

**Social Welfare Legislation (Pharmaceutical Benefits) Amendment Act 1990**

**No. 84 of 1990**

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**Social Welfare Legislation (Pharmaceutical Benefits) Amendment Act 1990**

**No. 84 of 1990**

**An Act to amend the *National Health Act 1953*,the *Social Security Act 1947* and the *Veterans’ Entitlements Act 1986***

[*Assented to 30 October 1990*]

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

**PART 1—PRELIMINARY**

**Short title**

**1.** This Act may be cited as the *Social Welfare Legislation (Pharmaceutical Benefits) Amendment Act 1990.*

*Commencement: Day of Royal Assent*

**Commencement**

**2.** Each provision of this Act commences on the day shown by the note in italics at the foot of that provision.

*Commencement: Day of Royal Assent*

**PART 2—AMENDMENTS OF THE NATIONAL HEALTH ACT 1953**

**Principal Act**

**3.** In this Part, **“Principal Act”** means the *National Health Act 1953*1.

*Commencement: Day of Royal Assent*

**Interpretation**

**4.** Section 84 of the Principal Act is amended:

**(a)** by inserting “or” at the end of paragraphs (a) and (aa) of the definition of “concessional beneficiary” in subsection (1);

**(b)** by omitting from the definition of “concessional beneficiary” in subsection (1) “but does not include a pensioner” and substituting the following word and paragraph:

“; or (d) a pensioner;”;

**(c)** by omitting from subsection (1) the definition of “relevant entitlement period” and substituting the following definition:

“ **‘relevant entitlement period’** means:

(a) in the application of this Part before 1 January 1992:

(i) in relation to a pensioner—the period commencing on 1 November 1990 and ending on 31 December 1991; or

(ii) in relation to any other person—the year commencing on 1 January 1990 or 1 January 1991; or

(b) in the application of this Part on or after 1 January 1992:

(i) the year commencing on 1 January 1992; or

(ii) a succeeding year;”;

**(d)** by omitting from subsection (1) the definition of **“pensioner benefit prescription”**;

**(e)** by inserting the following definition:

“ **‘general patient’** means a person who is not a concessional beneficiary;”.

*Commencement: 1 November 1990*

**Eligibility for pharmaceutical benefits entitlement cards**

**5.** Section 84c of the Principal Act is amended:

**(a)** by inserting in subsection (1) “who is not a pensioner” after “A person”;

*Commencement: 1 November 1990*

**(b)** by omitting subsection (1) and substituting the following subsection:

“(1) A person who is a general patient at any time during a relevant entitlement period is eligible to be issued with an entitlement card in respect of that period if:

(a) the total of the amounts charged under paragraph 87 (2) (b) or (d) for supplies of pharmaceutical benefits made to the person during that period; or

(b) the total of the amounts charged under paragraph 87 (2) (c) or (d) for supplies of pharmaceutical benefits made to the person and to the person’s family during that period;

is $50 or an amount that, together with the amount chargeable under paragraph 87 (2) (d) for the supply of a pharmaceutical benefit, would be not less than $50.”;

*Commencement: 1 January 1991*

**(c)** by inserting after subsection (1) the following subsections:

“(1a) A person who is a pensioner during the relevant entitlement period commencing on 1 November 1990 and ending on 31 December 1991 is eligible to be issued with an entitlement card in respect of that period if either of the following paragraphs applies:

(a) the total of:

(i) the amounts charged for supplies of pharmaceutical benefits made to the person during that period when the person was a concessional beneficiary; and

(ii) where the person has, during that period, been a general patient—the transferred value of amounts (if any) charged for supplies of pharmaceutical benefits made to the person during that period when the person was a general patient;

is not less than $150;

(b) the total of:

(i) the aggregate of amounts charged for supplies of pharmaceutical benefits made to the person and the person’s family during that period when the person was a concessional beneficiary; and

(ii) where the person has, during that period, been a general patient—the transferred value of amounts (if any) charged for supplies of pharmaceutical benefits made to the person and the person’s family during that period when the person was a general patient;

is not less than $ 150.

“(1b) A person who is a concessional beneficiary (other than a pensioner) during the relevant entitlement period commencing on 1 January 1991 is eligible to be issued with an entitlement card in respect of that period if either of the following paragraphs applies:

(a) the total of:

(i) the amounts charged for supplies of pharmaceutical benefits made to the person during that period when the person was a concessional beneficiary; and

(ii) where the person has, during that period, been a general patient—the transferred value of amounts (if any) charged for supplies of pharmaceutical benefits made to the person during that period when the person was a general patient;

is not less than $130;

(b) the total of:

(i) the aggregate of amounts charged for supplies of pharmaceutical benefits made to the person and the person’s family during that period when the person was a concessional beneficiary; and

(ii) where the person has, during that period, been a general patient—the transferred value of amounts (if any) charged for supplies of pharmaceutical benefits made to the person and the person’s family during that period when the person was a general patient;

is not less than $130.

