

## Senate Standing Committee on Community Affairs Legislation Committee

### Inquiry into the Income Management to Cashless Debit Card Transition Bill

#### Submission

**Professor Matthew Gray**

Director

[matthew.gray@anu.edu.au](mailto:matthew.gray@anu.edu.au)

**Dr Rob Bray PSM**

Research Fellow

[rob.bray@anu.edu.au](mailto:rob.bray@anu.edu.au)

*ANU Centre for Social Research and Methods  
Australian National University*

8 October 2019

---

We are pleased to have this opportunity to make a submission to the Senate Standing Committee on Community Affairs inquiry into the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 which proposes to transition persons, currently subject to income management in the Northern Territory, and on the Cape York Trial, onto the Cashless Debit Card (CDC), and also, inter alia:

- To extend the end date of the CDC trials to 30 June 2021 (and December 2021 in Cape York).
- To provide the Minister with the power through a notifiable instrument to arbitrarily set the proportion of funds controlled.
- To eliminates the need for independent evaluation purportedly on the grounds that it “will avoid the ethical implications of unnecessary repeat contact with vulnerable individuals”.

In making this submission we draw upon our experience as members of the research group that undertook the evaluation of ‘New Income Management in the Northern Territory’ (NIM) (Bray et al 2012 & 2014), and our ongoing analysis of income management and of the Cashless Debit Card (Bray 2016, Taylor, Gray and Stanton 2016, Gray and Bray (2017, 2018 2019). We also submit to the Committee an updated analysis of the impact of income management on a wide range of wellbeing and related outcomes in the Northern Territory (provided at Attachment A).

On the basis of this evaluation and research, it is our view that the evidence base for income management and the Cashless Debit Card does not justify the continuation of these policies in their current form, nor the extension of the Cashless Debit Card as proposed in this Bill.

Specifically we note that the evaluation of NIM in the Northern Territory concluded there was no “evidence of income management having improved the outcomes that it was intending to have an impact upon” (Bray et al 2014, xxii). This evaluation undertaken by researchers from the University of New South Wales, the Australian National University and the Australian Institute of Family Studies is, we submit, the most extensive evaluation of income management that has been undertaken. It was conducted over a number of years allowing the medium to longer-term impacts to be assessed, based on a robust methodology which included a detailed longitudinal survey of participants, along

with a control population unaffected by the measure, very extensive administrative and other data analysis, underpinned by field work with individuals and communities across the Northern Territory.

The evaluation undertaken of the Place Based Income Management (PBIM) by Deloitte Access Economics, which also used a robust methodology, broadly echoed the findings of the NIM evaluation. It reported that “Survey results indicated that PBIM did not appear to have a substantial or sustained impact on the level of alcohol, tobacco or gambling consumption” (Deloitte Access Economics 2015, 65), and that “PBIM did not appear to have had a significant impact on measures of the care of children such as attendance at school or health of children” (p. 42). It proposed that the wide scale targeting of the program should be terminated and that the measure should be implemented on a voluntary basis along with tight targeting where there are “exceptional circumstances at play” (p. 66).

In contrast, we note the paucity of any substantial evidence in the ORIMA and Goldfields evaluations, as well as the criticisms of the ORIMA research, including those of the Auditor General, which we address in Attachment B.

## **Reviewing the evidence on the impact of income management in the Northern Territory**

As well as extensive analysis of individual experiences and outcomes, the evaluation of NIM also sought to identify the impacts of income management across a wide range of wellbeing outcomes for the Northern Territory. The rationale for this was twofold. The first was that achieving improvements in such community wide outcomes were a central element of the policy, and secondly, as over one-third of Indigenous people aged 15 years and over in the Territory were placed on the measure (with many more being affected indirectly) these gains should be able to be observed. It reported that it could not identify any such positive outcomes.

The attached paper (Attachment A) considers this question again, looking at the data over an extended period to include the time of operation of the original Northern Territory Emergency Response Income Management (NTERIM), and more recent data, to identify the impact of the sustained application of these programs. It presents a review of data relating to child health and wellbeing, school participation and outcomes, alcohol consumption and impact, and crime and justice. The paper clearly shows that there has been a total absence of any improvement in the outcomes for Indigenous people in the Northern Territory which can be attributed to income management, despite the fact that the most vulnerable third of this population has been subject to the measure for over a decade.

Even more concerning is that this finding not only reflects the failure of income management to achieve the types of improvements it was claimed that the policy would achieve, but also it reflects a failure of a wider range of policy responses undertaken by the Australian Government under the aegis of the Northern Territory Emergency Response and the subsequent Stronger Futures response.

We consider that the data analysed in the attached paper can only be considered as an indictment of these policies.

- Looking at the most critical dimension of child health and wellbeing, the rate of infant mortality amongst Indigenous people in the Northern Territory has increased over the period of these policies, as has the incidence of low birth weight births, and child deaths by injury. In all cases

these rates have either remained stable, or more frequently fallen for non-Indigenous people in the Northern Territory (who were only lightly impacted by these measures), and for Indigenous people living in other locations not subject to these policies.

- School attendance rates by Indigenous children in the Northern Territory have fallen substantially and Indigenous children in the Northern Territory have not had the gains in educational outcomes that Indigenous children in other locations have achieved. This is also true with regard to the extent to which these children have developmental vulnerabilities.
- While alcohol consumption in the Northern Territory has fallen, this has been associated with a longer term trend and a set of specific control and related measures that have been implemented. There has though been no reduction in the extent of risky alcohol consumption by Indigenous men and women in the Northern Territory.
- Data on assaults suggests no improvement, or even a potential worsening of the situation relative to that prior to the introduction of these policies, although there is some indication of a lesser role of alcohol, potentially reflecting the above reduction in overall consumption. The rate of Imprisonment of Indigenous people has increased massively.

It is evident that, based on these indicators, the implementation of income management has failed to produce any identifiable community level benefits despite, as noted above, the high proportion of the Northern Territory Indigenous population that have been placed on the program.

These are data which we would consider to be much more robust than the perception and quasi-anecdotal material cited in the explanatory memorandum drawn from the ORIMA and Goldfields reports which we address in Attachment B.

## **Implications for policy directions**

Our view is that the evidence strongly shows that the simplistic conceptualisation of income management and the Cashless Debit Card, and the purported benefits of these policies, are false.

While our evaluation, along with a number of other studies, suggests that there is a role for these mechanisms to be used in a highly targeted way for individuals who have a demonstrated incapacity to effectively manage their finances and spending. The evidence also suggests that there is some scope for the voluntary use of income management by individuals who have some difficulties in managing and are motivated to change. However, the evidence is clear that when they are applied to broad populations based on some generic criteria they are an ineffective and costly policy with negative consequences.

As has been well documented, income management policies are, for many individuals, shaming. For those who do not drink alcohol, let alone drink alcohol in excess, use illegal substances, or engage in the other inappropriate behaviours the policy claims to address, and who have managed their households effectively, often on very meagre resources, placement on these measures is humiliating. This is compounded then by the shame associated with the public use of the BasicsCard/Indue card. At the community level this becomes disempowering and reduces the level of engagement with the community as a whole. For others, as we reported in the evaluation of NIM, the extent to which some people respond in a passive way and adjust to the use of income management, there is evidence that this builds a dependence upon the elements of the income

management system which, in turn, tends to lock them further into dependency on the welfare system.

Additionally a range of factors associated with the BasicCard/Indue card involved directly increased costs for those placed on the system. These costs include the imposition by some merchants of credit card surcharges on purchases which directly increase costs, or of minimum purchase requirements which involve having to purchase additional items when small purchases are made. They also restrict the capacity of people to make cash purchases to take account of cheaper prices – such as cash only discounts, or farmers markets, as well as informal transactions with families and friends. Such additional costs clearly reduce what people can purchase to meet their own and their families', needs

To the extent some people on the program do wish to use cash for non-approved purposes there is ample evidence, across the evaluations, of people being able to do so through a range of mechanisms. These include making purchases on behalf of others and receiving cash, selling purchased items at a discount for cash, or through the collusion of merchants, including taxi drivers in particular, in making false sales and returning some of the value as cash.

While we recognise the appeal of the simple narrative of the program, that is – there are adverse outcomes because people use their income support funds inappropriately, and hence limiting the way in which they spend these funds will redress these outcomes – we consider that this narrative is wrong and misleading:

- The evidence does not suggest that most people on income support use their funds inappropriately, but rather most manage very effectively on the limited amount of money available to them and their families.
- To the extent some people do use these funds inappropriately the evidence suggests they can and will find ways around the system to do so.
- It is a narrative that ignores the adverse effects of the policy on those who have no need for the policy but are subject to it.

## **Proposed approach**

On this basis we argue that this bill should be rejected. Additionally we would suggest that action be taken to wind back the currently ineffectual approaches of widespread application of Income Management and the Cashless Debit Card. We consider there is merit in maintaining a voluntary component, in particular given the large numbers of people in the Northern Territory who have become dependent on the measure, and that the Cape York Trial and the original social worker referral to Vulnerable Income Management be considered as possible approaches to individually tailored approaches which seek to combine the program with support.

Furthermore, reflecting on the data we have reviewed which suggests a failure of the range of top down policies implemented through the NTER and Stronger Futures as well as other initiatives, we would return to the words of the *Ampe Akelyernemane Meke Mekarle* "Little Children are Sacred" Report which stressed the underlying principle that it was "critical that both governments commit to genuine consultation with Aboriginal people in designing initiatives for Aboriginal communities" (Wild and Anderson 2007, 22).

## References

---

- Bray, J. Rob, Matthew Gray, Kelly Hand and Ilan Katz. 2014. *Evaluating New Income Management in the Northern Territory: Final Evaluation Report* (SPRC Report 25/2014). Sydney: Social Policy Research Centre, UNSW Australia.
- Bray, J. Rob, Matthew Gray, Kelly Hand, Bruce Bradbury, Christine Eastman and Ilan Katz. 2012. *Evaluating New Income Management in the Northern Territory: First Evaluation Report*. Sydney: Social Policy Research Centre, UNSW Australia.
- Bray, J. Rob. 2016. "Income Management Evaluations -- What do we know? Placing the findings of the Evaluation of New Income Management in the Northern Territory in context." CAEPR Working Paper 11/2016). Canberra: Centre for Aboriginal Economic Policy Research, Australian National University. <http://caepr.anu.edu.au/Publications/WP/2016WP111.php>
- Deloitte Access Economics. 2015. *Consolidated Place Based Income Management Evaluation Report 2012-2015*. Report to the Department of Social Services. Canberra: Deloitte Access Economics.
- Gray, Matthew and J. Rob Bray. 2017. Submission – Senate Standing Committee on Community Affairs: Inquiry – Social Services Legislation Amendment (Cashless Debit Card) Bill 2017. 21 September 2017. Submission 63.
- Gray, Matthew and J. Rob Bray. 2018. Submission Senate Standing Committee on Community Affairs: Inquiry – Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018. Submission 80.
- Gray, Matthew and J. Rob Bray. 2019. Submission Senate Standing Committee on Community Affairs: Inquiry – Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019. Submission 7.
- Taylor, David R., Matthew Gray and David Stanton. 2016. "New conditionality in Australian social security policy". *Australian Journal of Social Issues* 51(1): 3–26.
- Wild, Rex and Pat Anderson. 2007. *Ampe Akelyernemane Meke Mekarle "Little Children are Sacred"*. Report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse. Darwin: Northern Territory Government.



**Attachment A**

# Measuring the social impact of Income Management in the Northern Territory – an updated analysis

---

J Rob Bray  
ANU Centre for Social Research and Methods  
8 October 2019





## Executive Summary

---

### Executive Summary

A stated objective of income management in the Northern Territory, both under the Northern Territory Emergency Response, and through 'New Income Management' (NIM) has been to improve outcomes for individuals, their families and the communities they live in. The 2014 evaluation of NIM reported that it could not identify any impacts in its analysis of social outcomes that could be attributed to the policy.

This paper seeks to re-examine this question using data, where possible from before the initial introduction of income management under the NTERIM, to the most recently available.

The magnitude of the program in the Northern Territory, with one third of Indigenous people aged 15 years and over directly being subject to the policy is such that to the extent the program makes an impact this should be apparent at the community level, in particular in contrast to the experience of non-Indigenous people in the Northern Territory, and the Indigenous population nationally both of which were only lightly touched by these programs.

Analysis of key social outcomes indicates:

- Over the period of income management the rate of infant mortality amongst Indigenous people in the Northern Territory has increased, this contrasts with falls for Indigenous people nationally and for non-Indigenous people in the Northern Territory. This group has also seen a rise in low birth weight births, and an increase in child deaths from injury. Child abuse and neglect substantiations have also increased, although it is noted this may be influenced by a willingness to report. Indigenous children in the Northern Territory have not seen the same declines in developmental vulnerability as have Indigenous children elsewhere.
- The period since the introduction of income management has seen falling rates of school attendance by Indigenous children in the Northern Territory, and while some NAPLAN results have improved for these children, others have not. Again where there have been gains these are smaller than those for Indigenous children nationally.
- There is strong evidence of a decline in alcohol consumption in the Northern Territory. This is a trend that pre-dates the introduction of income management with research identifying a range of policies, including pricing and supply limitations which appear to be driving it. Notwithstanding this Indigenous people do not report a lower rate of risky drinking in 2014-15 than they did in 2002, and alcohol related emergency department presentations have increased.
- Rates of assaults appear to be largely flat, although there is a decline in assaults associated with alcohol. No consistent pattern of declining crime is identifiable in data from 2007 onwards, although there is evidence of particular alcohol restriction enforcement activities directly impacting on crime. The rate of imprisonment of Indigenous people in the Northern Territory has continued to rise strongly across the period of income management.

These findings not only reflect upon a failure of income management policies to achieve their goals, but also have implications for a wider range of interventions under the Northern Territory Emergency Response and Stronger Futures.

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

---

**Contents**

---

**Contents**

1	Introduction.....	1
1.1	Policy Context.....	1
1.1.1	Ampe Akelyernemane Meke Mekarle report.....	1
1.1.2	The Northern Territory Emergency Response .....	2
1.1.3	Objectives of NTERIM.....	3
1.1.4	Objectives of NIM .....	3
1.2	Income management in the NT .....	5
1.2.1	The income management programs .....	5
	Northern Territory Emergency Response Income Management (NTERIM) .....	5
	New Income Management.....	6
1.2.2	Number of people subject to income management .....	6
1.3	The rationale for considering community level outcomes .....	8
	National comparisons.....	9
1.4	Approach .....	10
1.4.1	Structure .....	11
1.4.2	Data.....	11
2	Child health and wellbeing.....	13
2.1	Infant Mortality .....	13
2.2	Low birth weight.....	14
2.3	Child death from injury.....	15
2.4	Child abuse and neglect .....	16
2.5	Developmental vulnerability.....	17
2.6	Summary: Child health and wellbeing.....	18
3	Education participation and outcomes.....	21
3.1	School attendance.....	21
3.1.1	School attendance in the Northern Territory .....	21
3.1.2	The SEAM program.....	22
3.2	Education – NAPLAN results .....	23
	Numeracy.....	23
	Literacy .....	24
3.3	Summary: Education participation and outcomes .....	26
4	Alcohol consumption and impact.....	27
4.1	Alcohol consumption .....	27
	NT alcohol consumption .....	27
	Risk of harm drinking.....	28
4.2	Hospital emergency department presentations .....	29
4.3	Alcohol summary .....	30
5	Crime and justice .....	31
5.1	Assault victimisation.....	31
5.2	Rates of crime and offending.....	32

## Measuring the social impact of Income Management in the Northern Territory – an updated analysis

5.3	Imprisonment.....	34
5.4	Crime and Justice Summary.....	35
6	Summary.....	37

## Tables

Table 1.	Income Support Recipients in the Northern Territory, and incidence of Income Management December 2018.....	9
Table 2.	Northern Territory Indigenous population as a share of total Australian Indigenous population 2016.....	10
Table 3.	Rates of offending per 100,000 population year to end July 2018 & 2019.....	33

