



NACCHO

National Aboriginal Community
Controlled Health Organisation
Aboriginal health in Aboriginal hands

www.naccho.org.au

A stronger, more diverse and independent community sector

Submission to Department
of Social Services

December 2023

ABOUT NACCHO

NACCHO is the national peak body representing 145 Aboriginal Community Controlled Health Organisations (ACCHOs). We also assist a number of other community-controlled organisations.

The first Aboriginal medical service was established at Redfern in 1971 as a response to the urgent need to provide decent, accessible health services for the largely medically uninsured Aboriginal population of Redfern. The mainstream was not working. So it was, that over fifty years ago, Aboriginal people took control and designed and delivered their own model of health care. Similar Aboriginal medical services quickly sprung up around the country. In 1974, a national representative body was formed to represent these Aboriginal medical services at the national level. This has grown into what NACCHO is today. All this predated Medibank in 1975.

NACCHO liaises with its membership, and the eight state/territory affiliates, governments, and other organisations on Aboriginal and Torres Strait Islander health and wellbeing policy and planning issues and advocacy relating to health service delivery, health information, research, public health, health financing and health programs.

ACCHOs range from large multi-functional services employing several medical practitioners and providing a wide range of services, to small services which rely on Aboriginal health practitioners and/or nurses to provide the bulk of primary health care services. Our 145 members provide services from about 550 clinics. Our sector provides over 3.1 million episodes of care per year for over 410,000 people across Australia, which includes about one million episodes of care in very remote regions.

ACCHOs contribute to improving Aboriginal and Torres Strait Islander health and wellbeing through the provision of comprehensive primary health care, and by integrating and coordinating care and services. Many provide home and site visits; medical, public health and health promotion services; allied health; nursing services; assistance with making appointments and transport; help accessing childcare or dealing with the justice system; drug and alcohol services; and help with income support. Our services build ongoing relationships to give continuity of care so that chronic conditions are managed, and preventative health care is targeted. Through local engagement and a proven service delivery model, our clients 'stick'. Clearly, the cultural safety in which we provide our services is a key factor of our success.

ACCHOs are also closing the employment gap. Collectively, we employ about 7,000 staff – 54 per cent of whom are Aboriginal or Torres Strait Islanders – which makes us the third largest employer of Aboriginal or Torres Strait people in the country.

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Recommendations

NACCHO recommends:

1. any interventions to build a stronger, more diverse and independent community sector align with the National Agreement and its four Priority Reform Areas.
2. grant processes are co-designed in partnership with the Aboriginal and Torres Strait Islander community-controlled sector.
3. Government commit to longer funding agreements terms to support sustainability, workforce retention, and which align with holistic ACCO/ACCHO service delivery models.
4. that funding for services intended for Aboriginal and Torres Strait Islander communities to be delivered directly to the community-controlled sector rather than through PHNs.
5. government simplifies grant application and reporting processes and provide support to build capacity of the Aboriginal and Torres Strait Islander community-controlled sector to better navigate grant processes.
6. greater accountability of mainstream service providers to deliver culturally safe services to Aboriginal and Torres Strait Islander people and communities.
7. government prioritise funding to the community-controlled sector where services are being delivered to Aboriginal and Torres Strait Islander people.

Acknowledgements

NACCHO welcomes the opportunity to provide a submission to Department of Social Services on a stronger, more diverse and independent community sector. NACCHO supports the submissions to this consultation made by NACCHO Members and Affiliates.

National Agreement on Closing the Gap

At the meeting of National Cabinet in early February 2023, First Ministers agreed to renew their commitment to Closing the Gap by re-signing the National Agreement, first signed in July 2020. The reforms and targets outlined in the National Agreement seek to overcome the inequality experienced by Aboriginal and Torres Strait Islander people, and achieve life outcomes equal to all Australians.

This Government's first Closing the Gap Implementation Plan commits to achieving Closing the Gap targets *through implementation of the Priority Reforms*. This represents a shift away from focussing on the Targets, towards the structural changes that the Priority Reforms require, and which are more likely to achieve meaningful outcomes for our people in the long term:

Priority Reform Area 1 – Formal partnerships and shared decision-making

This Priority Reform commits to building and strengthening structures that empower Aboriginal and Torres Strait Islander people to share decision-making authority with governments to accelerate policy and place-based progress against Closing the Gap.

