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Two Things the Federal Government Can Do in this Budget to Combat Domestic Violence, Briefing by [Single Mother Families Australia](#), 4/5/24

The Federal Government has important powers to change the lives of women and children affected by domestic violence which would also contribute to the prevention of violence. Single Mother Families Australia has long advocated for improvements in income security to reduce harm and poverty for women and children, including those leaving, or attempting to leave, domestic violence. Other key experts are also calling for reform in this area, for example Women's Legal Services Australiaⁱ and Jess Hill: *"There are so many opportunities to introduce accountability and consequences across the systems weaponised by perpetrators, from child support to Centrelink and the family courts. ... Structural improvements to gender equality, such as the single parenting payment, is prevention."*ⁱⁱ

The Leaving Violence Program announced by the Prime Minister this weekⁱⁱⁱ

The Leaving Violence Program will provide a one-off \$1,500 in cash and \$3,500 of in-kind support (goods and services or direct payments of bonds, school fees or other support to help establish a safe home) as well as safety planning, risk assessment and referrals to other essential services for up to 12 weeks. This is what is currently available from the Escaping Violence Payment trial which has been in place since October 2021. That trial has supported around 45,000 people (overwhelmingly women), however there are ongoing concerns about how and why applicants are denied payments plus other aspects of the program.^{iv} SMFA looks forward to providing our expertise, and that of thousands of women with experience of domestic violence, to the design of the permanent program due to commence on 1/7/25. That program will offer welcome short-term assistance; however, many survivors of violence and their children will need to access income support and interact with the child support system over a longer period. Hence the urgency for reform of these critical programs we outline below.

1. Restore Parenting Payment Single to pension rates and income tests

Single Mother Families Australia worked hard for, and strongly welcomed, the 2023-24 Federal Budget decision to increase the eligibility for Parenting Payment Single (PPS) from the youngest child turning 8 to 14. However, this payment remains wholly inadequate to ensure single parents and their children do not live in poverty. It should be restored to pension rates and income tests.

- In 2019-20, ACOSS/UNSW found 72% of Parenting Payment Single recipients were at risk of living in poverty.^v The payment is important for many First Nations families who face higher rates of violence and make up over 17% of PPS recipients.^{vi}
- For many decades, the rate of payment for most single parents was the same as the pension. Changes since 2006 have widened the gap between Parenting Payment Single and age and other pensions. (See Appendix for details). Recently, PPS was effectively treated the same as JobSeeker and other non-pension working age payments and received the Coronavirus Supplement. While the 2023-24 Budget increased the age of eligibility it did not extend the \$40 a fortnight increase paid to other working age

payments to PPS. The PPS is now neither linked to pensions nor payments such as JobSeeker, so any increases above inflation do not automatically flow to them.

- The [National Plan to End Violence against Women and Children 2022-2032](#), correctly states “women and children should not face poverty and exclusion when leaving violence” but beyond reviewing JobSeeker in each Budget there is no commitment in the Plan to increase income support for women leaving violence.
- Lack of money is also a powerful factor in perpetuating violence –around 1 in 5 women return to violent partners because they had no financial support, or nowhere else to go.^{vii}
- Only 50% of mothers were working at the time the violence takes place and only 40% post-separation according to analysis undertaken by Dr Anne Summers for her 2022 report [The choice: violence or poverty](#). She found that post-separation, although 60% were employed, 50% relied on government benefits as their main source of income and 82% received government payments for at least part of their weekly income.
- Child poverty is unacceptably high in Australia, with more than one in six children growing up in poverty, diminishing their lives now and in the future. Children living in single parent families have a poverty rate of 39%, more than 3 times that of couple families (12%).^{viii} In single-parent families in which the primary earner is a woman, the rate of poverty (37%) is twice that in which the main earner is a man (18%)^{ix}.

In addition to restoration of PPS to pension rates and income tests, JobSeeker and related working age payments and Commonwealth Rent Assistance should also be increased.

2. Delink/Separate Child Support from Family Payments (Family Benefits Part A).

- Women comprise 84% of those due child support and 2 in 3 have children in their care for 86% or more of the year.^x More than one in three family benefit recipients should also receive child support. The child support scheme interacts with family benefits through the Maintenance Income Test so that income from child support reduces family benefit by 50 cents in the dollar above a modest free area and occurs even when the child support has not been received. The interaction is known and used by ex-partners to inflict debts upon women with children in their care. The [Women’s Economic Equality Taskforce 2023 report](#) and the 2024 and 2023 [Economic Inclusion Advisory Committee](#) reports both recommend abolishing the Maintenance Income Test. This would reduce the ability of former partners to weaponise child support (preventing this form of financial abuse); increase income for the poorest families and their children; and remove a source of undue complexity. See Appendix for details. Other important reforms are urgently required to ensure father’s pay their fair share of child support for their children.^{xi}

“I have an enormous Centrelink debt. I was separated due to domestic violence. How am I supposed to know the other person’s income? I am now paying back a full year of Family Tax Payments because I was not eligible for that money, but completely unaware that I was not eligible. I had given them all the information that I had”. Kate, February 2024.

