Deloitte Access Economics

Place Based Income Management – Process and short term outcomes evaluation

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Contents

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Charts

Tables

Figures

Glossary

Acronym or word	Meaning or definition
ABS	Australian Bureau of Statistics
AES	Australian Evaluation Society
AIHW	Australian Institute of Health and Welfare
ATSI	Aboriginal and Torres Strait Islander
BAFW	Building Australia's Future Workforce
BasicsCard	A PIN protected card that operated on the existing EFTPOS network at a range of approved stores and businesses (BasicsCard merchants)
BasicsCard Merchant	A store or business that has applied and been approved to accept the BasicsCard as a payment option via the EFTPOS network.
CALD	Culturally and Linguistically Diverse
CATI	Computer-assisted telephone interviewing
CENTREPAY	A voluntary bill paying service offered to customers receiving Centrelink payments.
CIM	The reports submitted by FMPS providers identify PBIM customers as on either voluntary or compulsory income management (CIM). CIM equates to CPIM and VULN-SWA customers in the time frame of the data provided for this report.
CPIM	Child Protection Income Management
CRP	Crisis payment
CSO	Customer Service Officer
DHS	Department of Human Services
DSS	Department of Social Services
DSP	Disability Support Pension
DVA	Department of Veteran's Affairs
EBT	Electronic Benefits Transfers
EFTPOS	Electronic funds transfer at point of sale
FMPS	Financial Management Program Services
HREC	Human Research Ethics Committee
ICT	Information Communication Technology
IT	Information Technology
ISP	Income Support Payment
LGA	Local Government Area
MMC	Money Management Course
MMS	Money Management Service
MSP	Matched Savings Payment
NIM	New Income Management

Acronym or word	Meaning or definition
PBIM	Place Based Income Management. Note that PBIM is not the name of a specific income management measure, but is an acronym used to describe a collection of measures (VIM, VULN, CPIM) utilised in the Place Based Income Management sites. The acronym PBIM is used throughout the report to make it clear to the reader that evaluation focus is on income management in the Place Based sites as opposed to other income management in sites such as the Northern Territory, Western Australia, and Anangu Pitjantjatjara Yankunytjatjara Lands in South Australia.
PIN	Personal identification number
Rate ratio	Relative difference measure used to compare the incidence of events occurring at any point in time
RDS	Rent Deduction Scheme. The RDS is a voluntary scheme where customers apply for a proportion of their Centrelink payment to be provided to their relevant housing authority as a rent payment.
SA1	The Statistical Area Level 1 (SA1) is the second smallest geographic area defined in the Australian Statistical Geography Standard. The SA1 has been designed for use in the Census of Population and Housing as the smallest unit for the processing and release of Census data
SEIFA	Socio-economic Indexes for Areas
SRC	Social Research Centre
TAFE	Technical and Further Education
UTLAH	Unreasonable to Live at Home rate of payment
VEA	Veterans' Entitlements Act
VIM	Voluntary Income Management
VIP	Voluntary Incentive Payment
VULN-AT	Vulnerable Income Management, automatic trigger
VULN	Vulnerable Income Management
VULN-SWA	Vulnerable Income Management, social worker assessed
YAL	Youth Allowance

Executive Summary

Place Based Income Management

Place Based Income Management (PBIM) is a trial which was initiated as a part of the *Better Futures, Local Solutions* place-based initiatives, within the Building Australia's Future Workforce (BAFW) package. This package is a group of initiatives which aim to assist vulnerable families and children, and to enhance opportunities for people to enter or return to the workforce.

The PBIM trial commenced in the following five sites across Australia in July 2012:

- Playford (South Australia)
- Greater Shepparton (Victoria)
- Bankstown (New South Wales)
- Rockhampton (Queensland)
- Logan (Queensland).

The purpose of income management is to assist people on welfare payments with financial stability, and to help them to direct their funds to meeting priority needs such as food, housing, clothing and utilities.

There are three measures in the PBIM trial sites:

- **The Voluntary Measure (VIM)** – for people on welfare payments who wish to volunteer for income management to assist them to meet their priority needs and to learn how to manage their finances for themselves and/or their family in the long-term
- **The Vulnerable Measure (VULN)** – for vulnerable welfare payment recipients where a DHS social worker assesses they would benefit from income management in order to meet their social and/or parental responsibilities, to manage their money responsibly, and to build and maintain reasonable self-care. The eligibility for this measure was expanded in July 2013 to include the following customers:
    - under 16 years of age receiving the Special Benefits Payment
    - on the Unreasonable to Live at Home independent (UTLAH) rate of payment for Youth Allowance (YAL), Disability Support Pension (DSP), or ABSTUDY
    - under the age of 25 years and receiving the Crisis Payment due to prison release.
- **The Child Protection Measure (CPIM)** – for parents, carers or young people referred for income management by a child protection worker, if the worker deems that income management might contribute to improved outcomes for children or young people, particularly those at risk of neglect. This measure is applied at the discretion of a State or Territory child protection worker.

Deloitte Access Economics Evaluation

In January 2013, Deloitte Access Economics released an evaluation framework, developed for the purpose of independently assessing the process and outcomes of the PBIM scheme in trial sites between 2012 and 2015.

The evaluation framework outlines five key data collection methods which are being used across multiple stages of evaluation. The methods employed across the evaluation include:

- a longitudinal survey of customers referred to a PBIM measure and a comparison group of customers on similar trigger welfare payments
- face-to-face interviews with customers referred to PBIM
- online surveys with DHS service delivery staff, BasicsCard merchants and Financial Management Planning Service (FMPS) staff
- stakeholder interviews and focus groups with DHS staff, child protection staff and housing authority representatives in relevant jurisdictions and
- secondary data analysis.

Over the course of the evaluation, Deloitte Access Economics will deliver four reports in addition to the evaluation framework. This report is the second of the evaluative reports, preceded by the Baseline Report. The purpose of this report is to evaluate the PBIM trial against the process and short term outcome questions defined in the evaluation framework. It draws primarily on data gathered through the baseline and first wave longitudinal survey and secondary data analysis.

Summary of evaluation

Data from both the longitudinal survey and analysis of secondary data were triangulated and used to address relevant process and short-term outcome evaluation questions. The following summary points outline key conclusions presented in this report:

- **Customer profile:** analysis of the secondary data indicated that the likelihood of an individual engaging with PBIM is highly influenced by the type of income support the individual receives, the level of use of Centrepay or Rent Deductions Scheme services and age. Culturally and linguistically diverse (CALD) status, Indigeneity and gender did not have a material influence on the propensity to engage with the program.

  At baseline, it was reported that VIM customers were typically more vulnerable prior to being placed on PBIM than VULN customers across a number of financial stability and other measures. The lower levels of vulnerability in the VULN customer group may reflect the predominance of automatically triggered (VULN-AT) customers in the longitudinal survey compared with social worker assessed (VULN-SWA) customers.
- **Equity in implementation:** although secondary data analysis did identify a higher proportionate representation of CALD and Aboriginal and Torres Strait Islanders among the PBIM group, the classification tree method found that these factors were not strong determinants in the propensity to engage with PBIM. Gender was also not found to be a strong determinant in this way. Age, however, through its relationship with relevant ISPs, was a strong determinant of the propensity to be on PBIM.

  Although the analysis was able to consider how relevant CALD, gender and Indigeneity were in determining the propensity to engage with PBIM, small sample size numbers in each group meant that the outcomes could not be investigated at this sub-population level.
- **BasicsCard:** The prevalence and use of the BasicsCard was found to be quite high. The number of BasicsCard merchants, however, was found to vary considerably across catchments.

Initial transaction analysis indicates that the introduction of the BasicsCard facility was not found to increase either traffic or revenue for merchants. This must be considered in light of findings noted in the baseline report that BasicsCard merchants stated there were negligible costs associated with providing the service.

- **Uptake of Financial Management Program Services:** analysis of longitudinal survey data found that VIM customers were more likely to have attended Financial Management Program Services (FMPS) than VULN customers. This was supported by secondary data analysis which found that in the first year of PBIM, VIM customers took up FMPS to a significantly greater degree than VULN-SWA or CPIM customers combined. VULN-AT customers were not included in the data set available for secondary data analysis relating to this question.

  By the end of the first year, no CPIM or VULN customer had received a matched savings payment, suggesting the incentive had not – to that point – been successful in encouraging these groups to engage with the money management courses.

  Once enrolled, PBIM customers demonstrated similar completion and withdrawal patterns to non-PBIM customers.

- **Short term outcomes of PBIM:** the short term outcomes of PBIM noted in this report include the ability to pay bills and other payments on time and reduced stress or worry. The probability of reporting positive outcomes was increased for VIM customers between the survey point at baseline and the wave one survey. The probability of reporting negative outcomes increased among the surveyed VULN cohort.

  The level of tobacco and alcohol consumed by VIM customers decreased significantly over the period between baseline and wave one compared with the change for the comparison group. This suggests a positive impact of PBIM on these behaviours. No such significant impact was observed in the short term for VULN customers who were less likely to engage with these behaviours at baseline than VIM customers.

  The consideration of homelessness was restricted because of small sample size and will be considered further in future reports. No significant differences in the level of gambling undertaken by the trial and comparison groups over time were noted. Further, no significant changes in measures of child wellbeing between baseline and wave one were noted for PBIM customers compared with the comparison group respondents.

- **Impact of PBIM on VIM customers:** as noted above, surveyed VIM customers appeared more vulnerable than surveyed VULN customers at baseline across a range of financial and health measures. Specifically, they appeared to experience more frequent financial stress, have lower levels of self-reported health and higher levels of tobacco and alcohol consumption. It appears that PBIM has led to some improvements in experiences of VIM customers in relation to their ability to manage money, with significant reductions in the proportion of VIM customers reporting that they run out of money before payday, or run out of money to buy food or to pay rent or a mortgage. Further, VIM customers were also significantly less likely to report borrowing money from friends and family.

  The VIM measure also appears to have led to significant reductions in tobacco and alcohol consumption for this group. There have been no detectable impacts of VIM to date on child wellbeing measures or on housing instability; however, measurement of both of these is limited by a small sample size. These measures will continue to be examined in subsequent reports.

  Secondary data analysis suggests that VIM customers stay on the PBIM measure for a significantly longer period of time than VULN-AT customers. VIM and VULN-SWA customers appear to have a similarly high propensity to remain on PBIM for a relatively longer period of time. In the longitudinal survey, customers reported that receiving the VIP was important in their decision to remain on PBIM. However, analysis of exit patterns among VIM customers

using secondary data indicated that there was no significant difference in the propensity to leave PBIM between VIM customers who had received the VIP and those who had not. The matter of the potential risk of customers to become dependent on PBIM measures will be comprehensively addressed in future reports.

- **Impacts of PBIM on VULN customers:** the impacts for VULN customers are more complex because of the distinct nature of the two types of VULN customers – VULN-AT and VULN-SWA. The VULN-AT customers dominate the survey sample and so it is difficult to determine whether the results for the entire group also hold for the VULN-SWA sub-group in the longitudinal survey data.

  The secondary data analysis in subsequent reports should provide further insights as to how effectively the VULN measure has supported VULN-SWA customers. Noting the predominance of the VULN-AT customers in the survey sample, the following can be said of their experience on the VULN measure:

  - they demonstrated less vulnerability at baseline compared to VIM customers across a number of financial stress indicators, however they had higher rates of homelessness in the three months prior to referral to VULN
  - they report more negative experiences being on PBIM, including a greater proportion feeling judged and embarrassed when they use the BasicsCard
  - in general they have not shown positive improvements in financial stress indicators, or in expenditure on tobacco or alcohol, although it should be noted that they demonstrated a lower level of financial stress and tobacco and alcohol consumption at baseline compared to VIM customers.

Next steps

Two further evaluative reports will follow the release of this Process and Short-term Evaluation Report:

- Medium Term Outcomes Report (December 2014) – this report will include analysis of a second round of face-to-face interviews with another sample of customers; site visits including focus groups and interviews with DHS staff, FMPS staff and BasicsCard merchants, and analysis of an extraction of DHS administrative data.
- Consolidated Report (April 2015) – this report will focus on analysis of outcomes from the final wave of the longitudinal survey. It will place this new information in the context of previous analysis and evaluation findings, and will summarise overall outcomes arising from the PBIM measures.

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1 Background

1.1 Purpose of this report

This document is the second evaluation report to be delivered as part of the evaluation of Place Based Income Management (PBIM). This report includes findings about both the process of implementation for the PBIM trial, as well as some of the short-term outcomes which have been observed for those customers who have been placed on PBIM measures. Hence, this report will provide findings against both process and outcome evaluation questions, however it should be noted that the findings against the outcome evaluation questions reflect short term findings only at this stage, in most cases reflecting changes experienced by customers in the six months following referral to PBIM. A full list of evaluation questions and the corresponding reports in which they will be addressed is displayed in the Methodology section in Table 2.1.

1.2 Overview of PBIM and evaluation

1.2.1 Purpose and objectives

The 2011–12 Federal budget announced approaches to address disadvantage, including a package to 'Build Australia's Future Workforce' (BAFW). The purpose of the package is to:

- reward work through improved incentives in the tax and transfer system
- provide new opportunities for people to get into work through training, education and improved childcare and employment services
- reintroduce new requirements for the very long-term unemployed, Disability Support Pensioners, young parents, jobless families and young people
- take new approaches to addressing entrenched disadvantage in targeted locations.

As part of this package, the Government identified 10 Local Government Areas (LGAs) where additional assistance was to be offered to boost participation and reduce disadvantage. PBIM is being trialled in five of these 10 LGAs.

The purpose of PBIM is to help people achieve financial stability and to encourage welfare recipients to spend welfare payments in the best interests of children and families. The scheme directs a proportion of welfare payments for expenditure on priority items including food, housing, clothing and utilities. Income managed funds cannot be spent on alcohol, tobacco, pornographic material or gambling products[1].

The key objectives of PBIM are to:

- reduce immediate hardship and deprivation by directing welfare payments to the priority needs of recipients, their partner, children and any other dependents
- help affected welfare payment recipients to budget so that they can meet their priority needs
- reduce the amount of discretionary income available for alcohol, gambling, tobacco and pornography

[1] More information about PBIM can be found on the DSS website: Income Management

- reduce the likelihood that welfare payment recipients will be subject to harassment and abuse in relation to their welfare payments
- encourage socially responsible behaviour, particularly in the care and education of children.

1.2.2 PBIM measures

1.2.2.1 Voluntary measure

The Voluntary Income Management (VIM) measure is intended to help people better manage their money and ensure that money is available for essential needs. Department of Human Services (DHS) customers can choose to participate in PBIM if they are currently receiving a relevant trigger payment.

When a person signs up to VIM they will have to stay on it for at least 13 weeks. After this period they can cease VIM at any time. Under the voluntary measure, 50 per cent of the relevant welfare payment is subject to income management.

1.2.2.2 Child protection measure

CPIM is an additional tool offered to the state child protection authorities to assist in the management of child abuse, neglect and financial mismanagement. Child protection workers can:

- determine whether or not PBIM would be helpful to a particular person/family
- make a referral to DHS to income manage a person/family
- determine how long the CPIM measure is to be applied.

Child protection workers can place a person on CPIM for periods of three, six, nine or twelve months, at which time the worker will review the person's circumstances and determine whether or not CPIM will be continued.

People who are on the CPIM measure cannot apply for an exemption, however the CPIM notice can be revoked by the child protection worker where they assess it is no longer needed by the family.

Under CPIM, 70 per cent of the customer's welfare payments are subject to income management and must be used to address priority needs.

1.2.2.3 Vulnerable measure

The Vulnerable Income Management (VULN) measure provides DHS Social Workers with an additional tool for working with people who are vulnerable and/or at risk. The eligibility criteria were expanded on 1 July 2013, and both sets of eligibility criteria are outlined below.

VULN – Social Worker Assessed (VULN-SWA)

Customers can be placed on the VULN measure following assessment by a DHS Social Worker, who determine based on decision making principles set out in a legislative instrument whether the individual is experiencing an indicator of vulnerability (see below); whether this indicator of vulnerability is:

- impacting on their ability to meet their priority needs, or the priority needs of their dependents
- whether PBIM will address the indicator of vulnerability (and will therefore benefit the person).

The indicators of vulnerability include:

- financial hardship
- financial exploitation
- failure to undertake reasonable self-care
- homelessness or risk of homelessness.

Individuals may also be referred to DHS to be assessed for the VULN measure by state housing authorities. It is the decision of the DHS social worker whether an individual is placed on the VULN measure.

Under the VULN measure, 50 per cent of a person's support payment will be allocated to address priority needs, and people can be placed on the VULN measure for up to 12 months. At the end of 12 months, the VULN measure can be continued by a social worker if the person continues to meet the eligibility criteria for the measure.

A person placed on the VULN measure has access to full DHS review and appeal rights. They can also ask the social worker to reconsider their circumstances every 90 days. A social worker may revoke the determination to place a person on the VULN measure at any time.

Community agencies and state housing authorities can also contact DHS directly to discuss whether PBIM may be an option for customers they have concerns about. People who have PBIM applied by a DHS social worker will not able to apply for an exemption. More information about exemptions and exclusions is provided at section 1.2.4.

VULN – Automatic Trigger (VULN-AT)

On 1 July 2013, the eligibility for the VULN measure was expanded by DSS based on their understanding of data from the New Income Management (NIM) in the Northern Territory (NT) evaluation report[2]. The eligibility was expanded to include certain automatic youth trigger payments that apply to people:

- who live in an area where the VULN measure is in place; and
- under 16 years granted the Special Benefit payment, or
- over 16 years granted the Unreasonable To Live At Home (UTLAH) rate of payment for YAL, DSP, or ABSTUDY, or
- under 25 years who receive a crisis payment (CRP) due to prison release.

More information on automatic youth trigger payments is provided in section 1.2.3.1.

A social worker is responsible for determining whether a person will be granted an exclusion from VULN-AT. An exclusion from the specific criteria will apply if:

- the vulnerable measure of income management would, due to specific and unusual individual circumstances, place the person's mental, physical or emotional wellbeing at risk, or
- it is not practicable to income manage a person under the VULN measure.

An exclusion from the specific criteria will apply for 12 months unless ended earlier at the social worker's discretion. At the end of the exclusion period, a person can request, and/or a social worker may determine that the exclusion be continued. If the exclusion no longer applies and the person meets the criteria for VULN, they will again be placed on that measure of PBIM.

[2] The full report can be found at this link: Evaluating Income Management in the Northern Territory - First Evaluation Report

A person will also be excluded if they become a full-time student or apprentice. A person will not have to apply for this exclusion, and will be eligible for as long as they are a full-time student or apprentice. When exclusion is granted, the person is no longer considered to be a vulnerable welfare payment recipient through the youth triggers. During the exclusion period a person may elect to participate in VIM. While the person remains on VIM the youth triggers will not apply.

More information on trigger payments is provided in section 1.2.3.1.

1.2.3 Eligibility

PBIM measures are intended for specified groups of welfare payment recipients, based on higher risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviours. Those eligible for the PBIM measures are described below:

- Voluntary Income Management Measure (VIM):
  - For people on welfare payments who wish to volunteer for PBIM to assist them to meet their priority needs and to manage their finances for themselves and/or their family in the long-term.
- Child Protection Income Management Measure (CPIM):
  - For parents, carers or young people referred for PBIM by a child protection worker. Child protection authorities will refer people for CPIM if the child protection worker deems that PBIM might contribute to improved outcomes for children or young people, particularly those at risk of neglect. This measure will apply at the discretion of a State or Territory child protection worker.
- Vulnerable Measure (VULN):
  - VULN-SWA customers are those that a DHS social worker has assessed would benefit from PBIM in order to meet their social and/or parental responsibilities, to manage their money responsibly, and to build and maintain reasonable self-care. This measure provides DHS social workers with an additional tool to help individuals who are vulnerable and/or at risk (e.g. individuals who are at risk of homelessness and those subject to financial harassment). It can only be applied following an assessment by a DHS social worker.
  - VULN-AT customers are those customers who meet the following criteria:
    - people who live in an area where the VULN measure is in place
    - people under 16 years granted the Special Benefit payment, or
    - people over 16 years granted the UTLAH rate of payment, or
    - people under 25 years who receive a crisis payment due to prison release

1.2.3.1 Trigger payments

Under the VULN-SWA and VIM measures, a person must be receiving a category H payment, while under the CPIM measure the person or their partner must be receiving a category H payment.

Below is a list of category H Welfare Payments under the Social Security Act[3]:

- social security benefit:
  - Widow allowance
  - Youth allowance

[3] Guide to Social Security Law http://guides.dss.gov.au/guide-social-security-law

  - Austudy payment
  - Newstart allowance
  - Sickness allowance
  - Special benefit
  - Partner allowance
  - a Mature Age Allowance under Part 2.12B of the Social Security Act
  - Parenting Payment (partnered)
  - Parenting Allowance (other than non-benefit allowance).
- social security pension:
  - Age pension
  - Disability support pension
  - Wife pension
  - Carer payment
  - Parenting payment (single)
  - Bereavement allowance
  - Widow B pension[4]
  - Disability wage supplement
  - Mature age partner allowance
  - Special needs pension.
- a payment under the ABSTUDY scheme that includes an amount as identified as living allowance
- a Department of Veterans Affairs (DVA) service pension:
  - Age Service Pension under Part III of the Veterans' Entitlements Act (VEA) 1986
  - Invalidity Service Pension under Part III of the VEA
  - Partner Service Pension under Part III of the VEA
  - Carer Service Pension under Part III of the VEA.
- a DVA welfare payment supplement
- a DVA defence force welfare payment allowance.

1.2.4 Exclusions and exemptions

Although the criteria for a person receiving an exemption from PBIM and an exclusion from PBIM are similar, exemptions and exclusion apply to different measure of PBIM.

Although exemptions and exclusions are similar in that the granting of these will result in a person's welfare payment not being income managed, the eligibility for each is very different.

- Exemptions can only be sought by people under the Disengaged Youth and Long-term Welfare Payment Recipient measures. People who have no dependent children can be granted an exemption if they are a full–time student or apprentice, or meeting employment requirements. People with dependent children must not be financially vulnerable and demonstrate their children are attending school, or participating in health and engagement activities appropriate to their age.
- Exclusions can only be sought by people under the VULN-AT measure for the specific reasons as outlined in 1.2.2.3 above.

[4] Widow B Pension is a payment for an older widow who did not qualify for a Parenting Payment, has limited means, and has lost the financial support of their partner

All people on a PBIM measure can appeal a decision by a DHS officer, through an authorised review officer (ARO) and then to the Social Security Appeals Tribunal (SSAT). People who have been referred for CPIM have the decision to income manage their payments reviewed by the child protection authority.

1.2.5 Trial and comparison sites

The evaluation has a national perspective, comparing five trial sites with PBIM and five comparison sites without PBIM. Selected characteristics of the populations of the trial and comparison sites are summarised in Table 1.1.

Table 1.1: Characteristics of the general populations of trial and comparison sites

Site	Total population 2010[a]	Per cent female 2010[a]	Per cent Indigenous 2010[b]	Per cent born overseas 2006[c]	Per cent speak language other than English at home 2006[c]	Per cent poor proficiency in English 2006[c]	Per cent working age population dependent on welfare payments 2012[d]	Per cent workforce unemployed 2012[d]
Trial								
Logan	282,673	50.0	2.7	27.2	13.0	1.7	16.5	8.4
Rockhampton	115,526	49.5	6.3	7.4	3.3	0.4	15.4	7.2
Bankstown	188,814	50.6	0.7	38.7	53.7	9.0	15.9	8.1
Greater Shepparton	63,335	50.4	3.2	11.7	10.4	1.9	18.3	8.7
Playford	79,850	50.3	2.7	23.9	7.2	1.1	28.3	14.2
Comparison								
Hume	171,996	50.0	0.6	31.4	38.3	5.7	17.1	8.8
Burnie	19,892	51.4	4.6	8.4	2.2	0.2	22.5	9.3
Wyong	151,527	51.9	2.8	12.7	3.7	0.3	19.9	6.6
Shellharbour	67,797	50.6	2.3	19.5	11.3	1.5	15.6	7.4
Canterbury[e]	129,963	49.7	0.6	46.9	69.9	26.0	15.2[f]	7.9

Sources: (a) ABS 3235. Population by Age and Sex, Regions of Australia; Estimated Resident Population 30 June 2010. (b) ABS Census 2006 projected to ERP 2010. (c) ABS Census 2006 (Basic Community Profile). (d) BAFW Service Maps and background information prepared by the GALs, February 2012. (e) Note that Canterbury is not a BAFW site, but all other comparison sites are. (f) The proportion of those on welfare payments for Canterbury is sourced from the Priority Areas Keep Australia Working Regional Employment Plan 2010, which reports a single rate for the Canterbury-Bankstown and South Western Sydney priority employment area.

1.3 Evaluation overview

1.3.1 Aim and scope

The objective of the evaluation of PBIM is to provide the Department of Social Services (DSS) with an independent and expert evaluation of PBIM implementation and outcomes over the course of the PBIM trial, from 2012 and 2015. The overarching aim of evaluation is to contribute to future policy decisions about PBIM and welfare reforms.

The project comprises a process evaluation and an outcome evaluation:

- The **Process Evaluation** which aims to determine the effectiveness with which PBIM was implemented — that is, whether it was delivered as intended to the eligible population (including access to necessary services)
- The **Outcome Evaluation** which aims to assess the impact of PBIM at the individual and family level over the short, medium and, where possible, longer term.

The evaluation framework has been aligned, where appropriate, with the parameters of another evaluation of income management running concurrently; NIM in the NT. However, the PBIM evaluation has also been designed to reflect the unique characteristics and operating context of the PBIM trial.

Pre-specified evaluation requirements were that:

- the evaluation would collect baseline data and include analysis of a comparison group (of individuals from other BAFW sites that have not implemented the PBIM policy) and
- findings would be based on:
    - administrative data from the DHS, Money Management Service Providers and State governments (including child protection and housing authorities) and
    - survey-based data and in-depth interviews from employees from the above agencies, from people subject to income management and from people in the comparison group.

1.3.2 Program logic framework

As part of the evaluation of PBIM the existing program logic map developed by DSS was refined to provide a more detailed examination of the logic of each of three PBIM measures, and to capture some of the variation in activities, outputs and outcomes across the three PBIM measures. The program logic maps can be found in the PBIM evaluation framework, which is accessible on the DSS website[5].

The refined program logic maps include consolidation of some of the short, medium and long-term outcomes of PBIM so that clusters of these outcomes are grouped together where they are interrelated or likely to co-occur. Outcomes have been retained in the program logic where they demonstrate a clear logical link to either an output or an earlier outcome. The outcomes articulated in these maps have been used to inform the design of the primary data collection tools and the secondary data analysis strategy.

[5] Link to online copy of the Evaluation Framework for PBIM, including program logic maps: Evaluation Framework

It should be noted that the program logic attempts to depict the key program delivery components of PBIM and link the activities and outputs logically with the short, medium and long-term outcomes. Not all aspects of PBIM are depicted in the program logic maps to ensure that the maps provide an accessible overview of the program. The following are definitions of the key components of the program logic maps:

- **Inputs** – describes the funding and other un-costed resources which have been allocated to the program.
- **Activities** – describes what the program is funded to deliver.
- **Outputs** – describes the deliverables or units of delivery generated by the program, these can be quantified if there are pre-established funding targets or unquantified if the quantum of service delivery cannot be accurately estimated.
- **Short-term outcomes** – the impacts or consequences of the outputs defined in accordance with the program objectives, which are likely to occur within the first year of program implementation.
- **Medium term outcomes** – the impacts or consequences of the outputs, or of the short-term outcomes, defined in accordance with program objectives, which are likely to occur within the first three years of program implementation.
- **Long-term outcomes** – the impact or consequences of the outputs, or of the short and medium term outcomes, defined in accordance with the program objectives, which are likely to occur in the next four to 10 years of program delivery. These are out of scope for the evaluation framework due to the timeframe for their realisation.

Finally it should be noted that program logic maps embody the intended outcomes of the proposed policy or program – they provide a theory of how the program will work. The evaluation then provides an opportunity to test this theory, and ultimately provides feedback on the strength of the underlying logic of the program or policy, where intended outcomes are realised, or alternatively not realised.

1.3.2.1 External influences on PBIM

PBIM operates as a part of a broader system, and a range of factors external to the PBIM will also influence the outcomes achieved. For example:

- other BAFW initiatives delivered across all of the PBIM trial sites which will address the needs of similar socio-demographic groups and which overlap to some extent in their intended outcomes
- a number of state government initiatives which are being implemented over a similar period, and again are looking to provide support to disadvantaged and/or welfare dependent populations
- services provided by state governments, in particular child protection and housing authorities, will have a significant bearing on outcomes for this customer group
- variations in socio-demographic and cultural factors across the trial sites may also influence the ability of PBIM to achieve its intended objectives.

The existence of these external factors means that conclusions about the attribution of outcomes to PBIM alone will need to be made with care, and the evaluation of PBIM will need to bear in mind the impact of these other influences on outcomes. Proximal (short-term) outcomes can be attributed to the program with a greater degree of confidence than more distal (long-term) outcomes, as they tend to reflect the unique contribution of the individual programs, while the longer term outcomes tend to reflect multiple causal factors and input streams. In this way measurement of short and

medium term outcomes can assist in determining the unique contribution of the program to long-term outcomes.

1.3.2.2 Customer pathway maps

Customer pathway maps were developed to provide a conceptual overview of the service delivery pathway for customers who are placed on the three PBIM measures (Voluntary, Vulnerable and Child Protection), from the initial referral through to the completion of the PBIM notice period and exit from the measure. These visual maps have been based on written process maps developed by DHS, and through consultation with DSS.

The process maps for each of the PBIM measures can be found in the PBIM evaluation framework, which is accessible on the DSS website[6].

1.3.3 Evaluation governance

A Steering Committee and Advisory Group have been established as part of the governance framework for the evaluation.

The **Steering Committee** comprises senior representatives from the Families Group and the Policy Office of DSS. The Steering Committee's role is to oversee the evaluation and sign off on deliverables.

The **Advisory Group** comprises representatives from DSS, the Australian Government DHS and each of the affected states (Queensland, New South Wales (NSW), Victoria, South Australia (SA), and Tasmania). Note that Tasmania does not have a PBIM trial site but has a comparison site. The role of the Advisory Group is to provide advice to the evaluation team in relation to:

- Commonwealth or state government policies, programs and services operating at the trial and comparison sites which may affect the design or delivery of the evaluation, or which may affect its data
- Commonwealth or state government data or information relevant to the evaluation and arrangements for access
- interpretation and analysis of Commonwealth or state government data
- contact names and details for relevant Commonwealth or state government staff or other (non-government) stakeholders relevant to the evaluation
- feedback on evaluation design issues through review of the Evaluation Framework
- nuanced understanding of data from the qualitative and quantitative analyses conducted as part of the evaluation.

1.3.4 Ethics review and guiding principles

Bellberry Human Research Ethics Committee (HREC) has ethically reviewed and provided ethics approval for the evaluation framework. Bellberry HREC is constituted and operates in accordance with the National Health and Medical Research Council's National Statement on Ethical Conduct in Human Research (2007).

The conduct and reporting of this evaluation has been guided by the Australasian Evaluation Society *Guidelines for the ethical conduct of evaluations* (AES 2010).

[6] Link to online copy of the Evaluation Framework for PBIM, including customer pathway maps, Evaluation Framework

2 Methodology

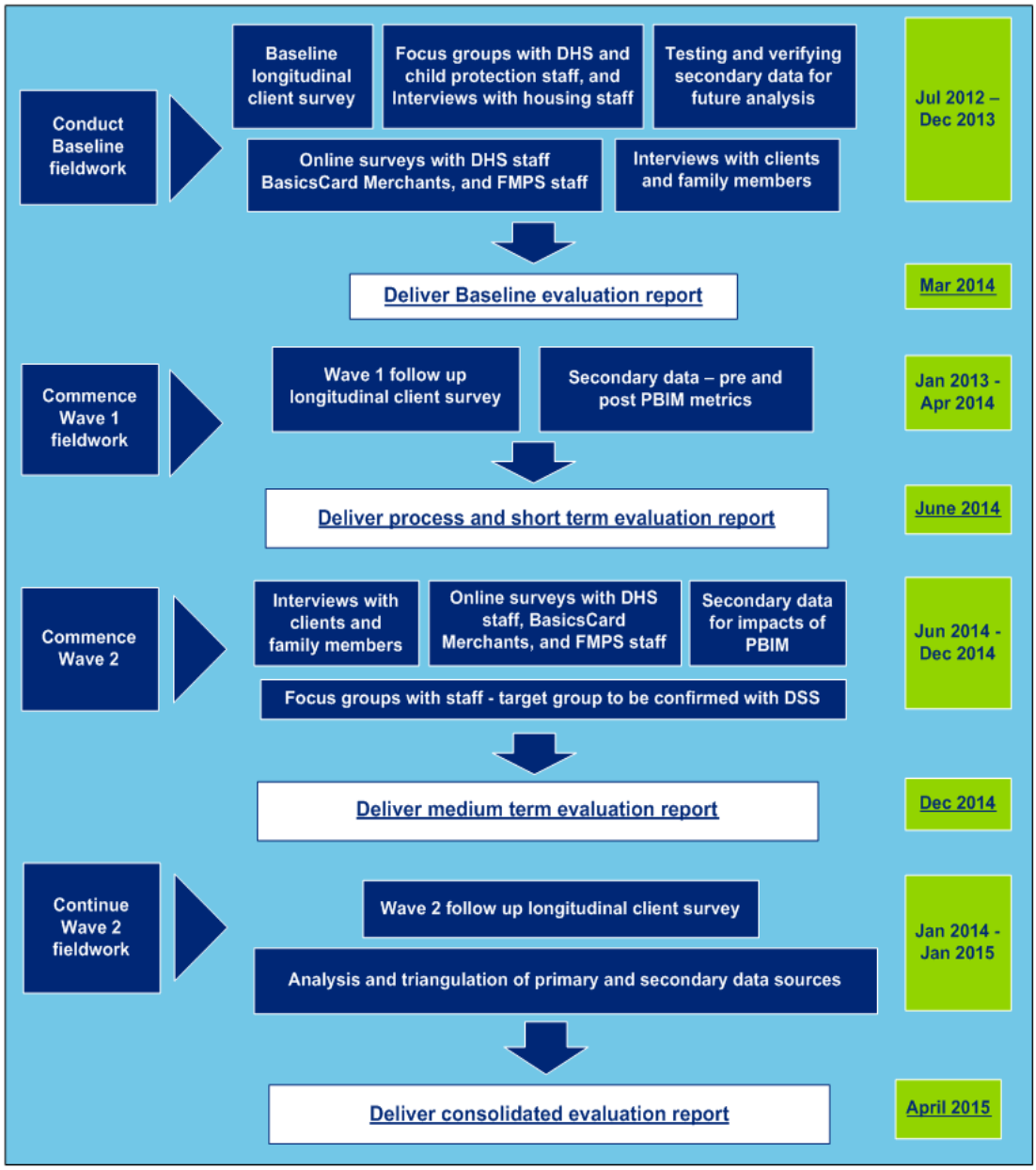
The evaluation methodology for PBIM was designed with reference to the program logic maps for the PBIM measures, in particular the key outcomes that were intended for each of the measures, in addition to the guiding evaluation questions.

Figure 2.1 presents as overview of the methodology employed in the PBIM evaluation. It is important for the reader to note that methodology timeframes have changed since the initial framework was developed for the evaluation[7]. The primary reason for changes to timeframes was to extend the baseline fieldwork period for the longitudinal customer survey, to allow adequate time for recruitment of a sufficient sample size for the survey given low initial referral rates for the measures and to take into account the new youth triggers.

This report draws primarily on two data sources - the longitudinal survey of customers and the secondary data analysis, comprised primarily of DHS administrative data. The methodology for both of these data sources is laid out in more detail in sections 2.2 and 2.3.

[7] Link to online copy of the Evaluation Framework for PBIM, including customer pathway maps, Evaluation Framework

Figure 2.1: Methodology overview[(a)]



(a) Timelines have been extended to allow adequate time for recruitment of a sufficient sample size for the survey given low initial referral rates for the measures and to take into account the new youth triggers.

The evaluation questions for PBIM are presented in the Table 2.1 below, against each of the evaluation reports in which they will be addressed. As can be seen in the table, the process and short term outcome evaluation report will address a combination of process and outcome evaluation questions, however it should be noted that findings against outcome evaluation questions reflect evidence of short term outcomes only. Medium term outcomes will be address in subsequent evaluation reports.

Table 2.1: Evaluation questions linked to evaluation reports

	Baseline Report (Jan 2014)	Process and short-term outcome report (June 2014)	Medium term outcome report (Dec 2014)	Consolidated evaluation report (Apr 2015)
Process evaluation questions				
What is the profile of people on the different PBIM measures?	YES	NO	NO	NO
What are the characteristics of those on PBIM? How do the characteristics of PBIM customers compare with the eligibility criteria for placement on PBIM?	YES	YES	NO	NO
How effectively has PBIM been administered and implemented? What are the regional/jurisdictional variations (if any)?	YES	YES	NO	NO
What has been the effect of the introduction of PBIM on service providers?	YES	YES	NO	NO
What is the level of take-up of Financial Management Program Services?	YES	YES	NO	NO
What is the level of take-up of other relevant support services (e.g. Communities for Children)?	NO	YES	NO	NO
Have there been any initial process 'teething issues' that need to be addressed?	YES	NO	NO	NO
What are the views of participants in the PBIM model and their families on the implementation of the project?	YES	NO	NO	NO
Outcome evaluation questions				
What are the short, medium and (where possible) longer-term impacts of PBIM on individuals, their families (particularly their children) and communities? Consider unintended consequences, positive and negative.	NO	YES	YES	YES
How do these effects differ for the various measures of the project?	NO	YES	YES	YES
Have there been changes in spending patterns, food, alcohol, gambling, and pornography and tobacco consumption?	NO	YES	YES	YES
Has PBIM contributed to changes to financial management, child wellbeing, alcohol abuse, housing and homelessness, violence and child neglect?	NO	YES	YES	YES
What impact has the Matched Savings Payment had on customers' ability to	No	YES	YES	YES

	Baseline Report (Jan 2014)	Process and short-term outcome report (June 2014)	Medium term outcome report (Dec 2014)	Consolidated evaluation report (Apr 2015)
manage their money, including savings?				
Do the three measures achieve appropriate outcomes (based on the aims of each measure and of PBIM) for their participants?	NO	YES	YES	YES
Are there synergies or complementarities between PBIM and other place-based measures?	NO	YES	YES	YES
Has the outcome of PBIM differed across different groups, for example, women, Indigenous people and people from culturally and linguistically diverse backgrounds? Consider also – if sufficient data is available — location, age, educational status, work status, type of payment, length of time on welfare payments and family composition.	NO	YES	YES	YES
Is there a stigma attached to PBIM and/or the BasicsCard (in the view of people on PBIM and merchants)?	NO	YES	NO	NO
Child protection measure				
What has been the impact of PBIM on child neglect/abuse?	NO	NO	YES	NO
What has been the impact on child physical and mental wellbeing in those families referred to child protection services?	NO	NO	YES	NO
What are the barriers and facilitating factors for child protection workers to use PBIM as a casework tool?	NO	NO	YES	NO
Has there been referral to, and use of, Family Support Services, including Commonwealth and State Government funded services, by families income managed under child protection services?	NO	NO	YES	NO
What (if any) service delivery gaps have impacted on the usefulness of the child protection services?	NO	NO	YES	NO
Vulnerable measure				
Are vulnerable people appropriately selected by this measure?	NO	YES	NO	NO

	Baseline Report (Jan 2014)	Process and short-term outcome report (June 2014)	Medium term outcome report (Dec 2014)	Consolidated evaluation report (Apr 2015)
How does PBIM impact on the vulnerability of individuals?	NO	YES	YES	YES
Has PBIM had an impact on addressing homelessness and housing security?	NO	YES	YES	YES
Has PBIM had an impact on addressing financial crisis and financial exploitation?	NO	YES	YES	YES
Has PBIM made people less willing to disclose their problems to social workers for fear of being placed on PBIM?	NO	NO	YES	NO
Voluntary measure				
Have people who volunteered for PBIM been able to make an informed choice, by properly understanding terms and conditions and the voluntary nature of the measure?	NO	YES	NO	NO
How long do voluntary PBIM recipients stay on the measure?	NO	YES	YES	YES
What are the key motivations for people who voluntarily access PBIM, and why do they stop?	NO	YES	NO	NO
What impact has the Voluntary Income Management Incentive Payment had on take-up and retention rates of VIM?	NO	YES	NO	NO

2.2 Longitudinal survey of customers

The longitudinal telephone survey of customers has been designed to be undertaken over a three year period (2012–2014), in both the trial and the comparison sites. The intent of this survey is to capture the immediate and more sustained impacts of PBIM on customers' lives. It includes follow-up with customers who are no longer on PBIM, so that both the enduring and time-sensitive impacts of PBIM can be understood. The longitudinal survey is fielded by the Social Research Centre (SRC) using Computer-assisted Telephone Interviewing (CATI).

