

Dear Senators,

As a registered nurse working in the public hospital system, salary packaging is promoted as a benefit. That is unless one is paying child support.

Centrelink and CSA (Child Support Agency) treat salary packaging differently. Centrelink does not take into account the grossed up amount when calculating family tax benefits, whilst CSA uses the grossed up amount. If I were to use salary packaging whilst I would save \$121 per fortnight in tax, the child support payment increases by \$124 per fortnight, thereby negating any benefit in salary packaging to myself.

Conversely when calculating the cost of contact the CSA does not use the Australian Tax Offices deduction for the operating expenses of a motor vehicle. Using the ATO's motor vehicle calculation it costs myself more than \$10,000 per annum alone, to have contact with my children.

As a registered nurse, there is a lot of overtime work available which I refuse to do because of no discernable benefit.

Being a payer, paying for two children child support payments of 27% are calculated on my gross income, yet payments are made from the nett income. So in real terms the child support percentages are much higher.

For example using the 2006-07 tax scales once my income exceeds \$25,001, child payments are 38.5% of income earned above that amount. To complicate matters further unless I am receiving part of the family tax benefit, once my income exceeds \$50,000, I am treated as a high income earner and therefore subjected to the increased medi-care levy of 1% even though I am paying child support payments.

Once income exceeds \$75,000 the 27% child support payment then increases to 45% of income earned above that level.

Intriguingly and perhaps paradoxically the family tax benefit paid to families decreases as income increases.

Whilst the majority of fathers have contact with children on weekends and school holidays, a significant portion of the expense of having contact involves entertainment. CSA does not include this in the cost of contact because it is deemed to be enjoying contact. Yet when the costs of raising children are calculated, entertainment expenses are included in this research.

If one was to look at the cost of contact with children from a business expenses perspective, having contact with children is a poor investment.

Attorney General Philip Ruddock when he was interviewed on the radio programme Dads on the Air said;

“...as I said before when you have to move to a situation where you **have to support two households with what was previously an income sufficient for supporting one** the practicalities of those issues have to be considered as well.”

“The point I am making in all relation to these things that, it is pretty very to believe that a family that separate and has to establish two households is going to be able to live **as cheaply as it did before**. The cost in establishing another household in addition to the one that you have rates, water and electricity all of the expenses means that **there is less money to go around...** “

A few years prior to the formation of Australia's Child Support Agency. Lenore Weitzman published her research showing that following divorce a woman's standard of living fell by 73%, whilst a man's rose by 42%. At the time these figures were reported in our daily newspapers.

It wasn't until almost a decade later that researchers gained access to Weitzman's data, only to find her figures were wrong. At the time that Lenore Weitzman published her data other researchers disputed her findings, however they were ignored.

The findings of Lenore Weitzman matched public perception that men gained following divorce. Public perception did not match reality, the reality that men's standard of living fell as well following divorce. (See Lies Damned Lies and Lenore Weitzman attached.)

Idealistically the aim that children should not experience a fall in the standard of living following divorce, means by default that the custodial parent must also not experience a fall in their standard of living after divorce.

It stands to reason that most women will experience a fall in their standard of living following divorce, simply because the major income earner is no longer a part of the relationship. The prevention of the custodial parent from experiencing a fall in the standard of living, means that whilst women can divorce their husbands. Fathers can never in reality divorce their wives whilst they are financially obliged to maintaining the custodial parents standard of living.