

Financial Resilience

fourth action plan

2019 to 2022

The National Council
& of Single Mothers
Their Children Inc.



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Who we are

The National Council of Single Mothers and their Children Incorporated (NCSMC) is an organisation dedicated to single mothers. The Council has become a platform whereby both the community and the Government can communicate. NCSMC can comment on policy and legislation and ensure that the *lived experience* is heard. NCSMC provides information, referrals and assistance to single mothers through our electronic platforms. In the past year we have responded to tens of thousands individual requests whilst our information post can reach up to 100,000+ per week. One of our greatest strengths is our expertise and commitment in working with and for the advancement of women and children who are affected by poverty, hardship and/or domestic violence.

Domestic Violence & Financial Hardship

The National Council of Single Mothers and their Children Inc (NCSMC) congratulates the Australia's National Plan to Reduce Violence against Women and their Children 2010-2022 as it *recognises the importance of economic wellbeing to the capacity of women and children to rebuild their lives following violence* (Department of Social Services, 2014). NCSMC welcomes this progressive outcome and we are committed to adding our voice so that together, we can rewrite the economic outcomes for women affected by domestic violence.

NCSMC acknowledges the Australia's National Research Agenda to Reduce Violence against Women and their Children (ANROWS, 2014), *this research was designed to support initiatives to improve women's economic circumstances following violence. In particular, the research was designed to explore the impact of violence on women's economic status; the efficacy and limitations of existing approaches, policies and programs relating to women's economic security; and ways to more effectively build women's economic security following violence.* This is a critical element as women affected by domestic violence may not or ever reach out to the domestic violence and or crisis service system. Consequently, elevating the need to support autonomy and safety strategies through the provision of financial certainty is critical. Women's economic resilience and conversely financial distress needs to be a key and central theme in the fourth action plan 2019 to 2022.

*We have been
forced to move five
times in five years.*

Our expertise is derived from our own research, collaboration with others and steeped in the rich but often tragic experience of women who have sought our service. It is from this unique but clear vantage point that we present our submission and recommendations.

Our Recommendations

1. Immediately implement a mutual obligation exemption for women affected by domestic violence so that they can retain the equivalent of Parenting Payment Single regardless of the age of their youngest child. On 20th August 2018, Andrew Willkie MP brought in a Private Member Bill to review the effects of denying access to the parenting payment. The review would illuminate that Newstart is so low that it forces women to return to the place of abuse and to the hands of their abuser.
2. Trial a State Guaranteed Child Support Payment, as recommended by the 2015 Parliamentary Inquiry into the Child Support Program. The stated debt of 1.5 billion indicates that the current child support system is not fulfilling its role, to detriment of the Australian children which places enormous financial stress on the payee, who is overwhelmingly the mother. Sporadic, partial and/or non-payment of child-support is used by a perpetrator of abuse to continue and or commenced financial control and or abuse.
3. Australians with an enforceable child support liability must lodge an annual tax return as per prescribed dates. Currently there are over 200,000 child support payers who breach this requirement, committing both tax and child support avoidance or minimisation. Again, this is a deliberate pattern to ensure that the primary household where children reside is struggling financially through a government loophole that enables postseparation financial abuse and or control.
4. Replace the Crisis Payment with an upfront payment, between \$6,000 to \$9,000, to those affected by domestic violence. This better reflects the financial needs of women as they seek to establish a life for themselves and their children which is free from violence. This amount is aligned to the “Relocation Assistance to Take Up a Job” as well as the \$7000 assistance provided by the Victorian Government which supports women to afford to create a safer, more stable live for themselves and their children. Furthermore, remove the current seven-day limit to apply for this payment.
5. The National Plan to Reduce Violence against Women and Children must include women living in financial hardship as a priority category. Women who reported that their household would had difficulty “suddenly raising \$2000 within a week for

something important” had experienced violence from a partner at a rate of 5.8% compared to 2.1% of women who reported that this amount could be raised¹.

6. Establish an Independent Social Security Commission to assess social welfare payments. Federal Independent Member for Indi, Cathy McGowan, introduced the Social Security Commission [Bill](#) 2018 on Monday 20th August 2018 and we seek that the government ensures that this bill becomes legislation. We urge this as the current system has does not provide a specific category that understands and reflects the required levels of income support for women affected by domestic violence.

