

Child Support Scheme

Facts and Figures

1998-99



DEPARTMENT OF
**FAMILY AND
COMMUNITY
SERVICES**



ChildSupport
*Helping parents manage
their responsibilities*



**ATTORNEY-
GENERAL'S
DEPARTMENT**

December 1999

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Comments on this Paper

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Child Support Scheme - Key Facts and Figures

	1996-97	1997-98	1998-99
Support for Children			
Child Support transfers:			
CSA Collect	\$458.0 m	\$526.4 m	\$571.3 m
Private Collect	\$533.5 m	\$636.5 m	\$727.9 m
Total	\$991.5 m	\$1,162.9 m	\$1,299.2 m
CSA collection performance since inception:	81.00%	83.50%	85.21%
Total collections	\$2,209.1 m	\$2,761.3 m	\$3,357.5 m
Total liabilities	\$2,725.7 m	\$3,305.6 m	\$3,940.4 m
Average weekly liabilities per case:			
Stage 1 CSA Collect	\$53.90	\$53.62	\$53.99
Stage 1 Private Collect	\$53.90	\$52.29	\$51.03
Stage 2 CSA Collect	\$84.21	\$81.27	\$94.93
Stage 2 Private Collect	\$106.12	\$103.25	\$107.14
Support for Parents			
CSA Caseload:			
%CSA Collect	59.29%	57.56%	55.99%
% Private Collect	40.71%	42.44%	44.01%
% Stage 1 Court Orders	12.20%	10.30%	8.59%
% Stage 2 Formula Assessment	87.80%	89.70%	91.41%
Children whose parents have or are now taking Reasonable Maintenance Action to ensure eligibility for Family Allowance	855,923	920,443	970,439
CSA client numbers:			
Payers	n/a	n/a	507,272
Payees	n/a	n/a	506,692
Total	n/a	n/a	1,013,964
Legal Services Funding	\$3.99 m	\$4.93 m	\$7.64 m
CSS Savings & Costs to Government			
Total savings to Government outlays	\$318.30 m	\$378.30 m	\$419.20 m
Net Savings after Scheme costs are subtracted	\$144.50 m	\$190.64 m	\$228.60 m
Scheme costs by agency:			
CSA	\$160.58 m	\$169.70 m	\$180.11 m
FaCS	\$8.57 m	\$10.43 m	\$2.70 m
AGD	\$4.65 m	\$7.53 m	\$7.83 m
Dollars collected by CSS for each dollar spent.	\$5.70	\$6.20	\$6.81
CSS Cost to collect each dollar.	17.5 cents	16.1 cents	14.7 cents

Introduction

This paper is the third edition of Child Support Scheme Facts and Figures. The first edition dealing with 1996-97 data for the Scheme was released in 1998. This is an annual publication released jointly by the agencies and departments with responsibilities under the Child Support Scheme.

1.0 A Brief Overview and History of the Australian Child Support Scheme

1.1 The Aims of the Child Support Scheme

The Australian Child Support Scheme was introduced in 1988 to "strike a fairer balance between public and private forms of support [for children] to alleviate the poverty of sole parent families."¹ The Scheme aims to ensure that:

- parents share in the cost of supporting their children according to their capacity;
- adequate support is available to all children not living with both parents;
- Commonwealth involvement and expenditure is limited to the minimum necessary for ensuring children's needs are met;
- work incentives for both parents to participate in the labour force are not impaired; and
- the overall arrangements are non-intrusive to personal privacy and are simple, flexible and efficient.²

1.2 A Brief History of the Child Support Scheme

Prior to the introduction of the Child Support Scheme, child support could only be obtained by the parents reaching an agreement or by seeking an order from a court. This meant that child support was effectively denied to those parents who could not reach an agreement with their former partner and could not afford to take court action.

Even where court orders were obtained, the child support amounts ordered were low.³ Court orders were also inflexible. For example, many did not allow for inflation or for periods of unemployment. Court orders were also difficult and costly to amend. Child support compliance prior to the introduction of the Child Support Scheme was poor. It was estimated that only one third of parents in Australia who were ordered to pay child support did so regularly. The only remedy available to parents wanting to enforce child support payments was to seek an enforcement order through a court. This was costly and time-consuming. Enforcement orders were also largely ignored by defaulting parents.

The low level of payments ordered and the low rate of payment was in part responsible for falling living standards for sole parent families. This resulted in an increasing share of social welfare payments being directed to these families.

In October 1986 the then Federal Government decided to implement a new child support system. Reform was implemented in two stages.

¹ Cabinet Sub-Committee on Maintenance, *Child Support: discussion paper on child maintenance* (1986), p. 14.

² *An examination of the operation and effectiveness of the Child Support Scheme, Government Response to the Report by the Joint Select Committee on Certain Family Law Issues*, November 1997, p.3.

³ Court and privately agreed maintenance payments averaged between \$10 and \$30 per week. These low levels of maintenance were largely the result of the practice of setting maintenance at a level that would not affect the custodian's entitlement to the sole parent pension. *Child Support Scheme. An examination of the operation and effectiveness of the scheme, Joint Select Committee on Certain Family Law Issues, Parliament of the Commonwealth of Australia*, November 1994, p.12.

Stage 1 was introduced by the *Child Support (Registration and Collection) Act 1988*. This Act gave the Commissioner of Taxation the responsibility, as Child Support Registrar, for collecting child support payments in respect of court orders and court-registered agreements. This collection is undertaken on application from the parent entitled to receive child support.

Stage 2 was introduced by the *Child Support (Assessment) Act 1989*. This Act established a further responsibility on the Child Support Registrar to administratively assess child support using a formula based on the income of both parents, and therefore their capacity to pay. Stage 2 applies only to parents who separated on or after 1 October 1989, or who have a child born on or after that date.

The most recent legislative changes to the Child Support Scheme include:

- families can claim 50 per cent of any child support paid as a deduction from household income for Family Allowance purposes;
- the introduction of a minimum child support liability of \$260 a year;
- an increase in the exempt income amount of child support payers;
- lowering the disregarded income amount for child support payees;
- allowing high child care costs as a reason for change of assessment for payees;
- the transfer of many existing clients with satisfactory payment records to private collect arrangements;
- assessment based on current year of income;
- greater flexibility in Non-Agency Payments (NAPs).

The impact of these changes will be reflected in future editions of *Child Support Scheme Facts and Figures*.

1.3. The Child Support Formula

The CSA uses a formula to calculate the amount of child support to be paid. The basic formula is varied where the care of the children is shared, or where the payee has income greater than average weekly earnings (AWE). Some changes to the formula occurred from 1 July 1999, so this section details the way the formula worked before 1 July 1999 and from that date.

1.3.1 The Formula Until 30 June 1999

Up until 30 June 1999 the formula was used in the following way:

- The liable parent's taxable income:
 1. Less an allowance for living expenses and for each natural or adopted dependent child living with the liable parent;
 2. Less the custodian's excess income over average weekly earnings (allowance was made for child care costs).

After making these deductions a percentage of the remaining income was paid as support. The percentage varied according to the number of children:

No. of Children	1	2	3	4	5 or more
Child Support	18%	27%	32%	34%	36%

The basic formula used to assess the annual rate of child support was:

$$\{ (A - B) - C \} \times D = E$$

Where:

A is the child support income amount (taxable income)

- B is the exempted income amount
- C is the amount of payee income above the disregarded income amount
- D is the child support percentage
- E is the amount payable by the payer

Taxable income used in the child support formula was the income shown on the payer's tax return for the financial year before last. For child support purposes the maximum taxable income used in the formula in 1998-99 was \$96,968.

An uplift factor was applied to the taxable income amount to adjust for changes in salary and wages levels. In 1998-99 this factor was 1.040.

A payer's exempt income was an allowance for living expenses and was deducted before the child support percentage was applied. It was based on the single rate of social security pension. If the payer had care of other natural or adopted children, the exempt amount was increased to twice the married pension rate plus an allowance for each child depending on their age (see Table 1.2).

Table 1.2: Exempt Income Amounts 1998-99

	Exempt Income Amount 1998-99
No natural or adopted children	\$9,043.00
Married rate \$7,542.50	\$15,085.00
Allowance for child under 13	\$1,895.00
Allowance for child 13-15	\$2,649.00
Allowance for child 16-17	\$3,771.00

Source: Relevant FaCS Pension Rates 1998-99, CCH Court Handbook.

If the payee's income was more than the disregarded income amount⁴ the payer's liability was reduced. The payee's disregarded income amount is that part of the payee's income below AWE, plus an allowance for each child under 12 years of age.

If either parent's income had decreased by 15 per cent or more since the relevant year of income,

they could apply for the assessment to be varied to reflect their current income.

1.3.2 The Formula From 1 July 1999

From 1 July 1999 the following changes were made to the child support formula. Rental losses and exempt foreign employment income are now added back into the liable parent's taxable income. Secondly, if a carer's child support income amount exceeds their disregarded income amount, then the liable parent's adjusted income amount is reduced by 50 per cent of the carer's excess income for the period concerned. Thirdly, during the course of 1999-2000 the uplift factor is also being progressively phased out as liabilities are reassessed using the last year of income rather than income based on the second last year.

1.4 Administrative Arrangements Between the Child Support Agency, the Department of Social Security/ Department of Family and Community Services and the Attorney-General's Department

Until October 1998 the Child Support Scheme was administered by the Child Support Agency, the Department of Social Security and the Attorney-General's Department.

In October 1998, however, it was announced the CSA would be removed from the Australian Taxation Office and become part of the new Commonwealth Department of Family and Community Services (FaCS). As a result of these changes the Scheme partners are now the Department of Family and Community Services, incorporating the CSA and the Attorney-General's Department.

⁴ The "disregarded income amount" recognises that the carer makes a significant contribution to the care of the children covered by the assessment. See Appendix 2 for more details.

1.4.1 The Child Support Agency

The Child Support Agency was created to administer the *Child Support (Registration and Collection) Act 1988* and the *Child Support (Assessment) Act 1989* on behalf of the Registrar.

The role of the CSA is to register cases on application from the parent entitled to receive child support, to assess child support payable (Stage 2 cases only) and collect payments where requested. The CSA also provides an information service for its clients on child support matters. These activities are undertaken in Branch Offices (currently 19) around Australia. Within the next 6 months the CSA will also have a presence in 20 Centrelink offices in regional Australia as a result of the Regional Service Centres initiative.⁵

The CSA has access to taxation information to enable efficient assessment and collection of child support.

1.4.2 The Department of Family and Community Services

The Commonwealth Department of Family and Community Services (FaCS) has taken over the Child Support Scheme responsibilities of the Department of Social Security. It has a general responsibility to advise the government on matters relating to income support and social welfare policy, including child support. It has two main roles in the administration of the Child Support Scheme:

- strategic policy development, analysis and research; and
- ensuring appropriate linkages between income support and child support.

In relation to the latter, Centrelink undertakes the following:

- ensuring applicants for more than the minimum rate of Family Allowance take reasonable action to obtain child support; and
- adjusting family allowance payments to individuals in receipt of child support payments.

Centrelink has 450 customer service and call centres across Australia. It makes an estimated 300 million contacts per annum with over 5.6 million customers.⁶

CSA and Centrelink are working together to enhance service delivery to mutual clients. Centrelink accepts child support applications, and from late December 1998 has transmitted these electronically to the CSA.

