



Australian Government

The Treasury

11 June, 2015

Dr Kathleen Dermody  
Committee Secretary  
Senate Economics Legislation Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Dr Dermody

**INQUIRY INTO THE PRIVATE HEALTH INSURANCE (PRUDENTIAL SUPERVISION) BILL 2015 AND RELATED BILLS**

Thank you for the opportunity to provide a written submission on the package of legislation to transfer the prudential regulation of private health insurers from the Private Health Insurance Administration Council (PHIAC) to the Australian Prudential Regulation Authority (APRA).

Treasury has worked closely with APRA, the Department of Health, PHIAC, the Department of Finance and the Attorney General's Department since the Government announced the transfer of prudential responsibilities in the 2014-15 Budget.

Extensive industry consultation on the package of legislation has occurred, including through two rounds of consultation on Exposure Draft legislation. Treasury released an exposure draft of the Private Health Insurance (Prudential Supervision) Bill 2015 in January 2015, undertook two industry consultation sessions, and accepted submissions from industry. Treasury then undertook further targeted consultation with industry on the package of legislation in April 2015, including an industry consultation roundtable and a submission process. Issues raised through consultation by industry were considered and largely adopted by the Government.

In light of the timeframe for Committee deliberations and the extensive material provided in the Explanatory Memorandum to the package of legislation, we have addressed the more substantive issues raised in the submissions from industry (see table 1 attached). If there are other issues of concern to the Committee we stand ready to provide assistance.

Kind regards

Meghan Quinn  
General Manager  
Financial System and Services Division  
Markets Group