Priority Reform Area 2 – Building the community-controlled sector

This Priority Reform commits to building Aboriginal and Torres Strait Islander community-controlled sectors to deliver services to support Closing the Gap. It recognises that Aboriginal and Torres Strait Islander community-controlled services are better for Aboriginal and Torres Strait Islander people, achieve better results, employ more Aboriginal and Torres Strait Islander people and are often preferred over mainstream services.

Priority Reform Area 3 – Transformation of mainstream institutions

This Priority Reform commits to systemic and structural transformation of mainstream government organisations to improve to identify and eliminate racism, embed and practice cultural safety, deliver services in partnership with Aboriginal and Torres Strait Islander people, support truth telling about agencies' history with Aboriginal and Torres Strait Islander people, and engage fully and transparently with Aboriginal and Torres Strait Islander people when programs are being changed.

Priority Reform 4 – Sharing data and information to support decision making

This Priority Reform commits to shared access to location-specific data and information (data sovereignty) to inform local-decision making and support Aboriginal and Torres Strait Islander communities and organisations to support the achievement of the first three Priority Reforms.

Review of Closing the Gap

In its recent review of the National Agreement on Closing the Gap, the Productivity Commission described government progress implementing the Agreement's Priority Reforms as mostly weak. It found no evidence of systemic change and that Government policy did not reflect the value of the community-controlled sector.

‘Too many government agencies are implementing versions of shared decision-making that involve consulting with Aboriginal and Torres Strait Islander people on a pre-determined solution, rather than collaborating on the problem and co-designing a solution.’¹

The Commission noted that few tangible steps had been taken to increase the proportion of services delivered by ACCOs and that there was a need to improve funding to ACCOs to provide more flexible and longer-term contracts that cover full costs of services and reduce reporting burdens.¹

The review recommended designating leaders to promote and embed changes to public sector systems and culture, embedding a responsibility in conditions of employment for public sector employees to improve cultural capability and relationships with Aboriginal and Torres Strait Islander people, and improving accountability and transparency.

NACCHO recommends any interventions to build a stronger, more diverse and independent community sector align with the National Agreement and its four Priority Reform Areas.

Area of focus 1: Giving the sector the voice and respect it deserves through a meaningful working partnership

NACCHO notes that the importance of creating more meaningful processes in partnership with the community sector. In the Aboriginal and Torres Strait Islander community controlled sector, all Australian governments have acknowledged and committed to the need for Aboriginal Community Controlled Health Organisations (ACCHOs) to be at the forefront of service delivery for Aboriginal and Torres Strait Islander communities in accordance with the National Agreement on Closing the Gap (National Agreement)². It is critical that grant guidelines align with the National Agreement.

Priority Reform 1 states the importance of genuine partnership between governments and Aboriginal and Torres Strait Islander people to share decision making on policies and programs impacting Aboriginal and Torres Strait Islander peoples³. Government's commitment to Priority Reform 1 has led to new and innovative approaches to funding that are community-led and co-designed with ACCHOs and more appropriate to their needs².

NACCHO recommends grant processes are co-designed in partnership with the Aboriginal and Torres Strait Islander community-controlled sector.

¹ Productivity Commission 2023, Review of the National Agreement on Closing the Gap, Draft Report, Canberra, July.

² <https://www.snaicc.org.au/wp-content/uploads/2023/05/SNAICC-Stronger-ACCOs-Stronger-Families-report-2022.pdf>

³ Closing the Gap National Agreement, 2023. Retrieved from: <https://www.closingthegap.gov.au/national-agreement>

Area of focus 2: Providing grants that reflect the real cost of delivering quality services

In the last two financial years, government has increased its investment in community sector grants. However, this investment has not kept up with increase and demand for support and services from the community or with rising costs to deliver quality services⁴, especially in Aboriginal and Torres Strait Islander communities. Aboriginal Community Controlled Organisations (ACCOs) are best placed to provide community led and culturally safe services to Aboriginal and Torres Strait Islander communities. Despite this, relative to mainstream organisations ACCOs continue to receive far less funding to deliver services nationally. There are issues with lack of understanding between how services are funded, and the services communities need. Design of the grants is often not reflective of the target group and lack flexibility to meet the needs of the community.

