

***NON-CUSTODIAL PARENTS PARTY (EQUAL PARENTING)***

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Committee Secretary,  
Community Affairs Committee  
Department of the Senate  
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Parliament House  
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Dear Sir/Madam,

**Re. Submission to the Inquiry into the Families, Housing,  
Community Services and Indigenous Affairs and Other  
Legislation Amendment (Further 2008 Budget and Other  
Measures) Bill 2008.**

We would like to make a submission to the Senate Standing Committee for Community Affairs. This is in relation to the above Bill.

It is well recognised that the existing Child Support Scheme does not work.

These recent proposed changes indicate that apparently the Government does not want to correct this problem.

**Lack of Involvement of the Parents.**

An analysis of the proposed bill shows:-

The word “*Secretary*” is used 23 times. This is always in an active sense and is generally in the context “*The Secretary determines*”

The word “*Registrar*” is used 23 times. This is always in an active sense and is in the context “*the Registrar is satisfied*” or “*the Registrar decides*”

Conversely, the word “*Parent*” is used 38 times. This is always in a passive sense. It is generally used in the context “*payable by a parent*” or “*the parent is liable to pay*”, etc. Nowhere in the proposed legislation does it say, “*the parent determines*”, “*the parent decides*” or “*the parent is satisfied*”

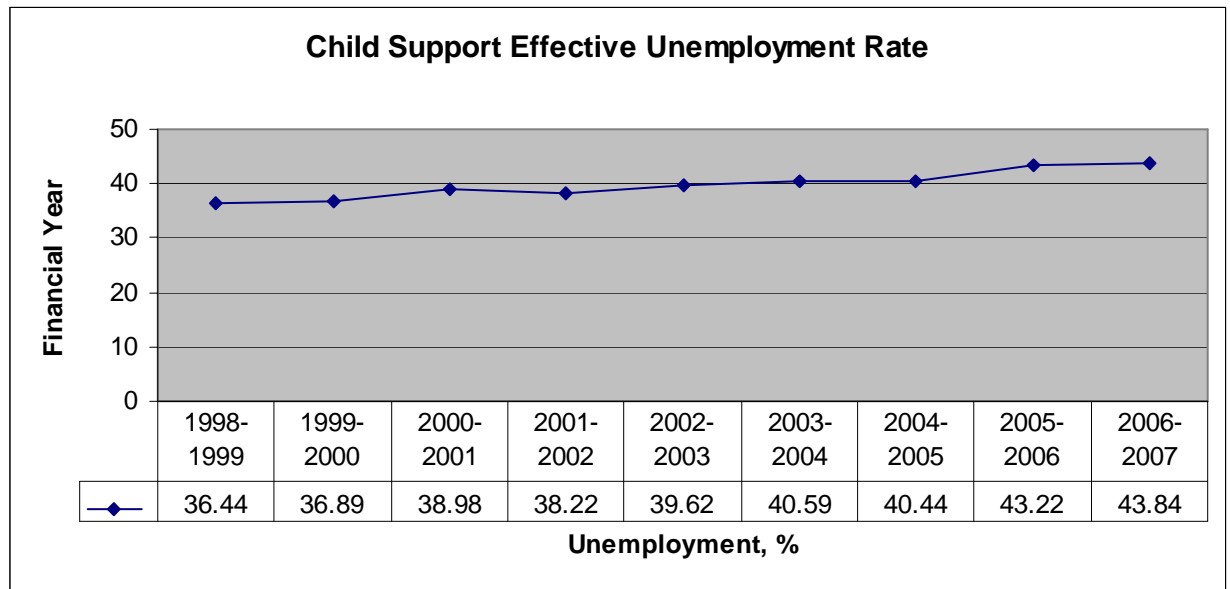
History confirms that making legislative changes to an already fundamentally flawed system does not work

From the latest available figures (i.e. 2006-2007), 43.84 per cent of non-custodial parents are effectively unemployed\*. The following details show that this trend has been consistently upward.

<b>Financial Year</b>	<b>No of Child Support Payers Effectively Unemployed*</b>	<b>Percentage Effectively Unemployed*</b>
1998-1999	192,025	36.44
1999-2000	207,300	36.89
2000-2001	236,524	38.98
2001-2002	248,809	38.22
2002-2003	266,963	39.62
2003-2004	288,057	40.59
2004-2005	294,887	40.44
2005-2006	337,610	43.22
2006-2007	349,906	43.84

\* - below taxable income levels

(ref: Respective Tables 5.2’s in the CSA’s ‘*Child Support Scheme – Facts and Figures*’ for 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006 and 2006-2007)



The current Bill has been developed by the *Child Support Policy Unit* (the Child Support Agency’s “*think-tank*” based within the *Department of Families, Housing, Community Services and Indigenous Affairs*, Juliana House, Woden. ACT). It is clear that the *Child Support Policy Unit* has not consulted with the people most affected by these changes – viz. the parents

**Schedule 3**

Schedule 3 of the proposed legislation means that a 7.1 per cent premium will be added to each contact provision. For example, contact of 52 nights (14 per cent) will become 52 + 4 nights = 56 nights. Contact of 128 nights (35 per cent) will become 128 nights + 9 nights = 137 nights.

The child support changes have been sold to the politicians on the basis that the adjusted taxable incomes of both parents will determine the child support for which the non-custodial parent is liable.

This is not true in many cases. For contact below 52 nights, the child support outcomes have been reworked. This is so that the custodial parent’s income is irrelevant when determining the child support liability. It does not matter whether the custodial parent’s adjusted taxable income is \$20,000 pa or \$80,000 pa. The child support liability is still the same\*\*.

The income of the non-custodial parent is the only determining factor when determining child support liability. The above proposed legislative changes make it more difficult by four (4) nights to have a reduction in child support liabilities.

(\*\* Note: contact above 52 nights does allow for both parents adjusted taxable incomes to be determining factors)

Other issues such as which parent pays child support and the fixed child support income come into play at the 35 per cent contact level. The new legislation proposes to push out the 35 per cent target of 128 nights by an extra seven (7) nights.

### **Conclusion**

The Government has not helped to solve the child support problem with these proposed legislative changes. The solution is simple. Both parents need to be involved in the decision-making process. This has not occurred to-date. It has also not occurred with this round of proposed legislative changes.

Therefore we will continue to have same problems that have occurred since the implementation of the Child Support Scheme in 1988.

Yours faithfully

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