



Minute

Joy Savage
A/g First Assistant Secretary
Office for Aboriginal and
Torres Strait Islander Health

Through
Tarja Saastamoinen
Assistant Secretary
Family Health and Wellbeing Branch

Supported / Not Supported

[Signature]
5 September 2009
OCTOBER

FUNDING PLAN FOR IMPLEMENTATION OF THE *HEALTHY FOR LIFE* FUNDING ROUND – SOUTH EASTERN NSW

Purpose

This Minute seeks that you:

- **approve** the funding process set out in this funding plan for the *Healthy for Life* Funding Round - South Eastern NSW, as defined by the Local Government Areas of Eurobodalla and Bega Valley.
- **approve** in principal the proposed expenditure of up to \$1.979m (GST inclusive which includes advertising and associated Invitation To Apply (ITA) costs, orientation, phase 1 and phase 2 (recurrent) costs and possible transition costs as required.
- **approve** the advertisement and proposed coverage in print media of the ITA for the *Healthy for Life* Funding Round - South Eastern NSW. (Attachment A);
- **approve** the expenditure of \$6,605.82 (GST inclusive) under Regulation 9 of the FMA Act to cover the costs of advertising the ITA;
- **approve** the Application Kit, comprising Application Guidelines and Application Form (Attachment B);
- **approve** the Application Kit being made available for download from the Department's Tenders and Grants Webpage.
- **approve** the Application Evaluation Plan, including Assessment Instrument (Attachment C) for applications received in response to the ITA;
- **approve** the Assessor's Manual (Attachment D);
- **note** the attached Risk Management Plan (Attachment E);
- **note** the funding registration record (Attachment F);
- **sign** the letter to the NACCHO Chair Dr Mick Adams outlining the funding round for the *Healthy for Life* Funding Round - South Eastern NSW, the timelines and site / service selection processes (Attachment G).

Description

Healthy For Life is funded under Outcome 8 - Indigenous Health. The Australian Government is committed to improving the health and wellbeing of Aboriginal and Torres Strait Islander people. The *Healthy for Life* program was established in 2005/06 and provides funds to Aboriginal and Torres Strait Islander primary health care services¹ to enhance delivery of child, maternal and men's health services and chronic disease care, and to improve the capacity of the Aboriginal and Torres Strait Islander health workforce. The program has an emphasis on population health approaches and quality improvement processes. The third funding round of *Healthy for Life* has recently been completed and there are currently 101 services participating in the program.

Background

On 6 May 2008 the Office for Aboriginal and Torres Strait Islander Health (OATSIH) received correspondence from the Southern General Practice Network (SGPN) seeking to disband the current *Healthy for Life* partnership arrangements they had with Katungul Aboriginal Corporation Community and Medical Services (Katungul).

one of the the *Healthy for Life* Quality Improvement Facilitators. All attempts failed and OATSIH sought approval from the Minister to disband the partnership between SGPN and Katungul and select a provider through a funding round process which is open to both mainstream and Aboriginal Community Controlled Healthcare Organisations and consortia. Approval was given to suspend the current eligibility criteria which stipulates that organisations applying for *Healthy for Life* funding must be the principal primary health care service for Aboriginal and Torres Strait Islander population in a specific region. This suspension was necessary to allow SGPN to apply through the proposed funding round process. Ministerial approval was provided by N09000555 dated 25 May 2009 ([Attachment H](#)).

This funding round is for the provision of *Healthy for Life* services in the South Eastern region of NSW. This area is defined geographically by the Local Government Areas of Eurobodalla and Bega Valley.

If approved, the advertisement at [Attachment A](#) will appear in the following print publications on the dates indicated:

- | | |
|---------------------------------------|----------------------|
| • Australian | Wednesday 14 October |
| • Sydney Morning Herald Classified | Wednesday 14 October |
| • Canberra Times | Wednesday 14 October |
| • Batemans Bay Post / Moruya Examiner | Wednesday 14 October |
| • National Indigenous Times | Thursday 15 October |
| • Bega District News | Friday 16 October |
| • Koori Mail | Wednesday 21 October |

For those publications going to print up to and including 16 October, this time period complies with the 25 calendar day requirement in the Commonwealth Procurement Guidelines (GPGs) and Commonwealth Grant Guidelines (CGGs). Program Funding and Procurement Service (PFPS) have advised that because the official start of the funding process is taken from the date it both appears on the GrantsLINK web site and in the major newspapers the later advertisement in the Koori Mail newspaper does not constitute a breach of guidelines.

