

(1)

*Handover notes – NT Renal Accommodation Project (January 2012)*

**The Project**

The Project Agreement will provide \$13 million in funding to the NT Government for the construction of two family-centric renal accommodation facilities, one in Alice Springs and one in Tennant Creek, for Aboriginal and Torres Strait Islander renal patients and their families relocating from remote communities in order to receive renal dialysis treatment.

The provision of this funding was announced by Minister Snowdon on 27 June 2011 in response to the launch of the *Central Australia Renal Study* (refer Minute no: **N11002429**):

\\central.health\DFSGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Agreement\Approvals\Snowdon M2M Funding Approval

The construction of family centric renal accommodation in the NT is consistent with the findings of the Central Australia Renal Study (commissioned by the Department in June 2010), to identify current and future renal needs and provide recommendations on the most effective and feasible service delivery options and care pathways for Aboriginal and Torres Strait Islander peoples in need of renal services (including dialysis), and identify issues around the distribution of these services.

Each facility will have capacity to house a minimum of eight renal patients and thirty-two family members and/or carers in hostel type, long stay accommodation, while patients receive treatment. Refer Statement of Requirement:

\\central.health\DFSGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Costings & Facility Designs

Current projected timeframes will see construction start on these facilities in June 2012 and achieve project completion by December 2012.

**Project Control Group**

A Project Control Group, comprised of representatives from the NT Department of Health, NT Department of Construction and Infrastructure, NT Department of Housing, Aboriginal Hostels Limited and the Department of Health and Ageing, was established in September 2011 to oversee the delivery of this project. See Terms of Reference and Membership:

\\central.health\DFSGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Control Group\Terms of Reference

This role of this group is to ensure the project remains on track, and to collectively troubleshoot any issues that may arise. The group meets on average twice month. The NTG (Suzy Poppe) chair the meetings and provide secretariat support (we typically brief Garry as is required).

All Meeting agendas and minutes have been saved here:

\\central.health\DFSGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Control Group\Meetings

The next meeting of the PCG is currently scheduled for 15 February 2012. Meeting papers have not been prepared.

**Funding Approvals**

OATSIH Budget (Ken) has advised that the project has Reg 9 approval.

The signed approval of funds Minute from Minister Snowdon (N11002429 - M2M NT Renal Accommodation approval of Funds) can be found here:

\\central.health\DFSGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Agreement\Approvals\Snowdon M2M Funding Approval

The M2M seeking approval from Minister Plibersek to reallocate funds from DoHA to the Treasury's COAG Reform SPP account (to make payments) (N11002554 - Plibersek reallocation of funds) can be found here:

\\central.health\DFSGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Agreement\Approvals\M2M Plibersek App. reallocation of funds

While we have Plibersek's approval we are still awaiting Minister's Wong's agreement to transfer the funds (see attachment A of the M2M) In accordance with the *Intergovernmental Agreement on Federal Financial Relations* (IGA), we cannot formally offer the Project Agreement to the NT until this approval has been obtained. This does not however, hinder us in commencing negotiations with NTG on the PA. COAG Framework has advised that (as of 19/01/2012) the letter seeking Minister Wong's approval has been received by her office. Current ETA on receipt of this letter is early Feb 2012. COAG Framework liaises with Finance on our behalf on this matter.

#### **Project Agreement**

The **Draft** Project Agreement has now been finalized, and has obtained formal clearance through PM&C and Treasury. All previous drafts and corro can be found here:

\\central.health\DFSGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Agreement\PA Drafts

The Project Agreement was provided to the NTG on 2 February 2012 (email to Suzy Poppe). The NTG advised on 2/2/2012 that they would review the terms and conditions of the agreement and get back to us. To date (10 Feb 2012) we have received no advice from NTG regarding the PA.

A Minute seeking Minister Snowdon's approval on the Draft PA and to commence negotiations with NTG on the terms and conditions of the agreement is current with the Minister for approval (Minute #N12000063):

\\central.health\DFSGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Agreement\Approvals\M2M approval to begin neg with NTG

From here:

Once approval has been obtained from the Minister the PA will be provided to the NTG, and must obtain Cabinet and Treasury approval before it can finalised.

In terms of the progression of our internal processes, my understanding is that COAG Framework Section will seek list of state health contacts from line area to provide to PM&C/Treasury/Finance for liaison with counterpart central agencies and state health officials when PA is distributed.

While we will negotiate the terms and conditions of the PA with our Departmental counterparts (i.e. Suzy), in parallel, Centrals will undertake negotiations with their Territory counterparts in the NT Treasury, etc., on our behalf. (I'm not really sure how these dual neg. processes will meet though?) It will be the role of COAG Framework Section to consult with Centrals on any

proposed changes/issues, before obtaining clearance from centrals on revised PA. Note: any changes to the PA must be cleared through Treasury and PM&C.

Our key negotiating contact in the NTG is Liz Stackhouse ([liz.stackhouse@nt.gov.au](mailto:liz.stackhouse@nt.gov.au)) who manages all NTG PA's.

Once the PA returns to the Department a Minute will be provided to Minister Snowdon seeking final sign-off on the PA and approval to formally offer the PA to NTG (Letter to Minister Vatsakalis). I have drafted these documents; they will just need updating once the PA reaches this stage: \\central.health\DFSGGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Agreement\Approvals\Snowdon M2M Formal offer of PA to NT

A final M2M seeking Minister Snowdon's signature on the Project Agreement and a return cover letter to the NT Government is then required.

**Please note:** As per the IGA guidelines, **ALL** Minutes relating to this PA need to be cleared through OATSIH Budget, COAG Frameworks, as well as Budget Branch. Anne and Katherine in OATSIH Budget do the bulk of the liaising with these areas on our behalf. Shai Iyer is our primary contact officer in COAG Frameworks. Her Director Paula Zylstra is also extremely helpful if Shai is unavailable.

Finally, once the PA is signed off by both parties it must be uploaded onto the MCFFR website (<http://www.federalfinancialrelations.gov.au>).

#### **Guidance:**

Details on these steps can be found in the Steps for PA document found here:

\\central.health\DFSGGroupData\Sites\CO2\CO\OATSIH\CDB\CW\Renal\Project Agreement\PA Guidance Docs

#### **Key Contacts:**

##### OATSIH Budget:

Anne Clarke: x7228 - [anne.clarke@health.gov.au](mailto:anne.clarke@health.gov.au)

Katherine Brammer: x7754 - [Katherine.brammer@health.gov.au](mailto:Katherine.brammer@health.gov.au)

##### COAG Frameworks

Shai Iyer: x9006 - [Shai.iyer@health.gov.au](mailto:Shai.iyer@health.gov.au)

Paula Zylstra: x1847 - [paula.zylstra@health.gov.au](mailto:paula.zylstra@health.gov.au)

##### NT Government:

Ms Suzy Poppe Senior Nurse Renal Advisor, NT Department of Health

Phone: (08) 8999 2406

Email: [susan.poppe@nt.gov.au](mailto:susan.poppe@nt.gov.au)

Ms Liz Stackhouse, Executive Director of Planning and Infrastructure

Phone: (08) xxxx xxxx

Email: [liz.stackhouse@nt.gov.au](mailto:liz.stackhouse@nt.gov.au)

2

Garry Fisk/OATSIH/Health  
13/01/2012 09:15 AM

To Michelle Macaulay/PSD/Health@Health\_gov\_au  
cc Tarja Saastamoinen/OATSIH/Health@Health\_gov\_au  
bcc Cassandra Penfold/OATSIH/Health

Subject URGENT: Project Agreement - Renal Accommodation NT [SEC=IN-C]

**IN-CONFIDENCE**

Michelle

- My staff and OATSIH's Budget team have been liaising very closely with the COAG Framework team to expedite our NT Renal Accommodation Project Agreement. This project is a priority for Minister Snowdon and is proceeding under extremely tight timeframes.
- Based on extensive advice from the COAG Framework Team (Monica Kokoszka), numerous large-scale changes were made to the PA (predominantly relating to Milestones and Reporting requirements) in November and December.
- Prior to shutdown we were advised that the COAG Framework Team were "happy with it" and that the PA had been circulated to PM&C and Treasury for informal comment.
- We have now been advised by COAG Framework (Shia Iyer) that the PA has not been circulated and cannot be provided to central agencies for informal comment, as further and substantial changes to the agreement are now required. This contradicts previous advice provided by your area.
- The net result is that we have now effectively delayed the finalising of this project agreement to the point where it jeopardises both our ability to meet the first milestone payment currently scheduled for 29 February 2012, and our ability to expend our allocated funding for the 2011-12 financial year - allocations that both Ministers Snowdon and Plibersek have agreed to but more importantly is likely to delay the project.
- As mentioned above this project is a priority for Minister Snowdon and a meeting in his office some weeks ago the Secretary advised that she is willing and ready to push other Secretaries to expedite the PA's path through Central Agencies but after many weeks of toing and froing we haven't even managed to get it out of the Department, which is frankly embarrassing. If these delays delay the commencement of this project, and this is now looking highly likely, we can expect to wear the extreme wrath of both the Minister and Secretary.
- Could you please advise why we are getting conflicting advice? Who is the officer we can rely on to give us a definitive answer on a document that can go forward? Is it necessary to change the document that was "agreed" prior to Christmas?

Your urgent attention to this matter would be most appreciated.

Happy to meet and discuss if it will expedite this matter.

3

OATSIH Budget  
Sent by: Anne Clarke

17/01/2012 10:32 AM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au

cc OATSIH Budget/Health@Health\_Gov\_Au

bcc

Subject SPP Template for estimates pre-Reallocation of Funds - Renal in NT

History

This message has been forwarded

IN-CONFIDENCE

Hi Cassie

This is the template we drafted back when the M2M for reallocation of funds was being progressed before Xmas. Can you check figures and get clearance from Garry so we can send to BB as soon as possible. This will ensure BB have all the info they need ahead of approval from the MoFD for the funds transfer. In the event that the \$\$ change once centrals have commented further, please can you keep OATSIH Budget in the loop, and we will do the same with BB as the process moves forward.

It would be also helpful (when you have time after that) if you could send us 2-3 sentences similar to those in Budget Paper No 3 11-12 (pp29-40 approx) that OATSIH also manages eg Closing the Gap in the NT, Indigenous Early Childhood, Renal Access etc for a brief description of what the PA is going to provide funds to the NTG for. We will then send this draft to COAG F/W and cc to BB as a guide, and this will avoid last minute rushes for text in Budget publications for Budget 12-13 (noting publication will not occur for your new SPP until BP No 3 in May 2012).

An opportunity for CDB to clear all final figures and text for Budget Papers will of course be available prior to finalisation of publication materials.

cheers

Anne



20111213 AES 2011-12\_RenalAccomNT\_new SPP.xls

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Budget and Financial Management Section  
Office for Aboriginal & Torres Strait Islander Health (MDP: 750)  
Australian Government Department of Health & Ageing  
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Canberra ACT 2601

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OATSIH.Budget@health.gov.au

IN-CONFIDENCE

29

OATSIH Budget  
Sent by: Anne Clarke

17/01/2012 02:08 PM

To COAG Framework/Health@Health\_Gov\_Au

cc OATSIH Budget/Health@Health\_Gov\_Au, Shai Iyer/PSD/Health@t  
Framework/Health@Health\_Gov\_Au, Cassandra Penfold/OATSIH/  
Fisk/OATSIH/Health@Health\_gov\_au, Greg Lemmon/OATSIH/Hea  
bcc

Subject Re: Fw: Draft Project Agreement on NT Renal Accommodation [S

**IN-CONFIDENCE**

Thanks Shai, excellent news. Thanks for everything you and the team have done to help OATSIH progress this, and to Cassie and Greg for the great work.

cheers

Anne

Budget Policy Team  
Budget and Financial Management Section  
Office for Aboriginal & Torres Strait Islander Health (MDP: 750)  
Australian Government Department of Health & Ageing  
GPO Box 9848  
Canberra ACT 2601

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E-mail	<a href="mailto:OATSIH.Budget@health.gov.au">OATSIH.Budget@health.gov.au</a>

COAG Framework

COAG  
Framework  
Sent by: Shai Iyer

To OATSIH Budget/Health@Health\_Gov\_Au  
cc

17/01/2012 11:42  
AM

Subject Fw: Draft Project Agreement on NT Renal Accommodation  
[SEC=IN-CONFIDENCE]

fyi

Shai  
COAG Framework Section  
Policy Strategies Branch  
Portfolio Strategies Division  
Department of Health and Ageing  
Ph (02) 6289 9006  
Fax (02) 6289 4988

----- Forwarded by Shai Iyer/PSD/Health on 17/01/2012 11:42 AM -----

COAG Framework  
Sent by: Shai Iyer

17/01/2012 11:40 AM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc COAG Framework/Health@Health\_Gov\_Au, Garry  
Fisk/OATSIH/Health@Health\_gov\_au, Greg  
Lemmon/OATSIH/Health@Health\_gov\_au, Joanne  
Barber/OATSIH/Health@Health\_gov\_au, OATSIH  
Budget/Health@Health, Paula  
Zylstra/PHD/Health@Health\_gov\_au

Subject Re: Fw: Draft Project Agreement on NT Renal  
Accommodation [SEC=IN-CONFIDENCE]

Hi Cassandra

Please find attached the draft PA with minor amendments from Centrals.

Once Minister Snowdon's approval is sought, please organise to send us a pdf version (along with relevant contacts at NT Health) so that Centrals can forward them to their counterparts in NT.

[attachment "NT Renal Accommodation PA V 2 8 FINAL (January 2012) (2) - with comments from Centrals 17012012.doc" deleted by Anne Clarke/OATSIH/Health]

Thanks.

Shai  
COAG Framework Section  
Policy Strategies Branch  
Portfolio Strategies Division  
Department of Health and Ageing  
Ph (02) 6289 9006  
Fax (02) 6289 4988

Cassandra Penfold/OATSIH/Health



Cassandra  
Penfold/OATSIH/Health  
16/01/2012 04:46 PM

To Paula Zylstra/PHD/Health@Health\_gov\_au  
cc COAG Framework/Health@Health\_Gov\_Au, Garry  
Fisk/OATSIH/Health@Health\_gov\_au, Greg  
Lemmon/OATSIH/Health@Health\_gov\_au, OATSIH  
Budget/Health@Health, Joanne  
Barber/OATSIH/Health@Health\_gov\_au  
Subject Re: Fw: Draft Project Agreement on NT Renal  
Accommodation [SEC=IN-CONFIDENCE]

Hi Paula,

Please find attached final version of the Project Agreement, incorporating PM&C's and Treasury's advice, for final approval.

Please let me know if I can be of further assistance.

Many thanks  
Cass

[attachment "NT Renal Accommodation PA V.2.8 FINAL (January 2012).doc" deleted by Shai Iyer/PSD/Health]

Cassandra Penfold : Capital Works Section : Capacity Development Branch :

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au

104



Lemmon/OATSIH/Health@Health\_gov\_au, OATSIH  
Budget/Health@Health, Joanne  
Barber/OATSIH/Health@Health\_gov\_au  
Subject: Re: Fw: Draft Project Agreement on NT Renal  
Accommodation [SEC=IN-CONFIDENCE]

Hi Paula,

Please find attached final version of the Project Agreement, incorporating PM&C's and Treasury's advice, for final approval.

Please let me know if I can be of further assistance.

Many thanks  
Cass

[attachment "NT Renal Accommodation PA V.2.8 FINAL (January 2012).doc" deleted by Shai Iyer/PSD/Health]

Cassandra Penfold | Capital Works Section | Capacity Development Branch |

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au

Paula Zylstra/PHD/Health



Paula  
Zylstra/PHD/Health  
13/01/2012 04:37  
PM

To: Greg Lemmon/OATSIH/Health@Health\_gov\_au, Garry  
Fisk/OATSIH/Health@Health\_gov\_au, Cassandra  
Penfold/OATSIH/Health@Health\_gov\_au  
cc: COAG Framework/Health@Health\_Gov\_Au, OATSIH  
Budget/Health@Health\_Gov\_Au  
Subject: Fw: Draft Project Agreement on NT Renal Accommodation  
[SEC=IN-CONFIDENCE]

Good afternoon

Treasury and PMC have provided a consolidated response to the draft PA - attached below.

Please can you review their comments and revise accordingly - happy to discuss. Once we have a final draft, we'll quickly run past centrals for final approval, at which point the draft can be sent to the Minister for approval to commence formal negotiations.

regards

Paula Zylstra  
Director  
COAG Framework, PSD  
ph 6289 1847, [REDACTED]

----- Forwarded by Paula Zylstra/PHD/Health on 13/01/2012 04:30 PM -----



"Rosser, Linda"

40



Please can you review their comments and revise accordingly - happy to discuss. Once we have a final draft, we'll quickly run past centrals for final approval, at which point the draft can be sent to the Minister for approval to commence formal negotiations.

regards

Paula Zylstra  
Director  
COAG Framework, PSD  
ph 6289 1847, [REDACTED]

----- Forwarded by Paula Zylstra/PHD/Health on 13/01/2012 04:30 PM -----



"Rosser, Linda"  
<Linda.Rosser@TREASURY.GOV.AU>

13/01/2012 04:20 PM

To "Paula.Zylstra@health.gov.au" <Paula.Zylstra@health.gov.au>  
cc "Barbatano, Vince" <Vince.Barbatano@TREASURY.GOV.AU>, "Chung, Richard" <Richard.Chung@TREASURY.GOV.AU>, "Bennett, Durham" (Durham.Bennett@pmc.gov.au)" <Durham.Bennett@pmc.gov.au>, "Robinson, Toby" (Toby.Robinson@pmc.gov.au)" <Toby.Robinson@pmc.gov.au>, "Higgins, Charles (Charles.Higgins@pmc.gov.au)" <Charles.Higgins@pmc.gov.au>, "shai.iyer@health.gov.au" <shai.iyer@health.gov.au>, "COAG.Framework@health.gov.au" <COAG.Framework@health.gov.au>, "michelle.macaulay@health.gov.au" <michelle.macaulay@health.gov.au>  
Subject FW: Draft Project Agreement on NT Renal Accommodation [SEC=IN-CONFIDENCE]

Paula

Please find attached with comments from PM&C and Treasury.

The main issue is the financial acquittals, which we have deleted as they are inconsistent with the FFR framework.

There are a number of formatting changes to align with the new Project Agreement template.

Could you send us the version you intent to send to NT for a final consistency check with the framework and we can then alert our central agency colleagues in the NT.

Thanks

Linda

[attachment  
"Family Centric Renal Accommodation for Aboriginal and Torres Strait Islander Peoples in the Northern Territory - 130112 - with comments.doc" deleted by Cassandra Penfold/OATSIH/Health]

OATSIH Budget  
Sent by: Anne Clarke

13/01/2012 01:38 PM

To Paula Zylstra/PHD/Health@Health\_gov\_au, Budget Estimate/Hea  
Penfold/OATSIH/Health@Health\_gov\_au, COAG Framework/Hea  
cc Garry Fisk/OATSIH/Health@HEALTH\_GOV\_AU, Greg Lemmon/OA  
Macaulay/PSD/Health@HEALTH\_GOV\_AU, OATSIH Budget/Healt  
Iyer/PSD/Health@HEALTH\_GOV\_AU, Ken Wedgwood/OATSIH/He  
bcc

Subject Re: Revised Renal Accommm Project Agreement [SEC=UNCLASSIFI

**UNCLASSIFIED**

Thanks all. Cassie you've done a great job, and Shai your advice and discussion to us the other day were really helpful, and well implemented by Cassie. Milestone table looks excellent and so does the naming of the milestone and description of the associated reports.

