

*Supplementary Information on  
Child Support Agencies in Overseas Countries*

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## EXECUTIVE SUMMARY

1. Australia, New Zealand and the United Kingdom have reviewed the operation of their child support schemes to improve the effectiveness and fairness of the schemes. The reviews have re-affirmed the value of and principles behind the schemes.
2. The choice of factors for a child support assessment formula was found to be contentious since it would be difficult to satisfy the competing interests of all parties. A mechanism for reviewing assessment and seeking departure was found to be essential to a fair and equitable child support system.
3. The reviews found that the governments of the three countries should staff the child support agencies with personnel skilled in human interaction and handling of sensitive and personal issues.
4. It was found in the reviews that the child support agencies could build up clients' trust by providing clients with the names of the staff handling their cases and the progress of their cases.
5. According to the reviews, it would be desirable for various government departments to provide one-stop service for clients obtaining child support, welfare assistance and other services.
6. The reviews reminded the governments the importance of striking a balance between privacy rights of their clients and the need to assess and collect child support.
7. The reviews found that the child support agencies in the three countries possessed similar powers but they differed in the frequency of exercising the powers.
8. The reviews found that all three child support agencies faced problems of assessing liability of and collecting child support from self-employed non-custodial parents.
9. In addition to enforcing child support by the child support agencies, all three countries have in their reviews explored the option of sub-contracting debts to private companies for collection.
10. While increasing enforcement powers of child support agencies may result in more child support being collected, the governments of the three countries considered that it would be more cost-effective if ways could be found to improve voluntary compliance.

# **SUPPLEMENTARY INFORMATION ON CHILD SUPPORT AGENCIES IN OVERSEAS COUNTRIES**

## **PART 1 - INTRODUCTION**

### **1. Background**

1.1 The Research and Library Services Division (RLS) carried out a research on the operation and effectiveness of overseas intermediary bodies responsible for collection and enforcement of maintenance payment at the request of the Home Affairs Panel. The paper entitled "Child Support Agencies in Overseas Countries" (RP04/98-99) was submitted to the Panel on 14 December 1998. During the meeting, members requested further information on whether the respective child support agencies had reviewed their schemes. Members would like to know the areas requiring improvements identified in the reviews.

### **2. Objective and Scope**

2.1 The objective of the research is to provide supplementary information to an earlier paper, "Child Support Agencies in Overseas Countries" (RP04/98-99).

2.2 This paper highlights the main areas covered in the reviews of the child support schemes in four overseas countries, namely Australia, New Zealand, the United Kingdom (UK) and the United States (US). Details of the operation and effectiveness of the child support schemes in these four countries are found in RP04/98-99.

### **3. Methodology**

3.1 Letters were sent to Australia, New Zealand, the UK and the US to obtain information. Reference was also made to audit reports, parliamentary committee reports and parliamentary debates of the four countries to supplement information concerning the reviews.

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## PART 2 - REVIEW ON THE CHILD SUPPORT SCHEMES

### 4. Review of the Child Support Schemes

4.1 The establishment of a child support scheme administered by a dedicated agency has significant social implications on society. It involves shifting the responsibility for providing financial support for children of single-parent families from taxpayers back to parents. In this process, some non-custodial parents are reluctant to take up the responsibility and would not pay for child support. In addition, the process of establishing child support liability which involves revelation of personal information such as income and asset is considered intrusive by some parents. The countries under study have conducted reviews on the child support schemes with a view to reducing their intrusiveness and to improving the effectiveness and fairness in the determination and collection of child support.

**Table 1 - Number and Time of Review**

	Number of review	Time of review	Year of establishment
US	not applicable	*	1975
Australia	1	1993	1988
New Zealand	3	1993, 1994, 1998	1992
UK	1	1998	1993

Remarks: \* Please refer to the major legislative changes in Appendix I.

Sources : Australian Department of Family and Community Services  
New Zealand Inland Revenue Department  
UK Child Support Agency  
US Office of Child Support Enforcement Office

4.2 The US has not conducted any overall review on the child support scheme since its establishment in 1975. However, there have been many legislative changes which aim to improve enforcement of child support. The cumulative effect of these changes is considerable. A list of legislative highlights is attached in Appendix I for reference. In addition, the US Office of Child Support Enforcement (OCSE) regularly compiles practices of its child support agencies to enable states to share experience in administering and enforcing the child support scheme. A list of the latest best practices is attached in Appendix II for reference.

