

1993

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

SENATE

NATIONAL HEALTH AMENDMENT BILL (NO. 3) 1993

SUPPLEMENTARY EXPLANATORY MEMORANDUM

(Amendments to be moved on behalf of the Government)

(Circulated by the authority of the Minister for Housing,
Local Government and Community Services the Hon. Brian Howe MP)

Financial Impact Statement

This amendment has no financial impact.

Notes on Amendments

The nursing home benefit debt recovery scheme involves, among other things, the collection of moneys (based on estimates of amounts owing to the Commonwealth), which are held in trust pending the precise determination of the amounts of any debts owing to the Commonwealth. If the trust money exceeds the final amount of the debt, the excess is repaid to the vendor.

The bill complements this scheme and provides, among other things, that where such moneys are repaid to the vendor, the Commonwealth is liable to pay interest on that repaid money.

These amendments, to subsection 65SA(1) and subsection 65SB(1), omit reference to commercial rates as it applies to interest payable by the Commonwealth appearing in both subsections, and provide that the interest rate payable will be determined by regulations. These amendments enable clarification of the rate of interest payable by the Commonwealth.

The proposed consequential regulations will provide that interest would be calculated at the rate payable at the time by the Commonwealth Bank of Australia for a term deposit of 90 days, the period which most nearly corresponds with the time moneys on which the interest is payable will be held by the Commonwealth.

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