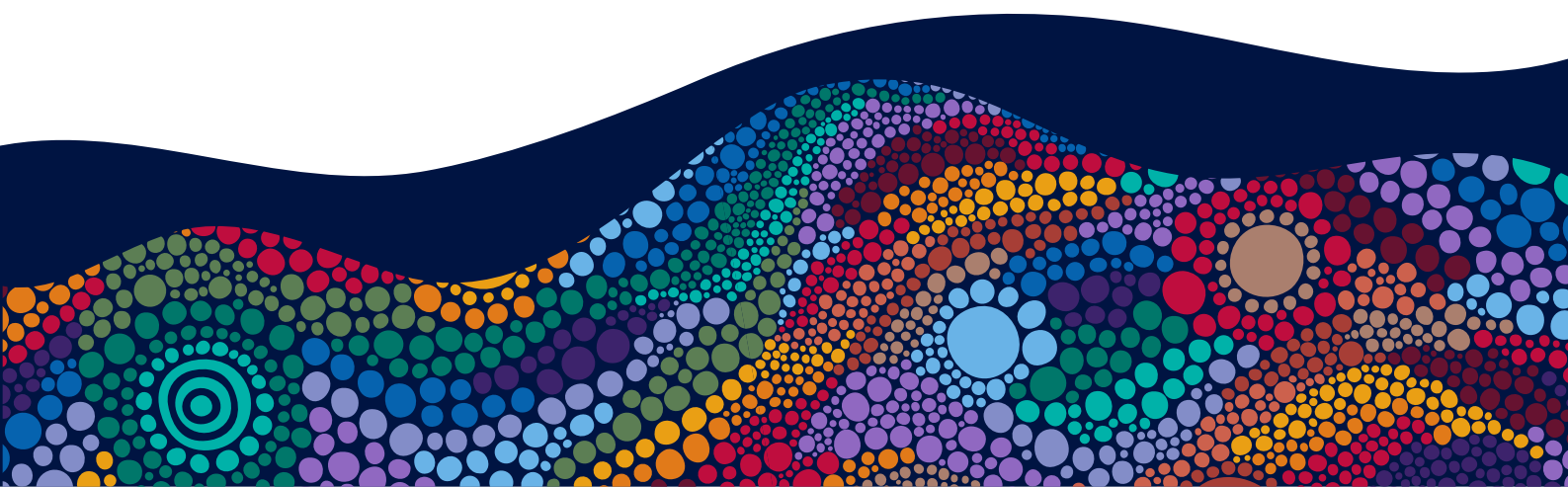


Social Security (Administration) Legislation Amendment (Income Management and Enhanced Income Management) Instrument 2026 – review 2

Submission to Senate Standing Committee on
Community Affairs

September 2026



About NACCHO

NACCHO is the national peak body representing 148 Aboriginal Community Controlled Health Organisations (ACCHOs). We also assist a number of other community-controlled organisations.

The first Aboriginal medical service was established at Redfern in 1971 as a response to the urgent need to provide decent, accessible health services for the largely medically uninsured Aboriginal population of Redfern. The mainstream was not working. So it was, that over fifty years ago, Aboriginal people took control and designed and delivered their own model of health care. Similar Aboriginal medical services quickly sprung up around the country. In 1974, a national representative body was formed to represent these Aboriginal medical services at the national level. This has grown into what NACCHO is today. All this predated Medibank in 1975.

NACCHO liaises with its membership, and the eight state/territory affiliates, governments, and other organisations on Aboriginal and Torres Strait Islander health and wellbeing policy and planning issues and advocacy relating to health service delivery, health information, research, public health, health financing and health programs.

ACCHOs range from large multi-functional services employing several medical practitioners and providing a wide range of services, to small services which rely on Aboriginal health practitioners and/or nurses to provide the bulk of primary health care services. Our 148 members provide services from about 550 clinics. Our sector provides over 3.1 million episodes of care per year for over 410,000 people across Australia, which includes about one million episodes of care in very remote regions.