¹ Department of Social Services, 24th of August 2018, PP 21 (Draft) *National plan to reduce violence against women and their children - Fourth Action Plan (2019 to 22) Background and Evidence*, the Australian Government.



her journey into hardship
began at birth

Her earnings will be about 20% less than a male and that's if she is in full-time paid work. However, she will most likely be employed part-time which drops her to an average of 33% less. If we then include interrupted paid work to undertake care, her wage is further lowered.

We then further increase the dollar divide through a superannuation system where we reserve the greatest tax concessions to the biggest earners and do not pay contributions if earnings are less than \$450 per month.

The contribution of unpaid care is absent in policy, even in child support, when it was 'equalised' in 2008.

Our policy response to child support is stagnant and it appears that we accept \$1.5 billion owed to children as we fail to remedy the alarm that children are missing out.

Australia provides a 'superannuation haven' which enables child support avoidance.

Family and Domestic Violence

Financial Hardship

Research undertaken by Right Lane Consultancy and presented at the Women's financial Security Forum outlined the systemic disadvantages which threaten women's financial security. It was noted that one or more 'bumps in the road' can be enough to push them into financial hardship. The research identified four key triggers.



Women facing financial hardship are vulnerable to sudden change to income



Separation and divorce can leave women in a precarious financial situation



Violent domestic situations often result in women and children leaving the family home



A culture of victim blaming hinders women from receiving the help they need.

We are starting to learn that a woman cannot 'just leave'. Women speak about feeling 'trapped', they fear that they won't be believed or that her experience will be trivialised. Women speak about concerns that they won't get the help and support that they so desperately need. After many years of verbal abuse, they may start to believe the words and that, somehow, they are responsible or worthless. Women talk about their sense of isolation due to the violence and the image others may hold of the abuser, that he is 'a really good guy' or that he holds a 'position of influence' within their community. Furthermore, it is possible that she will not have any money, or have limited access to money, and/or she will feel such paralysing fear she will be unable to leave or even be able to see a way to be safe. Statistics tell us that separation is the most dangerous time for women and children fleeing violence and that separation in itself is not a guarantee of safety. The NSW Coroner Michael Barnes reported that:

"Separation, in fact, can be the most dangerous time, because it seems to be based on a need for the perpetrator to control his intimate partner. That can go quite quickly from controlling, jealous behaviour to fatal violence."

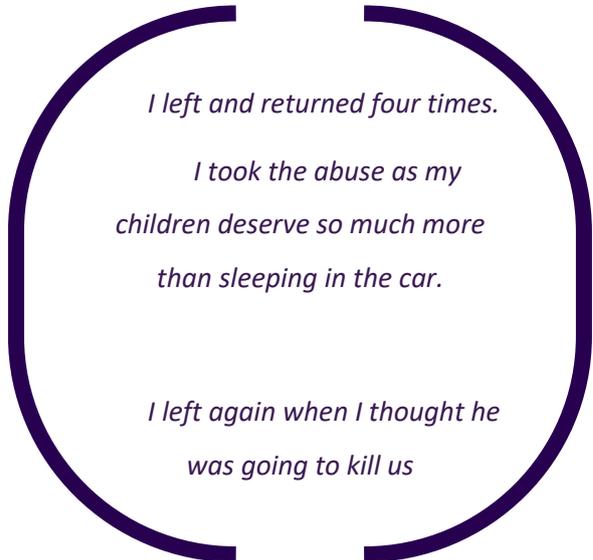
We work with women who endure hardship which can span a lifetime because of the effect of domestic violence. The harsh reality of what lies ahead for these women is struggling on Newstart to keep a roof over their head and food on the table, let alone cover expenses for clothing and education that all children require. NCSMC is in awe of every mum who has spoken, reached Out and 'done her darnedest' to protect herself and her children, often against the collective power of a naïve culture and a failed system. Even with such incredible resolve, the reality of poverty will impact greatly on her and her children.

As a country, we fail these women on so many levels. If her youngest child is eight years or older her income support will be the Newstart Allowance, an unemployment payment, which is below the poverty line and has not been increased for over 21 years. It is beyond comprehension that any women and their children, let alone those escaping violence, are expected to survive and provide for themselves and their children on this payment. Background evidence to support the consultations on the fourth action plan (2019 - 22) to reduce violence against women and their children stated,

"It's not enough to simply focus on prevention and crisis response. Family and domestic violence can have a range of significant negative consequences for women's long-term recovery and ability to sustain social and economic participation"

Supporting evidence found that women who reported that their household would had difficulty "suddenly raising \$2000 within a week for something important" had experienced violence from a partner at a rate of 5.8% compared to 2.1% of women who reported that this amount could be raised².

