



Limited vs Binding Child Support Agreements: what's the difference?

Author: [Mairead Melia](#)

Email: mairead@emerafamilylaw.com.au

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When parents separate or divorce, ensuring that children are financially provided for is a top priority. In Australia, separated parents can enter into child support agreements, beyond the standard [child support assessment](#), to outline how support will be paid.

There are two main types of private child support agreements:

- Limited Child Support Agreements
- Binding Child Support Agreements

In this article, we cover the key differences between these types of agreements.

What is a Limited Child Support Agreement?

A Limited Child Support Agreement is a written agreement between parents about child support payments. It must be:

- in writing;
- signed by both parties;
- accepted by Services Australia (Child Support).

Key features of a Limited Child Support Agreement

- **Based on a child support assessment:** There must be an administrative assessment (from Services Australia) already in place, and the agreed amount of child support must be equal to or more than the assessed amount.
- **No legal advice required:** Parents don't need to obtain independent legal advice before signing.
- **Flexible and easier to change:** These agreements can be ended:
 - after 3 years, by either parent giving written notice to Child Support;
 - if there's a change of circumstances (e.g. a new assessment differs by 15% or more – either positively or negatively);
 - by entering into a new limited or binding agreement that reflects new arrangements;
 - by court order (in very limited situations, e.g. fraud/duress or significant hardship); or
 - if a parent entitled to receive child support ceases to be an eligible carer (that is, has less than 35% of the child's care), and this continues for a certain period of time. You should seek legal advice if you think this may apply.

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When a Limited Child Support Agreement might be suitable

- For parents who want more control but still want the fallback of the child support system.
- If you want flexibility to renegotiate your child support agreement if circumstances are likely to change over time.

What is a Binding Child Support Agreement?

A Binding Child Support Agreement is a more formal and permanent arrangement. It must be:

- In writing;
- Signed by both parties; and
- Supported by a certificate of independent legal advice for each parent.

Key features of a Binding Child Support Agreement

- **No need for a child support assessment:** Parents can agree to any amount, even less than the assessed rate, or for different types of support (e.g. school fees, medical costs, [extra-curricular activities](#)) and can include lump sum payments or the transfer of assets as child support.
- **Legal advice is mandatory:** Each party **must** get independent legal advice before signing, and the agreement must attach a certificate of independent legal advice signed by each party's independent lawyer.
- **Harder to change:** Can only be terminated:
 - by mutual agreement of both parties in writing (which requires the same legal advice requirements as the initial agreement);
 - by court order (in very limited situations, e.g. fraud/duress or significant hardship); or
 - if a parent entitled to receive child support ceases to be an eligible carer (that is, has less than 35% of the child's care), and this continues for a certain period of time. You should seek legal advice if you think this may apply.

When a Binding Child Support Agreement might be suitable

- For parents who want certainty and stability over a longer period.
- For parents who want to ensure certain child-related expenses, such as school fees, are agreed.
- Where both parents are legally represented and understand their rights and responsibilities.
- For parents who want finality of their child support entitlements or obligations at the same time as their property settlement.

Key differences at a glance

Feature	Limited Child Support Agreement	Binding Child Support Agreement
Legal advice required?	No	Yes (mandatory for both parties)
Must match assessment amount?	Yes (equal or greater than)	No
Can include lump sums/assets?	No	Yes
Can it be changed easily?	Yes, after 3 years or with a new assessment	No, only by agreement or court order
Suitable for long-term use?	Sometimes	Yes

How a family lawyer can help

Choosing the right child support agreement depends on your circumstances, goals, and future expectations. Limited agreements offer flexibility and fewer legal hurdles, while binding agreements provide certainty and structure – but require more commitment and are typically more costly to prepare.

You should obtain legal advice before you decide which agreement or method of child support suits you best. Each family is different and tailored legal advice will assist you to make the best decision based on your personal circumstances.

If you need help navigating child support arrangements, we're here to help you understand your rights and responsibilities. Whether you're considering a Limited or Binding Child Support Agreement, our experienced family law team can guide you through the process and ensure your agreement is fair, legal, and meets your needs.

This blog is of a general nature and should not be relied upon as legal advice. If you require further information, advice or assistance for your specific circumstances, please contact us.