

Submission No: 1709

Date Received: 25-11-03

Secretary:

Following my attendance at the Child Custody inquiry on the costs of children and child support payments on 3 November 2003 I would like to submit the following material which may assist the Committee in its deliberations on the areas under discussion.

The following publications from the United Kingdom and Australia address the issue of child support and sharing the care of children post separation/divorce:

Author: Lewis Jane

Title: 'Why Don't fathers pay more for their children' in *Benefits: A Journal of Social Security Research, Policy and Practice, Issue 27:1-4*.

Subject: Assumptions before 1991 child support legislation in Britain; assumptions informing 1991 legislation; fathers and the meaning of child support;

Publisher: <http://pages.hotbot.com/edu/benefits/>

Publication Year 2000

Skinner C and Bradshaw J. "Non-resident fathers, child support and contact", in *Benefits: A Journal of Social Security Research, Policy and Practice, Issue 27:5-8*.

Subject: non-resident fathers; study findings of 600 non-resident fathers; relationships; socio-economic circumstances; contact with children; child support; financial obligations linked to contact.

Publisher: <http://pages.hotbot.com/edu/benefits/>

Publication Year 2000

Barnes H. 'Child support – Light at the end of the tunnel' in *Benefits: A Journal of Social Security Research, Policy and Practice, Issue 27:9-11*.

Subject: Child support – income-sharing or percentage of income; little consensus on costs of raising a child; non-resident's ability to pay support; proposals for child support reform.

Publisher: <http://pages.hotbot.com/edu/benefits/>

Publication Year 2000

Author: Bradshaw, Jonathan//Stimson, Carol//Skinner,

Christine//Williams, Julie

Title: *Absent Fathers*

Subjects: Child custody/Child maintenance/Family relations/Father absence/Father child relationship/Great Britain

Publisher: Routledge, London

Publication Year: 1999

Author: Dickenson J Heyworth C Plunkett D and Wilson K.

Title: *Sharing the care of children post separation: family dynamics and labour force capacity*.

Subject: circumstances of income support parents sharing care of children; different patterns of shared care arrangements; social security income support arrangements; conflict between social security/family law policies; disadvantaged parents under social security law.

Publisher: paper presented at the Family Strengths Conference, University of Newcastle, Publication Year 1999

Author: Smyth B Caruana C and Ferro A (AIFS)

Title: *Some when's, hows and whys of shared care: what separated parents who spend equal time with their children say about shared parenting.*

Subject: motives and reflections of separated parents equally sharing care of children; qualitative data; insights into shared parenting.

Publisher: paper presented at the Australian Social Policy Conference , University of New South Wales, Publication Year 2003

Author: Woods, Murray and Associates

Series Title: *The behaviour and expenditure of non-resident parents during contact visits*

Policy Research Paper Series, Vol No.75

Subjects: Access/Behaviour/Expenditure/Australia

Publisher: Department of Family and Community Services, Canberra
Publication Year 1999

Author: Craig L (SPRC)

Title: *Do Australians Share Parenting: Time-Diary evidence on fathers and mothers time with children*

Subject: Shared parenting; father as co-parent; current situation in Australia; evidence from time-use studies.

Publisher: Paper presented at the AIFS 8th Annual Conference, Sydney 12-14 February
Publication Year 2003.

In a Discussion Paper on the costs of children and the child support scheme McHugh (1999) found that when using estimates (in 1997) of the costs of children at a low cost standard of living child support amounts paid under Stage 2 of the Scheme (in 1997) were quite low compared with the costs of children estimates.

In preparation for attendance at the Committee's hearing on 3 November I updated the weekly estimated costs of children at the low cost standard from 1997 to June 2001 using the Consumer Price Index and compared them to the average child support agency collect payments for the same period. The estimated costs of children are from:

McHugh, Marilyn, (1999), *The Cost of Children: Budget Standards Estimates and the Child Support Scheme*, SPRC Discussion Paper No 103, Social Policy Research Centre, UNSW

The tables below present the comparison between the estimated costs of children by age and number of children and the average payments by two groups of payees – CSA Collect and Private Collect for 1997 and 2001.

