



Contact: Terese Edwards, CEO, Terese@smfa.com.au, 0439 211 493; Toni Wren, Principal Adviser, Toni@SMFA.com.au, 0405 705 442.

So Many Ways to Lose, Child Support Brief, 31 March 2025

Poverty and single parent families

The 2024 HILDA report confirms single parent families face high poverty rates, financial stress, material deprivation and the highest rate of housing stress. *“Single-parent families stand out strongly as the demographic with the highest prevalence of disadvantage”*.ⁱ See [SMFA Cost of Living Brief 31/3/25](#).

[Child poverty research](#)ⁱⁱ released by Bankwest Curtin Economics Centre in August 2024 shows that the rate of poverty in single parent households with children (33%) is more than three times that for couple family households (10%), when poverty is defined as living below 50% of median household income and children are defined as aged under 18 years but still financially dependent. Rates for severe and extreme poverty were also much higher.ⁱⁱⁱ

	Single parent households with children	Couple households with children
Below 50% poverty line	>1 in 3 (33.4%)	<1 in 10 (9.3%)
Below 40% of poverty line	>1 in 5 (20.6%)	>1 in 20 (5.4%)
Below 30% of poverty line	>1 in 10 (11.2%)	<1 in 40 (2.7%)

The report states *“policy measures that increase incomes and provide targeted support to single parent households will hence have a greater impact on child poverty and wellbeing outcomes.”*

There were more than 727,000 current child support cases in 2023-24.^{iv} Nearly 1 million children (1 in 5 of all Australian children) were involved in the child support scheme at 30/6/24.^v, according to [Child Support Program Data](#), June 2024, published 28/8/24:

Age of children	Agency Collect	Private Collect	Total
0-4 years	42,950	78,470	121,420
5-9 years	120,570	137,165	257,735
10-14 years	182,410	172,920	355,330
15+ years	129,060	113,140	242,200
Total	474,990	501,695	976,685

Academic research has found poverty in single mother families could be reduced by 21% if child support was paid on time and in full.^{vi} **That is why we are advocating so hard to fix child support – if it works properly, it should prevent poverty.**

Read Terese Edwards, [Opinion | Economic abuse in child support impacts 500,000 kids | The Canberra Times | 26/11/24](#) and watch [Debt Wall animation, 26/11/24](#).

So many ways to lose

- 1. A single mother who doesn't take action to obtain child support will have her family payments reduced - known as failing the Maintenance Action Test. She can receive an exemption due to family violence, which perversely seems to reward the use of violence. Whilst we seek protection and choice for women, the numbers being granted an exemption appear to be artificially low.**

For example, a Mum with 2 children (aged 10 and 13) should receive \$255 per week in family payments (Family Tax Benefit Part A maximum rates) but will only receive \$71 per week in base rate payments (or **72% lower than the maximum rate**), a loss of \$184 per week if they fail the test.^{vii} This mother may have given up after years of receiving no or little sporadic child support or may have decided it was too dangerous to pursue child support from her former partner due to threats and retaliation. She may not know she can request an exemption for family violence, or even if she does, she may not have the necessary evidence to support that reason. In the June quarter 2024 only 15% of all parents with children were granted an exemption (which we believe is artificially low given the prevalence of family violence as a reason women separate).^{viii} Over the year June 2023 to 2024, 18.2% children of separated parents "failed" the test (nearly 1 in 5 of whom were identified as Indigenous), this percentage is increasing, and we have no data as to why.^{ix}

Opening the Black Box of Child Support: Shining a Light on How Financial Abuse Is Perpetrated finds:

- Nearly 4 in 5 single mothers were experiencing some form of violence at the time of separation.^x Despite this, only 1 in 10 women applied for an exemption from seeking child support on the grounds that it would exacerbate the violence.^{xi} More than half were unaware that failure to apply for child support or seek an exemption would result in the loss of around 70% of their family payments, further deepening the poverty experienced by their children.
- The highest rates of violence experienced by women at the time of separation were for those being pressured by their ex-partners not to apply for child support^{xii}

- 2. The income test for child support (known as the Maintenance Income Test) reduces family payments by 50 cents in the dollar above a very modest amount, yet income from employment is treated much more generously.**

For example, a single Mum who is assessed to receive child support of \$100 a week for 2 children in her care will lose \$25 from her family payments per week. (Any income from child support above \$50 a week reduced family payments by 50 cents per dollar.)

