



## Submission to the Inquiry by the Senate Community Affairs Legislation Committee into the Social Security and Other Legislation Amendment (Technical Changes No. 2) Bill 2025, 25 September 2025

### About Single Mother Families Australia

Single Mother Families Australia (SMFA) was conceived in 1973 as a lead national voice with policy insight and expertise. We commenced life as the National Council of Single Mothers & their Children Inc and changed our name to Single Mother Families Australia in 2023 as part of our 50 year celebration. SMFA is an organisation dedicated to single mother families. We have an unrelenting quest and commitment to seek safer lives with agency, control and economic certainty for single mother families.

Currently, SMFA serves as an unfunded national lead; we engage in productive collaborations with other specialised single-mother organisations, irrespective of their size, funding status, online presence, or grassroots nature. Presently, only the Victorian Government provides funding for a statewide service, and we aspire for other states to emulate this support.

SMFA greatest strength is our interaction with women. Through our active presence on social media, Single Mother Families Australia has established a trusted online community with an established significant digital footprint.

Based on our Facebook analytics from the past 28 days, our latest data indicates the our page has achieved the following

**406,590 views & 264,487 reaches**

SMFA interacts with single mothers to understand the impact of Federal Government policy on their lives and to ensure that our recommendations are influenced by their lived reality. SMFA spoke with three women surrounding this legislation, and with the endorsement of one, we have included a short statement. In addition, we promptly address a wide array of concerns from mothers, systematically collecting valuable data and information to reinforce the development of our purpose-specific website. See more [here](#).

**SMFA welcomes the legislation;** it is a statement of action and intent. Furthermore, through the inquiry process, there is an opportunity to enhance critical legislation.

### Recommendations

#### Recommendation 1

The increase in the debt waiver threshold from \$200 to \$250 and annual indexation is a welcome improvement. SMFA supports that the increase should be at least \$440 as recommended in the ACOSS submission to this Inquiry. As Minister Plibersek states in her [Second Reading speech](#), the \$200 threshold has never been indexed since its introduction more than 30 years ago. If CPI indexation were applied since that time, it would be equate to more than \$440 now.

## Recommendation 2

Accept a wide range of supporting evidence, with survivor testimony central and the process accessible. A sensible approach is to apply the criteria for the [Leaving Violence Program](#), thereby creating consistency for decision-makers and ensuring that those seeking a waiver on this basis can obtain the required documents.

- Police report
- Support worker letter
- Family safety intervention order (FVO or AVO)
- Statutory declaration from the applicant signed by a JP.

## Recommendation 3

Multiple government inquiries and reports highlight the role that child support can play in the perpetration of financial abuse, but waiver provisions are omitted from this legislation.

### Required amendments

3.1 Services Australia provide a 28-day debt notice with details of the reason for the debt, which creates an opportunity to challenge, seek a waiver, and then initiate a negotiated repayment process.

This amendment would enable women to contest debts before losing their essential assistance. Since 2017, the 'recovery' of these debts has been swift and automatic, with the Robodebt hallmarks. The practice typically involves Services Australia holding back the expected Family Tax Benefit. The non-receipt of FTB is often the first indication of a debt for many women. They do not have a line of sight on the practice or the other party to the child support agreement.

3.2 The amendment to identify the decision not to lodge a tax return, which often coexists with the partial, sporadic, or non-payment of child support as evidence of financial abuse. This would provide grounds to explore a debt waiver.

The interaction between family payment and child support can make government systems a helpful tool in perpetrators' enactment of ongoing control and violence. Please read our submission for a full context.

## Recommendation 4

SMFA supports the recommendation ACOSS to amend the bill to remove paragraph 'a of each of the special circumstances provisions to ensure people in need receive this waiver.

## Schedule 2 - Debt waiver reforms

### Consideration of debts arising due to Family and Domestic Violence

We also strongly support the provision to expand the circumstances for the Secretary to consider when looking at whether the special debt waiver provisions may apply. SMFA have long called for this provision to ensure women are not liable for debts that arise through family and domestic violence, including coercive control. This abuse may have included a victim or former partner falsely reporting income. Such as the experience of Caitlin's (name changed for privacy)

*"I was never allowed to report his income, and it was inaccurate. My ex had to file his income tax, but he wouldn't tell me what he earned, and I never saw a pay slip. I was burdened with debt for 14 years, which meant I couldn't receive any advance payments or tax time supplements during that time [ [annual lump sum payment of Family Tax Benefit - A payment to help families with the cost of raising children](#) ] . For 14 years, I had to negotiate the repayment rate, and it nearly broke me." 24 September 2025*

It is through the lived experiences that the power and value of this legislation are understood.

