



To: Minister Hunt

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

Critical date: 11 October 2019 to ensure the Department can finalise all processes to enable funding to be offered for these projects.

Recommendations:

- |  |   |
|--|---|
| 1. Approve the commitment of \$53.882 million for 14 Primary Health Network (PHN) projects under CHHP and other measures in Tranche 2 at <u>Attachment A</u> .   | 1. Approved/Not Approved/Please discuss |
| 2. Approve the Department offering funding agreements to deliver on projects approved at <u>Attachment A</u> .   | 2. Approved/Not Approved/Please discuss |
| 3. Agree the operational funding for the PHN projects (10 separate PHNs) be applied at <sup>s47</sup> as outlined at <u>Attachment A</u> .   | 3. Agreed/Not Agreed                    |
| 4. Note this submission is seeking approval for the second tranche of CHHP and other funding for PHN projects, but not for total funding through CHHP.   | 4. Noted                                |
| 5. Note the Department is implementing decisions taken in the 2019-20 Budget for multiple closed, non-competitive grant opportunity processes to specified organisations.  | 5. Noted                                |
| 6. <sup>s42</sup>  | 6. Noted                                |
| 7. Note the process the Department is undertaking to develop funding arrangements, in accordance with the Commonwealth Grant Rules and Guidelines (CGRGs) and the Public Governance, Performance and Accountability Act 2013 (PGPA Act). | 7. Noted                                |

Signature .....

Date: 24/10/19

**Media Release required? YES/ NO**

**Comments:**

Contact Officer:	<i>Fifine Cahill</i>	<i>Assistant Secretary, Health Infrastructure Branch, Portfolio Strategies Division</i>	Ph: (02) 6289 7806 s22
Contact Officer:	<i>Simon Cotterell</i>	<i>First Assistant Secretary, Primary Care Division</i>	Ph: (02) 6289 8019 s22
Clearance Officer:	<i>Caroline Edwards</i>	<i>Deputy Secretary</i>	Ph: (02) 6289 1235 s22

**Issues:**

1. Your approval is sought to the commitment of \$53.882 million (GST exclusive) for projects up to six years (2019-20 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 agreements where applicable.
2. All Tranche 1 CHHP projects to the PHNs include operational funding<sup>s47</sup> of the total funding provided.
3. The<sup>s47</sup> is set against the current percentage applied to the PHN primary mental health care schedule. There is some variability in the level of operational funding provided to PHNs across funding schedules and work is under way to ensure PHNs have consistent and viable operational funding to support commissioning.
4. This figure is below operational funding levels currently provided to other organisations, including by way of example, Aboriginal Community Control Health Services, some Rural Workforce Agencies, Checkup, Hammondcare and Alzheimer's Australia.
5. Findings in the 2018 Ernst and Young PHN Program Evaluation note that lack of operational resources is impacting PHNs' ability to meet program objectives, particularly in rural and remote areas. Recognising that Tranche 2 CHHP projects are also key Government priorities, an<sup>s47</sup> operational funding allocation would provide adequate support to PHNs for project implementation.
6. If approved, the Department will be able to offer funding agreements for the PHN projects to be progressed as part of Tranche 2 CHHP activity, 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.
7. <sup>s42</sup>
8. <sup>s42</sup>

**Background:**

The CHHP is part of the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) measure and the 2019-20 Budget. This spending proposal contributes to the objectives of the CHHP.

Between 13 and 24 March 2019, the Prime Minister, the Hon Scott Morrison MP, agreed the projects to be funded through a series of letters as part of the 2019-20 Budget. To date, over \$240 million of 2018-19 funded payments has been delivered, including over \$100 million in partnership agreements with states and territories, \$107 million in infrastructure grants and over \$33 million in service delivery grants.

A separate Submission (MS19-001330) was recently provided for your consideration for commitment to other Tranche 2 service delivery projects through CHHP and other health measures.

