House of Representatives Standing Continenon Family and Community Affairs

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Secretary:

8 August 2003

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

Via email <u>FCA.REPS@aph.gov.au</u>

Re: Submission to The Inquiry into child custody arrangements in the event of family separation

A. Contact Orders

The biggest issues that exist with the current system of contact arrangements are:

- 1. Whilst there are perceived ideas as to the level of contact each party receives, there are no set guidelines as to what each party is entitled to.
- 2. Unless the parties are willing to negotiate, there is no ability to achieve even reasonable levels of contact without a great deal of expenditure.

I understand that the system believes that these points are probably not true, the fact is that this is very much the case. I have outlined this is the annexure titled "My Experience".

Whilst I applaud the fact that the current proposal appears to lean towards equal contact as a starting point, the simple fact is that every situation is different and must be considered as such. The most effective solution needs to be that the parties are able to be placed in a position of mediation where there is a set of contact standards. I am aware that the current system provides for mediation as the first steps prior to attending court, however the current system a. does not work, and b. is to easy to have dismissed as I have outlined in the annexure titled "My Experience"

B. Child Support and the Child Support Agency.

It is not possible to consider contact arrangements without considering the implications of child support payments. Whilst perceived and stated to be very separate and not linked, the two are very much connected with each other and the current method of child support calculation has a great deal of impact on the ability for separated couples to come to a mutually agreed position on contact.

The current calculation method for child support is severely flawed in a number of areas. The most significant of these flaws in relation to contact arrangements is that a component of the calculation is based on levels of contact by the paying parent.

Whilst this makes logical sense to a degree, it means that the parent with the majority of the contact and thus the parent receiving the payments will forego an amount of money if they agree to greater levels of contact.

This is a difficult, if not impossible problem to address under the current system and therefore it is imperative that the way child support is calculated is amended in conjunction to changes contact arrangements.

The main flaws associated with the current child support calculation method are:

- 1. The calculation is based entirely on income levels. It does not adequately consider any special circumstances.
- 2. The minimum payment is around \$21 per month yet the maximum payment is around \$2,500 per month (based on two children). What does it actually cost to support a child?
- 3. The formula assumes that the parent receiving the support need more bedrooms, a bigger car etc etc etc, yet it is not considered that the paying parent also often requires these items, even if it is only for 1 day per fortnight.
- 4. There is no effective consideration of the varying costs from one child to another, nor any consideration of the varying costs of living geographically.
- 5. There is no means testing requirement of the receiving parent, only that reductions occur when they earn in excess of \$37,000 per annum.
- 6. The reductions are described in point 5 above are also minimal and in a situation where both the payer and payee are earning the equivalent salary, the payer is severely disadvantaged. The formula suggest that the payer must contribute 100% of the upkeep of the child / children.

The current system of both determining levels of contact and particularly the calculation method of child support are in desperate need of overhaul, however they cannot be done in isolation from each other and case studies must be considered. The current system seems to disadvantage mostly the people it is meant to look after – the children of separation.

Yours truly,

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