**The potential of child support to reduce lone mother poverty: comparing population survey data in Australia and the UK**

**Introduction**

This paper provides an original analysis of the Australian Household Income and Labour Dynamics (HILDA) study. It assesses the value of child support payments to the income packages of Australian lone mother families and, more specifically, explores the impact these payments have on poverty reduction for families who receive them.

Child support, also known as child maintenance, are cash transfers commonly made by a non-resident parent to a resident parent to assist with the costs of raising children following relationship dissolution[[1]](#footnote-1) (International Network of Child Support Scholars 2015). In Australia and the UK, child support policy has been highly contentious since inception, prompting ongoing policy review and reform. The UK government is in the midst of a review of their child maintenance system, after having replaced the Child Support Agency with the Child Maintenance Service in 2012, and are concerned about improving enforcement (Work and Pensions Committee 2016), while Australia recently completed a Parliamentary Inquiry into the Child Support Program (Australian Government 2016). It is therefore important for a number of reasons to understand the financial impact that child support payments have on recipient families.

First, the origin of the Australian child support scheme arose partly from a governmental belief in the need to reduce fiscal expenditure on lone parent families (who were highly dependent on social assistance benefits) and private child support payments offered a possible solution (Edwards, Howard & Miller 2001; Graycar 1989). Second, lone mother-headed families comprise more than 87 per cent of the child support recipient population in Australia (Child Support Agency 2010; Qu et al 2014). Yet despite over 20 years of operation, lone mother-headed families in Australia remain more likely than lone father-headed families and the general population to experience poverty (Australian Bureau of Statistics [ABS] 2012). Third, there has been little research examining the poverty reducing effects of the Child Support Scheme since inception or following significant reforms introduced in 2008 (Department of Social Services 2014). As such, it is important that the benefits of payments for children living in lone mother-headed families are established and compared with child support systems operating elsewhere (OECD 2011; Skinner & Main 2013). Such analyses can provide clear information to government on the benefits of payments in reducing the poverty in such families.

In terms of comparators, the analysis of the UK Families and Children Survey (FACS) conducted by Skinner and Main (2013) provides a useful reference. Unlike large-scale cross-national analyses such as those drawing on the Luxemburg Income Study dataset (OECD 2011), Skinner and Main’s (2013) approach provides a fine-grained analysis of the distribution of child support payments across the lone-mother income spectrum as well as indicating its relative worth to their total income package. This allows for a more nuanced discussion of resultant policy implications. In the UK and Australia, as elsewhere, representative survey data are also often more useful than administrative data for analyses of child support, as administrative datasets only contain information for parents who use the Child Support Agency (CSA), or equivalent, in each jurisdiction. For example, in Australia, an estimated 15 per cent of parents arrange and transfer payments privately, and less than half of the remaining parents who have CSA determined agreement use the agency to transfer payments (Ministerial Taskforce on Child Support 2005; House of Representatives Standing Committee on Social Policy and Legal Affairs 2015). As such, administrative data often provide a limited account of payment reality (Cook et al 2016).

Further, with respect to comparator countries, during policy reform processes, and as occurred during the establishment of Australia’s original scheme (Skinner et al 2016), the Australian and UK governments have looked to each other for policy advice. Indeed, the original UK system was modelled on Australian and US schemes (Millar & Whiteford 1993) and currently the UK government recently called for international evidence to inform their latest review (Work and Pensions Committee 2016), as did the Australian inquiry in 2003 (House of Representative Standing Committee on Family and Community Affairs 2003). As such, in the following analysis, we draw on Skinner and Main’s (2013) approach to to shed light on the benefits of the Australian system. Before describing the study methods, however, we turn first to provide a brief overview of Australian child support policy and what is known about its contribution to lone parent poverty reduction.

**Child support in Australia**

Australia’s Child Support Scheme (CSS) was introduced in 1988 in response to concerns over the growing cost of tax-payer funded support for single parents and their children (Edwards, Cosmo & Miller 2001; Graycar 1989), and their concomitant poverty (Fehlberg & Maclean 2009). At the time of its introduction, the twin aims of the CSS were to reduce child poverty in single parent families and decrease social security expenditure (Fehlberg & Maclean 2009); aims which can be seen to be somewhat in tension with each other.

