

Weaponising Child Support: when the system fails families

An investigation into how Services Australia is responding to financial abuse through the Child Support program

June 2025

Content warning

This report contains information and real-life experiences about family and domestic violence. This can cause sadness, distress and trigger traumatic memories for people, especially those who have survived past abuse, violence or childhood trauma.

Help and support

There is support and help available for you if you need it. It is always ok to ask for help.

National Debt Helpline	A not-for-profit service that helps people tackle their debt problems.	1800 007 007 www.ndh.org.au
1800RESPECT	An information, counselling and support service to support people impacted by domestic, family or sexual violence.	1800 737 732 www.1800respect.org.au
Beyond Blue	An information and counselling service for mental health support.	1300 224 636 www.beyondblue.org.au
Mensline Australia	A counselling service offering support for Australian men regarding relationships, mental health, wellbeing and family violence.	1300 789 978 www.mensline.org.au

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Executive summary

Why we investigated



The reality of financial abuse

'I am a single mum trying to look after my children. One has a disability. Services Australia is taking \$500 from me a week and I simply cannot afford this. My rent alone is \$580. I am going to end up homeless with my kids and Services Australia is not understanding at all'.

- A complaint to the Ombudsman¹

Financial abuse is a type of family and domestic violence. It happens when one person tries to control another person's access to money.² When financial abuse happens using the Child Support program, it is commonly referred to as weaponising Child Support.

Anyone using the Child Support program can be the victim of weaponisation. However, academic research, Parliamentary Committees and complaints to our Office indicate it overwhelmingly impacts separated mothers. We are being told of cases where former partners are weaponising Child Support by, for example, deliberately not making payments or not lodging tax returns, lying to reduce their income, lying about care arrangements and being abusive or violent to stop the impacted parent from asking for help.

¹ Person 1 told us their former partner did not lodge their tax returns for years and because of this, their Child Support assessment showed their former partner earned very little when the reality was the opposite. As you will read later in this report, this situation often causes the receiving parent to incur a Family Tax Benefit Part A debt.

² [Financial Abuse: An Insidious Form of Domestic Violence \(December 2024\)](#), pages 4 and 6 and [National Plan to End Violence Against Women and Children 2022-2032](#), pages 52 to 53.





Our complaints

Between November 2024 and February 2025, of the 279 complaints we received about the Child Support program, 89 (32%) of these persons told us they were affected by the weaponisation of Child Support.³ 73% of these persons were separated mothers, nearly all of whom were the receiving parent.

Child Support is designed to ensure children are financially supported as they grow and develop during a critical time in their lives. Financial abuse through Child Support deprives children of this money when they need it most.

Services Australia is the Government agency that administers the Child Support program. It undertakes actions like registering cases, making assessments about who needs to pay and collecting and distributing payments.⁴

In Australia, about 1 in 2 divorces involve children under 18 years of age.⁵ When parents divorce or separate, one or both can apply for Child Support to help with the costs of raising the children under 18 years of age.⁶

The receiving parent can ask Services Australia to collect Child Support for them (Child Support Collect) or have this paid directly to them by the paying parent (Private Collect).

³ We reviewed complaints from 1 November 2024 to 20 February 2025. More information about how we conducted this review is at Attachment A.

⁴ [Services Australia, Annual Report \(2024\)](#), page 88.

⁵ [Divorces Involving Children \(February 2025\)](#).

⁶ Child Support typically stops when a child turns 18, but if the child is in full-time secondary education, the caring parent can apply to extend the assessment period until the end of the school year.





Child Support numbers

There are around 1.1 million children supported by the Child Support program in Australia. In the 2023/24 financial year, Services Australia distributed \$1.967 billion in payments through Child Support Collect.⁷

As of December 2024, there were 628,090 active Child Support cases (that is, cases with a Child Support assessment in place).⁸ Women are the main people who receive Child Support, with men being the main people who pay.⁹

It is important to remember both men and women can be the primary carer after a separation or a divorce, both can be entitled to receive Child Support and both can be victims of financial abuse. The Child Support program can be weaponised by either parent: the parent who needs to pay and the parent who is entitled to the payment. In this report, however, our focus is on financial abuse perpetrated by the paying parent, which is overwhelmingly the subject of the complaints we receive about Child Support in this context.



Financial abuse is pervasive

In a recent survey of 540 separated mothers, 80% of them said their former partner had used the Child Support program to commit financial abuse.¹⁰ In 2024, a Parliamentary Joint Committee made many recommendations to the Government after finding there is widespread manipulation and weaponisation of Child Support and separated mothers and their children are being negatively impacted.¹¹

⁷ [Divorces Involving Children \(February 2025\)](#).

⁸ Child Support Program, December Quarter (2024).

⁹ [Interim Economic Inclusion Advisory Committee \(2023\)](#), page 77.

¹⁰ [Financial Abuse: The Weaponisation of Child Support in Australia \(2023\)](#), page 15.

¹¹ [Financial Abuse: An Insidious Form of Domestic Violence \(December 2024\)](#), page 149.



The total amount of Child Support debt grew 5% in the 2023/24 financial year.¹² The last time the rate of growth of this debt was so high was about 10 years ago.¹³



Child Support debt

As of 31 December 2024, there was \$1.9 billion in Child Support Collect debt and 153,694 paying parents had a debt, the average amount being \$7,261.¹⁴

What is also important to know is these figures do not account for Private Collect, where the amount of Child Support owed and not paid is unknown. They also do not reflect all the other ways Child Support can be weaponised, including through things like income minimisation and threats of violence.

It is because of the above information we wanted to shine a light on how Services Australia is handling this problem, with the aim of improving Government services and increasing accountability in the Child Support program.

Who and what we investigated

We investigated Services Australia, which is the Government agency that administers Child Support. The investigation focused on the Child Support program and a small part of the Centrelink program that deals with Family Tax Benefit Part A payments. These are Government payments designed to help parents with the costs of raising children.

During the investigation, we shared information with the Inspector-General of Taxation who was undertaking a separate investigation about financial abuse in the taxation system.¹⁵

¹² Services Australia, RFI response (13 March 2025).

¹³ Services Australia, RFI response (13 March 2025).

¹⁴ Services Australia, RFI response (13 March 2025) and (11 April 2025).

¹⁵ [Identification and Management of Financial Abuse Within the Tax System \(April 2025\)](#).



Child Support is administered by the Department of Social Services and Services Australia but is dependent on taxation information, which is administered by the Australian Taxation Office (ATO). The Inspector-General of Taxation’s jurisdiction only covers the ATO and Treasury, while our jurisdiction excludes the ATO but does include Services Australia. By each of us investigating financial abuse in our respective jurisdictions, we can provide analysis of how improvements can be made in both dimensions to reduce financial abuse, regardless of which agency has a role.

Our investigation focused on how Services Australia is:

- identifying, recording and escalating cases of financial abuse
- investigating, verifying and responding to cases of financial abuse
- engaging internally and with the ATO to prevent financial abuse.

We looked at Services Australia’s policies, systems and training and what its staff do on a day-to-day basis. This included reviewing the work of people like service officers, social workers, decision-makers and supervisors.

After understanding how Services Australia operates, we reviewed some important reports and information on this topic. These included, for example:

The National Plan to End Violence Against Women and Children¹⁶	The Report to Government¹⁷	Financial Abuse: An Insidious Form of Domestic Violence¹⁸	Other Research
Department of Social Services (2022)	Interim Economic Inclusion Advisory Committee (2023)	Parliamentary Joint Committee on Corporations and Financial Services (2024)	Academic Papers

¹⁶ [National Plan to End Violence Against Women and Children 2022–2032](#).

¹⁷ [Interim Economic Inclusion Advisory Committee \(2023\)](#).

¹⁸ [Financial Abuse: An Insidious Form of Domestic Violence \(December 2024\)](#).



We then assessed whether Services Australia is conducting its work fairly and reasonably to deal with the weaponisation of Child Support.

What we found

The Ombudsman has formed the opinion that:

- under sections 15(1)(a)(ii) and (iii) of the *Ombudsman Act 1976* (Cth) (the Act), the actions of Services Australia outlined in this report are unfair or unreasonable in addressing the weaponisation of Child Support
- in some aspects, the action of Services Australia may reflect legislative provisions, but those legislative provisions are unfair and unreasonable
- under sections 15(2)(d) and (f) of the Act, because of this, the Government, the Department of Social Services and Services Australia should, as soon as practicable, consider the recommendations in this report and work towards implementing them.

We are of the view that, while aspects of the current legislative framework should be amended, the current legislative framework does not prevent Services Australia from implementing the recommendations.¹⁹

Services Australia is not doing enough to actively deal with the weaponisation of the Child Support program. While its approach is well-intentioned and welfare focused, it is not helping to get the money owed to parents when their kids need it the most. The agency is not actively identifying financial abuse or using its enforcement powers as effectively or proactively as it could. This passive approach is unfair. It allows some paying parents to manipulate the system to avoid their financial responsibility in raising their children, largely without consequences.

Services Australia is actively recovering Family Tax Benefit Part A debts from receiving parents, whether those parents have, in fact, been paid the Child Support they are owed. This is unfair and places those parents at a double disadvantage – in effect amplifying the impact of the financial abuse they are suffering through the actions of their former partner.

¹⁹ This does not include recommendation 7, which specifically deals with legal reform.

While Services Australia has a clear focus on assisting people who are being subjected to family and domestic violence, it can be doing a lot more to identify and respond to the weaponisation of Child Support. The agency needs to significantly develop its ability to identify, record and escalate cases of financial abuse and ensure it can respond to these matters using its policies and the legislation in a timely and accurate way.

Some of the key findings in this report are as follows:

- The agency's policies and systems regarding family and domestic violence are not designed to identify financial abuse through Child Support. Its emphasis on the use of social workers and specialist teams is well-intentioned, however, these are unlikely to address the weaponisation of Child Support in many cases.
- The agency does not appear to have a clear strategy to address financial abuse through Child Support, nor does it appear to provide meaningful training to its staff on this topic.
- The agency does not, on enough occasions, proactively identify the motivations of paying parents who do not pay Child Support or lodge tax returns, nor does it use its collection enforcement powers as effectively and proactively as it should.
- The legislation requires the agency to assume 100% of Child Support payments in Private Collect cases occur.²⁰ This, however, does not stop Services Australia from undertaking meaningful monitoring work to proactively identify cases of non-payment, which it does not do.
- The agency's policies in relation to gathering evidence to accept an estimated income are not robust enough and its response to the non-payment of Child Support is the same whether the non-payment is deliberate or not.
- The agency's Lodgement Enforcement Program will not meaningfully help prevent financial abuse through Child Support without significant change.

In addition to these, a number of issues exist with the legislation Services Australia needs to use and abide by. Some of these include:

²⁰ This comes about because of the way Family Tax Benefit Part A payments need to be calculated. See, for example, *A New Tax System (Family Assistance) Act 1999* (Cth), schedule 1, section 20D(2).

- The legislation's collection enforcement powers are unhelpful in some situations where financial abuse is taking place. They are sometimes restricted to specific circumstances and a paying parent can use these limitations to avoid payment. For example:
 - the power to garnish money from a third party does not extend to many types of 'shared or alternate bank accounts' that a paying parent uses or has access to, even if there is a reasonable suspicion that the money is being held in such an account in order to evade Child Support obligations²¹
 - the power to intercept a tax return refund is only useful if the paying parent has, in fact, lodged a tax return and obtained a refund
 - a Departure Prohibition Order does not compel a paying parent to pay outstanding Child Support.²²
- The legislation's change of assessment process is complex and can be unfair to those affected by financial abuse through Child Support.²³
- The legislation does not prevent a receiving parent from accruing a Family Tax Benefit Part A debt in circumstances where that debt only arises because they are assumed to have received Child Support which has not, in fact, been paid because of financial abuse. Additionally, there is no specific legal mechanism to waive these debts in these circumstances.²⁴
- The legislation significantly restricts Services Australia's ability to collect debts and enforce non-payment where Private Collect changes to Child Support Collect and there are arrears.²⁵

²¹ See, for example, *Child Support (Registration and Collection) Act 1988* (Cth), section 72A(1) and Child Support Guide, 6.7.2.50, 20 September 2024. The term 'shared or alternate bank accounts' is being used here to refer to bank accounts including, for example, joint bank accounts, company bank accounts and partnership and trust bank accounts.

²² *Child Support (Registration and Collection) Act 1988* (Cth), section 72D(1) and *Whittaker v Child Support Registrar* [2010] FCA 43, [250].

²³ *Child Support (Assessment) Act 1989* (Cth), part 6A. The issues with this process in the context of financial abuse are explained later in this report.

²⁴ See, for example, *A New Tax System (Family Assistance) (Administration) Act 1999* (Cth), sections 71 and 101 and Child Support Guide, 7.3.2, 5 February 2024. As explained later in this report, to overcome this, Services Australia sometimes uses the maintenance action test exemption to help reduce Family Tax Benefit Part A debts caused by financial abuse. This will often place the receiving parent in an unfair situation. When we say there is no legal mechanism to waive debts, we are referring to this *specific circumstance*.

²⁵ See, for example, *Child Support (Registration and Collection) Act 1988* (Cth), section 28A.

Recommendations



Recommendation 1

Services Australia develops a publicly available strategy that outlines, with specificity, how it plans to address financial abuse through Child Support.

Department of Social Services response: **Accepted**

Services Australia response: **Accepted**



Recommendation 2

Services Australia more effectively enforce payment of Child Support, including to:

- a) identify, record and escalate allegations or instances of financial abuse through Child Support
- b) on its own initiative and on significantly more occasions, proactively identify, or attempt to identify, the motivations of paying parents who do not lodge tax returns or pay Child Support
- c) obtain evidence on significantly more occasions when deciding to accept or refuse an application for an income estimate
- d) prioritise the use of collection enforcement powers in cases where the agency knows or suspects on reasonable grounds the paying parent is deliberately not paying Child Support
- e) on its own initiative, using a risk-based approach, proactively seek information from receiving parents in Private Collect cases as to whether Child Support is being paid and if not, why.

Department of Social Services response: **Accepted**

Services Australia response: **Accepted**





Recommendation 3

Services Australia should record the following data in a way that is easily measurable at an organisational level:

- a) where a parent is affected by, or possibly affected by, financial abuse through Child Support
- b) whether staff have requested evidence and the reasons from an applicant regarding an application for an income estimate
- c) the priority of a Child Support case to inform the use of general collection enforcement powers
- d) whether the use of a collection enforcement power was successful and if not, why
- e) efforts and enquires to obtain information about payment compliance in Private Collect cases and the outcome of those things.

Department of Social Services response: **Accepted**

Services Australia response: **Accepted**



Recommendation 4

Services Australia undertakes a comprehensive review of the Lodgement Enforcement Program. This should include identifying, through consultation with the ATO, how Services Australia can best assist the ATO to conduct risk-based compliance and audit activities regarding the accuracy of tax return lodgements from paying parents.

Department of Social Services response: **Accepted**

Services Australia response: **Accepted**





Recommendation 5

Services Australia ensure its staff better understand financial abuse through Child Support and what they should do about it.

Department of Social Services response: **Accepted**

Services Australia response: **Accepted**



Recommendation 6

Services Australia undertakes a comprehensive review into how it uses the change of assessment process as a response to financial abuse through Child Support. The goals of this review should be to, among other things:

- a) identify how the agency can draw measurable insights about allegations of financial abuse through Child Support in applications and responses
- b) identify how the agency can better use this information.

Department of Social Services response: **Accepted**

Services Australia response: **Accepted**





Recommendation 7

The Government, with the assistance of the Department of Social Services and Services Australia, introduce a Bill to amend the law to address the legal limitations outlined in this report. This includes:

- a) 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
- b) 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
- c) amending the CSRC Act to allow garnishee collection enforcement powers to be used in more circumstances, in particular, allowing them to be used against joint bank accounts, company bank accounts, credit card bank accounts and partnership and trust bank accounts where the agency believes on reasonable grounds the paying parent is using these avenues to avoid payment
- d) 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
- e) amending the CSA Act and the CSRC Act to require a paying parent to proactively report any significant and/or ongoing increase in their income following a Child Support assessment
- f) 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.