Paula/Shai and Cassie

Let's know next steps and timing for the SPP creation eg I'm assuming given Minister Wong hasn't approved the annual allocations yet that the dollars will not be put into the Budget papers until 12-13 Budget? ie not into AEs which Janet W's team is processing right as we speak for the PAES publication. Have cc'd to Budget Estimates just to check.

Note to Janet and Linda

The draft template we did for the new "Renal Accommm in the NT" SPP was not in the OATSIH workbook (nor was I expecting it to be). Can you add it to the next workbook prior to 12-13 Budget BP publication?

cheers  
Anne



20120113 NT Renal Accommodation Draft Project Agreement v.2.6 (January 2012) PSD to Tey.doc

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Paula Zylstra/PHD/Health



Paula Zylstra/PHD/Health

13/01/2012 12:58 PM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc Garry Fisk/OATSIH/Health@HEALTH\_GOV\_AU, Greg  
Lemmon/OATSIH/Health@HEALTH\_GOV\_AU, Michelle  
Macaulay/PSD/Health@HEALTH\_GOV\_AU, OATSIH  
Budget/Health@HEALTH\_GOV\_AU, Shai  
Iyer/PSD/Health@HEALTH\_GOV\_AU, COAG  
Framework/Health@Health\_Gov\_Au  
Subject Re: Revised Renal Accommm Project Agreement  
[SEC=UNCLASSIFIED]



Many thanks Cassie,

The draft PA has been sent to Treasury and PMC for comment, requesting their urgent consideration and response.

regards

Paula Zylstra  
Director  
COAG Framework, PSD  
ph 6289 1847, [REDACTED]

Cassandra Penfold/OATSIH/Health



Cassandra  
Penfold/OATSIH/Health

13/01/2012 12:47  
PM

To Paula Zylstra/PHD/Health@Health\_gov\_au, Michelle  
Macaulay/PSD/Health@Health\_gov\_au  
cc Shai Iyer/PSD/Health@Health\_gov\_au, Greg  
Lemmon/OATSIH/Health@Health\_gov\_au, Garry  
Fisk/OATSIH/Health@Health\_gov\_au, OATSIH  
Budget/Health@Health\_Gov\_Au  
Subject Revised Renal Accommodation Project Agreement [SEC=UNCLASSIFIED]

Hi Paula,

Please find attached the latest working version of the NT Renal Accommodation Project Agreement (inclusive of changes discussed this morning) for comment and distribution to Central Agencies.

Please do not hesitate to contact me if you require clarification on any changes.

Many thanks  
Cassie

[attachment "NT Renal Accommodation Draft Project Agreement v.2.6 (January 2012).doc" deleted by Anne Clarke/OATSIH/Health]

Cassandra Penfold | Capital Works Section | Capacity Development Branch |

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au

----- Forwarded by Cassandra Penfold/OATSIH/Health on 13/01/2012 12:34 PM -----

OATSIH Budget  
Sent by: Anne Clarke

11/01/2012 02:42  
PM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc OATSIH Budget/Health@Health\_Gov\_Au  
Subject Renal Accommodation PA - PSD advice for next version  
[SEC=UNCLASSIFIED]

166

PS Can you ensure that any titles of reports are clearly aligned to the milestone table ie same text describes both. Any detail on content of reports that are not generic should be included under reporting arrangements.  
cheers  
Anne

[attachment "20120103 Draft PA Renal Accomodation with comments from COAG Framework Section from PSD to OB.doc" deleted by Anne Clarke/OATSIH/Health]

Budget Policy Team  
Budget and Financial Management Section  
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Australian Government Department of Health & Ageing  
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Canberra ACT 2601

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Helen Couper	☎ (02) 6289 3755
Katherine Brammer	☎ (02) 6289 7754
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E-mail	✉ <a href="mailto:OATSIH.Budget@health.gov.au">OATSIH.Budget@health.gov.au</a>

UNCLASSIFIED

5



Shai Iyer/PSD/Health  
19/01/2012 02:21 PM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc COAG Framework/Health@Health\_Gov\_Au, Garry Fisk/OATSIH/Health@Health\_gov\_au, OATSIH Budget/Health@Health@Health\_Gov\_Au  
bcc

Subject Construction projects - advice for program areas [SEC=UNCLASSIFIED]

## UNCLASSIFIED

Hi Cassie

The NT Renal Accom. PA involves construction projects and the below info will be extremely relevant and important to relay to NT when you commence formal negotiations. Also, process of payments for construction projects is explained below.

The Commonwealth must not provide funding to States for construction projects unless the builders:

1. are accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme. This is a statutory requirement under the *Building and Construction Industry Improvement Act 2005* (BCIIA) and has applied since late 2007.

- Only head contractors must be accredited under the Scheme.

### Required reading

<http://fsc.gov.au/Pages/default.aspx>



Legislation: [bacia2005527.rtf](#) Accreditation Scheme Regs.pdf

2. comply with the National Code of Practice for the Construction Industry (the Code) and associated Australian Government Implementation Guidelines (the Guidelines). This is a policy, and not a statutory, requirement that has applied since 2003. Compliance is monitored by the Office of the Australian Building and Construction Commissioner (OABCC), which reports alleged breaches to the Code Monitoring Group (CMG) for consideration.


- All contractors (and sub-contractors) participating in on-site activities must be compliant with the Code.
- The Code and Guidelines apply to construction activities undertaken by Australian Government agencies and funding recipients including:
  - building refurbishment or fit out, installation of building security systems, fire protection systems, air conditioning systems, computer and communication cabling, and building and construction of landscapes;
  - all organised activities concerned with demolition, building, landscaping, maintenance, civil engineering, process engineering, mining (excluding mining operations) and heavy engineering.
- The Code and Guidelines do not cover the ongoing maintenance of building systems.


### Required reading

<http://www.deewr.gov.au/WorkplaceRelations/Policies/BuildingandConstruction/Pages/default.aspx>



Fact sheet: [GuideforGovAgencieschecklist\\_factsheet.pdf](#)

  
Code: National\_Code\_of\_Practice\_ConstructionIndustry1997.pdf

  
Guidelines: ImplementationGuidelines2009.pdf

These requirements apply to payments where:

- Commonwealth funding is at least \$5 million and represents at least 50% of the total construction value, or
- Commonwealth funding is \$10 million or more.

#### Amendments to the IGA

The IGA has been amended to highlight the existing requirements for construction projects.

*Schedule D of the IGA* (see D38-D41):

[http://www.federalfinancialrelations.gov.au/content/inter\\_agreement\\_and\\_schedules/current/Schedule\\_D.pdf](http://www.federalfinancialrelations.gov.au/content/inter_agreement_and_schedules/current/Schedule_D.pdf)

#### Managing payments to states

The Department has introduced a new process into the provision of payment advice to the Treasury, in relation to project payments for construction projects, to ensure that no payments are made without evidence of compliance.

When providing payment advice to PSD, First Assistant Secretaries are now required to provide a signed 'Confirmation of Advice Form' confirming that:

- payment certification and accuracy controls have been met for each identified payment; and
- capital works projects (that meet the funding threshold) are undertaken by accredited builders under the Building and Construction Industry Improvement Act 2005 and are undertaken in compliance to the National Code of Practice for the Construction Industry.

Program areas must obtain confirmation from the relevant state/territory that the construction requirements for the Scheme AND the Code/Guidelines have been met, prior to authorising payments. This advice may be provided in a progress report or (where a project milestone does not have a progress report attached) as part of the evidence provided to demonstrate that milestones have been met.

Hope this is helpful.

Thanks.

Shai Iyer  
COAG Framework Section  
Policy Strategies Branch  
Portfolio Strategies Division  
Department of Health and Ageing  
Ph (02) 6289 9006  
Fax (02) 6289 4988

UNCLASSIFIED

OATSIH Budget  
Sent by: Anne Clarke

19/01/2012 11:40 AM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc OATSIH Budget/Health@Health\_Gov\_Au, COAG Framework/Health/PSD/Health@Health\_gov\_au  
bcc

Subject Re: Fw: Next Steps: Draft Project Agreement on NT Renal Accommodation

**IN-CONFIDENCE**

Hi Cassie

Just a couple of very minor edits - name of MoFD p2 and a typo on p1.

All good to go, just waiting on BB answer re the co-signing (I have sent the Director the M2M to look at in 1st instance so they can decide). Please feel free to contact me if you don't hear back from us this afternoon.

cheers

Anne



20120119 M2M Snowdon - Commence PA Formal Negotiations with NTG 19012012 CFS comments-08 minor edit.doc

Budget Policy Team  
Budget and Financial Management Section  
Office for Aboriginal & Torres Strait Islander Health (MDP: 750)  
Australian Government Department of Health & Ageing  
GPO Box 9848  
Canberra ACT 2601

Ken Wedgwood (Director)	(02) 6289 7747
Anne Clarke	(02) 6289 7228
Helen Couper	(02) 6289 3755
Katherine Brammer	(02) 6289 7754
Robert Coulson	(02) 6289 1702
Facsimile	(02) 6289 5911
E-mail	<a href="mailto:OATSIH.Budget@health.gov.au">OATSIH.Budget@health.gov.au</a>

Cassandra Penfold/OATSIH/Health



Cassandra  
Penfold/OATSIH/  
Health

19/01/2012 10:39  
AM

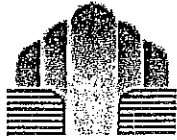
To OATSIH Budget/Health@Health\_Gov\_Au  
cc Anne Clarke/OATSIH/Health@Health\_gov\_au, Katherine  
Brammer/OATSIH/Health@Health\_gov\_au  
Subject Fw: Next Steps: Draft Project Agreement on NT Renal Accommodation  
[SEC=IN-CONFIDENCE]

Hi Anne,

As discussed here is the latest version of the M2M Snowdon re: commencement of negotiations with NTG for your (and possibly budget branch's) comment.

[attachment "Attachment C - M2M N11002554 Plibersek AGREEDwithsig.pdf" deleted by Anne Clarke/OATSIH/Health] [attachment "M2M Snowdon - Commence PA Formal Negotiations with NTG 19012012 CFS comments.doc" deleted by Anne Clarke/OATSIH/Health] [attachment "Attachment A - NT Renal Accommodation PA DRAFT FINAL (January 2012).doc" deleted by Anne Clarke/OATSIH/Health] [attachment "Attachment B - N11002429 - M2M Snowdon NT Renal Accommodation Approval of Funds (SIGNED).pdf" deleted by Anne Clarke/OATSIH/Health]

Cassandra Penfold : Capital Works Section : Capacity Development Branch :



Cassandra Penfold/OATSIH/Health

19/01/2012 10:39 AM

To OATSIH Budget/Health

cc Anne Clarke/OATSIH/Health@Health\_gov\_au, Katherine Brammer/D  
bcc

Subject Fw: Next Steps: Draft Project Agreement on NT Renal Accommodation

**IN-CONFIDENCE**

Hi Anne,

As discussed here is the latest version of the M2M Snowdon re: commencement of negotiations with NTG for your (and possibly budget branch's) comment.



Attachment C - M2M N11002554 Flibersak AGREEDwithals.pdf



M2M Snowdon - Commence PA Formal Negotiations with NTG 19012012 CFS comments.doc



Attachment 4 - NT Renal Accommodation PA DRAFT FINAL (January 2012).doc



Attachment 2 - N11002429 - M2M Snowdon NT Renal Accommodation Approval of Funds (SIGNED).pdf

Cassandra Penfold : Capital Works Section : Capacity Development Branch :

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au

----- Forwarded by Cassandra Penfold/OATSIH/Health on 19/01/2012 10:36 AM -----

COAG Framework

Sent by: Shai Iyer

19/01/2012 10:18 AM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au

cc COAG Framework/Health@Health\_Gov\_Au, Garry  
Fisk/OATSIH/Health@Health\_gov\_au, Joanne  
Barber/OATSIH/Health@Health\_gov\_au, OATSIH  
Budget/Health@Health\_Gov\_Au, COAG  
Framework/Health@Health\_Gov\_Au

Subject Re: Next Steps: Draft Project Agreement on NT Renal  
Accommodation [SEC=IN-CONFIDENCE]

Hi Cassandra

Thanks for this. Please find attached suggested minor amendments to the M2M. We'd like to obtain a copy of the M2M once signed by Min. Snowdon.

In relation to the funding table, please confirm with your BMU to ensure these figures are accurate.

The letter to the Finance Minister was delivered to her office last week. DoFD will chase it up today with MO on the status of the letter.

Please feel free to contact me on x9006.

[attachment "M2M Snowdon - Commence PA Formal Negotiations with NTG 19012012 with CFS



comments.doc" deleted by Cassandra Penfold/OATSIH/Health]

Thanks.

Shai  
COAG Framework Section  
Policy Strategies Branch  
Portfolio Strategies Division  
Department of Health and Ageing  
Ph (02) 6289 9006  
Fax (02) 6289 4988

Cassandra Penfold/OATSIH/Health



Cassandra  
Penfold/OATSIH/Health  
18/01/2012 01:21 PM

To COAG Framework/Health@Health\_Gov\_Au  
cc Joanne Barber/OATSIH/Health@Health\_gov\_au, Garry  
Fisk/OATSIH/Health@Health\_gov\_au, OATSIH  
Budget/Health@Health\_Gov\_Au  
Subject Re: Next Steps: Draft Project Agreement on NT Renal  
Accommodation [SEC=IN-CONFIDENCE]

Hi Shai,

Many thanks for sending through this guidance.

To the best of my knowledge we are still awaiting sign off from the Finance Minister on reallocation of funds.  
Can you advise the way for following this up in order to find out where it is at?

Additionally, OATSIH Budget have confirmed that we have Reg 9 approval.

Lastly, please find attached below the draft M2M Snowdon seeking approval of the PA and to begin negotiations with the NTG for urgent comment (I have circulated it through OATSIH Budget for comment and have incorporated their minor amendments). I apologise for the urgency in seeking this advice, however the 23rd January is Minister Snowdon's final day in office prior to leave.

Happy to discuss.

Many thanks  
Cassie

[attachment "Attachment A - NT Renal Accommodation PA DRAFT FINAL (January 2012).doc" deleted by Shai Iyer/PSD/Health] [attachment "Attachment B - N11002429 - M2M Snowdon NT Renal Accommodation Approval of Funds (SIGNED).pdf" deleted by Shai Iyer/PSD/Health] [attachment "Attachment C - M2M N11002554 Plibersek AGREEDwithsig.pdf" deleted by Shai Iyer/PSD/Health] [attachment "M2M Snowdon - Commence PA Formal Negotiations with NTG.doc" deleted by Shai Iyer/PSD/Health]

Cassandra Penfold ; Capital Works Section ; Capacity Development Branch ;

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au

COAG Framework

COAG Framework

Sent by: Shai Iyer

17/01/2012 10:14 AM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au

cc COAG Framework/Health@Health\_Gov\_Au, Garry Fisk/OATSIH/Health@Health\_gov\_au, Greg Lemmon/OATSIH/Health@Health\_gov\_au, Joanne Barber/OATSIH/Health@Health\_gov\_au, OATSIH Budget/Health@Health, Paula Zylstra/PHD/Health@Health\_gov\_au

Subject Next Steps: Draft Project Agreement on NT Renal Accommodation [SEC=IN-CONFIDENCE]

Cassandra

Thanks for sending through the final draft PA for comments yesterday. Centrals will provide their final comments on the draft PA following which these next steps need to be executed.

1. Given that Minister Snowdon will be offering the PA, the Program area will require to prepare an M2M for Minister Snowdon's approval of the PA and commence formal negotiations.

Please see attached steps to PA and example M2M . [attachment "Steps for PA updated with new Budget Operational Rules 12012012.doc" deleted by Cassandra Penfold/OATSIH/Health] [attachment "M2M - PA Formal Negotiation Approval Jan 2012.doc" deleted by Cassandra Penfold/OATSIH/Health]

2. Also, please confirm whether you now have Reg 9 approval from your delegate ( example Reg 9 and Blanket Reg 10 attached for your reference)

[attachment "Reg 9 approval.pdf" deleted by Cassandra Penfold/OATSIH/Health] [attachment "Attach C\_Reg 10 approval.pdf" deleted by Cassandra Penfold/OATSIH/Health]

3. Formal negotiations stage and further please refer to 'steps for PA' attached above.

As I understand, we are still awaiting sign off from the Finance Minister on reallocation of funds prior to which the PA cannot be offered.

Feel free to contact me or email COAG Framework should you require further clarifications.

Kind Regards,

Shai

COAG Framework Section  
Policy Strategies Branch  
Portfolio Strategies Division  
Department of Health and Ageing  
Ph (02) 6289 9006  
Fax (02) 6289 4988

Cassandra Penfold/OATSIH/Health



Cassandra  
Penfold/OATSIH/Health  
16/01/2012 04:46 PM

To Paula Zylstra/PHD/Health@Health\_gov\_au

cc COAG Framework/Health@Health\_Gov\_Au, Garry Fisk/OATSIH/Health@Health\_gov\_au, Greg



cc: MINISTER PLIBERSEK  
Mr Bartlett  
Mr Lea  
Mr Kear  
Ms Jonasson  
Ms Norris

RECEIVED

24 JAN 2012

MINUTE TO THE MINISTER

MINISTER SNOWDON

Critical Date 2 February 2012 Parliamentary Section

DRAFT PROJECT AGREEMENT FOR THE NT RENAL ACCOMMODATION PROJECT

PURPOSE:

To seek your approval to commence formal negotiations with the Northern Territory (NT) to implement the NT Renal Accommodation Project under the attached draft Project Agreement (Attachment A).

ISSUE:

2. The Department is seeking your approval to use the attached draft Project Agreement as a basis for commencing formal negotiations with the NT for the NT Renal Accommodation Project.

REASON FOR CRITICAL DATE (including consequences if not met):

3. The NT Renal Accommodation project cannot commence until a Project Agreement with the NT Government is finalised. There is a risk that any delays incurred in finalising the Project Agreement will result in milestones not being met.