The legislation allows the decision maker to waive a debt that arises in these circumstances. SMFA believes this is long overdue. Moreover, SMFA values the opportunity for a personal review, recognizing that such interactions can lead to beneficial referrals for Services Australia. This is especially important for customers who might not be aware of the resources available to help with financial abuse. Additionally, this process fosters practical knowledge and experience for Services Australia, further enhancing their skills. We hope this will also deter perpetrators of abuse using the social security system to further that abuse.

We believe it is important that this legislation clarifies the proof required to be eligible for the waiver (in effect a definition of being the victim of family and domestic violence). The Leaving Violence Program (introduced 1/7/25) FAQ says: "Victim-survivors will be asked to provide documentation to support their application, however the absence of having documentation won't prevent a victim-survivor from accessing support. We know that the process of obtaining and providing documentation can be complex and the Program will work with victim-survivors to help them through the process."

Further investigation by SMFA (obtained from the LDV help line) finds that they will accept *one* of the four below as proof of being the victim of family and domestic violence:

- Police report
- Support worker letter
- Family safety intervention order (FVO or AVO)
- Statutory declaration from the applicant signed by a JP.

We endorse these criteria and recommend they are included in the legislation and guidelines so it can be applied consistently by decision-makers and that those seeking a waiver on this basis are able to obtain one of the required documents ahead of applying for the waiver.

## **A critical matter pertaining to family and domestic violence is omitted from this legislation**

SMFA strongly welcomes the [announcement on 27/8/25](#) by the Minister for Social Services and Minister for Women, the Public Services and Government Services to "introduce legislation which will give Services Australia extended powers to waive social security debts that have been incurred as a result of domestic and family violence... This announcement builds on work agreed by National Cabinet, where the Government committed to an audit of Commonwealth systems to identify and address how perpetrators of violence weaponise Government systems to cause harm, with an initial focus on the tax, social security and child support systems." As Minister Plibersek said, "*This is an important first step toward our landmark election commitment to stop perpetrators using Commonwealth systems to abuse their partners.*" [Minister Plibersek's](#)

[Second Reading Speech](#) introducing this Bill states it will “*enable victims of coercion and financial abuse to receive debt relief.*”

However, our understanding is **that the special waiver provision in this legislation does not include any debts that arise due to the interaction of child support income and Family Tax Benefit Part A (FTB A) entitlements**, a key policy now enshrined in legislation that enables perpetrators to inflict ongoing family and domestic violence.

Single Mother Families Australia has long advocated for major reforms to the Child Support Scheme.<sup>1</sup> One of our key recommendations, also endorsed by the Women’s Economic Equality Taskforce, is to abolish the link between family payments and child support income known as the Maintenance Income Test.

SMFA believes the impact of the link amounts to a form of Robodebt as both family payment ‘debts’ amounting to reductions to FTB A are automatically imposed, in many cases, irrespective of whether the child support was received. Unlike other debts covered by this legislation, these debts do not create a “Notice of Debt” which can be challenged. Often the first time a woman subject to this provision is aware of it is when their FTB A payment is significantly lower than expected, leaving them and their children in financial insecurity and in some cases, at risk of homelessness.

The link between the two can be weaponised to enable vexatious former partners to create FTB A debts for women. When payers’ incomes are retrospectively recalculated after a late tax return from the payer of child support, Private Collect payees (50% of the Scheme) and those in the Agency Collect part of the scheme using the entitlement method (where all child support income is assumed to have been received) must pay back ‘overpaid’ FTB A.

The Commonwealth Ombudsman’s report, [Weaponising Child-Support-when the system fails families](#), June 2025 recommends “amending the A New Tax System (Family Assistance) (Administration) Act 1999 (Cth) to remove the current presumption that all Child Support has been paid and to allow Family Tax Benefit Part A debts to be waived or otherwise not accrued in circumstances where Child Support has not been paid or has been underpaid”. The report also recommends that Services Australia “on its own initiative and on significantly more occasions, proactively identify, or attempt to identify, the motivations of paying parents who do not lodge tax returns or pay Child Support.”

