



**To: Minister Hunt**

**Subject: REQUEST FOR POLICY APPROVAL - COMMUNITY HEALTH AND HOSPITALS PROGRAM (CHHP) AND OTHER COMMITMENTS AGREED THROUGH THE 2019-20 BUDGET PROCESS**

**Critical date:** 4 June 2019 to ensure that the Department can finalise all processes to enable funding agreements to be offered for projects with funding in 2018-19

**Recommendation/s:**

- |   |   |
|---|---|
| 1. <b>Approve</b> expenditure of up to \$452.917 million (GST Exclusive) over seven years (2018-19 to 2024-25) for the CHHP and other budget measures as detailed in Attachments A and B. | 1. Approved/Not Approved/Please discuss |
| 2. <b>Note</b> that this submission is not seeking approval for the total funding through CHHP.   | 2. Noted/Please discuss                 |
| 3. <b>Note</b> the Department is implementing decisions taken in the 2019-20 Budget for multiple closed, non-competitive grant opportunity processes to specified organisations.          | 3. Noted/Please discuss                 |
| 4. <b>Approve</b> the process the Department is undertaking to develop funding arrangements, in accordance with the <i>Commonwealth Grant Rules and Guidelines</i> .                      | 4. Approved/Not Approved/Please discuss |
| 5. <b>Note</b> that any projects that require further consideration will be provided to you following the assessment process.   | 5. Noted                                |
| 6. <b>Note</b> the Department will provide input to the 'Annual Reporting under the Commonwealth Grants Framework' for grants that you have approved in your own electorate.              | 6. Noted                                |

Signature .....

Date:

Comments:

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**Issues:**

1. Funding for a range of projects under CHHP and other health measures was outlined in the 2019-20 Budget. Your approval to fund commitments made to state and territory governments for 2018-19 was sought previously (refer MS19-000790).
2. This submission outlines the process for progressing funding agreements with non-government organisations. Priority is being given to organisations that have funding allocations starting in 2018-19. With your agreement, the Department is proposing to enter into grant agreements with these organisations for up to seven years.
3. A further submission will be provided in the new financial year seeking approval for projects with funding commencing from 2019-20 and beyond.
4. Each submission is a component of the implementation of CHHP and other health measures.
5. Given the limited time to execute payments before the end of the current financial year, the Department is undertaking a condensed grants process compliant with the *Commonwealth Grant Rules and Guidelines*. The Grant Opportunity Guidelines (GOGs) will be finalised within the Department and not be provided to the Department of Finance.
6. Your approval is being sought for expenditure of up to \$452.917 million (GST Exclusive) over seven years for projects and services in every state and territory, which support patient care, while reducing pressure on community and hospital services.
7. This spending proposal contributes to the objectives of the CHHP program outlined in the 2019-20 Budget.
8. Between 13 and 24 March 2019, the Prime Minister agreed the projects to be funded through a series of letters as part of the 2019-20 Budget.
9. The Department is implementing the decisions taken in the 2019-20 Budget for multiple closed non-competitive grant processes to the specified organisations.
10. <sup>s42</sup>
11. To enable payments to be made to non-government organisations in 2018-19, summary findings will be provided to you by 4 June 2019 as part of a submission seeking commitment approval.
12. To support this process, the Department will:
  - a. develop ad hoc one off GOGs across the four CHHP priority areas to cover all the projects that will be funded through grants, whether formally badged as part of the CHHP or identified separately;
  - b. assess each project against these GOGs using the proposals it has been provided with, and any additional information provided by relevant organisations or available to the Department;
  - c. undertake a value for money assessment of each project;
  - d. assess the financial viability of organisations that have not previously received funding from the Commonwealth;
  - e. <sup>s42</sup>
  - f. highlight any risks and the suggested mitigation strategies; and
  - g. identify any projects that are within your electorate, for reporting to the Minister for Finance as per 4.11 of the Commonwealth Grant Rules and Guidelines (CGRGs).
13. Funding to Primary Health Networks (PHNs) under the CHHP and other health measures agreed at the 2019-20 Budget will be progressed through separate funding agreements with

affected PHNs. Relevant information on these agreements will also be included in the forthcoming submission.

14. A letter of intent will need to be co-signed prior to 30 June 2019 by funding recipients and the Department for any projects that will not be executed before the end of financial year processing deadlines, this will support the processing of accruals.

### **Background:**

#### *CHHP and other health measures*

87 individual projects have been funded through CHHP, totalling \$1.25 billion over seven years.

32 projects under the CHHP have funding committed from 2018-19:

- 11 projects to be funded through bilateral Project Agreements with states and territories; and
- 21 projects to be funded through grant agreements with non-government organisations.

Funding for the remaining 55 projects will commence in 2019-20 or later.

In addition, 51 projects totalling \$623.8 million were in the 2019-20 Budget under several Budget measures.

