



# Minister for Indigenous Health

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## INFO/ ADVICE BRIEF

ADVISER: Alice Plate/Donisha Duff

### Issue

**Key Advice** "THERE ARE ALLEGATIONS DOHA DOES NOT PROVIDE ENOUGH FUNDING SUPPORT TO KATUNGUL TO HELP IT DELIVER HEALTH SERVICES IN THE REGION."

**Background** *Contentious Issue*

### Funding levels

#### Key Issue (1)

The Department has offered approximately \$1.7 million as recurrent funds to Katungul in 2010-11 and \$443,651 (GST exclusive) since the 2007-08 financial year in one-off requests.

Program/Project	2009-10 funding (GST Excl)	2010-11 funding (GST Excl)
Comprehensive Primary Health Care	\$1,039,886	\$1,063,803
Bringing them Home (BTH)	\$102,467	\$104,825
Substance Use	\$217,322	\$222,319
<b><i>OATSIH Core Funding total</i></b>	<b><i>\$1,359,675</i></b>	<b><i>\$1,390,947</i></b>
One-off funds for accreditation, strategic planning, security and transport for clients	\$109,252	
One-off funds for asbestos removal at Bega clinic	\$67,700	\$16,100
One-off funding for replacement and installation of new computer servers, routers and cabinet		\$45,000
Capital Works -Narooma Clinic	\$2,000,000	
<b><i>OATSIH Funding Total</i></b>	<b><i>\$3,536,627</i></b>	<b><i>\$1,452,047</i></b>
Rural Primary Health Services	\$249,168	\$252,907
<b><i>HSD Funding Sub Total</i></b>	<b><i>\$249,168</i></b>	<b><i>\$252,907</i></b>
<b><i>Total funding</i></b>	<b><i>\$3,785,795</i></b>	<b><i>\$1,704,954</i></b>

### Suggested Response

- Departmental responses to requests for funding need to be considered in the context of overall national and state-wide priorities, funds available in the program, and an assessment of the organisation's capacity to contribute towards costs. It is expected that OATSIH funded organisations respond to the needs of the community they serve within the funding offered, including revenue derived from Medicare.
- The Department provides over \$1.7 million in funding to Katungul which is a significant investment in primary care in the region
- In addition to Katungul, the Department supports other services in the region. These include South Coast AMS and the Southern General Practice Network. The

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South Coast AMS contributes significantly to services in the region and the Southern General Practice Network has established a successful mothers and babies program.

*Key Issue (2)*

Katungul's claim that the Department does not provide adequate funding to the region appears to be based on their decision to provide additional clinical days in Moruya. To do this, Katungul has reduced clinical days in its Bega clinic. It appears that Katungul has told the Bega community that the Department has reduced its funding for Katungul resulting in reduced clinic days in Bega.

*Suggested Response*

- OATSIH provides funding based on global budgeting that provides organisations with flexibility to respond to changing need within the communities they service.
- There has been no reduction of funding to Katungul over the last three years; rather there has been an extra \$443,751 (GST exclusive) of one-off funding provided. The reduction in services is therefore a concern to the Department.

**Department and Stakeholder Relationships**

*Key Issue*

*Current Situation*

A meeting between FAS OATSIH, Assistant Secretary Capacity Development Branch OATSIH and the State Manager, NSW Office with the Board of Katungul was arranged to discuss concerns as indicated in this brief on 6 October 2010. The three senior Departmental officers travelled to Bega to attend the meeting but only member of the Board attended. The meeting was attended by the Katungul CEO and community members mainly from the Bega Aboriginal Land Council. The Department wrote to the CEO and Chairperson on 23 November 2010 requesting that a meeting with full Board participation is arranged. Katungul are yet to respond.

*Suggested Response*

- The Department wants a constructive relationship with Katungul in order to progress the agenda for improving the health of Aboriginal communities.
- I understand that senior officers from my Department have offered to meet with the Katungul Board. I encourage the full Board of Katungul to meet with these officers as soon as possible.

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## **Bega Clinic: Building and Asbestos Issues**

### *Key Issue*

Katungul claim that asbestos and other areas of building code non-compliance necessitate expensive refurbishments or a need to relocate to alternative accommodation. There have been various media reports between 2 and 16 September 2010 about these issues.

The Department has provided total funding of \$83,800 (GST Exclusive) since March 2010 for the removal of the asbestos in affected areas in the Bega clinic. On the 6 August 2010 Katungul notified the Department that it believed it was illegally occupying the Bega Clinic and on 11 August 2010 Katungul released a Community Notice to this effect which also indicated that it was required to move within a week. The Community Notice also indicated that no commitment to the future of the Bega Clinic had been provided by either the Commonwealth or NSW Governments. On 17 August 2010, Katungul provided the Department with a copy of a report for Building Code of Australia non-compliance issues within the Bega clinic. The report indicates an 'Opinion of Probable Cost' to rectify those issues of \$497,500. Katungul have also applied for funding through NSW Premier's Department's Community Building Partnership Program.

