

September 2025

EJA submission on the child support/Family Tax Benefit interface

About Economic Justice Australia

Economic Justice Australia (EJA) is the peak organisation for community legal centres providing specialist advice to people on their social security issues and rights. Our Member Centres across Australia have provided people with free and independent information, advice, education and representation in the area of social security for over 40 years.

EJA provides expert advice to government on social security reform to make it more effective and accessible. Our law and policy reform work:

- strengthens the effectiveness and integrity of our social security system
- educates the community
- improves people's lives by reducing poverty and inequality.

Overview

Issues arising from the intersection of social security and child support have long been the subject of scrutiny, given the "operation of the Child Support Scheme cannot be fully understood without understanding its interaction with the income support system and payments to help families with the costs of children".¹

Numerous inquiries have identified non-payment of child support and its effects on social security/family assistance payments as an issue requiring reform.² EJA remains concerned about the way child support and Family Tax Benefit (FTB) intersect, given:

- Social security/family assistance systems are neither designed to ensure primary carer parents receive their full FTB entitlements, nor to prevent incorrect or unfair debts arising from late or non-payment of child support.

¹ Ministerial Taskforce on Child Support (2005). [*In the Best Interests of Children—Reforming the Child Support Scheme*](#).

² Key child support inquiries, reports and research listed at Department of Social Services (2024). [*Child Support Scheme history*](#).

- Those responsible for paying child support ('payers') are weaponising the child support system against ex-partners ('payees'), regardless of the negative impact on their children. That includes manipulation of the system by not paying child support, paying irregularly, hiding earnings, and/or delaying tax return lodgement to avoid correct assessment of child support liability and complicate payment of Family Tax Benefit Part A to the payee.
- The child support system does not proactively pursue child support arrears, resulting in more than two billion dollars being currently owed to primary carer parents.
- Sole parents and their children are overrepresented amongst those living in poverty.

EJA is well aware there are many reasons for child support payment delays, including where people are temporarily unable to make payments because of their financial circumstances. These situations are not the focus of this paper. Instead, EJA seeks urgent attention to the deliberate non-payment of child support and manipulation of child support and social security/family assistance systems, including where those systems are weaponised, making the state complicit in abuse.

It is not uncommon for arrangements about children to be at the centre of disputes post-separation. Domestic violence often continues, but even where domestic violence has not been present during the relationship, separation can trigger animosity that becomes abusive and dogged. Some parents use government and legal systems to punish the other parent – disregarding any impact on their children. That includes seeking unrealistic parenting orders from the Family Court, insisting on private arrangements about care of children so that abuse occurs without scrutiny, or failing to pay child support as legally required. As efforts to address the weaponisation of government systems continue, there is a need to review language concerning this type of abuse to ensure definitions of “family and domestic violence” are expansive enough to include abuse that continues or commences post-separation.

The need to minimise the perpetration of financial abuse through the child support system remains a priority for EJA, noting such abuse directly impacts individuals’ capacity to access their full social security/family assistance entitlements, secure predictable fortnightly income, and prevent FTB debts which arise from circumstances beyond their control.

EJA seeks reform in two key areas:

- **Greater efforts to increase knowledge of the intersecting child support and FTB systems among affected people and the community workers who support them.**
Systems to minimise abuse by a former partner are not well-known and are likely underutilised. That includes full exemptions from the Maintenance Action Test, partial exemptions from the Maintenance Action Test (which serve a different purpose from full exemptions), use of the disbursement method of child support assessment, and special circumstances debt waiver. Increased access to expert and effective Services Australia staff to assist with claims and inquiries, and proactive measures to ensure administration of individual’s child support and FTB is appropriate to their circumstances.

- **Increased efforts to pursue outstanding child support which is the critical issue undermining the social security/family assistance system.** As described by the Commonwealth Ombudsman, “parents who are deliberately not paying Child Support are more likely to engage in behaviours that make collection more difficult”.³ This issue requires proactive efforts by Government, prioritising timely collection and payment of child support over competing ideologies and demands.

Summary of recommendations

Recommendation 1: That the Department of Social Services amend the *Family Assistance Guide* (particularly section 3.1.5.70) to provide greater clarity and consistency regarding general and partial exemptions from the Maintenance Action Test.

Recommendation 2: That Services Australia review processes for delivering information to customers about the Maintenance Action Test to ensure the test, exemptions, and the consequences of not pursuing child maintenance are fully understood.

Recommendation 3: That the Department of Social Services amend the *Family Assistance Guide*, increasing the Maintenance Action Test action period from three months to six months.

Recommendation 4: That Services Australia review processes for informing customers about the disbursement method of child support assessment (and associated provisions for Private Collect arrangements) to increase understanding among customers and community service providers.

Recommendation 5: That the Department of Social Services review the *Family Assistance Guide*, particularly sections 1.1.D.100 and 3.1.5.70 to provide clarity around Maintenance Income Test exemptions and the disbursement method of child support assessment.

Recommendation 6: That the Department of Social Services make the disbursement method the default method offered to payees under Agency Collect.

Recommendation 7: That the Federal Government amend the *A New Tax System (Family Assistance) (Administration) Act 1999 (Cth)* to remove the current presumption that all child support has been paid and to allow Family Tax Benefit Part A debts to be waived or otherwise not accrued in circumstances where child support has not been paid or has been underpaid.

Recommendation 8: That Services Australia institute a mechanism to ensure child support has been received through the Agency Collect system before raising a Family Tax Benefit A debt.

Recommendation 9: That the Australian Tax Office (ATO) investigate privacy and data protection regimes to consider how timely data held by the ATO, including PAYG and BAS data, could enable real time assessment of child support liability, resulting in timely calculation of Family Tax Benefit A entitlement.

³ Commonwealth Ombudsman (2025). [Weaponising Child Support: when the system fails families](#). EJA submission on the child support/Family Tax Benefit interface – September 2025

Recommendation 10: That the Australian Tax Office develop systems to penalise those deliberately delaying tax return lodgement to obfuscate and minimise child support payment obligations.

Recommendation 11: That the Department of Social Services introduce measures under section 7.3.2 of the *Family Assistance Guide* that trigger consideration of FTB debts arising from non-lodgement of another person's tax returns for waiver, where non-lodgement occurs over multiple years and is a feature on ongoing abuse and harassment of the FTB recipient.

Recommendation 12: That the Department of Social Services consider means to address the poor intersection of family law and social security/family assistance law, resulting in Family Tax Benefit recipients incurring significant debts resulting from a non-recipient's non-lodgement of tax returns during periods when funds were received and spent "as a family" and/or were spent by the non-recipient partner.

Recommendation 13: That the Department of Social Services review use of "maintenance" within the social security/family assistance and child support systems, and consider updating all language to refer to "child support".

Recommendation 14: That Services Australia develop systems to bridge the information and administrative child support and social security/family assistance divide, including making client-facing specialist staff readily available to those struggling to navigate the system.

Recommendation 15: That Services Australia's remote servicing teams include both Centrelink (family assistance) and child support staff to advise and assist people to claim child support and access Maintenance Action Test exemptions, disbursement method of assessment, etc. where appropriate.

Recommendation 16: That Services Australia liaise with the Australian Taxation Office (ATO) to secure a commitment to have ATO staff travel with remote servicing teams to assist people to lodge their tax returns.

Recommendation 17: That the Federal Government make Agency Collect the default method of child support collection, allowing access to Private Collect only after payers have a demonstrated track record of timely child support payment.

Recommendation 18: That the Federal Government introduce a system to scrutinise payment of child support through Private Collect and other private arrangements, for example, through mandated annual payer and payee declarations and associated documentation to the Australian Taxation Office.

Recommendation 19: That the Federal Government amend the *Child Support (Assessment) Act 1989 (Cth)* (CSA Act), the *Child Support (Registration and Collection) Act*, the *Human Services (Centrelink) Act 1997 (Cth)* and the *Human Services (Medicare) Act 1973 (Cth)* to allow sharing of information to increase efficiency and provide benefit to victim-survivors of family and domestic violence.

Recommendation 20: That the Federal Government amend the *Child Support (Registration and Collection) Act 1988* (Cth) to remove the three-month and nine-month restrictions on Services Australia collection of child support arrears when collection changes from Private Collect to Child Support Collect.