## Figures

Figure 1.	Number of persons subject to Income Management in the Northern Territory q3 2010 to q4 2018.....	7
Figure 2.	Infant Mortality (Deaths of infants aged less than 1 year (per 1,000 live births)), 2006 to 2016.....	14
Figure 3.	Low birth weight (Live born infants with a birthweight of less than 2,500 grams (per cent)), 2006 to 2015.....	15
Figure 4.	Injury deaths for children aged 0–14 years (per 100,000 population), 2002–06 to 2012–16 ... 16	16
Figure 5.	Child abuse and neglect Children aged 0–12 years who were the subject of a substantiation of a notification received in a given year (per 1,000 children), 2007–08 to 2016–17.....	17
Figure 6.	Children developmentally vulnerable in one or more domains of the Australian Early Development Census, 2009 to 2018.....	18
Figure 7.	Northern Territory School Attendance by remoteness and Indigeneity of students, 2009-- 2018.....	22
Figure 8.	NAPLAN numeracy, 2008 to 2018.....	24
Figure 9.	NAPLAN reading, 2008 to 2018.....	25
Figure 10.	Estimated Per Capita Consumption of Alcohol - Northern Territory (litres pure alcohol content) 2002 to 2017.....	27
Figure 11.	Risky alcohol consumption, Indigenous persons aged 15 years and over, Northern Territory, 2002, 2008 and 2014–15.....	29
Figure 12.	Number of emergency department presentations by quarter, for wholly alcohol-related presentations, by Aboriginal status, quarterly, September 2005 to June 2016.....	30
Figure 13.	NT Assault victimisation rate - reported crime, 2010- 2018.....	31
Figure 14.	Assaults and extent to which involved alcohol or domestic violence, Offence rates (per 100,000 people), 2006–07 to 2018.....	32
Figure 15.	Main crime classifications Offence Rates (per 100,000 population) 2007–2018.....	34
Figure 16.	Age Standardised Imprisonment Rate by Indigenous Status 2000-2018.....	35

## Glossary

---

## Glossary

ABS	Australian Bureau of Statistics
ABSTUDY	Australian Government program to support Aboriginal and Torres Strait Islander students or apprentices, which may involve income support payments as well as payments for other costs of study and related items
AEDC	Australian Early Development Census
AEDI	Australian Early Development Index
AIHW	Australian Institute of Health and Welfare
AMP	Alcohol Management Plan
ANAO	Australian National Audit Office
ANU	Australian National University
ARIA	Accessibility and Remoteness Index of Australia
BDR	Banned Drinker Register
CDEP	Community Development Employment Program
DSS	Department of Social Services
DV	Domestic Violence
ED	Emergency Department
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
MYEFO	Mid-Year Economic and Fiscal Outlook
NAPLAN	National Assessment Program – Literacy and Numeracy
NHMRC	National Health and Medical Research Council
NIM	New Income Management
NT	Northern Territory
NTER	Northern Territory Emergency Response
NTERIM	Northern Territory Emergency Response Income Management
PCAC	Per Capita Alcohol Consumption
SEAM	School Enrolment and Attendance Measure

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

---

## 1 Introduction

---

# 1 Introduction

---

The commissioned evaluation of the introduction of ‘New Income Management’ in the Northern Territory, undertaken by researchers from the Social Policy Research Centre at the University of New South Wales, the Australian National University and the Australian Institute of Family Studies included in its final report a review of the potential broader community wide impacts of income management in the Northern Territory (Bray et al 2014, Chapter 9).

The rationale for this approach was detailed as:

Income management has always been designed as a community level as well as an individual-level intervention. As such it is expected to produce positive impacts upon a substantial proportion of those who are subject to the measure, as well as at the broader community level. Thus it should contribute to improvements in a range of aggregate outcomes for the Northern Territory (p. 209).

The report concluded its analysis, which examined both detailed individual outcomes related to the direct impact of the program in areas such as changes in family wellbeing outcomes and areas such as financial management, and this analysis of the wider set of community level outcomes, as:

When the data are taken as a whole, not only does it suggest that there has been very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory, but it also suggests that there is no evidence of changes in aggregate outcomes that can plausibly be linked to income management (p.235).

This paper updates and extends the analysis of the impact of income management on broader community level outcomes using more recent data. Its objective is to provide further insight into the extent to which the New Income Management (NIM) program, and the preceding Northern Territory Emergency Response Income Management (NTERIM) program were successful in achieving improved outcomes in the Northern Territory.

## 1.1 Policy Context

This section initially considers the background to, and objectives of, the programs.

### 1.1.1 Ampe Akelyernemane Meke Mekarle report

*Ampe Akelyernemane Meke Mekarle “Little Children are Sacred”* was the report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse which had been commissioned by the Northern Territory Government in August 2006 to find better ways to protect Aboriginal children from sexual abuse. While there had been longstanding concerns with child abuse and neglect in Indigenous communities in the Northern Territory, the

## **Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

---

conduct of the Inquiry was stimulated by a number of significant media reports of abuse in some Indigenous communities.

The Inquiry's report was presented to the Northern Territory Government on 30 April 2007 and contained 97 specific recommendations. Central to these was, as highlighted in the first recommendation, the underlying principle that it was "critical that both governments commit to genuine consultation with Aboriginal people in designing initiatives for Aboriginal communities" (Wild and Anderson 2007, 22).

### **1.1.2 The Northern Territory Emergency Response**

Notwithstanding this proposed approach, on 21 June 2007 the then Minister for Families, Community Services and Indigenous Affairs, Mal Brough, announced a "National emergency response to protect Aboriginal children in the NT" stating "In response to the national emergency confronting the welfare of Aboriginal children in the Northern Territory, the Australian Government today announced immediate, broad ranging measures to stabilise and protect communities in the crisis area" (Brough 2007a).

More specifically he indicated that this response would include a range of measures including:

- Introducing widespread alcohol restrictions on Northern Territory Aboriginal land.
- Introducing welfare reforms to stem the flow of cash going toward substance abuse and to ensure funds meant to be for children's welfare are used for that purpose
- Enforcing school attendance by linking income support and family assistance payments to school attendance for all people living on Aboriginal land and providing meals for children at school at parents' cost
- Introducing compulsory health checks for all Aboriginal children to identify and treat health problems and any effects of abuse
- Acquiring townships prescribed by the Australian Government through five year leases including payment of just terms compensation
- As part of the immediate emergency response, increasing policing levels in prescribed communities, including requesting secondments from other jurisdictions to supplement NT resources, funded by the Australian Government.
- Requiring intensified on ground clean up and repair of communities to make them safer and healthier by marshalling local workforces through work-for-the-dole
- Improving housing and reforming community living arrangements in prescribed communities including the introduction of market based rents and normal tenancy arrangements



## 1 Introduction

---

- Banning the possession of X-rated pornography and introducing audits of all publicly funded computers to identify illegal material
- Scrapping the permit system for common areas, road corridors and airstrips for prescribed communities on Aboriginal land, and;
- Improving governance by appointing managers of all government business in prescribed communities. (Brough 2007a)

While the second of these initiatives, income management, is the primary focus of consideration here, the wider range of measures are also relevant as they would also be expected to have had an impact on the community outcomes reported on.

### 1.1.3 Objectives of NTERIM

As indicated above, fundamental to the NTERIM was the concept of income management as an instrument which would redirect income support payments to meet basic family needs, with this having benefits for the individuals and the families subject to the measure, and more widely to the communities in which they lived, as well as controlling expenditure on alcohol and drugs to limit adverse individual, family and community outcomes.

It was also clearly stated in the Minister's second reading speech on the legislation:

One of the most important obligations a person can have is responsibility for the care, education and development of children. Welfare is not for alcohol, drugs, pornography or gambling. It is for priority expenditures such as secure housing, food, education and clothing—things that are considered a child's basic rights....

This bill outlines five welfare reform measures to promote socially responsible behaviour aimed at protecting and nurturing the children in our society and offering them the opportunities that a supportive family, a solid education and a healthy and safe environment can provide. ....

The government's emergency response aims to protect children and make communities safe in the first instance and then to lay the basis for a sustainable future for Indigenous Australians in the Northern Territory. The welfare reforms outlined in this bill will help to stem the flow of cash going towards substance abuse and gambling and ensure that funds meant to be for children's welfare are used for that purpose.

Fifty per cent of the welfare payments of all individuals in the affected communities will be income-managed for an initial period of 12 months during the stabilisation phase. This broad-based approach is needed to address a breakdown in social norms that characterises many of our remote Northern Territory communities. (Brough 2007b, 2)

### 1.1.4 Objectives of NIM

Central to the introduction of New Income Management, following the change in government in late 2007, was the objective of being able to maintain a policy of income management in the Northern Territory while enabling the reinstatement of the Racial Discrimination Act provisions

## Measuring the social impact of Income Management in the Northern Territory – an updated analysis

---

which had been suspended to allow for some of the NTER measures (Australian Government 2009). This involved the extension of the policy of income management to the whole of the Northern Territory. The rationale for the continuation of income management was argued in the 2009 'Policy Statement' that was issued explaining the policy (as well as some changes and strengthening of other elements of the NTER) as:

Based on all that we have heard, and what the evidence is showing, the Government believes that income management is an effective tool for supporting individuals and families reliant on welfare who are living in communities under severe social pressure...

The core purpose of income support is to provide for the welfare of individuals and families, and particularly children. Governments have a responsibility – particularly in relation to vulnerable and at risk citizens – to ensure income support payments are allocated in beneficial ways. The Government believes that the first call on welfare payments should be life essentials and the interests of children.

In the Government's view the substantial benefits that can be achieved for these individuals through income management include: putting food on the table; stabilising housing; ensuring key bills are paid; helping minimise harassment; and helping people save money. In this way, income management lays the foundations for pathways to economic and social participation through helping to stabilise household budgeting that assists people to meet the basic needs of life. ...

The Government has chosen the target groups based on their need for support due to their high risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviours... It is also more likely that there will be poor outcomes for children growing up in these circumstances, particularly for school attendance and educational attainment. (Australian Government 2009, 5–6)

In announcing the introduction of the new scheme the government argued that it would:

protect children and families and help disengaged individuals ... provide a platform for people to move up and out of welfare dependence. The reforms will help fight passive welfare and mean that more money goes to food, clothes, rent and less money goes to buying alcohol and gambling. These reforms deliver on the Government's commitment to a welfare system based on the principles of engagement, participation and responsibility.

Income management is a key tool in the Government's broader welfare reforms to promote responsibility and strengthen families by ensuring that welfare is spent where it is intended - on the essentials of life and in the interests of children. (Macklin & Snowdon 2009)

These themes, along with a community focus, were again argued in the Minister's second reading speech on the legislation, which stated that "the reforms included in this bill tackle the destructive, intergenerational cycle of passive welfare" (Macklin 2009, 12783), and:

the new scheme will start in urban, regional and remote areas of the Northern Territory, which has the highest proportion of severely disadvantaged communities

## 1 Introduction

---

in Australia ... Income management helps people to order their lives and provide for their children. It operates at the day-to-day level of people's lives, giving them access to the basics of life by reducing the amount of welfare funds available for substance abuse and other risky behaviours. This in turn provides a pathway for their participation in the broader economy and society. (pp 12783 & 12786)

In July 2012 the government announced its "Stronger Futures in the Northern Territory" (Australian Government 2012). This described itself as a "A ten year commitment to Aboriginal people in the Northern Territory" and encompassed policies and funding commitments for children and families, education, employment, community safety, health, housing and land, and strengthening governance and leadership.

### 1.2 Income management in the NT

This section considers the main operational parameters of the programs including their key targeting criteria, and the populations affected.

#### 1.2.1 The income management programs

The focus in this paper is on the programs specifically implemented in the Northern Territory, that is, Northern Territory Emergency Response Income Management, and 'New' Income Management in the NT, which was introduced to replace the earlier program. It is noted that a range of other programs, on a much more limited basis operate nationally.<sup>1</sup>

#### Northern Territory Emergency Response Income Management (NTERIM)

The NTERIM applied to people living in 73 prescribed communities, their associated outstations, and the 10 town camp regions of the Northern Territory

Under the NTER model of income management all people living in these prescribed areas who received government income support payments, including wages under the Community Development Employment Program (CDEP), had half of their income support payments, and the totality of some other social security lump sum payments, income managed.

Exemptions under the program were only available to people who could show that while they were living in a declared area they were not part of the designated community, along with a very small number of discretionary circumstances. While initially quarantined funds could be spent through a combination of store credits and payments made on behalf of individuals by Centrelink, the BasicsCard<sup>2</sup>, introduced in September 2008 became the main mechanism.

---

<sup>1</sup> As of November 2018 21,718 (88.5 per cent) of the total 24,532 persons on Income Management were in the Northern Territory. As of March 2018 a further 2,470 persons were 'triggered' into the Cashless Debit Card Program (DSS Income Management Summary 30 November 2018 & Cashless Debit Card (CDC) and Income Management (IM) Summary 31 March 2018).

<sup>2</sup> The BasicsCard was an EFTPOS card which could be used to make purchases from approved merchants but could not be used to obtain cash withdrawals. Merchant approval had a number of criteria including that the main business was the sale of priority goods, that excluded goods represented less than half of the turnover of the business and the merchant could demonstrate an ability to prevent the sale of excluded goods and services.

## Measuring the social impact of Income Management in the Northern Territory – an updated analysis

---

### New Income Management

New Income Management initially comprised 4 elements:

- Compulsory Income Management – which had two streams:
  - Disengaged Youth – people aged 15 to 24 years who had received Youth Allowance; Newstart Allowance; Special Benefit; or a Parenting Payment for more than three of the previous 6 months.
  - Long-term Welfare Payment Recipients – this encompassed the same payments but applied to persons aged 25 years and over who had been on payments for more than one year in the previous two years.
- Voluntary Income Management – which was open to any income support recipient not subject to any of the compulsory elements;
- Vulnerable Welfare Payment Recipients. This was initially a highly targeted measure which involved individuals who had been assessed against a set of defined criteria as vulnerable by Centrelink social workers. It later was dominated by three additional automatic groups of young people: those under the age of 16 and on Special Benefit; those aged under of 25 years who had: received a Crisis Payment on release from prison; or had been granted Youth Allowance paid at the Unreasonable to Live at Home rate.
- Child Protection Income Management – persons who had been identified as being involved in child neglect by the NT Department of Children and Families on the basis of a referral from this department based on an assessment that the policy was seen as a useful instrument to assist improved child outcomes.
- Additionally, in 2012, the Supporting People at Risk element was added for people referred under the Northern Territory Alcohol Mandatory Treatment Program.

Individuals subject to Compulsory, Vulnerable, and Voluntary Income Management had 50 per cent of their Centrelink payments income managed. For those on Child Protection Income Management this proportion rose to 70 per cent. Lump-sum payments were income managed in their entirety (100 per cent).

Additionally the program had scope for exemptions. Those with dependent children could obtain an exemption if they could meet two criteria related to: responsible parenting, and absence of financial vulnerability; while those without children could gain an exemption if they were are a full-time student or new apprentice, or had worked for 15 hours or more per week for at least the minimum wage for at least six of the last 12 months. Overwhelmingly those who gained exemptions were non-Indigenous women with children who largely received an exemption prior to actually being income managed.

#### 1.2.2 Number of people subject to income management

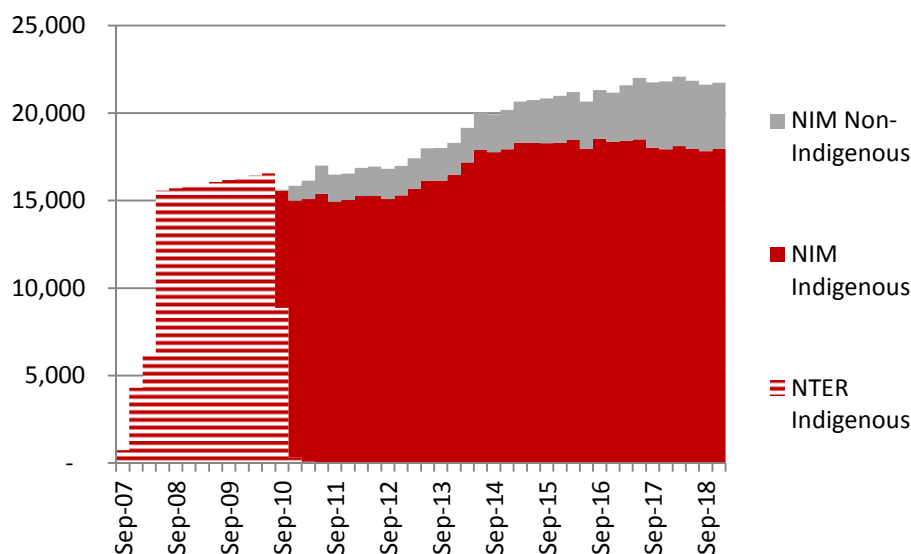
The Department of Social Services reports that there were 21,718 income support recipients in the Northern Territory who were subject to Income Management in November 2018. This

**1 Introduction**

comprises 17,939 recipients (82.6 per cent) who identify as being Aboriginal and/or Torres Strait Islanders, and 3,779 who did not. (DSS 2018)<sup>3</sup>

The numbers subject to the measure over time, by Indigenous identity, are shown in Figure 1. While the initial roll out of the NTERIM program was gradual, the numbers increased from 747 in Q3 2007, to 6,181 in Q1 2008. It then expanded over the course of the year to 15,570 in Q4 2008, and was only a little above this level at 16, 747 in June 2010 when New Income Management was introduced. As NTERIM focused on prescribed Indigenous communities, participants were almost entirely Indigenous. (Data for June 2010 indicates that 98.8 per cent of participants self-identified as Indigenous).