1.4.3 The Attorney-General's Department

The Attorney-General's Department (AGD) has a general responsibility to advise the Government on matters relating to family law. The Department also provides:

- legal advice and representation for the Child Support Agency; and
- Legal Aid support to eligible parents under the Child Support Scheme.

1.5 How the Child Support Scheme Works

Australian families may make child support arrangements in one of three ways:

- an entirely private arrangement between the parents which includes cases where child support is not sought - Self-Administration;
- registration with the Child Support Agency but with payment made directly between the parents - Private Collect; or

- registration and collection by the Child Support Agency - CSA Collect.

Registration with the CSA can proceed on the application of either parent, however only the payee can apply for child support to be collected. The application can be to register a court order, a child support agreement or for the CSA to issue an administrative assessment. However, from 1 July 1999 a parent liable to pay child support was also able to apply to the CSA for administrative assessment.

Where CSA collection is required, payers can make payments directly to the CSA. Alternatively, child support can be deducted from a payer's salary or wages in much the same way that income tax is deducted.

Where a payment is not made and the CSA is unable to come to a voluntary payment arrangement with the payer, the Registrar has a range of administrative enforcement powers available, including:

- deduction from salary and wages (51% or \$293.20 million of all CSA collections were paid this way in 1998-99);
- interception of income tax refunds (9% or \$48.74 million of all CSA collections were paid this way in 1998-99);
- collection of monies owed to the defaulting parent from third parties under Section 72A, e.g. accessing funds in savings accounts, superannuation funds and solicitors' trust accounts.

In addition, debts can be pursued through the courts to seek orders for sale of assets and property, or debts can be pursued by instituting bankruptcy proceedings.

2.0 Child Support in the Department of Family and Community Services

2.1 Child Support Customers

Centrelink and CSA have mutual clients primarily as a result of the Maintenance Action Test. As mentioned in section 1.4.2, Family Allowance customers who have children from a previous relationship must take reasonable action to obtain child support. A high proportion of applications for registration with the CSA therefore come from Centrelink. Reasonable action for Stage 2 customers means lodging an application for assessment under the child support formula and either:

- having the payments collected by the CSA; or
- privately collecting 100% of the assessed amount; or
- lodging a child support agreement that meets 100% of the assessed amount.

2.2 Maintenance Action Being Taken by FaCS Child Support Customers

Maintenance action is recorded by Centrelink for each child because in some cases a parent may have different maintenance action in progress for different children where for instance, the children have different fathers.

The following is a summary of maintenance action being taken on behalf of children of FaCS Family Allowance customers. At June 1999:

- a total of 87.8% of children of FaCS Family Allowance customers had maintenance action completed on their behalf. This means these cases were registered with the CSA or an application had been lodged;

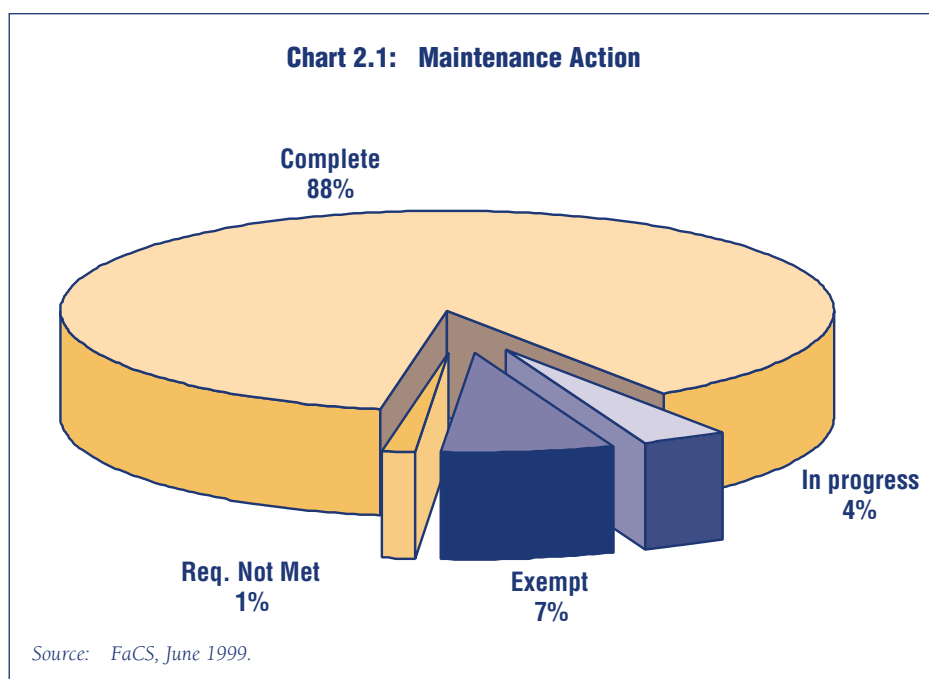
- a further 3.7% had "action in progress" which includes those where the customer is deciding what action to take or is awaiting the outcome of legal action (e.g. to determine parentage);
- another 7.2% of children of FaCS Family Allowance customers were granted an exemption; and
- the remaining 1.3% of children of FaCS customers at that time did not have reasonable maintenance action requirements met on their behalf.

Based on the figures in Table 2.1 and the chart above, it can be seen that reasonable maintenance action requirements have been met for about 95% (87.8% "complete" plus 7.2% "exempt") of children of FaCS child support customers. In addition, about 3.7% are in the process of taking appropriate action. In fact, at June 1999, only 1.3% of children did not have reasonable maintenance action requirements met on their behalf and in many cases this can be a temporary situation.

Table 2.1: Action Taken to Obtain Child Support

Maintenance Action	Number of Children	%
Complete	852,564	87.8
In Progress	35,826	3.7
Exempt	69,400	7.2
Requirements Not Met	12,649	1.3
Total	970,439	100.0

Source: FaCS, June 1999.



3.0 Caseload

3.1 Active Caseload⁷ at June 1999

As at June 1999 there were 535,569 active cases. Some 8.6 per cent (45,986) were Stage 1 active cases, and 91.4 per cent (489,583) were Stage 2 active cases.⁸ Each case has two CSA clients - the payer and the payee. There is some overlap as some payers and some payees are involved in more than one case. As a result the CSA had over 1 million clients by June 1999.

3.2 Caseload Growth by Stage and Payment Arrangement

The Stage 1 active caseload has been declining since 1993. This will continue as the children in Stage 1 move out of the child support eligible population. The trends in both Stage 1 and Stage 2 caseloads are reflected in Table 3.1 and Chart 3.1. Chart 3.1 shows growth in active cases has slowed over the past five years. Between June 1993 and June 1994 the active caseload grew by an average of 5,550 cases per month. Between July 1998 and June 1999, however, the growth in the active caseload slowed to an average of 3,420 cases per month.

Chart 3.2 shows there has been a slowdown in the growth of both CSA collect and private collect cases but growth in CSA collect cases has slowed at a faster rate than private collect case growth. The reduction in the percentage of CSA collect cases (see Table 3.2 and Chart 3.3 overleaf) is consistent with the Government's aim to ensure arrangements are non-intrusive to personal privacy.

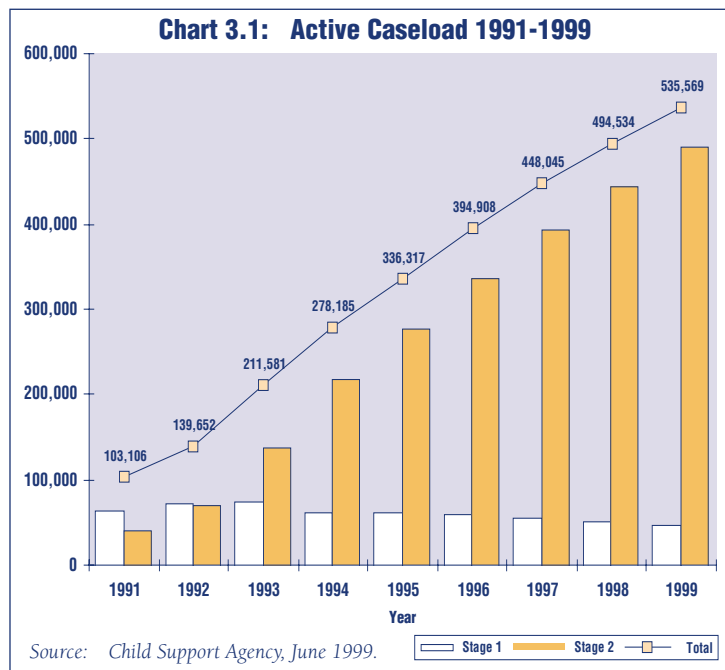


Table 3.1: Caseload Growth by Stage and Payment Arrangement

30 June	Stage 1 Active Caseload		Stage 2 Active Caseload		Total
	Number	%	Number	%	
1991	62,758	60.87	40,348	39.13	103,106
1992	70,787	50.69	68,865	49.31	139,652
1993	73,819	34.89	137,762	65.11	211,581
1994	61,082	21.96	217,103	78.04	278,185
1995	60,226	17.91	276,091	82.09	336,317
1996	58,442	14.80	336,466	85.20	394,908
1997	54,645	12.20	393,400	87.80	448,045
1998	50,935	10.30	443,599	89.70	494,534
1999	45,986	8.59	489,583	91.41	535,569

Source: Child Support Agency, June 1999.

Note: Active caseload figures for Stage 1 in this table include "processing not finalised", "registered and collecting", "elections not to collect" and "keyed court orders/no applications". Active caseload figures for Stage 2 in this table include "processing not finalised", "total assessed, registered and collecting" and "total assessed but not collecting".

⁷ "Active Cases" include Stage 1 and Stage 2 cases that are registered and liabilities are being collected, where processing is not finalised, and cases that have been assessed but where the liability is being collected privately.

⁸ Child Support Agency Monthly Performance Report for June 1999 (CS5), p. 9.

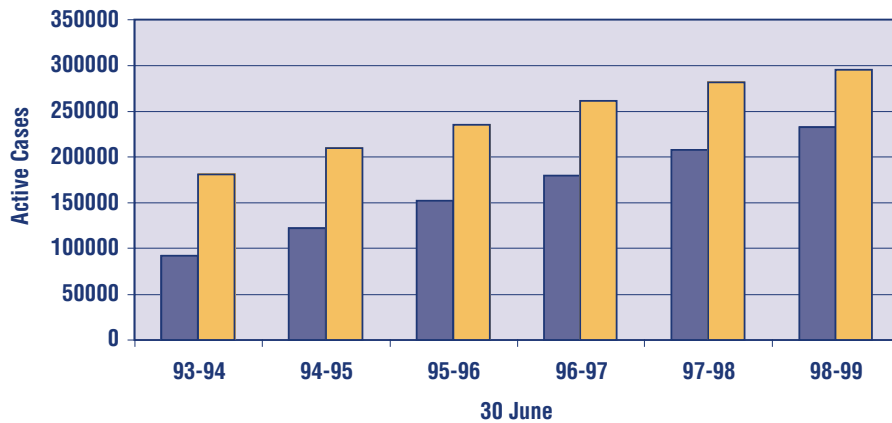
Table 3.2: Active Caseload by Private Collect and CSA Collect Split ¹

Year	Private Collect	Private Collect %	CSA Collect	CSA Collect %	Total
1993-94	91,468	33.6	180,581	66.4	272,049
1994-95	121,514	36.7	209,477	63.3	330,991
1995-96	152,018	39.3	235,008	60.7	387,026
1996-97	179,241	40.7	261,000	59.3	440,241
1997-98	207,569	42.4	281,473	57.6	489,042
1998-99	232,064	44.0	295,290	56.0	527,354

Source: Child Support Agency, June 1999.

