

## **PUBLIC HEALTH AGENCIES (REDESIGNATION AND TAXATION) BILL**

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### EXPLANATORY NOTE

#### *General Policy Statement*

This Bill contributes to the implementation of the Coalition Agreement requirement that Crown health enterprises (CHEs) should be not-for-profit companies that operate in a business-like manner and that the 4 regional health authorities should become 1 national health funding authority. The following interrelated policy changes are required to implement this broad policy:

- (a) The designation “Crown health enterprise” is to be changed to “hospital and health service” (to reflect the change from a profit to a not-for-profit, service focus);
- (b) The designation “regional health authority” is to be changed to “health funding authority”;
- (c) The financial objective of CHEs is to be changed from earning an appropriate rate of return (ie, a profit) over time to a not-for-profit objective of breaking even after covering all costs, including the cost of capital. In addition, CHEs will be able to retain any surpluses they earn beyond this target;
- (d) A capital charge (which is part of a “specified health payment” in the Bill) is to be implemented to make capital costs explicit in the not-for-profit objective of breaking even after covering all costs, including the cost of capital. This charge, as well as payments under section 16 of the Public Finance Act 1989, will be deductible for tax purposes so that CHEs can meet their capital costs without incurring additional tax liabilities;
- (e) CHEs are to be started afresh as not-for-profit companies by means of a new pricing policy consistent with their not-for-profit financial objective and the elimination of past accumulated tax losses.

The following parts of these policy changes need to be implemented by legislation (and are implemented by this Bill):

- Establishing the new designations “hospital and health service” and “health funding authority”;
- Making any capital charge or section 16 Public Finance Act payments payable by CHEs deductible for tax purposes;
- Eliminating past tax losses of CHEs.

The other changes do not need to be implemented by legislation.

*Clause by Clause Analysis*

*Clause 1* states the Short Title of the Bill. It is intended that the Bill will be divided into a Health and Disability Services Amendment Bill and an Income Tax Amendment Bill at the committee of the whole House stage.

PART 1

REDESIGNATION OF REGIONAL HEALTH AUTHORITIES AND CROWN HEALTH ENTERPRISES

*Clause 2* provides that *Part 1* is to be part of the Health and Disability Services Act 1993. Except for *clause 5*, *Part 1* will come into force on the day after the date on which the Act containing *Part 1* receives the Royal assent.

*Clause 3* redesignates any regional health authority in existence at the time that the clause takes effect as a health funding authority. All references in documents to regional health authorities are to be read as references to health funding authorities.

*Clause 4* redesignates any Crown health enterprise in existence at the time that the clause takes effect as a hospital and health service. All references in documents to Crown health enterprises are to be read as references to hospital and health services.

*Clause 5* stops net losses of hospital and health services in respect of the 1997/98 income year or any previous income year from being offset in the 1998/99 income year or any subsequent income year. *Clause 5* will come into force on a date appointed by Order in Council. The reason for the deferred commencement is that this measure is a corollary of the proposed new pricing policy. At this stage it is unknown when the key conditions for the repricing will be satisfied.

*Clause 6* amends a number of enactments to change references from regional health authorities to health funding authorities and from Crown health enterprises to hospital and health services. The amendments to the Health and Disability Services Act 1993 are shown in *Schedule 1*, while the changes to other Acts and regulations are shown in *Schedule 2*.

PART 2

AMENDMENTS TO INCOME TAX ACT 1994

*Clause 7* provides that *Part 2* is to be part of the Income Tax Act 1994.

*Clause 8* adds to the principal Act a *new section DQ 1* which provides that a specified health payment incurred by a hospital and health service on or after 1 July 1998 is an allowable deduction in the circumstances set out in *new section ER 1* as enacted by *clause 9*. (The term "specified health payment" is defined in *clause 10*.)

*Clause 9* adds to the principal Act a *new section ER 1* which provides that a specified health payment incurred by a hospital and health service on or after 1 July 1998 is an allowable deduction if it is paid in the income year in which it is incurred or within 63 days after the end of that income year.

*Clause 10* inserts in section OB 1 of the principal Act a new definition of the term "specified health payment". A specified health payment is a payment to the Crown of an amount determined—

- (a) Under section 16 of the Public Finance Act 1989 (which empowers the Minister of Finance to direct certain Crown entities, including CHEs, to pay to the Crown all or part of any profit made by such an entity in a financial year); or
  - (b) As a percentage of shareholders' funds in the hospital and health service.
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*Hon Bill English*

**PUBLIC HEALTH AGENCIES (REDESIGNATION AND TAXATION)**

ANALYSIS

Title	8. New Subpart added
1. Short Title	
	SUBPART Q—SPECIFIED HEALTH PAYMENTS
PART 1	DQ 1. Specified health payment an allowable deduction
REDESIGNATION OF REGIONAL HEALTH AUTHORITIES AND CROWN HEALTH ENTERPRISES	9. New Subpart added
2. Part to be part of Health and Disability Services Act 1993	SUBPART R—DEDUCTION OF SPECIFIED HEALTH PAYMENT
3. Redesignation of regional health authorities as health funding authorities	ER 1. Deduction of specified health payment
4. Redesignation of Crown health enterprises as hospital and health services	10. Definitions
5. Net losses of hospital and health services	_____
6. Enactments amended to redesignate regional health authorities and Crown health enterprises	SCHEDULES
PART 2	Schedule 1
AMENDMENTS TO INCOME TAX ACT 1994	Amendments to Principal Act
7. Part to be part of Income Tax Act 1994	Schedule 2
	Amendments to Other Enactments

A BILL INTITULED

An Act—

- 5           (a) To amend the Health and Disability Services Act  
            1993 and the Income Tax Act 1994 to—
- (i) Redesignate regional health authorities as  
            health funding authorities; and
- (ii) Redesignate Crown health enterprises as  
            hospital and health services; and
- 10           (iii) Change certain matters relating to the  
            taxation of hospital and health services; and
- (b) To make consequential amendments to various  
            enactments

BE IT ENACTED by the Parliament of New Zealand as follows:

**1. Short Title**—This Act may be cited as the Public Health Agencies (Redesignation and Taxation) Act 1998.

## PART 1

### REDESIGNATION OF REGIONAL HEALTH AUTHORITIES AND CROWN HEALTH ENTERPRISES

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**2. Part to be part of Health and Disability Services Act 1993**—(1) This Part is part of the Health and Disability Services Act 1993\* (in this Part referred to as the principal Act).

(2) Except as provided in **section 5 (3)**, this Part comes into force on the day after the date on which this Act receives the Royal assent. 10

**3. Redesignation of regional health authorities as health funding authorities**—(1) A body corporate that has been established as a regional health authority and is in existence at the commencement of this section is a body corporate of the kind referred to, after the commencement of this section, as a health funding authority. 15

(2) Unless in any case the context otherwise requires, every reference to a regional health authority in any document is, after the commencement of this section, to be read as a reference to a health funding authority. 20

**4. Redesignation of Crown health enterprises as hospital and health services**—(1) A company that has been formed and registered as a Crown health enterprise and is in existence at the commencement of this section is a company of the kind referred to, after the commencement of this section, as a hospital and health service. 25

(2) Unless in any case the context otherwise requires, every reference to a Crown health enterprise in any document is, after the commencement of this section, to be read as a reference to a hospital and health service. 30

(3) All shares in Crown health enterprises held, before the commencement of this section, by the Minister for Crown Health Enterprises are, after the commencement of this section, held by the responsible Minister. 35

**5. Net losses of hospital and health services**—(1) Despite any provision in the Income Tax Act 1994, a hospital and health service that has a net loss in respect of the 1997/98 income year or any previous income year may not offset that

net loss against its net income in the 1998/99 income year or any subsequent income year.

