MEASURING THE SOCIAL IMPACT OF INCOME MANAGEMENT IN THE NORTHERN TERRITORY: AN UPDATED ANALYSIS

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Centre for Aboriginal Economic Policy Research
ANU College of Arts & Social Sciences

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Measuring the social impact of income management in the Northern Territory: An updated analysis

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Abstract

Income management policies have been in place in the Northern Territory since 2007. These policies limit how recipients of government income support payments can spend a proportion of these funds. The policies were initially directed at Indigenous Australians who remain the major group on the program. The objective of the policy was to improve individual and community outcomes. Around one-third of the Northern Territory Indigenous population aged 15 years and over have been subject to the policy. Initial evaluation findings could not identify any such gains at the community level. This paper extends the analysis undertaken in the 2014 evaluation using contemporary data covering child health and wellbeing, education, crime and alcohol consumption. It confirms the previous finding of an absence of evidence of discernible, positive benefits across these measures which could be attributed to the policies.

Keywords: Income management, Indigenous Australians, social policy, program evaluation, community wellbeing.
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<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<tr>
<td>ABSTUDY</td>
<td>Australian Government program to support Aboriginal and Torres Strait Islander students or apprentices, which may involve income support payments as well as payments for other costs of study and related items</td>
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<td>ACARA</td>
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<td>CDC</td>
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<td>Community Development Program</td>
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<td>FaHCSIA</td>
<td>Department of Families, Housing, Community Services and Indigenous Affairs (Australian Government)</td>
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<td>Income management</td>
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<td>MYEFO</td>
<td>Mid-Year Economic and Fiscal Outlook</td>
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<td>NAPLAN</td>
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<td>New Income Management</td>
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Executive Summary

A stated objective of income management in the Northern Territory, both in its initial form under the Northern Territory Emergency Response (NTER), a policy introduced in 2007, and through ‘New Income Management’ (NIM), which replaced it in 2010, has been to improve outcomes for individuals, their families and the communities in which they live. The major 2014 evaluation of NIM reported that, in addition to an absence of an impact on individuals and their capacity to effectively manage resources as well as other individual and family wellbeing outcomes, it could not identify any impacts in its analysis of outcomes at the community level that could be attributed to the policy.

This paper seeks to re-examine this latter dimension using updated data. Where possible it seeks to consider baseline data from prior to the introduction of income management under the NTER, to the most recently available.

The magnitude of the program in the Northern Territory, with one-third of Indigenous people aged 15 years and over directly subject to the policy, is such that, to the extent the program makes an impact, its impact should be apparent at the community level, and be able to be seen in contrast to the experience of non-Indigenous people in the Northern Territory, and the Indigenous population nationally, both of which were only lightly touched by these programs.

Noting that time periods of analysis vary, depending upon data available, a review of key social outcomes indicates:

- Over the period since income management commenced, the rate of infant mortality amongst Indigenous people in the Northern Territory has increased. This contrasts with falls for Indigenous people nationally, and for non-Indigenous people in the Northern Territory. This group has also seen a rise in low birth weight births, and an increase in child deaths from injury. Child abuse and neglect substantiations have also increased, although it is noted this may be influenced by a willingness to report. Indigenous children in the Northern Territory have not seen the same declines in developmental vulnerability as Indigenous children elsewhere.

- The period since the introduction of income management has seen falling rates of school attendance by Indigenous children in the Northern Territory, and while some NAPLAN results have improved for these children, others have not. Where there have been gains these are smaller than those for Indigenous children nationally.

- There is strong evidence of a decline in alcohol consumption in the Northern Territory. This is a trend that pre-dates the introduction of income management. Research identifies a range of policies, including pricing and supply limitations, which appear to be significant. Notwithstanding this, Indigenous people did not report a lower rate of risky drinking in 2014–15 than they did in 2002, and alcohol-related emergency department presentations have increased.

- Rates of assaults appear to be largely flat, although there is a decline in assaults associated with alcohol. No consistent pattern of declining crime is identifiable in data from 2007 onwards, although there is evidence of particular alcohol restriction enforcement activities directly impacting some crimes. The rate of imprisonment of Indigenous people in the Northern Territory has continued to rise strongly across the period of income management.
This review does not seek to undertake a causal analysis to explain the outcomes identified, which may also be affected by other policies and programs. However, these findings strongly suggest that income management has failed to achieve any systematic community level improvements in outcomes for the Indigenous population of the Northern Territory. The absence of such improvements also has implications for the wider range of interventions made by government under the Northern Territory Emergency Response and Stronger Futures.
Introduction

The 2014 evaluation of ‘New Income Management’ in the Northern Territory commissioned by the Australian government and undertaken by researchers from the Social Policy Research Centre at the University of New South Wales (UNSW), the Australian National University (ANU), and the Australian Institute of Family Studies included, in its final report, a review of the potential broader community wide impacts of income management in the Northern Territory (Bray et al., 2014, Chapter 9).

The rationale for addressing these was detailed as:

Income management has always been designed as a community level as well as an individual-level intervention. As such it is expected to produce positive impacts upon a substantial proportion of those who are subject to the measure, as well as at the broader community level. Thus it should contribute to improvements in a range of aggregate outcomes for the Northern Territory (2014, p. 209).

The report concluded its analysis, which examined both detailed individual outcomes related to the direct impact of the program in areas such as changes in family wellbeing outcomes and management, and this analysis of the wider set of community level outcomes, as:

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 (2014, p. 235).

This paper updates and extends this earlier analysis of the impact of income management on broader community level outcomes using more recent data. Its objective is to provide further insight into the extent to which the New Income Management (NIM) program, and the preceding Northern Territory Emergency Response Income Management (NTERIM) program were successful in achieving improved outcomes in the Northern Territory. The paper does not seek to undertake a systematic causal analysis between these interventions and outcomes, but is rather concerned with documenting changes in the outcomes which were identified as priorities for the income management programs,

Policy context

This section initially considers the background to, and objectives of, the income management programs that have been implemented in the Northern Territory.

Ampe Akelyernemane Meke Mekarle report

Ampe Akelyernemane Meke Mekarle ‘Little Children are Sacred’ was the report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse. This had been commissioned by the Northern Territory Government in August 2006 to find better ways to protect Aboriginal children from sexual abuse. While there had been longstanding concerns with child abuse and neglect in Indigenous communities in the Northern Territory, the conduct of the Inquiry was stimulated by a number of significant media reports of abuse in some Indigenous communities.
The Inquiry’s report was presented to the Northern Territory Government on 30 April 2007 and contained 97 specific recommendations. Central to these, as highlighted in the first of the recommendations, was an underlying principle of it being ‘critical that both governments commit to genuine consultation with Aboriginal people in designing initiatives for Aboriginal communities’ (Wild & Anderson, 2007, p. 22).

The Northern Territory Emergency Response

Notwithstanding this recommended approach, on 21 June 2007 the then Minister for Families, Community Services and Indigenous Affairs, the Hon. Mal Brough, announced a ‘National emergency response to protect Aboriginal children in the NT’, stating ‘In response to the national emergency confronting the welfare of Aboriginal children in the Northern Territory, the Australian Government today announced immediate, broad ranging measures to stabilise and protect communities in the crisis area’ (Brough 2007a).

More specifically he indicated that this response would include a range of measures including:

- **introducing widespread alcohol restrictions on Northern Territory Aboriginal land**
- **introducing welfare reforms to stem the flow of cash going toward substance abuse and to ensure funds meant to be for children’s welfare are used for that purpose**
- **enforcing school attendance by linking income support and family assistance payments to school attendance for all people living on Aboriginal land and providing meals for children at school at parents’ cost**
- **introducing compulsory health checks for all Aboriginal children to identify and treat health problems and any effects of abuse**
- **acquiring townships prescribed by the Australian Government through five year leases including payment of just terms compensation**
- **as part of the immediate emergency response, increasing policing levels in prescribed communities, including requesting secondments from other jurisdictions to supplement NT resources, funded by the Australian Government**
- **requiring intensified on ground clean up and repair of communities to make them safer and healthier by marshalling local workforces through work-for-the-dole**
- **improving housing and reforming community living arrangements in prescribed communities including the introduction of market-based rents and normal tenancy arrangements**
- **banning the possession of X-rated pornography and introducing audits of all publicly funded computers to identify illegal material**
- **scrapping the permit system for common areas, road corridors and airstrips for prescribed communities on Aboriginal land**
- **improving governance by appointing managers of all government business in prescribed communities** (Brough 2007a).
While the second of these initiatives, income management, is the primary focus of consideration here, the wider range of measures are also relevant as they would also be expected to have had an impact on community outcomes.\(^1\)

### Objectives of NTERIM

As indicated above, fundamental to the NTERIM was the concept of income management as an instrument which would redirect income support payments to meet basic family needs, with this having benefits for the individuals and the families subject to the measure, and more widely to the communities in which they lived, as well as controlling expenditure on alcohol and drugs to limit adverse individual, family and community outcomes.

It was also clearly stated in the Minister’s second reading speech on the legislation:

> One of the most important obligations a person can have is responsibility for the care, education and development of children. Welfare is not for alcohol, drugs, pornography or gambling. It is for priority expenditures such as secure housing, food, education and clothing – things that are considered a child’s basic rights …

> This bill outlines five welfare reform measures to promote socially responsible behaviour aimed at protecting and nurturing the children in our society and offering them the opportunities that a supportive family, a solid education and a healthy and safe environment can provide …

> The government’s emergency response aims to protect children and make communities safe in the first instance and then to lay the basis for a sustainable future for Indigenous Australians in the Northern Territory. The welfare reforms outlined in this bill will help to stem the flow of cash going towards substance abuse and gambling and ensure that funds meant to be for children’s welfare are used for that purpose.

> Fifty per cent of the welfare payments of all individuals in the affected communities will be income-managed for an initial period of 12 months during the stabilisation phase. This broad-based approach is needed to address a breakdown in social norms that characterises many of our remote Northern Territory communities (Brough, 2007b, p. 2).