Only DHS customers 18 years and above were recruited to the longitudinal customer survey. The new eligibility criteria for VULN extends eligibility to customers between the ages of 16 and 18 years, however in order to ensure our recruitment and consent process complied with our original ethics submission, customers aged under 18 years were excluded from sample frame for the longitudinal survey. The absence of 16 to 18 year olds in the sample may influence some of the sample

characteristics – most obviously the mean age of the trial sample – and the applicability of broader findings from the longitudinal survey will need to bear in mind whether there is likely to be any variation in trends observed for customers aged 16 and 17 years.

The longitudinal survey has been designed with reference to the customer survey for the NT evaluation of NIM, to ensure a good degree of comparability across these evaluation sites, as requested by DSS. Relevant questions have also been drawn from the previous evaluation in Western Australia (WA) and the NT. However adjustments and modifications have been made to ensure the survey's validity and appropriateness for the broader range of population groups and settings that are the focus of the current evaluation, and to address differences across the evaluation programs.

The survey questions have been designed to enable measurement of the key short and medium term outcomes of PBIM as articulated in the program logic maps, and to enable relevant evaluation questions to be addressed. Some of the key areas to be assessed through the customer longitudinal survey include:

- customers' experiences of financial stress and financial exploitation
- customers' experiences of housing stability
- customers' perceptions of their children's wellbeing and engagement with education
- customers' confidence managing their money.

As the survey is self-report and asks about a range of sensitive issues, such as drug use and gambling, there is a risk that customers' responses may be affected by social desirability biases. Social desirability bias occurs when participants respond to questions in a way that they think will earn social approval rather than disapproval. This can impact on the accuracy of their responses. The survey questions have been designed to mitigate the influence of social desirability biases through the use of forced-choice responses and randomising particular multi-choice responses where appropriate. More information about social desirability and methods to reduce its influences is provided in section 3.8.2.

The longitudinal survey is being conducted in three fieldwork periods or waves: baseline, wave one (first follow-up), and wave two (second follow-up). Wave one surveys were scheduled to occur six months following referral to PBIM, while wave two surveys are scheduled to occur 12 to 18 months following referral to PBIM. Wave two follow-up timeframes have been split to enable the delivery of evaluation data to fit within the original end dates of the evaluation project, while enabling assessment of longer term outcomes for a sub-sample of the PBIM customer cohort.

Data collected during the baseline and wave one fielding of the survey are presented in this report, and analysis is undertaken to examine changes experienced by customers over this six month period. Data collected from the wave two survey will be presented in subsequent reports.

The wave one survey was administered over the period from 8 March 2013 to 25 May 2014. The survey sought to capture information on customers' experiences across a range of financial stress, housing stability and child wellbeing indicators six months following their referral to PBIM. Information across the same indicators was also captured for comparison site customers over a similar period.

There is some risk of participants in the trial sites being reluctant to speak openly and honestly about their experiences of financial stress, housing stability and issues related to their children's wellbeing, once they have been placed on a PBIM measure. To minimise the impact of this, SRC emphasised the independent nature of the evaluation, the confidentiality and privacy of their individual responses,

and customers were advised that the information they provide would not impact the service or the welfare payments they receive from DHS in anyway.

2.2.1 Re-contacting customers

Customers who consented to be re-contacted at the end of the baseline survey were re-contacted approximately six months following the baseline interview, during the wave one fieldwork period 8 March 2013 to 25 May 2014. Customers will be followed up again at 12 to 18 months following their baseline interview as part of the wave two survey, to capture any sustained impacts of PBIM. Customers are followed up regardless of whether they remain on or have subsequently exited from a PBIM measure.

The SRC sent an initial approach letter to those customers who had agreed to be re-contacted for the follow-up survey, which served as a reminder of the survey, provided information on the focus of survey, offered the opportunity for customers to opt out if they did not want to be contacted.

The matching process which was undertaken to identify comparable customers in the comparison sites is outlined in detail in the baseline report. The matched sample recruited through the baseline fieldwork was re-contacted in the same manner as the trial site sample. However the expressed purpose of the survey in the approach letter was somewhat different for the comparison site participants. The approach letter to comparison site customers, consistent with the baseline fieldwork approach letter, informed that the survey was part of a broader evaluation of DHS programs and that it would cover issues related to their experiences on income support.

For customers who agreed to be recontacted following the initial baseline interview, SRC requested contact details of a third party (friend or relative) who they may be able to contact if they were not able to get in contact with the customer directly. For the wave one survey consenting customers were initially contacted directly through an extended call cycle (up to 16 times), and if these contact attempts were unsuccessful, the third party contact details were used to try to contact the customer.

A number of approaches were taken to maximise response rates for the baseline customer sample:

- Interviewing was available in four languages other than English: Mandarin, Cantonese, Turkish and Arabic
- Offering a 1800 number that customers could call to verify the survey, find out more information, or to opt out
- An extended call cycle to ensure ‘no contact’ numbers were not called an excessive number of times within a short period of time
- Sending SMS to no contact numbers requesting the respondent call SRC for an appointment.

At the end of the survey participants were asked if they would be willing to be re-contacted in about one year to check in on how they are going. Those who agree to this will form the basis of the available sample for the wave two survey.

2.2.2 Analysis

The purpose of the analysis of the longitudinal survey data in this report is to examine any changes in financial stability, housing stability, and child wellbeing indicators from baseline to wave one, and to examine whether there are any notable or significant differences between changes experienced by PBIM participants and those in the comparison group.

The baseline analysis identified a number of significant demographic differences between the PBIM and comparison populations, and these demographic differences have been controlled for in the inferential analysis presented in this report. The following variables have been entered in each analysis in order to minimise the potential effects of confounding due to the differential distribution of these variables across the trial and comparison groups:

- has care of children
- presence of children in the household
- number of persons in the household
- Country of birth (born in Australia or not born in Australia)
- Indigenous status
- Household composition – inclusion of parents
- Household composition- inclusion of other family members
- Household composition – inclusion of friends.

The terms in the statistical models tested the following comparisons:

- Survey wave: differences between baseline and wave one
- Sample population: differences between PBIM sample and comparison sample
- Interaction: the interaction between survey wave and sample population.

The survey wave term represents the effects of time on indicators, with both groups being followed up at six months following their baseline interview. Significant effect for survey wave would indicate that overall there had been changes in indicators over time across the total sample (trial and comparison samples).

The sample population term represents the differences in responses between the trial and comparison groups. A significant effect for sample population would indicate that there were significant differences between the trial and comparison populations. This would not be unexpected given the differences identified in baseline analysis between the trial and comparison groups.

The interaction term represents the differences in responses between the trial and comparison groups from baseline to six months. A significant interaction term would suggest that the trial sample has changed more or less than the comparison group over time, i.e. it would indicate a negative or positive influence of PBIM on the trial sample. This analysis reflects the extent to which PBIM has influenced changes in the trial group over and above pre-existing differences in demographic characteristics and other external influences which all DHS customers may experience.

The analytic approach was adjusted according to the structure and distribution of the variables. The baseline analysis indicated that many of the response scales for the variables were dominated by a single rating class, resulting in what was essentially a dichotomous response. Given this structure in the response distributions and the relatively small sample, most of the variables analysed have been re-structured to be dichotomous variables, representing the presence or absence of an indicator. Logistic regression analysis has been used to examine the impact of the model terms (survey wave, sample population, and interaction) on these variables. A smaller number of variables did not easily resolve to a dichotomous structure and in these cases a generalised linear model (GLM) was used to test for the effects of the model terms.

All models were run first with all of the defined variables (model terms, target variable, control variables) for completeness, and then the model was reduced to include only those control variables which were significant.

2.3 Secondary data

2.3.1 Secondary data sources

The Baseline report provided an overview of the data sources that were considered for the evaluation and their suitability. Data sets which were available and suitable for the evaluation are as follows:

- Centrelink customer records
- PBIM administrative data
- BasicsCard transaction logs
- BasicsCard expenditure in selected supermarkets and department stores
- BasicsCard merchant details
- Money Management Service reports as submitted to the Department of Social Services
- ABS Socio-economic Indexes for Areas (SEIFA), 2011.

In terms of timeframe for the data used in the secondary data analysis, the data generally cover the first year of PBIM, i.e. 1 July 2012 to 29 June 2013. The exceptions to this include:

- A complete listing of all PBIM customers from 1 July 2013 to 4 January 2014
- Centrelink customer data from 1 July 2011 to 29 June 2013 for any current customers on PBIM trigger payments who resided in any of the trial and comparison sites during that time period. This means that historical data for most of those placed on automatically triggered VULN (VULN-AT) from 1 July 2013 to 4 January 2014 are included in the analysis.

This latter extension of timeframe was engineered to ensure that analysis could be undertaken of the characteristics on the VULN-AT group, who otherwise would be excluded from the analysis.

The majority of customers who were placed on PBIM from 1 July 2013 had already been Centrelink customers in the trial site LGAs, thus their Centrelink history was available for this analysis.

The different data periods across the data sets has resulted in different samples of PBIM customers for different metrics, with the VULN-AT customers not being included in the samples for some metrics, most notably BasicsCard metrics. The varying sample composition does not affect the integrity of the analysis, but care should be taken to note the population to which each metric relates. The issue of different customer numbers across different data sets is not an uncommon issue when dealing with administrative data. Table 2.2 outlines in general terms the different number of PBIM customers for the main data samples, according to the varying timeframes. Note that PBIM measures other than VULN-AT also increased in customer numbers post 29 June 2013.

Table 2.2: PBIM customer numbers for main data samples

PBIM Initiative	PBIM customers 1 July 2012 to 4 January 2014	PBIM customers 1 July 2012 to 4 January 2014 with Centrelink data to 29 June 2013	PBIM customers 1 July 2012 to 29 June 2013
CPIM	6	6	3
VULN-SWA	76	74	39
VULN-AT	1767	1403	0
VIM	747	724	537
Total	2598	2207	579

2.3.2 Analysis

Secondary data is generally not purpose-designed for the kind of data analysis which is undertaken as part of research or evaluation projects, such as the evaluation of PBIM. In this report, the secondary data has been extracted from systems that were designed for the purpose of administering DHS programs. The systems are not customer databases purpose-designed for the collection of data on individuals or for the purpose of evaluating programs.

For this reason, a number of assumptions and technical adjustments must be made to the dataset before it is used for analysis. These adjustments are described in detail in Appendix A. Key assumptions and adjustments made to the PBIM customer population derived from the secondary data are as follows:

- Migration – PBIM customers can, and do, move across LGAs. For the purposes of the evaluation of secondary data, customers are considered PBIM customers if they are in one of the five PBIM LGAs the first time they go on a PBIM measure.
- Transition across PBIM initiatives – as of 4 January 2014 there had been 15 PBIM customers who had transitioned from one PBIM initiative to another. As the number of customers transitioning is so small, the analysis allocates a single PBIM initiative to each of these customers. This allocation is described in Appendix A.
- Changing characteristics – customer classification characteristics such as their residential LGA and demographic characteristics are held stable across the time for the analysis of secondary data based on the status of the characteristic when the customer first started PBIM.

Table 2.3 lists the total number of customers who had participated in PBIM by PBIM measure as of 4 January 2014.

Table 2.3: PBIM Customers, by initiative 1 July 2012 to 4 January 2014

	PBIM Initiative	Customers
CPIM	Child Protection PBIM	6
VULN-SWA	Vulnerable PBIM (social worker assessed)	76
VULN-AT	Vulnerable PBIM (automatic trigger)	1,767
VIM	Voluntary PBIM	749
Total		2,598

To evaluate the effects of PBIM on customer behaviour, secondary data metrics from PBIM customers are compared with (1) non-PBIM customers within PBIM LGAs and (2) customers in comparison LGAs. Customers selected for comparison are on PBIM eligible trigger payments and the comparison LGAs were selected with population characteristics similar to those of the PBIM trial sites.

To prepare secondary data for the purpose of constructing a comparison group, the following assumptions and technical adjustments were made:

- Comparison population characteristics – the characteristics of customers used as a comparative or control population are also held stable based on the date they first took residency in one of the trial or comparison LGAs on or after 1 July 2012. This relates to the when they would have first been eligible for a PBIM initiative.
- Weighting – to control for further differences across the comparison populations both within PBIM sites and across the comparison LGAs, the comparison populations have been weighted

relative to the probability that these customers would engage in PBIM. The method used to weight the comparison population – namely, through the application of a classification tree – is described in Appendix B.

When comparing the metrics of PBIM customers with non-PBIM customers at trial sites and customers in the comparison site, the weighted populations have been used.

3 Secondary data analysis

The secondary data for this process and short term outcome evaluation report of PBIM covers, for the most part, the first 12 months of PBIM, and has a focus on the PBIM process and customer participation.

Secondary data collection tends to lag primary data collection, as secondary data follows actions from customers and administrators, and it takes time to amass sufficient data enable meaningful inferences. Subsequently the analysis of secondary data in this report will quantify PBIM participation and provide a baseline for behavioural metrics which can be used to evaluate PBIM outcomes by comparing metrics before and after customers have been on PBIM.

That said, it is important that in an evaluation such as this that secondary data is considered. It provides a relatively objective – if removed – perception of who it is that engages with the program and what it is the program in question delivers.

The metrics used in the analysis were outlined in the Baseline Report. The relevant metrics for this report are presented as:

- PBIM demographics – defining characteristics of customers who engage with the different PBIM measures
- PBIM participation – the number of customers on PBIM and how they have engaged with different aspects of the program
- BasicsCard usage – customers' use of BasicsCards
- BasicsCards merchants – availability and utilisation of BasicsCard merchants
- Housing and expenditure metrics – baseline readings for these behavioural outcomes.

3.1 PBIM demographics

It is important to understand the characteristics that define customers who engage in PBIM and the different PBIM measures, as this assists in identifying places best suited to PBIM. Further, such information is of relevance to understanding whether PBIM is fair and appropriately targeted. Analysis of customer characteristics can inform an assessment of the types of customers who may be interested in taking up the VIM measures, and additionally whether there are common characteristics amongst customers being targeted for the VULN measure, and how appropriate this targeting is.

The customer characteristics available from the secondary data were:

- age
- gender
- marital or relationship status
- indigenous status
- cultural and language diversity (CALD) status
- has the care of children by age (under five, five to nine, 10 to 15, 16 to 18 , 19 to 24 years) and the number of children
- type of rent paid

- mobility rate (number of changes of address in the previous two years)
- income support payment (ISP) type
- time on income support payments
- concession card type
- use of Centrepay or Rent Deduction Scheme services.

All of these characteristics are highly correlated with each other except for the number of children aged 19 to 24 years.

To understand the characteristics of PBIM customers compared with non-PBIM comparison group customers, a statistical technique termed 'classification trees' was used. Classification trees were used because they are effective in analysing highly correlated data. In essence, classification trees consider the clusters of characteristics which impact the propensity that an individual will belong to one group over another (for example, a PBIM customer compared with a non PBIM customer).

Two sets of analysis were conducted using the classification trees. The first considered the characteristics of customers who participate in PBIM as opposed to those who do not participate in PBIM. The second considered the characteristics of those on the various PBIM measures.

This section of the report provides key outcomes of this analysis. Further detail and analysis is presented in Appendix A.

The characteristics of customers likely to engage in PBIM and the different PBIM measures are listed in Table 3.1 by relative importance from the two classification trees. Both trees list similar characteristics in a similar order of importance, albeit that the level of importance differs slightly. Table 3.1 has been provided as it is important for the evaluation to understand the characteristics of those who are likely to engage with PBIM.

Table 3.1 identifies ISP type, customer age, the use of deductions and the time a customer has been on income support as the dominant characteristics. Rent type, CALD status, mobility and the number of children under five years have some importance in determining the likelihood of a customer engaging with a particular PBIM measure, but only a minor influence on engaging with PBIM in general. Marital status and Indigenous status are of very low importance. The type of concession card, customer gender and the care of older children did not classify customers' engagement with PBIM or the type of measure. The relationship of each of these characteristics to the propensity of customers to engage in PBIM is explored in more detail in subsequent sections.

The type of main income support payment (ISP) is the most important characteristic for determining the propensity of an individual to be a PBIM customer compared with a non-PBIM customer. There is a direct relationship between ISP and customer age because of the relationship between the automatic youth trigger payment types for the VULN-AT measure and their age dependency. Thus age could be considered the most important factor however precedence has been given to ISP as it is the administrative basis by which customers are eligible for PBIM. Once ISP has been selected for classifying participation in PBIM, age is much less important.

Table 3.1: Relative importance of characteristics which identify PBIM customers

Characteristic	Importance in determining PBIM measure	Importance in engaging in PBIM
Type of main income support payment	100.0	100.0
Uses Centrepay or Rent Deduction Scheme	-	42.4
Time on Income Support Payments	44.7	16.3
Customer age as at 30 June 2013	34.4	14.2
Type of rent paid	30.6	6.9
Cultural and language diversity status	30.4	0.8
Changes of address in two years	20.9	5.4
Marital or relationship status	4.1	-
Indigenous status (yes/no)	-	1.1
Cares for children (yes/no)	-	0.6
Number of children (cares for) under five years	21.2	-

Appendix B provides detail on the characteristics of individuals with a higher propensity to belong to the PBIM population than the comparison population.

The classification tree analysis also provides a number of decisive inferences about the characteristics of customers engaging with VIM, VULN-SWA and VULN-AT. These are outlined in Figure 7.5 in Appendix B. Some key points are drawn out below.

The key differentiator for the VULN-AT customers is – as by definition – that they are on a limited range of ISP types, reflecting the payment types which trigger their eligibility for VULN-AT. These payment type triggers are UTLAH, Special Benefit or Crisis Payment. The majority of VULN-AT customers qualify by virtue of being on the UTLAH payment type, and the majority of these customers receive the Youth Allowance (YAL) as their ISP.

The classification tree analysis indicates that PBIM customers more likely to engage with the VIM measure can be characterised as:

- Over 30 years of age and having moved address at least once in the last two years.
- Either:
  - not in government housing and caring for two or more children or
  - in government housing and on DSP payments or
  - in government housing having been on ISP for less than 5.4 years and over 30 years of age and not separated from their spouse or partner.
- Receiving the age pension, if participating in PBIM. In general customers on the age pension have a lower propensity to engage with PBIM.

PBIM customers with a higher propensity towards the VULN-SWA measure can be typically characterised in a number of sub-groups. The most decisive sub-groups are:

- Customers aged 29-33 years, not in government housing and having less than two children under the age of five years.
- Customers in government housing, 30 years or younger and not on YAL or Special Benefits payments.
- Customers in government housing, having been on ISP for more than 17.8 years and not moved address in the last two years.

- Customers in government housing, on PPS payments and having been on ISP for 5.4 to 17.8 years.
- Customers in government housing, having been on ISP for under 5.4 years, over 30 years of age and separated from their spouse or partner.

The analysis considered the distribution of customers within each PBIM measure by each of the characteristics examined in Table 3.1 in detail, and these are outlined in the following sections.

3.1.2 Income support payment

Table 3.2 maps all PBIM customers, the comparison population (weighted), and PBIM customers by PBIM measure against their main ISP. The ISP types which most commonly appear in the table have been made bold.

Table 3.2: Main Income Support Payment (ISP) by PBIM measure

ISP type	ISP type	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
ABY	ABSTUDY	1.6	0.4	0.0	2.3	2.2
AGE	**Age pension**	**2.2**	**6.8**	**0.0**	**0.0**	**4.3**
AUS	Austudy payment	0.2	0.6	1.4	0.0	0.2
BVA	Bereavement allowance	0.0	0.0	0.0	0.0	0.0
CAR	Carer payment	1.6	4.3	2.7	0.2	2.4
DSP	**Disability support pension**	**12.6**	**33.6**	**25.7**	**0.9**	**10.9**
NSA	**Newstart allowance**	**10.2**	**22.4**	**36.5**	**2.6**	**10.3**
PPP	Parenting payment (partnered)	1.1	2.9	1.4	0.1	1.0
PPS	**Parenting payment (single)**	**7.3**	**20.0**	**17.6**	**0.**	**8.6**
PTA	Partner allowance	0.0	0.1	0.0	0.0	0.0
SKA	Sickness allowance	0.3	1.0	0.0	0.0	0.2
SPL	**Special benefit**	**2.3**	**0.6**	**2.7**	**3.2**	**1.0**
WDA	Widow allowance	0.0	0.0	0.0	0.0	0.1
WFA	Wife pension age	0.0	0.0	0.0	0.0	0.0
WFD	Wife pension disability	0.1	0.3	0.0	0.0	0.1
YAL	**Youth allowance**	**60.3**	**7.2**	**12.2**	**90.4**	**58.7**
	Total	100.0	100.0	100.0	100.0	100.0
-	Persons	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

Analysis indicated that the comparison population, who is not on PBIM, had a significantly different main ISP profile to all other populations.

VIM and VULN-SWA populations are not significantly different from one another on the basis of main ISP with the exception of the finding that a relatively higher proportion of VULN-SWA record their main ISP as Newstart Allowance (NSA).

VULN-AT are significantly different in their main ISP profile from all of the other sub-populations considered in the analysis with the exception of some similarity to VULN-SWA for the proportion of customers who receive Special Benefit (SPL) payments. VULN-AT predominantly have their main ISP recorded as YAL.

3.1.3 Use of Centrepay or Rent Deduction Scheme

The use of Centrepay or Rent Deduction Scheme (RDS) is a characteristic which strongly predicts a customer's propensity to be a PBIM customer rather than a non-PBIM customer. Table 3.3 indicates significant differences across VULN-AT customers, customers not on PBIM, and VIM and VULN-SWA customers. There is no significant difference between VIM and VULN-SWA customers. In that the classification tree modelling participation in the different PBIM measures by people on PBIM does include 'the use of deductions' as a factor, it can be concluded that after allowing for other factors and particularly ISP type, the differences in the use of deductions by different PBIM customers is of little importance in determining the different PBIM measure with which someone on PBIM will engage.

Table 3.3: Use of Centrepay or Rent Deduction Scheme by PBIM Initiative

Used deductions	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
Used	47.8	75.0	82.4	31.8	42.2
Did not use	52.2	25.0	17.6	68.2	57.8
Total	100.0	100.0	100.0	100.0	100.0
Persons	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

3.1.4 Days on ISP

The comparison population who is not on PBIM has a greater proportion of customers with a 'more recent' history on ISPs (under 2.5 years) than the PBIM population in general. VIM and VULN-SWA do not differ significantly in terms of their distribution of time for which customers have been on ISPs. The distribution of time on ISPs differs across all other populations. No VULN-AT customers have been on ISPs for more than 10 years as they are all under 25 years of age. Further detail is provided in Appendix A.

3.1.5 Age distribution

Table 3.4 presents the data on all PBIM customers, the comparison population (weighted), and PBIM customers by PBIM measure by age group.

Table 3.4: Customer Age by PBIM measure

Age group	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
under 25	70.2	17.8	23.0	100.0	67.2
25 to 29	3.4	9.1	13.5	0.0	5.1
30 to 34	4.3	10.8	18.9	0.0	4.4
35 to 54	15.3	42.7	35.1	0.0	14.0
55 to 64	3.9	10.9	8.1	0.0	4.3
65+	2.9	8.7	1.4	0.0	5.1
Total	100.0	100.0	100.0	100.0	100.0
Persons	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

VIM and VULN-SWA have similar age distributions. VULN-AT customers are all under the age of 25 years, this is by definition, and aligns strongly with customers on YAL.

The age distribution of the comparison population, who are not on PBIM, are similar to the combined PBIM population – except for small differences among the oldest and youngest customers (more people over the age of 65 years in the comparison population and more people under the age of 25 years in the PBIM population).

3.1.6 Rent paid across PBIM measures

Table 3.5 presents the type of rent paid across all PBIM customers, the comparison population (weighted), and PBIM customers by PBIM measure. 'Government rent' refers to rent being paid to a government housing body.

Table 3.5: Type of Rent Paid by PBIM measure

Type of rent paid	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
Government rent	9.4	20.3	41.9	1.9	9.3
Private rent	36.4	49.4	32.4	29.9	33.6
Board and lodging	23.6	8.4	9.5	32.2	18.5
Other	3.1	6.4	0.0	1.6	1.7
Free or no rent paid	24.4	9.5	12.2	32.7	28.6
Not specified (non-renter)	3.	5.9	4.1	1.7	8.2
Total	100.0	100.0	100.0	100.0	100.0
Persons	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

Analysis of this data found that the comparison customers (not on PBIM) have a similar distribution to that of all PBIM customers combined except that non-renters are more prevalent among those non on PBIM compared with all customers on PBIM.

Government rent appears to be a key characteristic of VULN-SWA customers while private rent is a key characteristic of VIM customers.

VULN-AT customers have a different distribution of rental arrangements to all other populations. There is a high prevalence of customers who do not pay rent or board among this population in comparison to the other populations. A very small proportion of VULN-AT pay government rent. These characteristics appear consistent with the younger age composition of this population.

3.1.7 Culturally and Linguistically Diverse and Indigenous status

Table 3.6 provides the proportions of Culturally and Linguistically Diverse (CALD) and Aboriginal or Torres Strait Islander customers by all PBIM customers, the comparison population (weighted), and PBIM customers by PBIM measure.

Table 3.6: CALD and Indigenous Status PBIM measure

	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
CALD status persons	5.6	11.3	9.5	2.4	12.7
Indigenous status persons	15.2	13.0	28.4	15.6	11.8
Persons	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

The comparison population of customers who are not on PBIM has a significantly higher number of CALD customers than the population of all PBIM customers combined. The VULN-AT population has a significantly lower proportion of CALD customers than each of the other PBIM populations and those not on PBIM. This difference relates to VULN-AT customers being under 25 years of age.

The proportion of Indigenous customers is significantly lower for the comparison population when considered against the VULN-SWA, VULN-AT and combined PBIM populations. The proportion of Indigenous customers is significantly higher for VULN-SWA customers compared to all four other populations.

The interpretation of this analysis must be considered through the perspective of the classification tree analysis as a whole. Indigenous status was found to be of relatively low importance in determining the propensity for a customer to be on PBIM or even for a PBIM customer to be on the VULN-SWA measure in comparison to the other measures. This is because other factors such as ISP type, age, rent type and day on ISP are more important in classifying these groups. Put differently, indigenous status does not assist in further identifying these groups of customers.

3.1.8 Mobility

Mobility refers to the number of changes of addresses recorded against an individual. Chart 3.1 provides the distribution of mobility by all PBIM customers, the comparison population (weighted), and PBIM customers by PBIM measure.

VULN-AT population has as significantly higher level of mobility than all other populations. Of all of the populations considered, VIM customers have changed addresses least often though this difference is not significantly different from the mobility level of VULN-SWA customers.

Chart 3.1: Mobility (number of changes in address in the previous two years), by PBIM measure

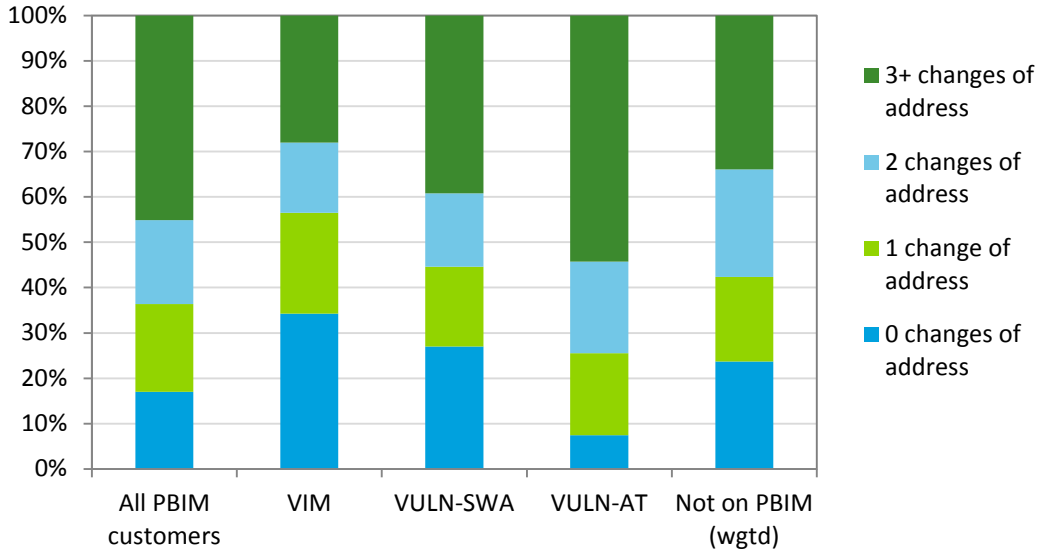


Table 3.7: Mobility (number of changes in address in the previous two years), by PBIM measure (per cent)

Number of changes	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
0	17.0	34.3	27.0	7.5	23.7
1	19.4	22.2	17.6	18.0	18.7
2	18.5	15.5	16.2	20.2	23.7
3+	45.1	28.0	39.2	54.2	33.9

3.1.9 Marital status

The distribution across divorced or widowed; married, de facto or other; separated; or, single is significantly different for the comparison group (not on PBIM) relative to all PBIM customers and each individual measure when considered on its own.

The marital status distribution for VULN-AT customers was also significantly different to all other populations – 94 per cent were single. This is likely related to the relatively younger age distribution (all under 25 years of age) of this population. The VIM and VULN-SWA populations are not significantly different, however the classification tree modelling of participation across the different PBIM measures identifies that customers who are 'separated' are more likely to be associated with VULN-SWA after allowing for ISP type, rent type, age and days on ISP.

In the overarching classification tree analysis, marital status was found to be of relatively low importance in determining the propensity for a customer to be on PBIM.

Further detail is provided in Appendix A.

3.1.10 Children under five years

Once more, likely driven by the age distribution of the group, VULN-AT have a significantly lower representation of customers with children under the age of five (99.7 per cent have no children under the age of five). VIM and VULN-SWA have similar distributions in terms of the proportion of children under the age of five years.

Further detail is provided in Appendix A.

3.1.11 Summary of analysis

The classification tree analysis pointed to the importance of the main ISP in determining the propensity of a customer to be on PBIM as opposed to in the comparison sample (not on PBIM), and in determining what PBIM measure PBIM customers were on. Notably, the key differentiator for the VULN-AT customers is – as by definition – that they are on YAL or SPL. Appendix B provides detail on the characteristics which increase the propensity to be a PBIM customer as well as for each of the PBIM measures respectively.

A consideration of distributions across the various characteristics individually supported many of the conclusions drawn through the overarching classification tree analysis. Namely, VULN-AT customers are different from others on almost all characteristics – driven by the main ISP (YAL and SPL), and a younger age distribution (all under 25 years of age).

VIM and VULN-SWA are in many respects quite comparable, other than VULN-SWA having a larger proportion of customers on NSA, and a larger proportion paying government rent and fewer paying private rent. VULN-SWA also have a higher proportion of Indigenous customers although the overarching classification tree analysis indicates that this difference can be better explained by other more pertinent characteristics.

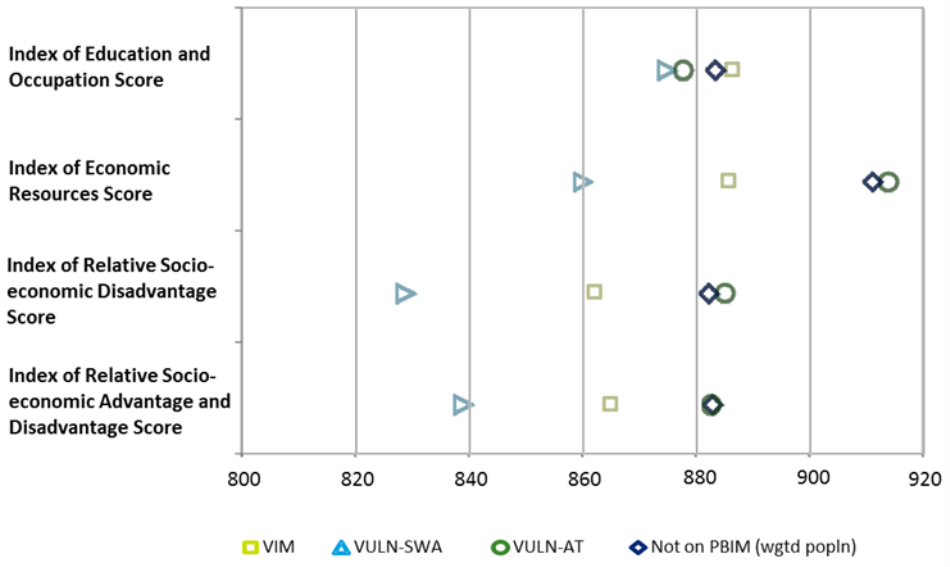
Customers who are not on PBIM are also different from each of the PBIM measures on almost all characteristics. The differences appear much more marginal when compared to all PBIM customers as a single group.

3.1.12 Socio-economic Indexes for Areas (SEIFA)

The ABS produces a number of SEIFA indexes (catalogue number 2033.0.55.001). The index scores indicate geographic locations of relative advantage and disadvantage, the lower the score the greater the disadvantage. The indexes are standardised to have a mean of 1000 and a standard deviation of 100 across all Statistical Areas - level one (SA1) in Australia.

Customers were assigned a SEIFA score based on the SA1 in which they reside and the distributions of the 'customer' SEIFA indexes compared for the different PBIM populations. Kolmogorov-Smirnov two sample tests were used to test for statistical significance. Figure 3.1 presents the mean scores for each of the indexes across the PBIM measures and the customers in the trial LGAs that are not on PBIM.

Figure 3.1: Mean SEIFA Index scores by PBIM initiative



The differences between the PBIM populations are quite similar for the three 'economic' indexes of Relative Socio-economic Advantage and Disadvantage, Relative Socio-economic Disadvantage and Economic Resources. Across these indexes VULN-AT customers reside in locations of similar disadvantage to those not on PBIM but VULN-SWA customers live in locations of higher disadvantage than VIM customers, who reside in more disadvantaged locations than VULN-AT customers and customers not on PBIM. These differences are statistically significant although the difference in the economic resources index between VULN-SWA and VIM customers is marginal ($p < 0.10$) due to the relatively small VULN-SWA population.

The Index of Education and Occupation is quite different, in that all four cohorts score closely. The main point of difference is that VULN-SWA customers are in the most disadvantaged locations. VULN-SWA customers reside in locations of significantly more disadvantage than VIM customers and those not on PBIM.

In summary:

- PBIM customers live in more disadvantaged locations than customers not on PBIM
- VULN-SWA customers live in the most socially and economically disadvantaged areas and VULN-AT customers the least disadvantaged
- VULN-AT and VULN-SWA customers live in the most disadvantaged locations in terms of education and occupation, although there is not a particularly large difference across all populations.

3.2 PBIM participation

3.2.1 The number of people on PBIM

As to 4 January 2014, 2,598 customers were identified as having been placed on a PBIM measure at some point. Only six CPIM cases were recorded – including one case which later transitioned to VIM after 46 days.

Table 3.8 presents the number of customers by trial site between 1 July 2012 and 4 January 2014.

Table 3.8: Number of PBIM customers 1 July 2012 to 4 January 2014

PBIM Site	All PBIM measures	Site percent
Bankstown NSW	199	7.7
Playford SA	558	21.5
Greater Shepparton Vic	416	16.0
Logan Qld	960	37.0
Rockhampton Qld	465	17.9
All PBIM Sites	**2,598**	**100.0**

The highest proportion of PBIM customers was in Logan (37.0 per cent) and the lowest proportion was in Bankstown (7.7 per cent). The composition of PBIM measures was significantly different across sites, except for Playford and Rockhampton. Logan, Rockhampton and Playford have a high proportion of VULN-AT customers; Shepparton has a high proportion of VIM customers; and, Bankstown has a high proportion of VULN-SWA customers. A complete breakdown of PBIM customers by PBIM measure and site is not provided in order to protect the privacy of the small number of CPIM customers.

Table 3.9 presents an estimation of the number of customers who are on PBIM per thousand of customers who – in accordance with their ISP and demographic characteristics – could have been on PBIM. This can be interpreted as a participation rate.

Table 3.9: PBIM customers per thousand persons on weighted trigger payments

PBIM Site	Participation rate
Bankstown NSW	5.6
Playford SA	11.3

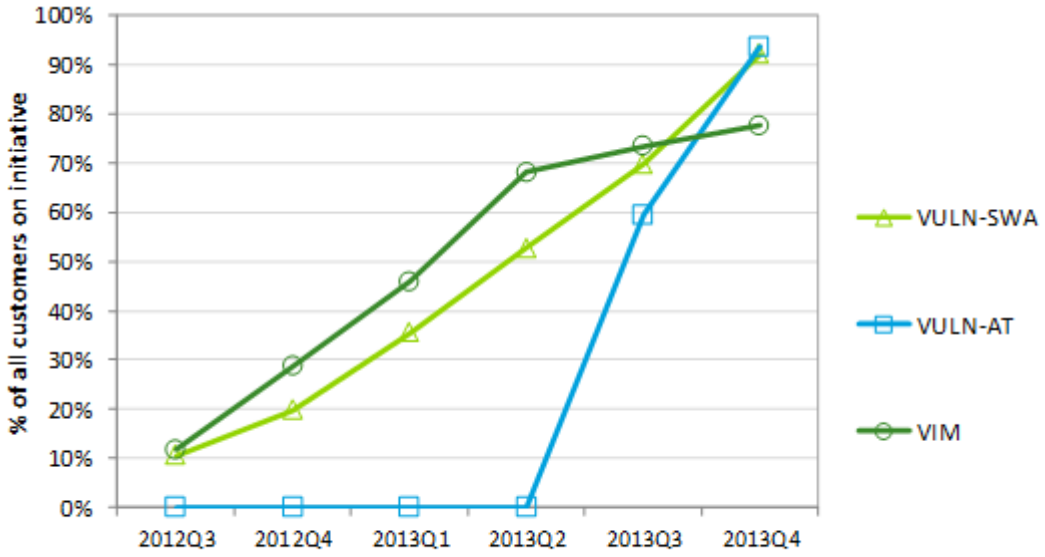
PBIM Site	Participation rate
Greater Shepparton Vic	18.5
Logan Qld	9.4
Rockhampton Qld	13.1
All PBIM sites	10.6

Source: PBIM cases 1 July 2012 - 4 Jan2014; persons on trigger payments at any time 1 July 2012 - 29 June 2013

The participation rate among potential customers is the lowest in Bankstown where it is half the rate across all PBIM sites, and highest in Shepparton.

Chart 3.2 presents, as a time-series, PBIM participation by PBIM measure (CPIM is not included due to small numbers). Chart 3.3 then presents, as a time-series, recruitment to PBIM by PBIM measure.