“(1c) A person who is a concessional beneficiary during a relevant entitlement period commencing on or after 1 January 1992 is eligible to be issued with an entitlement card in respect of that period if either of the following paragraphs applies:

(a) the total of:

(i) the amounts charged for supplies of pharmaceutical benefits made to the person during that period when the person was a concessional beneficiary; and

(ii) where the person has, during that period, been a general patient—the transferred value of amounts (if any) charged for supplies of pharmaceutical benefits made to the person during that period when the person was a general patient;

is $130 or an amount that, together with the amount chargeable under paragraph 87 (2) (a) for the supply of a pharmaceutical benefit, would be not less than $130;

(b) the total of:

(i) the aggregate of amounts charged for supplies of pharmaceutical benefits made to the person and the person’s family during that period when the person was a concessional beneficiary; and

(ii) where the person has, during that period, been a general patient—the transferred value of amounts (if any) charged for supplies of pharmaceutical benefits made to the person and the person’s family during that period when the person was a general patient;

is $130 or an amount that, together with the amount chargeable under paragraph 87 (2) (a) for the supply of a pharmaceutical benefit, would be not less than $130.”;

*Commencement: 1 November 1990*

**(d)** by omitting subparagraphs (4) (b) (i) and (ii);

*Commencement: 1 November 1990*

**(e)** by omitting from paragraph 84c (4) (c) “$11.00” (wherever occurring) and substituting “$15.00”.

*Commencement: 1 November 1990*

**6.** After section 84c of the Principal Act the following section is inserted:

**Modification of amounts paid**

“84ca. For the purposes of subsections 84c (1a), (1b) and (1c), the transferred value of amounts charged for supplies is worked out by multiplying $2.50 by the number of supplies.”.

*Commencement: 1 November 1990*

**Pharmaceutical benefits prescription record forms**

**7.** Section 84d of the Principal Act is amended by omitting paragraphs (4) (a) and (b).

*Commencement: 1 November 1990*

**Limited charges for pharmaceutical benefits**

**8.** Section 87 of the Principal Act is amended:

**(a)** by omitting from paragraph (2) (b) “$11.00” and substituting “$15.00”;

*Commencement: 1 November 1990*

**(b)** by omitting paragraph (2) (b) and substituting the following paragraphs:

“(b) upon a general benefit prescription where the supply is to a person who, during the relevant entitlement period in which the supply is made, has previously been charged $300 for the supplies of pharmaceutical benefits or an amount that (together with the amount that would, apart from this paragraph, be chargeable in respect of the supply) would be not less than $300—charge the person $2.50; or

(c) upon a general benefit prescription where the supply is to a person who, together with the members of his or her family, during the relevant entitlement period in which the supply is made, has previously been charged $300 for supplies of pharmaceutical benefits or an amount that (together with the amount that would, but for this paragraph, be chargeable in respect of the supply) would be not less than $300—charge the person $2.50; or

(d) upon a general benefit prescription where the supply is to a person to whom paragraph (b) has applied, or a person to whose family paragraph (c) has applied, during the relevant entitlement period in which the supply is made—charge the person $2.50; or

(e) upon a general benefit prescription other than one relating to a supply to which paragraph (b), (c) or (d) applies—charge the person to whom the pharmaceutical benefit is supplied $15.00.”;

*Commencement: 1 January 1991*

**(c)** by omitting paragraphs (3a) (a) and (b);

*Commencement: 1 November 1990*

**(d)** by omitting paragraphs (3b) (a) and (b);

*Commencement: 1 November 1990*

**(e)** by omitting from subsection (5) “a pensioner, a dependant of a pensioner or”.

*Commencement: 1 November 1990*

**9.** After section 98ba of the Principal Act the following section is inserted:

**Tribunal must give effect to certain agreements**

“98baa. (1) Despite anything else contained in this Part, where the Minister and the Pharmacy Guild of Australia or another pharmacists’ organisation that represents a majority of approved pharmacists have entered into an agreement in relation to the manner in which the Commonwealth price of all or any pharmaceutical benefits is to be ascertained for the purpose of payments to approved pharmacists in respect of the supply by them of pharmaceutical benefits, the Tribunal, in making a determination under subsection 98b (1) while the agreement is in force, must give effect to the terms of that agreement.

“(2) Where:

(a) at the time an agreement referred to in subsection (1) is entered into, an inquiry under section 98ba is being held or such an inquiry has been completed but the Tribunal has not issued a statement under subsection 98bd (1); or

(b) such an agreement was in force immediately before the commencement of this section and at that time such an inquiry was being held or such an inquiry had been completed but the Tribunal had not issued a statement under subsection 98bd (1);

the Tribunal must terminate the inquiry or, in a case where the inquiry has been completed but a statement has not been so issued, take no further action for the purposes of that inquiry.

“(3) Section 98ba does not apply while there is in force an agreement referred to in subsection (1) except so far as otherwise provided in that agreement.”.

*Commencement: Day of Royal Assent*

**Payment for supply of benefits**

**10.** Section 99 of the Principal Act is amended:

(a) by omitting from paragraph (2) (a) “a pensioner benefit prescription or”;

(b) by omitting from paragraphs (2a) (a), (aa) and (b) “$11.00” and substituting “$15.00”.

*Commencement: 1 November 1990*

**11.** After section 99e of the Principal Act the following Division is inserted in Part VII:

***“Division 4a*—*Indexation***

**Interpretation**

“99f. In this Division, unless the contrary intention appears:

**‘concessional beneficiary charge’** means each amount of $2.50 referred to in paragraph 84c (4) (d), section 84ca, paragraph 87 (2) (a) or subsection 99 (2b);

**‘concessional beneficiary safety net’** means each amount of $130 referred to in paragraph 84c (1c) (a) or (b);

**‘general patient charge’** means each amount of $15.00 referred to in paragraph 84c (4) (c) or 87 (2) (e) or subsection 99 (2a);

**‘general patient full safety net’** means each amount of $50 referred to in subsection 84c (1);

**‘general patient reduced charge’** means each amount of $2.50 referred to in paragraph 87 (2) (b), (c) or (d);

**‘general patient restricted safety net’** means each amount of $300 referred to in paragraph 87 (2) (b) or (c);

**‘index number’**,in relation to a quarter, means the All Groups Consumer Price Index number that is the weighted average of the 8 capital cities and is published by the Australian Statistician in respect of that quarter.

