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## NSW Health NGO Funding Reforms

10 November 2014

The NSW Health Non-Government Organisation (NGO) Program provides funding to eligible organisations for the provision of specified health services and projects in NSW.

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What's new

*Main points from NGOAC Meeting 14 November 2014*

- \*Health is currently investigating the sharing of complex patient information using an integrated web-based/digital process. Health has agreed to NGO involvement in the investigative and development phases. Security, privacy and consent were identified as issues to be addressed.
- \*Contracts are currently being finalised, most have either been negotiated or signed off. Future work is needed to standardise more KPIs.
- \*Contestable purchasing plans are to be based on program streams and sub-streams. Health confirmed there will be timely communication concerning the role of NGOs and funding models to be used. The process underway to develop and progress the plans will not be rushed and any significant changes will be announced well in advance.

*November 2014*

- \*NSW Health has advised 2014/15 NGO funding agreements are close to being finalised. Confirmation of the NGO purchasing plan process for NSW Partnerships for Health is not anticipated until the end of 2014. NSW Health is in discussion with the NGO peaks regarding the provision of 'tender readiness support' to NGOs.
- \*NCOSS is arranging a meeting with the NGO peaks on 10 November to discuss the reforms prior to the next NSW Health NGO Advisory Committee on 14 November.
- \*The October NGO Advisory Committee meeting was deferred to facilitate NGOAC engagement on work relating to NGO grants reform implementation.

*October 2014*

- \*NSW Health has finalised the new NGO funding agreement 2014/15. Contract negotiations are expected to be concluded by September and first quarter payments for 2014/15 will be made in good faith.
- \*NSW Health is progressing a capacity building blueprint for the Health NGO reforms. NCOSS contributed to a working group meeting about the sector's support needs on 31 July. NSW Health issued a survey to NGOs seeking feedback on training and support needs. The results and the draft plan will be discussed at the NGO Advisory Committee meeting on 20 August.

\*NCOSS has proposed that NSW Health include alternative procurement models (in addition to competitive tendering) in their framework, and that they engage the sector in the development of strategic purchasing plans. The Ministry had agreed to progress this work.

\*See NSW Health's [Partnerships for Health October update](#) for more details.

*26 June 2014*

NSW Health has finalised the new standard 2014/15 Health NGO contract agreement. NCOSS and others on the NGO Advisory Committee saw the contract after the NGOAC meeting and are yet to comment.

The documents will shortly be sent to funded organisations and [made available on the NSW Health website.](#)

Payments will proceed in good faith for the first quarter of 2014/15 whilst organisations negotiate and finalise their contracts and KPIs.

The next NGO Advisory Committee meeting is scheduled for 20 August 2014.

*2 May 2014*

NSW Health circulated the draft standard service agreement for 2014-15 to NGO Advisory Committee members in mid-April. NCOSS has provided feedback to the Ministry on the draft, noting its complex language and potential legal inconsistencies. With the new contract to be operational from 1 July, NCOSS recommends funded services contact their Contract Manager to discuss their funding and reporting requirements for 2014-15.

A draft communications strategy on the reforms and sector training were also discussed at the NGOAC meeting on 16 April. The Ministry will hold a joint workshop with the peaks in May to look at capacity building activities currently available for the NGO sector and identify potential gaps in readiness for the NSW Health funding reforms. If your organisation has identified training or support needs in relation to funding reform, please advise your peak or contact:

Amanda Smithers

Senior Policy Officer (Sector Capacity and Development), NCOSS

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**email:** [amanda@ncoss.org.au](mailto:amanda@ncoss.org.au)

The next NGO Advisory Committee meeting is scheduled for June 2014.

*4 April 2014*

**The new 2014-15 health funding contract is close to being finalised.**

In an update on its website, NSW Health said funded NGOs can expect to receive the new contract in April 2014. The contract will include new terms and conditions, including quarterly performance reports. The contract has been developed in consultation with an NGO Advisory Committee Working Group and Local Health District NGO Coordinators.

NCOSS and the health peaks have not been involved in the contract's development or had the opportunity to review the draft.

The Ministry said the final draft contract will be sent to the full NGO Advisory Committee prior to its next meeting on 16 April.

*28 February 2014*

**Funding reform update**

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NSW Health reported on the reform implementation process at the NGO Advisory Committee meeting on 12 February 2014. It was the first Advisory Committee meeting since October 2013. Working Group meetings were held in place of the scheduled December 2013 meeting.