BACKGROUND:

4. All financial relations between the Commonwealth and States and Territories are covered by the Intergovernmental Agreement on Federal Financial Relations (IGA). Project Agreements are the vehicle for making National Partnership payments to States and Territories for low risk and/or low value specified projects under the IGA.
5. This Project Agreement will provide \$13 million in funding to the NT Government for the construction of two family-centric renal accommodation facilities, one in Alice Springs and one in Tennant Creek, for Aboriginal and Torres Strait Islander renal patients and their families relocating from remote communities in order to receive renal dialysis treatment.
6. The provision of this funding was announced by you on 27 June 2011 in response to the launch of the Central Australia Renal Study [REDACTED]
7. Each facility will have capacity to house a minimum of eight renal patients and thirty-two family members and/or carers in hostel type, long stay accommodation, while patients receive treatment.
8. A Project Control Group, comprising representatives from the NT Department of Health, NT Department of Construction and Infrastructure, NT Department of Housing, Aboriginal Hostels Limited and the Department of Health and Ageing, has been established to oversee the delivery of this project.
9. Current projected timeframes will see construction start on these facilities in June 2012 and achieve project completion by December 2012.

RELEVANCE TO ELECTION COMMITMENTS/GOVERNMENT POLICY/COAG REFORM AGENDA:

10. Transitioning to National Partnership Agreements is consistent with the Australian Government's policy to simplify payments to the states and territories to support the delivery of specific outcomes or deliverables.

Remote Service Delivery National Partnership (RSDNP):

11. Neither Alice Springs nor Tennant Creek are Remote Service Delivery sites.

<input type="checkbox"/> Health Reform	<input type="checkbox"/> Election Commitment	<input checked="" type="checkbox"/> COAG Reform	<input checked="" type="checkbox"/> Budget	<input type="checkbox"/> Other significant policy
<input type="checkbox"/> Minority Government	<input type="checkbox"/> Legislation	<input type="checkbox"/> Appointment	<input type="checkbox"/> Program or grant administration	<input type="checkbox"/> Other

**COMMENT:**

12. The Departments of Prime Minister and Cabinet and the Treasury have reviewed and cleared the draft Project Agreement.
13. Approval to reallocate funds totalling \$13 million (over three years from 2011-12) from the Department of Health and Ageing's annual administered appropriations (*program group 8.1: Aboriginal and Torres Strait Islander Health: Improve Access to Effective Health Care Services*) to the COAG Reform Fund Special Account held by Treasury is currently being sought from the Minister for Finance and Deregulation (Attachment C).
14. Upon your approval of the draft Project Agreement, the Department will commence formal negotiations with the Northern Territory on the Project Agreement.

**Sensitivity:**

15. Nil

**Financial Implications:**

16. There is no net impact on the Government from the proposed transfer.
17. It is anticipated that the Commonwealth funding contribution of \$13 million will be allocated to the Northern Territory as outlined by the funding profile in Table 1:

**Table 1 – Proposed Transfer of Funds to Treasury COAG Reform Fund Special Account over financial years**

(\$ million)	2011-12	2012-13	2013-14	2014-15	Total
Estimated total budget	3.0	9.0	1.0	0.0	13.0

18. The NT Government will provide an estimated recurrent financial contribution of \$1 million each year from 2012-13 to 2014-15 (\$500,000 per facility) for the provision of service management. This financial contribution will remain ongoing beyond the timeframes specified in the Project Agreement.

**Compliance with Commonwealth Grant Guidelines:**

19. Not applicable.

**Legislation/Timing of Proposed Legislative Changes:**

20. None

**Timing/Handling:**

21. Following finalisation of consultations, the Department will seek your approval to offer the final Project Agreement to the Northern Territory. In accordance with the guidelines for Project Agreements under the IGA you will receive:
- A Minute to seek your approval of the final Project Agreement and a letter for your signature to your counterpart formally offering the Project Agreement.
  - A Minute to seek your signature on the Project Agreement and return cover letter to the NT Government.

**Consultations:**

22. PSD, the Department of the Prime Minister and Cabinet and the Treasury were consulted in the preparation of the draft Project Agreement.

23. The Secretary /Deputy Secretary:
- |  |                                     |
|--|-------------------------------------|
| was consulted on the approach of this Minute | <input checked="" type="checkbox"/> |
| has sighted this Minute                      | <input type="checkbox"/>            |
| none of the above                            | <input type="checkbox"/>            |

**COMMUNICATION ACTIVITIES**

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

**COMMENT:**

12. The Departments of Prime Minister and Cabinet and the Treasury have reviewed and cleared the draft Project Agreement.

13. Approval to reallocate funds totalling \$13 million (over three years from 2011-12) from the Department of Health and Ageing's annual administered appropriations (*program group 8.1: Aboriginal and Torres Strait Islander Health: Improve Access to Effective Health Care Services*) to the COAG Reform Fund Special Account held by Treasury is currently being sought from the Minister for Finance and Deregulation (Attachment C).

14. Upon your approval of the draft Project Agreement, the Department will commence formal negotiations with the Northern Territory on the Project Agreement.

**Sensitivity:**

15. Nil

**Financial Implications:**

16. There is no net impact on the Government from the proposed transfer.

17. It is anticipated that the Commonwealth funding contribution of \$13 million will be allocated to the Northern Territory as outlined by the funding profile in Table 1:

Table 1 – Proposed Transfer of Funds to Treasury COAG Reform Fund Special Account over financial years

(\$ million)	2011-12	2012-13	2013-14	2014-15	Total
Estimated total budget	3.0	9.0	1.0	0.0	13.0

18. The NT Government will provide an estimated recurrent financial contribution of \$1 million each year from 2012-13 to 2014-15 (\$500,000 per facility) for the provision of service management. This financial contribution will remain ongoing beyond the timeframes specified in the Project Agreement.

**Compliance with Commonwealth Grant Guidelines:**

19. Not applicable.

**Legislation/Timing of Proposed Legislative Changes:**

20. None

**Timing/Handling:**

21. Following finalisation of consultations, the Department will seek your approval to offer the final Project Agreement to the Northern Territory. In accordance with the guidelines for Project Agreements under the IGA you will receive:

- A Minute to seek your approval of the final Project Agreement and a letter for your signature to your counterpart formally offering the Project Agreement.
- A Minute to seek your signature on the Project Agreement and return cover letter to the NT Government.

**Consultations:**

22. PSD, the Department of the Prime Minister and Cabinet and the Treasury were consulted in the preparation of the draft Project Agreement.

23. The Secretary /Deputy Secretary:      was consulted on the approach of this Minute ☒  
has sighted this Minute ☐  
none of the above ☐

**COMMUNICATION ACTIVITIES**

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

## RECOMMENDATIONS

- R1. That you APPROVE the draft Project Agreement (Attachment A) as a basis for commencing formal negotiations with the Northern Territory for the NT Renal Accommodation Project.
- R2. That you APPROVE commencement of formal negotiations with the Northern Territory for the NT Renal Accommodation Project.



Linda Powell  
FAS OATSIH

20 January 2012

Outcome: 8: Indigenous Health

Contact Officer: Garry Fisk (x5325)  
Capacity Development Branch



WARREN SNOWDON

23 JAN 2012

R1. APPROVED/NOT APPROVED

R2. APPROVED/NOT APPROVED

N 12000063

## MINISTER'S COMMENTS:

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

Poor Satisfactory Excellent

[REDACTED]

B: Draft Project Agreement for Family Centric Renal Accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory

[REDACTED]

(8)

# PROJECT AGREEMENT FOR FAMILY CENTRIC RENAL ACCOMMODATION FOR ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES IN THE NORTHERN TERRITORY

Council of  
Australian  
Governments

An agreement between

- the Commonwealth of Australia and
- the Northern Territory

The output of this project will be the construction of two (2) family centric long-stay, renal accommodation facilities, for Aboriginal and Torres Strait Islander peoples in the Northern Territory. These facilities will be located in Alice Springs (one facility) and Tennant Creek (one facility), for the purpose of providing long-stay accommodation to Aboriginal and Torres Strait Islander renal clients and their families and/or carers in the Central Australian region.

# Project Agreement for Family Centric Renal Accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory

## INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

### PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the Intergovernmental Agreement on Federal Financial Relations.
2. This Agreement will support the delivery of two (2) family centric renal accommodation facilities (one facility in Alice Springs, and one facility in Tennant Creek), to provide long-stay accommodation for Aboriginal and Torres Strait Islander renal patients and their family members and/or carers, who need to relocate to Alice Springs or Tennant Creek in order to access renal treatment.
3. This Agreement constitutes the entire agreement for this project.

### PART 1 – FORMALITIES

#### Parties to this Agreement

4. This Agreement is between the Commonwealth of Australia (the Commonwealth) represented by the Minister for Indigenous Health, and the Northern Territory of Australia (Northern Territory) represented by the Northern Territory Minister for Health.

#### Term of the Agreement

5. This Agreement will commence as soon as both the Commonwealth and the Northern Territory Government sign the Agreement, and will expire upon completion of both projects and acceptance of the final report by the Commonwealth, unless terminated earlier or extended as agreed in writing by the Parties.



## PART 2 – PROJECT OUTPUTS

### Outputs

6. The outputs of this Agreement will be the construction of two (2) family centric long-stay renal accommodation facilities for Aboriginal and Torres Strait Islander peoples in the Northern Territory, (one at Alice Springs and one at Tennant Creek), to provide accommodation to Aboriginal and Torres Strait Islander renal clients and their families and/or carers in the Central Australian region. Renal clients have special requirements in regard to their ongoing health care needs. In developing the scope for this project it is envisaged that the service model will be that of a hostel rather than managed accommodation.
  - (a) Alice Springs: The facility is to be constructed on Lot 6762, Allchurch Street, Alice Springs. The facility will comprise a minimum of four, one bedroom dwellings, and a minimum of four, two bedroom dwellings (minimum number of dwellings being eight), with capacity to house at least eight renal patients and thirty-two family members and/or carers (minimum total facility occupancy is 40 people).
  - (b) Tennant Creek: The facility is to be constructed on Lots 649 and 2155, Wattle Street, Tennant Creek. The facility will comprise a minimum of four, one bedroom dwellings, and a minimum of four, two bedroom dwellings (minimum number of dwellings being eight), with capacity to house at least eight renal patients and thirty-two family members and/or carers (minimum total facility occupancy is 40 people).

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

7. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against milestones in the delivery of the *Northern Territory Renal Accommodation Project* under this Agreement to ensure that outputs are delivered within the agreed timeframe;
  - (b) providing a consequent financial contribution to the Northern Territory to support the implementation of this Agreement;
  - (c) in accordance with the *Building and Construction Industry Improvement Act 2005*, ensuring that financial contributions to a building project or projects as defined under the Building and Construction Industry (Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted; and
  - (d) ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry is a condition of Australian Government funding.

### Role of the Northern Territory

8. The Northern Territory will be responsible for:

- (a) providing a financial contribution to support the implementation of this Agreement and ongoing maintenance and recurrent funding costs;
- (b) all aspects of delivering on the project outputs set out in this Agreement;
- (c) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth;
- (d) ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth; and
- (e) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

### **Shared roles**

- 9. Both Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

## **PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS**

The following table summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made, once a report certifying that milestones have been met is received and accepted.

**Table 2: Milestones, reporting, and payment summary**

Output	Milestone(s)	Milestone Due Date	Report Due Date	Payment Alice Springs	Payment Tennant Creek	Total Funding
Construction of two (2) family centre long stay renal accommodation facilities, one at Alice Springs and one at Tennant Creek to provide family centre long stay accommodation to Aboriginal and Torres Strait Islander renal clients and their families and/or carers in the Central Australian region	2011-12					
	Acceptance of a project plan	N/A	29/02/12	\$1.5m	\$1.5m	\$3.0m
						2011-12 total: \$3.0m
	2012-13					
	Start of construction report	30/06/2012	31/07/12	\$1.25m	\$1.25m	\$2.5m
	Mid construction progress report	31/10/2012	30/11/12	\$2.0m	\$2.0m	\$4.0m
	Practical completion report	31/12/2012	30/03/13	\$1.25m	\$1.25m	\$2.5m
						2012-13 total: \$9.0m
	2013-14					
	Final project report	N/A	30/06/13	\$0.4m	\$0.6m	\$1.0m
						2013-14 total: \$1.0m
					PROJECT TOTAL: \$13.0m	

## Reporting arrangements

14. The Northern Territory will provide performance reports in accordance with the above table during the operation of the Agreement. Reporting requirements are:

- a) project plan - this report must include details of the scope, proposed budget, project schedule, communication plan, facility designs, and a risk management plan for the project;
- b) start of construction report - this report must provide evidence in writing that construction has begun on both facilities, including evidence that all contracts entered into in relation to the works comply with the Australian Government Building and Construction OHS accreditation scheme;
- c) mid construction progress report - this report will provide:

- i. evidence in writing that external works at both locations have been completed, and both facilities have reached lock-up stage,
    - ii. a description of actual performance of the Northern Territory in the period to date against the project milestones,
    - iii. details of any matter(s) that have arisen which could adversely impact on the delivery of the output, and how the Northern Territory proposes to resolve this/these matter(s), and
    - iv. promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period; and
  - d) practical completion report - evidence in writing that construction of both facilities has been completed and certificates of occupancy have been issued.
10. The Northern Territory will also prepare a final project report within 90 days on the completion of the project(s) agreed under the Project Agreement. The project report will be a stand-alone document that can be used for public information dissemination purposes. The final project report will:
- (a) describe the conduct, benefits and outcomes of the project;
  - (b) assess the overall build quality of the works, including any relevant recommendations that could inform future best practice on capital works building or facility design; and
  - (c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the affective assessment of performance, which the Commonwealth and the Northern Territory agree should be included in the final project report, at least 60 days before it is due.
11. If the Northern Territory does not achieve one or more performance milestone(s) in full due to circumstances beyond its control or circumstances not anticipated at the time of signing the Project Agreement, the Commonwealth may provide a partial payment to the Northern Territory.
- (a) The Commonwealth will only make a partial payment if the Northern Territory is able to demonstrate that it implemented adequate and appropriate arrangements that would have achieved the relevant performance milestone but for those circumstances.
  - (b) The amount of any partial payment will be determined by the Commonwealth Minister for Indigenous Health.

## PART 5 – FINANCIAL ARRANGEMENTS

The Commonwealth will provide a total financial contribution to the Northern Territory of \$13m in respect of this Agreement. All payments are GST exclusive.

12. The Commonwealth's funding contribution will not be reduced where the Northern Territory secures funding from other activity partners through innovative and collaborative partnerships.

13. The Commonwealth's and the Northern Territory's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D—Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 1.

**Table 1: Estimated financial contributions**

(\$ million)	2011-12	2012-13	2013-14	2014-15	Total
Estimated total budget	3.0	9.0	1.0	0.0	13.0
Less estimated National Partnership Payments	3.0	9.0	1.0	0.0	13.0
Balance of non-Commonwealth contributions	0.0	0.5	1.0	1.0	2.5 <sup>(a)</sup>

<sup>(a)</sup> The NT Government's financial contribution will encompass ongoing maintenance and upkeep costs, as well as the provision of service delivery for the facilities. These costs will be ongoing beyond the timeframes specified in this Project Agreement.

14. Having regard to the agreed estimated costs of projects specified in a Project Agreement, the Northern Territory will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, the Northern Territory bears all risk should the costs of a project exceed the agreed estimated costs. Both Parties acknowledge that this arrangement provides the maximum incentive for the Northern Territory to deliver the project cost effectively and efficiently

## PART 6 — GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

15. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

### Dispute resolution

16. Any Party may give notice to other Parties of a dispute under this Agreement.
17. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
18. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers and if necessary, the relevant Ministerial Council.
19. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to COAG for consideration.

### Variation of the Agreement

20. The Agreement may be amended at any time by agreement in writing by all the Parties.
21. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth of  
Australia by*

**The Honourable Warren Snowdon MP**

Minister for Indigenous Health

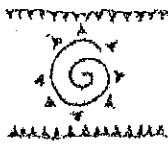
[Day] [Month] [Year]

*Signed for and on behalf of the Northern Territory  
by*

**The Honourable Konstantine Vatskalis MLA**

Minister for Health

[Day] [Month] [Year]



Shai Iyer/PSD/Health  
23/01/2012 03:02 PM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc Amanda Wilson/OATSIH/Health@Health\_gov\_au, COAG Framework  
Barber/OATSIH/Health@Health\_gov\_au, Paula Zylstra/PHD/Health  
bcc

Subject Re: Next Stages for NT Renal PA [SEC=UNCLASSIFIED]

History

This message has been replied to.

UNCLASSIFIED

Hi Cassie

Unfortunately, without having formal approval from the Minister, the Dept. is not in a position to commence formal negotiations. The Dept. therefore cannot provide NT with the draft PA until approval is sought.

You may need to sort this with the Minister's office to see if clearance can be obtained before your meeting.

By Wed, if you are unable to seek clearance from Minister on the draft PA, you may continue to have preliminary discussions without prejudice with NT, however the Dept. will be unable to make a commitment on the specifics of the PA.

Next Steps:

- Once the Dept. has sought approval from Minister to commence formal negotiations, you (the line area) will require to provide us with a list of NT Dept. health contacts that will be provided to our Centrals. Cmwth Central agencies will liaise with State Centrals along with the draft PA and will forward this list to them.
- If there are any significant changes proposed at the end of the negotiation process, it will need to be cleared by our Centrals.
- At this stage, if NT Health have not requested any changes to the draft PA, they may correspond by email expressing their agreement, however it is important to clarify whether State Centrals have also agreed to the draft PA.
- Once you've received confirmation that NT has agreed to the draft PA, your Program area will need to draft an M2M along with a covering letter to NT Health Minister formally offering the PA and seeking the return of signed copy for co-signing by the relevant Cmwth Minister. Once the Cmwth Minister has signed the PA, it will need to be posted on the FFR website.

Please see attached steps to PA (7, 8 and 9).



Steps for PA updated with new Budget Operational Rules 12012012.doc

Hope this is helpful. Happy to discuss.

Shai Iyer  
COAG Framework Section  
Policy Strategies Branch  
Portfolio Strategies Division  
Department of Health and Ageing  
Ph (02) 6289 9006  
Fax (02) 6289 4988

Cassandra Penfold/OATSIH/Health



Cassandra  
Penfold/OATSIH/Hea

To COAG Framework/Health@Health\_Gov\_Au, Shai



lth

23/01/2012 11:58  
AM

Iyer/PSD/Health@Health\_gov\_au  
cc Joanne Barber/OATSIH/Health@Health\_gov\_au, Amanda  
Wilson/OATSIH/Health@Health\_gov\_au  
Subject Next Stages for NT Renal PA [SEC=UNCLASSIFIED]

Hi Shai,

The Minute to the Minister seeking approval to commence negotiations has now been provided to the Minister for his consideration. In light of this we are wondering if we can now informally provide the Draft Final PA to our line area counterparts in NT Government (with the caveat that we cannot preempt the Minister's comments on the draft and that changes may be made in light of his comments) to enable us to get the ball rolling on negotiations? We have a meeting scheduled with them on Wednesday of this week and it would be good if we could open discussions.

In terms of formal next steps, my understanding is that CFS will seek a list of state health contacts from us to provide to PM&C/Treasury/Finance for liaison with counterpart central agencies and state health officials when PA is distributed; that Centrals will provide the draft PA to S&T counterparts; and that CFS consulted on any proposed changes/issues, before obtaining clearance from centrals on revised PA. Is this correct? Could you please advise what you will need us to do from this end to facilitate this process?

