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**ASIAC STATEMENT TO THE  
FEDERAL INQUIRY INTO  
ADOPTION OF CHILDREN FROM OVERSEAS  
Public hearing – 23 September 2005**

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Thank you very much for this opportunity to address you today. I am currently the President of ASIAC NSW and an adoptive parent. Joining me here today are:

- Dr Lucy Burns, past president of ASIAC and adoptive parent
- Rae Clark, committee member of ASIAC and prospective adoptive parent
- Tim O'Reilly, co-author of our submission and adoptive parent

Established in 1975, ASIAC is a parent support group for families that have adopted or are in the process of adopting from China, Korea, India, The Philippines, Taiwan and Thailand. We are one of the longest serving and largest parent support groups in NSW with over 500 members.

ASIAC's philosophy is that every child, regardless of colour, race or creed, has a right to a family life in which he or she may develop to his or her potential.

Our association's key goals are:

- to inform, assist and support prospective adoptive parents
- to encourage contact between adoptive families
- to promote understanding of intercountry adoption both in Australia and overseas
- to provide support to needy children in overseas countries
- to assist in self-help programs in those countries.

To assist prospective adoptive parents, ASIAC holds general information days with the participation of DoCS, Social Workers, PARC, and adult adoptees. We had over 150 attendees at our recent Information Day. We also hold country specific information days with the participation of recently returned adoptive parents to provide practical advice on what to expect when picking up your child and what to expect when you arrive home. And finally, we host waiting parents evenings to provide updates on country programs, make available the opportunity to meet DoCS staff, ASIAC information officers and other waiting parents.

To encourage contact between adoptive families, ASIAC organises discussion evenings, cultural events, picnics, annual camps and we support over 15 playgroups throughout NSW. Through these events we aim to network families to share adoption experiences and provide mutual support as well as strive to keep our children connected to each other and their birth countries.

To inform our members, ASIAC maintains a website which attracts over 350 visitors a week and we issue a Newsletter four times a year covering



program updates, new arrival announcements, events and relevant information to the intercountry adoption community.

We have a voice at government/departmental level advocating on behalf of our membership on various committees.

To support needy children in overseas countries, we manage sponsorship programs for each of the countries we represent. The aim of these programs is to provide financial assistance towards the education of these children.

ASIAC also makes special donations towards self-help projects such as buying fishing nets for each family of a fishing village in India affected by the Tsunami to help re-start their livelihood.

All this is done on a volunteer basis.

Our submission has made a number of points regarding the inconsistent adoption practices between States as well as the disparities between biological families and adoptive families. In this regard, we would like to focus our comments here today on two issues of major concern to our membership – the **cost of intercountry adoption in NSW** and the **need for increased focus on parental education and post adoption services**.

Intercountry adoption is expensive. Many families use the equity in their homes to finance their adoptions. For families that are not homeowners the cost of adoption is often prohibitive. The Commonwealth subsidises the costs associated with growing families by biological means yet it provides no financial assistance with adoption expenses. Rae Clark is a Chartered Accountant and is currently in the process of adopting a child from Korea. She will provide a brief overview of the costs her family will encounter in their adoption as well as presenting a model for adoption tax relief.

Post adoption issues remain a particular concern of our organization. The increasing profile of intercountry adoption in the media appears to be focused largely on the assessment phase with little foresight into or concern for the planning and provision of services to assist adoptive families to settle into their new lives and roles. Dr Burns has recently compiled a book "Children of Many Lands" that contains a comprehensive overview of intercountry adoption. She will give a brief overview of the issues around post adoption raised by more than two hundred adoptive families across New South Wales.



### **Costs of intercountry adoption**

- We are 9 months into the process of adopting a baby from Korea.
- We estimate that it will cost is \$35,000 to adopt our next child
- Our first child is a biological son and he joined our family at no financial cost to us. He was born using the public hospital system and we did not incur any fees associated with his birth.
- As a Chartered Accountant, I specialised in personal income tax for six years.
- I have a personal and a professional interest in the issue of tax relief for adoption costs.
- There are a number of models for adoption tax relief.
- Historically Australia has offered a tax deduction (prior to 1975) and then a tax rebate (prior to 1985)
- Around the world a number of models are used and these are summarised on the handout I have provided.
- I believe that the Medical Expenses rebate would be a good model to use, as a minimum guideline.
- That is, a rebate of 20% for expenses over \$1,500.
- In 2002/03 there were 272 intercountry adoptions (Aust Inst Health & Welfare)
- If each adoption cost \$35,000 and a rebate equal to the Medical Expenses rebate was provided this would cost the government less than \$2m annually, yet it would have a significant effect on adoptive families.
- ASIAC recommends that this committee considers making a recommendation for adoption tax relief to be legislated

### **Costs associated with intercountry adoption Costs of first-time adoption from Korea for NSW couple**

Item	\$
NSW adoption fees	9,830
Korean Orphanage fees (USD8,500)	12,000
NSW police finger printing	340
DIMIA	1,355
Travel costs	10,000
Adoption order costs	<u>2,000</u>
	<b>35,525</b>



