

11/02/10

To Whom it May Concern,

Re: Inquiry into Income Management

The impact of income management was examined in relation to dietary quality of purchased food and drinks and tobacco sales in ten remote NT communities.

Data was collected 18 months prior to income management and up to 18 months post introduction.

The study has currently been submitted for publication and is under a process of being peer reviewed; many details cannot be shared at this point but will be widely available once the article is published.

Against a background of increases in total store sales and in all commodities before income management at a rate consistent with inflation, income management appeared to have no effect on total store sales, food and drink sales, tobacco sales and fruit and vegetable sales, independent of a government stimulus payment.

This study highlights significant confounding factors such as government bonus payments and store licensing that need to be considered in an assessment of income management on store sales

Across ten stores in the Northern Territory, income management had no effect on fruit and vegetable sales or turnover (volume sold)

A reduction in the level of soft drink sales and volume sold occurred in the first six months of income management. Restrictions on purchases in these 10 stores due to a budgeting tool meant that soft drinks and confectionery could not be commonly purchased with income managed funds.

Following the first six months of income management, both soft drink sales and confectionery sales continued at a rate higher than that shown prior to income management.

Income management independent of the government stimulus payment appears to have had no beneficial effect on tobacco and cigarette sales or dietary quality. Increase in sales of all store commodities occurred during the period of the government stimulus payment.

Yours faithfully,
Julie Brimblecombe & Adam Barnes