

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 21 October 2011

Question: E11-225

OUTCOME 8: Indigenous Health

Topic: GOVERNANCE ARRANGEMENTS FOR COMMONWEALTH FUNDED  
ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES (ACCHS)

Senator Adams asked:

- a) What are the broad governance arrangements for Commonwealth funded Aboriginal Community Controlled Health Services (ACCHS)?
- b) How much funding does the program receive? Please provide a breakdown by organisation.
- c) What are the reporting obligations under these arrangements? How frequent is the reporting?
- d) What is the compliance rate with these reporting obligations?
- e) What action does the Commonwealth take if reporting obligations are not met?
- f) How does the Commonwealth determine if the reporting is accurate and a true reflection of the administration of the ACCHS?
- g) How does the Commonwealth determine if there have been breaches of Commonwealth funding agreements?
- h) What action does the Commonwealth take if there have been breaches of Commonwealth funding agreements?

Answer:

- a) The Department of Health and Ageing requires that Aboriginal Community Controlled Health Services are legally incorporated before entering into a contractual arrangement with them. The organisation may choose under which system it wishes to incorporate; this may be under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) administered by the Office of the Registrar of Indigenous Corporations; the *Corporations Act 2001* (Commonwealth) administered by the Australian Securities and Investment Commission; or under various state or territory Association Incorporation Acts.

Aboriginal Community Controlled Health Services are governed by Boards of Management. The Boards are elected in accordance with the organisation's Rule Book with Board members usually elected by the organisation's members at an Annual General Meeting.

- b) In 2011-12 the Primary Health Care program, administered by the Office for Aboriginal and Torres Strait Islander Health, received \$350 million. The breakdown by organisation is at Attachment A.
- c) Funded organisations provide:
- annual Audited Financial Statements and six monthly unaudited financial statements;
  - annual reports detailing service provision, workforce and service level data;
  - six monthly reports against a set of Essential Indicators by services receiving funding under the *Healthy for Life* program;
  - quarterly verbal reports of activity and progress against the agreed Action Plan and Budget which are confirmed in writing by the nominated liaison officer or their authorised delegate; and
  - periodic written reports where an organisation receives specific funding for a Budget Measure.
- d) Organisations are generally compliant with these requirements although reports may not always be provided according to set timelines.
- e) If reporting obligations are not met grant payments are affected: they may be suspended, withheld, or reduced in amount. If non-compliance continues and becomes a serious breach of the funding agreement, the Commonwealth can conduct a risk analysis and request a remediation plan; appoint a funds administrator or a health management advisor; or suspend, terminate or reduce the scope of the funding agreement.
- f) The Contract Manager assesses the reports provided, whether verbal or written, examines the financial reports and determines whether timelines and other contractual obligations have been met. This review is supported by periodic site visits and community intelligence. The Commonwealth also undertakes regular risk assessments of all funded organisations.
- g) Each organisation has a dedicated Contract Manager who confirms that service delivery milestones are met; reports are submitted; plans are agreed and there are no anomalies in service activity or financial reports. The Contract Manager also responds to local intelligence or community concerns that may be raised with the State office.
- h) If the Commonwealth identifies that there is a breach of the funding agreement, the Commonwealth can, depending on severity: suspend, withhold or reduce payment of funds; conduct a risk analysis and require a remediation plan; appoint a funds administrator or a health management advisor; or suspend, terminate or reduce the scope of the funding agreement.