



**Department of Families, Housing,
Community Services and
Indigenous Affairs (FaHCSIA)**

**Evaluation of the Child Protection Scheme
of Income Management and Voluntary
Income Management Measures in
Western Australia**

Report

September 2010

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Executive Summary

A. Introduction

Since November 2008, the Australian Government has implemented a trial of CPSIM and VIM.

Since November 2008, the Australian Government has implemented a trial of two separate measures of income management (IM) in the Kimberley region and metropolitan area of Perth in Western Australia (WA). The two measures of IM that are being trialled are:

- ◆ Child Protection Scheme of Income Management (CPSIM); and
- ◆ Voluntary Income Management (VIM).

ORIMA Research was commissioned by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to conduct an evaluation of the trials of IM in WA.

There were three overarching research objectives.

The three overarching research objectives of the evaluation were to:

- ◆ assess the impact of income management in improving child wellbeing;
- ◆ assess the impact of income management on financial capability of individuals; and
- ◆ assess the effectiveness of implementation.

The evaluation findings are based on a range of data sources.

The evaluation findings presented in this report are based on various data sources including:

- ◆ administrative data from Centrelink, the WA Department for Child Protection (DCP) and financial management service providers;
- ◆ quantitative based client surveys with VIM and CPSIM clients and a comparison group;
- ◆ online surveys of Centrelink staff, DCP staff, financial counsellors and money management advisers, and Western Australian peak welfare sector bodies and community organisations with an interest in IM; and
- ◆ focus groups and interviews conducted with community leaders in the Kimberley area.¹

¹ In some cases community members also participated along with community leaders.

B. Participation in the trial of income management in WA

Throughout the trial of IM in WA, a total of 1,131 clients participated in the program—328 in CPSIM and 803 in VIM.

At 30 April 2010:

... there were 598 clients on IM—226 clients were on CPSIM and 372 clients were on VIM; and

.... three-quarters of current IM clients were living in the Kimberley region.

Income support payments most commonly received by IM clients were DSP, PPS and Newstart Allowance.

Since the trial of IM in WA started through to 30 April 2010, there have been 1,131 Centrelink clients who have participated—328 clients in CPSIM and 803 clients in VIM.

The number of current CPSIM and VIM clients has increased over the course of the trial period. At 30 April 2010, there were 598 clients on IM—226 clients were on CPSIM and 372 clients were on VIM.

At 30 April 2010, three-quarters of current IM clients were living in the Kimberley region. The remaining 25% were living in Perth.

- ◆ In the Kimberley region, IM clients were much more likely to be participating in VIM (66%)—compared to 34% in CPSIM.
- ◆ In Perth, there were similar proportions of IM clients participating in VIM (52%) and CPSIM (48%).

The most common income support payment types received by current IM clients were:

- ◆ Disability Support Pension (DSP) (41%);
- ◆ Parenting Payment—Single (PPS) (19%); and
- ◆ Newstart Allowance (18%).

C. Impact of income management on the wellbeing of individuals, children and families

IM generally had positive impacts on the wellbeing of individuals, children and families.

Six in ten CPSIM and VIM clients thought that IM had made their life better. One in five CPSIM and less than one in ten VIM clients thought IM had made their life worse.

The evaluation found that IM has generally had positive impacts on the wellbeing of individuals, children and families.

Many IM clients thought that IM had improved their life. Six in ten CPSIM and VIM clients thought that IM had made their life better—34% of CPSIM and 51% of VIM thought it had made their life a lot better and 28% of CPSIM and 9% of VIM thought that it had made their life a bit better. One in five CPSIM clients (19%) and almost one in three VIM clients (31%) thought IM had not made much difference to

Many CPSIM and VIM clients had already recommended IM to others or planned to do so in the future.

The main reasons why they had recommended IM (or planned to do so) were that it can have a positive impact on people's lives; it can help improve budgeting and saving money; and because of the benefits associated with BasicsCard.

At least six in ten CPSIM and VIM clients thought that IM had made their children's lives better. Less than one in ten CPSIM and VIM clients thought IM had made their children's lives worse.

Generally stakeholders thought that CPSIM and VIM had had positive impacts on the wellbeing of children, however, some also reported negative impacts of CPSIM.

their life, while 19% of CPSIM clients and only 9% of VIM clients thought that IM had made their life a bit or a lot worse. Current CPSIM and VIM clients were more positive than previous clients about the impact that IM had had on their life.

Willingness to recommend IM was high among both CPSIM and VIM clients. Two-thirds of CPSIM clients reported that they had already recommended IM to someone else (37%) or planned to do so in the future (28%). Over eight in ten VIM clients had either already recommended VIM (62%) or planned to do so in the future (20%). There were three main reasons why IM clients had recommended or intended to recommend IM:

- ◆ IM can have a positive impact on people's lives;
- ◆ IM helps improve budgeting skills and saving money; and
- ◆ The benefits associated with the BasicsCard.

Many IM clients also thought that IM had improved the lives of their children. At least six in ten CPSIM and VIM clients thought that IM had made their children's lives better—49% of CPSIM clients and 59% of VIM clients thought it had made their children's lives a lot better and 12% of CPSIM clients and 8% of VIM clients a bit better. Around one-third of CPSIM (33%) and VIM (30%) clients thought IM had not made much difference to their children's lives, while only 7% of CPSIM and 3% of VIM respondents thought that IM had made their children's lives a bit worse. Current CPSIM and VIM clients were more positive than previous IM clients about the impact that IM had had on their children's life.

Generally stakeholders² thought that CPSIM and VIM had had positive impacts on the wellbeing of children. However, some also reported negative impacts of CPSIM. Many thought that CPSIM and VIM had increased to some degree the amount of money that IM families were spending to meet the needs of their dependent children. The positive impacts that stakeholders were most likely to report for both CPSIM and VIM were: an increase in the

² Stakeholders include Centrelink staff, DCP staff, financial counsellors, money management advisers and peak welfare and community organisations.

Stakeholders also thought that IM had had a positive impact on the capacity of families and communities to care for children.

Three-quarters of CPSIM and VIM respondents had been unable to pay for at least one essential item in the 12 months prior to IM.

Once they were on IM, the proportion of clients who were unable to pay for essential items decreased to around half of CPSIM and VIM clients.

CPSIM and VIM had a positive impact on IM clients' ability to meet priority needs.

When on IM, CPSIM and VIM respondents reported greater improvements in amount of food, fresh food, and personal clothing they had relative to the non-IM comparison group.

amount of food eaten; better housing conditions; and an increase in the quality and adequacy of clothing. In addition, for VIM families another commonly reported positive impact was improvements in emotional wellbeing.

Many stakeholders also believed that CPSIM and VIM had had positive impacts on child wellbeing and the capacity of families and communities to care for children.

Around three-quarters of CPSIM and VIM respondents (74% each) reported that they had been unable to pay for at least one essential item in the 12 months prior to IM. This proportion compares to 60% of the comparison group who reported that they had been unable to pay for at least one of these items in the last 12 months.

During IM, the proportion of CPSIM and VIM clients who were unable to pay for such items decreased to around half (48% and 50% respectively). During the IM period, CPSIM and VIM clients were far less likely to run out of money for food, utilities, rent and other bills.

Many CPSIM and VIM respondents reported that IM had had a positive impact on their ability to meet priority needs. For many previous IM clients, their increased ability to meet their priority needs that occurred whilst they were on IM continued and in some cases improved after they had finished IM.

Comparative analysis of changes in capacity to meet priority needs between IM clients and the non-IM comparison group provided further evidence of the effectiveness of IM.

- ◆ CPSIM and VIM respondents reported greater improvements in the amount of food, fresh food and personal clothing they had relative to the non-IM comparison group. In addition, CPSIM clients reported greater improvements compared to the comparison group in the amount of takeaway food consumed (reduction).

The majority of CPSIM and VIM clients believed that participation in IM had not impacted on relationships within their family. Of those respondents who reported that there had been an impact, it was most

Most CPISM and VIM clients thought that IM had not impacted on relationships within their family.

Stakeholders tended to consider that CPSIM and VIM had had a positive impact on family relationships.

Stakeholders identified both positive and negative outcomes of CPSIM and VIM that they thought may emerge in the future.

...positive outcomes yet to emerge included: improved budgeting and financial management skills; and improved individual and family wellbeing.

...potential negative outcomes identified by stakeholders included: IM clients might become dependent on the system and not be able to manage their finances without remaining on IM; misuse of the BasicsCard (CPSIM); and reduction of income managed funds to 50% as a change that may lead to longer-term negative outcomes (VIM).

Generally stakeholders

commonly reported that IM had improved family relationships (e.g. through less tension and better relationships between family members). However, a few respondents thought that IM had a negative impact via greater stress and conflict in their family relationships.

Stakeholders tended to report that CPSIM and VIM had had a positive impact on family relationships. Moderate proportions of respondents across stakeholder groups also thought that they did not have enough evidence to assess this impact. Only a small proportion of stakeholders thought that the CPSIM trial had a negative impact on family relationships.

When longer-term potential impacts were considered, stakeholders identified both positive and negative possible outcomes of CPSIM and VIM that they thought may emerge in the future.

For both CPSIM and VIM, the most commonly reported positive outcomes that stakeholders thought had not yet emerged were: improved budgeting and financial management skills; and improved individual and family wellbeing. The most commonly cited way to maximise the likelihood and value of longer-term positive outcomes of CPSIM and VIM was the provision of ongoing and more readily available financial counselling and other support services for clients. In addition, for CPSIM, increased and better case management, including better communication between the client, Centrelink and DCP was cited as a way to maximise the likelihood of longer-term positive outcomes.

The most commonly reported potential negative outcome that stakeholders thought could emerge from CPSIM and VIM, was that IM clients might become dependent on the system and not be able to manage their finances without remaining on IM. DCP staff also suggested that misuse of the BasicsCard may become a problem, which would enable CPSIM clients to purchase drugs/alcohol.

At least half of respondents across the stakeholder groups thought that the reduced ratio of income managed funds from 70% to 50% had impacted on the effectiveness of VIM—Centrelink staff and financial counsellors and money management

thought that the reduced ratio of income managed funds from 70% to 50% had reduced the effectiveness of VIM.

advisers were most likely to report that this was the case. Stakeholders most commonly reported that the reduced ratio of income managed funds had reduced the effectiveness of VIM.

Stakeholders thought that more and improved communication and consultation with CPSIM clients would minimise the likelihood and cost of longer-term negative outcomes of CPSIM. For VIM, many thought that promoting VIM in a positive way; and giving clients the choice of 50% or 70% of their income support payment being subject to IM would be ways to minimise the likelihood and cost of longer-term negative outcomes of VIM.

D. Impact of income management on financial capability and practices

There were relatively low actual referral and take-up rates of financial management services among CPSIM and VIM clients.

The evaluation found relatively low actual referral and take-up rates of financial management services among CPSIM and VIM clients.

Around one-third of all CPSIM respondents (31%), and around one in seven VIM respondents (14%), reported that they had attended financial counselling or money management services while they were on IM. In addition, a further 23% of current CPSIM clients and 25% of current VIM clients indicated they intend to attend one of these services in the future.

The key drivers of why IM clients attended financial management services were: the need for help and/or assistance; and a belief that attendance was compulsory.

The key drivers of attending a financial counselling and/or money management appointment among clients who had attended these services were:

- ◆ the need for help and/or assistance (55% of CPSIM clients and 57% of VIM clients); and
- ◆ a belief that attendance was compulsory (23% of CPSIM clients and 38% of VIM clients).

IM clients did not use financial management services because: they did not know about the service; and felt they did not need money management skills as their

The key reasons reported by clients for not using financial management services were:

- ◆ not knowing about the service (24% of CPSIM clients and 27% of VIM clients); and
- ◆ not needing money management skills when having their money income managed (15% of

money was being income managed.

Stakeholders believed that IM clients had received timely access to financial management services and that these services were useful for people who had accessed them.

The main reason identified by stakeholders about why IM clients did not attend financial management services was that clients didn't know what it was and how it could help.

Stakeholders thought that increasing client awareness of the benefits and support offered by these services would help encourage take-up.

IM clients were more likely to be able to save money when they were on IM compared to before they were on the program.

Stakeholders believed that IM had had a positive impact on clients' ability to pay rent and bills on time, and to spread their spending across the fortnight.

Some stakeholders also thought that there was a risk of some negative impacts. In particular,

CPSIM clients and 22% of VIM clients).

Stakeholders thought that CPSIM and VIM clients had received timely access to financial counselling and/or money management services. Similarly, most also believed that the financial management services had been useful to CPSIM and VIM clients who had accessed them.

The most common factor identified by stakeholders that discouraged or prevented CPSIM and VIM clients from taking-up financial management services was a lack of understanding among clients about what financial counselling was and how it could help. In addition, these stakeholders thought that some CPSIM clients did not perceive a need to attend financial management services as their money was being managed.

The most commonly cited factor by stakeholders to encourage take-up of financial management services among CPSIM and VIM clients was to increase client awareness of the benefits and support offered by these services.

IM clients were more likely to be able to save money when they were on IM compared to before they started the program. More than seven in ten CPSIM (71%) and VIM (80%) respondents reported that they were able to regularly save money while they were on IM. This was up from 51% and 54% respectively before IM. Once they were no longer on IM, 57% of CPSIM and 77% of VIM clients reported that they were able to regularly save money.

Most stakeholders thought that CPSIM and VIM had a positive impact on the financial management capability of IM clients. The most commonly reported benefits of CPSIM and VIM were that they had increased clients' ability to: pay rent and bills on time; and spread spending across the fortnight to meet basic needs.

Some stakeholders also indicated that CPSIM and VIM could have a negative impact on clients' financial capability. They were concerned that clients could become dependent on the system,

stakeholders were concerned that clients may become dependent on the system.

especially if they did not access financial management services as part of the program.

E. Implementation and operation of income management

After initial implementation delays, take-up of IM places in 2009–10 matched planned levels.

Take-up of places in the IM trials was lower than planned in 2008–09, reflecting delays in commencement. However, take-up in 2009–10 was in line with the planned level, with 79% of funded commencements for 2009–10 being achieved by 30 April 2010.

The working relationship between DCP and Centrelink in the implementation of CPSIM was effective.

Centrelink and DCP stakeholders generally assessed the working relationship between the two agencies in the implementation of CPSIM as being effective. Identified strengths included the effectiveness of the Income Management Contact Officer (IMCO) role, timeliness of referrals, willingness to work together and the efficiency of the referral process. Relative weaknesses were identified in relation to the effectiveness of general communication and the clarity of roles and responsibilities.

Around eight in ten CPSIM and VIM clients understood why they were commencing IM after their initial IM interview with a Centrelink officer.

The evaluation found that around eight in ten CPSIM (78%) and VIM (84%) clients understood why they were commencing IM after their initial IM interview with a Centrelink officer. Two-thirds of CPSIM clients reported that they understood why they were going on IM after their initial interview with their DCP caseworker.

Many clients were not aware that they could access free financial counselling.

Following their initial interview with Centrelink, less than half (44%) of CPSIM and VIM clients were aware that they could use free financial counselling.

Stakeholders believed that awareness of the IM measures among potential participants was low to moderate.

Stakeholders were most likely to assess the understanding of the CPSIM and VIM measure among potential clients as low to moderate. However, 30% of Centrelink staff rated awareness among potential VIM clients as high or very high.

CPSIM clients and

There were low to moderate levels of awareness among CPSIM clients and community leaders about the ratio of income managed funds. Two in five CPSIM clients (44%) did not know what proportion

community leaders reported lower levels of awareness about the ratio of income managed funds than did VIM clients.

of their income support payment was subject to IM. Awareness levels were higher among VIM clients, with almost six in ten VIM respondents reporting that either 50% or 70% of their income support payment was subject to IM (34% and 23% respectively). However, most community leaders in the qualitative research were not aware of the ratio of income managed funds.

Stakeholders believed that there needed to be better communications to promote CPSIM and VIM as positive tools and to reduce the stigma associated with IM.

Stakeholders identified that promoting both CPSIM and VIM as positive tools and reducing the stigma associated with IM were key areas where the programs could be improved. Community leaders in the qualitative research suggested that mass media communications and community forums about “the helpfulness and benefits” of IM generally would be an effective way to educate and promote IM as a positive money management tool.

The majority of allocations made to IM clients’ BasicsCards were for food.

Since the trial of IM in WA commenced through to 30 April 2010, WA IM clients had approximately \$7.9 million allocated to their BasicsCards. Over 90% of income managed funds allocated to BasicsCard were allocated to food (73%), clothing (16%) and fuel (5%).

The majority of BasicsCards transactions were successful—around one in five were not.

At 30 April 2010, there were 589 merchants in WA that were activated and able to accept payments via BasicsCard. The majority of BasicsCards transactions were successful (81%)—around one in five transactions (19%) were unsuccessful. The main cause of unsuccessful transactions was insufficient funds being available (this was the cause of 81% of failed transactions).

The two main benefits of BasicsCard identified by stakeholders were: it means that clients are able to provide food and clothes for their family; and it increases clients’ ability to budget and/or manage their finances.

Centrelink respondents identified two key benefits of the BasicsCard common to the CPSIM and VIM programs: it means that clients are able to provide food and clothes for their family; and it increases clients’ ability to budget and/or manage their finances. Community leaders also reported that the BasicsCard was “a good way” to help people “spend their money on basic [things].” However, some of these participants felt that the flexibility of using the BasicsCard (and IM funds) was not well understood in the community.

Stakeholders and IM clients

Stakeholders and IM clients provided a number of suggestions about ways that the BasicsCard could be improved. The main area identified by both

believed that BasicsCard needed to be accepted at a greater number of merchants.

groups was the need for BasicsCard to be accepted at a greater number of merchants.

F. Conclusions

The evaluation found that CPSIM and VIM were effective measures in helping people meet their priority needs and those of their children. Evidence provided by IM clients, Centrelink staff, DCP staff, financial counsellors, money management advisers, welfare/community organisations and community leaders was consistent and indicated that both measures had delivered significant positive impacts in relation to child and family wellbeing.

The evaluation found some evidence of a positive impact of the measures on the financial management capabilities of participants, but this was not as conclusive as the evidence in relation to child and family wellbeing. Further information on the longer-term experience of former clients is necessary before definitive conclusions can be reached.

The evaluation found that a constraint on the effectiveness of VIM and CPSIM in relation to improving participants' financial management capabilities was a low take-up rate among IM clients of the financial counselling and money management advisory services provided under the measures.

Consistent with this finding, a longer-term risk around the IM programs identified by stakeholders was that some IM clients may become dependent on the system and not take personal responsibility because of the view that their money is being managed for them.

The evaluation found that, overall, the CPSIM and VIM trials were implemented effectively. After some initial delays, take-up of places in the IM trials matched planned levels. The BasicsCard was effectively implemented in WA, with almost 600 merchants accepting BasicsCard payments at 30 April 2010. The working relationship between Centrelink and DCP in the implementation of the

CPSIM trial was effective. Financial management advisory services were useful to CPSIM and VIM clients who had accessed them.

However, the evaluation found that there was limited understanding of key features of CPSIM and VIM among clients. The evidence indicated that better communication of these features by DCP and Centrelink could have improved client understanding and outcomes. Lack of awareness among clients of financial counselling and money management advisory services was a particularly important limitation.

One change that occurred towards the end of the trial period being evaluated was the decrease in the ratio of income managed funds of VIM clients from 70% to 50%. The evaluation found that this has caused difficulty for some existing VIM clients, with some clients choosing to exit VIM because the 50% was no longer enough to cover their priority needs (especially rent in metropolitan areas of Perth). It is too early to assess whether this change has encouraged more people to take-up VIM.

G. Recommendations

Recommendation 1—Develop a communications campaign that positively promotes the benefits of income management.

The evaluation found that there is an opportunity to increase the take-up of VIM and to reduce the stigma associated with IM through an effective communications campaign.

It is recommended that FaHCSIA develop a communications campaign that positively promotes the benefits of IM. The communications campaign should focus on promoting the benefits of IM and active involvement by people rather than the notion that your income is being ‘managed’ and ideas of ‘government control’ that currently exist.

A critical component of the communications should be to develop and test new program names to rebrand the term ‘income management’. The new

program name should reflect the positive and active nature of the program.

Recommendation 2—Improve communications with income managed clients about how the program operates.

The evaluation found that there were some information gaps among IM clients about the way that IM operates. In particular, there were lower levels of awareness among IM clients that they can:

- ◆ access free financial counselling—there is also a lack of understanding of the benefits of these services;
- ◆ change their allocation of IM money; and
- ◆ use Centrelink-issued store vouchers and other options whilst they are travelling in areas where BasicsCard is not accepted.

Furthermore, the evaluation findings highlight that there is a low take-up of financial management services by IM clients. Given that one of the long-term risks identified by stakeholders for both CPSIM and VIM clients was dependence on IM, increasing the take-up of financial management services among IM clients should be a priority.

It is recommended that a greater focus is placed on ensuring clients understand how IM works in initial interviews. In addition, consideration should be given to offering clients a second follow-up interview with Centrelink within the first four to six weeks of being on IM to ensure that they understand the options they have. It is particularly important that clients are aware that they can access free financial management services and that the benefits of these services are clearly communicated.

Recommendation 3—Provide targeted training about income management to DCP and Centrelink staff.

The evaluation found that less than half of DCP staff rated their own level of understanding of CPSIM as high. Although many Centrelink staff reported that they had a good understanding of the two IM measures, there was a small proportion of staff who reported low levels of understanding. Furthermore,

stakeholders identified that more education and training for staff involved in implementing CPSIM would assist in improving the program.

It is recommended that a targeted training program to educate staff be rolled out. This should be a priority for DCP staff as they have the first contact with potential CPSIM clients. Training for Centrelink call centre staff (and other staff who have regular contact with Centrelink clients) should also be a priority because as community awareness of IM increases there will be a need to effectively respond to IM queries from potential and existing IM clients.

Recommendation 4—Increase the number and variety of merchants accepting BasicsCard.

One of the main areas identified for improvement by IM clients was that they needed to be able to use their BasicsCard at more places. The BasicsCard only being accepted in some places was one of the main reasons why previous VIM clients had exited the program. In addition, Centrelink staff also thought that a key area for improvement for the BasicsCard was that it should be accepted at a greater number of merchants.

It is recommended that FaHCSIA in conjunction with Centrelink identify ways to encourage more merchants to register to accept BasicsCard. It is important that a range of local merchants who sell priority items (including medicines for children) within close proximity to where IM clients are living are included and not just supermarkets. For example, chemists, fruit shops, butchers and bakeries should be targeted.

Recommendation 5 (CPSIM)—Improve communications with CPSIM clients about why they are going on income management and how it will help them.

The evaluation found that one-third of CPSIM clients did not understand why they were going on CPSIM after their initial meeting with their DCP caseworker. This suggests that these clients also did not understand the benefits of CPSIM and how it is designed to help them rather than be a punitive measure. Furthermore, stakeholders identified

better communication and explanation of the program to clients and potential clients as one key area of the CPSIM program that could be improved.

It is therefore recommended that processes and procedures around early engagement with potential CPSIM clients be improved. A focus of early communication with CPSIM clients should be on the reasons why they are being placed on CPSIM and how the program is expected to help them.

Recommendation 6 (CPSIM)—Encourage participation in VIM upon completion of CPSIM.

There appears to be scope for more CPSIM clients to take-up VIM once they have finished CPSIM. At 30 April 2010, 28 clients had participated in both CPSIM and VIM (9% of clients who had ever been on CPSIM). Unfortunately, these data do not show whether the client moved from CPSIM to VIM or vice versa.

Nevertheless there was a willingness among current CPSIM clients to use VIM once they had completed CPSIM. Over 50% of current CPSIM clients reported that they would consider using VIM once they had finished CPSIM.

Given that the evaluation found that VIM was an effective measure to help meet the priority needs of individuals, their families and their children, those clients who would like to use VIM at the end of CPSIM should be reminded that this option exists. It is recommended that the option of going on VIM should be routinely included as part of the exit process from CPSIM.

Recommendation 7 (VIM)—Give VIM clients a choice about the ratio of income managed funds (i.e. 50% or 70%).

The evaluation found that the recent change of reducing the ratio of VIM clients' income managed funds from 70% to 50% has caused difficulty for some VIM clients. However, some stakeholders also believed that the reduced ratio would assist in attracting more people to take-up VIM.

To maximise participation in VIM and the benefits

for clients, it is recommended that clients be given the choice of whether they would prefer 50% or 70% of their income support payment to be subject to income management. To align the approach in WA with that currently in place in the Northern Territory, it is recommended that the default option be 50%, with clients able to opt (at any stage of the program) to have 70% of their payments income managed.

I. Introduction

A. Background

Since November 2008, the Australian Government has implemented a trial of two separate measures of income management (IM) in the Kimberley region and metropolitan area of Perth in Western Australia (WA). The two measures of IM that have been trialled are:

- ◆ Child Protection Scheme of Income Management (CPSIM); and
- ◆ Voluntary Income Management (VIM).

CPSIM has been a compulsory IM measure, which is aimed at encouraging socially responsible behaviour and the more appropriate use of welfare payments. The measure was introduced jointly by the Western Australian Department for Child Protection (DCP), the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and Centrelink. Under the policy DCP have the option of requesting that Centrelink manage a percentage of a person's income support and family payment in cases where the poor use of financial resources is wholly or partly contributing to child neglect or other barriers the person may be facing.

VIM has been a voluntary IM measure. The measure was designed with the intention to enable income support recipients to volunteer for IM as a way to assist them to better meet their financial responsibilities or to contribute to the wellbeing of their own children or children within the community.

IM was designed so that a portion of a person's income support and family payments could be directed to meet priority needs, such as food, housing, utilities and clothing. Under the program, income managed funds cannot be used to purchase excluded goods such as alcohol, tobacco, pornography or gambling products. IM should be tailored on a case-by-case basis and clients should be given the opportunity to discuss their specific expenses and needs with Centrelink. Furthermore, decisions should be based on the priority needs of the person, their partner and their children.

Free and confidential Financial Management Support Services (FMSS) was included as a key component of the IM programs in WA. Although attendance is not compulsory, all CPSIM and VIM clients should be offered these services if they have not already attended them. The combination of IM and FMSS was designed to help individuals deal with their immediate financial difficulties while assisting them to better manage their finances over the long-term.

IM in WA was designed to achieve the following changes and outcomes.

- ◆ The intermediate and longer term outcomes of CPSIM aim to:
 - improve participants' ability to manage their money for the benefit of their child/children; and
 - improve child wellbeing.

- ◆ The intermediate and longer term outcomes of VIM aim to:
 - increase awareness of financial and money management skills;
 - increase the amount of income directed to the participants' and their children's priority needs; and
 - improve individual and family circumstances.

A.1. Amount and types of income support payments that are income managed

The most common type of income support and/or Department of Veterans' Affairs (DVA) payments that are income managed are Newstart Allowance, Parenting Payment, Age Pension, Disability Support Pension, and Carer Payment (see Figure 5; for a list of eligible payments see Appendix A).

Over the trial period, the portion of a person's relevant income support and/or DVA payments subject to IM has changed. Prior to 1 July 2010, 70% applied to both CPSIM and VIM clients. From 1 July 2010, the rate of funds income managed for VIM clients should be reduced from 70% to 50%. This was done to make a person's proportion of funds subject to IM in WA consistent with IM in the NT.

To accommodate the new arrangement (i.e. from 1 July 2010), existing VIM clients in WA should have been transitioned to 50% IM. In cases where more than 50% of a person's funds would be required to meet their priority needs, clients should be assisted to use facilities such as Centrepay to direct their discretionary funds as needed.

Throughout the trial period there has been scope for the portion of income managed funds to be managed at a lower rate. For CPSIM clients, DCP have the option that at any time it may recommend that the portion of funds that are income managed for CPSIM clients be reduced. In these situations Centrelink should make a payment to the client (in the way the client receives their non-IM funds) of 20% of their income managed funds.

Prior to 1 July 2010, VIM clients could request that their income managed funds be managed at a lower rate. In these situations, Centrelink should have made a payment to the client (in the way the client receives their non-IM funds) of up to 20% of their income managed funds to the client every fortnight, effectively reducing the amount that was income managed. This is no longer an option as the proportion of income managed funds has been reduced to 50%.

VIM and CPSIM clients also have the option to receive an unrestricted discretionary cash payment from Centrelink. In situations where a client's current and foreseeable priority needs have been met, they should be able to apply for an Unrestricted Cash Payment for an amount of their income managed funds to be made available as a discretionary cash payment from Centrelink.

Throughout the trial period for both CPSIM and VIM participants, 100% of ABSTUDY (with PES or living allowance), lump sum, advance and baby bonus payments should have been income managed.

A.2. Allocation and use of income managed funds

To determine how clients' income managed funds will be allocated, they are required to meet with Centrelink. Income managed funds are initially held in a person's IM account until they have been allocated by Centrelink. To ensure that clients' needs are met, Centrelink should work closely with individual clients. The diagram at Figure 1 provides an overview of how IM is applied to income support payments.

Throughout the trial period, income managed funds have mainly been allocated in the following ways:

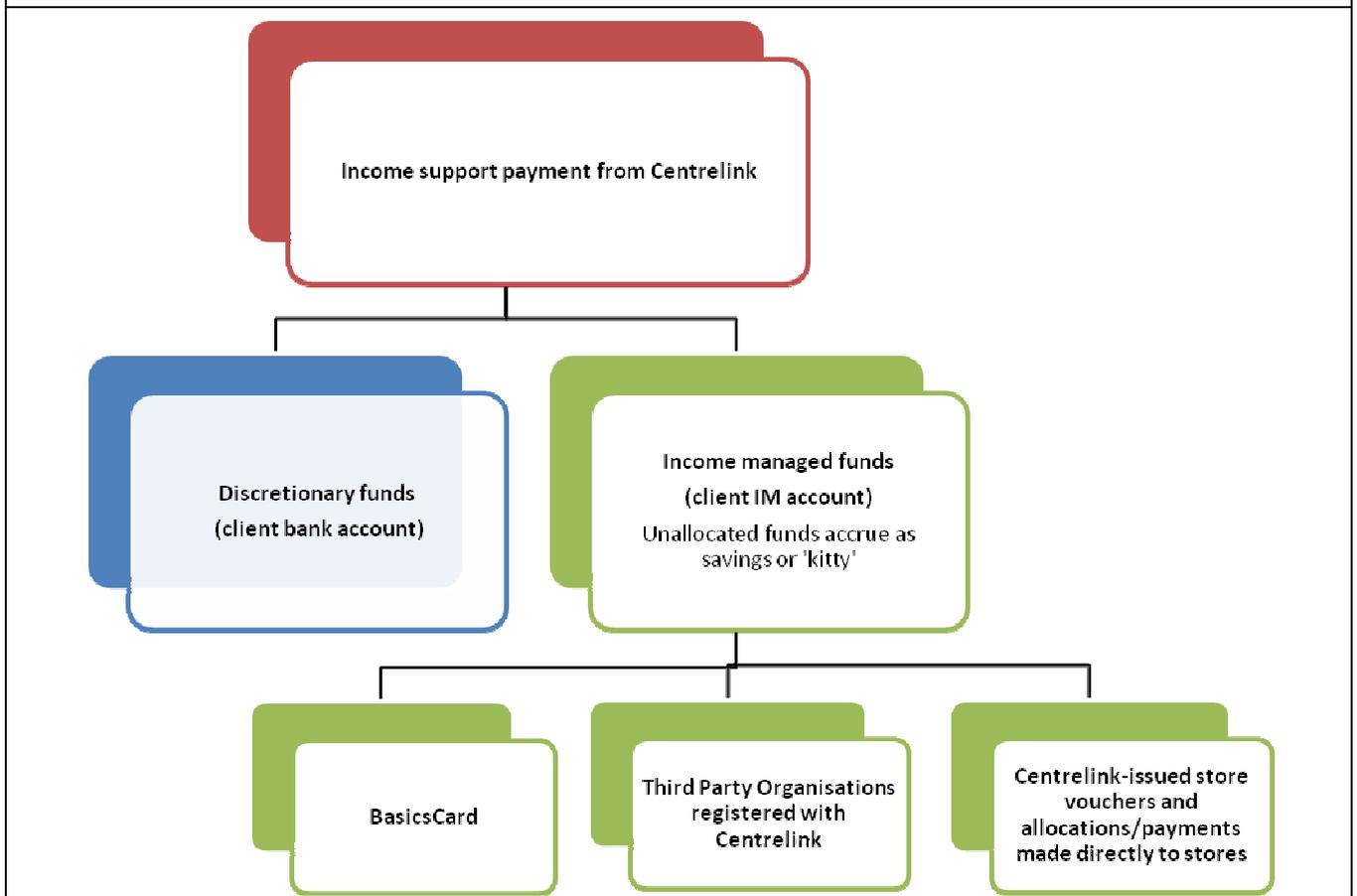
- ◆ to the BasicsCard—a PIN-protected card that allows participants to use their funds through the EFTPOS system at a range of approved merchants; and
- ◆ as direct payments to approved stores or services that register as a Third Party Organisation (TPO) with Centrelink. Contracted TPOs may receive regular or one off payments from participants' income managed funds (e.g. for housing costs, make regular payments to utility companies, or school goods and services).

BasicsCard has been designed to enable clients' to use their income managed money to purchase priority items such as food, clothing and fuel. In appropriate circumstances, however, clients should also be able to allocate income managed funds to community stores or receive Centrelink-issued store vouchers. The store voucher option is designed to enable clients to purchase priority items when they are travelling away from their home and are unable to use their BasicsCard.

Under the IM trial in WA, once Centrelink is satisfied that a client's priority needs have been met; unallocated funds in their income managed account can either accrue as savings or to be used at a later date. In addition, clients should be able at any time change the way they have their income managed funds allocated. For CPSIM clients, the program is designed so that Centrelink should take into account the priority needs ranking that the DCP caseworker has provided, as part of the referral for CPSIM.

Any unallocated funds that are remaining in a client's IM account when they finish IM should be disbursed to the person. For CPSIM clients, if the balance remaining is less than \$200, it can be disbursed as a lump sum. If the amount is greater than \$200, the funds should be paid to the client by fortnightly instalments. VIM clients can have all of their residual balance paid to them in one lump sum. The policy states that the funds must be disbursed within 12 months of the person ceasing participation in IM. The balance of an IM account should not be disbursed if it is likely that the person will be subject to IM again within 60 days of ceasing participation in the program.

Figure 1: Overview of how income management is applied to income support payments



A.2.1 BasicsCard

Throughout the trial period, the BasicsCard has been in operation. The BasicsCard is a stored value card issued by Centrelink to IM clients. The program is designed so that Centrelink issues the card to the client at the initial interview and also provides support to clients when they need assistance in learning how to use it. Replacement cards are available through Centrelink if required.

The card is PIN protected and allows a client to use their income managed funds that have been transferred to the card to purchase priority goods and services at an approved merchant. The purchase transaction is processed through the existing Electronic Funds Transfer at Point of Sale (EFTPOS/XPOS) network. The BasicsCard cannot be used to purchase excluded items, with merchants agreeing under contract not to sell these items through use of the BasicsCard.

The BasicsCard is intended to be used for priority goods such as food, clothing and household items. The BasicsCard has limits on both the amount that can be spent daily and the amount that can be placed on the card. Throughout the trial period, the BasicsCard daily spend limit has been \$1,500 and the card limit has been \$3,000.

During the trial of IM in WA, clients have been able to access their current BasicsCard balance by calling the IM line on 13 25 94. By calling this number, clients can check their

balance 24 hours a day, 7 days a week—clients can transfer funds to their account if required between 8am and 5pm. Clients accessing this number pay the equivalent cost of a local call, and more from mobile phones.

From 3 August 2009, a Free Call number (1800 057 111) was also introduced for clients to obtain their balance. Using this number clients can check their balance via Interactive Voice Recognition (IVR), but are unable to transfer funds to their account on this line.

A.2.2 Implementation of a new scheme of BasicsCard

The initial BasicsCard scheme expired on 30 June 2010. There was a transition period from April 2010 to June 2010, when clients and merchants were transitioned across to the new scheme. During this time the old and new schemes operated concurrently. In this period, clients should have been issued with a new BasicsCard and had their existing card cancelled. Merchants were activated with the new provider and a series of seminars were conducted to assist merchants with the transition.

The new BasicsCard scheme has been designed to provide two main benefits to clients:

- ◆ use their BasicsCard for approved lay-bys;³ and
- ◆ have added security with their name or their nominee's name, generally machine-printed on the card by Centrelink.⁴

As at 25 June 2010, there were 666 clients in WA who had a BasicsCard. Of these clients, 112 clients were new and therefore received the new BasicsCard upon commencement of IM. Of the 554 clients who had been on IM prior to April 2010, almost all (535 clients 97%) had transitioned to the new BasicsCard—19 clients (3%) were yet to transfer to the new BasicsCard.

³ An Approved Lay-By is a purchase of goods from the Merchant based on terms that the total price is paid over time in regular payments with the goods received by the Card Holder upon completion of payment, and where the Merchant provides the Card Holder with:

- (a) a document setting out the Merchant's terms and conditions of the lay-by service; and
- (b) a detailed lay-by docket for the particular lay-by purchase of goods stating:
 - (i) the deposit amount;
 - (ii) the duration of the lay-by period;
 - (iii) the frequency and minimum amount of payments required; and
 - (iv) the Merchant's lay-by cancellation policy (including refunds of deposits or any payments made).

⁴ The new BasicsCards have been designed with a rough panel on the back of the card so that a name can be written in permanent marker for those circumstances where Centrelink is unable to print the person's name on the card (e.g. if a printer is unable to be connected in remote contexts). In these cases Centrelink print the person's name on the card with a permanent marker. Customers who are issued with such cards will have them replaced over time with a card with a thermal printed name.

A.3. Entry and exit processes for CPSIM and VIM

A.3.1 CPSIM

Under the CPSIM measure, where DCP case managers assess that poor use of available financial resources is contributing to child neglect, the case manager has the option of referring their client in receipt of income support payments to Centrelink for IM. The case manager can also refer individuals who DCP is seeking to reunite with their children after they have been in out of home care and vulnerable young people as a preventative measure.

The length of time a client is on CPSIM is determined by the case manager, which can be three, six, nine or twelve months. The DCP case manager can also refer CPSIM clients to FMSS, but clients are not obliged to attend.

CPSIM is designed so that clients who are referred to the program must attend an initial IM interview with Centrelink to arrange for the allocation of their income managed funds. If the individual does not attend the initial allocation interview, Centrelink has a policy of attempting to contact the client at least three times to reschedule the appointment. If the client cannot be contacted, or does not attend the rescheduled appointment, Auto Income Management is then applied.⁵ If the initial interview is unable to be conducted, Centrelink may decide to undertake the initial interview by phone.

The purpose of the interview is for the client and Centrelink to assess which priority needs should be met from the client's income managed funds (these needs are ranked in order of priority by the case manager). Priority needs include food, housing, utilities and clothing. Under the CPSIM measure, the needs of children are given the highest priority and then should be taken into account by Centrelink when discussing the allocations with the client. More detail on the amount and allocation of income managed funds can be found on pages 24 to 26.

The CPSIM program is designed so that DCP and Centrelink interact throughout the period a client is on IM to ensure joint service delivery and the wellbeing of children. As part of the review process, Centrelink must initiate a mid-point and final review with the DCP case manager for each CPSIM client. The role of the DCP case manager is to assess the ongoing appropriateness of IM.

There are a number of reasons why a person may no longer be subject to CPSIM:

- ◆ case management by the DCP has ceased;
- ◆ the case manager decides that IM is no longer appropriate or required; or
- ◆ because the client stops receiving income support payments.

Under the CPSIM program, CPSIM clients have rights to appeal the decision to be placed on the program and the duration of time on the program. CPSIM clients may apply for review by the DCP of their decision to refer a person to Centrelink for IM, or for a review of the period that IM is applied.

⁵ Auto IM is when the income managed amount is deducted from the client's income support payment and credited to their income management account.

A.3.2 VIM

Under the VIM program, clients volunteering for IM attend an initial interview with Centrelink—prior to 1 July 2010 clients entered into a written agreement for a period of 12 months; from 1 July 2010 there are no end dates on VIM agreements, however, clients cannot exit the program within the first 13 weeks.

The initial interview is designed for clients arrange the allocation of their income managed funds. At this time, VIM clients should also be referred by Centrelink to FMSS. Under the VIM measure clients are under no obligation to take-up these services. More detail on the amount and allocation of income managed funds can be found on pages 24 to 26.

Exit processes from VIM have changed over the trial period. Clients who entered into a VIM agreement prior to 1 July 2010 could at anytime indicate to Centrelink that they wished to cease participation in VIM. Clients who have entered a VIM agreement from 1 July 2010 onwards can only exit the program after 13 weeks.

The VIM program also has rules that were designed to limit the extent that clients could enter and exit VIM. Once clients have exited VIM they cannot enter into a new VIM agreement until 21 days have elapsed (prior to 1 July 2010 it was 60 days); or if they have been on VIM four times in the last 12 months⁶ (once the waiting period has elapsed they may then enter a new VIM agreement—the 12 month waiting period is calculated from the date of the client's first exit from VIM in that 12 month period).

A3.2.1 *Impact of new income management scheme on VIM*

On 21 June 2010, the Australian Parliament passed legislation that introduced a new non-discriminatory scheme of IM. This scheme is designed to be progressively rolled out across NT from 1 July 2010 and is aimed to be the first step in a national roll out. This legislation has made some amendments to CPSIM and VIM arrangements.

The changes to the VIM program were that from 1 July 2010, participants who commence VIM will not be able to withdraw during the first 13 weeks and there will also be an incentive payment (\$250 will be paid automatically to the client for every 26 consecutive weeks they remain on VIM). From 1 July 2010, VIM participants also had their income managed payments reduced to 50%, down from 70% on 1 July 2010.

The new IM arrangements from 1 July 2010 also provided for a Matched Savings Payment for CPSIM clients. This is an incentive payment to encourage CPSIM clients to develop a savings pattern and increase their capacity to manage their money. Eligible individuals can receive \$1 for every \$1 they save, up to a maximum of \$500. The Matched Savings Payment would be paid directly into an individual's income management account. To receive the Matched Savings Payment an individual must:

- ◆ be on IM (excluding VIM);
- ◆ complete an approved money management course;
- ◆ maintain a pattern of savings from their discretionary funds for 13 weeks or longer after the commencement of the approved course; and
- ◆ not have previously received a Matched Savings Payment.

⁶ Prior to 1 July 2010, it was twice in the last 12 months.

A.4. Financial Management Support Services

Free and confidential FMSS was included as a key component of the IM programs in WA. The Australian Government, under the Financial Management Program (FMP), funded additional free and confidential FMSS in the trial communities to help people on IM deal with their immediate financial difficulties and build skills to better manage their finances.

The FMSS component is designed so that FMSS are delivered by financial counsellors in urban and regional locations and by money management service providers in remote locations (with assistance from financial counsellors for complex issues). These services are free and confidential and available to all members of the community. In addition, money management and financial counselling service providers may make referrals to emergency relief or other services where appropriate. Under the FMSS component of the IM trial, it is not compulsory for income managed clients to take-up the offer of free FMSS services (see pages 28 to 29).

Under the FMSS arrangements, clients in metropolitan Perth areas have access through the Commonwealth Financial Counselling program, while the Kimberley region is predominantly supported by Money Management Services. Before the trials were implemented there was one existing money management service in Kununurra. During the trial period new services were introduced in Derby, Broome and Fitzroy Crossing. In February 2009, money management services commenced in Halls Creek (with outreach to Balgo) and Commonwealth Financial Counselling commenced in Wyndham (with outreach to Kalumburu and Oombulgurri).

A.5. Implementation timeline of income management in WA

From July to September 2008, officers from FaHCSIA, DCP and Centrelink conducted a series of community information sessions in Perth and the Kimberley region about the introduction of the CPSIM and VIM trials.

These sessions were designed to provide an opportunity for community members, welfare organisations and government agencies to obtain information about the impact of IM on participants. Centrelink also implemented a communication strategy to provide information about IM to the trial areas.

At the end of the evaluation period, the trial of IM in WA had been progressively rolled out and implemented in all metropolitan Perth districts and the Kimberley regions of WA. The key dates of implementation and expansion of IM in WA are outlined in Table 1.

Table 1: Timeline for income management in Western Australia

2008	
25 Feb	WA Coroner releases report on deaths in the Kimberley.
27 Feb	Announcement of joint Australian—Western Australian Government IM trial to help protect children at risk in the Kimberley.
July – Sept	Community information sessions conducted.
24 Nov	CPSIM and VIM roll out commenced in Cannington (Perth) and Kununurra. VIM also commenced in Wyndham.
2009	
12 Jan	CPSIM/VIM commenced in Balgo and Halls Creek area.
27 Jan	CPSIM/VIM commenced in Broome.
2 Feb	CPSIM/VIM commenced on the Dampier Peninsula.
9 Feb	CPSIM/VIM commenced in Derby and Fitzroy Crossing.
23 Feb	Final round of CPSIM/VIM roll out commenced to the rest of the Kimberley.
27 April	CPSIM/VIM commenced in Joondalup, Midland and Mirrabooka.
19 Oct	VIM commenced in Armadale.
16 Nov	VIM commenced in Fremantle and Rockingham. CPSIM commenced in Fremantle.
7 Dec	VIM commenced in Perth.
2010	
1 Feb	CPSIM commenced in Armadale, Perth and Rockingham.

B. Purpose of the report

This evaluation report forms part of the Australian Government's evaluation activities regarding the trials of IM in WA. It follows on from the *Interim Evaluation* completed by the Australian Institute of Health and Welfare (AIHW) on 25 August 2009.

C. Report structure

The report is divided into eight chapters. Following this first chapter, the report outlines the methodology that was used for the evaluation.

The third chapter presents an overview of key aspects associated with the trial of income management (IM) in Western Australia (WA). It focuses on the take-up of IM, the number of times clients have been on IM, the types of income support payments IM clients have received from Centrelink, whether they have lived with anyone else on IM and where they obtained information about IM.

The fourth and fifth chapters examine various aspects relating to CPSIM and VIM respectively. They start by outlining the demographic and other characteristics of clients who have participated in these programs. This is followed by a discussion about the implementation and operation of these programs. The final sections in these chapters consider the impacts of these programs in three key areas:

- ◆ financial capabilities and practices;
- ◆ child, family and community wellbeing; and
- ◆ the overall impact of the program.

The sixth chapter examines how the income managed funds of IM clients have been allocated and also the take-up and effectiveness of BasicsCard.

The seventh chapter draws on comments provided in the surveys and presents the findings in relation to suggestions and ideas for improvements to both CPSIM and VIM.

The final chapter presents the conclusions and recommendations from the evaluation findings.

This report has been prepared in accordance with the international quality standard ISO 20252.

II. Evaluation objectives and methodology

A. Evaluation objectives

The evaluation was designed to address the following objectives:

- ◆ Assess the impact of income management (IM) in improving child wellbeing:
 - the extent to which redirected IM money is spent on addressing the needs of dependent children;
 - the extent to which the priority needs of children have been better met via IM;
 - observed social, emotional and physical improvements in child wellbeing as a result of IM; and
 - observed positive/adaptive changes to family dynamics.
- ◆ Assess the impact of IM on the financial capability of individuals:
 - the extent to which income managed individuals have received financial management services; and
 - the degree to which these services enable them to better manage their income for the benefit of the child/family.
- ◆ Assess the effectiveness of implementation:
 - degree to which individuals have had timely access to service providers;
 - extent to which processes between stakeholders have been clear and efficient; and
 - opportunities for improving the initiative.

B. Evaluation methodology

The evaluation involved both quantitative and qualitative data collection methods. A summary of the quantitative design and response rates is presented at Table 2, Table 3 and Table 4, while a summary of the qualitative design is shown in Table 5.

B.1. Quantitative methodology

The quantitative component of the methodology involved tailored online surveys, interviews (either telephone or face to face) and analysis of administrative data provided by the Western Australian Department for Child Protection (DCP) and Centrelink.

There were seven broad types of informants who were invited to participate in the interviews and tailored online surveys:

- ◆ CPSIM clients—Centrelink clients who were currently or had previously been on CPSIM at 21 May 2010;
- ◆ VIM clients—Centrelink clients who were currently or had previously been on VIM at 21 May 2010;
- ◆ non-IM clients (comparison group)—a random sample of Centrelink income support clients who had not been on CPSIM and/or VIM at 21 May 2010;
- ◆ DCP staff (caseworkers and team leaders) who were involved with CPSIM;
- ◆ Centrelink staff (team leaders, customer service advisers, income management coordination officers and other staff) who were regularly involved with CPSIM and/or VIM;
- ◆ financial service providers who provided financial counselling or money management services to CPSIM and/or VIM clients; and
- ◆ representatives of large welfare sector and community organisations.

CPSIM, VIM and non-IM clients were invited to participate in the research via interview, whilst DCP staff, Centrelink staff, financial service providers and peak welfare and community organisations were invited to participate via tailored online surveys.

B.1.1 Research design and sample selection for interviews with income management and non-income management clients

All current and former living CPSIM and VIM clients for whom address details were available at 21 May 2010 (938 people) were sent a letter by FaHCSIA in May or early June 2010 which provided them with background about the evaluation. The letter also advised them that they could obtain further information about the evaluation and/or opt out of the research by calling a toll free telephone number provided by FaHCSIA.

- ◆ A total of 33 clients (26 VIM clients and seven CPSIM clients) were excluded from the final sampling frame. This was based on:
 - seven clients (five VIM and two CPSIM) indicating to FaHCSIA that they did not wish to participate in the research;

- 24 former clients (20 VIM and four CPSIM) living in areas outside of WA (e.g. Queensland, Alice Springs and Darwin); and
- inconsistencies in the Centrelink record of one CPSIM and one VIM client.
- ◆ Of the 1,000 randomly selected (comparison group) non-IM Centrelink clients (500 from Perth and 500 from the Kimberley region), a total of 165 clients (78 from Perth and 87 from the Kimberley) were excluded from the final sampling frame. This was based on:
 - 65 clients (59 from Perth and six from the Kimberley) indicating to FaHCSIA that they did not wish to participate in the research; and
 - 100 clients (19 from Perth and 81 from the Kimberley) for logistical reasons related to obtaining consent from a responsible adult for children and young people (i.e. aged less than 18 years) to participate in the research.⁷

The final sampling frame from which the final sample was drawn, was:

- ◆ 263 CPSIM clients (70 in Perth and 193 in the Kimberley);
- ◆ 642 VIM clients (103 in Perth and 539 in the Kimberley); and
- ◆ 835 non-IM clients (422 in Perth and 413 in the Kimberley) (see Table 2).

A stratified random sampling approach was used to select IM and non-IM clients to participate in the research. The IM sample was stratified based on type of IM (i.e. VIM or CPSIM) and location (i.e. Perth or Kimberley). The non-IM sample was stratified based on age (to match the IM client age distribution) and location.

Target numbers of interviews (see Table 2) were chosen to achieve a degree of statistical precision for survey percentage results of +/- 15 percentage points (pp) at the 90% statistical confidence level for each of the four IM client strata (type of IM by location) and for non-IM client estimates for Perth and the Kimberley.⁸

Fieldwork was conducted between 21 June and 5 August 2010.

- ◆ Selected Perth-based clients were called and invited to participate in a telephone interview at a time of their convenience.
- ◆ Selected Kimberley-based clients were approached by a combination of telephone contact and direct contact via money management service providers and Centrelink.

⁷ Rule 6 of the AMSRS Code of Professional behaviour outlines that when sensitive information (as defined by the Privacy Act) is being collected from young people (i.e. aged 14-17 years) researchers must seek the consent of a responsible adult. This rule also outlines that all research with children (i.e. under the age of 14 years) requires the consent of a responsible adult. Although the information collected through these interviews was not "sensitive information" as defined by the Privacy Act, extra precautions around obtaining consent were taken as some of the questions were of a "personal" nature.

Income managed clients were asked if they were 18 years or older as part of the interview recruitment process. All IM clients invited to participate were at least 18 years old.

⁸ These levels of statistical precision were selected in order for the evaluation to be completed within the allocated evaluation project budget.

Selected clients were invited to participate in a telephone interview at a time of their convenience or in a face to face interview (in Broome, Fitzroy Crossing and Kununurra).

- ◆ The Department of Immigration and Citizenship's Translating and Interpreting Service was used as part of the recruitment process and to conduct interviews with clients who had difficulty with English.
- ◆ All participants received a \$50 money order (or \$50 in cash for the face to face interviews) as reimbursement for participating in the interviews.

CPSIM clients in the Kimberley region were a very difficult client group to contact and invite to participate in the research. Feedback from money management providers who assisted with recruiting income managed clients suggested that 'shame' issues associated with the CPSIM program may have impacted on the willingness of CPSIM clients to participate in an interview about the program.

The response rates⁹ for different groups of IM clients ranged from 79% for CPSIM clients in the Kimberley to 90% of VIM clients in the Kimberley (see Table 2). The response rate for non-IM clients in Perth was 72% and in the Kimberley it was 76%.

Raw survey data was re-weighted using population distribution weights (age, location and IM type) to improve the accuracy of population estimates for CPSIM, VIM, IM (CPSIM and VIM aggregated) and comparison group (non-IM) clients.

⁹ Number of people who participated in the survey as a percentage of all people in the sample who were contacted.

Table 2: Quantitative research design for interviews

Type of research respondent	Location	Sampling frame	Interview target	Interviews completed (n)	Response rate ¹⁰
CPSIM clients	Perth	70	21	17	89%
	Kimberley	193	26	19	79%
	All	263	47	36	84%
VIM clients	Perth	103	23	25	81%
	Kimberley	539	28	27	90%
	All	642	51	52	85%
<i>Total IM clients</i>	<i>Perth</i>	<i>173</i>	<i>44</i>	42	84%
	<i>Kimberley</i>	<i>732</i>	<i>54</i>	46	85%
	<i>All</i>	<i>905</i>	<i>98</i>	88	85%
Non-IM clients (comparison group)	Perth	422	30	30	81%
	Kimberley	413	30	31	72%
	All	835	60	61	76%
Total (interview component)	Perth	595	74	72	83%
	Kimberley	1,145	84	77	79%
	All	1,740	158	149	81%

¹⁰ Number of people who participated in the survey as a percentage of all people in the sample who were contacted.

Table 3 shows the breakdown of the interviews by mode of questionnaire administration (i.e. telephone and face to face) that were conducted in the Kimberley. Just over half of the interviews conducted with IM clients in the Kimberley were conducted face to face.

Table 3: Breakdown of telephone and face to face interviews in the Kimberley region

Type of research respondent	Type of interview	Interviews completed (n)
CPSIM clients	Face to face	7
	Telephone	12
	All	19
VIM clients	Face to face	18
	Telephone	9
	All	27
<i>Total IM clients</i>	<i>Face to face</i>	25
	<i>Telephone</i>	21
	<i>All</i>	46
Non-IM clients (comparison group)	Face to face	19
	Telephone	12
	All	31
Total interviews (Kimberley region)	Face to face	44
	Telephone	33
	All	77

To assess whether the mode of questionnaire administration in the Kimberley region had an impact on the responses provided by research participants, statistical significance tests for difference were conducted. These tests showed that face to face and telephone respondents provided similar responses. In the vast majority of cases there were no statistically significant differences between the face to face and telephone respondents in the Kimberley (i.e. of the 43 questions tested, results for only six questions showed a statistically significant difference at the 95% confidence level (see Appendix F).

B.1.2 Sampling error

The survey results from the interviews that were conducted with income managed clients and non-IM clients are based on a sample survey rather than a census, and are therefore subject to sampling error¹¹. The extent of this error can be described by the 'confidence interval' surrounding the survey estimates.

- ◆ The 90% confidence interval presents upper and lower bounds within which the true population value can be expected to lie with approximately 90% level of confidence (i.e. there is only a 10% chance that the true population value falls outside this range).

The following 90% confidence intervals apply to percentage results presented in the report in relation to the following groups (for questions where all respondents answered).¹²

- ◆ CPSIM clients: +/- 14 percentage points (pp);
- ◆ VIM clients: +/- 13 pp; and
- ◆ Comparison group (non-IM) clients: +/- 12pp.

B.1.3 Sample selection and response rates for online surveys

There were four online surveys that were designed and administered as part of the evaluation. These surveys were tailored to capture the views and feedback about IM from the following groups of people/organisations:

- ◆ DCP staff (caseworkers and team leaders) who were involved with CPSIM;
- ◆ Centrelink staff (team leaders, customer service advisers, income management coordination officers and other staff) who were regularly involved with CPSIM and/or VIM;
- ◆ financial service providers who provided financial counselling or money management services to CPSIM and/or VIM clients; and
- ◆ large welfare sector bodies and community organisations.

Copies of the four survey instruments can be found at Appendix D.

B1.3.1 Department for Child Protection staff

DCP were asked to nominate the names of caseworkers and team leaders who were involved with CPSIM. However, for privacy reasons, DCP's preference was to internally circulate the survey link among relevant staff, rather than each relevant staff member being sent an invitation email from ORIMA Research.

At the start of the fieldwork period, DCP sent all relevant DCP caseworkers and team leaders an email containing a link to a registration page, where they could create their own

¹¹ The online surveys discussed below adopted a census approach and hence are not subject to sampling error.

¹² Larger confidence intervals apply in relation to results where fewer respondents answered the question.

password and then participate in the survey. The fieldwork period commenced on 23 June 2010 and concluded on 16 July 2010 (due to low response rates initially, the fieldwork period was extended by one week). Throughout the fieldwork period DCP circulated reminder emails to relevant staff to encourage participation in the survey and also informed relevant staff that the survey deadline had been extended until 16 July 2010. The response rate to the survey was 43% (i.e. the internal email with the link was sent to 115 DCP caseworkers and team leaders, of whom 49 participated) (see Table 4).

B1.3.2 Centrelink staff

Centrelink were asked to nominate the names of team leaders, customer service advisers, income management coordination officers and other staff who were regularly involved with CPSIM and/or VIM. However, for privacy reasons, Centrelink's preference was to internally circulate the survey link among staff, rather than each relevant staff member being sent an invitation email from ORIMA Research.

At the start of the fieldwork period, a link to the survey registration page was posted on the Centrelink internal website. On this registration page, Centrelink staff could create their own password and then participate in the survey. The fieldwork period commenced on 23 June 2010 and concluded on 16 July 2010 (due to low response rates initially, the fieldwork period was extended by one week). Throughout the fieldwork period Centrelink posted reminders on their internal website to encourage participation in the survey and also posted a notice that the survey deadline had been extended until 16 July 2010. The response rate to the survey was 80% (i.e. there were 70 Centrelink staff who were regularly involved with CPSIM and/or VIM, of whom 56 participated) (see Table 4).

B1.3.3 Financial service and money management providers

Eleven organisations that provide either financial counselling or money management services to income managed clients were invited via a letter from FaHCSIA to nominate relevant staff to participate in the online survey of financial counsellors and money management advisers. Six of the seven financial counselling service providers nominated at least one staff member to participate in the online survey, as did all four money management providers. In total, 37 financial counsellors and money management advisers were invited to participate in the survey.

At the start of the fieldwork period, all financial counsellors and money management advisers were sent an invitation email containing the survey link and a unique password. The fieldwork period commenced on 30 June 2010 and concluded on 23 July 2010 (due to low response rates initially, the fieldwork period was extended by one week). To encourage participation in the survey, financial counsellors and money management advisers were sent a reminder email on 13 July 2010. This email reminded them that the survey was closing soon and contained a link to the survey and their password. They were also sent a similar email on 19 July 2010 advising them that the survey deadline had been extended until 23 July 2010. The response rate to the survey was 54% (i.e. 37 financial counsellors and money management advisers were contacted, of whom 20 participated) (see Table 4).

B1.3.4 Large/peak welfare sector bodies and community organisations

Thirty-five large/peak welfare and community organisations were invited via a letter from FaHCSIA to participate in the organisational level online survey. Organisations who did not respond were subsequently contacted by telephone to check whether they would like to participate, and if so, who their nominated contact would be.

Peak welfare and community organisations were selected on the basis that they were a key organisation in this sector; that is, they were a large organisation with multiple sites and/or they were involved in delivering financial counselling or money management services.

The 11 financial counselling and money management service providers that were asked to nominate staff to participate, were also invited to participate in the organisational level survey. The aim of the organisational level survey was to obtain the views of these organisations as a whole and gain an organisation-wide perspective. This is different to the survey of financial counsellors and money management advisers, which sought the individual views of these staff.

Sixteen of the 35 peak welfare and community organisations indicated that they would like to participate in the survey (see Appendix B for a list of organisations who were approached and organisations who participated).

At the start of the fieldwork period, the nominated contact people from the peak welfare and community organisations were sent an invitation email containing the survey link and a unique password. The fieldwork period commenced on 8 July 2010 and was extended until 4 August 2010.

- ◆ To encourage these organisations to participate in the survey they were sent a reminder email on 21 July 2010. This email reminded these organisations that the survey was closing soon and contained a link to the survey and their password.
- ◆ On 26 July 2010, when the survey was scheduled to close, only four organisations had completed the survey. To maximise participation, the remaining 12 organisations were called again to see if they wanted to provide feedback about IM through the survey.
- ◆ The final response rate to the survey was 44% (i.e. 16 peak welfare sector bodies and community organisations were contacted, of whom seven participated) (see Table 4).

Table 4: Quantitative research design for online surveys and response rates

Type of research participant	Sample Size	Number responded (n)	Response rate
DCP staff	115	49	43%
Centrelink staff	70	56	80%
Financial counsellors/money management advisers	37	20	54%
Peak welfare sector bodies and community organisations	16	7	44%

B.1.4 Pilot testing of instruments

B.1.4.1 Questionnaire for income management clients

The questionnaire for IM clients was pilot tested on the 20th and 21st of January 2010. Thirteen interviews were conducted with IM clients (via telephone and face to face). Participants in the pilot test were recruited by a money management provider, Jacaranda, and the pilot interviews were conducted at Jacaranda in Cannington, Perth.¹³ Pilot testing participants received \$50 in cash as reimbursement for their time and effort in participating in the pilot testing.

A good cross-section of IM clients participated in the pilot testing including:

- ◆ VIM and CPSIM participants;
- ◆ Indigenous and non-Indigenous; and
- ◆ men and women.

Following the pilot testing, amendments were made to the questionnaire.

A copy of the questionnaire can be found at Appendix C.

B.1.4.2 Questionnaire for comparison group (i.e. non-IM clients)

As the questionnaire used for the comparison group (i.e. non-IM clients) was very similar to that used for IM clients, pilot testing of this instrument was not conducted.

B.1.4.3 Online surveys

The four online surveys were pilot tested with the FaHCSIA project team. The Centrelink and DCP staff surveys were also pilot tested with staff in the respective agencies.

B.1.5 Administrative data used in the evaluation

The report draws on various administrative data sources held by Centrelink. In some cases there are slight variations in the data from these different data sources due to the slightly different ways data is captured and reported. Using a combination of these data sources shows that there were 1,131 Centrelink clients who had ever participated in the trial of IM in WA—328 clients in the CPSIM program and 803 clients in the VIM program.

The report also draws on administrative data from DCP. In some cases, there are slight variations in the Centrelink and DCP data due to different data collection systems being used to record the information. This occurs because:

- ◆ Centrelink administrative reports are based on live data as at close of business on 30 April 2010; whereas

¹³ It was expected that some potential pilot participants would 'opt out' of the research process so 14 participants were recruited in order to achieve a minimum of 10 interviews. In the final event, 13 participated.

- ◆ data provided by DCP are reconciled against daily reports received via Centrelink's Unified Government Gateway (UGG). In some instances it can be three days before DCP receive the daily reports, so data reported via Centrelink, which is based on live data, may not match data reported via DCP, which relies on static reports.

Another difference between the two data sources is that DCP will only cease a client when the Department has received advice via UGGs that a client's notice has been revoked or has expired. Centrelink, however, may cease a client if the client leaves an eligible CPSIM area or the client is no longer in receipt of an eligible payment. The result is there may be some variation between client numbers reported by Centrelink and DCP.

B.2. Qualitative methodology

A small qualitative component was included in the methodology to capture the views of community leaders.¹⁴ This component of the research involved focus groups and depth interviews with community leaders in Broome and Kununurra (see Table 5). Local Aboriginal community organisations were used to assist in recruiting community leaders for the focus groups and interviews. Discussions were conducted between 20 July and 30 July 2010 with a total of 17 male and female community leaders. An issues guide was developed for the focus group and interview discussions (see Appendix E).

All community leaders received a \$50 money order (or \$50 in cash for the face to face discussions) as reimbursement for participating in the interviews and focus groups.

Table 5: Qualitative sample design

Location	Male community leaders	Female community leaders	Total
Broome	(n=6)	(n=6)	(n=12)
Kununurra	(n=1)	(n=4)	(n=5)
Total	(n=7)	(n=10)	(n=17)

The qualitative research approach does not allow for the exact number of participants holding a particular view on individual issues to be measured. Qualitative findings presented in this report, therefore, provide an indication of themes and reactions among research participants rather than exact proportions of participants who felt a certain way.

The most common findings are reported except in certain situations where only a minority have raised particular issues, but these are nevertheless considered to be important and to have potentially wide-ranging implications/applications.

¹⁴ In some cases community members also participated along with community leaders.

III. Income management participation

A. About this chapter

This chapter provides an overview of key aspects associated with the trial of income management (IM) in Western Australia (WA). It focuses on the take-up of IM, the number of times clients have been on IM, the types of income support payments IM clients have received from Centrelink, whether they have lived with anyone else on IM and where they obtained information about IM. More detailed analysis of client characteristics for the Child Protection Scheme of Income Management (CPSIM) and Voluntary Income Management (VIM) can be found in Chapters IV and V.

This chapter draws on data collected through the ORIMA survey of IM clients and administrative data provided by Centrelink.

B. Take-up of income management in WA

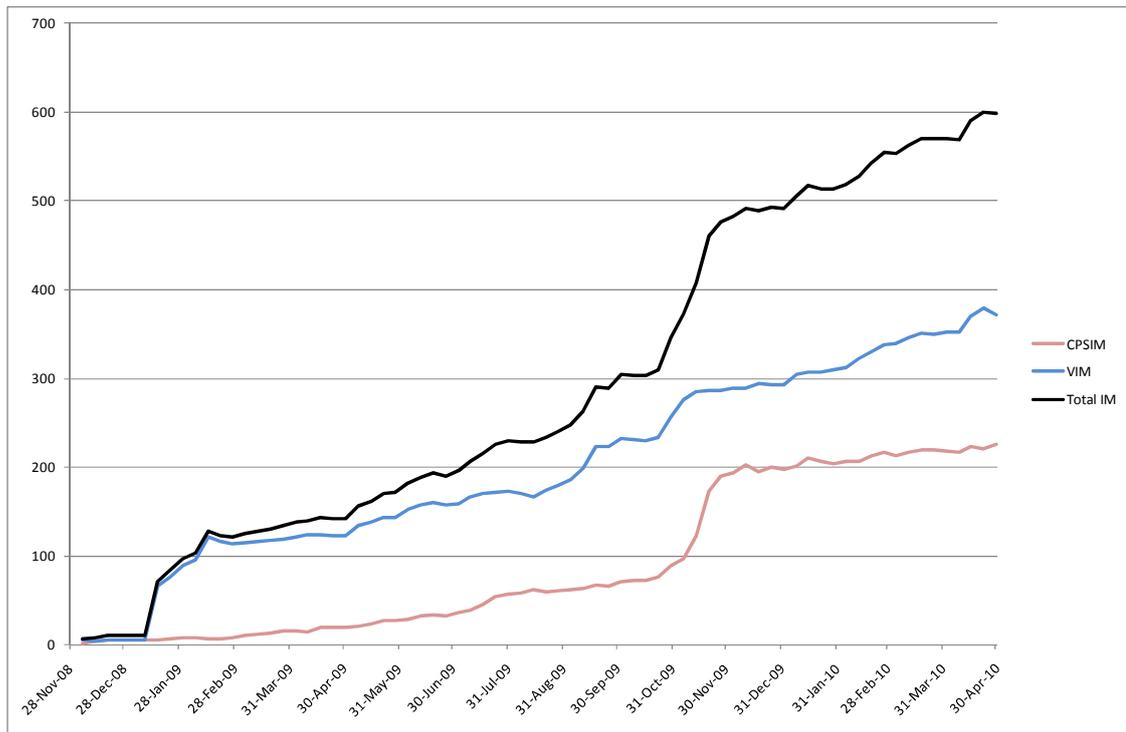
Since the trials of IM in WA started through to 30 April 2010, there have been 1,131 Centrelink clients who have participated—328 clients in CPSIM and 803 clients in VIM.

The number of current CPSIM and VIM clients has increased over the course of the trial period. At 30 April 2010, there were 598 clients on IM—226 clients were on CPSIM and 372 clients were on VIM.

Figure 2 shows the number of current participants in each scheme.

- ◆ The number of clients in CPSIM increased gradually until October 2009, at this time there was a sharp rise in the number of CPSIM clients. This was driven largely by an increase in the number of CPSIM clients in the Kimberley region (see Figure 9 on page 55). From December 2009 to April 2010, the number of CPSIM clients plateaued.
- ◆ In January 2009 there was a sharp rise in the number of VIM clients. This was followed by a generally steady increase in the number of VIM clients. The number of clients in VIM increased in August and November 2009; however, the increase in November 2009 was not as pronounced for VIM as it was for CPSIM.

Figure 2: Number of current CPSIM and VIM participants, 28 November 2008 to 30 April 2010 (weekly)



Source: Centrelink administrative data as at 30 April 2010.

During October and November 2009, CPSIM commenced in Fremantle and VIM commenced in Armadale, Fremantle and Rockingham. The commencement of IM in these locations contributed to the increase in CPSIM and VIM clients during this period. However, most of the increase in CPSIM clients in November 2009 occurred in the Kimberley region and reflected the following factors:

- ◆ enhanced information exchange between DCP and Centrelink around participants on IM, with DCP encouraging caseworkers to refer participants to CPSIM and to monitor the benefits of it; and
- ◆ DCP removing the requirement for active case management of clients referred to CPSIM, which enabled DCP caseworkers to refer clients that did not require intensive case management.

Take-up of places in the IM trials was lower than planned in 2008-09, reflecting delays in program commencement. However, take-up in 2009-10 has been in line with the planned level.

- ◆ As at 30 June 2009, 34.2% of funded places for 2008-09 had been accessed by clients participating in the trials of IM in WA; and
- ◆ At 30 April 2010, 78.5% of funded places for 2009-10 had been accessed by clients participating in the trials of IM in WA.

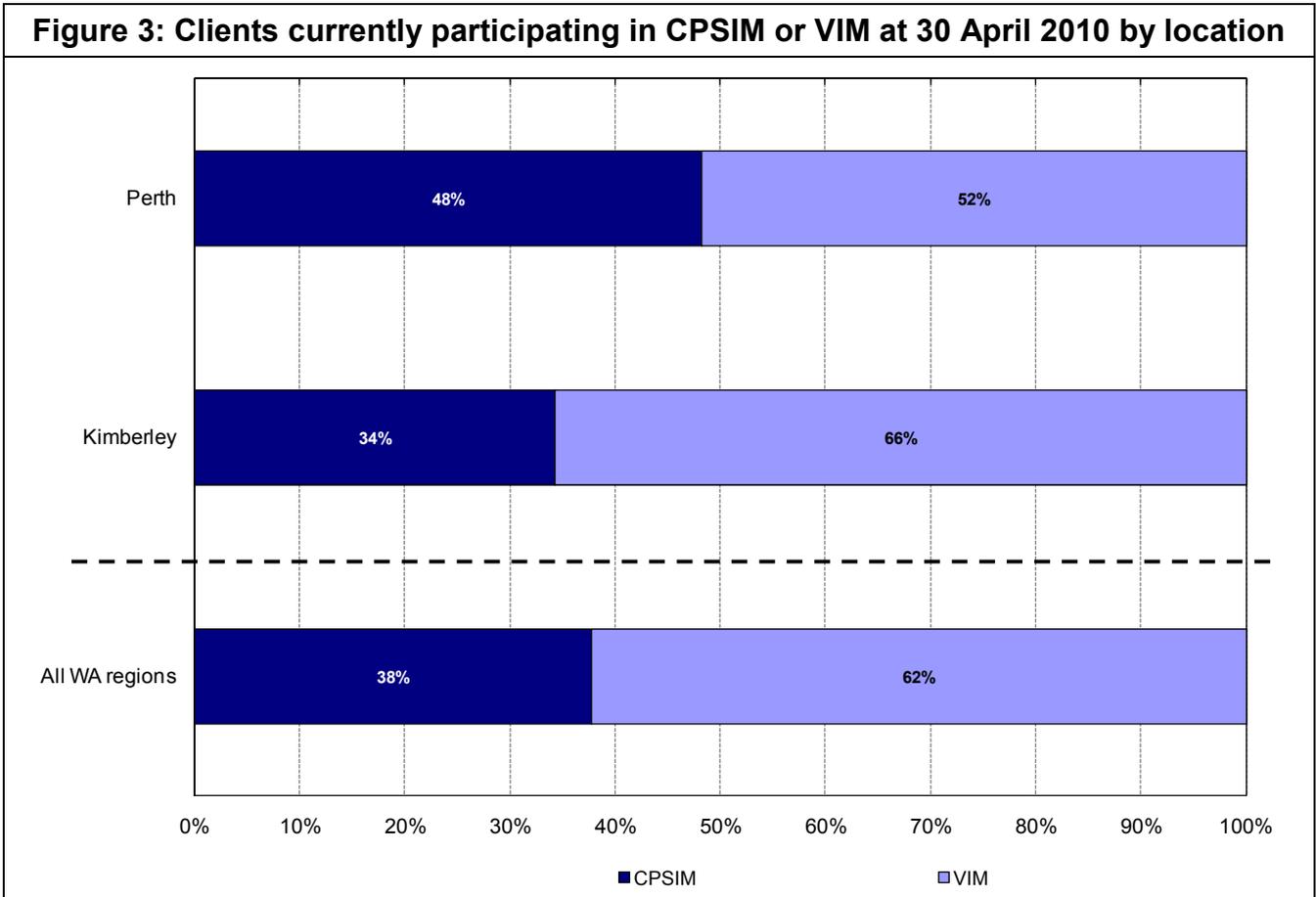
B.1. Location of clients on income management

At 30 April 2010, three-quarters of current IM clients were living in the Kimberley region. The remaining 25% were living in Perth.

There were differences between the Perth and Kimberley areas in the proportions of IM clients participating in the CPSIM and VIM programs (see Figure 3).

- ◆ In the Kimberley region, IM clients were much more likely to be participating in VIM (66%)—compared to 34% in CPSIM.
- ◆ In Perth, there were similar proportions of IM clients participating in VIM (52%) and CPSIM (48%).

Figure 3: Clients currently participating in CPSIM or VIM at 30 April 2010 by location

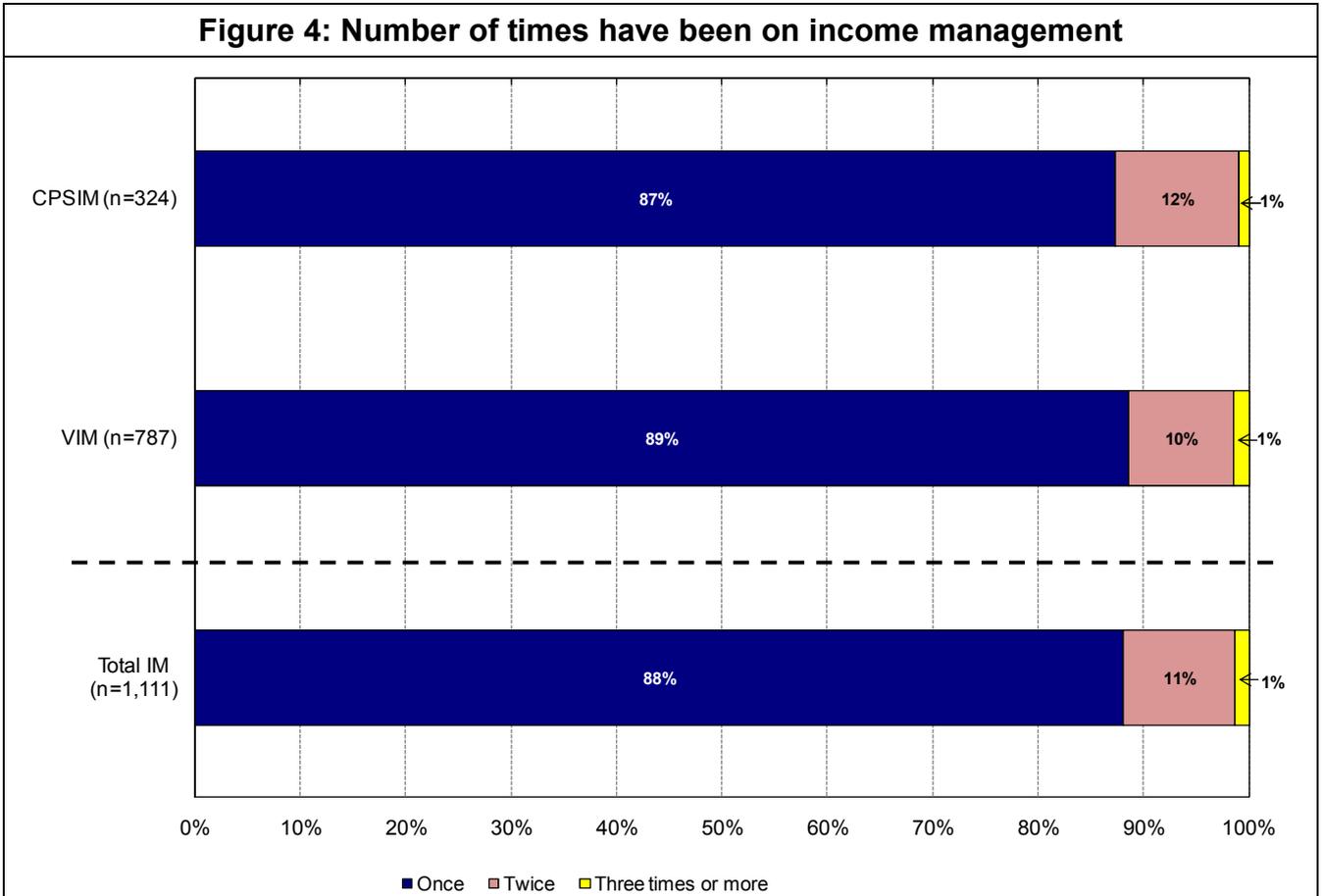


Source: Centrelink administrative data as at 30 April 2010.

Note: Location data have only been provided for current participants because available Centrelink data for previous clients recorded their addresses at 30 April 2010 and not addresses at the time that they were IM clients.

C. Number of times on income management

Almost nine in ten IM clients (88%) had been on IM once, with a further 11% having been on IM twice and the remaining 1% on three or more occasions (see Figure 4). Similar proportions of CPSIM and VIM clients had been on IM once (87% and 89% respectively).



Source: Centrelink Administrative data as at 30 April 2010.

D. Type of income support payments received by income management clients

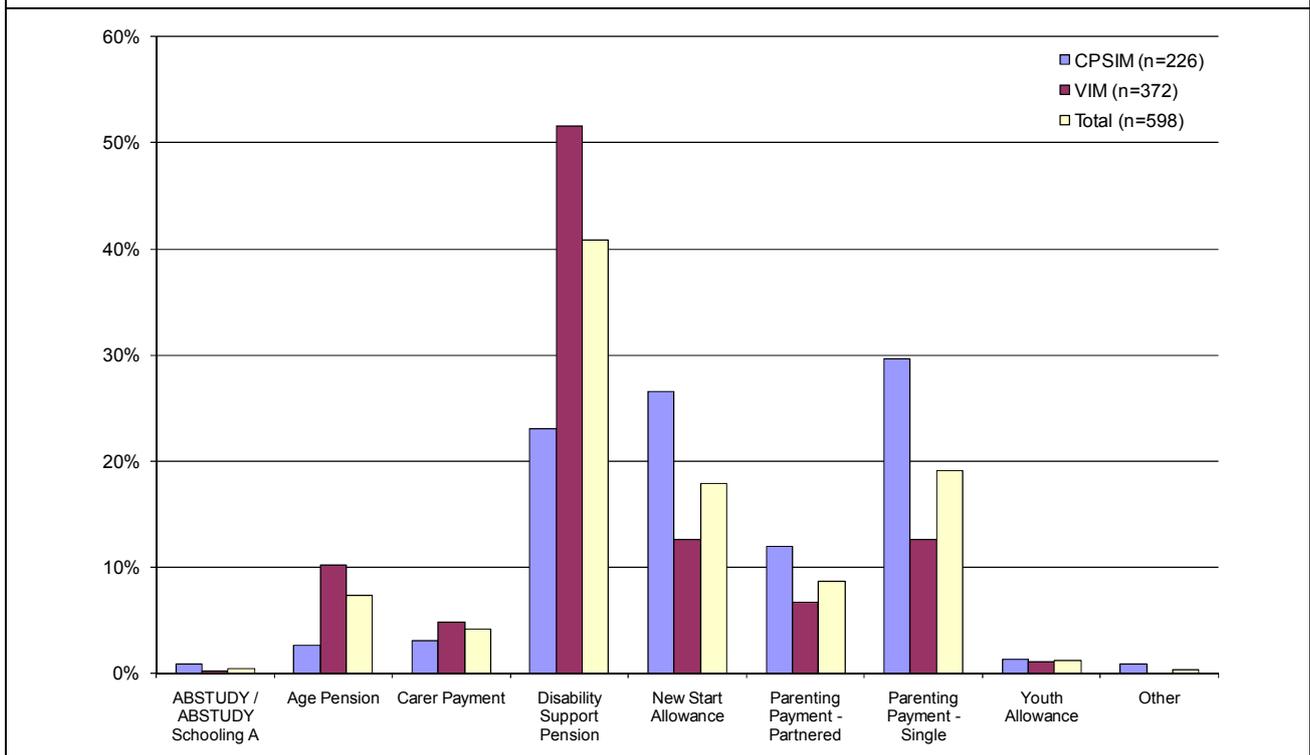
The most common income support payment types received by current IM clients were:

- ◆ Disability Support Pension (DSP) (41%);
- ◆ Parenting Payment—Single (PPS) (19%); and
- ◆ Newstart Allowance (18%) (see Figure 5).

Figure 5 shows that the type of income support payment received varied by the type of IM program the client was on.

- ◆ VIM clients were more than twice as likely as CPSIM clients to be receiving DSP (52% and 23% respectively).
- ◆ CPSIM clients were at least twice as likely as VIM clients to be receiving PPS (30% and 13% respectively) and Newstart Allowance (27% and 13% respectively).

Figure 5: Type of income support payment received at 30 April 2010 by type of income management

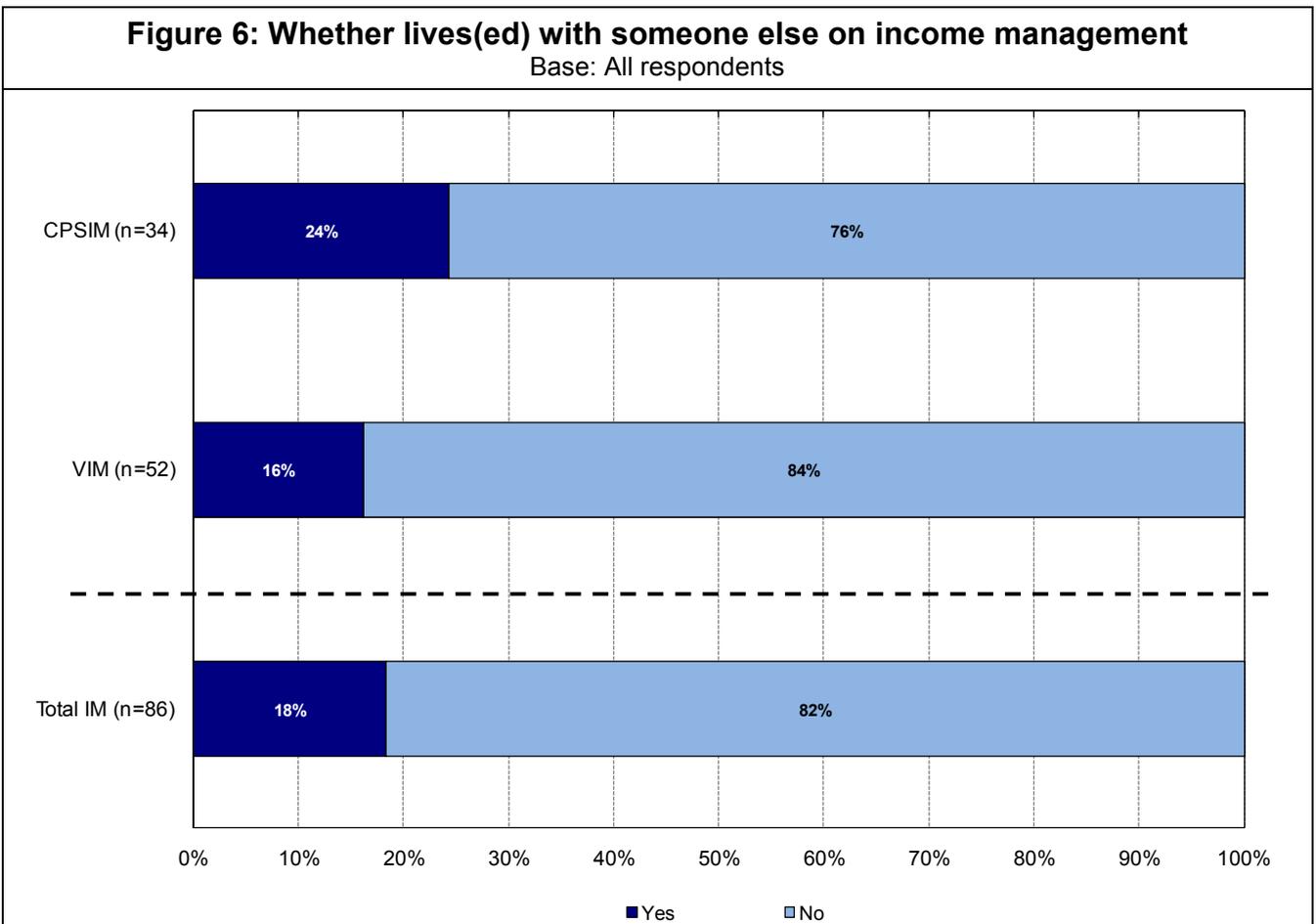


Source: Centrelink administrative data as at 30 April 2010.

E. Living with other people on income management

Just under one in five IM respondents (18%) reported that they were living with someone else on IM. The majority of respondents (82%) were not living with someone else on IM (see Figure 6).

- ◆ CPSIM respondents were slightly more likely than VIM respondents to live with someone else on IM (24% and 16% respectively).
- ◆ Similar proportions of IM clients in Perth (19%) and the Kimberley region (18%) were living with someone else on IM.



Source: ORIMA survey of IM clients.

F. Sources of information about income management

Four in ten IM respondents (41%) nominated Centrelink as the place where they had **first** heard about IM. A family member or friend (20%) or a DCP caseworker (14%) were also other commonly reported initial sources of information about IM.

Table 6 shows that where respondents first heard about IM varied by the type of IM they were on and also their location. This to some extent is likely to reflect the differences in the proportion of clients on CPSIM and VIM in Perth and the Kimberley region (i.e. VIM clients account for a greater proportion of IM clients in the Kimberley than in Perth).

- ◆ VIM respondents and respondents from the Kimberley region were more likely than other IM respondents to nominate Centrelink or a family member or friend as being where they first heard about IM.
- ◆ CPSIM respondents and respondents from the Perth area were more likely than other IM respondents to report that they had first heard about IM from a DCP caseworker.

Table 6: Where income management clients FIRST heard about income management

Source of information	Type of income management		Location		Total (n=88)
	CPSIM (n=36)	VIM (n=52)	Perth area (n=42)	Kimberley region (n=46)	
Centrelink	34%	44%	19%	47%	41%
Family member or friend	4%	27%	7%	23%	20%
DCP caseworker	43%	3%	40%	8%	14%
Advertising material (e.g. posters & postcards)	–	9%	–	8%	7%
Radio, TV or newspaper	9%	1%	7%	3%	4%
Community organisation	4%	3%	12%	1%	3%
Financial counsellor	–	3%	10%	–	2%
Other	5%	7%	5%	7%	6%
Don't know	–	3%	–	3%	2%
Total	100%	100%	100%	100%	100%

Source: ORIMA survey of IM clients.

When it came to other sources of information about IM, almost half of respondents (46%) reported that they had received information from Centrelink. Almost one-quarter of respondents (23%) did not get information from any other source.

Table 7 shows that other information sources of IM also varied to some extent by the type of IM respondents were on and their location.

- ◆ VIM respondents and respondents from the Kimberley region were more likely than other IM respondents to nominate a family member or friend as being another source of information about IM.
- ◆ CPSIM respondents and respondents from the Perth area were more likely than other IM respondents to report that Centrelink and DCP were other sources of information about IM for them.

Table 7: Other sources of information about income management

Source of information	Type of income management		Location		Total (n=77)
	CPSIM (n=32)	VIM (n=45)	Perth area (n=36)	Kimberley region (n=41)	
Centrelink	56%	41%	53%	44%	46%
Family member or friend	9%	18%	3%	18%	15%
Radio, TV or newspaper	11%	8%	6%	9%	8%
DCP caseworker	25%	–	11%	6%	7%
Community organisation	–	9%	8%	6%	6%
Financial counsellor	–	5%	19%	–	4%
Advertising material (e.g. posters & postcards)	2%	3%	3%	3%	3%
Community leader	–	3%	–	3%	2%
Communication information session	4%	–	–	2%	1%
Other	2%	7%	3%	6%	5%
Nowhere else/ don't recall	22%	23%	25%	23%	23%
Total	100%	100%	100%	100%	100%

Source: ORIMA survey of IM clients.

When the information in Table 6 and Table 7 are considered together, this suggests that almost nine in ten IM respondents (87%) had received information from Centrelink about IM. Not surprisingly, DCP caseworkers were a common source of information about IM for CPSIM clients, while word of mouth (i.e. family and friends) was a common source of information for VIM respondents and those living in the Kimberley region.

Community leaders who participated in the focus groups and interviews generally appeared to have limited awareness and understanding of IM in WA—with less awareness of VIM than CPSIM. The few participants who knew about these measures reported that they knew about them from their family and/or friends and clients and/or their workplace. They knew that IM was available in the NT, but did not fully understand how it operated in WA.

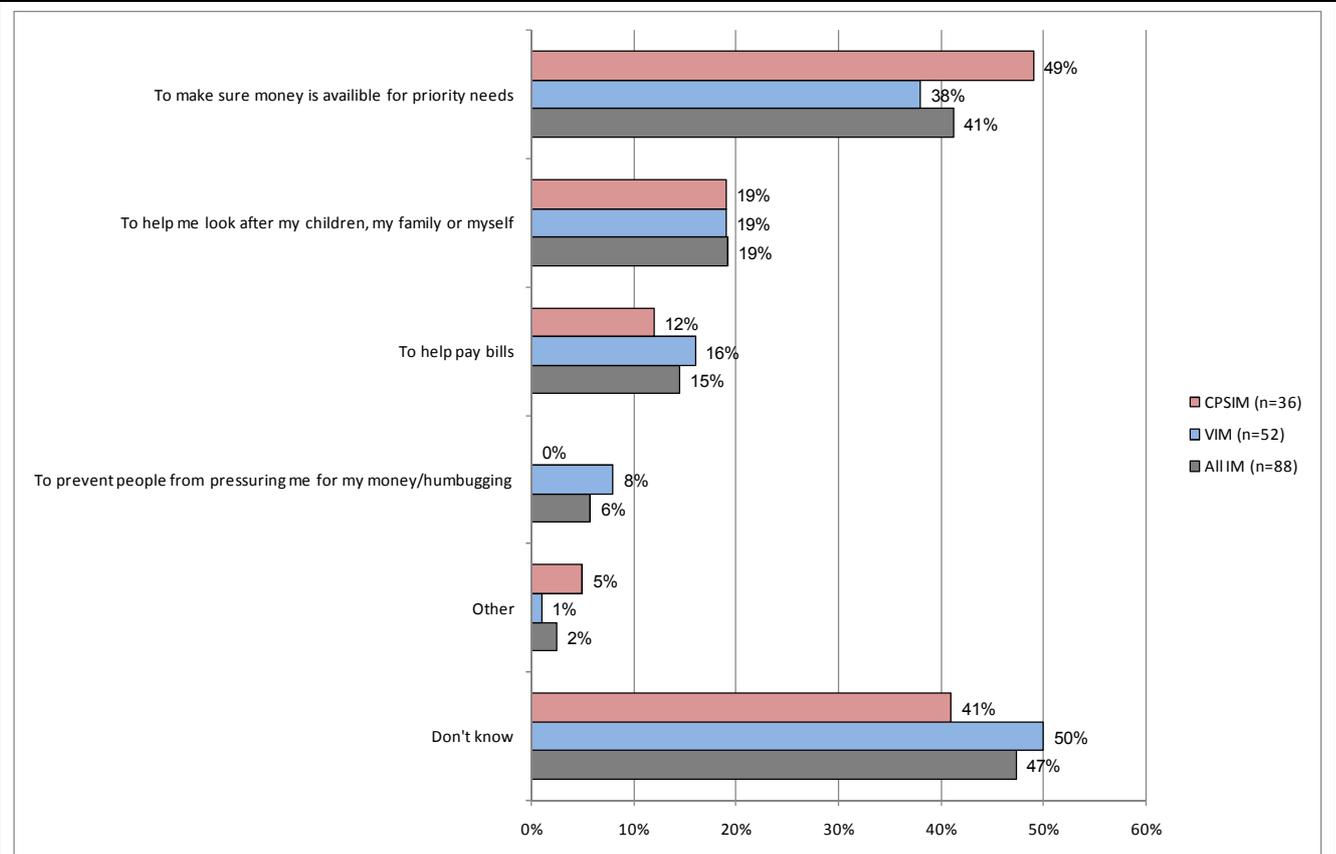
F.1. Awareness of why income management was introduced

There was a low level of awareness among IM clients as to why the Government had introduced IM—almost half of respondents (47%) did **not** know why IM had been introduced. A further 41% of respondents thought that IM had been introduced to make sure that money was available for priority needs and almost one in five respondents (19%) thought that IM was introduced to help them look after their children, their family or themselves.

Awareness of why the Government had introduced IM varied by type of IM and the location of the respondent (see Figure 7 and Figure 8). Key differences in awareness among respondents included:

- ◆ VIM respondents were less likely than CPSIM respondents to report that IM had been introduced to ensure that money is available for priority needs, and were more likely **not** to be aware of why IM had been introduced.
- ◆ Respondents from the Kimberley region were more than twice as likely as those from Perth **not** to be aware about why the Government had introduced IM.
- ◆ Respondents from Perth were more than three times as likely as those from the Kimberley region to report that IM had been introduced to help them pay their bills and were almost twice as likely to cite the reason to look after their children, their family or themselves.

