



To: Minister Hunt

Subject: APPROVAL OF GRANT FUNDING FOR THE COMMUNITY HEALTH AND HOSPITALS PROGRAM (CHHP) AND OTHER COMMITMENTS AGREED THROUGH THE 2019-20 BUDGET PROCESS

Critical date: 11 June 2019 to ensure the department can finalise all processes to enable funding agreements to be offered for projects with funding in 2018-19

Recommendation/s:

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| <p>1. Approve the commitment of \$309.968 million for grants under CHHP and other budget measures commencing in 2018-19 at Attachment A.</p> <p>2. Approve the Department offering funding agreements to deliver on projects approved at Attachment A.</p> <p>3. Note that nine projects in this list are to be delivered through payments to 15 Primary Health Networks (PHNs). Overview at Attachment B.</p> <p>4. Agree the operational funding for PHN projects be applied as outlined at Attachment B.</p> <p>5. Sign the letter at Attachment C notifying the Finance Minister that funding is recommended to be granted in your electorate.</p> | <p>1. Approved/Not Approved/Please discuss</p> <p>2. Approved/Not Approved/Please discuss</p> <p>3. Noted/Please discuss</p> <p>4. Agreed/Not Agreed/Please discuss</p> <p>5. Signed/Not signed/Please discuss</p> <p>6. Noted/Please discuss</p> |
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Signature

Date:

Comments:

Contact Officer:	Tania Rishniw	First Assistant Secretary, Portfolio Strategies Division	Ph: (02) 6289 3944 s22
Clearance Officer:	Caroline Edwards	Deputy Secretary, Health Systems Policy and Primary Care	Ph: (02) 6289 1235 s22

Issues:

1. Your approval is sought to the commitment of \$309.968 million (GST exclusive) for projects over seven years (2018-19 to 2024-25) under CHHP and other health measures from the 2019-20 Budget, outlined in the assessment summary at Attachment A. GST will be added to

organisations where applicable. Your policy approval was sought previously (refer MS19-900146).

2. If approved, the Department will then be able to offer funding agreement for the grants starting in 2018-19 at Attachment A. To assist with the administration of the approved grants we seek your agreement to departmental staff being responsible for entering into the grant arrangements and ongoing grant administration, including the ability to effect variations to the grants which are not significant in nature (such as application of GST, minor changes to the grant value or project scope or parameters), subject to the funded activities continuing to promote the program outcomes.
3. Specific risks for some grants have been identified with a proposed approach to mitigating them. In addition, to deliver on the Government's commitments and avoid risking funding available in 2018-19, a number of projects have the full funding amount to be provided in the first payment under the agreement. While all funding agreements will include provision to recover funds that are not spent for the agreed purpose, this is more difficult when the funding is provided in this way.

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- a. Project funding of \$750,000 in 2018-19 to build the George Church Medical Centre in Kojonup s42 The Shire Council has expressed concerns about the construction of a new health facility in Kojonup due to capacity in existing facilities; the difficulty of attracting general practitioners to the area; the small population of Kojonup; and Katanning is about 25 km from Kojonup and has a district hospital (which recently received state government funding of \$32 million to upgrade facilities) and private medical practices. s42

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6. Funding under all projects to the PHNs include an operational funding element s47 applied consistently across all PHN projects. This is in line with existing operational funding levels for PHN commissioning in other parts of the PHN Program, such as for headspace services.

All of the nine projects identified for delivery by the PHNs from 2018-19 require some form of commissioning or substantial administration. Only one project, flying Headspace in SA Country PHN, names partner organisations for delivery.

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It is anticipated some of the PHNs will raise concerns about whether this is sufficient but these will be managed case by case.

7. Funding of \$13 million in 2018-19 under the National Headspace Waitlist Reduction, will provide \$10.37 million to 10 PHNs to support headspace centres with the highest waiting times. The remaining \$2.63 million is allocated to headspace National to provide dedicated online clinical support to headspace centres with high waiting times, focusing on rural and regional areas, and to provide advice and support to PHNs on strategies to reduce waiting times, undertake analysis and reporting, and commission new services. Funding to PHNs will continue in 2020-21 and a further submission will be provided in the new financial year seeking your approval, noting the Budget measure does not have an allocation of funding in 2019-20. This will allow for the outcomes of the initial work with headspace National and the first 10 PHNs to inform a longer term agreement.
8. Whilst the Government has approved the funding at a project level, the *Commonwealth Grant Rules and Guidelines* (CGRGs) still require any funding granted in your electorate to be recorded and advised to the Finance Minister as soon as practicable. A letter to the Finance Minister is included at Attachment C for your signature.

