

**Standing Committee on Finance and Public Administration**

**ANSWER TO QUESTION ON NOTICE**

**Additional Budget Estimates Hearing – February 2009**

**Medibank Private Limited**

**Topic: Medibank Private Limited**

**Question reference number: F29**

**Type of Question: Hansard (p51, 24/2/2009)**

**Date set by the committee for the return of answer: 9 April 2009**

**Number of Pages: 1**

**Senator MOORE asked:**

**Senator MOORE**—Mr Savvides, I want to ask you about the issue of reducing payroll deductions. Both Senator Forshaw and I have just been told that we cannot have payroll deduction any longer for our Medibank Private contributions. What is the cut-off in your process to determine what is economically viable and what is not?

**Answer:**

Extensive modelling has been done on the efficiency and cost effectiveness of the group payroll deductions over the last few years and a conclusion has been reached that the minimum viable group size is around 500 members. To services the immediate growth from Medibank and as a result of a new contract win with NSW Health, over the past few months we have hired 14 new people who have joined the Total Health team in the Wollongong service centre.