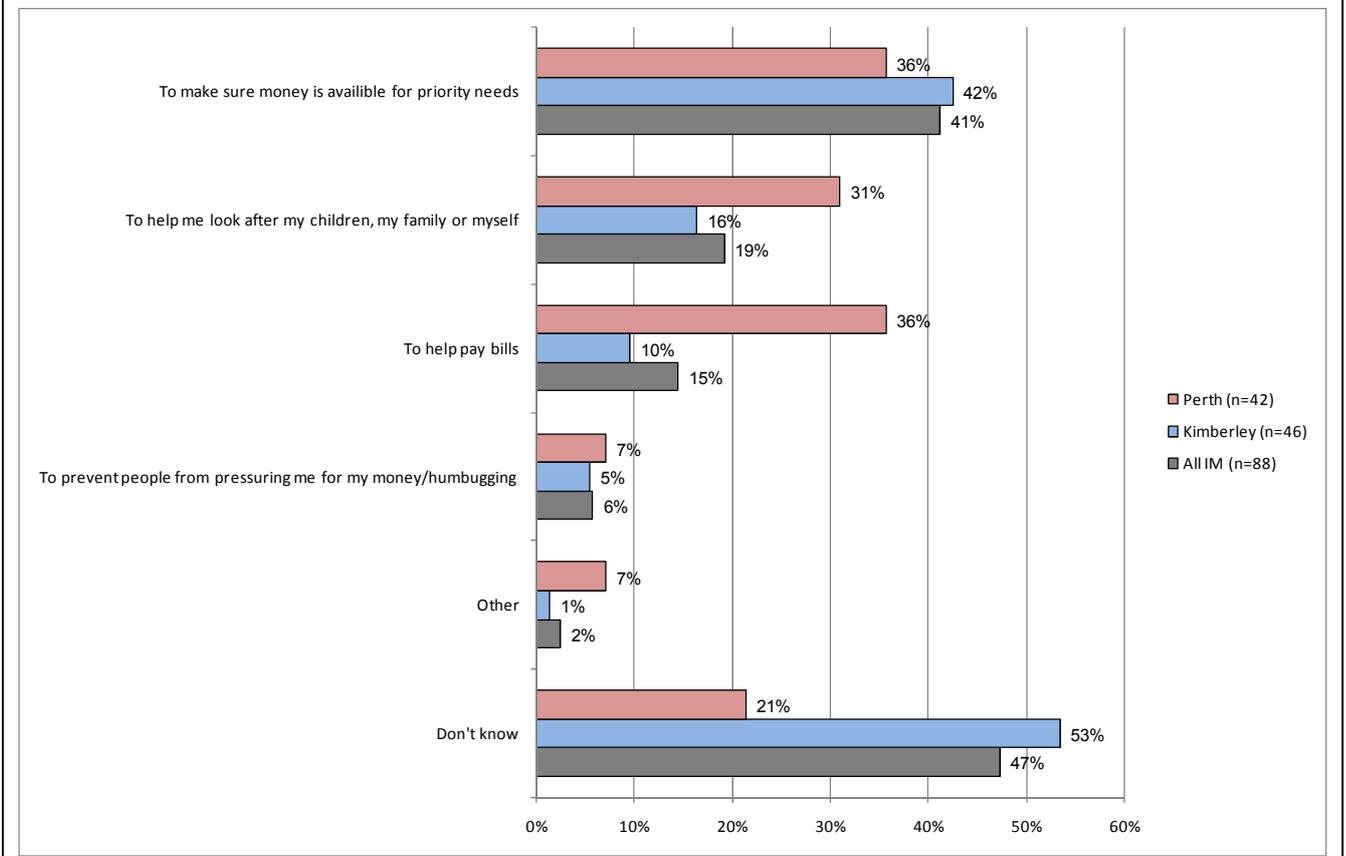
Figure 7: Awareness as to why the Government introduced income management by type of income management
Base: All respondents (multiple response)



Source: ORIMA survey of IM clients.

Figure 8: Awareness as to why the Government introduced income management by location

Base: All respondents (multiple response)



Source: ORIMA survey of IM clients.

Qualitative research participants generally felt that IM was introduced to “help the children and families”. There was very little understanding of IM being a measure to assist people manage their money and reduce debt. Furthermore, there was little understanding of the access and/or availability of money management services as part of the IM measures. This aspect of IM was felt to be critical to achieving sustainable benefits to the family through IM.

IV. Child Protection Scheme of Income Management (CPSIM)

A. About this chapter

This chapter examines various aspects relating to the Child Protection Scheme of Income Management (CPSIM). It starts by outlining the demographic and other characteristics of clients who have participated in CPSIM. This is followed by a discussion about the implementation and operation of CPSIM. The final sections in this chapter consider the impacts of CPSIM in three key areas:

- ◆ financial capabilities and practices;
- ◆ child, family and community wellbeing; and
- ◆ the overall impact of the program.

This chapter draws on data collected through ORIMA surveys with various stakeholder groups (including CPSIM clients), focus group and interview discussions with community leaders and administrative data provided by financial counselling and money management providers, Centrelink and the WA Department for Child Protection (DCP).

- ◆ Where possible Centrelink data have been used to provide overall figures about the characteristics of CPSIM clients. These data are complemented by the DCP administrative data where this enables a more detailed analysis of the characteristics of CPSIM clients and their children.

B. Client and children characteristics

This section considers the demographic and other characteristics of clients who have participated in CPSIM.

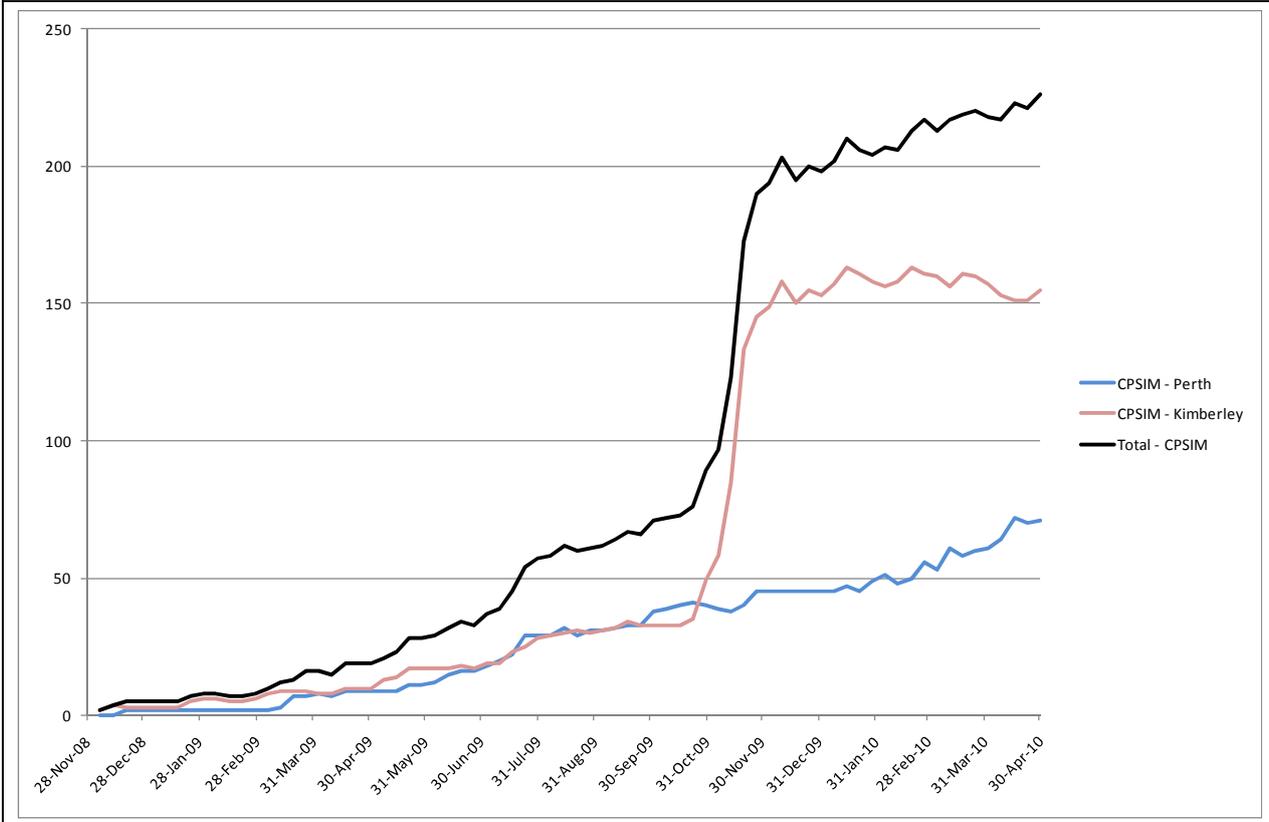
B.1. Overall number of clients—historical

At 30 April 2010, there were 226 Centrelink clients who were on CPSIM in WA (see Figure 9). The number of CPSIM clients increased at a steady rate until November 2009. At this time there was a sharp rise in the number of CPSIM clients—this was driven by an increase of over 100 clients in the Kimberley region.

Until November 2009 there were similar numbers of clients on CPSIM in both Perth and the Kimberley region. From November 2009 to April 2010, the number of CPSIM clients in the Kimberley region has remained steady at around 155 clients. In Perth, however, the number of CPSIM clients continued to increase at steady rate during this timeframe.

At 30 April 2010, just over two-thirds (69%) of CPSIM clients were located in the Kimberley region.

**Figure 9: Number of CPSIM clients by location—week ending
28 November 2008 to 30 April 2010**



Source: Centrelink administrative data as at 30 April 2010.

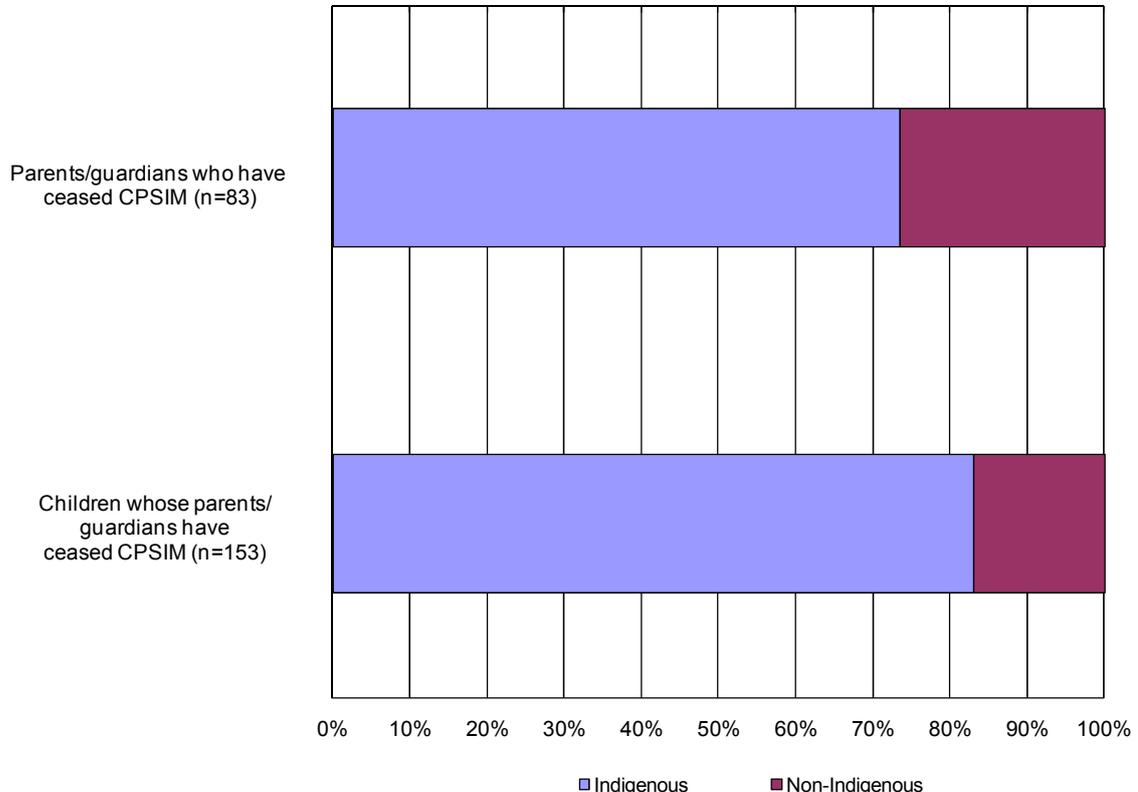
B.2. Exits from CPSIM

Centrelink administrative data show that there were 98 ceased CPSIM cases at 30 April 2010. Over half of these cases were clients from the Kimberley region (56%). The remaining exits were from the Perth area (38%) and clients from an area outside of WA (6%).

- ◆ These data indicate that CPSIM clients in the Kimberley region account for a smaller proportion of exits relative to their overall representation of CPSIM clients (i.e. CPSIM clients in the Kimberley region accounted for 69% of all CPSIM clients at 30 April 2010 but represented 56% of exits at 30 April 2010).
- ◆ This in part, appears to reflect the differences in the amount of time that CPSIM clients in the Kimberley region have been recommended to be on CPSIM compared with clients in Perth. Nine in ten CPSIM clients in the Kimberley region (90%) were recommended by their DCP caseworker to be on CPSIM for 12 months, compared with 50% of CPSIM clients in Perth. Other CPSIM clients were recommended for periods of between three and nine months (see Section C.7).

DCP administrative data show that almost three-quarters (73%) of parents/guardians who have ceased CPSIM were Indigenous (see Figure 10). As 83% of *all* current and former CPSIM clients at 30 April 2010 were Indigenous, this indicates that Indigenous CPSIM clients were slightly less likely to exit the program.

Figure 10: Parents/guardians who have ceased CPSIM and their children by Indigenous status



Source: DCP administrative data as at 30 April 2010.

Note: The Indigenous status of 16 ceased CPSIM clients was unknown.

B.2.1 Reasons for ceasing participation in CPSIM

Former CPSIM clients provided a number of reasons as to why they stopped participating in CPSIM. The two most commonly reported reasons for no longer participating were:

- ◆ Clients' recommended time on CPSIM had ended.

"It stopped itself—I didn't want it to stop."

"The welfare lady said that I'd finished."

"Because I'd been on it for about six months, why be on it for any longer?"

- ◆ CPSIM had too much control over clients' lives and did not allow them satisfactory access to their funds.

"There was too much control. The shops would call Centrelink and I hated it."

"I lost my kids and my house and I'd just got out of prison and I didn't want my money locked up anymore."

B.2.2 Willingness to use VIM at completion of CPSIM

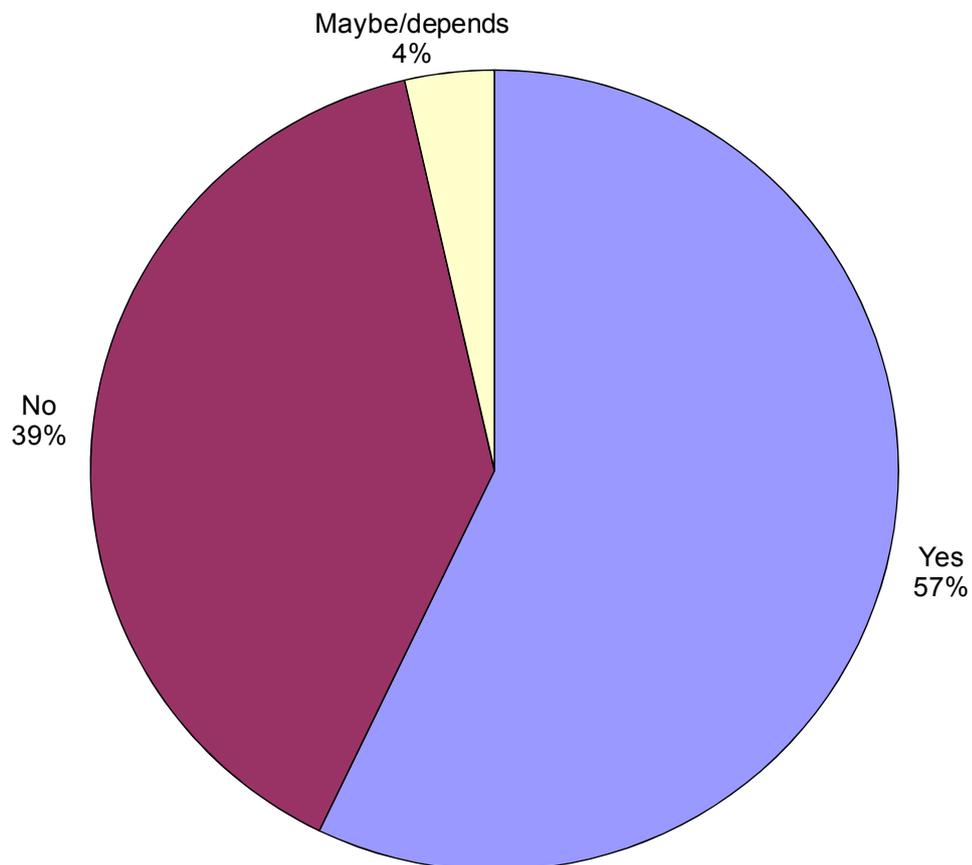
One option that CPSIM clients have had upon exiting the program has been to volunteer for VIM and continue with IM. Based on Centrelink administrative data at 30 April 2010, 28 clients had participated in both CPSIM and VIM (9% of clients who had ever been on CPSIM). However, these data do not show whether the client moved from CPSIM to VIM or vice versa.

The IM client survey results suggest that there is a good chance that some existing CPSIM clients will take-up VIM once their compulsory IM has concluded.

Around six in ten (57%) current CPSIM clients reported that they would consider going onto VIM at the conclusion of CPSIM (see Figure 11). A further 39% indicated that they would not consider using VIM at the completion of CPSIM, while 4% were undecided.

Figure 11: Whether willing to use VIM at completion of CPSIM

Base: CPSIM respondents currently on CPSIM (n=16)



Source: ORIMA survey of IM clients.

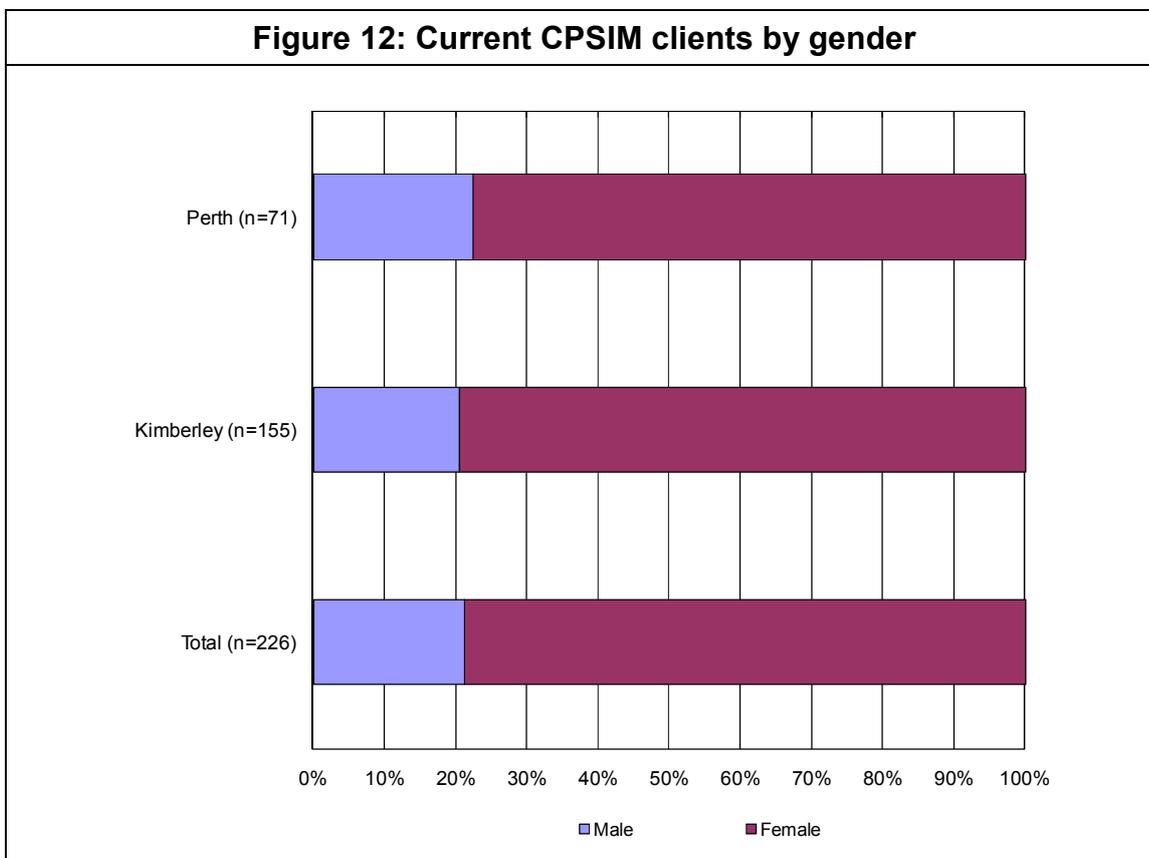
B.3. Location

Centrelink administrative data showed that, at 30 April 2010, there were 226 clients currently on CPSIM—over two-thirds (69%) lived in the Kimberley region.

DCP administrative data showed that the children of current CPSIM clients were also more likely (73%) to live in the Kimberley region. These data also revealed that a total of 186 family units were participating in CPSIM.

B.4. Gender

Figure 12 shows that at 30 April 2010, almost four out of five of current CPSIM clients (79%) were female. This was consistent across Perth and the Kimberley region.



Source: Centrelink administrative data as at 30 April 2010.

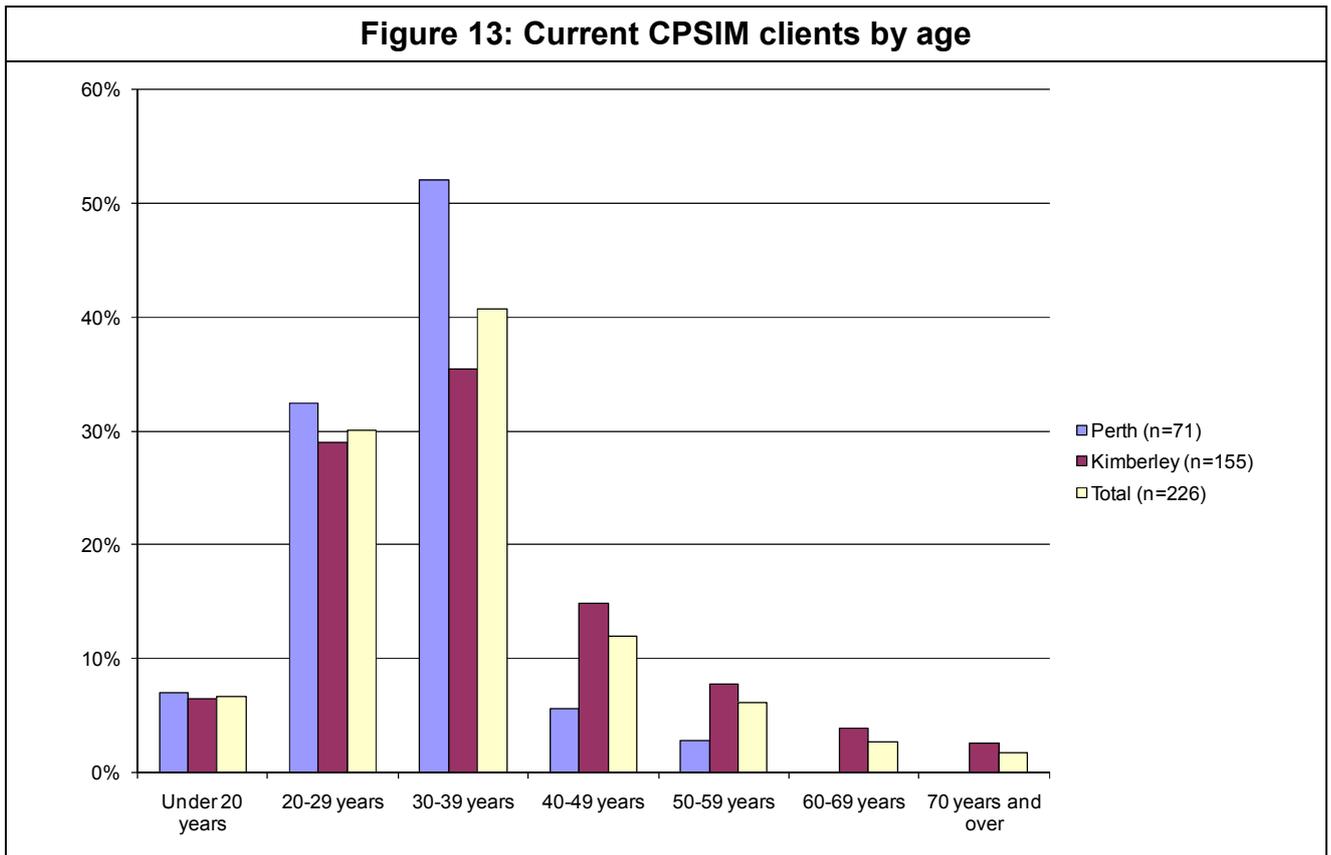
According to DCP administrative data, the children of CPSIM clients were fairly evenly split by gender (52% male and 48% female). Children of CPSIM clients in Perth were slightly more likely to be male (58% compared with 42% female), while the gender of children in the Kimberley were evenly split (50% male and 50% female).

Analysis of the gender of current CPSIM clients (and their children) by Indigenous status found that the gender characteristics of Indigenous CPSIM clients and their children were similar to those recorded for non-Indigenous CPSIM clients and their children.

B.5. Age

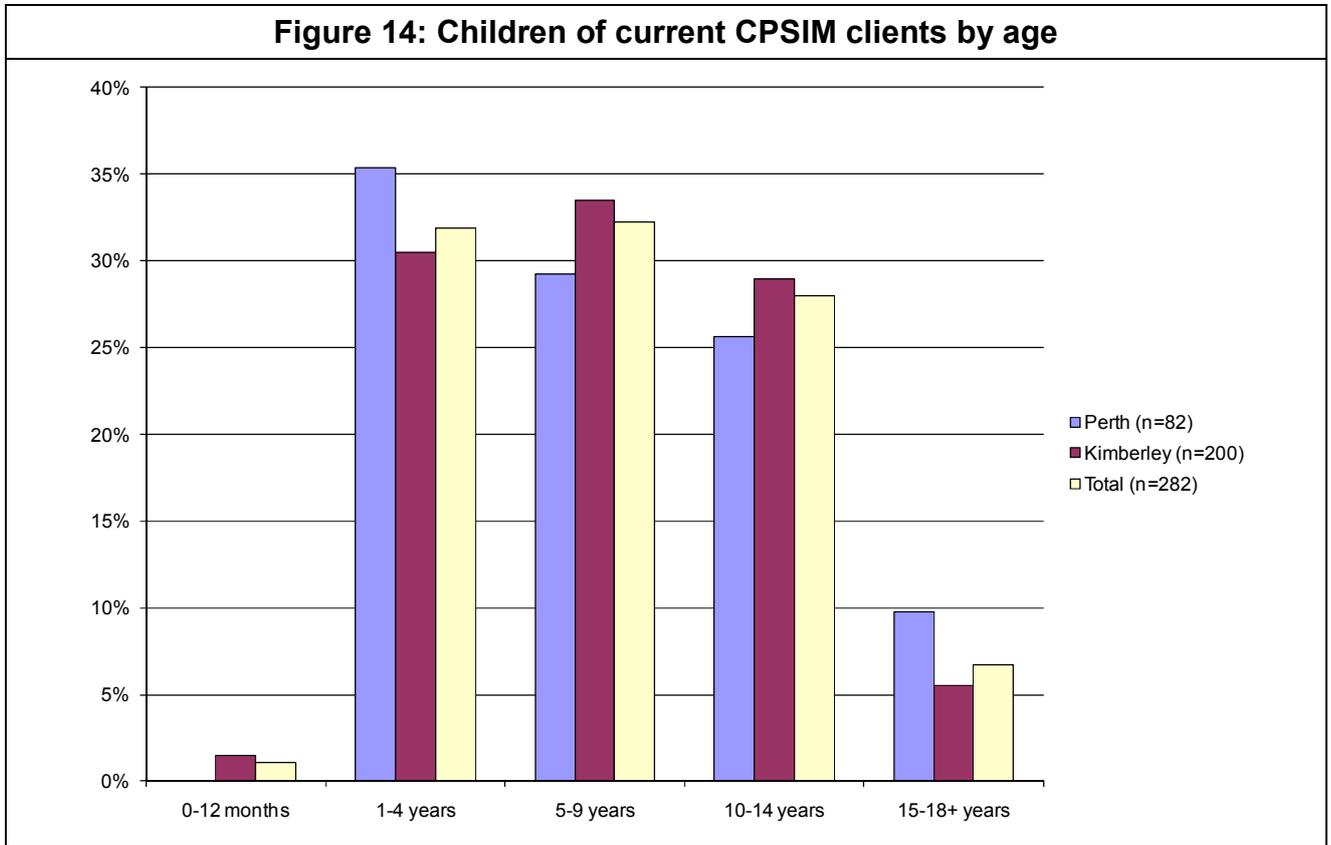
Figure 13 shows the age profile of current CPSIM clients, with clients most likely to be aged between 20 and 49 years. Over 40% of clients were aged between 30 and 39 years of age, with clients from Perth more likely (52%) to fall into this age group. Almost one-third of clients (30%) were aged between 20 and 29 years.

- ◆ Clients in the Kimberley region tended to have a slightly older age profile than those in Perth.



Source: Centrelink administrative data as at 30 April 2010.

Figure 14 shows that almost all children of current CPSIM clients (92%) were aged between one and 14 years. Around two-thirds of children were aged between one and four years or five and nine years (32% each). There was a similar age profile for children in Perth and the Kimberley regions.



Source: DCP administrative data as at 30 April 2010.

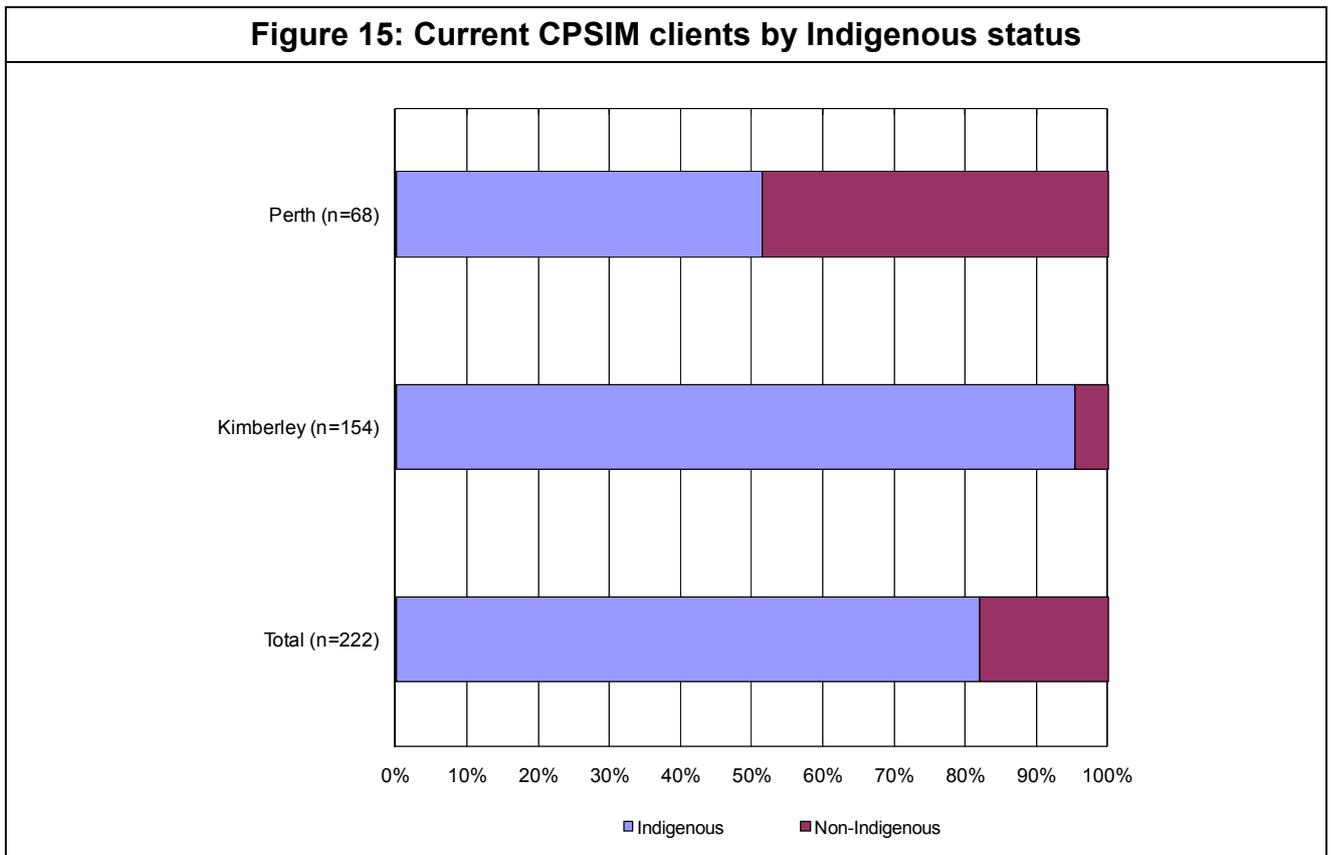
Note: Data for children was not available for 43 current CPSIM clients, and data was missing for 25 children of current CPSIM clients.

B.6. Indigenous status

Centrelink administrative data in Figure 15 shows that more than four in five current CPSIM clients (82%) were Indigenous, with clients in the Kimberley region more likely to be Indigenous (95%) than clients in the Perth region (51%).

DCP administrative data reveals that consistent with the overall proportion of CPSIM clients who were Indigenous, 87% of the children of current CPSIM clients were Indigenous.

DCP administrative data also show that as of 30 April 2010, no parents/guardians presently on CPSIM (or their children) had self-identified as coming from a culturally and linguistically diverse background.

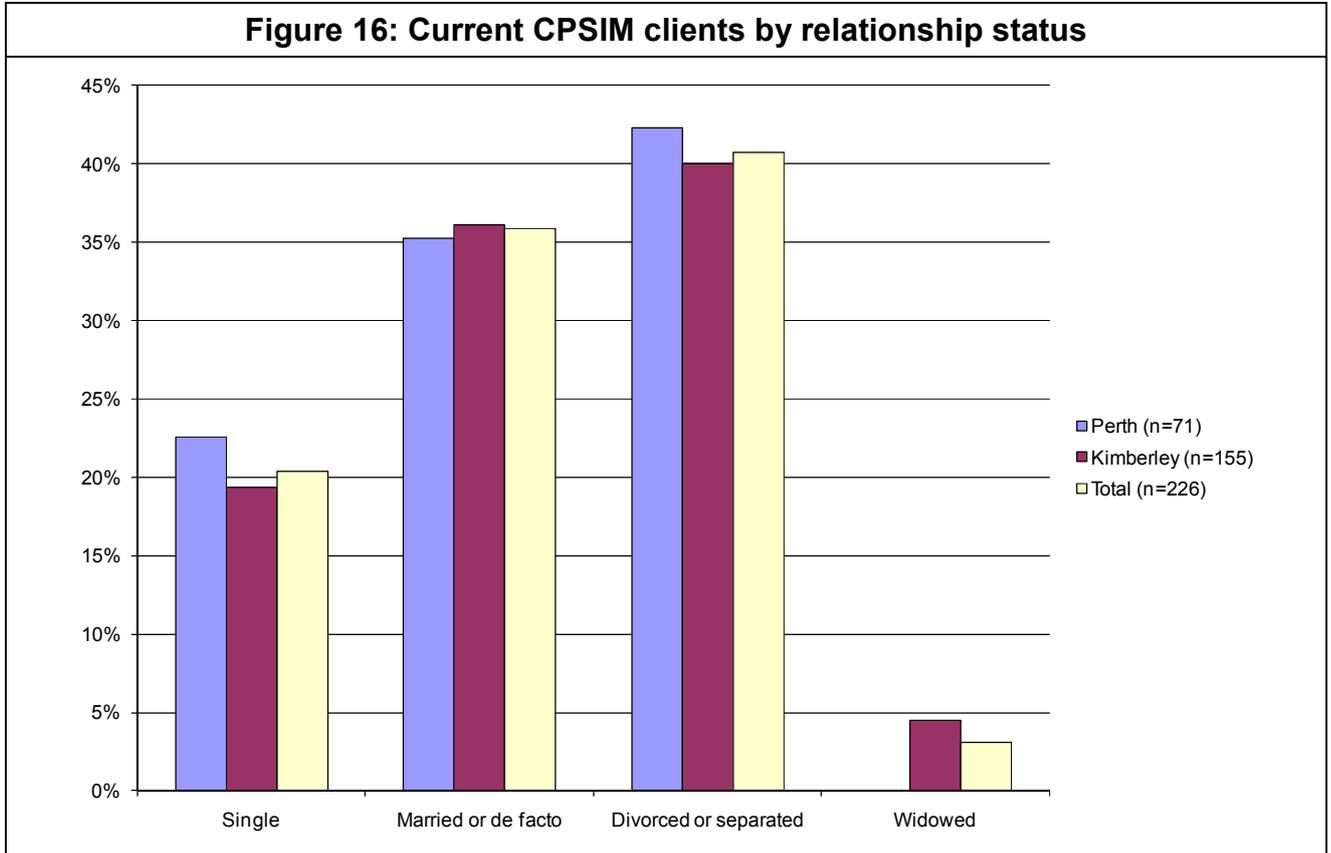


Source: Centrelink administrative data as at 30 April 2010.

Note: Data was missing for 4 current CPSIM clients.

B.7. Relationship status

Most commonly, current CPSIM clients were either divorced or separated (41%) or married or in a de facto relationship (36%). Clients were less likely to be single (20%) and very few were widowed (3%). Figure 16 shows that there was very little variation in these characteristics between Perth and Kimberley clients.



Source: Centrelink administrative data as at 30 April 2010.

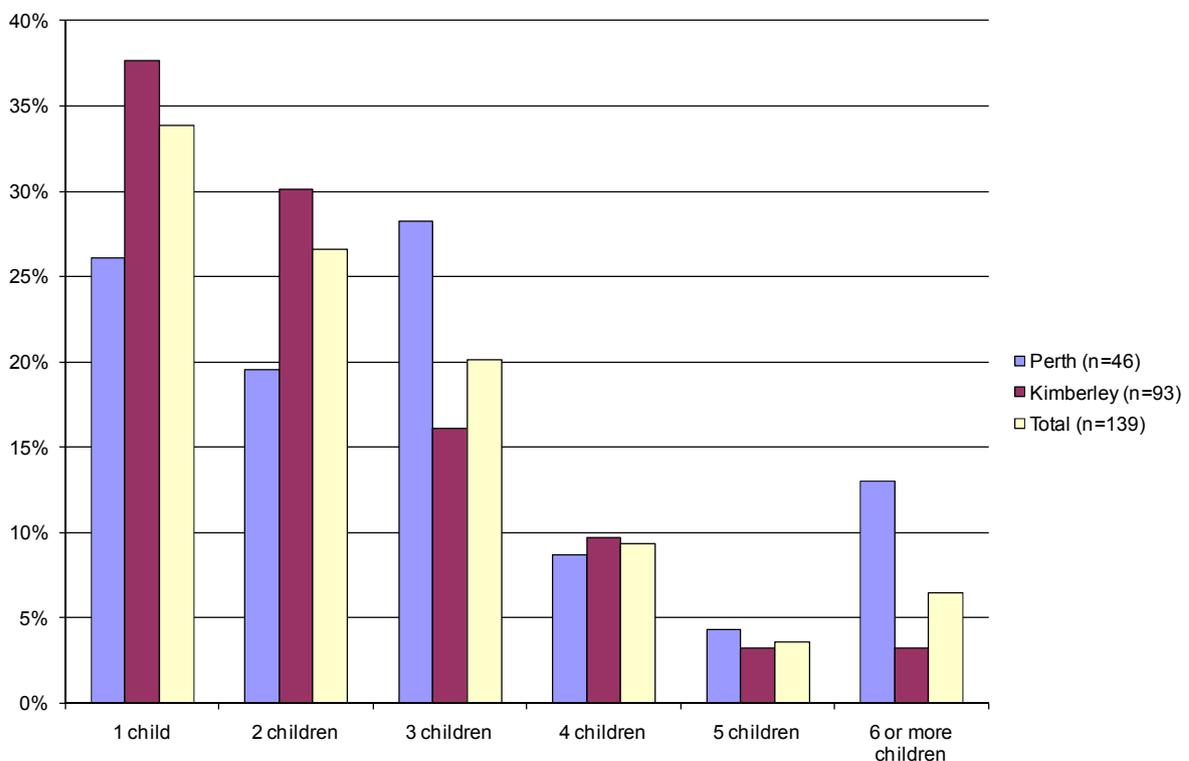
B.8. Dependent children

Centrelink administrative data revealed that almost two-thirds of current CPSIM clients (62%) were receiving Family Tax Benefit (FTB) Part A or B. CPSIM clients in Perth (65%) were slightly more likely than those in the Kimberley region (60%) to be receiving FTB.

Over 60% of CPSIM clients who received FTB had either one or two dependent children (34% and 27% respectively). A further 20% had three dependent children. The number of dependent children, however, varied by location (see Figure 17).

- ◆ Clients in the Kimberley were more likely than those in Perth to have only one or two dependent children (68% and 46% respectively).
- ◆ Clients from Perth were more likely than those from the Kimberley region to have three children (28% and 16% respectively) or six or more children (13% and 3% respectively).

Figure 17: Current CPSIM clients by number of dependent children



Source: Centrelink administrative data as at 30 April 2010.

Note: Data was missing for the 87 current CPSIM clients that do not receive Family Tax Benefit.

The youngest dependent child of almost half of CPSIM clients (with dependent children) were aged less than three years—18% aged less than one year, 18% aged between one and less than two years and 12% aged between two and less than three years. The youngest dependent child of one in five CPSIM clients (19%) was aged 10 to 15 years.

B.9. Benefit type

Four in five current CPSIM clients were receiving one of the following payments from Centrelink:

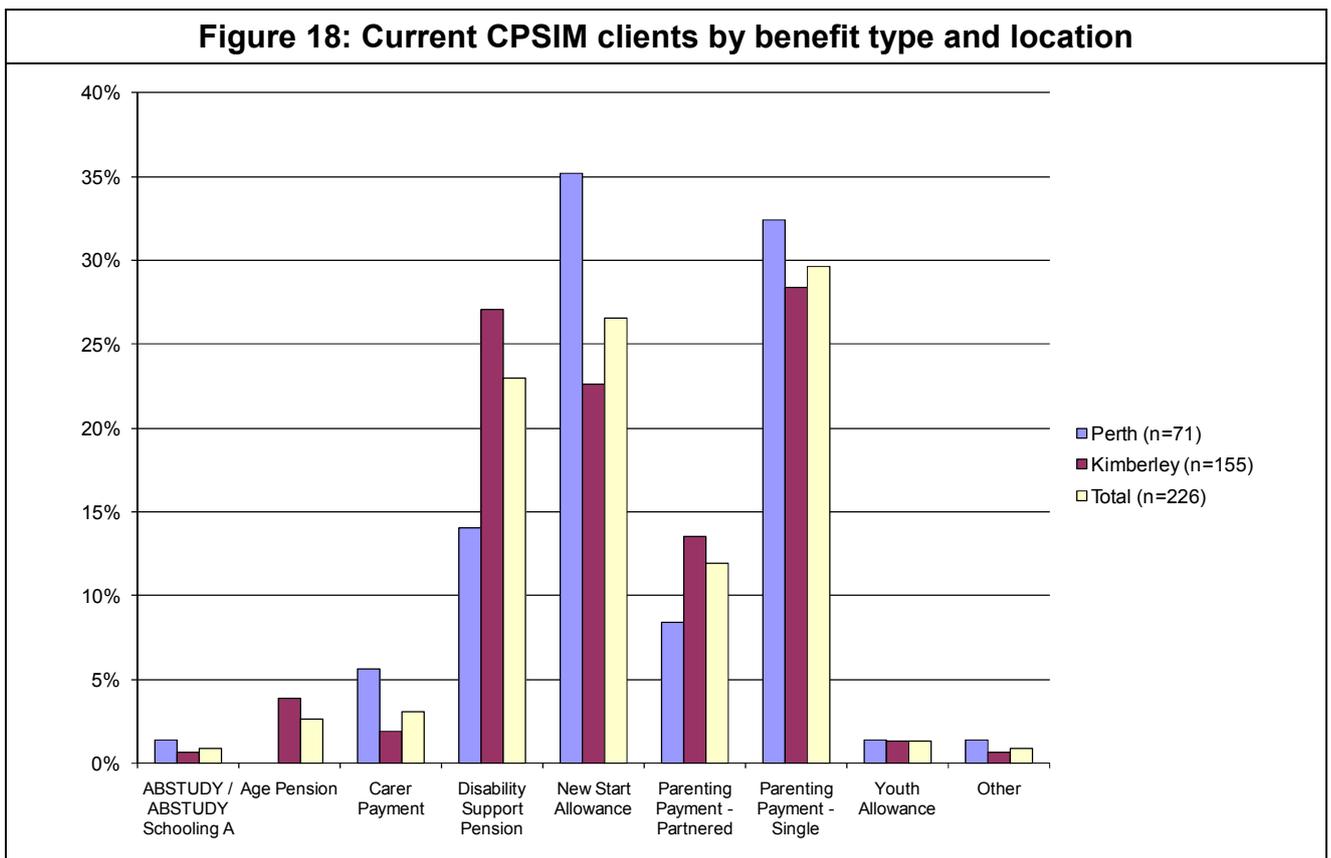
- ◆ Parenting Payment—Single (PPS) (30%);
- ◆ Newstart Allowance (27%); and
- ◆ Disability Support Pension (DSP) (23%) (see Figure 18).

A further 12% of current CPSIM clients were receiving Parenting Payment—Partnered (PPP).

The type of payments current CPSIM clients received varied by location (see Figure 18).

- ◆ Clients in Perth were more likely than clients in the Kimberley region to receive Newstart Allowance (35% and 23% respectively).
- ◆ Clients in the Kimberley region were almost twice as likely as clients in Perth to receive DSP (27% and 14% respectively).

Figure 18: Current CPSIM clients by benefit type and location



Source: Centrelink administrative data as at 30 April 2010.

C. Implementation and operation of CPSIM

This section considers the implementation and operation of CPSIM. The section covers various issues including review of decisions and customer complaints, various stakeholders' understanding of CPSIM, the time clients are recommended and are on CPSIM, the appropriateness of referrals to CPSIM and working relationships between DCP and Centrelink staff.

C.1. Review of decisions

DCP data show that as at 30 April 2010, a total of two Perth-based CPSIM clients and one Kimberley-based CPSIM client had sought a review from DCP of the decision to place them on IM. All three appeals were unsuccessful and the clients continued to be on CPSIM.

C.2. Customer complaints

DCP data show that as at 30 April 2010, no CPSIM clients had lodged complaints with the DCP.

C.3. Understanding of processes

C.3.1 Level of client understanding

C.3.1.1 Clients' understanding of why they were going on income management

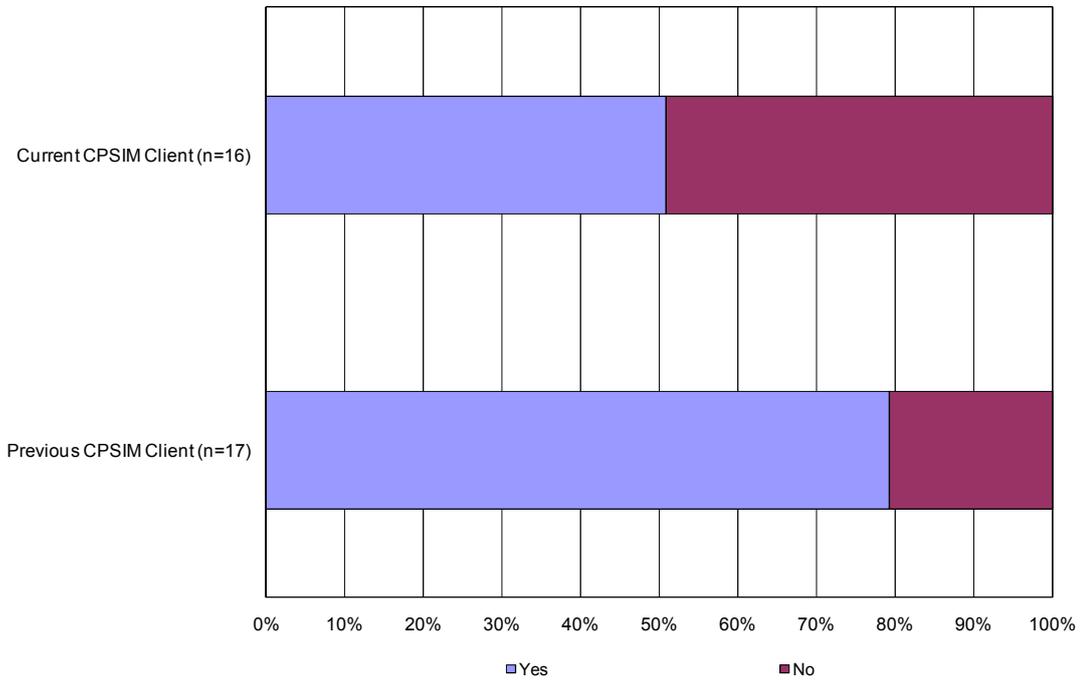
Results from the survey of IM clients found that almost two-thirds of CPSIM clients (65%) indicated they understood why they were commencing on IM after their meeting with a DCP officer. Previous CPSIM clients (79%) were more likely than current CPSIM clients (51%) to report that this was the case (see Figure 19).

Just over three-quarters of CPSIM respondents (78%) reported that they understood why they were going on IM after their meeting with a Centrelink officer, compared with two-thirds of respondents who reported that this was the case after their meeting with a DCP officer.

- ◆ Almost nine in ten previous CPSIM respondents (89%) and two-thirds of current CPSIM respondents (67%) indicated that they understood why they were commencing on IM after the initial meeting with Centrelink staff (see Figure 20).

Figure 19: Whether clients understood why they were commencing on income management based on meeting with DCP case officer

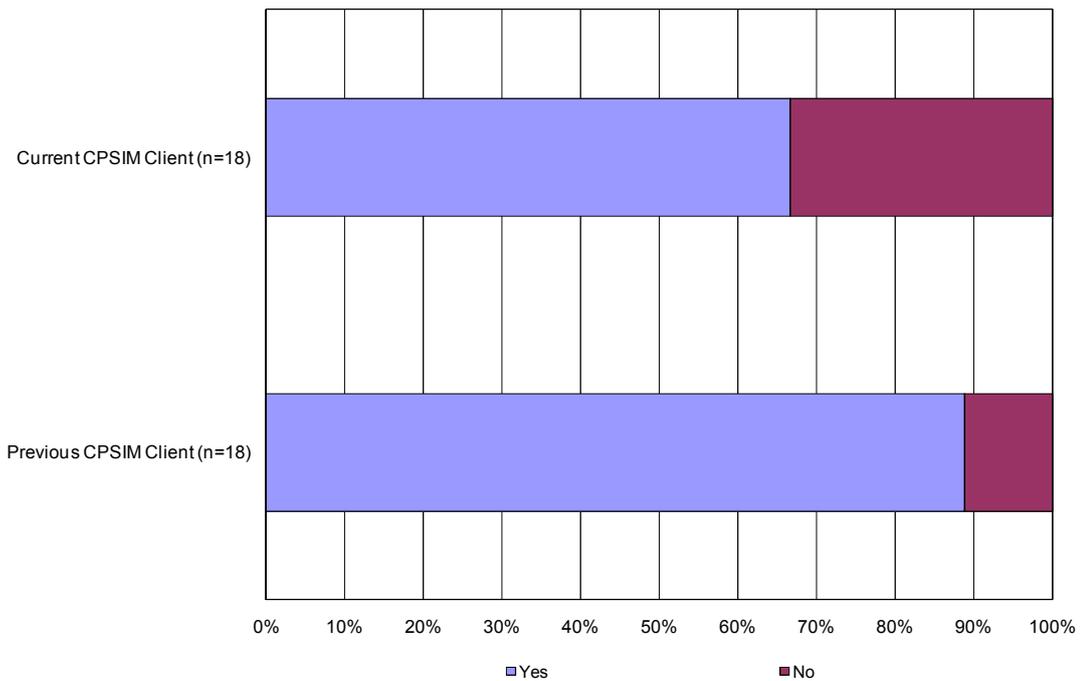
Base: All CPSIM respondents



Source: ORIMA survey of IM clients.

Figure 20: Whether clients understood why they were commencing on income management based on meeting with Centrelink officer

Base: All CPSIM respondents



Source: ORIMA survey of IM clients.

C.3.1.2 Clients' understanding of other aspects of CPSIM

Similar proportions of CPSIM respondents reported that they clearly understood how IM would work following their meeting with a DCP officer (66%) and then following their meeting with a Centrelink officer (72%).

- ◆ 74% of current CPSIM respondents indicated that they understood how IM would work after their interview with Centrelink, compared with 56% after their meeting with DCP.
- ◆ Similar proportions of previous CPSIM clients reported that they understood how IM would work after their interview with DCP and Centrelink (76% and 70% respectively).

CPSIM respondents were also asked about whether or not they knew, after their meeting with Centrelink, that they could change the allocations of their income managed money and that they could use a free financial counselling service.

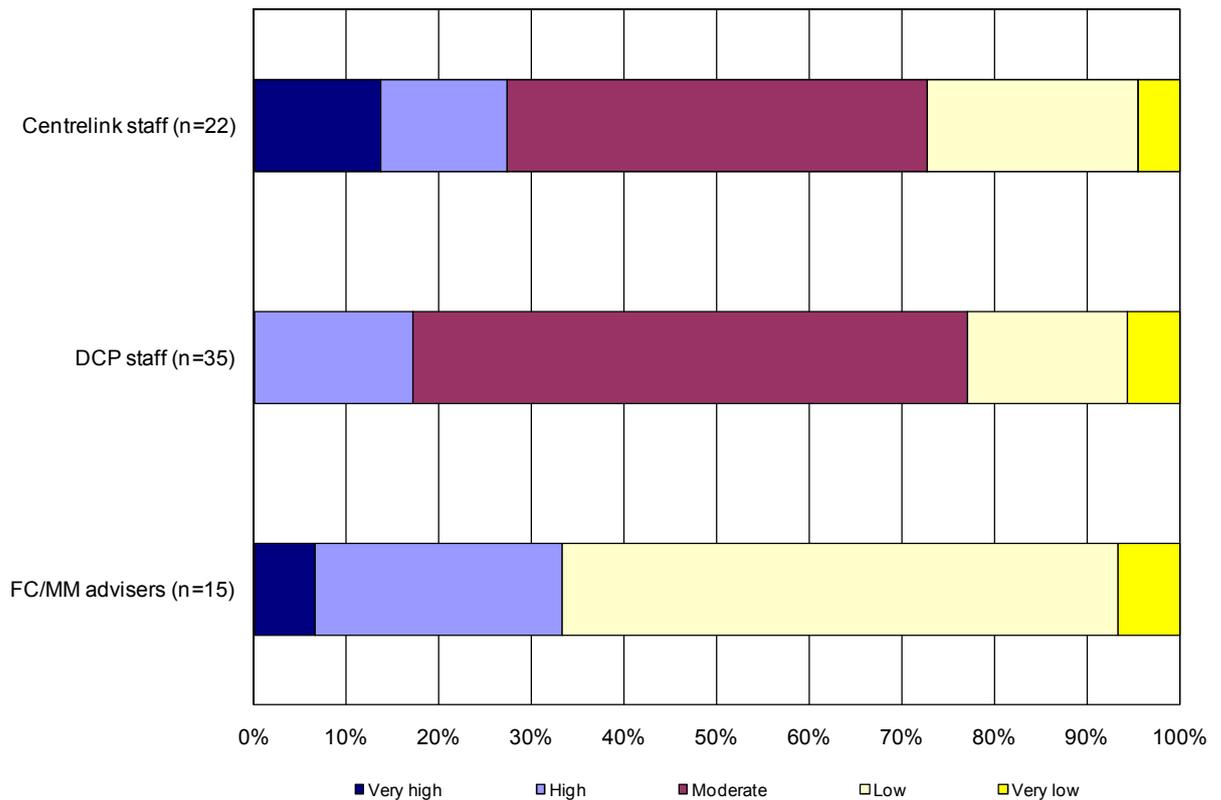
- ◆ Almost seven in ten respondents (68%) reported that after their meeting with Centrelink they knew they could change how their income managed money was allocated.
 - 78% of previous clients and 59% of current clients reported that this was the case.
- ◆ Respondents were less likely to indicate that they knew they could use a free financial counselling service (44%).
 - 54% current CPSIM clients and 35% of previous CPSIM clients were aware that they could use these services.

C.3.1.3 Stakeholders' assessment of clients' understanding of CPSIM

Stakeholders generally believed that CPSIM clients had low to moderate levels of understanding about the CPSIM measure (see Figure 21). Both Centrelink and DCP staff were most likely to assess client understanding as moderate (45% and 60% respectively). Financial counsellors and money management advisers tended to provide a more polarised assessment of client understanding, with 33% rating understanding as high or very high, and 67% as low or very low.

Figure 21: Assessment of CPSIM clients' understanding of CPSIM measure

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers.

When these stakeholders were asked to provide suggestions on how the process of informing clients about the CPSIM measure could be improved, a number of suggestions were provided and could be grouped into three broad areas.

- ◆ Ensuring clients are informed about all aspects of CPSIM.

“Full information by DCP as to why customers are being placed on CPSIM, full explanation of their rights such as their right to appeal.”

“Better information to customers in their language of the three options available as to how they can use CPSIM—many are unaware that the BasicsCard is not the only option.”

-
- ◆ Use language and tools appropriate for the target audience.

“Put in terms where they are able to understand, have someone to translate or speak in their lingo as most clients would just agree to have the process go through quicker when they really don’t understand what is actually going on.”

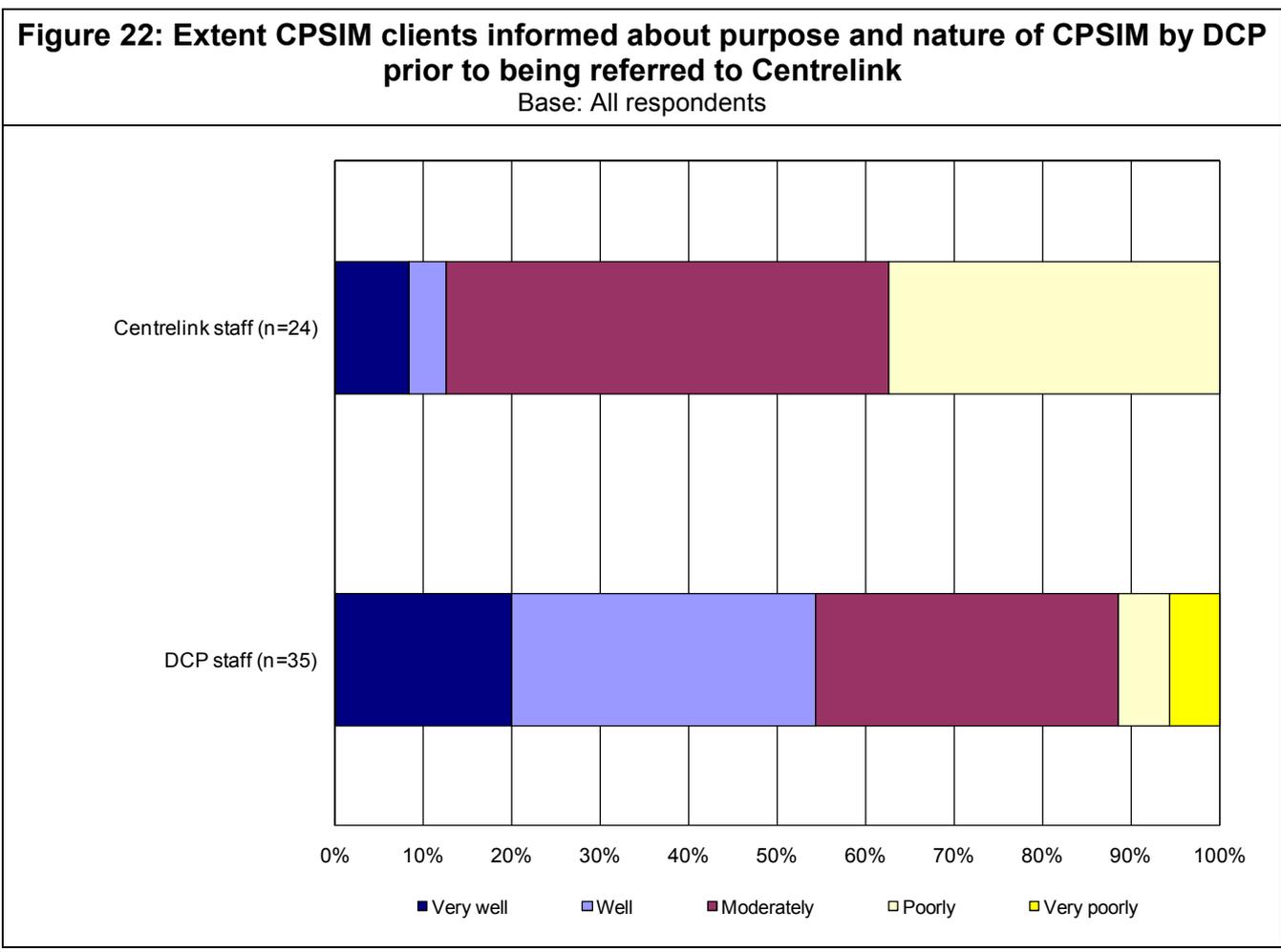
- ◆ Use financial counsellors and money management advisers as allies in the CPSIM process and involve them from the beginning.

“Centrelink involving money management at the start. Money management worker can explain about CPSIM before the interview process begins, so the client is informed.”

Community leaders in the qualitative research felt that many CPSIM clients had a limited understanding about why they were on IM. These participants felt that some of the clients tended to view their placement on CPSIM as a “punishment” rather than a “helpful way to learn money management.”

C.3.1.4 Stakeholders' assessment of how well clients had been informed about the purpose and nature of CPSIM

When asked to rate the extent to which CPSIM clients had been informed about the purpose and nature of CPSIM by DCP staff, DCP staff provided more favourable assessments than Centrelink staff (see Figure 22). Among DCP staff, 54% believed clients had been informed well or very well and only 11% poorly or very poorly. In contrast, 38% of Centrelink staff rated this aspect negatively.

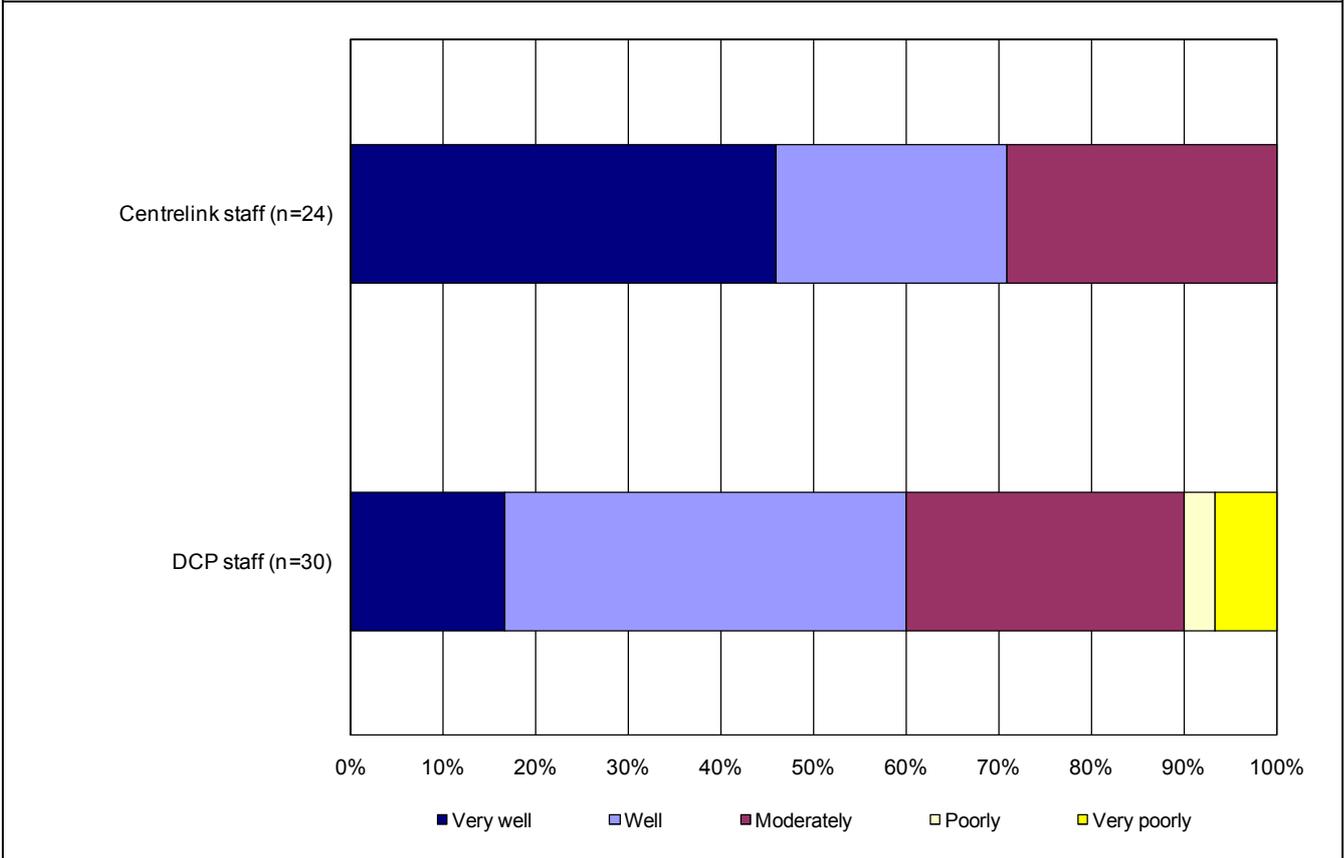


Source: ORIMA survey of Centrelink staff and DCP staff.

When asked to rate the extent to which clients had been informed about the purpose and nature of CPSIM by Centrelink staff, both DCP and Centrelink staff provided generally favourable assessments. Seven in ten Centrelink respondents (71%) and six in ten DCP respondents (60%) believed that clients had been informed well or very well by Centrelink (see Figure 23).

Figure 23: Extent CPSIM clients informed about purpose and nature of CPSIM by Centrelink

Base: All respondents



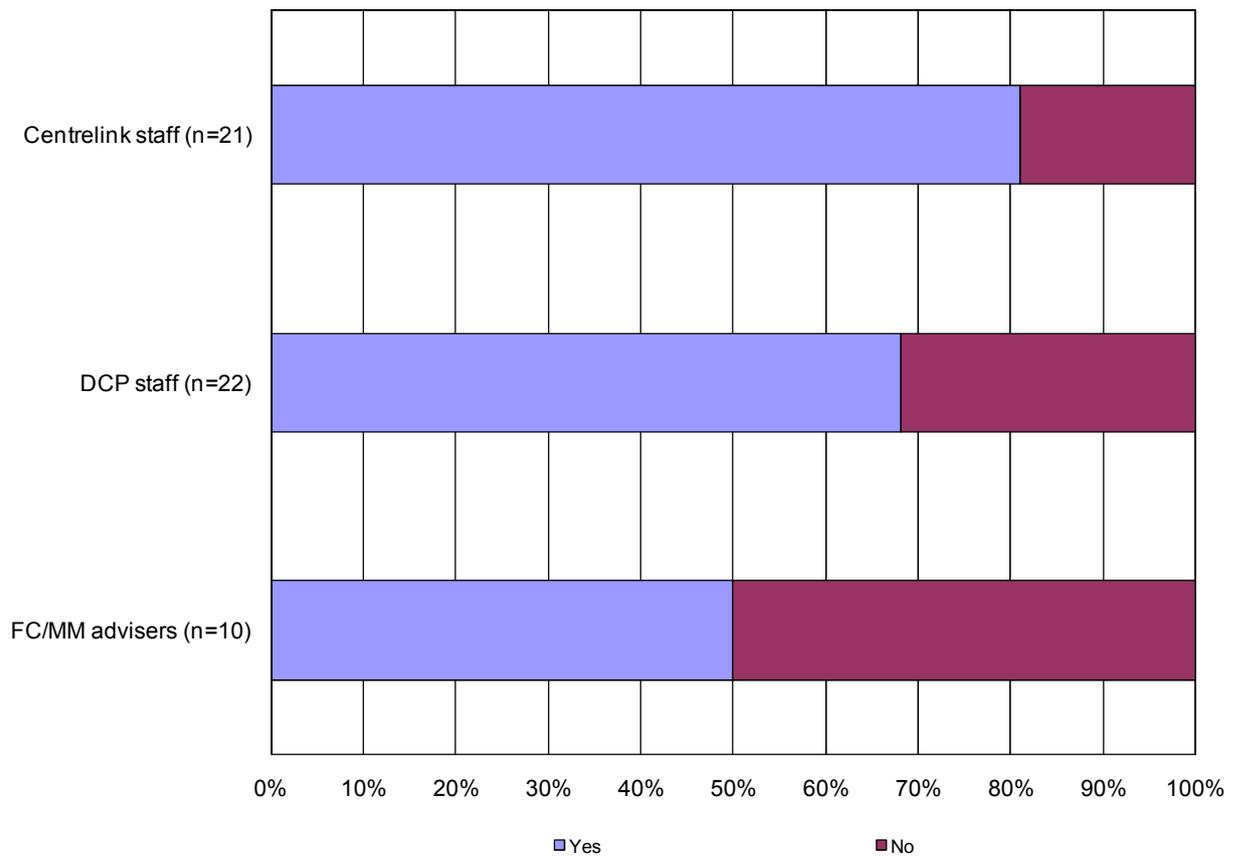
Source: ORIMA survey of Centrelink staff and DCP staff.

C.3.1.5 Stakeholders' assessment of whether there are aspects of CPSIM that could be better understood by clients

As shown in Figure 24, at least half of respondents from the three stakeholder groups thought that there were specific aspects of CPSIM that could be better understood by clients. Centrelink respondents (81%) were most likely to report that this was the case, followed by DCP respondents (68%) and 50% of financial counsellors and money management advisers.

Figure 24: Whether there are aspects of CPSIM that could be better understood by clients

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff and MM/FC advisers.

When asked about what aspects of CPSIM needed to be better understood by CPSIM clients the three groups of stakeholders provided different suggestions.

- ◆ Among Centrelink respondents, many reported that DCP staff needed to make it clearer to the client why they were going on CPSIM.

“They [clients] need to be clearly informed by DCP of the reason why they have been placed on income management, and what they [DCP] hope to achieve with the customers.”

- ◆ Many DCP respondents considered that CPSIM clients needed to be better informed about how IM works and what items they can buy with the BasicsCard.

“Customers still do not grasp that they will get the same money as they don’t see the cash. They also do not understand that they no longer have to do Centrepay and it gets very messy with them using their cash as well. There is also little understanding that for the first time they can have savings. They also do not grasp that they can have payments made to other places if they have money in the pot.”

“Customers need to know that the BasicsCard can be used to pay for educational excursions with schools for their children, purchase of whitegoods etc, not just for food, which I found a lot of Aboriginal people believe that is what BasicsCard is only about.”

- ◆ Many financial counsellors and money management advisers believed that the role and value of financial counselling and money management needed to be better understood by CPSIM clients.

“The degree to which they can be helped if they accept referrals to financial services that have counselling and advocacy services in place as well as money issues.”

When asked about how best to inform CPSIM clients about the information gaps they identified above, given the different issues raised by the different stakeholder groups it is not surprising that they suggested some different ideas.

- ◆ Many Centrelink respondents considered the following two approaches to be the best way to inform CPSIM clients.

- Increased face to face communication.

“Money Management could run workshops hold mini expos, provide a morning tea or lunch to encourage community participation. Remote Service visits would be highly beneficial.”

- Improving the information provided to clients at the start of CPSIM and taking an active case management approach to each CPSIM client.

“Better initial information to CPSIM customer from the DCP caseworkers... Perhaps regular phone or office reviews conducted by CPSIM experts with the customers when information can be gone over again and questions answered.”

- ◆ Many financial counsellors and money management advisers thought that informing the community about IM and taking a holistic approach to providing information might be the best way to inform CPSIM clients of the package of services available in CPSIM.

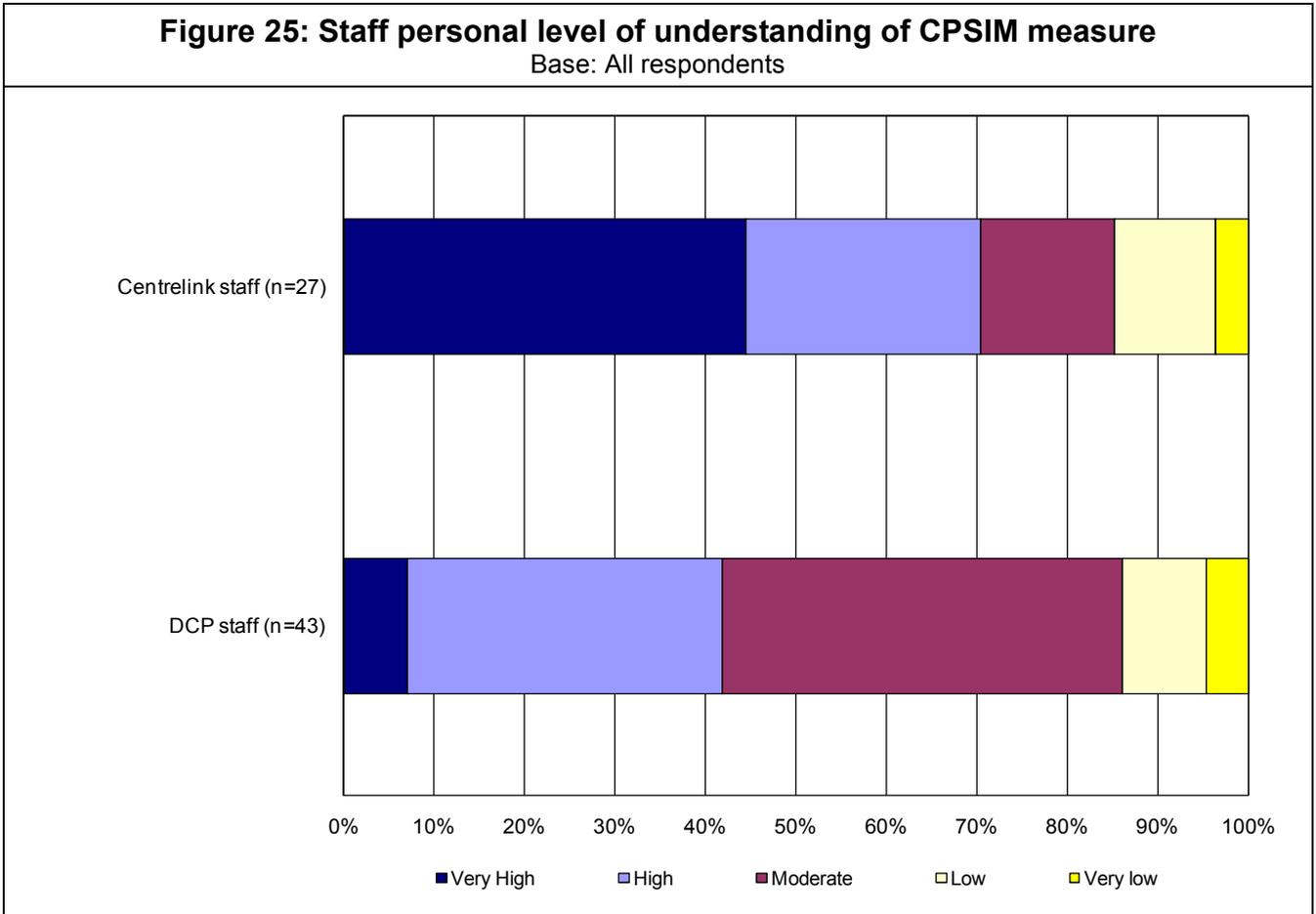
“Community education, educating DCP workers, brochures that reflect the financial counselling side not just the income managed side. Income managed workers knowing the financial counselling services and what they can offer.”

“By having a meeting with them and with others that can support them during this time.”

Community leaders in the qualitative research suggested that mass media communications and community forums about “the helpfulness and benefits” of IM generally would also be an effective way to educate and promote IM as a positive money management tool.

C.3.2 Understanding of CPSIM by DCP and Centrelink staff

When asked to assess their own level of understanding of the CPSIM measure, Centrelink staff (70%) were more likely than their DCP counterparts (42%) to assess their personal understanding of the CPSIM measure as high or very high. Only 15% of Centrelink staff and 14% of DCP staff reported their own understanding as low or very low (see Figure 25).



Source: ORIMA survey of Centrelink staff and DCP staff.

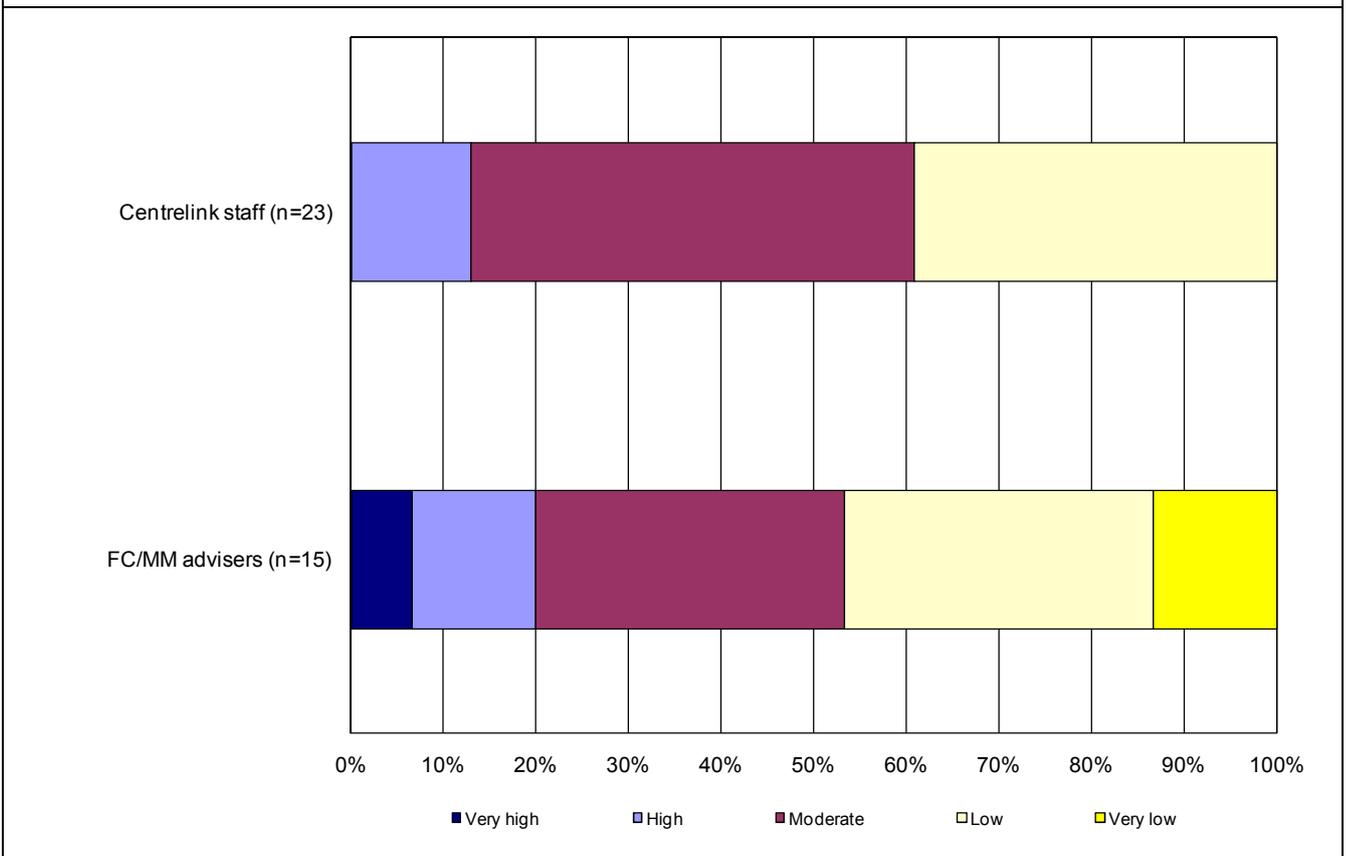
C.3.3 Assessment of potential CPSIM client understanding of CPSIM measure

Centrelink staff and financial counsellors and money management advisers tended to assess the understanding of the CPSIM measure among potentially eligible Centrelink customers in the trial areas as low to moderate (see Figure 26).

- ◆ 48% of Centrelink staff and 33% of financial counsellors and money management advisers rated understanding among potential CPSIM clients as moderate; and
- ◆ 39% of Centrelink staff and 47% of financial counsellors and money management advisers rated understanding as low or very low.

Figure 26: Assessment of potential CPSIM client understanding of CPSIM measure

Base: All respondents



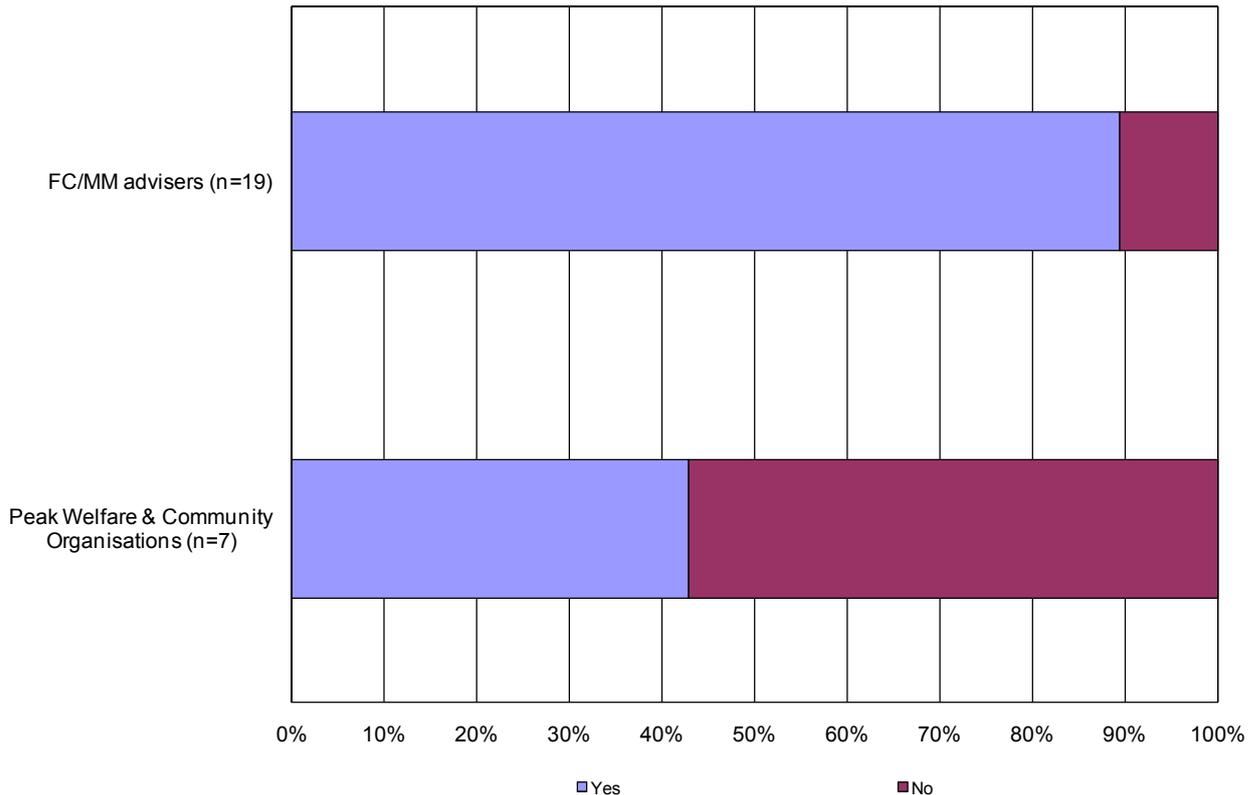
Source: ORIMA survey of Centrelink staff and MM/FC advisers.

C.3.4 Information provided to financial counsellors and money management advisers and service providers

Financial counsellors and money management advisers were more likely than peak welfare and community organisations to report that they had received adequate information about the nature of the CPSIM trial (89% and 43% respectively) (see Figure 27).

Figure 27: Whether received adequate information from government agencies about nature of CPSIM trial in WA

Base: All respondents



Source: ORIMA survey of MM/FC advisers and peak welfare and community organisations.

Only one financial counsellor or money management adviser outlined the additional information they needed on CPSIM.

“I have found out a lot about voluntary income management but do not fully understand the CPSIM. I also have a new team of financial counsellors so would be very happy for someone to... give us a full overview of the trial, objectives and outcomes so far.”

Of the few responses provided by peak welfare and community organisations, the type of additional information they required varied, but two examples were:

“[Information on] design, implementation, existence, evaluation, evidence of impact.”

“All of our Financial Counsellors need training regarding the CPSIM trial as we have had large turnover meaning that valuable knowledge has been lost.”

There were similarities across these two groups of respondents when asked how best to communicate information to them and/or their organisation. The methods that emerged as the best way to communicate with these organisations were via email and information packs/literature.

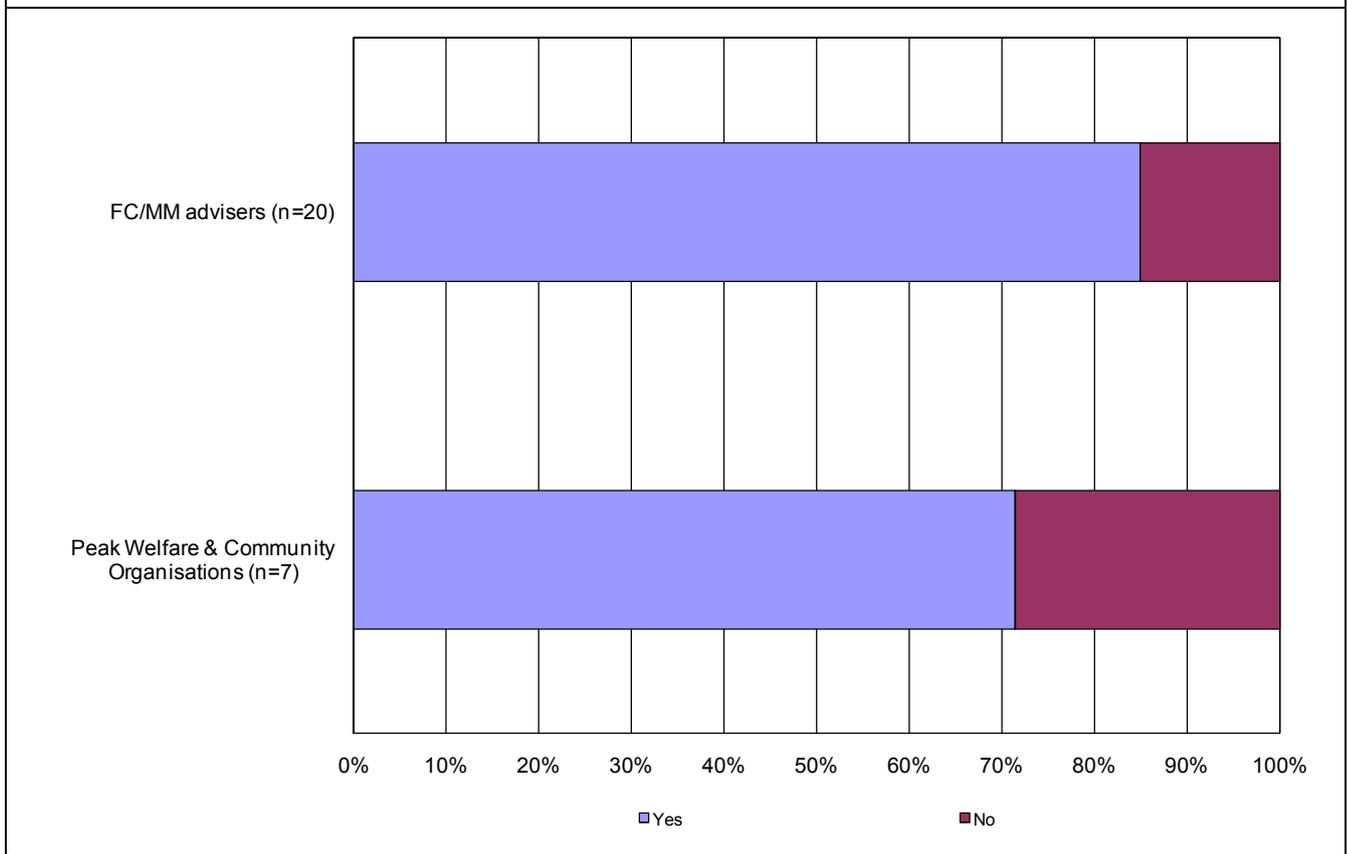
“Email—regular bulletins and updates (bite sized chunks on a regular basis).”

“Literature and e-communication.”

The views of these two groups of stakeholders were also sought about whether they had received information about the CPSIM trial in a timely manner. Responses were positive, with 85% of financial counsellors and money management advisers and 71% of peak welfare and community organisations believing that they had received information about the trial in a timely manner (see Figure 28).

Figure 28: Whether received information from government agencies about nature of CPSIM trial in WA in a timely manner

Base: All respondents



Source: ORIMA survey of MM/FC advisers and peak welfare and community organisations.

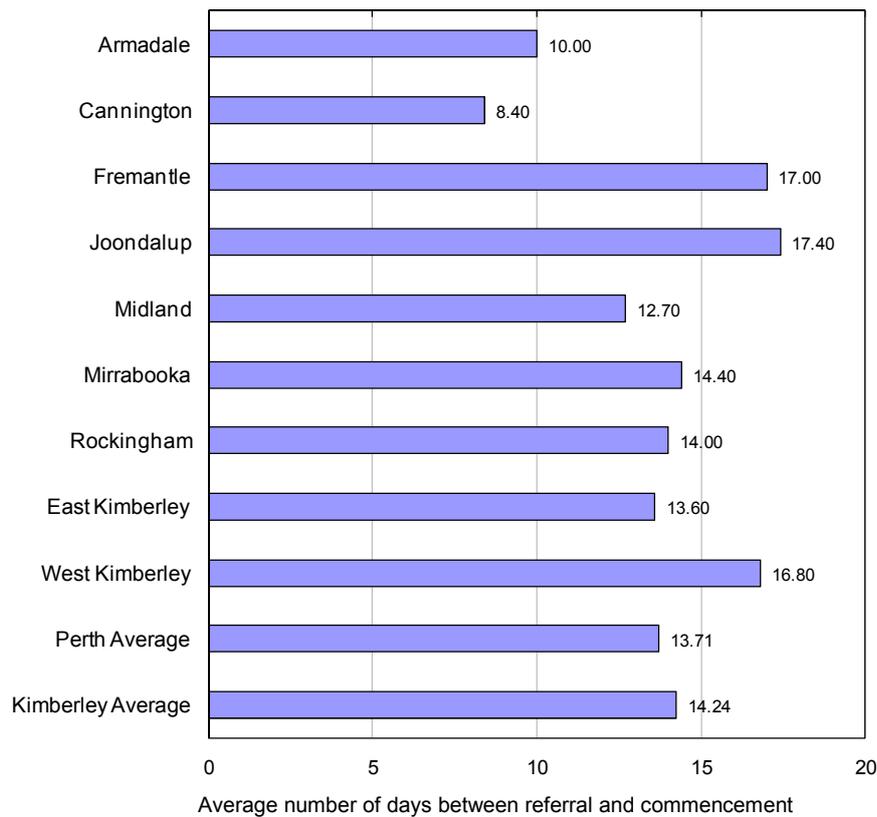
When asked about when and how they were informed of the CPSIM trial, these two groups of stakeholders did not provide many comments.

- ◆ One financial counsellor or money management adviser indicated that they were informed of the CPSIM trial “via email from Centrelink”.
- ◆ All peak welfare and community organisations who answered this question reported that they sought their own information on the CPSIM trial.

C.4. Time between notification and commencement on program

On average, the time between when the DCP caseworker completed an initial notice and when the client commenced on CPSIM lasted two weeks (14.1 days). As Figure 29 shows, the average number of days between notification and commencement varied substantially for different regions. CPSIM clients in Joondalup, Fremantle and West Kimberley averaged the longest period of time with 17 days, while Cannington-based CPSIM clients experienced the shortest time period of just over a week (8 days) on average.

Figure 29: Average number of days between DCP caseworker completing an initial notice and client's initial commencement on CPSIM



Source: DCP administrative data as at 30 April 2010.

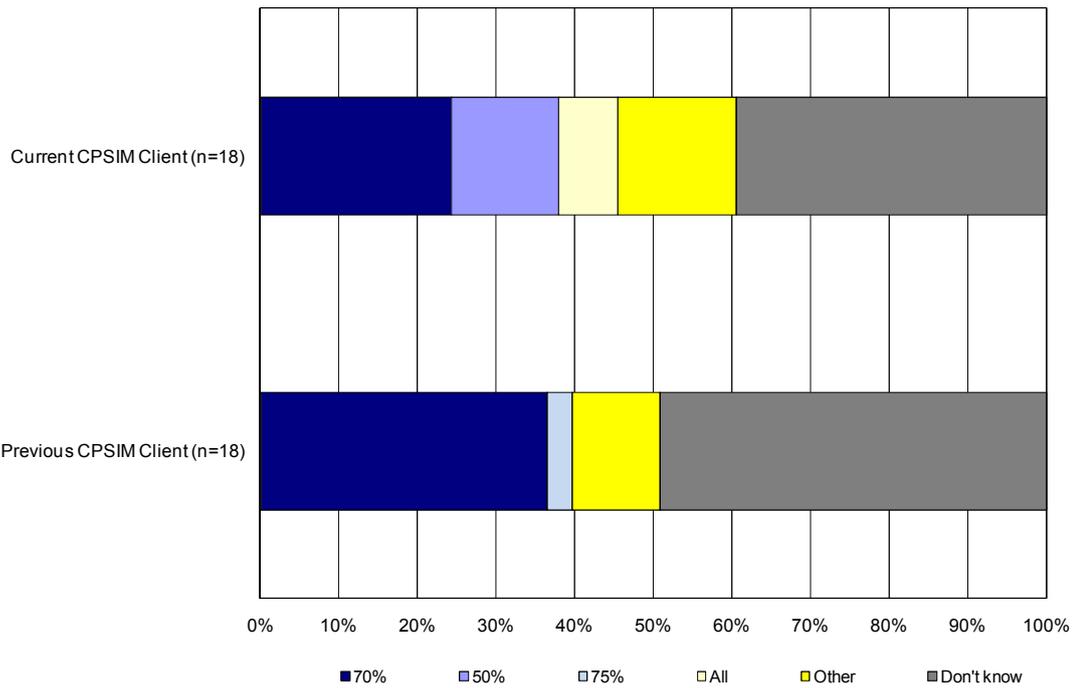
Note: The Perth and Kimberley averages were calculated under the assumption that data was available for all current CPSIM clients.

C.5. Awareness of ratio of income managed funds

Over two in five CPSIM clients (44%) did not know what proportion of their income support payment was subject to IM. Sizeable proportions of both current (39%) and previous CPSIM (49%) clients reported that this was the case (see Figure 30). Almost one in three CPSIM clients (30%) were aware that 70% of their income support payment was subject to IM—24% of current CPSIM clients and 37% of previous CPSIM clients.

Figure 30: Client awareness of ratio of Centrelink payments subject to income management

Base: All CPSIM respondents



Source: ORIMA survey of IM clients.

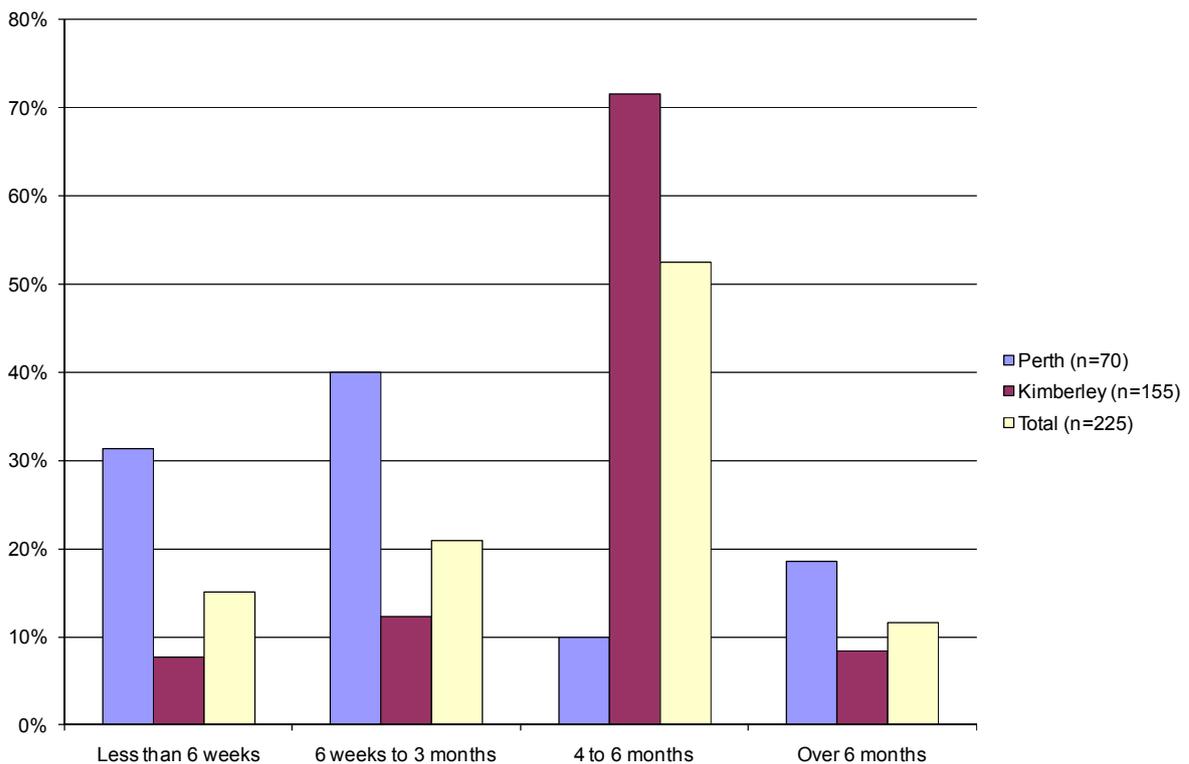
Most community leaders in the qualitative research were not aware of the ratio of income managed funds. A few assumed it would be 50%, however others indicated that they did not know.

