

Deloitte Access Economics

Place Based Income Management - Baseline evaluation report

Department of Social
Services

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Glossary

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
ATSI	Aboriginal and Torre Strait Islander
BAFW	Building Australia's Future Workforce
BasicsCard	A card that can be used to provide payment for the purchase of necessary items at approved retailers
CALD	Culturally and Linguistically Diverse
CATI	Computer-assisted telephone interviewing
CENTERPAY	A direct bill-paying service offered to customers receiving DHS payments
CfC	Communities for Children
CPIM	Child Protection Income Management
CRP	Crisis payment
CSO	Customer Service Officer
CURF	Confidentialised unit record file
DHS	Department of Human Services
DSS	Department of Social Services
DSP	Disability Support Pension
DVA	Department of Veteran's Affairs
EBT	Electronic Benefits Transfers
EFTPOS	Electronic funds transfer at point of sale
FMPS	Financial Management Program Services
GAL	Government Action Leaders
HREC	Human Research Ethics Committee
IM	Income Management
IMCO	Income Management Coordinator
IT	Information Technology
LGA	Local Government Area
MMS	Money Management Service

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NSW	New South Wales
NT	Northern Territory
NTER	Northern Territory Emergency Response
PBIM	Place Based Income Management
PIN	personal identification number
Rate ratio	Relative difference measure used to compare the incidence of events occurring at any point in time
SA	South Australia
SEAM	Improving School Enrolment and Attendance through Welfare Reform Measure
SEIFA	Socio-economic Indexes for Areas
SRC	Social Research Centre
TAFE	Technical and Further Education
UTLAH	Unreasonable to Live at Home payment
VEA	Veterans' Entitlements Act
VIM	Voluntary Income Management
VIP	Voluntary Incentive Payment
VNT	Vulnerable Northern Territory
VULN	Vulnerable Income Management
WA	Western Australia
Warm handover	A supported or assisted referral
ZIMCO/IMCO	Zone Income Management Coordinators/ Income Management Coordinators

Executive Summary

Background

Place Based Income Management (PBIM) is a trial which was initiated as a part of the *Better Futures, Local Solutions* place-based initiatives within the Building Australia's Future Workforce (BAFW) package, a group of initiatives which aim to assist vulnerable families and children, and to enhance opportunities for people to enter or return to the workforce.

The Place Based Income Management (PBIM) trial scheme commenced in the following five sites across Australia in July 2012:

- Playford (South Australia);
- Greater Shepparton (Victoria);
- Bankstown (New South Wales);
- Rockhampton (Queensland); and
- Logan (Queensland).

The purpose of PBIM is to provide people with the financial stability needed to increase their social and economic participation and to encourage Department of Human Services (DHS) customers to apply their Welfare Payments in the best interests of their children and families. Customers who meet the eligibility criteria for the PBIM measures are required to direct a proportion of their welfare payments towards 'priority items' including food, housing, clothing and utilities.

DHS customers may be placed on one of three measures in the PBIM trial sites:

- The voluntary measure (VIM) – For people on income support who wish to volunteer for income management to assist them to meet their priority needs and to learn how to manage their finances for themselves and/or their family in the long term.
- The vulnerable measure (VULN) – For vulnerable income support payment recipients where a DHS social worker assesses they would benefit from income management in order to meet their social and/or parental responsibilities, to manage their money responsibly, and to build and maintain reasonable self-care. The eligibility for this measure was expanded in July 2013 to include the following customers: under 16 years of age receiving the Special Benefits Payment; under the age of 25 on the Unreasonable to Live at Home independent rate of payment for Youth Allowance (YAL), Disability Support Pension (DSP), or Abstudy; or under the age of 25 and receiving the Crisis Payment due to prison release.
- The child protection measure (CPIM) – For parents, carers or young people referred for income management by a child protection worker, if the worker deems that income management might contribute to improved outcomes for children or young people, particularly those at risk of neglect. This measure is applied at the discretion of a State or Territory child protection worker.

Evaluation approach

In January 2013, Deloitte Access Economics prepared an evaluation framework for the purposes of assessing the process and outcomes of the PBIM scheme in trial sites between 2012 and 2015.

The evaluation framework outlines five key data collection methods which are being used across multiple stages of evaluation:

- **A longitudinal survey of DHS customers** over a three year period in both trial and comparator sites to capture the immediate and sustained impacts of income management on customers' lives.

PBIM customers were recruited using an opt-out strategy. Comparator survey participants were recruited from BAFW sites that have similar characteristics to PBIM sites but where PBIM has not been implemented.

The sample of comparator customers selected was matched to trial participants on the basis of location, sex, age, Aboriginal and Torres Strait Islander background, benefit type and duration of welfare payment, where possible. The comparability of the two groups is considered in the current Baseline Report (this report) and any differences will be accounted for in subsequent analysis.

All survey participants – both trial and comparator – are to be surveyed at the same time points, that is, at baseline, 6 months and again at 12-18 months. Due to low initial referral rates to the PBIM measures, the baseline wave of the survey was extended to November 2013, and the timing of subsequent waves adjusted accordingly.

- **Face-to-face interviews with DHS customers** to gain a detailed understanding of the impact of income management on their day to day lives, the lives of their families or household unit.

Face-to-face interviews with DHS customers are being undertaken in two cross-sectional waves. In the initial round of interviews, the focus is on exploring short term impacts of the scheme. In the second round of interviews, the emphasis shifts to a discussion of medium term impacts.

- **Online surveys with stakeholders**, specifically, DHS staff involved in the service delivery of income management; Money Management and Financial Counselling staff; and merchants accepting BasicsCards. Online surveys will be completed twice throughout the evaluation period with these stakeholder groups.
- **Stakeholder interviews and focus groups**, undertaken with DHS staff and child protection staff in each PBIM site. The initial focus was weighted towards the implementation of the PBIM scheme, while future rounds will explore impacts for customers.
- **Secondary data**, primarily from DHS data collection repositories, to be used in both the process evaluation and outcome evaluation. This will begin with an identification of data and metrics to be used and subsequent analysis of this data.

This report

The current report outlines data from a number of key data sources:

- The baseline wave of the longitudinal customer survey conducted from July 2012 to November 2013;
- The in-depth face to face interviews with customers and third parties conducted from September to October 2013;
- The focus groups and interviews with DHS staff, child protection staff, and housing authority staff, conducted from October to November 2012; and
- Online surveys conducted with DHS staff, Financial Counselling and Money Management workers, and BasicsCard merchants conducted from September to October 2013.

The timeframes around data collection should be noted when interpreting data, in particular that the focus groups and interviews with DHS staff, child protection staff, and housing authority staff reflect experiences and perceptions earlier in the process of implementation, compared to the online surveys or other data collection methods.

Summary of longitudinal customer survey baseline data

The data from the baseline survey describe the characteristics of the samples recruited in both the trial and comparison sites for the longitudinal survey and highlight any pre-existing differences between the trial and comparator group. While an extensive matching process was undertaken to maximise comparability between the trial and comparison site samples, limitations in the scope of the available comparison sample – and differences in response rates across the samples – mean that the sample does not align on all characteristics. However, there is a good level of comparability overall. Key baseline differences between the trial and comparison samples will be taken into account in subsequent analysis of outcomes across the two samples.

In total, 1444 participants were recruited in the baseline survey wave – comprising of 812 trial participants and 632 comparator participants. Within the trial group, 308 participants were VIM customers while the remaining 504 were VULN customers. A relatively high response rate of 80.2% was achieved across the samples (the trial sample response rate was 87.2%, while the comparison sample response rate was 73.1%). It should be noted that the denominator for the response rate is all customers who did not opt out prior to or following the initial approach letter and who were able to be contacted. When the longitudinal trial survey sample is considered as a proportion of all customers on PBIM the response rate drops to 52.5%.

Comparing trial and comparator survey participants, it was found that although comparison participants were matched on Indigenous status where possible, significantly more trial participants identified as being of Aboriginal or Torres Strait Islander origin. The average age of respondents across both trial and comparison sites was 28 years of age. There was a difference by trial stream, with VIM respondents (average age 42 years) much older than VULN respondents (average 20 years). This is expected to be driven by the nature of the VULN sample, of who the majority are referred by virtue of receiving payments under ‘Unreasonable to Live at Home’ (UTLAH) payment arrangements. Trial participants had, on average, a higher level of educational attainment than comparator participants. That said, trial participants were significantly more likely to be unemployed than comparator participants. Trial and comparator participants reported similar cigarette and alcohol patterns and gambling occasions at baseline.

When asked to describe their financial situation prior to going on PBIM, trial participants were significantly more likely to report that they ran out of money on pay day compared with the comparator group. A similar sentiment was reflected in their response to their ability to plan their spending and save, where trial participants were more likely to report planning their savings for the next few days compared with comparator participants who were more likely to plan for the next year or longer. Trial participants were also more likely to have been homeless or sleeping rough in the three months leading up to going on PBIM. Finally, trial participants were asked about their perceptions of PBIM. VIM customers commonly reported money management and the payment of bills and rent among the most prominent reasons behind their choice to take up the VIM measure. Over two thirds of VULN customers reported that PBIM was not an appropriate measure for them given their current circumstances. More than 40% of VULN customers surveyed reported that the reasons for their placement on PBIM were explained well but more than two thirds of VULN respondents felt that the process for appealing was not explained at all. This was in contrast to VIM customers who largely reported that the process of 'getting off' PBIM was well explained.

Summary of face to face interviews with PBIM customers

A total of 50 in-depth interviews were conducted with PBIM customers to determine a cross-sectional view of the customer experience of being on PBIM for at least six months. Though recruitment prioritised customers on VULN or CPIM customers, fewer than 5 of the 50 participants were on either of these measures. Therefore, the data from the face to face interviews in this report predominantly reflect the views of VIM customers.

Overall impressions offered by interviewees signalled positive impacts of PBIM playing out in the form of reduced stress and financial strain, improved general and mental well-being and in their personal relationships.

Some respondents noted technical and practical difficulties experienced through PBIM such as not being able to use their card at cheaper retailers, or encountering technical difficulties either with the BasicsCard or the DHS payment mechanism. Some respondents also indicated that they were not properly informed by DHS at the commencement of PBIM, or that DHS had been difficult to contact for questions or amendments. A few respondents felt that they were at times stigmatised being on Income Management and for having to use a BasicsCard. Several respondents felt negatively about the loss of freedom over their funds and inability to use their funds on preferred goods and services.

Online survey of DHS staff

Between September and end October of 2013, 66 DHS staff completed online surveys. Of these respondents, 30 were Customer Service Officers, 27 were Social Workers and the remaining nine respondents either Zone Income Management Coordinators or Income Management Coordinators.

Of the DHS staff who completed surveys, the majority reported that they had conducted allocation interviews with PBIM customers in the past year. A small proportion had provided support to, or out-bound referrals for, CPIM customers. However, it should be noted that to date there has been very few (<5) customers placed on the CPIM measure. As a result, many DHS staff would not have been in a good position to comment on customer

experience on this measure. Accordingly, the data related to CPIM have not been covered in depth.

On the topic of the rationale for PBIM uptake, DHS staff noted that common priorities for the allocation of income managed funds included rent, utilities, food and debt (including loan repayment). Social workers noted that the decision to apply income management under the VULN measure frequently included homelessness or risk of homelessness, financial hardship and failure to undertake reasonable self-care. There was a strong perception among staff that the VIM and VULN measures were well targeted to the right welfare support recipients given current eligibility criteria.

Reflecting on the impact of income management on customers, many DHS staff reported having seen positive impacts for customers placed on VIM and VULN. The types of positive impacts commonly reported included improved financial stability, improved housing stability and improved ability to provide for self (for example, food). These impacts were amongst the most commonly reported positive impacts across VIM and VULN. Some staff also noted negative impacts for customers. Negative impacts for VIM and VULN customers, as reported by DHS staff, included problems with the timing of payment of allocated funds and dissatisfaction that the percentage of managed income could not be varied. Staff also considered that VULN customers felt negatively about their inability to be flexible in payment of rent, utilities or basic goods.

Focus groups with DHS staff

Further to the online survey, DHS staff who had some experience with income management were invited to provide comment through focus groups. Focus groups were also conducted with child protection staff.

In focus groups, DHS staff commented on outcomes for PBIM which they had observed to date. Speaking predominantly about VIM customers, staff identified positive outcomes such as the ability to secure and maintain housing tenancy and stopping financial exploitation by family members. Improved management of drug and alcohol dependency was also noted. Speaking of the experiences of VULN customers, staff noted that at least in some cases VULN appeared to be having a positive impact on customer's lives. Overall, there were not many negative outcomes noted, though some staff did feel it was too early to comment on outcomes.

Online survey of Financial Management Program Staff

Over the same period in which DHS staff were surveyed, 20 Financial Management Program Service (FMPS) staff also completed an online survey.

All FMPS staff who completed the survey reported that their organisation had worked with customers who had been on income management.

Asked to identify the most common knowledge skill gap for referred customers, FMPS staff identified 'understanding debt and how to manage it' and 'managing money from pay-day to pay-day to ensure essential living expenses are covered' among others. In terms of services rendered, financial counsellors commonly noted negotiation of repayment arrangement with creditors.

FMPS staff were asked about the positive or negative impacts they had observed for customers who they had worked with. All staff reported positive impacts for VIM customers with the majority reporting the same for VULN customers. Among positive impacts were a recognition that customers felt they had ‘more control’ and a ‘greater awareness of their financial situation’. In relation to negative impacts, staff noted that some customers may feel the lack of control over their own lives and may also not be able to think about what happens when income management is removed.

Online survey of BasicsCard Merchants

Online surveys were completed by 152 BasicsCard Merchants. Two thirds of respondent BasicsCard merchants reported that customers in their store/s had used the BasicsCard to purchase goods or services.

Merchants answered a series of questions regarding the implementation and administration of the system. Typically, merchants stated that the process for applying for a BasicsCard merchant was easy. Few experienced difficulties with the BasicsCard facilities and few reported that customers had had problems in using the card. Only a small number of merchants reported any additional costs flowing from the introduction of the BasicsCard by way of new equipment, training or transaction times.

Of all BasicsCard merchants interviewed, fewer than one fifth answered ‘yes’ when asked to say if they treated BasicsCard customers differently. A small proportion of merchants reported treating customers differently for the purposes of fulfilling their obligations as BasicsCard merchants (such as informing them of excluded goods or monitoring the purchase of excluded goods).

Focus groups with child protection staff

The purpose of the focus groups with child protection staff was to understand the referral pathway into CPIM, and any issues related to implementation of the measure. At the point at which focus groups were held, child protection referral pathway had only recently been implemented in most sites and one site was not yet fully operational. Across all focus groups, only one participant had made a referral for CPIM at that point in time.

Overall, child protection workers were positive about income management, viewing it as one available tool among a number to assist customers. Staff were of the view that customers with financial management issues could benefit from income management, although, depending on their underlying reasons, there were potential risks to be kept in mind. For example, where child neglect was driven by drug, alcohol or gambling problems, a lack of funds could lead to criminal behaviour. Staff did feel, however, that where consumers were *ready for change* income management could be useful in bringing stability to their lives.

All trial sites – with the exception of New South Wales (NSW) have adopted ‘consent-based’ referral models – which were seen to increase the difficulty of identifying eligible customers, as many of those perceived to be appropriate for CPIM were not believed to be willing to consent to the measure.

Summary of secondary data

For the purpose of the baseline report, secondary data sources were assessed to determine the availability of data and to inform the development of data metrics for subsequent reports through this evaluation.

Process evaluation

The data from the baseline survey, face-to-face consumer interviews, online surveys and focus groups reported in this paper were mapped against relevant process evaluation questions. In summary:

- Overall, respondents – namely, PBIM customers, DHS staff, FMPS, BasicsCards merchants and Child Protection staff – reflected that PBIM had been administered well.
 - Exceptions to this view included some reservations voiced by DHS staff regarding the slow reaction to anti-Income Management (IM) protests in some communities and the considerable proportion of VULN customers reporting that information was not provided about critical aspects of IM– such as the appeals process.
 - At most sites, the former issue is seen by staff to be subsiding. The reasoning for the latter matter will be investigated in future reports.
- Reports from DHS staff, child protection and housing authority staff suggested that initial process or teething issues were responded to in a reasonably timely manner.
 - In addition to the issues raised above, it was noted that DHS staff did at times mention challenges associated with managing the policies and procedures around IM. One third of DHS staff who responded to the online survey felt the processes were time consuming and difficult.
- VIM and VULN customers were found to have quite different profiles with VIM customers being older, more likely to have dependents, and more likely to be living alone compared with VULN customers. At this stage of reporting, it was found that VIM customers appeared just as vulnerable, if not more so, than the overall cohort of VULN customers. This may be due to the new cohort of VULN customers having been placed on VULN by virtue of payment arrangements which indicate future risk of financial vulnerability, as opposed to current vulnerability.
- Many DHS staff reported that the process of managing VULN customers and PBIM customers overall appeared to have taken more time than anticipated and more time than required by an average DHS customer. BasicsCard Merchants have reported limited impact either in terms of the need for additional resources or finance to provide the BasicsCard service.
- The take-up of Financial Management and Program Services and other relevant support services, such as Communities for Children, will be considered in greater detail following Wave 1 of the Longitudinal Survey.
- The views of customers about the PBIM model and its implementation appeared to vary according to the measure the respondent was on. The majority of VIM customers were positive about the impacts of IM on their lives. A third of VULN customers anticipated that IM would have negative impacts on their lives. The attitudes of VIM and VULN customers over a longer time period will be explored in the subsequent waves of the longitudinal survey.

- It was assessed whether the program had been applied in a non-discriminatory way. It was determined that as a proportion of total income payment support recipients, Indigenous people were under-represented in the PBIM sample with respect to non-Indigenous people. This data mitigates concerns that IM would be targeted at Indigenous people. Some consumers noted that the BasicsCard carried a stigma. A small proportion of merchants reported treating customers differently for the purposes of fulfilling their obligations as BasicsCard merchants (such as informing them of excluded goods or monitoring the purchase of excluded goods).

Ongoing and next steps in evaluating the PBIM trial

Three further reports are planned for release following this Baseline Report:

- Process and short term outcome report (May 2014) – this report will present analysis of baseline and first follow up wave from the longitudinal survey. It will also provide analysis of an extraction of DHS administrative data.
- Medium term outcomes report (December 2014) – this report will include analysis of a second round of face-to-face interviews with another sample of customers; site visits including focus groups and interviews with DHS staff, FMPS staff and BasicsCard merchants; and, an extraction of DHS administrative data.
- Consolidated report (April 2015) – this report focus on analysis of outcomes from the final wave of the longitudinal survey.

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1 Background

1.1 Purpose of this report

This document is the first evaluation report to be delivered as part of the evaluation of Place Based Income Management (PBIM). While the report is entitled as a Baseline report it includes a mix of both baseline and limited interim data, according to the data sources being interrogated. However the purpose of the report is to present evaluation data against the PBIM process evaluation questions. Subsequent evaluation reports will provide data against outcome evaluation questions. A full list of evaluation questions and the corresponding reports in which they will be addressed is displayed in the Methodology section at Table 2.1.

1.2 Place Based Income Management

1.2.1 Purpose and objectives

The 2011-12 Federal budget announced approaches to address disadvantage, including a package to ‘Build Australia’s Future Workforce’ (BAFW). The purpose of the Package is to:

- reward work through improved incentives in the tax and transfer system;
- provide new opportunities for people to get into work through training, education and improved childcare and employment services;
- reintroduce new requirements for the very long-term unemployed, Disability Support Pensioners, young parents, jobless families and young people;
- take new approaches to addressing entrenched disadvantage in targeted locations.

As part of this package, the Government identified ten Local Government Areas where additional assistance was to be offered to boost participation and reduce disadvantage. PBIM is being trialled in five of these ten Local Government Areas.

The purpose of PBIM is to help people achieve financial stability and to encourage welfare recipients to spend welfare payments in the best interests of children and families. The scheme directs a proportion of welfare payments for expenditure on priority items including food, housing, clothing and utilities. Income managed funds cannot be spent on alcohol, tobacco, pornographic material or gambling products¹.

The key objectives of income management (IM) are to:

- reduce immediate hardship and deprivation by directing welfare payments to the priority needs of recipients, their partner, children and any other dependents;
- help affected welfare payment recipients to budget so that they can meet their priority needs;

¹More information about IM can be found on the DSS website, <http://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/income-management>

- reduce the amount of discretionary income available for alcohol, gambling, tobacco and pornography;
- reduce the likelihood that welfare payment recipients will be subject to harassment and abuse in relation to their welfare payments; and
- encourage socially responsible behaviour, particularly in the care and education of children.

1.2.2 IM measures

1.2.2.1 Child protection measure

IM is an additional tool offered to the state child protection authorities to assist in the management of child abuse, neglect and financial mismanagement. Child protection workers can:

- determine whether or not IM would be helpful to a particular person/family;
- make a referral to DHS to income manage a person/family; and
- determine how long the Child Protection Measure is to be applied.

Child protection workers can place a person on IM for periods of three, six, nine or twelve months, at which time the worker will review the person's circumstances and whether or not IM will be continued.

People who are on IM under the Child Protection Measure cannot apply for an exemption, however the IM notice can be revoked by the child protection worker where they assess it is no longer needed by the family.

Under the Child Protection Measure, 70% of the customer's welfare payments are subject to IM and must be used to address priority needs.

1.2.2.2 Vulnerable measure

The Vulnerable Income Management (VULN) measure provides DHS Social Workers with an additional tool for working with people who are vulnerable and/or at risk. The eligibility criteria were expanded on 1 July 2013, and both sets of eligibility criteria are outlined below.

Original criteria

Customers can be placed on the Vulnerable Measure following assessment by a DHS Social Worker, who determine based on decision making principles set out in a legislative instrument, whether the individual is experiencing an indicator of vulnerability (see below); whether this indicator of vulnerability is impacting on their ability to meet their priority needs, or the priority needs of their dependents; and whether IM will address the indicator of vulnerability (and will therefore benefit the person).

The indicators of vulnerability include:

- Financial hardship
- Financial exploitation

- Failure to undertake reasonable self-care, and
- Homelessness or risk of homelessness.

Individuals may also be referred to the VULN measure by state housing authorities.

Under the VULN measure, 50% of a person's support payment will be allocated to address priority needs, and people can be placed on the VULN measure for up to 12 months. At the end of 12 months, the VULN measure can be continued by a social worker if the person continues to meet the eligibility criteria for the measure.

A person placed on the VULN measure has access to full DHS review and appeal rights. They can also ask the social worker to reconsider their circumstances every 90 days. A social worker may revoke the determination to place a person on the VULN measure at any time.

Community agencies and state housing authorities can also contact DHS directly to discuss whether IM may be an option for customers they have concerns about. People who have IM applied by a DHS social worker will not be able to apply for an exemption. More information about exemptions and exclusions is provided at section 1.2.4.

Additional eligibility criteria

On 1 July 2013, the eligibility for the VULN measure was expanded by DSS based on their understanding of data from the New Income Management in the Northern Territory evaluation report². The eligibility was expanded to include certain automatic youth trigger payments that apply to people:

- under 16 years granted the Special Benefit payment;
- over 16 years granted Unreasonable To Live At Home (UTLAH) independent rate for youth allowance, DSP, or ABSTUDY;
- under 25 years who receive a crisis payment (CRP) due to prison release; and
- who live in an area where the vulnerable measure is in place.

More information on trigger payments is provided in section 1.2.3.1.

Exclusions from the VULN measure (for people who meet the automatic youth triggers) will apply if:

- the vulnerable measure of income management would, due to specific and unusual individual circumstances, place the person's mental, physical or emotional wellbeing at risk, or
- it is not practicable to income manage a person under the VULN measure.

An exclusion from the specific criteria will apply for 12 months unless ended earlier at the delegate's discretion. At the end of the exclusion period, a person can request, and/or a social worker may determine that the exclusion be continued. If the exclusion no longer

² The full report can be found at this link: <http://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/income-management/evaluating-new-income-management-in-the-northern-territory-first-evaluation-report>

applies and the person meets the criteria for VIM, they will be again placed on that measure of income management.

A person will also be excluded if they become a full-time student or apprentice. A person will not have to apply for this exclusion, and will be eligible for as long as they are a full-time student or apprentice.

When an exclusion is granted, the person is no longer considered to be a vulnerable welfare payment recipient through the youth triggers.

During the exclusion period a person may elect to participate in VIM. While the person remains on VIM the youth triggers will not apply.

More information on trigger payments is provided in section 1.2.3.1.

1.2.2.3 Voluntary measure

The Voluntary Income Management (VIM) measure is intended to help people better manage their money and ensure that money is available for essential needs. DHS customers can choose to participate in IM if they are currently receiving a relevant trigger payment.

When a person signs up to VIM they will have to stay on it for at least 13 weeks. After this period they can cease VIM at any time. Under the Voluntary measure, 50% of the relevant welfare payment is subject to IM.

1.2.3 Eligibility

IM measures are intended for specified groups of welfare payment recipients, based on higher risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviours. Those eligible for the IM measures are described below:

- Child protection measure (CPIM)
 - For parents, carers or young people referred for IM by a child protection worker. Child protection authorities will refer people for compulsory IM if the child protection worker deems that IM might contribute to improved outcomes for children or young people, particularly those at risk of neglect. This measure will apply at the discretion of a State or Territory child protection worker.
- Vulnerable measure (VULN)
 - For vulnerable welfare payment recipients where a Department of Human Services (DHS) social worker assesses they would benefit from IM in order to meet their social and/or parental responsibilities, to manage their money responsibly, and to build and maintain reasonable self-care. This measure provides DHS social workers with an additional tool to help individuals who are vulnerable and/or at risk (e.g. individuals who are at risk of homelessness and those subject to financial harassment). It can only be applied following an assessment by a DHS social worker.
 - As noted above, as of 1 July 2013, the following customers are now also eligible for VULN IM:
 - people under 16 years granted the Special Benefit payment,

- people over 16 granted UTLAH, and
- people under 25 who receive a crisis payment due to prison release and who live in an area where the vulnerable measure is in place.
- Voluntary measure (VIM)
 - For people on income support who wish to volunteer for IM to assist them to meet their priority needs and to manage their finances for themselves and/or their family in the long term.

1.2.3.1 Trigger payments

Under the Vulnerable and Voluntary Income Management measures, a person must be receiving a category H payment, while under the Child Protection Income Management measures the person or their partner must be receiving a category H payment.

Below is a list of category H Welfare Payments under the Social Security Act³:

- social security benefit:
 - widow allowance,
 - youth allowance,
 - austudy payment,
 - newstart allowance,
 - sickness allowance,
 - special benefit,
 - partner allowance,
 - a mature age allowance under Part 2.12B of the Social Security Act,
 - parenting payment (partnered),
 - parenting allowance (other than non-benefit allowance).
- social security pension:
 - age pension,
 - disability support pension,
 - wife pension,
 - carer payment,
 - parenting payment (single),
 - bereavement allowance,
 - widow b pension⁴,
 - disability wage supplement,
 - mature age partner allowance,
 - special needs pension,
- a payment under the ABSTUDY scheme that includes an amount as identified as living allowance,

³ http://www.facsia.gov.au/guides_acts/ssg/ssguide-11/ssguide-11.1/ssguide-11.1.1/ssguide-11.1.1.50.html

⁴ Widow B Pension is a payment for an older widow who did not qualify for a Parenting Payment, has limited means, and has lost the financial support of their partner

- a Department of Veterans Affairs (DVA) service pension:
 - age service pension under Part III of the Veterans' Entitlements Act (VEA) 1986
 - invalidity service pension under Part III of the VEA,
 - partner service pension under Part III of the VEA,
 - carer service pension under Part III of the VEA,
- a DVA income support supplement,
- a DVA defence force income support allowance.

1.2.4 Exclusions and exemptions

Although the criteria for a person receiving an exemption from income management and an exclusion from income management are similar, exemptions and exclusion apply to different measure of income management.

- A person can only be exempt from income management if the person is placed on the disengaged youth or long-term welfare payment recipient measures of income management. Currently these measures only operate in the Northern Territory. To receive an exemption the person must be in full-time study or employment, or if the person has dependent children, if their children are attending school (or receiving the appropriate health checks) and they are not financially vulnerable.
- A person can be excluded from income management if the person is placed on the vulnerable measure of income management under one of the youth triggers, as per the information provided above.

All people on income management can appeal a decision by a DHS officer, through a review officer (ARO) and then to the SSAT. This process is the same for all measures, but the factors considered in the review and appeal will be different, depending on the measure of income management the person is on.

1.2.5 Trial and comparator sites

The evaluation has a national perspective, comparing five trial sites and five comparison sites without PBIM. Selected characteristics of the populations of the trial and comparison sites are summarised in Table 1.1.

Table 1.1: Characteristics of the general populations of trial and comparator sites

Site	Total population 2010 ^(a)	% Female 2010 ^(a)	% Indigenous 2010 ^(b)	% Born overseas 2006 ^(c)	% Speak language other than English at home 2006 ^(c)	% Poor proficiency in English 2006 ^(c)	% Working age population dependent on income support 2012 ^(d)	% Workforce unemployed 2012 ^(d)
Trial								
Logan	282,673	50.0	2.7	27.2	13.0	1.7	16.5	8.4
Rockhampton	115,526	49.5	6.3	7.4	3.3	0.4	15.4	7.2
Bankstown	188,814	50.6	0.7	38.7	53.7	9.0	15.9	8.1
Greater Shepparton	63,335	50.4	3.2	11.7	10.4	1.9	18.3	8.7
Playford	79,850	50.3	2.7	23.9	7.2	1.1	28.3	14.2
Comparison								
Hume	171,996	50.0	0.6	31.4	38.3	5.7	17.1	8.8
Burnie	19,892	51.4	4.6	8.4	2.2	0.2	22.5	9.3
Wyong	151,527	51.9	2.8	12.7	3.7	0.3	19.9	6.6
Shellharbour	67,797	50.6	2.3	19.5	11.3	1.5	15.6	7.4
Canterbury	129,963	49.7	0.6	46.9	69.9	26.0	15.2 ^(e)	7.9

Sources: (a) ABS 3235.0 Population by Age and Sex, Regions of Australia; Estimated Resident Population 30 June 2010. (b) ABS Census 2006 projected to ERP 2010 (c) ABS Census 2006 (Basic Community Profile) (d) BAFW Service Maps and background information prepared by the GALs, February 2012 (e) The proportion of those on income support for Canterbury is sourced from the Priority Areas Keep Australia Working Regional Employment Plan 2010, which reports a single rate for the Canterbury-Bankstown and South Western Sydney priority employment area.

1.3 Evaluation overview

1.3.1 Aim and scope

The objective of the evaluation of PBIM is to provide DSS with an independent and expert assessment of PBIM between 2012 and 2015. The overarching aim of evaluation is to contribute to future policy decisions about IM and welfare reforms.

The project comprises a process evaluation and an outcome evaluation.

- The process evaluation aims to determine the effectiveness with which PBIM was implemented — that is, whether it was delivered as intended to the eligible population (including access to necessary services).
- The outcome evaluation aims to assess the impact of PBIM at the individual, family and community level over the short, medium and, where possible, longer term.

The evaluation framework has been aligned, where appropriate, with the design of the other evaluation of IM running concurrently — IM in the Northern Territory (referred to as New Income Management; NIM).

Pre-specified requirements were that:

- The evaluation would collect baseline data and include analysis of a comparison group (of individuals from other place-based sites that have not implemented the IM policy).
- Findings would be based on:
 - administrative data from the Department of Human Services (DHS), Money Management Service Providers and State governments (including child protection and housing authorities); and
 - survey-based data and in-depth interviews from employees from the above agencies, from people subject to IM and from people in the comparison group.

1.3.2 Logic framework

As part of the evaluation of PBIM the existing program logic map developed by DSS was refined to provide a more detailed examination of the logic of each of three PBIM measures, and to capture some of the variation in activities, outputs and outcomes across the three PBIM measures. The program logic maps can be found in the PBIM evaluation framework, which is accessible on the DSS website⁵.

The refined program logic maps include consolidation of some of the short, medium and long term outcomes of PBIM so that clusters of these outcomes are grouped together where they are interrelated or likely to co-occur. Outcomes have been retained in the program logic where they demonstrate a clear logical link to either an output or an earlier outcome. The outcomes articulated in these maps have been used to inform the design of the primary data collection tools and the secondary data analysis strategy.

⁵ Link to online copy of the Evaluation Framework for PBIM, including program logic maps, <http://www.dss.gov.au/our-responsibilities/families-and-children/publications-articles/evaluation-framework-for-place-based-income-management>

It should be noted that the program logic attempts to depict the key program delivery components of PBIM and link the activities and outputs logically with the short, medium and long term outcomes. Not all aspects of PBIM are depicted in the program logic maps to ensure that the maps provide an accessible overview of the program. The following are definitions of the key components of the program logic maps:

- **Inputs** – describes the funding and other un-costed resources which have been allocated to the program;
- **Activities** – describes what the program is funded to deliver;
- **Outputs** – describes the deliverables or units of delivery generated by the program, these can be quantified if there are pre-established funding targets or unquantified if the quantum of service delivery cannot be accurately estimated;
- **Short term outcomes** – the impacts or consequences of the outputs defined in accordance with the program objectives, which are likely to occur within the first year of program implementation;
- **Medium term outcomes** – the impacts or consequences of the outputs, or of the short term outcomes, defined in accordance with program objectives, which are likely to occur within the first three years of program implementation; and
- **Long term outcomes** – the impact or consequences of the outputs, or of the short and medium term outcomes, defined in accordance with the program objectives, which are likely to occur in the next four to ten years of program delivery. These are out of scope for the evaluation framework due to the timeframe for their realisation.

Finally it should be noted that program logic maps embody the intended outcomes of the proposed policy or program - they provide in essence a theory of how the program will work. The evaluation then provides an opportunity to test this theory, and ultimately provides feedback on the strength of the underlying logic of the program or policy, where intended outcomes are realised, or alternatively fail to materialise.

1.3.2.1 External influences on PBIM

PBIM operates as a part of a broader system, and a range of factors external to the PBIM will also influence the outcomes achieved. For example:

- Other BAFW initiatives delivered across all of the PBIM trial sites which will address the needs of similar socio-demographic groups and which overlap to some extent in their intended outcomes;
- A number of state government initiatives which are being implemented over a similar period, and again are looking to provide support to disadvantaged and/or welfare dependent populations;
- Services provided by state governments, in particular child protection and housing authorities, will have a significant bearing on outcomes for this customer group; and
- Variations in socio-demographic and cultural factors across the trial sites may also influence the ability of PBIM to achieve its intended objectives.

The existence of these external factors means that conclusions about the attribution of outcomes to PBIM alone will need to be made with care, and the evaluation of PBIM will need to bear in mind the impact of these other influences on outcomes. Proximal (short terms) outcomes can be attributed to the program with a greater degree of confidence than more

distal (long term) outcomes, as they tend to reflect the unique contribution of the individual programs, while the longer term outcomes tend to reflect multiple causal factors and input streams. In this way measurement of short and medium term outcomes can assist in determining the unique contribution of the program to long term outcomes. Customer pathway maps

Customer pathway maps were developed to provide a conceptual overview of the service delivery pathway for customers who are placed onto the three IM measures (Voluntary, Vulnerable and Child Protection), from the initial referral through to the completion of the IM notice period and exit from the measure. These visual maps have been based on written process maps developed by DHS, and through consultation with DSS.

The process maps for each of the PBIM measures can be found in the PBIM evaluation framework, which is accessible on the DSS website⁶.

1.3.3 Evaluation governance

A Steering Committee and Advisory Group have been established as part of the governance framework for the evaluation.

The **Steering Committee** comprises senior representatives from the Families Group and Social Policy Group of DSS. The Steering Committee's role is to oversee the evaluation and sign off on deliverables.

The **Advisory Group** comprises representatives from DSS, the Australian Government Department of Human Services (DHS) and each of the affected States (Queensland, New South Wales, Victoria, South Australia, and Tasmania; note that Tasmania does not have a PBIM trial site but has a comparison site). The role of the Advisory Group is to provide advice to the evaluation team in relation to:

- Commonwealth or State government policies, programs and services operating at the trial and comparison sites which may affect the design or delivery of the evaluation, or which may affect its data;
- Commonwealth or State government data or information relevant to the evaluation and arrangements for accessing these;
- interpretation and analysis of Commonwealth or State government data;
- contact names and details for relevant Commonwealth or State government staff or other (non-government) stakeholders relevant to the evaluation;
- feedback on evaluation design issues through review of the Evaluation Framework; and
- nuanced understanding of data from the qualitative and quantitative analyses conducted as part of the evaluation.

⁶ Link to online copy of the Evaluation Framework for PBIM, including customer pathway maps, <http://www.dss.gov.au/our-responsibilities/families-and-children/publications-articles/evaluation-framework-for-place-based-income-management>

1.3.4 Ethics review and guiding principles

Bellberry Human Research Ethics Committee (HREC) has scientifically and ethically reviewed the evaluation framework, and has provided ethical approval for the framework. Bellberry HREC is constituted and operates in accordance with the National Health and Medical Research Council's National Statement on Ethical Conduct in Human Research (2007).

The conduct and reporting of this evaluation will be guided by the Australasian Evaluation Society *Guidelines for the ethical conduct of evaluations* (AES 2010).

2 Methodology

The evaluation methodology was designed with reference to the program logic maps for the PBIM measures, in particular the key outcomes that were intended for each of the measures, in addition to the guiding evaluation questions.

The evaluation questions for PBIM are presented in the table below, against each of the evaluation reports in which they will be addressed. As can be seen in the table, the baseline report does not address outcome evaluation questions; some of these will be addressed in subsequent reports, and all will be addressed to some extent in the final consolidated report.

Table 2.1: Evaluation questions linked to evaluation reports

	Baseline Report (Jan 2014)	Process and short term outcome report (May 2014)	Medium term outcome report (Dec 2014)	Consolidated evaluation report (Apr 2015)
Process evaluation questions				
How effectively has PBIM been administered and implemented? What are the regional/jurisdictional variations (if any)?		v		
What are the characteristics of those on PBIM? How do the characteristics of PBIM customers compare with the eligibility criteria for placement on PBIM?		v		
What has been the effect of the introduction of PBIM on service providers?	v		v	
What is the level of take-up of Financial Management Program Services?	v		v	
What is the level of take-up of other relevant support services (e.g. Communities for Children)?			v	
What is the profile of people on the different IM measures?	v			
Have there been any initial process 'teething issues' that need to be addressed?	v			
What are the views of participants in the PBIM model and their families on the implementation of the project?		v		
Outcome evaluation questions				
What are the short, medium and (where possible) longer-term impacts of IM on individuals, their families (particularly their children) and communities?		v	v	v
Consider unintended				

	Baseline Report (Jan 2014)	Process and short term outcome report (May 2014)	Medium term outcome report (Dec 2014)	Consolidated evaluation report (Apr 2015)
consequences, positive and negative.				
How do these effects differ for the various measures of the project?		✓	✓	✓
Have there been changes in spending patterns, food, alcohol, gambling, pornography and tobacco consumption?		✓	✓	✓
Has PBIM contributed to changes to financial management, child wellbeing, alcohol abuse, housing and homelessness, violence and child neglect?		✓	✓	✓
What impact has the Matched Savings Payment had on customers' ability to manage their money, including savings?		✓	✓	✓
Do the three measures achieve appropriate outcomes (based on the aims of each measure and of IM) for their participants?		✓	✓	✓
Are there synergies or complementarities between IM and other place-based measures?		✓	✓	✓
Has the outcome of IM differed across different groups, for example, women, Indigenous people and people from culturally and linguistically diverse backgrounds? Consider also – if sufficient data is available – location, age, educational status, work status, type of payment, length of time on income support, and family composition.		✓	✓	✓

	Baseline Report (Jan 2014)	Process and short term outcome report (May 2014)	Medium term outcome report (Dec 2014)	Consolidated evaluation report (Apr 2015)
Is there a stigma attached to IM and/or the BasicsCard (in the view of people on IM and merchants)?			✓	
Child protection measure				
What has been the impact of IM on child neglect/abuse?			✓	
What has been the impact on child physical and mental wellbeing in those families referred to child protection services?			✓	
What are the barriers and facilitating factors for child protection workers to use IM as a casework tool?			✓	
Has there been referral to, and use of, Family Support Services, including Commonwealth and State Government funded services, by families income managed under child protection services?			✓	
What (if any) service delivery gaps have impacted on the usefulness of the child protection services?			✓	
Vulnerable measure				
Are vulnerable people appropriately selected by this measure?				
How does IM impact on the vulnerability of individuals?		✓	✓	✓
Has IM had an impact on addressing homelessness and		✓	✓	✓

	Baseline Report (Jan 2014)	Process and short term outcome report (May 2014)	Medium term outcome report (Dec 2014)	Consolidated evaluation report (Apr 2015)
housing security?				
Has IM had an impact on addressing financial crisis and financial exploitation?		✓	✓	✓
Has IM made people less willing to disclose their problems to social workers for fear of being placed on IM?			✓	
Voluntary measure				
Have people who volunteered for IM been able to make an informed choice, by properly understanding terms and conditions and the voluntary nature of the measure?		✓		
How long do voluntary IM recipients stay on the measure?		✓	✓	✓
What are the key motivations for people who voluntarily access IM, and why do they stop?		✓		
What impact has the Voluntary Income Management Incentive Payment had on take-up and retention rates of VIM?		✓		

2.1 Overview of evaluation methods

A mixed methods approach has been adopted for the evaluation of PBIM involving collection and analysis of both primary and secondary data.

Primary data collection for the evaluation includes the following.

- **a longitudinal survey of DHS customers** over a 3 year period in both the trial and the comparison sites to capture the immediate and more sustained impacts of IM on customers' lives. Customers were recruited to the survey between July 2012 to June 2013 using an opt-out consent strategy. The Wave 1 survey constitutes a 6 month

follow up time period from the point of referral to PBIM, and this wave is due for completion in March 2014. The Wave 2 survey will constitute between a 12 month and 18 month follow up time period from the point of referral to PBIM, and this wave will run from February 2014 to November 2014.

- **Face to face interviews with DHS customers** to gain a more detailed understanding of the impact of IM on their day to day lives, and the lives of their families or household unit. These interviews will be undertaken with 10 customers, and up to two family or household members, in each of the trial sites in 2013 and 2014 (leading to a sample of at least 50 interviews at each wave). The customer sample will be cross-sectional at each wave.
- **Online surveys** will be undertaken with:
 - **DHS staff involved in service delivery of IM.** A survey was conducted in 2013 and will be undertaken again in 2014. This first wave of the survey was focussed on issues related to the process of implementation, while the survey in 2014 will be focussed on the assessment of the impact of IM on customer outcomes.
 - **Money Management and Financial Counselling staff.** The initial survey was conducted in 2013 and focussed on the assessment of any issues related to implementation, while the survey in 2014 will be focussed on understanding what outcomes may have been achieved for customers.
 - **Merchants accepting BasicsCards** in 2013 and 2014, to examine the issues related to the process of implementation and operation of the BasicsCards.
- **Stakeholder interviews and focus groups.** Focus groups were undertaken with DHS staff and Child Protection staff in each trial site in 2012, and will be again in 2014.

Secondary data, principally administrative data, is a key component of the mixed-methods approach. The secondary data sources and data items ultimately used in the evaluation were finalised in discussion with jurisdictions.

Secondary data metrics used in the short term and process evaluation will focus on:

- Participation in PBIM and various components of the program;
- Time to respond to customer needs;
- The number and type of services and resources available (e.g. BasicsCard Merchants).

The metrics from the secondary data for the medium term outcome evaluation report are mainly in terms of trends. Metrics used include:

- customer's engagement with PBIM (e.g. how long they stay on PBIM);
- engagement with financial managements services (e.g. use of centrepay deductions);
- housing mobility; and
- expenditure patterns of PBIM customers.

A high level of overview of the timing of evaluation methods and fieldwork waves can be seen in Figure 2.1 below.

Figure 2.1: Overview of timing of evaluation methods and fieldwork periods

Project task	2012				2013				2014				2015	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Advisory group meetings														
Finalise evaluation framework														
Submit to HREC and receive ethics approval														
Develop evaluation implementation plan														
Finalise data technical specs														
Baseline fieldwork														
Client longitudinal telephone survey														
Focus groups with Centrelink staff														
Focus groups with child protection staff														
Interviews with housing staff														
DHS provide initial data														
Testing and verifying secondary data for analysis														
Data analysis														
Draft report														
Baseline evaluation report														
Wave 1 fieldwork														
Progress report to Ethics Committee														
Client longitudinal telephone survey														
Client and family face to face interviews														
Online survey of Centrelink Staff														
Online survey of Money Management and Financial Counselling staff														
Online survey of BasicsCard Merchants														
DHS provide data														
Data analysis														
Draft report														
Process and short term outcome evaluation														
Wave 2 fieldwork														
Progress report to Ethics Committee														
Client longitudinal telephone survey														
Client and family face to face interviews														
Online survey of Centrelink Staff														
Online survey of Money Management and Financial Counselling staff														
Online survey of BasicsCard Merchants														
Interviews with Child protection staff														
Focus groups with DHS staff														
DHS provide data														
Data analysis														
Draft report														
Medium term outcome evaluation report														
Analysis of consolidated data														
Consolidated evaluation report 2012-2015														

Individual components of the evaluation methodology are discussed in more detail in the following sections of this chapter.

2.2 Literature scan

A literature scan was conducted in 2012 to assist with the development of the evaluation framework. As the scan was conducted only to assist with development of the evaluation framework, the full methodology and findings of the literature scan are not provided in this baseline report. Instead, the literature scan methodology and findings are provided in the evaluation framework, which is accessible on the DSS website⁷.

⁷ Link to online copy of the Evaluation Framework for PBIM, including literature scan methodology and findings, <http://www.dss.gov.au/our-responsibilities/families-and-children/publications-articles/evaluation-framework-for-place-based-income-management>

The aims of the literature scan were to:

- update the literature review conducted for the evaluation of the NT NIM framework (consistent with the brief for this project);
- provide an overview of the data of evaluations of IM initiatives in Australia;
- ensure an understanding of the range of potential outcomes expected from IM initiatives (facilitating our understanding of the logic underlying such initiatives as well as any unintended consequences);
- describe the approach to evaluating IM initiatives;
- describe outcome metrics used to measure the performance of IM initiatives; and
- reflect on the evaluation design and analytical methods used to evaluate IM initiatives to provide an evidence base for establishing a robust and defensible evaluation methodology for this project.

Similar to the Northern Territory (NT) NIM evaluation literature review, the scan for this project was exploratory in nature. DSS requested that the literature scan also reflect on the implications of behavioural economics for the success of IM initiatives.

2.3 Longitudinal survey of customers

The longitudinal telephone survey of customers has been designed to be undertaken over a 3 year period (2012-2014), in both the trial and the comparison sites. This intent of this survey is to capture the immediate and more sustained impacts of IM on customers' lives. It includes follow up with customers who are no longer on IM, so that both the enduring and time-sensitive impacts of PBIM can be understood.

The longitudinal survey has been designed with reference to the customer survey for the NT evaluation of NIM, to ensure a good degree of comparability across these evaluation sites, as requested by DSS. Relevant questions have also been drawn from the previous evaluation in WA and the NT. However adjustments and modifications have been made to ensure the survey's validity and appropriateness for the broader range of population groups and settings that are the focus of the current evaluation, and to address differences across the evaluation programs.

The survey questions have been designed to enable measurement of the key short and medium term outcomes of IM as articulated in the program logic maps, and to enable relevant evaluation questions to be addressed. Some of the key areas to be assessed through the customer longitudinal survey include:

- Customers' experiences of financial stress and financial exploitation;
- Customers' experiences of housing stability;
- Customers' perceptions of their children's wellbeing and engagement with education; and
- Customers' confidence managing their money.

The longitudinal survey is being conducted in 3 fieldwork periods or waves: baseline, wave 1 (first follow up), and wave 2 (second follow up). Wave 1 surveys are scheduled to occur 6 months following referral to PBIM, while wave 2 surveys are scheduled to occur 12 to 18 months following referral to PBIM. Wave 2 follow up timeframes have been split to enable

the delivery of evaluation data to fit within the original end dates of the evaluation project, whilst enabling assessment of longer term outcomes for a sub-sample of the PBIM customer cohort.

Only data collected during baseline fielding of the survey is presented in this report. Data collected from surveys during wave 1 and wave 2 will be presented in subsequent reports.

The baseline survey was administered by the Social Research Centre (SRC) using Computer Aided Telephone Interviewing (CATI) over the period from the 6 August 2012 to the 17 November 2013. The survey sought to capture information on customers' experiences in the previous three months prior to commencing IM. Though customers in the trial sites were recruited once placed on IM, they were contacted within three to four weeks of their placement on IM, to ensure that the effects of recall bias were minimised.

There is some risk of participants in the trial sites being reluctant to speak openly and honestly about their experiences of financial stress, housing stability and issues related to their child/children's wellbeing, once they have been placed onto an IM measure. To minimise the impact of this, SRC emphasised the independent nature of the evaluation, the confidentiality and privacy of their individual responses, and customers were advised that the information they provide would not impact in anyway of the service or the welfare payments they receive from DHS.

2.3.1 Recruitment

2.3.1.1 Trial sites

Customers were recruited during the baseline period July 2012 to November 2013 using an opt-out consent strategy. The original baseline fieldwork timeframes were extended to enable capture of a larger sample of PBIM customers, as well to enable recruitment of a sample of the new VULN customers following changes to the eligibility criteria for VULN on 1 July 2013. Customers will be followed up at 6 months following their baseline interview to capture the short term impacts of the PBIM measures, and then again between 12 to 18 months following their baseline interview, to capture any sustained impacts of IM. Customers will be following up for this final interview regardless of whether they remain on or have subsequently exited from a PBIM measure.

The SRC has received weekly batches of customer contact details from DHS for those who had been placed on IM in the previous week. These customers were then sent an approach letter. SRC then called customers to ask if they were willing to participate in a survey of their experiences of IM. Customers were again informed of the nature of participation and the focus of the survey, and informed that they could withdraw at any time.

At the end of the survey participants were asked if they would be willing to be re-contacted in about one year's time to check in on how they are going.

2.3.1.2 Comparison sites

To recruit longitudinal survey participants in the comparison sites, a very similar process was followed; however, as customers were not on IM, the process for identifying the customer sample was somewhat different. Instead, DHS extracted customer contact details

for those who are on relevant welfare payments in the comparison sites (i.e. those who are on trigger welfare payments for IM, see Section 1.2). These customers are being surveyed at the same time points as the trial site customers, i.e. at baseline, at 6 months, and again at 18 months. The sample of customers on similar trigger payments, extracted by DHS, was then matched to trial site customers using a five stage process with each stage looking for a lower quality of match. Matching was based on six variables: location, sex, age, (Aboriginal and Torres Strait Islander) ATSI, welfare payment type and duration of welfare payment. The matching stages were:

- Perfect matches (matches across all six variables)
- Allow age to vary by a given number of years on either side (but matched on all other variables)
- Get the closest duration on trigger payment where all other variables match
- Allow age to vary by five years either side and ignore duration (matched on four variables at this point and close on age)
- Ignore duration and benefit type, get the case with the closest age that matches on age, gender and ATSI (matched on three variables, and closely matched on age)

To account for the new VULN cohort an additional selection rule was added to the stages where individuals were matched on closest age, sex, and benefit type. This matching strategy means in some cases that a Comparison sample match did not share exactly the same welfare payment as their Trial site counterpart. Further, it should be noted that simply ensuring matching occurs does not guarantee that a participant's match will participate in the survey.

Customers selected through the matching process would then be sent an approach letter. The approach letter requested their participation in a survey about the experiences of DHS customers. IM was not mentioned, to reduce confusion for participants. Instead reference was made to the survey being part of a broader evaluation of DHS programs, and a means of understanding DHS customers' experiences. The subsequent recruitment strategy is identical to that described for participants in the trial sites, as outlined in Section 2.3.1.1.

