

Senate Standing Committee on Community Affairs

Inquiry into the Child Support and Family Assistance
Legislation Amendment (Ending Financial Abuse in
the Child Support Scheme No. 1) Bill 2026

Submission from the Australian Institute of Family Studies

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The Australian Institute of Family Studies acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to lands and waters. We pay our respects to Aboriginal and Torres Strait Islander cultures, and to Elders past and present.

Introduction

The Australian Institute of Family Studies (AIFS) is an independent statutory agency, established in 1980 under the *Family Law Act 1975* (Cth). Its purpose is to provide robust and independent evidence that informs policy and practice and drives positive outcomes for children, families and their communities.

The following submission is made in response to the Parliament of Australia's Senate Standing Committee on Community Affairs Inquiry in relation to the *Child Support and Family Assistance Legislation Amendment (Ending Financial Abuse in the Child Support Scheme No. 1)* Bill 2026 (the Bill).

AIFS provides this submission drawing on its established track record as the Australian Government's trusted evidence partner regarding the changing nature of Australian families. In particular, AIFS has conducted wide-ranging research regarding the experiences and wellbeing of separated families and the related impact of government policies and legislation. As well as its specialisation in relation to the family law system, AIFS has a broader understanding of how the Child Support and related systems reflect contemporary care arrangements in Australian families and the costs of raising children across two households.

The proposed amendments are directed at reducing financial abuse and systems weaponisation through the Child Support system, specifically by improving the safe operation of Child Support processes (Schedule 1); strengthening Child Support collection arrangements (Schedule 2); and supporting Child Support applications from overseas jurisdictions (Schedule 3).

The Schedule 1 provisions are directed at reducing harmful use of the Child Support Scheme through the inclusion of provisions that:

- facilitate the Child Support Registrar's ability (1) to refuse payer-initiated applications for assessment where the payee may experience harm if it proceeded¹ and (2) to refuse to proceed with change of assessment applications that may cause harm to a party or child or other person²
- support safer exchange of information whereby the Child Support Registrar to provide only required relevant information, including through exchange of summary documents or partial or redacted documents³
- enable the Child Support Registrar to dismiss unmeritorious objections⁴

¹ See proposed amendments to ss 29(1) and 30(3), and the introduction of new ss 30C and 33 of the *Child Support (Assessment) Act 1989* (Cth) and amendments to s 80(1) of the *Child Support (Registration and Collection) Act 1988* (Cth).

² See proposed amendment to s 98JA(1) and inclusion of new s 98FA *Child Support (Assessment) Act 1989* (Cth).

³ See proposed amendment to ss 98H and 98N, substituted s 98G, new s 98GA *Child Support (Assessment) Act 1989* (Cth) and substituted ss 85 and 85A of the *Child Support (Registration and Collection) Act 1988* (Cth).

⁴ See proposed amendments to s 89 and s 95AA(2) and new s 84A of the *Child Support (Registration and Collection) Act 1988* (Cth).

- preserve procedural fairness where initial applications or objections were refused without involving the other party⁵
- require care-percentage objections that have been dismissed to progress to tribunal review rather than internal review.⁶

The provisions in Schedule 2 are directed at strengthening collection arrangements and include provisions that are directed at strengthening child support collection arrangements, including the introduction of:

- a pause on Family Tax Benefit (FTB) debt caused by a retrospective increase in deemed Child Support income⁷
- a mandatory return to Agency Collect on application and earlier Agency Collect arrears when collection arrangements return to Agency Collect⁸
- the option to request the Child Support Registrar to collect arrears or recover overpayment from retrospective variation that affects a Private Collect period⁹
- the removal of Child Support Registrar's power to unilaterally move a matter to Private Collect, as well as agreement of both parties to be required for payer-initiated Agency Collect to move to Private Collect¹⁰
- the option for payers as well as payees to apply for registration and collection of liability through Agency Collect.¹¹

In this submission, AIFS does not express a view on the merits of the Bill as a matter of government policy. Nor has AIFS undertaken research that directly evaluates the likely effectiveness of each of the proposed legislative mechanisms.

