

**To COMMUNITY AFFAIRS LEGISLATION COMMITTEE**  
PARLIAMENT HOUSE CANBERRA ACT 2600  
Email: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

UTS:Jumbunna  
Indigenous House of Learning  
  
PO Box 123  
Broadway NSW 2007  
  
City Campus  
Building 1, Level 17, Room 30  
15 Broadway, Ultimo  
  
T: +61 2 9514 1902  
F: +61 2 9514 1894  
[jumbunna.admin@uts.edu.au](mailto:jumbunna.admin@uts.edu.au)  
[www.jumbunna.uts.edu.au](http://www.jumbunna.uts.edu.au)  
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**Submission to the senate inquiry into the Social Security Legislation Amendment  
(Debit Card Trial) Bill 2015**

The following submission is based on my long experience as a field researcher, as a consultant and as an academic who devised and taught practical research skills. I have also worked on many policy and advocacy tasks, and on a range of issues that involve Indigenous policies and research processes. The focus is on data which fail to support decisions made by government that this program is worth a funded trial. The Debit Card Trial of a cashless welfare card shares many characteristics with the current Income management program and has clearly failed to reduce NT alcohol consumption and create more ordered lives.

I acknowledge the serious problems of alcoholism and related ill health and violence in the already selected communities, and their expressed desire for some substantial interventions that would alleviate the problems. My concerns, outlined below, are that the Government is delaying more effective possible reform programs, as another trial will only repeat the data collected for the existing, extensive trials in the NT and elsewhere that do not support the likelihood of cash limiting core programs succeeding.

Despite denials by the government, the evidence is that a universally applied limited access to cash does not restrict access to alcohol and drugs. The percentage differences are not likely to make much difference, nor the Bank versus Centrelink delivery. There is a difference in the possible appointment of local community committees to control aspects of the interventions, similarly to the Cape York model. However, this is only up to the discretion of the Minister, but not mandated. Whether these will be resourced, and how they will be selected, is not clear, but evidence from approving Aboriginal community leaders, obviously believe they are a done deal.

There are clear signs that the Aboriginal Groups supporting the trials are expecting they will include funding of a range of services for severely alcohol affected 'clients'. However, this is neither legislated nor funded so far. Yet they claim their consent is contingent on the needed services being funded! all that is clear is that the government will start the program constraining access to cash in February next year.

This conflict of perceptions and the lack of evidence that the present program works raises issues of why the new program is not focused on providing funding for the establishment of locally based, Indigenous controlled services that specifically target the minority of local people who need health and other interventions. These are the concerns expressed by local Indigenous groups as needed to support limited income control as part of case management, rather than applied to all locals on working age payments.

The failure to look more widely for what is needed suggests the basic assumptions for the program are based on racialised and biased assumptions about welfare payment recipients. Even though the criteria are not directly race based, the practical outcomes will target Indigenous people.

#### **Why introduce this trial when similar ones have failed?**

This submission shows there is no valid evidence that the income management program, in its various form, has improved the alcohol and related problems in the range of communities in the NT where it has been applied. Both programs are based on similarly, imposed compulsory controls over most working age recipients of Commonwealth income support.

This new program is income management and acknowledged in the Government's own statements. To quote Alan Tudge's second reading speech on this Bill:

*The trial, expected to start in the first quarter of 2016, will make a vital contribution towards informing potential future arrangements for income management, aimed at reducing social harm caused by welfare fuelled alcohol abuse and drug abuse, especially against women and children.*

The extract below, mainly from the government's own commissioned evaluations, show no valid, reliable evidence that general restrictions on spending have had any beneficial effects in controlling alcohol and spending. However, there is concern that, in some cases, their losing a sense of autonomy and control may exacerbate dependency and irresponsible behavior. These result deficits are clearly stated in quotes below from the summarised SPRC evaluation results. (bolding mine for interesting points).

#### **Summary of findings**

*The evaluation could not find any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people's*



*behaviours. (p. xxi) More general measures of wellbeing at the community level show no evidence of improvement, including for children. (p. xxi).*

*The evaluation found that, rather than building capacity and independence, for many the program has acted to make people more dependent on welfare.(p xxii).*

... and later...