2.3.2 Analysis

For the baseline longitudinal data, chi-square tests of association were used to examine the statistical significance of all quantitative data, comparing trial and comparison participant groups, and also comparing survey results for VULN and VIM customers. The following information is provided alongside any comparison of proportions of responses:

$$\chi^2 \text{ (degrees of freedom)} = \text{chi-squared value, } p\text{-value.}$$

Chi-square tests were used as the variables of interest are categorical. The number of degrees of freedom is the number of values in the final calculation of a statistic that are free to vary). All p-values were derived from the chi-square tests, except for responses that involved only two variables of interest as denoted by the degree of freedom corresponding value of '1'; for these responses continuity correction was used. The level of significance is set at < 0.05 as this is a conventional threshold used to determine significance⁸. P-values

⁸ Kirkwood B, Sterne J. Essential Medical Statistics: John Wiley & Sons; 2003.

between 0.05 and 0.10 were described as indicating a trend (i.e. approaching significance), while p-values above 0.10 were considered non-significant. It should be noted that both the sample size and the ‘degrees of freedom’ (which reflects the number of parameters under examination) impact on the ability to detect statistical significance.

The purpose of the tests in the baseline evaluation report is to identify any pre-existing statistically significant differences in demographic and financial vulnerability characteristics prior to referral to PBIM, between trial and comparison sites customers, as well as between customers of the different PBIM measures. Statistical analysis in subsequent evaluation reports will consider the reliability of any changes achieved in financial vulnerability between trial and comparison sites customers, taking into account their baseline functioning. The analysis will also need to consider demographic and other variables which may differ significantly between trial and comparison sites customers at baseline, to minimise any confounding impact these characteristics may have on the achievement of outcomes. The statistical analysis which will likely inform this process will be multivariate regression analysis – a method used to determine impacts of an intervention while controlling for differences between trial and comparator groups.

2.4 Face to face interviews with customers

In-depth face to face interviews were undertaken with a sample of IM customers, and where possible with two other family members, household members, or other nominated third parties to gain a more detailed understanding of the impact of IM on customers’ day to day lives, and the lives of their families or household unit. The in-depth interviews attempted to capture:

- The experience of IM on the household unit;
- Any unintended consequences of IM on customers;
- What customers have found helpful and unhelpful about IM; and
- Any issues that have arisen with the use of BasicsCards or other income allocation processes (including accessibility of BasicsCard merchants).

These interviews allowed the impact of IM on customers to be explored in greater depth than is permitted through structured telephone surveys, and enabled the views and experiences of family and other household members to be elicited. The interviews were conducted with family and household members at their place of residence or another appropriate setting of their choosing. Where family or household members were not available on the day, follow up telephone interviews were conducted.

These family and household interviews were conducted with customers who had been on IM for a minimum of 6 months, including those who were recently taken off the measure.

A list of participants was provided to the SRC. Subsequent recruitment involved telephone contact, with confirmation via letter or text.

During the recruitment process, attempts were made to recruit a mix of customers from each of the IM streams in order to understand the unique impacts of each of these on households and families.

Participants who took part in a face-to-face or telephone interview were provided with an incentive of \$40 (Coles charity gift card). Third parties who took part in a face-to-face interview were provided with an incentive of \$20 (Coles charity gift card).

2.4.1 Recruitment

As noted in section 2.3.1.1, DHS asks DHS customers if they are willing to participate in research or evaluation activities. Customers who decline are flagged and then removed from any future sampling frame generated for research and evaluation activities.

An extract of sample customers was established which includes customers who had been on IM for a minimum of six months. This included those who had recently exited from IM.

This sample of customers were then sent a letter from SRC (co-branded with Deloitte Access Economics) informing them that they had been randomly selected to participate in a survey about the experiences of DHS customers. The letter advised customers that a member of the evaluation team would contact them in the near future to ask if they would be willing to participate in an interview about the experiences of DHS customers.

An interviewer from SRC then contacted the customer to ask if they would be willing to participate in a face to face interview about their experiences of IM.

Customers who agreed to participate, were then asked to nominate two other adult family or household members who could also be interviewed and to provide their contact details so that they could also be invited to participate.

2.4.2 Analysis and reporting

All interviews were digitally recorded (with consent) and the recordings were used for analysis purposes. The analysis was conducted using an analysis framework for the classification and interpretation of qualitative data. The key themes and topics were identified through the discussion guide and through an initial review of the qualitative data to develop an analysis coding structure.

Sections of the recordings were then coded (using NVivo⁹ software for the management of qualitative data) to enable a thematic retrieval of data under each theme, or group type (to allow, for example, comparison of responses to themes or questions by group type or location). Direct quotations have also been referenced in the analysis to allow inclusion in the reporting. The use of this thematic data coding technique ensures that data are directly traceable back to the raw data, thus providing a fully transparent analytical method.

Verbatim quotations from across the research have been included in this report to illustrate these findings. Where words are shown in square brackets [as such] this denotes the researcher's additional words, included to make a sentence clearer. Where ellipses have been used (...), this indicates that some superfluous text has been taken out of the quote for ease of reading.

⁹ NVivo supports qualitative research by providing a platform for the collection, organisation and analysis of content from interviews, focus group discussion, and audio recordings. See NVivo for more information http://www.qsrinternational.com/products_nvivo.aspx

2.5 Online surveys

2.5.1 DHS staff survey

The experiences of DHS staff involved in IM service delivery were captured through an online survey in September to October 2014. The survey focussed on issues related to the process of implementation as well as initial impression of the impact of IM on customer outcomes.

Some of the themes covered in the online surveys include:

- any barriers or facilitators to implementation;
- the perceived impact of PBIM;
- any differences in implementation or impact across the measures;
- the interaction between IM and related services (e.g. financial counselling and money management);
- the perceived impact of IM on customer outcomes; and
- views on how implementation might be improved.

This online survey was piloted with a small number of DHS staff, before being fielded more broadly with relevant staff involved in service delivery to IM customers.

In identifying the relevant DHS staff target population for the survey, consideration was given to the respective roles of DHS Social Workers, Customer Service Officers, and Income Management Coordinators in the delivery of IM.

2.5.2 Money Management and Financial Counselling staff survey

An online survey of Money Management and Financial Counselling staff was undertaken between September and October 2013. The survey focussed on the assessment of any issues related to implementation, as well as assessing what outcomes may have been achieved for customers.

The themes that were canvassed in the 2013 survey include:

- The degree to which IM customers have engaged with these services;
- Perceptions as to the impact of the financial counselling and money management courses on outcomes for customers;
- Any improvements which could be made to the process of engaging or referring IM customers to these services; and
- Whether existing courses and services are well targeted to the needs of IM customers.

2.5.3 BasicsCard Merchants survey

An online survey of merchants accepting BasicsCards was undertaken between September and October 2013 to examine the issues related to the process of implementation of the BasicsCards and any early issues that are arising.

The survey examined the following issues:

- Any notable changes occurred in purchasing of household necessities and excluded goods;
- Whether BasicsCard holders are managed any differently to other customers and if so in what ways; and
- Any perceived impacts on store costs or revenue related to the use of BasicsCards.

This online survey was piloted with a small number of merchants who accept BasicsCards in the trial sites, before being fielded more broadly with BasicsCards merchants.

2.6 Stakeholder interviews and focus groups

Site visits were conducted at each of the PBIM trial sites throughout November and December, 2012. The site visits were originally planned for mid-2013 but in light of lower than anticipated referral rates, these were brought forward to explore how IM was being implemented and potential barriers that may exist to referring customers to IM.

In November and December 2012, the site visits involved:

- two focus groups with DHS staff at each site;
- a focus group with child protection staff (either on site if it could be scheduled on the same day as the DHS focus group, otherwise conducted via teleconference); and
- telephone interviews with housing authority representatives in NSW and SA.

Further consultation with stakeholders will be undertaken in 2014.

2.6.1 Focus groups and interviews with DHS staff and other stakeholders

For the focus groups we endeavoured to include key stakeholders involved in the delivery of PBIM in the trial sites, including:

- DHS staff;
- DHS Zone Income Management Coordinators;
- public housing authorities; and
- child protection staff.

The list of stakeholders interviewed as part of the focus group may be modified in the next round of stakeholder interviews and focus groups, to ensure that the views and experiences of the most relevant community members and departmental staff can be included over the course of the evaluation.

The focus groups and interviews with DHS staff (including Social Workers, Customer Service Officers (CSOs), and Zone Income Management Coordinators (ZIMCOs)) were designed to capture:

- any barriers and facilitators to the implementation of PBIM;
- how community support or concern (such as anti-IM campaigns) may be influencing implementation and impact of IM;

- any impacts of PBIM observed, either positive or negative
- the interaction between IM and local services for vulnerable families and how this might impact of customer outcomes;
- any unintended consequences of PBIM observed, either positive or negative; and
- any improvements which could be made to the PBIM measures.

2.6.1.1 Consultation with child protection workers

Focus groups and/or interviews were undertaken with Child Protection staff in each trial site, and will be undertaken again in 2014. The purpose of these consultations has been to:

- gain insights into how IM is viewed as a tool by child protection staff;
- understand some of the customers issues that may be emerging for the CPIM customers; and,
- gather views on potential improvements to implementation.

2.6.1.2 Consultation with housing authorities

Interviews were held with relevant housing authority representatives in the trial sites which are using housing referral pathways into PBIM, namely New South Wales (NSW) and South Australia (SA). The purpose of these interviews was to:

- Understand the referral pathways being employed;
- Identify any barriers or facilitators to referral pathways and any emerging issues;
- To determine how useful PBIM was as a tool for housing authorities and their customers; and
- To identify any ways that PBIM or the referral pathway could be improved.

2.7 Secondary data

A major component of the evaluation of PBIM involves the analysis of administrative and secondary data. The first stage of the evaluation in this regard is to assess the available data sources and to define the analysis that can be achieved with the data that are available.

A wide variety of potential data sources were canvassed to ascertain what useful data might be available for the evaluation. As a result, data from a number of sources have been provided as to 30 June 2013 which covers the first 12 months of PBIM. These data sets have been reviewed to develop a number of metrics for use in the evaluation. As with all data collection, there are limitations related to the information available and the types of analysis that can be undertaken. Understanding the limitations of the secondary data is critical to understanding what analysis can be feasibly and validly undertaken. These limitations are discussed in section 2.8.

For the baseline report, secondary data sources have been assessed to determine the availability of data, usefulness, and what data metrics will be used in subsequent reports for the evaluation. The following section provides an overview of the survey of secondary data sources. Baseline information from the secondary data and an overview of the metrics to be used to for evaluating PBIM is provided in section 3.5.

2.7.1 Survey of secondary data sources

The process of identifying, sourcing and assessing potential data sets was as follows:

1. Potential metrics and likely data sources were identified for each of the process and outcome questions. This included a desk top review of potential indicators and data sets by the evaluation team, a review of the data sources identified in the Evaluation Framework for New Income Management (NIM) in the Northern Territory and considering sources suggested from consultation with members of the advisory group and related parties.
2. The potential metrics were categorised into data topics, data items and related data sources. The details of these data topics and items were discussed with the various data custodians. Their insights enabled a series of detailed requirements to be requested of each data source. Further consultation flowed from the detailed data requirements which resulted in final agreed specifications.
3. The data as specified was requested from each of the data custodians. Not all of the data sets requested were or could be provided and some of the data specified could only be provided in part. The data provided were logged, loaded into databases and validated. Some issues arose in the initial provision of data. Part of the data acquisition process is to verify the correctness of the data being provided, rectify any problems and to establish systems which provide efficient data processing and ensure the integrity of the data being provided.
4. A preliminary analysis of the data provided was then undertaken to understand the data in detail and thus assess what data have the capacity to provide meaningful indicators for evaluating PBIM, what these indicators might be and how they would be derived.

For a data source to be useful required it to:

- be directly relevant to the evaluation questions and inform on evaluation issues;
- be granular enough to match the target population on various criteria, for example geography and defining demographics;
- have sufficient observations and precision for there to be some possibility that any changes related to PBIM would be measurable; and
- be able to be collected in an efficient manner taking into account the burden of collection on data providers and subsequent processing.

The main secondary data sources considered for the evaluation are listed in section 3.5.

2.8 Strengths, weaknesses, caveats and considerations

The methodological approach and the data collected have been tailored to assess the outcomes of PBIM for individuals, families and communities subject to the three different measures, with respect to:

- the different characteristics of the target populations;
- the (highly variable) number of participants on each of the measures;

- the challenges in engaging and recruiting participants from the different measures;
- the extent to which participants in the different measures move on, off, or between the measures; and
- the extent to which the impacts/outcomes within the three measures can be measured within the time available for the evaluation.

The following sections provide an overview of some of the limitations, caveats and considerations associated with the data sources for the PBIM evaluation.

2.8.1 Attribution

The BAFW evaluation strategy and the NT NIM evaluation strategy both highlighted the challenges associated with attributing evaluation data to a specific initiative. While the use of quasi-experimental design (with data drawn from “control” (comparison) sites along with the trial sites) will assist to some degree with teasing out the influence of in particular other BAFW programs (which are common across the comparison and trial sites), initiatives or site-specific factors on the intended outcomes of PBIM, it will not entirely resolve the challenges in attribution. Additionally, analytic techniques can be applied to control for the influence of known alternative explanatory factors which may have a bearing on the intended outcomes of the PBIM. Unknown alternative explanatory factors will remain a potential confounding influence on inference of attribution to the program.

2.8.2 Social desirability bias

Social desirability bias is one of the most common forms of bias affecting the validity of surveys and experimental designs¹⁰, and is particularly relevant when asking individuals about behaviours or beliefs which may contravene perceived societal norms, for example questions about drug or pornography use. The social desirability bias makes individuals more likely to respond in a way that they think will earn social approval rather than disapproval and therefore can impact on the accuracy of their responses. There are a number of means by which social desirability biases can be controlled or minimised in survey methods, including the use of social desirability scales within a survey. In designing the longitudinal customer survey we have attempted to minimise the influence of social desirability biases through the use of forced-choice responses and randomising particular multi-choice responses where appropriate¹. Emphasising the privacy and confidentiality of participant responses and the independent nature of the survey should also assist in encouraging participants to respond honestly and accurately. However, these strategies will not entirely remove the effect of social desirability bias on survey responses, and this form of bias will be borne in mind when examining baseline responses and changes in these responses overtime.

2.8.3 Sampling bias

One of the critical threats to methodologies which utilise a comparison or control group is sampling bias, which can lead to a sample that is in some way non-representative of the

¹⁰ Nederhof A (1985). Methods of coping with social desirability bias: A review. European Journal of Social Psychology; 15(3):263-280.

target population. If recruitment methods differ between experimental/trial groups and control/comparison group, or if different populations are more or less likely to participate in one site or condition than another, the resulting trial and comparison samples may not be entirely comparable, leading to difficulties in attributing outcomes to the intervention or initiative in question.

In this evaluation of PBIM there may be some variance in the likelihood to participate in the longitudinal survey from the participants in the IM scheme and the matched cohorts in the comparison sites. Similarly, customers who have been recently placed on IM in the trial sites may in some way systematically differ from ongoing DHS customers who are recruited from the comparison sites. This will be a particular issue for the comparison of customers placed on the Child Protection Income Management measure, as there is a chance that the DHS customers who are currently engaged with the child protection system may be under-represented in the sample recruited in the comparison sites.

In order to minimise the likelihood of sampling bias in the current evaluation, we have ensured the sampling frame and recruitment strategies are as aligned as possible across the trial and comparison sites. That said, the comparison file that was provided by DHS did not contain a large sample of young people on UTLAH allowance. This may have introduced some bias as many of the new VULN cohort participants are on the UTLAH allowance.

We have also attempted to match comparison site customers to trial sites customers on key parameters, such as age, gender, welfare payment types and Indigenous status where possible, to ensure that the comparison sample has a similar demographic profile to the trial site sample. In addition statistical techniques can assist in modifying some of the effects of sampling bias (such as through use of weighting)

2.8.4 Response rates and loss to follow up

Low initial responses rates and further loss of respondents agreeing to participate in follow up interviews can pose a significant threat to the validity of longitudinal survey research. The SRC has considerable experience and expertise in maximising response rates and minimising loss to follow up in longitudinal survey research, in particular with disadvantaged groups such as welfare recipients.

The use of well-trained interviewers, making repeated attempts to contact individuals selected within the available sample, the use of additional contacts for participants who may be highly mobile, and maintaining contact with participants between fieldwork waves are all strategies which will be employed in our longitudinal customer survey to mitigate against low response rates and loss to follow up. The response rates for the baseline wave of the longitudinal survey can be seen in section 3.1.1. Note that there will be limits on data given the samples available now and likely to be available in the future.

2.8.5 Challenges in using secondary data to evaluate PBIM

While secondary data are a powerful source of information and insight, their usefulness is limited by the quality and granularity of the data available and the reality of the situation from which they are derived.

Separating the effectiveness of PBIM from other initiatives and programs can be difficult particularly if their processes and outcomes are closely aligned with those of PBIM. The use of multiple trial sites and comparison sites to provide an ‘overall’ evaluation is designed to reduce this risk.

All the trial and control sites have been selected because of their participation in the *Building Australia’s Future Workforce* (BAFW) package. The same BAFW initiatives are present at all sites except for Income Management which is only present at the trial sites.¹¹ Similarly *Communities for Children* is present at all sites although the activities associated with *Communities for Children* can vary by site. These differences by site however will be known to the evaluation from the data reported.

Other major initiatives which overlap with PBIM and are not common across sites need to be identified to understand the variation across sites, including both Commonwealth and state government initiatives. External factors such as the availability and the price of goods and services relevant to people on IM (for example food and housing) may counter any positive effect of PBIM on the desired outcomes. While site based differences can be controlled to some extent, any strong local influences of factors such as these will be difficult to control for when analysing administrative data for the evaluation. The main difficulties lie in knowing what the factors might be and in obtaining data sensitive enough to measure the change in circumstances and relate them to outcomes. If the presence of external factors such as these is identified in the analysis their potential influence will need to be considered in interpreting the results.

Administrative data are well suited to measuring specific actions and behaviours but less suited to measuring less tangible outcomes such as perceptions and broad outcomes such as overall wellbeing. Many of the medium term outcomes identified in the program logic also relate to actions and behaviours however a number are less tangible outcomes which will need to be measured from primary data sources. Findings from both primary and secondary data sources will be triangulated to provide a comprehensive understanding of the impacts of PBIM. Using multiple methods and multiple measurements to evaluate PBIM outcomes increases the likelihood of a self-evident assessment of overall effectiveness. It should be noted that analysis of the secondary administrative data for PBIM has not been undertaken for the baseline report, but will be undertaken in subsequent reports.

2.8.5.1 Complexity and limitations in using administrative data

Administrative data such as those identified for use in this evaluation have been designed for a range of purposes. Thus the data provided may not be ideally structured for the purposes of the PBIM evaluation.

For the PBIM trial, existing ICT systems have been used to deliver the program.

Data for people on PBIM have been selected on the basis that they are:

1. In receipt of a welfare payment;
2. On Income Management with Child Protection, Voluntary or Vulnerable measures;

¹¹ The only exception to this is Canterbury, one of the comparator sites, which was chosen for its comparability to neighbouring PBIM trial site, Bankstown.

3. Residing in one of the five trial LGAs.

The data provided from existing DHS systems for PBIM customers have been validated and checked, and a dataset of validated cases has been consolidated for the evaluation. Validation has centred on correct time periods, correct locations and cross referencing across datasets. Any non-statistical error due to issues such as these is estimated to be substantially less than 1%. Depending on the dataset, between 1 and 4 customers out of 578 have been identified to have conflicting data. The occasional incorrect data record among the DHS customer records for non-PBIM customers is less important as the population is very much larger. The DHS customer records have been selected based on (1) residency in the trial and comparison LGAs and (2) receiving welfare payments which would make the customer eligible for PBIM.

Data quality is another issue associated with using ‘uncontrolled’ data. This includes issues such as (1) the accuracy and completeness of the data entry, do the data include additional records to correct ‘erroneous’ entries (e.g. an address was entered incorrectly and was later corrected but the new correct address was entered as another entry) or are some fields filled in haphazardly as the information is considered optional or of minor importance; (2) the accuracy with which data are related to each other across datasets (e.g. duplicate records could occur); and (3) how well the data collected is understood, does the data field appropriately represent that for which it is being used.

Overall, according the dimensions assessed through the validation process it is considered that the bulk of the data are of very high quality. Some inconsistencies were found when combining data across data sets, however this is not unexpected in a system which allows payments to be made in advance, for adjustments to be made for a variety of reason and for the different systems to record similar data but at different levels of granularity. Again this non-statistical error is estimated to be less than 1%. The occasional customer with numerous non regular transactions may have a higher number of inconsistent records across data sets.

To minimise these sources of ‘error’ the metrics developed for the evaluation (1) generally avoid combining data across datasets; (2) use the data source most aligned with the metric being derived (e.g. BasicsCard expenditure uses the BasicsCard data stream rather than related data in the deductions system); (3) avoids metrics which are too finely defined (e.g. values are not calculated on individual weeks or events which can occur in clusters and be quite volatile, counts of BasicsCard personal identification number (PIN) errors are a case in point).

Some data were more problematic in their suitability for use and these have been excluded from future use in the evaluation. For example, declarations of income and hours worked by DHS customers were not considered accurate enough to be used as indicators of earnings.

3 Data collected

This chapter provides an overview of key interim and baseline data according to each of the evaluation data sources for the most recent fieldwork period.

Data sources include:

- The baseline wave of the longitudinal customer survey;
- The cross-sectional face to face customer interviews;
- The online surveys conducted in 2013 in the trial sites of:
 - DHS staff;
 - FMPS staff;
 - BasicsCard merchants;
- Stakeholder interviews and focus groups conducted in 2012 with:
 - DHS staff;
 - Child protection workers;
 - Housing authority representatives.

A summary of the metrics which will be used for analysis of the secondary administrative data in subsequent reports is also outlined.

3.1 Longitudinal survey of customers

3.1.1 Key summary statistics

As noted in section 2.3, there were two target populations for the longitudinal survey:

- PBIM customers who lived in one of the five trial sites and had commenced income management within the preceding three weeks; and
- Comparison site customers who were matched to trial site customers on the basis of location, payment type, and other key demographic variables.

Within the PBIM trial sites, all customers on IM measures (VIM, VULN and CPIM) were sent a letter shortly after being placed on IM, to invite them to participate in the survey, and given the option to opt out. Those who did not opt out were subsequently contacted by SRC and asked whether they would be willing to participate. Those customers who were able to be contacted and agreed to be part of the survey comprise the baseline sample.

Initially the sample of VULN customers only included those who were assessed by DHS (Centrelink) social workers as being vulnerable due to circumstances such as homelessness, or financial crisis. However, from July 2013, all young people who met the automatic triggers as described in section 1.2.2.2 were referred automatically to VULN IM. These customers comprise the majority of participants on VULN IM in the survey sample.

Table 3.1 displays the breakdown of participants in the longitudinal survey by trial (split by VIM and VULN customers) and comparison sites.

Table 3.1: Survey participants by trial^(a) and comparison sites

Site	Trial - VIM	Trial - VULN	Comparison	Total across sites
Bankstown	33	29	-	62
Shepparton	96	32	-	128
Logan City	76	191	-	267
Playford	65	155	-	220
Rockhampton	38	97	-	135
Burnie	-	-	124	124
Canterbury	-	-	116	116
Hume	-	-	196	196
Shellharbour	-	-	95	95
Wyong Shire	-	-	101	101
Total	308	504	632	1444

(a) Note that in this table, trial participants are split by IM measure (VIM or VULN). No customers on the CPIM measure participated in this longitudinal survey.

The average age of respondents across both trial and comparison sites was 28 years of age. There was a difference by trial stream, with VIM respondents (average age 42 years) much older than VULN respondents (average age 20 years). This is to be expected given the nature of the VULN sample (Table 3.2), with the majority of VULN sample being referred by virtue of receiving welfare payments under ‘Unreasonable to Live at Home’ (UTLAH) payment arrangements. This should be considered when interpreting data.

Table 3.2: VULN customer welfare payment types

Income support type	Sample received		Interviews completed	
	Number	Proportion of total sample (%)	Number	Proportion of total sample (%)
Unreasonable to live at home payment (UTLAH)	1,364	90.4	482	95.6
Crisis Payment (CRP)	81	5.7	13	2.6
Special Benefit Payment	10	0.7	-	0
Vulnerable Northern Territory (VNT) ^(a)	29	1.9	4	0.8
Not classified	25	1.7	5	1
Total VULN sample	1,509	100.0	504	100.0

(a) DHS advised (that VNT customers are those customers residing in a trial site that are on the Northern Territory VULN IM measure – so have moved into a PBIM site after being placed on the VULN measure in the NT.

3.1.1.2 Matching trial and comparison customers - welfare payment types

Welfare payment type was one of the parameters which were used to match the comparison site sample to the trial sample. As shown in Table 3.3 Youth Allowance (YAL) was the most prevalent payment type among the sample received for the Trial sites. This was followed by Disability Support Pension (DSP) and Newstart Allowance (NSA). Table 3.4 displays the same figures presented as a proportion of total sample values.

The corresponding comparison sample was matched using a five stage process with each stage looking for a lower quality of match. Matching was based on six variables: location, sex, age, ATSI, welfare payment type and duration of welfare payment. This means in some cases that a Comparison sample match did not share the exact same welfare payment type as their Trial site counterpart.

Matching was completed using the following five stages. The percentage of matches made under each matching stage is listed in parenthesis:

- Perfect matches (36.61%)
- Allow age to vary by five years on either side (13.32%)
- Get the closest duration where all other variables match (30.77%)
- Allow age to vary by five years either side and ignore duration (8.72%)
- Ignore duration and benefit type, get the case with the closest age that matches on age, gender and ATSI (1.85%)
- To account for the new VULN cohort an additional variation was added to the stages where individuals were matched on closest age, sex, and benefit type (8.72%).

Overall, this outcome represents a fairly strong matching for a large part of this sample.

Statistical tests to determine the significance of differences found between the trial and comparison group are reported in the current paper. Statistical analysis undertaken in subsequent evaluation reports will take into account significant pre-existing differences between trial and comparator groups using technics such as multivariate regression analysis.

It is relevant to note at this point that the comparison file that was provided by DHS did not contain a large sample of young people on UTLAH allowance. This may have introduced some bias as many of the new VULN cohort participants are on the UTLAH allowance.

Table 3.3: Trial and comparison site welfare payment types, number

Income support type	Sample received	Interviews completed	Sample matched	Interviews completed
	Trial sites		Comparison sites	
Youth Allowance (YAL)	992	502	973	402
Disability Support Payment (DSP)	206	115	219	90
New Start Allowance (NSA)	164	82	169	67
Parenting Payment (Single) (PPS)	99	63	101	36
Mature Age Allowance (AGE)	41	25	37	17
Parenting Payment (Partnered) (PPP)	20	12	20	9

Income support type	Sample received	Interviews completed	Sample matched	Interviews completed
Carer payment (CAR)	19	11	21	10
Austudy (AUS)	2	1	2	1
Sickness Allowance (SKA)	1	1	-	-
Special Benefit Payment (SPL)	1	0	-	-
Abstudy (ABY)	1	0	4	0
Total	1,546	812	1,546	632

Table 3.4: Trial and comparison site welfare payment types, proportion (%)

Income support type	Sample received	Interviews completed	Sample matched	Interviews completed
		Trial sites		Comparison sites
Youth Allowance (YAL)	64.2	61.8	62.9	63.6
Disability Support Payment (DSP)	13.3	14.2	14.2	14.2
New Start Allowance (NSA)	10.6	10.1	10.9	10.6
Parenting Payment (Single) (PPS)	6.4	7.8	6.5	5.7
Mature Age Allowance (AGE)	2.7	3.1	2.4	2.7
Parenting Payment (Partnered) (PPP)	1.3	1.5	1.3	1.4
Carer payment (CAR)	1.2	1.4	1.4	1.6
Austudy (AUS)	0.1	0.1	0.1	0.2
Sickness Allowance (SKA)	0.1	0.1	-	-
Special Benefit Payment (SPL)	0.1	0.0	-	-
Abstudy (ABY)	0.1	0.0	0.3	0.0
Total	100.0	100.0	100.0	100.0

3.1.1.3 Response rates

For the purpose of this report, ‘response rate’ is defined as completed interviews as a proportion of ‘in-scope contacts’ that could be interviewed within the survey period. Table 2.1 provides a summary of response rate by site.

Contacts who were ‘out of scope’ included calls where the:

- person named as contact was not known to call receiver;
- contact was unable to do survey due to their condition or language;
- selected respondent was going to be away for the duration of the survey;
- contact had previously opted out of survey; and
- contact claimed to have already completed the survey.

The final overall response rate was very high at 80.2%, with an average interview length of 15 minutes (18 minutes Trial sites; 12 minutes Comparison sites). The response rate was somewhat higher for the Trial sites overall (87.2%) compared to the Comparison sites (73.1%). The lower response rate for Comparison sites may be due in part to the age of the comparison sample, but is also likely related to the lack of intrinsic motivation to

participate, in contrast to those who have been placed on IM and may be motivated to provide feedback on their experience with it.

Table 3.5: Response rates by site

Sites	Interviews completed	Response rate (%)
Bankstown	62	83.8
Shepparton	128	88.9
Logan City	267	85.6
Playford	220	88.4
Rockhampton	135	88.2
<i>Total trial sites</i>	<i>812</i>	<i>87.2</i>
Burnie	124	75.2
Canterbury	116	68.2
Hume	196	73.4
Shellharbour	95	77.2
Wyong Shire	101	72.1
<i>Total comparison sites</i>	<i>632</i>	<i>73.1</i>
Total across sites	1,444	80.2

When considering response rates as a proportion of the total number of customers placed on IM in the trial sites, the crude response rate for the PBIM customers would be 52.5%. This crude rate includes in the denominator people not able to be contacted or considered out of scope as noted above.

3.1.2 Baseline data collection

Questions asked as part of the longitudinal survey were split into 4 distinct categories: customer demographics; questions about customer's children; customers' perceptions about IM; and customer baseline financial vulnerability. Key data from each of these question categories are presented below.

3.1.2.1 Customer demographics

The longitudinal survey provides a representative sample of customers across the five trial sites during the baseline fieldwork period. The sample of customers from the comparison sites may not be representative, as this sample was not randomly selected, but was instead matched to trial site participants on a number of parameters, as described in section **Error! Reference source not found.**. The ability to match on all parameters was limited by the availability of customers in trial sites who could meet all the matching criteria within the

sample extract provided by DHS, hence not all comparison participants were able to be matched on all criteria with the trial site participants. While the matching process should have minimised demographic differences between the trial and comparison samples, it will not have resolved these entirely and hence assessment of alignment in demographic characteristics is a focus of the baseline report, so that differences can be accounted for in subsequent analysis of outcomes.

While a high response rate was achieved for PBIM customers in-scope for the evaluation, it should be noted, however, that the information collected in the longitudinal survey is not a complete data set of all customers on IM.

The majority of both trial and comparison site customers reported that they were born in Australia (89.9% and 81.5% respectively, $\chi^2(2) = 32.0$, $p < 0.001$). Chart 3.1 shows that more than 14.2% of customers in the trial sites identified as being of ATSI origin, compared with 7.6% comparison sites (14.2% trial, 7.6% comparison, $\chi^2(2) = 32.0$, $p < 0.001$) (comparison site participants were matched to trial site participants on Indigenous status where possible). VIM customers were more likely than VULN customers to have been born overseas (18.3% VIM, 5.2% VULN, $\chi^2(2) = 36.0$, $p < 0.001$).

Chart 3.1: Participant origin, by site and IM measure

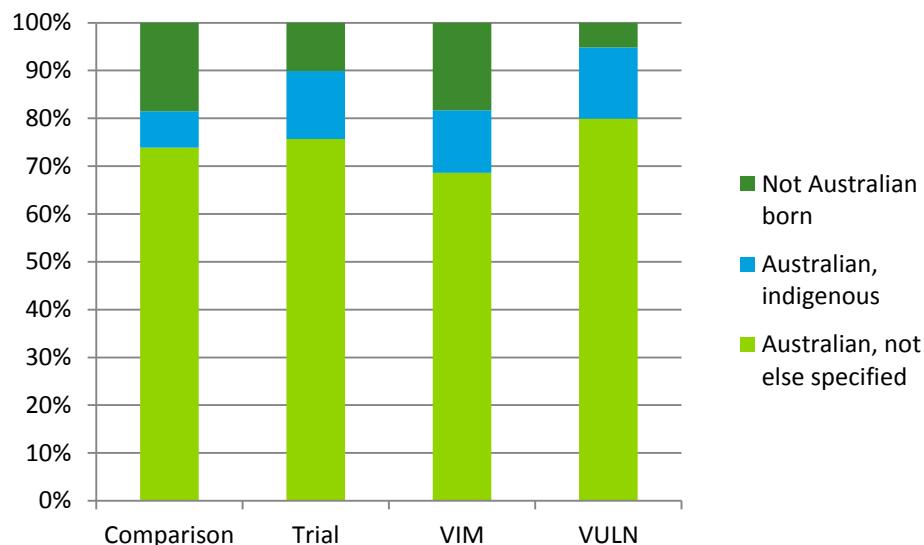
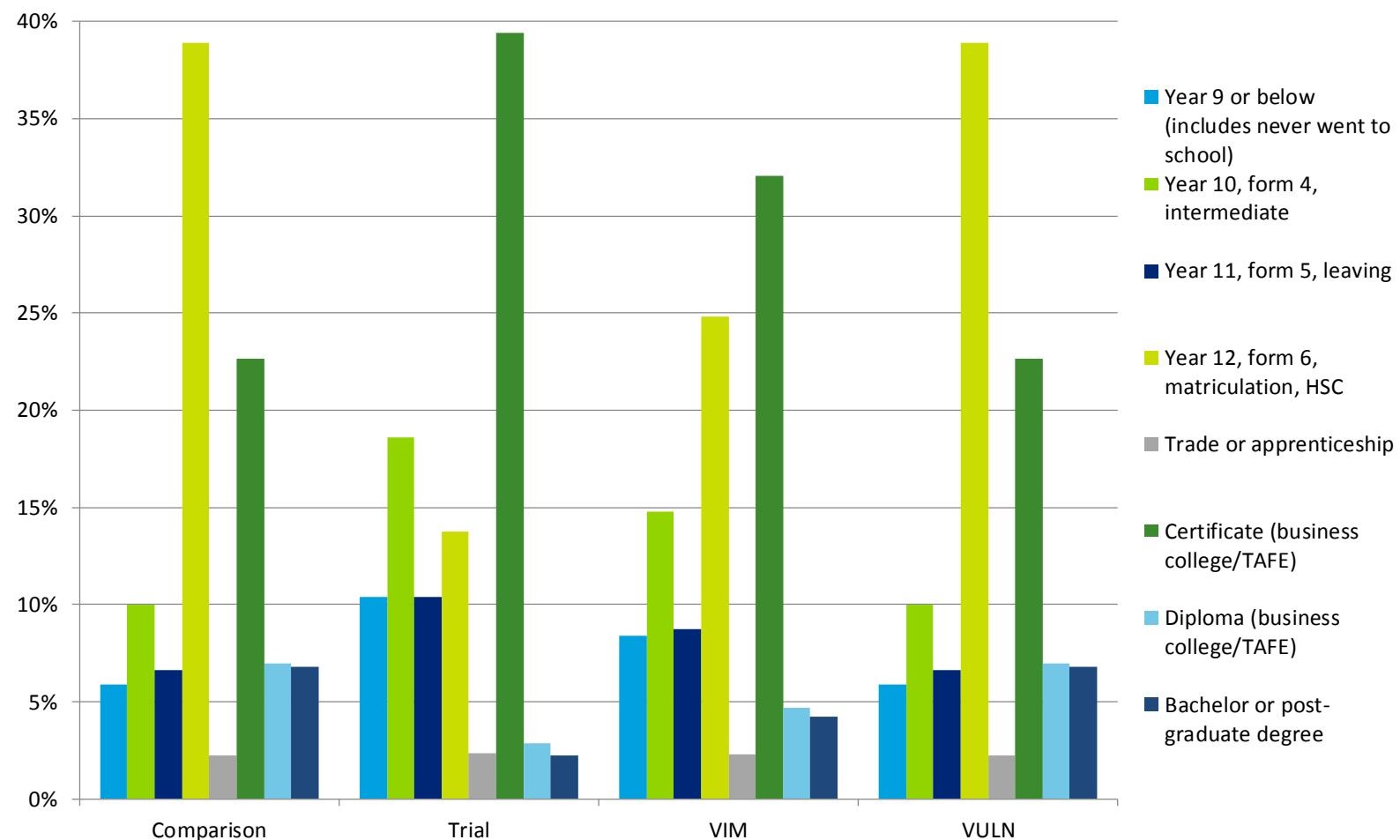


Chart 3.2 provides an overview of participants' highest level of schooling or training. Trial participants on average had a higher level of education compared to comparison site participants, with trial participants most commonly completing a business college or TAFE certificate (39.4% trial, 22.6% comparison sites, $\chi^2(7) = 184.3$, $p < 0.001$). Comparison site participants were more likely than trial participants to report Year 12 as their highest level of education (38.9% comparison, 13.8% trial, $\chi^2(7) = 184.3$, $p < 0.001$). Participants on the VULN measure were more likely to have completed a business college or TAFE certificate compared to VIM participants (42.7% VULN, 34.0% VIM sites, $\chi^2(7) = 52.3.3$, $p < 0.001$).

Chart 3.2: Highest level of education completed, by site and IM measure



Trial site participants were more likely than comparison participants to be unemployed and looking for work (47.4% trial, 23.7% comparison, $\chi^2(3) = 99.9$, $p < 0.001$). VULN participants were more likely than VIM participants to be unemployed and looking for work (59.7% VULN, 27.3% VIM, $\chi^2(3) = 189.3$, $p < 0.001$) (Chart 3.3).

Chart 3.3: Labour force status

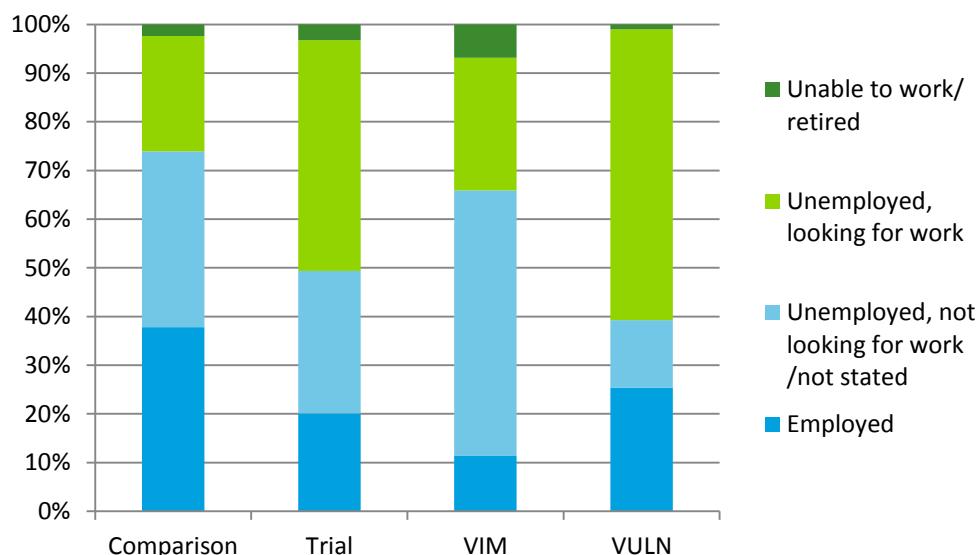


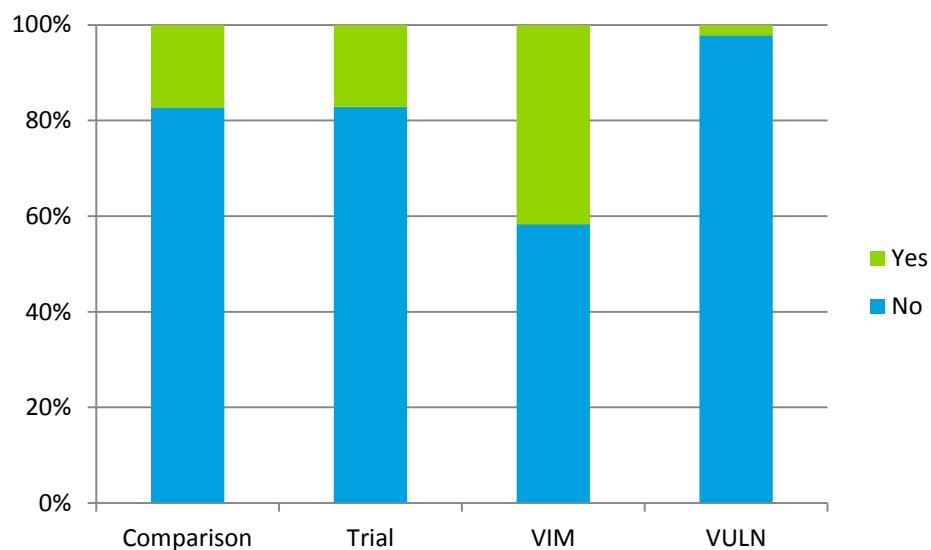
Table 3.6 provides a detailed breakdown of household composition by site. Trial participants were more likely than comparison participant to live in a household with a non-family group with no children 18 years or under (22.6% trial, 6.5% comparison, $\chi^2(9) = 339.6$, $p < 0.001$). VIM customers were more likely than VULN customers to live alone (32.4% VIM, 9.5% VULN, $\chi^2(9) = 291.7$, $p < 0.001$), or in a single parent household with children under 18 years of age (31.7% VIM, 4.2% VULN, $\chi^2(9) = 291.7$, $p < 0.001$). In comparison, VULN customers were more likely than VIM customers to live in a non-family household group without any children under 18 years of age (32.9% VULN, 5.9% VIM, $\chi^2(9) = 291.7$, $p < 0.001$). This is likely to at least in part reflect the younger average age of the VULN sample, the majority of whom are young people who qualify for VULN under the new youth trigger payments.

Table 3.6: Household composition in the past 7 days, proportion of responses (%)

Composition	Comparison	Trial	VIM	VULN
Lone person	9.1	18.2	32.4	9.5
Couple with children 18 or under	23.2	7.2	11.4	4.6
Couple with NO children 18 or under	22.4	8.2	7.5	8.5
Single Parent with children 18 or under	18.5	14.7	31.7	4.2
Single Parent with NO children 18 or under	11.7	1.4	1.3	1.4
Family group with children 18 or under	2.4	6.6	1.6	9.7
Family group with NO children 18 or under	3.8	11.6	6.9	14.5
Non-family group with children 18 or under	2.4	9.5	1.3	14.5
Non-family group with NO children 18 or under	6.5	22.6	5.9	32.9
Total ^(a)	626	801	306	495

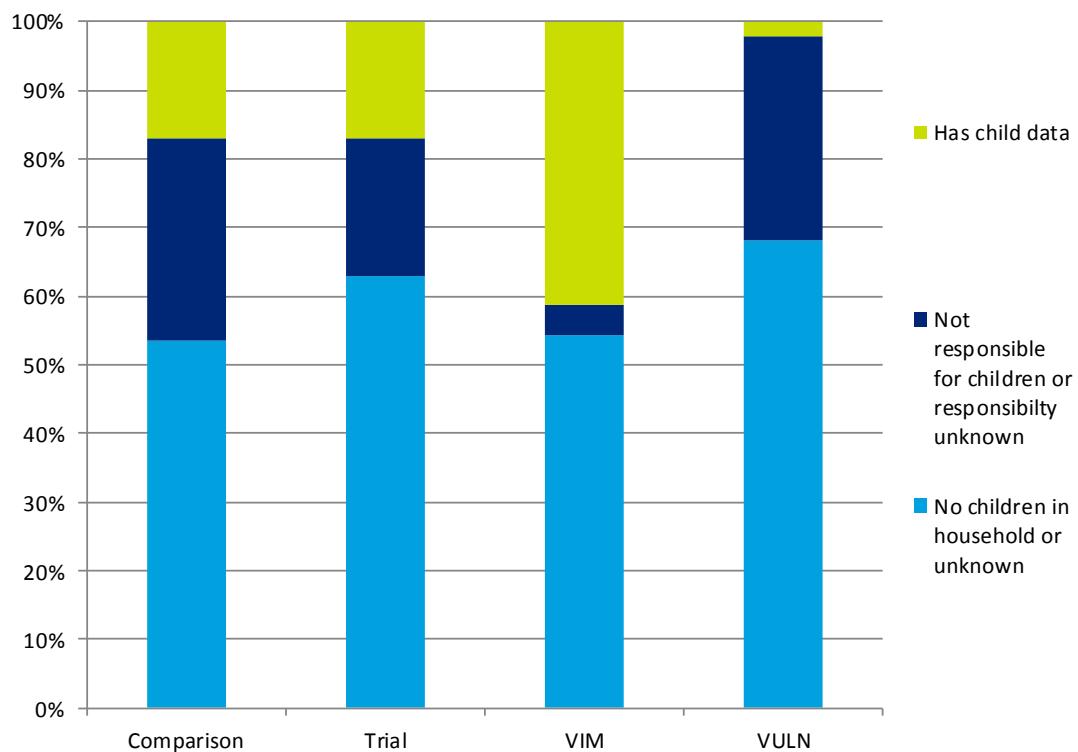
(a) This is the total number of responses in relation to the question, and is not reported a proportion or %. Total number of response to this question is less than the total number of participants in the survey as some participants were not able to specify their composition of their household.

There was little difference between the trial and comparison site participants who reported being a parent, guardian, or carer for any child (17.1% trial, 17.2% comparison, $\chi^2 (1) = 0.0$, $p = 1.000$) (Chart 3.4). The difference was more pronounced for participants on the different IM measures, with VIM customers more likely than VULN customers to be the parent, guardian, or carer of a child (41.7% VIM, 2.2% VULN, $\chi^2 (1) = 207.0$, $p < 0.001$). Again, this is likely to reflect the difference in the age distribution of the VIM and VULN samples.

Chart 3.4: Parent, guardian, or carer for any child, by site and IM measure

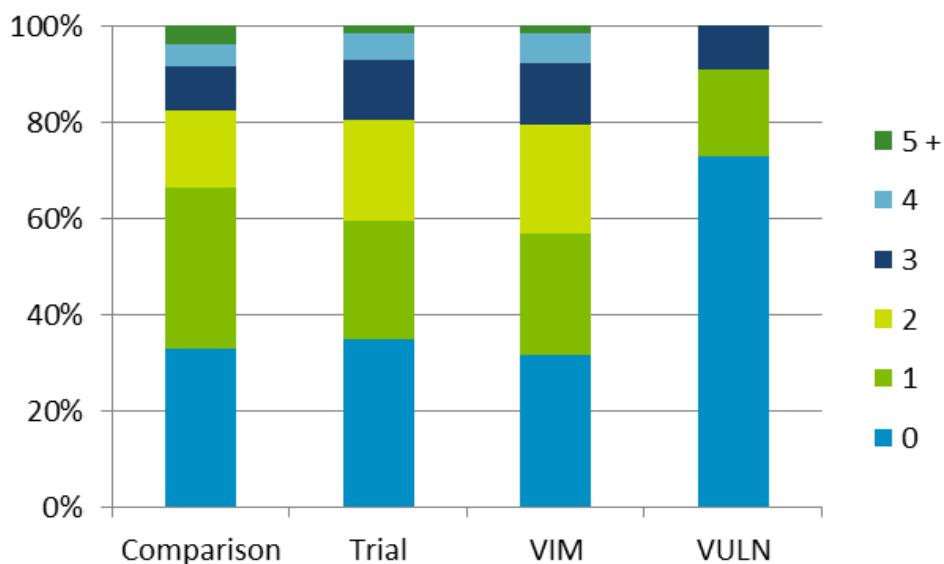
3.1.2.2 Customers with children

Survey participants were asked to provide information on children they were responsible for or who lived in their household. It should be noted that of the 504 VULN customers surveyed, only 11 (2.2%) customers reported they had information for children that they were responsible for or who lived in their household, while 127 (41.2%) VIM customers had information for children (41.2% VIM, 2.2% VULN, $\chi^2 (3) = 241.1$, $p < 0.001$) (Chart 3.5). The small number of customers who have children in the VULN customer sample has contributed to the insignificant statistical test data throughout the remainder of this section 3.1.2.2.

Chart 3.5: Customers who report having data for children, by site and IM measure

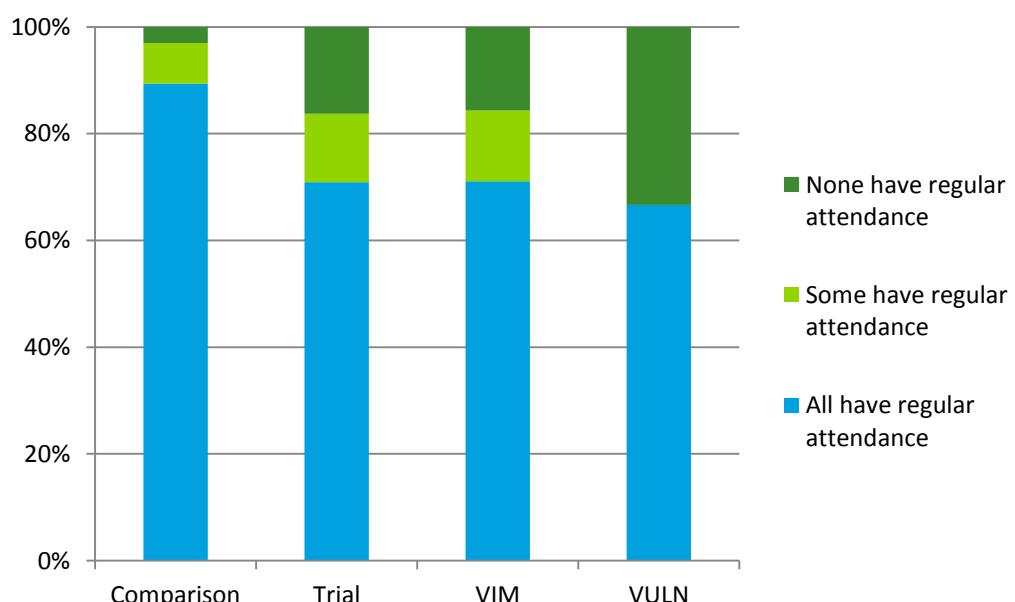
Participants were asked whether they were responsible for any children who went to school, preparatory school or equivalent through to grade 12 or equivalent. As displayed in Chart 3.6 trial and comparison site participants had a similar number of dependents who attend school with comparison participants more likely than trial participants to be responsible for one child (comparison 33.6%, trial 24.6%, $\chi^2 (6) = 6.7$, $p = 0.348$). Participants on the VULN measure were more likely than VIM participants to have no responsibility for any children that go to school (responsible for 0 children) (VULN 72.7%, VIM 31.5%, $\chi^2 (6) = 8.6$, $p = 0.196$).

Chart 3.6: Total number of children responsible for who go to school, by site and IM measure



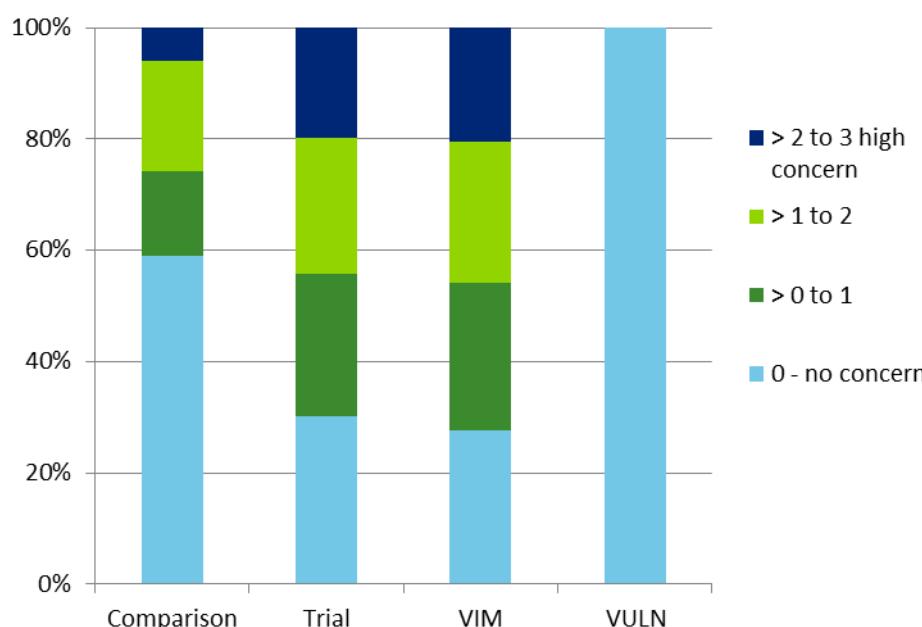
All children that PBIM customers reported being responsible for were also reported as attending school at the time of the survey. When asked whether any children had regular attendance at school, comparison site customers most often reported that all of their children had regular attendance at school (89.4% comparison, 70.9% trial, $\chi^2 (2) = 8.8$, $p = 0.012$) (Chart 3.7). Participants on the VULN measure who were responsible for one or more child, were more likely than VIM participants to report that no children had regular attendance at school (33.3% VULN, 15.7% VIM, $\chi^2 (2) = 0.9$, $p = 0.618$).

