

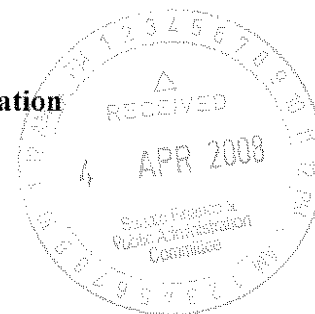
Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Deregulation Portfolio

Department of Finance and Deregulation

Additional Estimates Hearing – February 2008



Question: F91

Outcome 2, Output 2.1.2

Topic: Insurance and Risk Management

Written Question on Notice

Senator Ronaldson asked:

What would be the bottom line impact on the Federal Budget if Comcover was no longer in operation?

Answer:

The budget impact would be partly dependent on whether Comcover was replaced by allowing or requiring departments and agencies to take out commercial insurance, or whether agencies were required to operate under self insurance arrangements, and the balance between premiums and claims paid under any commercial insurance arrangements.

It would also reflect the extent to which agencies received budget supplementation to cover insurance related costs (including any costs arising from self insurance), or were required to meet costs by replacing other expenditure.