(2) In this section, unless the context otherwise requires, the terms “net loss”, “net income”, and “income year” have the same meaning as they have in section OB 1 of the Income Tax Act 1994.

(3) This section comes into force on a date to be appointed by the Governor-General by Order in Council.

**6. Enactments amended to redesignate regional health authorities and Crown health enterprises—**(1) The principal Act is amended in the manner indicated in **Schedule 1**.

(2) The Acts specified in **Part 1** of **Schedule 2** are amended in the manner indicated in that Part.

(3) The regulations specified in **Part 2** of **Schedule 2** are amended in the manner indicated in that Part.

(4) The regulations specified in **Part 2** of **Schedule 2** may be amended or revoked as if the amendments specified in that Part had been effected by regulations.

(5) The following enactments are consequentially repealed:

(a) Section 15 of the Accident Rehabilitation and Compensation Insurance Amendment Act 1993:

(b) Sections 10 to 12 of the Health and Disability Services Amendment Act 1995.

(6) The following regulations are consequentially revoked:

(a) Regulation 6 of the Accident Compensation (Dental Specialists Costs) Regulations (No. 2) 1990, Amendment No. 2 (S.R. 1993/200):

(b) Regulation 4 of the Accident Compensation (Dentists Costs) Regulations (No. 2) 1990, Amendment No. 2 (S.R. 1993/201):

(c) Regulation 5 of the Accident Compensation (Anaesthetists Costs) Regulations 1990, Amendment No. 3 (S.R. 1996/293):

(d) Regulation 4 of the Accident Compensation (Audiologists Costs) Regulations 1990, Amendment No. 3 (S.R. 1996/294):

(e) Regulation 5 of the Accident Rehabilitation and Compensation Insurance (Counselling Costs) Regulations 1992, Amendment No. 4 (S.R. 1996/295):

(f) Regulation 4 of the Accident Rehabilitation and Compensation Insurance (General Practitioners Costs)

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Regulations 1993, Amendment No. 1 (S.R. 1996/297):

(g) Regulation 5 of the Accident Compensation (Radiologists Costs) Regulations 1990, Amendment No. 3 (S.R. 1996/302):

(h) Regulation 4 of the Accident Compensation (Referred Treatments Costs) Regulations 1990, Amendment No. 5 (S.R. 1996/303):

(i) Regulation 5 of the Accident Compensation (Specialists Costs) Regulations (No. 2) 1990, Amendment No. 3 (S.R. 1996/307).

PART 2

AMENDMENTS TO INCOME TAX ACT 1994

**7. Part to be part of Income Tax Act 1994**—This Part is part of the Income Tax Act 1994\* (in this Part referred to as the principal Act).

\*1994, No. 164

**8. New Subpart added**—After section DP 3, the following is added:

“SUBPART Q—SPECIFIED HEALTH PAYMENTS

**“DQ 1. Specified health payment an allowable deduction**—(1) A specified health payment is an allowable deduction in the circumstances set out in **section ER 1**.

“(2) **Subsection (1)** applies to a specified health payment incurred on or after 1 July 1998.”

**9. New Subpart added**—(1) After section EQ 1, the following is added:

“SUBPART R—DEDUCTION OF SPECIFIED HEALTH PAYMENT

**“ER 1. Deduction of specified health payment**—(1) A deduction for a specified health payment under **section DQ 1** is allowed to a hospital and health service in the income year in which it is incurred if the payment is paid during the income year or within 63 days after the end of the income year.

“(2) **Subsection (1)** applies to a specified health payment incurred on or after 1 July 1998.”

**10. Definitions**—In section OB 1, the following is inserted:

“ ‘Specified health payment’ , in **sections DQ 1** and **ER 1**, means an amount payable to the Crown by a hospital and health service in respect of a financial year that is—

5 “(a) An amount that is a payment under section 16 of the Public Finance Act 1989; or

10 “(b) An amount calculated at a rate determined from time to time by the shareholding Ministers (within the meaning of the Health and Disability Services Act 1993), and applied as a percentage of shareholders’ funds in the hospital and health service.”

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**SCHEDULES**

**Section 6 (1)**

**SCHEDULE 1**

**AMENDMENTS TO PRINCIPAL ACT**

Provision Amended	Amendment
Section 2	<p>By repealing the definition of the term “Board”, and substituting the following definition:</p> <p style="padding-left: 40px;">“ ‘Board’, in relation to a health funding authority or a hospital and health service, means the board of directors of that authority or service.”.</p> <p>By repealing the definitions of the terms “Crown health enterprise” and “director”, and substituting the following definition:</p> <p style="padding-left: 40px;">“ ‘Director’, in relation to a health funding authority or a hospital and health service, means a director of that authority or service.”.</p> <p>By inserting, after the definition of the term “good employer”, the following definition:</p> <p style="padding-left: 40px;">“ ‘Health funding authority’ and ‘authority’ mean a body corporate established by Order in Council in accordance with section 32 of this Act.”.</p> <p>By inserting, after the definition of the term “health services”, the following definition:</p> <p style="padding-left: 40px;">“ ‘Hospital and health service’ means a company formed and registered by the shareholding Ministers in accordance with section 37 as from time to time in force since the commencement of this Act.”.</p> <p>By repealing the definition of the term “Minister for Crown Health Enterprises”.</p> <p>By repealing the definitions of the terms “regional health authority” and “rules”, and substituting the following definitions:</p> <p style="padding-left: 40px;">“ ‘Responsible Minister’ means the Minister of Health, or other Minister of the Crown who, under the authority of any warrant or with the authority of</p>

SCHEDULE 1—*continued*

AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Section 2— <i>continued</i>	<p>the Prime Minister, is for the time being responsible for hospital and health services:</p> <p>“ ‘Rules’ means, in relation to a hospital and health service, the constitution of that service:”.</p> <p>By omitting from the definition of the term “shareholding Ministers” the words “Minister for Crown Health Enterprises”, and substituting the words “responsible Minister”.</p>
Section 5	<p>By repealing paragraphs (d) and (e) of subsection (1), and substituting the following paragraphs:</p> <p>“(d) Health funding authorities, each of which is a purchaser within the meaning of this Act; and</p> <p>“(e) Hospital and health services.”</p> <p>By omitting from subsection (2) (b) the words “Crown health enterprises”, and substituting the words “hospital and health services”.</p>
Sections 10 and 11	<p>By repealing these sections, and substituting the following sections:</p> <p><b>“10. Objectives of health funding authorities—</b>(1) The objectives of every health funding authority, in carrying out its functions, are—</p> <p>“(a) To promote the personal health of people; and</p> <p>“(b) To promote care or support for those in need of personal health services or disability services; and</p> <p>“(c) To promote the independence of people with disabilities; and</p> <p>“(d) To improve, promote, and protect public health; and</p> <p>“(e) To meet the Crown’s objectives notified to it under section 8.</p> <p>“(2) A health funding authority must pursue the objectives specified in subsection (1) in accordance with, and to the extent enabled by, its funding agreement.</p>