¹ For *Healthy for Life* purposes, "Aboriginal and Torres Strait Islander primary health care services" refers to Aboriginal Community Controlled Health Services and other primary health care services that deliver health care to predominantly Aboriginal and Torres Strait Islander populations.

This Minute seeks your approval of the expenditure of \$6,605.82 (GST inclusive) under Regulation 9 of the FMA Act to cover the cost of advertising the ITA.

There are a number of permutations for service delivery which might arise from this ITA. A single provider, or 2 separate providers from within the geographical region, an existing *Healthy for Life* service from any of the 3 adjoining regions or an auspicing / consortia combination of the above may emerge. This Minute has been written trying to keep these possibilities in mind.

The Southern General Practice Network (SGPN) is currently funded to continue providing *Healthy for Life* services until 31 December 2009. This ITA and selection process may not allow seamless transition between service providers. Consideration will be given to extending SGPN's current interim funding agreement, if they are not the successful applicant/s, and SGPN's current agreement contains an option to extend out to 30 June 2010 at the latest.

Funding

Following Ministerial approval the successful applicant/s will be funded under the *Healthy For Life* program to develop and implement services, projects or activities that support the objectives of *Healthy for Life*, which are to:

- improve the availability and quality of child and maternal health care;
- improve the prevention, early detection and management of chronic disease;
- improve men's health²; and
- improve long term health outcomes for Aboriginal and Torres Strait Islander Australians.

The approval of Phase 2 funding will be the subject of a separate Minute to you, following assessment of the Phase 2 proposal.

Eligibility

Organisations eligible to apply for *Healthy for Life* funding must be an existing incorporated organisation (or a consortium of organisations) who deliver primary health care services to Aboriginal and Torres Strait Islander people.

This may include Aboriginal Community Controlled Health Services, Regional Health Services, State/Territory funded health services and private general practices. Applicants can be located in regional, remote or urban areas.

Funding Allocation

As of August 2009 there are 101 *Healthy for Life* primary health care services participating in the program through 58 sites.

As a result of this ITA, it is possible that up to 2 services may be funded to provide *Healthy for Life* services in the South Eastern Region of NSW. Depending on whether the successful applicant/s is/are already *Healthy for Life* service/s, some form of orientation and Phase 1 funding may be needed. Following successful completion of Phase 1, if this Phase is necessary, a service can receive up to \$440,000 (GST inclusive) each per financial year for ongoing Phase 2 activities. This funding plan includes an amount of up to \$11,000 (GST inclusive) for an orientation workshop, if required.

² On 4 July 2008 Minister Roxon approved the removal of the regional/ remote benchmark and the incorporation of men's health in the *Healthy for Life* program.

The following table shows indicative funding to successful applicants:

Site type	Phase 1 funding	Phase 2 funding
Single (small) Organisation	Up to \$110,000 (GST inclusive) (one-off)	Up to \$440,000 (GST inclusive) per financial year
Consortium (1 primary health care service + one other)	Up to \$148,500 (GST inclusive) (one-off)	Up to \$594,000 (GST inclusive) per financial year
Consortium (1 primary health care service + 2 to 4 others)	Up to \$165,000 (GST inclusive) (one-off) OR \$55,000 (GST inclusive) per primary health care service – whichever is the greater	Up to \$660,000 (GST inclusive) total per financial year OR \$220,000 (GST inclusive) per financial year, per primary health care service – whichever is the greater per application - capped at 5 primary health care services per application.

What will be funded under *Healthy for Life*?

Organisations may seek *Healthy for Life* funding for:

- salaries and on-costs for new/additional staffing;
- travel;
- minor establishment expenses (minor establishment expenses will be no more than 10% of the proposed annual budget). Minor establishment expenses include:
 - Medical equipment required for the operation of a primary health care service, specifically that equipment required for the provision of chronic disease management and child, maternal and men's health care. Funding for medical equipment would not include medical consumables (e.g. gloves, syringes, tympanometer covers, sharps bins, etc), TV monitors (except where the equipment is required for the purpose of telemedicine). Funding would not include equipment with insufficient evidence of benefit. Individual medical equipment costing over \$11,000 (GST inclusive) each would need to be itemised and approved separately;
 - Office furniture and equipment, including computer hardware and software (if required); and
 - Short-term office leasing costs associated with short-term additional space requirements.
- vehicle (1 only) leasing costs³;
- *Healthy for Life* training and staff development and support for Phase 1 and 2 activities provided by a member of the Panel of Quality Improvement Facilitators or other appropriate consultant;
- identified, accredited training specific to child, maternal and men's health and chronic disease care; and
- *Healthy for Life* related administration.

