

2015 Chairman's Report

This year has been a uniformly positive one for your Association, with substantial progress in all facets of our operation.

The keystone of PHIIA, the PHII Code of Conduct, has been revised and updated, and the new version was released at the end of the financial year. While no major changes were needed, the entire document has been refreshed, and a more comprehensive Self-Audit procedure implemented. The updated Code has been uniformly accepted by members, the majority of whom have already re-confirmed their commitment through completion of the upgraded self-audit process.

In tandem with the updating of the Code itself, the Code of Conduct Committee has been strengthened with the appointment of an independent Chair, Ken Ramsay. Ken is a corporate and commercial lawyer and adviser, and has extensive Board experience. He is one of HCF's Elected Councillors, whose tasks include ensuring HCF's governance standards are implemented and maintained. He is also the independent Chair of the Medical Technology Association of Australia, and we are fortunate in having such a depth of experience available to us for such a key role in your Association.

Membership continues to grow. While there are still a couple of industry "names" who are absent, and should be a part of PHIIA, we are confident that the renewed professionalism that we are able to demonstrate to the industry will quickly bring them into the fold.

The appointment of Minister Ley in December 2014 to replace Minister Dutton at the Department of Health has challenged once again our ability to address policy issues with the Government, as the shape of their policy direction is yet to become entirely clear. The opening in recent months of a number of policy reviews, including that of Dr Steven Hambleton's Primary Health Care Advisory Group, and Minister Ley's recent "consumer consultation" on Private Health Insurance, have raised a number of issues that will, inevitably, take some time to resolve into clear policy directions.

The fundamentals of funding health care in Australia however remain unchanged: we are facing increasing health costs through our ageing population, and through the implementation of more effective – and expensive – technologies. The impact of these will necessitate some careful adjustments in the coverage that insurers will provide, to ensure that their policies remain both affordable and fit for purpose. This will in turn place a greater burden on PHI intermediaries to ensure that the advice they give is both accurate, and appropriate to the individual. In this environment, your Association's commitment to ensure the public is both fully informed and honestly treated in the process of acquiring a policy, becomes paramount. Underlining this increased responsibility, APRA has recently announced that it intends to align prudential standards for private health insurance with the other industries it regulates, "where it makes sense to do so".

Much of our progress this year can be traced to the energy and commitment of our CEO, David Wright. I am fortunate to be able to rely upon his extensive experience across many facets of the Health industry, and on his dedication to continuous improvement in all our activities. I would also like to thank your Board, who continue to give generously of their time to ensure the Association meets the needs and aspirations of its members.

David Miller, Chairman, PHIIA
November 2015