

Committee Secretary House of Representatives
Standing Committee on Social Policy and Legal Affairs
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Parliament House
Canberra ACT 2600

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Submission on Inquiry into child support

Thank you for the opportunity to offer a submission into the Child Support Program.

I am happy for this submission to be posted in the public domain, but for personal reasons wish my identity to remain anonymous.

By way of background, I have three children, two of which I am currently paying child support payments for, the eldest child is now 19 years old and I paid child support until that child reached seventeen years of age. I am employed in permanent fulltime semi-professional work, live in NSW and am currently in a new relationship where we are supporting two children under twelve years of age from my partner's previous relationship.

For many and varied reasons I have, what can only be described at best, a strained and distant relationship, at worst, a nonexistent relationship with my biological children and my relationship with my ex wife was reduced to the point where the only people who had meaningful communication and whose lives were enriched from the exchange were our respective legal representatives. I have been told by my ex wife's family members that my children have been led to believe that I have made the conscious decision not be actively involved in their life, despite my and other family member's (on both sides) vigorous attempts to dispute this and to be included and play a role.

Following our separation I initially attempted mediation on nine separate occasions over three years to which my ex wife has either not attended or claimed to be unavailable or has, at best, paid lip service to, I have pursued child access orders and parental plans through Court to which my ex wife has chosen to ignore or has failed to attend Court. Despite three legal attempts and countless correspondence and over \$28K to resolve access issues and to have open communications with my children and be part of their lives I have not had direct contact with my children in over four years.

I am writing to the Committee to offer my personal experiences based on the terms of reference of the inquiry. I offer these as my personal opinion and experiences in dealings with the child support program, staff of the Child Support Agency, the Courts, other residential and non residential parents and the residential parent of my children, (my ex wife).

I offer my submission in a non judgemental way. I have diarised notes of dates, events, and records of telephone conversations and correspondence to and from Child Support Agency, I can substantiate all claims made.

May I begin my stating, I am not opposed to paying fair and equitable child support payments and I believe that it is the responsibility of any parent to support the cognitive, financial and emotional wellbeing and upbringing of their children.

What I do object to is the clear disconnect in processes, policies, and Departments and to the barriers which are placed before me and, in some cases, thwart me (and I suspect others) from an active shared parenting role. These barriers are the emotional, legal and financial hurdles that have on occasions prevented and stymied me in achieving a meaningful relationship with my children and confounded me in Government 'red tape' and a series of 'buck passing' attitudes from public servants. I have found there to be a clear lack of any one person or Department taking ownership of process as a whole. It has led me to the point where I have found it much easier to adopt the attitude of pay whatever the monthly statement says and accept the fact that I have expended many hours, phone calls and several thousands of dollars in legal proceeding in order to be part of my children's life to no avail. My best option is to wait to have an annual arrears notice, make payments and move on with my life.

My level of frustrations and disappointment at the process has not diminished in the 12 years I have been paying child support.

I am aware that when a relationship breaks down there are faults on both sides. It is unfortunate, but I have heard stories where some parties, post separation, will use children as a bargaining chip or for emotional blackmail of the non residential parent to improve the standing of the residential parent. Certainly, I attribute blame in the breakdown of my relationship as much to myself as to my ex wife.

We all hear of the 'dead beat dad' (and in some cases mums) stories when discussing child support matters at public events, in social media and at private parties, I do not doubt for one second that there are those parents who would fall into this category, however, I believe that they would be the minority. Most parents would be seeking a fair and equitable system that has only the children at heart.

I fully understand that there can be no single system or process that can meet the needs of every parent, whether they be paying or residential parents. There is no magic policy that will address every issue. I can offer no earth breaking cure for this problem, merely put forward my experience in the hope that it may be taken into consideration as part of any reform in the process.

What I would like to see is a fairer system for all concerned.

I thank the Committee for the opportunity to put forward my submission and wish the Committee well in their endeavours on this matter.

Under the Committees Terms of Reference:

- *methods used by Child Support to collect payments in arrears and manage overpayments;*

My payments are paid directly to the Child Support Agency (CSA) every fortnight as direct transfer from my bank account to the CSA. I have on seven different occasions been informed that my estimated payments did not match my annual income and therefore I had arrears. Being unable to predict the coming twelve months workload, overtime and bonus payments makes it hard for me to estimate my annual income.

