

**Health Insurance Fund of Australia**

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23 July 2021

██████████  
General Manager Policy  
Australian Prudential Regulation Authority  
Level 12, 1 Martin Place  
Sydney NSW 2000

By email: ██████████

Dear ██████████,

**Submission: Consultation – Draft Guidance on Remuneration**

Thank you for the opportunity to respond to, and provide comment on, the Australian Prudential Regulation Authority's ('APRA') proposed Prudential Practice Guide CPG 511 Remuneration ('CPG 511').

The Health Insurance Fund of Australia Limited ('HIF') is a member of Private Healthcare Australia ('PHA') and Members Health Fund Alliance ('MHFA'). This submission is independent of any submission APRA may receive from PHA and/or MHFA.

HIF has conducted a review of the documents released by APRA on 30 April 2021 as part of its consultation on CPG 511 and would like to provide the following feedback:

**Variable Remuneration**

Subsequent to the draft guidance being shared by APRA, HIF has been proactive in transitioning five employees off existing variable remuneration / commission structures, thereby removing all existing variable remuneration structures within the company.

**Service Providers**

Although not formally defined as a Significant Financial Institution ('SFI'), HIF is aspiring to prepare for and meet the requirements of Prudential Standard CPS 511 Remuneration ('CPS 511') to the standard of an SFI. HIF notes that CPG 511 has been designed for SFIs and, as such, its input into CPG 511 may hold a different weight. HIF respectfully requests that APRA considers the inclusion of additional definitions regarding third party service providers as they apply within the remuneration framework of a non-SFI. Further examples of potential conflicts of interest would assist in informing how HIF identifies and addresses these risks.



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**Closing Comments**

HIF looks forward to receiving further guidance from APRA in relation to its expectations of non-SFIs in achieving compliance with both CPS 511 and CPG 511.

Yours sincerely,



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**Chief People Leader**  
Health Insurance Fund of Australia Limited

CC: [Redacted], Chief Executive Officer  
[Redacted], Chief Risk Officer