

# LONE FATHERS' ASSOCIATION OF AUSTRALIA

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## ~~NEWCASTLE - HUNTER REGION BRANCH~~

House of Representatives Standing Committee  
on Family and Community Affairs

Submission No: 318

Date Received: 6-8-03

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Standing Committee on Family and Community Affairs  
Child Custody Arrangements Inquiry  
Department of the House of Representatives  
Parliament House  
Canberra ACT 2600  
Australia

Sunday, 26 July 2003

## STANDING COMMITTEE ON FAMILY AND COMMUNITY AFFAIRS

### CHILD CUSTODY ARRANGEMENTS INQUIRY

#### SUBMISSION

The Lone Fathers' Association (LFA), Newcastle – Hunter Branch welcomes this opportunity to contribute to the Standing Committee's Child Custody Arrangements Inquiry. This could result in very important developments of social evolution for Australia; for the welfare of children and for the welfare of parents.

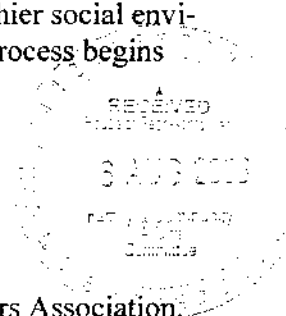
LFA notes that many documents already exist which are pertinent to this Inquiry and many recommendations for improvement exist. Some of these documents are listed in **References** of this submission.

After separation, it comes as some surprise to most parents with children to find their lives are still entwined; that lone parents need the support and reinforcement that can come from the other parent; that distressed parents equals distressed children. Parenting is often a painful role requiring sacrifice by both parents in the best interests of children. We need to be told, sometimes, to accept this; that there will always be a parenting relationship with our children, that it's undeniable.

The real objective of this Inquiry, hopefully, is not just another set of fine recommendations; the desirable outcome, surely, is to manage positive change towards a healthier social environment, a better culture for parents and their children. That management process begins now. We urge you to push beyond the recommendation stage.

Please accept this submission.

M Lewis (Treasurer, on behalf of Lone Fathers Association,  
Newcastle & Hunter Branch)



## SUMMARY

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## / RATIONALE

/ LFA agrees with the presumption of equally shared care as the default position from which an ongoing agreement between parents can be made

/ the meaning of shared care should not be a literal application, necessarily, of equally shared time

/ shared care is a concept of equal responsibility and equal duty of care on an ongoing basis of stable and reliable parenting by both parents

/ shared care is concerned with equal opportunity

this notion of shared care should be enshrined in law

/ shared care has more to do with quality of care than quantity of care time

/ LFA applauds Section 60B of *The Family Law Act 1975*

/ there has not been an obligation or duty imposed by legislation on the Family Court to ensure that parents have an equal opportunity to practice those fine objectives

/ the current legislation and its consequences in the community is unsatisfactory

/ Section 60B's obligation of care is not stated boldly enough

/ LFA applauds recent Government amendments

/ Under proposed shared care arrangements it would be inappropriate to apply the current Child Support formula as it discriminates the rolls of the parents

/ If the Committee's inquiry resulted in a recommendation that there should be a presumption that children will spend equal time with each parent, it follows that there be a complimentary recommendation that children should be financially provided for equally by each parent

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## / MEDIATION

/ LFA believes the following would be an effective scenario for a mediation process:

historical check on both parents made with authorities; "Parenting Agreement" negotiated; if children are of paramount consideration then there needs to be an examination of the principle that children are the incumbents to the marital home; Child Support liabilities of both parents; registration with Centre-Link; parenting courses; Parenting Agreement is signed; Court provides consent orders; "Compliance Certificate" is issued; a *decree nisi* applied for

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/ Notes on mediation:

/ "Family Court Mediation Tribunal"

/ mediators would be required to have substantial training, accreditation and experience

/ mediation automatically involves other systems immediately mediation begins

/ primary jobs of the FCM Tribunal, to demonstrate possible consequences as a result of decisions, allegations are automatically followed up and constitute a Notification to the appropriate authority

/ mediation may require many hours of negotiation over several sessions

/ the triggers for mediation to occur must be automatic and result in immediate initiation of the process

/ the first session of the process should occur within seven days of the trigger

/ opportunity for unforeseen re-negotiation of a Parenting Agreement must exist

/ circumstances where FCM Tribunal mediation is automatically triggered but where neither parent is seeking separation or divorce

