

Conditionality and Control: Its implications for groups on welfare and some particular issues for Indigenous people and women

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The long-term likely changes to our welfare system are problematic. While many new conditions are now imposed on welfare recipients, the most radical changes have been the income management trials limiting participants' access to cash. The original trial of Income Management in some Aboriginal Northern Territory communities, during then Prime Minister John Howard's re-election campaign, halved their cash access. The incoming Australian Labor Party (ALP) Government retained and then expanded the scheme by removing its race focus and included the whole NT. Recently a different model, the Cashless Debit Card has been introduced, reducing cash access from 50% to 20%. The government is signalling major expansion, by putting its current Queensland trial in a location with a low Indigenous population. As evaluations of the models fail to show achievement of any government aims or other improvements in wellbeing, this expansion is very alarming, as the model may be damaging to many, particularly Indigenous and female, recipients.

KEY WORDS: Conditionality and welfare; Evaluations; Trials; Indigenous welfare problems

Introduction

Over the last decade, as new welfare payment designs have been trialled, there has been unnoticed an almost turn-back in the welfare policy area. These trials all shared the radical change of limiting access to cash by welfare recipients, from 50 to 80 per cent – a conditionality that was a major restriction on citizens' rights to decide how they spent their money.

The introduction of conditionality for recipients of welfare payments has been concurrent in most Western democracies with the paradigm shift to neoliberal modes of governance. It is based on assumptions that individualised personal flaws are the cause of dependence on government payments. The assumption that those receiving welfare payments do so because they lack the necessary impetus to look for paid jobs removes the need to fix structural causes of their dependency. The fact that the first trials were in Indigenous communities in the NT worked on the racist assumption that this major shift in welfare policy was created to solve specific problems in Indigenous communities, while current moves to roll it out more widely barely register in the public domain.

There is a plethora of critical studies, many from the UK and Australia, showing that extreme conditionality is

ineffective, with a Brotherhood of St Laurence seminar summary stating:

It is timely to reflect on the nature and impact of conditionality. Australia has the most targeted social security system in the OECD. Payments (especially Newstart Allowance and Youth Allowance) are inadequate and increasingly conditional. Yet international research suggests that imposing additional conditions on payments does little to motivate behaviour change or assist people to gain economic security (Brotherhood of St Laurence 2018).

This assessment is similar to the conclusions of many other studies that inform this paper, which examines Australia's experience of Income Management. It will look at its initial introduction in the Northern Territory (NT) in 2007, and its current iteration as the Cashless Debit Card, both of which control access to cash types of 'bad' prohibited spending, such as drugs and cigarettes. It will also examine the available data sets, show how they are limited in what they measure, and question the validity of some of the data collected (Data.gov.au). The paper will also examine the data on the effectiveness of the program as measured against government objectives,

and the way conditionality affects local wellbeing and the recipients' sense of agency and control.

The history of welfare changes in Australia has been one of reformist desires to make Australia the (white) working man's welfare state, particularly in the early days of the nation. This was followed by more generosity from governments as part of post-war reconstruction and during the Whitlam era of the early 1970s. However, the Howard government era of the 1990s ushered in a series of cuts and changes to eligibility and, from 2006 onwards, harks both back to a past age of moralistic controls and forward to neoliberal cuts in spending.

The results of the moves towards income management by the current Liberal-National Party Coalition government are undermining the sense of agency and autonomy of recipients, and reduce already limited respect given to those on so-called 'taxpayer funded' welfare for their 'failure' to get a paid job. Some of the arguments for these changes can be seen as a reversion to nineteenth century views of 'the poor', which assumed that the main causes of poverty were the individual sins of the poor. At the time, help was only bestowed upon the diligent, deserving poor, who could be easily recognised by their appropriate piety and gratitude.

Changes to the Wider Economy and Society

Over the last four decades, there have been enormous changes to politics, technology and jobs as well as increasing concern about the effects of unfettered economic growth. At the same time, the policy shift to more individuated and controlled welfare payments continues.

It almost goes without saying that rapid development of computers and related technologies have made many changes to workplaces and living spaces. It is now obvious that many jobs will be replaced by automation. Over the same period, GDP growth by expanding markets and production is creating serious damage to the environment, here and overseas. Both of these developments will affect current economic goals of growing wealth, so that increased workforce participation may not be a realistic goal for governments.

