

Senate Finance and Public Administration Legislation Committee

ADDITIONAL ESTIMATES – 9 FEBRUARY 2010 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Litigation action to recover payments.

Question reference number: HS59

Senator: KROGER

Type of question: Written

Date set by the committee for the return of answer: 26 March 2010

Number of pages: 2

Question:

- a) How many legal proceedings were initiated by the Child Support Agency this financial year?
- b) How many legal proceedings were initiated by the Child Support Agency during the financial year before the Improving Compliance program was introduced?
- c) What has been the rate of success in litigation this financial year?
- d) What proportion of cases were settled out of court – that is, before the commencement of a trial?
- e) How much did the Child Support Agency pay in legal fees this financial year?
- f) How much did the Child Support Agency pay in legal fees during the financial year before the Improving Compliance program was introduced?
- g) What is the total value of payments which have been enforced by this litigation?

Answer:

- a) 399 cases have been commenced this financial year.
- b) Prior to the establishment of national reporting of litigation from 1 July 2008, manual data was maintained by each state. Consequently reporting was inconsistent and no reliable data on legal proceeding case numbers is available for the 2006 financial year.
- c) Total debt has been reduced by \$7.41 million for all litigation cases under active management this financial year. Currently there are 720 cases under active management.

All outstanding debt has been paid in 279 litigation cases this financial year.

- d) A Letter of Demand has been issued in 399 cases this financial year. Court action does not proceed where a customer complies with a Letter of Demand. Of these 399 cases:
- 264 (66.2 per cent) have fully complied with the Letter of Demand through payment of a lump sum or establishment of a satisfactory payment arrangement; and
 - 135 (33.8 per cent) have not complied with the Letter of Demand and an Enforcement Summons has been issued. Of these 135 cases where an Enforcement Summons has been issued:
 - i. 15 (11.1 per cent) have paid all outstanding debt; and
 - ii. 120 (88.9 per cent) continue to progress through the various stages of litigation action.
- e) As of 31 January 2010, \$1.71 million was paid in legal fees.
- f) For the 2006 financial year, \$3.48 million was paid in legal fees.
- g) For the period 1 July 2009 to 28 February 2010, total debt reduction is \$7.41 million.