

## Summary

Aboriginal Community Controlled Health Organisations (ACCHOs) strive to provide holistic, comprehensive and culturally responsive health care to Aboriginal and Torres Strait Islander communities to promote health and address the social and cultural determinants of health. ACCHOs are resourced via a complex array of funding streams with associated administrative complexity and reporting burden. ACCHO funding is insufficient to address the social determinants of health and burden of disease experienced by Aboriginal and Torres Strait Islander communities, competitively remunerate ACCHO staff, and adequately respond to inequities in the mainstream health system. ACCHOs invest considerable resources towards building the capacity of Aboriginal and Torres Strait Islander and non-Indigenous workforce. Changes in funding models creates uncertainty for the sector.

## Funding of ACCHOs

- ACCHOs are funded through state, territory and Commonwealth governments, primary health networks and the Medicare Benefits Schedule including core funding through the *Indigenous Australians Health Program* in addition to program and grant funding such as through tender-based submissions.
- Multiple income streams and tender processes with different applications and reporting requirements creates considerable administrative complexity and reporting burden for the ACCHO sector. Available funding varies greatly across states and territories and from one year to the next. To be successful, ACCHOs must be proactive in identifying available funding and responsive in preparing timely funding submissions.
- The financial viability of ACCHOs is dependent on the income they can generate through the Medicare Benefits Schedule which is impacted by client numbers and the availability of general practitioners (GPs). Attracting and retaining GPs can be a challenge, especially for regional and remote services.

## Impacts of funding constraints and reforms

- Funding constraints can limit external capacity development opportunities for ACCHO workforce. This is at odds with the principles of the ACCHO sector related to developing Aboriginal and Torres Strait Islander people.
- Funding constraints can limit ACCHO service provision related to the social determinants of health (e.g. transport and home visits) and to community-identified priorities (e.g. dental and oral health).
- While desperately needed, funding reforms create uncertainty in the ACCHO sector.

CONTACT



[wardliparingga@sahmri.com](mailto:wardliparingga@sahmri.com)



(08) 8128 4000



[create.sahmri.org](http://create.sahmri.org)



**SAHMRI**  
South Australian Health &  
Medical Research Institute



## ACCHO Funding: challenges and policy implications

The ACCHO sector faces several challenges in relation to funding. The table below describes some of these challenges and poses potential policy level responses to strengthen the work of the ACCHO sector.

	Challenge	Potential policy level response
Funding agreements	Funding that is insufficient, short term and/or insecure.	Funding agreements to provide long-term sustainable funding to adequately resource the ACCHO comprehensive primary health care model and program evaluation to enable long term planning.
	Restrictive funding agreements including programs with predetermined priorities or that do not support a comprehensive social determinants of health approach.	Engage the sector to co-design relevant KPIs that reflect and capture the comprehensive primary health care model of ACCHOs.
	ACCHOs consult with community to identify local needs, but due to funding limitations cannot deliver identified services.	Funding agreements to incorporate flexibility that enables ACCHOs to consult with their communities, identify local priorities and tailor services to local need.
	Complexity in coordinating multiple sources of funding including reporting burden.	The frequency and complexity of reporting to be streamlined to reduce the burden on the ACCHO sector. The sector requires additional resourcing for administration including IT, data and reporting, and financial management.
MBS	<p>MBS funding models may not always match Aboriginal ways of working (e.g. short consult times, few MBS items for Aboriginal Health Workers).</p> <p>ACCHOs that meet with challenges in recruiting and retaining GPs are limited in their ability to generate MBS income.</p> <p>ACCHOs can find it challenging to meet the training and development needs of staff in relation to MBS billing.</p>	<p>MBS to consult with the ACCHO sector regarding MBS items needed to support cultural ways of working.</p> <p>ACCHOs benefit from support and training for workforce related to MBS billing.</p>
Submissions and tenders	Considerable time and resources needed to build relationships with potential funders and prepare tenders and funding submissions.	<p>Funding opportunities through tenders and funding submissions to have reasonable timeframes and be promoted to the ACCHO sector.</p> <p>The ACCHO sector would benefit from capacity building in relation to preparing competitive submissions.</p> <p>The ACCHO sector would benefit from support to develop financial models (that contrast potential income against anticipated expenditure) to inform decision making related to the financial viability of additional program delivery.</p>
	Competing for Aboriginal health funding with non-Indigenous organisations.	ACCHOs to be recognised as experts in Aboriginal comprehensive primary health care and the preferred recipient of funding for Aboriginal and Torres Strait Islander initiatives.

	Challenge	Potential policy level response
<b>The social determinants of health</b>	<p>ACCHO funding does not adequately resource activities to address the social determinants of health. ACCHOs are not funded for their extensive advocacy activities or to provide transport (note: some ACCHOs use income generated through the MBS to fund these activities).</p> <p>Aboriginal and Torres Strait Islander people have an inequitable burden of dental health challenges which impact social standing and employment opportunities.</p>	<p>Funding agreements to resource ACCHOs to address the social determinants of health through intergrated family-centred care coordination and including services to promote accessibility to holistic health care such as transport and home visits and for their extensive advocacy activities.</p> <p>The ACCHO sector to be directly funded to provide dental services, where there is capacity, or funded to facilitate client access to dental health services through collaboration with jurisdictional government dental services and private dentists.</p>
<b>Workforce recruitment and retention</b>	<p>Funding that is insufficient, short term or insecure can lead to non-competitive staff salaries, job insecurity, staff turnover, lost corporate knowledge and community connections. Delays in funding announcements cause staff to leave ACCHOs.</p>	<p>Funding agreements to provide greater resourcing for ACCHO programs, indexed to inflation, so staff can be competitively remunerated in line with other sectors. Long-term and secure program funding is needed to promote job security and retain corporate knowledge.</p>
<b>Workforce capacity building</b>	<p>ACCHOs invest in strengthening the capacity of ACCHO staff including mentorship of non-Indigenous staff around cultural ways of working.</p>	<p>Funding agreements to recognise and resource ACCHOs for their key role in strengthening the capacity of Aboriginal and Torres Strait Islander workforce and non-Indigenous workforce.</p>
<b>Funding reforms and sector reforms</b>	<p>While desperately needed, funding reforms create uncertainty for the ACCHO sector.</p>	<p>NACCHO could be funded to develop and disseminate resources and training packages to support ACCHOs to navigate the funding reforms including beyond the 3-year grace period.</p>
	<p>ACCHO resources are drained when taking on new programs and navigating sector reforms (e.g. staff training, time invested in adopting new systems, processes and terminology).</p>	<p>When major initiatives and reforms are planned, policy makers to consider preparing an ACCHO Impact Assessment and an implementation guide for the ACCHO sector.</p>

The content within this policy brief was drawn from Aboriginal and Torres Strait Islander led research undertaken by the Centre of Research Excellence in Aboriginal Chronic Disease Knowledge Translation and Exchange (CREATE), Wardliparingga Aboriginal Health Equity, South Australian Health and Medical Research Institute.

The Centre of Research Excellence in Aboriginal Chronic Disease Knowledge Translation and Exchange (CREATE). (2020). Aboriginal Community Controlled Health Organisations in practice: Sharing ways of working from the ACCHO sector. Wardliparingga Aboriginal Health Equity Theme, South Australian Health and Medical Research Institute, Adelaide.