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\(^1\) The policies introduced under the NTER have been strongly criticised by both of the authors of the *Ampe Akelyermann Meke Mekarle* report, despite the claims that these policies sought to respond to the findings of the investigation. Pat Anderson described the response as being based on ignorance and prejudice, and that the policies and programs that were introduced ignored the report's central recommendation to consult Indigenous people, in particular describing the income management aspect as deeply problematic (Creswell, 2011). Similarly Rex Wild, in addition to criticising specific elements of the intervention, emphasised the extent to which the approach of the intervention was in direct conflict with the findings of his and Anderson’s report:

> The first recommendation … was absolutely clear. No solution should be imposed from above. We regarded it as of critical importance that Governments commit to genuine consultation with Aboriginal people in designing initiatives for their communities. That was a recommendation in line with what every other study prior to that time had found. That is, that community involvement of Indigenous people with the Government should be designed as a bottom–up rather than top–down approach. When the Prime Minister and his Indigenous Affairs Minister initially announced their emergency response, which included the imminent mobilisation of the military, they had no specific consultation with, as we now know it, the Northern Territory Government and certainly not with the authors of the report. In fact, it appears from what ex-Minister Brough has recently said publicly, that the Intervention was devised in a secret bunker-style Canberra bureaucratic love-in in the three days before its announcement.

> It always seemed significant to us that the Commonwealth interventionists seized on the first sentence of our first recommendation and ignored what followed immediately which gave it its context … (Wild, 2011, p. 7–8).

> He further spoke of this being a deliberate, and deceptive process, and as being one which continued across governments, noting with regard to a publication issued by the Hon. Jenny Macklin in 2008:

> In my view, this perpetuates the mischievous and misleading manner in which the Commonwealth Government(s) has always presented the findings of the report. It ignores, as successive silent bureaucrats have continued to ignore, the necessity to grapple with the underlying significant cultural, social and legal issues confronting Indigenous Australians (Wild, 2011, p. 8).
Objectives of NIM

Central to the introduction of NIM, following the change of government in late 2007, was the objective of being able to maintain a policy of income management in the Northern Territory while enabling the reinstatement of the Racial Discrimination Act provisions which had been suspended to allow for some of the Northern Territory Emergency Response (NTER) measures (Australian Government, 2009). This involved the extension of the policy of income management to the whole of the Northern Territory rather than just to those people living in ‘prescribed’ communities. The rationale for the continuation of income management was argued in the 2009 ‘Policy Statement’ that was issued explaining the policy, as well as some changes to other elements of the NTER, as:

*Based on all that we have heard, and what the evidence is showing, the Government believes that income management is an effective tool for supporting individuals and families reliant on welfare who are living in communities under severe social pressure…*

*The core purpose of income support is to provide for the welfare of individuals and families, and particularly children. Governments have a responsibility – particularly in relation to vulnerable and at risk citizens – to ensure income support payments are allocated in beneficial ways. The Government believes that the first call on welfare payments should be life essentials and the interests of children.*

*In the Government’s view the substantial benefits that can be achieved for these individuals through income management include: putting food on the table; stabilising housing; ensuring key bills are paid; helping minimise harassment; and helping people save money. In this way, income management lays the foundations for pathways to economic and social participation through helping to stabilise household budgeting that assists people to meet the basic needs of life. …*

*The Government has chosen the target groups based on their need for support due to their high risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviours… It is also more likely that there will be poor outcomes for children growing up in these circumstances, particularly for school attendance and educational attainment (Australian Government, 2009, p. 5–6).*

In announcing the introduction of the new scheme, the government argued that it would:

*protect children and families and help disengaged individuals … provide a platform for people to move up and out of welfare dependence. The reforms will help fight passive welfare and mean that more money goes to food, clothes, rent and less money goes to buying alcohol and gambling. These reforms deliver on the Government's commitment to a welfare system based on the principles of engagement, participation and responsibility.*

*Income management is a key tool in the Government's broader welfare reforms to promote responsibility and strengthen families by ensuring that welfare is spent where it is intended - on the essentials of life and in the interests of children (Macklin & Snowdon, 2009).*

These themes, along with a community focus, were again emphasised in the Minister's second reading speech on the legislation, which stated that ‘the reforms included in this bill tackle the destructive, intergenerational cycle of passive welfare’ (Macklin, 2009, 12783), and that:

*the new scheme will start in urban, regional and remote areas of the Northern Territory, which has the highest proportion of severely disadvantaged communities in Australia … Income management helps people to order their lives and provide for their children. It operates at the day-to-day level of people’s*
lives, giving them access to the basics of life by reducing the amount of welfare funds available for substance abuse and other risky behaviours. This in turn provides a pathway for their participation in the broader economy and society (pp. 12783 & 12786).

In July 2012 the government announced its ‘Stronger Futures in the Northern Territory’ initiative (Australian Government, 2012). This was subtitled ‘A ten year commitment to Aboriginal people in the Northern Territory’, and encompassed policies and funding commitments for children and families, education, employment, community safety, health, housing and land, and strengthening governance and leadership.

**Income management in the Northern Territory**

This section considers the main operational parameters of the programs including their key targeting criteria, and the populations affected.

**The income management programs**

The focus in this paper is on the programs specifically implemented in the Northern Territory, that is, Northern Territory Emergency Response Income Management, and ‘New’ Income Management in the Northern Territory, which was introduced to replace the earlier program. It is noted that in addition a range of other income management programs operate nationally, on a much more limited basis.²

*Northern Territory Emergency Response Income Management (NTERIM)*

The NTERIM applied to people living on Aboriginal land defined under the *Aboriginal Land Rights (Northern Territory) Act 1976*, and in, Aboriginal Community Living Areas, and 45 Town Camps in the Northern Territory. This encompassed some 70% of the Northern Territory Aboriginal population.

Under the NTER model of income management all people living in these prescribed areas who received government income support payments, including wages under the Community Development Employment Program (CDEP), had half of their income support payments, and the totality of some other social security lump sum payments, income managed.

Exemptions under the program were only available to people who could show that, while they were living in a declared area, they were not part of the designated community, along with a very small number of discretionary circumstances.

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² December 2018 data indicates that 21 718 (88.5%) of the total 24 532 persons on Income Management were in the Northern Territory. In addition at that date, across Australia, 5397 persons had been ‘triggered’ into the Cashless Debit Card Program, of whom 59.7% identify as Indigenous. This latter program expanded significantly over that year, having 2175 participants as of January 2018 (DSS Cashless Debit Card (CDC) and Income Management (IM) reports January and December 2018). Given the relatively small size of these populations, both with respect to the number of persons on income management in the Northern Territory, and as a proportion of the Indigenous population in these other locations, over most of the period under analysis it is not considered that this significantly impacts upon the comparisons made between Northern Territory and Australian outcomes.

More recently it has been proposed that the existing income management regime in the Northern Territory be replaced by the introduction of the CDC and its associated income management regime. The Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 proposes that the Northern Territory, and Cape York, be declared as CDC trial areas and for income management participants in these sites to be transitioned onto the CDC trial in 2020. This legislation is currently before the Senate. Under these arrangements it is proposed that the ‘CDC trial participation criteria for the NT largely replicate the criteria for IM’ (Ruston, 2019a, p. 4) but that the discretionary capacity to wholly quarantine a person’s payment be reduced to an 80% cap (Ruston, 2019b, p. 2–3).
While initially quarantined funds could be spent through a combination of store credits and payments made on behalf of individuals by Centrelink, the BasicsCard\(^2\), introduced in September 2008 became the main mechanism.

**New Income Management (NIM)**

New Income Management initially comprised four elements:

- **Compulsory Income Management** – which had two streams:
  - Disengaged Youth – people aged 15 to 24 years who had received Youth Allowance; Newstart Allowance; Special Benefit; or a Parenting Payment for more than three of the previous six months
  - Long-term Welfare Payment Recipients – this encompassed the same payments (other than Youth Allowance) but applied to persons aged 25 years and over who had been on payments for more than one year in the previous two years

- **Voluntary Income Management** – which was open to any income support recipient not subject to any of the compulsory elements

- **Vulnerable Welfare Payment Recipients**. This was initially a highly targeted measure which involved individuals who had been assessed against a set of defined criteria as vulnerable by Centrelink social workers. It later was dominated by three additional automatic groups of young people: those under the age of 16 who were in receipt of Special Benefit; those aged under 25 years who had received a Crisis Payment on release from prison; or had been granted Youth Allowance paid at the Unreasonable to Live at Home rate

- **Child Protection Income Management** – persons who had been identified as being involved in child neglect by the Northern Territory Department of Children and Families, on the basis of a referral from this department and an assessment that the policy was seen as a useful instrument to assist improved child outcomes

Additionally, in 2012, the Supporting People at Risk element was added. This applied to people referred under the Northern Territory Alcohol Mandatory Treatment Program.

Individuals subject to Compulsory, Vulnerable, and Voluntary Income Management had 50% of their Centrelink payments income managed. For those on Child Protection Income Management this proportion was set at 70%. Lump-sum payments were income managed in their entirety (100%).

Additionally the compulsory element of the program had scope for exemptions. Those with dependent children could obtain an exemption if they could meet two criteria related to responsible parenting, and absence of financial vulnerability. Those without children could gain an exemption if they were a full-time student\(^4\), or new apprentice, or had worked for 15 hours or more per week for at least the minimum wage for at least six of the last 12 months. Overwhelmingly those who gained exemptions were non-Indigenous women with children who most frequently received their exemption prior to actually being income managed (Bray et al., 2014, Chapter 5).

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\(^2\) The BasicsCard is an EFTPOS card which can be used to make purchases from approved merchants but cannot be used to obtain cash withdrawals. Merchant approval has a number of criteria including that the main business was the sale of priority goods, that excluded goods represent less than half of the turnover of the business, and the merchant can demonstrate an ability to prevent the sale of excluded goods and services.

