing, jobs and services.

- No silver bullets; complex problems such as Indigenous disadvantage require multiple solutions with clear logic.
  - Problem for both sides of the argument!

- Policies should be based on clear empirical evidence of success in different contexts. Policy development should allow for rigorous evaluation.
  - However evaluation should also focus on wider issues not just program.
## Alternative Mechanisms for IM

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<tr>
<th>Mechanism</th>
<th>Pattern</th>
<th>Expected observation</th>
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<tbody>
<tr>
<td><strong>Short sharp shock</strong></td>
<td>Person immediately responds to IM by seeking exemption or changing circumstances, or avoids IM by finding work</td>
<td>Short (or no) period on IM, quick exemption or exit, no access to MM or other facilities. Increase in employment and decrease in long term IS dependency.</td>
</tr>
<tr>
<td><strong>Behaviour change</strong></td>
<td>Person goes on IM, does MM course, changes lifestyle and eventually seeks and obtains exemption. Moves off IS and does not return to IM.</td>
<td>Person on IM for around 1 year, evidence of school attendance, better money management, less debt and/or harassment. Overall more spending on priority goods and less on alcohol/tobacco.</td>
</tr>
<tr>
<td><strong>Dependence</strong></td>
<td>Person goes on IM and uses it to manage money, avoid harassment and stabilise lifestyle. Does not attempt to get off or find employment.</td>
<td>Long term on IM (VIM, VWPR or CIM), no or few attempts at exemption. Perhaps reliance on Centrelink.</td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
<td>Person actively uses IM to manage money and save, change lifestyle but does not try to get off.</td>
<td>Changes in BC use, matched savings or other savings with kitty, BC used in combination with bank card and other financial tools.</td>
</tr>
<tr>
<td><strong>Acceptance</strong></td>
<td>Similar to dependence but person not particularly happy to be income managed, but does not have the initiative to come off.</td>
<td></td>
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<tr>
<td><strong>Frustration</strong></td>
<td>Person wants to come off and tries to do so but their circumstances do not allow them to be exempted or to challenge decision</td>
<td>Multiple failed attempts at exemption and/or challenge. Failure to engage with DHS. Loses BC often and becomes demanding</td>
</tr>
<tr>
<td><strong>Dropping out</strong></td>
<td>Person drops out of the IS system altogether in order to avoid IM</td>
<td></td>
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<tr>
<td><strong>Misuse</strong></td>
<td>Person on IM subverts the effects by getting round the restrictions.</td>
<td>Person swaps BC for proscribed goods, gambles with BC and/or harasses others for money. Families share discretionary and IM funds.</td>
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- Guy Standing
- Jane Waldfogel

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