Chart 3.7: Children that attend school regularly, by site and IM measure



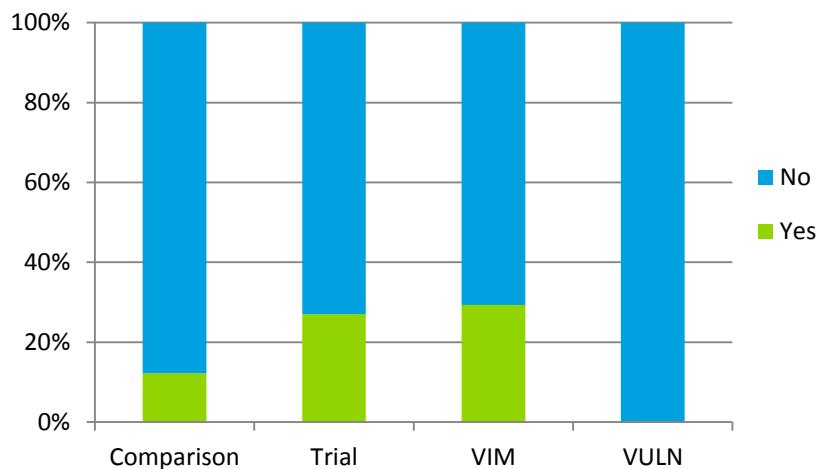
In relation to children who were attending school, PBIM participants were asked whether they had concerns about their learning or behaviour at school. Participants in the comparison sites were more likely than trial site participants to report that they had no concerns about their children's behaviour or learning at school (59.1% comparison, 30.2% trial, $\chi^2 (149) = \text{(chi-squared not calculated)}$, $p < 0.001$) (Chart 3.8). Almost a third of VIM customers reported they had no concern about their children's behaviour (27.7%). All VULN customers responding to this question reported they had no concern about their children's learning behaviour. Due to the small sample size in response this question for VULN customers, no statistical significance testing was conducted between VULN and VIM customers.

Chart 3.8: Total responses - concerns about children's learning or behaviour at school, by site and IM measure



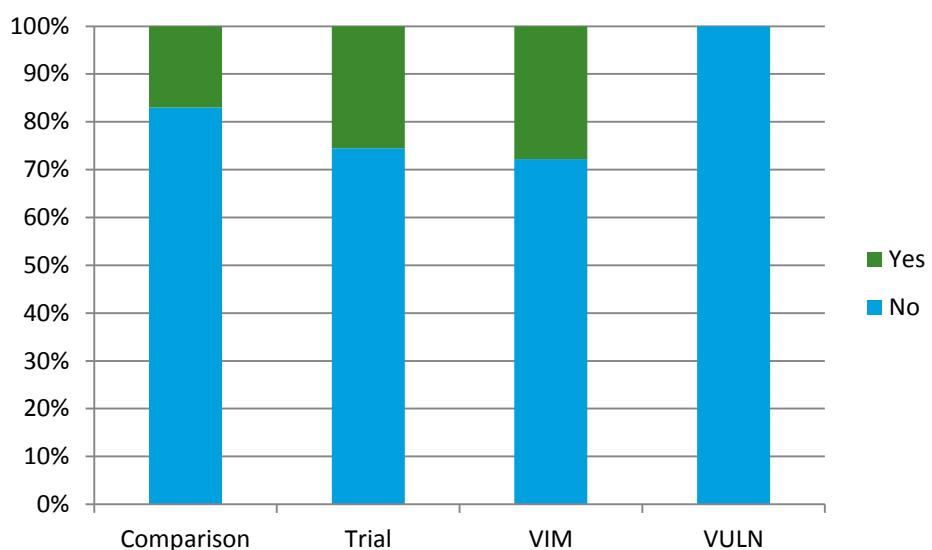
Participants in the survey who reported they were responsible for children under 18 years of age were asked whether they had difficulties paying for medical care or medicines for their children in the last 12 months. Chart 3.9 shows that trial site participants were more likely than comparison site participants to report that they had had difficulties (27.0% trial, 12.3% comparison, $\chi^2 (1) = 8.0$, $p < 0.005$). No VULN customers (0%), who were responsible for children, reported having difficulties, while almost a third (29.4%) of VIM customers reported they had difficulties paying for their children's medical care or medicines. Due to the small sample size in response this question for VULN customers, no statistical significance testing was conducted between VULN and VIM customers.

Chart 3.9: Difficulty paying for medical care or medicines for any children, in last 12 months, by site and IM measure



When survey participants were asked to rate their children's health, comparison participants more often than trial participants regarded their children as having 'fair' or 'not so good' health (25.5% trial, 17.0% comparison, $\chi^2 (1) = 2.6$, $p = 0.109$). Chart 3.10 also shows that all VULN customers (100%) reported their children to have 'fair' or 'not so good' health. Due to the small sample size in response this question for VULN customers, no statistical significance testing was conducted between VULN and VIM customers.

Chart 3.10: Any children with fair or not so good health, by site and IM measure



3.1.2.3 Customers perceptions of IM

VULN customers were presented with a range of suggested options and asked for their own thoughts as to why they thought they had been referred for IM. Customers were asked select and report all options that applied to them. The following options were read out to customers:

1. To help me manage money better
2. To help me take care of my kids better
3. To help me pay my rent and bills on time
4. To stop me spending money on drink/smokes/gambling/pornography
5. To help me get back into work
6. Something else (Specify____)
7. (Don't know)

Note that additional verbatim comments in response to 'something else' were back coded to create a common response.

The most often suggested reasons for why customers believed they had been referred to VULN were:

- because I'm young (28.8%, 145 of 505 VULN customers),
- don't know (27.8%),
- because I'm living out of home (11.7%), and
- to help me manage money better (11.1%).

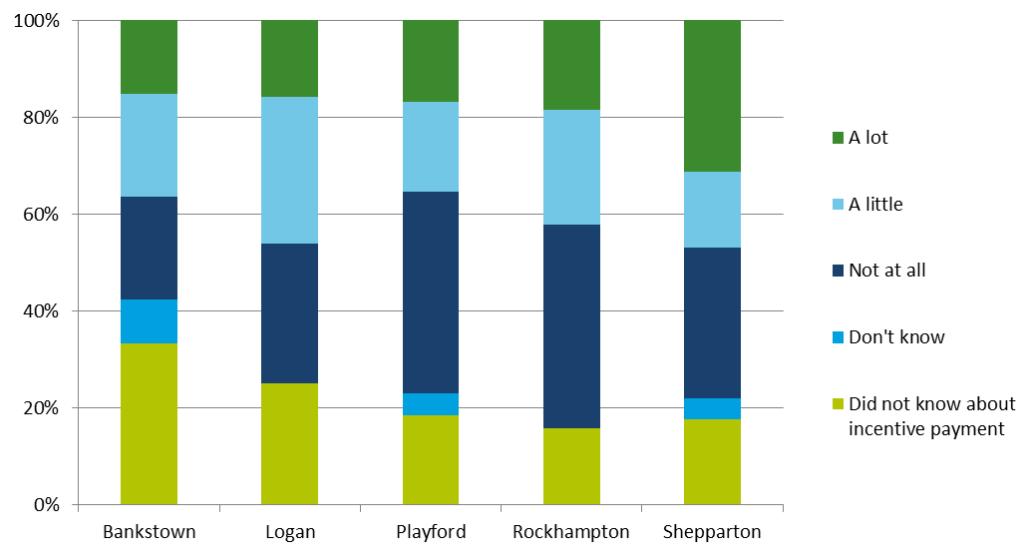
VIM customers were presented with a range of suggested options and asked for their own thoughts as to why they chose to go onto IM. Customers were asked to select and report all options that applied to them. The most often suggested reasons for choosing to go on IM were to:

- ensure rent and bills were paid on time (79.5%, 207 of 308 VIM customers),
- improve money management (67.2%),
- help save money (58.8%), and
- ensure they can pay for things their kids need (29.5%).

Only 7.8% of customers reported that they chose to go onto IM to receive the Voluntary IM Incentive Payment.

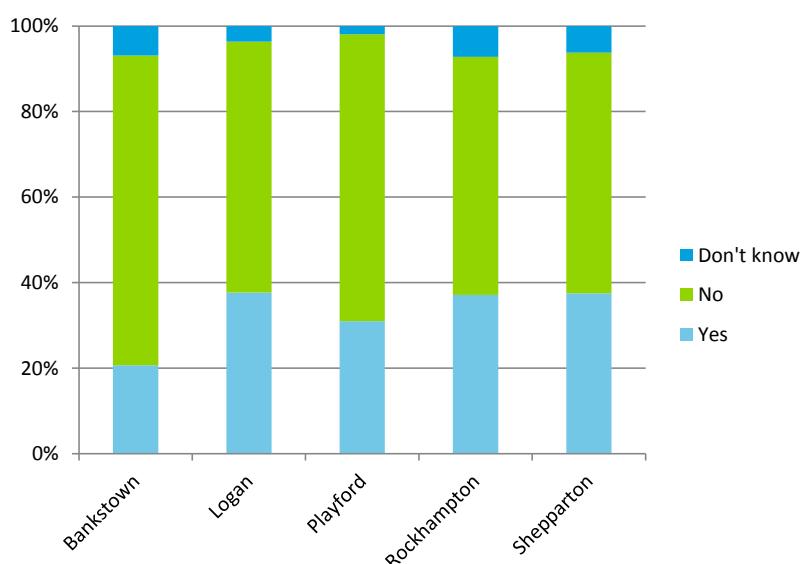
VIM customers were also asked a separate question about how much the Voluntary IM Incentive Payment influenced their decision to sign up to IM. Participants in Shepparton most commonly reported that the incentive payment had influence their decision 'a lot' (31.3%), while Bankstown customers most commonly reported that they did not know about the incentive payment (33.3%) (Chart 3.11). Statistical tests not conducted for this breakdown due to small numbers in sample.

Chart 3.11: Did the incentive payment influence VIM customers decision to sign up to IM, by site



VULN customers were asked whether they thought IM was appropriate for them in their current circumstances. Customers in Bankstown and Playford were most likely to report that IM was not appropriate (77.8% and 68.4% respectively). Chart 3.12 shows that on average almost two thirds (64.0%) of customers across all sites reported that IM was not appropriate for them in their current circumstances. Statistical tests not conducted for this breakdown due to small numbers in sample.

Chart 3.12: VULN customers perception as to whether IM is appropriate in their current circumstances, by site



VULN customers were asked to specify the main reason why they thought IM was not appropriate for them. Bankstown customers most commonly (34.6%) reported that IM was

not appropriate as they were unable to use the BasicsCard at certain places to purchase items (**Error! Reference source not found.**). Customers who believed IM was appropriate were asked to report why. Customers in Rockhampton most commonly reported (20.2%) that they thought IM was appropriate for them as it helped them to save or manage their money. Playford customers most commonly (19.7%) reported that being on IM meant that they always had money to spend on essential items such as bills, rent and groceries (Chart 3.14). Statistical tests not conducted for this breakdown due to small numbers in sample.

Chart 3.13: Main reason why customers believe VULN IM is inappropriate for them, by site

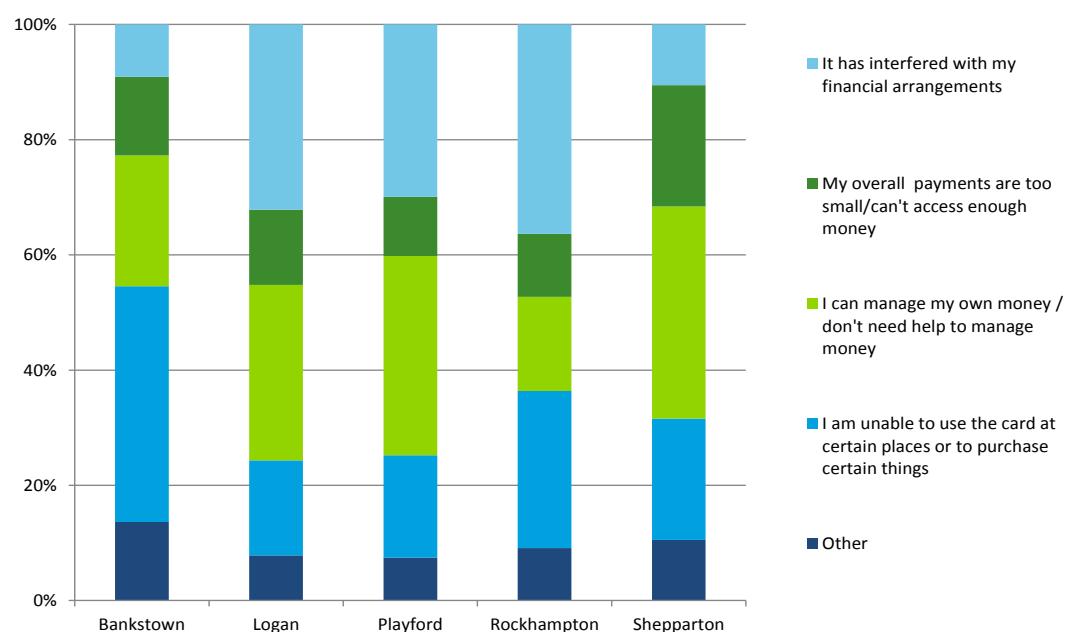
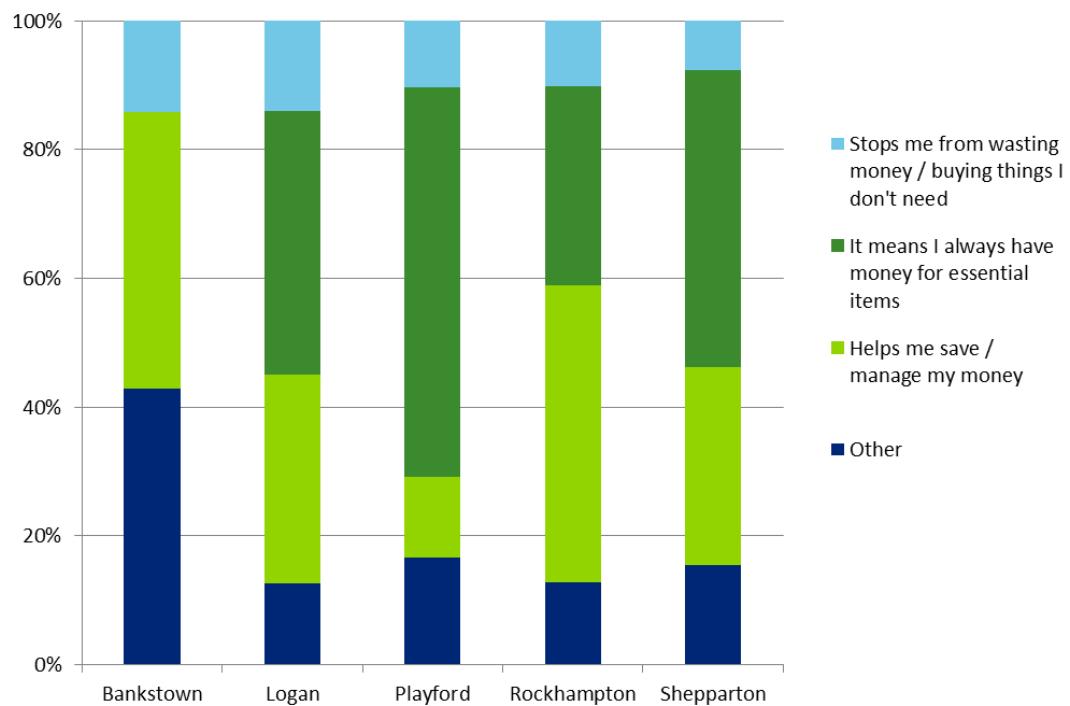


Chart 3.14: Main reason why customers believe VULN IM is appropriate for them, by site

VULN customers were also asked whether they had appealed their referral to IM. Half of the customers surveyed from Shepparton reported that they had appealed their referral to IM, while only 4.8% of Bankstown customers had appealed their referrals. Over two thirds (66.7%) of Bankstown residents reported that they hadn't appealed their referral as they were not aware they could, or they thought their referral was compulsory. A third (33.7%) of Logan customers reported that they hadn't appealed their referrals for other reasons. Statistical tests not conducted for this breakdown due to small numbers in sample.

When asked for the main reason for appealing their referral, 27.3% of VULN customers reported IM interfered with their financial arrangements. This was followed by customers reporting that they didn't like IM or they didn't believe they needed IM (21.8%). VULN customers were also asked why they had not appealed their referral to IM. Almost half (46.8%) of customers suggested they did not appeal as they were not aware they could appeal, while 20.7% of VULN customers suggested they thought it (the referral) was compulsory.

Chart 3.15 displays responses to whether customers thought IM would or had changed the way they lived. Customers on VIM were more likely than VULN customers to report that IM had already changed the way they lived (56.0% VIM, 43.8% VULN, $\chi^2(2) = 66.3$, $p < 0.001$), whereas customers on VULN most commonly reported they didn't believe IM would change the way they lived (46.4% VULN, 19.8% VIM, $\chi^2(2) = 66.3$, $p < 0.001$).

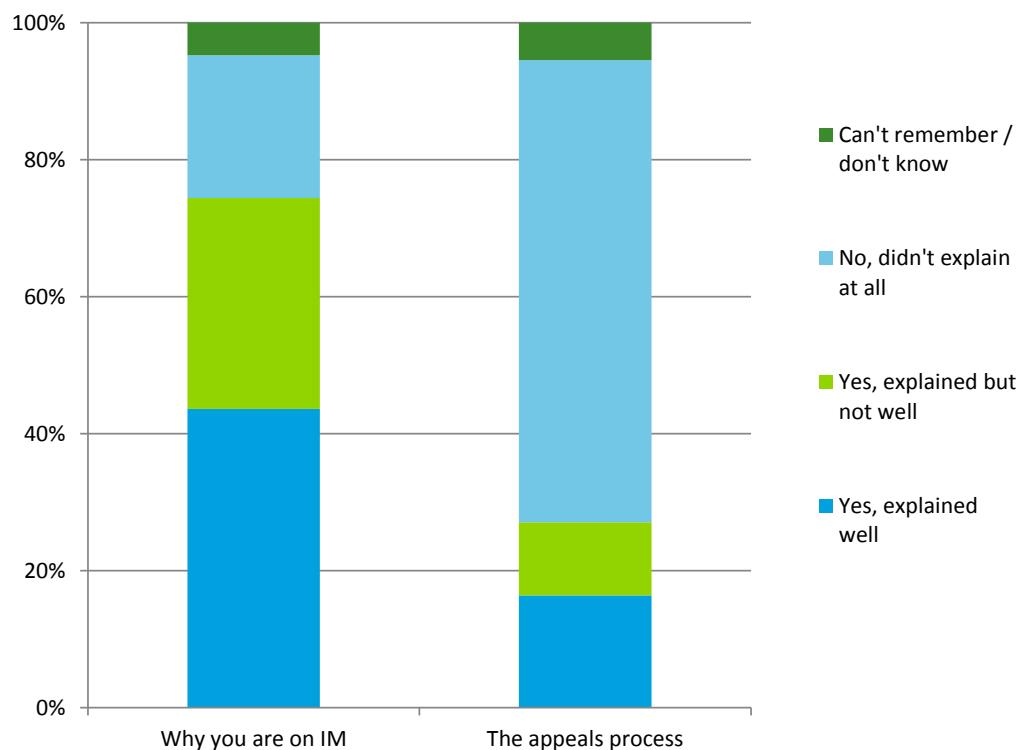
Chart 3.15: Customer perception of whether IM will change the way they live, by IM measure

VULN customers were asked how well DHS staff explained the following items to them:

- the reasons for why they had been placed on IM, and
- the process for how they could appeal their placement on IM.

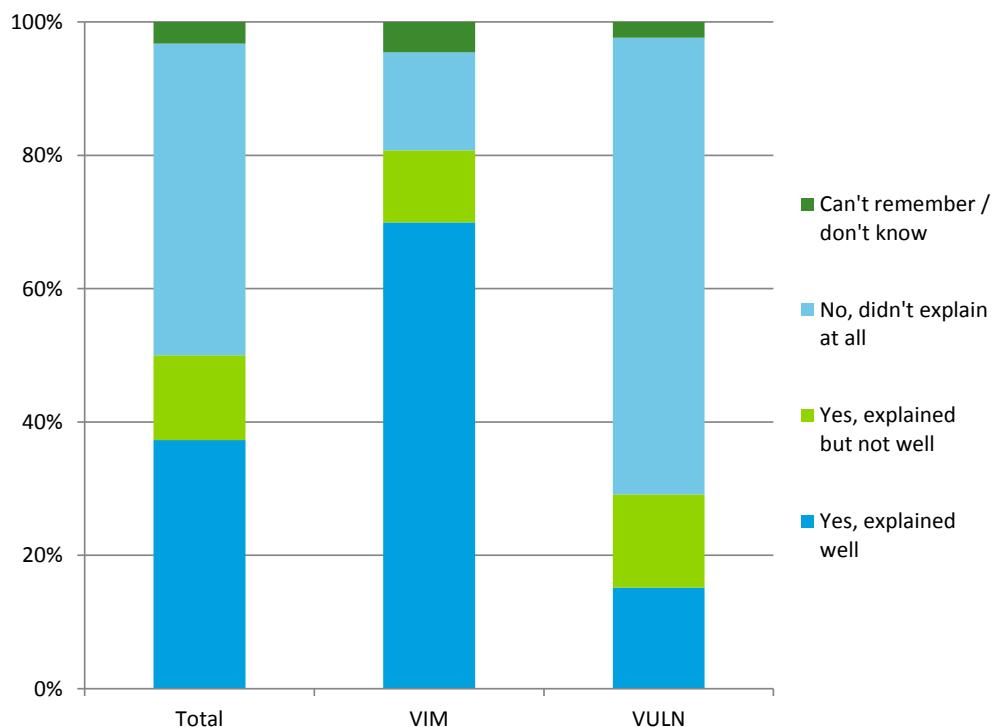
Chart 3.16 shows that 43.6% of VULN customers reported that the reasons for why they were on IM were well explained by DHS staff. Over two thirds (67.5%) of VULN customers reported that the process for appealing their placement on IM was not explained to them at all.

Chart 3.16: VULN customer perception of how well ‘why they are on IM’, and ‘the process for appeal’ was explained to them



All customers were asked to describe how well the process of getting off IM was explained to them. **Error! Reference source not found.** shows that VIM customers were more likely than VULN customers to report that the process for ‘how to get off IM’ was well explained to them (69.9% VIM, 15.2% VULN, $\chi^2(3) = 246.5$, $p < 0.001$). VULN customers were more likely than VIM customers to report that the process wasn’t explained at all (68.5% VULN, 14.7% VIM, $\chi^2(3) = 246.5$, $p < 0.001$).

Chart 3.17: Customer perception of how well 'how to get off IM' was explained to them, by IM measure



3.1.2.4 Customer baseline financial vulnerability

Customers in the longitudinal survey were asked about their financial behaviour prior to going on to IM. Note that most customers were interviewed for the longitudinal survey within 1 month of going onto IM.

Table 3.7 displays the proportion of participants who reported they had run out of money to pay for a selection of essential items, or had to borrow money or request relief vouchers because they had run out of money. Participants in the trial sites were more likely than comparison site participants to report they had run out of money to buy food (49.4% trial, 33.1% comparison, $\chi^2(1) = 37.7$, $p < 0.001$), to pay a bill when it was due (50.3% trial, 41.0% comparison, $\chi^2(1) = 11.8$, $p < 0.001$), and to pay rent or mortgage on time (22.2% trial, 12.7% comparison, $\chi^2(1) = 20.7$, $p < 0.001$). Participants in the trial sites were more likely than comparison site participants to report they had to request relief or vouchers for food or bills because they ran out of money (27.2% trial, 6.9% comparison, $p < 0.001$), and also more likely to report they had run out of money because they had given money to friends and family (37.7% trial, 23.4% comparison, $p < 0.001$).

Table 3.7 also shows that VIM customers were more likely than VULN customers to report they had run out of money to buy food (64.3% VIM, 40.4% VULN, $\chi^2(1) = 43.4$, $p < 0.001$), and to pay a bill when it was due (69.0% VIM, 38.9% VULN, $\chi^2(1) = 66.5$, $p < 0.001$). VIM customers were also more likely than VULN customers to have requested relief or vouchers for food or bills because they ran out of money (50.5% VIM, 13.1% VULN, $\chi^2(1) = 131.2$, $p < 0.001$).

Table 3.7: Proportion of participants who reported they ran out of money to pay for essential items, or had to borrow money, in the past 3 months, by site and IM measure (%)

	Comparison	Trial	p value	VIM	VULN	p value
Ran out of money to buy food	33.1	49.4	< 0.001	64.3	40.4	< 0.001
Ran out of money to pay a bill when it was due	41.0	50.3	< 0.001	69.0	38.9	< 0.001
Ran out of money to pay rent or mortgage on time	12.7	22.2	< 0.001	28.5	18.3	= 0.001
Ran out of money to pay for things child/children needed for school	22.9	33.1	= 0.083	35.2	9.1	= 0.077
Ran out of money to pay for essential items for child such as nappies, school meals, or clothes	24.5	38.7	= 0.019	40.5	18.2	= 0.145
Had to borrow money from family or friends because they didn't have enough money to pay for essential items	44.8	49.4	= 0.082	56.7	45.0	= 0.001
Had to request emergency relief or vouchers for food or bills because they ran out of money	6.9	27.2	< 0.001	50.5	13.1	< 0.001
Ran out of money because they had given money to friends and family	23.4	37.7	< 0.001	38.8	37.1	= 0.627

When asked whether they had been homeless or sleeping rough in the 3 months prior to going on IM, participants in the trial sites were more likely to have been homeless or sleeping rough than participants in the comparison sites (13.7% trial sites versus 2.2% comparison sites, $\chi^2(1) = 57.6$, $p < 0.001$) (Chart 3.18). VULN customers not statistically significantly more likely than VIM customers to report they had slept rough in the 3 months prior to going in IM (14.7% VULN, 12.1% VIM, $\chi^2(1) = 0.873$, $p = 0.350$). Participants in both the trial and comparison site who were homeless or who had slept rough, most often reported this had occurred between two to seven times in the last three months.

Chart 3.18: Customers who had been homeless or slept rough in three months prior to IM, by site

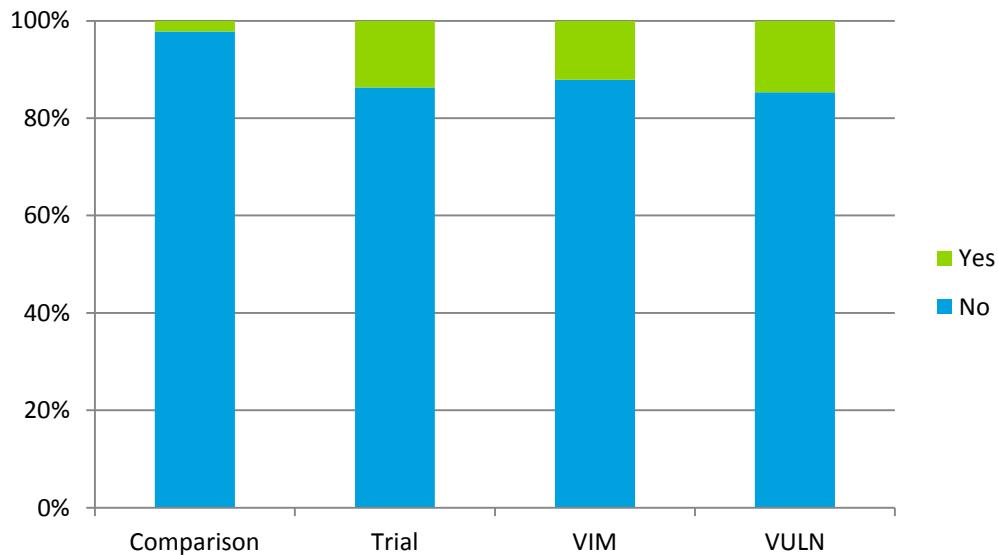
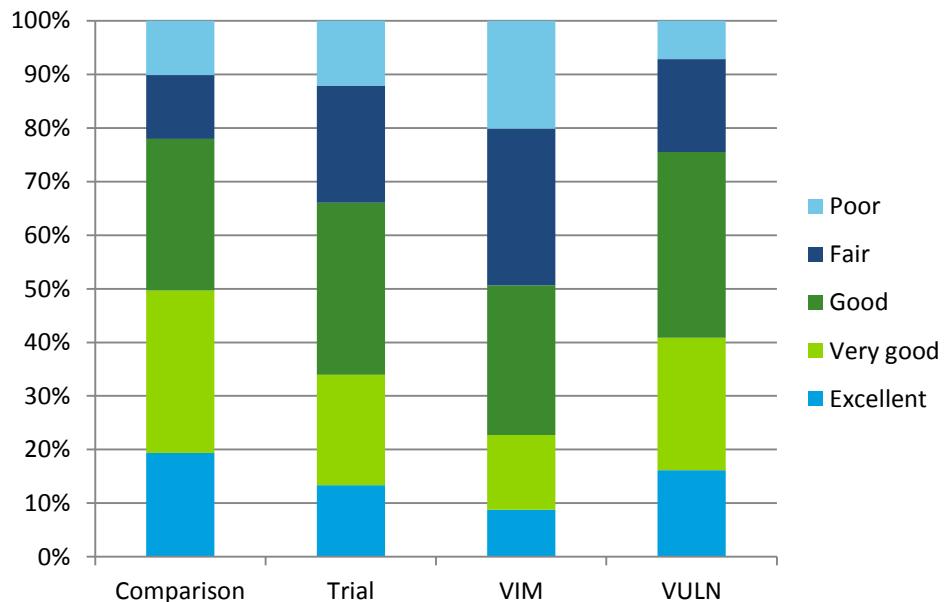


Chart 3.19 displays participant ratings of their current health status by site. Participants in the trial sites were more likely to rate their health as poor or fair compared with the comparison sites (34.0% trial sites, versus 22.1% comparison, $\chi^2(4) = 44.4$, $p < 0.001$). Participants on the VIM measure rated their health as poor or fair more often than those on VULN (49.4% VIM, versus 24.5% VULN, $\chi^2(4) = 60.0$, $p < 0.001$). This difference may, to some extent, be influenced by the lower average age of participants on VULN compared to those on VIM.

Chart 3.19: Current health rating, by site and IM measure



Cigarette and alcohol consumption patterns, and gambling occasions, among participants in the trial and comparison sites were similar. Participants on VIM were more likely than VULN participants to smoke over 25 cigarettes per day (27.9% VIM, versus 18.9% VULN, $\chi^2(3) = 17.4$, $p < 0.001$) (Chart 3.20), and were more likely than VULN to gamble more than once a week (17.2% VIM, versus 3.4% VULN, $\chi^2(3) = 47.1$, $p < 0.001$) (Chart 3.21). Participants on VIM were more likely than VULN participants to consume less than one alcoholic drink per month (13.2% VIM, versus 2.4% VULN, $\chi^2(4) = 15.2$, $p < 0.001$) (Chart 3.22).

Chart 3.20: Number of cigarettes consumed per day, by site and IM measure

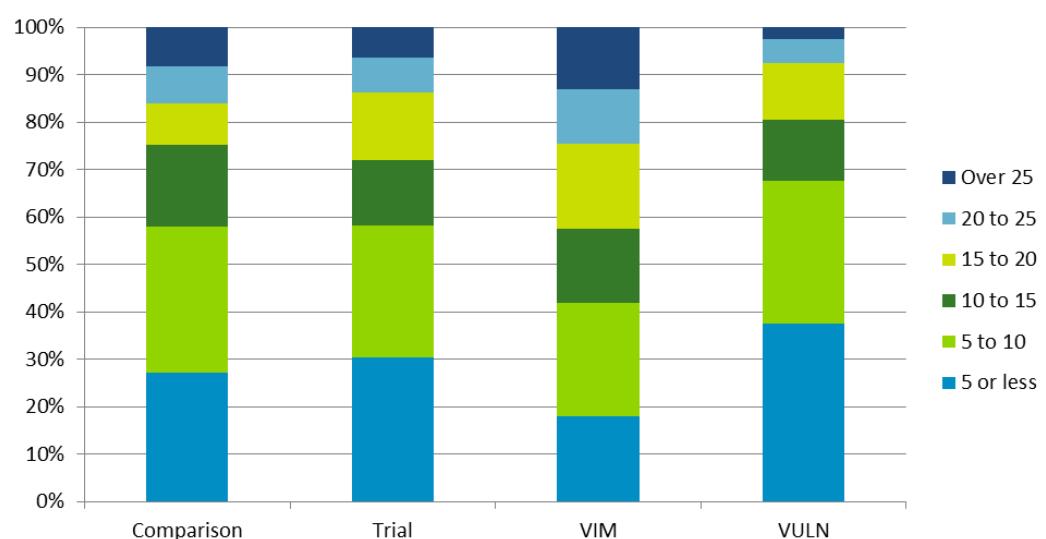


Chart 3.21: Gambling occasions, by site and IM measure

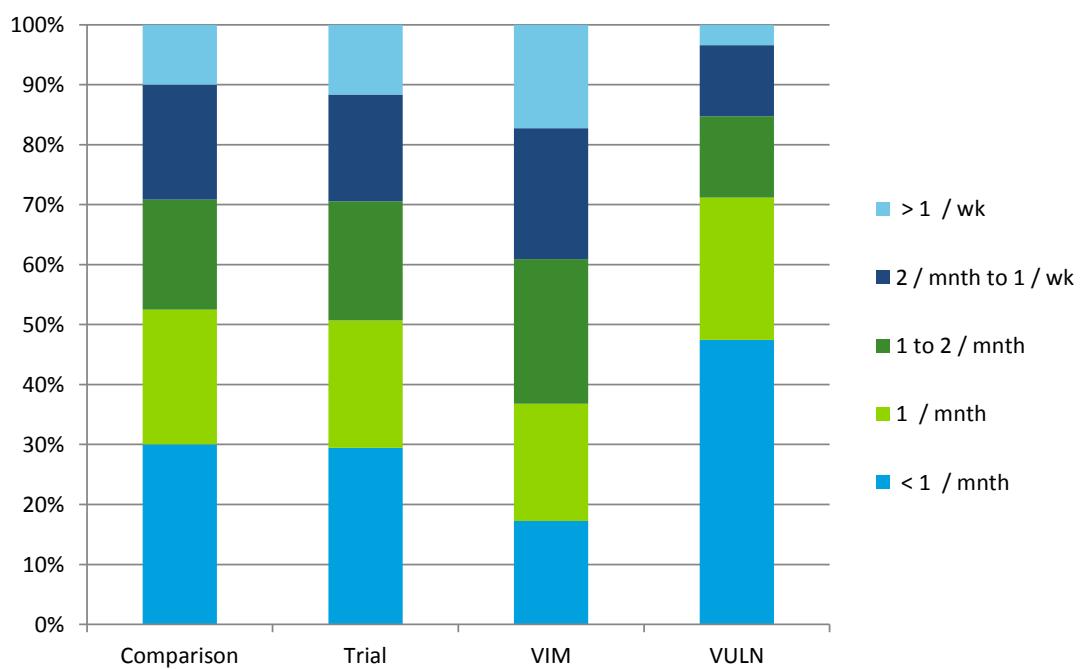
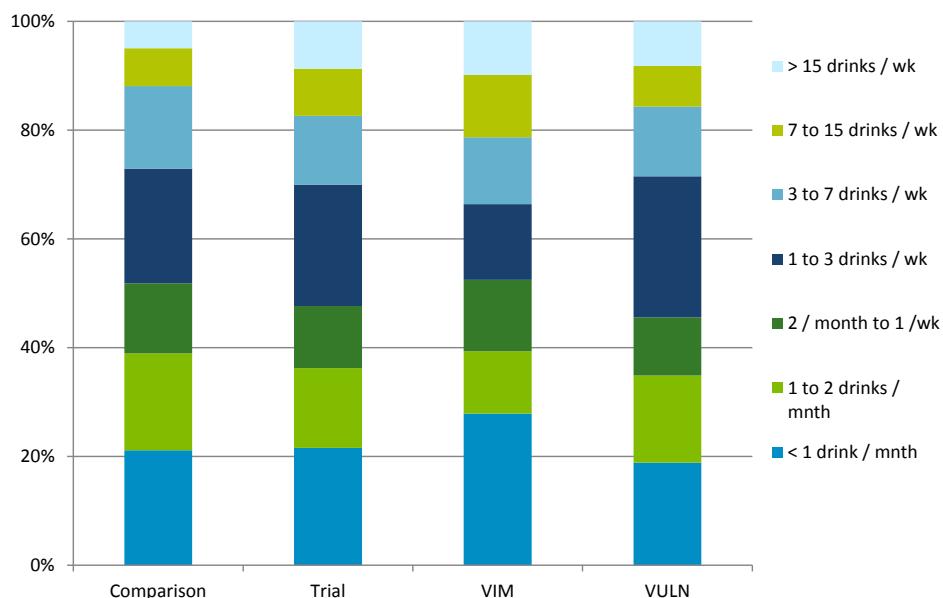
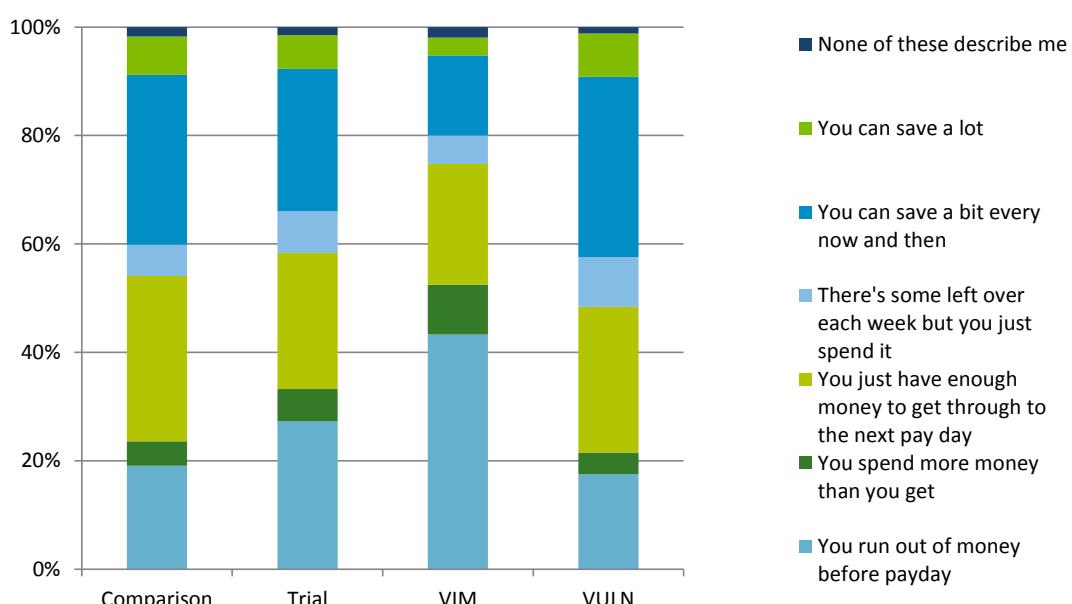


Chart 3.22: Number of alcoholic drinks consumed, by site and IM measure

When asked to describe their money situation before going onto IM, participants in the trial sites were significantly more likely to report that they ran out of money before pay day, compared with customers in the comparison sites (27.3% trial, 19.1% comparison, $\chi^2(6) = 20.5$, $p < 0.001$). Chart 3.23 also shows that customers on VIM more often stated that they ran out of money before payday compared to VULN customers (43.3% VIM, 17.5% VULN, $\chi^2(6) = 92.4$, $p < 0.001$), while VULN customers were more likely to state they were able to save a bit of money every now and then compared to VIM (33.3% VULN, 14.8% VIM $\chi^2(6) = 92.4$, $p < 0.001$).

Chart 3.23: Customers' situation before going onto IM, by site and IM measure

In terms of confidence in managing money or income support from DHS, participants in the trial sites more often reported that they were very confident about planning how to save their money or payments from DHS compared with the comparison sites (23.8% trial, 17.2% comparison, $\chi^2(4) = 31.6$, $p < 0.001$) (Chart 3.24). VULN customers were more likely than VIM customers to report they were very confident about planning for saving (29.9% VULN, 13.7% VIM, $\chi^2(4) = 44$, $p < 0.001$). However, when considering proportions for customers who are ‘very confident’ and ‘mostly confident’ combined, trial customers’ perceptions more closely align with customers in the comparison site (63.0% trial, 62.3% comparison).

Similarly, Chart 3.25 shows that participants in the trial sites were more likely than comparison site participants to report feeling very confident about planning how to spend their money or payments received from DHS (34.2% trial, 23.9% comparison, $\chi^2(5) = 16.6$ $p < 0.001$). VULN customers were more likely than VIM customers to report they were very confident about planning for spending (39.1% VULN, 25.9.7% VIM, $\chi^2(6) = 79.9$, $p < 0.001$).

Chart 3.24: Confidence about planning for saving, by site and IM measure

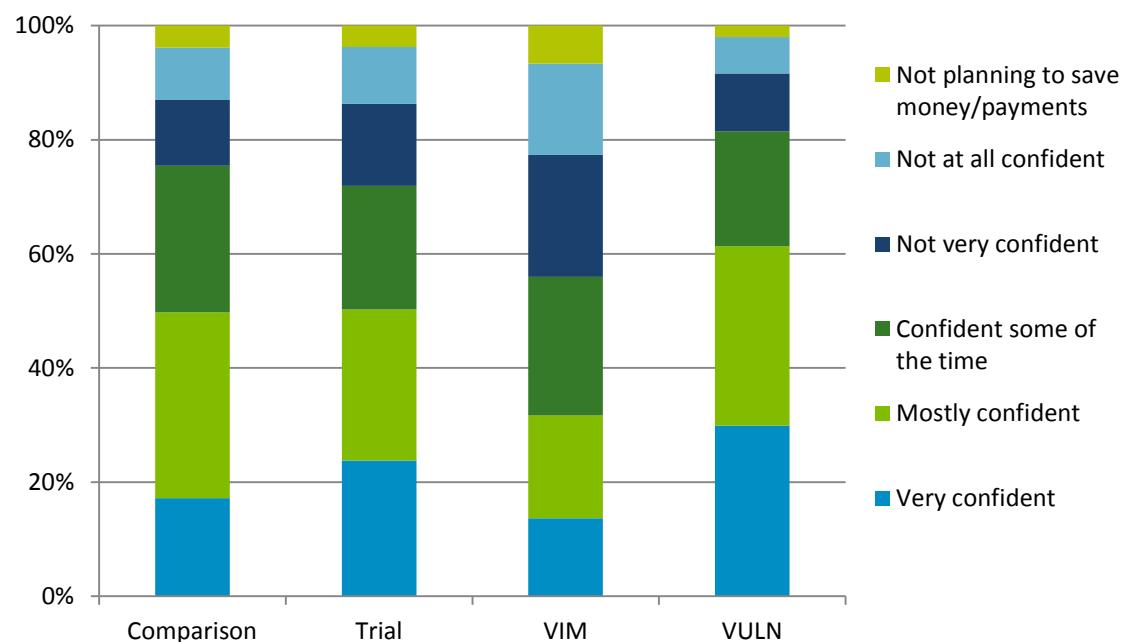
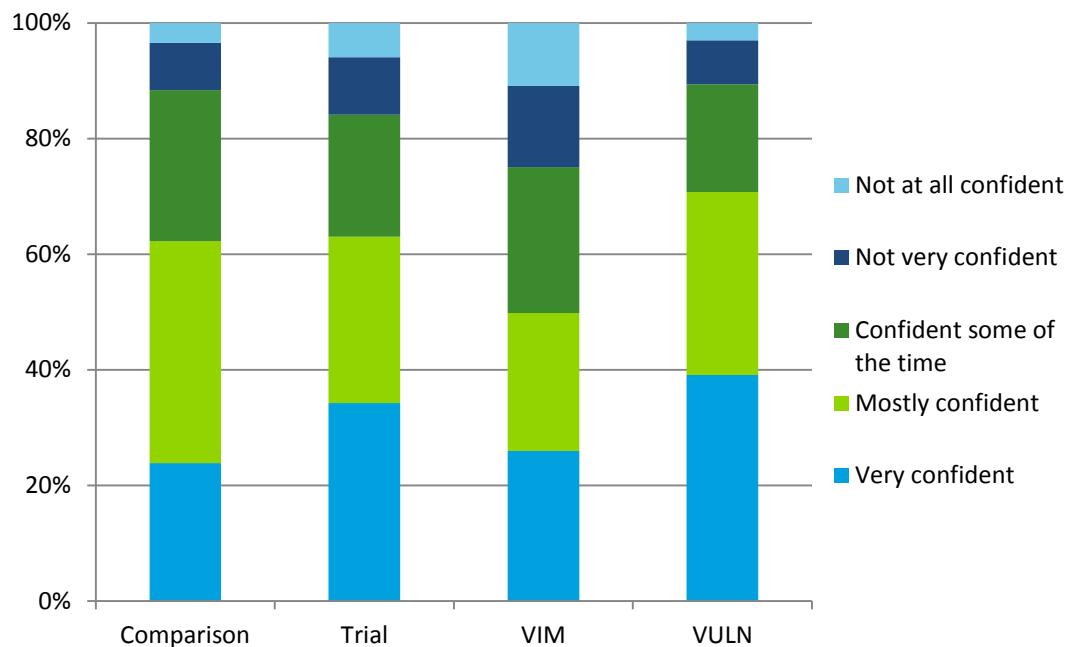
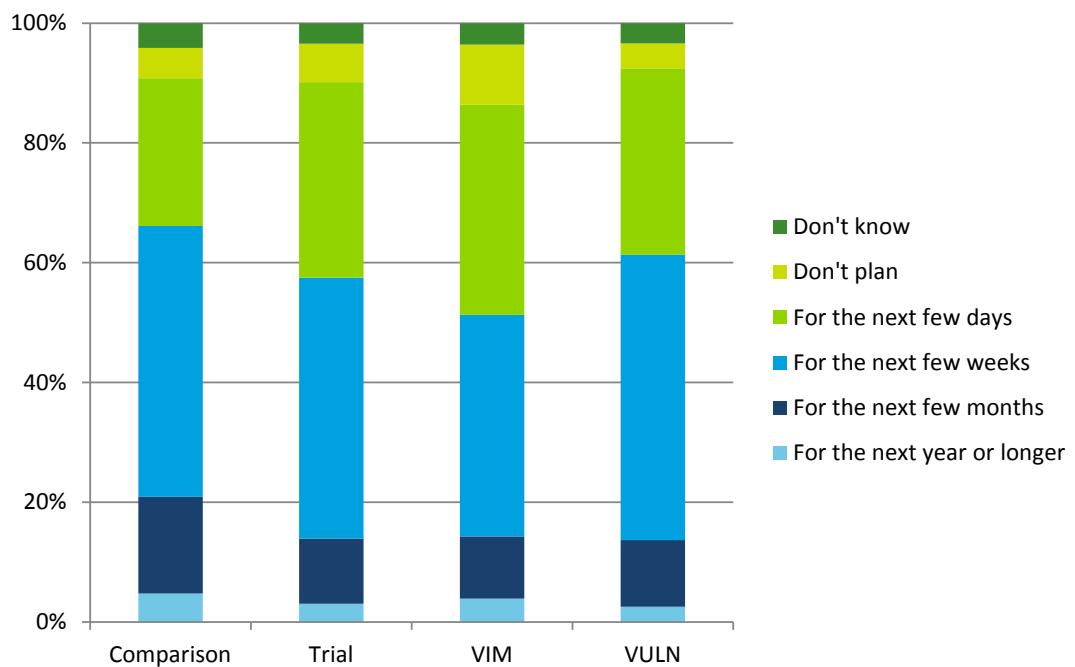
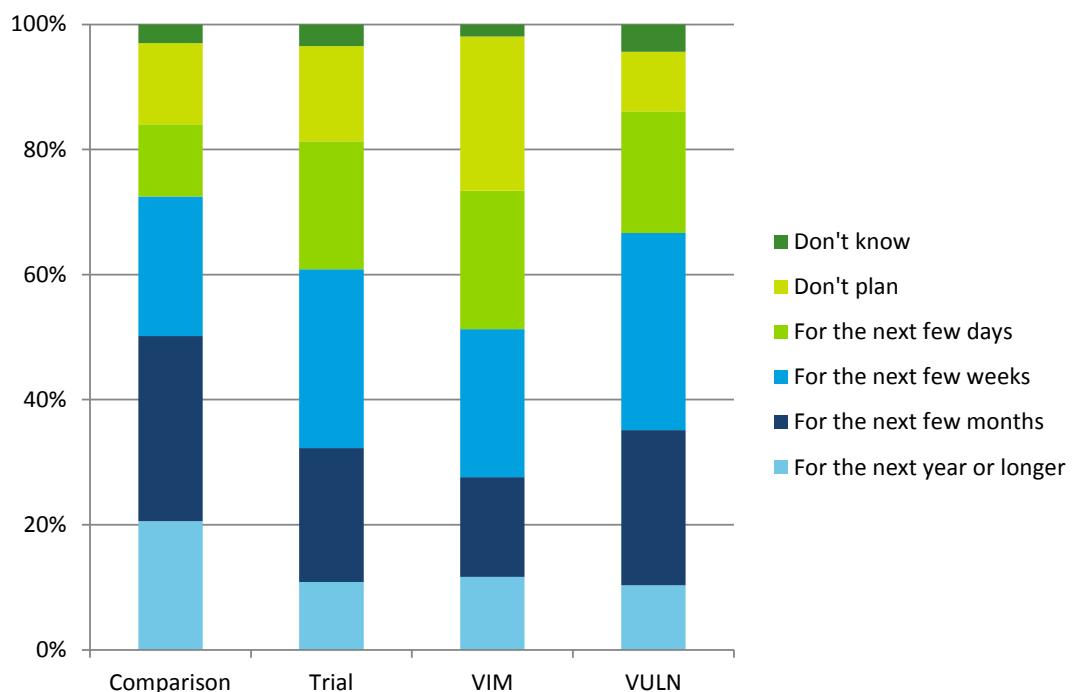


Chart 3.25: Confidence about planning for spending, by site and IM measure

Customers were asked to describe how far ahead they planned their spending and saving. Customers across trial and comparison sites reported similar planning patterns for their spending, with trial site customers more likely to plan their spending and saving for the next few days (33.8% trial, 25.7% comparison, $\chi^2(4) = 19.2$, $p < 0.001$) (Chart 3.26). Customers on VULN IM more often reported that they planned their spending and saving for the next few weeks compared to those on VIM (49.3% VULN, 38.4% VIM, $\chi^2(4) = 17.4$, $p < 0.001$).

In terms of saving, customers in the trial sites were more likely than comparison site participants to report that they planned their savings for the next few days (20.4% trial, 11.6% comparison, $\chi^2(4) = 19.2$, $p < 0.001$), while comparison site customers were more likely to plan for the next year or longer (20.6% comparison, 10.8% trial, $\chi^2(4) = 19.2$, $p < 0.001$) (Chart 3.27). VIM customers were less likely than VULN customers to plan (24.7% VIM, 9.5% VULN, $\chi^2(4) = 17.4$, $p < 0.001$), while VULN customers most commonly reported that they planned for the next few weeks (31.5% VULN, 23.7% VIM, $\chi^2(4) = 17.4$, $p < 0.001$).

Chart 3.26: How far ahead customers plan their spending, by site and IM measure**Chart 3.27: How far ahead customers plan their saving, by site and IM measure**

3.2 Face to face interviews with customers

3.2.1 Key summary statistics

A total of 50 in-depth interviews were conducted with participants, of which 41 were conducted face-to-face and 9 were conducted by telephone. A further 12 interviews were conducted with third parties; they were all conducted face-to-face at the time of the initial interview with the participant. Third party participants were partners, children, siblings or friends of the primary participant.

