

Compulsory income management doing more harm than good, Australian study finds

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Compulsory income management (CIM) in the Northern Territory is perceived to be ineffective in reducing harm, can contribute to situations of family violence and is incompatible with the needs of welfare

recipients, a new study led by Charles Darwin University (CDU) has found.

The study, conducted by members of CDU's Faculty of Health alongside Monash University, interviewed 26 participants who are experts in social welfare programs or policies, highly experienced in providing support to welfare recipients, or have an in-depth understanding of CIM in the lives of welfare recipients.

["Perspectives on the ongoing impact of compulsory income management in the Northern Territory"](#) was published in *The Australian Journal of Social Issues*.

CIM was established in the Northern Territory in 2007 and restricts a portion of a participant's income support payment which cannot be used to gamble, purchase alcohol and other prohibited products. The BasicsCard is still active in the NT, alongside the Enhanced Income Management program launched in March 2023.

The participants were asked a series of questions about their thoughts on the long-term role and impact of CIM in the Northern Territory.

The findings explored the impact of CIM on social harms, regional and remote areas, the administrative burden it places on individuals and organizations, CIM as the dominant source of welfare provision, and CIM as a method of social control.

Lead author and CDU Senior Lecturer in Professional Practice—Families and Communities Dr. Steven Roche said the study concluded CIM was considered a punitive approach to reducing harm and was incompatible with the needs of welfare recipients.

"The findings detail CIM's negligible impact on behavior change around

social harms and suggest that CIM can exacerbate issues such as family violence, where CIM is weaponized by men who use violence in situations of family violence," Dr. Roche said.

According to Dr. Roche, study participants detailed how welfare recipients found ways to bypass CIM to purchase prohibited items, how CIM doesn't prevent or reduce [family violence](#), and how it doesn't address the underlying issues of harm from alcohol and other drugs.

"A key theme also identified among participants was the challenges that CIM could create for welfare recipients residing in regional and remote areas," Dr. Roche said.

"CIM was viewed by participants as exacerbating the existing cost of living pressures, particularly in [remote areas](#) where consumer choice is limited, and travel is expensive."

Dr. Roche said participants considered CIM a "top-down approach" with little effort made to work with communities to identify ways to address social harms among [welfare recipients](#).

"A policy reform agenda involving genuine community consultation is desperately needed to better understand the complexities of CIM in the NT that holds principles of community-based policy development at its heart," Dr. Roche said.

More information: Steven Roche et al, Perspectives on the ongoing impact of compulsory income management in the Northern Territory, *Australian Journal of Social Issues* (2024). [DOI: 10.1002/ajs4.323](https://doi.org/10.1002/ajs4.323)

Provided by Charles Darwin University

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