Additionally, as our NT Government counterparts may not be aware of what processes/steps they will be required to undertake from their end, I was wondering what advice or information we could furnish them with in order to assist the quick and smooth progression of this PA through NTG. Is there a fact sheet/web link/etc., that we can provide them with to guide them through it?

Greatly appreciate your advice.  
Cass

Cassandra Penfold ; Capital Works Section ; Capacity Development Branch ;

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au

UNCLASSIFIED



10

Garry Fisk/OATSIH/Health  
24/01/2012 09:21 AM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc  
bcc

Subject Re: Fw: NT Renal Accommm Minute [SEC=UNCLASSIFIED]

History: This message has been replied to.

**DOCUMENT NOT YET CLASSIFIED**

Classification: [SEC=UNCLASSIFIED]

Thanks. Doesn't surprise that it hasn't arrived yet. The Min only signed late yesterday arvo. Pls keep me informed and keep up the good work, you are doing a great job.

This message was sent from my Blackberry.

Cassandra Penfold

----- Original Message -----

From: Cassandra Penfold

Sent: 24/01/2012 09:01 AM ZE10

To: Garry Fisk

Subject: Re: Fw: NT Renal Accommm Minute [SEC=UNCLASSIFIED]

Morning Garry,

Have just spoken to parliamentary and the Minute has not yet been recieved or processed by the Dept. They will advise as soon as it does. In the meantime I will liaise with COAG Frameworks to get the ball rolling on commencing negotiations with NTG.

Happy to discuss with Suzy.

Cassandra Penfold ; Capital Works Section ; Capacity Development Branch ;

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au

Garry Fisk/OATSIH/Health

Garry  
Fisk/OATSIH/Health  
23/01/2012 06:11  
PM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc  
Subject Fw: NT Renal Accommm Minute [SEC=UNCLASSIFIED]

Cassie

I asked the Minister to sign it while I was in his office this arvo and as you can see from the email he did.

Pls arrange for the Minute to be picked up and copied to COAG F'work so that they can proceed to formally offer the PA and the process of negotiation can commence.

I suggest, if we are allowed, that we call Susie on Wednesday arvo to brief where things are up to so that she can alert people at her end and hopefully shorten the timeframes..

Garry Fisk | Assistant Secretary | Capacity Development Branch | Department of Health & Ageing | ☎ (02) 6289 5325 | [REDACTED]

Please note that this email and attachments may contain confidential or legally privileged information. If you receive this email in error, please delete it and contact the sender

----- Forwarded by Garry Fisk/OATSIH/Health on 23/01/2012 06:07 PM -----



Snowdon Advice  
Sent by: Christian Hall

23/01/2012 05:14  
PM

To: Garry Fisk/OATSIH/Health@Health\_gov\_au  
cc  
Subject: NT Renal Accommod Minute [SEC=UNCLASSIFIED]

Garry

Just thought you'd like to know that the Minister has signed N12000063 (Project Agreement for the NT Renal Accommodation Project). It's on its way back and it will be available from MAPS tomorrow morning (technically from 6pm tonight).

regards

Christian Hall  
Departmental Liaison Officer  
Office of the Hon Warren Snowdon MP  
Minister for Indigenous Health  
M1-49  
Parliament House Canberra ACT 2600  
Phone: 02 6277 7820 | Facsimile: 02 6273 4140 | Email: Snowdon Advice@Health\_gov\_au

DOCUMENT NOT YET CLASSIFIED

1m

Garry Fisk/OATSIH/Health  
25/01/2012 12:12 PM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc  
bcc

Subject Re: Fw: NT Renal Accommm Minute [SEC=UNCLASSIFIED]

History: This message has been replied to.

**DOCUMENT NOT YET CLASSIFIED**

Classification: [SEC=UNCLASSIFIED]

The list is find thanks Cassie. Go ahead and provide names.

Have we got confirmation as to whether we can give Suzie an advance copy of the PA?  
This message was sent from my Blackberry.

Cassandra Penfold

----- Original Message -----

From: Cassandra Penfold

Sent: 25/01/2012 12:03 PM ZE10

To: Garry Fisk

Subject: Re: Fw: NT Renal Accommm Minute [SEC=UNCLASSIFIED]

Hi Garry,

COAG Frameworks have asked for a list of NT Government contacts to provide to Centrals so they can begin negotiating with their NT Treasury/Cabinet counterparts. These are the immediate contacts that spring to mind. Is there anyone else you feel should be provided with the PA? Are you happy for me to provide these names to Centrals?

Cass

**NT Government**

Mr Jeff Moffet

Chief Executive NTDHF

Phone: (08) 8999 2938

Email: [Jeffrey.moffet@nt.gov.au](mailto:Jeffrey.moffet@nt.gov.au)

Ms Penny Fielding

A/Executive Director Health Reform  
(Inc. Acute Care Policy, Service Development,  
and System Performance

Phone: (08) 8999 938

Email: [penny.fielding@nt.gov.au](mailto:penny.fielding@nt.gov.au)

Ms Suzy Poppe

Senior Nurse Renal Advisor, Policy and  
Services Development, NT Department of  
Health

Phone: (08) 8999 2406

Email: [susan.poppe@nt.gov.au](mailto:susan.poppe@nt.gov.au)

Cassandra Penfold : Capital Works Section : Capacity Development Branch :

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: [cassandra.penfold@health.gov.au](mailto:cassandra.penfold@health.gov.au)

Garry Fisk/OATSIH/Health

Central Australia Renal Accommodation Project  
Meeting Agenda

**Date:** Tuesday 31 January 2012.

**Time:** 1600 -1700 (EST) or 1430-1530 (CST)

**Venue:** Teleconference

**Group Membership:**

Suzy Poppe NTG (Chairperson), Rick Gowing, NTG, Greg Lemmon OATSIH, Garry Fisk DoHA, Cassandra Penfold DoHA, Jean Ahchee AHL. Liz Stackhouse, NTG. Tim O'Neill

**Apologies:**

**Item 1: Business Arising from Previous Meetings**

- 1.1 Land transfer update (Rick )
- 1.2 Project Plan – OATSIH review update & is it ready for project group sign off?( Gary/Greg)
- 1.3 Project timeline milestones – are we still on target to meet these? (Rick/Tim)
- 1.4 Open space concept for the accommodation buildings – does it breach NTG regulations?  
(Tim)

**Item 2: New Business**

## Minutes of Meeting:

### Central Australia Renal Accommodation Project Date: Wednesday 1 February 2012 (1430 -1530 hrs CST) Teleconference

Chair: Suzy Poppe, NTG DoH

Attendance: Liz Stackhouse NTG DoH, NTG, Garry Fisk, DoHA , AHL, Suzy Poppe, (NTG) Cassandra Penfold, DoHA, , Don Dowling NTG DCI

Apologies: Greg Lemmon OATSIH, Jean Ahchee, AHL, Tim O'Neill NTG DCI, Rick Gowing NTG DoH

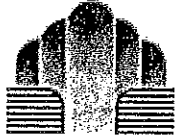
Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
Previous meeting Minutes	Minutes reviewed		All agreed that content of minutes were true and correct	Chair	
1. BUSINESS ARISING from previous minutes					
1.1 Land Claim Tennant Creek site	<ul style="list-style-type: none"> <li>Land council in favour of land use for the purpose of renal accommodation.</li> <li>Still awaiting decision about leasing this land</li> <li>Can continue with the design in the interim.</li> <li>Back up site remains, provision in agreement for</li> </ul>		Land council decision available w/o 6 Feb 2012. Communicate outcome at next meeting and confirm availability of back up site	Rick/Liz	

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
1.1.2 Allchurch Street	<p>change of site should this be required.</p> <ul style="list-style-type: none"> <li>Need to revoke cabinet decision to the sell land. Preparation of documentation required</li> <li>Cabinet meets in February 2012</li> </ul>		Documentation complete and now in the system	Rick/Liz	Complete
1.3 Project Plan	<ul style="list-style-type: none"> <li>Final document provided by OATSIH project group members.</li> <li>NTG treasurer directs the process for DoH. Liz has started the process and has obtained preliminary feedback on the content of the document.</li> <li>There is ongoing discourse about the level of detail and reporting milestones in this type of project agreement need to review this so NTG not disadvantaged and there is over reporting.</li> <li>Appendices are not part of</li> </ul>	<p>Appendices reflect the culturally specific requirements and have been endorsed by AHL</p>	Liz to present feedback at next meeting	Cass	Complete

# DEPARTMENT OF HEALTH

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
	<p>this PA</p> <ul style="list-style-type: none"> <li>Who will collate the feedback?</li> </ul>		<p>Contact details for COAG Frame work team for NTG feedback process</p> <ul style="list-style-type: none"> <li>Shai Iyer (Project Officer): <a href="mailto:shai.iyer@health.gov.au">shai.iyer@health.gov.au</a>, ph: (02) 6289 9006</li> <li>Paula Zylstra (Director of COAG Framework Team) <a href="mailto:paula.zylstra@health.gov.au">paula.zylstra@health.gov.au</a>, ph: (02) 6289 1847</li> </ul>		
1.3 Project Timelines	<ul style="list-style-type: none"> <li>Don concerned that project milestone not on track for June as the full brief of design not available.</li> </ul>		<p>Rick will liaise with DCI to ensure milestones are met</p>	<p>Rick/Don</p>	

Next Meeting: 15 February 2011 1430 CST



Cassandra Penfold/OATSIH/Health

01/02/2012 11:44 AM

To susan.poppe@nt.gov.au

cc Garry Fisk/OATSIH/Health@Health\_gov\_au, Joanne Barber/OATSIH/Lemmon/OATSIH/Health@Health\_gov\_au

bcc

Subject Finalised Draft Project Agreement [SEC=UNCLASSIFIED]

UNCLASSIFIED

Morning Suzy,

Please find attached the draft final version of the NT Renal Accommodation Project Agreement, cleared through PM&C, Treasury and Minister's Plibersek and Snowdon as per the requirements under the new Intergovernmental Agreement on Federal Financial Relations (IGA).

In terms of steps from here, our COAG Framework team have advised the following:

1. OATSIH to provide NTG with the Draft Project Agreement for review. While the respect officers looking after the PA in both Departments will take the lead regarding any changes that may be needed to the PA, these changes will also need to be agreed through NT Cabinet and Treasury, as well as through our central agencies (PM&C/Treasury/Finance).
2. In a somewhat parallel process to our discussions, it is my understanding that our central agencies will begin communicating your central agencies regarding the PA as soon as the appropriate contacts have been identified. I have provided an initial contact list of NT Health contacts (yourself, Penny Fielding, and Jeff Moffet) to our PM&C, Treasury, and Finance colleagues in order to get the ball rolling, however I'm sure that you will be better positioned to identify your relevant PA liaison contact.
3. Once the PA has been agreed through your Cabinet and Treasury process, the PA will return to the Department for final approval by Minister Snowdon.

By way of potentially useful information, the Federal Financial relations site has some explanatory information on this process if required:

**Project Agreements:**

[http://www.federalfinancialrelations.gov.au/content/guidelines\\_for\\_new\\_nps.aspx](http://www.federalfinancialrelations.gov.au/content/guidelines_for_new_nps.aspx)

**Project Agreement road map:**

<http://www.federalfinancialrelations.gov.au/content/guidelines/Project%20Agreement%20road%20map.pdf>

Happy to chat, or attempt to answer any questions you may have, anytime.

Cass



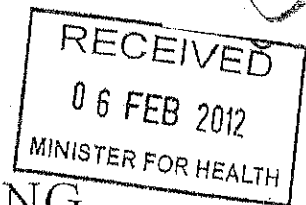
NT Renal Accommodation PADRAFT FINAL (January 2012).doc

Cassandra Penfold | Capital Works Section | Capacity Development Branch |

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au





## SENATOR THE HON PENNY WONG

Minister for Finance and Deregulation

Copies to

- ☒ J. Halton    ☐ CMO  
☒ D. Learmonth    ☐ CIKO  
☐ R. Huxtable    ☐ CFO  
☐ D. Butt    ☒ FAS PSD  
☐ K. Flanagan    ☒ AS Budget  
☐ G. Head    ☒ AS MaPS  
☐ A. Stewart

The Hon Tanya Plibersek MP  
 Minister for Health  
 Parliament House  
 CANBERRA ACT 2600

Min to Min

⑧ OA-CB

TP-INFO

Aboriginal  
financial

REF: C11/4098

3 FEB 2012

Dear Minister Tanya

Thank you for your letter of 22 December 2011, seeking approval to transfer \$13 million from the Department of Health and Ageing (DHA) to the Council of Australian Governments (COAG) Reform Fund for Aboriginal and Torres Strait Islander Health.

I note that the transfer is required to make payments to the Northern Territory Government for the provision of accommodation for renal patients in the Northern Territory.

I agree to the \$13 million being transferred over three years (2011-12 to 2013-14) from the DHA annual administered appropriation (Program 8.1: Aboriginal and Torres Strait Islander Health) to the COAG Reform Fund, with the final profile to be agreed between the DHA and the Department of Finance and Deregulation.

This letter has been copied to the Treasurer and the Minister for Indigenous Health.

Yours sincerely

PENNY WONG

Minister for Health	
6 FEB 2012	
Reply by	Action
<input type="checkbox"/> Minister	<input type="checkbox"/> Acknowledge
<input type="checkbox"/> Chief of Staff	<input type="checkbox"/> Response
<input type="checkbox"/> Adviser	<input type="checkbox"/> Phone Call
	<input checked="" type="checkbox"/> Information
<input type="checkbox"/> P/Sec for Min	<input type="checkbox"/> Urgent by
<input checked="" type="checkbox"/> Department	
Other	<input type="checkbox"/> Refer to
<input type="checkbox"/> Invite	
<input type="checkbox"/> Campaign	
<input type="checkbox"/> Constituent	
<input type="checkbox"/> Background Information Required	

M 120020

(original sent to OA-CB for appropriate action)

FOR YOUR INFORMATION

M12002003

THIS DOCUMENT CONTAINS CLASSIFIED INFORMATION AND SHOULD:

• ALWAYS BE KEPT IN AN APPROPRIATE SECURITY CONTAINER WHEN NOT IN USE;  
 • ALWAYS BE SIGNED FOR WHEN COLLECTING DOCUMENT BY HAND; AND  
 • ONLY BE ACCESSSED BY PEOPLE WITH APPROPRIATE CLEARANCE ON A NEED-TO-KNOW BASIS

16

Garry Fisk/OATSIH/Health  
08/02/2012 11:02 AM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc OATSIH Budget  
bcc

Subject Re: Fw: SPP Template for estimates pre-Reallocation of Funds - R

History: This message has been forwarded.

IN-CONFIDENCE

Funding profile is confirmed.

Garry Fisk | Assistant Secretary | Capacity Development Branch | Department of Health & Ageing | ☎ (02) 6289 5325 | [REDACTED]

Please note that this email and attachments may contain confidential or legally privileged information. If you receive this email in error, please delete it and contact the sender

Cassandra Penfold/OATSIH/Health

Cassandra  
Penfold/OATSIH/Health  
08/02/2012 10:26 AM

To Garry Fisk/OATSIH/Health@Health\_gov\_au  
cc  
Subject Fw: SPP Template for estimates pre-Reallocation of Funds - Renal in NT [SEC=IN-CONFIDENCE]

Hi Garry,

As discussed below, could you please confirm that the funding profile for the NT Renal Accommodation Project displayed in the attached spreadsheet is correct.

I can confirm that this information is consistent with the funding profiles agreed to by Minister Snowdon, and provided to Minister Plibersek regarding the reallocation of funds from DoHA to Treasury.

Many thanks  
Cass

Cassandra Penfold | Capital Works Section | Capacity Development Branch |

Office for Aboriginal and Torres Strait Islander Health

☎: (02) 6289 5290 ✉: cassandra.penfold@health.gov.au

----- Forwarded by Cassandra Penfold/OATSIH/Health on 08/02/2012 10:10 AM -----

OATSIH Budget  
Sent by: Anne Clarke  
17/01/2012 10:32 AM

To Cassandra Penfold/OATSIH/Health@Health\_gov\_au  
cc OATSIH Budget/Health@Health\_Gov\_Au  
Subject SPP Template for estimates pre-Reallocation of Funds - Renal in NT [SEC=IN-CONFIDENCE]

Hi Cassie

184

This is the template we drafted back when the M2M for reallocation of funds was being progressed before Xmas. Can you check figures and get clearance from Garry so we can send to BB as soon as possible. This will ensure BB have all the info they need ahead of approval from the MoFD for the funds transfer. In the event that the \$\$ change once centrals have commented further, please can you keep OATSIH Budget in the loop, and we will do the same with BB as the process moves forward.

It would be also helpful (when you have time after that) if you could send us 2-3 sentences similar to those in Budget Paper No 3 11-12 (pp29-40 approx) that OATSIH also manages eg Closing the Gap in the NT, Indigenous Early Childhood, Renal Access etc for a brief description of what the PA is going to provide funds to the NTG for. We will then send this draft to COAG F/W and cc to BB as a guide, and this will avoid last minute rushes for text in Budget publications for Budget 12-13 (noting publication will not occur for your new SPP until BP No 3 in May 2012).

An opportunity for CDB to clear all final figures and text for Budget Papers will of course be available prior to finalisation of publication materials.

cheers  
Anne



20111213 AES 2011-12\_RenalAccomNT\_new SPP.xls

Budget Policy Team  
Budget and Financial Management Section  
Office for Aboriginal & Torres Strait Islander Health (MDP: 750)  
Australian Government Department of Health & Ageing  
GPO Box 9848  
Canberra ACT 2601

Ken Wedgwood (Director)	(02) 6289 7747
Anne Clarke	(02) 6289 7228
Helen Couper	(02) 6289 3755
Katherine Brammer	(02) 6289 7754
Robert Coulson	(02) 6289 1702
Facsimile	(02) 6289 5911
E-mail	<a href="mailto:OATSIH.Budget@health.gov.au">OATSIH.Budget@health.gov.au</a>

IN-CONFIDENCE

Rh

## Central Australia Renal Accommodation Project

### Meeting Agenda

**Date:** Wednesday 15 February 2012.

**Time:** 1600 -1700 (EST) or 1430-1530 (CST)

**Venue:** Teleconference

#### **Group Membership:**

Suzy Poppe NTG (Chairperson), Rick Gowing, NTG, Greg Lemmon OATSIH, Garry Fisk DoHA , Amanda Wilson OATSIH , Jean Ahchee AHL. Liz Stackhouse, NTG. Tim O'Neill

#### **Apologies:**

#### **Item 1: Business Arising from Previous Meetings**

1.1 Land transfer update (Rick & Liz)

1.2 Project Plan – NTG feedback ( Liz)

#### **Item 2: New Business**

1.1 Welcome to new project team members from OATSIH

## RENAL ACCOMMODATION PROJECT CONTROL GROUP

### Meeting Outcomes 15 February 2012

---

- At the request of the Chair, Ms Susan Poppe, the meeting was rescheduled to the following week. The request was due to:
  - the Land Council meeting regarding the Tennant Creek site had been rescheduled to 20 February 2012;
  - Cabinet had not yet considered revoking the decision to sell the Allcurch Street site (expected to be considered on 22 February 2012);
  - the Project Agreement was still going through NT Government Treasury and required processes and no formal feedback was available.
- The Chair provided the following informal updates:
  - Currently discussing the Project Agreement with their Treasury, current changes being considered include:
    - Removing appendices and duplication in the Agreement; and
    - Moving the funding profile to include more funding up-front.
  - Mr Tim O'Neill (NT DCI) is continuing work on the designs and is investigating the possibility of using designs from the 'Mothers Project'.
- Mr Garry Fisk (OATSIH) reiterated that the Commonwealth's scope to change the profile of funding across financial years was limited and would require Ministerial approval which could potentially delay the commencement of the Agreement.
- OATSIH and the Chair agreed to reschedule the meeting to 23 February 2012.