A key principle underpinning child support in Australia has been to ensure “public confidence in the Scheme” (Ministerial Taskforce on Child Support 2005, p. 175). This has translated into providing a visible indication to payers that payments provide direct benefits to children (Cook & Natalier 2013). Achieving payer ‘confidence’ has meant ensuring that the full value of payments are transferred from payers to recipients, either via the CSA (now known as the Department of Human Services – Child Support (DHS-CS)) or directly from the paying parent. Payments do not reduce the value of resident parents’ primary benefit, which for single parents is typically the ‘Parenting Payment Single’.

However, while the value of Parenting Payments are not impacted, the value of child support is taken into consideration in the calculation of supplemental benefits, including Family Tax Benefit Part A (FTB(A)) and Rent Assistance, for those living in private rental properties. Here, single parents receiving more than A$1,478.25 in child support per year have their FTB(A) and Rent Assistance payments reduced by 50c in the dollar until the base payment rate is reached (Department of Human Services, 2014).

Further, whilst it is mandatory in most contexts for Australian lone parents in receipt of benefits to seek child support, child support compliance remains a significant issue. The most recently released departmental figures estimate child support debts to be in excess of A$1.35 billion, and that between 21 to 38 per cent of transfers are not collected (House of Representatives Standing Committee on Social Policy and Legal Affairs 2015). Significantly, such figures exclude debts that exist for the majority of cases in which child support is transferred privately (Ministerial Taskforce on Child Support 2005).

However, despite the importance of child support to the lives of lone mothers in Australia (sSkinner et al 2016; Qu et al 2014), no Australian research has examined the extent to which current policy configurations move recipient households above the poverty line. Recent OECD (2011) research drawing on Luxembourg Income Study data has estimated the poverty reduction effects of child support in Australia to be 19.8 per cent. But the OECD analysis is not able to provide insight into which lone mother-headed households are most likely to benefit from payments and rely on 2004 Australian data that pre-date significant policy reform that came into effect in 2008.

Changes to the child support system in 2008 fundamentally altered the calculation of liabilities, by adopting an ‘income shares approach’ that takes into consideration both parents’ incomes and their respective proportions of overnight care of children. The revised formula introduced greater sensitivity to the cost of children as they relate to child age and parental income; included both parents’ income in the calculation of liabilities; placed a cap on income included in the formula; and placed greater emphasis on costs accrued by non-resident parents as a result of providing care (Cook & Natalier 2013). Economic modelling of the 2008 reforms revealed that lone mothers, particularly low-income lone mothers, were economically disadvantaged by the reforms while, at the same time, high income paying fathers were found to be most likely to experience financial gains (Smyth & Henman 2010; Summerfield *et al* 2010). Vu and colleagues’ (2014) analysis of the changes also showed that the proportion of all separated mothers experiencing poverty (defined as incomes below 60 per cent of the national equivalised median income) increased by six per cent after the new formula was introduced, and remained steady two years later.

While Vu and colleagues’ (2014) study examined the relative poverty of separated mothers and fathers, it did not specifically examine the extent to which child support contributed to the income package of lone mothers or reduced poverty in these households. The lack of research on the effectiveness of the child support scheme at reducing child poverty is significant, as noted by the most recent Parliamentary Inquiry into the Child Support Program (House of Representatives Standing Committee on Social Policy and Legal Affairs 2015). In this paper, we begin the task of assembling such evidence, following the approach used in the UK (Skinner & Main 2013), which in turn builds on the work conducted by Meyer and Hu (1999) in the US and Skinner and Meyer (2006) in the UK.

When Skinner and Main (2013) conducted their analysis of 2008-09 FACS data, UK policy allowed parents to keep up to £20 of the child maintenance paid without it affecting other means-tested benefits. However, the UK child maintenance system uses quite different calculation methods in comparison to Australia; mainly it calculates amounts using a percentage of the gross income of the non-resident parent and no account is taken of the lone parent’s income. Despite this and other differences, comparisons with the UK remain useful as they enable a discussion of poverty reduction in each jurisdiction within the context of evolving policy settings. As such, in this analysis, we examine the contribution that child support payments make to the income package of Australian lone mothers and the extent to which payments reduce their poverty.

