

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Aged Care

Aged Care (Transitional Provisions) Act 1997

*Aged Care (Transitional Provisions) Amendment (March 2016 Indexation)
Principles 2016*

The *Aged Care (Transitional Provisions) Act 1997* (the Transitional Provisions Act), in conjunction with the *Aged Care Act 1997* (the Act), provides for the funding of aged care services in operation before 1 July 2014 that are providing care to continuing care recipients.

Persons who are approved under the Act to provide aged care services (approved providers) can be eligible to receive subsidy payments under the Transitional Provisions Act in respect of the care they provide to continuing care recipients. Continuing care recipients are those who entered an aged care service before 1 July 2014 and since that time have not left the service for a continuous period of more than 28 days (other than because the person is on leave), or before moving to another service, have not made a written choice to be subject to new rules relating to fees and payments that take effect on 1 July 2014.

Section 96-1 of the Transitional Provisions Act allows the Minister to make Principles providing for various matters such as the eligibility requirements for the payment of subsidies and supplements in respect of continuing care recipients in residential care and home care.

Among the Principles made under section 96-1 is the *Aged Care (Transitional Provisions) Principles 2014* (the Transitional Provisions Principles).

The purpose of the *Aged Care (Transitional Provisions) Amendment (March 2016 Indexation) Principles 2016* (the Amending Principles) is to update the specified amount of maximum accommodation charge for a post 2008-reform resident as a result of routine indexation.

The Amending Principle is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Commencement

The amendments commence on 20 March 2016.

Reliance on subsection 33(3) of the *Acts Interpretation Act 1901*

Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend or vary any such instrument.

Consultation

As the amendments in the Amending Principles are routine in nature, no specific consultation was undertaken in relation to this instrument.

Information about the increase in the amount of the subsidies and supplements payable to approved providers from 20 March 2016 will be disseminated via electronic media to approved providers.

Regulation Impact Statement

The Office of Best Practice Regulation (OBPR) has advised that no Regulation Impact Statement is required (OBPR ID 17541).

Details of the Aged Care (Transitional Provisions) Amendment (March 2016 Indexation) Principles 2016

Clause 1 states that the name of the Principles is the *Aged Care (Transitional Provisions) Amendment (March 2016 Indexation) Principles 2016*.

Clause 2 sets out the commencement dates for the Amending Principle.

Clause 3 provides that the authority for the making of the Amending Principle is section 96-1 of the *Aged Care (Transitional Provisions) Act 1997* (the Transitional Provisions Act).

Clause 4 provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1 – Amendments

Aged Care (Transitional Provisions) Principles 2014

Item 1 – Subsection 118(1) (after table item 16)

This item inserts a new item 17 to specify the amount of maximum daily accommodation charge for a post-2008 reform resident who first entered care before 1 July 2004 and re-enters on or after 20 March 2016 and before 20 September 2016.

The effect of this amendment is to specify, for the purpose of paragraph 57A-6(1)(c) of the Transitional Provisions Act, an amount of maximum daily accommodation charge for those care recipients who re-enter care on or after 20 March 2016 and before 20 September 2016.

The amount is \$19.23.

Item 2 – Subsection 118(2) (after table item 16)

This item inserts a new item 17 to specify the amount of maximum daily accommodation charge for a post-2008 reform resident who first entered care on or after 1 July 2004, receives an income support payment and re-enters on or after 20 March 2016 and before 20 September 2016.

The effect of this amendment is to specify, for the purpose of paragraph 57A-6(1)(c) of the Transitional Provisions Act, an amount of maximum daily accommodation charge for those care recipients who re-enter care on or after 20 March 2016 and before 20 September 2016.

The amount is \$35.37.

Item 3 – Subsection 118(3) (after table item 12)

This item inserts a new item 13 to specify the amount of maximum daily accommodation charge for a post-2008 reform resident who first entered care on or after 1 July 2004, does not receive an income support payment and re-enters on or after 20 March 2016 and before 20 September 2016 into a service which meets the building requirements specified in Schedule 1 to the Transitional Provisions Principles.

The effect of this amendment is to specify, for the purpose of paragraph 57A-6(1)(c) of the Transitional Provisions Act, an amount of maximum daily accommodation charge for those care recipients who re-enter care on or after 20 March 2016 and before 20 September 2016.

The amount is \$35.37.

Item 4 – Subsection 118(4) (after table item 16)

This item inserts a new item 17 to specify the amount of maximum daily accommodation charge for a post-2008 reform resident who first entered care on or after 1 July 2004, does not receive an income support payment and re-enters on or after 20 March 2016 and before 20 September 2016 into a service which does not meet the building requirements in Schedule 1 to the Transitional Provisions Principles.

The effect of this amendment is to specify, for the purpose of paragraph 57A-6(1)(c) of the Transitional Provisions Act, an amount of maximum daily accommodation charge for those care recipients who re-enter care on or after 20 March 2016 and before 20 September 2016.

The amount is \$29.74.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Aged Care (Transitional Provisions) Amendment (March 2016 Indexation) Principles 2016

The *Aged Care (Transitional Provisions) Amendment (March 2016 Indexation) Principles 2016* is compatible with the human rights and freedoms recognised or declared in the international instruments listed in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The Principles update the specified amount of maximum accommodation charge for a post 2008-reform resident as a result of routine indexation.

Human Rights Implications

This legislative instrument is compatible with the right to an adequate standard of living and the right to the enjoyment of the highest attainable standard of physical and mental health as contained in article 11(1) and article 12(1) of the International Covenant on Economic, Social and Cultural Rights, and article 25 and article 28 of the Convention on the Rights of Persons with Disabilities.

This legislative instrument includes matters relating to the payment of aged care subsidies and supplements to approved providers for the provision of care and services to people with a condition of frailty or disability who require assistance to achieve and maintain the highest attainable standard of physical and mental health. This instrument increases the maximum amount certain residents can be asked to pay for their accommodation to take account of movements in the consumer price index.

Conclusion

This legislative instrument is compatible with human rights as it promotes the human right to an adequate standard of living and the highest attainable standard of physical and mental health by maintaining the value of these payments.

[The Minister for Aged Care, the Hon Sussan Ley MP]