

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 2012

15 – 17 February 2012

Question: AET 145

Topic: Assistance to the Private Health Insurance Industry

Hansard Page: Written

Senator BROWN asked:

145. How does the amount of assistance provided to the private health insurance industry through the rebate of premia and the Medicare levy surcharge compare to the amount of assistance provided to the car industry and other parts of manufacturing industry?

Answer:

The Commonwealth Government provides a rebate towards the cost of private health insurance premiums for all Australians who are eligible for Medicare and who are members of a registered health fund. The level of rebate is currently 30 per cent for people under 65, 35 per cent for people aged 65-69 and 40 per cent for people aged 70 and over. From 1 July 2012, means testing arrangements will be introduced that progressively reduce the amount of the rebate for individuals earning more than \$84,000 and for families (with one child) earning more than \$168,000. In 2009-10, expenditure on the private health insurance rebate was around \$4.5 billion (this includes assistance provided through the premium reduction and incentive payments schemes, and the private health insurance tax offset).

Direct Commonwealth budgetary assistance for the manufacturing industry was around \$1.8 billion in 2009-10 (this does not include tariff assistance). This includes an amount of around \$721 million for the motor vehicles and parts industry.

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In 2009-10, the amount of direct budgetary assistance provided to the manufacturing sector was:

Direct budgetary assistance	(\$m)
Food, beverages & tobacco	82
Textiles, clothing & footwear	134
Wood & paper products	27
Printing, publishing & media	9
Petroleum, coal & chemicals	200
Non-metallic mineral products	29
Metal product manufacturing	121
Motor vehicles & parts	721
Other transport equipment	39
Other machinery & equipment	177
Other manufacturing	36
Unallocated manufacturing	255

Source: Productivity Commission's Trade and Assistance Review 2009-10.

In 2009-10, the estimated amount of net tariff assistance provided to the manufacturing sector was:

Estimated net tariff assistance	(\$m)
Food, beverages & tobacco	1,232
Textiles, clothing & footwear	326
Wood & paper products	423
Printing, publishing & media	182
Petroleum, coal & chemicals	778
Non-metallic mineral products	215
Metal product manufacturing	1,415
Motor vehicles & parts	904
Other transport equipment	49
Other machinery & equipment	621
Other manufacturing	308

Source: Productivity Commission's Trade and Assistance Review 2009-10.