ACCHOs contribute to improving Aboriginal and Torres Strait Islander health and wellbeing through the provision of comprehensive primary health care, and by integrating and coordinating care and services. Many provide home and site visits; medical, public health and health promotion services; allied health; nursing services; assistance with making appointments and transport; help accessing childcare or dealing with the justice system; drug and alcohol services; and help with income support. Our services build ongoing relationships to give continuity of care so that chronic conditions are managed, and preventative health care is targeted. Through local engagement and a proven service delivery model, our clients 'stick'. Clearly, the cultural safety in which we provide our services is a key factor of our success.

ACCHOs are also closing the employment gap. Collectively, we employ about 7,000 staff – 54 per cent of whom are Aboriginal or Torres Strait Islanders – which makes us the third largest employer of Aboriginal or Torres Strait people in the country.

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Recommendations

NACCHO recommends:

- 1 Any interventions to address income management align with the National Agreement and its four Priority Reform Areas.
- 2 All government payments are above the poverty line, in order to allow for freedom, dignity and choice for recipients.
- 3 Income management is voluntary, with regular opportunities to unenroll to allow true choice and control for participants.
- 4 The Statement of Compatibility with Human Rights is amended as income management does not align with the rights to equality and non-discrimination or the right to self-determination.
- 5 Transparency on income management and enhanced income management data collection and usage.
- 6 Funding for further, place based financial literacy programs to engender lasting change.
- 7 Further funding for ACCOs to provide harm reduction programs relating to alcohol, gambling, tobacco and pornography in order to reduce need for income management.

Acknowledgements

NACCHO welcomes the opportunity to provide a submission to the *Social Security (Administration) Legislation Amendment (Income Management and Enhanced Income Management) Instrument 2026 – review 2*. NACCHO would like to acknowledge the valuable input received from ACOSS to this submission.

NACCHO supports the submissions to this consultation made by NACCHO Members and Affiliates.

National Agreement on Closing the Gap

Advocating for and securing the National Agreement on Closing the Gap was an historically significant act of Aboriginal and Torres Strait Islander self-determination. The National Agreement is evidence of a new era of engagement by and with Aboriginal and Torres Strait Islander people. It commits Australia to a new direction and is a pledge from all governments to fundamentally change the way they work with Aboriginal and Torres Strait Islander communities and organisations – to support self-determination and build the capacity of the community-control sector.

This Government's first Closing the Gap Implementation Plan commits to achieving Closing the Gap targets *through implementation of the Priority Reforms*. This represents a shift away from focussing on the Targets, towards the structural changes that the Priority Reforms require, and which are more likely to achieve meaningful outcomes for our people in the long term.

The reforms and targets outlined in the National Agreement seek to overcome the inequality experienced by Aboriginal and Torres Strait Islander people, and achieve life outcomes equal to all Australians. Governments at all levels have committed to the implementation of the National Agreement's four Priority Reform Areas, which offer a roadmap to meaningfully impact structural drivers of poor health and social outcomes for Aboriginal and Torres Strait Islander people:

Priority Reform Area 1 – Formal partnerships and shared decision-making

This Priority Reform commits to building and strengthening structures that empower Aboriginal and Torres Strait Islander people to share decision-making authority with governments, and to accelerate policy making that centres Aboriginal and Torres Strait Islander voices.

Priority Reform Area 2 – Building the community-controlled sector

Recognising that community-controlled services achieve better outcomes, employ more Aboriginal and Torres Strait Islander people and are often preferred over mainstream services, this Priority Reform commits to building Aboriginal and Torres Strait Islander community-controlled sectors to deliver services to support Closing the Gap.

Priority Reform Area 3 – Transformation of mainstream institutions

This Priority Reform commits to systemic and structural transformation of government organisations to identify and eliminate racism, embed and practice cultural safety, deliver services in partnership with Aboriginal and Torres Strait Islander people, support truth telling about agencies' history with Aboriginal and Torres Strait Islander people, and engage fully and transparently with Aboriginal and Torres Strait Islander people when programs are being changed.

Priority Reform Area 4 – Sharing data and information to support decision making

This Priority Reform commits to shared access to regional data and information to inform local-decision making and support achievement of the first three Priority Reforms. This Priority Reform supports principles of Indigenous Data Sovereignty.

