

1988

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

COMMUNITY SERVICES AND HEALTH LEGISLATION AMENDMENT BILL 1988

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments and New Clauses to be Moved on Behalf
of the Government

(Circulated by authority of the Honourable Dr Neal Blewett MP,
Minister for Community Services and Health)

COMMUNITY SERVICES AND HEALTH LEGISLATION AMENDMENT BILL 1988

Amendments and new clauses to be moved on behalf
of the Government

GENERAL OUTLINE

The purpose of these amendments and new clauses is -

- (a) to correct a drafting error; and
- (b) to provide for offences and penalties in relation to the conduct of a registered health benefits organisation or the public officer of such an organisation in making offers of inducements or threats of penalties to a contributor for the purpose of persuading the contributor to transfer to a health benefits fund conducted by another organisation or simply to cease to contribute to the fund conducted by the first-mentioned organisation.

FINANCIAL IMPACT STATEMENT

There is no separate or additional financial impact above that in the Community Services and Health Legislation Amendment Bill 1988 arising from these amendments and new clauses.

COMMUNITY SERVICES AND HEALTH LEGISLATION AMENDMENT BILL 1988

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of the Government

Clause 5 : Payments of financial assistance

Subclause 5(c) of the Bill is to be amended by the omission of a reference to "prescribed period" and the insertion of a reference to "benefit period". This will rectify a drafting error.

Clause 29 : Public officer of registered organisation

This clause amends section 74 of the Principal Act by increasing the penalties applicable to an offence.

Subsection 74(5) of the Principal Act provides that where a registered organisation contravenes, or fails to comply with, a provision of the Act or the regulations or a term or condition of registration imposed by or under the Act or a direction under the Act served on the organisation, that contravention or failure shall, without limiting in any way the liability of the organisation, be deemed to be a contravention or failure by the public officer, and the public officer is punishable for that contravention or failure. The penalty under this provision is to be increased from a fine not exceeding \$5,000 to a fine not exceeding \$10,000.

New subsection 74(5A) provides that a registered organisation shall not permit its money, or supply money, to be used for the payment of a fine imposed on the public officer under subsection 74(5).

Clause 30 : Inducing contributors to transfer to other
funds, etc

This clause inserts a new section 74BA in the Principal Act.

The new section provides for offences relating to the conduct of a registered organisation in making offers of inducements or threats of penalties to a contributor for the purpose of persuading the contributor to transfer to a health benefits fund conducted by another organisation or simply to cease to contribute to the fund conducted by the first-mentioned organisation. The penalty in respect of these offences is a fine of \$50,000.

Existing clause 30 - Amendment

Existing clause 30 amends the Schedule to the Principal Act by inserting new paragraphs. The proposed new paragraph (1g) deals with matters which are now dealt with in greater detail by the offence provisions inserted by new clauses 29 and 30. It is therefore appropriate that proposed paragraph (1g) be omitted.