

# Queensland Family and Child Commission Submission

To: Senate Standing Committee on Community Affairs

Date: 3 March 2017

Topic: Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017

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The Queensland Family and Child Commission (QFCC) is pleased to provide a submission to the Senate Standing Committee on Community Affairs regarding the Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017 (the Bill). While many provisions in the Bill improve services to citizens, particularly regarding child care, the QFCC is concerned about the effect Family Tax Benefit changes may have on vulnerable children and families.

The QFCC was established in 2014 as a statutory authority under the *Family and Child Commission Act 2014* (Qld). Its role is to:

- promote the safety, wellbeing and best interests of children and young people
- promote and advocate the responsibility of families and communities to protect and care for children and young people
- improve the child protection system.

As part of this mandate, the QFCC advocates for the best interests of children and young people in Queensland, especially those who are experiencing periods of vulnerability.

The Bill contains measures to restrict access to some Family Tax Benefits payments. Family Tax Benefit B, currently paid to a family for a child in secondary school until the end of the calendar year the child turns 18. The Bill proposes to remove access to Family Tax Benefit B on 1 January of the calendar year the child turns 17.

The explanatory memorandum states this measure is intended to encourage 'greater workforce participation'.<sup>1</sup> However, the QFCC is concerned that removing these payments before a child turns 18 could harm a family's ability to meet the child's basic needs. These include the right to an adequate standard of living, including adequate food, clothing and housing, as listed in article 11 of the *International Covenant on Economic, Social and Cultural Rights*.<sup>2</sup>

The Bill also contains measures to phase out the Family Tax Benefit A supplement for families, currently paid as a lump sum of up to \$726.35 per child.<sup>3</sup> In its place, the Bill provides an increase to fortnightly payments.

The supplement was originally offered in the 2004-05 budget, 'to offset any overpayment... that may have occurred during a previous year'.<sup>4</sup> There had been a large number of overpayments registered

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<sup>1</sup> Explanatory Memorandum, Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017, p. 209.

<sup>2</sup> Ibid.

<sup>3</sup> Department of Human Services, *Payment Rates for Family Tax Benefit A*, <https://www.humanservices.gov.au/customer/enablers/payment-rates-family-tax-benefit-part#ftbpartasupplement>, accessed 23 February 2017.

in previous years, which families on low incomes found difficult to repay. The lump sum payment was intended to make this process easier for families, so they could make repayments at the end of the year from the lump sum rather than losing fortnightly income.<sup>5</sup>

Changing technology may make it easier for government to avoid overpaying Family Tax Benefits, therefore removing the need for repayment. However, the explanatory memorandum makes no mention of any specific measures to prevent this 'reconciliation debt' from occurring.<sup>6</sup>

Any continuing need to make 'reconciliation debt' repayments, without access to a lump sum supplement, could place a low-income family in considerable stress. The QFCC is concerned that such a situation might harm a family's ability to provide children with their basic needs.

While many of the measures in this Bill seek to improve funding and services, further consideration may be valuable to determine the impact of Family Tax Benefit changes on families and children experiencing vulnerability.

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<sup>4</sup> Patterson, K., *Record Family Assistance, more child care and boost for carers in 2004-05 budget*, [http://www.formerministers.dss.gov.au/6012/budget04\\_overall/](http://www.formerministers.dss.gov.au/6012/budget04_overall/), 2004, accessed 24 February 2017.

<sup>5</sup> Whiteford, P., 'Omnibus welfare bill shows the always-tricky politics of budget savings', *The Conversation*, <http://theconversation.com/omnibus-welfare-bill-shows-the-always-tricky-politics-of-budget-savings-72657>, 2017, accessed 24 February 2017.

<sup>6</sup> Explanatory Memorandum, Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017, p. 212.