What will not be funded under *Healthy for Life*?

Funding under the *Healthy for Life* program will not extend to the areas listed below;

- capital works, including refurbishment or purchase of new premises;
- the installation, enhancement or maintenance of Patient Information and Recall Systems (PIRS);
- attendance at conferences and seminars, in addition to those provided through *Healthy for Life*; and
- activities which fall outside the jurisdiction of primary health care services (community gardens, childcare services, stand alone/isolated health promotion projects that do not form part of a broader population health program within primary health care, etc).

³ In those areas where buying a vehicle represents greater value for money than leasing, vehicle purchase costs may be considered.

Applicable Legislation

Regulations 9, 12 and 13 of the FMA Act 1997 and OATSIH Business Rules are relevant to this funding process.

Timelines

The indicative timeline for the application process for this open funding round is:

Activities	Due Dates
Submit Procurement Minute to AS	Friday 2 Oct 2009
Submit Procurement Minute to FAS	Tuesday 6 Oct 2009
Invitation To Apply advertised	Wednesday 14 Oct 2009
Closing date for submission of applications (Central Office)	2pm (AEDT), Monday 16 Nov 2009
CO Recommendation Minute to FAS	Friday 27 Nov 2009
Target date for Minute to Minister with recommendations of selected organisation/s	Monday 7 Dec 2009
Approval from Minister of recommendations of selected organisation/s and agreement to proceed with contract negotiations prior to announcing the successful organisation/s	Date to be determined - at the Minister's discretion
Contract(s) / variation(s) (if applicable) offered to successful organisation/s for Phase 1 of <i>Healthy for Life</i> (if applicable)	Dec 2009
Notify unsuccessful service/s	Dec 2009
Orientation meeting held with successful organisation/s (if applicable)	Late Jan 2010
Phase 1 completed and full proposal/s received by the Department (if applicable)	Jun 2010
Negotiations with organisation/s re Phase 2	Jun 2010
Funding agreement(s) /variation(s) executed for Phase 2 (2010/11 financial year)	Jul 2010

Key Stakeholders

Key stakeholders include:

- Aboriginal and Torres Strait Islander people in the South Eastern Region of NSW;
- Existing primary health service providers (e.g. Katungul Aboriginal Corporation Community and Medical Services and the Southern General Practice Network); and
- The National Aboriginal Community Controlled Health Organisation (NACCHO) and its affiliates, and state and territory governments;

Funding Process

Process Team

The *Healthy for Life* Section in the Family Health and Wellbeing Branch, OATSIH will assume primary responsibility for developing and implementing this funding process. OATSIH's PHAU have agreed to assist in the assessment of applications. It is not envisaged that any specific additional training for CO staff will be required to enable the funding process to proceed.

PFPS have been asked to provide an independent member for the Application Assessment Panel (AAP) and provide probity and procurement advice.

CO and STO Roles

Given the history and sensitive nature of this funding process it is proposed that Central Office will manage the funding process in 2009-10, drawing on the expertise of State and Territory Officers to assist in the evaluation of funding applications only if required. In subsequent years (2010-11 and beyond), the relevant OATSIH State and Territory Office will conduct the ongoing financial management in line with existing contract management roles.

Method of Approach

As identified above, an open ITA inviting applications for the provision of *Healthy for Life* services in the South Eastern region of NSW will be made. It is unclear how many sites / services will apply and where these will be located. Applications that demonstrate potential for the most significant and innovative outcomes in the health area will be prioritised for funding.

Application Kit

An Application Kit, comprising Application Guidelines and an Application Form are at Attachment B for your approval.

In accordance with the CGG's notification of this ITA and application documentation will appear on these web pages:

- Department of Health and Ageing Grants and Tenders;
- Department of Health and Ageing *Healthy for Life* (announcement and link to Department of Health and Ageing Grants and Tenders); and
- Department of Infrastructure, Transport, Regional Development and Local Government GrantsLINK (with link to Department of Health and Ageing Grants and Tenders).