## Meeting Minutes

### Central Australia Renal Accommodation Project Date: Thursday 23 February 2012 (0930-1030 hrs CST) Teleconference

Chair: Suzy Poppe, NTG DoH

Attendance: Greg Lemmon OATSIH, Garry Fisk, DoHA, Jean Ahchee, AHL, Amanda Wilson, OATSIH, Rick Gowing DoH,

Apologies: Liz Stackhouse NTG DoH, Tim O'Neill NTG DCI,

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
Previous meeting Minutes	Minutes reviewed		All agreed that content of minutes were true and correct	Chair	Complete
1. BUSINESS ARISING from previous minutes					
1.1 Land Claim Tennant Creek site	<ul style="list-style-type: none"> <li>CLC meeting held on Monday 20 Feb. The Council is happy for the site to be used for renal accommodation, but they require compensation which will need to come from the AG capital of \$13M.</li> <li>Jean suggested that in negotiations with the Land Council they are reminded</li> </ul>		Rick unsure as to what type of compensation will be required as land is still under a Crown title. Liz and Rick will discuss this Friday 24 Feb and report back to the next meeting.	Rick/Liz	29 Feb

DEPARTMENT OF HEALTH

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
1.1.2 Allchurch Street	<p>that their members will directly benefit from this project as many are still stranded in Alice Spring's for dialysis.</p> <ul style="list-style-type: none"> <li>Garry requested that this issue needs to be picked up and moved along to resolution.</li> </ul>				
	<ul style="list-style-type: none"> <li>Back up site remains, provision in agreement for change of site if this is required. However this site requires subdivision which is another cost to come out of the \$13M capital.</li> </ul>		<p>Rick advised that the CLC process is slow and cannot be hurried, but indicated that that DoH will take a more active role in the process instead of relying on local DCI rep.</p>	Rick	
	<ul style="list-style-type: none"> <li>Need to revoke cabinet decision to the sell land. Cabinet meets in February</li> </ul>		<p>Cabinet papers lodged by the NTG Min Health and tabled for Tuesday 28 Feb meeting. Decision should be available for the next meeting</p>	Rick	29 Feb

# DEPARTMENT OF HEALTH

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
	2012				
1.3 Project Plan	<ul style="list-style-type: none"> <li>NTG Treasury needs to provide final feedback on Project agreement</li> <li>Garry stated that changes to financial milestones will delay this project further if NTG is relying a signed agreement to get this project moving</li> </ul>		Liz to present feedback at next meeting	Liz	29 Feb
1.3 Project Timelines	<ul style="list-style-type: none"> <li>Garry reiterated Don's concerns from the last meeting that project milestones are not on track for June as the full brief of design not available. Concept plan discussed meeting 11 Nov and due 12 December.</li> <li>Rick explained that for DCI to begin the plans we need the signed PA. Then the money can be included in the capital works programme. NTG</li> </ul>		Garry willing to escalate to Minister Snowden to help speed up the process at	Liz/Rick/Garry	29 Feb.



# DEPARTMENT OF HEALTH

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
	<p>management of National Partnership Agreements have changed and now sign off by NTG Treasury required following Budget Subcommittee approval. Liz flagged the changes at the meeting on 1 Feb. 2012.</p>		<p>Ministerial level if that would help. Will wait for update from Liz &amp; Rick next week.</p>		

Next Meeting: 29 February 2012 0900 CST/1030 EST

**RENAL ACCOMMODATION PROJECT CONTROL GROUP**  
**Items to be followed up by NT Government**

---

- At the meeting of 23 February 2012, it was agreed that the NT Government would report back on the following issues on 29 February 2012:
  - **Tennant Creek site** CLC compensation – meeting outcomes between Rick, Liz and CLC;
  - **Alice Springs site** (Allchurch Street) – outcome of Cabinet consideration from meeting of 28 February 2012;
  - **Designs** – Rick to advise on how to ensure that the project is on works plan and work is progressing on design requirements without a signed Project Agreement (previously agreed that work would commence and has now advised that work can not progress further with out a signed Project Agreement).
  - **Project Agreement** – Liz to follow-up with NT Treasury and provide feedback.

Dial: 1800 059 9114 or 08 8924 3666

Pin: 3597680024, Name #

## RENAL ACCOMMODATION PROJECT CONTROL GROUP

### Issues from 29 February 2012 Teleconference

---

#### Site Selection

##### *Tennant Creek*

- Preferred site is subject to an Indigenous Land Use Agreement under the Native Title Act.
- Leasing arrangements will be required will need to go through Central Land Council processes to determine compensation.
- NT Government unclear on the timeframes or process. Further delays of at least 2-3 months expected.
- Other sites originally identified not considered suitable due to lack of services or the site is not large enough for the facility.

##### *Alice Springs*

- Requires Cabinet approval to revoke decision to sell the site.
- Advised that Cabinet would consider on 28 February 2012 – this **did not occur** and next opportunity is not until at least 13 March 2012.

#### Project Agreement

- NT Treasury requesting a number of changes:
  - Removal of all reporting requirements;
  - Bring forward of funding;
  - Remove all references of commitment to ongoing funding of the facility;
- NT Health advised that they have a significant shortfall in operational funding and is currently subject to Budget process.

#### Progress on developing designs

- Agreed in ~~XXX~~ 2011 that NT Government would move forward with concept designs in advance of the Project Agreement noting that Project Agreement process would take a number of months.
- NT Government advised on 23 February 2012 that this work had not progressed. NT process requires a signed agreement before a project can be added to their works program.
- High risk that milestones originally agreed in Project Agreement will not be met (first payment milestone is scheduled for 2011-12 financial year).

## Meeting Minutes:

### Central Australia Renal Accommodation Project Date: Wednesday 29 February 2012 (0900 -0930 hrs CST) Teleconference

Chair: Suzy Poppe, NTG DoH

Attendance: Liz Stackhouse NTG DoH, NTG, Garry Fisk, DoHA, AHL, Suzy Poppe, (NTG), Greg Lemmon OATSIH, Amanda Wilson OATSIH, Rick Gowing NTG

Apologies: Jean Ahchee, AHL, Tim O'Neill NTG DCI, DoH, Don Dowling NTG DCI

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
Previous meeting Minutes	Minutes reviewed		All agreed that content of minutes were true and correct	Chair	
1. BUSINESS ARISING from previous minutes					
1.1 Land Claim Tennant Creek site	<ul style="list-style-type: none"> <li>Still no decision by Land Council. Rick working through the process with NTG local reps. It will be a lease agreement there is an expectation of a lease payment for use.</li> <li>Back up site remains, however this site requires</li> </ul>		Need to work through how much the lease agreement will cost with Indigenous Land Council	Rick/Liz	March 2012

# DEPARTMENT OF HEALTH

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
1.1.2 Allchurch Street	<p>services which need to be funded and process to organise is lengthy.</p> <ul style="list-style-type: none"> <li>Discussion on suitability of original site at Tennant Creek Hospital. The footprint of the planned building is large and therefore site too small for future development therefore was discarded early on in this process</li> </ul> <p>Need to revoke cabinet decision to the sell land. Preparation of documentation required</p> <ul style="list-style-type: none"> <li>Cabinet meets in February 2012</li> </ul>		<p>Garry very concerned that process has become protracted with no end in sight</p> <p>Cabinet did not consider this on the 21 February, now scheduled for 17 March 2012. Garry expressed concerns at yet another delay and NTG commitment to this project is questioned</p> <p>Preliminary indication is that funding will only be available as part of the</p>		14 March 2012
1.1.3 Operational Cost					

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
	<ul style="list-style-type: none"> <li>Ongoing operational costs are considered by the NTG as an unfunded liability. Original commitment to the project by NTG was \$840K now \$1.4M is required due to the addition of the property in Alice Springs. This has been flagged to the NTG Minister of Health and funding or not will be decided NTG Treasury. Discussed currently as part of the budget process</li> </ul>		Preliminary advice is that project recurrent funding will be part of NTG Budget savings programme as no new Territory money is available to support this initiative. Await formal confirmation from NTG Budget Subcommittee, and then evaluate options for project.	Suzy	March 2012
1.3 Project Agreement	<ul style="list-style-type: none"> <li>Feedback provided by Liz on NTG requirements and on key concerns. Subsequent changes to the PA will be required.</li> <li>NTG Treasury has recommended taking out specific reporting milestones as they believe are duplicated</li> </ul>	Greg believes these are standard clauses and will need the document back to assess the impact of changes.	<p>Garry expressed concerns that the changes required will further delay the process by months</p> <p>Liz to forward document for OATSIH consideration</p> <p>Greg explained that it was</p>	Liz	ASAP

# DEPARTMENT OF HEALTH

Item	Discussion	Agreement Reached	Action arising	Who is responsible?	Completed by when?
	<p>in the document</p> <ul style="list-style-type: none"> <li>Deferring of the payment schedule and \$1M to 2013/14 will be an issue for the NTG</li> </ul>		a battle to get the funding evenly distributed as AG wanted to provide the funding at the end of the project		
1.3 Project Timelines	<ul style="list-style-type: none"> <li>Garry raised the issue of the project milestones and subsequent delays</li> <li>Garry left the meeting to escalate the lack of progress due to the land availability and funding issues to Minister Snowden.</li> </ul>		<p>Rick will liaise with DCI to progress land issues but affecting the NTG Cabinet timeline is out of his scope of control.</p> <p>Await outcome of Ministerial escalation process</p>	<p>Rick</p> <p>Garry</p>	<p>No date provided</p> <p>ASAP</p>

**Next Meeting:** No meeting scheduled. Await outcomes of Ministerial intervention, NTG Cabinet advisement on land availability and funding.

Greg Lemmon/OATSIH/Health  
15/03/2012 12:29 PM

To Christian Hall/MINISTER/Health@Health\_gov\_au  
cc OATSIH BRIEFS/Health@Health\_gov\_au  
bcc

Subject Fw: NT Renal Accommodation Project - status update [SEC=I

UNCLASSIFIED

Hi Christian - the brief has been cleared by Garry Fisk.

cheers  
Greg

---

Greg Lemmon  
Director  
Capital Works Section  
Capacity Development Branch  
Office for Aboriginal and Torres Strait Islander Health  
Department of Health and Ageing

Ph: (02) 6289 1499

E-mail: greg.lemmon@health.gov.au

----- Forwarded by Greg Lemmon/OATSIH/Health on 15/03/2012 12:27 PM -----

Greg  
Lemmon/OATSIH/  
Health  
15/03/2012 12:27  
PM

To Snowdon Advice/Health  
cc OATSIH BRIEFS/Health@Health\_gov\_au, Garry Fisk  
Subject NT Renal Accommodation Project - status update  
[SEC=UNCLASSIFIED]

The Department has been advised that the NT Cabinet considered a number of issues concerning the Renal Accommodation project at its meeting on Tuesday 13 March and that no decision was made. It is understood the NT Minister for Health will be discussing the latest Cabinet discussions/requests with Mr Jeff Moffet at their weekly meeting on Monday 19 March.

#### Site Selection

##### *Tennant Creek*

NT Health has advised that the preferred site (Wattle St) is Aboriginal land. The CLC has indicated that it is not opposed to the construction of the facility, however, suitable compensation is yet to be determined. NT Health is unclear on the timeframes or process. Further delays of at least 2-3 months are expected.

Other sites originally identified are not considered suitable due to lack of services or the site is not large enough for the facility.

##### *Alice Springs*

NT Health advises that NT Cabinet considered revoking its previous decision to sell the land at its meeting on Tuesday 13 March. Although no decision was made, it is understood further information was sought on the broader issue of cross-jurisdictional funding for the ongoing operational costs of the facility. NT Cabinet is asking what contributions SA and WA will make towards the facility's running costs.

It is expected that the matter will be reconsidered by Cabinet within the next few weeks.

#### Project Agreement



NT Treasury has informally advised its preference for:

- Removal of all reporting requirements;
- Bring forward of funding; and
- Remove all references of commitment to ongoing funding of the facility.

NT Health has advised that there is a significant shortfall in operational funding which will be addressed as part of the forthcoming Budget process. The Department/OATSIH is still waiting to receive confirmation of this advice in writing.

#### Progress on developing designs

It was agreed on 4 November 2011 that NT Government would move forward with project and concept designs in advance of an executed Project Agreement (noting that the Project Agreement process would take a number of months).

The NT Government advised on 23 February 2012 that this work had not progressed. NT process requires a signed agreement before a project can be added to their works program.

#### Overall assessment

There is a high risk that milestones originally agreed in the draft Project Agreement will not be met (first payment milestone payment of \$3 million is scheduled for 2011-12 financial year).

---

Greg Lemmon  
Director  
Capital Works Section  
Capacity Development Branch  
Office for Aboriginal and Torres Strait Islander Health  
Department of Health and Ageing

Ph: (02) 6289 1499

E-mail: greg.lemmon@health.gov.au

UNCLASSIFIED

FILE NOTE: Telephone discussion with Rick Gowing, Member NT Renal Accommodation Steering Committee

11.15 am, Thursday 15 March 2012

Rick advised that the NT Cabinet considered a number of issues concerning the Renal Accommodation project at its meeting on Tuesday 13 March and that no decision was made.

Rick called his Minister's office to reconfirm the advice and called me back.

Rick further advised that:

1. There had been some confusion about who owned the land in Tennant Creek (Wattle St). It had been determined that the land had been transferred to the local Aboriginal corporation. Rick advised that this wasn't a major issue as the CLC has indicated that it is not opposed to the construction of the facility, however, suitable compensation is yet to be determined – e.g. upfront payment, rent, etc.
2. NT Cabinet considered revoking its previous decision to sell the land at its meeting on Tuesday 13 March. Although no decision was made, it is understood further information was sought on the broader issue of cross-jurisdictional funding for the ongoing operational costs of the facility. NT Cabinet is asking what contributions SA and WA will make towards the facility's running costs. It is expected that the matter will be reconsidered by Cabinet within the next few weeks. It is understood the NT Minister for Health will be discussing the latest Cabinet discussions/requests with Mr Jeff Moffet at their weekly meeting on Monday 19 March.

Greg Lemmon

Greg Lemmon/OATSIH/Health  
20/03/2012 04:54 PM

To Amanda Wilson/OATSIH/Health@Health\_gov\_au  
cc  
bcc

Subject Fw: New SPP575 - draft Project Agreement for the NT Renal Ac  
[SEC=IN-CONFIDENCE]

IN-CONFIDENCE

fyi

Greg Lemmon  
Director  
Capital Works Section  
Capacity Development Branch  
Office for Aboriginal and Torres Strait Islander Health  
Department of Health and Ageing

Ph: (02) 6289 1499

E-mail: greg.lemmon@health.gov.au

----- Forwarded by Greg Lemmon/OATSIH/Health on 20/03/2012 04:54 PM -----

OATSIH Budget  
Sent by: Anne  
Clarke

20/03/2012 04:50  
PM

To Budget Estimate/Health@Health\_Gov\_Au  
cc COAG Framework/Health@Health\_Gov\_Au, OATSIH  
Budget/Health@Health\_Gov\_Au, Greg  
Lemmon/OATSIH/Health@Health\_gov\_au, Ken  
Wedgwood/OATSIH/Health@Health\_gov\_au, Monica  
Kokoszka/PSD/Health@Health\_gov\_au  
Subject New SPP575 - draft Project Agreement for the NT Renal  
Accommodation project. [SEC=IN-CONFIDENCE]

Hi Janet and Linda

*SPP 575 Family Centric Renal Accommodation for Aboriginal and Torres Strait  
Islander Peoples in the Northern Territory*

We received advice from BESS today that the new SPP 575 has been created for the NT Renal Accommodation project, which received MoFD approval on 3 February 2012. The funding profile has been entered into an SPP template and sent to you as to be added to the OATSIH workbook as requested, and the area is drafting text for inclusion on BP3 for 12-13. I understand that the new template for this SPP has been submitted to Treasury, but that the funds have not yet been reallocated from BRE187 to the COAG Reform Fund Special Account. Tables and/or text for BP3 may need to be varied/removed prior to the final close-offs for 12-13 Budget publication, pending the outcome of negotiations with the NTG.

As discussed with Linda last Friday and on Monday, the program area have given us a heads up that the NTG has informally advised that it has a number of issues concerning the draft Project Agreement for the NT Renal Accommodation project, and asked that we clarify some issues with you in terms of next steps.

By way of background, it is understood the NT Treasury has particular issues with:

- a.) the specificity of detail required for reporting milestones (ie, it does not want the milestones to be defined)
- b.) the phasing of funding - it wants the funding to be paid up front
- c.) it does not want the NT Government financial contribution to be specified in the agreement.

We understand that confirmation in writing of an NTG position at this stage of negotiations has been sought, and note that COAG F/W are managing progress on negotiations and finalisation of this PA.

Advice on financial implications requested from Budget Branch:

Could we seek your advice on the following points:

- Given the current status of negotiations at this point, do we have an option to delay reallocation of the OC 8.1 (BRE187) funds to Treasury? Or is DoHA obliged to transfer the funds given the MoFD approval....
- If the funds reallocation goes ahead but the PA negotiations fail and the PA offer is subsequently rescinded, how quickly could funds be returned to OC 8.1? I assume this won't be a problem, but timing would be a concern.
- Is there anything else in relation to the funding profile that we should be doing in the circumstances?

Kind regards  
Anne

Budget Policy Team  
Budget and Financial Management Section  
Office for Aboriginal & Torres Strait Islander Health (MDP: 750)  
Australian Government Department of Health & Ageing  
GPO Box 9848  
Canberra ACT 2601

---

Ken Wedgwood (Director)	☎ (02) 6289 7747
Anne Clarke	☎ (02) 6289 7228
Helen Couper	☎ (02) 6289 3755
Katherine Brammer	☎ (02) 6289 7754
Robert Coulson	☎ (02) 6289 1702

Facsimile	☎ (02) 6289 5911
E-mail	✉ <a href="mailto:OATSIH.Budget@health.gov.au">OATSIH.Budget@health.gov.au</a>

IN-CONFIDENCE

25

Greg Lemmon/OATSIH/Health  
20/03/2012 02:00 PM

To OATSIH Budget/Health@Health\_Gov\_Au  
cc Amanda Wilson/OATSIH/Health@Health\_gov\_au  
bcc

Subject Fw: BP No 3 - New SPP XXX - reply to OATSIH Budget by COE  
[SEC=IN-CONFIDENCE]

IN-CONFIDENCE

Hi Anne

This response has been cleared by Garry Fisk.