Department of Social Services response: **Noted**

Services Australia response: **Accepted**





Recommendation 8

The Department of Social Services and Services Australia provide the Ombudsman, within 12 months from the date of this report, a comprehensive progress update regarding how these recommendations have been or are being actioned.

Department of Social Services response: **Accepted**

Services Australia response: **Accepted**



Why we investigated

Parents affected by financial abuse through Child Support keep telling us Services Australia is letting them down

Financial abuse is a form of family and domestic violence. It happens when one person tries to control another person's access to money.²⁶ When the Child Support program is used to commit financial abuse, it is called weaponising Child Support.

Customers of Services Australia are telling us they feel abandoned and let down by the agency when they seek help for financial abuse in their Child Support cases.

Although we do not know exactly how often financial abuse happens in the Child Support program, complaints and research indicate it is likely widespread and is causing a lot of harm, mainly affecting women as the receiving parent and the children they care for.

We had a detailed look at complaints we received about the Child Support program between November 2024 and February 2025. **Attachment A** shows how we did this review, including the assumptions we made. These are the results:

The number of complaints we received:

279

The number of people who said they were affected by the weaponisation of Child Support:

32%

The number of these people who were separated mothers:

73%

²⁶ [Financial Abuse: An Insidious Form of Domestic Violence \(December 2024\)](#), pages 4 and 6 and [National Plan to End Violence Against Women and Children 2022-2032](#), pages 52 to 53.

Academic research and Government reports and inquiries show the weaponisation of Child Support is a big problem

Information about financial abuse through Child Support paints the same worrying picture as the complaints we receive. Some of this includes:

- In 2018, a Flinders University study with 37 separated mothers found 29 of them reported their former partners did not pay Child Support, only partially paid or did not pay on time. Many of these women believed their former partner's behaviour was a deliberate attempt to control their finances and choices.²⁷
- In 2022, the National Plan to End Violence Against Women and Children (the National Plan) found financial abuse against women in Australia is a pervasive form of family and domestic violence.²⁸
- In 2023, in a Swinburne University study with 540 separated mothers, 80% of them said their former partner had used the Child Support program to commit financial abuse,²⁹ with the main tactics being deliberately not paying Child Support (81%) and minimising how much needed to be paid (80%).³⁰
- In 2023, the Interim Economic Inclusion Advisory Committee found paying parents who do not pay Child Support are causing a huge economic and social problem in Australia.³¹
- In 2024, the Parliamentary Joint Committee on Corporations and Financial Services found the Child Support program is being widely manipulated and weaponised by perpetrators to carry out financial abuse, with women being the main victims.³²
- In 2025, the Inspector-General of Taxation reviewed how the ATO identifies and manages financial abuse within the tax system. In relation to enforcing the lodgement of tax returns and sharing income information, it found there are opportunities for the ATO to better collaborate with Services Australia.³³

²⁷ [State Facilitated Economic Abuse: A Structural Analysis of Men Deliberately Withholding Child Support \(2018\)](#), pages 127 to 129.

²⁸ [National Plan to End Violence Against Women and Children 2022-2032](#).

²⁹ [Financial Abuse: The Weaponisation of Child Support in Australia \(2023\)](#), page 15.

³⁰ [Financial Abuse: The Weaponisation of Child Support in Australia \(2023\)](#), page 15.

³¹ [Interim Economic Inclusion Advisory Committee \(2023\)](#), page 78.

³² [Financial Abuse: An Insidious Form of Domestic Violence \(December 2024\)](#), page 131.

³³ [Identification and Management of Financial Abuse Within the Tax System \(April 2025\)](#), pages 43 to 48.



How Child Support can be weaponised



Financial abuse can affect anyone

It is important to remember both men and women can be the victims of the weaponisation of Child Support. The parent who needs to pay Child Support and the parent who receives Child Support can carry out financial abuse.

Our focus in this report is financial abuse carried out by the paying parent because of the complaints we have received about it and because of the impact of it on the welfare of children. Our complaint information, the academic research and the Government reports and inquiries all show financial abuse overwhelmingly affects women as the receiving parent and the children in their care.

Paying parents can use the Child Support program to commit financial abuse in many ways. As you will see below, sometimes this behaviour is obvious and sometimes it can be hard to spot.

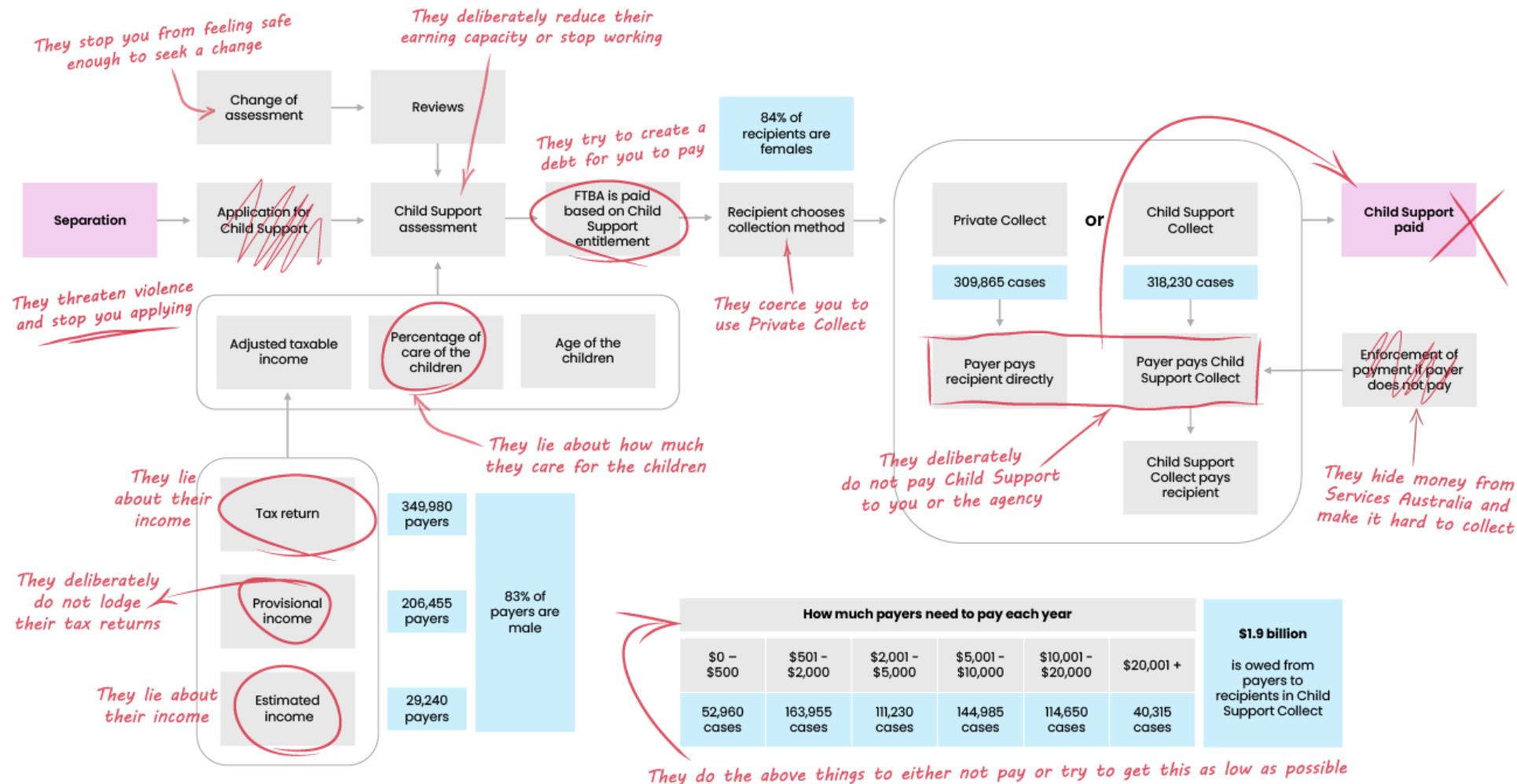
As of December 2024, there were 584,240 paying parents and 581,685 receiving parents in active Child Support cases.³⁴ 485,070 of these paying parents (83%) were male and 485,955 of these receiving parents (84%) were female.³⁵

³⁴ Child Support Program, December Quarter (2024).

³⁵ Child Support Program, December Quarter (2024).



Some of the ways perpetrators can weaponise Child Support



Deliberately not paying Child Support on time, underpaying or not paying anything

One way financial abuse can happen through Child Support is where the paying parent deliberately does not pay the amount they are meant to pay on the date they were meant to make the payment.³⁶ This includes doing things to avoid Services Australia (through Child Support Collect) enforcing payment.

What is Child Support?

The Child Support program is a Government initiative designed to make sure the children of separated and divorced parents receive a proper level of financial support.³⁷ Under the program, parents can apply for Child Support to require the child's other parent to contribute to the costs of raising the children from their relationship. In rare cases, some parents are a paying parent in one case and a receiving parent in a different case.³⁸

The idea behind Child Support is parents, rather than the Government, should be responsible for the costs of raising their children.³⁹ The Child Support program is also designed so parents should only pay what they can afford.

Who pays and how much?

Services Australia calculates a Child Support assessment to work out who needs to pay and how much. The paying parent is usually the one whose share of time caring for the child is less than their share of the combined income of the parents.⁴⁰ The amount of time each parent spends caring for the child may be set by the courts in a family law parenting order (whether after hearing evidence or as an order agreed to by both parents) or simply resolved between the parents.

³⁶ [Financial Abuse: The Weaponisation of Child Support in Australia \(2023\)](#), pages 27 to 29 and 111.

³⁷ [Every Picture Tells a Story: Inquiry Into Child Custody Arrangements in the Event of Family Separation \(2003\)](#), page 124.

³⁸ Child Support Program, December Quarter (2024).

³⁹ [Every Picture Tells a Story: Inquiry Into Child Custody Arrangements in the Event of Family Separation \(2003\)](#), page 124.

⁴⁰ [Services Australia \(3 March 2022\)](#), QC 27921.

After a divorce or separation, many parents manage to put their child's needs first and meet their respective obligations to their child. Other parents can struggle to accept the end of the relationship and may look for ways to hurt their former partner, including through non-compliance with caring and financial arrangements.

Some parents may form new relationships and have new children. This may lead them to feel it is unfair that they have to contribute financially to their children of the previous relationship as well as to their new family. However, it is both fair and legal that they continue to financially contribute to all their children. If they disagree with the amount they must pay, there are formal mechanisms to seek reviews. It is not up to them to unilaterally choose whether or what they will pay.

To work out the amount the paying parent needs to pay, Services Australia considers each parent's income, the parent's combined income, how much time each parent cares for the children and the age of each child. Sometimes, this can be a complicated process.⁴¹



Example

As a simple example, imagine parents A and B have a child together and are separated. Parent A earns \$15,000 and parent B earns \$85,000. Together, their combined income is \$100,000. Parent A takes care of their child for 5 days a week and parent B takes care of their child for 2 days a week. Because parent B's share of the combined income is 100% (parent A's adjusted taxable income is less than the self-support amount) and they only care for their child about 28% of the time, they will need to pay Child Support to parent A.

In some situations, Services Australia can accept money the paying parent has paid to third parties as going towards their Child Support obligations. This is called a non-agency payment (NAP). It can pay directly for costs of raising the child such as child care, school fees, medical appointments, rent and mortgage.

⁴¹ [Services Australia \(3 March 2022\)](#), QC 27921. As outlined below, a self-support amount is also factored in to this.



How are payments made and collected?

There are 2 ways payments are made and collected once Services Australia registers a Child Support case:

- The first is through Child Support Collect. This is where Services Australia collects amounts owed from the paying parent and pays them to the receiving parent.⁴² In the 2023/24 financial year, through this method, Services Australia collected and distributed \$1.967 billion in payments.⁴³
- The second is through Private Collect, where the parents pay each other directly.⁴⁴ In these cases, parents exchange the payments in any way they agree, such as by cash or bank transfer. Private Collect encourages parents to make their own arrangements and requires them to enforce collection of their own payments, including any arrears.⁴⁵

Around 50% of all Child Support cases are Private Collect with the other 50% being administered through Child Support Collect.⁴⁶

Because Private Collect is done through parents paying each other, Services Australia does not know how much money is actually paid. Important things to know about Private Collect are:

- for the purposes of determining how much Family Tax Benefit Part A is to be paid, the law requires Services Australia to assume all payments are made, even though this may not happen⁴⁷
- Services Australia cannot enforce payments in Private Collect cases. As explained later in this report, the case first needs to change to Child Support Collect and even then, there are significant restrictions on what Services Australia can do.

⁴² [Services Australia \(20 November 2024\)](#), QC 28001. This includes where Services Australia accepts NAPs to be credited against a Child Support liability.

⁴³ [Services Australia, Annual Report \(2024\)](#), page 88.

⁴⁴ [Services Australia \(20 November 2024\)](#), QC 28056.

⁴⁵ Child Support Guide, 7.2, 3 February 2025.

⁴⁶ [Services Australia, Annual Report \(2024\)](#), page 88.

⁴⁷ See, for example, *A New Tax System (Family Assistance) Act 1999* (Cth), schedule 1, section 20D(2) and [Services Australia, Annual Report \(2024\)](#), page 88.

The case studies below are examples from Child Support Collect.



Case study

Person 2 told us Services Australia was mismanaging their Child Support case, and their former partner owed them over \$13,000 in payments. They said Services Australia had been overwhelmingly inadequate in enforcing their former partner's deliberate failure to pay and because of this, had allowed the debt to build up over time.

- A complaint to the Ombudsman



Case study

Person 3 told us their former partner owed them over \$32,000 in Child Support. They said Services Australia and the law had allowed this financial abuse to occur and when they contacted the agency, the staff did not try to help them.

- A complaint to the Ombudsman



Case study

Person 4 told us Services Australia had continually failed to recover unpaid Child Support of \$28,000 from their former partner. This is despite their former partner purchasing a new car and renting a luxury apartment. Person 4 said the agency knew this information but still did not act to try and collect the money.

- A complaint to the Ombudsman

Deliberately not paying Child Support can include avoiding efforts by Services Australia to collect the amounts owed. Our complaint information tells us tactics used by financial abuse perpetrators include, for example, moving money between different



bank accounts, keeping money in cash or only accepting cash for work and using joint bank accounts or business or family trust arrangements.⁴⁸

Threatening to stop paying Child Support unless certain things are done or abusive or violent behaviour to change collection types

Another way financial abuse can happen through Child Support is where:

- the paying parent threatens they will stop paying Child Support unless the receiving parent does certain things
- the paying parent threatens the receiving parent with violence or abuse to stop them from collecting Child Support or to influence them to use Private Collect.⁴⁹

As explained above, in Private Collect cases, it is easier for the paying parent not to pay Child Support because Services Australia has less visibility over what happens. Because of this, one financial abuse tactic is to coerce the receiving parent into using Private Collect through, for example, threatening them.⁵⁰

It is important to remember, like person 5 (below), many receiving parents affected by a financial abuse will not want to ask for help because they are afraid of what might happen to them.

⁴⁸ Our complaint information is supported by examples in the research. For information about business and family trust arrangements and working for cash, see [State Facilitated Economic Abuse: A Structural Analysis of Men Deliberately Withholding Child Support \(2018\)](#), page 129. For information about self-employed persons diverting money into a business, a trust or to a new partner, see [Postseparation Financial Abuse Perpetrated Through Government Systems \(2024\)](#), page 7.

⁴⁹ [Financial Abuse: The Weaponisation of Child Support in Australia \(2023\)](#), pages 29 to 31 and 111.

⁵⁰ [Financial Abuse: The Weaponisation of Child Support in Australia \(2023\)](#), pages 53 and 57.



Case study

Person 5 told us they had been bullied and abused for over 10 years by their former partner about Child Support and they were owed a lot of money. They said their former partner would send them abusive messages and make threatening calls and these stopped them from wanting to pursue the money owed. When person 5 did manage to ask Services Australia for help, they were met with so many obstacles it made them give up trying.

