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The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Private Health Insurance Supervisory
Levy Imposition Bill 2015**

No. , 2015

(Treasury)

**A Bill for an Act to impose a levy on bodies
registered as private health insurers under the
*Private Health Insurance (Prudential Supervision)
Act 2015*, and for related purposes**

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**A Bill for an Act to impose a levy on bodies
registered as private health insurers under the
*Private Health Insurance (Prudential Supervision)
Act 2015*, and for related purposes**

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Private Health Insurance Supervisory
Levy Imposition Act 2015*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	At the same time as section 1 of the <i>Private Health Insurance (Prudential Supervision) Act 2015</i> commences.	

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Act binds the Crown

This Act binds the Crown in each of its capacities.

4 Norfolk Island

This Act extends to Norfolk Island on and after the commencement of Part 1 of Schedule 2 to the *Norfolk Island Legislation Amendment Act 2015*.

5 Definitions

In this Act:

census day for a financial year means the day that, in accordance with subsection 8(5), is specified as the census day for the financial year.

complying health insurance policy has the same meaning as in the *Private Health Insurance Act 2007*.

levy determination: see subsection 8(4).

levy imposition day, in relation to a private health insurer for a financial year, means:

- (a) if the private health insurer is a private health insurer on 1 July of the financial year—that day; or
- (b) in any other case—the day, during the financial year, on which the private health insurer becomes a private health insurer.

private health insurer has the same meaning as in the *Private Health Insurance (Prudential Supervision) Act 2015*.

supervisory levy means levy imposed by section 6.

6 Imposition of supervisory levy

Levy payable in accordance with subsection 8(4A) or (4C) of the *Financial Institutions Supervisory Levies Collection Act 1998* is imposed.

7 Amount of supervisory levy payable for quarters in the financial year starting on 1 July 2015

- (1) This section applies to levy payable, in accordance with subsection 8(4A) of the *Financial Institutions Supervisory Levies Collection Act 1998*, by a private health insurer for a quarter in the financial year starting on 1 July 2015.
- (2) The amount of supervisory levy payable by the private health insurer for the quarter is the amount of Council administration levy that would have been payable by the insurer in respect of the quarter under the *Private Health Insurance (Council*

Administration Levy) Rules 2007 if those Rules (and the *Private Health Insurance (Council Administration Levy) Act 2003*), as in force immediately before the commencement of this section, had continued to apply.

8 Amount of supervisory levy payable for the financial year starting on 1 July 2016 or a later financial year

- (1) This section applies to levy payable, in accordance with subsection 8(4C) of the *Financial Institutions Supervisory Levies Collection Act 1998*, by a private health insurer for the financial year starting on 1 July 2016 or a later financial year.
- (2) Subject to subsection (3), the amount of supervisory levy payable by the private health insurer for the financial year is the sum of the levy amounts, as determined by the levy determination for the financial year, for each complying health insurance policy on issue from the insurer on:
 - (a) the census day for the financial year; or
 - (b) if the levy imposition day for the insurer for the levy year is later than that census day—the levy imposition day.
- (3) If the levy imposition day for the private health insurer is later than 1 July in the financial year, the amount of supervisory levy payable by the insurer for the financial year is the amount worked out using the following formula:

$$\frac{\text{The amount worked out under subsection (2)}}{\text{The number of days in the financial year}} \times \left(1 + \frac{\text{The number of days in the financial year after the levy imposition day}}{\text{The number of days in the financial year}} \right)$$

Minister to make annual determinations of levy amounts for complying health insurance policies

- (4) For the financial year starting on 1 July 2016, and for each later financial year, the Minister is to make a legislative instrument (a **levy determination**) determining the levy amount that is payable in respect of a complying health insurance policy.

- (5) The levy determination for a financial year must also specify a day in the financial year as the census day for the financial year.
- (6) The levy determination for a financial year may determine a levy amount by:
 - (a) specifying the levy amount; or
 - (b) specifying a method for calculating the levy amount.
- (7) The levy determination for a financial year:
 - (a) must be such that each levy amount it determines is calculated having regard to the number of complying health insurance policies on issue on the census day; and
 - (b) may determine different levy amounts for complying health insurance policies under which different numbers of people are insured; and
 - (c) may determine a levy amount of zero; and
 - (d) must not determine a levy amount that exceeds:
 - (i) for a complying health insurance policy under which only one person is insured—\$2; and
 - (ii) otherwise—\$4.