/ mediation begins with default presumptions

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## / REBUTTAL

/ rebuttals to the default presumption may include

## / CHILD SUPPORT

/ LFA agrees fully with the principle of financial responsibility for children by both separated parents

/ it's a system which has been heavily weighted in favour of the payee parent since introduction in 1988

/ Currently, the CSA formula is this

/ Fair or equal? No

/ Discrimination is an alarming circumstance for a payer; it is a comforting circumstance for a payee. Term of Reference (b) is rhetorical: "whether the existing child support formula works fairly for both parents in relation to their care of" ... "their children". No sir/madam, it doesn't work fairly!

/ taxable income, in the formula is not a true reflection of a client's "capacity to pay"

/ the ATO is liable to pay 25% of a child support assessment. But no; the law says that a liable parent, in practice, must pay 100% of an assessment from 75% of earnings received

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- / Not only is the legislation itself crooked but so is its application by the CSA
- / Evidence shows that the CSA is not biased (against payers) so much as careless with all categories of its clientele
- / the *Garnishee Express* stops at no station
- / CSA-decided payers hemorrhage from the moment they are first liable
- / It's unfortunate, though understandable, that a payer might persuade a child to go and get a job as early as possible, rather than continue as a dependent student. The opposite pressure would be brought to bare on the child from the payee
- / Children must wonder why the 80% of life they spend with the resident is so considerably more affluent than the 20% of life they spend with the contact parent
- / research establishes that the costs of exercising contact will often be relatively high
- / a payer must provide for their children, just for shorter periods
- / there's no legislative provision for recognising the costs associated with contact
- / Coalition Government has recognised the entitlement of a payer to FTB, though it wasn't initiated on voluntary or on compassionate grounds

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- / Term of Reference (b) is rhetorical: "whether the existing child support formula works fairly for both parents in relation to their"...."contact with their children". No madam/sir, it doesn't work fairly!
- / formulas that are used by CSA and the Family Assistance Office are non-coincident
- / LFA believes that the calculation of non-resident care time needs to be consistent irrespective of the Commonwealth authority making assessment
- / given the present system of care division, there's no reason why a computer can't be given an actual percentage between 0 and 100
- / Such a system would encourage contact by parents – particularly fathers – which is a circumstance that government has demonstrated concern about
- / the existing situation of "unfair" child support doesn't have to continue
- / no contact would occur; residency would be contact
- / Under the scenario of equal time, legislation would be needed so that children were financially provided for by each parent according to their means in the following manner
- / when consensual financial agreement at mediation failed

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- / An example (where rebuttal has been deemed by the Court to apply)
- / very enlightened and brave politicians to enact as legislation
- / failure to improve legislation would be another failure in the duty of care that the government owes to children
- / There is the view that we manage the marriage problem by redistributing money more efficiently. I think this [proposal is– sic] profoundly wrong. It is wrong because redistributing income simply makes it, for some people, easier to raise children without a father present. They do it with more money but they do it with no greater effect

CONCLUSION

- / legislation that recognised a presumption of "equal parenting" would need retrospectivity
- / urge you to contribute to FIXING IT! PROMPTLY!

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- / SOME RECENT COMMENTS MADE BY CONCERNED PEOPLE
  - / REFERENCES
-

## RATIONALE

LFA notes the wording of the Inquiry proposition "...presumption that children will spend equal time with each parent..." following separation. This has also come to be known as "shared care".

**LFA agrees with the presumption of equally shared care as the default position from which an ongoing agreement between parents can be made.** While LFA sees equal time as an important default position, the importance of the word "equal" is believed to be dominant over the word "time". LFA believes that **the meaning of shared care should not be a literal application, necessarily, of equally shared time** – though this can indeed be the case for many parents. Instead, **shared care is a concept of equal responsibility and equal duty of care on an ongoing basis of stable and reliable parenting by both parents.** Currently, the system implies and then delivers a superiority of one parent over another – the "master/servant" relationship between parents – which results in the practice for one parent to undermine, over-rule or ignore the other. This is not a healthy situation for children (or for parents). The LFA notion of **shared care is concerned with equal opportunity, in practice, to raise our children and that this notion of shared care should be enshrined in law** – which is not presently the case. The LFA notion of **shared care has more to do with quality of care than quantity of care time**; an equal opportunity to share parenting and to make decisions jointly.

