



Social Security and Other Legislation Amendments (Technical Changes No. 1) Bill 2026

Submission to the Community Affairs Legislation Committee

March 2026

Acknowledgment of Country

The Working with Women Alliance acknowledges the Traditional Custodians of the land on which we work and live.

We pay our respects to Aboriginal and Torres Strait Islander Elders past and present, and we value the enduring connection Aboriginal and Torres Strait Islander people have to this land.

We value Aboriginal and Torres Strait Islander histories, cultures, and knowledge.

About WwWA

The Working with Women Alliance (WwWA) represents two key portfolios: National Women's Safety (NWS) and National Women's Equality (NWE). **WwWA**

The WwWA connects the critical areas of gender-based violence prevention and the advancement of women's economic equality and leadership, bridging these important policy fields for greater impact. WwWA) represents two key portfolios: National Women's Safety (NWS) and National Women's Equality (NWE).

We work with members and stakeholders, including the Australian Government, to provide expertise and advice on gender equality and women's safety. WwWA connects the critical areas of gender-based violence prevention and the advancement of women's economic equality and leadership, bridging these important policy fields for greater impact.

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Executive Summary

The Working with Women Alliance welcomes the opportunity to respond to the *Social Security and Other Legislation Amendment (Technical Changes No. 1) Bill 2026*.

Our submission includes feedback on Schedule 1 (child support) and Schedule 3 (employment income attribution). We encourage the Committee to consider these technical changes to the legislation as an opportunity to address systematic flaws in both the child support system and in social security system—both of which disproportionately impact women.

The Working with Women Alliance’ expertise draws from sector partnerships, lived-experience consultations, and advisory groups that focus on the child support system, gender-based violence and economic equality.

The below recommendations provide an opportunity to progress women’s safety and economic gender equality by reducing weaponisation of the child support system and pushing back on partner-income means testing for social security payments.

Summary of Recommendations

1. Require Services Australia to deliver a co-designed information package to parents with child support assessments at the commencement of new assessments.
2. The ATO, in coordination with Services Australia, must prioritise the enforcement of tax returns for parents with child support assessments by implementing a progressive and increasing financial penalty to motivate compliance.
3. Further resource the ATO to enact it’s remit to penalise non-compliant taxpayers with child support assessments.
4. Remove the amendment to the employment income attribution rules and further consider reforms on partner-income means testing.

Schedule 1 – Child Support

The WwWA welcome the Federal Government’s focus on systems abuse, particularly regarding the child support system. In collaboration with Single Mother Families Australia, Professor Kay Cook, and sector representatives, the WwWA has produced a policy brief and list of recommendations on [*Ending the Weaponisation of the Child Support System*](#).¹

As identified by the Commonwealth Ombudsman’s reports 2025 and 2026, and the Inspector-General of Taxation’s report 2025, the child support system is immensely flawed in policy design and operation – not only failing to deliver on its intention to ensure children receive adequate support but enabling financial abuse. This is consequential for 1 million Australian children whose care is disproportionately provided by mothers.² The child support system is so beleaguered, that 71% of recipient parents expect no payments at all, or are underpaid from paying parents.³ Data also shows that 80% of separated mothers report that their former partner has used the child support system to perpetrate financial abuse.⁴

Australia’s child support system compels a choice between violence or poverty: Where opting out of the system may cause a loss of up to 70% of Family Tax Benefits (FTBs), opting in can expose recipient parents to financial abuse.

Critical Flaws

WwWA highlights three critical flaws in the child support system:

Income Assessments and Enforcing Tax Returns

Child support arrangements are calculated based on both parents' incomes. However, it is common practice for Services Australia to estimate parent incomes where they do not have access to tax returns. In December 2024, only around 60% of paying parents had lodged tax returns on time.⁵ This allows paying parents to falsify their income, and/or delay accurate income assessment and therefore reduce the amount of child support they pay.

