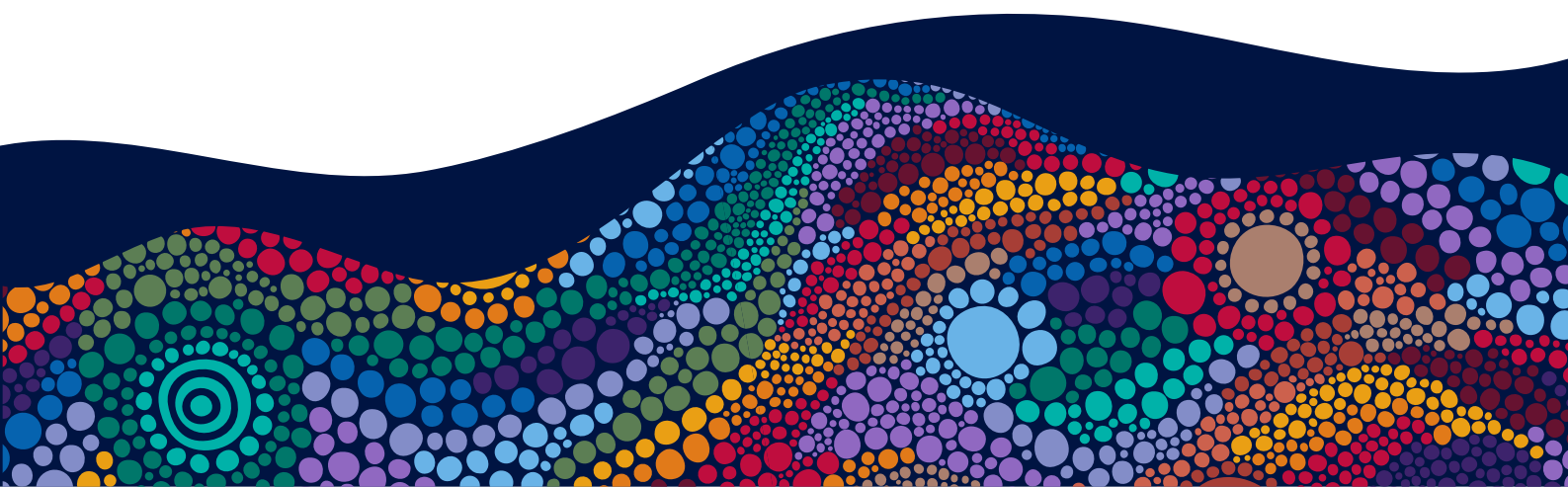


Market stewardship in the care and support economy

Submission to the Australian National Audit
Office

May 2026



About NACCHO

NACCHO is the national peak body representing 148 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 148 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 initiatives to improve market stewardship in the care and support economy explicitly align with the National Agreement and its four Priority Reform Areas.
- 2** Regarding coordination between key government departments and agencies:
 - a** A coordinated, whole of Government approach to align national efforts to transition services to the community-controlled sector, and embed Aboriginal and Torres Strait Islander-led strategies across portfolios.
 - b** A single regulatory system across disability support, aged care and primary healthcare.
 - c** Commonwealth funding for Aboriginal and Torres Strait Islander services is redirected from Primary Health Networks to the ACCHO sector.
 - d** PHNs and other funded organisations be held accountable in their funding agreements to delivering against the Priority Reforms, and that penalties are applied for not achieving those KPIs.
 - e** PHNs be contractually required to prioritise community-controlled service providers for funding identified for Aboriginal and Torres Strait Islander communities.
 - f** Government ensure tender processes prioritise or require investment in local communities, including ensuring training and skills development for local people.
- 3** Government prioritises funding and support mechanisms for ACCHOs and ACCOs to deliver into the care and support sector, which includes:
 - a** Whole of sector capacity building,
 - b** Ensuring service providers have the administrative capacity to comply with regulatory requirements, CQI, reporting and other administrative requirements, and
 - c** Leadership capability activities.
- 4** Regarding prioritising person-centred care over a market-driven approach:
 - a** Mainstream service providers are held accountable through their funding agreements to demonstrate cultural capabilities required to deliver services in a culturally respectful and appropriate manner for Aboriginal and Torres Strait Islander people across care and support sectors.
 - b** Prioritised funding for ACCHOs and ACCOs to lead partnerships with mainstream organisations and have the flexibility to subcontract services to mainstream organisations where needed.
- 5** Prioritising workforce development training and pathways for ACCHO and ACCO staff delivered through the existing network of ACCRTOs
- 6** Regarding supporting Aboriginal and Torres Strait Islander carers:
 - a** Government reviews Carer Payment and Carer Allowance rates and application processes to improve access for Aboriginal and Torres Strait Islander people.
 - b** Government prioritises funding and support mechanisms for ACCHOs and ACCOs to deliver carer support programs in their communities.

