



Pre-Budget Submission for the 2026-27 Federal Budget, 30 January 2026

About Single Mother Families Australia

Single Mother Families Australia Incorporated, formerly known as the National Council of Single Mothers and their Children, has been an influential advocate on national issues affecting single mothers since its establishment in 1973. Serving 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 Victoria provides funding for a Statewide service, and we aspire for other States to emulate this undertaking. Simultaneously, through our active presence on social media, Single Mother Families Australia promptly addresses a wide array of concerns from mothers, systematically collecting valuable data and information to enhance our knowledge and reinforce the development of our purpose-specific website. See more in [About Us | Single Mother Families Australia](#).

Please see below our recommendations for the 2026-7 Federal Budget to improve safety, economic inclusion and to combat deep and persistent disadvantage for single parent families. Our work is driven by our deep experience of listening to, and developing solutions with, single mothers. The most recent example of this is [Respect, Reform and Recovery](#), Swinburne University's survey of 2,600 single parents published in August 2025. This submission reflects the findings of this report which reiterate the experiences of single mothers and policy solutions SMFA have long advocated for.

Summary of Recommendations

1. Government policies need to understand and address the long tail of domestic violence.

Recommendation 1

- 1.0 Provide a Safety Supplement of \$23,000 payable in instalments over 12 months to all women eligible for income support have experienced domestic and family violence.
- 1.1 Separate child support from Family Tax Benefit A, removing the ability for perpetrators to weaponise it and create debts for women. This separation would also increase income for the most impoverished families in Australia.

The following recommendations are designed to enhance women's safety **without increasing** the government's budget. By improving safety measures, these recommendations aim to mitigate both the direct and indirect costs associated with supporting women in their pursuit of safety and well-being.

- 1.2 Relocation and Parenting Orders: Women who are primary caregivers for their children have the legal right to petition the court for relocation, particularly in cases where they have been identified as victim-survivors of substantiated gender-based violence. Such requests may be pursued without the need for consent or involvement from the perpetrator of the violence.
- 1.3 Where conflict arises between the parenting orders (federal) and family violence orders (state), the safety of women and children must be prioritised. Referral to 68R of the Family Law Act (1975) is to be the mandated practice, overcoming the practice of nullifying the state protection processes.

2. Address ongoing and unrelenting financial insecurity for single parent families.

Recommendations 2

- 2.0 The Parenting Payment Single should be available to all single parents until their youngest child turns 16 or continues until the youngest child completes high school.
- 2.1 Parenting Payment Single should be raised to match the single age pension rate.
- 2.2 Reforming child support detailed above will reduce financial insecurity for women and children.
- 2.3 Family payments should be increased and reviewed. Details of this proposal can be found in the Appendix to this submission.
- 2.4 Commonwealth Rent Assistance and social housing needs to be increased to reduce homelessness and poor health outcomes for families with children.

3. Allow women to keep more of what they earn.

Recommendations 3

- 3.0 Align Parenting Payment Single income thresholds and withdrawal rates with the age pension.
- 3.1 Extend the Work Bonus provision to Parenting Payment Single recipients.

4. Support women to participate in voluntary and high quality study, training and job search and abolish Mutual Obligations.

Recommendations 4

- 4.0 Extend eligibility and access to the voluntary Parent Pathway (which replaced the failed ParentsNext) to single parents within the catchment zone, caring for children older than six and offer services both in person and online.
- 4.1 Extend the [Commonwealth Prac Payment](#) for mandatory placements required for all Certificate 3 or 4 qualifications including in Early Years Education and other care related qualifications.
- 4.2 Abolish Mutual Obligations which act as a barrier to safety, secure employment and caring responsibilities.

If Mutual Obligations are not immediately abolished, implement the cost-free initiatives that enhance women's safety and well-being while reducing administrative burdens for both women and Workforce Australia.

- 4.2 *Increase the time for Family and Domestic Violence Exemptions from Mutual Obligations.* The initial exemption should automatically extend for 12 months and be extended for a further 12 months if required. This was a recommendation of the [2009 Report of the Participation Review Taskforce](#) and is long overdue.
- 4.4 *Allow voluntary work to be an approved activity to meet Mutual Obligations as it is for Jobseeker recipients aged over 55.* It is well documented that caring for children, especially when the mother and children have been subject to family and domestic violence, often leads to prolonged absences from paid employment. Voluntary work provides work experience, confidence and network building and is often a pathway to paid employment.
- 4.5 *Pause Mutual Obligations during all school holidays.* There are currently [no exemptions](#) from Mutual Obligations during school holidays. Single mothers incur additional costs and demands during the school holidays which are compounded by the burdens of Mutual Obligations. A blanket exemption was once available for the entire period of school holidays and should be reinstated. This would also align with the Family Law Bill (2023) which seeks safer parenting arrangements. The school holidays are often when women are forced to spend more time in the presence of the perpetrator of violence due to increased shared care arrangements. No longer can a pickup be before or after school or at children`s sports. As such, school holidays can be flashpoints of emotion, conflict, threats, fear, and violence.
- 4.6 *Establish a standardised pause of Mutual Obligations for extreme weather events.*
- 4.7 *Mandatory work placements, time for study and assessments (beyond attendance) should be counted as meeting Mutual Obligations.*