**Figure 1. Number of persons subject to Income Management in the Northern Territory q3 2010 to q4 2018**



Source: Bray et al 2014 & DSS Income Management Summary & Cashless Debit Card and Income Management Summary (various).

New Income Management commenced being rolled out in early August 2010 in a staged process which continued effectively to the end of the year.

With the transition to New Income Management there was a slight initial fall in the number of people subject to the measure from 16,747 in June 2010 to 15,854 in December 2010, with the numbers then showing a gradual increase to around 22,000 in mid-2017 before remaining at this level since. While the proportion who were Indigenous has decreased to levels in the mid to low 80 per cent range, the number of Indigenous participants has been around 18,000 since mid-2014.

Notwithstanding the relatively small fall in the actual number of participants with the initial transition to New Income Management there was a more significant shift in the population of participants. In addition to the entry of some 800 non-Indigenous participants (a number which doubled over the next six months) the transition saw some 3,900 Indigenous participants move

<sup>3</sup> Indigenous Identity is voluntary and the data used here is as self-reported to Centrelink.

## **Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

---

off the program between June and December 2010 as they were no longer subject to the policy, and 2,300 move on.<sup>4</sup>

### **1.3 The rationale for considering community level outcomes**

The magnitude of the operation of the programs in the NT has been significant, in particular for the Indigenous population. As of December 2018, DSS data indicates there were 42,825 recipients of income support in the Northern Territory, see Table 1. Just over half of these were subject to income management, with this proportion increasing to 68.8 per cent for Indigenous recipients.

This group in turn represents 34.2 per cent of the total Indigenous population aged 15 years and over living in the Northern Territory. This estimate of the impact of the policy on the population of Indigenous Australians in the Northern Territory is consistent with the 34.0 per cent estimated in 2013, although the current rate amongst non-Indigenous persons aged 15 years and over in the Territory of 2.7 percent is higher than the 1.3 per cent estimated in this earlier period (Bray et al 2014, 73).

---

<sup>4</sup> For the purposes of the analysis presented here, given these patterns, it can be considered that NTERIM was fully effective from June 2008 and NIM from December 2010.

**1 Introduction****Table 1. Income Support Recipients in the Northern Territory, and Incidence of Income Management December 2018**

Income Support Payment (a), (b)	Indigenous	Non-Indigenous	Total
Age Pension	2,002	7,555	9,557
Carer Payment	997	700	1,697
Disability Support Pension	5,513	2,543	8,056
Newstart Allowance	11,238	3,958	15,196
Parenting Payment Partnered	2,289	286	2,575
Parenting Payment Single	2,527	1,098	3,625
Partner Allowance	0	3	3
Sickness Allowance	3	46	49
Widow Allowance	23	25	48
Widow B Pension	0	0	0
Wife Pension (Partner on Age Pension)	5	11	16
Wife Pension (Partner on Disability Support Pension)	3	6	9
Youth Allowance (other)	1,468	526	1,994
<b>Total</b>	<b>26,068</b>	<b>16,757</b>	<b>42,825</b>
Persons on income management	17,939	3,779	21,718
Proportion of income support recipients subject to income management (%)	68.8	22.6	50.7
Population aged 15 years and over June 2018	52,419	141,401	193,820
Proportion of population aged 15 years and over subject to income management (%)	34.2	2.7	11.2

*Notes:*

a) Excludes ABSTUDY (Living Allowance) which is excluded from being subject to income management and Youth Allowance (student and apprentice) where exemptions can be granted to those in full-time study and employment. There are 294 and 261 persons on these programs respectively.

b) Cells recorded as being 3 are an estimate only, and were originally recorded by DSS as <5.

Source: DSS 2018, ABS 3101.0 March 2019

Given this proportion, to the extent that income management impacts individuals, their families and the communities they live in, it would be expected that these impacts, as well as being conceptually part of the program structure, should be able to be seen at the community level – in particular with regard to outcomes for Indigenous people in the Northern Territory.

In considering the impacts it is again stressed that income management was not the only program introduced in the Northern Territory designed to improve Indigenous community outcomes. As detailed above, the NTERIM was accompanied by a wide range of other initiatives including in the fields of health, housing and community safety. Hence to the extent impacts can be identified, some caution needs to be exercised in attributing any particular change to any particular policy.

**National comparisons**

In some of the following analysis the outcomes for Indigenous people living in the Northern Territory are compared with Australian total data, figures which also include the Northern Territory. These comparisons are considered valid as the Northern Territory population contribution to these national data is relatively small. Table 2 presents the NT Indigenous

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

population share by age. As shown, in total, the Northern Territory Indigenous population only accounts for 9.3 per cent of the total Australian Indigenous population, although this does rise to as high as 11.9 per cent for some age groups between 25 and 49 years.

**Table 2. Northern Territory Indigenous population as a share of total Australian Indigenous population 2016**

	NT population share (%)
0-4	7.7
5-9	8.1
10-14	8.4
15-19	8.4
20-24	9.4
25-29	10.8
30-34	11.9
35-39	11.8
40-44	11.0
45-49	10.6
50-54	9.9
55-59	9.1
60-64	9.3
65-69	7.8
70-74	8.1
75-79	7.1
80-84	9.2
85 and over	7.8
Total	9.3

Source: ABS 3101.0 March 2019

## 1.4 Approach

The balance of this paper is concerned with trends in a wide range of social indicators in the Northern Territory over the period of the implementation of income management programs. The objective is to seek to identify any turning points or trends in these indicators towards improving outcomes which may be associated with income management policies. That is, conceptually two types of change may be observable. The first are significant shifts or turning points in the data which may relate to the introduction of the policy, or a major shift in the population affected by it – for example the shift from NTERIM to NIM. The second are differences in the trend of the outcomes for groups that were heavily affected by income management in comparison with groups that are not impacted by the policy. In the Northern Territory over one-third of the Indigenous population aged 15 years and over have been subject to income management compared to just two to three per cent of the non-Indigenous population providing one basis for comparison. A second is between the Northern Territory Indigenous population and Indigenous people living in other parts of Australia who were substantially unaffected by these policies.<sup>5,6</sup>

<sup>5</sup> In November 2018 there were 1,302 Indigenous people living outside of the Northern Territory who were subject to income management. These represent just 0.3 per cent of the non-Northern Territory Indigenous population aged 15 years and over.



## 1 Introduction

---

### 1.4.1 Structure

The next four chapters respectively report trends in the four following outcome areas: child health and wellbeing; education participation and outcomes; alcohol consumption and impact; and crime and justice. The final chapter draws together and summarises the findings for the four outcome areas.

### 1.4.2 Data

Data for this analysis has been drawn from a number of sources, including the *Children's Headline Indicators* produced by the Australian Institute of Health and Welfare. These are a set of 19 indicators endorsed by the Australian Health Ministers' Conference, Community and Disability Services Ministers' Conference and the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee in 2008 as a set of high level, measurable indicators that identify the immediate environments as particularly important to children's health, development and wellbeing.

Other sources include ABS series (risky alcohol consumption, crime victimisation and imprisonment), and Northern Territory government data (school attendance, alcohol consumption and alcohol related hospital presentations, and crime).

While not all series pre-date the introduction of income management in the Northern Territory it needs to be recalled, as illustrated in Figure 1, that full implementation of NTERIM did not occur until mid-2008, and NIM from end 2010 to early 2011. Additionally while the charts provide some indication of the period income management operated, interpretation of these periods need some caution. In some cases data is an average over a number of years, whilst in others it may be anticipated that there may be a lag between the introduction of income management and a particular outcome.

---

<sup>6</sup> In standard approaches to analysis the group significantly impacted by the policy can be considered to be the 'treatment' groups, and those not impacted to be the 'control' or 'non-treatment' group. This language is used at times in later discussion.

For the purposes of analysis here, where this is possible from the data, both comparisons with the non-Indigenous Northern Territory population, and the non-Northern Territory Indigenous population are important. The first allows comparisons to be made which take account of local Northern Territory conditions including Territory level policies which may impact on trends. The second allows for any policies which been implemented which may affect Indigenous people more broadly – for example under the aegis of 'Closing the Gap'.

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

---

## 2 Child health and wellbeing

---

This chapter considers five indicators of child health and wellbeing. These are: infant mortality; the incidence of low weight births; death by injury amongst children aged 14 years and less; the level of substantiated child neglect and abuse reports; and the extent to which children are identified as being developmentally vulnerable.

Each of these indicators are directly relevant to the objectives identified in the promotion of income management policies.

### 2.1 Infant Mortality

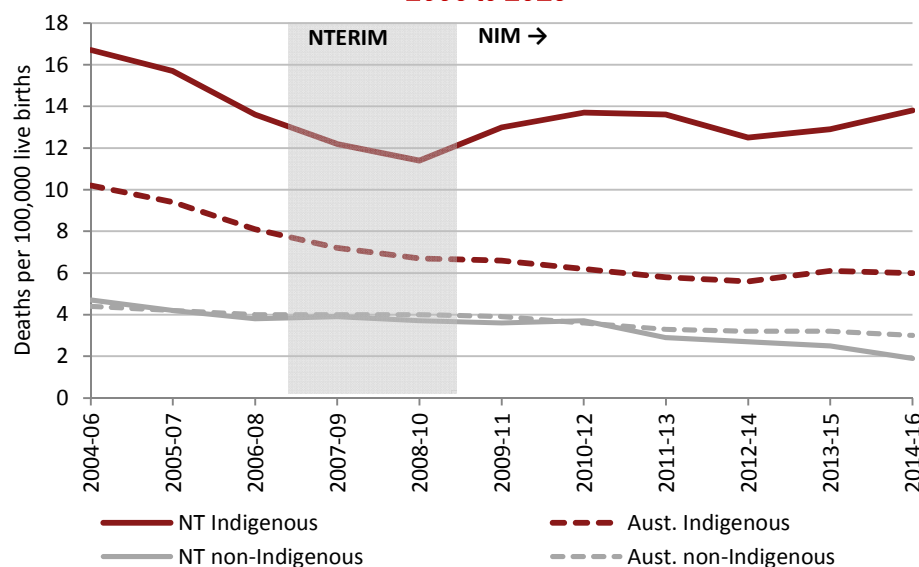
Infant mortality is globally recognised as a key indicator of population wellbeing. While there was a marked fall in the Indigenous infant mortality rate in the Northern Territory between 2004–06 (the data is presented as a moving average over a three year period) and 2008–10 (Figure 2), this decline does not appear to reflect any Northern Territory specific factor. Rather it appears to reflect the more general national decline in Indigenous infant mortality. Indeed the ratio of the Northern Territory to Australian Indigenous infant mortality rate increased slightly, but consistently, from 1.64 in 2004–06 to 1.70 in 2008–10.

From 2008-10 to 2011-13 the Indigenous infant mortality rate increased from 11.4 to 13.6 deaths per 1000 infants aged less than 1 year, and in 2014-16 it was 13.8 deaths. The increase in the infant mortality rate in the Northern Territory saw the ratio of the of the Northern Territory to Australian Indigenous infant mortality rate increase to 2.34 in 2011-13, it remained as 2.30 times the national Indigenous rate in 2014-16 – well above that seen in 2004-06.

In contrast the non-Indigenous rate in the Northern Territory, which was initially marginally higher than the overall Australian rate in 2004–06, has declined to be 0.63 times the national rate in 2014–16, indicating that the Northern Territory Indigenous population did not get the same gains as that of the non-Indigenous population in the Northern Territory.

Measuring the social impact of Income Management in the Northern Territory – an updated analysis

**Figure 2. Infant Mortality (Deaths of infants aged less than 1 year (per 1,000 live births)), 2006 to 2016**



*Notes:*

Data is provided as a three year moving average.

Because of these averages, plotting of the introduction of NTERIM and NIM is imprecise.

NTERIM is plotted from 2007–09 over which period the program was only partially impacting.

NIM is plotted from 2009–11 although the program was not fully operational until early 2011.

Source: AIHW Child Headline Indicators 2018.

Although lining this data up with the timing of income management is complicated by the use of 3 year averages, as has been noted, the relative outcome for the Indigenous population in the Northern Territory has worsened over the whole period of the implementation of income management, and indeed the rise in the rate after 2010 reflects a period when the NTERIM was fully operational and NIM was introduced.

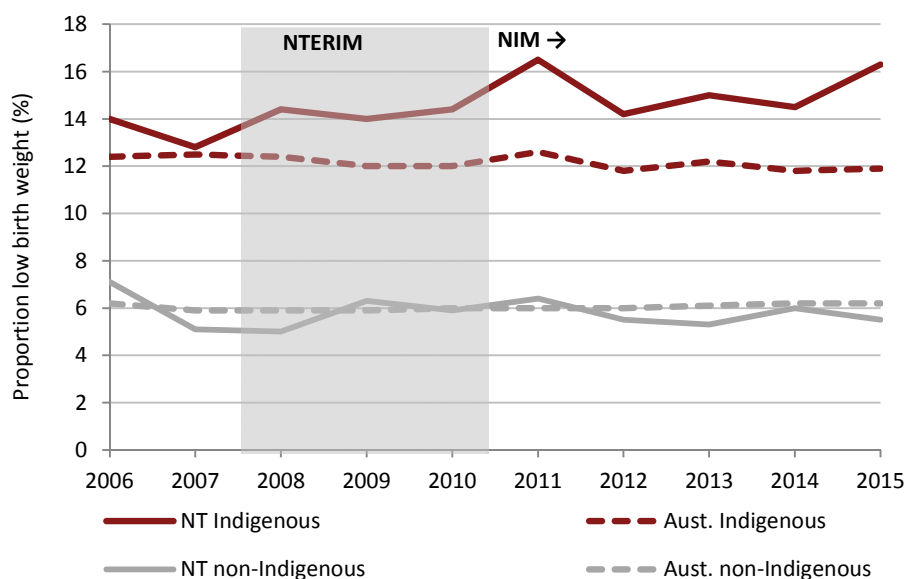
## 2.2 Low birth weight

The AIHW (2018) explain the importance of this indicator as “babies who are born with low birthweight are at greater risk of poor health, disability and death than other babies,” and goes on to report that “low birthweight is a risk factor for neurological and physical disabilities, with the risk of adverse outcomes increasing with decreasing birthweight ... The health effects of low birthweight can continue into adulthood. Research has found an increased risk of Type 2 diabetes, high blood pressure as well as metabolic and cardiovascular diseases”.

Data on low birth weight, Figure 3, indicates that the incidence of low birth weight amongst Indigenous infants in the Northern Territory has increased since 2006, relative to Indigenous Australians as a whole, and non-Indigenous Northern Territorians. Indeed, while the rate of low birth weight births has broadly remained stable for the Australian non-Indigenous population, and has declined marginally for all Indigenous children in Australia, for Indigenous children in the Northern Territory there has been a marked upwards trend.

## 2 Child health and wellbeing

**Figure 3. Low birth weight (Live born infants with a birthweight of less than 2,500 grams (per cent)), 2006 to 2015**



Note:

NTERIM introduction plotted at 2008 although program was not fully operational until June 2008. NIM introduction plotted at 2011 the year the program was fully operational.

Source: AIHW Child Headline Indicators (2018).

This points to a lack of any gains, and indeed a worsening of outcomes, in this dimension of child wellbeing since the introduction on income management.