- A complaint to the Ombudsman

Providing false information in tax returns or to Services Australia to obtain an estimated income

Another way financial abuse can happen through Child Support is where the paying parent gives false information in their tax returns to reduce their taxable income or supplies false information when estimating their income. This can cause the receiving parent to get less than they should or, where care is shared, to become the paying parent.

What income is used?

In working out Child Support payments, Services Australia uses adjusted taxable income for each parent.⁵¹ Using adjusted taxable income means Services Australia looks at different types of income and earnings to work out an overall figure for the Child Support assessment and each parent.⁵²

Services Australia will work out a parent's adjusted taxable income using their taxable income based on information from the ATO, including the person's tax return.⁵³ The

⁵¹ [Services Australia \(8 July 2024\)](#), QC 27966.

⁵² [Services Australia \(12 September 2024\)](#), QC 29571. Note that a self-support amount is deducted from a parent's adjusted taxable income for their own support.

⁵³ [Services Australia \(8 July 2024\)](#), QC 27966.



adjusted taxable income used in a Child Support assessment is based on the last financial year before the Child Support period started.

For example, if a Child Support assessment period starts on 20 February 2025, Services Australia will look at what each parent's adjusted taxable income was for the financial year before this, which would be the 2023/24 financial year. This is between 1 July 2023 to 30 June 2024.

Usually, the higher a paying parent's adjusted taxable income, the greater the amount they are required to pay in Child Support.



Case study

Person 6 told us their former partner lodged tax returns that contained false information. Not only did this reduce what they were entitled to in Child Support, it caused them to become the paying parent. Person 6 needed to pay their former partner when they should have been the one receiving payments. They said Services Australia did not help them to deal with this.

- A complaint to the Ombudsman

Income estimates

Because Services Australia uses the adjusted taxable income from the previous financial year, the financial situation of both parents might change. For example, one parent may legitimately start earning less money than the amount Services Australia used for the Child Support assessment, for example, because their employer gives them less shifts.

If a parent's adjusted taxable income has reduced by 15% or more, they can ask Services Australia to have the Child Support assessment recalculated, to be based on an estimate. This is done through an application to Services Australia in writing, online or by telephone.

A financially abusive paying parent can lie to Services Australia to obtain an estimated income. In other words, they can tell Services Australia their income has reduced by 15%



when that is not true. In these cases, the paying parent will provide false information in their income estimate application.

Deliberately not lodging tax returns

When a parent does not lodge a tax return, Services Australia needs to change the way it calculates a parent's income. This can result in a Child Support assessment where the paying parent is paying less than they should.

What happens if the paying parent does not lodge their tax return?

While most people receiving income are legally obliged to lodge a tax return, Services Australia cannot force someone to do this: the ATO is responsible for making sure taxpayers lodge tax returns.

When the paying parent does not lodge their tax return, Services Australia still needs to work out their adjusted taxable income. The agency does this using a method called provisional income.⁵⁴ There are a few different provisional incomes that Services Australia can use depending on the paying parent's situation.⁵⁵ Examples of these are:

- the paying parent can make an income tax declaration to Services Australia using a written form, online or over the telephone⁵⁶
- deemed income, where Services Australia uses a previous year's tax return that is not current and varies it to consider inflation.⁵⁷

As of December 2024, to work out how much Child Support paying parents needed to pay, Services Australia used:

- a current tax return for 349,980 payers
- provisional incomes for 206,455 payers
- income estimates for 29,240 payers.⁵⁸

⁵⁴ Services Australia, RFI response (13 March 2025).

⁵⁵ Services Australia, RFI response (13 March 2025).

⁵⁶ [Services Australia \(7 November 2023\)](#), QC 19641.

⁵⁷ Services Australia, RFI response (13 March 2025).

⁵⁸ Services Australia, RFI response (28 March 2025) and Child Support Program, December Quarter (2024).

A paying parent commits financial abuse if they deliberately do not lodge their tax returns so Services Australia does not have their current and up-to-date income information. In other words, it makes Services Australia use a provisional income. In many cases, this will not truly reflect how much the paying parent is earning and should pay.



Case study

Person 7 told us their former partner was abusive and violent towards their children. They were owed over \$32,000 in Child Support payments. Not only was person 7's former partner not paying, but they were deliberately not lodging their tax returns to avoid this affecting how much they should pay. Person 7 told us they wanted to ensure their children had financial security. Services Australia kept telling them it was looking into the matter but did nothing about this.

- A complaint to the Ombudsman



Case study

Person 8 told us they had not received any Child Support. They said their former partner had deliberately not lodged a tax return in 5 years to avoid having to pay, despite them working for 2 employers on a regular basis. Person 8 needed their former partner to lodge their tax returns so an accurate Child Support assessment could be calculated. They told us they felt both the ATO and Services Australia had allowed this financial abuse to occur.

- A complaint to the Ombudsman

Causing a Family Tax Benefit Part A debts through the above types of illegal and/or immoral behaviours

Another way financial abuse can occur through Child Support is where the paying parent does something which causes the receiving parent to get a Family Tax Benefit Part A debt.⁵⁹ This could be caused by, for example, the paying parent deliberately not lodging their tax returns or lying on their tax returns when they do lodge them.

What are Family Tax Benefit Part A payments?

Family Tax Benefit Part A payments are Government payments made by Services Australia through the Centrelink program.⁶⁰ The payment is designed to help parents with the costs of raising children.⁶¹ To get Family Tax Benefit Part A payments, a parent needs to care for a child at least 35% of the time and earn less than a certain amount of money.⁶²

Services Australia calculates how much a parent receives in Family Tax Benefit Part A payments by using their adjusted taxable income, the family's combined income and looking at the ages and number of children in their care.⁶³ Generally, the more Child Support a receiving parent gets or is entitled to, the less money in Family Tax Benefit Part A payments they can receive.

If a separated parent wants to test their eligibility for a higher rate of Family Tax Benefit Part A, they need to apply for Child Support.⁶⁴ This is called the maintenance action test. A parent meets the maintenance action test when they make an application for Child Support. If they do not apply for Child Support, the most they can get is the base rate of Family Tax Benefit Part A.

There are some special circumstances that allow a parent to get more than the base rate of Family Tax Benefit Part A without needing to apply for Child Support. This is

⁵⁹ [Financial Abuse: The Weaponisation of Child Support in Australia \(2023\)](#), pages 66 to 77 and 115 and [Postseparation Financial Abuse Perpetrated Through Government Systems \(2024\)](#), page 5.

⁶⁰ [Services Australia \(25 June 2024\)](#), QC 43906.

⁶¹ Parents here also refers to carers.

⁶² [Services Australia \(4 June 2024\)](#), QC 39721.

⁶³ [Services Australia \(25 September 2024\)](#), QC 30611.

⁶⁴ [Services Australia \(20 November 2024\)](#), QC 51878.

called a maintenance action test exemption. One of the reasons a parent can be given a maintenance action test exemption is where they are afraid to apply for Child Support.⁶⁵

While the intention underlying the payments is good, an issue with Family Tax Benefit Part A payments is that the legislative restrictions on Services Australia can enable a perpetrator of financial abuse to cause a receiving parent to receive a debt which Services Australia will pursue.



Example

As an example, imagine parent X and parent Y are separated and have a child together. Parent X is the receiving parent and parent Y is the paying parent. Parent Y does not lodge their tax returns and instead gives Services Australia an income declaration saying they earn \$100,000. Services Australia accepts this and does not check whether it is true.

Over the years, parent X is paid Family Tax Benefit Part A payments based on the \$100,000 figure. Services Australia eventually finds out parent Y was lying about their income and this was really \$200,000. Services Australia recalculates how much Child Support needs to be paid based on this new figure.

In doing this, the agency works out parent X was being paid too much in Family Tax Benefit Part A payments during that time (because the more Child Support the receiving parent gets or is entitled to, the less Family Tax Benefit Part A payments they are allowed). Centrelink then issues parent X with a debt to pay back this overpaid Family Tax Benefit Part A money.

In this example, not only did parent X not receive the Child Support money they were meant to over many years because of their former partner's deceitful conduct, they now have a debt they need to pay back to Services Australia.

⁶⁵ [Services Australia \(20 November 2024\)](#), QC 51878.





Case study

Person 9 told us their former partner owed them 3 years' worth of Child Support and Services Australia had done nothing to recover this amount. Even though no money had been received, Person 9 still needed to pay 2 Family Tax Benefit Part A debts because Services Australia worked out they should have been getting more in Child Support. Person 9 said they had tried so many times to talk to Services Australia to get someone to understand what was happening but they were pushed from person to person without any help.

- A complaint to the Ombudsman

Using violence, threats or abusive behaviours to stop an application for Child Support

Another way financial abuse can occur is where one parent uses violence, threats or abusive behaviours to prevent the other person from making an application for Child Support.

As outlined above, in these cases, Services Australia can use the maintenance action test exemption which allows the parent (who wishes to obtain support) to receive higher Family Tax Benefit Part A payments.



How we investigated

We did our investigation under section 5(1)(b) of the Act. Section 5(1)(b) of the Act allows the Ombudsman to investigate the actions of agencies like Services Australia on his or her own motion.

To do the investigation, we did the following things:

Requested and obtained information from Services Australia under section 8(3) of the Act. 	Attended the premises of Services Australia for an inspection of records, systems and processes under section 14(1) of the Act. 	Met online with staff from Services Australia to ask them questions. 
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In coming to his opinions, the Ombudsman considered a range of things, including:

- the information provided by complainants
- the information Services Australia provided as part of the investigation
- the research mentioned in this report
- that the National Plan asks agencies to find more holistic solutions to better understand and address financial abuse⁶⁶
- that the National Plan asks agencies to collect more evidence on the types of financial abuse that women and children experience⁶⁷
- that Child Support weaponisation it is not a new problem⁶⁸
- what a reasonable person, with the above knowledge, would expect from Services Australia. For this investigation, a reasonable person is a member of the public who is fair, impartial and acts in line with community standards.

⁶⁶ [National Plan to End Violence Against Women and Children 2022–2032](#), page 53.

⁶⁷ [National Plan to End Violence Against Women and Children 2022–2032](#), page 53.

⁶⁸ [Financial Abuse: An Insidious Form of Domestic Violence \(December 2024\)](#), page 136.

Our investigation approach

In relation to the Child Support program and a small part of the Centrelink program, we looked at the focus areas (below) and investigated how **effective**, **fair** and **reasonable** they are.

Focus A Identifying, recording and escalating cases of financial abuse
Focus B Investigating, verifying and responding to cases of financial abuse
Focus C Engaging internally and with the ATO to prevent financial abuse

What we found

The Ombudsman has formed the opinion that:

- under sections 15(1)(a)(ii) and (iii) of the Act, the actions of Services Australia outlined in this report are unfair or unreasonable in addressing the weaponisation of Child Support
- in some aspects, the action of Services Australia may reflect legislative provisions, but those legislative provisions are unfair and unreasonable
- under sections 15(2)(d) and (f) of the Act, because of this, the Government, the Department of Social Services and Services Australia should, as soon as practicable, consider the recommendations in this report and work towards implementing them.

A note on legislative reform

As outlined below, sometimes the actions of Services Australia are unfair or unreasonable because of the legislation it needs to use and abide by.

The legislation governing the Child Support program has gone through many changes over many decades, including in relation to its enforcement framework.⁶⁹ We understand the legislation in its current form and, in particular, the collection enforcement powers, reflect a compromise between competing factors.⁷⁰

What is clear, though, is to help Services Australia meaningfully combat the weaponisation of Child Support, the law needs reform. Factors that may be considered in restricting the scope of previous reform, in our view, need to give way to the significance of this issue and the need to act.

⁶⁹ [From Conflict to Cooperation, Inquiry into the Child Support Program \(2015\)](#), pages 45 to 47 and Child Support Guide, 1.3.2.10, 14 October 2024. As recently as 1 July 2023, for example, the legislation was amended to allow Services Australia to collect debts via employer withholdings where a parent does not have an ongoing Child Support liability, but they still have outstanding Child Support arrears. See *Social Services Legislation Amendment (Child Support Measures) Act 2023* (Cth).

⁷⁰ See, for example, [In the Best Interest of Children – Reforming the Child Support Scheme \(2005\)](#), pages 175 to 187.

Focus A – Identifying, recording and escalating cases of financial abuse

Services Australia’s policies and systems regarding family and domestic violence are not designed to capture financial abuse through Child Support

Services Australia has policies to identify parents affected by family and domestic violence. Staff record this information and escalate it, if need be, by providing frontline support.⁷¹

These policies define family and domestic violence as behaviour which is violent, threatening, coercive, controlling or that causes a person to be fearful.⁷² This includes financial abuse, which is defined as ‘a pattern of control which affects a person’s ability to obtain, use or maintain money, threatening their financial security and independence’.⁷³

At different times in the Child Support process, staff need to ask risk identification questions and look out for things that might show a parent is experiencing family and domestic violence.⁷⁴ These risk identification questions include asking, for example:

- ‘is anyone threatening you, a family member, or making you feel afraid or unsafe?’
- ‘are you experiencing behaviour that is violent, threatening, controlling or making you or your family feel unsafe?’⁷⁵

If staff believe a parent is being affected by family and domestic violence, they must offer support to them.⁷⁶ This support can include referring them to a Services Australia social worker or giving them information about support organisations like 1800RESPECT,

⁷¹ Services Australia, RFI response (13 March 2025) and Services Australia policy.

⁷² Services Australia policy.

⁷³ Services Australia policy.

⁷⁴ Services Australia policy.

⁷⁵ Services Australia policy.

⁷⁶ Services Australia policy.

the National Debt Helpline and the Family Relationship Advice Line.⁷⁷ Staff can refer a parent to a social worker at any time, with their consent and actively do so.⁷⁸

Between the start of 2023 and the end of 2024, staff working in the Child Support, Centrelink and Medicare programs referred 203,558 persons to social workers.⁷⁹ Of these, 4,000 were in relation to what Services Australia calls financial exploitation, which includes behaviour like financial abuse.⁸⁰

Services Australia uses separate computer systems for the Child Support and Centrelink programs. These systems allow staff to record information, make decisions and manage cases.⁸¹ Under the agency's policies, when staff believe a parent is affected by family and domestic violence, they are required to put this information on their record in one of these systems.

In the Child Support system, staff record family and domestic violence situations by creating a sensitive issue indicator on the parent's record.⁸² In the Centrelink system, they create a display on access identified fast note.⁸³ In both cases, staff also need to write some information about the issue.⁸⁴

The sensitive issue indicator and the fast note in each computer system are designed so any staff member who goes into that parent's record will see those notifications.⁸⁵

Later in this report, we look at the issues with how this information is shared between these and other Services Australia systems.

⁷⁷ Services Australia policy.

⁷⁸ Services Australia, RFI response (13 March 2025).

⁷⁹ Services Australia, RFI response (13 March 2025).

⁸⁰ Services Australia, RFI response (13 March 2025). Services Australia defines financial exploitation as a situation where a person is subject to undue pressure, harassment, violence, abuse, deception or exploitation for resources by another person, including other family or community members.

⁸¹ Services Australia, RFI response (13 March 2025) and Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

⁸² Services Australia, RFI response (13 March 2025).

⁸³ Services Australia, RFI response (13 March 2025).

⁸⁴ Services Australia, RFI response (13 March 2025).

⁸⁵ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

As of 31 December 2024, 90,268 (7.8%) of all parents in Child Support cases had a sensitive issue indicator for family and domestic violence.⁸⁶

Services Australia's policies may help its staff identify, record and escalate some types of financial abuse through the above actions. The example below is one way this might happen.



Example

Parent A is being paid Child Support by parent B. Parent B has missed many payments and owes parent A over \$3,000. Parent B threatens to hurt parent A if they ask Services Australia to help get this money. When parent A calls Services Australia for help, the staff member asks parent A, a risk identification question. Parent A tells the staff member they do not feel safe, and parent B has threatened them. Using this information, the staff member creates a sensitive issue indicator for family and domestic violence and refers the customer to a social worker, with the customer's consent.