The Federal Government announced a review of child support in the 2023-24 Budget but the announcement to abolish the Maintenance Income Test should come in this Federal Budget and be implemented shortly thereafter.

Appendix

Additional information on link between women, children and homelessness

There were 122,494 people who did not have a place to call home in 2021, according to the ABS [2021 Census data on Homelessness](#) . It found:

- 1 in 4 (28,948 or 24%) people without homes are children aged under 18 years.
- the number of homeless children under 18 increased by 12% since the 2016 Census, while overall homelessness increased by 5% (from 116,427 to 122,484).
- 68% (82,922) of homeless people were women and children under 18 years.
- 58% (71,620) of homeless people were women and children under 12 years.

In 2021-22, 80% of those turned away from homelessness services were women and children. The number of people using a homelessness service increased by 7.5% between December 2022 and March 2023. Three in four people using homelessness services in March 2023 were women or children.^{xii}

Winning, and then losing, the Sole Parent Pension

- The Whitlam Government introduced the Sole Parent Pension in 1974. The payment has played a vital role in helping many women to escape from difficult or violent relationships and in reducing poverty among children.
- In 1998 the Sole Parent Pension was abolished by the Howard government and was replaced by Parenting Payment Single (PPS) which continued to be paid until the youngest child turned 16. The rate of payment and income tests also remained the same as for the age pension.
- In 2006 the Howard government made substantial changes to the PPS as part of a [welfare to work](#) program. Single parents claiming the payment after 1 July would lose it when their youngest child turns eight. Those parents could then claim the much lower Newstart unemployment benefit and be expected to look for work from when their youngest child turned 6. Parents receiving Parenting Payment Single before 1 July 2006 were “grandfathered” meaning they could continue to receive it until their youngest child turned 16.
- In 2009 the Rudd government [lowered the wages benchmark](#) so that Parenting Payment Single was set at 25% of male total average weekly earnings instead of 27.7%, effectively breaking the link between the PPS and pension payments. Parenting payments were also excluded from the Harmer Review into the adequacy of payments. The one-off \$32 a week increase granted to age, disability and carer pension recipients in September 2009 did not go to Parenting Payment Single recipients, further widening the gap.
- On 1 July 2013, approximately 80,000 sole parent families with children 8 years and older who had previously been “grandfathered” from the Coalition 2006 measures, were transferred from Parenting Payment Single to the lower Newstart Allowance by the Gillard government. The Albanese Government increased the eligibility from 8 to 14 in its 2023-24 Budget. Approximately 80,000 families transferred to the higher Parenting Payment Single in September 2024, increasing their payments by ~\$100 a week and providing a less harsh income test so they kept more of their part-time earnings.

- The latest [HILDA report released in December 2023](#) found that women who are partnered and then become single mothers have a 20% reduction in their income (measured over 3 time periods between 2001 and 2021; single parenthood is the factor most associated with persistently low income (of all family types; and single parents have the highest poverty rate (after deductions for housing and then adjusted for size and composition of household).
- In 2022, the [Life Course Centre](#) found the risk of financial hardship for single mothers is at least double that of partnered mothers. This has been the case for the past 20 years. The proportion of single mothers in financial hardship has not dropped below approximately 30% in the past 10 years, (2010-2020), except for a brief period when the Coronavirus Supplement was paid.^{xiii}

More about the Maintenance Income Test

- Child Support received or assumed to be received reduces Family Benefits A at low levels. Currently, the [threshold](#) is \$48 per week for a single parent with two children
- Our report [Financial abuse: the weaponisation of child support in Australia](#), 2023 found that through no fault of their own, women can receive significant government debts due to their forced engagement in the child support system. The system relies upon both parties to provide accurate information to calculate family payments. If the information is wrong, there is typically an underestimation of income from the payer. Once updated, child support and family benefits are adjusted. This usually means the mother will receive a family payment debt (as she has been paid too much), and this debt will be collected. The woman will also receive a newly calculated amount of child support owed to her. This debt is typically not collected as he has already structured his affairs to avoid a payment. Strategies include declaring bankruptcy and moving the money and assets into a third party, family trust or superannuation. The interaction is known and used by ex-partners to inflict debts upon women with children in their care.