4.3 Australia has made one major review since its child support agency came into operation in 1988. The Parliamentary Joint Select Committee on Certain Family Law Issues conducted a comprehensive review of the child support scheme in 1994 and made 163 recommendations to the government to improve the scheme. The Australian government has accepted most of the recommendations and has implemented measures that would improve the scheme's flexibility and provide greater equity between payers (non-custodial parents) and payees (custodial parents).

4.4 New Zealand has made three reviews since the establishment of its child support agency in 1992. New Zealand conducted its first internal review in 1993 and as a result, an administrative review process was introduced in July 1994. The second was an external review carried out in 1994 by a working party (the Child Support Review 1994 Working Party). The third was an internal review carried out in early 1998. It identified measures that would improve the administration of the Child Support Act 1991 and has resulted in the introduction of the Child Support Amendment Bill (No.5) in November 1998. Some measures in the bill were built on recommendations from the 1994 review. Most of the recommendations in the three reviews were accepted by the government .

4.5 The UK government issued a Green Paper entitled "Children First: A New Approach to Child Support" in July 1998 as a result of review on its child support scheme. The proposals in the Green Paper aim to introduce a more efficient and effective child support service. Public consultation ended on 30 November 1998 and the UK government is considering the public comments received.

## 5. Overall Evaluation of the Child Support Schemes

### Re-affirming the Value of the Child Support Schemes

5.1 The reviews conducted by Australia, New Zealand and the UK have re-affirmed the value of and principles behind the child support schemes. While all three countries identified weaknesses in their child support schemes, none of them would want to dismantle the schemes and revert to a court-based system. The UK government spelt out this point in its Green Paper, "Children First: A New Approach to Child Support"<sup>1</sup>:

"In any event we see no reason to suppose that a court-based system could avoid the problems that were apparent before 1993. The amounts of maintenance (child support) awarded by the courts varied widely for fathers in very similar circumstances.....Using the courts was very costly and took much longer than desirable. There is also a significant question as to whether the courts could cope with the growing number of maintenance applications and the need for constant review."

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<sup>1</sup> Page 32, Children First: A New Approach to Child Support, Department of Social Security

5.2 Both New Zealand and Australia considered their current child support schemes an improvement over the previous court-based system. The Joint Select Committee on Certain Family Law Issues of the Australian Parliament said, “One of the most successful aspects of the (child support) scheme has been the shift in community attitude it has engineered through enforcing the collection of child support, thereby ensuring parents take responsibility for the support of their children.”

## **6. Main Areas of Recommendations**

6.1 The reviews conducted by the three countries were concerned with similar issues such as adequacy or complexity of the formula for assessing child support liability; the assessment base for child support and the amount of living allowance for non-custodial parents etc. The reviews came up with a range of recommendations mainly aimed at improving the efficiency and fairness of the schemes.

### Formula-related Recommendations

#### *Factors in Assessment Formula*

6.2 As it is not possible to have a child support assessment formula which will satisfy the competing interests of all parties concerned, the formulae of the three countries are similarly considered to be inadequate in the course of the reviews. For example, a number of submissions to the Child Support Review 1994 Working Party of New Zealand criticized the omission of the custodial parent’s income from the formula. This was perceived by some non-custodial parents as unfair and inequitable especially where the custodial parent was earning a higher income than the non-custodial parent.

6.3 Taxable income is used as the basis for child support calculation in Australia and New Zealand. This had caused dissatisfaction amongst custodial parents who considered it possible for non-custodial parents to manipulate their taxable income. The Joint Select Committee on Certain Family Law Issues of the Australian Parliament and the Child Support Review 1994 Working Party of New Zealand recommended that the income base should be broadened to include items other than taxable income such as fringe benefits and ‘tax free’ income from trust and overseas income etc. (Table 2).

6.4 However, the inclusion of too many factors in a formula would inevitably increase the complexity of the formula. Experience in the UK has shown that a complex formula is difficult to administer and creates immense problems. The UK government in its Green Paper, “Children First: A New Approach to Child Support”, considered that the assessment formula needed major reform to provide a simple, transparent and prompt assessment of child support liability (Table 2).

6.5 One of the recommendations of the reviews in New Zealand and Australia was that the government should conduct research on the costs of raising children to facilitate future evaluation of the formula.