Recommendation 21: That the Department of Social Services revise data collection and publication to provide greater transparency regarding operation of the Child Support Scheme and its interface with Family Tax Benefit.

Purpose of the Child Support Scheme

→ The Child Support Scheme aims to ensure children receive the financial support of both parents, per Australia's international obligations.

The Child Support Scheme was introduced in 1988 to address child poverty, particularly in single mother households, providing an administrative mechanism so that parents would not have to go to court to pursue child maintenance.

The aims of the Child Support Scheme are consistent with the *UN Convention on the Rights of the Child*⁴ (the Convention) which requires that member countries use their best efforts "to ensure recognition of the principle that both parents have common responsibilities for the upbringing and development of the child" (Article 18), retaining "the primary responsibility to secure, within their abilities and financial capacities, the conditions of living necessary for the child's development." (Article 27(2)). The Convention also states: "States Parties shall take all appropriate measures to secure the recovery of maintenance for the child from the parents or other persons having financial responsibility for the child" (Article 27(4)).

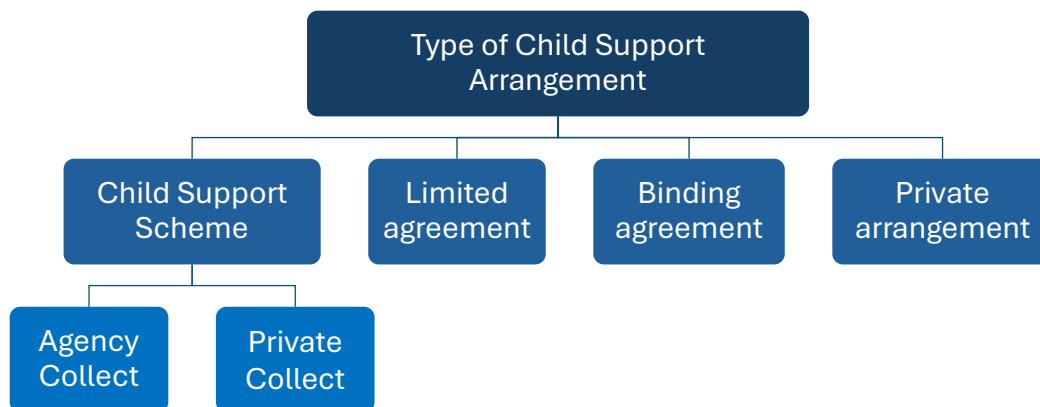
Both the [Child Support \(Assessment\) Act](#) (CSA Act) and the [Child Support \(Registration and Collection\) Act](#) (CSRC Act) include an objective "that Australia is in a position to give effect to its obligations under international agreements or arrangements relating to maintenance obligations arising from family relationship, parentage or marriage". In the CSRC Act, this provision is elevated to principal object. Other principal objects include that "children receive from their parents the financial support that the parents are liable to provide", and that "periodic amounts payable by parents towards the maintenance of their children are paid on a regular and timely basis". The CSA Act positions its principal object as being "to ensure that children receive a proper level of financial support from their parents" (section 4), with an additional object that "children share in changes to the standard of living of both their parents".

The Child Support Scheme manages child support arrangements for people who request a child support assessment by Services Australia, using set formulas contained in the CSA Act to

⁴ UNICEF UK (1989). [UN Convention on the Rights of the Child](#).

establish annual child support. Child support liabilities are set with reference to “annualised male total average weekly earnings” and Costs of the Children Table, updated and published by the Secretary of the Department of Social Services each year.⁵

Some parents choose not to pursue a child support assessment through the Child Support Scheme, instead making private arrangements or pursuing a limited or binding child support agreement, then managing payments privately.



While this multi-tiered system enables individual choice (and government savings through many individuals’ administration of their own child support arrangements), it is a fragmented system that includes a significant portion of child support obligations occurring without government scrutiny, proving opportunity for coercion. Its fragmented nature also complicates options for comprehensive reform.

Collection of child support through the Child Support Scheme

→ Operation of the Child Support Scheme directly affects around two million people.

The Child Support Scheme involves large numbers of people, including payers and payees who do not receive social security or family assistance payments. Nearly one million (960,950) children under 18 years were the subject of child support arrangements at the end of March 2025.⁶ Child support payment obligations under the Child Support Scheme exceed \$4 billion each year.⁷

Child support remains highly gendered. Women comprise 84 per cent of payees and 12 per cent of payers.⁸

⁵ Department of Social Services (2024). [Child Support \(Assessment\) \(Annualised Male Total Average Weekly Earnings Amount and Costs of the Children Table\) Notice 2024](#).

⁶ Department of Social Services (2025). [Child Support Program Data – March 2025](#).

⁷ Australian Government (2024). [Services Australia Annual Report 2023-24](#).

⁸ Department of Social Services (2025). [Child Support Program Data – March 2025](#).

Table 1: Child support payees and payers by gender⁹

	Total	Men	Women
Payers	584,355	484,815	69,195
Payees	581,800	66,335	485,760

Approximately half of child support cases are managed through Agency Collect, administered by Child Support (formerly the Child Support Agency) under Services Australia. The other half are managed through Private Collect, whereby Services Australia has undertaken the assessment and set the amount of child support payable, but payments are made via private arrangements between parents. In the 2023/24 financial year, Services Australia distributed \$1.967 billion in payments through Agency Collect.¹⁰

Table 2: Child support cases by method of collection¹¹

	Total	Agency Collect	Private Collect
Cases	628,000	318,750	309,250
Parents/Carers	1,149,065	600,625	601,500
Children	960,950	468,040	492,910

A person can apply to change from Private Collect to Agency Collect at any time, noting many payers request the change after the payer fails to make scheduled payments through Private Collect. In the experience of EJA members, some women who have been subject to domestic violence start on Private Collect then change to Agency Collect after a period, when they believe it is safe to do so.

Neither the CSA Act nor the CSRC Act refer to family and domestic violence, with only the CSA Act referencing violence at all. That reference relates to it being unreasonable for a parent or guardian to care for a child if the Register is satisfied there has been extreme family breakdown or there is a serious risk to the child's physical or mental wellbeing from violence or sexual abuse in the home of the parent/guardian (section 7B). Family and domestic violence is addressed in the *Child Support Guide*, the policy manual used to guide decision-making, including a specific section at 1.4.1 titled "Family & domestic violence".

⁹ Department of Social Services (2025). [Child Support Program Data – March 2025](#).

¹⁰ Australian Government (2024). [Services Australia Annual Report 2023-24](#).

¹¹ Department of Social Services (2025). [Child Support Program Data – March 2025](#).

Impact of child support on social security/family assistance entitlement

- Child support affects Family Tax Benefit Part A (and sometimes Rent Assistance).
- The number of people receiving family assistance payments, and amount they receive, has decreased over the last two decades.

Financial support to assist families with the cost of raising children is a long-term feature of social security, noting the Commonwealth has provided some form of family allowance since 1941, when the non-means tested Child Endowment was introduced.¹² The current, tightly targeted framework for family assistance comprises a range of payments and is primarily governed by two statutes: A *New Tax System (Family Assistance) Act 1999* and A *New Tax System (Family Assistance) (Administration) Act 1999*.

Family Tax Benefit

- Family Tax Benefit Part A (FTB A) can be significantly reduced to the “base rate” if a person does not take action to seek child support.

Family Tax Benefit (FTB) is a payment for low-income parents with children, including all people eligible for income support (such as JobSeeker Payment or Parenting Payment) and some people who do not receive income support. FTB is divided into Family Tax Benefit Part A (FTB A) and Family Tax Benefit Part B (FTB B).

Real expenditure on FTB has fallen since the payment was introduced in 2000 (replacing payments with a similar focus), noting the proportion of families with children under 16 years of age receiving FTB has significantly reduced from around three quarters of Australian families in 2007-2008 to around half.¹³ This has resulted from a series of measures including:

- introduction of a new income limit for FTB A end-of-year supplement eligibility
- tightening of the income limit for FTB B eligibility
- removal of FTB B eligibility for couples with older children
- freezing of the payment rate and income test threshold indexation
- abolition of the Schoolkids Bonus and Large Family Supplement
- introduction of a waiting period for permanent resident migrants to claim FTB A
- cessation of Energy Supplement indexation and prevention of new claimants from receiving this supplement.¹⁴

¹² Australian Bureau of Statistics (2000). [Income Support: Income support for children](#).

