



28 July 2016

To: All private health insurers

Reporting arrangements for recording Norfolk Island policy holders

This letter clarifies that data relating to Norfolk Island (NI) residents should be recorded in the New South Wales (NSW) jurisdiction for the purposes of the Risk Equalisation Trust Fund (RETF). This change is consequential to the pending extension of Australia's private health insurance arrangements to Norfolk Island (NI) residents from 1 July 2016.

Background

As part of a comprehensive Norfolk Island reform package, the Minister for Health, Ms Susan Ley announced in January 2016 that private health insurance would be available to NI residents from 1 July 2016. Subsequently, the Department of Health amended the *Private Health Insurance (Risk Equalisation Policy) Rules 2015*¹ to extend the combined NSW and Australian Capital Territory (ACT) jurisdiction to include NI. As a result, it is necessary for APRA to determine whether, for the purposes of completing Reporting Form HRF 601.1 Statistical Data by State, data relating to NI residents should be included with the NSW data or the ACT data.

APRA proposes that NI policy holders should be recorded in the NSW jurisdiction as:

- the NI reform legislation provides for certain NSW laws to apply to NI as Commonwealth law;
- the Commonwealth Government is in the process of negotiating contracts with the NSW government for the provision of health services on NI²; and
- NI has air links to Sydney and NI policy holders are more likely to access health services in NSW than the ACT.

APRA notes that this proposal will have no impact on the amount of risk equalisation levy due to or payable by any private health insurers.

Next steps

Subject to any feedback received from this consultation, APRA proposes to revoke the current *Reporting Standard HRS 601.0 Statistical Data by State* and determine a new *Reporting Standard HRS 601.1 Statistical Data by State* to clarify the treatment of NI. Please refer to the draft reporting standard released together with this letter which includes the

¹ Via the *Private Health Insurance Legislation Amendment (Risk Equalisation Jurisdiction) Rules 2016*

² See Minister's media release: [New South Wales to provide services to Norfolk Island—30 March 2016](#)

proposed changes discussed in this letter. A number of references to other legislative instruments have also been updated.

The revised reporting standard would have effect for the quarter ending 30 September 2016, to align with the commencement of the amendments to the *Private Health Insurance (Risk Equalisation Policy) Rules 2015* discussed above.

APRA welcomes submissions by 25 August 2016, preferably by email, to:

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Yours sincerely

A handwritten signature in black ink, appearing to be 'Pat Brennan', written in a cursive style.

Pat Brennan
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