



Australian Government

**Department of Health,
Disability and Ageing**

Ms Joanna Abhayaratna
Executive Director
Office of Impact Analysis
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Email: helpdesk-OIA@pmc.gov.au

Dear Ms Abhayaratna

Impact Analysis – Modernising the Private Health Insurance Rebate – Second Pass Final Assessment

I am writing in relation to the attached Impact Analysis (IA) prepared for modernising the Private Health Insurance (PHI) Rebate.

I am satisfied that the IA addresses the concerns raised in your letter of 17 April 2026. Specifically, the IA has been amended to:

- More clearly define the policy problem and detail how it impacts the affected stakeholders
- Utilise a multi-criteria analysis for determining the ‘net benefit’ of each proposed option
- Include in the consultation section a discussion on how the proposal accounts for stakeholder views
- Include in the evaluation section a more detailed explanation on the methodology, responsibilities and key decision points.

The regulatory burden to business, community organisations or individuals is quantified using the Australian Government’s *Regulatory Burden Measurement* framework and is provided below.

Regulatory burden estimate table

One-off regulatory costs (from business as usual)				
Change in costs (\$)	Business	Community organisations	Individuals	Total change in costs
Option 2	\$689,584	\$0	\$0	\$689,584
Option 3	\$1,324,140	\$0	\$0	\$1,324,140

Accordingly, I am satisfied that the IA is consistent with the six principles for Australian Government policy makers as specified in the *Australian Government Guide to Policy Impact Analysis*.

I submit the IA to the Office of Impact Analysis for formal final assessment.

Yours sincerely



Celia Street
Deputy Secretary
Systems Strategy Group
Department of Health, Disability and Ageing
11 May 2026