A more detailed study of child birthweights in communities at the time of the introduction of the NTER income management regime utilised timing differences in the roll-out of the program to individual communities to derive a more direct measure of the effect. The study found no evidence of any improvements in child birthweight but rather “in fact, income management may have had a net negative impact on newborn health – lower birthweights and a higher probability of low birthweight” (Doyle, Schurer and Silburn 2017, 49).

### 2.3 Child death from injury

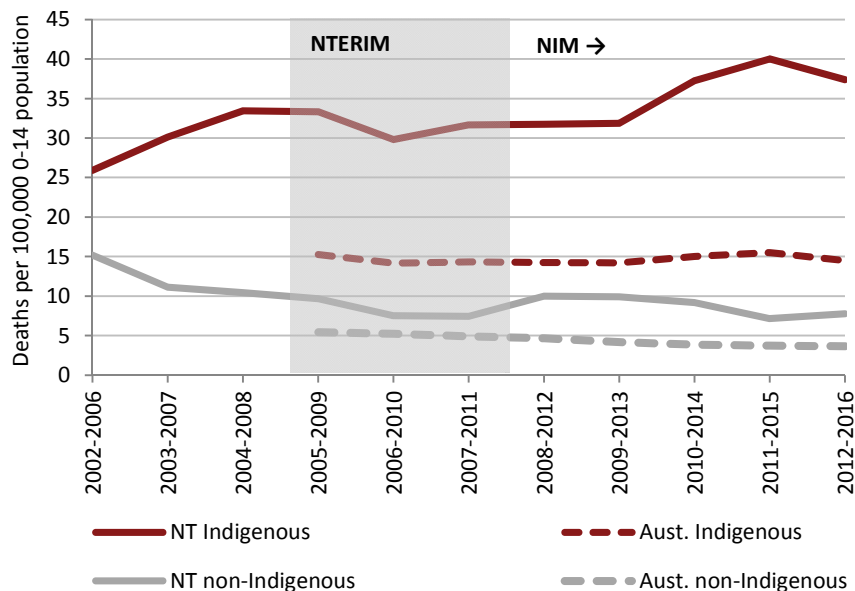
Childhood injury deaths for Indigenous children in the Northern Territory are 4.8 times the rate of those of non-Indigenous children in the Territory, and 2.6 times the rate of Indigenous children nationally. As shown in Figure 4, the rate has increased markedly between 2002–06 and 2012–16, in contrast to the fall amongst non-Indigenous children in the Northern Territory. While national data is only available from 2005–09 on the increase seen in the Northern Territory since then contrasts to an overall stable rate amongst Indigenous children nationally.

In addition to the direct negative impact of these child deaths from injury, more generally changes in the incidence of these deaths can also be seen as an indicator of trends in the incidence of significant childhood injuries, which, while not resulting in death, can have both short and long term consequences.

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

While the provision of this data as moving 5 year averages makes direct reference to the dates of the introduction of income management, it is clear that over the period in which the program has operated the rate has been increasing.

**Figure 4. Injury deaths for children aged 0–14 years (per 100,000 population), 2002–06 to 2012–16**



*Notes:*

Data used is a 4 year moving average.

Because of these averages plotting of the introduction of NTERIM and NIM is imprecise. NTERIM is plotted at 2005–09 over which the program was only partial impacting. NIM is plotted at 2008–12 although the program was not fully operational until early 2011

Source: AIHW Child Headline Indicators (2018).

This classification of injury death includes self-inflicted injury. The Northern Territory Child Deaths Review and Prevention Committee (2018) reports that over the period 2013–17 in the Northern Territory with regard to children aged 17 years and under:

Sixty seven deaths were due to ‘external causes of morbidity and mortality’ of which 44 deaths were of Aboriginal children and 23 were non-Aboriginal children. Of these, 27(40%) 21 Aboriginal and 6 non-Aboriginal deaths were the result of intentional self-harm. There were 8 (12%) children who died from drowning, 4 Aboriginal and 4 non-Aboriginal and there were 17 (25%) children who died from motor vehicle-related accidents, 9 Aboriginal and 8 non-Aboriginal. (p. 22).

**2.4 Child abuse and neglect**

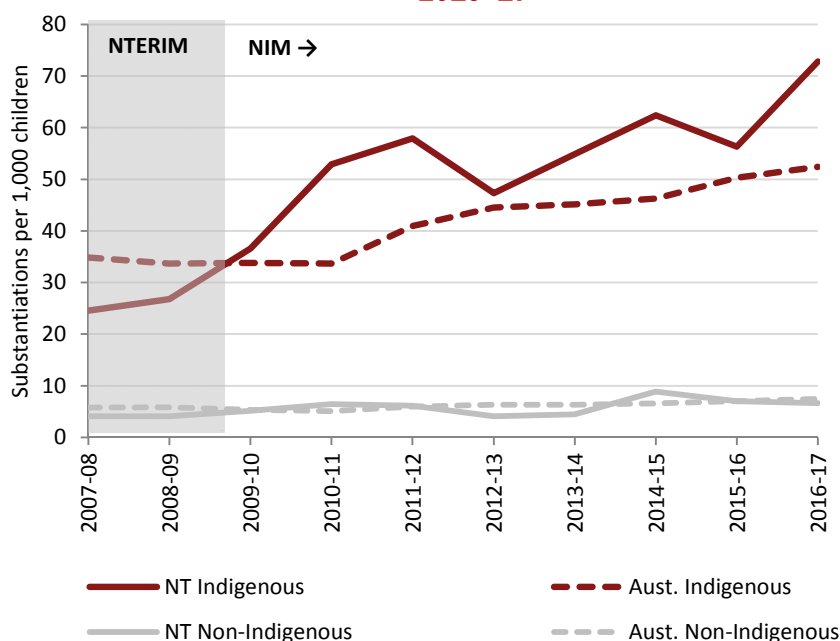
Child abuse and neglect was the central concern of the ‘*Little children are sacred*’ report which was used as the rationale for the introduction of the Northern Territory Emergency Response, and of income management as part of these policies.

As seen in Figure 5, there has been a substantial increase in the proportion of children in the Northern Territory who have been the subject of a substantiated child neglect or abuse notification. While similar upward trends have been recorded since 2010–11 for all Indigenous children, the rate of substantiation in the Northern Territory has increased more rapidly. The

## 2 Child health and wellbeing

rate of substantiations for Indigenous children, relative to non-Indigenous children, in the Northern Territory has increased from 6 times in 2007–08 to 11 times in 2016–17. While prima facie indicating a worsening outcome, some caution needs to be exercised in interpreting this result as trends in data on the incidence of child abuse and neglect can be ambiguous in that it may reflect changes in willingness to identify, report, and investigate potential cases, rather than incidence per se. Nevertheless the worsening outcome amongst Northern Territory Indigenous children, relative to Indigenous children overall, and relative to non-Indigenous children in the Northern Territory, would suggest that no significant improvement has occurred with the introduction of income management.

**Figure 5. Child abuse and neglect Children aged 0–12 years who were the subject of a substantiation of a notification received in a given year (per 1,000 children), 2007–08 to 2016–17**



Source: AIHW Child Headline Indicators (2018).

### 2.5 Developmental vulnerability

The Australian Early Development Census (AEDC) is a population-based measure of children’s development in Australia as they enter their first year of full-time school. The census is conducted every three years and takes place across government, Catholic and independent schools. The instrument<sup>7</sup> identifies outcomes across five developmental domains: Physical health and wellbeing; Social competence; Emotional maturity; Language and cognitive skills (school-based); and Communication skills and general knowledge. The instrument used in the collection has been tested, and was modified prior to the 2009 cycle, to ensure that it was a sensitive and appropriate measure for Indigenous children (Department of Education 2019, 6).

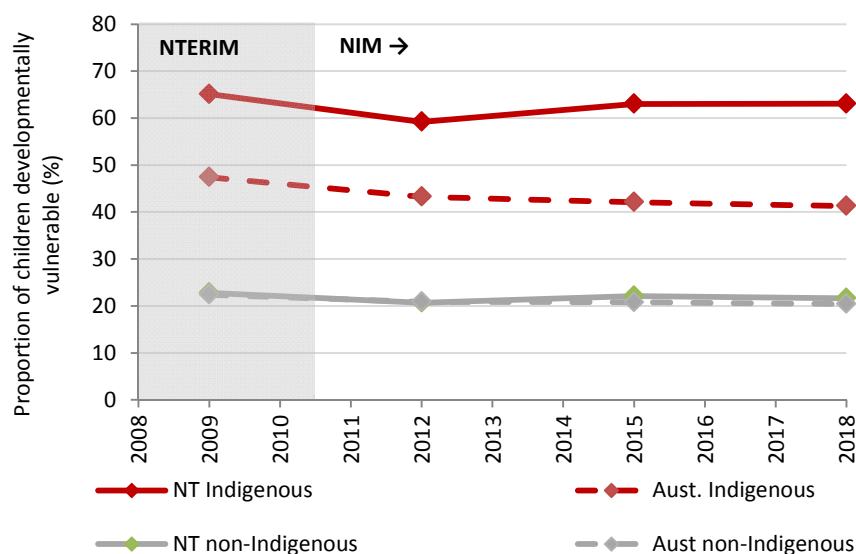
Data from the first collection was used to establish a series of benchmarks which are used to track developmental vulnerability and risk in each domain. From this a range of aggregate measures have been developed to monitor change. Figure 6 shows the trends in one of these

<sup>7</sup> The instrument used is the Australian version of the Early Development Instrument (AvEDI).

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

headline measures, the proportion of children identified as being developmentally vulnerable in one or more of the five domains. As illustrated there has been a steady decline in such vulnerability nationally for both Indigenous and non-Indigenous children. Similarly while there was an initial decline in the extent of vulnerability amongst Indigenous children in the Northern Territory, data since 2012 shows no gain, but rather suggests a small increase in developmental vulnerability. Most significantly over the whole of the period the decrease for Indigenous children in the Northern Territory has been much smaller than that recorded by Indigenous children overall, and the trend in the Northern Territory since 2012 runs counter to the ongoing decline in vulnerability experienced by Indigenous children nationally.

**Figure 6. Children developmentally vulnerable in one or more domains of the Australian Early Development Census, 2009 to 2018**



Note: The AEDC has been conducted every three years commencing in 2009.

Source: AIHW Child Headline Indicators (2018) updated with 2018 AEDC data .

## 2.6 Summary: Child health and wellbeing

Data examined in this chapter has identified:

- Prior to the time of the introduction of income management the rate of infant mortality amongst Indigenous people in the Northern Territory was declining. However this has ceased and since 2008–10 the rate has been increasing. This contrast with the ongoing decline for both the total Australian Indigenous population, and for non-Indigenous Northern Territorians.
- There has been an increase in the incidence of low birth weight babies amongst the Northern Territory Indigenous population in contrast to stable rates for other populations.
- The rate of injury deaths amongst children aged under 15 years has increased for Indigenous children in the Northern Territory, in contrast to a decline amongst non-Indigenous children in the Territory and a stable rate for Indigenous children across Australia as a whole



## 2 Child health and wellbeing

---

- Child abuse and neglect substantiations have increased more rapidly for Indigenous children in the Northern Territory than for Indigenous children overall and for non-Indigenous children in the Northern Territory, although it is noted that increased rates of substantiation do not necessarily reflect increasing incidence of abuse and neglect.
- While the proportion of Indigenous children in the Northern Territory identified as developmentally vulnerable has declined, the rate of this decline has been much smaller than for Indigenous children nationally.

Taken as a whole these data suggest that there have been no gains for Indigenous children in the Northern Territory on these measures, relative to Indigenous children nationally or non-Indigenous children in the Northern Territory, and indeed under some of these measures outcomes for Northern Territory children have worsened since the introduction of income management.

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

---

### 3 Education participation and outcomes

---

## 3 Education participation and outcomes

---

Improving educational participation and outcomes were identified goals of the NTER, while the legislative framework for NIM included as an objective of income management “to encourage socially responsible behaviour, including in relation to the care and education of children” (*Social Security (Administration) Act 1999* (Cwth) – Section 123TB). This emphasis in NIM was reinforced in the provision for application for exemptions on the basis of ‘responsible parenting’ which included as one of the criteria that the parent provide evidence that their school-aged children had attended school regularly for the past two terms with no more than five unexplained absences within this period.

This chapter initially considers trends in school attendance, and the further level of conditionality on transfer payments associated with the School Enrolment and Attendance through Welfare Reform Measure (SEAM), before considering outcomes as measured through the ‘National Assessment Program – Literacy and Numeracy’ (NAPLAN).

### 3.1 School attendance

Not only was improved education participation a goal of income management, but it was also a specific target of the SEAM measure introduced as part of the NTER.

#### 3.1.1 School attendance in the Northern Territory

Trends in school attendance by remoteness for Indigenous and non-Indigenous children in the Northern Territory are shown in Figure 7. This shows an overall decline in attendance for both of these groups across all locations, notwithstanding some initial improvement in attendance in ‘Outer Regional’<sup>8</sup> (Darwin and Palmerston schools), especially by Indigenous children up to 2011. Overall, between 2009 and 2018:

- Attendance by Indigenous students has fallen by 2.3 percentage points in Outer Regional schools, 14.4 percentage points in Remote schools and 9.9 percentage points in Very Remote schools.
- Although rates of attendance have also fallen for non-Indigenous students, the falls have been much smaller. Attendance by this group over this period has fallen by 1.9 percentage points in Outer Regional schools, 5.2 percentage points in Remote schools and 3.2 percentage points in Very Remote schools.

While this series was not available prior to 2009, based on the analysis of the NT Department of Education data on school attendance at schools that were in the prescribed areas subject to the

---

<sup>8</sup> The language used to describe these schools has varied over time, earlier publications referred to them as provincial schools before the adoption of the Accessibility and Remoteness Index of Australia (ARIA) classification.

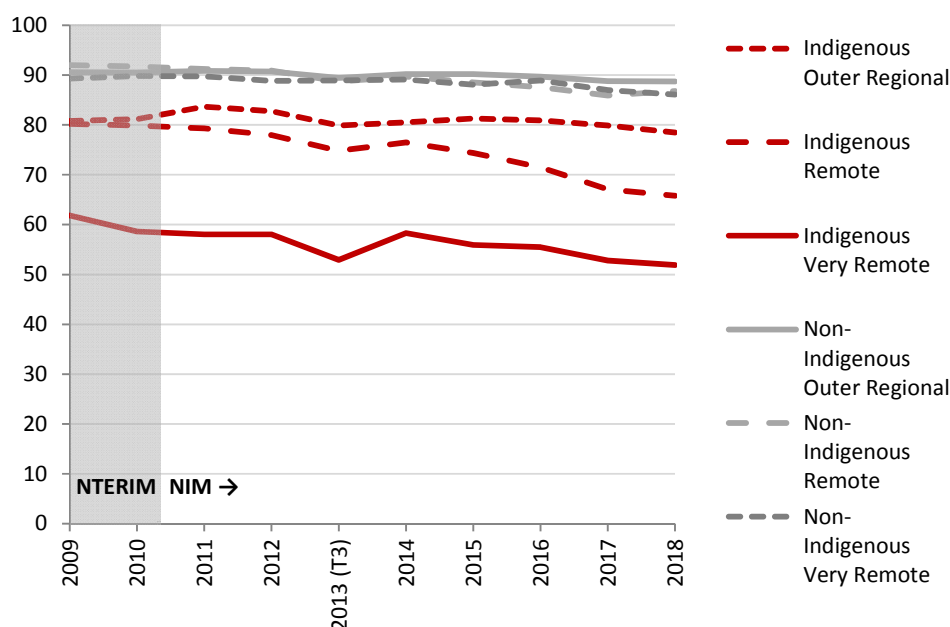
**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

NTERIM, the official government FaHCSIA evaluation of the NTER reported that “there has been no observable improvement in school attendance between 2006, before the NTER was introduced, and 2010, the last full year for which data are available” (FaHCSIA 2011, 292).

A study which used the staged roll out of NTERIM, and detailed local area data to more precisely measure the impact concluded “we find no evidence that school attendance increased after the introduction of income management. In fact, we estimate that attendance fell by 2.7 percentage points on average in the short-run. Importantly, income management did not significantly affect student enrolments” (Cobb-Clark et al 2017, Non-technical summary)

That is, the introduction of income management does not appear to have had any positive impact on school attendance and over the period during which income management was fully implemented, not only have Indigenous school participation rates in the Northern Territory fallen, but they have done so at a more rapid rate than that of non-Indigenous children.