SCHEDULE 1—*continued*

AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Sections 10 and 11— <i>continued</i>	<p><b>“11. Objectives of hospital and health services—</b>(1) The principal objective of every hospital and health service is—</p> <p>“(a) To provide health services or disability services, or both; and</p> <p>“(b) To assist in meeting the Crown’s objectives under section 8 by providing such services in accordance with its statement of intent and any purchase agreement entered into by it.</p> <p>“(2) Every hospital and health service must meet the objective specified in <b>subsection (1)</b> while operating as a successful and efficient business.</p> <p>“(3) Without limiting <b>subsection (1)</b> or <b>subsection (2)</b>, every hospital and health service has the following objectives:</p> <p>“(a) To exhibit a sense of social responsibility by having regard to the interests of the community in which it operates:</p> <p>“(b) To uphold the ethical standards generally expected of providers of health services or disability services, or both, as the case may be:</p> <p>“(c) To be a good employer:</p> <p>“(d) To be as successful and efficient as comparable businesses that are not owned by the Crown.”</p>
Section 12 (a)	By omitting the words “regional health authorities”, and substituting the words “health funding authorities”.
Section 13	By omitting the words “Crown health enterprise”, and substituting the words “hospital and health service”.
Sections 14 to 17	By repealing these sections, and substituting the following sections: <p><b>“14. Application of Public Finance Act 1989—</b>Every health funding authority and every hospital and health service is a Crown entity for the purposes of the</p>

SCHEDULE 1—*continued*

AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Sections 14 to 17— <i>continued</i>	<p>Public Finance Act 1989 and, in particular, must prepare statements of intent, annual financial statements, and annual reports in accordance with its obligations under that Act.</p> <p>“15. <b>Auditor</b>—(1) The Audit Office is the auditor under section 23 of every health funding authority.</p> <p>“(2) The Audit Office is the auditor under section 41 of every hospital and health service and of every subsidiary of a hospital and health service.</p> <p>“16. <b>Application of Ombudsmen Act 1975</b>—The Ombudsmen Act 1975 applies to every health funding authority and to every hospital and health service.</p> <p>“17. <b>Application of Official Information Act 1982</b>—Every health funding authority and every hospital and health service is an organisation within the meaning of section 2 (1) of the Official Information Act 1982, and the Official Information Act applies accordingly.”</p>
Section 18 (4)	By omitting the words “regional health authority”, and substituting the words “health funding authority”.
Section 20	By repealing paragraph (b), and substituting the following paragraph: “(b) A health funding authority; or”.
Section 23	By omitting from subsections (1) (a), (2), and (3) the words “regional health authority” wherever they appear, and substituting in each case the words “health funding authority”.
Sections 25 and 26	<p>By repealing these sections, and substituting the following sections:</p> <p>“25. <b>Power of Minister to give directions</b>—(1) The Minister may from time to time, by written notice to a health funding authority, give to the authority such directions as the Minister considers necessary or expedient in relation to any matter relating to the authority, and the authority must comply with every such direction.</p>

## SCHEDULE 1—continued

## AMENDMENTS TO PRINCIPAL ACT—continued

Provision Amended	Amendment
Sections 25 and 26— <i>continued</i>	<p>“(2) No direction given under <b>subsection (1)</b> may require the supply to any person of any information relating to an individual that would enable the identification of the individual concerned.</p> <p>“(3) Before giving any notice under <b>subsection (1)</b>, the Minister must consult the authority as to the direction to be given in the notice.</p> <p>“(4) Where a notice is given to an authority under <b>subsection (1)</b>, the Minister must, as soon as practicable after giving the notice, publish in the <i>Gazette</i> and present to the House of Representatives a copy of the notice.</p> <p>“26. <b>Provision of financial information</b>—The Minister of Finance may from time to time, by written notice, require a health funding authority to supply to that Minister or such other person or class of persons as the Minister specifies, such financial forecasts or other financial information relating to the authority as the Minister specifies in the notice, and the authority must comply with the requirement.”</p>
Sections 32 to 36 and the heading above section 32	<p>By repealing these sections and that heading, and substituting the following heading and sections:</p> <p style="text-align: center;"><i>“Health Funding Authorities</i></p> <p>“32. <b>Establishment of health funding authorities</b>—(1) The Governor-General may from time to time, by Order in Council,—</p> <p>“(a) Establish 1 or more health funding authorities; and</p> <p>“(b) Determine or change the name of any health funding authority.</p> <p>“(2) Each health funding authority is a body corporate with perpetual succession and a common seal, and has and may exercise all the rights, powers, and privileges, and may incur all the liabilities</p>

SCHEDULE 1—continued

AMENDMENTS TO PRINCIPAL ACT—continued

Provision Amended	Amendment
<p>Sections 32 to 36 and the heading above section 32—continued</p>	<p>and obligations, of a natural person of full age and capacity.</p> <p><b>“33. Functions of health funding authorities—</b>(1) The functions of each health funding authority are—</p> <p>“(a) To monitor the need for public health services, personal health services, and disability services of the people who are described for this purpose in its funding agreement:</p> <p>“(b) To purchase public health services, personal health services, and disability services for those people, by means of purchase agreements or otherwise:</p> <p>“(c) To monitor the performance of purchase agreements or other arrangements by persons with whom it has entered into such agreements or arrangements:</p> <p>“(d) Such other functions as it is for the time being—</p> <p>    “(i) Given by or under any enactment; or</p> <p>    “(ii) Authorised to perform by the Minister, by written notice to the authority after consultation with the authority.</p> <p>“(2) Where a notice is given to a health funding authority under <b>subsection (1) (d) (ii)</b>, the Minister must, as soon as practicable after giving the notice, publish in the <i>Gazette</i> and present to the House of Representatives a copy of the notice.</p> <p>“(3) Despite anything in this Act, a health funding authority may, for the purposes of section 29A of the Accident Rehabilitation and Compensation Insurance Act 1992, enter into an agreement or contract or arrangement, including a purchase agreement, with the Accident Rehabilitation and</p>

SCHEDULE 1—*continued*  
AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Sections 32 to 36 and the heading above section 32— <i>continued</i>	<p>Compensation Insurance Corporation in relation to the purchase of goods, services, or facilities for the purposes of the Corporation.</p> <p><b>“34. Health funding authorities to consult</b>—Every health funding authority must, in accordance with its statement of intent, consult on a regular basis about its intentions relating to the purchase of services with such of the following as the authority considers appropriate:</p> <p>“(a) Individuals and organisations from the communities served by it who receive or provide public health services or personal health services or disability services:</p> <p>“(b) Other persons, including voluntary agencies, private agencies, departments of State, and territorial authorities.</p> <p><b>“35. Boards of health funding authorities</b>—(1) All decisions relating to the operation of a health funding authority must be made by or under the authority of the board of the health funding authority in accordance with its statement of intent.</p> <p>“(2) Each board of a health funding authority consists of up to 7 directors who are appointed from time to time by the Minister by notice in the <i>Gazette</i>; and clauses 3 and 4 of the Second Schedule apply to such appointments.</p> <p>“(3) The directors of a health funding authority must be persons who, in the opinion of the Minister, will assist the authority to achieve its objectives.</p> <p><b>“36. Further provisions applying to health funding authorities</b>—The provisions set out in the Second Schedule apply in respect of every health funding authority.”</p>

