



Inquiry into economic self-determination and opportunities for First Nations Australians



The peak representative for the health and wellbeing of Aboriginal and Torres Strait Islander people living in Victoria.

**Victorian Aboriginal Community
Controlled Health Organisation**

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Acknowledgment of Country

VACCHO respectfully acknowledges that our office is based on the unceded lands of the Wurundjeri people of the Kulin Nation.

We pay our respects to Wurundjeri ancestors and caretakers of this land, and to Elders both past and present.

We extend our respect to all Traditional Owners and Elders across the lands on which we and our Members work and acknowledge their everlasting connection to Country, Culture, and Community.

Always was, always will be, Aboriginal land.

About us

The Victorian Aboriginal Community Controlled Health Organisation (VACCHO) was established in 1996. VACCHO is the peak Aboriginal and Torres Strait Islander health and wellbeing body representing 33 Aboriginal Community Controlled Organisations (ACCOs) in Victoria. The role of VACCHO is to build the capacity of its Membership and to advocate for issues on their behalf.

Capacity is built amongst Members through strengthening support networks, increasing workforce development opportunities and through leadership on health and wellbeing. Advocacy is carried out with a range of private, community and government agencies, at state and national levels, on all issues related to Aboriginal and Torres Strait Islander health.

Nationally, VACCHO represents the Community-controlled health and wellbeing sector through its affiliation and membership on the board of the National Aboriginal Community Controlled Health Organisation (NACCHO). State and Federal Governments formally recognise VACCHO as Victoria's peak representative organisation on Aboriginal and Torres Strait Islander health. VACCHO's vision is that Aboriginal and Torres Strait Islander people will have a high quality of health and wellbeing, enabling individuals and communities to reach their full potential in life. This will be achieved through the process of Community control.

Note on Language

The term Aboriginal includes all Aboriginal people living in Victoria. The terms 'Community' or 'Communities' in this document refers to all Aboriginal and/or Torres Strait Islander communities across Australia, representing a wide diversity of cultures, traditions, and experiences. Community is always capitalised unless it has the word Aboriginal in front of it or if it's referencing a non-Aboriginal community.

Executive Summary

VACCHO welcomes the Joint Standing Committee on Aboriginal and Torres Strait Island Affairs' inquiry into economic self-determination and opportunities for First Nations Australians. The scope of this Inquiry is broad and VACCHO has chosen to focus on two specific areas only: each creating significant barriers to economic self-determination and opportunities for First Nations Australians.

Economic independence, empowerment and prosperity are key to bringing about true self-determination for Aboriginal and Torres Strait Peoples. To achieve this, the government must be willing to listen to and hand over the resources and decision-making power to Aboriginal people to be able to enact models, programs and service delivery that will build up Aboriginal prosperity and economic independence.

As the peak body for Aboriginal Health and Wellbeing in Victoria, VACCHO sees both the key linkage between health and wellbeing outcomes for our communities and financial stability and adequate resourcing for both individuals and ACCOS/ACCHOs. To support this, governments must both listen to and support Aboriginal models. Aboriginal ways of knowing, being, doing and commit the resources which support these initiatives and steps to bringing about self-determination.

In this submission VACHO speaks to two critical concerns. The first is the current disintegrated and siloed approach to funding the Victorian ACCO Model, which if fully resourced holistically and recognised as a valuable model would have widespread and impactful benefits to Community and beyond this. The second is the lack of funding for ACCO traineeships, which despite being a successful initiative, are currently difficult to sustain due to limited resourcing which leads to issues with retention and empowerment to work within the health space. Within the two sections outlined in this submission, VACCHO puts forward four recommendations which will be expanded on throughout the submission.

Should you wish to discuss this submission further, please contact Stephanie Kilpatrick, Executive Director for Policy and Communications, via policy@vaccho.org.au.