As discussed last week, the NTG has informally advised that it has a number of issues concerning the draft Project Agreement for the NT Renal Accommodation project.

It is understood the NT Treasury has particular issues with:

- a.) the specificity of detail required for reporting milestones (ie, it does not want the milestones to be defined)
- b.) the phasing of funding - it wants the funding to be paid up front
- c.) it does not want the NT Government financial contribution to be specified in the agreement.

Please note that I have asked for this advice to be provided in writing.

In response to your request below, I provide the following description:

"The Commonwealth will provide funding to the Northern Territory Government for the construction of two family centric long-stay renal accommodation facilities for Aboriginal and Torres Strait Islander renal patients and their families. The facilities will be located in Alice Springs and Tennant Creek."

Please let me know if you need anything further.

Regards  
Greg

---

Greg Lemmon  
Director  
Capital Works Section  
Capacity Development Branch  
Office for Aboriginal and Torres Strait Islander Health  
Department of Health and Ageing

Ph: (02) 6289 1499

E-mail: greg.lemmon@health.gov.au

----- Forwarded by Greg Lemmon/OATSIH/Health on 20/03/2012 09:48 AM -----

OATSIH Budget  
Sent by: Anne  
Clarke

19/03/2012 02:18  
PM

To Greg Lemmon/OATSIH/Health@Health\_gov\_au  
cc Garry Fisk/OATSIH/Health@Health\_gov\_au, OATSIH  
Budget/Health@Health\_Gov\_Au, Ken  
Wedgwood/OATSIH/Health@Health\_gov\_au  
Subject BP No 3 - New SPP XXX - reply to OATSIH Budget by COB  
Tuesday 20 March 2012. [SEC=IN-CONFIDENCE]

Hi Greg

Please find attached the drafting instructions for reviewing and editing text that will describe your Division's NEW SPP XXX (for the Renal Accommodation in the NT Project). This text will accompany

25



Australian Government  
Department of Health and Ageing

RECEIVED

19 DEC 2012

FAS OATS:IN

N 12000536

26

cc: Mr Lea  
Ms Halton  
Mr Learmonth

RECEIVED

18 DEC 2012

Parliamentary Section

## MINUTE TO THE MINISTER

MINISTER SNOWDON

### RENAL ACCOMMODATION PROJECT IN THE NORTHERN TERRITORY

**PURPOSE:** To provide you with an update on progress with the Renal Accommodation project in the Northern Territory and to seek your signature on the attached letter to the Northern Territory Chief Minister, the Hon Paul Henderson MLA, seeking his immediate action to resolve issues.

#### ISSUE:

2. Progress on the project has stalled. The Northern Territory Government (NTG) has not agreed to the draft Project Agreement, no funding has been committed to the ongoing operational costs of the two facilities, neither site has secure land tenure and no progress has been made in preparing facility designs.

#### BACKGROUND:

3. You were last provided with an update on this project in December 2011 (refer Minute N11002429).

4. A draft Project Agreement was provided to the NTG on 31 January 2012 for consideration.

5. At the most recent Project Control Group teleconferences held on 23 and 29 February 2012, the Department was advised by the NTG that:

- a. Facility designs had not commenced, contrary to what had been agreed at the beginning of November 2011;
- b. The NTG had not secured tenure over the Wattle St site in Tennant Creek and that other sites in Tennant Creek were not considered suitable;
- c. NT Cabinet has not revoked its decision to sell the Allchurch St site in Alice Springs;
- d. Ongoing operational costs for both sites are considered an unfunded liability; and
- e. A number of issues exist with the draft Project Agreement provided by the Commonwealth in January, including objections to the inclusion of reporting requirements, the timing of payments weighted to the back-end of the Agreement and reference to the NTG's ongoing funding commitment.

6. The Department has also been advised that at its meeting on 13 March 2012 the NT Cabinet sought further information about the project in relation to what co-funding is to be provided by the SA and WA Governments to the ongoing operational costs of the facilities.

#### RELEVANCE TO ELECTION COMMITMENTS/GOVERNMENT POLICY/COAG REFORM AGENDA:

7. The project supports the Government's commitment in the *National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes*, as agreed through COAG in 2008.

#### COMMENT:

8. Correspondence to the Northern Territory Chief Minister, the Hon Paul Henderson MLA, has been prepared to reiterate your concerns expressed during your recent conversation with him about the lack of progress on this project and to seek his immediate action to resolve issues of concern.

**Sensitivity:**

10. Public announcements concerning the construction of these facilities will have raised expectations for the provision of family centric renal accommodation in central Australia.
11. Significant delays or the withdrawal of this project could result in criticism of the Government for lack of implementation.

### Financial Implications:

12. In the event that the first milestone is not met and the corresponding milestone payment of \$3 million is not made this financial year, total funding for the project may be insufficient as additional funds will be required for 2012-13.

### Timing/Handling:

13. N/A

### Consultations:

No divisions or agencies were consulted in the preparation of this Minute.

15. The Secretary/Deputy Secretary:
- |  |                                     |
|--|-------------------------------------|
| was consulted on the approach of this Minute | <input type="checkbox"/>            |
| has sighted this Minute                      | <input type="checkbox"/>            |
| none of the above                            | <input checked="" type="checkbox"/> |

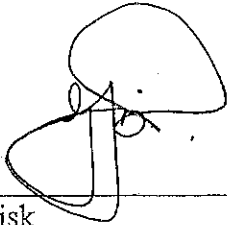
## COMMUNICATION ACTIVITIES

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

## RECOMMENDATION

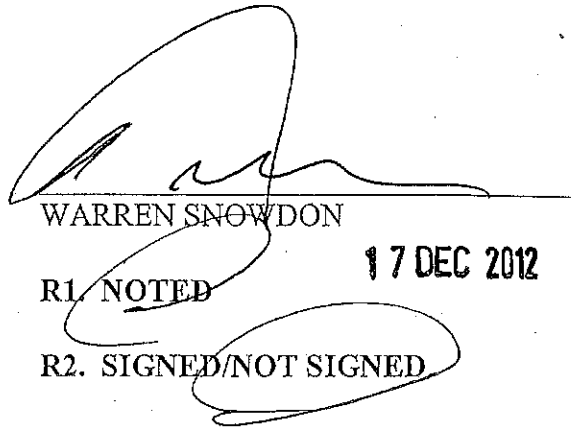
R1. That you NOTE progress on the Renal Accommodation project in the Northern Territory; and

R2. That you SIGN the attached letter to the Hon Paul Henderson MLA, confirming your discussion about the lack of progress on this project and seeking his immediate action to resolve issues of concern (refer Attachment A).



Garry Fisk  
Assistant Secretary  
Capacity Development Branch  
30 March 2012  
Outcome: 8: Indigenous Health

Contact Officer:  
Greg Lemmon (02) 6289 1499  
Capital Works Section



WARREN SNOWDON  
17 DEC 2012  
R1. NOTED  
R2. SIGNED/NOT SIGNED

N 12000536

## MINISTER'S COMMENTS:

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

## ATTACHMENTS:

Attachment A: Letter to the Hon Paul Henderson MLA





27  
COPY

The Hon Warren Snowdon MP  
Minister for Veterans' Affairs  
Minister for Defence Science and Personnel  
Minister for Indigenous Health  
Minister Assisting the Prime Minister on the Centenary of Anzac

The Hon Paul Henderson MLA  
Chief Minister  
Northern Territory Government  
GPO Box 3146  
DARWIN NT 0801

Dear Chief Minister

Thank you for the opportunity to meet with you on Thursday 5 April 2012, and discuss my concerns about delays with the two family centric renal accommodation facilities in the Northern Territory. I also met with Minister Vatskalis on that day to discuss the same matter.

You will recall that following the release of the final report of the Central Australia Renal Study on 27 June 2011, I announced funding of \$13 million for the construction of family centric renal accommodation in Alice Springs and Tennant Creek.

As will be clear from our discussions on the 5<sup>th</sup> of April, I remain very concerned about its progress.

Unless immediate action is taken to resolve a number of issues, the project will not meet previously agreed performance milestones, including completion by 31 December 2012. As a result, the first payment from the Commonwealth of \$3 million will not be possible this financial year. As these funds are only available in the 2011-12 financial year, only \$10 million will be available to complete this initiative.

It is crucial that project delays be resolved so that the first agreed milestone can be achieved. In particular, I seek written advice by no later than Tuesday 24 April 2012 that:

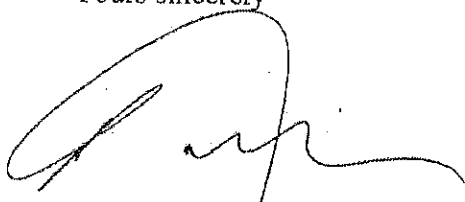
1. the NT Government has agreed to the terms of the draft Project Agreement as presented in January of this year (without amendment);
2. the NT Government has made the site at Allchurch St in Alice Springs available for this project;
3. the Central Land Council has agreed, in writing, to the use of the Wattle St site in Tennant Creek for the designated purpose and that an appropriate agreement has been reached on any compensation payable;

4. design and planning work has commenced for both sites; and
5. funding will be provided by the NT Government for the ongoing operation of both facilities.

Further information is available from Mr Garry Fisk, Assistant Secretary, Capacity Development Branch, Office for Aboriginal and Torres Strait Islander Health, who can be contacted on telephone (02) 6289 5325 or by email at [garry.fisk@health.gov.au](mailto:garry.fisk@health.gov.au)

Your urgent attention to this matter and response would be appreciated.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Warren Snowdon', with a large, sweeping initial 'W'.

WARREN SNOWDON

11 APR 2012



COPY

The Hon Warren Snowdon MP  
Minister for Veterans' Affairs  
Minister for Defence Science and Personnel  
Minister for Indigenous Health  
Minister Assisting the Prime Minister on the Centenary of Anzac

The Hon Kon Vatskalis MLA  
Minister for Health  
Northern Territory Government  
GPO Box 3146  
DARWIN NT 0801

Dear Minister <sup>Kon</sup> Vatskalis

Thank you for meeting with me on 5 April to discuss my concern about the delay in the construction of family centric renal accommodation in Alice Springs and Tennant Creek.

I have attached for your information a copy of a letter I have sent to the Chief Minister, following my meeting with him on the same day.

Yours sincerely

WARREN SNOWDON

11 APR 2012

M12008001

FOR YOUR INFORMATION

Please file and enter the departmental file number  
on the MIRACLS 2 system.

CHIEF MINISTER

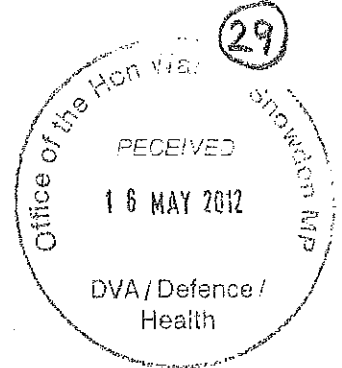
Parliament House  
State Square  
Darwin NT 0800  
[chief.minister@nt.gov.au](mailto:chief.minister@nt.gov.au)

Hon Warren Snowdon MP  
Minister for Indigenous Health  
Parliament House  
CANBERRA ACT 2600

Dear Minister

*Warren*

Minister for Indigenous Health	
16 MAY 2012	
Reply by	Action
<input type="checkbox"/> Minister	<input type="checkbox"/> Acknowledgment
<input type="checkbox"/> Chief of Staff	<input type="checkbox"/> Response
<input type="checkbox"/> Adviser	<input type="checkbox"/> Phone Call
<input type="checkbox"/> Department	<input checked="" type="checkbox"/> Information
Other	<input type="checkbox"/> Urgent by
<input type="checkbox"/> Campaign	.....
<input type="checkbox"/> Constituent	.....
<input type="checkbox"/> Background Information Required	<input type="checkbox"/> Refer to
.....	.....
Comments:	



GPO Box 3146  
Darwin NT 0801  
Telephone: 08 8901 4000  
Facsimile: 08 8901 4099

*Min to Min*

*⑧ DA - CB*  
*WS - info (m)*  
*Aborig M*

Thank you for the letter of 11 April 2012, and the opportunity to discuss your concerns about the delay in family centric renal accommodation at our recent meeting here in Darwin on the 5 April 2012.

I understand your concerns about the delays. The project agreement was to be finalised in December 2011. However, progress on this project was delayed by the Steering Group and not finalised until the end of January 2012.

I advise that, given renal services in Central Australia are provided to residents of both South and Western Australia, the Northern Territory has written to the respective Health Ministers seeking financial contributions for the recurrent expenditure required for the operation of the accommodation facility in Alice Springs.

I advise that the Northern Territory has also committed to fund the recurrent operations of the accommodation facility in Tennant Creek.

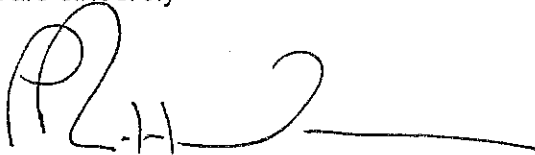
In response to your particular concerns I advise as follows:

- there will need to be minor adjustments to the Project Agreement in line with advice from the Northern Territory Treasury which have been discussed with Office of Aboriginal and Torres Strait Islander Health representatives. We are cognisant of the impact to project timelines and financial milestones so will keep changes to a minimum;
- the site in Allchurch Street, Alice Springs is available;
- the Central Land Council has agreed in principle to the use of land for the Tennant Creek accommodation. Representatives from the Northern Territory Department of Lands and Planning have applied for a land valuation for purchase and lease of the property which will determine the amount of compensation required; and
- the concept design, number of accommodation units and preferred location has been finalised for both sites.

I advise that once we get a response from South Australia and Western Australia, we will be in a position to provide you with an update on the Alice Springs accommodation facility.

Providing family centric accommodation in the central region is an important service expansion and I look forward to the opportunity to work together to fill this high priority service gap.

Yours sincerely

A handwritten signature in black ink, appearing to be 'P. Henderson', with a long horizontal line extending to the right.

PAUL HENDERSON

10/5/12

CAPACITY DEVELOPMENT BRANCH

<input type="checkbox"/> AS clearance only	<input type="checkbox"/> FAS clearance	RECEIVED 10 MAY 2012	EA Corro No: 356151
ROUTINE or URGENT		FYI/Signature (Approval)	
Reason for urgency: (if less than 48 hrs)			Due Date    /    /
Subject:	FAS Background brief - Rental Accommodation		
Requesting area (ie: MO/PSD):			

ACTION / COMMENTS TRAIL

Action Officer	Name: Ameunche Wilson      Ext: 8664		
Director Clearance <input checked="" type="checkbox"/> Approved Date: 10/5	Gary, we have reviewed the NTA's Budget Paper and have not found any reference to funding for rental accommodation. <i>[Signature]</i>		
AS Clearance: Date:	<input type="checkbox"/> Approved <input type="checkbox"/> Approved with changes <input type="checkbox"/> Please discuss		
FAS Clearance: Date:	<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> See Comments <input type="checkbox"/> Noted <input type="checkbox"/> Please discuss <input type="checkbox"/> Re-submit - R/S Date:		



Australian Government

Department of Health and Ageing

## Briefing Note (Background)

**EVENT:** Discussions with NT Government – Renal Accommodation Project

**DATE:**

**TIME:**

**PURPOSE:**

**ATTENDANCE:**

### KEY MESSAGES TO DELIVER:

- Unless immediate progress is made, the \$3 million currently scheduled for payment in 2011-12 is at risk and will be unavailable in future years, reducing the available funding to \$10 million.

### Issue

Minister Snowdon has raised concerns with NT Chief Minister regarding the lack of progress with the two family centric renal accommodation facilities:

- 5 April 2012 – Minister Snowdon met with NT Chief Minister and NT Health Minister;
- 11 April 2012 – Minister Snowdon wrote to the NT Chief Minister (copied to NT Health Minister) requesting written advice by 24 April 2012 to ensure the project could proceed this financial year.

### Current Situation

Minister Snowdon requested written advice on the following issues from the NT Chief Minister by 24 April 2012:

1. the NT Government has agreed to the terms of the draft Project Agreement as presented in January 2012 (without amendment);
2. the NT Government has made the site at Allchurch St in Alice Springs available for this project;
3. the Central Land Council has agreed, in writing, to the use of the Wattle St site in Tennant Creek for the designed purpose and that an appropriate agreement has been reached on any compensation payable;
4. design and planning work has commenced for both sites; and
5. funding will be provided by the NT Government for the ongoing operation of both facilities.

### Background

The NT Government has provided verbal advice that there are a number of issues with the Project Agreement provided on 31 January 2012, including:

- objections to the inclusion of reporting requirements;
- the timing of payments weighted to the back-end of the Agreement; and
- references to the NT Government's ongoing funding commitment.

Site specific issues are summarised as follows:

Site	Proposed location	Funding	Facility Capacity	Estimated Completion date	Problems
Alice Springs	Allchurch Street	\$6.4 million	40 residents - 8 patients - 32 family members	December 2012	<ul style="list-style-type: none"> <li>- Site earmarked for sale – NT Cabinet to revoke previous decision</li> <li>- NT Cabinet wanting contribution from WA and SA towards running costs.</li> <li>- NTG unofficially advised that funding for running costs is not yet committed.</li> </ul>
Tennant Creek	Wattle Street	\$6.6 million	40 residents - 8 patients - 32 family members	December 2012	<ul style="list-style-type: none"> <li>- Site is subject to an Indigenous Land Use Agreement under the Native Title Act – tenure not yet secured and compensation not determined (delays of 2-3 months minimum).</li> </ul>

An overview timeframes of negotiations with the NT Government is provided at Attachment A.

Contact Officer: Greg Lemmon  
Capital Works

Phone: (02) 6289 1499



**Attachment A -Timeline of negotiations with NT Government**

27 May 2011	NT Government submitted a proposal for the renal accommodation project.
6 July 2011	FAS OATSIH wrote to NT Health regarding further work required on proposal.
10 August 2011	AS, Capital Development Branch, wrote to NT Government regarding negotiations on Project Agreement and further work required to finalise sites.
29 August 2011	Project Control Group Established
4 November 2011	NT Government agreed that it would move forward with the concept designs for the facilities in advance of the Project Agreement.
1 November 2011	NT Government officials provided revised cost estimates for the facilities within the available funding of \$13 million.
31 January 2012	Draft Project Agreement provided to NT Government
23 February 2012	NT Government advised that design work had not commence and would not commence until a project agreement is in place.
29 February 2012	<p>NT Government officials advised:</p> <ul style="list-style-type: none"> <li>▪ Cabinet failed to consider making the Allchurch St, Alice Springs site available;</li> <li>▪ Unclear on the timeframes for obtaining Central Land Council approval of leasing and compensation arrangements;</li> <li>▪ NT Treasury would request a number of changes to the draft Project Agreement (including removal of all reporting requirements and references to ongoing funding of the facilities and bring forward of funding); and</li> <li>▪ the operational costs of the facilities are currently unfunded and would be considered as part of the Budget in May.</li> </ul>
13 March 2012	NT Government officials advised that NT Cabinet considered a number of issues concerning the project and that no decision was made.
5 April 2012	Minister Snowdon met with NT Chief Minister and NT Health Minister regarding delays with the project.
11 April 2012	Minister Snowdon wrote to the NT Chief Minister (copied to NT Health Minister) noting that the first payment of \$3 million is only available in the 2011-12 financial year and requesting written advice that the project delays had been addressed by 24 April 2012.

