



Australian Government

Department of Health and Ageing

Flexible Fund Guidelines

HEALTH SYSTEM CAPACITY DEVELOPMENT FLEXIBLE FUND

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1. Introduction

The Health System Capacity Development Fund (the Fund) is an Australian Government initiative administered by the Department of Health and Ageing designed to support activities that strengthen the capacity and understanding of the Australian health care system.

The Government committed to establish 18 flexible funds as part of the 2011-12 Federal Budget. The Health System Capacity Development Fund is one of the 18 Funds that came into operation from 1 July 2011. It is expected that the first grant funding round under the new arrangements will be conducted later this year.

Indicative timeframes for the 2011-12 funding round is outlined in the table below:

Milestone	Anticipated Dates
Flexible Funds announced in 2011-12 Budget	10 May 2011
Fund Guidelines published	14 November 2011
Applications open	14 November 2011
Applications close	23 December 2011
Assessment and decision	6 March 2012
Transition arrangements and negotiations	30 March 2012
Funding commences	From 1 July 2012

Future grant funding round timeframes will be advertised annually on the Department's website at: www.health.gov.au. The Department's preferred contact point for this Fund is via email at: hscdfund@health.gov.au.

1.1 Fund objectives and priorities

The Fund's primary objective is to build an understanding of the health needs of population groups and approaches to addressing those needs that strengthen primary prevention in Australia.

The Fund's priorities are:

- supporting health, consumer, student and community organisations, including rural and remote organisations, to support policy development and safe, high quality health care systems and services;
- supporting targeted research in the field of primary health care, promulgating targeted research and conducting research translation activities to develop a robust evidence base; and
- supporting population health improvements through a focus on the social determinants of health, including through national activities in relation to key population groups such as men, women and children.

These Fund priorities, and the types of activities envisaged to be supported under them, are further described at Attachment A. Fund priorities may be adjusted from time to time to take into account evidence about the effectiveness, efficiency and appropriateness of Fund activities, as well as emerging population health challenges.

In funding activities that meet these priorities, the Fund will take account of activities targeting populations experiencing health inequalities and/or social disadvantage.

1.2 Background

The Fund was established on 1 July 2011 through the consolidation of a range of existing Departmental programs.

The establishment of the Fund followed a strategic review of the administrative arrangements in the Health and Ageing portfolio commissioned by the Government in 2010. The review identified an opportunity to improve the management of existing programs through consolidating them into larger, flexible Funds, in order to cut red tape for grant holders, increase flexibility, and more efficiently provide funding for the community.

Further information about the strategic review and the establishment of the Flexible Funds is available on the Department's website at: www.health.gov.au

There are ten full or part programs that have been consolidated within the Fund. These activities, along with additional activities that are consistent with the objectives and priorities of the Fund, will be considered for future funding under the Fund arrangements. The Fund will provide a larger, flexible funding pool for through a variety of means that may include, annual grant funding rounds, unsolicited or one-off activity funding and procurement.

The Fund is intended to be flexible enough to continue to support the types of activities that have previously been supported under the various consolidated programs (subject to demonstrated evidence of their effectiveness and available funding), but in a more streamlined manner, as well as new population health priorities that may arise over time.

1.3 Fund scope and operating parameters

The Fund is intended to be broad in scope, and flexible enough to support a wide range of activities for the purposes of strengthening the capacity and understanding of the Australian health care system.

As funding becomes available, it will be allocated by the Minister for Health and Ageing for Fund priorities and activities, which may include, but are not limited to those listed at Attachment A, and then deployed as set out in these guidelines at Section 4.

The funding committed to particular Fund priorities and supported activities may be varied over time to take into account:

- Availability of funding;
- Evidence, including from evaluation activities, of the effectiveness, efficiency and appropriates of Fund activities; and
- Emerging population health challenges.

1.4 Roles and responsibilities

Minister

The Minister for Health and Ageing will be responsible for reviewing/setting priorities for the Fund and the allocation of funding against these priorities. These priorities will at all times reflect the aims and objectives of the Fund but may change over time to address emerging issues that will support health system capacity building and other related population health activities.

Department of Health and Ageing

The Department will be responsible for the development and dissemination of all application documentation under the Fund and for ensuring that documentation is in accordance with Fund

objectives and priorities. The Department will be responsible for notifying applicants of the outcomes of any funding process, responding to queries in relation to the process, and for resolving any uncertainties that may arise in relation to application requirements.