\(^4\) This provision effectively only applied to non-Indigenous participants as most Indigenous students who were entitled to income support were in receipt of ABSTUDY which was not subject to income management.
Number of people subject to income management

The Australian Government Department of Social Services (DSS) reports that there were 21 718 income support recipients in the Northern Territory who were subject to Income Management in November 2018. This comprised 17 939 recipients (82.6%) who identify as being Aboriginal and/or Torres Strait Islanders, and 3779 who did not (DSS, 2018).5

The numbers subject to the measure over time, by Indigenous identity, are shown in Fig. 1. The initial roll out of the NTERIM program was gradual, with the number of people subject to the measure increasing from 747 in the September quarter of 2007, to 6181 in the March quarter 2008. It then expanded over the course of the year to 15 570 in the December quarter 2008, and was only a little above this level, at 16 747, in June 2010 when NIM was introduced. As NTERIM focused on prescribed Indigenous communities, participants were almost entirely Indigenous, with data for June 2010 indicating that 98.8% of participants self-identified as Indigenous.

Fig. 1. Persons subject to Income Management in the Northern Territory, September quarter 2010–December quarter 2018

Roll-out of NIM commenced in early August 2010 in a staged process which continued effectively to the end of the year. With the transition to NIM there was a slight initial fall in the number of people subject to the measure, from 16 747 in June 2010 to 15 854 in December 2010, with the numbers then showing a gradual increase to around 22 000 in mid-2017 before remaining at this level since.6 The proportion who were Indigenous has decreased to levels in the mid to low 80% range, with around 18 000 Indigenous participants since mid-2014.

Notwithstanding the relatively small fall in the actual number of participants with the initial transition to NIM, there was a more significant shift in the composition of the population of participants. In addition to the entry of some 800 non-Indigenous participants (a number which doubled over the next six months) the transition saw

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5 Responding to the question on Indigenous Identity is voluntary and the data used here is as self-reported to Centrelink.
6 For the purposes of the analysis presented here, given these patterns, it can be considered that NTERIM was fully in place from June 2008 and NIM from December 2010.
some 3900 Indigenous participants move off the program between June and December 2010 as they were no longer subject to the policy, and 2300 move onto the program.7

The broader social and policy environment

As noted above, income management was not the only policy or program which operated in the Northern Territory over the period considered here. Some of these other activities, including those related to alcohol control, are discussed in later sections of this paper in the context of particular outcomes. Many others, both historical and current, are also relevant, as is the broader economic environment. Consideration of these is important for several reasons. First, in some cases, these other policies and programs seek to achieve the same or similar objectives as the income management programs. Secondly these policies and practices shape the environment in which people subject to income management and their families live, their economic and other resources, and the relationships they have with each other, and the state and its agents.

Social and related policies

The range and nature of these policies and programs, and the diverse ways in which they affect outcomes for the Indigenous population in the Northern Territory was highlighted in the development of the recent Northern Territory Aboriginal Justice Agreement. The process for the development of this agreement involved the Northern Territory Government undertaking extensive community consultations focused on how justice issues facing Aboriginal people in the Northern Territory should be addressed. The report on this process, Pathways to the Northern Territory Aboriginal Justice Agreement, highlighted a range of issues raised by communities which both directly affected wellbeing, but also, in the words of the authors, ‘undermined trust and partnerships between Aboriginal people and governments’ (Department of the Attorney General and Justice, 2019b, p. 69). These were:

- the ongoing impact of colonisation and a succession of policies reducing autonomy in Aboriginal families and communities
- the removal of children from families over many generations
- the range of measures that occurred as part of the NT Emergency Response
- the replacement of Community Councils with Shires
- the introduction of the BasicsCard and income management policies
- changes to work for the dole, CDEP and CDP programs
- the continuing experiences of unconscious bias, discrimination, racism, and unfair treatment
- the passive approach to consultation with Aboriginal people whose concerns and comments fail to be heard or supported
- failing to engage the entire community in consultations and instead relying only on the voices of a small number of Aboriginal people to influence and inform government policy (2019b, p. 70).

7 The population of Indigenous participants moving onto the program largely comprised those who were living outside of the specific prescribed areas.
While many of these are historical, and ongoing, others concern more contemporary policies including, as noted, the NTER and specifically income management, but also policies relating to the restructuring of local government in the Northern Territory and the Australian Government changes to employment programs, specifically CDEP.

The first of these, local government restructuring, was a policy announced in 2006, and implemented in 2008, to replace Aboriginal community councils with larger ‘super shire’ councils.\(^8\) This policy was somewhat wound back in 2014 with the replacement of the eight ‘super shires’ by nine ‘regional councils’ and 63 local authorities in remote communities. The outcome of this was described in the Report of the Royal Commission and Board of Inquiry into the Protection and Detention of Children in the Northern Territory as: ‘The shires were effectively urban organisations employing urban managerial staff, often with only service centres in remote areas. Remote-area Aboriginal people had limited capacity to be directly involved in decisions, provide information based on first-hand experience of local conditions and issues, or engage in community policy or initiatives’ (White & Gooda, 2017, p. 254). Even taking account of the 2014 reforms, the report noted that ‘the regional councils decide what powers would be delegated to local authorities and then nominate their membership rather than letting communities elect them. These arrangements fell well short of those enjoyed by the prior community councils’ (White & Gooda, 2017, p. 254).

The second concerns Australian Government employment programs. Historically the most significant initiative impacting Indigenous people in the Northern Territory was the CDEP. This was first implemented in the Northern Territory in 1977, as a community initiative, and operated as an alternative to receipt of unemployment benefits (Antonios, 1997, p. 7). Under the program participants were effectively employed on a part-time basis on community-based projects (including providing local services), training and other activities, and received an income a little above that which they would have been entitled to on income support, with the government funding this along with some operational funding. The activities under the program were community-managed. From the mid-2000s the program was progressively wound back, leading to its eventual replacement in 2013 by the Remote Jobs and Communities Program. This was then amended after six months of operation to incorporate ‘robust compliance measures’ (Scullion, 2013), and then substantially revised and renamed in 2015 as the Community Development Program (CDP). This latter program was effectively a work-for-the-dole program which required income support recipients to undertake ‘work-like’ activities for 25 hours per week, over 5 working days each week. A 2017 Senate Inquiry into this program was strongly critical, concluding:

*The committee is of the view that CDP cannot and should not continue in its current form. A new program needs to be developed which moves away from a centralised, top-down administration in which communities are told what to do and move towards a model where the local communities are empowered to make decisions that are best for them. The program also needs to move from a punitive, attendance focused approach towards one which rewards participation in activities that are selected and valued by the community and, in turn, provide skills and experiences which improve the job-readiness and quality of life of all participants* (Senate Finance and Public Administration References Committee, 2017, p. 105).

This led to some revisions to the program in 2019 including more local discretion and reduced participation requirements (Scullion, 2018).

The pattern of policy shifts in these two examples is not atypical of many of the programs and policies which impinge upon the Indigenous population of the Northern Territory, and as such represent just some of the

\(^8\) The imposition of the ‘super shires’ is one of the factors cited as leading to the Labor Party’s loss of government in the 2012 Northern Territory election (Holmes, 2012, p. 22). While one of the objectives of the original policy was to achieve greater efficiencies, the creation of the super shires has been assessed as not realising any significant improvement in financial performance (Zhou, 2014, p. 67), and indeed, has been assessed as having led to diseconomies of scale (Michel, 2019, p. 170). This failure sits in addition to other impacts, in particular with respect to community voice and participation.
constant pattern of changes these communities operate within. Additionally they clearly illustrate the way in which policies are continuously determined, and imposed, on a top–down basis, again in total conflict with the emphasis of the *Ampe Akelyernamane Meke Mekarle* report.

**The economic context**

A further dimension of the broader context which needs to be considered is the economic environment. The overall state of the labour market in the Northern Territory between 2006 and the beginning of 2020 is shown in Fig. 2. This points to expanding participation in employment for the population overall over the period to end 2016, before a decline over the past four years. While this employment growth was initially associated with a decline in the unemployment rate, after this, for most of the period, the rate fluctuated in a 3–5% band, before showing a steadier upward trend, along with a declining employment to population ratio since 2017.

**Fig. 2.** Employment-to-population ratio and unemployment rate (trend), Northern Territory, January 2006–February 2020

[![Graph showing employment-to-population ratio and unemployment rate (trend)](source)](source)


In contrast to these aggregate experiences across the whole of the Northern Territory population, Venn and Biddle (2018, p. 5) report that the Indigenous male employment rate (for persons aged 15–64 years) in the Northern Territory fell by almost 8 percentage points between 2011 and 2016. This decline comprised a slight gain in regional locations and a fall of more than 10 percentage points in remote locations. Over the same period the employment rate for Indigenous women in this age group declined by over 4 percentage points in total, and by over 5 percentage points in remote locations. While the authors note that some of the decline, especially in remote areas, was potentially associated with the above changes in labour market programs, they observe that the fall was not wholly concentrated in the lower level jobs that CDEP largely provided and conclude that the ‘poor labour market performance in remote areas was not entirely due to the impact of the CDEP scheme’ (Venn & Biddle, 2018, p. 8). Although outside of the above time frame one important economic sector in the Northern Territory which had some significant fluctuations in employment is mining. Between 2006 and 2016 this sector initially grew from some 2% of employment in the Northern Territory to over 6%, before collapsing back to 2% in mid to late 2019.

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8 The impact of the mining boom on Indigenous employment is discussed in Hunter et al. (2014). While not providing separate analysis for the Northern Territory, they conclude the major expansion of mining in Australia since the turn of the century has seen substantial increases in Indigenous employment in the mining industry (2014, p.18).
The rationale for considering community level outcomes

The magnitude of the operation of the income management programs in the Northern Territory has been significant, in particular for the Indigenous population. As of December 2018, DSS data indicates there were 42,825 recipients of income support in the Northern Territory, see Table 1. Just over half of these were subject to income management, with this proportion increasing to 68.8% for Indigenous recipients.

This group in turn represents 34.2% of the estimated total Indigenous population aged 15 years and over living in the Northern Territory as at June 2018. This estimate of the impact of the policy on the population of Indigenous Australians in the Northern Territory is consistent with the 34.0% estimated in 2013, although the current rate amongst non-Indigenous persons aged 15 years and over in the Territory of 2.7% is higher than the 1.3% estimated in this earlier period (Bray et al., 2014, p, 73).