#### *Establishment of Review Mechanism*

6.6 A mechanism for reviewing assessment and for seeking departure from the formula was found to be essential to a fair and equitable system. According to the Child Support Review 1994 Working Party of New Zealand, “the use of a simple formula to assess the amount of child support payable covers the majority of situations, but some anomalies which are not just and equitable for the child, the custodial parent and the non-custodial parent will inevitably arise. It is important that there be an effective review process available to custodial and non-custodial parents to enable them to obtain relief where an unjust and inequitable assessment results from the strict application of the formula.”

6.7 The Joint Select Committee on Certain Family Law Issues of the Australian Parliament also regarded it important for the child support agency to establish an internal review procedure to enable a custodial or non-custodial parent to lodge an objection to any administrative decision, including legal interpretations, made by the child support agency. The Joint Select Committee considered that a proper internal review process would act as a buffer between the initial decision maker and any external review and would reinforce the need for care and accountability at a primary decision making level.

6.8 Table 2 shows that the reviews in Australia and New Zealand recommended the establishment of an internal review mechanism to improve perception of fairness, equity and accountability of the respective child support agencies. However, the UK government considers that an independent tribunal would be more appropriate for parents to air their grievances.

**Table 2 - Recommendations Relating to Formula Assessment**

Country	Recommendations relating to formula assessment
Australia	<ul style="list-style-type: none"> <li>• broaden assessment base to include employer-provided fringe benefits and foreign income etc.</li> <li>• impose a minimum child support on non-custodial parents</li> <li>• raise the non-custodial parents' disregarded income level by 10%</li> <li>• lower the custodial parents' basic disregarded income level</li> <li>• research into the costs of child-rearing</li> <li>• introduce an internal review mechanism</li> </ul>
New Zealand	<ul style="list-style-type: none"> <li>• include overseas taxable income in assessment formula</li> <li>• replace taxable income with 'income, earning capacity, property and financial resources' as the assessment base</li> <li>• exempt long-term hospital patients, persons in residential care and prison inmates from paying child support</li> <li>• research into child-rearing costs</li> <li>• introduce an administrative review system</li> </ul>
UK	<ul style="list-style-type: none"> <li>• introduce a new assessment formula which bases calculation on a percentage of the non-custodial parents' income</li> <li>• change the definition of 'income'</li> <li>• use the most recent year's taxable profit as assessment base for the self-employed non-custodial parents</li> <li>• introduce a flat minimum amount of child support for those non-custodial parents earning less than £100 or less per week</li> <li>• introduce an independent tribunal to review assessment</li> </ul>

## Sources:

1. Australian Department of Family and Community Services, *Measures to Reform the Child Support Scheme*, 30 September 1997
2. Australian Department of Social Security, Australian Taxation Office Child Support Agency and Attorney General's Department, *Government Response to the Report of the Joint Select Committee on Certain Family Law Issues*, November 1997
3. New Zealand Inland Revenue, *Child Support Amendment Bill (No.5) : Commentary on the Bill*, 24 November 1998
4. New Zealand Child Support Working Party, *Child Support Review 1994 : Report of the Working Party*, 8 November 1994
5. UK Department of Social Security, *Children First : A New Approach to Child Support*, July 1998 (cm 3992)

## Recommendations Relating to Administration of Child Support Schemes

### *Personnel Skilled in Handling Personal Affairs of Clients*

6.9 For the three countries under study, the way the child support agencies administer the schemes has been a major area that attracts complaints from parents. This is partly due to the fact that the governments of the three countries did not envisage that the work of the agencies would involve extensive contact with clients. They had not provided the agencies with personnel skilled in human interaction and handling of sensitive and personal issues. The procedures of the agencies also needed to be revised to avoid causing any unpleasant feelings to their clients.

6.10 The UK government highlighted in its Green Paper, “Children First: A New Approach to Child Support”, the very difficult task that the child support agency had to perform in attempting to resolve disputes between parties who were sometimes very hostile to each other. The UK government considered it important “to ensure that the procedures of the agency do not add to any existing ill feeling”.

6.11 The Joint Select Committee on Certain Family Law Issues of the Australian Parliament criticized the Australian Taxation Office (ATO) for not considering the child support agency as having any role in the personal problems faced by its clients. The ATO had staffed the child support agency on the basis that it would have minimal contact with its clients. In practice, however, the child support agency was found to have, and would be required to have, extensive client contact.

