

Child Support and Re-establishment Costs After Relationships Break Down

This part of the reform has been left by lawmakers to be introduced along with the new formula in stage three of the changes to the scheme in July 2008. So if you separated in 2005 as I did and I bet many others did, we all miss out on claiming overtime or money earned from second jobs as going toward re-establishment cost.

The reason for this I am told is the regulations need to be drawn up and passed through parliament for approval. Also, staff at the CSA have to be trained etc,so this takes time.

However, it is quite clear that this particular amendment to the child support act i.e, *Child Support and Re-establishment Costs After Relationships Break*, does not require the preparation of regulation or have any special implementation needs that require its enactment to be delayed. If one looks at the stage one changes, it would appear that these changes did not require much in the way of regulation re-writing and staff training. I am sure that this particular reform, of how overtime & Money earned from a second job is treated, is looked at , it would be apparent that it could have been introduced in with changes in stage one.

Surely if a new cap can be introduced in the first stage implementation of the reform, then the question of Re-Establishment cost could similarly have been introduced in July 2006. It is the likes of myself, the middle income earner, who after getting taken to the cleaners at the family court find that if I am unable to re-establish myself to some extent, will find that I will be retiring on a government pension. It would appear that the wishes of the high income earners have been fulfilled, in these reforms and right from stage one too. Where is the fairness of that to us the middle income earners.

The question then is why is it left to be introduced with stage three changes in July 2008. Is there an element of malice against us fathers on middle income ? Coming from our own parliament.?

I Therefore make this submission to the committee to consider introducing the part of the reform dealing with Re-Establishment cost after marriage breakdown with stage two of the reform.

Henry St Clair Oorloff

Attachment to submission

The Daily Telegraph

Rich dads rob kids of \$4m

By Kelvin Bissett September 25, 2006

THEY are the rich deadbeat dads – the 573 individuals in Sydney's swankiest suburbs who shamefully owe their kids millions in unpaid child support. An investigation by The Daily Telegraph has revealed the state's wealthiest 25 postcodes are home to individuals being chased for \$4,049,565 owing to their children.

At exclusive Darling Point – the country's wealthiest postcode – 18 people have run up debts to their children of more than \$145,256.

The mean income for Darling Point was \$125,635 in 2003-04, according to income figures released by the Australian Tax Office.

The figures can be revealed as the Child Support Agency winds up for its biggest offensive yet on high net worth individuals shirking financial duties to their children.

From November 1, the CSA will unleash 120 new investigators – including 12 forensic accountants – with roles dedicated to catching out wealthy individuals who are hiding from responsibilities.

Another 20 staff next month will form a team given the task of stopping at airports child support debtors intending to go on lavish holidays, building on previous success in this form of debt collection.

Documents obtained from the Child Support Agency showing a postcode breakdown of the \$899 million child support debt on June 30, 2006, reveals that so-called deadbeat dads can be found in any town or suburb in NSW.

The figures are not separated by gender but in 90 per cent of cases the debtors are dads. The highest number of debtors can be found in areas of economic disadvantage.

Mt Druitt tops the list for all Australia with 1333 individuals owing \$4.7 million. But it's the debtors who live in affluent areas – where individuals would seem to be able to pay up – that the rate of deadbeat dads may surprise.

At Bellevue Hill 20 individuals owe \$136,938. On the northern side of the Harbour at Mosman, 55 people owe \$322,500.

CSA national compliance manager Angela Tillmans said last night that high income parents can accumulate debts faster because they pay larger sums. She said the recent federal Budget granted the agency \$168 million to chase debtors and those who contrive income to minimise payments.

The 120 new investigators, which includes 35 focusing on Sydney, will work closely with the tax office and check addresses, vehicle registrations and credit card spending.

Last year alone 700 debtors seeking to make overseas trips agreed to pay up just to get overseas travel prohibitions lifted, netting \$6.13 million.

"It never ceases to amaze me. . . how can people think they can go to Fiji on holidays when they owe their kids thousands of dollars," Ms Tillmans said. She said "separation was a hard, complex issue" but the bottom line was children needed clothes, food and an education.