The National Council of Single Mothers and their Children Inc. brings to the Committee's attention the fact that women affected by family and domestic violence do not have an exemption, despite a range of exemptions granted to Single Principal Carers who are foster caring, non-parent relative caring under a court order, home schooling, distance education or have a large family. The [exemptions](#) also enable Single Principal Carers to retain the same amount as the Single Parenting Payment, which is currently [\\$762.40](#) per fortnight. These exemptions are sensible and most welcomed. Excluded from exemption, Single Parenting Carers affected by family and domestic violence languish on Newstart which is [\\$590.40](#) per fortnight. In May 2017, NCMSC wrote a submission to the Parliamentary [Inquiry](#) into a better family law system to support and protect those affected by family violence. This



² Department of Social Services, 24th of August 2018, PP 21 (Draft) *National plan to reduce violence against women and their children - Fourth Action Plan (2019 to 22) Background and Evidence*, the Australian Government.

engagement included a national online survey known as Domestic Violence and Economic Security. The survey found that 22% of respondents had returned to their place of abuse and to the hands of their abuser because they did not have access to adequate financial support. Every woman and child deserve to live free from violence and with dignity. We must do more than to force women to make the unthinkable choice of accepting abuse or not been able to provide the basics for their children.



Imagine packing your twin girls aged 7 into a car and fleeing.

A new life begins, built out of stoic determination; resolve to be free from the violence, the yelling, the threats and the fear.

A small but safe home was their shelter, their sanctuary, the girls could sing and laugh, and it was never too loud.

Goodnight meant a good night.

Mum was not yet in paid work, she needed to be nearby and did volunteer work at the school. It kept them close and for these girls this meant safe.

Imagine losing it all because the girls celebrated their eighth birthday and mum was denied the parenting payment. She could not afford to keep her house.

Child-support

In the best interest of the children

The current child support system in Australia is enabling the non-payment, part-payment and late payment of owed child support, leaving many single mother households struggling to cover the full or majority of the costs of raising their children. Inarguably, these costs should reside with both parents, as they would if the family were together.

- **Child Support Collect:** Department of Human Services - Child Support determines the child support amount using the statement formula that requires the income of the payee and payer, the ages of children and the percent of care. It is the role of the DHS to transfer the payment between parents for the benefit of the care and wellbeing of the children.
- **Private Agreement:** Department of Human Services Child Support determined the amount of child support using the statement formula, but the transfer is completed privately between parents. Child Support Agency actively encourage the Private Agreement, which now exceeds child support collect (52% Private Agreement versus 48% Child Support Collect) [See page 67 of DHS Annual Report 2015-2016](#). NCSMC always advises women to use child support collect as there are too many hazards associated with Private Agreement.

Department of Human Services in their submission to the House of Representatives Standing Committee on Social Policy and Legal Affairs stated that 37% of cases (271,775 cases) of Child Support transferred was in the 0 to \$500 per annum bracket. It further reported that the Department was responsible for collection in 138,359 of these cases (Child Support Collect), while 133,416 are Private Collect. Of the 138,359 Child Support collect cases which means that it is the responsibility of Department of Human Services - Child Support to transfer money, 60,839 cases (46%) are in arrears.

Debt as at August 2014:

- \$977 million of the total debt is associated with domestic cases;
- \$388.6 million is associated with international cases;
- \$178.1 million of debt is less than 1 year old;
- \$608.9 million is between 1 year and 5 years old;
- \$375.2 million is between 5 years and 10 years old; and
- \$203.3 million is older than 10 years.

It is important to note that commentators do not accept the stated debt figures as correct and describe the statistics as 'air brushed'. The Department only records and report on the debts that arise from a Child Support Collect agreement which is 48% of their cases and not debt from Private Collect (52%), as the Department assumes that payments within Private Collect are transferred in full and on time.