## NT Renal Accommodation Project

Main issues (verbal only) with the Project Agreement provided on 31 January 2012 are:

- objections to the inclusion of reporting requirements,
- the timing of payments weighted to the back-end of the Agreement, and
- reference to the NTG's ongoing funding commitment.

Site specific issues are summarised as follows:

	\$	Site	What	Problem
Alice Springs	\$6.4m	Allchurch St	8 patients and 32 family members (total 40 residents)	<ul style="list-style-type: none"> <li>- site earmarked for sale – NT Cabinet to revoke previous decision</li> <li>- NT Cabinet wanting contribution from WA and SA towards running costs.</li> <li>- NTG unofficially advised that funding for running costs is not yet committed.</li> </ul>
Tennant Creek	\$6.6m	Wattle St	8 patients and 32 family members (total 40 residents)	- Site is Aboriginal land – tenure not yet secured and compensation not determined (delays of 2-3 months minimum).

## CAPACITY DEVELOPMENT BRANCH

(32)

<input checked="" type="checkbox"/> AS clearance only	<input type="checkbox"/> FAS clearance	RECEIVED 21 MAR 2012	EA Corro No: 351378
ROUTINE or <b>URGENT</b>	FYI/Signature Approval		
Reason for urgency: (if less than 48 hrs)	MO Request	Due Date	1 1
Subject:	M2M + corro : RENAL ACCOMMODATION IN THE NT		
Requesting area (ie: MO/PSD):	M.O.		

## ACTION / COMMENTS TRAIL

Action Officer	Name: Greg	Ext: 1499
Director Clearance <input type="checkbox"/> Approved Date: 21.3	<p>Garry - this is not on the forecast &amp; also needs to be cleared by D.L. changes - for D.L. included in this folder. S.</p> <p>resub - 28.3</p>	
AS Clearance: Date:	<p><input checked="" type="checkbox"/> Approved <input type="checkbox"/> Approved with changes <input type="checkbox"/> Please discuss</p> <p><del>Greg</del> A few additional changes. Done - 3rd time lucky! 29.3</p> <p>Greg That's good, thanks &amp; I'll sign off as I have heard back from DL.</p>	
FAS Clearance: Date:	<p><input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> See Comments <input type="checkbox"/> Re-submit - R/S Date: 29/3</p> <p><input type="checkbox"/> Noted <input type="checkbox"/> Please discuss</p>	



Australian Government

Department of Health and Ageing

## Briefing Note (Background)

**EVENT:** Meeting with Minister Snowdon – NT Renal Accommodation Project  
**DATE:** 23 May 2012  
**TIME:**  
**PURPOSE:**  
**ATTENDANCE:**

### KEY MESSAGES TO DELIVER:

- The NTG has consistently failed to meet deadlines for the project.
- Immediate action by the NTG is required to enable payment of the first milestone payment in 2011-2012 (as detailed in Budget Paper 3, Page 45)
- Urgent consideration to be given to possible next steps, including withdrawal of the offer.

### Issue

Without immediate action, the \$3 million allocated for the Project in 2011-12 will remain unspent and reduce the funds available to \$10 million.

To finalise the Project Agreement and meet the milestones for 2011-12 would require the project agreement to be prioritised by both the central agencies and the NT Government, including immediate resolution of NT Treasury issues with Commonwealth Treasury officers.

### Current Situation

Minister Snowdon requested written advice on the following issues from the NT Chief Minister by 24 April 2012:

1. the NT Government has agreed to the terms of the draft Project Agreement as presented in January 2012 (without amendment);

CM Response: minor adjustments necessary to draft Project Agreement – cognizant of the impact to project timelines.

*OATSIH Comment:* The NTG is aware that ANY change to the PA would result in further lengthy delays, particularly those associated with reporting and the timing of payments as they will require agreement from central agencies and possibly the Minister for Finance. Despite repeated requests, the NTG's requested changes have not been provided in writing.

2. the NT Government has made the site at Allchurch St in Alice Springs available for this project;

CM Response: The site is available

*OATSIH Comment:* At a recent meeting between Linda Powell and Penny Fielding, the NTG advised that the site had not been set aside for this purpose.

3. the Central Land Council has agreed, in writing, to the use of the Wattle St site in Tennant Creek for the designed purpose and that an appropriate agreement has been reached on any compensation payable;

CM Response: There is in-principle support from the CLC however actual costs of compensation have not been agreed.

*OATSIH Comment:* This has been the position since 2011 – no change/progress evident. Site remains at risk without secure tenure. It is unclear who will pay the CLC compensation for the land in Tennant Creek.

4. design and planning work has commenced for both sites;

CM Response: concept design, number of units and preferred locations have been finalised.

*OATSIH Comment:* The Chair of the Project Control Group advised the Dept in writing (21 May 2012) that the designs have not been finalised and only concept plans are available.

5. funding will be provided by the NT Government for the ongoing operation of both facilities.

CM Response: The NTG has written to the SA and WA governments seeking contributions towards the running costs for the Alice Springs facility and until a response is received, the NTG is unable to commit to building the Alice Springs facility. The NTG has agreed to fully fund the Tennant Creek facility.

*OATSIH Comment:* It is our understanding that the NTG agreed to fund the operational costs of BOTH facilities prior to the Minister's funding announcement in June last year.

## Options

1. Full agreement of all parties to proceed with the project.

Comment: This option would require demonstrated high level commitment by the NTG and the NT Chief Minister to resolving outstanding issues immediately. Repeated attempts by both the Minister for Indigenous Health and OATSIH have failed to secure necessary assurances and action.

2. That the project proceed with reduced funding of \$10 million.

Comment: This option would require a full re-scoping with a likely downsizing of facilities. Current plans provide for a maximum of 8 patients (and 32 family members) at each facility. Any further scope reductions may reduce patient numbers to a level that cannot be justified on a cost per patient ratio.

3. That only one facility be constructed with the remaining available funds (\$10 million).

Comment: This option would enable an early construction at Alice Springs given lack of secure tenure in Tennant Creek, although issues concerning ongoing operational funding for the facility would need to be resolved.

4. That the Minister rescinds the offer to the NTG.

Comment: This option has the potential to generate negative media attention for both the NTG and Commonwealth governments, however, may be defensible in the current fiscal environment.

### **Background**

*The Central Australia Renal Study* recommended that Alice Springs be the location for the central hub renal unit and that Tennant Creek be a mini-hub.

Minister Snowdon raised concerns with NT Chief Minister regarding the lack of progress with the two family centric renal accommodation facilities:

- 5 April 2012 – Minister Snowdon met with NT Chief Minister and NT Health Minister;
- 11 April 2012 – Minister Snowdon wrote to the NT Chief Minister (copied to NT Health Minister) requesting written advice by 24 April 2012 to ensure the project could proceed this financial year (refer Attachment A).
- 16 May 2012 – Chief Minister Henderson wrote to Minister Snowdon (3 weeks past the deadline set) advising that some progress had been achieved (refer Attachment B).

The NT Government has provided verbal advice that there are a number of issues with the Project Agreement provided on 31 January 2012, including:

- objections to the inclusion of reporting requirements;
- the timing of payments weighted to the back-end of the Agreement; and
- references to the NT Government's ongoing funding commitment.

Site specific issues are summarised as follows:

Site	Proposed location	Funding	Facility Capacity	Estimated Completion date	Problems
Alice Springs	Allchurch Street	\$6.4 million	40 residents - 8 patients - 32 family members	December 2012	<ul style="list-style-type: none"> <li>- Site earmarked for sale – NT Cabinet to revoke previous decision</li> <li>- NT Cabinet wanting contribution from WA and SA towards running costs.</li> <li>- NTG unofficially advised that funding for running costs is not yet committed.</li> </ul>

Tennant Creek	Wattle Street	\$6.6 million	40 residents - 8 patients - 32 family members	December 2012	- Site is subject to an Indigenous Land Use Agreement under the Native Title Act – tenure not yet secured and compensation not determined (delays of 2-3 months minimum).--
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#### Media Releases

The Minister has issued at least three media releases which include mention of this project, including:

- On 1 Sep 2011 "More accommodation for visiting patients to Alice Springs" (refer Attachment C), and
- On 12 Dec 2011 "Aboriginal communities gain dialysis treatment options" (refer Attachment D).

Contact Officer: Greg Lemmon  
Capital Works

Phone: (02) 6289 1499

## National Partnership Estimates Update

Agency: HEALTH

Payment Name: Family Centric Rental Accommodation for Aboriginal and Torres Strait Islander

Agency PBS Program: Program 8.1

Treasury SPP: SPP575

Agency Contact & Number: Linda Jeffery 6289 7032 - OATSH

Notes: Please note - the Project Agreement with the Northern Territory is still under negotiation. Monthly phasings are based on draft Agreement offered to the NT in January 2012.

## Change in Treasury National Partnership Estimates - Total Expenses

	2011-12												2012-13												Annual Estimate (\$'000)
	FBO Estimate (\$'000)	Jul YTD (\$'000)	Aug YTD (\$'000)	Sep YTD (\$'000)	Oct YTD (\$'000)	Nov YTD (\$'000)	Dec YTD (\$'000)	Jan YTD (\$'000)	Feb YTD (\$'000)	Mar YTD (\$'000)	Apr YTD (\$'000)	May YTD (\$'000)	Jun YTD (\$'000)										Annual Estimate (\$'000)		
NSW	-	-	-	-	-	-	-	-	-	-	-	-	-										-		
VIC	-	-	-	-	-	-	-	-	-	-	-	-	-										-		
QLD	-	-	-	-	-	-	-	-	-	-	-	-	-										-		
WA	-	-	-	-	-	-	-	-	-	-	-	-	-										-		
SA	-	-	-	-	-	-	-	-	-	-	-	-	-										-		
TAS	-	-	-	-	-	-	-	-	-	-	-	-	-										-		
ACT	-	-	-	-	-	-	-	-	-	-	-	-	-										-		
NT	3,000	-	-	2,500	2,500	2,500	2,500	2,500	6,500	6,500	6,500	6,500	9,000										9,000		
TOTAL	3,000	-	-	2,500	2,500	2,500	2,500	2,500	6,500	6,500	6,500	6,500	9,000										9,000		

## Change in Treasury National Partnership Estimates - Total Cash

	2011-12												2012-13												Annual Estimate
	FBO Estimate (\$'000)	July YTD (\$'000)	Aug YTD (\$'000)	Sept YTD (\$'000)	Oct YTD (\$'000)	Nov YTD (\$'000)	Dec YTD (\$'000)	Jan YTD (\$'000)	Feb YTD (\$'000)	Mar YTD (\$'000)	Apr YTD (\$'000)	May YTD (\$'000)	Jun YTD (\$'000)	Annual Estimate (\$'000)											
NSW	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
VIC	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
QLD	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
WA	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
TAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
ACT	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
NT	3,000	-	-	2,500	2,500	2,500	2,500	6,500	6,500	6,500	6,500	9,000	9,000	9,000											
TOTAL	3,000	-	-	2,500	2,500	2,500	2,500	6,500	6,500	6,500	6,500	9,000	9,000	9,000											

## Change in Treasury National Partnership Estimates - Total Accrual

	2011-12												2012-13												Annual Estimate (\$'000)
	FBO Estimate (\$'000)	July YTD (\$'000)	Aug YTD (\$'000)	Sept YTD (\$'000)	Oct YTD (\$'000)	Nov YTD (\$'000)	Dec YTD (\$'000)	Jan YTD (\$'000)	Feb YTD (\$'000)	Mar YTD (\$'000)	Apr YTD (\$'000)	May YTD (\$'000)	Jun YTD (\$'000)												
NSW	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
VIC	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
QLD	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
WA	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
TAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
ACT	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
NT	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-											



Department of Treasury Final Outcome

CASH	2012-13											
	July YTD (\$'000)	Aug YTD (\$'000)	Sept YTD (\$'000)	Oct YTD (\$'000)	Nov YTD (\$'000)	Dec YTD (\$'000)	Jan YTD (\$'000)	Feb YTD (\$'000)	Mar YTD (\$'000)	Apr YTD (\$'000)	May YTD (\$'000)	Jun YTD (\$'000)
NSW	-	-	-	-	-	-	-	-	-	-	-	-
VIC	-	-	-	-	-	-	-	-	-	-	-	-
QLD	-	-	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	-	-	-	-	-	-	-	-	-
SA	-	-	-	-	-	-	-	-	-	-	-	-
TAS	-	-	-	-	-	-	-	-	-	-	-	-
ACT	-	-	-	-	-	-	-	-	-	-	-	-
NT	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	2,500	2,500	2,500	2,500	6,500	6,500	6,500	6,500	9,000	9,000

ACCRUAL	2012-13											
	July YTD (\$'000)	Aug YTD (\$'000)	Sept YTD (\$'000)	Oct YTD (\$'000)	Nov YTD (\$'000)	Dec YTD (\$'000)	Jan YTD (\$'000)	Feb YTD (\$'000)	Mar YTD (\$'000)	Apr YTD (\$'000)	May YTD (\$'000)	Jun YTD (\$'000)
NSW	-	-	-	-	-	-	-	-	-	-	-	-
VIC	-	-	-	-	-	-	-	-	-	-	-	-
QLD	-	-	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	-	-	-	-	-	-	-	-	-
SA	-	-	-	-	-	-	-	-	-	-	-	-
TAS	-	-	-	-	-	-	-	-	-	-	-	-
ACT	-	-	-	-	-	-	-	-	-	-	-	-
NT	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-

Function	Short Name	Status	Health to confirm/update status	Money in 2011-12?	\$m	SPP	Last Updated
Health	NT Renal Accommodation	Negotiations	Minister to Minister negotiations are underway. While it remains possible that the NT Government will sign it, it is regarded as unlikely to occur this financial year.	Yes	3	575	1-Jun

Stephanie  
Mackney/OATSIH/Health  
19/06/2012 02:51 PM

To  
cc  
bcc

Subject Fw: PA for Family Centric Renal Accommodation

**IN-CONFIDENCE**

----- Forwarded by Greg Lemmon/OATSIH/Health on 19/06/2012 09:52 AM -----

OATSIH Budget  
Sent by: Anne Clarke  
18/06/2012 06:05 PM

To linda.rosser@treasury.gov.au,  
matthew.bowditch@treasury.gov.au,  
georgina.prasad@treasury.gov.au  
cc OATSIH Budget/Health@Health\_Gov\_Au, Greg  
Lemmon/OATSIH/Health@Health\_gov\_au, COAG  
Framework/Health@Health\_Gov\_Au, Ken  
Wedgwood/OATSIH/Health@Health\_gov\_au, Angus  
Algie/PSD/Health@Health\_gov\_au  
Subject PA for Family Centric Renal Accommodation  
[SEC=IN-CONFIDENCE]

Hi Matt, Linda and Georgina

Many thanks for your time in discussion today of the issue relating to Treasury concerns around the inclusion of Item 11 re partial payments for the draft of this PA which is currently with the NTG for finalisation (signing is anticipated today).

OATSIH Budget wishes to confirm the outcome ie. that given the time constraints and likely imminent finalisation, Treasury have agreed the partial payment clause can remain in the document. As discussed, notwithstanding Treasury agreement on this occasion, we acknowledge the view expressed by Treasury that partial payments should not be needed for an infrastructure project in particular. This is because in this type of project, the interim milestones are themselves a recognition of the staggered nature of outputs for each stage of construction, and in any case in this PA are separated for each of the two locations in Table 2 on page 5. You also noted that in some cases for service delivery projects where the community or family take up, especially in the Indigenous context, may be outside the control of the state jurisdiction, partial payments may be indicated, and mentioned the Ear Health PA as an example of this.

Your additional advice and explanation around this issue is helpful, and will definitely assist OATSIH and DoHA in development of future PAs/IPs where partial payments may be proposed.

Kind regards  
Anne

Budget Policy Team  
Budget and Financial Management Section  
Office for Aboriginal & Torres Strait Islander Health (MDP: 750)  
Australian Government Department of Health & Ageing  
GPO Box 9848  
Canberra ACT 2601

Ken Wedgwood (Director)	(02) 6289 7747
Anne Clarke	(02) 6289 7228
Helen Couper	(02) 6289 3755
Katherine Brammer	(02) 6289 7754
Robert Coulson	(02) 6289 1702

Facsimile	(02) 6289 5911
E-mail	<a href="mailto:OATSIH.Budget@health.gov.au">OATSIH.Budget@health.gov.au</a>



## Briefing Note (Background)

**EVENT:** Meeting with Minister Snowdon – NT Renal Accommodation Project  
**DATE:** 20 June 2012  
**TIME:**  
**PURPOSE:**  
**ATTENDANCE:**

### KEY MESSAGES TO DELIVER:

- The NTG has not signed the Project Agreement by the due date of 18 June 2012.
- Urgent consideration to be given to possible next steps, including withdrawal of the offer.

35

### Issue

The \$3 million allocated for the Project in 2011-12 will remain unspent and reduce the funds available for this project to \$10 million.

The NTG has not provided an explanation for not signing the Agreement.

### Current Situation

Urgent discussions at officer level last week resulted in an expectation at the Commonwealth level that the draft Agreement would be signed in the form offered in January 2012 on the understanding that the Agreement could be varied at a later date. The NTG officers appeared comfortable with this approach but advised that it is up to NTG Ministers to decide if they agree.

The NTG officer managing this matter advised on 19 June that no decision had been made and to the best of her knowledge Minister Vatskalis had not yet decided if he would sign the Project Agreement.

In the event that the NTG was not prepared to sign the Agreement (due to co-funding issues for the Alice Springs facility), the Department was standing by with an alternative approach and had obtained approval from central agencies to split the Agreement into two agreements to ensure that Tennant Creek could proceed immediately.

Since those discussions last week, the NTG has not conveyed any information concerning its preferences or objections. Officers from the Department have made daily requests by phone and email with the designated contact person. No further information concerning the progress of the Agreement has been forthcoming.

## Options

1. Full agreement of all parties to proceed with the project.

Comment: This option no longer appears viable given lack of action by the NTG and time constraints.

2. That the project proceed next year with reduced funding of \$10 million.

Comment: This option would require a full re-scoping with a likely downsizing of facilities. Current plans provide for a maximum of 8 patients (and 32 family members) at each facility. Any further scope reductions may reduce patient numbers to a level that cannot be justified on a cost per patient ratio.