¹³ Klapdor, M. (2022). [Briefing Book Article, 47th Parliament: Social security and family assistance](#).

¹⁴ Ibid.

Child Support affects only FTB A. It does not affect FTB B or any other social security payments. As at June 2025, 1,287,270 people were receiving FTB A.¹⁵

FTB A has two components: the base rate and the maximum rate. The base rate, which is not affected by child support income, is currently \$71.26 for each child/fortnight.⁶ The gap between the base rate and maximum rate is affected by child support.

Table 3: Gap between FTB A base rates and full rates¹⁶

Age of child(ren)	Base rate FTB A/fn per child	Max rate FTB A/ fn⁷ per child	Gap between base rate and max rate/fn per child⁸
0 to 12 years	\$71.26	\$222.04	\$150.78
13 to 15 years	\$71.26	\$288.82	\$217.56
16 to 19 years - meets study requirements	\$71.26	\$288.82	\$217.56
0 to 19 years - in approved care organisation	\$71.26	\$71.26	0

Effect of the maintenance action test on FTB A

- All people seeking FTB A who have an “eligible child” are required to take action to seek child support under the maintenance action test (MAT).
- An exemption from the MAT can be made available to a person who is concerned that seeking child support may cause or exacerbate domestic violence.

All recipients of FTB A are required to take reasonable maintenance action to secure child support under the maintenance action test (MAT) if entitled to apply for child support and it is reasonable to do so. The requirement to take reasonable maintenance action is imposed by the *Family Assistance Act*, however, policy allows for an exemption from the MAT in specified circumstances (contained in the *Family Assistance Guide*). The decision to apply a MAT exemption must involve a Services Australia (Centrelink) social worker or Indigenous Liaison Officer (sections 3.1.5.70 and 3.1.5.100). Services Australia data, obtained by the Commonwealth Ombudsman, shows that in the two years between January 2023 and December 2024, Services Australia granted 32,013 MAT exemptions, 20,833 of which were based on the risk of family and domestic violence.¹⁷

¹⁵ Department of Social Services (2025). [Expanded DSS Benefit and Payment Recipient Demographics - June 2025](#).

¹⁶ Based on data at 26 August 2025.

¹⁷ Commonwealth Ombudsman (2025). [Weaponising Child Support: when the system fails families](#).

- A full exemption from the MAT means that a person does not have to pursue child support. Section 3.1.5.70 of the *Family Assistance Guide* outlines that full exemptions may be granted where:
 - a person fears that taking action to seek child support will cause the payer to react violently towards them or their family
 - seeking child support may have a harmful or disruptive effect on the person or the payer
 - the identity of the other parent of the child or children is unknown
 - the person has had legal advice that parentage could not be proven through a court
 - the person has been unsuccessful in proving parentage (such as failed attempts to locate a child's other parent)
 - the child was born as a result of a surrogacy arrangement which is not recognised under the *Family Law Act 1975*
 - there are cultural considerations that adversely impact on the individual's capacity to take reasonable maintenance action
 - the payer in the child support case is deceased
 - there are other exceptional circumstances.

- A partial exemption from the MAT does not relate to seeking child support but to the way child support is assessed, allowing Services Australia to assess only what the person receives. A partial exemption is available to people who have already sought child support and are using Private Collect or there is no child support assessment in place but the other party is voluntarily paying child support. Section 3.1.5.70 of the *Family Assistance Guide* states that a partial exemption can be applied where:
 - a person has a fear of violence
 - there is risk of harmful or disruptive effects
 - there are cultural considerations to take into account
 - there are other exceptional circumstances that make it unreasonable for the person to pursue the collection of their full entitlement, to transfer collection method to Child Support (for Private Collect) or take formal maintenance action (where no child support assessment is in place).

When a partial exemption applies, the person must notify Services Australia whenever a change is made to the amount of child support received as Services Australia has no oversight of Private Collect child support payments. Partial exemptions are not applied to people going through Agency Collect because Services Australia can see how much child support is being paid.

While similar in approach, reasons applicable to a general exemption and to a partial exemption are not uniform.¹⁸

¹⁸ Noting other exemptions also apply for general exemptions that are relevant only at the commencement of child support arrangements, so are no longer relevant once payment through Private Collect has commenced.

Table 4: Reasons for Maintenance Action Test exemption per *Family Assistance Guide*¹⁹

General exemptions	Partial exemption
<ul style="list-style-type: none">▪ if they fear that taking action to seek child support will cause the payer to react violently towards them or their family	<ul style="list-style-type: none">▪ has a fear of violence
<ul style="list-style-type: none">▪ where seeking child support may have a harmful or disruptive effect on them or the payer	<ul style="list-style-type: none">▪ there is risk of harmful or disruptive effects
<ul style="list-style-type: none">▪ if there are cultural considerations that adversely impact on the individual's capacity to take reasonable maintenance action	<ul style="list-style-type: none">▪ there are cultural considerations to take into account
<ul style="list-style-type: none">▪ where there are other exceptional circumstance	<ul style="list-style-type: none">▪ there are other exceptional circumstances that make it unreasonable for them to pursue the collection of their full entitlement or to transfer collection method to Child Support.

Of particular concern is use of the term “will cause the payer to react violently” as a reason to provide a general exemption, compared to the more realistic “fear of violence” for a partial exemption. Services Australia cannot know that an action will cause violence, so “fear of violence” is EJA's preferred term. Ideally these sections would use identical language to simplify the Guide and ensure greater consistency of interpretation.

Section 3.1.5.70 of the *Family Assistance Guide* is also confusing as under the heading “General exemptions”, it states that “Individuals may be granted a full or partial exemption from the maintenance action test” based on circumstances described above in Table 4, column 1. That same section then includes the modified list for partial exemption (described in Table 4, column 2) under both the headings “Partial exemptions from the MAT – private collect cases” and “Partial exemptions from the MAT – no child support assessment in place”. Simplification of section 3.1.5.70 would provide greater clarity and certainty for both community workers and Services Australia staff.

Recommendation 1: That the Department of Social Services amend the *Family Assistance Guide* (particularly section 3.1.5.70) to provide greater clarity and consistency regarding general and partial exemptions from the Maintenance Action Test.

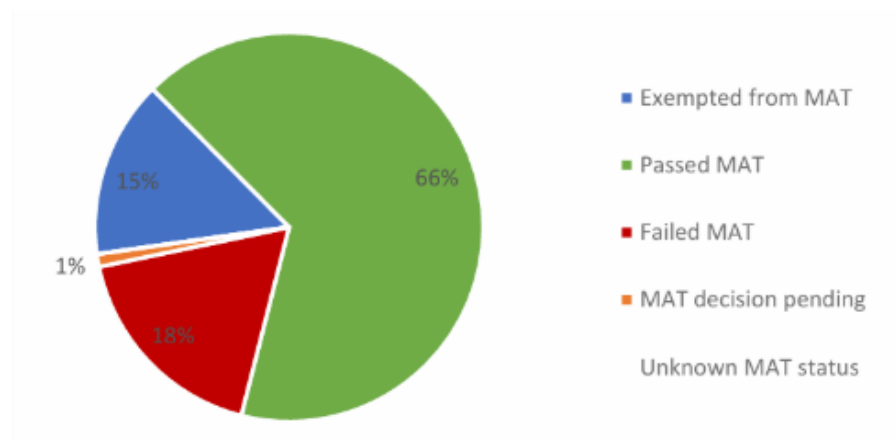
Failure to meet the MAT

- Child Support data reflects high rates of MAT “failure”.
- MAT “failure” immediately reduces FTB A to the base rate, which is a reduction of up to \$217/fortnight per child.

¹⁹ Table compiled by EJA based on [section 3.1.5.70 of the *Family Assistance Guide*](#).
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Data on child support applications processed in the March 2025 quarter shows 67 per cent of the children of parents subject to the MAT had “passed” the MAT, 15 per cent had parents exempted from the MAT, and 17 per cent had parents who had failed the MAT.²⁰ This means that approximately one in six children had a parent whose claim from that period meant they were eligible for only the base rate of FTB A from the date they were deemed to have “failed”.