State Guaranteed Payment: The Child Support Agency should ensure that the enforceable child support liability is paid to each payee whilst the Agency collects the payments from the payer. This payment would then occur on time and in full irrespective of the payer's approach. This would immediately remove the financial impact of non-payment, late or sporadic payments upon the resident mother and their children. Furthermore, it would sever the use of child support as an avenue

to practice abusive and controlling behaviour (as the payment is guaranteed). We note that mothers who have left violent men state that high levels of unpaid child support can be an intended outcome from abusive and controlling ex-partners. This policy was a recommendation from the Inquiry and can be found in the Committees report, 'From Conflict to Cooperation – Inquiry into the Child Support Program'. The Committee recommends that the Australian Government:

- examine the social and economic impacts in other jurisdictions of a limited child support guarantee system, conduct modelling to assess if there is capacity to apply such a limited guarantee to the Australian context, and then consider the feasibility of conducting a trial of a limited guarantee for either vulnerable families or for a random sample of Child Support Program clients. [Recommendation 25](#) (pg14)

Non-lodgement of tax returns: Australians with an enforceable child support liability must lodge an annual tax return as per prescribed dates or use the DHS portal to confirm non-requirement to lodge. The lodgement of a tax return should not be negotiable and have no legal recourse. The perennial issue of not having an accurate and timely assessment of income corrodes the overall effectiveness of the Child Support Scheme. We note the default assessment (²/₃rd MATWE or the last known lodgement) acknowledges these concerns as it attempts to address this matter but is inadequate, and the practice erodes the efficacy of the scheme. Furthermore, a debt to the government, mostly from payees (receiving mothers) can be an outcome of reconciling a 'self-assessment' against the actual income. This matter featured in the '**From Conflict to Cooperation – Inquiry into the Child Support Program**' report:

The Committee recommends the Australian Government amend current policy to ensure that the penalties applicable to the non-lodgement or late lodgement of tax returns are enforced for all clients of the Child Support Program. The penalty should allow for defences where the individual has a reasonable excuse for non-lodgement, such as circumstances outside their control. Consideration should also be given to the annual indexation of the penalty. A working group comprising representatives of the Australian Taxation Office, the Department of Social Services and Department of Human Services should be established to recommend the size of the penalty. Recommendation 7 (page 5)

The Australian Government stated that they 'agree in-principle with this recommendation'.

The Government will investigate the best ways to ensure the lodgement of tax returns as part of the support of the Child Support Program. This will include an examination of the way in which the current penalty regime is enforced and how it could be improved, including the regularity of enforcement, and the nature and size of the penalty. The Government will also examine other measures aside from penalties that may encourage compliance.

NCSMC attended the national plan to reduce violence against women and their children consultations in Adelaide on 17 September 2018. There is a nexus between the postseparation violence abuse and or control and the flaws in the current child support scheme. It is manifested within sporadic, partial and/or non-payment of child-support. The current child support scheme will allow a payer to hide their actual income through accepting a 'provisional income' which can span years and not enforcing the lodging of an annual tax return.

Tuesday, 18 September 2018, NCSMC did a post on the National Plan to Reduce Violence against Women and Children and child support. Within 24 hours this post had reached 2,149, there were 18 comments and 18 shares. Child-support and its nexus with postseparation violence is a compelling topic for the women who are affected, and they are urging NCSMC for their voice to be heard. Below are some of the statements lifted from the post which is on our NCSMC public page

This is so overdue and urgently needed. Government departments put woman and children escaping DV at further risk by failing to investigate issues properly and asking victims to put themselves in more danger to collect "evidence" for these departments ie child support.

Legislation needs to be changed so that the Tax Office, Centerlink and Child Support work together to obtain this evidence instead of asking at risk woman to put themselves in more danger if they would like child support to actually do their job, and help keep single parent families out of poverty.

Why can't we do what other countries do & have the government pay child support & then collect from the parent?

The first step to reduce dv is to reinstate pps (parenting payment single) for all single parents until youngest is 18. No one will leave dv to be put on the dole.