C.6. Length of time on income management

Most current CPSIM clients had been on IM for six months or less, as at 30 April 2010 (see Figure 31). Only 12% had been on the program for more than six months.

- ◆ Clients in the Kimberley were around seven times as likely as clients in Perth to have been on the program for 4-6 months (72% compared to 10%).
- ◆ Clients in Perth were much more likely to have joined the program more recently (40% had joined six weeks to three months ago, and 31% in the last six weeks, compared to 12% and 8% respectively for clients in the Kimberley).

Figure 31: Current CPSIM clients by length of time on income management

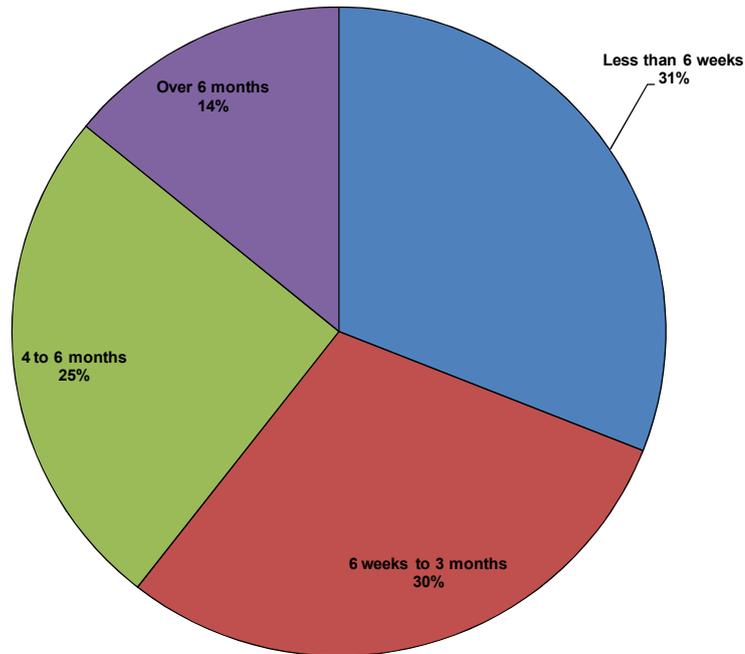


Source: Centrelink administrative data as at 30 April 2010.

Note: Data was missing for 1 current CPSIM client.

At 30 April 2010, of clients who were no longer participating in CPSIM, around six in ten had ceased their participation within the first six weeks (31%) or within six weeks and three months (30%) (see Figure 32). Around one in seven previous CPSIM clients (14%) had ceased participation after having been on the program for more than six months.

Figure 32: Ceased CPSIM clients by length of time on income management



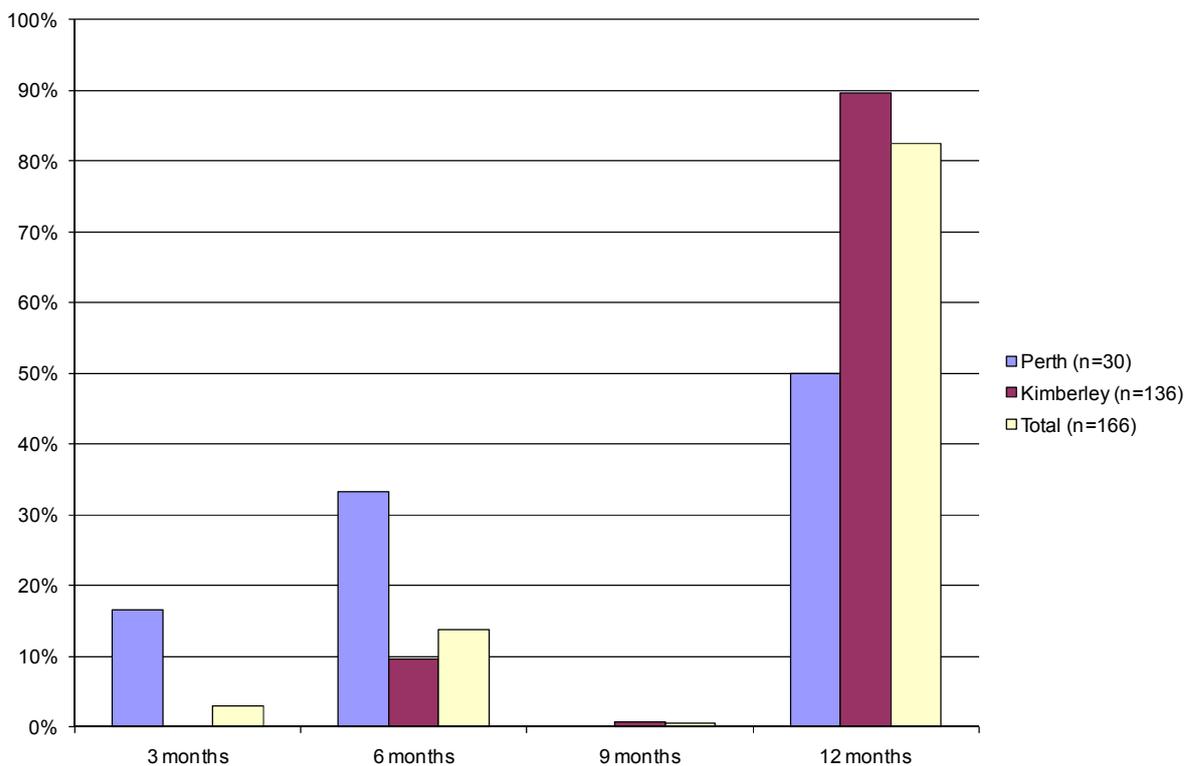
Source: Centrelink administrative data as at 30 April 2010.

C.7. Recommended length of time on CPSIM

Most current CPSIM clients (83%) were recommended for a 12 month period. However, as Figure 33 shows, there was considerable variation across regions.

- ◆ Almost all current CPSIM clients (90%) living in the Kimberley region were recommended for a 12 month period, compared to just half (50%) of those living in Perth.
- ◆ One-third (33%) of current CPSIM clients living in Perth were recommended for a six-month period.

Figure 33: Current CPSIM clients by recommended length of time on CPSIM



Source: DCP administrative data as at 30 April 2010.

Note: Data was missing for 61 current CPSIM clients.

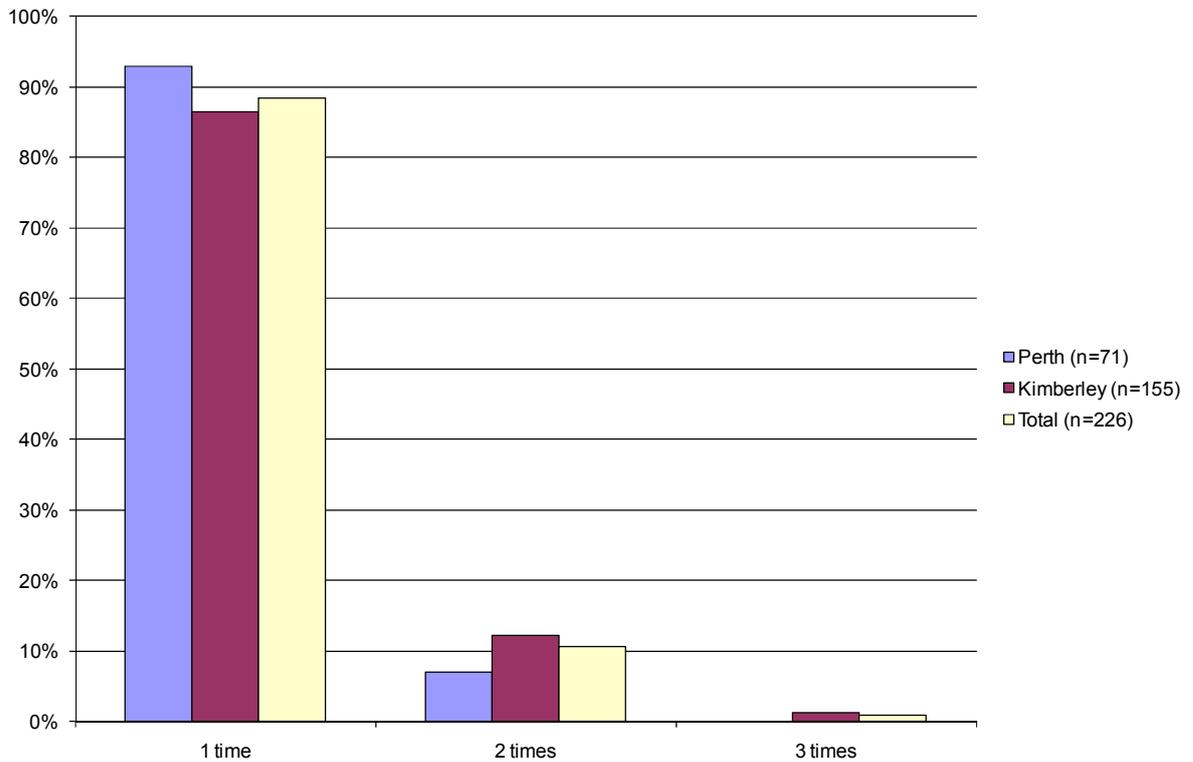
DCP administrative data revealed that ceased clients were more likely to have been recommended for a shorter time period on CPSIM.

- ◆ Two-thirds (66%) of former CPSIM clients were recommended for a 12 month period, compared to 83% of current clients.
- ◆ Over one-quarter (26%) of ceased clients were recommended for a six-month period, compared to 14% of current clients.

C.8. Number of times on income management

Almost nine in ten current CPSIM clients (88%) had been on IM once. One in ten clients (11%) had been on IM twice and very few had been on IM three times. As Figure 34 illustrates, there was little variation between clients from Perth and the Kimberley in terms of the number of times they had been on IM.

Figure 34: Current CPSIM clients by number of times on Income Management



Source: Centrelink administrative data as at 30 April 2010.

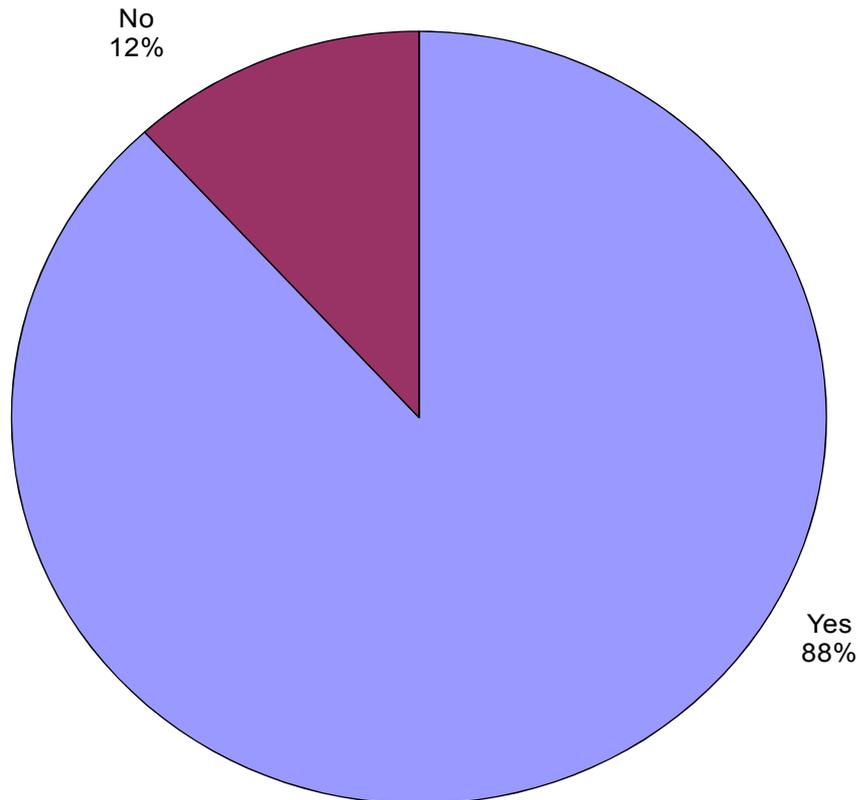
C.9. Appropriateness of referrals to CPSIM and improving client acceptance

C.9.1 Appropriateness of referrals

Almost nine in ten (88%) Centrelink staff felt that the right people had been referred to CPSIM (see Figure 35).

Figure 35: Whether the right people are being referred to CPSIM

Base: All respondents (n=17)



Source: ORIMA survey of Centrelink staff.

Centrelink respondents provided a number of reasons why they thought that the right people were being referred to CPSIM. The main theme that emerged from these comments was that the right people are being referred because they have problems managing their finances.

“The customers who have been referred have been customers with serious financial issues. Income management has helped to change individual culture in how to budget and really appreciate how much money they get and how many bills they actually have.”

“All customers I have been involved with have had very complex financial problems.”

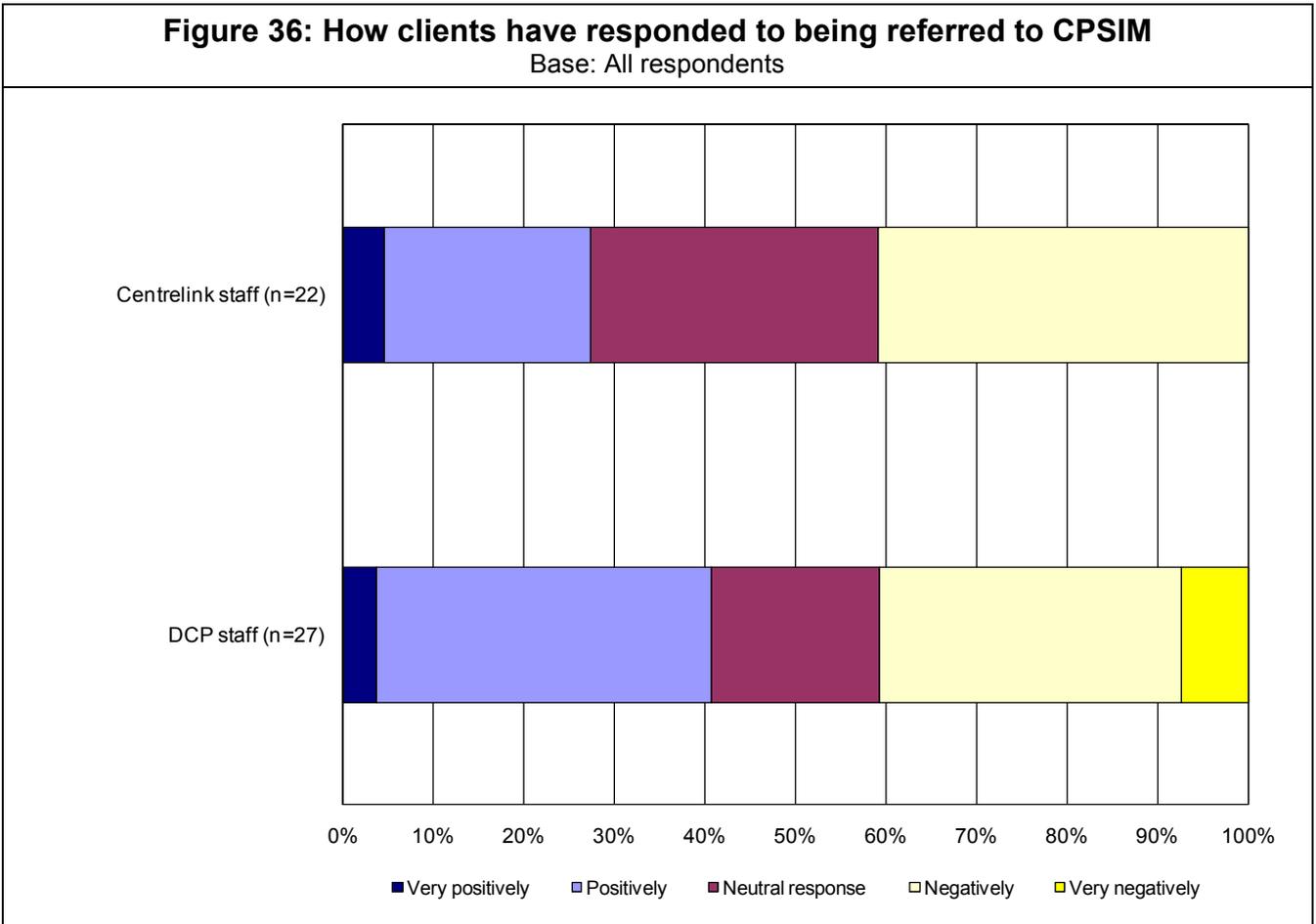
“Generally the customers we receive referrals for do require financial assistance and have poor money management skills. Many even in crisis.”

“From the customers I have seen just require assistance in breaking down their payments into manageable amounts to pay for their essentials.”

C.9.2 Client reactions to being referred to program

Centrelink and DCP respondents provided mixed views about how CPSIM clients have reacted when being referred to the program (see Figure 36).

- ◆ DCP respondents held very polarised views about client reactions, with 41% assessing clients’ reactions as positive and 41% assessing them as negative.
- ◆ Centrelink respondents were more likely to believe that CPSIM clients reacted negatively to being referred to CPSIM (41%)—27% thought that clients reacted positively.



Source: ORIMA survey of Centrelink staff and DCP staff.

When these two groups of respondents were asked why they thought that clients had reacted this way, they provided reasons as to why clients reacted positively and also why they reacted negatively.

- ◆ The main reason why these respondents thought that clients reacted positively was that CPSIM provided clients with an opportunity to gain control of their financial situation.

“Although initially they didn’t want to be referred. Once on IM have seen it as being able to positively benefit and impact their lives from a financial perspective, which leads to other benefits (more food, more money available).” [Centrelink staff member]

“Once they realise how helpful it is and that their debts/rent etc are being paid and the assistance they get from financial counselling their lives are simpler and better.” [Centrelink staff member]

“My client was very happy with the finance/budgeting advice and advocacy in regards to consolidating her debts and commencing payment plans. My client was also happy to see her savings multiplying very quickly.” [DCP staff member]

“My client had a huge amount of debt to various companies, IM has helped her keep track and also alleviate some of that debt whilst building her confidence and knowledge of budgeting.” [DCP staff member]

There were two main themes that emerged as to why Centrelink and DCP respondents thought that clients reacted negatively to CPSIM.

- ◆ Clients feeling like they had lost control or had reduced control over their money.

“Most do not like the idea of not controlling their own monies.” [Centrelink staff member]

“Most customers are unhappy initially about giving up control.” [Centrelink staff member]

“Customers are so use to being in control of their Centrelink money, they feel threatened that they have no control about what they spend their money on anymore and cannot see anything positive about BasicsCard and how it will change their lifestyle for them.” [DCP staff member]

“The client I referred felt the loss of control of her money. Even though they are very involved in deciding how the money is used.” [DCP staff member]

- ◆ Clients did not understand the program or why they were going on it.

“Most have been unsure why they have been referred and see it as a punishment.” [Centrelink staff member]

“Customers are still trying to get their head around IM.” [Centrelink staff member]

“It is unknown and so want to co-operate with DCP but not sure how will impact on their lives.” [DCP staff member]

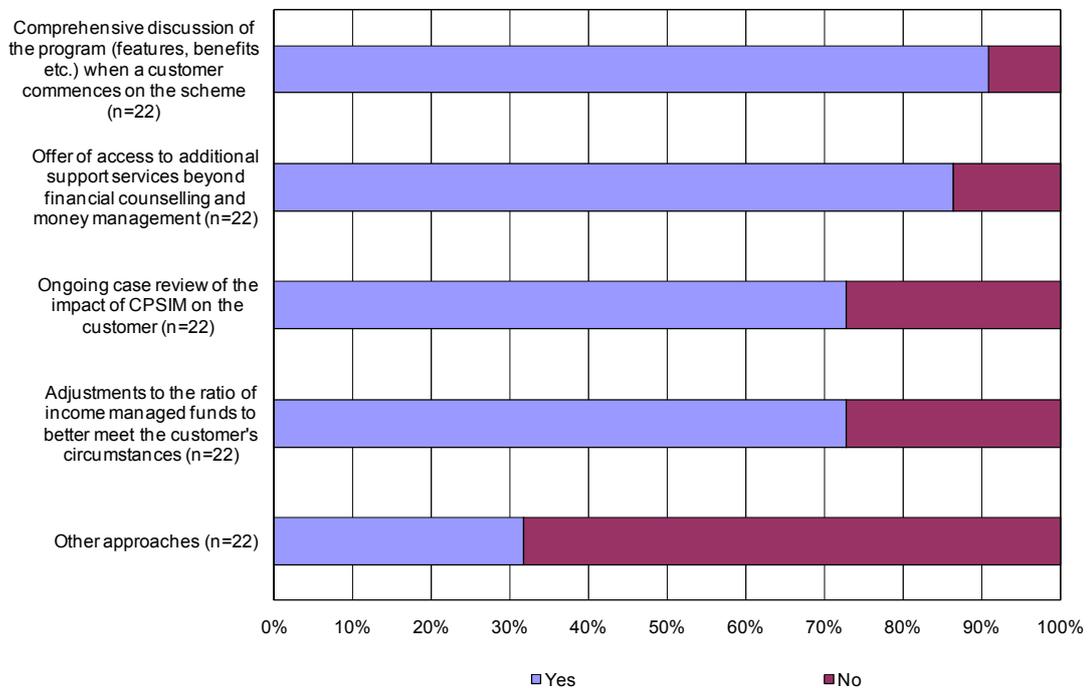
“As they don’t understand the concept of the card initially and deem that Centrelink is withholding their funds.” [DCP staff member]

C.9.3 Approaches to improving client acceptance of program

Centrelink staff reported using a range of approaches to improve customer acceptance of CPSIM (see Figure 37). The most frequently used practices were:

- ◆ comprehensive discussion of the program when a client starts CPSIM (91%);
- ◆ offer of access to additional support services beyond financial counselling and money management (86%);
- ◆ ongoing case review of the impact of CPSIM on the client (73%); and
- ◆ adjustments to the ratio of income managed funds to better meet the client's circumstances (73%).

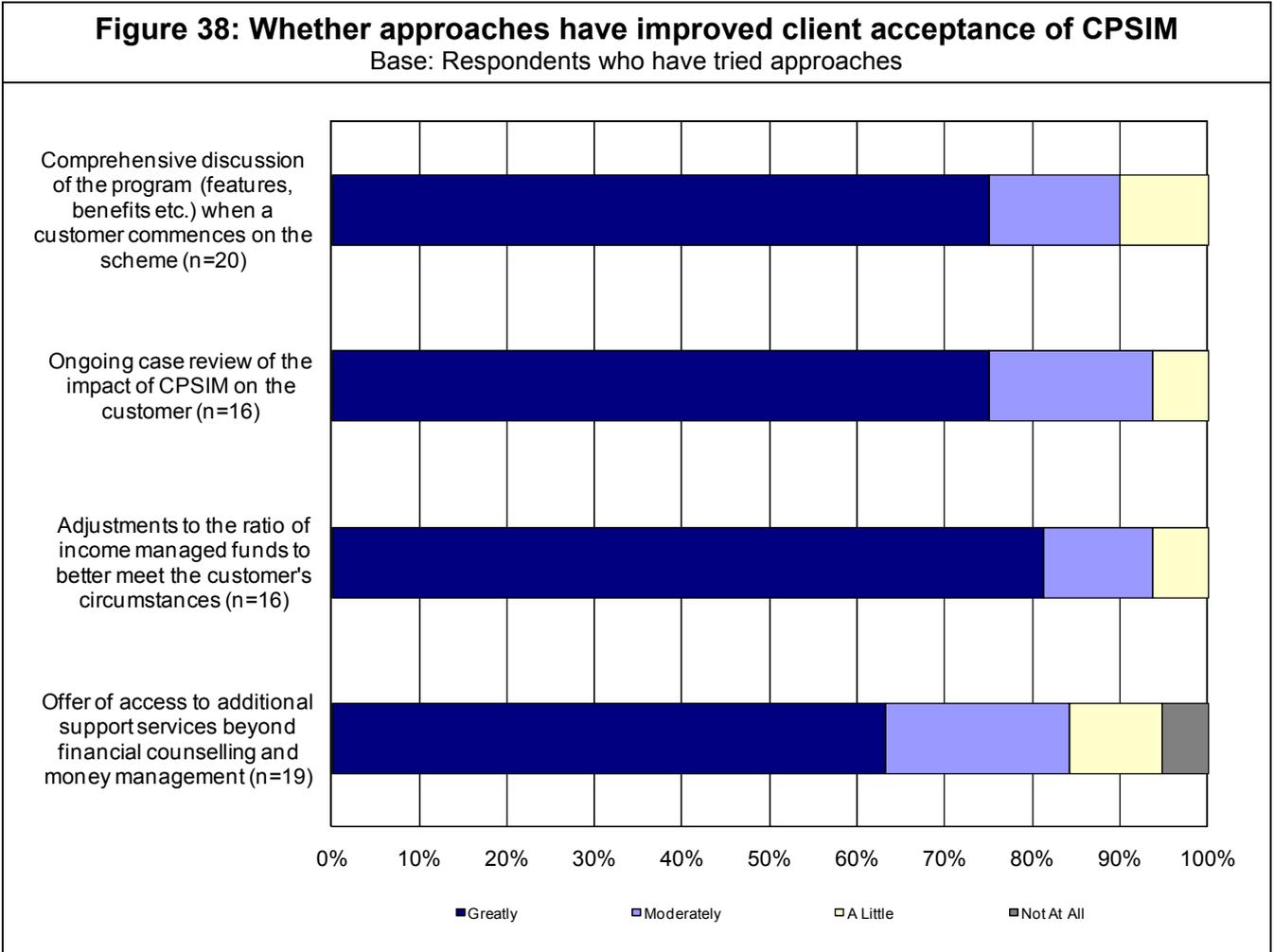
Figure 37: Whether tried to use approaches to improve client acceptance of CPSIM
Base: All respondents



Source: ORIMA survey of Centrelink staff.

Centrelink staff reported that the use of these approaches generally improved client acceptance of CPSIM (see Figure 38). The most effective techniques reported by Centrelink staff to improve client acceptance of CPSIM were:

- ◆ adjustments to the ratio of income managed funds to better meet the client’s circumstances (81% greatly improved);
- ◆ comprehensive discussion of the program when a client starts CPSIM (75%); and
- ◆ ongoing case review of the impact of CPSIM on the client (75%).



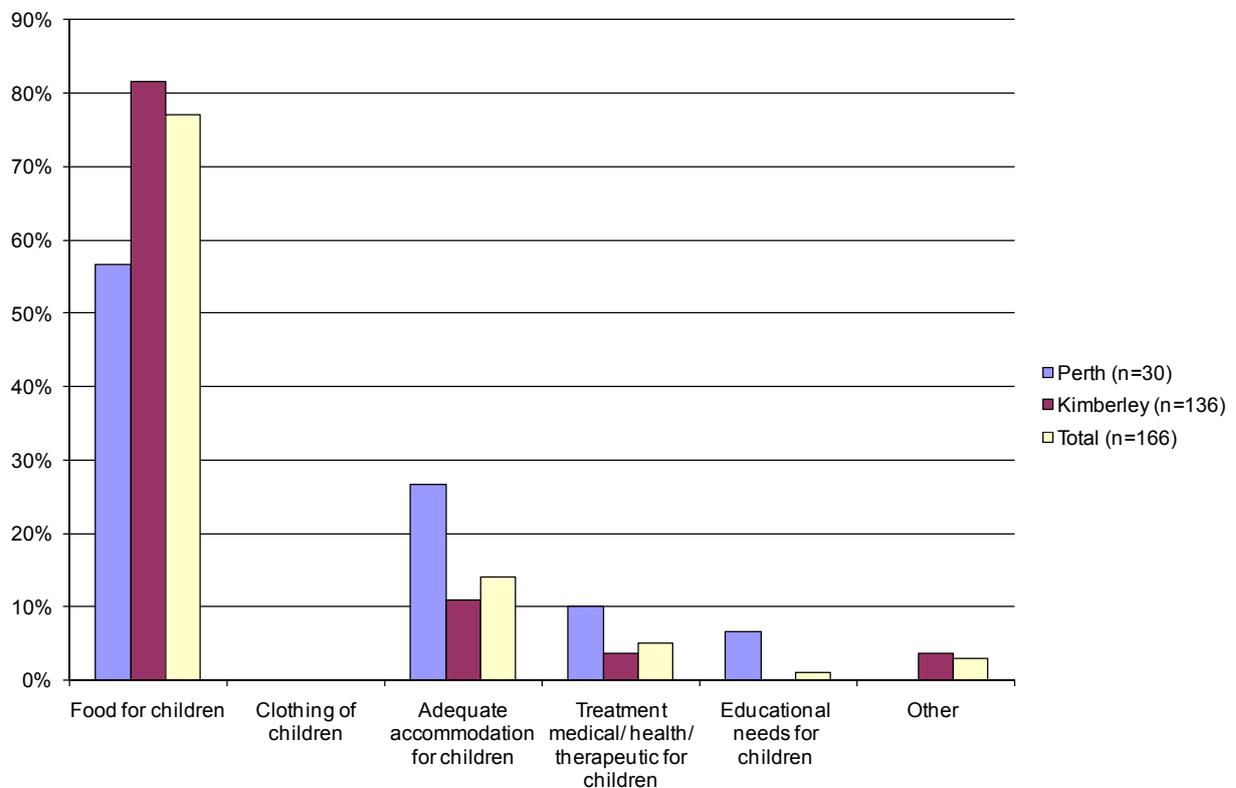
Source: ORIMA survey of Centrelink staff.

C.10. Priority needs of CPSIM clients

Figure 39 shows the proportion of times that each priority need was identified and ranked by the DCP caseworker as the highest priority for current CPSIM clients. 'Food for children' was ranked as the highest priority issue most often (chosen 77% of the time). There were also some differences based on the location where the client was living.

- ◆ Clients in the Kimberley were more likely than clients in Perth to have food for their children ranked as their number one priority need (82% and 57% respectively).
- ◆ Clients in Perth were more than twice as likely as clients in the Kimberley to have adequate accommodation for their children ranked as their number one priority (27% and 11% respectively).

Figure 39: Proportion of times each priority need was ranked as number one



Source: DCP administrative data as at 30 April 2010.

Ceased CPSIM clients had similar priority needs identified by DCP caseworkers as those outlined above for current CPSIM clients.

C.11. Working relationships between DCP and Centrelink

The majority of both Centrelink (87%) and DCP staff (67%) reported that they had dealings with the other agency in relation to CPSIM implementation.

Those respondents who had had dealings with the other agency were then asked to rate the effectiveness of key aspects of the relationship between the organisations in relation to CPSIM. Across all aspects of the working relationships, DCP staff were more likely than Centrelink staff to provide positive ratings (see Figure 40).

Both Centrelink and DCP respondents were most likely rate the effectiveness of the Income Management Contact Officer (IMCO) role as good or very good (85% of Centrelink staff and 95% of DCP staff). Other aspects of the relationship where at least half of Centrelink and DCP staff rated the effectiveness of the relationship as good or very good were:

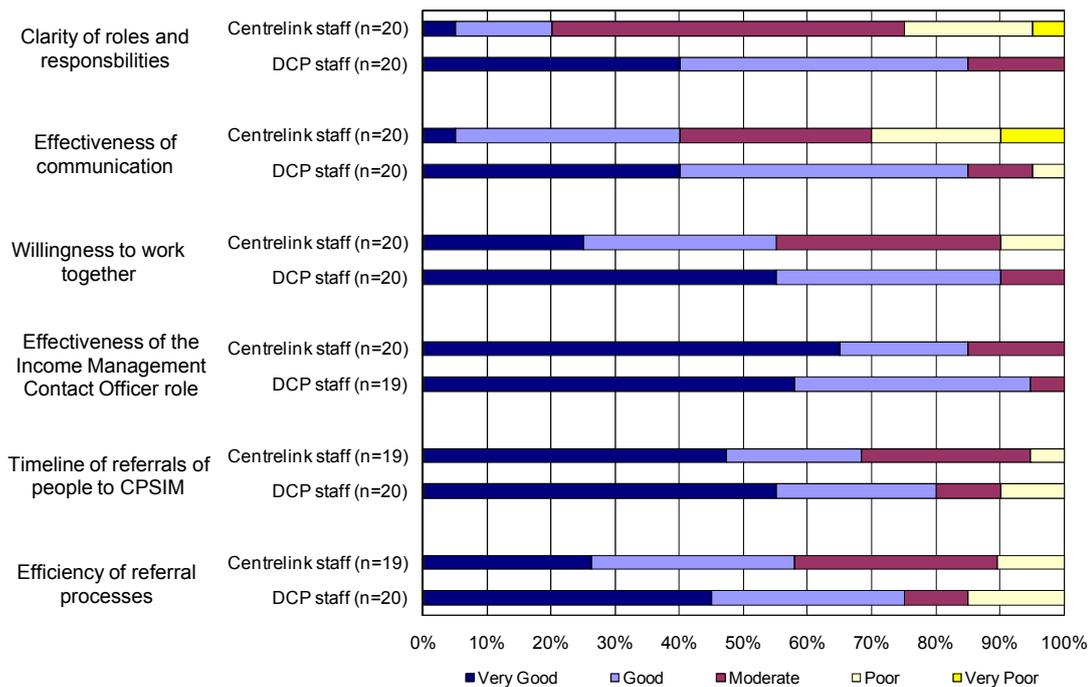
- ◆ timeline of referrals of people to CPSIM (68% Centrelink, 80% DCP);
- ◆ willingness to work together (55% Centrelink, 90% DCP); and
- ◆ efficiency of referral processes (58% Centrelink, 75% DCP).

Although 85% of DCP staff rated the following aspects as positive, Centrelink staff were least likely to rate these aspects positively:

- ◆ effectiveness of communication (40%)—30% of Centrelink respondents rated this aspect as poor or very poor; and
- ◆ clarity of roles and responsibilities (20%).

Figure 40: Assessment of quality of relationships between DCP and Centrelink

Base: Only respondents who had dealt with the other agency in relation to CPSIM



Source: ORIMA survey of Centrelink staff and DCP staff.

Centrelink and DCP respondents were asked to explain why they provided positive comments in relation to their working relationships with the other organisation. The main theme that emerged from these comments was that there were open communication channels between the two organisations.

“My experience has been that DCP caseworkers and the Centrelink IM Team staff work very well together, communicating readily as needed, though sometimes some DCP staff do not seem to be aware that they can contact the IM team for information about a mutual customer when there are issues.” [Centrelink staff member]

“Good communication between IMCO and DCP Case officer. We receive notices on time and they are given to CSAs on time.” [Centrelink staff member]

“I have found that staff have been very helpful in clarifying aspects of IM and also providing feedback as to how a client is going.” [DCP staff member]

“We have an amazing Income Management contact called [name] who has been inspirational in assisting me any time. He/she always has time to do a phone link up with the client present and they feel acknowledged as a person and not just a CRN. This has had huge benefits for the client and working in collaboration with Centrelink.” [DCP staff member]

When these two groups of respondents were asked why they provided negative ratings about aspects of the working relationships between Centrelink and DCP, very few comments were provided by DCP staff (this is not surprising given the generally positive ratings provided by DCP staff). The comments provided by Centrelink respondents could be grouped broadly into two main themes.

- ◆ The need to improve DCP staffs’ understanding of how CPSIM operates.

“Knowledge of DCP staff in regards to what is IM, and how they can refer is low. Constant need for training to be provided to DCP staff is an extremely high work load for Centrelink IMCOs.”

“DCP caseworkers do not seem to know the processes, that is, appeals, how to refer, review timelines and they are very difficult to contact.”

- ◆ Reluctance among DCP staff to refer clients to CPSIM.

“Perceived resistance in some areas (West Kimberley) for the use of IM by DCP, has lead to very low referral numbers.”

“There has been an unwillingness by local DCP staff to see CPSIM as a useful tool for their clients and therefore there has not been as many referrals as initially projected. This reluctance to use CPSIM has impacted on the communication, understanding of roles and responsibilities and the willingness to work together.”

When it came to ways in which the working relationships between their two organisations could be improved, both Centrelink and DCP staff provided a number of comments. DCP respondents generally reported that they did not have any suggestions for improvement as they were happy with the current working relationships.

“I’ve been very impressed with the working relationship between [names] at [office location] Centrelink and myself. I’m actually surprised as relating with Centrelink is usually quite tedious.”

“I have absolutely no issues in relation to the working relationship between [location] DCP and Centrelink.”

Centrelink respondents were most likely to report that better and more regular communication and meetings between Centrelink and DCP would improve working relationships between the two organisations.

“Further communications amongst DCP, the different districts and for the big bosses to be talking to the staff. Information does not necessarily seem to get down the ranks.”

“DCP need to have a cohesive and united front when dealing with CPSIM issues, and also instigate meetings with Centrelink when they deem appropriate, instead of Centrelink instigating all contacts.”

“DCP need to speak to the IM staff at Centrelink before they revoke customers, particularly if customers are complaining about IM. DCP listen to the customers and don’t obtain the facts from Centrelink.”

D. Impact of CPSIM on financial capability and practices

This section considers the impact of CPSIM on financial capability and practices among CPSIM clients. It covers issues such as client awareness of financial management services, their ability to save money and the impact of CPSIM on their financial management capability. In this section the term ‘financial management services’ (FMS) refers to services provided by both financial counsellors and money management advisers.

D.1. Use of financial management services

Where a DCP caseworker has recommended that an offer to attend FMS be made to a CPSIM client, at the initial interview with Centrelink an offer to attend these services should be made to the client. The client is not obliged to agree to a referral, and if they accept a referral they are not obliged to attend the FMS appointment.

DCP administrative data show that in 92% of notifications to Centrelink for a client to commence CPSIM, the DCP caseworker recommended that an offer of a referral to FMS be made to the client.

The evaluation found relatively low actual referral rates and take-up rates of financial management services among CPSIM clients.

Centrelink administrative data at 30 April 2010, which shows actual referral rates,¹⁵ indicates that 20% of CPSIM clients (or 65 clients) who had ever been on CPSIM had been referred to financial management services.¹⁶ Of these referrals, almost two-thirds (63%) were to financial counselling services and the remaining 37% were to money management services.

- ◆ Referral rates for CPSIM clients were higher than for VIM clients (20% compared with 13% for VIM clients).

The actual take-up rate of financial management services by CPSIM clients appears to be lower than the referral rate. Data provided by financial counselling and money management providers in WA (at 31 December 2009) showed that since the commencement of the trials of IM in WA, these service providers had seen 31 CPSIM clients (or 9% of clients who had ever been on CPSIM)—eight clients had accessed money management services and 23 clients had accessed financial counselling services.

The difference between the number of actual referrals to financial management services and the actual take-up was partly due to the difference in data reporting timeframes (i.e. the Centrelink data covers an additional four months from 1 January to 30 April 2010).

¹⁵ These include referrals made directly to FMS by DCP caseworkers for the client. They also include referrals where, after a Centrelink officer discusses FMS with the client, the client indicates they are interested and accept the offer of a referral (this does not necessarily mean that the client attends the appointment). If the client indicates that they are not interested in FMS, Centrelink take no further action (until a subsequent contact)—no referral has been made, just an offer.

¹⁶ Centrelink did not collect data on whether or not the client actually attended the financial counselling/ money management appointment.

D.1.1 CPSIM client reported take-up of financial management services

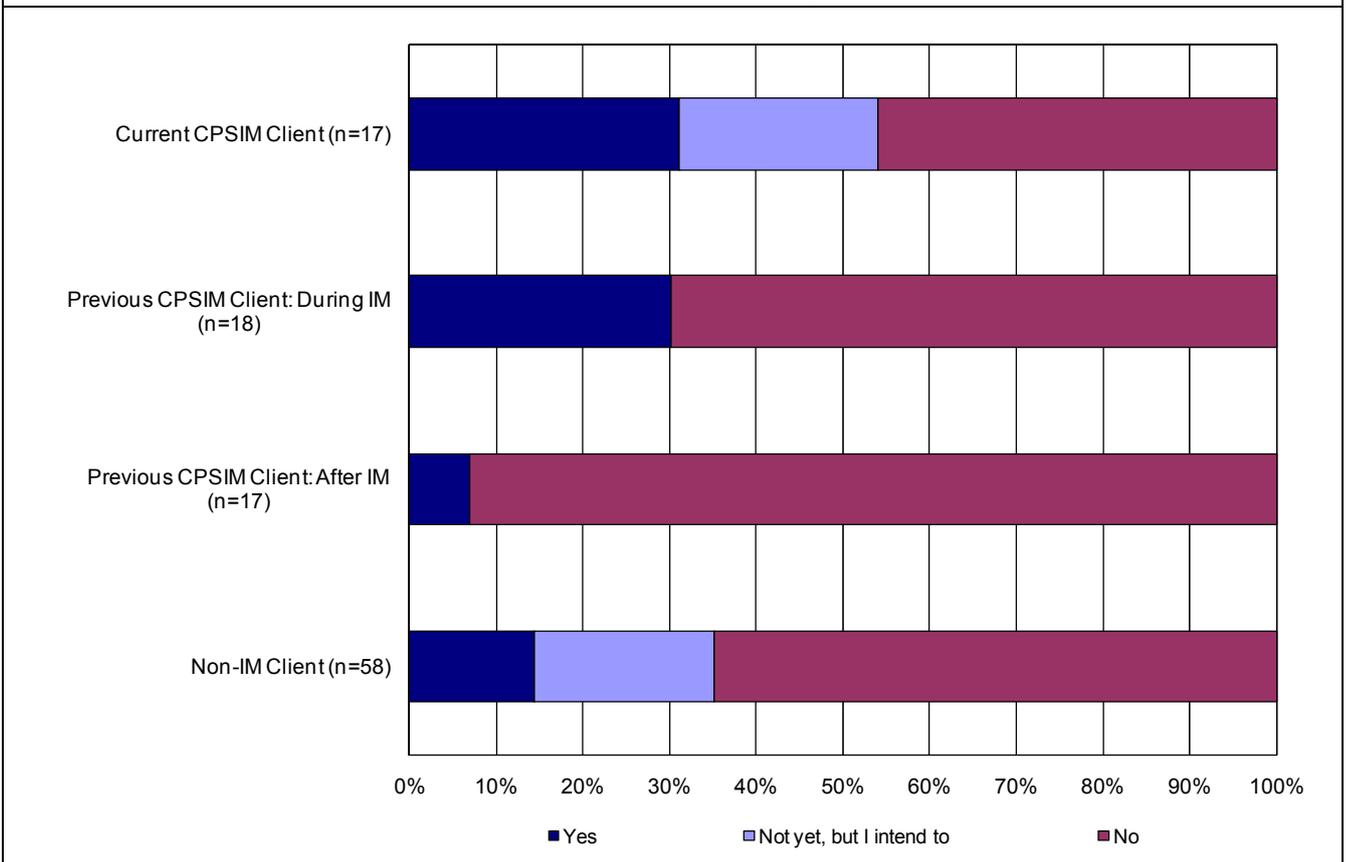
Survey results from the IM client survey suggest a higher take-up rate of financial management services among CPSIM clients than is indicated by the data provided by financial counselling and money management providers to 31 December 2009.

Around one-third of CPSIM clients (31%) attended financial counselling or money management services while they were on IM—31% of current and 30% of previous clients. In addition, a further 23% of current CPSIM clients intended to attend one of these services in the future.

Whilst CPSIM clients were on IM they were more than twice as likely as non-IM clients (14%) to access financial management services (see Figure 41).

Less than one in ten previous CPSIM clients (7%) had accessed financial management services once they were no longer on CPSIM.

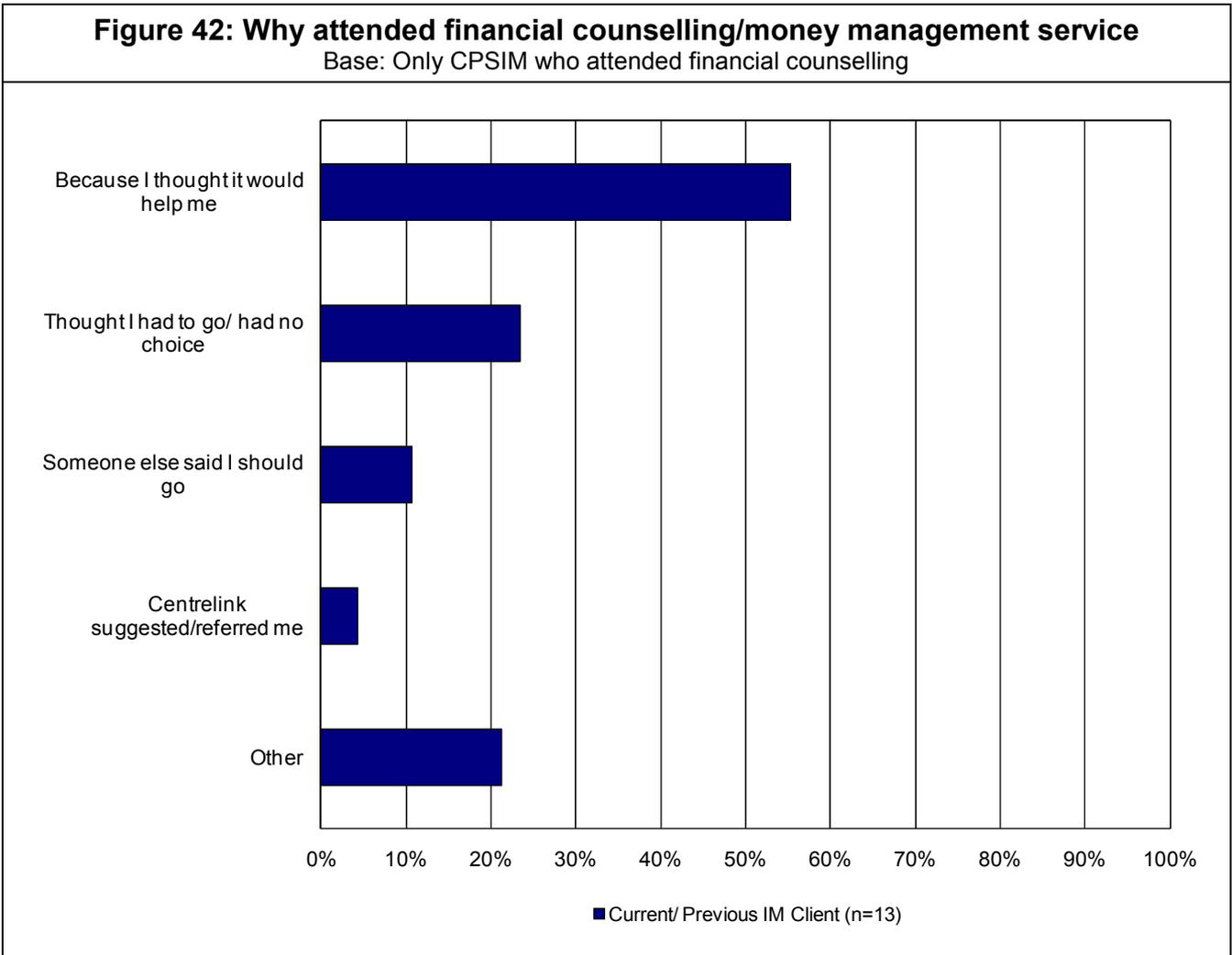
Figure 41: Whether attended financial counselling/money management service
Base: All CPSIM and non-IM respondents



Source: ORIMA survey of IM clients and non-IM clients.

Those respondents who had accessed a financial management service, were asked why they decided to do so. The key drivers of attending a financial counselling and/or money management appointment for CPSIM clients were:

- ◆ the need for help and/or assistance (55%); and
- ◆ a belief that attendance was compulsory (23%) (see Figure 42).



Source: ORIMA survey of IM clients.

Note: Responses for non-IM clients are not included due to the low number of respondents to the question.

All CPSIM clients who accessed a financial management service thought that this service had provided them with skills to better manage their money. Examples of particular skills and benefits provided by the financial counselling included:

“Planning my money and saving.”

“Working out a budget. I’ve used a budget a few times. Helps me pay the bills.”

“Helped me put into perspective what needed to be spent and on what. It helped me with my spending and paying off debt.”

Budgeting over the fortnight and planning to pay off debt, for example, you put \$25 to fines and this much to petrol and so on.

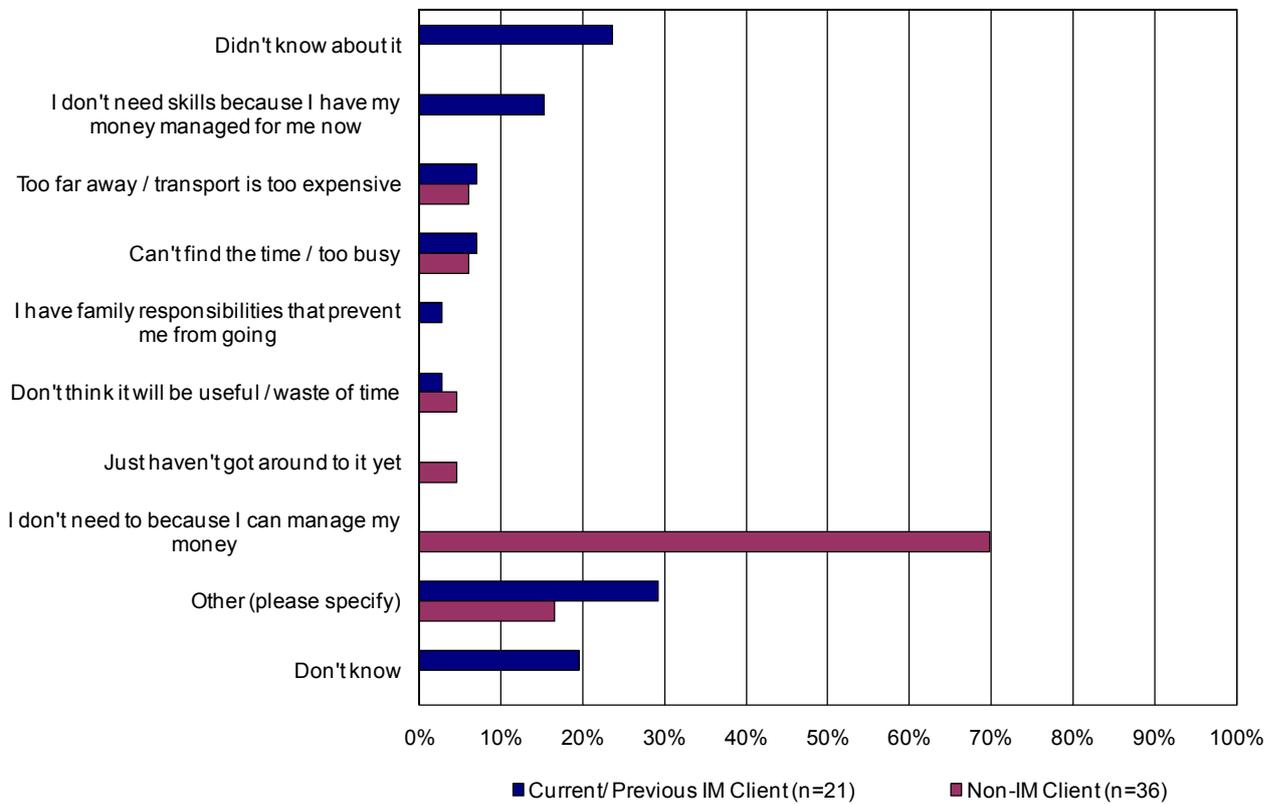
“How to spend your money on actual needs—clothes, food and how to save money.”

Among respondents who had not accessed a financial management service, the key reasons reported by CPSIM clients for not using this service were:

- ◆ not knowing about the service (24%); and
- ◆ not needing money management skills when having their money income managed (15%) (see Figure 43).

Figure 43: Reasons for NOT attending financial counselling/money management service

Base: Only CPSIM and non-IM respondents who did not attend financial counselling



Source: ORIMA survey of IM clients and non-IM clients

D.1.2 Stakeholders views about CPSIM clients’ access to financial management services and the usefulness of these services

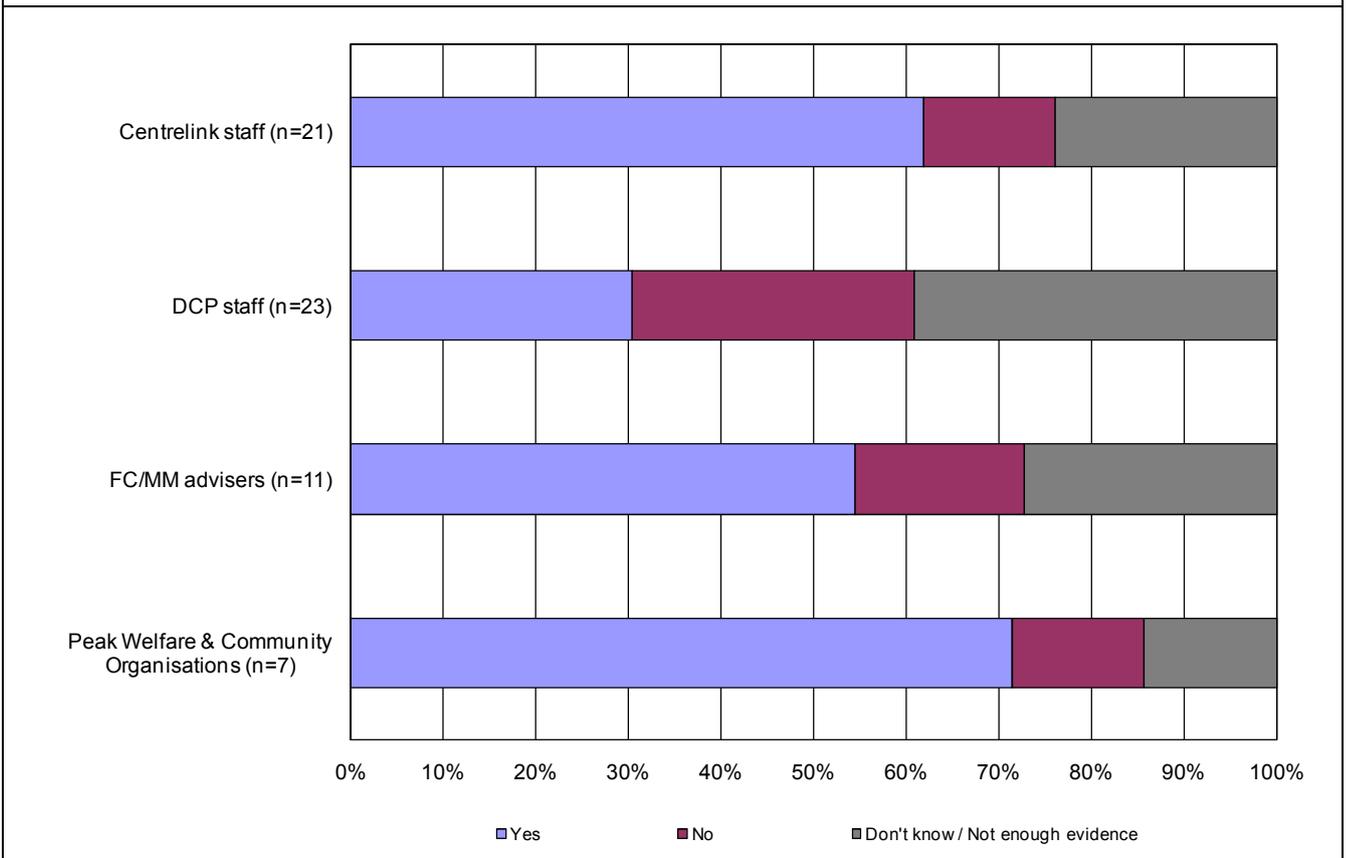
D.1.2.1 Access to financial management services

Most groups of stakeholders thought that CPSIM clients had received timely access to financial counselling and/or money management services. The stakeholders that were most likely to believe that this was the case were:

- ◆ peak welfare and community organisations (71%);
- ◆ Centrelink staff (62%); and
- ◆ financial counsellors and money management advisers (55%) (see Figure 44)

Although only 30% of DCP staff believed that timely access had been provided, they were also the stakeholder group most likely to report that they did not have enough evidence yet to assess this issue (39%).

Figure 44: Have CPSIM clients received timely access to financial counselling/money management services
Base: All respondents



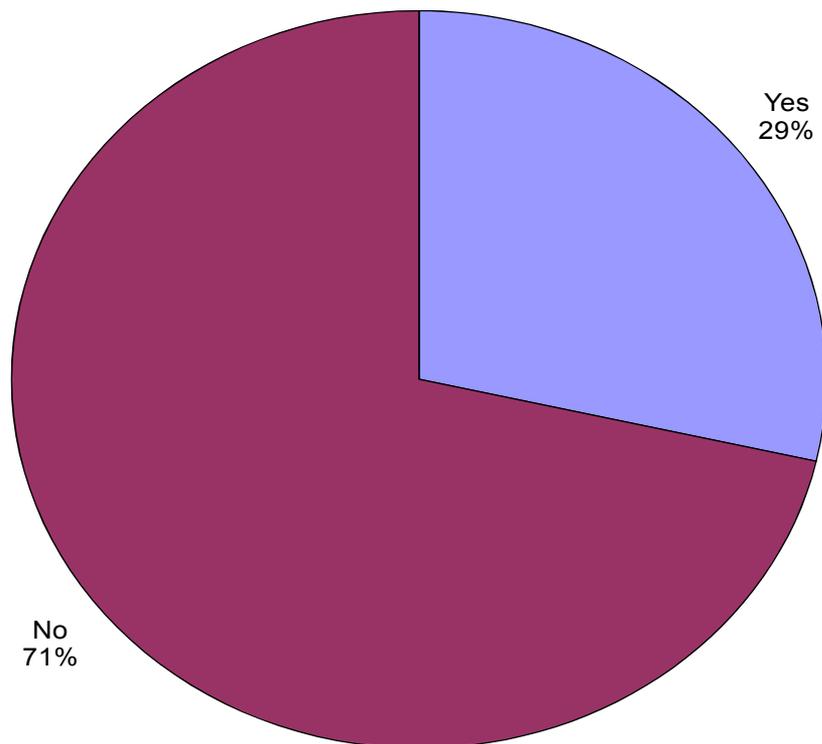
Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

D.1.2.2 Types of services accessed

Just over one-quarter (29%) of financial counsellors and money management advisers reported that CPSIM clients look for a different range of financial counselling and money management services compared to other clients from similar demographic and socioeconomic backgrounds (see Figure 45).

Figure 45: Whether CPSIM clients look for a different range of financial counselling/money management services from other clients with similar demographic and socioeconomic backgrounds

Base: All respondents (n=7)



Source: ORIMA survey of FC/MM advisers.

When financial counsellors and money management advisers were asked about the kinds of support that CPSIM clients seek, they nominated three key services:

- ◆ Financial advice, information and financial literacy;
“Information about No Interest Loans and applications done for these. Information about Step Up Loans to reduce dependence on the fast money lenders.”
- ◆ Emergency relief; and
“Emergency relief and HUGS.”
- ◆ Financial advocacy and assistance.
“Support at the family court and children's court... Ensuring electricity rebates are in place and advice on usage reductions for utilities. Linking to other services where needed. Advocacy and advice on such things as Taxi Vouchers, Smart Riders with free

services for people on DSP or Age within certain hours. How to find and access other services for themselves. Wearne Trust applications when there was no money for white goods or specialised items.”

D.1.2.3 Usefulness of financial management services

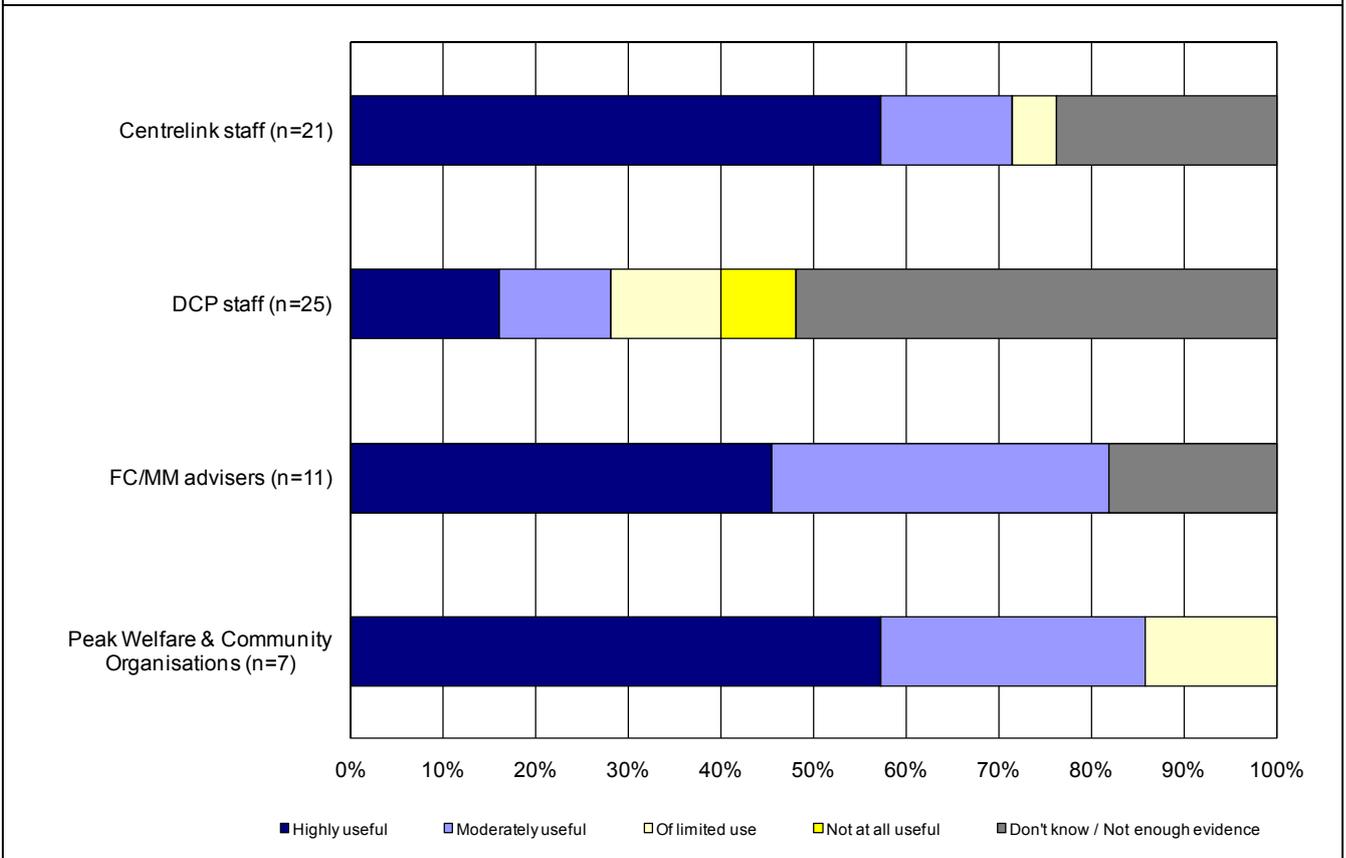
Most groups of stakeholders thought that financial management services had been useful to CPSIM clients who had accessed them. The stakeholders that were most likely to believe that this was the case were:

- ◆ peak welfare and community organisations (86%);
- ◆ financial counsellors and money management advisers (82%); and
- ◆ Centrelink staff (71%) (see Figure 46)

Consistent with previous results, DCP staff (52%) were the stakeholder group most likely to report that they did not have enough evidence yet to assess the usefulness of financial management services.

Figure 46: Usefulness of financial counselling/money management services to CPSIM clients who have accessed them

Base: All respondents



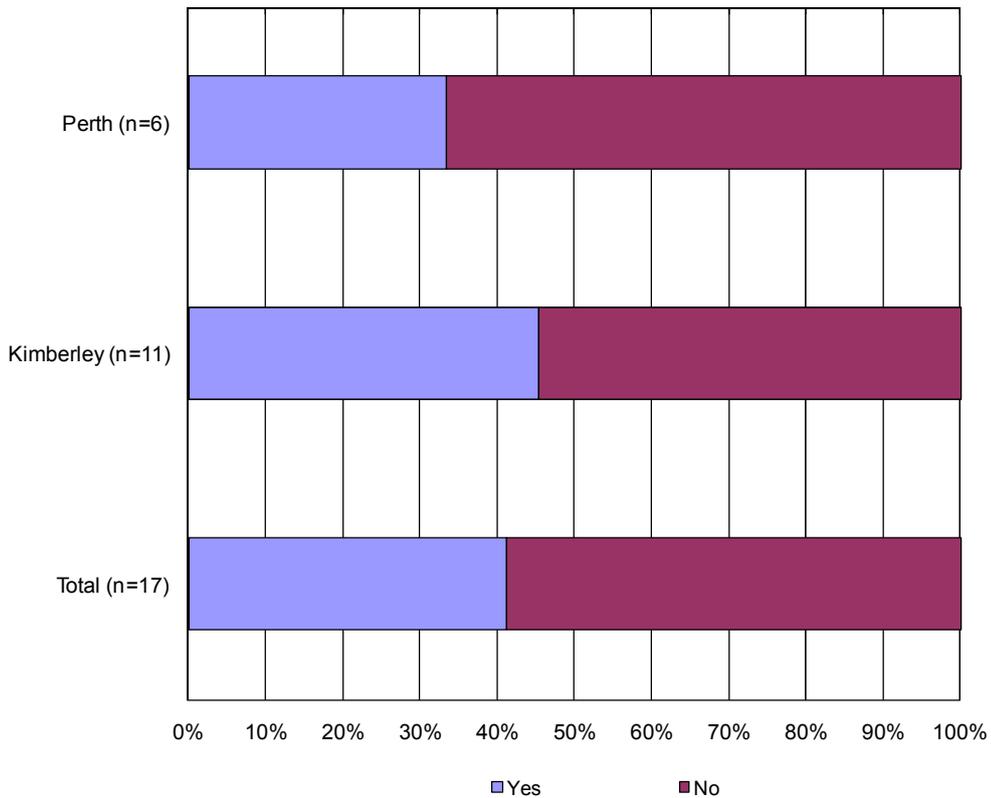
Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

D.1.2.4 DCP caseworker awareness of CPSIM clients' attendance at financial management services

DCP caseworkers were most likely to indicate that at final review their clients had *not* received money management or financial counselling services since being referred to the CPSIM program (59%)—41% of clients had accessed such services.

As Figure 47 shows, caseworkers were more likely to report that clients in the Kimberley region had received these services (45% compared to 33% for Perth clients).

Figure 47: Whether CPSIM client had received money management services or financial counselling since referral to CPSIM (at final review)



Source: DCP administrative data at 30 April 2010.

Note: One caseworker indicated they were 'unsure' for one of their clients. In three cases the DCP caseworker did not provide a rating for their client on this question.

D.1.3 Improving take-up of financial counselling and money management services

Centrelink staff, DCP staff, financial counsellors and money management advisers and peak welfare and community organisations outlined a number of factors which they considered might have discouraged or prevented CPSIM clients from taking-up financial counselling and money management services. They also identified factors likely to encourage take-up of these services. Across the four groups of respondents, similar themes emerged in terms of factors considered to discourage or prevent take-up, and factors considered likely to encourage take-up of services. There were also some other key themes that emerged from specific groups.

D.1.3.1 Factors discouraging take-up of financial management services

The two most commonly reported factors that discouraged or prevented CPSIM clients from taking-up financial counselling and money management services were:

- ◆ A lack of understanding and no perceived need to access financial management services.

“Lack of understanding about the process and what it means.”

“Some of the customers have misconceptions of what financial counselling is, and the word counselling can be off putting also.”

“CPSIM participants are sometimes angry that they have been put on it. If we [financial counsellors] get a call when they are at Centrelink they will often state that they don't know why they are on it but if you just state you will come out and have a yarn with them and see what can be offered it is different and they come on board.”

“I believe that some people may feel that CPSIM looks after their issues and they do not fully understand what other options can assist them in the future.”

“They don't understand it, and they don't think they need it as their money is being managed.”

- ◆ Limited availability of services and access issues.

“Location. The more southern areas (Rockingham, Mandurah), we have no financial counsellors this far south.”

“Distance—not always easy to reach the service and the service cannot always visit.”

“Not available in some areas.”

“Lack of transport.”

In addition, Centrelink staff also considered clients' attitudes towards and resentment for being put on CPSIM were contributing factors in preventing take-up of financial counselling and money management services.

“Initial negativity towards CPSIM has sometimes carried over to the offer of financial counselling.”

“CPSIM customers are quite resentful when first placed on CPSIM and don't tend to want to attend the appointment with a financial counsellor.”

“Customers feel angry because they have been placed on CPISM and are not receptive to discussions on money management.”

D.1.3.2 Factors to encourage the take-up of financial management services

The most commonly cited factor across all four groups of respondents to encourage take-up of financial counselling and money management was raising awareness and understanding of the services available.

“Increased information about the benefits of it to customers i.e. having the services at [Centrelink] talking to customers.”

“Increased knowledge of what these services do.”

“Better understanding for them on how this can improve their lives.”

“I believe a marketing campaign and rebranding exercise would assist.”

Some DCP staff also commonly suggested that improving the accessibility of these services was also a factor in encouraging take-up.

“Money management staff having a table in a Centrelink office once a week, so that customers don’t have to go over to their office and they are accessible instantly.”

“Timely access to their services.”

“Culturally appropriate services—with tools and resources specifically designed to assist Aboriginal people.”

Moreover, DCP staff highlighted a need for incentives to encourage take-up of these services.

“Some sort of incentive that would encourage them to go to the trouble of listening to the advice offered even though they do not think it necessary for them.”

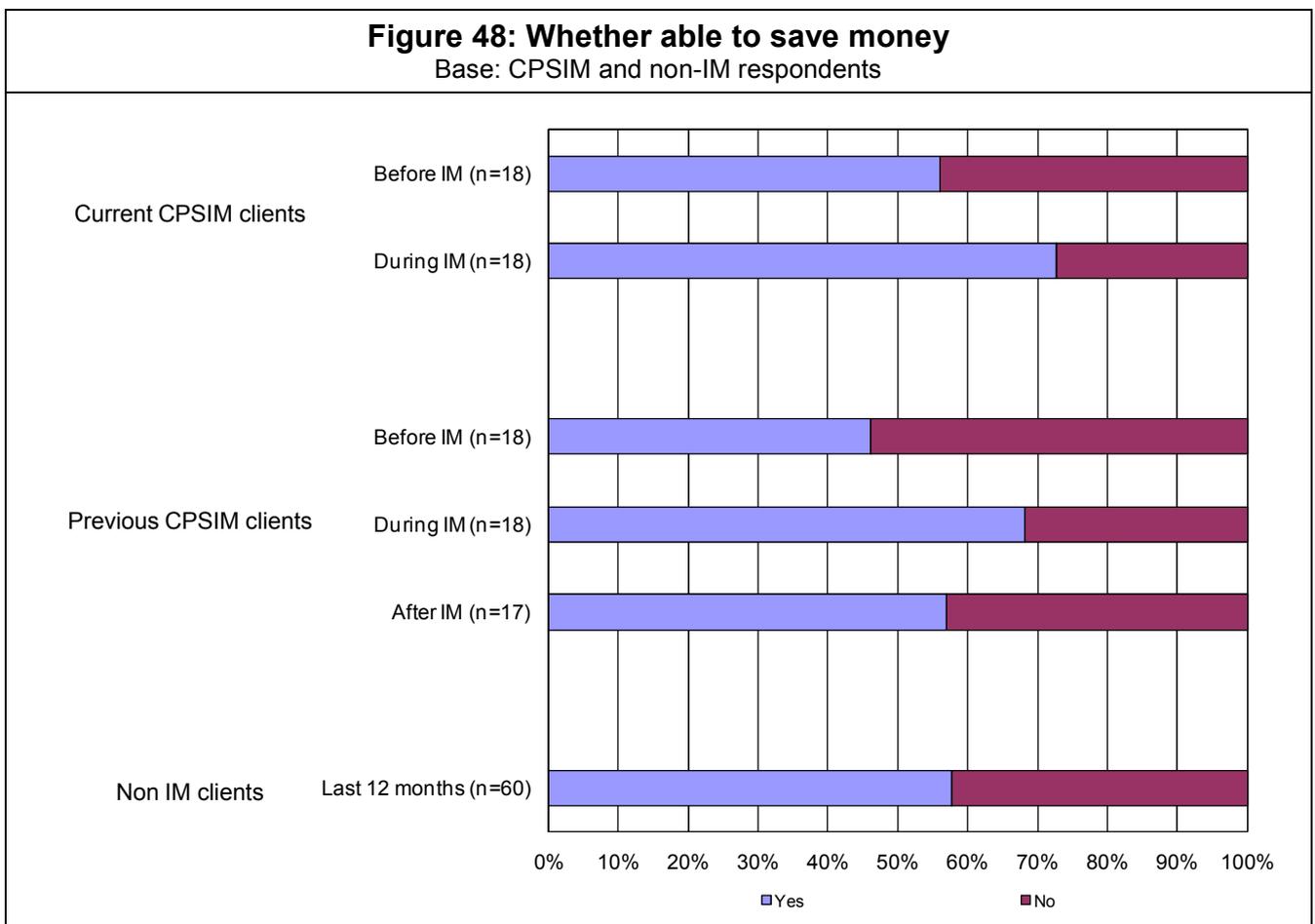
“I feel that the bonus customers get financially for being on income management needs to be held until they attend at least 2 sessions of counselling.”

D.2. Ability to save money and items saved for

Half of CPSIM clients reported that they were able to regularly save money in the 12 months prior to commencing CPSIM. This was similar to the 58% of non-IM clients in the comparison group who reported that they were regularly able to save money.

CPSIM clients were more likely to be able to save money once they were on IM. Around seven in ten CPSIM respondents (71%) reported that they were able to regularly save money while they were on IM—73% of current and 68% of past CPSIM clients (see Figure 48).

Almost six in ten previous CPSIM respondents (57%) reported that they were regularly able to save money once they had exited the program. This proportion is in line with the non-IM comparison group and similar to pre-IM levels.



Source: ORIMA survey of IM clients and non-IM clients.

Note: savings for IM clients also included money saved in 'kitty'.

Most commonly, CPSIM clients reported that whilst they were on CPSIM they had saved money for things such as food, clothing, to pay bills and household goods. Examples of responses provided by CPSIM respondents included:

“Food, clothing, fridge, car.”

“Saving for food for the kids and school stuff - uniform, books, socks.”

“Just Bills.”

“Food, whitegoods, TV.”

“Food and general things like clothes, TV, or washing machine.”

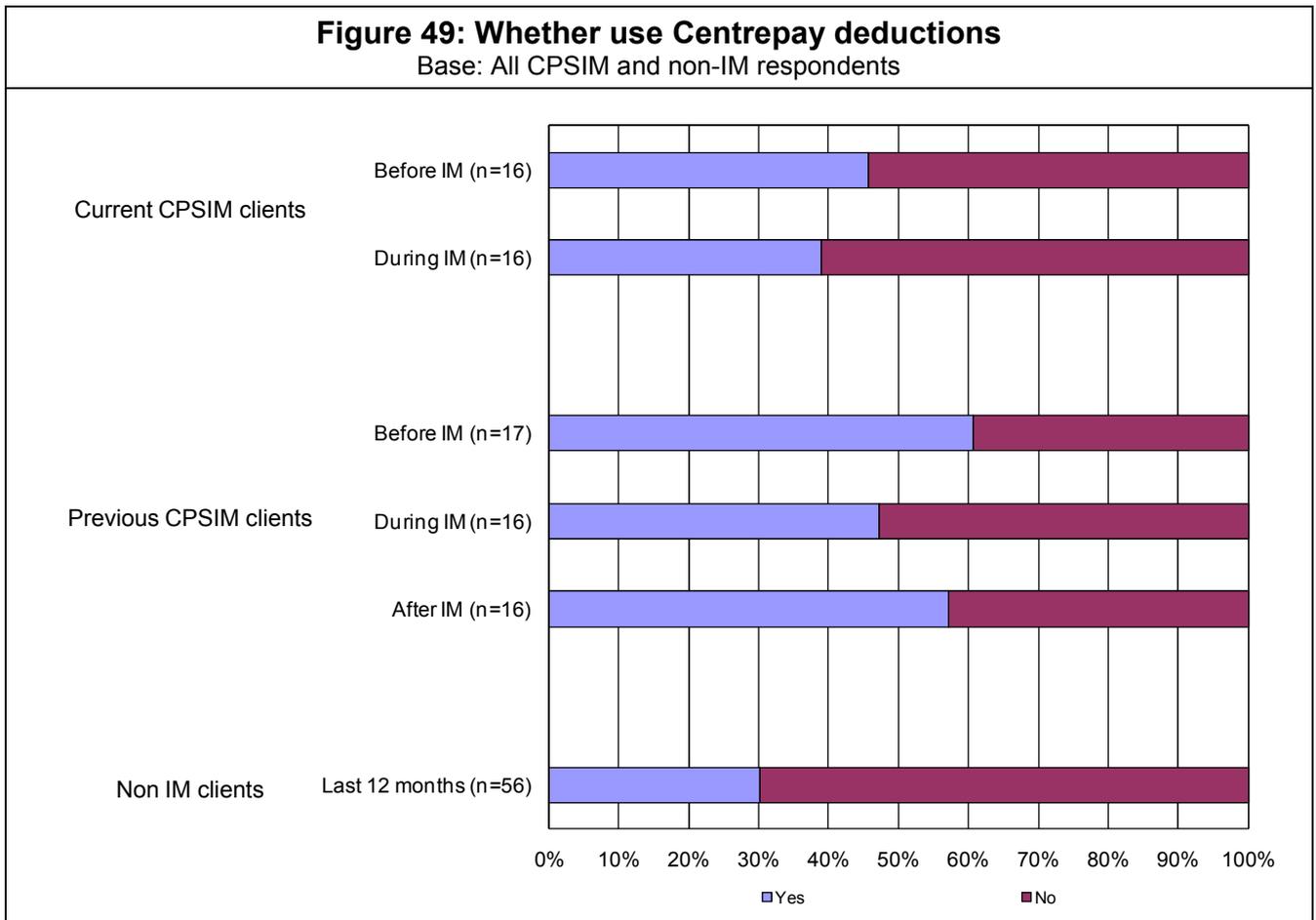
“Christmas presents, daughter's birthday, trip to Victoria.”

D.2.1 Use of Centrepay deductions

Just over half of CPSIM clients (53%) reported that they used Centrepay deductions prior to commencing CPSIM. These clients were almost twice as likely as non-IM clients in the comparison group to use Centrepay deductions (30%).

Four in ten CPSIM clients (43%) reported that they were using Centrepay deductions while they were on IM—39% of current and 46% of past CPSIM clients (see Figure 49).

Among previous CPSIM clients, almost six in ten reported that they used Centrepay deductions once they had completed IM.



Source: ORIMA survey of IM clients and non-IM clients.

D.3. Impact of CPSIM on individual’s financial management capability

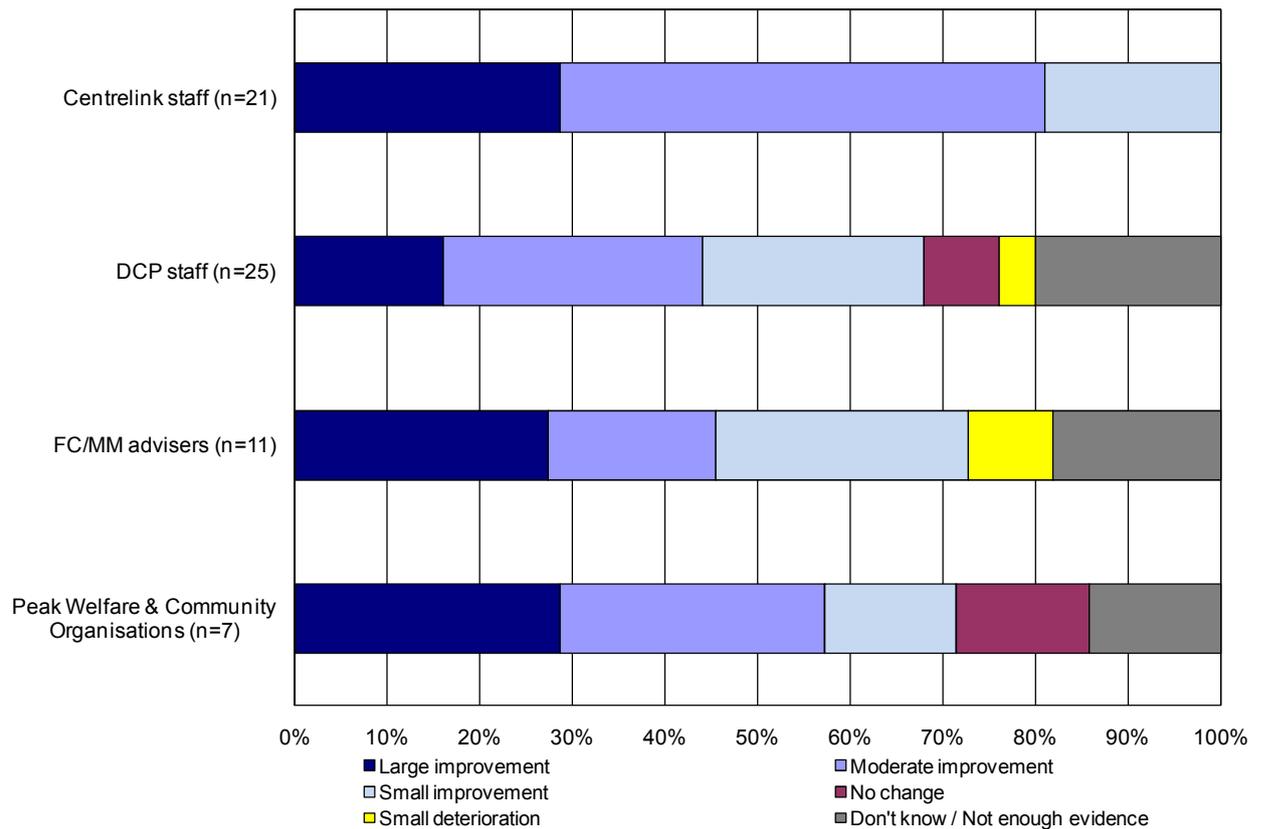
Over two-thirds of respondents across the four key stakeholder groups believed that CPSIM had led to at least a moderate improvement in financial management among CPSIM clients. Centrelink respondents were most likely to report that this was the case (100%), followed by:

- ◆ financial counsellors and money management advisers (73%);
- ◆ peak welfare and community organisations (71%); and
- ◆ DCP staff (68%) (see Figure 50).

Furthermore, just over one-quarter of Centrelink staff (29%), peak welfare and community organisations (29%), and financial counsellors and money management advisers (27%) believed that the trial had led to a large improvement in financial management among CPSIM clients.

Figure 50: Extent WA CPSIM trial has led to an improvement or deterioration in financial management among CPSIM clients

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

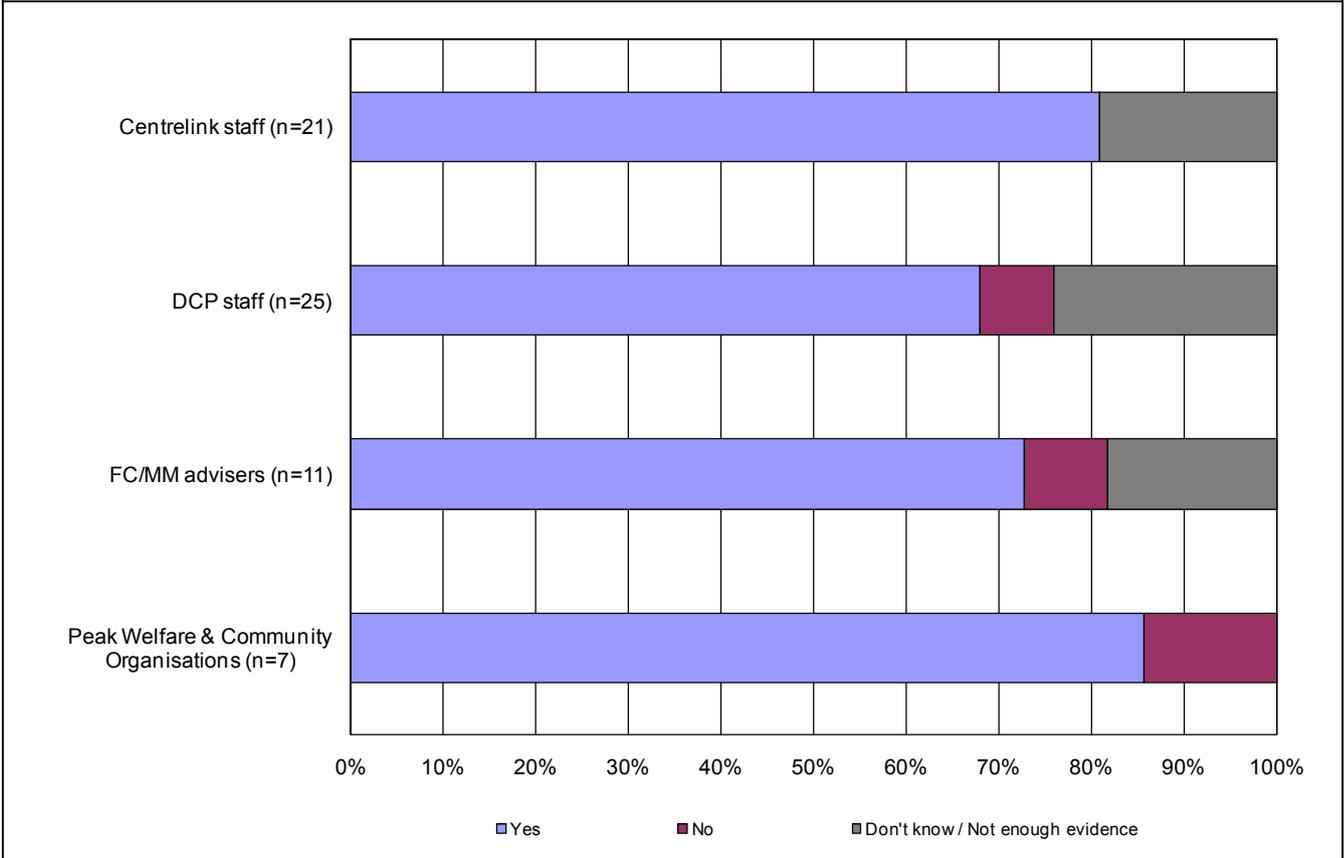
Most community leaders in the qualitative research felt that CPSIM had assisted people to better manage their money. They also believed that CPSIM had helped people better meet their living costs especially in relation to food and paying rent and utility bills.

D.3.1 Positive impacts and benefits

Over two-thirds of respondents across the four key stakeholder groups believed CPSIM had specific, identifiable positive impacts on the financial management capability of CPSIM clients. The proportion of respondents from each of the groups who thought this was the case ranged from 68% for DCP staff to 86% for peak welfare and community organisations (see Figure 51).

Figure 51: Whether CPSIM has had any positive impacts on financial management capability of CPSIM clients

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

Respondents from the four key stakeholder groups, who thought that CPSIM had generated specific positive impacts on financial management, highlighted a number of positive impacts (see Figure 52).

Across the four groups of stakeholders, the most commonly reported benefits of CPSIM on financial management capability were that it had increased CPSIM clients' ability to:

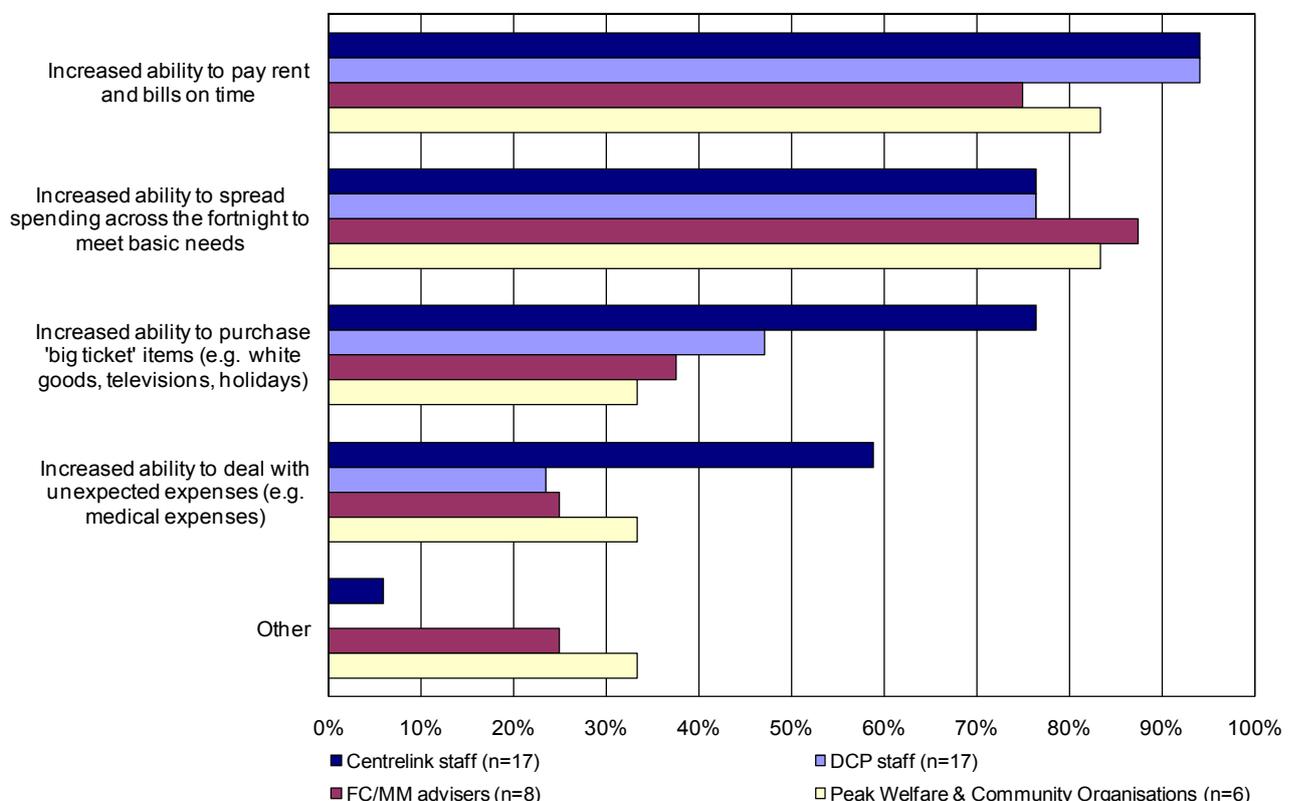
- ◆ pay rent and bills on time (ranging from 75% of financial counsellors and money management advisers to 94% of Centrelink and DCP staff); and
- ◆ spread spending across the fortnight to meet basic needs (ranging from 76% of Centrelink and DCP staff to 88% of financial counsellors and money management advisers).

Smaller proportions of stakeholders also believed that CPSIM had had a positive impact on financial management as it had increased CPSIM clients' ability to:

- ◆ purchase 'big ticket' items, such as white goods, televisions and holidays (ranging from 33% of peak welfare and community organisations to 76% of Centrelink staff); and
- ◆ deal with unexpected expenses (ranging from 24% of DCP staff to 59% of Centrelink staff).

Figure 52: What positive impacts has CPSIM had on the financial management capability of CPSIM clients

Base: Respondents who indicated that CPSIM had any positive impacts



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

Feedback from community leaders in the qualitative research supported the findings presented in Figure 52.

Centrelink staff, DCP staff and financial counsellors and money management advisers also believed that there were a number of benefits that financial counselling and money management provided to CPSIM clients who accessed these services. Across these three groups the main theme that emerged was that these clients had developed skills and knowledge to help them budget, manage debt and pay bills.

“They have learnt skills and strategies for better managing their money and any ongoing debts i.e. credit cards etc.” [Centrelink staff member]

“Helps to teach the client to break down payments and work out effective/realistic budgets.” [Financial counsellor or money management adviser]

“Advocacy to put payment plans in place to deal with debt collection and simple budgeting. Both aspects have resulted in less anxiety overall for my client.” [DCP staff member]

“Education of customers about how to better manage finances, services available, financial traps to avoid, how to shop better, etc.” [Centrelink staff member]

A number of Centrelink staff indicated that some CPSIM clients also benefitted from the additional support and advocacy that financial counsellors and money management advisers offered.

“Jacaranda Community Centre has also attended court with some of the customers, in an advocacy role.”

“Which financial counsellor they are referred to depends on the service and assistance they will receive. Jacaranda are brilliant and offer a holistic package the others are not as good.”

Moreover, some DCP staff considered that clients were also less reliant on handouts as a result of CPSIM.

“Parents feel more adequate as they do not have to source food hampers [and] vouchers on a weekly basis.”

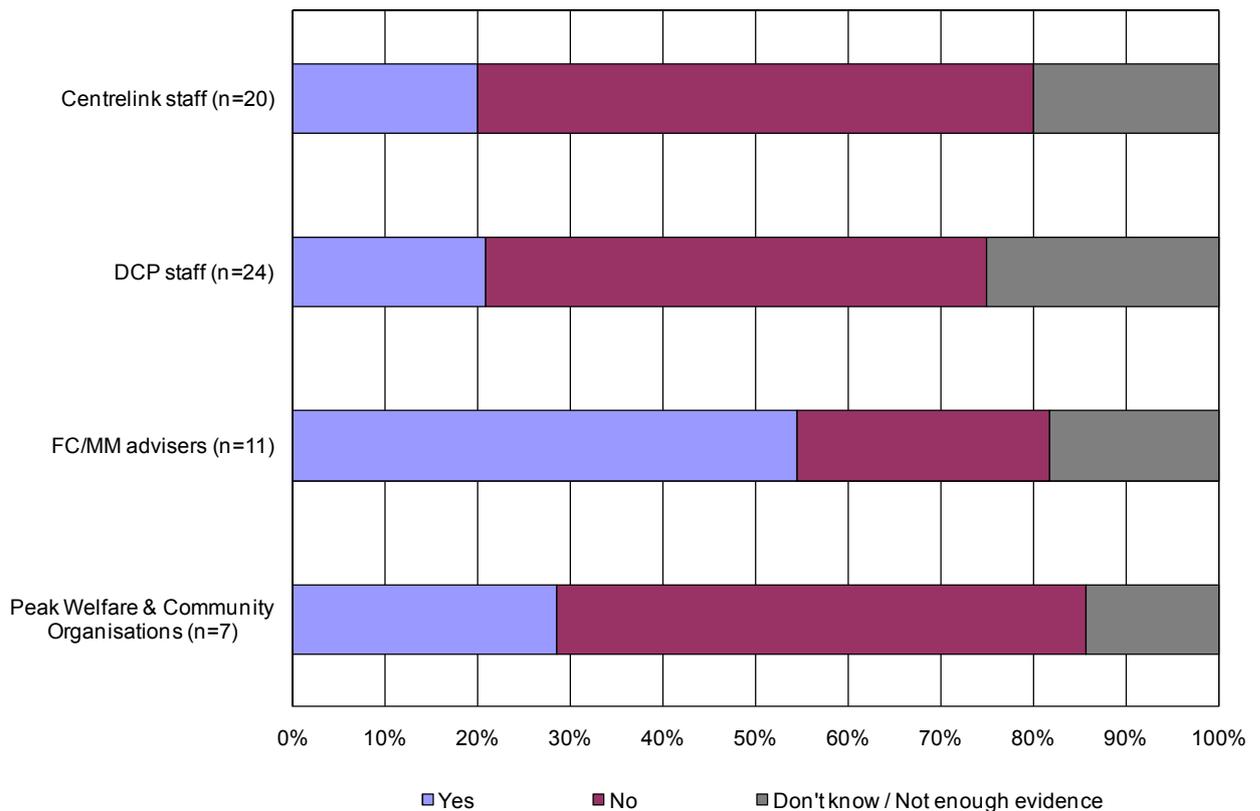
D.3.2 Negative impacts

With the exception of financial counsellors and money management advisers (55%), less than 30% of key stakeholder groups believed that CPSIM had any negative impacts on the financial management capabilities of CPSIM clients (see Figure 53).

