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Use taxpayer's money for public hospitals not private

"Stop Robin Hood in reverse - taking from poor and giving to rich"

The Government needs to use taxpayer's money to fund public hospitals rather than subsidising private health insurance says Public Health Association of Australia (PHAA) CEO Michael Moore.

"Australian's have the right to equitable health care and this cannot be achieved by pouring money into the private health system. An announcement by Greens Leader, Dr Richard Di Natale today shows why the Prime Minister needs to re-evaluate how this money could be used more effectively in supporting public hospitals," said Mr Moore.

Private Health Insurance (PHI) is subsidised by public funds including a [means-tested rebate currently paid at an average of 27.82%](#). The public cost of the rebate rises with PHI premium rises, reaching [\\$6.148 billion in 2014-15](#).

"This subsidy is simply inequitable. While all taxpayers are subsidising the cost of premiums less than half of all Australians qualify for the health insurance rebate. This is effectively Robin Hood in reverse - taking from the poor and giving to the rich," said Mr Moore.

"Over six billion dollars is subsidising the PHI rebate. This money could be invested into improving public hospitals so all Australians can receive equitable health care. Public funding of the PHI rebate gives poor value as public expenditure for better population health compared with publicly funded universal health care," says Mr Moore.

"The costs of the rebate far outweigh the benefits – by a factor 2.5 to one," says Senator Richard Di Natale. Mr Moore supported him, arguing "this statement hits the nail on the head. The PHAA congratulates the Greens for an equitable and affordable alternative to funding public hospitals across the country."

"The Government has a responsibility to provide equitable health care for all Australians. The cuts made by the Abbott Government did not take into account the impacts on the population. State and territory public hospitals have been put under enough pressure especially in rural and remote communities," said Mr Moore.

"The Turnbull Government has an opportunity to rectify the funding model and funnel the PHI rebate funds back into the public health care system," concluded Mr Moore.

For more information, see PHAA's Public Funding of Private Health Insurance Policy:
<http://www.phaa.net.au/documents/item/881>

For further information/comment:

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