Acknowledgements

NACCHO welcomes the opportunity to provide a submission to Australian National Audit Office on Market stewardship in the care and support economy.

NACCHO would like to acknowledge the valuable input received from Aboriginal Health Council of Western Australia, Aboriginal Health and Medical Research Council, Queensland Aboriginal and Islander Health Council, Tasmanian Aboriginal Centre, and Victorian Aboriginal Community Controlled Health Organisation to this submission.

NACCHO supports the submissions to this consultation made by NACCHO Members and Affiliates.

National Agreement on Closing the Gap

Advocating for and securing the National Agreement on Closing the Gap was an historically significant act of Aboriginal and Torres Strait Islander self-determination. The National Agreement is evidence of a new era of engagement by and with Aboriginal and Torres Strait Islander people. It commits Australia to a new direction and is a pledge from all governments to fundamentally change the way they work with Aboriginal and Torres Strait Islander communities and organisations – to support self-determination and build the capacity of the community-control sector.

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.

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. Governments at all levels have committed to the implementation of the National Agreement's four Priority Reform Areas, which offer a roadmap to meaningfully impact structural drivers of poor health and social outcomes for Aboriginal and Torres Strait Islander people:

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, and to accelerate policy making that centres Aboriginal and Torres Strait Islander voices.

Priority Reform Area 2 – Building the community-controlled sector

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

Priority Reform Area 3 – Transformation of mainstream institutions

This Priority Reform commits to systemic and structural transformation of government organisations 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 Area 4 – Sharing data and information to support decision making

This Priority Reform commits to shared access to regional data and information to inform local-decision making and support achievement of the first three Priority Reforms. This Priority Reform supports principles of Indigenous Data Sovereignty.

Despite some progress, the need for fundamental systemic reform remains evident. In its first review of the National Agreement on Closing the Gap, the Productivity Commission found that governments are not adequately delivering on their commitments. Despite support for the Priority Reforms and some good practice, progress has been slow, uncoordinated, and piecemeal.

The Commission noted that to enable better outcomes, governments need to relinquish some control, share decision making and acknowledge that Aboriginal and Torres Strait Islander people know what is best for their communities. Aboriginal Community Controlled Organisations must be treated as critical partners rather than passive funding recipients, and trusted to design, deliver and measure government services in ways that are culturally safe and meaningful for their communities.

'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

This audit assessing whether strategic coordination of market stewardship activities in the care and support economy is effective provides the Department of the Prime Minister and Cabinet with an opportunity to ensure that care and support initiatives are in alignment with the National Agreement and the needs and aspirations of all Aboriginal and Torres Strait Islander people.

It is disappointing that the Department has not identified how the Priority Reforms will be integrated moving forward or how market stewardship of care and support initiatives align with:

- the Closing the Gap disability cross-cutting outcome,² and the Disability Sector Strengthening Plan,³
- **Target 1:** Close the Gap in life expectancy within a generation, by 2031.
- **Target 3:** By 2025, increase the proportion of Aboriginal and Torres Strait Islander children enrolled in Year Before Fulltime Schooling (YBFS) early childhood education to 95 per cent.
- **Target 4:** By 2031, increase the proportion of Aboriginal and Torres Strait Islander children assessed as developmentally on track in all five domains of the Australian Early Development Census (AEDC) to 55 per cent.
- **Target 16:** By 2031, there is a sustained increase in number and strength of Aboriginal and Torres Strait Islander languages being spoken.

Explicit reference to and incorporation of the Priority Reforms is needed throughout all functions of market stewardship in the care and support economy to reflect government commitments to improve outcomes for Aboriginal and Torres Strait Islander people.

NACCHO recommends any initiatives to improve market stewardship in the care and support economy explicitly align with the National Agreement and its four Priority Reform Areas.

NACCHO has been working with Government for a number of years in the disability, early childhood education and care and aged care spaces. While good relationships have been developed with the relevant teams, there remain significant concerns about the overall approach being taken regarding market stewardship in the care and support economy, and how it impacts Aboriginal and Torres Strait Islander people.

Government has been slow to implement changes that respond effectively to sector feedback. We have consistently highlighted the need for active market stewardship, and a whole-of-government approach to

¹ Productivity Commission, Review of the National Agreement on Closing the Gap, Study Report, Canberra, 7 Feb 2024 <https://www.pc.gov.au/inquiries/completed/closing-the-gap-review/report>.