Instead, we draw the Committee's attention to AIFS research and other evidence relevant to the circumstances that the proposed amendments seek to address. This includes evidence concerning the financial circumstances of separated families, the misuse of legal and administrative systems as a form of post-separation abuse, child support collection, and the safe administration of processes affecting families experiencing domestic, family and sexual violence (DFSX).

The evidence is provided to assist the Committee in considering the Bill and to identify matters that may be relevant to implementation, monitoring and evaluation. It should not be interpreted as an assessment of, or position on, individual provisions of the Bill. The material presented is most directly relevant to Schedules 1 and 2. AIFS has limited research evidence specifically relating to the arrangements addressed in Schedule 3.

⁵ See proposed new 87(1AA) and ss 95AA(3)-(4) of the *Child Support (Registration and Collection) Act 1988* (Cth).

⁶ See proposed new s 109A(1AA) *A New Tax System (Family Assistance) (Administration) Act 1999* Cth.

⁷ See new s95A of *Family Assistance Administration Act* (Cth).

⁸ See repeal of s 39(5) and amendment of s 39(6) and new ss 39A(6A)-(6D) of the *Child Support (Registration and Collection) Act 1988* (Cth).

⁹ See new ss 39AB-39AE and associated amendments of the *Child Support (Registration and Collection) Act 1988* (Cth).

¹⁰ See amended s 38A(1) and new s 38B(1A) of the *Child Support (Registration and Collection) Act 1988* (Cth).

¹¹ See ss 23, 24, 24A, 25(1), 28A, 39(1) and 39A of the *Child Support (Registration and Collection) Act 1988* (Cth).

AIFS research relevant to Child Support

AIFS research provides broader context relevant to consideration of the proposed amendments. It does not directly test the legislative mechanisms in the Bill but contributes evidence about the circumstances of separated families and the financial and administrative systems with which they interact.

In this context, it is useful to consider the wider financial costs of raising children across separated families. A review of the evidence conducted by AIFS (Gorniak & Andersson, 2024) found that, although there is no single objectively “correct” estimate of costs relating to raising children, the literature consistently shows that raising children across two households costs more than raising them in one. This finding is relevant to understanding the financial context in which the Child Support Scheme operates.

AIFS research (Baxter, 2025) which draws on data from *Growing Up in Australia*, the Longitudinal Study into Australia’s Children conducted by AIFS, provides further contextual evidence about the economic vulnerability of separated families. This research found that a greater proportion of separated families experience socio-economic disadvantage compared with families where children are living with both parents.

In particular, this report found that disadvantage was especially concentrated among very young children, with around 70% of children aged 0–1 and 2–3 years whose parents were separated being in the lowest socio-economic group in the study. Further, the report found that low socio-economic status remained a key predictor of poorer child outcomes even after accounting for care arrangements, parental conflict, consultation between parents, parenting style and parental mental health (Baxter, 2025).

The AIFS *Family Relationships Services Program Review: Final input technical report* (Kaspiew et al, 2024) places this economic vulnerability within the wider experience of separation. It found that relationship breakdown can have significant and enduring social, emotional and financial consequences, particularly for women and children, and that separated families with children commonly have limited financial resources and experience financial stress. This is consistent with earlier longitudinal research with separated families (Qu et al., 2014 and see also De Vaus et al., 2017).

The Family Relationship Services Program Review also emphasised that adverse child outcomes are not an inevitable consequence of separation. Rather, risk varies with socio-economic circumstances, DFSV, inter-parental conflict, parenting quality and access to effective support. In this context, access to reliable Child Support is relevant not as a single determinant of wellbeing but as one potential protective component of a coordinated response to material hardship and complex family needs.

