

Paul Lee
24 Breimba Street
Grafton N.S.W. 2460
Ph: [REDACTED]
E-mail: [REDACTED]

House of Representatives Standing Committee on Family and Community Affairs	
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Committee Secretary
Standing Committee on Family and Community Affairs
Parliament House
Canberra A.C.T. 2600
E-mail: fca.reps@aph.gov.au

Dear Sir or Madam,

**Submission re: Inquiry into Child Custody
Arrangements.**

I wish to approach the Child Support section in the Terms of Reference.

My submission is to present a paper called Child Support 2000 (CS2000) which was submitted to a Family Law Conference "Children the forgotten players" at Blacktown N.S.W. in 1999. CS2000 was produced as an alternative to the current Child Support System and I consider that the ideas and concept are still relevant while the figures need to be updated.

CHILD SUPPORT 2000

SCOPE

This proposal is designed to replace the current system of child support in Australia and is based on proposed changes to Family Law, being fifty/ fifty property settlement.

The proposal will achieve the following.

1. A fair and reasonable child support system which will allow and encourage non custodial parents to establish a normal lifestyle while being encouraged to succeed, where under the current system one is encouraged to join the "dole" queue.
2. All children from broken families will receive financial support.
3. All non-custodial parents earning above \$9000 p.a. will pay some form of child support.

The cost to the taxpayer will be drastically reduced by implementing a simpler collection and payment process whilst abolishing the Child Support Agency, as we know it.

OVERVIEW

After replacing the current percentage formula, child support will be calculated on the Child Support Levy (CSL) Table and collected annually by ATO in the exact manner in which the Medicare Levy is collected. This alone will provide the incentive needed for the payer to keep working while realising that extra effort will lead to greater financial reward which will not be subject to child support. The spin off for ATO will be extra tax revenue as payers earn more coupled with the total abolition of the necessity to reduce ones taxable income in an attempt to avoid ridiculous CSA payments. Everyone wins especially the custodial parents who are receiving nothing due to massive loopholes in the current system.

The burden of the CSL will be paid by the non-custodial parent. The amount will be calculated on the basis of 50% of the cost of providing for an average child's support; with the payee and possible new partner, providing the other 50%. This will abolish the total imbalance of payers being reduced to living in poverty while the payee receives unfair amounts of child support. It will also slow the trend of divorce and family breakdown, prompted for financial gain, particularly in the case of the high income bracket. At present potential custodial parents are financially encouraged to separate especially if they plan to remarry. This trend leads to extreme social problems caused by the destruction of a strong family unit.

CSL AMOUNT (per week)

Number of Children	Payer	Total (incl. Payee 50%)
One	\$50	\$100
Two	\$70	\$140

Three	\$90	\$180
Four or more	\$100	\$200

Factored into the calculations are the amounts the payee can claim under Family rebate in their Tax Return, where as the payer cannot.

INCOME SCALE

Payer's taxable Income.	CSL
\$29,000	100%
\$27,000	90%
\$25,000	80%
\$23,000	70%
\$21,000	60%
\$19,000	50%
\$17,000	40%
\$15,000	30%
\$13,000	20%
\$11,000	10%
\$10,000	5%
\$9,000	0%

COLLECTION

An addition to the Weekly Tax Instalments Schedule will be a CSL column. This will add \$50 per week tax to PAYE payers. For payers with more than one child the extra amount can be deducted on a voluntary basis, or paid in ones tax return. If the extra payments are not met the ATO would use normal procedure for the collection of unpaid taxes. The amount collected overall will exceed the current amounts collected by CSA as there will be far more payers.

PAYMENT

Centrelink will organise payment to the Custodial Parent as an extension of the existing Family Payment, keeping administration costs very low. All custodial parents will receive this payment. Where there is a shortfall in CSL due to a payer's taxable income, Centrelink will fund the Child Support Payment to meet the required CSL level.

FUNDING

There is an obvious short fall in funding, costing the Government, but this will be fully offset by the abolition of the CSA and a vast reduction of cases being decided in the Family Court, a court which currently costs Australia three billion dollars p.a. If one calculates the extra tax paid by harder working payers and the number of payers who will leave the DOLE queue, the Government will be well in front.