Kind regards,



Dr Jill Gallagher AO (Hon LLD)
Chief Executive Officer
Victorian Aboriginal Community Controlled Health Organisation

Recommendations

As will be outlined throughout this submission, VACCHO would like to make the following recommendations to address the issues discussed below:

1. The Commonwealth to recognise that there are diverse operating models for Aboriginal Community Controlled Organisations, including The Victorian ACCO Model, and endorse this through funding policy.
2. The Commonwealth commits to transitioning funding models for ACCOs to those that allow block, recurrent, self-determined local, regional, or state-based models.
3. Traineeships fully funded in line with a minimum full-time SCHADS 2.1 entry level salary and a viable ACCO payment to cover supervision and amenities.
4. The additional compliance costs for ACCOs who provide training under a traineeship should be recognised and funded.

Section 1: Commonwealth and State Funding models need to meet ACCO operating models

"The old ways are not working. If we want to close the gap, we have to listen to people who live on the other side of it... Canberra must be willing to share power with communities; to offer responsibility and ownership and self-determination; to let local knowledge design programs; to trust locals to deliver them and to listen to locals when they tell us what's working and what isn't... That's a culture change we have to drive – in this building, in the public service and across governments at all levels!"

This statement from Prime Minister Albanese clearly outlines the Commonwealth Government's commitment to listen to Aboriginal communities and prioritise Aboriginal designed and led programs and models. Recognition of the right to self-determination underpins this statement. In turn, this means government must adapt their own systems to make good on the commitment, adapting to varying approaches of communities, regions and states.

In Victoria, through our ACCO sector partnership with the Victorian Department of Health (VDH) we are making progress, slowly, towards funding models that allow *responsibility, ownership and self-determination*. Through this process – now into its third year – the biggest challenge has been inflexibility of Government systems to allow the funds out in a different way.

¹ "The old ways are not working" – PM says government... | NIT

Through VACCHO, Victorian ACCOs² have articulated the model of Aboriginal Community Controlled Services that has evolved in our state. [The Victorian ACCO Model](#) has found its success in better health outcomes for Communities.

Developed over the past fifty years, Victorian ACCOs are effective because they are holistic, integrated, strengths-based and trauma-informed. Victorian ACCOs deliver a wide array of services, from culturally safe primary healthcare to services that help deliver all elements of wellbeing across the life course, as well as cultural responsibilities and services. Additionally, some ACCOs have social enterprises and other business strategies to support employment opportunities for Community and bring in much needed additional revenue. We encourage you to view the [VACCHO Member Services Profile](#) to understand the complexity and deep integration of the Victorian Model.

Despite their success, Victorian services are significantly challenged – and the full value of the model is yet to be realised – due to the fragmenting of funding designed from Government that is designed around mainstream services.

Aboriginal health encompasses the physical, social, emotional and cultural wellbeing of individuals, families and communities and our services are set up to reflect this holistic and integrated approach. In contrast, Western definitions of health largely focus on disease and prevention and the treatment of individuals. Current funding arrangements reflect this model, not ours.

To operate, ACCO's need to seek funding from a large range of sources including the Victorian and Commonwealth Departments responsible for Health and Social Services (including Housing, Children, Youth, Women, Men, Families, Elders, Disability), Training, Employment, Justice, Environment and Land to name just a few. These funds are allocated through a maze of separate grants, agreements and reporting requirements where the majority of funding is for only 12 months or, when longer, still is not recurrent. This is the case even though service delivery is ongoing and supporting long-term change.³

The Commonwealth Department of Health and Aged Care (DoHAC) has made positive steps towards a suitable funding model in the Indigenous Australians Health Program (IAHP) where block funding is provided and ACCOs are able to allocate it flexibly. However, outside of the health model, other Commonwealth funding (eg for

² In Victoria, we call them ACCOs, rather than ACCHOs, to emphasise their comprehensive role including – and far beyond – western health models.

³ Changes have just been announced to DOHAC IAHP funding, moving short term funding to 4 year rolling contracts. This is an important step, but as it is not yet implemented, this paper refers to the status quo. It also is only for one program in one Department. A similar change is underway in Victoria, but again not across all Departments and funding sources.

disability, aged care and multiple other service areas of Victorian ACCOs), the capacity of self-determination is limited by the funding model.

