

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY (APRA)
AND
WORKCOVER TASMANIA (WorkCover)**

1. Objective

- 1.1 This Memorandum of Understanding (**MOU**) sets out a framework for cooperation between APRA and WorkCover Tasmania (**Agencies**) in areas of common interest where co-operation is essential for the effective and efficient performance of their respective financial regulation functions.
- 1.2 The Agencies understand that, consistent with their separate roles, they will cooperate where it is within their administrative powers to achieve effective enforcement and compliance outcomes.
- 1.3 This MOU is not intended to create binding obligations on either Agency and each Agency has the right to vary its terms at any time by agreement following consultation with the other Agency.

2. Responsibilities

- 2.1 APRA is responsible for the prudential supervision of authorised deposit-taking institutions (**ADIs**) (such as banks, building societies and credit unions), life insurance companies (including benefit fund friendly societies), general insurance companies and superannuation entities. In performing its functions to protect the interest of depositors, policyholders and fund members APRA is required to balance financial safety with efficiency, competition, contestability and competitive neutrality. In its role as the prudential regulator of general insurance companies, APRA has an interest in any knowledge of a general insurer's business operations, including any information, which may come into the possession of WorkCover Tasmania.
- 2.2 WorkCover Tasmania is responsible for the regulation of workers compensation Insurers in Tasmania. Insurers must be licensed by WorkCover to write workers compensation insurance business in Tasmania.

3. Mutual Assistance

- 3.1 The Agencies recognise that it is important that they co-operate to promote the efficient regulation of the general insurers licensed to write workers compensation business in Tasmania.
- 3.2 The Agencies expect to provide each other with mutual assistance in relation to the exchange of information, referral of matters and cooperation in regulation, compliance, and enforcement within the framework of this Memorandum of Understanding and which is consistent with all relevant laws.

4. Information Sharing

- 4.1 Full and timely exchange of information is a crucial element in co-ordination between APRA and WorkCover Tasmania.
- 4.2 APRA gathers a wide range of information on the entities which it prudentially supervises. WorkCover Tasmania, which relies upon this prudential supervision, gathers information on the entities it licenses and supervises.

- 4.3 Subject to the remainder of this paragraph, information available to one Agency, which assists the other Agency to perform its functions or exercise its powers, may be shared as requested. Each Agency may provide relevant information to the other on a best endeavours basis, with due regard to the urgency of doing so. This will be subject to any relevant legal and operational considerations and any conditions which the provider of the information might place upon the use or disclosure of the information, such as claims of legal professional privilege.
- 4.4 When exchanging confidential information, APRA and WorkCover Tasmania acknowledge the confidentiality and secrecy requirements of the Acts under which each Agency operates. The Agency providing information may specify the level of confidentiality attached to the information it provides to the other, in order to protect that information from unauthorised use or disclosure. The Agency receiving the information is expected to take all reasonable steps to ensure such information is only used or disclosed for the purpose for which it was obtained.
- 4.5 Each Agency is expected to first obtain the consent of the Agency which provided the information prior to disclosing it to any third party. Where an attempt is made to legally compel an Agency to disclose confidential information provided in accordance with this agreement, each Agency agrees to co-operate in seeking to preserve the confidentiality of the information to the extent permitted by law.
- 4.6 Requests by an Agency for information subject to any secrecy provisions should be made in writing by an officer authorised to request information and release of the information from the Agency providing the information will be approved by an officer authorised to release such information.
- 4.7 Persons occupying the following positions are authorised to request information under this MOU including information subject to secrecy provisions:
- APRA: All officers at or above the level of Manager and/or Level 4; and
 - WorkCover Tasmania: The Director and Assistant Directors.
- 4.8 Persons occupying the following positions are authorised to release information under this MOU including information subject to secrecy provisions:
- APRA: All officers at or above the level of General Manager
 - WorkCover Tasmania: The Director and Assistant Directors.

5. Unsolicited Assistance

- 5.1 Each Agency recognises that in the course of carrying out its functions and exercising its powers, it will come into possession of information which would, if provided to the other Agency, be likely to assist that other Agency in administering or enforcing the particular laws for which it is responsible.
- 5.2 Each Agency, subject to legal restrictions, may use its best endeavours to notify the other Agency with due regard to the urgency of doing so of the existence of any information of a kind referred to above, notwithstanding that it may not have received a request from the other Agency for such information.

6. Cost of Provision of Information

- 6.1 In general, the Agency that receives a request for information shall bear the cost incurred by it in locating and providing the information to the Agency that requests the information.
- 6.2 If it appears to the Agency that receives the request that it will incur substantial costs in responding to the request, it may make representations to that effect to

the requesting Agency and the parties may negotiate a costing arrangement in relation to the cost burden of the provision of that information.

7. Inter-agency Co-operation

7.1 In addition to the exchange of information, there will be liaison, as the need arises, between the Agencies to discuss and co-operate on matters of mutual interest. Such matters may include, but are not limited to:

- emerging issues in the insurance industry;
- the commercial and regulatory implications of new policy and administrative proposals;
- problems, issues or insights which affect, or are likely to affect or be of relevance to the other Agency;
- consultative processes with industry;
- public education strategies;
- the exchange of expertise;
- the sharing of relevant statistical information and other corporate materials including guidelines and manuals; and
- monitoring the effectiveness of this MOU and agreeing on any changes.



Mr John Trowbridge
Member
Australian Prudential Regulation Authority

Date: 24/3/2010



Lisa Hutton
Chair
WorkCover Tasmania

Date: 1/4/10