Chart 1: Maintenance Action Test



As of 27 September 2024, 159,416 people were failing the MAT for at least one child. The majority had taken no maintenance action (parents/guardians of 88 per cent of children who had failed the MAT).²¹ Services Australia has suggested that reasons may include parents’:

- fear of violence if they were to apply for a child support assessment
- lack of understanding of possible exemption options
- accepting the base rate of FTB A but not advising Services Australia
- having cultural or imposition reasons but not advising Services Australia
- lodgement of an FTB claim after the deciding maintenance action period.²²

Services Australia also states that in cases where a person fears violence, lacks understanding of possible exemptions, or has cultural or imposition reasons for not pursuing maintenance action, backdating of exemptions to the MAT are explored with the person. If an exemption is granted, the person is no longer considered to have failed the MAT and FTB arrears are paid.²³

The Department of Social Services sets a key activity target of at least 85 per cent of FTB A children of separated parents meeting the MAT, as a measure of the Child Support Scheme’s effectiveness at ensuring “children continue to receive support from their parents following separation”.²⁴ That measure was not met in 2022-23 or 2023-24.

²⁰ Department of Social Services (2025). [Child Support Program Data – March 2025](#).

²¹ Data provided by Services Australia in response to EJA’s 2024 recommendations to the Services Australia Interim Independent Advisory Board, November 2024.

²² Ibid.

²³ Ibid.

²⁴ Department of Social Services (2024). [Annual Report 2023-24](#).

Table 5: Percentage of FTB A children whose parent meet the Maintenance Action Test²⁵

Target: 1.1.2-1A At least 85 per cent of Family Tax Benefit Part A children of separated parents meet the maintenance action test requirements.				
2023-24 Target	2021-22 Actual result	2021-22 Actual result	2023-24 Actual result	Outcome
≥ 85%	85.1%	83.8%	81.8%	Not Met

Further consideration of the rate and number of people failing the MAT is required, including whether people did/do not want to seek child support, people are pushed by the potential payer into not seeking child support, or Services Australia staff are not adequately engaging with people to explain child support and the consequences of “failure” to seek it. It is relevant here that less than four per cent of those failing the MAT recorded the reason as “accepts base rate”.²⁶

EJA recommends that consideration be given to whether some people have chosen not to pursue child support because their ex-partner relies on income support and is surviving on minimal income while attempting to provide suitable accommodation for a child/children who spends time with them. Alternatively, some principal carer parents may decide that seeking child support would result in minimal benefit to themselves or their child/children. This issue has tangible implications for policy development, particularly whether forcing parents to pursue child support should be an end in itself.

A person has three months to take maintenance action, before they are considered to have failed the MAT. Generally, if a person has maintenance action in progress, they are taken to have satisfied the MAT until their case can be reviewed (*Family Assistance Guide*, section 3.1.5.40). EJA understands that many of those considered to have failed the MAT may have done so as a result of the limited period during which people must make child support arrangements. Three months is a relatively short period, but particularly so for people who experience major stress and disruption (which may include ongoing harassment, violence and trauma) as a result of separation.

Extending the three-month MAT period would provide relief for parents who require time to put child support arrangements in place – leaving their FTB A intact. Given most payee parents would surely want to commence receiving child support as soon as possible, extension of the three-month period is unlikely to result in major delays to payees putting arrangements in place. This change may also improve performance against DSS/Services Australia’s MAT key performance indicator.

²⁵ Ibid.

²⁶ Data correct at 27 September 2025, provided by Services Australia in response to EJA’s 2024 recommendations to the Services Australia Interim Independent Advisory Board, November 2024. EJA submission on the child support/Family Tax Benefit interface – September 2025

Recommendation 2: That Services Australia review processes for delivering information to customers about the Maintenance Action Test to ensure the test, exemptions, and the consequences of not pursuing child maintenance are fully understood, with support provided where required.

Recommendation 3: That the Department of Social Services amend the *Family Assistance Guide*, increasing the MAT action period from three months to six months.

Effect of the maintenance income test

→ The maintenance income test (MIT) applies to:

- the portion of FTB A above the base rate (i.e. the base rate of FTB A is quarantined from both the MAT and MIT), and
- Rent Assistance, after FTB A reduces to the FTB A base rate.

The requirement to take reasonable maintenance action and consequent MAT is intended as a mechanism to locate the primary responsibility for supporting children with separated parents (rather than government), while limiting Commonwealth expenditure to the minimum necessary for ensuring that children's needs are met.²⁷

The maintenance income test (MIT) has a maintenance income free area (MIFA), which is the amount of child support a person can receive without it affecting their FTB A. The MIFA depends on the number of children. The threshold is currently set at \$1960.05/year (approximately \$75/fortnight), increasing for each additional child by \$653.35/year (approximately \$25/fortnight). Where a person is a member of a couple and both they and their partner receive child support, the threshold starts at \$3920.10/year.²⁸ Once child support exceeds the MIFA, it reduces FTB A by 50 cents in the dollar until FTB A reduces to the base rate. If a person also receives Rent Assistance, their child support will then begin to reduce their Rent Assistance at the rate of 50 cents in the dollar.

EJA estimates that almost one-third of payees receiving FTB A are receiving child support below the MIT threshold.²⁹ So long as they have satisfied or been exempted from the MAT, their social security/family assistance income would be unaffected by their child support. The number could be higher given some people have more than child and would be subject to a higher MIFA.

²⁷ Ministerial Taskforce on Child Support (2005). [*In the Best Interests of Children—Reforming the Child Support Scheme*](#).

²⁸ Based on data at 26 August 2025.

²⁹ This is a very rough estimate, based on the MIFA of \$2003.85 for a single parent (approx. \$77 per fortnight) or member of a couple receiving maintenance for one child, noting \$667.95 (approx. \$26 per fortnight) is added to the MIFA per child, and the MIFA increases to \$4007.70 (\$154 per fortnight) if both members of a couple are receiving child support (at 26 August 2025).

Table 6: Rate of child support³⁰

Annual rate	Fortnightly rate	Number of cases
Less than \$500	\$26 (approx.)	148,410
\$501 - \$2000	\$26-\$77 (approx.)	78,315
\$2001 - \$5000	\$77- \$192 (approx.)	120,455
\$5001 - \$10,000	\$192- \$384 (approx.)	144,095
\$10,001 - \$20,000	\$384 - \$770 (approx.)	109,795
\$20,000+	More than \$770	35,925
Total		636,995

Services Australia's assessment of child support for FTB A entitlement

- Services Australia can assess the amount of child support a person is scheduled to receive (entitlement method) or the amount they actually receive (the disbursement method) against their FTB entitlement, but many people, including support workers, are unaware of the disbursement method.

There are two ways in which Child Support income can be assessed:

- **Entitlement method:** The amount of child support a person is entitled to receive each financial year based on their child support assessment or court order, regardless of whether that amount is received.
- **Disbursement method:** The amount of child support the person actually receives, which is an effective means of assessment where a payer is not fulfilling their obligations and the payee does not know how much child support they are likely to receive or when they are likely to receive it. The disbursement method applies the exact amount the person receives (calculated as annual income) to determine FTB A rate.

Ideally, all child support payees would know of the disbursement method but unfortunately, EJA members frequently support clients and other community support workers who are unaware of the disbursement method is available. It is particularly common for people using Private Collect to lack knowledge that their FTB assessment can be adjusted.

The disbursement method is available to people using Agency Collect who have not been granted a general MAT exemption. Technically it is not available to people using Private Collect, as Schedule 1, section 20D(2) of the FAA states that if a person is managing their own child support through Private Collect, "the individual is taken to have received ... the amount of child maintenance for the child that the individual is entitled to receive under the liability". This concept is reiterated in section 1.1.D.100 of the FAA which states:

³⁰ Department of Social Services (2025). [Child Support Program Data – March 2025](#).

The disbursement method ... can only be used for child support liabilities that are registered for collection by Child Support. The disbursement method cannot be used for FTB recipients who collect their child support through private collect arrangements.

Despite that, an approach comparable to the disbursement method is available to people using Private Collect or without a child support assessment via the “partial exemption” from the MAT exemption (described above) per section 3.1.5.70 of the *Family Assistance Guide* which states:

The partial exemption enables the individual to collect whatever they can privately without the full deemed amount being applied [as income under the FTB maintenance income test].

Attention is needed to these two contradictory sections (as well as text relating to full and partial exemptions in section 3.1.5.70) to provide clarity and greater certainty for staff seeking to address the impact of non-payment of child support on payees’ FTB.