*Taking the results as a whole, the conclusion is that there is no evidence of any consistent positive impacts on problematic behaviours related to alcohol, drugs, gambling, and financial harassment, in the extent to which financial hardships and stresses are experienced – for example, running out of food, not being able to pay bills, or on community level outcomes such as children not being looked after properly, school attendance, drinking, and financial harassment. (p307).*

*Despite the magnitude of the program the evaluation does not find any consistent evidence of income management having a significant systematic positive impact. ....' (p317).*

*Data on spending point to continued major problems of diet and poor levels of fruit and vegetable consumption, in particular for Indigenous people living in remote communities. There is no evidence of income management having resulted in changes in spending or consumption, including on alcohol, tobacco, fresh fruit and vegetables.' (p317).*

The above extracts seriously undermine any claims the Government can make that quarantining of income is effective in changing behaviour as well as the Government's assertion that its new card will affect spending positively and reduce drinking. This makes the new 'trial' by Allan Tudge puzzling. Why assume the new card will achieve what the earlier versions did not?

The body of the report of the evaluation, funded by the government, includes the following more detailed caveats. these warn of the dangers of not taking into account the difficulties in assessing the value of the current program and the possibilities of evaluating the next trial:

3.



*relief, housing and child protection. Further details on these are presented in this chapter.*

*At p4 - 1.2 The evaluation methodology involves considering a wide range of existing indicators as well as indicators specifically derived for this evaluation. In this no specific indicator is seen as being definitive. The reason for this is that if income management is achieving its objectives of achieving substantial improvements in wellbeing and improved financial management skills and capabilities, then it would be expected that this would be consistently reflected at least across a number of the indicators examined. It is worth bearing in mind that when a large number of indicators is considered – as is the case in this evaluation – even if a program is having no impact on outcomes, there will be a small number that may be positive or negative. By ‘consistently’ we do not necessarily mean comprehensively, but rather that the movements across different indicators are not contradictory, or that there are good grounds for understanding why one indicator may have moved but not another.*

*Income management encompasses a large proportion of the Northern Territory population in receipt of income support payments, which in turn is a substantial share of the Northern Territory population. This means that if income management has a widespread substantial impact in addressing disadvantage and major problems prevalent in the affected population, this should show up in a range of indicators measured at the Northern Territory level.*

The above statement suggests that all results be interpreted cautiously but that official figures on the NT should show effects, if they are significant. Yet these data are precisely the ones that do not show effectiveness.

The next section of extracts show that the processes of evaluation were complex and therefore unlikely to be error free and effective. The first part shows they tried hard to do the right thing, but had difficulties.

#### **B.4.3 Encouraging participation**

*A significant factor in the successful engagement with Indigenous communities was the involvement of Indigenous interviewers who were known or known through association to the participants. The research would not have been able to be conducted without the expertise of the Tangentyere Research Hub, ARPNet and Colmar Brunton Indigenous researchers and subcontractors. Non-Indigenous participants were more difficult to engage in the Northern Territory compared to the urban comparison site location. **Many were disinterested in participating and although some were unhappy about being on income management, this did not appear to be the reason that they did not wish to participate. Some participants had other sources of income and were not interested in the policy or the impact on themselves, and, in many cases, were quite apathetic about it.***



*Alice Springs proved to be the most difficult site to engage both Indigenous and non-Indigenous participants in Wave 2. It is not clear why this was the case; however, interviewers had great difficulty in contacting participants or securing interviews when they were able to establish contact. In many cases, participants did not make themselves available for appointments even after these were booked. The option to immediately complete the survey appeared to be preferable to many participants and interviewers had more success in recruiting participants where they offered to conduct the research over the telephone. This pattern was evident in the urban areas but was not the case in more remote communities.*

*As in Wave 1, an incentive was provided to participants who took part in Wave 2 of the research. In the major urban centres a \$30 gift cards were issued through Coles Supermarket stores with restrictions placed on the purchase of alcohol and tobacco. Participants who were interviewed in Wave 1 were familiar with the gift card process and these incentives were more readily accepted in the urban locations. In the remote communities, arrangements were made to obtain vouchers equating to \$30 through the local community stores. This sometimes included a combination of store vouchers and power cards.*

The above difficulties suggest the sample interviewed may not be representative as participants were both reluctant and not freely giving information. The next section of extracts shows both the length of the questionnaires and the technology used which suggests again some difficulties in being confident the responses really represent the views of the wider groups of possible respondents.