Government Reports that support review of the Maintenance Income Test:

[Working for Women: A Strategy for Gender Equality, 7/3/24](#)

“Make the child support scheme fairer by implementing legislation to improve the timely collection of child support owed to parents – who are overwhelmingly women – and help prevent future debt among low-income parents. The Government is building the evidence base for longer-term improvements, looking at issues like noncompliance as a means of financial abuse, whether the child support formula reflects the current costs of raising children in Australia, and what can be done to support parents where private collect arrangements have broken down.” (Page 17).

Reports to the Federal Government that support abolition of the Maintenance Income Test (effectively separating the family payments and child support systems):

[Economic Inclusion Advisory Committee, 2024 Report, 13/4/24.](#)

“The Government implement Recommendation 33 from the Committee’s 2023 Report, namely, to remove the MIT from the calculation of FTB Part A for child support customers.” (Recommendation 15)

Brotherhood of St Laurence, [Growing Pains](#), December 2023. *“Immediate action is also required including reinstating the indexation of FTB in line with pensions, reviewing shared care arrangements and removing the Maintenance Income Test. These changes would improve the adequacy and reduce the administrative risks of the current system.”*

[Women's Economic Equality Taskforce's final report, 2023](#)

"Remove the Child Support Maintenance Income Test (MIT) from the Family Tax Benefit Part A (FTBA) calculation to establish certainty of FTBA payments for financially vulnerable families and to prevent child support from being used as a tool of financial abuse." (Recommendation 6.5)

[Economic Inclusion Advisory Committee 2023 Report:](#)

"The Government should remove the Maintenance Income Test (MIT) from the calculation of Family Tax Benefit Part A (FTBA) for child support customers. Affected families should be provided with a similar amount of family benefits as they would have resulted under the MIT. The removal of the MIT would result in more certain FTBA payments for financially vulnerable families, remove the prospect of retrospectively applied FTBA debts, and concurrently close a loophole that allows child support and FTBA to be used as vehicles for enacting financial abuse." (Recommendation 33 of 2023 report).

Endnotes

ⁱ [New report reveals how Australia's child support system facilitates economic abuse of women – Women's Legal Services Australia](#), 3/5/24.

ⁱⁱ Quote from [Guardian Op Ed 26/4/24](#). See also [Rethinking Primary Prevention](#), Jess Hill and Professor Michael Salter.

ⁱⁱⁱ PM Media Releases, [Leaving Violence Program](#), 1/5/24.

^{iv} The number of successful applicants is contested: the PM said 45,000 on 1/5/24; Uniting the provider said nearly 60,000 on [3/5/24](#). The rate of rejections is also contested: an answer to a Question on Notice 2825 asked on 21/11/23 states that between October 2021 and September 2023 the program received 57,041 applications; 29,437 (52%) of these were found to be eligible and of these, 83% received a payment. The number who received a payment (24,471) was therefore only 43% of all applicants. [Uniting on 3/5/24](#) said *"approximately 12 per cent of applicants have been found to be ineligible for the program as they don't meet the criteria."*

^v Davidson, P; Bradbury, B; and Wong, M (2023), [Poverty in Australia 2023: Who is affected?](#) Poverty and Inequality Partnership Report no. 20. Australian Council of Social Service and UNSW Sydney.

^{vi} [DSS Quarterly Demographics](#), December 2023.

^{vii} Australian Bureau of Statistics (ABS) Personal Safety Survey (2017) cited by Australia's National Research Organisation for Women's Safety (ANROWS) in evidence to House of Representatives Standing Committee on Social Policy and Legal Affairs, Inquiry into family, domestic and sexual violence. See APW [Fast Facts, Women, Violence and Poverty](#) for more.

^{viii} Davidson, P; Bradbury, B; and Wong, M (2023), [Poverty in Australia 2023: Who is affected?](#) Poverty and Inequality Partnership Report no. 20. Australian Council of Social Service and UNSW Sydney.

^{ix} Davidson, P., Bradbury, B., Hill, T. and Wong, M. (2020), [Poverty in Australia 2020: Who is affected?](#) ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS. See also Anti-Poverty Week, [Fast Facts Child and Family Poverty in Australia](#), 2023 and Melbourne Institute, [From Partnered to Single, Financial Security Over a Lifetime](#), 9/6/22 which found on average, men lose 5% of their income while women lose 29% after separation.

^x [DSS, Child Support Program Information, December 2023](#)

^{xi} See *Dads choice to withhold child support is preventable poverty*, [Joint Media Release Single Mother Families and Anti-Poverty Week, 26/10/23](#).

^{xii} [Overstretched and overwhelmed: the strain on homelessness services report](#), released by Homelessness Australia in August 2023.

^{xiii} Anti-Poverty Week [20 years on – Still Too Much Child Poverty in the 'Lucky' Country](#).