*Spending and Grant Rules*

Consistent with requirements under the PGPA Act and CGRGs, an assessment plan and Grant Opportunity Guidelines (GOGs) have been developed to guide the assessment process, with the GOGs provided to the Department of Finance. To save time, assessment was conducted against the draft GOGs, and feedback from Finance was not material, although final advice has not yet been received. Ordinarily, agreement would be sought from the Minister for Finance to publish the GOGs. However, in this case the Department considers there are policy reasons not to publish them, as this would run the risk of encouraging additional organisations to seek funding under CHHP, which has been fully allocated.

In accordance with section 71 of the 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, is provided at Attachment C.

*Funding discrepancy*

The Department can confirm that \$6 million in funding has been allocated to build the Ocean Grove Health and Wellbeing Service, and provide a new headspace service (not \$4 million as indicated in the media release for this project – refer Attachment D). As outlined at Attachment A, whilst the Bellarine City Council submitted the proposal for this activity, they have been difficult to engage, and due to the close links to headspace funding, it is considered more effective to provide combined funding to the PHN, which can co-ordinate the activity.

*Expansion of the Choices Program*

As noted in Attachment A, funding allocated under CHHP, and as a separate election commitment, have both been included in this process, to reduce duplication for both the Department and the Western Australia Primary Health Alliance.

*Media*

The Department is unable to confirm the funding of \$5.577 million for the *Community transport service for rural Victoria* has been announced. The Department can prepare an announcement for this if required, noting that funding will not commence until 2021-22.

In line with your media release of 30 June 2019 - *Community Health and Hospital Program funding underway*, the Department can draft a media release to outline the next wave of funding is underway, if required.

**Attachments:**

**A:** Summary of assessment for Tranche 2 PHN Projects through CHHP and other funding.

s42

**C:** Mandatory Grant Rules and Guidelines and Other Requirements

**D:** Media Release – Health and Wellbeing Hub in Ocean Grove

**Budget/Financial Implications:** Commitment of \$53.882 million (GST exclusive) 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 2019-19 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 formal grant agreements. This will be managed as needed on a case-by-case basis.

**Consultations:** Consultation with <sup>s42</sup> the Department of Finance, the Health Grants and Network Division and Financial Management Division have been undertaken and will continue as required.

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

THIS DOCUMENT HAS BEEN RELEASED UNDER  
THE FREEDOM OF INFORMATION ACT 1992 (Cth)  
BY THE DEPARTMENT OF HEALTH

Community Health and Hospitals Program - PHN Projects - Assessment Outcomes Report

s42

Organisation and project/activity details

CHHP #	Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
80	Capital Health Network Limited (ABN 82 098 499 471) also known as the ACT PHN	Community withdrawal support service	Drug and Alcohol Treatment and Rehabilitation	3.595	No
84	Wentworth Healthcare Limited (ABN 88 155 904 975) also known as the Nepean Blue Mountains PHN	Comprehensive Community Based Addiction Services	Drug and Alcohol Treatment and Rehabilitation	5.500	No
96	Northern Queensland Primary Healthcare Network Limited (ABN 35 605 757 640) PHN	Community residential withdrawal management service	Drug and Alcohol Treatment and Rehabilitation	0.714	No
19	Coordinare Limited (ABN 27 603 799 088) also known as the South Eastern NSW PHN	Suicide prevention collaborative	Mental Health	1.500	No
93	Partners 4 Health Limited (ABN 55 150 102 257) also known as Brisbane North PHN	Safe Spaces - alternatives to emergency departments for people in mental distress	Mental Health	10.476	No
107	WA Primary Health Alliance Limited (ABN 11 602 416 697) and WA Mental Health Commission also known as WAPHA PHN	There are two components to this Project: (1) CHHP -Expansion of the Choices service - reducing the treatment gap and failure to engage with care for high frequency Mental Health, and Alcohol & Other Drug service users (\$5.241m) (2) Election commitment - Expansion of Peel Health Campus at Mandurah to support people in this area who have mental health issues and to address the abuse of alcohol and other drugs (\$1.3m).	Mental Health	6.541	No
113	WA Primary Health Alliance Limited (ABN 11 602 416 697) and North Metropolitan Health Service also knowns as WAPHA PHN	Primary Healthcare Hubs - enhancing primary care led mental health and drug and alcohol support services	Mental Health	4.765	No