Despite some progress, the need for fundamental systemic reform remains evident. In its first review of the National Agreement on Closing the Gap, the Productivity Commission found that governments are not

adequately delivering on their commitments. Despite support for the Priority Reforms and some good practice, progress has been slow, uncoordinated, and piecemeal.

The Commission noted that to enable better outcomes, governments need to relinquish some control, share decision making and acknowledge that Aboriginal and Torres Strait Islander people know what is best for their communities. Aboriginal Community Controlled Organisations, must be treated as critical partners rather than passive funding recipients, and trusted to design, deliver and measure government services in ways that are culturally safe and meaningful for their communities.

‘Too many government agencies are implementing versions of shared decision-making that involve consulting with Aboriginal and Torres Strait Islander people on a pre-determined solution, rather than collaborating on the problem and co-designing a solution’¹

NACCHO recommends any interventions to address income management align with the National Agreement and its four Priority Reform Areas.

Background

Through the *Social Security (Administration) Legislation Amendment (Income Management and Enhanced Income Management) Instrument 2026 – Review 2*, government wishes to remove the self-repeal dates of income management-related legislative instruments, in doing so supporting the ongoing administration of the income management regime.

NACCHO does not support the ongoing administration of the income management regime and enhanced income management regime in their current forms.

Income is an important determinant of health. The Australian Institute of Health and Welfare (AIHW) notes that links between different forms of socioeconomic disadvantage such as poverty, unemployment, poor education, social dysfunction, stress, social exclusion, racism and poor health are well established and documented.² Entrenched cycles of poverty, exacerbated by poor education and employment outcomes and increased interaction with the justice system contribute significantly to poorer health outcomes for Aboriginal and Torres Strait Islander people. The consequent disparity in health outcomes between Aboriginal and Torres Strait Islander people and other Australians remains significant.

Poverty among Aboriginal and Torres Strait Islander people today is a *direct and deliberate* consequence of colonisation and subsequent policies of dispossession, protectionism and assimilation. It is founded in assumptions of deficit and inferiority.³ Aboriginal and Torres Strait Islander people were subject to government ‘protections’, based on anthropological approaches imbued with paternalistic notions of superiority, which extended to the denial of education, wages and other entitlements.⁴

Income management was first introduced in 2007 as part of the Northern Territory Emergency Response, and Aboriginal and Torres Strait Islander people remain over-represented. A 2014 evaluation of income management found that 90.2% of those being income managed in the Northern Territory were Aboriginal and

¹ Productivity Commission, Review of the National Agreement on Closing the Gap, Study Report, Canberra, 7 Feb 2024 <https://www.pc.gov.au/inquiries/completed/closing-the-gap-review/report>.

² Australian Institute of Health and Welfare, 2.09 Index of disadvantage <https://www.indigenoushpf.gov.au/measures/2-09-index-disadvantage>.

³ Dodson, M., The Wentworth Lecture. The end in the beginning: Re(de)finding Aboriginality. Aust Aborig Stud. 1994;1:2–13.

⁴ Parliament of Australia, Inquiry into Indigenous Stolen Wages, 2006 https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/Completed_inquiries/2004-07/stolen_wages/report/index.

Torres Strait Islander.⁵ Among Aboriginal and Torres Strait Islander people on Compulsory Income Management, 41.2% wished to get off it.⁶

Data from July 2026 shows that 88.1% of Income Management participants and 80.1% of Enhanced Income Management participants are Aboriginal and/or Torres Strait Islander.⁷ Similarly, trials for the now defunct Cashless Debit Card targeted areas with high proportions of Aboriginal and Torres Strait Islander people.⁸

Key concerns

Income management has been framed as necessary to help people manage their government payments in order to meet their priority needs. Services Australia describes the objectives of income management as:

“A key tool in supporting disengaged youth, long-term welfare payment recipients and people assessed as vulnerable, and is aimed at encouraging engagement, participation and responsibility. The key objectives 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*
- reduce the likelihood that welfare payment recipients will be subject to harassment and abuse in relation to their welfare payments, and*
- encourage socially responsible behaviour, particularly in the care and education of children.”⁹*

