

1993

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NURSING HOME CHARGE (IMPOSITION) BILL 1993

EXPLANATORY MEMORANDUM

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



NURSING HOME CHARGE (IMPOSITION) BILL, 1993

GENERAL OUTLINE

This Bill should be read in conjunction with the National Health Amendment Bill (No.3) 1993 which amends the National Health Act 1953. The Bill allows for the imposition of any nursing home charge which becomes payable under the clauses introduced in the National Health Amendment Bill (No. 3) 1993.

This latter Act contains a measure related to those introduced by the National Health Amendment Act 1992 ("the 1992 Amendment Act"), which effected changes to the Commonwealth nursing home benefit payment scheme.

The 1992 Amendment Act changed the payment scheme to facilitate the recovery of unspent benefit and also introduced measures to protect the rights of the Commonwealth and of purchasers when a nursing home changes hands.

These changes were, however, effective only prospectively, applying to overpayments in relation to benefit paid after the commencement of the amendments, on 1 July 1993.

The Nursing Home Charge (Imposition) Bill 1993 enables benefit advanced prior to 1 July 1993 to be recovered from the proprietor responsible for the debt at the time of the sale.

This Bill provides for the levying of the nursing home charge. The National Health Amendment Bill (No. 3) 1993 details how the charge is calculated.

The nursing home charge will only become payable at the time of sale of a nursing home and does not affect current nursing home proprietors if there is no sale.

FINANCIAL IMPACT STATEMENT

Although technically a "tax" Bill, this Bill has no direct financial impact. It provides a mechanism for the collection and recovery of a "charge" from the vendor on sale of a nursing home, equal to an amount of benefit overadvanced to the nursing home prior to 1 July 1993. Such amounts would otherwise be recovered by way of an ongoing negative fee loading from the purchaser; in enabling these amounts to be recovered on sale rather than from the purchaser, this Bill creates a more equitable system, complements the protection already afforded purchasers as a result of 1992 amendments to the National Health Act 1953, and enables a more timely recovery of Commonwealth monies.

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NOTES ON CLAUSES

Clause 1 - Short title

This is a formal provision which specifies that the short title of the Act is the Nursing Home Charge (Imposition) Bill 1993.

Clause 2 - Commencement

This clause provides that this Act commences when it receives Royal Assent.

Clause 3 - Imposition

This clause imposes the nursing home charge which will become payable under "Part VD - Requirements in Respect of the Sale of Approved Nursing Homes" of the National Health Act 1953, when the National Health Amendment Bill (No. 3) 1993 comes into effect.