An analogy may be useful: a mathematical equation requires – as a default position – that each side of the equal sign is the same; the circumstances, (the terms on each side) may differ but the result is the same; thus  $7 + 5 = 4 \times 3$ . These different circumstances indeed promote a richness of experience for a child.

**LFA applauds Section 60B of *The Family Law Act 1975***, the objects and principles which underlie *Part VII – Children*. However, the omission inside those 60B statements is glaring and obvious. The omitted word is "equal"; ie  $50 + 50 = 100$ . Thus **there has not been an obligation or duty imposed by legislation on the Family Court to ensure that parents have an equal opportunity to practice those fine objectives.** Commonly the Court simply seeks to involve both parents where  $80 + 20 = 100$ . The consequence of Court decisions which "award" an 80/20 proportion of care is a culture of "major" and "minor" roles by parents. We have a majority share-holding by the resident parent who has "ownership", the casting vote, usually the recipient of both welfare and of CSA assessment, a subject of community sympathy, someone who is excused from seeking paid work, someone who has both purpose and company. In contrast the minor share-holder, the access parent is in the background, the follower, frequently just the cash-provider whose Child Support obligations necessitate limited involvement with his or her children. If we are truly concerned for the care, welfare and development of children after separation, **the current legislation and its consequences in the community is unsatisfactory.** Children have a right to expect the same inputs of role-modeling, of safety and teaching, of intimacy from each separated parent as they enjoyed in the intact family. This right of the child is not allowed to continue, as a rule, after separation occurs because **Section 60B's obligation of care is not stated boldly enough.**

LFA has never shrunk from the concept of ongoing financial responsibility for their children following separation. That is a duty of care which, we believe is undeniable. We condemn parents who seek to avoid these obligations. However, we also need to better protect the gander so that its golden egg-laying habit can continue, even prosper. **LFA applauds recent Government amendments** made to the child support system with the *Family Law Amendment Act 2000* and the *Child Support Legislation Amendment Act 2001*; LFA notes that payers have finally been acknowledged as entitled recipients of Family Tax Benefit for the proportion of care time of their children.

**Under proposed shared care arrangements it would be inappropriate to apply the current Child Support formula as it discriminates the rolls of the parents as "resident" (major, payee, carer parent) and "contact" (minor, payer, liable parent); this tends to infer "superior" and "inferior" rolls, respectively. If the Committee's inquiry resulted in a recommendation that there should be a presumption that children will spend equal time with each parent, it follows that there be a complimentary recommendation that children should be financially provided for equally by each parent – according to each parent's means.**

Please note the reference list at the end of this submission. In the body of the text these references are acknowledged by digits (1), (5) etc

## MEDIATION

LFA offers some comments on the use of mediators although this is not a term of reference of the Inquiry. LFA sees this process as having been overlooked in the existing family breakdown system but that it is a critical platform for the care, welfare and development of children following separation of parents. LFA supports the use of counselors, those in the Family Court system and as private service providers. However, their role is limited and lacks effect. Court counseling is not facilitating mediation – which is a quite different function. **LFA believes the following would be an effective scenario for a mediation process:**

/ mediation is a process, not a single or random event

/ mediation is mandatory on both parties concurrently ie it is unlawful not to agree to the procedure or not to attend without just cause (such as a doctor's certificate)

/ mediation occurs in person without representation in a tribunal setting

/ the outcomes from mandatory mediation can only be

1 marriage reconciliation, being the more desirable objective

or

2 separation by the following prescribed steps:

a) an automatic **historical check on both parents made with authorities** charged with child protection and family violence – the check would include issues such as allegations of child abuse, neglect, abandonment of the family home, drug charges and A/DVO's; current or new allegations would have to be resolved with authorities by Notification before proceeding with the next separation step

b) a **"Parenting Agreement"** negotiated between the parents, to include issues of financial arrangement, schooling, medical/health and welfare, next-of-kin and emergency contact, contact with significant others, division of residency/contact time; (parents may consider the benefits to their children whereby the children remain in the marital home full time and with the respective resident parent for the period; thus there is never a contact period – contact is effected by residency; **if children are of paramount consideration then there needs to be an examination of the principle that children are the incumbents to the marital home**); the Agreement is for a fixed term, for example 3 years, whereupon a further Agreement term is registered or the Agreement re-negotiated (due to significant change in parent or child circumstances including growing of the children necessitating a more appropriate plan to reflect their needs)

