

Paper submitted for full refereeing  
Australian Social Policy Conference.  
July 8 – 10, 2009  
An Inclusive Society? Practicalities and Possibilities

Title: *The use of child support money in meeting housing costs.*

Dr Kristin Natalier  
School of Sociology and Social Work  
University of Tasmania

Phone: 03 63243370  
Email: Kristin.Natalier@utas.edu.au

## *The use of child support money in meeting housing costs.*

### *Abstract*

This paper explores how – and indeed, if – child support money is a useful resource in meeting the housing needs of the children of separated parents. The study reports on the findings arising out of in-depth, semi-structured interviews with 33 parents who received child support money. The impact of child support is often limited by three factors: the amounts paid, the circumstances of its payment (and in particular, unreliable payments), and the values guiding its allocation.

### *Introduction*

As a group, women who parent apart from the fathers of their children experience particularly poor housing outcomes, in terms of tenure (de Vaus 2004, Flatau et al 2004:37, NATSEM 2005), housing stress and mobility (Birrell and Rapson 2002). These outcomes are in significant part a product of the financial stresses experienced by many single mothers (ACOSS 2005, Flatau et al. 2004:32). They have flow on effects for children, with studies identifying links between poor housing and children's education and learning, physical, and mental health outcomes (Harker 2006, Phibbs and Young 2005). In this context, the effectiveness and use of child support to meet the housing needs of children is an important but neglected issue.

In Australia, the current institutionalised system of child support was established to limit the high rates of poverty amongst children of separated parents. Regularising amounts of child support was an attempt to both raise the living standards of these children and buttress parental, rather than state, financial responsibility to children (Rhoades 2000). This has been somewhat effective (Smyth and Weston 2000), but recent discussions over how best to calculate the cost of children across two households (see Henman 2005), the high profile of fathers' rights groups' concerns over those calculations and use of child support payments (Smyth 2004:43), and the recent changes to the child support formula are reminders of the ongoing need for evidence on how child support shapes the outcomes experienced by separated parents and their children (see more generally Smyth 2004). This paper meets one element of this need by opening up the black box of the household economy describing how – and indeed, if – child support money can be used by resident parents to meet the housing needs of their children (and by extension, themselves).

The paper presents some of the findings of Natalier et al. (2008), and modifies the focus of that study to open a debate on how child support can contribute to the housing outcomes of children. The findings suggest that the impact of child support is often limited, largely by circumstances of its payment – in particular, the reliability of payments – and the values guiding its allocation.

### *Methods*

This paper reports on the data collected through semi-structured, in-depth interviews with 33 resident Parents Apart living in Tasmania and Brisbane (see Natalier et al. 2008 for a fuller discussion of the project methods and sample). Data collection occurred before the recent changes to the child support formula, but the attitudes and processes underpinning mothers' use of child support are unlikely to be altered by (for most, quite minor) possible changes to the amount of money received from the other parent.

The sample was almost equally divided between those who had one, two, or three or more children. Twenty-six people had an annual household income under \$48,136,

four had an annual household income of between \$48,137 – \$72,636, and three had an annual household income over \$72,636. Twelve people owned or were purchasing their home, eighteen were renting in the private market, and three were public housing clients.

The interview covered a range of issues that directly related to, and provided a context for, the current housing circumstances of resident parents. Inductive thematic analysis was then carried out on the transcripts. The following discussion should be read in light of the aim of qualitative research: to identify and describe the issues associated with a particular phenomenon, and not their distribution in a population.

### *Receipt of child support*

At the time of the study, three participants received money garnisheed from their ex-partners, fifteen were working within Private Collect, eight were paid under CSA collect, five received payment under self-administration and two had received exemptions for their former partners paying child support<sup>1</sup>. Seven people received \$5 or less child support each week, fifteen received \$6 - \$75, and eleven people received more than \$76 each week.