Chart 3.2: PBIM customers active by quarter (13 week periods) by measure, 1 July 2012 to 28 December 2013

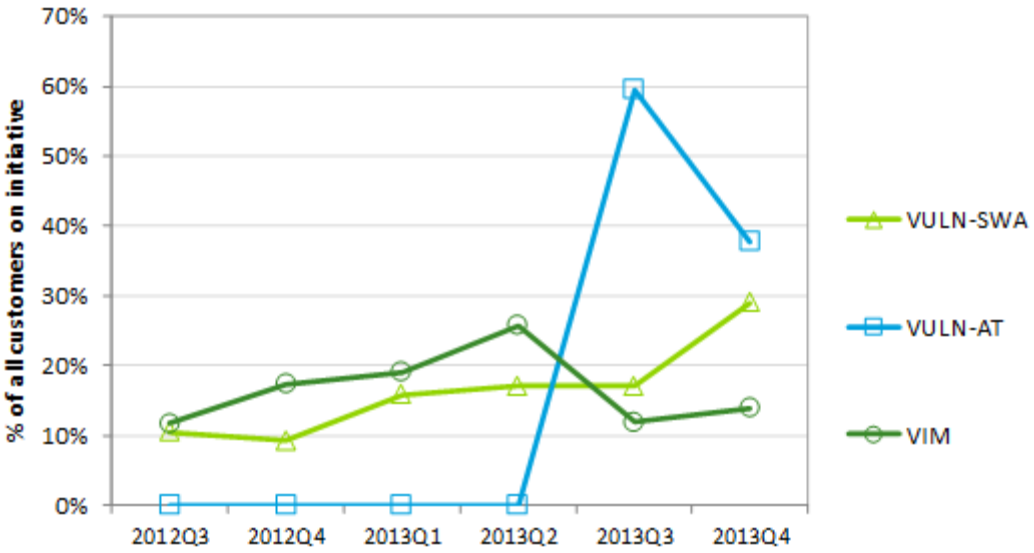


Source: PBIM customers 1 July 2012 to 4 January 2014.
Note: 51 cases began between 29Dec2013 and 4Jan2014

Table 3.10: PBIM customers active by quarter (13 week periods) by measure, 1 July 2012 to 28 December 2013 (per cent)

PBIM initiative	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
VULN-SWA	10.5	19.7	35.5	52.6	69.7	92.1
VULN-AT	0.0	0.0	0.0	0.0	59.5	93.5
VIM	11.7	28.7	45.9	68.1	73.4	77.6

Chart 3.3: PBIM customers on PBIM for the first time by quarter (13 week periods) by measure, 1 July 2012 to 28 December 2013



Source: PBIM customers 1 July 2012 to 4 January 2014.
Note: 51 cases began between 29Dec2013 and 4Jan2014

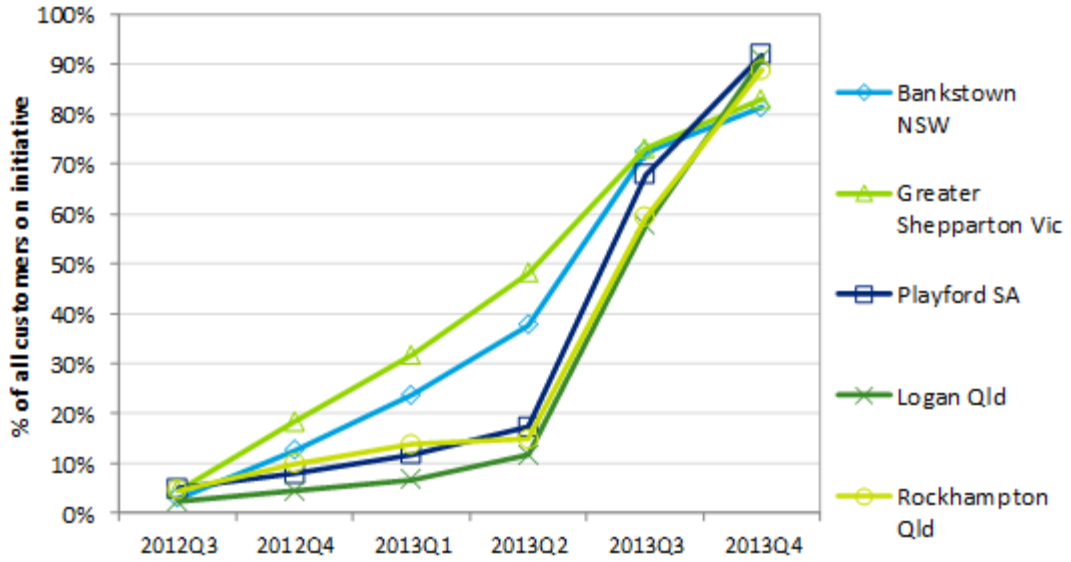
Table 3.11PBIM customers active by quarter (13 week periods) by measure, 1 July 2012 to 28 December 2013 (per cent)

PBIM initiative	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
VULN-SWA	10.5	19.7	35.5	52.6	69.7	92.1
VULN-AT	0.0	0.0	0.0	0.0	59.5	93.5
VIM	11.7	17.4	19.1	25.8	11.9	13.9

The main influence on participation has been the introduction of VULN-AT. After the recruitment of the pre-existing initial backlog of VULN-AT customers, the rate of recruitment to this measure has declined as would be expected. It is yet to be determined at what rate VULN-AT recruitment will level out. It can also be observed that with the introduction of VULN-AT, engagement with VIM declined while VULN-SWA participation has shown signs of increased participation. This may indicate a maturity in the administrative processes for assessing customers for PBIM.

Chart 3.4 and Chart 3.5 present, as a time-series, PBIM participation and recruitment rates (respectively) by PBIM trial site. Earlier, it was noted that Bankstown and Shepparton have a relatively lower proportion of VULN-AT PBIM customers compared with other sites. This explains the large proportion of customers in these areas who participated earlier than the introduction of the VULN-AT measure.

Chart 3.4: PBIM customers active by quarter (13 week periods) by site, 1 July 2012 to 28 December 2013

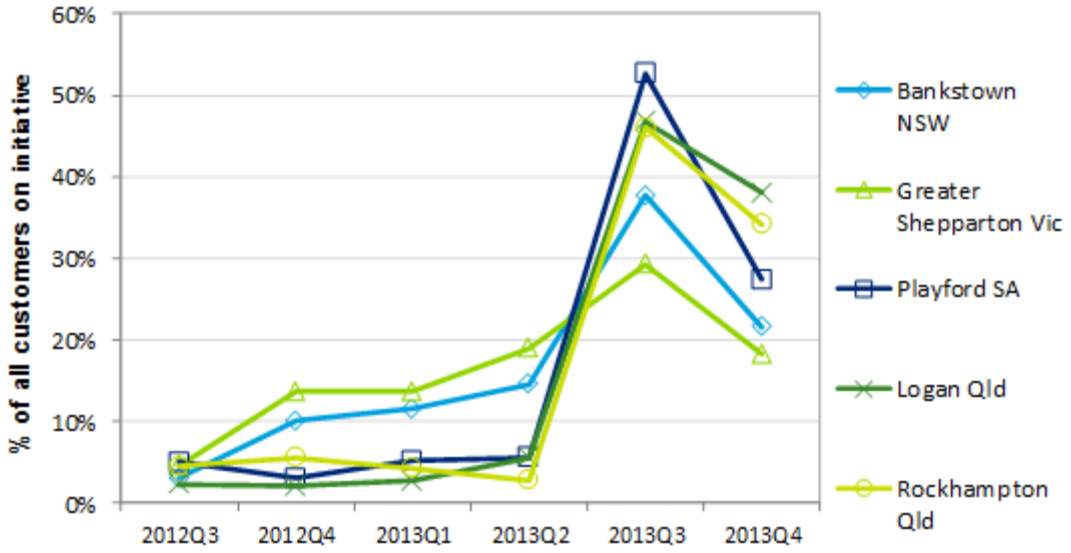


Source: PBIM customers 1 July 2012 to 4 January 2014.
Note: 51 cases began between 29Dec2013 and 4Jan2014

Table 3.12PBIM customers active by quarter (13 week periods) by site, 1 July 2012 to 28 December 2013 (per cent)

Site	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
Bankstown	3.0	12.6	23.6	37.7	72.4	81.4
Playford	5.0	7.9	11.8	17.2	67.9	91.9
Greater Shepparton	4.6	18.3	31.7	48.1	73.1	82.9
Logan	2.3	4.4	6.8	11.7	57.7	91.1
Rockhampton	4.5	9.9	13.8	14.8	59.4	88.8

Chart 3.5: PBIM customers on PBIM for the first time by quarter (13 week periods) by site, 1 July to 28 December 2014



Source: PBIM customers 1 July 2012 to 4 January 2014.
Note: 51 cases began between 29Dec2013 and 4Jan2014

Table 3.13PBIM customers on PBIM for the first time by quarter (13 week periods) by site, 1 July 2012 to 28 December 2013 (per cent)

Site	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
Bankstown	3.0	10.1	11.6	14.6	37.7	21.6
Playford	5.0	3.0	5.2	5.6	52.7	27.4
Greater Shepparton	4.6	13.7	13.7	19.0	29.3	18.3
Logan	2.3	2.1	2.7	5.6	46.8	38.0
Rockhampton	4.5	5.6	4.3	2.8	46.0	34.2

3.2.2 Customers going on and off PBIM

The administrative system records any period for which a customer is 'off' PBIM – be it temporary or permanent – in order to facilitate payments. For example, over 50 per cent of breaks only last for one day and 80 per cent of breaks last for seven days or less.

For the purpose of this report, the analysis necessarily must distinguish between an 'interruption' in the administrative system and a permanent end to engaging with PBIM. It was assumed that an interval of over 35 days signalled a formal end (or 'off') to PBIM. It is important to not altogether disregard interruptions either as they may be a useful indicator of customer disruption.

The data file which was available to analyse customer 'on' and 'off' PBIM patterns contained customer data for the period between 1 July 2012 and 29 June 2013. This is the period before the introduction of the VULN-AT measure on 1 July 2013. The extended data file which includes the VULN-AT customers was not suitable for the 'on' and 'off' analysis as it did not contain the full history of on/off patterns for PBIM customers.

Table 3.14 provides a summary of customer recorded offs for the period 1 July 2012 to 29 June 2013. In total, there were 163 PBIM customers who recorded 'offs' during this period.

Twenty-four percent of customers experienced an 'off' event of some kind. A single 'off' event was experienced by 21 per cent of customers and 3.5 per cent experienced two or three events. Seven percent of customers experienced interruptions and around 18 per cent ended PBIM in the first year. Hence it is reasonable to conclude that no customers have been severely disrupted, there is however a significant difference between VIM and VULN-SWA customers even with the small number of VULN-SWA customers.

A significantly higher proportion of VULN-SWA customers experienced an 'off' event and more than one event in particular. In contrast to VIM customers VULN-SWA customers experienced interruptions in a much higher proportion and had a much lower rate of customers formally ending the measure. It is possible that this high proportion of interruptions for VULN-SWA reflects some initial administrative issues, or a higher rate of temporary suspensions of payments for customers who fail to attend their initial allocation interview. It should be noted that at this stage of the evaluation there is insufficient data to provide a conclusive finding on this topic; it is only known that interruptions are due to auto to manual income management transfers and no trigger payments i.e. a temporary suspension. The reason for the temporary suspension is not known.

Table 3.14: Customer recorded 'offs' 1 July 2012 to 29 June 2013

	All PBIM customers	VIM	VULN-SWA
Customers recording 'off' events	24	22	49
Customers recording one 'off' event	21	20	31
Customers recording two or three events	3	2	18
Customers interrupted	7	4	41
Customers ending PBIM	18	19	5

Source: PBIM customer records, 1 July 2012 to 29 June 2013

Appendix A provides further detail on the reasons why customers were recorded as having an interruption. The main reasons for interruptions were that the 'customer either has no trigger payment or it has ceased' or 'measure transfer'. Measure transfer refers to the seven VIM customers who transferred either to the VULN-SWA or the CPIM measures. A final point to note on this analysis is that of the 103 customers who ended PBIM as of 29 June 2013, nine re-joined PBIM between 46 and 84 days after ending. All were VIM customers a few of which had transferred to VULN-SWA after more than 60 days. The currently available data does not allow for further analysis on this group of customers.

Some analysis was also conducted on the extended administrative data file which contained information pertaining to the VULN-AT customers. Some caution must be exercised when using this analysis as the data file did not allow for a distinction to be made between interruptions and permanent exit from PBIM. The analysis identified a notable number of VULN-AT customers who ended PBIM for reasons of 'incorrectly identified as PBIM eligible' (27 cases) and 'Vulnerable off PBIM customer request' (110 cases). While coded in the system it is understood that these customers never commenced Income Management.

Finally, analysis was conducted to determine the probability of customers staying on PBIM for a particular period of time. This type of analysis is called 'survival curve' analysis and uses information about the number of people who are present in a program at any given point in time, and the number of people who have left the program to that same point in time to estimate the future rate of exit from the program.

Overall, the probability of customers staying on PBIM for extended periods of time is quite high (high survival probabilities). Around 70 per cent of customers are still on PBIM after 182 day (26 weeks).

For VIM and VULN-SWA customers the probability of still being on PBIM after 365 days is 60 per cent and 83 per cent respectively.

The main differences in the duration that PBIM customers are likely to stay on the measures is dependent upon the type of PBIM measure they are on, as displayed in Figure 3.2. VULN-AT customers have the lowest survival probability and a constant and relatively steep rate of exit as evidenced in the graph. The probability of exiting before 91 days (13 weeks) is quite high (22 per cent). There is the possibility that VULN-AT customers had ceased income management at less than 13 weeks due to exclusions. A small number (15 cases) ended the day they began. VIM and VULN-SWA curves are more similar, with a high probability of staying on the measure for up to 91 days.

The high probability of staying for a long time on the VIM and VULN-SWA measures raises the question of possible dependency on the PBIM measure, which cannot be comprehensively addressed from the data currently available. VULN-SWA has a very high survival probability indicating that the majority of customers have remained on the measure to the end of the data time period. Although VIM customers may remain on VIM for personal reasons, including possible dependency, the decision to continue on the VULN-SWA measure is made by a social worker, therefore it may not be reasonable to question any dependency with this measure.

It should also be noted that dependency on income management may not just be determined by choice; in a broader sense if customers have not progressed to the point of not needing income management they would still be considered as being 'dependent' on income management.

Figure 3.2: Kaplan-Meier Survival Curves, time on PBIM 1 July 2012 to 4 January 2014, by PBIM measure

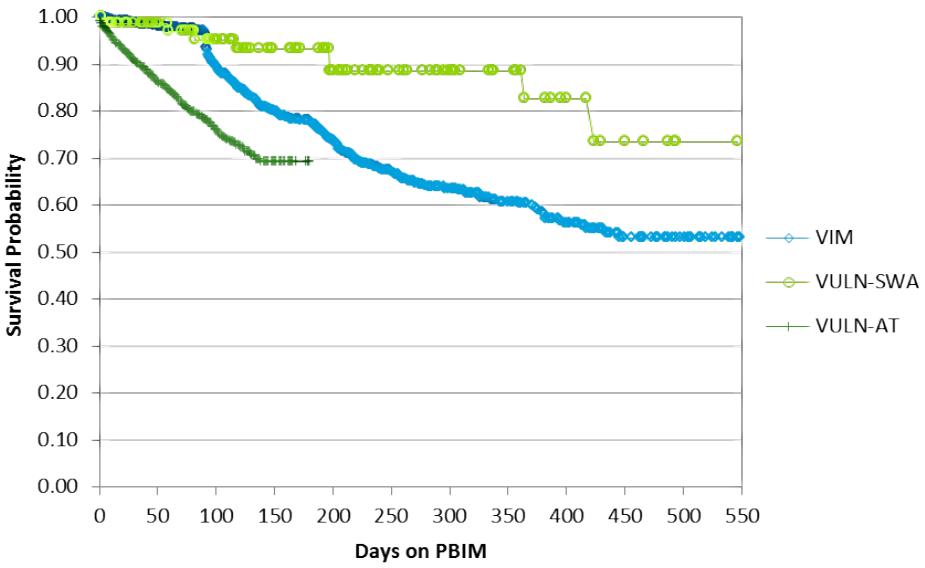
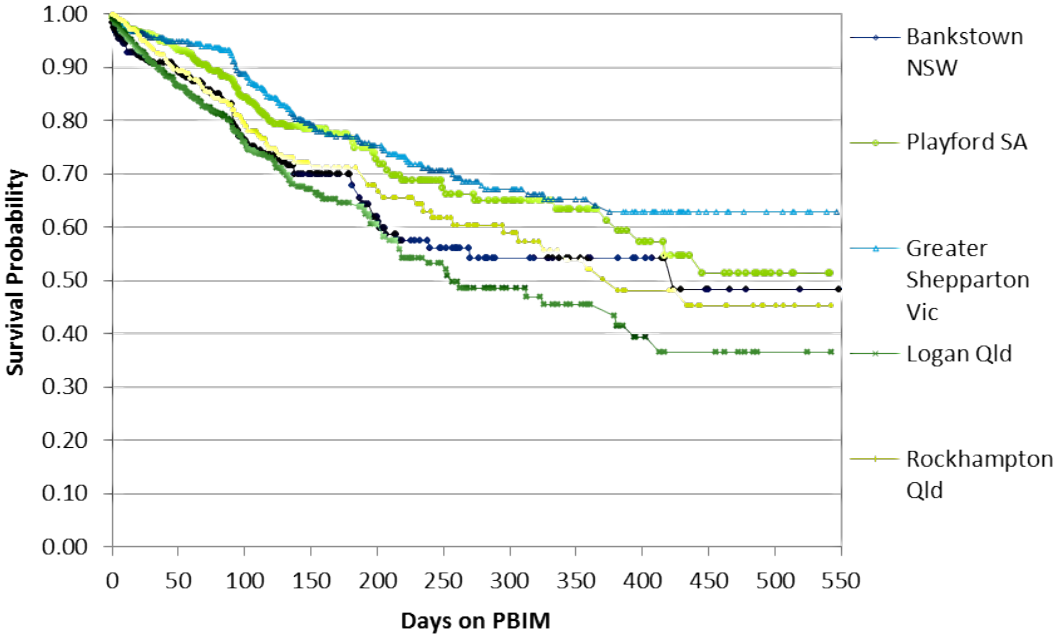


Figure 3.3 provides a similar analysis, presented in terms of trial site. The figure shows Shepparton and Playford with the highest probability of maintaining PBIM customers for longer periods of time and the other three sites much lower. The largest difference is between Shepparton and Logan. The different proportion of VULN-AT customers by site explains much of the differences except for Playford which has both a high proportion of VULN-AT customers as well as a relatively high probability of staying for a long duration on PBIM.

Figure 3.3 Kaplan-Meier Survival Curves, time on PBIM 1 July 2012 to 4 January 2014, by PBIM measure



3.2.3 Financial management programs services

The use of financial management services by PBIM customers is difficult to completely assess due to the fragmented nature of the industry. This evaluation uses data reported by providers of Financial Management Program Services (FMPS) contracted to provide financial counselling (FC) and money management services (MMS) to PBIM customers. These providers submit half-yearly progress reports to the DSS. The data in these reports was assessed as suitably accurate for the evaluation and are the basis for the following analysis.

Other providers may also provide financial management services to PBIM customers; however, PBIM customers are encouraged to attend a money management course (MMC) at one of the contracted FMPS providers. In order to receive a Matched Savings Payment (MSP), CPIM and VULN customers need to complete one of these accredited courses.

While FMPS providers deliver services other than MMS, these are used by 70 per cent of their customers. The reports submitted by FMPS providers identify PBIM customers as voluntary (VIM) and compulsory income management (CIM) which equated to CPIM and VULN-SWA customers in the time frame of the data provided for this report.

Approximately 30 per cent of PBIM customers use FMPS providers. They are used by a significantly higher proportion of VIM customers than CPIM and VULN-SWA customers combined (Table 3.15). PBIM customers comprise about 20 per cent of FMPS customers. The small difference in overall participation (17.8 per cent) and MMS participation (20.4 per cent) is not statistically significant. As there are only seven compulsory customers the analysis combines compulsory and voluntary customers. The lower usage of MMS by compulsory customers compared to VIM customers may reflect that the MSP incentive is not working as anticipated.

Table 3.15: Financial management program participation, July 2012 to June 2013

	Number of FMPS clients	Number of FMPS (MMS)	Per cent overall clients	Per cent MMS clients	PBIM customer	Per cent PBIM customers using FMPS organisation	Per cent PBIM customer using FMPS organisation (MMS)
VULN/CPIM	7	5	0.7	0.7	42	16.7	11.9
VIM	175	142	17.1	19.7	537	32.6	26.4
Total PBIM	182	147	17.8	20.4	579	31.4	25.4
Non PBIM	843	573	82.2	79.6	-	-	-
Total	1,025	720	100	100	-	-	-

Source: Financial management program service reports July 2012 to June 2013. Note: this does not include financial counselling services.

The overall low participation and completion rates of Money Management Courses (MMC) can be seen in Table 3.16. Completion and withdrawal rates are not significantly different from those of non-PBIM clients. Commencement rates are significantly different at a marginal level (p=0.06).

Within the first year, no compulsory customer had completed a MMC and no PBIM customer had been paid a MSP. On current performance it would be concluded that the MSP has not been a sufficient incentive to encourage customers on VULN or CPIM to complete the MMC.

Table 3.16: Money management courses participation July 2012 to June 2013

	VULN / CPIM (number)	VIM (number)	Total PBIM (number)	Non PBIM (number)	Total (number)	Total PBIM (per cent)	Non PBIM (per cent)	Total (per cent)
MMC commencements	≤5	12	15	90	105	10.2	15.7	14.6
MMC completions	0	9	9	57	66	6.1	9.9	9.2
MMC withdrawals	≤5	≤5	≤5	12	15	2.0	2.1	2.1

Source: Financial management program service reports July 2012 to June 2013
Note: Completions and withdrawals do not sum to commencements. This may be due to courses in progress or providers reporting inconsistent data. The data are as reported. Any inconsistencies would not materially influence the inferences as they would be consistent across all cohorts and the comparisons relate to the total customer base for each cohort.

Income managed clients receive more activity by FMPS providers related to financial management than non-PBIM clients (Table 3.17). A significantly higher proportion of PBIM clients are reported as developing budgets and savings plans and receiving more support on banking and debt issues. Referrals to external organisations are limited and not significantly different except for accommodation services where PBIM customers receive less attention. Very few customers (less than five PBIM customers) are referred to child protection agencies, drug and alcohol services, gambling services or domestic violence services. These activities have not been listed in the table due to the low numbers and the lack of statistical significance. In summary FMPS providers focus on financial matters regarding PBIM clients is to be as expected.

Table 3.17: Selected FMPS activities July 2012 to June 2013

Activity	Number of PBIM clients	Number of non PBIM clients	Times per 100 FMPS clients (PBIM)	Times per 100 FMPS clients (non-PBIM

Activity	Number of PBIM clients	Number of non PBIM clients	Times per 100 FMPS clients (PBIM)	Times per 100 FMPS clients (non-PBIM
Clients who developed a budget	137	508	75.3	60.3
Clients who developed a savings goal plan	65	219	35.7	26.0
Times advocated on banking issues	136	286	74.7	33.9
Times advocated on debt issues	764	1509	419.8	179.0
Referrals to Emergency relief	20	91	11.0	10.8
Referrals to accommodation service	7	68	3.8	8.1
Referrals to domestic violence organisations	6	13	3.3	1.5
Total FMPS clients	182	843	-	-

Source: Financial management program service reports DSS July 2012 to June 2013
Note: Clients who developed budgets and plans are percent of clients; the other activities could occur many times per client.

3.2.4 Incentive payments

It has already been noted that as of 29 June 2013, no customer had received a MSP, none of the 42 eligible customers had completed the necessary MMC and less than five had commenced a course. It is important that this finding is considered in the context that only 28 of the 42 eligible customers had been on PBIM for more than 13 weeks as of the 29 June 2013, and that the data pre-date the introduction of the VULN-AT measure.

The VIM Voluntary Incentive Payment (VIP) tells an interesting story. As of 29 June 2013, 170 (31 per cent) of VIM customers had received a VIP. Of these 170 customers, 30 had ended VIM (17.6 per cent) an exit proportion not significantly different from VIM customers who had not received an incentive payment (19 per cent) (Table 3.18). This suggests that that the incentive payments do not significantly affect a customer's decision to remain on VIM. Further detail on the relationship between the VIP payment and exit off the VIM measure is provided in Appendix A.

Table 3.18: VIM customers receiving VIPs, 1 July 2012 to 29 June 2013

	Customers	Per cent VIM customers	Total	Per cent who exited
Did not receive VIP	-	-	378	19.0
Exited VIM before receiving a VIP	72	13.1	-	-
Have not been VIM on long enough to receive a VIP	306	55.8	-	-
Received VIP	-	-	170	17.6
Received VIP and has since exited VIM	30	5.5	-	-
Received VIP and is still on VIM	140	25.5	-	-
Total VIM customers	548	-	-	18.6

Source: Customers on VIM at any time 1 July 2012 to 29 June 2013

3.3 BasicsCard usage

The analysis in this section is based on BasicsCard transaction logs for the period 1 July 2012 to 29 June 2013. VULN-AT customers are not included in the analysis as this data refers to the period of

time before the introduction of VULN-AT. The number of VULN-SWA customers using a BasicsCard is also quite small (34), too small to identify statistically significant differences with VIM customers unless the differences are extreme. Consequently there is no comparison of PBIM measures.[8]

3.3.1 Customer participation rates

Customers can opt to receive a BasicsCard. Depending on individual circumstances customers may not choose to acquire a BasicsCard until they feel it necessary. Table 3.19 summaries the number of customers issued BasicsCards.

Table 3.19: PBIM customers using BasicsCards 1 July 2012 to 29 June 2013

	Persons using BasicsCards	Persons on PBIM	Per cent
PBIM sites			
Bankstown NSW	57	78	73.1
Greater Shepparton Vic	162	212	76.4
Logan Qld	96	122	78.7
Playford SA	93	105	88.6
Rockhampton Qld	73	80	91.3
PBIM measures			
VIM	444	554	80.1
VULN-SWA and CPIM	37	43	86.0

Source: BasicsCard records 1 July 2012 to 29 June 2013. Note: There were fewer than five CPIM customers using BasicsCards

Participation is quite high at 80 per cent of customers overall. However, there are two significantly different groups of sites: Playford and Rockhampton at around 90 per cent; and the Bankstown, Shepparton and Logan at around 75 per cent.

While overall 53 per cent of customers are issued a BasicsCard immediately, in Bankstown and Shepparton it is around 40 per cent of customers compared with 65 per cent in the other sites. After 28 days, 70 per cent of Bankstown and Shepparton BasicsCard users had been issued their card compared with 85 per cent of customers in the other sites.

The data do not resolve whether the different time for customers to be issued their first BasicsCard is due to DHS administration, or delays in customers requesting cards. It is noted that BasicsCard stocks are maintained at all Centrelink service centres and can be issued immediately if requested by a customer.

When considering the data analysis presented in this section, it is important to remain mindful of the fact that the data may pertain to individuals who have not had their BasicsCard for a long period of time. The dataset indicates that 25 per cent of customers had their BasicsCard for less than 14 days. While this issue has been taken into consideration in the metrics used in the analysis some of the metrics which are simple counts are likely to be conservative.

The number of BasicsCards issued to individuals is such an example; the longer someone has had a BasicsCard the more likely it is for it to be reissued. The data indicates that 12 per cent of customers have been issued more than two cards and 1.2 per cent of customers more than five cards.

[8] The analysis also includes 18 additional customers not included in the participation metrics. These customers were identified as PBIM customers for this period when PBIM customer list was revised 4 January 2014. BasicsCard data had been provided for them but not participation data.

Replacement cards account for 36 per cent of cards issued. Almost half of these (47 per cent) are due to the card expiring and only a very small number of cards have been stolen (13 of 780).[9] Further detail pertaining to replacement cards is presented in Appendix A.

3.3.2 BasicsCard transfers and purchases and inquiries

Table 3.20 and Table 3.21 summarise how customers use the BasicsCard.

Table 3.20: Type of BasicsCards use, percent of customers

Reason issued	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
Transfers in to card	91.2	92.5	96.9	95.8	100.0	95.6
Transfers out of card	22.8	37.6	35.2	37.5	45.2	36.2
Purchases	87.7	91.4	93.8	93.8	97.3	93.1
Kiosk inquiries	14.0	**55.9**	**8.6**	19.8	28.8	23.7
Other[a]	17.5	11.8	6.8	7.3	12.3	10.0
BasicsCard users	57	93	162	96	73	481

Source: BasicsCard records 1 July 2012 to 29 June 2013.
(a) 'Other' refers to changing one's PIN or printing out the balance.

Table 3.21 : Type of BasicsCards use, percent of transactions

Reason issued	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
Transfers in to card	23.4	19.1	23.2	21.8	23.2	21.9
Transfers out of card	0.8	0.6	0.7	0.7	0.6	0.7
Purchases	73.4	67.1	75.8	75.6	73.0	72.9
Kiosk inquiries	2.0	**13.0**	0.3	1.8	3.0	4.4
Other[a]	0.4	0.2	0.1	0.1	0.2	0.2
	100.0	100.0	100.0	100.0	100.0	100.0
Total transactions	2,802	8,781	10,043	6,868	6,590	35,084

Source: BasicsCard records 1 July 2012 to 29 June 2013.
(a) 'Other' refers to changing one's PIN or printing out the balance.

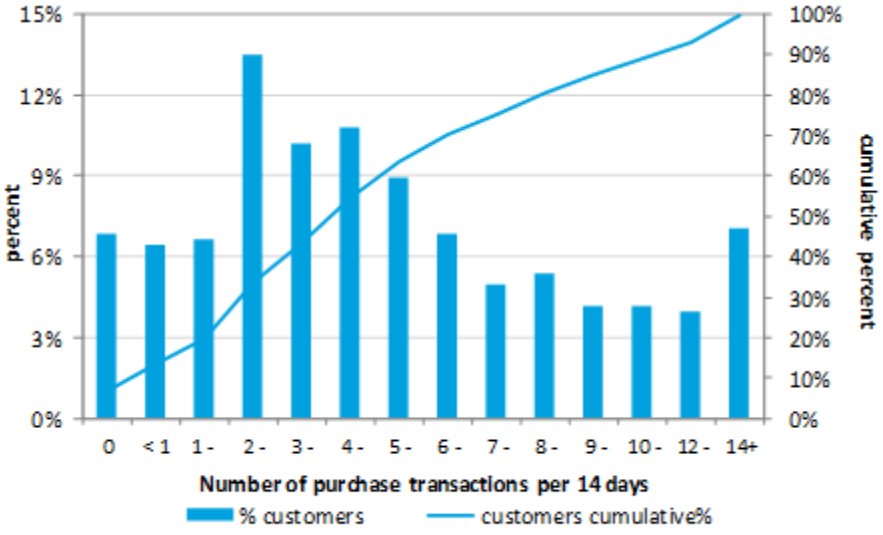
Transactions are dominated by purchases (73 per cent) followed by transfers of money into the card. Reflecting that 25 per cent of customers have had a BasicsCard for less than 14 days, 96 per cent of BasicsCard users had money transferred into their account and 93 per cent have made purchases, indicating that most customers are using the card within two weeks of receiving it and that customers do not request a BasicsCard without intending to use it. Transfers out relate to 36 per cent of customers - they generally relate to customers exiting PBIM. Appendix A provides further detail on monetary transfers.

Only the use of BasicsCard kiosks to inquire about the BasicsCard balance is significantly different across sites, with Playford having a relatively high level of use of kiosks. Overall, the use of the kiosks to make enquiries was an infrequent transaction on the BasicsCard. 'Other' refers to changing one's PIN or printing out the balance.

[9] Between 1 Jan 2013 and 30 June 2013 an exercise was taken to replace all current BasicsCards that were due to expire on 30 June 2013 with a new BasicSCard.

The mean BasicsCard purchase frequency is six times a fortnight or one purchase every 2.35 days; 45 per cent of BasicsCard customers purchased five or more times a fortnight (every 2.8 days) and 55 per cent less than five time a fortnight. Eighty percent of BasicsCard customers make a purchase at least once a week. The proportion of customers who have not made a BasicsCard purchase (6.8 per cent) is particularly low given that 25.5 per cent of BasicsCard customers have had a card for less than 14 days. Chart 3.6 illustrates the distribution and cumulative distribution of customer purchase frequency. There is no significant difference across sites.

Chart 3.6: Frequency of BasicsCard purchases



Source: BasicsCard records 1 July 2012 to 29 June 2013

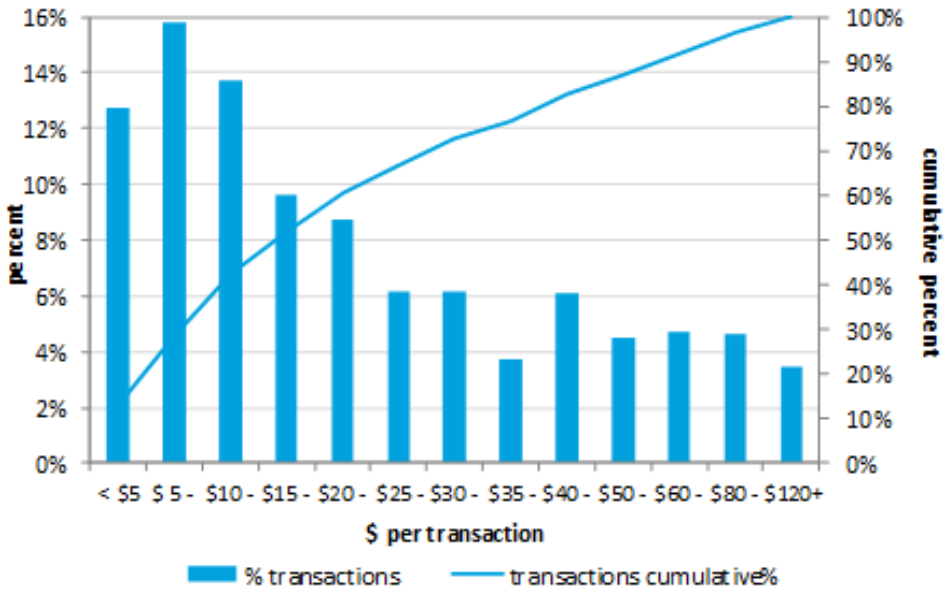
Table 3.22: Frequency of BasicsCard purchases

	Per cent customers	Per cent customers cumulative
0	6.8	6.8
< 1	6.4	13.3
1 -	6.6	19.9
2 -	13.5	33.4
3 -	10.1	43.6
4 -	10.8	54.4
5 -	8.9	63.4
6 -	6.8	70.2
7 -	4.9	75.2
8 -	5.4	80.6
9 -	4.1	84.8
10 -	4.1	88.9
12 -	3.9	92.9
14+	7.0	100

Most BasicsCard purchases are for small 'everyday' purchases. The mean purchase is $31.48, with 42 per cent of transactions under $15. Supermarkets account for 65 per cent of purchases and petrol another 11 per cent.

Chart 3.7 illustrates the distribution and cumulative distribution of BasicsCard purchase transaction amounts. Table 3.24 lists the proportion of transactions and mean transaction size by business activity.

Chart 3.7: BasicsCard purchase transaction amounts



Source: BasicsCard records 1 July 2012 to 29 June 2013

Table 3.23: BasicsCard purchase transaction amounts

	Per cent transactions	Per cent transactions cumulative
< $5	12.7	12.7
$ 5 -	15.7	28.5
$10 -	13.7	42.2
$15 -	9.6	51.8
$20 -	8.7	60.5
$25 -	6.1	66.6
$30 -	6.1	72.8
$35 -	3.7	76.6
$40 -	6.1	82.7
$50 -	4.4	87.1
$60 -	4.7	91.9
$80 -	4.6	96.5
$120+	3.4	100.0

Table 3.24: BasicsCard purchases by business activity

Business Activity	Per cent transactions	Mean $ per transaction
Supermarket	64.95	30.67
Butcher	0.92	27.12
Convenience store	0.77	10.95
Fruit and vegetables	0.30	13.66
Bakery	0.05	15.12
Department store	13.31	47.79
Discount store	2.09	18.80
Clothes store	0.50	46.26
Second-hand goods	0.73	22.92
Shoe store	0.22	64.43
Toys	0.05	88.22

Business Activity	Per cent transactions	Mean $ per transaction
Hardware store	0.05	47.17
Bookstore	0.08	22.44
Newsagent	0.09	14.48
Petrol station	11.20	25.41
Automotive Repairs	0.03	242.84
Transport	0.5	7.86
Motor vehicle registry	0.03	145.14
Chemist/pharmacy	3.94	18.16
Education outlet	0.04	54.52
Short term Accommodation	0.03	93.57

Source: BasicsCard records 1 July 2012 to 29 June 2013

The use of BasicsCard Kiosks to inquire about the BasicsCard balance varies across site. Playford has a high proportion of customers who use the kiosks (56 per cent) while in Shepparton, only nine per cent of BasicsCard customers use the kiosks. Overall, 24 per cent of BasicsCard customers use the kiosks. Though this is a small proportion of the overall BasicsCard using population, those who use them tend to use the service regularly. Almost 60 per cent of customers use them more than monthly and at a mean usage rate of 13.5 times per 90 days (every 6.7 days). Further detail is provided on Kiosk use in Appendix A.

3.3.3 Rejected BasicsCard transactions

Over 85 per cent of BasicsCard customers have experienced an event where their card has been rejected at the point of sale. Table 3.25 provides different reasons for a customer's BasicsCard to be rejected and the proportion of BasicsCard customers experiencing the event at any time. The most common reasons are: use of the card on an unregistered device (72 per cent); insufficient balance to complete the purchase (66 per cent); and PIN errors (47 per cent).

There are a very small number of customers with 'PIN blocked' or 'BasicsCard suspended' (which includes cancelled cards). This is indicative of a very low level of unauthorised use.

Table 3.25: Customers experiencing of BasicsCard rejection

Type of rejection	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Per cent	People
Insufficient balance	63.2	69.9	58.0	74.0	72.6	66.3	319
PIN Error	43.9	57.0	40.1	46.9	53.4	47.2	227
PIN blocked	5.3	0.0	0.0	0.0	0.0	0.6	≤5
BasicsCard suspended	3.5	7.5	3.1	0.0	2.7	3.3	16
Unregistered device	68.4	74.2	67.3	71.9	82.2	71.9	346
Action not supported	26.3	14.0	11.7	18.8	17.8	16.2	78

Source: BasicsCard records 1 July 2012 to 29 June 2013

Seventy-two percent of BasicsCard users experienced an 'unregistered device' error. These events occur when a BasicsCard transaction has been attempted at a specific electronic funds transfer at point of sale (EFTPOS) terminal that has not been approved by the DHS to accept the BasicsCard.

Most commonly it is when a card holder has attempted to use their card at a store or business that is not an approved BasicsCard merchant (86.2 per cent of merchants recording an 'unregistered device' error had no other transaction type logged). Less commonly is when an EFTPOS terminal within an approved BasicsCard merchant is 'unregistered' because it is for the specific sales of excluded goods and services such as cigarettes or alcohol or the merchant has installed a new terminal and the DHS has not been advised. This last instance is likely to be very limited.

Fifty five per cent of customers have experienced this event only once or twice but 18 per cent experienced it five or more times and nine per cent six or more times. There is no significant difference across sites.

The proportion of BasicsCard customers experiencing an 'insufficient balance' event is significantly different with Shepparton having the lowest proportion of customers affected (58 per cent) and Logan the highest proportion (74 per cent). Overall, sites 55 per cent of customers who experienced 'insufficient balance' events experienced them once or twice and 24 per cent of customers experienced them five or more times.

The time a customer takes to transfer funds into their BasicsCard after encountering an 'insufficient balance' event is presented in Table 3.26. While funds are transferred within a few hours in 12% of occurrences, and within the day for 24%, transfer of funds did not occur for more than 4 days in 45% of occurrences and more than 7 days in 23% of cases. The time taken to transfer funds due to an 'insufficient balance' may be due to customers having insufficient income managed funds available. This could be because their next payment is not scheduled to be received for several days, or an indicator of financial stress. The differences across sites are significantly different with Playford noticeably different once again with 56.5 per cent of events taking more than four days to be resolved compared with 45 per cent overall.

Table 3.26: Time between "insufficient balance" and funds transferred into BasicsCard

Time	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
under 2 hours	9.2	10.1	14.5	14.5	9.9	12.3
2 to under 24 hours	10.3	9.4	13.7	10.4	16.4	12.2
1 to under 2 days	18.5	8.6	13.5	12.2	11.6	12.4
2 to under 4 days	15.8	15.4	19.4	19.0	17.7	17.8
4 to under 7 days	14.1	29.9	17.7	21.6	26.3	22.1
7 days or more	32.1	26.6	21.2	22.3	18.1	23.2
	100	100	100	100	100	100
Transactions	184	395	593	385	293	1850

Source: BasicsCard records 1 July 2012 to 29 June 2013. Note: Some "insufficient balance" transactions (139, around seven per cent) are repeated before funds are transferred.

Most customers (69 per cent) who encounter PIN errors only encounter them once or twice, however 13 per cent encounter them between five and 18 times. There is a significant difference across sites, with Shepparton exhibiting a higher proportion of customers (20.8 per cent) encountering five or more PIN error events.

