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06 DEC 2019

Parliamentary Section

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 - ROUND 3**

Critical date: **17 December 2019** to ensure that the Department can finalise all processes to enable agreements to be offered for projects in Round 3.

Recommendation/s:

- | | |
|--|--|
| 1. Approve the commitment of \$101.805 million for grants under CHHP and other measures in Round 3 at Attachment A . | 1. Approved/Not Approved/Please discuss |
| 2. Approve the Department offering grant agreements to deliver on projects approved at Attachment A . | 2. Approved/Not Approved/Please discuss |
| 3. Note this submission is seeking approval for a number of projects under Round 3, but not for total funding through CHHP. | 3. Noted |
| 4. Note the Department is implementing decisions taken in the 2019-20 Budget for multiple closed, non-competitive grant opportunity processes to specified organisations. | 4. Noted |
| 5. Note the Department's approach to managing the projects with a High (or Medium-High) Risk for Legislative Authority. | 5. Noted |
| 6. Note the process the Department is undertaking to develop funding arrangements in accordance with the <i>Commonwealth Grant Rules and Guidelines</i> (CGRGs) and the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act). | 6. Noted |
| 7. Sign the letter at Attachment C notifying the Finance Minister that funding is recommended for one project within your electorate. | 7. Signed/Not Signed/Please discuss |
| 8. Note the Department's progress to date in implementing CHHP and other measures. | 8. Noted |

Signature

Date:

5/12/19

Media Release required? YES/ NO			
Comments:			
Contact Officer:	<i>Pat Janek</i>	<i>Assistant Secretary (A/g), Health Infrastructure Branch, Portfolio Strategies Division</i>	Ph: (02) 6289 7806 s22
Clearance Officer:	<i>Tania Rishniw</i>	<i>Deputy Secretary (A/g)</i>	Ph: (02) 6289 3944 s22

Issues:

1. Your approval is sought to the commitment of \$101.805 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.
2. If approved, the Department will be able to offer grant agreements for the projects to be progressed as part of Round 3 CHHP activity, including the ability to effect variations to the grants which are not significant in nature (such as application of GST where applicable, minor changes to the grant value or project scope or parameters), subject to the funded activities continuing to promote the program outcomes.
3. Specific issues relating to three projects (Bellarine Community Health, Pharmaceutical Rehabilitation Services and Wishlist) are noted below. In addition, risks for some proposals have been identified and approaches to mitigating these risks are outlined in Attachment A.
4. s42
5. All of the AOD projects have been the subject of Budget consideration and given authority to proceed by the Prime Minister. On this basis, the Department proposes to execute the agreements in line with Cabinet authority, s42 because:
 - a. funding for each specific project has already been agreed by Government and all projects have been announced;
 - b. while there is some risk of adverse commentary from the Australian National Audit Office and from any parties opposed to the expenditure, delaying or not proceeding with projects also carries risk given stakeholder commitments on the basis of Budget announcements;
 - c. given these are one-off grants, the likelihood of them being legally challenged is low; and
 - d. s42 will be mitigated to some extent through strong grants management processes established to run through the life of each agreement, to ensure that funds are spent for the intended purpose
6. s42

7. The Department has made significant progress in implementing CHHP and other 2019-20 budget commitments to date with the majority of the remaining agreements to be executed by the end of 2019-20 as follows:

CHHP and Other Budget Measures Progress

Round	# of projects	Amount Paid	Total Amount	Status
One	45 with non-government organisations (NGOs) and Primary Health Networks (PHNs)	\$141 million (2018-19 funding)	\$311 million	Completed
	24 with States and Territories	\$101 million (2018-19 funding)	\$487 million	Completed
Two	10 with NGOs	\$6 million (2019-20 funding)	\$13 million	Completed
	15 with PHNs	\$5 million (2019-20 funding expected to be paid over coming months)	\$47 million	Negotiating
	One with NGO SANDS	\$0.85 million (2019-20 funding expected to be paid following decision by ExCo)	\$1 million	Underway (legislative authority to be considered by ExCo 12 December 2019)
Three	13 with NGOs	\$23 million (2019-20 funding expected to be paid over coming months)	\$102 million	This submission
Four	36 with States and Territories	\$8 million (2019-20 funding expected to be paid by the end of 2019-20)	\$547 million	Negotiating
Five	Regional Cancer Centres across 10 remaining sites	nil	\$45.5 million	Planning (seek your agreement in early 2020)
Six	Two remaining projects James Cook University University of Newcastle	nil	\$60 million \$18 million	In Progress (negotiating with JCU and QLD) In Progress (awaiting negotiations between the Uni and NSW)

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.

