

OFFICIAL



Australian Government
**Department of Health,
Disability and Ageing**

Ministerial Submission – Policy Approval
MS25-000728
Version (1)
Date sent to MO: 1 August 2025

To: Minister Butler

**Subject: Medicare Urgent Care Clinics (UCC) - PHN Grant Opportunity Guidelines
Policy Approval (Tranche 3)**

Critical date: 12 August 2025 to enable the department to commence grant processes with Primary Health Networks (PHNs) to deliver Tranche 3 of the Medicare UCC Program.

Recommendations:

1. **Note** that the spending proposal is a grant for the purposes of the Commonwealth Grants Rules and Principles 2024 (CGRPs). **Noted**
2. **Note** that the spending proposal is designed to meet the objectives of the grant program and the key requirement of achieving value with relevant money. **Noted**
3. **Note** that the legislative authority for this grant opportunity is provided by Item 180 of Part 4 of Schedule 1AB of the *Financial Framework (Supplementary Powers) Regulations 1997*. **Noted**
4. [Redacted]
5. **Agree** to the spending proposal of up to \$366.4 million (GST exclusive) over three financial years from 2025-26 to 2027-28 under the Medicare UCC Program for establishment and operational activities. **Agreed / Not agreed / Please discuss**
6. **Agree** to the grant opportunity being undertaken as a closed non-competitive selection process, targeting selected PHNs to commission and support new Medicare UCCs. **Agreed / Not agreed / Please discuss**
7. **Agree** to Deputy Secretary, Primary and Community Care Group being the decision maker for the grant process. **Agreed / Not agreed / Please discuss**

s47E(d)

OFFICIAL

s42



Signature.....

Date: 11 / 198 / 25

Media Release required? YES/ NO

Comments:

Contact Officer:	<i>Sarah Sinclair</i>	<i>Assistant Secretary, Urgent Care Clinics Branch, Primary Care Division</i>	Ph: (02) 6289 5501 Mobile: s47E(c), s47F
Clearance Officer:	<i>Dr Liz Develin</i>	<i>Deputy Secretary, Primary Care and Community Group.</i>	Ph: (02) 5132 1788 Mobile: s47E(c), s47F

Submission summary:

On 2 March 2025, the Australian Government announced an investment of \$644.3 million over three years from 2025-26 to establish 50 additional Medicare UCCs. \$366.4 million (GST Exclusive) over three financial years (2025-26 to 2027-28) is allocated for this grant opportunity, providing funding to PHNs to commission new Medicare UCCs.

Your agreement is sought for the Department of Health, Disability and Ageing to undertake a closed non-competitive and non-application-based grant process targeted to PHNs to support the delivery of 50 additional Medicare UCCs across Australia in 2025-26 with funding to operate those clinics to 30 June 2028.

Issues:

1. The grant opportunity is an expansion of the Medicare UCC Program. The grant agreement for the delivery of the activity ceases on 30 June 2028.
2. The department recommends that a closed non-competitive selection process be used to allocate grant funding. This will enable PHNs to deliver funding under the broader PHN Program to support the establishment of Medicare UCCs in 50 more locations.

OFFICIAL

3. There is no application process for ongoing grant funding under the PHN Program. Where the Australian Government has decided to allocate funding to PHNs, the department assesses the suitability of each PHN to receive further funding in consideration of alignment with grant opportunity objectives, organisational capacity and performance, and efficient and effective use of grant funds.
4. The grant opportunity will be undertaken in August 2025. Successful applicants will be notified from September 2025, with funding expected to commence upon execution of the grant agreement.

s42

7. The grant opportunity guidelines will be reviewed by Finance. If Finance determines that the overall risk rating is low or medium (and supports the department's mitigation strategies), and delegates authority to you to formally approve the release of the guidelines, you may proceed with approving their release.
8. This grant opportunity has been designed to achieve value with relevant money and to ensure the efficient, effective, economical and ethical management of grant funding. The following matters were considered:
 - the overall objectives to be achieved in providing the grant,
 - the extent to which the evidence in existing information held by the department demonstrates that it will contribute to meeting the outcomes/objectives,
 - the relative value of the grant sought, and
 - how the grant activities will target groups or individuals.
9. An evaluation of the Medicare UCC Program is being undertaken over 2023-2026 based on the nine Measures of Success (MoS) developed and agreed by the Government and state and territory governments. These MoS recognise the importance of delivering high quality, timely, safe and coordinated care as well as reducing Emergency Department pressure and cost-effectiveness. Initial insights indicate that Medicare UCCs are delivering intended outcomes by providing services for urgent but not life-threatening conditions and that majority of patients return home after receiving care.
10. Should you choose to be the approver of the grant process outcome and associated expenditure, **Attachment A** outlines the mandatory grant rules and guidelines and other requirements to finalise this grant process. The department will provide a further ministerial submission for your consideration of the grant selection process outcome.
11. The grant opportunity guidelines have been reviewed by the Departments of Finance and the Prime Minister and Cabinet to determine process for release based on risk rating (not applicable for ad hoc grant opportunities) (Estimates Memorandum 2024/36). A medium risk rating has been advised.

