



# FOR LOVE OR MONEY

## Is the child support system working?

Story: Pip Blackwood

**M**oney. Not a topic many people feel comfortable discussing. Add children and ex-partners into the conversation and tensions can start to rise. Child support is an issue where the emotions of relationships and the realities of bank balances collide.

Child support isn't just difficult for people financially. The strain of dealing with the system can take its toll. Complicated assessment processes, conflicting advice, communication breakdown and allegations of system bias make money just the tip of the iceberg. While the focus seems to be on frustrated mums and dads, little attention is given to the children whose needs are the central aim of the scheme.

Some of these frustrations have been spelt out by respondents to a questionnaire on the issue. Reflecting on the negotiation process, one respondent said, "there has been no ease in arranging child support, it has taken many phone calls, arguments and tears to arrange anything". Yet on the other side of the spectrum, another respondent noted their negotiation was "relatively easy due to maintaining a good relationship with my ex".

The questionnaire, which received over 11,000 responses, was conducted by the House of Representatives Standing Committee on Social Policy and Legal Affairs as part of its inquiry into the child support system. The inquiry is examining what sort of problems the 1.3 million Australians who pay or receive child support face; including consideration of better ways to manage late payments, the flexibility of the system, and provisions and protections for children in high-conflict families.

Nearly as many children as adults are in the child support system. About 1.1 million Australian children are covered by child support. The majority of these are kids under 12 years of age. The average annual payment is \$4,400 but in over 36 per cent of cases, it's less than \$500.

Introduced in 1988, the Child Support Program (CSP) aims to alleviate poverty of sole parent families and create a fairer balance between the public and private support of children. Administered by the Department of Human Services (DHS), the program aims to ensure that both parents contribute to the costs of their children.

George Christensen (Dawson, Qld) is the committee Chair leading the inquiry.

"The Child Support Program assists families at moments of great stress, and it is designed to focus on the needs and costs of children. The committee wants to look at the way it operates, to ensure that it works for all families and to see if it is flexible and supportive enough to deal with the range of different family situations," he said.

Being such a personal issue, the inquiry committee wanted to hear directly from people with a lived experience of the child support system. The online questionnaire was developed to help the committee hear from a broad range of people and feedback from respondents ranged from reflective to frustrated. Although not a statistical tool, the questionnaire has been useful in illustrating many of the recurring themes of the inquiry: communication between separated partners and communication with DHS, how the system meets the changing life circumstances of users, and whether the system is fair.

One respondent questioned if the payment calculation is ultimately fair on him. He said, "My ex-wife has remarried, and I am still paying the full rate of pay. Why aren't the assets/income of the parent's partner/husband/wife included?"

The committee has heard how both mothers and fathers alike feel the system is inherently biased against them. Committee Chair George Christensen says there have been allegations of DHS favouring the primary carer, who is usually the mother.



Questions from parents about the fairness of the system rarely centre on the children involved.

“There have been allegations where DHS has assessed the paying parent to one standard but not upheld those similar standards to payees,” he said.

Petula Broad from the Hobart Women’s Health Centre disagrees. Her submission calls for a culture change within DHS.

“Single fathers in our culture are seen as heroes, while single mothers are vilified... many women allege

misogyny from both male and female DHS child support workers,” she said.

Claims of manipulative mothers versus deadbeat dads aside, it gets further complicated if a separated parent re-partners. This means parents who have more than one child support case can be a payer in one instance and the payee in the other.

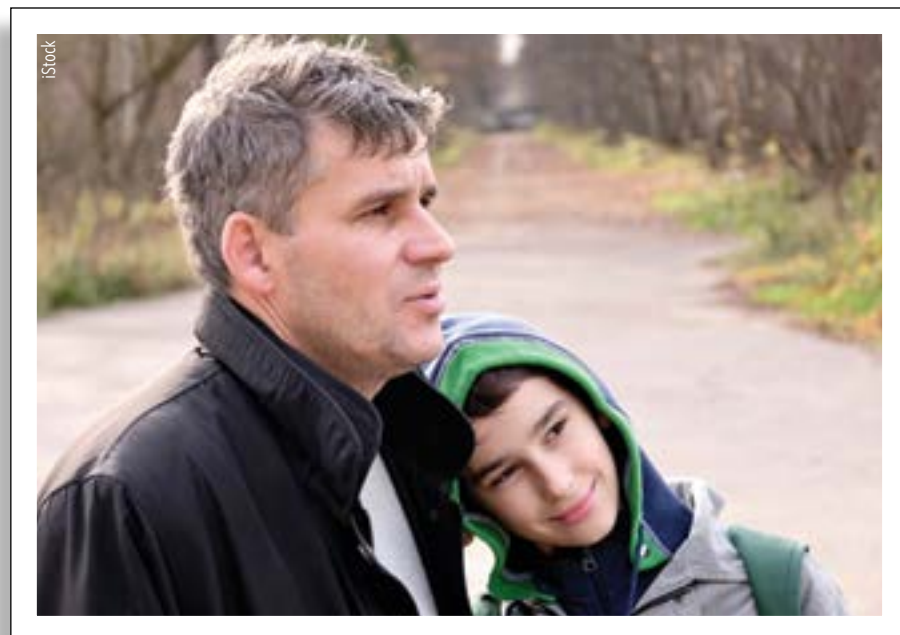
Questions from parents about the fairness of the system rarely centre on