Further information pertaining to reasons for rejected BasicsCard transactions is provided in Appendix A.

3.4 BasicsCard merchants

While PBIM customers can and do use merchants anywhere in Australia most purchases are made locally. Therefore, in order to analyse merchant availability, catchments areas were explored for each PBIM site. Many of the PBIM sites have a number of local communities with some distance between them, particularly Rockhampton and to some extent Shepparton and Logan.

To define catchment areas the dispersion of customers within an LGA, the distance of merchants from the customer centre point for each trial site and the proportion of transactions within the area was taken into account. The customer centre point was based on the location of PBIM customers in the LGA. It was concluded that LGA boundary would serve as the boundaries for each catchment except for Bankstown where an 11.5 kilometre radius from the customer centre point would define the catchment.

Bankstown is different as the LGA is a much smaller area and many transactions take place in the surrounding area. Defining Bankstown's catchment on an 11.5 kilometre radius extends it beyond the LGA boundary however it remains the smallest catchment and brings the proportion of transactions within the catchment to a level similar with the other trial sites. Around ninety percent of BasicsCard transactions take place within a catchment area however the proportion of merchants used by customers that are from within a catchment area varies considerably by site from 32 per cent in Shepparton to 71 per cent in Bankstown and around 45 per cent across the other trial sites.

Table 3.27 lists the number of BasicsCard merchants registered by status as at 31 July 2013 by catchment area.

Table 3.27: Number of BasicsCard merchants as at 31 July 2013.

Status as at 31 July 2013	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rckhmptn Qld	Total BC merchants	All merchants
Activated	317	111	145	290	142	1,005	8,984
Cancelled	0	0	0	0	≤5	≤5	14
Withdrawn	≤5	≤5	≤5	≤5	6	20	289
Pending	70	15	16	24	20	145	3382
Rejected	≤5	≤5	≤5	≤5	0	6	96
Total	392	130	166	320	169	1,177	12,765
Activated	**80.9**	85.4	87.3	**90.6**	84.0	85.4	70.4
Cancelled	0.0	0.0	0.0	0.0	0.6	0.1	0.1
Withdrawn	1.0	2.3	1.8	1.3	3.6	1.7	2.3
Pending	**17.9**	11.5	9.6	**7.5**	11.8	12.3	26.5
Rejected	0.3	0.8	1.2	0.6	0.0	0.5	0.8
Total	100	100	100	100	100	100	100

Source: BasicsCard merchant records as at 31 July 2013

The number of available merchants varies considerably across catchments. Bankstown and Logan have considerably more merchants (over 300) than the other catchments (130 to 170). The status is significantly different across sites, with Bankstown having a lower proportion activated and a higher proportion pending particularly compared to Logan. This difference is explained by Australia Post merchants pending, of which there are more outlets in the Bankstown catchment. Also of note is the

number of merchants who have withdrawn. While it is not a large number of merchants it does represent around two per cent of those available.

The availability of merchants can be further understood by examining the activities the merchants undertake. The range of merchants available by business activity for PBIM catchments varies considerably across sites. Table 3.28 presents the number of merchants available by selected business activities for PBIM and the number of BasicsCard transactions undertaken at each of these merchants as per the available data. Note that the transaction data used in this analysis was to 29 June 2013 and does not include VULN-AT customers. Appendix A lists details for all business activities across all trial sites combined.

Of particular note is that butchers, chemists and clothes stores which are largely independent traders or minor chains are proportionally over represented. The over-representation of minor retailers indicates that effort has been made to bolster locally operated outlets for PBIM. Education outlets, which are mostly schools, are also proportionally over-represented mostly due to Logan, which has a particularly large number of outlets registered. There have however been only a few transactions.

In contrast supermarkets, department stores and petrol stations (major retail chains) account for 27 per cent of registered merchants within PBIM catchments compared with 32 per cent nationally. However, they account for 89.5 per cent of transactions and 73.6 per cent of all merchants used, 69.6 per cent of which are outside PBIM catchment areas. Supermarkets (14.9 per cent of merchants in catchments) account for most of this activity: 64.9 per cent of transactions and 40.8 per cent of all merchants used. Almost all (93 per cent) merchants used outside PBIM catchment areas are supermarkets, department stores and petrol stations.

Table 3.28: BasicsCard merchants by catchment for selected business activities (merchants registered by catchment, number and per cent)

	Bankstown (number)	Bankstown (per cent)	Playford (number)	Playford (per cent)	Shepparton (number)	Shepparton (per cent)	Logan (number)	Logan (per cent)	Rockhampton (number)	Rockhampton (per cent)	Total per cent
Butcher	11	2.8	6	4.7	10	6.1	10	3.1	7	4.1	3.8
Chemist/pharmacy	25	6.4	11	8.5	15	9.1	35	11.0	17	10.1	8.8
Clothes store	49	12.5	23	17.8	35	21.3	34	10.7	30	17.8	14.6
Department store	32	8.2	7	5.4	9	5.5	14	4.4	8	4.7	6.0
Discount store	9	2.3	7	5.4	8	4.9	15	4.7	7	4.1	3.9
Education outlet	1	0.3	4	3.1	9	5.5	51	16.0	2	1.2	5.7
Petrol station	33	8.4	7	5.4	10	6.1	33	10.4	13	7.7	8.2
Second-hand goods	21	5.4	10	7.8	6	3.7	10	3.1	13	7.7	5.1
Shoe store	14	3.6	5	3.9	6	3.7	6	1.9	5	3.0	3.1
Supermarket	60	15.3	25	19.4	16	9.8	53	16.	21	12.4	14.9
Transport	41	10.5	0	0.0	1	0.6	0	0.0	1	0.6	3.7
Other	95	24.3	24	18.6	39	23.7	57	18.0	45	26.6	22.2
Total merchants/ transactions (number)	391	-	129	-	164	-	318	-	169	-	-

Source: BasicsCard merchants as at 31 July 2013. Note: The business activities listed are those where a 'reasonable' number of merchants were used by customers.

Table 3.1: BasicsCard merchants by catchment for selected business activities (transactions, per cent)

	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
Butcher	1.1	1.8	1.2	0.2	0.1	0.9
Chemist/pharmacy	4.4	5.1	3.9	3.1	3.4	3.9
Clothes store	0.8	0.7	0.5	0.4	0.2	0.5
Department store	15.8	13.9	13.4	14.6	10.0	13.3
Discount store	0.3	2.0	3.0	1.4	2.3	2.1
Education outlet	0.0	0.0	0.1	0.1	0.0	0.0
Petrol station	5.5	8.8	13.3	13.5	10.8	11.2
Second-hand goods	0.2	0.7	1.1	0.1	1.2	0.7
Shoe store	0.5	0.3	0.1	0.2	0.1	0.2
Supermarket	64.2	66.1	61.9	64.6	69.0	64.9
Transport	5.8	0.0	0.4	0.0	0.0	0.6
Other	1.4	0.6	1.1	1.8	2.9	1.7
Total merchants/ transactions (number)	2,057	5,895	7,608	5,187	4,810	25,557

Merchants are not available in all business activities in all catchments and there are no registered delicatessens or furniture stores in any of the catchments. Most catchments have registered merchants for around 21 of the 25 activities (see Table 7.20 for the complete list of business activities), although Playford has fewer with merchants in only 17 activities. Table 3.2 highlights those activities where one or more catchments are missing merchants. The most noteworthy of these activities are convenience stores and transport outlets. Where these merchants are available they account for a relatively high proportion of transactions. Transport which mainly relates to rail transport is as a consequence biased towards Bankstown.

Table 3.2: Business activities without merchants (number of merchants)

Business activity	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld
Bakery	Present	**ABSENT**	Present	Present	Present
Bookstore	Present	Present	Present	Present	**ABSENT**
Convenience store	Present	**ABSENT**	Present	Present	Present
Hardware store	Present	**ABSENT**	Present	Present	Present
Medical service	**ABSENT**	**ABSENT**	**ABSENT**	Present	Present
Motor vehicle registry	**ABSENT**	Present	**ABSENT**	**ABSENT**	**ABSENT**
Newsagent	Present	Present	Present	Present	**ABSENT**
Other	**ABSENT**	Present	Present	**ABSENT**	**ABSENT**
Short term accommodation	**ABSENT**	**ABSENT**	Present	Present	Present
Toys	Present	**ABSENT**	Present	Present	Present
Transport	Present	**ABSENT**	Present	**ABSENT**	Present
Total number of activities with merchants registered	20	17	22	21	21

Source: BasicsCard merchant records as at 31 July 2013

Table 3.3 and Table 3.4 present the amount of traffic and revenue BasicsCard merchants receive from PBIM customers respectively. The two metrics are highly related. Overall 60.7 per cent of merchants did not receive a single purchase within the first year of PBIM. In Bankstown where there were more merchants registered, 75 per cent that did not have any purchases, and in Playford with the fewest merchants registered it was 35.4 per cent.

In merchants where there were purchases (mostly supermarkets, department stores and petrol stations), Bankstown was significantly different from the other sites[10]. For sites other than Bankstown: 49 per cent of merchants had less than six purchase transactions per half year and 24 per cent had 26 or more transactions per half year. In terms of revenue: 45 per cent of merchants received less than $20 per 28 days; 36.5 per cent $50 or more per 28 days; and 18.4 per cent $150 or more. In Bankstown the response was much less: 46 per cent of merchants had less than two purchases per half year; 29 per cent six or more per half year; and only eight per cent 26 or more purchases per half year. In revenue: 68 per cent of merchants received less than $20 per 28 days; 17 per cent $50 or more; and seven per cent $150 or more per 28 days.

The mean values of transactions were similar across the sites, with the exception that Bankstown had much lower values. Shepparton had higher mean values due to a few particularly large values and Logan is slightly lower, having fewer (but not significant) merchants in the top intervals.

[10] The current data does not allow for further investigation as to why Bankstown is significantly different. Further consideration as to why Bankstown is different will be undertaken in the next report.

From these figures it is clear that the BasicsCard is not a large revenue or traffic generator for the merchants. Thus any implementation processes and administrative requirements should be kept to a minimum in order to encourage their continued participation in the program. Further, it is considered that currently the number and range of participating merchants including minor retailers is relatively broad.

Table 3.3: Frequency of purchases at BasicsCard merchants

Number of purchase transactions per 6 months	Bankstn	Playfd	Sheppartn	Logn	Rockhamptn	Total	All merchants
Per cent of all merchants in catchment							
no transactions	75.0	35.4	53.0	61.3	53.8	60.7	92.3
Per cent of merchants used							
less than 1	24.5	10.7	14.1	10.5	11.5	14.3	28.8
1 to less than 2	21.4	15.5	14.1	14.5	15.4	16.2	21.4
2 to less than 6	25.5	21.4	23.1	23.4	20.5	22.9	21.9
6 to less than 26	20.4	26.2	21.8	33.9	24.4	26.0	17.8
26 or more	8.2	26.2	26.9	17.7	28.2	20.6	10.1
	100	100	100	100	100	100	100
Merchants used	98	84	78	124	78	462	988
Total merchants	392	130	166	320	169	1177	12765
Mean (if used)	9.8	31.5	45.0	19.6	29.2	25.6	-

Source: BasicsCard data to 29 June2013. Note: There are 462 merchants where purchases were made and 467 merchants with any type of transaction.

Table 3.4: BasicsCard merchant revenue

$ per 28 days	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total	All merchants
no transactions (percent of all merchants in catchments)	75.0	35.4	53.0	61.3	53.8	60.7	92.3
less than $2	18.4	8.3	7.7	8.1	12.8	11.0	21.8
$2 less than $5	22.4	9.5	10.3	10.5	7.7	12.3	18.3
$5 less than $10	14.3	13.1	15.4	11.3	9.0	12.6	13.9
$10 less than $20	13.3	16.7	12.8	14.5	12.8	14.1	14.4
$20 less than $50	14.3	16.7	16.7	20.2	19.2	17.5	12.7
$50 less than $150	10.2	17.9	12.8	22.6	16.7	16.5	10.6
$150 or more	7.1	17.9	24.4	12.9	21.8	16.0	8.4
	100	100	100	100	100	100	100
Merchants used	98	84	78	124	78	462	988
Total merchants	392	130	166	320	169	1,177	12,765
Mean $ (if used)	47	161	203	91	143	122	-

Source: BasicsCard data to 29 June2013.

3.5 Expenditure and housing metrics

The metrics in this section relate to PBIM outcomes. In the main, these metrics will be compared before and after PBIM to estimate PBIM related changes in customer behaviour. In the current report, the secondary data analysis draws on data related to the period before referral to PBIM, and in some cases the initial period of engagement in PBIM measures for customers. In this way it provides primarily a baseline picture of these metrics. The impact of PBIM on these metrics will be explored in subsequent evaluation reports. The metrics examine spending patterns, the use of Centrelink deductions and housing related metrics.

3.5.1 Expenditure metrics

What customers purchase and how they purchase of them are indicators of financial management. Planned rather than impulse purchasing and expenditure on necessities rather than discretionary items would be indicators of positive financial management behaviours. BasicsCard purchases have already been examined in detail, but they do not account for all expenditure and most BasicsCard expenditure is for everyday purchases. Furthermore, most BasicsCard expenditure is at supermarkets and department stores which sell products across many categories.

Table 3.5 lists key indicators for 24 product sectors, which includes supermarkets and department stores. The purchases according to product category can be seen in Table 3.51. The key indicators include:

- Mean $ per week per customer spending: represents the weekly item cost a customer is paying for the product or service.
- Mean per cent of each customer total $: that is the share of each customer's expenditure who purchases from that sector. It is an indicator of the importance of that sector for customers who purchase from it.
- Share of total $ is an indicator of how much expenditure goes to that sector across all customers.
- Penetration is the proportion of customers who spend on that sector.

The data were only for the first year of PBIM and so do not include VULN-AT customers and only 39 VULN-SWA customers, too few for meaningful results. There were a total of 579 PBIM customers over this period, however a number of customers had started PBIM at the end of the period, thus only 546 (94.3 per cent) had any expenditure recorded.

Table 3.5: Expenditure by product sector

Product sector	Mean $ per week per customer spending	Mean per cent of each customer total $	Per cent share of total $	Penetration (Per cent of customers purchasing)
Accommodation expenses	**123.58**	56.8	**38.5**	**65.6**
Chemist/pharmacy	4.57	2.4	0.9	**40.1**
Clothing & footwear	4.42	2.3	0.4	16.8
Council Services	33.10	**19.4**	0.9	5.9
Debt collection & management	14.07	6.4	0.5	7.7
Department store	22.74	9.5	**6.3**	**58.6**
Discount store	3.16	1.4	0.4	24.2

Product sector	Mean $ per week per customer spending	Mean per cent of each customer total $	Per cent share of total $	Penetration (Per cent of customers purchasing)
Education	20.69	7.0	0.7	7.0
Family & community services	17.27	**10.5**	0.7	8.6
Fines	10.52	4.8	0.4	7.7
Fresh food	4.89	2.5	0.4	15.4
Government services	18.92	**10.7**	0.7	7.5
Household goods & equipment	28.66	12.2	2.7	20.0
Household, childcare, personal, pet services	21.72	**12.1**	0.8	7.9
Loans & financial services	**49.19**	**20.6**	3.6	15.2
Medical & health related services	12.89	6.8	0.4	5.9
Other	**68.54**	34.0	**9.7**	29.7
Post offices, newsagents, bookstores, convenience	4.66	3.0	0.1	5.9
Second hand goods	3.41	1.4	0.2	11.0
Supermarket	**49.83**	24.2	**18.8**	**79.5**
Telecommunications	19.88	12.1	2.5	26.4
Transport & motor vehicle expenses	15.44	8.0	3.8	**51.6**
Utilities	24.75	12.4	**6.7**	**57.0**
Total expenditure	210.20	-	100	-

Source: Deductions, Centrepay and BasicsCard data 1 July 2012 to 29 June 2013

Key points to note from the analysis of product expenditure data are:

- The average expenditure per week per customer is $210.
- Accommodation dominates expenditure, accounting for 38.5 per cent of total PBIM expenditure and 56.8 per cent of expenditure for 65.6 per cent of PBIM customers paying accommodation from their income managed funds. This indicates housing as the priority expense for PBIM customers. While not shown in the table, penetration and the expenditure per week have declined slightly over the time since PBIM started.
- Purchases in supermarkets, department stores and from utility companies account for another 32 per cent of total expenditure and also have relatively high penetration (80 per cent to 57 per cent) another positive indicator for spending priorities.
- There are a number of sectors with low expenditure across all PBIM customers but for those who spend in these areas they are reasonably important. They are services and are bolded under the 'Mean per cent of each customer total $' column in the table.
- Loans and financial services and debt management are sectors of particular note with moderate penetration and relatively high proportion of customer expenditure.

Another footnote is that while the small number of VULN-SWA customers in this period has limited any measure specific insights, a few indicative differences can be noted:

- VULN-SWA customers spending on accommodation have a lower average expenditure than VIM customers ($96 verses $125 per week).
- VULN-SWA customers have higher customer expenditure and penetration at supermarkets and department stores than VIM customers: expenditure ($58 versus $49 for supermarkets and $34 verses $22 for department stores); penetration (89 per cent versus 79 per cent for supermarkets, and 69 per cent versus 58 per cent for department stores).

- VULN-SWA customers have a higher penetration of expenditure on household goods than VIM (36 per cent verses 19 per cent).
- VULN-SWA customers have lower customer expenditure on 'other' than VIM ($44 verses $71).

These early indicators suggest generally positive expenditure patterns for VULN-SWA customers.

A large proportion of PBIM expenditure is at supermarkets and department stores. To gain some insight as to how this expenditure relates to specific product categories a sample of retailer based data was obtained.

Expenditure in supermarkets and department stores is quite different. Supermarket expenditure is mostly food and snacks, drinks and confectionery. Eighty to ninety percent of BasicsCard customers purchase from these categories. In department stores most expenditure is on clothes, household furnishing and equipment and to a lesser extent recreation equipment, toys, DVDs, music et cetera. More than 75 per cent of BasicsCard customers using department stores purchase clothes.

Overall the spending priority on food and clothes and furnishing is very positive. Over time, less expenditure on snacks, confectionery and prepared foods and movement towards fresh food would be a positive. Table 3.6 presents a detailed breakdown by category for supermarkets and department stores combined in terms of share of expenditure which has been ranked in terms of importance.

Table 3.6: Expenditure in supermarkets and department stores, 1 July 2012 - 29 June 2013

Product category	Rank	Per cent expenditure
Baby products	15	3.2
Books & stationery	19	0.7
Bakery products	18	2.1
Biscuits, snacks & drinks	1	13.0
Confectionery & ice cream	9	5.0
Canned & packaged food	14	3.8
Prepared & frozen meals	16	2.6
Cooking ingredients	13	3.9
Dairy products	10	4.4
Fruit & vegetables	5	7.8
Meat, fish, poultry, eggs	4	7.8
Cleaning products & equipment	2	9.5
Clothing & footwear	8	5.5
Personal care products	11	4.0
Pet products	14	3.8
Household furnishings & equipment (including outdoor)	17	2.2
Toys, hobbies, magazines, entertainment etc	15	3.2
Telecommunications	9	5.0
Other	6	6.2

Source: Selected supermarkets and department stores and BasicsCard data

Table 3.7 provides some insight as to how PBIM customers pay their expenses. It records the method of how PBIM customer expenses are paid: by BasicsCard or not BasicsCard (for example, department credit card, manual payment, direct debit) and whether it is a regular payment (weekly, two weekly or four weekly) or a 'one off' irregular payment. BasicsCard payments refer to transfers into customers' BasicsCards.

Table 3.7 reports the same key indicators as for Table 3.5 and two additional metrics: (1) the share of transactions and (2) the change in each metric (growth) over time since customers' commenced PBIM. It shows the importance of non-BasicsCard transactions in managing PBIM: 66 per cent of transactions and 68 per cent of expenditure do not use the BasicsCard. This is in keeping with accommodation, which is a non-BasicsCard expense, being the dominant expenditure sector. BasicsCard penetration is high (83 per cent) but almost every customer has had involvement with non-PBIM payments. However non-BasicsCard payments are skewed towards one-off payments rather than regular payments across penetration, transactions and expenditure. BasicsCard payments are more balanced between regular and irregular transfers.

BasicsCard use has been growing across time. The higher growth in irregular BasicsCard penetration and share of transactions may indicate customers trying the BasicsCard or feeling more comfortable topping it up given that regular transfers are also growing and the size of regular transfers are growing. Non-BasicsCard growth is not consistent. Proportions or shares are zero-sum calculations so if BasicsCard shares are growing the non-BasicsCard share must decline. Some metrics are showing growth for non-BasicsCard regular expenditure. This is a positive sign at this early stage which needs to continue across a longer time period for larger customer base to be a decisive indicator of improved financial management.

Table 3.7: Expenditure by payment type, 1 July 2012 to 29 June 2013

	Penetration	Share of transactions	Share of total $	Mean $ per week per customer spending	Mean per cent of each customer total $
BasicCard regular	60.1	16.5	12.7	61.91	25.5
BasicCard irregular	74.8	17.4	19.5	87.45	38.9
Non-BasicCard regular	55.3	18.4	18.6	95.78	52.4
Non-BasicCard irregular	95.2	47.7	49.1	151.54	46.7
Total regular	81.3	34.9	31.4	107.56	54.3
Total irregular	98.4	65.1	68.6	196.45	66.2
Total BasicCard	83.2	33.9	32.3	112.55	50.3
Total Non-BasicCard	96.7	66.1	67.7	196.75	69.9

Source: PBIM customer data 1July2012 to 29 June2013
Note: Growth is growth per week where growth was statistically significant

3.5.2 Urgent payments and Centrelink deductions

This section considers metrics from the Centrelink payments and deductions systems. As such it enables comparison across PBIM measures.

Table 3.8 lists the proportion of PBIM customers who received one or more urgent payments in the 26 weeks before the start of PBIM. These values will need to be compared to post-PBIM results to understand whether PBIM has resulted in greater financial stability for customers. The table indicates that VULN-SWA customers had a significantly higher rate of receipt of urgent payments. VULN-AT customers have a lower rate of urgent payments, which is significantly different to VULN-SWA and comparison groups, but not different to VIM. VIM customers use of urgent payments is not significantly different from the two non-PBIM populations, i.e. customers in the comparison sites and customers not on PBIM in the trial sites.

Table 3.8: Customers using urgent payments, in the 26 weeks before PBIM by measure

Measure	Total customers	Number of customers using urgent payments	Per cent urgent payments
VIM	724	17	2.3
VULN-SWA	74	9	12.2
VULN-AT	1,403	19	1.4
All PBIM	2,207	45	2.0
Not on PBIM (wgtd)	227,266	6,940	3.1
Comparison sites (wgtd)	138,823	3,044	2.2

Source: Population with DHS data prior to 30 June 2013.

Table 3.9 lists the use of Centrepay and Rent Deduction Scheme to the start of PBIM, in terms of: (1) the proportion of customers using / not using deductions; (2) the proportion of customer's income support payments paid as a deduction; and (3) the frequency with which customers used deductions.

The use of Centrepay and Rent Deduction Scheme by VIM and VULN-SWA customers are not significantly different, however the results for VULN-AT customers are very different. VIM results are significantly different from the two non-PBIM populations, however they are not significantly different to the VULN-SWA population. The story across the metrics is generally consistent.

VIM and VULN-SWA customers have a high rate of using deductions (over 70 per cent) while VULN-AT customers do not (77 per cent do not use deductions). The non-PBIM populations have a usage rate of 30 per cent to 34 per cent. Customers who use deductions use them consistently. Over 70 per cent use deductions 90 per cent or more of the time. This is only slightly more than the non-PBIM populations. In contrast, 47 per cent of VULN-AT customers who use deductions use them 90 per cent or more of the time, and deductions only account for a mean of 9.7 per cent of their income support payments compared with over 14 per cent for the other populations.

Table 3.9: Use of Centrelink deductions, 26 weeks before PBIM

	All PBIM	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)	Comparison sites (wgtd)
Customers NOT using deductions	59.7	30.2	27.0	76.8	66.0	70.5
Deduction $ (as a percentage of ISP$)						
under 5 per cent	32.7	25.5	24.1	45.5	36.4	34.1
5 per cent to under 10 per cent	20.0	14.9	25.9	27.4	16.8	15.5
10 per cent to under 20 per cent	15.7	17.4	16.7	12.6	16.3	14.2
20 per cent to under 30 per cent	13.9	17.2	18.5	7.7	16.7	18.7
30 per cent to under 40 per cent	10.8	15.2	11.1	4.0	7.4	9.2
40 per cent or more	6.7	9.7	3.7	2.8	6.4	8.3
	100	100	100	100	100	100
Mean per cent deduction$	16.2	18.1	14.7	9.7	14.3	15.7
Deduction weeks (per cent of payment weeks)						
under 25 per cent	7.5	5.7	7.4	10.5	7.8	7.5
25 per cent to under 50 per cent	11.8	7.7	3.7	19.7	9.2	8.3
50 per cent to under 90 per cent	16.3	11.9	18.5	23.1	15.9	13.6

	All PBIM	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)	Comparison sites (wgtd)
90 per cent or more	64.3	74.7	70.4	46.8	67.1	70.6
	100	100	100	100	100	100
Mean per cent of weeks	80.7	85.7	85.9	71.9	82.9	84.3
customers using deductions	889	505	54	325	77,276	40,943
Total customers	2,207	724	74	1403	227,266	138,823

Source: Population with DHS data prior to 30 June 2013 who had deductions 1 January 2012 to 30 June 2012

3.5.3 Housing metrics

Table 3.10 reports the proportion of people renting who have rent payments deducted from their income support payments (ISP) in the period before PBIM started. The proportion of renters using the Rent Deductions Scheme has similarities with customers using deductions in general. There is no significant difference between the proportion of VIM and VULN-SWA customers (55 per cent to 60 per cent use Rent Deductions Scheme services),while only 11 per cent of VULN-AT renters use the Rent Deductions Scheme which is significantly different from the other groups. The non-PBIM populations are in the middle of these two groups - 30 per cent of those not on PBIM in the trial sites and 25 per cent of those in the comparison sites use the Rent Deductions Scheme.

The regularity with which customers using Rent Deductions Scheme services prior to PBIM is different. A higher proportion of VIM customers (68 per cent) used them more than 90 per cent of the time, compared to VULN-SWA and VULN-AT customers whose frequency of use is not significantly different (44 per cent used more than 90 per cent of the time and 30 per cent less than 50 per cent of the time). The proportion of VIM customers is not significantly different from customers in trial sites not on PBIM. Customers in comparison sites who use Rent Deductions Scheme services have a higher frequency of use.

Table 3.10 Proportion of customers paying rent who had rent payments deducted from their income support payments as part of the Rent Deductions Scheme, 26 weeks before PBIM

Fortnightly payments	All PBIM	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)	Comparison sites (wgtd)
Per cent of all customers renting						
No rent deducted	70.7	46.1	40.0	**89.3**	70.5	75.1
Per cent of customers with Rent Deductions Scheme						
1 per cent to 50 per cent	21.4	17.2	30.8	32.7	14.8	11.1
51 per cent to 90 per cent	18.0	15.4	25.6	23.8	13.3	12.0
91 per cent to 100 per cent	60.6	**67.5**	43.6	43.6	71.9	76.9
	100	100	100	100	100	100
Persons part of Rent Deductions Scheme	477	332	39	101	41,854	18,813
Persons renting	1,627	616	65	941	141,857	75,675
Mean per cent (if deductions)	80.4	83.1	70.8	74.7	88.8	90.6

Source: Population with DHS data prior to 30 June 2013, renting anytime 1 January 2012 to 30 June 2012.

Address data have been used to provide a measure of 'homelessness'. Customers with no fixed address or in temporary accommodation (shelters, refuges, motels) or where the address is unknown have been classified as homeless across time.

Table 3.11 lists the proportion of customers homeless at any time in the 26 weeks prior to PBIM, by PBIM site. The actual number of customers is quite small but measureable. The difference in the proportion of homelessness between PBIM customers and non-PBIM customers is significantly different in the Bankstown and Rockhampton sites. The difference between PBIM customers and customers not on PBIM across all trial sites (2.3 per cent v 1.5 per cent) is also significantly different.

Table 3.11: PBIM customers homeless in the 26 weeks before PBIM by site

	PBIM Total	PBIM homeless	Non-PBIM Total	Non-PBIM homeless	Per cent on PBIM homeless	Per cent Not on PBIM homeless	Difference
Bankstown NSW	179	8	35,457	235	4.5	0.7	3.8
Playford SA	468	6	45,135	740	1.3	1.6	-0.4
Greater Shepparton Vic	383	10	20,547	441	2.6	2.1	0.5
Logan Qld	785	12	94,157	1,311	1.5	1.4	0.1
Rockhampton Qld	392	14	31,969	568	3.6	1.8	1.8
All PBIM customers	2,207	50	227,266	3,295	2.3	1.5	0.8

Source: Population with DHS data prior to 30 June 2013.

The differences are more obvious by PBIM measure. The homeless rate is significantly different across PBIM measure. The 6.8 per cent of VULN-SWA customers who had been homeless prior to PBIM is significantly different from the 1.5 per cent of customers in trial sites 'not on PBIM', and 4.7 per cent more than any of the other PBIM measures.

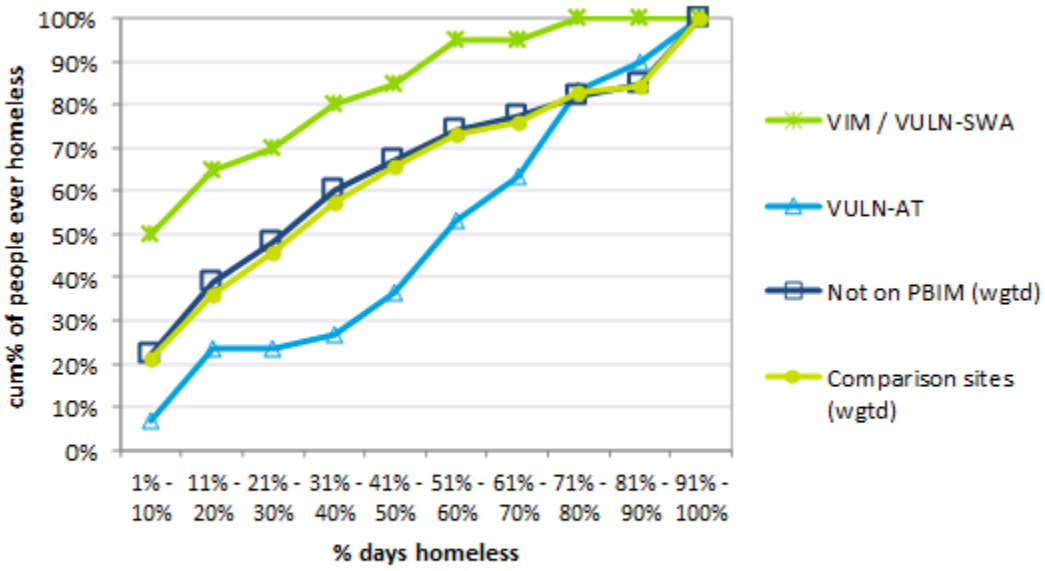
Table 3.12: PBIM customers homeless in the 26 weeks before PBIM by measure

Measure	Total customers	Homeless customers	Per cent homeless
VIM	724	15	2.0
VULN-SWA	74	5	6.8
VULN-AT	1,403	30	2.1
All PBIM	2,207	50	2.3
Not on PBIM (wgtd)	227,266	3,295	1.5

Source: Population with DHS data prior to 30 June 2013. Note: The 'All PBIM' group includes six CPIM customers.

Chart 3.8 graphs the cumulative distribution of the proportion of time customers who were homeless, in the 26 week period prior to being placed on PBIM. VIM and VULN-SWA customers have been combined as the number of customers who are homeless is quite small and these two measures had a very similar distribution. The distributions of VIM/VULN-SWA and VULN-AT customers are significantly different. For VIM/VULN-SWA homeless customers, 50 per cent were homeless for less than 10 per cent of the time and only five per cent for more than 60 per cent of the time. In contrast, for VULN-AT homeless customers 27 per cent were homeless for less than 40 per cent of the time and 47 per cent for more than 60 per cent of the time.

Chart 3.8: Proportion of time homeless, 26 weeks before PBIM



Source: Populations with DHS data prior to 30 June 2013 and with no fixed address or in temporary accomodation, 1 January 2012 to 30 June 2012.

Table 3.13: Proportion of time homeless, 26 weeks before PBIM (per cent)

All PBIM customers	VIM / VULN-SWA	VULN-AT	Not on PBIM (wgtd)	Comparison sites (wgtd)
24.0	50.0	6.7	22.3	21.1
40.0	65.0	23.3	38.8	36.0
42.0	70.0	23.3	48.0	46.0
48.0	80.0	26.7	60.0	57.4
56.0	85.0	36.7	67.4	65.6
70.0	95.0	53.3	74.1	73.3
76.0	95.0	63.3	77.2	76.0
90.0	100.0	83.3	82.0	82.8
94.0	100.0	90.0	84.7	84.4
100.0	100.0	100.0	100.0	100.0

While a larger proportion of VULN-SWA customers experienced homelessness, of those who become homeless VULN-AT experience it more protractedly. It is also worth noting that VULN-AT customers have a higher mobility rate and higher proportion of customers boarding or renting for free.

4 Longitudinal survey of customers

There were two target populations for the longitudinal survey:

- PBIM customers who lived in one of the five trial sites and had commenced PBIM within the preceding three weeks.
- Comparison site customers who were matched to trial site customers on the basis of location, payment type, and other key demographic variables.

As noted in section 1.2.2, the PBIM trial comprises three measures – VIM, VULN and CPIM. Further to this, there are two types of VULN customers, those on VULN-SWA and those on VULN-AT, and the differences between these measures are outlined in section 1.2.2.3. It should be noted that none of the six CPIM customers have been recruited to the longitudinal customer survey, and so the findings from the survey will centre on the VIM and VULN customers only. The process for re-contacting customers is outlined in section 2.2.1.

The findings of the longitudinal survey in this report examine the initial short term outcomes for PBIM customers, following up customers up to six months after referral to the PBIM measures. A final survey wave will examine medium term outcomes, following up customers 12 to 18 months after their referral to PBIM, and this will be reported in subsequent evaluation reports.

4.1 Wave one - key summary statistics

Table 4.1 displays the breakdown of participants in the longitudinal survey by trial (split by VIM and VULN customers) and comparison sites. The survey sample comprises a fairly even split of VIM and VULN customers (208 VIM and 250 VULN customers).

Table 4.1: Survey participants by trial[(a)] and comparison sites, wave one

Site	Trial - VIM	Trial - VULN	Comparison	Total across sites
Bankstown	21	13	-	34
Shepparton	71	17	-	88
Logan City	47	88	-	135
Playford	43	92	-	135
Rockhampton	26	40	-	66
Burnie	-	-	93	93
Canterbury	-	-	82	82
Hume	-	-	140	140
Shellharbour	-	-	64	64
Wyong Shire	-	-	78	78
Total	208	250	457	915

(a) Note that in this table, trial participants are split by PBIM measure (VIM or VULN). No customers on the CPIM measure participated in the baseline or the wave one longitudinal survey.

Table 4.2 displays the number of survey participants in each of the VULN customer categories. It should be noted that similar to the baseline survey participants, VULN customers in the wave one

survey were predominantly referred to PBIM by virtue of receiving welfare payments under the UTLAH rate of payment arrangements, i.e. they were VULN-AT customers rather than VULN-SWA customers. This should be considered when interpreting data.

Table 4.2: VULN customer categories, baseline and wave one[(a)]

Welfare payment type	Number of interviews completed at baseline	Number of interviews completed at wave one	Response rate (retention from baseline) (per cent)
VULN-AT - Unreasonable to live at home rate of payment (UTLAH)	482	243	50.4
VULN-AT - Crisis Payment (CRP)	13	≤5	na
VULN-SWA (post 1 July 2013)	≤5	≤5	na
VULN-SWA (pre 1 July 2013)	≤5	≤5	na
Total VULN sample	504	250	49.6

(a) Where the number of participants is ≤ 5, the number has been supressed to preserve confidentiality.

4.1.2 Response rates

For the purpose of this report, 'response rate' is defined as completed interviews as a proportion of the 'in-scope contacts' that could be interviewed within the survey period. Table 4.3 provides a summary of call outcomes for customers that were unable to be contacted. The most often reported reason for no contact with customers was that interviewers were required to leave a message on customers' answering machines, but their calls were never returned.

Table 4.3: Number of calls which resulted in no contact with customer

Reason for no contact	Trial sites	Comparison sites
Number disconnected	53	15
Incoming call restriction	≤5	≤5
Fax machine / modem	≤5	≤5
Not a residential number	≤5	≤5
Answering machine	127	54
No answer	54	21
Engaged	≤5	≤5

Table 4.4 provides more information on the number of out of scope contacts. The most common reason for customers to be recorded as out of scope was that they were going to away for the duration of the survey fielding period so were unavailable to complete the interview.

Table 4.4: Number of out of scope call outcomes, by measure

Out of scope reason	Comparison	VIM	VULN-AT	VULN-SWA
Person named as contact was not known to call receiver	≤5	≤5	≤5	≤5
Contact was unable to do survey due to their condition or language	≤5	≤5	≤5	≤5

Out of scope reason	Comparison	VIM	VULN-AT	VULN-SWA
Selected respondent was going to be away for the duration of the survey fielding period	12	7	17	≤5
Contact had previously opted out of survey	≤5	≤5	≤5	≤5
Contact claimed to have already completed the survey	≤5	≤5	≤5	≤5

The response rate for wave one of the survey was 67.6 per cent overall, with a higher response rate in the comparison group (75.5 per cent) compared to the trial group (61.2 per cent). This response rate is somewhat lower than what was achieved for the baseline fieldwork period, which was 80.2 per cent, however it remains a relatively strong response rate for a follow up survey.

Table 4.5 displays the number of completed interviews and response rates across the trial and comparison sites. The highest response rates amongst the trial sites was in Shepparton, which had a 74.5 per cent response rate, and the lowest rate was in Rockhampton with a response rate of 52.8 per cent. Across the comparison sites, the highest response rate was in Wyong Shire, with a response rate of 81.3 per cent, and the lowest response was in Shellharbour with 70.0 per cent.

Table 4.5: Number of interviews and response rates by site

Sites	Interviews completed at wave one	Response rate (per cent)
Bankstown	34	64.2
Shepparton	88	74.5
Logan City	135	53.1
Playford	135	64.9
Rockhampton	66	52.8
Total trial sites	***458***	***61.2***
Burnie	93	78.8
Canterbury	82	74.5
Hume	140	74.1
Shellharbour	64	70.0
Wyong Shire	78	81.3
Total comparison sites	***457***	***75.5***
Total across sites	**915**	**67.6**

4.2 Customer understanding and perceptions of PBIM

In the wave one survey, VIM customers were asked how well they understood what PBIM involved when signing up to the measure. Almost two thirds of the VIM customers (63.5 per cent) understood what was involved, while 30.8 per cent understood to some degree what was involved. Only 5.8 per cent reported they did not understand what was involved. The VIM customers who reported they did not understand were also asked what the main things were that they didn't understand about PBIM when signing up. Verbatim responses were coded, and the most often reported responses was that customers did not understand 'where they could use the BasicsCard or how restrictive it is' (25.0 per cent), followed by 'how the money would be split, or where it goes' (19.7 per cent).

PBIM customers were asked whether they were still on a PBIM measure. Table 4.6 shows that a greater proportion of VIM customers were still on PBIM compared with VULN customers (74.9 per

cent VIM, 65.1 per cent VULN, p<0.025). When interpreting this data it should be noted that customers on VIM can chose to cease placement on PBIM after 13 weeks, while customers can be placed on VULN for up to 12 months.