OFFICIAL

Background:

12. On 12 December 2022, you wrote to Health Ministers to confirm the implementation approach to the establishment of 58 Medicare UCCs under Tranche 1, including the approach to funding and the finalised locations (MS22-900375 refers). These funding mechanisms remained in place with the additional investment under the Strengthening Medicare package and establishment of a further 29 Medicare UCCs.
13. To date, the department has executed funding Schedules with relevant PHNs totalling \$334.3 million over four years (2022-23 to 2025-26) under the Medicare UCC Program to support the establishment and ongoing operations of the current 87 locations.
14. On 2 March 2025, the Government announced an election commitment of \$644.3 million over three years from 2025-26 to establish 50 additional Medicare UCCs. \$640.2 million is provisioned to the department and the remaining funds are allocated to Department of Veterans' Affairs and Services Australia for flow on impacts.
15. The new investment will result in an additional \$366.4 million in funding to the PHNs, bringing the total envelope of PHN Medicare UCC funding to \$585.2 million over three years (2025-26 to 2027-28) including overlap funding for the 137 clinics in the 2025-26 financial year. The grant opportunity guidelines are being updated to reflect the revised funding envelope to PHNs.
16. The department continues to meet regularly with relevant PHNs and state and territory governments to discuss the operation of Medicare UCCs across Australia and monitor and evaluate the Medicare UCC Program's effectiveness.
17. The grant opportunity reflects the transition in administrative arrangements to adopt a PHN commissioned approach for Victoria (MS25-000521), Tasmania (MS25-000461) and the ACT (MS-000667) for the additional clinics.
18. The department intends to fund PHNs in all jurisdictions, except for the Northern Territory (NT), to commission Medicare UCCs in the announced locations within their regions.

Streamlined Grants Administration

19. This grant opportunity has been designed in consultation with Grants Branch, Financial Management Division. Grant agreements will be established and managed by the Community Grants Hub. The department is working with the Grants Branch to update the existing grant opportunity guidelines and will ensure all documentation is in accordance with the CGRPs. The grant opportunity guidelines will be published on GrantConnect – the Government's grants information system.

Budget/Financial Implications:

20. Additional funding of \$366.4m (GST Exclusive) is available in 2025-26 and 2026-27 and 2027-28 from Priority 27 – Primary Health Care Development for the establishment and operational activities of additional Medicare Urgent Care Clinics. This measure contributes to the Department of Health, Disability and Ageing's Outcome 1, Health Policy, Access and Support, specifically Program 1.6, Primary Health Care Quality and Coordination. The Primary Care Division Finance Business Partner has confirmed the summary of the financial implications in the table below.

Priority 027 – Primary Health Care Development - Summary Table (GST exclusive)	2025-26	2026-2027	2027-2028	2028-2029
	(\$m)	(\$m)	(\$m)	(\$m)
Allocation Current (as at 23 July 2025 - Budget 2025-26)	1,135,088,000.00	1,169,307,000.00	1,403,631,000.00	1,348,153,000.00
Expended (as at 23 July 2025)	366,170,256.55	-	-	-
Legal Commitments (as at 23 July 2025)	322,444,167.25	391,621,447.39	16,694,165.25	10,230,000.00
Required ongoing activities not yet committed (includes funding for this purpose)	6,806,304.00	109,641,456.00	484,045,107.00	28,761,000.00
Subtotal	695,420,727.80	501,262,903.39	500,739,272.25	38,991,000.00
Unallocated funding (including funding pressures)	439,667,272.20	668,044,096.61	902,891,727.75	1,309,162,000.00
Impact of this proposal	150,349,000.00	108,037,000.00	108,037,000.00	-

Information is correct as at 23 July 2025 and will change subject to grant agreement execution and new commitments. Unallocated funding does not include all ongoing commitments that are subject to ceasing grant agreements.

Election Commitments/Budget Measures:

s47E(d)

22. On 2 March 2025, you announced the 2025-26 Federal Budget would provide a further \$644.3 million (GST Exclusive) to establish 50 additional Medicare UCCs across Australia.

Sensitivities:

23. The new performance-based funding model seeks to incentivise specific performance metrics which align with the Medicare UCC Operational Guidance and key program outcomes. In alignment with this funding mechanism, providers are to be paid according to performance, potentially resulting in reduced funding for under-performing Medicare UCCs.

s47E(d)

s47E(d)

Consultations:

26. The department has consulted extensively with PHNs and state and territory governments on the approach to establish 50 additional Medicare UCCs at the announced locations.
27. The Department of the Prime Minister and Cabinet, Treasury and the Department of Finance have been consulted on the revised funding model and the approach to funding under the election commitment. Grants Branch, Primary Health Networks Branch, and the Primary Care Division Finance Business Partner, were consulted in the preparation of this Submission.