**Analytical Approach**

This research uses unit record data from Wave 11 (2011) of the Household, Income and Labour Dynamics in Australia (HILDA), a panel survey initiated and funded by the federal Department of Social Services. This was the most recently available data at the time of the analysis. Among other things, HILDA collects information on household and individual economic well-being (see Watson and Wooden 2002). The following criteria were applied to select the sample for this analysis:

1. The participant was the lone mother of at least one child aged under 18 years who resided with them and had a non-resident parent
2. The participant was not living with a partner.

Lone fathers were excluded, as research indicates their incomes and child support experiences differ significantly from those of lone mothers (Ministerial Taskforce on Child Support 2005); leaving a total sample of 396 lone mothers. Following Skinner and Main (2013), two broad approaches were used for the analysis: the first makes comparisons between equivalised income quintile groups and the second compares poverty groups using a poverty indicator of 60 per cent of median equivalised household income ([EHI] Eurostat AROP indicator).

First, household income (pre child support) was distributed among income quintiles using an equivalised income measure derived from the modified OECD equivalence scale (ABS 2012). The following results are presented for income quintiles both before, and after, housing costs (BHC & AHC) (Figure 1). Second, and again following Skinner and Main (2013), poverty groupings were constructed using equivalized pre-child-support income. In 2011/12, the median Australian EHI was estimated to be $770 per week (ABS 2012). If we apply a ‘poverty threshold’ measure of 60 per cent of 2011 Australian median income, then the poverty line is estimated at $462 per week.

***Characteristics of lone mothers***

Table 1 shows the demographic characteristics of our sample of 396 lone mothers: 28 per cent had a tertiary education (diploma or higher) while approximately 45 per cent had achieved a year-twelve education or below. Women aged over 40 represent the highest proportion of lone mothers in the sample (50 per cent) and were most likely to be working more than 16 hours per week (meeting federal welfare-to-work activity requirements). However, one third were not working and were solely dependent on child support or social security benefits. The median net equivalised weekly household income (from all sources, including child support (EHI)) was $581.45 (BHC) and $426.06 (AHC), which is well below the national median of $770 per week (ABS 2012), yet above the poverty threshold of $462 per week. For those working more than 16 hours per week, median income was predictably higher than for all lone mothers; $698.32 and $581.45 respectively. When considering only those in receipt of child support, they had the lowest incomes on average, where median EHI dropped to $574.12 (BHC) and $419.92 (AHC).

INSERT TABLE 1 ABOUT HERE

***Receipt of child support payments among eligible lone mothers***

In 2011, 57 per cent (n=227) of all lone mothers reported receiving any child support payments in the previous year, with those mothers aged 40-44 years proportionally more likely to receive payments (26 per cent of all mothers in receipt). The mean weekly amount of child support received was $132.77, with a median of $90.92. Of the 227 mothers in receipt of child support, 207 were asked about their child support agreement type. Of these 207 mothers, 85 per cent indicated that the amount was determined by the CSA.

**Are those in greatest need benefiting from child support payments?**

We now consider whether those lone mothers with the lowest incomes are most likely to receive payments. We do this by following Skinner and Main (2013) to examine both quintile and poverty groups, using pre-child support income.

***Child support receipt by income quintile groups***

To estimate the proportion of lone mother households in receipt of child support and to assess the value of these payments, we show the distribution of payment receipt across income quintile groups using the full sample of 396 lone mothers.

