

Explainer: Budget 2026-27 Child Support Reforms, 26/11/126

Single Mother Families Australia strongly welcomes all child support reforms in Budget 2026-27. The Government has acknowledged the child support scheme is failing to protect children and their mothers from poverty and violence. The changes reflect the work by Single Mother Families Australia and the mothers we represent. We've uncovered the harm and proposed positive solutions to end them. The voices of mothers came across loud and clear in the four Swinburne University surveys conducted between 2019 and 2026[1]. Collectively 2,400 women responded to them - we know they made a huge impact, and we thank those of you who responded.

The Government has heard your message that the child support scheme is being weaponised against women and their children. The Treasurer's Budget speech to parliament underscores this:

> "*This Budget includes hundreds of millions of dollars for front-line services and to make our child support system safer, so children get the financial support they need and women are protected from abuse*."

In a tight Budget, just under $183 million was committed to enact the announced reforms. They will be contained in two pieces of legislation, the first of which is before the Parliament. All reforms in the Budget are scheduled to commence on 1 July 2027 subject to the passage of legislation.

The first piece of legislation to enact the reforms includes "*Ending Financial Abuse in the Child Support Scheme*" in its title – further recognition that flaws in the child support scheme have allowed perpetrators to abuse their former partners and their children.

We know that one budget cycle cannot unravel decades of deliberate harm and welcome the commitment in the 2026-27 Women's Budget Statement that these are "initial reforms."

We've written this explainer to help single mothers understand the reforms and what they mean. Like all thing's child support, they are not straightforward. We haven't included all of changes in this Explainer but those we believe are the most important and require legislation. A key message is there are considerable benefits for women who switch from Private to Agency Collect. You can see DSS Child Support Reform Factsheet and Services Australia Addressing systems abuse in the Child Support Scheme for more information.

The reforms confirm the benefits of switching from Private to Agency Collect and do not change the current rules that allow a mothers (payees) to ask to switch to Agency Collect without the agreement of their former partner (payer).

With the voices of women, we stand ready to support the Department of Social Services and Services Australia implement these reforms and acknowledge the productive consultations already undertaken. Good legislation matters, but so do the letters women receive, the conversations they have with Services Australia staff and the decisions made about their individual circumstances.

1. Eliminating Family Tax Benefit debts from retrospective assessments of child support owed

Too many women in Private Collect incur Family Tax Benefit debts because their former partner lodged his tax return late (this may go back several years) resulting in a reassessment of how much child support is owed. Even though you and your children don't receive the extra child support, you receive a Family Tax Benefit A debt because it is assumed you have received all the additional child support. Our research tells us many women are in this situation now (or have been in the past).

Providing relief for old or current debts – available now

In December 2025, the Government expanded the existing special circumstance waiver to **include old or existing Family Tax Benefit debts.** This means that if you've got an FTB debt arising from a child support reassessment you can apply to have that debt cancelled (waived). If you have already partially or fully repaid the debt, you may be eligible for a refund. It also could mean any payment plan you may be on, such as a regular reduction in your Family Tax Benefit, can be stopped.

If you are or think you are affected, call the **Debt Recovery Line on 1800 076 072** or visit Services Australia's website: Special circumstances debt waivers.

Stopping new debts and cancelling existing debts – available from 1 July 2027

Under the Budget reforms, where a retrospective child support reassessment creates a Family Tax Benefit debt, the Government will no longer assume the difference in what was originally assessed, and the new assessment (the variation) was received.

For example, Jack has a revised assessment (after he lodged several tax returns for previous years) which means he should have paid Jill an extra $15,000 over the past 5 years.

NOW: Services Australia assumes Jill has received *all* this amount which means she has received too much Family Tax Benefit and they issue her an FTB A debt, through no fault of her own.

From July 2027: if Jill transfers to Agency Collect *none* of the $15,000 is assumed to have been paid *so there can be no debt*.

If Jill already had the debt before 1 July, the debt will be cancelled – again so long as she moves to Agency Collect.

If Jill chooses to remain in Private Collect, recovery of her Family Tax Benefit debt will be paused for 13 weeks. During that time, she can attempt to collect the child support herself and apply for a waiver of her Family Tax Benefit debt under the special circumstances debt waiver provisions outlined above.