Attachments:

A: Mandatory Grant Rules and Principles and Other Requirements

This document has been released under
the Freedom of Information Act 1982 (Cth)
By the Department of Health, Disability and Ageing

Attachment A

Mandatory grants rules and principles and other requirements

Commonwealth Grants Rules and Principles 2024

The Commonwealth Grants Rules and Principles 2024 (CGRPs) require ministers to comply with relevant legislative requirements in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), *Public Governance, Performance and Accountability Rule 2014* and the CGRPs. Officials are required to advise their ministers about these requirements. The CGRPs apply to all forms and types of grants including election commitments.

A minister must comply with the following mandatory obligations when they have elected to be the decision maker for a grant or group of grants recommended by the department.

Conflict of interest

1. Ministers and ministerial staff **must** disclose and record material personal interests in relation to grants administration. This includes taking reasonable steps to avoid any conflicts of interest. Ministers **must** record, in writing, and declare as appropriate, any conflicts of interest relating to a decision to approve a grant.

Written advice from officials

2. Ministers **must not** approve a grant without first receiving written advice from officials on the merits of the proposed grant or group of grants. The advice must clearly relate to the grant opportunity guidelines and the principle of achieving value with relevant money. The advice **must** meet the requirements of paragraph 4.6 of the CGRPs.
3. Ministers **must** receive written advice from officials that the proposed expenditure is a grant.
4. Ministers **must** receive written advice from officials of the legal authority for the grant.
5. Ministers **must** receive written advice from officials:
 - a. outlining the application and selection process followed
 - b. including the selection criteria that was used to select potential grantees
 - c. indicating which applications fully meet / partially meet / and do not meet the selection criteria
 - d. recommending rejection of those applications that do not meet the selection criteria
 - e. indicating which applications can be supported within the available funding.

Recording and reporting decisions

6. Ministers **must** record, in writing, the basis for the approval relative to the grant opportunity guidelines and key considerations of value with relevant money. The recommendations based on merit will be provided by officials.
7. Ministers **must** record, in writing, the basis for not approving any grant that officials have recommended be approved.
8. Ministers **must** record, in writing, the basis for approving any grant that officials have recommended be rejected. This must be reported to the Minister for Finance as soon as practicable following the approval. This decision must also be recorded on GrantConnect as soon as practicable.
9. Ministers **must** report the award of any own-electorate grants to the Minister for Finance as soon as practicable. This excludes senators awarding grants in their own state or territory, and grants awarded

nation or state-wide, or across a region based on a formula. A decision to award own-electorate grants must also be recorded on GrantConnect as soon as practicable.

10. Note that the Minister for Finance **must** table a copy of these reports in each House of Parliament at the end of each quarter.
11. A minister may seek an exemption from publishing on GrantConnect where officials assess the publishing information on grants awarded could adversely affect the achievement of policy outcomes or there is a specific policy reason not to publish. The Minister **must** write to the Minister for Finance detailing the rationale for exemption.

Proper use and management of resources

12. Ministers **must** be satisfied that a proposed expenditure is a proper use of relevant money before they approve the expenditure. The terms of the approval **must** be recorded in writing as soon as practicable after the approval is given. Proper when used in relation to the use or management of public resources means efficient, effective, economical and ethical.

This document has been released under
the Freedom of Information Act 1982 (Cth)
By the Department of Health, Disability and Ageing

s22

From: Urgent Care Clinics
Sent: Wednesday, 30 July 2025 6:23 PM
To: Prudence Buist
Cc: Urgent Care Clinics; s47E(c), s47F; SINCLAIR, Sarah; phn; s47E(c), s47F; info@coordinare.org.au; s47E(c), s47F
Subject: Medicare UCC Program Letter of Intent | South Eastern NSW Primary Health Network [SEC=OFFICIAL]
Attachments: 20250730 - Letter of Intent - South Eastern NSW PHN - 2025-26 Budget Investment.pdf

Dear Ms Prue Buist

I am pleased to share with you the Letter of Intent for your Primary Health Network, South Eastern NSW PHN.

The Forecast Grant Opportunity Guidelines can be found here – [Forecast Opportunity View - P7514: GrantConnect](#)

The final Grant Opportunity Guidelines are expected to be published in the coming weeks.

Over the coming days, our team will be in touch to discuss indicative timelines and key milestones for establishing the new clinics.