c) if a binding financial arrangement is not already provided for in the Parenting Agreement, **Child Support liabilities of both parents** are applied for at this time and written into the Agreement

d) **registration with CentreLink** by both parents for Child Care and Family Assistance benefits is written into the Agreement

e) **parenting courses** may be deemed appropriate for one or both parents to attend with private service-providers

f) the **Parenting Agreement is signed** by both parents and the mediator

g) application is made to the Family Court by both parents for approval and registration of the Agreement; the **Court provides consent orders** which are required to make the Agreement binding (and the Court must have the resources and the will to police its own Orders; this doesn't currently occur)

h) a **"Compliance Certificate"** is issued for each parent at the time of Parenting Agreement registration; this states that both parties have attended all mandatory mediation meetings and that the Agreement is due for review after a stipulated period (whereupon the Certificate is again stamped after parents have successfully negotiated the Agreement Review)

i) a **decree nisi applied for** but only after a) to h) is complete

**Notes on mediation:**

1. mediation might be centered about the Family Court in something we could call "**Family Court Mediation Tribunal**" (FCM Tribunal); a user-friendly tribunal system should empower all parties to put forward a point of view without fear or favour:

2. counseling could be in conjunction with, but not instead of, mediation:

3. **mediators would be required to have substantial training, accreditation and experience** in many areas including conveying information and consequences, conflict resolution and anger management, negotiation, facilitation, the separation of fact from fiction by access to outcomes from investigation by other authorities (DoCS, Local Courts, CSA, CentreLink etc); functions the mediator does not have is judgment and decision-making; these lie either with the parents or with the Court:

4. **mediation automatically involves other systems** of the States and of the Commonwealth, (the "gatekeepers" or public service providers); these systems become integral **immediately mediation begins**:

5. **mediation may include significant others** and the children in the negotiation process:

6. one of the **primary jobs of the FCM Tribunal**, at the start of a new case, is information and warnings to be conveyed to the parents; particularly, **to demonstrate possible consequences as a result of decisions** to be made during the mediation process; parties need to be told the "motherhood statements" of Section 60B, of their ongoing duty of care to their children, of the presumption of equal care, of the need to involve other public service authorities, significant others and the children themselves, that abuse, neglect, abandonment or abduction **allegations are automatically followed up and constitute a Notification to the appropriate authority** (and currently DoCS and the Family Court are very shy about becoming involved in each other's case, allowing a crack to occur through which children fall as both authorities seek to avoid investigation of an abuse matter – this is a clear instance of failure to protect, failure in the duty of care of children); parents need to be told of penalties (which are in need of significant bolstering) for false allegations (allegations, as opposed to Notifications, are too often used by a party and motivated for spurious and tactical reasons of parental one-upmanship, rather than as legitimate concerns for the safety of children), of the desirability for reconciliation as a preferred outcome, of the final discretionary power of the Court to find resolution should the parents fail. This task of the FCM Tribunal mediator is vital to the future outcomes of the case:

7. **mediation may require many hours of negotiation over several sessions**; as long as there's the possibility for resolution, mediation should continue; if reconciliation is not possible then mediation should continue so that h) and i) are achieved; only for intractable cases should a mediator finally refer the parents to the Family Court for what may become an adversarial matter:

8. **the triggers for mediation to occur must be automatic and result in immediate initiation of the process**; it may be that it's the trigger itself (a summons to appear at the FCM Tribunal) that alerts the other parent that separation has occurred; triggers may be several: application by either parent for residency status, for *decree nisi*, for Child Support; by notice given to the FCM Tribunal by a parent that separation has occurred; by notice of abduction of the children by one parent; by notice given to the FCM Tribunal of a conviction by the court system which impacts on the welfare of children; **the first session of the process should occur within seven days of the trigger**:

9. **opportunity for unforeseen re-negotiation of a Parenting Agreement must exist** for circumstances such as a parent's sudden limited capacity and/or disability to uphold their duty of care (eg imprisonment), return to work or redundancy; some circumstances may require direct application to the Family Court for new orders (for example, a parent's death):

10. there may be **circumstances where FCM Tribunal mediation is automatically triggered but where neither parent is seeking separation or divorce**; circumstances such as a conviction of child abuse (but not for an unproven allegation of child abuse...) or for imprisonment of one parent; such circumstances may require sessions of mediation to the point of b) a "Parenting Agreement" negotiated and/or e) a parenting course; many circumstances do not require recourse to Court in pursuit of a *decree nisi* although mediation has been triggered to occur:

11. **mediation begins with default presumptions** that 50% care time by each parent and 50% of duty of care responsibility has been the case up until separation and that it is desirable to continue this after separation; this starting point can be rebutted only by i) consent of parents during the FCM Tribunal mediation process or ii) adversarial action in a Family Court hearing.