SCHEDULE 1—*continued*  
AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Heading to Part III	By repealing this heading, and substituting the heading "HOSPITAL AND HEALTH SERVICES".
Section 37	<p>By repealing this section, and substituting the following section:</p> <p><b>"37. Incorporation of hospital and health services—</b>(1) The shareholding Ministers may, from time to time,—</p> <p>    "(a) Form and register under the Companies Act 1993 companies whose rules state that they are hospital and health services for the purposes of this Act; and</p> <p>    "(b) Apply for or otherwise acquire shares in such companies on behalf of the Crown.</p> <p>    "(2) Any money required to be paid by a shareholding Minister for the purpose of <b>subsection (1)</b> is to be paid out of money appropriated by Parliament for the purpose.</p> <p>    "(3) The number of shares held by a shareholding Minister in a hospital and health service must be the same as the number of shares held in that enterprise by the other shareholding Minister.</p> <p>    "(4) The responsible Minister must present to the House of Representatives the rules of a hospital and health service, and any change to those rules, within 12 sitting days after the date on which the service is formed and registered under the Companies Act 1993, or the date of the change, whichever is applicable."</p>
Section 37A	By omitting the words "Crown health enterprise", and substituting the words "hospital and health service".
Sections 38 and 39	<p>By repealing these sections, and substituting the following sections:</p> <p><b>"38. Shareholding Ministers to hold all voting shares in hospital and health services—</b>(1) No shareholding Minister may—</p> <p>    "(a) Sell or otherwise dispose of shares in a hospital and health service held in the Minister's name; or</p>



SCHEDULE 1—*continued*AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Sections 38 and 39— <i>continued</i>	<p>“(b) Permit shares in a hospital and health service to be allotted to any person other than a shareholding Minister.</p> <p>“(2) Nothing in subsection (1) applies to redeemable preference shares that—</p> <p>“(a) Are not convertible into shares of any other class; and</p> <p>“(b) Do not confer any rights to vote at any general meeting of the hospital and health service.</p> <p>“39. <b>Boards of hospital and health services</b>—(1) All decisions relating to the operation of a hospital and health service must be made by or under the authority of the board of the service in accordance with its statement of intent.</p> <p>“(2) Subsection (1) is subject to any enactment or rule of law or the rules of the hospital and health service concerned, to the extent of any inconsistency.</p> <p>“(3) The directors of a hospital and health service must be appointed by the shareholding Ministers in accordance with the rules of the service.</p> <p>“(4) The directors of a hospital and health service must be persons who, in the opinion of the shareholding Ministers, will assist the service to achieve its objectives.”</p>
Section 40	<p>By omitting from subsections (1) and (2) the words “Crown health enterprise” wherever they appear, and substituting in each case the words “hospital and health service”.</p> <p>By omitting from subsections (1), (2) (a), and (3) (b) the words “the enterprise” wherever they appear, and substituting in each case the words “the hospital and health service”.</p> <p>By repealing subsection (4), and substituting the following subsection:</p>

SCHEDULE 1—*continued*  
AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Section 40— <i>continued</i>	<p>“(4) As soon as practicable after giving a notice under subsection (1), the responsible Minister must publish in the <i>Gazette</i> and present to the House of Representatives a copy of the notice.”</p>
Sections 41 and 42	<p>By repealing these sections, and substituting the following sections:</p> <p>“41. <b>Audit Office to be auditor of hospital and health services and subsidiaries</b>—(1) Despite sections 196 to 203 of the Companies Act 1993, the Audit Office is the auditor of every hospital and health service, and of every subsidiary of every such service, and for the purposes of that Act has and may exercise the functions, duties, and powers of an auditor appointed under that Act and all such powers as it has under the Public Finance Act 1977 in respect of public money and public stores.</p> <p>“(2) Every hospital and health service must pay to the Audit Office for carrying out its duties and functions under this section fees at such rates as may be prescribed by the Minister of Finance.</p> <p>“(3) Without limiting <b>subsection (1) or subsection (2)</b>, a hospital and health service may, after consultation with the Audit Office and if the responsible Minister approves, appoint a person or firm that is qualified for appointment as an auditor of a company to be an additional auditor of the hospital and health service or any of its subsidiaries.</p> <p>“42. <b>Application of Public Finance Act 1989 to hospital and health services</b>—(1) Without limiting sections 41C to 41H of the Public Finance Act 1989,—</p> <p>“(a) Every statement of intent of a hospital and health service must include provisions stating the procedure for any disposal of land transferred to, or vested in, the service under the Health</p>

SCHEDULE 1—*continued*AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Sections 41 and 42— <i>continued</i>	<p>Reforms (Transitional Provisions) Act 1993; and</p> <p>“(b) For the purposes of the Public Finance Act 1989, those provisions are to be taken as provisions of a kind referred to in paragraphs (a) to (h) of section 41D (1) of that Act.</p> <p>“(2) Without limiting section 41I of the Public Finance Act 1989, every annual report of a hospital and health service must contain a summary of those provisions of the personnel policy operated by the hospital and health service that the service considers will assist it in meeting its objective of being a good employer.”</p>
Section 43	<p>By omitting from subsections (1) and (2) the words “Crown health enterprise” wherever they appear, and substituting in each case the words “hospital and health service”.</p> <p>By omitting from subsections (1) and (2) the words “the enterprise” wherever they appear, and substituting in each case the words “the service”.</p> <p>By repealing subsection (3), and substituting the following subsection:</p> <p>“(3) The Governor-General may from time to time, by Order in Council,—</p> <p>“(a) Declare that either or both of subsections (1) and (2) do not apply in respect of any hospital and health service, or any hospital and health service specified in the order; or</p> <p>“(b) Revoke any order made under paragraph (a) and reinstate the application of either or both of those subsections to the hospital and health services or hospital and health service concerned.”</p>

SCHEDULE 1—*continued*

AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Section 44	<p>By repealing this section, and substituting the following section:</p> <p><b>“44. Provisions relating to Ministers’ shareholding—</b>(1) Shares in a hospital and health service held in the name of a person described as the Minister of Finance or the responsible Minister must be held by the person for the time being holding the office of the Minister of Finance or responsible Minister, as the case may be.</p> <p>“(2) Despite any other enactment or rule of law, it is not necessary to complete or register a transfer of shares in a hospital and health service consequent upon a change in the person holding the office of Minister of Finance or responsible Minister, as the case may be.</p> <p>“(3) Each shareholding Minister may exercise all the rights and powers attaching to the shares in a hospital and health service held by that Minister.</p> <p>“(4) A shareholding Minister may at any time or times, by written notice to the secretary of a hospital and health service, authorise (on such terms and conditions as are specified in the notice) such person as the Minister thinks fit to act as the Minister’s representative at any or all of the meetings of shareholders of the service, and any person so authorised is entitled to exercise the same powers on behalf of the Minister as the Minister could exercise if present in person at the meeting or meetings.”</p>
Section 45	By repealing this section.
Section 49	By omitting the words “Crown health enterprise”, and substituting the words “hospital and health service”.
Section 50	By omitting the expression “enterprise”, and substituting the expression “service”. By omitting the words “Crown health enterprise”, and substituting the words “hospital and health service”.