**Figure 7. Northern Territory School Attendance by remoteness and Indigenity of students, 2009–2018.**



*Notes:*

Data for 2013 is for term 3 (full year data not published) , other years is total annual

The NT Department advises that new enrolment and attendance processes were introduced in 2013, as a consequence 2013 represents a break in series and therefore enrolment and attendance data prior to 2013 cannot be directly compared to 2013 or onwards datasets. This break is not considered to significantly impact the analysis presented herewith the trends before and after this break being consistent.

Data covers Early Years/Primary Years/Middle Years/Senior Years

ARIA remoteness categories. Outer Regional comprises Darwin and Palmerston.

Source: NT Department of Education, Enrolment and attendance statistics, various

**3.1.2 The SEAM program**

As indicated in the announcement of the NTER, one of the strategies was “Enforcing school attendance by linking income support and family assistance payments to school attendance”. As a means of achieving this the government introduced in 2009 the School Attendance and

### 3 Education participation and outcomes

---

Enrolment Pilot, and subsequently in 2013 the Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM). The program comprised a number of elements including, where children did not attend school, requirements for parents to attend conferences with schools and enter into school attendance plans, along with the suspension of payments in cases of non-enrolment, or non-compliance with these attendance plans.

The program implementation was reviewed by the Australian National Audit Office in 2014 which noted that “some anecdotal evidence was provided to the ANAO that SEAM in the NT is having some positive effects (ANAO 2014, 69). In the 2017–18 MYEFO it was announced that “The Government will achieve savings of \$29.6 million over four years from 1 January 2018 by ceasing the School Enrolment and Attendance Measure” (Morrison & Cormann 2017, 176). The rationale for this was reported in the media as:

The Federal Government has scrapped funding for a program aimed at getting children from remote NT communities to go to school, saying it was having no impact. The decision, announced as part of the Government’s Midyear Economic Financial Outlook, will see \$29 million stripped from the NT Government over the next four years.

The Commonwealth had been funding the School Enrolment and Attendance Measure (SEAM) since it was introduced by the federal Labor government in 2009. But Indigenous Affairs Minister Nigel Scullion said the program had been a total failure. “SEAM was a badly designed and woefully implemented program,” he said. “Despite our best efforts to improve it, all of the evidence continued to show that the measure was ineffective in getting kids to school”. (Cunningham 2017)

### 3.2 Education – NAPLAN results

Figure 8 and Figure 9 present the NAPLAN results for numeracy and literacy for the period 2008 to 2018 at four levels of education – years 3, 5, 7 and 9. The data shown is the proportion of children who achieve at or above the national minimum standards. While these data are not available prior to the introduction of income management, given the nature of learning, it would be anticipated that, to the degree the program has an impact, this would be gradual and incremental rather than immediate and hence the effect would be observed in subsequent years and build over time.

The dominant feature of all of these charts is the significantly worse results for Indigenous children in the Northern Territory. In general, while across the population as a whole some 90 per cent of children are meeting the national minimum standards, for Indigenous students in the Northern Territory the figure is around 50 per cent, or frequently less.

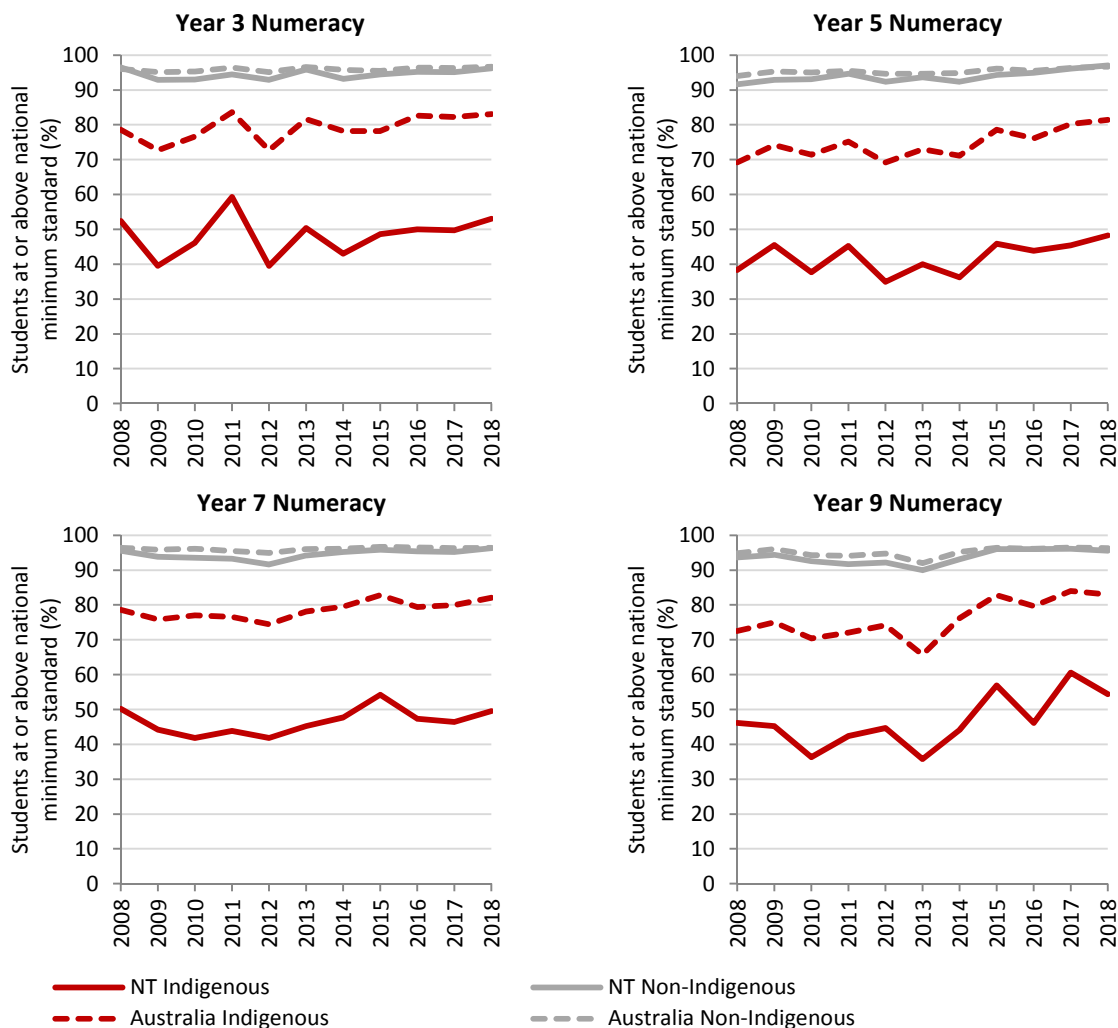
#### Numeracy

On the basis of a simple 2008 and 2018 comparison there have been gains for Indigenous students in the Northern Territory at year 5 numeracy (+10.0 per cent) and year 9 numeracy (+8.3 per cent), however in both of these cases this increase is less than that recorded by Indigenous students nationally of +12.2 per cent and 10.5 per cent, suggesting no relative gain, and in fact a negative relative shift.

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

For year 3 and year 7 Indigenous students there have been no gains from the beginning to the end of the period although more recent data suggests that the both of these groups of students have recovered from the decline from 2009 to 2014 observable in the data.

**Figure 8. NAPLAN numeracy, 2008 to 2018**



*Note:*  
Data shows the proportion of students who achieve at or above the national minimum standards.  
*Source:* AIHW Child Headline Indicators (2018).

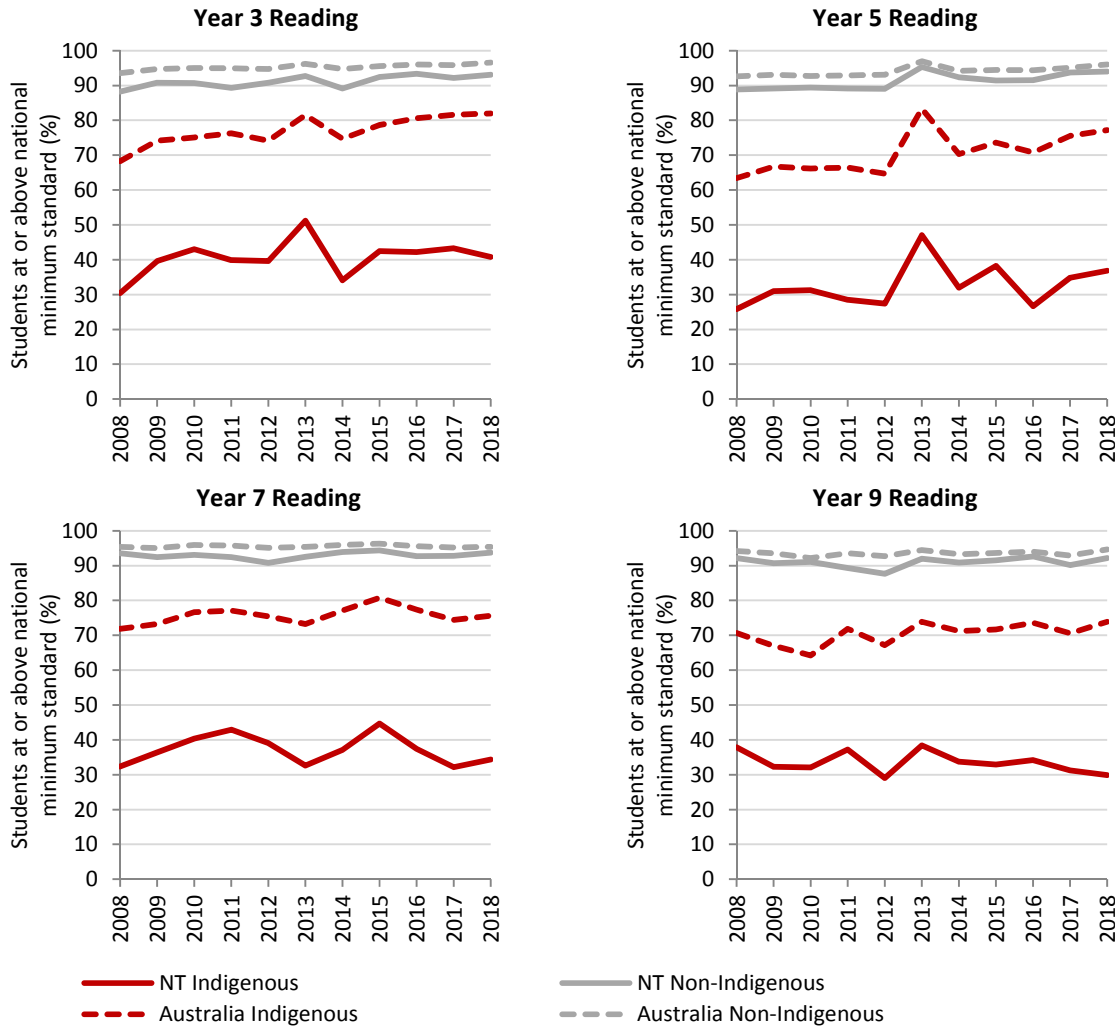
**Literacy**

As with numeracy the literacy results for Indigenous students in the Northern Territory show some volatility. In terms of changes over the whole period there were gains in this measure for Indigenous students in the Northern Territory at year 3 (+10.4 per cent – all of which occurred at the beginning of the period with no gain, and indeed a slight fall from 2010 onwards) at year 5 (+11.1 per cent) along with a minor gain at year 7 and a marked fall (-8.0 per cent) for year 9 students. Again, as with the numeracy results, to the extent there were these gains in year 3 and 5, these were smaller for Indigenous children in the Northern Territory relative to Australian Indigenous children as a whole.

**3 Education participation and outcomes**

This data again also illustrates the very poor outcomes for Indigenous students in the Northern Territory. While some 95 per cent or more of non-Indigenous students achieve at or above the minimum level, a rate above the Australian average, amongst non-Indigenous students the rates are some 30 to 40 per cent at most points of the education cycle.

**Figure 9. NAPLAN reading, 2008 to 2018**



Note:

Data shows the proportion of students who achieve at or above the national minimum standards.

Source: AIHW Child Headline Indicators (2018).

Taking this data as a whole, it shows that, while there have been some gains for Indigenous Children in the Northern Territory in some measures, but not in others, to the extent there have been improvements, these were consistent in direction, although smaller in magnitude, to the gains recorded by Indigenous children on a national basis. This suggests that there is no specific benefit which can be potentially associated with the operation of income management with regard to this outcome.

### **3.3 Summary: Education participation and outcomes**

The available data and analysis indicate that there is no evidence of any trend of improving school attendance amongst Indigenous children with the introduction of income management, with in fact some suggestion of a negative immediate effect. Nor is there any indication of any positive impact of the continued implementation of the measure, even when accompanied by the more punitive SEAM measure, or with regard to a range of additional policies put in place.

While some individual NAPLAN results can be interpreted positively, taken as a whole, the data from 2008 does not suggest any systematic pattern of improvement but rather highlights the significant and persistent gap between the outcomes for Indigenous children in the Northern Territory relative to Indigenous children nationally and relative to Northern Territory non-Indigenous children. Where there have been some improvements for Indigenous children in the Northern Territory, the gains recorded are either consistent with, or partially reflect the gains recorded nationally by Indigenous children who were by and large unaffected by the introduction of income management.

More generally, given the number of other education related measures that also accompanied the introduction on income management as part of the NTER, the failure of Indigenous children in the Northern Territory to even share the same level of improvement as has been recorded for Indigenous children in other locations raises more significant questions about the measures overall.



4 Alcohol consumption and impact

## 4 Alcohol consumption and impact

Curbing alcohol consumption and abuse featured heavily in the rationale for the introduction of income management. This chapter considers trends in alcohol consumption and one dimension of alcohol harm – emergency department presentations due to alcohol. The role alcohol played in assaults is considered in the next chapter.

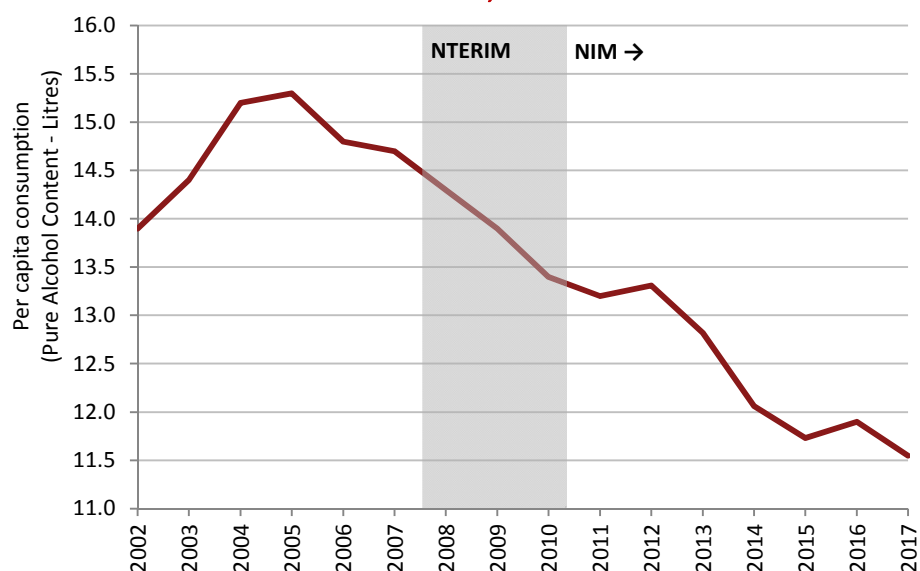
### 4.1 Alcohol consumption

Analysis here considers both the volume of alcohol consumption in the Northern Territory, and some of the associated controls on alcohol consumption, and the incidence of risky drinking behaviour by Indigenous people living in the Northern Territory

#### NT alcohol consumption

There has been a marked and sustained decrease in alcohol consumption in the Northern Territory since a peak of an estimated 15.27 litres pure alcohol content in 2005 to 11.55 in 2017. As illustrated in Figure 10 this trend however commenced prior to the introduction of income management in the Territory.

**Figure 10. Estimated Per Capita Consumption of Alcohol - Northern Territory (litres pure alcohol content) 2002 to 2017**



Source: NT Department of Justice (2009) & Department of the Attorney-General and Justice Northern Territory (2019).