Additionally, the Government is eager to highlight progress in delivering the new Medicare UCCs, beginning with the release of Expressions of Interest (EOI). To support this, we kindly ask that you notify us prior to publishing your EOI, so we can provide the Minister for Health and Ageing with the opportunity to formally announce this important milestone.

Thank you for your ongoing support and participation in the Medicare UCC Program.

Kind regards,

s47E(c), s47F

Director – Operations
Urgent Care Clinics

Primary Care Division | Primary and Community Care Group
Australian Government Department of Health, Disability, and Aged Care
T: s47E(c), s47F @health.gov.au

The Department of Health, Disability and Ageing acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.



Australian Government

Department of Health, Disability and Ageing

Ms Prue Buist
Chief Executive Officer
South Eastern NSW Primary Health Network
Suite 5, Ground Floor, Enterprise 1, Innovation Campus, Squires Way
North Wollongong NSW 2500

Dear Ms Prue Buist

As you are aware, the Australian Government announced additional funding to Primary Health Networks (PHNs) to support the expansion of the Medicare Urgent Care Clinics (Medicare UCC) Program (Tranche 3) in the 2025-26 Budget.

The department is currently preparing for new Grant Opportunity Guidelines (GOGs) for the Medicare UCC Program (Tranche 3). In line with the Commonwealth Grant Rules and Principles 2024 (CGRPs), this involves seeking the necessary approvals from the Australian Government. In the interim, Forecast GOGs for the Medicare UCC Program (Tranche 3) are available and were published on 30 July 2025 at [Forecast Opportunity View - P7514: GrantConnect](#). The Forecast GOGs identify proposed funding to eligible PHNs to support the establishment of additional Medicare UCCs in 2025-26.

The amounts in the Forecast GOGs reflect a new performance-based funding model for the Medicare UCC Program. There are five components to the new model, aligned with key aims of the Medicare UCC Program. These include:

1. **Base operating grant** - all clinics will receive a base operating grant, adjusted according to the date of opening. This base operating grant has been calculated to cover non-labour and minimum labour costs.
2. **Throughput** - clinics will receive additional funding once they reach a certain number of presentations, reflecting the additional staffing effort required to manage higher throughput / presentations.
3. **Pathology and Diagnostic Imaging** - funding will be provided to help meet costs associated with offering pathology and imaging collection services onsite.
4. **Opening hours loading** - a multiplier to be applied to the base grant funding for clinics that operate with expanded opening hours. Loading is weighted to reflect the higher cost of operating in the less sociable hours period.
5. **Regional loading** – additional loading based on Modified Monash Model (MM) classification to reflect the higher costs of operating a clinic in rural and regional locations.

Under the new funding model, commissioners will have an enhanced role in managing provider contracts and to oversee performance outcomes more directly, ensuring alignment with strategic objectives and accountability. To do so, commissioners will be entrusted with holding a greater portion of the Program's funds than previously provisioned. This will give you the ability to design and implement contractual terms to manage resourcing at clinics and drive improved results.

The operational payment for each clinic under this Schedule will assume fourteen hours of operation per day and will be based on the clinic's anticipated performance, with an additional maximum expansion threshold to account for presentation growth. Operational entitlements for the year ahead will be determined at the conclusion of each financial year, with any funds held above the determined entitlements to be recouped by the department, including where fourteen hours of operation per day have not been realised.

Any funding approved and provisioned under this Schedule will be exempt from the streamlined carryover process, in line with the advice circulated to PHN CEOs by the Primary Health Networks and Partnerships (PHNP) Branch on 16 July 2025. The new funding model being applied to the Tranche 3 Medicare UCCs will reduce the need for year-to-year funding adjustments and minimise the accumulation of carryover funds under the Medicare UCC Program. All carryover requests will be submitted to the PHNP Branch as part of the usual 12-month performance reporting process and templates. Policy approval will be required to support accurate calculation of incentives.

As outlined in the *Medicare UCC Contract Guidance*, the department expects that commissioners will distribute funds to their clinics in line with the components of the performance-based funding model. The department has developed resources to support calculation of indicative payment amounts including the Operating Grant Calculator, walkthrough videos and fact sheets, which will be made available on the PHN SharePoint in the coming week. As commissioner, you will need to satisfy reporting requirements to assist the department in validating funding entitlements. These requirements will be specified in your Funding Schedule.

In line with the latest Operational Guidance circulated on 2 July 2025, it is the Government's expectation that Medicare UCCs operate for fourteen hours a day. Where unique local context and demand requires different operating hours, the department's prior agreement must be obtained before a contract is finalised with the preferred provider. Ability to adhere to these operating hours should remain a key consideration when assessing prospective providers.

As discussed in our recent engagements, the Government's aim is to have majority of new Medicare UCCs operational by the end of December 2025, noting public commitments to establish all new Medicare UCCs in 2025-26. The department will work closely with PHNs to support you to achieve this timeframe.

