

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 3-5 June 2008

Question: bet 19

Topic: Medicare Levy Surcharge – Rebates

Hansard Page: Written

Senator Cormann asked:

In accordance with Treasury modelling:

1. What proportion of singles expected to drop private health insurance as a result of the Medicare Levy Surcharge change has Treasury estimated would attract the 30%, the 35% and the 40% rebate?
2. What proportion of couples expected to drop private health insurance as a result of the Medicare Levy Surcharge change has Treasury estimated would attract the 30%, the 35% and the 40% rebate?

Answer:

1. It is estimated that around 186,000 singles will drop their private health insurance cover as a result of this policy. The proportion of people within each rebate band is as follows: Around 175,000 singles (around 94 per cent) are estimated to currently attract the 30 per cent rebate, around 3,500 singles (around 2 per cent) are estimated to currently attract the 35 per cent rebate and around 7,500 singles (around 4 per cent) are estimated to currently attract the 40 per cent rebate.
2. It is estimated that around 149,000 couples will drop their private health insurance cover as a result of this policy. The proportion of people within each rebate band is as follows: Around 126,000 couples (around 85 per cent) are estimated to currently attract the 30 per cent rebate, around 10,500 couples (around 7 per cent) are estimated to currently attract the 35 per cent rebate and around 12,500 couples (around 8 per cent) are estimated to currently attract the 40 per cent rebate.