

## 2 Purpose of the policy and funding plan

### 2.1 Purpose of the policy and funding plan

The Department of Human Services prepares a policy and funding plan every three years to inform funded organisations of the department's service funding strategies and priorities. An annual update is prepared in the second and third years of the service agreement cycle. From 2010-11, a consolidated policy and funding plan has been produced in line with the 'one Department of Human Services'.

The plan provides an overview of the government's policy framework and the department's objectives, an outline of divisional strategic initiatives and an overview of the division's budget. The plan also includes descriptive information regarding service activities, performance measures, data collection requirements, service standards and guidelines.

### 2.2 Objectives of policy and funding plans

The objectives of policy and funding plans are to:

- promote partnership with the department by providing funded organisations with detailed contextual information to support their service agreements
- encourage determination of funding parameters early in the planning cycle, so as to improve the timeliness of funding decision-making
- improve transparency in budget allocation, especially the basis for selecting the method of funds allocation.

### 2.3 Relationship between policy and funding plans and service agreements

Service agreements are the principal mechanism by which the department details the funding provided to organisations and the volume of service to be delivered.

The policy and funding plans are supplementary documents which provide information to support service agreements between the department and the organisations it funds.

### 2.4 Service agreement information kit for funded organisations

The Department of Human Services provides funding, via a service agreement, to organisations in the community. The policy and funding plan is referenced in the service agreement as being part of the 'Conditions of this agreement' and as such is to be read and used in conjunction with the service agreement.

More detailed information regarding the service agreement is available in the Service Agreement Information Kit via the Department of Human Services' Internet site at <http://www.dhs.vic.gov.au/facs/bdb/fmu/service-agreement>.