1. Government policies need to understand and address the long tail of domestic violence.

Policies have understandably prioritised separation, given the inherent risks involved during this challenging time. However, aligning with our noble aim of eradicating violence within a generation, we must broaden our policy perspective to include not only immediately after separation but also the longer-term implications of violence. Mothers want the government to know that, in addition to managing their own recovery, they are supporting their children (who were also victim/survivors) to recover. The additional time, resources and energy required are largely invisible to government policy and available family violence services.

We know that family violence has a long-term impact that interferes and inhibits every aspect of women's lives. For some, the abuse ceases when they leave, for too many, it continues long after they leave. [Respect, Reform and Recovery](#) found nearly 7 in 10 (69%) of respondents had experienced intimate partner violence and nearly 1 in 5 (17%) were currently experiencing intimate partner violence. Current violence included emotional/psychological abuse (37%) with around 1 in 3 experiencing financial abuse or coercive control. Women continued to endure unacceptable rates of physical harm (18%), sexual abuse (15%) and stalking (14%).

"Fleeing DV can leave you financially crippled, and systems can make it worse. It takes over a decade to build back up from nothing."

The Child Support Scheme is the foremost example of ongoing abuse experienced by too many women. The policies and agencies who deliver them (with the policy intent of providing more support to these vulnerable families) enable former partners to weaponise the scheme against women and their children.

SMFA very much welcomes that child support is being prioritised in the current Federal Government's audit into systems abuse. We continue to advocate to remove the link between Family Tax Benefit A and child support (the Maintenance Income Test) as the most important reform required to end the ongoing abuse women experience from their former partners. (See [SMFA Family Payments and Child Support](#), 20/8/25 and [SMFA So Many Ways to Lose, Child Support Brief](#), 31/3/25 for further details).

[The Report of the Rapid Review of Prevention Approaches to End Gender-Based Violence 2024](#), the [Women's Economic Equality Taskforce 2023 report](#) and the 2024 and 2023 [Economic Inclusion Advisory Committee](#) reports all recommend abolishing the Maintenance Income Test. Three independent and significant reports have also acknowledged that the scheme is being weaponised and that major reform is required: the [Commonwealth Ombudsman's report \(2025\)](#), the [Inspector-General of Taxation's report \(2025\)](#) and the report of the [Parliamentary Inquiry into the Financial Services Regulatory Framework in Relation to Financial Abuse \(2024\)](#).

We recommend that the government introduce a Safety Supplement to assist with the long tail of domestic violence described above. The Supplement would help meet the needs of women (identified by the EIAC and other research), as being at the highest risk of returning to abusive situations. The research also confirms that leaving violence too often leads to homelessness. Those who have experienced family and domestic violence continue to be the largest cohort of those seeking services. Alarming in the year 2023-24, [one in six of all children receiving homelessness services was aged under 10](#).

It is confounding that our safety net fails to provide a regular and ongoing payment to support women who have experienced family and domestic violence. A twelve-month payment could serve as a pathway to safety and help alleviate poverty and assistance to address the long term impacts of domestic violence.

Recommendation 1

1.0 Provide a Safety Supplement of \$23,000 payable in instalments over 12 months to all women eligible for income support have experienced domestic and family violence.

1.1 Separate child support from Family Tax Benefit A, removing the ability for perpetrators to weaponise it and create debts for women. This separation would also increase income for the most impoverished families in Australia.

SMFA worked diligently, collaborated with and congratulated the government on the significant step of implementing the Family Law Bill (2023). We recognise the importance of this legislation, the noble aim to eradicate violence within a generation, as well as the policies that support this goal. The current policy and political landscape allow for crucial safety measures to be discussed and implemented.

To this end, we propose that safety is granted primacy in Parenting Orders where they be new, emergency or long standing. Under Section 68R of the Family Law Act (1975), when a family violence order is made following the establishment of parenting orders, the state or territory jurisdiction has the authority to revive, vary, discharge, or suspend a parenting order. This includes any order regarding a child's time with a person or any authorisation for a person to spend time with the child. Despite this power being in place, we have found that state and territory courts are often reluctant to utilise it. Typically, applicants are referred to the Family Court by police or other officials. There is a clear need for greater education for judicial officers and other practitioners at the state and territory level regarding their obligation to respond to applicants' safety concerns.

