

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2010-11, 23 February 2011

Question: E11-145

OUTCOME 5: Primary Care

Topic: GP SUPER CLINICS

Written Question on Notice

Senator Fierravanti-Wells asked:

- a) Does the Commonwealth retain ownership of the land and building(s) established for a GP Super Clinic?
- b) Can it be sublet, and if so what are the criteria?
- c) Can a GP Super Clinic be sold?
- d) What agreement(s) are in place to govern the sale of a GP Super Clinic?
- e) What is to stop an operating making a 'quick buck' out of a GP Super Clinic before selling it to another operator?
- f) Are there restrictions on the length of time before a GP Super Clinic can be sold?

Answer:

- a) No. The Commonwealth does not own the land and/or building(s) established for a GP Super Clinic at any point.
- b) Yes. Subject to the Commonwealth's consent, GP Super Clinics can be leased and sub-leased. At the broadest level, the funding agreement provides that a sub-contract, commonly supported by a lease or sub-lease, cannot relieve the funding recipient of its obligations.

The Commonwealth's consent is not based on criteria but includes consideration of a range of factors such as whether the lease:

- is consistent with the GP Super Clinics Program Objectives, the application and approved Operational Plan;
- protects the Commonwealth's rights; and
- recognises the funding recipient's obligations under the funding agreement to ensure that any sub-contractors have accepted the same obligations as the funding recipient regarding access to the premises and regulatory obligations.

c, d, e and f)

Subject to the Commonwealth's consent, GP Super Clinics can be sold, or novated to other entities. At the broadest level, the funding agreement provides that the Commonwealth has a complete discretion to provide consent or not.

While there are no restrictions on the period of time at which a clinic premises may be sold, the Commonwealth would consider a range of factors such as whether:

- the proposed purchaser has the capacity to fulfil the obligations of the funding agreement (including the Program Objective regarding a financially viable business model) for the remainder of the Designated Use Period (the 20 year term of the agreement after completion of construction). This may include consideration of the business, commercial and financial affairs of the proposed purchaser and its record in delivering integrated, multidisciplinary primary health care services similar to those anticipated under the GP Super Clinics Program; and
- the current status of the implementation of the clinic i.e. have the arrangements necessary for the clinic to meet the GP Super Clinics Program Objectives and the local community's health needs and priorities as proposed in the application approved for funding and the Operational Plan approved under the funding agreement been fully implemented.