



Council of Social Service of New South Wales

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Update on NSW Health NGO Grants Program 4 December 2008

Background

NCOSS and a number of other Health NGO Peaks and State-wide services¹ were invited by the NSW Minister for Health, John Della Bosca, to a meeting with NSW Health held on 3rd December to discuss the announcement made in the 11th November mini-budget that \$11m over three years (or \$5m recurrent from 2011-12) would be cut from funding to non-government organisations funded by NSW Health. This meeting was chaired by the Deputy Director-General Strategic Development, Richard Matthews, and representatives from the Minister's office and many of the branches of NSW Health including the Director-General's office were also in attendance.

Please note that whilst the information contained below is intended as a fair and accurate account of discussion, it is based on the recollections and notes of NCOSS staff in attendance (Alison Peters and Kristie Brown) and does not represent an agreed summary of the meeting. If the accuracy of this information is disputed, NCOSS will undertake to provide clarification. Further updates will continue to be available through the NCOSS website: www.ncoss.org.au

Meeting Summary

At the outset of the meeting Alison Peters, NCOSS Director, made the point that the NGO sector does not accept a funding cut to NGOs, but that the NGO representatives were nonetheless willing to communicate with NSW Health in good faith.

It should be noted that NSW Health representatives made the point that there was some uncertainty as to whether the measures announced in the minibudget would result in an overall cut to the NGO Grants Program, as there are outstanding funding commitments to NGOs through the Housing and Accommodation Support Initiative (HASI) that are greater than the cuts presented through the mini-budget. NSW Health indicated that they needed to obtain a better understanding of the extent and nature of NGO funding from NSW Health, as there was a sense that a true picture did not currently exist. Nonetheless, NSW Health had been asked to identify efficiencies that could be made across the spectrum of the Department's activities, and that included NGOs.

Some discussion also occurred of whether 'shared services' (including things like co-location, shared back-office or administrative arrangements) could produce 'savings'. A number of comments were made by the NGO representatives in response to this issue, including: that these sorts of changes often require an up front investment in order to allow longer term benefits to flow; that many parts of the sector had already adopted and implemented shared services approaches, and that these experiences demonstrate that shared services work well where NGOs feel it is in their best interest rather than something imposed by Government or funding-bodies.

The advice of the NGO representatives was then sought on how efficiencies could be identified. The point was made that the NGO representatives did not believe that the issue was one of

¹ NGO representatives were present from: NCOSS, Women's Health NSW, the Rape Crisis Centre, Mental Health Coordinating Council (MHCC), Family Planning NSW, Network of Alcohol and other Drug Agencies (NADA), AIDS Council of NSW (ACON), Physical Disability Council of NSW and the Aboriginal Health and Medical Research Council (AH&MRC).

'efficiencies' and in the case of many NGOs (women's health centres were cited as an example) there were no 'efficiencies' that could be made.

Rather, the key issue was how to create an effective NGO Grants Program that enabled the non-government sector to deliver the high-quality and effective services that NSW Health is funding them to provide.

Within a framework of building an effective Health NGO sector the following recommendations were put forward by the NGO representatives:

1. Review of the administration of the NGO Grants Program

Amongst the NGO representatives there was a shared position that the current frameworks within NSW Health for administering NGO grants were not functioning in a fashion that engaged NGOs as integral partners in the planning and development of health service delivery. There was some discussion about the potential strengths of more closely aligning the administration of NGOs with relevant policy branches within NSW Health, where these branches existed, as is currently the case for Mental Health, Drug and Alcohol and HIV/AIDS and infectious diseases. There was also some discussion about the difficulties that may exist under this approach where no branch currently existed within NSW Health (for instance women's health policy is undertaken as part of the Primary Health and Community Partnerships Branch, but this is not its dedicated function).

2. Contract (compliance and reporting) reform

There are currently many NGOs that are party to several funding agreements with NSW Health. This can result in unnecessary and burdensome duplication of reporting. NSW Health representatives recognised this as an issue and proposed that a more sensible approach would be to have one funding agreement with a number of schedules attached. In principle this was supported as a better approach by NGO representatives.

Discussion of the current functions of the NGO Advisory Committee, and some of the frustrations that NGOs on the committee had recently articulated about this committee, particularly in relation to resolving and responding to issues relating to the administration of NGO grants, was also highlighted. Reform of this committee, particularly as to how it may relate to the activities and issues currently being discussed, was discussed and will be further considered.

3. Commitment to an Industry Development Plan

The need for a whole of Government Industry Development Plan was cited as one way to build the capacity of NGOs to provide effective services. A number of components to this were recognised, including IT and insurance. The point was made by NSW Health that they had already undertaken some initiatives in this area with mental health and drug and alcohol services, and in the past had made available infrastructure grants to NGOs, and as such further consideration would be given to this recommendation.

4. A consistent and planned approach to Indexation for NGOs.

The point was made that a consistent and agreed indexation rate for NGOs was necessary in order to allow for planning and the maintenance of service delivery levels.

There was also a brief discussion relating to the 'historical' nature of the grants program, and whether a 'purchasing model' would provide greater clarity to the program. NGO representatives noted that at a minimum a mixed-model approach to funding was required, as this provided the recurrent base from which a purchasing model may operate, and therefore provided. However, it should also be noted that there remains a diversity of opinion across the Health NGO sector in

relation to the acceptability, impact and appropriateness of a purchasing model within different health areas.

Next Steps

It was agreed that:

1. The group would convene for further discussions in February
2. That NSW Health would develop draft minutes from the discussion and circulate these to those in attendance.
3. That NSW Health would develop draft terms of reference for a review of NGO grants, encompassing the elements outlined above, and circulate this to participants for comment.
4. That the NGO representatives could communicate to the sector that NSW Health was committed to reform of grants where an NGO may have several separate funding agreements with the Department. General support was expressed for one contract with schedules added for contract requirements associated for particular types of funding.

Conclusion

The discussion at this meeting was broadly based, and a number of different issues were canvassed. NSW Health have undertaken to further consider and investigate a number of the issues outlined above, but other than what is described under 'next steps' no firm commitments or agreement has been made at this stage.

NCOSS and the other NSW Health Peaks encourage you to share your views on this process with us, and we will continue to make information available on the NCOSS website and through email.

For more information

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