

EXPLANATORY STATEMENT

A New Tax System (Family Assistance) (Child Care Benefit — Circumstances in which activity requirements do not apply) Determination 2006

Summary

This Determination is made under subsection 14(1B) of the **A New Tax System (Family Assistance) Act 1999** (the Family Assistance Act). It is a legislative instrument for the purposes of the **Legislative Instruments Act 2003**.

The purpose of this Determination is to set out the circumstances in which individuals are not required to meet the activity requirements under new section 17A of the Family Assistance Act. The measure introduced by this Determination is part of the Government's welfare to work reforms, which aim to help parents to enter or return to the paid workforce.

Background

New section 14(1B) of the Family Assistance Act was introduced by the *Family and Community Services Legislation (Welfare to Work) Act 2005*. The purpose of this provision is to empower the Minister to determine circumstances in which individuals will qualify for child care benefit without being required to meet the activity requirements under new section 17A of the Family Assistance Act.

New section 17A of the Family Assistance Act sets out the activities to be performed by individuals who must meet activity requirements to qualify for child care benefit in respect of care provided by an approved child care service. Generally, these individuals must engage in one or more of specified activities for 15 hours during the relevant week or an average of 30 hours over the relevant two-week period. The activities include paid work, a training course or a course of education for the purpose of improving work skills and/or employment prospects or other activities determined under new subsection 17A(2) of the Family Assistance Act.

In some circumstances, it is not appropriate that people be required to meet activity requirements in order to qualify for child care benefit. For example, some parents will be about to return to the paid workforce or will have taken action to commence training or study for the purpose of facilitating such a return. In the 2005–2006 Budget, the Government decided that these people should be given appropriate support as they transit back into the workforce. This Determination implements this decision.

The Department has not undertaken consultations with respect to this Determination because it does not have a significant impact on business or restrict competition and because it gives effect to a decision in terms announced in the 2005-2006 Budget that alters the obligations and/or entitlements of individuals and not child care services.

The Office of Regulatory Review (ORR) has advised that a Regulation Impact Statement is not required for this Determination (ORR RIS ID: 8397).

Explanation of the sections

Name of Determination

Section 1 states the name of this Determination.

Commencement

Section 2 states that this Determination commences on 3 July 2006.

Interpretation

Section 3 contains interpretation provisions.

Circumstances in which individuals not required to meet activity requirements

Section 4 provides that the circumstances in respect of which an individual is not required to meet activity requirements are set out in sections 5 and 6 of this Determination.

Individuals offered work

Section 5 provides that a person will not be required to meet activity test requirements if that person has been offered paid work that is due to begin within 14 days after a session of care was provided to an 'FTB child' of the person or the person's partner. The meaning of the term 'FTB child' is set out in section 3 and Subdivision A, Division 1 in Part 3 of the Family Assistance Act.

Individuals enrolled in a training course or a course of education

Section 6 provides that a person will not be required to meet activity test requirements if that person is enrolled in a specified training course or course of education that is due to begin within 14 days after a session of care was provided to an 'FTB child' of the person or the person's partner. The training course or course of education must be undertaken for the purpose of improving the person's work skills and/or employment prospects. Again, it is noted that the meaning of 'FTB child' is set out in section 3 and Subdivision A, Division 1 in Part 3 of the Family Assistance Act.