Australian Council of Social Service

Review of the Social Security (Administration) Legislation Amendment (Income Management and Enhanced Income Management) Instrument 2026

Community Affairs References Committee

September 2026

About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

This instrument continues a scheme that the government committed to abolish

The instrument under review removes the automatic repeal date of 1 July 2026 for the following legislative instruments that are required to operate compulsory income management (CIM):

- *Social Security (Administration) (Declared Child Protection State – New South Wales, Queensland, South Australia and Victoria) Determination 2023* (Child Protection Determination)
- *Social Security (Administration) (Enhanced Income Management Regime—Commonwealth Referrals and Exemptions) Determination 2023* (Commonwealth Referrals Determination)
- *Social Security (Administration) (Recognised State or Territory – Northern Territory) Determination 2023* (Recognised Territory Determination)
- *Social Security (Administration) (Specified Income Management Territory – Northern Territory) Instrument 2023* (Specified Territory Determination).

The explanatory memorandum states that removing the end date for these instruments 'supports the ongoing administration of the income management

Ph (02) 9310 6200 E: info@acoss.org.au
www.acoss.org.au

regime and enhanced income management regime'.[1] This contradicts the government's previous policy of moving away from CIM to a voluntary income management system.

ACOSS welcomed the government's commitment to CIM and cashless debit in the lead up to the 2022 election.[2] We welcomed the abolition compulsory cashless debit after Labor won government and reiterated our longstanding call for compulsory income management to be abolished. The government stated that it 'remains committed to making income management voluntary over the long term for those 24,000 people on income management nationally.'[3] Four years on, rather than ending CIM, the number of people under the scheme is now 37% higher, sitting at 33,000.[4] This includes 2,100 people who have volunteered for the scheme.[5]

Despite finalising a large consultation with people affected by CIM and other stakeholders in December 2024, there seems to be no further action to move away from the policy. Instead, in this year's budget, the government committed another $200 million to CIM over four years "to maintain existing Income Management arrangements and reinvest funding for support services for participants while the Government determines future Income Management arrangements."[6]

The Parliamentary Joint Committee on Human Rights has expressed concern about this instrument, stating that "the committee notes that while the general objective of income management is important, that is, to combat social harms caused by the use of harmful products, it is not clear that continuing to operate mandatory income management, is, for the purposes of international human rights law, a necessary measure that addresses a pressing and substantial concern." It also questioned whether the government was still committed to making the scheme voluntary.[7]

ACOSS opposes CIM given the overwhelming evidence that the scheme is poor policy and discriminates against First Nations people and people on low incomes. There continues to be no solid evidence that compulsory income management reduces the harmful behaviours it purports to address including addiction to alcohol, gambling or drugs. The evidence shows that the vast majority of people subjected to CIM do not have an addiction. There is also evidence to suggest that if someone does have an addiction, CIM fails to

---

[1] Explanatory Memorandum, P.1
[2] Luke Henriques-Gomes 'Cashless welfare: Labor vows to end compulsory use of basics card' The Guardian, 19 April 2022 https://www.theguardian.com/australia-news/2022/apr/19/cashless-welfare-labor-vows-toend-compulsory-use-of-basics-card
[3] Ministers for the Department of Social Services (2022) 'Empowering communities with the abolition of the cashless debit card program' media release, 24 September https://ministers.dss.gov.au/media-releases/9151
[4] As at July 2026. Note that a proportion of this group may have been compulsorily moved from a cashless debit card on to income management in the NT in 2022, which we understand was around 4,000 people at the time.
[5] DSS (2026) Number of Income Management participants by location and measure as at 03 July 2026
[6] Treasury (2026) 2026-27 Budget Paper No. 2, p.137
[7] Parliamentary Joint Committee on Human Rights (2026) Report_9_of_2026.pdf pp. 101-102

prevent harm.[8] Other evidence shows the policy, first introduced almost 20 years ago, has caused harm including lower birth weights, financial stress and stigma.[9]

For these reasons, ACOSS does not understand why the government is continuing CIM with this instrument, which has no end date (other than being subject to review in ten years).

Compulsory income management is discriminatory

Compulsory income management continues to discriminate against First Nations people.

In the Northern Territory where CIM applies in a blanket fashion, there are more than 30,000 people subjected to CIM, almost 90% of whom are First Nations people.[10] DSS data show that First Nations people are subjected to compulsory income management on average for three times longer than non-Indigenous people.[11]

For people who apply for an exemption from CIM, DSS data show that First Nations people are less likely to apply, and when they do, they are less likely to receive an exemption compared with non-Indigenous people.[12] This is of deep concern because this is one of the ways that someone may free themselves from CIM if they need income support, but the exemption process, too, seems to discriminate against First Nations people.

The United Nations' Committee on Economic, Social and Cultural Rights earlier this year expressed concern about CIM and its disproportionate impact on First Nations people. It recommended that the policy be reviewed to ensure it is "non-discriminatory, proportionate and consistent with the Covenant".[13]

By any measure, CIM has always directly or indirectly discriminated against First Nations people, confirmed by the multiple reviews of the different formulations of the policy over the years, including by the Parliamentary Joint Committee on Human Rights.[14]

The policy also directly discriminates against people for being on a very low income. Most people subjected to CIM in the NT come under the 'Long-term

