

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 2 June – 4 June 2009

**Question: bet 157**

**Topic: Proposal to Means Test the Private Health Insurance Rebate**

**Hansard Page: E89, 90**

**Senator Cormann asked:**

**Senator CORMANN**—I have a series of questions in relation to the proposal to means test the private health insurance rebate. Can you describe the process of Treasury advising the government regarding the proposal to means test the private health insurance rebate?

**Mr Parker**—There was a process of advice in the context of the budget being put together. It involved a cross-portfolio exercise—Treasury, Health and the Department of Finance.

**Senator CORMANN**—When did you first provide advice on the proposal?

**Senator Conroy**—I appreciate you will argue that a date goes simply to a process. The budgetary process is—

**Senator CORMANN**—The Prime Minister's department and the finance department have answered exactly that question. I can tell you that the finance department provided advice on 22 February. The Prime Minister's Department provided advice first on 23 February. I am sure that Treasury—

**Senator Conroy**—We will take it on notice. If Treasury has anything it would like to add then we will come back to you.

....

**Mr Parker**—In terms of issues around costing or the mechanism relating to the Medicare levy surcharge and so forth, we are the right people to ask about those issues.

**Senator CORMANN**—Can you tell me when you first provided advice to government on this particular budget measure and who initiated the work?

**Senator Conroy**—We said that we would take that on notice and make sure we get the accurate answer. You asked the wrong group the question.

**Senator CORMANN**—I am asking you: when did your group first provide advice on it? Can you give me a date?

**Mr Parker**—We will take that specifically on notice.

**Senator CORMANN**—How long is it going to take you to get back to us? Can you get back to us by the end of tomorrow?

**Senator Conroy**—We will endeavour to do that.

**Answer:**

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Please refer to the following Hansard extract from 3 June 2009 (page E 78) in which Mr Nigel Ray provides a response to the above question.

**Senator CORMANN**—When did Treasury first provide advice on a proposal to means test the private health insurance rebate?

**Mr Ray**—I presume you mean to this government?

**Senator CORMANN**—That is what I mean, yes.

**Mr Ray**—In the current budget round I think the first time we provided written advice—we may well have provided some oral advice earlier—was on 20 February.

**Senator CORMANN**—I have just had evidence from the Department of Health and Ageing that they first provided advice on 12 January. Does that mean that Treasury did not initiate this particular policy measure?

**Mr Ray**—I cannot answer for the department of health as to what advice they provided to their ministerial wing.

**Senator CORMANN**—Let me rephrase the question. At whose request did you provide advice on 20 February?

**Mr Ray**—We provided advice on 20 February at the request of our minister.

**Senator CORMANN**—So, it was the Treasurer?

**Mr Ray**—His office acting on his behalf.