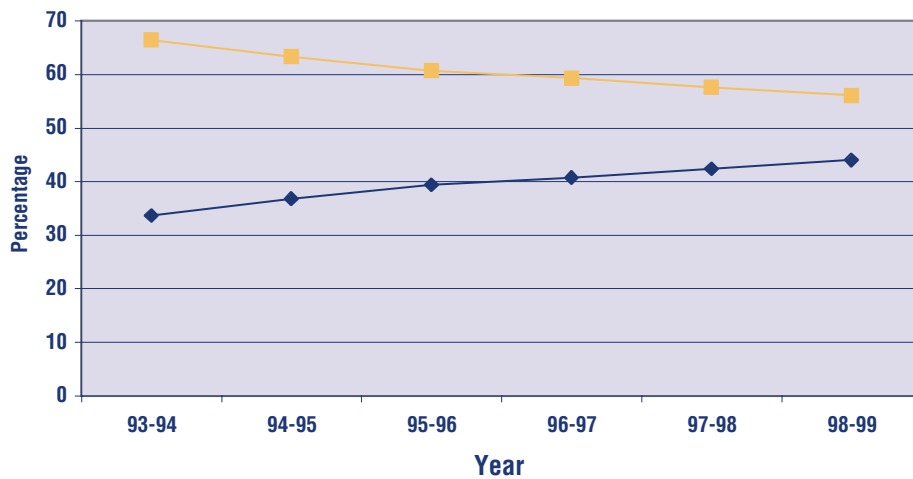
Notes: 1. The active caseload numbers in this table exclude cases where processing has not been finalised.

Chart 3.2: CSA Caseload - Private Collect and Csa Collect



Source: Child Support Agency, June 1999.

Chart 3.3: Growth In Private Collect Cases



Source: Child Support Agency, June 1999.

3.3 Assessment Type

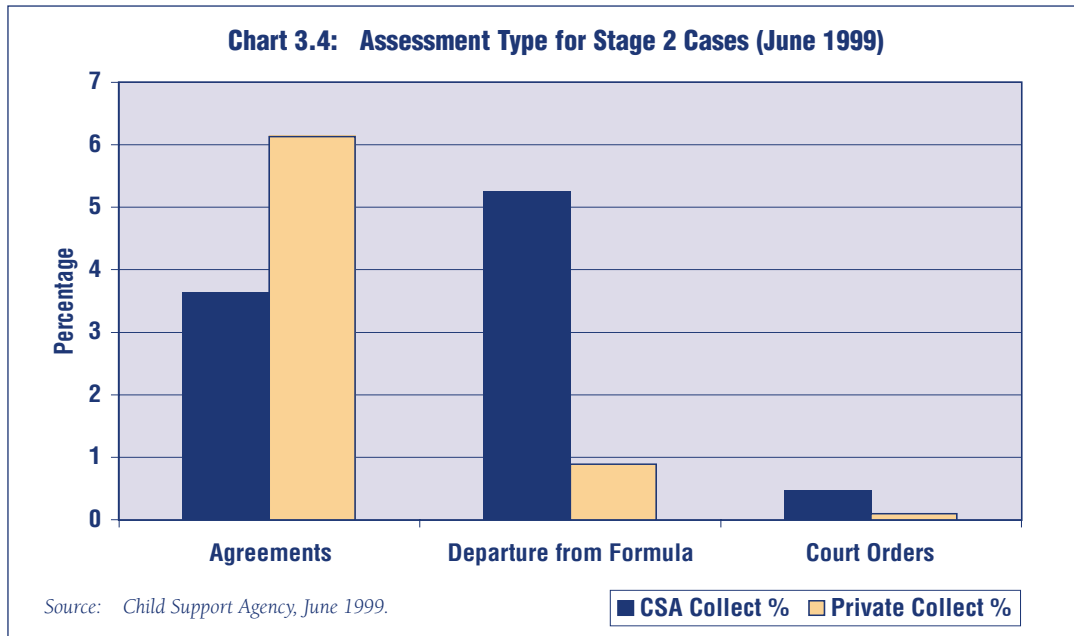
Table 3.3 and Chart 3.4 show the assessment types by CSA collect and private collect arrangements. The majority of assessments are formula based. Private collect arrangements are

about 1.7 times more likely to be based on agreements than CSA collect arrangements (6.13% as opposed to 3.62%). Collect cases are almost six times more likely to have a liability that is based on a change of assessment from the formula than private collect cases (5.24% to 0.89%).

Table 3.3: Stage 2 Caseload by Assessment Type (June 1999)

Assessment Type	CSA Collect No.	CSA Collect %	Private Collect No.	Private Collect %	Total Stage 2 No.	Total Stage 2 %
Formula	236,378	90.69	205,100	92.88	441,478	91.70
Agreements	9,437	3.62	13,537	6.13	22,974	4.77
Departure from Formula	13,652	5.24	1,959	0.89	15,611	3.24
Court Orders	1,169	0.45	220	0.10	1,389	0.29
Total	260,636	100.00	220,816	100.00	481,452	100.00

Source: Child Support Agency.



**Table 3.4: Cases with Formula Assessment Excluding Sole Care (June 1999)
Stage 2 Cases**

Care Code	CSA Collect No.	CSA Collect %	Private Collect No.	Private Collect %	Total No.	Total %
Major	3,346	1.28	4,596	2.08	7,942	1.65
Shared	4,568	1.76	8,106	3.67	12,674	2.63
Substantial	369	0.14	341	0.15	710	0.15
Sub-total	8,283	3.18	13,043	5.91	21,326	4.43
Total Caseload	260,636	100.00	220,816	100.00	481,452	100.00

Source: CSA June 1999

Notes: 1. This table only includes Stage 2 cases. The Stage 2 total does not include "processing not finalised" cases.

2. The difference between the sub-total and the total figures are the sole care cases ie. 460,126 cases.

3.4 Type of Care Arrangement

Table 3.4 above compares circumstances other than "sole" care. "Major" care is defined as having daily care of the children for between 60-70% of the year. "Shared" care is having daily care of the children for between 40-60% of the year, and "Substantial" contact is having daily care for between 30-40 % of the year.

The table indicates that care arrangements other than "sole" are a small minority of cases in both groups. However, private collect percentages for cases with "shared" and "major" care codes are almost twice that of CSA collect cases.

4.0 Client Overview by Payment Arrangement and Stage

4.1 Number of Clients

As at June 1999 there were 535,569 active cases recorded on the Child Support System. However, a number of clients are involved in more than one case, meaning that there are fewer payees or payers than there are cases. The number of payers and payees involved in multiple cases are recorded in Tables 4.1 and 4.2.

Table 4.1: Payers with Multiple Cases (June 1999)

Number of Cases	Clients by Number of Cases	% of Clients by Number of Cases	Cumulative Frequency of Client Numbers	Cumulative Frequency of Client %
1	488,597	96.3	488,597	96.3
2	17,760	3.5	506,357	99.8
3	863	0.2	507,220	100.0
4	49	0.0	507,269	100.0
5	3	0.0	507,272	100.0
Total	507,272	100.0	507,272	100.0

Source: Child Support Agency, June 1999.

Number of Cases	Clients by Number of Cases	% of Clients by Number of Cases	Cumulative Frequency of Client Numbers	Cumulative Frequency of Client %
1	487,423	96.2	487,423	96.2
2	18,360	3.6	505,783	99.8
3	865	0.2	506,648	100.0
4	42	0.0	506,690	100.0
5	2	0.0	506,692	100.0
Total	506,692	100.0	506,692	100.0

Source: Child Support Agency, June 1999.

Tables 4.1 and 4.2 show that over 96% of payers and payees are involved in just one case. About 3.5% of payers and payees are involved in two cases, while just 0.2% of all payers and payees are involved in three or more cases.

Where clients are involved in multiple cases there are more complex rules for applying the formula. This is best demonstrated through several examples. Where a payer must pay for one child in two Stage 2 cases the child support percentage for two children (i.e. 27%) is applied and then divided by two so that each case receives 13.5% of the child support income amount. Where a payee cares for say one child in two separate Stage 2 cases, the payee receives 18% of the child support income amount from each of the payers. Where a payer has a Stage 1 and a Stage 2 case the payer must apply to the CSA for a change of assessment to take the Stage 1 case into consideration as the formula cannot take account of such a circumstance.

4.2 Number of Children

The following tables record the number of "eligible children" and the number of "relevant dependent children" under Stage 2 of the Child Support Scheme.

4.2.1 Children Covered by Child Support Assessments (Stage 2)

Cases registered with the CSA as at 30 June 1998⁹ accounted for a total of 701,115 children. Children who are eligible to be included in a child support case are:

1. children who were born on or after 1 October 1989; or
2. children whose parents separated on or after 1 October 1989; or
3. children who have a sibling born on or after 1 October 1989. The child must also be under 18, not married or in a de facto relationship, not adopted by someone else and either an Australian citizen or resident or present in Australia on the day of application.

Table 4.3 records the number of children covered by child support assessments by CSA Collect and Private Collect groups. There is little difference in the distribution of eligible children between CSA Collect and Private Collect cases. For example, 58 per cent of CSA Collect cases have one eligible child, while 54 per cent of Stage 2 Private Collect cases have one eligible child. There are up to two eligible children in 88 per cent of Agency Collect cases and 87 per cent in Private Collect cases. There are up to three children in 97 per cent in both CSA Collect and Private Collect cases.

⁹ These data were not available for 1998-99 due to an error detected in the dataset.

Table 4.3: Children Covered by Formula Assessment (July 1998)

Number of Children Per Case	CSA Collect Cases	Number of Children	Private Collect Cases	Number of Children	CSA Collect % Cases	Private Collect % Cases	Total % Cases by No. Children
1	139,267	139,267	106,766	106,766	57.67	54.34	56.18
2	73,022	146,044	63,597	127,194	30.24	32.37	31.19
3	22,552	67,656	20,223	60,669	9.34	10.29	9.77
4	5,256	21,024	4,783	19,132	2.18	2.43	2.29
5	1,058	5,290	846	4,230	0.44	0.43	0.43
6	257	1,542	204	1,224	0.11	0.10	0.11
7	61	427	43	301	0.03	0.02	0.02
8	17	136	9	72	0.01	-	0.01
9 or more	8	76	7	65	-	-	-
Total	241,498	381,462	196,478	319,653	100.00	100.00	100.00

Source: Child Support Agency, June 1998.

Notes: 1. Includes only Stage 2 cases.

2. There were 2322 cases which were unable to be coded on this table.

3. Percentages may not add due to rounding.

4.2.2 Payers' Subsequent Families

Formula assessments make allowance for "relevant dependent children" of the payer. These are children under the age of 18 years who are the natural or adopted child of a parent and that parent is the sole or principal provider of ongoing daily care for the child, or has major care of the child.

The impact of the presence of relevant dependent children is to increase the payer's exempt income amount to twice the married pension rate, plus an allowance, depending upon the age of the child. Almost 12 per cent of all cases are adjusted for relevant children and are recorded in Table 4.4.