Key developments are:

- \*Funding has been extended for most organisations under the existing Health NGO Grants Program until June 2015.
- \*A new standardised Service Agreement for grant funded services will replace current funding agreements from July 2014.
- \*A contestable funding framework will be phased in during 2015-16. Procurement will be staged and not all services will go out to tender at once.
- \*Program Areas are in the process of developing strategic purchasing plans to identify what services they want to procure from the NGO sector under the new funding framework. This process may be on-going for several months due to the complexity of the task.
- \*NSW Health established three working groups at the end of 2013 to progress reform implementation on Strategic Purchasing; Purchasing Criteria; and Service Agreements. They report to the NGO Advisory Committee.
- \*NSW Health is developing a formal communication strategy around the reform implementation process.
- \*A sector training program to support organisations with the transition to the new funding approach is also under development.

The next NGO Advisory Committee meeting is scheduled for 16 April 2014.

NSW Health updated its website on 26/02/14 with information about reform implementation at <http://www.health.nsw.gov.au/business/partners/Pages/Implementation.aspx>

## NSW Partnerships for Health

*28 February 2014*

### **Overview**

NSW Partnerships for Health is the new funding framework replacing the NSW Ministerial Health NGO Grants Program from 2015. Under the new strategic purchasing framework, NSW Health will shift from providing grants to buying services from NGOs and other third party providers.

The NSW Ministry of Health is undertaking a phased approach to the implementation of the funding reforms. The first phase involves transitioning current NGO grants to new service agreements in 2014/15. The second phase is the introduction of a new strategic purchasing framework from 2015/16.

The new funding approach outlined in NSW Partnerships for Health was developed following a review of NGO grants and administration by the Grants Management Improvement Taskforce (GMIT) in late 2012.

For more information, see the NSW Health website:

<http://www.health.nsw.gov.au/business/partners/Pages/default.aspx>

Note: NSW Partnerships for Health (March 2013) originally proposed the new funding framework would be in place by mid-2014. However in September 2013, NSW Health extended the implementation timeframe to 2015/16. NCOSS supports the revised approach to allow more considered implementation of the reforms.

### **NCOSS Summary of NSW Partnerships for Health**

*2 April 2013*

**Download:** [NCOSS Summary of NSW Health's response to the Grants Management Improvement](#)

## **Partnerships for Health: NSW Health Response to the Grants Management Improvement Program (GMIP) Taskforce Report**

March 2013

NSW Partnerships for Health outlines the new funding framework and transition process for non-government health services.

**Download:** NSW Health's response to the [Grant Management Improvement Program \(GMIP\) Taskforce report](#)

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### [About the NSW Health NGO Grant Program](#)

The NSW Health Non-Government Organisation (NGO) Program provides funding to eligible organisations for the provision of specified health services and projects in NSW.

The Program accounts for over two-thirds (69%) of all NSW Health funding allocated to the NGO sector. In 2012-13, funding through the NGO Grant Program is around \$149 million. A further \$67 million in additional funding is provided to NGOs on an ad-hoc basis. Funding is allocated by the NSW Ministry of Health and by Local Health Districts.

The NGO Grant Program funds a wide range of health and related services that include direct health services, health promotion, community development, social research, and advocacy. It spans a number of program areas, including Aboriginal health, mental health, drug and alcohol, AIDS and infectious diseases, oral health, women's health, youth health, and chronic illness.

The NGO Grant Program is governed by the NSW Health NGO Policy Framework and NSW Health Operational Guidelines Non-Government Organisation Grant Program (under review).

The Ministry of Health commenced a Grant Management Improvement Program (GMIP) in 2012 to improve grants administration and introduce opportunities for new partnerships with non-government organisations (NGOs) and other community providers. The GMIP will introduce a new granting policy in 2013 (see below).

#### Grants Management Improvement Program 2012-13

##### About the GMIP

NSW Health is introducing a new Grant Management Improvement Program (GMIP) to improve grants administration and introduce opportunities for new partnerships with non-government organisations (NGOs) and other community providers. The GMIP will also be used to give effect to the NSW Government's 2012-13 budget efficiency savings.

A taskforce, chaired by Chris Puplick AM, conducted a review of the NGO Grants Program in 2012. The final Taskforce recommendations report on funding and administration of the Health NGO Program is now available on the NSW Health website. See: [Grant Management Improvement Program \(GMIP\) Taskforce report](#)

Past updates

### **NSW Health funding advice to the sector**

*11 March 2013*

NCOSS has today advised the NSW Ministry of Health that we will take public action on behalf of the sector if it does not provide advice to funded organisations by 28 March 2013. In response to our letter on 14 February raising concerns about the funding uncertainty, Dr Hammett, Deputy Director-General stated the March/April timeframe is indicative only. However, he noted the NSW Ministry of Health is working hard to provide advice to NGOs about their future funding as soon as possible.