However, there is no credible evidence that income management has delivered better outcomes for individuals and their communities.¹⁰

Government payments

The fact remains that government payments are not sufficient to provide for a person's basic needs. At just 42% of the minimum wage, JobSeeker payments leave already disadvantaged recipients living below the poverty line.¹¹ A recent report found that people receiving JobSeeker payments are 14 times more likely to go without at least one substantial meal per day.¹²

Due to COVID-19 lockdowns and more recent global political instability, prices of essentials have risen astronomically in recent years. Since April 2020, the price of eggs has increased by 44.3%; new dwelling purchases by 43.5%; automotive fuel by 37.6%; medical and hospital services by 32.5%; and rent has

⁵ Bray, J.R., Hand, K., Katz, I., Gray, M., Evaluation of income management in the Northern Territory, Social Policy Research Centre, December 2014, <https://apo.org.au/node/52234>.

⁶ Bray, J.R., Hand, K., Katz, I., Gray, M., Evaluation of income management in the Northern Territory, Social Policy Research Centre, December 2014, <https://apo.org.au/node/52234>.

⁷ Department of Social Services, Income Management Data Summary Data as at 3 July 2026, July 2026, <https://data.gov.au/data/dataset/fd464dd1-0031-4e4a-abdd-c08282192d86/resource/338d955f-3bc1-4c24-ae6d-c3c8da6f2eb4/download/income-management-data-summary-data-as-at-3-july-2026.pdf>.

⁸ Klein, E., As costs mount, the government should abandon the Cashless Debit Card, The Conversation, December 2017, <https://theconversation.com/as-costs-mount-the-government-should-abandon-the-cashless-debit-card-88770>.

⁹ Australian Government, Guides to Social Policy Law – Social Security Guide, 11.1.1.30 Objectives of income management, Version 1.341, November 2019, <https://guides.dss.gov.au/social-security-guide/11/1/1/30>.

¹⁰ Australian Council of Social Service (ACOSS), Submission to the Community Affairs Inquiry into Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022, August 2022, <https://www.acoss.org.au/wp-content/uploads/2022/08/Submission-to-Community-Affairs-Cashless-Debit.pdf>.

¹¹ ACOSS, JobSeeker rise of \$1.80 a day won't even cover the cost of a loaf of bread, 2022, https://www.acoss.org.au/media_release/jobseeker-rise-of-1-80-a-day-wont-even-cover-the-cost-of-a-loaf-of-bread/.

¹² Australian Human Rights Commission, Social security and poverty, April 2026, <https://humanrights.gov.au/known-your-rights/understanding-human-rights/Australian-Human-Rights-Assessment-2026/social-security-and-poverty>.

increased by 23.3%.¹³ No amount of budgeting makes this workable for people whose main income is government payments.

NACCHO recommends all government payments are above the poverty line, in order to allow for freedom, dignity and choice for recipients.

Self-determination

There remains the need for a cultural shift towards greater valuing of self-determination and dignity for Aboriginal and Torres Strait Islander peoples. Choice and control are critical to self-determination. Everyone has the right to use their money as they wish, whether this be on essentials or on discretionary purchases.

There are a number of legitimate reasons a person may need to utilise government pays in ways not allowed through income management. For example:

- Populations of Aboriginal and Torres Strait Islander people in central and northern Australia are often transient (meaning they may need to fund travel).
- People may require cash as part of cultural sharing practices – particularly during Sorry Business, where cash is contributed to the deceased's family.¹⁴
- Money may also be spent on 'discretionary' items for a present or as part of a celebration.
- If a person is experiencing family, domestic or sexual violence at home and need to relocate rapidly, they may need access to money so that they can use to escape.

There are some people who voluntarily opt in to the income management system.¹⁵ So long as a person is given regular opportunities to unenroll, any future changes to income management legislation should allow for voluntary participation.

NACCHO recommends income management is voluntary, with regular opportunities to unenroll to allow true choice and control for participants.

