

Census Topic Review

GPO Box 9817

Brisbane QLD 4001

census.content@abs.gov.au

2021 Census

The National Council of Single Mothers and their Children Inc, along with the Council of Single Mothers Victoria, Friends of Sole Parents (NSW), Economic Security 4 Women and Associate Professor Kay Cook (Swinburn University) have identified a pressing need for data on the Australian Child Support Scheme. The child-support scheme has the capacity to provide financial certainty/ security to the primary household where children reside. In Australia, the clear majority (83%) of one-parent families with children or dependent students are headed by a single mother.

In particular we would like to know the following:

1. The number of Australian children or families that are eligible to receive child support and are formally registered with the Australian Child support scheme and where they reside,
2. The number of Australian children of families that are eligible to receive child support but are not registered with the Australian Child support scheme and where they reside,
3. The number of Australian children or families that are eligible to receive child support but due to safety concerns have forgone this process and where they reside,
4. Understand if where the payments are being made, whether they are made on time and in full, whether there is a debt,
5. If the child support payments are premised on 'actual earnings/ incomes' or if there are systemic concerns about the reliability of this information,
6. If parents believe that the payments reflect the current cost of raising children,
7. If customers of the child support system believe that it accounts for and/or should include the cost of providing care,
8. If Australians believe that child support scheme is operating in the best interest of the child.

The outcome of collecting these data would support a greater understanding of problems with the Child Support Scheme, which aims to ensure that children receive an appropriate level of financial support from parents who are separated. The child-support scheme was developed to address concerns that there were low levels of child support being paid by non-custodial parents, and that mothers encountered barriers, difficulties and costs when updating and/or enforcing child maintenance obligations through the courts¹. The Department of Social Services (DSS) has the responsibility for the administration of the child support legislation and works to develop and improve child support policy to enable more effective delivery of the scheme. The Department of Human Services (DHS) delivers the scheme and provides services to parents and carers. DHS assists parents to apply for a child support assessment and facilitates



National Council for Single Mothers and their Children Inc.

Eliminate and respond to violence, hardship and inequality for single mothers and their children

✉ PO Box 2238, Hilton, 5033
www.ncsmc.org.au

☎ 08 8354 3856

✉ ncsmc@ncsmc.org.au

the collection and transfer of child support payments. One of the difficulties with the scheme is that DHS assumes 100 per cent of payments that occur within a Private Collect Agreement, this is the majority (54%) arrangement and one where the Child Support Agency registers the agreement but the process of transferring a payment is managed between parents privately. There is research and anecdotal data that suggests that there is debt in these agreements, but information is not gathered by the DHS. There is also research and anecdotal data that suggests that the efficacy of the scheme can be undermined by an incorrect income assessment, which is highly problematic given changes to stable waged employment within emerging economies. The scheme allows for a continued 'estimated income'. There are levers to enforce an annual actual income for customers who access social security such as the suspension or reduction of income support, but its 'relaxed' for customers who have a higher income or self-employed and non-lodgement can span years. In 2013-14, there were 435,425 child support customers with outstanding tax returns which raises questions as to how this affects the child support assessmentⁱⁱ. The Child Support Agency appears complex and child-support customers report erroneous knowledge, people might not get what they are entitled to and then may get or be required to pay a lump sum, which can result in a family tax debt, an amount owed to the Australian government.

More exposure of this data would support DSS and DHS efforts to administer the scheme more effectively, by reducing the invisibility of problems within the system and understanding the characteristics of people with different types of arrangements. This would help the scheme to deliver on the problems it was designed to address and strike a fair balance between public and private financial support for children

The Census is the only place that will service the need for a national picture. The data collected through the Census would enable the number of all Australians affected by the scheme to be made visible, as well as enabling a much clearer understanding of the people that that may be eligible but are not registered with the child-support scheme and/or do not receive their child support. NCSMC remains concerned that vulnerable families through lack of knowledge, geographic location, safety concerns and/or or reluctance to engage with a large and complex system will be unknowingly financially disadvantaged. The Social Security System is designed to interact with the child-support system, not having a registered child-support arrangement is known as 'failing the Maintenance Action Test' resultant in minimum Family Tax Payments. The Census has the capacity to collect these data and the findings have the potential to identify important outcomes and learnings. The Census is the only place that could gather this information, providing the coverage that is required for exploration of the data at this level of detail.

Yours faithfully



Terese Edwards

Chief Executive Office

ⁱ E. McInnes, 2001, Public Policy and Private Lives: Single Mothers, Social Policy and Gendered Violence, Thesis Collection, Flinders University of South Australia,

ⁱⁱ Department of Social Services and Department of Human Services, July 2014 Submission 99 p70, Parliamentary Inquiry into the Child Support Program