The abolition of the CSA as well as Sole Parent's Pension should in itself pay for CS 2000. As all custodial parents will be receiving maintenance, Sole Parents Pension will no longer be required, but the massive savings acquired here will need to be spent on an increase of Extra Family Payment and made available to all custodial parents.

This will once again place custodial parents on an equal basis. In solving the disadvantages of losing Sole Parents pension, these parents will, if not working, apply for Newstart Allowance once again simplifying the Social Welfare System and reducing costs.

SAFEGUARDS

Centrelink will employ the necessary CSA staff to act in an administration and disputes settlement role although disputes will be rare as the formula is simple and all payees will receive Child Support, unlike the current system. To avoid the problem of self employed payers escaping the system due to lower taxable incomes, a system of a minimum Gross Income Threshold would need to be set, for example, if ones taxable income were to drop below \$25,000 and the Gross income was \$50,000 or over, the payer would still be required to pay the full CSL. It is crucial that not one custodial parent presently receiving a Centrelink Payment has such payment reduced under CS 2000 as we are all well aware of the difficulty in raising children when unemployed, on a pension or as a single parent

BENEFITS

All parties will be less disruptive as the rules will be "fair and equitable" where under no circumstances will either parent be in a position to dispute, disrupt or cheat the system. This will lead to a better, non-destructive atmosphere for the children living within broken families. The CSL will abolish the current practice of the payee denying access in attempt to gain a higher rate of Child Support. If the payee refuses to abide by access arrangements, without good cause, the Child Support payment may be reduced.

VOUCHERS

All CSL payments could be in the form of shopping vouchers. Food and clothing are approximately one half of the estimated cost of raising children; hence the other needs are to be funded by the custodial parent. Food vouchers already exist in some parts of Australian society. Under the current system there are absolutely no guarantees that one cent of Child Support must be spent on a child's welfare and in cases of custodial parents having certain addictive habits, the children are being neglected.

SUMMARY

Apart from a small percentage of CSA payees who are presently receiving vast amounts of maintenance from high income payers, all other custodial parents will benefit and all our children will be equally and fairly provided for. The Government wins all round with the abolition of the CSA, Sole Parents Pension and a vast reduction in CSA appeals, Legal Aid and dispute settlement. Society itself will benefit most as the bitterness and infighting between separated parents will reduce dramatically which will reflect on to the children's wellbeing.

One may comment that the real winners are wealthy payers; not so. Under the present system, most wealthy payees and their children are able to maintain their pre-divorce standard of living while the payer is reduced to a life of poverty and can ill afford a decent outing or holiday when enjoying an access visit, as is the case with most payers under the current system. It is a fact that many professional, high income

earners have given up and become unemployed under our system of child support. CS 2000 will ensure that non-custodial parents, rich and poor, will be able to enjoy a similar standard of living, especially during times of access, as they did before separation.

Finally, the proposal negates the long and bitter complaint of why child support is paid on tax payments. The proposed formula has accounted for this discrepancy whilst still being calculated on the taxable income, which is the only logical method.

We could spend months researching and calculating payments, winners and losers and the total savings to the Federal government; but obviously this task is for Treasury. A blind person can see that this plan is financially viable and a definite vote winner. Someone within our Government needs to listen to the CSA clients whose lives are being torn apart under the present pathetic system of child support. How many more murder suicides or non-custodial parent suicides will occur before someone listens?

IMPLEMENTATION

Apathy is a terrible problem in Australia and the "us against them" syndrome is a cancer. There are to be no radical "us against them" groups involved in this campaign as it is imperative that men, women and the powers that be cooperate, negotiate and use this blueprint as a stepping stone in achieving a fairer Child Support system for our children.

CS 2000 was presented as a resolution at the "Children: The Forgotten Players" conference at Blacktown in Sydney on 15-06-1999. The outcome of the conference will be made available in September. But we need to lobby all relevant sections of society especially politicians, business and welfare groups.

We encourage and need input and ideas from all interested parties as it will take a huge effort by all concerned to solve these problems. Please do not hesitate to contact our representative.

This proposal was prepared by Michael, Paul and Brian.

There are three important outcomes for us in this proposal:-

1. That our children are supported and cared for.
2. That it is affordable for non-resident parents to allow them to continue their life and to maintain a good relationship with their children having incentive to work and the choice to further support their children.
3. That resident parents do not need to argue over the amount to be paid and are financially secured without the need to seek a review or to litigate

Respectfully,

Paul Lee