Human rights

The Explanatory memorandum's Statement of Compatibility with Human Rights states that income management programs "*do not directly limit the rights of equality and non-discrimination*" and "*do not directly impact a person's pursuit of their economic, social and cultural development*". Further, "*The Instrument promotes the right to an adequate standard of living by ensuring that certain amounts of a person's welfare payments are directed to pay for essential goods and services*".¹⁶

However, paternalistic policy approaches such as compulsory income management fundamentally do not align with human rights. They take away a person's autonomy and the dignity of making their own decisions.

Australia formally endorsed the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in 2009. UNDRIP Article 3 states that "*Indigenous peoples have the right to self-determination. By virtue of that*

¹³ Elvery, S., Piper, G., Riga, J., and Liddy, M., The cost of most everyday items is up. Here's by how much, ABC News, April 2026, <https://www.abc.net.au/news/2026-04-30/inflation-tracker-see-how-prices-have-changed/106585314>.

¹⁴ Australian Law Reform Commission, Family Violence and Commonwealth Laws – Social Security Law (IP 39): Income Management, March 2011, <https://www.alrc.gov.au/publication/family-violence-and-commonwealth-laws-social-security-law-ip-39/income-management/>.

¹⁵ Bray, J.R., Hand, K., Katz, I., Gray, M., Evaluation of income management in the Northern Territory, Social Policy Research Centre, December 2014, <https://apo.org.au/node/52234>.

¹⁶ Federal Register of Legislation, Social Security (Administration) Legislation Amendment (Income Management and Enhanced Income Management) Instrument 2026: Explanatory memorandum, June 2026, <https://www.legislation.gov.au/F2026L00828/latest/text/explanatory-statement>.

right they freely determine their political status and freely pursue their economic, social and cultural development.”¹⁷

NACCHO recommends the Statement of Compatibility with Human Rights is amended as income management does not align with the rights to equality and non-discrimination or the right to self-determination.

Data collection and usage

The new Enhanced Income Management system is now integrated with digital systems – allowing online shopping, addition of SmartCards to digital wallets and the utilisation of the SmartCard eIM app.¹⁸ Presumably, data on personal spending habits would be collected through this process. However, it is unclear what protections are in place in order to preserve the privacy and consent of any spending data collected.

Priority Reform 4 of the National Agreement is to have shared access to data and information at a regional level in order to support Aboriginal and Torres Strait Islander communities and organisations. Key to the implementation of this reform is the involvement of Aboriginal and Torres Strait Islander people, through partnership and collaboration.

Indigenous Data Sovereignty (IDS) and Indigenous Data Governance (IDG) frameworks have allowed Aboriginal and Torres Strait Islander people to assert control on how data about them is used, by who and under what conditions. Aboriginal and Torres Strait Islander organisations, particularly Maïam nayri Wingara, provide a blueprint of what is needed to enact IDS and IDG, and now provide training for organisations to ensure their data governance is appropriate.¹⁹ The Framework for Governance of Indigenous data²⁰ provides a roadmap for government agencies to implement key data governance processes.

NACCHO recommends transparency on income management and enhanced income management data collection and usage.

Alternative approaches

For decades, government policy seeking to improve health and socio-economic outcomes for Aboriginal and Torres Strait Islander people have not had the desired impact. In order to achieve aims, programs must be Aboriginal and Torres Strait Islander led which will allow for genuine engagement, self-determination and the development of strengths-based approaches.

Rather than funding paternalistic, punitive approaches, Department of Social Services should expand culturally appropriate financial literacy, broader adult literacy programs and further investment in culturally appropriate family support programs, as well as programs to reduce gambling, and unsafe tobacco, alcohol and other drug use.

¹⁷ United Nations Declaration on the Rights of Indigenous Peoples, September 2007, https://social.desa.un.org/sites/default/files/migrated/19/2018/11/UNDRIP_E_web.pdf.

¹⁸ Services Australia, Using your SmartCard for enhanced Income Management, May 2026, <https://www.servicesaustralia.gov.au/using-your-smartcard-for-enhanced-income-management?context=65216>.

¹⁹ Maïam nayri Wingara, Training and Education, <https://www.maïamnayriwingara.org/training-and-education>.

