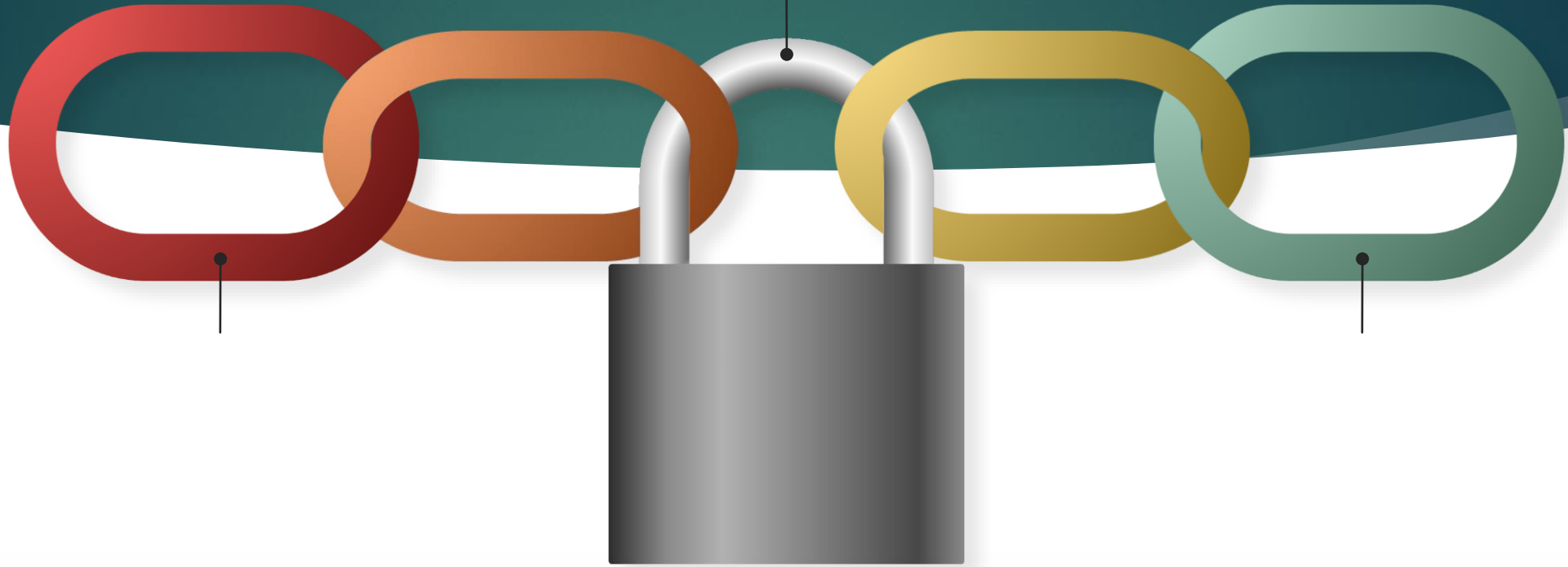


# System Fatigue System Failing



**Australia's Child Support Scheme**



Gender  
Invisibility



Institutional  
Power

Australia's Child Support Scheme (the CSS) facilitates the assessment, collection, and transfer of child support payments between separated parents to ensure that children are adequately financially supported. Significant public policy influencing the lives of almost 10% of the Australian population – including one million children and approximately 1.25 million parents.

# Current Context

## Child support: 'When we interview women, they cry and cry and cry'



▲ 'Nobody cares about child support whatsoever in the academic world.' Photograph: Quim Roser/Getty Images/Cultura RF

Many women and children living in poverty are not receiving adequate child support. Experts question the political will to change it



May 2019

<https://www.theguardian.com/australia-news/2019/may/09/child-support-when-we-interview-women-they-cry-and-cry-and-cry>

DECEMBER 2019

## DEBTS AND DISAPPOINTMENT: MOTHERS' EXPERIENCES OF THE CHILD SUPPORT SYSTEM



[https://researchbank.swinburne.edu.au/file/8e625e6a-3ae4-40d1-a426-474bba91d620/1/2019-cook-debts\\_and\\_disappointment.pdf](https://researchbank.swinburne.edu.au/file/8e625e6a-3ae4-40d1-a426-474bba91d620/1/2019-cook-debts_and_disappointment.pdf)

# Low Hanging Fruit

## Child support dodgers: 'make them file a tax return'

Stephanie Smail

Broadcast Thu 18 Aug 2022 at 11:30am



## Tighten tax system to target child support avoidance: single parents



By Shane Wright  
August 18, 2022 – 5:00am

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Single parents are pressing the federal government to overhaul child support by bringing into the tax system tens of thousands of partners who are avoiding their obligations by failing to declare their real incomes.