A further factor in limiting the attribution of this trend to income management concerns the wide range of alcohol management, control and education measures which have been implemented. A description of some of the earlier set of policy changes is recorded in studies such as Symons et al (2012). This study, focusing on Alice Springs, considers the impact of some

## Measuring the social impact of Income Management in the Northern Territory – an updated analysis

---

9 specific measures implemented in the Alice Springs/Central Australia region, including restrictions on take away sales and a limit on sales of containers (mainly wine casks) larger than 2 litres, through to the introduction, in 2007, of the Alice Springs Restricted area which effectively prohibited most drinking in public areas, and the 2008 introduction of photographic ID for the purchase of alcohol. The study concluded that “The imposition of additional alcohol control measures has made a significant contribution to the reduction of estimated per capita consumption in Central Australia”. (p. 130)

These policies were however only some of the range of measures which impacted on both the supply and demand side of alcohol consumption in the NT. The authors also note, for example, that over the period in which they studied the impact of the Alice Springs policies “a number of liquor outlets in Darwin voluntarily agreed not to sell wine in four and five litre casks and it was a condition of changes to one licence that it withdraw sale of four litre casks. (p. 25). A further policy was the introduction of a Banned Drinkers Register. This initially introduced in 2011 but terminated late in 2012 with a change in government and reintroduced in 2017. (See Smith and Adamson 2018.) Analysis of the impact of the initial trial by the National Drug Research Institute (2014) concluded that their results “strongly suggest that the BDR was effective in reducing alcohol-related harms to health in Alice Springs” (p. 11).

An additional measure, particularly relevant to Indigenous alcohol consumption, has been the introduction of Alcohol Management Plans (AMPs). The Northern Territory government has reported that:

evaluations show that AMPs with supply plans in regional centres result in significant reductions in pure alcohol consumption levels. This includes a reduction in PCAC in Nhulunbuy from 2008–10 of 33%, Alice Springs from 2006–09 of 18%, Tennant Creek as a result of Thirsty Thursday 2005–06 of 11% and then after the AMP in 2008–09 of 4.4%, and Katherine 2008–09 of 8.7%. Supply restrictions are seen as being in the top ten most successful international and national evidence based alcohol measures. Other reductions in alcohol related harms resulting from AMPs include in Alice Springs from 2006 to 2009 a statistically significant fall in serious alcohol related assaults from 2.4% to 1.7%, in Tennant Creek from 2008–09, following the introduction of the AMP, a reduction in alcohol related assaults of 24.8%, and in hospital emergency departments presentations for alcohol and mental health and behavioural disorders of 66%. (NT Government 2014, 24–25)

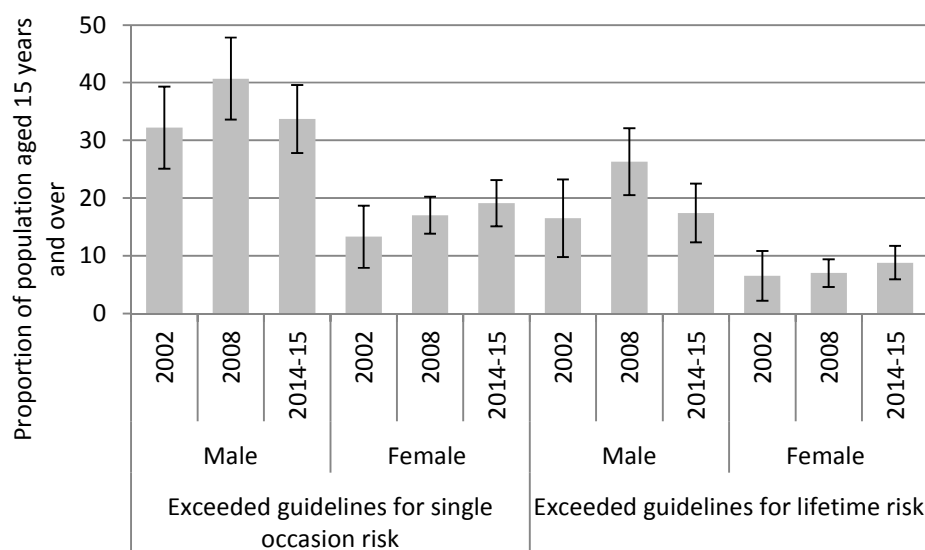
Enforcement action can also have significant immediate impact. Reporting on a lock down of takeaway outlets in Alice Springs ‘Operation Leyland’ the NT government reports “Operation Leyland commenced at the end of February 2014, and in the first two weeks of operation provided a decrease of 24% police attended incidents and a 54% reduction in assaults for the same period the previous year” (NT Government 2014, 11).

### Risk of harm drinking

The ABS as part of the National Aboriginal and Torres Strait Islander Social Survey asks respondents about their personal alcohol consumption, and from this derives estimates of the incidence of risky alcohol consumption using the 2009 NHMRC Guidelines. Specifically two risks are reported, a ‘Single occasion risk’ and a more stringent ‘Life time risk’. Results from the 2002, 2008 and 2014–15 surveys are reported in Figure 11.

#### 4 Alcohol consumption and impact

**Figure 11. Risky alcohol consumption, Indigenous persons aged 15 years and over, Northern Territory, 2002, 2008 and 2014–15.**



*Note:*

Error bar indicates the 95 per cent confidence interval for the estimate.

*Source:* ABS 4714.0 National Aboriginal and Torres Strait Islander Social Survey, Australia, 2014–15 Tables 25.3 & 26.3

The data shows no statistically significant trend towards lower levels of risky consumption since the introduction of income management, and indeed, to the extent any trend is identifiable, although not necessarily robustly, it is towards an increase in risky levels of drinking, with the incidence of risky drinking for both men and women, at both the single occasion and lifetime risk levels, being higher in 2014–15 than in 2008.

#### 4.2 Hospital emergency department presentations

Figure 12 shows the trends in wholly alcohol related presentations to the emergency departments of NT hospitals since September 2005. These presentations include alcohol intoxication, abuse, addiction hallucinosis, psychosis and delirium tremens, as well as more chronic conditions such as alcoholic hepatitis and cirrhosis with alcoholism. While for this reasons it may be anticipated that the rate of presentation would not immediately decline with any limitation on alcohol consumption, this though does not provide an explanation for the actual pattern of strong growth in particular in the period from mid-2011.<sup>9</sup>

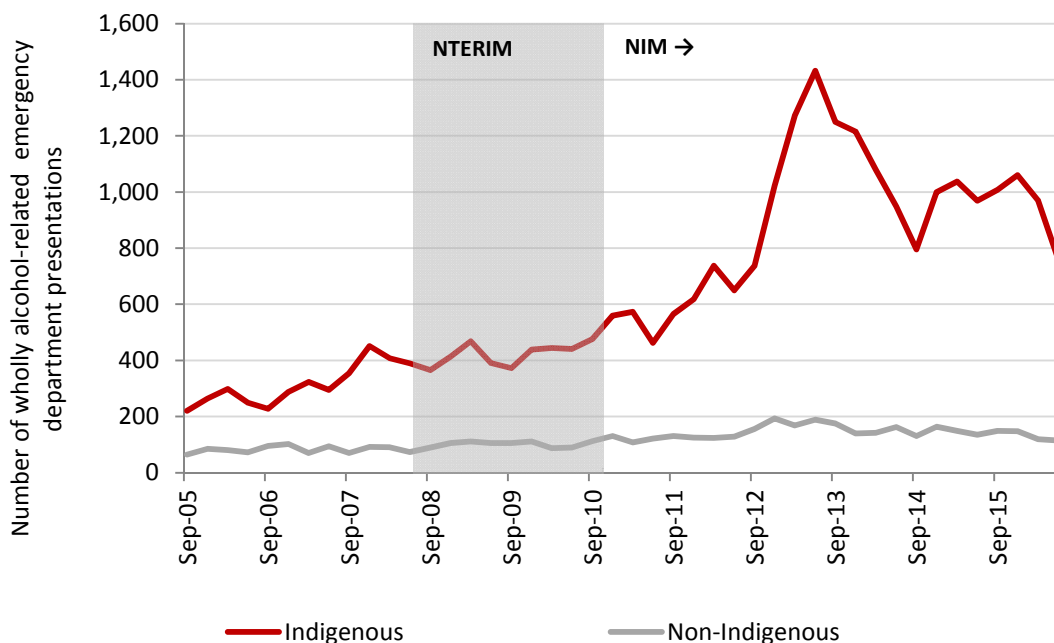
While more recent data points to a marked downturn in presentations (Northern Territory Department of Health 2019) these are not available yet on the basis of Indigeneity and hence have not been included in this analysis. Media reporting suggests that this trend is largely

<sup>9</sup> The strong spike seen in late 2012 appears to be an anomaly rather than a trend, This was examined by the National Drug Research Institute (2014) which reported “While, do not have the data to explain this increase, it is widely known and reported in newspapers that following the Briscoe death in custody in January 2012, the police began taking all people on protective custody apprehensions to ED for medical assessment. ... This could be verified if police data was available but our best estimate is that this would have amounted to enough of an increase to solely account for the increase in alcohol caused ED presentations” (pp 7–8).

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

associated with enforcement activity. Citing the case of a 1/3 fall in alcohol related admissions to the Alice Springs Hospital it reports the director of the emergency department as saying “it was likely Government policies, such as the presence of police auxiliary liquor inspectors (PALIs) stationed at regional bottle shops, were behind the decrease” (Beavan and Brash 2019).

**Figure 12. Number of emergency department presentations by quarter, for wholly alcohol-related presentations, by Aboriginal status, quarterly, September 2005 to June 2016**



Source: Northern Territory Department of Health 2015 & 2016.

These results provide little support to suggest that income management has had a significant impact on reducing the incidence of alcohol related health outcomes.

### 4.3 Alcohol summary

Alcohol consumption has been declining in the Northern Territory since 2005, well prior to the introduction of income management. While the rate of decline has varied over time – and consumption increased marginally between 2011 and 2012 and again between 2015 and 2016, there is no evidence of income management being a major factor in the trend. Rather, as well as a secular trend, including the role of mid strength and light beer, and national policies such as alcopop pricing, it appears that local supply and demand policies, including policing, have had more impact.

Data on reported alcohol consumption by Indigenous persons in the Northern Territory shows no reduction in the incidence of risky alcohol consumption in the period from 2002 to 2014–15, notwithstanding the above trends and the introduction of income management.

There has been an increase in the proportion of emergency department presentations in the Northern Territory related to alcohol since 2005, with this trend being particularly marked amongst Indigenous Australians.

5 Crime and justice

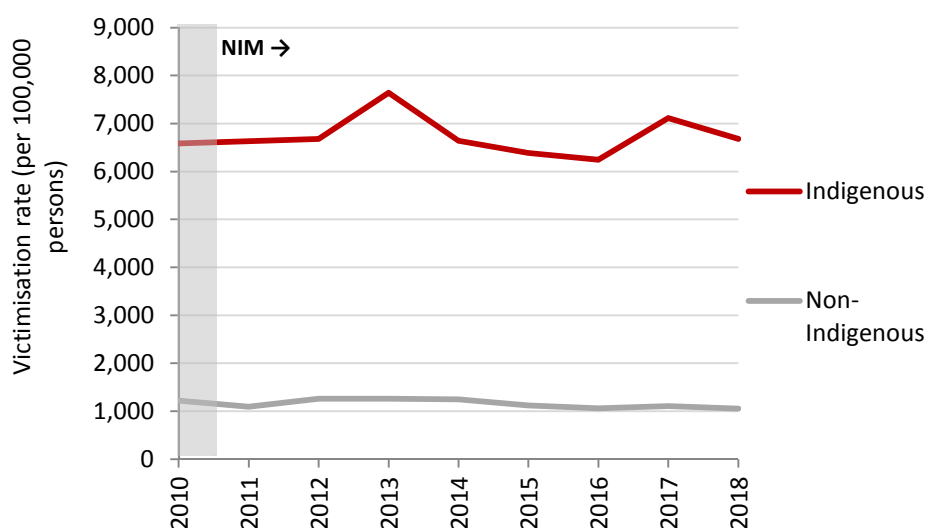
## 5 Crime and justice

Three aspects of crime and justice are considered here. The first is the incidence of victimisation from assault, secondly offence rates, both relating to assault and more widely, and finally rates of imprisonment. The focus on assault in analysis reflects both this being the largest single crime classification in the Northern Territory, and also the focus of income management on questions of community disorder and safety of which the incidence of assault is a key indicator.

### 5.1 Assault victimisation

The Northern Territory has a high rate of assault victimisation. While comprehensive national data are not available, the Northern Territory standardised victimisation rate of 2,978 per 100,000 persons in 2018 compares with rates of 828 in New South Wales, 955 in South Australia, 1,115 in Western Australia, 615 in Tasmania, and 549 in the Australian Capital Territory (ABS Cat No 4510.0). The evolution of the victimisation rate in the Northern Territory since 2010, by the Indigenous identification of the victim, is shown in Figure 13.

**Figure 13. NT Assault victimisation rate - reported crime, 2010- 2018**



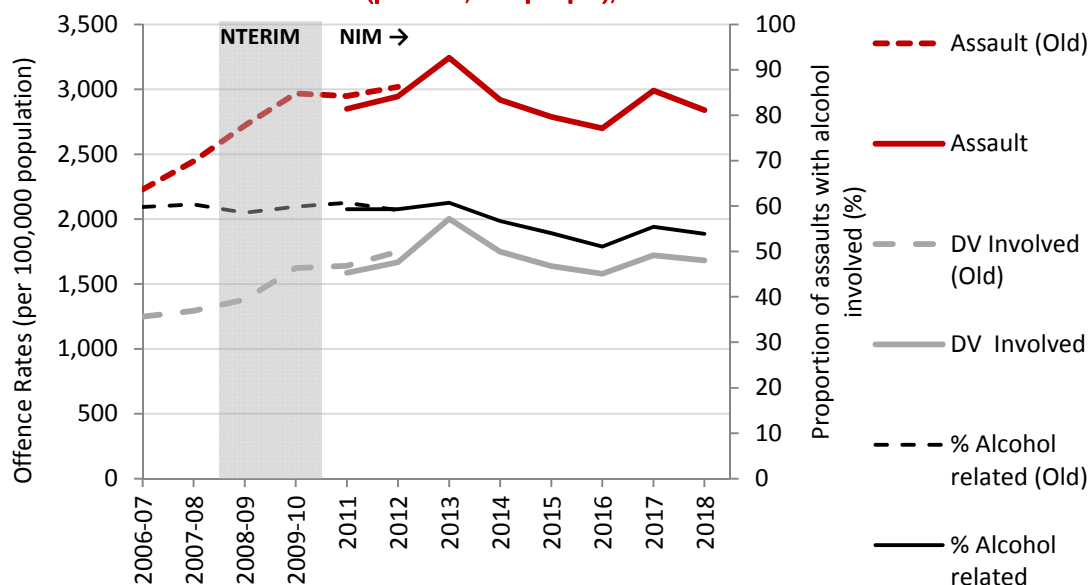
Source: ABS 2018 Recorded crime – Victims Cat. No. 4510.0, Table 16

While the assault victimisation rate amongst Indigenous Northern Territorians of 6,678.4 in 2018 was marginally higher than the 6,583.7 recorded in 2010, the series can essentially be viewed as being flat. In contrast, in addition to being substantially lower, the rate amongst non-Indigenous persons in the Northern Territory, while also being largely flat, hints at a slight decline.

## 5.2 Rates of crime and offending

Figure 14 also considers assaults, this time in terms of the number of offences and their association with domestic violence and alcohol. While wholly consistent data are not available for the whole period, the chart plots trends since financial year 2006–07 to calendar year 2018.

**Figure 14. Assaults and extent to which involved alcohol or domestic violence, Offence rates (per 100,000 people), 2006–07 to 2018**



*Notes:*

'Old' refers to earlier published data. When estimates of rates were re-estimated in later publications they were not fully backcast

Financial year to 2009–10, calendar year (year to December 2011 on).