---

[8] Roche, S., Taylor-Zach, N., Taylor, R., & Mendes, P. (2024). Perspectives on the ongoing impact of compulsory income management in the Northern Territory. The Australian Journal of Social Issues, 59(4), 995-1012. https://doi.org/10.1002/ajs4.323
[9] For example, see evidence outlined in the Parliamentary Joint Committee on Human Rights report on Income Management: https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/RB000403/toc_pdf/InquiryintoCompulsoryIncomeManagement.pdf
[10] DSS (2026) Income Management (IM) and enhanced IM - Participant Data as at Friday 3 July 2026
[11] Parliamentary Joint Committee on Human Rights (2024) 'Inquiry into Compulsory Income Management' https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/RB000403/toc_pdf/InquiryintoCompulsoryIncomeManagement.pdf
[12] Ibid. pp. 84-85
[13] UN Committee on Economic, Social and Cultural Rights (2026) 'Concluding Observations' https://humanrights.gov.au/__data/assets/word_doc/0021/84234/ICESCR-concluding-observations-2026.docx
[14] PJCHR Ibid

welfare payment recipient' or 'disengaged youth' triggers. These apply to people who have received working-age payments for at least 52 weeks in the previous two years (Long-term welfare recipient) or, if they are under 25, 13 weeks of the past 26 weeks ('disengaged youth').

The latest data show that 83% of people receiving working-age payments are income managed under these triggers in the Northern Territory.[15] In other words, almost all Northern Territorians receiving a working-age payment are subjected to CIM simply for having received the payment for at least three or 12 months depending on how old you are. To put this into context, Australia-wide, the average length of time that people receive working-age payments ranges from 67 weeks (Special Benefit) through to 208 weeks (Parenting Payment). However, it is only in the Northern Territory that people who receive income support for more than three or 12 months are subjected to CIM with very limited exceptions.[16]

There is no evidence that CIM supports people to get into paid work or gain financial security. Poverty rates among First Nations people in the Northern Territory are almost four times that of the broader population sitting at 54.6% in 2021.[17] Social security payments that CIM applies to are paid below the poverty line, and people receiving them are at extremely high risk of poverty.

Despite the inadequacy of these social security payments, and the lack of evidence that CIM improves financial outcomes, the government has instead directed $61 million in the 12 months to March 2026 on Enhanced Income Management, equating to around $2,400 per person under EIM.[18]

What government should do

After 20 years of CIM, governments must do better to support people living on low incomes. It is time for the government to cease CIM and instead invest the savings into community-led solutions and a voluntary income management scheme so that people who do want access to income management can continue to use it. The government must ensure that suitable supports are in place for people as part of the transition away from CIM.

Recommendation 1: Make income management voluntary

The evidence shows that a voluntary income management system is the way forward. This would reflect the feedback government has received through its

---

[15] DSS (2026) Income Management Data Summary, income-management-data-summary-data-as-at-3-july-2026.pdf & DSS Benefit and Payment Recipient Demographics – March 2026 Quarter
[16]There is a small number of people outside of the NT subjected to CIM under these triggers. People may also qualify for an exemption.
[17] Dr Francis Markham (2023) Submission to the Senate Standing Committees on Community Affairs' Inquiry into the extent and nature of poverty in Australia https://www.aph.gov.au/DocumentStore.ashx?id=9cff3504-f70f-42a7-b379-a5fda9f7b2dc&subId=750035
[18] Based on July '26 data of people under EIM.

consultations that people want the power to choose what is right for them.[19] It would also remove the discriminatory blanket application of the policy.

Recommendation 2: Invest in actions that work

Government should fund community and First Nations-led services and supports that work for individual communities to deal with issues they face. More broadly, governments should do more to support people with addiction Australia-wide. Estimates suggest that Australia only treats between 30% and 48% of people with a drug or alcohol addiction who seek treatment.[20] Government must invest in treatment and rehabilitation services for people with addiction, and we support NACCHO’s recommendations in its submission to this inquiry concerning supports needed for ACCHOs. The government must also implement of all recommendations from the Murphy Review into gambling harm.

Recommendation 3: Increase social security payments

Social security payments continue to be deeply inadequate in Australia, especially for people living in remote areas.

JobSeeker Payment and Youth Allowance are well below the poverty line, and JobSeeker sits at just 40.7% of the minimum wage. Many people subjected to CIM have very limited employment opportunities because of a lack of jobs in remote Australia and have little option but to receive social security payments. However, they are forced onto CIM as a result, which is supposedly “aimed at encouraging engagement, participation and responsibility.” After 20 years of CIM, there is a distinct lack of evidence that it has improved such outcomes.

The cost of living in remote Australia is much higher than that of the capital cities, yet the Remote Area Allowance – the payment to cover these extra costs – has not increased at all in more than 25 years.[21]

---

[19] DSS (2025) documents released through freedom of information foi-lex-54826-documents-release.pdf
[20] Ritter A, O'Reilly K. *Unmet treatment need: The size of the gap for alcohol and other drugs in Australia*. *Drug Alcohol Rev*. 2025; 44(3): 772–782. https://doi.org/10.1111/dar.14008

[21] For further information, see our briefing note here: https://www.acoss.org.au/wp-content/uploads/2026/04/Why-the-Remote-Area-Allowance-needs-to-increase.pdf

To reduce poverty and inequality for people on the lowest incomes, particularly people subjected to CIM, the Federal Government must:

- Raise the rate of social security payments to at least $600 a week (for single people) and immediately increase the Remote Area Allowance in line with lost CPI since its introduction in 1984, as a first step to improving adequacy.
- Develop a remote area price index and benchmark the Remote Area Allowance to the real additional cost of living in a remote area.
- Index all social security payments to wages as well as prices.

Contact

Charmaine Crowe
Program Director Social Security
[redacted]