Given this proportion, to the extent that income management impacts individuals, their families, and the communities they live in, it would be expected that these latter impacts, as well as being conceptually part of the program structure, should be able to be seen at the community level – in particular with regard to outcomes for Indigenous people in the Northern Territory.

In considering this it is again stressed that income management was not the only program introduced in the Northern Territory designed to improve Indigenous community outcomes. As detailed above, the NTERIM was accompanied by a wide range of other initiatives including in the fields of health, housing and community safety. In addition it is to be expected that the outcomes will also be impacted by a wide range of other economic and social factors, including those discussed above. Hence, to the extent impacts can be identified, some caution needs to be exercised in attributing any particular change to any particular policy or program.
### Table 1. Income Support recipients in the Northern Territory, and incidence of Income Management, December 2018

<table>
<thead>
<tr>
<th>Income Support Payment (a), (b)</th>
<th>Indigenous</th>
<th>Non-Indigenous</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Pension</td>
<td>2 002</td>
<td>7 555</td>
<td>9 557</td>
</tr>
<tr>
<td>Carer Payment</td>
<td>997</td>
<td>700</td>
<td>1 697</td>
</tr>
<tr>
<td>Disability Support Pension</td>
<td>5 513</td>
<td>2 543</td>
<td>8 056</td>
</tr>
<tr>
<td>Newstart Allowance</td>
<td>11 238</td>
<td>3 958</td>
<td>15 196</td>
</tr>
<tr>
<td>Parenting Payment Partnered</td>
<td>2 289</td>
<td>286</td>
<td>2 575</td>
</tr>
<tr>
<td>Parenting Payment Single</td>
<td>2 527</td>
<td>1 098</td>
<td>3 625</td>
</tr>
<tr>
<td>Partner Allowance</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Sickness Allowance</td>
<td>3</td>
<td>46</td>
<td>49</td>
</tr>
<tr>
<td>Widow Allowance</td>
<td>23</td>
<td>25</td>
<td>48</td>
</tr>
<tr>
<td>Widow B Pension</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Wife Pension (Partner on Age Pension)</td>
<td>5</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Wife Pension (Partner on Disability Support Pension)</td>
<td>3</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Youth Allowance (other)</td>
<td>1 468</td>
<td>526</td>
<td>1 994</td>
</tr>
<tr>
<td>Total</td>
<td>26 068</td>
<td>16 757</td>
<td>42 825</td>
</tr>
<tr>
<td>Persons on income management</td>
<td>17 939</td>
<td>3 779</td>
<td>21 718</td>
</tr>
<tr>
<td>Proportion of income support recipients subject to income management (%)</td>
<td>68.8</td>
<td>22.6</td>
<td>50.7</td>
</tr>
<tr>
<td>Population aged 15 years and over June 2018</td>
<td>52 419</td>
<td>141 401</td>
<td>193 820</td>
</tr>
<tr>
<td>Proportion of population aged 15 years and over subject to income management (%)</td>
<td>34.2</td>
<td>2.7</td>
<td>11.2</td>
</tr>
</tbody>
</table>

Notes:

a) Excludes ABSTUDY (Living Allowance) which is excluded from being subject to income management and Youth Allowance (student and apprentice) where exemptions can be granted to those in full-time study and employment. There are 294 and 261 persons on these programs respectively.

b) Cells recorded as being 3 are an estimate only, and were originally recorded by DSS as <5.

Source: DSS (2018); ABS, March 2019, cat no 3101.0 (ABS 2019a).
National comparisons

In some of the following analysis the outcomes for Indigenous people living in the Northern Territory are compared with Australian total data, figures which also include the Northern Territory. These comparisons are considered valid as the contribution of the Northern Territory to these national data is relatively small. Table 2 presents the Northern Territory Indigenous population by age as a proportion of the total Australian Indigenous population in these age ranges. As shown, in total, the Northern Territory Indigenous population only accounts for 9.3% of the total Australian Indigenous population, although this does rise to as high as 11.9% for some age groups between 25 and 49 years.

Table 2. Northern Territory Indigenous population as a share of total Australian Indigenous population 2016, by age group

<table>
<thead>
<tr>
<th>Age group</th>
<th>NT population share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–4</td>
<td>7.7</td>
</tr>
<tr>
<td>5–9</td>
<td>8.1</td>
</tr>
<tr>
<td>10–14</td>
<td>8.4</td>
</tr>
<tr>
<td>15–19</td>
<td>8.4</td>
</tr>
<tr>
<td>20–24</td>
<td>9.4</td>
</tr>
<tr>
<td>25–29</td>
<td>10.8</td>
</tr>
<tr>
<td>30–34</td>
<td>11.9</td>
</tr>
<tr>
<td>35–39</td>
<td>11.8</td>
</tr>
<tr>
<td>40–44</td>
<td>11.0</td>
</tr>
<tr>
<td>45–49</td>
<td>10.6</td>
</tr>
<tr>
<td>50–54</td>
<td>9.9</td>
</tr>
<tr>
<td>55–59</td>
<td>9.1</td>
</tr>
<tr>
<td>60–64</td>
<td>9.3</td>
</tr>
<tr>
<td>65–69</td>
<td>7.8</td>
</tr>
<tr>
<td>70–74</td>
<td>8.1</td>
</tr>
<tr>
<td>75–79</td>
<td>7.1</td>
</tr>
<tr>
<td>80–84</td>
<td>9.2</td>
</tr>
<tr>
<td>85 and over</td>
<td>7.8</td>
</tr>
<tr>
<td>Total</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Source: ABS, March 2019, cat no 3101.0 (ABS 2019a).

Approach

The balance of this paper is concerned with trends in a wide range of social indicators in the Northern Territory over the period of the implementation of income management programs. The objective is to seek to identify any turning points or trends in these indicators which may be associated with income management policies. Conceptually two types of change may be observable. The first are significant shifts or turning points in the data which may relate to the introduction of the policy, or a major shift in the population affected by it – for example consistent with the shift from NTERIM to NIM. The second are differences in the trend of the outcomes for groups that were heavily affected by income management, in comparison to groups that are not impacted by the
policy. In the Northern Territory, over one-third of the Indigenous population aged 15 years and over have been subject to income management compared to just 2–3% of the non-Indigenous population providing one basis for comparison. A second is between the Northern Territory Indigenous population and Indigenous people living in other parts of Australia who were substantially unaffected by these policies.\footnote{In November 2018 there were 1302 Indigenous people living outside of the Northern Territory who were subject to income management. These represent just 0.3% of the non-Northern Territory Indigenous population aged 15 years and over. In addition there were 3222 Indigenous people in Western Australia and South Australia who were on the Cashless Debit Card as at 21 December 2018 (DSS, December 2018).}

In considering outcomes it is again emphasised that this paper does not seek to provide a causal analysis of the relationship between income management and other policies and these outcomes, but rather it is concerned as to whether the postulated gains in wellbeing which formed part of the rationale for these policies are evidenced in the data.

**Structure**

The next four sections respectively report trends in the four following outcome areas: child health and wellbeing; education participation and outcomes; alcohol consumption and impact; and crime and justice. The final section draws together and summarises the findings for the four outcome areas.

**Data**

Data for this analysis has been drawn from a wide range of administrative and survey and related sources. These include the *Children’s Headline Indicators* produced by the Australian Institute of Health and Welfare (AIHW). This is a set of 19 indicators endorsed by the Australian Health Ministers’ Conference, Community and Disability Services Ministers’ Conference and the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee in 2008 as a collection of ‘high level, measurable indicators that identify the immediate environments as particularly important to children’s health, development and wellbeing’ (AIHW, 2018). Additional data is drawn from a number of ABS collections (risky alcohol consumption, crime victimisation and imprisonment), and Northern Territory Government administrative data (school attendance, alcohol consumption and alcohol related hospital presentations, and crime).

While not all series pre-date the introduction of income management in the Northern Territory, it needs to be recalled, as illustrated in Fig. 1, that full implementation of NTERIM did not occur until mid-2008, and NIM from end 2010 to early 2011. Additionally, while the charts provide some indication of the period income management operated, interpretation of these periods needs some caution. In some cases data is an average over a number of years, whilst in others it may be anticipated that there may be a lag between the introduction of income management and a particular outcome. While these factors do impose some limitations on aspects of this analysis, to the extent the policy has had a significant impact it would be expected that this would be observable across these indicators as a whole.
Child health and wellbeing

This section considers five indicators of child health and wellbeing. These are: infant mortality; the incidence of low weight births; death by injury amongst children aged 14 years and less; the level of substantiated child neglect and abuse reports; and the extent to which children are identified as being developmentally vulnerable. Each of these indicators is directly relevant to the objectives identified in the promotion of income management policies.

Infant mortality

Infant mortality is globally recognised as a key indicator of population wellbeing. While there was a marked fall in the Indigenous infant mortality rate in the Northern Territory between 2004–06 (the data is presented as a moving average over a three-year period) and 2008–10 (Fig. 3), this decline does not appear to reflect any Northern Territory specific factor. Rather it appears to be consistent with the more general national decline in Indigenous infant mortality. Indeed, the ratio of the Northern Territory to Australian Indigenous infant mortality rate increased slightly, but consistently, from 1.64 in 2004–06 to 1.70 in 2008–10.

From 2008–10 to 2011–13 the Indigenous infant mortality rate in the Northern Territory increased from 11.4 to 13.6 deaths per 1000 infants aged less than 1 year, and after a small decline, in the most recently available data for 2014–16, it stood at 13.8 deaths per 1000 live births. The increase in the infant mortality rate in the Northern Territory saw the ratio of the Northern Territory to Australian Indigenous infant mortality rate increase from the 1.70 times seen above to 2.34 in 2011–13. It remained at 2.30 times the national Indigenous rate in 2014–16, well above the ratio seen in the earlier periods.