Recommendation 4: That Services Australia review processes for informing customers about the disbursement method of child support assessment (and associated provisions for Private Collect arrangements) to increase understanding among customers and community service providers.

Recommendation 5: That the Department of Social Services review the *Family Assistance Guide*, particularly sections 1.1.D.100 and 3.1.5.70 to provide clarity around Maintenance Income Test exemptions and the disbursement method of child support assessment.

Recommendation 6: That the Department of Social Services make the disbursement method the default method offered to payees under Agency Collect, with the entitlement method offered as an alternative.

Family Tax Benefit debts

→ FTB debts arise as a result of payers’ late lodgement of tax returns.

FTB debts commonly arise when:

- A payer has been underpaying child support
- Services Australia has agreed to apply the disbursement method to assessment of child support, increasing payee’s fortnightly rate of FTB A
- The payer later lodges a tax return (or tax returns)
- The ATO calculates annual adjusted taxable income (often for numerous financial years)
- Services Australia calculates the correct annual rate of child support (often for numerous financial years), which is more than was paid
- Services Australia calculates the corresponding annual FTB A entitlement (often for numerous financial years), which is less than the person received.

A letter is then sent to the payee raising a debt for any overpayment of FTB A.

Recognising that payers often intentionally delay their tax return to hide their real earnings and/or “punish” the payee, the Maintenance Income Credit system applies the MIFA from corresponding previous financial years before the quantum of the debt is calculated. While that may reduce the debt, it is often paltry compared to the significant debt raised.

FTB A debts based on child support never received

→ FTB debts are raised before child support arrears are paid, despite child support arrears being the basis of the debt. Some arrears are never paid.

A major problem with the child support/family assistance interface is that FTB A debts arising from tax reconciliation are raised without regard to whether or not child support arrears have been paid. That results in payees incurring a debt and responsibility for chasing child support arrears from a perpetrator, including where the perpetrator will not pay. This double whammy leaves payees repaying social security/family assistance debts when they have not received their child support. Instead, FTB A debts should only be raised after child support arrears have been received.

In 2025, the Commonwealth Ombudsman recommended:

amending the *A New Tax System (Family Assistance) (Administration) Act 1999 (Cth)* to remove the current presumption that all Child Support has been paid and to allow Family Tax Benefit Part A debts to be waived or otherwise not accrued in circumstances where Child Support has not been paid or has been underpaid.

While Services Australia has accepted this recommendation, the Department of Social Services (which has responsibility for advising on legislative amendment) has not; “noting” the recommendation. EJA supports the Ombudsman’s recommendation and seeks urgent action to address this glaring anomaly.

Recommendation 7: That the Federal Government amend the *A New Tax System (Family Assistance) (Administration) Act 1999 (Cth)* to remove the current presumption that all child support has been paid and to allow Family Tax Benefit Part A debts to be waived or otherwise not accrued in circumstances where child support has not been paid or has been underpaid.

Recommendation 8: That Services Australia institute a mechanism to ensure child support has been received through the Agency Collect system before raising an FTB A debt.

Enormous FTB debts resulting from multi-year non-lodgement of tax returns

- Poor effort by government to ensure timely payment of child support and collection of child support arrears is undermining the social security/family assistance system.

Services Australia calculates a person's adjusted taxable income using information provided by the ATO following a person submitting their tax return. Although most people receiving income are legally required to lodge a tax return, many people intentionally delay lodgement. The ATO is not proactive pursuing late lodgement, and Services Australia is without a mechanism to force a person to lodge a tax return. The Commonwealth Ombudsman reports that as of December 2024, Services Australia's calculations of payer's liability for child support were based on a payer's current tax return (349,980 payers), provisional income (206,455 payers), and an income estimate (29,240 payers).³¹ That means around 40 per cent of payers had not lodged their tax return despite lodgement being "required" by 31 October 2024.³²

EJA members continue to assist people who have received an FTB debt arising from the child support payer's delayed tax returns. Often those debts are considerable because FTB A has been overpaid over many years as the direct result of multi-year non-lodgement, sometimes exceeding a decade. Usually, the client – a woman – will ask why she continues to be punished by her ex-partner's overtly abusive actions. The situation is particularly heinous when the result of ongoing abuse and harassment so many years after the client has managed to remove herself from an abusive relationship.

The ATO holds substantial data on many individuals' recent taxable income through the Pay As You Go (PAYG) system, including individuals with years of outstanding tax returns. Unfortunately, PAYG data is not used to assess child support liability. Similarly, private businesses with revenue of less than \$20 million per annum are required to provide quarterly BAS statements, while people voluntarily registered for GST with turnover less than \$75,000 are required to provide annual statements. More needs to be done to apply information already held by the ATO to assess child support liability, so that timely child support assessment can be undertaken, preventing multi-year failures resulting in substantial FTB debts.

EJA recognises there is a difference between a "child support payer" who deliberately does not make payments despite having funds to do so, and those facing genuine financial difficulties although trying their best. The first parent is carrying out financial abuse while the second is not. Despite that, those avoiding their child support obligation through non-lodgement of tax returns face no penalty.

A number of stakeholders have recommended that the tax system be used to alleviate some of the harms caused by child support collection failures, many of which are, after all, the responsibility of government. That includes:

³¹ Commonwealth Ombudsman (2025). [*Weaponising Child Support: when the system fails families*](#).

³² Australian Taxation Office (2025). [*Preparing your tax return*](#).

- an annual review and reconciliation system for child support, to ensure any unpaid or underpaid amounts are deducted from the perpetrator's tax return, financial assets or other income streams (for example, from superannuation or a paycheque) and paid to the intended recipient, with interest where payments have been delayed.³³
- mandating of annual tax returns from both parties to close loopholes that allow minimisation of child support assessments.³⁴ The 2024 Financial Services Inquiry made a specific recommendation: "That the Australian Government mandate annual payer and payee declarations to the Australian Tax Office for individuals in private child support payment arrangements; and require appropriate acquittal documentation, including but not limited to bank statements, to substantiate all declarations."³⁵
- introduction of a mechanism via the existing tax system for ensuring that payees are not left out of pocket for non- and under-payment of child support benefits by issuing child support payees with refundable tax credits equal to any shortfall in child support payments at the end of each financial year, with a corresponding tax debt assigned to the payee, collectable by the ATO as a debt owed to the Commonwealth.³⁶

The tax system is outside the expertise of EJA and our Member Centres, however, EJA reiterates the calls of the expert bodies cited above, noting lack of commitment to timely child support collection undermines the social security/family assistance system.

Recommendation 9: That the Australian Tax Office investigate privacy and data protection regimes to consider how timely data held by the agency, including PAYG and BAS data, could enable real-time assessment of child support liability, resulting in timely calculation of Family Tax Benefit Part A entitlement.

Recommendation 10: That the Australian Tax Office develop systems to penalise those deliberately delaying tax return lodgement to obfuscate and minimise child support payment obligations.

Limited access to debt waiver

Access to debt waiver remains overly restrictive in relation to FTB debts incurred as the result of abuse by a child support payer.

Section 101 of the *Family Assistance (Administration) Act* and section 7.3.2.50 of the *Family Assistance Guide* provide that a debt may be waived in special circumstances. Section 101 mirrors

³³ See the submissions of Financial Counselling Victoria and Single Mother Families Australia as quoted in Parliamentary Joint Committee on Corporations and Financial Services (2024). [Financial abuse: an insidious form of domestic violence](#).

³⁴ See the submissions of Centre for Women's Economic Safety and Single Mother Families Australia as quoted in Parliamentary Joint Committee on Corporations and Financial Services (2024). [Financial abuse: an insidious form of domestic violence](#).

³⁵ Ibid.

³⁶ Ibid.

section 1237AAD of the *Social Security Act*, so that case law decisions regarding special circumstances debt waiver made under the *Social Security Act* provide guidance to the application of special circumstances for the purposes of the *Family Assistance (Administration) Act*.

These special circumstances debt waiver provisions require that a person has personal circumstances (additional to financial hardship) that are unusual, uncommon or exceptional, making it unfair or unduly harsh to have to repay a debt. The experience and lasting impact of domestic violence can be a factor when determining special circumstances, although decisions are patchy – including some which exclude a person's history of domestic violence, arguing domestic violence is not unusual or uncommon. Such cases suggest a person would need to distinguish their individual circumstances from those of the many other people who have FTB debts resulting from a perpetrator's tax return avoidance tactics.

