Aged or Disabled Persons Homes Amendment Bill 1988

Date Introduced: 30 November 1988
House: House of Representatives
Presented by: Hon. Neal Blewett, M.P., Minister for Community Services and Health

Digest of Bill

Purpose
To allow the Minister to fix the maximum number of subsidised hostel places and to approve the provision of such places in advance.

Background
Under the Aged or Disabled Persons Homes Act 1954 (the Principal Act) the Commonwealth provides grants to various groups to provide accommodation for aged and disabled persons. Prior to 1987, nursing homes received the bulk of funds for such accommodation, but amendments to the Principal Act in that year provided greater funds for hostel accommodation. The change in emphasis was largely the result of a review conducted by the Department of Community Services in 1986.

In the 1988 Budget, the Government confirmed that an additional 12 296 hostel places would be made available in the period 1988–89 to 1990–91. This followed the deferral of some capital spending announced in the 1988 May Economic Statement. In the 1988–89 Budget papers it is estimated that a total of 40 610 accommodation subsidies will be paid, made up of 19 860 hostel places, 19 860 personal care places and 890 respite care subsidies. The different categories reflect different levels of care provided and different subsidies are paid for each category. For example, in the Budget papers the subsidy rate for hostel accommodation is $2.10 per day, while that for personal care is $13.45 per day. (These figures should be used as a guide only as the subsidies are indexed and the latter figure is being increased in real terms.)

The government's policy is to provide 100 residential care places per 1000 members of the community aged above 69, with 60/40 hostel/nursing home mix. As part of this Bill, the Minister will be prohibited from approving places that will exceed a specified level.

The Bill will also repeal the Aged Persons Hostels Act 1972. That Act was introduced to provide capital grants in respect of bodies that had received approval in the three years prior to the introduction of the Act, and is no longer necessary. Approvals granted under the Act will remain in force.
Main Provisions

A new Part III, titled Capital Grants and Recurrent Subsidies for Approved Hostels, will be inserted into the Principal Act by clause 9.

Proposed section 9AA will allow the Minister to determine the maximum number of places for each State and Territory and for regions within States and Territories. The Minister is not to approve places that would exceed this number for the appropriate State/region.

Where an organisation plans new hostel places, or to demolish and reconstruct existing premises, they may seek approval in principle for financial assistance. The general effect of approval in principal is that if the organisation makes an application for funding within 12 months of the approval, the application is not to be refused if any other conditions laid down are met (proposed section 9AB). The proposed section also provides for organisations which already operate hostels to seek approval for an increase in the number of places that are subsidised. The Minister will be able to formulate principles that will guide the making of decisions under this proposed section and is to issue a certificate detailing the type and number of places approved.

Proposed section 9AC will allow the transfer of places approved in principle. The Minister will be able to approve or refuse such a request and may agree to a transfer notwithstanding that the approval will result in the maximum for that State/region being exceeded.

Section 9B of the Principal Act will be amended to require the Minister to refuse to approve capital grants unless satisfied that the sum of the money expended, available for expenditure and the grant, will be at least equal to the cost of the capital work (clause 12).

Proposed section 10B provides for the approval of hostels for recurrent funding. Basically, after an application by an organisation the Minister is to determine how many places, and of what category, will be approved if the body enters into an agreement under proposed section 10FA. Where the applicant already holds a certificate issued under proposed section 9AB, the Minister is not to act in a way contrary to the certificate unless satisfied that the conditions laid down in the certificate will not be met. The Minister may refuse assistance where the person does not hold a certificate. The Minister may formulate guidelines to be followed in the exercise of power under this proposed section. The guidelines may take account of the need to control the unnecessary growth of places and the availability of alternative forms of accommodation.

A new section 10FA will be substituted into the Principal Act by clause 20. Under the proposed section, approved assistance will not be payable until the organisation has entered an agreement that specifies the number and type of places to be provided and that that number of places will be made available, at all times, to eligible persons. The proposed section also provides for the variation of the agreement where both parties agree. Where the Minister is
satisfied that an organisation has breached the agreement or one of the general conditions of grants, the Minister may revoke the approval or vary the agreement to reduce the number of places provided (proposed section 10FAA). Such action will be subject to review by the Administrative Appeals Tribunal (proposed section 10H).

Clause 24 contains transitional provisions in relation to recurrent subsidies. Basically, hostels operating subsidised places immediately before the commencement of this Bill will be deemed to be an approved hostel under proposed section 10B. However, as soon as practicable after commencement the Minister is to specify the number and type of places that the body may operate. While the Minister is to have regard to the number of places operated before commencement of the Bill, there is no guarantee that the same number of places will be approved. Clause 26 provides for the continuation of capital grants.

Clause 27 will repeal the Aged Persons Hostels Act 1972.

For further information, if required, contact the Education and Welfare Group.

13 December 1988

Bills Digest Service

Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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