## Tax relief for adoption costs

### Historical Australian adoption tax concessions

Year	Adoption Tax Concession	Operation
1971-1975	Tax deduction	Section 82JA <i>Income Tax Assessment Act 1936</i> allowed a tax deduction in respect of un-reimbursed expenses in connection with the adoption of a child under the age of 21.
1975-1985	Tax rebate	Under section 159N(a) <i>Income Tax Assessment Act 1936</i> taxpayers were entitled to a 40% tax rebate of any "rebatable amounts". Unreimbursed adoption expenses qualified as "rebatable amounts" under s159X.
1985-present	None	The s159x rebate was repealed in 1985 by the Taxation Laws Amendment Bill (No.2) 1985. The explanatory memorandum does not discuss the impact on adoptive families.

### Adoption tax concessions around the world

Country	Tax concession	Operation
USA	Tax credit (similar to an Australian tax "offset" or "rebate")	Federal tax credit up to US\$10,390 for qualifying expenses paid to adopt an eligible child <sup>1</sup>  14 of the 50 US states offer some type of tax credit or deduction for adoption expenses.
Canada	Tax credit (similar to an Australian tax "offset" or "rebate")	Provincial Government for Quebec provides a tax credit allowing adopters to deduct 30% of adoption expenses up to \$20,000, giving a maximum credit of \$6,000. <sup>2</sup>
Netherlands	Tax deduction	In the Netherlands all adoption related expenses are tax deductible including fees and travel expenses.
Belgium	Adoption grant	€945 per adopted child <sup>3</sup> This is equal to the Birth grant for first born birth children in a family
Portugal	Adoption grant <sup>4</sup>	
Sweden	Cash grant	Adoptive families entitled to a cash grant of \$4,400

<sup>1</sup> <http://www.irs.gov/taxtopics/tc607.html>

<sup>2</sup> [http://www.formulaire.gouv.qc.ca/cgi/affiche\\_doc.cgi?dossier=2512&table=0#15](http://www.formulaire.gouv.qc.ca/cgi/affiche_doc.cgi?dossier=2512&table=0#15)

<sup>3</sup> [http://europa.eu.int/comm/employment\\_social/missoc2001/missoc\\_89\\_en.htm](http://europa.eu.int/comm/employment_social/missoc2001/missoc_89_en.htm)

<sup>4</sup> [http://europa.eu.int/comm/employment\\_social/missoc2001/missoc\\_89\\_en.htm](http://europa.eu.int/comm/employment_social/missoc2001/missoc_89_en.htm)



Historical Legislation regarding adoption tax relief

**INCOME TAX ASSESSMENT ACT 1936 - SECT. 82JA.**  
**Expenses in connexion with adoption of child.**

Inserted by No. 93, 1971, s. 7.

82JA. (1) Amounts paid by the taxpayer in the year of income in respect of expenses in connexion with the adoption by the taxpayer, or by the taxpayer and his or her spouse, of a child under the age of twenty-one years, to the extent to which those amounts have not been repaid to the taxpayer in the year of income, are allowable deductions.

Amended by No. 216, 1973, s. 3.

- (2) In this section, 'expenses' means-
- (a) expenses for the services of a barrister or solicitor;
  - (b) expenses of proceedings before a Court; or
  - (c) fees payable to the Commonwealth, a State, the Administration of a Territory or an organization approved as a private adoption agency under a law of the Commonwealth or of a State or Territory, but does not include expenses in connexion with the obtaining of an order of a Court dispensing with the consent of a person to the adoption.

**INCOME TAX ASSESSMENT ACT 1936 - SECT. 159X.**  
**Expenses in connexion with adoption of child.**

159X. (1) An amount equal to the total of the amounts (if any) paid by the taxpayer in the year of income in respect of expenses in connexion with the adoption by the taxpayer, or by the taxpayer and his or her spouse, of a child under the age of 21 years, to the extent to which those amounts have not been repaid to the taxpayer in the year of income shall, for the purposes of section 159N, be treated as a rebatable amount in respect of that year of income.

- (2) In sub-section (1), 'expenses' means-
- (a) expenses for the services of a barrister or solicitor;
  - (b) expenses of proceedings before a Court; or
  - (c) fees payable to Australia, a State, the Administration of a Territory or an organization approved as a private adoption agency under a law of Australia or of a State or Territory, but does not include expenses in connexion with the obtaining of an order of a Court dispensing with the consent of a person to the adoption. Amounts paid by trustee after death of a taxpayer.



## **POST ADOPTION EXECUTIVE SUMMARY "CHILDREN OF MANY LANDS"**

- The excerpts below come from a report recently undertaken for ASIAC NSW. The report contains a historical overview of intercountry adoption in Australia, interviews with adoption professionals, a survey completed by 190 adoption families (covering 224 children) and stories from 12 adoption families about their journeys.
- The book has raised many issues around intercountry adoption but for the purposes of today's enquiry I would like to focus on the needs of intercountry families and the lack of services currently meeting these needs.
- Firstly, I would like to re-emphasize that we are discussing the future of small children who have no choice in the decisions made for them. In this situation there is an absolute need for care and protection.