In most cases, however, the agency's policies are unlikely to help in identifying, recording and escalating financial abuse through Child Support. This is because:

- The agency's policies focus mainly on a parent's safety concerns. Although financial abuse is included as something for staff to look out for and consider, it is defined very specifically and does not include the weaponisation of Child Support.
- Unless the behaviour being carried out by the paying parent goes with some type of obvious violence or coercion like in the example above, it is unlikely to be captured by the risk identification questions or the other cues staff are asked to look out for.
- As explained earlier in this report, the weaponisation of Child Support often occurs without the paying parent contacting the receiving parent and without

⁸⁶ Services Australia, RFI response (13 March 2025). Please note the term 'parents' here can include other persons who are not, in fact, parents, including non-parent carers.

any violence or obvious coercion. In other words, it is family and domestic violence using the Child Support program, which is different to other types of financial abuse.

What this means is when a receiving parent tells Services Australia, for example, the paying parent is deliberately not paying Child Support or lodging their tax returns, it is highly likely under the agency's current policies, these things are not identified as instances of family and domestic violence or financial abuse – and if they are not identified, they cannot be appropriately recorded and escalated.

Services Australia's systems do not allow staff to create a sensitive issue indicator or a fast note for parents that might be specifically affected by financial abuse. In other words, there is no sensitive issue indicator for financial abuse. Where an indicator or a fast note is placed on a parent's record and a staff member wants to know why, they need to go into the record and read the notes.⁸⁷

Because of this, even if the agency's staff can identify financial abuse through Child Support, it is not possible to know how many cases there might be.

Out of the 90,268 parents with a sensitive issue indicator for family and domestic violence, Services Australia does not know how many of these relate to financial abuse.⁸⁸

The agency agrees sensitive issue indicators and fast notes, on their own, do not tell the whole story about family and domestic violence.⁸⁹ This is for many reasons, including many victims do not report their concerns to Services Australia and there is no requirement for parents to answer risk identification questions.

⁸⁷ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

⁸⁸ Services Australia, RFI response (13 March 2025).

⁸⁹ Services Australia, RFI response (13 March 2025).

Services Australia's training approach does not help staff understand or identify the issue of financial abuse through Child Support

Services Australia provides training to staff to help them learn more about family and domestic violence and how to identify it.⁹⁰

All staff are required to complete a family and domestic violence core training package within 3 months of starting employment, with more training required for staff who have contact with parents.⁹¹ Every 2 years, these staff members must also complete a refresher training package for family and domestic violence.⁹²

As of 31 December 2024, the completion rate for family and domestic violence mandatory training was around 92% and the refresher package was at 39%.⁹³

Services Australia's training packages do not provide any meaningful information about the weaponisation of Child Support. Other than telling staff withholding Child Support or refusing to provide income details can be financial abuse,⁹⁴ no other material is provided.⁹⁵

Like Services Australia's approach generally, the core focus on training is on safety and in relation to more obvious forms of coercive behaviours. Because of this, staff are less likely to understand the nuances of financial abuse and how it can be used to weaponise Child Support.

⁹⁰ Services Australia, RFI response (13 March 2025).

⁹¹ Services Australia, RFI response (13 March 2025).

⁹² Services Australia policy.

⁹³ Services Australia, RFI response (13 March 2025).

⁹⁴ Services Australia policy.

⁹⁵ Services Australia policy.

Services Australia's recent family and domestic violence initiatives are unlikely to make a meaningful difference in this space unless the agency has a clear strategy to address financial abuse through Child Support

Services Australia is currently doing work that, in its view, is designed to improve its ability to identify, record and escalate family and domestic violence. This includes, for example:

- Creating a family and domestic violence multi-disciplinary team that is developing a 'ways of working' document.⁹⁶
- Completing a 'safety by design review' which is examining how its current products, services and payments can be misused by perpetrators of family and domestic violence.⁹⁷
- Improving how it can search through complaints. Staff can now search for key words within complaints made about Child Support to help them draw insights from what parents are saying.⁹⁸ Services Australia undertook this work in response to a recent academic report about financial abuse in the Child Support program.⁹⁹

These and other actions by Services Australia are well-intentioned and it is positive the agency is looking to improve its work. However, unless Services Australia develops a clear strategy with measurable goals, these things are unlikely to improve its ability to identify, record and escalate cases of financial abuse.

Since 2013, Services Australia has used different family and domestic violence strategies.¹⁰⁰ These provide information to the public and staff about the agency's approach to family and domestic violence in all the work it does, not only in the Child

⁹⁶ Services Australia, RFI response (13 March 2025).

⁹⁷ Services Australia, RFI response (13 March 2025).

⁹⁸ Services Australia, RFI response (13 March 2025).

⁹⁹ Services Australia, RFI response (13 March 2025).

¹⁰⁰ Services Australia, RFI response (13 March 2025).

Support or Centrelink programs.¹⁰¹ The problem with these strategies is Services Australia has not recognised the weaponisation of Child Support.¹⁰²

In relation to Services Australia's current strategy:

- The agency says it is using the National Plan and other Government reports to inform what it has done and will do to respond to family and domestic violence.¹⁰³ However, to properly undertake this work, Services Australia must first understand and recognise how Child Support is weaponised and used to perpetrate financial abuse. This requires the agency to clearly articulate who is affected and how are they affected to inform a clear commitment to address the problem.
- The agency says it supports the community by 'minimising the ability for the agency to be used as means of financial coercive control'.¹⁰⁴ In our view, not only is this not accurate when it comes to Child Support, but it also falls short of the commitment and vision needed in relation to the Child Support program.

Through this investigation, Services Australia indicated it understands financial abuse through Child Support can be present and it can occur throughout the different stages of the process.¹⁰⁵ What this investigation has identified is this understanding is very limited, especially among frontline staff.

The agency's approach to safety-related family and domestic violence issues are well-developed. We observed staff are empathetic, considerate and eager to help parents through these types of issues.¹⁰⁶ They know the policies and how to use them.

What is also clear, however, is this focus has made it hard for staff, through no fault of their own, to understand weaponisation of Child Support is also a form of family and domestic violence.¹⁰⁷

¹⁰¹ Services Australia policy.

¹⁰² Services Australia policy.

¹⁰³ Services Australia policy.

¹⁰⁴ Services Australia policy.

¹⁰⁵ Services Australia, RFI response (13 March 2025).

¹⁰⁶ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

¹⁰⁷ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

Services Australia does not, on enough occasions, proactively identify the motivations of paying parents who do not pay Child Support or lodge tax returns

In some cases, Services Australia may identify why a paying parent is behaving in a certain way. For example, as discussed below:

- to impose a Departure Prohibition Order, the agency needs to be satisfied the paying parent has ‘... persistently and without reasonable grounds failed to pay Child Support ...’¹⁰⁸
- before taking a paying parent to court to try and have them pay their Child Support debts, the agency must be satisfied they have the financial means to pay.

In looking into these things, staff will often discover the paying parent is deliberately not paying Child Support.¹⁰⁹

Outside of these situations, Services Australia does not, on enough occasions and on its own initiative, try to identify why so many paying parents do not pay Child Support or lodge their tax returns.

We agree whether this behaviour constitutes financial abuse depends on the motivations of the person doing the behaviour.¹¹⁰

For example, there is a difference between a paying parent who deliberately does not make payments but has the money, compared with a paying parent who does not pay because they are having genuine financial difficulties although they are trying their best. The first parent is carrying out financial abuse while the second is not.

Services Australia sees this as a hurdle in identifying whether financial abuse is occurring because, in its view, motivations are difficult to identify.¹¹¹ Service officers can be hesitant to question why someone might be doing something and there is a general

¹⁰⁸ Services Australia policy and Child Support Guide, 8.3.3.10, 3 February 2025.

¹⁰⁹ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

¹¹⁰ Services Australia, RFI response (13 March 2025).

¹¹¹ Services Australia, RFI response (13 March 2025) and Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

view that, because the agency does not take sides, it is not appropriate to decide something of this nature.¹¹²

This approach is not effective, fair or reasonable. This is because:

- The complaint and academic evidence suggest many paying parents who do not pay Child Support and who do not lodge their tax returns do this deliberately.
- As of December 2024:
 - 52,960 Child Support cases required the paying parent to pay \$500 or less a year. 10,635 (20%) of these have a Child Support debt.
 - 163,955 Child Support cases required the paying parent to pay between \$501 and \$2,000. 60,015 (37%) of these have a Child Support debt.
 - 111,230 Child Support cases required the paying parent to pay between \$2,001 and \$5,000. 31,105 (28%) of these have a Child Support debt.¹¹³

To be required to pay Child Support means the paying parent often has a higher income than their former partner, compared to the amount of care they have of their child or children. If they do not pay Child Support, their child or children are the ones going short. Some of the annual amounts not being paid are relatively small, particularly when compared to the overall costs of raising a child.

- Lodging a tax return for most people should not be hard. It can be done online and lots of support is available from the ATO for paying parents to help them do this.
- For Child Support Collect cases, Services Australia knows when a paying parent owes money to a receiving parent and when they have not lodged their tax returns, even without the receiving parent advising them of this.¹¹⁴

While dedicated debt enforcement officers should be asking paying parents why they are not complying with their obligations to lodge tax returns or paying the required amount of Child Support, Services Australia does not, on enough occasions and on its own initiative, try to obtain meaningful information about why so many paying parents

¹¹² Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

¹¹³ Child Support Program, December Quarter (2024) and Services Australia, RFI response (11 April 2025).

¹¹⁴ Services Australia, RFI response (13 March 2025) and Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

are not doing this. We understand this is not a simple task. However, as outlined earlier in this report, the National Plan says Government needs to find more holistic solutions to combat financial abuse.

Some examples of how Services Australia could proactively identify the motivations of paying parents include, on its own initiative:

- asking paying parents in arrears or who have not lodged tax returns to explain why and scrutinise this
- requesting paying parents in arrears or who have not lodged tax returns to substantiate the reasons for why and scrutinise this
- identifying paying parents in arrears or who have not lodged tax returns who have the means to pay Child Support through, for example, a proactive audit of their bank accounts and other assets, using information available to the agency.

Services Australia assumes 100% of Child Support payments made through Private Collect happen and in doing this, it does not undertake proactive monitoring

As explained earlier in this report, in Private Collect cases, Services Australia assumes 100% of payments owed to the receiving parent are made. The agency does this because:

- to calculate how much money in Family Tax Benefit Part A payments a receiving parent gets, the legislation says it must assume all payments are made to them¹¹⁵
- the agency has no way of knowing whether payments are made unless the receiving parent tells it.

It is important to remember around half of all active Child Support cases are administered through Private Collect.¹¹⁶

¹¹⁵ See, for example, *A New Tax System (Family Assistance) Act 1999* (Cth), schedule 1, section 20D(2).

¹¹⁶ Child Support Program, December Quarter (2024).

Services Australia rightly accepts the 100% assumption can hide financial abuse.¹¹⁷ We are of the view not only can it do this, but it does do this to a significant degree. For similar reasons, Services Australia's social workers told us they hold deep concerns about Private Collect and how it can be so easily weaponised against receiving parents.¹¹⁸

The agency is currently undertaking work to better understand the reality of what customers experience when collecting Child Support privately, including how financial abuse can affect Family Tax Benefit Part A payments.¹¹⁹ Although this is well-intentioned, the experiences of receiving parents in Private Collect cases regarding financial abuse are already well-known.

Services Australia can be doing much more here. There is no legal impediment to the agency proactively seeking information, using a risk-based approach, from receiving parents in Private Collect cases about whether they are being paid.¹²⁰ Formal identification earlier means Services Australia can provide more support to receiving parents by, for example, exploring options to change to Child Support Collect.

While Private Collect exists as a collection method, it will always be seriously susceptible to weaponisation. Given Private Collect is authorised by the legislation the Department of Social Services administers and Services Australia implements, these bodies cannot close their eyes to this. They need to take responsibility for doing more to identify, escalate and record the issues they know are occurring or at the very least, should know are occurring.

In 2015, the Standing Committee on Social Policy and Legal Affairs said, '... the 'private' nature of these cases should not preclude the production of data on the rate of compliance'.¹²¹ We agree with this view.

¹¹⁷ Services Australia, RFI response (13 March 2025).

¹¹⁸ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

¹¹⁹ Services Australia, RFI response (13 March 2025).

¹²⁰ [Financial Abuse: An Insidious Form of Domestic Violence \(December 2024\)](#), page 135. The Committee noted '... all payments collected through Private Collect assume the payment is made on time and in full. However, there are currently no mechanisms in place to ensure this is the case, other than the payee requesting a switch from Private Collect to [Child Support] Collect'.

¹²¹ [From Conflict to Cooperation, Inquiry into the Child Support Program \(2015\)](#), page 111.

Services Australia lacks robust policies to help identify when estimated income is being, or trying to be, weaponised

As explained earlier in this report, parents can apply to Services Australia to use an income estimate where their income has fallen 15% or more. When Services Australia makes decisions about these applications:

- a parent can make an application online, over the telephone or in writing¹²²
- staff can, but are not required to, request evidence to decide whether they accept or refuse the application¹²³
- staff can review an income estimate when they become aware it might be inaccurate, for example, where a receiving parent tells Services Australia the income estimate being used by the paying parent is wrong¹²⁴
- a parent can object to the use of an income estimate for the other parent¹²⁵
- staff can accept an income estimate application where no evidence is provided¹²⁶
- a parent can make an application for a new income estimate straight away even if their last application was refused¹²⁷
- where Services Australia accepts an income estimate and after this the parent lodges their tax return, the agency compares the estimate to the income in their tax return. If the amount in the tax return is higher, the Child Support assessment is recalculated. This may mean the parent needs to pay an estimate penalty, which is a debt to the Government¹²⁸
- where the parent who is using an income estimate does not lodge a tax return, Services Australia will determine their income.¹²⁹ This means the agency chooses an income for them and the Child Support assessment is no longer based on the previous estimate. As with the example above, if the income determined is higher than the estimate a penalty can apply.

¹²² Services Australia, RFI response (13 March 2025).

¹²³ Services Australia, RFI response (13 March 2025).

¹²⁴ Services Australia, RFI response (13 March 2025).

¹²⁵ Services Australia, RFI response (13 March 2025) and [Services Australia \(3 March 2025\)](#), QC 63909.

¹²⁶ Services Australia policy.

¹²⁷ Services Australia policy.

¹²⁸ Services Australia, RFI response (13 March 2025).

¹²⁹ Services Australia, RFI response (13 March 2025).



Example

Parent B is a paying parent. Parent A is a receiving parent and has elected to collect Child Support privately. Parent B recently lost their job and is now earning less money than the Child Support assessment is based on.

On 1 February 2023, parent B makes an estimate of income application. Parent B lies to Services Australia and tells staff they are earning \$100,000 when they are really earning \$130,000. Services Australia accepts this income estimate and changes the Child Support assessment to reflect the new income from 1 February 2023 until the end of that Child Support period. Parent A does not object because they do not know what parent B really earns.

Parent B then lodges their tax return (late) on 1 February 2024. This alerts Services Australia to the truth. Services Australia now knows there is a \$30,000 difference between the income estimate that was being used from 1 February 2023. The assessment for the Child Support period is recalculated which results in a Child Support debt being owed to the receiving parent. As explained earlier in this report, this will generally cause a Family Tax Benefit Part A debt for parent A, which Services Australia will actively recover. At the same time, parent B may be asked to pay an estimate penalty.

Services Australia generally accepts income estimate applications without the need for further evidence.¹³⁰ The agency says when doing this, it often checks the information provided against other information available to staff, like that from the ATO.¹³¹

¹³⁰ Services Australia, RFI response (13 March 2025).

¹³¹ Services Australia, RFI response (13 March 2025).



