

## **EXPLANATORY STATEMENT**

Issued by the authority of the Minister for Human Services

*Human Services Legislation Amendment Act 2005*

### Proclamation

The *Human Services Legislation Amendment Act 2005* (the Act) makes changes to the governance arrangements for Centrelink and the Health Insurance Commission (HIC) to give effect to the government's response to the *Review of the Corporate Governance of Statutory Authorities and Office Holders* conducted by Mr John Uhrig, AC.

Schedule 1 to the Act makes changes to the governance arrangements for Centrelink by making amendments to the *Commonwealth Services Delivery Agency Act 1997*, consequential amendments to other Acts and provides transitional provisions. Schedule 2 to the Act makes changes to the governance arrangements for HIC by making amendments to the *Health Insurance Commission Act 1973*, consequential amendments to other Acts including to change the name of HIC to Medicare Australia, and provides transitional provisions.

Subsection 2(1) of the Act provides that Schedule 1 and items 1 and 2 of Schedule 2 to the Act commence on a day to be fixed by Proclamation. That section also provides that the other items in Schedule 2 of the Act commence at the same time as, or immediately after, the commencement date of items 1 and 2 of Schedule 2 to the Act. If any of the provisions of Schedule 1 and items 1 and 2 of Schedule 2 to the Act do not commence within a period of six months from the day the Act receives the Royal Assent, then those provisions commence on the first day after the end of that six month period. The Act received the Royal Assent on 6 September 2005.

The purpose of the Proclamation is to fix 1 October 2005 as the day on which Schedule 1 and items 1 and 2 of Schedule 2 to the Act commence. Transitional arrangements for HIC and Centrelink are proceeding on the basis that the legislation will be proclaimed to commence on 1 October 2005. The commencement date is the date on which HIC will be renamed Medicare Australia, financial records of both Centrelink and HIC will be closed, HIC staff will be transferred to employment arrangements under the *Public Service Act 1999*, and the governance Boards of both Centrelink and HIC will be abolished. Additionally the transfer of the responsibility for aged care payments from the Department of Health and Ageing to Medicare Australia is scheduled for 20 October 2005 and the Act should have commenced to facilitate the transition of that responsibility.

The commencement date was determined after consultation with both agencies, the Centrelink and HIC Boards, a number of other policy Departments and their Ministers and the Australian Public Service Commission.

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