



Lodgment of Private Health Insurance Information in Accordance with the Private Health Insurance Act 2007 Revocation 2015

Explanatory Statement

General Outline of Instrument

1. This instrument is made under:
section 282-30 of the *Private Health Insurance Act 2007*
2. This instrument revokes 'Lodgment of Private Health Insurance Information in Accordance with the Private Health Insurance Act 2007' – F2014L00869 registered on 28th June 2014, as the reporting requirements are no longer in use.
3. The revocation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Date of effect

4. The instrument commences on the day after registration on the Federal Register of Legislative Instruments.

What is this instrument about

5. The purpose of this instrument is to revoke 'Lodgment of Private Health Insurance Information in Accordance with the Private Health Insurance Act 2007' as the Chief Executive Medicare is no longer required to report to the Commissioner of Taxation information about persons who were members of complying private health insurance funds each financial year. Registered private health insurers are now required to provide the information directly to the Commissioner.

What is the effect of this instrument

6. The effect of this instrument is that the Chief Executive Medicare will no longer be required to report data to the Commissioner. In turn, this will mean that private health insurers will no longer be required to report this data to the Chief Executive Medicare. A new arrangement will be put in place to require private health insurers to report data directly to the Commissioner.
7. An assessment of the compliance cost impact indicates that the impact will be minimal for implementation. There is an initial estimated cost to the health funds of \$6,000 each; however, there is an estimated ongoing annual compliance cost savings of \$2.4 million, the bulk of which is attributed to individual taxpayers through earlier pre-filling of tax returns.

Background

8. This instrument has been developed to ensure that the requirements for the Chief Executive Medicare to report the data to the Commissioner will no longer exist.
9. Registered private health insurers will report their data directly to the Commissioner in accordance with section 264BB of the *Income Tax Assessment Act 1936*.

Consultation:

10. This instrument was developed in consultation with Medicare, Department of Health (DoH), health insurers and their software developers.
11. The ATO consulted with representatives from Medicare, Department of Health, registered private health insurers, and software providers in May and July 2014. All stakeholders supported the proposal for private health insurers to report their data directly the Commissioner. It was agreed that health insurers and their software providers would report data directly to the Commissioner instead of the Chief Executive Medicare.
12. Following further consultation in September 2014, detailed communications outlining the changes required and steps to be taken as well as the timeframe were sent directly to each of the representatives of the health insurers and their software developers. The ATO has continued direct contact with the private health insurers

to ensure the health funds have taken the necessary steps to commence reporting directly to the Commissioner.

Stephen John Vesperman
Deputy Commissioner of Taxation
[15 June 2015]

Legislative references:

264BB Income Tax Assessment Act 1936

282-30 Private Health Insurance Act 2007

Legislative Instruments Act 2003

Statement of Compatibility with Human Rights

This Statement is prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

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This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the Human Rights (Parliamentary Scrutiny) Act 2011.

Overview of the Legislative Instrument

This Legislative Instrument revokes and withdraws the 'Lodgment of Private Health Insurance Information in Accordance with the Private Health Insurance Act 2007' Legislative Instrument as the Chief Executive Medicare is no longer required to provide the Commissioner with information about persons who were members of complying private health insurance funds each financial year.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms as it withdraws guidelines that are no longer in use by Medicare and complying private health insurance funds. The fact that the health funds will report the data directly to the Commissioner means that human rights will not be affected.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.