Child Support and Family Assistance Legislation Amendment (Ending Financial Abuse in the Child Support Scheme No. 1) Bill 2026.

To the Senate Community Affairs Legislation Committee.

Prepared by: National Aboriginal and Torres Strait Islander Women's Alliance (NATSIWA)

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Acknowledgement

The National Aboriginal and Torres Strait Islander Women's Alliance acknowledges the Traditional Custodians of the lands, waters and skies across Australia, and pays respect to Elders past and present. We recognise the enduring connection Aboriginal and Torres Strait Islander peoples have to land, culture, community and kinship.

We honour Aboriginal and Torres Strait Islander women as knowledge holders, carers, decision-makers and leaders, and the women who have long advocated for the safety, wellbeing and rights of their families and communities. Their lived experience, cultural authority and expertise are central to this submission.

We affirm the right of Aboriginal and Torres Strait Islander peoples to Indigenous Data Sovereignty: the right to govern the collection, ownership, interpretation and use of data about our peoples, communities, lands and cultures. Data about Aboriginal and Torres Strait Islander women should be gathered and used in ways that respect self-determination and benefit our communities.

About NATSIWA

The National Aboriginal and Torres Strait Islander Women's Alliance (NATSIWA) is the national peak body representing Aboriginal and Torres Strait Islander women across Australia. NATSIWA provides a collective national voice to ensure that the leadership, lived experience and policy priorities of Aboriginal and Torres Strait Islander women are centred in government decision-making.

NATSIWA is funded by the Australian Government through the Department of the Prime Minister and Cabinet (Office for Women) under the Gender Equality Strategy, and works to strengthen the participation, safety, wellbeing and leadership of Aboriginal and Torres Strait Islander women and girls. As a national alliance, NATSIWA engages with Aboriginal and Torres Strait Islander women across urban, regional, rural and remote communities to elevate community perspectives in national policy and reform processes.

NATSIWA works across policy reform, systemic advocacy and community engagement to address structural barriers faced by Aboriginal and Torres Strait Islander women in areas including safety, health, housing, employment, education and justice. Our work is grounded in the principles of self-determination, cultural authority and community-led solutions.

Aboriginal and Torres Strait Islander women are the mothers, grandmothers, aunties and carers on whom many children depend, including after family separation, and they hold cultural authority, community responsibility and intergenerational leadership within their communities.

Summary of recommendations

Schedule 1: Reducing harmful use of the Child Support Scheme

- Carry through the Commonwealth Ombudsman's recommendations across Services Australia and the Department of Social Services (DSS).
- Put support mechanisms in place to help Aboriginal and Torres Strait Islander women report incidents of family violence.
- Increase recognition and education around the fact that deliberately withholding child support payments to control a former partner is a form of family violence.
- Continue to improve and implement legislation to build on the child support reforms.
- Commit to periodically reviewing what is and is not working with the changes already made.

Schedule 2: Strengthening collection arrangements

- Make Agency Collect the default collection arrangement. Allow Private Collect only after 12 months of consistent payments and a meeting with Services Australia to discuss the requirements and risks of private collection.
- Require clear advice to parents about the 13-week pause in Family Tax Benefit (FTB) debt recovery, the options available to them and the action they can take before the pause ends.
- Require all new applicants to be told about the collection arrangement guidance tool when it becomes available.
- Ensure that systems within Services Australia are updated and maintained to be fit for purpose and support advances in technology and changes to legislation.

Schedule 3: Improving access to child support for overseas payees

- Continuously improve data sharing between Australia and other countries.
- Increase support for communication between countries where language may be a barrier to a parent receiving their entitlements.

Related international debt recovery reforms

- Mandate periodic reviews of previously flagged non-paying parents who travel overseas.
- Restrict access to a Departure Authorisation Certificate (DAC) for parents subject to a current Departure Prohibition Order (DPO) until reasonable action has been taken to address the child support debt.

Purpose of this submission

The legislation to protect families from the weaponisation of child support is long overdue and a welcome move by the Australian Labor Government. NATSIWA supports the Bill and welcomes stronger protections for Aboriginal and Torres Strait Islander women and their children.

