



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Child Support (Registration and
Collection) Amendment Bill 2011**

Second Reading

SPEECH

Monday, 23 May 2011

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Mr SIDEBOTTOM

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(Braddon) (NaN.NaN pm)

Mr SIDEBOTTOM (Braddon) (18:10): The Child Support (Registration and Collection) Amendment Bill 2011 is very important legislation. I am very happy to speak on it, particularly with the Minister for Human Services here.

Ms Plibersek: I wouldn't miss it.

Mr SIDEBOTTOM: The bill has two major objectives. Firstly, the bill proposes to allow a child support registrar to delegate certain powers and functions to individuals outside the Department of Human Services and, secondly, as the minister has pointed out before, the bill amends several criminal penalty provisions to ensure that offences in these provisions can be prosecuted successfully—all very good aims.

The government believes it is vital that children of separated parents receive the emotional and financial support they need. Everybody would support that principle. While most parents do the right thing and pay their child support in full and on time, unfortunately not all parents meet their child support obligations. Through practical experience, the Child Support Program—and may I thank all those people that work in that area—very importantly has identified that having the ability to outsource debt collection activity to an external service provider on occasions should increase the successful collection of outstanding child support liabilities.

Hence the first amendment in the bill will enable a child support registrar to delegate certain powers and functions to external service providers. There is precedent, however, for this approach. For instance, such an approach is currently utilised by Centrelink for collection of outstanding liabilities. So why is the option being adopted? This approach aims to improve the collection of child support by using the expertise of skilled external providers for specific collection activities.

The outsourcing of collection activities is expected to lead to an increase in the successful identification and collection of outstanding child support debt. Indeed, this is right and proper. It is a debt. It is outstanding and there is an obligation on the debtor to pay. As a third party, it is the responsibility

of our government to ensure that those responsible for child support payments honour that contract and obligation. There is another very good reason to have the option of outsourcing collection activities. This allows Child Support Program staff to concentrate on other compliance activities and better serve other child support customers.

The amendments to the delegation provisions under the Child Support (Registration and Collection) Act 1988 also have precedence. They are based on equivalent provisions under the Social Security (Administration) Act 1999 and the Paid Parental Leave Act 2010. As the Department of Human Services moves towards an integrated model between its various agencies, these amendments will enable the Child Support Program to ensure consistency of service delivery options across agencies.

The second group of amendments are for certain criminal provisions under the Child Support (Registration and Collection) Act 1988. These provisions relate to the obligations of an employer when they are required to withhold money from an employee. Employer withholding is a process whereby an employer withholds amounts from a paying parent's wage or salary only as required by the Child Support Program to be paid to the CSA in satisfaction of a child support liability. The current offences relating to an employer withholding in the Child Support (Registration and Collection) Act 1988 are deemed to be somewhat ambiguous. Hence it is argued that a literal reading of the provisions suggest that an employer could indeed be penalised for complying with the section. This makes it difficult for the Commonwealth Director of Public Prosecution to prosecute an employer who is doing the wrong thing. The proposed amendments will make it clear that an offence is committed when an employer fails to take certain action. Obviously, to clarify this legal matter the Commonwealth Director of Public Prosecutions has been consulted in the making of the proposed amendments. In summary, these amendments will improve the prospect of a successful prosecution under the act. They make it clear that it is an offence when an employer fails to deduct or remit child support payments for the benefit of children. Improving the ability of the Child Support Program to successfully prosecute employers who fail to comply with requirements will also help protect the integrity of

the Child Support Program and, at the end of the day, support the children of separated parents. Is that not, after all, the very intention of the program? I commend the legislation and the minister for promoting it.

(Sydney) (NaN.NaN pm)

(Braddon) (NaN.NaN pm)