SCHEDULE 1—*continued*AMENDMENTS TO PRINCIPAL ACT—*continued*

Provision Amended	Amendment
Section 51 (1)	By omitting the words “regional health authority”, and substituting the words “health funding authority”.
Heading to Part II of First Schedule	By repealing this heading, and substituting the heading “ <i>Ownership Information Relating to Health Funding Authorities</i> ”.
Heading to Second Schedule	By repealing this heading, and substituting the heading “PROVISIONS APPLYING IN RESPECT OF EVERY HEALTH FUNDING AUTHORITY”.
Clause 1 of Second Schedule	By omitting the words “regional health authority”, and substituting the words “health funding authority”.

SCHEDULE 2

PART 1

Section 6 (2)

ACTS AMENDED

Act	Amendment
1948, No. 36—The Tuberculosis Act 1948 (R.S. Vol. 11, p. 693)	By omitting from the definition of the term “tuberculosis officer” in section 2 (1) the words “Crown health enterprise” wherever they appear, and substituting in each case the words “hospital and health service”.
1956, No. 65—The Health Act 1956 (R.S. Vol. 31, p. 467)	<p>By repealing the definition of the term “Crown health enterprise” in section 22B.</p> <p>By inserting in section 22B, after the definition of the term “document”, the following definition:</p> <p>“ ‘Health funding authority’ has the same meaning as in section 2 of the Health and Disability Services Act 1993.”</p> <p>By inserting in section 22B, after the definition of the term “health services”, the following definition:</p> <p>“ ‘Hospital and health service’ means a hospital and health service within the meaning of the Health and Disability Services Act 1993.”</p> <p>By repealing the definition of the term “regional health authority” in section 22B.</p> <p>By omitting from section 22D (1) and (2) the words “Crown health enterprise” wherever they appear, and substituting in each case the words “hospital and health service”.</p> <p>By omitting from section 22E the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p> <p>By omitting from section 22C (1) the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By repealing the definition of the term “Crown health enterprise” in section 118.</p> <p>By inserting in section 118, after the definition of the term “hospital”, the following definition:</p>
1957, No. 40—The Hospitals Act 1957 (R.S. Vol. 31, p. 593)	

SCHEDULE 2—*continued*PART 1—*continued*ACTS AMENDED—*continued*

Act	Amendment
1957, No. 40—The Hospitals Act 1957 (R.S. Vol. 31, p. 593)— <i>continued</i>	<p>“Hospital and health service’ means a hospital and health service within the meaning of the Health and Disability Services Act 1993:”.</p> <p>By omitting from section 119 (3) (a) and (5) the words “Crown health enterprise” wherever they appear, and substituting in each case the words “hospital and health service”.</p>
1974, No. 66—The Local Government Act 1974 (R.S. Vol. 25, p. 1)	<p>By repealing the definition of the term “Crown health enterprise” in section 2 (1).</p> <p>By inserting in section 2 (1), after the definition of the term “Government road”, the following definition:</p> <p>“Hospital and health service’ has the same meaning as in the Health and Disability Services Act 1993:”.</p> <p>By omitting from section 597 (3) the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p>
1975, No. 9—The Ombudsmen Act 1975 (R.S. Vol. 35, p. 469)	<p>By omitting from section 2 (4) the words “Crown health enterprise” wherever they appear, and substituting in each case the words “hospital and health service”.</p> <p>By omitting from Part II of the First Schedule the items relating to Crown health enterprises and regional health authorities.</p> <p>By inserting in Part II of the First Schedule, in their appropriate alphabetical order, the following items:</p> <p>“Health funding authorities.</p> <p>“Hospital and health services.”</p>

SCHEDULE 2—*continued*

PART 1—*continued*

ACTS AMENDED—*continued*

Act	Amendment
1975, No. 9—The Ombudsmen Act 1975 (R.S. Vol. 35, p. 469)— <i>continued</i>	By omitting from Part II of the First Schedule the item relating to related companies of Crown health enterprises, and substituting the following item: “Related companies of hospital and health services (within the meaning of section 2 (4)).”
1975, No. 116—The Misuse of Drugs Act 1975 (R.S. Vol. 26, p. 567)	By omitting from section 8 (2) (f) the words “Crown health enterprise”, and substituting the words “hospital and health service”. By omitting from section 20 (3) (a) the words “regional health authorities”, and substituting the words “health funding authorities”.
1975, No. 122—The Disabled Persons Community Welfare Act 1975 (R.S. Vol. 26, p. 143)	By inserting in section 2, after the definition of the term “disabled person”, the following definition: “‘Health funding authority’ means a health funding authority established under the Health and Disability Services Act 1993.”. By repealing the definition of the term “regional health authority” in section 2. By omitting from section 4 (e) the words “regional health authorities”, and substituting the words “health funding authorities”. By omitting from section 25A (1) (b), (2) (a), (2) (b), and (3) (a) the words “regional health authority” wherever they appear, and substituting in each case the words “health funding authority”. By omitting from section 25C (1) (a) the words “regional health authority”, and substituting the words “health funding authority”.



SCHEDULE 2—*continued*PART 1—*continued*ACTS AMENDED—*continued*

Act	Amendment
1975, No. 122—The Disabled Persons Community Welfare Act 1975 (R.S. Vol. 26, p. 143)— <i>continued</i>	<p>By omitting from section 25C (4) the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By repealing section 25D, and substituting the following section:</p> <p>“25D. <b>Health funding authority to appoint disability services review officers</b>—(1) The health funding authority must appoint from time to time a sufficient number of persons to conduct reviews.</p> <p>“(2) Every review officer must—</p> <p>“(a) Be suitable, in the opinion of the health funding authority, to conduct reviews; and</p> <p>“(b) Be experienced in relation to the provision of disability services; and</p> <p>“(c) Have a recognised qualification relating to the provision of disability services.</p> <p>“(3) A review officer may be either—</p> <p>“(a) An employee of the health funding authority; or</p> <p>“(b) A person engaged by the health funding authority to conduct a particular review or reviews generally. The person may carry out other functions for the authority and may be engaged by purchase agreement or otherwise.</p> <p>“(4) A review officer must not conduct a review if he or she was connected in any material way with—</p> <p>“(a) Any disability services needs assessment made in relation to the person; or</p>

SCHEDULE 2—*continued*

PART 1—*continued*

ACTS AMENDED—*continued*

Act	Amendment
1975, No. 122—The Disabled Persons Community Welfare Act 1975 (R.S. Vol. 26, p. 143)— <i>continued</i>	<p>“(b) The entry into residential care of the person; or</p> <p>“(c) Any purchase agreement for residential care services for the person.</p> <p>“(5) The health funding authority must supply all the secretarial and administrative services that the review officer needs to carry out his or her functions.”</p> <p>By omitting from section 25E (1) (c) the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from section 25F (1), (3), and (5) the words “regional health authority” wherever they appear, and substituting in each case the words “health funding authority”.</p>
1977, No. 112—The Contraception, Sterilisation, and Abortion Act 1977 (R.S. Vol. 28, p. 1)	<p>By repealing section 14 (1) (j), and substituting the following paragraph:</p> <p>“(j) From time to time to report to and advise the Minister of Health and health funding authorities established under the Health and Disability Services Act 1993 on the establishment of clinics and centres, and the provision of related facilities and services, in respect of contraception and sterilisation.”</p>
1981, No. 118—The Medicines Act 1981	<p>By omitting from section 49A (3) (b) the words “regional health authorities”, and substituting the words “health funding authorities”.</p>
1983, No. 46—The Civil Defence Act 1983	<p>By omitting from paragraph (e) of the definition of the term “organisation” in section 2 the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p>

