Submission to the Productivity Commission's Indigenous Evaluation Strategy

The Accountable Income Management Network August 2019

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Introduction

The Accountable Income Management Network (AIMN) welcomes the opportunity to respond to the Productivity Commission's Indigenous Evaluation Strategy Issues Paper.

The AIMN is a nation-wide group of community members; representatives of national, state and local non-government organisations and community bodies; academics; social researchers and public policy experts. Our members have a strong commitment to social justice and human rights and are concerned about the provision of equitable and appropriate social security support to economically marginalised Australians. The AIMN is particularly concerned with issues raised by compulsory income management through such programs and trials as the BasicsCard and the Cashless Debit Card.

Our submission is primarily written with reference to our area of collective expertise and concern - social security policy, particularly in relation to compulsory income management programs in Australia. These programs were initially developed for application in Indigenous communities and continue to disproportionately target Aboriginal and Torres Strait Islander peoples.

We have organised our response under the following subject areas: evaluation quality, ethical guidelines, and transparency and accountability. We provide recommendations to guide better practice in response to critiques raised in each of these areas.

Summary of Recommendations

Recommendation 1

That all evaluations of programs imposing limits on a person's rights and choices are required to examine whether there are alternative ways of achieving the intended outcomes with less personal restrictions.

Recommendation 2

That appropriate baseline data be collected in a timely manner to accurately inform policy and program monitoring and evaluation.

Recommendation 3

That all policy and program design, monitoring and evaluation are conducted in line with Australian human ethics standards, particularly those specified in the Australian Institute of Aboriginal and Torres Strait Islander Studies' (AIATSIS) *Guidelines for Ethical Research in Australian Indigenous Studies*.

Recommendation 4

That evaluation agencies remain distinct from agencies involved in policy or program implementation and delivery.

Recommendation 5

That a standard procedure be developed to ensure government agencies' timely and appropriate responses to evaluation findings, and that this be made public.

Recommendation 6

That government agencies be required to respond to evaluation findings in order to meaningfully address any concerns raised therein, even if this means ending or replacing a particular policy or program.

Recommendation 7

That evaluation reports are published publicly and in a format accessible to persons subject to the relevant policy or program.

Recommendation 8

That Indigenous communities affected by government policies or programs are adequately resourced to provide input, interpret and respond to evaluation reports.

Recommendation 9

That government conduct follow-up meetings with Aboriginal and Torres Strait Islander persons and communities subject to the policy or program being evaluated to discuss evaluation findings and take on further feedback.

Evaluation Quality

What lessons from major Australian Government programs impacting on Aboriginal and Torres Strait Islander people would be useful in developing an Indigenous Evaluation Strategy?

What are the strengths and weaknesses of current evaluation systems and practices across Australian Government agencies? Can you provide examples of good and bad practice?

Government has a responsibility to rigorously explore whether its interventions are effective. It is critically important that any new initiative that will impact on people experiencing disadvantage is robustly evaluated, especially where there is a possibility that people may experience further disadvantage as a direct result of the new program or scheme.

The manner in which an evaluation is conducted has significant implications for Aboriginal self-determination. Two examples serve to highlight this:

- The Cashless Debit Card Trial evaluation, a government-commissioned evaluation conducted by ORIMA Research
- The ParentsNext evaluation, an internal evaluation conducted by the Department of Jobs and Small Business.

Both of these programs are compulsory and have a disproportionately high number of Aboriginal participants. As far as we are aware, neither of these programs sought to incorporate Aboriginal knowledge, priorities and values in program design or evaluation design. In the AIMN's view, an evaluation of any compulsory program with an over-representation of Aboriginal participants should be required to comply and align with the guidelines as set out in the proposed Indigenous Evaluation Strategy.

The information below highlights key challenges manifested in both the trial of the Cashless Debit Card and the ParentsNext program and, in identifying and describing our concerns regarding the evaluation of these initiatives, points to the need for clear evaluation guidelines and subsequent adherence to them.