Table 4.6: Customers still on PBIM, by measure (per cent)

Response	VIM	VULN	Total
Yes	74.9	65.1	69.5
No	25.1	34.9	30.5
Total	100.0	100.0	100.0

VULN customers who were taken off PBIM were also asked whether they knew why they had been taken off PBIM. Of these 87 VULN customers, 86 (98.9 per cent) reported that they knew why they had been taken off PBIM. The VULN customers who knew why they had been taken off PBIM were then for main reason for why they were taken off PBIM. VIM customers who had opted to leave were also asked the main reason, or their decision, to be taken off. Verbatim responses from these participations were coded into the following categories based on common themes:

- Became employed/ earn to much
- Requested to be taken off
- Moved in with parents
- Was no longer receiving Centrelink payments
- Needed access to money/ wanted to manage own money
- Now independent/ turned 22 years of age
- Income management had been mismanaged
- Basics card/ PBIM too restrictive
- Other - no longer eligible
- Other
- Don't know

Table 4.7 presents the most common responses across both PBIM measures. VIM customers most commonly reported that they decided to come off PBIM because they needed access to money or they wanted to manage their own money (53.8 per cent), followed by they requested to be taken off (28.8 per cent). VULN customers who were no longer on VULN most commonly reported that the reason that they had been taken off was because they had requested to be taken off (31.4 per cent), and because they became employed or began to earn too much (30.2 per cent).

Table 4.7: Most common reasons for ending PBIM, by measure (per cent)

Response	VIM	VULN	Total
I requested to be taken off	28.8	31.4	30.4
Needed access to money/ wanted to manage own money	53.8	8.1	25.4
Became employed/ earn to much	5.8	30.2	21.0
Other - no longer eligible	7.7	18.6	14.5

Response	VIM	VULN	Total
Was no longer receiving Centrelink payments	3.8	16.3	11.6
Basics card/ PBIM is restrictive	23.1	4.7	11.6

VIM customers who reported they were still on PBIM were asked what the main reasons were for them to stay on PBIM. Verbatim customer responses where coded, and the most often reported response category was that 'bill payments/debts are made on time (63.6 per cent), followed by 'less worry and stress, or it easier' (31.8 per cent).

VIM customers were also asked specifically how important the VIM incentive payment was on their decision to stay on PBIM. More than half (53.8 per cent) of the VIM customers reported that the VIM incentive payment influenced their decision to stay on PBIM a lot, while 26.2 per cent reported that it influenced their decision a little. A further 20.0 per cent stated that is did not influence their decision at all.

Responses to the longitudinal survey show that only three per cent (eight of 250) of VULN customers had accessed the MSP by the time of their wave one interview.

VIM and VULN customers were asked what they had done with their VIM incentive payment and MSP respectively. Customers were read the following statements and asked to select any or all that applied:

- Put it towards a large purchase, such as a car or washing machine
- Put it towards savings or a deposit
- Put it towards a holiday
- Put it towards rent or bond, or
- Did something else
- Didn't do anything specific

Verbatim responses to 'did something else' were coded and categorised.

VIM customers most often reported that they used their incentive payment to 'stock up on food' (38.8 per cent of responses) or 'pay bills or registration' (also, 38.8 per cent of responses). VULN customers were most likely to use their MSP towards purchasing a large item such as a car or washing machine (50.0 per cent).

4.3 Customer perceptions of impact of PBIM

Customers were asked whether PBIM had any of the following impacts on their lives (the following responses were read out to participants):

- Improved your ability to manage money
- Ensured that your rent and bills were paid on time
- Ensured that you could pay for things your kids need
- Helped you save money
- No specific impact
- Don't know.

Customers were able to select multiple responses and were also asked to provide their own verbatim response if the list did not include an impact they wanted to suggest. The verbatim responses were coded according to most common themes into the following categories:

- Less worry/ stress
- General lifestyle improvement (including health)
- More spending money (including for food/ basic items)
- Positive restricted spending/ has helped curb unnecessary expenses
- Negative response/ negative impact.

Table 4.8 displays the top five most often selected responses across both PBIM measures. VULN customers were more likely than VIM customers to offer a verbatim response that was categorised as a negative impact (30.8 per cent VULN, 8.2 per cent VIM, p<0.001).

Table 4.8: Top five selected responses to the impacts of PBIM, by measure[(a)] (per cent)

Response	VIM	VULN	Total
Ensured that your rent and bills were paid on time	88.5	55.6	70.5
Improved your ability to manage money	71.6	40.4	54.6
Helped you save money	53.8	31.6	41.7
Negative response/ negative impact	8.2	30.8	20.5
Ensured that you could pay for things your kids need	31.3	2.4	15.5

(a) Note that survey participants were able to select multiple responses.

PBIM customers were asked in the wave one survey whether they thought PBIM had changed the way they lived. Table 4.9 shows that the majority (72.5 per cent) of all PBIM participants believed that PBIM had changed the way they lived either a lot or a little. VULN customers were more likely than VIM customers to report that PBIM had changed the way they lived a lot (47.5 per cent VIM, 20.2 per cent VULN, p<0.001).

Table 4.9: Customer perception of whether PBIM had changed the way they lived, by measure (per cent)

Response	VIM	VULN	Total
Changed the way you live a lot	47.5	20.2	32.6
Changed the way you live a little	34.8	44.1	39.9
Not changed the way you live at all	17.6	35.6	27.5
Total	100.0	100.0	100.0

Table 4.10 shows responses to the same question but separated by whether customers were still on PBIM. Customers who were no longer on PBIM were more likely than those who were still on PBIM to report that PBIM had not changed the way they lived (39.9 per cent no longer on PBIM, 21.9 per cent still on PBIM, p<0.001).

Table 4.10: Customer perception of whether PBIM had changed the way they lived, by PBIM status (per cent)

Response	Still on PBIM	No longer on PBIM	Total
Changed the way you live a lot	38.6	19.6	32.6
Changed the way you live a little	39.5	40.6	39.9
Not changed the way you live at all	21.9	39.9	27.5
Total	100.0	100.0	100.0

Customers who reported that PBIM had changed the way they lived (either a little or a lot) were also asked to describe the main ways in which they believed PBIM had changed the way they lived. The verbatim responses to this question were then coded according to most common themes into the following categories:

- Less worry/ stress
- Bills/ payments/ debts are made on time
- Saving money
- Better budgeting/ awareness of spending
- More spending money (including for food/ basic items)
- Positive restricted spending/ has helped curb unnecessary expenses
- Negative restricted spending/ I can't pay for some things now
- General lifestyle improvement (including health)
- More stress/ income management has been mismanaged
- Other
- Don't know.

Table 4.11 presents the top five most often selected responses across both PBIM measures. VIM customers most commonly reported that PBIM had meant that their bills/payments/debts were now paid on time (46.4 per cent), while for VULN customers most commonly reported that PBIM had negatively restricted their spending (35.2 per cent). VULN customers were significantly more likely than VIM customers to report that PBIM had negatively restricted their spending, or that PBIM had meant that they can’t pay for some things (35.2 per cent VULN, 3.6 per cent VIM, $p<0.001$).

Table 4.11: Top five most often reported responses regarding the main way PBIM has changed the way customers live, by measure (per cent)

Response	VIM	VULN	Total
Bills/ payments/ debts are made on time	46.4	20.1	33.6
Less worry/ stress/ saving money	33.9	17.0	25.7
Negative restricted spending/ I can't pay for some things now	3.6	35.2	19.0
Better budgeting/ awareness of spending	20.8	14.5	17.7

Response	VIM	VULN	Total
More spending money (incl. for food/ basics)	18.5	10.1	14.4

Customers were asked whether they had been referred to, or sought assistance from any services. This following list of services was read to participants who were then able to select multiple responses:

- Financial counselling
- Money management courses
- Communities for children services
- Case Coordination (Centrelink)
- Family support services
- Language, Literacy and Numeracy Program
- Adult Migrant Education Program
- Work for the Dole
- Voluntary Work
- Green Corps
- Other education and training
- Did not receive any of these services.

Table 4.12 shows that almost three-quarters (72.0 per cent) of VULN participants and just over half (58.2 per cent) of VIM participants reported not receiving any of the listed services. For VIM customers financial counselling and money management courses were the most commonly cited services they had received, cited by 24.5 per cent and 11.5 per cent of participants respectively. VIM customers were significantly more likely than VULN customers to report being referred to, or seeking assistance from, financial counselling services (24.5 per cent VIM, 5.2 VULN, $p<0.001$).

Table 4.12: Services customers most often reported being referred to, or seeking assistance from, by measure (per cent)[(a)]

Response	VIM	VULN	Total
Did not receive any of these services	58.2	72.0	65.7
Financial counselling services	24.5	5.2	14.0
Money management courses	11.5	9.6	10.5
Other education or training	4.3	7.6	6.1
Case Coordination at Centrelink	9.1	3.2	5.9
Family support services	10.6	0.4	5.0
Voluntary Work	4.8	5.2	5.0
Work for the Dole	0.0	6.4	3.5
'Communities for children' services	5.3	0.0	2.4
Language, Literacy and Numeracy Program	1.9	2.4	2.2
Adult Migrant Education Program	0.5	0.0	0.2
Green Corps	0.5	0.0	0.2

(a) Note that cases do not sum to 100 per cent as survey respondents were able to nominate more than one answer.

Customers who reported being referred to or seeking assistance from a service were also asked how helpful they found that service. Of the 23 customers who reported accessing family support services,

14 (60.9 per cent) suggested that they found the service very helpful, 30.4 per cent reported somewhat helpful, and a further 4.3 per cent reported not helpful.

Table 4.13: Customer responses to how helpful assistance reported being referred to, or seeking assistance from, by measure (per cent)

Response	Very helpful	Somewhat helpful	Not helpful	Don't know
Family support services	60.9	30.4	4.3	4.3
Money management courses	45.8	37.5	8.3	8.3
Financial counselling services	54.7	23.4	12.5	9.4
Communities for children' services	45.5	18.2	27.3	9.1
Case Coordination at Centrelink	51.9	33.3	11.1	3.7
Language, Literacy and Numeracy Program	50.0	30.0	20.0	-
Adult Migrant Education Program	-	100.0	-	-
Work for the Dole	12.5	37.5	43.8	6.3
Green Corps	100.0	-	-	-
Voluntary Work	47.8	30.4	13.0	8.7
Other education or training programs (SPECIFY)	45.8	37.5	8.3	8.3
Did not receive any of these services	54.7	23.4	12.5	9.4

4.3.2 BasicsCard

In the wave one survey customers were asked whether they had a BasicsCard that they used regularly. Table 4.14 shows that VIM customers were somewhat more likely than VULN customers to report having a BasicsCard that they used regularly (64.7 per cent VIM, 50.8 per cent VULN, $p<0.050$). Customers were also asked whether they had found it difficult to use the BasicsCard and the responses are shown in Table 4.15. The overwhelming majority of VIM customers (83.3 per cent) reported that the BasicsCard was somewhat or very easy to use, while approximately three-quarters (74.4 per cent) of VULN customers reported that the BasicsCard was somewhat or very easy to use. VIM customers were more likely than VULN customers to report that they found the BasicsCard very easy to use (64.1 per cent VIM, 49.4 per cent VULN, $p<0.050$) (Table 4.15).

Table 4.14: Do customers have a BasicsCard that they use regularly, by measure (per cent)

Response	VIM	VULN	Total
Yes	64.7	50.8	57.1
Have a card but don't use regularly	11.1	15.2	13.3
Have a card but have NEVER used	1.9	2.4	2.2
No, don't have a card	22.2	31.6	27.4

Table 4.15: Customer reported ease or difficulty using the BasicsCard, by measure (per cent)

Response	VIM	VULN	Total
Very easy	64.1	49.4	56.6

Response	VIM	VULN	Total
Somewhat easy	19.2	25.0	22.2
Neither easy nor difficult	5.1	7.3	6.3
Somewhat difficult	10.3	12.2	11.3
Very difficult	1.3	6.1	3.8

Customers who responded that using the BasicsCard was either somewhat difficult or very difficult were then asked what the main 'difficult things' about using the BasicsCard were. Multiple selections were permitted. Table 4.16 shows that the most often selected responses were 'merchants aren't aware of the card or don't have facilities for it' (54.2 per cent) and the card is 'restrictive or only expensive stores accept it' (35.4 per cent). Statistical testing between the different PBIM measures did not yield any statistically significant responses in part due to the small sample of responses to this question, however VIM customers were more likely than VULN customers to select that 'merchants aren't aware of the card or don't have facilities for it'. VULN customers were more likely than VIM customers to select the card is 'restrictive or only expensive stores accept it'.

Table 4.16: Customer report of the main things difficult about using the BasicsCard, by measure, (per cent)

Response	VIM	VULN	Total
Merchants aren't aware of the card or don't have facilities for it	66.7	46.7	54.2
Restrictive/ only expensive stores accept it	22.2	43.3	35.4
Hard to know the remaining balance on the card/ there are not enough kiosks	5.6	3.3	4.2
Don't know where to use it	5.6	3.3	4.2
Don't understand how to use it	0.0	3.3	2.1

Customers were also asked whether there were any goods or services that they would like to purchase using their BasicsCard, but can't. Table 4.17 shows that responses were similar across both PBIM measures, with 58.4 per cent of VIM customers and 51.8 per cent of VULN customers reporting that there were things they wanted to buy using the BasicsCard but couldn't .

Table 4.17: Response to whether there were any goods or service that customers would like to buy using the BasicsCard but are unable to, by measure (per cent)

Response	VIM	VULN	Total
Yes	58.4	51.8	55.0
No	41.6	48.2	45.0

Customers who responded that they were unable to purchase things with their BasicsCard were then asked where they normally purchased good or services from that they were now unable to use their BasicsCard. Customer's verbatim response were coded into common merchant categories. Table 4.18 presents the top five most often reported merchants which customers reported not being able to use their BasicsCard with. VIM customers were more likely than VULN customers to report that they normally shopped at supermarkets not approved for the BasicsCard and could not purchase items there with their BasicsCard (23.4 per cent VIM, 6.9 per cent VULN, $p<0.005$).

Table 4.18: Retailers where customers normally purchase goods and service but cannot use their BasicsCard to make purchases, by measure (per cent)

Response	VIM	VULN	Total
Other (not classified)	31.9	44.8	38.1
Other clothing/ shoe stores	12.8	19.5	16.0
Supermarkets not approved for the BasicsCard	23.4	6.9	15.5
Petrol stations	9.6	18.4	13.8
Discount department stores	18.1	5.7	12.2

Customers were asked to report to what extent they agreed with a series of statements in relation to the BasicsCard. In response to the statement 'the BasicsCard is accepted at the majority of places I shop', the overwhelming majority (81.9 per cent) of VIM customers agreed or strongly agreed, while just over half (52.4 per cent) of VULN customers agreed or strongly agreed. VIM customers were significantly more likely than VULN customers to respond that they strongly agreed (39.0 per cent VIM, 14.6 per cent VULN, $p<0.001$) (Table 4.19). Table 4.20 shows customers responses to the statement 'using the BasicsCard stops me from spending money on things I don't need'. Almost three-quarters (74.9 per cent) of VIM customers agreed or strongly agreed with this statement, while just over half (51.5 per cent) of VULN customers agreed or strongly agreed with this statement. VIM customers were significantly more likely than VULN customers to report that they strongly agreed (45.2 per cent VIM, 21.8 per cent VULN, $p<0.001$).

Table 4.19: Response to statement 'the BasicsCard is accepted at the majority of places I shop', by measure (per cent)

Response	VIM	VULN	Total
Strongly agree	39.0	14.6	26.4
Agree	42.9	37.8	40.3
Neither agree nor disagree	4.5	7.9	6.3
Disagree	9.1	22.6	16.0
Strongly disagree	4.5	17.1	11.0

Table 4.20: Response to statement 'using the BasicsCard stops me from spending money on things I don't need', by measure (per cent)

Response	VIM	VULN	Total
Strongly agree	45.2	21.8	33.1
Agree	29.7	29.7	29.7
Neither agree nor disagree	1.9	10.9	6.6
Disagree	16.8	26.1	21.6
Strongly disagree	6.5	11.5	9.1

In response to the statement 'I feel like people judge me when I use the BasicsCard', just under half of VULN customers agreed or strongly agreed (47.8 per cent), while only a quarter of VIM customers agreed or strongly agreed (25 per cent). VULN customers were more likely than VIM customers to report they strongly agreed with this statement (23.6 per cent VULN, 13.5 per cent VIM, $p<0.001$)

(Table 4.21). Table 4.22 shows that in response to the statement 'I feel embarrassed when I use the BasicsCard', with just one-fifth (19.7 per cent) of VIM customers agreeing or strongly agreeing with this statement, and 42.5 per cent of VULN customers agreeing or strongly agreeing with this statement. VULN customers were significantly more likely than VIM customers to report that they strongly agreed (25.5 per cent VULN, 7.6 per cent VIM, $p<0.001$).

Table 4.21: Response to statement 'I feel like people judge me when I use the BasicsCard', by measure (per cent)

Response	VIM	VULN	Total
Strongly agree	13.5	23.6	18.8
Agree	11.6	24.2	18.1
Neither agree nor disagree	5.8	9.1	7.5
Disagree	33.5	27.9	30.6
Strongly disagree	35.5	15.2	25.0

Table 4.22: Response to statement 'I feel embarrassed when I use the BasicsCard', by measure (per cent)

Response	VIM	VULN	Total
Strongly agree	7.6	25.5	16.8
Agree	12.1	17.0	14.6
Neither agree nor disagree	3.2	6.7	5.0
Disagree	38.2	31.5	34.8
Strongly disagree	38.9	19.4	28.9

4.4 Effects of PBIM on customers with children

At baseline, 243 survey respondents stated that they cared for children. The 243 respondents included 106 comparison site customers, 126 VIM customers and 11 VULN customers. At wave one, 169 survey respondents stated that they cared for children, of which 72 were comparison site customers, 81 were VIM customers and 11 were VULN respondents. Of the 169 respondents who stated that they cared for children at wave one, 160 reported they had children in their care in both the baseline and wave one surveys.

As described in section 2.2.2, regression analysis was used to determine whether PBIM respondents with children had significantly different outcomes from comparison respondents with children. The analysis was also used to test differences between baseline and wave one and whether there was a difference in the level of change (i.e. did one group change more than another) for each of the populations between baseline and wave one (interaction). The analysis also controlled for potentially confounding variables as listed in section 2.2.2.

Four questions relating to customers with children were analysed for this report:

1. Do all school aged children cared for attend school regularly?
   i If no, do any school aged children cared for not attend school five days a week?
2. Do any children cared for have a 'high' or 'some' level of learning or behavioural concern as opposed to 'none' or 'have concerns from time to time'?

3. Do any children cared for have health that is perceived as 'okay' or 'not good' as opposed to 'good' or 'very good'?

The interaction term was not significant for any of these questions, indicating that there was no statistically significant difference in the level of change between baseline and wave one for PBIM customers compared with the level of change for comparison respondents, across these questions.

It was found, however, that PBIM customers across both waves (baseline and wave one) were significantly less likely to report all children of school age attending school regularly compared with the comparison population ($p<0.001$) (Table 4.23). This is aligned with the finding reported in the baseline report which indicated that comparison respondents were significantly more likely to answer that children cared for attended school regularly. This analysis suggests that this trend has continued and that PBIM has not yet impacted on this indicator of child wellbeing.

Of participants who reported that any of their school aged children did not attend school regularly, it was found that PBIM customers across both waves were significantly more likely to report that they cared for school aged children who did not attend school five days a week ($p<0.001$) (Table 4.24). PBIM respondents were also more likely – as in the baseline report – to indicate that they had a high or some level of learning or behavioural concern for any of the children they cared for compared with the comparison population ($p<0.001$).

Table 4.23 The proportion of customers who care for a child, whose children are attending school regularly, by survey wave (per cent)

Response	Comparison	PBIM
Baseline	89.4	70.9
Wave one	89.5	81.4
Difference	0.1	10.4

Table 4.24 The proportion of customers who have a child, where the child has irregular attendance, who have any child not attending school five days a week, by survey wave (per cent)

Response	Comparison	PBIM
Baseline	13.8	37.8
Wave one	15.8	37.9
Difference	1.9	0.1

In both the baseline and wave one surveys, VIM customers were more likely than comparison customers to report that their children were in good or very good health. However, from baseline to wave one, the decrease in customers reporting that their children were in good or very good health was significantly greater for VIM customers when compared with the comparison group (-8.0 VIM, -1.4 comparison, $p<0.050$).

VULN were not significantly different from the comparison population in the proportion who reported that the health of children they cared for as good or very good. It should be noted that only a small number of VULN participants reported caring for children, which limited the ability to detect significant differences (hence information for VULN clients is not reported in Table 4.25).

Table 4.25 For customers who care for children, the proportion who report that any of their children are in 'good' or 'very good' health, by measure and survey wave (per cent)

Response	Comparison	VIM
Baseline	17.0	27.8
Wave one	15.6	19.8
Difference	-1.4	-8.0

4.5 Changes in customer financial vulnerability

4.5.1 Customer's financial situation

Wave one respondents were asked whether there is anything that helped their money situation. If the respondent was identified as a PBIM customer, they were asked to answer this with reference to the time since they had gone on income management. Respondents who answered 'yes', (55.9 per cent of VIM customers, 32.4 per cent of VULN customer, 48.0 per cent of comparison site customers) were asked to specify what had helped their money situation. They were prompted to give multiple responses.

VIM customers were significantly more likely than VULN customers to report that Income Management had helped their money situation (68.4 per cent VIM, 44.3 per cent VULN, $p<0.01$). VULN customers were significantly more likely than VIM customers to report that income from employment has helped their money situation (19.0 per cent VULN, 4.4 per cent VIM, $p<0.005$), while comparison customers were significantly more likely than VULN customers to report that income from employment had helped their money situation (32.4 per cent comparison, 19.0 per cent VULN, $p<0.001$).

Comparison respondents were significantly more likely than VIM and VULN customers to respond that budgeting or self-management (22.7 per cent comparison, 8.8 per cent VIM, 12.7 per cent VULN, $p<0.050$ for both). Table 4.26 lists the five most common responses to this line of questioning.

Table 4.26: Most common responses to question 'what helped your money situation', by comparison and PBIM measure (per cent)

Response	Comparison	VIM	VULN
Income management	0.0	68.4	44.3
Income from employment	32.4	4.4	19.0
Budgeting/self-management	22.7	8.8	12.7
Income from Government	14.4	10.5	2.5
Lifestyle factors leading to reduced expenses	7.4	0.0	3.8

For PBIM customers who responded yes to this question in both the baseline and wave one survey (38.2 per cent, or 83 VIM plus VULN customers who reported yes from a total of 217 customers who responded yes at both baseline and wave one), significantly more customers noted income management as a factor in helping their money situation at wave one than at baseline (6.9 per cent baseline, 58.8 per cent wave one, $p<0.001$). It is important to note that any comparison between baseline and wave one on this question is limited to respondents who answered that their money situation had been helped at both baseline and at wave one.

Wave one respondents were also asked whether there is anything that made their money situation worse. If the respondent was identified as a PBIM customer, they were asked to answer this with reference to the time since they went on income management.

Respondents who answered 'yes', (32.3 per cent of PBIM customers, 38.0 per cent of comparison site customers) were asked to specify what had made their money situation worse. They were prompted to give multiple responses, and the top five most common responses can be seen in Table 4.27. The most common response among all PBIM customers was issues with Income Management/BasicsCard. The two most common responses for VIM customers were issues with Income Management/BasicsCard (27.5 per cent), household bills (21.6 per cent), while the two most common responses for VULN customers were issues with income management/BasicsCard (69.5 per cent) and household bills (10.5 per cent). VULN customers were significantly more likely to state that issues with Income Management/BasicsCard had made their situation worse than VIM customers (69.5 per cent VULN, 27.5 per cent VIM, $p<0.050$). VULN customers were also significantly more likely to respond that their money situation had been made worse through a lack of government assistance when compared with VIM customers (2.0 per cent VULN, 9.5 per cent VIM, $p<0.001$).

Significantly fewer PBIM customers than the comparison group responded that their money situation had been made worse on account of household bills (33.5 per cent comparison, 21.6 per cent VIM, $p<0.001$) (33.5 per cent comparison, 10.5 per cent VULN, $p<0.001$).

Table 4.27: Most common responses to question 'what made your money situation worse', by comparison and PBIM measure (per cent)

Response	Comparison	VIM	VULN
Issues with Income Management/BasicsCard	-	27.5	69.5
Household bills	33.5	21.6	10.5
Car ownership/maintenance	12.7	9.8	5.3
Housing costs	12.1	7.8	5.3
Transport costs	13.9	5.9	2.1
Employment issues	15.0	0.0	3.2

Customers were asked a series of questions about their money situation. Dependent on their responses, customer were allocated with a 'money situation rating' on a scale from one (customer runs out of money before payday) to six (customer has enough money to get by until payday). The questions asked of customers to determine their money situation rating were:

- Do you run out of money before payday?
- Do you spend more money than you get?
- Do you just have enough money to get through to the next payday?
- There's some left over each week but you just spend it?
- Can you save a bit every now and then?
- Can you save a lot?

Table 4.28 shows that from baseline to wave one, comparison customers' mean money situation rating improved from 3.5 to 3.7. In comparison, VIM customers mean money situation rating increased from 2.5 to 3.5, a significantly larger increase when compared with the increase displayed by the comparison customers (1.0 VIM, 0.2 comparison customers, $p<0.001$). VULN customers' mean money situation rating declined from baseline to wave one from 3.6 to 3.5. This decline was

significant when compared with the change in comparison customer's rating (-0.1 VULN, 0.2 comparison customer, p<0.050).

Table 4.28: Customer mean money situation rating, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	3.5	2.5	3.6
Wave one	3.7	3.5	3.5
Difference	0.2	1.0	-0.1

Customers' responses to the question about their money situation were also analysed to show whether clients had, over the past three months, enough money to get them through to payday. Due to the response distributions (which were dominated by a single response) and the relatively small sample, responses have been re-structured to be dichotomous variables, representing the presence or absence of an indicator. Responses were also dichotomised to allow for more effective significance testing of the responses. Responses to whether customers had enough money get them through to payday were dichotomised into:

- runs out of money by payday, or,
- does not run out of money and/or able to save.

Table 4.29 shows that at baseline, 76.4 per cent of comparison customers reported they had enough money to get through to payday, while at wave one 80.3 per cent said they had enough; an increase of 3.9 percentage points. In comparison, 47.5 per cent of VIM customers reported they had enough money to get through to payday, while at wave one this proportion increased to 74.0 per cent; an increase of 26.5 per cent percentage points. The increase in proportion of VIM customers who had enough money to get through to payday between baseline and wave one was significantly more than the increase in proportion of comparison customers over the same time period (26.5 per cent VIM, 3.9 per cent comparison, p<0.001).

The proportion of VULN customers who reported having enough money to get through to payday decreased slightly from baseline to wave one. This change was not significant when compared with the change reported by the comparison customers.

Table 4.29: Proportion of customers who report they have enough money to get by to payday or are able to save a little, at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	76.4	47.5	78.5
Wave one	80.3	74.0	76.2
Difference	3.9	26.5	-2.3

Customers were asked whether, over the past three months, they had ever run out of money to buy food. The response frame included the following options: about once a week, about once a fortnight, about once a month, every couple or months and never. Responses were categorised into a dichotomous variable which separated those who, over the past three months, indicated:

- they had never run out of money to buy food, or
- they had at some stage run out of money to buy food.

Table 4.30 shows that at baseline 33.1 per cent of comparison customers reported they had run out of money to buy food at some point in the past three months, while at wave one 26.8 per cent

reported they had run out of money to buy food; a decrease of 6.3 percentage points. In comparison, 40.4 per cent of VULN customers reported they had run out of money to buy food at some point in the past three months, while at wave one this proportion increased to 43.5 per cent; an increase of 3.1 percentage points. The increase in VULN customers reporting they had run out of money to buy food was significant when compared with the decrease displayed by comparison customers (VULN 3.1 per cent, -6.3 per cent comparison customer, $p<0.050$).

The change in proportion of VIM customers who ran out of money to buy food over the past three months decreased from baseline to wave one and was not significant when compared with the comparison group.

Table 4.30: Proportion of customers who report yes they had run out of money to buy food at some point in the past three months, at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	33.1	64.3	40.4
Wave one	26.8	47.6	43.5
Difference	-6.3	-16.7	3.1

Customers were asked whether, over the past three months, they had ever run out of money to pay a bill. The response frame included the following options: about once a week, about once a fortnight, about once a month, every couple or months and never. Response categories were dichotomised into:

- ever run out of money to pay a bill and
- never run out of money to pay a bill in the last three months.

Table 4.31 shows that at baseline 41.0 per cent of comparison customers reported they had run out of money to pay a bill at some point in the past three months, while at wave one 37.9 per cent reported they had run out of money; a decrease of 3.0 percentage points. In comparison, 69.0 per cent of VIM customers reported they had run out of money to pay a bill at some point in the past three months, while at wave one this proportion decreased to 38.3 per cent; a decrease of 30.7 per cent percentage points. The decrease in proportion of VIM customers who reported they had run out of money to pay a bill in the past three months between baseline and wave one was significant when compared with the comparison customers (-30.7 VIM, -3.0 comparison customers, $p<0.001$).

The proportion of VULN customers who ran out of money to pay a bill increased from baseline to wave one, but this change was not significant when compared with the change reported by comparison customers.

Table 4.31: Proportion of customers who report yes they had run out of money to pay a bill at some point in the past three months, at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	41.0	69.0	38.9
Wave one	37.9	38.3	41.8
Difference	-3.0	-30.7	2.9

Customers were asked whether, over the past three months, they had ever run out of money to pay rent or a mortgage on time. The response frame included the following options: about once a week,

about once a fortnight, about once a month, every couple of months and never. Response categories were dichotomised into:

- ever run out of money to pay the rent or a mortgage and
- never run out of money to pay rent or a mortgage in the last three months.

Table 4.32 shows that at baseline 12.7 per cent of comparison customers reported they had run out of money to pay rent or a mortgage at some point in the past three months, while at wave one 10.9 per cent reported they had run out of money; a decrease of 1.7 percentage points. In comparison, 28.5 per cent of VIM customers reported they had run out of money to pay rent or a mortgage at some point in the past three months, while at wave one this proportion decreased to 8.2 per cent; a decrease of 20.4 per cent percentage points. The decrease in proportion of VIM customers who reported they had run out of money to pay rent or a mortgage in the past three months between baseline and wave one was significant when compared with the comparison customers (-20.4 VIM, -1.7 comparison customers, $p<0.001$).

The decrease in proportion of VULN customers who ran out of money to pay rent or a mortgage over the past three months was not significant when compared with the comparison customers.

Table 4.32: Proportion of customers who report yes they had run out of money to pay rent or a mortgage at some point over the past three months, at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	12.7	28.5	18.3
Wave one	10.9	8.2	17.7
Difference	-1.7	-20.4	-0.6

Customers were asked whether, over the past three months, they had to borrow money from family or friends. The response frame included the following options: about once a week, about once a fortnight, about once a month, every couple or months and never. Response categories were dichotomised into:

- ever had to borrow money from family or friends and
- never had to borrow money from family or friends in the last three months.

Table 4.33 shows that at baseline 44.8 per cent of comparison customers reported they had to borrow money from family or friends at some point in the past three months, while at wave one 40.1 per cent reported they had to borrow money from family or friends; a decrease of 4.7 percentage points. In comparison, at baseline 56.7 per cent of VIM customers reported they had to borrow money from family or friends at some point in the past three months, while at wave one this proportion decreased to 34.3 per cent; a decrease of 22.4 per cent percentage points. The decrease in proportion of VIM customers who reported they had to borrow money from family or friends in the past three months between baseline and wave one was significant when compared with the comparison customers (-22.4 VIM, -4.7 comparison customers, $p<0.005$).

The decrease in proportion of VULN customers who had to borrow money from family or friends over the past three months was not significant when compared with the change in the comparison group.

Table 4.33: Proportion of customers who report yes they had to borrow money from friends and family at some point over the past three months, at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	44.8	56.7	45.0
Wave one	40.1	34.3	39.2
Difference	-4.7	-22.4	-5.8

Customers were asked whether, over the past three month, they had requested emergency relief or vouchers. The response frame included the following options: about once a week, about once a fortnight, about once a month, every couple or months and never. Responses categories were dichotomised into:

- ever requested emergency relief or vouchers and
- never requested emergency relief or vouchers in the last three months.

Table 4.34 shows that at baseline 6.9 per cent of comparison customers reported they had requested emergency relief or vouchers at some point in the past three months, while at wave one 5.3 per cent reported they had requested emergency relief or vouchers from family or friends; a decrease of 1.6 percentage points. In comparison, 50.5 per cent of VIM customers reported they had requested emergency relief or vouchers at some point in the past three months, while at wave one this proportion decreased to 25.5 per cent; a decrease of 25.0 per cent percentage points.

The decrease in proportion of VIM customers who reported they had requested emergency relief or vouchers in the past three months between baseline and wave one was significant when compared with the comparison customers (-25.0 per cent VIM, -1.6 pcomparison customers, $p<0.050$).

The decrease in proportion of VULN customers who had requested emergency relief or vouchers over the past three months was not significant when compared with the change reported by the comparison customers.

Table 4.34: Proportion of customers who report yes they had requested emergency relief or vouchers at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	6.9	50.5	13.1
Wave one	5.3	25.5	11.2
Difference	-1.6	-25.0	-1.9

4.5.2 Customer's spending patterns

Customers were asked whether they had smoked cigarettes in the past three months. VULN customers were more likely than VIM or comparison group respondents to state that they had smoked cigarettes in the last three months ($p<0.001$). There was not a significant change in smoking patterns for VIM, VULN or the comparison group between the baseline survey and the wave one survey.

Table 4.35: Proportion of customers who reported smoking cigarettes in the last three months at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	27.2	55.2	58.7
Wave one	24.9	48.6	54.4
Difference	-2.3	-6.7	-4.2

Customers who reported smoking in either the baseline or the wave one survey were asked to report how many cigarettes they usually smoked during a normal day or week, over the past three months. For ease of comparison, responses were categorised into the number of cigarettes smoked per month. Table 4.36 presents the average number of cigarettes smoked per month for each PBIM measure versus the comparison sample at both baseline and wave one surveys. At wave one, comparison customers smoked on average 4.7 fewer cigarettes per month compared with the average number smoked at baseline. In comparison, VIM customers smoked on average 116 fewer cigarettes at wave one compared with baseline. VIM customers therefore smoked significantly fewer cigarettes on average per month than comparison customers at wave one compared with baseline (-116.0 VIM, -4.7 comparison, $p<0.050$).

VULN customers smoked on average 17 few cigarettes per month at baseline compared with wave one. This difference was not significant when compared with the change in the comparison customers.

Table 4.36: Mean number of cigarettes consumed per month at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	332.2	478.7	279.7
Wave one	327.5	362.8	262.6
Difference	- 4.7	-116.0	-17.0

Customers were asked whether they had consumed an alcoholic drink in the past three months. VULN customers were more likely than VIM or comparison group respondents to state that they had consumer alcoholic drinks in the last three months ($p<0.001$). There was not a significant change in drinking patterns for VIM, VULN or the comparison group between the baseline survey and the wave one survey.

Table 4.37: Proportion of customers who reported consuming alcoholic drinks in the last three months at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	49.7	42.1	58.3
Wave one	49.9	46.4	56.3
Difference	0.2	4.3	-2.0

Customers who reported consuming alcoholic drinks in either the baseline or the wave one survey were asked to report how many alcoholic drinks they usually consumed during a normal day or week, over the past three months. For ease of comparison, responses were categorised into the number of alcoholic drinks consumed per month. Table 4.38 presents the average number of alcoholic drinks consumed per month for each PBIM measure versus the comparison sample at both

baseline and wave one surveys. Table 4.38 shows that at wave one, comparison customers consumed on average 1.6 fewer alcoholic drinks than they consumed at baseline. VIM customers consumed on average 26.6 fewer drinks at wave one compared with baseline. VIM customers therefore consumed significantly fewer alcoholic drinks on average than the comparison customers at wave one compared with baseline (-26.6 VIM, -1.6 comparison customers, p<0.050).

VULN customers consumed on average 6.9 fewer drinks, but this difference was not significant when compared with the change in the comparison customers.

Table 4.38: Mean number of alcoholic drinks consumed per month at baseline and wave one, by measure (per cent)

Response	Comparison	VIM	VULN
Baseline	16.1	40.6	21.5
Wave one	14.4	14.0	14.6
Difference	-1.6	-26.6	-6.9

VIM customers were more likely than VULN or comparison group respondents to state that they had gambled in the last three months (p<0.001). There was not a significant change in gambling patterns for VIM, VULN or the comparison group between the baseline survey and the wave one survey.

Table 4.39 Proportion who gambled in the last three months, by measure and survey wave (per cent)

Response	Comparison	VIM	VULN
Baseline	19.3	28.6	12.2
Wave one	19.7	23.7	6.8
Difference	0.4	-4.9	-5.4

4.5.3 Customer's confidence and knowledge in money management

Customers were asked a series of questions about how far ahead they planned when attempting to save money. Dependent on their responses, customers were allocated with a weighted average score from zero (customer does not plan ahead for saving) to one (customer plans ahead for the next few years). The questions asked of customers to determine their weighted average score were:

- Don't plan
- For the next few days
- For the next few weeks
- For the next few months
- For the next year
- For the next few years

Table 4.40 shows that from baseline to wave one, comparison customers' mean weighted average score for planning ahead to save improved from 0.6 to 0.7. In comparison, VIM customers' mean weighted average score increased from 0.5 to 0.6, a significant increase when compared with the change displayed by comparison customers (0.1 VIM, 0.0 comparison customers, p<0.010).

VULN customers' mean weighted average score improved from 0.61 to 0.65, but this improvement was not significant when compared with the improvement in the comparison customer's weighted

average score (note that these figures have been rounded to two decimal places to illustrate the change).

Table 4.40: Customer mean weighted average score for planning ahead to save, by measure (per cent)[(a)]

Response	Comparison[(a)]	VIM	VULN
Baseline	0.64	0.49	0.61
Wave one	0.68	0.62	0.65
Difference	0.04	0.13	0.04

(a) Note figures in the table have been rounded to two decimal places to illustrate the minor change.

Customers were asked to think about their experiences over the past three months and report how confident that felt about planning how to spend their money or payments received from Centrelink. Based on their response customers were allocated 'confidence in planning for spending' rating on a scale from one (very confident) to six (not at all confident). When interpreting the data it should be noted that a decrease in confidence in planning for spending rating is a positive outcome; a move toward the rating of one indicates that customer's confidence is improving.

Table 4.41 shows that from baseline to wave one, comparison customers' mean confidence in planning for spending rating decreased from 2.289 to 2.285. In comparison, VIM customers' mean confidence in planning for spending' rating decreased from 2.601 to 2.024; a significant decrease when compared with the change displayed by the comparison customer group (-0.576 VIM, 0.004 comparison customers, $p<0.001$) (note that these figures have been rounded to three decimal places to illustrate the change).

VULN customers' mean confidence in planning for spending rating increased from baseline to wave one, from 2.038 to 2.317. This indicates that VULN customers were less confident about planning for spending at wave one compared with baseline, and is significant when compared with the change reported by comparison customers (0.279 VULN, 0.004 comparison customers, $p<0.010$) (note that these figures have been rounded to three decimal places to illustrate the change).

Table 4.41: Customer mean 'confidence in planning for spending' rating, by measure (per cent)[(a)]

Response	Comparison	VIM	VULN
Baseline	2.289	2.601	2.038
Wave one	2.285	2.024	2.317
Difference	0.004	-0.576	0.279

(a) Note that figures in the table have been rounded to three decimal places to illustrate the minor change.

Customers were asked to think about their experiences over the past three months and report how confident that felt about planning how to save their money or payments received from Centrelink. Based on their response customers were allocated 'confidence in planning for saving' rating on a scale from one (very confident) to six (not at all confident). When interpreting the data it should be noted that a decrease in the rating of confidence in planning for saving is a positive outcome; a move toward the rating of one indicates that customer's confidence is improving.

Table 4.28 shows that from baseline to wave one, comparison customers' mean confidence in planning for saving rating decreased from 2.61 to 2.59. In comparison, VIM customers' mean confidence in planning for saving rating decreased from 3.09 to 2.62; a significantly greater decrease when compared with the change displayed by the comparison customer group (-0.47 VIM, 0.03

comparison customers, p<0.001) (note that these figures have been rounded to two decimal places to illustrate the change).

VULN customers' mean rating of their confidence in planning for saving increased from baseline to wave one, from 2.30 to 2.62. This indicates that VULN customers were less confident about planning for saving at wave one compared with baseline, and is significant when compared with the change reported by comparison customers (0.32 VULN, 0.03 comparison customers, p<0.001) (note that these figures have been rounded to two decimal places to illustrate the change).