Safety is not linear and cannot be assured after separation; thus, we need a dynamic practice that reflects the realities of women's and children's risks and safety concerns. SMFA believes that community concern would be great if they understood the ways perpetrators of violence can use the legal system to maintain control over where women and children live after separation. Generally, those who use gender-based violence may seek to contest a relocation order, even if violence has either started or escalated after separation or the establishment of a parenting order.

SMFA firmly believes that the presence of violence nullifies the perpetrator's rights regarding relocation, and that parenting orders can be quickly modified to reflect this reality. It is widely [recognised](#) that children and young people who are exposed to or witness domestic violence are experiencing a form of child abuse, and such exposure must be adequately addressed in relocation orders.

The following recommendations are designed to enhance women's safety without increasing the government's budget. By improving safety measures, these recommendations aim to mitigate both the direct and indirect costs associated with supporting women in their pursuit of safety and well-being

Recommendation 1

1.2 Relocation and Parenting Orders: Women who are primary caregivers for their children have the legal right to petition the court for relocation, particularly in cases where they have been identified as victim-survivors of substantiated gender-based violence. Such requests may be pursued without the need for consent or involvement from the perpetrator of the violence.

1.3 Relocation and Parenting Orders: Women who are primary caregivers for their children have the legal right to petition the court for relocation, particularly in cases where they have been identified as victim-survivors of substantiated gender-based violence. Such requests may be pursued without the need for consent or involvement from the perpetrator of the violence.

Case study to illustrate the relocation safety concerns

I find myself in a deeply troubling situation, as I have been enduring continuous domestic and family violence, compounded by financial abuse. After escaping from my marriage in 2023, I believed I was taking a step toward safety and healing. However, I was unexpectedly served with a relocation order that compelled me to return to a small, isolated community. This community is tightly controlled by my ex-husband's family, creating an environment in which I feel trapped and vulnerable.

The isolation is overwhelming; my closest family members and support network are a daunting three-hour journey away. This distance amplifies my fears for my safety. The emotional toll of being in a place where I feel watched and judged, with little to no support, weighs heavily on my mind. I constantly worry about the potential repercussions of my past and the relentless grip of my ex-husband's influence in this community. Each day is filled with anxiety and uncertainty, as I navigate a life that feels increasingly precarious.

(January 2026 - SMFA has not included the name of the mother or details of the children)

2 Address ongoing and unrelenting financial insecurity.

[Respect, Reform and Recovery](#) found almost four out of five single mothers (78%) spent 'a lot' or 'almost all' of their time worrying about, planning for, or ensuring their family's financial wellbeing. For the 40% of mothers caring for children with additional needs including disability, this figure rose to more than 80%. One woman responding to the survey said Responding to the survey, one woman said: *"The stress is in every direction. Even once having ended the relationship. I'm not at threat of violence but am constantly behind financially; trying to meet all my children's needs alone; and I also need to keep myself going every day."*

These results are confirmed by the [2024 HILDA Report](#) which found single parent families face the highest rates of poverty, material deprivation, housing and financial stress. (See also [Life for single-parent families in Australia is harsh](#) and [The declining wellbeing of sole parents in Australia in the 21st century - Life Course Centre](#), October 2025).

We note that Parenting Payment Single (>300,000 recipients) is the most important income support payment for women and children leaving violence. The payment is particularly important for many First Nations families who face higher rates of violence and make up over 17% of Parenting Payment Single recipients. Since the welcome increase in eligibility for Parenting Payment Single from children turning 8 to 14 years, the number of single JobSeeker recipients with children has reduced to ~25,000.

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. The expanded eligibility has now protected over 100,000 from the extreme hardship cliff (transferred to Jobseeker

when their youngest child turned eight years old). The benefit of this change cannot be underestimated. However, the expanded access did not occur in conjunction with a the \$40 per fortnight increase provided to all other working age income support recipients in the 2023-24 Budget.

Despite welcome, modest increases in Commonwealth Rent Assistance in the last two Budgets, the gap between rents and this assistance remains wide. In September 2025, a single parent with two children was paying \$800 a fortnight in rent and receiving \$217 in rent assistance – a gap of \$583 a week. The gap for single parents with 3 or more children was \$645 a fortnight. ([DSS Demographics](#) September 2025, all figures median).

Recommendations 2

- 2.0 The Parenting Payment Single should be available to all single parents until their youngest child turns 16 or continues until the youngest child completes high school.
- 2.1 Parenting Payment Single should be raised to match the single age pension rate.
- 2.2 Reforming child support detailed above will reduce financial insecurity for women and children.
- 2.3 Family payments should be increased and reviewed. Details of this proposal can be found in the Appendix to this submission.
- 2.4 Commonwealth Rent Assistance and social housing needs to be increased to reduce homelessness and poor health outcomes for families with children.

