



Submission to Senate Standing Committee on Community Affairs

Inquiry into the Social Services Legislation Amendment (Family Measures) Bill 2015

Introduction

The Chinese Australian Services Society Limited welcomes the opportunity to provide a submission to the Senate Inquiry into the Social Services Legislation Amendment (Family Measures) Bill 2015.

As a long standing community organisation, our Society has been dedicated to assisting disadvantaged people from local communities and advocating on their behalf. We would like to share our views and experience with the Senate Standing Committee on Community Affairs in relation to the proposed changes in the Family Measures Bill.

Our submission is a reflection on the viewpoints and concerns that we received from our service users and people in our community, as well as observations and feedback we gathered while delivering the services to our clients, who may potentially be affected by the proposed changes. This submission does not represent in any way the position of our Society.

About our organisation

The Chinese Australian Services Society was founded in 1981. It provides a wide range of community services for the multicultural communities and assist migrants to settle and integrate into the Australian society. The comprehensive range of community services and activities include family and children, residential aged care, home ageing, disability, vocational training, health and settlement services, etc. Most of the services cover the whole Sydney Metropolitan area, with some covering areas down to Wollongong. We serve the Chinese, Koreans, Indonesians, Vietnamese, people from other CALD communities, as well as mainstream Australians. More than 2,400 families access our services and activities weekly.

The views that we would like to bring to the attention of the Senate on the Family Measures Bill

“...from 1 January 2016, families will be eligible for family tax benefit and additional payments that rely on Family Tax Benefit eligibility for a period of six weeks when outside of Australia. Currently, family tax benefit part A recipients who are overseas are able to receive their usual rate of payment for six weeks, and then the base rate for a further 50 weeks.”

We appreciate the Government’s initiative in allocating its limited resources to deal with more pressing social issues and we agree on the importance for those families, who rely Family Tax Benefit (FTB) to have strong ties with Australia. However, we would like to express our views as mentioned further.

Currently, the allowance to an eligible family is reduced to a basic rate after six weeks (For FTB Part A) overseas. The existing practice has already reflected that a family needs to have a strong



connection with Australia in order to receive the allowance. In our opinion, the current practice is preferable than an abrupt cutting the new measure proposes.

Although we consider that the present 56-week period may be unnecessary long, a sharp reduction in FTB Part A eligibility to a six-week period is unjustified, since such reduction does not take into account those families going overseas for a relatively longer period of time, where they may still incur expenses in raising their children.

According to the feedback from our service users, some migrants take the children back to their motherland, especially during long holidays. Apart from visiting the grandparents and other family members, there are situations when parents leave their children in grandparents' care overseas due to financial reasons (the cost of child care in Australia is higher than they can afford) and social reasons (there is no extended family members in the country to help taking care of children). This is especially the case for those recently settled in Australia. In this regard, we suggest that eligible families should be provided with a basic rate after six weeks for a period of time, for instance for 28 weeks. This basic-rate payment period could assist those families in need to reduce their financial burden and allow sufficient time for the children to interact with their extended family.

We support the Government in retaining the discretion to increase the six-week timeframe for up to three years. We believe this initiative is essential in order to ensure no family with children will be disadvantaged by any sudden changes, such as medical emergency or condition, when overseas.

The bill also proposes to remove the FTB Part A large family supplement:

The large family supplement will be ceased from 1 July 2016. The supplement is a component of family tax benefit Part A, and is currently paid at a rate of \$324.85 per year (or \$12.46 per fortnight) for the fourth and each subsequent FTB child in the family.

As large families are likely to struggle with such a reduction, the Government should consider the implications of this measure. We propose for the Government to recognise the importance of establishing a mechanism in order to respond to possible hardship cases.

Conclusion

In this submission, we have incorporated the feedback that we received from people in our community and our staff members. In order to gain full support from citizens on the proposed changes, the Government must strike a right balance between economic considerations and cohesiveness of our community, without overlooking the interests of the disadvantaged individuals. We also consider that the system should always allow flexibility for families in hardship.

We would appreciate if the Government takes into account the viewpoints as well as concerns raised and we are happy to have a further discussion to elaborate on those.