

A New Tax System (Family Assistance) (Improved Access to baby bonus) Amendment Bill 2008

**Second Reading Speech
Senator Natasha Stott Despoja**

Today, I am introducing the first Private Senator's Bill which enables all adoptive parents to access the baby bonus. Currently, only those adopting children aged up to the age of two are eligible for the baby bonus.

A New Tax System (Family Assistance) (Improved Access to baby bonus) Amendment Bill 2008 amends *A New Tax System (Family Assistance) Act 1999*, marking an important and essential reform to the current supports available to Australian families.

This Private Senator's Bill will abolish the age restriction in place for access to the Government's baby bonus scheme.

The Australian Democrats believe adoptive parents should be treated with the same respect and recognition as biological parents.

While I am proud of the campaigning led by the Democrats over the years, and our amendments, resulting in the Howard Government eventually increasing the age restriction from six months to two years in 2005, this simply does not go far enough.

Policy Rationale

The Democrats have been at the forefront of calls for greater supports for Australian families. In 2002, we introduced Australia's first and only paid maternity leave legislation. This Bill, reintroduced in 2007, provides for 14 weeks paid leave at the minimum wage for all working women (including adoptive parents).

The legislation recognises the importance of women's attachment to the labour force, and allows for the continuation of superannuation payments throughout the period of

leave, a paid maternity leave scheme would relieve the pressure experienced by women to minimise time taken after the birth, or adoption of a child.

The baby bonus denies access to parents if they adopt a child more than two years old, however, the paid maternity leave provisions recognise adoptive parents, with no age restrictions associated with the child.

We will continue to campaign for paid maternity leave to be introduced, but the Democrats believe that accessibility of the baby bonus must be extended to all adoptive parents – not just those who have adopted children under the age of two.

What the Bill does

This Bill amends the *A New Tax System (Family Assistance) Act 1999* and would ensure that the baby bonus is extended to all families, to prevent further discrimination against adoptive families.

The current baby bonus provisions discriminate against families adopting from overseas. In the 2005-2006 financial year, 118 children aged more than two years were adopted from overseas, effectively making the parents ineligible to receive financial assistance.

As I have highlighted in previous parliamentary speeches, given the relatively small number of parents who adopt, with only 125 adoptions (seven of which were local) where the child was aged two or older recorded for the 2005-06 financial year, full inclusion of adoptive families in the baby bonus legislation would be inexpensive.

Considering there are additional significant costs and expenses incurred through inter-country adoption, such as adoption fees and travel costs – costs that are not incurred by biological parents - ensuring the baby bonus is available to all parents is an essential inclusion to prevent further parental discrimination.

Cost to the Government

Our costings indicate the proposal contained in this Bill would cost the Government approximately \$636,000 per annum to extend the baby bonus to all adoptive parents.

We know that in 2005-06 there were a total of 125 'unknown child' adoptions where the child was aged two or older.¹

Assuming that there will be a similar number of 'unknown child' adoptions of children aged two and over in 2008-09, then the extra cost to government of extending the baby bonus to the adopting parents of these children will be approximately **\$636,000**.

This represents less than 0.05% of the estimated cost of the Baby Bonus in 2008-09 (of between \$1.4 and \$1.5 billion).²

The Explanatory Memorandum sets out the basis of the calculation for my Bill.

Community Support:

According to a recent survey conducted by the '*Essential Baby*' website, more than 75 per cent of those surveyed supported the removal of the restrictions that prevent adoptive parents from claiming the baby bonus.

Over the years, I have also received many letters from parents who are distressed by the unfairness of this situation.

One family who wrote to me last year said,

¹. Unknown child adoptions are comprised of local and inter-country adoptions where the child was unknown to the adoptive parents prior to the adoption process. *Source: AIHW Adoptions Australia 2005-06 data collection (unpublished data).*

². Parliamentary Library estimate derived from the latest published data on the Maternity Payment/Baby Bonus in FaHCSIA, [Portfolio Additional Estimates Statements 2007-08](#) and FaHCSIA, *Annual Report 2006-07*.

My husband and I chose to adopt a child through the Philippines adoption program. We had indicated that we would welcome a child aged 0-2 years.

In March 2006, we were presented with an adoption proposal for our son. He turned two a week later, in early April 2006. By the time we had completed all the necessary paperwork and travelled to the Philippines to bring him home, he was 26 months old. This meant we were ineligible for the baby bonus.

It is unfair that many adoptive parents are still being excluded from receiving the baby bonus, considering the costs associated with adopting a child older than two years of age are equal if not greater than those for a younger child.

Recent statistics from the Australian Institute of Health and Welfare illustrate the number of children adopted from overseas has more than doubled over the past 25 years and, as an overall proportion, accounts for seven of every 10 adoptions.³

Yet, despite the increase in inter-country adoptions, the overall number of adoptions in Australia has plummeted, from almost 10,000 children 35 years ago to just 568 in 2006-07.

There were 568 adoptions last financial year, slightly less than the 576 children adopted the previous year.

Nationally, three-quarters of the children taken into new homes last financial year were aged under five, with more than 55 per cent female.

These figures highlight, that due to the relatively small numbers of parents who adopt, the inclusion of this group into the baby bonus legislation is inexpensive for the government, yet, would provide some essential financial support.

³ Australian Institute of Health and Welfare 'Adoptions Australia 2006-2207' Child Welfare Series no.44

Furthermore, there are policy requirements in States such as Victoria, that require adoptive parents to stay at home for 12 months following the placement of their new child, to ensure the child settles properly into their new family.

Time to support all Australian families

In 2006, former Opposition Leader Kim Beazley flagged that the Labor Party would support the abolition of the age restriction on the then maternity payment for adoptive parents.

Considering the Labor Party expressed their support for this change while in Opposition, they now have the opportunity in Government to make a difference to the lives of adoptive parents.

Action on this issue requires a commitment to get things right for adoptive families in Australia. We do not need more talk – what we require is the abolition of all forms of discrimination against adoptive parents.

Adoptive parents should not be penalised just because their child is more than two years of age upon adoption, or in the case of overseas adoption, does not arrive in Australia within two years of birth.

The major parties have stalled long enough on this issue. The Labor Government must stay true to its election commitment in providing key supports for Australian families - and abolishing this restriction is an essential first step.

I commend this Bill to the Senate.