Community leaders in the qualitative research did not identify and negative impacts of CPSIM on individuals' financial management capabilities.

Figure 53: Whether CPSIM has had any negative impacts on financial management capability of CPSIM clients

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

When asked about what these negative impacts were, the most commonly reported impact was that CPSIM clients may become dependent on the system, especially if they didn't access financial management services.

“It’s possibly leading to some dependence on the service. I’m unsure to what extent my client would succeed if she ceased IM into the future.” [DCP staff member]

“As the program sits now the participants do not manage their own finances, someone else does it for them so they are not really learning to do this for themselves.” [Financial counsellor or money management adviser]

“Using money management services to increase personal awareness and skills as seen as unnecessary, Centrelink does it for them. We are concerned that when they come off income management they will not have improved personal decision making, goal setting

or financial literacy at all and will be worse off than before they went on the program due to prolonged dependency on the system.” [Peak welfare or community organisation]

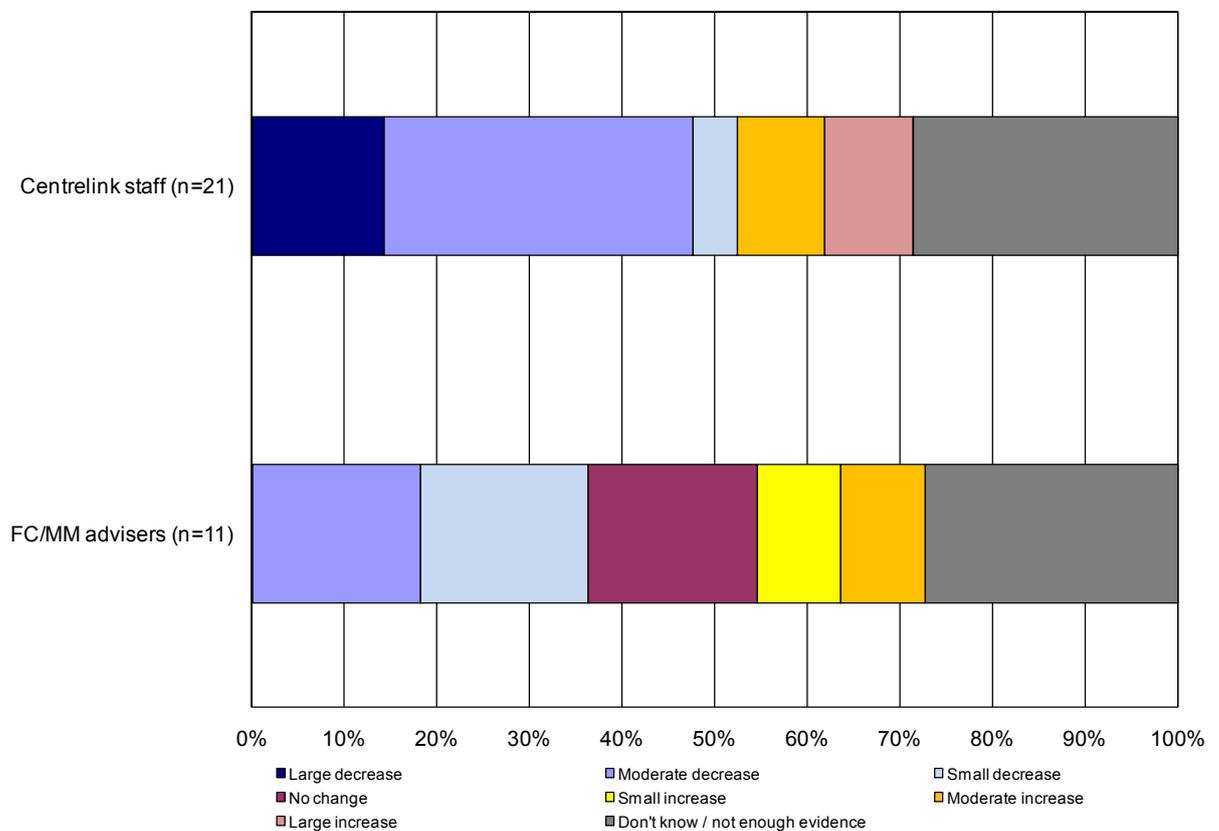
D.3.3 Impact on incidence in people accessing emergency relief

Centrelink and financial counsellors and money management advisers held mixed views about whether CPSIM had had any impact on reducing the incidence of CPSIM clients accessing emergency relief, emergency payments or other financial support (see Figure 54).

- ◆ 52% of Centrelink staff and 36% of financial counsellors and money management advisers reported that there had been some decrease in CPSIM clients accessing these emergency payments.
- ◆ One in five Centrelink staff (19%) and financial counsellors and money management advisers (18%) indicated that there had been some increase in CPSIM clients accessing these emergency payments.
- ◆ Around 30% of Centrelink and financial counsellors and money management advisers reported that they did not have enough evidence to assess whether or not CPSIM had any impact on CPSIM clients accessing emergency payments.

Figure 54: Whether CPSIM has had any impact on the incidence of people who have participated in the program accessing emergency relief, emergency payments or other financial support

Base: All respondents



Source: ORIMA survey of Centrelink staff and FC/MM advisers.

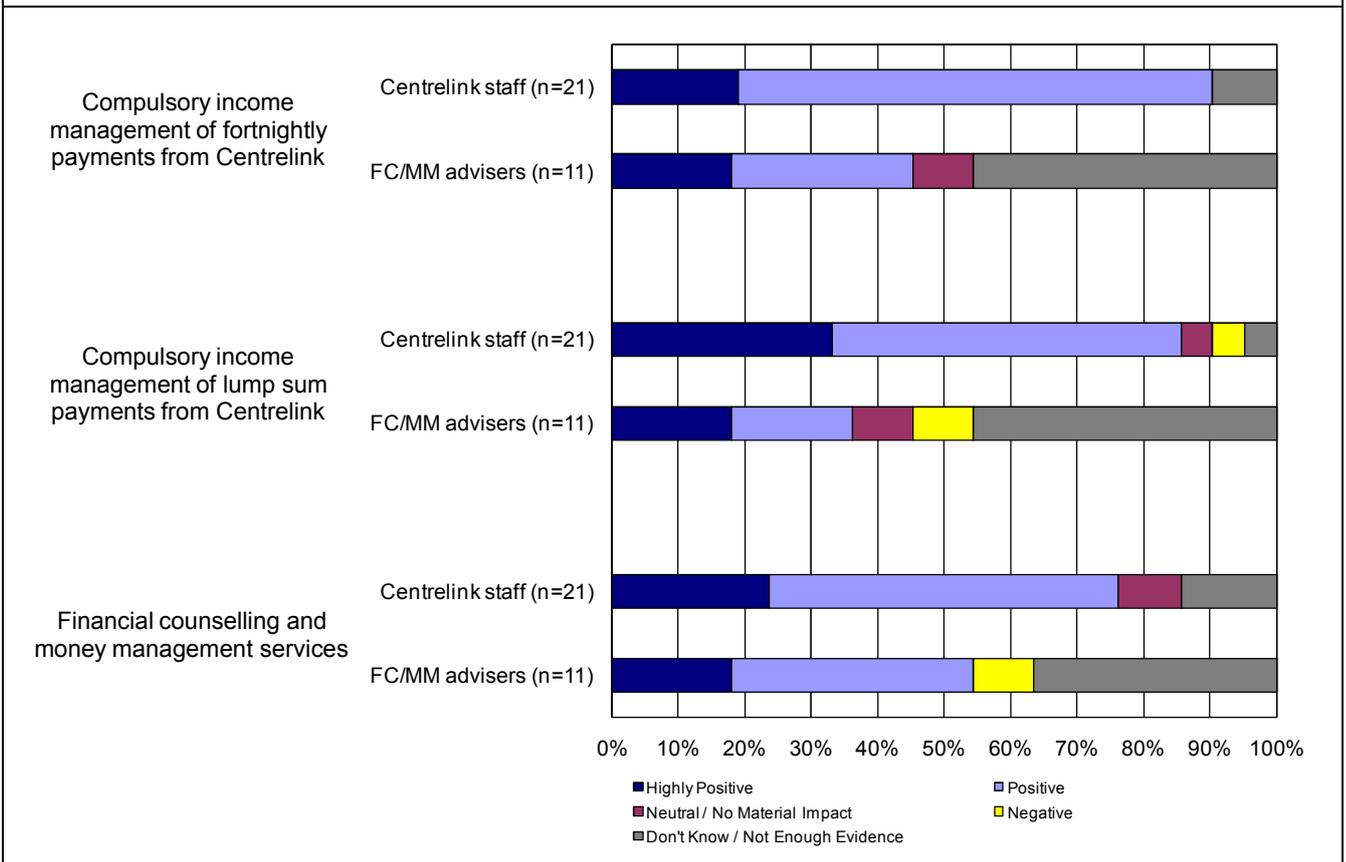
D.3.4 Impact of key aspects of the CPSIM program

Both Centrelink staff and financial counsellors and money management advisers were asked to rate the extent to which particular income and financial service elements of the CPSIM trial had contributed to improving financial management among trial participants. Centrelink staff assessed each of the elements more favourably in terms of impact. This in part was due to a higher proportion of don't know / not enough evidence responses among financial counsellors and money management advisers (see Figure 55).

- ◆ Centrelink staff were twice as likely as financial counsellors and money management advisers to assess the impact of compulsory management of fortnightly and lump sum Centrelink payments as positive (90% and 45% respectively).
- ◆ Financial counsellors and money management advisers were most likely to assess the impact of financial counselling and money management services as positive (54% compared to around 40% for other aspects).

Figure 55: Overall impact of CPSIM in improving financial management among CPSIM clients

Base: All respondents



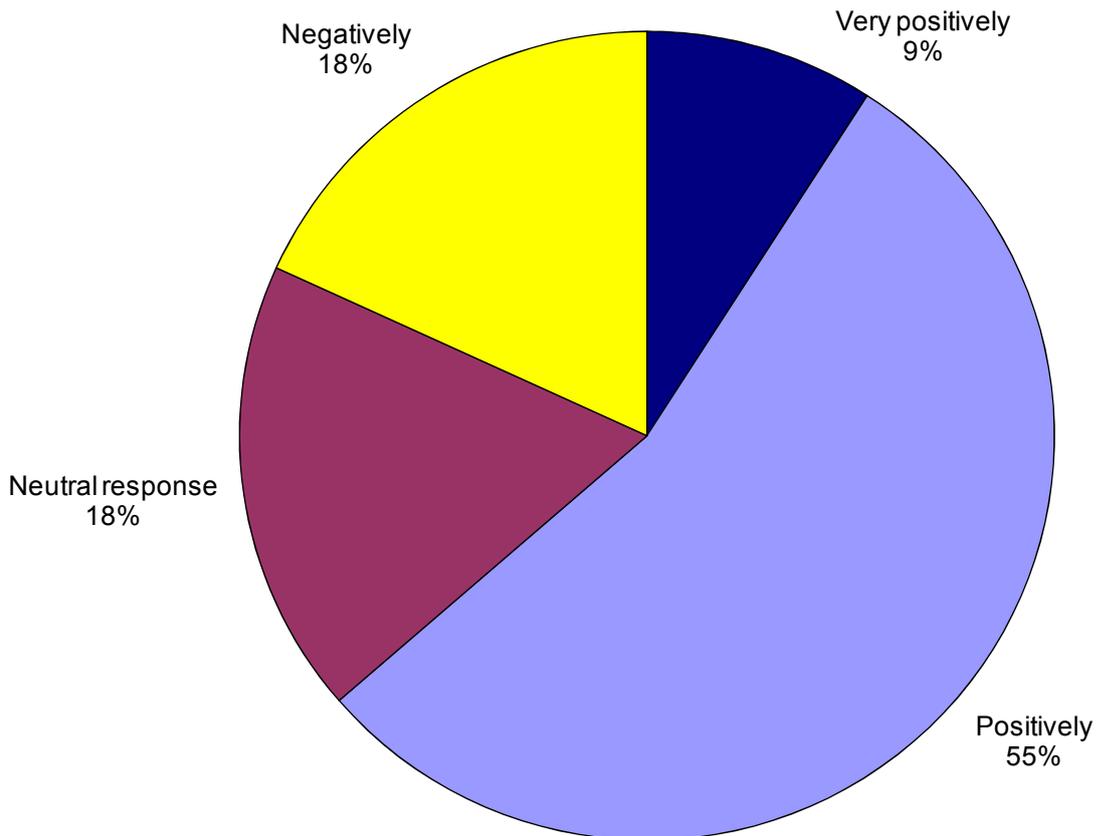
Source: ORIMA survey of Centrelink staff and FC/MM advisers.

D.3.5 Client reactions to financial counselling and money management services

Nearly two-thirds (64%) of financial counsellors and money management advisers reported that CPSIM participants had responded positively to financial counselling and money management services. One in five financial counsellors and money management advisers thought that CPSIM clients had responded negatively to these services (see Figure 56).

Figure 56: How have CPSIM clients responded to financial counselling and money management services

Base: All respondents (n=11)



Source: ORIMA survey of FC/MM advisers.

The key reason reported by financial counsellors and money management advisers as to why CPSIM clients responded positively to financial counselling and money management services was because the client could see the personal benefits from these services.

“They received a culturally appropriate/understanding service. They saw positive outcomes.”

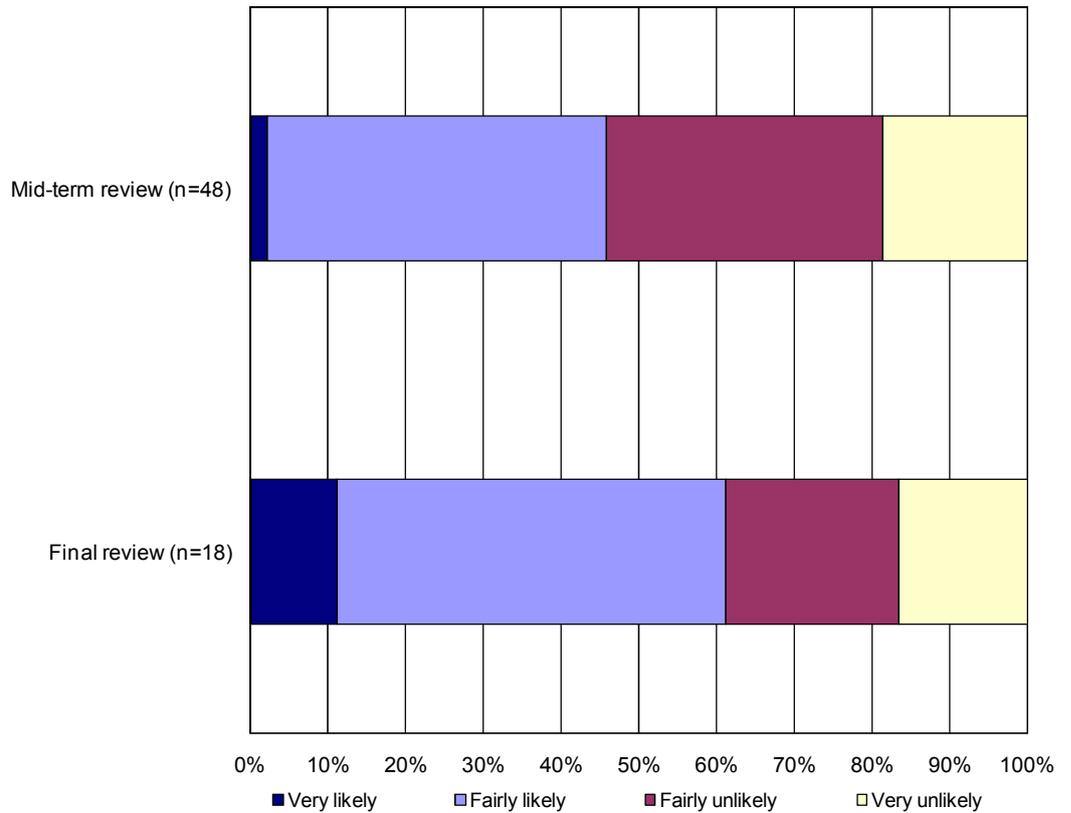
“For the people who do follow up and attend, it’s helpful for them to be able to work out a relevant budget, take ownership of their accounts.”

D.3.6 Likelihood that primary parent will manage income to prevent child neglect in future

Figure 57 shows DCP caseworkers' assessments of the likelihood that the primary parent would manage their income to prevent neglect occurring in the future.

At the mid-term review, DCP caseworkers indicated that in almost one in two CPSIM cases (46%) that clients were 'very likely' or 'fairly likely' to manage their income to prevent neglect occurring in the future. At the final review, this had increased to 61% of CPSIM cases.

Figure 57: Likelihood that the primary parent will manage their income to prevent neglect occurring in the future (at mid-term and final review)



Source: DCP administrative data as at 30 April 2010.

Note: For the mid-term review, one respondent did not provide a rating and eight respondents, all from the Kimberley, indicated they were 'unable to assess'. For the final review, one respondent did not provide a rating and two respondents, both from the Kimberley, indicated they were 'unable to assess'.

E. Impact of CPSIM on child, family and community wellbeing

This section examines the impact of CPSIM on the wellbeing of children, families and the community. It covers issues such as whether CPSIM clients could pay for essential items before, during and after CPSIM (where a client is no longer on the program) and whether CPSIM has had any impact on family relationships.

E.1. Impact on child wellbeing

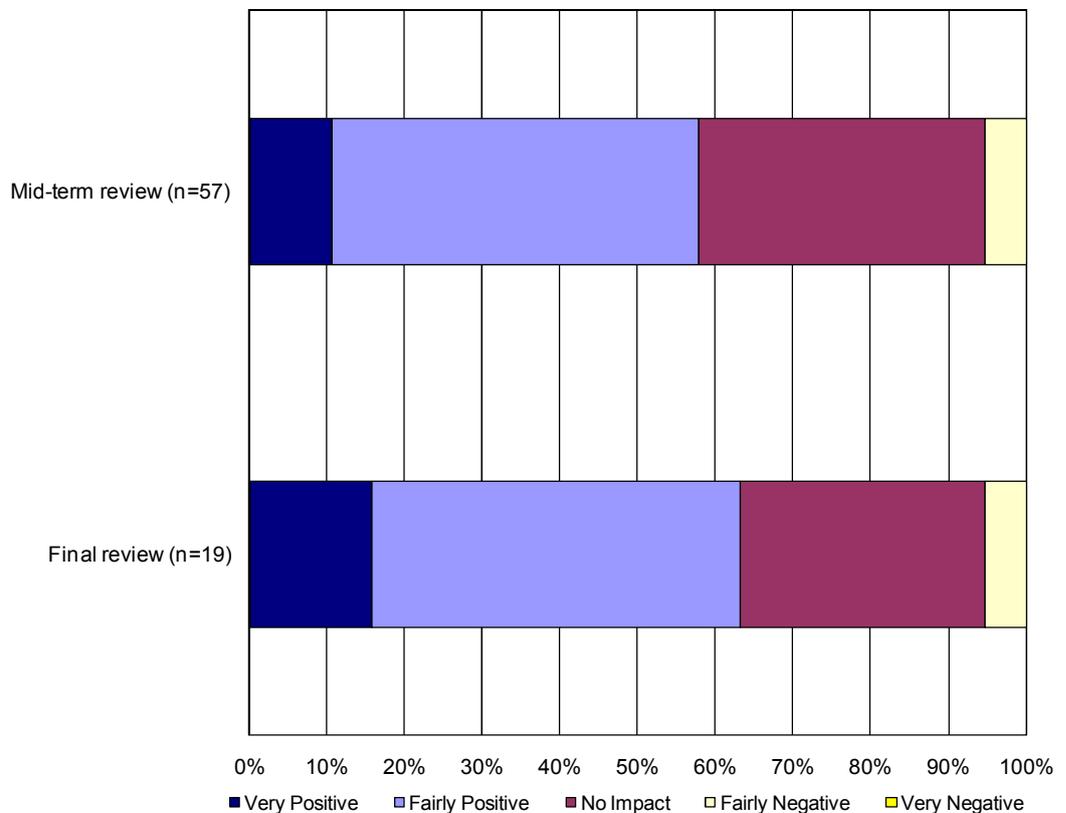
E.1.1 Assessment by DCP caseworkers

At the mid-term review, DCP caseworkers were positive about the impact of CPSIM on the wellbeing of clients' children (see Figure 58).

- ◆ In almost three in five cases (58% of the mid-term reviews), the caseworker indicated the impact of CPSIM on the wellbeing of the children had been 'very positive' or 'fairly positive'.
- ◆ In most of the remaining cases, caseworkers provided a neutral rather than a negative assessment.

DCP caseworkers were slightly more likely at the final review to report that CPSIM had made a positive impact on the wellbeing of clients' children (63% of the final reviews).

Figure 58: Impact of CPSIM on child wellbeing (at mid-term and final review)



Source: DCP administrative data as at 30 April 2010.

Note: Two respondents did not provide a rating at the final review.

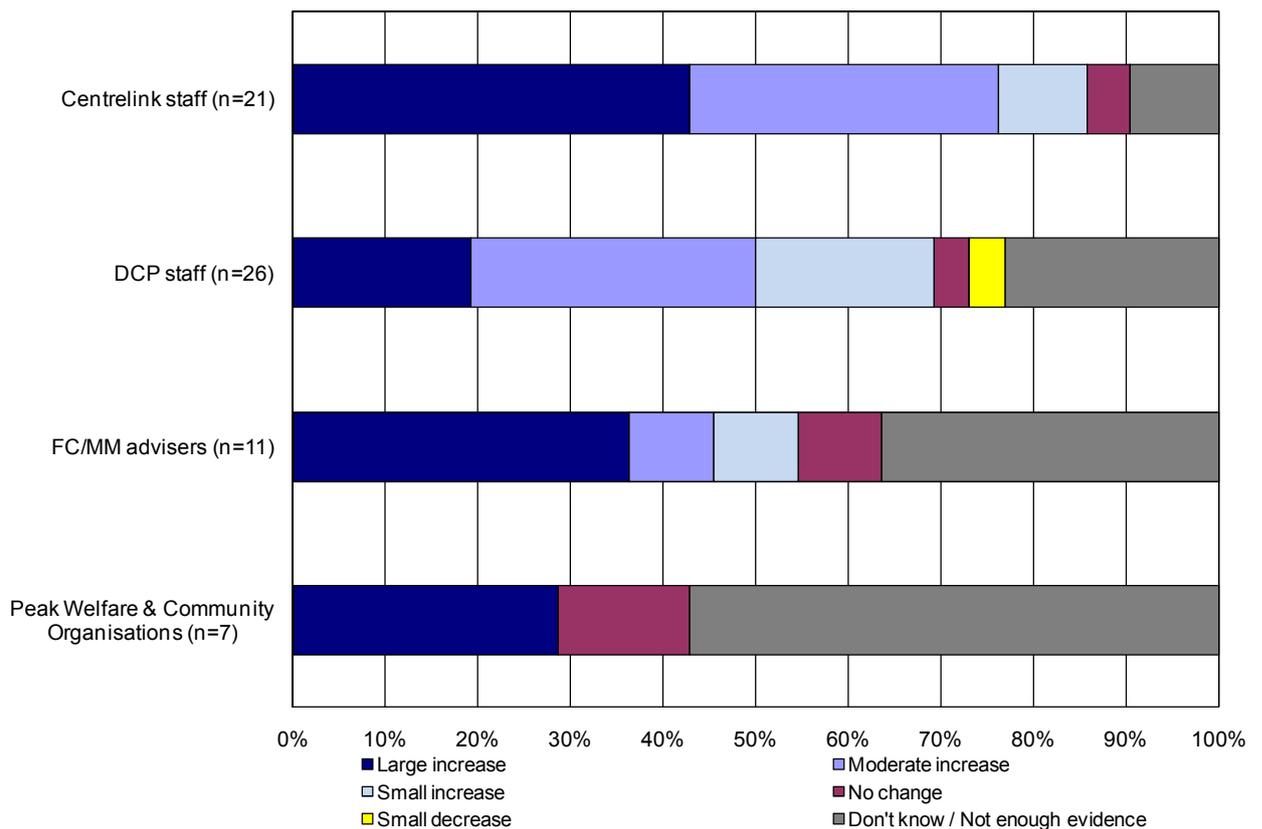
E.1.2 Impact on the share of families’ spending directed to meeting the needs of dependent children

Over half of respondents in three of the four key groups of stakeholders thought that CPSIM had increased to some degree the amount of money that CPSIM families were spending to meet the needs of their dependent children (see Figure 59).

- ◆ Centrelink staff were most likely to believe that this had occurred (86%), as did 69% of DCP staff and 55% of financial counsellors and money management advisers.
- ◆ Although only 29% of peak welfare and community organisations thought that families were spending more on their children, this was largely offset by 57% of organisations who did not have enough evidence to assess this aspect.
- ◆ Relatively few respondents indicated that the trial had resulted in unchanged (range from 4% to 14%) or decreased (4% for DCP staff) spending directed to children.

Figure 59: Extent to which CPSIM has resulted in a change in the share/proportion of participant families’ spending/budget directed to meeting the needs of dependent children

Base: All respondents

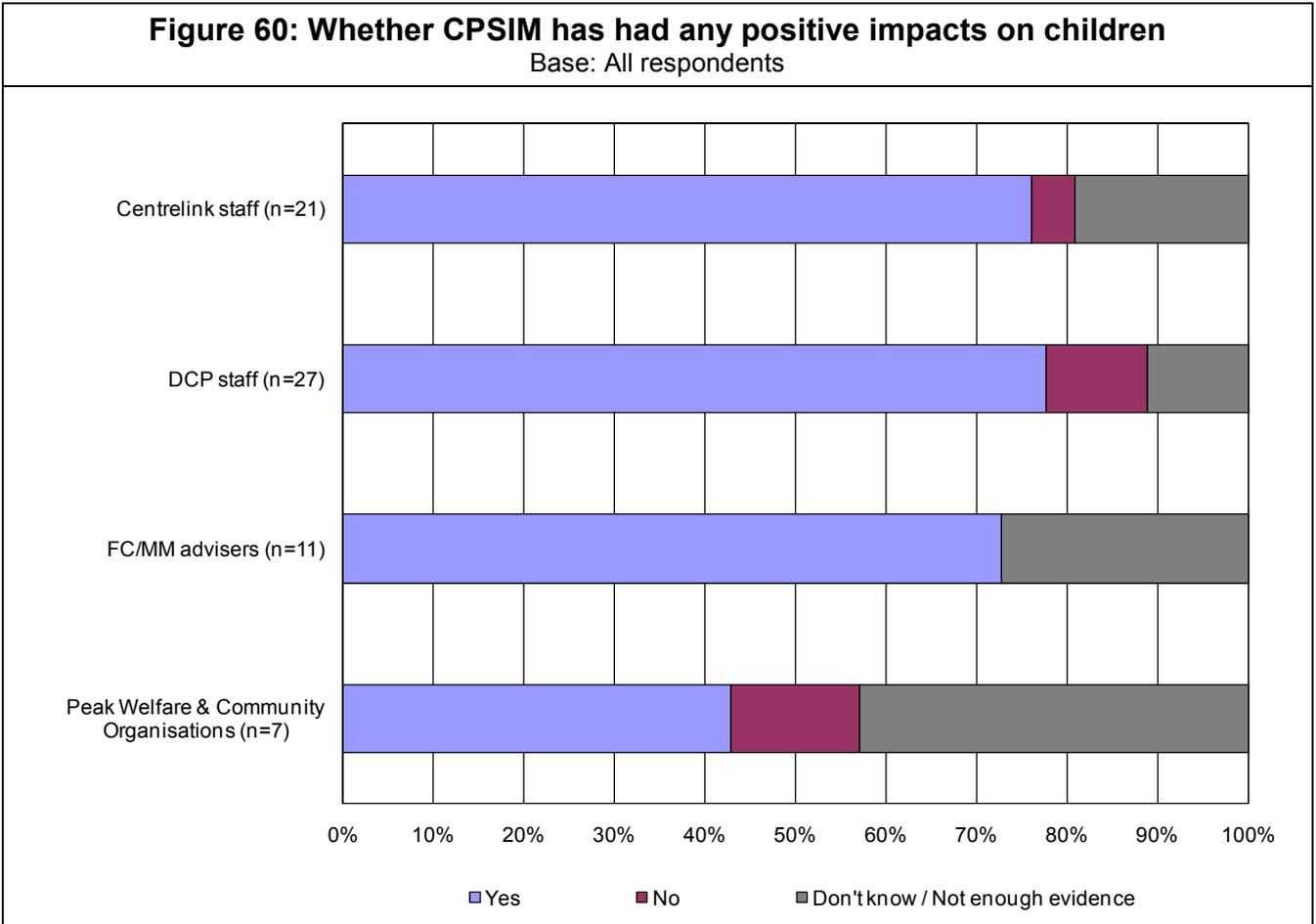


Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

E.1.3 Positive impacts on children

Around three-quarters of respondents in three of the four key groups of stakeholders thought that CPSIM had had a positive impact on the wellbeing of children (see Figure 60).

- ◆ 78% of DCP staff, 76% of Centrelink staff and 73% of financial counsellors and money management advisers thought that CPSIM had had a positive impact.
- ◆ Although less than half of peak welfare and community organisations (43%) thought that CPSIM had had a positive impact on the wellbeing of children, this was largely offset by 43% of organisations who did not have enough evidence to assess this aspect.



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

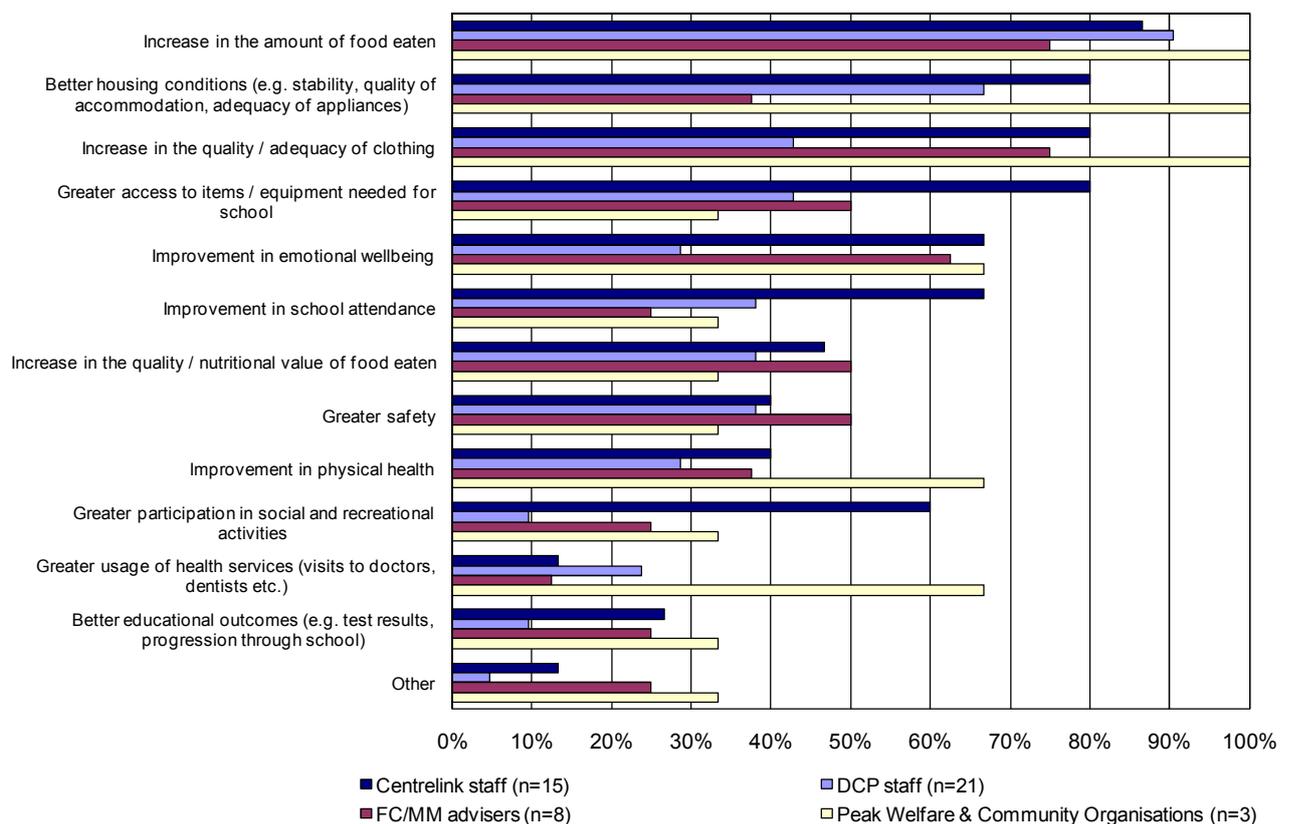
Most community leaders in the qualitative research agreed that CPSIM had resulted in positive impacts on children—primarily in relation to the family’s capacity to provide more stable access to food and clothing as well as accommodation. Some of these participants felt that children in these families on IM appeared to be “more happy and healthy”.

When asked to nominate the types of positive impacts that CPSIM had had on the wellbeing of children, respondents were most likely to nominate:

- ◆ an increase in the amount of food eaten (ranging from 75% of financial counsellors and money management advisers to 100% of peak welfare and community organisations);
- ◆ better housing conditions (ranging from 38% of financial counsellors and money management advisers to 100% of peak welfare and community organisations);
- ◆ an increase in the quality and adequacy of clothing (ranging from 43% of DCP staff to 100% of peak welfare and community organisations);
- ◆ greater access to items and equipment needed for school (ranging from 33% of peak welfare and community organisations to 80% of Centrelink staff); and
- ◆ improvements in emotional wellbeing (ranging from 29% of DCP staff to 67% of Centrelink staff) (see Figure 61).

Figure 61: Types of positive impacts that CPSIM has had on children

Base: Only respondents who thought that CPSIM has had positive impacts on children



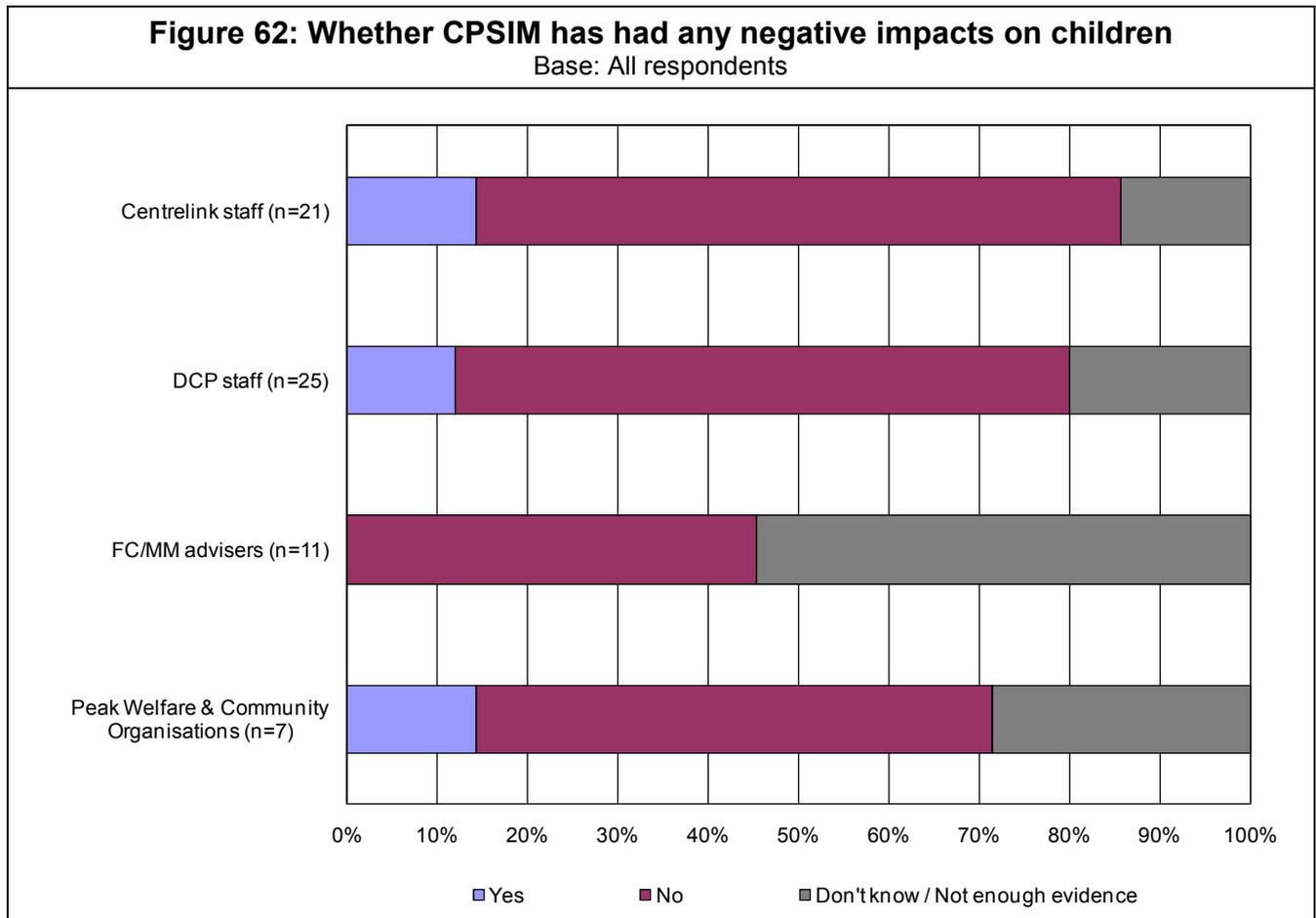
Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

Feedback from community leaders in the qualitative research also tended to be in line with the findings outlined in Figure 61.

E.1.4 Negative impacts on children

Very small proportions of respondents in three of the four key groups of stakeholders thought that the CPSIM trial had had a negative impact on the wellbeing of children (see Figure 62).

- ◆ 14% of both Centrelink staff and peak welfare and community organisations, along with 12% of DCP staff believed that CPSIM had had negative impacts on children.



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

Among those indicating that the trial had generated negative impacts; the main negative impact reported was that some clients would try to get off CPSIM, which could lead to negative outcomes for the children.

“CPSIM took away from the engagement I had with these parents. It also became the point of focus, especially for mum. Every conversation was about how bad it was and how can they get off it. Even when I went to 50/50 there was no improvement in their engagement. Children including a new born are now in care.” [DCP staff member]

“There are some customers who have been determined to not be on CPSIM and have either not reported to Centrelink causing suspension of their payments, frequently moved or changed who is caring for their children in an attempt to get off CPSIM. I think this would cause instability for children.” [Centrelink staff member]

E.2. Impact on family wellbeing

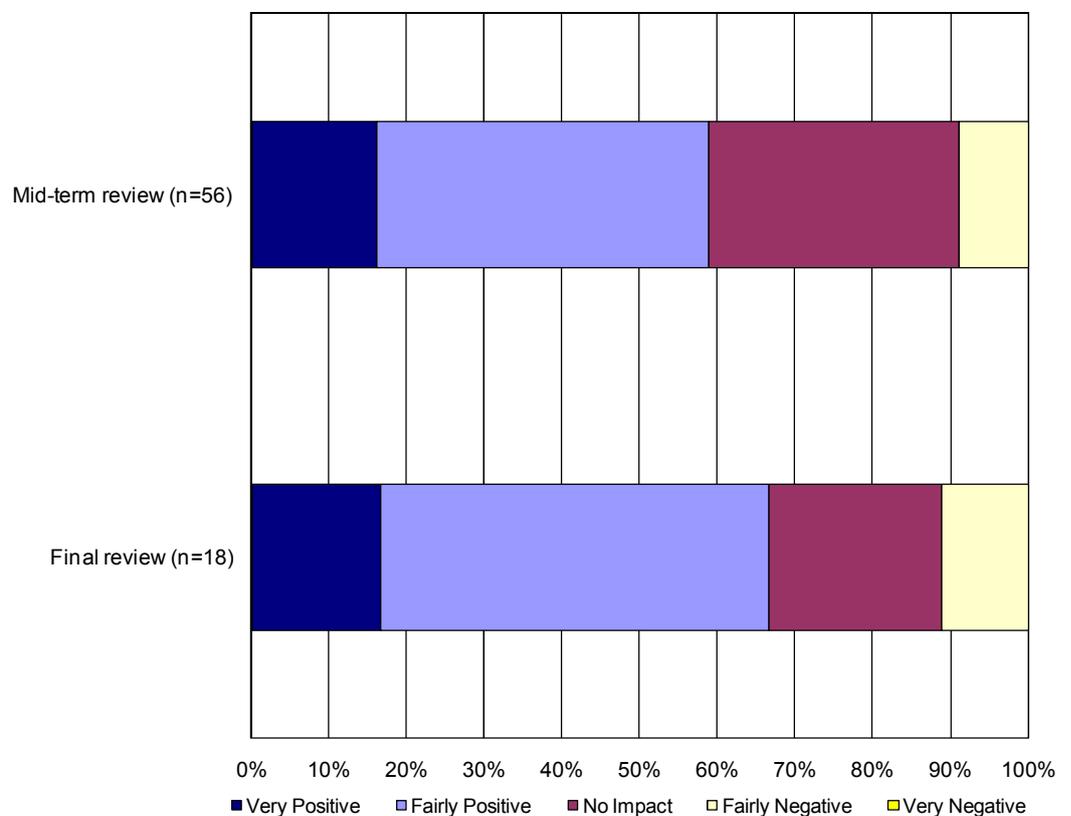
E.2.1 Assessment by DCP caseworkers

At the mid-term review, DCP caseworkers were positive about the impact of CPSIM on the wellbeing of the client's family (see Figure 63).

- ◆ In almost three in five cases (59% of the mid-term reviews), the caseworker indicated the impact of CPSIM had been 'very positive' or 'fairly positive' on the wellbeing of the client's family.

DCP caseworkers were slightly more likely to report that CPSIM had made a positive impact on the wellbeing of the client's family at the final review (67% of the final reviews).

Figure 63: Impact of CPSIM on family well-being (at mid-term and final review)



Source: DCP administrative data at 30 April 2010.

Note: One respondent did not provide a rating at the mid-term review. Three respondents did not provide a rating at the final review.

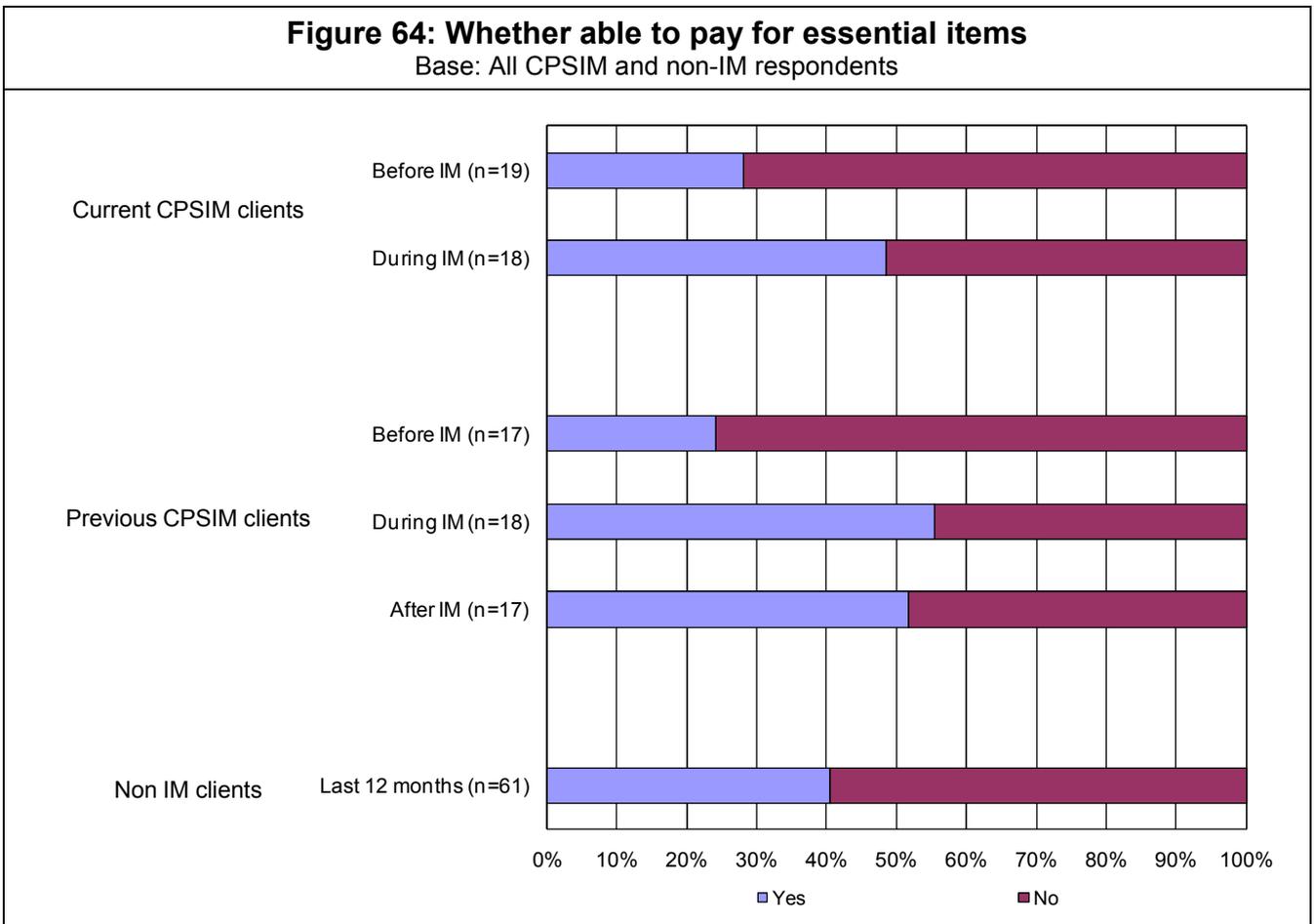
E.2.2 Ability to pay for essential items

Around three-quarters of CPSIM clients (74%) reported that that they had been unable to pay for at least one essential item in the 12 months prior to IM—72% of current clients and 76% of previous clients. This compares to 60% of the comparison group who reported that they had been unable to pay for at least one of these items in the last 12 months (see Figure 64).

During IM, the proportion of CPSIM clients who were unable to pay for such items decreased to just below half (48%)—52% of current clients and 44% of previous clients.

Previous CPSIM clients were also more likely to be able to pay for essential items after IM than they were prior to commencing IM.

- ◆ Just under half of previous CPSIM clients (48%) reported that they were unable to pay for an essential item since they had been off IM (compared to 76% of this group prior to commencing IM).



Source: ORIMA survey of IM clients and non-IM clients.

Table 8 shows the proportion of CPSIM clients that ran out of money to pay for an essential item category before, during or after (in the case of past CPSIM clients) IM participation. When clients were on CPSIM they were less likely to have run out of money to buy food, to pay a utility bill and/or to pay another bill or debt when it was due.

Table 8: Proportion of clients running out of money for essential items, by item type

Essential item type	All CPSIM			Non-IM
	Before IM	During IM	After IM	
Food	59	29	16	37
Utilities	40	9	12	25
Other bill or debt	40	17	12	27
Did not have money to pay rent on time	15	2	0	11
Children's educational needs	31	14	21	10
Essential (non-food) items for children	19	15	12	12
Total unable to pay for essential items	74	48	48	60

Source: ORIMA survey of IM clients.

E.2.2.1 Ways of coping when unable to pay for essential items

Those respondents who reported that they were unable to pay for at least one essential item were asked about how they managed to pay for the things that they needed. Both before and during IM, the most common coping strategies used by CPSIM clients were:

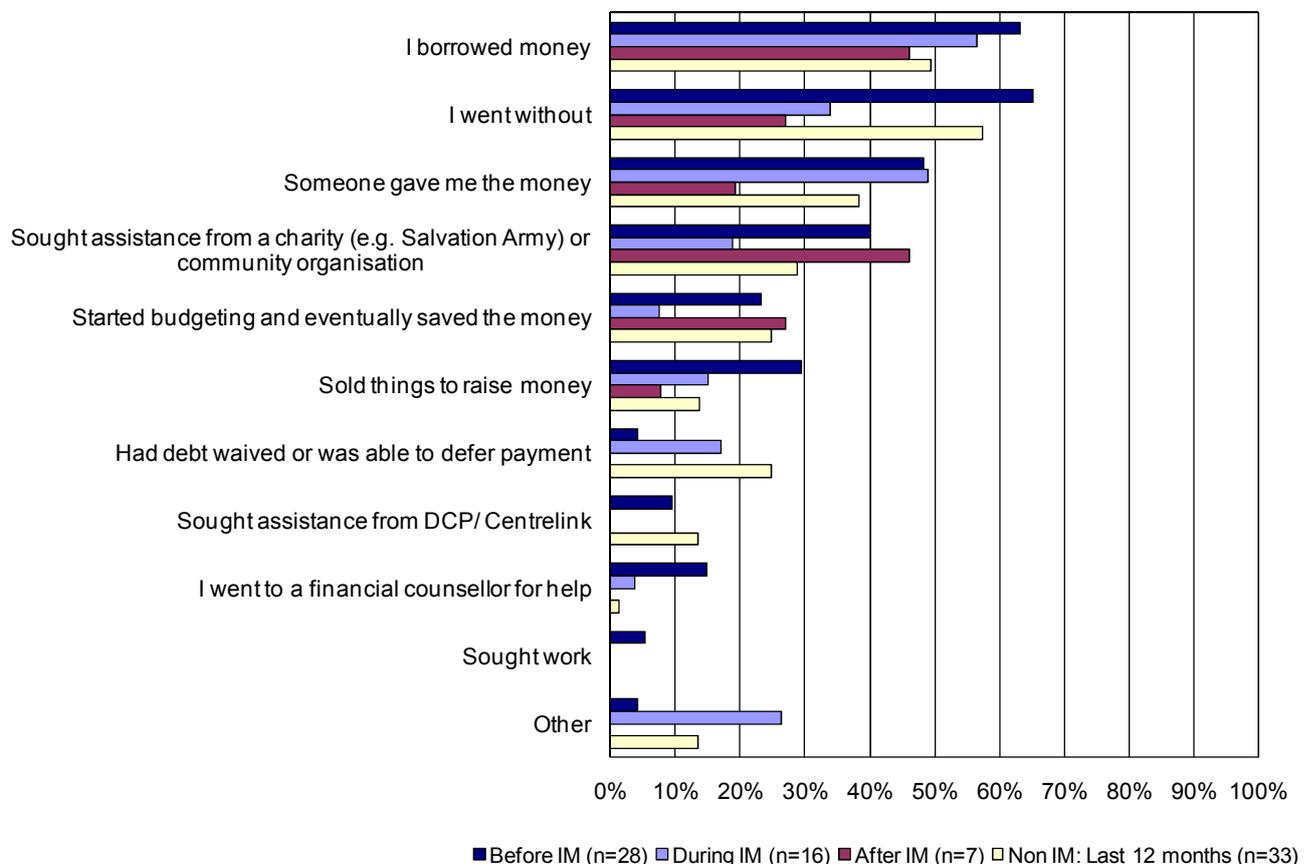
- ◆ to go without (65% before IM and 34% during IM);
- ◆ to borrow money (63% before IM and 57% during IM); and/or
- ◆ someone gave them the money (48% before IM and 49% during IM) (see Figure 65).

Although these were the three most commonly used strategies by CPSIM clients before and during IM, whilst clients were on CPSIM, they were half as likely as they were before IM to go without when they were unable to pay for essential items.

The three most commonly used strategies by CPSIM clients were the same strategies that the comparison group reported using when they were unable to pay for essential items (i.e. 55% went without, 49% borrowed money and/or 38% reported that someone gave them the money).

Figure 65: How CPSIM clients coped when they were unable to pay for essential items

Base: All CPSIM and non-IM respondents who were unable to pay for essential items



Source: ORIMA survey of IM clients and non-IM clients.

E.2.3 Impact on meeting priority needs

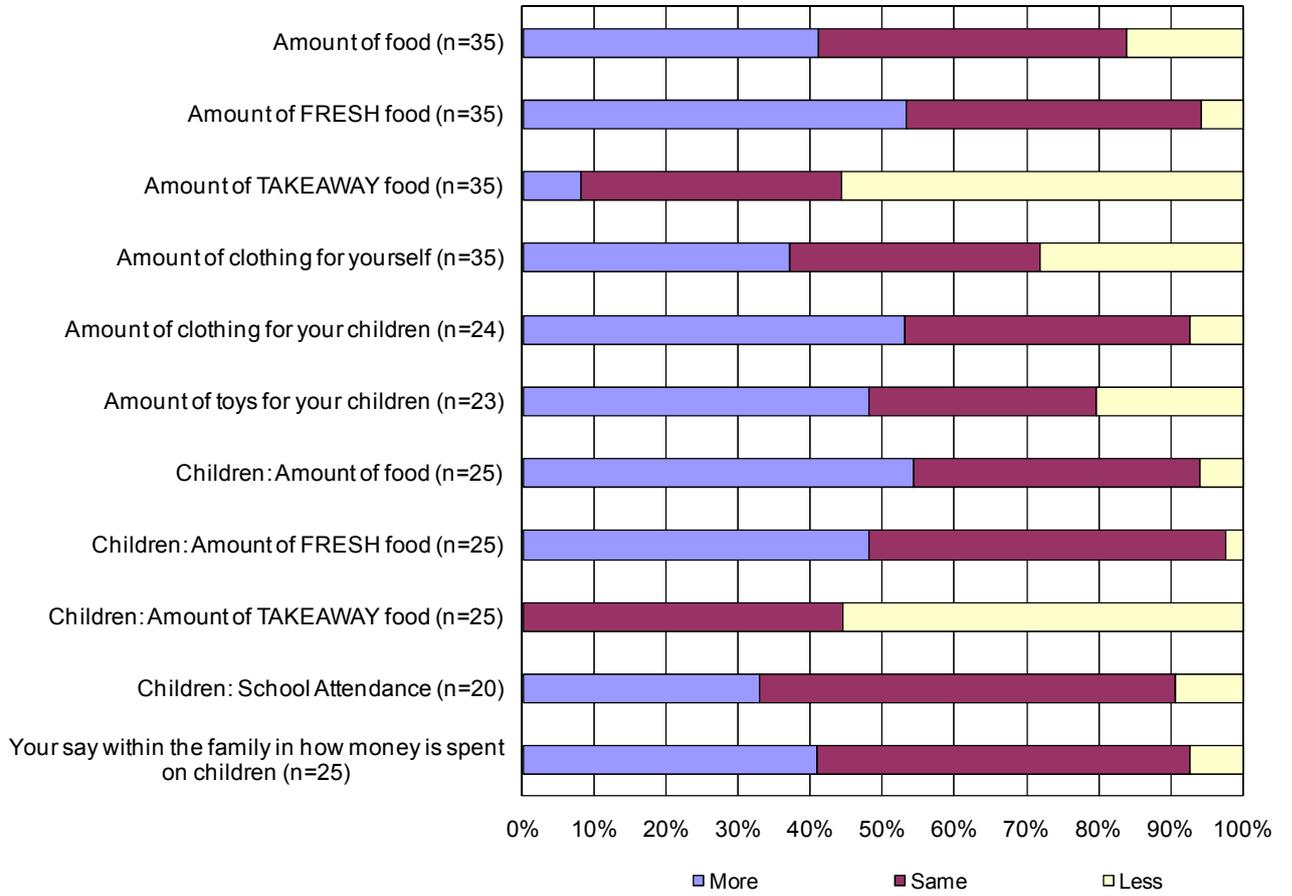
All CPSIM survey respondents were asked, compared to before they were on CPSIM, whether since they had started IM if a number of things happened more, less or the same amount of times (see Figure 66). Clients who were no longer on CPSIM were also asked an additional question, where they compared their experiences whilst on IM and when they were no longer on IM (see Figure 67). Respondents in the comparison group (i.e. non-IM clients) were asked a similar question, where they compared their experiences in the last 12 months to those two years ago (see Figure 68)

Figure 66 shows that many CPSIM respondents reported that IM had had a positive impact on their ability to meet priority needs. Whilst they were on IM (compared to before when they were not), CPSIM respondents were most likely to report that the following positive impacts had emerged in that:

- ◆ they had eaten less takeaway food (56%);
- ◆ their children had eaten less takeaway food (55%);
- ◆ their children had eaten more food (54%);
- ◆ they had eaten more fresh food (53%);
- ◆ they had purchased more clothes for their children (53%);
- ◆ they had purchased more toys for their children (48%); and
- ◆ their children had eaten more fresh food (48%).

Figure 66: Consumption changes reported by CPSIM clients as a result of income management

Base: All CPSIM respondents whilst on IM

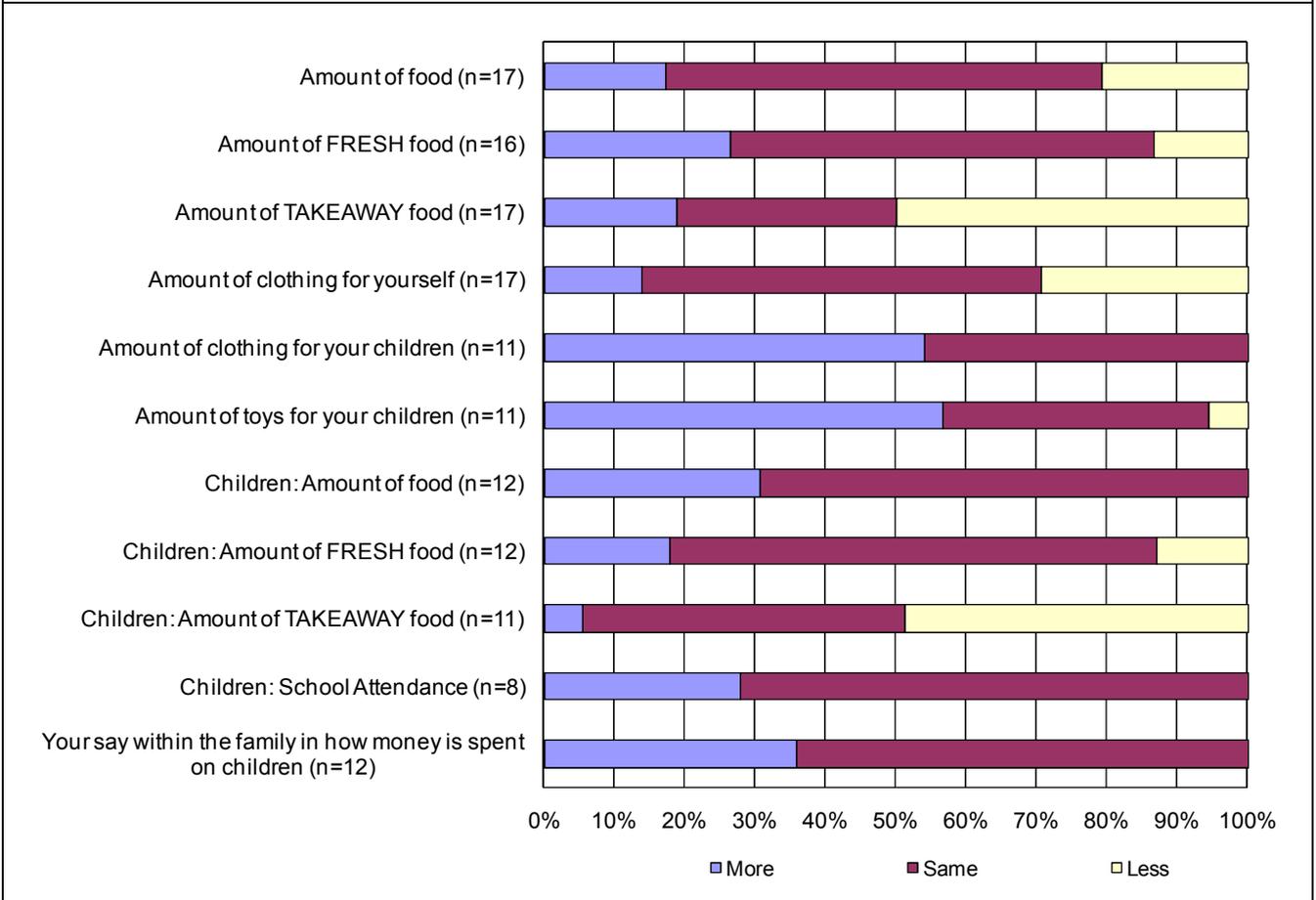


Source: ORIMA survey of IM clients.

It can be seen in Figure 67, that for many previous CPSIM clients, their increased ability to meet their priority needs that occurred whilst they were on IM continued or in some cases had improved once they had finished IM.

Figure 67: Consumption changes reported by former CPSIM clients (post CPSIM period compared to CPSIM period)

Base: All CPSIM respondents no longer on income management



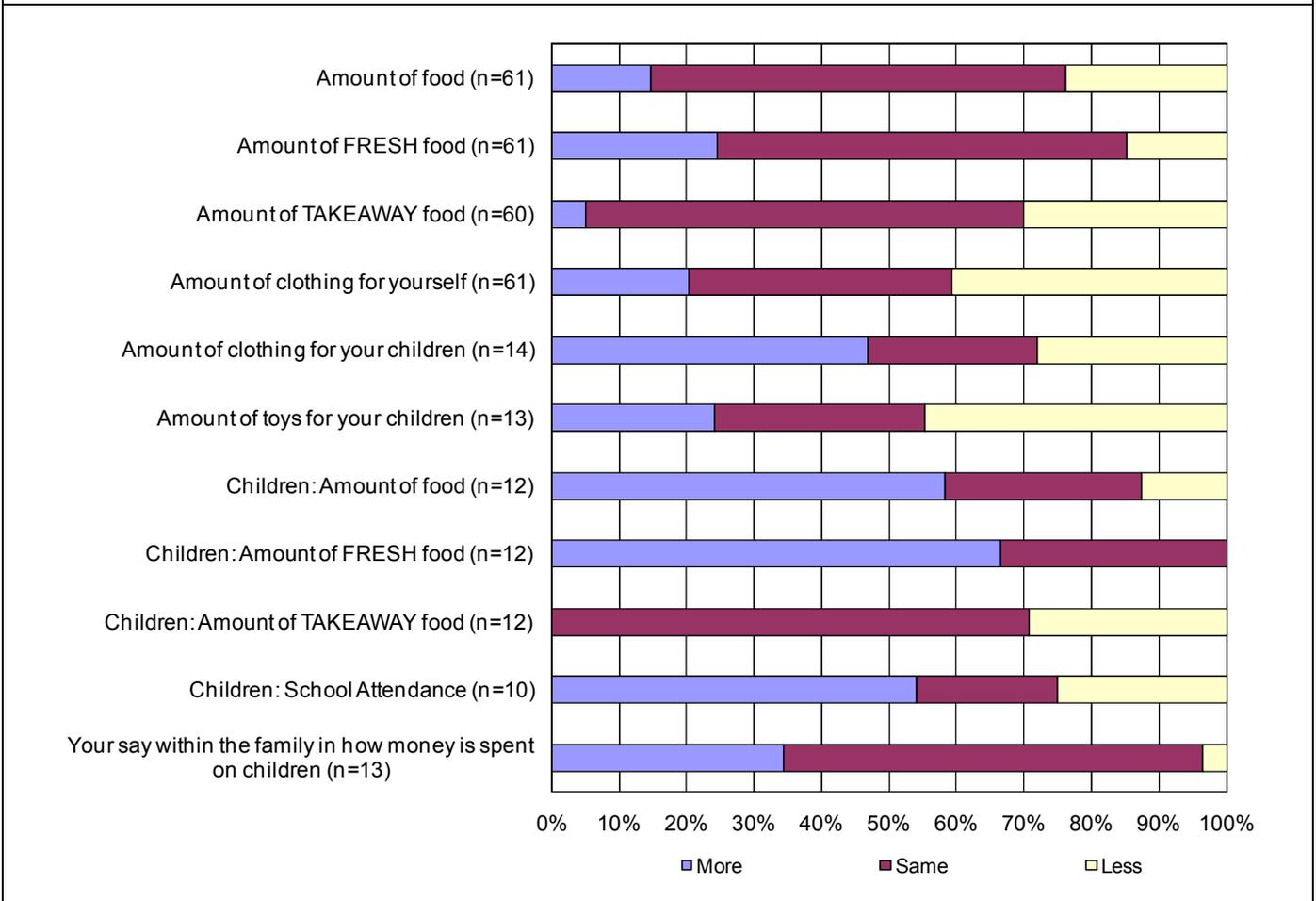
Source: ORIMA survey of IM clients.

Figure 68 shows that the comparison group (i.e. non-IM clients) also reported that in some areas they were better able to meet these priority needs in the last 12 months compared to two years ago.

When the results for the CPSIM respondents whilst they were on IM were compared to non-IM (comparison group) respondents, the data indicated that CPSIM had had a positive impact in helping people meet their priority needs.

- ◆ CPSIM respondents reported greater improvements in amount of food, fresh food, takeaway food (reduction) and personal clothing relative to the non-IM comparison group.¹⁷
- ◆ Small response sizes within the comparison group did not enable reliable comparisons to be made in relation to the other needs shown in Figure 68.

Figure 68: Consumption changes reported by non-IM comparison group (last 12 months versus 2 years ago)
Base: All non-IM respondents



Source: ORIMA survey of non-IM clients.

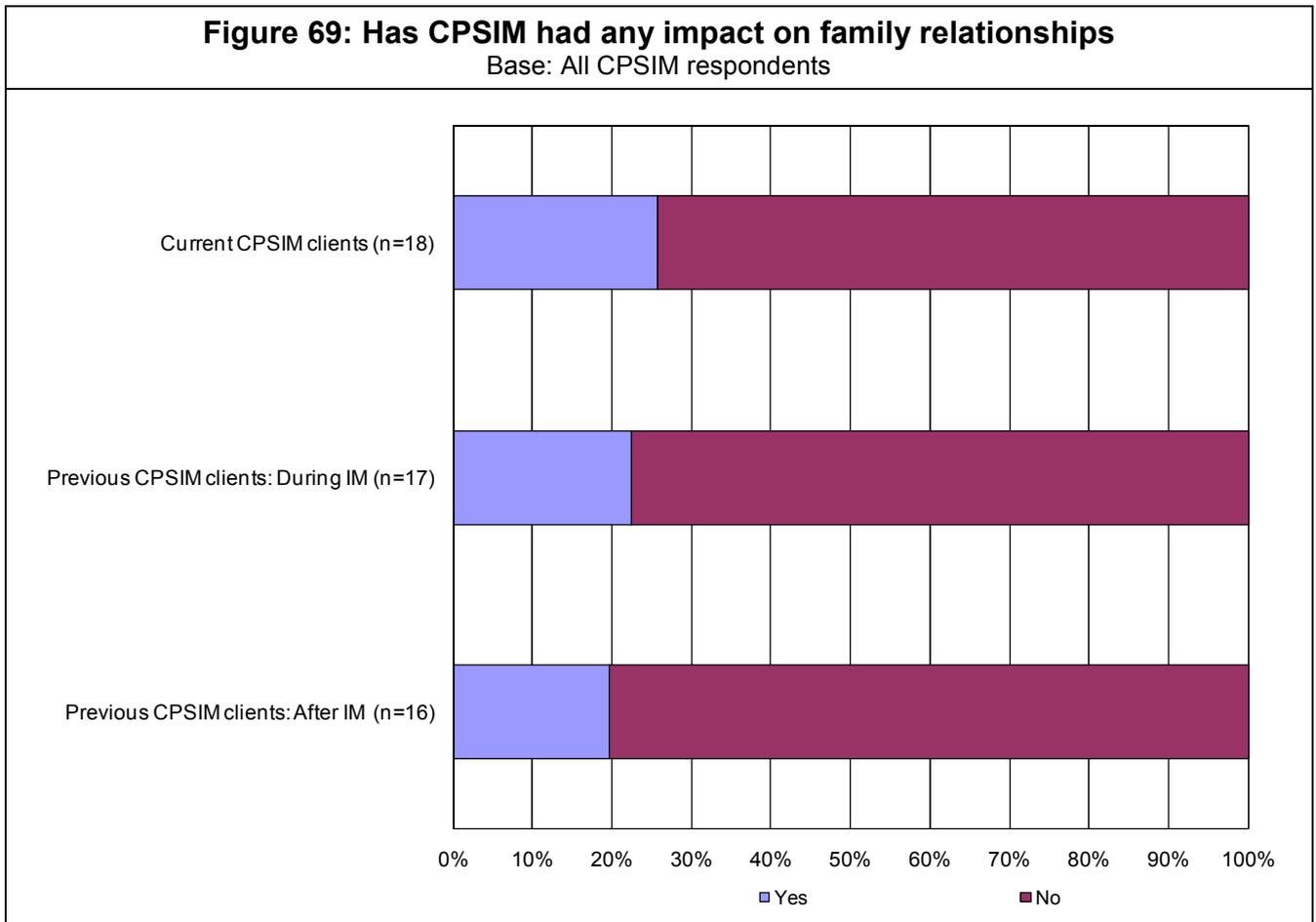
¹⁷ To determine the relative change in each of these areas for CPSIM respondents and the comparison group a net score was calculated for each priority area for each group. The net score for each priority area was calculated for each group by subtracting the percentage of respondents who reported 'less' from the percentage of respondents who reported 'more'.

E.2.4 Impact on family relationships

E.2.4.1 Client views

The majority of CPSIM clients felt that IM had not had any impacts on relationships within their family (see Figure 69).

- ◆ Three-quarters of CPSIM clients (76%) felt that this was the case when they were on IM—74% of current and 78% of previous clients.
- ◆ Eight in ten previous CPSIM clients also reported that their family relationships had not changed since they had stopped IM.



Source: ORIMA survey of IM clients.

Those CPSIM clients who thought that IM had had an impact on relationships in their family were asked what these impacts were. Although both positive and negative impacts were reported, the main theme that emerged from these comments was that CPSIM had improved family wellbeing (e.g. through less tension and better relationships between family members).

“Yes, it has made things easier and I have more time with the children now.”

“Better. I’m calmer. And I don’t worry all the time. Income management has helped in that way.”

“My family life was more peaceful.”

“Better while I was on it [IM], no arguments about money. Bit more arguments now about cash—I might go back on it [IM]. I have to hand over the cash how because my partner’s on it [IM].”

Some previous CPSIM clients felt that CPSIM had led to greater stress and conflict in their family relationships.

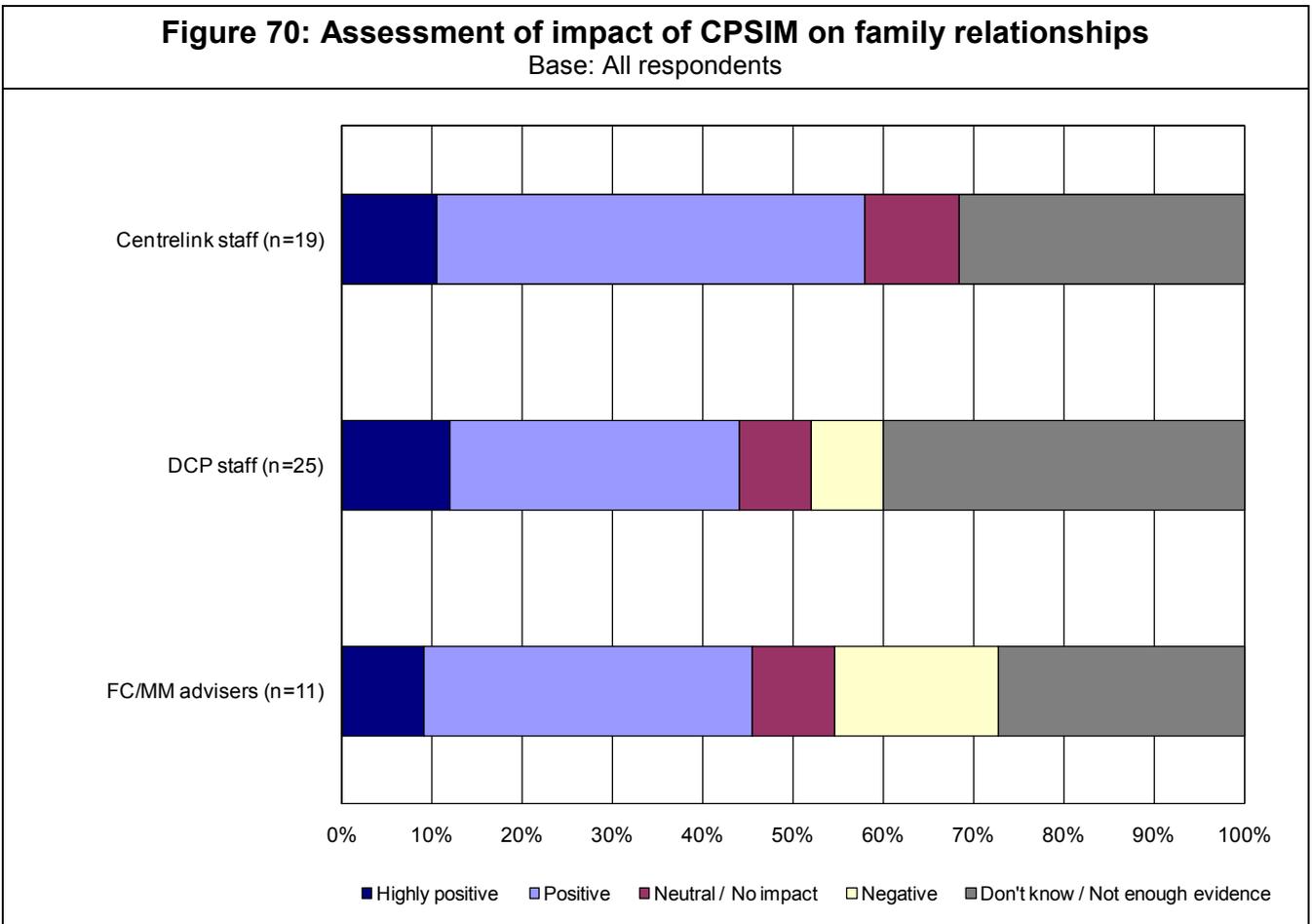
“Argued more with [my] wife. We used to call it ‘income mismanagement’. We used to be on the phone to them every day. Things weren’t being paid when Centrelink said it was. It was a lot of stress being on it. Things weren’t paid on time, go into wrong account number, etc.”

“[After IM] my relationship with [my] wife [is] better. Less stress—we get to say where our money goes now.”

E.2.4.2 Stakeholders' views

Centrelink staff, DCP staff and financial counsellors and money management advisers were most likely to report that CPSIM had had a positive impact on family relationships. Moderate proportions of respondents across these three groups also thought that they did not have enough evidence to assess this impact (see Figure 70).

- ◆ Around half of Centrelink staff (58%), financial counsellors and money management advisers (45%) and DCP staff (44%) believed that the CPSIM trial had a positive impact on clients' family relationships.
- ◆ Only a small proportion (8% of DCP staff and 18% of financial counsellors and money management advisers) felt that the CPSIM trial had a negative impact on family relationships.



Source: ORIMA survey of Centrelink staff, DCP staff and FC/MM advisers.

Stakeholders who thought that CPSIM had had positive or negative impacts on family relationships were asked to describe these impacts. Two main themes emerged from the positive comments.

◆ Reduced humbugging.

“It has been a good deterrent for family members who have [been] using the customers on CPSIM’s funds and their accommodation. DCP have often stated that others residing in the household can also be income managed, and in most instances, the family members have fled.” [Centrelink staff member]

“I would assume that reduced ‘humbugging’ would reduce resentment of some family members towards others.” [Centrelink staff member]

“Has helped to stop a lot of conflict as not as much drinking happening and not as much pressure on parents to give their money away—therefore happier households.” [DCP staff member]

“There is definitely less pressure from other family members to try and get cash or for the person to give it to them. It has not resulted in any more violence and in fact I think with the pressure taken off there is less violence.” [Financial counsellor or money management adviser]

◆ Stronger and improved family relationships.

“Customers become more positive when they see the amounts of money they are able to save. It assists them to travel, which increases contact with families which is a positive.” [Centrelink staff member]

“Less ‘chaos’ in the household and decreased cause for anxiety has resulted in more positive relations between parent (my client) and her children.” [DCP staff member]

“By taking the small steps to having accounts paid and food available helps in the overall wellbeing of the family.” [Financial counsellor or money management adviser]

Examples of some of the negative impacts that stakeholders thought that CPSIM had had on family relationships included:

“There is blame placed on each other, one partner usually blames the other one for this decision.” [DCP staff member]

“The child/ children can be the target for anger and resentment. The mothers also are often asked to find money to support the habits the partner may have.” [Financial counsellor or money management adviser]

E.3. Impact on community wellbeing

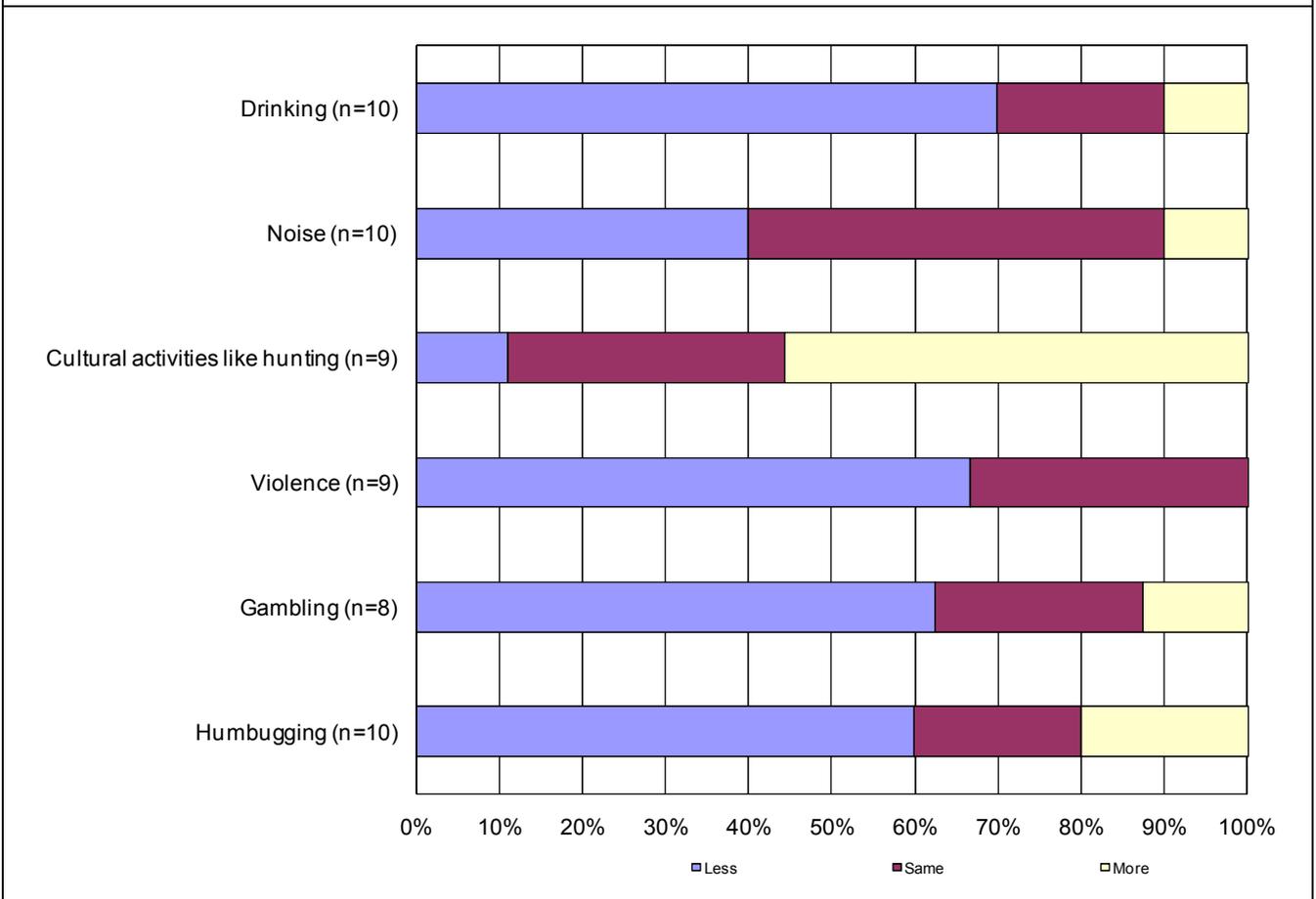
E.3.1 Clients' views

CPSIM respondents in Indigenous communities were asked whether since IM had started in their community there was more, less or the same amount of a number of behaviours. Since the introduction of IM, CPSIM respondents reported decreases in a range of negative behaviours in the community, including:

- ◆ 70% reported less drinking;
- ◆ 67% reported less violence;
- ◆ 62% reported less gambling; and
- ◆ 60% reported less humbugging (see Figure 71).

In addition, over half of CPSIM respondents (56%) felt that there had been an increase in cultural activities since the implementation of IM.

Figure 71: “Since income management started in your community, have you noticed, more, less or the same amount of?”
 Base: All CPSIM respondents



Source: ORIMA survey of IM clients.

E.3.2 Stakeholders' views

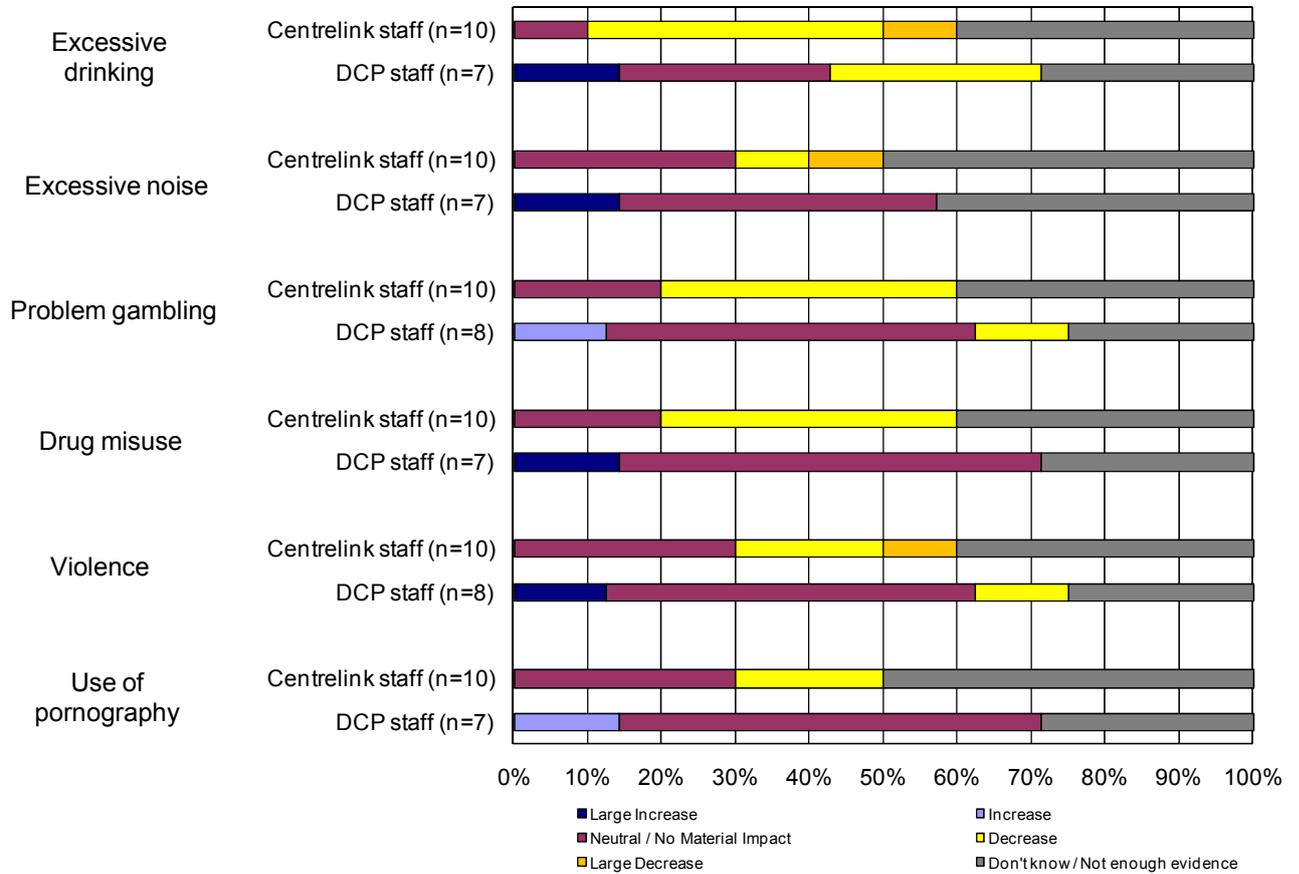
Centrelink staff, DCP staff and financial counsellors and money management advisers were also asked to assess the impact of the CPSIM trial on both positive and negative community behaviours—six behaviours specifically for Kimberley communities and two behaviours in Perth and Kimberley communities. Although many respondents indicated that CPSIM had had a positive or no material impact on many community behaviours; large proportions of respondents (between 25% and 64%) provided a 'don't know / not enough evidence' response to these items (see Figure 72 and Figure 73).

- ◆ Between 10% and 57% of respondents indicated that CPSIM had had no material impact on the community behaviour in question.
 - On average across the three groups, no material impact was the option most commonly selected by respondents in relation to all behaviours except excessive drinking (where respondents were more likely to report that IM had had a positive impact).
- ◆ Sizeable proportions of stakeholders also indicated the CPSIM trial had reduced the incidence of the following behaviours:
 - excessive drinking (29% of DCP staff and 50% of Centrelink staff);
 - problem gambling (13% of DCP staff and 40% of Centrelink staff);
 - drug misuse (0% of DCP staff and 40% of Centrelink staff);
 - violence (12% of DCP staff and 30% of Centrelink staff);
 - use of pornography (0% of DCP staff and 20% of Centrelink staff); and
 - inappropriate pressure being applied to family members to obtain money (ranging from 20% of DCP staff to 37% of Centrelink staff).

Small proportions of stakeholders also reported an increase in community member participation in cultural activities—ranging from 5% of Centrelink staff to 9% of financial counsellors and money management advisers.

Figure 72: Impact of CPSIM on incidence of behaviours in the Kimberley region communities in which CPSIM clients live

Base: All respondents

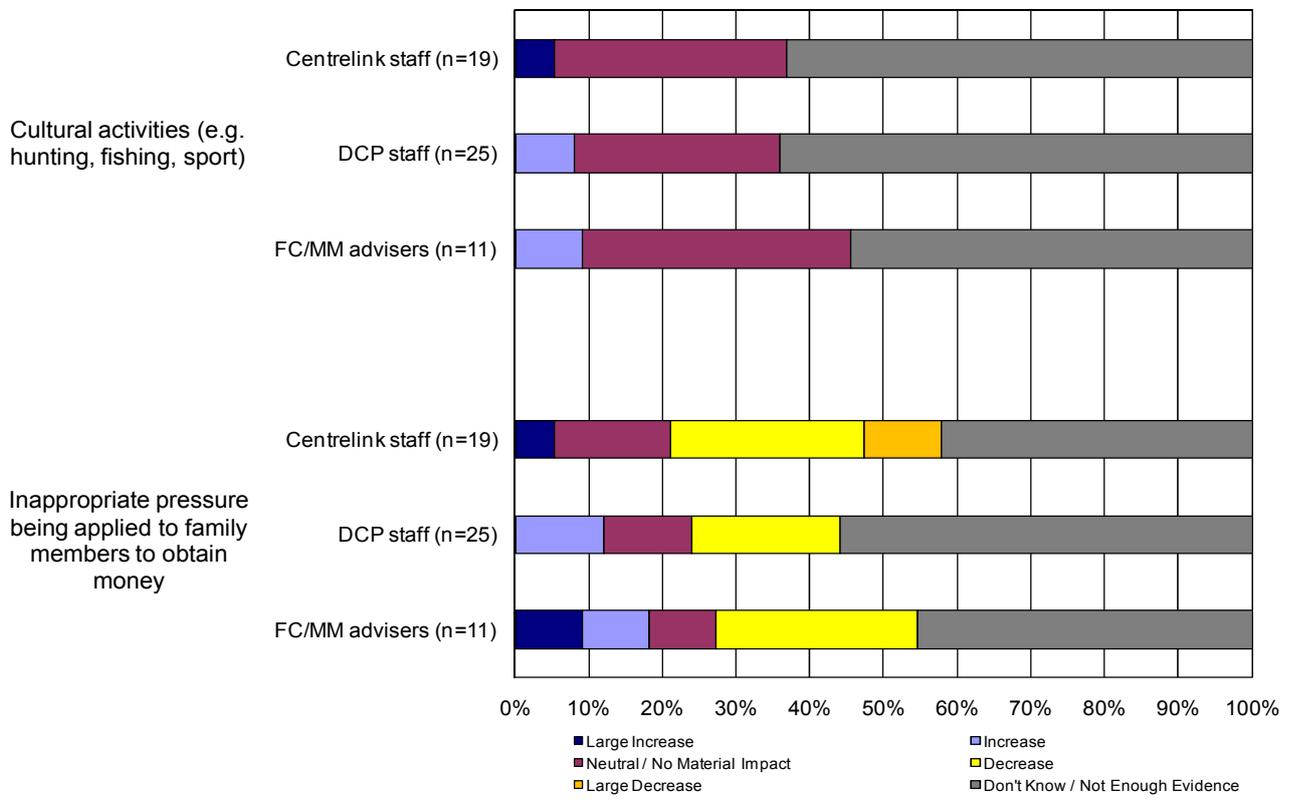


Source: ORIMA survey of Centrelink staff and DCP staff.

Note: Responses for FC/MM advisers are not included due to the low number of respondents to each question.

Figure 73: Impact of CPSIM on incidence of behaviours in the Perth and Kimberley communities in which some CPSIM clients live

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff and FC/MM advisers.

E.3.2.1 Impact of changes in community behaviour on wellbeing of children

When asked to assess the direct impact that changes in community behaviours had had on child wellbeing, relevant stakeholders commented that there was an increase in parents’ ability to provide for their children’s education and basic needs.

“More children are attending school and people are aware that parents have money to buy food for their children and school lunches. People can buy small amounts of food daily and keep some for when they need it. If they have the money in the bank they are tempted to spent it or give it away leaving their children with no money for food or lunches.” [DCP staff member]

“Increase in families focus on children's needs. Increase in family pride especially when they are attending school with lunch every day.” [DCP staff member]

“More funds have been directed to the children i.e. payments to schools for lunches, excursions, swimming lessons and class photos.” [Centrelink staff member]

“By family members unable to access money, customers are able to save for clothing and toys for their children.” [Centrelink staff member]

“Participant is able to feed children on a regular basis.” [Financial counsellor or money management adviser]

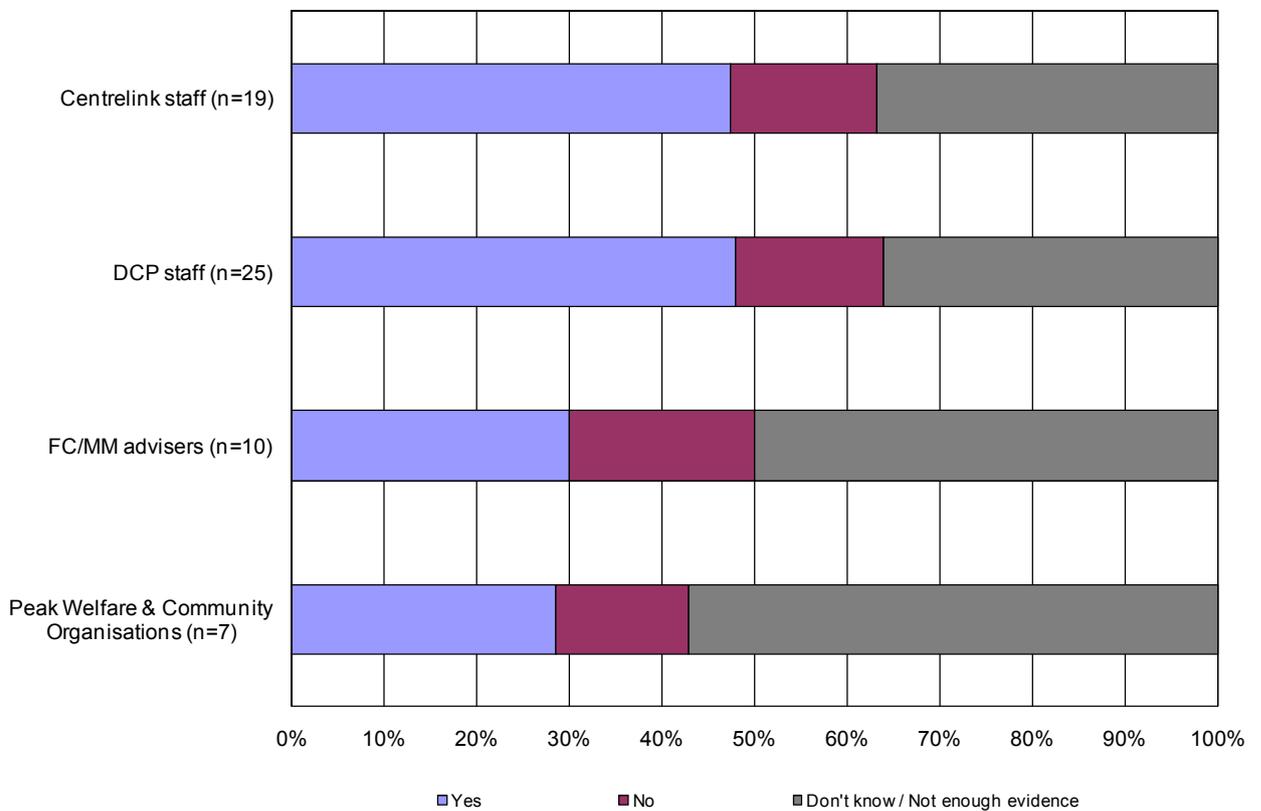
E.4. Other impacts of CPSIM

Respondents across the four key stakeholder groups reported mixed views as to whether or not the CPSIM trial had other (positive or negative) impacts on participants, their families and/or their communities (see Figure 74).

- ◆ Almost half of DCP staff (48%) and Centrelink staff (47%) thought that there had been other impacts.
- ◆ Financial counsellors and money management advisers (30%) and peak welfare and community organisations (29%) were less likely to think that CPSIM had had other impacts.

Figure 74: Whether CPSIM has had any other impacts on clients, their children, their families or their communities

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

The additional impacts identified by stakeholders were generally positive. The main theme from these comments was that participation in CPSIM had reduced client stress in other aspects of their life.