**Indexation**

“99g. (1) An amount referred to in an item in the CPI Indexation Table below is to be indexed under this section in each year on the indexation day in that item, using the reference quarter in that item and rounding down to the nearest multiple of 10 cents.

|  |
| --- |
| CPI INDEXATION TABLE |
|  |  |  | Reference |
| Item | Amount | Indexation day | quarter |
| 1. | General patient charge | 1 August | March |
| 2. | General patient reduced charge | 1 October | March |
| 3. | Concessional beneficiary charge | 1 October | March |
| 4. | General patient restricted safety net | 1 January | September |
| 5. | General patient full safety net | 1 January | September |
| 6. | Concessional beneficiary safety net | 1 January | September |

“(2) Where an amount is to be indexed on an indexation day, this Act has effect as if the indexed amount were substituted for that amount on that day.

“(3) Subject to this section, the indexed amount for an amount to be indexed is worked out using the formula:

where:

**‘Current figure’,** as at a particular time in relation to an amount to be indexed, means:

(a) if the amount has not yet been indexed under this section before that time—the amount; and

(b) if the amount has been indexed under this section before that time—the amount most recently substituted for the amount under this section before that time;

**‘Indexation factor’** means the figure worked out under subsection (4).

“(4) Subject to subsections (5) and (6), the indexation factor for an amount to be indexed on an indexation day is worked out using the formula:

where:

**‘Most recent index number’** means the index number for the most recent reference quarter for the amount ending before the indexation day;

**‘Previous index number’** means the index number for the reference quarter for the amount immediately preceding the most recent reference quarter for the amount ending before the indexation day.

“(5) Subject to subsections (6) and (7), an indexation factor is to be worked out to 3 decimal places.

“(6) If an indexation factor worked out under subsection (5) would, if it were worked out to 4 decimal places, end in a number that is greater than 4, the indexation factor is to be increased by 0.001.

“(7) If an indexation factor worked out under subsections (4), (5) and (6) would be less than 1, the indexation factor is to be increased to 1.

“(8) Subject to subsection (9), if at any time (whether before or after the commencement of this section), the Australian Statistician publishes an index number for a quarter in substitution for an index number previously published by the Statistician for that quarter, the publication of the later index number is to be disregarded for the purposes of this section.

“(9) If at any time (whether before or after the commencement of this section) the Australian Statistician changes the reference base for the Consumer Price Index, regard is to be had, for the purposes of applying this section after the change takes place, only to index numbers published in terms of the new reference base.”.

*Commencement: 1 February 1991*

**PART 3—AMENDMENTS OF THE SOCIAL SECURITY ACT 1947**

**Principal Act**

**12.** In this Part, **“Principal Act”** means the *Social Security Act 1947*2.

*Commencement: 1 November 1990*

**Indexation of certain rates**

**13.** Section 34 of the Principal Act is amended by inserting after subsection (5d) the following subsections:

“(5e) Subject to sections 151k and 151l, the rate specified in paragraph 33 (1) (a) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $130 per annum.

“(5f) Subject to sections 151k and 151l, the rate specified in paragraph 33 (1) (b) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $65 per annum.

“(5g) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to the rate specified in paragraph 33 (1) (a), the last substituted rate referred to in that subsection is taken to be the rate worked out under subsection (5e).

“(5h) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to the rate specified in paragraph 33 (1) (b), the last substituted rate referred to in that subsection is taken to be the rate worked out under subsection (5f).”.

*Commencement: 20 March 1991*

**Indexation of unemployment and sickness benefits etc.**

**14.** Section 119 of the Principal Act is amended by inserting after subsection (5d) the following subsections:

“(5e) Subject to sections 151k and 151l, a rate of sickness benefit specified in subsection 118 (1) (other than paragraph 118 (1) (f)) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $2.50 per week.

“(5f) Subject to sections 151k and 151l, the rate of sickness benefit specified in paragraph 118 (1) (f) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $1.25 per week.

“(5g) Subject to sections 151k and 151l, a rate of unemployment benefit, being that benefit payable to a person over 60 who has been in receipt of the benefit for at least 6 months, specified in subsection 118 (1) (other than paragraph 118 (1) (f)) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $2.50 per week.

“(5h) Subject to sections 151k and 151l, the rate of unemployment benefit, being that benefit payable to a person over 60 who has been in receipt of the benefit for at least 6 months, specified in paragraph 118 (1) (f) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $1.25 per week.

“(5j) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to a rate of sickness benefit specified in subsection 118 (1) (other than paragraph 118 (1) (f)), the last substituted rate referred to in subsection (4) is taken to be the rate worked out under subsection (5e).

“(5k) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to the rate sickness benefit specified in paragraph 118 (1) (f), the last substituted rate referred to in that subsection is taken to be the rate worked out under subsection (5f).

“(5l) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to a rate of unemployment benefit, being that benefit payable to a person over 60 who has been in receipt of the benefit for at least 6 months, specified in subsection 118 (1) (other than paragraph 118 (1) (f)), the last substituted rate referred to

in subsection (4) is taken to be the rate worked out under subsection (5g).