Background:

Given the limited time to execute payments before the end of the current financial year, the department has undertaken a condensed grants process compliant with the CGRGs. This included the development of an Assessment Plan and Grant Opportunity Guidelines (GOGs) to guide the assessment process.

In accordance with s71 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), in order to approve the grants you must be satisfied (after making reasonable inquiries) the expenditure is a proper use of relevant money.

Further information, including your Ministerial obligations under the PGPA Act CGRGs, is provided in Attachment D.

As previously advised, a letter of intent will need to be co-signed prior to 30 June 2019 by funding recipients and the department for any projects where funding agreements cannot be executed before the end of financial year processing deadlines, to support the processing of accruals.

Attachments:

- A:** Summary of assessment for CHHP funding and other budget measures committed from 2018-19
- B:** Overview of projects with 2018-19 funding to be delivered by PHNs
- C:** Letter to the Finance Minister
- D:** Mandatory Grant Rules and Guidelines & Other Requirement

Budget/Financial Implications: Commitment of \$309.968 million is in line with decisions of government and appropriations outlined in the 2019-20 Budget.

Relevance to Election Commitments / Budget Measures: The CHHP was announced during the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO). Additional projects were announced in the 2019-20 Budget under several Budget measures.

Sensitivities: The need for additional information from project proponents, or to negotiate details of more complex projects, may delay offering a formal grant agreement. This will be managed as needed on an individual basis.

Consultations: Consultations are continuing with ^{s42} the Health Grants and Network Division and Budget Branch.

Impact on Rural and Regional Australians: Rural health is a key focus area for consideration of funding through the CHHP.

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THE FREEDOM OF INFORMATION ACT 1982 (CTH)
BY THE DEPARTMENT OF HEALTH

Community Health and Hospitals Program - Assessment Outcomes Report

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Attachment A

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Organisation and project/activity details				
Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
Albany City Council	City of Albany Youth Hub	Health infrastructure	0.300	
Caravan Industry Association of Australia (CIAA)	Caravan Park Defibrillator Program	Preventative care	1.000	
Lord Somers Camp and Power House	Lord Somers Camp and Powerhouse Albert Park	Health infrastructure	5.000	
Mater Health Services North Queensland Limited	Mater Hospital - New maternity unit	Health infrastructure	9.000	
Fraser Regional Council	Fraser Coast Hospice Facility	Health infrastructure	7.000	
Cairns Organisation United for Cancer Health (COUCH) Limited	Cairns Organisation united for Cancer Health	Health infrastructure	1.300	
Chris O'Brien Lifehouse	Chris O'Brien Lifehouse - Magnetic Resonance imaging	Health infrastructure	6.000	
Curtin University	Curtin University Dementia Centre of Excellence	Health infrastructure	10.000	
Cardinia Shire Council	My Place Youth Centre	Health infrastructure	1.500	
Mornington Peninsula Shire Consortia	Integrated Youth Services Hub Rosebud	Health infrastructure	1.500	Yes
Country SA Primary Healthcare Network	Support a flying headspace model to support young people in remote locations	Primary Health Networks	0.660	
Edith Cowan University	Yanchep Health Campus	Health infrastructure	10.400	

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Organisation and project/activity details				
Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
George Church Community Medical Centre Inc	Kojonup Medical Centre	Health infrastructure	0.750	
Very Special Kids	Very Special Kids Hospice	Health infrastructure	7.500	
Kyabram District Health Service	Kyabram Regional Medical Clinic	Health infrastructure	1.700	
Charles Sturt University	Royal Far West National Paediatric Telecare Service	Preventative care	19.700	
Hobart City Mission	City Mission Drug Residential Rehabilitation	Health infrastructure	6.320	
OzCare	OzCare Residential Alcohol and Drug Rehabilitation Centre	Health infrastructure	3.9	
Peter MacCallum Cancer Institute	Peter Mac - Cellular Immunotherapy	Health infrastructure	80	
St John WA	ST John WA - Four Urgent Care Centres	Health infrastructure	28	
Salvation Army Australia (Queensland)	Salvation Army Residential Rehabilitation and Detox Facility	Health infrastructure	6.071	
Ronald McDonald House Charities South East Queensland	Ronald McDonald House	Health infrastructure	2.900	
University of Sydney	Adapting Compassion focussed Therapy for Indigenous Community Wellbeing and Suicide Prevention	Preventative care	0.800	