## REBUTTAL

**rebuttals to the default presumption may include** any activity or circumstance which is deemed (by both parents' consent or deemed by the Court) to be contrary to the welfare of a child, such as a conviction for neglect, child abuse, spousal violence, abandonment, drug or prostitution activity and abduction of children (a common practice at the end of a marriage which, while frowned upon, *is passively encouraged by the Family Court as a community activity, by the Court's omission to censor this damaging habit*);

rebuttal may include a parent's absence such as frequent inflexible work commitments or imprisonment;

rebuttal may include factors deemed important by the child, significant others such as grandparents or members of a blended family;

rebuttal may include circumstances of limited parental capacity to extend the duty of care, such as physical or psychological disability, extreme youth of one or both parents where it's appropriate that third parties bolster the child's welfare.

## CHILD SUPPORT

Like the old medical practice of bleeding a patient in the well-meaning but mistaken belief that such a procedure is beneficial, so the bad legislation, poor administration (or both) of the *Child Support (Registration and Collection) Act 1988* and the *Child Support (Assessment) Act 1989* is responsible for significant hardship in an identifiable section of Australian society – payers and their children (while in the payer's contact time).

**LFA agrees fully with the principle of financial responsibility for children by both separated parents** just as it was accepted by those same parents during marriage. The majority of contact parents have no argument with that duty of care and most pay what is required either by private agreement or through imposed CSA assessment. Indeed, even the CSA crows that their "collection rate" of 83% is a good figure. (With such authority and power to impose, so it ought to be.) But that doesn't make it a good system applied without fear or favour. In fact **it's a system which has been heavily weighted in favour of the payee parent since introduction in 1988**. Successive amendments have recognized this and eased up on the draconian prescriptions, including the impost of assessment applied to second jobs in a subsequent marriage. But the pendulum is still a long way from a balanced position.

Payers are more likely (than payees) to be without a home that they own; they are more likely to go without health insurance or have any savings; they are more likely to suffer significant grief every second Sunday and more prone to general depression and anxiety. Anecdotal evidence shows suicide by payers is significantly higher than by payees. Payers (and payees) are frequent visitors to CentreLink; almost without exception payers claim the Aged Pension due to inadequate self-provision, having been bled so vigorously through the CSA for so long. With superannuation now also assessed as marriage spoils that trend is reinforced.

**Currently, the CSA formula is this:** the amount payable by the payer = the child support percentage (18, 27, 32, 34 or 36 respectively for 1,2,3,4,5 or more children) multiplied by the result of the payer's taxable income (gross figure) after subtracting the payer's exempted income (\$12,315) and subtracting half of the payee's income above what's disregarded (\$36,213). Simple? Yes. **Fair or equal? No.** Apply the formula using your own and your partner's incomes to see what you'd be paying as the payer; to see what you'd receive if you were the payee. Remember, as the payer you'd be left unpenalized with an amount of \$12,315 as protected income (Exempted Income Amount); and as the payee you'd be rewarded with an amount of \$36,213 as protected income (Disregarded Income Amount)! How did this discrimination come about?! **Discrimination is an alarming circumstance for a payer; it is a comforting circumstance for a payee. Term of Reference (b) is rhetorical: "whether the existing child support formula works fairly for both parents in relation to their care of"...."their children". No sir/madam, it doesn't work fairly!**

The use of the gross figure, **taxable income, in the formula is not a true reflection of a client's "capacity to pay"** since this amount is not what the client, the wage earner, receives from income to become discretionary spending. The formula is based on a total amount earned, a large proportion of which (25%?) has never been in the hands of the earner at any time, instead going straight to the ATO. It could thus be argued that **the ATO is liable to pay 25% of a child support assessment**. But no; **the law says that a liable parent, in practice, must pay 100% of an assessment from 75% of earnings received.** Fair?