“(5m) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to the rate of unemployment benefit, being that benefit payable to a person over 60 who has been in receipt of the benefit for at least 6 months, specified in paragraph 118 (1) (f), the last substituted rate referred to in that subsection is taken to be the rate worked out under subsection (5h).”.

*Commencement: 20 March 1991*

15. After Part XVI of the Principal Act the following Part is inserted:

**“PART XVIa—PHARMACEUTICAL SUPPLEMENT**

**Interpretation**

“151a. In this Part:

**‘advance pensioner A’** means a person who is an eligible pensioner on 8 November 1990;

**‘advance pensioner B’** means a person who:

(a) becomes an eligible pensioner after 8 November 1990 and before 1 January 1992; and

(b) in the opinion of the Secretary has neither:

(i) liquid assets of more than $1,000; nor

(ii) income, apart from payments under this Act or the *Veterans’ Entitlements Act 1986*,of more than $10 per week;

**‘advance pharmaceutical supplement’** means an advance pharmaceutical supplement payable under section 151f, 151g or 151h;

**‘card pensioner’** means a person to whom paragraph (a), (aa) or (ab) of the definition of ‘pensioner’ in subsection 4 (1) of the *National Health Act 1953* applies;

**‘continuing advance pensioner A’** means an advance pensioner A who, in the opinion of the Secretary, has neither:

(a) liquid assets of more than $1,000; nor

(b) income, apart from payments under this Act or the *Veterans’ Entitlements Act 1986*,of more than $10 per week;

**‘disqualified advance pensioner’** means an advance pensioner A, or an advance pensioner B, who, before 20 March 1991:

(a) receives advance pharmaceutical supplements of:

(i) in the case of an unmarried pensioner or of a married pensioner to whom paragraph 33 (1) (a) or subsection 33 (2) applies—$150; or

(ii) in any other case—$75; or

(b) both:

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(i) receives advance pharmaceutical supplements of less than the relevant amount in paragraph (a); and

(ii) does not claim further such supplements;

**‘eligible pensioner’** means a person:

(a) who is in receipt of:

(i) an age pension; or

(ii) an invalid pension; or

(iii) a wife’s pension; or

(iv) a carer’s pension; or

(v) a sole parent’s pension; or

(vi) a widowed person’s allowance; or

(vii) a sheltered employment allowance; or

(viii) a rehabilitation allowance; or

(ix) a class B widow’s pension; and

(b) the rate of whose pension or allowance referred to in paragraph (a) is not reduced under this Act on the basis of the person’s income, maintenance income or property;

**‘liquid assets’,** in relation to a person, means:

(a) any cash held by, or on behalf of, the person; or

(b) any amount deposited with, or lent to, a bank, building society, credit union or other financial institution, whether or not the amount can be withdrawn by, or repaid to, the person immediately;

**‘pharmaceutical benefit’** means a drug or medicinal preparation in relation to which, because of section 85 of the *National Health Act 1953*, Part VII of that Act applies;

**‘pharmaceutical supplement’** means the supplement payable under section 151b;

**‘supplement period’** means the period from 1 November 1990 to 19 March 1991 (inclusive).

**Qualification for pharmaceutical supplement**

“151b. Subject to sections 151c and 151j, a card pensioner is qualified to receive a pharmaceutical supplement.

**Pharmaceutical supplements only payable during supplement period**

“151c. Persons are only qualified to receive pharmaceutical supplements during the supplement period.

**Rate of pharmaceutical supplements**

“151d. (1) The rate of pharmaceutical supplement for an unmarried person is $2.50 per week.

“(2) Subject to subsection (3), the rate of pharmaceutical supplement for a married person is $1.25 per week.

“(3) Where paragraph 33 (1) (a) or subsection 33 (2) or 118 (1b) applies to a married person, the rate of pharmaceutical supplement payable to the person is $2.50 per week.

**Payment of pharmaceutical supplements**

“151e. A person’s pharmaceutical supplement is payable on each day during the supplement period on which a pension, allowance or benefit because of which the person is a card pensioner is paid to or in respect of the person and on which the person is qualified for the supplement.

**Advance pharmaceutical supplements for advance pensioners A**

“151f. (1) An advance pensioner A is qualified to receive an advance pharmaceutical supplement on 8 November 1990 of:

(a) if the pensioner is unmarried—$50; and

(b) subject to subsection (2), if the pensioner is married—$25.

“(2) Where paragraph 33 (1) (a) or subsection 33 (2) applies to a married person, the amount of the person’s advance supplement under this section is $50.

**Further advance pharmaceutical supplements for continuing advance pensioners A**

“151g. (1) Where the Secretary is satisfied that a continuing advance pensioner A has bought at least 20 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner within the period beginning on 1 November 1990 and ending on 19 March 1991, the pensioner is qualified to receive an advance pharmaceutical supplement of:

(a) if the pensioner is unmarried—$35; or

(b) subject to subsection (4), if the pensioner is married—$17.50.

“(2) Where the Secretary is satisfied that a continuing advance pensioner A:

(a) has received a payment under subsection (1); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of:

(c) if the person is unmarried—$35; or

(d) subject to subsection (4), if the pensioner is married—$17.50.

“(3) Where the Secretary is satisfied that a continuing advance pensioner A:

(a) has received a payment under subsection (2); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the person’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of:

(c) if the person is unmarried—$30; or

(d) subject to subsection (4), if the pensioner is married—$15.

