

Senate Standing Committee on Community Affairs

SUPPLEMENTARY ESTIMATES – 21 OCTOBER 2010 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Change of assessment / financial records

Question reference number: HS 21

Senator: Xenophon

Type of question: Written

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Number of pages: 2

Question:

- a) What services are available through the CSA for parents who wish to have a reassessment of the amount of child support paid to them?
- b) To what extent does the CSA examine a person's financial records when determining the amount of child support to be paid?
- c) What measures does the CSA have in place to ensure that parties are paying the correct amount, and are not doctoring or providing misleading information about their finances?
- d) Of the cases assessed each year, can the CSA provide the number that require higher than average levels of investigation into a person's financial records?
- e) Of the investigations conducted into a person's financial records, what percentage are found to be misleading?
- f) Does the CSA employ or contract forensic accountants to assess these types of records?
 - If so, how much is spent on forensic accountants, and how many staff?
 - Are the services of forensic accountants available to CSA's clients through the CSA? If not, are there any plans to provide this service?
- g) Does the CSA acknowledge that there are cases when the services of forensic accountants may be required, and that such services may be out of reach for people on a limited income?
- h) What other services does the CSA have for assisting people in this position, if they cannot access forensic accountants?

Answer:

- a) Customers can apply to have their assessment changed under the Change of Assessment (COA) provisions if in their view their special circumstances are not adequately reflected in their child support assessment.
- b) The CSA principally relies on taxable incomes obtained through the Australian Taxation Office (ATO) in assessing the amount of child support payable. However, where a parent applies for a COA, the CSA requests financial information from both parents and conducts searches of income and investments from various sources to understand the parents' income, property, financial resources and earning capacity.
- c) The CSA has a Memorandum of Understanding (MoU) with the ATO to enforce tax lodgement for customers who have not voluntarily lodged their relevant Income Tax Return. As part of a COA review, the decision maker may determine the customer has a higher or lower capacity to pay compared to their taxable income.
- d) In the 2009-10 financial year, the CSA finalised 20,151 COA applications. Of these approximately 60 per cent of applications required a higher level of investigation into a person's financial records.
- e) It is not possible to provide information about cases regarded as "misleading" as CSA does not categorise COA applications in that manner.
- f) CSA does not currently employ forensic accountants. CSA has, on one occasion, used the services of a forensic accountant to assist the Australian Federal Police execute a warrant seizing computer images.
- g) There are a small number of COA cases that are highly complex and S98 E of the Child Support (Assessment) Act 1989 enables CSA to refuse to make a determination due to their complexity. 120 cases of 20,151 cases finalised in 2009-10 were refused on this basis.
- h) The CSA has relied on S98 E, Child Support (Assessment) Act 1989 to provide the necessary safeguard for customers in cases which involve highly complex situations.