

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Supplementary Budget Estimates 2014 - 2015, 22 October 2014**

**Ref No:** SQ14-001165

**OUTCOME:** 3 - Access to Medical and Dental Services

**Topic:** Medicare levy

**Type of Question:** Hansard Page 59, 22 October 2014

**Senator:** Reynolds, Linda

**Question:**

Senator REYNOLDS: Thank you. Could you just explain for me—I am new to this estimates committee—the current Medicare levy and levy surcharge and what their purposes are.

Dr Bartlett: The Medicare levy is effectively a levy that was put in place when the Medicare arrangements started. It was designed initially to fund a significant part of the Commonwealth's costs in terms of the MBS. It has been changed a number of times over the years, most recently when an amount was added to cover the cost of the NDIS. The Medicare levy surcharge was introduced more recently. That was designed to encourage people to take out private health insurance. Those above an income threshold who did not take out private health insurance incurred a surcharge which they had to pay. That has also changed. There are now means testing arrangements in place and, as part of those arrangements, the amount of surcharge that you have to pay goes up with your income.

Senator REYNOLDS: What proportion of the Commonwealth's current health expenditure does the surcharge cover as a proportion of expenditure on the MBS?

Dr Bartlett: I have that data, but you may have to bear with me. I might actually take that on notice; otherwise I am going to be digging through figures for some time.

**Answer:**

In 2012-13, the Medicare Levy raised \$9.8 billion (This figure includes revenue from both the Medicare Levy and the Medicare Levy Surcharge).

In 2012-13, the Commonwealth Government expenditure on health was around \$62 billion, this includes \$18.6 billion for Medicare Benefits Schedule services.