“(4) Where paragraph 33 (1) (a) or subsection 33 (2) applies to a married person, the amount of the person’s further advance supplement:

(a) under subsection (1) or (2)—is $35; and

(b) under subsection (3)—is $30.

“(5) For the purposes of this section, a continuing advance pensioner A is taken to buy a pharmaceutical benefit for the pensioner whenever the pensioner’s spouse buys a pharmaceutical benefit for the pensioner’s spouse, the pensioner or a dependant of the pensioner’s spouse.

**Advance pharmaceutical supplements for advance pensioners B**

“151h. (1) Where the Secretary is satisfied that an advance pensioner B has bought at least 14 pharmaceutical benefits for the pensioner or a dependant of the pensioner within the 3 months immediately before the day on which the pensioner became an eligible pensioner, the pensioner is qualified to receive an advance pharmaceutical supplement of:

(a) if the pensioner is unmarried—$35; or

(b) subject to subsection (5), if the pensioner is married—$17.50.

“(2) Where the Secretary is satisfied that an advance pensioner B:

(a) has received a payment under subsection (1); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of:

(c) if the pensioner is unmarried—$35; or

(d) subject to subsection (5), if the pensioner is married—$17.50.

“(3) Where the Secretary is satisfied that an advance pensioner B:

(a) has received a payment under subsection (2); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of:

(c) if the pensioner is unmarried—$35; or

(d) subject to subsection (5), if the pensioner is married—$17.50.

“(4) Where the Secretary is satisfied that an advance pensioner B:

(a) has received a payment under subsection (3); and

(b) within the period of 3 months after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of:

(c) if the pensioner is unmarried—$45; or

(d) subject to subsection (5), if the pensioner is married—$22.50.

“(5) Where paragraph 33 (1) (a) or subsection 33 (2) applies to a married person, the amount of the person’s further advance supplement:

(a) under subsection (1), (2) or (3)—is $35; and

(b) under subsection (4)—is $45.

“(6) For the purposes of this section, a continuing advance pensioner B is taken to buy a pharmaceutical benefit for the pensioner whenever the pensioner’s spouse buys a pharmaceutical benefit for the pensioner’s spouse, the pensioner or a dependant of the pensioner’s spouse.

**Pharmaceutical supplements not additional to advance pharmaceutical supplements**

“151j. (1) An advance pensioner A is not qualified to receive a pharmaceutical supplement under section 151b.

“(2) An advance pensioner B who receives at least one advance pharmaceutical supplement under section 151h during the period beginning on 8 November 1990 and ending on 9 March 1991 is not qualified to receive a pharmaceutical supplement under section 151b during the pensioner’s advance payment period.

“(3) In subsection (2):

**‘advance payment period’,** in relation to an advance pensioner B, means the period:

(a) beginning on the earliest day on which the pensioner receives an advance pharmaceutical supplement under section 151h; and

(b) lasting for a number of weeks equal to the number obtained by

dividing the number of dollars received by the pensioner under section 151h by:

(i) in the case of an unmarried pensioner or a married pensioner to whom paragraph 33 (1) (a) or subsection 33 (2) applies—2.50; or

(ii) in any other case—1.25.

**Rate increases not to apply to disqualified advance pensioners A during advance payment period**

“151k. (1) If a disqualified advance pensioner, being an advance pensioner A, has received at least one advance pharmaceutical supplement under section 151g, then subsections 34 (5e) and (5f) and 119 (5e), (5f), (5g) and (5h) do not apply to the pensioner’s rate of pension during the pensioner’s advance payment period.

“(2) In subsection (1):

**‘advance payment period’,** in relation to an advance pensioner A, means the period:

(a) beginning on 8 November 1990; and

(b) lasting for a number of weeks equal to the number obtained by dividing the number of dollars received by the pensioner under section 151g by:

(i) in the case of an unmarried pensioner or a married pensioner to whom paragraph 33 (1) (a) or subsection 33 (2) applies—2.50; or

(ii) in any other case—1.25.

**Rate increases not to apply to disqualified advance pensioners B during advance payment period**

“151l. (1) If a disqualified advance pensioner, being an advance pensioner B, has received at least one advance pharmaceutical supplement under section 151h, then subsections 34 (5e) and (5f) and 119 (5e), (5f), (5g) and (5h) do not apply to the pensioner’s rate of pension during the pensioner’s advance payment period.

“(2) In subsection (1):

**‘advance payment period’** has the same meaning as in section 151j.

**Advances and eligibility for entitlement card**

“151m. If:

(a) a person is qualified to receive an advance pharmaceutical supplement; and

(b) the amount of the supplement exceeds the amount remaining to be charged for supplies of pharmaceutical benefits before the person would become eligible to be issued with an entitlement

card under subsection 84c (1a) of the *National Health Act 1953*;

the amount of the advance pharmaceutical supplement is to be reduced by the excess and no further advance pharmaceutical supplements are payable to the person.

**Maximum benefit**

“151n. (1) The total amount to be paid to an advance pensioner A by way of:

(a) advance pharmaceutical supplements; and

(b) amounts payable under paragraph 34 (5e) (b) or (5f) (b) or 119 (5e) (b), (5f) (b), (5g) (b) or (5h) (b);

before 1 January 1992 is not to exceed:

(c) in the case of an unmarried pensioner or of a married pensioner to whom paragraph 33 (1) (a) or subsection 33 (2) applies—$150; or

(d) in any other case—$75.

