

**Forbes, Bev (REPS)**

**From:** Aussie Builder Search Trevor [Trevor@AussieBuilderSearch.com.au]  
**Sent:** Tuesday, 5 August 2003 11:23 AM  
**To:** Committee, FCA (REPS)  
**Subject:** Submission - Child Support Formula

House of Representatives Standing Committee  
 on Family and Community Affairs

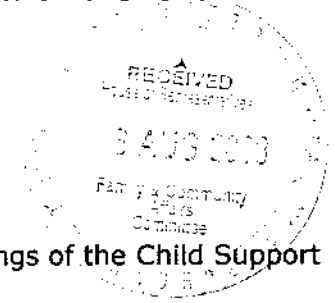
Submission No: 750

Date Received: 5-8-03

Secretary: .....

**I wish to make the following submission to the Inquiry regarding the calculation of child support. In my opinion the current way the CSA calculate a payers assessment is biased and unfair and therefore contrary to the Child Support Act.**

***The Child Support Scheme – A fairer formula***



In the preceding sections, I have outline the following crucial failings of the Child Support Formula:

1. It makes no reference to the true cost of child.
2. It can result in determinations that exceed any estimated cost of the child.
3. It treats the income and financial resources of parents inequitably.
4. It does not take into account any proportion of care less than 30%.
5. It is based on gross income, and is therefore not representative of the true take-home financial resources of the parents.
6. It is a major disincentive for non-resident parents earning more than \$50000 to increase their income.

The following Child Support Formula will result in a more equitable determination.

$$CSP = \frac{A}{A+B} \times C \times (1-D)$$

**Where:**

- A:** *Is the child support income of the payer, which is their income net of tax less any allowances for dependants.*
- B:** *Is the child support income of the payee, which is their income net of tax less any allowances for dependants.*
- C:** *Is the cost of a child, which may be calculated from published research and adjusted for inflation on a yearly basis. It may be that this value is dependant upon the sum of A and B, to reflect the increasing cost of care as it relates to increased family income.*
- D:** *Is the proportion of time the child is in the care of the non-resident parent. This proportion should be based starting from zero.*

Neither parent should have their income considered for the purposes of Child Support if that income, net of tax and the cost of dependants, fails below a reasonable amount. This amount should be the same for both the resident and non-resident parent.

Using this formula, it is not possible for the paying parent to pay more than 100% the cost of raising a child to the resident parent.

Yours sincerely,

Chanta Bock

PO Box 89 Southgate

Sylvania 2224

NSW

(02)095222315

