



# Consolidated Place-Based Income Management Evaluation Report

## Key Points

- The evaluation of the Place-Based Income Management (PBIM) programme was conducted by Deloitte Access Economics between 2012 and 2015.
- The evaluation showed that PBIM improves the lives of many Australians, particularly in relation to financial and housing stability.
- According to self-reports, the programme is more effective for people who volunteer, as opposed to people who are automatically triggered onto income management. Those who are automatically triggered say that the programme is not flexible enough to suit their lifestyle.
- Case workers from the Department of Human Services and Child Protection organisations hold more positive views about the effectiveness of the programme, also noting that the most positive effects are experienced by volunteers to the programme.
- The Department of Social Services will continue to find more efficient ways to administer the programme, and remove the barriers for case workers who want to use income management as a tool to stabilise the financial situations of vulnerable clients.

## Background

The Department of Social Services contracted Deloitte Access Economics to undertake an evaluation of Place Based Income Management (PBIM) from 2012 to 2015. This evaluation examined the implementation of PBIM and the impact of the programme as perceived by participants and case workers.

## Method

The evaluation involved mostly qualitative methods, including a longitudinal client survey; in-depth interviews with clients; interviews, focus groups and on-line surveys with multiple stakeholders involved with administering the programme; and secondary administrative data analysis. The evaluation took place in PBIM locations, including Bankstown (New South Wales), Logan (Queensland), Rockhampton (Queensland), Playford (South Australia), and Greater Shepparton (Victoria).

# Findings

## Voluntary Income Management

The Voluntary Income Management measure applies to people on income support who request income management be applied to their welfare payments. Analysis of this cohort shows that voluntary participants are generally older and have higher indicators of financial vulnerability.

Voluntary customers generally reported that PBIM had a positive impact on their lives. The majority of participants reported improvements in their ability to pay rent and bills (85.5 per cent), to manage money (74.2 per cent), and to save money (54 per cent). The survey results indicated that for voluntary customers, participation in PBIM had a positive impact on financial management capability and housing stability. For example, over time, voluntary customers were significantly less likely to run out of money before payday or have enough money to pay rent or mortgages.

Participants also commented on improvements in stress levels because of improved financial stability. This reduced stress was in turn reported to be connected to an overall improvement in their mental health and wellbeing. Voluntary participants also described a sense of 'purchasing restraint' in controlling their alcohol, tobacco and gambling expenditure. When asked to estimate their own alcohol and cigarette consumption, voluntary participants self-reported a significant reduction in the consumption of these items over the short term; however, this initial improvement did not continue into the medium term.

The overwhelming majority of Department of Human Services (DHS) case workers who work with voluntary customers report that they had observed positive impacts, including improved financial control, reduced financial harassment, and increased housing stability.

## The Vulnerable Welfare Recipient Measure

The Vulnerable Welfare Recipient Measure is compulsorily applied to people who are assessed as vulnerable by their DHS or state housing case worker, or automatically triggered because they receive the Unreasonable to Live at Home allowance, the Special Benefit payment, or a crisis payment due to prison release. Analysis shows that vulnerable participants are generally younger, are more likely to experience homelessness, and are more likely to hold negative views about the programme prior to commencement.

Vulnerable customers were less likely to report that the programme had a positive impact on their lives. Many individuals reported improvements to their ability to pay rent and bills (50.4 per cent), to manage money (32.3 per cent), and to save money (28.3 per cent), however they were more likely (than voluntary customers) to report that the programme had no significant impact (25.2 per cent) or a negative impact (19.7 per cent).

The most common reasons for vulnerable customers to hold less positive views about PBIM were related to reported issues in programme structure and administration. Many people in the predominantly young cohort said that the programme does not allow sufficient flexibility to suit their lifestyle. Vulnerable participants did show some improvements in self-estimations of alcohol and cigarette consumption, however these were not found to be statistically significant.

Vulnerable participants are more likely to have a negative default opinion towards the programme, which may be a product of their compulsory referral. It should be noted that vulnerable customers were less likely than volunteers to attribute any improvements to their financial situation to PBIM. Also, vulnerable participants are more likely to have left the income management programme because they had gained employment and are no longer eligible for their payment.

Case workers, on the other hand, held more positive opinions about the benefits of the programme. Three quarters of DHS case workers who work with vulnerable participants reported they observed positive impacts for their clients. These impacts were mostly related to housing stability and the ability to provide for self, such as ensuring money is available for food. The proportion of case workers who observed positive impacts for clients increased considerably over time, and stakeholder consultations noted that, while there was initial reluctance to participate, some Vulnerable participants did often come to realise positive impacts of the programme. Although many case workers reported the positive impact PBIM has had on improved housing stability, some DHS case workers mentioned instances of young people having issues managing informal rent arrangements.

DHS staff also commented that PBIM has greatly improved relationships with customers as the programme requires lengthier conversations with customers about their financial history. Staff also provided numerous examples of customers who had maintained a budget and were able to save money for large purchases for the first time in their lives.

## The Child Protection Measure

Child Protection Income Management applies to people referred for income management by state child protection authorities. The evaluation did not undertake substantial analysis on individuals on the Child Protection Measure due to lower referral rates. Child protection staff noted that the most substantial barrier to placing customers on the Child Protection Measure was the consent-based model required by some state governments. Child protection workers did note the potential of the measure to promote child wellbeing.

DHS and child protection staff noted that PBIM had the potential to positively impact on children's welfare, mostly due to customers' improved housing stability. Child protection staff commented that stable housing for families reduced the need for child protection interventions, as children living in stable accommodation were more likely to be clothed, fed and attending school. Although improvements related to child welfare were not explored directly as part of this evaluation, it was noted that improvements in financial stability and housing were likely to have positive impacts on families as a whole.

## Conclusion

The PBIM evaluation presented a comprehensive summary of the opinions of clients of the income management programme. The key positive outcomes relate to improvements in financial management, improved relationships, improved housing stability, the reduction of harassment and abuse relating to income support payments, confidence in saving, and confidence in spending. The self-reported outcomes for clients who have been compulsorily placed on the programme were not found to be as strong as those who volunteer, with higher reports of programme administration difficulties. Case workers who administer the programme held more positive opinions about the benefits of the programme, noting that volunteers experience more positive results. This evaluation process has provided the Commonwealth with key learnings related to the strengths of the programme, as well as ways in which it can improve. In response the Department of Social Services will continue to find more efficient ways to administer the programme, and ensure that barriers to a successful client and case worker relationship are removed.

## Where can I find out more?

To find out more on the evaluations of income management, visit [dss.gov.au](https://dss.gov.au) or email [evaluation@dss.gov.au](mailto:evaluation@dss.gov.au).

## Disclaimer

The information contained in this publication is intended only as a guide. The information is accurate as at November 2015.