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Secretary

Committee Secretary
Standing Committee on Family and Community Affairs
Child Custody Arrangements Inquiry
Department of the House of Representatives
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

I am writing this letter to explain my personal circumstances in the hope it may make the community more aware of the difficulties faced by child support paying parents in the event of a separation. This is the first time I have ever felt strongly enough about an issue to write a letter expressing my views. It is a difficult issue but it is clear changes must be made to make the child support system fairer.

I am 32 years of age. I became separated from my wife a little over two years ago. I have two sons, [REDACTED] 7 and [REDACTED] 5 years old. Shortly after the separation my ex-wife found a new partner and moved to Sydney with my two sons. Before this time we had all lived on the Central Coast of New South Wales [REDACTED]. I have recently found a new female partner who has a two year old child. At the present time I live at [REDACTED] on the Coast of NSW with my new partner and her son.

My ex-wife's moving to Sydney has made it more difficult for me to have contact with my sons as I work on the Central Coast. My work involves me working some weekend and night shifts so this makes it even more difficult to see my sons. I spoke with my solicitor who specialises in family law matters and he advised me there was nothing I could do to stop my wife moving my sons away from me. [REDACTED] attends school in Sydney so it would be virtually impossible for me to have [REDACTED] stay with me during the school week.

I have a male friend with two young children who recently underwent a separation. His wife moved with the children from Sydney to [REDACTED]. He took her to court at considerable expense to try and stop her moving and lost the case, even though the children had never previously lived at [REDACTED] and their family home was in Sydney. He now has to travel to [REDACTED] to see his children.

My two sons stay with me on the weekends when I am not working and also during school holidays. I have a bedroom set aside for them to try and make them feel at home during these stays. Last year I had them stay with me for around 75 nights. I had to clothe them, feed them, entertain them and provide them with a home during this time. The child support formula took none of this into account. I had to pay the same child support as a father who did not spend any time with his children.

Now I would like to explain the financial burden I personally face:

I do not wish to provide details of my occupation although I work for the NSW Government. My income for the year ending 2000/2001 financial year was \$54249. I worked a large amount of overtime to achieve this income. The amount of child support I had to pay for the following year based on this income was: \$11604. I also paid \$13978 tax on this amount of income. The amount of child support I was paying horrified me. For every dollar over \$50000 I was paying 43.5 cents in tax (including the Medicare levy) and 27 cents in child support. This left me with 29.5 cents for every dollar of overtime I did.

I was demoralized and did not feel like working any extra overtime shifts when I knew I was left with less than a third of what I worked for. I was feeling the financial burden of paying so much child support but even so I was determined to stop doing overtime because of the unfair system.

My income for the year ending 2001/2002 financial year was \$50153. I cut back on overtime during this period. My annual rate of child support based on this income was: \$10372. Tax on this income was \$12196. This left me with \$27585 for myself. My take home pay was around the same as someone on a gross income of \$35000 who did not pay child support.

I have become even more disillusioned with the system since last financial year and have been working even less. My income will be around \$42000 for the year 2002/2003.

Before I came to be in this position I could not understand why payers of child support often gave up their jobs after a separation. I am beginning to understand why some payers become so disheartened that they quit their jobs.

The person who receives the child support is not accountable for where they spend it. My ex-wife has had two overseas trips since we became separated. She lives with a male partner who has no children and who is on a much higher income than me. She works several days a week and I still have to pay a large proportion of what I earn in child

support. In addition it might be worth noting that after we separated my wife received a considerably greater share of our assets than I did because she had custody of the children.

The current child support formula is not fair. It does not take into account the costs for a parent who has their child for one or even two nights every week. This parent still needs to provide a place in their home for the child, which usually means another bedroom. This parent still needs to feed and clothe their child. They still need to spend money on their entertainment. None of this is taken into account.

The current child support formula is excessive. How can a formula be fair when a payer loses more than 70 cents out of every dollar of extra work they do. It encourages payers to do whatever they can to reduce their taxable income. They could do this by earning cash and not declaring it, or even through legal means such as tax deductions.

The father of my current partner's child does not pay any child support. He is a professional and currently works overseas. I feel the excessive child support formula encourages people such as him to do whatever they can to avoid paying.

I am sure there are many payers like myself who simply become disheartened at the thought of losing more of their income in tax and child support than they keep for themselves and they simply work less.

This child support formula is not in the best interests of children. A fairer system is needed. It is clear that children would benefit more if a payer was actually encouraged to work more and not discouraged from working as is the current situation. If the child support formula was fair then I am sure that payers would not be so preoccupied with reducing their taxable income or earning cash, after all a child support paying parent loves his or her children as much as a payee parent.

It is not in the best interests of children to have a parent who is bitter and disheartened at paying an excessive amount of their income in child support payments.

Sincerely yours,
