

Child Support (Assessment) Amendment Regulations 1999 (No. 3)

1999 No. 286

EXPLANATORY STATEMENT

Statutory Rules 1999 No. 286

Issued by the authority of the Minister for Community Services

Child Support (Assessment) Amendment Regulations 1999 (No. 3)

Section 69 of the Child Support (Assessment) Act 1989 (the Act) provides for regulations to be made concerning the conversion of annual rates to daily rates. These Regulations provide a more equitable method for converting annual rates to daily rates where a person has made an estimate of their income during a financial year and a method of converting annual rates to daily rates for a child support period that commences on or after 1 July 1999.

Currently, the formula in subregulation 8(1A) of the Child Support (Assessment) Regulations 1989 operates where an estimate of income during a financial year has been made. The effect of this is to recalculate the child support liability and uniformly redistribute the child support liability across each day of the financial year. This retrospectively changes the daily rate of payment across the year. Where the child support liability has been both unregistered and registered during the financial year, the payer's debt to the recipient and to the Child Support Agency changes. This can result in the Child Support Agency returning excess money to the payer, while the recipient is left to pursue recovery of money due directly from the payer. The addition of a new formula to calculate the daily rate of payment in subregulation 7D(5) will produce a more equitable result for those people who make an estimate of income during a financial year.

The Child Support Legislation Amendment Act 1998 replaced financial year periods with "child support periods" as the basis for calculating child support rates. The retrospective recalculation that is currently provided for in regulations 7A and 8 is not required for a child support period that commences on or after 1 July 1999. All that is required is the formula proposed in subregulation 8(1).

The objects of the Regulations are:

- * to provide a more equitable formula for converting annual rates to daily rates where a person has made an estimate of their income; and
- * to provide a formula for the conversion of annual rates to daily rates for all child support periods that commence on or after 1 July 1999.

The Regulations commence on 15 December 1998, the date of commencement for the Child Support Legislation Amendment Act 1998, so that the new formula contained in subregulation 7D(5) can be applied to all the eligible child support debt recalculations that occur as a result of 1998-1999 tax assessments. The changes do not affect a right so as to disadvantage a person, or impose a liability on a person, as they do not change the amount the payer is required to pay or the receiver is eligible to receive. The amendments merely change the party to whom the child support is immediately payable.