As shown in Table 2, both the number of lone mothers receiving child support and the median amounts received tended to decrease across the higher income groups, but it was not uniform. Mothers with incomes in the lowest income quintile group were much more likely to receive child support, some 75 per cent did, compared to only 40 per cent of those in the highest income quintile. The median values of child support payments mirrored the pattern of receipt, with those in the lowest quintile group receiving the highest median child support payment of $150. This was almost double the other groups, with the remaining quintiles receiving median payments between $63 and $78 per week. This may be a function of Australia’s ‘income shares’ approach to child support where the income of both parents is considered (Department of Social Services 2014). Therefore, as lone mothers’ employment and thus income increases, her expected child support payments decrease. Interestingly though, and reflecting the lower economic position of lone mother-headed households compared to the general population (ABS 2012), the median incomes of lone mothers in the two lowest quintiles were both well below the poverty threshold (set at $462/week). Yet there was a markedly different median amount of child support received; $150 for the lowest group compared to $63 for the second lowest group. The ‘income shares’ approach might explain this, but as the second quintile group’s income remains below the poverty threshold, this seems very inequitable. Perhaps the sharing the care of children across households also partly explains reduction in the expected amounts[[2]](#footnote-2). Nevertheless, we move now to explore poverty groups.

INSERT TABLE 2 ABOUT HERE

***Child support receipt by poverty groups***

To model the contribution of child support payments to poverty reduction, we generated three pre-child-support income poverty groups from the full sample of lone mothers with:

1. incomes below the poverty line (n =175);
2. incomes between the poverty line and the national median (n = 151); and
3. incomes above the national median (n = 70).

Table 3 shows the child support characteristics of the sample across the poverty groupings.

Our results indicate that 82 per cent of lone mother families had pre-child-support EHI of less than the national median, while 44 per cent of lone mothers were in poverty. Of the lone mothers in poverty (group 1), 67 per cent reported receiving child support, the median value of which was $100. For those in group 2 (above poverty, but below median income), 56 per cent received child support, with a median value of $77.50; whereas for those lone parents who had above-median incomes, only 34 per cent received child support, the median of which was $78.35.

INSERT TABLE 3 ABOUT HERE

The distribution of child support receipt was largely consistent with the results of the quintile group analysis, where those in the lowest quintile were most likely to receive payments. However, the income quintile analysis presents a more detailed picture and throws up some inequities across the two lowest quintile groups of mothers classed as ‘in poverty’ using the 60 percent median income threshold. Even so, overall, the poorest lone mothers have rates of child support receipt ranging from between 67 to 75 per cent, depending on the groupings used (poverty groups and income quintiles, respectively). This raises the important question of what contribution child maintenance can make to the income packages of the most needy lone mothers, to which we now turn.

**The value of child support to lone mothers’ income package**

To assess the contribution child support makes to the income packages of lone mothers and to analyse the extent to which these families are lifted out of poverty as a result of receiving payments, we now focus exclusively on those receiving payments (n = 227). We use the same groupings as before, income quintiles (Figure 1) and poverty groups (Figure 2). The quintile groups retain the income bands derived from the entire sample, yet the analysis is limited solely to those mothers receiving child support. As such, the number of lone mothers in each quintile band reference the number presented in column 3 of Table 2, and are not equally distributed across the quintiles.

For each analysis, again constructed using pre-child support income, we examine the value of child support in relation to lone mothers’ total income package, before and after housing costs.

When analysing the contribution of child support by income quintiles (Figure 1), median child support payments represent up to 36 per cent of total EHI for the lowest income quintile BHC and a considerable 57 per cent AHC. In comparison, the percentage of total EHI derived from child support is much lower for the other quintiles and reduces as the mothers’ incomes increases, representing just 8 per cent of total income AHC in the highest quintile. Whilst lone mothers in the lowest quintile group received the highest amounts of child support, and you would have expected this to make up a higher proportion of their incomes, the analysis still shows how reliant they were on this single source of income, potentially making them very vulnerable to both changes in child support policy and to changes in the other parent’s capacity or willingness to pay.

INSERT FIGURE 1 ABOUT HERE

The contribution that child support makes to income packages per poverty group is shown in Figure 2. For those in poverty, child support contributed approximately 28 per cent of total EHI BHC and some 41 per cent AHC. This again shows the higher relative value of child support for the income packages of the very poorest lone mothers. However, the question remains, ‘What effect does child support have on lifting these lone mothers out of poverty?’