The Cashless Debit Card Trial

East Kimberlev and Ceduna

The Australian National Audit Office (ANAO) released a report in July 2018 assessing the performance of the Department of Social Services' (DSS) implementation and evaluation (conducted by ORIMA Research) of the Cashless Debit Card Trial (CDC) in Ceduna, South Australia and East Kimberley, Western Australia.¹ A number of serious flaws in the evaluation of the trials were identified by the audit. The report found that the process for scoring tenders to undertake the evaluation was incomplete, inconsistent and lacking transparency, and that there was no collection of appropriate baseline survey data on which to base the evaluation. Available data was not used, or not used effectively, and some of the advice to the Minister was found to be lacking an evidence-base due to inaccurate analysis of data. Perhaps most critically, the evaluation was not designed to determine scalability, yet the results were used to expand the trial to a new location.

¹ Australian National Audit Office (ANAO) 2018, *The implementation and performance of the Cashless Debit Card Trial*, Auditor-General report no. 1 2018–19 performance audit, Australian National Audit Office, Barton.

Dr Janet Hunt of the Australian National University has conducted an analysis of the trial evaluation carried out by ORIMA Research.² Hunt highlights selective presentation of results by ORIMA, including a lack of clarity around the factors impacting reduced alcohol use in Ceduna and the East Kimberley, and the telling facts that the majority of participants identified that the CDC made no positive change in their lives and that almost half (49 per cent) of participants stated that the CDC had made their lives worse.

ORIMA details significant limitations of its own evaluative data in its report³ including:

- Administrative data limitations much of the administrative data relied upon by Government to validate its trials is data collected for purposes other than the CDC trial evaluation. As the ORIMA report itself states: 'The data available generally serve as imperfect proxy measures for problematic alcohol consumption, illegal drug use, gambling and anti-social and disruptive behaviours'. There is no longitudinal follow up of respondents in interim (wave 1) of the evaluation hence no time series comparisons nor behaviour change can be clearly identified. This is not acknowledged by Government who claim generalised assertions in the evaluation as 'fact'. Claims that the CDC trials have conclusively proven 'successful' are false.
- Recall error respondents are asked to comment on their behaviour at both the time
 of their interview and before the CDC trial commenced. It is acknowledged by ORIMA
 that recall error is likely to be present and needs to be considered when discussing the
 data.⁶ However, there is no acknowledgement by Government of this significant
 limitation and express cautioning in relation to the data.
- Response bias: self-reporting and observation bias ORIMA acknowledge the limitations caused by response bias whereby respondents seek to agree or report in ways socially acceptable to those asking. ORIMA acknowledge that because of this, it is not possible to accurately measure actual behaviours such as changes in alcohol consumption. There is no acknowledgement by Government of the inherent inconclusive nature of the evaluation.
- **General methodological limitations** The evaluation did not use a statistically representative random sampling of the affected population⁹, leaving open considerable skewing in sampling and results. This serious limitation on sampling and

² Hunt, J 2017, <u>The Cashless Debit Card trial evaluation: a short review</u>, Centre for Aboriginal Economic Policy Research, Canberra.

³ ORIMA Research 2017, Cashless Debit Card Trial Evaluation: Final Evaluation Report August 2017, Department of Social Services, pp. 25-28.

⁴ ORIMA Research 2017, *Cashless Debit Card Trial Evaluation: Final Evaluation Report August 2017*, Department of Social Services, pp. 25-26.

 $^{^{5}\,\}underline{\text{https://formerministers.dss.gov.au/17390/cashless-debit-card-extended-following-positive-independent-evaluation/}$

⁶ ORIMA Research 2017, *Cashless Debit Card Trial Evaluation: Final Evaluation Report August 2017*, Department of Social Services, p.27.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid, p. 28.

- data validity is not acknowledged by Government which has chosen to portray ORIMA report assertions as 'fact'. 10
- Recruitment of participants The ORIMA evaluation relies heavily on answers to a series of questions posed to respondents who are randomly selected in public places who are selected with promises of \$30 or \$50 gift cards on completion. 'Paying respondents affects relationships' and can lead to contaminated results.¹¹ As respondents are also asked for their ID for what is an official government supported survey, coercive effects and a sense of a requirement to give the answers sought, cannot be ruled out.¹²