Although income estimates are only used for around 5% of paying parents,¹³² this still amounts to 29,240 people.¹³³

Out of all the income estimates Services Australia has accepted and declined, the agency cannot say how many times its staff have asked for further evidence.¹³⁴ This information is not captured in its systems in a way that can be easily searched.¹³⁵

In generally not checking estimates against further evidence, Services Australia appears to place considerable reliance on the reconciliation process¹³⁶ and the fact a receiving parent can make an objection.¹³⁷

This approach is not effective, fair or reasonable. Services Australia needs more robust processes for doing this work, for many reasons:

- If a paying parent is willing to lie to obtain an inaccurate income estimate, there is no reason why they would not also be willing to lie to the ATO if they do lodge a tax return. In cases where the parent is employed and receives regular pay, for example, it may be harder to lie to the ATO because the agency may already have this information. However, the parent can still lie about things like deductions to decrease their adjusted taxable income.
- Where Services Australia chooses an income for the parent (because they do not lodge their tax return), this may not reflect what they are really earning.
 - What the above points mean is the reconciliation process is not as valuable as Services Australia thinks it is.
- The objection process relies on the receiving parent having information to support their objection. In other words, they need to explain why they believe the paying parent is earning more than the income they (the paying parent) want Services Australia to use. The receiving parent may not be able to demonstrate this and even if they can, they may be unwilling to make an objection out of fear of reprisal.

¹³² Services Australia, RFI response (28 March 2025).

¹³³ Child Support Program, December Quarter (2024).

¹³⁴ Services Australia, RFI response (13 March 2025).

¹³⁵ Services Australia, RFI response (13 March 2025).

¹³⁶ As outlined above, this is when either the paying parent lodges their tax return or the agency determines their income where this does not happen. See Child Support Guide, 2.5.1.40, 2 January 2025.

¹³⁷ Services Australia, RFI response (13 March 2025).

- The use of penalties is unlikely to provide any meaningful deterrent effect in the context of the above issues. Additionally, the penalty is only 10% of the difference between the figures.¹³⁸

Because of the above, we are concerned Services Australia is not asking for evidence in enough cases. Although supplying evidence is not a legislative requirement,¹³⁹ there is nothing preventing Services Australia from putting into place a stronger process for requesting evidence so an appropriate decision can be made.

¹³⁸ Child Support Guide, 2.5.1.40, 2 January 2025.

¹³⁹ Services Australia, RFI response (13 March 2025).

Focus B – Investigating, verifying and responding to cases of financial abuse

We accept Service Australia's practices can provide a response to financial abuse in some cases and through this, there may be some form of investigation and verification about the behaviour occurring. **Attachment B** gives some examples of how this can happen.

However, overall, we are of the view Services Australia's actions are not fair or reasonable in investigating, verifying and responding to cases of financial abuse through Child Support.

Services Australia's collection enforcement powers are not helpful in some situations where financial abuse through Child Support is taking place

Services Australia has many legal options to deal with the non-payment and underpayment of Child Support. These are called collection enforcement powers.¹⁴⁰ These include, for example:

- deducting money from the paying parent's salary/wages¹⁴¹
- garnishing money from the paying parent's bank accounts¹⁴²
- imposing a Departure Prohibition Order¹⁴³
- taking the paying parent to court to collect money¹⁴⁴
- deducting money from a paying parent's tax return refunds (called tax refund intercepts).¹⁴⁵

¹⁴⁰ Services Australia, RFI response (13 March 2025).

¹⁴¹ Services Australia policy and *Child Support (Registration and Collection) Act 1988* (Cth), section 43(1).

¹⁴² Services Australia policy and *Child Support (Registration and Collection) Act 1988* (Cth), section 72A(1).

¹⁴³ Services Australia policy and *Child Support (Registration and Collection) Act 1988* (Cth), section 72D(1).

¹⁴⁴ Services Australia policy and *Child Support (Registration and Collection) Act 1988* (Cth), section 113(1).

¹⁴⁵ Services Australia policy and *Child Support (Registration and Collection) Act 1988* (Cth), section 72(1).

As of 31 December 2024, there was \$1.9 billion in Child Support Collect debt¹⁴⁶ and 153,694 paying parents had debt, the average amount being \$7,261.¹⁴⁷

The total amount of Child Support debt grew 5% in the 2023/24 financial year.¹⁴⁸ The last time this rate was so high was about 10 years ago.¹⁴⁹

Between the start of 2023 and the end of 2024, Services Australia recovered:

- \$284.3 million from tax refund intercepts
- \$158.1 million from Centrelink accounts
- \$57.9 million from those with a Departure Prohibition Order
- \$19.2 million from court proceedings (litigation).¹⁵⁰

In the same period, Services Australia collected \$1.6 billion in employer withholdings. This figure relates to both ordinary payments (where, for example, the paying parent does this as a convenient way to pay Child Support) and debts owed. Concerningly, Services Australia cannot say how much of this relates only to debts.¹⁵¹

As of 31 December 2024, 91,734 paying parents were paying Child Support from their salary/wages and 4,476 had a Departure Prohibition Order in place.¹⁵²

Services Australia told us since the start of the Child Support program in 1988, 95% of all Child Support payments required to be made through Child Support Collect have been collected and distributed to receiving parents.¹⁵³

In the 2023/24 financial year, Services Australia collected and distributed \$1.967 billion through Child Support Collect, out of \$2.06 billion dollars that needed to be paid in that period.¹⁵⁴

¹⁴⁶ Services Australia, RFI response (13 March 2025).

¹⁴⁷ Services Australia, RFI response (11 April 2025).

¹⁴⁸ Services Australia, RFI response (13 March 2025).

¹⁴⁹ Services Australia, RFI response (13 March 2025).

¹⁵⁰ Services Australia, RFI response (13 March 2025).

¹⁵¹ Services Australia, RFI response (11 April 2025).

¹⁵² Services Australia, RFI response (13 March 2025).

¹⁵³ Services Australia, RFI response (13 March 2025).

¹⁵⁴ Services Australia, RFI response (13 March 2025).

While these numbers might make it seem like most receiving parents are being paid what they are owed, this is not correct. In truth, these numbers mask the harsh reality of what is occurring. For example:

- Services Australia cannot say:
 - how much of the money it collects and distributes relates to money already owed¹⁵⁵
 - what proportion of its enforcement activities result in the successful collection of money.¹⁵⁶
- As outlined above, \$1.6 billion in employer withholdings occurred between the start of 2023 and the end of 2024. The agency does not know how much of this relates to debt or ordinary payments.¹⁵⁷
- All the debt figures above relate to Child Support Collect. Although there is no way to know precisely how much debt is owed in Private Collect cases, this amount is likely to be significant.

One of the reasons why Services Australia is unable to help some receiving parents affected by non-payment or underpayment is because its collection enforcement powers can be unhelpful in some situations.

These legislative limitations include, for example:

- The power to issue a Departure Prohibition Order is designed to stop a paying parent from leaving Australia because enforcing their obligation to pay is likely to be harder if they are overseas.¹⁵⁸ The order does not, in and of itself, require the person to pay the money owed.
- The power of the tax refund interception is only available if the paying parent lodges their tax return and following this, is given a refund.¹⁵⁹
- The power to garnish money from a bank account is not available in many circumstances where financial abuse is likely occurring. The law does not

¹⁵⁵ Services Australia, RFI response (13 March 2025). For example, out of all the money Services Australia collected between the start of January 2023 and the end of December 2024, we asked the agency how much of this related to outstanding payment, that is, debt.

¹⁵⁶ Services Australia, RFI response (13 March 2025).

¹⁵⁷ Services Australia, RFI response (11 April 2025).

¹⁵⁸ *Whittaker v Child Support Registrar* [2010] FCA 43, [250].

¹⁵⁹ Services Australia policy.

allow money to be garnished from, for example, a joint bank account, a company account, a credit card account, a partnership account or a trust account.¹⁶⁰

- In relation to joint bank accounts, for example, the reason ‘... [a] garnishee notice cannot be issued against a joint bank account is because it is not possible to identify any portion as belonging solely to one owner’.¹⁶¹
- The power to deduct money through employer withholdings is significantly restricted where the paying parent does not earn a consistent income, is paid in cash or their employer cannot be identified or located.¹⁶²

As explained earlier in this report, these types of legal issues can be exploited by those paying parents who deliberately fail to pay or underpay Child Support.¹⁶³ Services Australia is well aware of these limitations.¹⁶⁴

Services Australia does not use its collection enforcement powers as proactively as it should

In our view, a more important reason which explains why Services Australia is unable to help many receiving parents affected by non-payment or underpayment is because the agency does not use its collection enforcement powers as effectively and proactively as it should, notwithstanding these types of limitations.

This is based on the following:

- The total amount of Child Support debt.
- In the 2023/24 financial year, the total amount of Child Support debt grew at a rate last seen around 10 years ago (5%).
- Services Australia cannot say what proportion of its enforcement activities resulted in the successful collection of money.¹⁶⁵
- Services Australia imposes, through its policies, restrictions on the use of some of its collection enforcement powers. For example, in relation to court

¹⁶⁰ Services Australia policy.

¹⁶¹ Child Support Guide, 6.7.2.50, 20 September 2024.

¹⁶² Services Australia policy.

¹⁶³ Child Support Guide, 2.6.14, 2 January 2025.

¹⁶⁴ Services Australia, RFI response (13 March 2025).

¹⁶⁵ Services Australia, RFI response (13 March 2025).

enforcement, the agency will only commence legal proceedings where the paying parent has 'a demonstrated financial capacity ... to repay [the] outstanding amounts'.¹⁶⁶

We share the view of the Standing Committee on Social Policy and Legal Affairs that Services Australia needs to carefully manage this restriction.¹⁶⁷ An individual may seemingly have no capacity to pay, but once a judgement is made against them, they may find the money, even though they do not have any obvious realisable assets.¹⁶⁸ In this regard, Services Australia needs to give more consideration to how it can better use litigation. This is particularly given the rate of court enforcement appears low. Between the start of 2023 and the end of 2024, the agency only took court action on 86 occasions.¹⁶⁹

- Our complaint information, where receiving parents are telling us Services Australia is not doing enough to collect amounts owed in various circumstances.

Through the above, it appears Services Australia does not use its collection enforcement powers as effectively as it could, leading to unfair outcomes for receiving parents.

Concerningly, our conclusion here reflects a similar finding made in 2015 by the Standing Committee on Social Policy and Legal Affairs. Here, it was found '... there is clearly a capacity for [Services Australia to use its] existing powers ... more effectively'.¹⁷⁰

¹⁶⁶ Services Australia policy and Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

¹⁶⁷ [From Conflict to Cooperation, Inquiry into the Child Support Program \(2015\)](#), page 116.

¹⁶⁸ [From Conflict to Cooperation, Inquiry into the Child Support Program \(2015\)](#), page 116.

¹⁶⁹ Services Australia, RFI response (13 March 2025).

¹⁷⁰ [From Conflict to Cooperation, Inquiry into the Child Support Program \(2015\)](#), page 113.



Case study

Person 10 told us their former partner, parent B, owed them \$30,000 in Child Support. As a result of a property settlement, parent B received over \$250,000 into one of their bank accounts. Person 10 immediately contacted Services Australia and asked the agency to use its collection enforcement powers to seize \$30,000 of this.

Person 10 told the agency it was important someone acted quickly because the money would soon be transferred out of the account and would never be seen again. Person 10 said Services Australia acted too slowly and when it did issue a notice, it was to the wrong financial institution. As a result of this and the delay, the money could not be located. Person 10 said no one at Services Australia cared enough to act or escalate this issue. They said the agency failed them on every level.

- A complaint to the Ombudsman



Case study

Person 11 told us their former partner, parent B, owed them a substantial amount in Child Support. They provided parent B's employment information to Services Australia including things like their location of work and the name of their employer. They also told the agency about other places it could look to find money.

Person 11 said Services Australia told them the agency could not investigate any further because parent B's workplace said they (being parent B) did not work there (which was not true). Person 11 said Services Australia did not do a thorough investigation. There were many places the agency could have looked for more information and it did not do this.

- A complaint to the Ombudsman





Case study

Parent A, the receiving parent, had not received Child Support from parent B, their former partner and paying parent, for 5 years. The arrears built up over time and parent A was owed over \$10,000.

Sometime after this, while parent B had still not made any payments, the roles of the parents reversed. Parent B became the primary carer for their children and parent A became the paying parent. Services Australia applied an administrative debt offset to the case, meaning each time parent A needed to pay Child Support, this was first taken from the debt parent B owed.

While doing this, Services Australia incorrectly intercepted parent A's tax return refunds and paid them to parent B (who was still over \$10,000 in arrears). The agency paid more than \$4,000 to parent B through this error.

It was only after parent A raised this issue with Services Australia that the agency tried to take action to recover the debt and enforce payment. In doing this, the agency discovered parent B had the financial resources to pay Child Support.

- A recent investigation we finalised under the Act

In ensuring its collection enforcement powers are used effectively, Services Australia needs to remind itself how important it is for Child Support to be paid fully and on time.

Although Services Australia does use its enforcement powers, collecting arrears well after they are due (which appears to be the case in many instances) seriously undermines the purpose of the Child Support program.

Child Support is designed to help financially support children as they grow and develop during a critical time in their lives. Financial abuse deprives those children of financial support when they need it most.

Services Australia needs to be acting on more debts, more quickly and more proactively. The agency properly concedes its response in many cases happens after the occurrence of financial abuse (for example, where a pattern of deliberate non-



payment is happening or, in a Private Collect case, the receiving parent tells the agency about this).¹⁷¹

While many Child Support cases do not involve deliberate failures to comply with Child Support obligations, many cases do. We believe if Services Australia was to take a more proactive approach to enforcement, it has the ability, supported by information-gathering powers, to make sound choices about which of those cases it should more actively pursue.

We acknowledge that there are some limitations with the legislation. However, while the law remains unchanged, the agency needs to be doing all it can to pursue deliberate non-payment quickly and effectively. This includes, as outlined above, identifying, proactively, Private Collect cases where there is an arrears through deliberate conduct.

Services Australia cannot appropriately respond to deliberate non-payment or under payment in Private Collect cases

If a receiving parent is not being paid Child Support through Private Collect, they can apply to Services Australia to switch their collection type to Child Support Collect.

When this happens, the receiving parent can ask Services Australia to try and collect the money owed to them.¹⁷² The legislation says Services Australia can do this to collect non-payment that happened in the last 3 months and in exceptional circumstances, the last 9 months.¹⁷³ This is from the date the receiving parent made the application to switch collection types.¹⁷⁴

If the receiving parent wishes to rely on exceptional circumstances, they need to provide evidence about this. For example, if they say the paying parent threatened them not to use Child Support Collect, they may need to provide evidence from a person fully aware of the nature and details of the circumstances such as a doctor, a social worker or a police officer.¹⁷⁵

¹⁷¹ Services Australia, RFI response (13 March 2025).

¹⁷² Child Support Guide, 7.3.2, 3 February 2025.

¹⁷³ See, for example, *Child Support (Registration and Collection) Act 1988* (Cth), section 28A.

¹⁷⁴ Child Support Guide, 7.4.1.20, 3 February 2025.

¹⁷⁵ Child Support Guide, 7.3.2, 3 February 2025.



Example

Parent B is the paying parent. Parent A is the receiving parent. Parent B has not paid Child Support in 3 years. Parent A has been too worried to ask Services Australia for help. On 1 October 2024, parent A makes an application to have the Child Support paid through Child Support Collect as their financial situation has become worse. Parent A asks Services Australia to collect all the money owed to them.

Services Australia tells parent A it cannot do this and it can only collect the money that should have been paid since 1 July 2024 (3 months) or if there are exceptional circumstances, since 1 January 2024 (9 months).

Services Australia says for it to do this, parent A will need to provide evidence and parent B will be given the opportunity to see and respond to this. Parent A decides they do not want to do this because of past trauma.

