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Committee Secretary
Community Affairs Committee
Department of the Senate
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Canberra ACT 2600

Terms of Reference

The Committee invites you to provide a written submission addressing issues that may be of relevance to you.

To the Committee Secretary,

The terms of reference leave a very wide scope to be discussed, and I shall attach to this submission a rather lengthy document prepared in 2004 when the senate committee prepared a document titled "Every picture tells a story". A large amount of the coverage of that response falls directly into the current terms of reference. The then minister, the Hon Kay Patterson chose to ignore that response, and one can only presume the committee never saw it, and no other federal politician overseeing CSA has responded since.

In 2004, Professor Parkinson found the CS scheme fundamentally flawed, I consider that the understatement of the 21st century. If the scheme is so fundamentally flawed, why didn't we just throw it out and start again. Since the inception of the CS scheme, parliamentary ministers have been flooded with complaints about the legislation and the behaviour of the agency. This was the underlying reason Mr. Howard originally wanted to look into the CS scheme. Mr. Howard also probably thinks that another good reason is the number of liable parents not supporting their children.

This leads into the first and main concern of every parent that comes into the scheme unaware of the legislation, that being that you are assessed on your taxable income (gross). In my view, that is a form of double taxation. Prior to becoming a liable parent, most parents only have access to their net income; you may be able to decrease the tax margin slightly but you cannot vary the gross amount. Child support needs to be assessed on net income, otherwise it discriminates separated families from intact families.

The next issue and one very close to my heart, is the income that is used. Child support is assessed retrospectively. My separation occurred in late June 2001. The income used in my initial assessment was my 99/00 income.

The first thing to point out is that income had already been used to support my family, in other words, my ex wife and children had the full benefit of that income. That income was inflated by large amounts of overtime that just wasn't available when we separated.

The result of being assessed on my 99/00 income instead of my 00/01 income was that instead of paying the legislated 32% for my 3 children, I was paying closer to 38%. I am quite happy to provide the committee with spreadsheets or assessments to back this up.

This leads nicely into the next issue, the period of assessment. I shall use the Centrelink method of assessments for two reasons, the first being that they use gross income and the second being that they also come under the Human Services portfolio. Centrelink manage to assess on 2 week current periods, yet Child Support uses old income for future periods of up to 15 months. That's a huge discrepancy between 2 government departments. I guess the real question is if Centrelink can do this, why can't Child Support?

A quick recap on the last couple of points, Child Support needs to be based on net income, in line with financial years or much shorter periods, for accuracy and fairness.

I guess the next thing to touch on is a matter of high importance to myself. There is no obligation under either CS act to advise the CSA of increases in income. The effect of this means that a parent can suddenly increase their income, and it either doesn't affect how much they are paying to support their children or doesn't reduce the payments of the other parent until after Income Tax Returns are placed. I am intrigued to hear how this is in a child's best interests. This is another area that Centrelink does not have a problem with using 2 week assessment periods.

The changes made since 2004 and the changes still to go through will do nothing to reduce the number of complaints to MP's, second families loose out from these changes, the staff at CSA will continue their emotional abuse, something I have personally suffered. The next issues that I shall touch on involve contacts with the agency.

The agency, for all the good it is supposed to do for children, makes legal decisions involving the incomes of the parents of those children. These decisions need to be open for public scrutiny, just as the Family Court now places certain judgements online, so too should the CSA, for justice must not only be done, but be seen to be done. At a change of assessment hearing, neither party can have legal representation, yet in court for the same process you can, how is that a fair legal process? There is a need when some solicitor employed by the CSA as a COA officer is making decisions like a judicial officer, for the parties involved to be allowed legal representation.

The current system of recording contacts with the CSA by phone, involve the CSO typing up in what is called a "notepad" their version of the conversation after the fact based on their memory. These conversations need to be recorded and logged and stored for a statutory period that ceases when the CS case ends. This way anyone investigating into the behavior of these public servants has no doubt they are getting the truth. This should extend to any meetings with the CSA for any purpose.

I implore you to bring the CS legislation and the agency into the 21st century, dump the previous scam and develop a new scheme that is fair for all involved. When we consider

that no parent prior to separation has the same obligations these instruments place on them post separation, we once again look the ugly discrimination monster in the eye.

Professor Parkinson also recommended that FTB only be able to be claimed by one parent in the event of separation. This to me is a sick attitude, the current system need to remain intact, so if a parent needs to claim this benefit to assist in raising their child when in their care, they can. Parkinson's reasoning was that only around 10% of NCP's claim this benefit, that would come back to 3 factors, one being the lack of knowledge that this benefit is available to them, a small proportion being that some allow the CP to claim this full benefit to offset their financial obligation, and others that are forced to allow the CP to claim this benefit for blackmail reasons (I get 100% FTB or you don't see your kids). These are choices made by individual families, to legislate it out of their hands won't benefit any child and will create further discrimination.

The last issue I would like to touch on here involves the statistics used by Professor Parkinson in his costing of children. Yes, kids cost money to raise, you can not use averages for one family to show the spending of many. The PIR report, released around the same time as "every picture" shows that Non Custodial Parents have similar fixed costs for children as those of custodial parents, whether they have the children 20% of the time or 50%. The PIR report also shows a far truer reflection of how much the CSA and family law cost the taxpayer.

Ref:

http://www.pir.com.au/pdf/report_csareview.pdf

Att: ResponseDocTheTaskforceCallThisReform.doc

Regards
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