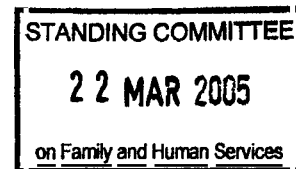


[REDACTED]
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[REDACTED] NSW [REDACTED]
[REDACTED]

The Secretary
House of Representatives
Standing Committee on Family and Human Services
By email: fhs.reps@aph.gov.au



Dear Secretary

Re: Inquiry into Adoption of Children from Overseas

1. Summary

My husband and I have decided to adopt a child rather than pursue assisted reproductive treatments. I am disappointed by the inconsistencies between the level of funding and financial assistance the Federal Government provides for biological families and the lack of financial assistance provided for adoptive families. The inconsistency with which infertile couples wishing to have children are treated is inequitable and favours assisted reproductive treatments as a method of family building over adoption.

To address this situation the committee should consider the following recommendations:

- Remove the 26 week age limit for the Maternity Payment
- Provide a tax credit or rebate system offering financial relief for adoptive parents
- Remove federal government department fees associated with adoption and recommend removal of state government department fees associated with adoption.

2. Introduction

I am a 26 years old, my husband is 30 years old and we have one biological son who is 2 years old. We have applied to adopt a child from Korea.

Since the birth of our son we have suffered four miscarriages and from the testing performed, our recurrent pregnancy loss history remains largely unexplained. It has been suggested to us that we utilise IVF with preimplantation genetic diagnosis (PGD) to ensure that only embryos that are chromosomally normal are transferred. This is viewed as giving us an increased chance of a live birth of a biological child.

My husband and I believe that life starts at the point of conception. Accordingly PGD presents some difficulties to us as it involves discarding those embryos that have chromosomal abnormalities. Just as we would not discard children born to us with chromosomal abnormalities we choose not to discard embryos with chromosomal abnormalities.

Accordingly, we have decided to adopt a child. The number of children available for local adoption is very small and the wait is very long. Therefore my husband and I have decided to adopt a child from South Korea.

3. Inconsistency in Government assistance

We believe we have made an ethical decision that is right for our family. However this has certainly not been an easy decision. Aside from the emotional considerations of parenting a child that is not genetically related to us this decision involves a lengthy wait, exposing ourselves to a great deal of scrutiny and the expenditure of vast sums of money with no government support or assistance.

Choosing to pursue assisted reproductive technologies such as IVF with PGD would be a more financially prudent option for our family than adoption. The lower cost of assisted reproductive technologies is further enhanced by the generous Federal Government assistance available.

3.1 Financial implications of pursuing IVF with PGD

Were we to decide to pursue a pregnancy utilising IVF with PGD I estimate that the costs we would incur would be as set out in the table below. This table assumes that we would conceive on our first attempt, carry the baby to term, there would be no additional embryos that we would need to cryopreserve and our baby would be delivered by vaginal birth and would not need any assistance from a special care nursery. In the event of any of these assumptions being incorrect, the costs would increase as would the corresponding Government subsidies.

Item	\$
IVF	5,000
Embryo biopsy (PGD)	2,500
Ante natal care	3,500
Delivery fee	1,500
Ultrasounds	500
Private hospital fee	<u>2,000</u>
	15,000

The Federal Government would subsidise most of these costs. There are Medicare rebates available for most of these items and having reached the Medicare safety net threshold all services which are provided out-of-hospital would qualify for a Medicare rebate of 80%. Those services that are provided in-hospital qualify for the normal Medicare rebates and additional rebates from our private health insurance fund which in turn is subsidised 30% by the federal government.

It is my estimate that our out of pocket costs would amount to less than \$3,000 and a 20% rebate against half of these costs could then be claimed on my husband's income tax return.

After the birth of our child, we would receive further assistance from the Federal Government in the form of the Maternity Payment which is currently \$3042.

3.1.1 Summary of Government assistance available to offset IVF with PGD costs

- Medicare rebate including 80% Medicare Safety Net Rebate for components of IVF cycle cost
- Medicare rebate including 80% Medicare Safety Net Rebate for components of Embryo Biopsy cost (as embryo biopsy is medically indicated in our situation)
- Medicare rebate including 80% Medicare Safety Net Rebate for antenatal care
- Medicare rebate for delivery fee
- Private Health Insurance rebate for delivery fee
- Medicare rebate including 80% Medicare Safety Net Rebate for ultrasounds
- Private Health Insurance rebate for private hospital fee
- Medical expenses income tax rebate for all expenses incurred once threshold reached
- Maternity Payment

3.2 Financial implications of pursuing adoption

By choosing to adopt our next child and avoid the ethical minefield that IVF with PGD is for us, we receive no government assistance, subsidies or rebates.

