

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Budget Estimates 2006-2007, 25 May 2006

Question: HS3

Outcome 1, Output 1

Topic: Office of Access Card – Savings related with access card

Hansard Page/Written Question on Notice: F&PA 63

SENATOR Evans asked the Minister for Human Services, upon written notice:

Mr Leeper—I am sure some work was done. I am just trying to address what I think is in your question, which is that KPMG may have been provided absolute figures by the agency. I am not sure that I could say that. So at the ends of a spectrum we are probably in the middle somewhere.

Senator CHRIS EVANS—Perhaps you can see if there is an officer in the room during the course of the day who could help us with the question: what work was done, what the assumptions were, what was given to KPMG as the basis for the \$3 billion, the nature of work done for them and whether it consisted of more than just having a chat about it? While you are at it, can you confirm for me whether it is \$3 billion, up to \$3 billion, as much as \$3 billion? The term has been thrown around a bit in the media by various persons and I just want to check what we are actually saying. Is the estimate \$3 billion or is it up to \$3 billion?

Answer:

The health and social services access card was not introduced as a savings measure.

The estimate of savings resulting from the introduction of the Access Card is between \$1.6 billion and \$3 billion over ten years.

This savings estimate was developed on the basis of high level estimates of fraud and leakage, particularly in Centrelink and Medicare Australia. Further work will be undertaken to refine these estimates and determine the level of savings that can be expected to arise from the measure.

To prepare this answer it has taken approximately 1 hour and 9 minutes at an estimated cost of \$72.