A minority had explicitly agreed with their partner to deviate from CSA calculations; others accepted lower or infrequent payments under duress or in an attempt to protect the relationship between their ex-partner and their child/ren:

Well, when I say I didn't ask for it, I didn't go through the Agency to ask. I asked. Like, 'We're struggling here. Can you contribute to school fees?' 'No, I can't.' And I left it at that because I wanted things to remain as civil as possible and I knew there'd be a fight. So, I said, 'No, actually it's not worth it'. (Tasmania RPA Q, female, 3 children)

People were also are unwilling to negotiate their way through what they see as the labyrinthine processes of changing assessment or reporting a failure to pay, even when they struggle financially.

Yeah it is a financial strain for me and my child, but I can't fight it again, it was just so much of an emotional strain to collect all that information and I have done it once and now I will just have to deal with the fact, and, yeah it is really, really stressful. (Tasmania RPA G, female, 1 child)

These scenarios reflect other research indicating discrepancies between formal liabilities and actual payments (Losoncz 2006, Natalier et al. 2007). Such practices impact upon the amount of money available to meet the housing, living and additional costs associated with raising a child.

---

<sup>1</sup> CSA Collect – agreements are registered with, and money is distributed through, the Child Support Agency (CSA); Private Collect – the CSA registers an agreement and payment is made directly between parents; Self-administration – no CSA involvement in the payment process; garnisheed wages – money is taken directly from the wages of the payer.

## *The use of child support money in meeting housing needs*

### *Household income*

Child support had the most direct impact on the housing outcomes of low income recipients, provided it was a regular payment – this is so even when the amounts paid were low. In these circumstances the value of child support payments was relative rather than absolute.

It gives me a bit more finances, I can actually afford to live there. Without child support I could not afford to live there (Tasmania RPA A, female, 3 children)

Oh, it's [child support payment] vital. I couldn't survive without it. And some of my friends don't get child support and I don't know how they do it because we wouldn't survive without that money. (Brisbane RPA 12, female, 1 child)

Those who rely on child support payments earmarked the monies for housing. The contributions were deposited in a particular account or the money was mentally 'tagged' for accommodation.

Child support is less likely to be described as an important resource for securing housing when the resident parent had an income that met their housing and living expenses. Then, child support payments constituted a relatively small proportion of the household budget. For example, a Brisbane mother who had re-partnered and enjoyed a household income over \$100,000 a year said,

I am not worried about the money, I wouldn't care if he didn't pay anything. It certainly helps us out but I don't sit there saying, 'When am I getting paid, when am I getting paid?' (Brisbane RPA 7, female, 4 children).

However, child support monies went some way to lessening the burdens of housing costs and freed up money for other expenses even among those resident Parents Apart who were financially secure. This was most evident among the five owner-purchasers who reported they do not struggle with housing costs<sup>2</sup>; the following quote highlights the role of child support in the household budgets of these parents:

He does actually pay quite a lot of money for the girls' expenses. But I could do without it. I'm in a very lucky and rare situation. I earn a lot more than most women, most mothers certainly, and I can afford to raise the girls on my own earnings. So no, I don't need that money but yes, it helps because it pays for things I couldn't get otherwise. (Tasmania RPA N, female, 2 children)

### *Reliability of payments*

The reliability of payments is a key dimension of decisions to put child support to housing costs. Many in the study felt they could not rely on receiving child support money. For these people, the decision to earmark child support for costs other than housing was informed by the need for consistent payments. If the resident parent depends on the money as a means for meeting housing costs, irregular payment can cause financial hardship. For example, one Brisbane mother was receiving regular

---

<sup>2</sup> The study design does not allow us to unpack the relative value of child support payments to these parents. But owner-purchaser resident Parents Apart who do not struggle earn over \$45 000, achieved significant amounts of equity in their previous homes, and have only small amounts outstanding on their mortgages. Child support (ranging from \$450 - \$3 300 per month) constitutes one of many resources that facilitate home ownership.

payments but had struggled with irregular payments for several years after separation.

Facilitator: Did you get that house based on...[receiving that child support]

Interviewee: Based on, yeah, based on that [the child support] and so I had to get a part-time job that fell through after only a couple of months; and my parents helped me out just with \$100 here and there so that I could make ends meet and it was really tight. ...the first four years were really just so unpredictable, all over the place. (Brisbane RPA 12, female, 1 child)

In such circumstances, resident parents were unwilling to budget on the basis of irregular child support contributions because paying the rent or mortgage is non-negotiable. For example, one mother had pursued non-payment through the CSA for the past five months but has received only one payment of \$72.