3 Allow women to keep more of what they earn.

Nearly four in 10 (38%) Parenting Payment Single recipients have earnings from employment. This is the highest percentage of any income recipients excepting Austudy/Youth Allowance Student Apprentice. ([DSS Demographics](#), September 2025). The increase in financial security from undertaking paid work is severely diminished by harsh income tests which allow only a low level of earnings before payments are sharply withdrawn. The [Work Bonus](#) provision recognises that earnings from paid work are often irregular, depending on available employment and the needs of individuals. It provides a \$300 credit balance each fortnight up to a maximum of \$11,800 credit. This sensible provision is currently only available to age pension recipients.

Recommendation 3

- 3.0 Align Parenting Payment Single income thresholds and withdrawal rates with the age pension.
- 3.1 Extend the Work Bonus provision to Parenting Payment Single recipients.

4 Support women to participate in voluntary and high quality study, training and job search and abolish Mutual Obligations.

[Respect, Reform and Recovery](#) found that despite a strong desire to undertake paid work, government policies impede rather than support, women to engage in it. The current Employment Services system has long been recognised as ineffective and harmful for those seeking paid employment, including by the [Report of the Parliamentary Inquiry into Workforce Australia Employment Services](#) tabled in November 2023. Women undertaking mandatory unpaid work placements to complete Certificate level training are not provided with financial support. The welcome [Commonwealth Prac Payment](#) introduced in 2025 is only available to eligible students while they are undertaking a mandatory placement in a Bachelor's or Master's degree in teaching, nursing, midwifery or social work.

Single parents with a youngest child as young as six are subject to Mutual Obligations (15 hours per week of “approved” activity) which force women to navigate a maze of complex requirements to receive income support. Such regulations are incompatible with their parenting responsibilities and career aspirations. Single Mother Families Australia asserts that women's unpaid care work, specifically single mothering, is in itself, a reciprocal obligation. SMFA believes that single mother caregivers are dedicated to creating nurturing and secure environments and are fully conscious of the economic, social, and personal benefits of participating in and securing gainful employment. The recommendation is consistent with Dr Summers's research which has elevated knowledge of the high levels of family and domestic violence experienced by single mothers receiving income support.

The Australian Government should abolish the Mutual Obligations requirements for recipients of the Parenting Payment Single (currently imposed once the youngest child turns 6) and provide optional jobtraining and job-seeking opportunities to those parents who want them. [Page 103](#)

The policy operates on misconceptions, and it is out of step with the [Working for Women Strategy](#) in failing to recognise the value of unpaid caregiving and the demands of intensive parenting. Eliminating mutual obligations could significantly alleviate the financial and emotional stress faced by women already fulfilling essential roles and the hard work of solo mothering. While this policy change may necessitate some legislative adjustments, it could be implemented without incurring any costs.

Recommendations 4

- 4.0 Extend eligibility and access to the voluntary Parent Pathway (which replaced the failed ParentsNext) to single parents within the catchment zone, caring for children older than six and offer services both in person and online.
- 4.1 Extend the [Commonwealth Prac Payment](#) for mandatory placements required for all Certificate 3 or 4 qualifications including in Early Years Education and other care related qualifications.
- 4.2 Abolish Mutual Obligations which act as a barrier to safety, secure employment and caring responsibilities.

If Mutual Obligations are not immediately abolished, implement the cost-free initiatives that enhance women's safety and well-being while reducing administrative burdens for both women and Workforce Australia.

- 4.3 *Increase the time for Family and Domestic Violence Exemptions from Mutual Obligations.* The initial exemption should automatically extend for 12 months and be extended for a further 12 months if required. This was a recommendation of the [2009 Report of the Participation Review Taskforce](#) and is long overdue.
- 4.4 *Allow voluntary work to be an approved activity to meet Mutual Obligations as it is for Jobseeker recipients aged over 55.* It is well documented that caring for children, especially when the mother and children have been subject to family and domestic violence, often leads to prolonged absences from paid employment. Voluntary work provides work experience, confidence and network building and is often a pathway to paid employment.
- 4.5 *Pause Mutual Obligations during all school holidays.* There are currently [no exemptions](#) from Mutual Obligations during school holidays. Single mothers incur additional costs and demands during the school holidays which are compounded by the burdens of Mutual Obligations. A blanket exemption was once available for the entire period of school holidays and should be reinstated. This would also align with the Family Law Bill (2023) which seeks safer parenting arrangements. The school holidays are often when women are forced to spend more time in the presence of the perpetrator of violence due to increased

shared care arrangements. No longer can a pickup be before or after school or at children`s sports. As such, school holidays can be flashpoints of emotion, conflict, threats, fear, and violence.