Table 4.4: Relevant Children per Case by Payment Category (June 1999)

No. Children	CSA Collect Cases	Private Collect Cases	% Total Stage 2 CSA Collect	% Total Stage 2 Private Collect	% Total Stage 2 Cases by No Children.
1	21,214	17,544	8.14	7.95	8.05
2	7,289	6,037	2.80	2.73	2.77
3	1,495	1,465	0.57	0.66	0.61
4	295	321	0.11	0.15	0.13
5 or more	72	115	0.03	0.05	0.04
Total cases with relevant dependent children	30,365	25,482	11.65	11.54	11.60
Total Stage 2 cases	260,636	220,816			481,452²

Source: Child Support Agency, June 1999.

Notes: 1. It is not possible to obtain this data for Stage 1 cases.

2. This total for Stage 2 active cases varies from that given in Table 3.1 as this figure excludes 8,131 cases where "processing not finalised".

Table 4.5: Payer Gender Stage 1 and Stage 2 Cases (June 1999)

	CSA Collect	% CSA Collect	Private Collect	% Private Collect	Total	% Total Cases
Male	270,839	91.7	211,118	91.2	481,957	91.5
Female	24,193	8.2	20,143	8.7	44,336	8.4
Total	295,390¹	100.0	231,503²	100.0	526,893³	100.0⁴

Source: Client Research Unit, CSA, June 1999.

- Notes:
1. This figure includes 358 cases where the gender of the payee could not be identified from data held on the Child Support System.
 2. This figure includes 242 cases where the gender of the payee could not be identified from data held on the Child Support System.
 3. There were 600 cases where payer gender could not be identified from data on the Child Support System.
 4. The 600 unidentified cases account for the 0.1% variation in the last column.

4.3 Number and Gender of Parents

Table 4.5 and Table 4.6 show payer and payee gender by payment arrangement. Table 4.3 shows that 91.7 per cent of CSA Collect payers are male and 8.2 per cent are female. Furthermore, 91.2 per cent of all Private Collect payers are male and 8.7 per cent are female.

Table 4.6 shows that 8.0 per cent of CSA Collect payees are male and 92.0 per cent of CSA Collect payees are female. Furthermore, 8.5 per cent of Private Collect payees are male and 91.4 per cent are female.

4.4 Age of Cases

Table 4.7 breaks the total active caseload into age

of cases by calendar years for Stage 1 and Stage 2 cases. Age data relates to the year that the case was registered. The bulk of Stage 1 cases are between 6 and 10 years old while the majority of Stage 2 cases are under 6 years old.

4.5 Income of Stage 2 Payers and Payees

Tables 4.8, 4.9, 4.10 and 4.11 compare payer and payee median taxable incomes by CSA Collect and Private Collect arrangements from the Tax Returns Data Base (TRDB) and the Child Support System (CSS). These incomes are taxable income amounts, not gross income. Taxable deductions have therefore been deducted from the income, and exempt income such as rent assistance and family payments have not been included.

Table 4.6: Payee Gender Stage 1 and Stage 2 Cases (June 1999)

	CSA Collect	% CSA Collect	Private Collect	% Private Collect	Total	% Total Cases
Male	23,529	8.0	19,708	8.5	43,237	8.2
Female	271,734	92.0	211,677	91.4	483,411	91.7
Total	295,390¹	100.0	231,503²	100.0	526,893³	100.0⁴

Source: Client Research Unit, CSA, June 1999.

- Notes:
1. This figure includes 127 cases where the gender of the payee could not be identified from data held on the Child Support System.
 2. This figure includes 118 cases where the gender of the payee could not be identified from data held on the Child Support System.
 3. This figure includes cases where processing was not finalised and varies slightly from the CSS figure because of timing differences. There were 245 cases where the gender of the payee could not be identified from data held on the Child Support System.
 4. The 245 unidentified cases account for the 0.1% variation in the last column.

Table 4.7: Age of Cases by Stage (June 1999)

Case Age in Years. ¹	Stage 1		Stage 2		Total Cases by Age	
	Number	%	Number	%	Number	%
1 1999 ²	(395)	(0.9)	(36,775)	(7.6)	(37,170)	(7.1)
2 1998	984	2.2	65,256	13.6	66,240	12.6
3 1997	1,338	2.9	68,586	14.2	69,924	13.3
4 1996	1,575	3.5	61,616	12.8	63,191	12.0
5 1995	1,604	3.5	56,490	11.7	58,094	11.0
6 1994	2,120	4.7	56,779	11.8	58,899	11.2
7 1993	2,852	6.3	60,621	12.6	63,473	12.0
8 1992	3,946	8.7	35,788	7.4	39,734	7.5
9 1991	5,742	12.6	22,204	4.6	27,946	5.3
10 1990	8,651	19.0	16,505	3.4	25,156	4.8
11 1989	11,264	24.8	756	0.2	12,020	2.3
12 1988	4,993	11.0	0	0.0	4,993	0.9
Totals	45,464	100.0	481,376³	100.0	526,840³	100.0

Source: Child Support Agency, June 1999.

Notes: 1. Data relates to the year the case was registered. Percentages may not add due to rounding.

2. The 1999 data is for the half year to 30 June.

3. There were 76 Stage 2 cases that could not be categorised in this table.

Some parents are exempted from lodging an income tax return where their income is received from Centrelink and/or they have informed the ATO they are not required to lodge, and the ATO agrees (see notes to Tables 4.9 and 4.11 for numbers of non-lodgers).

The tables show that payer median taxable incomes are significantly greater than the median taxable income of payees. Payees from private collect and CSA collect payment arrangements have similar median incomes but payers in private collect arrangements have significantly higher median child support incomes than those in CSA collect arrangements.

Table 4.8: Payer Child Support Income June 1999

Payers	CSA Collect	Private Collect	Totals
Total number	295,404	231,512	526,916
Median	\$16,018	\$23,712	\$18,971
Minimum	\$0	\$0	\$0
Maximum	\$1,053,921	\$2,782,745	\$2,782,745

Source: the Child Support System (CSS) of the Child Support Agency, June 1999.

Includes Stage 1 and Stage 2 cases.

Table 4.9: Payer Taxable Income (TRDB) June 1999

Payees	CSA Collect ¹	Private Collect ²	Totals ³
Total number	173,103	166,732	339,835
Median	\$26,182	\$30,090	\$28,069
Minimum	-\$2,109,415	-\$5,806,861	-\$5,806,861
Maximum	\$1,053,921	\$2,782,745	\$2,782,745

Source: Tax Returns Data Base and Child Support System (CSS) of the Child Support Agency, June 1999. Includes Stage 1 and Stage 2 cases.

Notes: 1. There were 122,301 CSA Collect payers who were non-lodgers.

2. There were 64,780 Private Collect payers who were non-lodgers.

3. There was a total of 187,081 payers who were non-lodgers.

Table 4.11: Payee Taxable Income (TRDB) June 1999

Payees	CSA Collect ¹	Private Collect ²	Totals ³
Total number	136,447	117,014	253,461
Median	\$17,134	\$16,353	\$16,784
Minimum	-\$347,603	-\$405,249	-\$405,249
Maximum	\$756,969	\$1,772,836	\$1,772,836

Source: Tax Returns Data Base and Child Support System (CSS) of the Child Support Agency, June 1999. Includes Stage 1 and Stage 2 cases.

- Notes:
1. There were 158,957 CSA Collect payees who were non-lodgers.
 2. There were 114,498 Private Collect payees who were non-lodgers.
 3. There was a total of 273,455 payees who were non-lodgers.

Table 4.10: Payee Child Support Income June 1999

Payees	CSA Collect	Private Collect	Totals
Total number	295,404	231,512	526,916
Median	\$9,090	\$9,090	\$9,090
Minimum	\$0	\$0	\$0
Maximum	\$810,335	\$2,007,357	\$2,007,357

Source: Child Support System (CSS) of the Child Support Agency, June 1999. Includes Stage 1 and Stage 2 cases.

4.6 Income Sources of CSA Payers

Table 4.12 (over) shows the source of income for payers who lodged tax returns. It shows the numbers of payers who earned some or all of their income from these different sources. One payer may have earned income from a number of these categories.

The most common source of income for payers who lodged tax returns was salary and wages, with 85 per cent of all payers deriving some or all of their income from this source. By comparison just under 22 per cent of all payers received some or all of their income from Government benefits and allowances.

Table 4.13 shows the number of payers who earned some or all of their income from the sources noted in the table. Total, rather than taxable, income is used. The table shows that 186,934 payers earned between 91 and 100 per

cent of their income from salary and wages. Also, 20,562 payers derived between 1 and 10 per cent of their income from Government benefits and allowances. Included in Table 4.13 is a row with below zero earnings. These are achieved when a positive income amount is countered by a larger negative total income. Negative incomes are achieved when more is spent making the income than is achieved from it: in other words it is a loss. Until 30 June 1999 a negative taxable income would result in a taxpayer with a child support liability having that liability reduced to nil.

**Table 4.12: Ten Highest Income Sources of CSA Payers Who Lodged Tax Returns'
(1997-1998 Income Tax Return data)**

Income range ²	Salary & Wages	Allowance, Director's Fees	Gross Interest	Government Benefits and Allowances	Net Income or Loss from Business	Dividends	Gross Rent	Partnerships and Trusts	Eligible Termination Payments	Lump Sum Payments
Below \$0 ³	0	0	0	0	11,335	0	0	0	0	0
0	51,149	250,940	257,163	266,019	285,080	311,878	313,947	316,208	322,089	326,675
\$1-9,999	41,597	84,778	82,326	73,622	19,083	26,575	21,293	13,517	14,003	10,816
10,000-19,999	40,777	3,064	226	192	10,336	640	3,278	4,408	1,640	1,537
20,000-29,999	62,662	643	59	2	6,925	245	737	2,758	688	522
30,000-39,999	61,839	206	14	0	3,826	142	251	1,306	416	163
40,000-49,999	40,585	75	10	0	1,709	82	124	591	252	58
50,000-99,999	38,480	97	31	0	1,260	168	155	729	567	62
100,000->500,000	2,746	32	6	0	281	105	50	318	180	2
Total payers who lodged tax return	339,835	339,835	339,835	339,835	339,835	339,835	339,835	339,835	339,835	339,835
Payers with income from this source	288,686	88,895	82,672	73,816	54,755	27,957	25,888	23,627	17,746	13,160

Source: Child Support Agency, June 1999.

Notes: 1. This table includes Stage 1 and Stage 2 clients who have lodged tax returns. There are another 195,734 who have either not been required by the ATO to lodge tax returns, or have failed to lodge for some other reason.

2. A payer may earn income from more than one of the sources noted above. All income amounts in this table are gross income amounts.

3. Below zero earnings are achieved when a positive amount of income is countered by a larger amount of negative income. This is a tax loss.

