

2004-2005-2006

The Parliament of the  
Commonwealth of Australia

THE SENATE

*Presented and read a first time*

**Aged Care Amendment (Residential  
Care) Bill 2006**

**No.     , 2006**

*(Health and Ageing)*

**A Bill for an Act to amend the *Aged Care Act 1997*,  
and for related purposes**

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1     **A Bill for an Act to amend the *Aged Care Act 1997*,**  
2     **and for related purposes**

3     The Parliament of Australia enacts:

4     **1 Short title**

5                     This Act may be cited as the *Aged Care Amendment (Residential*  
6                     *Care) Act 2006*.

7     **2 Commencement**

8                     (1) Each provision of this Act specified in column 1 of the table  
9                     commences, or is taken to have commenced, in accordance with  
10                    column 2 of the table. Any other statement in column 2 has effect  
11                    according to its terms.  
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**Commencement information**

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<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	
2. Schedule 1	1 January 2007.	1 January 2007
3. Schedule 2	The day on which this Act receives the Royal Assent.	

1 Note: This table relates only to the provisions of this Act as originally  
2 passed by both Houses of the Parliament and assented to. It will not  
3 be expanded to deal with provisions inserted in this Act after assent.

4 (2) Column 3 of the table contains additional information that is not  
5 part of this Act. Information in this column may be added to or  
6 edited in any published version of this Act.

### 7 **3 Schedule(s)**

8 Each Act that is specified in a Schedule to this Act is amended or  
9 repealed as set out in the applicable items in the Schedule  
10 concerned, and any other item in a Schedule to this Act has effect  
11 according to its terms.

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2 **Schedule 1—Harmonising aged care and**  
3 **pension requirements in relation to**  
4 **income streams and asset disposals**  
5

6 *Aged Care Act 1997*

7 **1 After subsection 44-10(1)**

8 Insert:

- 9 (1A) If a person who is receiving an \*income support supplement or a  
10 \*service pension has an income stream (within the meaning of the  
11 *Veterans' Entitlements Act 1986*), the value of the person's assets:  
12 (a) is taken to include the amount that the Secretary determines  
13 to be the value of that income stream that would be included  
14 in the value of the person's assets if Subdivision A of  
15 Division 11 of Part IIIB of the *Veterans' Entitlements Act*  
16 *1986* applied for the purposes of this Act; and  
17 (b) is taken to exclude the amount that the Secretary determines  
18 to be the value of that income stream that would not be  
19 included in the value of the person's assets if Subdivision A  
20 of Division 11 of Part IIIB of the *Veterans' Entitlements Act*  
21 *1986* applied for the purposes of this Act.
- 22 (1B) If a person who is not receiving an \*income support supplement or  
23 a \*service pension has an income stream (within the meaning of the  
24 *Social Security Act 1991*), the value of the person's assets:  
25 (a) is taken to include the amount that the Secretary determines  
26 to be the value of that income stream that would be included  
27 in the value of the person's assets if Division 1 of Part 3.12  
28 of the *Social Security Act 1991* applied for the purposes of  
29 this Act; and  
30 (b) is taken to exclude the amount that the Secretary determines  
31 to be the value of that income stream that would not be  
32 included in the value of the person's assets if Division 1 of  
33 Part 3.12 of the *Social Security Act 1991* applied for the  
34 purposes of this Act.
- 35 (1C) The value of a person's assets is taken to include the amount that  
36 the Secretary determines to be the amount:

**Schedule 1** Harmonising aged care and pension requirements in relation to income streams and asset disposals

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- 1 (a) if the person is receiving an \*income support supplement or a  
2 \*service pension—that would be included in the value of the  
3 person’s assets if Subdivisions B and BB of Division 11 of  
4 Part IIIB of the *Veterans’ Entitlements Act 1986* applied for  
5 the purposes of this Act; and  
6 (b) otherwise—that would be included in the value of the  
7 person’s assets if Division 2 of Part 3.12 of the *Social*  
8 *Security Act 1991* applied for the purposes of this Act.

9 Note: Subdivisions B and BB of Division 11 of Part IIIB of the *Veterans’*  
10 *Entitlements Act 1986*, and Division 2 of Part 3.12 of the *Social*  
11 *Security Act 1991*, deal with disposal of assets.

12 **2 Application of subsections 44-10(1A), (1B) and (1C)—**  
13 **working out the value of assets on or after 1 January**  
14 **2007 for people entering an aged care service after that**  
15 **date**

16 Subsections 44-10(1A), (1B) and (1C) of the *Aged Care Act 1997* apply  
17 to the working out of the value of a person’s assets if:

- 18 (a) the working out is done on or after 1 January 2007; and  
19 (b) the person enters an aged care service (within the meaning of  
20 that Act) on or after that date.

21 **3 Application of subsection 44-10(1C)—assets disposed of**  
22 **on or after 10 May 2006**

- 23 (1) In determining an amount under paragraph 44-10(1C)(a) of the *Aged*  
24 *Care Act 1997*, the Secretary must take into account assets that a person  
25 disposes of (within the meaning of Subdivision B of Division 11 of  
26 Part IIIB of the *Veterans’ Entitlements Act 1986*) on or after 10 May  
27 2006.
- 28 (2) In determining an amount under paragraph 44-10(1C)(b) of the *Aged*  
29 *Care Act 1997*, the Secretary must take into account assets that a person  
30 disposes of (within the meaning of Division 2 of Part 3.12 of the *Social*  
31 *Security Act 1991*) on or after 10 May 2006.

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## **Schedule 2—Delegations**

### ***Aged Care Act 1997***

#### **1 Subsection 96-2(5)**

Repeal the subsection, substitute:

(5) The Secretary may, in writing, delegate to a person making an assessment for the purposes of section 22-4:

- (a) all or any of the Secretary’s functions under Part 2.3; and
- (b) all or any of the Secretary’s powers under the Residential Care Subsidy Principles that relate to respite supplement.

#### **2 Application of amendment of subsection 96-2(5)**

Despite the repeal and substitution of subsection 96-2(5) of the *Aged Care Act 1997* by this Schedule, delegations in force under that subsection immediately before the commencement of this Schedule continue to have effect on and from the commencement of this Schedule as if they had been made under paragraph 96-2(5)(a) of that Act as in force immediately after the commencement of this Schedule.