

Financial Sector (Collection of Data) (reporting standard) determination No. 18 of 2025

EXPLANATORY STATEMENT

Prepared by the Australian Prudential Regulation Authority (APRA)

Financial Sector (Collection of Data) Act 2001, sections 13 and 15

Acts Interpretation Act 1901, section 33

Under subsection 13(1) of the *Financial Sector (Collection of Data) Act 2001* (the Act), APRA has the power to determine reporting standards, in writing, with which financial sector entities must comply. Such standards relate to reporting financial or accounting data and other information regarding the business or activities of the entities. Subsection 33(3) of the *Acts Interpretation Act 1901* provides that where an Act confers a power to issue an instrument the power shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to revoke any such instrument.

Subsection 15(1) of the Act provides that APRA may declare a day on and after which the reporting standards are to apply.

On 11 September 2025, APRA made:

- (1) Financial Sector (Collection of Data) (reporting standard) determination No. 18 of 2025 which:
 - (i) revokes *Reporting Standard HRS 604.0 Medical Specialty Block Grouping Information* made under Financial Sector (Collection of Data) (reporting standard) determination No. 34 of 2015; and
 - (ii) determines a new *Reporting Standard HRS 604.0 Medical Specialty Block Grouping Information* (HRS 604.0).

The instrument commences at the start of the day after the day it is registered on the Federal Register of Legislation.

1. Background

APRA is the prudential regulator for banking, insurance and superannuation entities, and collects financial sector data for prudential supervision and on behalf of the Reserve Bank of Australia and the Australian Bureau of Statistics.

HRS 604.0 sets out the requirements for private health insurers (PHIs) to report information to APRA relating to their medical specialty block grouping information. It states the specific data items PHIs need to submit, provides definitions and instructions on how to measure and report these items, and states timelines and quality requirements for providing the data to APRA.

Information collected under this Reporting Standard, is used for the purposes of assisting the Department of Health in performing its functions and for publication of aggregate statistics on medical services by State and Territory by APRA.

The existing version of HRS 604.0 was determined on 1 July 2015, when the prudential regulation functions of the Private Health Insurance Administration Council were transferred to APRA. This transfer included reporting requirements created under HRS 604.0.

2. Purpose and operation of the instrument

The purpose of the instrument is to revoke the existing Reporting *Standard HRS 604.0 Medical Specialty Block Grouping Information* and replace it with a new version. Information collected under this Reporting Standard is used for the purposes of assisting the Department of Health in performing its functions and for publication by APRA.

The new version of HRS 604.0 contains minor changes to use the drafting style employed currently for APRA's reporting standards, such as formatting to improve readability and accessibility, update the method of submission, make minor definitional changes and update the commencement date. The changes to HRS 604.0 do not alter the existing reporting obligations or interests of PHIs. The due dates, data required, and the application of the reporting standards have not changed.

Remaking HRS 604.0 will ensure that APRA continues to receive data required to supervise PHIs and assist the Department of Health in performing its functions.

The new reporting standard applies to reporting periods ending on or after 1 October 2025.

Explanation of each provision in the instrument

Authority – paragraph 1

This paragraph outlines APRA's power to determine reporting standards that are required to be complied with by financial sector entities under paragraph 13(1)(a) of the Act.

Purpose – paragraph 2

This paragraph explains the purpose of APRA's collection of information under the reporting standard. Information collected under this reporting standard is used for the purposes of prudential supervision and publication of data to assist the Department of Health in performing its functions.

Application and commencement – paragraphs 3 and 4

This provision states which financial sector entities must comply with the reporting standard as permitted by section 13 of the Act, and when the reporting standard begins to apply to these financial sector entities as provided for in section 15 of the Act.

Information required – paragraphs 5 and 6

This provision states what information financial sector entities must provide to APRA for each reporting period as permitted by paragraph 13(2)(b) of the Act.

Forms and method of submission – paragraph 7

This provision specifies how information required by the reporting standard must be given to APRA as permitted by paragraph 13(2)(e) of the Act.

Reporting periods and due dates – paragraphs 8-10

Paragraphs 13(2)(d)-(f) of the Act permits reporting standards determined by APRA to include matters related to the times as at which, or the periods to which, the information in reporting documents is to relate, the giving of reporting documents to APRA, and when they should be provided, and the discretion of APRA, in particular cases, to vary reporting standards, including, but not limited to, the discretion to vary when entities are to provide documents. Paragraph (13)(2)(bb) of the Act permits reporting standards determined by APRA to include matters related to the auditing of reporting documents.

Paragraphs 8-10 rely on these provisions. Paragraph 8 states that PHIs are to provide the information required by this reporting standard in respect of each calendar quarter. Paragraph 9 specifies the due dates for provision of information to APRA – the information required by this Reporting Standard must be provided to APRA within 28 calendar days after the end of the reporting period to which the information relates. Paragraph 10 states that APRA may grant an extension of a due date in paragraph 9 in writing.