*He left the orphanage with the clothes he wore and a small book of his schoolwork – nothing else. He had no tooth brush, change of clothes, photograph or memento at all; nothing to remind him of his five years at the orphanage, except for a couple of school workbooks. And there he was, prepared to walk away to another country with total strangers.*

- Our survey asked about a number of issues including bonding and attachment. We found that whilst the majority of children bonded quickly and intensely with their parents there were subgroups of children for whom this process proved difficult. In particular, as found in the international literature children adopted at older ages took significantly longer to bond and were less securely attached. This is a stressful time and parents were often left without the support or knowledge of how to promote attachment with their children

*In my heart, I lacked confidence about my ability as a parent and so I had tried to prepare myself for the fact that Daisy would probably attach first to Craig, who is naturally relaxed around children. I was glad that Daisy had 'attached' to Craig; it meant that she had the emotional ability to do this, a positive early indicator. However, I am ashamed to say that, in my heart, I was*

*devastated. I had waited so long to become a mother and my darkest, most hidden fears were welling up. I had planned how I would handle initial rejection. When it actually happened, all my preparations went flying out the window. To me, it appeared that all the other babies had attached to the mother – except for me.*

*He bonded to us immediately, but has high anxiety and fear of being abandoned. It's manageable, but he must be micromanaged to ensure he remains calm, secure and trusting of his environment (six months when adopted, now three years nine months).*

*Our two younger children came to us very hurt and confused. Both needed to see counsellors to work through issues of loss and abandonment. The twenty-two year old is doing well now, but the eighteen year old is still struggling (adopted at ten and ten and a half years).*

- Our survey also asked parents about the health of their children. The table below shows the main health problems, some easily treated and some less so.

**Health issues in children reported by parents**

<b>Condition</b>	<b>Number</b>	<b>Percent</b>
Skin	33	23%
Behavioural/ psychological	24	20%
Teeth	23	16%
Eyesight	21	15%
Speech	20	14%
Hearing	14	10%
Growth	4	3%
Communicable, eg TB, Hepatitis B carrier	3	2%
Other including intestinal parasite, early puberty, learning disabilities, poor muscle tone and asthma	47	21%

- Of particular note, one in five parents reported behavioural/psychological problems in their children. These often occurred at the time of adoption, but many were longstanding. A number of parents reported their children as exhibiting violent tantrums, and were ill prepared as to how to deal with these issues;



*One paediatrician referred us to a child psychologist because of her concern at the severity of the tantrums. As with other professionals, the psychologist was unable to provide any assistance... We have tried to analyse the early tantrums. What would have reduced their severity, we wonder?*

*No amount of training would have prepared us totally for the emotional and physical toll that the first four to six months had on all of us. When he first came home, we dreaded his daily tantrums because of the intensity of them and the duration - bad tantrums lasted over an hour.*

*She was quite violent, she was obviously used to being hit as she tried to provoke me every time. It almost seemed like she needed the 'completion' of physical abuse. She also used to call herself negative things and hit herself on the head. Time out didn't work as she refused to be more than one metre away from me. Avoiding eye contact sometimes did. She grew out of it after about five months, when she had enough English ... but she still gets weepy and temperamental when she gets out of her routine.*

Or the parents of this boy aged six when adopted.

*The first few months were pretty tough, he would try to destroy/hurt any objects/people within reach. We would take him to his room, and stay with him until the tantrum was over, and then give him a hug. For our newly arrived child this has worked quickly. For the older child this entrenched behaviour has toned down but not been eliminated (nine and a half and eight years when adopted, now thirteen and eight years).*

*If he wasn't in control of a situation he would hold his breath until he passed out. The best solution was to ignore him but make sure he was in a safe area to fall. He grew out of this by age four (five months when adopted, now eleven years).*

*She would throw tantrums, scream, and make herself sick, vomiting from the crying. We would not look directly at her, then after she was sick, give cuddles and then settle her (sixteen months when adopted, now three and a half).*

- These are just some of the challenges adoptive families face. Yet despite this there are no courses run to educate prospective parents about the specifics of parenting a child adopted from overseas. The majority of this work is undertaken by parent support groups.

- There are virtually no specialist services available to assist parents with the management of their adopted children either in a preventive or treatment framework. There are no services in country regions.
- Despite the emphasis on streamlining processes to make the adoptive process quicker and less bureaucratic there is no long-term data available examining how children adopted from overseas fare in Australia.

### **Recommendations**

- We recommend the funding of a suitably qualified professional group to provide parenting advice and health information to families adopting children from overseas, both prior to the adoption and once the child has been placed.
- We recommend the funding of a large-scale longitudinal cohort study into the physical, social and medical welfare of children adopted from overseas into Australia.