High cost of scheme

IN the same week that the Federal Government moved to further extend its income management program, new research has found that compulsory income management in the Northern Territory had negative effects on birthweight and school attendance.

The research team from the School of Economics at the University of Sydney and the Menzies School of Health Research in Darwin found the income management scheme, introduced by the Howard Government in 2007 as part of the NT Intervention, coincided with significant negative outcomes for children in the short term, and showed no noticeable improvements in the long run.

Lead investigator of the studies Associate Professor Stefanie Schurer, from the University of Sydney’s School of Economics and Charles Perkins Centre, said the research showed the average birthweight of babies who were in utero when income management was introduced to their community was over 100 grams lighter, and that the babies were at slightly higher risk of low birthweight (less than 2500g).

The research team examined daily school attendance records of children attending NT Government schools in the 73 Aboriginal communities and 10 town camps affected by the policy.

As income management was introduced to communities in stages between September 2007 and October 2008, the researchers used this as a ‘natural experiment’ and compared the pre- and post-school attendance outcomes for children in each of these communities. The researchers found school attendance declined by 4% on average in the first five months, after which attendance rates eventually returned to their initial levels.

“We were surprised by the findings,” Prof Schurer said. “We expected to find a positive impact or, at worst, no impact at all to the introduction of income management.”

Last week the Senate Inquiry released its report into the Federal Government’s most recent income management scheme, the cashless welfare card, which was the brainchild of billionaire miner Andrew Forrest.

The program was originally trialled in Ceduna, South Australia, and the East Kimberley in Western Australia – both areas with a high Aboriginal population.

The Senate committee was investigating whether the trial of the program should be extended from the original two sites, to include the WA Goldfields, and the Bundaberg region of Queensland.

The Coalition senators on the committee recommended extending the trial, but both Labor and the Greens wrote dissenting reports.

Australian Council of Social Services (ACOSS) chief executive Cassandra Goldie called on the Senate to reject mandatory cashless debit cards and instead support a voluntary income management scheme.

“Mandatory cashless debit cards are not backed by reliable evidence,” she said.

Legislation to expand the cards does not have support of a broad range of individuals and organisations within and without trial sites, including the Social Justice Commissioner June Oscar, and the National Congress of Australia’s First Peoples.

“There is wide-ranging concern that mandatory cashless debit has been imposed on communities without proper consultation and consent.

“This is a totally unacceptable approach to policy making. Communities must be listened to and have control over their futures.

“We know that the card is making people’s lives more difficult. The government’s own interim evaluation found that half of the people subjected to the card said their lives had become worse since its introduction.”

“Made lives worse”

“Research conducted by the ANU found that 34 of 35 people interviewed in the East Kimberley said the card had made their lives worse.

“The cashless debit card applies to anyone receiving a working-age income support payment in trial site communities, irrespective of whether they have an addiction to alcohol, drugs or gambling.”

Cheryl Axleby, the chief executive of South Australia’s Aboriginal community-
controlled legal service, the Aboriginal Legal Rights Movement (ALRM), said she has spoken to people who have worked and paid taxes all their lives, bought up kids, never had any trouble with child welfare and because of the postcode area they live in their pension is subject to income management.

"It just crushes them. It takes our mob back to living on the missions – that time when government had full control of their lives," she said.

"It’s insulting going up to the shop with your Basics Card. It’s shame. Our mob live with enough shame.

"Why do we keep having to make our mob feel so different from society and disconnected all the time? That’s all it does – it should be voluntary."

Professor Sven Silburn, a co-investigator into the studies into income management in the NT from the Menzies School of Health Research, said they couldn’t say whether the negative impacts were because of the policy itself, because of administrative challenges and implementation problems or because of negative sentiment surrounding its compulsory introduction in these communities.

Associate Prof Schurer said they had also accessed alternative data sources.

"A preliminary analysis of data from the Longitudinal Study of Indigenous Children (LSIC) showed that a transition into income management was associated with an increase in the mother’s experience of being humbugged, or receiving excessive demands for money, and reporting that children were being upset by family arguments," she said.

"Income management changes the way household resources are allocated and consumed and therefore may affect the dynamics of family decision making."