

1990

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

AMBULANCE SERVICE LEVY BILL 1990

EXPLANATORY MEMORANDUM

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and Urban Services

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AMBULANCE SERVICE LEVY BILL 1990

The Ambulance Service Levy Bill 1990 establishes a system of monthly levies in connection with ambulance services to be paid by organisations conducting health benefits funds in the Territory.

The Bill imposes a requirement that organisations engaged in providing hospital cover to contributors will be required to pay a monthly levy to the Commissioner for ACT Revenue. The effect of the Bill is that all contributors to such funds will receive free ambulance services.

Each organisation is required to submit a monthly return together with the levy. The levy is calculated through a formula that has been derived from similar legislation in New South Wales.

The Bill empowers the Minister for Health, Education and the Arts to establish and conduct an ambulance service in the ACT. The Bill does not deal with the provision of ambulance services to non-contributors as this will continue to be conducted administratively within the Department of Community Services and Health.

The Bill calls upon the provisions of the Taxation (Administration) Act 1987 to facilitate its administration and enforcement.

Details of the Bill are included in the Attachment.

ATTACHED

AMBULANCE SERVICE LEVY BILL 1990

Clause 1 states that the Bill, once enacted, is to be known as the Ambulance Service Levy Act 1990.

Clause 2 states that the Bill commences operation on 1 July 1990.

Clause 3 provides for the incorporation of the Taxation (Administration) Act 1987 (the Tax Act) with the Bill and states that the Bill and the Tax Act are to be read as one. The Tax Act provides mechanisms for the administration and enforcement of certain Acts which relate to the imposition and collection of taxes, duties and fees.

Clause 4 deals with interpretation for the purposes of the Bill.

Subclause 4(1) defines a number of terms.

Subclause 4(2) states that an organisation will be taken to carry on the business in the ACT of providing health benefits to contributors if it either uses premises in the ACT or the services of a servant or agent in the ACT for the purposes of enrolling or making payments to contributors of a health benefits fund conducted by it, or any of the contributors to a health benefits fund conducted by it are permanently resident in the ACT.

Clause 5 provides that the Commissioner for ACT Revenue has the general administration of the Bill.

Clause 6 provides that the Minister for Health, Education and the Arts may establish and conduct an ambulance service in the ACT.

Clause 7 provides that a health benefits organisation is liable to pay a monthly levy as calculated in accordance with clause 8 of the Bill.

Clause 8 deals with the calculation of the monthly levy which is payable under clause 7 of the Bill.

Subclause 8(1) provides that the levy is to be calculated in accordance with the following formula:

T C X R A
WCR

For the purposes of this formula, the letters have the following meanings:

TC - is the total amount of contributions received by the fund in the reference month (as defined in sub clause 4(1)) less the exempt contributions (also as defined in subclause 4(1));

RA - is the relevant amount as defined in subclause 8(6);

WCR - is the amount of the weekly contribution required to be paid into a health benefits fund by a contributor for basic health benefits.

Subclause 8(2) provides that, in the determination of WCR in subclause 8(1), the weekly contribution based on the single rate shall, where a health benefits organisation has differing rates for different classes of contributors, be the highest of those rates.

Subclause 8(3) provides that in situations in which the health benefits organisation cannot determine any matter relevant to the calculation of the levy in subclause 8(1), the organisation may make a determination of the matter that it considers reasonable in the circumstances.

Subclause 8(4) provides that where a notice under clause 5 of Schedule 2 to the Health Insurance Levies Act 1982 (NSW) is published of the rate prescribed under that Act, the Minister for Finance and Urban Services shall fix, by notice in the Gazette, an amount that reflects that published rate.

Subclause 8(5) provides that the notice under subsection 8(4) will take effect on the day on which the notice is published in the Gazette or on such later day as is specified in the notice.

Subclause 8(6) defines the 'relevant amount' referred to in subsection 8(1) as such amount as the Minister for Finance and Urban Services fixes from time to time under subsection 8(4) or, where no such amount is fixed, 49 cents.

Clause 9 deals with returns.

Subclause 9(1) requires a health benefits organisation to lodge, on or before the 15th day of each month, a return in relation to that month.

Subclause 9(2) states that the return must be in writing in a form approved by the Commissioner and that it shall specify the total amount of the contributions paid into the fund to secure benefits, the total amount of exempt contributions for benefits (being contributions paid by prescribed contributors according to subclause 4(1)) and the amount of the weekly contribution, at the single rate, required to be paid to obtain cover for benefits.

Clause 10 deals with the records that an organisation must keep in connection with a return that has to be lodged under clause 9. Records must contain names and addresses of contributors, the amounts of each contribution, the names of those entitled to receive health benefits by virtue of the contribution, the period to which each contribution relates and any other information relating to payment of that levy that the Commissioner specifies by notice in writing.

Clause 11 deals with the cessation of operation by health benefits organisations.

Subclause 11(1) provides that the organisation will, where it ceases operation, be required to lodge a return by the 15th day of the month and pay a levy as determined in this clause.

Subclause 11(2) determines the method for calculating the levy payable. Where business ceases before the 15th day of a month the final levy will be payable on the 15th day of that month; where business ceases after the 15th day of a month the final levy will be payable on the 15th day of the next month. That final levy will be calculated in accordance with subclause 8(1).

Subclause 11(3) provides that the return lodged under clause 11 is to have the same information requirements as clause 9 imposes on ordinary monthly returns.

Subclause 11(4) provides that, for the purposes of this clause, all contributions paid into a fund which have not already been taken into account in the calculation of a levy will be treated as contributions to be taken into account in the payment of the final levy. This means that if an organisation ceases business on, for example, 20 August, its final return (to be lodged by 15 September) will take into account all contributions received from 1 June up until the cessation of business on 20 August.

Clause 12 deals with exemptions from the obligation to pay fees for the use of the ACT Ambulance Service.

Subclause 12(1) provides that a person is not liable to pay for using the service if, at that time, he or she was a contributor to a health benefits fund.

Subclause 12(2) states that subclause 12(1) does not affect the operation of the Workmen's Compensation Act 1951 or Part V of the Motor Traffic Act 1936.

The Workmen's Compensation Act 1951 provides for the liability of an employer where an employee is injured in the course of his or her employment. The Bill is not intended to affect the operation of that Act.

Part V of the Motor Traffic Act 1936 deals with third party insurance and the Bill is similarly not intended to affect the operation of that Act.

Clause 13 provides that the Executive may make regulations which prescribe matters that the Bill requires or permits to be prescribed or that are necessary or convenient to be prescribed for implementing the Bill, so long as those regulations are not inconsistent with the Bill.

Clause 14 states that the first payments of the levy and lodgement of returns will be in October 1990. This will ensure that there is no retrospective application of the levy.

The Schedule lists, for each month, the relevant reference month in accordance with the definition of "reference month" in subclause 4(1).