Spending and Grant Rules

Consistent with requirements under the *PGPA Act* and *CGRGs*, an assessment plan and ad hoc Grant Opportunity Guidelines (GOGs) have been developed to guide the assessment process. 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 proper use of relevant money. Further information, including your Ministerial obligations under the *PGPA Act*, is provided at Attachment B.

Bellarine Community Health

We previously sought your agreement (MS19-001531 refers) to provide funding for the Ocean Grove Health and Wellbeing Hub via the local PHN. Subsequent additional information provided by your Office has indicated that there are two separate projects with more of a focus on capital upgrades, which prompted a reconsideration of the best approach. Noting that Bellarine Community Health (BCH) has previously been funded for the successful delivery of a capital grant, the Department now recommends that this funding be provided directly to BCH for the Health and Wellbeing Hub at Ocean Grove (\$4 million) and Community Health Centre upgrade in Portarlington (\$2 million). The grant agreement will require BCH to work closely with the local PHN.

s42

Pharmaceutical Rehabilitation Services

\$450,000 was allocated in the 2019-20 Budget for this project, however the media release indicated that \$600,000 would be made available - refer Attachment D. After confirming with your Office the project should be funded \$600,000 and given this is a small amount, the Department will accommodate this within the existing Drug and Alcohol Program allocations. Funding will increase \$50,000 over each of the three years 2019-20 to 2021-22.

Wishlist – Sunshine Coast Accommodation Hub

Funding for this project has been allocated from 2020-21, but the organisation has requested that a relatively small amount of funding (in the order of \$100,000) be made available during 2019-20 to facilitate preparation for the project. As this small amount can be accommodated within existing allocations, the Department proposes to agree to this request. A number of other organisations and state governments have requested more significant rephasing of their funds and have been advised that this is not likely to be agreed.

Funding within your electorate

The *CGRGs* require any funding granted in your electorate to be recorded and advised to the Finance Minister as soon as practical. This is not required for grants that are across multiple regions but does include funding in this submission for the Bays Healthcare Group - Alexandria Park Community Services. A letter to the Finance Minister is included at Attachment C for your signature.

Media

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

Attachments:

A: Summary of assessment for Round 3 grants through CHHP and other funding

B: Mandatory Grant Rules and Guidelines and Other Requirements

C: Letter to the Finance Minister

D: Media Release - Pharmaceutical Rehabilitation Services Beenleigh

Budget/Financial Implications: Commitment of \$101.805 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: Consultations with the ^{s42} the Health Grants and Network Division, Population Health and Sport Division, Mental Health 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.

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Organisation and project/activity details

CHHP #	Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorat of Flinder
3	Dubbo Regional Council	Dubbo Residential Drug and Alcohol Rehabilitation Facility	Health Infrastructure	3.000	No
22	Charles Sturt University	Charles Sturt University Institute For Regional, Rural and Remote Heath and Medical Research	Health Infrastructure	18.000	No
4	Ngaimpe Aboriginal Corporation	The Glen Centre - Women's Indigenous Facility	Health Infrastructure	9.000	No
11	Bellarine Community Health	Health and Wellbeing Service in Ocean Grove and Portarlington Community Health Campus	Health Infrastructure	6.000	No
2	Mission Australia	Triple Care Farm - Batemans Bay	Health Infrastructure	9.000	No
127	Mission Australia	Mission Australia to deliver a Residential Drug and Alcohol services.	Health Infrastructure	9.000	No
143	Wishlist	Sunshine Coast Health Foundation Health and Accommodation Hub.	Health Infrastructure	12.000	No

Organisation and project/activity details

CHHP #	Organisation Name	Project/Activity Name	Identified key area	Total grant \$m (GST excl)	Electorate of Flinders
1	The trustee for Anvia Trust & The trustee for the Aubrey Trust trading as Pharmaceutical Rehabilitation Services	Pharmaceutical Rehabilitation Services in Beenleigh	Health Infrastructure	0.600	No
21	Alfred Health and Monash University	Alfred Health and Monash University - Australian Clinical Trials Network 'Trial Hub' Hospitals in Rosebud, Casey and Bendigo in Victoria will be the first hospitals to partner with the TrialHub.	Health Infrastructure	24.600	Partial
39	Cabrini Health	Cabrini Institute of Cancer	Health Infrastructure	6.000	No
33	Bays Healthcare	The Bays Healthcare Group - Alexandra Park Community Services	Health Infrastructure	2.600	Yes
46	Goldfields Rehabilitation Services Inc.	Goldfields Drug and Alcohol Rehabilitation Services	Health Infrastructure	1.500	No
47	Katanning Shire Council/ St Luke's Family Practice	Katanning Medical Centre	Health Infrastructure	0.505	No
Total Value 2019-20 to 2024-25 financial year				101.805	

