

House of Representatives Standing Committee on Family and Community Affairs
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4 August 2003

Committee Secretary  
Standing Committee on Family and Community Affairs  
Child Custody Arrangements Inquiry  
Dept of the House of Representatives  
Parliament House  
Canberra Act 2600  
Australia

Dear Sir/Madam

**RE: INQUIRY INTO CHILD CUSTODY ARRANGEMENTS IN THE EVENT OF FAMILY SEPARATION**

I write this submission in response to a letter personally addressed to me by the Member for Longman, Mr Mal Brough MP. Firstly I would like to express my gratitude and congratulate Mr Brough for allowing me this opportunity. It should be noted that I sought assistance through his office some 3 years ago in regard to a grave inequity involving the Child Support Agency. At all times I was treated with the utmost of respect and empathy. I must say I was rather surprised to receive his recent correspondence, none the less I was very impressed and obviously his office is very diligent at keeping their constituents informed.

I believe I am duly qualified to lodge this submission given that I have 2 x Child Support Cases (2 x different payees and a son to each of the cases). In addition I now have a daughter in my current marriage and a stepson who is also the subject of a Child Support Case.

I would essentially like to address the issue of Child Support, as I believe it is this area that poses the most concern for a person in a position such as mine and indeed similarly all the children involved not to mention the gross prejudice this system places toward a subsequent relationship.

**CHILD SUPPORT ISSUES**

***Issue One***

I pay 27% in total to being 13.5% to each case.

Some 3 years ago I entered into an agreement with the mother of one of my sons and we began a share care arrangement where I had 35% and she had 65% or thereabouts. The end result being that although there was a reduction of child support from 27% to 24% (1.5 children) the mother with which I did not have a share care arrangement benefited financially as her percentage increased to 16%. This was and still clearly remains an anomaly that has not been addressed. When I took this issue up with Mr Brough, he in turn did like wise with Mr Larry Anthony. The response

from Mr Anthony fell somewhat short of what I requested. I was seeking was fair and reasonable rationale as to why a person who was substantially removed from the process should benefit financially from an agreement that had nothing to do with her. Instead Mr Anthony quoted legislation that was in effect known by me in the first instance. His response did nothing other than reiterate the lack of depth within the legislation in terms of case specific management (see attached letter of response).

- **THERE IS NO REASON FOR THE OTHER "REMOTE" PARTY TO BENEFIT!!!! MY LEVEL OF FRUSTRATION IN THIS INSTANCE WAS EXACERBATED BY THE FACT THAT I HAD NO END OF STRESS AND TRAUMER AND INCURRED CONSIDERABLE EXPENSE IN OBTAINING CONTACT FOR MY SON TO THIS WOMAN WHO WAS THE "REMOTE" PARTY.**
- **THE LEVEL OF CHILD SUPPORT FOR 1.5 CHILDREN IS TOO HIGH!!! TO REDUCE THE OVER ALL RATE BY A MEGER 3% DOES NOT GO FAR TO COVER THE COST OF GENERAL LIVING EXPENSES FOR SHARE CARE OF THE CHILD WHEN YOU HAVE ALMOST EQUIVALENT CARE!!!**
- **IT NEEDS TO BE NOTED YOU HAVE VERY MUCH THE SAME IN CARE EXPENSES IN THIS INSTANCE.**
- **FOLLOWING MATHEMATICALLY FORMULAR SHOULD HAVE APPLIED: 2 X CASES @13.5%**
  - 1 X CASE I HAVE 35% CARE (RECOGNISED)**
  - 1 X CASE I HAVE 20% CARE (NOT RECOGNISED)**
  - THEREFORE -**
  - 1 X CASE @13.5%**
  - 1 X CASE @13.5% - (13.5 X 0.35) = 8.5%**
- **AS A RESULT WE NOTIFIED THE CSA THAT WE TERMINATED THE SHARE CARE ARRANGEMENT AS TO ME THIS WAS A MATTER OF PRINCIPLE. I CONTINUE TO HAVE APPROXIMATELY 30% CARE.**

### *Issue Two*

When my daughter was born almost 2 years ago I sought a reduction of Child Support in consideration of REASONS 7 & 9 accordingly. Essentially I was appealing for some financial grace during the nominal "amnesty period" of 2 months before and 3 months after the birth of the child. I was required to present my facts and figures to justify such a reduction and rightfully so. I do believe that the process should not be automatic and that an application must be made and quantified. I was in fact most appreciative of a reduction for that time. The grievance I have is that the period was too short!! My wife took 12 months Maternity Leave. It is our belief and I am sure it is the belief of the majority of Australian parents that it is only fair to their child that he/she has at least one of the infant years in the care of at least one of their parents.

