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24 OCT 2019

Parliamentary Section

To: Minister Hunt

Subject: **APPROVAL OF FUNDING TO SOUTH EASTERN MELBOURNE PRIMARY HEALTH NETWORK (SEMPHN) FOR THE HOPE ASSISTANCE LOCAL TRADIES (HALT) PROJECT UNDER THE COMMUNITY HEALTH AND HOSPITALS PROGRAM (CHHP)**

Recommendations:

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| 1. Approve the commitment of \$2.0 million for SEMPHN to administer the HALT project under CHHP. | 1. Approved/Not Approved/Please discuss |
| 2. Approve the Department offering a funding agreement to deliver the HALT project. | 2. Approved/Not Approved/Please discuss |
| 3. Agree the operational funding for the SEMPHN HALT project be applied at ^{s47} | 3. Agreed/Not Agreed |
| 4. Note the Department is implementing decisions taken in the 2019-20 Budget for multiple closed, non-competitive grant opportunity processes to the specified organisations. | 4. Noted |
| 5. Note the Department's approach to managing the ^{s42} | 5. Noted |
| 6. Note the process the Department is undertaking to develop the HALT funding arrangements, in accordance with the Commonwealth Grant Rules and Guidelines (CGRGs) and the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act). | 6. Noted |

Signature

Date: 23/10/19

Media Release required? YES/ NO**Comments:**

Contact Officer:	Fifine Cahill	Assistant Secretary, Health Infrastructure Branch, Portfolio	Ph: (02) 6289 7806 ^{s22}
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		<i>Strategies Division</i>	
Clearance Officer:	<i>Angela Wallbank</i>	<i>A/First Assistant Secretary, Portfolio Strategies Division</i>	Ph: (02) 6289 3944 ^{s22}

Issues:

1. Your approval is sought to the commitment of \$2.0 million (GST exclusive) over four years (2019-20 to 2022-23) for the HALT project to be funded under CHHP. GST will be added to agreements where applicable.
 - a. This mental health project includes engaging suicide prevention community workers in South East and North West Melbourne to create awareness on suicide prevention support and services available for tradies. It has been assessed as representing value-for-money.
2. Consistent with the first round of CHHP projects, it is proposed that ^{s47} of project funding be allocated to the PHN for operational costs and to support project implementation.
3. The PHN has suggested operational costs may be higher than this, particularly in the first year, as they will establish a joint governance group to oversee implementation and focus on the timeframes for the scale up and rollout of the HALT program to ensure it does not affect current contracted HALT initiatives. However, the Department does not agree to allocate more than ^{s47}
4. Additionally, the key benefit for HALT working with the PHN is they will be able to ensure there are effective linkages between HALT and other local service providers.
5. If approved, the Department will be able to offer the funding agreement to the SEMPHN 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.
 - a. SEMPHN will enter into a Memorandum of Understanding with North Western Melbourne PHN to allow HALT to provide services across both regions.
6. ^{s42}
- 7.
8. ^{s42} The Department, through its Funding Agreement with the PHN, will require a clinical governance framework, including appropriate training for staff, to be part of their commissioning of services. HALT will be required to prepare a robust program development framework – this will include developing a methodology, operational framework and evaluating the effectiveness of the program.

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.

You recently provided commitment approval (MS19-001330) for Tranche 2 CHHP and other health measures projects to be funded through community organisations. You have also been provided a separate Ministerial Submission (MS19-001531) seeking approval for the remainder of Tranche 2 projects to be funded through PHNs.

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 A.

Attachments:

A: Mandatory Grant Rules and Guidelines and Other Requirements

Budget/Financial Implications: Commitment of \$2.0 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 2018-19 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 ^{s42} the Department of Finance, the Health Grants and Network Division and Financial Management Division have been undertaken and will continue as required.

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

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BY THE DEPARTMENT OF HEALTH

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Mandatory Grant Rules and Guidelines & Other Requirements

The CGRGs require Ministers to comply with relevant legislative requirements in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Commonwealth Grants Rules and Guidelines 2017* (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 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 that 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 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.