INSERT FIGURE 2 ABOUT HERE

**The poverty reduction effects of child support**

To examine how effective child support payments are at lifting lone mother households out of poverty, we compare the number of lone mothers with EHIs below the poverty threshold before they receive child support and then repeat this after they receive payments. We use the same poverty groupings as before and conduct the analysis only for those who received child support. Table 4 presents the results where the rows show the poverty groups and the columns show the number (and percentage) of households in each group for pre-child-support and post-child-support income. The results suggest that, for those lone mothers who receive payments, child support can reduce the incidence of poverty by 21 percentage points. Fifty-two per cent of mothers were in poverty prior to receiving child support, which was reduced to 31 per cent after receiving payments.

INSERT TABLE 4 ABOUT HERE

**Comparison of Australian and UK analyses**

Having presented the Australian analysis, how does this compare with Skinner and Main’s (2013) UK results? What can we learn from the differences between the two analyses using these country-specific studies? As we have seen for Australia, the poorest lone mothers were most likely to receive child maintenance and to receive the highest amounts, and the vast majority of all mothers who received child maintenance had a formal CSA agreement (85%). This is opposite to the UK where the richest lone mothers were most likely to receive child maintenance payments, and most of those were based on voluntary arrangements (62 %), as only a minority (7%) had CSA arrangements. That said, the lowest income quintile groups in the UK received the same median amount as the highest group (£50 per week), producing a U shape graph. This is opposed to the inverse relationship found in Australia (as incomes rises, child support reduces).

In the UK, 84% of lone mothers were in poverty BHC, rising to 89 per cent after housing costs were taken into account. Whereas, in Australia, only 44 per cent of lone mothers were in poverty BHC, but this rose to 79 per cent when using an AHC measure. This is likely the result of a variety of factors. First, there may be differences in social housing provision across the two countries (for further details see Skinner et al 2016), including the extent to which lone mothers are in private or social housing, and the percentage of income spent on housing as well as the levels of rent assistance and rules on eligibility. While Walter and colleagues (2010) examined the relationship between housing and child support using 2004 Australian HILDA data, further analyses of these relationships are again needed after significant reform that occurred in 2008. Second, the data were collected in different years (2008-09 in the UK and 2011 in Australia). Our intent here was not to conduct a comparative analysis, but apply the methodology of Skinner and Main (2013) to the Australian context. Here, we contrast the policy approaches existing within their specific geographic and historical contexts to explore the implications of the various policy settings across countries. Within the two policy contexts, policy settings at the time of data collection differed. For example, in Australia, poor lone mothers in receipt of social security benefits are compelled to seek child support by the Department of Human Services (2014). Whereas, lone mothers in the UK were no longer compelled to do so following implementation of the *Child Maintenance and Other Payments Act 2008*. Another difference, of course, is the nature of the child support schemes, with Australia operating an income shares model which would be expected to create an inverse relationship as mothers’ income increases. Whereas the UK model applies a fixed percentage of the non-resident parent’s gross income which varies by the number of children the parent has responsibility for.

Comparing the two analytical approaches, the income quintiles provided a finer grained analysis at the lower end of the income scale in both countries. In Australia, this highlighted that whilst the incomes of lone mothers in the two lowest quintiles income groups were well below the poverty threshold, the weekly median amounts of child support received were markedly different (a median value of $150 per week for the lowest quintile compared to just $63 in the second lowest quintile). Whereas in the UK, the median amounts were not much different (varying between just £50 per week and £35 across all quintile income groups) (Skinner and Main 2013). It is not obvious what might account for this difference in Australia between two low income groups, or indeed the differences across countries. Many factors are likely to be involved, including the rules around social assistance entitlements and the calculation of child support payments. For example, at the time the Skinner and Main (2013) data were collected, only the first £20 of the child support money was able to be received without affecting other means-tested benefits. Whereas, in Australia, child support is treated as income for the purpose of calculating Family Tax Benefits and Rent Assistance reducing the value of these benefits once an annual threshold is reached. Another factor is the income shares approach to calculating child maintenance and perhaps other operational rules in the child support schemes (including shared care arrangements).

