



Australian Government  
Department of Health and Ageing

## Response to Question on Notice

### JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

#### Auditor-General's reports Nos 2 to 10 (2012-2013) and related reports

#### GENERAL COMMENTS

Since the audit commenced in July 2010, the Department has introduced a number of strategies to improve the capacity of the Aboriginal and Torres Strait Islander Community Controlled Health Sector.

#### SPECIFIC QUESTIONS ON NOTICE

##### Question 1

**How has your department been implementing the ANAO's Recommendation No. 1 to 'review their current funding approaches and supporting arrangements' and take a longer term view?**

**What changes have been made?**

**Are there instances where longer term partnerships or core funding support is now being provided to Indigenous organisations? If not, why not?**

##### Response

As the Audit Report noted, the Office for Aboriginal and Torres Strait Islander Health (OATSIH) has introduced multi-year funding agreements. These funding agreements have reduced the reporting burden and red tape associated with funds administration.

The OATSIH multi-year funding agreement is a single common funding agreement, introduced in response to the previous situation in which a funded organisation had numerous separate funding agreements with the Department represented by different program areas. The multi-year agreements provide greater certainty to funded organisations and enable the Department and funded organisations to target emerging priorities over longer time periods. Since its initial implementation the number of organisations eligible for the multi-year funding agreement has increased significantly from approximately 25 per cent to around 80 per cent.

Also, in recent years, funding from other areas of the Department of Health and Ageing (the Department) that is provided to Indigenous organisations is administered through the OATSIH funding agreement, further reducing the number of funding agreements managed by organisations. Further, the Department is introducing a multi-year, multi-program funding agreement which will allow all organisations to operate under one agreement for all their funding from the Department.

Other activities being undertaken include OATSIH undertaking a review of its primary health care funding model. The review aims to develop a transparent and equitable funding formula for Aboriginal Community Controlled Primary Health Care Organisations. The funding model work is currently in consultation with stakeholders. OATSIH is committed to funding principles agreed with the National Aboriginal Community Controlled Health Organisation (NACCHO) that state primary health care funding should, among other things, promote Aboriginal Community Controlled Primary Health Care Organisation stability and efficiency.

## **Question 2**

**What capacity building activities are being advanced by your Department? (page 6)**

### **Response**

The Department is advancing two specific capacity building activities.

The first specific capacity building activity is the NACCHO Governance and Member Support Initiative for the Aboriginal Community Controlled Health Sector (the Member Support Initiative). The Member Support Initiative was developed in partnership between OATSIH and NACCHO and in response to the Aboriginal Community Controlled Health Sector's claim that, for it to improve its performance, governance and management, it has to own the process and should undertake reforms itself.

The Member Support Initiative is expanding the capacity of NACCHO and its Affiliates to coordinate effective support to Aboriginal Community Controlled Health Services to assist them to achieve and maintain good practice in corporate governance.

Key features of the Member Support Initiative are: the establishment of a Sector Governance Network with membership comprising senior staff and board members of NACCHO and each of its state and territory Affiliates; the development and promotion of National Principles and Guidelines for Good Governance; the establishment of a panel of preferred providers of governance training and development and expertise support services; the establishment of governance member support functions in each of the NACCHO Affiliates to provide coordinated governance, and business advice and support to Aboriginal Community Controlled Health Services.

The second specific capacity building activity is the Establishing Quality Health Standards-Continuation (EQHS-C) measure that supports eligible organisations to achieve clinical and organisational accreditation under mainstream standards relevant in the Australian healthcare environment. The EQHS-C measure focused initially on organisations achieving clinical accreditation and has since moved on to organisational accreditation. Eighty-four per cent of eligible organisations have achieved clinical accreditation with a further six per cent in the process of doing so. Twenty-five per cent of eligible organisations have achieved organisational accreditation with a further forty-five per cent expected to do so by 30 June 2015. OATSIH is working with NACCHO and its Affiliates to encourage those organisations that have not yet achieved, or are not pursuing accreditation, to do so.

Other projects have also been implemented, which while not primarily focussed on capacity building, have a capacity building component. For example, the Expanding Health Service Delivery Initiative in the Northern Territory (\$182 million over four years) and the Stronger Future Northern Territory (\$713.5 million over ten years) include components to build the

capacity of Indigenous health services such as; improved quality of services through Continuous Quality Improvement initiatives; strengthening regional approaches to service delivery; and additional staff, resources and accommodation to improve workforce attraction and retention.

OATSIH also provides funds to NACCHO and its State and Territory Affiliates, and to an Aboriginal regional support organisation in Western Australia, to provide support and capacity building to Indigenous health services, including governance support and training, assistance to organisations experiencing difficulties, and administration support.

OATSIH also provides support direct to organisations where a need is identified and/or the organisation seeks assistance. This is usually in the form of the provision of expert managerial, governance and financial advice and support.

In addition, capacity development is factored into program arrangements such as the OATSIH risk framework. The framework serves two purposes. As well as identifying risks to the Commonwealth in funding an organisation, the risk framework also identifies risks to the organisation in managing its business. Where required, support and assistance is provided by OATSIH to address the risks identified, including expertise support and governance and business operations assistance.

### **Question 3**

**How many non-Indigenous organisations are involved in delivering programs attached to Closing the Gap initiatives? (page 6)**

It is not possible to specifically identify the number of non-Indigenous organisations which are involved due to the size and immense scope of the Closing the Gap initiatives.

The Commonwealth's contribution to the National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes is the Indigenous Chronic Disease Package (ICDP).

The ICDP provided \$805.5 million over four years from July 2009 to June 2013 for a range of activities across the health system to improve the prevention, detection and management of chronic disease for Indigenous Australians, with ongoing funding for these activities now being provided through the Aboriginal and Torres Strait Islander Chronic Disease Fund.

A significant focus of the ICDP has been the implementation of regional Tackling Indigenous Smoking and Healthy Lifestyle Teams. By the end of 2012-13, teams will have been established across 57 regions to provide national coverage across Australia. The vast majority of these teams are being hosted by Aboriginal community controlled health organisations (ACCHOs), with 6 teams currently funded in non-Indigenous organisations. Local community campaign grants have gone to a mix of Indigenous (66%) and non-Indigenous (34%) organisations.

Within the primary health care system, funding has been provided through a variety of mechanisms, reflecting the need for all parts of the health system to be responsive to the needs of Aboriginal and Torres Strait Islander peoples.

- Incentive payments to deliver best practice management of chronic disease to Indigenous Australians are available to all accredited general practices that choose to participate in the Practice Incentives Program Indigenous Health Incentive, a

program that includes the majority of Aboriginal community controlled health organisations.

- Support to access more affordable medicines is available to patients of ACCHOs and private general practice, with medicines being more affordable at the point of supply through community pharmacies.
- Funding has been provided for outreach workers, practice managers and additional health professionals in ACCHOs, and there has been funding for Indigenous health project officers and outreach workers in Medicare Locals.
- Funding is provided to Medicare Locals to deliver the Care Coordination and Supplementary Services Program.
- Funding is also provided to state-level fund-holders to deliver the Medical Specialist Outreach Assistance Program - Indigenous Chronic Disease. This program provides specialist and allied health professionals to deliver outreach services that are not available locally. Outreach services under this program are generally delivered through an ACCHO.