Table 4.13: Income Source and Proportion of Income Earned by Number of Payers who Lodged¹

% of Income derived ²	Salary & Wages	Allowance, Director's Fees	Gross Interest	Government Benefits and Allowances	Net Income or Loss from Business	Dividends	Gross rent	Partnerships and Trusts	Eligible Termination Payments	Lump Sum Payments
Below 0% ³	508	118	639	353	10,126	188	391	496	42	18
0%	50,504	250,258	256,482	265,325	284,417	311,180	313,251	315,524	321,391	325,974
Below 1%	417	39,580	69,490	2,482	1,084	19,876	497	3,300	2,306	958
1-10%	4,204	37,000	10,141	20,562	4,977	5,408	8,826	4,108	7,527	7,270
11-20%	4,621	6,217	1,112	11,749	3,055	1,023	7,322	1,689	2,562	2,795
21-30%	5,225	2,166	401	7,657	2,338	574	3,415	1,166	1,590	1,168
31-40%	5,759	825	183	5,537	2,068	382	1,608	934	1,080	507
41-50%	6,637	440	122	4,528	1,933	214	965	820	799	228
51-60%	7,682	317	66	3,766	1,792	153	532	748	535	112
61-70%	9,708	249	48	3,060	1,888	83	376	681	438	42
71-80%	13,946	215	50	2,701	1,943	16	286	675	267	17
81-90%	22,205	202	42	2,367	2,433	6	233	726	153	15
91-100%	186,934	1,282	285	8,302	18,831	6	170	5,447	354	15
Over 100%	20,782	263	71	743	2,247	23	1,260	2,818	88	13
Total	339,132	339,132	339,132	339,132	339,132	339,132	339,132	339,132	339,132	339,132
Payers with income from this source but Total Income = 0	58	21	22	9	40	5	7	19	5	2
Missing data	645	682	681	694	663	698	696	684	698	701
Total payers who lodged tax return	339,835	339,835	339,835	339,835	339,835	339,835	339,835	339,835	339,835	339,835

Source: Child Support Agency, June 1999.

Notes: 1. This table includes Stage 1 and Stage 2 clients who have lodged tax returns. There are another 195,734 who have either not been required by the ATO to lodge tax returns, or have failed to lodge for some other reason.

2. A payer may earn income from more than one of the sources noted above. All income amounts in this table are gross income amounts.

3. Below zero earnings are achieved when a positive amount of income is countered by a larger amount of negative income. This is a tax loss.

5.0 Program Outcomes

5.1 Liabilities

The following liability statistics are broken down by CSA Collect and Private Collect.

5.1.1 Nil Liabilities and Above Nil Liabilities by CSA and Private Collect

Until 30 June 1999 where a liability calculated under the formula was less than \$260 per year payers were not required to pay child support. However from 1 July 1999 a minimum liability of \$260 per year applies to many previous "nil liability" cases. Table 5.1 shows the proportion of payers with a nil liability and an above nil liability by CSA Collect and Private Collect. As at 30 June 1999 there were 192,024 cases with nil liabilities, or 36.4 per cent of all active cases. About 42 per cent of all CSA Collect cases had nil liabilities and 30 per cent of Private Collect cases also had nil liabilities. The Agency is aware that there was a significant increase in the number of cases with a nil liability during 1998-99. The reasons for this are currently being examined.

A nil liability usually only applies to Stage 2 cases. However, Stage 1 court orders can also have a nil liability when a clause has been written into the order by the court that the payer will not have to pay child maintenance during periods of unemployment. Furthermore, the payer can apply to the CSA not to enforce the court order during periods of unemployment under section 37B of the *Child Support Registration and Collection Act*.

Table 5.2 shows the percentage of CSA Collect payers and Private Collect payers (active cases) within specified liability ranges, while Chart 5.1 plots those percentages. The table and chart demonstrate that:

- a smaller proportion of Private Collect cases have nil liabilities than CSA Collect cases; and
- a higher proportion of CSA Collect payers have liabilities under \$4,000. A slightly higher proportion of Private Collect payers have liabilities of between \$4,000 and \$14,000, which is in line with the data presented in Tables 4.6 and 4.7 on page 18, indicating that payers' median incomes are significantly higher in Private Collect cases.

**Table 5.1: Nil and Above Nil Liabilities Stage 1 and Stage 2
(Active Caseload by Nil and Above Nil Liability Status, June 1999)**

Total	CSA Collect	% CSA Collect	Private Collect	% Private Collect	Total	% of Total Cases
Liability	171,882	58.2	163,010	70.4	334,892	63.6
Nil Liability	123,522	41.8	68,502	29.6	192,024	36.4
Total	295,404	100.0	231,512	100.0	526,916¹	100.0

Source: Client Research Unit, Child Support Agency, June 1999.

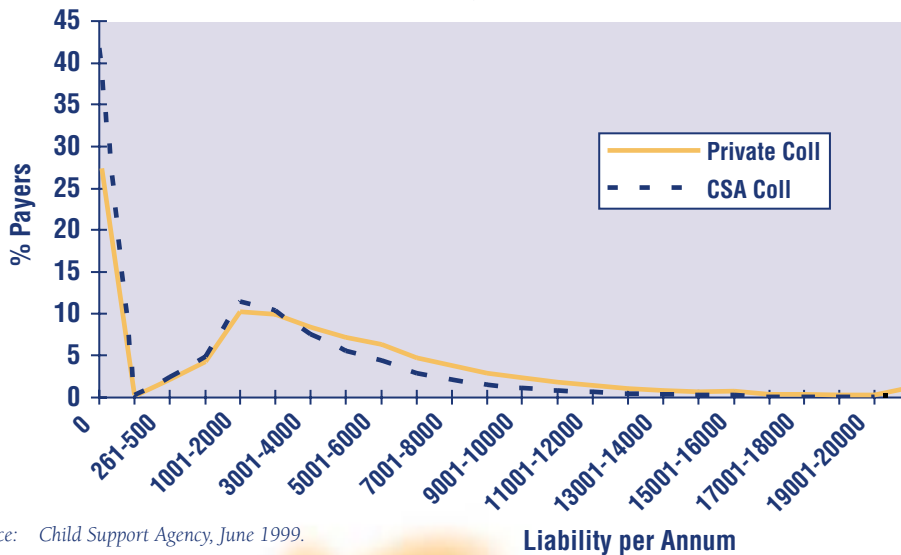
Note: 1. Active Cases here exclude cases where processing has not been finalised.

Table 5.2: Payer Liabilities (June 1999)
(Nil and Above-Nil Liabilities)

Payer Liability (\$pa)	Private Collect Total	Private Collect %	CSA Collect Total	CSA Collect %	Total Caseload	Total Caseload %
0	68,503	29.6	123,522	41.8	192,025	36.4
1-260	272	0.1	665	0.2	937	0.2
261-500	4,863	2.1	7,169	2.4	12,032	2.3
501-1,000	9,728	4.2	14,572	4.9	24,300	4.6
1,001-2,000	23,539	10.2	33,853	11.5	57,392	10.9
2,001-3,000	22,875	9.9	30,779	10.4	53,654	10.2
3,001-4,000	19,414	8.4	22,526	7.6	41,940	8.0
4,001-5,000	16,587	7.2	16,498	5.6	33,085	6.3
5,001-6,000	14,604	6.3	12,959	4.4	27,563	5.2
6,001-7,000	10,827	4.7	8,513	2.9	19,340	3.7
7,001-8,000	8,888	3.8	6,294	2.1	15,182	2.9
8,001-9,000	6,715	2.9	4,438	1.5	11,153	2.1
9,001-10,000	5,361	2.3	3,176	1.1	8,537	1.6
10,001-11,000	4,280	1.8	2,359	0.8	6,639	1.3
11,001-12,000	3,169	1.4	1,677	0.6	4,846	0.9
12,001-13,000	2,323	1.0	1,208	0.4	3,531	0.7
13,001-14,000	1,904	0.8	924	0.3	2,828	0.5
14,001-15,000	1,386	0.6	655	0.2	2,041	0.4
15,001-16,000	1,583	0.7	730	0.2	2,313	0.4
16,001-17,000	713	0.3	401	0.1	1,114	0.2
17,001-18,000	620	0.3	308	0.1	928	0.2
18,001-19,000	489	0.2	223	0.1	712	0.1
19,001-20,000	371	0.2	194	0.1	565	0.1
>20,001	2,498	1.1	1,761	0.6	4,259	0.8
Total	231,512	100.0	295,404	100.0	526,916	100.0

Source: Child Support Agency, June 1999.

Chart 5.1: Payer Liabilities



Source: Child Support Agency, June 1999.

5.1.2 Average Child Support Liabilities

Table 5.3 records the average daily and weekly child support liabilities for Stage 1 CSA Collect and Private Collect cases and Stage 2 CSA Collect and Private Collect cases. The table reveals that the average weekly liability for Stage 1 CSA Collect and Private Collect cases is similar. There is, however, a difference of just over \$12 per week between the average Stage 2 CSA Collect (\$94.93 per week) and the average Private Collect (\$107.14 per week) cases.

Table 5.4 outlines the total average weekly liability for Stage 2 CSA Collect and Private Collect cases based upon the number of eligible children. In most cases the average liabilities of the Private Collect cases are higher than the average liabilities for Stage 2 CSA Collect cases.

5.2 Payments

5.2.1 Total Credits and Liabilities

Table 5.5 shows total liabilities and all credits since 1988. As at June 1991 a total of \$283 million in liabilities had been registered for payers, and \$185 million had actually been collected. In other words CSA collections represented 65 per cent of all liabilities. By June 1999 CSA Collect cumulative liabilities had risen to \$3,940.4 million, and collections were up to \$3,357.5 million, or an 85.2 per cent collection rate.

The liabilities and collections in the above mentioned table are also depicted in Chart 5.2. Total liabilities are represented by the white bars, while the credits are recorded in the black bars. Running across the top of the chart are the credit amounts as a percentage of all liabilities.

Stage	Payment Arrangement	Daily	Weekly	Averages
Stage 1	CSA Collect	\$7.71	\$53.99	
	Private Collect	\$7.29	\$51.03	\$53.20
Stage 2 (liability cases)	CSA Collect	\$13.56	\$94.93	
	Private Collect	\$15.31	\$107.14	\$101.21

Source: Child Support Agency Management Statistics, June 1999.
 Note: These averages exclude payers with nil liabilities. Therefore, they only include payers whose liability is greater than or equal to \$260 per annum.

Eligible Children	CSA Collect		Private Collect	
	Number	Average \$	Number	Average \$
1	84,780	60.35	75,106	73.87
2	47,409	98.96	50,228	129.61
3	14,326	117.75	16,077	158.45
4	3,076	122.26	3,638	167.58
5	554	106.32	609	150.59
6	133	97.18	136	146.49
7	39	93.51	25	129.30

Source: Child Support Agency, June 1998.

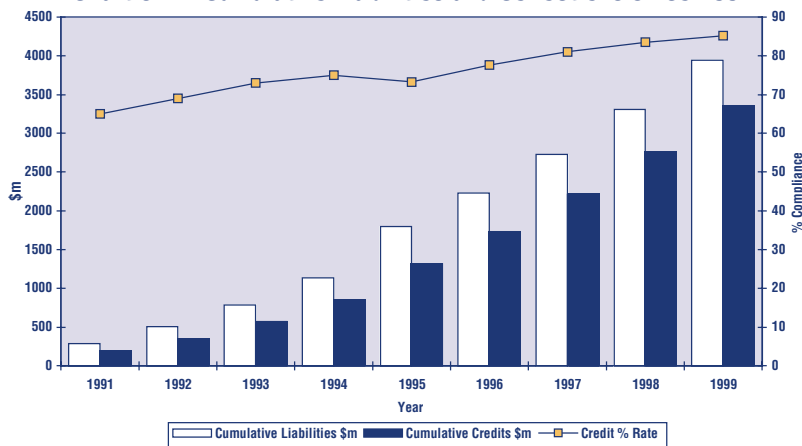
Table 5.5: Cumulative Credits and Liabilities for CSA Collect Cases (June 1999)

30 June	All Liabilities \$m	All Credits \$m	Credit % Rate
1988-91	283.0	185.0	65.0
1988-92	505.1	346.4	69.0
1988-93	784.9	569.4	73.0
1988-94	1,131.3	848.2	75.0
1988-95	1,795.8	1,315.8	73.3
1988-96	2,228.4	1,729.1	77.6
1988-97	2,725.7	2,209.1	81.0
1988-98	3,305.6	2,761.3	83.5
1988-99	3,940.4	3,357.5	85.2

Source: Child Support Agency, June 1999.