²⁰ National Indigenous Australians Agency, Framework for Governance of Indigenous Data, 30 May 2024, <https://www.niaa.gov.au/resource-centre/framework-governance-indigenous-data>.

Financial literacy

Aboriginal and Torres Strait Islander people can have differing ways of viewing financial priorities and community commitments. There is a strong need for financial services, from personal financial literacy education to the wider financial services industry, that is sensitive to cultural differences and obstacles.²¹

Mob Strong Debt Help provides free financial counselling and debt help to Aboriginal and Torres Strait Islander people via phone. It is widely referred to by major federal agencies and consumer watchdogs such as Moneysmart²² and the Australian Financial Security Authority.²³ However, the focus of this service is on those with urgent need, rather than preventive financial literacy education. Additionally, the vast majority of income management participants live in remote areas of Australia with unreliable phone service. Many Aboriginal and Torres Strait Islander people in these areas do not speak English as a primary language. As such, there is a need for place-based options on the ground. These could be integrated with local health or social service locations.

NACCHO recommends funding for further, place based financial literacy programs to engender lasting change.

Culturally appropriate harm minimisation programs

The circumstances in which people live both informs and influences behaviour. Aboriginal and Torres Strait Islander people experience poverty, overcrowding, insecure housing, homelessness and food insecurity to a much higher degree than other Australians, as well as a higher burden of disease and mental health issues.²⁴ Addictive behaviours, such as gambling, and unsafe use of alcohol and other drugs can be used as escapism when a person's reality is overwhelming.²⁵

Gambling, and unsafe tobacco, alcohol and other drug use are not financial issues. The solution to these issues therefore should not be financial. However, there is still a large unmet need for harm minimisation services. Aboriginal and Torres Strait Islander people face significant barriers to accessing support. These include the stigma and shame associated with alcohol and substance misuse. Negative stereotyping and unconscious bias in media and social media further perpetuate stigma and racist narratives.²⁶

Culture and self-determination are powerful protective factors for Aboriginal and Torres Strait Islander people's health and wellbeing. In the context of service delivery to Aboriginal and Torres Strait Islander people, provision of holistic, trauma-aware, healing informed wrap around support is crucial in order to create culturally safe, positive outcomes for people in reducing addictive behaviours.²⁷ Service provision through ACCHOs, or other Aboriginal Community Controlled Organisations (ACCOs) is the best way to ensure culturally safe, culturally appropriate services.

NACCHO recommends further funding for ACCOs to provide harm reduction programs relating to alcohol, gambling, tobacco and pornography in order to reduce need for income management.

²¹ Kollmorgen, A., Thousands of complaints: Banks failing First Nations customers, Choice, February 2026, <https://www.choice.com.au/money/banking/everyday-banking/articles/thousands-of-complaints-banks-failing-first-nations-customers>.

²² Moneysmart, Financial counselling, June 2026, <https://moneysmart.gov.au/managing-debt/financial-counselling>.

²³ Australian Financial Security Authority, Where to find help managing debts, <https://www.afsa.gov.au/i-cant-pay-my-debts/debt-help/where-find-help-managing-debts>.

²⁴ Australian Institute of Health and Welfare (AIHW) & National Indigenous Australians Agency (NIAA), 2.09 Socioeconomic indexes, 2024, <https://www.indigenoushpf.gov.au/measures/2-09-index-disadvantage>.

²⁵ Jouhki, H., & Oksanen, A. (2022). To Get High or to Get Out? Examining the Link between Addictive Behaviors and Escapism. Substance use & misuse, 57(2), 202–211. <https://doi.org/10.1080/10826084.2021.2002897>

²⁶ Australian Human Rights Commission, Dismantling systemic racism – perspectives from First Nations people, October 2024, <https://humanrights.gov.au/about-us/media-centre/media-releases/dismantling-systemic-racism-perspectives-first-nations-peoples>.

²⁷ NACCHO, Core Services and Outcomes Framework, June 2021, <https://www.naccho.org.au/wp-content/uploads/2025/08/Core-Services-Outcomes-Framework-full-document.pdf>.