4.6 *Establish a standardised pause of Mutual Obligations for extreme weather events.*

4.7 *Mandatory work placements, time for study and assessments (beyond attendance) should be counted as meeting Mutual Obligations.*

Case study of the impact of Mutual Obligations on study and family wellbeing

Nicola lives in regional NSW and is a single mother to a seven-year-old daughter. She supports her 86-year-old widowed father. While balancing her parenting/care responsibilities, she is also pursuing a Diploma of Community Services through TAFE. Although she prefers attending in person classes, the schedule clashes with her family's needs. Nicola is taking the course online, which requires two days a week from 9:30 am to 1:30 pm. Incorrectly, this commitment is counted as only 8 hours of study time per week in the 15-hour-per-week mutual obligation framework; it does not consider the additional time spent on preparation, studying, assignments, and assessments. Nicole must also complete a 250-hour work placement for her diploma requirements. Current policies mean this essential work placement will not be counted toward her mutual obligations despite it being critical for her to fulfil her course obligations. In addition to her caring responsibilities and studies, Nicole works casually as a support worker in aged care. Her shifts are typically two hours long and vary unpredictably, making it challenging to align her schedule with the requirements set by mutual obligation rules and she is often required to undertake additional tasks to meet her full mutual obligations quota. Nicola's situation highlights these rules' flawed assumptions, particularly the incorrect assumption that women need constant oversight and monitoring to pursue their goals and ambitions.



Single Mother Families Australia Proposal: The case for increasing and reforming family payments for children, 27/01/26¹

Increasing and reforming Family Tax Benefit will better meet the current and future needs of low and middle income Australian families. This Government has made positive investments in children and families in Early Years Education with inadequate family payments remaining as a significant gap that needs addressing.²

1. Social security should be safe and provide certainty - why we can no longer accept the linking of Family Tax Benefit A to Child Support.

- **Remove the ability of the child support scheme to be weaponised against mothers and children.** The Child Support Scheme interacts with Family Tax Benefit A through the Maintenance Income Test which enables former partners to create FTB A debts for the principal carer of their children. The [Women's Economic Equality Taskforce 2023 report](#) and Single Mother Families Australia have long advocated abolishing the Maintenance Income Test to remove this weaponisation of government policy which aims to support single parent parents and their children. [The Report of the Rapid Review of Prevention Approaches to End Gender-Based Violence 2024](#), the [Women's Economic Equality Taskforce 2023 report](#) and the 2024 and 2023 [Economic Inclusion Advisory Committee](#) reports all recommend abolishing the Maintenance Income Test. Three independent and significant reports have also acknowledged that the scheme is being weaponised and that major reform is required.³
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- Removing the link between FTB A and child support would also increase income for Australia's poorest families. Currently ~300,000 families (43% of all single parents receiving FTB A) collectively lose ~\$810M per annum in family payments due to child support income, even in cases when it has not been received.⁴ The Maintenance Income Test is far harsher than the test applied to income from other sources. Child support reduces family benefit by 50 cents in the dollar above a modest free area (only ~\$50 a week if the single parent has two children). Income from anything other than child support (i.e. wages, salaries, or investments) is only reduced when it exceeds \$1,280 a week and then by 20 cents. The rule that links child support and family payments contradicts the priorities of this Government to eliminate violence against women and children, including economic abuse; to enhance women's economic security and to value unpaid care, as articulated in its 2024 [Working for Women Strategy](#).
- Primary carers of children eligible for FTB A are required to apply for a child support assessment (the Maintenance Action Test) and if they do not, automatically have their FTB A cut by 70% (unless they are successful in obtaining an exemption).⁵ Other important reforms are urgently required, including ensuring all monies owed to children are paid (more than \$1.9B is owed to just half of the children covered by the scheme; the money owed to the remaining ~500,000 children is unknown).⁶

2. Our Family Tax Benefit is now targeted to low income families, so an increase will benefit those most in need of support.

Approximately two thirds of FTB A families with a joint or single taxable income of less than \$66,732 in 2024-25 will receive the maximum rate of payment.⁷ In 2025-26, expenditure on Family Tax Benefit (A and B) is expected to total \$18B⁸.

Appendix A provides details of eligibility and rates of payment.