To provide grants that reflect the real cost of delivery quality services in community, funding allocation guidelines are critical. It is important to ensure that all funds allocated across programs use logic that is appropriate. It is also critical to ensure consideration of remote loading to account for the higher cost to deliver services in remote areas, and loadings to deliver to Aboriginal and Torres Strait Islander populations. In determining program funding allocations, NACCHO works closely with key stakeholders to determine appropriate formulas taking into account factors such as population size, remoteness, geographic coverage, cultural practice, communications, and program support such as travel.

Thin and culturally thin markets can make it unviable from a market perspective to deliver services into some communities. For ACCHOs currently delivering services in thin markets, the tyranny of distance and numbers of clients makes it economically unviable. ACCHOs in urban and regional locations also cite culturally thin markets: despite multiple providers offering differing approaches, there may be none that are accessible for an Aboriginal and Torres Strait Islander person. As a result, our sector continues to deliver services at a loss in order to ensure community members can access the support they need.

The prevalence of thin markets for Aboriginal and Torres Strait Islander communities in particular requires active intervention by governments to ensure community needs are met. However, a recent paper by the NDIA suggested that Government has taken a largely 'hands off' approach to market stewardship. The report states, *"the NDIA has been using a 'least interventionist approach' to achieve a better functioning and sustainable market, while recognising some thin markets may require several market interventions to be delivered iteratively over a long term. This approach, however, reflects a more rigid and time-limited application of a stewardship framework more suited to private sector markets. It goes on, Evidence from past and ongoing reviews and inquiries continues to show that the current market-based model with individualised funding arrangements persistently fail to meet the needs of both First Nations and remote communities."*

Area of focus 3: Providing longer grant agreements:

The ACCHO sector faces several challenges in relation to funding, this includes funding that is insufficient, short term and/or insecure. The instability in funding arrangements causes immense problems in workforce management and restricts the ability of ACCHOs to build capacity. Without

⁴ <https://engage.dss.gov.au/wp-content/uploads/2023/09/stronger-more-diverse-independent-community-sector.pdf>

long term funding, there are issues around workforce retention, stability, and patient continuity of care. ACCHOs cannot offer permanent or longer term contracts, which makes it more difficult to retain staff. Short term funding also impacts continuity of services to patients and continuity of care when staff are constantly changing. There is also a strong need to support workforce recruitment, retention and development.

Another concern is underfunding and arbitrary defunding of programs that are either established successful programs or prospective programs. Often funding disappears for a program before it has the potential to benefit community, which can damage relationship and trust between ACCHOs and community.

For example, Derbarl Yerrigan Health Service in Perth utilised a flexible delivery model that sought to ensure older Aboriginal and Torres Strait Islander people and their families were supported to understand, navigate, and access the services they needed. They ran a Dementia Clinic that included a Walking and Yarning group for heart health which enabled staff to improve participant health literacy around heart health, and supported exercise, connection and wellbeing for participants. The program demonstrated significant improvements for participants. Despite strong outcomes, funding for the program ceased, however community members continue to request this type of activity. A potential solution to the issues mentioned above is ongoing, sustainable and long-term funding agreement cycles and secure program funding.

NACCHO recommends Government commit to longer funding agreements terms to support sustainability, workforce retention, and which align with holistic ACCO/ACCHO service delivery models.

Area of focus 4: Ensuring grant funding flows to a greater diversity of Community Service Organisations

Supporting organisations to deliver specialised services and supports to specific cohorts, such as Aboriginal and Torres Strait Islander people requires approaches that are different to traditional grant funding arrangements. This includes diversified workforces, culturally competent, appropriate and safe practices, and targeting resources for priority groups. Supporting self-determination and building the capacity of the community-control sector is central to the commitment Australian governments have made as part of the National Agreement.