the children involved. Child support, by virtue of its own name, is meant to be payments for children. But the language of the system is very much focused on parents. Many of the submissions have called for a shift in this framework so that the child support system is based on the rights of the child.

Dr Kristin Natalier, a senior lecturer in Sociology at the University of Tasmania, argues that making the best interests of the child the paramount consideration in informing policy and practice is a long standing family law and policy principle.

“Balancing the interests of both parents is an appropriate aim of the child support scheme, but this must always be subordinate to the best interests of the children of the relationship,” Dr Natalier said.

The scheme uses a formula that considers parents’ incomes, the number



**► COMMUNICATION:**

Communication is a recurring theme in the inquiry not just how agencies communicate with each other but how they communicate with clients who use the system.



About 1.1 million Australian children are covered by child support. The majority of these are kids under 12.

of children and the cost of raising them, and how much care each parent provides for each child.

Parents have two options for how payments are collected. The majority of users opt for private collect. This is where the payee collects the payments directly from the payer. Under a private collect arrangement, DHS issues assessment notices but does not keep a record of what payments have been made or what debt is owed. Alternatively, if a payee is having difficulty with the private collect system, they can have DHS collect payments for them. The payer must make payments to DHS, who then passes them on to the payee. DHS keeps records of all transactions and can take action to enforce payments from payers in arrears.

On paper, the majority of the 1.3 million separated parents that use the scheme have minimal problems. Parents can object to the Child Support Registrar's original decision about payment arrangements. Only 1,900 child support decisions were reviewed in the 2012-13 year by the Social Security Appeals Tribunal (SSAT). Of these 1,900 reviews only 460 were affirmed, 780 were set aside or varied

and the remainder were withdrawn or dismissed. DHS also systematically reviews general complaints. Around 23,000 complaints were recorded in 2012-13. The majority of these complaints relate to collection and quality of service.

Committee Chair George Christensen says for the most part people find the system to be working effectively.

"But there is a percentage who find it difficult for a range of reasons. Within this percentage who are finding the system difficult, it's often because there's this irreparable breakdown of the relationship between the two parents of the child the system is supposed to be looking after," he said.

Simply put, a minority of people who use the scheme appear to be experiencing the most acute issues.

One of the most concerning aspects of irreparable relationship breakdown is when the payer stops making payments. It is difficult to get a complete picture of this situation because DHS do not capture data relating to private collect arrangements.

However, research by Dr Kristin Natalier shows missing, insufficient or irregular payments create difficult

circumstances for payees and their children.

"Payees (the majority of whom are mothers) cannot rely on child support when planning to meet the on-going costs of raising children, and cannot engage in meaningful short term and long term financial planning to maximise the wellbeing of their children. In practice, payees have an unreasonable level of responsibility for reporting and pursuing child support non-payment, partial payment and irregular payment," explained Dr Natalier.

Some believe the full scope of non-payment is hard to measure accurately, with some parents unwilling to pursue missing money due to threats to their safety and security.

Alina Thomas from Support Help Empowerment (SHE) Tasmania runs a counselling service for women impacted by domestic violence.

"Women will often put their safety and their children's safety before financial security," she said.

"Often women feel that their ex-partners could be using the child support payment as an opportunity to continue or further the abuse, coercion



Child support isn't just difficult for people financially. The strain of dealing with the system can take its toll.

or influence. I think it does open up scope for manipulation, so that women may not feel like they're in control of the situation. It goes back to 'Do I say what I'm supposed to say to keep him happy?' or 'Do I do what's best for my children?'"

In addition to the social impacts of missing payments, there is also a significant impact on the economy. DHS figures show that as at 31 March 2014, there was \$1.35 billion in outstanding child support payments.

