



Residential Care Subsidy Amendment Principles 2005 (No. 4)

I, JULIE BISHOP, Minister for Ageing, make these Principles under subsection 96-1 (1) of the *Aged Care Act 1997*.

Dated 23 June 2005

JULIE BISHOP
Minister for Ageing

1 Name of Principles

These Principles are the *Residential Care Subsidy Amendment Principles 2005 (No. 4)*.

2 Commencement

These Principles commence on 1 July 2005.

3 Amendment of *Residential Care Subsidy Principles 1997*

Schedule 1 amends the *Residential Care Subsidy Principles 1997*.

Schedule 1 Amendments

(section 3)

[1] Subsection 21.26B (3)

substitute

- (3) Following receipt of an application from an approved provider for a determination under subsection (2), the Secretary must:
- (a) make, or refuse to make, a determination; and
 - (b) tell the approved provider, in writing, of the Secretary's decision:
 - (i) within 28 business days; or
 - (ii) if the Secretary has requested further information in relation to the application — within 28 business days, excluding the period within which the information is requested and received.

Example for subparagraph (3) (b) (ii)

The Secretary receives an application on 2 August 2005 and requests further information in relation to the application on 8 August 2005. The Secretary receives the information on 15 August 2005. The period from 8 August to 15 August 2005 (inclusive) is not counted as part of the 28 business days within which the Secretary must tell the approved provider of the Secretary's decision.

[2] Section 21.26C, heading

substitute

21.26C Requirements for notices and applications for exemptions

[3] Section 21.26C

after

21.26F (2) (b)

insert

, and an application under subsection 21.26FA (1) or (2),

[4] Subsection 21.26F (1), including the note

substitute

- (1) This section applies if the payment period begins on or after 1 November 2005.

Note If the payment period is within a training period for the approved provider, the approved provider is also affected by section 21.26E. If the payment period begins on or after 1 July 2006, the approved provider is also affected by section 21.26G.

[5] Sub-subparagraph 21.26F (2) (a) (iii) (A)

substitute

- (A) whether the financial report is in accordance with the applicable accounting standards as in force at the time the report was made; and

[6] Paragraph 21.26F (3) (c)

substitute

- (c) be in accordance with the applicable accounting standards as in force at the time the report was made, other than an exempted accounting standard; and

[7] Paragraph 21.26F (3) (e), except the note

substitute

- (e) unless the Secretary has granted an exemption to the approved provider under subsection 21.26FA (1) or (2):
- (i) treat residential aged care as a reportable segment within the meaning of the accounting standard relating to segment reporting that applies to the relevant financial year; and
 - (ii) for the accounting standard relating to segment reporting that applies to the relevant financial year, if the entity is a not-for-profit entity — be written as if the entity was not a not-for-profit entity.

[8] After subsection 21.26F (3)

insert

- (3A) A financial report that complies with paragraph (3) (c) is taken to be a financial report that complies with paragraph (3) (a), if it complies with all applicable accounting standards (other than any exempted accounting standards).

[9] Subsections 21.26F (7), (8), (9) and (10)

substitute

- (7) In this section:

entity means either:

- (a) the residential care service through which the residential care is provided to the care recipient; or
- (b) the approved provider in respect of the residential care service.

exempted accounting standard means an accounting standard in relation to which the Secretary has granted an exemption to the approved provider under subsection 21.26FA (1) or (2).

[10] After section 21.26F*insert***21.26FA Exemption from certain requirements for financial reports**

- (1) The Secretary must grant, on application from an approved provider, an exemption from compliance with a requirement under paragraph 21.26F (3) (c) or subparagraph 21.26F (3) (e) (i) (the *requirement*) for a financial report for a relevant financial year (the *exempted year*) if the approved provider:
 - (a) has not prepared, for a previous relevant financial year, a financial report that complies with the requirement; and
 - (b) the approved provider has given the Secretary a written statement (the *transitional plan*) specifying:
 - (i) how the approved provider proposes to comply with the requirement in relation to the following relevant financial year; and
 - (ii) that the approved provider has obtained a written opinion from an accountant confirming the approved provider's capacity to comply with the transitional plan; and
 - (c) has not previously been granted an exemption under this subsection.
- (2) If the Secretary has granted an approved provider an exemption from compliance with a requirement under subsection (1), the Secretary may grant, on application from the approved provider, another exemption in relation to the same requirement for a later financial year if:
 - (a) the Secretary is satisfied, on reasonable grounds, that exceptional circumstances exist that would make compliance with the requirement an unreasonable burden for the approved provider; and
 - (b) the approved provider has given the Secretary a written statement (the *transitional plan*) specifying:
 - (i) how the approved provider proposes to comply with the requirement in relation to the following relevant financial year; and
 - (ii) that the approved provider has obtained a written opinion from an accountant confirming the approved provider's capacity to comply with the transitional plan.

Note For how an application under subsection (1) or (2) is made, see section 21.26C.

- (3) Following receipt of an application, the Secretary must:
 - (a) grant, or refuse to grant, the exemption; and
 - (b) tell the approved provider, in writing, of the Secretary's decision:
 - (i) within 28 business days; or
 - (ii) if the Secretary has requested further information in relation to the application — within 28 business days, excluding the period within which the information is requested and received.

Example for subparagraph (3) (b) (ii)

The Secretary receives an application on 2 August 2005 and requests further information in relation to the application on 8 August 2005. The Secretary receives the information on 15 August 2005. The period from 8 August to 15 August 2005 (inclusive) is not counted as part of the 28 business days within which the Secretary must tell the approved provider of the Secretary's decision.

- (4) If the Secretary's decision is to refuse to grant the exemption, the Secretary must also give the approved provider a written statement of the reasons for the decision.

Note 1 A decision of the Secretary under subsection (1) or (2) to refuse to grant an exemption is subject to review — see section 21.26H.

Note 2 It is intended that these Principles will be amended in 2007 to remove this section and to amend paragraphs 21.26F (3) (c) and (e) to remove the availability of the exemptions.

[11] Paragraph 21.26H (b)

omit

subsection 21.26F (7)

insert

subsection 21.26FA (1) or (2)