On the surface at least, it seems the Australian scheme is grossly inequitable at the lower end of the income quintiles given the considerable difference in median amounts yet both groups were classed as in poverty with equivalent incomes below the 60 per cent of the national median. Such differences are important to understand because, in Australia, impoverished lone mothers derived a higher proportion of their total EHI AHC from child support than did impoverished lone mothers in the UK (41 per cent and 20 per cent respectively). As such, poor lone mothers in Australia may be more sensitive to changes to policy, the other parent’s capacity or willingness to pay, or any irregularity in payments. While FTB(A) and Rent Assistance can be re-assessed to take such irregular or absent payments into consideration, such provisions are not initiated by the DHS and are not advertised or well known by parents (Cook et al 2016). These systems have been described in both research and policy reviews as being inadequate, resulting in low income lone mothers often missing out on both child support and increased benefits, as FTB(A) and Rent Assistance typically remain calculated on ‘expected’ child support income unless women undertake significant bureaucratic effort to have payments rectified (Cook et al 2016; House of Representatives Standing Committee on Social Policy and Legal Affairs 2015).

Certainly, when received, child support payments lifted more lone mothers out of poverty in Australia than in the UK (21 per cent compared to 14 percent). It is however hard to take account of all the factors to make the comparisons across countries more meaningful, not least how child support might interact with social assistance schemes. Skinner et al 2016) have attempted to do that by using a model families approach and have produced a comparison of Australia, the UK, the USA and New Zealand. That analysis attempts to take account of the interactions between social security systems and child support systems to give a better comparative account of the poverty reduction effectiveness of child support payments. However, that analysis is limited to the model families used and cannot take account of outcomes in real world cases. More research is needed that can help us understand and measure the discrepant outcomes produced by different child support schemes, particularly for low income groups of lone mothers.

In light of the above, caution should be taken when interpreting these cross-sectional poverty-reduction figures, as these data reference a single point in time with poverty calculated on weekly household income. In reality, lone mother household poverty depends on continued child support compliance over time, which cannot be effectively captured with these cross-sectional HILDA data.

Descriptive analysis also does not enable us to decipher if lone mothers in receipt of child support do so at the expense of receipt of government benefits. For example, as a result of the withdrawal of FTB(A) and Rent Assistance, child support may provide a means to recuperate public expenditures on low-income children in lieu of combating child poverty (Hanewell & Lopoo 2008; Skinner et al 2016). Unfortunately, it is not possible to develop a counterfactual, as the data only allow us to identify what child support and/or government benefits were received, and not the possible benefits lost from receipt of child support.

In addition to government offsets, it is difficult to determine from the HILDA data the level of compliance with child support orders and if the payment amount recorded represents the totality of the child support liability. It is impossible to determine if these amounts mirror lone mothers’ weekly child support payment liabilities.

**Conclusion**

This paper examined the extent to which child support payments reduced the incidence of poverty experienced by Australian lone-mother-headed households. While reducing child poverty was removed as an aim of the Child Support Scheme (Ministerial Taskforce on Child Support 2005), our findings reveal that, when received, child support is an important source of household income and one that plays a key role in reducing the poverty experienced by children living in the poorest lone mother-headed households.

Unlike the UK, where the significant majority of lone mothers were in poverty prior to receiving child support (Skinner & Main 2013), in Australia, just less than half of lone mothers were in poverty prior to child support receipt, and before housing costs were taken into account. However, of these families, 21 per cent of those who received child support were brought out of poverty by these payments. But, while the relatively high rates of receipt in Australia compared to the UK are encouraging, the reductions in lone mother poverty were experienced only by those families in receipt of payments. Thus compliance and enforcement are of equal importance.

This paper has demonstrated the poverty reduction benefit that child support payments provide to children in impoverished lone mother-headed households in Australia and in the UK. However, the policy implications that stem from this finding remain contested in both countries. It seems fruitful to enforce payments in the pursuit of poverty reduction for lone mother families, but this may impoverish paying fathers depending upon the rules that define capacity to pay. Also, for Australia at least, it may reduce public confidence as these payments serve, in part, to reduce government FTB(A) and Rent Assistance expenditure. In the UK, there are concerns that fees imposed on both parents to use the 2012 Child Maintenance Scheme impact negatively (Bryson et al 2013) and we await the government review of the impact of introducing fees into the system.

