

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Treasury

Question: BET 38

Topic: Medicare co-payment

Reference: Hansard - pg 104-105, 4 June 2014

Senator: Wong

Question:

Senator WONG: You were very upfront about that before the election too! I want to clarify a couple of things with Mr Ray on this point. I am not asking what the conclusions were or what the data said, but did Treasury conduct an assessment of the demand impact of a co-payment? Is that the term I should use?

Mr Ray: Yes, I know what you mean. The response or the elasticity. The Department of Health and the Department of Finance agreed to that in the costing process.

Senator WONG: Was that based on Treasury data?

Mr Ray: No, it would have been based on health data.

Senator WONG: Are you aware of what was agreed in the costing process?

Mr Ray: Yes, I think that has already been asked. I think finance answered that.

Senator WONG: I might have been out of the room.

Mr Ray: It was one per cent.

Senator WONG: Did you undertake what I think is called a distribution analysis? So how the co-payment might effect different cohorts, different demographics, different income groups and different family types?

Mr Ray: That is going to advice to government.

Senator WONG: I am not asking what the analysis showed. I am asking if you undertook it.

Mr Ray: Not in the way that you might think about distribution analysis in terms of direct payments to households, such as transfer payments or taxes. That is, direct payments from households to government. That sort of distribution analysis is undertaken not of a co-payment, per se, but of all services provided by government. It is undertaken by the ABS on an periodic basis and with a long lag.

Senator WONG: That was a nice diversion, Mr Ray. But I am asking what you did.

Mr Ray: As you know, we do not normally discuss what we may or what we may not have done in the advice that we provided to the government.

Senator WONG: I am not asking you what was contained in the advice.

Mr Ray: I know.

Senator WONG: The Senate is very clear about the scope of its inquiry. I am simply asking what assessment, in terms of impact, did Treasury undertake in relation to the co-payment?

Mr Ray: I understand what you are asking. I am happy to take it on notice and check.

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Answer:

38. As part of the Government decision making process advice on the co-payment was provided to the Treasurer. In formulating this advice, Treasury undertook analysis of the co-payment.