² Department of Social Services. (2024, November 25). *Disability cross-cutting outcome*. Australian Government. <https://www.dss.gov.au/closing-gap/disability-cross-cutting-outcome>.

³ National Indigenous Australians Agency, Disability. <https://www.niaa.gov.au/2023-commonwealth-closing-gap-implementation-plan/cross-cutting-areas/disability>.

support and build capacity of the community-controlled sector and implement accountability measures for mainstream organisations.

Disability, early childhood education and care and aged care are key areas where support from Government is needed due to thin markets in remote and very remote Australia, and culturally thin markets in urban and regional settings. Capacity and capability building must be prioritised for ACCHOs and ACCOs to develop place-based models of service delivery that meet the needs and priorities of local communities.

Coordination between key government departments and agencies

Government has taken a largely ‘hands off’ approach to market stewardship, which has also contributed to some of the systemic failures relating to fraudulent activity. The NDIA for example, *“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... 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.”*⁴

This failure is due to the insistence on a market-led service delivery approach rather than one focused on the health and wellbeing outcomes of people. Despite the recommendations of multiple reviews,⁵ there remains a reluctance to provide block funding for the delivery of care services which would be more sustainable for community-controlled providers.

Transitioning services to the community-controlled sector

ACCHOs are a longstanding example of ‘integrated commissioning’. Our members deliver primary health care services to communities as well as preventive and population health activities, justice health initiatives, aged care and disability services, mental health, allied health, childcare and many other services.

In contrast to PHN commissioning practices, our members report that programs commissioned by community-controlled peak bodies such as NACCHO understand the needs and challenges of the sector and support flexible local level decision making to optimise service delivery and outcomes for Aboriginal and Torres Strait Islander people.

It is critical that accountability measures are embedded in funding agreements to require ongoing, sustainable engagement and co-design with communities. Accountability measures should also ensure funds earmarked for Aboriginal and Torres Strait Islander people prioritise delivery through community-controlled services in line with Priority Reform 2 of the National Agreement.

While PHN Guiding Principles for working with ACCHOs have been in place since March 2016, there is no obligation for PHNs to use them. These Principles must be updated to align with the National Agreement on Closing the Gap. PHNs and LHNs must be held accountable through funding agreements for ensuring the delivery of culturally safe care to Aboriginal and Torres Strait Islander communities, through their commissioning arrangements.

PHN funding intended to benefit Aboriginal and Torres Strait Islander communities should be transitioned to the ACCHO sector in line with Action Area C in the Primary Health Care 10-year Plan. In addition, Aboriginal and Torres Strait Islander community-led commissioning models for urban, rural and remote areas should be scoped and trialled.⁶

⁴ Australian Government, NDIS Review, Alternative commissioning for remote and First Nations communities, May 2023

⁵ As above.

⁶ Primary Health Care 10 Year Plan 2022-2032, Action area C: Close the Gap through a stronger community controlled sector, <https://www.health.gov.au/resources/publications/australias-primary-health-care-10-year-plan-2022-2032?language=en>.



Under the First Nations Health Funding Transition Program, the Department of Health and Aged Care in partnership with NACCHO and other key peaks, has identified 32 Aboriginal and Torres Strait Islander health programs, that would be better delivered by Aboriginal and Torres Strait Islander community-controlled organisations.

The Productivity Commission Review of Closing the Gap report⁷ also noted that changes to commissioning processes and contracting could ensure that only service providers with the capability to provide culturally safe services are selected.

In October 2021, the House of Representatives Select Committee on Mental Health and Suicide Prevention Final Report recommended that the Australian Government:

- consolidate its funding portfolios to ACCHOs within the Department of Health for Aboriginal mental health, suicide prevention, and social and emotional wellbeing, and
- ensure that Commonwealth funding for Aboriginal services is redirected from Primary Health Networks to ACCHOs, where available.

Though specifically related to mental health and suicide prevention, there is overwhelming evidence from other sources to indicate that this should be the path forward across all services for Aboriginal and Torres Strait Islander people.

A holistic, whole-of-government approach that brings together multiple departments and agencies to support this process is needed. There is an opportunity through this audit to align national efforts to transition services to the community-controlled sector, embed Aboriginal and Torres Strait Islander-led strategies across portfolios and ensure that Aboriginal and Torres Strait Islander organisations and communities are active partners in policy design and implementation.