It is important to note that this correspondence does not constitute an offer of funding, and no legal obligations shall arise unless, and until, a funding agreement is signed by the Commonwealth.

Please do not hesitate to contact s47E(c), s47F, Director, Operations Section, directly on s47E(c), s47F or by email to UrgentCareClinics@health.gov.au should you have any questions.

My team looks forward to partnering with you to deliver this important initiative.

Yours sincerely

s47F

Sarah Sinclair
Assistant Secretary
Urgent Care Branch
30 July 2025

TO: Dr Liz Develin, Deputy Secretary, Primary and Community Care Group

SUBJECT: COMMITMENT APPROVAL FOR NEW FUNDING AGREEMENTS WITH PRIMARY HEALTH NETWORKS (PHNs) FOR ADDITIONAL 50 MEDICARE URGENT CARE CLINICS (UCCs) (TRANCHE 3)

Recommendation

As the commitment approver, under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) that you:

Approve:

- Separately the expenditure of each of the commitment proposals listed in **Table 1** under s23(3) of the PGPA Act. These total approval of up to **\$403,065,018.05 (GST inclusive)**.

Note:

- The proposed activity is a grant, for the purposes of the Commonwealth Grants Rules and Principles 2024 (CGRPs) and in accordance with Department of Finance guidance.
- The legislative authority for the grant is:
 - Section 32B of the *Financial Framework (Supplementary Powers) Act 1997* and the *Financial Framework (Supplementary Powers) Regulation 1997*, Schedule 1AB, under Item number 180 of Part 4.
- The letter of offer will be signed by the Community Grants Hub delegate upon completion of negotiations (if required) on the draft grant agreement schedule.

Sign:

- Commitment approval declaration
- Contingent liability approval

Commitment Approval Declaration

I declare that I have made all reasonable enquiries and as a result I am satisfied that:

- I am an authorised delegate for this commitment proposal and the separate approval of each amount listed is within the limits of my delegation as specified in the financial delegations
- this proposal is consistent with the policies of the Australian Government
- this proposal is an efficient, effective, economical and ethical use of relevant money
- beyond forward estimates approval (where required) has been obtained
- there is sufficient funding available to meet the commitment proposal.

s47F

Signature:

Date: 25 /8/2025

Deputy Secretary

Primary and Community Care Group

Contacts and timing

Approval timing: Your approval is required by 22 August 2025 to enable the Department of Health, Disability and Ageing (the department) to finalise the administrative processes associated with the delivery of grant funding through the Primary Health Networks (PHNs) and facilitate the execution of the PHN schedules in a timely manner.

Division: Primary Care

Program area contact: s47E(c), s47F A/g Assistant Secretary, Urgent Care Branch

Finance Business Partner: s47E(c), s47F Finance Business Partner, Primary Care and Community Group

Source of Funds / Outcome / Appropriation Bill: Administered Funds, Outcome 1: Health Policy, Access and Support

Program Group: Program 1.6, Primary Health Care Quality and Coordination

Description

The Australian Government has committed up to \$644.3 million to establish a further 50 Medicare UCCs over three years (2025-26 to 2027-28), throughout Australia, bringing the total number of Medicare UCCs to 137. The Medicare UCC Program aims to ease the pressure on hospitals and give Australian families more options to see a healthcare professional when they have an urgent, but not life-threatening, need for care. This measure delivers on the Government's 2025-26 Budget commitment to strengthen Medicare and improve health care access and affordability for all Australians.

The purpose of this grant opportunity is to deliver funding through eligible PHNs, under the broader PHN Program, to support the establishment of Medicare UCCs in 49 more locations (Darwin UCC will be established by the Northern Territory Government under a Federation Financial Agreement). This will make it easier for more Australians to see a healthcare professional when they have an urgent, but not life-threatening, need for care. As defined in the Medicare UCC Program Operational Guidance, Medicare UCCs will be:

- based in existing GP clinics, community health centres or Aboriginal Community Controlled Health Services (ACCHS),
- operate 14 hours hours/day and accept walk-in patients,
- bulk-billed resulting in no out-of-pocket costs to the patient,
- high quality, safe and effective,
- treat conditions that require urgent but not-life threatening conditions (e.g. broken bones, wounds, and minor burns), and
- flexible and diverse, responding to the needs of the local community.

The intended outcomes of the grant opportunity are to:

- improve access to urgent care in a non-hospital setting. This includes the aim of changing consumer awareness about options for appropriate care for urgent conditions that are not immediately life-threatening.

- reduce the pressure on Emergency Department (ED) presentations in partner hospitals by providing patients with short term, episodic care for urgent conditions that are not immediately life-threatening.
- support integration with existing local health services and complement general practice.