Customers were selected on the basis on having been on PBIM for at least 6 months, and recruitment was prioritised to those customers on VULN and CPIM measures. It should be noted that as the intention of the interviews was targeted to customers who had been on the measure for 6 months or longer (or subsequently come off IM) it would have excluded young people placed on the VULN measure by virtue of receiving the UTLAH, CRP or SPB allowance as they would have only been recently referred to VULN at the time of fieldwork. As a result, fewer VULN customers are represented in this qualitative analysis than in the quantitative analysis presented in Section 3.1 above. These customers will be prioritised for the next fielding of the face to face interviews in 2014, so that their experiences of the VULN measure can be captured.

Fieldwork was conducted across the five PBIM locations (Table 3.8), and was held between 17 September and 24 October 2013.

Table 3.8: Profile of customers interviewed

Site	Female	Mean age	VIM	VULN ^(a)	CPIM ^(a)	Total
Bankstown	67%	57 years	5			6
Logan	75%	36 years	10			12
Playford	60%	48 years	10			10
Rockhampton	60%	48 years	10			10
Shepparton	50%	46 years	12			12
Total	62%	47 years ^(a)	47	2	1	50

(a) Numbers by location have been suppressed to protect privacy

(b) Not a weighted average

3.2.2 Key themes and topics of discussion

Findings are reported according to key themes and topics identified in the discussion guides and during interviews with customers.

3.2.2.1 Experiences of PBIM

Overall impressions of PBIM trial

Respondents generally had positive perceptions of their experiences with PBIM. This sentiment was expressed most clearly when asked to discuss whether or not they would recommend the PBIM to others in similar positions to their own. That is, the majority of respondents explained that they would encourage others to enter the PBIM, particularly if

they were on low incomes, had children, were struggling to make ends meet, or had habits relating to alcohol, drugs, gambling and the like.

A few respondents asserted that PBIM should be made mandatory for anyone receiving DHS payments in order to minimise unnecessary spending and help to discourage family neglect, the inability to pay rent and bills, unhealthy behaviour, and wasting of government-provided funds.

Oh 100%, I think it should be, as I say, I think it should be compulsory. "Long-term unemployed, sorry you're on this, you don't have a choice. That's it; you do not have a choice. You've been on unemployment six months, sorry this is compulsory." (100074)

From when I was telling them about it, they said to me "Oh but they can't tell me how I can spend my money and how I can't spend my money" and I said "They don't. What they do is they are paying the rent before, you know, they send that money to you so what you get in your hand is yours to manage your budget on but you don't have to worry about paying that rent, you don't have to budget with the money or having that rent paid. You work out your budget on this much what you get, in your hand. Don't worry about how much you get paid; what you get in your hand you can work your budget out a hell of a lot better (100041)

And I often say to people when I'm speaking to people in, you know, I just say look this is the best thing I've ever had in my life – oh, we just relax (100358)

Respondents noted several aspects of PBIM that had caused difficulty (outlined in later parts of this section of the report), and a small number of respondents had exited PBIM, or intended to do so. Reasons given by respondents included increased '*hassle*', perceived mismanagement of their accounts, and reported frustration caused by the inaccessibility of their funds.

No. If they said something to me about, "What do you guys say?" "Oh don't worry about it. Just forget it. It's too much of a hassle". (100095)

Nevertheless, the overall impressions of PBIM offered by respondents were generally positive and related to experiences of easing stress and concern, improved management of funds, and increased savings. Likewise, almost all of the third party respondents spoken to also commented that they had witnessed the positive benefits of PBIM on their family member/friend, and that their impressions of PBIM were positive as a result.

Seeing mum happy; that her bills are paid – makes me happy (100284)

She's not as stressed as she used to be. She used to always be in debt, she used to always have this list of bills... and piles of bills everywhere (100078)

Finding out about Income Management

Respondents had found out about IM in a variety of ways, but in the main it appeared to be by chance rather than becoming actively aware of it and then seeking out further

information. These apparent ‘chance’ encounters typically occurred because respondents had found themselves in difficulty and had sought out help.

By accident. I went in there one day, I was paying something, I think my energy bills, firstly. And for some reason I had to go into there and talk to them, some problem that I had with one of my creditors, and they made a comment. ‘Do you want to go on Income Management? (100108)

In some cases, personal or family problems had resulted in the respondents receiving support from a not-for-profit organisation (examples given included Youth and Family Services, the Wesley Foundation, United Care and Centacare). These organisations were able to provide a broad range of support to the respondents and in doing so had raised awareness of IM with the individual, providing them with a leaflet, suggesting they visit their local DHS office or, in a few cases, accompanying them to DHS to find out more.

I was told about the Income Management program through a youth worker (100323)

I was having problems with handling everything, and I went through a company called United Care, and they actually recommended that, so that way I could get ahead. They recommended the service (100068)

In other cases, respondents had had specific financial difficulties which had resulted in them visiting their local DHS office to discuss their situation. This typically arose when the respondent was getting into debt (for example, with utility companies or phone providers). In such instances, respondents reported that staff at DHS talked to them about IM as an option.

It was a little bit after I moved here, I had paperwork trouble and I went to [DHS] Centrelink and saw disability people or people there that could cope with what was going on. And so because I was having trouble organising my bills and that... they said, "Well we can pay your electricity for you too." The bank paid my two insurances, so with them paying my electricity and the rent and they said, "Well, we can offer you the Income Management" and I said, "Well that's great, because I don't have to worry about the bills." (100074)

I think I was in [DHS] Centrelink one day and I saw it and I was talking about not paying my bills and somebody mentioned about the BasicsCard, that what it was, yeah (100008)

In a few cases, respondents had reached crisis point (for example family violence, risk of homelessness) and had been referred to a social worker at DHS, who in turn had provided specialist assessment including referral to IM.

I separated from my husband last September due to domestic violence and sort of in the process of getting all the - organising everything with [DHS] Centrelink I got referred to a few different agencies, one of those was Centacare and they referred me for Income Management initially (100100)

When I separated, I, just bills and everything startin' to get on top of me. Yeah. I, I don't know, it's just like one thing after another and yeah, just walked in there one day and they offered Income Management to me and yeah, so I thought I'll give it a try for a year and sort of see how it goes (100078)

One of the three Vulnerable/CP customers within the sample reported that she had to go on it because of her money problems, and to help her to get her children back from care.

Yeah I have to do it to get my children back, like to, because of my, like I've got depression and I like, I just, when I go shopping I can't stop, and I just overspend and that, and I just, yeah, I just can't, I can't control my money and it just, I have to, that's why I have to be on it (100115)

Another Vulnerable respondent said that they were 'offered' the program, which was recommended by the individual's case worker.

In a minority of cases, respondents had actively sought out information from DHS about IM, having either seen a leaflet (for example in a Centrelink office or at the local housing office), seen advertising (for example, in the local newspaper) or heard about it via word-of-mouth (typically from a friend who was already on Income Management). Occasionally, respondents mentioned having heard a talk on it (for example, at Vincent de Paul's). One respondent said they had been told about IM by their landlord.

I'd heard about it like, in their [DHS] office by a little pamphlet (100121)

I seen in the, it had been advertised the day before in the paper and I just happened to go in the next day, into [DHS] Centrelink, and I had an interview. Just, you know, a general touch base, what's been happening and stuff and, yeah, I just asked about it to see what it was about and everything (100063)

Voluntary Incentive Payment

As noted earlier, most respondents volunteered for IM because they needed help with managing their finances. For them, the greatest incentive to take part in the Income Management program was having help with managing their bill payments.

For me the incentive is that I've always got food and I always yeah, all my bills are always paid (100323)

I was just in dire straits and I just need help, and if they were willing to help me, well I will do anything (100399)

However, a small group of respondents had gone onto IM primarily because they would receive the bonus payment after six months of being on the program. In this group were some respondents who had given some consideration to the Income Management program, but the deciding factor had been the six month bonus payment. This group indicated that if the bonus was not available, they may not have participated in the program.

Moderator: And ... really it sounds like to me the main reason you were on the program was because of the \$250 twice a year is that correct?

Respondent: Yes it's \$500, yes, yes, yes of course (100243)

The thing that convinced me, being a poor man, was the \$250 half year, and \$500, and so that's all income that's helping me greatly (100108).

A few respondents had not been aware of the bonus payment until after they had signed up for IM.

Also the bonus that you get, that was fantastic. I didn't know about that until I had already signed up to it (100291)

No, I didn't even know about the volunteer payments or whatever and then when they - I'd already signed up and then they said, "Oh, by the way you actually get two volunteer [bonus payment]," oh... yeha! (100121).

No, well, it wasn't explained that, yeah, just said they can, sort of, help, and I don't know, maybe they did explain it, maybe I was too overwhelmed in, drowning in bills or I don't know (100078)

Interactions with DHS

All respondents had contact with DHS, generally on a regular basis. Almost without exception respondents spoke very highly of the interactions they had had with DHS since being on the Income Management program. They felt that the service they had received was helpful, that they could get the advice and information they needed and that they were dealt with in a courteous and efficient manner. Some reported that they had always had a positive relationship with DHS, but others felt that they had had greater personal support since being part of PBIM.

You get a better relationship in there because you know they're only there to help you (100399)

I've gotten pretty close with a couple of the [DHS] Centrelink helpers down here so it's pretty good. They're always willing to help me out and that sort of thing (100350)

I know that if I have any issue at all, I can get honest support, they're not going to muck me around (100074)

They served me well and helped me a lot, yes. I do appreciate it.... I been speaking to them now, where before I wasn't... there's more communication (100284)

.... They know their stuff, and it's just the connection that you have with them because you're handing over everything, your money – even though it's technically not my money, it's still given to me – and I'm giving it back to them to go 'here you go, do this with [this]. I have full trust in them... (100121)

There were a few exceptions to this generally positive view of DHS interactions, but these seemed to be related to specific incidences with individual members of staff (often linked to apparent administrative difficulties) rather than support overall.

Impacts on day-to-day life

Respondents were asked to explain what kind of effect IM had had on their day-to-day lives in comparison to the time prior to commencement of IM.

Overwhelmingly, the most common initial response to this question was that IM had considerably reduced respondents' worry and stress levels by removing the burden of maintaining timely budgets in order to pay rent, bills, debts, and so on. In this sense, IM was seen by many to be very helpful in simplifying their lives and managing responsibilities successfully.

I was making mistakes. [DHS] Centrelink came to the rescue and said, "Well we'll do this and do that."... I'm not having to worry, so when the money goes in the bank I know, okay well I can use that to buy food and what I need, I don't have to worry about the bills, the bank's paid that, and [DHS] Centrelink's paid that and so I don't have an issue with money (100074)

It's just peace of mind that my rent is paid and that's my main thing that I've still got the roof over my head (100041)

It's taken away the thought that I haven't got to worry about it or something; what would the right words be? Taken the stress away about thinking what's going to be in the box, have I got the money here to pay for it (100274)

Consequently, by removing the need to actively make these payments, respondents reported that they were also pleased to be able to keep track of the funds left over for them. Respondents commonly noted that their involvement in IM had created a sense that there was more money available to them, despite knowing that their incoming payments had remained the same. Respondents explained that this was due to IM inadvertently prompting them to save money by having it kept on the BasicsCard, rather than in cash they could access via their bank accounts at will.

It was noted by some respondents that the initial stages of IM after signing up were relatively difficult, as there was a period of readjustment getting used to a new financial arrangement whereby they no longer had direct access to a proportion of their payments. Nevertheless, almost all respondents claimed that it became simpler once they were familiar with the system and their finance management settled into a more regular pattern.

Conversely, several respondents indicated that they did not appreciate that a large proportion of their payments had become inaccessible to them upon signing up to IM. For example, some respondents explained that while it was helpful to have due payments taken care of, IM negatively impacted on their lives by reducing their ability to engage in social and cultural activities that they enjoyed doing, such as going out with friends, seeing movies, going on small trips, and so on. Some noted that while this was occasionally frustrating, the benefits of IM outweighed the impact of this change.

It impacted how I spent my money for sure and it impacted what I could do like socially and, you know, things like that... it was in a good way because I couldn't afford to spend the money [laughing]. But it was, it was sad in a way because I couldn't go out and enjoy myself at my leisure... like gone out to the movies, gone on little trips, probably restaurants (100008)

Respondent: I'm happy about the bills and that being paid, but not much to spend on yourself or go out and do things like that... I don't have it when I want it.

Moderator: Has that been difficult? Respondent: At times it does. At times I don't mind, at times I do. (100284)

It was mentioned by some respondents that IM had a noticeable effect on their behaviours such as binge eating, drinking, smoking, and gambling. For instance, one respondent discussed how her husband (both were on IM) had reduced his gambling and drinking since taking up PB. The respondent reported that this in turn led to a reduction in the number of unnecessary purchases she had tended to make to pass time when her husband was gambling.

Moderator: So gambling is reduced, drinking is reduced, which frees up more money for you to spend on other things?

Respondent: Yes. There's another thing too... When [husband] was drinking and gambling I went to the thrift shop. I was always buying things at the thrift shop because it was a place to go and people to talk to... And I don't do that, I've stopped doing that. I don't have to do that anymore (100358)

And it's a pretty good feeling to know that I can't buy it [fast foods]¹² – it kind of takes it out of my control because I have no self-control, and I like that, it's really satisfying to know that it's beyond my control, you know, that I couldn't get it. And then I kind of am glad I didn't get it later on (100251)

It was expressed by a few respondents that IM had inconvenienced them by providing more hassle when it came to accessing money and making payments. For instance, one participant claimed that DHS had made errors in managing her accounts and she had consequently owed money when she had been told the bills were being paid. Another discussed the inconvenience of having to liaise between DHS and retailers in order to receive approval for certain purchases.

When they stuffed my power bill, and taking money out for my power bill and my rent – that got me. That got me and having to walk every pension day to the bank... You know, because they went and put me in arrears, that's a lot of money to me, a lot of money. And if I didn't do anything about it, it probably would have built up and whoa (100378)

¹² It should be noted that 'junk food' is not a prohibited good under PBIM

The fridge – I had to get it through Good Guys, I had to go from here to Good Guys, from Good Guys to [DHS] Centrelink and back to Good Guys, back here and then back to [DHS] Centrelink and got the money put through that way (100263)

Impacts on relationships

Respondents were asked to elaborate on whether their participation in IM had impacted on their relationships with friends and family in any way. Some noted that their involvement in IM and subsequent financial ease had markedly improved relations with partners and other family members, by reducing the occurrence of money-relating arguing, and improving respondents' moods.

Respondent 2: And we used to argue a lot, didn't we?

Respondent 1: It's a lot easier... His mum has noticed how much better off we are, being on this.

Respondent 2: We're not arguing all the time (100083)

No, if anything it's made me better, because I was in a state where I just could not think what I was going to do; I really could not think. I was in a severe depression. Yeah, and if anything, now because I'm more empowered and know everything's paid, all of that, I'm just happy mum again; yeah, heaps different (100121)

As mentioned above, for some respondents IM had the effect of restricting their ability to socialise. Conversely, a small number of respondents noted that PBIM had improved their financial circumstances and thus had positively impacted on their ability to socialise and entertain friends and family.

Maybe entertaining a little bit, I don't know. I don't know whether that's hubby's work or is it the Income Management?... We are entertaining more, absolutely we are, yeah. So, I would say it's part to do with Income Management, yeah definitely (, 100103)

A few respondents described how PBIM had been beneficial by providing them with an irrefutable justification not to lend money or buy goods for friends and family (in particular, respondents' children) when requested, whereas before they said they may have felt pressured to do so, to avoid the chance of conflict or disappointment.

It's taken the day-to-day stress out of managing and so that people can't give me a sook story "Oh, I need to loan money. Oh, I haven't got enough money for cigarettes", too bad, too sad – I can't do nothing about that anymore (100107)

Moderator: Do you think in terms of your relationship with your kids, do you think that Income Management has made any difference to that?

Respondent: *Well they have realised that I can only go and get certain things, whereas before they would walk all over me saying 'well I want this, I want that'. Now they realise they can't do that anymore, so yes absolutely (100068)*

Conversely, a few respondents who said that they had experienced difficulties with IM explained that their involvement in IM had had a negative impact on their relationships, causing stress and inconvenience in their lives.

And I was getting frustrated and, you know, and I was saying things that I didn't mean even to my sister... Yeah it did, it did create a bit of tension between us and you know we love each other. We don't, you know, we're family and she's over here looking after me and... But I didn't need all that, I was so glad when I went off (100378)

Impacts on money management, spending, and purchasing

As mentioned in above, the greatest impact of IM reported by the majority of respondents related to the reduction in stress involved with keeping up to date on rent, bills, and debt payments. Therefore, respondents expressed that IM had enabled them to manage their finances far more effectively, and made clear to them how much money they had left over for personal use after necessary payments were made, thus they were not able to overspend. Typically, respondents gave a resounding "yes" to the question of whether IM enabled them to manage their money better than before.

I thought that this was for someone else. I thought this was for people who didn't manage their money. But that's not so. It just helps me to manage it better (100294)

Together with reducing stress and worry regarding timely payments, the process of having a set amount of money automatically put towards due payments (i.e. bills, rent, debt repayments, etc.) led to several respondents reporting that they had accrued credit on their IM accounts. For example, they explained that after some months in IM, they were several hundred dollars ahead on bills, rather than behind. Similarly, several respondents noted that they had been able to use IM as a way of building up savings (which they had been unable to do before) by way of their finances being split over a number of different accounts (e.g. the BasicsCard, bank account, etc.).

We've never been on top of our electricity and we now are nearly \$1000 in front We've always got, like, money on us. And we never used to have that, 'cause we'd just blow it, you know? (100083)

You know what you've got to spend and so you've still got to make the money last two weeks and most of the time I've still got money in the bank... I try and build it up to a fair bit of money and then I say, "Oh okay, now I can afford to do this on the bike" or "I can afford to buy some decent clothes," or whatever. And so that's good (100074)

They've got another savings thing with them. So the Basics Card is your, I use it as like a shopping money, Woolworth's and stuff, petrol if we need. But then

there's another savings that you can transfer into your Basics Card or wherever you want, but I use that like as a saving and then it can be used as a one off payment. So at Christmas time I'm thinking we can have some lobsters, you know, one off payment, let's ring up [DHS] Centrelink and say, "Look we want to buy some Lobsters or whatever." So that's, yeah, it's fantastic (100103)

Some respondents, however, said that IM had not helped them in saving money effectively, and thus they still felt like they were struggling to get by on the money they had available to them. This was said to be the case because the BasicsCard was not accepted at the cheaper stores, and thus they were negating their savings by shopping at more expensive stores that participate in IM. For others, it remained difficult to save due to multiple commitments and responsibilities.

Yeah, they said, "It will make you save", but it didn't, because I can't. It's not helping because I've got a lot of bills to pay, and my food, and take care of my kids (100344)

For many respondents, IM provided them with somewhat of an enforced saving system, whereby they were unable to spend their money on unnecessary items, as they had often done prior to IM. Many respondents appreciated that they did not have to attempt self-restraint when it came to budgeting their finances, and instead could enjoy the remaining funds available to them after their necessary payments had been made. Similarly, some respondents appreciated that their payments could be split over two weeks (i.e. receive half one week, the other half the following week) which meant that they were unable to spend all of their money and be left with nothing for some days before they were paid again.

Just knowing that I didn't have to worry about paying my rent – it was already done. I didn't have to stress and didn't have the opportunity to think, "Oh maybe I could have just used that money this week and not worry about it for..." Yeah. And then that's how you get behind – if you find something else that you need it for. I didn't have that opportunity to fall behind on my rent (100291)

And another good reason why I took it too 'cause with your Basic Card they give you half one week, and then they put more money in the following week. So if I'm broke, say on a Wednesday, I'll go yeah I can get my extra money in my Basic Card tomorrow, so it's another reason why I got it. So if I get broke, I only have to wait for another week to get a bit more money (100301)

Every now and then we run into the restrictions of what are we going to do for dinner and I've got to say to him, "all my money is on the BasicsCard", and that means we have to go to Coles and I have to cook something, rather than go and get pizza (100100)

Respondent: *And with [DHS] Centrelink, we've been on two holidays. I went to Phuket and then we went down, we both went down to Stradbroke.*

Moderator: So [participant's name], that's not something that you would have necessarily been able to afford before?

Respondent: We would have been really tight. I wouldn't have been able to go to Phuket (100358)

Respondents commonly mentioned that PBIM had brought about changes to how they spent money by encouraging them to plan ahead and give more thought to their purchases, as well as giving thought to what they would use the BasicsCard to buy, and what they would use their cash to buy.

We're actually thinking instead of buying all the lump of groceries what we think we need, we're actually going through and sort of, "Okay, what are we going to eat for the whole week? What're the meals going to be?" and we're just buying that and it's much cheaper (100080)

I've learnt to think about what I'm going to spend... I'm a lot more resourceful with the way I do things as well. Like, not just money but everything... the way I run my house now and thinking about, thinking in advance like O.K., we're going to need this, we're going to need that. I've got to make sure that I've got enough money, income, and I've got to make sure that I've organised it so it's at shops that take the basics card and things like that. Resourceful in the way I cook, the way I maintain my house – everything (100121)

It's probably made me a bit more careful that I know now where my money goes (100274)

As mentioned above, those who said they had previously engaged in drinking, taking drugs, gambling, or regularly eating unhealthy foods, said that IM had helped them to reduce this by putting a restriction on the money available to them for such things. This was considered a positive thing by almost all respondents, as it brought about a change in their habits that had been difficult to do without assistance. One participant explained that it had been difficult not having the cash to purchase items such as cigarettes and alcohol, and despite acknowledging that it was a benefit to his finances and health in the long run, he did want to exit IM to make his funds freely available to him again.

I tend to compulsively eat, I don't look like it but I know, so I eat a lot of junk food too, so I was constantly, constantly buying KFC and McDonalds, Hungry Jacks, all sorts of things... I was spending hundreds of dollars. I had for years I'd spent hundreds of dollars. I'd buy stuff when I'm depressed as well, impulsively spend. I think, I probably don't need that but I really want it, kind of thing. Whereas now I might not have money on my normal account, but I'll have a shitload on my BasicsCard, but they don't have BasicsCard, so I just have to keep walking (100251)

And it varies in the amount of cigarettes I can buy which is also in turn helping me cut back... it's helped me to eat better because I used to just buy Maccas and take away fast food – essentially junk food. And now I'm eating healthier (100323)

Respondent: *But the reason I went to [DHS] Centrelink was ... because on top of the drinking and smoking ... He [husband] was gambling. Yeah and the gambling was \$200.00 a week which I just couldn't do it anymore and I knew I couldn't... because it was every week that we were going in there.*

Moderator: *And now no?*

Respondent: *No (100358)*

That's where it really helped... I'm an alcoholic, I was using 90% of my cash money to buy alcohol, and not worry about bills. And then I went onto Income Management and I knew I had money that I couldn't waste, it had to be – I had to buy food, and personal stuff like razors and all that, bedding, and yeah. And what was left over, paid for my board (100370)

Respondent: *Well I thought it would be [good] but it's turned out that I wasn't getting enough money for like cigarettes or drugs as well... but it's better for me in the long run... I've got that bit of money to buy food and like soap and toiletries and stuff like that and clothes whenever I need it, so it does – it helps me...*

Moderator: *So you mentioned way back I think in the first questions that you wanted to go off Income Management..?*

Respondent: *Yeah I do. So I've got more money in my account to spend on myself (100386)*

It was mentioned by a few respondents that PBIM had assisted them to manage their finances more effectively, such that they no longer required occasional assistance from other community organisations in the form of charity or food vouchers.

Before the Income Management yes definitely we would go down for food vouchers and stuff like that, definitely. That was a very hard and trying time. But now – no; with the Income Management not at all. And even family say "Do you need any assistance? We're here if you need us", and no, we're good (100103)

3.2.2.2 Experience with the BasicsCard

Overall impressions of the BasicsCard

Most respondents had largely positive impressions of the BasicsCard. They felt that it was easy to use, made their lives easier and helped them to manage their money. As a consequence, respondents felt that the BasicsCard afforded them a degree of peace of mind.

I love [the BasicsCard]... It's just easy (100045)

I [like using it]... It's easier and less hassle (100000)

[The BasicsCard] makes people make sure there is food on the table and electricity in the house and all that sort of stuff that means that the kids won't go hungry quite as often, or maybe there's better food (100100)

Most respondents endorsed the BasicsCard's restrictions on purchasing alcohol, tobacco products and spending on gambling activities. Indeed, some noted that these restrictions had in fact helped them to save money.

[The BasicCard's] impacted in a good way. For instance, when my ex... was still kind of using me for money and stuff, if I only had the BasicsCard he couldn't get smokes and things like that (100251)

Not surprisingly, this aspect of the BasicsCard was less popular among smokers, with some expressing concern that the card did not leave them with sufficient funds to afford to purchase cigarettes. Others felt that the restrictions were unfair, particularly as they had volunteered to participate in IM.

I volunteered to do that so why should they stop us getting smokes in my smoke shop? You know, it's my money, isn't it? (100095)

Nevertheless, most respondents identified some drawbacks associated with the availability and use of the BasicsCard, which are discussed in subsequent sections.

Acceptance by retailers

Respondents' main concern about the BasicsCard was its lack of acceptance among many retailers and service providers, including those offering goods and services at a discounted rate. Some noted that lists of retailers accepting the BasicsCard supplied by DHS were inaccurate and/or out of date.

Respondents were surprised that the BasicsCard was not accepted by several government departments, agencies and statutory authorities, such as state government departments who collect vehicle registration fees and Australia Post.¹³

You couldn't use it in some of the government departments like the water board or water works and the [vehicle] registration people... You couldn't use it in the Post Office either (100008)

Many respondents considered retailers who accepted the BasicsCard to be, on the whole, more expensive than those who did not accept the card.

Most of the shops don't accept it. [The] only people [who] accept the BasicsCard is Coles, and it is very expensive to buy groceries from Coles ... Woolworths is the same, expensive, and Myer and David [Jones are expensive] (100243)

¹³ From 20 January 2014, the BasicsCard has been accepted at all Australia Post outlets across Australia. BasicsCard customers are able to pay bills such as rates, gas, water and any bill that has POSTbillpay as an option at over 3,500 Australia Post outlets.

Other large retailers noted by respondents as not accepting the BasicsCard at that time included:

- Aldi (respondents generally understood that this was because Aldi did not have a separate section for liquor sales)
- Bunnings Warehouse
- Officeworks
- discount stores such as The Reject Shop and Cheap As Chips
- audio stores such as Retrovision and JB HiFi, and
- auto stores such as Super Cheap Auto.¹⁴

In addition, many respondents commented that many chemists, petrol retailers, and no schools, accepted the BasicsCard. Few small retailers such as grocers, bakeries and butchers appeared to accept the BasicsCard.

There's quite a lot of places that I go with the kids that I can't use the BasicsCard... like schools uniforms, school fees, just stuff like markets and just fun stuff you'd do with the kids sort of things (100242)¹⁵

The one place that I wish would accept [the BasicsCard], it's never going to accept it... is Aldi (100323)

Several respondents provided anecdotes in which they had attempted to purchase goods and services and had learnt 'the hard way' that the retailer did not accept the BasicsCard.

It was a nightmare finding out, filling up my petrol... and then going into pay with my BasicsCard, putting \$100 in the tank and then they're going "What is this? We can't accept that". And I thought "Oh crap, what do I do?" ... I had to call my sister. She had to come and bail me out (100291)

Impact on purchasing behaviour

Respondents felt that the lack of widespread acceptance of the BasicsCard among retailers curtailed their choice, compelling them instead to purchase goods and services from a small pool of larger retailers.

Many respondents reported changing their purchasing behaviour due to the BasicsCard. For instance, respondents reported 'swapping' Aldi for Coles or Woolworths. Several also lamented the fact that they had to eschew markets and other local retailers in favour of large, and often more expensive, corporations.

I'm a big person about commercialisation so I hate shopping at Woolies. I hate shopping at Coles... I would rather go to a local butcher so I found a local butcher that's on [the BasicsCard]. But like fruit and veg and that, I don't know

¹⁴ Bunnings Warehouse, The Reject Shop and Super Cheap Auto are now nationally approved merchants that accept the BasicsCard.

¹⁵ There are a range of high schools and childcare centres which are approved. There are over 50 available in Logan.

of anywhere that takes it... I'm a market shopper... No one at markets takes BasicsCard so I have had to adjust that a bit (100121)

Coles are much cheaper now than a lot of places, but you're using Safeway [Woolworths], and Safeway can be quite dear... You're forced to go to places like that (100399)

I go to Lebanese places and that and shop around and get most of my groceries from Lebanese places because they're cheaper... [but] they don't take the card so that makes it harder for me too in that way (100284)

Some reported having to travel greater distances in order to find a retailer who accepted the BasicsCard (although this became less of a problem as greater numbers of retailers began to accept the BasicsCard).

When I first got the card... [IGA] didn't have the BasicsCard. They didn't accept it so we'd have to go all the way over to Beenleigh before we could use it to get anything out (100242)

Many respondents expressed frustration at the time and effort required to source retailers who accepted the card, particularly if they travelled outside their local community. There was also concern expressed by respondents that by changing their behaviour and shopping at stores which accepted the BasicsCard, they were spending more only to receive a lesser amount of goods.

It's more frustrating going in the shops [and] finding they don't take it ... Most shops in [PBIM site] don't use it, like the cheap shops, like the \$2 shop and that, and the main stores where you can use [the Basiccard] are the big shops where they cost too much. They say the cards are supposed to help you save money as well. But how can you save when you can only use it in shops where they charge you an arm and a leg for the things? (100301)

However, some respondents reported that the BasicsCard had had a negligible impact on their purchasing behaviour, or had caused them minimal inconvenience due to the need to locate alternate retail suppliers.

There's a couple of shops that I rarely went to anyway, but it doesn't matter. I just use my cash for that. I decided to branch out a lot. There's even a bakery that does it and they're just a small time, individual bakery with BasicsCard accepted. I think there was one Caltex that didn't take it, which buggered me up for a bit. But apart from that, it's all cruisy (100292)

Technical and account management issues

Most respondents reported that they had not encountered any technical problems using their BasicsCard. Technical issues appeared to be relatively uncommon and were generally confined to electronic funds transfer at point of sale (EFTPOS) machines not reading cards, the online funds transferal 'system' being down, and less commonly, reports that the IM 'page' on the DHS website was down (it is likely that this relates to the ability to transfer funds online rather than the website as a whole).

Respondents who said they were unable to purchase goods using their BasicsCard due to technical glitches generally reported feeling embarrassed (if the incident occurred in a public venue) or frustrated and inconvenienced.

This one chemist near me that displays that they accept the card and it's never worked there. Twice I've tried... It just says "invalid transaction" when it comes up on the EFTPOS machine (100100)

I think there's only been a couple of times when the system's down or something and you've got all your shopping and then you can't use it... It does feel kind of embarrassing because you've done all your shopping and then you can't use your BasicsCard (100350)

I've gone online to transfer money over and oh my goodness, oh, we're down today... Because [the website's] down I can't transfer my money so I can't do my shopping (100121)

Some respondents reported finding the process of transferring funds from their Income Management account to be difficult and time consuming. Some felt that DHS staff sometimes had a poor understanding of the reasons why respondents sought authorisation to purchase goods (such as specialist footwear for their children) from retailers who did not accept the BasicsCard. There were reports of inconsistent practices, with some respondents asked by DHS staff to provide quotes for approval whilst others were able to request that funds be transferred.

Once the School Kids Bonus went through, I organised at Officeworks for all [my daughter's] school books for the year and everything like that, and you can't use the BasicsCard at Officeworks. And I wasn't aware of that. And I spent an hour and a half on the phone to try and organise the payment to go through to Officeworks to collect her school books. You know, [this] took up money that I couldn't really afford off my phone... It was a hassle in that aspect (100037)

Nevertheless, many respondents reported that they had not encountered any such problems when seeking to transfer funds from their BasicsCard.

I'm a bigger girl... I don't want to wear everything that's in Big W. So like, if I found clothes that I want [DHS] have actually rung up the store and paid for it by credit card (100121)

Few respondents reported having encountered any difficulties managing their account, including accessing account balances, with the exception of the online system being down. Some respondents reported that being able to access their account balances by calling a free number was helpful.

Perceived stigma

Despite respondents' generally positive attitudes towards the BasicsCard, many perceived that there was a stigma associated with using the card to purchase goods and services. This perception was most pronounced when respondents reported having encountered 'rude' and 'judgmental' retail assistants, or dismissive comments from other people.

Most respondents stated that they felt comfortable using the card irrespective of negative attitudes expressed by retailers and other community members. Some made the point that they had chosen to join the PBIM trial, which may explain their generally positive attitudes towards using the BasicsCard. Only a small number of respondents reported feeling 'humiliated' when they used the BasicsCard, or described using the self-serve check out to conceal their BasicsCard from others.

Several respondents reported experiencing poor customer service when using the BasicsCard to pay for purchases. These experiences were generally confined to an individual shop assistant in a particular store rather than the retailer *per se*.

I have had one very bad experience... This was in Best & Less in [place], where [the checkout girl] wrote right across the top of the receipt "BasicsCard" before she handed it to me... And that was like a big, like, red card put right in my face of "If I wanted to do a return ... you're going to have to swap it for something else"... I just found that very discriminative actually. (100041)

There was one incident recently at Coles where the checkout operator asked me if I was forced to go on to the BasicsCard. (100100)

At Foodland... they make a big deal about it... If you accidentally go through the express lane, they say "Oh, BasicsCard people are not allowed to go through an express lane"... [That] incident at Foodland made me feel bad, you know, like a second class citizen. (100403)

Respondents also provided examples of very positive experiences including receiving a high standard of service on account of their using the BasicsCard.

I wasn't sure if I could use it at Big W at this particular time and I just asked the service desk "Can I use this?" "Yeah", she says. "You can use it like a normal card anywhere else" and I looked at her. I said "Thank you very much for... your unbiased answer". She looked at me and said "It's just another card... You're entitled to the money on there and you're entitled to the way you want to manage your money"... She was a very understanding woman [and] she made me feel very comfortable. (100041)

[Retail staff] have always been happy to say "Oh yeah, we have those here". It might be the butcher down in Chookworld or whatever it is. "Yeah, no worries love. We use them here" and they make you feel quite welcome. (100399, with two friends)

Some participants remarked that they felt that people in the community had perceived them negatively because they had a BasicsCard. In general, respondents were unperturbed by these comments.

Most people see it as like you get that card because you have alcohol or drug problems... But I really don't care what anyone else thinks anyway. (100350, with partner)

A lot of people are going, okay, they just look at you funny, like you're... povvo or something... I just think I chose to be on it. Like, I didn't get put on it. (100078, with friend)

One participant reported feeling stigmatised due to her having a BasicsCard. She suspected that her rental property lease was not renewed due to letters sent by DHS to the real estate agent regarding her IM status.

I was told by my real estate [agent] that even though my rent was always on time because it was paid through Income Management, it was always two weeks in advance, my house was always tidy, I was good with the neighbours and everything, they still asked me to leave after my lease expired. The only reason I could come up with was because they were receiving the letter from [DHS] Centrelink every single week [saying]... "This is the payment. You are not allowed to give her back any of the money because it can't be used for drugs, alcohol, pornography, anything like that". And because they received it every single week, they probably thought "What kind of a person have we got here?" (100291)

3.2.2.3 Experiences with other products and services

DHS products - Interest Free Loans

Some respondents reported that they had obtained an interest free loan from DHS. They felt that these 'loans' (which it would appear are actually advance payments) were most useful as they enabled respondents to pay off their debts, 'catch up' and assume greater control over the management of their finances.

[DHS] gave me a loan as well at that time to pay all my bills and my bills are up to date all the time now. I'm always in credit ahead, so I'm really happy about it. So that main thing [is] I'm ahead, not behind (100284)

I got a loan the other week, [a] \$1000 loan so I'm still paying that off so I only get like 80 bucks on my BasicsCard and a little bit of money in my account (100386)

One participant credited the interest free loan with helping her to manage her money responsibly and not 'waste' money on purchases such as 'junk' food.

It's the [loan] where you pay back like \$80 a fortnight. Which like I said, if I had the money I'd spend it ... at Coles on junk food for snacks in the night time... So not having that option was, like, if the money is not there you can't spend it, and to me having it on the BasicsCard, it's almost the same thing as not having it (100251)

The only concern expressed by respondents regarding these 'loans' related to the reported inability to access the loan as cash. Instead, funds were transferred to the BasicsCard, which as respondents noted, was not accepted in all the places where they wished to spend their money.

I said "I would prefer that to go in my account"... not on my BasicsCard because I can't use it everywhere ... I don't like that a bit. If I can borrow money I need it because I really need the cash (100284)

Matched Saving Payment

No respondents reported receiving a Matched Saving Payment.

Assistance received from other support services

Most respondents reported having received varying levels of assistance from a range of community services, including welfare organisations (including the Smith Family, UnitingCare, Mission Australia, St Vincent de Paul, the Salvation Army, Ozanam House and the Carers' Network Association), community health services and local government services. The main types of support services sought from these organisations were:

- food vouchers, free meals and material aid
- financial counselling, financial planning and budgeting support
- emotional and social support
- respite for children with disabilities, and
- housing support.

I was in financial trouble and I went to [Anglicare]... They got all my bills, everything and made me a budget. And that's when they suggested Income Management (100370)

Youth Family Services... have got a Financial Advisor, Financial Counsellor. They are both helping me out with my finances, trying to... get my bills sorted out because when I separated, my ex left me with close to \$10,000 worth of debt under my name (100291)

[The financial counselling] ... was excellent... They put it all in perspective for you, and you had someone to talk to about it, and you knew it was confidential. So they just talked it through to you and asked you what you wanted to do with it, and then they started work around a goal and plan (100399)

In addition, a few respondents advised that they had received support from banks (NAB and ANZ) in the form of financial savings programs, in which the banks matched respondents' savings, with money saved to be spent on their children's education. These savings programs also had an educational component, with seminars on topics aimed at improving respondents' financial literacy.

I'm also on the Savers Plus program, so I actually have to put away \$50 a month... That's through the ANZ Bank... You save \$500 and they'll match that and it goes towards educational-type expenses ...The other thing that helped me a lot was to join the Saver Plus program. You had to go to these three or four seminars... on money management. I was thinking "oh well, this is pretty boring, it's stuff you already know"... but it was things like don't go in and buy the stuff on special. Look at the price... per 100 grams or per item to work out,

you know, that one might be on special and it might be a 40% saving, but it's still cheaper to buy this brand (100262)

Some respondents reported that since commencing PBIM, their support needs had declined or they no longer required support from community services. However, a few respondents said they were still receiving support from such organisations. For example, one 'vulnerable' participant had remained in regular contact with a support organisation that assisted people dealing with mental health issues to find housing, accommodation and financial aid.

I haven't [sought help because]... I've been budgeting well, better since I've been on Income Management that I don't feel I need that extra help any more (100323)

I went and bought a phone for \$90, and then that phone was crap so I told [organization] I needed a new phone and they got all this money together for me and they helped me buy a phone... they were meant to help people get houses and accommodation and like for mental health... I see them every Monday, Tuesday, Wednesday and Fridays (100386)

Perceived unmet needs for assistance

Most respondents reported that they were aware of a range of support services, both financial and emotional/social support, available in their community, and knew how to access support services if required.

A few respondents, however, reported having previously had difficulty accessing services. Gaps reported by these respondents related to financial counselling and generalist counselling services. Some reported having already used all the services available from a particular agency whilst others reported having had trouble accessing support (for example, calls for assistance were not returned).

[DHS] put me in touch with Anglicare ... to see if they could give me any more help with like food or anything like that, but they couldn't... Anglicare, I wouldn't say, have been the most helpful unfortunately. They just said "Well, there's nothing we can do for you because you've already been in Income Management, you're already getting financial advice" (100121)

3.2.2.4 Experiences of customers on VULN and CPIM

The experiences for the three customers on VULN and CPIM were quite similar to those who were on the VIM measure. Generally, the two vulnerable and one child protection respondents had positive remarks about the program and would recommend it to others in similar situations.

Each of the compulsory respondents came to find out about the PBIM trial in different ways. One respondent had children in the care of the Department of Communities, Child Safety and Disability Services and was initially put on a three month trial of the program. At the time of speaking with the respondent, they were not on IM but mentioned that they would like to resume participation in the program. Another respondent was recommended the program when visiting DHS to enquire about an interest-free 'loan' (advance payment).

The other respondent was staying in a refuge when DHS called and asked the respondent to come down with their case manager to discuss their financial situation (this respondent did not seem to think he was on compulsory IM).

They called me up for a meeting and they're like we want to discuss the Income Management with you and we want to talk to you about saving money...And then my case worker and me went down to [DHS] Centrelink and we talked it out and then they got me on to it basically.

A similarity between the compulsory respondents included acknowledging 'excessive' personal spending on unnecessary things. Some of the expenditures mentioned included cigarettes, shopping and taxis.

When I go shopping I can't stop, and I just overspend...I just go overboard.

Two acknowledged that it has changed the way they spent their money compared to when they were not on the program. One person mentioned that it was good that they could no longer loan anyone money, as they had tended to be overly generous with giving family or friends some cash.

People can't ask me like for loans. They can't ask me for loans for cigarettes or grog or that.

It was common for the three respondents to use their own money (i.e. the money transferred to their own bank accounts rather than the BasicsCard) to purchase cigarettes, with one suggesting they spent most of their available cash on it.

My own money [is used to buy cigarettes], actually I bought a packet of rollies today and Tally-Ho's...and a packet of cigarettes.

Yeah I'm a heavy smoker...I'll get paid like \$100 and something or \$200 and something. But that will go in like three days on cigarettes and maybe alcohol

Like the VIM respondents on PBIM, the VULN and CPIM respondents indicated some frustration over certain shops not taking the BasicsCard. The local chemist was mentioned by two of the respondents as causing some annoyance. Other than the chemist, using the BasicsCard did not alter the places where they shopped; however, two mentioned confusion over where the card was accepted. Also similar to the experiences of some of the voluntary respondents, the compulsory respondents remarked how little money they had for themselves when on Income Management.

I hardly have enough money for myself nowadays

When asked about the Matched Saving Payment, only one respondent remembered DHS had spoken to him about it but he did not want to pursue it. The remaining two compulsory Income Management respondents had not heard of the payment before.

Negative aspects of the BasicsCard that were cited included being unaware of how much money was left on their card until their statements arrived in the mail and the process of transferring money over to their BasicsCard taking two or more days to complete.

3.2.2.5 Overview and Key Issues

Positive impacts

The main positive impacts of being on Income Management, according to respondents, were:

- Reduced stress and worry regarding financial strain, as the burden of managing due payments is removed; improved general and mental health, relationships, etc.
- Greater convenience for bill payment (for example, by removing the need to travel to the post office or bank to pay bills).
- Clarity regarding the exact amount of money left over for food and leisure activities after all of the necessary payments have been made.
- Instilling purchasing restraint by minimising ‘unnecessary’ purchasing.
- Having more money to spend freely due to the savings made via the Income Management account and the BasicsCard .
- The acquisition of skills and knowledge regarding finances, budgeting, and mindful purchasing that respondents indicated would be retained on leaving IM.
- Receiving the Bonus Payment every six months.
- A reduction in the need to seek charitable assistance from government or community organisations.

Some respondents expressed that their involvement in IM had taught them useful methods of managing their finances that they could incorporate into their lives after exiting IM, and that they felt more confident to do so after participating in PBIM. For example, one participant explained that in preparation for coming off IM he had organised direct debit systems and regular reminders to pay a number of different bills in order to stay ahead with his payments as he had done on IM; another noted that IM had given her more confidence to manage her family’s funds more effectively. Other respondents indicated that being on Income Management had helped them to create positive structure in their lives, and because financial stresses were effectively removed, this in turn had a wider positive impact on their well-being.

Negative impacts

When prompted to provide examples of any negative impacts IM had had on their lives, most respondents could not suggest any, feeling that that IM had helped them to manage their funds effectively. However, there were a few negative consequences of being on Income Management, raised by a small number of respondents. These included:

- A risk of feeling stigmatised by being on Income Management, and using a BasicsCard (a few gave examples where they had been made to feel uncomfortable by retailers)
- Not being able to use the card at cheaper retailers
- Technical difficulties with the BasicsCard – for example, the card not swiping, not being accepted at all shops, inability to travel with the card, etc.
- DHS management issues – payments not going through as planned and respondents falling into arrears as a result; and reported difficulty coming off IM despite being a voluntary participant.

- Difficulty getting approval for money to be transferred from the BasicsCard and apparent delays in doing so.
- Loss of freedom over funds when funnelled into the BasicsCard account e.g. loans and parenting bonuses go onto the BasicsCard and thus cannot be used for all preferred goods and services (going to the movies, buying a car, etc.).
- Not having IM explained fully by DHS at the commencement of PBIM; having difficulty making contact with DHS to ask questions or make an amendment to respondents' arrangements.
- Not having as much accessible money for goods (such as alcohol, cigarettes, etc.) – although notably others felt this was a positive for them.

3.3 Online surveys

The following online surveys were fielded over September and October 2013:

- Online survey of DHS staff – includes CSOs, Social Workers and ZIMCOs;
- Online survey of Financial Management Program Service (FMPS) staff; and
- Online survey of BasicsCard merchants.

3.3.1 Online survey of DHS staff

3.3.1.1 Summary statistics

This survey was fielded from 23 September to 11 October 2013 with a total of 66 responses obtained and a response rate of 94.3% (66 of potential 70 staff in sample¹⁶). A breakdown of responses is provided in Table 3.9.

Table 3.9: DHS survey responses by staff role and location

Site	CSO	Social Worker	ZIMCO/IMCO ^(a)	Total
Bankstown	2	4		8
Shepparton	11	4		17
Logan	5	9		16
Playford	8	5		15
Rockhampton	4	5		10
Total	30	27	9	66

(a) Locational breakdown has been suppressed to preserve privacy of respondents

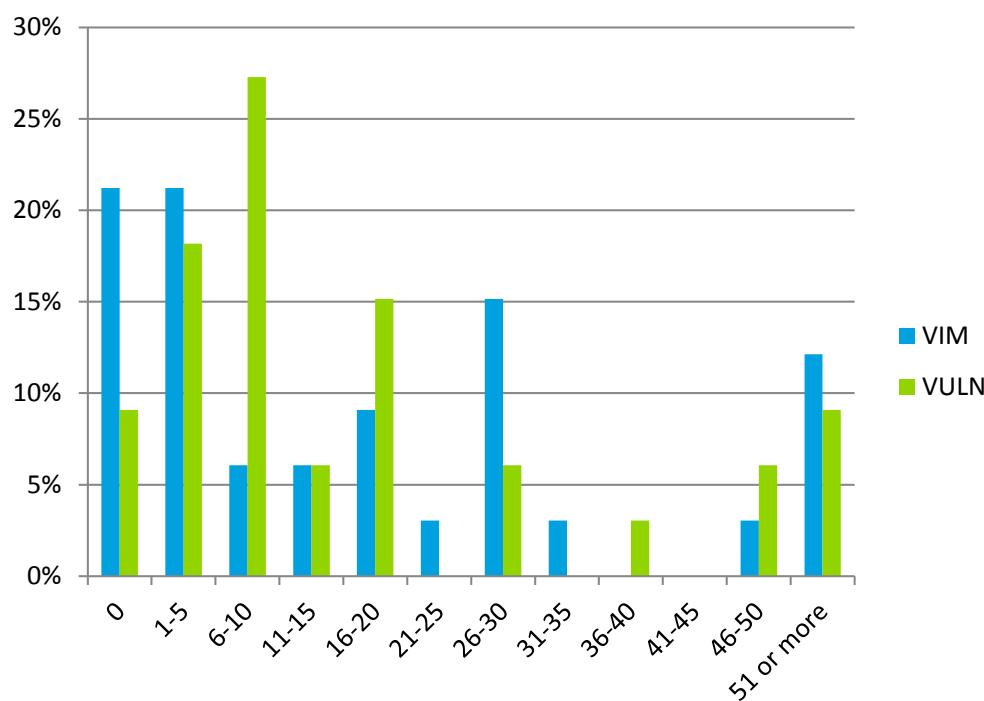
The survey was programmed into the DHS Information Technology (IT) Security approved platform Web Survey Creator. This approved platform did not permit use of free text, so the survey was edited to remove all free text response options and in place, suggested options were provided for participants to select.

¹⁶ Response rate is based on an estimated number of relevant staff (70 staff) provided by DHS during the piloting phase of the DHS survey. The estimate of staff included the following breakdown by roles: 40 Customer Service Officers, 20 Social Workers, 10 ZIMCO/IMCOs

3.3.1.2 Description of data collected

Customer Service Officers (CSOs) and Zone Income Management Coordinators (ZIMCOs) were asked whether they had conducted any allocation interviews (either initial or review) with any customers in the past year. The majority (84.6%) of CSOs or ZIMCOs reported they had conducted allocation interviews with VIM customers in the past year. Chart 3.28 shows that of those who had conducted allocation interviews, CSOs or ZIMCOs most commonly reported they had either not conducted any interviews for VIM customers (21.2%) (e.g. for 0 VIM customers) or they had conducted 1 to 5 interviews (21.2%). This was followed by 15.2% of CSOs or ZIMCOs who reported they had conducted 26-30 allocation interviews for VIM customers in the past year. For customers placed on VULN, CSOs or ZIMCOs most commonly (27.3%) reported conducting 6 to 10 allocation interviews in the past year, followed by 18.2% who had conducted 1 to 5 allocation interviews. No CSOs or ZIMCOs reported conduction allocation interviews for customers placed on CPIM.

Chart 3.28: Estimated number of allocation interviews conducted for customers placed on VIM and VULN in the past year



CSOs and ZIMCOs were presented with a list of options for the most common priorities for the allocation of income managed funds. In order of proportion of times selected, the most common priorities were:

- rent (29.5%),
- utilities (22.3%),
- food (15.2%),
- debts, including loan repayments (15.2%),
- whitegoods or household items (11.6%)
- other goods or services (3.6%), and

- clothing (2.7%).

From a list of 15 different services and programs that they might refer customers on IM to, CSOs and ZIMCOs were asked to select the top 3 most useful for customers on IM. Table 3.10 displays the ranking of the 3 most useful services or programs by each IM measure.

Table 3.10: Most useful services or programs for customer, by IM measure

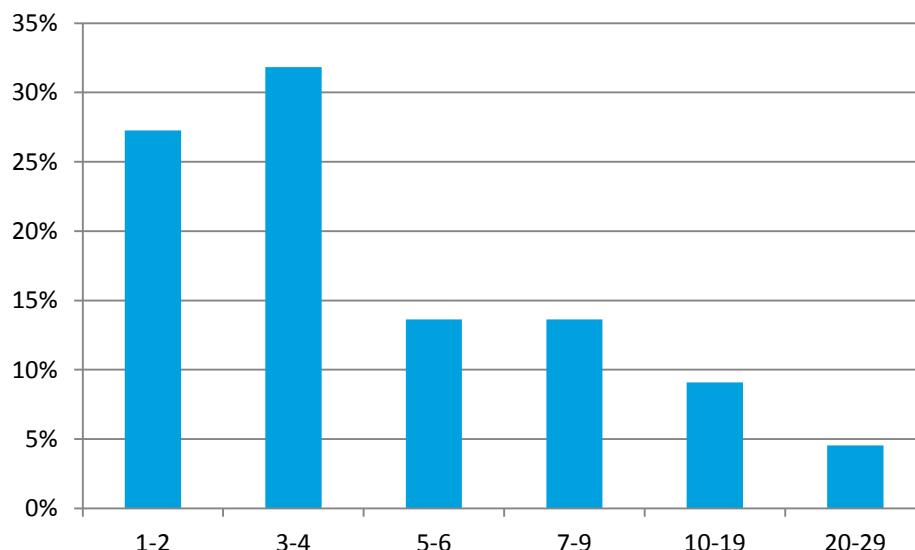
Rank	VIM	VULN	CPIM ^(a)
Most useful	Financial counselling (28.0%)	Social Work (DHS) (20.4%)	Financial counselling (10.9%)
2 nd most useful	Case Coordination (DHS) (20.0%)	Case Coordination (DHS) (19.4%)	Family support services (7.3%)
3 rd most useful	Social Work (DHS) (14.0%)	Financial counselling/ Money management courses (16.7%) ^(b)	Money management courses/ Housing or homelessness services (5.5%) ^(b)

(a) Note for CPIM customers, 54.6% of CSOs and ZIMCOs surveyed selected the option 'not applicable – I haven't worked with these customers'; (b) Services with equal ranking

VULN customers

Social Workers were asked whether they had assessed any customers for IM under the VULN measure in the past year. The majority (81.5%) of Social Workers who participated in the online survey had assessed customers for IM under the VULN measure. Chart 3.29 shows that of the Social Workers who had assessed customers, 32% reported they had assessed 3 to 4 customers in the past year, while only 5% of respondents had assessed over 20 customer for IM under the VULN measure in the past year.