A couple family with 2 children (aged 10 and 13) don't start to lose any family payments until their income (usually from employment) is greater than \$1,254 per week and then it only reduces by 20 cents per dollar.^{xiii}

The government saved \$810 million a year in 2021-22 due to the Maintenance Income Test; \$810m that did not go to 300,000 single parents and their children.^{xiv} We do not know how much of this was deducted erroneously when child support payments were not even received by these families. We note this is in addition to the savings to Family Tax Benefit from the 18.2% who failed the Maintenance Action test in 2023-24. (We do not know the number of families and children affected by this loss).

Opening the Black Box finds:

- Women using Private Collect were losing on average \$600 a month (\$7,200 a year) in family payments because of assumed receipt of child support (even when it had not been received).^{xv}

3. All payments in the Private Collect half of the scheme (assessed at more than \$2 Billion in 2023-24)^{xvi} are assumed to have been received and reduce family payments, even if they have not been received.

For example, in the example above, the single Mum will lose \$25 a week, **even if she doesn't receive the \$100 a week she is due in child support.** This can also happen for single parent families even if they are in the Agency Collect part of the scheme, unless they know to request to only have child support that *has been received* (disbursement method) considered, as opposed to what *should be received* (eligibility method).^{xvii} Many women do not know of these distinctions and what they mean in practice.

Opening the Black Box finds:

- Nearly 1 in 2 (47%) of women who “chose” Private Collect said they were pressured by their ex-partner so that he didn't have to pay child support.^{xviii}
- For 7 in 10 financially abused women using Private Collect, payments were not received in full or at all.^{xix}

4. Vexatious former partners can manipulate the system to deliberately create debts for the single mother and her children.

For example, a former partner is supposed to lodge a tax return so that the child support amount can be assessed correctly. They are allowed to instead lodge a *provisional income assessment* and DSS data shows more than 1 in 4 (nearly 164,000 or 28% of >592,000 payers) use this method.^{xx} There are no restrictions on how long this method can be used and provisional income often produces a lower median income than that calculated after tax returns were lodged^{xxi}. For example, a payer's provisional income means they are assessed to pay \$100 per week child support (the mother loses \$25 a week as above) for 5 years. However, in the 6th year, the payer lodges a tax return for the same 5 years which shows a higher income and that they should in fact have paid \$200 a week. The single mother is deemed to have been paid too much in family payments as \$200 a week in child support should have reduced her family payments by \$75 not \$25 a week, an overpayment of \$50 a week. \$50 x 52 weeks x 5 years = \$13,000 debt to Centrelink which is immediately clawed back from future family payments or other debt recovery methods. Of course, she should get the increased child support assessment back paid for these 5 years (\$13,000) but the payer does not transfer these payments, and the debt is typically not pursued or recovered.

Opening the Black Box finds:

- 2 in 5 survey respondents had incurred a family payment debt to Services Australia at some point and 1 in 2 of these said the debt was due to a retrospective child support change. The debt they owed to Services Australia, was, on average, just under \$3,500 and these were being automatically deducted from their family payments.^{xxii} These same women were owed an average of \$12,000 in child support from their former partners.^{xxiii}

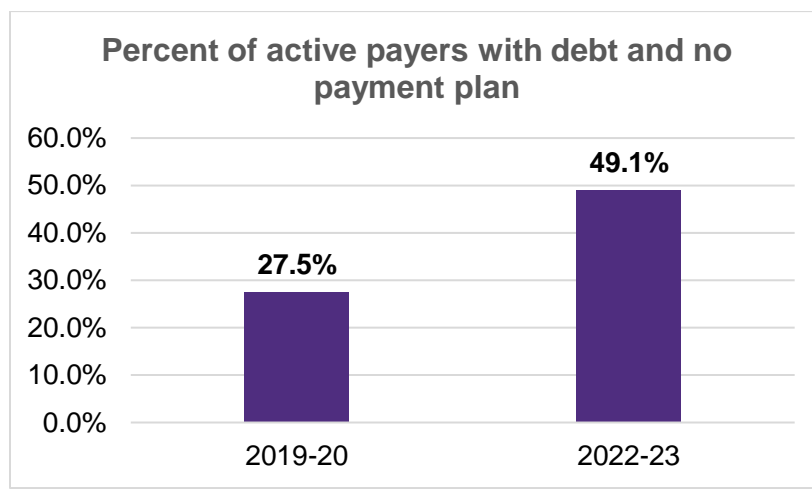
5. The full extent of child support debt is unknown

At June 2024, 220,000 payers owed \$1.83 billion^{xxiv} to around 500,000 children in the government collect scheme (where the government is supposed to collect and pass on child support). This is an underestimation of the total debt in this part of the scheme as it excludes monies owed after children turn 18, debts that have been written off, or where either or both parents live overseas.

