

1993

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

HEALTH INSURANCE COMMISSION AMENDMENT BILL 1993

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Family  
Services, Senator the Honourable Rosemary Crowley)





## HEALTH INSURANCE COMMISSION AMENDMENT BILL 1993

### GENERAL OUTLINE

The purpose of this Bill is to amend the Health Insurance Commission Act 1973 in order to:

- a) allow the Health Insurance Commission (HIC) to plan and establish a system whereby rebates can be paid for costs associated with child care.
- b) allow the HIC to administer the child care rebate scheme.

The child care cash rebate scheme is to commence operation from 1 July 1994 as announced by the Prime Minister on 9 February 1993.

### FINANCIAL IMPACT STATEMENT

The planning and establishment of the cash rebate scheme is estimated to cost \$2.25m.

The Child Care Act 1972 is scheduled for amendment in Autumn 1994 to provide legislative backing for the cash rebate. Program and running costs for the cash rebate scheme will be detailed at that time.

## **NOTES ON CLAUSES**

### **Clause 1 - Short Title, etc.**

This clause is a formal provision specifying the short title of the Act as the Health Insurance Commission Amendment Act 1993 and identifying the Health Insurance Commission Act 1973 as the Principal Act to be amended by this Act.

### **Clause 2 - Commencement**

This clause provides that the Act will commence on the day on which it receives Royal Assent.

### **Clause 3 - Amendment location**

This clause specifies that the a new Part IIAA should be inserted after Part IIA of the Principal Act. This new Part provides for new functions for the Health Insurance Commission in respect of rebates for child care costs.

### **PART IIAA - REBATES FOR CHILD CARE COSTS**

#### **New section 8BA - Child care costs rebate functions**

New section 8BA establishes the additional function for the Health Insurance Commission in respect of child care costs rebates.

New paragraph 8BA(a) enables the Health Insurance Commission to plan and establish a scheme which will allow the payment of rebates for child care costs. Such an amendment to the Principal Act is required to enable the Health Insurance Commission to devote resources to plan and establish a mechanism to make payments under the scheme by 1 July 1994.

New paragraph 8BA(b) enables the Health Insurance Commission to administer a child care rebate scheme as specified by an Act. It is proposed that such a scheme will be specified in amendments to the Child Care Act 1972.