The 3-month and 9-month legislative restrictions on collection are not reasonable or fair. This is because:

- recovering only 3-months of arrears is not a meaningful sanction if a paying parent has been choosing not to honour their obligations to their child or children
- recovering only 3-months of arrears will not significantly improve the wellbeing of a child if they have been deliberately starved of financial support by the paying parent for a much longer period
- there are many valid reasons why a receiving parent might not want to or feel able to bring the issue to the attention of Services Australia earlier
- the restriction provides no consequence for a paying parent who deliberately does not pay over a long period
- making the receiving parent demonstrate exceptional circumstances to collect something owed to them is unreasonable
- requiring the receiving parent to provide evidence and letting the paying parent comment on this is not a practical option for those affected by family and domestic violence.



Another serious concern of ours is where a receiving parent changes from Child Support Collect to Private collect, the legislation says they become responsible for any debts owed to them.¹⁷⁶

In these cases, Services Australia will ask risk identification questions to help make sure the decision is being made without coercion (for example, a paying parent threatening the receiving parent to make them swap). This is a positive thing and it is important Services Australia does this. However, without legislative change, this process is unlikely to assist. This is because:

- many victims of family and domestic violence will not answer the risk identification questions or if they do, they will tell Services Australia they have no concerns (when, in fact, they do)
- once the change is made, if they ever wish to swap back to Child Support Collect, only some of the debt will be able to be collected, if any.

We asked Services Australia how many Child Support cases changed from Private Collect to Child Support Collect between January 2023 and December 2024 where Child Support was owed. We also asked in how many of these cases did the agency recover these debts within the 3- and 9-month timeframe. At the time of writing this report, this data is still being gathered.¹⁷⁷

¹⁷⁶ The receiving parent can elect to have an overdue amount remain as Child Support Collect while changing the ongoing payments to Private Collect. However, as outlined below, this can be unfeasible in financial abuse situations.

¹⁷⁷ Services Australia, RFI response (11 April 2025).

Services Australia's main response mechanism to deliberate income minimisation to thwart Child Support obligations, being the change of assessment process, is unfair to those affected by financial abuse through Child Support

After Services Australia calculates a Child Support assessment and works out who needs to pay, one of the parents can apply to the agency for change of assessment.¹⁷⁸

The change of assessment process allows a parent to ask Services Australia to change how it calculates the Child Support assessment. The law allows a parent to apply for a change of assessment in 10 different situations. These include where the assessment results in an unjust and inequitable level of financial support because:

- the assessment does not correctly reflect one or both parent's income, property and/or financial resources (reason 8A)
- the assessment does not correctly reflect one or both parent's earning capacity (reason 8B).¹⁷⁹

The law also allows Services Australia to start a change of assessment application without needing an application from a parent.¹⁸⁰ This is called a Registrar-initiated change of assessment. A Registrar-initiated process can happen where, for example, the receiving parent is too afraid to make a change of assessment application because they think it will cause the paying parent to become violent or do something that scares them.¹⁸¹

Where Services Australia is looking at doing a Registrar-initiated change of assessment, a financial investigator investigates the matter and speaks with both the paying parent and the receiving parent.¹⁸² We observed staff do this in a very sensitive way, making sure not to make the situation worse.¹⁸³

¹⁷⁸ Services Australia policy, Services Australia, RFI response (13 March 2025) and *Child Support (Assessment) Act 1989* (Cth), part 6A.

¹⁷⁹ Services Australia, RFI response (13 March 2025) and Child Support Guide, 2.6.14, 2 January 2025.

¹⁸⁰ Services Australia, RFI response (13 March 2025).

¹⁸¹ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

¹⁸² Services Australia, RFI response (13 March 2025).

¹⁸³ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

Through the change of assessment process, Services Australia decides whether to recalculate the Child Support assessment using, for example, a different income for the paying parent.

The design of the change of assessment process means Services Australia can use it to respond to financial abuse.¹⁸⁴ Some examples of this include:

- the paying parent deliberately not lodging tax returns (meaning the paying parent's provisional income does not reflect their true earnings) (reason 8A)
- the paying parent lying to Services Australia to obtain an income estimate (reason 8A)
- in anticipation for having to pay Child Support, the paying parent quitting a high-paying job without any good reason (reason 8B).

Parents (both paying and receiving) often allege deliberate conduct on the part of the other party, including, for example, deliberately not lodging tax returns, lying about income and quitting or changing employment to avoid paying Child Support.¹⁸⁵

Between the start of January 2023 and the end of December 2024, Services Australia made 29,714 parent-initiated change of assessment decisions.¹⁸⁶ Of these, 21,207 (71.3%) included a reason under 8A and/or 8B.¹⁸⁷

Accepted applications		Declined applications	
9,847 (46.4%)		11,360 (53.6%)	
Paying parents	Receiving parents	Paying parents	Receiving parents
3,864	5,983	6,381	4,979

¹⁸⁴ Services Australia, RFI response (13 March 2025) and Services Australia, RFI response (11 April 2025).

Although the agency does not use the change of assessment process as a specific tool to 'combat financial abuse', the effect of administering it and making decisions means in some cases, financial abuse is being responded to.

¹⁸⁵ Services Australia, RFI response (11 April 2025).

¹⁸⁶ Services Australia, RFI response (28 March 2025).

¹⁸⁷ Services Australia, RFI response (28 March 2025).

During the same period, Services Australia finalised 91 Registrar-initiated change of assessment decisions.¹⁸⁸ The agency accepted 84 of these and declined 7.¹⁸⁹ 76 related to reason 8A and 11 related to reason 8B.¹⁹⁰

There are many problems with the change of assessment process (including the Registrar-initiated process) that make it an unfair way to investigate, verify and respond to the weaponisation of Child Support. These include the following things, all which Services Australia accepts:¹⁹¹

- Receiving parents may find the change of assessment process adversarial and intrusive because the law requires Services Australia to give a copy of their application and any supporting documents to the paying parent.¹⁹²

As outlined in the case studies below, this part of the change of assessment in and of itself can prevent receiving parents from making an application.



Case study

Person 12 told us their former partner, parent B, owed them a lot in Child Support and the income estimate being used for them (parent B) was incorrect. Person 12 provided the agency with parent B's employment details, including copies of payslips, to try and have it review the income estimate. Services Australia suggested person 12 to apply for a change of assessment. Person 12 said as a victim of family and domestic violence, this was not an option for them. They did not want to disclose their financial circumstances to parent B. Services Australia's inaction caused them significant financial and emotional distress.

- A complaint to the Ombudsman

¹⁸⁸ Services Australia, RFI response (28 March 2025).

¹⁸⁹ Services Australia, RFI response (28 March 2025).

¹⁹⁰ Services Australia, RFI response (28 March 2025).

¹⁹¹ Services Australia, RFI response (28 March 2025).

¹⁹² See, for example, *Child Support (Assessment) Act 1989* (Cth), sections 98G, 98M and 98N.



Case study

Person 13 told us their former partner, parent B, was financially abusive to them during their relationship. They said parent B was using Child Support to cause them (person 13) financial and emotional hardship. Services Australia suggested to person 13 they make a change of assessment application. Person 13 did not want parent B to see things like their earnings, where they spend their money and their hours of work. Person 13 said this would have been a huge invasion of privacy, opening the door to more abuse.

- A complaint to the Ombudsman

- The change of assessment process can be a long, complicated and overwhelming experience. Parents are required to complete standard forms, gather evidence and present that evidence in a way it can be understood and used by decision-makers.
- Decisions made under a change of assessment are for a set period. For example, a decision might be made setting the paying parent's income at \$100,000 between 1 January 2025 and 31 May 2025. After this, Services Australia will determine the paying parent's income based on its usual methods.
- Services Australia declines a lot of applications from both receiving and paying parents. This can be for a variety of reasons.
- A paying parent can object to the outcome of a change of assessment decision and after this, take the matter to the Administrative Review Tribunal. This lengthens an already long process.
- The change of assessment process is vulnerable to facilitating family and domestic violence and making financial abuse situations worse. For example, a paying parent can:
 - make multiple applications each year as a way of causing distress to the receiving parent
 - include an overwhelming amount of evidence in their application or, if they are responding to an application, their response, to burden the other parent.



The law allows Services Australia to decline an application where the application or the supporting documents contain obscene or otherwise offensive material. In some cases, however, staff may not be able to recognise this.

Services Australia's general response to non-payment of Child Support is the same whether it is deliberate or not

As explained earlier in this report, Services Australia addresses non-payment through its collection enforcement powers. In doing this, generally speaking, the agency does not consider why the paying parent is not paying Child Support. There are good reasons why this practice should change.

Our complaints show paying parents who are deliberately not paying Child Support are more likely to engage in behaviours that make collection more difficult. Where there is information that suggests the paying parent is engaging in deliberate behaviour, these matters should be prioritised over other matters where the non-payment may be more innocent.



Example

Imagine a situation where Services Australia is dealing with 2 Child Support Collect cases. In the first case, the paying parent is \$4,000 in arrears. In the second case, the paying parent is \$6,000 in arrears.

In the first case, the receiving parent contacts the agency and tells staff their former partner is deliberately not paying. They know this because they have seen them buy new cars, start a new high paying job and buy lots of gifts for their new partner.

In the second case, the receiving parent contacts the agency and tells staff their former partner lost their job and because of this, is unable to pay. They want to know if they can access other forms of assistance.

Services Australia should be able to distinguish between these types of scenarios and determine what cases its resources should be directed at first.

Services Australia's response options to Family Tax Benefit Part A debts caused by financial abuse through Child Support are unfair

As explained earlier in this report, because of financial abuse from the paying parent, the receiving parent can be left with a Family Tax Benefit Part A debt. In collecting these debts, Services Australia does not consider whether Child Support has, in fact, been paid.¹⁹³

There is no legal mechanism to prevent the accrual of these debts or which allows them to be waived where Child Support has not been paid or has been underpaid.¹⁹⁴

¹⁹³ Services Australia, RFI response (13 March 2025).

¹⁹⁴ See, for example, *A New Tax System (Family Assistance) (Administration) Act 1999* (Cth), sections 71 and 101. Again, here, we are referring to a specific legal mechanism that allows this, not general debt waiver options.



In response to this, the agency has turned to the use of maintenance action test exemptions. A receiving parent can have their Family Tax Benefit Part A debt lessened or cleared where Services Australia gives them an exemption for the maintenance action test and the agency back-dates this.¹⁹⁵ The idea here is the receiving parent has their Family Tax Benefit Part A assessed based on the amount of Child Support they were able to collect.

The significant issue with maintenance action test exemptions, however, is they have flow on effects. While a receiving parent may be entitled to more Family Tax Benefit Part A payments and avoid some or all of a debt, they generally need to give up the entitlement to Child Support. In many cases, this will leave the receiving parent in a worse financial position. Services Australia's social workers told us they share this concern.¹⁹⁶

In many cases of financial abuse through Child Support, where the victim is fighting to have their Child Support paid, a maintenance action test exemption will provide them with little to no reprieve.

This creates an unfair situation where not only has the receiving parent not been paid what they are entitled to, they are presented with a choice to forego Child Support to potentially have the Family Tax Benefit Part A debt cleared or not do this and pay the debt.¹⁹⁷

Services Australia cannot say how many receiving parents incurred Family Tax Benefit Part A debts between January 2023 to December 2024 or how much receiving parents collectively paid or owed, in that time, in Family Tax Benefit Part A debts. The agency told us it could not provide this information as it does not separate Family Tax Benefit Part A payments from other Family Tax Benefit components like Part B and Rent Assistance.¹⁹⁸

¹⁹⁵ Services Australia, RFI response (13 March 2025).

¹⁹⁶ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

¹⁹⁷ Services Australia, RFI response (13 March 2025).

¹⁹⁸ Services Australia, RFI response (13 March 2025).

Services Australia's emphasis on the use of social workers as a response to financial abuse is well-intentioned, however, it is unlikely to be helpful in many cases of financial abuse through Child Support

As explained earlier in this report, where a parent is being affected by family and domestic violence, staff can refer them to a social worker for support.¹⁹⁹

Social workers provide support to help parents referred to them. They can, for example, assist in providing crisis payments, risk and safety assessments and maintenance action test exemptions.²⁰⁰ Through these processes, some form of investigation and verification into family and domestic violence can occur.

For example, under Services Australia's policies, social workers are required to '... fully explore with the [parent] avenues for verifying the grounds for a [maintenance action test] exemption ...' using information from health professionals, community agencies, the police, friends and relatives.²⁰¹ Social workers are also available to provide advice and guidance to staff about family and domestic violence issues generally.²⁰²

Between January 2023 to December 2024, Services Australia granted 32,013 maintenance action test exemptions, where 20,833 of these related to family and domestic violence.²⁰³

The law does not require paying parents to proactively report an increase in their income following a Child Support assessment

As explained earlier in this report, Services Australia calculates a parent's adjusted taxable income using their taxable income based on the information from the ATO, including the person's tax return.²⁰⁴ The adjusted taxable income used in a Child

¹⁹⁹ Services Australia, RFI response (13 March 2025) and Services Australia policy.

²⁰⁰ Services Australia, RFI response (13 March 2025) and Services Australia policy.

²⁰¹ Services Australia policy.

²⁰² Services Australia, RFI response (13 March 2025).

²⁰³ Services Australia, RFI response (11 April 2025).

²⁰⁴ [Services Australia \(8 July 2024\)](#), QC 27966.

Support assessment is based on the last financial year before the Child Support period started.

The change of assessment process can be used to address situations where, for example, the paying parent's adjusted taxable income has increased significantly from that used in the Child Support assessment and this is causing an unjust and inequitable situation.²⁰⁵

The legislation does not require paying parents to notify Services Australia when they start earning more money.²⁰⁶ This can happen, for example, when a paying parent receives a promotion or starts a new high-paying job.

The effect of this is receiving parents, when they do know about this change in circumstances, need to successfully apply for a change of assessment if they want this reflected in the Child Support assessment. As outlined above, there can be a number of issues with this process and, in many cases, this will not be pursued by the receiving parent.

Services Australia says in these situations, when either parent lodges their next tax return or it has been 15 months since the start of the previous Child Support period, whichever occurs first, this will trigger a new Child Support period and the new assessment will be calculated using the higher income.²⁰⁷ This is of little assistance to receiving parents if, for example, no lodgement is made.

²⁰⁵ Services Australia, RFI response (11 April 2025), Child Support Guide, 2.6.14, 2 January 2025 and Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

²⁰⁶ Services Australia, RFI response (11 April 2025).

²⁰⁷ Services Australia, RFI response (11 April 2025).

Focus C – Engaging internally and with the ATO to prevent financial abuse

Services Australia is hindered from openly sharing information about financial abuse internally

As outlined earlier in this report, Services Australia uses different computer systems to administer its programs, make decisions, take actions and record information about its customers.

Historically, Centrelink, Child Support and Medicare were separate agencies. They are now all programs administered by Services Australia. Most staff working on Child Support matters only have access to view the Centrelink system,²⁰⁸ they do not have permission to edit or change information.²⁰⁹ The same applies for staff working on Centrelink matters regarding the Child Support system.

If staff working on Child Support matters need information about a parent that is not available on the Centrelink system, they can manually request this information from their colleagues working on Centrelink matters by email.²¹⁰

Some information is automatically shared between the Child Support system and the Centrelink system.²¹¹ This does not, however, include information in relation to family and domestic violence. When information about family and domestic violence is put into the Child Support system through a sensitive issue indicator, it does not transfer to the Centrelink system.²¹²

In addition, for most staff working on Child Support matters, the process for putting a sensitive issue indicator on a parent's record only involves doing this in the Child Support system.²¹³

²⁰⁸ Services Australia, RFI response (28 March 2025).

²⁰⁹ Services Australia, RFI response (28 March 2025) and Services Australia policy.

²¹⁰ Services Australia policy.

²¹¹ Services Australia policy.

²¹² Services Australia, RFI response (13 March 2025).

²¹³ Services Australia, RFI response (28 March 2025).

Where family and domestic violence is identified and a referral is made to a specialist team or a social worker, for example, these staff may, on a case-by-case basis, add a fast note in the Centrelink system or in another system.²¹⁴

Services Australia does not have a policy in place that allows parent information in relation to family and domestic violence to be exchanged with staff working on Medicare matters. Although a parent may be a customer of Services Australia with respect to the Centrelink, Child Support and Medicare programs, only information relevant to managing the actual programs is exchanged.²¹⁵

What this means is different areas within Services Australia often will not have the same information regarding personal or sensitive details like family and domestic violence, which includes financial abuse.