As such, while our analysis shows the financial value that payments have for recipient families, the moral values that underpin the meaning and purpose of child support renders it an intractable policy problem that cannot easily effectively balance payer, recipient and government’s needs and concerns. How child poverty fares within ongoing policy contestations requires continual examination to keep it at the policy fore.

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Figure 1: Median percentage of total equivalised household income from child support according to pre-child-support income quintile

36%

57%

15.%

25%

14%

18%

11%

15%

7%

8%

20

40

60

0

Median % of EHI from Child support

<$318

$319-$428

$429 - $565

$566-$729

$730-$2144

Median % CS of EHI

Median % CS of EHI AHC

Note: CS refers to weekly child support received and EHI to equivalised household income not including child support and calculated using the OECD equivalence scale. EHI AHC refers to equivalised household income after the deduction of housing costs.

Figure 2: Median percentage of total EHI received from child support across ‘poverty’ income groups, before and after housing costs

28%

41%

12%

16%

6%

8%

0

10

20

30

40

Median % of EHI from Child support

EHI <$462 n=118

$462 - $770 n=84

>$770 n=24

Median % CS of EHI

Median % CS of EHI AHC

Note: CS refers to weekly child support received and EHI to equivalised household income not including child support and calculated using the OECD equivalence scale. EHI AHC refers to equivalised household income after the deduction of housing costs.

Table 1: Characteristics of the sample of lone mothers HILDA 2011

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | Lone mother households | % of total cases | | % lone mothers working 16+ hours per week (n=214) | % of those in receipt of child support  (n=227) |
| *Total sample (n = 396)* | |  |  | | 54.04% | 57.32% |
|  | |  |  | |  |  |
| *Mother’s age* | |  |  | |  |  |
| Under 25 | | 32 | 8.08 | | 3.27 | 7.93 |
| 25-29 | | 48 | 12.12 | | 6.07 | 12.33 |
| 30-34 | | 51 | 12.88 | | 10.28 | 11.45 |
| 35-39 | | 67 | 16.923 | | 16.36 | 18.94 |
| 40-44 | | 92 | 23.23 | | 28.04 | 25.55 |
| 45+ | | 106 | 26.77 | | 35.98 | 23.79 |
|  | | 396 | 100 | | 100 | 100 |
| *Employment status* | |  |  | |  |  |
| Works 30+ hrs/week | | 148 | 37.37 | | 66.16 | 30.39 |
| Works 16-29 hrs | | 66 | 16.66 | | 33.84 | 17.18 |
| Works 1 < 16 hrs | | 48 | 12.12 | | - | 14.09 |
| Not working | | 134 | 33.84 | | - | 38.34 |
|  | | 396 | 100 | | 100 | 100 |
| *Highest educational qualification* | | | | | | |
| Postgrad | | 9 | 2.27 | | 3.74 | 1.76 |
| Grad. Dip./Certificate | | 22 | 5.56 | | 8.88 | 6.17 |
| Bachelors or honours | | 46 | 11.62 | | 16.36 | 11.01 |
| Adv. Diploma/Diploma | | 32 | 8.08 | | 11.21 | 7.93 |
| Cert III or IV | | 109 | 27.53 | | 26.17 | 29.07 |
| Year 12 | | 60 | 15.15 | | 13.55 | 15.42 |
| Year 11 and below | | 118 | 29.80 | | 20.09 | 28.63 |
|  | | 396 | 100 | | 100 | 100 |
| *Number of Children* | | | | | | |
| 1 | | 140 | 35.35 | | 35.98 | 27.75 |
| 2 | | 170 | 42.93 | | 47.66 | 46.70 |
| 3 | | 67 | 16.92 | | 14.02 | 18.94 |
| 4 or more | | 19 | 4.75 | | 2.34 | 6.61 |
|  | | 396 | 100 | | 100 | 100 |
| *Types of child maintenance agreement for only those lone mothers who receive child support (n = 207)* | | | | | | |
| Child support agency | |  |  | | 91.09 | 84.66 |
| Court | |  |  | | 0.99 | 2.27 |
| Other parent privately | |  |  | | 5.94 | 10.80 |
| Respondent | |  |  | | 0.99 | 1.70 |
| Other party | |  |  | | 0.99 | 0.57 |
| Total | |  |  | | 100 | 100 |
| Cont. overleaf | | | | | | |
| Table 1 cont. | | | | | | |
|  | | Lone mother households | % of total cases | | % lone mothers working 16+ hours per week (n=214) | % of those in receipt of child support  (n=227) |
| *Amount of child maintenance payments for those in receipt (per week)*  Mean $132.77  Median $90.92  *Net equivalent weekly household income before housing costs* | | | | | | |
| *(incl. child maintenance income)* | | | | | | |
| Mean | | $621.47 |  | | $752.95 | $616.25 |
| Median | | $581.45 |  | | $698.32 | $574.12 |
|  | | | | | | |
| *Net equivalent weekly household income after housing costs* | | | | | | |
| *(incl. child maintenance income)* | | | | | | |
| Mean | | $457.28 |  | | $569.36 | $450.19 |
| Median | | $426.06 |  | | $519.28 | $419.92 |
|  |  | | |  | |  |