Source: Department of the Attorney-General and Justice Northern Territory (2012 and various to December 2018)

The chart shows the same flat to slight decline in assaults since 2011 as seen in the victimisation data, although pointing to a marked increase in the period prior to this, which includes the period over which income management was first rolled out in the Northern Territory. In addition it indicates:

- There has been a decline in the proportion of assaults associated with alcohol from some 60 per cent up to 2013 to an average rate of around 54 per cent from 2014 onwards. The decline was most marked between 2013 and 2015.
- The rate of assaults which involved domestic violence increased strongly up until 2013 and, while having declined from the peak it reached in 2013, it has since stabilised around rates similar to those seen in 2009–10.

More recent data which compares data for the period August 2018 to July 2019 with the previous 12 month period, Table 3, shows a marked decrease in a number of crime categories, including alcohol related assault. Again the issue of policing and related alcohol management measures needs to be taken into account with respect to this trend.

5 Crime and justice

**Table 3. Rates of offending per 100,000 population year to end July 2018 & 2019**

Crime	01/08/2017 - 31/07/2018	01/08/2018 - 31/07/2019	% Change
	Rate per 100,000 persons		
Assault	3,068.5	2,598.3	-15.3
Domestic violence related assault	1,775.1	1,574.5	-11.3
Alcohol related assault	1,700.9	1,294.7	-23.9
Sexual assault	163.7	133.8	-18.3
House break-ins	859.2	1,005.9	17.1
Commercial break-ins	1,032.1	982.7	-4.8
Motor vehicle theft	722.7	728.5	0.8
Property damage	2,996.4	2,936.7	-2.0

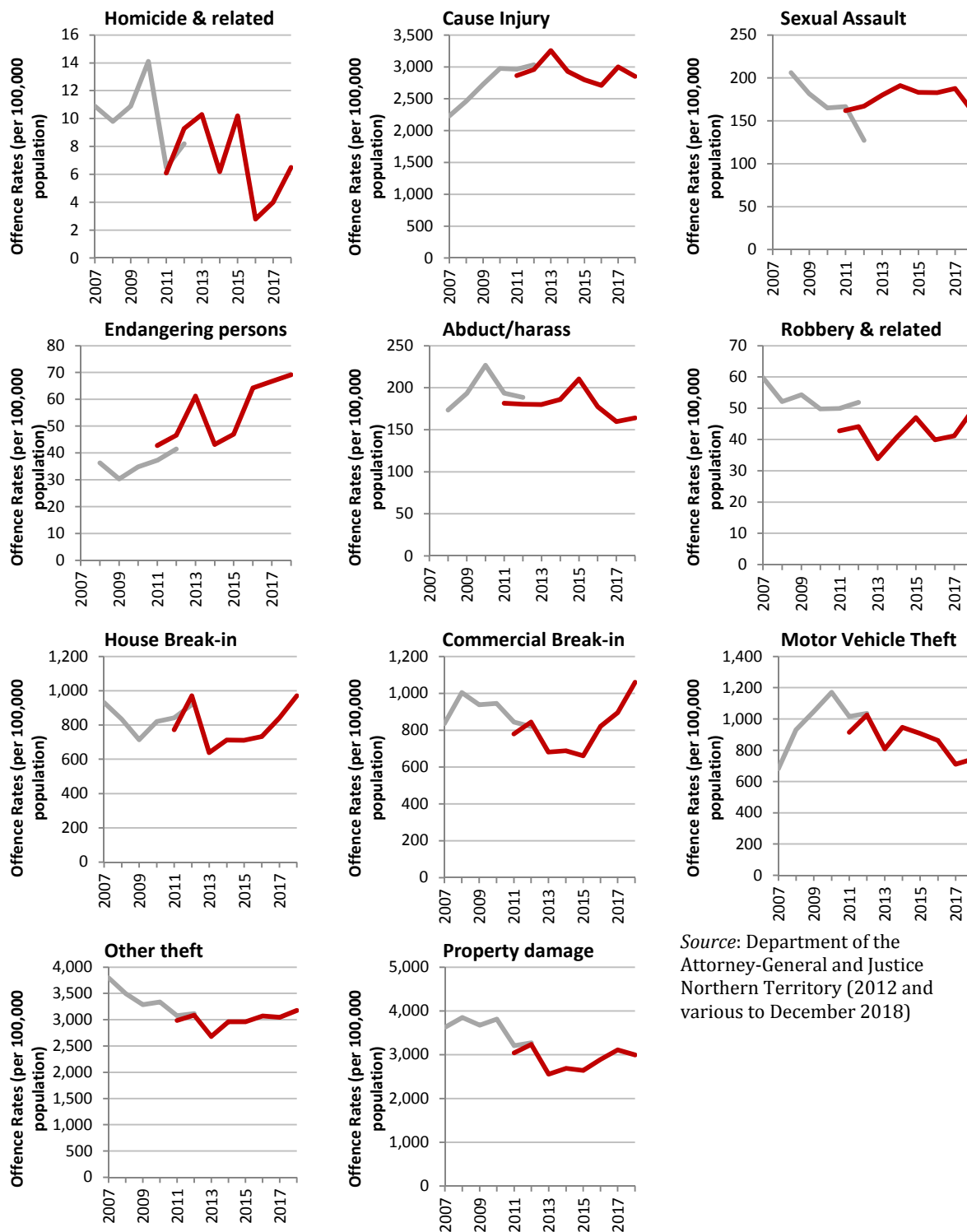
Source: Department of the Attorney-General and Justice Northern Territory (2019).

Turning to more specific crimes, Figure 15, there appears to be little consistency in trends over the past decade. While it is possible to see some declines, for example homicide and related crimes, the pattern of change over time, and relative to other classifications, is quite disparate, and, while some crimes show a decline in the initial period such as other theft property damage and sexual assault, since then rates have stabilised or in some cases increased. Similarly while motor vehicle theft has shown a decline since 2011, this has simply been from the levels it rose to between 2007 and 2010.

Taken as a whole and considering the period since income management was first introduced in 2008 it is not clear that there is any associated consistent pattern of change. While some crimes such as homicide, property damage and theft have fallen, house break-ins remain at a level similar to what they were prior to income management, commercial break-ins have increased, and crimes which involve causing injury or endangering persons have increased. There seems little cause to attribute the falls to one factor, but the increases to another, other than potentially the effect of very targeted enforcement activity.

Measuring the social impact of Income Management in the Northern Territory – an updated analysis

**Figure 15. Main crime classifications Offence Rates (per 100,000 population) 2007–2018**



Source: Department of the Attorney-General and Justice Northern Territory (2012 and various to December 2018)

### 5.3 Imprisonment

The imprisonment rate of Indigenous people in the Northern Territory is high and has increased largely monotonically for the almost 20 year period for which data is available, as illustrated in Figure 16.

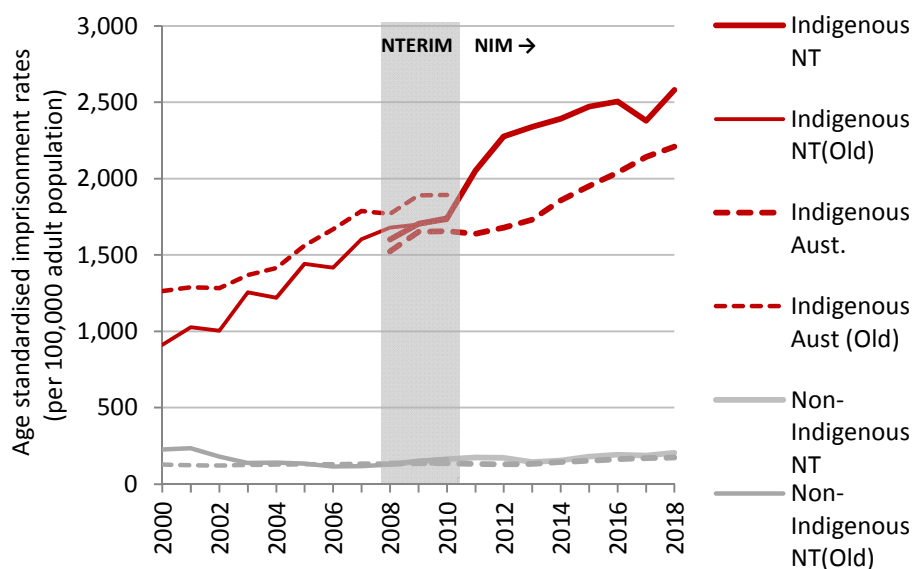


## 5 Crime and justice

While it would be expected that there is a lag between the imprisonment rate which reflects the stock of people incarcerated and the activities which result in their detention, this should not overly inhibit the capacity of this data to point to any potential decline in serious criminal activity. The reason for this is that the lags are relatively small, especially given the time scale of the data. In 2016–17 in the Northern Territory the average sentence length (excluding life sentences) was 507 days and the median 180 days for all prisoners, and the average sentence for newly sentenced prisoners was 262 days and the median 122 days. Some 71 per cent of prisoners were sentenced, (NT Government 2018).

Noting this, there is no evidence of an impact which may be associated with the introduction of income management. in this measure of social outcomes.

**Figure 16. Age Standardised Imprisonment Rate by Indigenous Status 2000-2018**



Source: ABS Prisoners in Australia 2008, 2012 & 2018 Cat No 4517.0.

### 5.4 Crime and Justice Summary

Data considered here, while in some cases suggesting some decrease in some areas of crime and a lessening of assault associated with alcohol, at the same time indicates an increasing rate of some other crimes, and an ongoing massive increase in the rate of imprisonment of Indigenous people in the Northern Territory. In addition, to the extent there have been some decreases in some crimes over some periods, account needs also to be taken of other policies, including those relating to alcohol. This and the lack of any consistent pattern across the period during which income management has been operating does not suggest any systematic linkage of crime patterns with the policy.

**Measuring the social impact of Income Management in the Northern Territory – an updated analysis**

---

## 6 Summary

---

# 6 Summary

---

Income management was a major policy intervention impacting in particular on the Indigenous population of the Northern Territory where an estimated 34.1 per cent of all Indigenous persons aged 15 years and over were subject to the measure, in a large number of cases for more than a decade.

For this group controls were imposed on how at least half of their income could be spent with the objective of ensuring money was spent on essentials and limiting the amount available for the consumption of alcohol, tobacco and a range of other activities which are seen as detrimental to individual and community wellbeing. The program had as its objectives improved wellbeing outcomes for individuals and their families. It was envisaged as a policy which would stabilise communities, constrain anti-social behaviour and outcomes and establish pathways to economic and social participation. Central to the objectives was improving the welfare of children, including their participation and gains from education.

The policies were envisaged as not just operating at the individual level but flowing on to the communities in which the people subject to the measure live, both directly, by reducing substance abuse and other forms of anti-social behaviour, and more generally through the strengthening of socially responsible behaviour and the aggregate effects of the gains for individuals and their families.

In terms of improving outcomes the impact of the program should be even more marked than just the proportion of the population subject to the measure as a result of its targeting. This was noted in the introduction of NIM in terms of both the location: “The Northern Territory has the highest proportion of severely disadvantaged locations in Australia” and the individuals as choice of targeting was described as “the government has chosen these groups based on their need for support due to their high risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviours” (Macklin 2009, 12786).

It has been on this basis that this paper has sought to identify the extent to which there have been gains across a range of social domains which can be attributable to income management. That is, if the program has achieved its objectives it would be expected that there would be a range of improved outcomes across a number of domains including with respect to child health and wellbeing and education, in terms of risky alcohol consumption and in anti-social activity including criminality.

As has been presented in the preceding chapters there is an absence of evidence of any such gains. In fact there been negative trends in a number of key outcomes for Indigenous people living in the Northern Territory including infant mortality, low birthweight children, injury deaths, substantiated child abuse and neglect notifications, and school attendance. Furthermore where there have been some gains, for example educational achievement as measured by NAPLAN results, these have been well below those recorded by Indigenous children living in other locations which have not been subject to income management.

## Measuring the social impact of Income Management in the Northern Territory – an updated analysis

---

Although there has been a marked fall in alcohol consumption in the Northern Territory over the period of income management, this would appear to reflect a pre-existing trend. A trend, a range of analyses suggests, has been driven by a substantial number of other policies primarily directed at regulating and controlling alcohol consumption. The data available on the proportion of the Northern Territory Indigenous population engaging in risky alcohol consumption does not suggest any significant change in the incidence of this. The range of data on crime and justice when taken as a whole does not point to any consistent picture of decline, assault rates remain high and while the incidence of some specific crimes has declined, including with respect to the role of alcohol in these (likely as a consequence of the above factors), others have increased. The NT Indigenous imprisonment rate has continued to grow strongly.

Taken together these findings suggest that, despite the objective of targeting income management to those deemed to be most vulnerable and at most risk of inappropriate and risky behaviours, and the magnitude of the implementation of income management in the Northern Territory with over a third of the Indigenous population being subject to the measure, it has had no discernible positive benefits across the wide range of social indicators considered here.

Perhaps even more significant is that Income Management was just one of a large number of initiatives implemented in the Northern Territory over this period – in particular as part of the ‘Emergency Response’, and subsequently the ‘Stronger Futures in the Northern Territory Initiative’. The absence of any positive trend in the indicators presented here must raise significant questions about the rationale, implementation and effectiveness of these.

This analysis also highlights the importance of a systematic approach in measuring the impacts of policies. As can be seen in the data while the overwhelming balance of indicators point to no gains, it is possible to identify some which, when taken in isolation, point to an improvement, a systematic approach is required to avoid such misleading ‘cherry picking’. Similarly, the analysis points to the importance of examining outcomes relative to ‘control populations’ which are not impacted by the measure. As has been seen, while in absolute terms some indicators suggest an improvement in outcomes, when measured against the gains recorded by those not affected by the policy, the actual situation is seen as failing to even achieve the gains achieved by these. Finally, the analysis emphasises a need to take account of and understand the impact of other policies which may also be implemented and the extent to which these may be responsible for the change.

## 6 Summary

---

### References:

- AIHW (Australian Institute of Health and Welfare). 2018. "Children's Headline Indicators - Web report" (Updated: 18 Sep 2018). <https://www.aihw.gov.au/reports/children-youth/childrens-headline-indicators/contents/overview>
- ANAO (Australian National Audit Office). 2014. *The Improving School Enrolment and Attendance through Welfare Reform Measure*. Audit Report No.51 2013–14. Canberra: Australian National Audit Office.
- Australian Government. 2009. *Policy statement: landmark reform to the welfare system, reinstatement of the Racial Discrimination Act and strengthening of the Northern Territory Emergency Response*. Canberra: Australian Government.
- Australian Government. 2012. *Stronger Futures in the Northern Territory*. Canberra: Australian Government.
- Beavan, Katrina and Stewart Brash. 2019. "Alcohol policies hailed as Alice Springs Hospital presentations plummet". *ABC News*, 9 September 2019.
- Bray, J Rob, Matthew Gray, Kelly Hand and Ilan Katz. 2014. *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*. (SPRC Report 25/2014). Sydney: Social Policy Research Centre, UNSW Australia.
- Brough, Mal (Minister for Families, Community Services and Indigenous Affairs). 2007a. "National emergency response to protect Aboriginal children in the NT". Media Release 21 June 2007.
- Brough, Mal. 2007b. "Second Reading Speech Social Security and Other Legislation Amendment (Welfare Payment Reform) Bill 2007". *Hansard*, House of Representatives, 7 August 2007.
- Cobb-Clark, Deborah A., Nathan Kettlewell, Stefanie Schurer and Sven Silburn. 2017. "The Effect of Quarantining Welfare on School Attendance in Indigenous Communities." *University of Queensland Life Course Centre Working Paper 2017-22*.
- Cunningham, Matt. 2017. "School program ditched by Federal Government". *NT News*. 19 December 2017.
- Department of Education and Training. 2019. *Australian Early Development Census (AEDC) Data Dictionary*. Canberra: Department of Education and Training.
- Department of the Attorney-General and Justice Northern Territory. Various to December 2018. "Northern Territory Crime Statistics" (website documents). Darwin: Northern Territory Government.
- Department of the Attorney-General and Justice Northern Territory. 2019. "Northern Territory Crime Statistics Data through July 2019" (website document). Darwin: Northern Territory Government.
- Department of the Attorney-General and Justice Northern Territory. 2012. *NT Annual Crime Statistics, Issue 1: 2011-12*. Darwin: Northern Territory Government.
- Doyle, Mary-Alice, Stefanie Schurer, and Sven Silburn. 2017. "Do welfare restrictions improve child health? Estimating the causal impact of income management in the Northern Territory". University of Queensland Life Course Centre Working Paper 2017-23. Brisbane: University of Queensland.
- DSS (Department of Social Services). Various. "Cashless Debit Card (CDC) and Income Management (IM) Summary"/ "Income Management Summary". [Data.gov.au](http://Data.gov.au).
- DSS (Department of Social Services). 2018. "DSS Payment Demographics Dataset December 2018". [Data.gov.au](http://Data.gov.au).
- FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs). 2011. *Northern Territory Emergency Response Evaluation Report 2011*. Canberra: FaHCSIA.
- Macklin, Jemmy (Minister for Families, Housing, Community Services and Indigenous Affairs) and Warren Snowdon. 2009. "Major welfare reforms to protect children and strengthen families". Media Release 25 November 2009.