The Department will also manage the funding arrangements under the Fund and undertake all assessment processes.

The Department will be responsible for all management and monitoring requirements of successful applicants in any process under the Fund such as:

- developing funding agreements or any alternative contractual arrangement;
- monitoring the performance of projects to ensure the conditions of the contractual arrangement are met;
- assessing performance and financial reports and undertaking follow up activity as necessary;
- making payments on acceptance of milestone reports as specified in the contractual arrangement; and
- providing feedback to funded organisations on the overall project following the conclusion of activities.

Applicants

Entities applying for funding under the Fund are responsible for the development of their application. As part of any application process, entities submitting applications must ensure all information they provide is accurate.

The Department encourages organisations to form consortia or partnerships to deliver activities under the Fund.

The Department will enter into contractual arrangements for funding under the Fund with a single entity only. Where two or more entities seek funding as a consortium, a member entity, or a newly created entity must be appointed as the lead member and only that organisation will enter into any subsequent contractual relationship with the Department. The lead entity must be identified in any application for funding and that application should identify all members of the proposed consortium.

Entities applying under the Fund must be prepared to meet the costs associated with the development and lodgement of their application.

Funded Applicant

The successful applicant is responsible for the efficient and effective delivery of the service in accord with the obligations contained in any funding agreement or contractual arrangement entered into under the Fund. Successful applicants supported under the Fund are also responsible for:

- ensuring they meet the specifications of the funding agreement or other contractual arrangement;
- ensuring the project is managed in a cost effective and efficient manner;
- maintaining contact with the Department and advising of any emerging issues that may impact on the success of the project;
- identifying and documenting risks and the appropriate control strategies;
- reporting on project performance and expenditure in accord with the contractual obligations; and
- assisting with evaluation activities as necessary.

1.5 Fund Timeframe

The Fund is an ongoing initiative available from 1 July 2011. Timeframes for specific activities under the priorities may vary depending upon the grant process and the expected outcomes of the individual activities. Timeframes for activities associated with the grant processes will be clearly specified in the application package for that process.

1.6 Fund value

The total value of funds available under the Fund, as announced in the 2011 Federal Budget, is \$117 million over the four years ending 30 June 2015. This amount includes funding that has been committed to the existing activities that were consolidated into the Fund.

On an annual basis, the Department will provide the Minister with an opportunity to set the priority areas for funding through the Fund. These priorities will be used as the basis for allocating uncommitted money each year, and will allow for the adjustment of the funding allocation against priorities and to ensure that emerging population health challenges are being addressed.

2. Eligibility

2.1 Who can access the Fund?

Applicants from a wide range of non-government and government organisations are encouraged to apply. Applicants may be able to apply for funding from more than Flexible Fund, and are also encouraged to apply to the Department for other, non-Fund activities. Applicants are not required to have had a prior funding relationship established with the Department, but must be a legal entity to be eligible for funding, for example:

- Incorporated Associations (incorporated under State/ Territory legislation, commonly have 'Association' or 'Incorporated' or 'Inc' in their legal name);
- Incorporated Cooperatives (also incorporated under State/ Territory legislation, commonly have 'Cooperative' in their legal name);
- Companies (incorporated under the Corporations Act 2001 – may be not-for-profit or for-profit proprietary company [limited by shares or by guarantee] or public companies);
- Aboriginal Corporations (incorporated under the Aboriginal and Torres Strait Islander Act 2006 and administered by the office of the Registrar of Aboriginal and Torres Strait Islander Corporations);
- Organisations established through a specified piece of Commonwealth or State/ Territory legislation (many public benevolent institutions, churches, universities, unions, etc.);
- Partnerships;
- Trustees on behalf of a Trust;
- State/ Territory or Local Governments; and
- Where there is no suitable alternative, an individual or – jointly and separately – individuals.

Should a funding and/or procurement process have restricted eligibility requirements, this will be clearly specified in the application documentation for that process.

2.2 What is eligible for funding?

To be considered for funding, applications must propose to undertake activities that meet the objectives and priorities of the Fund, and where applicable comply with the terms of the application documentation.

Matters such as:

- project activities/items that will be considered eligible;
- any funding caps (minimum and/or maximum limits);
- any restrictions on start/end dates for activity, for example all projects must be completed within the stated Financial Year/s;
- any restrictions around whether funding will be provided only for new or additional work; and
- any restrictions on when funding must be expended by, for example, all funding will be available from [insert date] and must be expended by [insert date],

will be included in any application documentation, as required.

