

CHILD SUPPORT



Its time to get it right

More than half the children who are eligible to receive financial support are missing out. The most recent figures confirm that child support debt is escalating and the amount owed is now \$1.09 billion. This debt impacts mostly on mothers as they attempt to manage a household budget with sporadic, partial or no Child Support payments. NCSMC calls this a form of *financial abuse*.

NCSMC calls for

1. Child support to be paid in full and on time; close the 'loop holes' that enable the minimising of child support payments.
2. Rectify the failings of the current formula \Rightarrow
3. Introduce a system which ensures that children receive the child support they are entitled to while Child Support Agency collects and transfers the payments.
4. Early government intervention of taking responsibility to prevent child support debt.
5. Children living in sole parent households should not receive less Family Tax Benefit than children living in couple-parent households. The Maintenance Income Test needs to be changed to ensure equity between all families.

Formula failings.....

In 2008 the new formula which determines child support payments was introduced. The impacts have been unfriendly and unfair for mothers who significantly or mostly rely upon income support (the families is financial hardship) Most notably are:

1. Payer (mostly fathers) receives a **24% 'discount'** off their child support payment if they have their child/ren for one night per week.
2. The formula provides no consideration for a fourth or fifth child. NCSMC is still trying to find a family who claims that it is of no additional cost to raise a fourth or fifth child.
3. The *self-support* amounts for both parents are now equal. Previously the *self-support* amounts acknowledged the additional cost and impacts which are inherent in the role of a principal carer.
4. The substantially reduced cap on payers' earned income to be assessed for child support (mostly benefiting high income men), which has led to a sharp reduction of income where children primarily reside.
5. Reduced the formula percentage of income for children aged 0-12. 97% of children under the age three primarily reside with their mother.
6. The formula is based on the costs of raising children in one household, failing to recognize that costs are higher over two households.