

29<sup>th</sup> June 2014

Committee Secretary

House of Representatives Standing Committee on Social Policy and Legal Affairs

PO Box 6021

Parliament House

CANBERRA ACT 2600

**Parliamentary Inquiry into the Child Support Program**

This submission represents my experiences and observations as a Social Worker with 5 years experience at Southern Domestic Violence Service. It does not necessarily constitute the opinions of other workers or Southern Domestic Violence Service.

I welcome the Inquiry and thank the Committee for the opportunity to enter a submission. Since the Child Support Program underwent sweeping reforms in 2006 – 2008 an inquiry into this important social policy is long overdue.

Southern Domestic Violence Service provides accommodation and outreach (non-accommodation) services to women and children when they are experiencing domestic violence in the southern region of Adelaide. It provides an essential service to approximately 800 clients per annum. Of the accommodated clients 290 are children accompanying their mothers. About 90% of clients are mothers and about 10% are single women. Therefore the service offers assistance to approximately 450 mothers per annum. Of those, about 5% actively seek or collect child support payments. In other words, it is my opinion that approximately 430 mothers who utilise our services per year obtain or have already obtained an Exemption to Collect Child Support payments approved by Centrelink. This is not an insignificant number of families struggling to survive on government benefits only.

It is noted the Committee intends to focus on the responses to the on-line questionnaire, of which it states there are some 10,000. It is requested that it be noted that the cohort of mothers who have sought Exemptions from Collecting Child Support will not be heard in this Inquiry. Reasons mothers give for not collecting Child Support from abusive and violent fathers focus overwhelmingly on their and their children's ongoing safety, both physically and emotionally. Many mothers express fear of retribution if they pursue child support. Threats of potential litigation where fathers say they will get "50% custody" or attempt to "take the children" altogether leave many mothers treading the pathway of sacrificing finances for personal safety.

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Australia's unpaid child support debt is recorded as being in excess of \$1billion. This is grossly under-estimated. It does not include waived arrears/debts, private collect arrangements that are not adhered to, non-lodgement of tax returns that result in understated incomes and child support estimates and child support payments that are exempted altogether. The inevitable conclusion is that Australia has, at a systemic level, an inability to hold non-residential parents accountable for the financial costs of their children.

It is noted there is little if any, academic research about the numbers of parents who are currently claiming an Exemption, how many apply for Exemptions each year, how many children these parents represent and how much would have been paid if an exemption was not in place. This is an important area of social dynamics that is grossly under-researched.

Therefore, there is little, if any, recent wide-spread research that has the potential to demystify the more-than-covert accusation that "mothers fake domestic violence and leave fathers just to gain financial benefits from them". Indeed there is anecdotal evidence that numbers of mothers are not seeking child support at all.

### **Recommendation 1**

**The Committee request that academic study and research be authorised to ascertain the exact landscape of under-compliance of the financial responsibilities of non-resident parents.**

Currently, the system for collecting child support payments rests with the parent to make an application to the Child Support Agency (CSA). The responsibility for chasing late, partial, incomplete or missed payments also rests with the receiving parent. Child Support Case Officers state they have limited powers to chase arrears and debts, investigate under-estimating of income, investigate under-employment for purposes of child support evasion and cannot force lodgement of tax returns. The burden then becomes the payees. When payees, mostly mothers, are threatened or intimidated by ex-partners, collecting child support becomes a stress that is too high to bear. There is anecdotal evidence that Case Officers are themselves intimidated, therefore, it can be concluded that a State-sanctioned institute such as the CSA is itself rendered powerless against child support evaders.

This leads to a minimised and somewhat ineffective role by the Government in collecting child support and in fact, it even depends on payees to a level. Ideally, the burden of collecting child support needs to be removed from the payee and should become a transaction between the State-sanctioned agency and the payer. When parents separate, child support should be paid directly to the parent it is owed to, and *then collected from the payer as a debt to the State*. This situation exonerates payees and has the potential to mitigate threats, coercion and intimidation from violent ex-partners to mothers and minimise the potential for future financial abuses. It also increases the power of enforcement if the debt is to the State, not to the other parent.

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## **Recommendation 2**

**Increase the role by state-sanctioned agencies such as Centrelink, ATO and CSA. Child support payments to be guaranteed paid on time and debts/arrears become a debt to the State, which can be recouped such as current tax and Centrelink debts are.**

The connection between “spending nights with” children and reduced child support is too strong. This link needs to be weakened. For instance, a non-resident parent has a child in their care for 1 night per week and there is a reduction of 24% in the child support payable. This is grossly unreasonable and provides motivation to “fight” for overnight care with a view to reducing child support payable. In practicality, 52 nights per year at another parent’s house does nothing to reduce the costs of raising the child/ren. The reality is that children in this type of arrangement tend to take all they need with them for return the next day. A child support formula that was more strongly linked to the costs of raising children and on the parent’s respective incomes and less on “nights of care” is more practical. This is especially important in light of new research showing the detrimental effects on young children who are away overnight from their primary carer. Additionally, it would remove motivation by abusive ex-partners to threaten mothers with “taking the children”.

## **Recommendation 3**

**Weaken the link of the child support formula from overnight care to one that reflects more accurately the costs of raising children and the parents’ respective incomes.**

In conclusion, I commend the government for calling this Inquiry and thank the committee for reviewing my submission. If you wish to speak with me about this submission I would be more than happy to attend the public hearing when it is held in Adelaide.

Yours sincerely,

Lynn S Cresswell

SOCIAL WORKER

B. Soc Wk & B. Soc Plng. Hons.