

## Introduction

### Summary of findings

- 1.1 Australia's Child Support Program (CSP) has now been operating for over a quarter of a century. During the course of its life, over \$45 billion of child support payments have been transferred from one parent to another.<sup>1</sup> Today, around 1.3 million parents are clients of the program, with payments transferred to support the raising of about 1.1 million Australian children.<sup>2</sup>
- 1.2 The CSP is a central part of Government social policy. It is woven into the fabric of family support, having a strong and dynamic relationship with the family assistance system, family law, and taxation. The Program has been developed and refined over its many years of operation, and enjoys broad acceptance in the community.
- 1.3 Of course, many clients of the Program may wish that they did not need its assistance. Its mission is to help separating and separated parents to support each other in the raising of their children. When relationships break down, parents need to address many tough questions: amongst the most difficult is how to care for and support their children now that they are separated from the other parent.
- 1.4 The CSP is designed to provide administrative support, advice and financial adjudication for such parents, rather than leaving those parents to seek resolution in the courts. However, no administrative program can

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1 Mr Bruce Young, Department of Human Services, *Committee Hansard*, Canberra, 28 August 2014, p. 9.

2 Department of Social Services and Department of Human Services, *Submission 99*, p. 6.

fix the emotional and psychological results of a broken relationship, nor can it resolve differing priorities or approaches to parenting. Nonetheless, it has served millions of families, and has provided a framework for parents to negotiate and implement support arrangements.

- 1.5 Given the Program's history, and its comprehensive integration into social policy, the inquiry has often focussed on finessing elements of the program to improve responsiveness to client needs and to recognise the diversity of contemporary family arrangements. The recommendations in this report will make the CSP a more sophisticated and agile program, improving its service delivery and providing greater clarity to the assessment process.
- 1.6 One of the primary aims of this report is to promote mechanisms which may lessen the conflict between separated parents and to strengthen elements of the CSP that focus on children's wellbeing in a holistic manner. Consequently, the Committee has commenced with a focus on mediation: the next generation of Family Dispute Resolution services should include child support matters. The Committee has questioned the currency of parts of the formula underpinning child support calculations and concluded that work is required to ensure that the formula's 'universal inputs' are reviewed and up-to-date.
- 1.7 The Committee has developed a plan to take the CSP to a new generation of service, with sophistication in its communication, targeted support systems for victims of family violence and high-conflict families, and better systems to learn from the millions of decisions made in the program each year. The Committee has also made strong recommendations for better enforcement of child support payments, to protect the scheme from abuse and to protect children from poverty. In addition, the Committee has made recommendations for better enforcement of parenting orders, to minimise parental disputes around access issues.
- 1.8 The Committee has also made two recommendations directed at assisting the most vulnerable CSP clients. Firstly, the Committee has recommended that the Government create a specialist family violence unit within DHS. This is a substantial reform, and one that will ensure families who have experienced violence find the support they need from properly trained staff.
- 1.9 Secondly, the Committee has recommended that the Government explore a limited financial guarantee for some CSP clients. As directed by the terms of reference, the Committee has considered how to provide for the minority of parents for whom the standard child support processes do not work: the answer may be a limited guarantee. It is beyond the scope of the

Committee to determine how such a scheme might be designed or what impacts it may have. However, the Committee believes that the Government should conduct a thorough investigation which considers how limited guarantee schemes have worked in other countries, whether one might be appropriate here, and what its benefits and costs may be.

## The inquiry process

- 1.10 On 27 March 2014, the Minister for Social Services, the Hon Kevin Andrews MP, wrote to the Committee requesting an inquiry into the CSP. The Minister asked the Committee to inquire into:
- the methods used by the CSP to collect payments in arrears and manage overpayments,
  - the flexibility of the CSP to accommodate changing circumstances of families,
  - the alignment of the child support and family assistance frameworks,
  - linkages between Family Court decisions and child support policies, and
  - how the scheme could provide better for high conflict families.
- 1.11 In conducting the inquiry, the Committee expressed a special interest in:
- assessing the methodology for calculating payments and the adequacy of current compliance and enforcement powers for the management of child support payments,
  - the effectiveness of mediation and counselling arrangements as part of family assistance frameworks, and
  - ensuring that children in high conflict families are best provided for under the child support scheme.
- 1.12 The terms of reference also provide a general direction that the Committee:
- should assess whether any problems experienced by payers or payees of child support impact on the majority of parents and other carers involved in the system, or a minority, and make recommendations accordingly (e.g. there may be a case for specialised processes and supports for some parents meeting certain criteria).