Table 4.42: Customer mean 'confidence in planning for saving' rating, by measure (per cent)[(a)]

Response	Comparison	VIM	VULN
Baseline	2.61	3.09	2.30
Wave one	2.59	2.62	2.62
Difference	0.03	-0.47	0.32

(a) Note that figures in the table have been rounded to two decimal places to illustrate the minor change

4.5.4 Customer's housing and health

At baseline, participants in the trial sites were more likely to have ever been homeless or slept rough in the three months before commencing PBIM, in comparison to participants in the comparison sites. This finding was consistent as of the wave one survey.

The level of change in the prevalence of sleeping rough or homelessness amongst surveyed PBIM customers was not significantly different from the level of change among the comparison group respondents, though there appeared to be reductions in the proportion reporting recent experiences of homelessness from baseline to wave one. It is important to note that the number of individuals who report homelessness or sleeping rough is small making it more difficult to detect significant change.

Table 4.43: Proportion who have ever been homeless or slept rough in the last three months, by measure and survey wave (per cent)

Response	Comparison	VIM	VULN
Baseline	2.2	12.1	14.7
Wave one	1.3	3.8	5.6
Difference	-0.9	-8.2	-9.1

At baseline, participants in the trial sites were less likely to report their health as 'very good' or 'excellent' compared with respondents in the comparison site. Participants on the VIM measure were less likely to report their health as 'very good' or 'excellent' compared with VULN customers.

This difference was maintained in the outcomes of the wave one survey. The level of change in those reporting their health to be 'very good' or 'excellent' was not significantly different from the level of change noted in the comparison group. The interpretation of this is that PBIM did not appear to impact self-report of health being in 'very good' or 'excellent' condition in the short-term.

Table 4.44: Proportion who self-reported 'very good' to 'excellent' health, by measure and survey wave (per cent)

Response	Comparison	VIM	VULN
Baseline	77.9	50.6	75.5
Wave one	75.3	50.7	73.8
Difference	-2.7	0.1	-1.7

5 Process and short-term outcomes against key evaluation questions

5.1 Process evaluation questions

5.1.1 What are the characteristics of those on PBIM? How do the characteristics of PBIM customers compare with the eligibility criteria for placement on PBIM?

The general eligibility criteria for PBIM indicates that it should be targeted to those experiencing financial hardship, financial exploitation, have poor financial literacy, and/or are vulnerable to homelessness and poor self-care or care of dependents.

5.1.1.1 Longitudinal survey

As reported in the baseline report, PBIM customers exhibited a number of characteristics indicative of instability and relatively poor money management skills. At wave one, it was found that PBIM customers were more likely to run out of money to buy food, run out of money to pay bills (specifically, those on the VULN measure), run out of money to make rent payments or mortgage repayments, compared to similar customers in the comparison sites. Further, PBIM customers were also more likely than comparison site customers to have requested emergency relief or vouchers in the three months prior to referral to PBIM.

Analysis provided in this report found that consistent with the baseline survey findings, PBIM customers were more likely to care for a school age child who did not attend school regularly, and were also more likely to have slept rough or be homeless.

Having noted these differences, it is important to also note that there are some significant differences between the vulnerability profile of VIM and VULN customers, and within the VULN customer group. Overall, reflecting on their experience prior to being placed on PBIM, the VULN group were more likely to report that they do not run out of money before payday or are able to save, less likely to report that they had ever run out of money to buy food, less likely to report that they had ever run out of money to pay a bill, and less likely to report ever having requested emergency relief or vouchers, compared to VIM customers. They also reported lower levels of cigarette and alcohol consumption than the VIM group prior to referral to PBIM. These differences are contrary to the original expectations of VULN customers, who were expected to be financially and socially vulnerable. However these findings are likely to be due to the predominance of VULN-AT customers in the VULN survey sample compared to the VULN-SWA customers. The VULN-AT customers are placed on the VULN measure by virtue of receiving a youth automatic trigger payment (see section 1.2.2.3 for further information) while the VULN-SWA customers must be individually assessed for vulnerability by a social worker. It appears that the youth automatic trigger payments alone may be insufficient to accurately identify vulnerability for VULN-AT customers. While sub-sample numbers mean that VULN-AT and VULN-SWA cannot be analysed separately within the survey, the secondary data bears out the differences between the VULN-AT customers compared to VULN-SWA and VIM customers.

5.1.1.2 Secondary data

Using classification tree analysis, the secondary data analysis defined key characteristics which increase the propensity for a customer to be a PBIM customer as opposed to a comparison customer. The most important characteristics for increasing the propensity to be a PBIM customer were found to be ISP type, customer age, the use of deductions and the time a customer has been on income support.

The ISP types which increased the propensity for a customer to be on PBIM – in some cases, specifically for VULN-AT, by definition – included Youth Allowance, Newstart Allowance, Disability Support Pension and Parenting Payment (single). The use of Centrepay or the Rent Deductions Scheme greatly increased the propensity to be a PBIM customer as opposed to a non-PBIM customer. The PBIM population was more likely to be under the age of 25 years than the comparison population (this is likely to be influenced by the eligibility criteria for VULN-AT), while the comparison population was more likely to contain people over the age of 65 years. The analysis also indicated that the propensity to be a PBIM customer increased with length of time on ISPs.

Rent type, CALD status, mobility and the number of children under the age of five years have some importance in determining the likelihood of a customer engaging with a particular PBIM measure. Marital status and indigenous status are of lower importance. The type of concession card, customer gender and care of older children did not classify customer's engagement with PBIM or the type of measure.

An analysis of socio-economic indicators associated with the area in which customers live found that PBIM customers are more likely to live in areas of greater socioeconomic disadvantage compared with the comparison group who were not on PBIM. This varied by PBIM measure with VULN-AT customers being overall more similar to non-PBIM customers in terms of the socio-economic characteristics of the areas they lived in, while VIM and VULN-SWA customers resided in areas with relatively lower socio-economic characteristics. In contrast the VULN-AT customers were more mobile than the VIM and VULN-SWA, having changed address more frequently in the previous two years.

5.1.1.3 Summary

The strong relationship to ISP type, higher level of use of Centrepay or Rent Deductions Scheme services, early indications of financial strain and area based differences in level of socioeconomic disadvantage suggest that overall the PBIM population compare well against the eligibility criteria, though it should be noted that the VULN-AT appears to have a somewhat different demographic and vulnerability profile to other PBIM customer groups.

5.1.2 How effectively has PBIM been administered and implemented? What are the regional/jurisdictional variations (if any)?

5.1.2.1 Longitudinal survey

As reported in the baseline report, a third of VULN customers who were surveyed reported that the process for appealing the decision for them to be placed on PBIM was not explained to them at all. Further, VULN customers were more likely than VIM customers to state that a process for 'getting off' PBIM was not explained to them at all.

Survey respondents who used the BasicsCard most frequently reported that they found the BasicsCard either 'very easy to use' or 'somewhat easy'. VIM customers were more likely than VULN customers to report that they found the BasicsCard very easy to use.

The majority of BasicsCard using respondents also felt that the BasicsCard was accepted at the majority of places where they shopped. However, just over half of both VIM and VULN customers reported that there were goods or services that they would like to buy which they are unable to purchase using their BasicsCard.

5.1.2.2 Secondary data analysis

The secondary data analysis considered the effectiveness of administrative data systems and the availability of services and supports to customers.

An analysis of customers experiencing interruptions in their customer data file indicated that a significantly higher proportion of VULN-SWA customers experienced more than one 'off' event and were less likely to experience a formal end to the measure. Though it is possible that this signals an administrative issue, it is not possible to test this hypothesis further through the secondary data. It is also possible that it reflects a higher rate of temporary suspensions of payments due to customers failing to attend or participate in their initial allocation interview.

The administrative data also indicates several customers who have been on VIM for more than 26 weeks and who have not received a VIP. Most of these customers have had interruptions on their time on VIM. It is not clear whether this is an administrative or data issue, however it carries the risk of leading to customer dissatisfaction with the measure.

Use of the BasicsCard was found to be quite high across the PBIM population although some site level differences were observed in participation rates. Playford and Rockhampton were found to have relatively higher rates of BasicsCard usage compared with Bankstown, Shepparton and Logan.

In considering the use of BasicsCards, it was found that a very small number of customers had experience a rejection of their transaction on the basis of having their 'PIN blocked' or 'BasicsCard suspended'. This may be indicative of a low level of unauthorised or fraudulent use. Seventy-two percent of BasicsCard users, however, experienced an 'unregistered device' error. These events almost entirely relate to a transaction being actioned on an EFTPOS device that has not been registered for BasicsCard use within an approved merchant. This could occur when a terminal is used specifically for the sales of excluded goods such cigarettes or alcohol or when new terminals have been installed and the DHS has not been advised. Fifty five per cent of customers have experienced this event only once or twice, but 18 per cent experienced it five or more times and nine per cent six or more times.

The number of BasicsCard merchants was found to vary considerably across catchments.[11] Bankstown and Logan have considerably more merchants (over 300) than the other catchments (130 to 170). Merchants are not available in all business activities in all catchments and there are no registered delicatessens or furniture stores in any of the catchments. Most catchments have registered merchants for around 21 of the 25 examined activities which appear to offer good coverage of merchant types, although Playford has merchants in only 17 activities.

[11] Catchments were defined around each site for the purpose of this analysis.

5.1.2.3 Summary

VULN respondents at baseline indicated that they had been given less information than VIM customers about their options for exiting PBIM. The secondary data analysis identified some potential administrative matters relating to interruptions in customer files and the time of a VIP is provided to VIM customers. The prevalence and use of BasicsCards was found to be quite high. The number of BasicsCard merchants, however, was found to vary considerably across catchments.

5.1.3 Has the measure been implemented in a non-discriminatory manner?

5.1.3.1 Secondary data analysis

The classification tree analysis indicated that the comparison population of customers who are not on PBIM has a significantly higher number of CALD customers than the PBIM customer population. The proportion of Indigenous customers is significantly lower for the comparison population when considered against the VULN-SWA, VULN-AT and combined PBIM populations.

The interpretation of this analysis must be considered through the perspective of the classification tree analysis as a whole. Indigenous status was found to be of relatively low importance in determining the propensity for a customer to be on PBIM or even for a PBIM customer to be on the VULN-SWA measure in comparison to the other measures. This is because other factors such as ISP type, age, rent type and day on ISP are more important in classifying these groups. Put differently, Indigenous status does not assist in further identifying these groups of customers.

The gender of a customer did not classify customer's engagement with PBIM or the type of measure. Age was, however, important in determining an individual's propensity to engage with PBIM though this appears highly correlated with the age dependency of relevant youth automatic trigger payments (specifically, Youth Allowance and Special Benefits Payments).

5.1.3.2 Summary

Although the secondary data analysis did identify a higher proportionate representation of representation of CALD and Aboriginal and Torres Strait Islanders among the PBIM group, the classification tree method found that these factors were not strong determinants of the propensity to be on PBIM. Gender also was not found to be a strong determinant. Age, however, through its relationship to relevant ISP, was a strong determinant of the propensity to be on PBIM.

5.1.4 What has been the effect of the introduction of PBIM on service providers?

5.1.4.1 Baseline report

Through online surveys reported in the baseline report, DHS staff stated that PBIM customers (on all measures) generally required more of their time (including both face-to-face and after contact work time) compared with other welfare payment customers. When asked to approximate how much additional time for PBIM customers compared with welfare payment customers was required, staff most often reported 2-3 additional hours per month.

Through online surveys reported in the baseline report, BasicsCard merchants noted negligible costs associated with the provision of the BasicsCard facility. These outcomes will be retested in future reports.

5.1.4.2 Secondary data analysis

Analysis of transaction data indicates that the BasicsCard facility has not been a large revenue or traffic generator for merchants. In terms of revenue: 45 per cent of merchants received less than $20 per 28 days; 36.5 per cent $50 or more per 28 days; and 18.4 per cent $150 or more. In Bankstown, the revenue generated was significantly less than for other sites. For sites other than Bankstown: 49 per cent of merchants had less than six purchase transactions per half year and 24 per cent had 26 or more transactions per half year. In Bankstown the response was much less: 46 per cent of merchants had less than two purchases per half year; 29 per cent six or more per half year; and only eight per cent 26 or more purchases per half year.

The implication of this finding is that the implementation processes and administrative requirements should be kept to a minimum in order to encourage their continued participation in the program. At Baseline, online surveys with BasicsCard merchants indicated that this was the case. This will be retested in future reports and analysis.

5.1.4.3 Summary

Secondary data analysis of BasicsCard merchants found that the BasicsCard facility had neither been a large revenue or traffic generator for merchants. That said, this finding should be read in the context that BasicsCard merchants reported at baseline that the system had negligible costs associated with its provision and use.

5.1.5 What is the level of take up of Financial Management Program Services?

5.1.5.1 Longitudinal survey

Amongst customers responding to the longitudinal survey, 14.0 per cent indicated that they had been received financial counselling services, while 10.5 per cent indicated that they had attended a money management course. The proportions differed between the VIM and VULN groups, with VIM customers more likely to have attended financial counselling services than VULN customers.

5.1.5.2 Secondary data analysis

Approximately 30 per cent of PBIM customers used FMPS providers in the first year of PBIM implementation. They are used by a significantly higher proportion of VIM customers than CPIM and VULN-SWA customers combined. PBIM customers comprised about 20 per cent of FMPS customers in this period. Completion and withdrawal rates are not significantly different from those of non-PBIM clients.

In interpreting these results, it is important to remember that the data does not reflect FMPS provided by providers who are not contracted to provide financial counselling and MMS to PBIM customers. It also does not reflect the time period following the introduction of eligibility criteria for the VULN-AT customers, so does not reflect their participation in these services.

5.1.5.3 Summary

Analysis of longitudinal survey data found that VIM customers were more likely to have attended Financial Management Program Services (FMPS) than VULN customers. This was supported by secondary data analysis which found that in the first year of PBIM, VIM customers took up FMPS to a significantly greater degree than VULN-SWA or CPIM customers combined.

5.1.6 What is the level of take-up of other relevant support services (e.g. Communities for Children)?

5.1.6.1 Longitudinal survey

Other relevant support services which were used included case coordination at Centrelink, voluntary work, family support services work for the dole, communities for children services and language, literacy and numeracy programs. In addition to the 112 who responded they had taken up money management or financial counselling services, 140 stated they took up other relevant support services. The remaining 301 replied they had been referred to or sought assistance from no other support services.

The take up of these various services varied across PBIM measures. Significantly more VULN customers took up work for the dole services. Significantly more VIM customers took up family support services and communities for children services.

The support services were typically perceived as very helpful – for example, of the 23 customers who reported accessing family support services, 14 (60.9 per cent) suggested that they found the service very helpful, 30.4 per cent reported somewhat helpful, and a further 4.3 per cent reported not helpful.

5.1.6.2 Summary

There was a moderate level of take-up of other relevant support services. The type of service which was taken up varied by measure. Feedback on the services which were accessed was typically positive.

5.2 Outcome evaluation questions

5.2.1 What are the short, medium and (where possible) longer term impacts of PBIM on individuals, their families (particularly children) and communities? Consider unintended consequences, positive and negative

5.2.1.1 Longitudinal survey

This report considers the short term outcomes of PBIM on customers.

Analysis of the wave one survey found that commonly noted responses regarding the impact of PBIM on respondents' lives included that it 'ensured that rent and bills were paid on time' and that it 'improved ability to manage money'. VULN customers were more likely than VIM customers to report negative impacts, such as that it had negatively restricted their spending.

For customers who were still on PBIM, 38.6 per cent reported that it had changed the way they lived a lot, while 39.5 per cent reported that it had changed the way they lived a little. Those who had exited PBIM were less likely to report that it had changed the way they lived a lot (19.6 per cent), with 39.9 per cent of these customers reporting that it did not change the way they lived at all. Of those who reported that PBIM had changed their lives a little or a lot, respondents commonly highlighted that they found bills, payments and debts to be made on time, and that they experienced less stress or worry, and saved money. VULN customers were more likely than VIM

customers to report that PBIM had negatively restricted their spending or that PBIM has meant that they could not pay for some things.

To date, the analysis does not find that measures relating to the care of children have improved or become worse to a greater or lesser extent than for the comparison respondents. The simple interpretation of this finding is that PBIM does not appear to have had a significant impact on measures that reflect the wellbeing or care of children, such as attendance at school or health of children in the short term.

The level of tobacco and alcohol consumed by VIM customers decreased to a greater extent among this cohort than for the comparison group, however this effect was not found for VULN customers, who also had lower levels of consumption of tobacco and alcohol prior to referral to PBIM, when compared with VIM customers. This finding is an indication that PBIM had a positive impact on helping to reduce the prevalence of these risky behaviours among VIM customers, however it does not appear to be having the same effect for VULN customers, who seem to have had less problematic levels of consumption to begin with, perhaps due to the large proportion of VULN-AT customers who reported low consumption.

The level of gambling did not change at a pace – either positively or negatively – greater than it did for the comparison population. This indicates that it is not apparent that PBIM has impacted on the propensity to gamble in the short term.

PBIM customers were more likely to have slept rough or have been homeless in the past three months than the comparison population, both at baseline and at wave one. The level of change in the prevalence of sleeping rough or homelessness amongst surveyed PBIM customers was not significantly different from the level of change among the comparison group respondents, though there appeared to be reductions in the proportion reporting recent experiences of homelessness from baseline to wave one. It is important to note that the number of individuals who report homelessness or sleeping rough is small making it more difficult to detect significant change. Housing will be considered in greater detail in later phases of this evaluation.

5.2.1.2 Summary

The short term positive outcomes of PBIM that were reported included the ability to pay bills and other payments on time and reduced stress or worry. The probability of reporting positive outcomes was increased for VIM customers while the probability of reporting negative outcomes was higher for VULN customers. The level of tobacco and alcohol consumed by VIM customers decreased significantly over the period between baseline and wave one compared with the change for the comparison group. This suggests a positive impact of PBIM on these behaviours. No such significant impact was observed for gambling in the short-term for VULN customers, who were less likely to engage with these behaviours at baseline than VIM customers. The consideration of homelessness was restricted on account of a small sample size.

5.2.2 How do these effects differ for the various measures of the project?

5.2.2.1 Longitudinal survey

Overall, the longitudinal survey analysis indicates quite different impacts of PBIM across the VIM and VULN customer groups, with VIM customers characterised by greater financial vulnerability at baseline, and demonstrating significant gains in their ability to manage money as a result of PBIM. Conversely VULN customers appeared to show less financial vulnerability prior to PBIM, and in many areas do not appear to have significantly benefited from the measure at this stage. The differences

between VIM and VULN customers are likely due to the predominance of the VULN-AT customers in the survey sample, who are placed on the VULN measure by virtue of automatic triggers linked to their income support payment types, rather than being assessed individually for vulnerability.

The contribution of PBIM to financial management appeared to vary by PBIM measure. VIM customers were more likely to attribute PBIM to improving their financial situation, while VULN customers were more likely to attribute PBIM to making their financial situation worse.

Fewer VIM customers reported that that there were things that had made their money situation worse at wave one than at baseline. On the other hand, significantly more VULN customers responded that there were things that had made their money situation worse at wave one than at baseline.

VIM customers appear to have had positive gains in their ability to manage their money as a result of PBIM, so that they are less likely to run out before payday, less likely to report running out of money for bills, rent or a mortgage payment, less likely to borrow money from friends and were less likely to have requested emergency relief or vouchers, compared to baseline. The change from baseline to wave one across these measures was greater than it was for the comparison population.

The VULN group, on the other hand, became more likely to run out of money for food between the two survey waves compared with the comparison group. They did not demonstrate the same positive financial management gains as found for the VIM customers.

Across both the baseline and wave one surveys, VIM customers less frequently reported their health to be ‘good’ or ‘excellent’ than the comparison population or VULN population. The responses of VIM or VULN customers with respect to their health did not change significantly across waves compared with the comparison population.

VULN customers across both waves of the survey were less likely to report that they had gambled in the last three months than VIM customers. The level of gambling for both cohorts did not change at a different rate between baseline and wave one compared with the comparison group, indicating no impact of PBIM on this behaviour to date. However there appeared to be a number of positive impacts of PBIM for VIM customers, with significant reductions in tobacco and alcohol consumption from baseline to wave one compared to customers from the comparison sites.

With regards to program operation, VULN customers were more likely than VIM customers to agree with statements of feeling ‘judged’ or ‘embarrassed’ to use the BasicsCard. This may be due to the compulsory nature of the measure, which may create a greater sense of shame and anger for customers in having to use BasicsCard, which appears to be experienced much more positively for customers who have chosen to take up VIM.

5.2.2.2 Summary

Overall, the longitudinal survey analysis indicates quite different impacts of PBIM across the VIM and VULN customer groups. VIM customers appeared more likely to have made positive progress with matters of financial management between the survey waves. In addition to improvements in patterns of tobacco use and alcohol use, VIM customers were also less likely than VULN to report issues of embarrassment when using the BasicsCard. There were no statistically significant differences reported in the short-term for either group with respect gambling, homelessness or sleeping rough.

5.2.3 Have there been changes in spending patterns, food, alcohol, gambling, pornography and tobacco use?

5.2.3.1 Longitudinal survey

The level of tobacco and alcohol consumed by VIM customers decreased to a greater extent among this cohort than for the comparison group, though there was no significant difference for VULN customers. This finding is an indication that VIM has had a positive impact on helping to reduce expenditure on tobacco and alcohol among program participants.

The level of gambling did not change at a rate – either positively or negatively – greater than it did for the comparison population. This indicates that it is not apparent that PBIM has impacted the propensity to gamble in the short term.

Pornography use was not considered through the longitudinal survey as the topic was considered too sensitive for discussion in a telephone survey context.

5.2.3.2 Secondary data analysis

The secondary data analysis considered transaction data from the first year of PBIM. This analysis, therefore, did not consider VULN-AT customers. It also only provides limited insight into the impact of PBIM. Longer term trends in this data will be considered in subsequent reports.

The analysis indicated that accommodation dominated expenditure – accounting for 38.5 per cent of total PBIM expenditure and 56.8 per cent of expenditure for 65.6 per cent of PBIM customers paying accommodation from their income managed funds. The analysis found that expenditure per week has declined slightly over time since PBIM started, which may indicate that customers had identified more affordable accommodation.

Purchases in supermarkets, department stores and from utility companies account for 32 per cent of total expenditure – a potentially positive indicator for spending priorities. An analysis of a subset of retail based data from supermarkets and department stores was also completed. Supermarket expenditure was mostly on food products (41 per cent) and snacks, drinks and confectionery (21 per cent) while in department stores it was mostly for clothes (36 per cent), household furnishing and equipment (21 per cent) and recreation equipment, toys, DVDs, music et cetera (21 per cent). Overall the spending priority on food and clothes and furnishing is very positive. Loans and financial services, are also relatively prominent spend categories for PBIM customers, making up an average 20.6 per cent of customer's income managed funds.

5.2.3.3 Summary

The level of tobacco and alcohol use decreased to a greater extent between waves for VIM customers than the comparison group. There was no significant change for VULN customers though this group had a lower level of consumption to begin with. There was no significant change in the level of gambling noted in this short-term report. Transaction data analysis indicated that accommodation dominated expenditure. Analysis of retail expenditure data found spending was largely directed towards food and clothes. There was also a high level of spending on snacks, confectionary and prepared goods. Changes in transaction patterns will be examined in future reports.

5.2.4 Has PBIM contributed to changes to financial management, child wellbeing, alcohol abuse, housing and homelessness, violence and child neglect?

5.2.4.1 Longitudinal survey

It should be noted that the longitudinal survey can only provide an indication of short term changes in these indicators at this stage. Subsequent reports will consider these indicators over a longer time period.

The contribution of PBIM to financial management varied by PBIM measure. VIM customers appeared to demonstrate greater financial vulnerability prior to referral to PBIM, and VIM appears to have contributed to significant increases in their ability to manage their money. The converse was true for VULN customers who appeared to demonstrate less financial vulnerability prior to referral to PBIM, and who experienced little change in their money management skills as a result of VULN. As noted previously, these differences are likely to be due to the predominance of VULN-AT in the survey sample, who are not individually assessed for financial vulnerability prior to placement on VULN.

VIM customers were less likely to report that they had run out of money over the three months preceding wave one survey for either the payment of bills, rent or a mortgage than prior to PBIM, compared to customers in the comparison sites. VIM customers were also significantly less likely to report that they had requested emergency relief or vouchers following referral to PBIM, compared to customers in the comparison sites. These effects were not found for the VULN customers who were found to be more likely to report running out of money for food.

To date, the analysis has not found that measures relating to the care or wellbeing of children have improved or become worse to a greater or lesser extent than for the comparison respondents. PBIM does not appear to have had a significant impact on measures of the care of children such as attendance at school or health of children.

The level alcohol consumed decreased to a greater extent among PBIM customers than for the comparison group. Following referral to PBIM, VIM customers reported significantly reduced consumption of alcohol and tobacco, compared to customers in the comparison sites. This effect was not found for VULN customers, who had lower levels of consumption of tobacco and alcohol prior to referral to PBIM. This finding is an indication that VIM has had positive impacts in reducing the prevalence of alcohol abuse.

PBIM customers were more likely to have slept rough or have been homeless in the past three months than the comparison population, both at baseline and at wave one. The level of change in the prevalence of sleeping rough or homelessness amongst surveyed PBIM customers was not significantly different from the level of change among the comparison group respondents, though there appeared to be reductions in the proportion reporting recent experiences of homelessness from baseline to wave one. It is important to note that the number of individuals who report homelessness or sleeping rough is small making it more difficult to detect significant change. Housing will be considered in greater detail in later phases of this evaluation

5.2.4.2 Secondary data analysis

In the 26 weeks before commencing PBIM, VULN-SWA customers had a significantly higher rate of receipt of urgent payments. VULN-AT had a significantly lower rate of urgent payments than both the comparison population and VULN-SWA. VIM customer's use of urgent payments was not

significantly different from the comparison population. VIM and VULN-SWA customers had a high rate of using the Rent Deductions Scheme while VULN-AT did not.

These pre-PBIM values will need to be compared with post-PBIM results to understand whether PBIM has resulted in greater financial stability for customers. This will be done in subsequent reports.

PBIM customers experienced a higher level of homelessness in the 26 weeks before PBIM commencement than the comparison population across all trial sites combined. The percentage of homeless in the PBIM population was 2.3 per cent while in the comparison population it was 1.5 per cent. At the individual site level, the difference is significant in Bankstown and Rockhampton.

The differences are starker between PBIM measures. The 6.8 per cent of VULN-SWA customers who had been homeless prior to PBIM is significantly different from the 1.5 per cent of customers in trial sites not on PBIM and 4.7 per cent more than any of the other initiatives.

5.2.4.3 Summary

There were no significant changes in measures of child wellbeing between baseline and wave one for PBIM customers compared against the comparison respondents. Alcohol consumption decreased for VIM customers, which provides an indication that PBIM may decrease the prevalence of alcohol abuse for some customers. There were no significant changes in housing or homelessness observed between survey waves.

5.2.5 What impact has the Matched Savings Payment had on customers' ability to manage their money, including savings

5.2.5.1 Longitudinal survey

Responses to the longitudinal survey show that only eight VULN customers had accessed the MSP by the time of their wave one interview. As the proportion of surveyed customers who had accessed the MSP is so small (three per cent, eight of 250) it is difficult to reach any conclusive findings about the impact of MSP on money management. This matter will be explored further through face-to-face interviews.

5.2.5.2 Secondary data analysis

In order to receive a MSP, CPIM and VULN customers are required to complete one of the accredited MMCs. There is a lower use of wider MMS by CPIM and VULN customers, compared with VIM customers, which may indicate that the MSP is not operating as intended. Within the first year, no CPIM or VULN customer had completed a MMC and no customers had been paid an MSP.

On current performance it would be concluded that the MSP has not been a sufficient incentive to encourage customers on VULN or CPIM to complete the MMC.

5.2.5.3 Summary

On current performance it would be concluded that the MSP has not been a sufficient incentive to encourage customers on VULN or CPIM to complete the MMC. The longitudinal survey is inconclusive on the matter given the small number of customers who had accessed the MSP by the time of their wave one interview.

5.2.6 Do the three measures achieve appropriate outcomes (based on the aims of each measure and of PBIM) for their participants?

5.2.6.1 Longitudinal survey

The longitudinal survey can provide insight into short term impacts for two of the measures VIM and VULN, but not CPIM as there are no CPIM customers in the survey. As has been noted throughout the report there appears to be differences both in the experiences of the measures and in the apparent outcomes achieved for VIM and VULN customers.

VIM customers appeared to be characterised by financial vulnerability and vulnerability across a number of other measures prior to referral to PBIM, including having poorer self-reported health and higher levels of tobacco and alcohol consumption. And it appears that VIM has led to some improvements in their ability to manage money, with significant reductions in the proportion of VIM customers reporting that they run out of money before payday, that they have ever run of money to buy food, pay rent or a mortgage and are less likely to borrow money from friends and family. VIM also appears to have led to significant reductions is tobacco and alcohol consumption for this group. There have been no detectable impacts to date for VIM on child wellbeing measures or on housing instability, however the latter is limited by a small sample size.

The impacts for VULN customers are more complex given the distinct nature of the two types of VULN customers – VULN-AT and VULN-SWA. The VULN-AT customers dominate the survey sample and so it is not possible to determine whether the results for the entire group also hold for the VULN-SWA sub-group. The secondary data analysis in subsequent reports should provide further insights as to how effectively the VULN measure has supported VULN-SWA customers. Noting the predominance of the VULN-AT customers in the survey sample the following can be said of their experience on VULN:

- they demonstrated less vulnerability at baseline compared to VIM across a number of financial stress indicators, however they had higher rates of homeless in the three months prior to referral to VULN;
- they report more negative experiences being on VULN, including a greater proportion feeling judged and embarrassed when they use the BasicsCard;
- in general they have not shown positive improvements in financial stress indicators, or in expenditure on tobacco or alcohol, though it should be noted that they demonstrated a lower level of financial stress and tobacco and alcohol consumption at baseline compared to VIM customers.

Again it should be noted that the longitudinal survey at this stage only provides insights as to the short-term outcomes for these measures, and outcomes over a 12-18 month period will be examined in subsequent reports. Additionally, the secondary data analysis in subsequent reports should provide greater insight as to the outcomes that VULN delivers for the VULN-SWA cohort in particular, which is more difficult to detect in the survey. Nonetheless, based on the current findings at this stage it would seem that while VIM is well targeted and achieving appropriate outcomes particularly in the area of financial stress and reduced expenditure on non-priority goods, the VULN measure has yet to demonstrate similar benefits to the cohort it is targeted to over the short term, in particular the VULN-AT customers.

5.2.6.2 Summary

Pending further analysis, at this point, it appears that VIM is well targeted and achieving appropriate outcomes while the VULN measure has yet to demonstrate similar benefits to the cohort it is targeted to – in particular, among the VULN-AT customers.

5.2.7 Are there synergies or complementarities between PBIM and other place-based measures?

5.2.7.1 Longitudinal survey

Information collected by the longitudinal survey in relation to PBIM and other place based measures focussed on the take up and quality of services available for customers under these measures. Future data collection, primarily focus groups to be conducted with DHS and other support service staff will seek to determine whether other synergies between the measures exist.

In relation to take up of services, PBIM customers were, as expected, more likely to be referred to, or seek assistance from, services more closely aligned with the PBIM measures such as financial counselling services or money management courses, compared with services also offered as part of other place based measures. Of the services linked with other placed based measures, PBIM customers were most likely to be referred to, or seek assistance from, education or training programs, and case coordination services at Centrelink.

In relation to quality of the services, customers were asked to report how helpful they had found the assistance provided by the services. PBIM customers commonly rated family support services, case coordination at Centrelink, and language, literacy and numeracy programs as the most helpful services. Financial counselling services were also rated as very helpful, however money management courses offered to PBIM customers were reported as being less helpful than the aforementioned services provided under other place-based measures.

5.2.7.2 Summary

There was a moderate level of take up of other place-based measures. Feedback on these measures reported that courses were often found to be either helpful or very helpful. This suggests that the relationship to PBIM is at some level synergistic. This will be investigated further in future reports.

5.2.8 Has the outcome of PBIM differed across different groups, for example, women, Indigenous people and people from culturally and linguistically diverse backgrounds? Consider also – if sufficient data is available — location, age, educational status, work status, type of payment, length of time on welfare payments and family composition.

The secondary data analysis determined that the propensity to engage with PBIM was not significantly determined on the basis of CALD status, Indigenous status, or gender. The secondary data analysis did not consider outcomes as broken down on these metrics.

The longitudinal analysis employed metrics such as household and family composition, Indigenous status and country of birth as controls in regression analysis. This means that the analysis can account for some of these characteristics when determining the impact of PBIM on the outcome being considered. That is, the analysis can minimise any potential confounding of these

characteristics on outcomes from PBIM. However, the size of these populations does not allow for the further line of questioning – for example, 'does PBIM change the likelihood of gambling for an individual who lives in a household with children'. The number of observations available for analysis is of relevance as it is not valuable to perform statistical tests such as those which are employed in this study on very small groups of individuals.

5.2.8.1 Summary

Though the analysis was able to consider how relevant CALD, gender and Indigeneity determine the propensity to engage with PBIM, small sample size numbers in each individual group meant that outcomes could not be investigated at this subpopulation level.

5.2.9 Is there a stigma attached to PBIM and/or the BasicsCard (in the view of people on PBIM and merchants)?

5.2.9.1 Longitudinal survey

Overall, customers in the longitudinal survey did not report feeling embarrassed when using the BasicsCard, but when considering the different PBIM measures, VULN customers were more likely to report that they felt embarrassed compared with VIM customers. The difference between VIM and VULN was also apparent when customers were asked whether they felt like people judged them when using the BasicsCard. Combining the responses of VIM and VULN customers it appears that the majority of customers did not feel as though they were being judged for their use of the card.

5.2.9.2 Summary

Combining the responses of VIM and VULN customers it appears that the majority of customers did not feel as though they were being judged for their use of the card. That said, VULN were likely to feel more embarrassed or judged than VIM customers for using the BasicsCard.

5.3 Vulnerable measure

5.3.1 How does PBIM impact on the vulnerability of individuals?

5.3.1.1 Longitudinal survey

At this stage there appears to be quite different short term impacts of PBIM across the measures on the vulnerability of individuals. As noted elsewhere the VIM customers appeared to be more vulnerable prior to referral to PBIM in terms of experience of financial stress, self-reported health, and consumption of alcohol and tobacco. Following referral to PBIM, there have been clear improvements for the VIM customers in terms of lower levels of financial stress, and reduced expenditure on non-priority goods, such as alcohol and tobacco. However to date there have been no detectable impacts on child wellbeing and self-reported health. While there was no detectable change in the frequency with which VIM customers were homeless in the previous three months from baseline to wave one, fewer VIM customers reported running out of money to pay rent or a mortgage, so presumably this change would have led increases in their housing stability.

For VULN customers, it is necessary to note the differences in the VULN types. VULN-AT customers are placed on VULN by virtue of youth trigger criteria, and there is no individual assessment of their vulnerability. In contrast, VULN-SWA customers are individually assessed for vulnerability and only placed on VULN if they demonstrate sufficient levels of financial and social vulnerability. The survey sample includes predominantly VULN-AT customers, though there are a small number of

VULN-SWA customers they are not of a sufficient size to enable analysis of them as a subgroup. The secondary administrative data should enable more detailed analysis of the impacts of VULN on VULN-SWA customers in subsequent reports.

Considering the survey findings for the VULN group there appears to be limited impacts at this stage on financial vulnerability, child wellbeing, or expenditure on non-priority goods, such as alcohol and tobacco. An important point to note is that this group on average demonstrated less vulnerability prior to referral to PBIM compared the VIM customers, most likely due to the large number of VULN-AT customers in the sample. So while the VIM group have shown some significant gains across measures of vulnerability compared to the VULN group, their mean ratings across a number of measures are now more aligned to the VULN group than they were at baseline.

The longer term impacts of the measures will be examined in subsequent reports, and additionally the impacts of VULN on the VULN-SWA customers will be explored further through the secondary administrative data in future reports.

5.3.1.2 Summary

Though more vulnerable across a number of metrics to begin with, the VIM customers have notably improved on a number of these measures such that they are now more aligned to the VULN group than they were at baseline. There is a need for future analysis to consider the differences between VULN-AT and VULN-SWA customers who – as a group – appear to have not realised improvements at the same rate as VIM customers. The longitudinal sample is dominated by VULN-AT customers who may dominate outcomes for this group. Future reports will continue to consider these groups separately through further secondary data analysis.

5.3.2 Has PBIM had an impact on addressing homelessness and housing security?

5.3.2.1 Longitudinal survey

The level of change in the prevalence of sleeping rough or homelessness amongst surveyed VIM customers was not significantly different from the level of change among the comparison respondents, though there appeared to be reductions in the proportion reporting recent experiences of homelessness from baseline to wave one. It is important to note that the number of individuals who report homelessness or sleeping rough is small making it more difficult to detect significant change.

5.3.2.2 Secondary data

Examining the cumulative distribution of the proportion of time customers who were homeless, (in the 26 week period prior to being placed on PBIM) shows that the distributions of VIM/VULN-SWA and VULN-AT customers are significantly different. For VIM/VULN-SWA homeless customers, 50 per cent were homeless for less than 10 per cent of the time and only five per cent for more than 60 per cent of the time. In contrast, for VULN-AT homeless customers 27 per cent were homeless for less than 40 per cent of the time and 47 per cent for more than 60 per cent of the time (note that VIM and VULN-SWA customers were combined as the number of customers who are homeless is quite small and these two measures had a very similar distribution).

5.3.3 Has PBIM had an impact on addressing financial crisis and financial exploitation?

5.3.3.1 Longitudinal survey

Overall, results from the longitudinal survey indicate that PBIM has had a limited impact on the financial vulnerability of VULN customers when compared with VIM customers. The two exceptions to this were:

- VULN customers were significantly more likely to report running out of money to buy food when compared with the comparison customers over time.
- VULN customers' confidence in planning for saving significantly decreased from baseline to wave one when compared with the change reported by comparison customers.

It should be acknowledged that VULN customers generally appeared to be in a better, or more positive financial situation at the time of baseline survey interview compared with VIM customers, therefore any positive change in the VIM group appears to surpass that of improvements made by VULN customers. It should also be noted that the longitudinal survey is dominated by VULN-AT customers, so it is not clear whether these findings hold for the VULN-SWA customers.

5.4 Voluntary measure

5.4.1 Have people who volunteered for PBIM been able to make an informed choice, by properly understanding terms and conditions and the voluntary nature of the measure?

5.4.1.1 Longitudinal survey

VIM customers were asked how well they understood what PBIM involved when signing up to the measure. Almost two thirds of the VIM customers (63.5 per cent) understood what was involved, while 30.8 per cent understood to some degree what was involved. Only 5.8 per cent reported they did not understand what was involved. This indicates that most VIM customers are making an informed choice when signing up for PBIM. It should be noted however that specific questions about the terms and conditions, and the voluntary nature of the measure were not asked of the customers surveyed. This could be explored through qualitative interviews with customers.

The VIM customers who reported they did not understand were also asked what the main things were that they didn't understand about PBIM when signing up. Verbatim responses were coded, and the most often reported responses was that customers did not understand 'where they could use the BasicsCard or how restrictive it is', followed by 'how the money would be split, or where it goes'.

5.4.2 How long do voluntary PBIM recipients stay on the measure?

5.4.2.1 Secondary data analysis

Overall, the probability of customers staying on PBIM for extended periods of time is quite high (high survival probabilities). For VIM customers the probability of still being on PBIM after 365 days is 60 per cent. VULN-AT customers have the lowest survival probability and a constant and relatively steep rate of exit. The probability of exiting before 91 days (13 weeks) is quite high (22 per cent). There is the possibility that VULN-AT customers had ceased income management at less than 13

weeks due to exclusions. VIM and VULN-SWA curves are more similar, with a high probability of staying on the measure for up to 91 days.

The high probability of staying for a long time on the VIM and VULN-SWA measures raises the question of possible dependency on the PBIM measure, which cannot be comprehensively addressed from the data currently available, but will be explored further in subsequent reports.

5.4.2.2 Summary

Secondary data analysis suggests that VIM customers stay on the PBIM measure for a significantly longer period of time than VULN-AT customers. The matter of dependency will be comprehensively addressed as more data becomes available.