Chart 3.29: Estimated number of customers assessed for VULN IM in the past year



The main reasons Social Workers decided to apply IM under the VULN measure included:

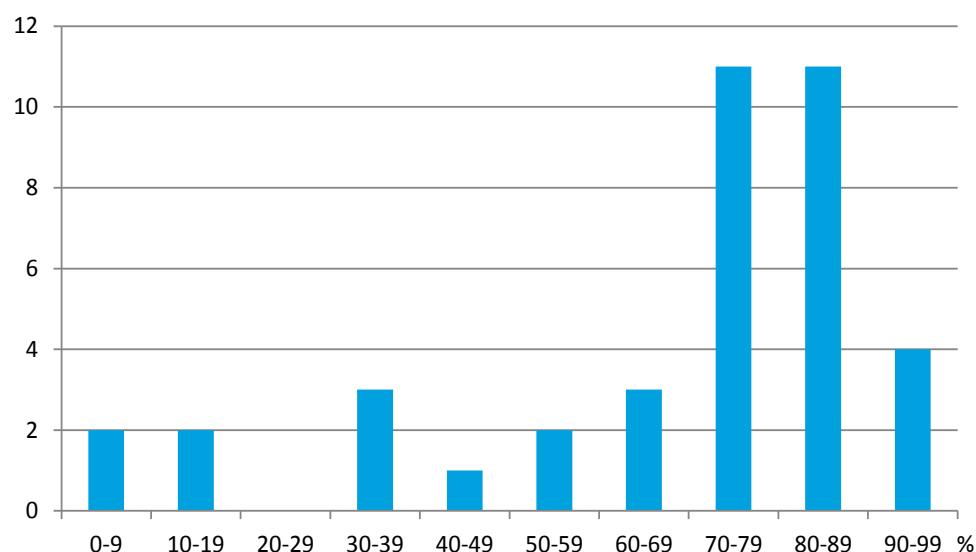
- homelessness or risk of homelessness (33.9%),
- financial hardship (28.5%),
- failure to undertake reasonable self-care (26.8%), and
- financial exploitation (10.7%).

BasicsCards and other payment methods

CSOs and ZIMCOs were asked to estimate what proportion of customer had chosen to use the BasicsCard. Almost a third of respondents estimated that either 70-79% or 80-89% (both 28.2% of staff responses) of customers had chosen to use the BasicsCard (Chart 3.30). Over half (56.4%) of the CSOs and ZIMCOs responded that customers had reported difficulties with using the BasicsCard. CSOs and ZIMCOs suggested that customers most often reported the following difficulties (in order of most often reported by staff):

- Not able to use the BasicsCard at local merchants they would normally purchase from (36.5%),
- Problems using merchants' BasicsCard facilities (21.2%),
- Feeling embarrassed or ashamed of using the BasicsCard (21.2%),
- Losing the BasicsCard (9.6%),
- Difficulty understanding how to use the BasicsCard (7.7%), and
- Difficulty in checking their balance on the BasicsCard (3.8%).

Chart 3.30: Estimated proportion of customers choosing to use the BasicsCard, number of staff responses by customer proportion



CSOs and ZIMCOs were also asked whether customers had reported issues with any of the other payment methods for income managed funds (e.g. direct debits, cheques, one-off payments). Just half (51.5%) of the CSOs and ZIMCOs surveyed suggested that customers had reported difficulties. CSOs and ZIMCOs suggested that customers most often reported

the following issues with other payment methods for income managed funds (in order of most often reported by staff):

- The money transfer does not occur quickly enough for customers to pay bills or for other items on time (34.3%),
- Timing (date) of money transfer is not convenient (25.7%),
- The process is not convenient for customers (20.0%),
- Customers can't use the fund to pay for desired (but not excluded) items (17.1%), and
- None of the above (preferred option not provided in suggested list in survey) (2.9%)

Referral process to financial counselling and money management courses

CSOs and ZIMCOs were asked to estimate the proportion of customers they had worked with who had taken up referrals to financial counselling and money management courses. Most (20.5%) staff reported that 50-59% of customers had chosen to take up referrals to financial counselling.

In relation to referrals to money management courses, almost a third (30.8%) of CSOs and ZIMCOs estimated that 0-9% of customers had taken up referrals to these courses.

CSOs and ZIMCOs were asked to report why they believed customers did not take up referrals to financial counselling or money management courses. The reasons included (in order of most often reported suggestion by staff):

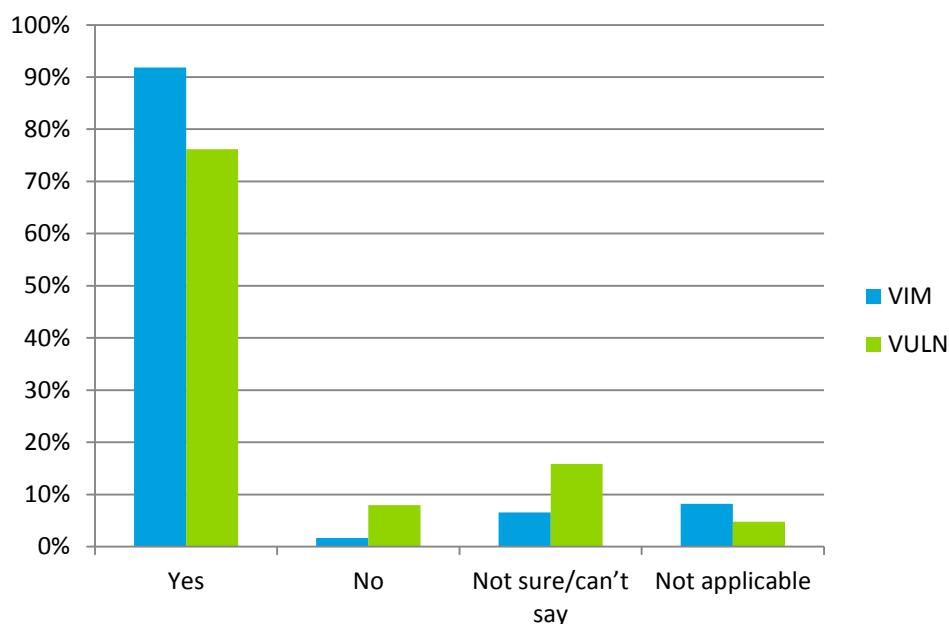
- Customers not interested (31.3%),
- Voluntary to attend so no commitment from the customer to attend (25.0%),
- Don't agree that they need to attend (20.0%),
- Don't understand the benefits of attending the course (16.3%), and
- Lack of understanding about the course (7.5%).

When asked to provide suggestions for ways to improve customer take up of financial counselling and money management courses, CSOs and ZIMCOs responded

- Co-location of services with DHS to improve access and communication about customers between DHS and services (38.5%),
- Provide DHS staff with targeted resources (e.g. brochures) to promote courses to customers (27.7%),
- Strengthen local referral pathways between DHS and course or service providers (23.1%), and
- Other, not mentioned above (preferred option not provided in suggested list in survey) (10.8%).

Impact of IM on customers

Social Workers, CSOs and ZIMCOs were asked whether they had seen positive impacts for customers who had been placed on VIM and VULN. Chart 3.31 shows the majority of staff reported they had seen positive impacts for VIM and VULN customers (91.8% and 76.2% staff reported 'yes' for each measure respectively).

Chart 3.31: Have staff seen positive impacts for customers placed on IM, by IM measure^(a)

Social Workers, CSOs and ZIMCOs who responded 'yes' they had seen positive impacts for customers were also asked to indicate what types of positive impacts they seen. For VIM customers, staff reported the following types of positive impacts (in order of most often reported):

- Improved financial stability (16.9%),
- Improved housing stability (16.9%),
- Improved ability to provide for self (such as ensuring money is available food) (15.8%),
- Has enabled customers to save money (13.3%),
- Improved ability to provide for children or dependents (11.5%),
- Avoidance of financial exploitation (10.4%),
- Reduced use of welfare or emergency payment services (9.4%), and
- Reduced expenditure on harmful goods or services (such as alcohol, tobacco, gambling or pornography) (6.5%).

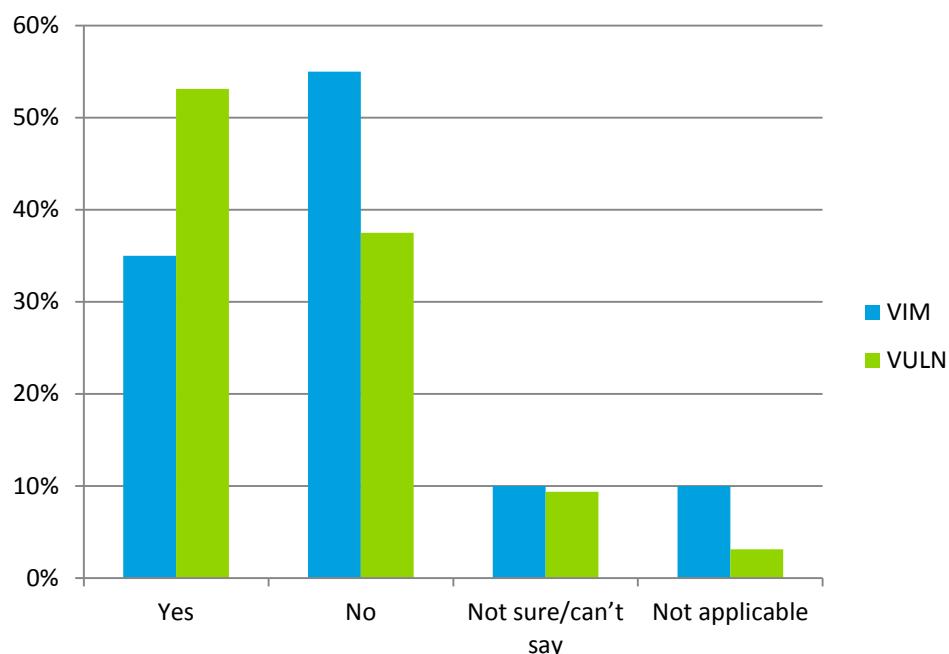
For VULN customers, staff reported the following types of positive impacts (in order of most often reported):

- Improved housing stability (19.6%),
- Improved ability to provide for self (such as ensuring money is available food) (17.2%),
- Improved financial stability (15.8%),
- Avoidance of financial exploitation (12.4%),
- Reduced expenditure on harmful goods or services (such as alcohol, tobacco, gambling or pornography) (10.0%),
- Improved ability to provide for children or dependents (9.1%),
- Reduced use of welfare or emergency payment services (9.1%), and

- Has enabled customers to save money (6.7%).

Social Workers, CSOs and ZIMCOs were also asked whether they had seen negative impacts for customers who had been placed on VIM and VULN. Chart 3.32 shows that approximately a third (35.0%) of respondents had seen negative impacts for VIM customers, and 51.2% of staff had seen negative impacts for VULN customer.

Chart 3.32: Have staff seen negative impacts for customers placed on IM, by IM measure^(a)



(a) Note that staff were able to select a fourth option 'Not applicable (I haven't worked with any customers on this IM measure)' in relation to each IM measure. Where staff selected 'not applicable', these results have not been included in the proportions as reported in the chart. The chart therefore only displays responses from staff who have worked with customers on each of the respective IM measures.

Social Workers, CSOs and ZIMCOs who responded 'yes' they had seen negative impacts for customers were also asked to indicate what types of negative impacts they seen. For VIM customers, staff reported the following types of negative impacts (in order of most often reported):

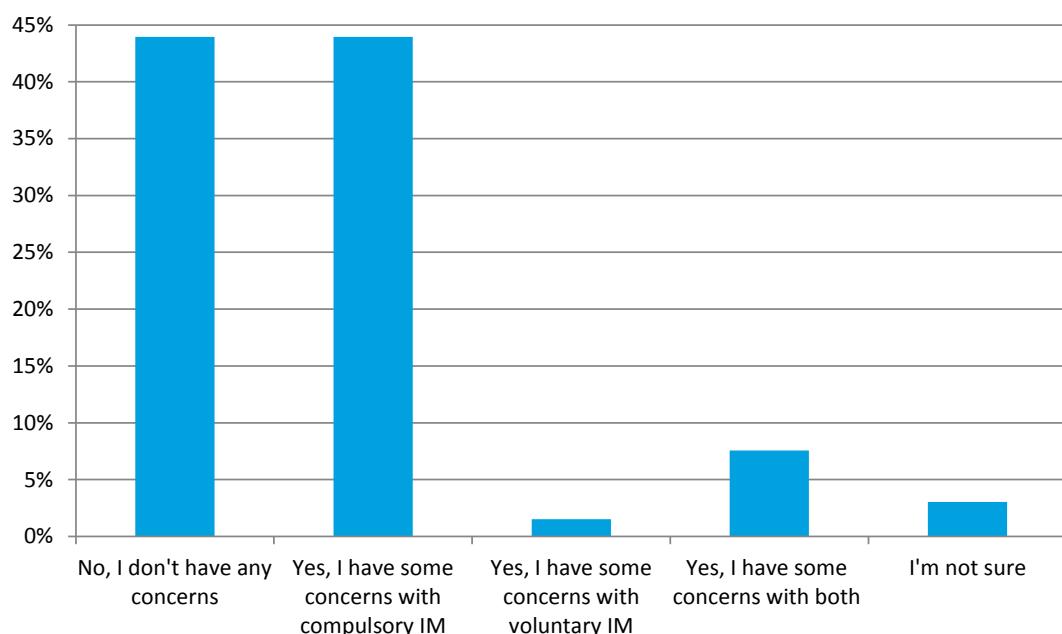
- The timing of the payment of allocated funds, or the use of direct debits, can cause customers to incur additional costs (30.8%),
- As the percentage of managed income cannot be varied, customers are unable to change the allocation of income support required for basic needs (25.6%),
- Other negative impacts that are not covered above (preferred option not provided in suggested list in survey) (17.9%),
- Income Management does not allow customers flexibility to pay their rent, utilities, or basic goods and services in a way that suits them best (12.8%),
- IM places a strain on the relationship between customers and DHS staff (7.7%), and
- I believe Income Management can encourage dependency among customers (5.1%).

For VULN customers, staff reported the following types of negative impacts (in order of most often reported):

- As the percentage of managed income cannot be varied, customers are unable to change the allocation of income support required for basic needs (25.0%),
- Income Management does not allow customers flexibility to pay their rent, utilities, or basic goods and services in a way that suits them best (20.0%),
- The timing of the payment of allocated funds, or the use of direct debits, can cause customers to incur additional costs (16.3%),
- IM places a strain on the relationship between customers and DHS staff (15.0%),
- Other negative impacts that are not covered above (preferred option not provided in suggested list in survey) (13.8%), and
- I believe Income Management can encourage dependency among customers (10.0%).

Social Workers, CSOs and ZIMCOs were asked whether they had any concerns about customers going on to IM, either compulsory or voluntary. An equal proportion of staff reported that their either did not have any concerns (43.9%) or they had some concerns with compulsory IM (this referred to VULN and CPIM, however it should be noted that CPIM has been implemented as a consent-based model in most jurisdictions) (43.9%) (Chart 3.33). When asked to indicate the nature of their concerns staff reported (in order of most reported):

- I believe IM may encourage dependency amongst customers (30.0%),
- Other not listed here (preferred option not provided in suggested list in survey) (23.3%),
- I believe customers will be less likely to disclose any issues to DHS social workers and customer service officers for fear of being placed on IM (20.0%),
- I believe that IM will not help customers to make long term changes in how they manage their money (16.7%), and
- I believe customers will face discrimination because of the stigma associated with IM (10.0%).

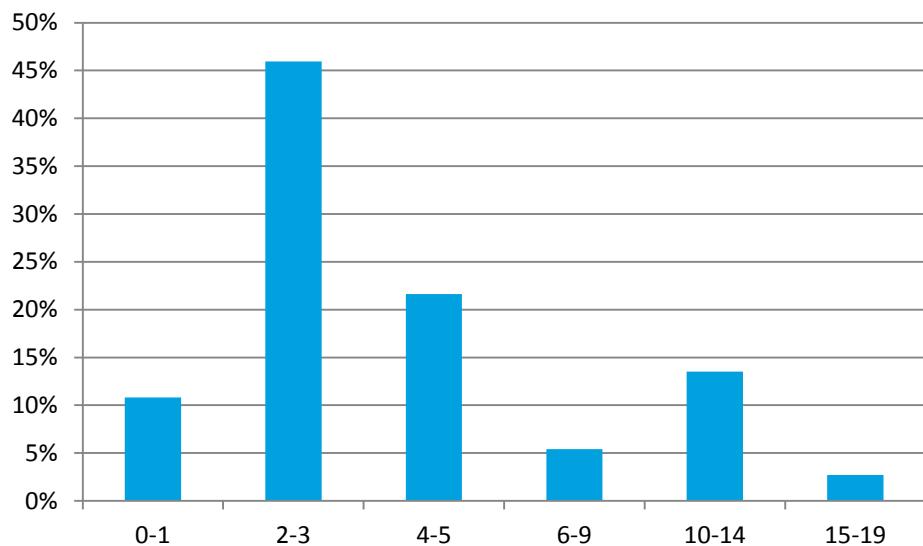
Chart 3.33: Proportion of staff with concerns about customers going on to IM

Staff and service perceptions of IM

CSOs and ZIMCOs were asked whether IM customers required more or less of their time (including both face to face and after contact work time) compared with other income support customers. Staff in some locations reported that IM customers took up a great deal more of their time while in other locations; this response was not as prevalent. Locations of staff have been suppressed to protect respondent privacy. No staff reported that IM customers required somewhat less, or a lot less time, than other customers.

CSOs and ZIMCOs who responded that IM customers took up some or a great deal more time were then asked to approximate how much additional time was for IM customers compared with income support customers per month. Just under half (45.9%) of respondents suggested IM customers required 2-3 additional hours per month (Chart 3.34).

Chart 3.34: Approximate of additional time required on average for IM customers compared with other income support customers, per month (hours)



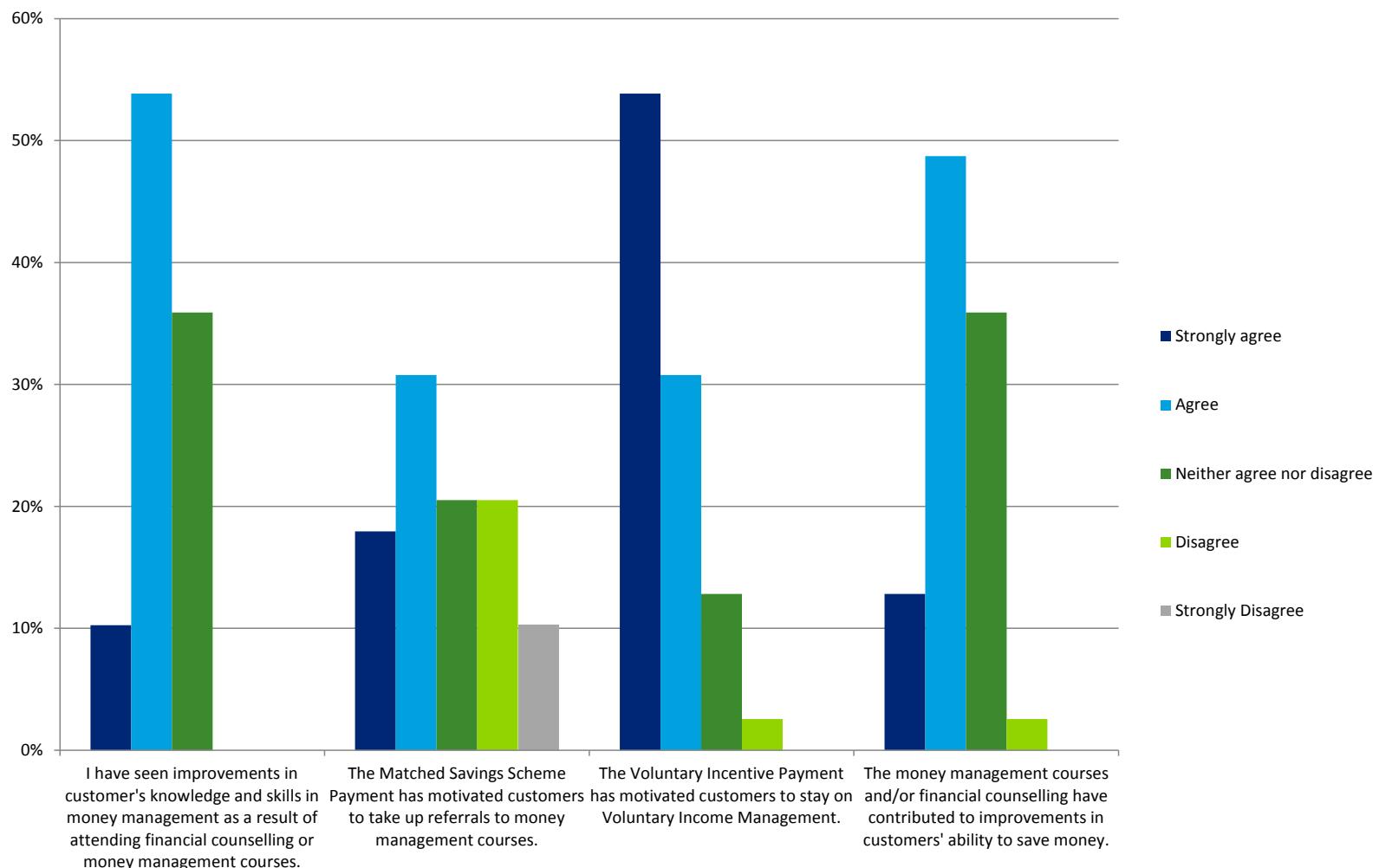
Almost half (48%) of the CSOs and ZIMCOS surveyed reported that they had experienced problems related to the administration of IM.

Staff who reported having experienced administrative issues were then asked to specify the types of IM administration problems they had experienced, staff most often reported that internal IM policies and procedures were difficult to implement in practice, and that the process and procedures of IM were time consuming (both making up almost two thirds of problems selected (30.6% each)). IT issues were selected the least, making up only 6.9% of problems.

CSOs and ZIMCOs were asked to select their agreement in response to a list of provided statements. Chart 3.35 shows the proportion of all ratings for each of the four statements. The following list presents the most often selected ratings in relation to each statement:

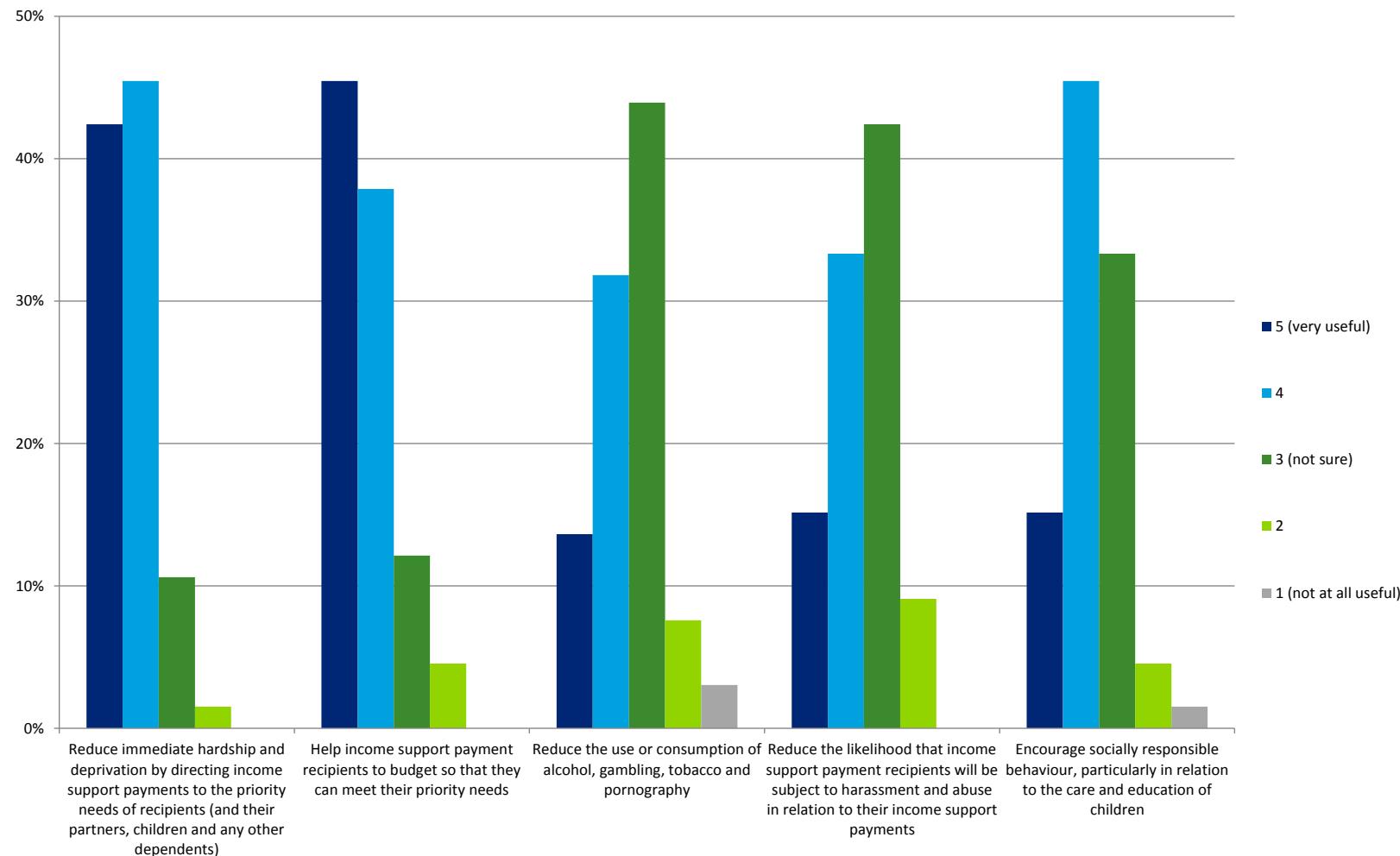
- *The Voluntary Incentive Payment has motivated customers to stay on Voluntary Income Management – strongly agree (53.9%).*
- *I have seen improvements in customer's knowledge and skills in money management as a result of attending financial counselling or money management courses – agree (53.9%).*
- *The money management courses and/or financial counselling have contributed to improvements in customers' ability to save money – agree (48.7%).*
- *The Matched Savings Scheme Payment has motivated customers to take up referrals to money management courses – agree (30.8%).*

Chart 3.35: Proportion of staff ratings of agreement with provided statements



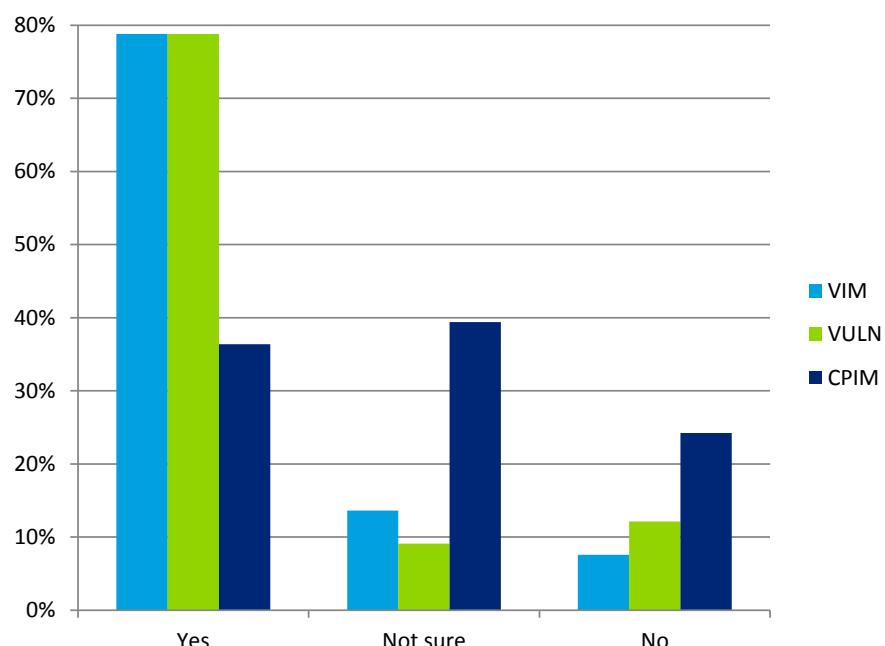
Social Workers, CSOs and ZIMCOs were asked to rate on a scale from 1 (not at all useful) to 5 (very useful) how useful they thought IM was as a tool (together with other support services such as financial counselling and money management courses) in assisting vulnerable people to achieve a selection of different outcomes. Chart 3.36 displays the proportion of all staff ratings for each of the five different outcomes. The following list presents the most often selected ratings in relation to each outcome:

- *Help welfare payment recipients to budget so that they can meet their priority needs – very useful (45.5%),*
- *Reduce immediate hardship and deprivation by directing welfare payments to the priority needs of recipients (and their partners, children and any other dependents) – useful (45.5%),*
- *Encourage socially responsible behaviour, particularly in relation to the care and education of children – useful (45.5%),*
- *Reduce the likelihood that welfare payment recipients will be subject to harassment and abuse in relation to their welfare payments – not sure (42.4%), and*
- *Reduce the use or consumption of alcohol, gambling, tobacco and pornography – not sure (43.9%).*

Chart 3.36: Proportion of staff ratings of how useful IM is as a tool in assisting vulnerable people achieve outcomes

Social Workers, CSOs and ZIMCOs were asked whether they believed that the current eligibility criteria for VIM, VULN, and CPIM targets income support recipients who are most likely to benefit from it. For this question, current VULN eligibility criteria refers to the additional VULN eligibility criteria, namely automatic youth triggers, introduced from 1 July 2013. Chart 3.37 shows the majority of staff believed that the eligibility criteria correctly targeted VIM and VULN customers (78.8% and 78.8% staff reported 'yes' for each measure respectively). In relation to CPIM, staff were less certain with 39.4% of respondents selecting they were not sure whether the eligibility criteria for CPIM correctly targeted income support recipients who were most likely to benefit from it.

Chart 3.37: Does the currently eligibility criteria for IM target income support recipients who are most likely to benefit from it, by IM measure^(a)



(a) Current VULN eligibility criteria refers to the additional VULN eligibility criteria, namely automatic youth triggers, introduced from 1 July 2013.

Social Workers, CSOs and ZIMCOs who responded 'no' or 'not sure' to whether they believed the current eligibility criteria correctly targeted income support recipients were also asked to suggest how the eligibility criteria could be adjusted. For VIM customers, staff reported the following adjustments could be made (in order of most often reported):

- Prioritise families with children who are having difficulties managing money (18.8%),
- Allow more flexibility in who can be eligible for IM (16.7%),
- Prioritise customers with significant intellectual disability who have difficulty caring for themselves or living independently (16.7%),
- Prioritise customers with significant mental illness who have difficulty caring for themselves or living independently (14.6%),
- Prioritise customers with a history of requesting urgent payments or different pay days (12.5%),

- Prioritise customers with significant drug and alcohol problems (10.4%),
- Prioritise customers with more than 2 years unemployment (6.3%), and
- Other, not listed above (preferred option not provided in suggested list in survey) (4.2%).

For VULN customers, staff reported the following adjustments could be made (in order of most often reported):

- Allow more flexibility in who can be eligible for IM (15.3%),
- Prioritise customers with significant mental illness who have difficulty caring for themselves or living independently (15.3%),
- Prioritise customers with more than 2 years unemployment (13.6%),
- Prioritise customers with significant drug and alcohol problems (13.6%),
- Prioritise families with children who are having difficulties managing money (13.6%),
- Prioritise customers with significant intellectual disability who have difficulty caring for themselves or living independently (11.9%),
- Prioritise customers with a history of requesting urgent payments or different pay days (10.2%), and
- Other, not listed above (preferred option not provided in suggested list in survey) (6.8%).

For CPIM customers, staff reported the following adjustments could be made (in order of most often reported):

- Allow more flexibility in who can be eligible for IM (18.6%),
- Other, not listed above (preferred option not provided in suggested list in survey) (16.5%),
- Prioritise customers with significant drug and alcohol problems (15.5%),
- Prioritise customers with a history of requesting urgent payments or different pay days (14.4%),
- Prioritise customers with significant mental illness who have difficulty caring for themselves or living independently (14.4%),
- Prioritise customers with significant intellectual disability who have difficulty caring for themselves or living independently (13.4%), and
- Prioritise customers with more than 2 years unemployment (7.2%).

3.3.2 Online survey of Financial Management Program Service (FMPS) staff

3.3.2.1 Key summary statistics

The FMPS was initially open from 23 September to 18 October 2013. Table 3.11 displays the breakdown of responses across the trial sites.

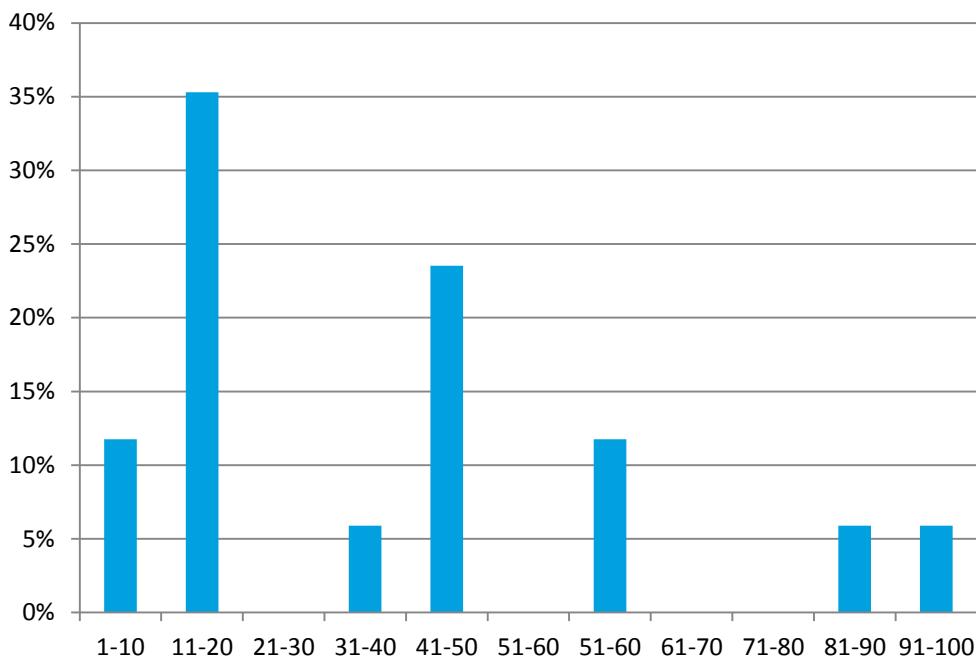
Table 3.11: FMPS survey responses by staff role and location

Current role	Financial Counsellor	Money Mngmnt Worker	Manager of an FMPS	Money Mngmnt Worker and Financial Counsellor	(role not specified)	Total
Bankstown						4
Logan						2
Playford						6
Rockhampton						2
Shepparton						6
Total	5	7	4	1	3	20

a Location by role have been suppressed to protect the privacy of respondents

3.3.2.2 Description of data collected

All FMPS staff who completed the survey reported their organisation had worked with customers who had been on IM. Money Management Workers and Financial Counsellors were asked to estimate how many customers they had worked with who had been on IM in the past year. Staff who reported being manager of an FMPS service provider were asked to estimate how many IM customers their service as a whole had worked with over the past year. Chart 3.38 shows that over a third (35.3%) of all staff reported they had worked with 11 to 20 customers in the past year.

Chart 3.38: Estimate of number of customers worked with on IM in the past year

Staff perceptions of customers on IM

Money Management Workers were asked to select from a list of provided options what had been the three most common knowledge or skill gaps for customers on IM that had been referred to them. The top four most often selected options (provided in order of most often selected) were:

- Understanding debt and how to manage it (28.6%, or 6 of a total of 21 selections made for this question¹⁷),
- Managing money from payday to payday to ensure essential living expenses are covered, e.g. food, rent, clothing, education, regular bills (28.6%),
- Planning and setting goals for items such as white goods, furniture, cars, boats and leisure goods (14.3%), Exercising their rights as consumers, know how to avoid exploitation when using their money and how to get better deals when making purchases (14.3%).
-

Financial Counsellors were asked to select from a list of provided options what had been the three most common types of financial needs they had responded to for customers on IM that had been referred to them. The top three most often selected options (provided in order of most often selected) were:

- Utility bills (33.3%),
- Personal loan debt (26.7%), and
- Credit card loan debt (20.0%).

¹⁷ Respondents were asked to select three options. There were 7 Money Management Workers who responded to this question, therefore 21 selections were made.

Financial Counsellors were also asked to select from a list of provided options what had been the three most common types of support they had provided to customer on IM who had been referred to them. The top four most often selected options (provided in order of most often selected) were:

- Negotiating repayment arrangements with creditors (26.7%),
- Identifying strategies for improving their financial situation (20.0%),
- Explaining their financial options and their consequences, including debt recovery (20.0%), and
- Helping them apply for a hardship variation (20.0%).

All FMPS staff were asked whether the customers they had worked with, understood what IM involved? Most staff (76.5%) reported that majority of their customer understood, with the remaining staff (23.5%) reporting that some customers had understood what IM involved.

Impact of IM on customers

Financial Counsellors and Money Management Workers were asked whether they had seen positive or negative impacts for customers they had worked with on VIM, VULN and CPIM measures. Table 3.12 shows that all staff (100%) reported they had seen positive impacts for VIM customers, while only 61.5% of staff had seen positive impacts for VULN/CPIM customers. In terms of negative impacts, 15.4% of all staff reported they has seen negative impacts for VIM customers, while 20.0% of staff reported they had seen negative impacts for VULN/CPIM customers.

Table 3.12: Proportion of staff reporting positive and negative impacts for customers, by IM measure (%)

Response	VIM	VULN/CPIM^(a)	VIM	VULN/CPIM^(a)
	Positive		Negative	
Yes	100	61.5	15.4	20.0
Not sure	-	15.4	15.4	30.0
No	-	-	69.2	50.0
Not applicable	-	23.1	-	-
Total	100	100	100	100

(a) This information was not provided for VULN and CPIM individually

Staff who responded they had seen positive or negative impacts for customers on IM were asked to indicate what types of impacts they had seen. In relation to positive impacts for customers on VIM, the following key responses were provided by staff:

Customers are indicating to me that they now feel far more in control of their finances and that their stress levels are much lower. I have many customers who are on Voluntary Income Management recommending that their friends go on Income Management. (Financial Counsellor)

I have seen people go from being in a state of extreme stress and behind on everything, to being ahead on their bill payments and enjoying life, with money for emergencies when they happen. (Financial Counsellor)

Customer who made use of a service was able to arrange a regular payment to ensure that she was able to access the service in the future. Also, by using the basics card she was able to have an ability to buy food as in the past, sometimes family members accessed her funds leaving her with no food money. (Financial Counsellor)

In relation to positive impacts for customers on VULN and CPIM, the following responses were provided by staff:

Again customers feeling that they have more control. A benefit I have seen is that customers that are hard to get to engage with are now engaging with good results. (Money Management Worker)

Customers engaging in the Financial literacy workshops and learning how to use a budget and how to understand banking and credit. And how important it is for them to ask questions about finances and financial arrangements. (Financial Counsellor)

Greater awareness of their financial situation, and through accessing this service learnt budgeting skills. (Financial Counsellor)

In relation to negative impacts for customers on VIM, the following responses were provided by staff:

One paying the bills at expense of food and medication. She asked for it to be set up that way against everyone else's input. A mother being unable to access her Income Management Kitty in order for the kids to participate in school holiday activities like the pool and the movies. (Money Management Worker)

(Not) wanting the help as everything is being taken care of, not thinking about what will happen when Income Management is gone. (Money Management Worker)

In relation to negative impacts for customers on VULN and CPIM, the following response were provided by staff:

Some had no choice to be on Income Management, and some feel they should be entitled to the bonus the same as voluntary (Money Management Worker).

Financial Counsellors and Money Management Workers were asked whether there had been any particular issues that customers on IM present with that were different to other customers. Most staff (53.8%) responded that there were not any particular issues that IM customers had presented with that were different to other customers. Staff who responded

that 'yes' (30.8%) IM customers did present with different issues compared to other customers, indicated that IM customer presented with the following issues:

Often have greater needs compared to other customers, often have underlying issues, often have rentals that are taking a substantial part of their limited income, often long-term [DHS] Centrelink customers, or likely to be on [DHS] Centrelink for the near-middle future. (Financial Counsellor)

Voluntary Income Management customers tend to have utility & phone related debt as well as rent to buy liabilities. The Vulnerable Income Management customers seen to date appear to manage their income responsibly, but don't have enough i.e. minimal wages, high costs i.e. transport, fuel etc. (Money Management Worker)

Voluntary mostly become income managed because they have fallen behind on their debts and need financial assistance. They are older or from vulnerable groups and have had IM introduced by someone. (Money Management Worker)

Financial Counsellors and Money Management Workers were asked how easy or difficult IM customers had been to engage compared with other customers. Most staff (53.8%) responded that IM customers were 'about the same' in terms of ease or difficulty of engagement compared with other customers. Staff who responded that IM customers were somewhat more difficult (15.4%) or much more difficult (7.7%) to engage than other customers, indicated that this was because:

Customers on Voluntary Income Management are fine. Customers on Vulnerable Income Management have been referred by [DHS] Centrelink, however as yet none of them have attended scheduled appointments. They seem to be angry that they have been placed on Income Management and thus far we have been unable to organise a time to discuss this matter with them more fully. (Quotation from Money Management Worker who reported IM customers as 'much more difficult to engage').

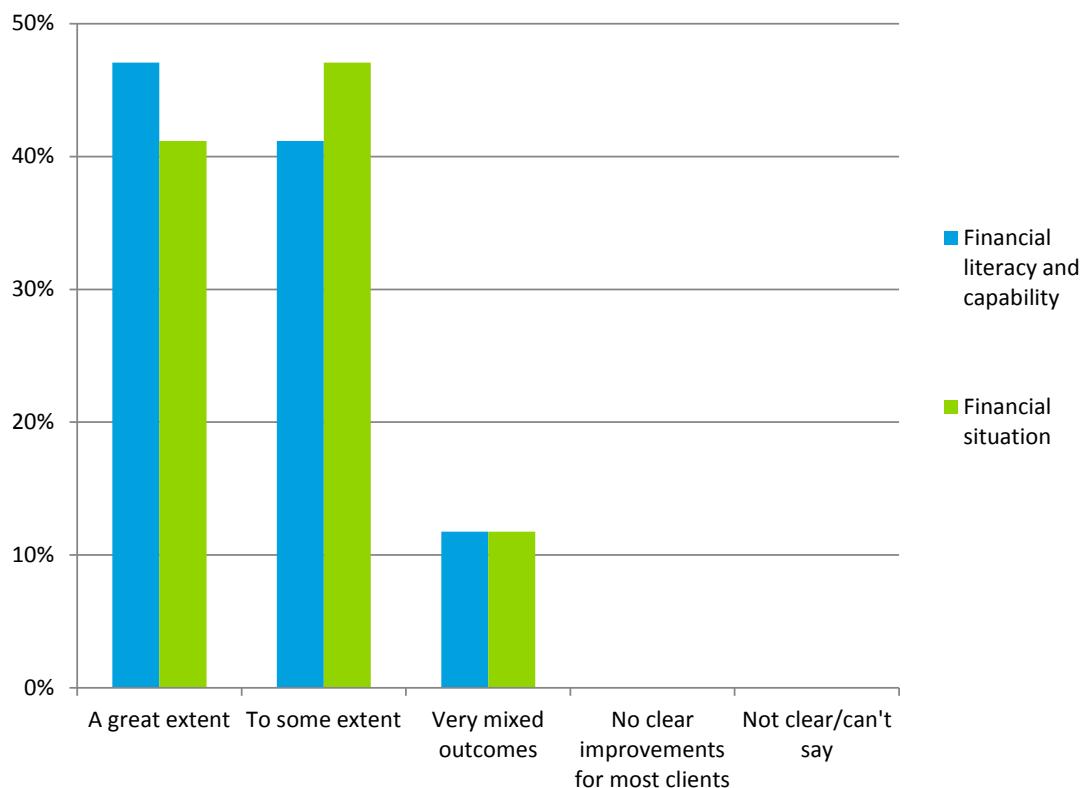
Voluntary participants are generally the same to engage as any other appointment. However those on vulnerable or child protection measure are less keen to participate unless it is mandatory. (Money Management Worker)

Because they think everything is sorted now that they are on Income Management, not thinking about the future and not wanting to learn for them self since Income Management is doing it for them. (Money Management Worker).

All FMPS staff were asked to consider to what extent the financial counselling or money management courses provided to IM customers have improved their financial literacy and capability, and financial situation. Most staff (47.1%) reported that financial counselling and money management courses had improved customers' financial literacy and capability to a great extent. In relation to customers' financial situation, staff most often (47.1%) reported

that financial counselling or money management had improved customer's financial outcome to some extent.

Chart 3.39: To what extent have financial counselling or money management courses provided to IM customer improved their financial outcomes, by outcome



Referral process to financial counselling and money management courses

All FMPS staff were asked whether they thought any changes could be made to the referral process for customers on IM to improve the take up of financial counselling or money management services. An equal proportion of staff reported that they did think changes could be made (47.1%) or they were not sure (47.1%). Staff who responded that 'yes' they did think changes could be made were also asked to describe what changes could be made to improve take up. Improvement of the referral processes between DHS and FMPS staff was the most common theme, highlighted by the following staff suggestions:

It is about being informed. Despite our best efforts many [DHS] Centrelink staff who are in the position to refer do so without adequate understanding of the services we offer. Therefore the referral falls over before we had a proper chance. (Manager of an FMPS service provider)

Make sure the customers wants to have our services, a lot of the referrals have not wanted our services after they have met with [DHS] Centrelink and have said to them that they want the services but when we get in contact with them they don't want the services. I feel that the customer is only saying "yes" to make [DHS] Centrelink happy. (Money Management Worker)

Our program has been able to work well with local [DHS] Centrelink offices and we have had a referral wait list for much of 2013 due to good referrals. The system that is used for sending through referrals could be improved to enable [DHS] Centrelink to communicate the main areas of need in their referral and to enable our staff to provide information back to [DHS] Centrelink if the referral was not accepted (usually because the customer no longer wants the service) or to enable us to indicate that we have accepted the referral, rather than date of first customer appointment. In some cases we can spend a number of weeks attempting to connect with a customer before we are successful. (Money Management Worker)

Staff and service provide perception of IM

All FMPS staff were asked whether they felt their service has been adequately informed about the processes and requirements of IM to enable their staff to provide quality service to their IM customers. All but one staff member who responded to the FMPS survey reported that their service had been adequately informed. This FMPS participant suggested that 'more communication' could have improved the way that information about IM was provided to their organisation.

All FMPS staff were asked whether they had any other comments to make about IM referrals. The following quotations are a subset of the responses provided by FMPS staff:

I think Income Management is a very good option for people who need extra help to manage their budget. It may not be perfect as everyone's life style is different but it could help a lot. (Financial Counsellor)

The age old question of how to engage with people that don't even know that they need to engage. My experience shows me that once a customer engages they then find out how we are able to assist them to be more knowledgeable and in control of their own future. (Financial Counsellor)

The [online customer appointment administration system] has an option for attended appointment that will then remove the listing from the listing but I believe it could also benefit from an option of 'Not Interested' where you could enter a final date and possible comment. There are many (customers), especially of late, that have accepted referral but state they are not interested once we are able to get in contact with them or do not respond to repeated calls and text messages and are non-responsive. (Manager of an FMPS service provider)

We have had [DHS] Centrelink customers referred through to our service who are not yet on Income Management yet, who, through working with our MM workers, make the decision to sign up for VIM and are very happy with their decision. This process of referrals back to [DHS] Centrelink has worked well by enabling customers to gain a deeper understanding of the positives of Income Management and how it can benefit them in managing their financial situation. (Manager of an FMPS service provider)

3.3.3 Online survey of BasicsCard merchants

3.3.3.1 Key summary statistics

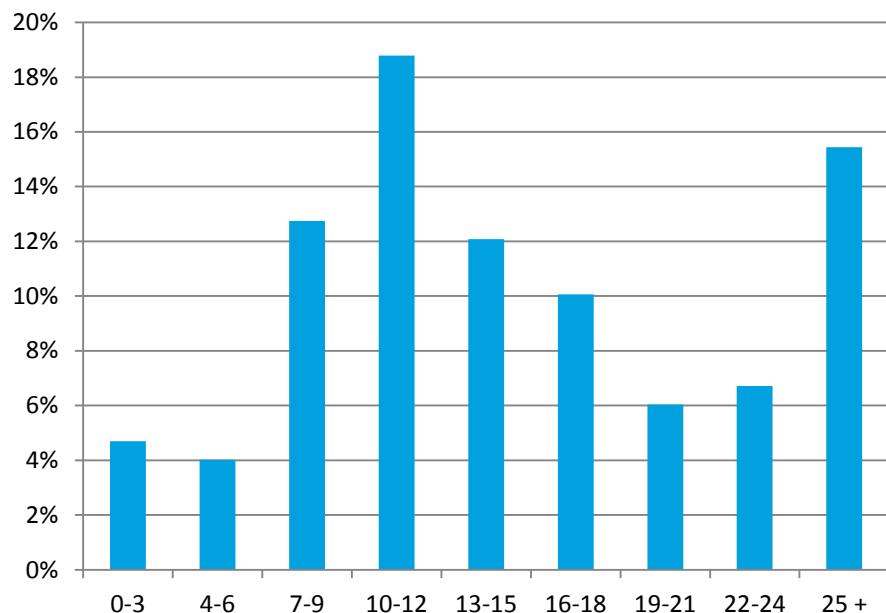
An email containing a link to the online survey was distributed to a sample of 534 merchants across Australia (the sample of merchants was provided by DSS). The merchants were contacted via email addresses provided by DSS. Subsequent reminder emails were also sent to encourage participation. Targeted emails were sent to parent companies Woolworths Limited, Wesfarmers (Coles group), or Best and Less to invite them to participate, due to the relatively large volume of BasicsCard customers they and their subsidiaries would have had contact with.

The survey was fielded from 23 September to 25 October 2013.

3.3.3.2 Description of data collected

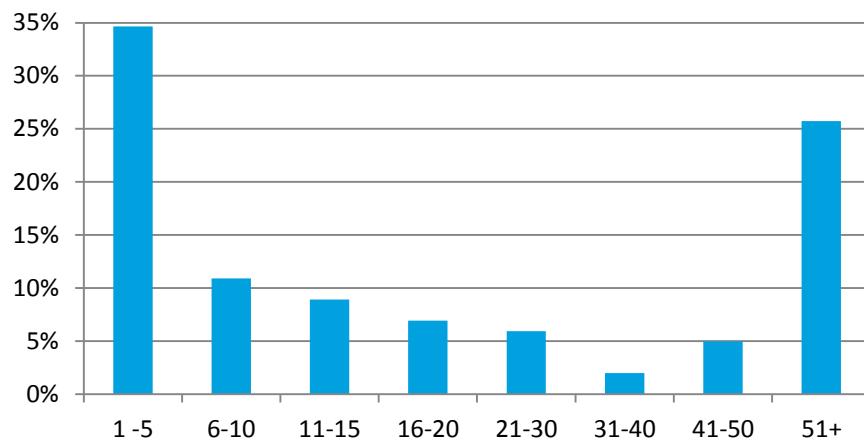
BasicsCard merchants were asked how long BasicsCard facilities had been accessible in their stores. Chart 3.40 shows that most merchants (18.8%) had had BasicsCard facilities accessible in their stores for 10 to 12 months.