In a plan proponents say would also benefit the federal budget, single parents and anti-poverty groups believe the new government has an opportunity to end a practice critics say is akin to stealing from some of the poorest children in the country.



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“We just need the Tax Office and the Child Support Agency to ensure that people (mostly men) owing child support lodge their tax return annually. This is a very simple fix that will reduce child poverty,”

At least 200,000 people (mostly men) who owe child support have failed to submit a tax return for more than two years and more than 16,000 for more than 10 years.

It is gendered

Social Security & Child Support.  
Conditionally – long, sad, history

Widows Pension 1941

Enactment of the scheme – new SS  
legislation

Maintenance Action Test (MAT). Child  
Support payments reduce the amount  
of Social Security payments receive  
through the application of the  
Maintenance Income Test (MIT).

(Family Payments & Rent Assistance)

Fail.... the MAT, you are only eligible  
for the base payment rate of Family  
Tax Benefit Part A. Currently 11.8% of  
the child support population have  
failed the test.

What is less known, is the  
circumstances surrounding that failure.  
It remains a possibility that women  
have failed a test that they did not  
know existed.

Family payment debt

“It is a scandal that we don’t know the total amount of what is owed to children.

What we do know is that of the 330,000 parents in the Agency Collect scheme, 33% have a debt that is more than one month old, a significant increase from 24% in 2015-16. We estimate that debt (which excludes amounts collected privately or written off) is likely to be closer to \$2 billion,” said Anti-Poverty Week ED Toni Wren.

Select Committee on Australia's Family Law System stated that.

“The committee is concerned that Australia currently has a \$1.6 billion child support debt, and that this figure is trending in the wrong direction. Further, the committee notes that this already large amount may not even represent the true extent of child support debts as it does not account for Private Collect debts and those which have been written off.

The committee agrees with the assertion made during the inquiry that parents' non-compliance with their child support obligations is equivalent to stealing from children. The committee believes that urgent action must be taken to reduce the existing child support debt levels and to promote the ongoing prompt payment of assessed child support.”

Not everyone on the committee was happy



## Agency Collect

What we do know is that of the 330,000 parents in the Agency Collect scheme, 33% have a debt that is more than one month old, a significant increase from 24% in 2015-16.

We estimate that debt (which excludes amounts collected privately or written off) is likely to be closer to \$2 billion,

## Private Collect

- Promoted by SA
- 50% of families are in the Private Collect Scheme as of March 22.
- Starts off at 60+%
- No records of debt
- 3 months collection for women
- Social security can be reduced on 'assumption'

Private Collect – full disclosure & at least 12 months of 'paid on time & in full'



## OTHER MATTERS

Women comprise 85% of payees and 70% of payees have care of the children, the vast majority of time (more than 86% of the year).

- ▶ As recently as March 2022, nearly one third of child support is assessed at the minimum rate of less than \$10 a week (and 60% are for less than \$100 a week) and penalties for late payment (if received), go to the Federal Government, not the children.

Child poverty is unacceptably high in Australia, with more than one in six children growing up in poverty, diminishing their lives now and in the future.

Nearly half the children in sole parent families live in poverty (44%) compared with 13% for children living with both parents. In single parent families in which the main earner is a woman the rate of poverty (37%) is twice that in which the main earner is a man (18%).



Gender  
Invisibility



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Enforce tax return lodgement

Review harsh interaction of FTB and child support. Family payments and rent assistance are reduced when women receive child support of \$1,697.25 per annum. This is unacceptably low and we point to [the other payment?] income test which commences at \$58,108 per annum.

Improve information so that parents know they can elect Agency Collect

For women in receipt of Agency Collect child support payments, make the Disbursement Method the default FTB(A) calculation method.

Financial Abuse



## Gender Invisibility

Legal Assistance – support.

### Unpaid Care

24% discount

Limited safety mechanisms: The exemption not to collect child support is the only and the same protective mechanism since the enactment of the CSS despite greater awareness of financial abuse and family violence since 1988. Perversely, it also rewards the preparation of violence.



## Institutional Power

The lack of attention that the CSS is granted when entering into national policy discussion on matters of financial safety and security and or child poverty and wellbeing.

NCSMC argues that it reflects a deliberate policy stance which is disempowering for women.



Gender  
Invisibility



Institutional  
Power



Child Support Paid on time & in full reduces  
child poverty by 21%.