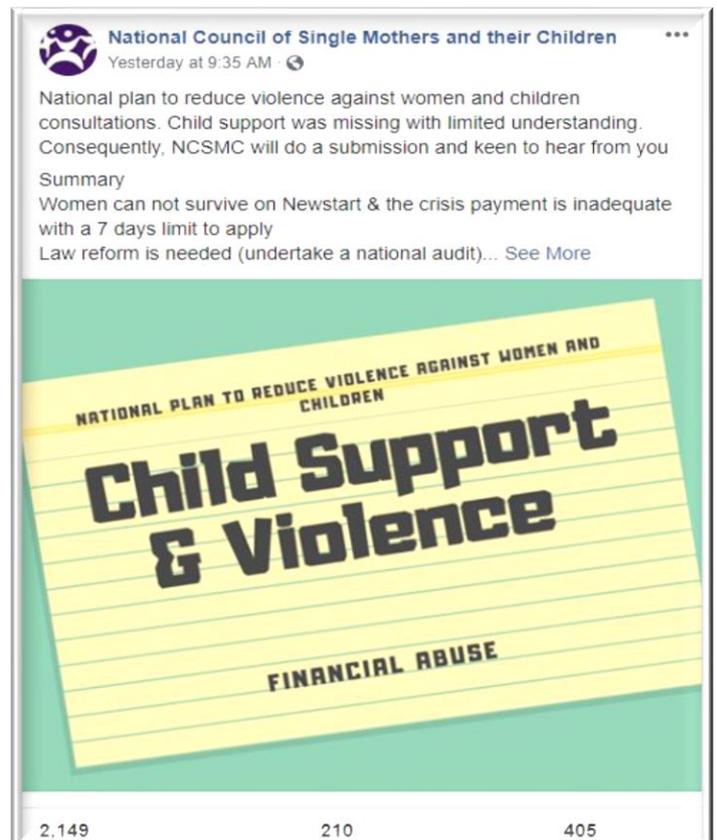
They need to have more consequences for people refusing to pay child support and avoiding CSA and ATO.

The process in itself is abusive-litigation abuse from the government and allows the itself to be used as yet another tool to continue domestic violence and to top it off the perpetrators are rewarded for their efforts

Financial abuse via not paying child support is a common manifestation

My ex threatened to take his life coz I asked him to pay the child support he owed

They have known its financial abuse for many years. They choose not to change it as laws are all made by men for men.



Tell it like it is

Financial hardship and children

In preparation for a recent inquiry known as into generation welfare dependency NCSMC facilitated a national online survey, *Financial Hardship and Children* and we have included the responses to two critical questions along with unsolicited statements from the respondents. It is appropriate for this information to be contained in fourth action plan consultations as eloquently stated by respondent in the survey;

It's hard to separate the impacts of the financial with the other impacts of family violence.

It is worthy to note that 20% of the respondents estimated that their income was \$20,000 per annum or less, whilst a further 35% stated that their annual income was between \$20,000 and \$30,000. This financial hardship is gendered, with 99% of the survey respondents were women, of whom 95% had dependent children under the age of 16 years. Furthermore, 56% of the respondents stated that their child had needs or disabilities that require substantial extra parenting time and attention either all of the time (21%) or sometimes (35%).

Which of these have you child/ren experienced in the last 12 months due to financial distress?	
None	9%
Limited or reduced engagement in preschool care	9%
Went to school with non-nutritious or unsatisfying lunches or recess due to cost, eg not having a filling for sandwich	36%
Did not go to school because of the cost of bus fare, lunch etc	14%
No longer participate in sport or activity due to inability to pay the uniform, equipment, fees ect	60%
Did not attend school camps or other out-of-school activities	34%
Spoken about, or is thinking about, dropping out of school due to cost	13%
Hidden school notes that require money	23%
Declined invitations such as birthday parties, sleepovers, or sport evening events ect	38%
Limit or don't have visitors to our house	66%
Reduced contact with extended family members due to cost	43%
Reduced or had periods of no heating or cooling	48%
Reduced access to Internet despite education needs	20%
Reduced or ceased mobile phone (age appropriate) despite safety concerns	27%
Missed medical appointments or other healthcare/therapeutic needs	49%
Experience increased conflict in the house because of financial hardship	46%
Exposed to conflict over the non-payment, the minimising and/or the sporadic payment of child support	47%
Poorly fitted or inadequate weather protective items (example warm coat for winter/sunblock for summer)	30%
Miss events as we don't have a car or limit use due to cost	38%
Have given up or can't have a family pet	24%
Lived in insecure, unsafe housing or and suitable housing	34%
Moved away from friends and family due to housing cost	19%
Homelessness	13%
Gone hungry, forced to skip meals	22%
Exposed to domestic violence, not having enough money to leave and or forced to return	17%

What women said

We are terribly isolated, and I live with my elderly father so when I can't buy all we need I need to choose between food, medicines and bills. We never have extra money to invite our friends over. My elderly father covers some costs out of his little pension that I need. I want to give it back as he starts cutting his activities and then he gets a bit depressed, but I just cannot give him any extra money to assist him. It's little things like petrol or money for an activity, it's really sad. Though I am always thankful my situations not at desperate as many of my other single parents.