**Not only is the legislation itself crooked but so is its application by the CSA.** There is documented evidence of CSA breaches of Duty of Care, breaches of the CS Charter, breaches of the Public Service Code of Conduct and of the Public Service Act; failure to act without bias, failure to accept documentary evidence as presented and incorrect application of policy. In 2002 the Australian National Audit Office conducted a performance audit (6) of the administrative procedures of the CSA and concluded with four Recommendations. **Evidence shows that the CSA is not biased (against payers) so much as careless with all categories of its clientele.** It fails to follow and pin down child support debtors as often as it hounds and intimidates payers with a good payment record. Typically, the CSA, in its application of a Section 72A (garnishee) notice to recover a debt, will grasp "twenty-eight (28) cents in the dollar of each gross amount paid on money being held for you until the debt of \$xxxx.xx is fully repaid." Garnishees are often put into effect before notification by the CSA to the payer. And typically, the garnishee is allowed to over-run the debt because once the garnishee is in place things run on automatic; the debt becomes an increasing credit, not a nil balance. There is no automatic trigger to lift a garnishee once the debt is discharged; **the Garnishee Express stops at no station.** The CSA has wide powers to obtain funds from a debtor. These powers include the 72A notice already referred to, interception of tax refund moneys, sale of a debtor's assets, confiscation of benefits from a public company or social welfare pension and direct debit from a debtor's bank account. The CSA has even removed the piggy bank savings of children whose pocket money was held in trust for them by a debtor parent; their savings were sent to the payee parent by the CSA! It's a difficult job to explain this to a child without a phrase such as "the Commonwealth has robbed them of their pocket money".

**CSA-decimed payers hemorrhage from the moment they are first liable** until the time their youngest child attends the last day of school in the year in which the child turns eighteen. There may be, regrettably, some pressure brought to bare by payers on their children at this time not to attend a tertiary institution; because when an eighteen-year-old continues to be a dependent student the CSA liability continues until the day of the student's last tertiary exam. The current HECS debate is not helpful to a paying parent – or to the children. **It's unfortunate, though understandable, that a payer might persuade a child to go and get a job as early as possible, rather than continue as a dependent student. The opposite pressure would be brought to bare on the child from the payee.** Understandable. Unfortunate for the child. Regrettable for the Nation, even.

Children also recognise the results of present inequity of financial arrangements made by the system of child support. They wonder why their two parents provide such different standards of comfort. **Children must wonder why the 80% of life they spend with the resident is so considerably more affluent than the 20% of life they spend with the contact parent;** but the CSA says "*Child Support Agency. Putting Children First*" - (except for 20% of their lives).

Recent research commissioned by the Commonwealth Department of Family and Community Services has been able to put some figures on costs that a non-resident parent faces. The finding is this: "**The research establishes that the costs of exercising contact will often be relatively high.** For example, where contact with one child is for 20% of the nights of the year, the cost of this contact represents about 40% of the *total yearly* costs of raising that child in an intact couple household with a medium income, and more than half the *total yearly* costs of that child in a household with a low income." (2)

LFA knows already – through experience – that the costs associated with contact for a non-resident parent are significant. Just like the resident parent, **a payer must provide for their children, just for shorter periods;** all the domestic paraphernalia of living – food, clothing, phone calls by children, electric blankets, a room, video hire, birthday presents – a fully operating domestic environment fully funded by the payer single-handedly and alone (and until recently without FTB). This condition has been unrecognised, even unwelcomed, as a reality by the "system" in family breakdown. The CSA is cold to that reality and are unable to provide relief to the payer because **there's no legislative provision for recognising the costs associated with contact.** LFA recognises that the resident parent bares costs which the contact parent is generally spared, like schooling, health insurance, sports fees etc; LFA also recognises that it's the contact parent who generally bares the travel expenses associated with effecting contact. The Labor Party has at least paid lip service to payer contact expenses with its proposal to pay a benefit they're calling a "Contact Allowance", but not the Coalition. As of July 2000 the **Coalition Government has recognised the entitlement of a payer to FTB, though it wasn't initiated on voluntary or on compassionate grounds.** Instead, FTB has been paid to contact parents only as a result of cases of discrimination being brought by a number of contact parents and



upheld against the Commonwealth in both the Administrative Appeals Tribunal and Federal Courts; and thus setting precedence for all contact parents. Shame on you! **Term of Reference (b) is rhetorical: "whether the existing child support formula works fairly for both parents in relation to their"...."contact with their children". No madam/sir, it doesn't work fairly!**