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Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
Bays Healthcare Group Inc	The Bays Health Care Group	Health infrastructure	10.000	Yes
Independent Community Living Australia	Suicide Prevention and Recovery Centre, St Vincent's Hospital	Mental health	1.250	
Tasmania PHN	Mental Health/Alcohol and Drug Comorbidity Workers	Primary Health Networks	1.124	

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Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
The Police Association Victoria (TPAV)	BlueHub Project - Framework 'Connecting the Protectors'	Mental health	2.500	
Country SA Primary Healthcare Network	Support at risk patients to receive time appropriate care through a community paramedicine/nurse practitioner	Primary Health Networks	2.963	
Esther Foundation	Esther Foundation Sustainability and Growth Project	Preventative care	4.000	
Little Wings	Little Wings Aircraft	Preventative care	0.700	
Schizophrenia Fellowship of NSW Ltd (T/as One Door Mental Health)	Sunflower House Wagga Wagga	Mental health	0.275	
South Eastern NSW PHN	Two mobile alcohol and other drugs day rehabilitation programs	Primary Health Networks	5.000	
Tasmania PHN	Strength to Strength Program	Primary Health Networks	0.541	
ACT PHN	Improve quality use of medicines for residents in RACF	Primary Health Networks	3.734	
Central and Eastern Sydney PHN	Enhance management of people with newly diagnosed and end stage cancer	Primary Health Networks	6.940	
Eastern Melbourne PHN	Youth Hub Lilydale	Primary Health Networks	4.500	
Central Queensland Multicultural Association	Breaking the Barrier of Health Communication - A Pilot Program	Preventative care	0.140	
Hear and Say - Centre for Deaf Children Ltd	Hear and Learn	Preventative care	0.200	
Little Haven Cooloola/Sunshine Coast Palliative Care Inc	Little Haven Palliative Care	Preventative care	0.750	
Peninsula Health	Monash University/Peninsula Health - Health Futures Hub	Health infrastructure	32.000	
Mindgardens Neuroscience Network	Phase One Comprehensive Brain Disorders Centre	Preventative care	7.000	
Rosebud Secondary College	Rosebud Secondary Wellness Pavilion	Health infrastructure	0.300	Yes
Outside the Locker Room	Outside the Locker Room	Mental health	1.750	

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Organisation and project/activity details				
Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
PHN and headspace national	Waitlist reduction funding for headspace services ¹	Primary Health Networks	13.000	
Total Value 2018-19 to 2024-25 financial year			309.968	

Note:

¹ Total funding for National Headspace Waitlist Reduction project is for \$152 million over seven years. This agreement only covers funding of \$13 million in 2018-19.

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No.	PHN	Funding PHN/ORG?	Description	2018-19 (\$m)	2019-20 (\$m)	2020-21 (\$m)
13	EMPHN	Includes funding for PHN to engage staff to manage and coordinate the Hub	Youth Hub Lilydale - to provide funding for the establishment of an integrated youth hub to improve access for young people in and around the Lilydale area	1.500	1.500	1.500
81	ACT PHN	Funding will be provided to all 27 RACFs in the ACT	Provide funding for all 27 RACFs in Canberra to employ a part-time non-dispensing pharmacist to work closely with treating GP and nursing staff in a multidisciplinary team, to improve quality use of medicines for residents	0.816	1.835	1.083
100	Country SA PHN	Funding to Royal Flying Doctor Service and Country Outback Health to provide headspace services	Flying headspace - support a fly in headspace model to support young people in remote locations.	0.066	0.198	0.198
83	SENSW PHN	Commission the NGOs that will deliver the program and begin establishing the service in the Shoalhaven and Bega Valley	Two mobile alcohol and other drugs day rehabilitation programs.	0.400	1.600	1.500
98	Country SA PHN	Continuation of an existing service	To manage a significant gap in timely access to general practice level services for people with chronic conditions. Identify and support at risk patients to receive time appropriate care through a community paramedicine / nurse practitioner model.	0.080	0.938	0.961
88	CESPHN	Includes funding for the PHN to engage third-party health and allied health professionals to deliver services	To enhance the management of people with newly diagnosed and end stage cancer	0.100	2.280	2.280
32	Tas PHN	Services are commissioned through an existing suite of private providers (physiotherapists, exercise physiologists and personal trainers)	Reintroduce the Strength2Strength program focused on strength and exercise treatment to improve chronic health conditions and reduce hospital demand.	0.040	0.167	0.167
38	Tas PHN	Proposal to fund a team of three FTE AOD workers (with the possibility of one Aboriginal Health, one youth focused and one general adult) through existing contracted moderate intensity mental health service providers on the NW Coast	For the PHN to commission the provisioning of mental health and alcohol and drug co-morbidity workers.	0.113	0.450	0.450

