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EXAMINING INCOME MANAGEMENT
PROGRAMS IN AUSTRALIA—2015

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ACADEMY PAPER

Examining Income Management Programs in Australia—2015

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Contents

Examining Income Management Programs in Australia—2015	5
Conveners	5
Introduction	5
Conclusions	5
Actions	6

Examining Income Management Programs in Australia —2015

This Academy Paper is the outcome of a Workshop supported by the Academy of the Social Sciences in Australia in conjunction with Monash University, Melbourne. The Workshop was held on 12 and 13 October 2015.

Conveners

Associate Professor Philip Mendes

Introduction

This workshop explored the critical issues relating to Income Management Policy (IM) and its use as a tool of welfare reform.

The short history of Income Management Policy in Australia reveals a policy platform of shifting principles. At various times policy logic has been predicated on the basis of race, age, and, more recently, geographical location with the introduction of Place-based Income Management trials. Whilst current program evaluations do not appear favourable in terms of improved outcomes for recipients, expansion of the policy was announced as part of the 2015 Federal Budget.

The workshop sought to respond to these parameters through a series of interactive presentations from leading scholars and subject-matter experts in the field. A key aim of the workshop was to develop an IM research agenda that critically examines the outcomes of IM programs, deconstructs the associated ideological, philosophical and empirical debates, and considers their implications for future policy and practice.

Conclusions

The workshop concluded that there is no consistent and objective evidence that Income Management works.

- Enforced restriction of discretionary spending has not been shown to result in improved management of finances, willingness to save money, children attending school, or consumers ending reliance on welfare. Nor have corresponding reductions in alcohol use been validly observed in IM populations.
- Any positive influence from IM tends to relate to the voluntary IM programs and they do not in theory or practice offset gains that can be reasonably expected in the compulsory IM policy applications.
- Improved evaluation mechanisms must be pursued before IM is expanded.
- Concrete and enduring policy aims and objectives are required for the policy and should relate specifically to each of the policy iterations (e.g. Place-based IM, Voluntary IM, Compulsory IM, Child Protection Mandated IM, etc.). Policy logics are not necessarily shared across all IM programs given their different targeting and modes of operation.

- The fiscal and social costs (including the significant stigmatisation resulting from the policy and the risk of creating dependency rather than alleviating it) must be considered in future evaluations and determination of further expansions. An effective intervention is one thing, but asking, At what cost? is arguably a necessary component of deliberation.
- Existing Income Management programs require further community consultation and collaboration.
- IM programs have been implemented using a top-down approach. This approach has undermined the efficacy of the IM programs, perhaps especially within the Indigenous populations that are disproportionately subjected to the restrictions inherent in IM. Further, this approach continues to undermine and disempower an already disenfranchised community. Application of community development principles would likely yield more positive results in the establishment of need and implementation of policy that is appropriate for each local site. Building some flexibility into the system would go a long way to increasing its traction.
- Current communication and appeals processes and exceptions relating to IM remain inadequate and are likely to breach Human Rights and equality before the law principles.

Actions

Attendees agreed that in the current political environment an expansion of IM policy is likely inevitable. Actions arising from the workshop that should be adopted from this perspective include:

1. An expansion of a form of IM has already been announced flowing from the Forrest Report. Therefore, focus is best directed at influencing the emerging policy architectures and implementation processes as well as ensuring adequate protection and appeals mechanisms are in place and importantly, that participants are empowered to use them.
2. Advocacy and influence efforts should be directed at increasing the consumer voice in policy development. Central to this is identifying the extent to which the policies disproportionately impact on, and discriminate against, Indigenous Australians, and addressing these differential outcomes.
3. Clear and measurable objectives must be established and predetermined. Open evaluation mechanisms which focus on program outcomes and their cost-effectiveness must be included. This would benefit from input from the academic and consumer community.
4. Given applications of policy in the target groups do not have resonance with the broader public consciousness, awareness raising efforts and comparative analysis is best directed at discussion of implications that relate to issues of more mainstream appeal and understanding (e.g. drawing parallels with increasing conditionality in child care policy, immunisation policy or future policy on smoking or food consumption that have a connection with a wider range of citizens).
5. Influence and lobbying effort should work at reducing paternalism and control and 'nudging' capacity building and community development approaches in implementation of policy.