



Refugee Council
of Australia

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

SUBMISSION ON THE SOCIAL SERVICES LEGISLATION AMENDMENT (FAMILY MEASURES) BILL 2015

The Refugee Council of Australia (RCOA) is the national umbrella body for refugees, asylum seekers and the organisations and individuals who work with them, representing over 200 organisations and around 1,000 individual members. RCOA promotes the adoption of humane, lawful and constructive policies by governments and communities in Australia and internationally towards refugees, asylum seekers and humanitarian entrants. RCOA consults regularly with its members, community leaders and people from refugee backgrounds and this submission is informed by their views.

RCOA welcome the opportunity to provide feedback on the *Social Services Legislation Amendment (Family Measures) Bill 2015*. We express the following concerns with this Bill:

- Reducing the time an individual can be eligible for family tax benefit while temporarily absent from Australia to six weeks will adversely affect refugee communities who wish to travel overseas to visit and/or care for relatives. This is especially problematic due to the significant difficulties with family reunion, which mean that the only way a person can see their family is by travelling overseas.
- RCOA opposes the cessation of the large family supplement, which assists families for the fourth and each subsequent FTB child in the family. This will adversely impact families of refugee backgrounds who either have themselves four or more children, or are legally responsible for four or more children.

1. Schedule 1: Portability of Family Tax Benefit

- 1.1. Schedule 1 of the Bill reduces the portability of the Family Tax Benefit A, and subsequent flow on benefits such as the childcare rebate and childcare benefit, for those who travel overseas. Currently, these recipients continue to be paid their family tax benefit for 56 weeks after leaving Australia. The Bill reduces this to six weeks, after which the individual will stop receiving payments. In such a situation, if the individual returns to Australia within 13 weeks of the end of the portability period, the family tax benefit will be restarted. However, if a person remains overseas for a total of over 19 weeks, their Family Tax Benefit A will lapse, requiring them to reapply again for the benefit, potentially delaying their income upon return.
- 1.2. RCOA believes this amendment unfairly affects families from refugee backgrounds. Due to numerous problems with family reunion, it is common for refugee community members to be required to travel overseas for long periods of time to visit their relatives and other community members, who were not able to come to Australia. This is particularly important for those who have sick or dying relatives in secondary countries of asylum. As such, refugee communities may travel overseas for several months. This bill will impact their ability to receive family tax benefit while overseas, placing further barriers on people visiting their family members.
- 1.3. Additionally, for those who are overseas for over 19 weeks, the interruption of payments (and additional benefits) once the individual or family is back in Australia could cause a disruption of household income, if the family cannot afford child care for example. Again this will significantly

Sydney office:

Suite 4A6, 410 Elizabeth Street
Surry Hills NSW 2010 Australia
Phone: (02) 9211 9333 • Fax: (02) 9211 9288
admin@refugeecouncil.org.au

Web: www.refugeecouncil.org.au • Twitter: @OzRefugeeCounc

Melbourne office:

Level 2, 313-315 Flinders Lane
Melbourne VIC 3000 Australia
Phone: (03) 9600 3302
melbourne@refugeecouncil.org.au

Incorporated in ACT • ABN 87 956 673 083

impact families from refugee backgrounds, especially those who rely on childcare and other benefits.

- 1.4. RCOA notes that as per s24 (7) of *A New Tax System (Family Assistance) Act 1999*, the Secretary has discretion to extend the 'initial period' if they are satisfied that the child or individual is unable to return to Australia within six weeks because of various reasons, including a serious illness or death of a family member. However, this discretion is insufficient to address the many reasons families remain abroad for a prolonged period of time, particularly refugee families.
- 1.5. The Explanatory Memorandum specifies that the cessation of the Family Tax Benefit will occur if an individual or their FTB child or regular care child remains outside of Australia for over six weeks. This implies that if a parent of a child travels overseas over six weeks, despite the child remaining in Australia, access to the family tax benefit will cease until the parent returns. This appears to be unfair to families who need to travel overseas, yet who leave their children in Australia with a family or community member.

2. Schedule 2: Large family supplement

- 2.1. Schedule 2 of the Bill seeks to remove the large family supplement, which is a component of Family Tax Benefit Part A. It is currently paid at a rate of \$324.85 per year (\$12.46 per fortnight) for the fourth and each subsequent FTB child in the family.
- 2.2. RCOA believes the cessation of the large family supplement will adversely impact families of refugee backgrounds, as there are a number of refugee communities which commonly have large families with more than four children. This will place greater economic stress on these families. During RCOA's annual consultations, many refugee communities raise the issue of supporting large families, especially with regard to housing, education and other essentials.
- 2.3. The Explanatory Memorandum notes that reports by the National Centre for Social and Economic Modelling reported that additional children cost less than a first child, due to families experiencing 'economies of scale' whereby fixed costs are spread among more children. However, while larger families may experience 'economies of scale', this does not mean that additional costs incurred with more children are alleviated (especially for fixed costs such as childcare and education). While the cost of extra children may proportionally be less than the first child, having a large family indisputably still places a much greater financial pressure on the family.

Recommendation

RCOA recommends that Social Services Legislation Amendment (Family Measures) Bill 2015 not be passed.