



Australian Productivity Commission
Level 2/15 Moore Street
CANBERRA CITY ACT 2600

By email: transtasmanreview@pc.gov.au

18 October 2012

Dear Sir/Madam

STRENGTHENING TRANS-TASMAN ECONOMIC RELATIONS

The Insurance Council of Australia (Insurance Council) welcomes the release of the Productivity Commissions of Australia and New Zealand's Discussion Draft on *Strengthening trans-Tasman economic relations* (Discussion Draft) and is pleased to provide further comment to the Joint Study.

Our submission dated 4 June 2012 raised for consideration:

- inconsistency between the prudential regulators' solvency standards and;
- as a longer term goal, harmonisation of the disclosure requirements applying to general insurance products, noting scale benefits would flow if common disclosure documents could be used by insurers active in both markets.

The Insurance Council has no special insights it can offer in response to the Discussion Draft's question (Q4.5) about how further integration of trans-Tasman financial services may take place and the likely gains from such integration. It is logical that Australian and New Zealand markets such as general insurance which share major similarities not only for example in levels of consumer education and legal background but also many of the same insurers, would benefit from regulatory harmonisation. We suggest that APRA and ASIC continue to liaise regularly to ensure consistency wherever possible between Australian and New Zealand regulatory requirements.

Consequently, the Insurance Council was pleased the Discussion Draft, in considering financial services, outlined a range of areas where the regulators have pursued unilateral adoption or mutual recognition including disclosure, such as the Financial Market's Authority's Effective Disclosure Guidance to assist investors and advisors, modelled on the Australian scheme in consultation with ASIC.

The Insurance Council looks forward to the Commissions' final report. If you require further information, please contact Mr Anning, Insurance Council's General Manager Policy-Regulation Directorate

Yours sincerely

Robert Whelan
Executive Director & CEO