### *Current Situation*

The Department wrote to the Katungul Chairperson, Ron Mason, on 22 October 2010 seeking Katungul's consent to contact Davis Langdon, Construction Consultants, to clarify items in their Building Code of Australia (BCA) 2010 Summary Report for BCA Compliance. Mr Mason responded on 27 October agreeing to a meeting and advising that ~~he~~ would contact OATSIH to arrange this. We have not yet been contacted by ~~him~~ Until this meeting takes place the Department is unable to progress this matter.

### *Suggested Response*

- The decision of continued occupancy of the Bega clinic rests with the Board of Katungul who is responsible for meeting the occupational health and safety requirements of staff, clients and others who may access the building.
- The Department has advised Katungul that a meeting with their Construction Consultant is necessary to clarify their needs. The Department asked Katungul to expedite this meeting so the matter can progress.

### *Key Issue (2) – Bega Caveat*

#### *Current Situation*

Katungul wrote to Dr Mike Kelly, MP, Federal Member for Eden-Monaro on 4 November 2010 regarding a Notice of Caveat on its Katungul Clinic. The caveat showed that the Commonwealth of Australia (Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), as caveator, had an interest in the land and sought to protect that interest.

On 25 November 2010, Department of Health and Ageing (DoHA) confirmed with FaHCSIA that the caveat related to an OATSIH capital works project executed between Katungul and DoHA in June 2001. The Australian Government Solicitor's office (AGS)

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inadvertently lodged the caveat under FaHCSIA instead of DoHA. FaHCSIA discovered the error and wrote to AGS to this effect. The caveat has since been rectified and DoHA is in the process of responding to Dr Kelly and Katungul to clarify this matter.

*Suggested Response*

- The recording of FaHCSIA as caveator was made in error. The records have since been rectified to record the Department of Health and Ageing as caveator in recognition of its funding for the Bega clinic.

**Bega Community Rally**

A community rally was held on 2 September 2010 in Bega, in support of Katungul. This followed the release of a Community Notice by CEO Damien Matcham. The community expressed two main concerns:

- the reduction of clinic services from Katungul's Bega Clinic; the lack of bulk-billing GPs other than from Katungul's Bega Clinic; the increase in the number of clients being forced to go to hospital casualty or emergency departments; and the possibility that Katungul's Bega Clinic will close due to the asbestos and BCA non-compliance issues; and
- an urgent need for drug and alcohol services following the number of recent drug/alcohol related deaths.

In addition to Katungul's clinic, Southern General Practice Network provides services to the Bega community from their Carp Street premises from both primary care and Healthy for Life (HFL) funding sources. The HFL services include child health checks, a diabetes clinic and 2 day/week dietician and psychologist services.

*Current Situation*

Departmental staff met with community members on 6 October. Reduction in Bega services was clarified as an internal Katungul decision to reallocate resources to Moruya rather than a reduction in funding to Katungul.

The strategy to deliver drug and alcohol services was also explained to the community.

Another community rally is planned for the 9 December 2010 to demonstrate about the same issues.

*Suggested Response:*

- The Department is in discussion with SGPN on developing additional bulk-billing services in Bega. The Department has strongly encouraged Katungul to work in partnership with SGPN for the provision of HFL services for the Bega community rather than in an adversarial way.
- OATSIH provides funding based on global budgeting that provides organisations with flexibility to respond to changing need within the communities they service. There has been no reduction of funding to Katungul over the last three years; rather there has been an extra \$443,751 (GST exclusive) of one-off funding provided. The reduction in services is therefore a concern to the Department.
- The Department notified Katungul on 17 February 2010 that it was tendering for new Drug & Alcohol services in the region and encouraged the service to apply. The tender closed 19 March and the Department did not receive any tender

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applications.

- The Department then engaged the Network of Alcohol and other Drug Agencies (NADA), the peak drug and alcohol body for NGOs in NSW, to develop a proposal for service provision for the area.

### **Accusations of bias Against the Department**

#### *Key Issue*

On 6 October 2010 Katungul solicitors wrote to Minister Roxon (cc to Minister Snowdon and Dr Mike Kelly) advising that it was in dispute with OATSIH, claiming that previous endeavours to raise the issues had been ignored.

Katungul claimed the particulars of the dispute to be that an OATSIH staff member had disparaged Katungul and its CEO's good name and reputation; that complaints about this staff member's conduct had been ignored; and that the staff member and OATSIH had a bias against Katungul and its CEO and that this bias effected decision making as it concerns Katungul.