Swinburne University analysed the results of a survey of 645 single parents in their report [Opening the Black Box of Child Support: Shining a Light on How Financial Abuse Is Perpetrated](#), October 2024.

Opening the Black Box found:

- 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. These same women were owed an average of \$12,000 in child support from their former partners.

Legislative changes introduced in 2013 by the previous Government changed the method for estimating payer income where no tax return was lodged *in favour of payers*. It was estimated to

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<sup>1</sup> See our brief [So Many Ways to Lose](#) provides an overview of our concerns and draws from the 2024 research [Opening the Black Box of Child Support: Shining a Light on How Financial Abuse Is Perpetrated](#), Swinburne University. See also our campaign [Fix Child Support | It's Time To End The Financial Abuse](#).

reduce mothers' Family Tax Benefit Part A by \$78.7m over four years. In 2017 legislative changes ensured Family Tax Benefit "overpayments" are vigorously pursued. We note this was at a similar time to Robodebt and has had a similar effect. This change was estimated to save the Government \$23m over 4 years in payments. We do not have the data on subsequent savings beyond those forward estimates but they are likely to be substantial.

Our Appendix provides further detail on the deliberate creation of FTB A debts and our additional concern that the interaction creates reduced income for the most impoverished families in Australia due to the harsh income test and low threshold which applies to the Maintenance Income Test.

### **Schedule 3 - Income Apportionment and the proposed Resolution Scheme**

SMFA appreciates the clarification contained in the Bill that "income apportionment was adopted in good faith, with the Commonwealth Ombudsman stating that it reflected a genuinely held incorrect understanding of the law. This was not robodebt."

#### **The legislation falls short in providing justice for people subject to income apportionment debt**

[Minister Plibersek's Second Reading Speech](#) confirms that people with historic debts potentially affected by income apportionment from 20 September 2003 to 6 December 2020 will be eligible to apply for a resolution payment. This will be contained in a legislative instrument following commencement of schedule 3 of this Bill.

The instrument will prescribe the amount of resolution payments. For debts under \$200, the full debt will be repaid. For debts between \$200 and \$2,000, the payment would be \$200. For debts between \$2,000 and \$5,000, the payment will be \$400. And for debts above \$5,000, the payment would be \$600.

We echo ACOSS' concerns outlined in their submission to this Inquiry that "that the resolution scheme falls short of what would be required to provide a fair and just way to compensate people for lost income because of income apportionment." They refer to analysis that shows 64% were overcharged and 4% did not owe a debt at all. That analysis also shows that Services Australia reviews resulted in an average reduction of 35% (for income apportionment debts which were reduced). For someone with a \$5,000 income apportionment affected debt, a 35% decline represents \$1,800. However, the maximum resolution payment proposed for this person in this legislation would be \$600.

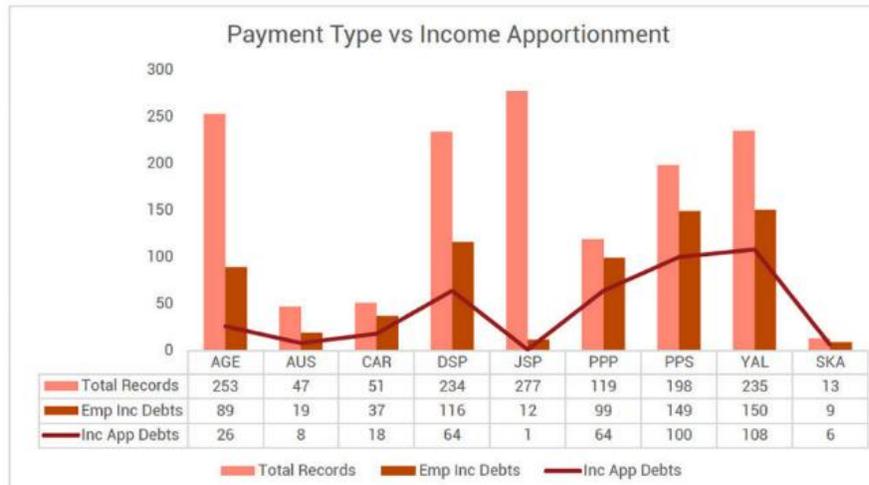
Many will lose out from the maximum amount capped at \$600. The [Income Apportionment Sampling Activity #2 Nov 2023-Feb 2024](#) finds the largest reduction in a debt paid was \$1,816.59 (see page 63).