### **NGO funding advice by 31 March 2013**

*1 March 2013*

Health NGOs will receive funding advice from NSW Health by the end of this month. NCOSS met with the NSW Health Minister's advisors on Thursday 28 February 2013. We raised concerns about the on-going delays with the GMIP review, lack of communication with the sector, and impending expiry of roll-over grants. Andrew Kirk, Chief of Staff committed that funding advice will be sent to organisations by 31 March.

### **Report from February NSW Health NGO Advisory Committee meeting**

*14 February 2013*

Rohan Hammett, Deputy Director-General NSW Health advised the Committee today that a decision about future NGO funding is unlikely to be finalised until March 2013. NGO members reiterated their strong concerns about the need for funding certainty and advice to organisations as soon as possible.

Dr Hammett indicated the Government has yet to formalise its response to the Grants Management Improvement Taskforce report. The Ministry of Health is still determining the implementation considerations. NGO members again requested the public release of the Taskforce Report and the Government's response. Dr Hammett agreed to seek advice from Government in the next week.

It appears likely the GMIP will be implemented through a phased approach, although the exact process and timeframes have not been identified. A high-level GMIP Implementation Group comprised of NSW Health senior executives has been established to oversee the introduction of the new system for funding and procuring NGO services. Dr Hammett committed that the Implementation Group will consult with the NGO Advisory Committee, although the extent and nature of this consultation is unclear.

The NSW Health NGO Advisory Committee will meet again in March.

### **Update from NSW Health NGO Advisory Committee meeting**

*10 January 2013*

The NSW Health NGO Advisory Committee met on 10 January to discuss the Grants Management Improvement Program and funding review. Rohan Hammett, Deputy Director-General advised the Taskforce report is still being reviewed and assessed by the Ministry of Health. The report contains 47 recommendations to improve the NGO Program. If accepted by Government, it will require further work to articulate how the recommendations can be implemented before the transition to a new program and/or funding model. Dr Hammett indicated the Ministry of Health will provide advice to NGO's about the future of their current roll-over funding as soon as possible.

The Government is still considering whether it will publically release the report and its response to the recommendations.

The NSW Health NGO Advisory Committee will meet again in mid-February.

### **Update on NSW Health NGO Program funding review**

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19 December 2012

There is still no indication of when the NSW Government will announce its decision on the future of the Health NGO Program. The Ministry of Health has today advised the Final Report of the Grants Management Improvement Taskforce is under consideration and advice will be provided 'in due course'. The Taskforce provided its recommendations report to the Director-General in mid-November. An update was anticipated at the NSW Health NGO Advisory Committee meeting scheduled for 14 December, however the meeting was cancelled. The Ministry of Health is re-scheduling a meeting for early January 2013.

NCOSS wrote to the Director-General, Dr Mary Foley, on 13 December seeking urgent advice about the likely timeframe for the Government's response to the GMIP Taskforce Report and the proposed next steps, as well as seeking the Report's public release. The Director, Inter Government and Funding Strategies & Integrated Care has indicated to NCOSS that the NGO Advisory Committee will be given advice on timeframes and next steps at the next meeting, where possible.

### **Grants Management Improvement Taskforce draft review directions document**

5 November 2012

NSW Health Grants Management Improvement Taskforce has released a [draft review directions document](#) for further consultation. **Feedback is due by 5pm on Friday 9 November** to [partnerships@doh.health.nsw.gov.au](mailto:partnerships@doh.health.nsw.gov.au)

### **NCOSS Submission to the Health NGO Grants Management Improvement Taskforce**

4 October 2012

The [NCOSS submission](#) focuses on the funding policy framework for the NSW Health NGO Program. The submission argues that NSW Health must take a strategic approach to developing the funding policy, and that it must not undermine the broad community outcomes provided by the community sector.