In contrast, the non-Indigenous rate in the Northern Territory, which was initially marginally higher than the overall Australian rate in 2004–06, has declined to be 0.63 times the national rate in 2014–16. This indicates that the Northern Territory Indigenous population did not achieve the same gains as either the non-Indigenous population in the Northern Territory, nor the Australian Indigenous population as a whole.
Fig. 3. Infant mortality (deaths of infants aged less than 1 year) per 1000 live births by Indigeneity, Northern Territory and Australia, 2006–16

Notes: Data is provided as a 3-year moving average. Because of these averages, plotting of the introduction of NTERIM and NIM is imprecise. NTERIM is plotted from 2007–09 over which period the program was only partially impacting. NIM is plotted from 2009–11 although the program was not fully operational until early 2011.

Source: Children’s Headline Indicators (AIHW, 2018).

Although lining this data up with the timing of income management is complicated by the use of 3-year averages, as has been noted, the relative outcome for the Indigenous population in the Northern Territory has worsened over the whole period of the implementation of income management, and indeed the rise in the rate after 2010 reflects a period when the NTERIM was fully operational and NIM was introduced.

Low birth weight

The AIHW (2018) explain the importance of this indicator as ‘babies who are born with low birthweight are at greater risk of poor health, disability and death than other babies,’ and further reports that ‘low birthweight is a risk factor for neurological and physical disabilities, with the risk of adverse outcomes increasing with decreasing birthweight… The health effects of low birthweight can continue into adulthood. Research has found an increased risk of Type 2 diabetes, high blood pressure as well as metabolic and cardiovascular diseases’.

Data on low birth weight (Fig. 4) indicates that the incidence of low birth weight among Indigenous infants in the Northern Territory has increased since 2006, both relative to Indigenous Australians as a whole, and relative to non-Indigenous Northern Territorians. Indeed, while the rate of low birth weight births has broadly remained stable for the Australian non-Indigenous population, and has declined marginally for all Indigenous children in Australia, for Indigenous children in the Northern Territory there has been a marked upward trend.
This points to a lack of any gains, and indeed a worsening of outcomes, in this dimension of child wellbeing since the introduction of income management.

A more detailed study of child birth weights in communities at the time of the introduction of the NTER income management regime utilised timing differences in the roll-out of the program to individual communities to derive a more direct measure of the effect. The study found no evidence of any improvements in child birth weight but rather concluded that ‘income management may have had a net negative impact on newborn health – lower birthweights and a higher probability of low birthweight’ (Doyle et al., 2017, p. 49).

Child death from injury

Childhood injury deaths for Indigenous children in the Northern Territory are 4.8 times the rate of those of non-Indigenous children in the Territory, and 2.6 times the rate of Indigenous children nationally. As shown in Fig. 5, the rate has increased markedly between 2002–06 and 2012–16, in contrast to the fall amongst non-Indigenous children in the Northern Territory. While national data is only available from 2005–09, the increase seen in the Northern Territory since then contrasts with an overall stable rate amongst Indigenous children nationally.

In addition to the direct negative impact of these child deaths from injury, more generally changes in the incidence of these deaths can also be seen as an indicator of trends in the incidence of significant childhood injuries, which, while not resulting in death, can have both short- and long-term consequences.

While the provision of this data as moving 5-year averages makes direct reference to the dates of the introduction of income management, it is clear that over the period in which the program has operated the rate has been increasing.
Fig. 5. Injury deaths for children aged 0–14 years (per 100 000 population) by Indigeneity, Northern Territory and Australia, 2002–06 to 2012–16

Notes: Data used is a 4-year moving average. Because of these averages plotting of the introduction of NTERIM and NIM is imprecise. NTERIM is plotted at 2005–09 over which the program was only partial impacting. NIM is plotted at 2008–12 although the program was not fully operational until early 2011.
Source: Children’s Headline Indicators (AIHW 2018).

This classification of injury death includes self-inflicted injury. The Northern Territory Child Deaths Review and Prevention Committee (2018) reports that over the period 2013–17 in the Northern Territory with regard to children aged 17 years and under:

Sixty seven deaths were due to ‘external causes of morbidity and mortality’ of which 44 deaths were of Aboriginal children and 23 were non-Aboriginal children. Of these, 27 (40%) 21 Aboriginal and 6 non-Aboriginal deaths were the result of intentional self-harm. There were 8 (12%) children who died from drowning, 4 Aboriginal and 4 non-Aboriginal and there were 17 (25%) children who died from motor vehicle-related accidents, 9 Aboriginal and 8 non-Aboriginal (2018, p. 22).

Child abuse and neglect

Child abuse and neglect was the central concern of the Little Children Are Sacred report which was used as the rationale for the introduction of the NTER, and of income management as part of these policies.

As seen in Fig. 6, there has been a substantial increase in the proportion of children in the Northern Territory who have been the subject of a substantiated child neglect or abuse notification. While similar upward trends have been recorded since 2010–11 for all Indigenous children, the rate of substantiation in the Northern Territory has increased more rapidly than the national rate. The rate of substantiations for Indigenous children, relative to non-Indigenous children in the Northern Territory, has increased from 6 times in 2007–08 to 11 times in 2016–17. While prima facie indicating a worsening outcome, some caution needs to be exercised in interpreting this result as trends in data on the incidence of child abuse and neglect can be ambiguous in that it may reflect changes in willingness to identify, report, and investigate potential cases, rather than incidence per se. Nevertheless, the worsening outcome amongst Northern Territory Indigenous children, relative to non-Indigenous children in the Northern Territory, as well as relative to Indigenous children nationally, which while
having also risen, has done so at a lesser rate, would suggest that no significant improvement has occurred with the introduction of income management.

**Fig. 6.** Children aged 0–12 years who were the subject of a substantiation of a notification received in a given year (per 1000 children) by Indigeneity, Northern Territory and Australia, 2007–08 to 2016–17

![Graph showing substantiations per 1,000 children by Indigeneity and region from 2007-08 to 2016-17](image)

*Source: Children’s Headline Indicators (AIHW, 2018).*

**Developmental vulnerability**

The Australian Early Development Census (AEDC) is a population-based measure of children’s development in Australia. It is conducted as children enter their first year of full-time school. The census is conducted every three years and takes place across government, Catholic and independent schools. The instrument identifies outcomes across five developmental domains: Physical health and wellbeing; Social competence; Emotional maturity; Language and cognitive skills (school-based); and Communication skills and general knowledge. The instrument used in the collection has been tested, and was modified prior to the 2009 cycle, to ensure that it was a sensitive and appropriate measure for Indigenous children (Australian Government Department of Education and Training, 2019, p. 6).

Data from the first collection was used to establish a series of benchmarks which track developmental vulnerability and risk in each domain. From this a range of aggregate measures have been developed to monitor change. Fig. 7 shows the trends in one of these headline measures, the proportion of children identified as being developmentally vulnerable in one or more of the five domains. As illustrated there has been a steady decline in such vulnerability nationally for both Indigenous and non-Indigenous children. Similarly, while there was an initial decline in the extent of vulnerability amongst Indigenous children in the Northern Territory, data since 2012 shows no gain, but rather suggests a small increase in developmental vulnerability. Most significantly, over the whole of the period, the decrease in this measure of vulnerability for Indigenous children in the Northern Territory of 2.1 percentage points has been much smaller than the decline of 6.1 percentage points.

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11 The instrument used is the Australian version of the Early Development Instrument (AvEDI) (see Department of Education and Training, 2019, p. 4).
recorded by Indigenous children overall. In addition, the trend in the Northern Territory since 2012 runs counter to the ongoing decline in vulnerability experienced by Indigenous children nationally.

**Fig. 7.** Proportion of children developmentally vulnerable in one or more domains of the Australian Early Development Census by Indigeneity, Northern Territory and Australia, 2009–18

![Proportion of children developmentally vulnerable](chart)

Note: The AEDC has been conducted every three years commencing in 2009.

*Source: Children’s Headline Indicators (AIHW, 2018), updated with 2018 AEDC data.*

**Summary: Child health and wellbeing**

Data examined in this section has identified:

- Prior to the time of the introduction of income management the rate of infant mortality amongst Indigenous people in the Northern Territory was declining. However, this has ceased and since 2008–10 the rate has been increasing. This contrasts with the ongoing decline for both the total Australian Indigenous population, and for non-Indigenous Northern Territorians.

- There has been an increase in the incidence of low birth weight babies amongst the Northern Territory Indigenous population in contrast to stable rates for other populations.

- The rate of injury deaths amongst children aged under 15 years has increased for Indigenous children in the Northern Territory, in contrast to a decline amongst non-Indigenous children in the Territory and a stable rate for Indigenous children across Australia as a whole.

- Child abuse and neglect substantiations have increased more rapidly for Indigenous children in the Northern Territory than for Indigenous children overall and for non-Indigenous children in the Northern Territory, although it is noted that increased rates of substantiation may not necessarily reflect increasing incidence of abuse and neglect.

- While the proportion of Indigenous children in the Northern Territory identified as developmentally vulnerable has declined, the rate of this decline has been much smaller than for Indigenous children nationally.
Taken as a whole this data suggests that there have been no gains for Indigenous children in the Northern Territory on these measures, relative to Indigenous children nationally and non-Indigenous children in the Northern Territory, and indeed under some of these measures outcomes for Northern Territory Indigenous children have worsened since the introduction of income management.

**Education participation and outcomes**

Improving educational participation and outcomes were identified goals of the NTER, while the legislative framework for NIM included, as an objective of income management, ‘to encourage socially responsible behaviour, including in relation to the care and education of children’ *(Social Security (Administration) Act 1999)* (Cwth) – Section 123TB. This emphasis in NIM was reinforced by including as one of the criteria to gain an exemption ‘responsible parenting’. In order to demonstrate ‘responsibility’, a parent was required to provide evidence that their school-aged children had attended school regularly for the past two terms with no more than five unexplained absences within this period.\(^{12}\)

**School attendance**

This section initially considers trends in school attendance, and the further level of conditionality on transfer payments associated with the Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM), before considering outcomes as measured through the ‘National Assessment Program – Literacy and Numeracy’ (NAPLAN).

