

Child Support (Assessment) Amendment Regulations 2004 (No. 2) 2004 No. 177

EXPLANATORY STATEMENT

Statutory Rules 2004 No. 177

Issued by the Authority of the Parliamentary Secretary to the Minister for Family and Community Services

Child Support (Assessment) Act 1989

Child Support (Assessment) Amendment Regulations 2004 (No. 2)

Section 164 of the *Child Support (Assessment) Act 1989* (the Act) provides that the Governor-General may make regulations prescribing matters required or permitted to be prescribed by the Act, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Section 66A of the Act provides that the Child Support Registrar may reduce an assessment of child support payable by a person to nil where that person's annual income is less than \$260. For the purposes of determining whether to make such a reduction, paragraph (b) of the definition of 'income' in subsection 66A(4) provides that certain prescribed payments are not to be regarded as income. Regulation 7CA of the *Child Support (Assessment) Regulations 1989* (the Principal Regulations) prescribes payments for this purpose. One such payment currently prescribed by regulation 7CA is a pension paid to a veteran as specified under section 24 of the *Veterans' Entitlements Act 1986* (VEA).

The purpose of the proposed Regulations is to amend the Principal Regulations to ensure that payments under the new *Military Rehabilitation and Compensation Act 2004* (MRCA) will receive the same child support income treatment as the equivalent payments that are contained in the VEA.

The MRCA and the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Act 2004* (the Consequentials Act), both received Royal Assent on 27 April 2004. They give effect to a new military specific compensation scheme to meet the special circumstances of service in the Australian Defence Force (ADF). The MRCA will apply where injury, disease or death is due to ADF service on or after 1 July 2004. Under Part 6 of Chapter 4 of the MRCA, certain persons who have suffered one or more service injuries may be paid a Special Rate Disability Pension.

The general principle underpinning the transitional amendments contained in the Consequentials Act is that payments under the new MRCA will receive the same social security, family assistance and child support income treatment as the equivalent payments that are contained in the VEA.

Consequently, it is necessary to amend regulation 7CA of the Principal Regulations by inserting a reference to a special rate disability pension paid to a person under Part 6 of Chapter 4 of the MRCA.

The Act specifies no conditions that need to be met before the power to make the proposed Regulations may be exercised.

The Regulations commenced on 1 July 2004.