#### **B.5.1 Administration of the surveys**

*The surveys were administered using Computer Assisted Personal Interviewing (CAPI) on Apple iPads. The survey was scripted into an online HTML version and survey responses were entered directly into the online collection system. Where Internet connectivity was poor or not available hardcopy surveys were used. Data from the hardcopy surveys was later entered manually into the online collection system. Qualitative statements and comments made during the surveys were recorded on a survey notes page and later manually entered into MS-Excel for analysis purposes. The average length of time taken to complete the survey in the Northern Territory was 43 minutes. The comparisons sites tended to involve a shorter survey completion rate, averaging 20 minutes.*

#### **B.5.4 Refusal to participate**

*There were 403 people who refused to participate in the survey. Analysis of contact sheets indicates that a third refused to provide a reason for not*

*participating (33 per cent). A lack of interest or not wanting to participate (26 per cent) was the most common reason provided by those who offered explanation. Some of the people who refused to undertake the survey spoke quite negatively about income management and expressed a desire not to spend time speaking about it. A number of people (20 per cent) stated they had either never been on or were no longer on income management. In this instance, interviewers explained that their perspectives would still be relevant to the research, however, participation was voluntary.*

#### **B.5.5 Reasons for non-contact**

*A substantial amount of potential participants could not be contacted during the fieldwork period (40 per cent). Interviewers attempted to contact potential participants on various days and at differing times, with between three to twelve contact attempts made to each potential participant. Interviewers were unable to obtain accurate contact details for 142 participants from Wave 1 who had moved. Forty participants were not in their community at the time of the fieldwork as people commonly travel indefinitely to see family in other communities. A further 31 potential participants repeatedly failed to meet at the agreed appointment time and place.*

This last section below shows a range of data collection of qualitative data which is even harder to validate. The requirement would be difficult for general populations and would be very dubious collectors of accurate views even with local interviewers

#### **B.6 Qualitative data**

*Qualitative methods included individual interviews with participants and open-ended comments obtained during the surveys.*

##### **B.6.2 Interviews**

*Semi-structured qualitative interviews were conducted alongside the Longitudinal Study for New Income Management Survey with a select number of participants. To address the evaluation objectives, the qualitative interviews included the following topics:*

- *Participant's perceptions of what they feel is good or bad about income management;*
- *Differences between having a BasicsCard compared to a key card;*
- *Participant's attitudes to whether they wish to stay on or come off income management, including why some participants have voluntarily taken up Income Management;*



- *Changes in health and wellbeing; including the participant's use of tobacco/alcohol/ganja/gambling;*
- *Impact of income management on how well the participant manages their money; and*
- *Impacts of Income Management on the overall community health and wellbeing.*

*Interviews and short-answer responses to survey questions were not audio recorded. Interviewers worked in pairs with one person asking the questions and the other taking written notes. The notes from the interviews were thematically coded and analysed using QSR Nvivo qualitative analysis software (QSR International, 2012).*

In sum, as an experienced researcher, I am very dubious whether one could take most of the questionnaires and interviews as more than indicators of the views of those who were contacted, not as representative of the wider population and possibly those antagonistic to the program. the high refusals, no shows , telephone preferences suggest that the data collection can be skewed to those who liked it.

I note that the evaluation conclusions are based primarily on the official data from the NT and from shops and other administrative data that offer ample evidence of the failures of the current income management programs. However, the government tends to quote the responses to the above interviews and surveys that could be considered as supporting the IM program. These come mainly as the responses from community members and those being voluntarily income managed who claim they feel IM is helping them or their community. However, their feelings are neither backed with any evidence of the improvements they articulate, nor, more significantly with any local, regional or territory wide data.

### **More general methodological criticism of the veracity of survey data**

Collecting valid responses to interviews or questionnaires is a common problem in market and social research. As both an experienced researcher, and teacher of techniques to students, I was always aware of the various common biases that could distort responses. I have included some quotes, examples and references from a range of research experts.

This is a fairly standard textbook critique of response biases.