In order to maintain an accurate figure I would be required to notify CSA of changes in circumstance every two weeks (pay periods) and have a constant exchange in paperwork to ensure that I maintained the correct estimate for payments, varying every payment to ensure I was complying and not building an arrears. If every paying parent was to make this call then the call centre for CSA would very quickly be overwhelmed.

Having arrears can be quite confronting, on more than one occasion I have been made to feel that I am cheating the system and avoiding my responsibilities when contacted by staff from CSA. I have been offered limited options when asked to make the payments. Surely a simpler system of regular three monthly reporting to a live and secure CSA website or some form of smart phone application providing notification of potential (including the value) change would be better than an arrears letter at the end of the year which is then followed by the dreaded call to CSA staff to make good the requirements. I would prefer to self manage my debt in a more streamlined manner over the course of the year than to receive a one off arrears notice.

Conversely, I have had the experience where my eldest child completed schooling to the level of Year 10 then left school for full time employment at the age of 17, while I was under the impression that that child had remained at school, commencing Year 11. My child commenced work in an industry where that child earned a very high weekly wage that included bonuses and offered considerable overtime and financial reward in the form of shift allowances and production bonuses.

My ex wife did not notify the Child Support Agency of a change in circumstances. It was not until I was told by a third party who worked with my child, after six months, that this had happened and they estimated how much my child would be earning.

I contacted CSA and requested a change of assessment. The child was removed from my child support payments (CSP), when I was asked about the overpayment I was told that it was up to my ex wife to report the change, if she did not report, then there was nothing that CSA could do. On the matter of the overpayments, I was informed that the matter should be referred to the Assessment Team for review; I completed further paper work (which would be sent to my ex wife for validation), the end result after a two month wait, there would be no reimbursement or process for credit that I could follow.

- *whether the child support system is flexible enough to accommodate the changing circumstances of families;*

I believe that unless there is some form of intervention and reform within the current system it will soon fail to meet the needs of a increasingly complex society and stressed financial parents and potentially further stretch some already strained relationships. I have found that the system has been very inflexible with respect to my dealings.

As discussed previously, I would much prefer a system where I can self report over a three month period, see what my potential payments are, and make the payments as part of my monthly budgeting process, thus avoiding the annual arrears issues. Currently, to do this would require me to call a CSA operator, provide the estimated adjustment from my pay slip, wait for the child support account statement, make the payment and repeat the process again next pay period. I have been told by a CSA operator that if I make an overpayment then I will be given a credit on my next Child Support Statement, yet, not five months later, when discussing an arrears I was told by another operator that it is there job to ensure that all arrears are paid and all payments are up to date, and if I make an overpayment then that is my problem and that CSA will not follow up on that. That is my bad luck.

- *the alignment of the child support and family assistance frameworks;*

This had little impact on me as a paying parent.

- *linkages between Family Court decisions and Child Support's policies and processes; and how the scheme could provide better outcomes for high conflict families.*

While I do not consider that I fall into the category of high conflict family, I believe that there should be stronger linkages between CSA and Court decisions.

From my experience there should be some form of penalties, reduction in payments or withholding of payments imposed where the residential parent does not follow the decisions of the Court. I am not given the luxury of any nights of care for my children, although the Courts awarded me forty nights of care. When I placed this on my assessment form my ex wife disputed the fact and CSA deferred to her and have told me that I do not have any nights in care, even though I have sent them the Court orders, my assessment is based on 100% care to my ex wife.

I am in the situation where the Court has issued orders for shared parenting, my ex wife has failed to follow those orders. I took the matter back to Court, she failed to neither appear nor send representation, the Court adjourned the matter, it went before Court a second time, my ex wife agreed to the orders in Court, but chose to ignore them immediately after leaving. I returned to Court for a third hearing, the matter was, I believed, resolved, the Judge informing my ex wife in the strongest of language that this was not a trivial matter and that it would be in her best interest to adhere to the orders. It took 4 days for her to ignore the orders yet again.

CSA have informed me that it is not their dispute, it is a matter for the Courts, the Courts are pressed for time and my three hearings took over 14 months to be placed before the Court. The cost of legal representation is now beyond me given I have a new family to support. I can chose to take the matter before the Court again, but that would result in failing to pay CSA. It becomes a Catch 22 situation.