This situation is not a reflection of Services Australia's unwillingness to share information. We observed a clear readiness on the part of staff working on Child Support matters to want to share information with their colleagues about issues.²¹⁶

Rather, we accept the legislation does not allow information about family and domestic violence, including financial abuse, to be freely shared between the Child Support, Centrelink and Medicare programs.²¹⁷ It can happen, but the legislation is complex and difficult to apply.²¹⁸

All this matters because a lack of information sharing creates risks. These include, for example, wrong advice being given to a receiving parent, decision-making without knowing all the circumstances or action that makes a family and domestic violence situation worse.

²¹⁴ Services Australia, RFI response (28 March 2025).

²¹⁵ Services Australia, RFI response (13 March 2025).

²¹⁶ Inspection of Parramatta Child Support Smart Centre, 13 March 2025.

²¹⁷ Services Australia, RFI response (13 March 2025).

²¹⁸ The primary exception that relates to family and domestic violence is the exception which allows the sharing of information to any person where '... the information concerns a credible threat to the life, health or welfare of a person ...' and specific criteria exist. See *Child Support (Assessment) Act 1989* (Cth) section 150(3)(e) and *Child Support (Registration and Collection) Act 1988* (Cth) section 16(3)(e). See also *Human Services (Centrelink) Act 1997* (Cth) section 40A and *Human Services (Medicare) Act 1973* (Cth) section 43A.

Services Australia's Lodgement Enforcement Program is not something that will help prevent financial abuse through Child Support without significant change

Services Australia and the ATO have an arrangement, called the Lodgement Enforcement Program (LEP), where Services Australia refers parents to the ATO who have not lodged their tax returns.²¹⁹

Under this arrangement, Services Australia sends a list of parents to the ATO in April each year who have had 1 or more overdue tax returns in the last 5 years. This happens where the parent either:

- owes Child Support or
- where the tax return is needed to calculate an assessment.²²⁰

The ATO tries to engage with every taxpayer referred by Services Australia.²²¹ This is generally done solely through text messages, letters or telephone calls, the goal being to finalise the person's income tax lodgement obligations. The ATO will not necessarily take further action to ensure the missing tax returns are, in fact, lodged.²²²

A person's obligations can be finalised in different ways, including the person lodging a tax return or being told they do not need to do this (sometimes called 'return not necessary').²²³ In April 2024, 73,827 paying parents and 32,332 receiving parents were referred to the ATO through the LEP.²²⁴

Services Australia only makes the referrals once a year because this coincides with the annual tax lodgement cycle.²²⁵ The agreement between the ATO and Services Australia states the annual referral must be provided at least 8 weeks before the end of the financial year, being 30 June each year.²²⁶

²¹⁹ Services Australia, RFI response (13 March 2025).

²²⁰ Services Australia, RFI response (13 March 2025).

²²¹ [Identification and Management of Financial Abuse Within the Tax System \(April 2025\)](#), page 45.

²²² [Identification and Management of Financial Abuse Within the Tax System \(April 2025\)](#), page 45.

²²³ [Identification and Management of Financial Abuse Within the Tax System \(April 2025\)](#), page 45.

²²⁴ Services Australia, RFI response (28 March 2025).

²²⁵ Services Australia, RFI response (11 April 2025).

²²⁶ Services Australia, RFI response (11 April 2025).

The LEP is well-intentioned and has some value. For example, in the 2023/24 financial year, the ATO's lodgement enforcement actions following referrals resulted in \$10.41 million in Child Support collection and/or correction.²²⁷

However, what is clear is the LEP is not something that will help prevent the weaponisation of Child Support without significant change. We note Services Australia and the ATO are currently working together to explore ways to improve the LEP.²²⁸ This is a positive step and in doing this, both agencies should consider the matters in this report.

The LEP has been operating for a long time and despite this, we have not seen any evidence through this investigation it is making a meaningful difference. This is because:

- The LEP focuses on lodgement, not accuracy.²²⁹ As explained earlier in this report, Child Support can be weaponised through both non-lodgement and, where tax returns are lodged, concealing information to reduce assessable income.

We share the Inspector-General of Taxation's concern that although the ATO has compliance programs in place to audit and investigate incorrect income reporting, these programs do not consider the issue of financial abuse through Child Support.²³⁰

In our view, the prevalence of financial abuse through Child Support gives the ATO more than sufficient reason to commence a program that scrutinises lodgements by paying parents. Services Australia should work closely with the ATO to determine how it can best assist the agency to undertake this work.

- Putting this aside, following the referrals, the ATO only takes action in about 70% of cases. Taking action means finalising the matter. Many of the finalised

²²⁷ Services Australia, RFI response (13 March 2025).

²²⁸ Services Australia, RFI response (11 April 2025).

²²⁹ The ATO uses the LEP to take action to secure lodgements (as opposed to verifying the accuracy of the lodgements which would be undertaken through other compliance and audit activities) and issue assessments which enable Services Australia to determine a parent's Child Support obligations: [Identification and Management of Financial Abuse Within the Tax System \(April 2025\)](#), page 44.

²³⁰ [Identification and Management of Financial Abuse Within the Tax System \(April 2025\)](#), page 48.

matters will result in an outcome where a tax return lodgement is not necessary.²³¹

For the purposes of Child Support, there is no automatic update following a 'return not necessary' outcome. This generally means that provisional income continues to be used.²³²

²³¹ [Identification and Management of Financial Abuse Within the Tax System \(April 2025\)](#), page 45.

²³² Services Australia, RFI response (11 April 2025).

Attachment A

We reviewed 279 complaints about Child Support we received between 1 November 2024 to 20 February 2025. Our complaints were assessed by staff who have previous experience responding to and investigating family and domestic violence.²³³ We used a 2-step process to undertake our review.

Step 1	We considered the information the complainant told us including any associated documents or evidence they provided to support their complaint.
Step 2	We asked ourselves: • is the complainant alleging conduct that, if accepted as true, amounts to financial abuse or possible financial abuse? We answered this question ‘yes’ where: • the conduct comprised one person trying to control the other person’s access to money (category 1) or • a reasonable inference was available that one person was trying to control the other person’s access to money (category 2). In relation to category 2, we included allegations of non-payment over \$1,000 where there was no reasonable explanation for this. A reasonable explanation could be, for example, where the complainant told us the paying parent was having financial difficulties or had lost their employment.

Because of the way we capture data, we needed to make assumptions about the gender of some of the complainants. In many cases, this was done by looking at the person’s name (John/Jane), how they referred to the other parent (ex-husband / ex-wife), how they referred to themselves (man/woman) and how they referred to the situation (father/mother).

²³³ This previous experience includes employment in the law enforcement or social services fields dealing directly with victims of family and domestic violence over many years.



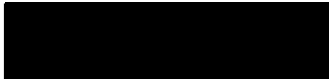
Attachment B

Action	What are some examples of weaponisation behaviours this can potentially deal with?	How can it deal with it?
The change of assessment process	Lying to get an income estimate or a provisional income that is inaccurate or deliberately not doing tax returns which causes an inaccurate provisional income.	Services Australia recalculates the Child Support assessment to make sure it is using an accurate income for the paying parent.
Income reconciliation	Lying to get an inaccurate income estimate.	Services Australia recalculates the Child Support assessment to make sure it is using an accurate income for the paying parent.
Child Support Collect	Deliberately not paying Child Support or making under payments.	Services Australia can use its collection enforcement powers to collect outstanding money.
Maintenance action test	Illegal or immoral behaviour causing the receiving parent a Family Tax Benefit Part A debt.	Services Australia can grant an exemption and back-date this to lessen or clear the debt.
The LEP	Deliberately not lodging tax returns.	The ATO can encourage or require a paying parent to lodge their tax return.



Australian Government

Services Australia



Chief Executive Officer
David Hazlehurst

Mr Iain Anderson
Commonwealth Ombudsman
GPO Box 442
CANBERRA ACT 2601

Dear Mr Anderson

Draft investigation report in relation to the own-motion investigation into financial abuse through Child Support

I refer to your letter of 24 April 2025 enclosing your report, *Weaponising Child Support: when the system fails families* - An investigation into how Services Australia (the Agency) is responding to financial abuse through the Child Support program. We appreciate the opportunity to review your report prior to publication.

Thank you for the comprehensive and yet sensitive approach taken to investigating this challenging, complex and distressing issue. The Agency takes family and domestic violence, including financial abuse seriously. The Agency is continually refining and strengthening our systems, processes, and supports to mitigate risk to customers and staff experiencing family and domestic violence.

In your report you make 8 recommendations. The Agency accepts all recommendations. Nonetheless, some recommendations are not able to be implemented by the Agency, or solely by the Agency. For example, recommendation 7 requires significant amendments to legislation. This will require consideration by the Australian Government and the Parliament for these amendments to be made. To the extent the Agency is able, we will take action to implement the recommendations.

The Agency's response with proposed actions is set out in Attachment A to this letter.

If you wish to discuss this or any aspect of the Agency's response, please contact [redacted] mail at [redacted]

Yours sincerely

David Hazlehurst

16 May 2025

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Services Australia (the Agency) is committed to supporting customers and staff experiencing Family and Domestic Violence (FDV), including those experiencing financial abuse. We welcome the Ombudsman's investigation into Child Support and financial abuse. The investigation provides 'guideposts' to how the Child Support Program and services provided by the Agency can be enhanced to better support the Australian public. This report and its recommendations reinforce the key role the Agency plays, alongside the Department of Social Services (DSS), to support customers impacted by financial abuse and to ensure customers experiencing FDV receive the child support outcomes that they, and their children, are entitled to. That is, that the right amount of Child Support is paid at the right time, to support parents to raise Australian children.

Financial abuse is a form of FDV where money, and a person's access to money, is used to control or inflict harm on them. Since 2013, the Agency has had in place a specific FDV strategy. Additionally, in December 2024, the Agency released its new FDV Strategic Commitment reaffirming our commitment to supporting both customers and staff who are affected by FDV, in line with the framework provided by the [*National Plan to End Violence Against Women and Children 2022 – 2032*](#). The recommendations in this Ombudsman report support the Agency to tailor this work even further, through the development of a specific strategy. The strategy will consider how to reduce the risk to, and impact on, parents and children from financial abuse perpetrated through Child Support and where financial abuse reduces Child Support payments and/or the financial stability of those relying upon them.

The Agency recognises that as one of the government's primary service delivery agencies, we are uniquely placed to interact with, identify and support customers experiencing FDV. When staff are interacting with Child Support customers, they are trained to identify FDV, and the Agency intends to uplift existing training to further enhance staff capability, to recognise and respond to financial abuse. There are key interaction points, such as applications for a Child Support assessment or Change of Assessment, where Agency staff are required to ask questions to check if a customer has concerns about the safety of themselves or their family. Where a customer advises of FDV, frontline Child Support staff will provide support as required. This includes providing information on available resources, offering referrals to social workers and other service providers, guiding customers through actions to protect their privacy and safety when interacting with the Agency, and discussing options regarding Child Support arrangements.

In addition, the Agency has been working closely with DSS and the Australia Taxation Office (ATO) to respond to financial abuse in Child Support. Work has already commenced, aligned with the recommendations, to consider how to better identify and mitigate the risk of financial abuse through cross-agency collaboration, improvement in existing processes and broader program reform opportunities. This report and recommendations will provide further impetus to this work. We accept the Ombudsman's eight recommendations acknowledging that there are a range of improvements we can make within the current legislative framework, to better support our customers and staff. We plan to implement these in collaboration with DSS and the ATO.

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

The Agency is committed to develop and improve its ability to identify, record and escalate cases of financial abuse and actively deal with the weaponisation of Child Support. A comprehensive review will be undertaken of existing processes, business and system capabilities and compliance and enforcement programs, to develop improvement initiatives and targeted actions in accord with the recommendations.

This report also brings to the fore, the criticality of legislation and policy reform to improve the Agency's ability to counter financial abuse and weaponisation in Child Support and to ensure that customers have fair and reasonable support available to them. The Agency will work with DSS to assist the legislative agenda, policy reform and government decision making.

The professionalism and compassion of Agency staff and their commitment to supporting vulnerable customers is evident. The Agency's is focusing on improving the way we design and deliver our services to better meet the needs of customers and staff, build trust and respect, and provide more timely and appropriate support for those experiencing financial abuse.

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
Recommendation 1: Services Australia develops a publicly available strategy that outlines, with specificity, how it plans to address financial abuse through Child Support.	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: In the next six months, Services Australia (the Agency) in collaboration with DSS and the ATO, will develop and publish a strategy that specifies our approach to addressing the risk of financial abuse through Child Support. Since 2013, the Agency has had in place a Family and Domestic Violence (FDV) strategy to support customers and staff affected by FDV. In 2024, the Agency further reaffirmed its commitment to support customers affected by FDV, through a Family and Domestic Violence Strategic Commitment, in line with the framework provided by the <i>National Plan to End Violence Against Women and Children 2022 – 2032</i>. The

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
		strategy will build on this strong foundation and further strengthen the Agency's actions. Expected timeframes: By December 2025 Justification for timeframes: Extensive engagement with key stakeholders, including customers, the community sector, DSS and the ATO will be needed to develop a comprehensive and effective strategy, with a detailed action plan for implementation.
Recommendation 2: Services Australia more effectively enforce payment of Child Support, including to:	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Agency has been focusing on enforcing Child Support payments through its compliance and enforcement programs, with 95% of all Agency Collect liabilities owed since inception of the scheme (1988) having been successfully collected.

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
a) identify, record and escalate allegations or instances of financial abuse through Child Support b) on its own initiative and on significantly more occasions, proactively identify, or attempt to identify, the motivations of paying parents who do not lodge tax returns or pay Child Support c) obtain evidence on significantly more occasions when deciding to accept or refuse an application for an income estimate d) prioritise the use of collection enforcement powers in cases where		The Agency is working with DSS to review and further strengthen the Child Support compliance and enforcement programs, in alignment with the strategy (recommendation 1), to more effectively enforce Child Support payment collection. By December 2025 improvements will be identified and developed with specific consideration of the activities identified in recommendations 2a to 2e, and how these might be addressed within the Child Support compliance and enforcement programs. The Agency will also work in collaboration with DSS to explore opportunities to more effectively enforce payment of Child Support through legislative and policy reform. Expected timeframes: By December 2025 Justification for timeframes:

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
the agency knows or suspects on reasonable grounds the paying parent is deliberately not paying Child Support e) on its own initiative, using a risk-based approach, proactively seek information from receiving parents in Private Collect cases as to whether Child Support is being paid and if not, why.		The Child Support compliance and enforcement programs will be reviewed in parallel with the development of the strategy (recommendation 1) in the next six months. Improvement initiatives will be implemented progressively post the review.
Recommendation 3: Services Australia should record the following data in a way that is easily measurable at an organisational level:	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Agency will identify and implement improvements in how Child Support data associated with financial abuse, income estimates and collection is recorded and measured using current system capabilities.

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
a) where a parent is affected by, or possibly affected by, financial abuse through Child Support b) whether staff have requested evidence and the reasons from an applicant regarding an application for an income estimate c) the priority of a Child Support case to inform the use of general collection enforcement powers d) whether the use of a collection enforcement power was successful and if not, why		The Agency will also pursue investment in Child Support systems to further improve data recording and measurement, and better inform decision making and customer support. Expected timeframes: By June 2026 Justification for timeframes: A review of existing Child Support business processes, data and system capabilities is required, together with the design of a target state, informed by the strategy. As part of this review, the Agency will consider data capture and analysis set out in recommendation 3a to 3e within available resourcing, budget and ICT capacity. The timeframe for additional investment in Child Support systems is dependent on government decisions.