- 1.13 Finally, it is important to note that the terminology used throughout this report is as general as possible: frequent references to 'parent' should be read widely, to include adoptive parents, guardians, grandparents, non-parent carers, kinship carers, and others who provide ongoing care for children.
- 1.14 The phrase 'best interests of the child' is used throughout this report. In using the phrase, it is emphasised that, along with financial support, a healthy, loving relationship with both parents that is not marred by conflict over child support is in the 'best interests of the child'. It should also be understood that the child's best interests are distinct from the best interests of the custodial parent, or of one particular parent over the other.

## **Community engagement strategy**

- 1.15 This inquiry touches on issues that are of significant importance to a large number of Australians. As a result, the Committee expected that there would be significant public interest in its inquiry, and recognised that many people would want to share their experiences and tell their personal stories to the Committee.
- 1.16 It was important to the Committee to ensure that everyone who wanted to participate in the inquiry could make a contribution and that the Committee could hear a wide range of experiences. To make it as easy as possible for people to contribute, the Committee provided multiple ways for individuals to share their views on the child support system.
- 1.17 In addition to the standard Committee practice of accepting submissions and holding public hearings, the Committee provided an online questionnaire, held numerous community statement sessions at which individuals could speak to the Committee in person or by phone, and received a large amount of correspondence in which members of the public shared their personal stories. The Committee estimates that almost 12 000 people contributed to the inquiry.
- 1.18 This section will provide some detail on the ways in which members of the community participated in the inquiry and give some examples of the valuable contributions they made in response to the inquiry's terms of reference.

## Questionnaire

- 1.19 The Committee created an online questionnaire to encourage as many people as possible to share their views on the child support system anonymously. The questionnaire was designed to be a convenient, accessible and flexible avenue for members of the public to contribute to the inquiry. It required very little time to complete and could be filled out at any time of day. The questionnaire was anonymous, which enabled people to speak freely about their own experiences without the need to be concerned about their, or their family's, privacy.
- 1.20 The Committee promoted the questionnaire so that as many people as possible could have the opportunity to complete it. The Committee issued a number of media releases highlighting the questionnaire, promoted it on social media, distributed information about it to stakeholder groups, promoted it through Ministerial correspondence and distributed material publicising the questionnaire at all of its public events. As a result, the questionnaire received national media coverage.
- 1.21 The questionnaire was launched at the beginning of May 2014, and remained online until early September 2014. During those four months, the Committee received approximately 11 300 responses. The questionnaire asked people about themselves and their experience of the CSP, using a series of multiple-choice questions and several opportunities to comment on different aspects of the CSP in their own words. It took approximately twenty minutes to complete.
- 1.22 The information provided by people who completed the questionnaire has proved very useful to the Committee. It has drawn the Committee's attention to aspects of the child support system which may require review, while also highlighting areas where the program is working well. Various forms of information from the questionnaire have been included in the report, including text boxes, tables and charts, and the Committee published a number of 'snapshots' over the course of the inquiry. When looking at the data included in the report, it is important to note that not all respondents answered all questions.
- 1.23 The questionnaire was not designed to produce scientifically rigorous statistical information, and so the Committee has not attempted to use it to design child support policy. Rather, the questionnaire provided valuable insights into the lived experiences of those interacting with the CSP. A concern was raised during the inquiry that people or groups might seek to influence the questionnaire's results by completing it multiple times. There is no indication that this has occurred.

## Who completed the questionnaire?

1.24 The questionnaire was completed 11 316 times in the four months it was online. Questionnaire respondents provided the following demographic information:

- 57 per cent of respondents were women and 43 per cent were men.
- 353 respondents (or 3 per cent) identified as Aboriginal or Torres Strait Islander.
- While 35 per cent of respondents had one or more parents who were born overseas, only 418 respondents (or 4 per cent) said that English was not their first language.
- 79 per cent of respondents said they currently undertook paid work, while 21 per cent said they did not. 16 per cent of respondents said they undertook unpaid work.

