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Private Health Insurance (Council Administration Levy) Bill 2003

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2003

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Private Health Insurance (Council Administration Levy) Bill 2003

Date Introduced: 26 March 2003

House: House of Representatives

Portfolio: Health and Ageing

Commencement: 1 July 2004

Purpose

To reimpose the Private Health Administration Council ('PHIAC') levy.

Background

This is one of four Bills reimposing existing levies on private health insurers. Full background is set out in Bills Digest No. 139, 2002-03 (National Health Amendment (Private Health Insurance Levies) Bill 2003). Separate Bills are required for each levy because they could be construed as imposing taxation and the Constitution requires that such Bills 'deal with one subject of taxation only'.¹

The PHIAC levy

The PHIAC Levy is authorised under the *National Health Act 1953* and funds the general administrative costs of PHIAC. The levy is imposed on each registered health benefits organization based on the number of health fund contributors.

The Bill provides that the rate of the PHIAC levy is to be set in regulations, within a maximum limit specified in the Bill itself.

Main Provisions

Clause 6 imposes the PHIAC levy on 'each registered health benefits organization'. The levy is imposed 'on each day specified in the Regulations as a Council Administration levy

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day'. There cannot be more than four such days in a financial year, although the Minister for Health can specify up to two supplementary levy days. The Explanatory Memorandum notes that the latter provision is included to cover 'unexpected administration costs associated with Council undertaking its functions.'²

Clause 7 sets the maximum rate of the PHIAC levy for a financial year at:

- \$2.00 for each contributor who contributes in respect of one person, and
- \$4.00 for each contributor who contributes in respect of more than one person.

Clause 9 validates all previous PHIAC levy payments made before the commencement of the current Bill.

Endnotes

1 Section 55.

2 Explanatory Memorandum, p. 2.

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