**School attendance in the Northern Territory**

Trends in school attendance\(^ {13}\) by remoteness for Indigenous and non-Indigenous children in the Northern Territory since 2009 are shown in Fig. 8. This shows an overall decline in attendance for both of these groups across all geographic regions, notwithstanding some initial improvement in attendance in ‘Outer Regional’\(^ {14}\) (Darwin and Palmerston schools), especially by Indigenous children up to 2011. Overall, between 2009 and 2018:

- attendance by Indigenous students has fallen by 2.3 percentage points in Outer Regional schools, by 14.4 percentage points in Remote schools, and 9.9 percentage points in Very Remote schools
- although rates of attendance have also fallen for non-Indigenous students, the falls have been much smaller. Attendance by this group over this period has fallen by 1.9 percentage points in Outer Regional schools, by 5.2 percentage points in Remote schools and 3.2 percentage points in Very Remote schools.

These trends appear to have continued into 2019, although data is not strictly comparable as only Term 3 data is plotted in the chart.

\(^{12}\) Parents of children under compulsory school age were required to satisfy a combination of health and participation requirements. In addition, Centrelink had to assess that the parent was not financially vulnerable and had not been financially vulnerable in the previous 12 months. In a couple where both parents are subject to income management only one of these parents can seek an exemption under this parental exemption provision.

\(^{13}\) School attendance rates are collected 8 times a year for a 4-week period at the beginning and end of each term. The attendance rate is the proportion of time students attend compared to the time they are expected to attend during the 4-week period.

\(^{14}\) The language used to describe these schools has varied over time, earlier publications referred to them as provincial schools before the adoption of the Accessibility and Remoteness Index of Australia (ARIA) classification.
While this series was not available prior to 2009, based on the analysis of the Northern Territory Department of Education data on school attendance at schools that were in the prescribed areas subject to the NTERIM, the official Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) evaluation of the NTER reported that ‘there has been no observable improvement in school attendance between 2006, before the NTER was introduced, and 2010, the last full year for which data are available’ (FaHCSIA, 2011, p. 292).

While it is possible that these attendance rates could also be impacted by changes in the extent to which children are actually enrolled, this does not appear to be the case. As illustrated in Fig. 9, there have been no marked consistent overall trends in the number of Indigenous school students in the Northern Territory. Over the same time the population of Indigenous children aged 5–14 years has remained relatively stable at 15 160 in 2006, 15 430 in 2011, and 14 920 in 2016 (ABS cat no 3238.0 various).

Fig. 8. Northern Territory School attendance by remoteness and Indigeneity, 2009–19

Notes: Data for 2013 is for Term 3 (full year data not published) and for 2019 (full year data not yet available), other years is total annual. The Northern Territory Department advises that new enrolment and attendance processes were introduced in 2013, as a consequence 2013 represents a break in series and therefore enrolment and attendance data prior to 2013 cannot be directly compared to 2013 or onwards datasets. This break is not considered to significantly impact the analysis presented herewith the trends before and after this break being consistent. Data covers Early Years, Primary Years, Middle Years and Senior Years. ARIA remoteness categories. Outer Regional comprises Darwin and Palmerston. Source: Enrolment and attendance statistics (Northern Territory Department of Education, various).
The potential impact of income management on school attendance was also addressed in a study which used the staged roll out of NTERIM, and detailed local area data, to more precisely estimate the causal impact of this program. This concluded ‘we find no evidence that school attendance increased after the introduction of income management. In fact, we estimate that attendance fell by 2.7 percentage points on average in the short-run. Importantly, income management did not significantly affect student enrolments’ (Cobb-Clark et al., 2017, Non-technical summary).

That is, the introduction of income management does not appear to have had any positive impact on school attendance, and over the period during which income management was fully implemented, not only have Indigenous school participation rates in the Northern Territory fallen, but they have done so at a more rapid rate than that of non-Indigenous children.\(^{15}\)

### The SEAM program

As indicated in the announcement of the NTER, one of the proposed strategies was ‘Enforcing school attendance by linking income support and family assistance payments to school attendance’. As a means of achieving this, the government introduced, in 2009, the School Attendance and Enrolment Pilot, and subsequently, in 2013, the Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM). The program comprised a number of elements. It introduced requirements for parents to attend conferences with schools, and enter into school attendance plans, in circumstances where children did not attend school, which would then lead to the suspension of payments in cases of non-compliance with these attendance plans, or where children had not been enrolled.

The program implementation was reviewed by the Australian National Audit Office (ANAO) in 2014 which reported that ‘some anecdotal evidence was provided to the ANAO that SEAM in the Northern Territory is having some positive effects’ (ANAO, 2014, p. 69). In the 2017–18 *Mid-Year Economic and Fiscal Outlook* (MYEFO) it was announced that ‘The Government will achieve savings of $29.6 million over four years from...”

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\(^{15}\) This is a particularly adverse outcome given that the school participation rates for Indigenous children was already low.
1 January 2018 by ceasing the School Enrolment and Attendance Measure’ (Morrison & Cormann, 2017, p. 176). The rationale for this was reported in the media as:

*The Federal Government has scrapped funding for a program aimed at getting children from remote NT communities to go to school, saying it was having no impact. The decision, announced as part of the Government’s Mid-year Economic Financial Outlook, will see $29 million stripped from the NT Government over the next four years.*

*The Commonwealth had been funding the School Enrolment and Attendance Measure (SEAM) since it was introduced by the federal Labor government in 2009. But Indigenous Affairs Minister Nigel Scullion said the program had been a total failure. ‘SEAM was a badly designed and woefully implemented program,’ he said. Despite our best efforts to improve it, all of the evidence continued to show that the measure was ineffective in getting kids to school* (Cunningham, 2017).

**Education – NAPLAN results**

NAPLAN is described as ‘a national, consistent measure to determine whether or not students are meeting important educational outcomes’ (Australian Curriculum, Assessment and Reporting Authority (ACARA) 2020), and involves standardised testing of children across the country.

Fig. 10 and Fig. 11 present the NAPLAN results for numeracy and literacy for the period 2008 to 2018 at four levels of education: years 3, 5, 7 and 9. The figures show the proportion of children who achieve at or above the national minimum standards. While this data is not available prior to the introduction of income management, given the nature of learning, it would be anticipated that, to the degree the program has an impact, this would be gradual and incremental rather than immediate, and hence the effect would be observed in subsequent years and build over time.

The dominant feature of all of these charts is the significantly worse results for Indigenous children in the Northern Territory. In general, while across the population as a whole some 90% of children are meeting the national minimum standards, for Indigenous students in the Northern Territory the figure is around 50%, or frequently less.

**Numeracy**

On the basis of a simple 2008 and 2018 comparison there have been gains for Indigenous students in the Northern Territory at Year 5 numeracy (10.0 percentage points) and Year 9 numeracy (8.3 percentage points). However, in both cases these increases are less than that recorded by Indigenous students nationally of 12.2 percentage points and 10.5 percentage points, suggesting no relative gain, and in fact a negative relative shift.

For Year 3 and Year 7 Indigenous students there have been no gains from the beginning to the end of the period, although more recent data suggests that the both of these groups of students have recovered from the decline from 2009 to 2014 observable in Fig. 10.
Fig. 10. NAPLAN numeracy results by year level and Indigeneity, Northern Territory and Australia, 2008–18

Note: Data shows the proportion of students who achieve at or above the national minimum standards. Source: Children’s Headline Indicators (AIHW, 2018).

**Literacy**

As with numeracy, the literacy results for Indigenous students in the Northern Territory show some volatility. In terms of changes over the whole period there were gains in this measure for Indigenous students in the Northern Territory at Year 3 (10.4 percentage points – all of which occurred at the beginning of the period with no gain, and indeed a slight fall from 2010 onwards), at Year 5 (11.1 percentage points), along with a minor gain at Year 7, and a marked fall (–8.0 percentage points) for Year 9 students. Again, as with the numeracy results, to the extent there were these gains in Year 3 and 5 scores, they were smaller for Indigenous children in the Northern Territory, when compared to the gains recorded by Indigenous children at the national level.

This data again also illustrates the very poor outcomes for Indigenous students in the Northern Territory. While some 95% or more of non-Indigenous students in the Northern Territory achieve at, or above, the minimum level, a rate above the Australian average, amongst Indigenous students, the rates are some 30% to 40% at most points of the education cycle.
Fig. 11. NAPLAN reading results by year level and Indigeneity, Northern Territory and Australia, 2008–18

Taking this data as a whole, it shows that while there have been some gains for Indigenous children in the Northern Territory in some measures, this has not been the case for others. Further, to the extent there have been improvements for Indigenous children in the Northern Territory, these were consistent in direction, although smaller in magnitude, to the gains recorded by Indigenous children on a national basis. This suggests that there is no specific benefit which can be potentially associated with the operation of income management related to this outcome.

**Summary: Education participation and outcomes**

The available data and analysis indicate that there is no evidence of any overall trend of improving school attendance amongst Indigenous children associated with the introduction of income management, with in fact some suggestion of a negative immediate effect. Nor is there any indication of any positive impact of the continued implementation of the measure, even when accompanied by the more punitive SEAM measure, or with regard to a range of additional policies put in place.
While some individual NAPLAN results can be interpreted positively, taken as a whole, the data from 2008 does not suggest any systematic pattern of improvement but rather highlights the significant and persistent gap between the outcomes for Indigenous children in the Northern Territory relative to Indigenous children nationally, and relative to Northern Territory non-Indigenous children. Where there have been some improvements for Indigenous children in the Northern Territory, the gains recorded are either consistent with, or only partially reflect the gains recorded nationally by Indigenous children who were by and large unaffected by the introduction of income management.

More generally, given the number of other education-related measures that also accompanied the introduction of income management as part of the NTER, the failure of Indigenous children in the Northern Territory to even share the same level of improvement as has been recorded for Indigenous children in other locations, raises more significant questions about the measures overall.
Alcohol consumption and impact

Curbing alcohol consumption and abuse featured heavily in the rationale for the introduction of income management. This section considers trends in alcohol consumption and one dimension of alcohol harm – emergency department presentations due to alcohol. The role alcohol played in assaults is considered in the next section.

