

## Wellbeing Budget: Compel child support customers to lodge a tax return annually and disallow child support decisions on 'provisional income'.

**Australia's Child Support Scheme** facilitates the assessment, collection, and transfer of child support payments between separated parents to ensure that children are adequately financially supported. The child support scheme (CSS) influences the lives of almost 10% of the Australian population – including one million children and approximately 1.25 million parents. The successful working of the formula requires both parties to a child support agreement to lodge an annual tax return. Late or non-lodgement allows child support payers to minimise their taxation and child support assessments.

NCSMC was verbally informed by the Australian Tax Office (2018) that 200,006 child support customers had not lodged a return in over two years. The statistical trends are consistent with reported data on 1 Apr 2021. Click here for [link](#)

Number of years of non-lodgement	Number of customers
10	16,224
5	79,608
2	196,089
1	417,916

\*These figures do contain the customers who do not have to lodge as they are under the threshold.

### Other considerations

- Provisional income estimates erode the efficacy of the scheme, as they can be used to manipulate child support assessments.
- Family Payment Debts: Low and inaccurate child support assessment results in women receiving a higher and incorrect Family Payments. Once a tax return is lodged (several years later), she will have repayable debt to the Government with no guarantee of any collection of child support. NCSMC works with women who have had \$30,000+ debts.
- The latest Parliamentary [Inquiry](#) examining child support and family law (2021) acknowledged that parents' non-compliance with their child support obligations is equivalent to "stealing from children". It called for urgent action to reduce the existing child support debt levels and to promote the ongoing prompt payment of assessed child support. It also called for amendments to the Family Law Act 1975 (Family Law Act) to recognise the non-payment of child support as a relevant factor when determining the existence of financial abuse.
- It is gendered: Women comprise 85% of payees and 70% of payees have care of the children the vast majority of time (more than 86% of the year). The [here](#) for Briefing Paper.
- The motion echoes [recommendation](#) 3 from the Debts and Disappointment: Mothers' experiences of the child support system.
  - Do not recalculate child support on income estimates made without documentation.
  - Compel both parties to lodge a tax return annually (page iii)



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## **Restore the Child Support National Stakeholder Engagement Group**

NCSMC supports the recommendation from the Joint Select Committee on Australia's Family Law System. The Committee has been on pause since 2015 removing analyse and collaboration.

The committee notes that a number of inquiry participants highlighted that the Child Support National Stakeholder Engagement Group (engagement group) no longer operates and has not met since 2014. When operational, this group was jointly convened by DSS and the then Department of Human Services and discussed current child support policy; child support service delivery; and child support administration processes. The Committee recommends that the Australian Government reconvenes regular meetings of the Child Support National Stakeholder Engagement Group, or an equivalent forum, to ensure that all relevant stakeholders can have their voices heard. In doing so, the committee recommends that the group reconvenes before the end of 2021. Recommendation 3. 4.20

### **Recent Media**

Child support dodgers: 'make them file a tax return' Thu 18 Aug 2022. Click [here](#) for link

Tighten tax system to target child support avoidance: single parents. August 18, 2022. Click [here](#) for link.