Despite the introduction of concepts such as co-design, programs are still ultimately finalised and determined as the government's program that is being implemented by the ACCO. With Commonwealth funding, this is particularly challenging as Aboriginal people encompass many nations with different experiences of colonisation, different histories of re-building their own Community self-determination and a breadth of differing current challenges. Government needs to adapt its structure if it is to *let local knowledge design programs; to trust locals to deliver them.*

Fragmented funding damages the economic self-determination of Victorian Aboriginal communities. It restricts the opportunities of ACCOs, and provides challenges such as:

- Resourcing organisational costs beyond direct service delivery, such as human resources, finance, quality and accreditation, business development, strategy and innovation, communications, technology and data management must be squeezed out of a small levy across multiple project grants.

This creates a tug of war between the urgency of service delivery needs and under-resourcing of the organisation's backbone with all its implications for organisational development and staff retention.⁴

- Workforce attraction and retention, as long-term contracts cannot be offered.
- No resources to plan or develop new facilities, or maintain current buildings, particularly as no Department sees it as their responsibility, or will only consider buildings for one service type, with integrated service proposals ineligible.⁵
- A uniquely high reporting burden due to overlapping requirements of multiple funders, accreditation and standards reporting.
- Multiple uncoordinated data collection requirements, and a lack of data sovereignty or two-way information sharing.

Data is often required to be provided to government but not accessible to the ACCO to analyse or shared back. This restricts the capacity of ACCOs to determine their own solutions.

⁴ The most common permitted Indirect Cost (also known as "Overheads" or 'Admin fee") is 20% of total grant, but some agencies on-funding Commonwealth funds allow only 15% (PHN funding to ACCOs) or 10% (RWAV). By contrast the most comprehensive Australian study concluded 33% is a realistic indicator of true Indirect Costs: [Social Ventures Australia; Paying What it Takes Report](#) March 2022.

It is also important to understand that the Contract to deliver services obliges ACCOs to meet a wide array of Governance and compliance standards, which require this organisational capacity, but these roles are never directly recognised or funded

⁵ The Department of Health and Aged Care's *Major Capital Works* competitive funding round is an example of this. It will only fund primary health care infrastructure and an application is excluded if it places that within an integrated service hub. In this way it directly counters the model of Victorian ACCOs.

Despite the commitment from the Government to embrace new ways of doing things, there remains a gap between what is said and what is acted upon.

Victorian ACCOs seek a funding model that responds to their self-determined, time-tested approach.

In Victoria, we are slowly achieving success with this. In the Aboriginal Health and Wellbeing Partnership Agreement Action Plan⁶, VDH has agreed to work with ACCOs to:

- Develop and implement a policy so that operational funding for Aboriginal Community Controlled Health Services delivery is recurrent or multiyear (4-year minimum) unless it meets strict criteria that justifies it being issued as a 12-month (or less) contract. This would be for existing and new funding arrangements and would include indexation.
- Develop the overall plan, including detailed steps and timeline, for transitioning Department of Health funding to outcomes-based funding for ACCOs so that it:
 - > aims to combine existing contracts into a single grant the ACCO can manage flexibly
 - > is based on self-determined outcomes
 - > measurably reduces the reporting burden
 - > provides adequate resources to manage the transition to outcomes-based funding
 - > includes indexation as per the commitment to 4-year minimum funding.

A working group between the VDH, VACCHO and its Members is now developing the implementation plan, with early transition steps already taking place. Each of the identified elements are critical to transforming the funding model to meet the needs, and continue to deliver the success, of the Victorian ACCO Model.

The most critical commitment is to *self-determined* outcomes. It creates the opportunity for the ACCO to articulate what it sets out to achieve, through its integrated and holistic approach, manage a flexible pool of funds to support its economic development and identified priorities, and report once on that, consistent with its own organisational strategy and indicators.

However, the value of this integrated approach will be limited until it extends beyond one state government department. Until then, self-determined outcomes-based funding will just be one more reporting modality alongside 10 to 20 others. The funding model will evolve to the ACCO Model when it is accepted across both Victorian and Commonwealth governments.

⁶ <https://www.vaccho.org.au/ahwpcf/>

Therefore, it is critical that the Commonwealth Government recognise self-determination, and act to enable self-determination by adopting a similar commitment and process to transition funding to block, recurrent, self-determined outcomes-based funding.

