

MEDIA RELEASE

Sale of Medibank Private will contribute to improved competition and choice for consumers

Australia's peak body for member-owned and community-based private health insurers, hirmaa, has welcomed the Australian Government's decision to open pre-registration for the sale of Medibank Private and supports the sale conditions so far announced.

"It is important that the structure of the Medibank sale enhances competition and conditions placed on the sale would certainly seem to encourage that. There are strict conditions that limit any one shareholder to a 15% share-holding and a fair pricing structure," hirmaa CEO Mr Matthew Koce said.

"Medibank is owned by all Australians so it is only fair and reasonable that there be a single share price for all mum and dad investors regardless of whether or not they are policy-holders."

Mr Koce also expressed support for the position that there is no reason for the Government to continue owning a private health insurer.

"Ongoing concern around the Federal Government owning the country's largest for-profit private health insurer, while also being responsible for the industry's regulation, will finally be resolved once and for all thanks to the sale of Medibank Private," said Mr Koce.

"Value for money, efficiency and good customer service is achieved through competition, not government ownership and the sale of Medibank Private will be a win-win for everyone."

"We know that competition, choice and innovation within the private health insurance sector is very much alive and well. There are currently 34 private health insurers operating across Australia, ranging from the very large to very small, with funds that are regional, industry and community based, for profit and not-for-profit."

"And it is the member-owned and community based funds represented by hirmaa, which are recording high levels of customer satisfaction and are growing faster than the industry average."

"At the end of the day, the decision to sell Medibank Private through an IPO is sound and will benefit consumers. Importantly the sale will also benefit the broader economy, with proceeds from the sale to be invested into productivity enhancing infrastructure thanks to the Asset Recycling Initiative."

hirmaa is the peak industry body for eighteen member-owned and community-based private health insurers. In all, the hirmaa funds provide private health insurance for over one million Australians.

29 September, 2014

Further enquiries:

Matthew Johnson
(03) 9896 9371