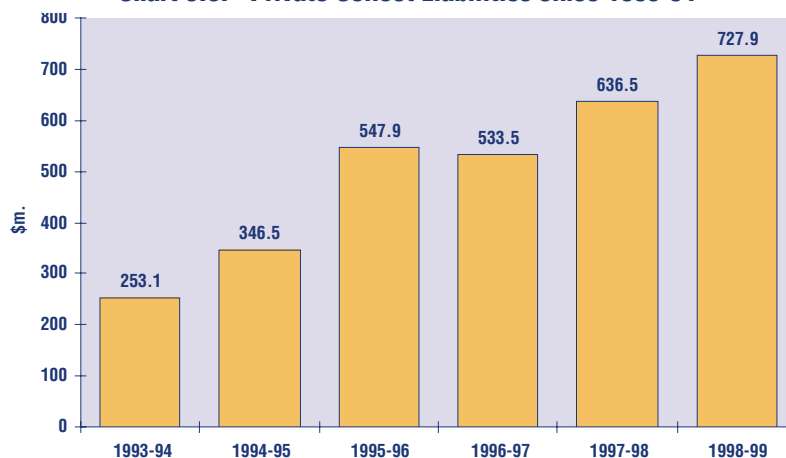
Notes: The difference between the "All Liabilities" figures and the "All Credits" figures are the Gross Maintenance Debt figures, not Net Maintenance Debt figures reported elsewhere in this publication. Net Maintenance Debt figures exclude Write Off amounts. The 1991 credit and liability totals include amounts for 1988, 1989 and 1990.

Chart 5.2: Cumulative Liabilities and Collections Since 1991



Source: Child Support Agency Monthly Performance Report (CS5), June 1999.

Chart 5.3: Private Collect Liabilities Since 1993-94



Source: Child Support Agency, June 1999.

Chart 5.3 shows the total Private Collect liabilities for 1993-94 to 1998-99. The CSA assumes that the collection rate is 100 per cent of liabilities as payees are able to request collection by the CSA where the payer fails to meet their obligation.

5.2.2 Liabilities and Current Year Debt - CSA Collect Cases

Table 5.6 shows the percentage of payers' liability as debt. It compares the total liability of the case since its inception, to the amount of debt the case has accumulated since its inception. For example the table shows that 66,443 payers (or 38.7% of all CSA Collect payers) had paid all of their child support liability i.e. they had no debt. Furthermore, the table shows that 96,290 payers (or 56.1% of all CSA Collect payers) had a cumulative debt that was 10% or less of their total liability. The third and fourth columns in the table provide cumulative totals of the data in the first two columns.

Where a payer has a prior year debt, current payments are attributed to that debt until that arrears amount has been discharged. Once the debt has been met, all future payments are then subtracted from the current year liability.

5.2.3 Collections and NAPs - CSA Collect Cases

Non-Agency Payments (NAPs) are payments made in lieu of child support directly to the payee or a third party by the payer instead of to the CSA. These payments might include money or the payment of medical bills, schools fees etc.

Table 5.7 shows cash, NAPs and Total Collections for each year since 1992.

5.2.4 Debt - CSA Collect Cases

Table 5.8 and Chart 5.4 record Scheme arrears amounts as at the end of the last six financial years.

Table 5.6: Percent of Total Liabilities as Debt - CSA Collect Cases (June 1999)
(Above Nil Liability cases at June 1999)

Per cent of Total Liability as Debt	Frequency (N ^o . Payers)	Per cent of Payers	Cumulative Frequency (N ^o . Payers)	Cumulative Per cent
0	66,443	38.7	66,443	38.7
1-10	29,847	17.4	96,290	56.1
11-20	12,574	7.3	108,864	63.4
21-30	9,608	5.6	118,472	69.0
31-40	8,091	4.7	126,563	73.7
41-50	7,314	4.3	133,877	77.9
51-60	6,583	3.8	140,460	81.8
61-70	6,503	3.8	146,963	85.6
71-80	6,680	3.9	153,643	89.4
81-90	9,035	5.3	162,678	94.7
91-100	8,219	4.8	170,897	99.5
> 100	881	0.5	171,778	100.0

Source: Child Support Agency, June 1999.

Note: There were 171,778 CSA Collect cases with above nil liabilities as at June 1999 but 104 of these could not be categorised in this table.

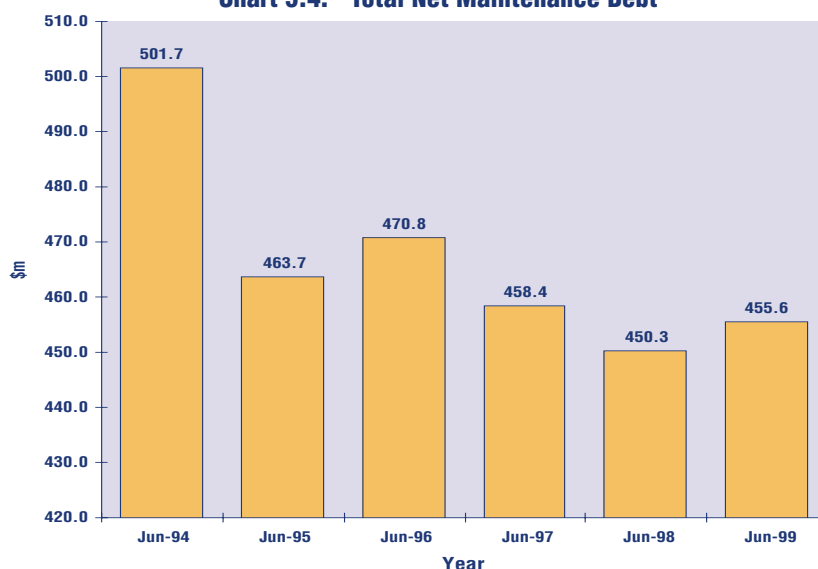
Table 5.7: CSA Collections (including NAPS) Since 1992-93

Year	Cash Total \$000	% of Collections	NAPs Total \$000	% of Collections	Total Collections ¹ \$000
1992-93	191,997.2	87.5	27,470.0	12.5	219,467.2
1993-94	244,641.8	89.2	29,521.7	10.8	274,163.5
1994-95 ²	297,178.1	90.9	29,857.2	9.1	327,035.3
1995-96	356,925.9	91.8	31,807.9	8.2	388,733.8
1996-97	418,245.6	91.3	39,725.2	8.7	457,972.0
1997-98	486,942.5	92.5	39,447.3	7.5	526,389.8
1998-99	531,536.4	93.0	39,745.5	7.0	571,281.9

Source: Money for Kids Report, Child Support Agency, June 1999.

Note: 1. Total Collection figures exclude write-offs.

2. Prior to mid-1995, Non-Agency Payments and arrears discharged by the payee were not differentiated. Figures from 1995-96 onwards are likely to be a more accurate representation.

Chart 5.4: Total Net Maintenance Debt

Source: Child Support Agency Monthly Performance Report, (CS5), June 1999.

Table 5.8: Total Net Maintenance Debt

	Cumulative Total Net Maintenance Debt \$m.	Cumulative Liabilities \$m.	Change in Debt from Previous Year	Debt as % of Liabilities
June 1994	501.739	1,131.3	n/a	44.35
June 1995	463.685	1,795.8	-7.6	25.82
June 1996	470.825	2,228.4	1.5	21.13
June 1997	458.390	2,725.7	-2.6	16.82
June 1998	450.260	3,305.6	-1.8	13.62
June 1999	455.592	3,940.4	1.2	11.56

Source: Child Support Agency Monthly Performance Report, (CS5), June 1999.

6.0 Legal Services Overview

6.1 Background

The Child Support Scheme Legal Services Program aims to provide information to low income parents (particularly Department of Family and Community Services customers) about their rights and responsibilities under the Child Support Scheme. These legal services assist with legal advice, information, minor assistance, and, when appropriate, legal representation to ensure that children with separated parents benefit from the Child Support Scheme.

Legal Aid Commissions in each State and Territory, and thirteen specialist Community Legal Services located throughout Australia, provide services to parents eligible to receive child support (carer parents) and parents responsible for paying child support (liable parents).

The following activities are undertaken by legal services on behalf of carer parents:

- assistance in preparing and completing legal documents;
- obtaining court orders;
- advising self-representing clients about what is involved in attending court;
- assistance with establishing proof of parentage;
- assisting clients interpret child support documents from other government bodies;
- assisting stage 2 clients understand the change of assessment process; and
- court representation as appropriate.

In addition to the above activities for carer parents, a number of specific activities are undertaken on behalf of liable parents including:

- assisting clients understand their rights of appeal under the change of assessment arrangements;
- assisting clients interpret their child support obligations;
- assisting with preparing and completing legal documents;
- advising self-representing clients about what is involved in attending court;
- court representation as appropriate.

The Child Support Agency also actively supports clients by liaising directly with the legal service providers to resolve child support issues. The Child Support Agency also refers clients to independent legal services as appropriate, to ensure that clients are fully informed and have access to legal advice and information.

In the 1998-99 financial year, approximately \$6,420,000 was paid to child support units within legal aid commissions. In addition to this, approximately \$1,220,000 was paid to Community Legal Services to assist child support clients.

6.2 Statistics and Advice Work Types

6.2.1 Legal Aid Commission Statistics

During 1998-99 Legal Aid Commissions recorded the following child support related activities:

Applications¹¹	
received	3281
approved	3265
refused	94
finalised	3069

¹¹ Data is continually updated and in any financial year some work is carried across from the previous year. This means that the number of applications approved for assistance, and the number refused, will not necessarily equal the number of clients who applied for assistance in the financial year.

Work Type	
advice	4234
minor assist.	1828
maintenance applic.	638
variation of exist. maintenance order / agreement	178
exemption letter to FaCS	296
non-008 phone advice	1633
008 phone advice	1481
<i>not specified</i>	1633

Forums	
Total number of clients attending forums	2163

6.2.2 Community Legal Services Statistics

During 1998-99 Community Legal Services recorded the following child support related activities:

Advice	4609
Information	1873
Community Legal Education	158
Cases Opened	1268
Cases Closed	1385

6.3 Additional Child Support Information Provided by Community Legal Services for 1998-99

Parent Type:	
carer (only)	1,731
liable (only)	873
both carer & liable	0
Stages:	
stage 1	465
stage 2	2,169
Parentage:	
not disputed	1,507
other proof sought	83
test required	396
test positive	25
test negative	5

Age of Client:	
less than 26 years	662
26-35 years	1,972
36-45 years	2,350
over 45 years	735
Income source:	
employed full-time	1,317
employed part-time	660
self employed	216
social security	3,095
other govt. benefit	171
no income	245
employed temporarily	6
student allowance	2
community development - employment program	2
other	139

7.0 Savings and Costs

7.1 Savings

Savings to Government outlays are achieved as a result of the application of the maintenance income test to payments of more than minimum rate Family Allowance. As at June 1999, payments of more than the minimum rate Family Allowance are reduced by 50 cents for each dollar of maintenance received above \$951.60 per annum for a parent with one child from a previous relationship. The threshold is increased where there are additional children or if there is a couple with both partners receiving maintenance.