5.4.3 What are the key motivations for people who voluntarily access PBIM, and why do they stop?

5.4.3.1 Longitudinal survey

As reported at baseline, VIM customers were asked why they chose to go on PBIM. Customers were asked to select and report all options that applied to them. The most often suggested reasons for choosing to go on PBIM were to:

- ensure rent and bills were paid on time (79.5 per cent, 208 of 308 VIM customers)
- improve money management (67.2 per cent)
- help save money (58.8 per cent)
- ensure they can pay for things their kids need (29.5 per cent).

Seventy four per cent of VIM customers who responded at baseline that they were on the VIM measure, continued on income management in the wave one survey. When asked for reasons why individuals who came of the VIM measure decided to stop accessing PBIM, the most frequent response was that they had a need or want to access their own money.

5.4.4 What impact has the Voluntary Income Management Incentive Payment had on take-up and retention rates of VIM?

5.4.4.1 Longitudinal survey

At baseline, when asked how much the VIP payment influenced VIM customers to go on PBIM, 27.9 per cent noted that it had influenced their decision a lot. When asked how much the VIP payment has influenced the choice of VIP customers to remain on PBIM, the number respondent that it had influenced their decision a lot had increased to 53.6 per cent. The difference was significant.

5.4.4.2 Secondary data analysis

As of 29 June 2013, 170 (31 per cent) of VIM customers had received a VIP. Of these 170 customers, 30 had ended VIM (17.6 per cent) an exit proportion not significantly different from VIM customers who had not received an incentive payment. This suggests that that the incentive payments do not significantly affect a customer's decision to remain on VIM.

5.4.4.3 Summary

While the number of individuals reporting that VIP was of importance in influencing their participation with PBIM at wave one had increased from baseline. That said, secondary data analysis suggests that there was no significant difference in exit behaviour between those who received the VIP payment and those who did not. The matter can be further investigated through interviews.

6 Key conclusions

Data from both the longitudinal survey and analysis of secondary data were triangulated and used to address relevant process and short-term outcome evaluation questions. The following summary points outline key conclusions presented in this report:

- **Customer profile:** analysis of the secondary data indicated that the likelihood of an individual engaging with PBIM is highly influenced by the type of income support the individual receives, the level of use of Centrepay or Rent Deductions Scheme services and age. Cultural and linguistically diverse status, Indigeneity and gender do not have a material influence on the propensity to engage with the program.

  At baseline, it was reported that VIM customers were typically more vulnerable prior to being placed on PBIM while VULN customers were less vulnerable across a number of measures. This is likely to reflect the predominance of VULN-AT customers in the longitudinal survey compared with VULN-SWA customers.

- **Program administration:** secondary data analysis identified some potential administrative matters relating to the continuity of customer files and the timely payment of incentive payments (isolated incidences).

  The prevalence and use of BasicsCards was found to be quite high. The number of BasicsCard merchants, however, was found to vary considerably across catchments. Initial transaction analysis indicates that the provision of the BasicsCard facility was not found to increase either traffic or revenue for providers. That said, this must be interpreted in light of findings noted in the baseline report that BasicsCard merchants stated there were negligible costs associated with providing the service.

- **Impact of PBIM on VIM customers:** as noted above, surveyed VIM customers appeared more vulnerable than surveyed VULN customers at baseline. Specifically, they appeared to be more financial vulnerable, have lower levels of self-reported health and higher levels of tobacco and alcohol consumption. It appears that PBIM has led to some improvements in experiences of VIM customers in relation to their ability to manage money, with significant reductions in the proportion of VIM customers reporting that they run out of money before payday, to buy food or to pay rent or a mortgage. Further, VIM customers were also significantly less likely to rep to borrow money from friends and family.

  VIM also appears to have led to significant reductions is tobacco and alcohol consumption for this group. There have been no detectable impacts to date for VIM customers on child wellbeing measures or on housing instability; however, measurement of the latter is limited by a small sample size.

  Secondary data analysis suggests that VIM customers stay on the PBIM measure for a significantly longer period of time than VULN-AT customers. The matter of dependency will be comprehensively addressed as more data becomes available for analysis in future reports.

- **Impacts of PBIM on VULN customers:** the impacts for VULN customers are more complex given the distinct nature of the two types of VULN customers – VULN-AT and VULN-SWA. The VULN-AT customers dominate the survey sample and so it is not possible to determine whether the results for the entire group also hold for the VULN-SWA sub-group.

  The secondary data analysis in subsequent reports should provide further insights as to how effectively the VULN measure has supported VULN-SWA customers. Noting the predominance of the VULN-AT customers in the survey sample the following can be said of their experience on VULN:

- they demonstrated less vulnerability at baseline compared to VIM across a number of financial stress indicators, however they had higher rates of homeless in the three months prior to referral to VULN
- they report more negative experiences being on VULN, including a greater proportion feeling judged and embarrassed when they use the BasicsCard
- in general they have not shown positive improvements in financial stress indicators, or in expenditure on tobacco or alcohol, though it should be noted that they demonstrated a lower level of financial stress and tobacco and alcohol consumption at baseline compared to VIM customers.

This report has presented insights as to the short-term outcomes associated with PBIM. The outcomes over a 12-18 month period will be examined in detail in subsequent reports. The second wave of the longitudinal survey will run through until December 2014. Cross-sectional interviews with another sample of PBIM customers will be undertaken in September/October 2014. Online surveys with DHS staff, FMPS staff and BasicsCard merchants will be run in August/September and site visits to conduct focus groups with DHS staff and child protection workers will be conducted in September and November 2014.

This data will be collated and analysed alongside further secondary data analysis in two future reports, to be delivered in December 2014 and April 2015:

- Medium Term Outcomes Report (December 2014) – this report will include analysis of a second round of face-to-face interviews with another sample of customers; site visits including focus groups and interviews with DHS staff, FMPS staff and BasicsCard merchants; and, an extraction of DHS administrative data.
- Consolidated Report (April 2015) – this report focus on analysis of outcomes from the final wave of the longitudinal survey.

7 Appendix A: secondary data analysis – supplementary detail

This appendix provides further detail on the Secondary Data Analysis.

7.1 Methodology

There are a number of complications in the analysis of secondary data:

- The adaptation of administrative data for customer analysis.
- The movement of customers across LGAs.
- Short-term changes to customers' income support payments.
- Customers changing PBIM initiative.

The secondary data have been extracted from systems that were designed for the purpose of administering programs. The systems are not customer databases purpose-designed for collecting data on individuals or for evaluation purposes. Further the data have been drawn from multiple systems -there is not a single integrated system which captures and links all of the data sets, and the individual data sets are highly complex. This can result in some inconsistencies across the data. For example there may be small differences in dates across the systems, and systems designed for one administrative purpose may be adapted for another resulting in what seem to be incongruous data records within and across the different data.

Allocation of funds into customers' income management accounts, back payments and corrections, the administration of Income Management incentive payments, and BasicsCard transfers are examples of what appear to be administrative adaptions in the various data sets provided.

Capturing a definitive list of persons on PBIM is also subject to the limitations of the administrative systems. At a point in time a customer is said to be on PBIM if they are on one of the PBIM measures and are in one of the five PBIM trial LGAs. However customers can and do move across LGA boundaries. A customer on PBIM who leaves can continue to be on PBIM but may choose not to be, and customers may already be on a PBIM measure from another jurisdiction when moving to a PBIM LGA.

For the purposes of the evaluation of secondary data, customers are considered PBIM customers if they are in one of the five PBIM LGAs the first time they go on a PBIM measure. This is to minimise any effect on other forms of PBIM from the PBIM evaluation. It is not necessarily a simple task to identify this group of customers across the different data systems from which data are being extracted thus small changes in the number of PBIM customers can occur. Data preparation and validation processes addressed inconsistencies such as these but small variations can still arise.

Of the more than 2200 PBIM cases with secondary data provided it is estimated that there are fewer than 20 cases where the customer was initiated on a PBIM measure in a PBIM LGA. This is consistent with an estimated non-statistical error of less than one percent identified in the Baseline report.

7.1.1 Customers who transition to a new PBIM initiative

As of 4 January 2014 there had been 15 PBIM customers who had transitioned from one PBIM initiative to another. Eleven of these had transitioned from VIM to VULN-SWA and all but two were still on a PBIM measure of some form as of 4 January 2014. All had been on a PBIM measure for a lapsed time of more than 180 days.

As the number of customers transitioning is so small the analysis will treat these 15 customers as classified to a single PBIM initiative as follows:

- CPIM>VIM and VIM>CPIM as CPIM (≤ five cases)
- VIM>VULN-SWA as VULN-SWA (11 cases)
- VIM>CIM as VIM (≤ five cases).

It is considered that customers, who had been on VIM and CPIM, or VIM and VULN-SWA, are 'characteristically' CPIM or VULN-SWA customers.

Table 7.1: PBIM Customers including those transitioning across different PBIM initiatives 1 July 2012 to 4 January 2014

PBIM Initiative	Transition	Customers
CPIM	Remained on CPIM	≤5
CPIM>VIM	Transitioned from CPIM to VIM	≤5
VIM>CPIM	Transitioned from VIM to CPIM	≤5
VULN-SWA	Remained on VULN-SWA	65
VIM>VULN-SWA	VIM transitioned to VULN-SWA	11
VULN-AT	Remained on VULN-AT	1,767
VIM	Remained on VIM	747
VIM>CIM	Transitioned from VIM to CIM PBIM (external LGA)	≤5
Total		**2,598**

7.1.2 Weighting the comparison population

The weights for the comparison populations are derived from the increase in the PBIM participation rate of a sub-population compared to the total target population. The sub-populations were determined from a classification tree which classified all 245,696 customers on trigger payments in the PBIM sites as being either on PBIM or not being on PBIM (2,207 customers were on PBIM). Appendix B provides the details of the classification tree and the derived weights.

The characteristics considered for the classification tree were:

- type of income support payment (ISP)
- time on income support payments
- age
- gender
- marital status
- indigenous status
- cultural and language diversity (CALD) status
- type of rent paid

- type of concession card
- has children (yes/no)
- number of children
- number of children under five years
- number of children under five to nine years
- number of children under 10 to 15 years
- number of children under 16 to 18 years
- number of children under 19 to 24 years
- mobility rate (number of changes of address in the previous two years)
- use of Centrepay or Rent deduction Scheme services (yes/no).

The resulting classification tree consisted of 31 terminal nodes. The relative cost of the learn and test samples were 0.3157 and 0.3515 respectively and the area under the ROC 0.9009 and 0.8915 respectively.

The sub-populations and weights defined by the classification tree were then applied to the all customers across all sites both trial and comparison sites. Customers in a sub-population with a higher propensity to engage in PBIM were weighted up and those with a lower propensity weighted down based on the weights in Appendix B.

The size of the total weighted population compared to the actual population (the loading) is an indicator of the propensity of the target population at each site to engage in PBIM given the demographic mix. Table 7.2 presents these results. Note that the loading across all trial sites equals one as this is the population used to determine the weights. (The weighted population across all trial sites differs slightly from the actual population due to rounding).

Table 7.2: Populations and weighted populations by LGA

LGA	Number of people on trigger payments at any time 1 July 2012 – 29 June 2013	Weighted population	Loading
Trial sites			
Bankstown NSW	63,169	36,458.9	0.6
Playford SA	36,544	49,399.1	1.4
Greater Shepparton Vic	22,218	22,463.2	1.0
Logan Qld	89,589	101,815.9	1.1
Rockhampton Qld	34,176	35,573.4	1.0
Total Trial Sites	245,696	245,709.5	1.0
Comparison sites			
Hume Vic	58,128	37,427.8	0.6
Canterbury NSW	47,242	24,248.7	0.5
Shellharbour NSW	22,134	17,709.4	0.8
Wyong NSW	60,457	49,916.5	0.826
Burnie Tas	8,128	9,520.9	1.171
Total Comparison sites	19,6089	138,823.4	0.708

Table 7.2 indicates that given the demographic composition of the sites, the trial sites except for Bankstown have a stronger propensity to engage in PBIM than the comparison sites except for Burnie. This means that trial sites are expected to have a higher proportion of Centrelink customers

on PBIM trigger payments go on PBIM than the comparison sites. It is important that no location based characteristics were using in the construction of these propensities only the characteristics of the customers in the sites. Bankstown, Canterbury and Hume which have a lower propensity to engage in PBIM have similar population characteristics.

When comparing the metrics of PBIM customers with non-PBIM customers at trial sites and customers in the comparison site the weighted populations have been used. The main purpose of the classification tree has been to balance the comparative populations however sub-populations more or less likely to engage with PBIM can also be identified.

7.2 Secondary data analysis outputs

7.2.1 PBIM Demographics

The following tables provide the distribution of customers within each of the PBIM initiatives and the population in the trial not on PBIM LGAs (weighted by sub-population) by various customer characteristics such as main ISP, age and marital status.

CPIM is not reported as there were only six CPIM customers. Each pair of responses was tested for significant differences via a chi-squared type test (VIM v VULN-SWA, VIM v VULN-AT, VIM v not on, VULN-SWA v VULN-AT, VULN-SWA v not on, VULN-AT v not on).

User of Centrepay or Rent Deductions Scheme is a strong characteristic predicting customers' propensity to engaging with PBIM, but not important in differentiating the PBIM measure. Table 7.3 indicates significant differences across VULN-AT customers, customers not on PBIM, and VIM and VULN-SWA customers. There is no significant difference between VIM and VULN-SWA customers. In that the classification tree modelling participation in the different PBIM measures by people on PBIM does include 'the use of deductions' as a factor, it can be concluded that after allowing for other factors and particularly ISP type, the differences in the use of deductions by different PBIM customers is of little importance in determining the different PBIM measure with which someone on PBIM will engage.

Table 7.3: Use of Centrepay or Rent Deductions Scheme by PBIM Initiative (per cent)

Used deductions	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
Used	47.8	75.0	82.4	31.8	42.2
Did not use	52.2	25.0	17.6	68.2	57.8
Total	100.0	100.0	100.0	100.0	100.0
Persons	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

The time on income support payments, listed in Table 7.4, differs across all populations except for VIM and VULN-SWA. No VULN-AT customers have been on ISPs for more than 10 years as they are all under 25 years of age. The not on PBIM population has more customers on ISPs for less than 2.5 years than the PBIM population in general. Note that very few PBIM customers have been on ISPs for less than 61 days.

Table 7.4: Time on Income Support Payments by PBIM Initiative (per cent)

Days on ISP	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)

Days on ISP	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
0 – 60	0.3	1.0	0.0	0.0	1.4
61 - 365 (1 year)	12.2	8.1	10.8	14.5	21.2
366 - 900 (2.5 years)	28.1	12.4	16.2	36.9	32.0
901 - 2000 (5.5 years)	36.4	22.0	14.9	45.0	24.2
2000 - 3650 (10 years)	8.4	17.1	14.9	3.6	6.5
3651 - 5300 (14.5 years)	4.7	12.6	17.6	0.0	4.5
5301 - 6400 (17.5 years)	3.4	8.8	9.5	0.0	3.7
6401+	6.5	18.0	16.2	0.0	6.3
Total	100.0	100.0	100.0	100.0	100.0
Persons	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

Marital status (Table 7.5) is significantly different for VULN-AT customers, 94 per cent are single which is likely to relate to being under 25 years of age. The not on PBIM population is also significantly different from the other populations albeit that the differences are relatively small with regard to all PBIM customers. The VIM and VULN-SWA populations are not significantly different however the classification tree modelling participation across the different PBIM measures identifies customers who are 'separated' more likely to be associated with VULN-SWA after allowing for ISP type, rent type, age and days on ISP.

Table 7.5: Marital status by PBIM Initiative (per cent)

Marital status	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
Divorced or widowed	2.13	6.22	2.70	0.00	3.21
Married, de facto or other	8.2	19.1	10.8	2.5	13.9
Separated	15.9	36.9	39.2	3.6	16.0
Single	73.8	37.8	47.3	93.9	66.8
Total	100.0	100.0	100.0	100.0	100.0
Persons (number)	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

The number of Children under five years (Table 7.6) is another characteristic where the age driven VULN-AT population is significantly different (99.7 per cent have no children under 5). The VIM and VULN-SWA populations are not significantly different. However, while the characteristic for not on PBIM population is significantly different from VIM customers it is not significantly different from VULN-SWA customers or all PBIM customers.

Table 7.6: Children Under five years by PBIM Initiative (per cent)

Number of children (cares for) under five years	All PBIM customers	VIM	VULN-SWA	VULN-AT	Not on PBIM (wgtd)
0	93.1	81.1	87.8	99.7	92.7
1	4.4	12.2	8.1	0.1	5.1
2+	2.5	6.8	4.1	0.1	2.2
Total	100.0	100.0	100.0	100.0	100.0
Persons (number)	2,207	724	74	1,403	227,266

Source: Population in Trial LGAs with DHS data prior to 30 June 2013

The misclassification matrix from the PBIM initiative tree is presented in Table 7.7, from which additional insights can be inferred. Reading down the columns it reports the proportion of cases correctly or incorrectly classified by the model against each PBIM initiative. The numbers on the

diagonal (in bold) are the percent correctly classified. The CPIM group can be ignored as it has very few cases (six) and is thus poorly classified.

The VULN-AT population has a very low misclassification rate an indication that it is a very different population from the other initiatives. The classification rate is so high as VULN-AT is, apart from the occasional exception, completely defined by youth automatic trigger payments. VIM and VULN-SWA have much lower classification rates particularly VULN-SWA but they are still much better than random (25 per cent). A closer examination reveals that the misclassification is within these two groups: 25.3 per cent of VIM customers are misclassified as VULN-SWA and 32.4 per cent of VULN-SWA customers are misclassified as VIM customers. The inference is that there is a large amount of commonality in the characteristics of VIM and VULN-SWA customers.

Table 7.7: Misclassification matrix from the PBIM Initiative Classification Tree

Predicted	Actual CPIM	Actual VIM	Actual VULN-SWA	Actual VULN-AT	Overall
CPIM	**16.7**	5.8	8.1	2.3	-
VIM	16.7	**62.0**	32.4	3.2	-
VULN-SWA	50.0	25.3	**45.9**	1.3	-
VULN-AT	16.7	6.9	13.5	**93.2**	-
	100.0	100.0	100.0	100.0	-
Persons (number)	6	724	74	1,403	2,207
Per cent PBIM population	0.3	32.8	3.4	63.6	100.0
Per cent correct	16.7	62.0	46.0	93.2	81.2
Per cent misclassified	**83.3**	**38.0**	**54.1**	**6.8**	**18.8**

7.2.2 Customers going on and off PBIM

The details for going 'off' PBIM are presented in Table 7.8. Also note from Table 7.8 that the main reasons for interruptions are that the 'customer either has no trigger payment or it has ceased' (CTC) and 'initiative transfer' (ITF). The seven ITF customers were VIM customers who transferred to VULN-SWA or CPIM. By contrast the 'off' reasons associated with ending PBIM are almost solely due to 'customer ineligible' (NEL). A notable number of customers whose trigger payments have ceased (CTC) are also identified as ending PBIM.

To gain some additional insight particularly into VULN-AT customers, Table 7.8 has been provided. It presents the 'last reason off' for PBIM for customers from the extended customer list to 4 January 2014. Some caution needs to be exercised in using this table, particularly regarding CTC reasons, as it has not been adjusted for likely interruptions. However note that there are no ITF or OFA reasons in this table which is an indication of a reduced level of interruptions.

The table confirms the insights about VIM customers and the low rate of VULN-SWA customers ending PBIM. It also identifies a notable number of VULN-AT customers ending PBIM for reasons of 'incorrectly identified as PBIM eligible' (IIE) (6.9 per cent) and 'Vulnerable off PBIM customer request' (VOC) (28 per cent). This could indicate an area for potential administrative improvement. The table also lists key distributional statistics for the duration the customers ending were on PBIM. Statistics have not been provided for reasons only a few customers. This data would also indicate room for improvement. Fifty percent of IIE cases take more than 21 days to resolve and fifty percent of VOC cases more than 32 days. This would equate to around 70 customers being affected by the

process. Most VULN-AT customers have ended due to CTC, though a proportion of these may be interruptions.

A final point to note is that of the 103 customers who ended PBIM as of 29 June 2013, nine of these (9 per cent) had re-joined PBIM between 46 and 84 days after ending. All were VIM customers a few of which had transferred to VULN-SWA after more than 60 days. The current data available does not allow for further analysis of this group of customers.

Table 7.8: Reason 'off' PBIM events 1 July 2012 to 29 June 2013

	Reason 'off' PBIM	Interruptions	Interruptions	Interruptions	Event ending PBIM	Event ending PBIM	Event ending PBIM	All recorded 'off' events	All recorded 'off' events	All recorded 'off' events
		All PBIM customers	VIM	VULN-SWA	All PBIM customers	VIM	VULN-SWA	All PBIM customers	VIM	VULN-SWA
CTC	Customer either has no Trigger payment or it has ceased	35	28	7	10	10	0	48	40	8
EIM	End of Income Management Period	0	0	0	≤5	0	0	≤5	0	0
EPN	Excluded payment nominee	0	0	0	≤5	0	≤5	≤5	0	≤5
ITF	Initiative Transfer	6	6	0	≤5	≤5	0	7	7	0
NEL	Customer Ineligible	≤5	≤5	0	92	92	0	96	96	0
OFA	Auto PBIM to Manual PBIM transfer	10	0	10	0	0	0	10	0	10
Total	-	53	36	17	105	103	≤5	163	143	19
CTC	Customer either has no Trigger payment or it has ceased (per cent)	**66.0**	**77.8**	**41.2**	9.5	9.7	0.0	**29.4**	**28.0**	**42.1**
EIM	End of Income Management Period (per cent)	0.0	0.0	0.0	-	0.0	0.0	-	0.0	0.0
EPN	Excluded payment nominee (per cent)	0.0	0.0	0.0	-	0.0	100.0	-	0.0	5.3
ITF	Initiative Transfer (per cent)	**11.3**	**16.7**	0.0	-		0.0	4.3	4.9	0.0
NEL	Customer Ineligible (per cent)			0.0	**87.6**	**89.3**	0.0	**58.9**	**67.1**	0.0
OFA	Auto PBIM to Manual PBIM transfer (per cent)	**18.9**	0.0	**58.8**	0.0	0.0	0.0	6.1	0.0	**52.6**
Total	-	100	100	100	100	100	100	100	100	100
Total number events	-	53	36	17	105	103	≤5	163	143	19

Source: PBIM customer records, 1 July 2012 to 29 June 2013

Note: Percentages have been omitted where there are fewer than five customers.

: Reason customers last 'off' PBIM 1 July 2012 to 4 January June 2014

	Reason 'off' PBIM	Number of customers	Number of customers	Number of customers	Number of customers	Per cent of customers 'off'	Per cent of customers 'off	Per cent of customers 'off	Per cent of customers 'off	Number of days on PBIM	Number of days on PBIM	Number of days on PBIM	Number of days on PBIM	Number of days on PBIM
		All PBIM customers	VIM	VULN-SWA	VULN-AT	All PBIM customers	VIM	VULN-SWA	VULN-AT	min	lower quartile	median	upper quartile	max
CTC	Customer either has no Trigger payment or it has ceased	251	19	≤5	**230**	39.7	-	25.0	**58.7**	0	27	55	84	382
DEA	Death	6	5	≤5	0	0.9	-	12.5	0.0	27	-	-	-	413
DTM	Detrimental Exclusion	≤5	0	0	≤5		0.0	0.0		2	-	-	-	87
EIM	End of Income Management Period	7	0	5	0	1.1	0.0	**62.5**	0.0	8	-	-	-	423
EPN	Excluded payment nominee	≤5	0	0	≤5		0.0	0.0		11	-	-	-	12
IIE	Incorrectly Identified as PBIM eligible	27	0	0	27	4.3	0.0	0.0	**6.9**	0	7.5	21	69	112
IMP	Imprisonment	6	0	0	6	0.9	0.0	0.0	1.5	2	-	-	-	113
ITF	Initiative Transfer	0	0	0	0	0.0	0.0	0.0	0.0	-	-	-	-	
NEL	Customer Ineligible	206	**206**	0	0	32.5	**89.2**	0.0	0.0	3	96	134.5	205	445
NVA	Customer not in valid area	≤5	≤5	0	0			0.0	0.0	34	-	-	-	34
OFA	Auto PBIM to Manual PBIM transfer	0	0	0	0	0.0	0.0	0.0	0.0	-	-	-	-	
VAS	Vulnerable Apprentice or Student	13	0	0	13	2.1	0.0	0.0	3.3	3	20	63	98	107
VOC	Vulnerable Off PBIM customer request	110	0	0	**110**	17.4	0.0	0.0	**28.1**	0	10	32	71	138
Total	-	633	231	8	392	100	100	100	100	0	28	76	117	445

Source: PBIM customer records, 1 July 2012 to 4 January 2014

7.2.3 Incentive payments

It has already been noted that as of 29 June 2013, no customer had received a MSP, none of the 42 eligible customers had completed the necessary MMC and less than five had commenced a course. These are not encouraging signs, however it should be noted that only 28 of the 42 eligible customers had been on PBIM for more than 13 weeks as of the 29 June 2013 and that the data pre-date the introduction of the VULN-AT initiative.

The VIM Voluntary Incentive Payment (VIP) tells an interesting story. As of 29 June 2013, 170 (31 per cent) of VIM customers had received a VIP. Of these 170 customers, 30 had ended VIM (17.6 per cent) an exit proportion not significantly different from VIM customers who had not received an incentive payment (see Table 7.9). This suggests that that the incentive payments do not significantly affect a customer's decision to remain on VIM.

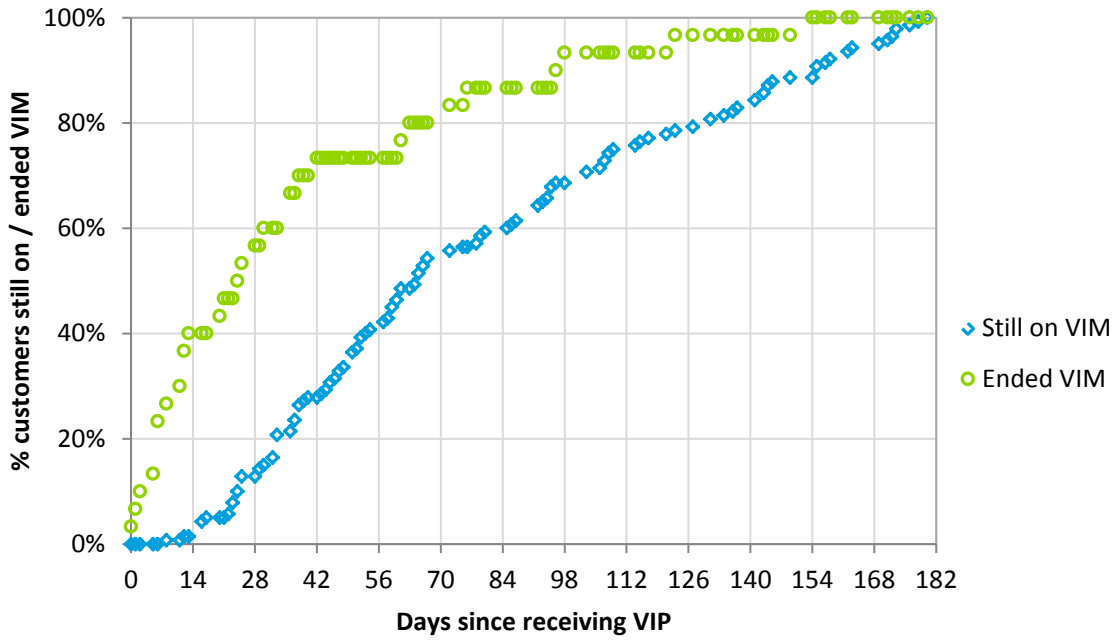
Table 7.9: VIM customers receiving VIPs, 1 July 2012 to 29 June 2013

	Customers	Per cent VIM customers
Exited VIM before receiving a VIP	72	13.1
Have not been VIM on long enough to receive a VIP	306	55.8
Received VIP and has since exited VIM	30	5.5
Received VIP and is still on VIM	140	25.5
Total VIM customers	548	-

Source: Customers on VIM at any time 1 July 2012 to 29 June 2013

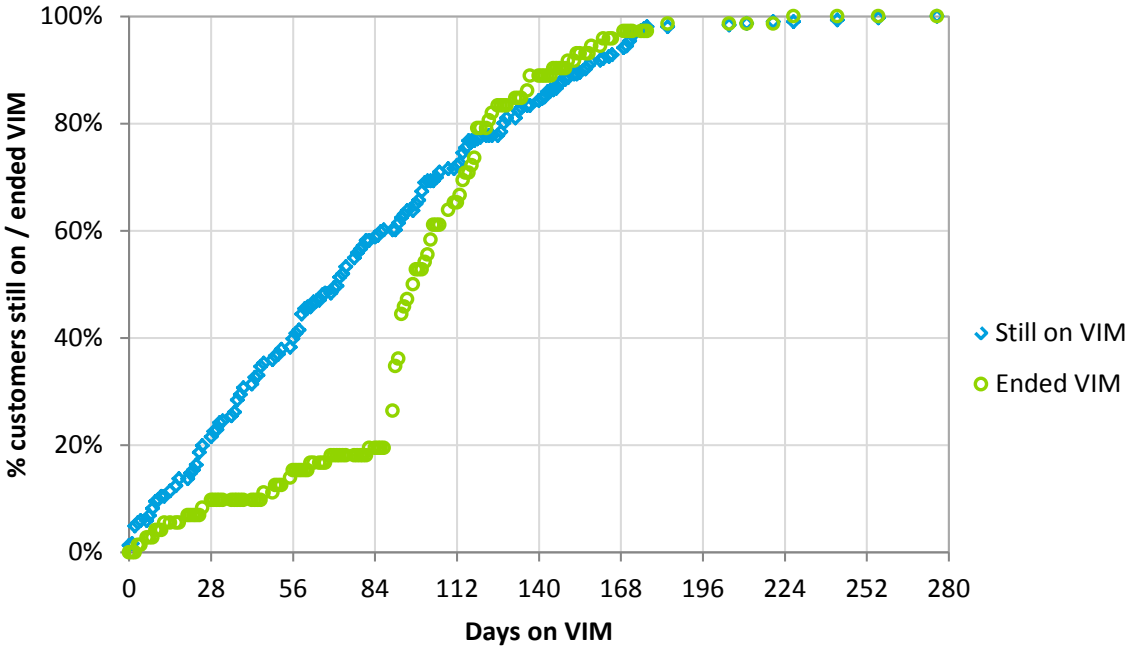
In contrast to this observation, after receiving a VIP those who exit VIM exit very shortly after their payment: 40 per cent within two weeks, 57 per cent within four weeks and 73 per cent within six weeks (see Figure 7.1). However this exit profile is comparable to customers who have not received a VIP. In Figure 7.2 a similar spike of exits from VIM over a 28 days period occurs after the mandated 13 week minimum for VIM customers to participate. In contrast the cumulative distributions of customers not leaving VIM have the same regular shape. The inference that VIPs do not have a major influence on customers' participation in VIM is consistent across the observations.

Figure 7.1: Time between receiving VIP and ending VIM, 1 July 2012 to 29 June 2013



Source: PBIM customers 1 July 2012 to 29 June 2014.

Figure 7.2: Time between receiving VIP and ending VIM, 1 July 2012 to 29 June 2013



Source: PBIM customers 1 July 2012 to 29 June 2014.

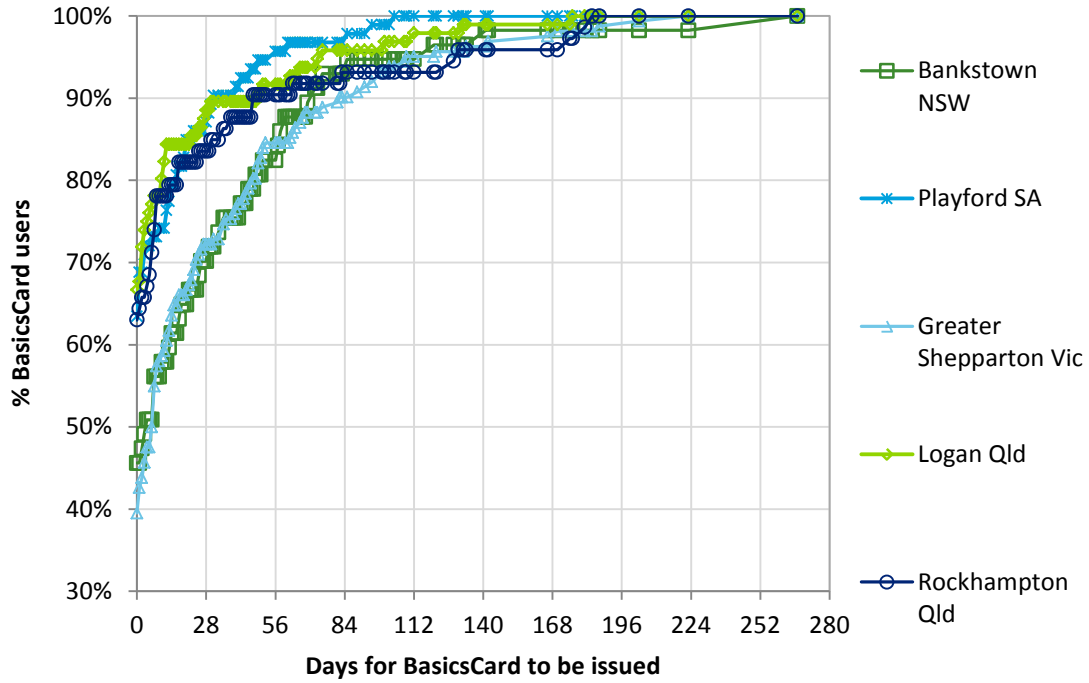
Another issue highlighted by Figure 7.2 is that several customers who have been on VIM for more than 26 weeks have not received a VIP. Most of these customers have had interruptions to their time on VIM. Administrative issues such as these, unless merely a problem with the data, potentially lead to customer dissatisfaction.

7.2.4 BasicsCard Usage

The time to issue a BasicsCard to a customer can take time (see Figure 7.3) and the total number of PBIM customers includes those who had just started PBIM.

While overall 53 per cent of customers are issued a BasicsCard immediately, in Bankstown and Shepparton it is around 40 per cent of customers compared with 65 per cent in the other sites. After 28 days, 70 per cent of Bankstown and Shepparton BasicsCard users had been issued their card compared with 85 per cent of customers in the other sites. The data do not resolve whether the different time to issue is due to DHS administration, or delays in customers requesting cards. However the different issue rates may explain some of the difference in customer participation rates.

Figure 7.3: Time taken to issue first BasicsCard



Source: BasicsCard records 1 July 2012 to 29 June 2013

Customers are not being issued numerous BasicsCards and there is no significant difference across site. As presented in Table 7.10, 12 per cent of customers have been issued more than two cards and only six of 481 customers have been issued more than five cards. Replacement cards account for 36 per cent of cards issued (see Table 7.11). Almost half of these (47 per cent) are due to the card expiring and only a very small number of cards have been stolen (13 of 780). Logan and Rockhampton are significantly different from the other sites. Logan had more 'customer requests' and fewer 'expired' cards, while Rockhampton had more 'expired' cards and fewer 'lost'.

Table 7.10: Number of BasicsCards issued, 1 July 2012 to 29 June 2013 (per cent)

BasicsCards Issued per person	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
1	63	56	64	61	45	59
2	23	31	25	28	42	29
3	9	5	10	6	10	8
4+	5	8	1	4	3	4
BasicsCard users (number)	57	93	162	96	73	481
Mean BasicsCards (number)	1.7	1.8	1.5	1.5	1.8	1.6

Source: BasicsCard records 1 July 2012 to 29 June 2013

Table 7.11: Reasons for replacement of BasicsCards (per cent)

Reason issued	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
Per cent of all cards Issued						
Issue initial card	64.2	59.0	69.8	66.2	58.1	64.2
Per cent of replaced cards						
Customer request	8.8	2.9	1.4	46.0	7.4	11.8
Damaged	2.9	2.9	6.8	4.0	7.4	5.0
Lost	47.1	41.2	30.1	24.0	18.5	31.5
Other - expired	35.3	48.5	56.2	18.0	66.7	47.0
Stolen	5.9	4.4	5.5	8.0	0.0	4.7
Total	100	100	100	100	100	100
Replacement cards (number)	34	68	73	50	54	279
Total BasicsCards (number)	95	166	242	148	129	780

Source: BasicsCard records 1 July 2012 to 29 June 2013

7.2.5 BasicsCard transfers and purchases and inquiries

Table 7.12 reports money transferred into BasicsCards in more detail. Table 7.12 reports the frequency with which transfers are made, and Chart 7.1 the amounts transferred per transaction in terms of the frequency distributions and cumulative distributions of transactions and customers. There is no significant difference across site.

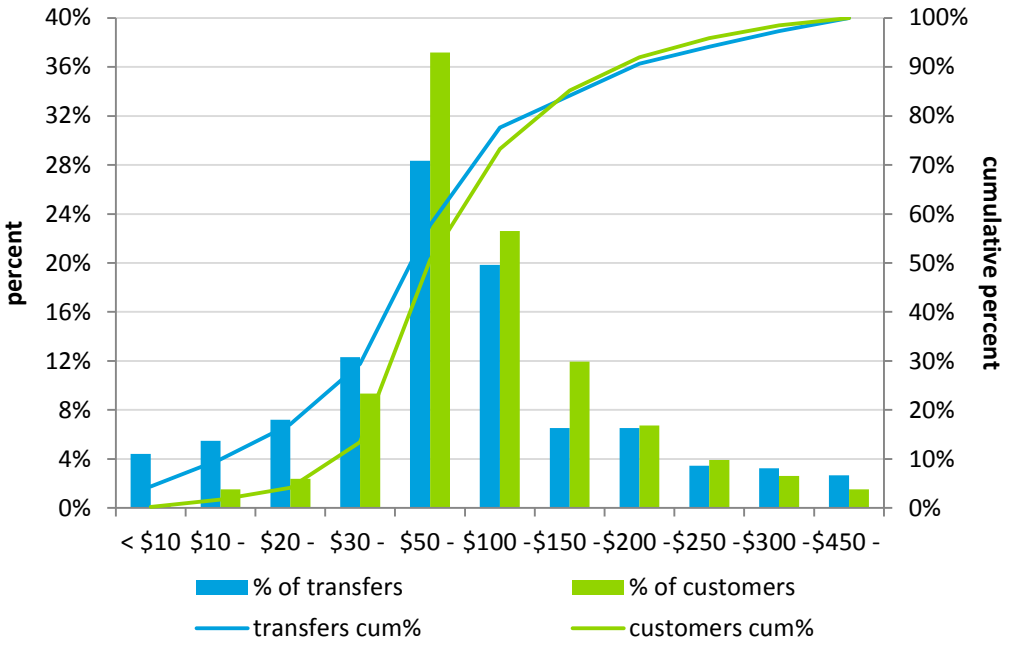
The mean frequency with which customers transfer money into their BasicsCard is once every 7.5 days (3.75 times per 28 days), with 40 per cent of customers transferring weekly of more frequently and 60 per cent less frequently (see Table 7.12). At the extremes around 5.6 per cent of customers transferred money in less than monthly and another five per cent more often than twice a week.

