

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearings, 25-26 May 2005

Question: F10- F13

Outcome: 1.1, Output: 1.1.1

Topic: Medicare Safety Net

Hansard Page: F&PA 37-39, and 57

Senator Sherry asked:

Was allowance made for the possibility that people would increase their expenditure? Was there any allowance made for the possibility of fee increases or the restructuring of fees? Was an allowance made on this occasion for any behavioural effect in response to the lower thresholds? What has been assumed about the proportion of those people who would access the scheme through the lower threshold? Had it been assumed that 81 per cent of recipients would be concession cardholders?

Answer:

The Department of Finance and Administration does not comment publicly on the assumptions underlying a costing which forms the basis of advice to Government.

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ANSWERS TO QUESTIONS ON NOTICE

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Budget Estimates Hearings, 25-26 May 2005

Question: F23

Outcome: 1.1, Output: 1.1.1

Topic: Medicare Safety Net

Hansard Page: F&PA 100

Senator Sherry asked:

When and how was Minister Minchin advised about the situation regarding the safety net (post election)?

Answer:

By late August 2004, the Department of Finance and Administration was aware that the estimates for the Medicare Safety Net would need to be revised significantly. However, the full extent of the revision to the estimates was not apparent until revised estimates were finalised in September as part of preparing the *Pre-Election Economic and Fiscal Outlook 2004*. By this time, the caretaker period had commenced and it would not have been appropriate to brief the Minister. Further information on the extent of the increase in the estimates was published as part of the Charter of Budget Honesty costings in relation to Abolition of the Medicare Safety Net.

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