I can survive but live pay check to pay check and have accumulated debt, much of which was accumulated when I was in a relationship but is now all mine since separating. We have been forced to move five times in five years.

Suffer financial hardship and cannot afford the necessary medical expenses. I have delayed the recommended medical investigation due to expense and fearful of the consequences.

Eight court appearances for DVO which all were contested by the perpetrator and then granted, this occurred over eight months. It restricted my work and I was forced to leave university to deal with the continued court appearances. The trauma of the court system has impacted the children immensely as they feel helpless. They need to take time off school and to be cared for when I'm forced to attend court. They witness me being controlled physically and financially and they now live the effects of that financial control.

A promised Christmas gift became a June birthday present because of pressing essential costs.

I, the mum, skip meals and blame it on a diet but make sure my kids don't go without a meal.

Unable to pay school fees due to loss of job from injuries from a domestic violence attack.

My children were exposed to domestic violence and abused but we were the lucky ones as we could leave.

What is the consequence of the financial hardship as experienced by your child/ren?	
No outcome	7%
It will limit their education outcomes	32%
It prohibits them from pursuing their talents and passions	65%
Their social development is restricted due to our finances	56%
Negative effect on their health and wellbeing	47%
They feel poor and have self-esteem issues	48%
They take on the stresses of living with hardship	49%
They have learnt to fudge the truth with their peers	31%
They have learnt to lie or hide their feelings of sadness from me	40%
There is increased conflict in the house due to financial hardship	35%
They have experienced insecure, unsafe or unsuitable housing	33%
They have been forced to move due to housing cost	13%
They have experienced homelessness	14%
They have less capacity to forge strong friendships with peers	33%
They miss out on small but expected childhood events such as sleepover, birthday parties and are more socially isolated due to financial hardship	47%
They are conscious that they look poor, clothing is always or mostly second-hand, and they limit their own social engagements	29%
They miss out on parenting time and nurturing because of my need to be in more paid work than is good for our family	50%
They experience sadness due to financial hardship	48%
They experience anxiety and/or depression due to financial hardship	47%
They have been bullied due to financial hardship	20%

What women said

Cold due to the cost of heating our home.

They miss out on parenting time due to study commitments (to hopefully gain employment).

My children are alone FAR too often because I need to work. My eldest is only 12 years old and my youngest is 8 years but he can't even go to after school care because as a high school student he is not able. So, he sits at home, alone, for hours a day. When I eventually get home from work, exhausted, and having to then do household chores, help with homework and run errands I have no time left to just be with my children. We miss out as I cannot spend quality time loving them. The guilt I feel about this brings me to tears. But I have to work. Someone had to pay rent and bills. With NO financial or physical support from their father. I'm just at a loss on how to do it all alone?

Financial hardship has been largely due to excessive legal fees, over \$100k and several years. We frequently move to a new house for safety reasons as our family was affected by family violence. It's hard to separate the impacts of the financial with the other impacts of family violence.

My youngest child is autistic, and I can't afford to pay for his psychiatrist or the medical reports to give to his school. Because the school hasn't received the reports they refuse to acknowledge his autism and he doesn't receive the proper assistance at school. As a result, he only attends school for 2 hours per day.

They have learnt not to ask for stuff, they go long periods of time without any new clothing, takeaways or family outings

May limit their education outcomes. We have no \$ to fix broken window in kids' room and it is boarded up. Our car has also died.

In the shadow of these very real and harrowing illustrations the National Council of Single Mothers and their Children Inc have been buoyed by the knowledge that the role of accessing adequate income is realised as a direct correlation between women seeking safety, women remaining safe and the resources required to protect their children. We further trust that the current loopholes within the child-support scheme will be addressed severing this national policy as a 'perpetrators enabler' to commence or continue postseparation violence.

In closing the National of Single Mothers and their Children Inc heartily welcomes the fourth action plan and trusts that it will put a spotlight on the need for financial resilience and the central role it plays in equipping women and children to live free from violence. This submission not only brings families' lived reality but a raft of evidence-based recommendations that have the potential to make significant advancement.

This matter is close to our hearts and if I can further enrich the consultation process please do not hesitate to contact me.

Warm regards,

Terese Edwards

A handwritten signature in black ink, appearing to read 'Terese Edwards', written in a cursive style.

Chief Executive Officer