“Positive impact for some families in terms of gaining greater control of their finances. They now have funds available for food and essential services and they have also been encouraged to develop a saving pattern.” [DCP staff member]

“As rent is now paid as a priority need there are less evictions and the housing authority are happy to accept that payments will be regular and the arrears are reducing so customers can stay in public housing.” [Centrelink staff member]

“In some cases it has made clients feel supported and respected for what they have achieved in very difficult circumstances. It has given them a breathing space from creditors in many cases. It has also addressed major debts to leave clients with payments they could manage and feel proud to do so instead of desperate because they could not see a way out of their trapped financial situations.” [Financial counsellor or money management adviser]

F. Overall impact of CPSIM

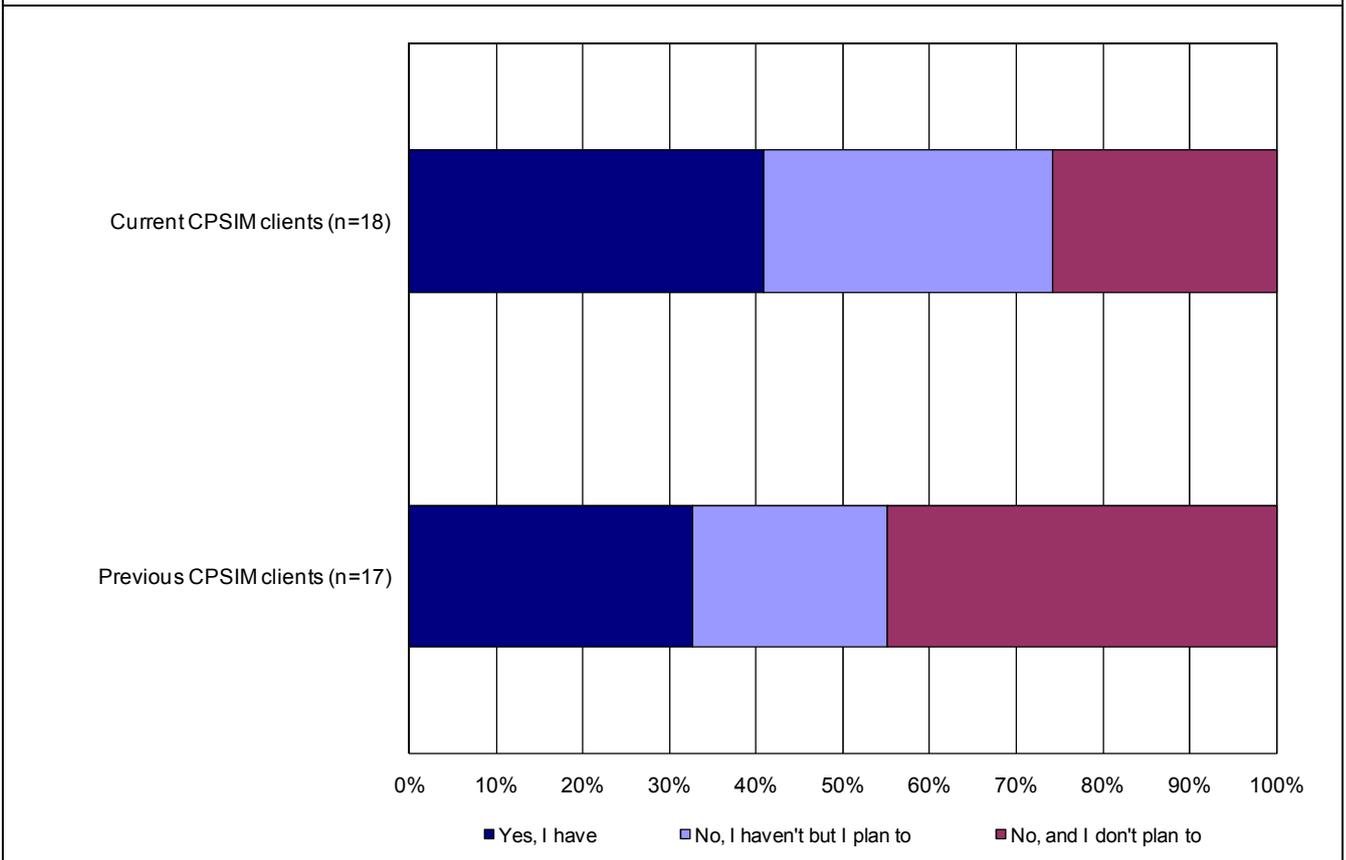
This section examines the overall impact of CPSIM. It considers issues such as whether CPSIM clients would be willing to recommend IM to others, the overall impact of CPSIM on themselves and their children, any longer-term impacts of CPSIM and other factors that could be impacting on the effectiveness of CPSIM.

F.1. Willingness to recommend income management to others

Two-thirds of CPSIM clients reported that they had already recommended IM to someone else (37%) or planned to do so in the future (28%). Around one-third of CPSIM clients (34%) indicated that they had not recommended IM to anyone else and did not plan to do so.

Willingness to recommend IM was high among current CPSIM clients, with 41% who had already recommended IM and a further 33% who planned to do so (see Figure 75). Among previous CPSIM clients, one-third of respondents (33%) had recommended IM and 22% planned to do so.

Figure 75: Whether CPSIM clients have or plan to recommend income management
Base: All CPSIM respondents



Source: ORIMA survey of IM clients.

Those respondents who said that they had recommended IM or would do so in the future cited a number of reasons why this was the case. There were three main themes that emerged from the reasons why people had or intended to recommend IM.

- ◆ IM can have a positive impact on people's lives.

“Because it is ten times better now. The bills and rent are looked after and there is less stress when you are on income management.”

“It’s a good thing—people can fill their fridge and cupboards up.”

“If people have an addiction and have kids it helps you. It helps people buy food and things the kids need rather than drugs and grog.”

“It gives you money for things you need like food. You can get a TV, DVDs, toys, clothes—you can get lots of things as long as you have money in your account.”

- ◆ IM helps improve budgeting skills and saving money.

“Because it’s worked for me, and I’m not tempted to go and spend the money.”

“It’s good. You can save money and you’ve got money for food and that. A lot of people should be on income management I think, because they waste their money.”

“To help them save money, so they’ll always have money. When we have cash it touches one hand and goes out the other.”

“Helps you budget instead of wasting money on stuff.”

- ◆ The benefits associated with the BasicsCard.

“Because when some people ask me when I have still got money on Saturday or Sunday, why? I tell them I’ve got it on BasicsCard.”

“Yes, a few friends. They were asking me for money and I just told them I’m on BasicsCard. I told them it was good. The Centrelink mob can help pay your bills instead of doing it yourself and not doing it on time.”

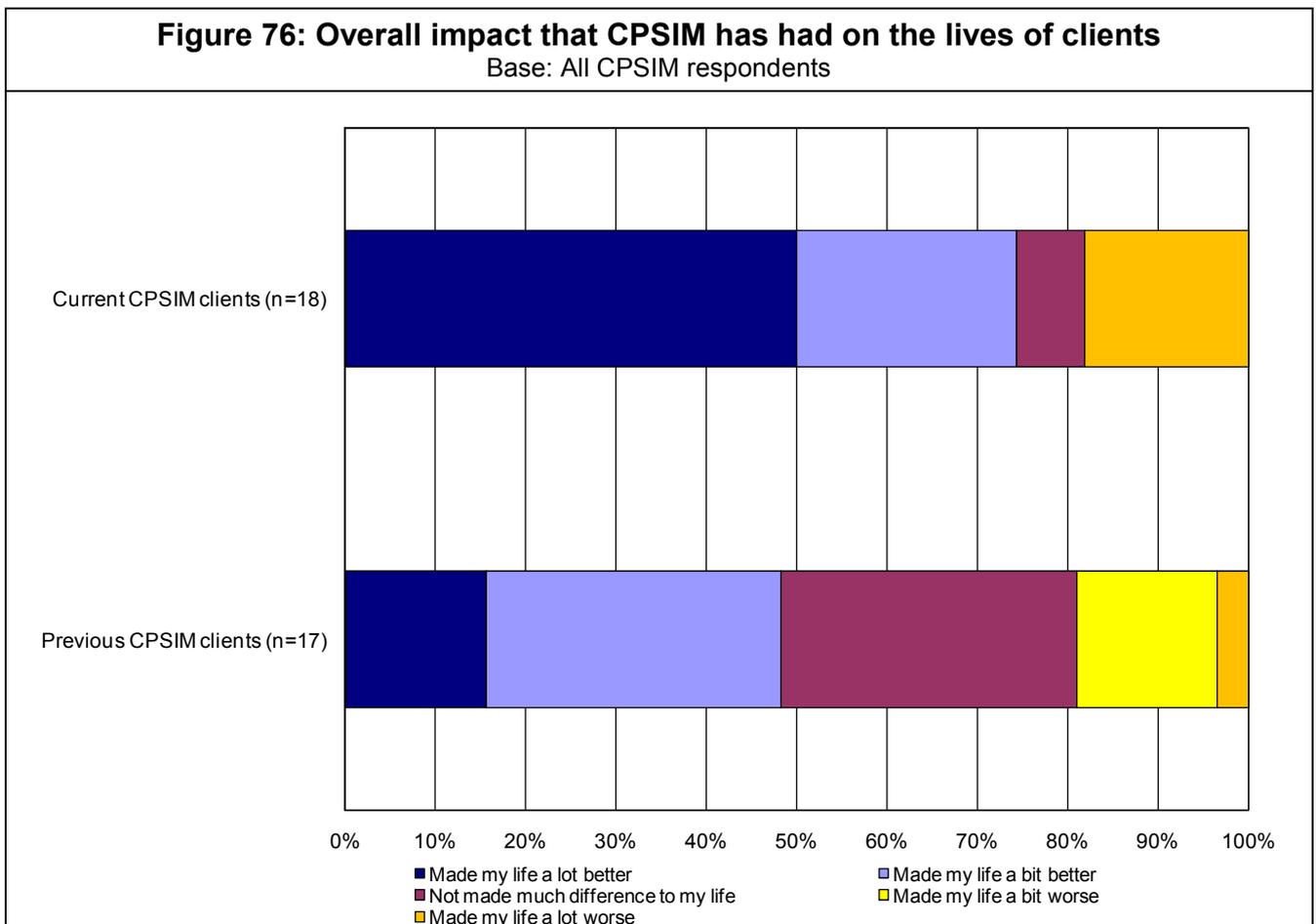
F.2. Overall impact on individuals and families

F.2.1 Impact of CPSIM on clients' lives

Six in ten CPSIM clients thought that IM had made their life better—34% thought it had made their life a lot better and 28% a bit better. One in five CPSIM clients (19%) thought IM had not made much difference to their life, while a similar proportion (19%) thought it had made their life worse (7% thought a bit worse and 11% thought a lot worse). Current CPSIM clients were more positive than previous CPSIM clients about the impact that CPSIM had had on their life (see Figure 76).

- ◆ Around three-quarters of current CPSIM clients thought that IM had made a positive impact on their life—50% a lot better and 24% a bit better.
- ◆ This compares to around half of previous CPSIM clients—16% a lot better and 33% a bit better.

Similar proportions of current and previous CPSIM clients thought that IM had had a negative impact on their life. Around one in five current (18%) and previous (19%) CPSIM clients indicated that IM had made their lives either a bit or a lot worse.



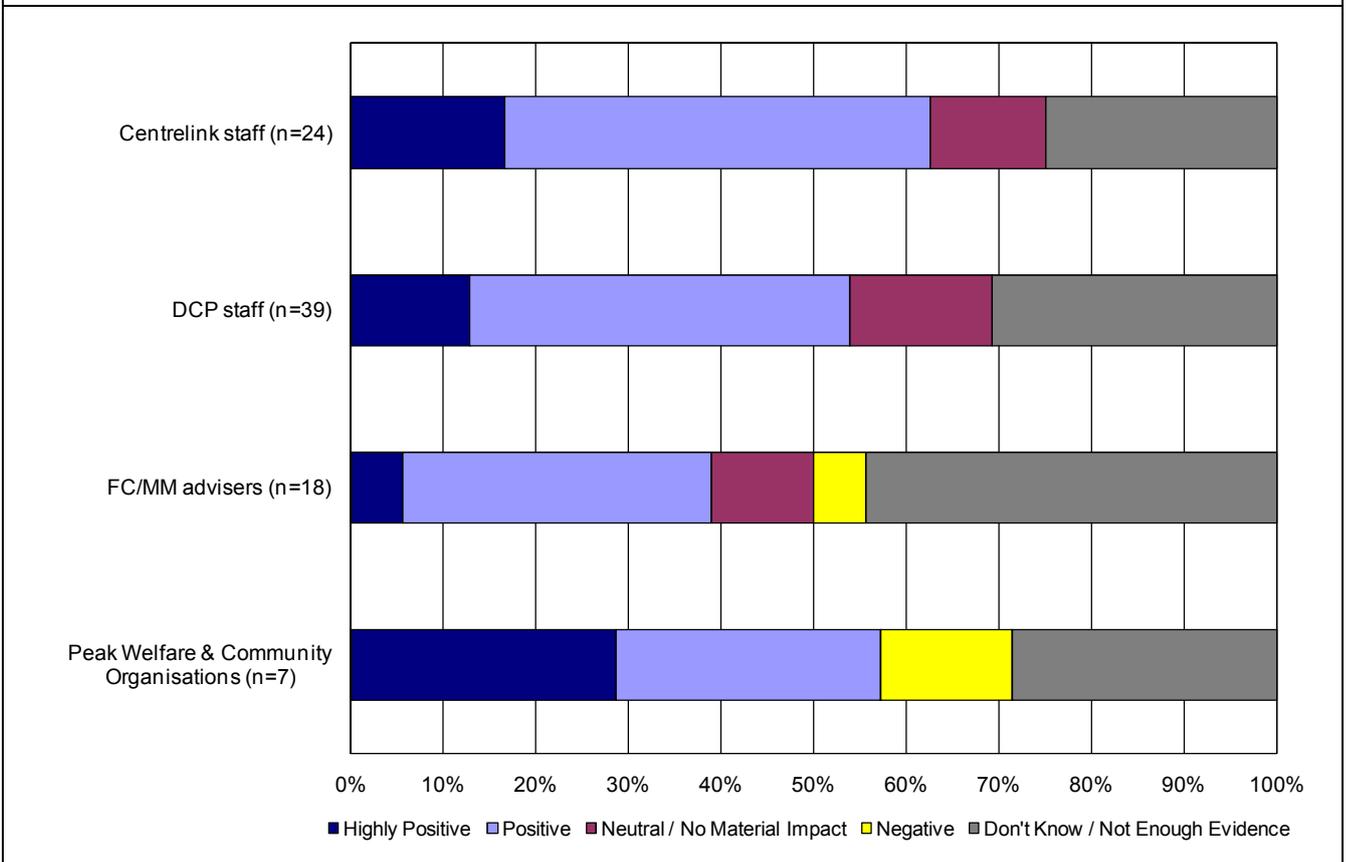
Source: ORIMA survey of IM clients.

F.2.2 Impact of CPSIM on family wellbeing and relationships

Stakeholders were asked to assess the overall impact of CPSIM on family wellbeing and relationships. Respondents across most stakeholder groups tended to either be positive or uncertain as it was too early to assess the impact of CPSIM (see Figure 77).

- ◆ Over half of Centrelink staff (62%), peak welfare and community organisations (57%), and DCP staff (54%) believed that the CPSIM trial had a positive or highly positive impact on family wellbeing and relationships among participants.
- ◆ Across the four groups of stakeholders, moderate proportions of respondents thought that there was not enough evidence to assess the overall impact of CPSIM on family wellbeing and relationships—ranging from 25% of Centrelink staff to 44% of financial counsellors and money management advisers.

Figure 77: Overall impact of CPSIM on family wellbeing and relationships
Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

F.3. Overall impact on children

F.3.1 Clients' views

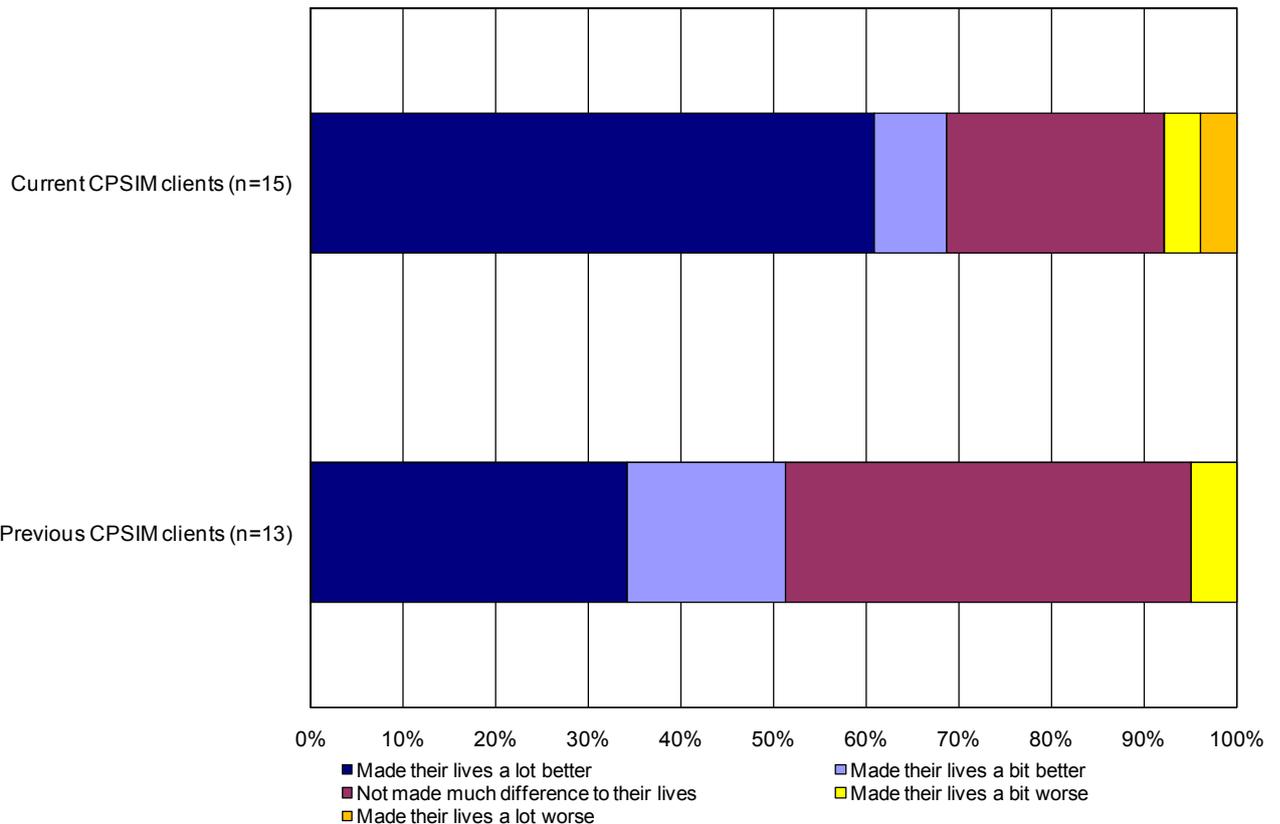
Six in ten CPSIM clients thought that IM had made their children's life better—49% thought it had made their life a lot better and 12% a bit better. Almost one-third of CPSIM clients (33%) thought IM had not made much difference to their children's life, while less than one in ten CPSIM clients (7%) thought that IM had made their children's life worse (4% thought a bit worse and 2% thought a lot worse). Current CPSIM clients were more positive than previous CPSIM clients about the impact that CPSIM had had on their children's life (see Figure 78).

- ◆ Just over two-thirds of current CPSIM clients thought that IM had made a positive impact on their children's life—61% a lot better and 8% a bit better.
- ◆ This compares to around half of previous CPSIM clients—34% a lot better and 17% a bit better.

Moderate proportions of current (24%) and previous (44%) CPSIM clients thought that IM had not made much difference to their children's life.

Figure 78: Overall impact that CPSIM has had on the lives of clients' children

Base: All CPSIM respondents with children



Source: ORIMA survey of IM clients.

F.3.2 Stakeholders' views

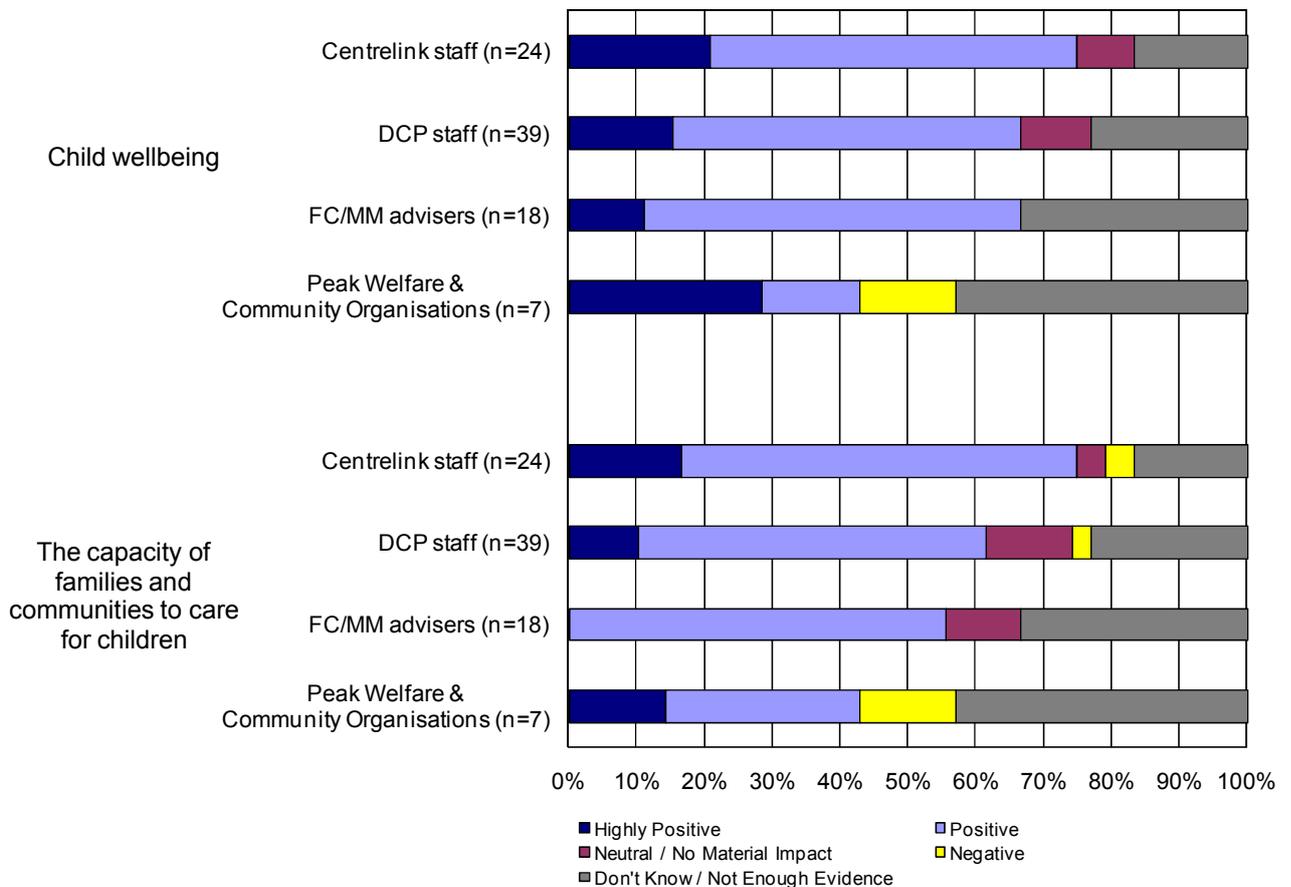
Stakeholders were asked to assess the overall impact of CPSIM on the wellbeing of children and the capacity of families and communities to care for children. Respondents across most stakeholder groups tended to be positive about the impact of CPSIM.

Over two-thirds of Centrelink staff (75%), DCP staff (67%) and financial counsellors and money management advisers (67%) believed that the CPSIM trial had a positive impact on child wellbeing (see Figure 79). Peak welfare and community organisations were less likely to provide a positive response (43%), which was to a large degree offset by 43% of these organisations reporting that they did not yet have enough evidence to make an assessment.

The impact of the CPSIM trial on the capacity of families and communities to care for children was also viewed favourably by key stakeholder groups. Over half of Centrelink staff (75%), DCP staff (61%) and financial counsellors and money management advisers (56%) thought that CPSIM had a positive impact in this area. Once again, peak welfare and community organisations were least likely to report a positive response (43%), with a similar proportion of these organisations reporting that they did not yet have enough evidence to make an assessment.

Figure 79: Overall impact of CPSIM on the wellbeing of children and the capacity of families and communities to care for children

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

F.4. Longer-term impacts

F.4.1 Maximising the likelihood of positive outcomes

Centrelink staff, DCP staff, financial counsellors, money management advisers and peak welfare and community organisations thought that there were a number of positive outcomes from CPSIM that had yet to emerge. They also provided suggestions about ways to increase the likelihood of CPSIM having longer-term positive outcomes. Across these four groups of respondents, similar themes were evident in terms of the positive outcomes of CPSIM yet to emerge and the ways to maximise the likelihood of these outcomes occurring.

The three most commonly reported positive outcomes that had not yet emerged from CPSIM, were:

- ◆ Improved financial management skills.

“If parents can learn to manage their finances better, they will hopefully pass this skill onto their children.” [Centrelink staff member]

“People learning to save their money and spend it on things for their homes and children.” [DCP staff member]

“Greater ability to manage finances through generations as they are better educated on this.” [DCP staff member]

- ◆ Enabling parents to better meet their children’s needs.

“Reunification of children with their family following them being in the care of the State. Better nourished children and more regular school attendance; reduction in anti-social behaviour and substance abuse.” [Centrelink staff member]

“Long term stable accommodation. Children able to attend school. Children being fed and clothed and getting medical attention that was previously neglected.” [Centrelink staff member]

“Not so many children in care as they either have reunification or they don’t go into care because the parents are trying and working with agencies to achieve change for the future...We are currently seeing the start of better, healthier shopping habits and less take away. I think that will increase.” [Financial counsellor or money management adviser]

- ◆ Improved school attendance by children from income managed families.

“More children attending school, clothed and fed and not having to worry about not having lunch.” [Centrelink staff member]

“Should get more positive results from the schools further down the track although it may be hard to monitor as the school may not know they are CPSIM.” [Financial counsellor or money management adviser]

The two most commonly cited ways to maximise the likelihood and value of longer-term positive outcomes of CPSIM were:

- ◆ Increased and better case management, including better communication between the client, Centrelink and DCP.
 - “Regular access to IM team and financial counsellors, positive encouragement.” [Centrelink staff member]*
 - “DCP needs to work closer with Centrelink and the at risk families before revoking them to find out the real reasons why a customer wants to come off IM rather than just getting their side of the story.” [Centrelink staff member]*
 - “Constant follow-up with clients, seeking their feedback.” [Financial counsellor or money management adviser]*
- ◆ Ongoing and more readily available financial counselling and other support services.
 - “More referrals to agencies such as ours that can provide information and assist with understanding of why they are on CPSIM and explain the benefits.” [Financial counsellor or money management adviser]*
 - “That clients need to have financial counselling, especially prior to coming off IM as they will not have the skills to manage their money as IM manages the money for them.” [DCP staff member]*
 - “Continue to teach money management, work toward ensuring communities have access to good food and housing are well governed and that jobs are available for those who live in the community.” [DCP staff member]*
 - “Better access to and uptake of quality financial education for CPSIM customers.” [Centrelink staff member]*

F.4.2 Minimising the likelihood of negative outcomes

Centrelink staff, DCP staff, financial counsellors, money management advisers and peak welfare and community organisations thought that there were some negative outcomes from CPSIM that had yet to emerge. They also provided suggestions about ways to decrease the likelihood of CPSIM having longer-term negative outcomes. Across these four groups of respondents, similar themes were evident in terms of the negative outcomes of CPSIM yet to emerge. There was, however, some variation across these groups in the ideas they had about how to minimise the likelihood of these negative outcomes occurring.

The most commonly reported negative outcome that had not yet emerged from CPSIM, was that CPSIM clients might become dependent on the system and not be able to manage their finances without remaining on IM.

- “There is the potential, especially if CPSIM customers do not engage in financial counselling, of some customers relying on Centrelink to pay their bills and not developing the skills and discipline to do this themselves.” [Centrelink staff member]*
- “Wait and see—possible dependency on the system even more???” [DCP staff member]*
- “If clients don’t actively engage in all aspects for example financial counselling then when they are no longer on CPSIM they may fall back into an old routine.” [Financial counsellor or money management adviser]*

Additionally, DCP staff suggested that there was a risk that misuse of the BasicsCard would occur, which would enable CPSIM clients to purchase drugs/alcohol.

“People will find ways to still purchase alcohol and drugs by trading the basic cards, also people will get into debt by borrowing money from family or borrowing agencies with high interest rates.”

“Potential for no change as families find alternative ways to access alcohol, misuse Basic cards etc.”

DCP staff and financial counsellors and money management advisers most commonly reported that more and improved communication and consultation with CPSIM clients would minimise the likelihood and cost of longer term negative outcomes of CPSIM.

“Provide more education/workshops with outcomes that must be demonstrated. Remember ‘Give a person a fish and they’ll have a meal, but Teach a person to fish and they’ll have meals for the rest of their life’.” [DCP staff member]

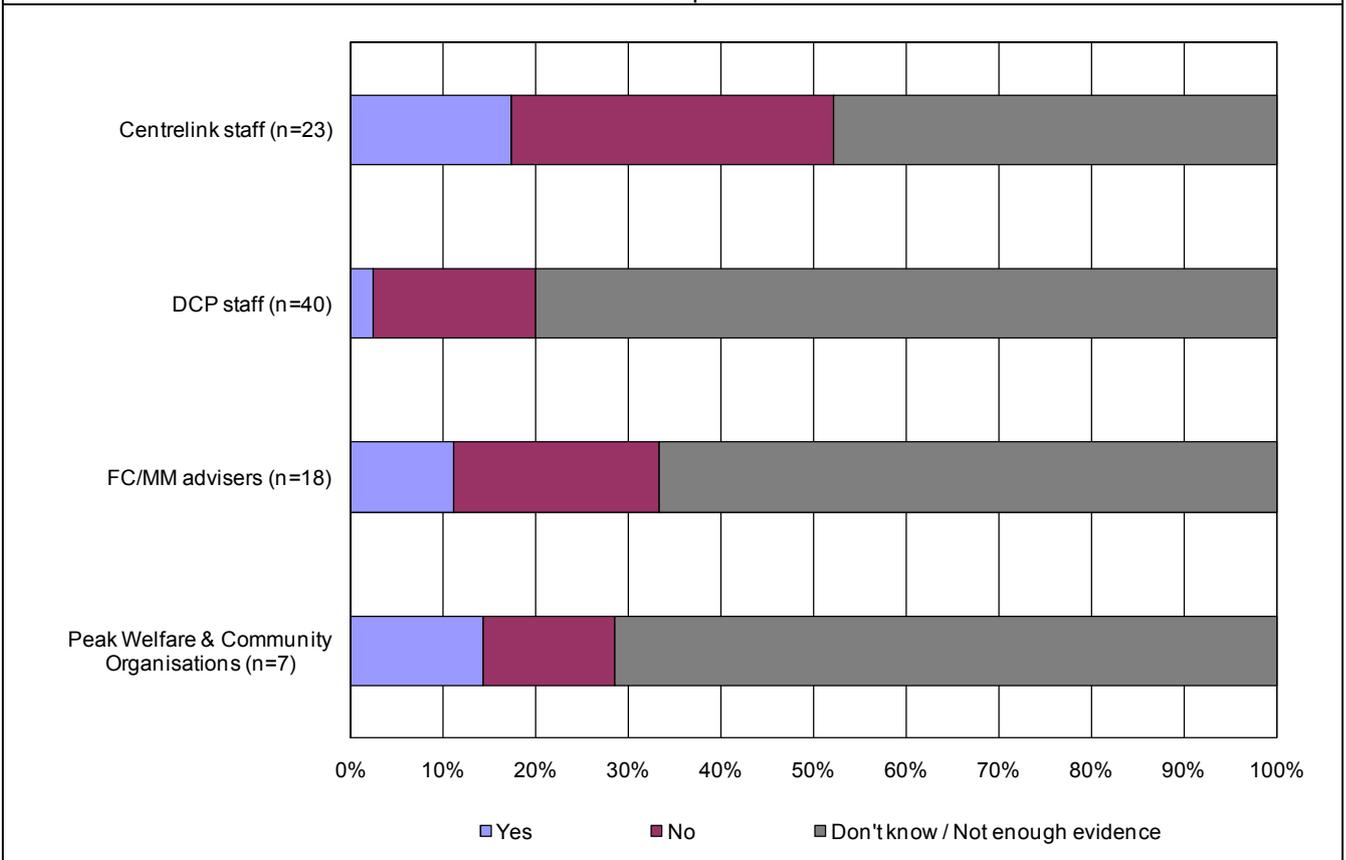
“More inclusion and information and proceed from known to unknown-meet and yarn about CPSIM.” [DCP staff member]

F.5. Other factors impacting on CPSIM

Relatively few respondents across each of the stakeholder groups believed that the effectiveness of the CPSIM trial had been affected by developments external to the program during its implementation (see Figure 80). The proportion of respondents who thought that the CPSIM trial had been affected by external developments ranged from 3% for DCP staff to 17% for Centrelink staff.

Figure 80: Impact of any developments external to CPSIM during the course of implementation

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

Given that very few respondents believed that the CPSIM trial had been affected by external developments, very few factors were nominated by respondents. An example of an external factor that Centrelink staff thought had impacted on CPSIM was:

“Negative publicity from the NT has made people very cautious of the program.”

V. Voluntary Income Management (VIM)

A. About this chapter

This chapter examines various aspects relating to Voluntary Income Management (VIM). It starts by outlining the demographic and other characteristics of clients who have participated in VIM. This is followed by a discussion about the implementation and operation of VIM. The final sections in this chapter consider the impacts of VIM in three key areas:

- ◆ financial capabilities and practices;
- ◆ child, family and community wellbeing; and
- ◆ the overall impact of the program.

This chapter draws on data collected through ORIMA surveys with various stakeholder groups (including VIM clients), focus group and interview discussions with community leaders and administrative data provided by financial counselling and money management providers and Centrelink.

B. Client characteristics

This section considers the demographic and other characteristics of clients who have participated in VIM.

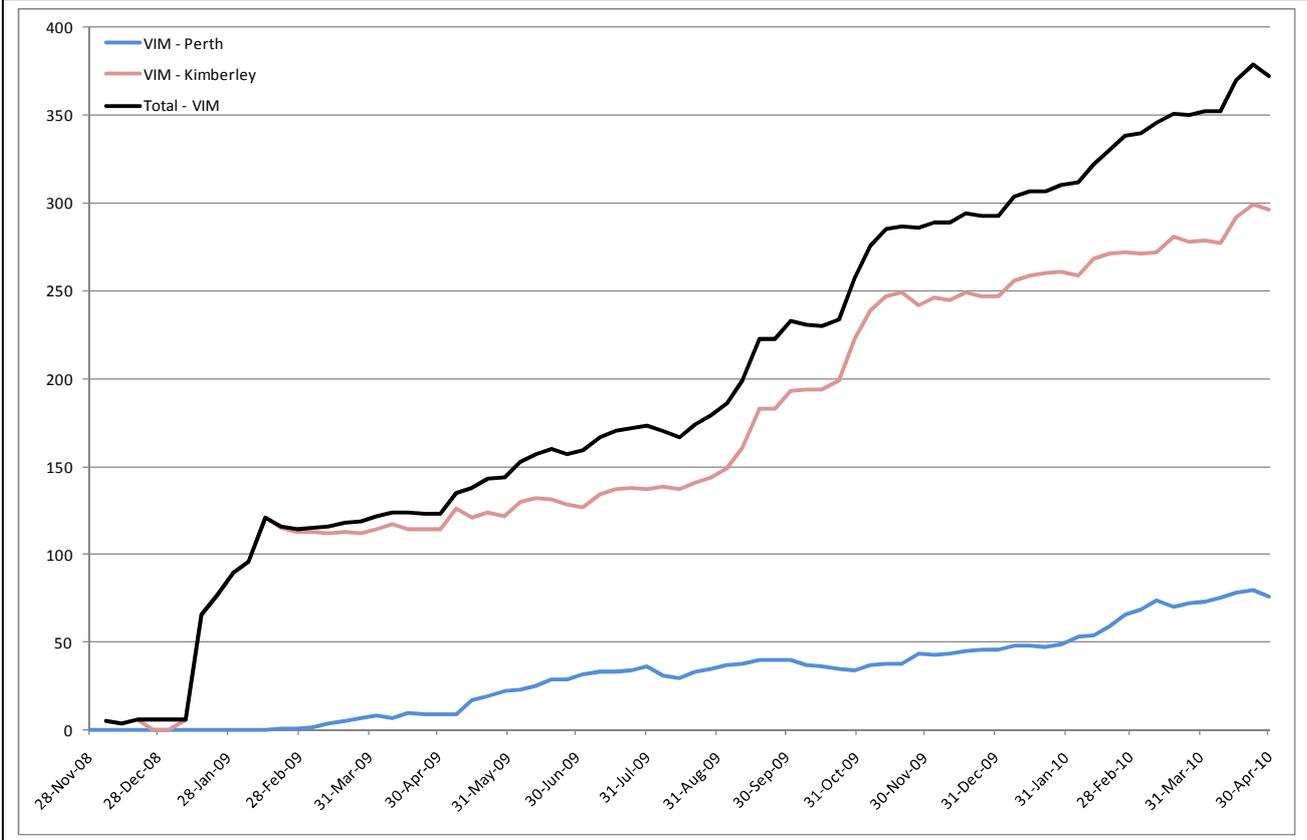
B.1. Overall number of clients—historical

At 30 April 2010, there were 372 Centrelink clients who were on VIM in WA (see Figure 81). In January 2009 there was a sharp rise in the number of VIM clients—this was driven by more than 100 commencements in the Kimberley region. This was followed by a generally steady increase in the number of VIM clients.

The number of VIM clients also grew strongly in August and November 2009. Once again this was driven by commencements in the Kimberley region.

Eight in ten VIM clients (80%) at 30 April 2010 were located in the Kimberley region. Since January 2009, there have been substantially more clients on VIM in the Kimberley region than in Perth.

**Figure 81: Number of VIM clients by location—week ending
28 November 2008 to 30 April 2010**



Source: Centrelink administrative data as at 30 April 2010.

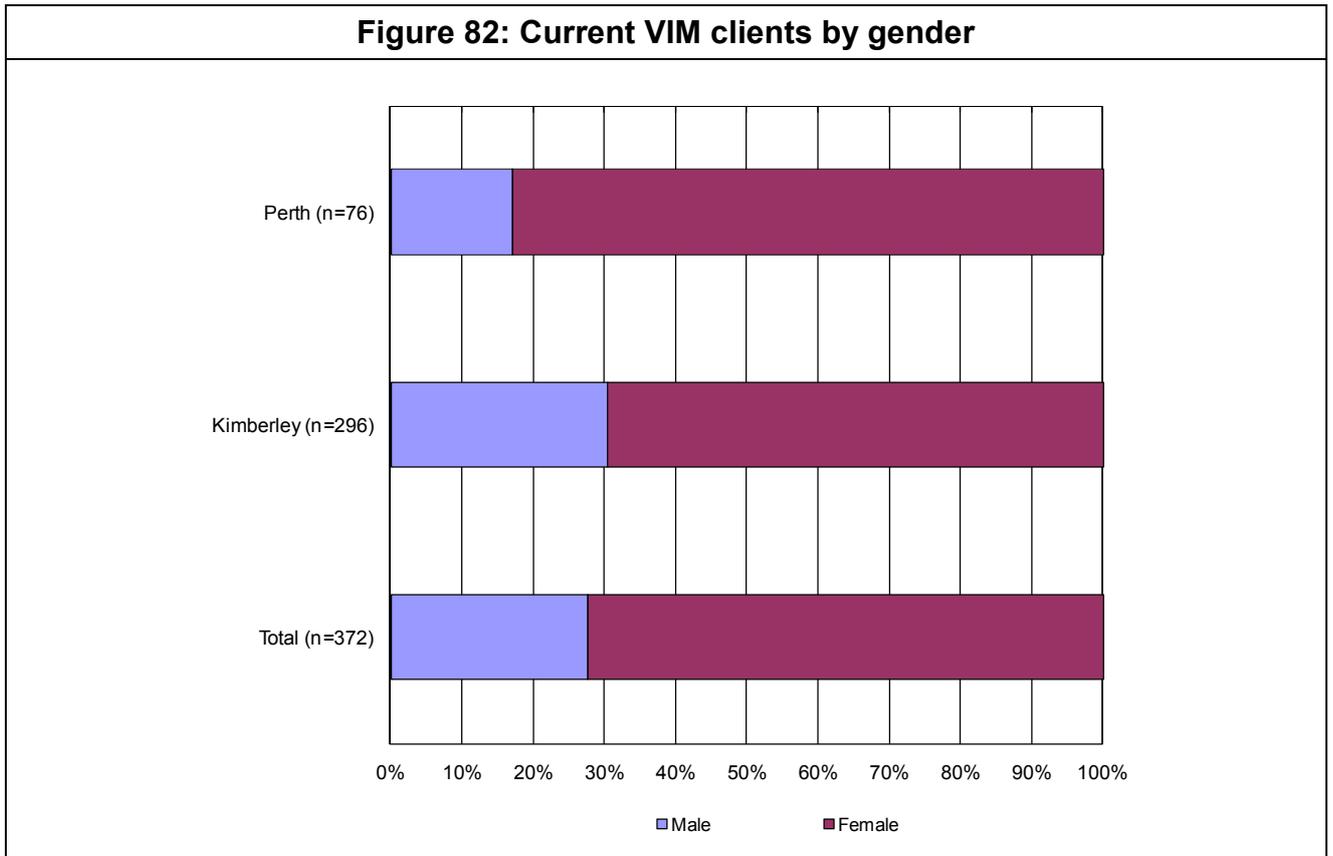
B.2. Location

Centrelink administrative data showed that, at 30 April 2010, there were 372 clients currently on VIM—eight in ten clients (80%) lived in the Kimberley region.

B.3. Gender

Figure 82 shows that, at 30 April 2010, just under three-quarters (72%) of current VIM clients were female.

- ◆ Clients living in Perth were more likely to be female (83% compared to 70% of clients living in the Kimberley region).

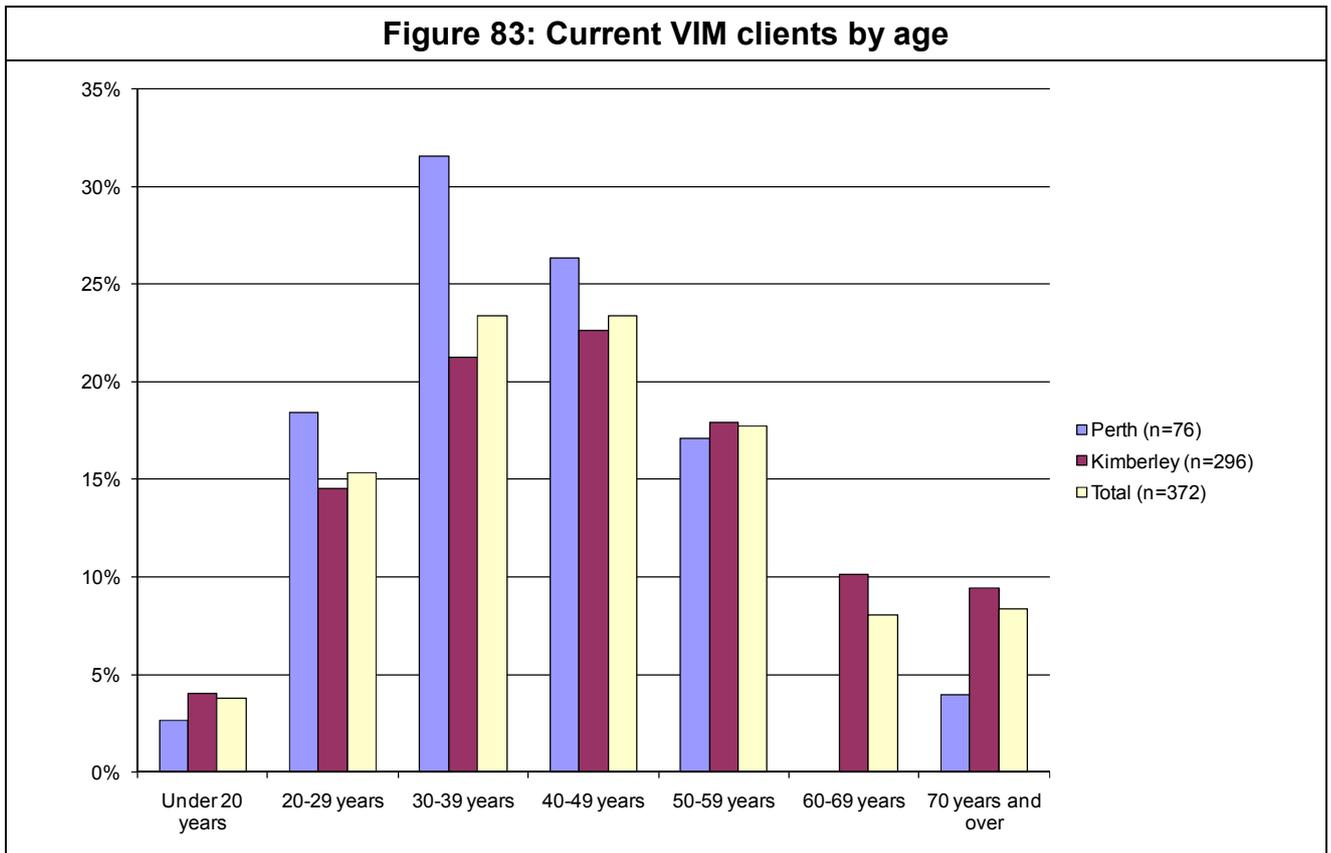


Source: Centrelink Administrative data as at 30 April 2010.

B.4. Age

Figure 83 shows the age profile of current VIM clients, with clients most likely to be aged between 30 and 39 years (23%) and 40 and 49 years of age (23%).

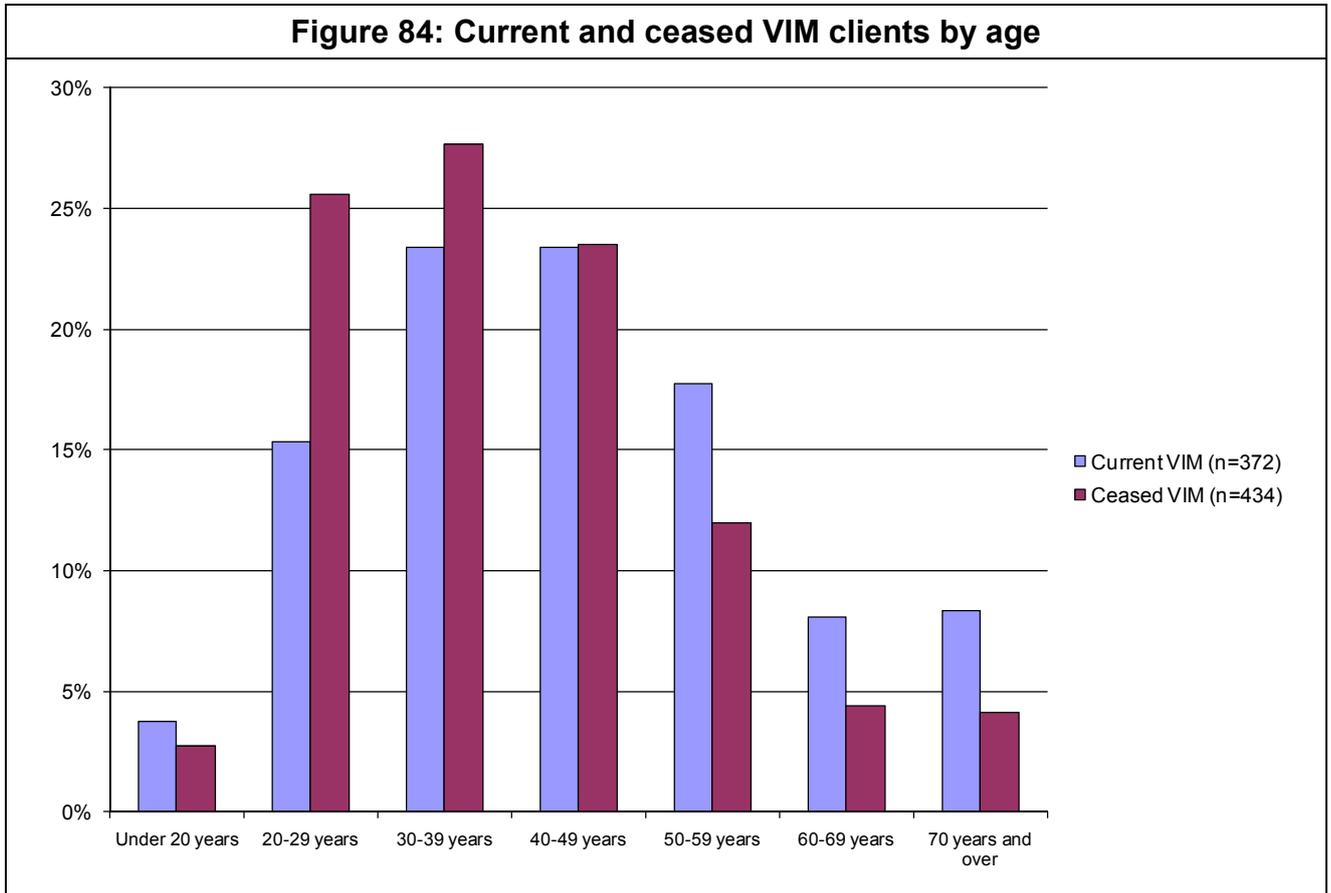
- ◆ Clients in the Kimberley tended to have an older age profile than those in Perth, with 20% aged 60 years and over (compared to just 4% of clients from Perth).
- ◆ Clients from Perth were most likely to be aged between 30 and 39 years (32%).



Source: Centrelink Administrative data as at 30 April 2010.

Figure 84 compares the age profile of current VIM clients with that of ceased VIM clients. These data indicate that younger clients tended to be more likely to exit the program.

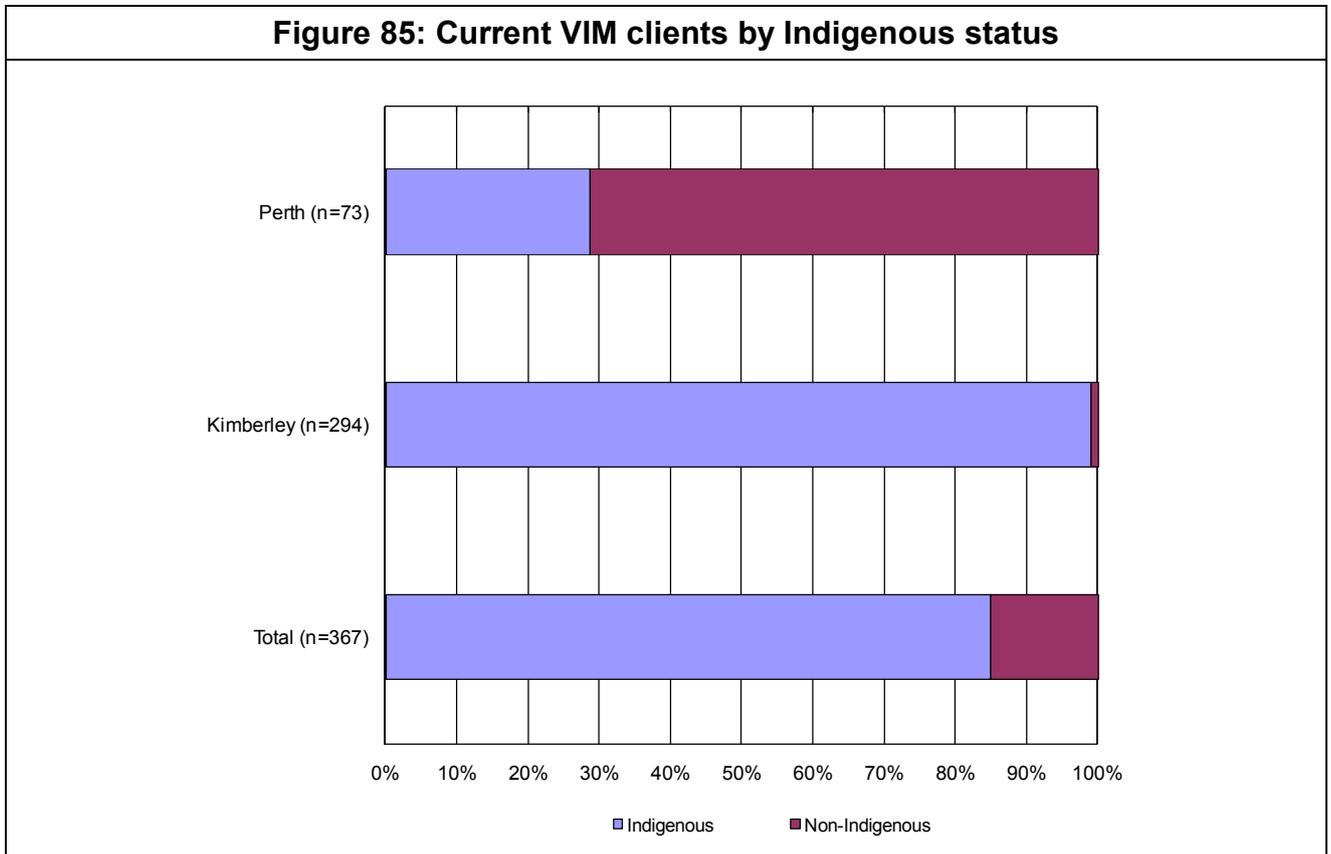
- ◆ Just over one-quarter of ceased clients (26%) were aged between 20 and 29 years of age, compared to 15% of current clients.
- ◆ Ceased clients were also less likely to be aged 50 years and over (21%, compared to 34% of current clients).



Source: Centrelink Administrative data as at 30 April 2010.

B.5. Indigenous status

Figure 85 shows that more than four in five current VIM clients were Indigenous (85%). However, the proportion of Indigenous clients varied substantially by location. Almost all clients in the Kimberley region were Indigenous (99%) compared with less than one-third of clients in Perth (29%).

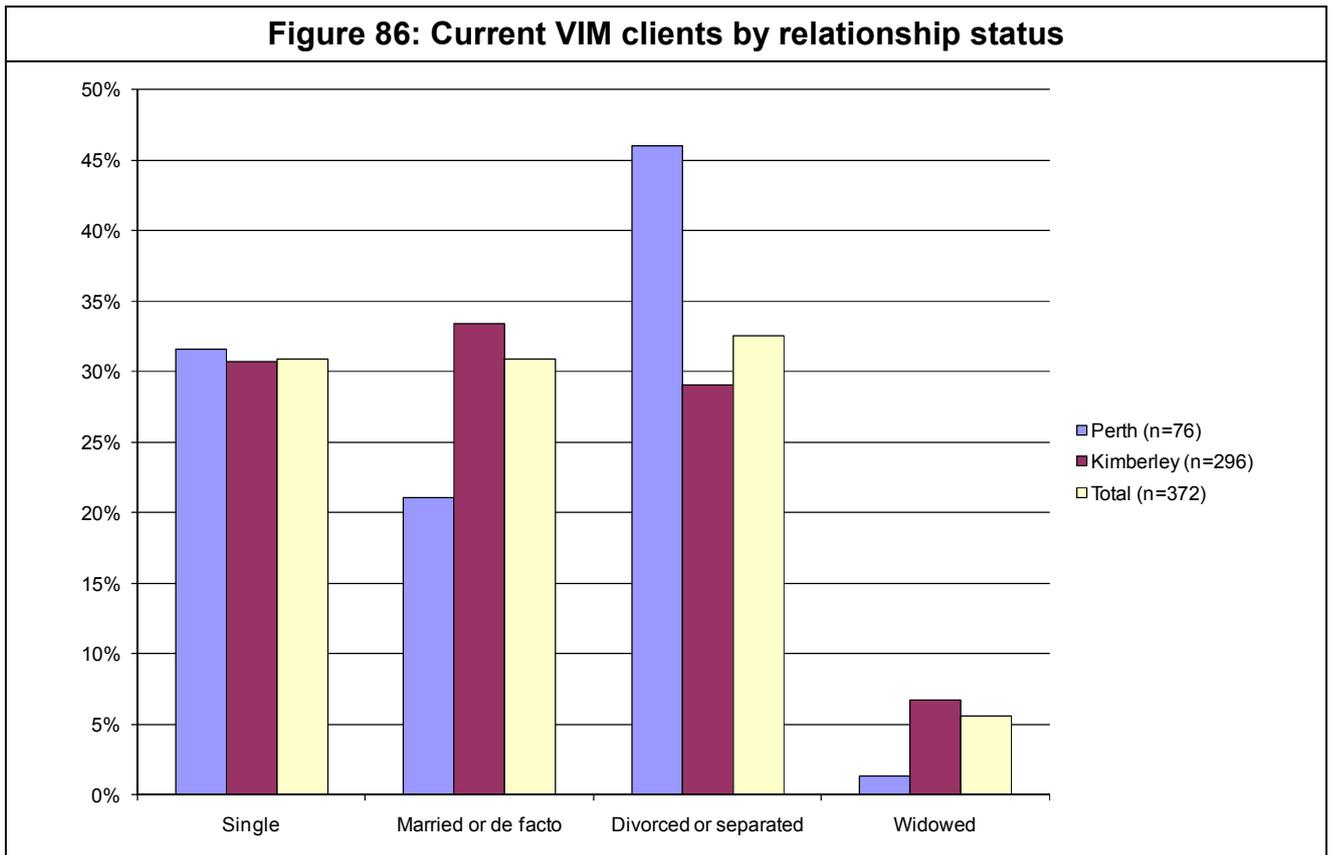


Source: Centrelink Administrative data as at 30 April 2010.

B.6. Relationship status

Similar proportions of current VIM clients were single, married or in a de facto relationship or divorced or separated (around one-third each). Far fewer clients were widowed (6%) (see Figure 86).

- ◆ The main difference between locations was that clients in Perth were much more likely to be divorced or separated (46%) than they were to be married or in a de facto relationship (21%).



Source: Centrelink Administrative data as at 30 April 2010.

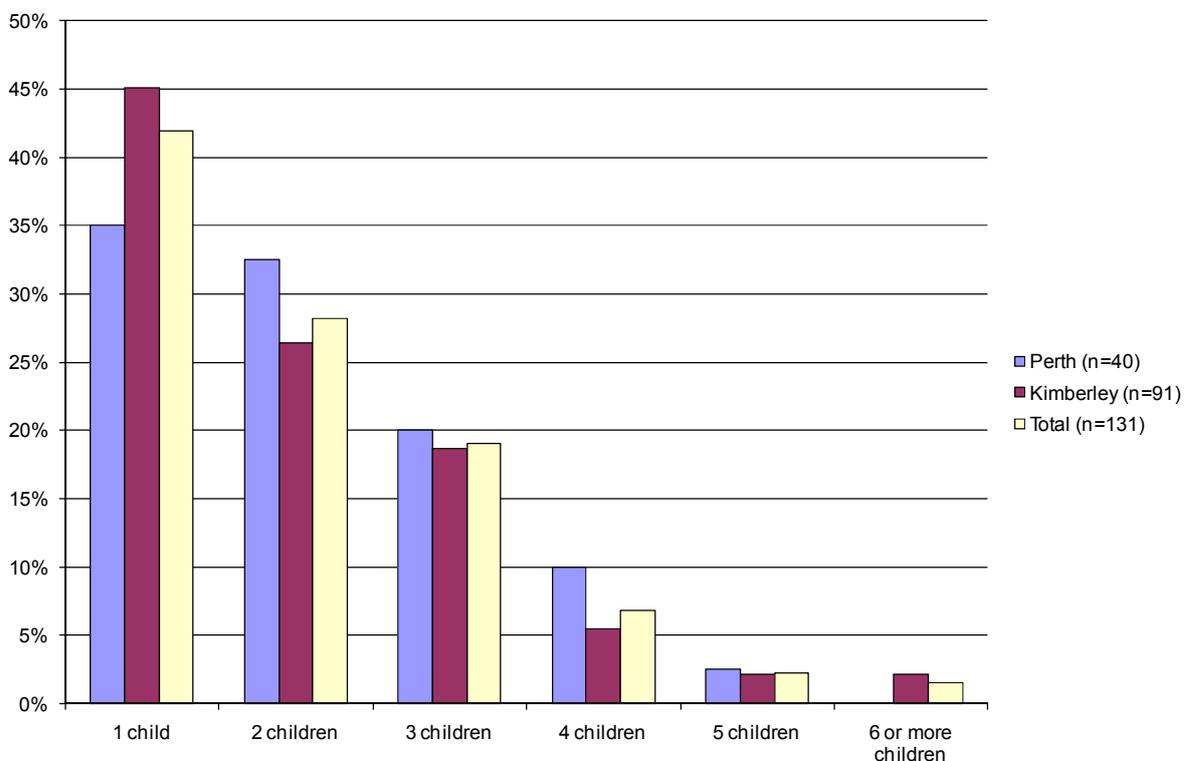
B.7. Number of dependent children

Centrelink administrative data revealed that just over one-third of all current VIM clients (35%) were receiving Family Tax Benefit (FTB) Part A or B. Clients in Perth (53%) were more likely than those in the Kimberley (31%) to be receiving FTB.

Around four in ten VIM clients who received FTB (42%) had only one dependent child. A further 28% of clients had two dependent children and 19% had three dependent children. The number of dependent children, however, varied by location (see Figure 87).

- ◆ Clients in the Kimberley (45%) were more likely than clients in Perth (35%) to have only one dependent child.

Figure 87: Current VIM clients receiving FTB by number of dependent children



Source: Centrelink Administrative data as at 30 April 2010.

Note: Data was missing for the 241 current VIM clients that do not receive Family Tax Benefit Part A or B.

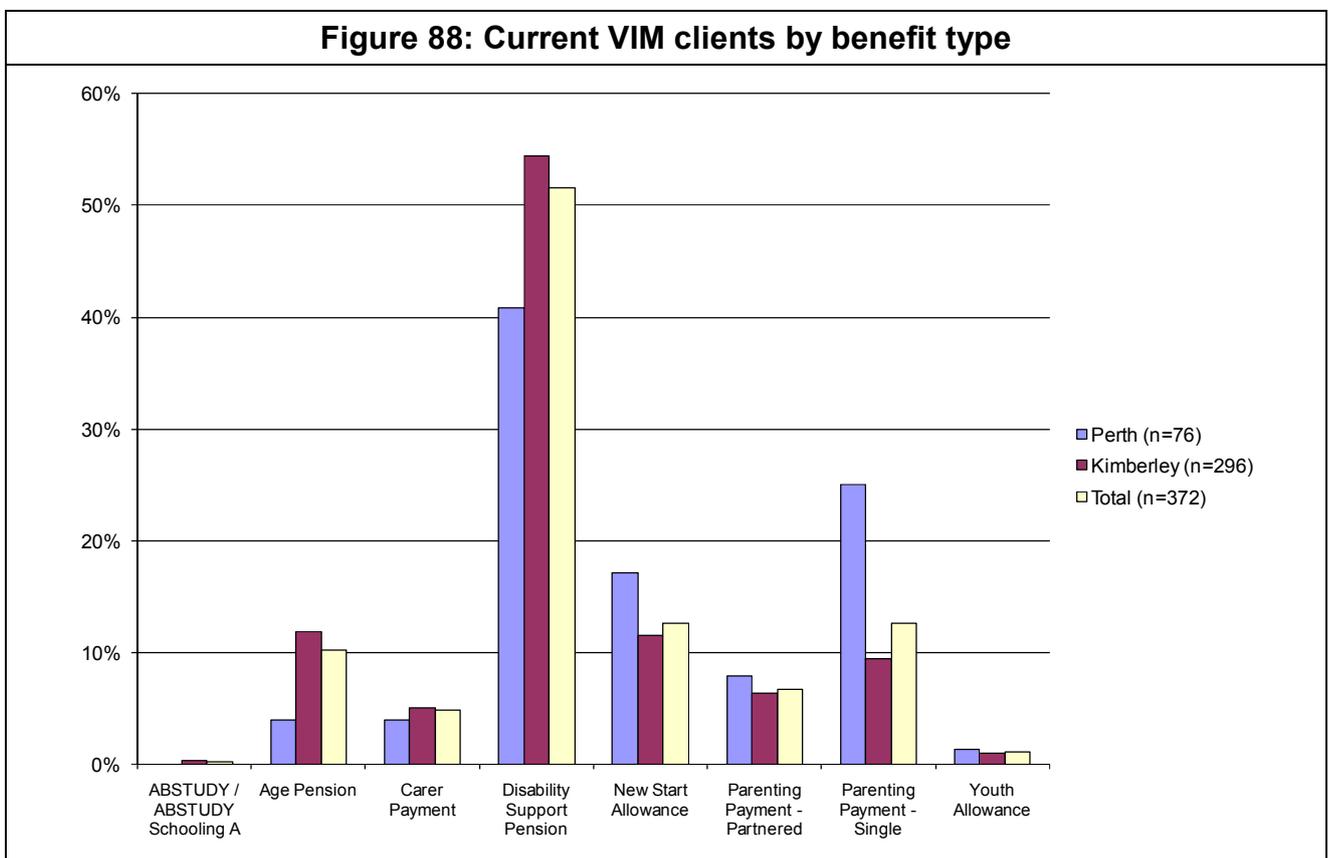
B.8. Benefit type

Over half of all current VIM clients (52%) were receiving Disability Support Pension (DSP). The other income support payments that VIM clients were most likely to receive were:

- ◆ Newstart Allowance (13%);
- ◆ Parenting Payment—Single (PPS) (13%); and
- ◆ Age Pension (10%).

The type of payments current VIM clients received varied by location (see Figure 88).

- ◆ Clients in Perth were more than twice as likely as clients in the Kimberley to receive PPS (25% and 9% respectively).
- ◆ Clients in the Kimberley region were more likely than clients in Perth to receive DSP (54% and 41% respectively).



Source: Centrelink Administrative data as at 30 April 2010.

C. Implementation and operation of VIM

This section considers the implementation and operation of VIM. The section covers various issues including various stakeholders’ understanding of VIM, the effectiveness of communication and improving acceptance, the length of time clients were on VIM and the numbers of times they were on IM.

C.1. Understanding of processes

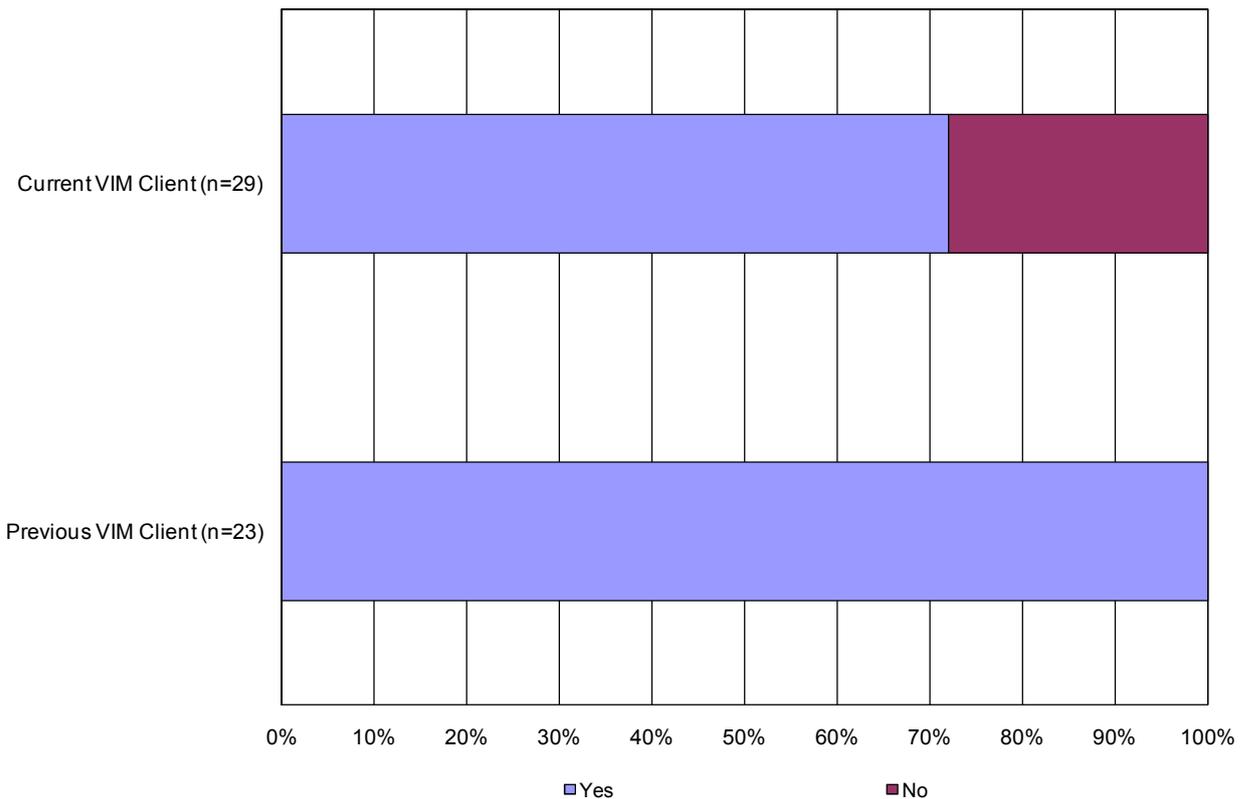
C.1.1 Level of client understanding

C.1.1.1 Clients’ understanding of why they were going on income management

The survey of IM clients found that more than four in five VIM clients (84%) understood why they were commencing IM after their initial IM interview with a Centrelink officer. Previous VIM clients (100%) were more likely than current VIM clients (72%) to report that this was the case (see Figure 89). This high level of reported understanding about VIM is likely to have reflected the voluntary nature of the program.

Figure 89: Whether clients understood why they were commencing on income management based on meeting with Centrelink officer

Base: All VIM respondents



Source: ORIMA survey of IM clients.

C.1.1.2 Clients’ understanding of other aspects of VIM

VIM respondents were also asked about their level of understanding about other aspects of the program following their initial interview with Centrelink. Their levels of understanding varied for different aspects of the program, with respondents most likely to report that they knew how IM would work (82%). Smaller proportions of respondents indicated that they knew they could:

- ◆ change the allocations of their income managed money (58%); and/or
- ◆ access free financial counselling (44%).

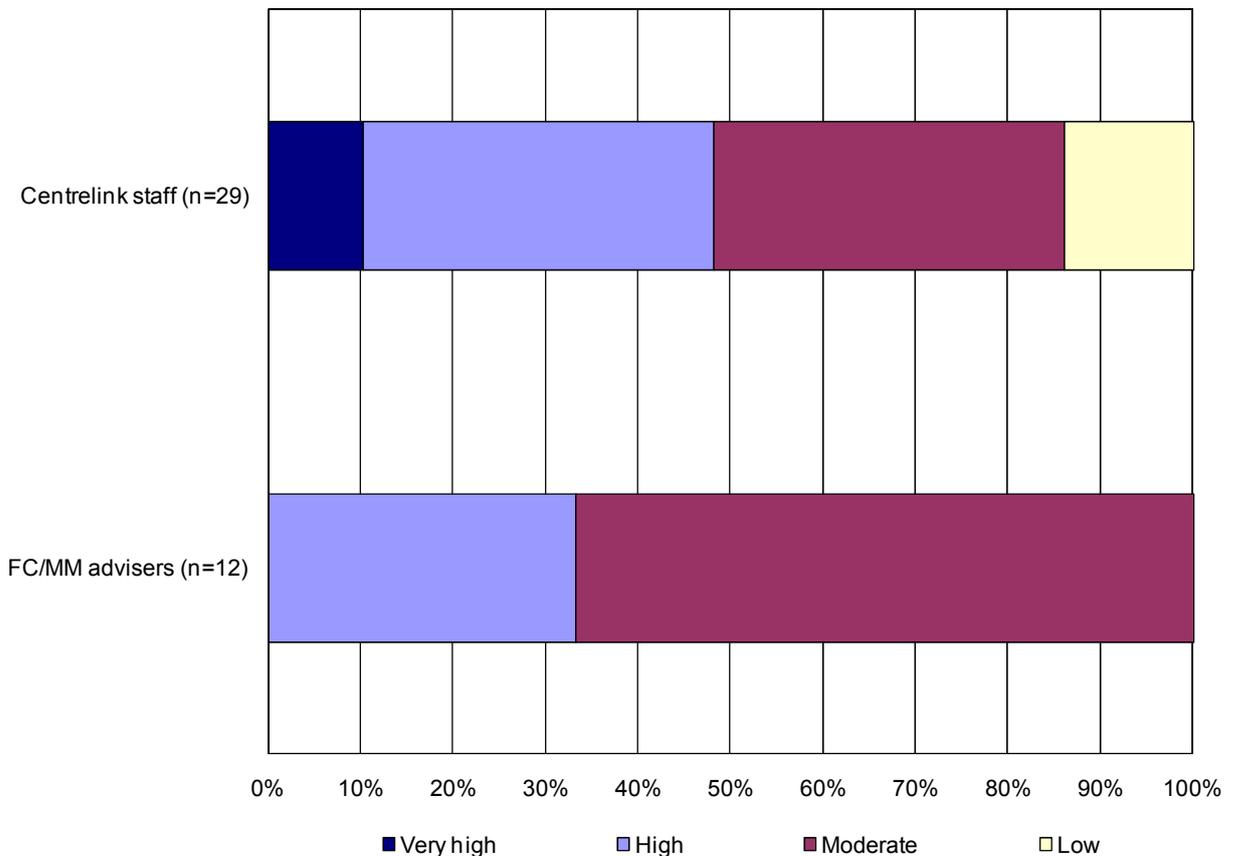
C.1.1.3 Stakeholders’ assessment of clients’ understanding of VIM

Stakeholders generally believed that VIM clients had moderate to high levels of understanding about the VIM measure (see Figure 90).

- ◆ 38% of Centrelink staff and 67% of financial counsellors and money management advisers rated clients’ understanding as moderate.
- ◆ 48% of Centrelink staff and 33% of financial counsellors and money management advisers rated clients’ understanding as high.

Figure 90: Assessment of VIM clients’ understanding of VIM measure

Base: All respondents



Source: ORIMA survey of Centrelink staff and FC/MM advisers.

When these stakeholders were asked to provide suggestions on how the process of informing clients about the VIM measure could be improved a number of suggestions were provided. One common area identified by both Centrelink staff and financial counsellors and money management advisers was improving communication with clients:

“Going out to the community and doing a workshop with VIM customers.” [Centrelink staff member]

“There should be some time taken through somebody like Strong Families, together with a financial counsellor to explain the issues with the participants and make sure that there is a suitable budget put in place.” [Financial counsellor or money management adviser]

“Sitting with participants and explaining to them at the level they understand.” [Financial counsellor or money management adviser]

In addition, Centrelink staff suggested providing more information and training for staff members.

“It’s all about training.”

“More training for staff in soft skills (i.e. how to have the conversation) and practical skills (understanding of the concept of VIM, how it evolved and how to ensure that the customer receives the benefits of VIM when applied properly).”

“Training provided to organisation and both non Centrelink and Centrelink staff on the benefits of VIM.”

Moreover, financial counsellors and money management advisers commonly suggested that marketing initiatives could be used to greater effect.

“Intensive campaigning through the media, highlighting the positive aspects of VIM, make it available to all low income families, normalise VIM so people can join without feeling like they are being stigmatised.”

“Organisations like ours can add information to our newsletter and website. We can inform all eligible clients of the benefits.”

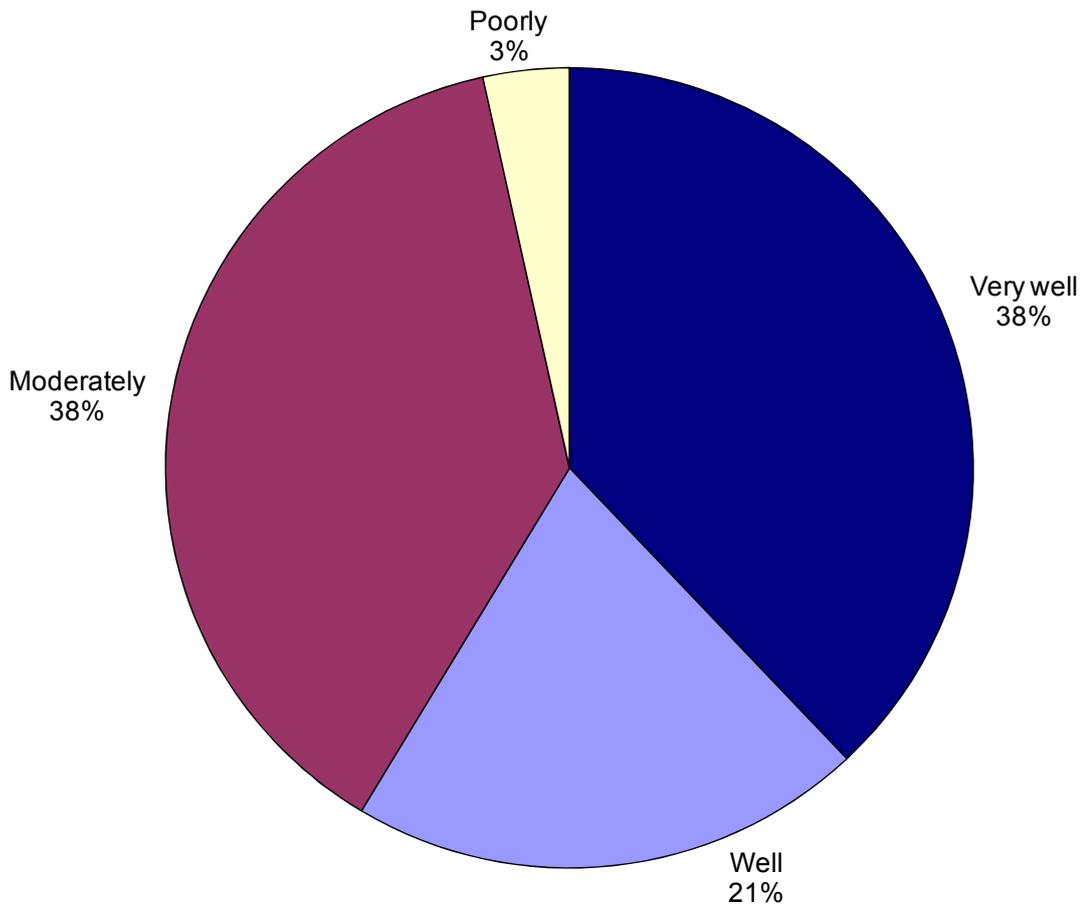
“Postcards and flyers that are easy to understand and catch the idea, highlight it as a good idea of the person taking control. It should not be seen as income managed by Centrelink but by the client managing their income through Centrelink and financial counselling—there is a big difference.”

C.1.1.4 Stakeholders' assessment of how well clients had been informed about the purpose and nature of VIM

Centrelink staff were also asked to rate the extent to which VIM clients had been informed by Centrelink about the purpose and nature (e.g. key features, benefits, rights and responsibilities) of VIM. Almost six in ten respondents (59%) believed clients had been informed either well or very well, with a further 38% providing a moderate rating (see Figure 91).

Figure 91: Extent VIM clients informed about purpose and nature of VIM by Centrelink

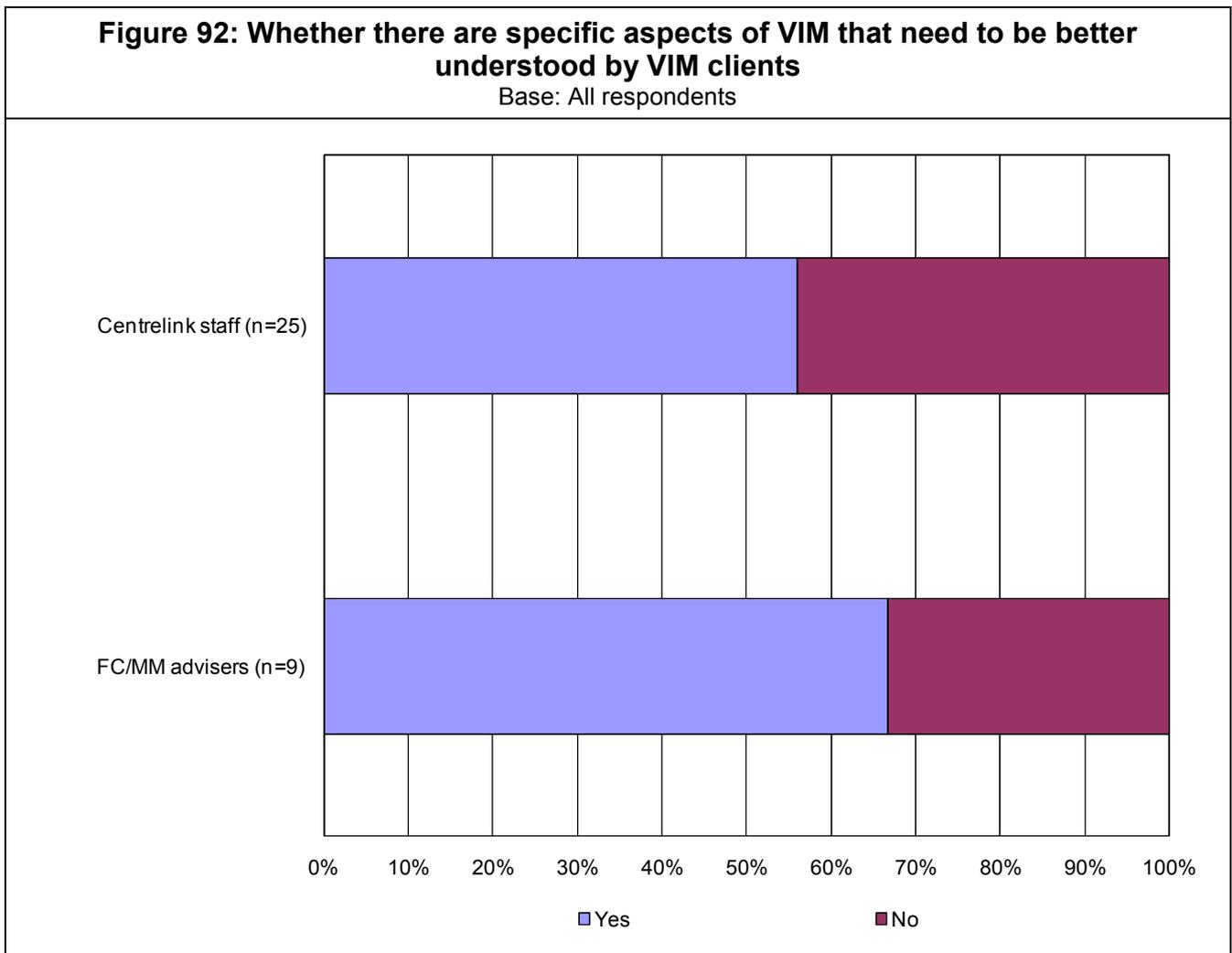
Base: All respondents (n=29)



Source: ORIMA survey of Centrelink staff.

C.1.1.5 Stakeholders' assessment of whether there are any aspects of VIM that could be better understood by clients

As shown in Figure 92, over half of Centrelink staff (56%) and financial counsellors/ money management advisers (67%) thought that there were specific aspects of VIM that could be better understood by clients.



Source: ORIMA survey of Centrelink staff and FC/MM advisers.

When asked about which aspects of VIM needed to be better understood by VIM clients, stakeholders provided a number of suggestions. The two main themes that emerged from these suggestions were:

- ◆ Clients need to better understand how the different aspects of VIM work.

“That they can use their VIM funds for anything except prohibited items and by several means of payment, not just with the BasicsCard. The savings they can accrue with VIM.” [Centrelink staff member]

“How it works, what the BasicsCard is for. How Income Management will assist them to budget their income.” [Centrelink staff member]

“The allocation of expenses.” [Centrelink staff member]

“Some VIM customers appear to forget that lump sum and arrears payments are 100% income managed, even though they are told at the initial interview (too much information initially perhaps?). This can cause a shock for the customer when this occurs.”
[Centrelink staff member]

“How it helps to budget money, how to access kitty money.” [Financial counsellor or money management adviser]

“They need to understand their responsibilities and the benefits of adhering to it over time to enjoy those benefits.” [Financial counsellor or money management adviser]

- ◆ To provide information to correct negative ‘myths’ about VIM.

“That customers do not lose money, they just have a percentage managed to help pay bills.” [Centrelink staff member]

“To dispel the lie that it ‘robs’ people’s money.” [Financial counsellor or money management adviser]

“It is not just for people out of control with their finances but people that would like to control their finances better and achieve financial management and financial goals. That WA is different than the NT, as it all seems to be linked with negative reports.” [Financial counsellor or money management adviser]

In addition, financial counsellors and money management advisers thought that clients needed to be better informed about how financial management services could help them.

“How a holistic approach through financial counselling and other services the agency may offer could assist with the whole process.”

“The degree to which they can be helped if they accept referrals to financial services that have counselling and advocacy services in place as well as money issues.”

When asked how best to inform VIM clients about the information gaps they identified above, stakeholders outlined a range of suggestions, from which two main themes emerged.

- ◆ Personal interaction with clients.

“Small group sessions.” [Centrelink staff member]

“Having this personally explained to people and have questions and answer time.”
[Financial counsellor or money management adviser]

“By having a meeting with them or with others that can support them during this time. I'd suggest Strong Families and for the participants to be encouraged to continue to come back for basic budget training.” [Financial counsellor or money management adviser]

- ◆ Greater use of pictures or audio communications.

“Informing them with flyers and brochures...” [Centrelink staff member]

“Visual allocation of their payment (often older children assist with reading this information).” [Centrelink staff member]

“Pamphlets, postcards, catchy flyers, rather than the information that first came out which was four A4 pages of writing.” [Financial counsellor or money management adviser]

“Video, radio, TV ads...visual or listening tools.” [Financial counsellor or money management adviser]

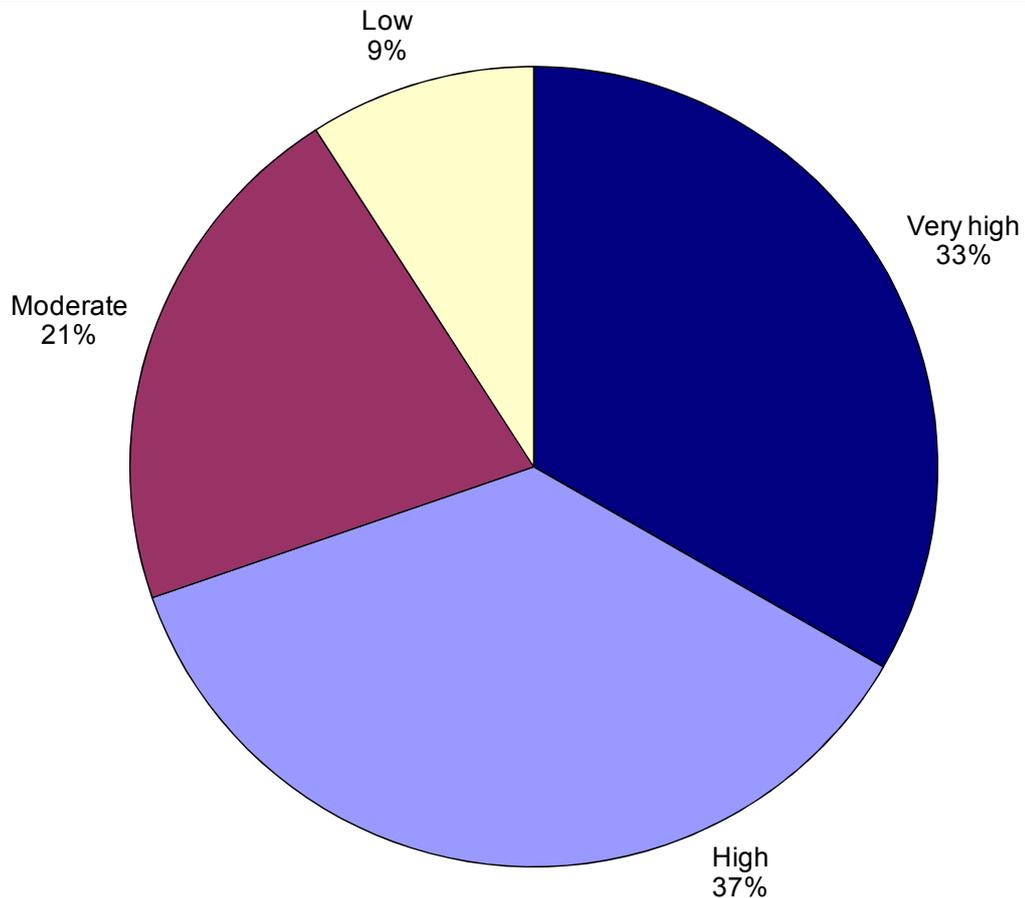
Community leaders in the qualitative research suggested that mass media communications and community forums about “the helpfulness and benefits” of IM generally would also be an effective way to educate and promote IM as a positive money management tool.

C.1.2 Understanding of VIM among Centrelink Staff

Over two-thirds of Centrelink staff (70%) assessed their own level of understanding of the VIM measure as high or very high (see Figure 93). A further 21% assessed their understanding as moderate, with only 9% rating their own knowledge as low.

Figure 93: Staff personal level of understanding of VIM measure

Base: All respondents (n=33)



Source: ORIMA survey of Centrelink staff.

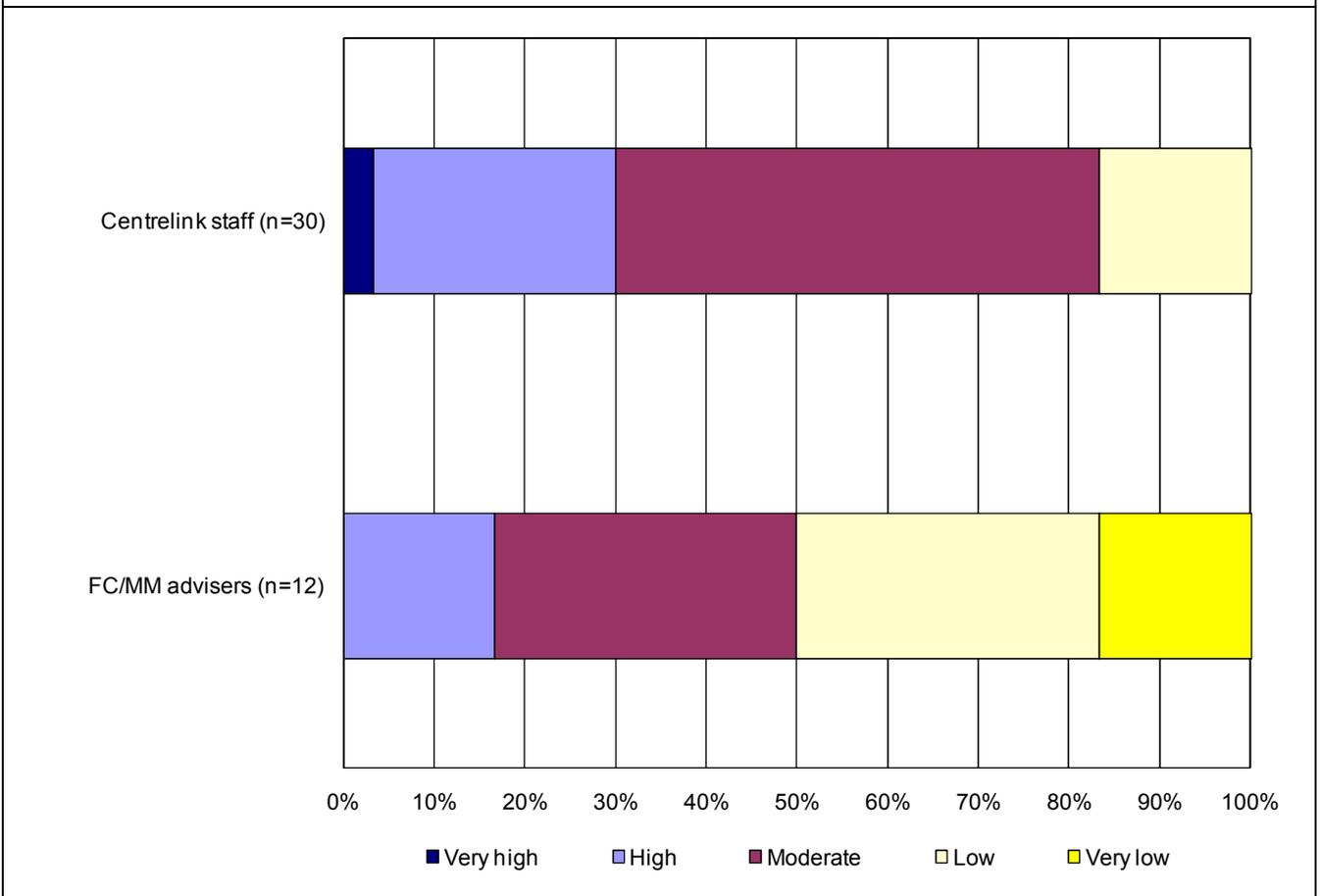
C.1.3 Assessment of potential VIM client understanding of the VIM measure

Centrelink staff and financial counsellors/ money management advisers tended to assess the understanding of the VIM measure among potentially eligible Centrelink customers in the trial areas as low to moderate (see Figure 94). Centrelink staff provided more positive responses than financial counsellors and money management advisers about the understanding of VIM among potential clients.

- ◆ Around half of Centrelink staff (53%) reported that potential client understanding was moderate, with a further 30% rating awareness as high or very high.
- ◆ Half of financial counsellors and money management advisers believed potential client understanding of VIM was low or very low, and 33% thought it was moderate.

Figure 94: Assessment of potential VIM client understanding of VIM measure

Base: All respondents



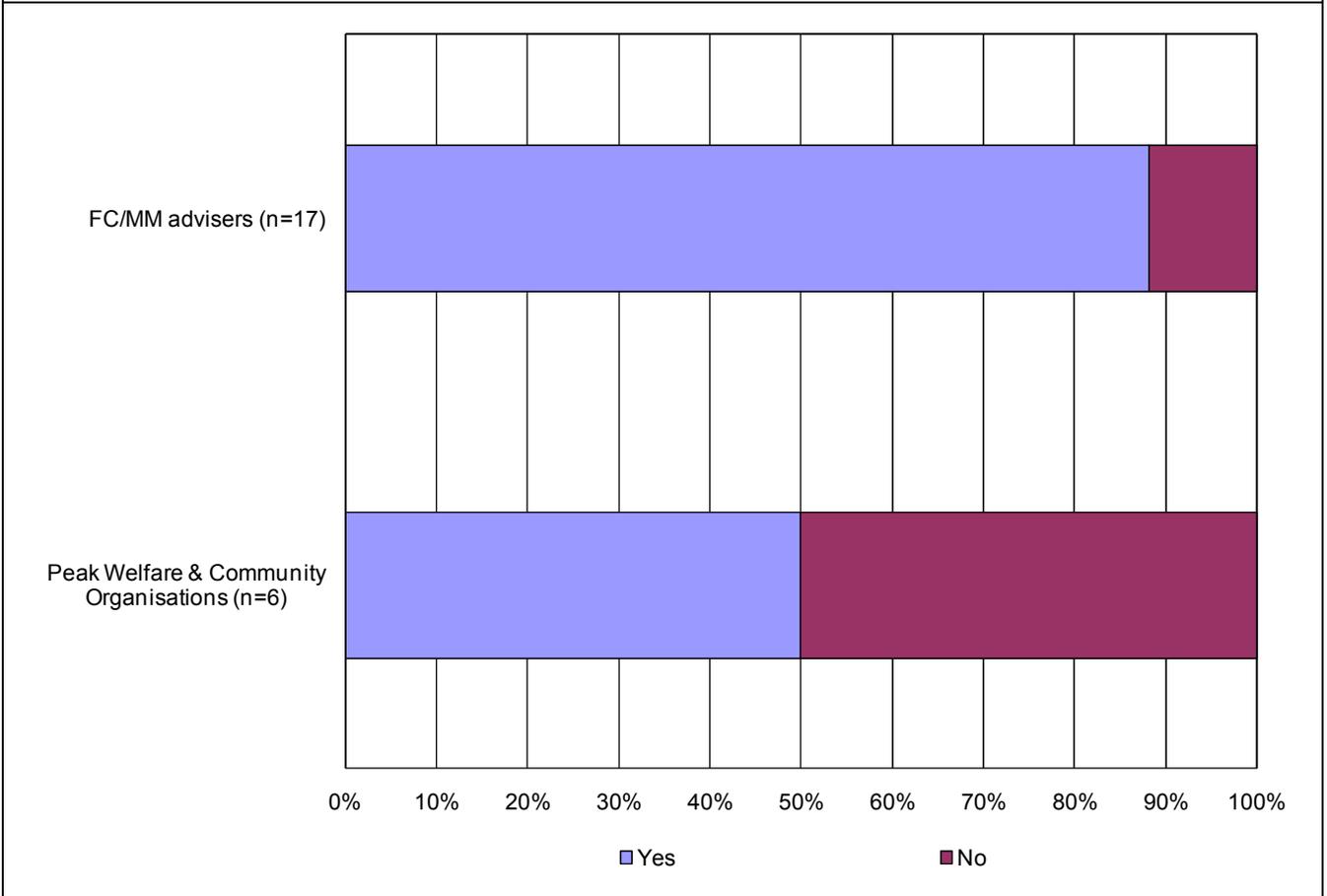
Source: ORIMA survey of Centrelink staff and MM/FC advisers.

C.1.4 Information provided to financial counsellors and money management advisers and service providers

Financial counsellors and money management advisers were more likely than peak welfare and community organisations to report that they had received adequate information about the nature of the VIM trial (88% and 50% respectively) (see Figure 95).