VACCHO puts forward the following recommendations to support this:

Recommendation 1: The Commonwealth to recognise that there are diverse operating models for Aboriginal Community Controlled Organisations, including The Victorian ACCO Model, and endorse this through funding policy.

Recommendation 2: The Commonwealth commits to transitioning funding models for ACCOs to those that allow block, recurrent, self-determined local, regional, or state-based models.

Adopting these recommendations and enacting them will reduce the administrative burden on ACCOs and unlock their potential to deliver better outcomes for their Community.

Section 2: Traineeships need to be adequately funded

A key feature of Victorian ACCOs is their commitment to the economic self-determination of the communities they serve – at individual, family and organisational levels. ACCOs are key employers of Aboriginal people in both small towns, regional centres and major cities. Many Community members gain their first job at ACCOs, and this has been an essential stepping stone for many into a life with ongoing employment that creates a capacity to support family and move out of the inter-generational poverty that is an enduring impact of colonisation.

Programs such as traineeships, with training and supervision, are a critical part of this role as they provide entry level positions. However, the typical arrangement for trainees in the Victorian ACCO sector is:

- A \$25,000 traineeship payment to the ACCO which is enough to cover salary and oncosts for approximately 1.5 days per week for the trainee but the ACCO must cover any other costs incurred⁷.

⁷ Based, on SCHADs level 2.1 (an entry pay level in the sector)

- A requirement for the ACCO to provide supervision of the trainee by a qualified person at all times.⁸
- A requirement for the trainee to undertake a VET (Vocational Education and Training) qualification in their traineeship area.

This creates problems for the Trainee, the ACCO and the Registered Training Organisation, which affect traineeship completion.

The Trainee does not have a liveable income, it is marginally above unemployment benefits. This sees trainees often requiring another job, with its own obligations, and often irregularity (such as changing rosters) to make ends meet. When required to attend block training, they must forego any other income for that week and risk losing the other job. To complete the qualification, they must also commit to placement hours between 250 and 800 hours. There is no current funding to pay them for this time. Extensive research displays that the higher your salary, the better your health outcomes are going to be⁹. As such there is compelling evidence behind the importance of eliminating barriers for people to be able to transition to employment and be supported to progress within the workforce. This is especially critical for Aboriginal people given the legacy of colonisation and its subsequent policies' impact on Aboriginal and Torres Strait Islanders people's ability to generate wealth and become economically self-determining.

The ACCO is not resourced to provide the level of supervision that is required. This has legal and ethical implications and places a burden on over-worked staff in service delivery, with clients with acute needs. ACCO trainee supervisors play an integral role in supporting students in a wide range of ways to become workplace ready. This is a role that is essential for recruiting and retaining students and supporting them to succeed. Very often supervisors find themselves taking on trainees on top of their existing responsibilities due to a lack of additional funding. This can see supervisors extremely overworked and unable to complete their own duties which lowers workplace satisfaction. Where supervisors take time to support trainees appropriately, this can often be at risk of seeing more patients and clients which means can flow on and decrease the income/ funding the ACCO receives. It creates risk of staff retention of both trainees and supervisors. The ACCO also needs to cover other resourcing, including office accommodation and amenities, uniforms etc. ACCOs do take on trainees out of their commitment to getting community members into work, but this is at a cost to their own sustainability. This should not be interpreted as satisfaction with the arrangements.

⁸ Staff in ACCOs work with Victoria's most complex, vulnerable and marginalized populations. Inadequate supervision creates high risk for all parties

⁹ Marmot M (2017), 'Closing the health gap,' *Scandinavian Journal of Public Health*, 45(7):723-731.

The Registered Training Organisation (RTO) operates under a funding model where they receive payment as student's complete modules. Therefore, their viability depends on students completing courses, or other government subsidies, such as those received by TAFEs. Larger private RTOs can overcome this by a high volume of trainees going through courses. Specialist RTOs, especially those built to meet the needs of Aboriginal trainees and organisations, do not have this high volume. Typically, they will run a course with up to 20 students from all over the state and this might reach breakeven, if a high percentage of students complete their course. Whilst they are usually run by not-for-profit organisations, they are classified under the VET system as 'private RTOS' so do not receive funding such as that received by TAFEs.

