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HEALTH INSURANCE COMMISSION AMENDMENT BILL 1978

Date Introduced: 10 October 1978
House: House of Representatives
Presented by: Hon. R. Hunt, M.P., Minister for Health

Short Digest of Bill

Purpose

To amend the Health Insurance Commission Act to take account of its reduced functions after the abolition of Medibank Standard on 1 November 1978. Also, to amend the Superannuation Act in relation to its coverage of employees of the Health Insurance Commission.

Background

In the 1978-79 Budget the Government announced changes to the health insurance system, to take effect from 1 November 1978. These changes include the abolition of Medibank Standard, which, together with Medibank Private (which is to continue in operation), has been administered by the Health Insurance Commission. The Commission is to be reconstituted by this Bill which describes its operation after 1 November.

Main Provisions

Clauses 6 and 9 of the Bill repeal ss. 5, 6, 7 and 8, and ss. 8C, 8D and 8E, respectively, of the Principal Act which describe the powers and functions of the Commission in relation to Medibank Standard which will cease to exist after 1 November 1978.

Clause 10 of the Bill provides for the Minister to direct the Commission to perform additional functions. In his Second Reading Speech the Minister indicated that initially the only additional function will be the payment of medical benefits under the winding-down of Medibank Standard. Clause 20 provides for the Commonwealth to make payments to the Commission for this purpose.

New Part IIC describes the powers of the Commission required in connection with the performance of its functions.
Clause 11 amends s.10 of the Principal Act. The Commission is still to consist of a part-time Chairman and up to 5 other part-time Commissioners, plus a full-time General-Manager. There is no provision for a Deputy Chairman (any other part-time Commissioner may act as Deputy Chairman) and there is no requirement for one of the Commissioners to be a medical practitioner.

Clauses 12 and 15 provide that the remunerations of the Commissioners and the General-Manager shall be determined by the Remuneration Tribunal, rather than by Parliament, as is presently the case.

Clause 14(a) provides that Commission meetings should take place not more than 90 days apart, rather than the present 60.

Clause 18 provides that the Commission may engage such staff as it thinks necessary and determine staff terms and conditions. Previously terms and conditions needed to be approved by the Public Service Board and industrial awards were subject to the Public Service Arbitration Act. Any awards, however, must not be inconsistent with the Compensation (Commonwealth Government Employees) Act 1971, the Long Service Leave (Government Employees) Act 1976 or the Superannuation Act 1976.

Clause 19 provides for the Commission to set up its own superannuation scheme which will cover staff joining the Commission after the introduction of such a scheme - staff may elect to join the Commission's scheme or the Commonwealth Superannuation scheme. Staff, who are already members of the latter scheme, will retain such membership. A consequential amendment to the Superannuation Act 1976 is made by clause 29.

Clauses 21, 22, 23 and 24 relate to the financial policies of the Commission such as keeping bank accounts, borrowing and investing and the application of moneys. There are no substantial amendments.

Clause 25 provides that the Commission may enter into any contract concerning amounts up to $250,000 (increased from $100,000) without needing the approval of the Minister.

Part IV (clauses 30-37) of the Bill contains transitional provisions. Clause 31 provides that where staff are no longer able to be employed by the Commission the Public Service Board may attempt to redeploy such staff.
Clauses 32 and 33 provide that existing staff still employed by the Commission after 1 November 1978 will be covered by the current terms and conditions of employment.

Clause 34 provides for a distribution of liabilities and assets between the Commonwealth and the Commission before this Act comes into effect. Where the Minister for Finance disagrees with an amount given by the Commission he may substitute a figure he thinks appropriate. In such a case, if the Commission disagrees with this figure, there is provision for an independent arbitrator to decide upon a figure.

16 October 1978
Education and Welfare Group
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