Table 1.1 Age of questionnaire respondents

Age range	Responses	Percentage
18 – 25	296	3%
26 – 35	2307	20%
36 – 45	4976	44%
46 – 55	2965	26%
56 – 65	620	5%
66 – 75	136	1%
76 – 85	7	0%
86 or older	9	0%
<b>Total</b>	<b>11316</b>	

Figure 1.1 Age of questionnaire respondents

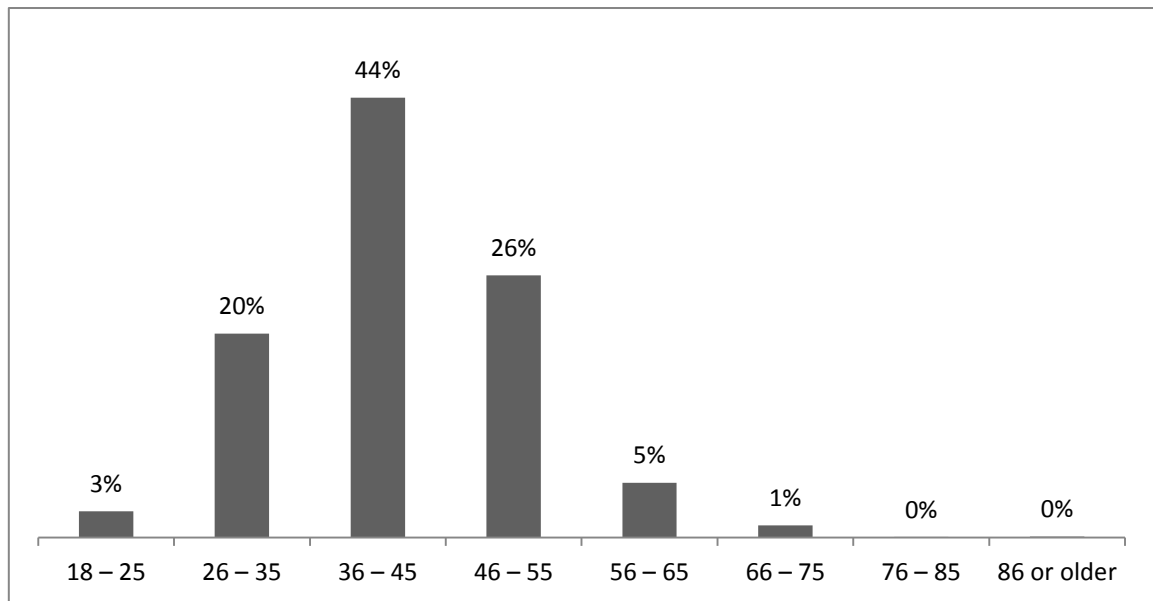


Table 1.2 Employment status of questionnaire respondents

Do you do paid work?	Responses	Percentage
No	2376	21%
Yes	8807	79%
Total	11183	100%

Figure 1.2 Where questionnaire respondents live

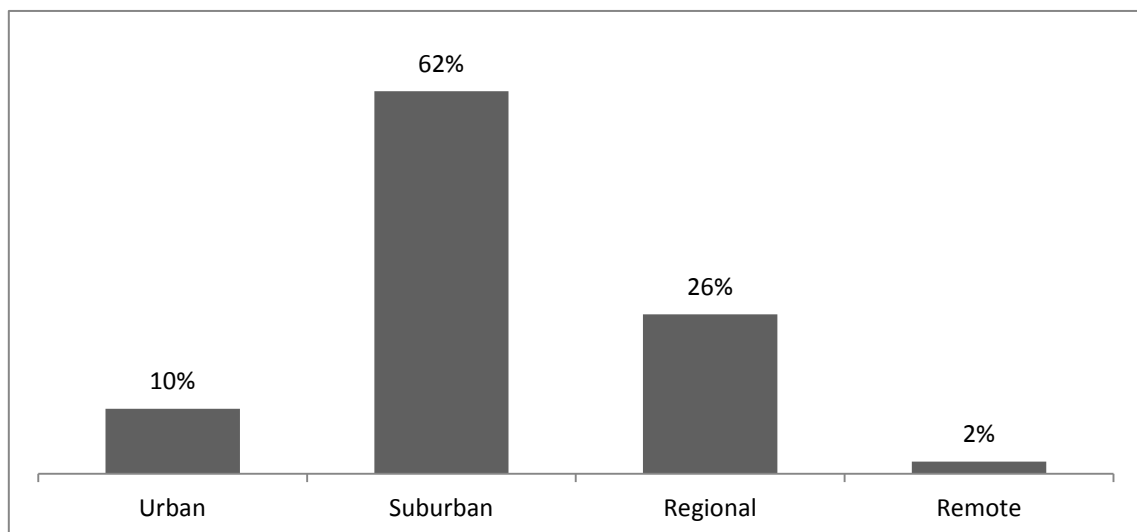
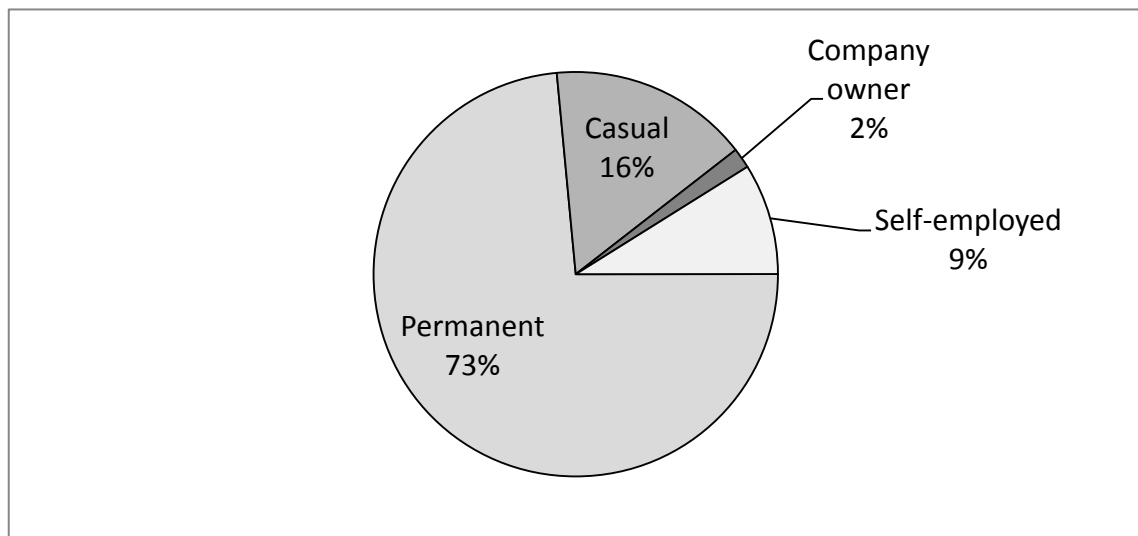