3. Probity

The Australian Government is committed to ensuring that the process for providing funding under the Health System Capacity Development Fund is transparent and in accordance with published Fund Guidelines. Individual grant processes will contain detailed guidance on the specific requirements for that process and these will not be inconsistent with the Fund Guidelines.

Note: Fund Guidelines may be varied from time-to-time by the Australian Government as the needs of the Fund dictate. Amended Fund Guidelines will be published on the Department's website in advance of any grants process.

3.1 Conflict of interest

A conflict of interest may exist, for example, if the applicant or any of its personnel:

- Has a relationship (whether professional, commercial or personal) with a party who is able to influence the application assessment process, such as a Department staff member;
- Has a relationship with, or interest in, an organisation, which is likely to interfere with or restrict the applicant in carrying out the proposed activities fairly and independently; or
- Has a relationship with, or interest in, an organisation from which they will receive personal gain as a result of the granting of funding under the Health System Capacity Development Fund.

Each applicant will be required to declare as part of any application process, existing conflicts of interest or that to the best of their knowledge there is no conflict of interest, including in relation to the examples above, that would impact on or prevent the applicant from proceeding with the project or any contractual arrangement it may enter into with the Australian Government.

Where an applicant subsequently identifies that an actual, apparent, or potential conflict of interest exists or might arise in relation to an application for funding, the applicant must inform the Department in writing immediately.

The Department will ensure that all members of Assessment Panels under the Fund will be required to provide a statement detailing any relationship they may have with applicants/tenderer(s). All panel members will be required to sign a Deed of Confidentiality-Conflict of Interest form.

3.2 Confidentiality and Protection of Personal Information

Each applicant will be required to declare as part of their application, their ability to comply with the proposed contractual arrangement to be entered into with the Australian Government.

The Protection of Personal Information Clause requires the Funded entity to:

- comply with the Privacy Act (1988) ('the Privacy Act'), including the 11 Information Privacy Principles (IPPs), as if it were an agency under the Privacy Act, and the National Privacy Principles (NPPs);
- refrain from engaging in direct marketing (s 16F of the Privacy Act), to the extent that the NPP and/or s 16F apply to the Funded organisation; and
- impose the same privacy obligations on any subcontractors it engages to assist with the Project.

The Confidentiality Clause in any subsequent contractual arrangement imposes obligations on the funded entity with respect to special categories of information collected, created or held under the Agreement. The funded entity is required to seek the Commonwealth's consent in writing before disclosing Confidential Information.

The specific clauses governing the confidentiality provisions of any grant process under this Fund will be contained in the contract that will form part of any grant application documentation available to potential applicants.

4. Fund Application Processes

4.1 Access to Funding

Access to funding from the Health System Capacity Development Fund will be available via a variety of means. It is envisaged that the Department will conduct at least one funding process per calendar year for the Fund. Potential applicants can contact the Fund through hscdfund@health.gov.au

Entities wishing to apply for funding will need to demonstrate (but not limited to) the following:

- Identified need;
- Relevance to current government policies and priorities;
- Value for money; and
- Capacity to deliver quality outcomes.

The Department may undertake any of the following funding processes to achieve the aims, objectives and priorities for the Fund:

4.1.1 Open Competitive Grant rounds

Regular open competitive funding rounds are expected to be the main funding avenue for new activities, which will open and close to applications on nominated dates, with eligible applications being assessed against the selection criteria set down for the initiative and then prioritised against competing, eligible applications for the available funding.

4.1.2 Targeted Grant rounds

Funding will also be made available through targeted or restricted competitive funding rounds. These grant rounds will be open to a small number of potential funding recipients based on the specialised requirements of the initiative or project under consideration.

4.1.3 *Support for collaboration with states and territories*

Funding may be used for the provision of support for arrangements in collaboration with states and territories (for example AHMAC or sub-committee activities).

4.1.4 *Procurement*

Funds appropriated for the purpose of the Health System Capacity Development Fund may also be used for the procurement of work directly related to the purpose of the Fund e.g. Program Evaluation. Such procurements will be undertaken in accordance with the requirements of the Commonwealth Procurement Guidelines and will be for purposes that are consistent with the objectives and priorities of the Fund.