I have no recourse in the matter, it is either accept the situation or expend thousands of dollars where history has shown that it is a waste of money and the Courts time.

As part of this inquiry, the Committee has a particular interest in:

- *assessing the methodology for calculating payments and the adequacy of current compliance and enforcement powers for the management of child support payments;*

I believe the methodology for calculating payments needs to be reviewed and a new process developed and that that process is reviewed and audited on a more regular basis.

Unfortunately, I am not best placed to offer any alternative, but the preserved amount of 18% does not meet the current costs to support a non residential parent, essentially starting over. In my case, that 18% just covers the cost of rental where I live, I cannot see that 18% covering rental costs in a metropolitan or large rural city, before taking into account other living expenses, food, services, vehicle running costs, and clothing, before looking at hidden costs of living. The cost of raising children and the cost of living is increasing annually, I do not see myself ever being able to afford to purchase our own home, and at the end of the working week, after taking rent, fuel, food and living expenses into account I find that at the moment my partner and I are left with roughly \$15 to \$40 of disposable income.

When discussing cost of living and CSP's it becomes a circular argument, the residential parent will claim the cost of living for the child/children, while the paying parent will claim cost of living for themselves in addition to the cost of CSP's. I was only to aware of the cost of living, for a non residential parent, single, with no tax benefit and paying CSP's, more so now in trying to support a family and still have limited access to tax benefits. Where I take umbrage in making the payments is when I am able to calculate, and prove, that a residential parent who is working and therefore receiving an income and is receiving CSP's and other family tax benefits and school age payments is earning more in combined post tax income than a paying parent before tax.

There is also no incentive for a paying parent to work extra hours, find a better paying job, or to study, to self improve and better their position in the workforce. When my ex wife and I were married and first staring out, we both held fulltime jobs and I worked in a second part time job, were purchasing a small house and starting a family. This was achieved on a combined income of of less than \$80K some 20 years ago. When we separated we had a combined income of a little over \$92K. I returned to part time study, improved my qualifications and moved into a management position with the company. As my income increased, proportionally, so too did my CSP's, if I had of realised just how much of a proportional increase there would have been, on top of paying HECS and the cost of study in accommodation books and travel, I would have chosen not to improve myself. Perhaps

there should be some consideration of the income of the parents when the application for CSP's is made, if a parent (either a paying parent or a residential parent) chooses to improve their financial position it feels like they are being punished by having to pay a proportional increase in CSP's, or, in some cases receive a reduction in the CSP (as a residential parent).

I find that the first step in the process, where CSA calculate each parents income, seems to greatly rely solely on the honesty of the parent, albeit that the amount comes from the adjusted taxable income group certificate. I am at a loss how my ex wife's income keeps steadily reducing to the tune of several thousand dollars a year, and this has continued over the last five years, yet she is still in the same job, working the same hours for the same employer.

Similarly, I am aware of two situations where paying parents own their own businesses, and managed to reduce their weekly payments to a point where one was only paying \$5 a fortnight in child support, the other paid \$15. I am aware of yet another paying parent that asked their partner to stop working so he could deflect tax and income to the partner through their business. This resulted in him actually increasing their combined disposable income at the same time as reducing his personal income annual amount. When discussing this submission with a work colleague he told me how when he received his first child support notice he quit his job and went on the dole for 3 years to avoid payments. Perceived or not, I believe that there is a greater need for the CSA to audit and check the incomes and validity of some income assessments, randomly to ensure compliance.

I also am aware of the unfairness of taking into account subsequent new partners or spouses capacity for earning or any income that that person can generate.

I recently received a change of assessment notice from CSA claiming that my second child would turn eighteen in March of this year, however, as that child was still at school, my ex wife had sort, and has been approved for the payments to continue until 4 December this year. While I am happy to continue the payments I objected to the fact that my child will actually finish school in early November at the end of the Higher School Certificate exams. When I raised this matter with CSA I was told that they would have to contact my ex wife and determine what date he would actually finish. Some weeks later I received another change of assessment notification telling me that the CSP's would continue until 4 December. I rang CSA and again challenged the date, only to be told, that was the date that my ex wife provided as the end of school date, and that was the date I will be required to make payments till, I am still disputing this fact.