A coordinated approach will enable governments to leverage existing investments, avoid duplication, and scale successful models—particularly those led by ACCOs and ACCHOs. It will also strengthen accountability and ensure that Closing the Gap targets are embedded across all relevant reforms.

Regulatory duplication, burden and rigidity

All ACCHOs are funded by the Commonwealth government to provide primary healthcare and are already required to comply with a range of standards, including the National Health Standards, RACGP Standards and ISO standards. However, ACCHOs are unable to use their clinical governance frameworks in registering to deliver aged, disability or veterans' care. Duplication and lack of reference to prior registration in other care services has led to registration taking up to nine months in one instance and being very time and resource heavy, with a large cost involved.

The burden of reporting and compliance across multiple systems is significant and is generally not funded or supported. Front end processes from entry to compliance must be simplified for providers and the data shared between Departments and agencies where necessary.

NACCHO recommends:

- a) a coordinated, whole of Government approach to align national efforts to transition services to the community-controlled sector and embed Aboriginal and Torres Strait Islander-led strategies across portfolios.
- b) a single regulatory system across disability support, aged care and primary healthcare.
- c) Commonwealth funding for Aboriginal and Torres Strait Islander services is redirected from Primary Health Networks to the ACCHO sector.
- d) PHNs and other funded organisations be held accountable in their funding agreements to delivering against the Priority Reforms, and that penalties are applied for not achieving those KPIs.

⁷ Productivity Commission, Review of the National Agreement on Closing the Gap – Study report: Volume 1, Jan 2024, <https://www.pc.gov.au/inquiries/completed/closing-the-gap-review/report/closing-the-gap-review-report.pdf>

- e) PHNs be contractually required to prioritise community-controlled service providers for funding identified for Aboriginal and Torres Strait Islander communities.
- f) Government ensure tender processes prioritise or require investment in local communities, including ensuring training and skills development for local people.

Prioritising person-centred care over a market-driven approach

The central tenet of care and support is to improve health and wellbeing outcomes across the life course. Care and support are not opportunities for economic gain and should not be viewed as a commodity.

There is a wealth of research demonstrating that marketisation of government services in Australia frequently produces poor outcomes, particularly for those from the most disadvantaged backgrounds. Marketisation encourages service providers that can achieve a high profit margin by reducing quality, and disadvantages public and not-for-profit service providers.⁸

While we acknowledge that the care and support sector delivers economic benefit, this is not the purpose of the sector or the services it delivers, which are intended to benefit the health and wellbeing of people and communities. People are neither 'consumers' nor 'infrastructure', the sector is not a 'market' or an 'economy'.

This profit-driven approach is the reason we have seen appalling standards of care and support services provided to people in the aged care sector and those living with disability, by mainstream providers, as amply documented by recent Royal Commissions.^{9, 10}

The current mainstream approaches employed by government have not supported Aboriginal and Torres Strait Islander people, and do not adequately reflect the reality of access challenges for communities. In remote and very remote areas, there are frequently no providers. If there are mainstream providers, they often do not deliver culturally safe care or are inaccessible due to distance, cost or availability. Aboriginal and Torres Strait Islander people in urban and regional locations also have challenges accessing culturally safe services. While these regions may have multiple providers offering services with differing approaches, they may not be culturally safe, and therefore not accessible for Aboriginal and Torres Strait Islander people.

For the ACCHOs currently delivering services in remote and very remote areas, the compounding issues of distance and numbers of clients make it economically unviable. Despite the challenges, and often the associated financial loss, our sector continues with service delivery as we know how critical it is for the communities that our members service.

In order to achieve the goal of person-centred services, a person-centred lens and approach is required, not the economic lens that tends to be applied.

"the NDIS will never be a money making program in the Kimberley because there is no market. We need to be funded to employ allied health staff otherwise it will fail. There is a 12-month waiting list for occupational therapists in the Kimberley so investment needs to be made in employing staff and covering their travel costs [across the region]." - CEO of Broome Aboriginal Medical Service (BRAMS), for the Disability Royal Commission

The ACCHO Model of Care

The ACCHO model of community-controlled comprehensive primary healthcare is a holistic system grounded in truth, lived realities, culture, law, and Country, bringing these elements together and drawing on

⁸ Don Perlcut, Why Australia Needs to Stop Using the Term "VET Market", 3 July 2023, <https://cca.edu.au/wp-content/uploads/2023/07/Why-Australia-Needs-to-Stop-Using-the-Term-VET-Market-Don-Perlgut-3July2023.pdf>