Alcohol consumption

Analysis here considers both the volume of alcohol consumption in the Northern Territory, some of the associated controls on alcohol consumption, and the incidence of risky drinking behaviour by Indigenous people living in the Northern Territory.

Northern Territory alcohol consumption

There has been a marked and sustained decrease in alcohol consumption in the Northern Territory since a peak of an estimated 15.27 litres pure alcohol content per capita per year in 2005 to 11.27 litres in 2018. As illustrated in Fig. 12 this trend however commenced prior to the introduction of income management in the Territory.

Fig. 12. Estimated per capita consumption of alcohol (litres of pure alcohol content), Northern Territory, 2002–18

In considering these trends attention needs to be given to the wide range of alcohol management, control, and education measures which have been implemented over the period. A description of some of the earlier set of policy changes is recorded in studies such as Symons et al. (2012). This study, focusing on Alice Springs, considers the impact of some nine specific measures implemented in the Alice Springs/Central Australia region, commencing in 2002 and ramping up in 2006, including restrictions on take away sales and a limit on sales of
containers (mainly wine casks) larger than 2 litres, through to the introduction, in 2007, of the Alice Springs Restricted area which effectively prohibited most drinking in public areas, and the 2008 introduction of photographic ID for the purchase of alcohol. The study concluded that ‘[t]he imposition of additional alcohol control measures has made a significant contribution to the reduction of estimated per capita consumption in Central Australia’ (Symons et al., 2012, p. 130).

These policies were however only some of the range of measures which have had an impact on both the supply, and demand, side of alcohol consumption in the Northern Territory. The authors also note, for example, that over the period in which they studied the impact of the Alice Springs policies ‘a number of liquor outlets in Darwin voluntarily agreed not to sell wine in four and five litre casks and it was a condition of changes to one licence that it withdraw sale of four litre casks (Symons et al., 2012, p. 25). A further policy was the introduction of a Banned Drinkers Register (BDR). This was initially introduced in 2011 but terminated late in 2012 with a change of government and reintroduced in 2017 (see Smith & Adamson, 2018.) Analysis of the impact of the initial trial of this policy which was conducted by the National Drug Research Institute (2014) concluded that the evidence ‘strongly suggest that the BDR was effective in reducing alcohol-related harms to health in Alice Springs’ (National Drug Research Institute, 2014, p. 11).

An additional measure, particularly relevant to Indigenous alcohol consumption, has been the introduction of Alcohol Management Plans (AMPs). The Northern Territory Government has reported that:

…evaluations show that AMPs with supply plans in regional centres result in significant reductions in pure alcohol consumption levels. This includes a reduction in PCAC [Per Capita Alcohol Consumption] in Nhulunbuy from 2008–10 of 33%, Alice Springs from 2006–09 of 18%, Tennant Creek as a result of Thirsty Thursday 2005–06 of 11% and then after the AMP in 2008–09 of 4.4%, and Katherine 2008–09 of 8.7%. Supply restrictions are seen as being in the top ten most successful international and national evidence based alcohol measures. Other reductions in alcohol related harms resulting from AMPs include in Alice Springs from 2006 to 2009 a statistically significant fall in serious alcohol related assaults from 2.4% to 1.7%, in Tennant Creek from 2008–09, following the introduction of the AMP, a reduction in alcohol related assaults of 24.8%, and in hospital emergency departments presentations for alcohol and mental health and behavioural disorders of 66% (2014, p. 24–25).

Enforcement action can also have significant immediate impact. Reporting on a lock down of takeaway outlets in Alice Springs – ‘Operation Leyland’ – the Northern Territory government reports ‘Operation Leyland commenced at the end of February 2014, and in the first two weeks of operation provided a decrease of 24% police attended incidents and a 54% reduction in assaults for the same period the previous year’ (Northern Territory Government, 2014, p. 11).

Risky drinking

The ABS as part of the National Aboriginal and Torres Strait Islander Social Survey (NATSISS) asks respondents about their personal alcohol consumption, and from this derives estimates of the incidence of risky alcohol consumption using the 2009 National Health and Medical Research Council (NHMRC) Guidelines. Specifically, two risks based on this self-reported alcohol consumption data are reported: a ‘Single occasion risk’

16 The impact of a number of these policies appears to be quite dramatic. Cask wine supply in 2018 is only 20.6% of the level recorded in 2006, and in just the one year to 2007 (that is prior to the introduction of income management) supply slumped by 28.9%. While fortified wine supply shows high variability over time the 2018 supply was just 14.3% of that in 2005. In terms of volume of beverage the share of beer supply which was full strength beer has fallen from 60.9% in 2005 to 51.5% with the overall level of beer supply remaining stable despite population growth.
and a more stringent ‘Life time risk’. Results from the 2002, 2008 and 2014–15 surveys are shown in Fig. 13, it should though be noted that the robustness of this data has been challenged.\textsuperscript{17}

The data shows no statistically significant trend towards lower levels of risky consumption since the introduction of income management. Indeed, to the extent any trend is identifiable, it is towards an increase in risky levels of drinking. The incidence of risky drinking for both men and women, at both the single occasion and lifetime risk levels, was higher in 2014–15 than in 2002.

**Fig. 13.** Risky alcohol consumption, Indigenous persons aged 15 years and over, Northern Territory, 2002, 2008 and 2014–15

Note: Error bar indicates the 95\% confidence interval for the estimate.

**Hospital emergency department presentations**

Fig. 14 shows the trends in wholly alcohol related presentations to the emergency departments (EDs) of Northern Territory hospitals since September 2005. These presentations include alcohol intoxication, abuse, addiction hallucinosis, psychosis and delirium tremens, as well as more chronic conditions such as alcoholic hepatitis and cirrhosis with alcoholism. While for this reason it may be anticipated that the rate of presentation would not immediately decline with any limitation on alcohol consumption, this though does not provide an explanation for the actual pattern of strong growth, in particular in the period from mid-2011.\textsuperscript{18}

While more recent data points to a marked downturn in presentations (Northern Territory Department of Health, 2019) these are not available yet on the basis of Indigenous identity and hence have not been included in this

\textsuperscript{17} The accuracy of the estimates of the prevalence of high risk drinking derived from the NATSISS has been challenged by researchers. Chikritzhs & Liang (2012) conclude that the balance of evidence indicates that the prevalence of high risk drinking detected by the 2008 National Aboriginal and Torres Strait Islander Social Survey (NATSISS) (and the 2002 NATSISS) is underestimated to a substantial extent (Chikritzhs & Liang, 2012, p. 61) They note that, while under-reporting of alcohol and drug use is a persistent problem across household surveys, the magnitude of the potential problem in the NATSISS was such to raise significant questions as to its reliability. The extent to which this under-reporting is consistent across surveys, and hence whether it also impacts trend analysis, is not clear, although caution would appear to be appropriate.

\textsuperscript{18} The strong spike seen in late 2012 appears to be an anomaly rather than a trend. This was examined by the National Drug Research Institute (2014) which reported While, [we] do not have the data to explain this increase, it is widely known and reported in newspapers that following the Briscoe death in custody in January 2012, the police began taking all people on protective custody apprehensions to ED for medical assessment. ... This could be verified if police data was available but our best estimate is that this would have amounted to enough of an increase to solely account for the increase in alcohol caused ED presentations (National Drug Research Institute, 2014, pp. 7–8).
analysis. Media reporting suggests that this trend is largely associated with enforcement activity. Citing the case of a one-third fall in alcohol related admissions to the Alice Springs Hospital, the Australian Broadcasting Commission (ABC) reported the director of the emergency department as saying ‘it was likely Government policies, such as the presence of police auxiliary liquor inspectors (PALIs) stationed at regional bottle shops, were behind the decrease’ (Beavan & Brash, 2019).

These results provide little support to suggest that income management has had a significant impact on reducing the incidence of alcohol related health outcomes.

**Fig. 14.** Number of emergency department presentations by quarter, for wholly alcohol-related presentations, by Indigeneity, Northern Territory, September 2005–June 2016


**Summary: Alcohol**

Alcohol consumption has been declining in the Northern Territory since 2005, well prior to the introduction of income management. While the rate of decline has varied over time – and consumption increased marginally between 2011 and 2012 and again between 2015 and 2016 – there is no evidence of income management being a major factor in the trend. Rather, as well as a secular trend, including the role of mid strength and light beer, and national policies such as alcopop pricing, it appears that local supply and demand policies, including policing, have had more impact.

Data on reported alcohol consumption by Indigenous persons in the Northern Territory shows no reduction in the incidence of risky alcohol consumption in the period from 2002 to 2014–15, notwithstanding the above trends and the introduction of income management.

There has been an increase in the proportion of emergency department presentations in the Northern Territory related to alcohol since 2005, with this trend being particularly marked amongst Indigenous Australians.
Crime and justice

Three aspects of crime and justice are considered here. The first is the incidence of victimisation from assault, secondly offence rates, both relating to assault and more widely, and finally rates of imprisonment. The focus on assault in analysis reflects both this being the largest single crime classification in the Northern Territory, and also the focus of income management on questions of community disorder and safety, of which the incidence of assault is a key indicator.

Assault victimisation

The Northern Territory has a high rate of assault victimisation. While comprehensive national data are not available, the Northern Territory standardised victimisation rate of 2978 per 100 000 persons in 2018 compares with rates of 828 in New South Wales, 955 in South Australia, 1115 in Western Australia, 615 in Tasmania, and 549 in the Australian Capital Territory (ABS 2019c cat no 4510.0). The evolution of the victimisation rate in the Northern Territory since 2010, by the Indigeneity of the victim, is shown in Fig. 15.

Fig. 15. Recorded crime, assault victimisation rate by Indigeneity, Northern Territory, 2010–18

While the assault victimisation rate amongst Indigenous Northern Territorians of 6678 in 2018 was marginally higher than the 6584 recorded in 2010, the series can essentially be viewed as being flat. In contrast, in addition to being substantially lower, the rate amongst non-Indigenous persons in the Northern Territory, while also being largely flat, hints at a slight decline.
Rates of crime and offending

Fig. 16 also considers assaults, this time in terms of the number of offences, and their association with domestic violence and alcohol. While wholly consistent data is not available for the full period, the chart plots trends since financial year 2006–07 to calendar year 2018.

