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19 August 2026

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

Re: Social Security (Administration) Legislation Amendment (Income Management and Enhanced Income Management) Instrument 2026

Anglicare Australia welcomes the opportunity to provide input to the review of the Income Management Instrument. Since the inception of compulsory income management, Anglicare Australia has opposed its use as needlessly punitive and warned against its harms. Our position remains unchanged. Evidence shows the scheme's fallibility and that it ultimately continues to perpetrate harm on communities, despite the Government having removed some aspects of the system in recent years.

Income management schemes have taken different forms since the Rudd Government first introduced the BasicsCard in 2008, and have included the Cashless Debit Card and the SmartCard. Despite abolishing the Cashless Debit Card system in 2023, the Government has continued to use compulsory income management schemes despite promises to move to a largely voluntary system.[i] Both the BasicsCard and SmartCard systems continue to represent compulsory income management with payments being quarantined and cash withdrawals blocked.

These legislative instruments allow the compulsory income management scheme to remain both in place and operational, giving the Government the ability to impose the cards on to individuals or communities. This is fundamentally at odds with the commitment taken by Labor in 2022 to move to a voluntary income management scheme.

Despite rationales given for the schemes that they are designed to reduce welfare dependency and prevent harms such as alcohol and other drug issues, and gambling, reviews of the schemes have not focused on whether they have ever actually achieved these.

An official review by Deloitte Access Economics examined whether the participants found the BasicsCard easy to use and whether it worked to prevent spending on certain items.[ii] The results

found that people who have the card use it regularly and that it does quarantine their income. This is unsurprising as it is the basic function of the card. However, this review also revealed the harm that the BasicsCard itself caused, with almost two in three participants reporting that BasicsCard made their money situation worse, and more than half saying that they were unable to buy some goods they would have liked to.[iii]

Similarly, a comprehensive study conducted by the University of New South Wales Social Policy Research Centre concluded that it could not find "any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people's behaviours".[iv] It found that the scheme led to no evidence in changes to spending behaviours, improved individual financial wellbeing, or community wellbeing. It further concluded that income management did not increase or improve a person's ability to manage their money better, and that in fact it may actively harm their ability to develop necessary money management skills.[v]

The Centre for Aboriginal Economic Policy Research reviewed multiple evaluations of income management in 2016 and concluded there is no evidence of benefit, and that the most effective schemes were voluntary and target people with high-needs as part of a broader range of services.[vi]

Anglicare Australia does not support maintaining the legislative instrument that allows the Government to continue imposing compulsory income management schemes on vulnerable people and communities. Instead, the Government should take this opportunity to enact its pledge to abolish the compulsory nature of the schemes.

We appreciate the opportunity to provide input to this consultation and look forward to continued engagement as the consultation process progresses. We would welcome the opportunity to further discuss anything raised in this submission. Please do not hesitate to contact us at Anglicare@anglicare.asn.au.

Yours sincerely

Kasy Chambers
Executive Director

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[i] Anglicare Australia (2024) Repeat Failure: Why Australia's workforce programs aren't working.
[ii] Deloitte Access Economics (2015) Consolidated Place Based Income Management Evaluation Report.
[iii] Ibid.
[iv] NSW Social Policy Research Centre (2014) Evaluating New Income Management in the Northern Territory.
[v] Ibid.
[vi] Centre for Aboriginal Economic Policy Research (2016) Income management evaluations – What do we know?.