Table 2: Summary of child support payments across pre child support quintiles

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | | | |  |  |
| Total weekly equivalized household income [EHI] quintiles excluding child support | Quintile bands, EHI $ per week | Number in receipt of CS (%) | % of all lone mothers in receipt of CS | % of all lone mothers not in receipt of CS | Median weekly CS payment $ | Mean weekly CS payment $ |
|
| Lowest | <318 | 59 (74.6) | 26 | 12 | 150.00 | 214.76 |
| 2 | 319 - 428 | 48 (60.7) | 21 | 18 | 63.46 | 106.29 |
| 3 | 429 - 565 | 52 (65.82) | 23 | 16 | 77.21 | 101.54 |
| 4 | 566 - 729 | 37 (46.84) | 16 | 25 | 77.50 | 92.40 |
| Highest | 730 - 2144 | 31 (39.74) | 14 | 29 | 69.23 | 118.30 |
| Total |  |  | 100 | 100 |  |  |

Note: each quintile contains approximately 79 cases. Child support values are not equivalised and represent the $ value per household.

Table 3: Summary of child support payments across poverty groups

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Total weekly equivalized household poverty income groups excluding child support | Bands EHI $ per week | Number in receipt of CS (%) | % of all lone mothers in receipt of CS | % of all lone mothers not in receipt of CS | Median weekly CS payment $ | Mean weekly CS payment $ |
|
| Below poverty (n = 175) | <462 | 118 (67.43) | 52 | 34 | 100.00 | 160.41 |
| Above poverty and below median  (n = 151) | 462-770 | 85 (56.29) | 37 | 39 | 77.50 | 99.18 |
| Median and above  (n = 70) | >770 | 24 (34.29) | 11 | 27 | 78.35 | 115.82 |
| Total |  |  | 100 | 100 |  |  |

Table 4: Poverty groupings pre- and post-child-support payments for lone mothers in receipt of child support (n=227)

|  |  |  |  |
| --- | --- | --- | --- |
| Income groups | No. of households in each group before child support payments (%) |  | No. of households in each group after child support payments (%) |
|  |  |  |  |
| Below poverty | 118 (52) |  | 71 (31) |
| Above Poverty and below median | 85 (37) |  | 113 (50) |
| Median and above | 24 (11) |  | 43 (19) |

1. In Australia, the vast majority of children in separated households reside primarily with their mother (Qu et al 2014), and as such, child support payments are typically made by a non-resident father to a resident mother. [↑](#footnote-ref-1)
2. We do not explicitly take account of shared care effects, but this may also explain some of the non-uniform variation across groups with wealthier parents being more likely to share care (Ministerial Taskforce on Child Support 2005; Qu et al 2014). [↑](#footnote-ref-2)