## Measuring the social impact of Income Management in the Northern Territory – an updated analysis

---

- Macklin, Jenny. 2009. "Second Reading Speech Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009". *Hansard*, House of Representatives 25 November 2009.
- Morrison, Scott and Mathias Cormann. 2017. *Mid-Year Economic and Fiscal Outlook 2017–18*. Canberra: Commonwealth of Australia.
- National Drug Research Institute. 2014. "Alcohol Control Measures: Central Australia and Alice Springs". Perth: Curtin University.
- Northern Territory Child Deaths Review and Prevention Committee. 2018. *Annual Report 2017-2018*. Darwin: Office of the Children's Commissioner.
- Northern Territory Department of Education. Various. Enrolment and attendance. Web resource <https://education.nt.gov.au/statistics-research-and-strategies/enrolment-and-attendance>
- Northern Territory Department of Health. 2015. *Regular report on alcohol-related harm indicators for public hospitals Alcohol-attributable hospital admissions and alcohol-related emergency department presentations in the Northern Territory*. Darwin: Northern Territory Government.
- Northern Territory Department of Health. 2016. *Alcohol-attributable hospital admissions and alcohol-related emergency department presentations in the Northern Territory*. Darwin: Northern Territory Government.
- Northern Territory Department of Health. 2019. *Alcohol attributable emergency presentations monthly report – June 2019*. Darwin: Northern Territory Government.
- Northern Territory Department of Justice. 2009. *Northern Territory Wholesale Alcohol Supply for the Period 2002–2009*. Darwin: Northern Territory Government.
- Northern Territory Department of the Attorney-General and Justice. 2019. *Northern Territory Wholesale Alcohol Supply 2010 to 2017*. Darwin: Northern Territory Government.
- Northern Territory Government. 2014. "Northern Territory Government Submission to the Inquiry into the Harmful Use of Alcohol in Aboriginal and Torres Strait Islander Communities, April 2014". Darwin: Northern Territory Government.
- Northern Territory Government. 2018. *Northern Territory Correctional Services Annual Statistics 2016–2017*. Darwin: Northern Territory Government, Department of the Attorney-General and Justice.
- Smith, James, and Elizabeth Adamson. 2018. "Process evaluation of the Banned Drinker Register in the Northern Territory". Darwin, Menzies School of Health Research.
- Symons, Martyn, Dennis Gray, Tanya Chikritzhs, Steven Skov, Sherry Saggars, John Boffa, and Jennifer Low. 2012. "A longitudinal study of influences on alcohol consumption and related harm in Central Australia: with a particular emphasis on the role of price". Perth: National Drug Research Institute.
- Wild, Rex and Pat Anderson. 2007. *Ampe Akelyernemane Meke Mekarle "Little Children are Sacred"*. Report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse. Darwin: Northern Territory Government.

### ABS Statistics

- |            |   |
|------------|---|
| ABS 3101.0 | Australian Demographic Statistics.                            |
| ABS 4714.0 | National Aboriginal and Torres Strait Islander Social Survey. |
| ABS 4510.0 | Recorded Crime – Victims, Australia.                          |
| ABS 4517.0 | Prisoners in Australia.                                       |

## Attachment B

### Commentary on the evaluations of the Cashless Debit Card

Bray (2016) presents an extensive review of the large number of evaluations undertaken of income management programs, along with the findings of some research projects which have sought to study and report on particular aspects of the program or some specific outcomes. He concludes this by noting that across this work:

... there are some clear themes which emerge from these studies:

- In all but the place-based initiatives, 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.
- Those studies which utilise objective or repeated measures of outcomes, such as consumption, financial behaviours and school attendance, generally find little, if any, evidence of changes associated with the program. In contrast, questions around perceptions of change are much more frequently answered positively (although far from universally so).
- To the degree that there have been any impacts on outcomes, these are associated with people who have chosen to go onto the program – that is, those who participate in Voluntary Income Management. In contrast, there is no evidence of such impacts for those placed on widespread compulsory income management.
- The evidence base on the much smaller, highly targeted compulsory programs is less substantive and, on balance, has been more reliant on qualitative information. There are grounds from the evaluations to consider that these programs may have a beneficial impact where the individuals are motivated to make changes, and where they are supported by caseworkers and other interventions. In other cases, the evidence suggests that, where people wish to, they work around the restrictions imposed on them.
- There are recurrent concerns across many of the evaluations that the program is leading to increased dependence on the welfare system rather than fostering independence. Specific measures to improve financial capability, such as the matched savings grant, have been a failure. (Bray 2016, 36)

These are findings which we consider remain valid.

Subsequent to this body of evaluation and research addressed in this study there have been two evaluations produced concerning the Cashless Debit Card. These, which are sources quoted in the explanatory memorandum (Ruston 2019) as validating the CDC and as providing 'evidence' of its success are considered below. Additionally this note concludes with a discussion of the limitations of the type of perceived change questions that have been used in a number of studies, including these two CDC evaluations.

## ORIMA Evaluation of the Cashless Debit Card

ORIMA Research was commissioned by the Department of Social Services to conduct the evaluation of the Cashless Debit Card in Ceduna and the East Kimberly regions. It has produced three reports: an Initial Conditions Report (2016); a Wave 1 Interim Evaluation Report (2017); and a Final Evaluation Report (2017).

As we have previously submitted to the Committee (Gray and Bray 2017, 2018 & 2019) we consider that this evaluation is deeply flawed. A perspective which is also reflected in the Auditor General's report 'The Implementation and Performance of the Cashless Debit Card Trial' (Australian National Audit Office 2018). In addition to raising significant questions concerning the process involved in the commissioning of the research – including the cost blow outs, this report noted:

- The respondent data did not constitute a robust longitudinal survey, did not include baseline data and “did not include an approach to observe individuals in a comparison location where the card was not implemented, relying on comparing statistical trends in the comparison sites proposed by the relevant states” (p. 42)
- The evaluation did not make effective use of program and related administrative data.
- That while a CDCT Evaluation Steering Committee was established this only met once and that correspondence from the committee consistently raised concern with the “methodology; robustness of data and its general limitations; the tone; and the need for greater clarity in aspects of the reports” (p. 43).

The Auditor General's conclusion was that the “approach to monitoring and evaluation was inadequate. As a consequence, it is difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach” (p. 8).

In our earlier submissions in addition to providing details of some of the flaws in the research we have also drawn attention to the academic literature concerning this evaluation which includes Cox (2017), Klein and Razi (2017), Hunt (2017a and 2017b), and Vincent (2019). Specific issues raised, some of which are also canvassed by the Auditor General, include:

- The absence of any baseline data.
- A survey methodology which demanded respondents to produce government identification prior to interviews, an approach which is intimidatory, and is likely to result in many respondents perceiving the interviewers as being part of government and giving 'the right' answers.
- The failure of the evaluation to effectively implement a longitudinal survey which, associated with the absence of a representative population sample survey, resulted in the evaluation comparing quite different populations in their measures of change over time.
- Neglect of the question of outmigration prior to the implementation of the trial.
- Excessive reliance upon self-reported change rather than the use of objective measures.
- The absence of any systematic use of administrative data to independently measure outcomes, and to the extent any administrative data was used the selective and inconsistent way in which this was presented. For example while some data was reported as a positive outcome in the



Wave 1 report this, was omitted in the final report when the data failed to confirm this (Gray and Bray 2017,2).

- An absence of any analysis of the cost-effectiveness of the program.

## **Goldfields evaluation**

To date only a report on baseline qualitative findings has been produced (Mavromaras et al 2019). This is limited and simply comprised of analysis of qualitative responses to interview questions around the perceptions of impact, which conducted in the first few months of the program's implementation. As such it provides no substantive data upon which the effectiveness of the program can be measured.

More generally we note a number of serious issues with this study. To date it has involved qualitative interviews with just 64 of the 2,700 people on the measure, with no attempt to obtain a representative sample of respondents. Rather it has relied upon recruitment "via stakeholder organisations" (Mavromaras et al 2019, 13). With respect to the stakeholder interviews, while a full analysis is not possible from the published data, it would appear that a high proportion of the respondents are government employees, either directly or in roles in policing, education and health. In the reporting of these stakeholder views in the report there is no description of their role, and hence any capacity to interpret their actual expertise in the domain on which they were making comment.

The actual interview guide was based on the flawed ORIMA study. The interview topic guide also appears to use some leading questions which appear to inappropriately, for independent social research, focus the respondents on a particular narrative. For example: "The Cashless debit card has been introduced to try and reduce the harm caused by alcohol, drugs, and gambling. Do you think alcohol, drugs or gambling is a problem for [insert location name]?" (p116).

There are also questions about the balance. When people who are subject to the measure are asked about their location the question just brushes over the positives, bit then probes for all of the negatives: "What is it like to live in [insert location name]? What are the good things about [location name]? What are the bad things about [location name]? (Probe humbugging, harassment, stealing, begging, abuse or intimidation, violence, drug or alcohol use, stigmatisation/marginalisation)" (p. 118). In contrast, when asked about their interactions with the CDC operation, the prompts are all expressed as positives: "How have you experienced DSS shop fronts/CDC local partners in the transition to a cashless debit card? (Probe for do you feel treated with respect? Feel that needs are meet? Privacy respected? They explain things well? Understand your circumstances?)" (p. 119)

## **Use of perception of change questions**

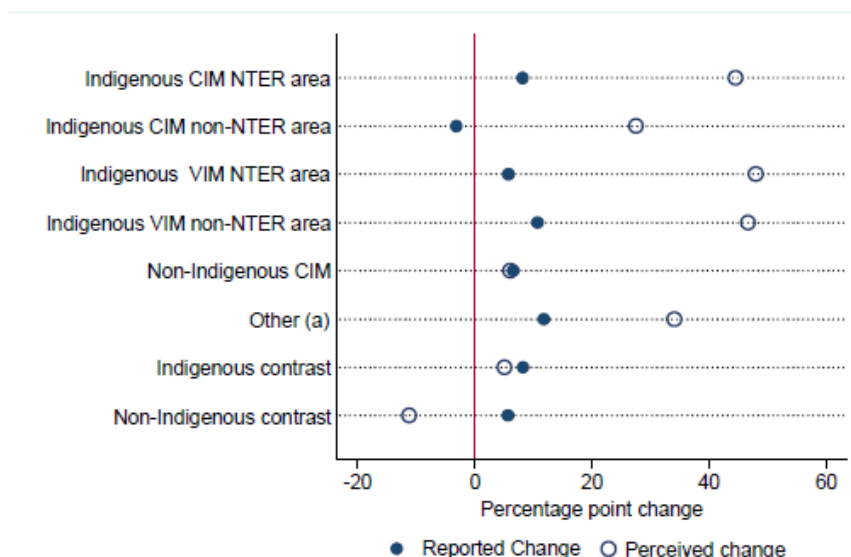
A key question with this type of research concerns the use of perception of change questions. A typical example is that used by ORIMA "Since being on the Cashless Debit/Indue Card have you done each of the following more often, less often or the same as before: Drunk Grog or Alcohol?" (ORIMA 2017, 187). These types of question are of very limited value in this type of evaluation:

- In the first instance there is a major problem of 'social desirability bias'. That is people will seek to give a socially desirable response. This is a tendency which becomes more likely when the person asking the question is perceived of as an outsider, or representing outside authority.

- Additionally there is a strong tendency in this type of program evaluation for people to respond in accord to the underlying narrative of the program. While in part this reflects the ‘social desirability bias’ it also involves an ‘attribution bias’. That is people will attribute outcomes consistent with the narrative of the program (that it will produce a range of positive outcomes) to the program, but not attribute other outcomes which may also occur, but are inconsistent.

This limitation was analysed and discussed in the first evaluation report on NIM with respect to the first wave of the participant survey. This contained a series of questions which sought to obtain robust information from respondents and build an understanding of the effectiveness of particular approaches. Specifically the survey had a number of questions concerning the financial capacity to purchase food. One question asked respondents whether it was easier to have enough money for food since going on income management, while a second set of questions asked about not having enough money for food prior to income management, and then more recently (after being on income management). The results of these two questions – in terms of improvement in the capacity to have sufficient money for food was illustrated in the following chart taken from the report.

**Figure 10-1 LSNIM Northern Territory and contrast sites, perceived and reported changes in ability to have enough money for food**



Source: Bray et al (2012, 195)

This clearly shows that that for the Indigenous participants on the program their perception of improvements was markedly greater than their actual reported improvement. Further discussion of these results is in Bray et al (2012, 195-196), and along with a discussion about the way in which data was misleading used by the government, in Bray (2016, 32-33).

The evaluation further noted that “This difference between actual and perceived change has occurred in other research on the impact of policies in the Northern Territory. For example, the NTER [Northern Territory Emergency Response] 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” (Bray et al 2012, 196). As has detailed in Attachment A over the period this program operated there was no improvement recorded in actual school attendance.

As a consequence we consider that extreme caution needs to be exercised in any reliance upon this type of perception of change question, rather any rigorous analysis needs to adopt strategies which seek to measure actual change. The two key mechanisms for this are:

- The use of independent measurement of outcomes – with administrative data being a major source for this.
- The use of sophisticated survey and analysis techniques which collect data at multiple points in time longitudinally, or from appropriately designed representative population surveys, along with collection from control populations. and the use of difference in difference techniques to analyse the independent effect of the treatment on the population.

---

## References

- Australian National Audit Office. 2018. *The Implementation and Performance of the Cashless Debit Card Trial*. Auditor-General Report No.1 2018–19. Canberra: Australian National Audit Office.
- Bray, J. Rob, Matthew Gray, Kelly Hand, Bruce Bradbury, Christine Eastman and Ilan Katz. 2012. *Evaluating New Income Management in the Northern Territory: First Evaluation Report*. Sydney: Social Policy Research Centre, UNSW Australia.
- Bray, J. Rob. 2016. "Income Management Evaluations -- What do we know? Placing the findings of the Evaluation of New Income Management in the Northern Territory in context." CAEPR Working Paper 11/2016). Canberra: Centre for Aboriginal Economic Policy Research, Australian National University.
- Cox, Eva. 2017. "Much of the data used to justify the welfare card is flawed". *The Guardian*. 7 September 2017.
- Gray, Matthew and J. Rob Bray. 2017. Submission – Senate Standing Committee on Community Affairs: Inquiry – Social Services Legislation Amendment (Cashless Debit Card) Bill 2017. 21 September 2017. Submission 63.
- Gray, Matthew and J. Rob Bray. 2018. Submission Senate Standing Committee on Community Affairs: Inquiry – Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018. Submission 80.
- Gray, Matthew and J. Rob Bray. 2019. Submission Senate Standing Committee on Community Affairs: Inquiry – Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019. Submission 7.
- Hunt, Janet. 2017a. "The Cashless Debit Card trial evaluation: A short review". CAEPR Topical Issue No. 1/2017.
- Hunt, Janet. 2017b. "The Cashless Debit Card evaluation: does it really prove success?". CAEPR Topical Issue No. 2/2017.
- Klein, Elise and Sarouche Razi. 2017. "The Cashless Debit Card Trial in the East Kimberly" CAEPR Working Paper 121/2017). Canberra: Centre for Aboriginal Economic Policy Research, Australian National University
- Mavromaras, Kostas, M. Moskos, L. Isherwood, and S. Mahuteau. 2019. "Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings". Future of Employment and Skills Research Centre (FES). Adelaide: University of Adelaide.
- ORIMA Research. 2017. *Australian Government Department of Social Services Cashless Debit Card Trial Evaluation*. Melbourne: ORIMA Research.
- Vincent, Eve. 2019. "Lived experiences of the Cashless Debit Card trial, Ceduna, South Australia". CAEPR Working Paper No. 129/2019.