

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 118

Topic: Medicare Levy Surcharge

Hansard Page: Wednesday 30 May 2012, page 108-109, 111

Senator WATERS asked:

Senator WATERS:... I have one final question. We received a response to a question Senator Brown put on notice—AET 148—about the Medicare levy surcharge. His question at the time was:

Should the Medicare levy surcharge be costed like a 'tax expenditure' as it is effectively an increase in the marginal tax rate with a concession for people who take out private health insurance?

We have not had an answer to that, so I am eager to know your take on whether it is effectively the use of the tax system to provide a subsidy to the private health insurance sector.

Mr Heferen: Was that question taken on notice at the previous estimates?

Senator WATERS: Yes. That is my understanding. And we do not yet have a reply.

Senator Wong: Could you say that again?

Senator WATERS: The question was, and I quote:

Should the Medicare levy surcharge be costed like a 'tax expenditure' as it is effectively an increase in the marginal tax rate with a concession for people who take out private health insurance?

Mr Heferen: If we took that on notice, we will follow that up. We apologise if that has not been provided.

Senator WATERS: When, roughly, do you think we will be able to get a response to that?

Mr Heferen: I am not sure.

CHAIR: We should have had one already.

Senator WATERS: That is my point.

Senator Wong: We do not know. I take the senator's word for it, but I do not know what has occurred. We will look at it.

CHAIR: There are a few outstanding. There were a lot of questions on notice on mitigation.

Mr Heferen: I have some information that suggests we have provided a response. It was published on the APH website.

CHAIR: We will get the committee secretary to follow that up.

Senator WATERS: Obviously that has not made its way to us. Thank you, if that is the case. I will look forward to reading it. On the last issue, I have just been informed that we did get a response but it did not actually answer the questions. So perhaps you could take the question on notice again and give us an answer.

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Senator Wong: I am going to be difficult. If you do not like the response, you should explain to us what you do not like about it. It may be that we did not answer in the way you wanted us to or it may not be answerable, or for other reasons. Do you have the question? Perhaps you could tell us what you do not like about the answer.

Senator WATERS: I do not have the answer in front of me. Nor do you, it appears.

Senator Wong: Apparently I do now.

Senator WATERS: In the interests of not stealing Senator Ludlam's time, I undertake to rephrase the question and resubmit it on notice.

Senator Wong: Just give us 30 seconds.

Ms Granger: We have put together and published now a five-year trend of litigation cases, disputes and numbers resolved et cetera. I flagged the bit that defines the size of the small number that go through to appeal. I thought it might be of use to the committee.

CHAIR: Thank you. If Senator Waters is not happy, she will have to come back on notice.

...

Senator WATERS: Thank you, Chair. I appreciate that. In reference to that earlier answer to question 148, the aspect of the question that was not answered was whether or not the Medicare levy surcharge should be costed like a tax expenditure and why. What is the reason it is not costed in that manner? If you are able to answer now, great. If not, I beg the Chair's indulgence and you can take that on notice.

Mr Heferen: We had the answer. We have given it away.

CHAIR: Take that on notice.

Senator WATERS: I am happy with that.

Answer:

See answer to BET 360-361.