We do not know how much of the \$2.236B in 2023-24 is received by children in a “private” arrangement where the paying parent is supposed to transfer directly to the parent caring for the children, nor the extent of debt from previous years. We don’t think the Government knows either (as it relies on private transfers) but this merely underlines the problem with the rules assuming all is received and reducing family payments accordingly.

Services Australia says it can collect overdue payments at any time for government-collect arrangements and generally only up to three months (or nine months in exceptional circumstances) for private arrangements (more than 50% of all assessments). Penalties for late payments go to the Federal Government, not the children.

Data from [Annual Report 2022-23 - Services Australia](#) and [Annual Report 2019-20 - Services Australia](#): Nearly 1 in 2 payers (49.1%) who have a debt also do not have a payment plan and this has increased considerably from 27.5% in 2019-20.



The Department of Social Services told Senate Estimates on 27/2/25 that 41% of child support debt (which is a separate calculation to the number of active payees with a debt) is under a payment arrangement, meaning close to 60% (59%) is not.^{xxv}

Opening the Black Box finds:

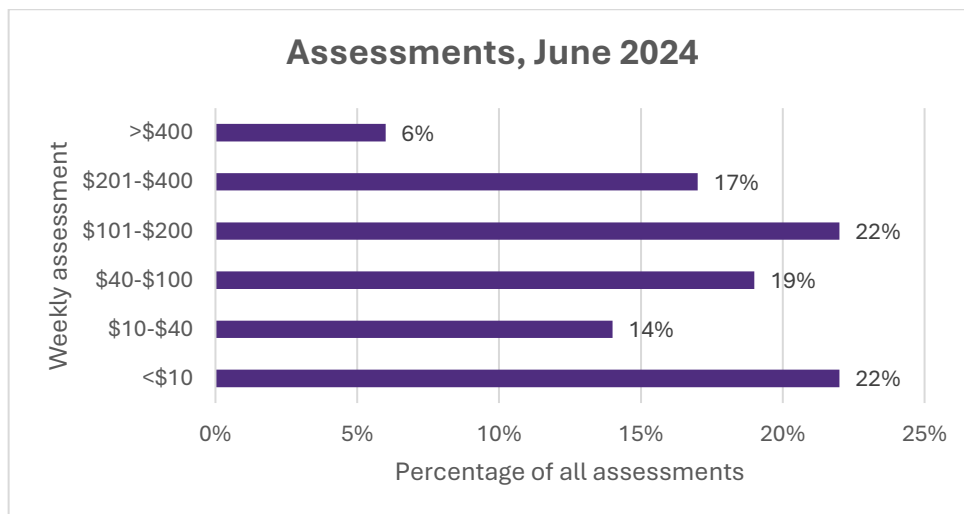
- The average child support debt owed to respondents and their children was just under \$14,000.^{xxvi}

See our [Debt Wall animation, 26/11/24](#)

6. The low level of assessments contributes to high levels of child poverty in single parent (mostly mother-headed) families.

36% of all assessments are for less than \$40 a week; 22% are less than \$10 a week (the minimum).

See also [New child poverty study confirms hardship of single parent families](#), 23/8/24.



Assessment Weekly range	Number
<\$10	140,430
\$10-\$40	87,850
\$40-\$100	118,685
\$101-\$200	143,090
\$201-\$400	110,360
>\$400	36,515
All assessments	636,930

Opening the Black Box finds:

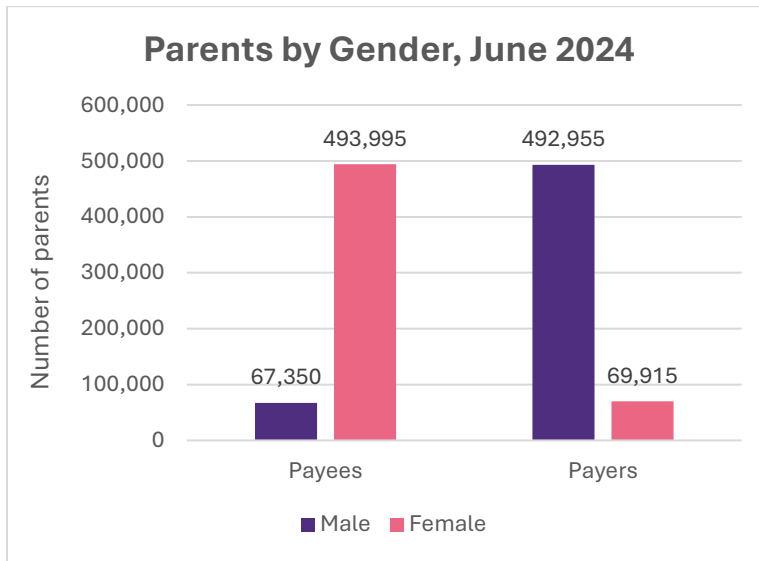
- Women experiencing financial abuse at the time of the survey reported that their ex-partner had reduced the amount that they should pay – and thus the money that flowed to children – by either: legally minimising their taxable income (57%), submitting inaccurate income assessments (55%) or by having their own business (52%) and false reporting of care time.
- 45% of all survey respondents had a child support assessment of either \$0, the minimum of \$8 a week, or were not sure what their assessment was. Just over 1 in 2 had an assessment for more than \$8 per week^{xxvii} but only a quarter of women experiencing financial abuse received a child support payment of above \$8 a week.^{xxviii}

7. Failing to lodge a tax return is a common tactic for reducing child support assessments.

The [Child Support Program Data](#), June 2024 shows 28% of all payers (~164,000) had child support liabilities assessed using *provisional income* instead of a tax income assessment and that this proportion is consistent for the past 4 years to June 2020. The [Economic Inclusion Advisory Committee 2023 Report](#) stated “When tax returns are not lodged, a provisional income is used. This can result in an inaccurate child support liability. The Department of Social Services’ figures show that the three most commonly used provisional income calculation methods produced lower median incomes than the median incomes calculated after tax returns were lodged.” The ATO has confirmed that late lodgment of tax returns is used to avoid child support liabilities and *that one third of all ATO tax lodgment compliance work is child support related*. In the second six months of 2023 the ATO made almost 1.5 million attempts via texts, emails, letters, and phone calls to contact taxpayers with outstanding returns who had child support debts.^{xxix}

8. The child support system is highly gendered

84% of all those owed child support (payees) are **single mother families**



Care is very much undertaken by mothers - 85% of **payees** have children in their care 65% of nights in a year or more:

Payees time with children in their care – nights per year	Agency Collect	Private Collect	Total	%
<14% of year	1,475	2,595	4,070	
<35% of year	365	935	1,300	
>35-<65% of year	31,320	56,000	87,320	
>65%-85% of year	58,850	80,675	139,525	22%
>85% of year	217,730	171,050	388,780	63%
Total	309,740	311,255	620,995	

Appendix: More details on the Child Support Scheme

Family payments (Family Tax Benefit A) Maximum and Base rates [A guide to Australian Government payments, 29/9-31/12/24](#)

	Max rate per week	Base rate per week	Loss pw from max to base	Loss pw as %
Each child aged 0 to 12	\$111	\$36	\$75	68%
Each child aged 13 to 19	\$144	\$36	\$108	75%
	Max rate pa	Base rate pa	Loss pa from max to base	Loss pa as %
Each child aged 0 to 12	\$5,772	\$1,872	\$3,900	68%
Each child aged 13 to 19	\$7,488	\$1,872	\$5,616	75%

Some families may also qualify for an end of year supplement of \$916 per child.

Who is responsible for what

The Department of Social Services (DSS) is responsible for designing and implementing the Child Support Scheme, including child support policy and legislation. DSS is also responsible for designing and implementing FTB Part A policy, including the administration of the policy and legislation. Services Australia delivers the Child Support Scheme on DSS's behalf. Services Australia assists parents to apply for a child support assessment, determines the amount payable and, where applicable, facilitates the collection and transfer of child support payments. Where payments are not made voluntarily, Services Australia has a range of powers to enforce the collection of child support. The Child Support Registrar in Services Australia has decision making powers under child support legislation. Services Australia can ask the ATO to assist.

