



RECEIVED THE MINISTER
26 MAY 2009
Parliamentary Section

MINISTER ROXON

Critical Date: 11 May 2009
Adviser/DLO: Angela Pratt

DISBANDING OF HEALTHY FOR LIFE PARTNERSHIP IN FAR SOUTH COAST, NSW

PURPOSE

To seek your approval to disband the *Healthy for Life* (HFL) partnership between Southern General Practice Network (SGPN) and Katungul Aboriginal Corporation Community and Medical Services (Katungul) which currently delivers *Healthy for Life* services in the Far South Coast region of NSW. This will enable the Department to undertake an open funding round process for the reallocation of the current funding, scheduled to end on 30 June 2009.

ISSUE

- 2. Breakdown of the *Healthy for Life* partnership between SGPN and Katungul and options for future service delivery.
- 3. Katungul have written to the Minister on this matter through Ennis Smith and Bradbury Lawyers. Consequently, a Departmental response has been prepared for your consideration (D090005753 at Attachment A refers). *Sent*

REASON FOR CRITICAL DATE

- 4. Ministerial approval is required to disband the *Healthy for Life* partnership between SGPN and Katungul, and enable an open funding round process to be conducted for the 2009-10 funding cycle.

BACKGROUND

- 5. A detailed background on the *Healthy for Life* partnership between SGPN and Katungul is provided at Attachment B.
- 6. OATSIH received correspondence from SGPN on 6 May 2008 seeking to disband the current partnership arrangements with Katungul, however their proposal emphasised that Katungul would still be entitled to participate in the project as a general practice within the area.
- 7. Katungul's views on the proposal have been sought and they have also expressed their wish to disband the partnership and have the funding and project transferred to their sole management.
- 8.

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- 9. The Secretary of the Department has received two letters from Katungul's lawyers. The first letter
; it also submits that Katungul should be appointed to coordinate the program. The second letter expands on their submission that Katungul is a more appropriate service provider and should be receiving the funding, and coordinating the *Healthy for Life* Program in preference to SGPN. OATSIH has sent a response letter to Katungul's

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lawyers acknowledging receipt of their two letters to the Secretary, and advising that a more comprehensive response to the issues raised will be provided shortly.

10. With regard to Katungul's letter of 24 March 2009, the Departmental response (Attachment A) indicates that a meeting will be scheduled for the Minister's Chief of Staff and relevant senior Departmental Officials to meet with Katungul's lawyers. OATSIH will prepare a further brief for this meeting. *has now been sent*

RELEVANCE TO ELECTION COMMITMENTS/GOVERNMENT POLICY

11. The conduct of an open funding round will ensure there are appropriate *Healthy for Life* Services operating in the Far South Coast region of NSW. These Services will assist in delivering on the Government's commitments to Close the Gap in Aboriginal and Torres Strait Islander peoples' life expectancy and child mortality.

COMMENT

12. In view of the current situation between Katungul and SGPN, six options have been developed for your consideration. These options, along with the strengths and weaknesses of each option and the rationale for the preferred option are set out in Attachment C. In brief, the Department recommends that an open tender is used to select a new provider or partnership and that the current funding agreement is extended for a short period to enable appropriate transition arrangements.
13. The current eligibility criteria allows an organisation to apply for *Healthy for Life* funding if it is the principal primary health care service for Aboriginal and Torres Strait Islander population in a specific region. If the open funding round process is based on the existing *Healthy for Life* assessment criteria then there is a risk that SGPN may perceive that they do not meet this core criteria despite being an eligible provider on a regional basis. Therefore, this criteria will need to be suspended to allow SGPN to apply through the proposed open funding round process.

Sensitivity:

14. It is expected that some individuals and organisations will publicly criticise any consideration of mainstream organisations. This concern has already been raised by the NSW Aboriginal Health and Medical Research Council (AH&MRC) which is the state affiliate of the National Aboriginal Community Controlled Health Organisation (NACCHO). NACCHO has shown considerable interest in this matter and is likely to be critical of any decision that does not transfer the *Healthy for Life* project to Katungul.

Financial Implications:

15. The available allocation in 2008-09 for the *Healthy for Life* program is \$423,000 (GST exclusive). This allocation will cover recurrent salary and operational costs.

Timing/Handling:

16. Designing, running and concluding an open funding round process could take up to 6 months.

Consultations:

17. The Legal Services Branch was consulted in the preparation of this minute.
18. The Secretary of the Department has been consulted on the approach of this minute.

