

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 01 June 2015

Ref No: SQ15-000300

OUTCOME: 5 - Primary Health Care

Topic: Medicare Locals

Type of Question: Written Question on Notice

Senator: Di Natale, Richard

Question:

- a) What is happening with the assets formally held by Medicare Locals – in particular the furniture, office equipment and supplies, IT and telephones?
- b) How are these assets being handled/disposed of and who is responsible for what happens to them given that these assets are taxpayer funded?
- c) Will any staff in any Medicare Local be allowed to take assets with them in the form of a gift or because it needs to be disposed of?

Answer:

a) to c)

The Medicare Locals Deed for Funding (as amended by the Deed of Termination and Release) specifies what Medicare Locals are required to do with assets purchased either partially or wholly with Commonwealth funding.

There are two categories of assets:

- “Asset” – valued at over \$5,000 as at the date of their acquisition.
- “Assets” – valued at under \$5,000 as at the date of their acquisition.

The following scenarios may apply to Medicare Locals:

No	Scenario	Notes
A	A Medicare Local successfully applies to become a PHN	This may include several Medicare Locals working together in a successful bid to establish the PHN. The new PHN may be either one of the existing Medicare Locals or a new company.
B	A Medicare Local continues to operate but is not appointed as a PHN	The Medicare Local may be a New Provider (but not a PHN) or could provide Activities to the PHN or third parties.

No	Scenario	Notes
C	A Medicare Local ceases operations entirely/ is wound up.	Where a Medicare Local opts to be wound up it is responsible for notifying any other agency that it receives funding from.

Using the above scenarios, the following applies to “Assets” (those valued at over \$5,000 as at the date of their acquisition):

Scenario	Use or Transfer by Participant	Disposal
Scenario A	The Participant is authorised to retain Assets for the purposes of its role as a PHN.	If neither the PHN nor the Participant wants to retain the asset or Asset, the Participant is responsible for selling or disposing of the asset or Asset. If the sale of the Asset generates net proceeds these must be accounted for in accordance with the Deed for Funding.
Scenario B	If a PHN wants to use Assets, the Participant must transfer the Asset to them. If a PHN does not want the Asset, the Participant is authorised to retain the Asset.	
Scenario C	If a PHN wants to use Assets, the Participant must transfer the Asset to them in accordance with clause 2.4 below.	

Irrespective of the scenario, for other assets (those valued at under \$5,000 as at the date of their acquisition) that were wholly or partially funded with Commonwealth funding, if agreed between the Medicare Local and the Primary Health Network (PHN), these must be transferred to the PHN. If not agreed, these will be retained by the Medicare Local to use according to their constitution.