2. Collecting child support owed due to a retrospective reassessment

Like the changes related to FTB debts, the changes only benefit women in Private Collect who have *a variation in assessment* due to a late lodgement of tax returns. If this is the case and you switch to Agency Collect, you can ask for all the extra amount to be collected, even if it goes back many years. Using the same example as earlier:

Jack owes Jill $15,000 due to a revised assessment - $3,000 per year for the last 5 years.

Now: Services Australia can only collect the difference going back 3 months which is $750.

From July 2027: Services Australia can try to collect the entire $15,000 going back 5 years.

To get the benefit of this change you need to move from Private to Agency Collect **and** within 3 months request Services Australia to collect **all** the child support you're owed, even if that goes back many years. You must ***apply*** within 3 months of switching from Agency to Private Collect.

Unfortunately, the change **doesn't** apply to someone in Private Collect who has a backlog of child support owing that is not due to a variation in assessment. If you are in that situation and switch to Agency Collect only the last 3 months can attempt to be collected or 9 months in exceptional circumstances (the current rules).

3. Reforms to deter and stop weaponisation of Change of Assessment applications

Currently the Change of Assessment process enables several opportunities for former partners to inflict harm on women. Women have told us that multiple applications for Change of Assessment become a form of harassment. They also tell us that they carefully weigh up what information they provide because of concerns about how it might be used by their ex-partner and compromise their safety. Between 30 and 40 per cent of the approximately 14,000 parents who seek a change of assessment each year withdraw from the process before it is completed, in part because of the legal requirement that all documents be shared. (Minister's Second Reading Speech Child Support and Family Assistance Legislation Amendment - Ending Financial Abuse in the Child Support Scheme No.1 Bill 2026).

The reforms seek to minimise harm and ensure safety and we warmly welcome them.

NOW: the system allows vexatious applications or objections to be lodged which require the other parent's engagement to resolve.

From July 2027: Services Australia will have discretionary powers to:

- refuse to accept certain applications if they are satisfied it would cause harm to a person;
- dismiss an objection without involving the other parent, where they are satisfied the objection has little to no prospect of success or would have no more than a marginal impact on the child support case.

NOW: When one parent lodges a change of assessment application, both parents must submit detailed personal information, including their contact details and financial information.

From July 2027: a new information exchange model gives Services Australia discretion over how to exchange relevant information, including redacting documents or by providing written or verbal summaries of information.

4. Further changes to help mothers and children get the child support they are due – again for parents in Agency Collect

We understand the following changes announced in the Budget will be included in a second piece of legislation likely to be introduced in early 2027.

a) Improved certainty of payments using the ATO

Garnisheeing child support. For those in Agency Collect, some payers have their child support automatically deducted (garnisheed) from their wages (the same as their tax and superannuation is). This is then transferred to Services Australia for distribution to the mother and her children.

Now: Only around 3 in 10 Agency Collect payers have child support garnisheed when more than 8 in 10 employees have their taxes automatically deducted (known as PAYG).

From July 2027: existing loopholes will be tightened to increase the number of payers in who have their child support obligation automatically deducted from their wages.

b) Scrutiny of income estimates

Now: About half of the 70,000 income estimates lodged by parents each year are incorrect.

From July 2027: there will be increased data sharing between ATO and Services Australia to check the accuracy of income estimates when they are lodged and flag when parents' income changes.

c) Strengthening the effectiveness of Departure Prohibition Orders – again for parents in Agency Collect

We regularly hear from women who are struggling to meet their children's basic needs while their former partner who owes them child support continues to travel overseas. The Departure Prohibition Orders (DPOs) were introduced some years ago to prohibit this and the reforms recognise they are not as effective as they could be.

Now: When debts reach $4,000 a decision to impose a DPO is undertaken manually.

From July 2027: a DPO will be issued by an automated system if a debt is over $10,000 and the person who owes child support has travelled overseas more than once in the past 2 years. Services Australia will continue the existing manual system of imposing a DPO if a debt is over $4,000.

Single Mother Families Australia is concerned to ensure a tightening of the current system which can allow a debtor the subject of a DPO to travel if they make a partial payment or gives a commitment to repay their debt yet fails to honour that commitment.

---

[1] Debts and Disappointments: Mothers' Experiences of the Child Support Scheme, Swinburne University of Technology, 2019. Financial abuse: The weaponisation of child support in Australia, Swinburne University of Technology, 2023. Opening the Black Box of Child Support: Shining a Light on How Financial Abuse Is Perpetrated, Swinburne University of Technology, 2024. Fembot Debt: Data injustices, child support and family tax benefit debts, Swinburne University of Technology, 2026.