Funding Agreement

Following approval of the recommended successful applicant/s, funding for the *Healthy for Life* program will be provided via the OATSIH funding agreement.

Assessment of applications

Applications will close 34 days from the date of advertisement of the ITA. An assessment panel comprising Departmental officers will be established to assess and evaluate the applications received (see below for proposed composition). The panel will seek if required, advice from relevant OATSIH State and Territory Offices to inform the selection process.

Note: Late applications will only be considered if proof of exceptional circumstances is provided. If otherwise compliant, any such late application/s will be submitted to you for approval.

Planning discussions with NSW STO identified the desirability of having an appropriate Indigenous representative sit on the Application Assessment Panel.

An initial agreement from Debra Reid to perform this role has been negated by her secondment to Minister Snowdon's office. You will be notified of the suggested replacement person in due course.

Selection panel

- Ms Julia Mansour, Director, *Healthy for Life* Section;
- Mr Tim Wotton, Assistant Director, *Healthy for Life* Section;
- TBA, Population Health Advisory Unit;
- Staff member, PFPS Probity and / or Procurement Advisor/s; and
- TBA, Indigenous representative.

Following assessment of the applications a Minute to the Minister recommending the successful applicant/s will be prepared for your approval. You will receive this Minute before close of business on Friday 27 November 2009.

Management of Funding Agreements

It is proposed that relevant STO manage the funding process for the 2009-10 site(s) / service(s) that are successful in this process, by drafting funding agreement/s or variation/s to existing funding agreement/s as appropriate.

Evaluation of the *Healthy for Life* Funding Round - South Eastern NSW

Process evaluation

A report evaluating the effectiveness and efficiency of the funding process will be prepared after completion of the round using current templates. Lessons learned will be considered in future funding processes.

Risk Assessment and Management

A Risk Assessment has been completed and is at Attachment E. The risks associated with the proposed funding process are considered acceptable. It is expected that some individuals and organisations will publicly criticise any consideration of mainstream organisations. This concern has already been raised by the NSW Aboriginal Health and Medical Research Council (AH&MRC) which is the state affiliate of the National Aboriginal Community Controlled Health Organisation (NACCHO). NACCHO has shown considerable interest in the matter and is likely to be critical of any decision that does not transfer the entire *Healthy for Life* project to Katungul.

To mitigate this risk we have prepared a letter for you to the NACCHO Chair explaining the program, the funding, the timelines and the site / service selection processes. This letter is at Attachment G.

Financial Issues

Amount of Funds

Total available administered funding for *Healthy for Life* is \$38.2 million in this financial year (2009-10) in BRE 324 *Healthy for Life*.

Expenditure Delegation

You have delegation under Section 44 of the *Financial Management and Accountability Act (FMAA) 1997* to approve proposals to spend public money relating to Administered expenditure up to the value of \$100 million.

Availability of funds

Funding of \$1,502,606 (GST inclusive) is available from BRE 324 – Aboriginal and Torres Strait Islander Health Services in 2009-10 to cover the ITA advertising, plus potential maximum annual commitment to support *Healthy for Life* activity in the South Eastern NSW region.

At this time, there is \$476,084 (GST inclusive) recurrent funding allocated for *Healthy for Life* services in this region, itemised below.

- \$238,042 (GST inclusive) committed for the interim funding agreement with SGPN.
- Some or all of the remaining allocation (\$238,042 GST inc) may be needed to extend SGPN's current interim funding agreement beyond 31 December 2009, should a longer transition period be required and if SGPN are not the successful applicant.

Considering all possible permutations for funding, the most expensive, but still possible scenario is that the successful applicants consist of two separate small consortia. Based on this scenario, the total funding allocation would be \$1,978,690.

• Phase 1 x 2 = \$297,000	• Phase 2 x 2 = \$1,188,000	Totals (GST inc)
• Existing allocation (\$476,084) + orientation (\$11,000) + advertising (\$6,606)		\$1,485,000
		\$ 493,690
		<hr/>
		\$1,978,690

You will be providing approval in-principal for up to \$1.979 million (GST inclusive) to support *Healthy for Life* service delivery in the South Eastern NSW region. This figure includes the existing allocation for *Healthy for Life* services in the region.

The attached Funds Reservation Record formalises this commitment into the SAP financial system. The form also captures data that is critical in demonstrating compliance with the FMAA and associated policies.

