

EXPLANATORY STATEMENT

Select Legislative Instrument 2006 No. 148

Issued by the Authority of the Minister for Families, Community Services and
Indigenous Affairs

Child Support (Registration and Collection) Act 1988

Child Support (Registration and Collection) Amendment Regulations 2006 (No. 1)

The *Child Support (Registration and Collection) Act 1988* (the Act) provides for the enforcement of parents' child support liabilities for their children.

Section 125 of the Act provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing all matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Section 72AA of the Act provides a mechanism by which deductions may be made from the social security pension or benefit of a person who is the payer of an enforceable maintenance liability arising from a child support assessment.

The *Child Support (Registration and Collection) Regulations 1988* (the Principal Regulations) prescribe matters relevant to the enforcement of parents' child support liabilities for their children. Regulation 5E prescribes the periodic deductions that may be made from a parent's social security pension or benefit under section 72AA of the Act. Such a deduction is to be calculated at no less than \$5 per week, which is the weekly equivalent of the current minimum annual rate of child support of \$260.

The Regulations amend the Principal Regulations to reflect a change to be made to section 66 of the *Child Support (Assessment) Act 1989* (the Assessment Act) by the *Child Support Legislation Amendment (Reform of the Child Support Scheme – Initial Measures) Act 2006* (the Amending Act), with effect from 1 July 2006. The change made by the Amending Act is to increase the minimum annual rate of child support to \$320, as indexed from time to time. Regulation 5E of the Principal Regulations is amended as a consequence of the change made to section 66.

The Regulations commence on the commencement of Schedule 1 to the Amending Act, with effect from the later of 1 July 2006 or the day after Royal Assent to the Amending Act, to coincide with the commencement of the amendments to section 66 of the Assessment Act.

Consultation

No consultation in relation to these regulations was undertaken because they do not have a direct or significant indirect impact on business and do not restrict competition.

Details of the Regulations

Regulation 1 – Name of Regulations

This regulation provides that the title of the regulations is the *Child Support (Registration and Collection) Amendment Regulations 2006 (No. 1)*.

Regulation 2 – Commencement

This regulation provides for the regulations to commence on the commencement of Schedule 1 to the Amending Act, to coincide with the commencement of the amendments to be made by the Amending Act to section 66 of the Assessment Act, with effect from the later of 1 July 2006 or the day after Royal Assent to the Amending Act.

Regulation 3 – Amendment of *Child Support (Registration and Collection) Regulations 1988*

This regulation provides that the *Child Support (Registration and Collection) Regulations 1988* (the Principal Regulations) are amended as set out in Schedule 1.

Schedule 1 – Amendments

Items [1] and [2] – paragraphs 5E(1)(a) and (2)(a)

Regulation 5E of the Principal Regulations prescribes the periodic deductions that may be made from a parent's social security pension or benefit under section 72AA of the *Child Support (Registration and Collection) Act 1988*. Such a deduction is to be calculated at no less than \$5 per week, which is the weekly equivalent of the current minimum annual rate of child support of \$260. These items change the specific reference to \$5 per week to 'the minimum rate per week', as defined in the new provision inserted by item [3].

Item [3] – after subregulation 5E(2)

This item inserts a new subregulation 5E(3), containing new definitions of ‘minimum annual rate of child support’ and ‘minimum rate’. The ‘minimum annual rate of child support’ is the amount worked out under section 66 of the Assessment Act (as amended by the Amending Act). However, whereas the amount under section 66 is worked out with reference to a child support period (a period generally of 15 months), the amount is worked out for regulation 5E with reference to a calendar year, because this better suits the Centrelink payment system for which regulation 5E operates. The new minimum annual rate provided by section 66 of the Assessment Act is \$320, as indexed from time to time. The ‘minimum rate’ definition converts the minimum annual rate to a weekly rate, using specific rounding rules that will suit the Centrelink payment system.