6.12 According to the Child Support Review 1994 Working Party of New Zealand, the development of both the child support scheme and the agency was “undertaken without sufficient regard to the intensely complex nature of human relationships and the stresses and tensions inherent in the aftermath of a relationship breakdown.” The Working Party was of the opinion that if all agency staff possessed the right skills and were allowed sufficient time to deal sensitively with emotional issues of their customers, the root cause of the majority of the complaints about administration would be removed and the level of complaints would drop significantly.

6.13 Table 3 shows that the reviews in Australia, New Zealand and the UK all recommended their child support agencies to increase training on interpersonal skills and sensitivity to the needs and emotion of clients.

**Table 3 - Recommendations on Administration of Child Support Schemes**

Country	Major recommendations on administration
Australia	<ul style="list-style-type: none"> <li>• simplify legislation by re-drafting legislation in plain English etc.</li> <li>• increase training on understanding of clients' needs</li> <li>• introduce dedicated case officers with assigned responsibility and accountability for individual clients</li> <li>• facilitate single application for mutual clients of government departments</li> <li>• introduce mediation</li> <li>• suppress names and dates of birth of relevant dependent children on notices of assessment</li> </ul>
New Zealand	<ul style="list-style-type: none"> <li>• re-draft the Child Support Act 1991 in plain English</li> <li>• review job design so that staff understand that they need to deal with emotionally complex issues</li> <li>• provide effective training in interpersonal skills</li> <li>• establish an effective specialized child support complaints and problem-solving system</li> <li>• revise the computer system to better meet the daily information needs of customers and front-line staff</li> <li>• amend the Child Support Act 1991 to enable a parent to gain access to the other parent's income and payment details</li> </ul>
UK	<ul style="list-style-type: none"> <li>• provide customers with named contacts and direct telephone lines</li> <li>• extend office hours</li> <li>• introduce a system to deal with applications for child support and other social security benefits in one go</li> <li>• clear backlog of cases by April 1999</li> </ul>

## Sources:

1. Australian Department of Family and Community Services, *Measures to Reform the Child Support Scheme*, 30 September 1997
2. Australian Department of Social Security, Australian Taxation Office Child Support Agency and Attorney General's Department, *Government Response to the Report of the Joint Select Committee on Certain Family Law Issues*, November 1997
3. New Zealand Inland Revenue, *Child Support Amendment Bill (No.5) : Commentary on the Bill*, 24 November 1998
4. New Zealand Child Support Working Party, *Child Support Review 1994 : Report of the Working Party*, 8 November 1994
5. UK Department of Social Security, *Children First : A New Approach to Child Support*, July 1998 (cm 3992)

### *Building Up Trust*

6.14 The reviews found that it was necessary to build up clients' trust towards the child support agencies. This can be achieved by giving them information such as the names of staff handling their cases and the progress of their cases etc. (Table 3).

6.15 The Joint Select Committee on Certain Family Law Issues of the Australian Parliament found that "many child support agency clients are frustrated by the fact that they cannot obtain the name of a child support agency staff member who has given them information. It is a common perception among clients of the child support agency that staff refuse to identify themselves during telephone calls to avoid responsibility for the advice they give."

6.16 The Australian government has decided to introduce a team approach in taking care of identifiable group of clients. The government considered that the proposed approach would provide responsive and robust client service where all members of the team are available to attend to their clients' needs as they arise. The service will not be dependent on the availability of an individual case officer.

6.17 In improving the customer services of the child support agency, the UK government undertook in the Green Paper, "Children First: A New Approach to Child Support", to offer both custodial and non-custodial parents face-to-face interviews with a named member of staff .

6.18 The reviews found that parents would also be frustrated if they could not get updated information on the progress of their cases. For example, the UK government found that parents would need information about their child support liability or entitlement to enable them to plan their finances.

6.19 The reviews in both Australia and New Zealand found that information should be provided in a user-friendly manner which explains the rights and obligations of parents under the child support schemes. In particular, parents should be informed of their rights of objection and review, what they should do if they re-marry, change jobs or have a new child from another relationship.

### *One-stop Service*

6.20 The reviews also found it desirable for the various government departments to co-ordinate among themselves to offer one-stop service for clients obtaining child support, welfare assistance and other services. This helps to avoid the need for parents to re-visit their trauma every time they apply for a service.

