

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Budget Estimates 2015 - 2016, 1 – 2 June 2015**

**Ref No:** SQ15-000571

**OUTCOME:** 5 - Primary Health Care

**Topic:** Primary Health Networks

**Type of Question:** Written Question on Notice

**Senator:** Siewert, Rachel

**Question:**

How will 'market failure' be defined? How will the Department/Government ensure allocation of services via the PHNs is a competitive and transparent process?

**Answer:**

In the context of the Primary Health Networks (PHNs) programme, market failure is considered to occur where a specific population cohort or geographical area is identified as having a lack of, or inequitable access to medical and health care services. This identification will occur through the comprehensive needs assessment process undertaken by the PHN.

PHNs will apply competitive and non-discriminatory procurement processes; making decisions in an accountable and transparent manner; and managing conflicts of interest.

The Department of Health reserves the right to review PHN procurement decisions on the basis of value for money parameters outlined in the PHN funding agreement. In the event that value for money cannot be demonstrated, the PHN may be subject to further audits and action in line with contractual obligations.