The child support system in Australia has long been seen as inadequate and, in many cases, unfair, especially to women, who are generally the primary carers for children following the breakdown of a relationship. The scheme began in 1988 in response to concerns about child poverty in single parent families.[1]

Article 3 of the United Nations Convention on the Rights of the Child requires a child's best interests to be a primary consideration in actions concerning them. Article 18 recognises that both parents have common responsibilities for the upbringing and development of the child.[2]

Men's and women's average earnings continue to differ. Women's greater share of unpaid care, career interruptions and differences in the jobs and industries in which women and men work contribute to this gap.[3]

ABS data released on 13 August 2026 show that full-time adult ordinary time weekly earnings in May 2026 were $2,181.00 for men and $1,934.50 for women, on a seasonally adjusted basis. This is a difference of $246.50 per week, equivalent to a gender pay gap of about 11.3%, calculated from those figures. This measures average earnings, rather than unequal pay for the same job.[4]

Gender-based violence continues to be a major health and welfare issue in Australia, with women and children at particular risk.[5] Aboriginal and Torres Strait Islander women are disproportionately affected by family violence. Reported cases do not show the full extent of the problem. There are many barriers to reporting violence, including a lack of understanding and support around legal processes, differing awareness and interpretation of what constitutes violence, fear of child protection intervention, fear of reprisal by the perpetrator, loss of housing, racism and discrimination—and the list continues.[6]

Family violence plays a significant role in child protection involvement and the removal of Aboriginal and Torres Strait Islander children. In 2023–24, Aboriginal and Torres Strait Islander children under 18 were about seven times as likely as non-Indigenous children to receive child protection services: 146 per 1,000, compared with 21 per 1,000. These figures cover child protection services broadly, not only cases involving family violence.[7]

Deliberately withholding child support payments to control a former partner can be a form of coercive control and family violence. It can prevent women and children from leaving abusive

relationships because they have no financial means to support themselves. The Australian Institute of Health and Welfare (AIHW), drawing on the 2021–22 Personal Safety Survey, reports that about 16% (1.6 million) of women and 7.8% (745,000) of men have experienced economic abuse since the age of 15 from a current or previous cohabiting partner. These are national estimates for adults, rather than rates of child support abuse or estimates specific to Aboriginal and Torres Strait Islander people.[8]

Addressing economic abuse through the child support system could reduce the opportunity for parents to manipulate the system and withhold the payments their children are entitled to as they grow up.

The Australian Government has committed $182.6 million over four years from 2026–27, and $19.6 million annually ongoing, to make the child support system safer and more effective. The wider reform package includes improvements to system operations, online guidance for separated parents and expanded employer withholding.[9]

These all-important reforms also respond to work undertaken by the Commonwealth Ombudsman and Tax Ombudsman in 2025. The Commonwealth Ombudsman made eight recommendations, all accepted by Services Australia, to improve the response to financial abuse through child support. These include reviewing current processes, addressing limitations on enforcement and improving work across agencies.[10]

Schedule 1 Reducing harmful use of the Child Support Scheme

The weaponisation of child support is a serious concern. The Commonwealth Ombudsman has documented how the system can be used to continue financial abuse after separation.[10]

Initially implemented to support single parent families after relationship separation, alongside reducing reliance on government payments, the system has been exploited by some paying parents through non-declaration or under-reporting of earnings and failure to lodge income tax returns.[10]

For example, women can be coerced into accepting Private Collect arrangements, making it easier for non-payment to go undetected and more difficult for the receiving parent to pursue debts.

In its 2025 investigation, the Commonwealth Ombudsman found that the assumption that Private Collect payments are received in full can hide financial abuse, and that Services Australia did not proactively monitor whether these payments were made.[10]

This can leave women fearful of family violence and possible repercussions in other areas of the family's life. It can prevent the receiving parent from managing household expenses or children from taking part in school excursions or extracurricular activities. This kind of situation can produce feelings of shame, guilt and stress that the family unit does not need.