#### *Suggested Response*

- I responded to the letter from Katungul's solicitors indicating that an investigation would be undertaken into the issues raised.
- I take such claims extremely seriously and an independent review by the Department's Audit and Fraud Control Branch has been implemented. }

### **COAG Drug & Alcohol 2007**

#### *Key Issue*

Katungul CEO wrote to FAS OATSIH on 18 August, 24 August and 1 September 2010 outlining his concerns about the process undertaken and decisions being made regarding this funding.

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*Current Situation*

COAG Drug and Alcohol Funding is available for the Bega region (\$700,000 recurrent in 2011-12 and \$388,000 in 2010-11 for establishment of service). After an unsuccessful tender process for D&A services in the region, the Department engaged NADA, the peak D&A body for NGOs in NSW, to develop a proposal for D&A service provision on the

*Suggested Response:*

- The Department has been working to develop a culturally appropriate and sustainable drug and alcohol service that will meet the needs of the Bega community, as well as the other communities along the Far South Coast of NSW.
- The process undertaken by the Department is transparent, thorough and evidence based. As no applications were received through the tender, the Department had a responsibility to respond to community needs. This involved considering alternative options to ensure that drug and alcohol services are established and delivered as soon as possible

**Healthy for Life Tender**

*Key Issue*

Katungul was previously in partnership with the Southern General Practise Network (SGPN) to deliver a *Healthy for Life* program in the area. The partnership broke down and a tender process was run to establish a new service. SGPN were successful in receiving *Healthy for Life* funding for 2010-11.

The *Healthy for Life* program aims to improve the quality of Aboriginal and Torres Strait Islander child and maternal, and men's health services as well as chronic disease care provided in local communities. Funding to deliver the *Healthy For life* program in the Greater Southern –Eastern region of NSW in 2010-11 is \$442, 758 (GST exclusive).

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#### *Current Situation*

SGPN is currently delivering a range of HFL services within the region (including at Wallaga Lake) that include a Koori Boori Clinic, Diabetes Clinic, facilitating Health Checks and Child Health Checks in Schools. These services are complemented by other SGPN services funded through non-OATSIH programs. The HFL workforce includes two AHWs and four part-time nurses with access to management support.

#### *Suggested Response*

- The HFL Tender was an open and transparent process and the successful applicant was selected based on merit.
  
- The Department encourages referrals into the HFL program from Katungul's clinicians.
- The Department will continue to fund SGPN in accordance to the OATSIH Funding Agreement.

#### Wallaga Lake Outreach Centre (WLOC):

In November 2007, FaHCSIA signed a Shared Responsibility Agreement with the Wallaga Lake Community for the construction of the Wallaga Lake Outreach Centre (WLOC). The centre was built to function as a hub for the delivery of multiple services to the community including health, family justice, employment and education. The Department contributed \$250,000 (GST exclusive) to the construction of the WLOC and has provided \$83,630 (GST exclusive) for the employment of a coordinator to work with the community in accessing services.

The refurbishment of the Outreach Centre was significantly delayed due to asbestos being identified in the building and in the environs of the Wallaga Lake Village. The WLOC refurbishment has been completed, some services have commenced. Katungul provides a psychologist and the Southern General Practice Network provide Healthy for Life Services from the Centre. Both the Division and Katungul are negotiating with the Merrimans Local Aboriginal Lands Council to provide GP services from the Centre.

#### *Suggested Response*

- I am pleased with the completed renovation of the Wallaga Lake Outreach Centre and encourage Katungul to work with the Eurobodalla Shire Council to enable the provision of primary health care services to the community from the Wallaga Lake Outreach Centre.

#### **Capital Works Narooma**

##### *Key Issue*

On 30 June 2010, the Department entered into a funding agreement with Health Administration Corporation (NSW Health) for a funding contribution of \$2,000,000 (exclusive of GST) towards the construction of a new purpose-built primary health care facility in Narooma for Katungul.

##### *Current Situation*

The project is at the stage of deciding on an appropriate site to locate the proposed development. The preferred site is subject to a native title claim. Health Administration

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Corporation, as project manager, is consulting with the community and negotiating with the local lands council with a view to purchasing the land outright so that the future use as a health facility can be guaranteed.

The project is estimated for completion by 30 June 2012.

*Suggested Response*

- NSW Health are meeting with Katungul next week to discuss potential funding for a new clinic at Narooma.

**Clearance**

Clearance officer Garry Fisk  
Ph: 02 6289 5325  
Date: 26 November 2010  
Outcome: 8

Contact Officer: : Gayle Anderson, NSW State Manager  
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**Attachments:**

Nil