

# Media Release

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Private Healthcare Australia  
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## Minns Government reveals plan for new \$156 health tax to hit NSW families next year

The NSW Government has finally revealed the details of its secret plan to nearly double a health tax on 4 million people with health insurance in NSW. This will create a new bill of \$156 for families in NSW from next year.

Legislation tabled in NSW parliament on Tuesday night proposes to increase the Private Health Insurance Levy in NSW from \$1.77 per week for people with health cover to \$3.27 per week. If the legislation passes, the tax hike of \$156 per family with two adults will appear on every health insurance bill in NSW in 2025.

While the NSW Government originally budgeted to raise \$490 million from people with health insurance over four years in June, this broader tax will now raise \$1 billion between 2024 and 2028, hitting half the population of NSW with a new bill during the worst cost-of-living crisis most people have ever experienced.

Dr Rachel David, CEO of Private Health Insurance Australia (PHA), the peak body representing 98% of Australia's private health insurance sector, vowed to fight the legislation designed to fix NSW Treasurer Daniel Mookhey's budget mess.

"NSW is the only state in Australia taxing people for contributing to their own healthcare via health insurance and now the Government is proposing to almost double that tax during a cost-of-living crisis," she said.

"This is not about improving the health system or health services in any way. People with health insurance are already paying taxes to fund public hospitals and insurance premiums to access private hospitals. It is extremely unfair to make 4 million people in NSW pay twice for nothing in return."

Dr David said 65% of people with health insurance have a taxable income of \$90,000 or less and 38% have an income of \$50,000 or less.

"The NSW Government is not reading the room on this. We are in a cost-of-living crisis. Our research shows people are making enormous sacrifices to pay for health cover so they don't have to join the longest waiting lists for public healthcare in the country. They are cutting back on food, petrol, and other essentials to prioritise their healthcare, and now the NSW Government wants to tax them more for doing this? How can they justify it?"

Over the past six months, NSW Treasurer Daniel Mookhey and Health Minister Ryan Park have lied in Parliament, to the public, to health funds and the media about the facts of this issue. They initially claimed the Budget needed an additional \$140 million per year over four years, and now their new tax will penalise consumers more than double this amount - over a billion dollars in extra tax over the forward estimates.

PHA modelling shows the tax will prompt about 60,000 people to drop their health insurance. This will put more pressure on the stretched NSW public health system, forcing more people into public hospital emergency departments.

*Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 22 Australian health funds. 14.9 million Australians (55% of the population) have private health insurance.*

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“Private healthcare plays a crucial role in taking pressure off our public health system. Two thirds of elective surgery is funded by health insurance in the private health system. If people drop their cover, this will impact on waiting times for emergency department care and elective surgery for all NSW residents,” Dr David said.

“If Mr Mookhey and Mr Park really cared about the residents of NSW and its health system, they would not be pursuing a reckless tax that will financially hurt half the people in the state. We urge the Government to stop pursuing the hard-working people of NSW to foot the bill for their Budget mess.”

PHA has launched a radio, TV, and social media advertising campaign calling on MPs to press pause on this harmful and ultimately futile revenue raising measure.

Visit PHA’s “Stop the health tax” campaign [here](#).

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