



Australian Government

Department of Health and Ageing

Mr Brett McPherson
Practice Incentives Program Advisory Group,
Member representing the Australian Medical Association
National President,
Australian Association of Practice Managers,
Level 1, 60 Lothian Street
NORTH MELBOURNE VIC 3051

Dear Mr McPherson

Notice of New Funding Arrangements to Support Activities Under the Practice Incentives for General Practices Fund¹

The Australian Government is introducing a new, flexible way to fund many of the nation's health priorities, better reflecting the more responsive, connected health system it is creating as part of its reform agenda, and its commitment to cutting red tape.

These new funding arrangements will affect the Practice Incentives Program, which from 1 July 2011 will be consolidated within the Practice Incentives for General Practices Fund.

No program funding is being reduced through the consolidation process, with all existing program funding to be included within the new Funds. The Government is committed to its health reform targets, which will not be affected by the changed program arrangements.

New Flexible Funds

In 2010, the Australian Government commissioned a strategic review of the administrative arrangements in the Health and Ageing portfolio. The purpose of this review was to examine the alignment of resources within the portfolio to ensure it is best placed to implement and manage the Government's key health and ageing priorities and programs, including the National Health Reform agenda, as well as position the portfolio to respond to emerging health and ageing challenges over the medium and longer term.

The strategic review identified an opportunity to improve the way the Department manages its programs, through consolidating a range of smaller programs into larger, flexible Funds, in order to reduce red tape, increase flexibility and more efficiently provide evidence based funding for the delivery of better health outcomes in the community.

¹ The merger of the Practice Incentives Program will consist of: After Hours, Asthma, Aged Care Access, Cervical Screening, Diabetes, eHealth, Immunisation, Indigenous and teaching incentives and rural and procedural general practice payments.

From 1 July 2011, a total of 159 programs will be consolidated into 18 new or expanded flexible Funds, with a further six programs transferred from the Department to the portfolio agencies of Cancer Australia and the National Health and Medical Research Council.

The establishment of larger, flexible Funds will simplify and streamline grant funding processes for stakeholders, particularly funding recipients who currently hold grants under a number of programs. These recipients often operate against separate program guidelines and reporting requirements and are required to liaise with multiple contact points within the Department. Over time, many of these grant holders will move to an arrangement where they operate under one single agreement with the Department. This will reduce the administrative and reporting burden for grant holders, leaving them more time to focus on their core business.

The new funding arrangements will emphasise the need for grant applicants to demonstrate value for money, and will provide increased flexibility to respond to health and ageing priorities as they emerge. In doing so, they will drive better, more responsive outcomes against health and ageing priorities for the community.

The new arrangements will also reduce the costs to the Department associated with administering a wide range of small, discrete programs, delivering efficiency savings that, along with savings from other improvements to the Department's operating efficiency, will be reinvested directly into new measures in health policy areas.

Practice Incentives for General Practices Fund

As part of the program consolidation process, from 1 July 2011 activities funded under the Practice Incentives Program will be funded under the Practice Incentives for General Practices Fund.

The Practice Incentives for General Practices Fund will consolidate the activities of several existing Practice Incentives Program (PIP) elements to provide one larger flexible funding pool that reflects the government's national priorities over time. Current PIP elements include cervical cancer screening, diabetes, aged care access, immunisation, asthma, procedural services in rural and remote areas, and Indigenous health.

When can I see the Fund guidelines, and when will grant funding rounds be held?

Over the coming months the Department will be working closely with grant recipients and other key stakeholders on implementation arrangements for the new Funds, including with respect to the establishment of Fund guidelines and timelines for grant rounds.

Further information

You can find more information about these Funds on the Department's website, www.health.gov.au

If you have any questions regarding the Practice Incentives for General Practices Fund, please contact Ms Jennie Roe, Assistant Secretary for the Practice Support Branch, telephone (02) 6289 7979.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Booth', with a stylized flourish at the end.

Mark Booth
Acting First Assistant Secretary
Primary and Ambulatory Care Division

9 June 2011