EJA members report some success using special circumstances debt waiver provisions in cases involving domestic violence, however, these provisions are neither particularly available to people without a legal advocate, nor often any guarantee of success as the "unusual, uncommon or exceptional" bar is set too high and decisions remain discretionary. The family assistance/child support interface would be improved through the introduction of a fit-for-purpose legal mechanism which allows FTB A debts to be waived where child support has not been paid or has been underpaid, including where non-payment reflects protracted domestic violence.³⁷

Recommendation 11: That the Department of Social Services introduce measures under section 7.3.2 of the *Family Assistance Guide* that trigger consideration of FTB debts arising from non-lodgement of another person's tax returns for waiver, where non-lodgement occurs over multiple years and is a feature on ongoing abuse and harassment of the FTB recipient.

Poor intersection with family law settlement

- Poor interface between the tax, family assistance and family law systems leaves individuals solely liable for significant FTB debts incurred while in a relationship with the person who caused the debt.

FTB debts can be extremely large when accrued over an extended period, including where the FTB recipient's partner has failed to lodge tax returns both during the relationship and post-separation. An FTB recipient, usually the mother, has no power to force their partner/ex-partner to lodge, and lacklustre pursuit of errant tax returns by the ATO means non-lodgement can continue for years. In some cases, non-lodgement is unintentional but in others it is deliberate; a means to hide the perpetrator's income from their partner and/or Services Australia.

In many cases, a sizable portion of the FTB debt will relate to the period the two parties were together and the funds were spent on "family expenses" or were otherwise spent solely at the

³⁷ See, for example, [A New Tax System \(Family Assistance\) \(Administration\) Act 1999](#) (Cth) ss 71 and 101. Here, we are referring to a specific legal mechanism that allows this, not general debt waiver options. EJA submission on the child support/Family Tax Benefit interface – September 2025

discretion of the perpetrator. EJA members have assisted clients with FTB debts exceeding \$100,000, incurred in such circumstances.

Family law property settlement processes can be used to share liability for a debt between both partners, but often a FTB debt is revealed after a family law settlement has been reached and the couple's financial matters have been finalised. This leaves the FTB recipient with the debt and without means to recover any funds from their ex-partner.

These cases often occur among parties where domestic violence was a factor triggering separation and/or the custodial parent is the subject of ongoing harassment and abuse. Lumbering the victim-survivor of domestic violence with an FTB debt incurred through the actions of the perpetrator runs contrary to contemporary family and domestic violence policy.

Current practices are also at odds with FTB being pitched by government as a payment for "families", noting neither Services Australia nor the Department of Social Services report gender disaggregated data on individual FTB recipients (unlike readily available data for income support payments); the rationale being that payment is to the family unit.³⁸

Recommendation 12: That the Department of Social Services consider means to address the poor intersection of family law and social security/family assistance law, resulting in Family Tax Benefit recipients incurring significant debts resulting from a non-recipient's non-lodgement of tax returns during periods when funds were received and spent "as a family" and/or were spent by the non-recipient partner.

Public sector administration and oversight

Increase understanding of child support/family assistance in the community

Many people have limited or no knowledge of the child support system and its intersection with FTB A until they separate and need, or are forced, to interact with it. That often occurs during a very difficult period when people are dealing with separation and the logistics of establishing separate lives, which can also coincide with significant trauma for themselves and their children. The innate complexity of the system, including myriad obligations and options, results in many people's child support and FTB arrangements being a poor fit for their circumstances. That includes the consequences of a person:

- not organising child support within three months
- not accessing the MAT exception where appropriate
- opting for Private Collect (often at Services Australia's suggestion) where inappropriate
- having their unpaid child support reduce their FTB A because they are unaware of the disbursement method of assessment.

³⁸ Communications between Economic Justice Australia, Department of Social Services and Services Australia, 2024.

One of the most obvious issues regarding accessibility relates to language, particularly use of the term “maintenance” within the social security/family assistance system, including “maintenance action test” and “maintenance income test”. In fact, “maintenance” has largely become an outdated and technical term as a result of the Child Support Scheme being in operation for more than 35 years and “child support” becoming the default terminology for most people.

The term “maintenance” also comes with other issues. Without clear context, its use requires the addition of “child” before it, so as not to be confused with spousal maintenance. It is also unhelpful to have two terms being used within the same government system. EJA suggests that the Department of Social Services review use of “maintenance” within the social security/family assistance and child support systems, and consider updating all language to refer to “child support”.

There are also people who remain oblivious to both the child support system and its intersection with FTB A post-separation, with EJA members advising clients in terrible circumstances who have gone for an extended period without accessing their entitlements. People from more disadvantaged populations are particularly vulnerable, including people from First Nations communities in remote areas and those from culturally and linguistically diverse communities. Recently arrived migrants and women on temporary visas are particularly likely to be affected.

Our client was on a temporary visa when she had a child with her Australian citizen partner. Following sustained domestic violence, she left with her child, but was precluded from accessing a social security payment as a result of her temporary status. We advised her that her child, an Australian citizen, could claim Special Benefit, and referred her to a Centrelink social worker. It was at this point she learned about the Australian child support system. She applied for a child support assessment and her ex-partner began making payments. Without (her child’s) Special Benefit and child support, she would have become homeless and would have lost her child.

EJA Member Centre

Many EJA Member Centre clients do not have property or lack funds to take family law proceedings, while others may be resistant to having anything to do with the court system. Consequently, contact with Services Australia is vital, not only as a means of administering child support, but simply to learn of its existence. Here, the link between child support and family assistance payments serves a vital function, as often it is Centrelink staff who identify people who are unaware of their child support entitlements and then refer them into the child support system.

Despite that, people are falling through the cracks. EJA members continue to see people who say they didn’t realise they’d lose most of their FTB if they didn’t make child support arrangements quickly. Sometimes it seems they have not had the MAT explained to them clearly, and sometimes they say they remember hearing something about it but can’t remember what it was about. Many

are also unaware of the disbursement method of child support assessment or the partial exemption option for people using Private Collect or other private arrangements. Often the stakes are high, given the intersection of income with housing security.

Our client and her children were facing homelessness as she was behind on her public housing rent. Her rental rebate was calculated based on information provided by Centrelink, which included her child support. In theory, she was “collecting” her child support privately but she was scared about what her ex-partner would do if she tried to collect what was owed to her or move to Agency Collect, so she had not received any child support for a long time. She was not getting the correct rate of Family Tax Benefit as her FTB A was based on the assumption that she was receiving 100 per cent of the child support to which she was entitled. We advised her about the partial exemption for Private Collect, which she was not aware of, and connected her to a Centrelink social worker. Our client got the exemption, which was also backdated. As a result, she received her full Family Tax Benefit entitlement, including a sizable arrears payment, which helped stabilise her housing situation.

EJA Member Centre

Recently, EJA has worked with Services Australia staff to improve warning letters regarding a lack of maintenance action. That includes prompting people to contact Services Australia if they have a reason for not applying for child support, specifically referencing family and domestic violence, letting people know there are exemptions, and providing additional information regarding the consequences of not taking maintenance action. These improvements will have tangible effects, but more needs to be done.

More intensive servicing is required for people who can’t instigate child support arrangements by themselves or are struggling during a period of intense change. Access to expert and supportive Services Australia staff is also critical when people encounter problems, including warnings regarding lack of maintenance action, delays in child support payments being received, and notifications regarding a related FTB debts.

Previously, Services Australia had designated officers who could “bridge” the child support/FTB divide. There would be great benefit in reviewing current staffing arrangements and developing a means to have specialist staff both on-site and available by phone, working across Child Support and Centrelink to provide customer-facing services that bridge information and administrative siloes.

People living in remote Australia can be particularly badly affected by lack of access to expert staff. Services Australia has a system whereby remote servicing teams visit remote communities. Although more visits to more locations would be highly beneficial, the servicing currently delivered by remote servicing teams is held in high regard – often making the difference between a person accessing a social security/family assistance payment or not. Remote

servicing teams would be improved by the addition of Child Support staff, or Services Australia staff with expertise and capacity to work across both the child support and family assistance systems.