Figure 95: Whether received adequate information from government agencies about nature of VIM trial in WA

Base: All respondents

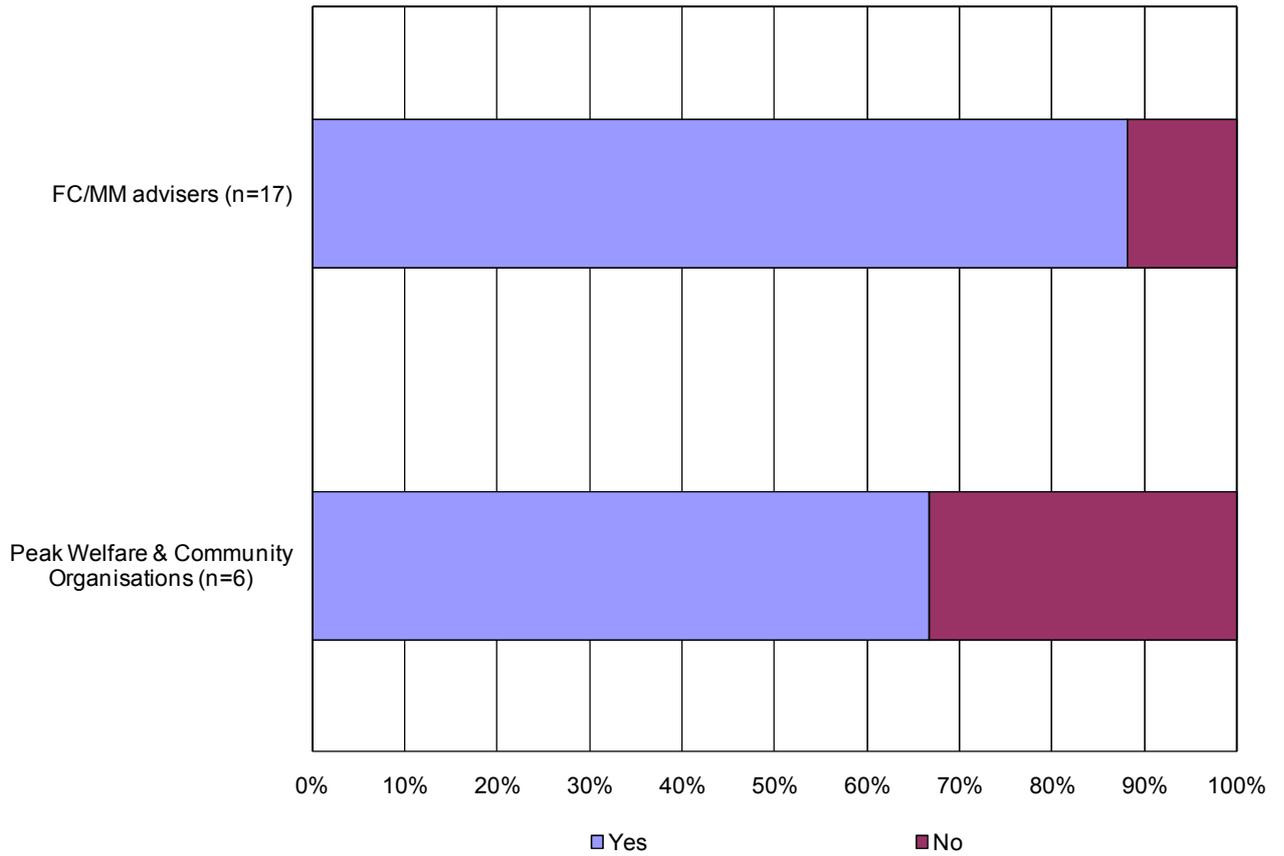


Source: ORIMA survey of MM/FC advisers and peak welfare and community organisations.

The views of these two groups of stakeholders were also sought about whether they had received information about the VIM trial in a timely manner. Responses were positive, with 88% of both financial counsellors and money management advisers and 67% of peak welfare and community organisations believing that they had received information about the trial in a timely manner (see Figure 96).

Figure 96: Whether received information from government agencies about nature of VIM trial in WA in a timely manner

Base: All respondents



Source: ORIMA survey of MM/FC advisers and peak welfare and community organisations.

C.2. Awareness of ratio of income managed funds

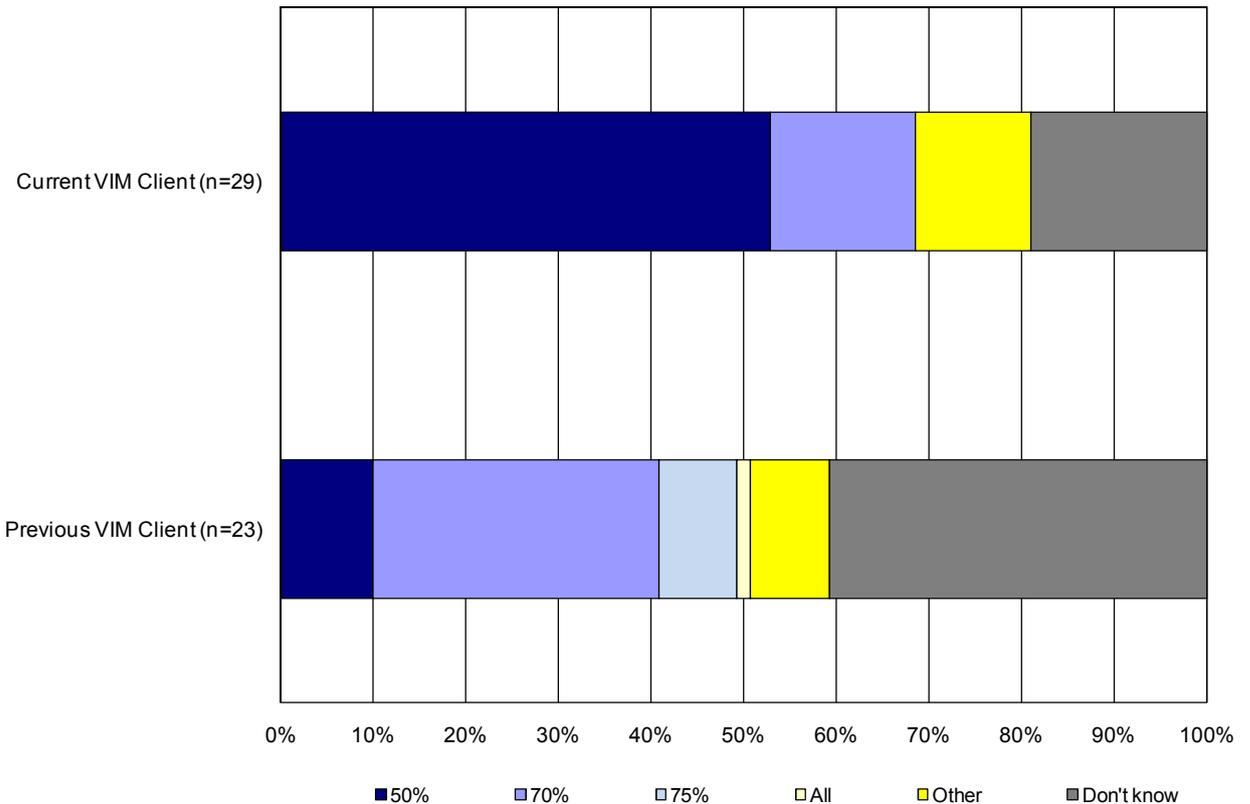
Almost six in ten VIM respondents reported that either 50% or 70% of their income support payment was subject to IM (34% and 23% respectively). Over half (53%) of current VIM clients reported that 50% of their income support payment was subject to IM, in comparison to just 10% of past VIM clients (see Figure 97).

This difference between current and previous clients is likely to reflect the changes in the ratio of income managed funds for VIM clients which came into effect on 1 July 2010 (i.e. the reduction from 70% to 50%). However, prior to 1 July 2010, VIM clients could request that 20% of their income managed funds be paid to them (in the way that their non-IM funds were paid), effectively reducing their income managed funds to 50%. In addition, the 70% ratio reported by around 20% of current VIM respondents, may reflect the actual ratio that was in place at the time of the interview (i.e. the fieldwork period was from 21 June to 5 August 2010).

One-quarter of VIM respondents (25%) did not know what proportion of their income support payment was subject to IM—41% of previous clients and 19% of current clients.

Figure 97: Client awareness of ratio of Centrelink payments subject to income management

Base: All VIM respondents



Source: ORIMA survey of IM clients.

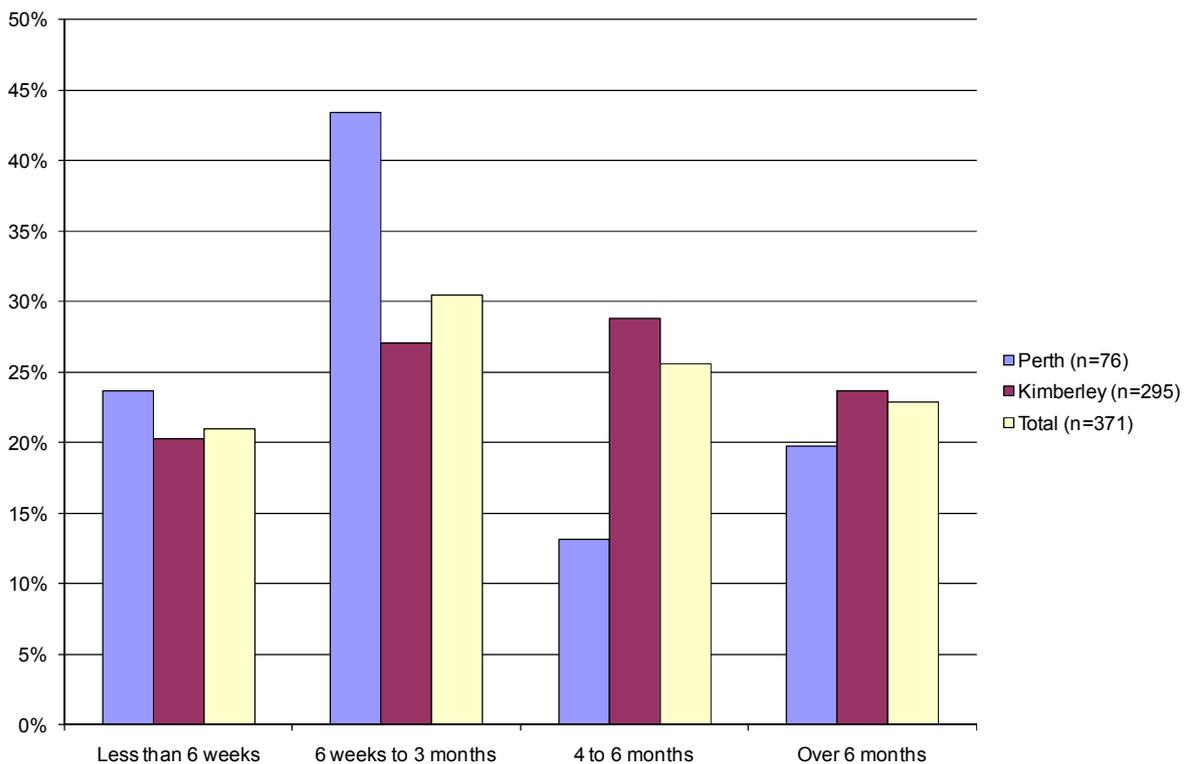
Most community leaders in the qualitative research were not aware of the ratio of income managed funds. A few assumed it would be 50%, however, others indicated that they did not know.

C.3. Length of time on income management

At 30 April 2010, almost one-third of current VIM clients (30%) had been on the program for between six weeks and three months. A further 26% had been on VIM for between four and six months, while 23% had been on VIM for over six months (see Figure 98).

- ◆ Clients in Perth were more likely than clients in the Kimberley to have been on VIM for between six weeks and three months (43% and 27% respectively).
- ◆ Clients in the Kimberley were more than twice as likely as clients in Perth to have been on VIM for between four and six months (29% and 13% respectively).

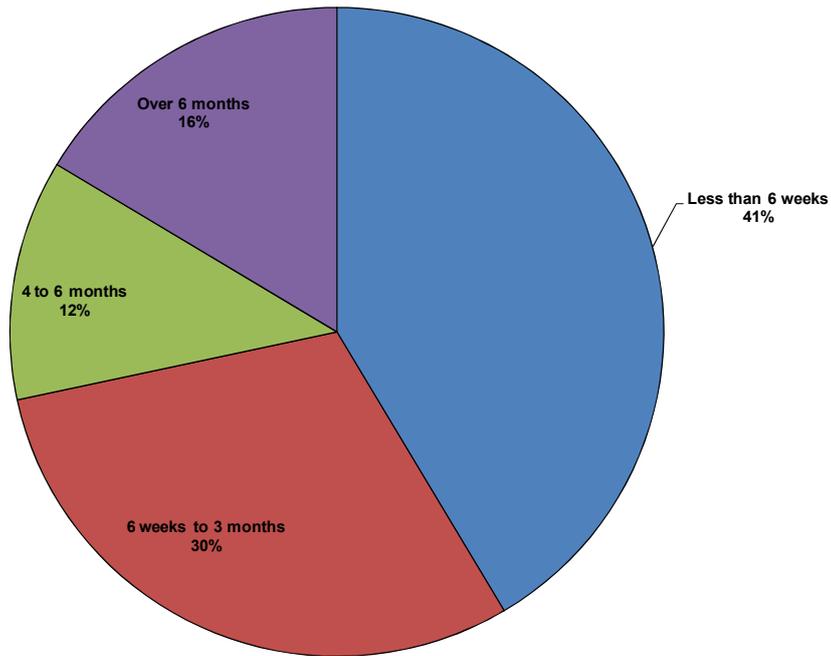
Figure 98: Current VIM clients by length of time on Income Management



Source: Centrelink Administrative data as at 30 April 2010.

At 30 April 2010, of clients who were no longer participating in VIM, around two in five had ceased participation within the first six weeks (41%). A further 30% had ceased participation in VIM within six weeks and three months (30%) (see Figure 99). Around one in six previous VIM clients (16%) had ceased participation after having been on the program for more than six months.

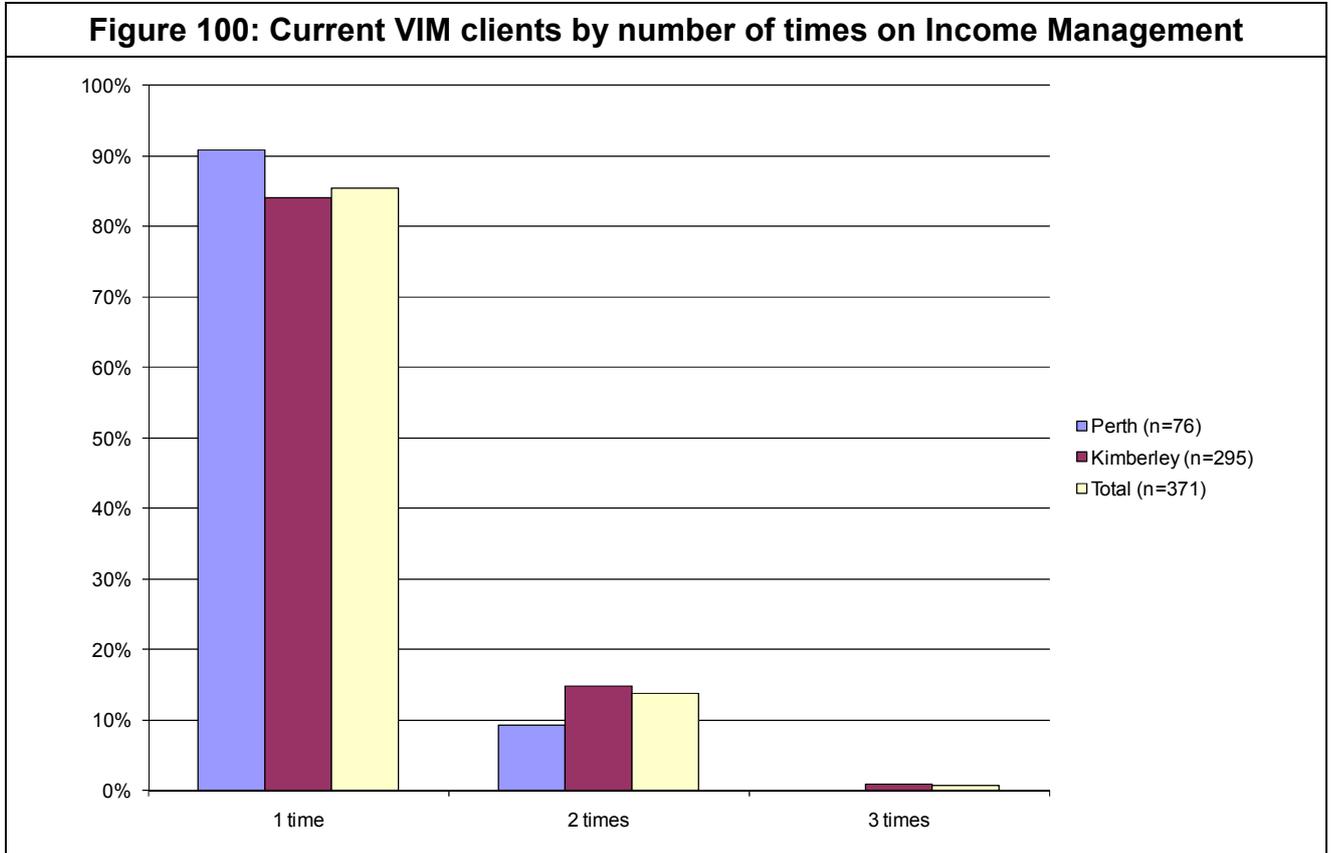
Figure 99: Ceased VIM clients by length of time on income management



Source: Centrelink administrative data as at 30 April 2010.

C.4. Number of times on income management

More than eight in ten current VIM clients (85%) had been in IM once. Around one in seven current VIM clients (14%) had been on IM twice, and very few had been on IM three times. As Figure 100 shows, there was little variation between clients from Perth and the Kimberley in terms of the number of times they had been on IM.



Source: Centrelink Administrative data as at 30 April 2010.

C.5. Facilitating access to VIM

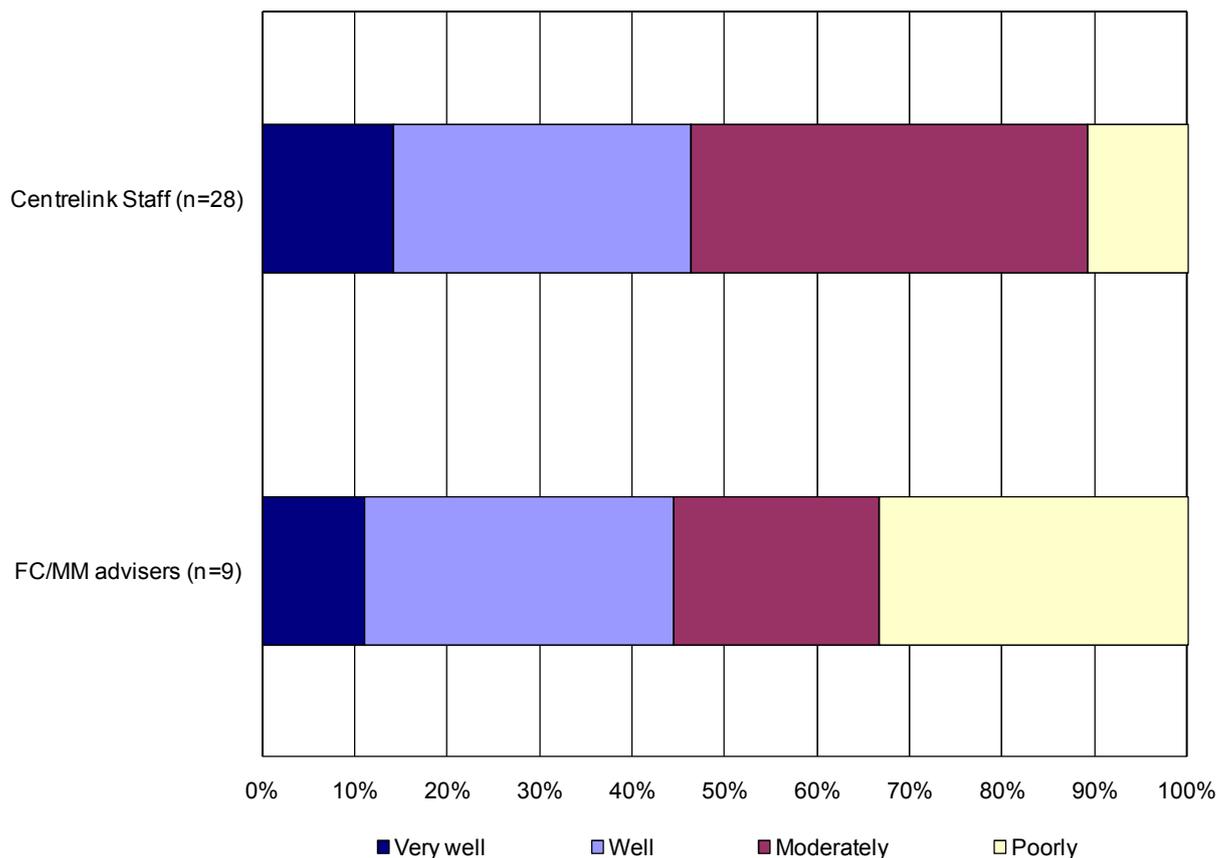
C.5.1 Communication of VIM and ideas for improvements

Centrelink staff and financial counsellors/ money management advisers held mixed views about how well the availability of VIM had been communicated to trial participants (see Figure 101).

- ◆ Just under half of Centrelink staff (46%) thought the availability of VIM had been communicated well or very well to trial participants—only 11% of Centrelink staff rated it as poor.
- ◆ Similarly, 44% of financial counsellors and money management advisers believed that the availability of VIM had been communicated well or very well to trial participants. However, one in three financial counsellors and money management advisers (33%) thought that it had been communicated poorly.

Figure 101: How well VIM has been communicated to potential clients in the trial areas

Base: All respondents



Source: ORIMA survey of Centrelink staff and MM/FC advisers.

Centrelink respondents were also asked to comment on the effectiveness of the communication of VIM and provide insights into the strengths and weaknesses of its promotion. The main strength reported by these respondents related to word of mouth endorsement of VIM.

“Promotion in the community and by other recognised community agencies in a positive light.”

“Staff communicating with potential customers [about] eligibility and [the] positive nature of VIM.”

“Word of mouth from the NT trial of income management was the major effective communication strategy for Kimberley VIM customers. Also promotion through regular remote servicing and information sessions.”

The main theme concerning the negative aspects of VIM communication was perceived inadequacies in marketing and promotion:

“Not enough promotion of this product. Possibly use media better.”

“Media and promotional material lacking for an extended period.”

C.5.1.1 Ideas for communicating benefits of VIM

Both Centrelink staff and financial counsellors/ money management advisers were asked to provide recommendations as to how the benefits of VIM could be better communicated. A common theme among both stakeholder groups was the need to improve the promotion of the program.

“Promotion material readily available to customers. When VIM ceases to be a trial and is extended across the country, it can be heavily promoted by each area within Centrelink. It will be a product like Centrepay, and customers can opt to be on the measure.”
[Centrelink staff member]

“To make VIM available all over Western Australia. To promote the product through the media as a normal tool of financial management rather than inability/difficulty to manage. To aggressively, promote the product to newly arrived refugees and all low income families as a tool of financial management and give them incentive to join.”
[Financial counsellor or money management adviser]

In addition, Centrelink staff thought that improving training for some Centrelink staff would also help in more effectively communicating the benefits of VIM to potential clients.

“Better education and reminders about VIM to Centrelink staff so that they would be more proactive in promoting it to customers (Call Centre and CSC). Better promotion of VIM in the media, promotion that shows how distinctly different it is from other IM measures which are portrayed as negative by the media.”

Moreover, financial counsellors and money management advisers thought that a more positive portrayal of the free financial management services included as part of VIM would help communicate the benefits of VIM.

“Need to be sold in a positive way. For example, get bills paid for free—find out how your debts can be managed without cost. Advertise—Do you know how you can get household items without paying interest? How can you possibly get an affordable loan? Who can help you negotiate your way out of the debt hole using a free service? All sorts of ads that combat the Cash Converter type ads.”

C.5.2 Motivators and barriers to VIM take-up

Current and ceased VIM respondents were asked why they had volunteered to join the program. There were two main reasons that motivated VIM clients to participate in the program.

- ◆ Wanting to improve their financial situation and manage their money.

“I just didn’t know where my money was going and I was falling behind in the bills. I was struggling so bad that when Jacaranda suggested it, I said yes. I needed some help and I would have tried anything.”

“I wanted to stop getting further behind and I had to do something for the kids’ sake.”

“To save money. To take advantage of something that helps you. I wanted to benefit from it.”

“I thought you could save a lot more, have more for your child, do more, be more organised.”

“Because I was hopeless at budgeting. I can’t stick to what I wrote down for my budget.”

“I wanted to try it out to see if I could save.”

- ◆ Increasing their capacity to be able to meet their priority needs (e.g. buying food).

“I thought it’d help a lot. Especially with the BasicsCard and being able to save money in the Kitty, so I could have food and go shopping for clothes when I need it.”

“I thought that it might help me to budget and save money so I could have some food... Having food was the number one issue because I am a diabetic.”

“So the kids didn’t miss out on medications and stuff.”

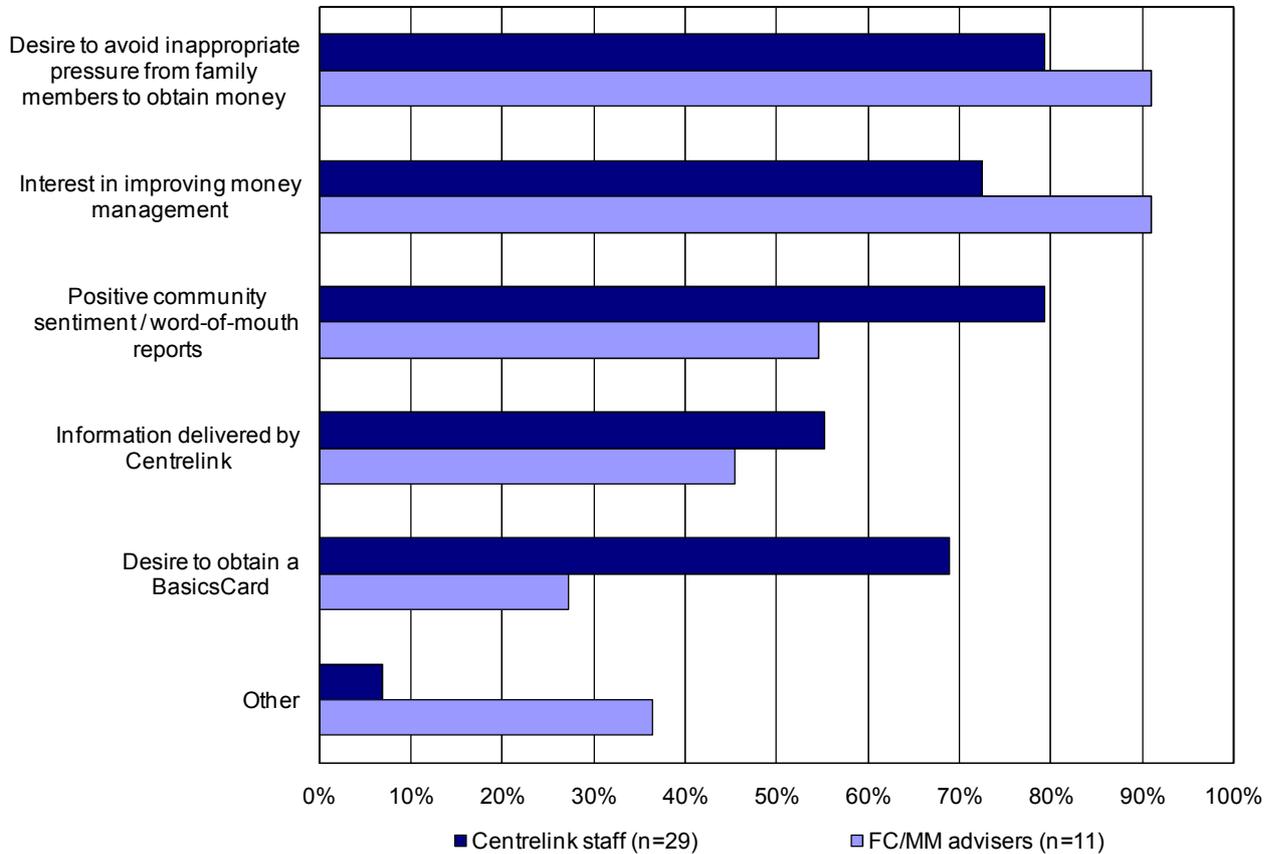
“To get food in the house and help me pay bills.”

Centrelink staff and financial counsellors/ money management advisers also identified a number of key motivating factors that they thought had driven the take-up of VIM (see Figure 102). At least half of respondents in both stakeholder groups thought that the following factors had motivated clients to take-up VIM:

- ◆ desire to avoid inappropriate pressure from family members to obtain money (79% Centrelink staff, 91% financial counsellors and money management advisers);
- ◆ interest in improving money management (72% Centrelink staff, 91% financial counsellors and money management advisers); and
- ◆ positive community sentiment / word-of-mouth reports (79% Centrelink staff, 55% financial counsellors and money management advisers).

Figure 102: Factors that motivate people to take-up VIM

Base: All respondents



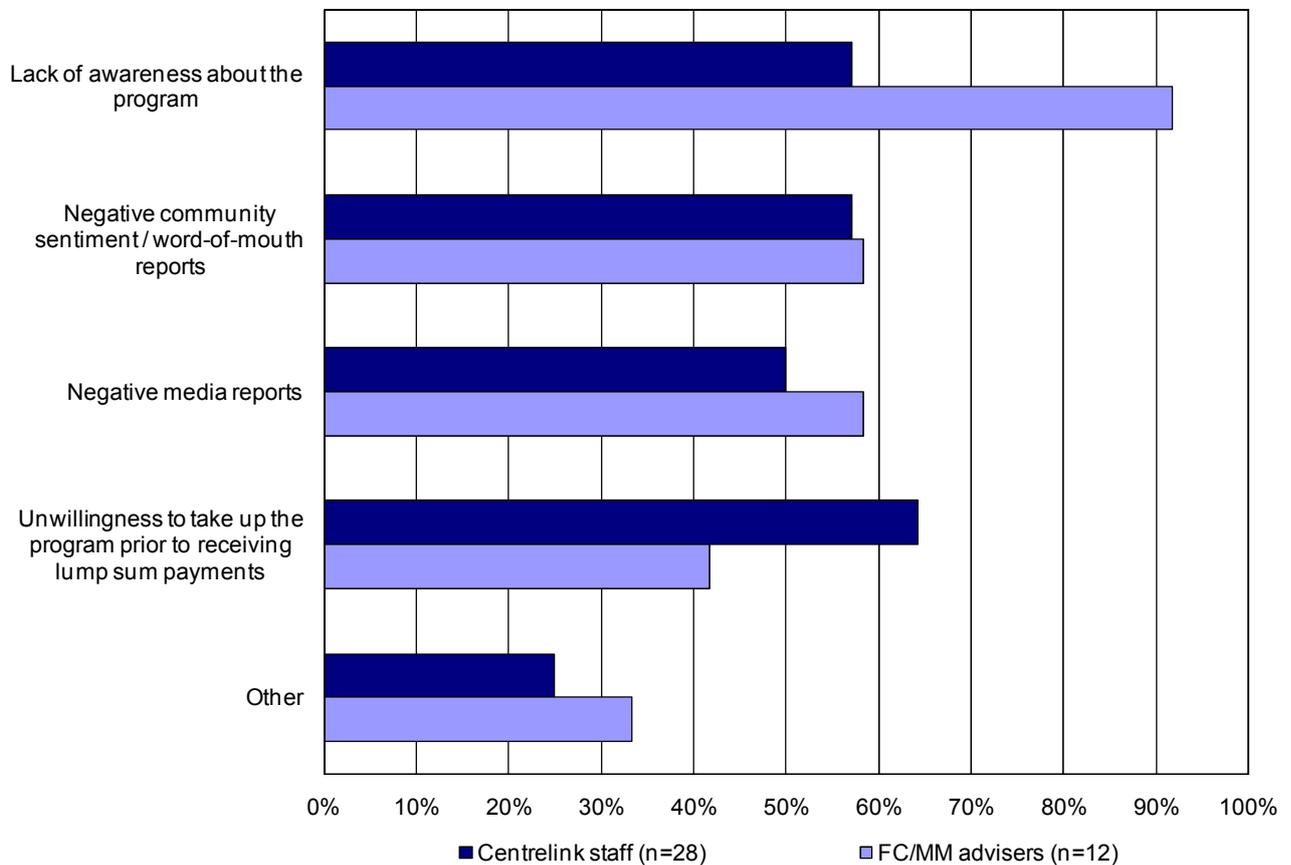
Source: ORIMA survey of Centrelink staff and FC/MM advisers.

Centrelink staff and financial counsellors /money management advisers also nominated a range of factors that discouraged participation in VIM (see Figure 103). At least half of respondents in both stakeholder groups thought that the following factors had discouraged participation in VIM:

- ◆ lack of awareness about the program (57% Centrelink staff, 92% financial counsellors and money management advisers);
- ◆ negative community sentiment / word-of-mouth reports (57% Centrelink staff, 58% financial counsellors and money management advisers); and
- ◆ negative media reports (50% Centrelink staff, 58% financial counsellors and money management advisers).

Figure 103: Factors that discourage/prevent people from taking-up VIM

Base: All respondents



Source: ORIMA survey of Centrelink staff and FC/MM advisers.

In addition, Centrelink staff and financial counsellors and money management advisers nominated two other main barriers that they believed were preventing people taking-up VIM.

- ◆ People being unwilling to give up control of their money.

“People who have substance addictions are unwilling to voluntarily limit the funds they can access to support their addiction i.e. substances, gambling etc.” [Centrelink staff member]

“Perceived lack of control of finances.” [Financial counsellor or money management adviser]

“Reluctance at what is seen as losing control of their funds and VIM can be a very different way of managing money for some people which can be intimidating.” [Centrelink staff member]

- ◆ Stigma or negative perceptions of the program

“Misunderstanding that IM is for poor parenting.” [Centrelink staff member]

“Stigma (I think it needs rebranding to appear more positive).” [Financial counsellor or money management adviser]

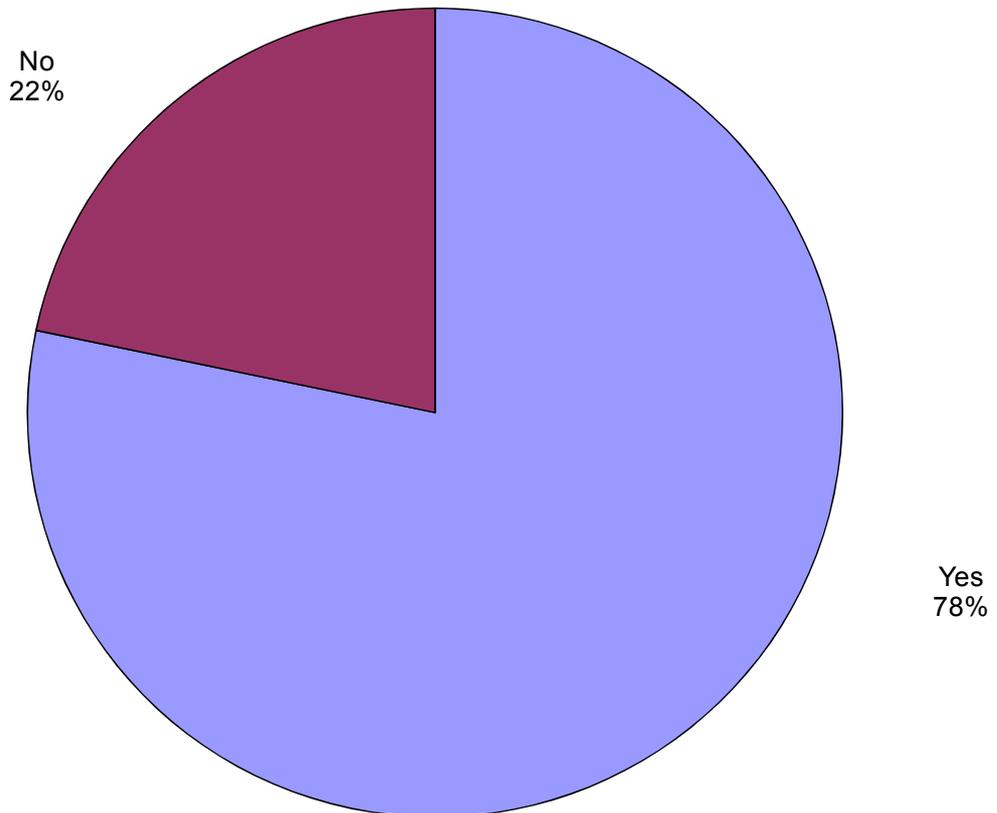
Furthermore, qualitative research with community leaders indicated that there was limited awareness and understanding of VIM. Some participants stated that they thought that IM was only available for “child protection cases” and “not for everyone”. Furthermore, IM was reported as being perceived as punitive due to the limited understanding of the measure, how it worked and its purpose. Low awareness and lack of marketing was reported by many qualitative research participants as being a key reason for limited take-up of VIM.

C.5.3 Take-up among community members

Over three-quarters of Centrelink staff (78%) felt that the right people had taken up VIM (see Figure 104).

Figure 104: Whether the right people have taken up VIM

Base: All respondents



Source: ORIMA survey of Centrelink staff.

Centrelink respondents provided a number of reasons why they considered that the right people had taken up VIM. The main theme that emerged from these comments was that the voluntary nature of the program had led to participation by people who wanted to be on the program because they thought it would help them.

“VIM customers generally have a good understanding of what they want to use VIM for and once it is fully explained to them, only sign up if it is going to meet that need. Therefore, generally only those who can effectively use it to meet their needs are on VIM.”

“Yes, as these people want to be helped.”

“We are very focussed on ensuring only people who completely understand VIM are signed up and there is no point if the customer doesn’t need it.”

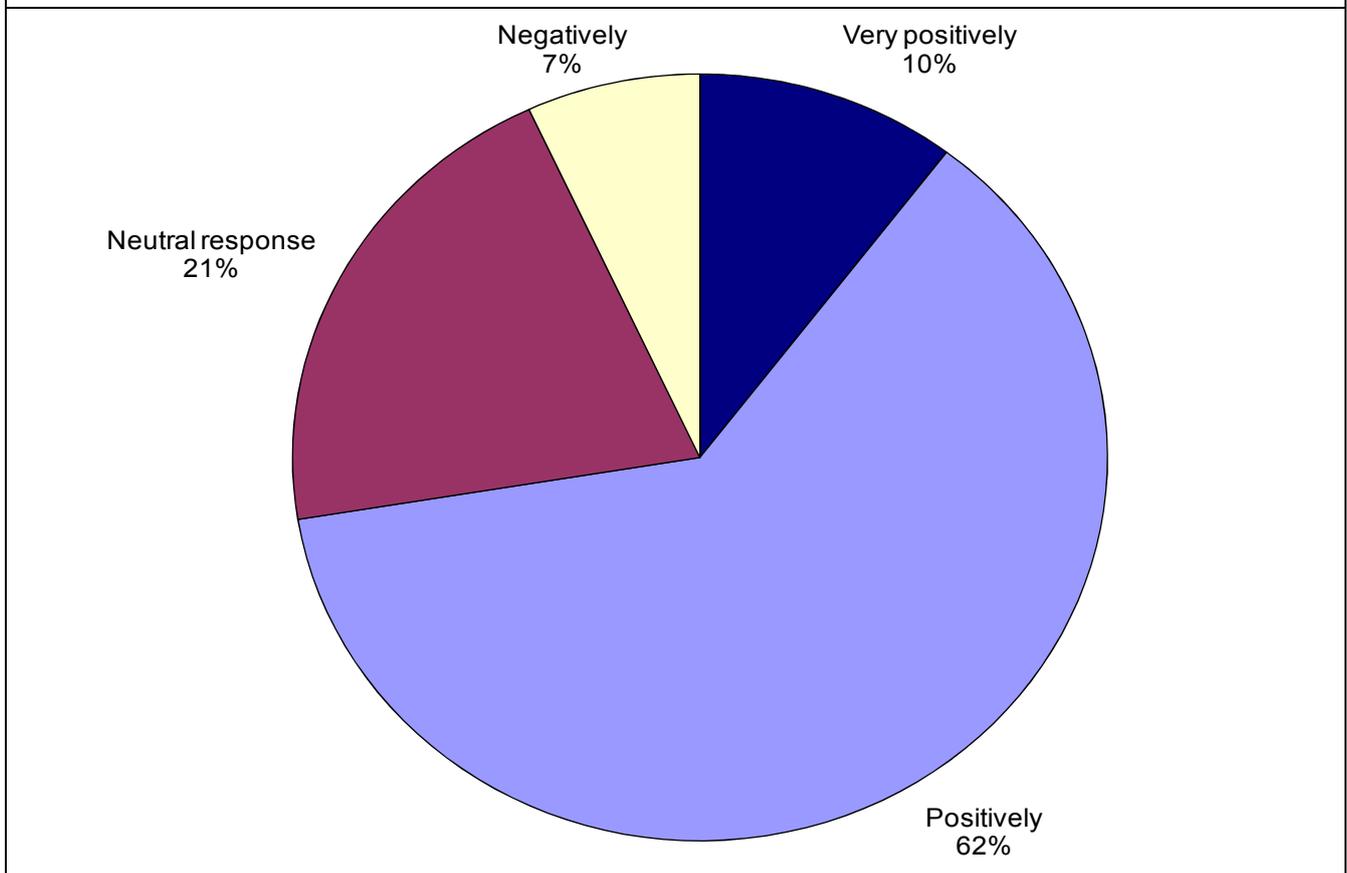
“Most people know when they need help or recognise when they are in a bit of financial trouble, they come forward as there is now something in place to help them.”

C.5.4 Client reactions to being referred to program

Almost three-quarters of Centrelink respondents (72%) believed that VIM clients had responded positively to the scheme in the initial stages (see Figure 105).

Figure 105: Clients' response to VIM in its initial stages

Base: All respondents



Source: ORIMA survey of Centrelink staff.

Centrelink respondents provided a number of reasons why they thought clients had responded positively to VIM in its initial stages. These reasons could be grouped into two main themes.

- ◆ Clients understood the key benefits that the program could make to the client's lifestyle and financial state.

"They can see the benefit from it plus they don't need to worry about their bills as they are allocated and are being paid automatically, which means that the discretionary funds that they receive in their bank accounts are theirs to spend."

"The customer has a clear understanding and can see how we can assist them in making contributions to paying off bills and having money put aside for basic living expenses."

- ◆ Positive word-of-mouth and advocacy by existing VIM clients.

"Positive information coming from the IM experience in the NT—and the fact that it is voluntary."

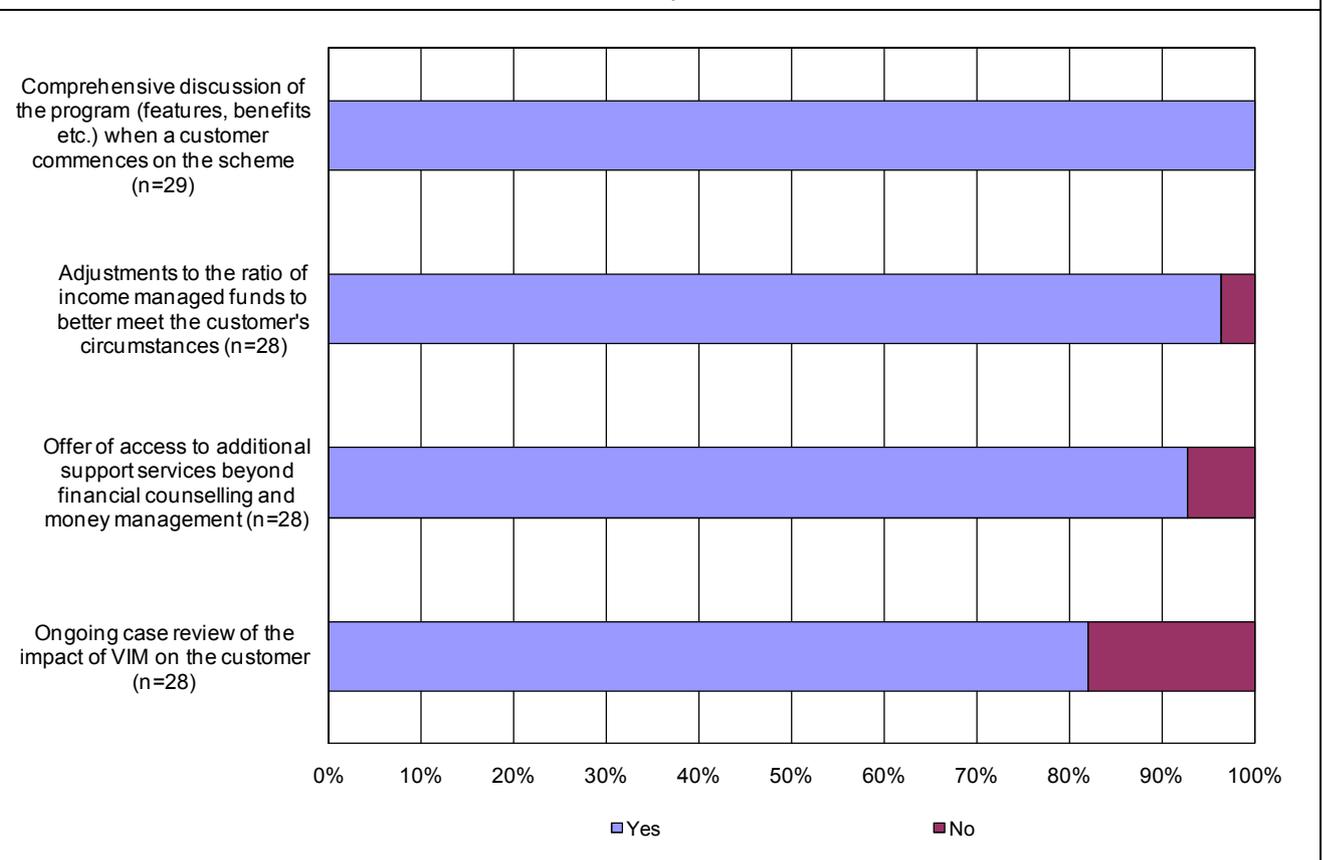
"A lot [of people] see others on it and maybe want to try being in VIM."

C.5.5 Approaches to improving client acceptance of program

Centrelink staff reported using a range of approaches to improve client acceptance of VIM (see Figure 106). At least eight in ten respondents had used at least one of the following practices:

- ◆ comprehensive discussion of the program when a client commences on VIM (100%);
- ◆ adjustments to the ratio of income managed funds to better meet the client's circumstances (96%);
- ◆ offer of access to additional support services beyond financial counselling and money management (93%); and/or
- ◆ ongoing case review of the impact of VIM on the client (82%).

Figure 106: Whether tried to use approaches to improve client acceptance of VIM
Base: All respondents



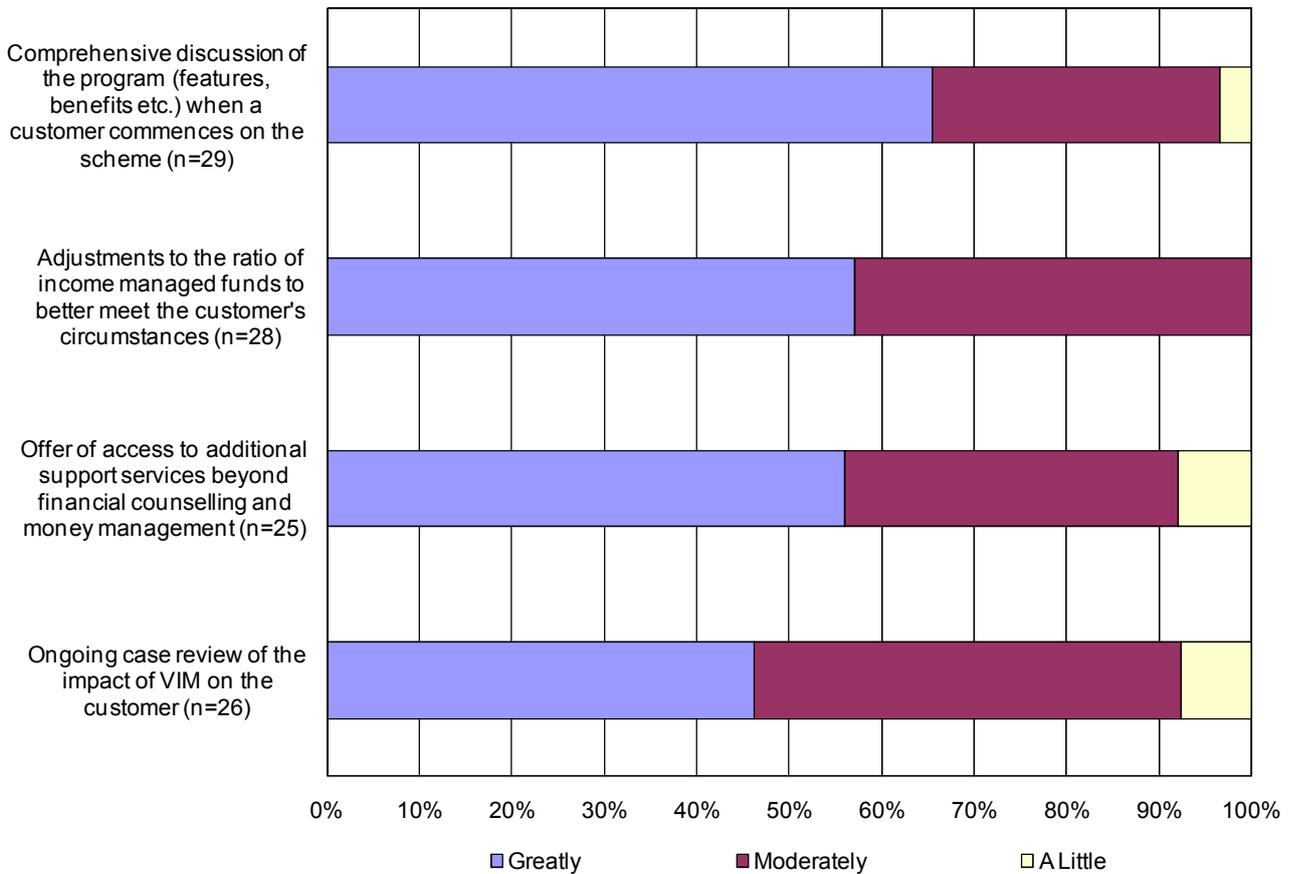
Source: ORIMA survey of Centrelink staff.

Moderate to high proportions of Centrelink respondents reported that these approaches had greatly improved client acceptance of VIM (see Figure 107). At least half of respondents believed that the following approaches had greatly improved client acceptance:

- ◆ comprehensive discussion of the program (features, benefits etc.) when a client commences on the scheme (66%); and
- ◆ adjustments to the ratio of income managed funds to better meet the client's circumstances (57%).

Figure 107: Whether approaches have improved client acceptance of VIM

Base: Respondents who have tried approaches



Source: ORIMA survey of Centrelink staff.

C.5.6 Reasons for ceasing participation in VIM

Former VIM clients cited a range of reasons for why they had exited the program. The four most commonly reported reasons for ceasing VIM were:

- ◆ The BasicsCard was only accepted in some places.

“Because I was bulk shopping for six children but the BasicsCard was only in effect at certain shops, not the butcher and wholesaler—they didn’t accept it.”

“If there’d been more freedom... I need to be able to shop around to get the best price. I could only shop at Woolworths or IGA. If you wanted to buy something from another shop, you’d have to call Centrelink first, give them the specific item, the specific amount, and then they would call the place. It’s embarrassing.”

“Because I was living at a community and the BasicsCard wasn’t accepted there.”

- ◆ Clients felt they could now manage their finances themselves.

“Because I felt strong enough to take over again. I didn’t need it anymore.”

“On it for 12 months, doing okay, so I thought I’d see how I’d go doing it by myself.”

“I can manage my money myself now. When I was on BasicsCard I couldn’t get a loan, so I wanted to show them that I could save and then they would give me a loan.”

- ◆ Clients required access to more money.

“I needed money to pay for boarding school.”

“I felt upset because sometimes I couldn’t pay bills, and wanted more money in my account to pay bills, so I finished.”

“I needed access to [sufficient funds for] bond.”

- ◆ Clients were upset by a specific negative experience whilst on IM.

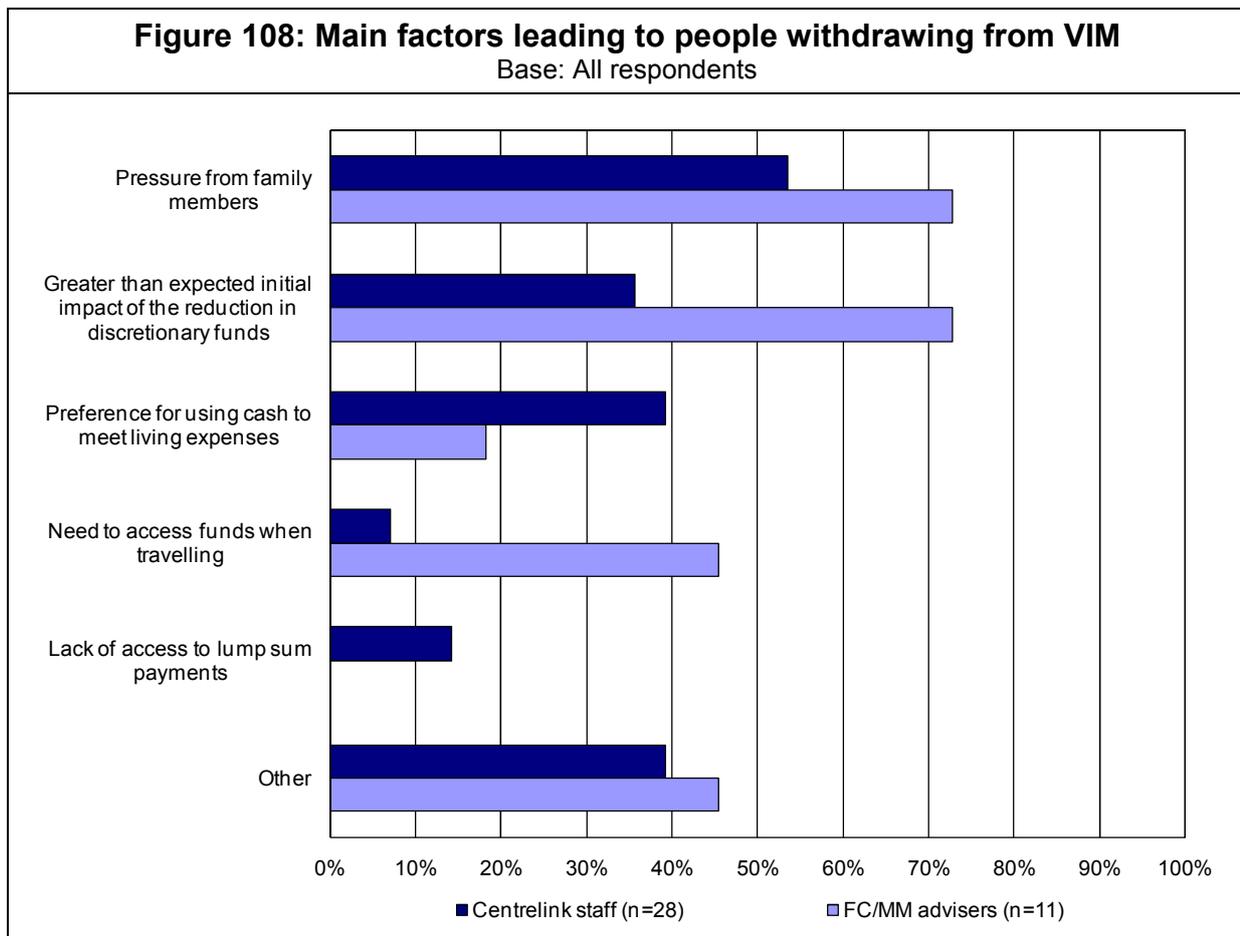
“Centrelink took two lots of income management money out for rent—they stuffed it up. They wouldn’t back pay me.”

“They took \$500 out of my account and used it to pay an outstanding bill. But they didn’t ask me, they just did it. I rang up and complained and they said they didn’t need my permission because it was outstanding. I felt really let down.”

“I was going to get my grandkids toys, but the BasicsCard didn’t work. I had to call up Centrelink and it took a day for them to sort it all out. I got the toys in the end, but I was upset, I was angry, and I wanted to get off it.”

Centrelink staff and financial counsellors/ money management advisers also identified a number of key factors that they thought had led to people withdrawing from VIM (see Figure 108). The most commonly cited reasons were:

- ◆ pressure from family members (54% Centrelink staff, 73% financial counsellors and money management advisers); and
- ◆ greater than expected initial impact of the reduction in discretionary funds (36% Centrelink staff, 73% financial counsellors and money management advisers).



Source: ORIMA survey of Centrelink staff and FC/MM advisers.

In addition, these stakeholders thought that clients' desire to spend more money on drugs and alcohol was another factor leading to some people withdrawing from VIM.

"Still using drugs and alcohol and takeaways, and not having enough cash for these." [Financial counsellor or money management adviser]

"Need cash for alcohol as 30% is not enough." [Centrelink staff]

"Drug, alcohol and tobacco needs greater than funds available." [Financial counsellor or money management adviser]

Moreover, some Centrelink staff also thought that the change in the ratio of income managed funds had caused some clients to exit the program.

"Change to 50/50 only caused some exits as not meeting needs anymore."

D. Impact of VIM on financial capability and practices

This section considers the impact of VIM on financial capability and practices among VIM clients. The section covers issues such as client awareness of financial management services, their ability to save money and the impact of VIM on their financial management capability. In this section the term ‘financial management services’ (FMS) refers to services provided by both financial counsellors and money management advisers.

D.1. Use of financial management services

At the initial interview with Centrelink an offer to attend FMS should be made to VIM clients. The client is not obliged to agree to a referral, and if they accept a referral they are not obliged to attend the FMS appointment.

The evaluation found relatively low actual referral and take-up rates of financial management services among VIM clients.

Centrelink administrative data at 30 April 2010, which shows actual referral rates,¹⁸ indicates that 13% of VIM clients (or 103 clients) who had ever been on VIM had been referred to financial management services.¹⁹ Of these referrals, over two-thirds (68%) were to financial counselling services and the remaining 32% were to money management services.

- ◆ Referral rates for VIM clients were lower than for CPSIM clients (13% compared with 20% for CPSIM clients).

The actual take-up rate of financial management services by VIM clients was consistent with the actual referral rate. Data provided by financial counselling and money management providers in WA (at 31 December 2009) showed that since the commencement of the trials of IM in WA, these service providers had seen 105 VIM clients (or 13% of clients who had ever been on VIM)—45 clients had accessed money management services and 60 clients had accessed financial counselling services.

The slightly higher number of VIM clients taking-up financial management services compared to the number of actual referrals is likely to be due to Centrelink not being informed by VIM clients that they have accessed financial management services or a referral not being needed (e.g. in cases where people have sought help from financial counselling or money management providers and these providers have recommended to the person that participating in the VIM program may help them manage their money).

¹⁸ These are referrals where, after a Centrelink officer discusses FMS with the client, the client indicates they are interested and accept the offer of a referral (this does not necessarily mean that the client attends the appointment). If the client indicates that they are not interested in FMS, Centrelink take no further action (until a subsequent contact)—no referral has been made, just an offer.

¹⁹ Centrelink does not collect data on whether or not the client actually attended the financial counselling/ money management appointment.

D.1.1 VIM client reported take-up of financial management services

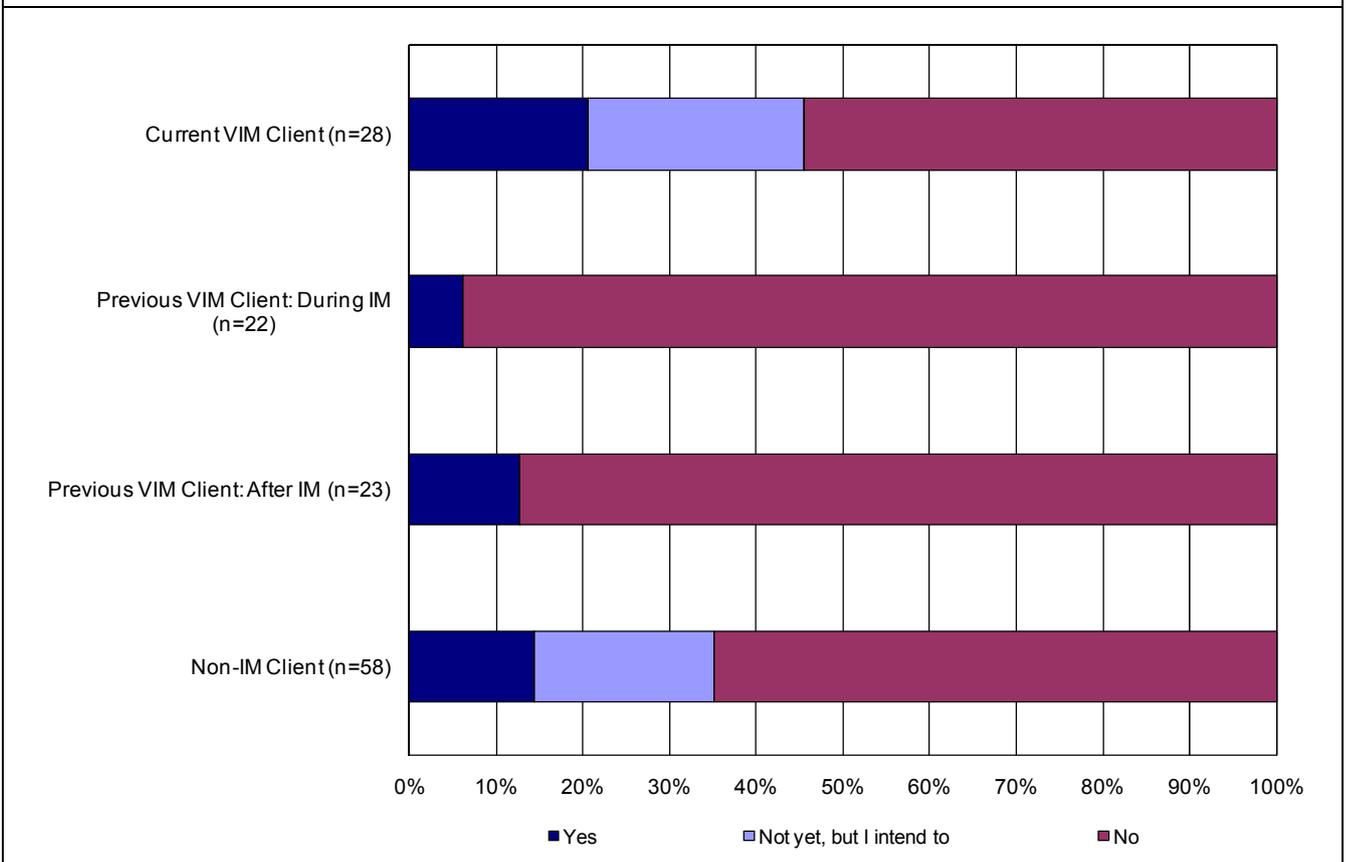
Survey results from the IM client survey also indicated a relatively low take-up rate of financial management services among VIM clients.

Around one in seven VIM respondents (14%) indicated that they had attended financial counselling or money management services while they were on IM—21% of current VIM clients and 6% of previous VIM clients. In addition, a further 25% of current VIM clients intended to attend one of these services in the future (see Figure 109).

Among respondents in the comparison group, 14% had attended financial counselling or money management services and 21% intended to do so in the future.

Figure 109: Whether attended financial counselling/money management service

Base: All VIM and non-IM respondents



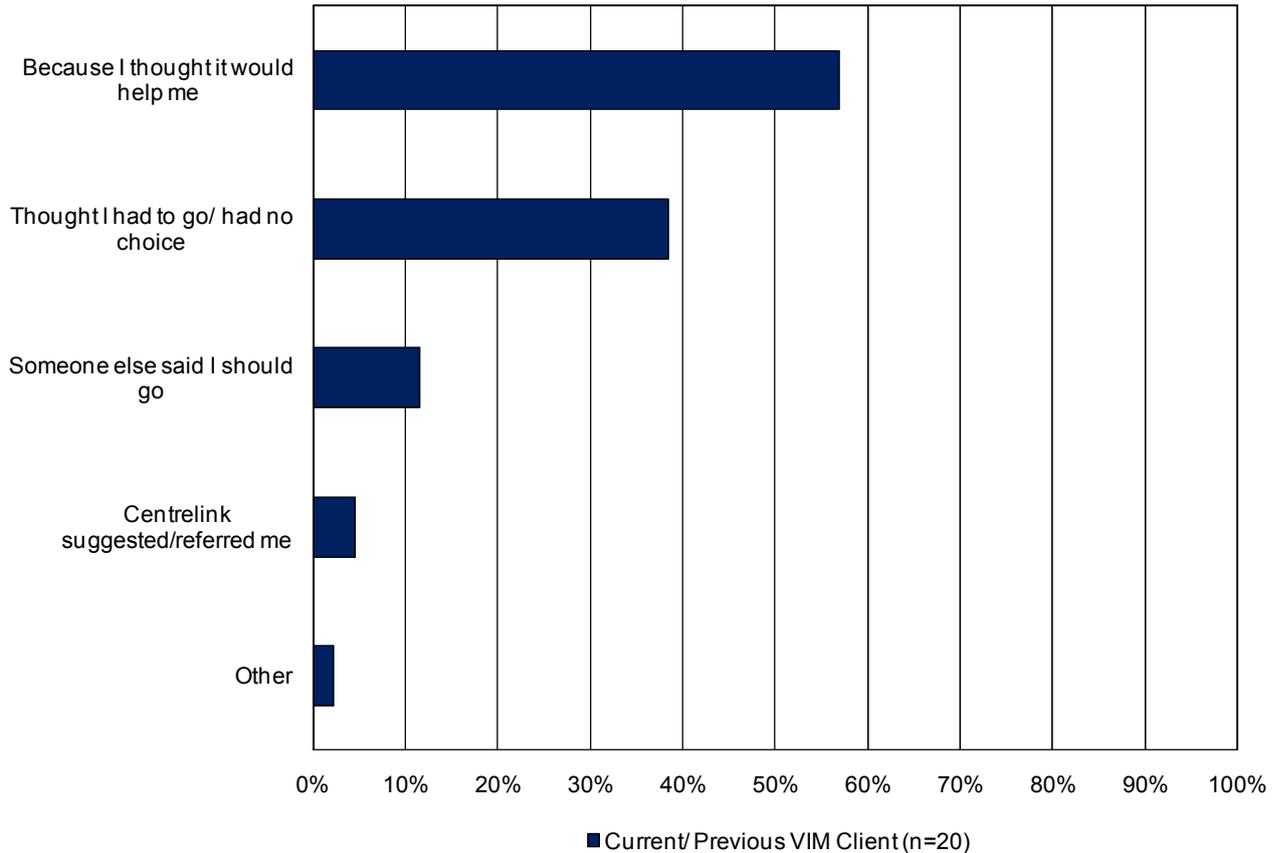
Source: ORIMA survey of IM clients and non-IM clients.

Those respondents who had accessed a financial management service, were asked why they decided to do so. The key drivers of attending a financial counselling and/or money management appointment for VIM clients were:

- ◆ the need for help or assistance in better managing financial affairs (57%); and
- ◆ a belief that attendance was compulsory (38%) (see Figure 110).

Figure 110: Why attended financial counselling/money management service

Base: Only VIM respondents who attended financial counselling



Source: ORIMA survey of IM clients.

Note: Responses for non-IM clients are not included due to the low number of respondents to the question.

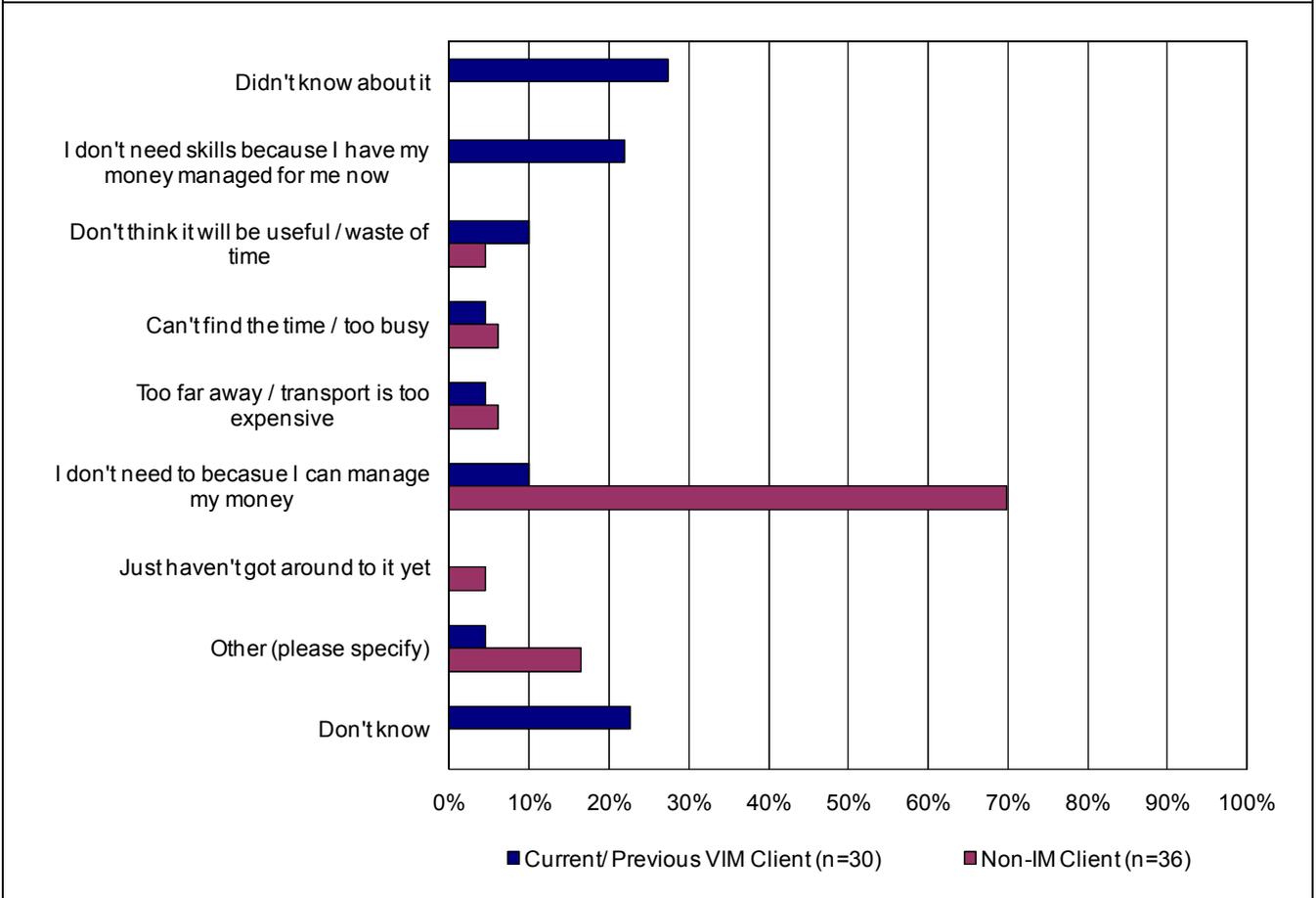
Almost nine in ten VIM respondents (87%) who accessed a financial management service thought that this service had provided them with skills to better manage their money.

Among respondents who had not accessed a financial management service, the key reasons reported by VIM clients for not using this service were that they did not:

- ◆ know about the service (27%); and
- ◆ need financial management skills because their money was being managed for them (22%) (see Figure 111).

Figure 111: Reasons for NOT attending financial counselling/money management service

Base: Only VIM and non-IM respondents who did not attend financial counselling



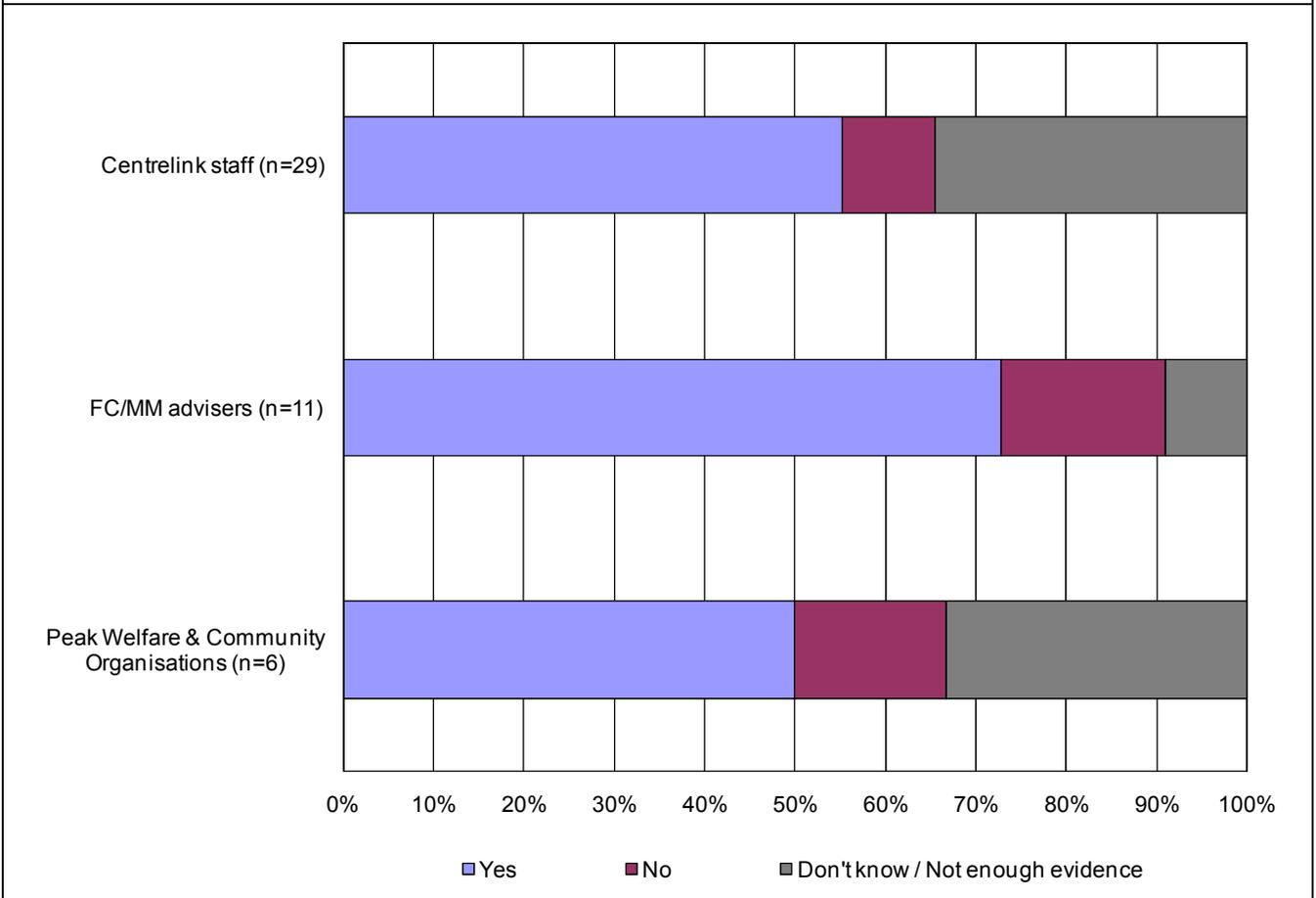
Source: ORIMA survey of IM clients and non-IM clients

D.1.2 Stakeholders' views about VIM clients' access to financial management services and the usefulness of these services

D.1.2.1 Access to financial management services

At least half of respondents across the three key stakeholder groups thought that VIM clients had received timely access to financial counselling and/or money management services (see Figure 112). Financial counsellors and money management advisers were most likely to agree that this had occurred (73%).

Figure 112: Have VIM clients received timely access to financial counselling/money management services
Base: All respondents



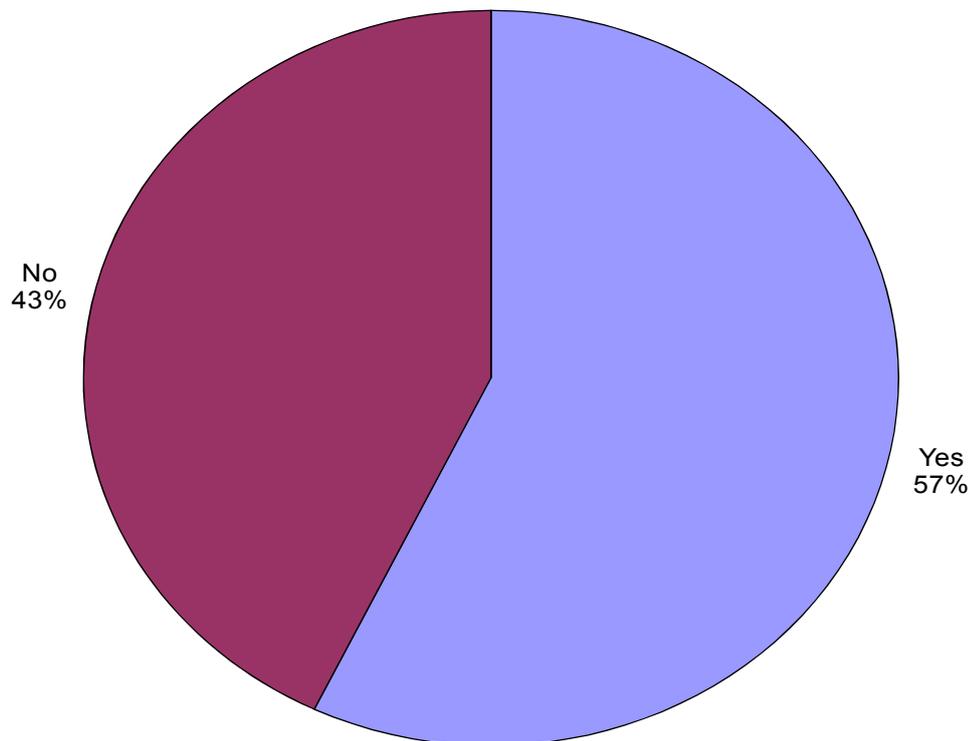
Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

D.1.2.2 Types of services accessed

Almost six in ten financial counsellors and money management advisers (57%) reported that VIM clients look for a different range of financial counselling and money management services compared to other clients from similar demographic and socioeconomic backgrounds (see Figure 113).

Figure 113: Whether VIM clients look for a different range of financial counselling/money management services from other clients with similar demographic and socioeconomic backgrounds

Base: All respondents (n=7)



Source: ORIMA survey of FC/MM advisers.

Very few financial counsellors and money management advisers took the opportunity to outline the kinds of support that VIM clients required. Despite the limited number of responses, a range of financial management services were mentioned, including information for debt negotiations, No Interest Loan Schemes (NILS) and the Hardship Utility Grant Scheme (HUGS).

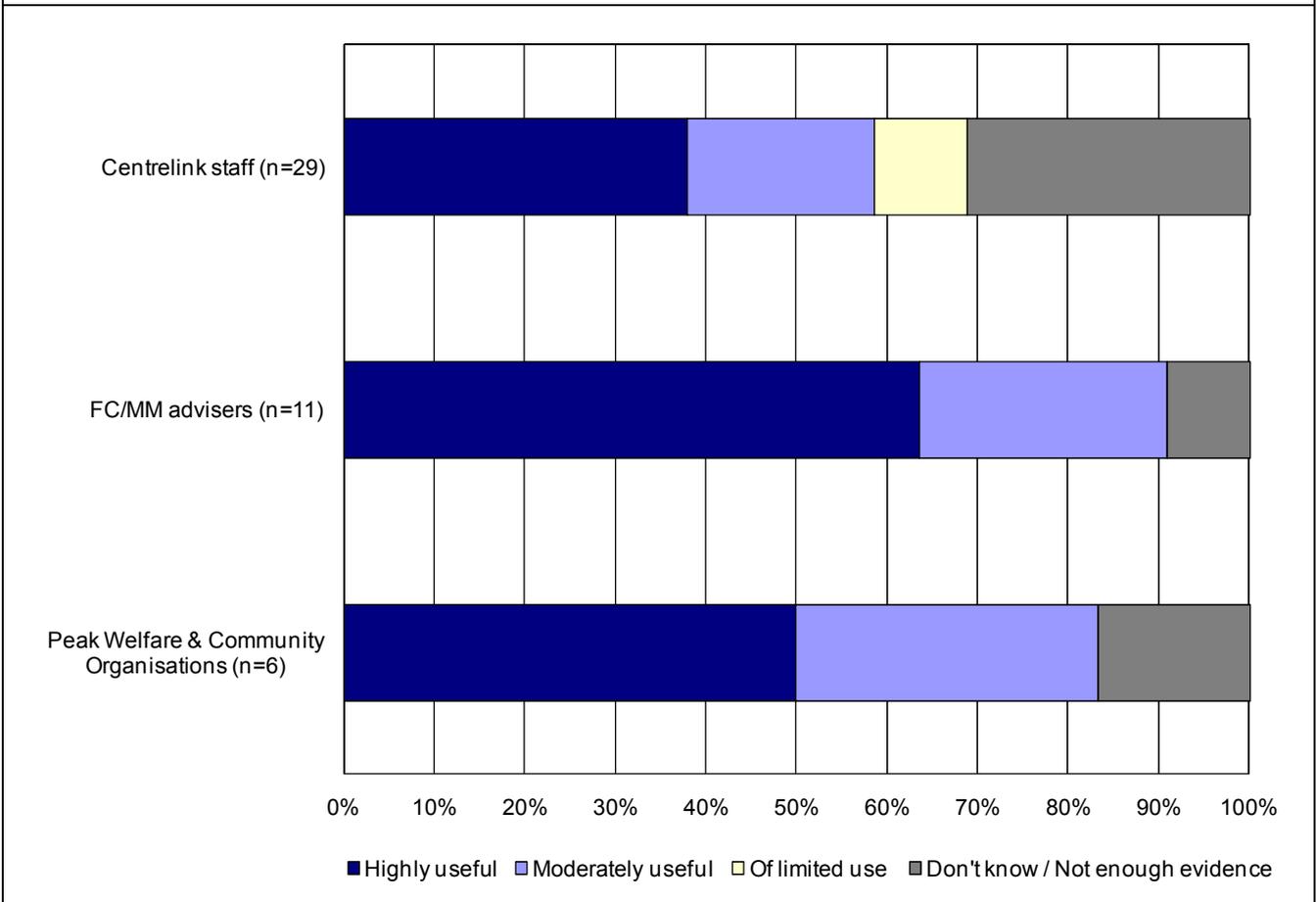
“Debt negotiation, access to entitlements and special schemes to reduce indebtedness such as WA’s HUGS. Information about No Interest Loans and applications completed for these. Information about Step Up Loans to reduce dependence on the fast money lenders. Ensuring electricity rebates are in place and advice on usage reductions for utilities. Linking to other services where needed. Advocacy and advice on such things as Taxi Vouchers and Smart Riders with free services for people on Disability Support or Age Pensions within certain hours. How to find and access other services for themselves.”

D.1.2.3 Usefulness of financial management services

The majority of respondents across the three groups of stakeholders thought that the financial management services had been useful to VIM clients who had accessed them. The stakeholders who were most likely to believe that this was the case were:

- ◆ financial counsellors and money management advisers (91%); and
- ◆ peak welfare and community organisations (83%) (see Figure 114).

Figure 114: Usefulness of financial counselling/money management services to VIM clients who have accessed them
Base: All respondents



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

D.1.3 Improving take-up of financial counselling and money management services

Centrelink staff, financial counsellors/ money management advisers and peak welfare and community organisations outlined a number of factors which they considered may have discouraged or prevented VIM clients from taking-up financial management services. They also identified factors likely to encourage take-up of these services.

D.1.3.1 Factors discouraging take-up of financial management services

Some financial counsellors/ money management advisers and Centrelink staff thought that a lack of understanding about what financial counselling is and how it can help may have been one factor that prevented or discouraged VIM clients from accessing financial management services.

“Previous experiences which have not been a good experience have discouraged customers. Some of the customers have misconceptions of what financial counselling is, and the word counselling can be off putting also.” [Centrelink staff member]

“Often clients are not fully advised or [do not] understand what financial services can do for them. Need to be seen as an aid not as a judgmental further party to any loss of independence.” [Financial counsellor or money management adviser]

Centrelink staff also suggested that some VIM participants may feel embarrassed about attending the service.

“Customers are ashamed as they know people that work there and are worried that everyone in the community will know their business.”

D.1.3.2 Factors to encourage take-up of financial management services

The two most commonly reported factors that financial counsellors/ money management advisers and Centrelink staff thought would encourage VIM clients to access financial management services were:

- ◆ Increasing client awareness of the benefits and support offered by these services.

“Increased information to staff and customers about the benefits of this, more promotion in the wider community that it is not only for VIM customers so there is not a stigma attached to it, good news stories about outcomes achieved for customers accessing this service” [Centrelink staff member]

“Positive education, information and support.” [Financial counsellor or money management adviser]

“Better education and promotion of the benefits of financial counselling. Culturally appropriate promotion of financial counselling.” [Peak welfare and community organisation]

- ◆ Using financial incentives to encourage take-up.

“I believe if they were to know that they could receive the \$250 bonus after 6 months for allowing us to IM the funds [they would attend].” [Centrelink staff member]

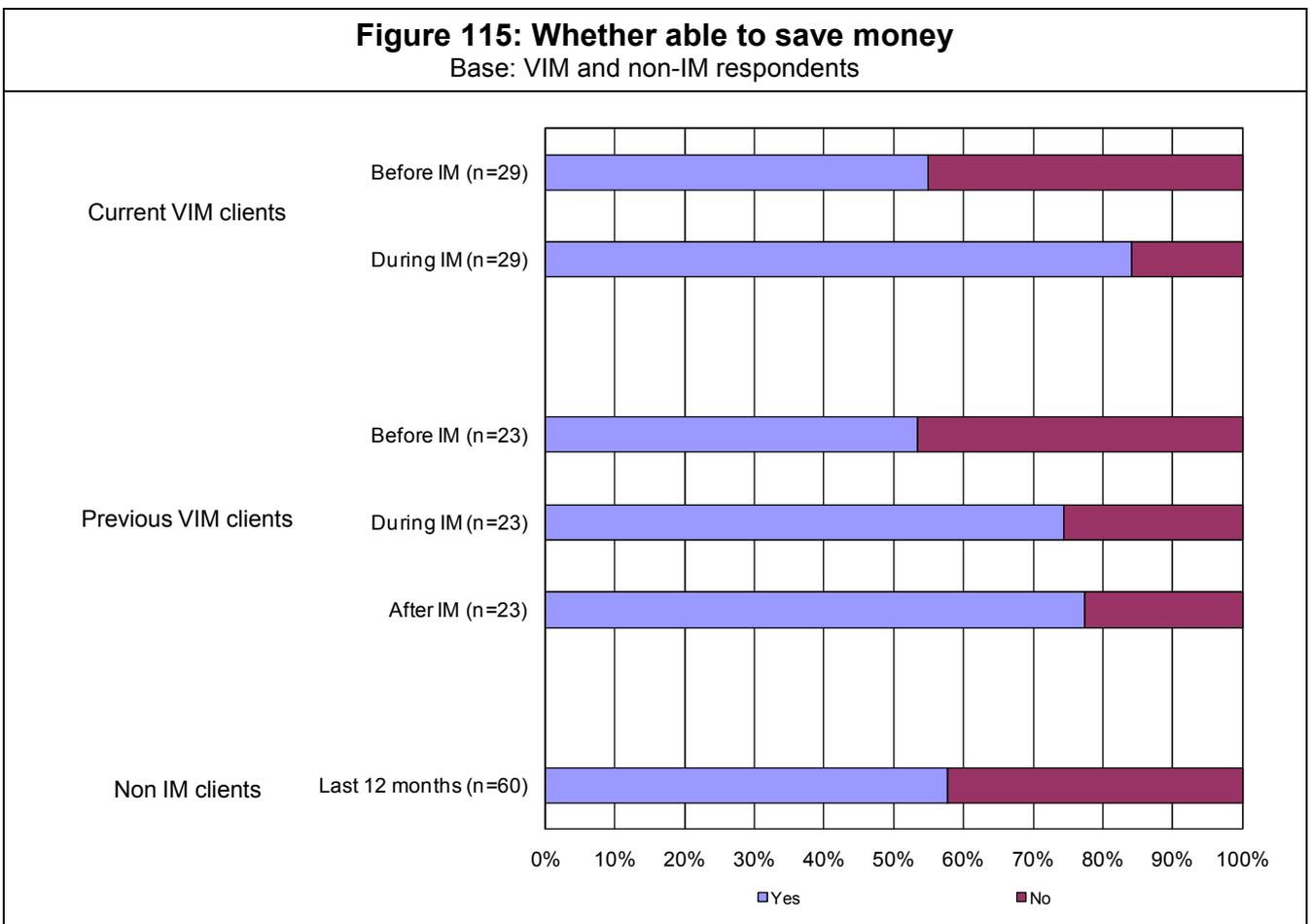
“A greater more expanded explanation of how they can receive help with perhaps some stress on the possibility of extra funds initially as a sweetener.” [Financial counsellor or money management adviser]

D.2. Ability to save money and items saved for

Just over half of VIM clients (54%) reported that they were able to regularly save money in the 12 months prior to commencing VIM. This was similar to the 58% of non-IM clients in the comparison group who reported that they were able to regularly save money.

VIM clients were more likely to report that they were able to regularly save money once they were on IM. Eight in ten VIM respondents (80%) reported that they were able to regularly save money while they were on IM—84% of current VIM clients and 74% of past VIM clients (see Figure 115).

A similar proportion of previous VIM respondents (77%) also indicated that they were able to regularly save money after completing IM, which suggests some ongoing positive changes in financial management for these clients.



Source: ORIMA survey of IM clients and non-IM clients.

Note: savings for IM clients also included money saved in 'kitty'.

Most commonly, VIM clients reported that whilst they were on VIM they had saved money for things such as food, clothing, to pay bills and household goods. Examples of responses provided by VIM respondents included:

“Food and clothes.”

“Table and chair, car to be fixed, clothes.”

“Food, power (electricity).”

“New lounge and whitegoods.”

“Extra food or things that we needed—clothes.”

D.2.1 Use of Centrepay deductions

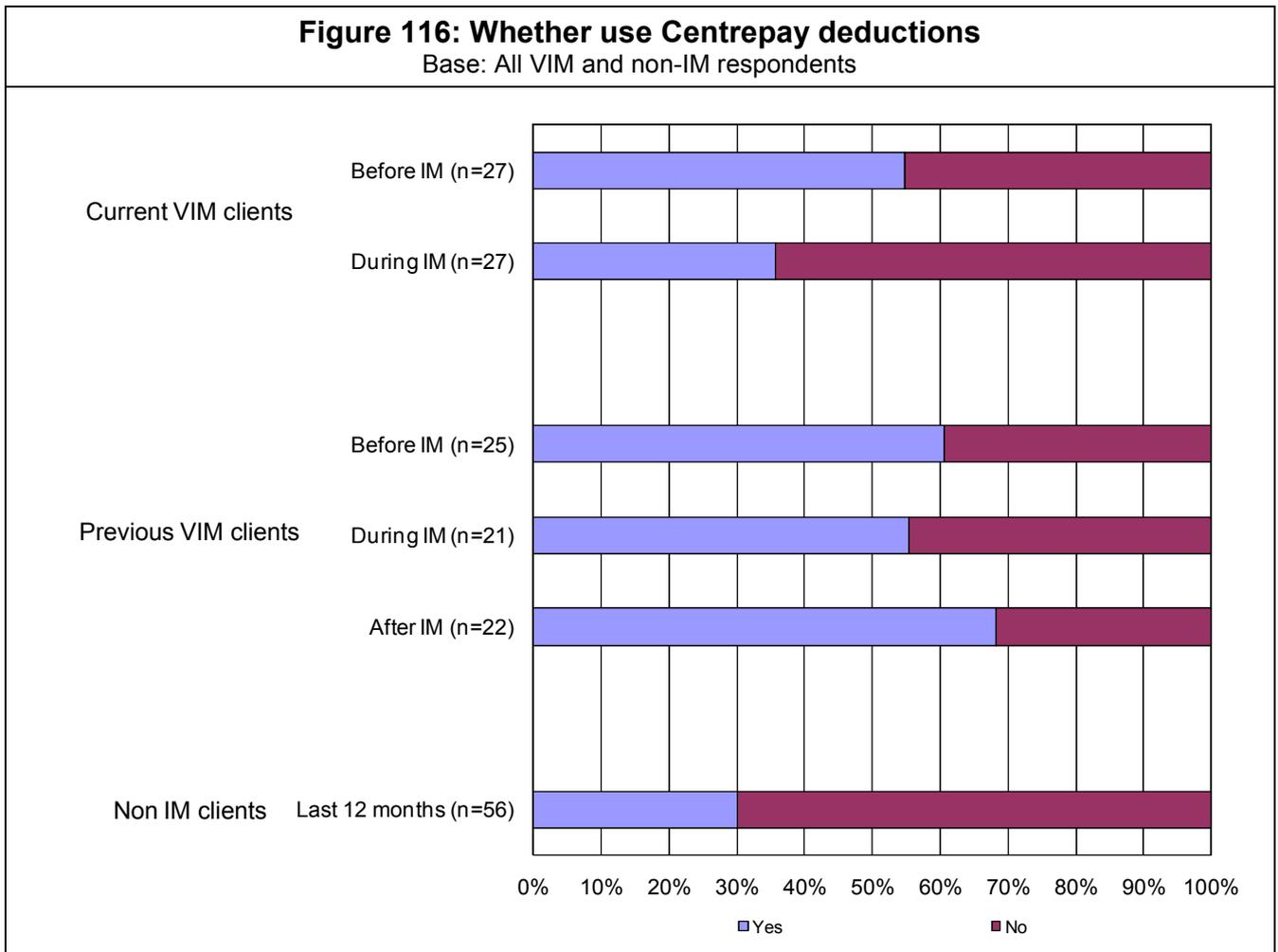
Almost six in ten VIM respondents (57%) reported that they used Centrepay deductions prior to commencing VIM. These clients were almost twice as likely as non-IM clients in the comparison groups to use Centrepay deductions (30%).

Just over four in ten VIM respondents (44%) reported that they used Centrepay deductions whilst they were on IM—36% of current and 55% of previous VIM clients (see Figure 116).

Just over two-thirds of previous VIM respondents (68%) reported that they used Centrepay deductions following the completion of VIM.