This is important to consider given research by AIFS into coverage of the Child Support program which found that, despite a rise in shared care (Qu & Baxter, 2026a) active Child Support Program cases fell by 10.5% between 2015 and 2024 and that the number of children covered fell by 10%, even though the number of children living in separated families actually increased (Qu & Baxter, 2026b). Estimated coverage declined from about 95% in 2016 to 87% in 2021, with particularly large falls among families with younger children. These findings provide relevant context for interpreting administrative data and monitoring the reach of the Child Support Scheme. A declining and changing program population may mean that some families are managing effectively outside the formal system, but it may also reflect barriers, weak incentives, safety concerns or unmet needs. The findings from this research therefore

caution against assuming that Child Support administrative data represent all separated families (Qu & Baxter, 2026b).

Insights from AIFS family law research and other work relevant to systems abuse

More broadly, AIFS has an extensive program of research in relation to family law and the post-separation experiences of Australian families. This research has been central to the development and evaluation of key successive amendments to the *Family Law Act 1975* (Cth) and to other legislative and policy measures relevant to separating and separated families, including in relation to Child Support.

AIFS research examining the family law parenting order contravention and enforcement regime, and experiences of legal and other systems abuse, provides relevant but indirect context for considering the proposed reforms. The AIFS *Compliance with and Enforcement of Family Law Parenting Orders Project* (Carson et al., 2022) and AIFS and partners' earlier *Domestic and Family Violence and Parenting Research* (Kaspiew et al., 2017), provide insights from surveys and interviews with parents and carers who have experienced the use of family law litigation, as well as other systems such as Child Support, as a means of perpetuating abuse following separation. Commissioned by ANROWS, this work by AIFS emphasises the importance of rigorous screening and risk assessment, as well as the value of DFSV-informed and trauma-informed practice in identifying and preventing the misuse of systems (Kaspiew et al., 2017; Carson et al., 2022).

Similarly, the *Experiences of Separated Parents Study* conducted by AIFS drew on a post-reform cohort of 6,079 recently separated parents and examined experiences of coercion and control, disclosure, service use and wellbeing, as well as Child Support (Kaspiew et al., 2015). This study found that parents affected by violence and safety concerns were more likely to use courts, lawyers and family dispute resolution than separated parents without those concerns (see Table 2.2, p 16).

The above program of work operates as wider context for understanding repeated leveraging of procedural requirements as potentially connected to a wider pattern of post-separation control, particularly where a case history also records safety concerns or intensive use of family law services. It similarly supports linking Child Support screening and referral pathways with the broader family law and DFSV service system rather than treating each administrative process in isolation.

Looking at the wider evidence landscape, AIFS also acknowledges the research undertaken by Professor Kay Cook and colleagues which examines the operation and misuse of the Child Support, tax and social security systems. Cook and colleagues have identified ways in which the Child Support system can be used to engage in post-separation financial abuse through the deliberate withholding, minimisation or non-payment of Child Support and the significant impact of automatic reductions in FTB A even where Child Support is unpaid (Cook et al., 2023). Research by Cook and colleagues has also illustrated the importance of closing loopholes that may be open to misuse or enable non-compliance, including through compelling the lodgment of tax returns and implementing Safety by Design principles (Cook et al., 2024). Most recently, and of specific relevance to the proposed amendment relating to s 95A, research by Cook and colleagues have examined the impact of the automatic recouping of FTB overpayments

resulting primarily from the retrospective recalculation of Child Support assessments (Cook et al, 2026).