Alongside the Bill, $6.1 million in additional funding from 1 July 2026 will support the Australian Taxation Office (ATO) to hold non-compliant parents to account when they repeatedly fail to submit tax returns to distort the amount of child support they must pay.[11]

A further $12.4 million will improve payroll income data sharing between Services Australia and the ATO. This will enhance the agencies' ability to check the accuracy of income estimates when lodged and flag changes in a parent's income.[11]

These very welcome changes are intended to make it easier for receiving parents to collect child support and reduce the risk of pressure, coercion or conflict between former partners. The Bill's three schedules would commence on 1 July 2027 if Royal Assent is received before 15 June 2027; a later assent would trigger the alternative commencement arrangements set out in the Bill.[12]

Schedule 1 would allow the Child Support Registrar to refuse a new assessment application made by a would-be paying parent where there is a reasonable belief that accepting it may cause harm to the receiving parent and that parent does not want it accepted. It would also allow refusal of a change of assessment application where harm may result, and dismissal of objections with little or no prospect of success or no more than a marginal impact. This is a welcome response to misuse of the system.[12]

Schedule 1 would also help address risks of family violence by removing the mandatory exchange of full documents in change of assessment and objection processes. A safer information exchange model would protect sensitive personal and financial information while preserving procedural fairness. The existing process may have deterred parents from seeking reassessment.[12] Decisions under the new provisions would remain subject to review, including through the Administrative Review Tribunal where applicable. The safer exchange of information would still need to give parents a fair opportunity to respond.[12]

Coercive control and family violence, including financially controlling behaviour, remain serious concerns in Australia. Gender inequality, attitudes that condone violence and intersecting forms of disadvantage can contribute to this harm.[5]

Technology-facilitated abuse—including the misuse of social media, GPS tracking, mobile phones and spyware—has further enabled perpetrators to "keep tabs" on victim-survivors. A national survey published in 2022 found that 70% of Aboriginal and Torres Strait Islander respondents had experienced technology-facilitated abuse at least once in their lifetime.[6] This figure relates to Aboriginal and Torres Strait Islander respondents of all genders, and to technology-facilitated abuse generally, rather than child support abuse alone.

Access to legal assistance is also important for Aboriginal and Torres Strait Islander women in every state and territory. In Victoria, for example, separated parents receiving Centrelink benefits, or receiving or entitled to Family Tax Benefit (FTB) above the minimum rate, may qualify for free legal representation in the Magistrates' Court and in Services Australia internal administrative reviews for matters under the Child Support (Assessment) Act 1989, subject to the applicable requirements, including the Commonwealth merits test. This is an existing Victorian legal-aid arrangement.[13]

Recommendations

- Carry through the Commonwealth Ombudsman's recommendations across Services Australia and the Department of Social Services (DSS).
- Put support mechanisms in place to help Aboriginal and Torres Strait Islander women report incidents of family violence.
- Increase recognition and education around the fact that deliberately withholding child support payments to control a former partner is a form of family violence.
- Continue to improve and implement legislation to build on the child support reforms.
- Commit to periodically reviewing what is and is not working with the changes already made.

Schedule 2 Strengthening collection arrangements

The Services Australia Annual Report 2024–25 shows that the child support program supported around 1.1 million children and reported approximately $2 billion in Child Support Collect payments, also known as Agency Collect. This includes payments credited to accounts as well as payments collected by the agency.[14]

The proposed changes would strengthen collection arrangements and help parents access the child support they are owed. Schedule 2 would allow paying parents to choose Agency Collect. Where a

paying parent has chosen Agency Collect, both parents would need to agree before returning to Private Collect. The Bill would also remove the Registrar's power to move a case to Private Collect without an election from a parent, and improve collection of historical arrears and amounts arising from retrospective changes to Private Collect liabilities.[12]

The Council of Single Mothers and Their Children's 2019 report drew on a survey conducted in 2018, with 1,112 valid responses. Respondents were recruited through networks and social media, and the number answering each question varied. These findings describe the respondents' experiences; they are not a current national estimate of child support payment compliance.[15]

Nearly 42% of respondents to the collection question had formal government collection arrangements. Within that group, only 23% reported always receiving payment in full and on time. This historical evidence helps explain why reliable collection matters to single mothers.[15]

Child support can affect the amount of FTB Part A a family receives. For Private Collect periods, assessed child support is generally treated as received in full for the Maintenance Income Test, even where it has not been paid.[12] The May 2026 Budget factsheet reports that, as at 31 March 2026, almost $2 billion in child support was unpaid, with 229,235 paying parents owing an average of $8,699.[11]

These debt figures do not show the full picture because they exclude unpaid child support under Private Collect arrangements. As at 30 June 2025, Private Collect accounted for 50.8% of child support cases.[14]

As part of the wider child support reforms, an online collection arrangement guidance tool is planned to provide targeted information about collection options and their risks.[16]

This will provide vital information to parents and assist them to make informed decisions about collecting their child support payments. It should support autonomy and choice while reducing the opportunity for exploitation through loopholes that have long been recognised and reported to government bodies.