Chart 3.40: How long BasicsCard facilities have been accessible in merchants' store, by month



BasicsCard merchants were asked whether any customers had ever used the BasicsCard to purchase good or service from their stores. Approximately two thirds (66.4%) of merchants responded that customers had used the BasicsCard in their stores, while 28.3% responded 'no'. Merchants that did recall having customers use the BasicsCard in their stores were then asked to estimate how many customers had purchased goods or service using the BasicsCard in the past year. Chart 3.41 shows that 34.7% of merchants estimated that 1 to 5 customers had purchased good or services using the BasicsCard from their store in the past year.

Chart 3.41: Merchant's estimates of number of customer using BasicsCard in their store in the past year



BasicsCard merchants were asked whether any of the BasicsCard customers in their stores were also new customers to their store. Merchants most commonly (42.4%) responded that BasicsCard customers were not new customers to their store, while another 38.4% of merchants responded 'hard to tell/can't say'. Merchants that responded 'yes' (19.2%) were also asked to estimate what proportion of customers were also new customers to their store. Half (50%) of the merchants that responded suggested that all customers (100%) who used the BasicsCard in their store were also new customers.

BasicsCard merchants were asked whether they noticed any changes in the types of goods or services that are being purchased from your store since the introduction of the BasicsCard. The majority (76.3%) of respondents suggested that they had not noticed any changes in the types of goods or services being purchased. Only 3.9% of BasicsCard merchants reported that they had noticed changes in the types of good or services being purchased. The merchants that responded 'yes', described the following types of changes that they had noticed:

decrease in cigarettes and tobacco sales (supermarket)

food items, such as fresh meat and bread is purchased more regular, drinks, phones and credits as well as school lunches (petrol station)

more coffees and healthy foods (convenience store)

more country people that are here for hospital come in store and use facilities (discount department store)

more good food rather than tobacco (supermarket)

BasicsCard merchants were asked whether there was anything different about the way they dealt with BasicsCard customers, compared with regular customers. Most participants (78.8%) specified 'no', there was nothing different about their treatment of BasicsCard customers. The 17.2% of merchants who specified 'yes' were also asked to comment on what ways they treated BasicsCard customers differently. Most responses involved

merchants monitoring whether BasicsCard customers had purchased alcohol or tobacco products, and also that they had kept a duplicate copy of BasicsCard customers' receipt for record keeping.

No purchase of cigarettes and alcohol products, staff managing this has been tough and some slip through. We do our best but deception by customers can be an issue (Supermarket)

We have 1 Basics card customer a new arrival in the community. The difference we advised her what could not be purchased (Petrol station)

You have to monitor what they buy i.e. not letting customers buy cigarettes. We also have to do duplicate copies and receipts separate and file separate (Supermarket)

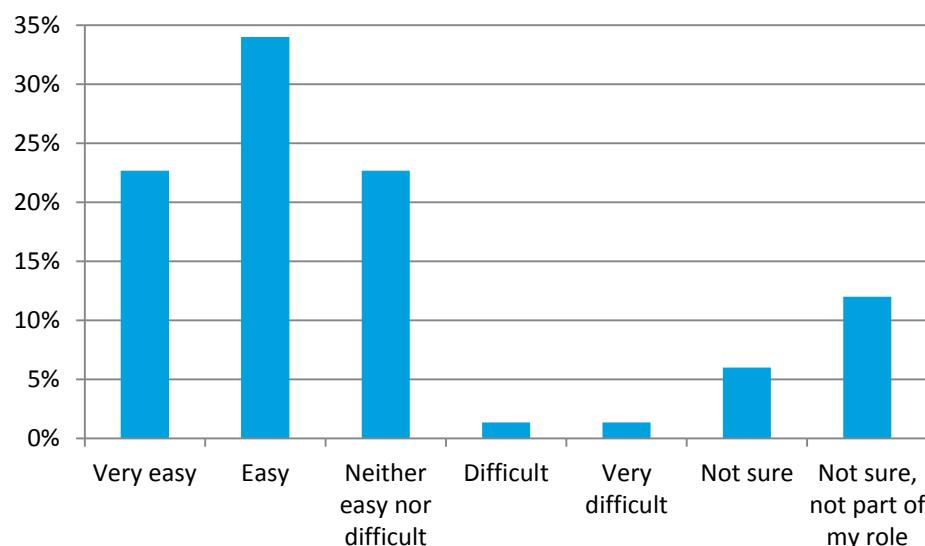
When asked whether they thought customers experienced any shame or embarrassment when using the BasicsCard to make purchases, the majority (76.8%) of respondents suggested 'no', while 16.2% were 'not sure', and a further 7.1% of merchant thought customers did experience shame or embarrassment.

BasicsCard System

BasicsCard merchants were asked a series of questions to inform understanding of how effectively the BasicsCard system had been administered and implemented, and the costs to merchants associated with adopting the BasicsCard.

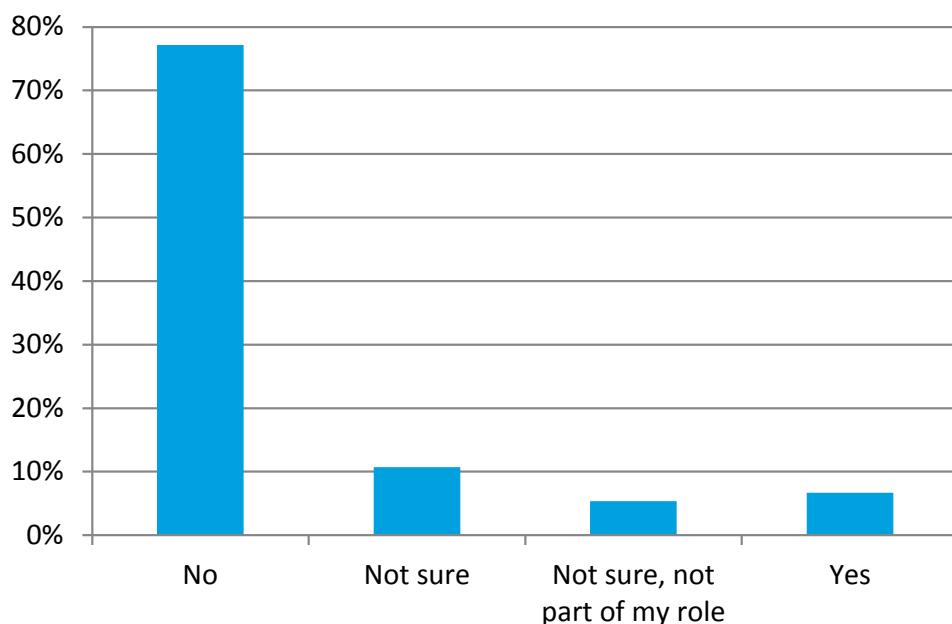
When asked to describe the process for applying to be a BasicsCard merchant, most merchants (56.7%) reported that the process was very easy or easy, while only 2.6% believed it was difficult or very difficult (Chart 3.42).

Chart 3.42: Merchant description of the process of applying to be a BasicsCard merchant



Merchants were also asked to describe whether they had any difficulties using the BasicsCard facilities. Chart 3.43 shows the majority of merchants (77.2%) did not experience any difficulties using the BasicsCard facilities, while only 6.7% of merchants reported they had experienced difficulties. Merchants who reported they had experienced difficulties using the BasicsCard facilities were asked whether support was available to them when they experienced difficulties. Half of the merchants (50.0%) reported support was available most of the time, while 30.0% of merchants reported that support was not at all available.

Chart 3.43: Merchant experience of any difficulties using the BasicsCard facilities



Merchants who reported they had experienced difficulties using the BasicsCard facilities were then asked to describe some of the difficulties they had experienced. The most commonly reported difficulties were in relation to issues with the BasicsCard; this is highlighted by the following comments from merchants:

Card didn't work with two separate customers (Hair and Beauty product retailer)

Card was not activated properly (Footwear)

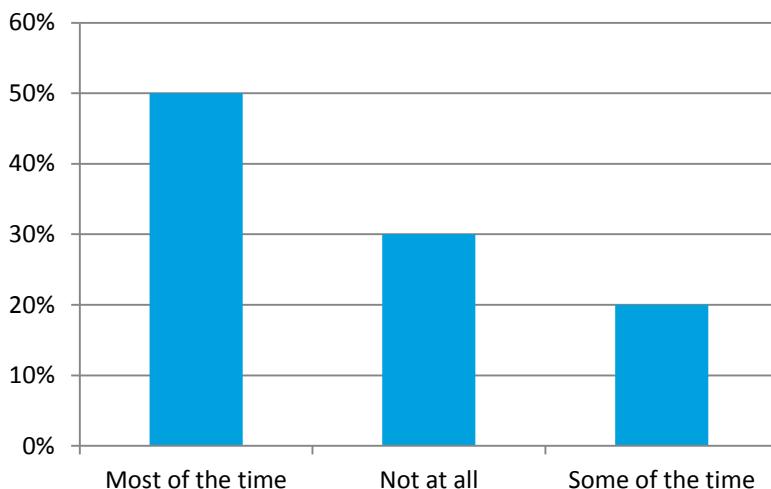
Card would not process (Clothing store)

Cards being rejected (Pharmacy)

Eliminating the sale of tobacco products, some customers attempt to cover the card to swipe it as our system is totally customer use (Supermarket)

Merchants who reported they had experienced difficulties using the BasicsCard facilities were asked whether support was available to them when they experienced difficulties. Most merchants (50.0%) reported support was available most of the time, while 30.0% of merchants reported that support was not at all available (Chart 3.44).

Chart 3.44: Merchant perception of whether support was available to them when they experienced difficulties using the BasicsCard facilities



Merchants were asked whether BasicsCard customers had reported any difficulties with using the card. The majority (81.8%) of respondents suggested ‘no’, while 8.1% reported they were ‘not sure’. A further 10.1% of merchants suggested that ‘yes’ customers had reported difficulties with using the card. Merchants who responded ‘yes’ were then asked to select from a provided list the types of difficulties customers had reported. The difficulties were (in order of most often selected):

- Problems using BasicsCard facilities (28.6% of merchants selected this option),
- Not able to use the BasicsCard at local merchants they would normally purchase from (21.4%),
- Don’t know their BasicsCard balance or how to check it (21.4%),
- Feeling embarrassed or ashamed of using the BasicsCard (21.4%), and
- Other (7.1%).

Merchants were asked to estimate the cost (in Australian dollars) of activities related to having the BasicsCard system in their stores. In response to whether there was a cost involved in purchasing BasicsCard equipment, most merchants (67.8%) responded that there was no cost involved in purchasing equipment, while 25.9% reported they were not sure what the cost was. Only 6.3% of merchants provided a dollar value in response to the costs of purchasing BasicsCard equipment; these estimations ranged from \$5 to \$500. A number of merchants reported that the BasicsCard system did not cost them anything because:

Existing EFTPOS was already available

Equipment already installed and

We use existing equipment

In response to whether there was a cost involved in any time required to train staff how to use the BasicsCard equipment (including salaries and on-costs), most merchants (49.7%)

reported there were no costs involved, while 28.7% reported they were not sure. A further 9.1% of merchants reported ‘not applicable’. Merchants who reported there was a cost involved (12.6%) estimated costs ranging from \$10 to \$2000.

Merchants were asked whether BasicsCard transactions required more time than other payment methods such as EFTPOS. When asked to estimate any costs of additional time required for single purchases or transaction, merchants most often (60.1%) responded there were no additional costs, while 35.7% reported they were not sure whether there were any additional costs. A further 4.2% of merchants reported there were additional costs associated with BasicsCard transactions, but most of these merchants reported the cost was less than \$1.

3.4 Stakeholder interviews and focus groups

As noted in Chapter 1.2, site visits were conducted at each of the PBIM trial sites throughout November and December, 2012. The site visits were designed to explore how IM was being implemented and potential barriers that may exist to referring customers to IM. Data collection included:

- two focus groups with DHS staff at each site (section 3.4.1);
- a focus group with child protection staff (either on site if it could be scheduled on the same day as the DHS focus group, otherwise conducted via teleconference) (section 3.4.3); and
- telephone interviews with housing authority representatives in NSW and SA (section 3.4.2).

Findings are presented by each data collection source and according to the questions asked at each focus group or interview.

3.4.1 Focus groups with DHS staff

DHS staff who had some experience of IM were invited to the focus groups. A broad mix of staff attended, including:

- Customer service officers (CSOs);
- Social workers;
- Income Management Coordinators (IMCOS);
- Community engagement officers; and
- Government Action Leaders (GALs).

Sites were asked to include both staff who had, and who had not referred customers to IM in the focus groups, so that barriers to referral could be explored more fully.

Zone Income Management Coordinators (ZIMCOs) assisted in coordinating the focus groups, though they did not attend the focus groups, as it was thought that staff may speak more freely without a potential advocate for IM being present.

Questions were approved by DSS, and were also sent to site ZIMCOs to obtain any input on site specific issues which were worthy of exploration. Findings have been distilled from

across the trial sites, and only where the themes or experiences were clearly divergent have specific sites been mentioned.

As most DHS staff had not had much contact with customers on CPIM (there was only one customer on CPIM at the time of the site visits), most of the discussion about staff views or experiences related to VIM and VULN.

Voluntary Income Management (VIM)

The majority of DHS staff felt that VIM would or was already proving to be a very useful tool for the majority of customers who have been placed on it. Some of the usefulness of VIM was seen to be its ability to assist customers to learn to budget and to plan ahead financially, over longer than a two week period. It was also noted that VIM had already assisted customers to save money, in some cases where the customer had never been able to save before. Some customers expressed surprise at their ability to save whilst on VIM, which appears to have occurred primarily through funds accruing on the BasicsCard. It was thought the Voluntary Incentive Payment (VIP) (\$250 provided to customers as part of income managed funds after 26 weeks on VIM) would also assist customers to build their savings, though no customers had yet received this payment.

It was suggested that VIM may be especially useful for older customers who may be forgetful about paying bills, or who due to the death of a partner may be suddenly responsible for paying bills of which they had no prior experience.

In addition, VIM was thought to be useful for young people, particularly those leaving OOHC, who had been living away from home, or who had not been exposed to parents or adults who demonstrated effective money management skills.

The process of building a budget with VIM customers, including reviewing their bills and other expenditure had also led to DHS staff being able to identify where customers were paying too much for rent or utilities and assisting customers to reduce these costs. Budget building also led to an increase in trust and rapport between DHS staff and the customers, which in some cases led to the customer visiting the DHS staff member who had undertaken their initial allocation interview each time they returned to the DHS Office.

There were some concerns amongst DHS staff that VIM could increase the dependency of customers on DHS, and that for it to be effective and empowering for the customer it needed to be combined with other interventions such as Financial Counselling and Case Coordination. Additionally the view was expressed that VIM should be used as a short term measure rather than something which is applied indefinitely, to ensure that dependency did not occur.

Vulnerable Income Management (VULN)

The views of DHS staff about VULN were more diverse than for VIM, though many staff had not had much experience with the VULN measure so far. DHS social workers' views about VULN were particularly ambivalent, with some feeling that it conflicted with their professional principles.

However, it was generally accepted by DHS staff that there were cases in which VULN could assist customers to stabilise their lives. A number of staff noted that VULN may represent a useful first step for customers with Intellectual Disabilities or severe mental illness prior to being placed under guardianship of the state trustee. Additionally a number of DHS staff had seen positive outcomes for VULN customers. For example the VULN measure had enabled a father with two children to move from a caravan into public housing and to purchase birthday presents for his children for the first time. The customer remained opposed to being on VULN however, as he could not spend his money as he liked, though it was noted that the gains for his children could not have been made without the VULN measure.

A number of staff commented that the VULN measure was there for customers who were unable to ensure their own wellbeing, due to issues such as severe mental illness or drug and alcohol dependency, and for customers who had repeatedly failed to respond to other voluntary interventions.

It was noted that the “Say No” campaigns which were run in at least two of the trial sites had made some staff especially cautious about applying VIM or VULN, and anxious about discussing the measures with customers, particularly as the measures themselves were acknowledged to be complex. A number of staff noted that there remained a stigma associated with IM as a result of the Northern Territory Emergency Response (NTER) intervention, even though it was acknowledged that the PBIM measures had evolved from the versions of IM applied in the Northern Territory (NT). The impacts of local campaigns and media on customers and the community are covered further in Section 3.4.1.1.

3.4.1.1 How have customers reacted when the issue of IM is raised?

Influence of media and “Say No” community campaign

Across all sites staff spoke about misleading talk in the community and misleading information being aired through media channels. In Bankstown and Playford staff noted the effects of an organised local “Say No” campaigns, politicisation and media stories on television shows such as *Today Tonight* had created considerable anxiety and trepidation amongst DHS customers, particularly Indigenous customers. A number of DHS staff recalled that Indigenous customers had come into DHS to ask when they were going to get their “green card”.

Much of the information aired through both media reports and the local campaigns was noted to be factually incorrect, and this had meant that both DHS community engagement staff (such as ZIMCOs and Indigenous engagement officers) and DHS CSOs had had to expend some effort in carefully explaining how the IM measures worked, both to customers and other NGOs or community groups involved in the campaign. The local campaigns had been very active in Bankstown and Shepparton in particular, and it was clear that not only had campaigns created some anxiety amongst customers, they had also created some anxiety and ambivalence amongst DHS staff in these locations about discussing IM with customers.

It was noted at a number of sites that there was a lack of Departmentally sanctioned communication or information material on PBIM measures prior to its introduction on 1 July, 2012, and that this vacuum had enabled the community campaigns to gain a greater

foothold. Some DHS staff had felt stymied in efforts to respond to the community campaigns due to a lack of available communication or information products on PBIM. A number of DHS staff were critical about this aspect of the implementation of PBIM. One staff member noted that the community campaigns had led to a lot of unnecessary anxiety and distress amongst the local Indigenous community about PBIM, which had done some damage to the previously positive relationship between DHS and the community. It was noted by a number of staff that some of the misinformation and anxiety which had resulted from the campaigns could have been avoided had the Department led and facilitated more proactive communication on PBIM to the community prior to its introduction.

It was also noted that due to the community campaigns many NGOs were still not providing information to customers on VIM.

At most sites, staff considered that the community campaigns were losing steam now that the IM measures were in effect, and it had become clear that Indigenous customers were not being targeted and that compulsory IM was only being applied after careful consideration of a customers' financial vulnerability. It was also thought that customers' positive experiences on VIM may be contributing to a change in community perceptions of IM.

VIM measure

The majority of DHS staff reported that customers responded either neutrally or positively when the option of VIM was raised with them. The context in which it was raised was seen to be important, in particular that it was emphasised as one of a number of tools the customer could consider. Additionally, a number of DHS staff stated that it was important to give the customer information on VIM and then let them go away and consider the options, and in many cases customers came back to sign up to VIM. On the other hand, a number of staff expressed frustration that customers could not be signed up straight away¹⁸ so as to avoid customers changing their mind or forgetting to return and sign up. However, given that customers often need to collect their bills before their allocation interview, it was agreed that immediate sign up was not very practical.

A number of staff believed that word of mouth from customers who were on VIM had led to an increase in customers coming in to discuss the option of VIM.

A number of DHS staff reported that most customers were positive about VIM after the detail of it was explained to them, particularly once they understood they would receive the Voluntary Incentive Payment (VIP) after 26 weeks on VIM. One staff member noted that the VIP may be drawing some people onto VIM who do not require it.

While most customers were largely neutral or positive about VIM, the community campaigns and media on IM, and the history of IM in the NT had made some customers wary of IM in general, and some customers felt there was a stigma attached. This was particularly the case for Indigenous customers.

¹⁸ Note that that this is a DHS procedural rule - there is no legislative reason why customer cannot be signed up immediately and return for an allocation interview at a later date.

VULN measure

Social workers reported some difficulties in raising the issue of the VULN measure with customers. It was noted by one social worker that the IM training had recommended that customers should be invited for an interview without informing them that interview was part of an assessment for VULN IM. Some DHS social workers reported that this made it hard to introduce the issue of VULN IM without customers feeling that they have been duped, though social workers reported that they try to make the assessment process a collaborative and positive one. It should be noted that DHS advises that IM training does not instruct social workers to not inform customers about VULN assessment when inviting customers for an interview. IM training suggests that social workers should consider customers for the VULN measure in the context of normal social work practice.

Some social workers reported difficulty in getting the customers to attend the initial interview. For customers who had attended the initial interview, the response to the issue of VULN IM had been primarily negative. It was noted by one DHS social worker that often the customers referred to VULN have been avoiding confronting their financial situation for some time, so trying to discuss their finances with them can cause them to shut down and withdraw from the conversation.

3.4.1.2 To what extent is IM targeting the customers who could most benefit from it?

The majority of DHS staff felt that the VIM measure was well targeted, though effective targeting relied to a large extent on the judgement of DHS staff. There were a small number of staff who were concerned that VIM may pick up customers who did not require IM but who may be attracted by the VIP.

The VULN measure was also thought to be in the main well targeted, however these customers often have a range of significant needs and required more than just a financial response¹⁹. This had left some social workers feeling that they had been thrust into a case-management role with these customers, as the customers often were not engaged with services that could coordinate or address these needs.

Additionally a concern was expressed about some of the criteria for the VULN assessment:

- the risk of homelessness criteria was seen as very broad and potentially could be applied to a large pool of people; and
- the self-care criteria was seen as hard to explain and difficult to prove, in particular whether customers were taking prescribed medication as directed.

The consent-based model for Child Protection Income Management (CPIM) was noted a number of times to not be capturing the customers or their families who could benefit most, as they were unlikely to consent to a referral to CPIM.

¹⁹ Note the focus of this discussion was the original VULN eligibility. This focus group was conducted before the new VULN automatic youth trigger were implemented in July 2013.

3.4.1.3 Customers positive and negative experiences (impacts/outcomes) with IM so far

Many DHS staff stated that customers had reported being less stressed and feeling relieved that their bills were now taken care of, following placement on VIM. A number of customers have reported being grateful that DHS and/or Financial Counselling have been able to help them renegotiate or reduce their debts. Other positive experiences that customers have reported on IM include:

- That they can save money;
- That they know they will be able to afford food until their next welfare payment;
- They can maintain their tenancy;
- They are able to determine how their income managed funds are allocated;
- The VIP can help them to save;
- They can buy presents for their children; and
- That it can help them to manage or minimise the impact of compulsive behaviour, such as substance abuse, gambling or compulsive spending.

There were a number of unwelcome impacts of IM that customers had reported, and these included:

- Some feel embarrassed about using the BasicsCard;
- Loans and advance payments are 100% income managed and not all customers are aware of this when they sign up to VIM;
- In a small number of cases the timing of the payment of allocated funds or the use of direct debits has caused customers to incur additional costs;
- Some customers have requested to vary the amount that can be income managed, generally to increase the percentage, for example where the customer's rent is not covered by 50% of their welfare payment; and
- There are a number of merchants that customers normally patronise who have not signed up for the BasicsCard, in particular Chemist Warehouse and Aldi. This may be due to constraints on these merchants related to their national or international operating policies.

3.4.1.4 What kinds of outcomes have been seen for IM to date?

DHS staff reported a large number of positive outcomes for customers who had been on IM, primarily for VIM as most staff had had contact with these customers. The most commonly reported positive outcomes seen for customers to date included:

- being able to secure and maintain housing tenancy (including preventing eviction);
- stopping financial exploitation by family members;
- being able to better manage and address gambling or drug and alcohol addictions;
- avoiding management by a public trustee, at least in the short term;
- reducing or better managing the payment of long term debt;
- parents being able to create a more stable lifestyle for their children; and
- saving towards significant purchases, such as a car.

Overall, there were not many negative outcomes for customers reported, however some staff felt it was too early to comment on outcomes, and that they would need to see how customers fared over the longer term.

Though customers on the VULN measures were not generally positive about it, DHS staff noted at least in some cases VULN appeared to be having positive impacts on customers' lives, such as helping them to maintain a stable housing situation.

It was noted by a couple of DHS staff that IM will not address the issue of low income generally, and low income in itself may have negative impacts on customers' ability to maintain a stable financial situation and to care for themselves and their families.

3.4.1.5 Take up of Financial Counselling and Money Management courses

The relationship between DHS and their local Financial Counselling services differed across sites. In sites that were co-located with Financial Counselling services or had a positive working relationship with a local Financial Counselling service, DHS staff were more confident of timely and high quality responses from Financial Counselling services to IM referrals. Timely responses were noted as being critical in order to assist customers to maintain the momentum to change their financial situation, as the motivation to make significant changes can easily wane.

DHS staff consistently reported that the Financial Counselling and Money Management services were very valuable to customers, and believed that they would be critical to delivering longer term outcomes from IM.

While take up of Financial Counselling and Money Management courses was not known, in a number of sites it was assumed that approximately 50% of customers who had been referred had taken up these services.

A number of staff commented that it was too early to identify the impact of these services, as some customers were still paying off significant debt, though the ability to renegotiate and reduce debt was seen as one of the most valuable aspects of the services they provided.

3.4.1.6 Assessments of VULN IM customers

Resource intensive

The assessments of customers referred for VULN was reported by social workers to be very time and resource intensive, in particular a significant amount of time was required to obtain third party confirmation of customers' vulnerability and to gather the necessary information. The assessment with the customer is often conducted over a number of days or weeks. One social worker estimated that the initial assessment with the customer took approximately 2 hours and then approximately 1.5 hours for a follow up interview. Customers are often resistant, which can make obtaining the necessary information difficult, and it may mean that they do not turn up for their initial assessment appointment.

Role of social worker

The assessments of customers were seen to be comprehensive and holistic. In many cases the assessment had revealed that customers' had a broad range of complex needs. This had led to social workers feeling that in some cases they became a de-facto case-manager, as customers were often not already engaged with case management services. This had led to a lack of clarity around their role with VULN customers for some social workers, and had created an additional impost on their time. However the assessments were noted as providing a positive opportunity to re-connect customers with services, such as mental health or drug and alcohol services, which could assist them in addressing their other non-financial needs, noted in many cases as being key drivers of their financial vulnerability.

Referrals from housing

In both sites which had a housing referral pathway for VULN IM (Bankstown and Playford) there were some initial concerns that customers being referred by housing staff did not demonstrate a sufficient level of vulnerability to be considered for the VULN measure. In one case, a referral had been made where a customer had been only \$200 in rental arrears. In both sites DHS staff had provided feedback to the housing staff on the nature of referrals, and in Bankstown this had led to additional information being included on the referral form, which would provide further information on the extent to which the person had a history of financial vulnerability. A number of staff commented that it was difficult for housing staff to undertake a holistic referral of a customer, and it was suggested that a consultation with the DHS social worker prior to the referral may improve the quality of referrals.

3.4.1.7 Assisting customers on IM

Resource intensive

A number of DHS staff described the process of assisting customers on IM as time consuming. The initial process of reviewing their expenditure and regular payments can take 1 to 2 hours, and in some cases up to 4 hours if multiple interviews are required.

The allocation interview, which often involved building a budget for customers and determining their financial goals, was noted by a number of DHS staff as being a process which can lead to the establishment of a high degree of trust and rapport with the customer. This can also mean that when customers come in to DHS they will request the same Customer Service Officer (CSO) that conducted their allocation interview, even if the issue could be dealt with by another CSO. As a result these customers are not always able to obtain a timely response from DHS.

In Shepparton, CSOs arrange to follow up customers around the time of their first deduction, to ensure customers are happy with their allocation and any initial issues can be resolved.

Training of DHS staff

It was also noted in some trial sites that a greater number of DHS staff trained in IM would be ensure more timely responses to customers on IM, as often these customers have to

wait some time until a staff member trained in IM is available to deal with their issue. One DHS staff member felt that an increase in IM trained staff would also lead to an increase in the number of referrals for VIM as staff would be better able to identify who could benefit from VIM.

3.4.1.8 How could the implementation of IM be improved?

Information and engagement with the community

A common theme that was raised by DHS staff in relation to how the implementation of IM could be improved related to the lack of communication or proactive engagement with the community before IM was introduced. Prior to implementation, there were active community campaigns which were communicating incorrect information about IM. Staff, including ZIMCOs and engagement officers, reported feeling frustrated that they could not counter the misinformation in a more systematic way. It was suggested that communication products or community forums sponsored by DSS or DHS may have assisted in responding to and dispelling some of the mistruths which were able to take hold amongst community groups. In particular it was noted that more proactive communication with Indigenous communities about IM ahead of its implementation may have reduced some of the anxiety and apprehension that these communities experienced in the lead up to its introduction, in particular explaining how it would be different to the NTER IM measure.

A separate issue on communication products was raised in Logan, in relation to the implementation of a consent-based model for CPIM. The communication products for this measure which had been developed by DSS reflect a compulsory model of CPIM and so DHS staff and child protection staff do not want to use these when discussing the CPIM measures with customers or customers. A DHS staff member noted that this had been raised with DSS, and DSS had responded that the brochure reflects their policy and that they would not be providing any alternative communication products. The Queensland Department of Communities had also stated that, as they were not the policy owner they would not be developing any alternative communication products. It was noted that this had left DHS and child protection staff without adequate communication products to support the CPIM measure.

Merchants and BasicsCard

A number of issues were noted across sites in relation to merchants and the BasicsCard. A number of merchants who were not initially signed up to the BasicsCard had been approached to sign up following customer feedback and have since come on board. However it was noted in particular that Aldi and Chemist Warehouse were used by a number of IM customers but had not yet agreed to sign up.

It was also noted that the BasicsCard signage was not always clearly displayed on shops and if this was more clearly displayed it would avoid some of the embarrassment that customers may experience in asking whether the merchant takes the BasicsCard. The limited number of BasicsCard kiosks and the difficulty in customers being able to check their balance were also noted as limitations of current BasicsCard infrastructure. However it was noted that Coles in at least one site was able to provide a balance when customers made purchases on the BasicsCard.

IM measures

A common theme that arose in discussions about improvements to the IM measures was enabling the option of adjusting the proportion of income support funds that could be allocated to priority needs, to enable a greater proportion of funds to be allocated. This was raised in relation in particular to VIM customers who were spending a large proportion of their income support payment on rent, so that either it exceeded 50% or that it was close to 50% of their welfare payments and did not allow for priority needs such as utilities or food to be included in the allocated funds. It was noted however that this could currently be managed through a combination of IM and Centrepay.

One DHS staff member noted that it would be helpful if DHS staff had more control over the determination of allocations, as sometimes customers priority needs were not being met through their own allocations. Conversely, other DHS staff members had noted that the ability of customers to determine their allocations was one of the key selling points of IM and enabled the customer to feel empowered in the process.

The classification of priority goods was called into question with regard to some customers' purchases, with some DHS staff still developing their understanding of what products or services would be considered a priority good. A customer unsuccessfully attempting to purchase a bicycle on the BasicsCard and a customer purchasing large amounts of chocolate on the BasicsCard were raised as examples of where staff felt the definition of a priority good was not always clear cut.

Another common theme that arose in relation to the IM measures was the use of the VIP and the Matched Savings Payment (MSP). A number of DHS staff commented that they did not feel that it was fair that a VIP was not available for DHS customers on the VULN or CPIM measure, as these customers are often more financially vulnerable and disadvantaged than VIM customers, and it was felt that it would be very challenging for most of these customers to save enough to access the MSP and that it was unlikely to be provided to many customers. A number of DHS staff recommended switching the VIP and the MSP across the measures. It was noted by a number of DHS staff that having the VIP for VULN would make the conversations with customers about VULN easier and may assist in motivating them to change their situation. It was also noted separately by a DHS staff member that the VIP may be drawing customers onto to VIM who in fact do not require this type of assistance.

Training

While the original training was noted as being adequate a number of DHS staff identified continuing training needs amongst staff, both in terms of refresher training to increase the confidence of CSOs to discuss VIM with customers and additional training for staff who have not previously been trained in IM. It was acknowledged that the IM measures were complex and some staff felt anxious about getting the details wrong and so avoided discussing it with customers. Additionally it was commented that expanding the training to all front of house staff would enable more timely responses to customers who come in to DHS with queries about IM, rather than having to wait for an IM trained CSO to see them.

3.4.1.9 Other comments

DHS staff were asked for any final comments on IM, to allow the opportunity for comment on areas not covered by the focus group questions. The final comments from staff in the main indicated that IM was overall having a positive impact on customers, despite some initial teething problems. One additional issue that was raised related to the introduction of the change in the parenting payment, effective as of 1 January 2013. A DHS staff member noted that this change may lead to some financial hardship for parents as their payments are likely to be reduced, and it was suggested that DHS could send these parents information about VIM as a possible tool for assisting them to manage their reduced budget.

3.4.2 Interviews with Housing authorities

Interviews were conducted with NSW and SA housing authorities and relevant policy personnel to determine the referral pathway for the VULN measure in each site, and any initial issues that may have arisen in the implementation of the referral pathway. The interviews took place between November and December 2012.

3.4.2.1 Referral pathway

Bankstown

In Bankstown, housing staff run a report every Monday morning for all the tenants who are in arrears on their rent and who meet criteria for a referral for VULN. Criteria include that tenants must be more than 2 weeks in arrears on their rent and have refused to enter into a repayment arrangement or have breached a repayment arrangement. Housing staff then consider whether there are any exceptional factors involved which would make the referral inappropriate (for example if the person is in hospital).

If a referral is deemed appropriate the referral form is completed, scanned and emailed to Bankstown DHS. In the meantime housing staff continue using the same debt recovery processes that would normally be applied to these customers.

No changes have been made to the referral pathway since its implementation, however following feedback from DHS the referral form was modified to increase the information provided on the customer's situation, to better enable DHS to make a determination of their appropriateness for VULN IM.

No feedback is given to NSW Housing on the outcome of the referral, unless the customer has given consent for DHS to provide this information to NSW Housing, however sometimes it is apparent if customers are on IM as this is reflected in their payment details.

It was noted that DSS is now seeking a public interest certificate to enable sharing of information of referral outcomes with the NSW and SA housing authorities without requiring customers' consent, which is anticipated to come into place in the first half of 2013.

Playford

SA Housing stated that they apply four criteria when considering whether a customer should be referred to DHS for VULN IM:

- homeless or is at risk of homelessness;
- a history of arrears or inconsistent rent payments;
- risk of eviction; and
- history of failure to pay rent in the private rental market.

In addition the customer's overall financial situation is considered and whether the customer is struggling to pay bills more generally. If the customer fits these criteria a referral is made to Playford DHS. Consent is then required from customers for their details to be provided to DHS for the referral to be made, so that in essence the referral is consent-based.

Housing SA indicated that they were not aware of any referrals for VULN that had been assessed as eligible by DHS at this stage. Housing staff and DHS staff met late in 2012 to discuss the appropriateness of housing referrals, and there was some adjustment of referral criteria in line with this feedback.

Even though referral criteria had been adjusted in light of feedback from DHS it will still be perceived by SA Housing that there remained a mismatch in referral criteria for VULN. It was noted that DHS social workers undertake a holistic assessment of customers, while SA Housing do not often have a complete view of the customer's situation. However from SA Housing's perspective they have referred customers who have been at imminent risk of eviction due to continued failure to pay rent, and DHS has viewed this as an immediate and/or temporary crisis, rather than an evidence of financial vulnerability.

Direct referrals to DHS for VIM are not made, however SA Housing will refer customers to Anglicare for Financial Counselling, who may then refer customers on to VIM.

3.4.2.2 Housing referrals to VULN

Bankstown

NSW Housing reported that 21 referrals in total had been made to DHS for VULN IM. Of these referrals, 3 customers have been placed on VULN, one customer is on VIM, decisions on 5 referrals are still pending, and 8 of these customers cleared their rental arrears before a determination had been made and so are no longer being considered for VULN IM.

It was noted that the referral to VULN IM itself can be a useful tool for generating payment of rental arrears, either prior to contact with DHS or following their assessment with the DHS social worker who may assist the customer to arrange repayments whilst not ultimately placing them on VULN.

Playford

SA Housing reported that 8 customers had been referred to VULN IM. Three of these customers were SA housing tenants who were having financial difficulties in meeting their rental commitments and were at risk of losing their tenancy. The remaining 5 customers

had come to the housing office to discuss housing or financial issues or seeking assistance to get into the private rental market. As part of their assessment staff determined that these customers met the criteria for VULN and made a referral to DHS.

As noted above, no information on the outcomes for these referrals havd been provided to Housing SA at the point in time of the interview.

It was noted that talking about IM and making a referral was seen as an early intervention measure, and that this in itself may motivate customers to address their rental arrears or financial situation.

3.4.2.3 What are housing staff views about VULN IM?

Bankstown

NSW Housing staff were generally positive about IM. It is seen as a useful stabilising measure for customers who are susceptible to financial crisis.

The community campaign in Bankstown did not affect staff views of IM and the campaign was generally seen as being misinformed.

Bankstown has low rental arrears relative to the State, and so staff have been able to dedicate the time required to make VULN referrals for customers. Referrals take on average two to three hours for each eligible customer, but it is anticipated that this time may fall to some degree over time as staff become more familiar with the process. If there were a larger number of customers with significant rental arrears, the housing office might not have as much capacity to enact the referral pathway.

Playford

IM is perceived by staff to be a very positive, useful tool for enabling customers to pay their rent and maintain their tenancy. It was seen to be too early to comment on outcomes as they are not aware who is on VULN.

A teething problem for IM had been encountered when increases in rent are enacted (for example CPI changes). The current system relies on the customer informing DHS of the need to change their allocations to reflect the rental increase, otherwise they will end up in arrears. This was seen as another reason for improving the reciprocal information flow between housing authorities and DHS with regard to IM customers.

3.4.2.4 Housing customers' views about IM and their reaction to referrals for VULN

Both NSW and SA Housing reported that there has been no direct comment or feedback from housing customers on IM, and that many were probably unaware of what it was prior to their referral.

NSW Housing described three main responses by customers to referrals to VULN IM:

- Some customers will just see it as another letter from NSW Housing which they will ignore;

- Some customers will clear their arrears by calling on friends and family; and
- For those customers who do not have access to a lump sum to clear their arrears, they may contact housing to re-activate their rental deduction scheme and pay off their rental arrears.

SA Housing indicated that customers are often apprehensive about IM when it is raised with them, and in particular about the fact that they don't have a choice over the duration of VULN. Customers appear to be less apprehensive about VIM, particularly when they understand they will receive the VIP if they remain on IM for 26 weeks.

3.4.2.5 Which housing customers could benefit for VULN IM

Bankstown

NSW Housing felt the following characteristics may indicate customers who could benefit from VULN IM:

- Tenants who have a history of rental arrears where VULN can be part of a wider response which stabilises them and assists them to maintain their tenancy; and
- Tenants who have high or complex needs, such as mental illness, substance abuse, or gambling problems, which prevent them from being able to pay rent regularly and increase their risk of losing their tenancy.

It was noted that the success of VULN IM would in part be determined by access to Financial Counselling.

Playford

Customers who acknowledge that they have money problems and are ready to accept support were seen to be appropriate and able to benefit from VIM. However, identifying customers who could benefit from VULN IM was seen to be more difficult due to the consent-based model employed in SA. Customers who have ongoing financial difficulties and refuse to acknowledge their problems would not agree to a referral to VULN IM, though they may ultimately be able to benefit from it. It was also viewed that referring customers who had significant mental illness to VULN was problematic as they had to be clear that the customer had capacity to consent to their information being shared with DHS.

3.4.2.6 Potential improvements to the referral pathway or eligibility criteria

Both NSW and SA Housing indicated that enabling DHS to share information with housing authorities would improve the housing referral pathway for the VULN measure, and would enable housing staff to improve the quality of referrals being made to DHS. It was noted that DSS is currently pursuing a public interest certificate to facilitate this.

Housing SA noted that the housing referral pathway was still in the early stages of implementation and some of these initial issues may be ironed out over the next few months.

Housing NSW also noted that currently referrals can take up to 30 or 40 days to assess and make a determination for VULN, and that this created some issues for housing staff in determining how to proceed in dealing with the rental arrears in the meantime.

It should be noted that DSS advised that as Housing NSW are referring customers without consent, customer are often unaware of the referral and what the referral may mean for them. Just as Housing NSW usually indicate that they have difficulties making contact with customers, social workers are similarly faced with the same issue of customers trying to avoid the situation which contributes to how long before assessments are finalised. Also, DSS advised anecdotally, with many of the referrals received from Housing NSW they are already in some sort of process with trying to collect/address rent arrears. There have been a number of referrals where Housing NSW had already proceeded with their eviction process, placing added pressure on social workers to complete assessments in order to attempt to broker arrangements to assist customers and prevent them from losing their tenancy

It was stated that the Department of Family and Community Services NSW would be comfortable with the PBIM trial being extended to other locations, however they would want to have input into which locations would be most appropriate in NSW.

3.4.3 Focus groups with child protection staff

The focus groups were attended by child protection workers in a variety of roles: intake and assessment, case management and Team Leaders/Area Managers. The interviews took place between November and December 2012.

The information provided at the focus groups reflected that the child protection referral pathways had only recently been implemented in most sites, and in at least one site was not yet fully operational. At one meeting, the majority of participants worked in intake and assessment rather than case management and so were less familiar with IM and were unlikely to use it unless their role changed. Across all focus groups, only one participant had made a referral for CPIM at the time of the focus groups.

3.4.3.1 Can you describe the referral pathway or process for Child Protection Income Management (CPIM) in your jurisdiction?

At most sites, the referral pathways were not yet fully operational, or had only recently commenced operation. In some sites training of some child protection staff had been undertaken and in some sites training was planned for the future.

All trial sites except NSW have adopted a consent-based referral model. However, in SA, IM may be applied compulsorily subject to court approval for cases that will involve family reunification. SA noted that training and information was required to ensure the courts were aware of IM and in what circumstances it could be applied (e.g. only for customers residing in Playford).

Referral pathways vary across jurisdictions at a detailed level, but generally involve:

- identifying potential customers;
- discussion with senior staff within child protection services about the appropriateness of IM;

- seeking advice from DHS (which may occur at this point and/or after discussion with the customer);
- discussion with the customer to obtain consent (where required as part of the State approach to CPIM);
- inclusion of IM in the case plan consistent with case plan policies and procedures; and
- provision of information through the United Government Gateway.

In South Australia, decisions about referrals to IM are made jointly by financial counsellors and child protection workers. Queensland noted that child protection workers may refer customers to a financial counsellor who may then discuss VIM with them.

In South Australia, for Aboriginal Families, the Principal Aboriginal Consultant also needs to participate in decision making. This requirement may also apply in other jurisdictions, but was not raised during the focus groups.

Focus group participants were unanimous in their view that voluntary IM was preferable to compulsory IM, although this may have reflected the need to obtain consent. Obtaining consent for a measure which did not offer a VIP and had a shorter mandatory period of 13 weeks was considered challenging. In addition, voluntary IM was preferred because it was considered more likely to benefit the customer and also avoided combative relationships between customers, DHS and child protection services. In addition, VIM was preferred by some child protection staff for whom it was seen as a less resource intensive referral option and less intrusive or coercive for customers. It was noted that participation in voluntary IM could be negotiated with customers as part of a plan for family reunification.

3.4.3.2 Have any customers been put on child protection IM to date in your site? If so, how many?

Logan was the only trial site where a customer had been referred and accepted for CPIM at the time of the focus group (one additional customer has since been placed on CPIM), and staff at Logan indicated that they had also identified other customers who may benefit.

No other customers had been referred for CPIM, although in Shepparton, child protection staff had supported a customer referral to VIM at the time of case closure.

3.4.3.3 How do child protection staff view IM as tool for helping people manage their money?

Child protection workers were generally positive about IM, viewing it as one tool among a number available to them in assisting customers. Identifying eligible customers can be difficult because of the requirement for consent, and because financial mismanagement is not always a key underlying cause of risk for the child.

The need to obtain consent was identified as a problem in cases where families may benefit but would be unlikely to agree to CPIM, such as those with alcohol or substance abuse problems who were not ready to accept the need for change. In sites with a consent model, child protection workers appeared more comfortable introducing the idea of VIM to their customers first, before broaching the idea of CPIM, in part because voluntary IM was likely to be associated with better results. Customers felt more empowered when making

the decision for themselves and VIM was less likely to escalate adversarial relationships between customers, DHS and child protection services.

A majority of staff suggested that a downside of voluntary IM was the lack of information flows between DHS and child protection services — whereas for CPIM, there was a formal pathway for information exchange which was useful.

At one site, focus group participants noted that child protection workers were initially uncertain and in some cases held negative views about IM because they perceived it to be in conflict with their views on social justice. IM was seen as disempowering those who were already powerless, and there were questions about whether it would lead to sustainable change in the longer term. However, staff opinions are changing and becoming more positive about IM as they experience or hear about examples of the way IM can make a positive difference for customers, in particular VIM.

3.4.3.4 Do you believe that community views many have had an influence on how staff or customers perceive IM? If so, in what ways?

The influence of community views on child protection staff was not strong or lasting. Once staff were trained and understood what CPIM entailed, they appeared to accept it as a useful tool. It was suggested that negative media depictions of IM may have affected the views of child protection workers initially, but with more information, the ‘myths’ were dispelled.

In Bankstown, there were work bans on the administration of CPIM, but child protection workers were not particularly supportive of this.

Two customers in Rockhampton stated that they wanted the ‘green card’ (BasicsCard). Child protection workers in a number of sites noted that DHS communication with non-government organisations and Indigenous communities had been very successful in ‘dispelling myths’ about IM.

Staff at a number of sites also noted that customers tended to be very influenced by their peers, and silence from customers suggested either that peer networks were comfortable with IM or else there were very low levels of awareness.

3.4.3.5 What kind of child protection customers do you think could most benefit from IM?

Child protection staff were uniformly of the view that customers with financial management issues could benefit from IM, although depending on the underlying reasons, there are potential risks to be kept in mind.

Financial management issues associated with child neglect may be driven by drug and alcohol misuse, or gambling. In these instances, staff suggested that a lack of access to funds for drugs, alcohol or gambling because of IM may lead to criminal behaviour, or worsen stress and domestic violence. There was some concern that CPIM may escalate risky behaviour for customers with drug and alcohol or domestic violence issues, however there was no evidence of this occurring yet.

Alternatively, staff were uniformly of the view that for customers who are *ready to change*, IM would be very helpful in assisting them to stabilise their lives. In addition, IM may limit domestic violence because the victim is unable to provide the perpetrator with income managed funds so there is no incentive to threaten violence.

Consent based IM is not appropriate for customers who are not ready to change, and who are resistant to most offers of assistance. There was a strong preference for VIM rather than CPIM (applied as a consent-based model). In Playford, staff noted that CPIM would only be relevant for families suitable for reunification. CPIM would be introduced when the children were returned.

Financial difficulties may also be associated with debt problems, and inability to manage money. In these cases IM is a very useful tool for assisting families to address the nutrition and medical needs of their children. An example provided by staff was a family escaping from domestic violence and who did not know how to budget. Other staff suggested that financial mismanagement is rarely the only cause of neglect and generally there are complex problems at play.

While CPIM is not relevant if financial management is not the issue, this is also rare in cases of child neglect.

Other customers who may benefit from IM are parents with mental illness or intellectual disability. Some of these customers are also at risk of ‘humblebugging’²⁰. At one site, a mother with an intellectual disability is currently on VIM to prevent humblebugging. Child protection staff said if she discontinued VIM, they would refer her for CPIM to prevent humblebugging and protect her children.

A lot of customers are illiterate and have difficulty understanding their finances – so explaining IM is challenging.

3.4.3.6 How have customers responded when the possibility of CPIM has been raised?

There have been mixed responses to IM. Some customers have been positive with others responding negatively, possibly because IM was associated with child protection services and associated suspicion about government involvement and losing control.

One customer who was referred was receptive to IM because her partner is a chronic drinker and her children are in care. IM has resulted in money being available for food and she is able to save money to obtain her driver’s licence and buy a car. Another customer outright refused when IM was raised.

IM may be associated with stigma and has been surrounded by misinformation. One customer expressed shame about being involved with IM – which may have been culturally based. She was concerned that people would think she could not manage her money. In Bankstown, staff had heard anecdotally of customers relocating outside Bankstown to avoid IM.

²⁰ ‘Humblebugging’ refers primarily to the practice of forcefully demanding or coercing money from friends or family.

One family wanted to try financial counselling before accepting a referral to CPIM.

The child protection worker who referred a customer for CPIM took time to introduce IM into the conversation with the customer. Customers are wary of the government and suspicious of IM. Making referrals through financial counsellors may be easier as the information provided by these services would not be viewed with as much suspicion.

3.4.3.7 Are you aware of many child protection customers who have voluntarily signed up for IM?

There are no formal pathways for information exchange between DHS and child protection services about VIM, so child protection staff were unable generally to comment on whether customers had signed up for voluntary IM. Staff at a number of sites noted this was a disadvantage of the processes associated with IM and would have welcomed more information about customers on VIM.

It was suggested that financial counsellors and other support services were more easily able to refer customers to VIM than child protection workers because of the nature of their relationships.

Customers of child protection services may sign up for VIM if they believe it will lead to an exit from the child protection system. Staff at one site stated that they had used this argument in discussing VIM with their customers.

In Bankstown, child protection staff suggested the ‘Say No’ campaign meant their customers were unlikely to sign up for VIM, and non-government organisations were not suggesting VIM to customers either.

3.4.3.8 Are there any improvements which could be made to the referral pathway or to the eligibility criteria for CPIM?

In some sites, the lack of staff knowledge about CPIM may be impeding identification of eligible customers and referrals.

For the consent-based model, gaining consent from the customers who could benefit most from IM remains a barrier to referral. If staff didn't have to obtain consent they would refer more customers.

A system involving a warm handover from child protection services to DHS was suggested at one site. Child protection staff suggested it might be useful to establish a formal relationship with DHS which facilitated referrals and handovers.

The referral pathways for CPIM are very labour intensive. Furthermore, there are more benefits for customers on voluntary IM (such as the incentive payment) so CPIM appeared the second best option to many staff. Better information flows between DHS and child protection about customers on voluntary IM would be very advantageous. The information flows for CPIM were considered very useful.

3.5 Secondary data

For the baseline report, secondary data sources were assessed to determine the availability of data, usefulness, and what data metrics will be used in subsequent reports for the evaluation. The following section provides a summary of the main secondary data sources, an outline of the number of people on PBIM, and an overview of the metrics to be used for evaluating PBIM.

3.5.1 Summary of secondary data sources to be considered

The main secondary data sources considered for the evaluation are listed in Table 3.13. The table identifies each data set and its final availability. Appendix A provides additional detail.

The availability status in Table 3.13 is summarised as follows:

- Provided – data were provided and assessed for use in the evaluation.
- Abandoned – data were not finally requested or a request was withdrawn.
- Not Provided – a formal request was made but the provider subsequently advised that the data could not be provided.

Table 3.13: Summary of data considered for the PBIM evalution

Type of data	Source	Status
DHS customer records	DHS	Provided
PBIM customer records	DHS	Provided
PBIM referral and review (case) details	States, DHS	Abandoned - barriers to collection
PBIM customer expenditure transaction logs (BasicsCard and DHS Deductions)	DHS	Provided
PBIM service usage logs (IM line, BasicsCard balance enquiry line, self-service website and kiosks).	DHS	Not Provided - not available. The BasicsCard transaction logs include use of the BasicsCard kiosks.
Details of participating merchants	DHS	Provided
Local area expenditure by category	Merchants	Abandoned - lack of precision, difficult to obtain
BasicsCard expenditure data by category	Major retailers	Provided
Use of Money Management Services (MMS)	DSS - FMPS	Provided
Use of Financial Counselling Services (FCS)	DSS - FMPS	Provided - not suitable for evaluating PBIM
Use of Emergency Response Funds (ERF)	State & private agencies	Abandoned - too fragmented to collect
Participation in Communities for Children (CfC)	DSS - CfC	Not Provided - lack of precision and resources
		Not Provided - lack of precision

Health data	Medicare	Abandoned - lack of granularity
Drug and alcohol use data	AIHW	Abandoned - lack of granularity
Homelessness data	AIHW	Abandoned - lack of granularity
Housing evictions, arrears and complaints	State housing authorities	Provided by NSW, SA, and Tasmania. Of limited use in evaluating PBIM outcomes.
Child protection data	State agencies	Abandoned - too few cases, reluctance to provide
Crime and domestic violence related data	ABS, State agencies	Abandoned - lack of precision
School enrolment and attendance data	State departments	Abandoned - lack of granularity, poor availability
Employment data	ABS	Abandoned - lack of granularity
Deaths data	ABS	Abandoned - lack of precision
Population and socio-economic index data	ABS	Publically available for the 2011 Census.

The data assessment phase of the evaluation has resulted in the following data sets being used in the analysis of secondary data.

