



Championing  
Single Mothers  
& their Children  
since 1973



## Submission to the 2025-26 Budget 30 January 2025

### 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 [here](#) and contact Terese Edwards, our CEO at [Terese@SMFA.com.au](mailto:Terese@SMFA.com.au)

Our submission to the Budget 2025-26 prioritises recommendations that will improve safety for women leaving violence. Additional recommendations will improve financial security for single mother families irrespective of whether violence is present or not.

### Summary of Recommendations

1. Introduce a 12-month Safety Supplement for women leaving violence. Our electronic submission contains a Working Document for a more expansive overview of the 12-month Safety Supplement.
2. Delink/Separate Child Support from Family Payments (Family Benefits Part A).
3. Compel Annual Taxation Returns and close the loopholes that minimise assessments.
4. Abolish Mutual Obligations for single Principal Carers.

If Mutual Obligations were not to be abolished swiftly the following recommendations should be implemented:

- 4.1 Reform current Family and Domestic Violence Exemptions from Mutual Obligations to allow for an automatic 12-month exemption, with the option to extend the exemptions for up to 24 months.
- 4.2 Provide exemptions from mutual obligations during school holidays.
- 4.3 Allow Mutual Obligations to be met entirely through voluntary work.
- 4.4 Update the Study Calculus for Mutual Obligations.
- 4.5 Establish standardised pause of mutual obligations for extreme weather.
5. Offer the voluntary Parent Pathway to single mothers with children older than six.
6. Increase earning thresholds by extending Work Bonus eligibility to all income support recipients.

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7. Review and increase Family Payments.
8. Increase Parenting Payment to Pension rates and income tests, as well as increases to JobSeeker Allowance and Commonwealth Rent Assistance.

The Federal Government has important powers to change the lives of women and children affected by domestic violence which would also contribute to the prevention of violence. Single Mother Families Australia has long advocated for improvements in income security to reduce harm and poverty for women and children, including those leaving, or attempting to leave, domestic violence. We note that in the financial year 2023-24, nearly 100,000 people received support from Centrelink social workers due to domestic violence, indicating the scale of the issue.

The [National Plan to End Violence against Women and Children 2022-2032](#), correctly states “*women and children should not face poverty and exclusion when leaving violence*” but beyond reviewing JobSeeker in each Budget there is no commitment in the Plan to increase income support for women leaving violence. We acknowledge women leaving violence *without* children in their care will be reliant on JobSeeker Payment. A small number of women with children 14 and over will also rely on this payment if they are escaping a violent situation and need to rely on income support. However, 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 ~23,500. Parenting Payment Single (~323,800 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. (All data sourced from [DSS Demographics](#), September 2024).

Income support is a critical component of enabling women’s safety. According to [analysis](#) of the 2021–22 Personal Safety Survey, nearly 2 in 3 (64% or 867,000) women moved away from home when their relationship with a violent previous partner that they lived with ended. Of those that moved away, 7 in 10 (69% or 597,000) left property or assets.<sup>i</sup> Earlier analysis undertaken by Dr Anne Summers for her 2022 report [The choice: violence or poverty](#) found 50% of mothers were in paid work at the time the violence takes place reducing to 40% post-separation. She found that post-separation, although 60% were employed, 50% relied on government benefits as their main source of income, and 82% received government payments for at least part of their weekly income. Lack of money is also a powerful factor in perpetuating violence – around 1 in 5 women return to violent partners because they have no financial support or nowhere else to go.<sup>vii</sup>

#### **Recommendation 1: Introduce a 12-month Safety Supplement for women leaving violence**

The Leaving Violence Program will replace the Escaping Violence Payment trial which has been in place since October 2021. It provides a one-off \$1,500 in cash and \$3,500 of in-kind support (goods and services or direct payments of bonds, school fees or other support to help establish a safe home) as well as safety planning, risk assessment and referrals to other essential services for up to 12 weeks.<sup>ii</sup> That program will offer welcome short-term assistance; however, many survivors of violence and their children will need to access income support over a longer period. In addition to ensuring mothers and their children have a safe home, recovery will include accessing services to overcome trauma for themselves and their children. The details of the Safety



Supplement should be developed in consultation with SMFA and other agencies supporting women leaving violence. This will include setting payment amount and eligibility criteria.