Fig. 16. Assault rates by alcohol and domestic violence involvement, Northern Territory, 2006–07 to 2018

Notes: This data reflects offences as recorded by the Northern Territory Police in the Police Real-time On-line Management Information System. ‘Old’ refers to earlier published data. When estimates of rates were re-estimated in later publications they were not fully backcast. Financial year to 2009–10, calendar year (year to December 2011 on). Source: Department of the Attorney-General and Justice Northern Territory (2012 and various to December 2018).

The chart shows the same flat to slight decline in assaults since 2011 as seen in the victimisation data, although pointing to a marked increase in the period prior to this, which includes the period over which income management was first rolled out in the Northern Territory. In addition it indicates:

- There has been a decline in the proportion of assaults associated with alcohol from some 60% up to 2013 to an average rate of around 54% from 2014 onwards. The decline was most marked between 2013 and 2015.
- The rate of assaults which involved domestic violence increased strongly up until 2013 and, while having declined from the peak it reached in 2013, it has since stabilised around rates similar to those seen in 2009–10.

More recent data which compares data for the period August 2018 to July 2019 with the previous 12-month period, see Table 3, shows a marked decrease in a number of crime categories, including alcohol-related assault. Again, the issue of policing and related alcohol management measures needs to be taken into account with respect to this trend.
Table 3. Offence rates by type of offence, Northern Territory, years ending July 2018 and July 2019

<table>
<thead>
<tr>
<th>Crime</th>
<th>01/08/2017–31/07/2018</th>
<th>01/08/2018–31/07/2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rate per 100 000 persons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assault</td>
<td>3 068.5</td>
<td>2 598.3</td>
<td>−15.3</td>
</tr>
<tr>
<td>Domestic violence related assault</td>
<td>1 775.1</td>
<td>1 574.5</td>
<td>−11.3</td>
</tr>
<tr>
<td>Alcohol related assault</td>
<td>1 700.9</td>
<td>1 294.7</td>
<td>−23.9</td>
</tr>
<tr>
<td>Sexual assault</td>
<td>163.7</td>
<td>133.8</td>
<td>−18.3</td>
</tr>
<tr>
<td>House break-ins</td>
<td>859.2</td>
<td>1 005.9</td>
<td>17.1</td>
</tr>
<tr>
<td>Commercial break-ins</td>
<td>1 032.1</td>
<td>982.7</td>
<td>−4.8</td>
</tr>
<tr>
<td>Motor vehicle theft</td>
<td>722.7</td>
<td>728.5</td>
<td>0.8</td>
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<tr>
<td>Property damage</td>
<td>2 996.4</td>
<td>2 936.7</td>
<td>−2.0</td>
</tr>
</tbody>
</table>

Note: This data reflects offences as recorded by the Northern Territory Police in the Police Real-time On-line Management Information System.
Source: Department of the Attorney-General and Justice Northern Territory (2019c).

Turning to more specific crimes, Fig. 17, there appears to be little consistency in trends over the past decade. While it is possible to see some declines, for example homicide and related crimes, the pattern of change over time, and relative to other classifications, is quite disparate, and, while some crimes show a decline in the initial period, such as other theft, property damage and sexual assault, since then rates have stabilised or in some cases increased. Similarly, while motor vehicle theft has shown a decline since 2011, this has simply been from the levels it rose to between 2007 and 2010.

Taken as a whole and considering the period since income management was first introduced in 2008, it is not clear that there is any associated consistent pattern of change. While some crimes such as homicide, sexual assault, property damage, and theft have fallen, house break-ins remain at a level similar to what they were prior to income management, commercial break-ins have increased, and crimes which involve causing injury or endangering persons have increased. Other than the potential effect of targeted enforcement activity, given their diversity, there seems little justification to attribute the falls to one factor such as income management, but to ignore the increases in other crimes, or attribute them to some other cause.
Fig. 17. Offence rates, main crime classifications, Northern Territory, 2007–18

Note: This data reflects offences as recorded by the Northern Territory Police in the Police Real-time On-line Management Information System.

Source: Department of the Attorney-General and Justice Northern Territory (2012 and various to December 2018).
Imprisonment

The imprisonment rate of Indigenous people in the Northern Territory is high and has increased largely monotonically for the almost 20-year period for which data is available, as illustrated in Fig. 18.

While it would be expected that there is a lag between the imprisonment rate which reflects the stock of people incarcerated and the activities which result in their detention, this should not overly inhibit the capacity of this data to point to any potential decline in serious criminal activity. The reason for this is that the lags are relatively small, especially given the time scale of the data. In 2016–17 in the Northern Territory the average sentence length (excluding life sentences) was 507 days and the median 180 days for all prisoners, and the average sentence for newly sentenced prisoners was 262 days and the median 122 days. Some 71% of prisoners were sentenced (Northern Territory Government, 2018).

Noting this, there is no evidence of an impact which may be associated with the introduction of income management in this measure of social outcomes rather the rate of imprisonment of Indigenous Australians, in both the Northern Territory and nationally, has continued a pattern of relentless growth.

Fig. 18. Age standardised imprisonment rate by Indigeneity, Northern Territory and Australia, 2000–18


Summary: Crime and justice

Data considered here, while in some cases suggesting some decrease in some areas of crime and a lessening of assault associated with alcohol, at the same time indicates an increasing rate of some other crimes, and an ongoing massive increase in the rate of imprisonment of Indigenous people in the Northern Territory. In addition, to the extent there have been some decreases in some crimes over some periods, account needs also to be taken of other policies, including those relating to alcohol. This and the lack of any consistent pattern across the period during which income management has been operating does not suggest any systematic linkage of crime patterns with the policy.
Summary

Income management was a major policy intervention impacting in particular the Indigenous population of the Northern Territory where an estimated 34.1% of all Indigenous persons aged 15 years and over were subject to the measure, and in a large number of cases with people now having been income managed for more than a decade.

Income management imposed controls on how at least half of social security income could be spent with the objective of ensuring money was spent on essentials and limiting the amount available for the consumption of alcohol, tobacco and a range of other activities which are seen as detrimental to individual and community wellbeing. The program had as its objectives improved wellbeing outcomes for individuals and their families. It was envisaged as a policy which would stabilise communities, constrain anti-social behaviour and establish pathways to economic and social participation. Central to the objectives was improving the welfare of children, including their participation in and gains from education.

The policies were envisaged as not just operating at the individual level but flowing on to the communities in which the people subject to the measure lived, both directly, by reducing substance abuse and other forms of anti-social behaviour, and more generally through the strengthening of socially responsible behaviour and the aggregate effects of the gains for individuals and their families.

The underlying logic of the program would suggest its impact should be more marked than just reflecting the proportion of the population subject to the measure. This reflects the targeting of the program, in terms of both the location, the Northern Territory, and with regard to the specific individuals subject to the measure. This was explained by the then Minister as ‘the government has chosen these groups based on their need for support due to their high risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviours’ (Macklin, 2009, p. 12786). If this was the case then it would be expected that this was the group with the highest levels of disadvantage and the greatest scope for improved outcomes.

It has been on this basis that this paper has sought to identify the extent to which there have been gains across a range of social domains which could be expected to be impacted by income management. That is, if the program has achieved its objectives it would be expected that there would be a range of improved outcomes across a number of domains including with respect to child health and wellbeing and education, in terms of risky alcohol consumption and in anti-social activity including criminality.

As has been presented in the preceding sections there is an absence of evidence of any such gains. In fact there have been negative trends in a number of key outcomes for Indigenous people living in the Northern Territory including infant mortality, low birthweight children, injury deaths, substantiated child abuse and neglect notifications, and school attendance. Furthermore where there have been some gains, for example educational achievement as measured by NAPLAN results, these have been well below those recorded by Indigenous children living in other locations which have not been subject to income management.

Although there has been a marked fall in alcohol consumption in the Northern Territory over the period of income management, this would appear to reflect a pre-existing trend. A range of analyses suggests this has been driven by a substantial number of other policies primarily directed at regulating and controlling alcohol consumption. The data available on the proportion of the Northern Territory Indigenous population engaging in risky alcohol consumption, while potentially understated, does not suggest any significant change in its incidence. The range of data on crime and justice when taken as a whole does not point to any consistent
picture of decline, assault rates remain high and while the incidence of some specific crimes has declined, including alcohol-related offences (likely as a consequence of the above factors), others have increased. The Northern Territory Indigenous imprisonment rate has continued to grow strongly.

Taken together these findings suggest that, despite the objective of targeting income management to those deemed to be most vulnerable, and at most risk of inappropriate and risky behaviours, and the magnitude of the implementation of income management in the Northern Territory, with over one-third of the Indigenous population being subject to the measure, there is an absence of evidence of discernible, positive benefits across the wide range of social indicators considered here.

Perhaps even more significant is that income management was just one of a large number of initiatives implemented in the Northern Territory over this period – in particular as part of the ‘Emergency Response’, and subsequently the ‘Stronger Futures in the Northern Territory Initiative’. While again this analysis has not sought to present these outcomes as a causal analysis, the absence of any consistent positive trend in the indicators presented here must raise significant questions about the rationale, implementation and effectiveness of the whole of these interventions, and the underlying top down strategies they embodied.

This analysis also highlights the importance of a systematic approach in measuring the impacts of policies. While the overwhelming balance of indicators point to no gains, it is possible to identify some which, when taken in isolation, might be used to claim an improvement. A systematic approach is required to avoid such misleading ‘cherry picking’. The analysis also points to the importance of examining outcomes relative to ‘control populations’ which are not impacted by the measure. That is while a superficial review of some indicators suggests an improvement for the population in the Northern Territory, when measured against the gains recorded by similar populations elsewhere in Australia who have, in general, not been affected by the policy, it can be seen that the actual situation is that of failing to achieve the gains achieved by these others. Finally, the analysis emphasises a need to take account of, and understand, the impact of other policies and programs which may also have been implemented and the extent to which these may be responsible for any observed change.
References


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