

1998
THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY

Health Promotion (Amendment) Bill 1998

EXPLANATORY MEMORANDUM

Circulated by the authority of
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Minister for Health and Community Care

HEALTH PROMOTION (AMENDMENT) BILL 1998

OUTLINE

The objective of this Bill is to amend the *Health Promotion Act 1995* so that payments to the Health Promotion Board will, from 1 July 1998, be based on the level of funding provided in the 1997-98 financial year, adjusted for upward movements in the Consumer Price Index (CPI)

The Bill seeks to provide certainty of funding to the Board following the recent High Court decision invalidating the imposition of tobacco franchise fees in NSW. The ruling casts significant doubt on the ability of the States/Territories to collect basic franchise fees. The level of tobacco franchise fees collected was previously an important factor in determining the level of funding for the Board.

DETAILS OF THE BILL

Formal Provisions

Clauses 1, 2 and 3 provide for the short title and commencement of the Bill and for the *Health Promotion Act 1995* to be referred to as the "Principal Act".

The provisions of the Bill dealing with payments to the Health Promotion Board (clauses 4 and 5) are to commence on 1 July 1998, all other provisions are to commence earlier, on the day the Bill is notified in the Gazette.

Clauses 4 and 5 provide a new mechanism for annual funding provided to the Health Promotion Board.

Under the new mechanism, the funding for 1998-99 will be based upon the 1997-98 funding figure of \$2,149,000. However, the funding will be increased in accordance with any positive movement in the Australian Bureau of Statistics' Consumer Price Index (CPI) in the year to 31 March 1998.

For future years, the funding will again be increased in accordance with any positive movement in CPI in the 12 months period ending on 31 March before each year's funding is calculated.

However, if the CPI should fall in any year, Board's funding will remain at the level provided in the previous year.

The option to provide additional funding as determined by the Minister will still be available under paragraph 24(2)(b) of the *Act*.

A provision has been included to the effect that the annual funding will not be revised in cases where the ABS issues revised CPI figures

Provision has also been made for the possibility that the ABS changes the reference base underlying the Consumer Price Index. Any such change will be taken into account in all funding calculations made after such a change
