

EXPLANATORY STATEMENT

A New Tax System (Family Assistance) (Administration) (Child care benefit – receipts) Rules 2008

Summary

These Rules are made under subsection 219E(2) of the ***A New Tax System (Family Assistance) (Administration) Act 1999*** (the Family Assistance Administration Act) which forms part of the family assistance law.

These Rules constitute a legislative instrument for the purposes of the ***Legislative Instruments Act 2003***.

The purpose of these Rules is to set out the requirements relating to the provision of receipts by approved child care services for child care benefit (CCB) purposes. These Rules largely replicate the requirements of the Child Care Benefit (Receipts) Rules 2000 that they replace, and add further requirements relating to the information that must be provided in a receipt.

Background

The ***Family Assistance Legislation Amendment (Child Care Management System and Other Measures) Act 2007*** (the CCMS Act) amended the family assistance law for the purposes of the introduction of the new Child Care Management System (CCMS).

Amendments made by the CCMS Act for the CCMS purposes commenced on 1 July 2007, but will start applying to an approved child care service after the service's particular 'application day' determined under item 91 of the CCMS Act.

Under section 219A of the Family Assistance Administration Act as in force prior to the application of the amendments made by the CCMS Act, an approved child care service is required to calculate CCB fee reductions for sessions of care provided to a child in respect of whom there is a determination of conditional eligibility in force, and charge the conditionally eligible individual only the reduced fees.

Under subsection 219E(1) of the Family Assistance Administration Act as in force prior to the application of the amendments made by the CCMS Act, when an approved child care service charges reduced fees for a conditionally eligible individual, the service must issue a receipt stating the amount of fees paid, the amount of fee reductions made, and any other information the Secretary specifies in the rules made under subsection 219E(2). The Secretary has made the *Child Care Benefit (Receipts) Rules 2000* under subsection 219E(2).

These Rules make changes to the information currently required to be provided in a receipt to align the requirements with the technical environment in which the CCMS operates.

Furthermore, these Rules make stylistic changes to reflect the amendments made by the CCMS Act to the receipt requirement in section 219 with the effect that receipts are required to be issued by a service in respect of care provided to any child enrolled in the service by an individual not only in respect of conditionally eligible individuals. These Rules also reflect the amendments made for the CCMS purposes to the treatment of absences from care and the amendments to the way hours of care provided to a child in a week are counted towards the weekly limit of hours for which CCB may be paid for that care.

The Department has consulted closely with the child care sector in relation to the policy changes resulting from the introduction of the CCMS.

A Preliminary Assessment of the impact of this proposal has been undertaken in accordance with the procedure established by the Office of Best Practice Regulation. The impact on approved child care services was assessed to be minimal.

Explanation of the sections

Name of Rules

Section 1 states the name of these Rules.

Commencement

Section 2 states that these Rules commence on the day after they are registered.

Revocation

Section 3 revokes the *Child Care Benefit (Receipts) Rules 2000* (the revoked Rules), which are replaced by these Rules.

Saving of revoked Rules

Section 4 states that the revoked Rules continue to apply to a session of care provided by an approved child care service to a child during a week beginning before or on the application day for the service.

Section 7 provides that 'application day' has the meaning given by subitem 91(1) of Schedule 1 to the CCMS Act.

References to revoked Rules

Section 5 is a deeming provision. It provides that a reference in an instrument (other than a legislative instrument) to the revoked Rules or provision of the revoked Rules is taken to be a reference to these Rules or a corresponding provision of these Rules. As an example, this provision has the effect that any contract or funding agreement, which incorporates the revoked Rules as a term, will now incorporate these Rules.

Application

Section 6 provides for the application of the amendments made by these Rules. The amendments apply to a session of care provided by an approved child care service to a child during a week falling wholly after both the commencement of these Rules and the application day for the service. If the application day occurs earlier than the commencement day of these Rules, the amendments start applying after the commencement of these Rules. If the application day occurs later than the commencement of these Rules, the amendments start applying after the application day.

Section 7 provides that 'application day' has the meaning given by subitem 91(1) of Schedule 1 to the CCMS Act.

Definitions

Section 7 contains definitions of the terms used in these Rules.

How receipt should be given

Section 8 of these Rules provides that, for the purposes of paragraph 219E(2)(a) of the Family Assistance Administration Act, an individual who issues a receipt under subsection 219E(1) on behalf of an approved child care service must sign the receipt. Section 8 preserves the current requirement of paragraph 5(b) of the revoked Rules.

Persons to whom receipts should be given

Subsection 9(1) of these Rules requires an approved child care service to issue a receipt for the payment of a fee, or part of a fee, for a session of care to the person who paid the fee or part of it.

Subsection 9(2) exempts a service from the requirement to issue a receipt if the payment is for or including a session of care provided to a child at risk of serious abuse or neglect, that is, a child in respect of whom a certificate is given by the service under subsection 76(1) of the **A New Tax System (Family Assistance) Act 1999** or a determination is made by the Secretary under subsection 81(3) of that Act.

Section 9 of these Rules substantially replicates the current requirements of section 4 of the revoked Rules.

Additional information to be provided in receipt

Subsection 10(1) specifies the additional information that approved child care services are required to provide in a receipt issued for a session of care provided by the service to an enrolled child.

The following information required under subsection 10(1) is the same as the information required by section 5 of the revoked Rules:

- the name of the service;
- the service's Australian Business Number (ABN) (if any);
- the name of the person to whom the receipt is issued;
- the name of the child in respect of whom the session of care was provided;
- the period for which the receipt is issued;
- the receipt number;
- the date of issue of the receipt.

The following information required corresponds to the information required by section 5 of the revoked Rules, with modification consequential on the changes to the treatment of absences from care for the purposes of CCB:

- the sum of the number of days, in the financial year in which the session of care for which the receipt is issued was provided to the child, on which the service is taken to have provided a session of care to the child under subsections 10(2) and 10(3) of the **A New Tax System (Family Assistance) Act 1999**;

These sessions refer to those absences of a child from care that attract CCB. Absences falling within subsection 10(2) are limited to 42 in a financial year; absences falling within subsection 10(3) are for specific reason only. The intention behind this requirement is to keep parents informed about the number of all such absences of a child from care occurring so far in the financial year.

New information that must be provided in a receipt under subsection 10(1) includes:

- the unique identification number assigned to the service by the Department for the purpose of the child care management system operated by the Department;
- the kind of approved child care service that the service is;
- the unique identifier assigned by the Department to the enrolment for the purpose of the child care management system operated by the Department;
- the number of hours in the session of care (subject to subsection 10(2) of these Rules);

Subsection 10(2) of these Rules clarifies that if a receipt is for 2 or more sessions of care, the service is required to specify in the receipt the total number of hours of care in the sessions of care.

Subsection 10(3) of these Rules provides that if a receipt is for sessions of care provided to 2 or more children, the service must specify in the receipt the information specified in paragraphs 10(1)(f) to (j) for each child (name of the child, the unique identifying number assigned to the enrolment of the child, the number of hours in sessions of care paid for the child, the number of the child's absence days in the financial year for which CCB eligibility arises in accordance with subsections 10(2) and (3) of the ***A New Tax System (Family Assistance) Act 1999***).