An increase in Family Tax Benefit A would assist:

- Approximately **1.23 million low and middle-income Australian families supporting ~ 2.4 million children**⁹ who receive at least part payment of FTB A. This is 42% of all children aged 0-15.¹⁰
- More than **1 million mothers** (who make up an estimated 84% of all recipients).¹¹
- **Nearly 700,000 single parent families** (57% of all recipient families). The [2024 HILDA Report](#) found single parent families have the highest rates of housing stress (22% compared to 6.9% for couples with dependent children). Appendix B shows a single parent with 1 or 2 children had a gap of more than \$583 per fortnight in September 2025 when median rent and median assistance were paid. HILDA 2024 also found single parent families face the highest rates of poverty, material deprivation and financial stress. (See also [The declining wellbeing of sole parents in Australia in the 21st century](#), published by the Life Course Centre, September 2025). [Respect, Reform and Recovery](#), Swinburne University's survey of 2,600 single parents released in August 2025 found almost four out of five single mothers (78%) spent 'a lot' or 'almost all' of their time worrying about, planning for, or ensuring their family's financial wellbeing. For the 40% of mothers caring for children with additional needs, this figure rose to more than 80%. One respondent said: *"I need more money. The financial stress feels untenable."*
- **More than 640,000 families receiving most of their income from employment and supporting nearly 1.3 million children.** Nearly one in five of these families (125,000) also receive Commonwealth Rent Assistance.
- **Nearly 600,000 families receiving most of their income from income support payments** (Parenting Payment Single, Carer Payment, JobSeeker, Disability Support Pension etc) and **supporting over 1 million children.**
- More than **110,000 Indigenous** families.

Note: while the total number of families is 1.235 million, the above breakdown by family type is not mutually exclusive.

(Appendix B provides further details of recipients).

3. Why increase Family Tax Benefits, in particular FTB A?

Family Payments have long been the centerpiece of Federal Government assistance for families with the cost of raising children. Over the past 25 years, the value of family payments has eroded, and access has been much more tightly restricted to generate Budget savings.

- More than 950,00 children in Australia are living in poverty in 2025. Nearly one quarter of a million of them (236,350) have been plunged into poverty in just the last four years - a 33% increase from 2021 to 2025. This trend confirms the risk that 1 million children will be living in poverty in 2026.¹²
- Growing up in poverty is simply bad for children, it diminishes their physical and mental health, reduces their readiness for school and attainment in school, and the effects can last well into adulthood. More than 1 in 3 (37%) children in single parent families are living in poverty and the rate for couple families is still too high at 1 in 8.¹³
- In order to lift recipients out of severe poverty, the 2025 Bank West Economics Centre report recommends increasing social security and family payments; indexing these payments to Average Weekly Earnings; increasing support to single parent households; and lifting Commonwealth Rent Assistance by 30%.
- The [Centre for Community Child Health](#) confirms that an increase in direct financial support for families with children is an effective means to reduce poverty and derive significant other benefits. They state: *“increased household income benefits children directly through better food, stable housing, and healthcare (the ‘investment’ model), and indirectly through improved parent mental health and capacity (the ‘family stress’ model). If early disadvantage including poverty is redressed, half of child health and developmental problems in middle childhood can be reduced.”*¹⁴
- A substantive family package was part of the social wage negotiated with ACOSS and the ACTU ahead of the 1988 election, following Prime Minister Hawke’s promise that by 1990, no child will be living in poverty. The reforms increased Family Allowance to reflect the cost of children and linked future increases to wage growth (set as a percentage of couple pension rates). It also introduced a new Family Allowance Supplement for both families receiving income support benefits and families in low paid work. This was an important aspect of the package to reduce labour force participation disincentives for low income parents, particularly mothers¹⁵. The package also introduced Commonwealth Rent Assistance for families and others on low incomes, acknowledging their need for additional financial support. The family package is estimated to have reduced child poverty by 30%,¹⁶ with further improvements resulting from the introduction of the Child Support Scheme in 1988.
- Until 1987, the main family payment for children (then known as Family Allowance and previously as Child Endowment), was near universal. Tightening of the income test has meant a lower proportion of children receive the payment. In 2003-04 just over 8 in 10 children were eligible; by 2013-14, it had reduced to 65% (without an accompanying increase in both or one parent working full time). In 2022-23 it had further reduced to 4 in 10 (42%).¹⁷ The government now states the intent of the policy is for *low income* families to receive most of the assistance.¹⁸
- The savings from the tightening of the income test have not been redirected to real increases in payments for those low and middle income families who remain eligible. Rather, the adequacy of Family Tax Benefit A has been eroded by removing the link to wage growth and freezing indexation, while the cost of living (especially housing in recent years) has increased substantially for families and all Australians.

4. The immediate delinking of Family Tax Benefit A and an increase in Family Tax Benefit A payments should accompany broader reform to reduce complexity and improve support for families who face the highest poverty rates.