SCHEDULE 2—*continued*PART 1—*continued*ACTS AMENDED—*continued*

Act	Amendment
1988, No. 97—The Rating Powers Act 1988	<p>By repealing the definition of the term “Crown health enterprise” in section 2.</p> <p>By inserting in section 2, after the definition of the term “goods and services tax”, the following definition:</p> <p style="padding-left: 40px;">“ ‘Hospital and health service’ has the same meaning as it has in the Health and Disability Services Act 1993.”</p> <p>By omitting from section 5 (1) (d) the words “Crown health enterprise” in each place where they appear, and substituting in each case the words “hospital and health service”.</p> <p>By omitting from clause 9 of Part I of the First Schedule the words “Crown health enterprise” in each place where they appear, and substituting in each case the words “hospital and health service”.</p>
1988, No. 150—The Dental Act 1988	<p>By repealing section 7, and substituting the following section:</p> <p style="padding-left: 40px;"><b>“7. Exemptions in respect of dentistry carried on by persons employed by School Dental Service or hospital and health services—</b> Nothing in section 4 prevents the carrying-on, in accordance with conditions approved by the Director-General of Health, of the practice of dentistry—</p> <p style="padding-left: 80px;">“(a) By any person employed by the School Dental Service or any hospital and health service; or</p> <p style="padding-left: 80px;">“(b) By any person employed to give training, in a polytechnic, to persons employed or to be employed by the School Dental Service or a hospital and health service.”</p>
1989, No. 24—The Children, Young Persons, and Their Families Act 1989	<p>By repealing section 141 (7), and substituting the following subsection:</p> <p style="padding-left: 40px;">“(7) The Director-General of Health may from time to time, under section 41 of the State Sector Act 1988, delegate to</p>

SCHEDULE 2—*continued*

PART 1—*continued*

ACTS AMENDED—*continued*

Act	Amendment
1989, No. 24—The Children, Young Persons, and Their Families Act 1989— <i>continued</i>	any health funding authority or any hospital and health service (within the meaning of the Health and Disability Services Act 1993) the powers conferred on the Director-General of Health by subsections (5) and (6) and, for that purpose and for that purpose only, sections 41 and 42 of the State Sector Act 1988 apply as if every health funding authority and every hospital and health service were employees of the Ministry of Health.”
1989, No. 44—The Public Finance Act 1989 (R.S. Vol. 33, p. 419)	<p>By omitting from the Fourth, Sixth, and Seventh Schedules the items relating to Crown health enterprises and regional health authorities.</p> <p>By inserting in the Fourth, Sixth, and Seventh Schedules, in each case in their appropriate alphabetical order, the following items:  “Health funding authorities.  “Hospital and health services.”</p> <p>By omitting from the Fifth Schedule the item relating to regional health authorities.</p> <p>By inserting in the Fifth Schedule, in its appropriate alphabetical order, the following item:  “Health funding authorities.”</p>
1992, No. 13—The Accident Rehabilitation and Compensation Insurance Act 1992	<p>By repealing section 89A, and substituting the following section:  “89A. <b>Decisions of purchasers</b>—  Any decision by a purchaser affecting the entitlement of any claimant to the provision of treatment, service, physical rehabilitation, or related transport under this Act is deemed for the purposes of section 79 (1) and this Part to be a decision of the Corporation.”</p>

SCHEDULE 2—*continued*PART 1—*continued*ACTS AMENDED—*continued*

Act	Amendment
1992, No. 13—The Accident Rehabilitation and Compensation Insurance Act 1992— <i>continued</i>	<p>By omitting from section 164 (2) the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p> <p>By omitting from section 165A (1) the words “Crown health enterprises”, and substituting the words “hospital and health services”.</p> <p>By omitting from section 165A (2) and (3) the words “Crown health enterprise” in each place where they appear, and substituting in each case the words “hospital and health service”.</p>
1992, No. 46—The Mental Health (Compulsory Assessment and Treatment) Act 1992	<p>By omitting from the definition of the term “service” in section 2 (1) the words “regional health authority”, and substituting the words “health funding authority”.</p>
1993, No. 23—The Health Reforms (Transitional Provisions) Act 1993	<p>By omitting from the definition of the term “transferee” in section 2 (1) the words “a regional health authority, a Crown health enterprise”, and substituting the words “a health funding authority, a hospital and health service”.</p> <p>By omitting from the definition of the term “transferor” in section 2 (1) the words “a regional health authority, a Crown health enterprise”, and substituting the words “a health funding authority, a hospital and health service”.</p> <p>By omitting from section 21 (a) the words “regional health authority”, and substituting the words “health funding authority”.</p>
1994, No. 73—The Finance Act 1994	<p>By omitting from the definition of the term “authority” in section 2 (1) the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from section 2 (4) the words</p>

SCHEDULE 2—*continued*

PART 1—*continued*

ACTS AMENDED—*continued*

Act	Amendment
1994, No. 73—The Finance Act 1994— <i>continued</i>	“Crown health enterprise”, and substituting the words “hospital and health service”.
1994, No. 164—The Income Tax Act 1994	<p>By omitting from section CB 3 (a) (vi) the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p> <p>By omitting from section ME 1 (2) (h) the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p> <p>By omitting from paragraph (i) of the definition of the term “special corporate entity” in section OB 1 the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p>

SCHEDULE 2—*continued*

## Section 6 (3)

## PART 2

## REGULATIONS AMENDED

Regulations	Amendment
The Venereal Diseases Regulations 1982 (S.R. 1982/215)	By omitting from regulation 8 (3) the words "Crown health enterprise", and substituting the words "hospital and health service".
The Accident Compensation (Specialists Costs) Regulations (No. 2) 1990 (S.R. 1990/233)	<p>By revoking regulation 2A (2) (a) (iii), and substituting the following subparagraph:</p> <p style="padding-left: 2em;">“(iii) Recognised by the relevant health funding authority as a specialist for the purposes of arrangements made in respect of pharmaceuticals under section 51 of the Health and Disability Services Act 1993 and eligible to receive remuneration as a specialist from a hospital and health service; but”.</p> <p>By revoking regulation 5A, and substituting the following regulation:</p> <p style="padding-left: 2em;"><b>“5A. Prohibition on contributions to cost of treatment provided by hospital and health services—</b>(1) Despite anything in these regulations, but subject to <b>subclause (2)</b>, the Corporation may not contribute to the costs of any treatment where that treatment is—</p> <p style="padding-left: 4em;">“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p style="padding-left: 4em;">“(b) Provided or obliged to be provided by a registered specialist who is under a contract of service or contract for services with a hospital and health service where—</p> <p style="padding-left: 6em;">“(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p style="padding-left: 6em;">“(ii) The registered specialist is providing or obliged to provide the treatment under that</p>