### **Grants Management Improvement Program Discussion Paper**

19 September 2012

NSW Health has released a [discussion paper](#) on the Grants Management Improvement Program. The closing date for submissions is 26 September 2012. Submissions to the Taskforce can be made via email to: [partnerships@doh.health.nsw.gov.au](mailto:partnerships@doh.health.nsw.gov.au)

### **Consultation on new Grants Management Improvement Program (GMIP)**

3 September 2012

The GMIP Taskforce is undertaking consultation with NSW Health stakeholders about changes to Health NGO program funding and opportunities for new service partnerships. Three forums will be held at:

#### **Dubbo**

**17 September 2012**

11:00am - 2:00pm

Dubbo RSL  
Brisbane St and Wingewarra St  
Dubbo 2830

#### **Coffs Harbour**

**18 September 2012**

11:00am - 2:00pm

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Coffs Harbour  
Ex Services Club Vernon Street  
Coffs Harbour 2450

## **Blacktown**

**20 September 2012**

10:00am - 1:00pm

Blacktown RSL  
Club Second Avenue  
Blacktown 2148

## **Submissions**

Organisations and individuals can also make submissions to the Taskforce about the new Grants Management Improvement Program. The Ministry of Health is currently developing a discussion paper to support the consultations. Submissions to the Taskforce can be made via email: [partnerships@doh.health.nsw.gov.au](mailto:partnerships@doh.health.nsw.gov.au)

**Closing date for submissions:** 26 September 2012

NSW Health website has been updated to include information on the Grants Management Improvement Program and Grants Management Improvement Taskforce, including the Terms of Reference. **See:** [health.nsw.gov.au/aboutus/business](http://health.nsw.gov.au/aboutus/business)

## **New Grants Management Improvement Program (GMIP) for Health NGOs**

*21 August 2012*

NSW Health is introducing a new Grants Management Improvement Program (GMIP) to improve grants administration and introduce opportunities for new partnerships with non-government organisations (NGOs) and other community providers.

The GMIP will introduce a new granting policy. The historically based rolling triennial granting process will be replaced. The new GMIP will introduce contestability and a purchaser-provider funding model where LHD's can purchase services directly from NGOs rather than provide grant funding. The recommendations from the NGO Program Review (2010) will also be incorporated and implemented as part of the GMIP.

The Ministry of Health and Local Health Districts will assess all grants during 2012-13 to consider whether changes are needed to grants to achieve the objectives of the GMIP. A transition and implementation plan will be developed and commence in the first half of 2013.

A Taskforce is being established to consult with the NGO sector on opportunities for new partnerships between NSW Health and NGOs. Mr Chris Puplick AM will chair the Taskforce and undertake consultation with the NGO sector in the North Coast, in Mid Western NSW and Western Sydney. NGOs will be advised of further details when they are available.

Further information about the GMIP is available in the NSW Health Information Paper. If you have any questions about the Grants Management Improvement Program (GMIP), please contact Joanne Young, A/Associate Director NGO Unit on [jyoung@doh.health.nsw.gov.au](mailto:jyoung@doh.health.nsw.gov.au) or (02) 9391 9026.

**Download:** [Grants Management Improvement Program Information Paper](#)

## **Extension of NGO roll-over funding**

*7 August 2012*

The NSW Ministry of Health has agreed to the health NGO peaks' request to extend roll-over funding for

NGOs for 12 months until 30 June 2013. The Ministry had previously only committed to six months funding for NGO's without a current fixed-term contract. The peaks argued that more time was necessary for consultation with the sector and to provide organisations with time to prepare for possible funding and service changes.

Dr Rohan Hammett, Deputy Director-General advised the Health NGO Advisory Committee at the meeting on 27 July 2012 that:

- 1) NGOs whose funding agreements ceased on 30 June 2011 or 30 June 2012 will have their roll-over funding extended until 30 June 2013. The Ministry of Health will send letters of advice to affected NGOs soon.
- 2) The Grant Management Improvement Program will be in place by the end of 2012.
- 3) A taskforce chaired by Chris Publick will be established to pursue a market sounding exercise to assess areas where NGOs may have opportunities to provide services. The taskforce will hold a series of consultations with NGOs in coming months.

The next meeting of the Health NGO Advisory Committee will be in early October.

### **Update on Health NGO Grants funding**

*12 July 2012*

The Health NGO Advisory Committee met on 11 July 2012. The Committee discussed the Grant Management Improvement Program and the future of the NGO program. It is clear from the meeting that the Ministry of Health is looking to make financial savings from the NGO program. The Ministry has not stated a savings target for the program but will be considering the options. The meeting agreed that there should not be a blanket percentage cut for all NGOs from the program. While NCOSS will continue to argue that the NGO program should be enhanced because such investment will lead to longer term savings (see [NCOSS PBS 2012-13](#)), in light of the Ministry's position we believe that any changes, including any reduction in funding, should be based on sound principles and in accordance with the recommendations of the NGO review. The NGO Advisory Committee will meet again on 25 July 2012.

### **Meeting re future of the Health NGO Grants funding**

*26 June 2012*

On 26 June 2012, NCOSS and some NSW NGO health peak bodies met with Dr Rohan Hammett (Deputy Director General) and staff regarding the future of the NGO Health Program.