Figure 1.3 Type of work done by employed questionnaire respondents



## Community statement sessions

- 1.25 The community statement sessions gave members of the public the opportunity to talk to the Committee directly, either in person or by teleconference. The Committee decided to hold the sessions so that it could hear first-hand how the CSP affects the lives of Australians, and to hear from people with a personal experience of the CSP about how it meets their expectations or how it could be improved.
- 1.26 The Committee was aware of the very high levels of public interest in the inquiry, and expected that large numbers of people would wish to participate in the sessions. As such, the Committee asked for expressions of interest (EOIs) from members of the public who wished to take part, aware that it would not be possible to offer a place to all individuals. More than 1500 EOIs were received in less than two months. EOIs were received from every state and territory, as well as from countries in Europe and North America.
- 1.27 So that the limited places could be allocated as fairly as possible, the Committee used a randomised selection process and issued invitations to EOIs on the basis of that process. Many people who were invited to participate declined the invitation, and so the Committee continued issuing invitations according to the randomised process until all places were filled. For some sessions, the Committee issued invitations to more than five times the number of individuals who eventually accepted the invitation to participate.
- 1.28 The Committee heard statements from a geographically diverse cross-section of the Australian public. Community statement sessions



were held during public hearings in Sydney, Brisbane, Melbourne, Hobart, and Adelaide. The Committee also held three sessions in Canberra, at which participants from the ACT appeared in person, while participants from North Queensland, Western Australia, the Northern Territory, and regional NSW appeared by teleconference. In total, the Committee heard from more than a hundred people during its community statement sessions.

Table 1.3 Community Statement Session Participation

State	Expressions of interest	Community statement participants
ACT	33	4
NSW	450	38
QLD	372	14
VIC	354	14
TAS	42	10
SA	103	14
NT	15	1
WA	169	10
<b>TOTAL</b>	<b>1538</b>	<b>105</b>

- 1.29 Community statement participants were invited to address the Committee and to share their thoughts on the CSP. Participants were encouraged to be constructive and to focus on how they thought the CSP could be improved, as well as explaining how their personal experiences had shaped their perceptions of the CSP.
- 1.30 Each community statement was recorded and a transcript of it published on the Committee website. In order to safeguard the privacy of participants, their families and especially their children, speakers were identified by their first name only. Where participants inadvertently shared personally identifying information, the transcript of proceedings was edited to remove the private information.
- 1.31 The issues raised in these sessions were often deeply personal, and frequently involved discussion of difficult and emotional personal circumstances. However, almost without exception, community statement participants provided thoughtful and constructive contributions to the inquiry.

