



MINUTE

Gayle Anderson
NSW State Manager
Department of Health and Ageing

R1. ~~APPROVED~~/NOT APPROVED
R2. ~~APPROVED~~/NOT APPROVED
R3. ~~APPROVED~~/NOT APPROVED

G.M. Anderson 3 June 2010

Approval of a funding agreement between the Commonwealth and Southern General Practice Network Ltd to undertake the Healthy for Life project.

Purpose

To seek your approval to:

- Offer a Funding Agreement to Southern General Practice Network Ltd for the period 1 July 2010 to 30 June 2011;
- Provide recurrent expenditure of \$485,606 (GST Inclusive) which includes 2% indexation, under Regulation 9 of the FMA Act for the provision of the Healthy For Life project to Southern General Practice Network Ltd; and
- Allow the OATSIH Director to sign the letter of offer to the organisation & execute returned Funding Agreements (Regulation 13 of the FMA Act).

Background

On 25 May 2009 Minister Roxon approved the dissolution of the then *Healthy for Life* consortium of Southern General Practice Network Ltd (SGPN) and Katungul Aboriginal Corporation Community and Medical Service. The Minister also approved the department conducting an open Invitation to Apply (ITA) process to reallocate the existing funding, and to provide the SGPN within an interim arrangement to maintain service delivery till the 30th June 2010.

Annual funding is available under the *Healthy for Life* program and the SGPN will receive the same annual amount to continue to deliver the project as they received under the current agreement, with the addition of an indexation factor of 2% allocated to the budget. Approval to proceed with funding was provided by the Minister on the 30 April 2010. Refer to *Attachment A*; Minute to the Minister: Outcome of Invitation To Apply (ITA 071/0910) for Healthy For Life Program Funding; South East NSW Region.

Current Situation

SGPN have been notified as the successful tenderer and negotiations on the Funding Agreement are currently under way. / cannot occur until the Funding Agreement with the SGPN for 2010/11 has been executed. Advice received from the Finance Section of the Performance and Quality Branch in Central Office was to issue the Funding Agreement with the SGPN separate to the NSW OATSIH end of year rollover process.

Sensitivities

not be pleased with the result of the ITA. There is a chance that there may be media coverage and the National Association of Aboriginal Community Controlled Health Organisations (NACCHO) or its NSW affiliate the Aboriginal Health and Medical Research Council (AH&MRC) could become involved. A handling strategy for managing these issues is detailed at Attachment B: Minute to the First Assistant Secretary: Handling Strategy and Time Lines for Release of Decision on South EAST NSW Health for Life Funding.

Timeframe

The project will commence on execution and be completed by 30/06/2011.

Expenditure / Delegate Approval and Funds Availability

The cost to the Department for this project will be \$485,606 (GST inclusive) which is within your delegation limit under the Chief Executive Officer Delegations Schedules H1 and 2, Item 3 (June 2009).

Under OATSIH Operational Rule 1 you can approve new recurrent funds or approve a variation to the purpose of the recurrent funds.

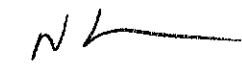
Under OATSIH Operational Rule 2 you can approve new one-off funds or approve a variation to the purpose of the one-off funds.

Funds are available through the 2010/11 OATSIH BRE (324 Healthy for Life). The CO OATSIH Assistant Director Finance has confirmed that funds are available from the nominated BRE (324 Healthy for Life) and has confirmed that the vendor exists on ORAC. Refer Attachment C: ORAC 2009/10 Rollover Report for the SGPN

Regulation 10 Approval

Regulation 10 authorisation is not required given that the funding will be expended in 2010/2011.

FUNDS AVAILABLE/NOT AVAILABLE



Nathan Jones
Assistant Director
OATSIH NSW

2 June 2010

Documentation

All relevant documentation leading up to the funding agreement has been filed in accordance with Corporate Business Rule 2: Information Management and Record Keeping on file number 2010/023033.

External Reporting Requirements

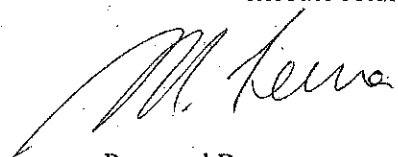
The Funding Agreement will be reported on the Department's website in accordance with the Senate Order requirements of July 2001 (Murray Motion) and as required by the Commonwealth Grant Guidelines.

The Funding Agreement will be entered onto the SAP Contracts Register by the CO OATSIH Finance Section.

Recommendation

That you:

- R1. **APPROVE** the offer of a twelve month Funding Agreement with the Southern General Practice Network Ltd for the period 1 July 2010 to 30 June 2011;
- R2. **APPROVE** recurrent expenditure of \$485,606 (GST Inclusive) which includes 2% indexation, under Regulation 9 of the FMA Act for the provision of the Healthy for Life project; and
- R3. **APPROVE** the OATSIH Director to sign the letter of offer to the organisation & execute returned Funding Agreements.