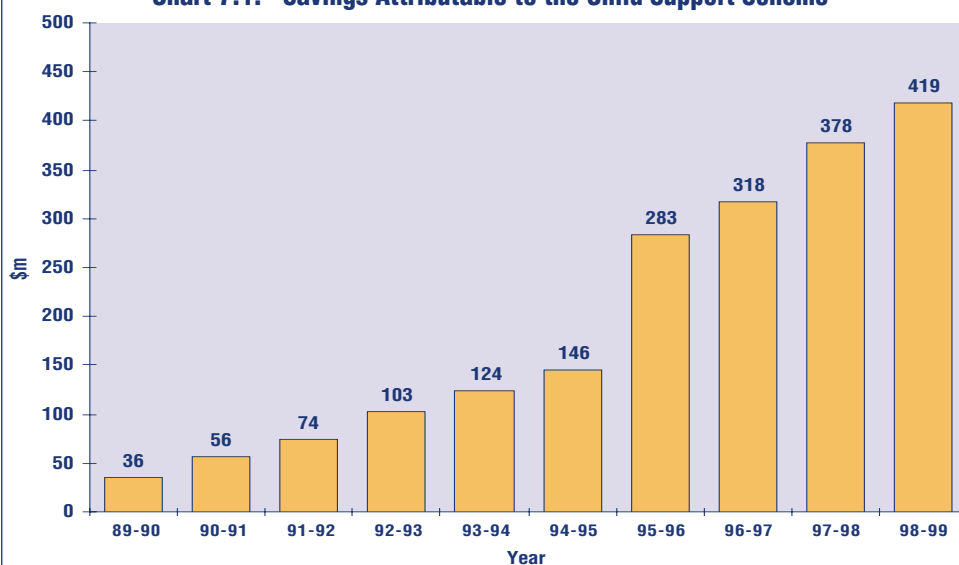
Not all savings to outlays are attributed to the Child Support Scheme, as some maintenance was being received by pensioners and beneficiaries before the Scheme was introduced. In 1997-98, gross savings to outlays due to maintenance received was discounted by 11.9 per cent in recognition of pre-Scheme flow-on effects. Therefore, net savings equals gross savings minus estimated pre-Scheme savings (see Table 7.1 and Chart 7.1).

Table 7.1: Net Savings Attributed to the Child Support Scheme

	89-90 \$m	90-91 \$m	91-92 \$m	92-93 \$m	93-94 \$m	94-95 \$m	95-96 \$m	96-97 \$m	97-98 \$m	98-99 \$m
(net)	36	56	74	103	124	146	283	318	378.3	419.2

Source: Department of Family and Community Services, June 1999.

Notes: There is no direct comparability between the 1994-95 and later years savings figures. In 1995-96 the then DSS amended its modelling procedures, resulting in additional clients being counted.

Chart 7.1: Savings Attributable to the Child Support Scheme

Source: Department of Family and Community Services, June 1999.

7.2 Scheme Costs

Table 7.2: Savings and Costs of the Child Support Scheme

Agency/Dept	89-90 \$m	90-91 \$m	91-92 \$m	92-93 \$m	93-94 \$m	94-95 \$m	95-96 \$m	96-97 \$m	97-98 \$m	98-99 \$m
CSA	13.5	26.3	33.7	57.0	70.1	84.8	114.8	160.6	169.7	180.1
FaCS	3.6	4.7	6.0	9.6	10.4	10.4	12.4	8.6	10.4	2.7
A-General	5.7	10.0	5.8	6.4	7.2	7.2	4.3	4.7	7.5	7.8
Scheme Costs	22.8	41.0	45.5	73.0	87.8	102.4	131.6	173.9	187.7	190.6
Savings in FaCS pay'ts (gross)	n/a	n/a	101	133	161	186	325	365	430	474
(net)	36	56	74	103	124	146	283	318	378	419
Net Savings	13	15	29	30	36	44	151	144	191	228

Source: Child Support Agency, Department of Family and Community Services and Attorney-General's Department, June 1999.

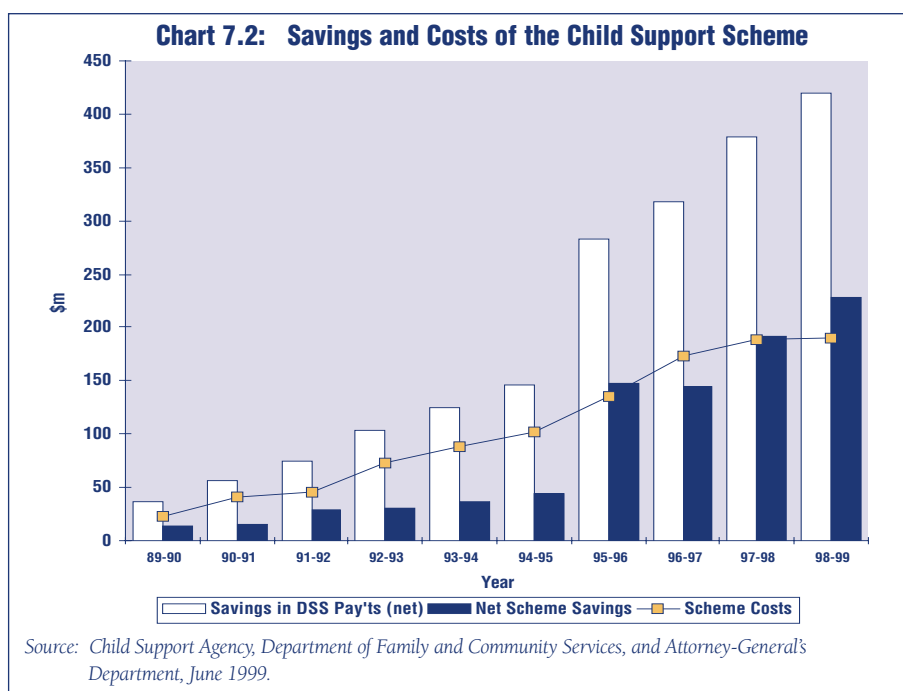
Notes: 1. There is no comparability between data in this table for years up to and including to 1994-95, with data for 1995-96 and later years due to changes in savings calculations.

2. The 1996-97, 1997-98 and 1998-99 CSA costs figures are not directly comparable with the 1995-96 figure of \$114.85 million. The later figures are accrued cost estimates which include, for example, all CSA costs for salaries, administrative costs, leave, IT redevelopment, internal user charges (IUCs) etc.

3. Attorney-General's Department 1996-97, 1997-98 and 1998-99 costs for its responsibilities within the Child Support Scheme are not comparable with data for earlier years. The 1996-97, 1997-98 and 1998-99 figures are the actual amounts that A-G's spent administering its child support work: earlier figures are amounts that were allocated by the Department of Finance for those CSS responsibilities.

4. Gross Savings includes disregarded amount for pre-Scheme compliance (11.9 per cent in 1997-98 and 11.5% in 1998-99).

5. Net Savings equals Net Savings to Government outlays minus Scheme Costs.



7.3 Child Support Transferred

"Transfers" are child support liabilities that have been collected by the CSA (CSA Collect), as well as payments that have been paid directly between parents but where the eligible carers are registered with the CSA (Private Collect arrangements).

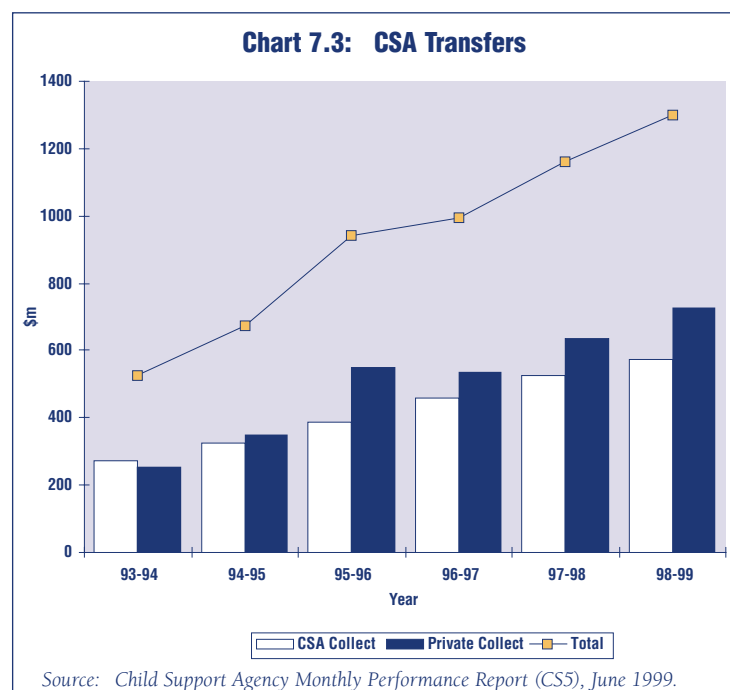
The total amount of child support transferred in 1998-99 was \$1,299.2 million, including \$727.9 million in private collections and \$571.3 million in funds collected by the CSA. This is a 10.5 per cent increase over the transfers total of \$1,162.9 million for 1997-98 (see Table 7.3).

Table 7.3: CSA Transfers (\$m.)

Year	CSA Collect	Private Collect	Total
1993-94	274.2	253.1	527.3
1994-95	327.0	346.5	673.5
1995-96	388.7	547.9	936.6
1996-97	458.0	533.5	991.5
1997-98	526.4	636.5	1,162.9
1998-99	571.3	727.9	1,299.2

Source: CSA, June 1999.

- Notes:
1. The CSA Collect figures include amounts for Interim Disbursement, Final Disbursement, Emergency Disbursement and Non-Agency Payments (NAPs).
 2. Private Collect totals assume 100 per cent of privately paid child support is transferred. Where this is not so, the payee is entitled to ask the CSA to collect the liability.



7.4 Comparisons with Overseas Agencies

The Australian Child Support Agency has conducted preliminary research into how broad cost-effectiveness indicators of the Australian Child Support Scheme compare with other child support organisations. In particular broad comparison work has been conducted with the New Zealand CSA, some of the results of which are reported in the table below.

The reader should note that these figures have not been standardised using agreed definitions, although an international project is currently under way to develop such standards between the Australia, New Zealand, USA, Canada and UK child support organisations. The United Kingdom CSA is coordinating this project. Given the lack of standardisation between the Australia and New Zealand information, close comparisons between these data is inadvisable. Both agencies define collections in different ways.¹²

Table 7.4: Performance Statistics for the Australia and New Zealand Child Support Programs 1997-98¹

	Collections & Transfers	Program Costs	\$ Collected/ \$ Spent	Caseload	Agency Staff FTE ²	Arrears
Australia	\$1,162.9 m.	\$187.7 m.	\$6.20	494,534	2,587	\$450.3 m.
New Zealand	\$115.9 m.	\$36.7 m.	\$3.16³	130,043⁴	460	n/a

Sources: All Australian data are obtained from the CSA, DSS and Attorney-General's Department. All New Zealand data is obtained from Inland Revenue Child Support (IRCS).