...because we don't received the child support, it doesn't really affect my income because I don't count on it because I don't usually get that money....It is more of a bonus if anything, if it comes it is great, but I don't count on it, because if I counted on it I would probably be broke by now. (Brisbane RPA 3, female, 1 child)

When the payment of child support was irregular, it was used to meet other expenses where the timing of payments may be slightly more flexible:

It is not necessarily there on the day, it might be two weeks late or early or whatever, then it is easier to put in the general coffers and use it then. (Tasmania RPA I, female, 4 children)

In these situations, child support was still useful in meeting housing costs, but it did so indirectly, through increasing the household budget generally.

... I probably pay rent every week out of my pension but then I know at the end of the month I will be able to do everything else. (Tasmania RPA D, female, 2 children)

#### *Appropriate use of payments*

While child support contributed to positive housing outcomes, those who have a choice preferred to earmark the money they received for child-specific costs, rather than housing expenses:

I think you have this thing that this is money coming for them .... It is like in the olden days when Mum would get child endowment and that, you got your pair of shoes once every three months when it was your turn out of that, and that was money that was earmarked. (Tasmania RPA F, female, 1 child)

Similarly, this owner-purchaser secured a mortgage on the promise of her partners' child support payments but put the money towards the significant sporting expenses accrued by her three teenage sons:

Interviewee: Yes, I would say it [child support money] makes a difference. It is all money and it all helps with the expenses.

Facilitator: Do you put it to the mortgage?

Interviewee: No, no, I pay that with my salary. I knew I could pay the mortgage with my salary. I see that as my responsibility. That money [child support money] goes to the boys. They love their sport, there's always a new pair of shoes or registration that's needed. That money goes to them. (Tasmania RPA P, female, 3 children)

### *Concluding comments*

Australia's current Child Support Scheme has been subject to debate and change but the initial motivations for institutionalising child support payments – child poverty and non-payment amongst non-resident fathers, with consequently high levels of government support of resident mothers and their children – are still evident (Smyth and Weston 2000), despite strong agreement for the principle of child support and its use in helping children (Smyth and Weston 2005).

The study suggests that child support may be used to meet the costs of housing, but its usefulness is constrained. Regardless of the amount paid, when child support payments are unpredictable they may add to, rather than limit, difficulties in meeting housing expenses. It may be safer to budget on only earned income or government transfers, even if this means living in less satisfactory housing.

The impact of child support monies is also shaped by definitions of what constitutes an appropriate use of the money. Resident parents do not direct the money to child specific costs when they would be otherwise unable to meet housing expenses, but when they have the option, they attempt to meet their children's housing needs out of their own incomes rather than child support monies.

This study suggests that reliability of payment is an important policy question, in terms of the general issue of compliance and in terms of increasing the effectiveness of payments in improving children's housing circumstances and ultimately, life chances. European countries have addressed the challenges of reliability through increased state involvement via guaranteed maintenance schemes that apply when the paying parent does not meet their obligations (Skinner et al. 2007), a system that is effective in guaranteeing payment (though sometimes at the cost of reducing other state payments), but conceptually marginalises the responsibilities of fathers, and may run counter to the initial impetus of the Australian Child Support Scheme and current discursive and policy moves towards increased privatisation and family negotiation.

Research in other jurisdictions has indicated a relationship between child support payments and regularity of contact between the paying parent and child/ren (see Skinner et al. 2007 for a review of the literature). The direction of the relationship is not clear, but if increased involvement in a child's life encourages reliable payments, changes to how men father may ultimately have flow on effects for children's housing and life chances. Recent changes to Australia's Child Support Scheme reduce financial obligations for even one night's care, and may thus promote on-going and increased contact and shared care; this in turn may have a longer term effect of contributing to reliability – time, and further research, will tell.