Quality control – paragraph 11

Paragraphs 11-12 state that information provided under this reporting standard must be the subject to systems, processes and controls developed by the entity for the internal review and authorisation of that information.

Authorisation – paragraphs 12

Paragraph 12 states that a person who submits the information required under this Reporting Standard must be suitably authorised by an officer of the PHI.

Variations – paragraph 13

Paragraph 13 states that APRA may vary the requirements of this reporting standard in relation to a financial sector entity in writing, as permitted by paragraph 13(2)(f) of the Act.

Transition – paragraph 14

Paragraphs 13(2)(d)-(e) of the Act provide for APRA to include matters relating to times and periods to which information in reporting documents is to relate, the provision of documents to APRA, and the time periods for provision of these documents to APRA. Paragraph 14 states that financial sector entities must report data under the reporting standard revoked in the determination making this reporting standard for reporting periods that ended before 1 October 2025.

Interpretation – paragraphs 15

Paragraph 15 provides definitions of common terms used throughout this reporting standard.

HRF_604_0: Medical Speciality Block Grouping Information

This section includes a copy of the reporting form that entities are required to provide to APRA.

Documents incorporated by reference

Under paragraph 14(1)(a) of the *Legislation Act 2003*, the standard incorporates by reference as in force from time to time:

- Acts of Parliament; and

- Prudential Standards determined by APRA under subsection 92(1) of the *Private Health Insurance (Prudential Supervision) Act 2015*.

These documents may be freely obtained at www.legislation.gov.au.

Exercise of discretion by APRA

There are a number of powers that may be exercised by APRA in reporting standards that involve an element of discretion and which may impact the interests of the entities to which the reporting standards apply. These decisions include APRA changing a due date for an entity to provide information required by each of the instruments and varying the reporting requirements of the reporting standard in relation to a PHI by written notice to that PHI.

The need to apply discretion is driven by entity specific issues and circumstances which are not adequately addressed by the generally applicable provisions of the reporting standards.

APRA will exercise the power to vary the reporting requirements in relation to a PHI if it is satisfied that this will achieve a better reporting or prudential outcome than if it remained in its original form. A change to a due date might be determined on APRA's initiative taking into account APRA's assessment of whether existing data will be sufficient for APRA's prudential supervision purposes, or whether APRA will have the required data to assess an entity's capital adequacy by a particular date. Alternatively, a change to a due date might be considered by APRA at the request of an entity, where the entity is able to demonstrate that it would not be appropriate or feasible to provide data for a particular reporting period by a particular date.

APRA considers a wide range of factors when exercising its discretion under reporting standards, including the considerations set out in the Act and the *Australian Prudential Regulation Authority Act 1998*. Other considerations include limiting regulatory burden, or correcting errors or inconsistencies in the reporting standards.

The exercise of APRA's powers is governed by a robust decision-making framework which is documented in APRA's internal policies. This framework supports APRA in fulfilling its mandate by limiting decision-making to those senior APRA officers with the appropriate experience and skill to exercise prudential judgement. The framework also requires decision makers to seek advice from internal technical experts.

Review of decisions

Decisions made by APRA exercising the powers in reporting standards are not subject to merits review. APRA considers decisions made by APRA exercising discretions under its reporting standards should not be subject to merits review as they are financial decisions with a significant public interest element.

APRA's reporting standards collect financial data from regulated entities. This data contains critical indicators of a regulated entity's financial wellbeing. APRA relies heavily on this financial data to inform its supervisory actions towards its regulated entities. Without timely and complete data, APRA may miss indicators that an entity is taking on imprudent risk or is in distress. APRA's supervisory decisions may be jeopardised if its receipt of data is unreliable due to entities seeking merits review under its reporting standards.

3. Consultation

APRA consulted on HRS 604.0 with industry when originally determining the reporting standard (see the Explanatory Statement for the previous HRS 604.0. APRA is satisfied that

further consultation is not necessary and not reasonably practicable to undertake for these instruments. The instruments do not alter the existing reporting obligations that are required to be complied with by PHIs and any changes to the instruments are minor and machinery in nature.

4. Regulation Impact Statement

The Office of Impact Analysis confirmed that a Regulation Impact Statement was not required.

5. Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

A Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is provided at Attachment A to this Explanatory Statement.

ATTACHMENT A

Statement of Compatibility with Human Rights

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 instrument listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* (HRPS Act).

Overview of the Legislative Instrument

The purpose of the Legislative Instrument is to revoke *Reporting Standard HRS 604.0 Medical Specialty Block Grouping Information* made under Financial Sector (Collection of Data) (reporting standard) determination No. 34 of 2015 and replace it with a new *Reporting Standard HRS 604.0 Medical Specialty Block Grouping Information* before it is due to sunset on 1 October 2025.

Human rights implications

APRA has assessed the Legislative Instrument and is of the view that it does not engage any of the applicable rights or freedoms recognised or declared in the international instruments listed in section 3 of the HRPS Act. Accordingly, in APRA's assessment, the Instrument is compatible with human rights.

Conclusion

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