6.21 The UK government said in its Green Paper, “Children First: A New Approach to Child Support”, that child support should be treated as a vital part of a range of financial support for single-parent families. It considered that child support should be one element of an integrated welfare service instead of being treated as a completely separate item handled by one of the many agencies that single-parents approached. The reviews in both the UK and Australia recommended the introduction of a system which would enable clients to make one application for different services (Table 3).

### *Privacy*

6.22 The reviews also reminded the governments the importance of striking a balance between privacy rights of their clients and the need to assess and collect child support.

6.23 The UK government in its Green Paper, “Children First: A New Approach to Child Support” admitted that “the process of establishing child support liability and entitlement is intrusive. It raises questions of personal privacy. The question is how far the privacy of individual parents should be respected when the welfare of the child is at stake, and how much information should one parent be entitled to receive about the other where that knowledge affects decisions regarding the best interests of the child.”.

6.24 The Privacy Commissioner in Australia in its submission to the Joint Select Committee on Certain Family Law Issues of the Australian Parliament expressed concerns about potential breaches of the Privacy Act 1988 by the child support agency. The Joint Select Committee recommended the government to introduce measures to protect privacy of clients. In addition, the Australian government also proposed to introduce mediation services to clients in 1998. It is expected that mediation will provide a successful and cost-effective method of enabling parents to agree on effective and stable arrangements for child support so that they have no or minimal involvement with the child support agency. This measure in turn would reduce the problem of potential privacy breaches faced by the child support agency.

### Recommendations Relating to Enforcement of Child Support

6.25 The enforcement of child support is a constant topic for review as all the child support agencies would like to improve the effectiveness of their work. The reviews found that the three child support agencies had similar powers but they may differ in the frequency of exercising their powers.

*Information Matching*

6.26 Information concerning non-custodial parents such as their sources of income, asset and their addresses is necessary for enforcing child support. Power to access such information would facilitate the implementation of measures such as direct deduction of income and legal action etc.

6.27 The Joint Select Committee on Certain Family Law Issues of the Australian Parliament found that the child support agency had under-utilized the information and expertise available to it by virtue of it being part of the ATO. “The Joint Select Committee finds this to be extremely disappointing especially since the ability of the child support agency to draw upon the ATO’s information and collection expertise were two of the prime reasons for locating the child support agency within the ATO. This lack of ATO support for fundamental administrative requirements of the child support agency has also seriously undermined the effectiveness of the child support agency’s operations.”

6.28 The UK government on the other hand wants to amend the current legislation to widen the child support agency’s access to essential information collected by other agencies such as the Inland Revenue.

**Table 4 - Recommendations on Enforcement of Child Support**

Country	Major recommendations on enforcement
Australia	<ul style="list-style-type: none"> <li>• report child support debts owed by non-custodial parents to credit reference bureaux</li> <li>• refer difficult cases to private collection agencies</li> <li>• give Registrar of the child support agency discretion to impose late payment penalty</li> <li>• increase choice regarding the form of child support payment e.g. school fees, child care costs and essential medical items</li> </ul>
New Zealand	<ul style="list-style-type: none"> <li>• sub-contract debts to companies in the private sector</li> <li>• provide the child support agency with greater discretion to write-off penalties</li> </ul>
UK	<ul style="list-style-type: none"> <li>• use income information held by Inland Revenue on self-employed non-custodial parents for assessment</li> <li>• establish special task force to collect child support from self-employed non-custodial parents</li> </ul>

## Sources:

1. Australian Department of Family and Community Services, *Measures to Reform the Child Support Scheme*, 30 September 1997
2. Australian Department of Social Security, Australian Taxation Office Child Support Agency and Attorney General's Department, *Government Response to the Report of the Joint Select Committee on Certain Family Law Issues*, November 1997
3. New Zealand Inland Revenue, *Child Support Amendment Bill (No.5) : Commentary on the Bill*, 24 November 1998
4. New Zealand Child Support Working Party, *Child Support Review 1994 : Report of the Working Party*, 8 November 1994
5. UK Department of Social Security, *Children First : A New Approach to Child Support*, July 1998 (cm 3992)

*Self-employed Non-custodial Parents*

6.29 The reviews found that the child support agencies in all the three countries faced problems of assessing liability of and collecting child support from non-custodial parents who were self-employed.

6.30 The UK government also faced the problem of assessing child support liability of self-employed non-custodial parents who were unwilling to provide information on their sources of income. There was a recommendation that income information on self-employed non-custodial parents held by the Inland Revenue should be used for child support assessment.