⁹ Royal Commission into Aged Care Quality and Safety, 2021, Final Report: Care, Dignity and Respect, <https://agedcare.royalcommission.gov.au/publications/final-report>

¹⁰ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, 2020 Interim Report, <https://disability.royalcommission.gov.au/publications/interim-report>

evolving structures and relationships to design culturally informed health models and programs that meet community needs, with practice led from the ground up to inform effective policy, advocacy, and legislation.¹¹

For many Aboriginal and Torres Strait Islander people, health is deeply connected to land, sea, language, culture, and community relationships. These connections manifest differently from one individual or community to another. The Aboriginal and Torres Strait Islander community-controlled comprehensive primary healthcare model seeks to translate these unique and intrinsic values into a framework for delivering health services and programs.

The model is built around four core domains that ensure healthcare services are locally defined and culturally responsive. These include governance, clinical services, policy direction and partnership, and community health promotion and empowerment.

Research shows that ACCHOs deliver better results for Aboriginal and Torres Strait Islander people than mainstream services,¹² and at a lower cost.^{13,14} ACCHOs achieve this through delivering a holistic, comprehensive model of care, which underscores the importance of connecting the physical, mental, social, emotional and spiritual dimensions of health and wellbeing to promote preventive and comprehensive care, with a strong focus on prevention not solely through focusing on treatment.

ACCHOs have provided culturally safe primary healthcare by and for Aboriginal people since the 1970s. They are innovators in the development of comprehensive primary health care in Australia. ACCHOs are best placed to respond to local health needs as they position their model of care within a framework of family and cultural safety.

Because of this, ACCHOs are more effective than other health services at improving Aboriginal and Torres Strait Islander health.¹⁵

In NACCHO's consultations with its Affiliates and members, we have heard reports that many participants underutilise their NDIS plans due to the limited availability of culturally safe services. This is also a problem for early childhood education and care, and aged care. Our sector has consistently emphasised the need for more information for ACCHOs and ACCOs on how to become aged care providers and for sufficient support to do so. While there is targeted support available for ACCOs who are already providers, support for organisations wishing to enter the market has been limited to a small number of selected providers under the Department of Health, Disability and Ageing's sector capacity building program.

It is unclear how funded organisations were identified or how additional organisations will be selected in future rounds. There is a lack of transparency in the process, and it is unclear to ACCHOs and ACCOs how they might be included in this program.

A whole of sector approach is essential, rather than the selective, piecemeal Department-led programs currently being implemented. Sector-wide capacity building will support local Aboriginal and Torres Strait Islander-led, coordinated approaches to improve access to and delivery of NDIS, early childhood education and care, and aged care services. ACCHOs and ACCOs must be supported to develop place-based models of service delivery that meet the needs and priorities of local communities. Sector capacity building requires an initial sector mapping and capability review to determine the level of thin and culturally thin market support and intervention required.

¹¹ National Aboriginal Community Controlled Health Organisation (2024). *Aboriginal community-controlled health organisations*. [online] NACCHO. Available at: <https://www.naccho.org.au/aboriginal-community-controlled-health/>.

¹² NACCHO, Core Services and Outcomes Framework, June 2021, <https://csf.naccho.org.au/wp-content/uploads/2022/10/Core-Services-Outcomes-Framework-full-document.pdf>.

¹³ Vos et al., Assessing Cost-Effectiveness in Prevention, September 2010, https://public-health.uq.edu.au/files/571/ACE-Prevention_final_report.pdf.

¹⁴ Ong et al., Differences in primary health care delivery to Australia's Indigenous population: a template for use in economic evaluations, September 2012, <https://bmchealthservres.biomedcentral.com/articles/10.1186/1472-6963-12-307>.

¹⁵ Campbell, M.A. et al. Contribution of the Aboriginal Community-Controlled Health Services to Improving Aboriginal Health: an Evidence Review, Australian Health Review (<http://www.publish.csiro.au/ahr>).

NACCHO's NDIS Ready program offers a good example of how a sector-wide capacity building program might work. The program involved support to ACCHOs to investigate the viability of delivering NDIS services through the provision of small grants, facilitating sector-wide information sharing and collaboration through a series of national yarning circles and communities of practice and the development of a culturally embedded communications campaign and resources.

Government cannot continue to determine what will work for Aboriginal and Torres Strait Islander communities and organisations without working with them to identify the issues and determine the solutions.¹⁶

A commitment from government to build the capacity and capability of the Aboriginal and Torres Strait Islander community-controlled sector to deliver the services needed in their communities should be prioritised. This requires long-term national investment and a sector-wide focus to achieve sustainable outcomes. It also requires government to align its efforts.