There were further concerns with the evaluation that have been identified by external stakeholders. For example, the interim evaluation report for the trial drew strong conclusions that did not reflect the mixed findings throughout the report and presented data in ways that emphasised the intended impacts of the scheme. It highlights that, of the 66 per cent of participants who reported drinking alcohol, taking drugs or gambling during or before the trial, 33 per cent reported a reduction in at least one of these things. However, this means the vast majority of participants in the scheme did not report a reduction in alcohol, drugs or gambling. As well as this, the report noted that a significant proportion – 34 per cent – of interview respondents did not report engaging in any of the behaviours that the trial was intended to target, either before or during the trial period.¹³ Despite many community stakeholders warning that it was too early to form conclusions regarding the scheme's effectiveness, the Commonwealth government proceeded as though this approach to welfare reform had been a success.¹⁴

The Western Australian Council of Social Service (WACOSS) also raised concerns about the fact that data from the East Kimberley and Ceduna trial sites was weighted equally, even though the East Kimberley has a higher rate of trial participants. They also note that the 'high level of non-responders and refusers to the survey undermines the representativeness of the results'.¹⁵

Goldfields-Kalgoorlie

Similar issues have arisen in data collection related to the CDC in the Goldfields region of Western Australia. The DSS commissioned the University of Adelaide's Future of Employment and Skills Research Centre (FES) to collect baseline data on the CDC in the Goldfields. However, while roll-out of the CDC began in the Goldfields in March 2018, data collection only began after the trial had commenced in the region. Interviews with stakeholders were conducted

¹⁰ https://formerministers.dss.gov.au/17390/cashless-debit-card-extended-following-positive-independent-evaluation/

¹¹ See Eva Cox's analysis: https://www.theguardian.com/commentisfree/2017/sep/07/much-of-the-data-used-to-justify-the-welfare-card-is-flawed?CMP=share btn link.

 $[\]frac{12}{\text{https://www.nhmrc.gov.au/about-us/publications/national-statement-ethical-conduct-human-research-}}{2007\text{-updated-}2018}$

¹³ ORIMA Research 2017, *Cashless Debit Card Trial Evaluation: Final Evaluation Report August 2017*, Department of Social Services, p. 22.

¹⁴ Centre for Excellence in Child and Family Welfare (CFECFW) 2017, <u>Review of the Cashless Debit Card Trial in Ceduna and East Kimberley: interim evaluation</u>, CFECFW, Melbourne.

¹⁵ Western Australian Council of Social Service (WACOSS) 2019, <u>Submission to the Senate Community Affairs</u> <u>Legislation Committee inquiry into the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, WACOSS, Perth.</u>

between June and September 2018¹⁶, which appears to inappropriately combine baseline data collection and analysis with a report on the early stages of implementation. This will clearly affect the quality of any future evaluation. Further, FES indicated that its own report was 'limited in its generalisability to broader population groups'.¹⁷

WACOSS' analysis of the Kalgoorlie baseline report raised further concerns about the representativeness of results, based on both the nature of data collection and the breakdown of respondents. They note that FES' report relied on qualitative interviews which were conducted with 66 stakeholder representatives and 64 CDC participants within the Goldfields region and are much more reflective of peoples' concerns about inadequate coverage of service delivery than about the perceived efficacy or necessity of the CDC.¹⁸

WACOSS conducted their own consultation with Kalgoorlie community service providers and trial participants in June 2018, which reflected concerns with 'personal and financial problems created by the manner in which the CDC was implemented, particularly in relation to the cancellation of existing debit arrangements, the time taken to navigate and get approval to meet ongoing financial commitments, the need to constantly renegotiate ongoing payments through the shop-front, and the financial costs of payment cancellations and delays'.¹⁹

That WACOSS' data collection reflects different results to those obtained by the FES Centre – which emphasised a generally 'smooth' rollout – also raises significant concerns about the quality of the data collected on behalf of the DSS, which is being used to promote the further expansion of the CDC trials.

