

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 21 October 2011

Question: E11-236

OUTCOME 8: Indigenous Health

Topic: FINANCIAL REVIEW OF THE SUNRISE HEALTH ABORIGINAL CORPORATION MERIT PARTNERS

Written Question on Notice

Senator Adams asked:

Financial review of the Sunrise Health Aboriginal Corporation Merit Partners Pty Ltd – refers to answer to Question E11-390 Attachment A concerning the open contract to conduct a financial review of the Sunrise Health Service Aboriginal Corporation (15/06/2010 05/08/2010 Open \$42,400)

- a) What prompted this investigation?
- b) What was the finding?
- c) What action will be taken as a result of this investigation?

Answer:

- a) Analysis of Sunrise Health Service's 2009-10 financial statements uncovered an ongoing deficit in the primary health care budget, leading to concerns over its financial situation. The Department engaged Merit Partners to conduct an independent financial review of Sunrise Health Service.
- b) Merit Partners found the organisation to be solvent, but held concerns over its future liquidity if it continued to budget in excess of approved funding. It was determined that continued over-expenditure placed the organisation at extreme risk of insolvency.
- c) In January 2011 a remediation plan was developed and agreed to by the Department and Sunrise Health Service, and was supported by the Northern Territory Department of Health, also a significant funder. The plan included the submission of monthly reports to the Department for regular monitoring and strategies to minimise projected debt and improve financial management practices. The Department has continued to work with Sunrise Health Service to ensure its expenditure complies with the terms of its Funding Agreements.