It should be noted that I continued to work for this 5 month period and continued to pay Child Support even though it was at the reduced rate. It was the remaining 7 months paying the full rate of Child Support and all other household expenses on my wage alone that was financially onerous. I am going to be very honest and candid and state that during those seven months my wife and I lived on canned baked beans and spaghetti. I know that was our prerogative and that she could have gone back to work during those seven months. I also understand that I have a responsibility to the children of my prior relationships, however, I also have a financial and moral

responsibility to the child of my current marriage!!! This “amnesty period” should carry for 12 months in line with the usual Maternal/Paternal Leave period provided the applicant can quantify his/her expenses. This is a fair and reasonable approach and dare I ask what would have been the outcome if it were I that had taken Paternal Leave for the remaining 7 months?

One last point to note was that during this time of financial hardship it was difficult to provide care for all the children in my household and in particular my 2 sons of each Child Support Case. It is impossible and unrealistic to believe that a person in a similar situation as me does not financially contribute to the upbringing of stepchildren in some way and during this 7 month period I also shared the expense of caring from my stepson.

### *Issue Three*

Anything less than 30% care is not recognised by the Child Support Agency. A short while ago there was a proposal {Child Support (Assessment) Act Amendment Bill} that was to allow for a percentage reduction based on 10% minimal care. This Bill was rejected in the Senate for reasons unknown. I in fact took this issue up with Mr Wayne Swan and Mr John Woodley who opposed the Bill and neither paid me the courtesy of a response. This Bill would certainly have gone a long way toward providing some relief from the onerous and draconian Child Support Scheme. My wife and I are proficient and diligent at the Household Budget and we continue to struggle. I pay approximately \$10 000 a year tax on \$40 000 annual income. I also pay approximately \$5500 a year in Child Support. My wife is on \$38000 and she pays approximately \$9000 a year in tax and receives \$3000 in Child Support for my stepson. In addition she receives approximately \$1000 in Family Tax benefit. **This allows for a combined income of \$58000 a year to care for ourselves, our daughter and my stepson on a full time basis and my two sons on a part time basis (20% care).**

#### General annual expenses:

\$12000 – rent  
\$1000 – electricity  
\$1200 – phone  
\$3500 – fuel  
\$2000 - vehicle maintenance (2 vehicles)  
\$6000 – loan for 1 x vehicle  
\$1000 – vehicle registration (2 vehicles)  
\$7000 – day care costs for daughter  
\$8000 – basic food  
\$5000 – compulsory superannuation  
\$3000 – various insurances (health, car, contents)  
\$2000 – basic clothing (including non-resident children)  
\$6000 – personal loans, credit cards  
\$1500 – basic medical expenses (GP consultations, pharmaceuticals, dental)  
**TOTAL = \$59200**

## **IMPORTANT**

I have not included other miscellaneous items such as the following:

- Christmas and birthday presents,
- Entertainment (videos, occasional take away),
- Sporting activities (swimming, karate lessons),
- Educational expenses,
- Furniture replacement,
- Annual holidays,
- Associated costs with attending a work place (active participation and interaction with colleagues),
- Grooming & hairdressing,
- Etc.

As you can quite clearly see there is enormous financial stress for our family. Therefore the 30% minimum contact rule is ridiculous!!!!!! The usual contact period is 2 nights each fortnight (week-ends) and half of all school holidays. This is the standard period that is historically handed down for contact by the Family Law Court or coerced by solicitors and legal aid officers during child contact hearings. This therefore makes the 30% rule unachievable to the greater majority of Child Support Payers.

Should equivalent share (50% - 50%) be unworkable for care share arrangements and I do believe this may be the case for any number of reasons. I also believe the parent who does not receive majority care should receive 30% contact as a minimum. Not only for Child Support reduced rates but also from a moral perspective. Additionally, this may be more practical and logistically achievable. An example may be 3 nights every fortnight (ie 2 nights on the week-end and, a week night) and two thirds of all school holidays. Alternatively it may be 2 nights for 3 consecutive weekends then one or two weekends with the major carer and then the 3 consecutive weekends again also with two thirds contact during school holidays. Of course this is for children of school age. It is scenarios such as these that would suit a minor carer with work commitments. Suffice to say it is this type of situation that would balance the Child Support agenda as well as the moral aspect of children having adequate contact with both parents. It is the rationale of the Child Support Agency that the children should not be financially disadvantaged just because of a family separation. This rationale must now apply in terms of Family Law cases; the children should not be restricted from maintaining an adequate relationship with both parents.

I thank-you for the opportunity of contributing to this issue and I trust this submission will be of benefit.

Yours faithfully

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