ParentsNext

As outlined in the *ParentsNext Evaluation Report*, 'The objective of ParentsNext Projects is to help eligible parents plan and prepare for employment by the time their youngest child reaches school age'. The program 'aimed to reach more disadvantaged parents and have a stronger focus on preparing for employment'.²⁰ During the trial, 11 per cent of the 16,714 participants were Aboriginal.²¹ As of December 2018 (six months after the national rollout), there were 14,169 Aboriginal participants (almost 19 per cent of total participants nationwide).²²

In October 2018, the Department of Jobs and Small Business released the *ParentsNext Evaluation Report* which assessed the early impacts of the program for participating parents during the first year of operation. The evaluation considers the policy context in which ParentsNext operates, however it does not articulate how the government plans to address

¹⁶ Mavromaras, K, Moskos, M, Isherwood, L & Mahuteau, S 2019, <u>Cashless Debit Card baseline data collection in the Goldfields Region: qualitative findings</u>, Future of Employment and Skills Research Centre (FES), Adelaide, p. 13.

¹⁷ WACOSS 2019.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Department of Jobs and Small Business n.d., *ParentsNext evaluation report*, Department of Jobs and Small Business, Canberra, p. 16.

²¹ Department of Jobs and Small Business, n.d.

²² Department of Jobs and Small Business 2019, Questions on notice: inquiry into ParentsNext, including its trial and subsequent broader rollout, Question No. SQ19-000185.

the barriers identified. This is particularly concerning given that existing service gaps for Aboriginal parents were identified, including a lack of activities to support them to address barriers to employment. Given that the expansion of ParentsNext would see a further 10,000 Aboriginal parents become participants and become subject to the punitive Targeted Compliance Framework, it is concerning that these service gaps have not been meaningfully addressed and that the evaluation did not assess the level of cultural safety and appropriateness offered by the ParentsNext program.

The evaluation of ParentsNext had not been completed when the national expansion was announced, or when the program was rolled out from July 2018 with changes to eligibility criteria and funding rules. It is unclear whether the changes were informed by the evaluation findings.

External stakeholders, including the Australian Human Rights Commission, expressed concerns about the quality of the evaluation. Most of the findings refer to survey data, however, nowhere in the report do the evaluators outline the number of participants surveyed, how long they had been in the program when surveyed, how many providers were surveyed, or the survey tools used. It is difficult to understand how a number of the conclusions were reached. Excerpts from the Australian Human Rights Commission submission to the Senate inquiry 'ParentsNext, including its trial and subsequent broader roll out' state:

The evaluation of the program trial relies on problematic evidence and it is not possible to conclude that it is achieving its aims or that it has had a positive effect which outweighs the significant detriment to participants of placing their social security at risk.²³

The Report also does not seek to weigh any benefits of the program with the adverse impact on participants.²⁴

This is of particular concern given that the report indicates that 1,528 participants had their income support payments suspended.²⁵ Where programs impose mandatory compliance requirements on participants that limit their rights and choices, it must be a requirement that evaluations demonstrate a commitment to the least restrictive alternative principle by considering whether there are better ways of achieving the intended outcomes. This is particularly important for any interventions that either impact upon or target Aboriginal and Torres Strait Islander individuals and communities.

Recommendation 1

That all evaluations of programs imposing limits on a person's rights and choices are required to examine whether there are alternative ways of achieving the intended outcomes with less personal restrictions.

Recommendation 2

²³ Australian Human Rights Commission (AHRC) 2019, *ParentsNext, including its trial and subsequent broader rollout: submission to the Senate Community Affairs References Committee*, AHRC, Sydney, p. 18.

²⁴ AHRC 2019, p. 27.

²⁵ Department of Jobs and Small Business, n.d.

That appropriate baseline data be collected in a timely manner to accurately inform policy and program monitoring and evaluation.

Having highlighted key concerns regarding two examples of government programs that have failed to adequately evaluate their efficacy or impact, this submission wishes to reiterate and support the suggestion made in the Productivity Commission's discussion paper that Aboriginal and Torres Strait Islander involvement must extend *beyond* mere evaluation processes and should include participation in the design and implementation of policies themselves, drawing on principles of co-design.

Irrespective of the methodology or the approach used for evaluating an initiative, any evaluation process needs to take into account culturally-specific approaches that incorporate Aboriginal and Torres Strait Islander knowledges and reflect Aboriginal and Torres Strait Islander voices and interests. As far as possible, evaluation approaches need to pay particular attention to the right to self-determination and the involvement of Aboriginal and Torres Strait Islander individuals and communities in determining the key evaluation criteria from the outset of any program design. It is proposed that any evaluation process and associated criteria need to be built into a program from the outset and participants/communities are to be actively invited to set the criteria regarding the evaluation of the efficacy and impact of a program i.e. to consider and answer questions such as, 'How will we know whether the program is working/making a difference/having the desired effect?'