The current expansion of income management programs is moving welfare reform in the wrong direction. The evidence outlined below is that these expensive changes are both ineffective and are creating division. There is an urgent need to review both intended changes as well as the existing flaws in the current system of payments. Future changes to the labour market and related social change means we need a new system, one in which socially effective welfare payments can fairly support people and reduce inequities. Such a system

should include recognition of the value of unpaid work – including different cultural and social versions of this. Recognition of the value of unpaid work in Indigenous communities offers a good starting point. Unfortunately, such changes are not on the agenda of either major party.

The Origins of the IM Trials

The widespread lack of awareness of income management partly derives from its history. It started with the Income Management/Basic Card, which was targeted at more than 20 Aboriginal communities in the NT – the public spin was that these changes were 'good' for Indigenous communities. The original payment needed a suspension from the Racial Discrimination Act (RDA) to be introduced and was said to be necessary to target specific issues, in particular child sexual assault. This narrative reduced wider scrutiny of the flaws in the system, and created a form of racism that has continued through the further policy development of these payments and the roll out to non-Aboriginal recipients.

This first trial controlled 50 per cent of payments received, restricting where it could be spent and what it could be spent on. The policy targeted residents in particular communities, initially Aboriginal people, removing their agency and mobility by limiting the outlets that accepted the card. The legitimacy of the practice increased when the incoming ALP government decided to continue the model, and included non-Aboriginal residents as well. They repealed provisions limiting the operation of the RDA.

Jenny Macklin, then Minister for Families, Housing, Community Services and Indigenous Affairs, claimed that income management was needed by women to stop male bad behaviour. The areas to be covered were expanded to the NT in toto by 2010 (Cox 2011).

A major evaluation of income management in 2014 by a consortium of academics headed by the University of NSW (UNSW) failed to find any evidence of expected improvements in behaviour and raised questions of the possible damage that loss of agency and control could have on recipients (UNSW 2014).

However, this evaluation was ignored by the new Coalition government, which continued to expand the model despite the lack of evidence of its efficacy. The relevant section of the report's conclusion is below as it clearly shows the program to be ineffective.

Summarising the Impact

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 (p. 307).

Despite the magnitude of the program the evaluation does not find any consistent evidence of income management having a significant systematic positive impact (p. 317).

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 (p. 317).

The lack of any wider benefits was also shown by the following findings in the summary:

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).

Evaluation's Conclusion

The evaluation data does not provide evidence of income management having improved the outcomes that it was intending to have an impact upon. Indeed, rather than promoting independence and the building of skills and capabilities, New Income Management in the Northern Territory appears to have encouraged increasing dependence upon the welfare system, and the tools which were envisaged as providing them with the skills to manage have rather become instruments which relieve them of the burden of management. While at one level, and for some groups, this may still be seen as a positive outcome and one which they report as having improved their quality of life – and it is possible that some may be able to lift themselves out of their situation – more broadly it also comes at a cost of greater dependence (p. xxii).

However, despite the above findings, in 2016 the Coalition government introduced another version of

income management with even tighter control over spending, the Cashless Debit Card (CDC) in a 'trial' in Ceduna SA. This has since been expanded to WA and Queensland. While Ceduna and the WA trial sites were still primarily focused on majority Indigenous communities, the latest site in Bundaberg Queensland is mainly non-indigenous. One major change of note is that the CDC is not administered by the Department of Social Security but by a private financial business, Indue Ltd. Using a private company adds to the costs and raises other questions as the so-called 'customers' have no choice and are often personally vulnerable and needing support.

A recent article in the *Saturday Paper* (Morton 2019) sums up the changes and the money so far paid to Indue:

The seemingly never-ending cashless debit card trials, which started in the South Australian town of Ceduna and the remote Kununurra in Western Australia in 2016 as the government continues to 'trial' will be extended to about 22,500 people in the Northern Territory and Queensland's Cape York if the legislation is passed by both houses. This would bring the trials to six sites, including Western Australia's Goldfields, as well as the Bundaberg and Hervey Bay region in Queensland, where the trial targets people under 35.