Procurement processes will be conducted independently of any grant process.

4.2 Fund Underexpenditure

Funding allocations will be monitored throughout the year with potential underspends identified and allocated to activities identified as being the most appropriate method of meeting the aims and objectives of the Fund. Applications identified as being able to meet the Fund aims and objectives, and not receiving funding through an open or targeted grants round may also be prioritised and short-listed for consideration should such underspends be identified.

Under expenditure may also be used to fund unsolicited proposals or one-off grants where such proposals will meet the objectives and priorities of the Fund.

From time to time, the Australian Government may direct additional or supplementary funding to services under the Fund. For example providing targeted services to areas where evidence shows that there is a need.

These Fund Guidelines will form part of the Approach to Market documentation and must be met in all circumstances where grant or procurement arrangements are entered into under the Fund.

In urgent or unforeseen circumstances the Minister or Departmental Delegate has the right to waive eligibility criteria.

4.3 Application Processes

A range of activities will be funded under the Fund. Each funding process will have comprehensive application documentation developed that will detail, at a minimum, the following:

- General information for applicants
- Eligibility criteria;
- Assessment criteria – specifically relating to the activities being funded;
- Assessment process;
- Funding available;
- Timeline for funding;
- Proposed contractual arrangements;
- Procedures for submitting an application;
- Contact officer for applicants; and
- Fund Guidelines.

A full suite of documentation will be provided with each funding process (excluding one-off or unsolicited proposals). Where possible a minimum of one months notice will be given to potential applicants of any proposed funding process. Such notice including the broad objectives of the

funding round, the level of funding available and the timeframe for funding will be published on the Department's internet site at www.health.gov.au and on GRANTSlink at grantslink.gov.au

4.4 Decisions

Approval of funding

An Assessment Panel will be established by the Department to assess applications against the assessment criteria and select the successful applicants. The Assessment Panel will consist of officers from the Department.

Following an assessment of the applications by the Fund Assessment Panel for that process, advice will be provided to the Funding Approver (the Approver) on the merits of the applications, including value for money. The final decision about the approval of a grant will be made by the relevant Minister or agency Chief Executive (including a Chief Executive's delegate).

The Approver will consider whether the proposal will make an efficient, effective, ethical and economical use of Commonwealth resources, as required by Commonwealth legislation, and whether any specific requirements will need to be imposed as a condition of funding. Funding approval is at the discretion of the Approver.

Advice to applicants

Applicants will be advised of the outcome of their application. Letters to successful applicants will contain details of any specific conditions attached to the funding. In accordance with the Commonwealth Grants Guidelines, grant approvals will also be listed on the Department's website. The Department will notify all unsuccessful applicants.

Complaint handling

The Department's Procurement and Funding Complaints Handling Policy applies to complaints that arise in relation to a procurement or funding process. It covers events that occur between the time the request documentation is released publicly and the date of contract execution, regardless of when the actual complaint is made. The Department requires that all complaints relating to a grant or procurement process must be lodged in writing. Further details of the policy are available 'About Us' page on the Department's internet site (www.health.gov.au).

Any enquiries relating to decisions on funding under this Fund, should be directed to the Fund mailbox hscdfund@health.gov.au.

5. Conditions of Funding

5.1 Contracting arrangements

Successful applicants funded under the Fund will be required to enter into a funding agreement or alternative contractual arrangement with the Commonwealth (represented by the Department). A copy of the proposed contractual arrangement will form part of any material that forms the basis of a grant process under this Fund.

5.2 Specific conditions

There may be specific conditions attached to the funding approval required as a result of the appraisal process or imposed by the Approver. These will be identified in the offer of funding or during contract negotiations.

5.3 Payment Arrangements

Payments will usually be made on achievement of agreed milestones. Before any payment can be made, funding recipients will be required to provide:

- a tax invoice for the amount of the payment; and
- evidence of meeting the obligations of the funding agreement.

Where payments are linked to the achievement of specific milestones, payments will only be made after the Department is satisfied that those milestones and associated obligations of the contractual arrangement have been met.

5.4 Reporting requirements

Funding recipients will be required to provide progress reports on the agreed milestones. These progress reports may include funding acquittal requirements. The timing of progress reports will be negotiated and form part of the final contractual arrangement. The format and framework for providing progress reports will take into account the size, cost and relative risks of the initiative/project being undertaken by the funding recipient.