Access to correct child support and family assistance entitlements for people in remote communities is also undermined by the lack of taxation specialists and facilities to enable lodgement of a tax return. The nearest tax agent may be hundreds of kilometres away, tax agents often charge exorbitant fees when they do visit a remote community, there is a lack of awareness about the Tax Help program, a lack of volunteer organisations to assist lodgement, and limited phone and internet access. Given the integral role tax return lodgement plays in the child support/family assistance system, EJA recommends that Services Australia explore co-delivery of servicing with the ATO – a process that could be delivered through ATO staff joining Services Australia’s remote servicing teams.

Recommendation 13: That the Department of Social Services review use of “maintenance” within the social security/family assistance and child support systems, and consider updating all language to refer to “child support”.

Recommendation 14: That Services Australia develop systems to bridge the information and administrative child support and social security/family assistance divide, including making client-facing specialist staff readily available to those struggling to navigate the system.

Recommendation 15: That Services Australia’s remote servicing teams include both Centrelink (family assistance) and child support staff to advise and assist people to claim child support and access Maintenance Action Test exemptions, disbursement method of assessment, etc. where appropriate.

Recommendation 16: That Services Australia liaise with the Australian Taxation Office (ATO) to secure a commitment to have ATO staff travel with remote servicing teams to assist people to lodge their tax returns.

Make Agency Collect the default

- Private Collect leaves victim-survivors of domestic violence vulnerable to ongoing abuse by ex-partners.

Currently Private Collect is the default setting for child support collection, with people required to opt-in to Agency Collect. EJA members continue to see clients who have been encouraged by Services Australia staff to “choose” Private Collect, when Agency Collect would have been a more appropriate option. While less than half of all payees initially choose Private Collect, many people later transfer into Agency Collect because their child support is not being paid.

The child support scheme was introduced to send a clear message that the government requires both parents to take financial responsibility for their child. That expectation is eroded by leaving arrangements solely in the hands of parents, as abusive payers often don't pay, also pressuring the payee not to report non-payment.

EJA members report that their default advice to clients is to use Agency Collect to ensure scrutiny of child support payments, enable recovery of arrears, and minimise issues regarding the impact of child support on FTB A. This provides Child Support clear oversight of funds received, and increases options for recovery of child support arrears.

The recent [Inquiry into the Financial Services Regulatory Framework in Relation to Financial Abuse](#) suggested:

That, where an annual payer declaration shows that child support payments are not reasonably aligned with payee child support entitlements, or where an annual payer declaration is not made, Private Collect child support payment arrangements automatically convert to Agency (Australian Tax Office) Collect child support arrangements.

This concept is not new, noting the Australian Law Reform Commission's 2010 Inquiry into the Treatment of Family Violence in Commonwealth laws included commentary by a number of stakeholders arguing that Agency Collect was the appropriate collection method in cases involving family violence.³⁹ National Legal Aid argued that Agency Collect should "be the default wherever family violence is identified" and that all communication by the Child Support Agency [now Child Support] with the payer should emphasise that decisions are the responsibility of the Child Support Agency and not the victim.⁴⁰

EJA goes one step further, recommending that Agency Collect become the default child support management option, with Private Collect only available to parties as an "opt out" option – reversing the current status quo. It is worth considering whether opting out should be available only after the payer meets a set threshold, for example, timely payments made over a 12-month period; allowing Child Support to confirm arrangements are in place and payments are being made on time. Failure to do so could preclude access to Private Collect. Defaulting on payments could trigger a return to Agency Collect. This process may increase regular payment of child support overall by better establishing payment of child support as a government requirement rather than an action undertaken at the whim of the payee.

³⁹ Stakeholders included Australian Association of Social Workers (Qld), Council of Single Mothers and their Children, National Legal Aid, at Australian Law Reform Commission (2011). [Family Violence and Commonwealth Laws \(Discussion Paper 76\)](#).

⁴⁰ Ibid.

Recommendation 17: That the Federal Government make Agency Collect the default method of child support collection, allowing access to Private Collect only after payers have a demonstrated track record of timely child support payment.

Oversight of Private Collect and other private arrangements

- Private Collect operates without scrutiny so the Federal Government has no knowledge about how well Private Collect is operating, including knowledge of individual cases or the quantum of outstanding child support across the Australian population.

The Commonwealth Ombudsman established that at 31 December 2024, there was \$1.9 billion in Agency Collect debt, owed by 153,694 payer parents. The average amount owed was \$7,261.14.⁴¹ The amount owed under Private Collect arrangements is unknown.

Research by Swinburne University and Single Mother Families Australia identified that of the 675 single mother parents who participated in their survey, almost half (47 per cent) who had “chosen” Private Collect did so after being pressured by their ex-partner so that he didn’t have to pay child support.⁴²

More needs to be done to establish the quantum and patterns regarding outstanding child support via the Private Collect systems. Previous efforts to establish funds owed suggests the amount is likely to be considerable, noting data from internal Department of Social Service research prior to 2008 found that between 21 per cent and 38 per cent of payees in Private Collect cases had not received their payment in full or on time.⁴³

As outlined by the Standing Committee on Social Policy and Legal Affairs a decade ago, the “private” nature of these cases should not preclude the production of data on the rate of compliance”.⁴⁴ The Commonwealth Ombudsman also supports this view,⁴⁵ yet, no effort has been made to remedy this lack of knowledge. The Government’s 2024 Inquiry into the Financial Services Regulatory Framework in Relation to Financial Abuse recommended:

That the Australian Government mandate annual payer and payee declarations to the Australian Tax Office for individuals in private child support payment arrangements; and require appropriate acquittal documentation, including but not limited to bank statements, to substantiate all declarations.

EJA would welcome exploration of this proposal.

⁴¹ Commonwealth Ombudsman (2025). [Weaponising Child Support: when the system fails families](#).

⁴² Cook, K., Byrt, A., Edwards, T. and Coen, A. (2024). [Opening the black box of child support: Shining a light on how financial abuse is perpetrated](#).

⁴³ Standing Committee on Social Policy and Legal Affairs (2015). [From conflict to cooperation: Inquiry into the Child Support Program](#).

⁴⁴ Ibid.

⁴⁵ Commonwealth Ombudsman (2025). [Weaponising Child Support: when the system fails families](#).

Recommendation 18: That the Federal Government introduce a system to scrutinise payment of child support through Private Collect and other private arrangements, for example, through mandated annual payer and payee declarations and associated documentation to the Australian Taxation Office.

Identification and application of relevant knowledge across Services Australia

- Services Australia holds valuable information about individuals' risk of ongoing financial abuse, but information is not effectively shared within the agency. Child Support and Centrelink remain siloed.

Understanding of coercive control and financial abuse is increasing but systems lag behind. This presents in a number of ways.

The concept of domestic violence being perpetrated post-separation is not always understood, with abusive behaviour downplayed as simply poor (or justified) behaviour on the part of the payee. Instances of ongoing domestic violence or financial abuse are not always identified or recorded. More specific and targeted training is required.

Where cases are recorded, the IT system limits its usefulness. The Commonwealth Ombudsman found that as at March 2025, Services Australia's systems did not have a "sensitive issue indicator" for financial abuse that could be attached to a person's file. Limitations of the IT system also meant that where an indicator or "fast note" is added, staff need to click into the person's record to learn what the note relates to, which does not routinely occur. This digital structure also means that Services Australia is not able to do a search to identify how many cases of financial abuse there are or identify which cases have financial abuse flagged under one system but not others.

Information sharing regarding financial abuse is also stymied by the functions of Services Australia being siloed, including divisions between Child Support and Centrelink, and divisions within Centrelink between income support payments and family assistance payments. Services Australia is working to bridge those systems but current arrangements reflect clunky "legacy" IT systems which were not designed to facilitate information flow.

The need to ensure adequate sharing of information is further constrained by well-intentioned privacy and secrecy provisions that are undermining fair and intuitive delivery of services which work against individual income recipients' assumption and needs. Contrary to many people's expectations, when they tell Services Australia important information, such as being the subject of domestic violence or that their ex-partner is abusive, that information is not automatically transferred across the agency.

Effective servicing is undermined by privacy protections, including identifying payees who are subject to financial abuse and slowing down assessment of child support liability. EJA seeks review of the way privacy protections are undermining effective delivery of the child support & social security/family assistance systems.