Presently the **formulas that are used by CSA** (to calculate child support liability) **and the Family Assistance Office** (to calculate Child Care and Family Tax Benefit) **are non-coincident**. The starting point for assessment is based on the care time of children. In the case of CSA any care time for a payer that exceeds a 30% threshold - 110 nights of the year - is called "substantial care". Consequently a substantial care parent can have a small reduction in child support based on a more advantageous formula. But in the case of the Family Assistance Office care time is based on a threshold of 10% care time - actual added up time as evidenced from Court Orders or from the diary of the non-resident parent. Consequently FTB is paid on the actual percentage of care time enjoyed by the non-resident parent, provided that care time exceeds 10% of total time.

**LFA believes that the calculation of non-resident care time needs to be consistent irrespective of the Commonwealth authority making assessment.** The obvious primary reference for this is the Parenting Agreement which would stipulate, under the default proposal, that the children's time is divided equally between the parents - ie a starting point of 50% for assessment. But in any case, **given the present system of care division, there's no reason why a computer can't be given an actual percentage between 0 and 100** irrespective of whose office the computer works in. LFA believes both assessments should be made on the same percentage and that the starting point should be zero. **Such a system would encourage contact by parents - particularly fathers - which is a circumstance that government has demonstrated concern about.**

When the two CSA Acts were legislated "in the best interests of children", the governments of the day could not have got things more wrong; the Acts are wrong for contact parents and for their children (but nice for resident parents and their children). It is conceivable that the Commonwealth might have a case or two of discrimination to answer for in future actions that are brought by adult children, who, during their childhood were required by Commonwealth legislation to suffer frequent brief bursts of poverty and hardship.

Is the child support system fair? LFA would be interested in any response in the affirmative to that question. Of course **the existing situation of "unfair" child support doesn't have to continue**. Indeed, it couldn't under a presumption that children will spend equal time with each parent. Probably the two child support Acts would need repeal. At the very least, they would need substantial amendment. As previously outlined in the Rationale, a presumption of equal time would put each parent on equal terms of residency and thus **no contact would occur; residency would be contact**.

**Under the scenario of equal time, legislation would be needed so that children were financially provided for by each parent according to their means in the following manner:**

1 any consensual financial agreement made between separating parents at mediation would need no registration or administration by any agency; but the Parenting Plan would include that aspect of agreement and be endorsed by the Court as Orders; or

2 **when consensual financial agreement at mediation failed** the CSA would be required to make assessments of liability on both parents;

/ the variables used in a CSA "formula" of assessment would be

1 the annual net income of each parent from the previous financial year

2 where rebuttal to the 50/50 presumption is deemed to apply there would be a proportional assessment made for each parent in percentage terms

/ FTB and other welfare payments would not form part of a CSA assessment since they're taken care of already according to the proportion of care time each parent has

/ those two liabilities would be then registered with the Court in order to complete the Parenting Agreement and Compliance Certificate

/ the monthly liability received from each parent would be administered and held in trust by CSA in the names of the children

/ the fortnightly distribution of moneys to each parent by CSA would be administered and paid in inverse proportion to their liability

An example (where rebuttal has been deemed by the Court to apply) would help:

Mrs Carer earned \$20,000 taxable income last financial year and Mr Carer earned \$30,000 (combined taxable income is therefore \$50,000); the Court has Ordered that the children will spend 60% of their time with Mrs Carer and 40% with Mr Carer due to a circumstance of rebuttal; a formula is applied that provides equal protected income for both parents (say, \$12,000 each); for two children the child support percentage is (say) 25%

In this example

i) liability for each parent per month would be: \$50,000 (combined income) - \$24,000 (combined protected income) multiplied by 0.25 (child support percentage) = \$6,500 (combined annual liability) going into the Carers' CSA kitty each year (= \$541.67 per month, combined); for individual liabilities the \$541.67 needs to be in the same proportion as earnings, ie the liability for Mrs Carer is \$541.67 times 2/5 = \$216.67 per month; and Mr Carer's liability is \$541.67 times 3/5 = \$325.00 per month

ii) provision by CSA to each parent would be by direct bank account deposit, fortnightly: provision to Mrs Carer would be \$6,500 (the combined annual liability) divided by 26 (fortnights) times 0.6 (since she has the children for 60% of the year) = \$150; provision to Mr Carer would be \$6,500 divided by 26 times 0.4 = \$100. Thus, on an annual basis Mrs Carer is a payer of \$2,600 and a payee of \$3,900 = net plus \$1,300; and on an annual basis Mr Carer is a payer of \$3,900 and a payee of \$1,200 = net minus \$2,700

The preceding proposal for financial support of children would require some **very enlightened and brave politicians to enact as legislation**. To overturn the present dinosaur would create such outrage within the child support system as well as from its payee half of clients that no government is likely to stir such a pot. But that **failure to improve legislation would be another failure in the duty of care that the government owes to children** (and to 50% of their parents).

