Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2012-2013, 30 & 31 May and 1 June 2012

Question: E12-317

OUTCOME 5: Primary Care

Topic: Sorell GP Super Clinic

Type of Question: Written Question on Notice

Number of Pages: 2

Senator: Senator Fierravanti-Wells

Question:

a) Can you give us an update on the Sorell GP Super Clinic?

b) Has the Deed of Mutual Termination been completed?

c) If not, when do you expect this to be completed?

d) Has the Audited Financial Statements been accepted by the Department?

e) Can the Department give an updated figure on the final cost of the Failed Sorell GP Super Clinic?

f) How much money is required to be returned to the Government?

g) If there was $44 million in the GP Super Clinics program that could be removed, why was extra funding not provided to Sorell Integrated health Ltd to ensure the Sorell GP Super Clinic went ahead?

Answer:

a) The Deed of Mutual Termination was executed on 11 May 2012 following negotiations with Sorell Integrated Health Ltd on the terms of this Deed.

b) Refer to (a) above.

c) Not Applicable.

~~d) to f)~~

The Audited Financial Statements have been accepted by the Department of Health and Ageing. The majority of unspent funds, $550,000, was returned by Sorell Integrated Health Ltd (SIH) on 12 June 2012. SIH advised the Department in late June 2012 that it incurred a small number of expenses following the date of the Audited Financial Statement and expects additional income from a GST Refund and bank interest earned. Once the amounts of these items are advised by SIH it will be possible for the Department to identify the amount of unspent funds still held. At this time a final invoice for the remaining unspent funds will be issued.

Current advice from SIH indicates that the total amount of returned funds will be in excess of $570,000.

g) SIH's advice that it was not able to proceed within the funding envelope, and coupled with the slow progress of the project, resulted in a mutual decision to terminate the funding agreement.