“(2) The total amount to be paid to an advance pensioner B by way of:

(a) pharmaceutical supplements; and

(b) advance pharmaceutical supplements; and

(c) amounts payable under paragraph 34 (5e) (b) or (5f) (b) or 119 (5e) (b), (5f) (b), (5g) (b) or (5h) (b);

before 1 January 1992 is not to exceed the amount whose number of dollars is obtained by multiplying by:

(d) in the case of an unmarried pensioner or of a married pensioner to whom paragraph 33 (1) (a) or subsection 33 (2) applies—5; or

(e) in any other case—2-1/2;

the number of pension pay-days during the period beginning on the day the person became an eligible pensioner and ending on 31 December 1991.”.

*Commencement: 1 November 1990*

**PART 4—AMENDMENTS OF THE VETERANS’ ENTITLEMENTS ACT 1986**

**Principal Act**

**16.** In this Part, **“Principal Act”** means the *Veterans’ Entitlements Act 1986*3.

*Commencement: 1 November 1990*

**Variation of rates of certain pensions**

**17.** Section 198 of the Principal Act is amended by inserting after subsection (5f) the following subsections:

“(5g) Subject to sections 118k and 118l, the rate specified in paragraph 30 (1) (a) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $130 per annum.

“(5h) Subject to sections 118k and 118l, a rate specified in subsection 30 (2) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $130 per annum.

“(5j) Subject to sections 118k and 118l, the rate specified in paragraph 47 (1) (a) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) $130 per annum.

“(5k) Subject to sections 118k and 118l, the rate specified in paragraph 47 (1) (b) during the period beginning on 20 March 1991 and ending when a new rate is substituted under subsection (4) is for all purposes to be the sum of:

(a) the rate that would, under subsection (4), be substituted for that rate on 20 March 1991; and

(b) except where paragraph (c) applies—$65 per annum; and

(c) where the rate applies because of section 66—$130 per annum.

“(5l) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to the rate specified in paragraph 30 (1) (a), the last substituted rate referred to in that subsection is taken to be the rate worked out under subsection (5g).

“(5m) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to a rate specified in subsection 30 (2), the last substituted rate referred to in that subsection is taken to be the rate worked out under subsection (5h).

“(5n) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to the rate specified in paragraph

47 (1) (a), the last substituted rate referred to in that subsection is taken to be the rate worked out under subsection (5j).

“(5p) For the purposes of the next application of subsection (4) after 20 March 1991 in relation to the rate specified in paragraph 47 (1) (b), the last substituted rate referred to in that subsection is taken to be the relevant rate worked out under subsection (5k).”.

*Commencement: 20 March 1991*

18. After Part VII of the Principal Act the following Part is inserted:

**“PART VIIa—PHARMACEUTICAL SUPPLEMENT**

**Interpretation**

“118a. In this Part:

**‘advance pensioner A’** means a person who is an eligible pensioner on 1 November 1990;

**‘advance pensioner B’** means a person who:

(a) becomes an eligible pensioner after 1 November 1990 and before 1 January 1992; and

(b) in the opinion of the Secretary has neither:

(i) liquid assets of more than $ 1,000; nor

(ii) income, apart from payments under this Act or the *Social Security Act 1947*,of more than $20 per fortnight;

**‘advance pharmaceutical supplement’** means an advance pharmaceutical supplement payable under section 118f, 118g and 118h;

**‘card pensioner’** means a person to whom paragraph (b) or (ba) of the definition of ‘pensioner’ in subsection 4 (1) of the *National Health Act 1953* applies;

**‘continuing advance pensioner A’** means an advance pensioner A who, in the opinion of the Secretary has neither:

(a) liquid assets of more than $ 1,000; nor

(b) income, apart from payments under this Act or the *Social Security Act 1947*,of more than $20 per fortnight;

**‘disqualified advance pensioner’** means an advance pensioner A, or an advance pensioner B, who, before 20 March 1991:

(a) receives advance pharmaceutical supplements of:

(i) except where subparagraph (ii) applies—$155; or (ii) in the case of a married pensioner to whom paragraph 47 (1) (b) applies—$77.50; or

(b) both:

(i) receives advance pharmaceutical supplements of less than the relevant amount in paragraph (a); and

(ii) does not claim further such supplements;

**‘eligible pensioner’** means:

(a) a person:

(i) who is in receipt of a service pension under section 38 or 39, a wife’s service pension under section 40 or a carer’s service pension under section 41; and

(ii) the rate of whose pension referred to in subparagraph (i) is not reduced under this Act on the basis of the person’s income, maintenance income or property; or

(b) a person who is in receipt of a pension whose rate is specified under subsection 30 (1).

**‘liquid assets’,** in relation to a person, means:

(a) any cash held by, or on behalf of, the person; or

(b) any amount deposited with, or lent to, a bank, building society, credit union or other financial institution, whether or not the amount can be withdrawn by, or repaid to, the person immediately;

**‘pharmaceutical benefit’** means a drug or medicinal preparation in relation to which, because of section 85 of the *National Health Act 1953*,Part VII of that Act applies;

**‘pharmaceutical supplement’** means the supplement payable under section 118b;

**‘supplement period’** means the period from 1 November 1990 to 19 March 1991 (inclusive).

**Qualification for pharmaceutical supplement**

“118b. Subject to sections 118c and 118j, a card pensioner is eligible to receive a pharmaceutical supplement.