THIS DOCUMENT HAS BEEN RELEASED UNDER THE FREEDOM OF INFORMATION ACT 1982 (CTH) BY THE DEPARTMENT OF HEALTH

Community Health and Hospitals Program - PHN Projects - Assessment Outcomes Report

s42

Organisation and project/activity details

CHHP #	Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
102/134	South Eastern Melbourne Primary Health Network Limited (ABN 65 603 858 751) PHN	HALT suicide prevention community worker	Mental Health	2.000	No
34	Brisbane South PHN Limited (ABN 53 151 707 765)	Kids and Family Link	Preventative care, primary care and chronic disease management	1.500	No
95	Sunshine Coast Health Network Limited ABN 21 156 526 706 (also known as the Central Queensland, Wide Bay, Sunshine Coast PHN)	Bundaberg Community Diabetes Service	Preventative care, primary care and chronic disease management	0.714	No
105	RFDS Victoria in conjunction with Western Victoria Primary Health Network Limited (ABN 87 061 300 918) as lead and extension to Murray and Gippsland PHN	Community transport service for rural Victoria	Preventative care, primary care and chronic disease management	5.577	No
109	WA Primary Health Alliance Limited (ABN 11 602 416 697) PHN	Primary care-led multidisciplinary care for Chronic Heart Failure	Preventative care, primary care and chronic disease management	3.800	No
11	Western Victoria PHN (ABN 87 061 300 918)	Health and Wellbeing Service in Ocean Grove	Mental Health	6.000	No
27	Brisbane North PHN (ABN 55 150 102 257)	Wayback Support Service	Mental Health	1.200	No
Total Value 2019-20 to 2024-25 financial year				53.882	



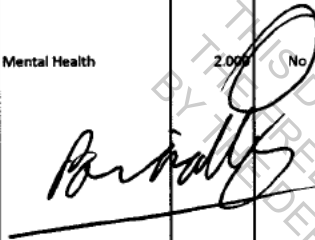
## Organisation and project/activity details

CHHP #	Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
FOI 8234784	Capital Health Network Limited (ABN 82 098 499 471) also known as the ACT PHN	Community withdrawal support service	Drug and Alcohol Treatment and Rehabilitation	3.595	No
	Wentworth Healthcare Limited (ABN 88 155 904 975) also known as the Nepean Blue Mountains PHN	Comprehensive Community Based Addiction Services	Drug and Alcohol Treatment and Rehabilitation	5.500	No
96	Northern Queensland Primary Healthcare Network Limited (ABN 35 605 757 640) PHN	Community residential withdrawal management service	Drug and Alcohol Treatment and Rehabilitation	0.714	No
19	Coordinare Limited (ABN 27 603 799 088) also known as the South Eastern NSW PHN	Suicide prevention collaborative	Mental Health	1.500	No
Page 7 of 13	Partners 4 Health Limited (ABN 55 150 102 257) also known as Brisbane North PHN	Safe Spaces - alternatives to emergency departments for people in mental distress	Mental Health	10.476	No
107	WA Primary Health Alliance Limited (ABN 11 602 416 697) and WA Mental Health Commission also known as WAPHA PHN	There are two components to this Project: (1) CHHP -Expansion of the Choices service - reducing the treatment gap and failure to engage with care for high frequency Mental Health, and Alcohol & Other Drug service users (\$5.241m) (2) Election commitment - Expansion of Peel Health Campus at Mandurah to support people in this area who have mental health issues and to address the abuse of alcohol and other drugs (\$1.3m).	Mental Health	6.541	No
113	WA Primary Health Alliance Limited (ABN 11 602 416 697) and North Metropolitan Health Service also known as WAPHA PHN	Primary Healthcare Hubs - enhancing primary care led mental health and drug and alcohol support services	Mental Health	4.765	No