We note in 2017, the ACTU estimated that leaving an abusive relationship and finding a new, safe place to live can cost on average \$18,250 and take 141 hours. This was based on estimates provided by members of the Australian Services Union in New South Wales who are frontline workers in the family and domestic violence sector. This estimate has been widely cited in the [debates](#) supporting 10 days paid family and domestic violence leave. \$18,250 in 2017 equates to ~\$23,000 in 2025. The Supplement could be payable to all receiving Family Tax Benefit A, ensuring the benefit is extended to low- and middle-income women leaving violence but not reliant on income support. The Victorian Government has [recognised](#) that the system is primarily oriented towards addressing crises and their aftermath. Although this is justifiable given the high levels of demand and the heightened safety concerns, it contends that policies do not give sufficient attention to healing and recovery. Moreover, while we note that the knowledge needs of children who are victimsurvivors is a [developing area](#), women speak about the intensive parenting requirements during this process.

#### **Recommendation 2: Delink/Separate Child Support from Family Payments (Family Benefits Part A).**

There are around 1 million children who interact with the child support scheme and more than one in three family benefit recipients should also receive child support. Care is very much undertaken by mothers - 84% of those due child support are single mothers and 85% of them have children in their care 65% of nights in a year or more.<sup>iii</sup> The child support scheme interacts with family benefits through the Maintenance Income Test so that income from child support reduces family benefit by 50 cents in the dollar above a modest free area (currently \$50 per week for a single parent with two children) and can occur even when the child support has not been received. The interaction is known and used by ex-partners to inflict debts upon women with children in their care. Abolishing the Maintenance Income Test would reduce the ability of former partners to [weaponise child support](#) (preventing this form of financial abuse); increase income for the poorest families and their children; and remove a source of undue complexity. Other important reforms are urgently required to ensure father's pay their fair share of child support for their children.<sup>iv</sup>

#### **Recommendation 3: Compel Annual Taxation Returns and close the loopholes that minimise assessments.**

To restore credibility in the Child Support Scheme, both parties should be required to file an annual tax return, and policy settings should be adjusted to cease the acceptance of indefinite provisional income. Penalties for non-compliance should also be introduced.

#### **Recommendation 4: Abolish Mutual Obligations for single Principal Carers**

Single Mother Families Australia advocates recognising women's nonmarket work, specifically single mothering, as a reciprocal obligation. SMFA emphasises that women 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. Furthermore, 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 on 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 might necessitate some legislative adjustments, it could be implemented without incurring any costs while enhancing safety, financial security, and emotional well-being.

If Mutual Obligations were not to be abolished swiftly, the following recommendations should be implemented:

**4.1: Reform current Family and Domestic Violence Exemptions from Mutual Obligations to allow for an automatic 12-month exemption, with the option to extend the exemptions for up to 24 months.** Currently, the exemption is only for [13 weeks](#), with the ability to apply for an extension for an additional 13 weeks. A 12month automatic exemption is long overdue, it was a key recommendation of the [2009 Participation Review Taskforce Report](#), yet has never been implemented. During the consultation phase of the Taskforce, single mothers and organisations supporting domestic violence victims suggested that even 12 months can be too short.

**4.2: Provide exemptions from mutual obligations during school holidays.** Single mothers incur additional costs, and time demands during the school holidays, and the challenges are compounded by the burdens and expectations to uphold mutual obligations requirements. A blanket exemption was once available for school holidays, and a reinstatement of this exemption could be straightforward.

Moreover, an exemption would also be aligned with the ambition of the Family Law Bill (2023), which seeks to gain safer parenting arrangements - a heightened issue in the long school holidays. The school holidays are when women are forced to spend more time in the presence of the perpetrator of violence due to increased shared care arrangements. Furthermore, this occurs in the context of reduced non-contact places for parents. No longer can a pickup be before or after school or at children's sports. School holidays are flashpoints of emotion, conflict, threats, fear, and violence. Again, exempting mutual obligation requirements for this period would lessen stress and improve capacities to manage what will often still be a challenging period.

**4.3: Allow Mutual Obligations to be met entirely through voluntary work. Current rules are opaque, confusing, and limiting. Voluntary work (if under 55 years old) "may" be approved, and then if combined with paid work and study/training to total 30 hours per week. The rules impinge upon study placements that require training.**

Voluntary work enables single parents to obtain workplace experience and build networks and confidence to enter the labour market. [Current restrictions](#) on allowing voluntary work to count towards meeting Mutual



Obligations for Principal Carers are far too harsh, with very few women being able to count their voluntary work. A simple fix would be to extend the Over 55 Voluntary work rules to Principal Carers. Similarly, investing in study and training allows women to obtain paid work that ensures financial security for their families. Compulsory course requirements such as unpaid work placements should also be counted as meeting mutual obligation (MO). Voluntary work and study have heightened benefits for women affected by gendered violence and absences from paid work due to caring responsibilities and should be supported, not inhibited, by policy. A combination of activities, specifically job search, part-time work, part-time study, course-mandated work placements and voluntary work, should satisfy Mutual Obligation rules. Allowing flexibility for the combination of activities reflects the reality of single parents' lives.