SCHEDULE 2—continued

PART 2—continued

REGULATIONS AMENDED—continued

Regulations	Amendment
The Accident Compensation (Specialists Costs) Regulations (No. 2) 1990 (S.R. 1990/233)—continued	<p>contract with that hospital and health service.</p> <p>“(2) Nothing in <b>subclause (1)</b> applies to an agreement, contract, or arrangement entered into by the Corporation under section 29A of the Act.”</p>
The Accident Compensation (Anaesthetists Costs) Regulations 1990 (S.R. 1990/234)	<p>By revoking regulation 4A, and substituting the following regulation:</p> <p>“4A. <b>Prohibition on contributions to cost of treatment provided by hospital and health services</b>—(1) Despite anything in these regulations, but subject to <b>subclause (2)</b>, the Corporation may not contribute to the costs of any treatment where that treatment is—</p> <p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by an anaesthetist who is under a contract of service or contract for services with a hospital and health service where—</p> <p>“(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p>“(ii) The anaesthetist is providing or obliged to provide the treatment under that contract with that hospital and health service.</p> <p>“(2) Nothing in <b>subclause (1)</b> applies to an agreement, contract, or arrangement entered into by the Corporation under section 29A of the Act.”</p>



## SCHEDULE 2—continued

## PART 2—continued

## REGULATIONS AMENDED—continued

Regulations	Amendment
The Accident Compensation (Audiologists Costs) Regulations 1990 (S.R. 1990/236)	<p>By revoking regulation 4A, and substituting the following regulation:</p> <p><b>“4A. Prohibition on contributions to cost of treatment provided by hospital and health services—</b>(1) Despite anything in these regulations, but subject to <b>subclause (2)</b>, the Corporation may not contribute to the costs of any treatment where that treatment is—</p> <p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by an audiologist who is under a contract of service or contract for services with a hospital and health service where—</p> <p>“(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p>“(ii) The audiologist is providing or obliged to provide the treatment under that contract with that hospital and health service.</p> <p>“(2) Nothing in <b>subclause (1)</b> applies to an agreement, contract, or arrangement entered into by the Corporation under section 29A of the Act.”</p>
The Accident Compensation (Radiologists Costs) Regulations 1990 (S.R. 1990/237)	<p>By omitting from regulation 2A (4) the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By revoking regulation 5A, and substituting the following regulation:</p> <p><b>“5A. Prohibition on contributions to cost of treatment provided by hospital and health services—</b>(1) Despite anything in these regulations, but subject to <b>subclause (2)</b>, the Corporation may not</p>

SCHEDULE 2—continued

PART 2—continued

REGULATIONS AMENDED—continued

Regulations	Amendment
<p>The Accident Compensation (Radiologists Costs) Regu- lations 1990 (S.R. 1990/237)—continued</p>	<p>contribute to the costs of any treatment where that treatment is—</p> <p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by a radiologist who is under a contract of service or contract for services with a hospital and health service where—</p> <p>    “(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p>    “(ii) The radiologist is providing or obliged to provide the treatment under that contract with that hospital and health service.</p> <p>“(2) Nothing in subclause (1) applies to an agreement, contract, or arrangement entered into by the Corporation under section 29A of the Act.”</p>
<p>The Accident Compensation (Dental Specialists Costs) Regulations (No. 2) 1990 (S.R. 1990/238)</p>	<p>By revoking regulation 7A, and substituting the following regulation:</p> <p>“7A. <b>Prohibition on contributions to cost of treatment provided by hospital and health services</b>—Despite anything in these regulations, but subject to regulation 7, the Corporation may not contribute to the costs of any treatment where that treatment is—</p> <p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by a registered specialist who is under a contract of service or</p>

SCHEDULE 2—*continued*PART 2—*continued*REGULATIONS AMENDED—*continued*

Regulations	Amendment
The Accident Compensation (Dental Specialists Costs) Regulations (No. 2) 1990 (S.R. 1990/238)— <i>continued</i>	<p>contract for services with a hospital and health service where—</p> <p>“(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p>“(ii) The registered specialist is providing or obliged to provide the treatment under that contract with that hospital and health service.”</p>
Accident Compensation (Dentists Costs) Regulations (No. 2) 1990 (S.R. 1990/239)	<p>By revoking regulation 4A, and substituting the following regulation:</p> <p>“4A. <b>Prohibition on contributions to cost of treatment provided by hospital and health services</b>—Despite anything in these regulations, the Corporation may not contribute to the costs of any treatment where that treatment is—</p> <p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by a dentist who is under a contract of service or contract for services with a hospital and health service where—</p> <p>“(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p>

SCHEDULE 2—continued

PART 2—continued

REGULATIONS AMENDED—continued

Regulations	Amendment
<p>Accident Compensation (Dentists Costs) Regula- tions (No. 2) 1990 (S.R. 1990/239)—continued</p>	<p>“(ii) The dentist is providing or obliged to provide the treatment under that contract with that hospital and health service.”</p>
<p>The Accident Compensation (Referred Treatments Costs) Regulations 1990 (S.R. 1990/242)</p>	<p>By revoking regulation 5A (as substituted by regulation 4 of the Accident Compensation (Referred Treatments Costs) Regulations 1990, Amendment No. 5), and substituting the following regulation:</p> <p>“5B. <b>Prohibition on contributions to cost of treatment provided by hospital and health services</b>—(1) Despite anything in these regulations, but subject to <b>subclause (2)</b>, the Corporation may not contribute to the costs of any treatment where that treatment is—</p> <p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by a treatment provider who is under a contract of service or contract for services with a hospital and health service where—</p> <p>“(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p>“(ii) The treatment provider is providing or obliged to provide the treatment under that contract with that hospital and health service.</p> <p>“(2) Nothing in <b>subclause (1)</b> applies to an agreement, contract, or arrangement</p>

SCHEDULE 2—*continued*PART 2—*continued*REGULATIONS AMENDED—*continued*

Regulations	Amendment
The Accident Compensation (Referred Treatments Costs) Regulations 1990 (S.R. 1990/242)— <i>continued</i>	entered into by the Corporation under section 29A of the Act.”
The Accident Compensation (Pharmaceutical Costs) Regulations 1990 (S.R. 1990/243)	By omitting from regulation 4 (5) (a) the words “regional health authority”, and substituting the words “health funding authority”. By omitting from regulation 5 (2) the words “regional health authority”, and substituting the words “health funding authority”.
The Accident Compensation (Prescribed Artificial Limbs, Aids, and Prosthetic Appliances Costs) Regulations 1990 (S.R. 1990/244)	By omitting from regulation 4 (1) the words “regional health authority”, and substituting the words “health funding authority”. By omitting from regulation 5 (1) (a) the words “regional health authority”, and substituting the words “health funding authority”.
The Accident Rehabilitation and Compensation Insurance (Costs of Transport Related to Treatment, Service, or Physical Rehabilitation) Regulations 1992 (S.R. 1992/203)	By omitting from paragraphs (a) and (b) of regulation 4 (1) the words “regional health authority” in each place where they appear, and substituting in each case the words “health funding authority”.
The Accident Rehabilitation and Compensation Insurance (Counselling Costs) Regulations 1992 (S.R. 1992/268)	By revoking regulation 26A, and substituting the following regulation: “26A. <b>Prohibition on contributions to cost of counselling provided by hospital and health services—</b> (1) Despite anything in these regulations, but subject to <b>subclause (2)</b> , the Corporation may not contribute to the costs of any counselling where that counselling is—