- Notes:
1. Currency amounts in this table are A\$ and were converted using the exchange rate quoted in *The Australian Financial Review*, 3 August 1999. These topline results do not necessarily reflect different policy aims and administrative arrangements between agencies.
 2. Australian staff numbers in this table are Average Staffing Level (ASL). As at June 1998 there were also 16 FaCS staff dedicated to the Child Support Scheme, and a small number of staff in the Attorney-General's Department who had child support responsibilities. New Zealand staff are FTEs and the number reported here dropped sharply from 558 in 1996-97 after restructuring in late 1997 and early 1998.
 3. The New Zealand CSA calculates this figure differently to the Australian CSA. The NZ CSA figure is usually higher because it is calculated by dividing gross receipts (including penalties) by full costs to operate the Scheme. The Australian collections figure does not include any penalty amounts.
 4. This caseload figure is for 1996-97. The 1997-98 caseload figure was not available at the time of publication. All other New Zealand data were obtained from the New Zealand CSA's website.

Table 7.5: CSA Total Staff by Gender and Classifications (June 1999)

	Male	%	Female	%	Total Staff
APS 1-6	762.31	31.29	1674.35	68.71	2436.66
SOG/EL1-2	79.78	54.73	65.98	45.27	145.76
Other classifications	29	38.67	46	61.33	75
SES	2	33.33	4	66.67	6
Total	873.09	32.78	1790.33	67.22	2663.42

Source: Child Support Agency, June 1999.

- Notes:
1. Numbers are Actual Full Time Equivalents (FTE) which include staff on unpaid leave. Unpaid categories include staff who are on leave without pay, unpaid maternity leave, and compensation.
 2. Staff on Higher Duties Allowance (HDA) are recorded at HDA level rather than their nominal classification.
 3. The bulk of Scheme staff are employed by the CSA. As at June 1998 there were also 16 FaCS staff dedicated to the Child Support Scheme, and a small number of staff in the Attorney-General's Department who have child support responsibilities.

¹² The Reader is referred to the paper *Child Support Schemes: Australia and Comparisons*, Revised August 1998, Client Research Unit (Research and Policy Unit), Child Support Agency, 1998.

7.5 CSA Staff

Table 7.5 records staffing levels for the CSA at June 1999. The table also notes the gender breakdown by classification levels.

In June 1998 there were 2,586.78 FTE staff in the CSA. Of that number 1,708.74 were females (66.06%) and 878.04 were males (33.94%). At levels ASO 1-6 (and equivalents) just over two-thirds of all officers were female but at the Senior Officer levels males accounted for 55.22% of CSA staff.

7.6 CSA Telephone Performance

Research has established that CSA clients prefer communicating by telephone. Recognising this fact, the CSA has allocated considerable time and funding to improving its telephone system. This effort is reflected in the telephone performance statistics in Table 7.6.

Table 7.6: CSA Telephone Statistics

Year	Main Queue ¹ (calls per day)	Response Time ²	IVR Calls per day ³	Total Phone Traffic (queue and IVR total) ⁴
1993-94	5,000	n/a	n/a	5,000
1994-95	9,000	80% in 3 mins.	n/a	9,000
1995-96	6,000	80% in 2 mins.	n/a	6,000
1996-97	8,000	90% in 2 mins.	2,308	10,300
1997-98	8,500	93.3% in 2 mins.		
		83.5% in 30 secs.	4,154	12,700
1998-99	8,500	86% in 2 mins.	4,681	13,200

Source: CSA, June 1999.

- Notes:
1. Main Queue includes public calls which have been logged on to the CSA phone system. The total excludes Change of Assessment (COA) and Complaints calls.
 2. Response time is calculated on calls logged in to the Main Queue.
 3. IVR (Interactive Voice Response) was introduced by the CSA during 1995-96. An IVR traffic figure for that year is not available. The calls to the Main Queue decreased during that year as a result of the introduction of the IVR. IVR calls are counted on a monthly basis given that the system operates 7 days per week. In this instance, however, calls have been calculated on a daily basis using the following method. In 1997-98 there were 90,000 IVR calls per month or 1.08 million for the year. This figure was then divided by 260, which is the number of days in a working year, to produce the result of 4,154. This makes the IVR calls per day consistent with the way the calls per day are measured for the Main Queue.
 4. The totals in this column include all Main Queue calls and IVR calls calculated on a daily basis using the method described in note 3 above.

Appendix 1: Contact Details

Parents are able to obtain information from the Child Support Agency, Centrelink and legal service providers on the following numbers.

Child Support Agency

- General Enquiries **Phone 131 272**
- CSA Info Service (IVR automated service for quick account enquiries and general information) **Phone 131 107**
- Child Support Change of Assessment **Phone 131 141**
- CSA Complaints **Phone 132 919**

Centrelink

- Pensions Information **Phone 132 300**
- Family Payments **Phone 131 305**
- Enquiries in languages other than English **Phone 131 202**
- Appointments **Phone 131 021**

Carer Parent Services

Child Support Scheme

For more information or advice about how the Scheme applies to you, please contact one of the services listed below.

AUSTRALIAN CAPITAL TERRITORY

Legal Aid Office (ACT)

Phone: (02) 6243 3436

NEW SOUTH WALES

Legal Aid Commission of NSW

Phone: (02) 9744 3833

Phone: 1800 451 784 Toll Free

Campbelltown Legal Centre

Phone: (02) 4628 2042

Illawarra Legal Centre Inc.

Phone: (02) 4276 1939

Southwest Sydney Legal Centre

Phone: (02) 9601 7777

SOUTH AUSTRALIA

Legal Service Commission of South Australia
Child Support Section

Phone: (08) 8463 3555

Noarlunga Community Legal Service

Phone: (08) 8384 5222

Parks Legal Service

Phone: (08) 8243 5521

TASMANIA*

Legal Aid Commission of Tasmania
(Launceston)

Phone: (03) 6331 7088

Hobart Community Legal Service

Phone: (03) 6223 2500

* Carer parents in the south of the State should contact the Hobart Community Legal Service. Carers in the north and northwest of the State should contact the Legal Aid Commission.

NORTHERN TERRITORY

Northern Territory Legal Aid Commission
Family Law Advice Sessions

Phone: (08) 8999 3000

QUEENSLAND

Legal Aid Queensland
Child Support Forum Unit

Phone: 1300 651 188 (Toll Free)

Fax: (07) 3238 3545

Caxton Legal Centre Inc.

Phone: (07) 3254 1811

VICTORIA

Victoria Legal Aid

Phone: (03) 9269 0408

Peninsula Community Legal Centre Inc.

Phone: (03) 9783 3600

Geelong Community Legal Service Inc.

Phone: (03) 5229 0775

Springvale Legal Service, and Springvale
Community Aid and Advice Bureau Inc.

Phone: (03) 9562 3144,
(03) 9546 5255

WESTERN AUSTRALIA

Legal Aid Western Australia

Phone: (08) 9261 6259

Bunbury Community Legal Centre

Phone: (08) 9791 3206

Gosnells Community Centre

Phone (08) 9398 1455

Liabile Parent Services

Child Support Scheme

If you require assistance to understand your rights and responsibilities under the Child Support Scheme, a number of Legal Aid related agencies throughout Australia provide specialised independent services. These services may be able to assist you to purchase a self-help kit, attend an information session or receive telephone information and/or advice.

AUSTRALIAN CAPITAL TERRITORY

Legal Aid Office (ACT)

Phone: (02) 6243 3471

NEW SOUTH WALES

Legal Aid Commission of NSW Child Support Service

Phone: (02) 9744 3833
1800 451 784 Toll-Free

SOUTH AUSTRALIA

Legal Services Commission of South Australia
Child Support Section

Phone: (08) 8463 3555

Noarlunga Community Legal Centre

Phone: (08) 8384 5222

Parks Legal Service

Phone: (08) 8243 5521

TASMANIA

Legal Aid Commission of Tasmania Child Support Information Sessions
Launceston Office

Phone: (03) 6331 7088

Hobart Office

Phone: (03) 6233 8383

WESTERN AUSTRALIA

Legal Aid Western Australia Liabile Parent Forums

Phone: (08) 9261 6318

Bunbury Community Legal Centre

Phone: (08) 9791 3206

NORTHERN TERRITORY

Northern Territory Legal Aid Commission
Family Law Advice Sessions

Phone: (08) 8999 3000

QUEENSLAND

Legal Aid Queensland Child Support Forum Unit
(Liabile Parent Project)

Phone: 1300 651 188 Toll-Free
Fax: (07) 3238 3545

Caxton Legal Centre

Phone: (07) 3254 1811

VICTORIA

Victoria Legal Aid

Liabile Parents Information Service

Phone: (03) 9629 0342

Peninsula Community Legal Service

Phone: (03) 9783 3600

Geelong Community Legal Service

Liabile Parent Child Support Worker

Phone: (03) 5221 4744

Springvale Legal Service

Phone: (03) 9562 3144

Springvale Community Aid and Advice Bureau

Phone: (03) 9546 5255

Appendix 2

Amounts Used in Child Support Assessments						
	Child Support Year					
	1995-96	1996-97	1997-98	1998-99	1999-00	Source of information
Liable Parent's exempted income amount	\$	\$	\$	\$	\$	
Single yearly rate of pension (no relevant dependents)	8362	8733	9006	9043	10219	Item 1, column 3 of table B at point 1064-BI SSA91*
Twice married pension rate (with relevant dependents)	13946	14570	15023	15085	17051	Twice item 2, column 3 of table B at point 1064-BI
Additional amount for child under 13 at end of child support year	1747	1830	1888	1895	1958	Item 1, column 3 table B at point 1069-B2, less point 1069-B6, times 26
Additional amount for child 13-15 at end of child support year	2447	2558	2639	2649	2733	Item 2, column 3 table B at point 1069-B2, less point 1069-B6, times 26
Additional amount for child 16 or over at end of child support year	3487	3643	3756	3771	3875	25% of twice item 2, column 3 of table B at point 1064-BI
• SSA91: Social Security Act 1991						
Custodian's disregarded income amount						
Yearly equivalent of average weekly earnings	34549	36130	37424	38787	31351	Latest estimate published before 1 Jan.
Additional amount for first child under 6 as at start of child support year	3973	4155	4304	4461	0	11.5% of AWE
Additional amount for each other child under 6 as at start of child support year	864	903	936	970	0	2.5% of AWE
Additional amount for child 6 or over and under 12 as at start of child support year	1727	1807	1871	1939	0	5% of AWE
Other amounts						
Yearly equivalent of 2.5 times AWE	86373	90325	93560	96968	101153	2.5 times latest estimate published before 1 Jan.
Inflation factor	1.035	1.04	1.045	1.040	1.04	Treasury Forecast of AWE growth, Budget Statements, Budget Paper No.1 (e.g. 1996-97 inflation factor is based on estimate for 1995-96 in 1995-6 Budget Statements)
Weekly Protected Earnings Rate (for the period 1 Jan to 31 Dec)	201.15	210.15	216.68	217.58	218.85	75% of item 7 of table B at point 1068-BI