Sampson Quain, Types of Response Bias in a Survey (2014)

*Surveys are used to measure public opinion for advertising purposes, political elections, economic comparisons and market research Questionnaires are a*

*preferred survey method, although other data-gathering methods are also used. Surveys are not always an accurate representative sample, as different types of response biases can skew the results.*

- **Voluntary response bias results** when a survey sample is taken from people who are already likely to agree with the questions or likely to give opinions related to the subject of the survey. For example, if a survey was conducted about the fairness of mandatory prison sentences, and the sample group was composed entirely of prisoners serving long terms, the results would exhibit voluntary response bias.
- Response biases also are present when members of a survey group refuse to answer certain questions or refuse to participate in the survey.
- **Social Acceptance:** Another kind of response bias occurs when survey respondents give answers that cast themselves in a positive light. People generally don't like to feel as if they're social outcasts by answering in the affirmative to unpopular attitudes or past criminal actions. To mitigate that feeling, they will often give answers contrary to their true beliefs in order to conform to a societal standard they believe is acceptable.
- **Social desirability bias** is a social science research term that describes the tendency of survey respondents to answer questions in a manner that will be viewed favorably by others. It can take the form of over-reporting "good behavior" or under-reporting "bad", or undesirable behavior. The tendency poses a serious problem with conducting research with self-reports, especially questionnaires. This bias interferes with the interpretation of average tendencies as well as individual differences.
- Topics where socially desirable responding (SDR) is of special concern are self-reports of abilities, personality, sexual behavior, and drug use
- Read more: [http://www.ehow.com/info\\_8106730\\_types-response-bias-survey.html](http://www.ehow.com/info_8106730_types-response-bias-survey.html)

Another possibility that distorts responses is The Hawthorne effect (also referred to as the observer effect, a type of reactivity in which individuals modify or improve an aspect of their behaviour in response to their awareness of being observed. As some of the respondents were aware of being part of an experiment, this raises questions of whether their responses were designed to look as though the process worked.

There is a case study I use to make students aware of the difficulties of post hoc assessments: Joan McCord 'A thirty-year follow-up of treatment effects. Publication date 1978/3 American Psychological Association, American Psychologist, Vol 33(3),



Mar 1978, 284-289. It looked at a survey of over 500 men, half of whom had been randomly assigned to a treatment program to prevent delinquency that lasted approximately 5 years (1939–1944) and were traced 30 years after termination of the project. Although subjective evaluations of the program by those who received its benefits would suggest that the intervention had been helpful, comparisons between the treatment and control groups indicate that the program had negative side effects as measured by criminal behavior, death, disease, occupational status, and job satisfaction. Several possible processes are suggested in explanation of these findings.

Some other descriptors of the reliability or otherwise of responses in this area can be found here: **Pew research design document**  
<http://www.pewresearch.org/methodology/u-s-survey-research/questionnaire-design/>. Two points of note:

- People have a natural tendency to want to be accepted and liked, and this may lead people to provide inaccurate answers to questions that deal with sensitive subjects. Research has shown that respondents understate alcohol and drug use, tax evasion and racial bias; they also may overstate church attendance, charitable contributions and the likelihood that they will vote in an election. Researchers attempt to account for this potential bias in crafting questions about these topics.
- It also discussed the concept of 'Distorted Perception of Benefits'. *Research has also shown that social desirability bias can be greater when an interviewer is present (e.g., telephone and face-to-face surveys) than when respondents complete the survey themselves (e.g., paper and web surveys).*

When I taught, we often used fake questions to teach students responses were unreliable. One used a few times were lists of nationalities, respondents wanted to limit as immigrants. The non-existent Liliputians tended to be quite high on the rejected nationalities.

All the above caveats indicate that the survey data, used to suggest measure presumed benefits to participants are likely to contain a range of unreliable responses.

### **Why is this important?**

There are serious questions which have not been addressed by the government in justifying its decisions both to extend the current Income management program and to introduce the new cashless welfare card in Ceduna and other sites. There are sufficient doubts about the value of this program to suggest that current program be

delayed until the government provides funding of the services needed to help the communities manage the issues.

Below are extracts from the careful summary of the evaluation report validity, which raises further doubts as to why the government is expanding the programs. The evaluators themselves made it clear that they had doubts.

*'This chapter reports on the views and experiences of those people who were subject to income management in the Northern Territory. It is mainly based on data collected through the Longitudinal Survey of New Income Management (LSNIM), which forms part of this evaluation project. Although a rich source of both qualitative and quantitative data, **interpreting some of the results of the survey is not a simple exercise and we have done so cautiously.** There are many reasons for this, including:*