Child Support Payments, Family Tax Benefits and Retrospective Debt

Where a paying parent does not pay child support on time or does not pay in full – Family Tax Benefit payments are adjusted upwards to reflect this reduced income and recognise non-payment. Recipient parents, who are owed child support over an extended time can accrue significant retrospective FTB debts when the paying party eventually has their income assessed. Wilfully delaying the submission of a tax return to generate a significant FTB debt on the recipient parent is a commonly reported tactic. Recipient parents are then served a debt notice and obligated to return the additional FTB, initially received for non-payment of child support. When accumulated over a long period the final debt amount can be crippling. This causes immense despair and financial distress for parents who are *already* owed child support as their credit ratings are impacted and future FTB entitlements are garnished to repay a debt they had no control over accruing. 43% of recipient parents have incurred a retrospective FTB debt, with an average debt amount of \$3,452.⁶ Simultaneously, recipients are owed, on average - \$12,172 in unpaid child support.⁷

Agency vs Private Collect

Agency Collect, overseen by Services Australia and subject to oversight by the ATO's (Australian Taxation Office) Child Support Lodgement Enforcement Program, still enables perpetration of financial abuse, and accrual of retrospective debt. As of December 2024, there was \$1.9 billion of debt in unpaid child support, with paying parents owning an average retrospective debt of \$7,261.⁸ These figures are a gross underrepresentation of total debt owed, only counting Agency Collect assessments, which comprise approximately 49% of all child support assessments.⁹ Despite government oversight, there were only 33 enforcement matters pursued by the ATO in 2024.¹⁰

Private collect, an 'agreed' to arrangement between parents without government intervention requires Services Australia to assume 100% of Private Collect payments are made and made on time. The reality, however, is that an estimated 70% of Private Collect payments are either not made in full or made at all.¹¹ In addition to child support being withheld, recipient parents in Private Collect are not automatically entitled to FTB when they do not receive child support payments.

Part 1 – Delaying Assessment Start Dates

Amendments in Schedule 1, Part 1 would legalise the practice of Registrars delaying the start date of new child support assessments so that when made after the 15th of the present month, the assessment will commence not in the month immediately following, but the one after. Effectively, this means that new assessments may not commence for up to six weeks after they are made (interim period). WwWA understands the intent of this delay is to give parents sufficient notice to “manage their finances accordingly.”¹²

WwWA is concerned that in the interim period, recipient parents may be at a loss where their new assessment requires a greater amount of child support be paid. This amendment may benefit paying parents who need time to manage their finances at the detriment of recipient parents.

Due to the relationship between child support payments and FTBs – where child support payments increase, FTBs decrease and vice versa, it is unclear whether delaying the assessment start date would result in an overall net increase or decrease.

Recommendations

1) WwWA recommend that this technical change be used as an opportunity to support both parents to manage their finances accordingly, by requiring Services Australia to deliver information to parents that explains:

- The revised child support assessment rates and FTB rates, and the effective start date.
- The differences between Agency Collect and Private Collect, and the process to transfer between systems.ⁱ
- The process and eligibility requirements of applying for an exemption from the child support system.

The information package and implementation must be co-designed with people using the system for effective delivery.

2) The ATO, in coordination with Services Australia must prioritise lodgement of tax returns for parents with child support assessments. Non-compliance by those with child support obligations, should be discouraged through the application of a progressive and increasing financial penalty that is sufficiently robust to motivate compliance.

3) While we recognise prosecution is costly, inefficient and administratively burdensome, the ATO should be resourced to greater enact its remit to penalise non-complaint taxpayers who hold a child support assessment.

Part 2 – Eliminating Loopholes for Low-Care Parents

WwWA welcomes the technical amendment that will eliminate loopholes that have previously allowed low-care parents (with less than 35% of care responsibilities) to be eligible for child support payments.

Schedule 3 – Employment Income Attribution

Amendments in Schedule 3 intend to clarify employment income attribution rules in relation to partner-income means testing. The WwWA acknowledges that the legislation detailing partner-income means testing is unclear but recommends against implementing the proposed technical amendments.

ⁱ Including the caveat that, despite clear documentation of outstanding child support debt in Private Collect, a transfer to Agency Collect will typically only allow debt to be collected from the last three months.

Risks of Partner-Income Means Testing

The WwWA consider partner-income means testing an archaic policy instrument that exacerbates household economic and gender inequality. Tying an individual's social security entitlements to their partner's income, is counter to the broader national conversation about women's economic security and a risk factor for domestic and family violence and financial abuse.