DHS customer record data is a rich source of data, across both trial and comparison sites, which provides for each individual details of:

- The welfare payments they have received (type and amount);
- Any deductions from welfare payments to pay various expenses (e.g. rent); and
- Details of their personal circumstances such as: age, sex, indigenous or CALD status, marital status, Family Tax Benefit status, changes in address, the type of rent they pay, declared earnings.

PBIM administrative data which provides details for each individual who goes on PBIM of:

- The PBIM measure they are on;
- The start and end dates of their time on PBIM;
- A reason for why they came off IM;
- Payment of voluntary incentive payments and matched savings payments;
- Provision of BasicsCards;
- History of funds under IM; and
- Deductions from income managed funds to pay expenses (as per DHS deductions).

BasicsCard transaction logs which provide details of all BasicsCards transactions for PBIM customers including:

- Money transferred in and out of the BasicsCard;

- Individual transactions with merchants; and
- Any other time the BasicsCard was used and how (e.g. PIN errors).

BasicsCard expenditure by category was provided for some supermarket and discount department store chains. The data provided is by store, product category and transaction date and time. BasicsCard numbers are not provided. While these are partial data, that is they do not cover all supermarket and department store purchases, they are sufficient to provide insight into the mix of product categories purchased at supermarkets and discount department stores and the change in mix across time. There is some data for around 75% of customers using a BasicsCard in supermarkets and 60% in discount department stores. A number of these only have a few transactions so the number of customers with a time series of some form is much smaller particularly with the discount department stores. The data will not be sufficient to analyse by LGA or by other than dominant demographic groups.

Listings of all BasicsCard merchants which include merchants' address, business activity, when activated and their approval status. These data are being received monthly to derive an end date should they no longer participate in the program.

Data from Place-based Financial Management Program Services Performance Progress Reports related to the use of Money Management services and Commonwealth Financial Counselling services. The numbers of PBIM related cases reported by providers of Commonwealth Financial Counselling services was very small (around 20 across all sites for a six month period) and the quality of data was questionable. Thus data related to Commonwealth Financial Counselling Services were dispensed with. The provision of Money Management services is directly associated with PBIM. Data specifically related to Money Management services do not have the same limitations as those reported from Commonwealth Financial Counselling services.

Data from the NSW, SA and Tasmanian state housing authorities relating to the number of tenants, evictions and arrears and debts. These data were found to be of limited use as:

- The number of evictions in an LGA are very small: 10 to 20 per annum in the trial sites and 1 or 2 on the comparison sites. Any effect on these aggregated numbers attributable to PBIM would not be measureable. Further, as a matter of policy attempts are made to try to minimise evictions by the housing authorities;
- While the number of tenants in debt at any time is around 15% to 20% only around 1% are in arrears for more than 4 weeks and the number of PBIM customers who paid government housing arrears was very small (around 10 persons per fortnight) across all trial sites); and
- Changes are occurring in the South Australian and Tasmanian systems: South Australian is reviewing their debt reporting and Tasmania is transferring some tenants from public to community housing. This creates structural breaks in the data and makes it more difficult to look at time series effects.

As data from these sources are not available for the population of PBIM customers but only all tenants it is unlikely that any changes in the small numbers related to evictions and arrears could be attributed to PBIM. It is considered that DHS deductions for rent payments are a better source of data as it can measure changes in the circumstances of individuals and is more complete as it covers all trial and comparison sites.

Publicly available population and socio-economic index data. The ABS provides four Socio-economic Indexes for Areas (SEIFA) at a small local area of geography (Statistical Area Level 1). These index scores can be appended to the DHS and PBIM customer data by Statistical Area Level 1 to enable a distributional analysis of SEIFA indices across the different populations. The indexes are:

- Index of Relative Socio-economic Advantage and Disadvantage;
- Index of Relative Socio-economic Disadvantage;
- Index of Economic Resources; and
- Index of Education and Occupation.

From the raw data files provided from these data sources a large number of performance indicators have been developed in reference to the process and outcome questions being addressed by the evaluation. These are presented in Section 3.5.3.

The data provided will cover a two year period of the trial, from 1 July 2012 to 30 June 2014. This time period has been selected to allow sufficient time for behaviours to stabilise over time while allowing sufficient time for data to be extracted, consolidated and analysed. Data have already been received to 30 June 2013. Data to 30 June 2014 is to be provided in September 2014. Pre-trial data have been provided from 1 July 2010 for the DHS customer data.

3.5.2 The number of people on PBIM

Table 3.14 presents for the trial sites, the number of PBIM cases and the number of people on DHS trigger payments for the period 1 July 2012 to 30 June 2013 and the total population as at the 2011 Census.

Table 3.14: PBIM cases and DHS customers 1 July 2012 to 30 June 2013

Trial Site (LGA)	PBIM cases	DHS customers on trigger payments	Total population 2011 Census
Playford SA	102	36,577	79,192
Shepparton Vic	204	22,241	60,419
Bankstown NSW	77	64,483	182,487
Rockhampton Qld	80	34,315	109,444
Logan Qld	115	89,646	277,990
Total	578	247,262	709,532

It is evident from Table 3.14 that the number of people participating in PBIM is relatively small in relation to the total ‘target’ population and the total population. A sub-population of 1% or less will not have a measureable effect on the larger population.

The data from non-PBIM DHS customers of the trial sites and the DHS customers of the comparison sites are to provide a point of comparison for the PBIM population. The size of the PBIM population limits the level of detail at which it can be analysed. Site or LGA is the smallest level of geography that can be analysed based on numbers of this size. Within each LGA the population would only support the analysis of a single variable. For example

within LGA data could be compared across age groups or whether the customer cares for children but not for age and whether they care for children.

Rather than conduct multivariate analyses on the data, classification techniques will be used to define sub-populations based on the type of PBIM measure. The performance indicators will then be compared within sub-population as well as within individual characteristics as appropriate.

The sub-populations will be defined in terms of the demographic data available for the PBIM customers as listed below:

- age;
- sex;
- Indigenous status;
- cultural and language diversity (CALD) status;
- marital or relationship status;
- type of rent paid;
- iWelfare payment type;
- time on income support;
- concession card type; and
- have the care of children by the age of the children.

Note that the data identifying customers who care for children is not complete. Not all customers who care for children may be identified as such, therefore the sub-population of customers who ‘do not care for children’ will not be analysed. Demographics which can change overtime will, for classification purposes, be fixed as at when the customer was first eligible for PBIM

Determining the sub-populations of people who engage in PBIM will also enable the DHS comparison population to be better aligned with the PBIM population than by using trigger payments alone.

Table 3.15 presents the number of PBIM cases by PBIM measure to 30 June 2013. As identified by Table 3.15, seven people have transitioned to a different type of IM and as of 30 June 2013 almost all cases were voluntary IM. In the second half of 2013 changes were made to the criteria for evaluating people for vulnerable IM which has substantially increased the numbers on vulnerable IM. Preliminary numbers indicate that by November 2013 the number of people on Vulnerable Income Management is more than twice the number on Voluntary Income Management. Most of this ‘new group’ are on Youth Allowance support payments.

Table 3.15: PBIM cases by measure 1 July 2012 to 30 June 2013

PBIM measure	PBIM Cases
Child Protection IM	2
Vulnerable IM	28
Voluntary IM	541

Voluntary IM transitioned to Child Protection IM	1
Voluntary IM transitioned to Vulnerable IM	6
Total	578

With the increase in people on Vulnerable Income Management there should be sufficient participants to analyse the data in terms of those on VULN and CPIM combined, and those on VIM.

Any time series analysis of the PBIM population is best by quarter given the number of people on PBIM. Shorter time periods may be preferable for metrics likely to vary quite frequently. A quarterly time frame fits with operational timeframes for PBIM, as people are on PBIM for a minimum of 13 weeks. Table 3.16 presents the number of people on PBIM for the first four quarters and the number of people going on PBIM for the first time by quarter.

Table 3.16: Number of people on PBIM and on PBIM for the first time by quarter, 1 July 2012 to 30 June 2013

Trial Site (LGA)	2012Q3	2012Q4	2013Q1	2013Q2
Number of people on PBIM				
Playford SA	28	44	65	92
Greater Shepparton Vic	19	76	131	193
Bankstown NSW	6	25	47	74
Rockhampton Qld	21	46	64	69
Logan Qld	22	41	62	105
Total	96	232	369	533
Number of people on PBIM for the first time				
Playford SA	28	17	28	29
Greater Shepparton Vic	19	57	56	72
Bankstown NSW	6	20	23	28
Rockhampton Qld	21	26	20	13
Logan Qld	22	19	24	50
Total	96	139	151	192

3.5.3 Secondary data metrics for evaluating Placed Based Income Management

The metrics derived from secondary data sources to be used in the evaluation are presented in detail in Appendix B. They can be thought of and are presented under five topics: participation metrics; housing metrics; financial management and vulnerability metrics; BasicsCard usage metrics; and BasicsCard merchant participation metrics.

3.5.3.1 Participation metrics

The participation metrics primarily relate to the PBIM process and how the PBIM population has engaged with the initiatives. The data can, for the most part, be compared across trial sites; the demographic sub-populations as discussed in Section 3.5.2; individual

demographics; and the different PBIM measures. As noted previously, CPIM and VULN customers are likely to be treated as one group and compared to VIM, given the commonalities in the criteria for VULN and CPIM. However consideration will need to be given to the changing nature of the profile of VULN customers, following the changes to the eligibility criteria for VULN on 1 July, 2013.

The participation metrics are:

- the number of people on PBIM measures;
- growth in the number of people on PBIM;
- the number of people on DHS trigger payments;
- the proportion of target population on PBIM;
- SEIFA Indices of PBIM population verses trigger payment population;
- the time between customers signing up for PBIM and the first welfare payment subject to Income Management;
- the number of people ending PBIM by reason for ending;
- length of time on PBIM;
- the number of people transitioning from one PBIM measures to another;
- the number of times people re-join PBIM;
- the time between re-joining PBIM;
- the number of Voluntary Incentive Payments received by VIM customers;
- time between receiving a Voluntary Payment and exiting VIM;
- the number of Child Protection and Vulnerable Income Management customers attaining Matched Savings Payments;
- amount of Matched Savings Payments paid;
- time taken to receive Matched Savings Payments;
- the number of people participating in Money Management Services; and
- the number of people commencing, withdrawing or completing a Money Management course.

Some other metrics may also be reported depending on data collected for the ‘new’ cohort on VULN. Principally among these metrics would be to compare the assigned duration at enrolment of those on VULN IM with their actual duration and to report on any formal extensions of these cases.

Of the data provided to 30 June 2013, four cases had data relating to the duration at enrolment (the three CPIM cases and one VIM case). No data was received relating to any of the 34 VULN cases. Thus it is not clear if this metric is being recorded.

No people were reported as having had the period of their IM formally extended as part of the data provided to 30 June 2013. For this data period there would at most have only been a few cases where this could have occurred. Formally extending Income Management relates to the initial duration being recorded. It may be that extensions may not be formally recorded, but processed ‘in analytic terms’ as a re-enrolment.

3.5.3.2 Housing and financial management and vulnerability metrics

Housing is strongly associated with financial vulnerability. Reducing housing vulnerability were it exists is a goal of PBIM. Housing metrics are a key group of indicators and are treated as a separate topic. Analytically they are similar to other metrics of financial management and vulnerability.

This group of metrics, for the most part, can be compared across demographic sub-populations; individual demographics; and the different PBIM measures. They can also be compared across the population of people on PBIM, the population in PBIM trial sites (LGAs) and the like population in comparison LGAs. These last two population groups can act as 'control' groups in estimating the effect of PBIM on the reported metric.

To estimate the effect of PBIM in these 'outcome' metrics, they are measured before, during and after PBIM and the differences compared across population. Everyone in the evaluation did not go on PBIM at the same time, thus the before, during and after measurements need to be made for each customer. For the non-PBIM populations the 26 weeks before 1 July 2012 (when PBIM first started) will be treated the 'before' period, and the last 26 weeks of data as the 'after' period. A 26 week interval in the middle of the 'before' and 'after' periods will define the 'during PBIM' time period. The 'before' and 'after' time periods for PBIM customers will be limited to a maximum of 26 weeks. It is noted that not all PBIM customers will have 'after' PBIM data. The differences with the 'before' status will be calculated for each customer before being analysed at the population level. That is the data are being analysed as a 'paired sample'. There are also a few PBIM metrics analysed across time. Time used in these analyses is time since first on PBIM.

The housing metrics are:

- Rate of changes in address (mobility);
- Change in mobility rates before and after PBIM;
- Proportion of people by type of rent being paid;
- The number of PBIM customers with arrears deducted from their welfare payments at any time;
- Proportion of people paying rent with arrears deducted from their welfare payments per 4 week period;
- Proportion of people paying rent with housing payments deducted from their welfare payments;
- The number of PBIM customers with no fixed address or on temporary accommodation at any time;
- Proportion of people with no fixed address or on temporary accommodation.

The financial management and vulnerability metrics are:

- Proportion of people on employment related welfare payments (Newstart Allowance and Youth Allowance);
- Change in employment status (time on allowance) before/after PBIM;
- Change in employment status (allowance \$ per week) before/after PBIM;
- Use of urgent and advance welfare payments;

- Expenditure by payment type (regular/irregular, BasicsCard/non-BasicsCard);
- Bill payments deducted from DHS payments pre/post PBIM;
- Expenditure patterns by product sector;
- Expenditure patterns in supermarkets and department store purchases.

3.5.3.3 BasicsCard usage metrics

BasicsCard use is a major component of Income Management and provides a rich data source for understanding customer behaviour. Around 80% of PBIM customers as at 30 June 2013 had been issued with a BasicsCard. The BasicsCard transaction logs provide details of use other than expenditure at various merchants. The metrics under this topic relate to how the card was used rather than what was purchased. Changes in expenditure are reported as part of the financial management and vulnerability metrics. The data, for the most part, are compared across trial sites; the demographic sub-populations; and individual demographics.

The BasicsCard usage metrics are:

- proportion of people using BasicsCard;
- time taken to issue first BasicsCard;
- the number of BasicsCards issued per person;
- reasons for the replacement of BasicsCards;
- type of use of BasicsCards (transfers in/out, purchases, inquiries, other);
- transfers into BasicsCards;
- transfers out of BasicsCards;
- frequency of purchases by BasicsCard;
- trend in rate of purchases by BasicsCard;
- use of BasicsCard kiosks;
- occurrences of "insufficient balance" when using BasicsCard;
- amount short when "insufficient balance" encountered with BasicsCard;
- time between "insufficient balance" and funds transferred into BasicsCard;
- occurrences of BasicsCard PIN errors;
- occurrences of BasicsCard PIN blocked;
- occurrences of BasicsCard suspensions;
- occurrences of BasicsCards used on unregistered devices; and
- occurrences of BasicsCards action not supported.

3.5.3.4 BasicsCard merchant participation metrics

A question for the evaluation is the accessibility of suitable merchants for PBIM customers. Other questions include whether or not the BasicsCard can only be used at major retailers and not across the range of different retailers people choose to shop.

There are thousands of BasicsCard retailers and they exist across a number of jurisdictions in Australia as Place Based Income Management is not the only Income Management program. To facilitate the analysis the merchants have been classified by:

- proximity which is described as ‘LGA neighbourhood’, ‘LGA surrounds’ and ‘distant’ and defined in terms of catchments based on the location of merchants used by PBIM customers and the merchants’ proximity to PBIM customers themselves.
- business activity (e.g. bakery, butcher, department store, supermarket, petrol station, newsagent, transport etc.).
- retailer class (large chain, small chain, independent retailer).

The BasicsCard merchant participation metrics are:

- the number of BasicsCard merchants available;
- the number of BasicsCard merchants used by PBIM customers;
- proportion of customers using different BasicsCard merchants;
- share of expenditure by different BasicsCard merchants;
- merchant withdrawal, cancellation and rejection; and
- merchants pending BasicsCard registration.

4 Baseline data against key process evaluation questions

This section summarises the key information from the data collection methods fielded in the baseline period including:

- the longitudinal telephone survey of customers;
- face to face interviews with customers;
- online survey of service providers; and
- stakeholder interviews and focus groups.

The data have been presented in accordance with evaluation questions.

4.1 Process evaluation questions

- 4.1.1 How effectively has PBIM been administered and implemented? What are the regional/jurisdictional variations (if any)?**

4.1.1.1 Longitudinal survey of customers

While the longitudinal customer survey does not consider in depth issues related to administration, it does examine whether customers felt that IM was appropriate for them, whether they appealed their placement on IM, and for those who had already attended an allocation interview, whether they felt that IM and its associated processes were explained well by DHS staff.

Of the VULN survey participants, approximately 64% believed that IM was not appropriate for them. This included customers assessed as being financially vulnerable, as well as the newer cohort of VULN customers referred to VULN by virtue of receiving the UTLAH allowance. Participants who believed that VULN IM was not appropriate for them were asked whether they had appealed their referral to IM, most respondents (52%) indicated that they were not aware that they could appeal, with the higher proportion of customers in Bankstown (67%), Rockhampton (57%) and Playford (54%).

VULN survey participants who had attended an allocation interview were asked how well they thought the DHS CSO had explained why they were on IM. While 44% believed this had been explained well to them, 31% believed that it had been explained but not well, and 21% reported that it had not been explained at all to them. There were differences across the trial sites in terms of how well participants believed their reason for referral to IM had been explained, with 69% of Bankstown participants reporting that it had not been explained well or not explained at all, followed by 57% of Playford participants, 55% of Rockhampton participants, 46% of Logan City participants, with the lowest proportion in

Greater Shepparton (38%) where the majority of participants reported that it had been explained well.

VULN participants were also asked how well the process of getting off IM had been explained to them. Nearly half of participants (47%) reported that the process of getting off IM had not been explained to them at all, with Rockhampton having the highest proportion of participants reporting that it had not been explained at all (58%), followed by Playford and Bankstown (both 52%), Logan City (50%), and Shepparton (19%) where again the majority of participants had felt that this had been explained well to them (63%).

VULN participants were asked how well the appeals process had been explained to them in the allocation interview and a similar pattern was observed, with 68% indicating that it had not been explained at all to them, and this was fairly consistent across the sites.

All survey participants in the trial sites were asked how well DHS staff had explained other services that could assist them, such as money management courses and financial counsellors. A majority of participants across all sites (56%) indicated that this had been explained well to them, although 28% indicated that it had not been explained at all.

VULN participants who had attended an allocation interview were asked how well the Matched Savings Payment (MSP) had been explained to them, and nearly half (47%) indicated that this had been explained well, although more than a third (35%) reported that it had not been explained at all.

VIM participants who had attended an allocation interview were asked how well the Voluntary Incentive Payment (VIP) had been explained to them, with a large majority (73%) indicating that it had been explained well to them, and only 14% indicating that had not been explained at all.

VULN customers were asked how well explained were the reasons for them being on IM, and the process for how they could appeal their placement on IM. VULN customers most commonly (43.6%) reported that the reasons they were on IM were well explained. More than two thirds (67.5%) of VULN customers reported that the process for appealing their placement on IM was not explained to them at all. All customers were asked how well the process of getting off IM was explained to them. VIM customers were more likely than VULN customers to report that the process for ‘how to get off IM’ was well explained to them (69.9% VIM, 15.2% VULN, $\chi^2(3) = 246.5$, $p < 0.001$). VULN customers were more likely than VIM customers to report that the process wasn’t explained at all (68.5% VULN, 14.7% VIM, $\chi^2(3) = 246.5$, $p < 0.001$).

4.1.1.2 Face to face interviews with customers

Overall views of IM implementation

Respondents who participated in the face to face interviews (predominantly current or former VIM customers) generally had positive perceptions of their experiences with PBIM. This sentiment was expressed most clearly when asked to discuss whether or not they would recommend IM to others in similar positions to their own. That is, the majority of respondents explained that they would encourage others to go onto IM, particularly if they

were on low incomes, had children, were struggling to make ends meet, or had habits relating to alcohol, drugs, gambling and the like.

Respondents also noted several aspects of IM that had caused difficulty (outlined in later Sections of the report), and a small number of respondents had exited IM, or intended to do so. Reasons given by respondents included increased hassle, mismanagement of their accounts, and frustration caused by the inaccessibility of their funds.

Participants were asked about their interactions with DHS while on IM, and almost without exception respondents spoke very highly of the interactions they had had with DHS since being on IM. They felt that the service they had received was helpful, that they could get the advice and information they needed and that they were dealt with in a courteous and efficient manner. Some reported that they had always had a positive relationship with DHS, but others felt that they had had greater personal support since being on IM. There were a few exceptions to this generally positive view of DHS interactions but these seemed to be related to specific incidences with individual members of staff (often linked to apparent administrative difficulties) rather than support overall.

BasicsCard

Most respondents had largely positive impressions of the BasicsCard. They felt that it was easy to use, made their lives easier and helped them to manage their money. As a consequence, respondents felt that the BasicsCard afforded them a degree of peace of mind.

Respondents' main concern about the BasicsCard was its lack of acceptance among many retailers and service providers, including those offering goods and services at a discounted rate. Some noted that lists of retailers accepting the BasicsCard supplied by DHS were inaccurate and/or out of date.

Respondents expressed particular disbelief that the BasicsCard was not accepted by several government departments, agencies and statutory authorities, such as state government departments of roads (who collect vehicle registration fees) and Australia Post.

Many respondents considered retailers who accepted the BasicsCard to be, on the whole, more expensive than those who did not accept the card.

In addition, many respondents commented that many chemists, petrol retailers, and no schools, accepted the BasicsCard. Few small retailers such as grocers, bakeries and butchers appeared to accept the BasicsCard.

Most respondents reported that they had not encountered any technical problems using their BasicsCard. Technical issues appeared to be relatively uncommon and were generally confined to EFTPOS machines not reading cards, the 'system' being down, and less commonly, the PBIM page on the DHS website being down.

Respondents who were unable to purchase goods using their BasicsCard due to technical glitches generally reported feeling embarrassed (if the incident occurred in a public venue) or frustrated and inconvenienced.

Some respondents reported finding the process of transferring funds from their BasicsCard to be difficult and time consuming. Some felt that DHS staff sometimes had a poor understanding of the reasons why respondents sought authorisation to purchase goods (such as specialist footwear for their children) from retailers who did not accept the BasicsCard. There were reports of inconsistent practices, with some respondents asked by DHS staff to provide quotes for approval whilst others were able to request that funds be transferred.

Few respondents reported having encountered any difficulties managing their account, including accessing account balances, with the exception of the online system being down. Some respondents reported that being able to access their account balances by calling a free number was helpful.

4.1.1.3 Online surveys

DHS staff survey

Almost half (48%) of the DHS staff who responded to the online survey reported that they had experienced problems related to the administration of IM. This was highest in Logan and Bankstown (69% and 62%).

The types of IM administration problems most commonly experienced, included that internal IM policies and procedures were difficult to implement in practice (31%), and that the process and procedures of IM were time consuming (31%). IT issues were selected the least, making up only 7% of problems.

Customer Service Officers (CSOs) and Zone Income Management Coordinators (ZIMCOs) were asked to estimate what proportion of customers had chosen to use the BasicsCard. Almost a third of respondents estimated that either 70-79% or 80-89% (both 28.2% of staff responses) of customers had chosen to use the BasicsCard. More than half (56.4%) of the CSOs and ZIMCOs responded that customers had reported difficulties with using the BasicsCard. CSOs and ZIMCOs suggested that customers most often reported the following difficulties (in order of most often reported by staff):

- Not able to use the BasicsCard at local merchants they would normally purchase from (36.5%),
- Problems using merchants' BasicsCard facilities (21.2%),
- Feeling embarrassed or ashamed of using the BasicsCard (21.2%),
- Losing the BasicsCard (9.6%),
- Difficulty understanding how to use the BasicsCard (7.7%), and
- Difficulty in checking their balance on the BasicsCard (3.8%).

FMPS survey

All but one staff member who responded to the FMPS survey reported that their service had been adequately informed about the processes and requirements of IM to enable their staff to provide quality services to these customers. This FMPS participant suggested that 'more communication' could have improved the way that information about IM was provided to their organisation.

FMPS staff were also asked to provide their suggestions for how the process of IM or referral to financial counselling and/or money management courses could be improved. Responses centred around improved understanding of FMP services by DHS staff so that appropriate referrals were made, ensuring customers' willingness to be referred prior to referral, and for referrals to identify the key areas of need for customers. It was also suggested that systems could enable feedback to DHS staff as to whether a customer had been engaged with the service.

BasicsCard merchants

BasicsCard merchants were asked a series of questions to inform understanding of how effectively the BasicsCard system had been administered and implemented. When asked to describe the process for applying to be a BasicsCard merchant, most (34.0%) reported that the process was easy, 22.7% reported it was very easy, 22.7% reported it was neither easy nor difficult, and only 2.6% believed it was difficult or very difficult.

Merchants were also asked to describe whether they had any difficulties using the BasicsCard facilities. The majority of merchants (77.2%) did not experience any difficulties using the BasicsCard facilities, while only 6.7% of merchants reported they had experienced difficulties. Merchants who reported they had experienced difficulties using the BasicsCard facilities were asked whether support was available to them when they experienced difficulties. Most merchants (50.0%) reported support was available most of the time, while 30.0% of merchants reported that support was not at all available.

Merchants who reported they had experienced difficulties using the BasicsCard facilities were then asked to describe some of the difficulties they had experienced. The most commonly reported difficulties were in relation to issues with the BasicsCard.

Merchants were asked whether BasicsCard customers had reported any difficulties with using the card. The majority (81.8%) of respondents suggested 'no', while 8.1% reported they were 'not sure'. A further 10.1% of merchants said that 'yes' customers had reported difficulties with using the card.

4.1.1.4 Stakeholder interviews and focus groups - DHS staff

Following commencement of PBIM in a number of sites, the effects of local "Say No" campaigns, politicisation and media stories on television shows such as *Today Tonight* had created considerable anxiety and trepidation amongst DHS customers, particularly Indigenous customers. A number of DHS staff recalled that Indigenous customers had come into DHS to ask when they were going to get their "green card".

Much of the information aired through media reports and the local campaigns was noted to be factually incorrect, and this had meant that DHS community engagement staff (such as ZIMCOs and Indigenous engagement officers) and DHS CSOs had had to expend some effort in carefully explaining how the IM measures worked, both to customers and other NGOs or community groups involved in the campaign. The local campaigns had been very active in Bankstown and Shepparton in particular, and it was clear that campaigns had not only created some anxiety amongst customers, they had also created some anxiety and ambivalence amongst DHS staff in these locations about discussing IM with customers.

It was noted at a number of sites that there was a lack of Departmentally sanctioned communication or information material on PBIM measures prior to its introduction on 1 July, 2012, and that this vacuum had enabled the community campaigns to gain a greater foothold. Some DHS staff had felt stymied in efforts to respond to the community campaigns due to a lack of available communication or information products on PBIM. A number of DHS staff were critical about this aspect of the implementation of PBIM. One staff member noted that the community campaigns had led to a lot of unnecessary anxiety and distress amongst the local Indigenous community about PBIM, which had done some damage to the previously positive relationship between DHS and the community. It was noted by a number of staff that some of the misinformation and anxiety which had resulted from the campaigns could have been avoided had the Department led and facilitated more proactive communication on PBIM to the community prior to its introduction.

It was also noted that due to the community campaigns many NGOs were still not providing information to customers on VIM, at the time of the focus groups (October, 2012).

At most sites, staff considered that the community campaigns were losing steam now that the IM measures were in effect, and it had become clear that Indigenous customers were not being targeted and that compulsory IM was only being applied after careful consideration of a customer's financial vulnerability. It was also thought that customers' positive experiences on VIM may be contributing to a change in community perceptions of IM.

4.1.1.5 Summary

Overall PBIM appears to have been administered well, from the perspectives of customers, DHS staff, FMPS providers and BasicsCard merchants. However there are a number of exceptions to this view. DHS staff in some trial sites felt that DHS were slow to develop a cohesive and authorised response to anti-IM community campaigns and concerns, which left them feeling powerless to contradict misinformation circulated to community groups. Additionally, a considerable proportion of VULN customers, reported not being provided with information about critical aspects of the IM process, such as how to appeal decisions. There may be a number of reasons for this, such as failure to attend an initial allocation interview, and this issue will continue to be explored in subsequent evaluation reports, drawing on data from the face to face interviews and the longitudinal survey.

4.1.2 Have there been any initial process 'teething issues' that need to be addressed?

Communication

Initial process or teething issues appear to have been responded to in a reasonably timely and ongoing manner, with DHS, child protection and housing authority staff reporting that there was regular communication to address local issues that arose, as well as feeling that they could feedback through state and national platforms and communication channels when required. For example, there was regular feedback at a national level as to merchants that customers patronised who were not signed up to the BasicsCard so that they could be invited to sign up. Local housing authorities in relevant jurisdictions had also reported ongoing communication with local DHS staff to resolve issues related to a number of unsuccessful referrals to VULN. Zone Income Management Coordinators (ZIMCOs) and

Income Management Coordinators (IMCOs) appear to be highly valued sources of communication and information around PBIM, both within DHS and with external agencies.

There have been a number of notable exceptions where communication processes within the PBIM trial sites were not felt to be effective:

- Prior to and at the commencement of PBIM in sites where there was strong anti-IM campaigns, local staff felt hamstrung to respond to criticisms and factual errors being disseminated about PBIM. This appears to have subsided over time, and to some degree the positive experience of customers within the trial sites has served to address some of the alarm and concern about PBIM;
- In relation to communication material related to the CPIM measure, which refers to CPIM as a compulsory measure, though in most states it has been implemented as a consent-based measure. There is disagreement at a state and Commonwealth level as to where responsibility lies for producing communication materials which reflect the current implementation of the policy within jurisdictions.

VULN customers

It is not clear at this stage whether any additional process issues have arisen with the expansion of eligibility for VULN on 1 July 2013. However, responses from VULN customers who participated in the longitudinal survey (the majority of whom would have been referred following expansion of the VULN eligibility criteria) indicates that a considerable proportion of these customers feel that IM and its associated processes were not explained well or were not explained to them at all. This may be because the change to the eligibility for VULN was implemented over a short period without sufficient lead time to communicate and promote this change to customers more broadly. The allocation interview represents an opportunity where the process of IM can be explained more fully, and additionally it may be the case that many of the new VULN cohort failed to attend their initial allocation interview. Regardless, it appears that many VULN customers do not feel that they were provided with clear information about why they were referred to IM, the process for coming off IM, and their eligibility for the MSP. It may also be reflective of strain on the local DHS services in the trial sites, with the change in eligibility for VULN leading to a relatively large cohort of customers being placed on VULN over a short period of time. Staff in the DHS survey noted that customers on IM measures generally required more staff time to respond effectively to, compared to other DHS customers. This issue will be explored further in subsequent evaluation reports.

Other process issues

A number of ongoing process issues have been identified throughout the evaluation which may require further action. These include:

- The CPIM measure has been applied in very few cases, and this may be related to it being applied as a consent-based model in the majority of jurisdictions, despite being originally conceived as a compulsory measure. DHS and child protection workers indicated that there was little incentive for customers to take up CPIM when they could instead take up VIM which offered the opportunity to obtain the VIP, and which does not require any oversight by child protection authorities. It is not clear at this stage how many customers identified for CPIM have instead taken up VIM, however referral rates for CPIM to date would suggest that the model as it has been implemented in the

jurisdictions has not led to CPIM being seen as a useful additional tool for child protection staff in responding to situations of child neglect;

- Merchants that customers use regularly not being signed up to BasicsCard (for example Aldi) leading to them having to purchase goods at alternative merchants which they perceived to be more expensive; and
- Challenges in managing the policies and procedures around IM, which are perceived to be time consuming and difficult to implement by approximately a third of DHS staff who participated in the online survey.

4.1.3 What are the characteristics of those on PBIM? How do the characteristics of PBIM customers compare with the eligibility criteria for placement on PBIM?

4.1.3.1 Longitudinal survey of customers

The general eligibility criteria for PBIM indicates that it should be targeted to those with higher risk of social isolation and disengagement, poor financial literacy, and who participate in risky behaviours. Each of the measures has specific criteria, which are revisited below.

VIM

VIM is intended for people who wish to be assisted with meeting their priority needs and to learn how to manage finances for themselves and/or family in the long term.

The data from the baseline wave of the longitudinal survey indicate that amongst the VIM participant sample:

- More than 40% of VIM customers were a parent, guardian or carer for a child;
- Nearly a third reported that some or all of the children they cared for had irregular attendance at school;
- Approximately a third of the VIM participants caring for children reported having difficulty paying for medical care or medicines for a child they cared for in the past 12 months;
- Approximately two thirds of VIM participants reported running out of money to buy food, or running out of money to pay bills in the three months prior to coming on to IM (64.3% and 69.0% respectively), while 56.7% reported having to borrow money from family or friends because they didn't have enough money to pay for essential items in the past three months;
- Approximately 12.1% of VIM participants reported being homeless or “sleeping rough” on at least one occasion in the three months prior to coming on to VIM;
- More than 40% reported that before going on to VIM they would regularly run out of money before payday; and
- More than 40% reported that they either didn't plan their spending ahead, or they only planned ahead for the next few days.

VULN

The original criteria for VULN centred around the assessment of a person's financial vulnerability, with an assessment by a DHS social worker to consider if a person would benefit from IM in order to meet their social and/or parental responsibilities, to manage their money responsibly, and to build and maintain reasonable self-care. It considered in particular issues such as risk of homelessness, and experience of financial harassment.

As noted throughout this report, the original criteria for referral to VULN IM were expanded on 1 July 2013 to include the following DHS customers:

- People under 16 years granted the Special Benefit payment;
- People over 16 granted UTLAH; and
- People under 25 who received a crisis payment due to prison release and who lived in an area where the vulnerable measure was in place.

This new cohort may not exhibit financial vulnerability *per se*, and are not individually assessed for vulnerability, though the nature of the payments they receive would indicate some risk of financial vulnerability. The addition to this new cohort, which constitutes the majority of customers currently on VULN IM, will necessarily change the profile and presenting characteristics of VULN customers, and may result in these customers as a whole not exhibiting the levels of financial vulnerability originally anticipated for this measure.

The data from the longitudinal survey indicate that among the VULN cohort (includes those referred to VULN up to November 2013):

- Only 2% of VULN participants reported being a parent, guardian or carer for a child;
- A third of the VULN participants who were a parent or carer for a child reported that the child or all of their children had irregular attendance at school;
- None of the VULN participants who were in a caring role for a child reported having difficulty paying for medical care or medicines for any children in the last 12 months;
- Approximately 40% of VULN participants reported running out of money to buy food and running out of money to pay a bill when it was due, in the three months prior to coming on to IM (40.4% and 38.9% respectively), while 45.0% reported having to borrow money from family or friends because they didn't have enough money to pay for essential items;
- Approximately 14.7% of VULN participants reported sleeping rough at least once in the three months prior to coming on to VULN IM;
- More than 17% reported that before going on to VULN they would regularly run out of money before payday; and
- More than a third of VULN participants reported that they were able to save a bit of money every now and then, while more than a tenth of participants reported that they spent more money than they got or that they regularly ran out of money before payday.

CPIM

The eligibility criteria for CPIM indicate that a person can be referred to CPIM if the child protection worker deems that IM might contribute to improved outcomes for children or young people, particularly those at risk of neglect. As noted in this report, to date only very small numbers of customers have been placed on CPIM (<5), and none of these customers has been able to be recruited to the longitudinal survey. One CPIM customer participated in the face to face interview, however detailed information related to a single participant will not be reported to protect their privacy and confidentiality.

4.1.3.2 Summary

Interestingly, at this stage it appears that the VIM customers may be just as vulnerable, if not more so, than the overall cohort of VULN customers. This may be due to the new cohort of VULN customers having been placed on VULN by virtue of being on payment arrangements which indicate future risk of financial vulnerability, as opposed to current vulnerability. This new cohort now comprises the majority of customers on VULN, and hence the characteristics of this new cohort will dominate in the sample characteristics of this group. Additionally, it may be that the VIM customers are essentially vulnerable customers, but are only distinguished from those targeted under the original VULN criteria by their motivation to address their financial vulnerability. It was noted by some DHS staff that offering the option of VIM was often a first step in addressing vulnerable customers needs, and if this was not taken up, assessment for VULN was considered.

4.1.4 What has been the effect of the introduction of PBIM on service providers?

4.1.4.1 Online surveys

DHS staff

DHS staff reported that IM customers (on all measures) generally required more of their time (including both face to face and after contact work time) compared with other income support customers. When asked to approximate how much additional time for IM customers compared with income support customers was required, staff most often reported 2-3 additional hours per month.

BasicsCard merchants

BasicsCard merchants were asked whether they noticed any changes in the types of goods or services that were being purchased from their store since the introduction of the BasicsCard. The majority (76.3%) of respondents suggested that they had not noticed any changes in the types of goods or services being purchased. Only 3.9% of BasicsCard merchants reported that they had noticed changes in the types of good or services being purchased.

Merchants were asked to estimate the cost (in Australian dollars) of activities related to having the BasicsCard system in their stores. The majority of responses to following activities suggested that minimal to negligible costs were involved:

- In response to whether there was a cost involved in purchasing BasicsCard equipment, most merchants (67.8%) responded that there was no cost involved in purchasing equipment.
- In response to whether there was a cost involved in any time required to train staff how to use the BasicsCard equipment (including salaries and on-costs), most merchants (49.7%) reported there were no costs involved, while 28.7% reported they were not sure.
- Merchants were asked whether BasicsCard transactions required more time than other payment methods such as EFTPOS. When asked to estimate any costs of additional time required for single purchases or transaction, merchants most often (60.1%) responded there were no additional costs.

4.1.4.2 Stakeholder interviews and focus groups – DHS staff:

Assisting customers on IM

A number of DHS staff described the process of assisting customers on IM as time consuming. The initial process of reviewing their expenditure and regular payments can take 1 to 2 hours, and in some cases up to 4 hours if multiple interviews are required.

The allocation interview, which often involved building a budget for customers and determining their financial goals, was noted by a number of DHS staff as being a process which could lead to the establishment of a high degree of trust and rapport with the customer. This can also mean that when customers come in to DHS they will request the same CSO that conducted their allocation interview, even if the issue could be dealt with by another CSO. As a result, these customers are not always able to obtain a timely response from DHS.

Assessments of VULN IM customers

The assessments of customers referred for VULN was reported to be very time and resource intensive, in particular a significant amount of time was required to obtain third party confirmation of customers' vulnerability and to gather the necessary information. The assessment with the customer is often conducted over a number of days or weeks. One social worker estimated that the initial assessment with the customer took approximately 2 hours and then approximately 1.5 hours for a follow up interview. Customers are often resistant, which can make it difficult to obtain the necessary information, and it may mean that they do not turn up for their initial assessment appointment. In many cases the assessment had revealed that customers had a broad range of complex needs. This had led to social workers feeling that in some cases they became a de-facto case-manager, as customers were often not already engaged with case management services.

It should be noted that the assessment process is not required for the newer cohort of VULN customers who are referred because they are on a particular payment type or rate. Additional time is only required for those referred to VULN due to financial vulnerability.

4.1.4.3 Summary

There has been limited impact on merchants who have signed up for the BasicsCard, either in terms of a financial or resource impact. The most significant impact has been on DHS staff, where both the process of assessment of VULN customers and the process of managing all PBIM customers appears to have taken more time than anticipated, and more time than is required by an average DHS customers. It should be noted that the assessment for VULN customers is not required for the newer cohort of VULN customers. The introduction of PBIM appears to have been particularly challenging for social workers, who have challenges defining the boundaries of their role when dealing with customers who have multiple and complex needs.

4.1.5 What is the level of take-up of Financial Management Program Services?

Wave 1 of the longitudinal survey will examine what services customers report having accessed while on IM, including money management course and financial counselling. This was not addressed in the baseline survey, as it was conducted within weeks of customers having been referred to IM.

4.1.5.1 Online surveys

DHS staff survey

Across the five trial sites, DHS staff approximated that less than a third (30%) of customers they worked with had taken up referrals to a money management course. Playford staff reported the highest proportion of take up, estimating that more than half (51%) of their customers took up referrals. In comparison, Shepparton staff reported that only one tenth (11%) of their customers took up referrals to money management courses.

Take up of financial counselling was reported to occur more often than money management courses, with DHS staff approximating that 38% of customers they worked with had taken up referrals to a financial counselling. Take up of referrals appears to be highest in Rockhampton, where more than half (55%) of customers took up their referrals to financial counselling. Shepparton again reported the lowest levels of take up, with only 22% of customers accessing the financial counselling services they were referred to.

FMPS survey

FMPS staff who completed the survey all reported having worked with customers on IM. When asked approximately how many customers they had worked with in the past year, the estimations varied widely across sites. On average, at the lower end Bankstown FMPS services estimated that they had worked with seven customers in the past year, while at the higher end Rockhampton FMPS services estimated that they had worked with 100 customers.

4.1.5.2 Stakeholder interviews and focus groups – DHS staff

The relationship between DHS and their local Financial Counselling services differed across sites. In sites that were co-located with Financial Counselling services or had a positive working relationship with a local Financial Counselling service, DHS staff were more confident of timely and high quality responses from Financial Counselling services to IM referrals. Timely responses were noted as being critical in order to assist customers to maintain the momentum to change their financial situation, as the motivation to make significant changes could easily wane.

DHS staff consistently reported that the financial counselling and money management services were very valuable to customers, and believed that they would be critical to delivering longer term outcomes from IM.

A number of staff commented that it was too early to identify the impact of these services, as some customers were still paying off significant debts, though the ability to renegotiate and reduce debt was seen as one of the most valuable aspects of the services they provided.

4.1.5.3 Summary

The actual take up of referrals to financial counselling and money management courses is currently not clear. Given the variation in the proportion of customers taking up these services reported in the DHS survey and the FMPS survey, additional data sources will be sought in future reports to confirm uptake of money management courses and financial counselling, including through secondary data provided by FMPS services, and through the customer self-reporting in the longitudinal survey. These findings will be reported in the process and short term evaluation report.

4.1.6 What is the level of take-up of other relevant support services (e.g. Communities for Children)?

4.1.6.1 Face to face customer interviews - Experiences with other products and services

DHS product - Interest Free Loans

Some respondents in the face to face interviews reported that they had obtained an interest free loan from DHS. They felt that these loans were most useful as they enabled respondents to pay off their debts, ‘catch up’ and assume greater control over the management of their finances.

The only concern expressed by respondents regarding these interest free loans related to the inability to access the loan as cash. Instead, funds were transferred to the BasicsCard, which as respondents noted, was not accepted in all the places where they wished to spend their money.

Assistance received from other support services

Most respondents reported having received varying levels of assistance from a range of community services, including welfare organisations (e.g. the Smith Family, UnitingCare, Mission Australia, St Vincent de Paul, the Salvation Army, Ozanam House and the Carers' Network Association), community health services and local government services. The main types of support services sought from these organisations were:

- food vouchers, free meals and material aid;
- financial counselling, financial planning and budgeting support ;
- emotional and social support;
- respite for children with disabilities; and
- housing support.

In addition, a few respondents advised that they had received support from banks (NAB and ANZ) in the form of financial savings programs, in which the banks matched respondents' savings, with money saved to be spent on their children's education. These savings programs also had an educational component, with seminars on topics aimed at improving respondents' financial literacy.

Some respondents reported that since commencing PBIM, their support needs had declined or they no longer required support from community services. However, a small number of respondents were still receiving support from such organisations. For example, one 'vulnerable' participant had remained in regular contact with a support organisation that assisted people dealing with mental health issues to find housing, accommodation and financial aid.

Perceived unmet needs for assistance

Most respondents reported that they were aware of a range of support services, both financial and emotional/social support, available in their community, and knew how to access support services if required.

A few respondents, however, reported having previously had difficulty accessing services. Gaps reported by these respondents related to financial counselling and generalist counselling services. Some reported having 'exhausted' the services available from a particular agency whilst others reported having had trouble accessing support (for example, calls for assistance were not returned).

4.1.6.2 Summary

The indicative findings from the face to face customer interviews indicate that at this stage customers appear to be most often seeking support from welfare services, financial counselling services, housing support and respite services.

The take up of other relevant support services, such as Communities for Children, will be explored in more detail in the process and short term evaluation report, as this contact with a range of services will be captured as part of the longitudinal survey as part of the Wave 1 survey.

4.1.7 What is the profile of people on the different IM measures?

4.1.7.1 Longitudinal survey of customers

The longitudinal survey provides a representative sample of customers across the five trial and comparison sites during the baseline fieldwork period. It should be noted however that the information collected in the longitudinal survey is not a complete data set of all customers on IM.

As noted previously, only a very small number of customers have been placed on CPIM to date (<5), and none of these customers was able to be recruited to the longitudinal survey, either due to being un-contactable or not being willing to participate in the survey. Hence, this evaluation question will be addressed for VIM and VULN customers only. The child protection case file analysis due for completion at the end of 2014, may provide additional insights as to the profile of CPIM customers.

The large majority (89.9%) of trial site customers reported they were born in Australia. Across all IM participants 14.2% of customers in the trial sites identified as being of Aboriginal or Torres Strait Islander origin (13.1% of VIM customers and 14.9% of VULN customers). VIM customers were more likely to have been born overseas (18.3%) compared with VULN customers (5.2%).

In terms of highest level of schooling or training achieved, on average 39% of IM participants had completed a business college or TAFE certificate. A very similar proportion of VIM and VULN participants' reported that their highest level of education achieved was year 12 or below (52.5% and 53.6% respectively). While a greater proportion of VULN participants had obtained a Business College or TAFE Certificate or Diploma compared to VIM participants (42.7% compared to 34.0%, respectively), a greater proportion of VIM customers had obtained a degree or post-graduate qualification compared to VULN customers (5.6% compared to 0.2%, respectively). However the difference in post-graduate qualifications might be at least partially due to the difference in the age distribution between VIM and VULN participants, with the VULN participants having a significantly lower average age than the VIM participants.

Across all IM participants 43.5% reported being unemployed and looking for work. VULN customers were more likely to be unemployed and looking for work than VIM customers (59.7% compared to 27.3%, respectively), and similarly were less likely to be unemployed and not looking for work compared to VIM customers (13.9% compared to 54.5%, respectively). A greater number of VULN customers were also currently employed compared to VIM participants (25.4% compared to 11.4%, respectively). These differences in labour force status may reflect the differences in the nature of payments being received by the VIM and VULN participants, with 36.7% of VIM participants receiving the DSP compared to 0.4% of VULN participants, and with 20.5% of VIM participants on a parenting payment (single), compared to 0% of the VULN participants.

In terms of household composition, VIM customers were more likely to live alone than VULN customers (32.4% compared to 9.5%, respectively), or in a single parent household with children under 18 years of age (31.7% compared to 4.2%, respectively). In comparison, VULN customers were more likely to live in a non-family household group without any children under 18 years of age than VIM customers (32.9% compared to 5.9%, respectively).

4.1.7.2 Summary

The VIM and VULN customers appear to have quite different profiles, with VIM customers older, more likely to have dependents, more likely to have been born overseas, and less likely to be employed or looking for work and more likely to be either living alone or living with children under the age of 18, compared to those on VULN. Again, some of these differences may be driven at least in part by the differences in age between VIM and VULN participants.

4.1.8 What are the views of participants in the PBIM model and their families on the implementation of the project?

4.1.8.1 Longitudinal customer survey

Customers who participated in the longitudinal survey were asked about how well various aspects of IM were explained. A considerable proportion of survey participants on VULN believed that that VULN IM was not appropriate for them (64.0%), indicating a negative view from these participants about the implementation of the measure.

The views of IM participants about the PBIM model and its implementation varies substantially according to the measure they are on, with VIM participants reporting overall positive views about IM, and those on VULN being split between those who believe that IM was having or would have a positive impact on their lives and those who feel it was having, or would have, a negative impact.

Customers were also asked to describe the main way they thought IM would, or had, changed the way they lived. VIM customers suggested that the main change to their lives was, or would be, that their bills, payments and debts were now made or met on time (26.0% VIM, 6.2% VULN). VULN customers most often reported that the main way IM had changed, or would change, their lives was that it negatively restricted their spending/meant that they couldn't pay for some items (38.7% VULN, 3.2% VIM).

4.1.8.2 Face to face interviews with customers - Overall impressions of PBIM trial

Respondents in the face to face surveys generally had positive perceptions of their experiences with PBIM. It should be noted that the majority of respondents had been or were on VIM, with two respondents having been on VULN and one respondent having been on CPIM. The majority of respondents indicated that they would encourage others to go on IM, particularly if they were on low incomes, had children, were struggling to make ends meet, or had habits relating to alcohol, drugs, gambling and the like. Interestingly, a few respondents asserted that PBIM should be made mandatory for anyone receiving DHS payments in order to minimise unnecessary spending and help to discourage family neglect, the inability to pay rent and bills, unhealthy behaviour, and wasting of government-provided funds.

Respondents also noted several aspects of IM that had caused difficulty, and a small number of respondents had exited IM, or intended to do so. Reasons given by respondents included increased hassle, mismanagement of their accounts, and frustration caused by the

inaccessibility of their funds. It should be noted that only those customers on VIM are able to autonomously choose to exit the measure.

Nevertheless, the overall impressions of PBIM offered by respondents were generally positive and related to experiences of easing stress and concern, improved management of funds, and increased savings. Likewise, almost all of the third party respondents spoken to also commented that they had witnessed the positive benefits of PBIM on their family member/friend, and that their impressions of PBIM were positive as a result.

4.1.8.3 Stakeholder interviews and focus groups – Housing authority interviews

Both NSW and SA Housing authority representatives reported that there has been no direct comment or feedback from housing customers on IM, and that many were probably unaware of what it was prior to their referral.

NSW Housing described three main responses by customers to referrals to VULN IM:

- Some customers will just see it as another letter from NSW Housing which they will ignore;
- Some customers will clear their arrears by calling on friends and family; and
- For those customers who do not have access to a lump sum to clear their arrears, they may contact housing to re-activate their rental deduction scheme and pay off their rental arrears.

SA Housing indicated that customers were often apprehensive about IM when it was raised with them, and in particular about the fact that they didn't have a choice over the duration of VULN. Customers appear to be less apprehensive about VIM, particularly when they understand they will receive the VIP if they remain on IM for 26 weeks.

4.1.8.4 Summary

The views of customers about the PBIM model and its implementation appear to vary according to the measure they are on, with the majority VIM customers very positive about the impacts of IM on their lives, while a considerable proportion of VULN customers felt that information about VULN IM had not been explained, or explained well to them, and a third anticipating that IM would have negative impacts on their lives. The attitudes and reported impacts of IM on VIM and VULN customers over a longer time period will be explored in the subsequent waves of the longitudinal survey, and the face to face customer interviews.

4.1.9 Has the measure been implemented in a non-discriminatory manner?

Discrimination refers to the prejudicial treatment of an individual on the basis of their actual or perceived membership of a particular group. In the context of PBIM, some groups have expressed concern that Aboriginal and Torres Strait Islander customers may be targeted for IM, as historically the focus of IM in Australia has been on Aboriginal and Torres Strait Islander communities. A further concern expressed about IM is that people on IM who use BasicsCards may experience discrimination from merchants, as the card would

signify that they are on IM. This also has links to the experience of stigma with regard to IM and use of the BasicsCard, which is addressed in section 3.2. The experience of stigma and discrimination will be further addressed in subsequent evaluation reports.

4.1.9.1 Longitudinal customer survey

As previously noted, the majority of survey participants on IM reported being born in Australia (non-Indigenous) (74.3%), while 14% of participants identified as being Indigenous Australians, and 11.7% reported being born outside of Australia.

When considered according the individual measures, approximately 13.1% of VIM survey participants identified as Indigenous Australian, while 14.9% of VULN participants identified as being Indigenous Australian. While the proportion of Indigenous Australians on IM in the trial sites is higher than the proportion of the overall population in these sites who would identify as Indigenous (between 0.7-6.3%; see section 3.1), it is more important whether it is representative of the proportion of welfare payment customers who are Indigenous. This is the relevant comparison population to determine whether there is over-selection or over-referral of Indigenous customers to IM in the trial sites, and this is the population group from which IM customers can be selected

According to data derived from the Overcoming Indigenous Disadvantage: Key Indicators 2011 report (SCRGSP, 2011) the rate ratio of Indigenous to non-Indigenous people (18-64 years) who are receiving government cash pensions and allowances was 2:1 in Australia in 2008. In terms of IM as applied in the trial sites the current rate ratio of Indigenous to non-Indigenous people who have been placed on the measure is 0.17:1. This would suggest that Indigenous people are under-represented in referrals to IM in the PBIM trial sites, compared to their representation overall as welfare payment recipients.