Item	\$
NSW adoption feeds	9,830
Orphanage fees (USD8,500)	12,000
NSW police	220
DIMIA	1,245
Travel costs	<u>10,000</u>
	33,295

Should our child be older than 26 weeks at the time of placement we will not be eligible for the Maternity Payment and as such there will be absolutely no financial assistance provided by the Australian Federal Government. Should our child be less than 26 weeks at the time of placement we will receive the \$3,042 maternity payment and this will cover less than 10% of our adoption costs.

My husband is a secondary teacher and I work 12 hours a week as a book-keeper. We live in Sydney's South-Western suburbs. We are not wealthy and finding \$30,000 to adopt a child and potentially another \$30,000 to adopt another child in a few years time is a real hardship for our family. Adopting a child is out of financial reach for many families.

3.2.1 Summary of Government assistance available to offset adoption costs

- Maternity payment (if child is less than 26 weeks at the time of placement)

3.3 Concluding comments on inconsistencies in Government Assistance

There appears to be great inconsistencies between the benefits and entitlements provided to families with their own birth children and those provided to families adopting children from overseas.

Infertile couples who choose to pursue assisted reproductive technologies have their treatments very highly subsidised. Even those treatments for which there are no Medicare or private health insurance rebates still qualify for the 20% medical expenses rebate on the couple's income tax returns.

Infertile couples who choose to pursue adoption are offered no financial assistance by the government. There is no adoption tax credit like in the United States. There is no ability to claim a tax rebate against adoption expenses like there is against medical expenses in excess of \$1500. Private Health Funds provide no rebates, adoption expenses do not qualify for any rebates from Medicare. Parents wishing to adopt a child from overseas are faced with finding upwards of \$30,000 from after tax income to grow their families.

The inconsistency of the government's decision to subsidise infertility treatment and not adoption is inequitable and creates financial hardship for adoptive families and prevents other infertile couples from pursuing adoption. It also sends messages about adoption not being a supported way of family-building.

4. Recommendations

To remove or lessen the inconsistencies in the way that families with birth children are treated when compared with families who have adopted children from overseas, the government should take the following actions;

4.1 Remove the 26 week age limit for the Maternity Payment

The age limit of 26 weeks for eligibility for the Maternity Payment should be removed. All parents who adopt children after 1 July 2004, regardless of the child's age, should be eligible for the maternity payment. Adoptive parents face considerable expenses regardless of the age of their child at the time of adoption and the Maternity Payment should be extended to all adoptive parents.

4.2 Provide a tax credit or rebate system offering financial relief for adoptive parents

The Federal Government should introduce a tax credit or rebate system whereby financial relief is offered to adoptive parents through the income tax system. This could operate in the form of allowing adoption expenses to be deductible against taxable income, or by providing a rebate as a fixed percentage of eligible adoption expenses. There are less than 300 international adoptions annually. Funding these measures would therefore not cost the Government huge amounts of money, however it would make a very real and very powerful difference to adoptive families.

4.3 Remove government department fees associated with adoption

Of the costs we can expect to incur in adopting our child, set out at the table at 3.2 above, more than one third, or almost \$12,000, represent amounts paid to State and Federal Government departments. As a taxpayer I believe I have already paid for these services via my taxes. It frustrates me that the Government chooses to subsidise

biological families, while not only failing to provide adoptive families with any financial assistance, but in fact applying additional fees and charges on top of those already incurred in adopting a child.

I feel strongly that if the government is prepared to provide free or heavily subsidised services to biological families they should do the same for adoptive families, and at the very least, remove all governmental fees and charges incurred by adoptive families in adopting children.

These measures would assist in addressing the current inconsistencies in the government assistance provided for biological families as opposed to adoptive families and ease the burden on adoptive families.

I am grateful for this opportunity to highlight some of the discrepancies between government assistance for biological families and adoptive families. It is my sincere hope that the government will act on the recommendations made by the Committee.

Should you have any questions or require any clarification on any of the issues raised please do not hesitate to contact me on [REDACTED].

Yours faithfully

Rae Clark