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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

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I wish to make a submission regarding a particular ruling of the child support agency which states:

"Because you are both caring for your children, the child support formula:

-treats you as if you are paying child support to each other "

and

-calculates an annual rate for each of you.

Child support is payable to the payee if the payer's annual rate is more than the payee's annual rate."

This manipulates the difference in custody and earnings so that working parents are significantly penalised. It substantially destroys work incentive for parents.

This unusual formulation means that for example a parent who works and has say seventy per cent child custody will still pay the full annual rate to the other parent who has only thirty per cent care and does not work and pays nothing.

If presumed equal custody does occur this formulation will mean one parent who works may end up paying full child support to a parent who does not, even though they have equal care and expenses.

A fairer and more reasonable formula would be to reduce the parent's payments by the percentage he or she has custody. So for example a father who has thirty percent time with the children pays seventy percent of his normal payment.

The current unfair situation impacts mostly on parents who work and pay taxes. It is unreasonable to use child support to reduce welfare payments to non working parents. It is appropriate use of taxpayers money to support children. Certainly fathers should pay child support but not to the extent of propping up the single parent pension system. The attempt to use child support payments as such has failed anyway because the majority of fathers involved have cut down their work or dropped out of the workforce altogether, and single parent pension claims continue on as before. The hard working fathers are the ones penalised with unreasonably high child support payments as well as tax payments and non working men pay neither child support or tax. This is a completely unfair system. The children are caught in the middle as unwitting hostages.

Instead of a demotivating sliding scale of the more you earn the more you pay, a fixed child support amount of one hundred dollars a week per child for earners over sixty thousand a year should apply and this amount can be reduced appropriately for earners below sixty thousand. The welfare system provides for children whose parents do not work because that is what welfare is for.

In the regional area where I practice many men caught up in the unfairness of the CSA have simply given up work. Some tradesmen and truck drivers continue casual intermittent work and do not declare their earnings and so their children lose out.

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House of Representatives Standing Committee
on Family and Community Affairs

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