The case for abolishing partner-income tests has been a longstanding position of Australia's social welfare sector. Women are the majority of social security recipients in Australia with disproportional representation among distinct communities including women with disabilities, women living remotely and Aboriginal and Torres Strait Islander women. These communities also face a heightened risk of experiencing domestic and family violence due to circumstances that may restrict their ability to work, move or live independently. Partner-income means testing can reinforce these dynamics, assume a fair distribution of household assets and fail to account for circumstances where there may otherwise be true financial independence. While we acknowledge that domestic and family violence can prompt an exemption from reporting, access to the exemption can be protracted and difficult to obtain.¹³

The Assumption of Dependence

Australia's social security system recognises, through the provision of Youth Allowance, that not all young people are dependent on their parents. By removing the assumption of financial dependence, recipients of Youth Allowance are permitted to prove independence so that their social security payments are not tapered according to parental-income means testing.

Similarly, where two people who are not members of a couple, but are cohabitating, and sharing household expenses such as rent and utilities they are not assumed to be financially dependent for the purposes of social security means testing. However, there is no option to demonstrate to Services Australia independence *within* a relationship which can impact on those whose relationships may be coloured by the inequitable distribution of household resources and labour.

Recommendations

4) Rather than pursuing this amendment to tighten a scheme that is already problematic, WwWA urges that this amendment be removed from the proposal and further consideration is given to ensuring eligibility and attribution policies do not further entrench gender inequality and heighten risk factors for domestic and family violence.

¹ Working with Women Alliance, (2025), *Policy Brief: Ending the Weaponisation of the Child Support System*, <https://wwa.org.au/wp-content/uploads/2026/01/v2-WwWA-Policy-Briefing-Ending-Weaponisation-of-the-Child-Support-System-2-1.pdf>

² Services Australia, (2024), *Annual Report*, Australian Government, <https://www.servicesaustralia.gov.au/sites/default/files/2024-10/annual-report-2023-24.pdf>

³ Cook, K., Byrt, A., Edwards T., and Coen, A., (2024), *Opening the black box of child support: Shining a light on how financial abuse is perpetrated*, Swinburne University of Technology, <https://doi.org/10.25916/sut.26983363>

⁴ Commonwealth Ombudsman, (2025), *Weaponising Child Support: when the system fails families*, Australian Government. https://www.ombudsman.gov.au/__data/assets/pdf_file/0022/318460/Weaponising-Child-Support-when-the-system-fails-families.pdf

⁵ Commonwealth Ombudsman, (2025), *Weaponising Child Support: when the system fails families*, Australian Government. https://www.ombudsman.gov.au/__data/assets/pdf_file/0022/318460/Weaponising-Child-Support-when-the-system-fails-families.pdf

⁶ Cook, K., Byrt, A., Edwards T., and Coen, A., (2024), *Opening the black box of child support: Shining a light on how financial abuse is perpetrated*, Swinburne University of Technology, <https://doi.org/10.25916/sut.26983363>

⁷ Cook, K., Byrt, A., Edwards T., and Coen, A., (2024), *Opening the black box of child support: Shining a light on how financial abuse is perpetrated*, Swinburne University of Technology, <https://doi.org/10.25916/sut.26983363>

⁸ Commonwealth Ombudsman, (2025), *Weaponising Child Support: when the system fails families*, Australian Government. https://www.ombudsman.gov.au/__data/assets/pdf_file/0022/318460/Weaponising-Child-Support-when-the-system-fails-families.pdf

⁹ Services Australia, (2024), *Annual Report*, Australian Government, <https://www.servicesaustralia.gov.au/sites/default/files/2024-10/annual-report-2023-24.pdf>

¹⁰ Commonwealth Ombudsman, (2025), *Weaponising Child Support: when the system fails families*, Australian Government. https://www.ombudsman.gov.au/__data/assets/pdf_file/0022/318460/Weaponising-Child-Support-when-the-system-fails-families.pdf

¹¹ Cook, K., Byrt, A., Edwards T., and Coen, A., (2024), *Opening the black box of child support: Shining a light on how financial abuse is perpetrated*, Swinburne University of Technology, <https://doi.org/10.25916/sut.26983363>

¹² Department of Social Services, (2026), *Explanatory Memorandum - Social Security and Other Legislation Amendment (Technical Changes No. 1) Bill 2026*, https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7424

¹³ Veldkamp, C., (2025), *Abuse survivors say Centrelink's couple rule puts women in danger*, Australian Broadcasting Corporation (ABC), <https://www.abc.net.au/news/2025-12-10/couple-rule-centrelink-income-test-concerns/106100196>