

CHILD SUPPORT

ISSUE

If childcare payments from the non-resident partner were paid on time and in full, it would reduce child poverty by 21 per cent.

The National Council for Single Mothers and their Children have found that unpaid childcare payments impact significantly on single mothers. 83 per cent of single parent families are headed by a women with 46 per cent of lone mothers in 'low economic resource households'. For these women, child support from the father should be a vital part of her income.

Ensuring the regular and full payment of childcare support would ease the financial stress of single mothers who rely of such payments to meet many of the basic needs of their children.

RECOMMENDATIONS

Childcare debt is not currently included in an individuals credit score. Including such debt would Incentivise child support payments.

Include superannuation balances is assessments of child support payments. The current rules explicitly exclude superannuation from support calculations, irrespective of a child support debt or the hardship of the family. This anomaly is been a haven for non-payers parents to quarantine their money.

Regulate and limit the acceptance of 'provisional income' to three months at the start of an agreement. Do not allow changes to be made based on provisional income.

Require all parties in child support cases to lodge a timely annual tax return.

RATIONALE

Child support debts, overwhelming the debt of fathers to mothers, is \$1.7 billion. This is an understatement of the true level of debt as it excludes debt that has been written off and debt within a private agreement. Many fathers do not make child support payments to mothers who are the primary care givers to their children. Child support is the money paid by a non-resident parent, for the purpose of supporting children following separation.

IMPLEMENTATION

The tightening of implementation of child support would mean a net saving to the budget, of several hundred million dollars per annum. Many of the women suffering financial stress as the result of non-payment of child support have to rely of government assistance.

The legislative changes noted in the recommendations above are relatively straight-forward.

CONCLUSION

Single mothers would benefit through enhanced economic and financial security from reforms that ensured their former partners paid their share of the cost of raising children. The reforms are also fair, delivering lower poverty for mothers and their children.