NCOSS was informed that a process will commence to implement a Grants Management Improvement Program. This will be completed by 30 September 2012. The purpose is to contribute to the savings required by the Ministry of Health as announced in the 2012-13 Budget.

Non-government organisations whose funding agreements with the Ministry of Health or their Local Health District ceased on 30 June 2011 or will cease on 30 June 2012 will have their funding rolled-over for six months. Those organisations whose funding agreements cease on 30 June 2013 will have their funding continued until 30 June 2013. Decisions regarding future funding will be made as part of the Grants Management Improvement Program.

The NSW Ministry of Health has convened a meeting of the NGO Advisory Committee to further discuss how these changes can be made, including savings within the department by reducing 'red-tape'. NCOSS and the other peaks have indicated our disappointment with both the decision and process to date given our longstanding commitment to work with the Ministry to improve the administration and effectiveness of the Health grants program. We will continue discussions through the NGO Advisory Committee process to ensure the best possible outcome for the sector's clients and NGOs affected by the Government's decision.

### **Ministerial Health NGO Grants Program 2012-13 tri-annual funding cycle**

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21 June 2012

NCOSS and the peak health NGOs wrote to the Health Minister on 21 June regarding funding for organisations whose tri-annual funding agreement expires on 30 June this year.

The Ministry of Health has yet to advise organisations about the next funding cycle or whether funding will be available beyond 30 June. The Ministry of Health has advised NCOSS that funding information will be sent to NGOs shortly. However, there has been no confirmation about the renewal of fixed term contracts.

NCOSS understands that there will be funding changes as part of 2012-13 program expense savings across the health portfolio. The health NGO peaks believe that a minimum of 12 month roll-over funding is required to provide time for appropriate consultation with the sector, and provide organisations with time to prepare for possible funding and service changes.

The health NGO peaks welcome the opportunity to improve grants administration and previous commitments from the Ministry of Health to work in partnership with the sector. However, we are very disappointed that there has not been any communication with the sector about the funding delay.

## NSW Health NGO Program Review 2009-10

In 2009-10, NSW Health undertook a review to improve the efficiency, effectiveness and responsiveness of the Health NGO Program. The final review made recommendations to:

- 1) Reduce red tape and improve NSW Health NGO Program administration
- 2) Strengthen accountabilities and improve the performance monitoring and service evaluation of the NSW Health NGO Program
- 3) Strengthen partnerships and revise governance arrangements of the NSW Health NGO Program

The final [NGO Review Recommendations Report](#) is available on the NSW Health website. NCOSS submissions to review process can be downloaded from the [Resources section](#) of the NCOSS website. The NSW Health has developed an implementation plan led by the Health NGO Unit.

## NSW Health NGO Unit

A new central Health NGO Unit has been established to undertake program governance and administration and to implement the Review recommendations.

Following the restructure of the former Area Health Service (AHS) in January 2011, NSW Health is undertaking internal consultation on the on-going role of the NGO Coordinators and new Local Health Districts in relation to grant management and administration.

Current priorities for the Health NGO Unit are:

- 1) Review NGO Program policies and procedures
- 2) Review NGO funding cycle
- 3) NGO ICT Grants Management Program

The NGO Unit is lead by A/Associate Director Joanne Young.

## Health NGO Advisory Committee

The NGO Advisory Committee (NGOAC) is the senior forum to facilitate collaboration between NSW Health and the NGO sector. It provides advice on the development and implementation of NSW Health policy, the NGO Program and the relationship with the NGO Sector. Download the [Terms of Reference](#).

The NGOAC is chaired by the Deputy Director-General, Strategic Development, NSW Health.

Membership of the Committee includes NGOs, NSW Health, academics and consumers. NGO members include the 7 health peak bodies and 4 additional organisations selected for a three year tenure following an EOI process.

Meetings are held three times a year. Download the [membership](#) as at August 2011.

The NGOAC was re-formed in June 2011 following a period of suspension during the NGO Program Review.

## NGO Quality Working Group

A time-limited NGO Quality Working Group has been established to advise the development of a new Quality Framework for the NGO Program.

Membership of the Working Group includes:

- \*Council of Social Service of New South Wales (NCOSS)
- \*Mental Health Coordinating Council (MHCC)
- \*Network of Alcohol and Drug Agencies (NADA) and
- \*Women's Health NSW

## Links

- \*NSW Health NGO Program: [http://www.health.nsw.gov.au/aboutus/business/ngo\\_program.asp](http://www.health.nsw.gov.au/aboutus/business/ngo_program.asp)

## Information

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