

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2011-2012, 15 February 2012

Question: E12-112

OUTCOME 5: Primary Care

Topic: SORELL GP SUPER CLINIC

Written Question on Notice

Senator Bushby asked:

- a) The Department has said the funding agreement for the Sorell GP SuperClinic between the Department and Sorell Integrated Health is in the process of being terminated - when is that expected to be finalised?
- b) Ms Taylor from the Department said that legal advice was being sought - in what respect and on what issues?
- c) The Department has said it became aware Sorell Integrated Health was not proceeding in June 2011. Can you please explain why almost nine months on, the agreement still has not been terminated (i.e. what procedures/meetings/discussions have been undertaken)?
- d) What is the amount of money that the Department claims Sorell Integrated Health must re-pay and over what timeframe?
- e) An invitation to apply for 'Primary Health Care Infrastructure Grants' in Sorell and Brighton, as part of the GP Super Clinics Program was advertised in December and said, 'a total of \$2 million is available under three funding streams.' Is this less than the original amount announced for the Sorell GP SuperClinic? Please detail how the remainder has been spent.
- f) What will happen to the money recouped from the Sorell GP SuperClinic?
- g) How will the Department guarantee that it will be spent on health services in Sorell and surrounding communities?
- h) How will the successful applicants be chosen?
- i) When is the Department expected to make an announcement on the successful applicant/s?

Answer:

- a) When both parties reach agreement on the specific terms of the Deed of Mutual Termination and the Deed has been executed.
- b) Advice has been sought in respect of the nature of arrangements to be included in the Deed of Mutual Termination document. The main provisions in the Deed include audited financial statements, repayment of funds and warranties by each party.
- c) In late July 2011, Sorell Integrated Health Ltd advised the Department of Health and Ageing that it was unable to establish a viable GP Super Clinic in Sorell within remaining grant funds. The Department subsequently took steps to advise the Minister and began the legal process of developing a Deed of Mutual Termination. A copy of the Deed of Mutual Termination has been forwarded to Sorell Integrated Health Ltd for consideration by its Board. Discussions to reach an agreement in relation to the final wording of the Deed are progressing.
- d) As indicated by Ms Taylor in the context of the Supplementary Budget Estimates Hearing of 19 October 2011, the Department will require Sorell Integrated Health Ltd to return the remaining funds it holds which are approximately \$570,000.

The amount of funds and the timing of the repayment of those funds will be known following the execution of the Deed of Mutual Termination and the acceptance by the Department of audited financial statements.

- e) The original amount was \$2.5 million. As indicated by Ms Taylor in the context of the Supplementary Budget Estimates Hearing of 19 October 2011, around half a million dollars was spent primarily on architectural fees, and some council and project management fees.
- f) The Government has announced that \$2 million will be made available for a competitive Invitation to Apply (ITA) for Sorell and Brighton and the surrounding region.
- g) The competitive ITA process for \$2 million in Primary Health Care Infrastructure Grants (Tasmania) for Sorell and Brighton and the surrounding region was advertised in December 2011 and closed in February 2012.
- h) Successful applicants will be determined in accordance with the Guidelines issued as part of the competitive ITA process.
- i) Following the completion of the assessment and recommendation process arising from the competitive ITA process.