Ethical Guidelines

Do existing ethical guidelines for evaluation and research provide sufficient guidance for evaluation commissioners, evaluators and participants in evaluations of programs affecting Aboriginal and Torres Strait Islander people? To what extent should the Indigenous Evaluation Strategy build in these guidelines?

In what circumstances should evaluation projects be subject to formal ethics review? In what circumstances should evaluation projects be exempt from formal ethics review?

Whether or not a formal ethics review occurs, all policy and program development is subject to the ethical and moral interpretations of policy makers, based on their own vantage points, values, assumptions, and the organisational culture. Ethical concerns are always being weighed up in policymaking, though this is rarely made explicit. The value of being explicit and systematic in an approach to ethics is that this encourages open discussion about ethical concerns that may otherwise not occur. It can also prompt policy makers to consider ethical issues that fall outside of their personal values framework, or of the values framework built into the program logic. Such an approach is consistent with Article 19 of the United Nations Declaration on the Rights of Indigenous Peoples, which states that:

States shall consult and cooperate in good faith with the Indigenous peoples concerned through their own representative institutions in order to obtain their free, prior and

informed consent before adopting and implementing legislative or administrative measures that may affect them.²⁶

The Australian Institute of Aboriginal and Torres Strait Islander Studies' *Guidelines for Ethical Research in Australian Indigenous Studies* presents the current standard of ethical practice for research – and, we believe, policy and program design and evaluation – relating to Australian Indigenous peoples. We believe that these guidelines should form part of the foundation for policy and program development, as well as monitoring and evaluation practice, for any interventions that may affect or target Indigenous peoples. Government must also be able to work flexibly according to the concerns and needs of Indigenous communities that may arise across the implementation and evaluation timeline.

The AIMN also sees benefit in government policy and program development being subject to more standardised ethics review from an independent statutory body which has the support and endorsement of Aboriginal and Torres Strait Islander communities, particularly when interventions impact upon or are targeted at Indigenous peoples. Such a body must include meaningful representation of Indigenous peoples involved in the ethics review process.

Recommendation 3

That all policy and program design, monitoring and evaluation are conducted in line with Australian human ethics standards, particularly those specified in AIATSIS' *Guidelines for Ethical Research in Australian Indigenous Studies*.

Transparency and Accountability

Aboriginal and Torres Strait Islander peoples affected by programs, their communities and external stakeholders should be explicitly invited to make input to determining the evaluation criteria and provided with an opportunity to assess whether the evaluation findings are valid and to offer critiques. Such critiques should be carefully considered by government and responded to in a timely manner, prior to any decision being made, based on the results.

What degree of independence between evaluators and policy makers/program delivery areas is necessary and/or desirable?

There is a range of pros and cons for any evaluation of government programs being conducted either by government or by an independent entity. The examples above offer evidence of poor practice occurring in both circumstances. Whichever approach is taken, standards should be developed to ensure transparency and the timely provision of information to communities. The AIMN maintains that it is crucial that government and non-government organisations involved in implementing policies and programs should not be in control of evaluating these same interventions. There must be communication with the evaluating agency, but sufficient distance to ensure that evaluation experts can faithfully report on the progress of any given intervention.

Recommendation 4

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²⁶ See https://www.humanrights.gov.au/our-work/un-declaration-rights-indigenous-peoples-1.

That evaluation agencies remain distinct from agencies involved in policy or program implementation and delivery.

What are the current arrangements and requirements (if any) for publishing Australian Government evaluation reports? How are agencies held accountable for responding to evaluation recommendations or findings?

While the widely accepted intention of policy and program evaluation is to feed back into implementation and future design, this has not always been the case for Australian government programs which impact upon or target Indigenous peoples. For example, the government failed to act upon evaluation findings from the government-commissioned report produced by academics Bray et al. (2014)²⁷ on New Income Management in the Northern Territory. This report demonstrated that the program was not producing the desired results, and yet the government's response has been to intensify and expand income management programs.