This anticipated roll-out ignores the lack of evidence that the CDC card is in any substantial or valid way effective. There are local people, mainly white and from local government, or from Aboriginal and non-Aboriginal organisations that are funded to provide related support services, who claim there are positive results in their communities. But at the same time there are many voices expressing concern at the effects. While some evaluations are still underway, and there are published critiques as referenced above, there is one formal evaluation by the research consultancy firm Orima, that was funded by the Government. The design and validity of this evaluation was criticised by the Australian National Audit Office (ANAO), but it has been used and quoted by the government nonetheless to support the program.

Analysis of the data-collection methods outlined in the Orima report cast serious doubts on the validity of the results. There are always concerns about the validity of unchecked responses of behaviour changes but, in this case, the interview processes were particularly flawed, I have written on this previously in the *Guardian* (Cox 2017).

My criticism ... includes the legitimacy of responses to the questionnaire design, its length, the order of questions, the language and shape

of some questions, and, importantly, the probable contamination of responses by approaches of interviewers. Preliminary information, read from the tablet used to record answers, included promises of a gift card, \$30 or \$50, on completion. Paying respondents affects relationships with interviewer and answers.

The next step is asking for respondents' ID. This was claimed to be necessary to avoid duplication of responses but, as this is an official government survey, the reassurance of confidentiality may not be believed and could affect responses. Given Indigenous anxieties about authority and welfare, they are likely to give acceptable answers. It is also not clear if the interviews were private or in the presence of others, which may also affect answers. The above effects on the data collected are likely to be serious and undermine the legitimacy of positive responses.

Having taught research methods and been a member of academic research ethics committees, I can state that this data-collection design would never have been approved. When the Government quotes the claims of recipients that they had reduced drug intakes, drinking and spent more time with children, we need to be mindful of how that data was captured, and therefore be suspicious of how reliable this self-reported improvement might be.

The ongoing use of this evaluation as evidence by the Government indicates its determination to continue the expansion of the CDC. As the tendering out of administration is very expensive the intention appears to be primarily ideological and political; scapegoating welfare recipients appeals to conservative voters and much of the media.

There are other welfare changes that are devised using the same framework, that is blaming the victim for their situation. The assumption is that people on welfare are the problem, not the lack of jobs, or societal prejudices, or age or disability discrimination (see Samantha Maiden 2019).

The programs that claim to make people more 'job ready' include the proposed drug testing of Newstart recipients, *Parents Next* compulsory activities, and other welfare-to-work activities that are assumed to make people more employable. What makes things worse is that these changes are seriously problematic in their own terms. Simply put, they do not succeed in meeting the government's goals of behavioural changes.

We have now had a decade of the NT Basics card version of income management, for which there is no

evidence of positive effects on safety, crime, violence, school attendance or improved health in the current NT official statistics.

To understand how this situation developed requires an awareness of our welfare history. Australia has one of the most targeted welfare systems in the OECD, partly because it is essentially a pay-as-you-go system, funded from general revenue rather than from contributions by employers and employees. The result is that it is seen as taxpayers funding the 'deserving poor', with no income entitlements as costs are contained to reduce the need for more taxes.

This set the scene for more recent changes, starting with John Howard's welfare-to-work program – the beginning of extra controls and conditions, assumed to get people into jobs and off welfare. The current government claims this is working as fewer people now claim benefits, but it cannot be assumed that this is because they have jobs. It's more likely that people drop off, not because they get paid work but that they stop claiming entitlements as it is too demanding (see Ribar 2019). This makes them vulnerable to stress, illness and crime, as they become dependent on the generosity of others.

The Effects on Particular Groups of Recipients

It needs to be noted that the recipients of Income Management programs have difficulties with the conditionality of these income payments. On top of that, any programs targeting long-term disadvantaged recipients with controls that limit their ability to make decisions and choices are unlikely to be effective.

Then there is the issue of prejudice, which is obvious when we look at those who appeal against having to use CDCs. White recipients are more likely to win these appeals, while fewer Indigenous people have their status changed. Interestingly, the UNSW evaluation showed that it was voluntary recipients who were most likely to express their satisfaction with the card, particularly the management of regular bill paying. This raises another issue about whether such assistance develops skills or reduces them.

