

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Supplementary Budget Estimates 2015 - 2016, 21 October 2015**

**Ref No:** SQ15-000982

**OUTCOME:** 5 - Primary Health Care

**Topic:** Primary Health Networks

**Type of Question:** Hansard Page 54, 21 October 2015

**Senator:** McLucas, Jan

**Question:**

Senator McLUCAS: I have a couple more questions on PHNs. Is the department aware that some PHNs are offering three-month contracts to service providers?

Mr Booth: There are a variety of different contracts in place at the moment, in this transition year, but I would need to take on notice any specifics around them. I do know that there are different contracts out there—

Senator McLUCAS: Could I have some reasons why someone would let a contract for three months? I am talking about service delivery.

Mr Cormack: I guess a general answer to that—and we will give you the specifics on notice—is that 2015-16 is a transition year where the PHNs have been established. The PHNs are assuming the pre-existing service delivery roles in addition to their new planning, integration and commissioning role throughout the course of this current financial year. Then in the following financial year they will transition the way services are currently delivered from a direct delivery model to a commissioning model, which is quite different. So in the course of that there would be a need for a series of short-term extensions to a range of service contracts. We can give you the specifics, but that would be the reason for that. We have no intention for the PHNs to enter into long-term service delivery roles. They are transitioning out of that into commissioning.

**Answer:**

The Department of Health is aware that, in some instances, three month contracts were offered by Primary Health Networks to ensure service continuity whilst undertaking more detailed service analysis to inform longer term contract arrangements.