

# Chapter 1

## Introduction

### Background

1.1 The Medibank Private Sale Bill 2006 (the bill) was introduced into the House of Representatives on 18 October 2006 by the Special Minister of State, the Hon. Gary Nairn MP.

### Reference of the bill

1.2 On 19 October 2006, the Senate adopted the Selection of Bills Committee Report No. 12 of 2006 and referred the provisions of the bill to the Senate Finance and Public Administration Standing Committee for inquiry and report by 27 November 2006.

### Purpose of the bill

1.3 The purpose of the bill is to implement the Government's policy in relation to the sale of Medibank Private, primarily through the amendment of existing arrangements which render Medibank a 'not for profit' Commonwealth Business Enterprise. The passing of the bill is intended to establish a framework to give the Government the flexibility it needs to sell Medibank in the method and form best suited to the achievement of its objectives. These objectives include:

- to contribute to an efficient, competitive and viable private health insurance industry;
- to maintain service and quality levels for Medibank Private contributors, including in rural and regional Australia;
- to ensure the sale process treats Medibank Private Limited employees in a fair manner, including through the preservation of accrued entitlements;
- to minimise post sale residual risk and liabilities to the Commonwealth; and
- having regard to the other objectives, to maximise the net sale proceeds from the sale.<sup>1</sup>

1.4 The bill also sets out a number of other conditions for the conduct of the sale, and for exemptions from other legislation which are necessary for the sale to proceed according to the objectives set out above.

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1 Explanatory Memorandum, p.2.

## **Submissions**

1.5 The committee advertised its inquiry in *The Australian* on 25 October 2006. In addition, the committee contacted a number of individuals and organisations in writing alerting them to the inquiry and inviting them to make a submission. A list of submissions received appears at Appendix 1.

## **Hearing and evidence**

1.6 The committee held a public hearing at Parliament House, Canberra on 3 November 2006. Witnesses who appeared before the committee at the hearing are listed at Appendix 2.

1.7 Copies of the Hansard transcript from the hearing are tabled for the information of the Senate. It can be accessed on the internet at <http://aph.gov.au/hansard>.

## **Acknowledgment**

1.8 The committee wishes to thank all those who assisted with its inquiry.