Compulsory management raises particular issues for some groups. The high proportion of Indigenous people on the Basics Card raises new problems as it reduces their ability to share resources and act collectively. While the possibility of reducing men humbugging women (demanding cash) is sometimes raised as a positive effect, it also can create further problems and conflicts. Sharing and community care for others are often positives and inability to do so can cause distress.

Evidence shows that income management can create some of the very problems that policymakers claim it remedies. A qualitative and quantitative survey (Davidson 2011) is one of the few that specifically targeted women on income management, as part of the Equal Rights Alliance. As women are the shoppers and managers of many household budgets, they were the most affected. For example, while household expenditures remained unchanged, sourcing items became difficult and expensive, managing the budget became highly complex, accessing account balances was not always easy, and cards were at times faulty. Many women also reported increases in feeling stress, shame and powerlessness as a result. They also reported feeling less safe, as crime increased due to scarcity of cash.

Public Attitudes to the Changes

Despite a decade of these and other similar trials, these programs continue to be adopted by successive governments. There has been little public outcry or support around the issues raised here. Perhaps the original narratives about 'helping' women and children in Indigenous communities have somehow continued to be believed, but this paternalistic racism will no longer be relevant as the Morrison Government is intending to introduce income management more widely, perhaps even universalising the model to all welfare recipients.

This more widespread roll out of income management is a clear sign of increased behavioural control based on welfare payments. Although its introduction should have raised questions about the rights and dignity of welfare recipients, and although Indigenous communities pointed out the echoes of historical rationing and shaming, these concerns were not heard. Most protests were drowned out by the government's use of child abuse, violence, drink, drugs, gambling and other dysfunctions to justify the controls. Now, they are again targeting drug use and addiction to obscure the flawed belief that income control fixes problems. All these propaganda forays add to the public view that the fault lies with the recipients, and that such paternalism is for their own good. There has been little real public debate on the direction of changes over the last decades.

Does it matter? What difference does it make if access to welfare payments is via a debit card with little cash available? The Cards are easily identified, so this causes concern. There are questions of rights, dignity and respect that need to be raised if those, who are already often stigmatised and misjudged, have to use a card that identifies them as welfare recipients and puts limitations and judgement on their spending. Some studies have reported shame and distress, as well as reducing capacity to manage decision-making. The warning is clear in Michael Marmot's work on the social

determinants of health for the World Health Organisation, which shows that a sense of agency is vital to good health and wellbeing:

Underpinning action to promote health and wellbeing is the idea of creating a social environment that enables individuals from all groups in society to have control over their lives and participate in society. Included in this approach is the role of individuals and community groups in helping to shape the services they use.

The principles of a social environment that enables people to have control over their lives and participate in society apply equally to people who are not in employment and those who are no longer of working age. These principles embody universal values of fairness, respect and non-discrimination—a vital infusion for tackling health inequalities across society (Marmot and Bell, 2010).

The question of whether these programs, which the government claim to be evidence-based, are effective is crucial to the future of other programs. Do they work to improve behaviour? The range of reports and official evaluations of the Northern Territory and other income-management programs, as well as data on the cashless debit card trials clearly show they are not effective.

The UNSW report, quoted earlier, clearly stated:

When the data are taken as a whole, not only does it suggest that there has been very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory, but it also suggests that there is no evidence of changes in aggregate outcomes that can plausibly be linked to income management. The undermining of agency and self-respect amongst recipients can only be dealt with if we can find ways of convincing those in power to address the combination of costs and lack of proof of effectiveness (UNSW 2014).

These factors raise serious questions as to whether such programs remedy or damage recipients. What this messy collection of bad policies indicates is a serious need to reform our welfare system (including robo-debt problems) from scratch. Instead of conservative paternalistic models, let's look at effective, flexible, supportive, non-judgmental social security policies that can build social resilience and cohesion, together with some real income security. We need a twenty-first century model, not a nineteenth century version. Perhaps

we need to reach back further to set up policies that work in a post-industrial era and address the environmental damage of constant GDP growth.

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place your caravan in a field
in the country
far away
from where your adult life is still unfolding

furnish it
with things you left behind when
you moved out the first time

your bookshelf should hold
no more than two books
otherwise there will be thinking

once you're settled
write a letter to those who could have been
your parents-in-law. Don't
wait for a reply

now that you don't own anything to speak of
never carry keys
keys are for real people
not for you

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