Table 7.12: Frequency of transfers into BasicsCards (by customers who transfer in) (per cent)

Transfers per 28 days	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
under 2	19.2	11.6	23.6	14.1	16.4	17.8
2 to under 4	51.9	46.5	37.6	47.8	41.1	43.5
4 to under 6	17.3	26.7	22.9	26.1	26.0	24.1
6 or more	11.5	15.1	15.9	12.0	16.4	14.6
Total	100	100	100	100	100	100
Customers (number)	52	86	157	92	73	460
Mean frequency (number)	3.2	4.1	3.8	3.7	3.8	3.7

Source: BasicsCard records 1 July 2012 to 29 June 2013

Chart 7.1: Amounts transferred into BasicsCards per transaction



Source: BasicsCard records 1 July 2012 to 29 June 2013

Table 7.13: Amounts transferred into BasicsCard per transaction (per cent)

Transfer amount	Percentage of transfers	Percentage of customers	Transfers - cumulative percentage	Customers- cumulative percentage
under $10	4.41	0.22	4.41	0.22
$10 - $19.99	5.49	1.52	9.90	1.74
$20 - $29.99	7.21	2.39	17.11	4.13
$30 - $49.99	12.31	9.35	29.42	13.48
$50 - $99.99	28.34	37.17	57.75	50.65
$100 - $149.99	19.84	22.61	77.60	73.26
$150 - $199.99	6.52	11.96	84.11	85.22
$200 - $249.99	6.52	6.74	90.63	91.96

Transfer amount	Percentage of transfers	Percentage of customers	Transfers - cumulative percentage	Customers- cumulative percentage
$250 - $299.99	3.46	3.91	94.09	95.87
$300 - $449.99	3.24	2.61	97.33	98.48
$450 - $599	2.67	1.52	100.00	100.00

The use of BasicsCard kiosks to inquire as to the BasicsCard balance differs across site both in terms of the proportion of BasicsCard customers who made any inquiries and the number of inquiries made. Playford has a much higher proportion of customers using the kiosks (56 per cent) and a higher usage rate (a mean of every 4 days and 44 per cent of users using them more than weekly, 13 times per 90 days). In contrast, Shepparton has only nine per cent of BasicsCard customers using the kiosks and 57 per cent of users use them only once every 90 days. Table 7.14presents the details.

Overall while only 24 per cent of BasicsCard customers use the kiosks (21 per cent outside Playford and Shepparton) those who do use them value them. They are used quite regularly. Almost 60 per cent of customers use them more than monthly (6.5 times per 90 days) and at a mean usage rate of 13.5 times per 90 days (every 6.7 days). Across Bankstown, Logan and Rockhampton the usage rate is not much lower than the overall rate, 48 per cent of customers using the kiosks 6.5 or more times per 90 days, at a mean rate of 7.8 times (every 11.6 days).

A point to note on kiosk use is that Playford with higher use also has more customers experiencing "insufficient balance" events than Shepparton, where there is a lower use of kiosks and fewer customers experienced "insufficient balance" events. Kiosk use thus appears to be an indicator of some financial stress, albeit a positive sign that the kiosks are being used to monitor the situation.

Table 7.14: BasicsCard kiosk inquiries (per cent)

Number of inquiries per 90 days	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
Per cent of all customers using BasicsCards						
None	86.0	44.1	91.4	80.2	71.2	76.3
Per cent of customers making inquiries						
Less than 1	12.5	7.7	57.1	21.1	23.8	20.2
1 to less than 3	50.0	13.5	28.6	21.1	33.3	21.1
3 to less than 6.5	25.0	15.4	14.3	31.6	4.8	17.5
6.5 to less than 13	0.0	19.2	0.0	15.8	14.3	14.0
13 or more	12.5	44.2	0.0	10.5	23.8	27.2
Total	100	100	100	100	100	100
Persons inquiring (number)	8	52	14	19	21	114
BasicsCard users (number)	57	93	162	96	73	481
Mean number	6.9	21.9	1.9	6.4	9.3	13.5

Source: BasicsCard records 1 July 2012 to 29 June 2013

7.2.6 Rejected BasicsCard transactions

Over 85 per cent of BasicsCard customers have experienced an event where their card has been rejected at the point of sale. This appears to be a relatively high incident rate of rejection. Having one's BasicsCard rejected draws attention to the transaction. Consequently the opportunities for a BasicsCard customer to feel embarrassed or stigmatised may have been high also. This will be explored further through the longitudinal customer survey and the interviews.

Table 7.15 lists different reasons for a customer's BasicsCard to be rejected and the proportion of BasicsCard customers experiencing the event at any time. The most common reasons are: use of the card on an unregistered device (72 per cent); insufficient balance to complete the purchase (66 per cent); and PIN errors (47 per cent). There are a very small number of customers with 'PIN blocked' or 'BasicsCard suspended' (which includes cancelled cards), indicating very low levels of unauthorised use be it by a customer or others.

Table 7.15: Customers experiencing of BasicsCard rejection (per cent)

Type of rejection	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total per cent	Total persons
Insufficient balance	63.2	69.9	58.0	74.0	72.6	66.3	319
PIN Error	43.9	57.0	40.1	46.9	53.4	47.2	227
PIN blocked	5.3	0.0	0.0	0.0	0.0	0.6	≤5
BasicsCard suspended	3.5	7.5	3.1	0.0	2.7	3.3	16
Unregistered device	68.4	74.2	67.3	71.9	82.2	71.9	346
Action not supported	26.3	14.0	11.7	18.8	17.8	16.2	78

Source: BasicsCard records 1 July 2012 to 29 June 2013

Table 7.16, Table 7.17, and Table 7.18 look at 'insufficient balance' events in more detail. 'Insufficient balance' events are significantly different across site for all four metrics reported. The proportion of BasicsCard customers experiencing an 'insufficient balance' event is significantly different across the sites, with Shepparton having the lowest proportion of customers affected (58 per cent) and Logan the highest proportion (74 per cent).

Overall, sites 55 per cent of customers who experienced 'insufficient balance' events experienced them once or twice and 24 per cent of customers experienced them five or more times. In contrast at Rockhampton and Playford 22.6 per cent and 24.6 per cent of customers respectively experienced 'insufficient balance' once or twice and 22.6 per cent and 30.8 per cent five or more times respectively. Twenty-four percent of customers experiencing five or more weeks of 'insufficient balance' identifies a substantial issue. Table 7.16 presents the details of this analysis. The number of events is reported in terms of event weeks as it is common for customers to try again when such an event occurs thus resulting in multiple successive 'insufficient balance' events: counting weeks 'smooths' these counts.

Table 7.16: Number of weeks where customers experienced "insufficient balance" (per cent)

Number of event weeks	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
1	52.8	24.6	34.0	43.7	22.6	34.5
2	11.1	21.5	28.7	15.5	17.0	20.4
3	8.3	12.3	11.7	9.9	24.5	13.2
4	5.6	10.8	5.3	8.5	13.2	8.5
5 or 6	8.3	15.4	7.4	8.5	15.1	10.7
7 to 9	8.3	12.3	6.4	7.0	5.7	7.8
10 to 15	5.6	3.1	6.4	7.0	1.9	5.0
Total	100	100	100	100	100	100
Customers (number)	36	65	94	71	53	319
Mean weeks (number)	3.08	3.58	3.14	3.25	3.30	3.28

Source: BasicsCard records 1 July 2012 to 29 June 2013

Table 7.17 presents the times customers who have encountered a PIN error. As with 'insufficient balance' events, the number of occasions is reported in terms of event weeks to 'smooth' subsequently repeated occurrences. Most customers (69 per cent) who encounter PIN errors only encounter them once or twice, however 13 per cent encounter them between five and 18 times. There is a significant difference across site with Shepparton exhibiting a higher proportion of customers (20.8 per cent) encountering five or more PIN error events. Given the tiny number of PIN blocked events this does not appear to be a major issue although it should be noted.

Table 7.17: Occurrences of BasicsCard PIN errors (per cent)

Number of event weeks	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
1	50.8	52.0	26.4	57.8	56.4	47.6
2	26.2	8.0	24.5	20.0	20.5	21.6
3	9.2	20.0	18.9	4.4	5.1	11.0
4	10.8	4.0	9.4	6.7	0.0	7.0
5+	3.1	16.0	20.8	11.1	17.9	12.8
Total	100	100	100	100	100	100
Customers (number)	65	25	53	45	39	227
Mean weeks (number)	1.9	2.6	3.3	2.2	2.4	2.4

Source: BasicsCard records 1 July 2012 to 29 June 2013

The most common reason for customers to have their BasicsCard rejected is for use in an unregistered device. Seventy-two percent of BasicsCard users experienced an 'unregistered device' error. These events occur when a BasicsCard transaction has been attempted at a specific EFTPOS terminal that has not been approved by Human Services to accept the BasicsCard. Most commonly it is when a card holder has attempted to use their card at a store or business that is not an approved BasicsCard merchant (86.2 per cent of merchants recording an 'unregistered device' error had no other transaction type logged). Less commonly is when an EFTPOS terminal within an approved BasicsCard merchant is 'unregistered' because the terminal is specifically for the sales of excluded goods and services only such as cigarettes or alcohol. There may also be circumstances where a BasicsCard merchant has installed a new EFTPOS terminal and the DHS has not been advised. This case is likely to be very limited.

Table 7.18 notes that 55 per cent of customers have experienced this event only once or twice but 18 per cent experienced it five or more times and nine per cent six or more times. There is no significant difference across sites. The large proportion of customers attempting to use the BasicsCard at 'unregistered' merchants may indicate a lack of initial understanding by customers as to of where the card can be used and/or the proportion of customers who would like to use the card at other merchants.

Table 7.18: Use of BasicsCard in unregistered devices (per cent)

Number of unregistered transactions	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total
1	28.4	30.8	27.5	29.0	40.0	30.6
2	24.8	28.2	21.7	27.5	20.0	24.3
3	12.8	10.3	15.9	14.5	15.0	13.9
4	17.4	5.1	15.9	8.7	11.7	13.0
5	8.3	12.8	8.7	11.6	5.0	9.0
6+	8.3	12.8	10.1	8.7	8.3	9.2
Total	100	100	100	100	100	100
Customers (number)	109	39	69	69	60	346
Mean transactions (number)	3.0	3.1	3.2	2.8	2.6	2.9

Source: BasicsCard records 1 July 2012 to 29 June 2013

In summary, the BasicsCard is an integral part of PBIM. While up to 20 per cent of customers may not request a BasicsCard for those who are issued a BasicsCard they are an important part of the program. It is used very frequently and appears to be used in a responsible manner. It is an area where there is always scope for continual improvement, from the issuing of cards, to the registration of EFTPOS devices, in the transfer of funds and knowing the current balance and the amount available for spending.

7.2.7 BasicsCard Merchants

Not all activated merchants were active when PBIM began 1 July 2012. Considering those merchants in customer catchment areas, Table 7.19 reveals that only 70 per cent of merchants were activated when PBIM began, although almost 90 per cent were activated by the time PBIM ramped up in the December quarter of 2012. Bankstown and Rockhampton had fewer activated sites at commencement but after the first quarter were proportionally the same. Of note is that another group of merchants (6.5 per cent) were activated in April-June 2013. These were primarily a number of smaller chains in auto parts, sporting and camping goods, and clothing. Additions such as this are likely to continue.

Table 7.19: Percentage of activated merchants, in time period activated, by catchment areas (per cent)

Catchment	Prior to 1 July 2012	July - September 2012	October - December 2012	January - March 2013	April – June 2013	July 2013	Total merchants
Bankstown NSW	60.6	26.5	2.8	2.2	7.3	0.6	317
Playford SA	69.4	17.1	0.9	1.8	7.2	3.6	111
Greater Shepparton Vic	**85.5**	9.0	2.1	0.0	**2.8**	0.7	145

Catchment	Prior to 1 July 2012	July - September 2012	October - December 2012	January - March 2013	April – June 2013	July 2013	Total merchants
Logan Qld	76.2	12.4	2.8	0.7	6.6	1.4	290
Rockhampton Qld	63.4	25.4	2.1	0.7	7.7	0.7	142
Total	**70.0**	18.7	2.4	1.2	**6.5**	1.2	
Total merchants (number)	704	188	24	12	65	12	1,005

Source: BasicsCard merchant records to 31 July 2013

The number of transactions which take place within each catchment has already been noted in determining the catchment areas. In contrast the number of merchants used is much lower (45 per cent compared to 89 per cent), indicating a relatively small number of merchants account for most activity. The table presents two key metrics: (1) the percent of merchants used from those available in the catchment (engagement rate) and (2) of merchants used, the percent from within the catchment (merchant share).[12] The first of these gives an indication of engagement with local merchants, the second how well local merchants meet customer purchasing behaviour (that is, where customers have chosen to go in order to make purchases).

Overall just under half (46 per cent) of merchants in a catchment were used by customers in the first year and slightly more than half (55 per cent) of merchants used were from outside the catchment, which appears to be quite high. The results are very different by site. Bankstown and Logan have many more merchants with lower engagement rates (31.5 per cent and 42.5 per cent), although Bankstown is particularly low. Playford with fewer merchants has the highest engagement rate (73.7 per cent). The proportion of local merchants is largely the converse of the local engagement rate. Bankstown has the highest share of merchants which are local (70.6 per cent) and Shepparton the lowest (32.2 per cent). If there are more BasicsCard merchants in a local catchment, then BasicsCard Customers are more likely to shop locally, however, as there are more local merchants, there will be a higher proportion of local merchants not used. This poses some difficulty in recruiting merchants as you would like to recruit a lot but, a lot of them will receive little or no use.

The availability and use of merchants can be further understood by examining the activities the merchants undertake. Table 7.20 provides a summary from which can be identified those activities which comprise most of the merchants available to customers and those they use in terms of merchants and transactions.

Table 7.20: BasicsCard merchants by business activity

Business Activity	In PBIM site - registered	All - registered	Per cent in PBIM site - registered	Per cent all - registered	In PBIM site - merchant used	Out of PBIM site- merchant used	Transactions
Australia Post	137	3,300	**11.7**	**25.9**	0	0	0
Automotive repairs	31	590	**2.6**	**4.6**	4	0	0.03
Bakery	8	16	0.7	0.1	2	0	0.05
Bookstore	6	54	0.5	0.4	4	2	0.08
Butcher	44	108	**3.8**	**0.8**	**19**	1	**0.92**

[12] Engagement rate is calculated by dividing the number of merchants used within the catchment by the number of merchants registered within the catchment. The share of merchants is calculated by dividing the number of merchants used within the catchment by the total number of merchants used (by customers in that trial site).

Business Activity	In PBIM site - registered	All - registered	Per cent in PBIM site - registered	Per cent all - registered	In PBIM site - merchant used	Out of PBIM site- merchant used	Transactions
Chemist/ pharmacy	103	310	**8.8**	**2.4**	**53**	4	**3.94**
Clothes store	171	1,476	**14.6**	**11.6**	**39**	5	**0.50**
Convenience store	21	154	1.8	1.2	6	0	**0.77**
Delicatessen	0	5	0.0	0.0	0	0	0.00
Department store	70	1,040	**6.0**	**8.1**	**45**	**126**	**13.31**
Discount store	46	425	3.9	3.3	**32**	8	**2.09**
Education outlet	67	107	**5.7**	**0.8**	5	0	0.04
Fruit and vegetables	13	19	1.1	0.1	4	0	0.30
Furniture store	0	16	0	0.1	0	0	0.00
Hardware store	12	66	1.0	0.5	3	1	0.05
Medical service	5	31	0.4	0.2	0	0	0.00
Motor vehicle registry	1	11	0.1	0.1	1	0	0.03
Newsagent	6	17	0.5	0.1	3	0	0.09
Other	7	64	0.6	0.5	4	0	0.03
Petrol station	96	1,350	**8.2**	**10.6**	**67**	**103**	**11.20**
Second-hand goods	60	512	5.1	4.0	**21**	6	**0.73**
Shoe store	36	272	3.1	2.1	**17**	4	0.22
Short term accommodation	5	60	0.4	0.5	1	1	0.03
Supermarket	175	2,307	**14.9**	**18.1**	**121**	**304**	**64.95**
Toys	7	38	0.6	0.3	3	1	0.05
Transport	43	404	3.7	3.2	**13**	8	**0.59**
Whitegoods	1	13	0.1	0.1	0	0	0
Total	1,171	12,765	100	100	467	574	25,557

Source: BasicsCard merchant records as at 31 July 2013Note: Business activities shaded yellow have a significantly different proportion of PBIM and all merchants. Transactions in bold are more than 0.5 per cent of the total, and merchants in bold are greater than 10.

Table 7.20 identifies a wide variety of different merchants available (or pending) to customers. Merchants are not available in all business activities in all catchments and there are no registered delicatessens or furniture stores in any of the catchments. Most catchments have around 21 of the 25 activities with merchants in the PBIM catchments although Playford which has fewest merchants has merchants in only 17 activities. Table 7.20 lists those activities where one or more catchments are missing merchants. The most noteworthy of these activities are convenience stores and transport outlets. Where these merchants are available they account for a relatively high proportion of transactions. Transport which mainly relates to rail transport is as a consequence biased towards Bankstown.

Table 7.21 presents the amount of traffic and revenue BasicsCard merchants receive from PBIM customers. The two metrics are highly related. Overall 60.7 per cent of merchants did not receive a single purchase within the first year of PBIM. In Bankstown where there were more merchants registered, 75 per cent that did not have any purchases, and in Playford with the fewest merchants registered it was 35.4 per cent.

In merchants where there were purchases (mostly supermarkets, department stores and petrol stations), Bankstown was significantly different from the other sites. For sites other than Bankstown: 49 per cent of merchants had less than six purchase transactions per half year and 24 per cent had 26 or more transactions per half year. In terms of revenue: 45 per cent of merchants received less than $20 per 28 days; 36.5 per cent $50 or more per 28 days; and 18.4 per cent $150 or more. In Bankstown the response was much less: 46 per cent of merchants had less than two purchases per half year; 29 per cent six or more per half year; and only eight per cent 26 or more purchases per half year. In revenue: 68 per cent of merchants received less than $20 per 28 days; 17 per cent $50 or more; and seven per cent $150 or more per 28 days.

The mean values are similar with Bankstown having much lower values. Shepparton has higher mean values due to a few particularly large values and Logan is slightly lower having fewer (but not significant) merchants in the top intervals.

From these figures it is clear that the BasicsCard is not a large revenue or traffic generator for the merchants. Thus any implementation processes and administrative requirements should be kept to a minimum in order to encourage their continued participation in the program. Further, it is considered that currently the number and range of participating merchants including minor retailers is relatively broad.

Table 7.21: Frequency of purchases at BasicsCard merchants, by customer catchment area (per cent of merchants used)

Number of purchase transactions per 6 months	Bankstown NSW	Playford SA	Greater Shepparton Vic	Logan Qld	Rockhampton Qld	Total	All merchants
No transactions (note this is per cent of all merchants in site)	75.0	35.4	53.0	61.3	53.8	60.7	92.3
Less than 1	24.5	10.7	14.1	10.5	11.5	14.3	28.8
1 to less than 2	21.4	15.5	14.1	14.5	15.4	16.2	21.4
2 to less than 6	25.5	21.4	23.1	23.4	20.5	22.9	21.9
6 to less than 26	20.4	26.2	21.8	33.9	24.4	26.0	17.8
26 or more	8.2	26.2	26.9	17.7	28.2	20.6	10.1
Total	100	100	100	100	100	100	100
Merchants used (number)	98	84	78	124	78	462	988
Total merchants (number)	392	130	166	320	169	1,177	12,765
Mean (if used)	9.8	31.5	45.0	19.6	29.2	25.6	

Source: BasicsCard data to 29 June2013.

Note: There are 4The six ISP codes in bold (AGE, DSP, NSA, PPS, SPL, YAL) represent the main ISP types in terms of PBIM participation. Together, customers on the other ISPs account for fewer than two per cent of PBIM customers.

In Figure 7.4 the type of attribute and statistics which define the customer segments are listed as the column headings. The attribute values which define individual segments are grouped together as ‘branches of the tree’. To read a particular segment read across the page. For example Segment 15 is defined as:

- Being on ISP: CAR DSP NSA or WFD
- Uses deductions (Centrepay or Rent Deduction Scheme)
- Rents from a government, private or other landlord
- Is CALD (culturally and linguistically diverse)
- Has been on ISP for 6,507 days or more.

Segment 15 represents 0.3 per cent of customers on PBIM trigger payments and 17.9 customers per thousand in Segment 15 are likely to participate in PBIM which is 2.0 times higher than average.

Figure 7.4 lists three statistics for each of the segments.

- PBIM participation is the number of PBIM customers per 1,000 Centrelink customers on trigger payments in the segment. Across all five trial sites the mean PBIM participation rate was 9.0 persons per 1,000 (2,207 PBIM customers from 245,696 customers on trigger payments).
- Lift is a measure of how much more likely customers in the particular segment are likely to participate in PBIM compared to the overall PBIM participation rate. The lift was used to derive the weights used to adjust the comparative populations.
- Population distribution is the proportion of all customers on trigger payments in each of the segments.

Figure 7.5 reads similarly to Figure 7.4 but down the page. The statistics are also similar but by PBIM measure. CPIM customers are not reported as there were only six customers.

- Customers is the number of PBIM customers in each segment (to 30 June 2013).
- Distribution of customers is the population distribution (per cent) for each PBIM measure. Each row totals to 100 per cent.
- PBIM participation here is reported as per 100 PBIM customers. In Figure 7.4 the value was reported per 1,000 Centrelink customers. It is in effect the proportion of PBIM customers in the segment on each PBIM measure. The values for a segment total to 100 per cent allowing for CPIM.
- 'Lift' is calculated for each PBIM measure. By definition one PBIM measure should 'dominate' each segment as that is what classification tree models do.

Figure 7.4: Classification of the target population in terms of participation in PBIM

Segment	Attribute							Statistics		
	ISP[a]	Deductions	Rent Type	Indigenous CALD Children	Age	Mobility	Days on ISP	PBIM participation	Lift	Per cent population distribution
1	[**AGE** BVA PPP PTA WDA WFA] [AUS **PPS** SKA] [CAR **DSP NSA** WFD]	Does not use	Govt, Free, Non, Other	Child carer	Under 25		< 166	0.0	0.00	1.3
2								2.3	0.26	0.7
3				No children	under 18		166+	86.5	9.63	0.0
4					18 to 24	0-3		4.1	0.45	1.1
5			Board, Private				166-536	1.3	0.14	0.3
6							537+	19.4	2.16	0.4
7						4+	166+	27.3	3.04	0.2
8					25 and over			0.9	0.10	61.7
9	**AGE** BVA PPP PTA WDA WFA							4.7	0.52	3.8
14	CAR **DSP NSA** WFD		Govt, Private, Other	CALD			< 6507	4.0	0.45	1.5
15							6507+	17.9	1.99	0.3
16	AUS **PPS** SKA							19.1	2.13	0.4
17	[AUS **PPS** SKA] [CAR **DSP NSA** WFD]	Uses		not CALD				17.0	1.89	9.9
10			Board, Free, Non-renter				< 537	3.1	0.34	0.9
11						0	537-5997	3.4	0.38	1.2
12							5997+	18.2	2.02	0.3
13						1+	537+	11.3	1.25	2.2
18							< 61	0.4	0.04	2.3
19	ABY **SPL YAL**	Does not use	Non	Not indigenous	under 22	0,1	61+	3.2	0.35	1.2
20			Free		under 17			31.0	3.45	0.0
22					17 to 21	1	61-235			0.3
24					17 to 18		797+			0.0
26					19 to 21	0,1	1162+			0.4
25							797-1161	2.9	0.32	0.6
23					17 to 21	1	236-796	6.3	0.70	1.4
21						0	61-796	1.5	0.16	0.6
27			Free, Non-renter	Indigenous				46.2	5.14	0.2
28		Uses				0,1		55.9	6.22	0.2
29			Govt, Board, Private, Other		under 22		61+	98.6	10.98	0.8
30						2+		124.4	13.85	3.4
31					22 and over			3.4	0.37	2.4

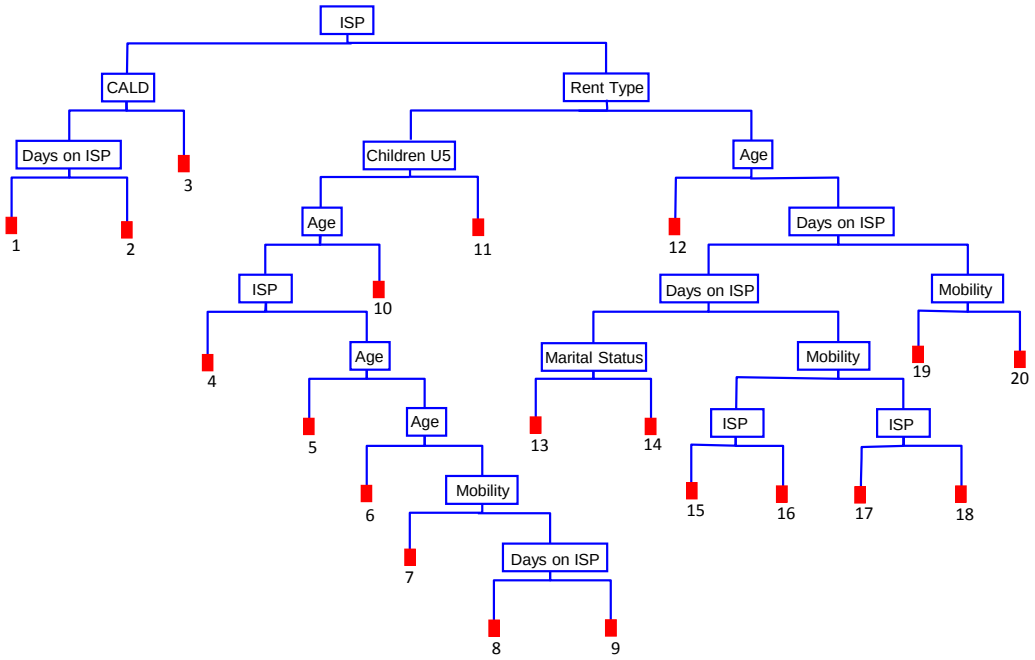
Note: (a) [] have been used to identify ISPs which are always grouped. For example [AUS PPS SKA] which defines Segment 16, is also part of the ISPs which define Segments 1 to 8 and Segments 10 to 13 and 17.
(b) PBIM participation is per 1000 customers.

Figure 7.5: Sub-populations of customers of different PBIM measures

Attribute	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
ISP	ABY BVA **SPL** WDA WFA **YAL**			**AGE** CAR **PPS** PTA SKA WFD	AUS **DSP** **NSA** PPP								**AGE** AUS CAR **DSP** PPP PTA SKA WFD		**NSA** **PPS**	**AGE** AUS CAR PPP **PPS** PTA SKA WFD		**DSP** **NSA**				
CALD	Not CALD		CALD																		
Rent type				Board, Free, Non-renter, Private, Other											Government rent						
Children U5				0 or 1							2+										
Age				under 57						57 or older		under 31	31 or older								
					under 29	29 to 33	34 to 56														
Days on ISP (years)	< 104 (.285)	104+ (.285)						< 5928 (16.25)	5928+ (16.25)				< 1974 (5.4)		1974 to 6476 (5.4 to 17.75)				6477+ (17.75)		
Mobility							1+	None							1+		None		1 +	None	
Marital status													DEF DIV MAR NRE REG SIN UNK WID	SEP							
Customers	14	1360	43	122	113	34	88	74	40	94	46	33	18	10	14	11	10	33	19	31	2207
Distribution of customers within IM measure																					
CPIM																					
VIM	0.7	6.5	1.0	**15.9**	**8.8**	3.3	**11.9**	8.4	**5.2**	**13.0**	**5.9**	2.2	**2.5**	0.8	**1.9**	1.1	1.1	**3.9**	**2.6**	3.2	724
VULN-SWA	**2.7**	10.8	1.4	4.1	2.7	**13.5**	2.7	**17.6**	2.7		1.4	**16.2**		**5.4**		**4.1**	**2.7**	1.4		**10.8**	74
VULN-AT	0.5	**93.0**	**2.4**	0.3	3.3						0.1	0.4									1403
IM measure participation (per cent)																					
CPIM																					
VIM	35.7	3.5	16.3	94.3	56.6	70.6	97.7	82.4	95.0	100	93.5	48.5	100	60.0	100	72.7	80.0	84.8	100	74.2	32.8
VULN-SWA	14.3	0.6	2.3	2.5	1.8	29.4	2.3	17.6	5.0		2.2	36.4		40.0		27.3	20.0	3.0		25.8	3.4
VULN-AT	50.0	96.0	79.1	3.3	41.6						2.2	15.2									63.6
LIFT																					
VIM	1.09	0.11	0.50	**2.87**	**1.73**	2.15	**2.98**	2.51	**2.90**	**3.05**	**2.85**	1.48	**3.05**	1.83	**3.05**	2.22	2.44	**2.59**	**3.05**	2.26	
VULN-SWA	**4.26**	0.18	0.69	0.73	0.53	**8.77**	0.68	**5.24**	1.49		0.65	**10.85**		**11.93**		**8.13**	**5.96**	0.90		**7.70**	
VULN-AT	0.79	**1.51**	**1.24**	0.05	0.65							0.24									

Note: 'Total' for 'Distribution of customers' lists the number of PBIM customers for each PBIM measure. Shading highlights the PBIM measure most represented in each segment.

Figure 7.6: Classification tree identifying the characteristics which define PBIM sub-populations likely to participate in different PBIM measures.



8 Appendix C: NSW analysis

This Appendix provides an overview of process and short term outcomes for the NSW PBIM trial site Bankstown, with reference to outcomes for the comparison site, Canterbury. This targeted analysis was requested by the Department of Social Services for the purpose of investigating the particular impact of PBIM in Bankstown, as it was believed that Bankstown differed from other BAFW sites in terms of its demographic composition and vulnerability profile, and that these differences may affect the impact of PBIM.

It was considered that the demographic composition of Bankstown rendered other non-PBIM BAFW sites as inappropriate comparisons for the trial site. This concern was addressed through the inclusion of the non-BAFW site, Canterbury, as a comparison site. Canterbury was selected on the basis of its demographic comparability to Bankstown at baseline.

8.1 Secondary data analysis

As at 4 January 2014, 199 customers resident in Bankstown had engaged with PBIM at some point. This represents 7.7 per cent of the overall number of individuals who had engaged with PBIM across all sites to that point, and represents the lowest number of PBIM customers across all trial sites. Participation rates, calculated as a proportion of the total potential customers within a trial site, were the lowest in Bankstown compared with all other trial sites. Based on a consideration of demographic composition of sites, Bankstown was the only trial site which did not have a population with a stronger propensity to engage in PBIM than comparison populations, suggesting that demographic factors do not adequately explain lack of participation in PBIM at this site. Notably, Canterbury also had a population profile indicating a lower propensity to engage with PBIM than most other trial and comparison sites.

Secondary data was used to compare pre-existing differences between PBIM customers residing in Bankstown, non-PBIM customers in Bankstown and the comparison population in Canterbury. Considering the two years prior to the implementation of PBIM, no significant difference was noted in the level of mobility between PBIM customers in Bankstown and either of the comparison populations (Chart 8.1). Mobility is measured as the number of address changes recorded for an individual across the previous two year period.

Chart 8.1: Mobility – number of changes of address in the two years preceding PBIM

Table 8.1: Mobility - number of changes of address in the two years preceding PBIM

	Bankstown on PBIM	Bankstown not on PBIM (wgtd)	Canterbury (wgtd)
0 changes of address	39.1	41.0	39.5
1 change of address	16.2	21.4	20.8
2 changes of address	22.9	21.3	22.9
3+ changes of address	21.8	16.3	16.8

PBIM customers in Bankstown were, however, significantly more likely to have no fixed address or live in temporary accommodation in the 26 weeks preceding PBIM implementation, compared with non-PBIM customers in Bankstown and the comparison group in Canterbury. This is one indication of a higher level of vulnerability among the Bankstown PBIM customers with respect to the two comparison groups. That said, Bankstown PBIM customers were significantly less likely than customers in Canterbury to have had rent deducted from their income support payments at all before the implementation of PBIM. They were also less likely to use the Rent Deductions Scheme on a frequent basis than either non-PBIM customers in Bankstown or the comparison population in Canterbury.

A consideration of mean SEIFA scores provides an interesting story (Chart 8.2). SEIFA scores are allocated on the basis of the SA1 which an individual resides in, that is, all individuals within that geographic area obtain the same SEIFA score. The indexes are standardised to have a mean of 1000 and a standard deviation of 100 across all SA1s in Australia. The Index of Relative Socio-Economic Disadvantage indicates that PBIM customer's resident in Bankstown significantly less disadvantaged than the comparison population in Canterbury on the scale 'Index of Economic Resources'. They are also more likely to reside in areas of higher advantage than both non-PBIM customers in Bankstown and the Canterbury comparison population though this difference is not significant. These findings are in contrast to the overall comparison of PBIM customers to non-PBIM customers across all trial sites, which indicated that PBIM customers were more likely to reside in relatively more disadvantaged locations than non-PBIM customers.

Chart 8.2: Mean SEIFA score by site

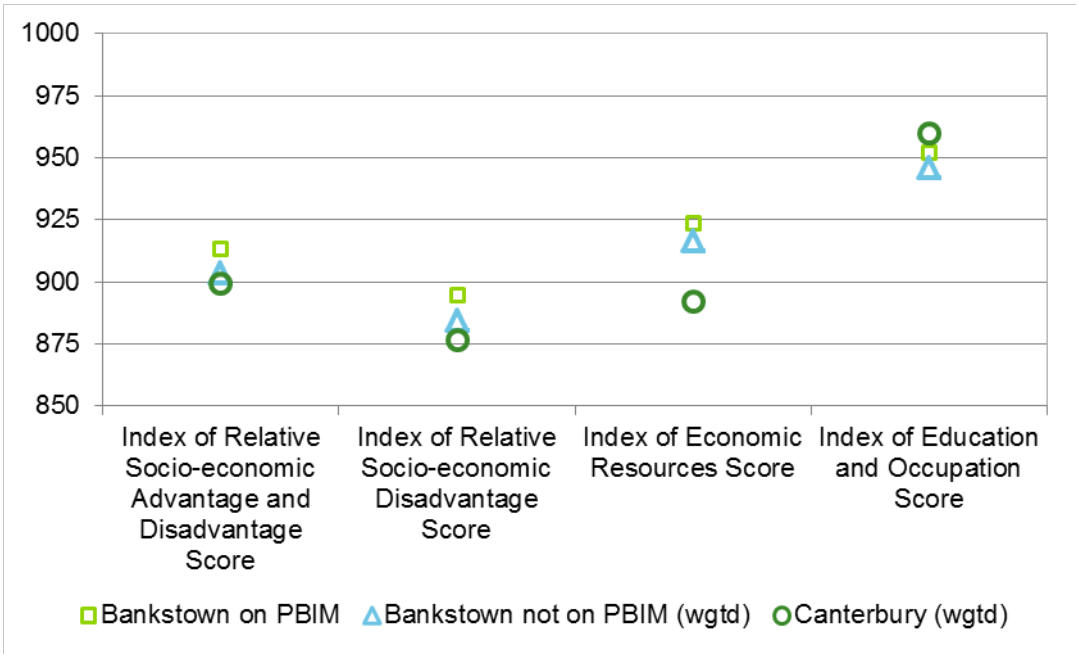


Table 8.2: Mean SEIFA score by site

	Bankstown on PBIM	Bankstown not on PBIM (wgtd)	Canterbury (wgtd)
Index of Relative Socio-economic Advantage and Disadvantage Score	913.6	903.3	899.6
Index of Relative Socio-economic Disadvantage Score	894.5	884.4	876.8
Index of Economic Resources Score	923.9	916.2	892.0
Index of Education and Occupation Score	952.2	945.7	959.9

8.2 Longitudinal survey

At baseline, 62 PBIM customers from Bankstown responded to the longitudinal survey. By wave one of the survey, only 34 of these customers were retained in the sample – 12 of whom had exited PBIM in the interim. In Canterbury, 116 individuals responded at baseline and 82 remained in the sample at wave one.

These sample sizes are relatively small, particularly when only subgroups within these populations are considered – for example, individuals with children. In general, small sample sizes lead to lower levels of reliability for analysis results and make it difficult to detect differences at appropriate levels of statistical significance. For this reason, the reader is encouraged to interpret all results presented in this subsection with caution. A significant change may be attributed to selective attrition, and similarly, a non-significant change may simply reflect the effect of small sample sizes rather than a negligible impact of the PBIM program.

The effect of PBIM in the short-term is measured by considering whether there has been a significant difference in the level of change for any given measure between PBIM and comparison respondents between baseline and wave one. Only two marginally significant differences (with probability levels between 0.05 and 0.1) were noted when comparing Bankstown respondents against Canterbury respondents.

As Table 8.3 indicates, Bankstown respondents increased their propensity to plan further ahead into the future when saving to a greater degree than among Canterbury respondents, and this difference reached a marginal level of statistical significance ($p<0.1$).

Table 8.3: Score for planning ahead when saving where zero is no planning and one is plans ahead a year, n= 111 (per cent)

	Baseline	Wave one	Difference
Bankstown	0.51	0.59	0.09
Canterbury	0.61	0.60	-0.01

The number of alcoholic drinks reportedly consumed by Bankstown respondents fell by a greater amount between baseline and wave one than for Canterbury respondents, and this difference reached a marginal level of statistical significance ($p<0.1$). This indicates a positive impact of PBIM on the consumption of alcohol in Bankstown (Table 8.4).

Table 8.4: Mean number of alcoholic drinks consumed per month, n = 55

	Baseline	Wave one	Difference
Bankstown	14.27	6.35	-7.92
Canterbury	4.00	5.02	1.02

Though not statistically significant, Bankstown respondents also reported a greater decrease in the number of cigarettes consumed per month and the number of gambling occasions per month than Canterbury respondents (Table 8.5; Table 8.6). General self-health ratings improved to a slightly greater extent among the Bankstown population (not statistically significant) (Table 8.7).

Table 8.5: Mean number of cigarettes consumed per month, n=31

	Baseline	Wave one	Difference
Bankstown	340.90	228.00	-113.00
Canterbury	314.60	321.50	6.90

Table 8.6: Mean number of gambling occasions per month, n= 22

	Baseline	Wave one	Difference
Bankstown	4.72	1.63	-3.09
Canterbury	2.58	1.70	-0.87

Table 8.7: Proportion self-reporting good or excellent health, n = 87 (per cent)

	Baseline	Wave one	Difference
Bankstown	59.70	60.60	0.90
Canterbury	81.70	81.70	0.00

Again, though not significant, the number of respondents stating they had slept rough in the prior three months also reduced to a greater level among Bankstown residents than Canterbury residents. That said, more Bankstown residents stated that they had slept rough at baseline.

Table 8.8: Ever homeless or slept rough in the last three months, n=116 (per cent)

	Baseline	Wave one	Difference
Bankstown	16.10	0.00	16.10
Canterbury	1.70	0.00	1.70

The proportion of respondents in employment declined amongst Bankstown respondents but marginally increased among Canterbury respondents (not significant). That said, the number of individuals stating they ever ran out of money for rent, mortgage repayments or bills reduced between survey waves reduced to a greater extent for Bankstown compared with Canterbury respondents (not significant). There was also a greater reduction in the reporting of needing to borrow money from family or friends among Bankstown respondents (not significant).

Table 8.9: Employed or not in labour force, n=116 (per cent)

	Baseline	Wave one	Difference
Bankstown	32.30	29.40	-2.80
Canterbury	47.40	47.60	0.10

Table 8.10: Ran out of money for rent or mortgage, n=113 (per cent)

	Baseline	Wave one	Difference
Bankstown	30.60	24.20	-6.40
Canterbury	10.60	11.30	0.60

Table 8.11: Ran out of money to pay bills, n=116 (per cent)

	Baseline	Wave one	Difference
Bankstown	51.60	47.10	-4.60
Canterbury	36.20	35.40	-0.80

Table 8.12: Had to borrow money from family or friends, n=116 (per cent)

	Baseline	Wave one	Difference
Bankstown	46.80	35.30	-11.50
Canterbury	47.80	41.50	-6.40

The number of repeat respondents with children in either site was very small (≤5 in Bankstown and 11 in Canterbury), and as such, no significant differences were found against questions considering the health or education of children across the sites.

8.3 Summary

Secondary data analysis indicates that participation rates are lower in Bankstown than among other trial sites. Secondary data also indicated some initial differences between PBIM customers resident in Bankstown and Canterbury residents prior to PBIM. Specifically, PBIM customers in Bankstown were less likely to utilise rental deductions when compared with Canterbury residents. Further, the areas which PBIM customers in Bankstown resided were in general associated with a lower level of socioeconomic disadvantage.

The detection of the impacts of PBIM on Bankstown residents was made difficult by small sample sizes. In general, small sample sizes lead to lower levels of reliability for analysis results and make it difficult to detect differences at appropriate levels of statistical significance.

Some marginally significant differences were noted – namely a greater increase in the self-reported ability to plan for future savings and a greater decrease in alcohol consumption for PBIM customers in Bankstown, with respect to comparison customers in Canterbury. While the Bankstown residents also appeared to exhibit positive changes relative to those in Canterbury on a number of other measures, these changes were not statistically significant.

Limitation of our work

General use restriction

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