

Tax Working Group Public Submissions Information Release

Release Document

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

From: Rosser Thornley [1]
Sent: Saturday, 29 September 2018 12:18 PM
To: TWG Secretariat
Subject: Submission - Tax Working Group
Attachments: TAXGROUPOCT18.docx

Dear Secretariat Manager - please find attached a submission for the attention of the Chair

This subject appears to have not been taken up in submissions to date. **Given the size of potential tax saving, 2.8 billion dollars over the last 20 years,** it is clearly an important area for the working group to consider

Yours sincerely

Rosser Thornley
RAGLAN

[1]

1 October 2018

The Chair
Tax Working Group
Po Box 3724
WELLINGTON 6140

[1]

Dear Sir Michael

Reference – Recovery of health treatment costs provided to overseas visitors to NZ not eligible for publicly funded care

Recommendation

That a review of the systems to identify, invoice and recover the above be done and recommendations for implementation of best practice be made to Parliament with the objective of optimising recovery of these costs

Comment

In 2010 I made a submission to Parliament in regard to the NZ Public Health and Disability Amendment Bill of the need to optimise the amount recovered from overseas visitors who received publicly funded healthcare while in New Zealand. Subsequently, information on this subject was included in the Auditor General's Health Report to Parliament. Regretfully, no action was taken by Parliament to either the submission or the Auditor General's report

Over the last 20 years, on the basis of an average annual Vote Health of 12.5 billion dollars, 250 billion dollars has been spent on public health. Of this amount it is estimated that 1.5% has been spent on overseas visitors, or 3.75 billion dollars. Of this amount only 25% has been recovered meaning an **estimated 2.8 billion dollars being paid for by NZ taxpayers**. It is estimated that this cost was 180 million dollars in the financial year ended 30 June 2018

The estimate of 1.5% of Vote Health being spent on overseas visitors is confirmed by department of statistics information of tourist overnight accommodation which shows that at any point of time during the year this is the percentage of overseas visitors in the total population. The estimate of 25% recovery is based on information provided to the ministry of health by public health providers in relation to the amount of overseas patient debt written off

The problem with this subject is that it is not possible currently to accurately calculate the cost as it is not being systematically measured. Now that there is an opportunity to match the travel insurance details of overseas visitors with any subsequent health treatment received while in NZ, there is no reason why this cannot be done. The cost can then be recovered by way of a claim on insurance. The insurance sector is currently receiving a significant subsidy from the NZ taxpayer via Vote Health for claims not made

Thank you for your consideration of this submission. I would be happy to take any questions from your officials, if needed.

I have made this submission after a search of the Tax Working Group submissions to-date, where it would seem that no reference is made to this subject. It is an opportunity to do so now on behalf of the NZ taxpayer and public health providers

Best wishes with your work and I trust it leads to positive changes being made following the consideration of Parliament

Rosser Thornley