

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Health

Private Health Insurance Act 2007

Private Health Insurance (Levy Administration) Amendment Rules 2014

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make Private Health Insurance (Levy Administration) Rules providing for matters required or permitted by Part 6-6 of the Act, or necessary or convenient in order to carry out or give effect to Part 6-6 of the Act.

Part 6-6 of the Act deals with the collection of private health insurance levies and other matters relating to their administration. A private health insurance levy is imposed under one of the following levy Acts:

- *Private Health Insurance (Collapsed Insurer Levy) Act 2003*;
- *Private Health Insurance (Complaints Levy) Act 1995*;
- *Private Health Insurance (Council Administration Levy) Act 2003*;
- *Private Health Insurance (National Joint Replacement Register Levy) Act 2009*; and
- *Private Health Insurance (Risk Equalisation Levy) Act 2003*.

The purpose of the *Private Health Insurance (Levy Administration) Amendment Rules 2014* (the Amendment Rules) is to extend the payment date of the first levy payment for the national joint replacement register levy for 2014 as set out in the *Private Health Insurance (Levy Administration) Rules 2010* (the Principal Rules) until 18 June 2014. This allows the Department additional time to finalise the invoices arising from changes made with *Private Health Insurance (National Joint Replacement Register Levy) Amendment Rules 2014 (No. 1)* (NJRR Rules) and still allow sponsors sufficient time to pay without incurring late payment penalties.

Rule 8 of the Principal Rules sets the levy payment day as 21 days after the levy imposition day.

The Amendment Rules:

- amend rule 8 of the Principal Rules so that the first payment day in 2014 is 50 days after that imposition day, and that all future payment days will remain at 21 days after the imposition day.

The Amendment Rules commence on 20 May 2014.

Consultation

Joint replacement prostheses sponsors, private health insurers and the National Joint Replacement Register were consulted regarding the development of the NJRR Rules, and in relation to arrangements for the administration and collection of the NJRR levy. The Amendment Rules are minor and machinery in nature and does not substantially alter existing arrangements.

The Amendment Rules are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Private Health Insurance (Levy Administration) Amendment Rules 2014

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 Legislative Instrument

The purpose of the *Private Health Insurance (Levy Administration) Amendment Rules 2014* (the Amendment Rules) is to extend the payment date of the first levy payment for the national joint replacement register levy as set out in the *Private Health Insurance (Levy Administration) Rules 2011* (the Principal Rules) until 18 June 2014. This allows the Department additional time to finalise the invoices arising from changes made with *Private Health Insurance (National Joint Replacement Register Levy) Amendment Rules 2014 (No. 1)* and still allow sponsors sufficient time to pay without incurring late payment penalties.

The Amendment Rules:

- amend rule 8 of the Principal Rules so that the first payment day in 2014 is 50 days after that imposition day, and that all future payment days will remain at 21 days after the imposition day.

Human rights implications

Extending the due date for the first levy payment for 2014 ensures that sponsor will not incur late payment penalties resulting from late invoicing from the Department of Health.

Conclusion

This Legislative Instrument is compatible with human rights because it does not engage any of the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Shane Porter
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