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
e) efforts and enquires to obtain information about payment compliance in Private Collect cases and the outcome of those things.		
Recommendation 4: Services Australia undertakes a comprehensive review of the Lodgement Enforcement Program. This should include identifying, through consultation with the ATO, how Services Australia can best assist the ATO to conduct risk-based compliance and audit activities regarding the accuracy of tax return lodgements from paying parents.	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Tax Lodgement Enforcement Program is jointly managed by the Agency and the ATO, with the Agency responsible for referring a prioritised population of customers who have not lodged tax returns and the ATO undertaking tax lodgement enforcement activities. The Agency has already commenced work with the ATO to improve the Lodgement Enforcement Program and mitigate the risk of financial abuse. This work will continue through a comprehensive review of the Lodgement Enforcement Program. The review will

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
		include risk profiling and prioritisation of tax return lodgements from child support parents, to guide ATO compliance and audit activities. Expected timeframes: By June 2026 Justification for timeframes: The review will analyse tax lodgement behaviours, circumstances and flow-on impacts to Child Support. Ongoing engagement will occur with the ATO to co-plan and co-deliver enhancements to the Lodgement Enforcement Program during 2025-26.
Recommendation 5: Services Australia ensure its staff better understand financial abuse through Child Support and what they should do about it.	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Agency has an ongoing commitment to supporting customers experiencing FDV. Staff are required to complete a range of mandatory training that provides an awareness of FDV including financial abuse, as well as the Agency's response strategies.

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
		To enhance existing training, the Agency will: Phase 1: Update the mandatory FDV training to support Child Support staff to better understand what financial abuse is and how customers at risk, and their children, can be supported. Phase 2: Deliver updated training to Child Support staff in the 2025-26 financial year. Phase 3: Driven by the strategy (recommendation 1), additional training will be rolled out to all Child Support staff in 2026-27 to support implementation of the strategy and action plan. Expected timeframes: Phase 1 – By December 2025 Phase 2 – By June 2026 Phase 3 – By June 2027

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Attachment A – Own motion investigation into how Services Australia is responding to financial abuse through the Child Support program

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
		Justification for timeframes: In the short term, existing mandatory FDV training packages can be updated to increase awareness and understanding of financial abuse through Child Support; and In 2026-27, training packages will need to be updated in response to the strategy (recommendation 1), and to support business process and service delivery changes.
Recommendation 6: Services Australia undertakes a comprehensive review into how it uses the change of assessment process as a response to financial abuse through Child Support. The goals of this review should be to, among other things:	☒ Accepted ☐ Not accepted If not accepted, please provide reasons:	Proposed action: The Agency supports more than 14,000 customers who apply for a Change of Assessment each year, approximately 45% of which have a change made to their assessment. This process involves the exchange and scrutiny of a large amount of customer financial information. The Agency will undertake a comprehensive review, including analysis of each step of the Change of

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a) identify how the agency can draw measurable insights about allegations of financial abuse through Child Support in applications and responses b) identify how the agency can better use this information.		Assessment process (application, response and decision) to gain deeper insights into circumstances that increase the risk and impact of financial abuse. These insights will inform changes to the Change of Assessment processes to better support customers at risk of financial abuse and deliver better outcomes. Expected timeframes: By December 2025 Justification for timeframes: The review will be prioritised to enable the learnings and findings to be considered in the development of the strategy (recommendation 1), to inform changes to business processes for better customer experience and outcomes, and to inform potential policy and legislative reforms.
Recommendation 7:	☒ Accepted ☐ Not accepted	Proposed action:

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	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
The Government, with the assistance of the Department of Social Services and Services Australia, introduce a Bill to amend the law to address the legal limitations outlined in this report. This includes: a) amending the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> (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	If not accepted, please provide reasons:	Legislation and policy reform will be critical for the Agency to more effectively respond to financial abuse through the Child Support Program. The Agency has already commenced work with DSS to develop reform options, including consideration of both legislative amendments (as per recommendations 7a to 7e) and policy and service delivery changes to better support customers and enforce Child Support payment. Expected timeframes: By December 2025 Justification for timeframes: Reform options will be developed in the next 6 months to assist with Government decision making, with ongoing collaboration with DSS.

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Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
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b) amending the <i>Child Support (Registration and Collection) Act 1988</i> (Cth) (CSRC Act) to remove the 3-month and 9-month restrictions on Service Australia collecting Child Support arrears when collection changes from Private Collect to Child Support Collect c) amending the CSRC Act to allow garnishee collection enforcement powers to be used in more circumstances, in particular, allowing them to be used against joint bank accounts, company bank accounts, credit card bank accounts and partnership and trust bank accounts where the agency believes on reasonable grounds the paying parent		

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Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
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is using these avenues to avoid payment d) amending the <i>Child Support (Assessment) Act 1989</i> (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 e) amending the CSA Act and the CSRC Act to require a paying parent to proactively report any significant and/or ongoing increase in their income following a Child Support assessment		

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Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
f) 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.		
Recommendation 8:	☒ Accepted ☐ Not accepted	Proposed action:

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Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide particulars of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
The Department of Social Services and Services Australia provide the Ombudsman, within 12 months from the date of this report, a comprehensive progress update regarding how these recommendations have been or are being actioned.	If not accepted, please provide reasons:	The Agency will work with DSS to provide a comprehensive progress update regarding implementation of the recommendations, within 12 months of the report. Expected timeframes: 12 months from the date of the report Justification for timeframes: As recommended.



Australian Government
Department of Social Services

Michael Lye
Secretary

[REDACTED]

Mr Ian Anderson
Commonwealth Ombudsman
GPO Box 442,
Canberra ACT 2601
Via email: [REDACTED]

Qan
Dear Mr Anderson

Thank you for providing the draft investigation report outlining initial findings and recommendations following your own motion investigation into financial abuse through the Child Support Scheme.

The department's response to the recommendations in your draft investigation report reflects our commitment to act on the findings identified by you and others on financial abuse in government systems, in collaboration with other agencies, to ensure the effective operation of policies and programs like the Child Support Scheme.

I note a number of recommendations are the responsibility of Services Australia and confirm the department will work in partnership with Services Australia and the Australian Tax Office to take forward responses to your recommendations.

Attached is our formal response and proposed factual corrections. With respect to your request to use the data on page 44 of the draft report, I confirm the data can be used, with corrections proposed in our response.

If your office would like further information regarding this response, please contact

[REDACTED] or at
[REDACTED]

Regards

[REDACTED]

13 May 2025

Encl.

Department of Social Services - Recommendation and suggestion response template

Recommendation	Entity response to recommendations/suggestions	Action entity proposes to take and expected timeframes for implementation of recommendations/suggestions
	Please indicate your response to each recommendation/suggestion. If you do not accept a recommendation/suggestion, please provide reasons.	Please provide the details of any action you propose to take to implement the recommendation/suggestion and expected timeframes for implementation, including justification for the timeframes.
Recommendation 1: Services Australia develops a publicly available strategy that outlines, with specificity, how it plans to address financial abuse through Child Support	Accepted. The Department of Social Services (the Department) will work with Services Australia to progress this recommendation.	Proposed action: In September 2024, National Cabinet approved an audit of key Commonwealth systems, including the social security system and the Child Support Scheme, to identify how perpetrators of family and domestic violence may be exploiting them. The Department is undertaking this work in consultation with Services Australia to identify potential gaps in existing supports and understand how perpetrators might exploit these systems to exert financial abuse and control. Policy and service delivery options to better support victim survivors are being considered as part of this process. This work will be finalised over the coming months. Expected timeframes: Services Australia will lead this recommendation, with the support of the Department. Justification for timeframes: Not applicable.

Recommendation 2: Services Australia more effectively enforce payment of Child Support, including to: a. identify, record and escalate allegations or instances of financial abuse through Child Support. b. on its own initiative and on significantly more occasions, proactively identify, or attempt to identify, the motivations of paying parents who do not lodge tax returns or pay Child Support. c. obtain evidence on significantly more occasions when deciding to accept or refuse an application for an income estimate d. prioritise the use of collection enforcement powers in cases where the agency knows or suspects on reasonable grounds the paying parent is deliberately not paying Child Support e. on its own initiative, using a risk-based approach, proactively seek information from receiving parents in Private Collect cases as to whether Child Support is being paid and if not, why.	Accepted. The Department will work with Services Australia to progress this recommendation.	Proposed action: The Department is working with Services Australia, and the Australian Taxation Office, to identify behaviours that are indicative of financial abuse within the Child Support Scheme as part of the audit of Commonwealth Systems. The Department is also conducting a number of reviews in response to recommendations made by the 2019 Joint Select Committee on Australia’s Family Law System (Family Law Inquiry), including a review of child support compliance and enforcement framework with Services Australia and the Australian Taxation Office. Findings and recommendations will build on current arrangements, which have supported 95 per cent of liabilities raised since the inception of the Child Support Scheme having been successfully collected and paid. The Department will use the findings of this report, the compliance review and the audit of Commonwealth systems, to work collaboratively with Services Australia and the Australian Taxation Office to develop options to more effectively address financial abuse in the Child Support Scheme. Expected timeframes: Services Australia will lead this recommendation, with the support of the Department. Justification for timeframes: Not applicable.
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Recommendation 3: Services Australia should record the following data in a way that is easily measurable at an organisational level: a) where a parent is affected by, or possibly affected by, financial abuse through Child Support b) whether staff have requested evidence and the reasons from an applicant regarding an application for an income estimate c) the priority of a Child Support case to inform the use of general collection enforcement powers d) whether the use of a collection enforcement power was successful and if not, why e) efforts and enquires to obtain information about payment compliance in Private Collect cases and the outcome of those things.	Accepted. The Department will work with Services Australia to progress this recommendation.	Proposed action: The Department is working with Services Australia, and the Australian Taxation Office, to improve data collection and data sharing arrangements to ensure the effective operation the Child Support Scheme. This will also inform the audit of Commonwealth systems. Expected timeframes: Services Australia will lead this recommendation, with the support of the Department. Justification for timeframes: Not applicable.
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Recommendation 4: Services Australia undertakes a comprehensive review of the Lodgement Enforcement Program. This should include identifying, through consultation with the ATO, how Services Australia can best assist the ATO to conduct risk-based compliance and audit activities regarding the accuracy of tax return lodgements from paying parents.	Accepted. The Department will work with Services Australia and the Australian Taxation Office to progress this recommendation.	Proposed action: The Lodgment Enforcement Program is the joint responsibility of the Australian Taxation Office and Services Australia. The Department is committed to working with the Australian Taxation Office and Services Australia to improve tax lodgment compliance within the Child Support Scheme. This includes as part of the audit of Commonwealth Systems. As at June 2024, 85 per cent of parents in the Child Support Scheme (1,042,095) met their tax lodgement obligation in respect of the 2022–23 financial year. Over time, it is expected around 93 per cent of parents will meet their tax lodgement obligation (93 per cent of parents from years between 2017–18 to 2019–20 have met their obligation). Expected timeframes: Services Australia and the Australian Taxation Office will lead this recommendation, with the support of the Department. Justification for timeframes: Not applicable.
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Recommendation 5: Services Australia ensure its staff better understand financial abuse through Child Support and what they should do about it.	Accepted. The Department will work with Services Australia to progress this recommendation.	Proposed action: The Department is committed to supporting Services Australia, to ensure staff have the capability to understand financial abuse and what action to take when financial abuse behaviour is identified. The Department notes Services Australia has a range of staff training requirements and supports to improve capability. The Department will work with Services Australia as part of the audit of Commonwealth systems to ensure processes and policies are effective and support actions to address financial abuse. Expected timeframes: Services Australia will lead this recommendation with the support of the Department. Justification for timeframes: Not applicable.
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Recommendation 6: Services Australia undertakes a comprehensive review into how it uses the change of assessment process as a response to financial abuse through Child Support. The goals of this review should be to, among other things: a) identify how the agency can draw measurable insights about allegations of financial abuse through Child Support in applications and responses b) identify how the agency can better use this information.	Accepted. The Department will work with Services Australia to progress this recommendation.	Proposed action: The Department notes Services Australia supports more than 14,000 parents each year who apply for a change of assessment, and that this is an important part of the operation of the Child Support Scheme. Building on reviews undertaken in response to the Family Law Inquiry, the Department will work with Services Australia to examine change of assessment policies and processes, including options to simplify the process, and address barriers to applying for a review. As part of this, the Department will work with Services Australia to consider how Services Australia can better identify and respond to financial abuse in the change of assessment process. Expected timeframes: Services Australia will lead this recommendation, with the support of the Department. Justification for timeframes: Not applicable.
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Recommendation 7: The Government, with the assistance of the Department of Social Services and Services Australia, introduce a Bill to amend the law to address the legal limitations outlined in this report. This includes: a) 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 b) amending the Child Support (Registration and Collection) Act 1988 (Cth) (CSRC Act) to remove the 3-month and 9-month restrictions on Service Australia collecting Child Support arrears when collection changes from Private Collect to Child Support Collect c) amending the CSRC Act to allow garnishee collection enforcement powers to be used in more circumstances, in particular, allowing them to be used against joint bank accounts, company bank accounts, credit card bank accounts and partnership and trust bank accounts where the agency believes on reasonable grounds the paying parent is using these avenues to avoid	Noted. The introduction of legislation is a matter for Government. The Department agrees legislative reform should be considered, including to improve compliance and support for separated parents and their children. The Department does not agree that the removal of the current presumption that Child Support has been paid, and to allow debts to be waived, would improve the operation of the Child Support Scheme. The operation of the Maintenance Action Test and Maintenance Income Test are important to the equity of the system. Removal of the current presumption that Child Support has been paid would also cause inequities between how parents in private collect arrangements are treated compared to those in agency collect arrangements.	Proposed action: The Department is committed to working with Services Australia to ensure the Child Support Scheme provides financial certainty to parents and children and keeps them safe whilst doing so. The Department will use the findings of this report, reviews undertaken in response to the Family Law Inquiry and the audit of Commonwealth systems, to work collaboratively with Services Australia and the Australian Taxation Office to develop options to more effectively administer the Child Support Scheme. This will include options for legislative reform, noting improvements can also be made through policy and service delivery changes. Child support payments and Family Tax Benefit payments are closely linked to reflect the long-standing principle of parents being primarily responsible for the financial support of their children, with the Government providing additional assistance where needed. This also ensures equity between how family payments support families who are separated compared with other families. The Department commissioned a Survey of Separated Parents in response to recommendations from the Family Law Inquiry. The Survey found that key issues relating to failure of the Maintenance Action Test often relate to communication and service delivery (e.g. many parents did not recall being given information about the operation of these policies). The Department will work with Services Australia on options to improve communication and service delivery arrangements, and options to improve policies, including any necessary legislative reform.
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payment d) amending the CSA Act and the CSRC Act to require a paying parent to proactively report any significant and/or ongoing increase in their income following a Child Support assessment e) 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.		The Department is undertaking an audit of the Child Support Scheme as part of the audit of key Commonwealth systems, to identify how perpetrators of family and domestic violence may be exploiting the Child Support Scheme. Policy and service delivery options to better support victim survivors are being considered as part of this process. This will include options to improve how Child Support and family payment debts are managed to better support victim-survivors of family and domestic violence. This work will be finalised over the coming months. The Department will work with Services Australia and the Australian Taxation Office to develop options to more effectively enforce payment of Child Support. This will include options to improve compliance and improve data sharing arrangements to better identify instances of non-compliance and/or financial abuse. Expected timeframes: Ongoing, noting options will be considered for reform in the next 6 months. Justification for timeframes: This is an ongoing responsibility for the Department of Social Services. Work in the next 6 months will use the findings of this report, reviews undertaken in response to the Family Law Inquiry and the audit of Commonwealth systems, to work collaboratively with Services Australia and the Australian Taxation Office to develop options to more effectively administer the Child Support Scheme.
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Recommendation 8: The Department of Social Services and Services Australia provide the Ombudsman, within 12 months from the date of this report, a comprehensive progress update regarding how these recommendations have been or are being actioned.	Accepted. The Department will work with Services Australia to progress this recommendation.	Proposed action: The Department will work with Services Australia to provide the Ombudsman with a comprehensive progress update as recommended. Expected timeframes: 12 months from publication. Justification for timeframes: To comply with the recommendation.
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