



Myths and facts about income management

Myth

Anyone who receives a Centrelink payment will be income managed.

Fact

A person can only go onto income management if they meet certain criteria.

People go onto income management for a range of reasons. In areas where there is income management, people can be eligible for income management because they:

- have volunteered to participate, or
- receive particular welfare payments, or
- have been referred for income management.

Myth

People on income management don't have access to any cash.

Fact

Most people on income management have 50 per cent of their income support and family assistance payments income managed to spend on essential items, including food, clothing and housing costs. The remaining 50 per cent is paid to them in the usual way.

People who are referred by state or territory child protection authorities, the Family Responsibilities Commission (Cape York), or the Northern Territory Alcohol Mandatory Treatment Tribunal, have between 50 and 90 per cent of their income support and family assistance payments income managed to spend on essential items, including food, clothing and housing costs.

The portion of payment that is not income managed can be accessed as cash and there is no restriction on how it can be spent.



Myth

People must stay on income management for as long as they receive a Centrelink payment.

Fact

The time a person is on income management depends on the type of income management they're on. Some people may be on income management for a short time, while others may be on it for longer.

For example, people who volunteer for income management can get off income management any time after an initial 13 week period.

Income management is one of a range of supports available to help stabilise a person's situation.

Other support, such as financial counselling and money management skills training, are also available.

Myth

Income management is for Aboriginal and Torres Strait Islander people only.

Fact

Income management is not applied based on race or cultural factors. People go onto income management for a range of reasons. In areas where there is income management, people can be eligible for income management because they:

- receive particular welfare payments, and/or
- have been referred for income management, or
- have volunteered to participate.

Income management helps Australians in need of assistance to budget and meet their essential needs, regardless of their ethnicity or cultural heritage.

Both Indigenous and non-Indigenous people are participating in income management in various locations across Australia including remote and urban locations.

Evaluations from the Northern Territory and Western Australia have shown that both Indigenous and non-Indigenous individuals and families have benefitted from income management.

Myth

People's income managed funds pay for all their rent, bills and other essentials.

Fact

Most people on income management have 50 per cent of their income support payments income managed. This money is used to pay for essential items, including food, clothing and housing costs. However, depending on the amount of such expenses, people may need to use some of their remaining benefits (that are not income managed), to contribute towards these expenses.

Myth

People can only buy food and clothes with their BasicsCard.

Fact

People can use their BasicsCard at a range of different stores and businesses, as long as the store is approved to accept the BasicsCard.

There are more than 13,000 BasicsCard merchants across Australia, ranging from large supermarkets and department stores to small independently run shops.

The BasicsCard can be used for many things, including food, non-alcoholic beverages, clothing, shoes, petrol, health and hygiene items, transport and household goods.

If a store isn't approved to accept the BasicsCard, people can ask Centrelink to make a regular or one-off payment on their behalf.

Myth

People can't choose how to spend their income managed funds.

Fact

Centrelink officers talk with the person and together they work out the best way to direct money to priority needs for the person and their family.

People can use their income management funds to pay for things like:

- food / school food
- clothes
- rent / housing
- medication / hospital bills / vets
- bills (water, phone, electricity etc.)
- transport

People can use their income managed funds at a wide variety of small, medium and large businesses across Australia with a BasicsCard, or have money paid directly to the business.

Myth

There are separate queues at shops and other commercial outlets for people using their BasicsCard.

Fact

The BasicsCard operates just like any other EFTPOS card through a store's or business's EFTPOS facilities. There are no separate queues for people who want to use their BasicsCard at a store.

The BasicsCard is available to anyone on income management if they want to use it.

If people don't want to use the BasicsCard, there are other ways to access income managed funds, including direct payments to stores and businesses.



Myth

People placed on income management can't appeal or object to the decision.

Fact

All the normal Centrelink review and appeal processes apply for income management. People have options if they disagree with a decision. They can ask for a review depending on the type of income management they are on. This can be done through a Centrelink social worker or a Customer Service Advisor, a child protection worker, the Family Responsibilities Commission or the Northern Territory Alcohol Mandatory Treatment Tribunal.

People who disagree with a decision made by Centrelink can make a further appeal at no cost to:

- a Centrelink Authorised Review Officer (ARO)
- the Social Security Appeals Tribunal (SSAT) and
- the Administrative Appeals Tribunal (AAT).

Myth

There's no proof that income management works.

Fact

Income management has been operating in various locations across Australia since 2007.

There have been several evaluations on income management including evaluations in Western Australia in 2010 and in the Northern Territory in 2012. A review of Child Protection Income Management in Western Australia was undertaken in 2014.

These evaluations showed that income management had a positive impact on people and families lives. Income management was seen to help people stabilise their finances, keep up to date with housing and utility bills and make sure there was enough money for food for the family. Knowing that these things were being taken care of helped people to feel less stressed about money and freed them up to address other challenges in their lives.

People in the Northern Territory liked the BasicsCard and income management was seen to enable people to buy more food in remote areas and their children's wellbeing improved.

More information

Visit dss.gov.au,
humanservices.gov.au or
call **1800 132 594** –
Income management line (for customers)