Proposal	National PaFunding Re Description	State / Terr	Electorate	CHHP Then	Program / F	Regional &
Dubbo Resi No	Other - Dukfor Dubbo	NSW	Parkes	1. Health InProgram	2. Yes	
Health and No	Other - Chafor Charles	NSW	Calare	1. Health InProgram	1. No	
The Glen C& No	Other - Thefor The Gle	NSW	Dobell	1. Health InProgram	2. No	
Triple Care No	Other - Misfor Mission	NSW	Gilmore	1. Health InProgram	2. Yes	
Sunshine C; No	Other - Wisto build a H	QLD	Fisher	1. Health InProgram	1. No	
Mission Au: No	Other - MisMission Au:	QLD	Leichhardt	1. Health InProgram	2. No	
Pharmaceu No	Other - Phafor Pharma	QLD	Forde	1. Health InProgram	2. No	
Alfred Heal No	Other - Alfrto increase	VIC	Flinders	1. Health InProgram	1. No	
Cabrini Inst No	Other - Cabfor Cabrini	VIC	Higgins	1. Health InProgram	1. No	
The Bays H No	Other - Bayfor Bays He	VIC	Flinders	1. Health InProgram	2. No	
Goldfields F No	Other - Gol to provide	WA	O'Connor	1. Health InProgram	2. Yes	
Katanning I No	Other - Kat to convert	WA	O'Connor	1. Health InProgram	2. No	
Number of	12					

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2018-19	2019-20	2020-21	2021-22	2022-23	Total5-Year	2023-24	2024-25	Total7-Year
	1.5	1.5			3			3
			3	5	8	5	5	18
	4.5	1.5	1.5	1.5	9			9
	5	2	2		9			9
		2	5	5	12			12
	1.5	4	3.5		9			9
	0.2	0.2	0.2		0.6			0.6
	3	3	3	5.2	14.2	5.2	5.2	24.6
		1.5	1.5	1.5	4.5	1.5		6
	2.6				2.6			2.6
	1.5				1.5			1.5
	0.505				0.505			0.505
				Total	73.905	Total		95.805

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Announced as part of CHHP?

Yes

No - Investing in Health and Medical Research - Research Infrastructure measure

Yes

Yes

No -Supporting our Hospitals - Additional Infrastructure and Services measure

Yes

Yes - but additional \$150k was not allocated in the Budget. To be absorbed by Dept

Yes

Yes

No - Fighting cancer - additional infrastructure and services measure

Yes

No - Guaranteeing Medicare - Strengthening Primary Care measure

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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.



COPY

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

Ref No: MS19-001736

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

5 DEC 2019

Dear Minister Cormann

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

The grant was assessed by my department through a process compliant with the CGRGs. Details of the grant are included in the table below.

Project Title	Recipient	Funding location	Amount	Term	Commencement date
Alexandra Park Community Services	The Bays Healthcare Group	Mornington, VIC	\$2.6 million	1 year	2019-20

Please contact Pat Janek, A/g Assistant Secretary, Health Infrastructure Branch, on (02) 6289 7806 if you have any queries regarding this grant.

Yours sincerely



Greg Hunt



The Hon. Greg Hunt MP

Minister for Health

Bert van Manen MP

Federal Member for Forde

MEDIA RELEASE

28 March 2019

Pharmaceutical Rehabilitation Services to receive \$600,000

The Liberal National Government will invest \$600,000 through Pharmaceutical Rehabilitation Services in Beenleigh, to tackle drug and alcohol abuse.

Pharmaceutical Rehabilitation Services run a targeted programme with a focus on drug and alcohol treatment, preventative primary and chronic disease management and mental health.

Minister for Health, Greg Hunt said the funding would assist people battling the effects of substance abuse and boost the capacity of treatment in Logan.

"We know that people impacted by alcohol and drugs need to be able to access appropriate support when and where they need it, services are crucial to enable people with substance problems to get their lives back on track," Minister Hunt said.

"Pharmaceutical Rehabilitation Services are engaging with local GPs in Logan to assist them on drug and alcohol and Hepatitis C treatment methods. Our support will allow them to expand on this program and educate the local community."

Federal Member for Forde, Bert van Manen said alcohol abuse can have a devastating impact on families, especially children.

"We are seeing more admissions to hospital where alcohol is a primary cause, more deaths from substance misuse which is why our Government are investing in specialist treatment services."

"The funding will increase the treatment service offerings in Logan where historically there has been a large gap. Not only will the funding increase access to specialised health care, but will go towards upgrading facilities and a targeted education and awareness campaign," Mr van Manen said.

The Government is committed to tackling substance abuse in Logan with a \$600,000 investment in Pharmaceutical Rehabilitation Services.

The Liberal National Government's strong economic management ensures the continued investment of record funding into vital health initiatives including drug and alcohol treatment, mental health, life-saving medicines, Medicare and hospitals.

(ENDS)

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