More than 9 in 10 (94%) of those receiving Parenting Payment Single are mothers and 17% are Indigenous.<sup>2</sup> The [2024 HILDA Report](#) finds single parent families have the highest rates of housing stress of all family types including single people and couple families (22% compared to 6.9% for couples with dependent children). It also finds single parent families face the *highest rates* of poverty, material deprivation and financial stress (see also [Life for single-parent families in Australia is harsh](#)). The [Income Apportionment Sampling Activity #2 Nov 2023-Feb 2024](#) also makes clear that the payments *most* affected by Income Apportionment Debts were Youth Allowance (108) and **Parenting Payment Single (100)** – see below excerpt from page 7.

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<sup>2</sup> [DSS Demographics](#) March 2025 finds 94% of PPS recipients are mothers and this proportion is consistent over many years.

All payment types included in the sampling were impacted by income apportionment. Youth Allowance, Sickness Allowance and Parenting Payment Single payments had the largest impact (69%), while JobSeeker Payment/Newstart Allowance (8%) and Age Pension payments had the least impact (29%).



Of the 1,117 records that did relate to employment income, income apportionment was relied upon in 64% of cases. We know that nearly 4 in 10 (38%) of Parenting Payment Single recipients have earnings from employment. This is the highest percentage of any income recipient excepting Austudy/Youth Allowance Student Apprentice.<sup>3</sup>

We also support ACOSS’ analysis that “in this context, capping compensation amounts and requiring successful claimants of these payments to release the Commonwealth of any liability for income apportionment is not a fair way to address the issue for individuals affected.”

ACOSS and SMFA are particularly concerned for the nearly one in two (48%) of those affected who are currently in receipt of social security payments. As ACOSS states in their submission to this Inquiry, “they will have a strong impetus to access the resolution payment because they are likely to be on a very low income and need support... However, in doing so, they will forgo their right to hold the government accountable for getting it wrong.” We also agree with ACOSS’ concern that “this Bill will see many unable to get justice with their case.”

We support the recommendations pertaining to Schedule 3 contained in the ACOSS submission to this Inquiry.

<sup>3</sup> [DSS Demographics](#), March 2025.



## Appendix SMFA Brief: The interaction of Child Support and Family Payments, 20/08/25.

Single Mother Families Australia has long advocated for major reforms to the Child Support Scheme.<sup>4</sup> One of our key recommendations, also endorsed by the Women's Economic Equality Taskforce, is to abolish the link between family payments and child support income known as the Maintenance Income Test. SMFA believes the impact of the link (as explained below), amounts to a form of Robodebt as both family payment 'debts' and reductions are automatically imposed, irrespective of whether the child support was actually received. Our concerns relate to:

- a) **The ability for the link to be weaponised by vexatious former partners to create FTB A debts for women.**

The Swinburne survey of 645 single parents for *Opening the Black Box* found:

- 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. These same women were owed an average of \$12,000 in child support from their former partners.

Some of the women who participated in the 2023 survey (540 participants) for Swinburne University's report [Financial abuse: the weaponisation of child support in Australia](#), 2023 said:

*He still has many years of tax not done so I limit using the CS [child support money] in case I get a FTB debt one day. I already have 1 FTB debt because of this exact reason.*

*Doesn't pay and results in not being able to give children things they need. Non-payment will result in a debt by Centrelink as I'm on disbursement otherwise I won't survive financially.*

In addition to this 2024 report, the 2023 Swinburne report noted the 2017 legislative changes making Family Tax Benefit overpayments vigorously pursued (introduced at a similar time to Robodebt and having a similar effect). When payers' incomes are retrospectively recalculated after a late tax return, Private Collect payees must pay back 'overpaid' FTBA. In 2017 this was estimated to **save the Government \$23m over 4 years** in Family Tax Benefit Part A payments. We have no data on the number of debts raised in this manner and the savings to government since 2017.

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<sup>4</sup> See our brief [So Many Ways to Lose](#) which provides an overview of our concerns and draws from the 2024 research [Opening the Black Box of Child Support: Shining a Light on How Financial Abuse Is Perpetrated](#), Swinburne University of Technology. See also [Fix Child Support | It's Time To End The Financial Abuse](#)

Both the 2024 and 2023 Swinburne research reports refer to 2013 legislation which changed the method for estimating payer income where no tax return was lodged *in favour of payers*. This was estimated to reduce mothers' Family Tax Benefit Part A by **\$78.7m over four years**. Again, there is no published data on the financial impact since 2018 (yet the policy stands).