Grant Opportunity Guidelines Status

This is a new granting activity (including grant programs) and the grant opportunity guidelines (Guidelines) have been made publicly available on [GrantConnect](#). The PHNs Medicare UCCs Guidelines are at **Attachment A**. The grant opportunity ID is **GO7846**.

On 11 August 2025, the Minister for Health and Ageing agreed for the Department to undertake a closed non-competitive grant opportunity, targeting selected PHNs to commission and support the establishment of Medicare UCCs across Australia (MS25-000728).

s47E(d) On 14 August 2025, the Minister for Finance agreed to their release. The Guidelines were first published on 15 August 2025 with a funding figure of \$403.065 million (GST inclusive), consistent with the publicly available funding profile at that time.

Grant Funding Process Justification

This grant was established using a closed non-competitive, non-application based grant funding process. The funding provided under the Medicare UCC Program aligns with the established role of PHNs which includes improving access to primary health care services and will enhance their capability to further work across the interface between hospital departments and GPs.

Recommended Applicant/s

The recommended applicant(s) are listed in Table 1 below.

Applicant Name	2025-26	2026-27	2027-28	Total by Organisation
----------------	---------	---------	---------	-----------------------

s22

Coordinare Limited	\$9,054,295.15 (GST exclusive)	\$6,217,261.00 (GST exclusive)	\$6,217,261.00 (GST exclusive)	\$21,488,817.15 (GST exclusive)
	\$9,959,724.67 (GST inclusive)	\$6,838,987.10 (GST inclusive)	\$6,838,987.10 (GST inclusive)	\$23,637,698.87 (GST inclusive)



This document has been released under the Freedom of Information Act 1982 (Cth) By the Department of Health, Disability and Ageing

s22

GST is applicable on this spending proposal.

Assessment Report

PHNs are not required to apply for this funding. The eligibility of PHNs to receive a grant is assessed by the department against their existing reporting requirements and their demonstrated capability and capacity to undertake activities which fulfill the objectives of the program.

An Assessment Report for non-application based grants to PHNs has been completed for your review and signature as the decision maker for this Grant Opportunity. A copy of the assessment report is at **Attachment B**.

Risk Assessment

All PHNs are subject to ongoing monitoring and evaluation. A Risk Management Plan and Risk Register has been developed to manage risk under the PHN Program. ^{s47E(d)}

s47E(d)

Proposal Timeframe

The activity will commence on **upon execution and will conclude on 30 June 2028.**

Funds Availability

Funds are available through Outcome 1: Health Policy, Access and Support, under **Priority 27 – Primary Health Care Development, Program 1.6** and the cost centre is **s47E(d)** the relevant Finance Business Partner has confirmed that funds are available from the nominated outcome number in 2025-26, 2026-27 and 2027-28 financial years.

Grant-Connected Policy: Australian Industry Participation Plan

The total value of the individual grant to each PHN exceeds \$20 million. Commonwealth Australian Industry Participation (CAIP) team was consulted who confirmed a CAIP plan is not required for the Medicare UCC program as a CAIP plan will not increase opportunities for Australian industry.

Assessment of Value with Relevant Money

The applications have been assessed in relation to the risk of the program, meeting the objectives of the program and government policy, innovation and potential performance.

The Department assesses each PHN's ability to achieve value for money through their existing reporting processes. PHNs have been delivering similar services under the PHN Program and have demonstrated value for money through the outputs they have provided. PHNs are best placed to develop and deliver services that address local needs and are complementary to existing services. This proposal achieves value with relevant money on the basis that it will deliver outcomes that would not occur without this grant.

Grant Agreement

The Commonwealth standard grant agreement will be used.

Indexation

This commitment proposal includes an estimated amount for indexation payable over the duration of the grant agreement.

Grant agreements will include the following wording:

"Funding is subject to indexation. We will advise you in writing each year of the indexation that will apply to the funding."

This negates the need to vary the grant agreement to reflect the indexation increase.

External Reporting Requirements

Grant agreement execution will be reported on [GrantConnect](#) no later than 21 calendar days after the grant agreement takes effect, which is in line with the mandatory reporting requirements in the Commonwealth Grants Rules and Principles 2024 (CGRPs) section 5.4. The grant will also be included in the Department's response to Senate Order 16 (Minchin Motion) and reported online in accordance with the Senate Order 13 (Murray Motion) where appropriate.

Once executed, the activity will be managed on the Grant Payment System (GPS) by the Community Grants Hub.

Grant Agreement Evaluation

At the end of the project period, a financial acquittal will be completed by the Primary Health Network Branch and recorded in GPS. In exceptional circumstances where a grant is not managed by the Community Grants Hub, the financial acquittal will be completed by the policy area.

A grant agreement evaluation report will be prepared by the policy area once the financial acquittal has been completed.

Documentation

All relevant documentation pertaining to the grant agreement including this commitment approval will be filed (in accordance with Corporate Business Rule 2: Records Management) on TRIM E25-443386.