Prepared By:
Margaret Teuma
Assistant Director
North Coast Region & Program Mgt
NSW OATSIH

2 June 2010



Supported:
Peter Merrett
Director
NSW OATSIH

2. June 2010

Attachments

The following attachments are provided:

- A: Minute to the Minister: Outcome of Invitation To Apply (ITA 071/0910) for Healthy For Life Program Funding; South East NSW Region
- B: Minute to the First Assistant Secretary: Handling Strategy and Time Lines for Release of Decision on South EAST NSW Health for Life Funding.
- C: ORAC 2009/10 Rollover Report for the SGPN



Australian Government
Department of Health and Ageing

N 10000610

cc: MINISTER ROXON
 Dr Angela Pratt
 Ms Kim Isaacs
 Mr David Learmonth

RECEIVED
 03 MAY 2010
 Parliamentary Section

MINUTE TO THE MINISTER

Critical Date: 23 April 2010
Adviser: Kim Isaacs

MINISTER SNOWDON

OUTCOME OF INVITATION TO APPLY (ITA 071/0910) FOR HEALTHY FOR LIFE PROGRAM FUNDING; SOUTH-EAST NSW REGION

PURPOSE: To seek your approval of the outcome from the recently completed invitation to apply for funding to deliver the *Healthy for Life* program the South East New South Wales (SE NSW) region.

ISSUE

2. The *Healthy for Life* program is currently conducted in the SE NSW Region, through the Southern General Practice Network (SGPN). The existing funding agreement with SGPN expires on 30 June 2010. Your approval is sought for the allocation of future recurrent funding for the *Healthy for Life* program in this region.

REASON FOR CRITICAL DATE

3. It would be beneficial to have a decision made prior to the *Healthy for Life and New Directions Mothers and Babies Services Conference*, being held from 28 – 30 April 2010, particularly as representatives from SGPN will be attending the conference and may seek to follow up on the outcome of the ITA.
4. It will also be necessary to advise the successful applicant of their continued financial support under the *Healthy for Life* program to allow for future service planning, including the retention of key personnel who have been critical to the success of the program to date.

BACKGROUND

5. On 25 May 2009 Minister Roxon approved the dissolution of the then *Healthy for Life* consortium of Southern General Practice Network (SGPN) and Katungul Aboriginal Corporation Community and Medical Service (Katungul), (see Attachment A). The Minister also approved the department conducting an open funding round process to reallocate the existing funding, and to provide SGPN with an interim funding agreement, to maintain service delivery until the outcome of the ITA is finalised.
6. This ITA was advertised nationally on 14 October 2009 and closed on 16 November 2009.

RELEVANCE TO ELECTION COMMITMENTS/GOVERNMENT POLICY

7. The continuation of *Healthy for Life* services fits with the Australian Government's commitment to evidence-based, health outcomes-focused health care.
8. The *Healthy for Life* program uses population health approaches and a quality improvement model to enhance the capacity of primary health care services to improve the quality of Aboriginal and Torres Strait Islander child and maternal health services, men's health and chronic disease care. Reporting on the relevant clinical outcomes is done using eleven essential indicators via a web-based reporting system. Results are used at both the service delivery and policy levels to determine trends over time and inform the continuous quality improvement cycle.

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RECOMMENDATION

R1. That you APPROVE the recommended outcome of ITA 071/0910 for *Healthy for Life* program funding in SE NSW, with Southern General Practice Network being the successful applicant.

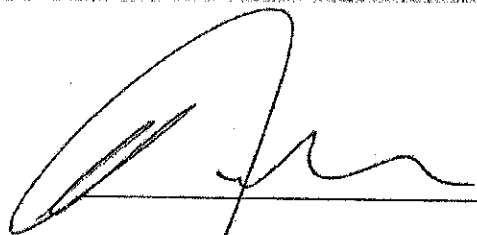


Linda Powell
First Assistant Secretary

OATSIH

April 2010

Outcome: 8: Indigenous Health



WARREN SNOWDON

R1. APPROVED / NOT APPROVED

30 APR 2010

Contact Officer:

Tarja Saastamoinen x 4969

Family Health and Wellbeing

N 10000610

MINISTER'S COMMENTS:

Advice Rating	1	2	3	4	5	Comments
Timeliness						
Presentation						
Quality of Advice						
	Poor		Satisfactory		Excellent	

ATTACHMENTS:

Attachment A M09000555. Ministerial approval to dissolve previous SE NSW *Healthy for Life* consortium.



Tarja approved
~~subject to~~
~~subject to~~

Minute

20/5/10

Ms Linda Powell
First Assistant Secretary,
OATSIH

APPROVED / ~~NOT APPROVED~~ / DISCUSS
20 May 2010.