**Pharmaceutical supplements only payable during supplement period**

“118c. Persons are only eligible to receive pharmaceutical supplements during the supplement period.

**Rate of pharmaceutical supplements**

“118d. (1) Subject to subsection (2), the rate of a pharmaceutical supplement for a person is $5 per fortnight.

“(2) The rate of a pharmaceutical supplement for a person in receipt of a pension at the rate specified in paragraph 47 (1) (b) is $2.50 per fortnight.

**Payment of pharmaceutical supplements**

“118e. A person’s pharmaceutical supplement is payable:

(a) in the case of a person who is paid a pension under this Act—

on each pension pay day during the supplement period on which the person is eligible for the supplement; or

(b) in any other case—on such days as the Secretary considers appropriate.

**Advance pharmaceutical supplements for advance pensioners A**

“118f. (1) An advance pensioner A is qualified to receive an advance pharmaceutical supplement on 1 November 1990 of, subject to subsection (2), $50.

“(2) Where paragraph 47 (1) (b) applies to a married person, the amount of the person’s advance supplement under this section is $25.

**Further advance pharmaceutical supplements for continuing advance pensioners A**

“118g. (1) Where the Secretary is satisfied that a continuing advance pensioner A has bought at least 20 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner within the period beginning on 1 November 1990 and ending on the first pension pay-day after 19 March 1991, the pensioner is qualified to receive an advance pharmaceutical supplement of, subject to subsection (4), $35.

“(2) Where the Secretary is satisfied that a continuing advance pensioner A:

(a) has received a payment under subsection (1); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of, subject to subsection (4), $35.

“(3) Where the Secretary is satisfied that a continuing advance pensioner A:

(a) has received a payment under subsection (2); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of, subject to subsection (4), $35.

“(4) Where paragraph 47 (1) (b) applies to a married person, the amount of a further advance supplement of the person under this section is $17.50.

“(5) For the purposes of this section, a continuing advance pensioner A is taken to buy a pharmaceutical benefit for the pensioner whenever

the pensioner’s spouse buys a pharmaceutical benefit for the pensioner’s spouse, the pensioner or a dependant of the pensioner’s spouse.

**Advance pharmaceutical supplements for advance pensioners B**

“118h. (1) Where the Secretary is satisfied that an advance pensioner B has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner within the 3 months immediately before the day on which the pensioner became an eligible pensioner, the pensioner is qualified to receive an advance pharmaceutical supplement of, subject to subsection (5), $35.

“(2) Where the Secretary is satisfied that an advance pensioner B:

(a) has received a payment under subsection (1); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of, subject to subsection (5), $35.

“(3) Where the Secretary is satisfied that an advance pensioner B:

(a) has received a payment under subsection (2); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of, subject to subsection (5), $35.

“(4) Where the Secretary is satisfied that an advance pensioner B:

(a) has received a payment under subsection (3); and

(b) within the 3 months immediately after receiving that payment, has bought at least 14 pharmaceutical benefits for the pensioner, the pensioner’s spouse or a dependant of the pensioner;

the pensioner is qualified to receive a further advance pharmaceutical supplement of, subject to subsection (5), $45.

“(5) Where paragraph 47 (1) (b) applies to a married person, the amount of a further advance supplement of the person:

(a) under subsection (1), (2) or (3)—is $17.50; and

(b) under subsection (4)—is $22.50.

“(6) For the purposes of this section, a continuing advance pensioner B is taken to buy a pharmaceutical benefit for the pensioner whenever the pensioner’s spouse buys a pharmaceutical benefit for the pensioner’s spouse, the pensioner or a dependant of the pensioner’s spouse.

**Pharmaceutical supplements not additional to advance pharmaceutical supplements**

“118j. (1) An advance pensioner A is not qualified to receive a pharmaceutical supplement under section 118b.

“(2) An advance pensioner B who receives at least one advance pharmaceutical supplement under section 118h during the period beginning on 1 November 1990 and ending on 19 March 1991 is not qualified to receive a pharmaceutical supplement under section 118b during the pensioner’s advance payment period.

“(3) In subsection (2):

**‘advance payment period’,** in relation to an advance pensioner B, means the period:

(a) beginning on the earliest day on which the pensioner receives an advance pharmaceutical supplement under section 118h; and

(b) lasting for a number of fortnights equal to the number obtained by dividing the number of dollars received by the pensioner under section 118h by:

(i) except where subparagraph (ii) applies—2.50; or

(ii) in the case of a married person to whom paragraph 47 (1) (b) applies—2.50.

**Rate increases not to apply to disqualified advance pensioners A during advance payment period**

“118k. (1) If a disqualified advance pensioner, being an advance pensioner A, has received at least one advance pharmaceutical supplement under section 118g, then subsections 198 (5g), (5h) and (5j) do not apply to the pensioner’s rate of pension during the pensioner’s advance payment period.

“(2) In subsection (1):

**‘advance payment period’,** in relation to an advance pensioner A, means the period:

(a) beginning on 1 November 1991; and

(b) lasting for a number of fortnights equal to the number obtained by dividing the number of dollars received by the pensioner under section 118g by:

(i) except where subparagraph (ii) applies—5; or (ii) in the case of a married pensioner to whom paragraph 47 (1) (b) applies—2.50.

**Rate increases not to apply to disqualified advance pensioners B during advance payment period**

“118l. (1) If a disqualified advance pensioner, being an advance pensioner B, has received at least one advance pharmaceutical supplement under section 118h, then subsections 198 (5g), (5h) and

(5j) do not apply to the pensioner’s rate of pension during the pensioner’s advance payment period.