SCHEDULE 2—*continued*

PART 2—*continued*

REGULATIONS AMENDED—*continued*

Regulations	Amendment
<p>The Accident Rehabilitation and Compensation Insurance (Counselling Costs) Regulations 1992 (S.R. 1992/268)—<i>continued</i></p>	<p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by a counsellor who is under a contract of service or contract for services with a hospital and health service where—</p> <p>    “(i) That contract relates to the provision of counselling which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p>    “(ii) The counsellor is providing or obliged to provide the counselling under that contract with that hospital and health service.</p> <p>“(2) Nothing in <b>subclause (1)</b> applies to an agreement, contract, or arrangement entered into by the Corporation under section 29A of the Act.”</p>
<p>The Accident Rehabilitation and Compensation Insurance (Social Rehabilitation-Aids and Appliances) Regulations 1992 (S.R. 1992/282)</p>	<p>By omitting from regulation 6 (a) the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p>
<p>The Health Entitlement Cards Regulations 1993 (S.R. 1993/169)</p>	<p>By omitting from the definition of the term “provider” in regulation 2 the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By revoking regulation 12 (b), and substituting the following paragraph:</p> <p>    “(b) To provide evidence to any health funding authority or any medical practitioner or any specialist</p>

SCHEDULE 2—*continued*PART 2—*continued*REGULATIONS AMENDED—*continued*

Regulations	Amendment
The Health Entitlement Cards Regulations 1993 (S.R. 1993/169)— <i>con- tinued</i>	<p>or any pharmacist or any hospital and health service or any licensed hospital or any provider, or any employee of any such person, that—</p> <p>“(i) The cardholder is eligible for a Group 1 card; and</p> <p>“(ii) The cardholder is, and that person’s dependent children are, eligible for—</p> <p>“(A) Any 1 or more services provided under a purchase agreement with a health funding authority; or</p> <p>“(B) Any exemption from a charge or part of a charge for any 1 or more such services; or</p> <p>“(C) Any prescribed maximum amount of charge applicable to persons of the class or classes of which the cardholder, or that person’s dependent children, form part, in relation to any 1 or more such services:”.</p> <p>By omitting from paragraphs (a) and (b) of regulation 13 (5) the words “regional health authority” in each place where they appear, and substituting in each case the words “health funding authority”.</p> <p>By omitting from paragraph (c) (viii) of the definition of the term “general medical services” in regulation 17 the words</p>

SCHEDULE 2—*continued*

PART 2—*continued*

REGULATIONS AMENDED—*continued*

Regulations	Amendment
<p>The Health Entitlement Cards Regulations 1993 (S.R. 1993/169)—<i>con- tinued</i></p>	<p>“regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from the definition of the term “geriatric services” in regulation 17 the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from the definition of the term “mental health services” in regulation 17 the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from the definition of the term “psychopaedic services” in regulation 17 the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from paragraph (a) of the definition of the term “qualifying medical services” in regulation 17 the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from paragraph (c) of the definition of the term “qualifying medical services” in regulation 17 the words “Crown health enterprise”, and substituting the words “hospital and health service”.</p> <p>By omitting from the definition of the term “pharmaceutical” in regulation 22 the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from the definition of the term “prescription item” in regulation 22 the words “regional health authority”, and substituting the words “health funding authority”.</p>



## SCHEDULE 2—continued

## PART 2—continued

## REGULATIONS AMENDED—continued

Regulations	Amendment
The Health Reforms (Transitional Provisions) Regulations 1993 (S.R.1993/170)	<p>By inserting in regulation 2, after the definition of the term “the Act”, the following definition:</p> <p>“‘Health funding authority’ means a health funding authority established under section 32 of the Health and Disability Services Act 1993:”.</p> <p>By omitting from the definition of the term “pharmaceuticals” in regulation 2 the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By revoking the definition of the term “regional health authority” in regulation 2.</p> <p>By omitting from regulation 3 (2) (f) the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By omitting from regulation 4 (2) (a) the words “regional health authority”, and substituting the words “health funding authority”.</p>
The Accident Rehabilitation and Compensation Insurance (General Practitioners Costs) Regulations 1993 (S.R. 1993/202)	<p>By omitting from regulation 6 the words “regional health authority”, and substituting the words “health funding authority”.</p> <p>By revoking regulation 7, and substituting the following regulation:</p> <p><b>“7. Prohibition on contributions to cost of treatment provided by hospital and health services—</b>(1) Despite anything in these regulations, but subject to <b>subclause (2)</b>, the Corporation may not contribute to the costs of any treatment where that treatment is—</p> <p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by a general practitioner who is under a contract of service or</p>

SCHEDULE 2—continued

PART 2—continued

REGULATIONS AMENDED—continued

Regulations	Amendment
<p>The Accident Rehabilitation and Compensation Insurance (General Practitioners Costs) Regulations 1993 (S.R. 1993/202)— <i>continued</i></p>	<p>contract for services with a hospital and health service where—</p> <p>“(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p>“(ii) The general practitioner is providing or obliged to provide the treatment under that contract with that hospital and health service.</p> <p>“(2) Nothing in <b>subclause (1)</b> of this regulation applies to—</p> <p>“(a) Treatment provided by a general practitioner in a special area where that practitioner is under a contract of service or contract for services with a hospital and health service to provide that treatment; or</p> <p>“(b) An agreement, contract, or arrangement entered into by the Corporation under section 29A of the Act.”</p>
<p>The Accident Rehabilitation and Compensation Insurance (Social Rehabilitation—Attendant Care) Regulations 1993 (S.R.1993/214)</p>	<p>By omitting from regulation 10 (1) (c) the words “regional health authorities”, and substituting the words “health funding authorities”.</p>

## SCHEDULE 2—continued

## PART 2—continued

## REGULATIONS AMENDED—continued

Regulations	Amendment
The Accident Rehabilitation and Compensation Insurance (Supplementary Treatment Costs) Regulations (No. 2) 1993 (S.R.1993/246)	<p>By revoking regulation 6, and substituting the following regulation:</p> <p><b>“6. Prohibition on contributions to cost of treatment provided by hospital and health services—</b>Despite anything in these regulations, the Corporation may not contribute to the costs of any treatment where that treatment is—</p> <p>“(a) Provided or obliged to be provided by any hospital and health service; or</p> <p>“(b) Provided or obliged to be provided by any person who is under a contract of service or contract for services with a hospital and health service where—</p> <p>“(i) That contract relates to the provision of treatment which the hospital and health service is obliged to provide under a purchase agreement; and</p> <p>“(ii) The person is providing or obliged to provide the treatment under that contract with that hospital and health service.”</p>
The Health and Disability Services (Employment Contracts) Order 1997 (S.R. 1997/117)	By omitting from clause 2 the words “Crown health enterprise”, and substituting the words “hospital and health service”.