Through
Tarja Saastamoinen
Assistant Secretary,
OATSIH

SUPPORTED / NOT SUPPORTED / DISCUSS
19 May 2010

HANDLING STRATEGY AND TIME LINES FOR RELEASE OF DECISION ON SOUTH-EAST NSW HEALTHY FOR LIFE FUNDING

Purpose

This Minute is to inform you of the handling strategy and associated time lines for the announcement of the results of ITA 071/0910 for *Healthy for Life* in south-east NSW. An outline of the steps involved in managing this process is provided at (Attachment A).

Background

Minister Snowdon approved the Department's recommendations on the outcome of the funding round for SE NSW on 30 April 2010.

This Minute is provided at (Attachment B), with a copy of the panel's evaluation report (Attachment C).

Issue

At the end of the approved procurement process, Southern General Practice Network (SGPN) was assessed as the preferred applicant. It is highly likely SGPN is unhappy with the decision to grant SGPN sole funding for the *Healthy for Life* program.

Proposed handling strategy

As outlined in the Minute to Minister Snowdon, the Department (OATSIH Central Office) is preparing to provide advice to the preferred applicant and a letter to the National Aboriginal Community Controlled Health Organisation (NACCHO) copied to its NSW affiliate. Question Time Brief 21-35 will be updated and advice will be provided to the Department's media unit.

The Department's Program Funding and Procurement Service (PFPS) advise that once the preferred provider has been formally notified and received their letter of offer to negotiate a funding agreement, then the other applicants may be advised that negotiations have commenced with the preferred provider. The advice should note that 'this process is yet to be finalised and that once finalised, the outcome of the process will be publicly available on the Department's Tenders and Grants web page.'

PFPS recommend that it is best not to advise any applicants that they have been unsuccessful in the process until a funding agreement has been executed with the preferred applicant. The reason for this is to provide the Department with the opportunity to make an offer to other suitable applicants in the unlikely event that agreement cannot be reached with the preferred provider.

The procurement process steps of notifying the successful applicant, followed by negotiating and executing a funding agreement will be managed through the NSW OATSIH office.

Recommendation

That you APPROVE the handling strategy and timing as described in this Minute.



Julia Mansour
Director,
Healthy for Life Section
Family Health and Wellbeing Branch
18 May 2010.

ATTACHMENT A

Suggested Handling Strategy Timeframe

Date	Activity	Responsibility
19 May 10	Notify SGPN of success via letter	CO Staff
19 May 10	Commence discussion with SGPN CEO on: <ul style="list-style-type: none">• Feedback on 2010/11 Draft Action Plan & New 2010/11 Funding Agreement;•	NSW STO Staff
17 - 20 May 10	Update QTB	CO with NSW input
20 May 10 21 May 10	• Advice to NACCHO & AHMRC	CO (simultaneous) CO with NSW OATSIH Rep
30 June 10	Acceptance of 2010/11 Funding Agreement	NSW STO

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OATSIHS - ORAC System
 2010 Fundings that will be Indexed
 (Fundings that will roll-over)



Budget State NSW

Org 260 - Southern General Practice Network Ltd
 Admin State NSW

Funding Number: 5					Funding Status: PAYABLE	
Schedule	Base Status	Program	Outcome	Component	Sub Component	Amount
A	Verified	Healthy for Life	Services	Salaries	Salaries	\$432,804.00
					GST	43,280.40
						\$476,084.40
Organisation Total						\$476,084.40

2009/10 Base \$432,804.00
 2010/11 Indexation 2% 8,656.08
 2010/11 Base \$441,460.08
 2010/11 GST 44,146.01
 2010/11 Total (GST Inclusive) \$485,606.09

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OATSIHS - ORAC System
 Organisation Summary Report
 For Program ALL



For Financial Year 2009/10 To 2009/10
 GST Not Included unless program type is all

State NSW
 Org Name Southern General Practice Network Ltd
 Org ID 260
 Fin Year 2009/10

F No	Var Status	Program	Outcome	Budget	Commitment	Payable	YTD Exp	Balance
5	2	PAYABLE	GST	44,470.50	44,470.50	44,470.50	44,470.50	0.00
5	2	PAYABLE	Healthy for Life	432,804.00	432,804.00	432,804.00	432,804.00	0.00
5	2	PAYABLE	Primary Hlth Care Service	11,901.00	11,901.00	11,901.00	11,901.00	0.00
2009/10 Total				489,175.50	489,175.50	489,175.50	489,175.50	0.00
Organisation Total				489,175.50	489,175.50	489,175.50	489,175.50	0.00
State Total				489,175.50	489,175.50	489,175.50	489,175.50	0.00

One-off

