

Department of Family and Community Services
Child Custody Arrangements Inquiry

Submission No: 871

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Secretary

[REDACTED]

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

Dear Sir/Madam,

I would like to make this submission to the inquiry into child custody arrangements in the event of family separation, in particular to address the issue of the existing child support formula from the point of view of a single working mother. Perhaps unexpectedly, I am on the "side" of the non-custodial parents (predominantly fathers). I would ask that any information which could be used to identify myself or my children remain confidential, however I am happy for any non-identifying information in this submission to become part of the public record.

My situation is this – last year my ex partner N and I decided that it would be best for my eldest son R, then aged almost [REDACTED] to live permanently with his father while my youngest son K, then aged almost [REDACTED] stayed with me. I work full time and earn a decent salary, but high taxes, high rental prices in the [REDACTED] area and the high cost of childcare mean that I have very little left over after my basic modest living expenses are paid each month. The adjustments to my tax and childcare fees for K swallowed up the "savings" I made when R began living with his father. I was therefore somewhat dismayed when the child support assessment came in and I had to pay N \$480 per month (N does only casual work and claims the parenting allowance for the two children from his current relationship, the difference in our incomes means that I must pay him child support). I applied for a re-assessment on the grounds that I was still a sole parent paying 15% of my child support income at the time in childcare fees for K and was granted a reduction to \$400 – an amount that still put a significant financial burden upon me and that I still feel is unfair. When I submit my tax return this year, the amount will be assessed again and after using the calculators provided on the CSA website I expect this amount to be assessed at \$600 or more, an amount I simply cannot afford to pay.

Not only are these assessments too high, they are also blatantly unfair, for the following reasons:

- 1) I am still a single parent, trying to provide for my other son K. In order to be able to work at all, I must pay high fees for childcare (outside of school hours) services, currently \$375 a month. N, on the other hand, has a partner who is working full time, and neither R nor their two children are in childcare. This has only nominally been taken into account in the re-assessment, and I will need to apply for another re-assessment when the new amount based on this year's tax return comes in. I will have to do this every year, it seems.
- 2) In calculating the assessment, an allowance of \$2200 has been made for the care and upkeep of K. This leads to an assessment of \$4800 (which will rise to \$7200 or more when the assessment is recalculated this year) for R. To me, this indicates that there is a fundamental flaw in the methodology used to calculate the assessments if it can come to the conclusion that a non-custodial child costs more to care for than a child that is resident with the paying parent. If the assessment for the care of a non-custodial child is going to be a percentage of the parent's income, then the allowance made for any other children that the paying parent has should also be calculated as the same percentage of their income. Alternately, if the amount allowed for the care and upkeep of a child that the paying parent has custody of is deemed to be a flat rate, then the assessment for the care and upkeep of a non-custodial child

should be capped at this flat rate as well. This double-standard for assessing the relevant amounts for the upkeep of a child depending on whether they are resident with the paying parent or not puts an unfair financial burden upon the paying parent *to the detriment of other children that they have resident with them*. As you can clearly see in my case, insufficient weight is given to a shared-custody situation. However, I am of the opinion that many child support assessments are far too high even without this consideration (for example, if both of my children lived with N, my child support assessment would be 30% of my after-tax income).

- 3) The CSA website states that N's partner's income is not taken into account when making the assessment, the theory being that parents should take responsibility for their own children and not rely on their ex's new partner to support them, which is fair enough. It also states that any children that an ex-partner has with a new partner will not increase the amount that the non-custodial parent has to pay - ie, parents will be responsible for their own and *only their own* children. However, this does not work in practice in a situation like mine and N's where we each have custody of one child. The way the child support assessment is done in these cases is that they work out the nominal amount that each parent has to pay the other for the child that they do not have custody of, and the difference between these two assessments is what the higher income earning parent has to pay. However, when assessing the amount that N notionally had to pay me for K, his two children from his current relationship were included in the calculations, which reduced his assessment (and therefore *increased* the difference between the two assessments). The net effect of this was that *I have to pay more child support because of N's other two children*. This is utterly unfair, especially when the income of his current partner is not being taken into account in the assessment.
- 4) As I know from when he was living with me, the actual cost of feeding, clothing and educating R does not exceed \$300 a month, and is often closer to \$200. As you can see, my current assessment of \$400 is already higher than this amount, my expected assessment of \$600 is double that. These amounts can no longer truthfully be called "child" support – I am now maintaining N and his new family, which is an unfair burden upon me. I do not think that child support amounts should ever exceed the actual costs of caring for the child, regardless of the relative income levels of the parents.
- 5) N & I have never needed to resort to the Family Court System, being able to arrange custody and access arrangements on our own and being able to keep the children's best interests as the priority. We are also willing and able to come to mutually agreeable child support arrangements. These assessments by the Child Support Agency have been *imposed upon us* because N is receiving the Parenting Payment from Centrelink. His payments are reduced by an amount proportion to the CSA assessment. The situation therefore becomes unfair to both of us and needless to say causes tension between two parents who would *otherwise be able to come to their own arrangements* relatively harmoniously.

I understand and accept the need for parents to meet their responsibilities towards their children, but these amounts are unrealistically high and, needless to say, the more I have to pay N for R, the less I am able to spend caring for K. I have responsibilities to *both* of my children. I feel that I am being penalised for taking my responsibilities seriously and trying to provide for my children. I can see why a lot of non-custodial fathers are unhappy with the current system. For those that are not actively shirking their responsibilities, the current child support system places an unfair burden upon them. I believe that the whole system of child support needs to be examined and overhauled to ensure that neither custodial nor non-custodial parents are left with an unfair share of the burden of the costs of caring for their children and that where parents are happy to come to their own arrangements, these are accepted by government agencies such as Centrelink without interference from them.

These sorts of unrealistically high assessments have a negative effect on the ability of non-custodial parents to take a more active role in their children's lives – a cycle is created whereby they must

work hard in order to meet their child support obligations, being reticent or unable to take time off (eg leave work early or work part time) in order to spend time with their children (often for fear that their very job is on the line), and any payrises (even just CPI increases) lead to higher assessments, which entrenches the need to work hard even further. I am finding myself more and more firmly ensnared in this situation, affecting not only the time that I can spend in contact with my non-custodial child R (and the quality of that contact time), but also affecting the time that I can spend with my custodial child K. For many non-custodial fathers, I can imagine that the only way they can see to escape this cycle is to "drop out" completely - quitting their jobs, living on benefits payments and making only minimal contributions to the support of their children. This situation obviously does nobody any good.

I hope that this submission provides some useful insight and information for your inquiry.

Yours Sincerely

