



Australian Government
Department of Social Services

Community Affairs References Committee – Income Management legislative instruments

Department of Social Services

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Introduction

The Department of Social Services (the department) welcomes the opportunity to provide a submission to the Community Affairs References Committee about the three legislative instruments made by the Minister for Social Services for the purposes of the Income Management (IM) Regime in Part 3B of the *Social Security (Administration) Act 1999* (the Administration Act).

These instruments replace 3 earlier instruments that were due to sunset on 1 October 2023. They have the effect of remaking each of these earlier instruments, and are required to ensure existing IM participants have uninterrupted access to IM, until such time as they either choose to move to the enhanced IM regime (see Part 3AA of the Administration Act) or otherwise cease to be eligible for the regime. There have been no new entrants to the IM regime since 4 September 2023, but individuals who were subject to the regime prior to that date are provided with a choice between continuing with the IM regime or moving to the enhanced IM regime.

The instruments will operate for a limited time only, and will be repealed on 1 July 2026.

Overview of legislative instruments

The three legislative instruments enable IM to continue to operate through to 1 July 2026. The instruments specify the locations in which the Disengaged Youth, Long-term Welfare Payment Recipient, Child Protection and Supporting People at Risk measures of IM operate.

The current instruments do not depart from the scope of the earlier instruments in any way.

These instruments are required to ensure eligible individuals continue to have a choice whether they remain part of the IM regime or move to the enhanced IM regime.

[Social Security \(Administration\) \(Declared Child Protection State – New South Wales, Queensland, South Australia and Victoria\) Determination 2023](#)

Income Management is an additional tool for child protection authorities to ensure income support payments are spent in the best interest of children and families.

The Declared Child Protection State Determination enables the child protection measure to operate by specifying New South Wales, Queensland, South Australia and Victoria as declared child protection States for the purposes of Part 3B of the Administration Act. There are other determinations in force that declare the Northern Territory and Western Australia as declared child protection areas for this same purpose.

This Determination ensures eligible individuals in these states will continue to be subject to IM until they either choose to move to enhanced IM or otherwise cease to be eligible for IM. This will ensure a consistent approach across the country for all individuals under the child protection measure.

Social Security (Administration) (Recognised State or Territory – Northern Territory) Determination 2023

The Recognised State or Territory Determination determines the Northern Territory as a recognised State or Territory for the purposes of Part 3B of the Administration Act as it relates to the Supporting People at Risk measure.

Currently the Supporting People at Risk measure is being used by the Northern Territory Registrar of the Banned Drinker Register for people needing help with alcohol abuse.

This Determination allows existing IM participants who have been referred by the Registrar of the Banned Drinkers Register to remain subject to the program until they either choose to move to enhanced IM or otherwise cease to be eligible.

Social Security (Administration) (Specified Income Management Territory – Northern Territory) Instrument 2023

The Specified Income Management Territory – Northern Territory Instrument specifies the Northern Territory as a Territory where a person may be subject to the IM regime under the Disengaged Youth and Long Term Welfare Payment Recipient measures.

Individuals who have been out of work or study for some time became eligible for these measures prior to 4 September 2023 if they met certain criteria, including having a usual place of residence in a specified IM area.

In practical terms, this Instrument combined with the provisions in the primary legislation, enables existing participants subject to the Disengaged Youth and Long Term Welfare Payment Recipient measures of IM to continue on the IM program, until they either choose to move to enhanced IM or otherwise cease to be eligible.

Conclusion

The department welcomes the opportunity to provide additional assistance or information that is required by the Committee to support its deliberations.

IM Background

IM was introduced in the Northern Territory (NT) in 2007 as part of the Northern Territory Emergency Response (NTER) and has been progressively implemented across various locations in Australia, now operating in:

- Northern Territory
- New South Wales: Bankstown
- Queensland: Logan, Rockhampton and Livingstone
- South Australia: Playford, Anangu Pitjantjatjara Yakunytatjara (APY Lands) and Greater Adelaide
- Western Australia: Ngaanyatjarra (NG Lands), Kiwirrkurra Community, Kimberley Region, Perth Metropolitan and Peel District
- Victoria: Greater Shepparton

The purpose of the IM regime is to ensure that income support payments are not spent on products and services that contribute to social harm and, in conjunction with a support services program, to provide budgeting support for participants.

IM directs between 50 and 90 per cent of income support payments to the priority needs of the participant and their family and other dependents. IM provides vulnerable participants with intensive face-to-face support from Services Australia to ensure their income support payment is directed to essentials, such as food, housing, electricity and education. Income managed funds are unable to be spent on alcohol, gambling, tobacco, pornography and other related products and are unable to be withdrawn as cash.

The IM regime closed to new entrants following commencement of the *Social Security (Administration) Amendment (Income Management Reform) Act 2023* (IM Reform Act) on 4 September 2023.

Prior to 4 September 2023, a participant became subject to IM through various measures. IM measures were targeted to specified groups of income support payment recipients, based on their higher risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviours. Prior to the IM program closing to new participants, people could also volunteer for IM if they lived in an IM location.

All IM participants have the choice to move to the enhanced IM regime with a SmartCard, which is a Visa Debit card that can be used to make purchases at most merchants who can undertake eftpos transactions unless they primarily offer excluded goods or excluded services.

The IM Reform Act expanded access to enhanced IM by including the same measures that are in place for the IM regime in Part 3B of the Administration Act. This allows people subject to the IM regime under Part 3B the choice to move to enhanced IM as well as allowing new entrants that meet eligibility criteria to enter enhanced IM.

Part 3B of the Administration Act has been operating in some form for more than 15 years, and over that time a large number of legislative instruments have been made to facilitate its operation.

A full list of the locations in which IM operates and measures under the IM regime are available at the department's website:

<https://www.dss.gov.au/our-responsibilities/families-and-children/programmes-services/family-finance/income-management>