

Additional Comments

By Senator Rachel Siewert, the Australian Greens

Fairer Private Health Insurance Incentives Bill 2009

Fairer Private Health Insurance Incentive (Medicare Levy Surcharge) Bill 2009

Fairer Private Health Insurance Incentives (Medicare Levy Surcharge – Fringe Benefits) Bill 2009

The Australian Greens recognise that these Bills introduce a measure of equity into the private health insurance rebate, through the Private Health Insurance Tiers by means testing the private health insurance rebate. However, the Greens do not support the private health insurance rebate system, believing that these significant funds would be better spent in the under-resourced public health system. Notwithstanding these concerns, the Greens are broadly supportive of the new tiered rebate which will ensure that the rebates are better targeted to those on lower incomes.

Furthermore, the Greens believe that the Medicare Levy Surcharge is an unfair and inappropriate mechanism to force people to take out private health insurance. While once again, we acknowledge that these Bills introduce a tiered scheme of levies which are related to income level, the Greens are opposed to the levy surcharge in principle. Private health insurance should be a matter of personal choice to be made with neither incentives nor compulsion. We are concerned that the private health insurance rebate operates as a government subsidy for the health insurance industry, removing the need for the industry to develop products which are attractive to a full range of customers. In general, it is the view of the Australian Greens that the private health insurance rebate has a detrimental effect on both the public health system and the health insurance industry.

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