Figure 116: Whether use Centrepay deductions

Base: All VIM and non-IM respondents



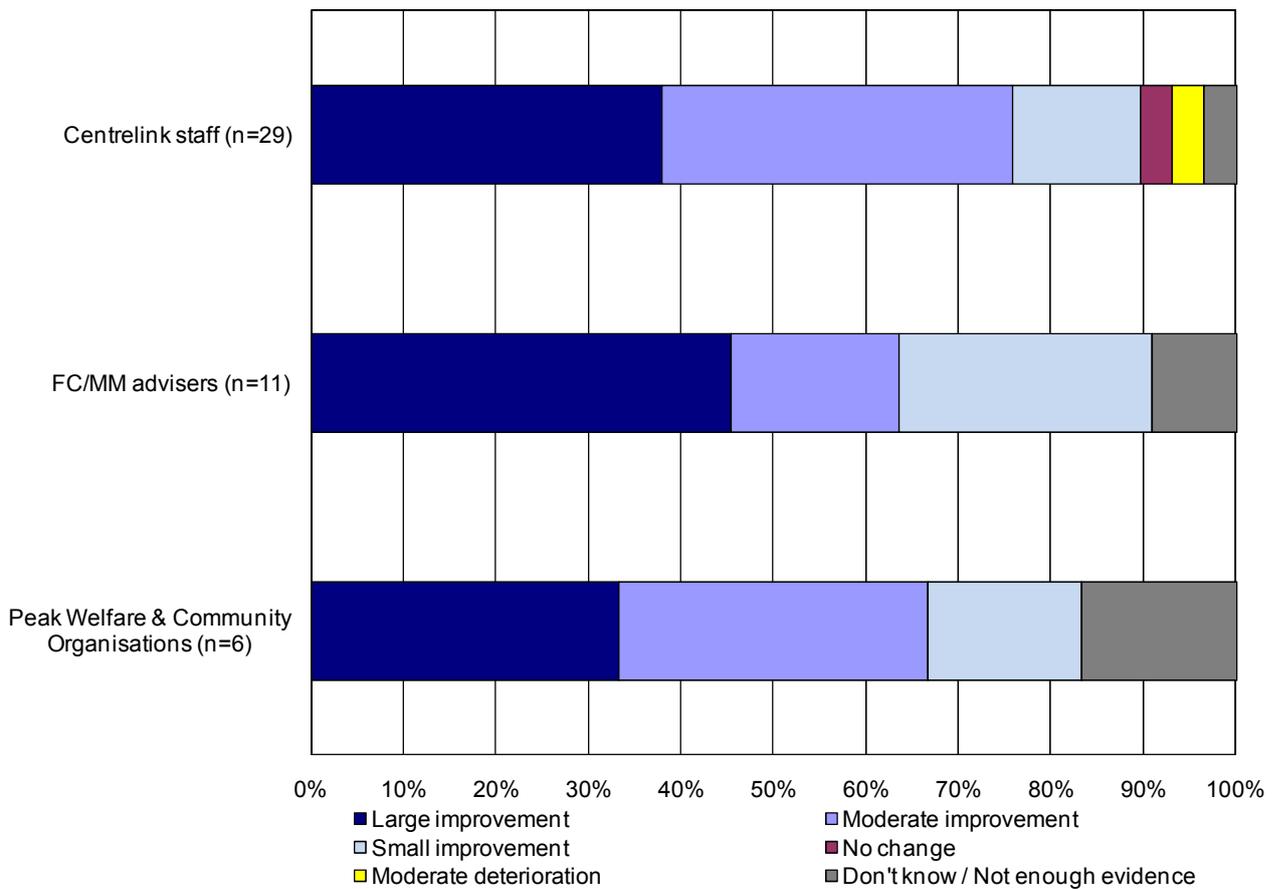
Source: ORIMA survey of IM clients and non-IM clients.

D.3. Impact of VIM on individual’s financial management capability

Over 60% of respondents across the three key stakeholder groups believed that VIM had led to at least a moderate improvement in financial management among VIM clients (see Figure 117). Moderate proportions of these stakeholders also believed that VIM had led to a large improvement in VIM clients’ financial management capabilities—45% of financial counsellors and money management advisers, 38% of Centrelink staff and 33% of peak welfare and community organisations.

Figure 117: Extent WA VIM trial has led to an improvement or deterioration in financial management among VIM clients

Base: All respondents



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

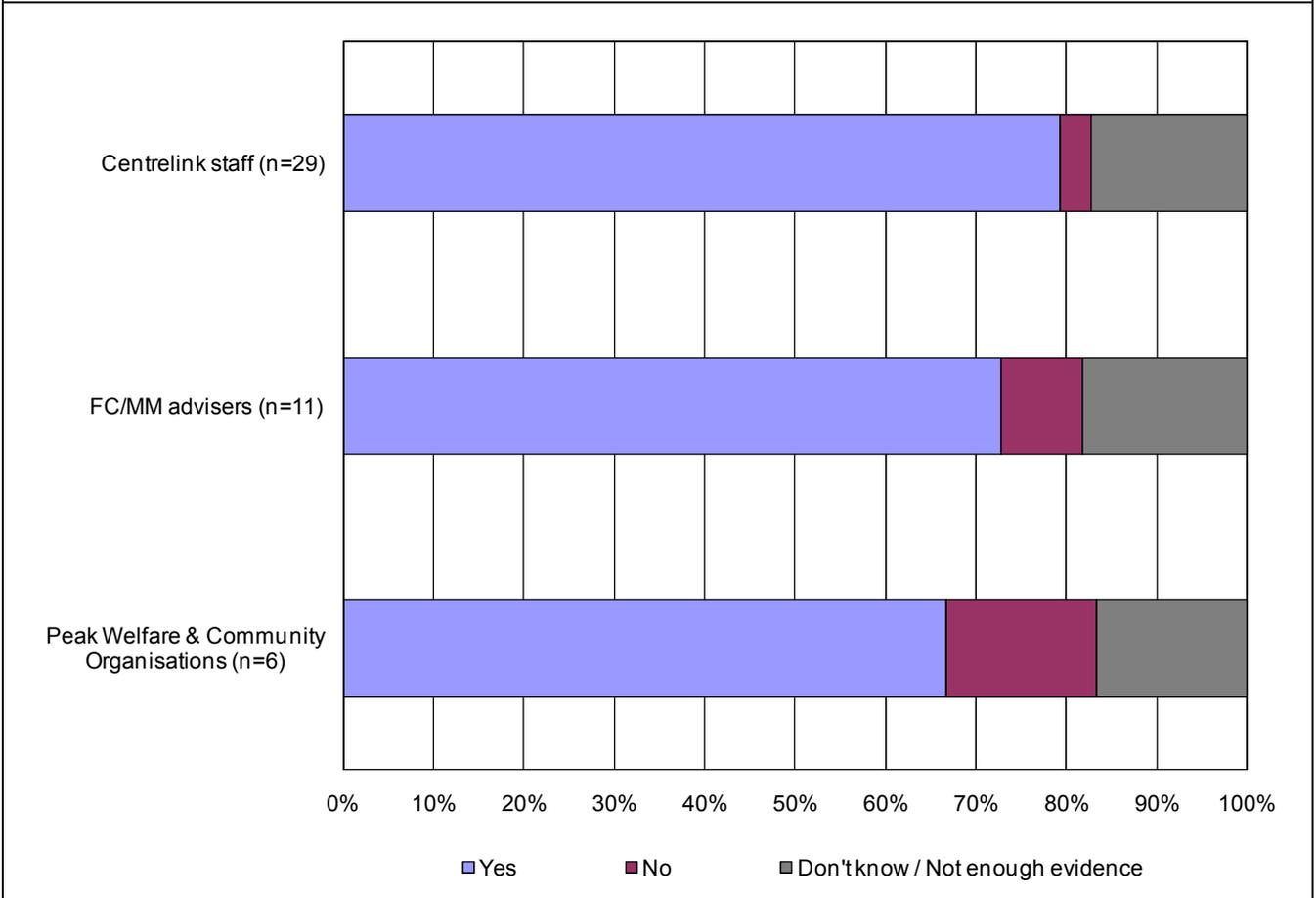
Most community leaders in the qualitative research felt that VIM had assisted people to better manage their money. They also believed that VIM had helped people better meet their living costs especially in relation to food and paying rent and utility bills.

D.3.1 Positive impacts and benefits

Over two-thirds of respondents across the three key stakeholder groups believed VIM had had specific positive impacts on the financial management capability of VIM clients. The proportion of respondents from each of the groups who thought this was the case ranged from 67% for peak welfare and community organisations to 79% for Centrelink staff (see Figure 118).

Figure 118: Whether VIM has had any positive impacts on financial management capability of VIM clients

Base: All respondents



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

Respondents from the three key stakeholder groups, who thought that VIM had positive impacts on financial management, reported that there were a number of positive impacts it had had on VIM clients' financial management capabilities (see Figure 119).

Across the three groups of stakeholders, the most commonly reported benefits of VIM, in terms of financial management capability were that it had increased the ability of VIM clients to:

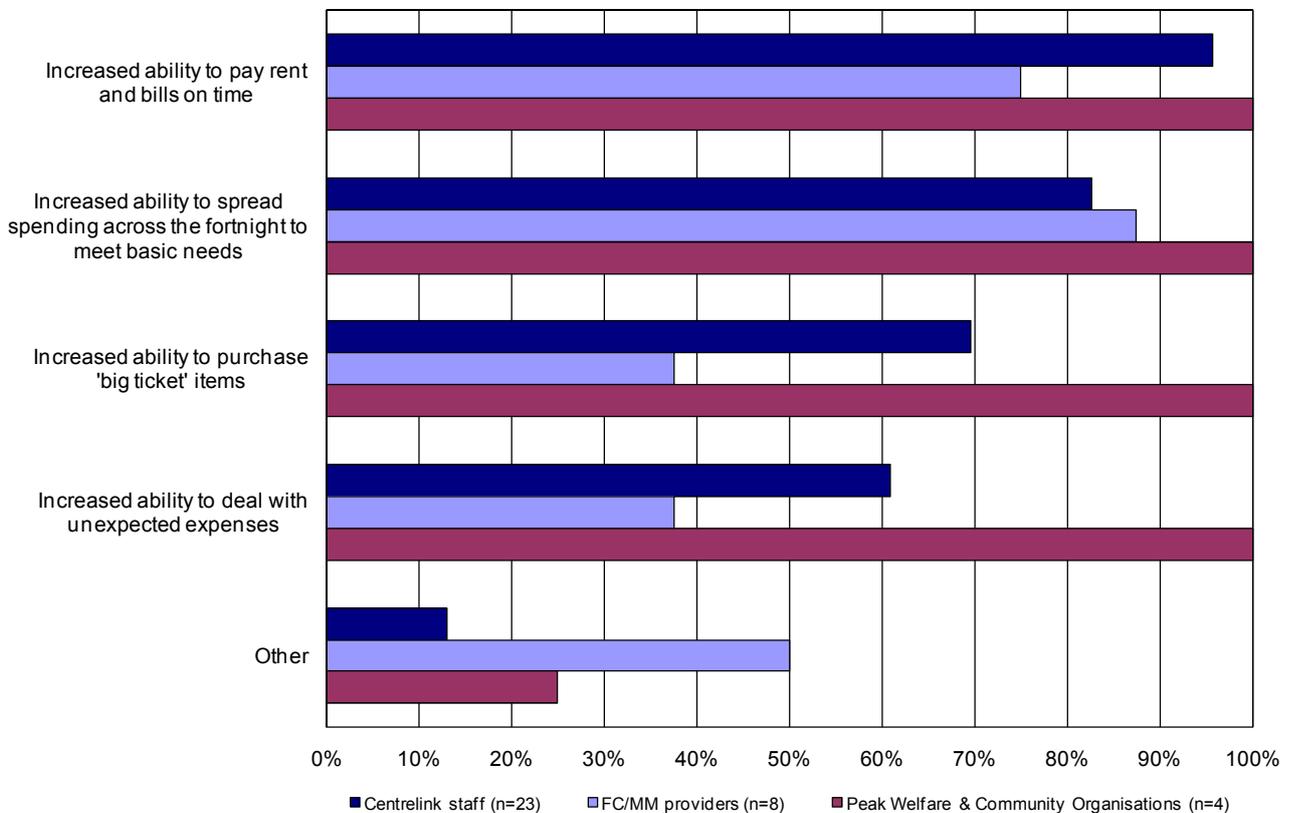
- ◆ pay rent and bills on time (ranging from 75% of financial counsellors and money management advisers to 100% of peak welfare and community organisations); and
- ◆ spread spending across the fortnight to meet basic needs (ranging from 83% of Centrelink staff to 100% of peak welfare organisations).

Smaller proportions of stakeholders also believed that VIM had had a positive impact on financial management by increasing VIM clients' ability to:

- ◆ purchase 'big ticket' items (ranging from 38% of financial counsellors and money management advisers to 100% of peak welfare and community organisations); and
- ◆ deal with unexpected expenses (38% of financial counsellors and money management advisers to 100% of peak welfare and community organisations).

Figure 119: What positive impacts has VIM had on the financial management capability of VIM clients

Base: Respondents who indicated that VIM had any positive impacts



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

Feedback from community leaders in the qualitative research supported the findings presented in Figure 119.

Centrelink staff, financial counsellors/ money management advisers and peak welfare and community organisations believed that there were a number of benefits that financial counselling and money management provided to VIM clients who accessed these services. The main theme that emerged from these comments was that these clients had increased their ability to manage their finances and debt.

“Better money management, liaison of financial counsellors between customer and organisation in regards to referrals, negotiation of customer’s repayments to credit offices etc.” [Centrelink staff member]

“Now have a budget, Jacaranda have associated services and also teach how to shop, cook and other skills. Access to HUGS grants. Advocacy for debts housing authority etc. NILS loan applications for white goods.” [Centrelink staff member]

“Received entitlements they did not realise they could get. Had unconscionable debts removed or a payment plan set in place that they could manage. Helped them to gain control of their money so they were not ripped off or exploited by the fast money lenders or telecommunication salespeople and alerted them to better options. Sometimes forced a sense of reality on people who never considered how they would pay for whatever they wanted.” [Financial counsellor or money management adviser]

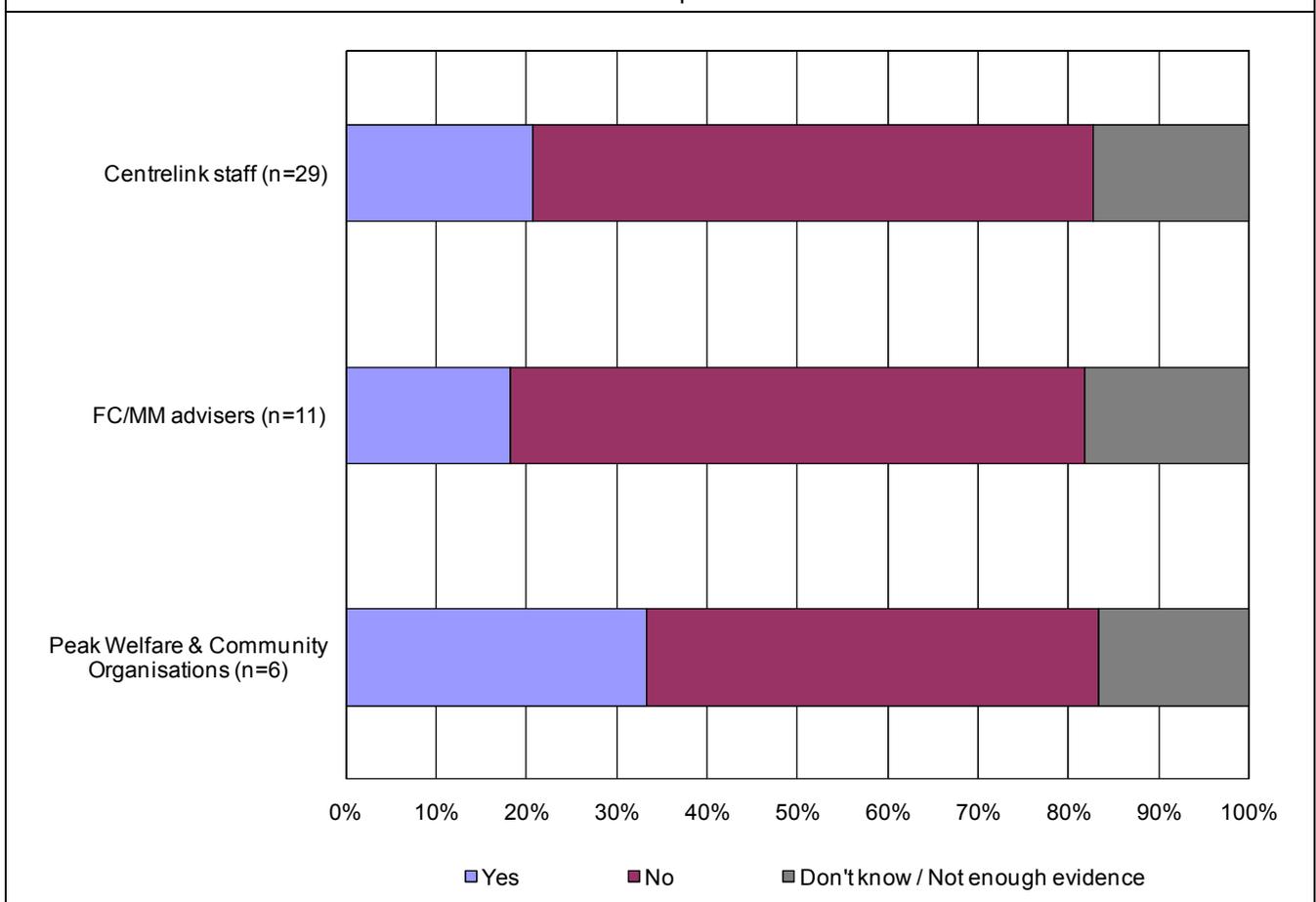
D.3.2 Negative impacts

Generally, small proportions of respondents across the three key stakeholder groups believed that VIM had had any negative impacts on the financial management capabilities of VIM clients. The proportion of respondents who thought that this had occurred ranged from 18% of financial counsellors and money management advisers to 33% of peak welfare and community organisations (see Figure 120).

Community leaders in the qualitative research did not identify and negative impacts of VIM on individuals' financial management capabilities.

Figure 120: Whether VIM has had any negative impacts on financial management capability of VIM clients

Base: All respondents



Source: ORIMA survey of Centrelink staff, DCP staff, FC/MM advisers and peak welfare and community organisations.

When asked about what these negative impacts were, very few respondents outlined these impacts. There were no clear themes that emerged from the comments provided by the three stakeholder groups. Examples of comments provided by some stakeholders included:

“Customers often received a lot of help in the beginning and this backs off gradually. Some of our customers do not cope with this.” [Centrelink staff member]

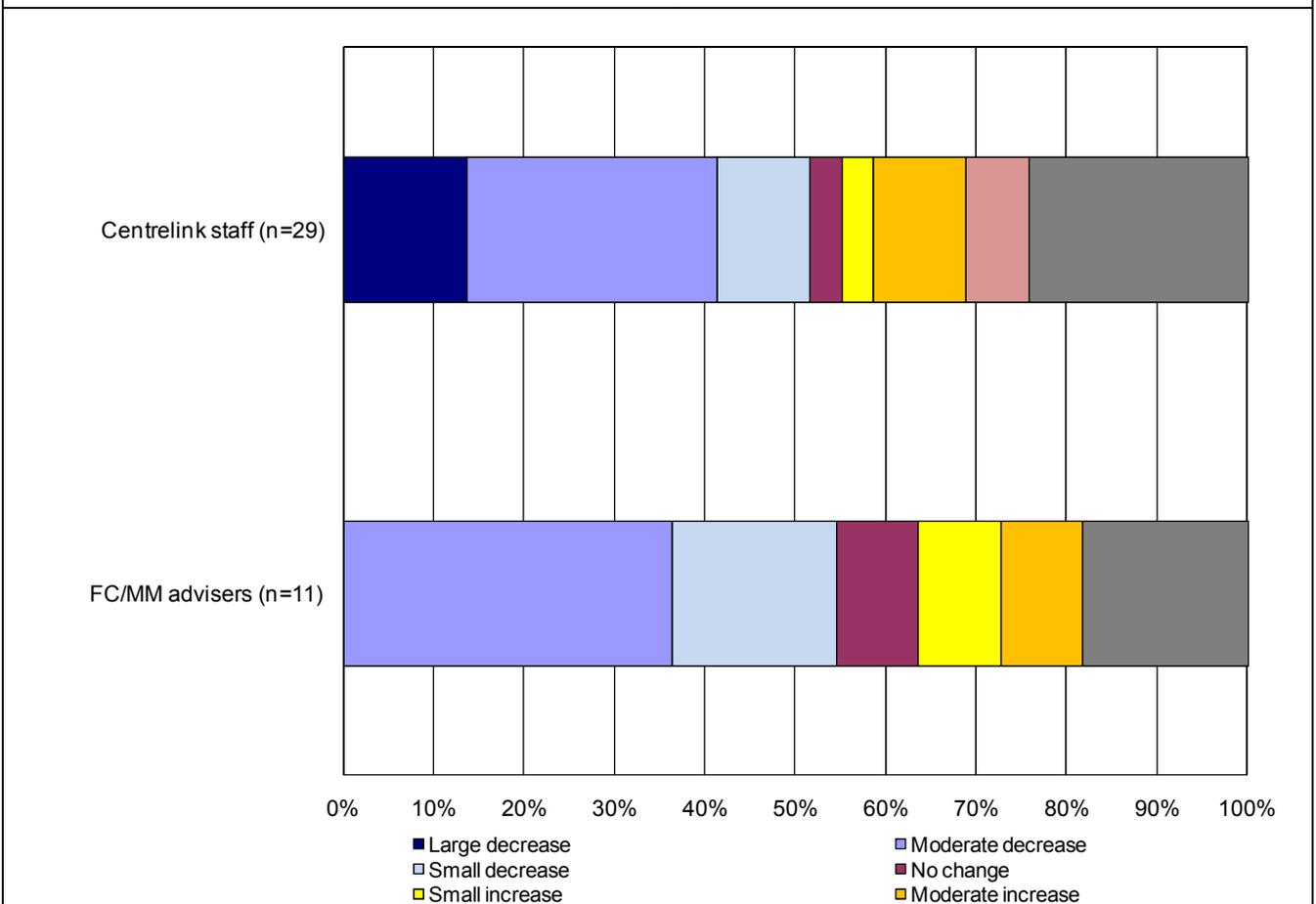
“No room to manage income to meet up-coming expenses that are not ‘basic needs’.” [Peak welfare and community organisation]

D.3.3 Impact on incidence of people accessing emergency relief

Over half of financial counsellors/ money management advisers (55%) and Centrelink staff (52%) believed that the VIM trial had led to at least some decrease in the incidence of trial participants seeking emergency relief, emergency payments or other financial crisis support (see Figure 121). Conversely, around one in five respondents in these two stakeholder groups believed that the trial had led to an increase in the use of emergency relief and other forms of financial support (21% of Centrelink staff and 18% of financial counsellors and money management advisers).

Figure 121: Whether VIM has had any impact in the incidence of people who have participated in the program accessing emergency relief, emergency payments or other financial support

Base: All respondents



Source: ORIMA survey of Centrelink staff and FC/MM advisers.

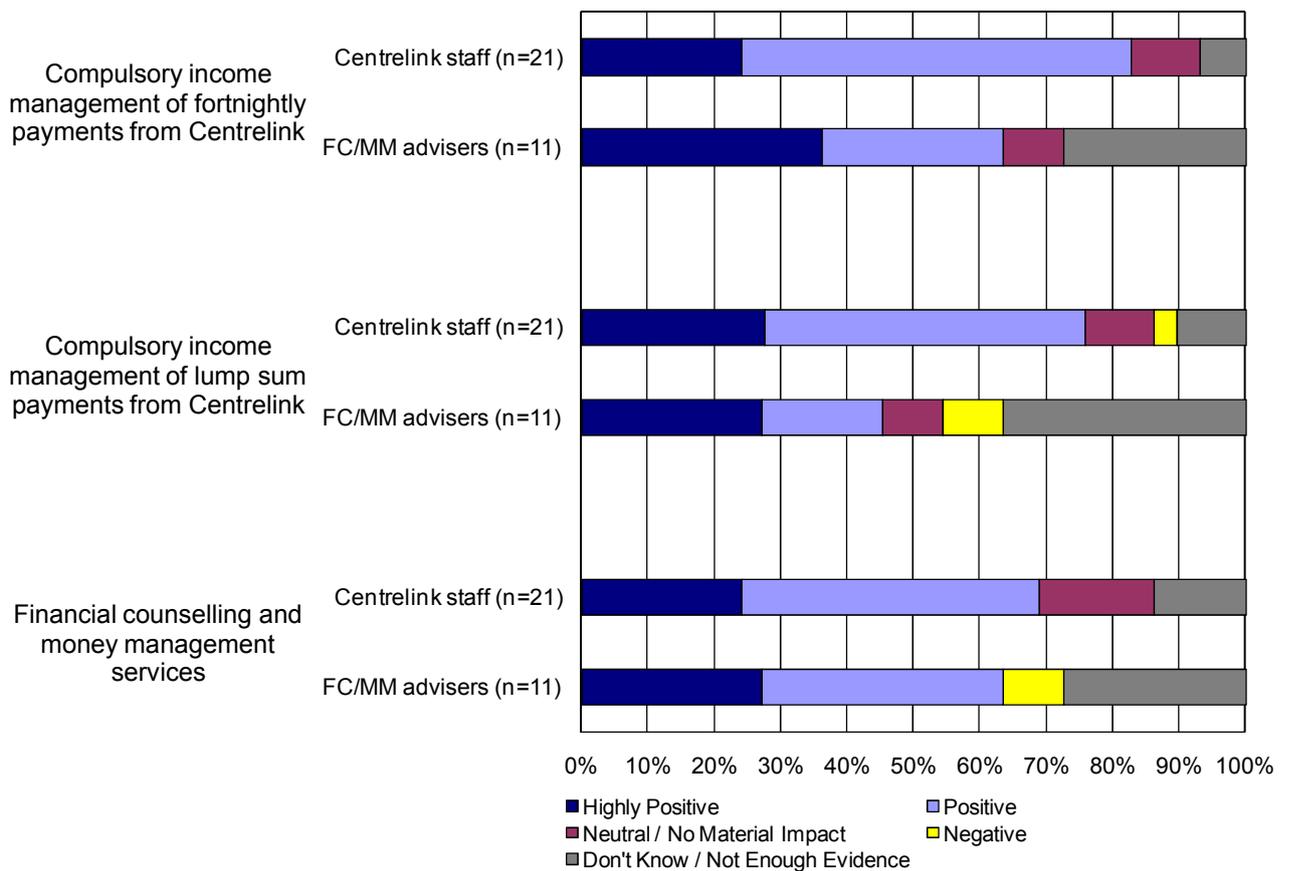
D.3.4 Impact of key aspects of the VIM program

Both Centrelink staff and financial counsellors/ money management advisers were asked to rate the extent to which particular income and financial service elements of the VIM trial had contributed to improving financial management among trial participants. At least 60% of respondents in each stakeholder group thought that the following aspects of VIM had had a positive or highly positive impact:

- ◆ IM of fortnightly payments from Centrelink (83% Centrelink staff and 64% financial counsellors and money management advisers);
- ◆ IM of lump sum payments from Centrelink (76% Centrelink staff, 45% financial counsellors and money management advisers); and
- ◆ financial counselling and money management services (69% Centrelink staff, 64% financial counsellors and money management advisers).

Figure 122: Overall impact of VIM in improving financial management among VIM clients

Base: All respondents



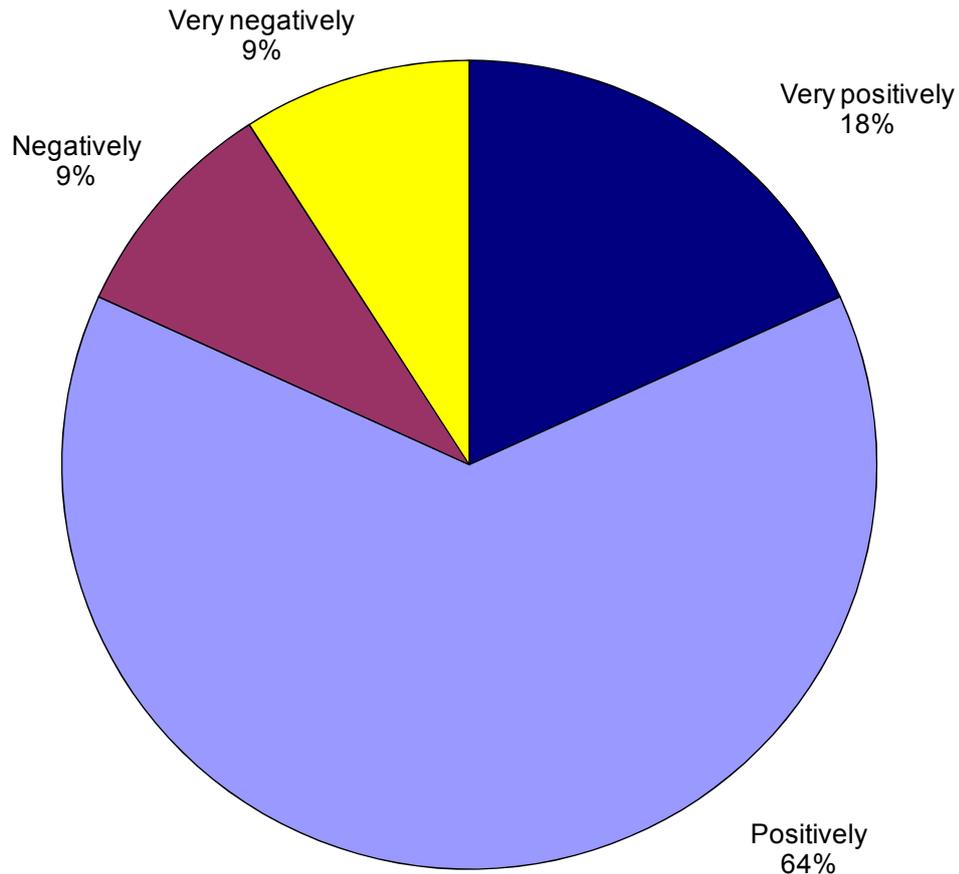
Source: ORIMA survey of Centrelink staff and FC/MM advisers.

D.3.5 Client reactions to financial counselling and money management services

More than four in five financial counsellors and money management advisers (82%) thought that VIM clients had responded positively to financial counselling and money management services. The remaining 18% of respondents thought that VIM clients had responded negatively (see Figure 123).

Figure 123: How have VIM clients responded to financial counselling and money management services

Base: All respondents (n=11)



Source: ORIMA survey of FC/MM advisers.

Financial counsellors and money management advisers believed that the key reason for the positive response from VIM clients towards financial management services was that these clients could see personal benefits from these services.

“They know they have financial issues and this is a great tool to help them manage their money and keep them safe.”

“The reduction of debt, the ability to save and buy items they needed and wanted has come out of this and the additional funds dedicated to helping where needed have been an immense benefit.”

E. Impact of VIM on child, family and community wellbeing

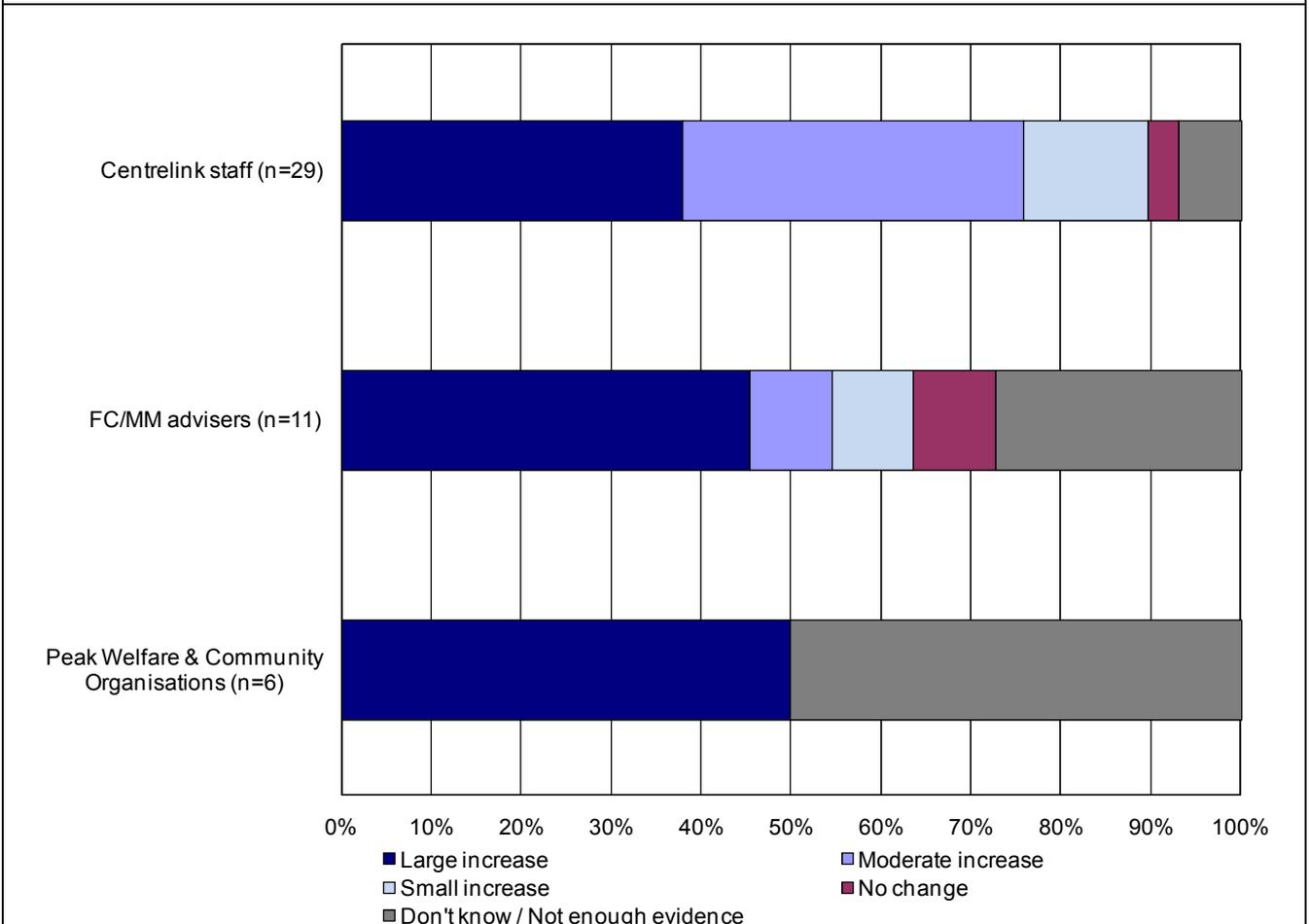
This section examines the impact of VIM on the wellbeing of children, families and the community. It covers issues such as whether VIM clients could pay for essential items before, during and after VIM (where a client is no longer on the program) and whether VIM has had any impact on family relationships.

E.1. Impact on child wellbeing

E.1.1 Impact on the share of families' spending directed to meeting the needs of dependent children

At least half of respondents across the three key stakeholder groups thought that VIM had increased to some degree the amount of money that VIM families were spending to meet the needs of their dependent children (see Figure 124). The proportion of respondents who thought this had occurred ranged from 50% of peak welfare and community organisations to 90% of Centrelink staff. No respondents thought that the trial had resulted in decreased spending directed to children.

Figure 124: Extent VIM has resulted in a change in the share/proportion of participant families' spending/budget directed to meeting the needs of dependent children
Base: All respondents

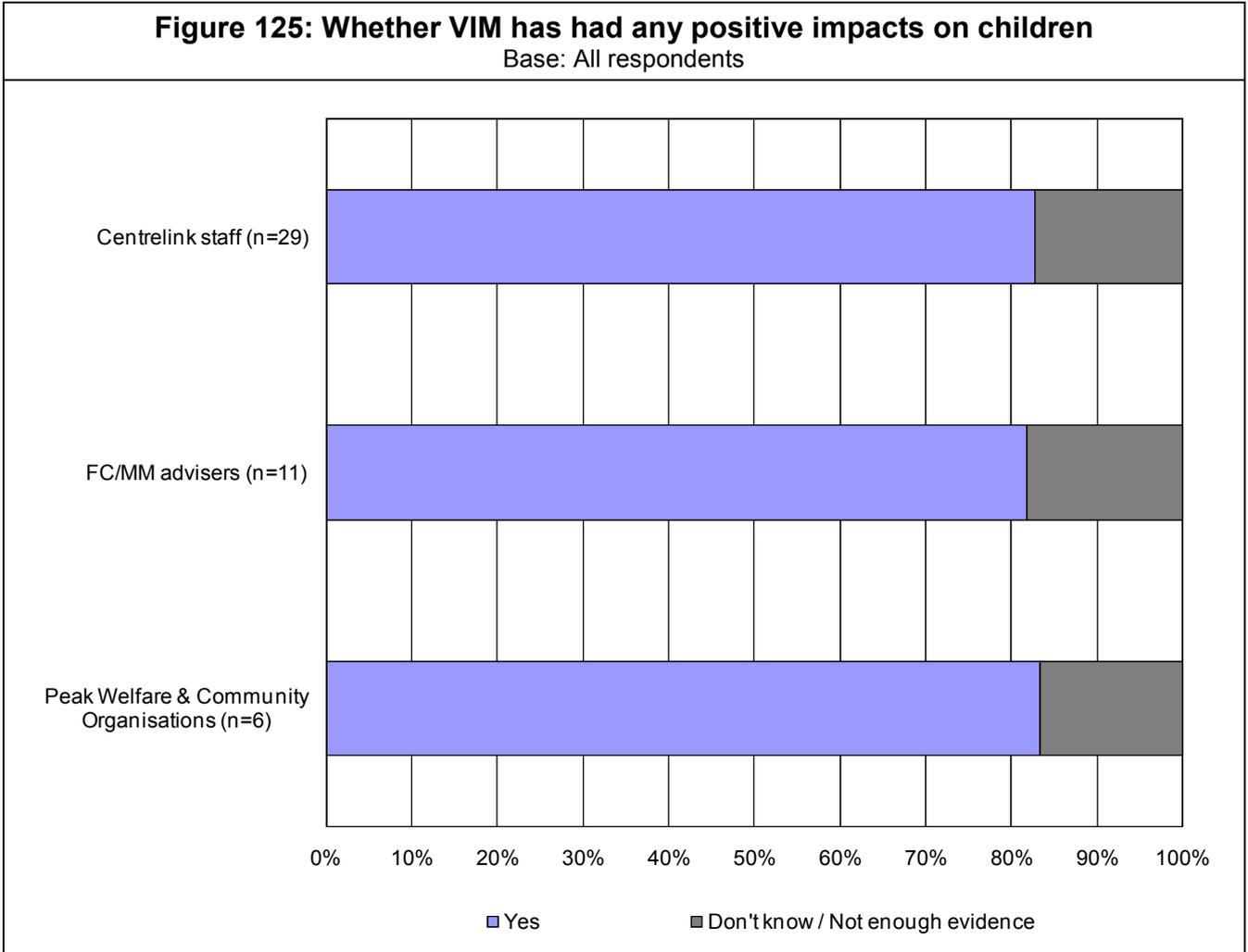


Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

E.1.2 Positive impacts on children

Around eight in ten respondents across the three key stakeholder groups thought that VIM had had a positive impact on the wellbeing of children (see Figure 125).

- ◆ 83% of Centrelink staff, 83% of peak welfare and community organisations and 82% of financial counsellors and money management advisers believed that VIM had had a positive impact on the wellbeing of children.



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

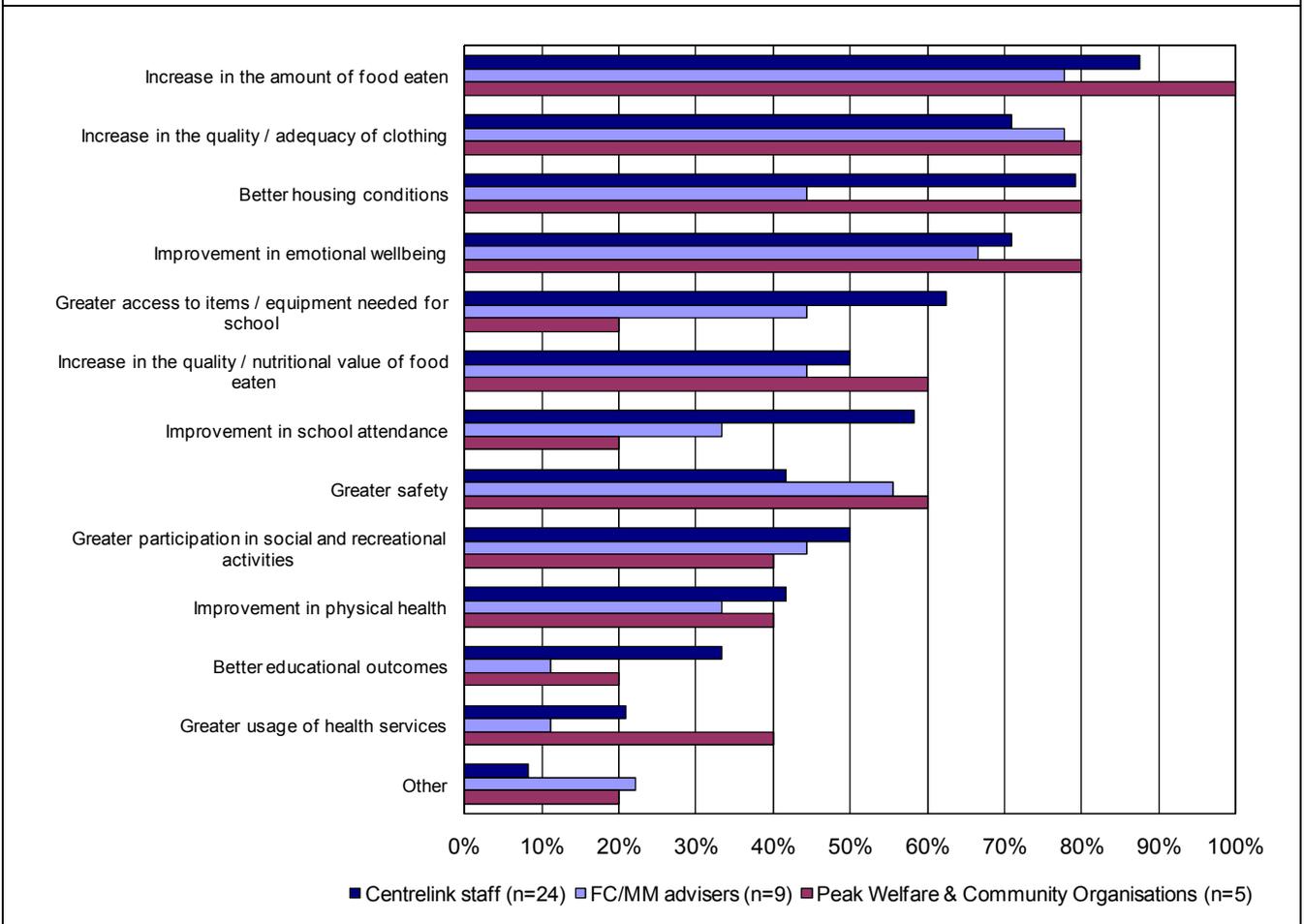
Most community leaders in the qualitative research agreed that VIM had resulted in positive impacts on children—primarily in relation to the family’s capacity to provide more stable access to food and clothing as well as accommodation. Some of these participants felt that children in these families on IM appeared to be “more happy and healthy”.

When asked to nominate the types of positive impacts that VIM had had on the wellbeing of children, respondents were most likely to nominate:

- ◆ an increase in the amount of food eaten (ranging from 78% of financial counsellors and money management advisers to 100% of peak welfare organisations);
- ◆ an increase in the quality and adequacy of clothing (ranging from 71% of Centrelink staff to 80% of peak welfare and community organisations);
- ◆ better housing conditions (ranging from 44% of financial counsellors and money management advisers to 80% of peak welfare and community organisations); and
- ◆ improvements in emotional wellbeing (ranging from 67% of financial counsellors and money management advisers to 80% of peak welfare and community organisations) (see Figure 126).

Figure 126: Types of positive impacts that VIM has had on children

Base: Only respondents who thought that VIM has had positive impacts on children

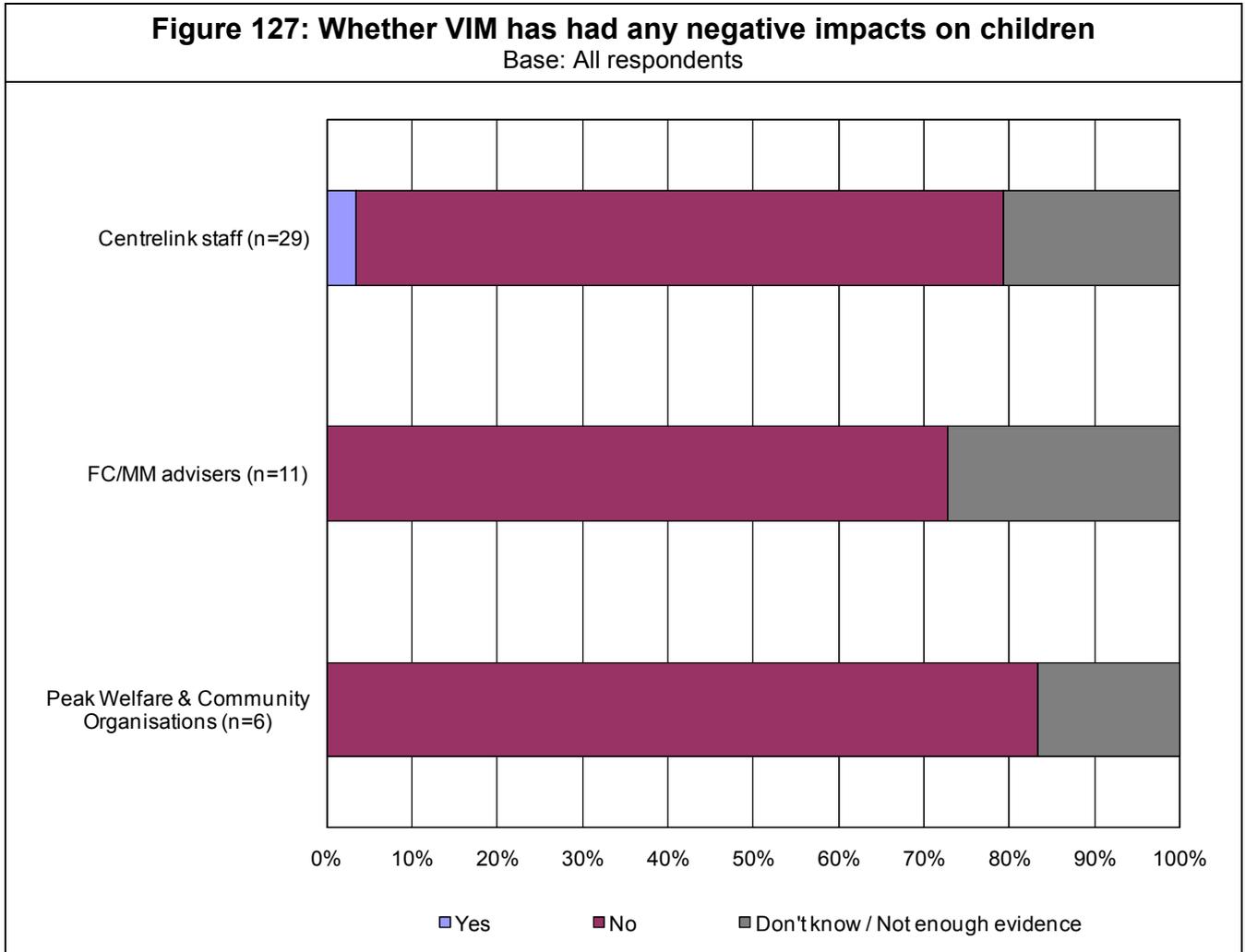


Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

Feedback from community leaders in the qualitative research also tended to be in line with the findings outlined in Figure 126.

E.1.3 Negative impacts on children

Only a very small proportion of Centrelink staff thought that VIM had had a negative impact on the wellbeing of VIM clients' children (see Figure 127).



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

The reason why the respondent thought that VIM had had a negative impact on the wellbeing of children was:

“Many children of varying ages still are wondering around remote communities and in town with chips and coke at all hours of the day and night. Some families still ‘selling’ their cards during gambling and finding ways to purchase ‘non priority’ items by pooling non-allocated money.”

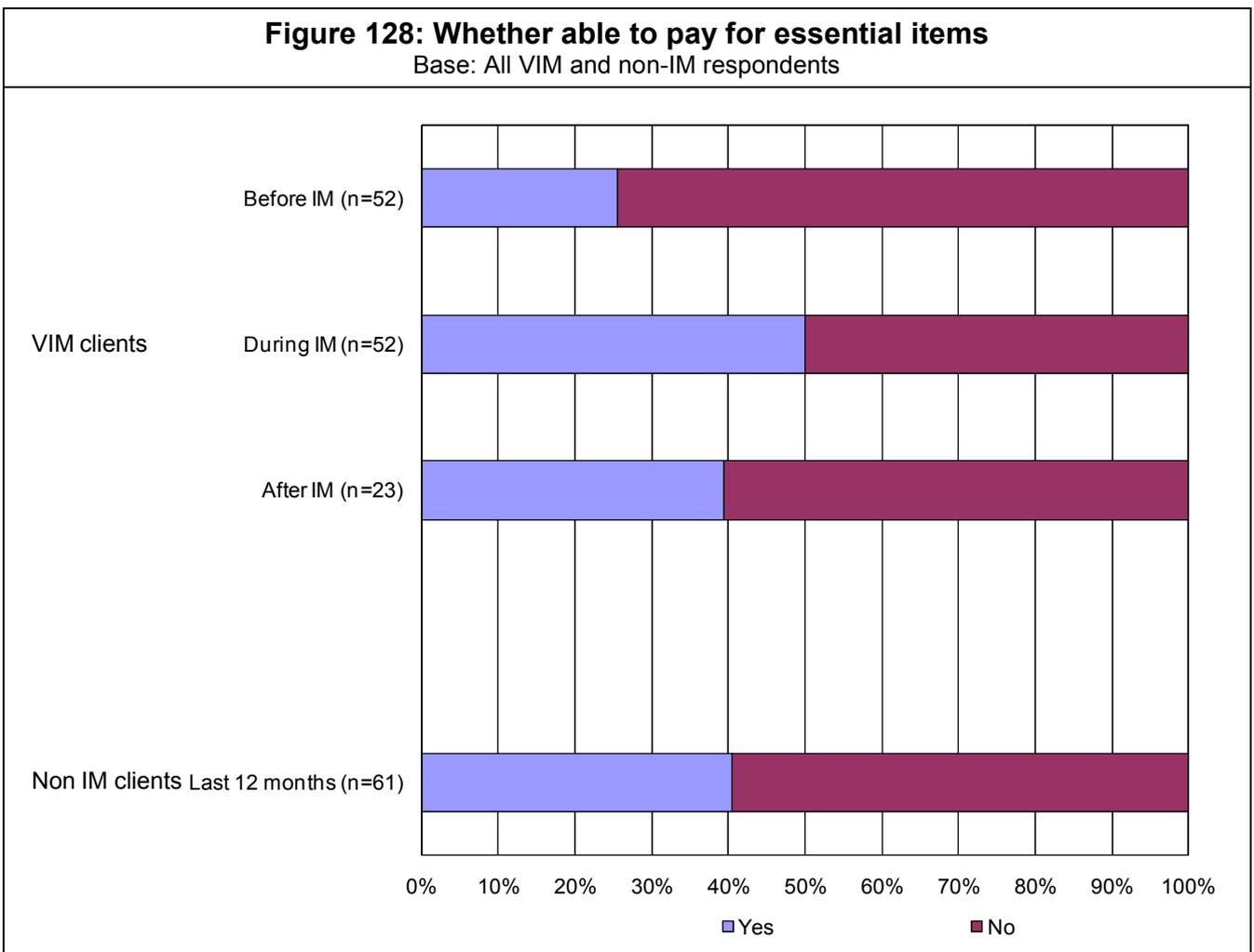
E.2. Impact on family wellbeing

E.2.1 Ability to pay for essential items

Almost three-quarters of VIM clients (74%) reported that they had been unable to pay for at least one essential item in the 12 months prior to IM—92% of current clients and 57% of previous clients. This compares to 60% of the comparison group who reported that they had been unable to pay for at least one of these items in the last 12 months (see Figure 128).

During IM, VIM clients were less likely to report that they were unable to pay for essential items. Whist they were on VIM, 50% of respondents reported that they had been unable to pay for such items.

Among previous VIM clients, 61% of these respondents reported that they were unable to pay for at least one essential item once they had ceased participation in VIM.



Source: ORIMA survey of IM clients and non-IM clients.

Table 9 shows the proportion of VIM clients who ran out of money to pay for an essential item category before, during, or (in the case of past VIM clients) after IM participation. When clients were on VIM they were less likely to run out of money to buy food, pay a utility bill, pay another bill or debt when it was due and/or pay their rent on time.

Table 9: Proportion of clients running out of money for essential items, by item type

Essential item type	VIM Clients			Non-IM
	Before IM	During IM	After IM	
Food	60	24	37	37
Utilities	49	22	21	25
Other bill or debt	48	23	10	27
Did not have money to pay rent on time	38	12	8	11
Children's educational needs	28	16	18	10
Essential (non-food) items for children	28	13	8	12
Total unable to pay for essential items	74	50	61	60

Source: ORIMA survey of IM clients.

E.2.1.1 Ways of coping when unable to pay for essential items

VIM clients who reported that they were unable to pay for at least one essential item were asked about how they managed to pay for the things that they needed. Before clients had started on IM, they were most likely to report that they had gone without (66%), borrowed the money (61%), and/or someone had given them the money (52%) (see Figure 129).

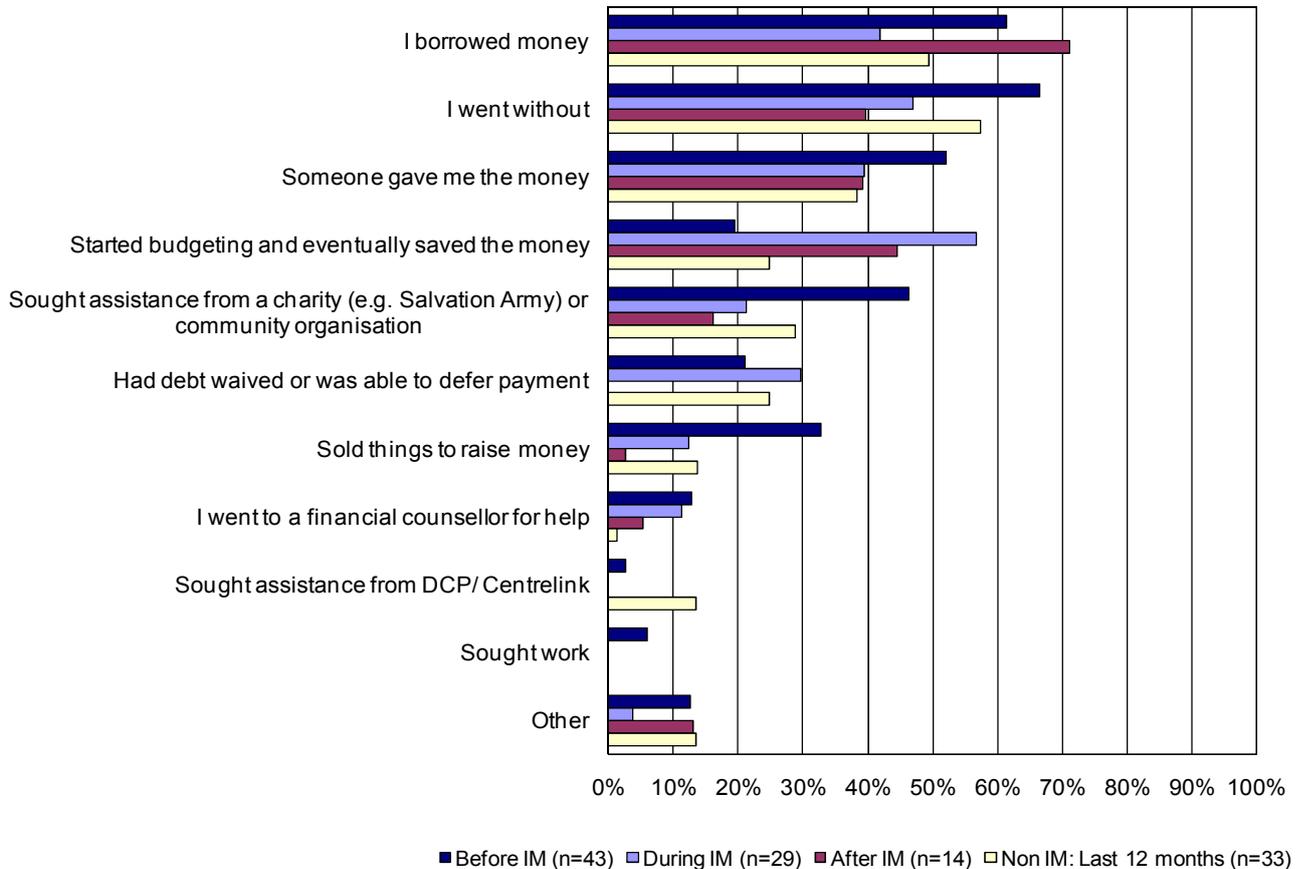
Whilst clients were on VIM they were most likely to have started budgeting and eventually saved the money (57%). They did, however, also rely on strategies such as borrowing the money (42%) or going without (47%).

Once VIM clients had exited IM they were most likely to report that they borrowed the money (71%) and/or started budgeting and eventually saved the money (45%).

The three most commonly used strategies by VIM clients prior to IM were the same strategies that the comparison group reported using when they were unable to pay for essential items (i.e. 57% went without, 49% borrowed money and/or 38% reported that someone gave them the money).

Figure 129: How current VIM clients coped when they were unable to pay for essential items

Base: All VIM and non-IM respondents who were unable to pay for essential items



Source: ORIMA survey of IM clients and non-IM clients.

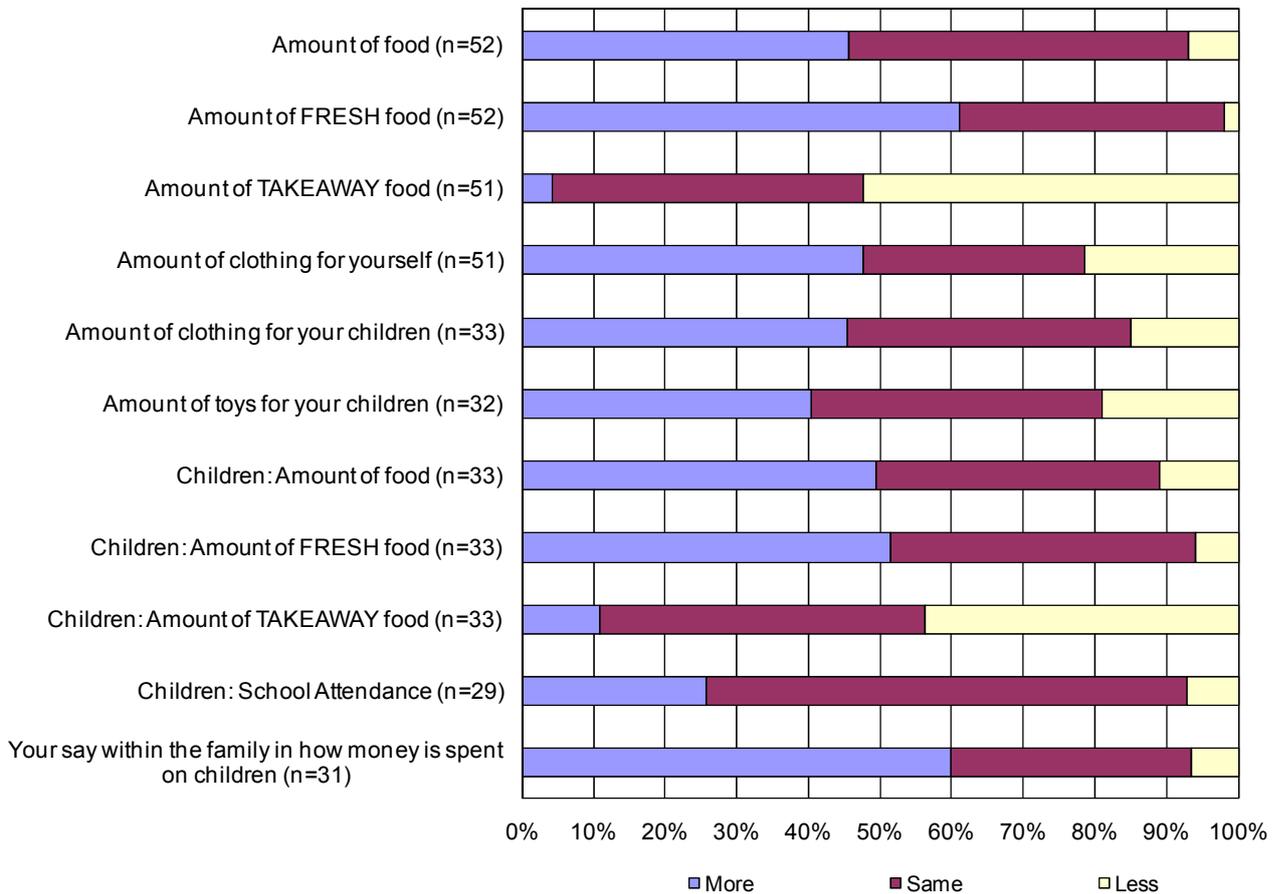
E.2.2 Impact on meeting priority needs

Figure 130 shows that many VIM respondents reported that IM had had a positive impact on their ability to meet priority needs. Whilst they were on IM (compared to before IM), VIM respondents were most likely to report that the following positive impacts had emerged:

- ◆ they had eaten more fresh food (61%);
- ◆ they felt they had more say within their family about how money is spent on their children (60%);
- ◆ they had eaten less takeaway food (52%);
- ◆ their children had eaten more fresh food (52%); and
- ◆ their children had eaten more food (50%).

Figure 130: Consumption changes reported by VIM clients as a result of income management

Base: All VIM respondents

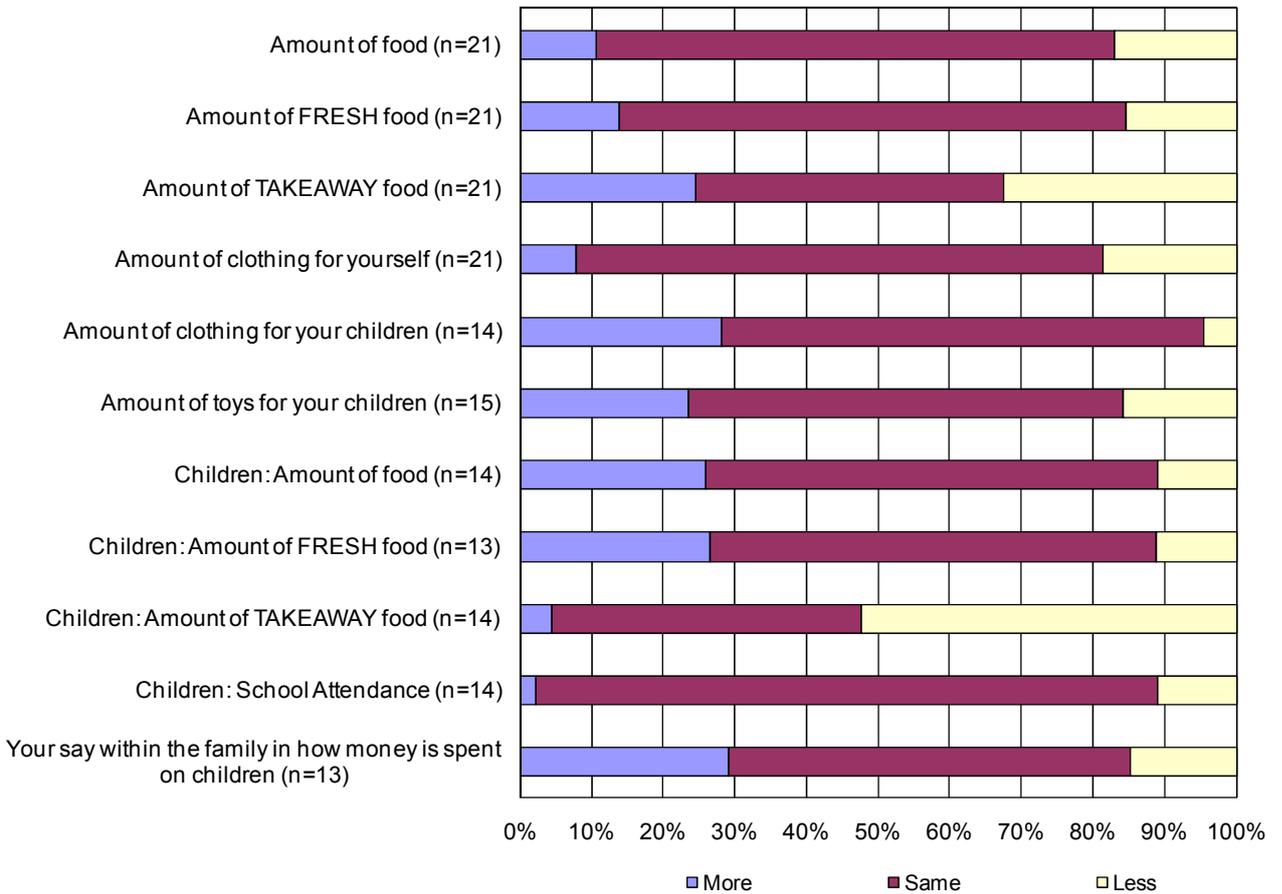


Source: ORIMA survey of IM clients.

Figure 131 shows that for many previous VIM clients, their increased ability to meet their priority needs that occurred whilst they were on IM continued or in some cases improved after they had finished IM.

Figure 131: Consumption changes reported by former VIM clients (post VIM period compared to VIM period)

Base: All VIM respondents no longer on income management



Source: ORIMA survey of IM clients.

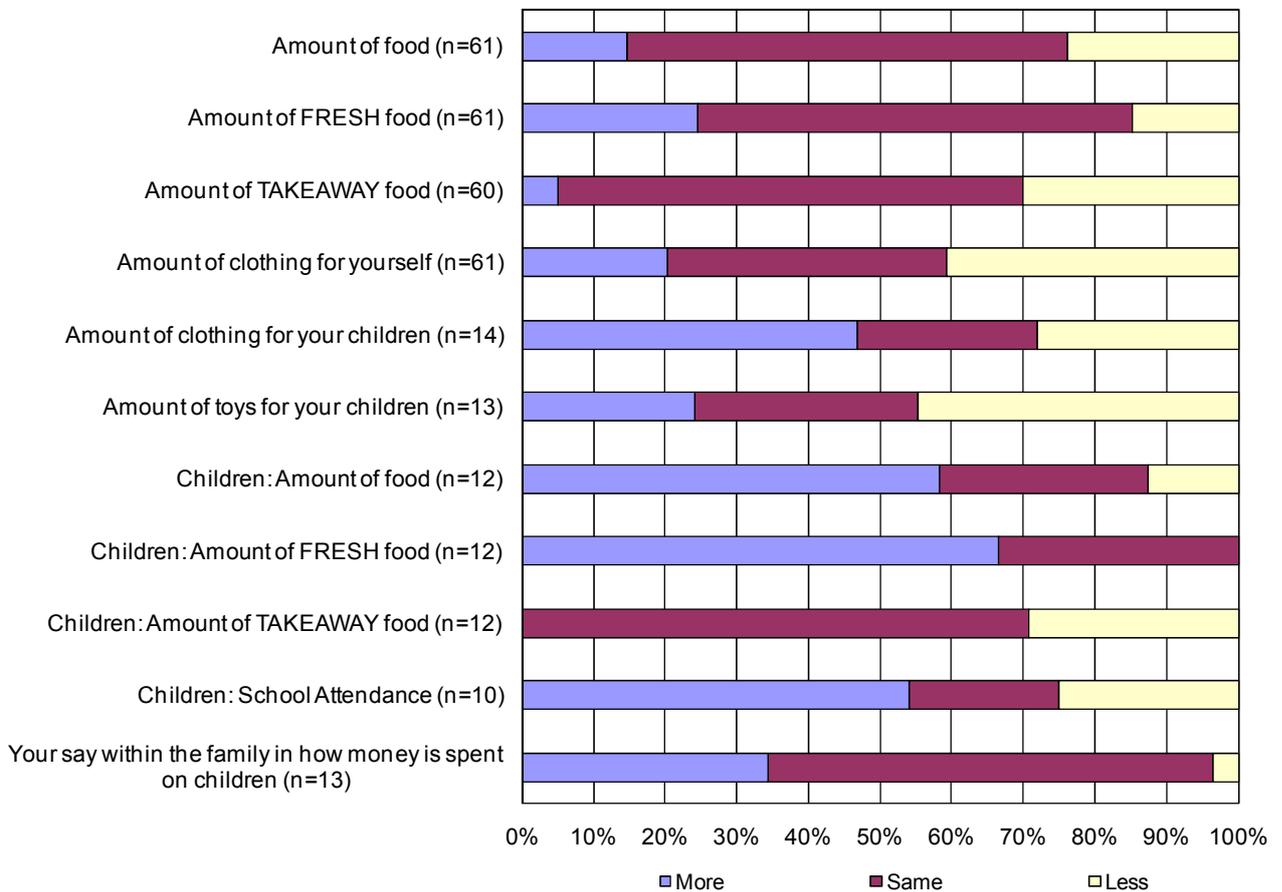
Figure 132 shows that the comparison group (i.e. non-IM clients) also reported that in some areas they were better able to meet these priority needs in the last 12 months compared to two years ago.

When the results for the VIM respondents whilst they were on IM and those for the comparison group were considered, the data indicated that VIM had had a positive impact in helping people meet their priority needs.

- ◆ VIM respondents reported greater improvements in amount of food, fresh food and personal clothing relative to the non-IM comparison group.²⁰
- ◆ Small response sizes within the comparison group did not enable reliable comparisons to be made in relation to the other needs shown in Figure 132.

Figure 132: Consumption changes reported by non-IM comparison group (last 12 months versus 2 years ago)

Base: All non-IM respondents



Source: ORIMA survey of non-IM clients.

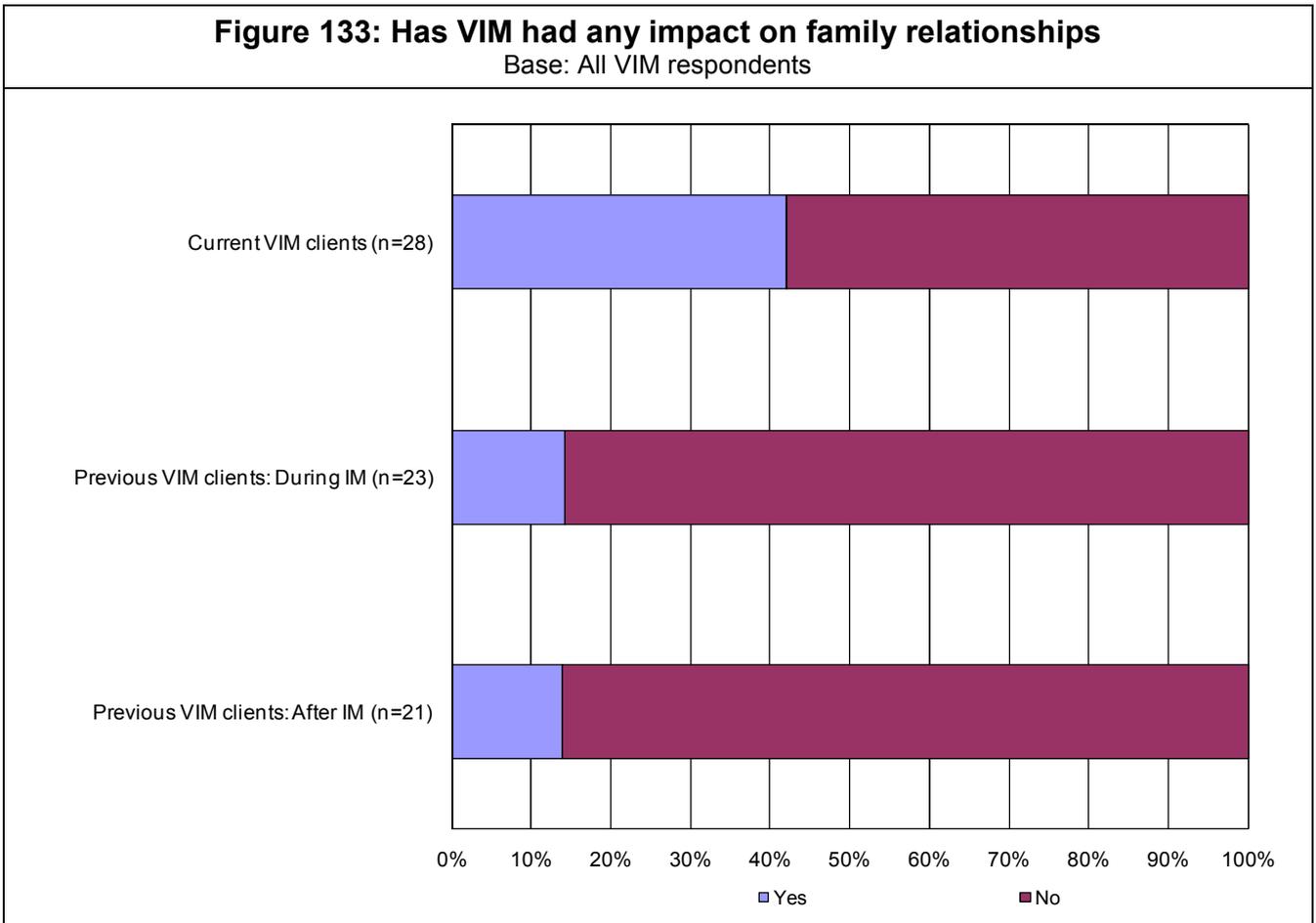
²⁰ To determine the relative change in each of these areas for CPSIM respondents and the comparison group a net score was calculated for each priority area for each group. The net score for each priority area was calculated for each group by subtracting the percentage of respondents who reported 'less' from the percentage of respondents who reported 'more'.

E.2.3 Impact on family relationships

E.2.3.1 Client views

Just under one-third of VIM respondents (30%) believed that participation in IM had impacted on relationships within their family—42% of current clients and 14% of previous clients (see Figure 133).

Around one in seven previous VIM clients (14%) thought that there had been changes in their family relationships after they stopped IM.



Source: ORIMA survey of IM clients.

Those VIM clients who thought that while they were on VIM it had impacted on their family relationships, most commonly reported positive impacts. These positive impacts generally related to improving family wellbeing (including through less tension and better relationships between family members).

“On income management, I always had food so the children were happy.”

“There is a more happier environment. People feel like they can go out hunting and good social gatherings. We contribute to our family together and it [IM] has been a truly positive thing.”

“Eating less fatty food and eating more healthy.”

“We are a lot happier there is no tension. The whole tension thing is gone and there is no stress, we know where it [the money] is going.”

“Spending money on better things—items for my daughter and myself. It’s improved our relationship.”

“Less stress on both me and the kids. I teach my kids about budgeting and income management too.”

A few respondents reported that VIM had had a negative impact on their family relationships. Examples of comments provided by these respondents included:

“My partner didn’t like it. We argued a bit over it.”

“I’m responsible for me and my son now. Tension between mother and her son, the burden is on mum to pay for her and her son.”

Due to the small proportion of former VIM clients who reported that they felt like there had been changes in their family relationships since ceasing VIM, very few comments about this issue were provided. Comments provided by these respondents included:

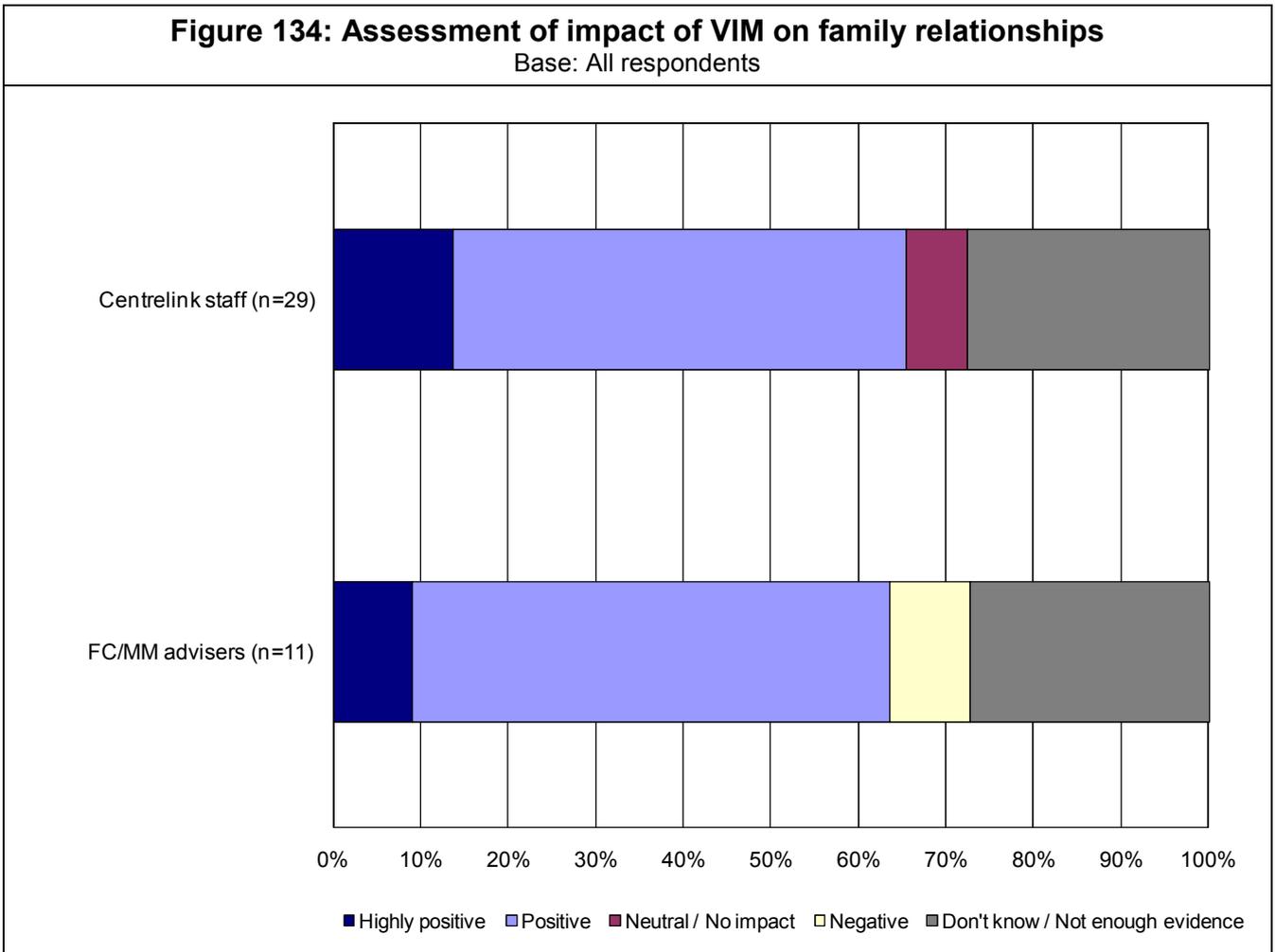
“Better with children—phone up and find them. Couldn’t get phone credit on income management.”

“Food—since being off income management, I was finding it difficult so the children are moody, particularly the older children.”

E.2.3.2 Stakeholders' views

Centrelink staff and financial counsellors/ money management advisers were most likely to report that VIM had had a positive impact on family relationships. Around two-thirds of respondents from each of these stakeholder groups thought that VIM had had a positive impact in this area (see Figure 134).

- ◆ Only one financial counsellor/ money management adviser felt that the VIM trial had a negative impact on family relationships.



Source: ORIMA survey of Centrelink staff and FC/MM advisers.

Stakeholders who thought that CPSIM had had positive or negative impacts on family relationships were asked to describe these impacts. Two main themes emerged from the positive comments.

- ◆ Stronger and improved family relationships.

“It has demonstrated to other family members that they are taking responsibility for improving their family situation” [Centrelink staff member]

“Customers and partners spend more on food for their family than on alcohol—less arguing and violence.” [Centrelink staff member]

“By taking the small steps to having accounts paid and food available helps in the overall well being of the family” [Financial counsellor or money management adviser]

“Families are stronger when they are not in financial distress and worrying about paying for basic needs.” [Financial counsellor or money management adviser]

◆ Reduced humbugging.

“Many customers are able to better manage their money and avoid humbugging as the money is protected by Centrelink on their behalf.” [Centrelink staff member]

“There is definitely less pressure from other family members to try and get cash or for the person to give it to them.” [Financial counsellor or money management adviser]

Two respondents provided comments about the potential negative impacts that VIM could have on family relationships:

“It could result in strained relationships where previously people have been supporting others addictions but cannot continue this.” [Centrelink staff member]

“The child/ children can be the target for anger and resentment. The mothers also are often asked to find money to support the habits the partner may have.” [Financial counsellor or money management adviser]

E.3. Impact on community wellbeing

E.3.1 Client views

VIM respondents in Indigenous communities were asked whether, since IM had started in their community, the frequency of a number of behaviours had changed. Since the introduction of IM, VIM respondents reported decreases in a range of negative behaviours in their communities, including:

- ◆ 59% reported less violence;
- ◆ 51% reported less drinking; and
- ◆ 51% reported less noise (see Figure 135).

In addition, almost half of VIM respondents (47%) also felt that there had been an increase in hunting and cultural activities since the implementation of IM.

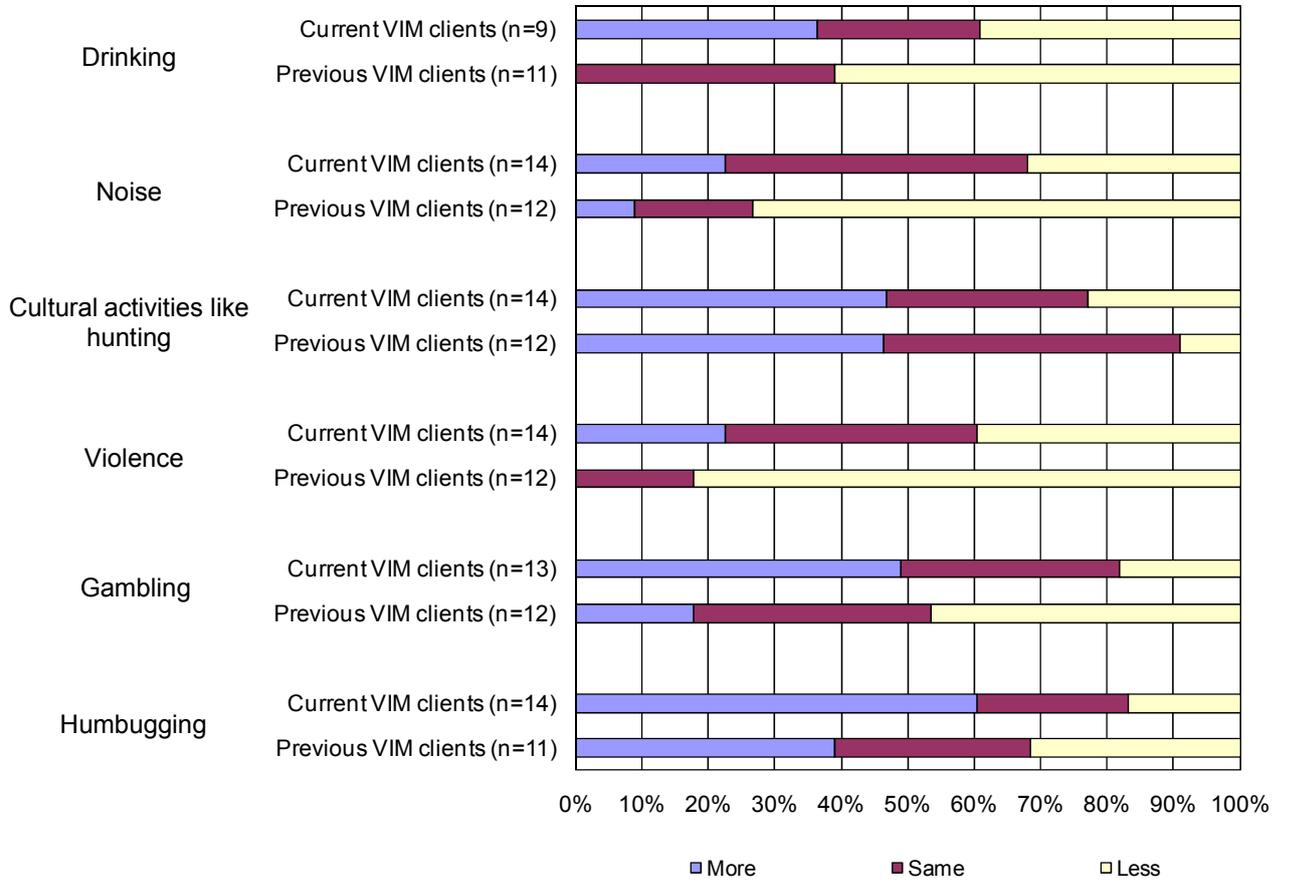
In contrast to the positive outcomes outlined above, 51% of VIM respondents believed that there had been an increase in humbugging in the community since IM had started.

- ◆ The type of impact that VIM respondents thought that IM had on humbugging in the community, varied across communities. For example, 54% of respondents from Fitzroy Crossing believed that there was less humbugging since IM had started in their community.

There were also some differences based on gender. Females were more likely than males to believe that since IM had started in their community that there was less violence, gambling, humbugging and hunting and cultural activities.

Figure 135: “Since income management started in your community, have you noticed, more, less or the same amount of?”

Base: All VIM respondents



Source: ORIMA survey of IM clients.

E.3.2 Stakeholders' views

Centrelink staff and financial counsellors/ money management advisers were also asked to assess the impact of the VIM trial on both positive and negative community behaviours—six behaviours specifically for Kimberley communities and two behaviours in Perth and Kimberley communities. Moderate to large proportions of respondents were unable to provide information on the impact of VIM on community behaviours, with between 36% and 63% of respondents providing a 'don't know / not enough evidence' response to these items (see Figure 136 and Figure 137).

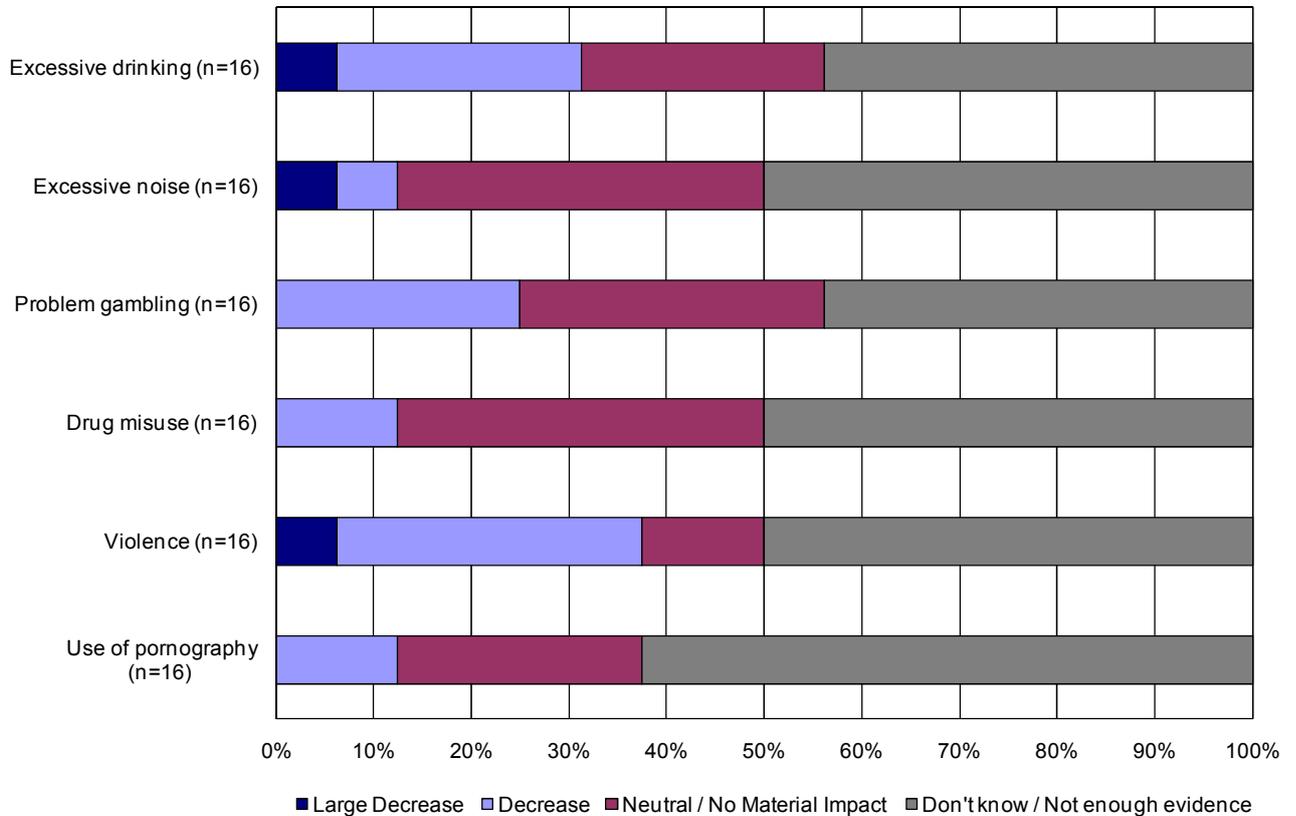
- ◆ Between 10% and 57% of respondents indicated that CPSIM had a neutral impact on the community behaviour in question.
- ◆ Sizeable proportions of stakeholders indicated that the VIM trial had reduced the incidence of the following behaviours:²¹
 - violence (38% of Centrelink staff);
 - excessive drinking (31% of Centrelink staff);
 - problem gambling (25% of Centrelink staff); and
 - inappropriate pressure being applied to family members to obtain money (41% of Centrelink staff, 45% of financial counsellors and money management advisers).

A small proportion of stakeholders also reported an increase in participation in cultural activities (17% of Centrelink staff and 18% of financial counsellors and money management advisers).

²¹ Responses for financial counsellors and money management advisers are not included for the first three of the dot points due to the low number of respondents.

Figure 136: Impact of VIM on incidence of behaviours in the Kimberley region communities in which VIM clients live

Base: All respondents



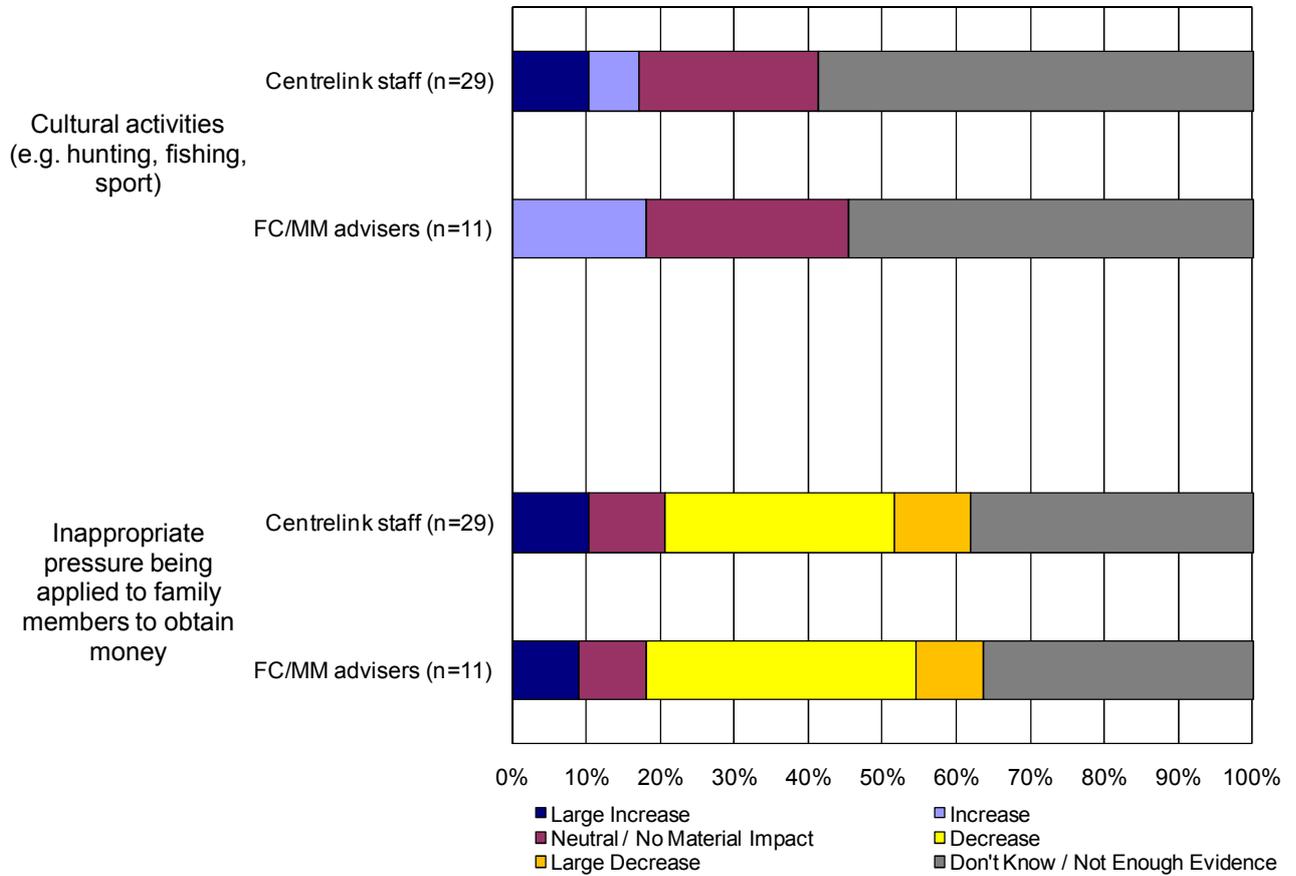
Source: ORIMA survey of Centrelink staff.

Note: Responses for financial counsellors and money management advisers are not included above due to the low number of respondents.

Community leaders in the qualitative research felt that IM had reduced vulnerable people in the community, such as the elderly, sick and disabled, being “humbugged for money”. These participants indicated that it “was easier” for these individuals to say that “they had no cash” and their money “was on the BasicsCard”. These participants also felt that IM had allowed these vulnerable members of the community to have access to meeting their basic needs on a regular and stable basis. Some community leaders in the research indicated that they had noticed a reduction in drinking, gambling and violence, but some others were uncertain.

Figure 137: Impact of VIM on incidence of behaviours in the Perth and Kimberley communities in which VIM clients live

Base: All respondents



Source: ORIMA survey of Centrelink staff and FC/MM advisers.

When asked to assess the direct impact that changes in community behaviours had had on child wellbeing, there were two main themes that emerged from comments provided by stakeholders.

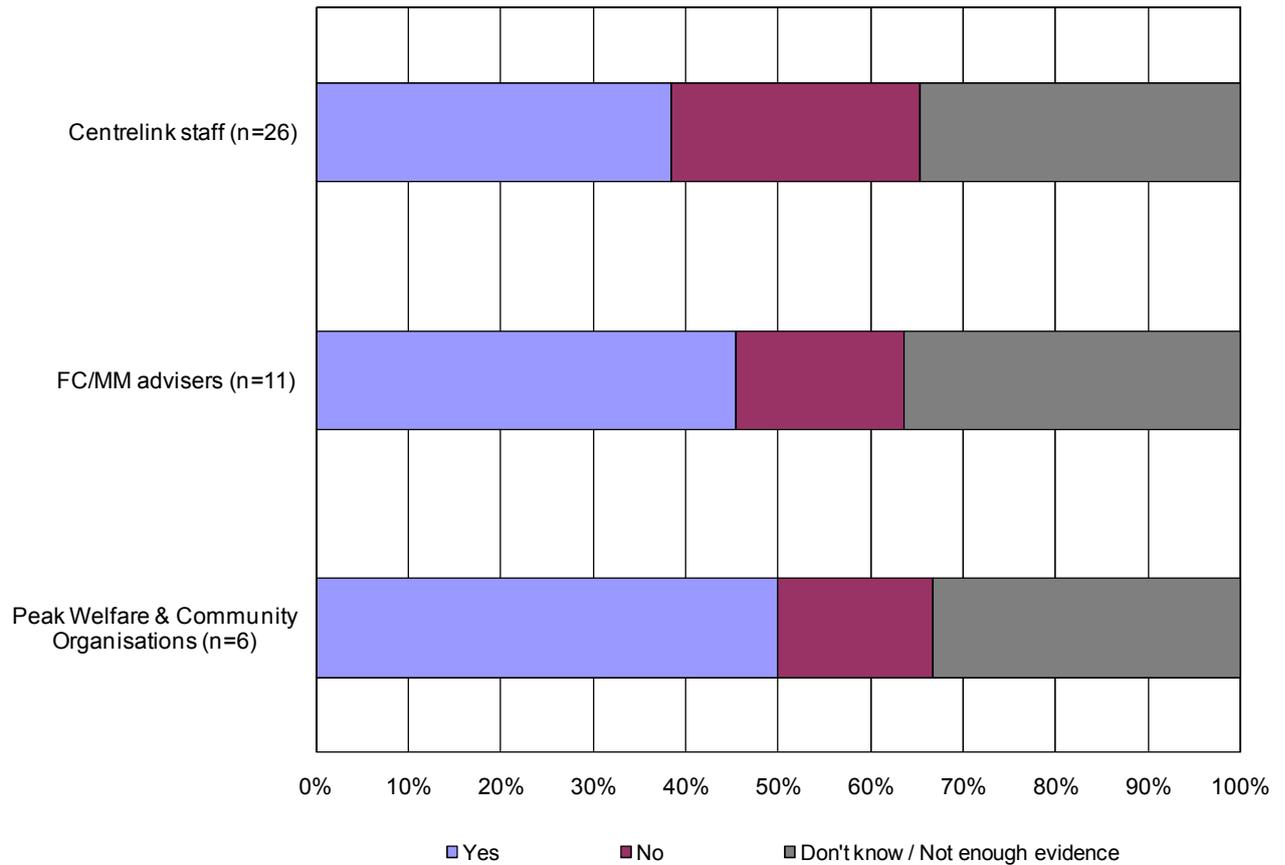
- ◆ An increase in parents’ ability to provide for their children’s education and basic needs.
 - “Money is being set aside to meet children’s needs. Food, clothing etc. Decrease in the above has improved child safety.” [Centrelink staff member]
 - “More funds have been directed to the children i.e. payments to schools for lunches, excursions, swimming lessons and class photos.” [Centrelink staff member]
 - “Participant is able to feed children on a regular basis.” [Financial counsellor or money management adviser]
- ◆ Less humbugging.
 - “I am aware that IM it has decreased 'humbugging' for many customers.” [Centrelink staff member]
 - “Humbug is reduced as cash is not as available.” [Financial counsellor or money management adviser]

E.4. Other impacts of VIM

Around half of peak welfare organisations (50%) and financial counsellors and money management advisers (45%) reported that the VIM trial had other (positive or negative) impacts on participants, their families and/or their communities (see Figure 138). Centrelink staff were least likely to report that there had been other impacts (38%).