If you agree to this funding plan it will be immediately provided to the Finance Section with the Funds Reservation Record who will raise an Approval In-Principle (AIP). Your approval for expenditure of funds under Regulation 9 will be sought at the point of formal offer of funding agreements.

By approving this Funding Plan you will also be exercising your authority under Regulation 9 of the FMA Act 1997 for expenditure of \$6,605.82 (GST inclusive) to advertise this ITA.

Documentation

Clearance of the documentation has been obtained from PFPS. The documentation is held on File 2009/049391. All relevant documentation leading up to the funding agreement has been filed in accordance with Corporate Business Rule 2 – Information Management and record Keeping.

Post Project Evaluation

As required by the Department's procedural framework, a post project evaluation will be prepared on completion of the project, and provided to PFPS.

Recommendations

That you:

- **APPROVE** the funding process set out in this funding plan for the *Healthy for Life* Funding Round - South Eastern NSW, as defined by the Local Government Areas of Eurobodalla and Bega Valley.

Approved / Not Approved / Discuss

- **APPROVE** in principal the proposed expenditure of up to \$1.979m (GST inclusive) to cover advertising and associated Invitation To Apply (ITA) costs, orientation, phase 1 and phase 2 (recurrent) costs and possible transition costs as required.

Approved / Not Approved / Discuss

- **APPROVE** the advertisement and proposed coverage in print media of the ITA for the *Healthy for Life* Funding Round - South Eastern NSW. (Attachment A);

Approved / Not Approved / Discuss

- **APPROVE** the expenditure of \$6,605.82 (GST inclusive) under Regulation 9 of the FMA Act to cover the costs of advertising the ITA;

Approved / Not Approved / Discuss

- **APPROVE** the Application Kit, comprising Application Guidelines and Application Form (Attachment B);

Approved / Not Approved / Discuss

- **APPROVE** the Application Kit being made available for download from the Department's Tenders and Grants Webpage.

Approved / Not Approved / Discuss

- **APPROVE** the Application Evaluation Plan, including Assessment Instrument (Attachment C) for applications received in response to the ITA;

Approved / Not Approved / Discuss
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- **APPROVE** the Assessor's Manual (Attachment D);

Approved / Not Approved / Discuss
RSD SITE?
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- **NOTE** the attached Risk Management Plan (Attachment E);

Noted / Discuss
DEPENDENCY ON
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- **NOTE** the Funds Reservation Record (Attachment F).

Noted / Discuss

- **SIGN** the letter to the NACCHO Chair Dr Mick Adams outlining the funding round for the *Healthy for Life* Funding Round - South Eastern NSW, the timelines and site / service selection processes (Attachment G).

Signed / Not Signed / Discuss


Julia Mansour
Director
Healthy for Life Section


Joy Savage
A/g First Assistant Secretary
Office for Aboriginal and Torres Strait Islander Health

September 2009

7 October 2009

2 October

Attachments:

- Attachment A: Advertisement: *Healthy for Life* Funding Round - South Eastern NSW
- Attachment B: Application Kit – Comprising Application Guidelines and Application Form
- Attachment C: Assessment Instrument
- Attachment D: Assessor's Manual
- Attachment E: Risk Management Plan
- Attachment F: Funds Reservation Record
- Attachment G: Letter to NACCHO Chair Dr Mick Adams
- Attachment H: Minute To Minister N09000555 dated 25 May 2009



Australian Government
Department of Health and Ageing

Invitation To Apply for *Healthy for Life* Funding Round – South Eastern NSW

ITA - 071/0910
16 November 2009

The Australian Government Department of Health and Ageing is seeking applications from eligible primary health care organisations for *Healthy for Life* program funding.

Healthy for Life aims to improve the health of Aboriginal and Torres Strait Islander mothers, babies, children and men, enhance the quality of life for people with a chronic condition and, over time reduce the incidence of chronic disease.

This funding round is for the provision of *Healthy for Life* services in South Eastern NSW. This area is defined geographically by the Local Government Areas of Eurobodalla and Bega Valley.

Eligible organisations are:

- Existing incorporated organisations (or consortium of organisations) who deliver primary health care services.

To obtain an application for *Healthy for Life* funding, please:

- Visit www.health.gov.au/tenders.htm; or
- For more information www.health.gov.au/healthyforlife

Applications close
At 2.00pm AEDT
Monday 16 November 2009

