

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**ADDITIONAL ESTIMATES 2015-16**

Finance Portfolio  
9 February 2016

**Department/Agency:** Department of Finance

**Outcome/Program:** 2/2.7

**Topic:** Monetary effect of the Medicare safety net arrangements and the PBS increase in co payments

**Senator:** McAllister

**Question reference number:** F4

**Type of question:** Hansard Proof, F&PA Committee, Page 28, 9 February 2016

**Date set by the committee for the return of answer:** Friday, 1 April 2016

**Number of pages:** 1

**Question:**

**Senator McALLISTER:** What is the monetary effect of the two measures relating to the Medicare safety net arrangements and the PBS increase in co-payments? What is the impact of those two measures on the MRFF, given that those two measures are yet to pass the parliament?

**Senator Cormann:** We might have to take that on notice, but as Dr Helgeby previously indicated, we are confident that we are on track to reach the target capital of about \$20 billion in the same time frame, despite the parliament not having passed the measures that you mention. But in terms of giving you a specific detailed breakdown, we might provide that to you on notice.

...

**Senator McALLISTER:** ... So I think what we are looking for then on notice is what the financial impact would be should those measures fail to pass through the parliament.

**Senator Cormann:** Sure, we can do that.

**Answer:**

Based on current projections and government policy, the Medical Research Future Fund (MRFF) is expected to reach \$20 billion by 2019-20.

At the 2014-15 Budget, the *Simplifying Medicare Safety Net* measure was to save \$266.7 million and the *Pharmaceutical Benefits Scheme – increase in co-payments and safety net thresholds* was to save \$1.3 billion over the forward estimates.

If the savings from these two measures are excluded, the MRFF would be expected to reach \$20 billion one year later, in 2020-21.