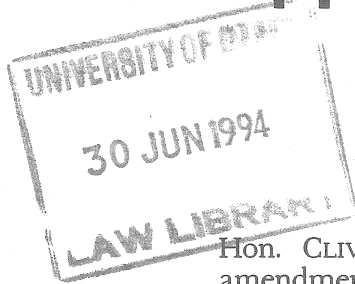


HOUSE OF REPRESENTATIVES

Supplementary Order Paper

Wednesday, 22 June 1994



CHILD SUPPORT AMENDMENT BILL

Proposed Amendments

Hon. CLIVE MATTHEWSON, in Committee, to move the following amendments:

Clause 8: To omit subclause (3), and substitute the following subclause:

(3) **Subsection (2)** of this section shall be deemed to have come into force on the 1st day of July 1992.

Clause 9: To omit subclause (4), and substitute the following subclause:

(4) **Subsections (2) and (3)** of this section shall be deemed to have come into force on the 1st day of July 1992.

EXPLANATORY NOTE

The Child Support Act 1991 contains one particular acknowledged anomaly, described as follows:

A person who provides care for a child whose own parents are unable to provide that care can obtain the unsupported child benefit to support the child. Although the benefit is only for the purpose of supporting the child, it makes the carer technically a beneficiary.

A problem occurs if the carer is also a custodial parent in receipt of child support payments from an absent parent in respect of the child or children of those parents. Because of the beneficiary classification, the child support payments are paid to the Department of Social Welfare rather than to the custodial parent.

This is a clear injustice. The child support payment is for the support of the carer's own child or children. It is made by the other parent. It is appropriated by the State.

The Child Support Amendment Bill fixes this anomaly, but it does so only for payments which are made after 1 July 1994.

This amendment is based on the contention that funds have previously been wrongly taken by the Government, and should be returned. It makes the correction apply from 1 July 1992 (when the Act came into force).

As might be expected, this affects only a few people. The estimated value of refunds is \$200,000. The administrative cost of making the refunds has been estimated by the Inland Revenue Department as \$300,000. This cost may be unfortunate, but it should not relieve the principle that money wrongly collected should be returned.