Senate Standing Committee on Community Affairs

BUDGET ESTIMATES - 2 JUNE 2011
ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Child Support Program Overpayments

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Senator: Fifield
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Question:

a) **Senator FIFIELD:** Going now to more core CSA responsibilities, how many clients may have received overpayments in 2010-11?

 Ms Godwin: What is your definition of an overpayment in that context?

 Senator FIFIELD: I guess someone who is a payee rather than a payer who may have received more money than they should have according to what has been agreed?

 Ms Godwin: I will just check my notes here. I am not sure that I have actually got numbers on the number of overpayments which can occur in a variety of circumstances. I am sorry, I do not have actual statistics. Can we take it on notice? I am not sure if we are able to answer it because of course an overpayment can appear and disappear as a result of a reassessment. An assessment that reduces the paying parent's liability may result in an overpayment. If the receiving parent then challenges that reassessment and the assessment reverts back to—

 Senator FIFIELD: It can get netted out.

 Ms Godwin: As I say, if I could take it on notice, but I am not sure precisely what we might be able to give you in that respect.

b) **Senator FIFIELD:** How many clients have been charged or deemed to have a CSA debt and then in the year to date have had that overturned on appeal?

 Ms Godwin: Debts are not overturned on appeal in that sense. There may be small numbers in litigation where a reassessment might result in a remit—

 Senator FIFIELD: Reassessment is the more appropriate term to use.

Answer:

a) In the 2010-11 financial year (up to 11 June 2011), 31,622 overpayments occurred on 25,485 CSP cases for a total overpayment amount of $12,148,508.94.

Overpayments occur for a number of reasons. The most prevalent reason is retrospective variations due to changes of income or levels of care and notification of terminating events, such as the death of a customer or loss of care by both parents. These retrospective changes may reduce the amount of child support owed to the receiving parent. Where child support has been paid in full, the result is too much child support having been transferred to the receiving parent.

Overpayments represent approximately 1.5 per cent of all Child Support Program transactions annually.

b) The Child Support Program is not able to provide information on the total number of overpayments that may have been reassessed and overturned. To obtain this figure, each overpayment case would need to be manually examined to identify the underlying cause of the overpayment and whether the affected parent sought a review of the action that led to the overpayment. This would be an onerous workload for the number of cases involved.