



cc: Ms Halton
Mr Learmonth
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28 JUN 2013

Parliamentary Section

MINUTE TO THE MINISTER

MINISTER SNOWDON

Critical Date: 5 June 2013

FUNDING FOR NEW HEALTH INFRASTRUCTURE – BROKEN HILL, NSW

PURPOSE:

To seek your approval to redirect \$2 million of Commonwealth funding, previously provided to NSW Health, towards the provision of a new primary health care facility in Broken Hill, NSW.

ISSUE:

2. Due to concerns with the capacity of Katungul Aboriginal Corporation Community & Medical Services (Katungul) to manage a capital works project, NSW Health has sought agreement to redirect funding of \$2 million provided by the Commonwealth for a new primary health care facility in Narooma, NSW towards a new facility in Broken Hill, NSW.

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BACKGROUND:

4. In June 2010 the Commonwealth entered into a funding agreement with NSW Health to provide funding of \$2 million as a contribution towards the provision of a primary health care facility in Narooma, NSW. The initial progress of the health clinic was slow due to the lack of suitable sites in and around Narooma and complexities negotiating land tenure with the local land council. Due to subsequent concerns with Katungul's governance and financial administration practices a special administrator was appointed by the Office of the Registrar of Indigenous Corporations to Katungul in December 2011. The capital works project was subsequently put on hold to mitigate further risk.

5. The period of special administration ceased in September 2012, and while services are currently being provided, both NSW Health and OATSIH do not consider the organisation currently has the capacity to proceed with managing a significant capital works project.

6. NSW Health has written to OATSIH seeking agreement to the redirection of \$2 million from the Narooma project towards a capital works project in Broken Hill. The project is estimated to cost \$5.2 million with NSW Health providing \$2 million towards the total funding. A source for the remaining funding required is yet to be finalised however preliminary advice indicates that NSW Health may be able to contribute the remaining balance.

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- Health Reform
- Election Commitment
- COAG Reform
- Appointment
- Budget
- Program or grant administration
- Other significant policy
- Other
- Minority Government

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Sensitivity:

13. Community expectations may need to be managed regarding the delay to the health facility in Narooma. Subject to continued improved capacity of the current service provider, a new facility in Narooma could be considered under a future OATSIH Capital Works Strategy assessment process and progressed should funding become available.

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RECOMMENDATION

- R1. That you AGREE to redirect funds of \$2 million from the Narooma project towards the development of a new primary health care facility in Broken Hill, New South Wales.
- R2. That you NOTE, if redirection is not granted at Recommendation 1, the Department would pursue the return of unspent funds from NSW Health and receipt into the Consolidated Revenue Fund.
- R3. That you NOTE a new health facility for Narooma, New South Wales, can be considered and assessed under the OATSIH Capital Works Strategy if future funding becomes available under Outcome 8.

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Garry Fisk
 Assistant Secretary
 CDB/OATSIH
 22 May 2013
 Outcome: 8: Indigenous Health

Contact Officer:
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 Capacity Development Branch

WARREN SNOWDON 19 JUN 2013

- R1. AGREE/DISAGREE
- R2. NOTED
- R3. NOTED

MINISTER'S COMMENTS:

Advice Rating	1	2	3	4	5	Comments
Timeliness						
Presentation						
Quality of Advice						
	Poor		Satisfactory		Excellent	

ATTACHMENTS: Minute No. N12001413 Capital Works Funding Strategy – Forward Work Plan