



## A safer and more effective child support system

The Albanese Government is investing **\$182.6 million** in the 2026-27 Budget to make the child support system safer and to help more children get the support they are owed.

In the 2025 election, the Government committed to closing loopholes which enable financial abuse and coercion in Commonwealth systems. This reform package responds across the child support system, with measures to improve processes from **assessment** through to **payment** and **compliance**.

While the child support system works well for most families, we know that too many parents are paying their child support late, or not at all, leaving children without the support they need.

These historic reforms will help prevent the weaponisation of the child support system and protect parents and children from financial abuse.

This investment builds on the Government's **more than \$4.4 billion** investment to tackle family, domestic and sexual violence.

### Protecting families from family and domestic violence in the child support system

An investment of **\$13.6 million** will improve the child support application process and fund the introduction of a Collection Arrangement Guidance Tool from 1 January 2028. This tool will provide information to parents to make informed decisions about their child support arrangements.

A further **\$64.9 million** will provide greater protections for parents in private arrangements and create a new pathway so that either parent can move from private child support arrangements to Agency Collect (the government system), if they choose to. These changes will start on 1 July 2027. They will make it easier to collect child support and reduce the risk of pressure, coercion or conflict between former partners.

From **1 July 2027** a parent switching to Agency Collect will be able to collect more of the child support debt that is owed to them. The extra support will help them recover any child support debts raised in the previous 3 months, or 9 months in special circumstances. This means newly raised historic debts, including newly raised debts that arise from payers lodging outstanding tax returns for previous years, can be transferred to Agency Collect for debt recovery.





Recovery of Family Tax Benefit debts for those in Private Collect arrangements caused by reassessments of child support will be paused for 3 months after debts are raised. This will give parents the opportunity to consider their options and take appropriate action: pursue the extra child support from the paying parent, request to move to Agency Collect and ask to have outstanding child support recovered by the Government, or apply for an exemption from the [Maintenance Action Test](#).

A **\$9.7 million** commitment will improve online services and communications so separated parents understand what they need to do to meet the Maintenance Action Test. Parents who cannot apply for child support due to safety concerns will receive more outreach to help them seek an exemption where appropriate. Parents will receive more support and information. This will benefit thousands of children each year whose parents might otherwise receive less Family Tax Benefit because they had not applied for child support or received an exemption.



## Tackling weaponisation of child support

With an investment of **\$10.0 million**, the existing change of assessment and objections processes will be updated to end the mandatory requirement for the Open Exchange of Information from **1 July 2027**. This change will mean Services Australia can summarise or redact sensitive information before it is provided to both parties. A further **\$3.6 million** will ensure that when Services Australia identifies instances of system abuse, they have the power to put a stop to it. From **1 July 2027**, the Child Support Registrar will be able to refuse certain applications and notifications, where they are made for the purpose of harassing the other parent.

From **1 July 2026, \$6.1 million** additional funding will support the Australian Taxation Office (ATO) to prosecute parents who repeatedly fail to submit their tax returns to distort the amount of child support they pay. This will ensure more children receive what they are entitled to and receive it sooner.

A further **\$12.4 million** will improve Single Touch Payroll income data sharing between Services Australia and the ATO. This will improve the agencies ability to check the accuracy of income estimates when they are lodged and flag when parents' income changes. About half of the 70,000 income estimates lodged by parents each year are incorrect.



## More reliable and regular collection arrangements

An investment of **\$39.6 million** will improve the child support system employers engage with and the Government will then work to significantly increase employer withholding rates for participants in Agency Collect arrangements, so that employer withholding is used in every case where it is appropriate.

New child support payers using Agency Collect and payers with existing debt will have child support collected directly from their wages through employer withholding, in the same way as PAYG tax and superannuation contributions, with exemptions available in certain circumstances. This will improve payment rates and help ensure the correct payments are made, on time, to support children.

Changes will also be made to better align payment of child support with parents' pay days. This will mean payments collected by employers will be more frequent and predictable, helping single parent families manage the costs of raising a child.

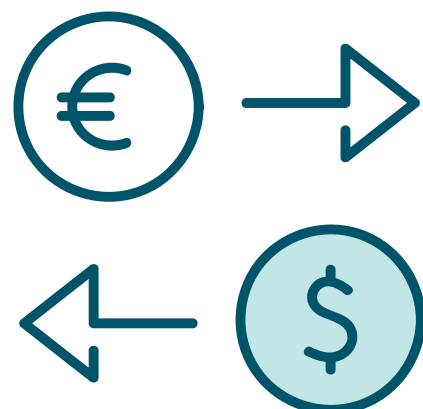
To ensure employers are supported, Services Australia will work with business representatives to design and deliver an improved online service, making it easier for employers to report on payments they have deducted. These improvements will mean less manual processing and less time for employers on the phone with Services Australia.

Enforcement of child support debts will also be strengthened, by stopping people with large child support debts from travelling overseas until they have paid their debt or entered into arrangements to do so. An investment of **\$18.4 million** will mean Departure Prohibition Orders are issued to anyone with a child support debt of \$10,000 or more who has travelled overseas more than once in the past two years.

## Better child support arrangements for parents living overseas

An investment of **\$4.1 million** will make child support arrangements easier across international borders. This will improve the system for around **34,000 overseas child support cases**.

From **1 July 2027**, these changes include regular updates to foreign currency exchange rates and enabling parents and children living overseas to more easily engage with Services Australia to apply for child support.





## Background

The child support scheme supports around 1 million Australian children and every year around **\$4.3 billion** in child support is assessed as owed for the care and support of a child. However, some parents deliberately choose to weaponise the scheme, including by deliberately minimising or under-reporting income to minimise their child support obligations or by underpaying, not paying or threatening to stop paying their child support.

As of 31 March 2026, there was almost \$2.0 billion in unpaid child support debt across **229,235 paying parents**, with an average debt of \$8,699 in the government collection system, Agency Collect. These figures do not account for outstanding debt among parents who manage child support between themselves, known as Private Collect. The Government does not monitor compliance in these arrangements, but research shows that parents in Private Collect often experience abuse, coercion and under or non-payment of child support.

The **\$182.6 million** being invested in this package has been informed by the work of the Child Support Stakeholder Consultation Group and the Child Support Expert Panel. The reforms also respond to recommendations made by the Commonwealth Ombudsman and Tax Ombudsman in 2025.

This builds on operational changes underway in Services Australia and the ATO to address financial abuse and support customers experiencing family, domestic and sexual violence in the child support and tax systems.

## How the child support system works

The child support system was established in 1988 to make sure children get appropriate support from their parents following separation. The system is based on the principle that children are entitled to be supported by the financial resources of both of their parents, as they would have if the parents were not separated.

A child support assessment determines which parent is required to pay child support and how much they need to pay. The child support formulas calculate how much child support is payable based on each parent's income, the number and age of their children, and the care arrangement.

The parent receiving child support is then able to choose how their child support is collected. This can be done through a private arrangement, where the parent paying child support transfers the payment directly to the receiving parent.

Alternatively, parents can use the Agency Collect service, where Services Australia collects the child support payment from the payer and transfers it to the parent receiving support. This means Services Australia can use its enforcement powers to collect payments if a parent is not paying their child support on time and in full.

Visit [dss.gov.au/child-support](https://dss.gov.au/child-support) for more information.

## For more information

Visit the [Department of Social Services](https://dss.gov.au) website (dss.gov.au) to find out more about this measure and other Department of Social Services' Budget measures.

Visit the [Australian Government Budget](https://budget.gov.au) website (budget.gov.au) to find out more about the 2026–27 Budget.