NACCHO recommends Government prioritises funding and support mechanisms for ACCHOs and ACCOs to deliver into the care and support sector, which includes:

- a) Whole of sector capacity building,
- b) Ensuring service providers have the administrative capacity to comply with regulatory requirements, CQI, reporting and other administrative requirements, and
- c) Leadership capability activities.

Cultural safety

The NDIA's First Nations Strategy 2025–30, co-designed with Aboriginal and Torres Strait Islander community members, recognises that *“the rights of First Nations people with disability cannot be separated from First Nations concepts of holistic physical, cultural, social, emotional, and spiritual health and wellbeing.”*¹⁷ This understanding extends beyond service delivery models to encompass ways of being, knowing, and doing, including culturally distinct understandings of disability that differ from Western, deficit-based definitions.

Despite this recognition, the ongoing absence of culturally safe services — identified by the Disability Royal Commission as a *“time-sensitive national crisis”* — has left Aboriginal and Torres Strait Islander people particularly vulnerable.¹⁸ In this context, Aboriginal and Torres Strait Islander care and support markets are often dominated or exploited by mainstream providers who reportedly negate, suppress, or ignore the cultural rights and lived realities of Aboriginal and Torres Strait Islander people.¹⁹ The consequences of these failures are reflected in persistent experiences of inequity, lack of safety, trauma, and disengagement from services, including instances of service refusal by participants.

Evidence further indicates that inadequate safeguarding of cultural safety contributes to poorer health outcomes, lifelong harm, and, in some cases, preventable deaths within Aboriginal and Torres Strait Islander communities.²⁰ These outcomes underscore that cultural safety is not an optional or supplementary consideration, but fundamental for service delivery.

¹⁶ Productivity Commission, Review of the National Agreement on Closing the Gap, Study Report, Canberra, 7 Feb 2024 [Study Report - Closing the Gap review - Productivity Commission \(pc.gov.au\)](#).

¹⁷ NDIS (2025). *First Nations Strategy* | NDIS. [online] Ndis.gov.au. Available at: <https://www.ndis.gov.au/strategies/first-nations-strategy>.

¹⁸ Deloitte. (2023). *Research report – Options to improve service availability and accessibility for First Nations people with disability*. Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. <https://disability.royalcommission.gov.au/system/files/2023-09/Research%20Report%20-%20Options%20to%20improve%20service%20availability%20and%20accessibility%20for%20First%20Nations%20people%20with%20disability.pdf>

¹⁹ As above.

²⁰ Elvidge, E., & Haddock, R. (2025). *Measuring what really matters for Aboriginal and Torres Strait Islander peoples – Racism and cultural safety in healthcare* (Deeble Issues Brief No. 60). Australian Healthcare and Hospitals Association. <https://ahha.asn.au/wp-content/uploads/2024/09/Deeble-Issues-Brief-No.-60-Racism-and-cultural-safety-in-healthcare.pdf>

“Cultural safety is about overcoming the power imbalances of places, people and policies that occur between the majority non-Indigenous position and the minority Aboriginal and Torres Strait Islander person so that there is no assault, challenge or denial of the Aboriginal and Torres Strait Islander person’s identity, of who they are and what they need. Cultural safety is met through actions from the majority position...”²¹

Explicitly safeguarding cultural safety is central to protecting the rights of Aboriginal and Torres Strait Islander people to be free from harm, abuse, and neglect, and to uphold their right not only to life, but to a life of quality, dignity, and self-determination. Supporting Aboriginal and Torres Strait Islander ways of knowing, being, and doing — across physical, cultural, social, emotional, and spiritual domains — must be integral to market stewardship frameworks if these foundational rights are to be meaningfully realised in practice.

A strong understanding of cultural safety must be part of the organisational mindset at all levels. Focus should be on cultural capabilities, and developing skills, knowledge and behaviours required to plan, support, improve and deliver services in a culturally respectful and appropriate manner.²² This requires comprehensive, cultural capabilities training and greater engagement by listening to Aboriginal and Torres Strait Islander people about their experiences and taking those learnings on board across the organisation. Without cultural respect and understanding as a core component of the NDIS, early childhood education and care, and aged care services, we are unlikely to see the benefits for Aboriginal and Torres Strait Islander people. The AIHW *Cultural safety in health care for Indigenous Australians: monitoring framework*²³ may offer insights on how best to evidence the provision of culturally safe care. Consideration should be given to the development of mandated, specific guidance on delivering cultural safe care and supports for Aboriginal and Torres Strait Islander people.

