

Senate Community Affairs Legislation Committee

ADDITIONAL BUDGET ESTIMATES - 14 FEBRUARY 2013 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Child Support Program

Question reference number: HS 73

Senator: Fierravanti-Wells

Type of question: Written

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Number of pages: 3

Question:

1. What are the numbers of liable parents (both payers and receivers) per year from 2008 to current?
2. What are the numbers of children per year from 2008 to current?
3. What is the total outstanding debt per year from 2008 to current?
4. What is the total outstanding debt written off per year from 2008 to current?
5. What is the total amount of late payment penalties collected per year up to the current year?
6. What is the total amount of child support applied to claw back social security payments per year?
7. What are the total legal expenses incurred in collecting child support liabilities – either directly or indirectly incurred by CSA?
8. What is the total number of payers on the minimum amount?
9. What is the number of minimum payers with outstanding liabilities?
10. What is the number of terminating events through death of the payer per year up to the current year?

Answer:

1. The number of customers (paying and receiving) involved in a “current” case as at 30 June each year is as follows:

2008-09	1,408,572
2009-10	1,425,119
2010-11	1,429,237
2011-12	1,427,710
2012-13*	1,421,755

* The 2012-13 value is as at 31 December 2012.

The current caseload definition includes all cases that: have a liability (Child Support) due, or have no liability due but have a maintenance balance (arrears and monies not yet due) greater than \$0, and includes those cases where initial registration has not yet been finalised. Customers are defined as being “current” when they are involved in at least one current caseload case.

2. The number of eligible children in an active (ongoing) Child Support case (including relevant dependants) as at 30 June each year is as follows:

2008-09	1.15 million
2009-10	1.19 million
2010-11	1.19 million
2011-12	1.20 million

3. The Total Child Support Debt at the end of the financial years requested is as follows:

2008-09	\$1.089 billion
2009-10	\$1.170 billion
2010-11	\$1.197 billion
2011-12	\$1.236 billion
2012-13*	\$1.252 billion

* The 2012-13 value is as at 31 December 2012.

4. Child Support legislation does not provide for a debt to be written off. The Financial Management and Accountability Act (FMA) requires recovery of all debts owed to the Commonwealth, unless the debt is not legally recoverable, or it is uneconomical to pursue the recovery of the debt.

However, the Department is able to request that the Department of Finance and Deregulation waive certain debts. The total debt waived per year from 2008 to 2013 year-to-date (as at 28 February 2013) is as follows:

Financial Year	Total amount of Child Support related debt waived by DoFD
2007- 08	\$479,193.46
2008-09	\$902,529.23
2009-10	\$1,281,943.85
2010-11	\$2,945,152.45
2011-12	\$4,500,374.56
2012-13 (YTD)	\$14,043.67

5. The total amount of late payment penalties is as follows:

2008-09	\$9.87 million
2009-10	\$8.01 million
2010-11	\$8.52 million
2011-12	\$7.94 million
2012-13*	\$4.98 million

* The 2012-13 value is as at 31 December 2012.

6. DHS consulted the Department of Families, Housing, Community Services and Indigenous Affairs on the impact of child support on Family Tax Benefit. That department has provided the following response.

The amounts by which Family Tax Benefit Part A was reduced for the years 2008-09 to 2011-12 inclusive as a result of the maintenance income test are contained in the right hand column of the table below. Data for the 2012-13 year to date is not available.

Family Tax Benefit reduced due to Maintenance Income

Entitlement Year	Maintenance Income Applied	Reduction in FTB
2008-09	\$1,507,872,613.47	\$493,266,465.24
2009 -10	\$1,551,363,824.20	\$508,593,527.43
2010-11*	\$1,565,249,048.89	\$512,950,224.87
2011-12*	\$1,599,580,116.09	\$536,300,644.17

*Indicative only, as period for reconciliation has not expired.

Note: Maintenance Income Applied amounts exclude child support receipts that did not affect the FTB rate.

DHS notes that maintenance income (including child support payments) can affect social security payments that are subject to the parental income test. Income support payments that are not subject to the parental income test are not affected by the receipt of maintenance income. The parental income test applies to the following social security and student assistance payments: Youth Allowance; ABSTUDY; and the Assistance for Isolated Children Scheme. DHS does not collect this data.

7. The Department’s Legal Services Expenditure is prepared annually. The expenditure for the Department for 2011-12 is available at <http://www.humanservices.gov.au/corporate/publications-and-resources/legal-services-expenditure>.

Since the integration of the Department that data is not broken down by program.

8. There are 144,197 customers with a role of ‘Paying Parent’ that have an active assessment based on the minimum annual rate.
9. Of the 144,197 Paying Parents on a minimum annual rate, 52,862 have Child Support arrears totalling \$169.21 million.
10. The following table shows the number of terminating events through death of the payer per year up to the current year. Please note that there can be a delay between the death of a payer and DHS being notified.

Financial Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13*
No. of cases ended	1981	2143	2063	2012	2090	834

* As at 30 November 2012.