- *Views among people subject to income management about the program and their experiences on it are diverse and often mixed.*
- *Many people are very positive about the program, others highly negative. For some the program has a significant impact on their lives – either positively or negatively – while for others it has a negligible impact, having little effect on what they do or on the outcomes of these activities. For many, income management is a policy which they see as having both positive and negative impacts. This presents particular issues when they have been confronted in the survey with questions which seek to obtain a more global view of the impact of the program or their views on it. This is one of the reasons the quantitative component of the survey has been balanced by qualitative interviews.*
- *Increasingly it is difficult for many people subject to the measure to differentiate between 'income management' in terms of the policy that controls how they can spend a portion of their 'income support' and the provision of 'income support' itself. The first reason for this is that, while in programmatic and bureaucratic terms the two are quite distinct elements of the transfer system, from the perspective of many recipients of income support the system is perceived of as a whole. That is, as a single complex system which has a wide range of rules – ranging from eligibility, to the specific payments which are made to them and the rates at which they are paid, and in the case of income management how they can spend the money, with which they engage in passive terms – most frequently doing their best to behave in the way in which the system expects. **From this perspective questions about a single element of this construction, that of 'income management' are not necessarily separable or comprehensible from the system as a whole.** This in many cases is further complicated by the extent to which many of the people*



*whose views we sought had had their income support payments subject to income management for periods of up to six and half years – making the substantial part of their experience of income management and income support inseparable. In this context a simple question such as “Do you wish to get off income management?” may variously be interpreted as: “Do you wish to stop having your payment subject to income management?”, “Do you wish to have more control over the way in which your funds subject to income management are managed?”, “Do you want to get off income support?” or “Do you want to get a job and earn your own money?”. This difficulty is further complicated by the extent to which many of the people whose views we sought did not have English as their first language.*

- *While the data collection was largely undertaken by an independent company, with the fieldwork mainly being conducted by Indigenous interviewers, the collection of these data was viewed by many respondents as the “government collecting information”. This perception can shape responses in several ways. In some cases it can result in the respondent answering questions in the way that they consider the government wants to hear. In other cases respondents may use it as a means of sending a message to government, relating to what they see as being a lack of consultation about the program, or in expressing defiance of, and frustration with, government including their views about the intervention. (Chapter 7 p168).*
- *Cultural attitudes can also play a role – especially in seeking to avoid confrontation. The impact of some of these factors was highlighted for this evaluation when undertaking community feedback on the First Evaluation Report. One of the points noted in this earlier report was an apparent contradiction between reported improvements in the wellbeing of children by survey respondents and the trends in quantitative measures of outcomes. In feedback we were told “what else do you think we would say – it would be a shame job if we said things had got worse for our children – and if we did, what would happen? Would the government take them away again?” (Community feedback, Alice Springs).*
- *These issues do not mean that the collection of the information on the views and experiences of people subject to the measure is a futile effort, or that the data are necessarily misleading. Rather it emphasises the need for caution and respect in its interpretation. It is also one of the reasons this evaluation has placed a priority on the use of multiple data sources, and for results to be triangulated. Finally, from an evaluation perspective as we have previously stated, it is important to base the*

***analysis on the outcomes achieved by the program relative to its objectives, and not simply views of participants and others. An effective program may not be viewed positively by some participants, while a popular program may be ineffective. p167-8***

## **Conclusion**

The above extracts summarise the caution of the evaluators in place too much reliance on the some of the less valid forms of research data. The best that can be said is there are widespread views on the effectiveness of the current Income Management Program in its varying forms.

There is no consistent and objective evidence that Income Management works to reduce the ill effects of alcohol consumption *per se*. There is no clear reliable, valid evidence that a limiting discretionary spending has resulted in improved management of finances, willingness to save money, children attending school, or consumers ending reliance on welfare. Specifically, the data has not shown reductions in alcohol use that can be causally connected in observed IM populations.

The data offered by the final report on the effectiveness of the NT program has been designed to be triangulated, that is that it comes from at least three sources that are collected independently. This process is designed to allow the researchers to test whether the different types of data and sources validate the results of other collected data. This design recognises that the reliability and validity of certain types of data may not be adequate on its own to 'prove' the benefits or otherwise of the program/intervention.

The evaluators were very aware of the need for validation of the data in this case, so collected survey data, (interviews and questionnaires) official data from the administrative system and independently collected official statistics from Government sources. It is the last category of official social statistics that provide overview independent statistics that have validity in the statistical sense.

This does not mean that there are no individual benefits nor that perceptions are not important, but it casts serious doubts on decisions to continue expensive money control program when extra money for services seem to be more what communities involved want. .

From Eva Cox  
Adjunct Professor,  
Jumbunna Indigenous House of Learning,  
University of Technology Sydney

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