Government funding processes tend to prioritise larger mainstream services. These organisations often receive funding to deliver services for Aboriginal and Torres Strait Islander communities while also depending on ACCHOs and ACCOs to facilitate services and programs. This can lead to exploitation of smaller local community-controlled services to support mainstream providers who then do not deliver culturally safe services to local communities.

These mainstream organisations often deliver services that are not culturally safe, and do not work in genuine partnership with Aboriginal and Torres Strait Islander organisations. Such arrangements can also draw funding away from ACCHOs and ACCOs, which undermines Government’s commitment to Priority Reform 2.

Competitive funding processes often hinder ACCHO opportunities for partnership and can create substantial administrative and cost burdens for ACCHOs.²⁴ Partnership should be led by the community-controlled sector, not mainstream organisations. ACCHOs and ACCOs should be prioritised for funding and have the flexibility to subcontract services to mainstream organisations, rather than the other way around.

NACCHO recommends:

- a) mainstream service providers are held accountable through their funding agreements to demonstrate cultural capabilities required to deliver services in a culturally respectful and appropriate manner for Aboriginal and Torres Strait Islander people across care and support sectors.

²¹ Closing the Gap: In Partnership (2022). https://www.closingthegap.gov.au/sites/default/files/2022-09/ctg-national-agreement_apr-21-comm-infra-targets-updated-24-august-2022_0.pdf.

²² Mohamed J, Stacey K, Chamberlain C and Priest N. (2024), Cultural safety in Australia, Discussion paper, Lowitja Institute, Melbourne. <https://www.lowitja.org.au/resource/cultural-safety-in-australia/>.

²³ Australian Institute of Health and Welfare, Cultural safety in health care for Indigenous Australians: monitoring framework, <https://www.aihw.gov.au/reports/indigenous-australians/cultural-safety-health-care-framework/contents/about>.

²⁴ SNAICC (2023). Stronger ACCHOs, Stronger Families – Final Report. <https://www.snaicc.org.au/wp-content/uploads/2023/05/SNAICC-Stronger-ACCOs-Stronger-Families-report-2022.pdf>.

- b) prioritised funding for ACCHOs and ACCOs to lead partnerships with mainstream organisations and have the flexibility to subcontract services to mainstream organisations where needed.

Strengthening the Aboriginal and Torres Strait Islander workforce

The ACCHO workforce plays a central role in the provision of culturally safe, trauma-informed care primary health care for Aboriginal and Torres Strait Islander communities. Our sector is the third largest employer of Aboriginal and Torres Strait Islander people nationally across comprehensive primary healthcare and human services such as disability, aged care and mental health. However, ACCHOs are currently facing critical workforce shortages, which are exacerbated in remote areas.

According to the 2021 Census, nearly 500,000 Aboriginal and Torres Strait Islander people representing 61% of the total Aboriginal and Torres Strait Islander population live in regional and remote Australia. Census data further illustrates the challenges they face with an employment rate of approximately 48% in inner and outer regional areas, and of just 32% in remote and very remote areas.

These figures illustrate that while over half of employed Aboriginal and Torres Strait Islander people live and work outside urban centres, they face systemic obstacles to workforce participation.

Workforce data reported to the AIHW shows that as of June 2024, 83% of vacant FTE positions were at ACCHOs, and 31% of those positions were in remote areas. ACCHOs have around 1.9 vacant FTE positions per 1,000 clients.²⁵

Although Aboriginal and Torres Strait Islander people are employed in the health and care sector more than any other industry, they remain underrepresented. In 2016, Aboriginal and Torres Strait Islander people represented just 1.8% of the health workforce, despite being 3.3% of the Australian population (3.1% of the working age population).²⁶

We know that in the health sector, the identified lack of Aboriginal and Torres Strait Islander health and care workers contributes to reduced access to health and care services for Aboriginal and Torres Strait Islander people in ACCHOs, and in mainstream primary and allied health sectors more broadly.²⁷ ACCHOs, particularly those in in remote and very remote areas, have existing issues with staff recruitment and retention. The care and support workforce is underpaid, and our sector is unable to compete with the higher wages and benefits offered by government and private sector services. This means that while ACCHOs invest significant time and effort in training and skilling staff, they are often lost to mainstream service providers who can offer more money. NACCHO's Integrated Training Needs Analysis (TNA) highlights that that challenges faced by the integrated care workforce are structural rather than individual. Staff routinely operate beyond formal role descriptions in response to thin markets, system fragmentation and unmet community need. While welcome, initiatives from jurisdictional governments to include Aboriginal Health Workers and Practitioners in hospital staffing profiles, compound this issue. This has meant that ACCHOs have become increasingly reliant on a fly-in-fly-out workforce, which requires additional housing that is often not available. Burnout is common, and the workforce is stretched.

