

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
2006-07 Additional Budget Estimates Hearing
15 & 16 February 2007

AGENCY/DEPARTMENT: INDUSTRY, TOURISM AND RESOURCES

TOPIC: *LPG Vehicle Conversion Rebate Scheme*

REFERENCE: WRITTEN QUESTION

QUESTION No. AI-69

Senator EVANS asked:— Can the Department confirm that it has budgeted over \$35m to administer this scheme in the four years to 2009-10?

ANSWER

The Department has \$35.167m to administer the program up to 2009-10. The Program has agreed funding of \$62.259m up to 2014-15.

- The departmental budget for the LPG Vehicle Scheme in the four years to 2009-10 is \$18.935m.
- The Centrelink budget for the LPG Vehicle Scheme (appropriated to DITR) in the four years to 2009-10 is \$16.232m.
- The Medicare budget for the LPG Vehicle Scheme in the four years to 2009-10 is \$3.812m. Medicare is appropriated this funding directly.

QUESTION No. AI-70

Senator EVANS asked:— Can the Department provide a breakdown and explanation for the expenses related to the administration of this scheme?

ANSWER

Departmental Expenses	Funding to 2009-10 (\$m)
ASL expenses: <ul style="list-style-type: none">• Policy (program design, implementation, advice, review).• AusIndustry (program design, implementation, delivery management, financial management, marketing and customer channel management)	2.649
Non-ASL expenses: <ul style="list-style-type: none">• Marketing• Customer Hotline Service• Additional Bandwidth• Customer information packs	16.286
Centrelink Program Delivery	16.232
Medicare Program Delivery	3.812

QUESTION No. AI-71

Senator EVANS asked:— Can the Department detail what administrative responsibilities Centrelink will have in relation to this scheme?

ANSWER

Centrelink has responsibility to deliver the LPG Vehicle Scheme. In particular, Centrelink will:

- receive applications;
- assess applications, including the determination of applicant eligibility as specified in the Ministerial Guidelines;
- pay LPG Vehicle Scheme claims to eligible applicants from funds that are appropriated to DITR for that purpose;
- notify customers of the outcome of their application;
- undertake internal review of decisions made in relation to applications;
- notify customers of overpayments and raise and recover debts where appropriate;
- undertake Program Compliance; and
- provide to the Department management information.

QUESTION No. AI-72

Senator EVANS asked:— Can the Department detail what administrative responsibilities the Department will have in relation to this scheme?

ANSWER

The Department has responsibility for all policy and delivery management aspects of the LPG Vehicle Scheme.

Policy for the Scheme includes:

- scheme design and implementation;
- policy advice;
- reporting to the Government on progress with the Scheme;
- ministerial correspondence on the scheme; and
- scheme review.

Delivery Management of the Scheme includes:

- managing and monitoring the contractual arrangements for the Scheme;
- responsibility for effectiveness and monitoring of compliance activities and outcomes;
- establishment and on-going management of the program documentation;
- financial management;
- reporting management;
- management of key stakeholder relationships;
- customer channel management, including website and hotline; and
- marketing the Scheme.

QUESTION No. AI-73

Senator EVANS asked:— Why has the Department estimated that the cost of administering the scheme will peak in 2008-09, given the value of the grants will fall from 2006-07?

ANSWER

The estimated cost of administering the LPG Vehicle Scheme was based on the initial estimation that expected customers would peak in 2008-09 and 2009-10. The Scheme, however, is demand driven and it is not necessarily the case that the value of grants will fall from 2006-07.