COMMUNITY AWARENESS

19. There are no community awareness opportunities relating to this item.

RECOMMENDATION

- R1. That you NOTE the six options for the funding of a *Healthy for Life* service for the Aboriginal community in the Far South Coast of NSW.
- R2. That you APPROVE the proposal to end the existing partnership and select a provider through an open funding round process which is open to mainstream and Aboriginal community controlled organisations, partnerships or consortia.
- R3. That you APPROVE the offer of a Funding Agreement to SGPN for a short period to allow the existing project to continue to deliver services to clients, while the tender process is undertaken and transitional arrangements are made.
- R4. That you APPROVE the suspension of current eligibility criteria to permit SGPN to apply through the open funding round process.
- R5. That you NOTE the Departmental response to Katungul's lawyers (Attachment A).

Lesley Podesta

Lesley Podesta
 First Assistant Secretary, OATSIH
 15 April 2009
 Outcome: 8: Indigenous Health

Contact Officer:
 Tarja Saastamoinen (02) 6289-4969
 Performance and Quality Branch

Nicola Roxon

NICOLA ROXON

- R1. **NOTED**
- R2. **APPROVED/NOT APPROVED**
- R3. **APPROVED/NOT APPROVED**
- R4. **APPROVED/NOT APPROVED**
- R5. **NOTED**

N 09000555

25 MAY 2009

MINISTER'S COMMENTS:

QUALITY ASSESSMENT

Advice Rating	1	2	3	4	5	Comments
Timeliness						
Presentation						
Quality of advice						

Poor Satisfactory Excellent

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Australian Government
Department of Health and Ageing

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Mr Dean Groundwater
Ennis Smith & Bradbury Lawyers
Suite 24, 20-24 Gibbs Street
MIRANDA NSW 2228

Dear Mr Groundwater

Healthy for Life Program
Katungul Aboriginal Corporation Community and Medical Services ("Katungul") and
Southern General Practice Network ("SGPN")

Thank you for your letter of 24 March 2009 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, requesting her to meet with Ennis Bradbury and Smith Lawyers, Katungul Board and representatives from the National Aboriginal Community Controlled Health Organisation (NACCHO). The Minister has asked me to reply on her behalf.

In your letter, you expressed the need to inform Minister Roxon about attempts being made to exclude Aboriginal Health Organisations, such as Katungul from involvement in Aboriginal health care programs such as *Healthy for Life*.

The *Healthy for Life* program is designed to allow health services to step back and review their current service delivery in child and maternal health, chronic disease care, and where appropriate, men's health, to identify priority action areas for improvement. *Healthy for Life* aims to complement and build on existing Aboriginal and Torres Strait Islander specific and mainstream primary health care services for Aboriginal and Torres Strait Islander people.

The *Healthy for Life* program is based on population health approaches and continuous quality improvement processes, to boost the capacity and performance of both Aboriginal Community Controlled Health Organisations and mainstream health care services eligible for funding under the program. It is therefore expected that funded health care services deliver on the *Healthy for Life* program objectives and maintain best practice.

An application for *Healthy for Life* funding was received from the Southern General Practice Network (SGPN), formerly South East NSW Division of General Practice in October 2005. SGPN proposed to work in partnership with Katungul, the local Aboriginal community controlled health service. The application included a letter of support signed by the Secretary of the Katungul Board. The Department does not have any record of Katungul submitting a separate (individual) application for *Healthy for Life* funding.

With regard to the issues raised about the working relationship between Katungul and SGPN, the Department has been working closely with Katungul and the SGPN over the past

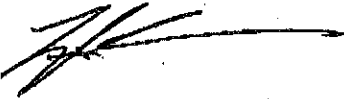
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This workshop aimed to identify the difficulties experienced by both partners in working together, and to map out strategies to resolve the difficulties and strengthen the partnership.

From the Department's perspective, improved outcomes in Indigenous health care are essential to delivering on our commitment to *Close the Gap*. The Department acknowledges that engagement with and participation of Aboriginal communities in health care initiatives is crucial in realising this commitment. Similarly, good working relationships are necessary across sectors that deliver health care to ensure a mutual effort in closing the gap. The Department is therefore working towards longer-term solutions in resolving the Katungul and SGPN working relationship and a more comprehensive response to the issues raised in your previous correspondence will be provided shortly.

Due to other portfolio commitments, Minister Roxon is unable to meet with you as requested. However, the Department is addressing the issues highlighted in your letter.

Yours sincerely



Tarja Saastamoinen
Assistant Secretary
Family Health and Wellbeing Branch
Office for Aboriginal and Torres Strait Islander Health

24 April 2009

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Ministerial Number D09005753
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02 6289 5790
Clearance Officer Tarja Saastamoinen
02 6289 4969
Division/Branch OATSIH/FHWB
Outcome 8: Indigenous Health

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