Additional Conditions or Considerations

Beyond Forward Estimates Approval

As the duration of the expenditure proposal does not extend beyond the forward estimates period, Beyond Forward Estimates approval has not been obtained.

Contingent Liability Approval

This commitment proposal does contain contingent liabilities and therefore does require s60 of the PGPA Act approval.

PHNs impacted by this investment have received written confirmation from the Urgent Care Branch, advising an indication of funding to be provided, without prejudice and pending negotiations with the Department. This poses a potential contingent liability in the form of warranty. The contingent liability risk is remote (the likelihood of the event occurring is less than five per cent).

I APPROVE the granting of a contingent liability in the form of warranty in favour of the PHNs under s60 of the PGPA Act.

I declare that I have made all reasonable enquiries and as a result I am satisfied that:

- I am an authorised delegate for this contingent liability and this approval is within the limits of my delegation as specified in the department's financial delegations; and
- The risk associated with the contingent liability was assessed to be both remote (less than five per cent chance) and not significant (less than \$30 million) as defined in the directions in the Finance Minister's delegation.

s47F

Signature:

Date: 25 /8/2025

Name: Dr. Liz Develin

Deputy Secretary

Primary and Community Care Group

Attachments

- Attachment A Grant Opportunity Guidelines
- Attachment B PHN Organisation Assessment Report

Contact officer: s47E(c), s47F Director, Medicare UCC Operations Section, Urgent Care
Branch

Phone: s47E(c), s47F

EA Corro Ref:

TRIM ref:
E25 -443386

This document has been released under
the Freedom of Information Act 1982 (Cth)
By the Department of Health, Disability and Ageing



Australian Government

Department of Health

To: Dr Liz Develin, Deputy Secretary, Primary and Community Care Group
Through: Mark Roddam, First Assistant Secretary, Primary Care Division
From: s47E(c), s47F , A/g Assistant Secretary, Urgent Care Branch
Date: 21 August 2025

SUBJECT: Assessment Report – Medicare Urgent Care Clinics Grant Opportunity Guidelines GO 7846

Purpose

To advise you of the recently completed assessment outcome for the above grant opportunity.

As the Decision Maker under the Medicare Urgent Care Clinics program, it is recommended that you:

1. **NOTE** the outcomes of the eligibility and compliance check of the applicants.
2. **APPROVE** the outcomes of the assessment process including the recommended applicants.
3. **NOTE** that following your approval of the assessment outcome, and following any negotiations and subsequent Commitment Approval, the PHN Operations Branch in consultation with staff from the Medicare Urgent Care Clinics Operations Section will prepare a variation to the PHN Grant Agreement.

Background

The Australian Government has made available \$366.4 million (GST exclusive) for the Medicare Urgent Care Clinics (Medicare UCCs) Grant Opportunity three years from 2025-26 to 2027-28.

This grant opportunity will deliver funding through eligible PHNs, under the broader PHN Program, to support the establishment of Medicare UCCs in 49 more locations and make it easier for Australians to see a healthcare professional when they have an urgent, but not life-threatening, need for care.

This grant opportunity was conducted via non-competitive, non-application process. The funding provided under the Medicare UCC Program aligns with the established role of PHNs which includes improving access to primary health care services and will enhance their capability to work across the interface between hospital departments and GPs.

The objectives of the grant opportunity are to establish Medicare UCCs in more locations and make it easier for Australians to see a healthcare professional when they have an urgent, but not life-threatening, need for care. As defined in the Medicare UCC Program Operational Guidance, Medicare UCCs will be:

- based in existing GP clinics, community health centres or Aboriginal Community Controlled Health Services (ACCHS),
- operate extended business hours and accept walk-in patients,
- bulk-billed resulting in no out-of-pocket costs to the patient,
- flexible and diverse, responding to the needs of the local community,
- high quality, safe and effective, and
- treat conditions that do not require a hospital admission (i.e., broken bones, wounds, and minor burns).

The intended outcomes of the grant opportunity are to:

- improve access to urgent care in a non-hospital setting. This includes the aim of changing consumer behaviour about options for appropriate care for urgent conditions that are not immediately life-threatening.
- reduce the pressure on Emergency Department (ED) presentations in partner hospitals by providing patients with short term, episodic care for urgent conditions that are not immediately life-threatening.
- support integration with existing local health services and complement general practice.