After my second child is taken off my CSP, the amount I am required to pay will only diminish by 21%. It appears that the cost of raising a single child is proportionally much higher than raising two children. This needs to be reviewed as soon as possible. The formula for calculating payments of one child should vary to that of multiple children.

My third child will turn eighteen in January 2017, I have been lead to believe that she will remain at school to complete her Higher School Certificate, placing me in the same position as now. Where CSA rely on my ex wife to provide notification of events and they take the matter at face value. I am quite sure that should either of my two children forgo school for

fulltime employment before finishing that my ex wife would not inform CSA and it would only be through a third party that I would find out, again, if at all.

I am in the situation currently that the biological parent of my new partners children has taken the stance that as the children now live with us, he is no longer responsible for making CSP's. We find ourselves living in a regional centre, my partner has just been made redundant and received a modest payout, she has declared that to CSA, we were told that her CSP's will possibly reduce next year as her payout might be taken into account, yet we still do not receive any CSP's from her former husband and it appears that this will not change in the near future. CSA has informed us that they will pursue the matter and any arrears will be made against the biological father. We are still waiting on an outcome.

CSA needs to have the capacity to investigate fraud and abuse of the system and then prosecute accordingly.

- *the effectiveness of mediation and counselling arrangements as part of family assistance frameworks;*

Following the breakdown of my marriage I instigated counselling then mediation through a private company. On seven of the nine separate occasions we had a date for mediation my ex wife did not turn up to the process, provide an explanation why she did not attend or notify me of her inability to attend.

On the two occasions she did attend I believe that she only paid lip services and had no intention of actively participating in the mediation.

In the end I was advised by the people running the mediation to abandon the process. It was costing me money and them time.

I have had no experience with mediation or counselling as part of the assistance framework, however, if there are linkages to financial payments or reductions then this could be a good move. Resolving issues without involvement of CSA staff would make more staff available to better complete other processes.

- *ensuring that children in high conflict families are best provided for under the child support scheme.*

I do not consider that I fall into the category of high conflict so I am not best placed to comment.

FINAL COMMENT

Child support has, and will always remain an emotive subject. It has been my experience that I was subject to greater emotional turmoil and financial hardship over the child access and child support issue than over the actual breakdown of my relationship and subsequent

settlement. I have missed the formative years of my children's upbringing and missed being part of their lives.

There is no 'one size fits all' solution. But a solution must be found and regardless of whatever recommendation fall out of this inquiry there will still be those who are not happy with the system and call for change.

Historically I have found it depends on who you ask as to what answer you receive, and what level of emotional emphasis is placed on an individual's dealings with the the Child Support Agency and their interaction with their clients. In my case, I have found most of my dealings have been unattached and black and white, delivering a service as fast and clean as possible and then moving on to the next caller, technically, did they do they job, yes, did they make me feel part of the process, fully explain options and discuss outcomes and reasons, no. The advice has been all but clinical in its delivery and quoted straight from a website verbatim. On occasions I have received conflicting advice between operators, sometimes on the same call when put through to a different section or Department. I often find that when discussing my case or claims with operators there are no options and no room to manoeuvre on issues. At face value, it appears all about meeting a quota of callers per day rather than providing advice or be helpful.

The system needs an overhaul, badly. CSA needs to be given investigative powers and powers of enforcement and the ability to withhold payments for incursions and failure to comply with Court orders.

There needs to be a single approach that manages the process as a holistic case, not separate Departments buck passing or saying they cannot assist with your enquiry, and then you are referred to a different Department. I have suffered much frustration and been referred to three different Departments in one day over the same issue, the answer from all three, - "That is not our responsibility, you will need to speak to XXXX Department, I have the number here if you have pen". I gave up on the issue, to my detriment.

The payment methodology needs to be reviewed and restructured. As I discussed in my opening, I do not object to paying child support, I object when I feel that I am being punished and used as a cash cow to supplement my ex wife and her lifestyle. How is it that it costs proportionally more (in my case 79% more) to raise one child than it is to raise two or three?

More often than not a common sentiment I have heard when discussing CSA with other paying parents is the feeling of hopelessness and the feeling that they are at fault. They find it easier just to accept the punishment, pay the money and have acknowledged that this is their future for however many years they have left to pay, and after that, to a person, all have said that in the middle of their lives, they are all starting from scratch and CSA did not help at all.

I look forward to the outcomes of the inquiry.

Thank you.