Similarly, with regard to the Cashless Debit Card trials, the final ORIMA report explicitly acknowledged that people are restricted in their ability to engage in cash-based transactions, such as to obtain affordable second-hand goods or pool resources to collectively purchase more expensive items, such as a car.²⁸ Further, in the ORIMA evaluation, 24 per cent of trial participants reported that their child/children's lives were worse as a result of the CDC, with only 17 per cent of participants indicating that there had been an improvement.²⁹ However, these issues continue to be overlooked in the government's discussions about the trials, which have inaccurately suggested that the CDC is achieving its goals.

The selective and partisan use of evaluation findings is both inappropriate and disingenuous, and the decision to continue and expand compulsory income management programs based on ideological assumptions about people who receive income support payments has continued to cause harm to a substantial proportion of trial participants.

The AIMN appreciates the transparent publication of the ANAO's audit of the Cashless Debit Card trial but notes that there should be greater accountability built into the government's response to such audits. While the government provided an immediate acknowledgement of issues and gestured towards plans to rectify these, we suggest that there should be follow-up reporting on how practice has actually changed or improved since incorporating audit feedback.

Recommendation 5

That a standard procedure be developed to ensure government agencies' timely and appropriate responses to all evaluation findings, and that this be made public.

Recommendation 6

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²⁷ Bray, JR, Gray, M, Hand, K & Katz, I 2014, <u>Evaluating New Income Management in the Northern Territory:</u> <u>Final Evaluation Report</u>, Social Policy Research Centre, UNSW, Sydney.

²⁸ ORIMA Research 2017, p. 89.

²⁹ Ibid, p. 80.

That government agencies be required to respond to evaluation findings in order to meaningfully address any concerns raised therein, even if this means ending or replacing a particular policy or program.

Should all evaluation reports be published? In what circumstances might it be appropriate to not publish evaluation reports?

Findings should be publicly released as part of greater accountability and transparency mechanisms, so that key stakeholders, members of the community sector, academia, and the general public are able to identify and respond to any issues. Importantly, findings should be specifically released to Indigenous communities directly affected by the policy or program in a way that is accessible to them (this would include culturally appropriate formats using relevant language translation), and communities should be adequately resourced to interpret and discuss the impacts of the intervention.

Government should also commit to organising follow-up meetings as appropriate with Aboriginal and Torres Strait Islander people subject to policies and programs in order to discuss evaluation findings and take on community feedback. Appropriate levels of government staff, resources and time must be allocated to elicit, analyse and incorporate this feedback.

Such an approach is consistent with the following AIATSIS recommendation (made in reference to research, but equally relevant for policy and program evaluation):

Researchers and research funding bodies should ensure that there are appropriate, ongoing processes in place for reporting research progress, especially with regard to any actual or potential changes in the ethical conditions/contexts.³⁰

These suggestions outlined above should give those potentially affected by government policies or programs the time and resources to respond to the evaluation, challenge any inadequate or skewed reporting, and limit the power of government to inappropriately reject or ignore findings.

Recommendation 7

That evaluation reports are published publicly and in a format accessible to persons subject to the relevant policy or program.

Recommendation 8

That Indigenous communities affected by government policies or programs are adequately resourced to provide input, interpret and respond to evaluation reports.

Recommendation 9

That government conducts follow-up meetings with Aboriginal and Torres Strait Islander persons and communities subject to the policy or program being evaluated to discuss evaluation findings and take on further feedback.

³⁰ Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) 2012, *Guidelines for ethical research in Australian Indigenous studies*, AIATSIS, Canberra, p. 18.

Conclusion

The AIMN has provided nine recommendations on the basis of our collective expertise in public policy, academia and program delivery in order to inform best practice for the Indigenous Evaluation Strategy. However, we stress the point that even the best evaluation in the world cannot make up for poor policy and program design. We advocate that the recommendations above are taken into consideration at every stage of the policy making process. Thinking about policy making holistically requires government to make a commitment to seriously re-think its engagement with Indigenous peoples in a way that removes paternalism, tokenism, exploitation and discrimination at all levels.