EXPLANATORY STATEMENT
Child Care Benefit (Australian Resident) Guidelines 2000

Summary

These guidelines are made under subsection 8(4) of the *A New Tax System (Family Assistance) Act 1999* (the Family Assistance Act). Subsection 8(4) of the Family Assistance Act is amended by item 51 of Schedule 1 to the *A New Tax System (Family Assistance and Related Measures) Act 2000*.

The purpose of this instrument is to set out guidelines to be followed by the Secretary in determining whether a person is to be taken as an Australian resident for the purposes of eligibility for child care benefit (CCB).

Background

The Family Assistance Act introduced CCB, which is a payment towards a family’s child care costs. One of the conditions that must be met in order for an individual to be eligible for CCB is that the individual, or his or her partner, must be an Australian resident. However under section 8 of the Family Assistance Act, the Secretary may determine that an individual who is not an Australian resident may be taken to be an Australian resident for CCB purposes if the Secretary is satisfied that hardship would otherwise be caused to the individual, or that special circumstances apply.

Subsection 8(4) of the Family Assistance Act provides that the Minister may make guidelines relating to the Secretary’s determinations on Australian residence.

Explanation of the provisions

*Part 1*

Section 1 of the guidelines states the name of the guidelines, and section 2 states that the guidelines commence on 1 July 2000, which is the date that the CCB provisions of the Family Assistance Act will begin to operate. Section 3 contains interpretation provisions.

*Part 2*

Section 4 explains when the guidelines apply.

Section 5 sets out matters to be considered by the Secretary in making a determination under section 8 of the Act that an individual is to be treated as an Australian resident. Subsection 5(1) provides that, in considering whether an individual would suffer hardship, the Secretary must take into account whether the individual has experienced an unexpected event which has reduced his or her ability to pay child care fees. The Secretary must also take into account how long ago the event occurred, and the continuing effect of the event.

Subsection 5(2) specifies that currency fluctuations, an increase in child care fees, and routine or non-essential expenditure are not to be taken into account.