6.31 It was also found that a high percentage of the self-employed non-custodial parents in the UK were not paying full child support. The UK government set up a special task force to deal more actively with the self-employed. As the task force's techniques had proved to be successful, the UK government proposed to extend the task force to the whole country.

6.32 There was also widespread concern in Australia that the child support agency had been unable to enforce child support debts where non-custodial parents were self-employed or able to shift their income and assets to other entities. The Joint Select Committee on Certain Family Law Issues of the Australian Parliament considered that informing credit reference bureaux of the child support debts should encourage compliance in these circumstances.

#### *Sub-contracting Debts to Private Companies*

6.33 In addition to enforcing child support by staff of the child support agencies, all three countries have in their reviews explored the option of sub-contracting the collection of debts to private companies.

6.34 The child support agency in New Zealand has conducted a trial to sub-contract collection of old debts to a company in the private sector. The trial demonstrated that the contractor was especially effective for collecting child support from the self-employed non-custodial parents. The child support agency has continued to sub-contract debt collection to the contractor.

6.35 The Joint Select Committee on Certain Family Law Issues of the Australian Parliament suggested that the government refer difficult cases to private collection agencies as a means of improving the efficiency of the child support agency. The child support agency would monitor the privatization of child support activities in the United States and New Zealand before making decision on the proposal.

6.36 While the UK government was conscious of the techniques, expertise and potential assistance from the private sector in the area of debt management and debt collection, it had not recommended the measures in its Green Paper owing to a number of practical issues. The UK Green Paper said one of the practical issues was that under the current system, the debt of the child support agency was very rarely clean debt since there was often a genuine dispute over what amount should be paid due to problems related to assessment.

### *Voluntary Compliance*

6.37 While increasing enforcement powers of child support agencies may result in more child support being collected, it would be more cost-effective if ways could be found to improve voluntary compliance.

6.38 While late payment penalties can be a mechanism used by a child support agency to give weight to its enforcement procedures, New Zealand considered that penalizing a compliant non-custodial parent for a small failure may be counter-productive and may actually reduce voluntary compliance. New Zealand thus proposed to give the child support agency greater flexibility in writing off penalties to encourage voluntary compliance.

6.39 Similarly, Australia would like to encourage greater voluntary compliance. It proposed to give discretion to the Registrar of the child support agency to decide when late payment penalties should be imposed on non-custodial parents.

## **7. Summary**

7.1 Child support is not an individual issue faced by a particular place or country but by many countries all over the world. In designing a fair and efficient child support system, it is important to learn from the experience of existing systems so to avoid facing the same difficulties the other countries have had.

7.2 However, it is equally important that the design of a child support system should cater for the specific problems encountered by a particular place or country. The difference in societal values, social and economic circumstances, extent of child support problems and acceptance of a particular scheme should be taken into account in designing a child support scheme.

7.3 It should also be noted that the role of child support agency may change according to the needs and culture of society. The involvement of the government can be reduced when most people in the society accept that parents instead of taxpayers should take care of their children financially. The Australian government has expressed the wish to reduce the role of its child support agency as the child support scheme becomes more mature. From 1 July 1999 onwards, parents may be required to undertake private collection of child support when the child support agency is satisfied that regular child support payments will continue. This arrangement will not alter the amount of child support payable but will result in less government intrusion in parents' lives as more separated parents take on the responsibility for supporting their children. Where private collection is not successful, the child support agency will operate as a safety net and recommence collection for the parents.

## **Appendix I**

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## **Legislation Relating to Child Support Enforcement in the US and Subsequent Amendments**

### **1975**

Public Law (P.L.) 93-647, the Social Services Amendments of 1974, created Title IV-D of the Social Security Act - the Child Support Enforcement programme.

### **1976**

P.L. 94-566 required state employment agencies to provide non-custodial parents' addresses to state child support agencies.

### **1977**

P.L. 95-30 amended the provisions of the Social Security Act relating to the garnishment of a federal employee's wages for child support.

### **1980**

P.L. 86-265, the Social Security Disability Amendments of 1980 provided state and local child support agencies access to wage information held by the Social Security Administration and state employment agencies for establishing and enforcing child support obligations.