- **Reduce complexity.** Eligibility for Family Benefits depends on highly detailed rules about the number and age of children, the fraction of care held by each parent (especially in separated families), levels of adjusted income, types of payments including whether annual or fortnightly, and interactions with income tax, the Medicare levy, child support payments and other social security payments. Eligibility and rates of payment are also contradictory and contribute to the complexity of the scheme. Family Tax Benefit A is paid *per child* and at a higher rate as children age (between 13-19 years); Family Tax Benefit B is paid *per family* and at a higher rate for children under 5 years of age. See *Appendix A* and [Services Australia, Family Tax Benefit](#). The compliance for this complex family payments program leads to a significant risk of underpayment or overpayment, with 1 in 5 recipients incurring a debt in 2020–21.¹⁹ Reform to reduce complexity for families would also reduce the cost of administration within Services Australia.
- **Reform Family Tax Benefit B to improve equity.** This payment provides additional support to couple families with a primary earner and the second parent who has no or very little earnings from employment. This creates a disincentive for the second parent to increase their participation in paid employment.²⁰ Single parent families are also eligible for FTB B, however it replaced a previous payment called ‘Guardian Allowance’, which aimed to compensate sole parent families for the higher costs of raising a child alone, so that they could attain a similar living standard to couples with children on income support. Given the extremely high poverty rates experienced by single parent families, an argument could be made that eligibility for this additional payment should only be available to single parent families (currently 70% of all FTB B recipients). One option which would also reduce complexity for families and administrators would be to abolish FTB B and instead provide a single parent supplement to FTB A.

Appendix A: Payment Rates and Income Test for Family Tax Benefit Payments

(Note all data sourced from [Services Australia, Family Tax Benefit](#), accessed 1/9/25. The author has summarised this for brevity, further details are available at that site.)

The maximum rate for FTB Part A depends on the age of the child:

The maximum rate *per child* per fortnight is:

- \$227.36 for a child 0 to 12 years
- \$295.82 for a child 13 to 15 years
- \$295.82 for a [child 16 to 19 years who meets the study requirements](#).

Income tests for FTB Part A:

The maximum rate of FTB Part A may be payable if the family's [adjusted taxable income](#) (not from child support) is \$66,722 or less. FTB Part A is reduced by 20 cents for each dollar of income over \$66,722 until it reaches \$118,771. The rate of FTB Part A is reduced by 30 cents for each dollar of income over \$118,771. This applies until the payment is nil. If the income is from child support, a [Maintenance Income Test](#) is applied. That reduces FTB A by 50 cents for each dollar that exceeds \$2,672 per annum (assuming 2 children).

The maximum rate for FTB Part B depends on the age of the youngest child.

The maximum rate *per family* each fortnight is:

- \$193.34 when the youngest child is 0 to 4 years of age
- \$134.96 when the youngest child is 5 to 18 years of age.

FTB Part B is payable up until the end of the calendar year when the youngest child turns 18. If this child is between 16 and 18, they must be in secondary school full-time.

Income tests for FTB Part B

Single parent families: The maximum rate of FTB Part B is payable if the annual [adjusted taxable income](#) is \$120,007 or less. FTB Part B is paid until the end of the calendar year the youngest child turns 18. If this child is between 16 and 18, they must be in secondary school full-time.

Partnered parent or partnered carer families are eligible for FTB Part B if the youngest child is younger than 13. There is a two part income test to determine the amount of FTB Part B paid to these families. The primary earner is the parent or non parent carer with the higher income. The secondary earner is the parent or non parent carer with the lower, or no income. A family is not eligible for FTB B if the primary earner earns more than \$120,007. If they earn less, Services Australia works out how much FTB B the family can receive using the secondary earner's income.

Note both FTB A and B provide a Supplement which may be paid at the end of the financial year. See [Services Australia, Family Tax Benefit](#) for details.

Unlike other payments to meet the costs of children, the [Single Income Family Supplement](#) (which is being phased out) of \$300 per annum is *only paid* to families with income between \$68,000 and \$150,000. Expenditure totals \$3.6M during this financial year.²¹

Appendix B: Detail on Family Tax Benefit recipients, [DSS Demographics](#), March 2025

a) Families where income support is *not their* main source of income and families where income support payment *is their* main source of income

Total FTB A, September 2025	Recipients	Children
Income support is <i>not</i> main source of income	640,735	1,200,870
Income support is main source of income	594,330	1,159,560
– Parenting Payment Single	312,365	622,450
– Carer Payment	84,800	179,775
– JobSeeker Payment	77,730	134,920
– Disability Support Pension	60,195	102,375
– Parenting Payment Partnered	34,615	81,200
– Age Pension	11,313	16,190
– Austudy	2,325	4,275
– Youth Allowance	1,130	1,310
– Special Benefit	565	985
– ABSTUDY Living Allowance	100	205
Other	9,195	15,875
Total Family Tax Benefit	1,235,060	2,360,430

b) By marital status

	Partnered	Not Partnered	Total	Not Partnered as % of total
Family Tax Benefit A	528,515	699,255	1,227,770	57%
Family Tax Benefit B	285,340	677,915	963,250	70%

c) By Indigeneity

	Indigenous	Total	Indigenous as % of total
Family Tax Benefit A	110,115	1,227,770	10%

d) By Commonwealth Rent Assistance (CRA)

There were ~410,00 CRA recipients with children in September 2025. This represented 29% of the 1.4 million receiving the payment. The table below shows that recipients with children received 80-90% of the maximum rate of payment due to the high rents they were paying.

