

## **EXPLANATORY STATEMENT**

### **A New Tax System (Family Assistance) (Child Care Benefit — Activities counting towards activity requirements) Determination 2006**

#### **Summary**

This Determination is made under subsection 17A(2) 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 specify certain activities that will count towards meeting activity requirements under new section 17A of the Family Assistance Act. The measures introduced are part of the Government's welfare to work reform measures, which aim to help parents to enter or return to the paid workforce.

#### **Background**

New section 17A of the Family Assistance Act specifies the activities to be performed by individuals who must meet activity requirements to qualify for child care benefit (CCB) 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 determined activities.

Under new subsection 17A(2) of the Family Assistance Act, the Minister may determine that other activities count towards meeting activity requirements. This Determination therefore indicates the types of activities that will be taken to meet those requirements, such as actively looking for work or actively setting up a business that has not yet commenced operation. Similarly, the Government recognises that people should not lose access to CCB because of their specific circumstances, for example, when they access leave or are unable to work in their business on account of illness or injury.

This determination specifies a range of 'activities' for the purposes of accessing CCB. Its commencement coincides with commencement of the A New Tax System (Family Assistance) (Child Care Benefit — Individuals who must meet activity requirements) Determination 2006, made pursuant to new subsection 14(1C) of the Family Assistance Act, which specifies classes of individuals who must meet activity requirements.

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.

### *Activities that count towards meeting activity requirements*

Section 4 provides that the activities that count towards meeting the activity requirements for an individual under section 17A of the Family Assistance Act are set out in Schedule 1.

### *Schedule 1 Activities that count towards meeting activity requirements*

Schedule 1 sets out the activities that count towards meeting the activity requirements for an individual under section 17A of the Family Assistance Act. The activities that are covered are:

- actively setting up a business that has not yet started to operate;
- actively looking for work;
- voluntary work that provides work experience that could normally be expected to enhance a person's work prospects;
- parental leave, annual leave, sick leave, long service leave and other employment-related paid leave; and
- for a self employed person – not working – where the person is ill or injured and has obtained a doctor's certificate or where the person is taking time off that would, if they were a paid employee, be described as annual leave, long service leave or parental leave.