

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health

Senate Select Committee on COVID-19

Inquiry into Australian Government's response to the COVID-19 pandemic

7 May 2021

PDR Number: IQ21-000088

Contract costs for Howard Spring's expansion

Spoken

Hansard Page number: 41

Senator: Rex Patrick

Question:

Ms Edwards: I can't speak to the original number, because, in the original use of Howard Springs very early on, it wasn't managed by Health directly as a contract. But, since we've been doing it, it's really been based on—I think Professor Kelly said—our seeing it was about one per cent across the nation with most quarantine, so it was set at two per cent on the basis of having some ceiling to that. Now, because we've got this situation where we desperately need to bring people home from a very heavily infected zone, we're looking at how we increase it.

We're increasing the capacity of Howard Springs to a capacity of 2,000 by the end of this month and we're well on track to doing that, and then, within that, it's assessing what infection rate can be controlled within those facilities—and, as I said, we're working with them. At the moment it's increased already. Fifty in 2,000 is something like 2.5 per cent, and we're continuing to increase that. But it's a matter of trading off how many people you have, how many infected you have and what's the risk to the community. They are very skilled at this at

Howard Springs. The Northern Territory government, AUSMAT and all those participating have done a really fantastic job. We work really closely with them.

We've also done things like, in the latest expansion, funded additional capital works because they needed to upgrade some facilities in order to ensure the right level of quarantine for a much bigger group. We refund 100 per cent of actual costs to the Northern Territory, and so we work with them on that. We hope to continue to increase the potential to have infected people and also to really entrench those processes of making sure people who are sick—and that includes people who are very sick with COVID but also other people who arrive who have medical issues—can be medevac'd to another state, ideally their home state if they have one. That's to ensure

(1) that we're taking the pressure of Howard Springs, so, if we end up with 50 people in the red zone, we might be able to move some of them out so we can allow it to increase the

number of people who come; and (2) that we don't have the situation where people have to go to Royal Darwin Hospital, with the chance of incursion there.

Although they have great infection control, obviously that would be catastrophic for the local community. So we're juggling all those issues.

CHAIR: We're coming up against 4.30, so final question, Senator Patrick.

Senator PATRICK: Yes, sure. That was quite helpful, thank you. I just wondered, perhaps on notice, actually, if you could provide the committee with details of the baseline contract, how much it cost; and then what amendments to that contract have taken place over time, the cost of each contract amendment; and what the scope was.

Ms Edwards: Absolutely, we can provide that for the contract. Quite a lot of it's already publicly available. It becomes public once it's agreed. But we pay actuals, so what we've got are estimated amounts we pay on what they incur. So it will only be an estimate of our costs to date, but we'll provide that on notice.

Answer:

- The Commonwealth and the Northern Territory Government signed a Federation Funding Agreement on 20 October 2020 for *the provision of COVID-19 quarantine arrangements at the Centre for National Resilience for Organised National Repatriation of Australians* (the Agreement).
- Under the Agreement the Commonwealth provides financial assistance with a 100 per cent contribution provided to the Northern Territory for the costs incurred in providing quarantine accommodation and other services, including necessary hospital services, to repatriated Australians.
- As outlined in the Agreement, upfront payments have been made to support capital works and establishment costs and monthly payments are made in arrears based on receipt of invoices for actual incurred costs.
- This Agreement has been varied twice to increase the capacity at Howard Springs, duration of the agreement, and financial contribution from the Commonwealth, see Table 1. The figures outlined below are estimated costs and as outlined above, payments are made on actual costs incurred.
- The current Agreement is publicly available on the Council on Federal Financial Relations website: https://www.federalfinancialrelations.gov.au/content/npa/health/national-partnership/centre_national_resilience.pdf

Table 1: Centre for National Resilience – Agreements and variations

Agreement signed	Capacity (up to)	Total Commonwealth financial contribution (cumulative) (up to)	End date
20 October 2020	500 per fortnight	\$54.7 million	31 March 2021
22 December 2020	850 per fortnight	\$243.7 million	31 December 2021
16 March 2021	2,000 per fortnight	\$513.5 million	31 December 2021