More on Child support payments and Family Tax Benefit (FTB) Part A from [Department of Social Security Annual Report 2022–23](#) To receive more than the base rate of FTB Part A for a child from a previous relationship, an individual must take reasonable action to apply for a child support assessment. This is known as the Maintenance Action Test (MAT). Note also the requirement to meet the MAT applies, regardless of if the parent is, or would be, assessed to receive or pay child support. Some parents may have *had* an exemption to meet the maintenance action test requirements but unless they make an application for the exemption to continue, they are deemed to have failed the MAT. When a child support child turns 18 and is in full-time secondary study, parents are required to apply for an extension to their child support assessment (until the end of the school year) to comply with the MAT requirement.

Endnotes

- ⁱ [Life for single-parent families in Australia is harsh | Pursuit by the University of Melbourne](#), 5/3/25.
- ⁱⁱ Bankwest Curtin Economics Centre, [Child Poverty in Australia in 2024: The lifelong impacts of financial deprivation and poor-quality housing on child development](#), August 2024.
- ⁱⁱⁱ Further analysis in [New child poverty study confirms hardship of single parent families](#), 23/8/24.
- ^{iv} [DSS Annual Report 2023-24](#), note current cases excludes cases which are closed with no balance or arrears.
- ^v [Child Support Program Data](#), June 2024, published 28/8/24.
- ^{vi} Skinner, Christine, Kay Cook, and Sarah Sinclair. 2017. [The Potential of Child Support to Reduce Lone Mother Poverty: Comparing Population Survey Data in Australia and the UK](#). *Journal of Poverty and Social Justice* 25 (1):79-94.
- ^{vii} [A guide to Australian Government payments, 29/9-31/12/24](#)
- ^{viii} Analysis by Dr Anne Summers for her 2022 report [The choice: violence or poverty](#) finds as many as 60% of single mothers experienced violence at some time before their separation.
- ^{ix} Department of Social Services, [Child Support Program Data](#), June 2024, Answer to Question on Notice DSS SQ24-001061 and [Department of Social Security Annual Report 2022–23](#) which says between June 2022 and June 2023, the number Family Tax Benefit Part A children of separated parents who failed the test increased by 9% and the [DSS Annual Report 2023-24](#) states the number increased by 11% between June 2023 and June 2024. The 2023-24 Annual Report also states DSS has conducted a survey of separated parents in late 2024 relating to MAT and Private Collect and we eagerly await publication of these results.
- ^x K. Cook, A. Byrt, R. Edwards, and A. Coen (2024), [Opening the Black Box of Child Support: Shining a Light on How Financial Abuse Is Perpetrated](#), Swinburne University of Technology, page 55.
- ^{xi} *Black Box*, page 63.
- ^{xii} *Black Box*, page 72
- ^{xiii} [A guide to Australian Government payments, 29/9-31/12/24](#)
- ^{xiv} Answer to Question on Notice, February 202 (DSS SQ24-001060).
- ^{xv} *Black Box*, page 127
- ^{xvi} Department of Social Services, [Child Support Program Data](#), June 2024.
- ^{xvii} [3.1.7.21 Maintenance income - entitlement method | Family Assistance Guide \(dss.gov.au\)](#) and [3.1.7.22 Maintenance income - disbursement method | Family Assistance Guide \(dss.gov.au\)](#).
- ^{xviii} *Black Box*, page 104.
- ^{xix} 21% (expected and received nothing) + 48% (received less than expected) = 69% from *Black Box*, page 116
- ^{xx} Department of Social Services, [Child Support Program Data](#), June 2024.
- ^{xxi} See [Economic Inclusion Advisory Committee 2023 Report](#), page 78.
- ^{xxii} *Black Box*, page 130
- ^{xxiii} *Black Box*, page 131
- ^{xxiv} Senate Community Affairs Legislation Committee [Estimates Hansard 27/2/25](#).
- ^{xxv} Senate Community Affairs Legislation Committee [Estimates Hansard 27/2/25](#).
- ^{xxvi} *Black Box*, page 118.
- ^{xxvii} *Black Box*, Table 5 page 86 – Nothing =20%, Min =16%, Not sure = 9% = 45%
- ^{xxviii} *Black Box* 26%, Figure 16, page 111
- ^{xxix} Data provided by the ATO in a meeting with Single Mother Families Australia in July 2024.