

Media Release

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Private Healthcare Australia
Better Cover. Better Access. Better Care.

ACT Government must abandon its secret \$180 tax on health insurance

Canberrans with health insurance will be slugged \$180 a year from January – or \$360 for families - after the ACT Government quietly increased its so-called ‘ambulance levy’ in this year’s Budget.

The levy only applies to people with private health cover, making it a health insurance tax by stealth. More than 319,000 ACT residents (65%) will be hit in a territory where people already pay the highest fees for GPs, specialist doctors and private hospital procedures in Australia.

Private Healthcare Australia CEO Dr Rachel David said instead of supporting people who are taking pressure off Canberra’s already stretched public hospitals, the Barr Government is penalising them to plug its budget deficit.

“This tax now adds \$180 to the annual cost of health insurance for individuals in 2026 and a whopping \$360 for families,” Dr David said.

“Most people with health cover are not wealthy – two-thirds earn under \$90,000 a year. In the middle of a cost-of-living crisis, they simply cannot afford another hit.”

Dr David warned the tax could force people to downgrade or drop their cover, driving them into the public health system which is already under pressure with long waits for emergency and planned surgery.

“Private hospitals currently deliver two-thirds of all elective surgery, 55% of mental health admissions and 76% of rehabilitation care. Losing this capacity would put enormous pressure on Canberra’s public hospitals,” said Dr David.

“People in the ACT with private health insurance are being stung multiple times to pay for the same services. They pay through their taxes, through their health insurance premiums, through extra fees and charges when they go to a public hospital, through the increased levies, and through paying the most inflated doctors’ fees in Australia.

“When the Barr Government was elected it promised to reduce the cost of living and improve access to healthcare. This health insurance tax clearly does the opposite, and it could well blow out waiting times for care in public hospitals even more.”

Dr David criticised the ACT Government for recently encouraging public hospitals to bill private insurers, calling it a short-sighted revenue grab that would also drive up the cost of health cover.

Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 22 Australian health funds. 15 million Australians (55% of the population) have private health insurance.

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“Public hospitals are meant to be free of charge for all patients. We all pay our taxes to support this. When a public hospital bills your health insurer, you don’t get anything in return and it drives up the cost of health insurance premiums for everyone in the ACT,” she said.

“We all understand the Barr Government has a massive deficit. But slugging families who are trying to do the right thing is the wrong answer. This policy is a kick in the teeth for ordinary Canberrans and must be scrapped.”

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