# Community Health and Hospitals Program - PHN P

S42

## Organisation and project/activity details

CHHP #	Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders	Value with relevant money (Yes/No)
FOI 2347 102/134	South Eastern Melbourne Primary Health Network Limited (ABN 65 603 858 751) PHN	HALT suicide prevention community worker	Mental Health 	2.000	No	Yes
Page 8 of 13	Brisbane South PHN Limited (ABN 53 151 707 765)	Kids and Family Link	Preventative care, primary care and chronic disease management	1.500	No	Yes
	Sunshine Coast Health Network Limited ABN 21 156 526 706 (also known as the Central Queensland, Wide Bay, Sunshine Coast PHN)	Bundaberg Community Diabetes Service	Preventative care, primary care and chronic disease management	0.714	No	Yes
105	RFDS Victoria in conjunction with Western Victoria Primary Health Network Limited (ABN 87 061 300 918) as lead and extension to Murray and Gippsland PHN	Community transport service for rural Victoria	Preventative care, primary care and chronic disease management	5.577	No	Yes
109	WA Primary Health Alliance Limited (ABN 11 602 416 697) PHN	Primary care-led multidisciplinary care for Chronic Heart Failure	Preventative care, primary care and chronic disease management	3.800	No	Yes
11	Western Victoria PHN (ABN 87 061 300 918)	Health and Wellbeing Service in Ocean Grove	Mental Health	6.000	No	Yes
DOCUMENT 13	Brisbane North PHN (ABN 55 150 102 257)	Wayback Support Service	Mental Health	1.200	No	Yes
Total Value 2019-20 to 2024-25 financial year				53.882		



THIS DOCUMENT HAS BEEN RELEASED UNDER  
THE FREEDOM OF INFORMATION ACT 1982 (CTH)  
BY THE DEPARTMENT OF HEALTH

THIS DOCUMENT HAS BEEN RELEASED UNDER  
THE FREEDOM OF INFORMATION ACT 1982 (CTH)  
BY THE DEPARTMENT OF HEALTH

### **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.



**The Hon. Greg Hunt MP**  
Minister for Health

**Sarah Henderson MP**  
Federal Member for Corangamite

## **Media Release**

6 March 2019

### **Liberal National Government announces a \$4 million grant to construct a health and wellbeing hub in Ocean Grove**

The Liberal National Government will invest \$4 million to improve vital health care and youth mental health services for Bellarine communities.

This funding will assist the Bellarine Community Health to build the Ocean Grove Health and Wellbeing Hub, and provide new headspace services.

Minister for Health, Greg Hunt said the Government is committed to improving local health access, and to building a world class health system Australia wide.

“This announcement ensures the region will gain greater access to primary and secondary health, coupled with specialist outreach services and a headspace facility,” Minister Hunt said.

“By delivering our plan for a strong economy we can make investments in projects like the Ocean Grove Health and Wellbeing Hub that Victorians want and need.”

“The region has been calling for better services, and through strong representation by the Member for Corangamite, Sarah Henderson the needs will be met.”

Headspace Ocean Grove will complement headspace Drysdale, and will operate outreach services to local communities including:

- Leopold
- Portarlington
- St Leonards
- Drysdale
- Indented Head
- Point Lonsdale
- Clifton Springs
- Barwon Heads
- Queenscliff

Federal Member for Corangamite, Sarah Henderson, said she has been lobbying hard for funding to support a new headspace facility for the Bellarine, located centrally in Ocean Grove.

“It was identified that a headspace facility was required with the population growth across the Bellarine Peninsula,” Ms Henderson said.

“Suicide is the leading cause of death of young people in Australia, accounting for one-third of all deaths.”

“With recent deaths due to suicide in the Corangamite electorate, it is so important for youth, their families and friends, to have access to mental health care support services.”

Bellarine Community Health will provide \$2 million to the \$6 million project. Usual contracting arrangements by the Western Victoria Primary Healthcare Network will be undertaken.

The Government’s strong economic management ensures the continued record investment into vital health initiatives including mental health, life-saving medicines, Medicare and hospitals.

(END)

THIS DOCUMENT HAS BEEN RELEASED UNDER  
THE FREEDOM OF INFORMATION ACT 1982 (FOI) (5TH)  
BY THE DEPARTMENT OF HEALTH