Based on referrals to date there is no indication that Indigenous customers are being treated in a discriminatory manner when being considered for referral to IM in the PBIM trial sites.

4.1.9.2 Online surveys

BasicsCard merchants were asked whether there was anything different about the way they dealt with BasicsCard customers, compared with regular customers. Most participants (78.8%) specified ‘no’, there was nothing different about their treatment of BasicsCard customers. The 17.2% of merchants who specified ‘yes’ were also asked to comment on what ways they treated BasicsCard customers differently. Most responses involved merchants having to monitor whether BasicsCard customers had purchased alcohol or tobacco products, advising customers what can’t be purchased on the BasicsCard, and also that they had kept a duplicate copy of BasicsCard customers’ receipts for record keeping.

A number of merchants also noted that they often were not aware if the customer was using a BasicsCard as it could be used through standard EFTPOS facilities.

While merchants have an obligation to ensure that customers’ purchases on the BasicsCard do not include excluded goods, this scrutiny may be experienced by IM customers as discrimination when they consider that other customers are not subject to the same scrutiny. Customers perceptions of stigma associated with the BasicsCard are addressed further in section 3.2.

4.1.9.3 Summary

The history of the implementation of IM, in particular through the NTER, where at least initially application was limited to Indigenous people, has led to concerns about the wider application of IM in other jurisdictions being targeted at Indigenous people. The IM policy as it has been applied through the PBIM trial sites has not to date targeted Indigenous people. As a proportion of total income payment support recipients, Indigenous people are under-represented in the PBIM sample with respect to non-Indigenous people. Additionally, there are views that the BasicsCard carries a stigma for customers and that they may be treated differently by merchants. A small proportion of merchants reported treating customers differently for the purposes of fulfilling their obligations as BasicsCard merchants (such as informing them of excluded goods or monitoring the purchase of excluded goods). Customers' perceptions of stigma associated with the BasicsCard is explored in section 3.2.

5 Key conclusions and next steps

This report

This report has presented and analysed data from the baseline wave of the longitudinal survey of PBIM consumers (July 2012 – November 2013); face-to-face interviews with customers and third parties (September – October 2013); focus groups and interviews with DHS staff, child protection staff, and housing authority staff (October - November 2013); and, online survey conducted with DHS staff, Financial Counselling and Money Management workers, and BasicsCard merchants (September – October 2013).

Process evaluation

The data from the baseline survey, face-to-face consumer interviews, online surveys and focus groups reported in this paper were mapped against relevant process evaluation questions. In summary:

- ***How effectively has PBIM been administered and implemented? What are the regional/jurisdictional variations if any?***

Overall, respondents – namely, PBIM customers, DHS staff, FMPS, BasicsCards merchants and Child Protection staff – reflected that PBIM had been administered well.

- Exceptions to this view included some reservations voiced by DHS staff regarding the slow reaction to anti-IM protests in some communities and the considerable proportion of VULN customers reporting that information was not provided about critical aspects of IM – such as the appeals process.
- At most sites, the former issue is seen by staff to be subsiding. The reasoning for the latter matter will be investigated in future reports.

- ***Have there been any initial ‘teething issues’ that need to be addressed?***

Reports from DHS staff, child protection and housing authority staff suggested that initial process or teething issues were responded to in a reasonably timely manner.

- In addition to the issues raised above, it was noted that DHS staff did at times mention challenges associated with managing the policies and procedures around IM. One third of DHS staff who responded to the online survey felt the processes were time consuming and difficult.

- ***What is the profile of people on the different IM measures?***

VIM and VULN have quite different profiles with VIM customers being older, more likely to have dependents and more likely to be living alone compared with VULN customers.

- ***What are the characteristics of those on PBIM? How do the characteristics of PBIM customers compare with the eligibility criteria for placement on PBIM?***

At this stage of reporting it was found that VIM customers appeared just as vulnerable, if not more so, than the overall cohort of VULN customers. This may be due to the new cohort of VULN customers having been placed on VULN by virtue of payment

arrangements which indicate *future* risk of financial vulnerability, as opposed to *current* vulnerability.

- ***What has been the effect of the introduction of PBIM on service providers?***

Many DHS staff reported that the process of managing VULN customers and PBIM customers overall appeared to have taken more time than anticipated and more time than required by an average DHS customer. BasicsCard Merchants have reported limited impact either in terms of the need for additional resources or finance to provide the BasicsCard service.

- ***What is the level of take-up of the Financial Management Program Services?***

The take-up of Financial Management and Program Services is not clear at this current point in the evaluation and will be considered in greater detail following Wave 1 of the Longitudinal Survey.

- ***What is the level of take up of other relevant support services (e.g. Communities for children?)***

The take up of other relevant support services, such as Communities for Children will be explored in more detail in the process and short term evaluation report as this contact with a range of services will be captured as part of the first wave of the longitudinal survey.

- ***What are the views of participants in the PBIM model and their families on the implementation of the project?***

The views of customers about the PBIM model and its implementation appeared to vary according to the measure the respondent was on. The majority of VIM customers were positive about the impacts of IM on their lives. A third of VULN customers anticipated that IM would have negative impacts on their lives. The attitudes of VIM and VULN customers over a longer time period will be explored in the subsequent waves of the longitudinal survey.

- ***Has the measure been implemented in a non-discriminatory way?***

It was determined that as a proportion of total income payment support recipients, Indigenous people were under-represented in the PBIM sample with respect to non-Indigenous people. This data mitigates concerns that IM would be targeted at Indigenous people. Some consumers noted that the BasicsCard carried a stigma. A small proportion of merchants reported treating customers differently for the purposes of fulfilling their obligations as BasicsCard merchants (such as informing them of excluded goods or monitoring the purchase of excluded goods).

Next steps and reports

In the coming months (March/April 2014), the first wave of the longitudinal survey will be completed. The second wave of the longitudinal survey will then run through until December 2014. Cross-sectional interviews with another sample of PBIM customers will be undertaken in September/October 2014. Online surveys with DHS staff, FMPS staff and BasicsCard merchants will be run in August/September and site visits to conduct focus groups with DHS staff and child protection workers will be conducted in September and November 2014.

This data will be collated and analysed in three subsequent reports between May 2014 and April 2015:

- Process and short term outcome report (May 2014) – this report will present analysis of baseline and first follow up wave from the longitudinal survey. It will also provide analysis of an extraction of DHS administrative data.
- Medium term outcomes report (December 2014) – this report will include analysis of a second round of face-to-face interviews with another sample of customers; site visits including focus groups and interviews with DHS staff, FMPS staff and BasicsCard merchants; and, an extraction of DHS administrative data.
- Consolidated report (April 2015) – this report focus on analysis of outcomes from the final wave of the longitudinal survey.

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Appendix A: Details of the survey of secondary data sources

DHS Customer Records

Source: Department of Human Services

Data: DHS customer records for all customers who at any time during the study period and the preceding 12 months resided in the trial and comparison sites and were on the trigger payment types.

It provides: key demographics, other characteristics (e.g. labour force participation, mobility, housing status, use of Centrepay services, dependents) and population groups. It will allow for population differences across site to be considered in the data analysis.

Status: Provided.

PBIM Customer Records

Source: Department of Human Services

Data: PBIM customer record data related to details of the different processes which comprise each of the PBIM measures including customers' IM account balances and fund transfers through time. These customers' DHS records are also provided as part of the DHS record data.

These data provide measurements of engagement with the PBIM process and changes in related behaviour.

Status: Provided.

PBIM Referral and Review Case Details

Source: State departments / Department of Human Services

Data: Details of why a person was referred to Child Protection Income Management (CPIM) or Vulnerable Income Management (VULN) and their needs leading to referral.

A short form was drafted to standardise the data recorded by case workers and/or social workers at the time of referral and when their involvement was reviewed.

Status: Abandoned – resistance from workers and a lack of resources to collect the data.

PBIM Customer Expenditure Transactions

Source: Department of Human Services

Data: There are two streams for customer expenditure to be paid: (1) by BasicsCard and (2) by payment directly from DHS. Consequently there are two data streams.

BasicsCard transaction data

These data record for each BasicsCard the merchant, date and time, and total expenditure of each BasicsCard expenditure transaction.

Non-BasicsCard expenditure transactions

Transaction details of all expenditure made by each PBIM customer other than expenses paid by BasicsCard. These expenses were paid to vendors through the existing DHS deductions systems.

A limitation of these data is that the type of product being bought is not specifically identified. However many merchants and vendors deal in a single product category thus the product category can often be inferred from the merchant. The main exceptions are supermarkets and department stores.

Status: Provided.

PBIM Service Usage Logs

Source: Department of Human Services

Data: The call logs from the:

- Income Management Line;
- BasicsCard balance enquiry line; and
- BasicsCard self-service website and kiosks.

The logs provide some basic measurements for the services levels, service demand and needs of PBIM customers. If the reason for the calls to the IM Line is recorded these logs could be a very rich source of customers' service needs.

Status: Not Provided – not available.

We were informed that “a log of Self Service Allocations and Balances is not available” and that “that the call log data is not able to be provided”.

Use of the BasicsCard kiosks is recorded in the BasicsCard transaction logs.

Details of Participating Merchants

- Source: Department of Human Services
- Data: Details of individual BasicsCard merchants, to identify merchants by activity, location and participation through time.
These data help identify what PBIM customers are purchasing and give insight into the range and coverage of merchants for BasicsCard holders.
Data recording merchants approached but refused to participate was also requested but this information is not recorded.
Payments to vendors through the DHS deductions system are identifiable but are not approved in the same manner as BasicsCard merchants.
- Status: Provided.

Local Area Expenditure by Category

- Source: Local merchants
- Data: Total expenditure by category for major retailers in each LGA was considered as a way of measuring changes in expenditure patterns in local communities.
- Status: Abandoned - lack of precision, difficult to obtain.
For Place Based Income Management it was considered that the number of people on PBIM would be too small to register any noticeable changes in aggregate expenditure in a community. These data would also take considerable effort to collect and collate.

BasicsCard Expenditure Data by Category

- Source: Major supermarket and department store chains.
- Data: Supermarket and department store BasicsCard expenditure by category, BasicsCard, and store was sought from the major retailers.
Supermarkets and department stores are the main multi-category merchants. These data would enable BasicsCard expenditure from these sources to be allocated to specific product categories thus enriching any analysis of changes in spending patterns.
- Status: Provided.

Use of Money Management and Financial Counselling Services

Source: Department of Social Services – Financial Management Program Services

Data: Money Management and Commonwealth Financial Counselling Data from *Place-based Financial Management Program Services Performance Progress Reports*.

Providers of these services can provide one or both services hence the data are collected in a single form. A new collection form was introduced for the second half 2012.

There are no historical data for Money Management Services as no-one currently operates in any of the locations for which data were requested. Historical data for Commonwealth Financial Counselling services do not completely match the final data specification as a new collection form was introduced for the second half 2012.

These data are highly aggregated and are collected half-yearly by service provider which will be coded to LGA resulting in the data not being fully contained by each LGA. Some disaggregation of data is available as the data are collected by a number of individual demographics.

Status: Provided.

The lead indicators for the money management services have been incorporated into the evaluation. Other more detailed indicators were not of use given the small number of PBIM participants. The financial counselling data were found not to be of use.

A project is about to commence to review all FMP service strategy reporting requirements with a view to streamlining/integrating the reports. While it is anticipated that no major changes will be made to existing reports prior to 1 July 2014, there may be some tweaking of reports from 1 July 2013.

Use of Financial Counselling Services

Source: State government and private services

Data: State governments and private organisations are the primary providers of financial counselling services. The Commonwealth Financial Counselling services are designed to only supplement these services. Given this situation consideration was given to sourcing data from this range of service providers.

Status: Abandoned – too fragmented to collect.

Initial inquiries identified a very fragmented industry and one where obtaining data specific to the target population was very unlikely.

Use of Emergency Response Funds

- Source: Department of Social Services – Financial Management Program Services
- Data: Data on the use of Commonwealth Emergency Relief services were also requested. It had been recommended to us that payments related to these services would be a good proxy for financial stress, although data would only be available at an aggregated level.
- Status: Not Provided - lack of precision and resources to provide.
This request was declined as follows:
- We consider that this data has the potential to lead to erroneous and misleading findings for a number of reasons.*
- It needs also to be considered that it would be a time-consuming and resource-intensive to provide ER for this task.*

Participation in Communities for Children

- Source: Department of Social Services – Communities for Children
- Data: *Communities for Children* facilitating partners provide performance reports. It is a major initiative across all BAFW sites thus data could be compared across all trial and comparison sites.
The data provided by the reports are highly aggregated and contain very little PBIM specific data.
- Status: Not Provided – lack of precision.
Notification was that:
- CfC “are not collecting information on whether customers are referred from IM.” And that “reporting from CfC’s has not been strong or reliable, particularly in the first nine months of the trial and the information would not be a true representation of customers participating in CfC service under the trial who are also IM customers.”*
- On this advice and the periphery nature of these data the data request was withdrawn.

Health Data

Source: Medicare

Data: Medicare was considered as a source of data for measuring health outcomes by selecting item numbers related to children's health (particularly infants) and other relevant items (e.g. treatment for drug rehabilitation or depression, use of pharmaceuticals).

Status: Abandoned – lack of granularity.

Unit record data or even highly granular data were not likely to be provided due to reasons of confidentiality. Given this limitation, the relatively small proportion of PBIM customers within an LGA (a data level which could be accessed) and the imprecise nature of Medicare item number as a proxy for health related outcomes it was considered that any data likely to be provided would not have any useful precision and so these data were not requested.

Drug and Alcohol Use

Source: Australian Institute of Health and Welfare

Data: Data from the AIHW's National Drug Strategy Household Survey and the AIHW's Alcohol and Other Drug Treatment Services datasets were considered.

Status: Abandoned - lack of granularity.

National Drug Strategy Household Survey was not regular enough (it is only conducted every 3 years).

Alcohol and Other Drug Treatment Services datasets were not granular enough in terms of geography and targeted income populations.

Homelessness Data

Source: Australian Institute of Health and Welfare

Data: A confidentialised unit record file (CURF) of the Specialist Homelessness Services (SHS) collection from the Australian Institute of Health and Welfare (AIHW).

These data are at the suburb level of geography which may not be granular enough for the evaluation. However other factors such as homelessness status and various demographics are also part of the dataset.

The DHS customer record file is also expected to provide some data into states of homelessness and temporary accommodation.

Status: Abandoned – lack of granularity.

The local government area is not provided as part of the CURF.

Housing Evictions, Arrears and Complaints

Source: State housing authorities

Data: Data around evictions, arrears and complaints were requested of all state housing authorities for evaluation through time across all trial and comparison sites. Unit record files were not available.

Housing data outside the State housing authorities was not considered due the complexity of collecting any useful data from a fragmented marketplace, privacy issues and the bias of public housing towards DHS customers.

The DHS customer record file and PBIM expenditure patterns will provide some additional insights into housing mobility and payments.

Status: Provided by NSW, SA, Tasmania providing.

Only South Australia, New South Wales and Tasmania agreed to provide data. Queensland and Victoria did not provide data as they are not referring cases to the Vulnerable measure and so did not consider it relevant.

These data have found to be of limited use as:

- The number of evictions in an LGA are tiny 10 to 20 in the trial sites and 1 or 2 on the comparison sites.
- While the number of tenants in arrears is around 15% only around 1% are in arrears for more than 4 weeks and the number of PBIM customers who paid government housing arrears was also tiny (around 10 per month across all trial sites).
- Tasmania could only provide data for arrears.
- Tasmania was transferring some tenants to community housing and South Australian was reviewing their debt reporting.

It is considered that DHS deductions for rent payments would be a better source of data.

Child Protection Data

- Source: State agencies
- Data: Requested from State child protection agencies were a variety of child protection metrics covering notifications, substantiations, care and protection orders, and out of home care. Data specifics needed to be customised by each jurisdiction due to variations across jurisdiction.
- Aggregated time series data by LGA was requested and given the small populations associated with these data and CPIM data in general, provision was made to provide more granular data via 'address based' samples.
- Status: Abandoned - too few cases, reluctance to provide.
 NSW and Tasmania agreed to a specification however there was strong reluctance from Queensland, Victoria and South Australia.
 The request was formally abandoned due to: the very small number of CPIM cases; the reluctance by most States to provide data; and the difficulty in extracting the data
 DSS formally notified the States citing:
In the evaluation design for the trial, it was envisaged that we would be able to use aggregated Child Protection data from each jurisdiction as an analytical resource. However, this is no longer an option as indications are that there will be insufficient numbers of Child Protection Income Management customers to give a sufficient differentiation in the data to undertake analysis. Therefore, we no longer require the Child Protection data as currently specified.

Crime and Domestic Violence Related Data

- Source: Australian Bureau of Statistics / State crime statistics agencies
- Data: Recorded crime statistics for relevant offences were considered as a metric for measuring PBIM social outcomes at a local level. Data from ABS Recorded Crime – Victims and the relevant State agencies were explored.
 Annual data for different crimes are available at a local level (e.g. LGA in NSW and Victoria). However there are a number of difficulties in working with these data, for example differences in classification and recording practices across jurisdiction.
- Status: Abandoned - lack of precision.
 Some data were explored from which it was determined that year to year variation in the data was larger than the number of PBIM customers at all likely to commit an offense. For crime statistics to be useful they would have to be identifiable with the PBIM population.

School Enrolment and Attendance

Source: State education departments / DHS

Data: School attendance data were considered particularly:

- The number of children not enrolled at school.
- The number of children suspended or expelled from school.
- The number of days children attended / did not attend school.

The data would need to identify the location and school term. Unit record data would be preferable. Data should cover both trial and comparison sites.

The data would need to be filtered to only refer to children from PBIM backgrounds or 'potential' PBIM backgrounds. DHS records would be a source for determining these samples by LGA.

DHS was also consulted re any DHS data records identifying the enrolment/attendance of children at school as used with the SEAM (Improving School Enrolment and Attendance through Welfare Reform Measure). We were informed that "children's attendance/enrolment at school by time period" is not available. The data for SEAM was specific to that measure.

Status: Abandoned - lack of granularity, poor availability.

No national school attendance and/or enrolment dataset could be identified. It was hoped that State education departments could provide these data for local state schools. The request was abandoned as it was assessed that :

there is an extremely low likelihood of the education metrics which may be available from secondary data sources being able to measure any effect which PBIM may or may not have on the opportunity for children to engage in education activities.

Thus it would be best not to ask State officials to spend time collating and providing education data, given that potential usefulness is low.

The assessment was based on the following grounds.

- The opportunity for children to engage in education activities is considered a potential medium to longer term outcome of PBIM.
- Data from State departments of education may only be available for the year before the year of interest. That is by September 2013 we would only have data for 2012 and by September 2014 data to 2013. Twelve to eighteen months data is not medium to longer term.
- Education data would need to be tightly sampled to match the PBIM population to be useful. This would be difficult to execute and achieve a good result.
- It is not possible for privacy reasons to relate the school attendance details to CPIM related cases.
- The number of children affected by CPIM is likely to be small.

Employment Data

Source: Australian Bureau of Statistics

Data: The ABS was contacted about the details of the ABS Labour Force Survey and associated statistics. In particular availability at LGA.

Status: Abandoned - lack of granularity.
ABS Labour Statistics are not considered suitable for LGA level analysis. The sample is too small.

Deaths Data

Source: Australian Bureau of Statistics

Data: ABS death statistics at an LGA level of geography were explored. Total deaths per annum by LGA are readily available but details allowing deaths to be related to the target population are not.

Status: Abandoned - lack of precision.
The number of deaths related to the target population is likely to be very low and any effect due to PBIM is unlikely to be observable from total deaths.
Deaths were also considered an extreme metric for the evaluating PBIM.

Population Data

Source: Australian Bureau of Statistics

Data: ABS Census 2011 by Statistical Area Level 1
ABS Estimated Resident Population by Statistical Area Level 1
ABS 2011 Socio-Economic Indexes for Areas (SEIFA)

Status Publically available.

Appendix B: Details of secondary data metrics

Participation metrics

Number of people on PBIM

Population: PBIM customers

Source: PBIM customer records

Description: The number of people on PBIM by measure. Across time the metric will be reported in terms of (1) people currently on Income Management; and (2) people on Income Management for the first time.

Reported by: Time-series of 13 week periods; Trial LGA; PBIM measure; demographic sub-population; key demographics.

Comments: This is a key metric. It defines the PBIM population and is used in a number of other metrics. Total numbers will be reported as well as the time-series.

Growth in the number of people on PBIM

Population: PBIM customers

Source: PBIM customer records

Description: Growth rates calculated from the participation time-series metrics for both participation and new participants in terms of the number participating and the proportion of the target population participating.
Growth rates are likely to vary across time as the program matures, as people roll-off Income Management and as other changes occur (such as the new Vulnerable cohort). These issues need to be taken into account in deriving and reporting the growth rate.

Reported by: Trial LGA; PBIM measure; demographic sub-population; key demographics.

Comments: Growth rates are an indicator of the implementation, acceptance and maturity of the program.

Number of people on DHS trigger payments

Population: DHS customers on PBIM trigger payments in trial and comparison LGAs

Source: DHS customer records

Description: Number of people residing in the trial and comparison LGAs and on welfare payments which can trigger PBIM at any time from 1 July 2012.
The population is defined as 'at any time from' as people who go on PBIM can stay on PBIM if they leave the LGA.
It is expected that target populations better aligned to the PBIM population will be derived in determining the sub-populations of people who engage in PBIM. These target populations will be reported against the raw trigger population.

Reported by: Time-series of 13 week periods; LGA; PBIM measure; demographic sub-population; key demographics.

Comments: This metric defines the 'target' population for PBIM and provides the comparative population for the comparison sites.
Reporting by quarter provides an indication of how the target population has grown across the evaluation time frame.

Proportion of target population on PBIM

Population: PBIM customers

Source: PBIM and DHS customer records

Description: Proportion of the target population on PBIM at any time. It is calculated as the ratio of PBIM customers to 'target' DHS customers in the trial LGAs over the same time period.

Reported by: Time-series of 13 week periods; LGA; PBIM measure; demographic sub-population; key demographics.

Comments: Participation rates are an indicator of the implementation, acceptance and maturity of the program.

SEIFA Indices of PBIM population verses trigger payment population

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: PBIM and DHS customer records; ABS SEIFA indices

Description: There are four SEIFA indices provided by the ABS.

- Index of Relative Socio-economic Advantage and Disadvantage
- Index of Relative Socio-economic Disadvantage
- Index of Economic Resources
- Index of Education and Occupation

Distributions for each of these indices by the three population groups will be calculated by appending the ABS SEIFA index scores to the customers in each population.

Reported by: LGA; PBIM measure

Comments: This metric provides information as to the level of disadvantage of people on PBIM relative to the target population.

Time between a customer signing up for PBIM and the first welfare payment subject to Income Management

Population: PBIM customers

Source: PBIM customer records

Description: Calculate for each PBIM customer the number of days from the date of first welfare payment subject to IM and the date of start of PBIM.
The mean and distribution of the number of days will be reported.

Reported by: Trial LGA

Comments: This metric is an indication of administrative efficiency. Note that delay of up to 14 days is within reason as welfare payments are paid fortnightly.

Number of people ending PBIM by reason for ending

Population: PBIM customers

Source: PBIM customer records

Description: Number and percent of people ending PBIM by reason for ending. People who end and re-join will be counted multiple times.

Reported by: Trial LGA; PBIM measure; demographic sub-population; key demographics.

Comments: The goal of this metric is to obtain an indication of customer satisfaction with PBIM.

Length of time on PBIM

Population: PBIM customers

Source: PBIM customer records

Description: The basic calculation is: number of days between ending PBIM and starting PBIM. There are a number of metrics:

- For people still on PBIM at the end of the data period (30 June 2014) the duration to date will be calculated using 30 June 2014 as an end date. This group of customers will be reported separately and only for completeness.
- Customers can end and re-join PBIM. Consequently there will be: (1) a metric for the total number of days a customer is on PBIM; and (2) a metric for the number of days of each 'enrolment'.

The mean and distribution will be reported.

Reported by: Trial LGA; PBIM measure; demographic sub-population; key demographics.

Comments: This metric is an indicator of administrative process and customer satisfaction. It also enables compliance to be investigated (customers go on PBIM for a minimum of 13 weeks). Time on can also be compared to the prescribed duration at switch on for compulsory Income Management if these data are provided. Note that there may be a small number of people already on Income Management who move to a trial LGA and are thus deemed to be on PBIM.

Number of people transitioning from one PBIM measure to another

Population: PBIM customers

Source: PBIM customer records

Description: A count of the number of people who transition from one PBIM measure to another by each transition undertaken as listed in Table 3.15. It includes people who re-join under a different measure.

Reported by: Explore if meaningful numbers transition. The number transitioning is expected to be very small.

Comments: This metric provides an indication of customer satisfaction and/or administrative process.

Number of times people re-join PBIM

Population: PBIM customers
 Source: PBIM customer records
 Description: Customers can end and re-join PBIM. The number of times a customer 'enrols' on PBIM will be calculated. The distribution of enrolments will be reported. Two enrolments equates to ending and re-joining once.
 Reported by: Trial LGA; PBIM measure.
 Comments: This metric provides an indication of administrative process and/or customer satisfaction.

The metric needs to be considered in concert with the metric, *time between re-joining*. On the data provided to 30 June 2013, 66% of re-enrolments occurred within 6 days of PBIM ending.

Time between re-joining PBIM

Population: PBIM customers
 Source: PBIM customer records
 Description: Only calculated for customers who re-join and is calculated for each re-enrolment. Calculate the number of days from between the start date of enrolment(i+1) and the end date of enrolment(i).
 Reported by: Trial LGA; PBIM measure.
 Comments: This metric provides an indication of administrative process.

Number of Voluntary Incentive Payments received by VIM customers

Population: Voluntary Income Management (VIM) customers
 Source: PBIM customer records
 Description: VIM customers receive an incentive payment every 26 weeks they are on Income Management. The number of VIM payments can be inferred from these details however data specifically reporting for the number of VIM payments for each customer is provided.
 The distribution and mean of the number of payments received will be reported.
 Reported by: Trial LGA; demographic sub-population; key demographics.
 Comments: This metric is an indicator of the importance of the incentive payment. Comparing the time on VIM with the reported number of VIM payments provides a measure of administrative compliance.

Time between receiving a Voluntary Incentive Payment and exiting VIM

Population: Voluntary Income Management (VIM) customers

Source: PBIM customer records

Description: This metric has a slightly different calculation for various sub-groups:

- For people who have received an incentive payment and have exited PBIM = the number of days between the last incentive payment and the PBIM end date.
- For people who have exited PBIM but have not received an incentive payment = the (negative) number of days between exiting and when an incentive payment was due.
- For who have received an incentive payment and are still on PBIM at the end of the data period (30 June 2014) = the number of days between the last incentive payment and 30 June 2014. This group will be treated as a separate population.

The distribution and mean number of days received will be reported.

Reported by: Trial LGA; demographic sub-population; key demographics (as the population size will allow).

Comments: This metric is an indicator of the importance of the incentive payment.

Number of Child Protection and Vulnerable Income Management customers attaining Matched Savings Payments

Population: Compulsory Income Management customers

Source: PBIM customer records

Description: The number and proportion of customers will be reported.

Reported by: Trial LGA; demographic sub-population; key demographics (as the population size will allow).

Comments: This metric is an indicator of the importance of the matched savings payments in terms of customer engagement.
As at 30 June 2013 not Matched Savings Payments had been paid.

Amount of Matched Savings Payments paid

Population: Compulsory Income Management customers

Source: PBIM customer records

Description: The distribution and mean of the payments will be reported for customers receiving a payment.

Reported by: Trial LGA; demographic sub-population; key demographics (as the population size will allow).

Comments: This metric is an indicator of the importance of the matched savings payments in terms of customer engagement.

Time taken to receive Matched Savings Payment

Population: Compulsory Income Management customers

Source: PBIM customer records

Description: Calculated for customers receiving a payment = the number of days since first on Child Protection or Vulnerable Income Management and receiving the Matched Savings Payment.
The distribution and mean of the number of days will be reported.

Reported by: Trial LGA; demographic sub-population; key demographics (as the population size will allow).

Comments: This metric provides insight into the effort required to obtain a Matched Savings Payment.

Number of people participating in Money Management Services

Population: PBIM customers and non-PBIM DHS customers in trial LGAs

Source: Money Management Service provider reports; PBIM customer records

Description: This metric is as directly reported by the service providers each half-year, that is: (1) the number of people Money Management Services (MMS) assisted in the half-year reported; and (2) the number of people Money Management Services (MMS) assisted for the first time in the half-year reported.
People on Income Management who were assisted will be reported by number; the proportion of the total number of people assisted; and the proportion of total PBIM customers.

Reported by: Half-year; Trial LGA; PBIM measure.

Comments: The metric is an indicator of the importance of Money Management Services as part of PBIM.

Number of people commencing, withdrawing or completing a Money Management course

Population: PBIM customers and non-PBIM DHS customers in trial LGAs

Source: Money Management Service provider reports; PBIM customer records

Description: This metric is as directly reported by the service providers each half-year, that is: (1) the number of people commencing a Money Management Course; (2) the number of people completing a Money Management Course; and (3) the number of people withdrawing from a Money Management Course in the half-year reported.

People on Income Management who were assisted will be reported by number; the proportion of the total number of people assisted; and the proportion of total PBIM customers.

Reported by: Half-year; PBIM measure.

Comments: The metric is an indicator of the importance of Money Management Courses as part of PBIM. Money Management Course attendance is also a requirement of Matched Savings Payments.
Attendance to date has been in single digits.

Housing metrics

Rate of changes in address (mobility)

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records

Description: The rate is calculated as the number of addresses lived at in the 2 years prior to going on PBIM, or the two years prior to 1 July 2012 for customers not on PBIM.

Reported by: LGA; PBIM measure; demographic sub-population

Comments: The distribution of customers will be reported. This metric identifies differences in the PBIM population compared to target populations. High and low levels of mobility will be defined from the distribution for use in analysing changes in mobility.

Change in mobility rates before and after PBIM

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records

Description: Before and after mobility rates are calculated for each customer from which the difference in rate (after – before) is then calculated. The rate is calculated as the number of addresses lived for the number of days since the customer first started on PBIM. The same number of days is used for calculating both the before and after rates. A two year time period before and after 1 July 2012 will be used for customers not on PBIM.

Reported by: PBIM measure; High / Low mobility

Comments: The mean change in rate will be compared across populations. High / low mobility levels are determined from the *Rate of changes in address (mobility)* metric. This portioning is important proportion of the target population with high mobility is relatively small and could be swamped by the dominant more stable part of the population. A standard period of time cannot be used for all customers as the time since first on PBIM will vary from a maximum of 2 years to a few days. The metric should be tested to determine whether the measurement time period effects the rate measurement. If so the analysis should allow for this source of variation.

Proportion of people by type of rent being paid

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records

Description: As the type of rent a person pays can change across time this metric is reported as a time-series. The calculation for each population group is: the number of person-days for each type of rent divided by the number of person-days for the population.
The type of rent is classified as: Board and lodging; Free or no rent paid; Government Rent; Private Rent; Other housing; no rent type specified.

Reported by: Time-series of 4 week periods; PBIM measure

Comments: This metric identifies differences in the PBIM population compared to target populations. Shifts in the type of rent being paid may indicate a shift to more stable housing and reduced financial vulnerability.

Number of PBIM customers with arrears deducted from their welfare payments at any time

Population: PBIM customers

Source: DHS customer records (deductions)

Description: A count of the number of PBIM customers who had arrears deducted from their welfare payments at any time for the time periods before, during and after PBIM. The number of pre and post weeks is limited to 26 weeks.

Reported by: Before/During/After PBIM; Trial LGA

Comments: This metric serves to identify the population size of PBIM customers in housing arrears. The numbers are very small. Numbers are provided by LGA only for completeness.

Proportion of people paying rent with arrears deducted from their welfare payments per four week period

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records (deductions)

Description: This metric is calculated across the time periods before, during and after PBIM with the number of pre and post weeks limited to 26 weeks. Customers not on PBIM will take the 26 weeks before 1 July 2012 and the last 26 weeks of data as the before and after time periods with a 26 week interval between the ‘before’ and ‘after’ periods to define the ‘during PBIM’ time interval. Calculate for each customer the proportion of 4 week periods (or part thereof) within each before/during/after interval. This is the basic metric which is then primarily reported as a proportion of people paying rent in the before/during/after intervals.

Reported by: Before/During/After PBIM

Comments: This metric is to compare the level of arrears among PBIM customers to the target population. The number of PBIM customers having arrears deducted from their welfare payments is likely to be very small. This metric will identify the extent of the issue.

Proportion of people paying rent with housing payments deducted from their welfare payments

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records (deductions)

Description: Calculate for each customer the number of housing related deductions as a proportion of welfare payment weeks for time periods before, during and after PBIM. The change in the proportion of 'deduction weeks' during and after PBIM compared to before PBIM are also calculated for each customer. The number of pre and post weeks is limited to 26 weeks. The 26 weeks before 1 July 2012 and the last 26 weeks of data will be used to calculate before and after values for customers not on PBIM. A 26 week interval between the 'before' and 'after' 26 week periods will define the 'during PBIM' time interval. The calculated metrics will be reported as proportion of people paying rent.

Reported by: Before/During/After PBIM; LGA; demographic sub-population; key demographics

Comments: This metric is an indicator of how well people are managing paying for housing one of their main expenses. The calculated metrics will be reported and compared across populations.

Number of PBIM customers with no fixed address or on temporary accommodation at any time

Population: PBIM customers

Source: DHS customer records

Description: A count of the number of PBIM customers whose address is unknown, not fixed etc. at any time for the time periods before, during and after PBIM. The number of pre and post weeks is limited to 26 weeks.

Reported by: Before/During/After PBIM; Trial LGA; demographic sub-population; key demographics (as the population size will allow).

Comments: This metric serves to identify the population size of PBIM customers who may be considered 'homeless' at some time. It relates to the subsequent metrics.

Proportion of people with no fixed address or on temporary accommodation

Population:	PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.
Source:	DHS customer records
Description:	The basic calculation for each customer is the proportion of time (days) where their address is unknown, not fixed etc. for time periods before, during and after PBIM. The change in the proportion of time 'during' and 'after' PBIM compared to 'before' PBIM are also be calculated for each customer. The number of pre and post weeks is limited to 26 weeks. The 26 weeks before 1 July 2012 and the last 26 weeks of data will be used to calculate before and after values for customers not on PBIM. A 26 week interval between the 'before' and 'after' 26 week periods will define the 'during PBIM' time interval.
	The basic metric will be reported as:
	<ul style="list-style-type: none"> • the proportion of customers with address unknown; • the proportion of customers weighted by the time their address was unknown; • the distribution and mean of the proportion of time a customer's address was unknown of customers with an unknown address; • the distribution of the change in the proportion of time a customer's address was unknown of customers with an unknown address.
Reported by:	Before/During/After PBIM; LGA, demographic sub-population; key demographics (as the population size will allow).
Comments:	These metrics are indications of customers who may be considered 'homeless' and how their situation has or has not improved under PBIM.

Financial management and vulnerability metrics

Proportion of people on employment related welfare payments (Newstart Allowance and Youth Allowance)

Population:	PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.
Source:	DHS customer records
Description:	The number of people on Newstart and/or Youth Allowance at any time in a four week period as a proportion of the base population for each population group.
Reported by:	Time-series of 4 week periods; PBIM measure; Newstart/Youth Allowance
Comments:	This metric identifies differences in the PBIM population compared to target populations. PBIM customers will be reported in terms of PBIM customers before PBIM, during PBIM, post PBIM.

Change in employment status (time on allowance) before/after PBIM

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records

Description: The proportion of weeks on Newstart or Youth allowance is calculated for each customer for time periods before, during and after PBIM. These basic metrics are then used to calculate before and after differences or population means for each time period.

The number of pre and post weeks is limited to 26 weeks. The 26 weeks before 1 July 2012 and the last 26 weeks of data will be used to calculate before and after values for customers not on PBIM. A 26 week interval between the ‘before’ and ‘after’ 26 week periods will define the ‘during PBIM’ time interval.

Reported by: PBIM measure; predominantly on/not on Newstart or Youth allowance in the 26 weeks months prior to PBIM.

Comments: This metric is an indicator for employment outcomes related to PBIM. The change in ‘weeks’ before PBIM and during PBIM, and the change before PBIM and after PBIM will be compared across populations. Population means for each time period may also be compared.

Change in employment status (allowance \$ per week) before/after PBIM

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records

Description: The ‘\$ per week’ from Newstart or Youth allowance is calculated for each customer for time periods before, during and after PBIM. It (the ‘\$ per week’) will be calculated as a proportion of the standard rate for the allowance. This is to allow for time shifting across customers. These basic metrics are then used to calculate before and after differences or population means for each time period.

The number of pre and post weeks is limited to 26 weeks. The 26 weeks before 1 July 2012 and the last 26 weeks of data will be used to calculate before and after values for customers not on PBIM. A 26 week interval between the ‘before’ and ‘after’ 26 week periods will define the ‘during PBIM’ time interval.

Reported by: PBIM measure; predominantly on/not on Newstart or Youth allowance in the 26 weeks months prior to PBIM.

Comments: This metric is an indicator for employment outcomes related to PBIM. The change in ‘\$’ before PBIM and during PBIM, and the change before PBIM and after PBIM will be compared across populations. Population means for each time period may also be compared.

Use of Urgent and Advance welfare payments

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records

Description: The basic calculations are (1) % of welfare payment \$ provided as Advance or Urgent payments; and (2) number of Advance or Urgent payments as a proportion of welfare payment weeks.
Both of these metrics will be calculated for each customer for time periods before, during and after PBIM, the number of pre and post weeks limited to 26 weeks. Changes in the metrics before, during and after PBIM will also be calculated for each customer.
For customers not on PBIM, the 26 weeks before 1 July 2012 and the last 26 weeks of data will be used to calculate before and after values for customers not on PBIM. A 26 week interval between the 'before' and 'after' 26 week periods will define the 'during PBIM' time interval.

Reported by: Before/During/After PBIM; Change During-Before/After-Before PBIM; demographic sub-population; key demographics (as the population size will allow).

Comments: The use of Advance and Urgent payments is considered an important metric for assessing financial vulnerability however the proportion of the population on Advance and Urgent payments is expected to be small limiting the level of analysis of this metric.
The calculated metrics will be reported for each population. The changes during and after PBIM will be compared across populations.

Expenditure by payment type

Population: PBIM customers

Source: PBIM customer expenditure transactions (deductions from IM Account).

Description: The basic calculations are (1) \$ per week and (2) % of total expenditure, by payment type over six-week time intervals (or part thereof) for each customer. These calculations are the basis of a number of reported metrics all related to payment type.

The six-week time intervals will resolve to a time-series of time on PBIM.

Payment types are:

- BasicsCard regular payments
- BasicsCard irregular payments
- Non-BasicsCard regular payments
- Non-BasicsCard irregular payments

which can also be reported as:

- Total regular payments
- Total irregular payments
- Total BasicsCard payments
- Total Non-BasicsCard payments

The metrics reported are (by payment type):

- Mean \$ per week (per time interval) across time periods
- Number of persons with any expenditure in time interval (i.e. sample sizes) across time periods.
- Proportion of PBIM population with any expenditure in time interval
- Mean (% of total expenditure) across time periods
- Distribution of (% of total expenditure) across time periods
- Distribution of rate of change of (% of total expenditure). To calculate this metric the rate of change will first be calculated for each customer with three or more six-week time periods.

Reported by: Time-series of six-week periods; Trial LGA; PBIM measure; demographic sub-population; key demographics.

Comments: These metrics are indicators of customers' ability to manage their money. Differences between regular and irregular payments are a key comparison.

Bill payments deducted from DHS payments pre/post PBIM

Population: PBIM customers, non-PBIM DHS customers in trial LGAs, DHS customers in comparison LGAs.

Source: DHS customer records (deductions)

Description: The basic calculations are (1) % of welfare payment \$ being deducted to pay bills; and (2) proportion of welfare payment weeks in which deductions occur.

Both of these metrics will be calculated for each customer for time periods before and after PBIM to a maximum of 26 weeks. The difference before during and after PBIM will also be calculated for each customer.

For customers not on PBIM, the 26 weeks before 1 July 2012 and the last 26 weeks of data will be used to calculate before and after values for customers not on PBIM.

The basic metrics will be reported as:

- the proportion of customers using deductions (weighted the number of weeks on welfare payments);
- the distribution and mean of the proportion welfare payments spent as deductions;
- the distribution of the change in the proportion of welfare payments spent as deductions before and after PBIM.
- the distribution and mean of the proportion of weeks deductions were being made; and
- the distribution of the change in the proportion of weeks deductions were being made before and after PBIM.

Reported by: Before/After PBIM; LGA; demographic sub-population; key demographics.

Comments: These metrics are indicators of improvements in financial management due to PBIM. Is more opportunity being made of bill paying service?

Expenditure patterns by product sector

Population: PBIM customers

Source: PBIM customer expenditure transactions (deductions from IM Account); BasicsCard transaction logs

Description: The basic calculations are (1) \$ per week and (2) % of total expenditure, by product sector over six-week time intervals (or part thereof) for each customer. These calculations are the basis of a number of reported metrics. The six-week time intervals will resolve to a time-series of 'time on PBIM'.

The product sectors are broad categories, for example: housing, utilities, debts, food, transport, education, clothing, health, children's needs, etc.

The metrics reported by product sector for each time interval are:

- \$ per week (all customers);
- \$ per week of customers spending in any time interval;
- Number of persons with any expenditure in time interval;
- Proportion of PBIM population with any expenditure in time interval;
- % of total expenditure;
- Distribution of (% of total expenditure); and
- Distribution of rate of change of (% of total expenditure). To calculate this metric the rate of change will first be calculated for each customer with three or more six-week time periods.

Reported by: Time-series of six-week periods; Trial LGA; PBIM measure; demographic sub-population; key demographics.

Comments: These metrics are indicators of improvements in spending behaviour. Data to fully grade all transactions are still pending. If unavailable this analysis will be less detailed than expected.

Expenditure patterns in supermarkets and department store purchases

Population: PBIM customers

Source: BasicsCard expenditure data by category; BasicsCard transaction logs

Description: Supermarket and department store details are treated separately. Metrics reported within supermarket / department store are:

- Share of expenditure \$ by category;
- Proportion of customers purchasing from each category;
- Change in expenditure by category, by modelling the trend over time of all customers who have multiple purchase events from a category.

The product categories are broad categories, for example: food, baby and children's products, snacks and confectionery, clothes, entertainment, pet products, stationery etc.

Reported by: Supermarkets/department stores; PBIM measure; demographic sub-population; key demographics (as the sample size will allow).

Comments: These metrics are indicators of improvements in spending behaviour. Data to fully grade all transactions are still pending. If unavailable this analysis will be less detailed than expected.

BasicsCard usage metrics

Proportion of people using BasicsCard

Population: PBIM customers

Source: PBIM customer records

Description: Proportion of people on PBIM who were provided with a BasicsCard at any time.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric is a basic indicator of customer acceptance of the BasicsCard. The proportion not accepting is perhaps of more interest.

Time taken to issue first BasicsCard

Population: PBIM customers
Source: PBIM customer records
Description: Calculated as the number of days between starting PBIM and the initial issue of a BasicsCard. The distribution and mean time will be reported. Customers already on Income Management who move into a PBIM LGA may report a negative number of days. Their BasicsCard could have been issued before they started Place Based Income Management.
Reported by: Trial LGA
Comments: This metric is an indicator of process efficiency.

Number of BasicsCards issued per person

Population: PBIM customers
Source: PBIM customer records
Description: The distribution the number of cards issued to people using BasicsCards.
Reported by: Trial LGA; demographic sub-population; key demographics.
Comments: This is an indicator of administrative needs.
If a large number of customers have been issued a large number of cards the period of time over which they were issued needs to be investigate. As of 30 June 2013 only 18 people had been issued more than three cards.

Reasons for the replacement of BasicsCards

Population: PBIM customers
Source: PBIM customer records
Description: The proportion of replacement cards by the reason for replacement.
Reported by: Trial LGA; demographic sub-population; key demographics.
Comments: This metric is largely for completeness however if it gives some insight into BasicsCard administrative needs. The breakdown by demographic may not be relevant.

Type of use of BasicsCards

Population: PBIM customers

Source: BasicsCard transaction logs

Description: The proportion of successful customer BasicsCard transactions by type of transaction: transfers in; transfers out; purchases; kiosk inquiries; other (balance inquiries, changes to PIN).
The proportion of BasicsCard users who used their card for each of these purposes at any time.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric provides insight into how the card is used which can be used to improve its performance. The numbers also relate to the sample size for subsequent metrics.

Transfers into BasicsCards

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Funds transferred into BasicsCards will be reported in terms of mean frequency per customer and amount of the transfer. The metrics reported are:

- The distribution and mean of the ‘customer transfer frequency’. The ‘customer transfer frequency’ is calculated for each customer as the number of transfers divided by number of weeks the customer had access to a BasicsCard.
- The mean and (transaction) distribution of the amount transferred per transaction.
- The number and proportion of customers who made any transfer by the amounts transferred per transaction.

The amounts transferred per transaction will be reported as intervals.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: These metrics provide insight into different customers’ behaviour, their reliance on the BasicsCard access and operational requirements.

Transfers out of BasicsCards

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Funds transferred from BasicsCards back to the Income Management account will be reported as:

- The distribution of the number of times customers with a BasicsCard transfers funds from the BasicsCard.
- The mean and (transaction) distribution of the amount transferred per transaction.
- The number and proportion of customers who made any transfer by the amounts transferred per transaction.

The amounts transferred per transaction will be reported as intervals.

There are many fewer transactions transferring from BasicsCards than to BasicsCards. Those customers that do, tend to do so only one or two times.

Reported by: Trial LGA; demographic sub-population; key demographics (as the population size will allow).

Comments: These metrics complement those of transfers into BasicsCards.

Frequency of purchases by BasicsCard

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Calculate for each customer the number of successful purchase transactions per week (that is, the number of transactions divided by number of weeks the customer had access to a BasicsCard).

The distribution and mean of these ‘customer transaction frequencies’ will be reported.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric is a primary indicator of BasicsCard use.

Trend in rate of purchases by BasicsCard

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Determine for each customer if over time there has been: (1) a significant change in the time between transactions; and (2) change in the transaction size. Classify the change by rate.
Report the proportion of BasicsCard customers by the change in time interval; the change in transaction size and the two-way table of change in time and change in amount.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric is an indicator of changes in BasicsCard use and can infer changes in financial management.

Use of BasicsCard kiosks

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Calculate for each customer using the kiosks, the kiosk inquiries per week (the number of inquiries divided by number of weeks the customer had access to a BasicsCard).
The distribution and mean of this ‘customer kiosk usage frequency’ will be reported.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric is an indicator of the demand of kiosks as a resource.

Occurrences of "insufficient balance" when using BasicsCard

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Report for this metric:

- The number and proportion of BasicsCard users who experienced an “insufficient balance” event.
- The distribution of the number of weeks when “insufficient balance” event was encountered. The number of weeks is the reporting frame as multiple events can occur in close proximity as a customer ‘tests’ the problem.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric is an indicator of BasicsCard dissatisfaction.

Amount short when "insufficient balance" encountered with BasicsCard

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Calculate for each “insufficient balance” event the difference between the transaction amount and the account balance. Report the (transaction) distribution and mean of this difference.
Where an event is repeated multiple times in the log it will only be counted once.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric is an indicator of the financial stress associated with “insufficient funds”.

Time between "insufficient balance" and funds transferred into BasicsCard

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Calculate for each “insufficient balance” event the number of days between the event and funds being transferred into the account. Report the (transaction) distribution and mean of this time interval.
Where an event is repeated multiple times in the log the first occurrence is used to calculate the time interval.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric is an indicator of the financial stress associated with “insufficient funds” and the standard of financial management.

Occurrences of BasicsCard PIN errors

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Report for this metric:

- The number and proportion of BasicsCard users who at any time received a PIN error, CardDetailPinFail or KioskInqPinfail.
- The (customer) distribution of the number of weeks in which there was a PIN error (etc.). Counting the number of weeks removes multiple PIN errors associated with the one event and provides for a cooling off period.

Reported by:

Comments: This metric is an indicator of BasicsCard dissatisfaction. The number of events is likely to be quite small.

Occurrences of BasicsCard PIN blocked

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Report the number and proportion of BasicsCard users who at any time had their PIN Blocked.

Reported by:

Comments: These are likely to be very small numbers. The metric is largely provided for completeness. It equates to extreme PIN failure and is an indicator of security issues.

Occurrences of BasicsCard suspensions

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Report the number and proportion of BasicsCard users who at any time had a transaction return 'Card suspended' or 'Card inactive'.

Reported by:

Comments: These are likely to be very small numbers. The metric is largely provided for completeness. It is an indicator of unauthorised use.

Occurrences of BasicsCards used on unregistered devices

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Report the number and proportion of BasicsCard users who at any time had a transaction return 'Unregistered POS device' or 'Invalid Request'.

Reported by: Trial LGA; demographic sub-population; key demographics.

Comments: This metric relates to use at unregistered merchants. It is an indicator of BasicsCard dissatisfaction (unable to shop at desired retailers).

Occurrences of BasicsCards action not supported

Population: PBIM customers

Source: BasicsCard transaction logs

Description: Report the number and proportion of BasicsCard users who at any time had a transaction return 'Action not supported' or 'Goods/Services only Withdrawal'.

Reported by: Trial LGA; demographic sub-population; key demographics (as the population size will allow).

Comments: This metric relates to invalid use or trying to purchase items the not allowed to be purchased on a BasicsCard the retailer. The number of cases is expected to be small.

BasicsCard merchant participation metrics

BasicsCard merchants exist all across Australia as Place Based Income Management is not the only Income Management program. Thus there is an issue in defining those merchants which can be deemed as part of the PBIM trial. The approach taken in this evaluation has been to identify 'neighbourhood' and 'surrounding' catchments based on the location of merchants used by PBIM customers and the merchants' proximity to PBIM customers themselves. PBIM customers can be very mobile and use their BasicsCard over a large geographic area however most transactions are within their LGA and the surrounding area. The size of these areas can vary considerably depending on the nature of the trial LGA, particularly rural verses metropolitan LGAs. Hence a standard distance has not been used to define the catchments but one based on purchase density.

BasicsCard merchants are analysed in terms of proximity which is described as 'LGA neighbourhood', 'LGA surrounds' and 'distant'. The first two classes are as defined above. 'Distant' relates to any merchants further afield than 'LGA surrounds' and is only used to report merchants from which purchases were made.

Another question is whether or not the BasicsCard can only be used at major retailers and not across the range of different retailers people choose to shop. There are thousands of BasicsCard retailers. To facilitate the analysis the merchants have been classified by business activity (e.g. bakery, butcher, department store, supermarket, petrol station, newsagent, transport etc.) and retailer class (large chain, small chain, independent retailer).

Number of BasicsCard merchants available

Population: BasicsCard Merchants

Source: BasicsCard Merchant List

Description: A count of the number of BasicsCard merchants within trial LGA catchments, whether used or not used by PBIM customers.

Reported by: Trial LGA; business activity; merchant class; proximity (LGA neighbourhood and surround)

Comments: This metric is an indicator of the availability of different merchants.

Number of BasicsCard merchants used by PBIM customers

Population: PBIM customers

Source: BasicsCard Merchant List; BasicsCard transaction logs

Description: A count of the number of BasicsCard merchants making at least one sale per week, per 4 weeks, at any time, never. Also express as a proportion of BasicsCard merchants available for LGA neighbourhood and surround catchments. The time blocks are cumulative (week, 4 weeks, at any time).

Reported by: Trial LGA; business activity; merchant class; proximity

Comments: This metric is an indicator of the demand for merchants.

Proportion of customers using different BasicsCard merchants

Population: PBIM customers

Source: BasicsCard Merchant List; BasicsCard transaction logs

Description: The proportion of BasicsCard customers who use the BasicsCard merchants 'on average' every week, every 4 weeks, at any time, never.
This calculation first requires the number of weeks per transaction to be calculated by customer for each of the 'cells' being reported.

Reported by: Trial LGA; business activity; merchant class; proximity

Comments: This metric is an indicator of the demand for different merchants.

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