## Correspondence

- 1.32 In addition to the completing the questionnaire and participating in community statement sessions, many people took the opportunity to write to the Committee to share their personal stories about the CSP.
- 1.33 The Committee received personal stories from more than 170 people. Often, they contained detailed accounts of individual and family experiences with the CSP. The Committee carefully reviewed each of them, and has accepted them as part of the inquiry's evidence.
- 1.34 The Committee found valuable insights in these stories, but due to their private nature, they will be kept confidential. Though the stories – which are formally called correspondence – have not been published, they have been considered by the Committee as it prepared this report, along with all other evidence to the inquiry.

## Publicity, submissions and hearings

- 1.35 Since child support is an issue that generates many constituent inquiries to Members of the House of Representatives, the Committee invited all Members to promote the inquiry within their electorates. The Committee distributed material which publicised the inquiry and invited people to complete the online questionnaire.
- 1.36 The Committee issued a media release announcing the inquiry and the questionnaire, invited stakeholders in the child support system to make a submission to the inquiry, and publicised the inquiry via both traditional and social media. In the ensuing months, the Committee provided several updates on the progress of the inquiry, including a number of 'snapshots' highlighting responses to the questionnaire. In addition, the Committee's Chair and Deputy Chair appeared in several YouTube clips which provided further details on the inquiry's progress. These snapshots and YouTube clips are available on the inquiry website.<sup>3</sup>
- 1.37 The Committee received 130 submissions, 24 supplementary submissions and 30 exhibits, from government departments, academics and research bodies, judicial bodies, national legal groups, community legal centres, representative groups and individuals. It received more than 11 000 responses to the online questionnaire, accepted more than 175 pieces of private correspondence and spoke to more than 70 witnesses at public hearings in addition to community statement session participants.

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3 The inquiry website is at <http://www.aph.gov.au/childsupport>.

- 1.38 The Committee held 13 public hearings and community statement sessions in Canberra, Sydney, Brisbane, Melbourne, Hobart and Adelaide. Witnesses from Western Australia, North Queensland and regional NSW were heard by teleconference. In addition, the Committee conducted a site inspection at a Department of Human Services 'Smart Centre' in Melbourne.
- 1.39 Due to the potentially sensitive nature of the evidence to this inquiry, the Committee withheld the name of many submitters, and identified community statement session participants by their first names only. This practice was adopted to protect the privacy of inquiry participants, their families, and in particular their children.

## Report scope

- 1.40 Although the child support system is not perfect, it works well in the majority of cases. Data from studies conducted by the Australian Institute of Family Studies (AIFS) indicates that the majority of separated parents establish cooperative relationships with each other and meet their child support obligations.<sup>4</sup> Submissions from professional bodies also argued that the scheme usually works. National Legal Aid concluded that, despite the system's complexity, the CSP could be considered generally effective,<sup>5</sup> while similar conclusions were reached by Family and Relationship Services Australia, and the Queensland Law Society.<sup>6</sup>
- 1.41 These views are borne out by statistics on the collection of child support. An exact finding on child support payment rates is not possible, as the CSP does not track how much is transferred in 'private collect' child support cases, which make up more than 50 per cent of active cases. That being the case, AIFS research has found that approximately 90 per cent of payers and 75-80 per cent of payees reported that the amount of child support paid was as much as, or more than, the assessed amount. On that basis the AIFS concluded that 'most payers met (or exceeded) their obligations regarding payment amounts'.<sup>7</sup>

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4 Australian Institute of Family Studies, *Submission 50*, p. 47.

5 National Legal Aid, *Submission 57*, p. 2.

6 Family and Relationship Services Australia, *Submission 61*, p. 4; Queensland Law Society, *Submission 100*, p. 2.

7 Australian Institute of Family Studies, *Submission 50*, pp. 19-20.

- 1.42 Nonetheless, there are areas in which the design of the CSP could be improved, and areas in which its administration is not good enough. In particular, a substantial minority of CSP clients experience ongoing difficulty with the system. The challenge faced by the Committee is to propose changes to the CSP that generate positive outcomes for people who are experiencing problems with the system while not disrupting the ways in which the scheme is working well.
- 1.43 On that basis, this report will focus on identifying areas where the CSP could be made fairer or in which its administration could be improved without impairing the scheme's ability to deliver equitable outcomes to the majority of its clients.

## Report structure

- 1.44 This report consists of four chapters:
- Chapter 2 discusses the various contexts in which the CSP operates and the role of mediation in a child support context,
  - Chapter 3 examines the design of the program, including the formula and how it is applied to produce a child support assessment, and
  - Chapter 4 focuses on the administration of the CSP by the Department of Human Services.
- 1.45 Each chapter considers the evidence in detail, with Committee comment and recommendations included at the conclusion of each chapter.