Table 1 Estimates of the Costs of a Child and Average Payment for CSA Collect Payees under Stage 2 of the Child Support Scheme: 1997 and 2001 (\$pw)

Child's Age	February-97	June-97	June-01	June-01
	Low Cost Standard Cost of one child	CSA Collect Average payment	Low Cost Standard Cost of one child	CSA Collect Average payment
	(\$ per week)			
3	77	58	\$85	37
6	94	58	\$104	37
14	118	58	\$131	37

Table 2 Estimates of the Costs of 2, 3 and 4 children and Average Payment for CSA Collect Payees for under Stage 2 of the Child Support Scheme : 1997 and 2001 (\$pw)

Number of children	February-97	June-97	June-01	June-01
	Low Cost Standard	CSA Collect	Low Cost Standard	CSA Collect
	(\$ per week)			
2	220	95	244	61
3	277	114	308	68
4	349	114	388	62

Notes – Two children based on a girl aged 6, boy aged 14, three children based on boy 14, girls 6 and 3, four children based on boys 10 and 14, girls 6 and 3.

Table 3 Estimates of the Costs of a Child and Average Payment for CSA Private Collect Payees under Stage 2 of the Child Support Scheme: 1997 and 2001 (\$pw)

Number of children	February-97	June-97	June-01	June-01
	Low Cost Standard	CSA Collect	Low Cost Standard	CSA Collect
	(\$ per week)			
3	77	69	\$85	56
6	94	69	\$104	56
14	118	69	\$131	56

Table 4 Estimates of the Costs of 2, 3 and 4 children and Average Payment for CSA Private Collect Payees for under Stage 2 of the Child Support Scheme: 1997 and 2001 (\$ per week)

Number of children	February-97	June-97	June-01	June-01
	Low Cost Standard	CSA Collect	Low Cost Standard	CSA Collect
	(\$ per week)			
2	220	123	\$244	104
3	277	150	\$308	124
4	349	155	\$388	120

Notes – Two children based on a girl aged 6, boy aged 14, three children based on boy 14, girls 6 and 3, four children based on boys 10 and 14, girls 6 and 3.

The figures in Tables 1–4 indicate that not surprisingly the estimates of the costs of children have risen over the period 1997 to 2001 reflecting increases in the Consumer Price Index.

In June 2001 the estimated weekly costs for a child aged three years at the low cost standard of living was \$85 (\$77 in 1997); for a child aged six years \$104 (\$94 in 1997); and for a child aged 14 years \$131 (\$118 in 1997).

By contrast the average weekly amounts of child support paid by non-resident parents has decreased significantly from \$58 (1997) to \$37 (2001) for one child. For CSA collect non-resident parents the average weekly payment has decreased from \$69 (1997) to \$56 (2001).

The figures in Tables 2 and 4 illustrate in a dramatic fashion that for families where there are two, three or four children the child support amounts paid by non-resident parents has decreased even more rapidly than when one child is being supported.

The figures in Tables 1-4 quite clearly indicate that non-resident's parents contribution to the costs of their children in 2001-2002 is less than in 1997.

Source for the CSA averages comes from *Child Support Scheme: Facts and Figures 2001-2002* from Attorney Generals Department.

The source for the estimates of the costs of children is from Saunders, P., J. Chalmers, M. McHugh, C. Murray, M. Bittman and B. Bradbury (1998), *Development of Indicative Budget Standards for Australia, Policy Research Paper No. 74*, Department of Social Security, Canberra.

One final comment I would like to make is that whilst there was a brief mention of the cumulative liabilities of the Child Support Scheme, the savings from the Child Support Scheme to government is substantial, in the order of \$423 million (see page 33-34 of the CSA Facts and Figures).

Marilyn McHugh
24 November 2003