

Child Support Agency: Submission

I have been paying child support for more than nine years, and I estimate I will be paying child support for another six years. I do not have an objection to paying child support, I only think it could be administered more fairly, so I have three suggestions that I would like the Committee to consider.

Limitation of Payments if the other parent is not employed

I am currently employed full time and receive a salary over the current average wage. I could have taken promotions to earn a higher salary but it was not worth the additional effort after additional child support is factored in. I have acquaintances who are also child support payers and earn higher salaries than me, and pay large payments to their former partners who are not employed. To me this is not a child support system, but an income support system for the residential parent..

I propose that if the residential parent is unemployed and all the children of the relationship are at school, then the child support payments be capped, and payments be based on an income equal to 125% of the average wage. That is, if the payer receives an income of \$82,000 and the average wage is \$50,000, then child support payments are based on a salary of \$62,500.

This method will give paying parents incentive to seek promotion, and give the paying parent more discretionary income for his care of the children. Most payers are fathers. Also, the residential parent is then obliged to join the work force, and make a financial contribution to their children.

Admissibility of Child Support Status in the Federal Circuit Court

Over the past nine years, I have started Court proceedings with my former partner to obtain compliance with Court Orders. I pay child support in good faith and on time, and also as my commitment to the children's wellbeing. However, recipients of child support are not obliged to do so.

If child support status is admissible in Court hearings, then both parents will feel obliged to comply with Court Orders and child support determinations. This will be a win – win situation for all concerned.

Child Support and Retirement

I am approaching retirement age and I have made extensive inquiries as to how the child support formula will apply when I do retire and receive an annuity as income. My income from the annuity will be tax free income, and the question becomes 'my capacity to pay' and how much child support I will topay.

There is little information on the CSA web site on this issue, and I have spoken to the CSA for advice. I was not given the information that I could use for financial planning. I did speak to a senior member of the staff who admitted the situation was not clear cut.

As a consequence, I sought legal opinion from a lawyer on this matter. The advice I received was that this is a 'grey area', and a determination will be made on case law possibly through ASAT.

As a result, I cannot make financial planning decisions until after I retire. This ambiguity needs to be cleared, and clear guidelines need to be made, and available on the CSA web site.

Conclusion

Please consider my suggestions to the Child Support Agency and its administration. I believe my suggestions are achievable as they are fair and their implementation not too difficult.