In the primary health care sector, commissioning for services takes place predominantly through Primary Health Networks (PHNs). However, ACCHOs often experience issues when applying for funding through PHNs. PHN funding tends to favour large organisations and peak bodies, and is predominantly awarded to non-Indigenous organisations. Where funding is given to ACCHOs through PHN commissioning arrangements, the additional burden of reporting and administration can diminish the effectiveness and efficiency of the funding. The current commissioning arrangements through PHNs do not align with Government commitments to the Priority Reforms of the National Agreement and principles of self-determination for Aboriginal and Torres Strait Islander people. There is no accountability for engagement nor obligation on PHNs to operate in a certain way in relation to commissioning for Aboriginal and Torres Strait Islander communities. KPIs for PHNs exist, but not in relation to distribution of funding. It is not clear how PHNs are responsible to Closing the Gap Priority Reforms or targets.

NACCHO recommends that funding for services intended for Aboriginal and Torres Strait Islander communities to be delivered directly to the community-controlled sector rather than through PHNs.

ACCHOs often experience difficulties with grant applications and processes. Complexity of grant applications often means that small organisations struggle to compete with mainstream services. Unclear grant assessment processes and feedback can be difficult to understand and grant management and reporting can be disproportionate to the funding received.

To achieve equitable access to grant funding, especially for smaller organisations, support for grant writing and better understanding of the grant process is critical. Grant guidelines need to be clear and simple, while also considering that for many community organisations, English may be a second, third or fourth language.

For grants targeted to Aboriginal and Torres Strait Islander communities, grant opportunity guidelines should be co-designed with Aboriginal and Torres Strait Islander people and organisations. Funding needs to be provided to support this.

NACCHO recommends government simplifies grant application and reporting processes and provide support to build capacity of the Aboriginal and Torres Strait Islander community-controlled sector to better navigate grant processes.

Mainstream services should not be relied upon to provide services for Aboriginal and Torres Strait Islander communities, as this often results in the delivery of services that are not culturally safe for Aboriginal and Torres Strait Islander people. Additionally, funding agreements often lack accountability for the provision of culturally safe care. Whilst Aboriginal and Torres Strait Islander people prefer to use Aboriginal and Torres Strait Islander services, the reality is that the limited availability of these services will mean that many will need to access mainstream services. It is critical therefore, that mainstream services deliver culturally appropriate services to Aboriginal and Torres Strait Islander people. This is important because lack of cultural safety can be a barrier to accessing support and services, while experiences of racism can contribute to poor health and overall mental health issues.

NACCHO recommends greater accountability of mainstream service providers to deliver culturally safe services to Aboriginal and Torres Strait Islander people and communities.

Area of focus 5: Partnering with trusted community organisations with strong local links

As noted above, ACCHOs and ACCOs are best placed to provide culturally safe services for Aboriginal and Torres Strait Islander peoples, and the focus should be on increasing their capacity and capability to do so. Local and cultural capability is undermined when government funding processes prioritise larger mainstream services. There is also the issue of mainstream organisations receiving funding to deliver to Aboriginal and Torres Strait Islander communities while also depending on them to facilitate services and programs. This can lead to exploitation of smaller local services to support mainstream providers who then do not deliver culturally safe services to local communities.

These organisations often deliver services that are not culturally safe, and do not work in genuine partnership with the Aboriginal and Torres Strait Islander community. Such arrangements can also draw funding away from ACCHOs and ACCOs, which undermines Government commitments to Priority Reform 2 of the National Agreement (building the community-controlled sector).

Competitive funding processes often hinder ACCHO opportunities for partnership and can create substantial administrative and cost burdens for ACCHOs². Partnership would ideally be led by the ACCOs/ACCHOs, not mainstream organisations. Community controlled organisations should be prioritised for funding and have the flexibility to subcontract services to mainstream, rather than the other way around.

NACCHO recommends government prioritise funding to the community-controlled sector where services are being delivered to Aboriginal and Torres Strait Islander people.