



To: **Minister Hunt**

Subject: **Project Agreements with NSW: Community Health and Hospitals Program /
Achieving Better Health Outcomes**

Critical date: N/A

Recommendation/s:

- | | |
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| <p>1. Agree to offer the NSW Government:</p> <ul style="list-style-type: none">• A varied Project Agreement under the Community Health and Hospitals Program (Attachment A).• A new Project Agreement under the Achieving Better Health Outcomes initiative. (Attachment B) <p>2. Sign the letter to the NSW Minister for Health the Hon Brad Hazzard MP at Attachment C.</p> <p>3. Note that when executed, the Department will be able to authorise payments for these projects through the Treasury</p> | <p>1. Agreed/Not agreed/Please discuss</p> <p>2. Signed/Not signed/Please discuss</p> <p>3. Noted</p> |
|---|--|

Signature

Date: 5/12/19

Media Release required? YES/ NO

Comments:

Contact Officer:	Pat Janeck	A/g Assistant Secretary, Health Infrastructure Branch	Ph: (02) 6289 5668 s22
Clearance Officer:	Bronwyn Field	A/g First Assistant Secretary, Portfolio Strategies Division	Ph: (02) 6289 3944 s22

Issues:

1. Recent Budget decisions under the Community Health and Hospitals Program (CCHP) and other Health measures agreed funding for a range of health infrastructure and other projects to be delivered through the states and territories.

2. The NSW Government has proposed minor amendments to the existing Project Agreement that incorporates funding for the construction of the Concord Hospital Maternity Service and Stroke Care in regional NSW (MS19-000728), subject to your approval. There is no change to the total funding committed and profile of funds as a result of this request.

3. A new bilateral Project Agreement ([Attachment B](#)) with the NSW Government has been prepared to give effect to funding commitments through the Achieving Better Health Outcomes initiative for the following two projects:

- \$1.4 million in 2020-21 towards the refurbishment of the Denilquin Hospital.
- \$1.75 million over four years from 2019-20 for the establishment of a nurse-driven pilot program at the Heart Centre for Children at Westmead Hospital.

Background:

On 12 December 2018, the Prime Minister announced the CHHP. This program will fund projects and services in every state and territory that support patient care, while reducing pressure on community and hospital services.

On 8 April 2019 you agreed to provide the NSW Government with a Project Agreement for five projects totalling \$208.453 million (MS19-000728) incorporating funding for the construction of the Concord Hospital Maternity Service and Stroke Care in regional NSW. NSW has requested the following minor amendments to that Agreement:

- Insertion of 'Ambulatory Care' as part of the output description of the Maternity Service at Concord Hospital.
- Under the 'Improving Stroke Care' output, removing the description of "state-wide 1300 number" and replacing with a "comprehensive telehealth model of care".
- Refining the description of the performance milestones for the Stroke Care service.

The amendments have been reviewed by the Department and the Departments of Treasury and Prime Minister and Cabinet and no issues have been identified. Clause 24 of the Project Agreement states that the Agreement may be amended at any time by agreement in writing by both Parties. A revised Project Agreement incorporating the above changes is at [Attachment A](#).

The new Project Agreement ([Attachment B](#)) for the Denilquin Hospital and Heart Centre for Children was developed in consultation with the NSW Ministry of Health and has been reviewed by Treasury and PM&C.

A letter to the NSW Minister for Health, the Hon Brad Hazzard MP offering the new Project Agreement and the varied Project Agreement is at [Attachment C](#) for you to sign.

The Project Agreements are subject to the Intergovernmental Agreement on Federal Financial Relations (IGA FFR). The funding has been appropriated to the Department of Health's Specific Purpose Payments. These financial contributions to the operation of the Agreements with the NSW Government are paid in accordance with Schedule D - Payment Arrangements of the IGA FFR.

Under the COAG Reform Fund Act 2008, the terms and conditions stipulate that the conditions under which financial assistance is granted are to be set out in a written agreement between the Commonwealth and the state or territory. Further, they provide that the agreement may be entered into by a Minister on behalf of the Commonwealth.

The Project Agreements, agreed by Commonwealth and state/territory government officials, stipulate that both parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under these Agreements, and that the roles of both Parties will be acknowledged and recognised appropriately

Attachments:

A: Community Health and Hospitals Program Project Agreement for NSW.

B: Achieving Better Health Outcomes Project Agreement for NSW.

C: Letter to the NSW Minister for Health.

Budget/Financial Implications:

There were no changes to the funding profile for the NSW CHHP Agreement. Funding for the Achieving Better Health Outcomes Project Agreement was part of the 2019-20 Budget measure. The table below provides funding appropriations as agreed by the Department of Finance.

NSW Government	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
CHHP	\$9.853m	\$2.80m	\$2.80m	\$1.00m	\$28.30m	\$83.70m	\$80.00m
Achieving Better Health Outcomes		\$0.25m	\$1.90m	\$0.50m	\$00.50m		

Relevance to Election Commitments / Budget Measures:

The CHHP was part of 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) and the Achieving Better Health Outcomes was a 2019-20 Budget measure.

Consultations: Budget Branch, Treasury, the Department of Prime Minister and Cabinet and the NSW Ministry of Health.

Regulatory Burden Implications and/or Deregulation Opportunities: Not relevant.

Communication/Media Activities: Not applicable.

Impact on Rural and Regional Australians:

Projects in these Agreements will benefit residents in New South Wales, including those in rural and regional areas.

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

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

Ref No: MS19-001035

The Hon Brad Hazzard MP
Minister for Health
Minister for Medical Research
New South Wales Government
GPO Box 5341
SYDNEY NSW 2001

5 DEC 2019

Dear Minister

I am writing to formalise the arrangements regarding the Commonwealth's commitment to New South Wales (NSW) under the Community Health and Hospitals Program and the Achieving Better Health Outcomes initiative.

I refer to the NSW Community Health and Hospitals Program Project Agreement dated 7 May 2019 and the request from the NSW Government to amend the output and milestone descriptions for two projects - the Maternity Services at Concord Hospital and Improving Stroke Care. The Commonwealth agrees and a revised agreement reflecting this is enclosed.

I have also enclosed the Achieving Better Health Outcomes Project Agreement for your signature, setting out the terms and conditions for \$3.15 million to be provided from 2019-20 to 2022-23 for the following projects:

- \$1.4 million in 2020-21 for the Refurbishment of Deniliquin Hospital.
- \$1.75 million over four years from 2019-20 to establish a nurse-driven pilot program at Heart Centre for Children at Westmead Hospital.

To enable the Commonwealth to make these payments under the *Federal Financial Relations Act 2009*, please sign and return both of the agreements to me indicating your acceptance of these terms and conditions.

To promote transparency and our commitment to the Intergovernmental Agreement on Federal Financial Relations, I intend to make the Project Agreements publicly available on the Council on Federal Financial Relations' website.

I look forward to working with you to progress these projects.

Yours sincerely

Greg Hunt

Encl (2)