Recently comment was made regarding the American system of child support, the model upon which current Australian child support is based. Professor James Q. Wilson of Pepperdine University said: "**There is the view that we manage the marriage problem by redistributing money more efficiently. I think this [proposal is— sic] profoundly wrong. It is wrong because redistributing income simply makes it, for some people, easier to raise children without a father present. They do it with more money but they do it with no greater effect.**" (SBS Frontline "Let's Get Married", 17 July 2003) This comment equally applies to the Australian system of redistributing income and the advantage this conveys to resident parents only. The comment implies no current gain for non-resident parents or for children. LFA's proposal certainly has redistribution of money as a basis of child support. However it is in an environment of equality of financial duty of care where both parents have residency status, both are liable payers and both are entitled payees.

## CONCLUSION

Such legislation that recognised a presumption of "equal parenting" would need retrospectivity – unless further division of Australian society into fragments of different status was acceptable to the Government and its people. All current legislation pertaining to family breakdown would need review by repeal or amendment – family law, child support, child protection, public service.

We have allowed so many children to be treated so dreadfully badly in the past. We must change that NOW! It is you people, you politicians, your colleagues and predecessors who have enacted such dreadfully debilitating laws applying to Australian adults (who elect and then pay you) - those same laws affecting our children. We urge you to contribute to **FIXING IT! PROMPTLY!**

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## SOME RECENT COMMENTS MADE BY CONCERNED PEOPLE

Mr Bob Baldwin MP (Paterson, Liberal): **“One of the things that we do not seem to take into consideration when parents get divorced is the fact that it is the parents who are getting divorced, not the children from their parents.”** (House Hansard, page 1736, 2 April 1998)

Attorney-General, The Hon. Daryl Williams AM QC MP: **“There is significant anecdotal evidence that people still feel overawed, under-informed and confused when tackling the family law system. The existing family law “system” was never designed as a system. It is fragmented, uncoordinated and unplanned, ... Not surprisingly this leads to gaps in the system, cracks through which participants can fall, particularly the vulnerable, most particularly children.”** (Keynote address to Family Courts of Australia 25th Anniversary Conference, 26 July 2001)

The Deputy Prime Minister, John Anderson MP: **“The process of administration of Family Breakdown in Australia is in urgent need of reform and must be rectified by the Federal Government as its next major policy reform in this country. Accordingly, we call upon the Prime Minister to look fairly at the societal problems that the process of divorce and separation is having on the 200 children who are removed by the Family Court from one of their parents (usually fathers) on a daily basis.”** (July 2002?? Yuri Joakimidis ph 0882445184 Joint Parenting Association, SA)

## REFERENCES

1 *The Behaviour and Expenditures of Non-resident Parents During Contact Visits* (M Woods, Research Paper No. 75, Department of Family and Community Services, Canberra, 1999)

2 *Estimating the Costs of Contact for Non-resident Parents: a budget standards approach* (Dr Paul Henman and Kyle Mitchell, 27 October 2000)

3 *Out of the Maze Pathways to the Future for Families Experiencing Separation* (Report of the Family Law Pathways Advisory Group chaired by Mr Des Semple, July 2001) - 28 dormant recommendations

4 *Annual Report 2001* of the Australian Law Reform Commission (see appendix called “Law Reform Suggestions” which includes the entry (Commonwealth) “Duty of Care”)

5 *Family Law Amendment (Joint Residency) Bill 2002* – a Bill for an Act to amend the *Family Law Act 1975*, and for related purposes (Senator Len Harris, 2002)

6 *Performance Audit Client Service in the CSA, Follow-up Audit 2002/03*, Australian National Audit Office, Audit Report #7, 16 September 2002

7 *Inquiry into Child Protection Services*, NSW Legislative Council Standing Committee on Social Issues, 05/12/2002