3. That only one facility be constructed with the remaining available funds (\$10 million).

Comment: This option would enable Tennant Creek to proceed once land tenure issues are resolved. *The Central Australia Renal Study* highlighted the need for family centric accommodation in Alice Springs – this option would not address that identified need.

4. That the Minister rescinds the offer to the NTG.

Comment: This option has the potential to generate negative media attention for both the NTG and Commonwealth governments, however, may be defensible in the current fiscal environment.

## Background

*The Central Australia Renal Study* recommended that Alice Springs be the location for the central hub renal unit and that Tennant Creek be a mini-hub.

The NT Government provided verbal advice in February 2012 that its Treasury had a number of issues with the Project Agreement provided on 31 January 2012, including:

- objections to the inclusion of reporting requirements;
- the timing of payments weighted to the back-end of the Agreement; and
- references to the NT Government's ongoing funding commitment.

The Department has asked repeatedly for the NTG's specific comments and concerns on the draft PA to be provided in writing, however, these have never been provided.

Known site specific issues are summarised as follows:

Site	Proposed location	Funding	Facility Capacity	Estimated Completion date	Problems
Alice Springs	Allchurch Street	\$6.4 million	40 residents - 8 patients - 32 family members	December 2012	- NTG wanting contribution from WA and SA towards running costs.
Tennant Creek	Wattle Street	\$6.6 million	40 residents - 8 patients - 32 family members	December 2012	- Site is subject to an Indigenous Land Use Agreement under the Native Title Act – tenure not yet secured and compensation not determined.

Contact Officer: Greg Lemmon  
Capital Works

Phone: (02) 6289 1499



## Briefing Note (Background)

**EVENT:** Meeting with Minister Snowdon – NT Renal Accommodation Project  
**DATE:** 27 June 2012  
**TIME:**  
**PURPOSE:**  
**ATTENDANCE:**

### KEY MESSAGES TO DELIVER:

- Minister Vatskalis has not signed the Project Agreement.
- Urgent consideration to be given to possible next steps, including withdrawal of the offer.

### Issue

The \$3 million allocated for the Project in 2011-12 will remain unspent and reduce the funds available for this project to \$10 million.

The NTG has not provided an explanation for not signing the Agreement.

### Current Situation

Urgent discussions at officer level resulted in an expectation at the Commonwealth level that the draft Agreement would be signed in the form offered in January 2012 on the understanding that the agreement could be varied at a later date. The NTG officers appeared comfortable with this approach but advised that it is up to NTG Ministers to decide if they agree.

The NTG officer managing this matter advised on 19 June that no decision had been made and to the best of her knowledge Minister Vatskalis had not yet decided if he would sign the Project Agreement.

In the event that the NTG was not prepared to sign the Agreement (due to co-funding issues for the Alice Springs facility), the Department was standing by with an alternative approach and had obtained approval from central agencies to split the Agreement into two agreements to ensure that Tennant Creek could proceed immediately.

Since those discussions last week, the NTG has not conveyed any information concerning its preferences or objections. Officers from the Department have made daily requests by phone and email with the designated contact person. No further information concerning the progress of the Agreement has been forthcoming.

## Options

1. Full agreement of all parties to proceed with the project.

Comment: This option no longer appears viable given lack of action by the NTG and time constraints.

2. That the project proceed next year with reduced funding of \$10 million.

Comment: This option would require a full re-scoping with a likely downsizing of facilities. Current plans provide for a maximum of 8 patients (and 32 family members) at each facility. Any further scope reductions may reduce patient numbers to a level that cannot be justified on a cost per patient ratio.

3. That only one facility be constructed with the remaining available funds (\$10 million).

Comment: This option would enable Tennant Creek to proceed once land tenure issues are resolved. *The Central Australia Renal Study* highlighted the need for family centric accommodation in Alice Springs – this option would not address that identified need.

4. That the Minister rescinds the offer to the NTG.

Comment: This option has the potential to generate negative media attention for both the NTG and Commonwealth governments, however, may be defensible in the current fiscal environment.

## Background

*The Central Australia Renal Study* recommended that Alice Springs be the location for the central hub renal unit and that Tennant Creek be a mini-hub.

The NT Government provided verbal advice in February 2012 that its Treasury had a number of issues with the Project Agreement provided on 31 January 2012, including:

- objections to the inclusion of reporting requirements;
- the timing of payments weighted to the back-end of the Agreement; and
- references to the NT Government's ongoing funding commitment.

The Department has asked repeatedly for the NTG's specific comments and concerns on the draft PA to be provided in writing, however, these have never been provided.



Known site specific issues are summarised as follows:

Site	Proposed location	Funding	Facility Capacity	Estimated Completion date	Problems
Alice Springs	Allchurch Street	\$6.4 million	40 residents - 8 patients - 32 family members	December 2012	- NTG wanting contribution from WA and SA towards running costs.
Tennant Creek	Wattle Street	\$6.6 million	40 residents - 8 patients - 32 family members	December 2012	- Site is subject to an Indigenous Land Use Agreement under the Native Title Act – tenure not yet secured and compensation not determined.

Contact Officer: Greg Lemmon  
Capital Works

Phone: (02) 6289 1499

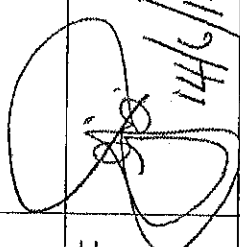


Australian Government  
Department of Health and Ageing

Specific Purpose Payments to states and territories

28 June 2012

Payment Determinations

Monthly Payment	National Partnership Agreement \ Implementation on Plan	SPP Number	Deliverables \ Milestone [date of deliverable, brief description]	Payment Amount	Authorised Delegate Name, Position. [ie. AS, Branch, Division]	Reason for delays in Payments [if applicable]	Authorised Delegate's Signature
Example only	Implementation Plan for National Fresh Fruit & Vegetable consumption.	SPP 123	Progress report on Fruit & Veg consumption from jurisdictions due November 2010. Received 28 October 2010 and approved by the authorised delegate.	\$1.00	Mr Oliver Smith, Assistant Secretary, Fresh Food Programs Branch, Food and Nutrition Division.		
1	Family Centric Renal Accommodation in the Northern Territory	SPP 575	Nil	Nil	Garry Fisk, Assistant Secretary, Capacity Development Branch, Office for Aboriginal and Torres Strait Islander Health	Project Agreement has not been agreed.	 14/6/12
2							
3							
4							
5							

09-October-2012

NSV



Health Department of Health and Ageing  
Payments for specific purposes to be paid on:

09-October-2012

Specific Purpose Payments for Department of Health and Ageing to be paid on 09-October-2012

Cost Centre	GL CODE	SPP code	Payment name	Payment Date	YTD payments exceed annual estimate?
			Annual estimate (cash basis)	09/10/2012	
			Monthly profile (cumulative, cash basis)	09/10/2012	
			YTD paid by Treasury	09/10/2012	
			YTD paid including 09-October-2012	09/10/2012	
			Annual estimate (cash basis)	09/10/2012	
			Monthly profile (cumulative, cash basis)	09/10/2012	
			YTD paid by Treasury	09/10/2012	
			YTD paid including 09-October-2012	09/10/2012	
			Annual estimate (cash basis)	09/10/2012	
			Monthly profile (cumulative, cash basis)	09/10/2012	
			YTD paid by Treasury	09/10/2012	
			YTD paid including 09-October-2012	09/10/2012	
			Annual estimate (cash basis)	09/10/2012	
			Monthly profile (cumulative, cash basis)	09/10/2012	
			YTD paid by Treasury	09/10/2012	
			YTD paid including 09-October-2012	09/10/2012	
FG833 NPP - Health Care Grants	41972	SPP575	Family Centric Rental Accommodation for Aboriginal and Torres Strait Islander Pe	09/10/2012	
			Annual estimate (cash basis)	09/10/2012	
			Monthly profile (cumulative, cash basis)	09/10/2012	
			YTD paid by Treasury	09/10/2012	
			YTD paid including 09-October-2012	09/10/2012	
			Annual estimate (cash basis)	09/10/2012	
			Monthly profile (cumulative, cash basis)	09/10/2012	
			YTD paid by Treasury	09/10/2012	
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			Monthly profile (cumulative, cash basis)	09/10/2012	
			YTD paid by Treasury	09/10/2012	
			YTD paid including 09-October-2012	09/10/2012	

Total amount to be paid by Treasury

PLEASE COMPLETE THIS SECTION

Variance Explanation	National Partnership Agreement signed and on file?	Implementation Plan agreed and on file?	Type of payment
[REDACTED]	YES	YES	Project payment
[REDACTED]	YES	YES	Project payment
[REDACTED]	YES	YES	Project payment
[REDACTED]	YES	N/A - Implementation Plan not required	Project payment
[REDACTED]	YES	N/A - Implementation Plan not required	Project payment
National Partnership Agreement not signed. Initial discussions have been held at Ministerial level regarding the proposed project following the change in Government. The NT Government are yet to advise whether the project will proceed.	NO	NO	Project payment
[REDACTED]	YES	N/A - Implementation Plan not required	Project payment
[REDACTED]	YES	NO	Project payment
[REDACTED]	YES	NO	Project payment
[REDACTED]	YES	NO	Project payment



39  
COPY

The Hon Warren Snowdon MP  
Minister for Veterans' Affairs  
Minister for Defence Science and Personnel  
Minister for Indigenous Health  
Minister Assisting the Prime Minister on the Centenary of Anzac

The Hon David Tollner MLA  
Minister for Health  
Northern Territory Government  
GPO Box 3146  
DARWIN NT 0801

Dear Minister,

I am writing concerning the family-centric renal accommodation projects we discussed on 1 October 2012.

As you are aware, last year the Commonwealth made \$13 million available to the Northern Territory Government (NTG) to build family-centric renal accommodation facilities in Alice Springs and Tennant Creek in response to the Central Australia Renal Study. The Study found that access to accommodation for Aboriginal and Torres Strait Islander patients and their families from remote communities accessing renal dialysis treatment away from home was a priority.

It had been previously agreed that if the Commonwealth provided funds for construction, the NTG would provide land, management of construction and fund all ongoing maintenance of the buildings and service delivery. Unfortunately progress has stalled and \$3 million due to be paid last financial year has been returned to Consolidated Revenue and is no longer available, leaving \$10 million to complete this initiative.

I am seeking your advice as to whether the NTG will re-commit to this important project, including a commitment to deliver the two projects within the next twelve months and to meet all operating and recurrent costs.

I would be most grateful if you could respond by no later than 13 December 2012 to allow decisions to be made on the future of these projects.

Yours sincerely

WARREN SNOWDON

27 NOV 2012



cc: MINISTER PLIBERSEK  
Ms Halton  
Mr Learmonth  
Ms Palmer

RECEIVED

28 NOV 2012

Parliamentary Section

MINUTE TO THE MINISTER

MINISTER SNOWDON

RENAL ACCOMMODATION PROJECT IN THE NORTHERN TERRITORY

PURPOSE:

To obtain your agreement to seek approval for the transfer of \$10 million allocated for family centric renal accommodation from the *COAG Reform Fund Special Account* to the Department's annual administered appropriation, Outcome 8.1.

ISSUE:

2. The Northern Territory Government (NTG) has advised that it is unable to proceed with the proposed family centric renal accommodation project. The funds allocated to this project will need to be returned to the Department in order to fund alternate infrastructure projects that support renal service delivery.

BACKGROUND:

3. In January 2012 a draft Project Agreement was offered to the NTG providing funding of \$13 million over three years to support renal service delivery through the construction of renal accommodation for patients and their families. \$13 million was transferred from the Department's annual administered appropriation, Outcome 8.1, to the *COAG Reform Fund Special Account* held by Treasury, in accordance with the *Intergovernmental Agreement on Federal Financial Relations*.

4. The Project Agreement was not signed by the NTG 30 June 2012, and the first scheduled milestone payment of \$3 million for 2011-12 was returned to Consolidated Revenue and is no longer available.

5. On 1 November 2012 the Department of Health and Ageing (the Department) wrote to the NTG seeking a clear commitment to deliver the project in a timely manner and confirm its capacity to meet future operating and recurrent costs. The Department advised the NTG that funds will be redirected if this information is not received by 30 November 2012 (*Attachment A*).

6. On 7 November 2012, the NTG advised that it is unable to provide ongoing operational funding for this project and made no clear commitment to the delivery of the project (*Attachment B*).

RELEVANCE TO ELECTION COMMITMENTS/GOVERNMENT POLICY/COAG REFORM AGENDA:

7. On 27 June 2011, in response to the findings of the Central Australia Renal Study, you announced funding to address the need for improved renal services available to Aboriginal and Torres Strait Islander people. This funding is in support of this commitment.

- |  |  |                                      |  |  |
|--|--|--------------------------------------|--|--|
| <input type="checkbox"/> Health Reform       | <input type="checkbox"/> Election Commitment | <input type="checkbox"/> COAG Reform | <input type="checkbox"/> Budget                          | <input checked="" type="checkbox"/> Other significant policy |
| <input type="checkbox"/> Minority Government | <input type="checkbox"/> Legislation         | <input type="checkbox"/> Appointment | <input type="checkbox"/> Program or grant administration | <input type="checkbox"/> Other                               |



**COMMENT:**

8. Return of the \$10 million currently held in the *COAG Reform Fund Special Account* to the Department's annual administered appropriation, Outcome 8.1, will enable the commitment of improved access for Aboriginal and Torres Strait Islander people to renal services, to be met without reliance on an agreement with the NTG.

9. If you agree to seek the return of these funds, a Minute will be prepared for Minister Plibersek with a letter to the Minister for Finance and Deregulation seeking her agreement.

**Sensitivity:**

Community expectation will need to be managed with assurance that funds will be utilised for the intended purpose of improved renal service delivery for Aboriginal and Torres Strait Islander peoples.

**Financial Implications:**

10. There is no net financial impact on the Government from the proposed transfer.

**Legislation/Timing of Proposed Legislative Changes:**

11. Not applicable.

**Timing/Handling:**

12. Timely authority to redirect these funds will enable the \$9 million allocated for this financial year be expended on the intended purpose in support of renal service delivery for Aboriginal and Torres Strait Islander peoples.

13. Options for the expenditure of the \$9 million are currently being prepared to discuss with you.

**Consultations:**

14. The COAG Framework Section has been consulted in the preparation of this Minute.

15. The Deputy Secretary:

was consulted on the approach of this Minute  
has sighted this Minute  
none of the above

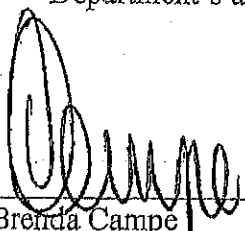
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**COMMUNICATION ACTIVITIES**

16. Nil.

## RECOMMENDATION

17. R1. That you AGREE to the Department seeking approval for the transfer of \$10 million allocated for family centric renal accommodation from the *COAG Reform Fund Special Account* to the Department's annual administered appropriation, Outcome 8.1

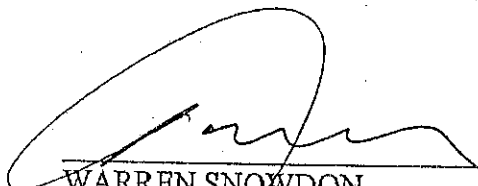


Brenda Campe  
A/g Assistant Secretary

OATSIH

22 November 2012

Outcome: 8: Indigenous Health



WARREN SNOWDON

R1. AGREED/NOT AGREED

27 NOV 2012

Contact Officer:

Greg Lemmon x1499

CD Branch

## MINISTER'S COMMENTS:

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

Poor Satisfactory Excellent

## ATTACHMENTS:

Attachment A: Letter to Mr Moffet, 1 November 2012

Attachment B: Letter from Mr Moffet, 7 November 2012



Australian Government  
Department of Health and Ageing

DEPUTY SECRETARY

Mr Jeff Moffet  
Chief Executive Officer  
NT Department of Health  
PO Box 40596  
CASUARINA NT 0811

Dear Mr Moffet

FAMILY CENTRIC RENAL ACCOMMODATION

I am writing about progress on the family-centric renal accommodation projects in Alice Springs and Tennant Creek.


The Department has written on several occasions, outlining concerns with the delays in implementing this project. The Department wrote on 13 and 27 May, 10 August, 6 July and 2 September 2011, and this year held a number of teleconferences to highlight our concerns and seek advice from staff in your Department. The Minister for Indigenous Health, the Hon Warren Snowdon MP, has also held meetings with relevant NT Government Ministers in an effort to progress the project. During this time your Department has provided assurances of commitment to this project. It appears, however, that we still do not have an agreed way ahead.

As you would be aware, the first milestone payment of \$3 million due to be paid last financial year has been returned to Consolidated Revenue and is no longer available, leaving \$10 million to complete this initiative.

I am writing to seek your advice as to whether we will be able to finalise a commitment to deliver the projects in a timely way, including if the NT will be able and willing to meet all future operating and recurrent costs as previously agreed. If we cannot obtain such a final and clear commitment by 30 November 2012, my Department will redirect these funds to other projects in order to ensure that funds intended for the benefit of the Aboriginal community in the NT are able to be used for this purpose. Minister Snowdon will also write to Minister Tollner seeking urgent advice from the Northern Territory Government on these projects.

If you require any further information please contact Ms Brenda Campe, Acting Assistant Secretary, Capacity Development Branch, Office for Aboriginal and Torres Strait Islander Health, who can be contacted on telephone (02) 6289 5325 or by email at [brenda.campe@health.gov.au](mailto:brenda.campe@health.gov.au).

Yours sincerely

  
David Learmonth  
Deputy Secretary

/ November 2012



DEPARTMENT OF HEALTH

Chief Executive  
Level 4 87 Mitchell Street  
Darwin NT 0801  
Postal Address: PO Box 40596  
CASUARINA NT 0811  
Tel: 08 8999 2761  
Fax: 08 8999 2800  
eMail: [jeffrey.moffet@nt.gov.au](mailto:jeffrey.moffet@nt.gov.au)

Our Ref: DD2012/8125  
Your Ref:

Mr David Learmonth  
Deputy Secretary  
Department of Health and Ageing  
GPO Box 9848  
CANBERRA ACT 2601

Dear Mr Learmonth

RE: FAMILY CENTRIC RENAL ACCOMMODATION

Thank you for your letter dated 1 November 2012, concerning the progress on the family centric renal accommodation projects in Alice Springs and Tennant Creek.

As you are aware, there have been a number of discussions both at Officer and Ministerial level about the affordability of this project for the Northern Territory, in the absence of operational funds.

This has been the consistent position of the Northern Territory Government since May 2012, and discussed at a face to face meeting between Ministers in June 2012 in Darwin. I understand that subsequently this issue has also been discussed between the incoming Minister for Health, the Hon David Tollner, MLA, and Hon. Warren Snowdon, MP, Minister for Indigenous Health.

I note in your correspondence that the Minister Snowdon will be writing to Minister Tollner. Given this was the position of Government, any change in this position will need to be considered between Governments.

Yours sincerely

Jeffrey Moffet  
24 November 2012