For example, parents need to understand how the collection of child support payments works with their receipt of FTB. This information could help reduce debts incurred because recipients do not know how the payments affect each other. It could also alleviate the hardship that a debt can cause for a family.

Schedule 2 would pause recovery of certain FTB debts for 13 weeks where the debt arises from a retrospective increase in child support for a Private Collect period. For eligible parents, the pause would run from notification of the most recent relevant review decision. It would give parents time to consider agency collection or a Maintenance Action Test exemption; it would not automatically forgive every FTB debt. If the parent asks Services Australia to collect the reassessed child support, FTB would be recalculated, generally removing the initial debt. Child support subsequently collected would count in the year it is received.[12]

The wider reform package would also expand employer withholding for new Agency Collect payers and payers with existing debt, with exemptions in certain circumstances. Collecting payments directly from wages should help ensure that children receive support in full and on time.[11]

Recommendations

- Make Agency Collect the default collection arrangement. Allow Private Collect only after 12 months of consistent payments and a meeting with Services Australia to discuss the requirements and risks of private collection.

- Require clear advice to parents about the 13-week pause in FTB debt recovery, the options available to them and the action they can take before the pause ends.
- Require all new applicants to be told about the collection arrangement guidance tool when it becomes available.
- Ensure that systems within Services Australia are updated and maintained to be fit for purpose and support advances in technology and changes to legislation.

Schedule 3 Improving access to child support for overseas payees

Schedule 3 would make child support assessments easier to access for eligible receiving parents and carers living in certain overseas jurisdictions. It would allow direct applications to Services Australia from reciprocating jurisdictions specified by the Minister, helping children overseas receive support from parents in Australia.[12]

An investment of $4.1 million is intended to make child support arrangements easier across international borders and improve the system for around 34,000 overseas child support cases.[11]

The wider reforms announced for 1 July 2027 include regular updates to foreign currency exchange rates and easier engagement with Services Australia for parents and children living overseas.[11]

Currently, a parent in a reciprocating jurisdiction who is likely to receive child support generally needs the relevant overseas authority to facilitate the application. Schedule 3 would allow direct applications from receiving parents in specified reciprocating jurisdictions. It would not remove existing eligibility requirements or open direct applications to all overseas parents. The Registrar would retain discretion to prevent duplicate liabilities where an overseas maintenance liability already exists.[12]

The wider reform package also includes strengthening child support arrangements with other countries and supporting community organisations that assist parents with children living overseas.[9]

Article 27 of the United Nations Convention on the Rights of the Child also requires governments to take appropriate measures to secure child maintenance, including where the person with financial responsibility lives in another country.[2]

Recommendations

- Continuously improve data sharing between Australia and other countries.
- Increase support for communication between countries where language may be a barrier to a parent receiving their entitlements.

Related international debt recovery reforms

NATSIWA also welcomes stronger debt recovery measures within the wider reform package, including increased use of international travel restrictions for parents with substantial unpaid child support.[9]

The Budget announcement proposes that a Departure Prohibition Order (DPO) would automatically be issued where a paying parent's child support debt or overpayment reaches $10,000 and they have travelled overseas more than once in the previous two years, subject to legislation passing.[16] The premise is that a parent who can afford overseas trips should meet their child support responsibilities. Under the existing rules, a Departure Authorisation Certificate permits temporary travel while a DPO remains in force. The rules include humanitarian and Australian-interest grounds, as well as provisions involving security and likely revocation of the DPO.[17]

Recommendations

- Mandate periodic reviews of previously flagged non-paying parents who travel overseas.
- Restrict access to a Departure Authorisation Certificate (DAC) for parents subject to a current DPO until reasonable action has been taken to address the child support debt.

Conclusion

NATSIWA supports and welcomes the introduction of Bill No. 1 to reduce abuse of the child support system and improve the safety and wellbeing of Aboriginal and Torres Strait Islander women and their children.

Article 27 of the United Nations Convention on the Rights of the Child recognises every child's right to a standard of living adequate for their physical, mental, spiritual, moral and social development. These reforms are an important step towards ensuring that children receive the support they are entitled to.[2]

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