### **1981**

P.L. 97-35, the Omnibus Reconciliation Act of 1981, made five amendments to the Social Security Act. Under the amendment, Internal Revenue Service was authorized to withhold all or a part of an individual's federal income tax refunds for collection of delinquent child support obligations. In addition, child support obligations assigned to the state would no longer be discharged in bankruptcy proceedings. The law also imposed on states a requirement to withhold unemployment benefits of those custodial parents who defaulted on child support payments.

### **1984**

P.L. 98-378, the Child Support Enforcement Amendment of 1984, required states to adopt the following measures : mandatory income withholding, expedited processes for establishing and enforcing support orders, state income tax refund interceptions and liens against real and personal property; and reporting support delinquency to credit reference agencies.

### **1988**

P.L. 100-485, the Family Support Act of 1988 made many changes to the child support programme such as requiring immediate wage withholding for child support orders issued or modified on or after November 1, 1990; mandating the use of child support guidelines by judges and other judicial decision makers; requiring review and adjustment of orders; setting programme standards and time-frames; and requiring states to develop automated systems for administering the child support programmes.

### **1990**

P.L. 101-508, the Omnibus Budget Reconciliation Act of 1990, permanently extended the federal provision that allows states to ask the Internal Revenue Service to deduct child support arrears of at least US\$500 from tax refunds to non-custodial parents.

### **1992**

P.L. 102-521, the Child Support Recovery Act of 1992, imposed a federal criminal penalty for the wilful failure to pay a past-due child support obligation with respect to a child who resides in another state that has remained unpaid for longer than a year or is greater than US\$5,000.

P.L. 102-537, the Ted Weiss Child Support Enforcement Act of 1992, amended the Fair Credit Reporting Act to require consumer credit reference agencies to include in any consumer report information on child support delinquencies provided by or verified by state or local child support agencies, which antedates the report by 7 years.

### **1993**

P.L.103-66, the Omnibus Reconciliation Act of 1993, made important changes to paternity establishment. States are required to have simple civil processes for paternity establishment, including hospital-based programmes. Insurers are prohibited from discriminating against children because they are born out-of-wedlock.

### **1994**

P.L. 103-394, the Bankruptcy Reform Act of 1994, protected child support from being discharged in bankruptcy. It also provided protection against trustee avoidance, facilitates access to bankruptcy proceedings, and assigns child support a priority for collecting claims from debtors.

### **1996**

P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (welfare reform) established a Federal Case Registry and National Directory of New Hires to track delinquent parents. It also required employers to report all new hires to state agencies for transmission to the National Directory of New Hires.

The new law required states to establish central registries of child support orders and centralized collection and disbursement units. It also required expedited state procedures for child support enforcement.

Under the new law, states can implement tough child support enforcement techniques such as withholding wages, seizing assets, and revoking driving and professional licences of those parents who owe child support.

Source: <http://www.acf.dhhs.gov/programs/cse/rpt>

## Appendix II

### **State Best Practices in Child Support Enforcement in the US**

The US Office of Child Support Enforcement regularly compiles a compendium of state best practices in child support enforcement to help states to identify and share tools that child support workers have used successfully. The fourth edition of the state best practices was issued in 1998. The compendium features ideas on programme functions, techniques, and management that are considered as effective or innovative. Some of the latest best practices are given below for reference.

#### **Alaska - Reaching Out to Native Americans**

In 1997, Alaska sent staff to the far reaches of the state to hold town meetings with communities of native Americans. The staff at the town meetings were able to answer questions about child support for those who were not used to communicate by telephones or computers.

#### **Alaska - Limited Entry Permits and Individual Fishing Quotas**

Many self-employed Alaskans are fisherman who can earn large sums of money but can be hard to pin down for child support payments. Their ability to fish legally, however, requires Limited Entry Permits and Individual Fishing Quotas, which are subject to liens. The government is able to collect child support by restricting permits and quotas to those who have defaulted on payments.

#### **Colorado - Attaching Workers' Compensation Benefits**

In 1994, Colorado's child support agency was authorized by statute to attach workers' compensation benefits for all non-custodial parents (except those who receive permanent partial disability benefits). An automated tape match is used to obtain the names of non-custodial parents who have applied for workers' compensation benefits and who also owe child support. Matches generate a Notice of Administrative Lien and Attachment, which requires the insurance agencies or the child support agency to withhold the non-custodial parents' cash benefits until all outstanding child support is satisfied. The automated match was implemented in April 1995 and generated US\$1.4 million in child support payments through June 1997.