As a result, even though they play a critical role in Aboriginal economic self-determination, RTOS struggle to reach financial sustainability. Traineeships, however, require them to take on a whole extra layer of compliance – including mandated travel for at least 4 workplace visits to each student – but no additional funding is provided. In addition, some traineeship arrangements are made without involving the RTO at the outset, creating an obligation and often a problem for the traineeship eventuating and being completed. Some traineeship arrangements have mandatory start dates and if there are not enough students to make the course financially viable, the options are to deliver at a loss, or leave the trainees stranded. For example, a recent course start date under a specific traineeship program left VACCHO with nine enrolments and a net loss on the course of \$455,000.

VACCHO has its own RTO set up to support ACCOS with their training needs. We play a key role in achieving the short and long-term goals of VACCHO's members through the development of a highly skilled Aboriginal Health and Wellbeing Workforce to the Aboriginal Community Controlled Organisation sector in Victoria. The VACCHO RTO specialises in Aboriginal Health Worker and Aboriginal Health Practitioner qualifications whilst ensuring we meet the wider needs of VACCHO members by providing qualifications across the Social, Emotional & Wellbeing workforces along with Leadership & Management. We are proud that our Social, Emotional Wellbeing and our Health qualifications see us achieving a 67.75% completion rate, whilst mainstream TAFES achieve a 29.6% completion rate for First Nations students.

If we are to unblock the pipeline for Aboriginal people coming into the health sector, there would be multiple benefits for both the individual, and their family, as well as for the ACCO and the Aboriginal health sector at large in improving rates of Aboriginal employment and leadership roles and bringing about self-determination.

To unlock this pipeline VACCHO sees the need for trainees to be supported in their studies to be able to cover the cost of living, ACCOs need to feel confident they can

adequately and sustainably supervise and support the trainer and finally, RTOs need to know offering the course is financially viable.

As such, VACCHO puts forward the following recommendations:

Recommendation 3: Traineeships fully funded in line with a minimum full-time SCHADS 2.1 entry level salary and a viable ACCO payment to cover supervision and amenities.

Recommendation 4: The additional compliance costs for ACCOs who provide training under a traineeship should be recognised and funded.

While not all inclusive, VACCHO sees the below as having a tangible impact on unblocking this pipeline.

Conclusion

This submission has focused on two specific issues relevant to the ACCO space, the first being the need for Commonwealth and State funding models to meet ACCO operating models. This needs to streamline and integrate funding through a recognition of the Victorian ACCO Model which will have wide felt impact, both decreasing the administrative burden on ACCOs and bringing about a respect and formal recognition for a highly effective Aboriginal designed and led model.

The second focus of this submission has been on the importance of unblocking the traineeship pipeline. Every part of the traineeship system, for trainee, ACCO and RTO, is a financial trap. If we recognise the barriers to successful traineeships and fund at a level that supports completion, there is real return on investment not only for the organisations and individuals involved but for the broader Aboriginal and non-Aboriginal community.

Each of these issues create significant barriers to economic self-determination and opportunities for First Nations Australians. VACCHO proposes the following recommendations as key steps towards addressing this:

1. The Commonwealth to recognise that there are diverse operating models for Aboriginal Community Controlled Organisations, including the Victorian ACCO Model, and endorse this through funding policy.
2. The Commonwealth commits to transitioning funding models for ACCOs to those that allow block, recurrent, self-determined local, regional, or state-based models.
3. Traineeships fully funded in line with a minimum full-time SCHADS 2.1 entry level salary and a viable ACCO payment to cover supervision and amenities.
4. The additional compliance costs for ACCOs who provide training under a traineeship should be recognised and funded.

VACCHO believes that in the Commonwealth implementing these recommendations, they will have far reaching benefits to both community and beyond.

Reference list

Brennan, D (2024), "The old ways are not working" – PM says governments must listen to Indigenous communities to close the gap, National Indigenous Times, Accessed 17 June 2024. ["The old ways are not working" – PM says government... | NIT](#)

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