“(2) In subsection (1), **‘advance payment period’** has the same meaning as in section 118j.

**Advances and eligibility for entitlement card**

“118m. If:

(a) a person is qualified to receive an advance pharmaceutical supplement; and

(b) the amount of the supplement exceeds the amount remaining to be charged for supplies of pharmaceutical benefits before the person would become eligible to be issued with an entitlement card under subsection 84c (1a) of the *National Health Act 1953*;

the amount of the advance pharmaceutical supplement is to be reduced by the excess and no further advance pharmaceutical supplements are payable to the person.

**Maximum benefit**

“118n. (1) The total amount to be paid to an advance pensioner A by way of:

(a) advance pharmaceutical supplements; and

(b) amounts payable under paragraph 198 (5g) (b), (5h) (b) or (5j) (b);

before 1 January 1992 is not to exceed:

(c) except where paragraph (d) applies—$155; or

(d) in the case of a married pensioner to whom paragraph 47 (1) (b) applies—$77.50.

“(2) The total amount to be paid to an advance pensioner B by way of:

(a) pharmaceutical supplements; and

(b) advance pharmaceutical supplements; and

(c) amounts payable under paragraph 198 (5g) (b), (5h) (b) or (5j) (b);

before 1 January 1992 is not to exceed the amount whose number of dollars is obtained by multiplying by:

(d) except where paragraph (e) applies—5; or

(e) in the case of a married pensioner to whom paragraph 47 (1) (b) applies—2.5;

the number of pension pay days during the period beginning on the day the person became an eligible pensioner and ending on 31 December 1991.”.

*Commencement: 1 November 1990*

**NOTES**

1. No. 95, 1953, as amended. For previous amendments, see No. 68, 1955; Nos. 55 and 95, 1956; No. 92, 1957; No. 68, 1958; No. 72, 1959; No. 16, 1961; No. 82, 1962; No. 77, 1963; No. 37, 1964; Nos. 100 and 146, 1965; No. 44, 1966; Nos. 14 and 100, 1967; No. 100, 1968; No. 102, 1969; No. 41, 1970; No. 85, 1971; No. 114, 1972; Nos. 49 and 202, 1973; No. 37, 1974; Nos. 1, 13 and 93, 1975; Nos. 1, 60, 91, 99, 108, 157 and 177, 1976; Nos. 98 and 100, 1977; Nos. 36, 88, 132 and 189, 1978; Nos. 54, 91 and 122, 1979; Nos. 117 and 131, 1980; Nos. 40, 74, 92, 118, 163 and 176, 1981; Nos. 49, 80 and 112, 1982; Nos. 35, 54 and 139, 1983; Nos. 46, 63, 72, 120, 135 and 165, 1984; Nos. 24, 53, 65, 70, 95, 127 and 167, 1985; Nos. 28, 75, 94 and 115, 1986; Nos. 22, 44, 72, 118, 131 and 132, 1987; Nos. 79, 87, 99 and 155, 1988; No. 95, 1989; and No. 3, 1990.

2. No. 26, 1947, as amended. For previous amendments, see Nos. 38 and 69, 1948; No. 16, 1949; Nos. 6 and 26, 1950; No. 22, 1951; Nos. 41 and 107, 1952; No. 51, 1953; No. 30, 1954; Nos. 15 and 38, 1955; Nos. 67 and 98, 1956; No. 46, 1957; No. 44, 1958; No. 57, 1959; No. 45, 1961; Nos. 1 and 95, 1962; No. 46, 1963; Nos. 3 and 63, 1964; Nos. 57 and 152, 1965; No. 41, 1966; Nos. 10 and 61, 1967; No. 65, 1968; No. 94, 1969; Nos. 2 and 59, 1970; Nos. 16 and 67, 1971; Nos. 1, 14, 5 and 79, 1972; Nos. 1, 26, 48, 103 and 216, 1973; Nos. 2, 23 and 91, 1974; Nos. 34, 56, 101 and 110, 1975; Nos. 26, 62 and 111, 1976; No. 159, 1977; No. 128, 1978; No. 121, 1979 (as amended by Nos. 37 and 98, 1982); No. 130, 1980; Nos. 61 and 170, 1981; No. 159, 1981 (as amended by No. 98, 1982); Nos. 37, 38 and 148, 1982; Nos. 4 and 36, 1983; No. 69, 1983 (as amended by No. 78, 1984); Nos. 46, 78, 93, 120, 134 and 165, 1984; Nos. 24, 52, 95, 127 and 169, 1985; Nos. 5, 28, 33, 106, 130 and 152, 1986; Nos. 77, 88 and 130, 1987; Nos. 13, 35, 58, 75 and 85, 1988; Nos. 133 and 135, 1988 (as amended by Nos. 84 and 164, 1989); Nos. 59, 83, 84, 163 (as amended by No. 164, 1989) and 164, 1989; and No. 56, 1990.

3. No. 27, 1986, as amended. For previous amendments, see Nos. 106 and 130, 1986; Nos. 78, 88 and 130, 1987; Nos. 13, 35, 75, 99 and 134, 1988; No. 135, 1989 (as amended by No. 84, 1989); and Nos. 59, 83 and 164, 1989.

[*Minister’s second reading speech made in*—

*House of Representatives on 19 September 1990*

*Senate on 18 October 1990*]