Policy convergence 
or policy translation? 
Compulsory income management 
in Australia and New Zealand 

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‘CONDITIONAL WELFARE: A COMPARATIVE STUDY OF COMPULSORY INCOME MANAGEMENT POLICIES’ 
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Context

• New Zealand and Australia are often compared because of their institutional similarities as ‘liberal welfare states’, settler colonialism, demographic commonalities and a history of sharing public policy ideas (Castles & Mitchell 1992; Castles & Pierson 1996; Goldfinch & Roberts 2013).

• They also face similar global forces – such as economic globalisation, technological change and migration (Knill 2005; Achterberg & Yerkes 2009; Schmitt & Starke 2011).

• In 2012, New Zealand adopted compulsory income management, a policy trialled and implemented in Australia from 2007. Australia is also implementing an actuarially-based ‘social investment’ approach influenced by a model for predicting future welfare costs that rolled out in New Zealand from 2012.

• A superficial analysis would therefore suggest the two countries have engaged in direct ‘policy transfer’ (Dolowitz and Marsh 2000) and their income support policy settings have more or less converged. However, a more detailed analysis suggests it is more a case of translation and interpretation, rather than convergence.
Hay’s (2004) different types of convergence

1. Input convergence: Convergence in the pressures and challenges to which political-economic regimes are exposed

2. Paradigm convergence: Convergence in the policy paradigms and cognitive filters in and through which such pressures and challenges are identified and understood

3. Policy convergence: Convergence in the policies pursued in response to such pressures and challenges

4. Convergence in legitimatory rhetoric: Convergence in the ideas used to legitimate such policy choices

5. Output convergence: Convergence in policy outcomes, usually gauged in terms of indicators of policy performance

6. Process convergence: Convergence in the process in and through which challenges are translated into policy outcomes
<table>
<thead>
<tr>
<th>Policy convergence = in the policies pursued in response to such pressures and challenges</th>
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<table>
<thead>
<tr>
<th>Articulated policy target</th>
<th>Australia</th>
<th>New Zealand</th>
<th>Policy convergence?</th>
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</thead>
<tbody>
<tr>
<td>Intervention: Indigenous benefit recipients living in Northern Territory New Income Management: ‘Disengaged youth’, ‘long-term’ unemployed, or ‘vulnerable’ benefit recipients, and where there is a ‘child protection’ issue, living in targeted geographical areas</td>
<td>Youth/Young Parent Payment recipients (16-19 years)</td>
<td>Minor</td>
<td></td>
</tr>
<tr>
<td>Group most impacted</td>
<td>Indigenous benefit recipients,</td>
<td>Indigenous benefit recipients, especially sole mothers</td>
<td>Yes</td>
</tr>
<tr>
<td>Operationalisation of income quarantining</td>
<td>50-80% income quarantined to spend on ‘priority needs’</td>
<td>Total around 70%? of YP quarantined Redirections for rent/utilities In-hand payment Payment Card</td>
<td>Yes</td>
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</tbody>
</table>
Policy convergence = in the policies pursued in response to such pressures and challenges

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Australia</th>
<th>New Zealand</th>
<th>Policy convergence?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentive payments</td>
<td>Matched Saving Payments – abolished in 2016</td>
<td>Yes (for meeting obligations – not subject to CIM)</td>
<td>No</td>
</tr>
<tr>
<td>Sanctions</td>
<td>No</td>
<td>Yes (for not meeting obligations)</td>
<td>No</td>
</tr>
<tr>
<td>Restrictions on payment card spending</td>
<td>Yes – BasicsCard: alcohol, tobacco, gambling, porn CDC: alcohol, gambling</td>
<td>Yes - alcohol, tobacco, electronic goods</td>
<td>Yes</td>
</tr>
<tr>
<td>Exemptions</td>
<td>Yes – for ‘responsible parenting’ and ‘absence of financial vulnerability’ (if in ‘disengaged youth’ or ‘long-term unemployed’ categories?) but difficult to obtain</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Administration of CIM</td>
<td>Centrelink (government agency)</td>
<td>Non-government providers and government agency Youth Service Support Unit</td>
<td></td>
</tr>
<tr>
<td>Administration of payment card</td>
<td>Government agency, Centrelink for Basics Card and local non-government organisations and Indue company for CDC?</td>
<td>Government agency, Ministry of Social Development</td>
<td>No</td>
</tr>
</tbody>
</table>
Input convergence = pressures and challenges to which political-economic regimes are exposed

Paradigm convergence = policy paradigms and cognitive filters in and through which such pressures and challenges are identified and understood

Convergence in legitimatory rhetoric = ideas used to legitimate such policy choices
Conclusion

• Scholars of ‘policy as translation’ (Lendvai & Stubbs 2007) and ‘policy mobilities’ (Peck & Theodore 2015) move beyond ‘who’ is involved in transfer and ‘what’ is transferred (whether policies, programmes, institutional structures, ideologies, or ideas) to assessing the contextual and interpretive elements that may constrain transfer. They regard policies as ‘assemblages’ rather than as discrete ‘things’ that are not simply ‘transferred’ but are reinterpreted as they travel across cultural/political boundaries.

• Our analysis suggests that ‘policy translation’ (not policy transfer) occurred between New Zealand and Australia, explaining why there is no significant convergence when it comes to compulsory income management.

• Political science research into policy convergence is largely inconclusive, which suggests that convergence is perhaps a less general phenomena than may theorists believe (Plumper and Schneider, 2009).