Figure 138: Whether VIM has had any other impacts on clients, their children, their families or their communities

Base: All respondents



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

Of those respondents who thought that VIM had had other impacts on clients, their children, their families or their community, it was most commonly reported that VIM had helped clients increase their self-confidence and had empowered them.

“Extra confidence knowing that their bills etc are being met.” [Centrelink staff member]

“Families have been able to organise holidays, or buy essential items for the first time in their life. We have really seen a positive change on their self esteem and that of the whole family including the children.” [Financial counsellor or money management adviser]

“Empowerment to get services and to take on the BasicsCard.” [Peak welfare and community organisation]

In addition, some Centrelink respondents thought that another positive impact of VIM was that it had helped people pay their bills and remain in accommodation.

“As rent is now paid as a priority need there are less evictions and the housing authority are happy to accept that payments will be regular and the arrears are reducing so customers can stay in public housing.”

“Teaches customers the responsibility of paying bills. The flexibility of VIM enables customers to change their allocations at all times.”

F. Overall impact of VIM

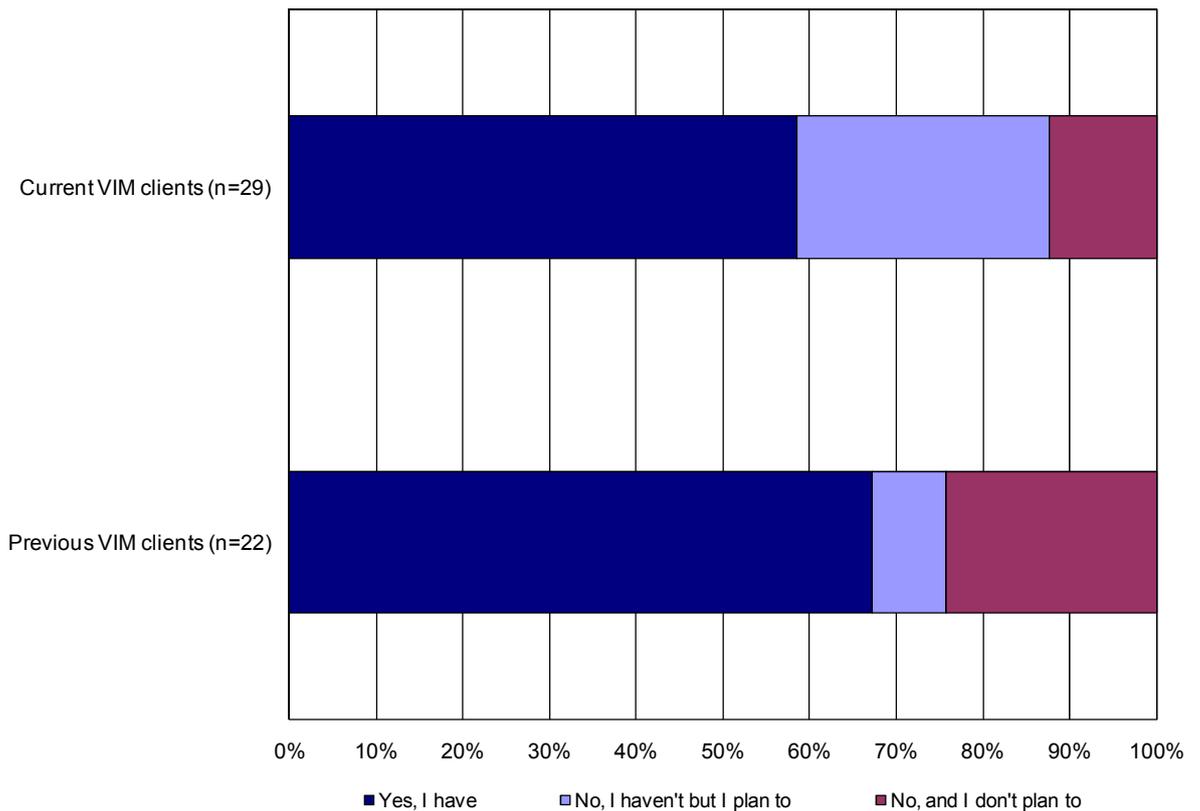
This section examines the overall impact of VIM. It considers issues such as whether VIM clients would be willing to recommend IM to others, the overall impact of VIM on them and their children, any longer-term impacts of VIM and other factors that could be impacting on VIM.

F.1. Willingness to recommend income management to others

Almost two-thirds of VIM clients reported that they had already recommended IM to someone else (62%). A further 20% reported that they planned to do so in the future. Less than one in five VIM respondents (18%) indicated that they had not recommended IM to anyone else and did not plan to do so.

Willingness to recommend IM was high among both previous and current VIM clients, with 59% and 67% respectively having already recommended IM to someone else (see Figure 139).

Figure 139: Whether VIM clients have or plan to recommend income management
Base: All VIM respondents



Source: ORIMA survey of IM clients.

Those respondents who said that they had recommended income management or would do so in the future cited a number of reasons why this was the case. There were three main themes that emerged from the reasons why people had recommended or intended to recommend IM.

- ◆ IM can have a positive impact on people's lives.

"Told them it was good. Helps you save, pays your bills, put tucker on table each fortnight."

"I think it's one of the finest things ever brought out—reduced my stress and took all the pressure away."

"He was saying he was having trouble with mortgage. Thought it worked for me, so it would work for him too."

"It's bloody brilliant. I have control of my money—it's a lot more flexible. There's so much less stress on me financially. Our quality of life has improved dramatically since income management."

- ◆ IM helps improve budgeting skills and saving money.

"I recommended it to people having trouble with money and buying medicine, people who were borrowing money from me."

"I recommended it to my mum, to help her save money. So she can have more clothes."

"I've recommended it to other grandmas and it has helped them. I've been able to save money and when I go back into the community I have more than enough for me and I can also help out my family."

"Viable alternative to what they were doing. They had similar problems to myself. Most people I see in that situation have mental health problems and are atrocious money managers."

"When you've got kids it's good. Life is easier on it, for you and your child. You can save and just use your BasicsCard, you always have money."

- ◆ The benefits associated with the BasicsCard.

"Because it's a good idea to have a BasicsCard to help us buy food and clothes. Things are getting better."

"There is less humbugging when you're on the BasicsCard."

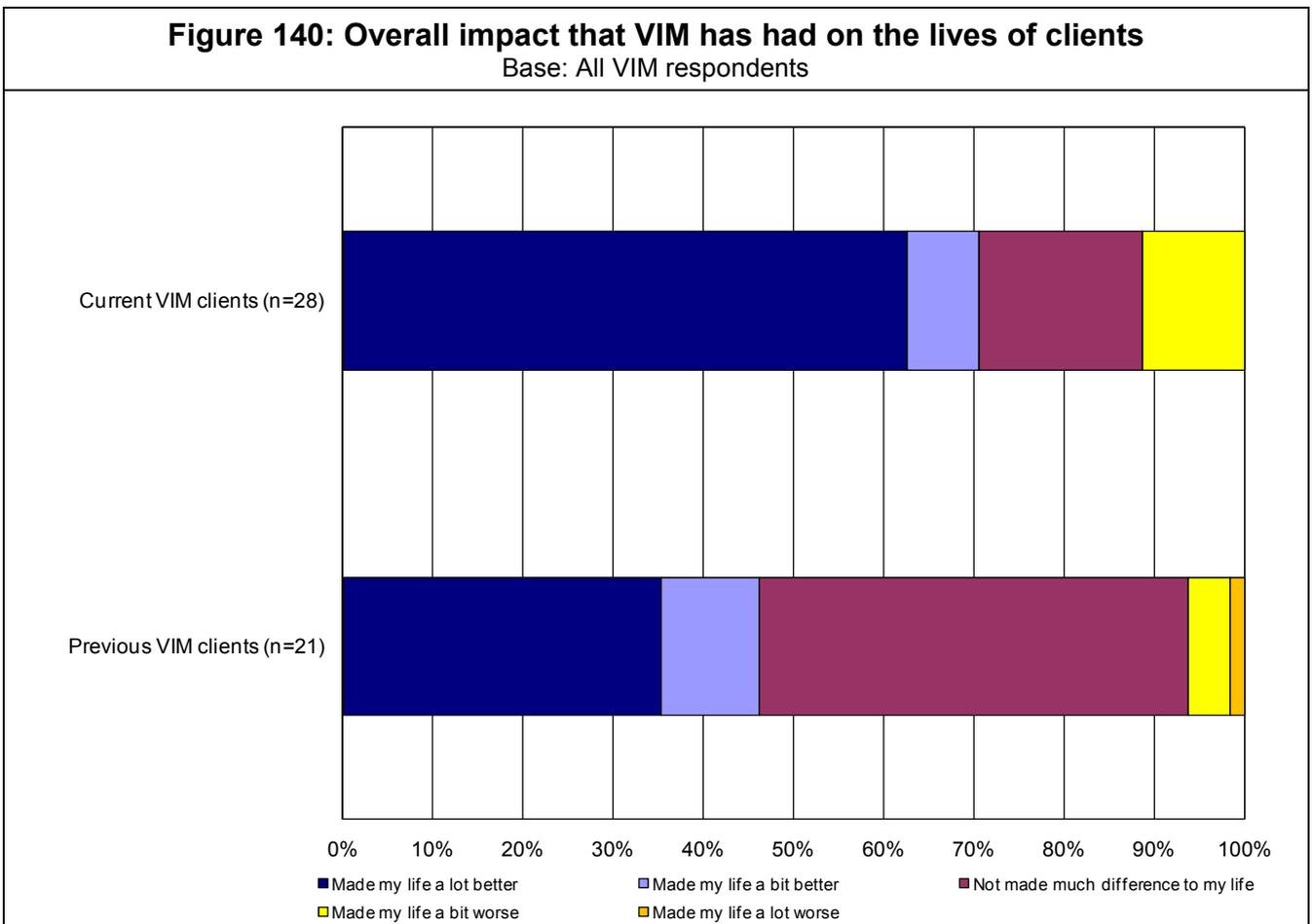
"I told my older granddaughter to get a BasicsCard, it's better than a key card because when you have a key card you spend it all at once. You can have money left over on the BasicsCard."

F.2. Overall impact on individuals and families

F.2.1 Impact of VIM on clients' lives

Six in ten VIM clients thought that IM had made their life better—51% thought it had made their life a lot better and 9% a bit better. Almost one in three VIM clients (31%) thought IM had not made much difference to their life, while only 9% thought it had made their life a bit or a lot worse. Current VIM clients were more positive than previous VIM clients about the impact that VIM had had on their life (see Figure 140).

- ◆ Around three-quarters of current VIM clients thought that IM had made a positive impact on their life—63% a lot better and 8% a bit better.
- ◆ This compares to around half of previous VIM clients—35% a lot better and 11% a bit better.
- ◆ Small proportions of current (11%) and previous (6%) VIM clients indicated that IM had made their lives a bit worse or a lot worse.



Source: ORIMA survey of IM clients.

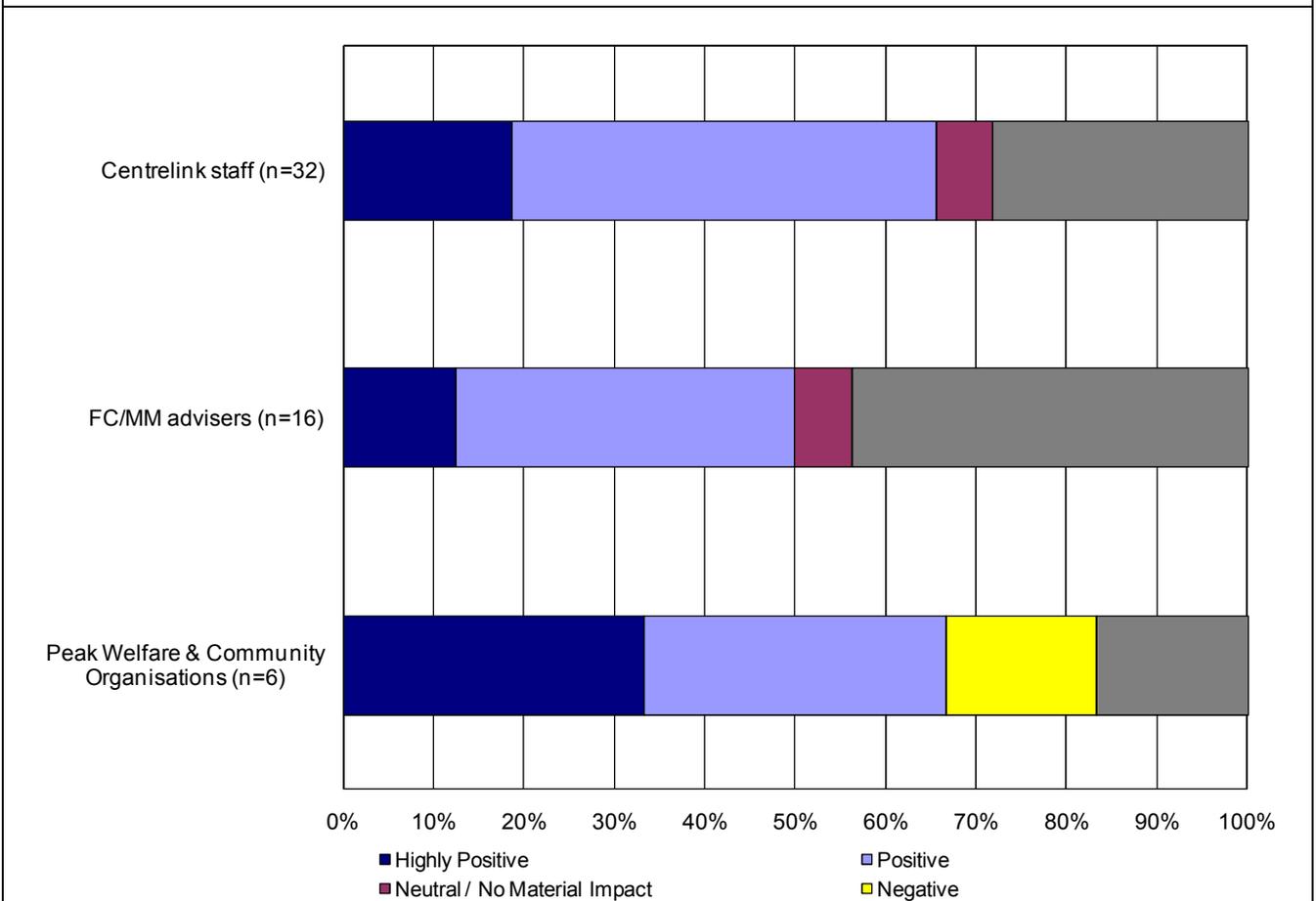
F.2.2 Impact of VIM on family wellbeing and relationships

Stakeholders were asked to assess the overall impact of VIM on family wellbeing and relationships. Respondents across the three key stakeholder groups tended to either be positive or uncertain about the impact of VIM (see Figure 141).

- ◆ Around two-thirds of peak welfare and community organisations (67%) and Centrelink staff (66%), and half of financial counsellors and money management advisers (50%) believed that the VIM trial had a positive or highly positive impact on family wellbeing and relationships among participants.
- ◆ Across most groups of stakeholders, moderate proportions of respondents thought that there was not enough evidence to assess the overall impact of VIM on family wellbeing and relationships—ranging from 17% of peak welfare and community organisations to 44% of financial counsellors and money management advisers.

Figure 141: Overall impact of VIM on family wellbeing and relationships

Base: All respondents



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

F.3. Overall impact on children

F.3.1 Clients' views

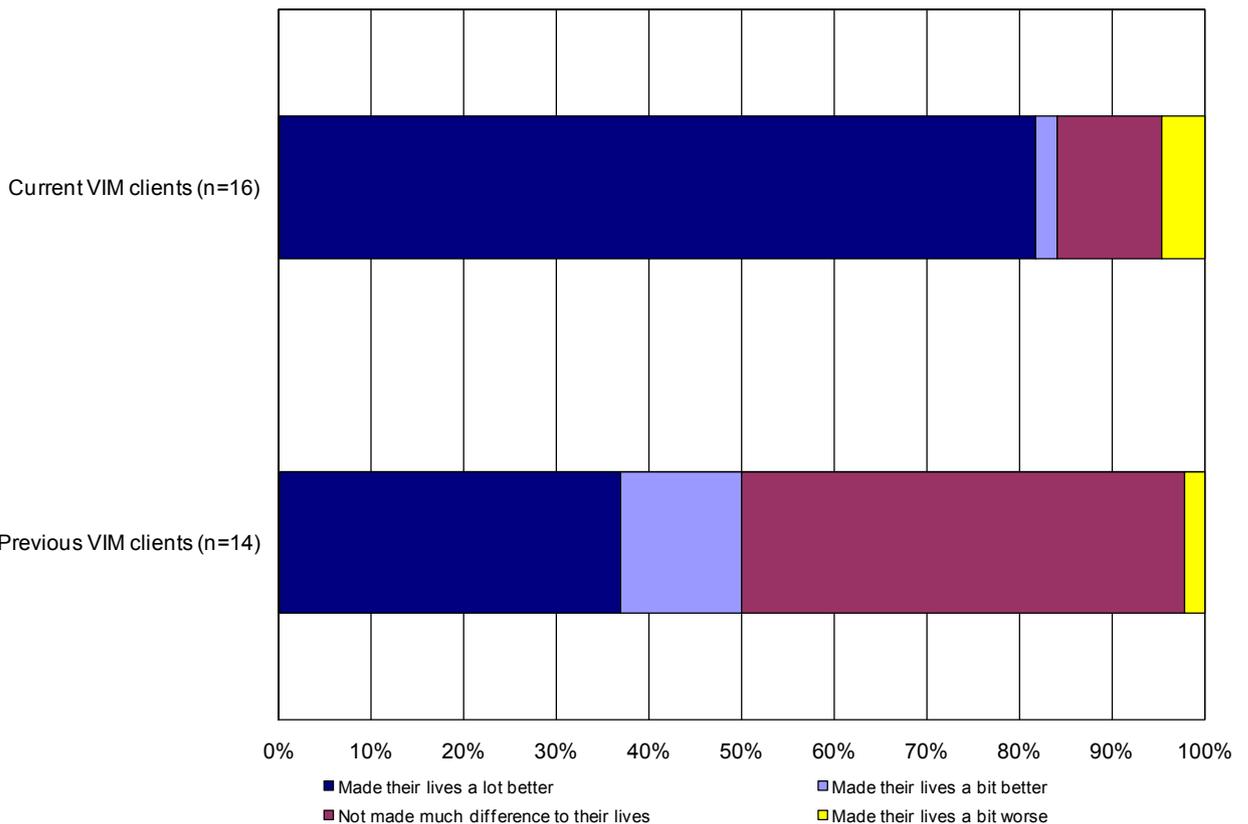
Over two-thirds of VIM clients thought that IM had made their children's lives better—59% thought it had made their lives a lot better and 8% a bit better. Almost one-third of VIM clients (30%) thought IM had not made much difference to their children's lives, while only 3% of respondents thought that IM had made their children's lives a bit worse. Current VIM clients were more positive than previous VIM clients about the impact that VIM had had on their children's lives (see Figure 142).

- ◆ More than eight in ten current VIM clients thought that IM had made a positive impact on their children's lives—82% a lot better and 2% a bit better.
- ◆ This compares to half of previous VIM clients—37% a lot better and 13% a bit better.

Previous VIM clients (48%) were more likely than current VIM clients (11%) to believe that that IM had not made much difference to their children's life.

Figure 142: Overall impact that VIM has had on the lives of clients' children

Base: All VIM respondents



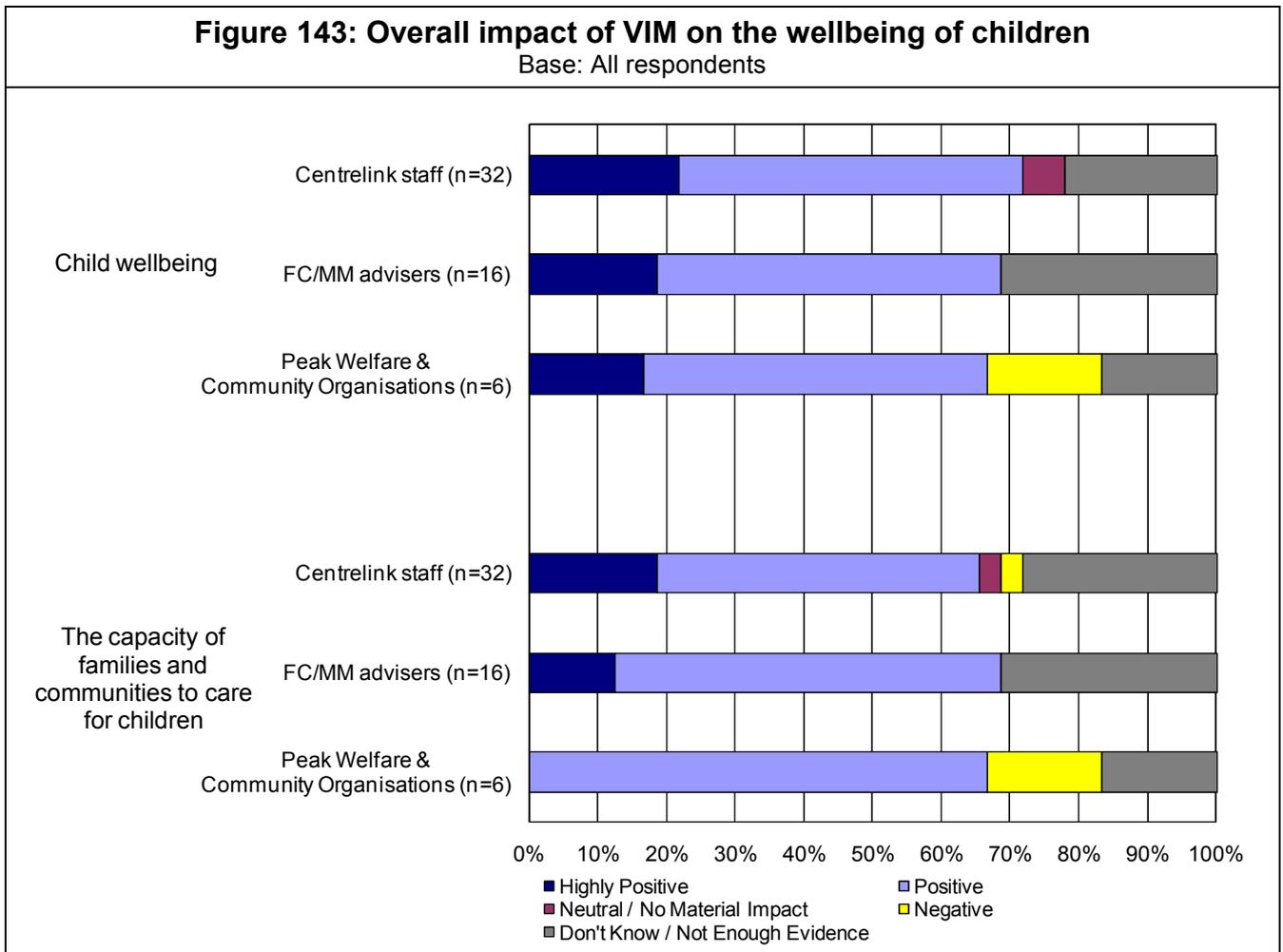
Source: ORIMA survey of IM clients.

F.3.2 Stakeholders' views

Stakeholders were asked to assess the overall impact of VIM on the wellbeing of children and the capacity of families and communities to care for children. Respondents across the three stakeholder groups tended to be positive about the impact of VIM.

Over two-thirds of Centrelink staff (72%), financial counsellors/ money management advisers (69%) and peak welfare and community organisations (67%) believed that the VIM trial had a positive impact on child wellbeing (see Figure 143).

The impact of the VIM trial on the capacity of families and communities to care for children was also viewed favourably by key stakeholder groups. At least two-thirds of financial counsellors and money management advisers (69%), peak welfare and community organisations (67%) and Centrelink staff (66%) thought that VIM had had a positive impact in this area.



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

F.4. Longer-term impacts

F.4.1 Maximising the likelihood of positive outcomes

Centrelink staff, financial counsellors/ money management advisers and peak welfare and community organisations thought that there were a number of positive outcomes from VIM that had yet to emerge. They also provided suggestions about ways to increase the likelihood of VIM having longer-term positive outcomes. Across these three groups of respondents, similar themes were evident in terms of the positive outcomes of VIM yet to emerge and the ways to maximise the likelihood of these outcomes occurring.

The two most commonly reported positive outcomes that had not yet emerged from VIM, were:

- ◆ Improved budgeting and financial management skills.

“More evidence of effective budgeting skills.” [Centrelink staff member]

“Greater independence on budgetary matters from customers.” [Centrelink staff member]

“That clients will be able to better manage their income and family/home life.” [Financial counsellor or money management adviser]

“The client to become financially independent.” [Financial counsellor or money management adviser]

- ◆ Improved individual and family wellbeing.

“More children attending school, clothed and fed and not having to worry about not having lunch.” [Centrelink staff member]

“We are currently seeing the start of better healthier shopping habits and less take away—I think that will increase.” [Financial counsellor or money management adviser]

“Allowing clients to stay on VIM as long as they like as it builds their self esteem by them being able to manage their finances.” [Peak welfare and community organisation]

The most commonly cited way to maximise the likelihood and value of longer term positive outcomes of VIM was to provide ongoing and more readily available financial counselling and other support services.

“Better access to quality financial education for VIM customers. Better referral to and uptake of other services to address personal and family issues in conjunction with VIM (i.e. better case management by caseworkers).” [Centrelink staff member]

“Offer of homemaker services in some cases, parenting programs in some cases, cooking classes in some cases and ongoing funding for school uniforms, books with a reward scheme attached to the school for the child participants.” [Financial counsellor or money management adviser]

“Centrelink IM and financial counsellors working closely together regardless of where the clients live.” [Peak welfare and community organisation]

F.4.2 Minimising the likelihood of negative outcomes

Centrelink staff, financial counsellors/ money management advisers and peak welfare and community organisations thought that there were risks that some negative outcomes from VIM may emerge. They also provided suggestions about ways to decrease the likelihood of VIM having longer-term negative outcomes. Across these three groups of respondents, similar themes were evident in terms of the negative outcomes of VIM yet to emerge and how to minimise the likelihood of these negative outcomes occurring.

The two most commonly reported negative outcome risks were:

- ◆ Clients might become dependent on the system and not be able to manage their finances without remaining on IM.

*“I believe customers may become dependent on the measure to resolve their issues.”
[Centrelink staff member]*

*“Disempowerment of adults leaving possibility the children may consider them failures. Handing over management of finances and not taking responsibility for the future.”
[Financial counsellor or money management adviser]*

“Increased pressure on the debt cycle as people get used to having money to spend and not having to think about how that was achieved. When the system stops doing it for them their spending habits will have changed but their financial literacy will not and they will quickly accumulate new greater debt.” [Peak welfare and community organisation]

- ◆ That the reduction of income managed funds to 50% may lead to negative outcomes.

“The 50/50 change. Most choose to be on 70/30 VIM for a reason, they admit to being hopeless with money and want less in their own accounts.” [Centrelink staff member]

“The only negative I can think of is that we used to have in WA 70/30 for both CPSIM and Voluntary. Now that Voluntary have had to go to 50/50 you are making a distinction between the two. Our agency and workers strongly disagree with this and would like 70/30 for all except if it is financially better for them to be on 50/50. We find overall it is much easier to work on a budget and savings plan with a 70/30.” [Financial counsellor or money management adviser]

“The 50/50 often does not allow for a savings for goals area or the chance to change payments around for different times or stop direct debts. We have had to redo the budget on all VIM's that have had to change and most of them did not want to change so it is likely that they will give up and come off because of not having savings components having to use direct debits again because of insufficient funds in the Income Management amount.” [Peak welfare and community organisation]

Some common suggestions provided by respondents about ways to minimise the likelihood and cost of longer-term negative outcomes of VIM included to promote VIM in a positive way and to give clients the choice of 50% or 70% of their income support payment being subject to IM.

*“Ensuring that media agencies are informed about the positive aspects of IM.”
[Centrelink staff member]*

Really positive advertising, easy brochures, etc. Even changing it from Income Management to Managing Your Income makes a difference in the way it is looked at. Reversing the 70/30 decision IMMEDIATELY and offering either which is what use to be able to happen.” [Financial counsellor or money management adviser]

“Positive education of what income management is all about. Different fliers, brochures etc . Getting rid of the words quarantine or Centrelink Managed... Allowing the 70/30 back again.” [Peak welfare and community organisation]

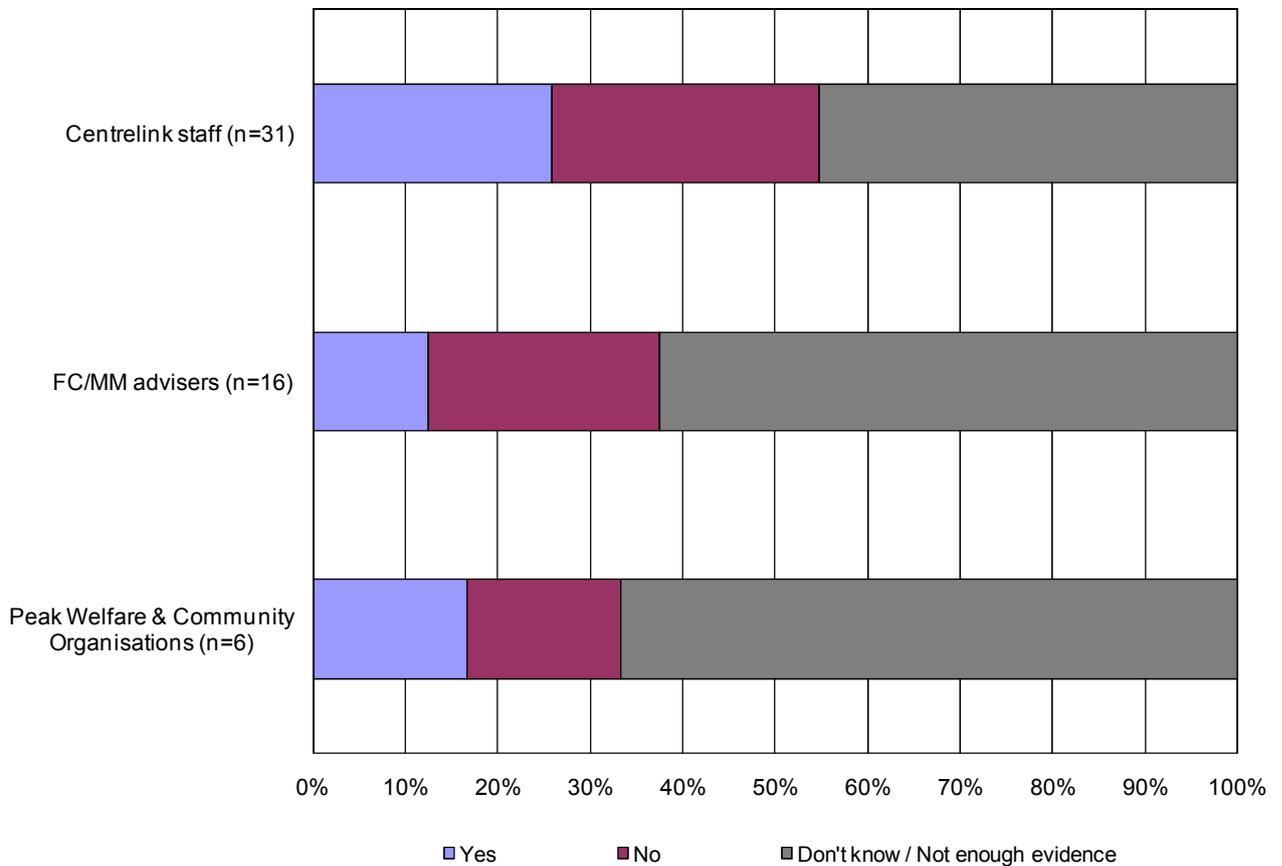
F.5. Other factors impacting on VIM

F.5.1 Impact of other factors

Very small proportions of respondents thought that there had been any other factors external to VIM that had impacted on the effectiveness of the VIM trial. Respondents were most likely to report that they were not sure and/or there was not enough evidence yet to gauge whether external factors had impacted on VIM (see Figure 144). Around two-thirds of financial counsellors and money management advisers (63%) and peak welfare and community organisations (67%) thought that this was the case.

Figure 144: Impact of any developments external to VIM during the course of implementation

Base: All respondents



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

Very few respondents outlined what the external developments were and their impact on VIM. Of those that did, the most commonly reported external impact on VIM was the important role that financial management services play in VIM and that there was a need for more of these services to be available.

“Needing more financial counsellors.” [Centrelink staff member]

“Money Management great for those that have capacity to understand and implement it.” [Centrelink staff member]

“Remote money management services started.” [Financial counsellor or money management adviser]

“I can only speak for our financial counselling service to know how positive clients have been about Income Management... It has allowed clients to seek financial counselling which they had not done before. Many clients that have come into the agency or are continually asking for Emergency Relief because they cannot manage have gone on to Voluntary and been much more in control.” [Peak welfare and community organisation]

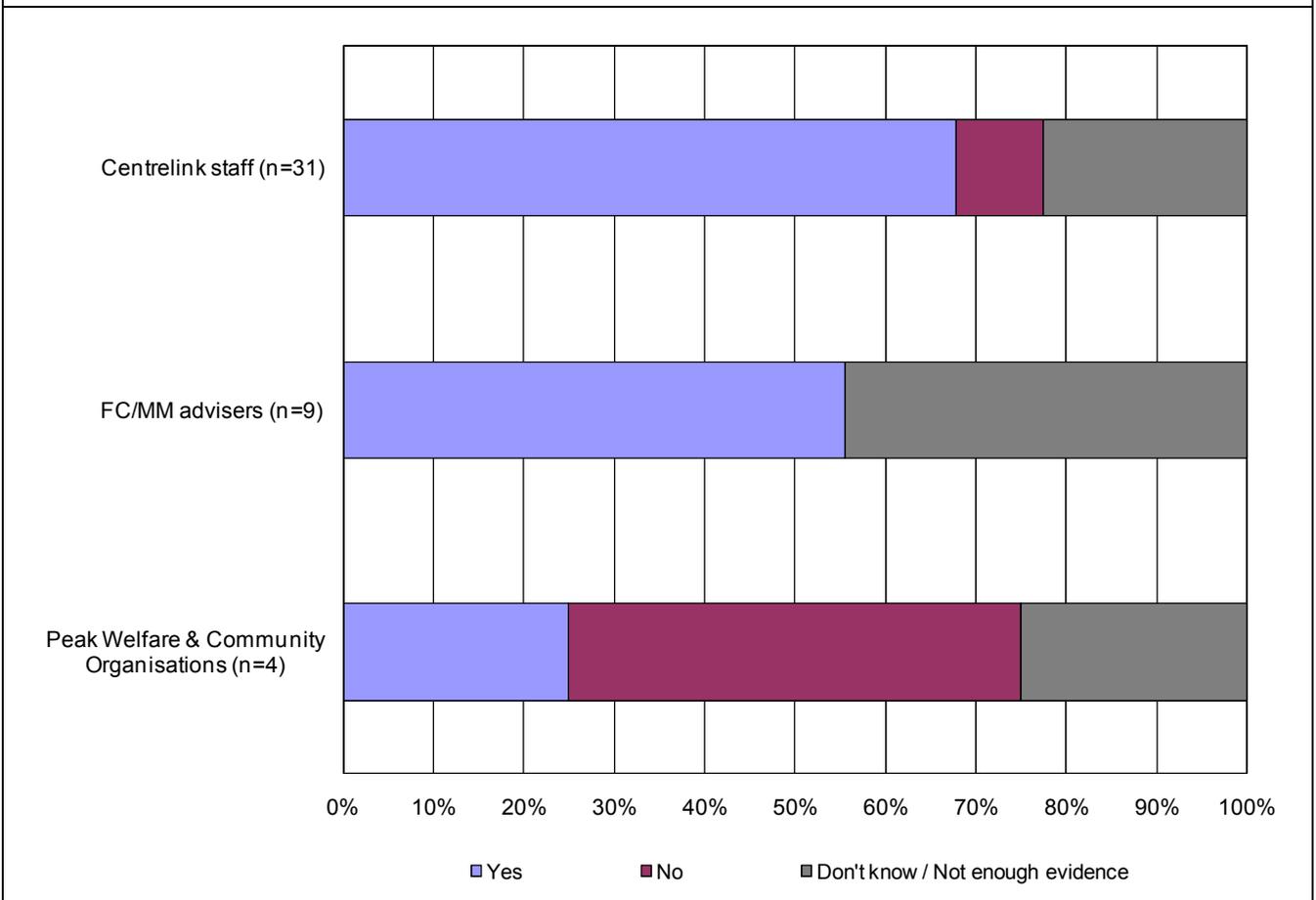
F.5.2 Impact of change of income managed ratio from 70/30 to 50/50

From 1 July 2010, the percentage of VIM clients' income support payments that are subject to IM reduced from 70% to 50%. Centrelink staff, financial counsellors/money management advisers and peak welfare and community organisations were asked about whether this recent change has had an impact on the effectiveness of the VIM trial in WA.

Centrelink staff (68%) and financial counsellors and money management advisers (56%) were most likely to think that this change had impacted on the effectiveness of VIM (see Figure 145). Of the four peak welfare and community organisations who provided a response to this question, two thought that the change had not had an impact, while one thought it had and one was not sure.

Figure 145: Whether effectiveness of VIM trial has been affected by reduction of income managed funds from 70% to 50%

Base: All respondents



Source: ORIMA survey of Centrelink staff, FC/MM advisers and peak welfare and community organisations.

Across the three groups of respondents, the most common response provided about the impact of the reduced ratio of income managed funds was that it had reduced the effectiveness of VIM.

“There are not enough IM funds left to pay third party organisations, especially here in the Metro Area where the rent is just too high.” [Centrelink staff member]

“Customers who pay private rent have been affected the most, as most private rentals do not want to be signed up for Centrepay. Customers have in the past been able to pay their rent using the 70/30 split, but with most rents being excessive customers have had to terminate VIM to be able to pay the rent. The 70/30 split allowed customers the ability to have more money on their BasicsCard and be able to budget accordingly. Customers think automatically that the 50% going into their account can be spent on anything they wish and often feel compelled to spend the money because it's available to them. This is especially an issue for customers with drug or alcohol dependencies and the customers who are ‘humbled’. The more discretionary funds they have available, the more vulnerable they are.” [Centrelink staff member]

“Every one of our clients has needed to have budget adjustments. Some of them went on to VIM because of bank dishonour fees, direct debt fees etc now they are having to go back to them as the 50% is not enough. The 50% does not allow a residual in many cases for savings and doesn't even allow for the full cost of food. This is definitely having an impact on VIM and in some cases it is not worth us referring a client now to VIM... It also puts too much money in the bank account which is the sole reason some Aboriginal families went on VIM and you have now taken this away.” [Financial counsellor or money management adviser]

“Clients do not seem to be able to readjust their finances accordingly.” [Financial counsellor or money management adviser]

“It has been extremely negative because budgets have had to be changed. People came onto VIM because they couldn't manage direct debits or they had accounts that could not go through Centrepay... They knew that the money in the bank account was virtually their ‘spending money’. They could leave a residual in the Centrelink account but with 50/50 there is not enough left to do this. Humbugging—a larger amount in the bank so therefore, the key card is again something that family members want to access from other family members. Even rent could be managed a payments per week to allow for greater flexibility but some weeks there is not enough in their account to do this.” [Peak welfare or community organisation]

A few respondents also commented that there had been some positive impacts of reducing the ratio of income managed funds from 70% to 50% and that clients should be given a choice about the ratio.

“This is a positive as it was much harder to promote VIM at 70%, but some customers are finding it was easier at 70% than 50%.” [Centrelink staff member]

“70% feels like there is no trust that they can make it on their own eventually. 50% is effective, but not threatening.” [Financial counsellor or money management adviser]

“VIM participants should be able to choose what percentage suits their situation the best. In some situations, lower allocation can barely cover private rent.” [Financial counsellor or money management adviser]

VI. Income managed funds

A. About this chapter

This chapter examines how the income managed funds of income management (IM) clients has been allocated as well as the take-up and effectiveness of BasicsCard.

This chapter draws on data collected through the ORIMA surveys of IM clients and Centrelink staff and administrative data provided by Centrelink.

B. Allocation of income managed funds

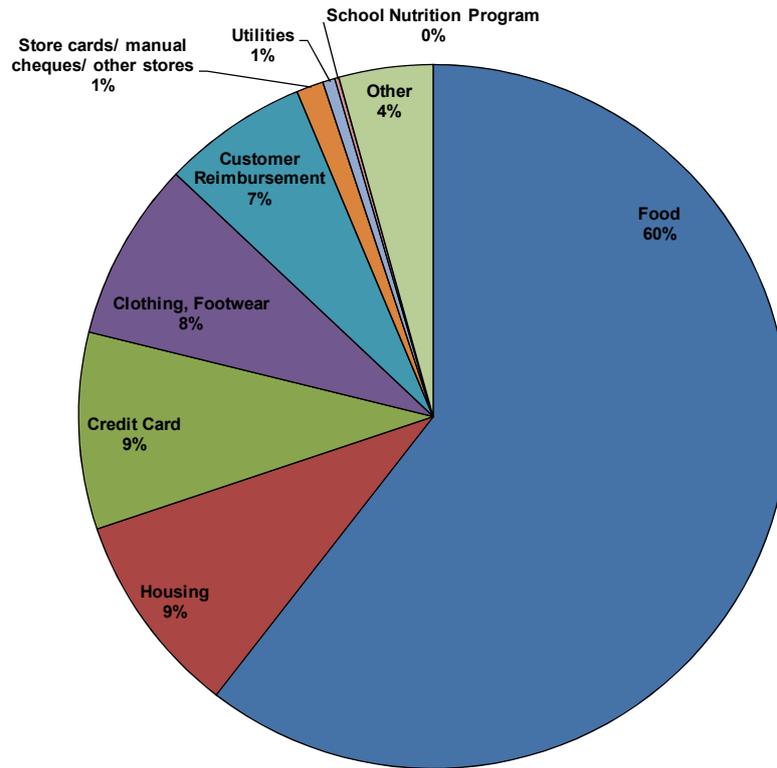
Clients subject to IM are required to meet with Centrelink to discuss how their income managed funds will be allocated. In consultation with Centrelink, clients may decide, for example, to allocate 35% of their income managed funds to the automatic payment of rent, 35% to BasicsCard, 20% to utilities and 10% to the payment of credit card debt.

Administrative data are only available for the **allocation** of income managed funds; there are no data available on how the income managed funds are actually spent. Therefore in this section only the **allocation** of income managed funds is examined.

At 30 April 2010, a total of \$6.5 million was allocated by IM clients who had ever participated in the trial of IM in WA—\$2.2 million by CPSIM clients and \$4.3 million by VIM clients. Figure 146 shows that the majority of income managed funds were allocated to food (60% or \$3,931,855). Income managed funds were also commonly allocated to the following areas:

- ◆ housing (9% or \$607,906);
- ◆ credit card debt (9% or \$587,497);
- ◆ clothing and footwear (8% or \$534,788); and
- ◆ customer reimbursements (7% or \$431,359).²²

²² Customer reimbursements are payments made to IM clients either to correct an administrative error or because the client has requested that their income managed funds be managed at a lower rate (i.e. this occurs by Centrelink making a direct payment to the client's bank account of up to 20% of their income managed funds every fortnight, effectively reducing the amount that is income managed). Customer reimbursements also include the disbursement of a client's funds from their IM account when they exit IM.

Figure 146: Allocations of income managed funds at 30 April 2010

Source: Centrelink administrative data as at 30 April 2010.

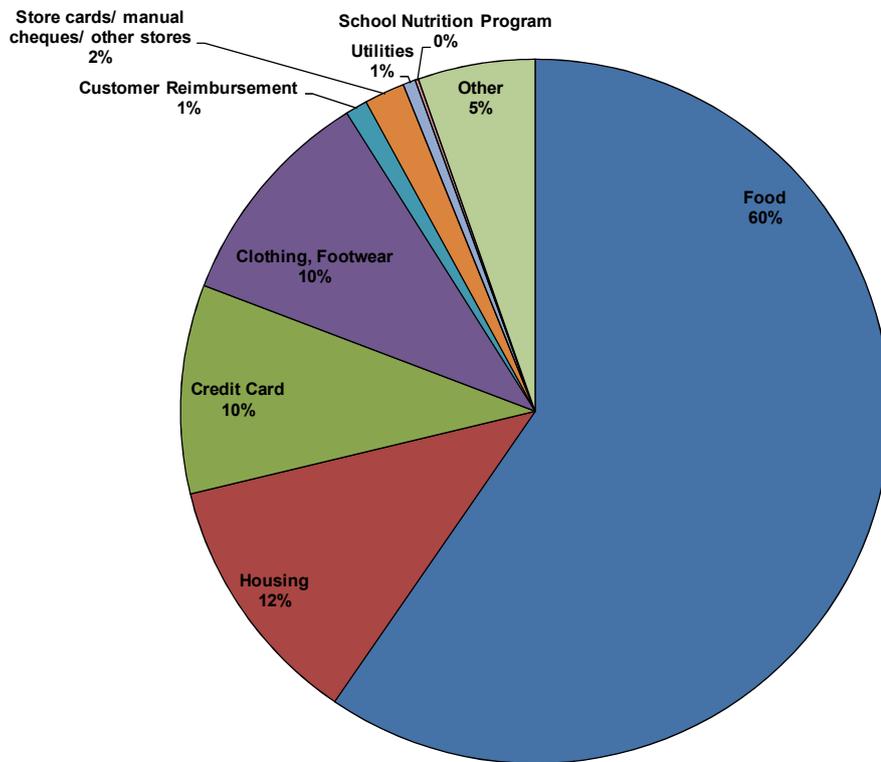
Most community leaders who participated in the focus groups and interviews felt that the income managed funds were primarily being used for meeting the costs of food, clothing, medication, housing and utility bills.

B.1.1 Allocations for clients on the Child Protection Scheme of Income Management

At 30 April 2010, a total of \$2.2 million was allocated by CPSIM clients who had ever participated in the trial of IM in WA. Figure 147 shows that the majority of income managed funds allocated by CPSIM clients were allocated to food (60% or \$1,318,574). Income managed funds were also commonly allocated to areas including:

- ◆ housing (12% or \$258,294);
- ◆ clothing and footwear (10% or \$227,217); and
- ◆ credit card debt (10% or \$212,166).

Figure 147: Allocations of income managed funds for CPSIM clients at 30 April 2010



Source: Centrelink administrative data as at 30 April 2010.

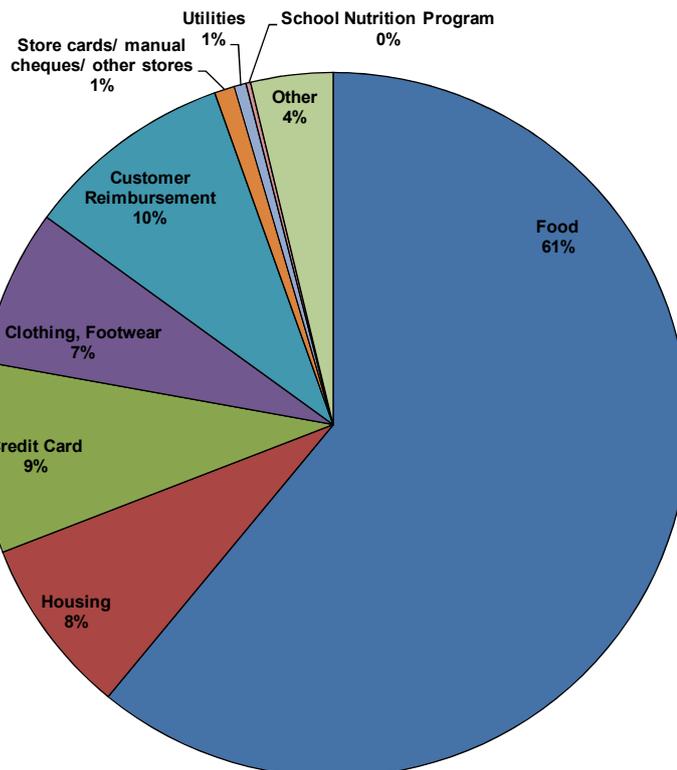
B.1.2 Allocations for clients on Voluntary Income Management

At 30 April 2010, a total of \$4.3 million was allocated by VIM clients who had ever participated in the trial of IM in WA. Figure 148 shows that the majority of income managed funds allocated by VIM clients were allocated to food (61% or \$2,613,281). Income managed funds were also commonly allocated to areas including:

- ◆ customer reimbursements (10% or \$409,149);
- ◆ credit card debt (9% or \$375,330);
- ◆ housing (8% or \$349,612); and
- ◆ clothing and footwear (7% or \$307,571).

VIM clients were more likely than CPSIM clients to have their income managed funds allocated to customer reimbursements. This is likely to reflect VIM clients requesting that their income managed funds be managed at a lower rate (i.e. by Centrelink paying them (in the way they receive their non-IM funds) up to 20% of their income managed funds every fortnight). It may in part also reflect the higher number of exits from VIM compared to CPSIM and therefore a greater number of disbursements to VIM clients when they exited the program.

Figure 148: Allocations of income managed funds for VIM clients at 30 April 2010



Source: Centrelink administrative data as at 30 April 2010.

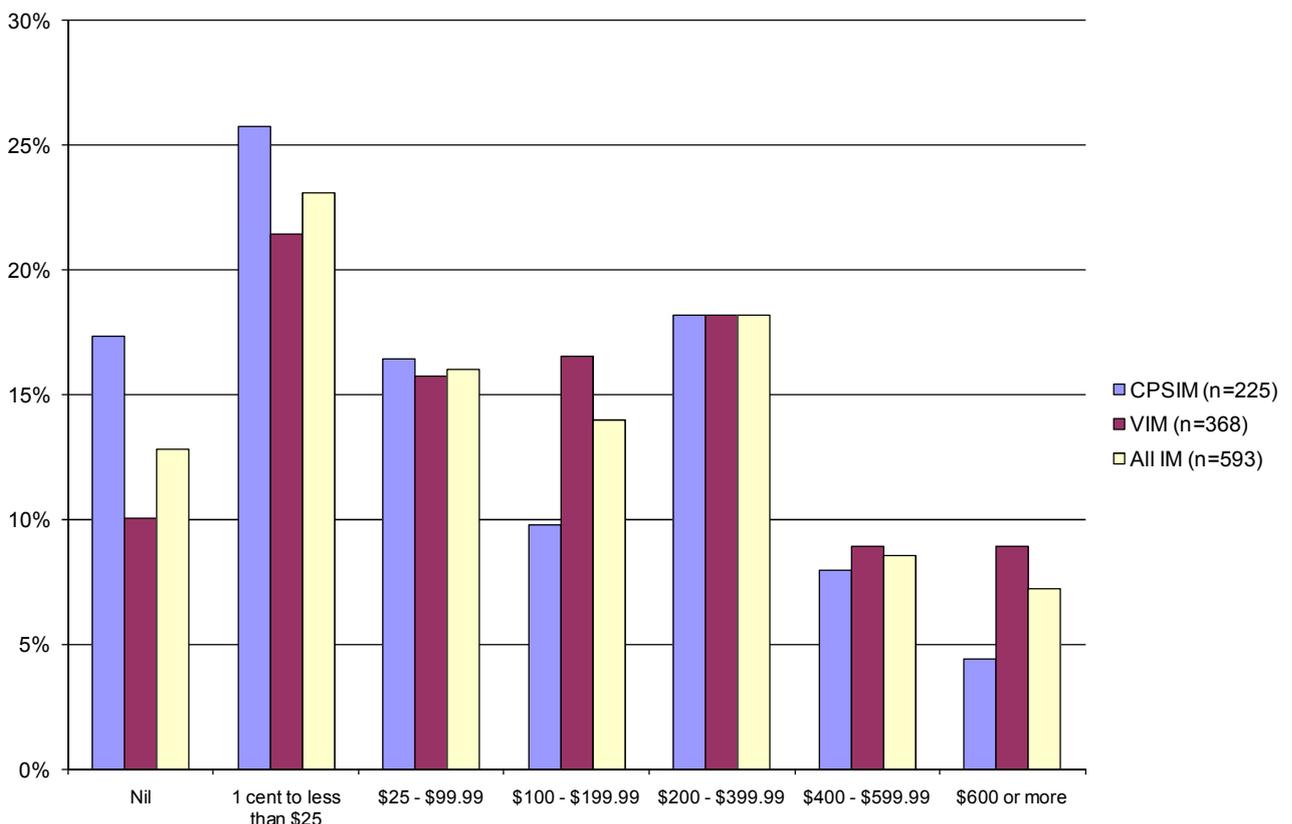
C. Unallocated funds

At 30 April 2010, a total of \$139,822 income managed funds had not been allocated.²³ This was comprised of \$98,079 for VIM clients and \$41,743 for CPSIM clients.

Almost all of the unallocated funds (95% or \$133,308) were income managed funds of existing IM clients. This comprised of \$92,929 for VIM clients and \$40,379 for CPSIM clients. On average, these figures indicate savings of around \$250 per VIM client and \$180 per CPSIM client.

Just over half of current IM clients (52%) had less than \$100 in their IM account. Figure 149 shows that less than 10% of IM clients had \$600 or more in their IM account. There are several reasons why clients may have large amounts of money in their IM account. For example, they may have received lump sum payments such as the Baby Bonus (which are income managed at 100%) or they have worked towards a savings goal (e.g. for white goods or Christmas/birthday presents for their children).

Figure 149: Unallocated income managed funds of current income management clients at 30 April 2010



Source: Centrelink administrative data as at 30 April 2010.

²³ Unallocated funds arise because once Centrelink is satisfied that a client's priority needs have been met, the remaining funds in a client's income managed account can either accrue as savings (in what is often referred to as 'kitty') or can be used at a later date.

C.1.1 Disbursement of unallocated income managed funds

Unallocated funds must be disbursed within 12 months of the client ceasing participation in IM. The balance of an IM account should not be disbursed if it is likely that the person will be subject to IM again within 60 days of ceasing participation in the program.

Although 5% of unallocated income managed funds were for clients who had ceased participation in IM, the majority of the clients had ceased participation within the last 12 months. There were, however, 11 previous IM clients who had ceased participation prior to 30 April 2009 and therefore should have had their unallocated income managed funds disbursed. The unallocated income managed fund balances of these 11 clients were generally small and were approximately:

- ◆ \$150 (one client);
- ◆ \$40 (two clients);
- ◆ \$20 (one client);
- ◆ \$10 (one client); and
- ◆ Less than \$2 (six clients).

D. BasicsCard

One of the main ways in which clients' income managed funds are allocated is to their BasicsCard. It is a PIN-protected card that allows clients to use their funds through the EFTPOS system at a range of approved merchants. The card is intended to be used for the purchase of priority goods such as food, clothing and household items.

The BasicsCard has limits on both the amount that can be spent daily (\$1,500) and the amount that can be placed on the card (\$3,000).

D.1. Take-up of BasicsCard

D.1.1 Number of clients (previous and current) issued a BasicsCard

At 30 April 2010, of the 1,131 clients who had ever participated in the trial of IM in WA, 1,027 of these clients (91%) had been issued BasicsCard. Around nine in ten CPSIM and VIM clients who had ever participated in IM (90% and 91% respectively) had been issued a BasicsCard.

D.1.2 Number of current clients issued a BasicsCard

Of the 598 clients who were on IM at 30 April 2010, 541 clients (90%) had been issued a BasicsCard. Similar proportions of existing CPSIM and VIM clients had been issued a BasicsCard (92% and 89% respectively).

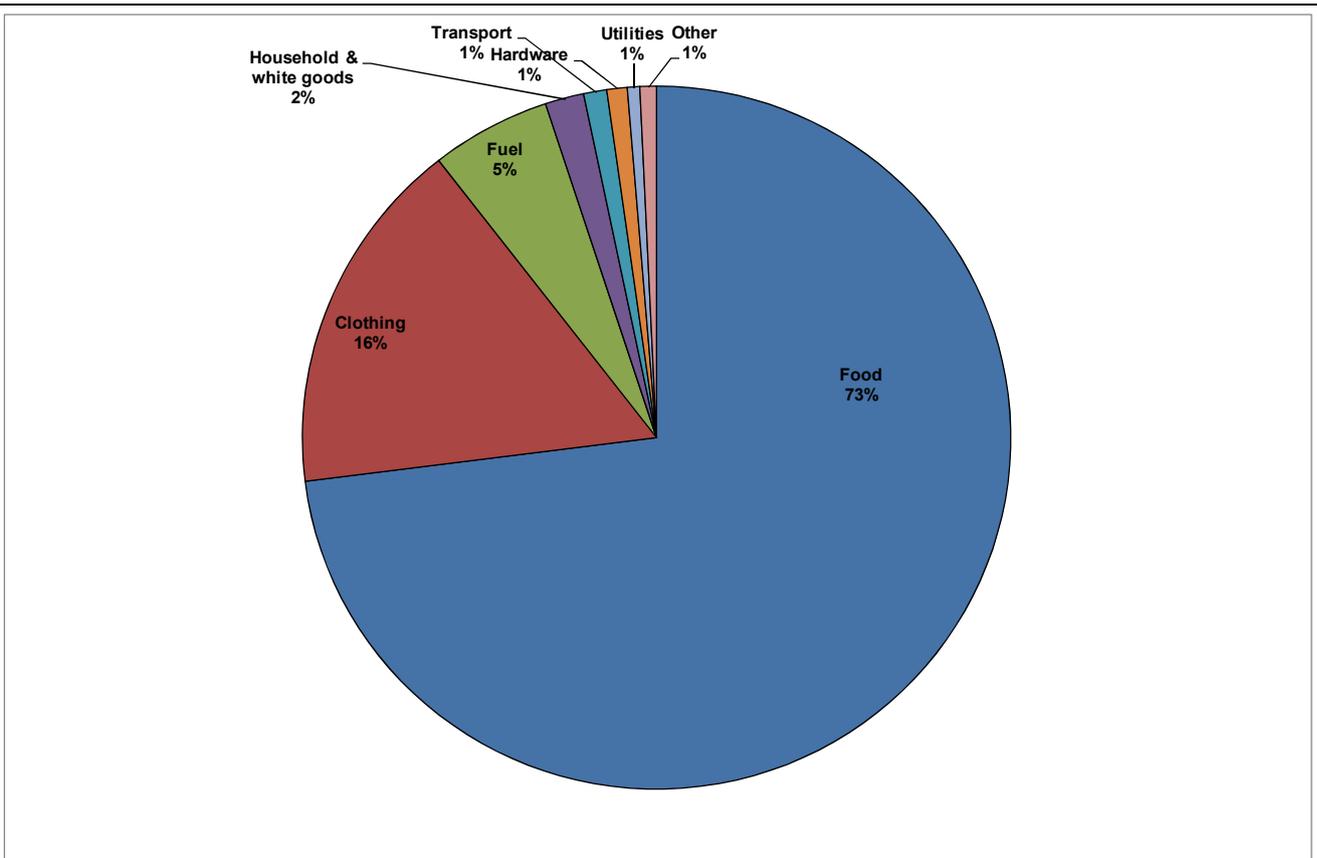
D.2. Allocations made to BasicsCard

Centrelink administrative data for allocations made to the BasicsCard are only available at an aggregate level for all types of IM across Australia (i.e. IM as part of the emergency response in the Northern Territory, IM in Cape York and the trial of IM in WA). Given that data are not available for WA, the following process was used to estimate the approximate allocations for WA:

- ◆ At 30 April 2010, clients participating in the trial of IM in WA accounted for 4.6% of all IM clients across Australia who had been issued a BasicsCard. Therefore for the purposes of estimating the approximate allocations made to BasicsCard for IM clients in WA, 4.6% of the overall totals are used.²⁴

Since the trial of IM in WA commenced through until 30 April 2010, WA IM clients had approximately \$7.9 million allocated to their BasicsCards. Over 90% of income managed funds allocated to BasicsCard were allocated to food (73%), clothing (16%) and fuel (5%) (see Figure 150).²⁵

Figure 150: Allocations of income managed funds to BasicsCard for WA IM clients at 30 April 2010



Source: Centrelink administrative data as at 30 April 2010.

²⁴ It is acknowledged that there are significant limitations in using this approach, however, in the absence of disaggregated data for WA IM clients this approach provides a rough approximation for WA.

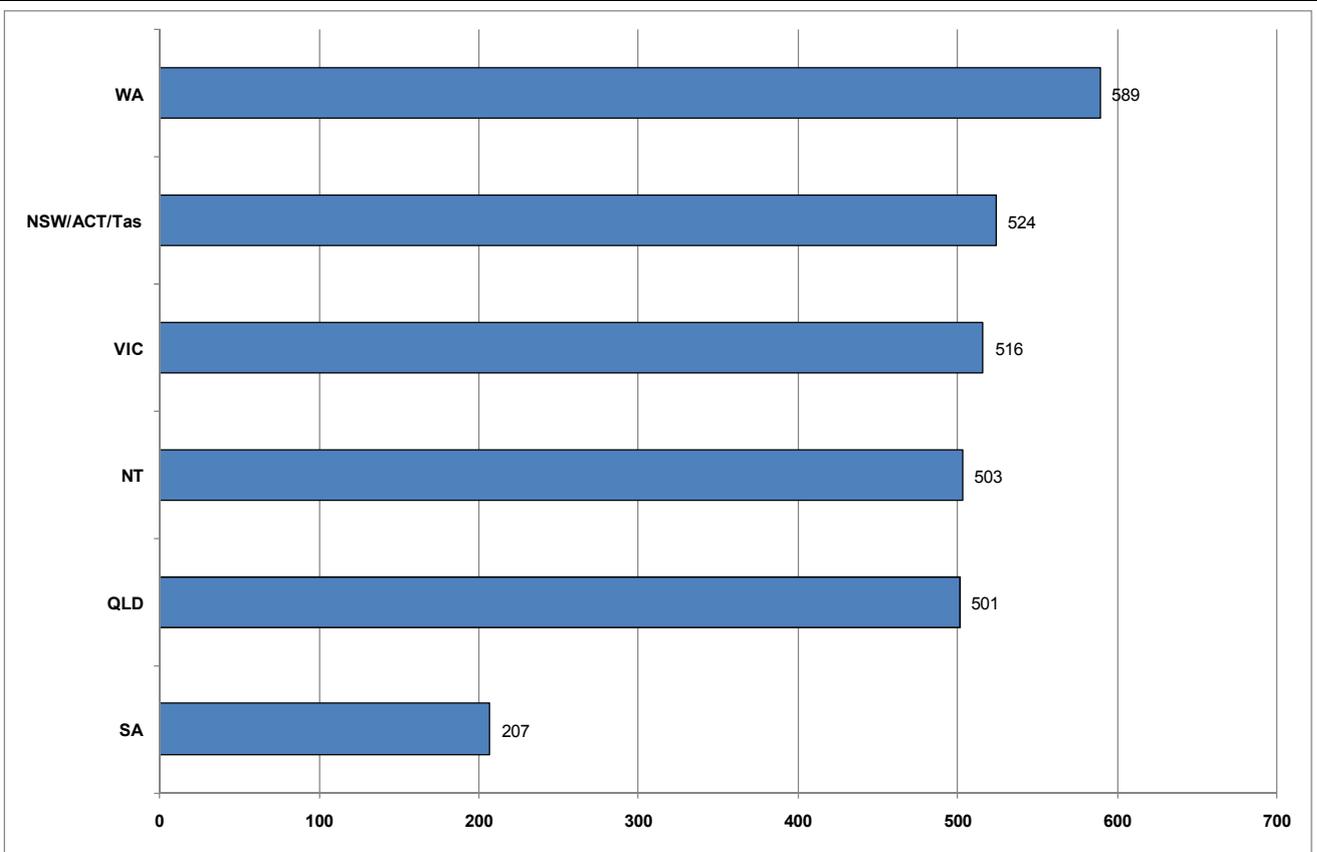
²⁵ It is important to note that the allocation splits to a client's BasicsCard as shown in Figure 150 are based on how the client intends to spend the money.

D.3. Merchants

A merchant must apply to Centrelink to be an approved merchant before they are able to accept BasicsCard transactions. Merchants agree under contract not to accept payments via BasicsCard for the purchase of excluded items (e.g. alcohol, tobacco products, pornographic material and gambling products).

At 30 April 2010, there were 2,840 merchants who were activated and able to accept payments via BasicsCard. At this time there were 589 such merchants operating in WA. There were at least 500 merchants accepting BasicsCard operating in the following States and Territories: New South Wales/ Australian Capital Territory/ Tasmania (combined); Victoria; Northern Territory; and Queensland (see Figure 151).

Figure 151: Number of activated merchants accepting BasicsCard at 30 April 2010



Source: Centrelink administrative data as at 30 April 2010.

Table 10 shows that at 30 April 2010, 90% of merchants who had applied to Centrelink to be approved to accept BasicsCard had received such approval. In WA, 95% of merchants who applied to Centrelink had been approved to accept BasicsCard.

Table 10: Status of merchant applications to accept BasicsCard at 30 April 2010

Application status	State or Territory						Total
	WA	NT	QLD	SA	VIC	NSW/ACT/TAS	
Approved	647	532	514	209	519	525	2,946
Rejected	4	51	14	8	1	1	79
Pending	1	2	3	–	–	151	157
Withdrawn	26	19	20	5	4	2	76
Cancelled	6	13	2	–	–	–	21
Total applications	684	617	553	222	524	679	3,279

Source: Centrelink administrative data as at 30 April 2010.

D.4. Effectiveness of BasicsCard

D.4.1 BasicsCard transactions

Centrelink administrative data for BasicsCard transactions are only available at an aggregate level for all types of IM across Australia (i.e. IM as part of the emergency response in the Northern Territory, IM in Cape York and the trial of IM in WA). Given that data are not available for WA, the following process was used to estimate the approximate numbers for WA:

- ◆ At 30 April 2010, clients participating in the trial of IM in WA accounted for 4.6% of all IM clients across Australia who had been issued a BasicsCard. Therefore for the purposes of estimating the approximate number of BasicsCard transactions for IM clients in WA, 4.6% of the overall totals are used.²⁶

Since the trial of IM in WA commenced through until 30 April 2010, WA IM clients had made approximately 210,000 BasicsCard transactions. The majority of these transactions were successful (81%)—around one in five transactions (19%) were unsuccessful. The main cause of unsuccessful transactions was insufficient funds being available (this was the cause of 81% of failed transactions).

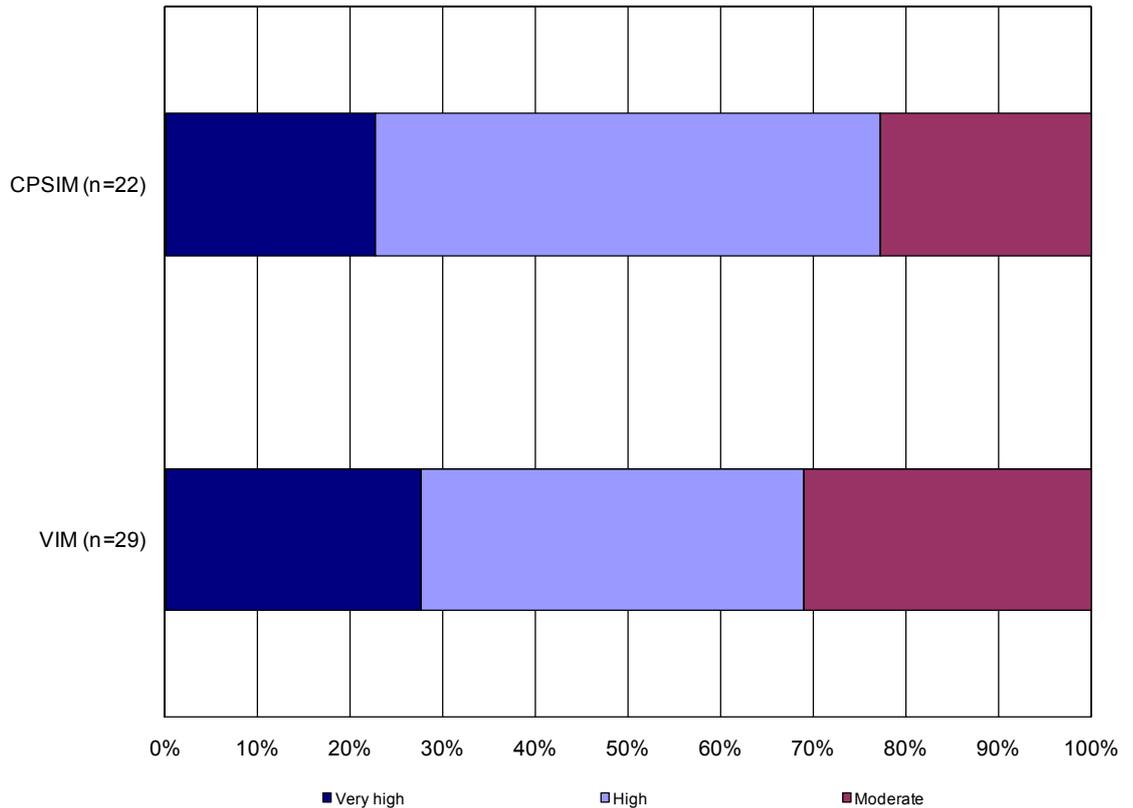
²⁶ It is acknowledged that there are severe limitations in using this approach, however, in the absence of disaggregated data for WA IM clients this approach provides a rough approximation for WA.

D.4.2 Overall effectiveness of BasicsCard

Centrelink respondents generally thought that the BasicsCard had been effective in the delivery of IM. Centrelink respondents were more likely to report that it had been effective in the delivery of CPSIM (77%) than in the delivery of VIM (69%) (see Figure 152).

Figure 152: Overall effectiveness of the BasicsCard in the delivery of income management in WA

Base: Centrelink staff



Source: ORIMA survey of Centrelink staff.

Community leaders also reported that the BasicsCard was “a good way” to help people “spend their money on basic [things].” However, some of these participants felt that the flexibility of using the BasicsCard (and IM funds) was not well understood in the community. For example, the usage of BasicsCard for travel costs, purchasing furniture and other larger items beyond food was felt to be less well understood.

In addition, a few of these community leaders felt that the BasicsCard should be accepted by a wider range of merchants, especially outside the pilot areas. This perception was mainly due to the view that some who were on IM in the community had found it difficult to use the card in Perth and some eastern states. These participants stated that these individuals “got stuck because they didn’t have enough cash”—primarily because they were relying on being able to use their BasicsCard.

D.4.3 Main benefits of BasicsCard

When Centrelink staff were asked specifically about what the main benefits of the BasicsCard were for CPSIM and VIM clients, they identified a number of key benefits. These benefits can be grouped into four broad themes. Two of these themes were common to the CPSIM and VIM programs, while the other two themes were specific to either the CPSIM or VIM program.

The two common themes that emerged for the CPSIM and VIM programs were:

- ◆ It means that clients are able to provide food and clothes for their family.
 - “Customers know that if ever their discretionary funds run out, they still have funds on their BasicsCard to purchase food for themselves and children.”*
 - “They will be able to provide food and clothing for the children.”*
 - “Customers are using the BasicsCard for essential needs like food, fuel and clothes, and they know what their limitations are, for example, they know there are prohibited items that can’t be purchased.”*
 - “Regular food allocations.”*
- ◆ It increases clients’ ability to budget and/or manage their finances.
 - “Customers are able to budget for food and essential items on a daily, weekly, fortnight or monthly basis.”*
 - “Assists customers manage their finances and purchase food for the family unit.”*
 - “Help budget their money.”*
 - “Customer knows how much they have left after paying bills etc—helps create a budgeting mind-frame.”*

An additional theme, relevant to the CPSIM program, was:

- ◆ It gives clients a good choice about where to spend their money.
 - “More choice about where the customer can spend their funds.”*
 - “Customers are able to shop at a variety of places and do not feel they have been ‘pointed out’.”*

An additional theme, relevant to the VIM program, was:

- ◆ It helps reduce humbugging.
 - “It also reduces the ‘humbugging’ and it protects many customers from having family and friends taking funds from them.”*
 - “[It gives customers] control of cash and reluctance of obligation of monies (i.e. family requests).”*

D.4.4 Suggested improvements to BasicsCard

Centrelink staff and IM clients provided a number of suggestions for ways that the BasicsCard could be improved. The main theme that emerged from both groups of respondents was the need for BasicsCard to be accepted at a greater number of merchants.

“You can’t use the BasicsCard in hardware shops and it would be good if you could. I want to paint the kids’ rooms and I have money on my BasicsCard, but I can’t use it now for things like this for the kids.” [IM client]

“Businesses should be encouraged to accept the BasicsCard. So that we can shop more widely. There’s only one place I can go for petrol and it’s the most expensive in the area.” [IM client]

“You should be able to use the BasicsCard anywhere, like the Keycard. It’s only accepted in a few places around town.” [IM client]

“More access to shops, especially chemists. There needs to be a lot of variety.” [IM client]

“Being able to use the BasicsCard in more places. I used to have to catch taxis and buses to do the shopping, because you couldn’t use the BasicsCard at the IGA up the road.” [IM client]

“There should be more places that accept the BasicsCard so you can buy household goods, school things, clothing... There should be shops that take the BasicsCard that are open later at night, for instance Star Mart doesn’t accept the BasicsCard.” [IM client]

“Not enough variety of merchants accept the card. Customers are limited where they can shop.” [Centrelink staff member]

“Not having access to all the same shops they previously used.” [Centrelink staff member]

“Lack of local businesses participation.” [Centrelink staff member]

VII. Suggested program improvements

A. About this chapter

This chapter presents the range of suggestions and ideas that income management (IM) clients and stakeholders provided about ways the Child Protection Scheme of Income Management (CPSIM) and/or Voluntary Income Management (VIM) could be improved. It starts by outlining suggested general improvements for IM and then looks specifically at ideas about ways that the CPSIM and VIM programs could be improved.

This chapter draws on data from ORIMA surveys. This includes information collected through interviews with CPSIM and VIM clients, along with free-text responses provided by various stakeholders through the online surveys.

B. General improvements

Many IM clients took the opportunity to provide suggestions about ways that IM could be improved in the future. From these comments, five key areas for improvement were identified. One area highlighted for improvement was that the BasicsCard should be accepted at a greater number of merchants (see discussion on page 246). In addition, the following four areas were identified for improvement.

- ◆ Better address clients' individual needs.

“Centrelink needs to reassess how you are going, especially if you have big balances saved in kitty.”

“There should be a manager allocated to each person—you have to talk to too many people at the moment.”

“Need to be better able to change allocations. My partner was automatically on income management when he started Newstart because I’m on income management, but his money is allocated to the same priority needs as mine, so we have more than enough money to cover these things. I wish we could change this.”

- ◆ Ensure errors are not made with clients' funds.

“Be better at checking payments through the bank—my rent was taken out twice.”

“Call centre workers need to be more trained. They don’t know what they’re doing. They mucked up a payment. I need to know all my shit is happening.”

“Communication between the phone operator and the person who processes the payment could be better—there are lots of problems, confusion.”

“Bills weren’t paid on time, wrong numbers. It just didn’t work. The left hand didn’t know what the right hand was doing. One person said it was paid and then that same afternoon, someone else said it wasn’t. I think I made about 100 calls to IM. No-one talked to each other.”

- ◆ Streamline processes so clients can spend their income managed funds.

“One time, I went to [shop name] and it took them 45 minutes to sort out the problem, pay the money. There’s got to be an easier way to do it—transfer the money straight

from my kitty to my account. There was a lot of messing around. There were special code numbers, phone transfers, talking to all different people in Centrelink. There should just be a checklist. It should be easy. At store? Verify price. Transfer across. Paid then and there.”

“A lot of shops won’t take the BasicsCard (e.g. baby clothes shops) and shops won’t/don’t like taking Centrelink’s credit card payment over the phone. I wanted some sports shoes, but sports shops won’t take Centrelink’s credit card payment over the phone. It took forever for the hairdresser to put through the Centrelink number and payment—I only did it once.”

“I wish I could call up and transfer money from the kitty to my bank account if it’s for a good reason. Once a month could be an option. I could use this money for movies, going out, entertainment.”

◆ Improve information provided to clients and communication with clients.

“It would be good if Centrelink could explain a little bit more at the initial interview about where the income managed money is going, the different areas, like food, utilities so I can understand better. Some people I talk to don’t understand it [IM], you need to workshop them through the program and procedures.”

“Centrelink needs to be better suited to the Kimberley. There should be more interpreters who speak Kriol, so they can communicate with the locals.”

“They should explain to me a lot more about financial counselling.”

“Let me know what’s happening to my money. Kitty money was being spent on fines and I didn’t know.”

Financial counsellors and money management advisers and peak welfare and community organisations were invited to provide final comments on their views of the CPSIM and VIM trials. The main theme to emerge from these comments was the importance of connecting IM with other programs and services.

“I strongly believe that compulsory training in basic budgeting skills put in place will help the client to gain a very valuable life skill.”

“We would like to see more VIM and be able to work with agencies to provide clients with more information, education and support to make it truly successful.”

“VIM works as an independent measure. CPSIM works when supported by a large network of services and is only an interim measure endured by a majority of clients.”

“Financial counselling on its own may serve as band-aid at best; greater personal and family outcomes when financial counselling (as a tool) is provided with concerted social welfare services.”

A few other general suggestions about areas for improvement were also offered by financial counsellors and money management advisers, for example:

“I think that this program can be a positive one if it was to be fine-tuned in the areas of cultural training for those that do not understand the Aboriginal and ethnic people and their difficulty in using money.”

“To make VIM available to all low income families who receive income support all over Western Australia. To promote VIM as a normal tool of financial management—similar to budgeting. Aggressively promote it to newly arrived refugees. To highlight the positive aspects of joining and air interviews through the media on prime time of those who utilise the scheme. To give the option to candidates to CPSIM to join VIM and only after their failure to be forced into CPSIM. To conduct an annual evaluation and widely publish the outcome.”

C. Program-specific improvements

C.1. CPSIM

Centrelink staff, DCP staff, financial counsellors/money management advisers and peak welfare and community organisations provided a range of suggestions for how the CPSIM program could be improved. Similar themes emerged from the different stakeholder groups. The five most commonly cited suggestions were:

- ◆ Promote CPSIM as a positive tool and reducing stigma.

“By DCP and Centrelink giving out only positive messages, and people’s points of view not clouding what IM is trying to achieve in the long run.” [Centrelink staff member]

“I think that sometimes CPSIM has been used punitively without transparent justification for putting someone on it. I would go so far as to say that it has been a power over mentality rather than respectful use of authority.” [DCP staff member]

“To remove the stigma surrounding CPSIM, candidates for CPSIM be given the chance and incentives to enter into VIM and only after their failure to do so will be forced into CPSIM.” [Financial counsellor or money management adviser]

“Promoting CPSIM to financial counsellors as a positive tool.” [Financial counsellor or money management adviser]

“Stop it looking like a ‘punishment’. Rebrand it as a positive and healthy tool.” [Peak welfare and community organisation]

- ◆ Ensure clients have access to financial counselling and other services.

“Enhanced financial counselling services—especially in remote locations.” [Centrelink staff member]

“Better access to and uptake of quality financial education for CPSIM customers. Better referral to and uptake of other services to address personal and family issues in conjunction with CPSIM.” [Centrelink staff]

“Have financial officers placed at each Centrelink Branch.” [DCP staff member]

“Financial counselling in all remote locations.” [DCP staff member]

“Provide services in nearby localities that are comprehensive and holistic—not only financial counselling but all the other issues that usually impact of clients suffering hardship.” [Financial counsellor or money management adviser]

“Centrelink and DCP helping to organise financial counselling appointments. Having bus passes to allow people to get to them. DCP listening to the financial counsellors to see

the achievements that have been made. Positive reinforcement to the clients.” [Peak welfare and community organisation]

◆ Increase referrals and expand the program.

“There are not many people on CPSIM to make an impact on a Community. For there to be a larger impact more need to be referred. I think the DCP need to have a protocol in place where IM should be discussed and entered into.” [Centrelink staff member]

“CP to continue placing families on IM, which should be used Australia wide, not just certain areas. Plus IM should be spread throughout WA, not just the Kimberley regions.... I believe IM is a great tool to use and it should be used more frequently with cases with families that have ongoing domestic violence, with alcohol related incidents. It is a tool that helps decrease drinking of alcohol and use of drugs. WA IM is used more appropriately than how it was implemented in the NT. Children are getting their basic needs met with IM.” [DCP staff member]

“I have worked in <WA location outside of CPSIM trial sites> for over three years and CPSIM would be of great benefit to the Aboriginal community. I have worked with parents who cannot feed their children because they have spent their money on drugs and alcohol. There are children who are not going to school because of the problems with drugs. I feel that CPSIM would help these communities and improve a child’s life.” [DCP staff member]

“To cover all suburbs and greater promotion of the scheme.” [Peak welfare and community organisation]

◆ Better communication and explanation of the program to clients and potential clients.

“The scheme is good in its current form; it needs to be explained to customers clearly by DCP to ensure it works.” [Centrelink staff member]

“Better promotion so people understand.” [Centrelink staff member]

“Explain it to clients appropriately.” [DCP staff member]

“Wider advertising and education about its benefits.” [DCP staff member]

“Making the referrals easier, explaining more about the processes.” [Peak welfare and community organisation]

◆ More education and training for staff involved in implementing CPSIM.

“More training and communications amongst DCP.” [Centrelink staff member]

“More training at the call centre.” [Centrelink staff member]

“Communication from all departments and more training.” [DCP staff member]

“The program can be made better if more extensive cross cultural training was given to the service providers.” [Financial counsellor or money management adviser]

“Definitely better referrals from DCP staff understanding what financial counselling and CPSIM can do for the family. Often they are looking at child protection but not the whole picture.” [Financial counsellor or money management adviser]

C.2. VIM

Centrelink staff, financial counsellors, money management advisers and peak welfare and community organisations provided a range of suggestions for how the VIM program could be improved. The one consistent theme that emerged from the comments provided by these three groups of respondents was that people should be given the option of whether the ratio of their income managed funds is 50/50 or 70/30.

“Returning it to the 70/30 ratio or at least making it variable. Showing a VIM customer the respect that we acknowledge they are voluntary and allowing a less rigid approach to changing allocations.” [Centrelink staff member]

“Giving the option back to the customer whether they go for the 70/30 or 50/50 split.” [Centrelink staff member]

“Bring back the choice of 70/30 and 50/50, not just electing that all VIM are 50/50.” [Centrelink staff member]

“Our agency is running into problems with the reduction of Centrelink handling amounts e.g. 70/30% cut back to 50/50% Centrepay cannot pay some bills and having Centrelink manage payments reduces bank dishonour fees, bad debts and clients running out of food money. This ability to pay 70% of money through Centrelink is a great benefit to many and the clients in most cases prefer this.” [Financial counsellor or money management adviser]

“I am extremely concerned that no one was asked about the change from 70/30% to 50/50%. Some clients may not have fully understood the implications of it but they do now that they have less money to manage under the system and more money in the bank. It has created a tremendous workload for us which has not been recognised. We have had to renegotiate on debts which are now seen as ‘broken promises’. There is not enough money to put much on the BasicsCard—in one case it was \$30. Yes, more is going into the bank but the whole reason they went on was because it wasn’t being spent on food, school, medicine. Why change something that was working right for people without consultation... Accept that it was a decision made in haste and correct it now before it gets even more out of hand with debt collectors not accepting the payments.” [Financial counsellor or money management adviser]

“It is unfortunate that they decided to do the 50/50 when the review was in place as many clients have had a negative impact from the change and this might reflect when overall they have been extremely keen on the program.” [Peak welfare and community organisation]

In addition, there were three other main ideas for improvement that emerged from the comments provided by Centrelink staff.

- ◆ Implement incentives or bonuses for joining the program.

“I have always believed that customers that sign up for VIM should be given a BasicsCard preloaded with \$100 bonus. They will not be able to withdraw from VIM for 6 months, and then once they have been on for 6 months they will receive the \$150 bonus (\$250 in total once customer has been on for 6 months). We find that most people that withdraw from VIM do so in the first 2 weeks, and we find that most people once they are signed up for VIM think there are funds available on the BasicsCard then and there.”

“Part of the bonus payment should be put on the BasicsCard as soon as customers sign up for VIM so that they receive an immediate introduction to using VIM rather than having to wait to experience it when they are next paid.”

“Incentive payments will increase participation.”

- ◆ Increase flexibility with the rules on unrestricted cash payments.

“More access to cash through less stringent rules for unrestricted cash payments.”

“Relax the rules on unrestricted cash payments, which means that as long as all of their needs are met, we may be able to pay them cash into their accounts, particularly for family outings etc.”

- ◆ Increase access to financial services.

“Promotion and access to financial services. Many VIM customers will not take the next step and commence managing their money appropriately until they have received financial counselling or money management skills.”

“Better access to quality financial education for VIM customers.”

There were two other main ideas for improvement that emerged from the comments provided by financial counsellors and money management advisers.

- ◆ Improve communication and information provided to clients.

“When clients are going on to the payments, they may still be receiving advice regarding their Centrepay deductions etc, this is very confusing for clients.”

“Definitely better referrals from staff understanding what financial counselling and VIM can do for the family. Being suggested at case meetings, strong families, ER agencies, welfare agencies etc as a way of assisting in financial management.”

“As I have already stated the program can be made better if more extensive cross cultural training was given to the service providers.”

“Making sure that clients can contact an IM person rather than a call centre who does not understand their accounts. Proper explanation of their payments and not taking out residual and putting into BasicsCard when the money is for something else and the client does not know or understand.”

- ◆ Promote the VIM measure more positively.

“REBRAND it so it does not smell, look like or feel like compulsory income management. Make it a positive and good thing that people can be proud they have chosen this option.”

A small number of suggestions were provided by peak welfare and community organisations. The suggestions were largely consistent with those offered by Centrelink staff and financial counsellors and money management advisers:

“Pre VIM sign up referral to money management services for effective financial literacy training and budget set up.”

“To cover all suburbs and greater promotion of the scheme.”

“Making the referrals easier, explaining more about the processes. Centrelink and DCP helping to organise financial counselling appointments. Having bus passes to allow people to get to them. Positive reinforcement to the clients. Making sure that money that is allocated is flagged so that it cannot go on to the BasicsCard without the client knowing that it was meant for a payment that has not been paid yet. Getting the BasicsCard out to as many services in as many areas as possible. Having the 70/30 come back again and the option which was previously available for both.”

VIII. Conclusions and Recommendations

A. Conclusions

The evaluation found that CPSIM and VIM were effective measures in helping people meet their priority needs and those of their children. Evidence provided by IM clients, Centrelink staff, DCP staff, financial counsellors, money management advisers, welfare/community organisations and community leaders was consistent and indicated that both measures had delivered significant positive impacts in relation to child and family wellbeing.

There was widespread acceptance of the measures among CPSIM and VIM clients, with many of them having already recommended IM or planning to do so in the future.

The evaluation found some evidence of a positive impact of the measures on the financial management capabilities of participants, but this was not as conclusive as the evidence in relation to child and family wellbeing. The evidence indicated that IM had improved many participants' financial management while participating in CPSIM and VIM. This improvement was manifested in a greater capacity to save money and meet priority needs. Survey data from former IM clients indicates that these improvements have been largely sustained to date. However, further information on the longer-term experience of former clients is necessary before definitive conclusions can be reached.

The evaluation found that a constraint on the effectiveness of VIM and CPSIM in relation to improving participants' financial management capabilities was a low take-up rate among IM clients of the financial counselling and money management advisory services provided under the measures. Lack of awareness of these services and a lack of appreciation of their value among IM clients were identified as key barriers to take-up. In addition, the structured money management assistance (i.e. allocation of funds to priority needs) provided via the measures was perceived by some IM clients as rendering financial capability development unnecessary.

Consistent with this finding, a longer-term risk around the IM schemes identified by stakeholders was that some IM clients may become dependent on the system and not take personal responsibility because of the view that their money is being managed for them. One way to mitigate this risk is to improve take-up of financial management services among IM clients.

The evaluation found that, overall, the CPSIM and VIM trials were implemented effectively. After some initial delays, take-up of places in the IM trials matched planned levels. The BasicsCard was effectively implemented in WA, with almost 600 merchants accepting BasicsCard payments at 30 April 2010. The working relationship between Centrelink and DCP in the implementation of the CPSIM trial was effective. Financial management advisory services were useful to CPSIM and VIM clients who had accessed them.

However, the evaluation found that there was limited understanding of key features of CPSIM and VIM among clients. The evidence indicated that better communication of these features by DCP and Centrelink could have improved client understanding and outcomes. Lack of awareness among clients of financial counselling and money management advisory services was a particularly important limitation.

One change that occurred towards the end of the trial period being evaluated was the decrease in the ratio of income managed funds of VIM clients from 70% to 50%. The evaluation found that this has caused difficulty for some existing VIM clients, with some clients choosing to exit VIM because the 50% was no longer enough to cover their priority needs (especially rent in metropolitan areas of Perth). It is too early to assess whether this change has encouraged more people to take-up VIM.

B. Recommendations

Recommendation 1—Develop a communications campaign that positively promotes the benefits of income management.

The evaluation found that there is an opportunity to increase the take-up of VIM and to reduce the stigma associated with IM through an effective communications campaign. Stakeholders assessed the understanding of the IM measures among potential IM clients as low to moderate. In addition, they believed that lack of awareness and negative media reports were two factors that discouraged people from taking-up VIM. Some qualitative research participants also stated that they thought that IM was only available for “child protection cases” and not available to everyone.

Stakeholders also identified that promoting both CPSIM and VIM as positive tools and reducing the stigma associated with IM were key areas where the programs could be improved. Community leaders in the qualitative research suggested that mass media communications and community forums about “the helpfulness and benefits” of IM generally would be an effective way to educate and promote IM as a positive money management tool.

It is recommended that FaHCSIA develop a communications campaign that positively promotes the benefits of IM. The communications campaign should focus on promoting the benefits of IM and active involvement by people rather than the notion that your income is being ‘managed’ and ideas of ‘government control’ that currently exist.

It will be important that any communications material developed is directed at the target audience (including people whose first language is not English), is executed using simple/plain language, and where possible uses diagrams and visual symbols to reinforce the message.

The communications campaign should involve both above the line and below the line mediums.

A critical component of the communications should be to develop and test new program names to rebrand the term ‘income management’. The new program name

should reflect the positive and active nature of the program.

Recommendation 2—Improve communications with income managed clients about how the program operates.

The evaluation found that there were some information gaps among IM clients about the way that IM operates. In particular, there were low levels of awareness among IM clients that they can:

- ◆ access free financial counselling—there is also a lack of understanding of the benefits of these services;
- ◆ change their allocation of IM money; and
- ◆ use Centrelink-issued store vouchers and other options whilst they are travelling in areas where BasicsCard is not accepted.

Furthermore, the evaluation findings highlight that there is a low take-up of financial management services by IM clients. Given that one of the long-term risks identified by stakeholders for both CPSIM and VIM clients was dependence on IM, increasing the take-up of financial management services among IM clients should be a priority.

It is recommended that a greater focus is placed on ensuring clients understand how IM works in initial interviews. In addition, consideration should be given to offering clients a second follow-up interview with Centrelink within the first four to six weeks of being on IM to ensure that they understand the options they have. It is particularly important that clients are aware that they can access free financial management services and that the benefits of these services are clearly communicated.

Recommendation 3—Provide targeted training about income management to DCP and Centrelink staff.

The evaluation found that less than half of DCP staff rated their own level of understanding of CPSIM as high. Although many Centrelink staff reported that they had a good understanding of the two IM measures, there was a small proportion of staff who reported low levels of understanding. Furthermore, stakeholders identified that more education and training for staff involved in implementing CPSIM would assist in improving the program.

It is recommended that a targeted training program to educate staff be rolled out. This should be a priority for DCP staff as they have the first contact with potential CPSIM clients. Training for Centrelink call centre staff (and other staff who have regular contact with Centrelink clients) should also be a priority because as community awareness of IM increases there will be a need to effectively respond to IM queries from potential and existing IM clients.

Recommendation 4—Increase the number and variety of merchants accepting BasicsCard.

At 30 April 2010, there were 589 merchants in WA who accepted the BasicsCard. However, this number of merchants does not appear to be enough to meet the needs of people on IM. One of the main areas identified for improvement by IM clients was that they needed to be able to use their BasicsCard at more places. The BasicsCard only being accepted in some places was one of the main reasons why previous VIM clients had exited the program. In addition, Centrelink staff also thought that a key area for improvement for the BasicsCard was that it should be accepted at a greater number of merchants.

It is recommended that FaHCSIA in conjunction with Centrelink identify ways to encourage more merchants to register to accept BasicsCard. It is important that a range of local merchants who sell priority items (including medicines for children) within close proximity to where IM clients are living are included and not just supermarkets. For example, chemists, fruit shops, butchers and bakeries should be targeted.

Recommendation 5 (CPSIM)—Improve communications with CPSIM clients about why they are going on income management and how it will help them.

The evaluation found that one-third of CPSIM clients did not understand why they were going on CPSIM after their initial meeting with their DCP caseworker. This suggests that these clients also did not understand the benefits of CPSIM and how it is designed to help them rather than be a punitive measure. Furthermore, stakeholders identified better communication and explanation of the program to clients and potential clients as one key area of the CPSIM program that could be improved.

It is therefore recommended that processes and procedures around early engagement with potential CPSIM clients be improved. A focus of early communication with CPSIM clients should be on the reasons why they are being placed on CPSIM and how the program is expected to help them.

Recommendation 6 (CPSIM)—Encourage participation in VIM upon completion of CPSIM.

There appears to be scope for more CPSIM clients to take-up VIM once they have finished CPSIM. At 30 April 2010, 28 clients had participated in both CPSIM and VIM (9% of clients who had ever been on CPSIM).

Unfortunately, these data do not show whether the client moved from CPSIM to VIM or vice versa.

Nevertheless there was a willingness among current CPSIM clients to use VIM once they had completed CPSIM. Over 50% of current CPSIM clients reported that they would consider using VIM once they had finished CPSIM.

Given that the evaluation found that VIM was an effective measure to help meet the priority needs of individuals, their families and their children, those clients who would like to use VIM at the end of CPSIM should be reminded that this option exists. It is recommended that the option of going on VIM should be routinely included as part of the exit process from CPSIM.

Recommendation 7 (VIM)—Give VIM clients a choice about the ratio of income managed funds (i.e. 50% or 70%).

The evaluation found that the recent change of reducing the ratio of VIM clients' income managed funds from 70% to 50% has caused difficulty for some VIM clients. However, some stakeholders also believed that the reduced ratio would assist in attracting more people to take-up VIM.

To maximise participation in VIM and the benefits for clients, it is recommended that clients be given the choice of whether they would prefer 50% or 70% of their income support payment to be subject to income management. To align the approach in WA with that currently in place in the Northern Territory, it is recommended that the default option be 50%, with clients able to opt (at any stage of the program) to have 70% of their payments income managed.