

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 – 2 June 2015

Ref No: SQ15-000575

OUTCOME: 5 - Primary Health Care

Topic: Primary Health Networks

Type of Question: Written Question on Notice

Senator: Siewert, Rachel

Question:

What policies/frameworks exist structures are in place to prevent the new PHNs rolling-over delivery contracts to those Medicare Locals which continue to function, or to their parent corporations, or to their subsidiary/affiliated corporations?

Answer:

Achieving value for money is a core requirement of purchasing and commissioning by Primary Health Networks (PHNs). Value for money is a defined term in the PHN funding agreement and is determined to be achieved by:

- encouraging competitive and non-discriminatory procurement/purchasing processes;
- using resources provided by the Commonwealth in an efficient, effective, economical and ethical manner in line with programme objectives;
- wherever practicable not duplicating efforts of other private or public sector entities;
- making decisions in an accountable and transparent manner;
- considering and appropriately managing risk;
- managing conflicts of interest; and
- conducting a process that is commensurate with the scale and scope of the procurement.

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