In order to carry out the additional services provided through NDIS, early childhood education and care programs, and aged care, local people must be upskilled.

The First Nations Health Worker Traineeship Program (FNHWTP) and accompanying Framework,²⁸ coordinated through NACCHO, provides a template for how capacity and capability building could occur, and pathways for the care workforce. The program supports Aboriginal and Torres Strait Islander trainees to

²⁵ Australian Institute of Health and Welfare (2025) Aboriginal and Torres Strait Islander specific primary health care: results from the nKPI and OSR collections <https://www.aihw.gov.au/reports/indigenous-australians/indigenous-primary-health-care-results-osr-nkpi/contents/about>.

²⁶ Australian Government (2022) National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021-31, Canberra

²⁷ AIHW Indigenous Health Performance Framework 3.22.

²⁸ NACCHO (2024) Aboriginal and Torres Strait Islander Health and Care Traineeship Framework. <https://www.naccho.org.au/wp-content/uploads/2024/11/FNHWTP-Traineeship-Framework-March-2024.pdf>.

become Aboriginal Health Workers or Health Practitioners. Training local people capitalises on their existing local knowledge and connections, while also providing meaningful local career opportunities.²⁹

Through the FNHWTP, trainees undertake Certificate III or Certificate IV qualifications in the Aboriginal and Torres Strait Islander Primary Health Care training package. Aboriginal Community-Controlled Registered Training Organisations (ACCRTOs) deliver wrap-around cultural and educational supports to trainees, and structured support and training to ACCHO-based supervisors.

The TNA highlights the need for training that is flexible, staged and grounded in real work. Skill sets, mentoring and place-based delivery provide practical mechanisms to support workforce entry, upskilling and progression while recognising lived experience and cultural knowledge. Training must also explicitly address system navigation, disability and dementia awareness, mental health response, difficult conversations and worker wellbeing to support workforce sustainability.

NACCHO recommends prioritising workforce development training and pathways for ACCHO and ACCO staff delivered through the existing network of ACCRTOs.

Supporting Aboriginal and Torres Strait Islander carers

Aboriginal and Torres Strait Islander carers make a significant contribution in service delivery and support in their communities, and provide a wide range of unpaid care. Many Aboriginal and Torres Strait Islander people take on caring roles in the community, and carers account for 14% of the Aboriginal and Torres Strait Islander population, compared to 10.5% of the non-Indigenous population.³⁰ This number is likely to be higher as many Aboriginal and Torres Strait Islander people may not formally identify as a carer. Aboriginal and Torres Strait Islander carers are also more likely to be caring for someone who was not receiving formal aged care, disability, or mental health services (46.5%), be caring for more than one person, spend more hours per week on caring, and experience financial stress.³¹ The 2024 National Carers Survey also found that carers experience high to very high psychological distress (60.2%), and more than two in three were socially isolated.³²

Aboriginal and Torres Strait Islander carers must be able to access culturally appropriate and trauma informed services and supports in their own communities, for themselves, and for the people they care for. This is best achieved by funding the community-controlled sector to provide increased access to community-led services, and support for carers in a way that recognises their history, needs and priorities.

NACCHO recommends:

- a) Government reviews Carer Payment and Carer Allowance rates and application processes to improve access for Aboriginal and Torres Strait Islander people.
- b) Government prioritises funding and support mechanisms for ACCHOs and ACCOs to deliver carer support programs in their communities.

²⁹ VACCHO, Alumni Trailblazers: Kayla Harrison on Breaking the Cycle and Leading With Heart, March 2025, <https://www.vaccho.org.au/2025/03/04/alumni-trailblazers-kayla-harrison-on-breaking-the-cycle-and-leading-with-heart/>.

³⁰ Carers Australia (2024). *Aboriginal and Torres Strait Islander Carers*. Retrieved from: <https://www.carersaustralia.com.au/about-carers/aboriginal-torres-strait-islander-carers/#:~:text=12.4%25%20of%20the%20Aboriginal%20and,language%20and%20cultural%20barriers>

³¹ Carers Australia NSW (2024). *2024 National Carer Survey: Aboriginal and Torres Strait Islander Carers*. https://www.carersnsw.org.au/uploads/main/Files/3.Resources/Policy-Research/Carer-Survey/NCS_FirstNationsReport_2025.pdf.

³² As above.