The Commonwealth Ombudsman recently recommended:

- amending the *Child Support (Assessment) Act 1989 (Cth)* (CSA Act) to remove the requirement in the change of assessment process for the cross-sharing of documents, and instead allow high-level summaries to be provided for the purposes of procedural fairness.
- amending the CSA Act, the CSRC Act, the *Human Services (Centrelink) Act 1997 (Cth)* and the *Human Services (Medicare) Act 1973 (Cth)* to allow information about family and domestic violence, including financial abuse, to be readily shared within the agency.

Services Australia has accepted these recs while the Department of Social Services has “noted” them. EJA supports these recommendations and any additional efforts to revisit the purpose of privacy and secrecy provisions where it is beneficial to both the individual concerned and administering agencies.

Recommendation 19: That the Federal Government amend the *Child Support (Assessment) Act 1989 (Cth)* (CSA Act), the *Child Support (Registration and Collection) Act*, the *Human Services (Centrelink) Act 1997 (Cth)* and the *Human Services (Medicare) Act 1973 (Cth)* to allow sharing of information to increase efficiency and provide benefit to victim-survivors of family and domestic violence.

Child support collection powers

→ Greater public sector effort is required to collect child support arrears.

The lackluster approach to monitoring and collection of child support arrears is evidenced by the \$1.9 billion owed through Agency Collect (at 31 December 2024), and completely unknown amount owed through Private Collect.

Under a memorandum of understanding, Services Australia refers parents who have not lodged their tax return to the ATO where the person owes child support or a tax return is needed to calculate child support. This process, known as the Child Support Lodgement Enforcement program, occurs as a bulk referral once each year (in April). Ad hoc referrals may also occur where Services Australia considers a person poses “a high risk”.⁴⁶

Services Australia - Child Support Lodgement Enforcement program referrals⁴⁷

Financial year	FY23	FY24	FY25
Referral received	168,082	161,997 (↓ 3.6%)	151,949 (↓ 6.4%)

⁴⁶ Tax Ombudsman (2025). [Identification and management of financial abuse within the tax system](#).

⁴⁷ Ibid.

The ATO then “tries to engage” with the referred person via text, phone or letter.⁴⁸ The ATO will not necessarily take further action to ensure the missing tax returns are, in fact, lodged.⁴⁹

The Tax Ombudsman reports that of those referred for action in the 2024 financial year, approximately 71 per cent were actioned, resulting in 86,903 tax return lodgments, “returns not necessary” or default assessments.⁵⁰

The effectiveness of the LEP is limited by a number of factors. Annual transfer of data regarding non-lodgment of arrears is too slow, noting the Tax Ombudsman has recommended that “the ATO engage with Services Australia to explore options for more regular referrals”, and to also improve the quality of information referred”.⁵¹ The effectiveness of the LEP is also undermined by its focus on lodgement rather than accuracy, noting many perpetrators deliberately under-report their taxable income to reduce both tax and child support obligations. Both the Inspector-General of Taxation and Commonwealth Ombudsman have expressed concern that the ATO’s compliance programs do not consider the relevance of financial abuse through child support.⁵²

A number of stakeholders have suggested that child support collection would be more appropriately located within the ATO as the ATO has greater powers of collection.⁵³ Given concerns about the poor collection of outstanding child support, and Services Australia’s lack of access to tax-related information, the 2024 Inquiry into Financial Abuse also recommended moving responsibility for child support payment to the ATO, centralising child support payment information, and allowing easier enforcement for underpayments and non-payments of child support.⁵⁴

The Economic Abuse Advisory Group, a coalition of community sector agencies supporting those subjected to financial abuse, has recently recommended that the Government’s child support collection powers be increased, without expressing a preference for collection by the ATO or Services Australia. EJA shares this view, reiterating that increased powers, resourcing and will are critical to improve timely collection of child support, with significant flow on effects to the fair payment of FTB and mitigation of FTB debt accumulation.

Access to FTB arrears when switch to Agency Collect

→ Limitation of child support arrears collection through Private Collect is unfair, leaving carer parents without any means to collect outstanding funds.

A person may apply to move from Private Collect to Agency Collect at any time. They may also ask Services Australia to collect outstanding child support. Unfortunately, section 28A of the *Child*

⁴⁸ Commonwealth Ombudsman (2025). [*Weaponising Child Support: when the system fails families*](#).

⁴⁹ Ibid.

⁵⁰ Tax Ombudsman (2025). [*Identification and management of financial abuse within the tax system*](#).

⁵¹ Ibid.

⁵² Ibid; Commonwealth Ombudsman (2025). [*Weaponising Child Support: when the system fails families*](#).

⁵³ See the submissions of Single Mother Families Australia and the Brotherhood of St Lawrence as quoted in Parliamentary Joint Committee on Corporations and Financial Services (2024). [*Financial abuse: an insidious form of domestic violence*](#).

⁵⁴ Ibid.

Support (Registration and Collection) Act 1988 limits Services Australia's powers to collect unpaid child support to three months, or nine months in "exceptional circumstances", from the date they request Agency Collect collection. Access to the nine-month special circumstances provisions require that the parent provide evidence of exceptional circumstances. These limitations are particularly unfair given Services Australia encourages people into Agency Collect.

EJA is particularly concerned about the consequences for parents with outstanding child support who are pressured into changing to Private Collect by an abusive ex-partner. Unless the payee elects to leave the outstanding child support with Agency Collect (an option many don't select if aiming to minimise abuse from the perpetrator), the payee becomes solely responsible for collecting any funds owed. Then, if the person ever decides to change back to Agency Collect, only three (or nine) months of the debt can be pursued by Agency Collect – even where a significant portion arose under Agency Collect management.

These time-limited restrictions make no sense if the purpose of the Child Support Scheme is to ensure children receive the financial support of both parents. In particular, recovery of three months' child support will make little difference to the supporting parent's bottom line where child support has not been paid for many months or years. It presents no real sanction to the deliberately non-paying parent, so their errant behaviour is without consequence. Access to the nine-month extension comes with genuine obstacles, including the bar being set at "exceptional circumstance", a requirement to provide evidence, and the practice of inviting comment on that evidence from the (non-)payer, which may be dangerous for payees subject to domestic violence.

The Commonwealth Ombudsman has recommended:

amending the *Child Support (Registration and Collection) Act 1988* (Cth) (CSRC Act) to remove the 3-month and 9-month restrictions on Services Australia collecting Child Support arrears when collection changes from Private Collect to Child Support Collect.

EJA supports this recommendation.

Recommendation 20: That the Federal Government amend the *Child Support (Registration and Collection) Act 1988* (Cth) to remove the three-month and nine-month restrictions on Services Australia collection of child support arrears when collection changes from Private Collect to Child Support Collect.

Monitoring and transparency of child support and FTB data

- Greater transparency of child support data is required to inform management of, and increase community confidence in, the child support system.

Until 2009, the Department of Social Services published comprehensive data on child support. Now limited information is presented in a two-pager which provides a useful snapshot, but does not report on all relevant factors or allow comparison of data over time. Further, in the interests of brevity, data is not always well described. For example, the chart titled "FTB Part A children by

Maintenance Action Test (MAT) Category, March quarter 2025” relates to claims processed during the March quarter, not cases on hand during the March quarter which have failed the MAT during that and previous quarters.⁵⁵

Aside from the lack of public data per se, the current system obfuscates what is being collected and considered by government. For example, no data is reported on the number of people annually moving from Private Collect to Agency Collect. This data is important because it would suggest the number and percentage of people using Private Collect who found it was not fit for purpose. The Commonwealth Ombudsman requested data on how many child support cases changed from Private Collect to Agency Collect between January 2023 and December 2024 where child support was owed, but were told that information is not collected, which means it cannot be scrutinised. The Commonwealth Ombudsman also asked what portion of cases where a person moved from Private Collect to Agency Collect included debts and how many had the three-month or the nine-month recovery rules applied. Again, this data is not collected. Of greater concern, the process of gathering the data could not be undertaken before finalization of the Commonwealth Ombudsman’s report.

Recommendation 21: That the Department of Social Services revise data collection and publication to provide greater transparency regarding operation of the Child Support Scheme and its interface with family assistance payments.

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⁵⁵ Department of Social Services (2025). [Child Support Program Data – March 2025](#).