Recipients with children	Number of recipients	% eligible for max rate of CRA
Single parent, 1 or 2 children	221,490	80.4
Single parent, 3 or more children	54,070	86.4
Couple, 1 or 2 children	85,505	88.2
Couple, 3 or more children	46,325	89.6
Total with children	407,390	-

There was no real increase in CRA from 2000 to 2023 and despite welcome, modest, increases in the past two Budgets, the table below illustrates the significant gap between what is paid in rent fortnightly and what is received in CRA .

September 2025	Median rent paid per fortnight	Median CRA received per fortnight	Median gap per fortnight
Single parent, 1 or 2 children	\$800	\$217	\$583
Single parent, 3 or more children	\$900	\$255	\$645
Couple, 1 or 2 children	\$1000	\$242	\$758
Couple, 3 or more children	\$1040	\$274	\$766

See [*DSS Demographics*](#) September 2025 for more detail on how recipient households and maximum rates are defined.

End Notes

- ¹ Contact the author, Toni Wren, SMFA Principal Adviser at Toni@smfa.com.au or 0405 705 442.
- ² See [Child Care Subsidy - Services Australia](#).
- ³ The [Commonwealth Ombudsman's report \(2025\)](#), the [Inspector-General of Taxation's report \(2025\)](#) and the report of the [Parliamentary Inquiry into the Financial Services Regulatory Framework in Relation to Financial Abuse \(2024\)](#).
- ⁴ See [SMFA Brief Family Payments and Child Support, 20/8/25](#).
- ⁵ See [SMFA Brief Family Payments and Child Support, 20/8/25](#).
- ⁶ **Commonwealth Ombudsman, [Weaponising Child-Support-when the system fails families, June 2025](#).**
- ⁷ The [Department of Social Services](#) has a performance target for 68% of the payment to support low-income families. This is defined as those who have income equal to, or lower than, the lower FTB A income free area. AT 1/7/25 that amount is \$66,732 per annum.
- ⁸ [2025-26 Social Services Portfolio Budget Statement](#): \$13.9B in FTB A and \$4B in FTB B billion in 2025-26.
- ⁹ All data from [DSS Demographics](#) September 2025 unless stated otherwise.
- ¹⁰ [DSS Incoming Brief](#), July 2025. Most recipients of FTB A support children aged 15 years or less, however it is extended to children aged 16-19 if they are full-time students.
- ¹¹ Stewart, M, Porter, E, Bowman, D & Millane, E 2023, [Growing pains: Family Tax Benefit issues and options for reform](#), Brotherhood of St. Laurence, Fitzroy, Vic. They cite DSS requested data: men made up 16% of total FTB A claimants in 2020–21.
- ¹² [Child Poverty in Australia 2025: The current and future impacts of rising rates of financial deprivation on child wellbeing](#), Bankwest Curtin Economics Centre, November 2025.
- ¹³ [Child Poverty in Australia 2025: The current and future impacts of rising rates of financial deprivation on child wellbeing](#), Bankwest Curtin Economics Centre, November 2025.
- ¹⁴ The [Centre for Community Child Health](#) submission to the [Senate Inquiry into the Nature and Extent of Poverty](#).
- ¹⁵ Peter Whiteford and Bettina Cass: [Social Inclusion and the Struggle against Child Poverty: Lessons from Australian Experience](#), 2009.
- ¹⁶ Peter Whiteford and Bettina Cass: [Social Inclusion and the Struggle against Child Poverty: Lessons from Australian Experience](#), 2009.
- ¹⁷ [DSS Incoming Brief](#), July 2025.
- ¹⁸ The [Department of Social Services 2023-24 Annual Report](#).
- ¹⁹ [Growing Pains](#).
- ²⁰ [Growing Pains](#) comprehensively sets out this interaction and its impact.
- ²¹ The [Single Income Family Supplement](#) is an annual payment of up to \$300 paid to families with a single income between \$68,000 and \$150,000 (note, income is determined on taxable income only, not adjusted taxable income or an income estimate. The program ceased in 2017 but eligible families at that time continue to receive it. It is difficult to find information on the program, including the number of families who receive it. The [2025-26 Social Services Portfolio Budget Statement](#) states expenditure will total \$3.6 million in this financial year, meaning approximately 12,000 families continue to receive it.