



**Government
of South Australia**

Treasurer

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The Hon. Bruce Lander QC
Independent Commissioner Against Corruption

Delivered by hand

A handwritten signature in blue ink that reads 'Bruce'.

Dear Commissioner

Re: Central Adelaide Health Network ("CALHN")

I refer to your letter dated 20 August (ref A384603) addressed to the Hon Stephen Wade MLC, Minister for Health and Wellbeing.

The Minister has referred your letter to me as Treasurer for consideration. I am responding on behalf of the government.

In the 2018-19 State Budget speech I delivered on 4 September, I advised that the government had recently appointed external advisers KordaMentha to provide an analysis of the CALHN financial position and outlook.

An interim update from KordaMentha confirms the reports that the government has received since taking office – that the CALHN continues to overspend significantly and the situation may have worsened. In conjunction with the Minister, I have determined that urgent corrective action needs to be taken, based on implementation planning currently being developed. This will have to occur in the near future, whether or not ICAC undertakes an evaluation.

It is clearly entirely a matter for your decision as to whether an evaluation of the practices, policies and procedures of the CALHN should be undertaken by ICAC and the scope of such an evaluation. I note your advice that should you decide to proceed an evaluation can be expected to be completed in late 2019. It is our view that the urgent corrective action required for the CALHN cannot be delayed until sometime in 2020.

The government through the 2018-19 Budget has provided ICAC with additional funding of \$14.5m over 4 years to support its operations and to enable ICAC to hold public hearings. Therefore I advise that the government is not in a position to provide any further additional funding as outlined in your letter.

Yours sincerely

A handwritten signature in blue ink that reads 'Rob Lucas'.

Hon Rob Lucas MLC
Treasurer

18 September 2018