

Submission No. 1426

Date Received: 12-8-03

Secretary:

7 August 2003

Mal Brough MP
P O Box 1883
CABOOLTURE QLD 4510

Dear Mal,

Re: Submission to Parliamentary Committee

I would like to enter a submission for consideration by the committee responsible for reviewing family circumstances after separation.

Firstly, I'll give you an overview of my situation, I have a 13yr old son to a previous relationship and I have a daughter to my husband. My husband has 2 sons to two previous relationships (two separate mothers). This makes a total of three separate child support cases within our household.

In the following paragraphs I would like to give examples of the problems caused in my situation due to the current formulas and family laws. The areas I will touch on are as follows:

- The current system/formula is unfair to not only the non-resident parent, but also to their extended families and the 2nd wife.
- Non-Resident parent should not be expected to pay extra because the resident parent has a child to a new partner.
- The current system discriminates against the new wife. "2nd" Wives should be recognised as a dependant (at least for the duration of a full twelve (12) months maternity leave period). The "Change of Assessment" process should cover the whole period.
- Consideration should be made for Step-Child costs whilst the new partner is on Maternity Leave as the husband invariably picks up the difference between their child support income and what they can no longer contribute.
- Child Support should not be paid at the cost of the new family. The new family must be considered in the process.
- A reduction for essential expenses such as clothing of the children of the child support case should be considered.
- Formula should be worked out on the Nett Income not the gross income otherwise the payer is paying out twice from the gross income, once for the tax and then again for the child support.

Scenario 1

The situation that my husband and I are in can get very stressful and complicated at times. My husband's ex-wives (until recently) have never really earned an income, certainly not above their exemption amount anyway, so he always has to pay the maximum and I have been earning approximately \$40,000 per annum therefore am over the exemption amount and am expected to pay child support to my ex-partner for the duration of his access visits. Where this system doesn't work is like recently when my son's father went to [REDACTED] and earned \$20,000 tax free, therefore making my income higher than his for that financial year. The outcome of this was that my payable amount to him was higher than his payable amount to me leaving an excess which I was meant to pay him even though he was actually out of the country for 6 months, I pretty much had full care except when his extended family were available for visits and it seems ridiculous that the Child Support Agency would even send a payee a letter to pay the payer. This situation was sorted out and no money physically changed hands but it's *just one example of why the current formula doesn't work.*

Scenario 2

In my husband's case, one in particular the mother went so much as put a pair of shoes on the child, we must supply all his clothing and shoes, so I would like to see a provision in the formula for essential items like this and to have an exemption for items such as clothing the child. He already pays 27% of his gross wage on Child Support, 30% of his gross wage on tax and needs to cover the expenses of dropping off, picking up, medicating the child and visiting doctors when necessary and on top of that we also have to clothe them. This is an additional expense you really shouldn't have for such short access visits. Centrelink have started recognising if the child is in the non-resident's care for 10% of the time than the non-resident parent gets 10% of the family tax benefit, so it's time that the Child Support Agency moved with the times and recognised the percent that a child is in the care of the non-resident parent and *give exemptions based on the percentage of care and cover the costs of those times.*

Scenario 3

When my husband and I are arranging holidays we always have to arrange them around his children's access visits and what the resident parent of his children wants therefore I have had to impose changes with my son's father which has at times caused unnecessary conflict and then he in turn gets upset that his life has to be revolved around my new husband's children rather than his own holiday availability. Thankfully in my case we are both a lot more flexible to changes in access and pretty much leave it up to our son to organise now. If shared care were automatic providing the parents lived locally of one another and the child's schooling wasn't affected the "currently" non-resident parents would get more control over issues such as these and an opportunity to know what is happening with the child in relation to school, such as how they are doing, when their next sports day is, if they are being a part of a play etc. At the moment we don't really find out any of this in relation to my stepchildren. *The other benefit to this would be that if shared care were introduced than Child Support shouldn't be needed at all.*

Scenario 4

The brake down of my marriage this year was greatly attributed to the exorbitant amount of Child Support that my husband is expected to pay and the impact it has on our finances as well as the various issues that arise just to have access with the child. Because of our combined gross income being approx \$80000 per annum you would think that we should be doing o.k. but the problem is that everything seems to be calculated on the gross income and ***because I am not entitled to be a dependant of my husbands the Child Support virtually forced the hand to send me back to work*** after my twelve months maternity leave and therefore adding the costs of Child Care and work related expenses to our finances. Now we pay \$600 per month in Child Support and \$600 per month in childcare because our combined incomes are so high we are not entitled to much reduction in the childcare fees, yet the mother of my husbands children when on the supporting parents pension could infact send the child to day-care even if she wasn't working and be entitled to approx 80% rebate on childcare fees. It's discriminatory that I am not able to stay home with my child but his ex-wife can, this then causes resentment from me to him because I feel as though I'm paying for his past. Although I understand he didn't make the laws I get frustrated that if I have to work to earn good money in order to pick up the slack left after the child support is payed. ***I do agree that non-resident parents should contribute to the upbringing of their children from previous relationships*** but I don't believe it needs to be as much as it is and at the cost of the newly formed family and as much as ***they do have a legal responsibility to their children of previous relationships, they also have a legal responsibility to their current partner and children of the 2nd marriage.***

Scenario 5

When our daughter was born I was entitled to have twelve (12) months unpaid maternity leave by my employer yet the Child Support Agency would only recognise me as my husbands dependant for two (2) months before and three (3) months after the birth of the child. ***I don't understand why, as his wife I am not recognised as a dependant indefinitely or at least for the twelve (12) months duration of the maternity leave.*** The first wife has the luxury of staying at home to bring up her child and have the government's full support and yet I cannot, as my income is essential for our family's survival. ***Once again I as the 2nd wife am discriminated against.*** When I was on maternity leave and earning no income ***my husband had to cover the gaps in my son's costs yet he was not able to claim an exemption for him*** either and it's certainly not acceptable to expect that my sons father should have to pay additional costs just because I had a baby in my new relationship. ***I believe that their needs to be provision for an exemption for the payers new family as he/she is expected to provide for his family.*** If these exemptions are not considered it forces families like ours to consider all their options and for us the only way that I can see us getting our head above water is if my husband becomes the carer for our daughter and I remain at work. This is not a problem for me as I am career oriented a currently have a good paying job, ***but who will pay the child support if my husband has no income at all??***

It's very disheartening when a child visits your house and tells you his mum has just purchased a new house and had a pool put in and you can barely afford to take him out to dinner. Her new partner is getting paid well and they don't have to pay anything out of their household expenses such as child support so of course they don't have the sorts of financial worries we do, especially when she didn't have to rebuild a home either because most of the time she gets the majority of the household furniture as well. The next dilemma my husband and I are about to face is that we have decided to reunite and he is moving back in with us, therefore my eligibility for Childcare exemption will be changed and I'll once again be paying around \$150 per week, I will lose my family tax benefit and once again we will struggle to shop each week.

Thankyou for taking the time to let me touch on a few of the problems that arise as a result of the current Child Support and family laws.

Should you require any further information that would assist you in the review or wish to contact me regarding this letter please do not hesitate to contact the above numbers.

Yours sincerely