#### **4.4: Study Calculus and Mutual Obligations**

The current calculation of study hours is overly simplistic and unrealistic when based solely on direct class attendance, as it fails to consider the substantial additional work required for successful completion throughout and between semesters. Activities such as studying, reading, researching, writing, and preparing for exams and writing assignments are fundamental components of the educational experience. While TAFE and universities, whether on-campus or online, suggest study hours ranging from 10 to 40 hours per week, they consistently emphasise the necessity for extra work. The calculation of mutual obligations only accounts for actual attendance time, overlooking the vital out-of-class work that supports academic success.

#### **Case study**

**SMFA appreciates Nicola's case study. Its inclusion illustrates the limiting and flawed nature inherent in mutual obligations. Moreover, mutual obligations discount all unpaid care work, including the intensive parenting demands single mothers make.**

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 30-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.



**4.5: Extreme Weather and Mutual Obligations.** Establish standardised pause of mutual obligations for extreme weather. The protocols are consistent with community practices and OHS&W guidelines.

**5: Offer the voluntary Parent Pathway to single mothers with children older than six** under the same rules as the participants with children younger than six, creating a pathway that can be monitored and reviewed. (Parent Pathway replaced the failed ParentsNext program in November 2024.) Whilst NGO contracts could be modified, the Elizabeth (South Australian) service is a trial provided by the Government, lending itself to creative service delivery.

**Recommendation 6: Increase earning thresholds by extending Work Bonus eligibility to all income support recipients.**

The Work Bonus increases the amount an eligible age pensioner can earn from work before it affects their pension rate. Under the Work Bonus, the first \$300 of fortnightly income from work is not counted under the pension income test. The principles underpinning such changes should be extended to all claimants, especially single mothers, whose requirements to perform significant unpaid work result in additional challenges to gaining full-time employment. Apart from Youth Allowance Student & Apprentices and Austudy recipients, Parenting Payment Single recipients are the most likely income support recipients to participate in paid employment (38% with earnings from paid work in September 2024).

**Recommendation 7: Review and increase Family Payments**

Family Tax Benefit payments are the largest single Federal government program supporting families for the cost of children, yet there has been no real increase in these payments since 1 July 2013, and this was then eroded by subsequent savings measures.<sup>v</sup>

2022 analysis by the Parliamentary Library confirms that real expenditure on family payments in 2020-21 had not increased since 2000–2001, despite a 20% increase in the number of children aged 0-14 over the same period. Respected academic Professor Gerry Redmond has found support for both single parent and couple families with two children had fallen from over 50% of median income in 2002 to 35% in 2022. The Brotherhood of St Laurence report Growing Pains calculates that *“from the introduction of the Family Tax Benefits in July 2000 to July 2023 the price of education grew by 181%, health costs increased by 171%, and the cost of housing grew by 128%, while the maximum rate of Family Tax Benefit A grew by 113% over the same period in nominal terms.”*

More than half (55%) of ~ 1.275 million Family Tax Benefit A recipients are single parents, according to DSS Demographics September 2024. A higher proportion (69%) of Family Tax Benefit B recipients are also single parents. Increasing family payments would also improve economic security for both these and couple families with children.

Growing Pains also recommends reviewing workforce disincentives arising from current family payment rules. It also finds that 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. The complexity of compliance leads to a significant risk of underpayment or overpayment, with 1 in 5 recipients incurring a debt in 2020–21.



**Recommendation 8: Increase Parenting Payment to Pension rates and income tests, as well as increases to JobSeeker Allowance and Commonwealth Rent Assistance.**

Child poverty research released 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. In 2019-20, ACOSS/UNSW found 72% of Parenting Payment Single recipients were at risk of living in poverty.

**Endnotes**

<sup>i</sup> See also Melbourne Institute, From Partnered to Single, Financial Security Over a Lifetime, 9/6/22 which found on average, men lose 5% of their income while women lose 29% after separation.

<sup>ii</sup> PM Media Releases, Leaving Violence Program, 1/5/24.

<sup>iii</sup>Child Support Program Data, June 2024 <sup>iv</sup> See Fix Child Support | It's Time To End The Financial Abuse <sup>v</sup> Sources: \$18.32 billion in 2023-24, 2023-24 pbs.pdf and Helping households with the cost of living | Treasury Ministers).