Of these, 32 have funding committed in 2018-19:

- 6 projects to be funded through bilateral Project Agreements with states and territories; and
- 26 projects to be funded through grant agreements with non-government organisations.

Funding for the remaining 19 projects will commence in 2019-20 or later.

#### *Funding agreements with non-government organisations*

Consistent with requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) PGPA Act and the CGRGs, grant opportunity guidelines are required for all grants, including one-off or ad hoc grants.

At a minimum, guidelines for one-off or ad hoc grants should include the purpose or description of the granting activity, the objectives, the selection process, any reporting and acquittal requirements and any evaluation mechanisms. Further details about grants administration requirements under the CGRGs are provided at **Attachment C**.

### **Attachments:**

**A:** CHHP Funding funding committed from 2018-19

**B:** Other Budget measures funding from 2018-19

**C:** Mandatory Grant Rules and Guidelines & Other Requirement

**Budget/Financial Implications:** Nil.

**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.

**Consultations:** Consultations are continuing with <sup>s42</sup> 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

**CHHP funding to NGOs from 2018-19**

<b>Proposal</b>	<b>2018-19 (\$m)</b>	<b>7 year total (\$m)</b>
Mater Hospital - New Maternity Block	9.000	9.000
Youth Hub Lilydale	1.500	4.500
BlueHub Project - Framework for Police and Emergency Services Mental Health	2.500	2.500
Roses in the Ocean - Suicide Prevention & Recovery Centre St Vincent's Hospital	1.250	1.250
Monash University/Peninsula Health - Health Futures Hub	0.800	32.000
Peter Mac - Cellular Immunotherapy	25.000	80.000
Mental Health/Alcohol and Drug Comorbidity Workers	0.113	1.124
City Mission Drug Res Rehab	3.100	6.320
My Place Youth Centre	1.500	1.500
Outside the Locker Room	0.350	1.750
OzCare Residential Alcohol and Drug Rehabilitation Centres - Mackay	1.500	3.900
Integration of pharmacists into aged care facilities to optimise resident safety and reduce medication-related adverse effects and hospitalisation	0.816	3.734
Taking an alternative road to recovery: Two mobile alcohol and other drugs (AOD) day rehabilitation programs on the NSW South Coast	0.400	5.000
Community Driven Cancer Care: Boosting Primary Care	0.100	6.940
Primary Health Care (PHC) delivery through community paramedicine/nurse practitioner models	0.080	2.963
Headspace Flying headspace	0.066	0.660
Hospital Discharge Liaison Officers	1.700	3.949
The Mindgardens Alliance - Black Dog Institute	7.000	7.000
City of Albany Youth Hub	0.300	0.300
Adapting Compassion Focused Therapy for Indigenous Community Wellbeing	0.400	0.800
<b>TOTAL</b>	<b>57.475</b>	<b>175.190</b>

**Other budget measure funding from 2018-19**

<b>Proposal</b>	<b>2018-19 (\$m)</b>	<b>7 year total (\$m)</b>
Ronald McDonald House - SEQ	2.900	2.900
National Headspace Network - Waitlist Reduction Growth Funding	13.000	152.000
Esther Foundation	1.000	4.000
Integrated Youth Services Hub Rosebud	1.500	1.500
Rosebud Secondary Wellness Pavilion	0.300	0.300
Lord Somers Camp and Powerhouse Albert Park	0.500	5.000
Sunflower House Wagga Wagga	0.275	0.275
Curtin University Dementia Centre of Excellence	10.000	10.000
Hear to Learn' Ashgrove Centre - School Hearing Screening Program	0.200	0.200
Breaking the Barrier - PILOT - Health Communication - Multicultural	0.140	0.140
Strength to Strength Program	0.040	0.541
Kyabram District Health Service - Kyabram Regional Medical Clinic/Stanhope Medical Facility	1.700	1.700
Fraser Coast Hospice Facility	7.000	7.000
Kojonup Medical Centre	0.750	0.750
Little Haven Palliative Care	0.250	0.750
Very Special Kids	7.500	7.500
Yanchep Health Campus	10.400	10.400
Little Wings Aircraft	0.700	0.700
St John WA Urgent Care Centres - 4 sites	14.000	28.000
Royal Far West National Paediatric Telecare Service	2.700	19.700

<b>Proposal Cont.</b>	<b>2018-19 (\$m)</b>	<b>7 year total (\$m)</b>
Caravan Park Defibrillator Program	1.000	1.000
The Bays Healthcare Group - Comprehensive Cancer Centre	1.500	10.000
Chris O'Brien Lifehouse Magnetic Resonance Imaging	6.000	6.000
Cairns Organisation United for Cancer Health (COUCH ) Wellness Centre Land Acq	1.300	1.300
Drug and Alcohol Treatment Services for Salvation Army	0.750	6.071
<b>TOTAL</b>	<b>85.405</b>	<b>277.727</b>

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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 (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.