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House of Representatives Standing Committee  
on Family and Community Affairs

Submission No: 501

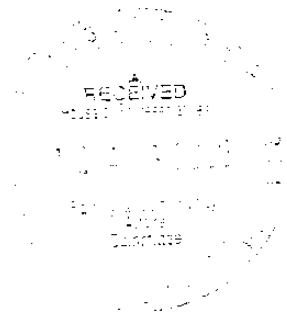
Date Received: 12-8-03

Secretary: \_\_\_\_\_

To the Honourable Larry Anthony,  
Minister for Family and Community Services.

Copies to;

- Federal Member
- Child Support Agency
- Child Support Agency Complaints
- XXX, Shadow Minister for FACS
- Senator XXX
- Senator xxxx One Nation Party



**PROPOSAL :**  
**REGARDING PAYMENT OF CHILD SUPPORT**  
**INTO TRUST ACCOUNT**

I wish to submit an idea I have had regarding the administration of payments made to the Child Support Scheme. I am an estranged father, paying child support to my former spouse for my daughter. There are some aspects of the Child Support Scheme that I feel need attention. I have spoken to other people in similar situations and those on the other 'side of the fence'. Many of us are unhappy with current arrangements for paying support to our children.

I have come to the conclusion that most payers of Child Support would like to see that the amount they are paying is used more effectively. Most have no idea whether their money is actually used for the benefit of the child. There is also the knowledge that the receiver of the payment does not have to account for how it is spent.

Therefore although I willingly pay Child Support for my daughter (to whom, incidentally, I do not have access), I have no idea what my money is being spent on. Her mother has remarried, and the family income appears to be much higher than my own. I would like to be sure that my payment was actually contributing to my daughter's present and future needs. The way things are, I have no control over her future except by adding to the family's income.

As the system stands at the moment, there is no incentive for non-custodial parents to look to the child's future. Nor is there any incentive for us to improve our own financial situation, or even remain in employment, since the assessed amount payable would be increased in line with our taxable income.

Many non-custodial parents use a number of methods to avoid paying what they consider is an unfair amount. They become unemployed, underemployed, work on a cash basis only, change their name and location etc. They may avoid lodging income tax returns to get out of having debts deducted from expected Tax Refunds.

On the other hand, non-custodial parents also move on to find new lives, new partners and have new families, and may find it difficult to maintain two families, despite best intentions. The new family can suffer greatly because the parent is still supporting the original family as well.

**My proposal is:**

**That a percentage of the Child Support payment, rather than being paid to the custodial parent, be put aside in a Government guaranteed Trust account, to be invested and repaid with interest when the child reaches a certain age, eg 18 or 21 years.**

In the meantime the money could be used in several ways. It could be

- invested in revenue raising activities such as speed cameras
- used to support community needs like hospitals, medical research, universities

Then when the child reaches the accepted age, the amount plus interest could then be used for the child's specific needs such as Higher Education costs, or Housing Deposits.

My suggestion is a figure of 18% of the assessed payment, which is currently 18% of the wage, ie 18% of 18% of taxable income. If I had custody of my daughter, I would be trying to put aside at least that much for her future.

This proposal has many benefits to all concerned;

- The child has some guaranteed financial support after a certain age. eg 18 or 21 years
- The child would know that this amount was being invested in her future, hence giving a sense of security and optimism
- Non-custodial parents would feel less resentment against the custodial parent's new family situation and be less concerned about where the support was being used
- Non custodial parent would be less likely to take steps to avoid the payment, such as unemployment, underemployed, disappearing etc

- They would be more likely to remain in employment, even possibly improving the employment situation, hence paying taxes and contributing to society
- An added bonus could be an improved sense of well-being in all involved, increasing their own self-esteem, work attitudes, and even reducing the drain on the health system of people being treated for depression and related illnesses
- A further benefit would be directly to the child in reduced tension, hostility and poor communication, when there is agreement on how the child support should be administered.
- The child as she grows older would also have the knowledge that both parents cared enough to think about her future and come to an agreement regarding her support.
- If the relationship between both parents and new family situations was improved, the child could benefit be more interactions with the separated parent, potentially a positive for all concerned. A separated parent can still be a very effective and loving parent, and a lot of these children miss out on the love of their other parent in these situations. They could also have more contact with the new extended family, potentially with more positives
- Even if the separated parent does not have access, at least they would feel that their payment was being used wisely for their child's future, and that they were not being taken advantage of. They could feel a sense of achievement and satisfaction in being able to contribute to the child's future.
- The benefits to the community from the wise investment and revenue raising activities are immeasurable; health, education, research etc are all areas chronically short of funds, but essential to our society in the present and for the future.

I also believe that the custodial parent's entitlement to the Child Support should be means tested on the current family situation. Obviously there are many separated parents who are in great need of support, and in those situations the full entitlement should be paid.

But there are those who have taken up employment, remarried, are being supported by a new spouse, or in some other way not as needy on a daily basis for this support. In the latter situation, the Child Support payments are not needed to support the child, but just add to the family income. Perhaps many of these parents would fully agree to Child Support payments being invested for their child's future.

What would the feasibility be of a National Survey, or sample, to gauge the feelings of those involved? Since there are about 670,000 parents paying child support to an average of 2 children each, surely many of these people and the recipients would have an opinion on the suggestion.

I am very grateful for the attention you have given in reading this proposal, and would greatly appreciate some feedback. I can be contacted at the above address, or by phone [REDACTED]

Yours sincerely

John A Grice