Eligibility and compliance

How the PHNs offer value for money for the services for which they are funded to commission

- Primary Health Networks (PHNs) commission activities in their region to meet the identified and prioritised health needs of their local communities. PHNs are required through their Funding Agreements to achieve value for money within budget parameters, including minimising administrative overheads and ensuring the efficient delivery of nationally and locally determined priorities. Decisions must be made in an accountable manner and on a suitable evidence base.
- Each PHN regularly undertakes a needs assessment of the health and service needs of people in their region and identifies specific local priorities to be addressed through the commissioning process. The needs assessment process includes analysing the health needs of the PHN region; reviewing and identifying market factors and drivers of health services in the PHN region; analysing the relevant local and national health data; identifying service gaps or market failures; and stakeholder and community consultation.
- Through the commissioning process, PHNs target and prioritise health services to meet the identified needs of the local community in a continuous cycle of improvement. Funding PHNs to commission health services, rather than to deliver services directly, results in:
 - a better understanding of the needs of local populations, through health data analysis
 - a greater focus on health outcomes that matter to patients and communities
 - patients and communities being at the centre of care, with services organised and delivered in response to their needs
 - better relationships with stakeholders, providers and patients, which influences the design, funding and delivery of services
 - better value for money through the use of open and transparent procurement processes
 - the best outcomes from limited health resources
- The Department considers whether PHNs are spending funding in an effective and efficient manner and achieving value for money through the assessment of Activity Work Plans and Performance Reports.

The Department reserves the right to review whether a PHNs procurement decisions represent Value for Money. If Value for Money cannot be demonstrated, a PHN may be subject to further audits and action in line with the Funding Agreement.

How PHNs are subject to ongoing assessment against the PHN Assurance Framework?

- The performance of the PHN Program and effectiveness of individual PHNs is regularly monitored by the Department of Health and Aged Care through performance, assurance and reporting frameworks in accordance with Australian Government grant requirements.
- As the first step in the Assurance Framework's implementation, PriceWaterhouse Coopers (PwC) developed a Risk Indicator Model and undertook Baseline Maturity Assessments (BMA) of all PHNs. The assessments provided an overall risk rating for each PHN and identified potential risks and issues that may not be picked up during 'business as usual' assurance activities.
- The results from these BMAs, regular risk assessments, reported information and other intelligence is used by the Department to inform ongoing assurance activities under the Framework, including independent audits.
- Commencing in 2022, at least three PHNs will be audited each year to provide further assurance that PHNs are operating in accordance with their legal and financial obligations and identify areas to support PHNs to be operating at peak capability

The Department has undertaken eligibility and compliance checks of the applicant/s and confirms that:

- The PHNs are not included on the [National Redress Scheme's website](#) on the list of 'Institutions that have not joined or signified their intent to join the Scheme.'
- Where the PHNs required to comply with child safety requirements consistent with the Commonwealth Child Safe Framework these will be included in the grant agreement.

Assessment

Medicare Urgent Care Clinics Operations Section has reviewed the assessment material as outlined in the Grant Opportunity Guidelines and considers the PHNs to be best value as money recipients for these grants. All Primary Health Networks are subject to ongoing monitoring and evaluation. A Risk Management Plan and Risk Register has been developed to manage risk under the PHN Program. PHNs are assessed as medium risk by the Department.

Recommended applicants

The Department has determined the relevant PHNs demonstrate value for money and are suitable for funding. The Department assesses each PHN's ability to achieve value for money through their existing reporting processes. PHNs have been delivering similar services under the PHN Program and have demonstrated value for money through the outputs they have provided. PHNs are best placed to develop and deliver services that address local needs and are complementary to existing services. This proposal achieves value with relevant money on the basis that it will deliver outcomes that would not occur without this grant.

Additionally, the Medicare UCC PHN Schedules will include additional financial and performance reporting requirements.

Negotiation/funding agreement creation

The PHN operations section in consultation with Medicare Urgent Care Clinics Operations Section, will conduct negotiations and prepare a variation to the PHN Grant Agreement.

Documentation

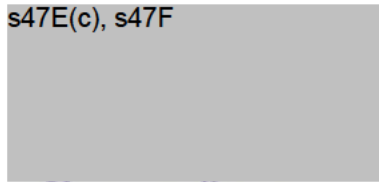
All relevant documentation relating to this grant opportunity has been filed (in accordance with Corporate Business Rule 2: Records Management) on TRIM E25 -443386.

Recommendations

It is recommended that you:

1. **NOTE** the outcomes of the eligibility and compliance check of the applicants.
2. **APPROVE** the outcomes of the assessment process including the recommended applicants.
3. **NOTE** that following your approval of the assessment outcome, and following any negotiations and subsequent Commitment Approval, the PHN branch in consultation with the Medicare Urgent Care Clinics Operations Section, Urgent Care Branch will prepare a variation to the PHNs Grant Agreement.

Recommending Officer

s47E(c), s47F


.....

s47E(c), s47F

Director

Medicare Urgent Care Clinics Operations Section, Urgent Care Branch, Primary Care Division

R1: APPROVED

R2: NOTED

s47F


Dr Liz Develin
Deputy Secretary
Primary and Community Care Group

25th August 2025