### **Delaware - One-stop Shopping**

In 1996, Delaware began to provide “one-stop shopping” at state service centres. The project streamlined the application of paternity establishment and other services by putting child support workers and welfare programme workers in the same offices and provide cross-training to the two types of workers.

### **Florida - Administrative Enforcement Letters**

Since June 1996, Florida used enforcement letters to non-custodial parents who are delinquent in child support payments. Such a letter advises him/her of the delinquency, proposes a date to discuss the case, and highlights the fact that failure to comply may result in loss of driving licence etc. If an agreement cannot be reached by discussion, the case may be referred to the court. Action to suspend driving licence may also be initiated.

### **Guam - Treble Damages for the Self-employed**

Starting in 1996, the Guam courts began to treat self-employed persons as employers, which permits the courts to assess treble damages. This sanction has been very effective at ensuring prompt payments of child support and compliance with other court orders.

### **Illinois - Automated Mail to Pregnant Unwed Mothers**

Since July 1996, the Illinois child support agency began automated mail to unwed mothers. A letter together with a voluntary paternity acknowledgement form and information sheet on child support aim to help mothers to plan ahead and to apply for public assistance.

### **Maryland - Amendments to Driving Licence Suspensions**

In 1997, the Maryland amended the state law authorizing the suspension of a person’s driving licence if the person was 60 or more days out of compliance with his or her most recent court order. The driving licence can be reinstated by paying child support arrears in full.

### **Massachusetts - New Hire Reporting via Internet**

In 1997, Massachusetts introduced a secure way for employers to report new hires over the Internet. More than 1 500 employers have registered to report new hires using this option and more than 5 000 new hires were reported by this method in the first six months of operation. When the employer submits the new hire information, a confirmation notice is e-mailed back to the employer.

### **Minnesota - Interactive Video-conferencing**

Since 1996, Minnesota has used video-conferencing to improve processing time and to obtain better and more complete information about non-custodial parents from applicants for public assistance. The two-way voice and video links between the child support office and welfare office permits joint interviews with families seeking assistance.

### **Missouri - Mediation Achieving Results for Children**

A group of Missouri judges, mediators and attorneys have got together to offer parents up to three hours of free mediation services to work out agreements on custody, child support, visit and other issues in a safe environment. The group believes that children are best served when their parents resolve concerns through an agreement rather than by litigation.

### **New York - Child Support/Tax Partnership**

In 1996, the laws of New York were amended to establish a partnership between the Office of Child Support Enforcement and the Department of Taxation and Finance for the enforcement of child support. Non-custodial parents delinquent for four months or more in their child support payments would be sent a series of warning notices. When the notice period lapses without appropriate resolution, the child support file would be electronically matched with all the tax files in the state. Tracing of non-custodial parents would begin, warrants would be issued and field collection units would make home and business visits to seize personal and real property. The new partnership has increased child support collection by US\$1 million a month since mid-1997.

### **Virginia - Limited One-Time Amnesty**

In June 1997, the Virginia Division of Child Support Enforcement issued notices to 57 000 delinquent non-custodial parents to offer them a limited, one-time amnesty. If the delinquent parent promptly contacted the child support office and arranged a payment plan, the case would not be referred to the court. If the delinquent parent did not contact the child support office, they would face jail sentence. As of October 1997, a total of US\$6.65 million were received from more than 11 000 delinquent parents. After the deadline, 107 delinquent parents were arrested and 1 885 summonses served.

### **Virginia - Ten Most Wanted And US Attorney Referrals**

Virginia's child support agency issued to the media and to child support offices nationwide Ten Most Wanted list of non-custodial parents who have defaulted on child support payment. The agency has improved their results by referring persons on the Ten Most Wanted list to the US Attorney for prosecution. The US Attorney, with the resources of the FBI and the US Marshals, successfully prosecuted three parents who were on Virginia's Ten Most Wanted list and located another parent who was returned to Virginia to face charges.

### **Washington - Address Confidentiality Programme**

Since 1991, Washington has established a programme to help victims of domestic violence to keep their addresses confidential. Under the programme, the child support agency serves as a mail sorting and forwarding agency. The programme provides battered women with a substitute address which has no correlation to their actual addresses and with identification cards using the substitute addresses. The programme is generally prohibited from releasing any information about participants, except in case of criminal proceedings.

Sources : <http://www.acf.dhhs.gov/programs/cse/rpt/bpenf98.htm>  
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