



NATIONAL COUNCIL OF WOMEN OF NEW ZEALAND

TE KAUNIHERA WAHINE O AOTEAROA

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S12.17

Submission to the Social Services Committee on the Child Support Amendment Bill

The National Council of Women of New Zealand (NCWNZ) is an umbrella organization representing 47 nationally organized societies and national members. It has 22 branches throughout the country attended by representatives of those societies and some 150 other societies as well as individual members. NCWNZ's function is to represent and promote the interests of New Zealand women through research, discussion and action. This submission has been prepared by the NCWNZ Family Affairs Standing Committee and the Parliamentary Watch Committee drawing on previous submissions and established NCWNZ policy resolutions.

Introduction

NCWNZ has a long history of promoting legislation that improves outcomes for children and their families. It would be hoped that the measures outlined in this Bill will firstly apply to the **'best interests of children'**, rather than that of parents.

Children do not choose their circumstances, but they have to live with them. It is the collective responsibility of society to ensure 'best outcomes for children'.

Even though this Bill is set up to stand alone and is a back-stop arrangement where parents fail to reach agreement over the financial support of their children, and is not intended to be involved with access issues, or shared care arrangements, there needs to be a linkage with all aspects of the child's welfare and upbringing, how families live, and the stress that families can experience from time to time.

Where the Family Court is involved with helping to resolve some of these family issues, agreements regarding financial arrangements for the children need to be dealt with expediently.

- The NCWNZ submission on Reviewing the Family Court made reference to the fact that, "Parental separation does not necessarily mean poor outcomes for children but research shows that prolonged exposure to frequent, intense, and poorly resolved conflict is associated with a range of psychological risks for children".

- The NCWNZ submission on The Green Paper on Vulnerable Children noted, “There needs to be better protocols for speedy information transfer among agencies at local and national level – covering issues as diverse as housing, health, justice, courts, education, and social welfare”.

There is general support for the Child Support Amendment Bill, as families have changed significantly in the last 20 years since the child support scheme was introduced. Today we see parenting in various forms – joint parenting, one parent families, reconstituted families, and dual career families.

It is a sad fact that in society today many families, for various reasons, are unable to live together. For many parents living apart, parental responsibility is shared, with both parents remaining active in the children’s lives. For others, the road is more problematic.

Clause 5 – which amends section 2 (1), defines “Carer”

- NCWNZ supports the definition of the word ‘carer’ (a parent or non-parent who provides on-going daily care to a child, other than on a commercial basis). This will give more financial security to those grandparents or extended family members who are providing ongoing daily care to their grandchildren or relatives.

Clause 7 – (which inserts a new section 4A) gives an overview of child support payable under formula assessment.

- While it is recognized that voluntary agreements between parents to make mutually acceptable arrangements for the support of their children are the preferred option for separating parents, it is appropriate that these parents can apply for a formal assessment of child support to help with their decision making.

NCWNZ supports policies which encourage voluntary agreements between parties, but has raised the concern that checks are needed to ensure that the ‘receiving carer’ is not put under undue pressure to compromise their rights in order to retain custody of the children. This concern was first raised by NCWNZ in the submission to the 1994 working party -

“The (NCWNZ) members are in agreement that when there is a separation the incomes of both parents are taken into the formula equation.”

Parents have a fundamental responsibility to provide for the care of the children, and this amendment will help towards ensuring that the children from these families will be given financial support needed so that they can thrive, belong and achieve.

Clause 8 identifies the children who qualify for child support

- NCWNZ supports the amendment to Section 5 where a child is classified under the age of 18, or aged 18 and is enrolled at a registered school (as defined in section 2 (1) of the Education Act 1989).

Clause 9 substitutes new sections 7B to 19 .New Sections 9 and 10 relating to **formula assessment**

- With the diverse shared care arrangements seen today, the proportion of care set at the minimum of 28% of ongoing daily care to a qualifying child is an appropriate measure to base the child support liability on.

Clause 10 (new section 25 substituted) When liability to pay child support ceases. This section provides for a liable parent to cease paying child support if he or she dies.

- The NCWNZ submission S01.49 on the 2001 Child Support Amendment Bill felt that where the liable parent had substantial assets, the liability should be forward assessed, as a debt of the estate before any testamentary disposition.

Clause 11 (new sections 28A to 36D) Assessment of amounts

- Section 33 Adjustable taxable income:
NCWNZ gives support to the definition of adjustable taxable income as covered in 33 (1).

In the NCWNZ submission on the Child Support Amendment Bill in 2001 S01.49, mention was made that the Bill then failed to deal with Trusts which may be used to “hide” taxable income and avoid maximum liability.

Clause 15 (new sections 88, 89 substituted) New section 89 Notification by Commissioner to other payers and payees

- NCWNZ in its 2003 submission S03.12 supported the proposals put forward in this paper regarding obligations of liable parents and those of the custodial parent. The new recommendations put forward in this section seem streamlined, understandable and fair. Guidelines explaining the obligations of the liable parent under a wider range of individual circumstances need to be made available and fully explained at the time a parent becomes liable for child support payments. The ‘receiving carer’ also needs to have a full understanding of the obligations involved in the arrangements made.

Clause 27 relates to amendments to the method of collection of financial support.

- NCWNZ supports the proposed changes to methods of payment and especially those through instalments of specified amounts, and that payments can become compulsory deductions from the parent’s employment income. These changes also give an appreciation of situations when hardship occurs, but also acknowledges the importance of regular commitment to their child support payments.

Clause 28 (substitutes new section 134) penalties for late payment of financial support debts

- NCWNZ commend changes to the late payments and penalties. The new rules should play an important role in encouraging parents to meet their child support obligations.

Those parents who are in arrears of their child support payments need to be kept engaged in their responsibilities towards their children, and solutions need to be found for them to 'keep on top' of the situation they are in.

Conclusion

It is important that regular payments of child support are paid to meet the needs of the child. This Bill is about child support payments, and should not be seen as a means of 'buying access' to a child. Child support payments are a completely separate issue and should not be linked. In some cases, child support, access issues, shared care to a child will have a linkage, so clear guidelines need to be established as to responsibilities of parents for the betterment of the child. The child needs to be the main focus.

NCWNZ members strongly believe that policies which support families and support the work of parenting will help to ensure families function for the optimum benefit of the child. External agency interventions should focus on strengthening family functionality.

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