The use of provisional income (instead of a tax return) continues to grow, with the latest published data reporting 34% of assessments were based on provisional income assessments with a further 6% on estimated income ([Child Support Program Data](#), March 2025). SMFA, the Swinburne reports and the 2024 Parliamentary Inquiry into Financial Abuse have all raised concerns that failure to lodge tax returns is a form of financial abuse and the 2025 Ombudsman's report reiterates this view.

**b) The loss of income to the most impoverished families due to the harsh income test and low threshold which applies to the Maintenance Income Test.**

*So Many Ways to Lose* highlights the harshness of the Maintenance Income Test, especially compared to the treatment of income from other sources. It also details that the government saved **\$810 million in 2021-22 alone due to the Maintenance Income Test; \$810m that did not go to 300,000 single parents and their children**.<sup>5</sup> The [2024 HILDA Report](#) confirms that single parent families and their children have the highest rates of poverty, material deprivation, financial stress and are the most likely demographic living with housing stress.<sup>6</sup> According to the [Parliamentary Budget Office](#), more than \$5 Billion between 2006-7 and 2018-19 alone was taken from single parent families. This was due to the loss of Parenting Payment Single when their youngest child turned 8 years old but does not include reductions in family payments. The 5 Billion will be much higher when calculated to September 2023 when the policy was improved.

**While the \$810 million per annum is a staggering amount, we do not know how much of this was deducted erroneously when child support payments were not even received by these families.** We also note that while the entitlement method (FTB A is deducted assuming the full assessed amount is paid) is used for all recipients in Private Collect, this method is also the default method for Agency Collect and we believe very few women know that they can request a change to the disbursement method (FTB deducted on what has been paid), meaning there will be many more women having FTB A deducted for payments they have not received. As the Ombudsman report reiterates, child support debt for only half the scheme (Agency Collect) had risen to \$1.9B.

All three of the Swinburne reports confirm the systemic underpayment of child support and detrimental economic impact on women and children. For example the 2019 report [Debts and Disappointments](#) (470 participants) found "*for 28 per cent of these women who collected privately, they received less child support than they expected, with the value of underpayments ranging from \$16 to \$800 for the previous month. In these cases, Family Tax Benefits were reduced for every dollar above the Maintenance Income Free Area.*" The 2024 report found 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)**.

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<sup>5</sup> Answer to Question on Notice, February 2025, DSS SQ24-001060.

<sup>6</sup> [SMFA Cost of Living Brief 31/03/25](#).

A case study of a women affected:

- *No child support from former partner who used provisional income which underdeclared income to CSA and didn't do tax returns. The client ended up with Family Tax debt (Centrelink debt) of over \$10,000 – her tax refunds were then taken for years to pay it back.*
- **The child support scheme** interacts with Family Tax Benefit A through the Maintenance Income Test. More than 1 in 3 FTB A recipients receive child support income which reduces their family benefit by 50 cents in the dollar above a modest free area (only ~\$50 a week if the single parent has two children) and often even when the child support has not been received. In contrast, income from anything other than child support (i.e. wages and salaries) is only reduced when it exceeds \$1,280 a week and then by only 20 cents in the dollar.
- The [Women's Economic Equality Taskforce 2023 report](#) and Single Mother Families Australia have recommended abolishing the Maintenance Income Test. This would reduce the ability of former partners to weaponise child support to create FTB A debts for the principal carer; increase income for the poorest families and their children (currently ~300,000 families lose ~\$810M per annum in family payments due to child support income, again even in some cases, if it has not been received); and remove a source of undue complexity. Another concern is that primary carers of children eligible for FTB A are required to apply for a child support assessment and if they do not, automatically have their FTB A cut by 70% (unless they are successful in obtaining an exemption).<sup>7</sup> Other important reforms are urgently required to improve the scheme, including ensuring monies owed to children are paid in full (more than \$1.9B is owed to just half of the children covered by the scheme).<sup>8</sup>

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<sup>7</sup> See SMFA Brief [So Many Ways to Lose](#), 31/3/25.

<sup>8</sup> Commonwealth Ombudsman, [Weaponising Child-Support-when the system fails families](#), June 2025.