

23 September 2003

Paul Seager
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Mr John Cobb
Member for Parkes
2 Brockfield House
275 Argent St
Broken Hill NSW 2880

House of Representatives Standing Committee
on Family and Community Affairs

Submission No: 975

Date Received: 21-10-03

Secretary: _____

re: Child Support review

Dear Mr Cobb

I understand that a review of child support arrangements administered by the Child Support Agency is either underway or about to commence. Since 1993, I have been paying child support for two children from a previous relationship. I last saw these children in 1995. I have since married, and have two young children with my wife.

I am a middle-income earner, with a salary of approximately \$68,000. Following lodgement of my tax return for 2002/2003, my child support assessment increased substantially, from \$367 to \$455 per fortnight. I made enquiries with the Child Support Agency, who advised that the increase was directly related to an increase in my taxable income. Given the extent of the increase, I carefully examined the child support formula in order to understand how a modest increase in taxable income could result in such a significant increase in child support.

I pay 27% of my "adjusted income amount", as calculated by the Child Support Agency, in child support. I am in the top marginal tax bracket, and pay 47% income tax on any additional earnings. I retain any balance. Put simply, for every additional dollar I earn:

- 47 cents is paid as income tax
- 27 cents is paid in child support
- 26 cents I retain to support my wife and two children

How can this be considered a fair rate of child support? I pay more to support two children that I have no contact with, than I retain to support my wife and two children! I do not object to paying child support. I do however object to paying more per dollar in child support for any additional earnings than I retain to support my family.

Can you please consider this as part of the review of child support arrangements administered by the Child Support Agency, and devise a more equitable formula for paying parents.

If you have any questions or require further information, please do not hesitate to contact me on [REDACTED]

Yours sincerely

Paul Seager