Relevant national Inquiries, including the recent Commonwealth Ombudsman's 2025 report *Weaponising child support* (Commonwealth Ombudsman, 2025), have similarly highlighted the scale of the Child Support Collect Debt as sitting at \$1.9 Billion as at the end of 2024, with the Private Collect debt currently unknown. Recommendations in relation to systemic and legislative issues highlighted by the Commonwealth Ombudsman are reflected in the Bill, including in provisions aimed at more effective collection of Child Support payments, more equitable treatment in relation to FTB A debts where Child Support is not paid, as well as amendments to support safeguards in relation to information sharing in the context of DFSV. As such, the Ombudsman's report identified the way in which tactics of perpetrator parents can be mutually reinforcing, forming a part of a sustained strategy to exhaust, intimidate or financially destabilise the other parent, while reducing the resources that are available for children as a result.

Evidence-informed considerations for implementation and evaluation

The evidence summarised in this submission indicates that Child Support processes operate within a wider context of economic vulnerability, post-separation conflict, DFSV and systems abuse. It also provides relevant context for understanding how non-payment, retrospective adjustments, unsafe information exchange and repeated use of administrative processes can contribute to financial hardship and ongoing harm.

This evidence is relevant to the challenges that the Bill seeks to address, but does not directly establish how effective each proposed legislative mechanism will be in practice. The operation and impact of the amendments will depend substantially on their implementation, including the guidance, decision-making processes, staff capability, safeguards and review arrangements by which they are accompanied.

If the Bill is enacted, relevant considerations arising from the evidence include child-centred, safety-informed, trauma-informed implementation; responsiveness to economic inequality; and engagement with people with lived experience.

Consistent with the Ombudsman's report (Commonwealth Ombudsman, 2025), relevant implementation considerations include equipping staff and systems to recognise patterns of coercive control and financial abuse; recording and escalating risk consistently; identifying potential misuse of objection, reassessment and review processes; sharing relevant information lawfully and safely; and avoiding requiring victim survivors to repeat or disclose sensitive information unnecessarily.

Child Support is also one part of the wider system affecting child wellbeing following family separation. Relevant matters for monitoring and evaluation include interactions with FTB, family law processes, DFSV services and other sources of financial and practical support.

Matters for implementation, monitoring and evaluation

Without expressing a position on the merits of the Bill or its individual provisions, AIFS identifies below a number of evidence-informed considerations that may assist with implementation, monitoring and evaluation if the amendments are enacted:

1. **Safety-informed implementation:** Relevant considerations include proactive risk identification, consistent recording and escalation, specialist referral pathways, trauma-informed staff training, accessible exemptions, low-contact service options and protections against unnecessary disclosure of sensitive information.
2. **Operation of refusal and dismissal powers:** Relevant considerations for guidance on harmful applications and objections include individualised assessment, procedural fairness, clear reasons for decisions, appropriate review pathways and access to specialist DFSV training.
3. **Safer information exchange:** The operation of provisions allowing summaries, partial documents or redacted documents should be monitored to assess whether they reduce unnecessary disclosure while maintaining procedural fairness.
4. **Collection and retrospective liabilities:** Monitoring should examine whether changes to Agency Collection and the collection of liabilities and arrears arising from Private Collect periods improve payment reliability without creating unintended safety, accessibility or financial consequences.
5. **FTB debts:** Relevant evaluation questions include whether the proposed pause provides affected parents with sufficient time to receive retrospectively payable Child Support and whether it reduces the risk of financial hardship, including where the Child Support amount is not ultimately recovered.
6. **Access and equity:** Relevant implementation questions include whether the amended arrangements are clearly explained and accessible to people experiencing DFSV, financial disadvantage, disability, language barriers or other circumstances affecting their ability to engage with the system.
7. **Monitoring and evaluation:** A transparent evaluation framework could provide evidence on the use and effects of the new powers, access to review, collection outcomes, payment compliance, safety outcomes, financial hardship, user experience and any unintended consequences. Relevant evidence sources include administrative, population-level and qualitative evidence, including the experiences of victim survivors and specialist services.
8. **Evidence limitations:** The research presented in this submission does not provide a basis for assessing the overseas-jurisdiction provisions in Schedule 3. Monitoring outcomes associated with these amendments would help to build the evidence base on their operation and effects.

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