In a different, but possibly complementary approach, some jurisdictions are seeking to rollback institutional involvement in child support, promoting private agreements on the basis that compliance and reliability will be improved when agreements reflect parents' preferences and circumstances (Skinner et al. 2007); data from the U.K. suggest that private agreements have a high rate of compliance (Lyon et al. 2006), but the experiences of some of the participants in the current study indicate that agreements can be imposed rather than negotiated, and can run counter to the financial interests and thus housing outcomes of children and parents.

Ultimately, child support, even at its most reliable, is a privatised and individualised response to the structural issues of child poverty and relatedly, housing stress. It is best understood as one of a suite of resources and barriers that shape housing outcomes. In keeping with past studies, previous home ownership (see Khoo 1993), financial settlement on the ending of a cohabiting relationship (see Flatau et al.

2004), income sources and levels (ACOSS 2005), and the availability of appropriate and affordable accommodation (see for a general discussion on tight rental markets Yates, Wulff & Reynolds 2004) also shape parents' ability to find and keep housing that meets their needs and the needs of their children.

## References

- ACOSS (2005) 'Facts about Single Parent Families and Welfare', ACOSS Info 380, Australian Council of Social Service, Strawberry Hills, NSW.
- Birrell, B. & V. Rapson (2002) *The Location and Housing Needs of Lone Parent: Final Report*, Australian Housing and Urban Research Institute, Melbourne.
- de Vaus, D. (2004) *Diversity and Change in Australian Families. Statistical Profiles*, Australian Institute of Family Studies, Melbourne.
- Flatau, P., Hendershott, P., Watson, R & Wood, G. (2004) *What Drives Australian Housing Careers? An Examination of the Role of Labour Market, Social and Economic Determinants*, Australian Housing and Urban Research Institute, Melbourne.
- Harker, L. (2006) *Chance of Lifetime: The Impact of Bad Housing on Children's Lives*, Shelter: London.
- Henman, P. (2005) *Updated Costs of Children Using Australian Budget Standards*, Social Policy Unit, School of Social Work and Applied Human Services, University of Queensland, Brisbane.
- Khoo, S. (1993) 'Housing after Marriage Breakdown: A Longer Term Perspective', in K. Funder, M. Harrison and R. Weston, eds, *Settling Down. Pathways of Parents After Divorce*, Australian Institute of Family Studies, Melbourne.
- Losoncz, I. 2006. 'LSAC data on the circumstances and characteristics of families with child support entitlement' Australian Consortium for Social and Political Research Incorporated. Melbourne, Australia.
- Lyon, N., Barnes, M. and Sweiry, D. (2006) *Families with Children in Britain: Findings from the 2004 Families and Children Study (FACS)*, HMSO Corporate Document Services, Leeds.
- Natalier, K., Walter, M., Wulff, M., Reynolds, M. and Hewitt, B. (2008) *Child Support and Housing Outcomes: Final Report*, Australian Housing and Urban Research Institute, Melbourne.
- NATSEM (2005) *Love Can Hurt, Divorce Will Cost. Financial Impact of Divorce in Australia, AMP/NATSEM Income and Wealth Report No. 10*, NATSEM, Canberra.
- Phibbs, P. and Young, P. (2005) *Housing Assistance and Non-Shelter Outcomes: Final Report*, Australian Housing and Urban Research Institute, Melbourne.
- Rhoades, H. (2000). "Posing as Reform: the case of the family Law Reform Act." *Australian Journal of Family Law* 14(2): 142 - 159.
- Skinner, C., Bradshaw, J., and Davidson, J. (2007) *Child support policy: An international perspective. Research Report No 405.*, Department for Work and Pensions U.K.
- Smyth, B. (2004) 'Child support in Australia. Back to Basics?' *Family Matters*, 67, Autumn, 42-45.
- Smyth, B. and Weston, R. (2005) *A Snapshot of Contemporary Attitudes to Child Support*, Research Report No. 13, Australian Institute of Family Studies, Melbourne.
- Smyth, B. and Weston, R. (2000) *Financial living standards after divorce: a recent snapshot. Research Report No. 23*
- Yates, J., Wulff, M. and Reynolds, M. (2004) *Changes in the Supply of and Need for Low Rent Dwellings in the Private Rental Market: Final Report*, Australian Housing and Urban Research Institute, Melbourne.