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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE HOUSE OF REPRESENTATIVES

HEALTH LEGISLATION AMENDMENT BILL (NO. 3) 1982

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Health,
the Honourable J.J. Carlton)

OUTLINE

The purpose of this Bill is to make amendments to the National Health Act 1953 and the Health Insurance Commission Act 1973 to preclude the imposition by a State or Territory of special taxes on registered medical and hospital benefit organizations.

PART I - PRELIMINARY

Clause 1 - Short Title

The amending Act would be cited as the Health Legislation Amendment Act (No. 3) 1982.

Clause 2 - Commencement

This clause would provide that the Act shall come into operation on a date to be fixed by Proclamation.

PART II - AMENDMENT OF THE NATIONAL HEALTH ACT 1953

Clause 3 - Principal Act

This clause would identify the National Health Act 1953 as the Principal Act for the purposes of Part II of the Bill.

Clause 4 - Registered organizations

not subject to certain taxes

This clause would insert new section 81B into the Principal Act to preclude registered medical and hospital benefit organizations from being subject to certain State and Territory taxes. The taxes to which registered organizations would not be subject are set out in proposed section 81B(3) and are taxes in respect of, or calculated by reference to:-

2.

- (a) the number of contributors to a fund;
- (b) the amounts paid by contributors;
- (c) the benefits paid or payable to such contributors; or
- (d) any other matter connected with the business of carrying on registered organizations that is prescribed by regulations.

Proposed sub-section 81B(4) provides that the matters referred to in (a), (b) and (c) above would not limit the generality of the type of matter that may be prescribed by regulations under (d).

Proposed sub-section 81B(2) would provide that section 81B shall be disregarded when determining whether the National Health Act excludes or limits the operation of a law of a State or Territory other than a law relating to the imposition of a special tax on registered organizations.

PART III - AMENDMENT OF THE
HEALTH INSURANCE COMMISSION ACT 1973

Clause 5 - Principal Act

This clause would identify the Health Insurance Commission Act 1973 as the Principal Act for the purposes of Part III of the Bill.

Clause 6 - Liability of Commission
to pay rates, taxes and charges

This clause would omit sub-section 39(1) of the Principal Act which provides that the Health Insurance Commission shall pay all rates, taxes and charges under any law of the Commonwealth, a State or a Territory and substitute a new provision.

The new provision would provide that, subject to the National Health Act 1953 which applies to the Commission by virtue of sub-section 8B(2) of the Health Insurance Commission Act, the Commission shall pay all rates, taxes and charges under any law of the Commonwealth, a State or a Territory. The National Health Act, as amended by clause 4 of this Bill, would provide that registered organizations shall not be subject to taxes which are levied in respect of, or calculated by reference to, certain matters connected with the business of carrying on a registered organization.