5.5 Monitoring

The funded entity will be required to actively manage the delivery of the project. The Department will monitor progress against the funding agreement or contract through assessment of progress reports and by conducting site visits as necessary.

5.6 Evaluation

An evaluation by the Department will determine how the funding contributed to the objectives of the Fund. Funding recipients may be required to provide information to assist in this evaluation for a period of time, as stipulated in the funding agreement or contract, after funding has been provided.

6. Glossary of Terms

For the purposes of the Fund:

ASSESSMENT CRITERIA - tests applied to a grant application to ensure that it meets the Fund's aims and objectives.

APPLICANTS – means any entity that applies for funding under the Flexible Fund

CONFLICT OF INTEREST - arises where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interests (financial or non-financial) or material personal associations.

EVALUATION - process of reviewing the overall efficiency, effectiveness and economy, as well as the appropriateness, of a grant program. This can take place either during routine management review or as the subject of a specific program evaluation.

FLEXIBLE FUND – means the Health System Capacity Development Fund as described in Section 1 of these Guidelines

FUNDED ENTITY - means any entity that has been successful in receiving funding under the Flexible Fund.

FUNDING APPROVER (APPROVER) - means the office or individual identified in any grant documentation as the decision maker in any process under the Fund.

PROGRAM - means a pre existing grants program that has been subject to consolidation into the Fund.

Attachment A – Fund priorities activities and assessment requirements

FUND PRIORITIES (and potential activities):

a) Supporting health, consumer, student and community organisations

This includes rural and remote organisations, to support policy development and safe, high quality health care systems and services

Potential Activities:

To provide support for health, consumer and community organisations to support policy development and safe, high quality health care systems and services, the Department may fund a range of activities which may include, but are not limited to:

- Providing an interface between the Government, health professionals and consumers;
- strategic, priority driven evidence-based research;
- knowledge exchange, research translation, information sharing and dissemination of evidence-based research and data;
- health professional and community education and training and support;
- telephone and other support services;
- advocacy, including direct advice on policy and future ideas on the health of Australians and the health workforce; and
- supporting workforce development including through fellowships and scholarships, information education and training and the provision of networking opportunities.

b) Supporting primary health care research

Supporting targeted research in the field of primary health care to develop and promulgate a robust evidence base.

Potential Activities:

In order to support research activities in the field of primary health care, the Department may fund a range of activities which may include, but are not limited to:

- development of strategic, priority driven evidence-based research;
- dissemination of evidence-based research, through presentations and other mechanisms;
- translation of research for community, consumer, and policy audiences;
- development of evidence-based guidelines;
- knowledge exchange, research translation, information sharing of research; and
- publication of research.

c) Supporting population health improvements

Through a focus on the social determinants of health, including through national activities in relation to key population groups such as men, women and children.

Potential Activities:

In funding activities that meet these priorities, the Fund will take account of activities targeting populations experiencing health inequalities or social disadvantage including that based on gender, culture, age and disability. In order to support activities that promote population health improvements, the Department may fund a range of activities which may include, but are not limited to:

- Support activities to promote women's health;
- Support activities to promote men's health;
- Support activities to improve the evidence base for women's and men's health, including sexual and reproductive health, and/or provide policy/program evaluation support for gender specific health activities;
- Activities to support breastfeeding including research, evaluation, training and telephone support services; and
- Support activities to improve the evidence base on maternity services and/or provide policy/program evaluation support for maternity services activities.

Broad assessment requirements (For all Fund priorities)

The first level of assessment for any funding arrangement will be a preliminary compliance check, to identify applications that meet any mandatory eligibility requirements, and to reject applications that are ineligible.

Applications that are chosen for further consideration will then be subjected to a more detailed evaluation, to determine the capacity of the applicant and the proposed project to meet the purpose, scope, objectives and outcomes of the Fund and the priority to support activities to build organisational capacity in population health policy development.

A comprehensive set of documentation detailing the specific criteria of this process will form part of the Approach to Market.

The second level of assessment will be against a range of more specific assessment criteria that directly relate to the project/s being funded under this priority, which may include, but is not limited to:

- Details of the legitimate need for the project/ service;
- Completed Project Plan and Budget Projections;
- Outcomes that are measurable;
- Details of the applicant organisation's experience or expertise in undertaking the project/s;
- Organisation's financial viability;
- Consideration of referees' comments.