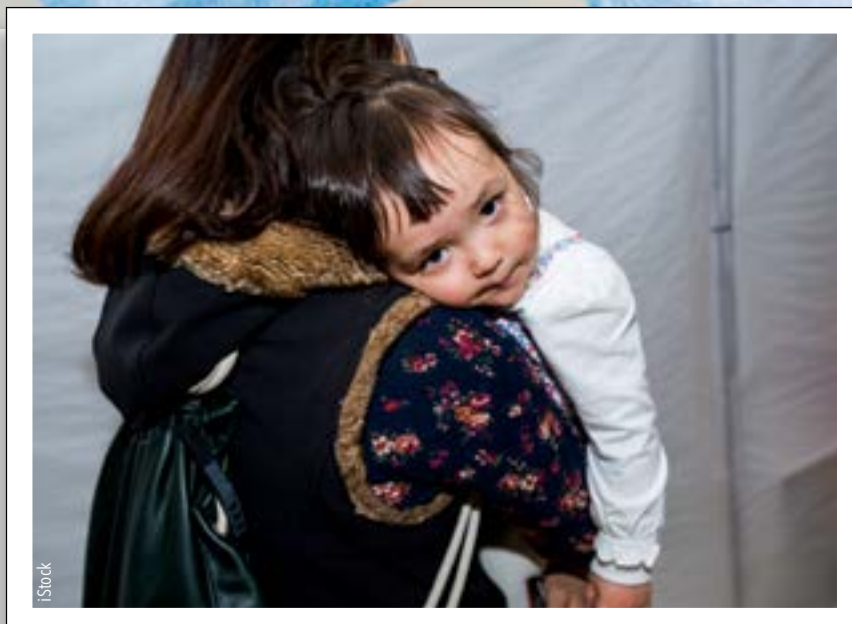
How the government can recoup these missing payments, to benefit both the payees and support the economy more broadly, is connected to how effectively government agencies communicate with each other.

Committee Chair George Christensen agrees there is supposed to be interaction and communication between Centrelink, the Australian Taxation Office and DHS, but many submissions to the inquiry reported this communication is ineffective.

"It's something we're going to have to go back to the departments and ask questions about. If on paper it's all supposed to be open so we get the best outcome, but in reality we're hearing from people engaged in the child support system saying 'it's just not working', we need to find out what the problem is," he said.

Communication is a recurring theme in the inquiry not just how agencies communicate with each other but how they communicate with clients who use the system.

One payer, responding to the online questionnaire, wrote "I earned more



iStock

iStock



money, so CSA [DHS] updated my assessment and demanded more money from my employer via an embarrassing letter. This really hurts. Can this please be done in a nicer way? Happy to pay more, talk to us fathers, don't demand from our employers with horrible letters”.

Telephone is the main way child support services are delivered. It's also possible to make a child support application online. A criticism of the system is that it is too complicated for users to understand. One questionnaire respondent feels “It is very common to get multiple, duplicated letters. Phone line operators give conflicting information/advice. Wait times to speak to a phone line operator are extremely long and frequently you are transferred to wrong department or to someone who is not available.”

There have been many suggestions about how the shortfalls of the child support system can be resolved. In tackling the big issues of non-compliance and communication, there have been calls to make the agency take a bigger role in managing payments. This would remove the burden of responsibility from system users. With the agency managing collection and

disbursement, there would be less confusion and stress for both payees and payers.

Going one step further – so payees can engage in more meaningful financial planning – is moving to a guaranteed payments model. Dr Kristin Natalier argues that this guaranteed payment model would be in the best interests of children.

In her submission to the inquiry, Dr Natalier wrote, “The DHS Child Support Programme should ensure the full amount of enforceable child support liability is transferred to payees. This transfer should occur irrespective of the payer's transfer of agreed amounts, and whilst CSA [DHS] pursues the collection of liabilities from the payer.”

Committee Chair George Christensen sees merit in this suggestion, as the scheme is meant to prevent children from living in poverty.

“However, we need to balance it up against how we're going to pay for that – this is something the committee is going to have to agonise over and do the sums on how much it's going to cost. It may be that in certain circumstances a government guarantee is necessary but in all circumstances

#### ▶ FINANCIAL SECURITY:


Women will often put their safety and their children's safety over financial security.


it may just cost too much for the government to afford,” he said.


Any changes to the child support system are still a while away. The committee expects to table its report in early 2015. Just like relationship breakdown itself, the system and its reform can be drawn out and complicated. Mr Christensen reflects that it comes down to real people and how they interact.

“It may simply be that with human systems, something always goes wrong because humans are fallible - you're always going to have mistakes happen. It's how we put systems in place to minimise those mistakes - ultimately a lot of this inquiry is going to come down to this.” ■

#### LINKS

 [www.aph.gov.au/spla](http://www.aph.gov.au/spla)

 [spla.reps@aph.gov.au](mailto:spla.reps@aph.gov.au)

 (02) 6277 2358