National Headspace waitlist

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No.	PHN	Description	2018-19 (\$m)	2019-20 (\$m)
115	<p>- Headspace National \$2.63m</p> <p>PHNs</p> <p>- Hunter New England and Central Coast \$1,144,236</p> <p>- Darling Downs and West Moreton \$777,738</p> <p>- Western Victoria \$790,965</p> <p>- Perth North \$1,060,406</p> <p>- North QLD \$1,286,781</p> <p>- Brisbane South \$1,149,782</p> <p>- Western NSW \$1,039,662</p> <p>- North Coast \$688,380</p> <p>- South Western Sydney \$1,063,388</p> <p>- Eastern Melbourne \$1,368,663</p>	<p>National Headspace Network</p> <p>- Waitlist Reduction</p>	13.000	-

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The Hon Greg Hunt MP
Minister for Health
Minister Assisting the Prime Minister for the
Public Service and Cabinet

Senator the Hon Mathias Cormann
 Minister for Finance
 Parliament House
 CANBERRA ACT 2600

Dear Minister,

I am writing to notify you of grants that I approved in my electorate, as required by paragraph 4.12 of the *Commonwealth Grant Rules and Guidelines* (CGRG's).

The grants were assessed by my department as part of a condensed grants process compliant with the CGRGs. Details of the grant are included in the table below.

Project Title	Recipient	Funding location	Amount	Term	Commencement date
Integrated Youth Services Hub Rosebud	Mornington Peninsula Shire	Rosebud, VIC	\$1.5 million	1 year	2018-19
Rosebud Secondary Wellness Pavilion	Rosebud Secondary College	Rosebud, VIC	\$300,000	1 year	2018-19
The Bays Healthcare Group – Comprehensive Cancer Centre	Bays Healthcare	Mornington, VIC	\$10 million	3 years	2018-19

Please contact Tania Rishniw, First Assistant Secretary, Portfolio Strategies Division on (02) 6289 3944 if you have any queries regarding this grant.

Yours sincerely

Greg Hunt

Mandatory Grant Rules and Guidelines & Other Requirements

The CGRGs require Ministers to comply with relevant legislative requirements in the PGPA Act and the CGRGs and officials are required to advise their Ministers on these requirements. In making your decision you will need to consider your mandatory obligations associated with approving grants presented by the Department. These include:

- a. If you approve expenditure under section 71 of the PGPA Act, in relation to a grant or group of grants, you *must* not approve the grant without first receiving written advice from Department staff on the merits of the proposed grant or group of grants before you make your decision. That advice *must* meet the requirements of paragraph 4.6 of the Commonwealth Grant Rules and Guidelines (CGRGs).
- b. If the proposed expenditure of relevant money relates to a grant, where you exercise the role of approver you *must* also record, in writing, the basis for the approval relative to the grant guidelines and key considerations of value with relevant money. The recommended basis and record for the approval, relative to the grant guidelines and the key consideration of value for money, are set out in this brief. If there is any alternative basis or considerations on which you are basing your decision you should record these in accordance with clause 4.11 of the CGRGs.
- c. If you approve a grant the Department has not recommended for funding (e.g. because it is ineligible or because it is not competitive or value for money), you must provide written advice of the basis of your approval for reporting to the Department of Finance in line with the CGRG annual reporting requirement in paragraph 4.13 of the CGRGs, i.e. by 31 March each year for grants approved in the preceding calendar year.

Consistent with section 71 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) you must not approve a grant unless, after reasonable enquiry, you are satisfied that these grants would be a proper use of relevant money.

If your approval is not given, or is made conditional on the applicant meeting additional obligations, please advise the reasons for your decision and any conditions placed on the approval, for follow-up by the Department.

For the majority of grants, once the grant is approved, the Secretary or their delegate, will approve the commitment of relevant money under s23(3) of the PGPA Act and enter into the arrangement pursuant to s23(1) of the PGPA Act or s32B of the *Financial Framework (Supplementary Powers) Act 1997* (and 32C if applicable) as the case requires. For grants made under specific statutory legislation the brief will contain details of the relevant statutory framework and approvals.

The Department is responsible for ensuring forward year commitments are recorded in accordance with the PGPA Act. The Department will record any applicable amounts if you approve the grant/s recommended in this brief.