



2025-2026

Federal Budget Submission



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Acknowledgement

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 VACCHO

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. A key 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 in health and wellbeing areas. 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.

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 principle and support of Community control.

Language

The term 'Aboriginal' in VACCHO documents is inclusive of Torres Strait Island peoples and 'Aboriginal Victoria' 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 is referencing a non-Aboriginal community.

Executive Summary

VACCHO's 2025-2026 Federal Budget submission acknowledges the tight fiscal environment across the country and has prioritised five projects that will deliver value for money and uplift the health and wellbeing of Victoria's 79,000 Aboriginal and Torres Strait Islanders.

Victorian Aboriginal Community Controlled Health Organisations (ACCOs) operate a service model that is holistic, integrated, strengths-based, and trauma-informed. Victoria's ACCOs deliver culturally safe healthcare combined with wrap-around social services to address the many disparities in health and wellbeing experienced by Aboriginal Victorians. This model means our ACCOs include many services that fall within the jurisdiction of the Federal Government including Primary Healthcare, pharmaceutical provision, Aged Care Services, and Disability Services, among others. Resourcing these projects would support the Federal Government to deliver on its commitments under the National Agreement on Closing the Gap, the Royal Commission into Aged Care Quality and Safety, and the National Aboriginal Health Plan 2021-2031.

VACCHO calls on the Federal Government to increase its investment to demonstrate its commitment to Aboriginal and Torres Strait Islander health and wellbeing.

Budget Submission Overview

Bid	Ask	Page
Interim Accommodation for Dandenong & District Aborigines Co-Operative Limited	Provide \$6.083 million as a co-contribution with the Victorian State Government for fit-out costs in new emergency interim accommodation to ensure service delivery is no longer impacted and secure their long-term planning.	5
Extend and Expand Infrastructure Opportunities for ACCOs	Extend and Expand the Indigenous Australians' Health Programme - Closing the Gap - Major Capital Works (MCW) program	7
Expansion of Free Menstrual Products Scheme	Expand the FY24-25 budget measure to include ACCOs in Monash Modified Model (MMM) 1-5.	9
Investment in Aboriginal Community-Controlled residential aged care services	Funding for at least two new Victorian ACCOs to scope the development of a residential aged care service and commit to supporting the establishment of those services.	10
Aboriginal-led Model of Custodial Healthcare	Provide funding for ACCOs to implement an Aboriginal-led model of custodial health.	11

Interim Accommodation for Dandenong & District Aborigines Co-Operative Limited

Dandenong and District Aborigines Co-operative Ltd (DDACL) is currently operating out of inadequate emergency accommodation. Funding is required to secure interim accommodation for DDACL to enable delivery of culturally safe, holistic health and wellbeing services to the local Aboriginal and Torres Strait Islander community. DDACL's holistic service offerings spread across State and Federal jurisdiction and so co-contributions are sought from both governments.

This proposal seeks \$6.083 million as a 50% contribution from the Federal Government.

Since the imminent threat of asbestos exposure and structural failure of DDACL's main office in August 2024, emergency accommodation has been leased in Cranbourne which has enabled temporary reinstatement of services. This arrangement does not meet several of DDACL's key requirements, as it is poorly located and has fragmented their facilities, preventing service integration and thus creating operational inefficiencies. Despite major building defects being known to both levels of Government for over a decade, multiple visits by Government representatives and multiple failed funding proposals, DDACL has received no substantial funding and is now at crisis point.



Without an interim accommodation solution, DDACL will need to cease some services to their population of 13,500 people (by 2037 this is projected to increase to 24,650 people).

Four options have been considered and methodically assessed:

1. Upgrade the existing facilities.
2. Demolish the existing facilities and construct new purpose-built facilities.
3. Acquire a new site and construct new purpose-built facilities.
4. Lease interim accommodation and undertake planning towards long-term asset solution.

The fourth option was assessed as the most economical at this juncture given the urgent need and fiscal environment of Governments. To enable DDACL to sustain service delivery and avoid further service closures, funding for the fit-out and lease of interim accommodation, as well as funding to support planning towards a long-term asset solution, is needed. The total fit out costs are estimated at \$9.709m and the planning costs are estimated at \$2.446 million. VACCHO and DDACL would seek a 50% contribution to these costs from the Federal Government as outlined above.

This project embodies the Government's commitment to self-determination and would contribute to close the health and wellbeing gap.



Extend and Expand Infrastructure Opportunities for ACCOs

Investment in Aboriginal Community Controlled Organisations' infrastructure to facilitate effective, culturally appropriate, holistic models of care has been a priority for the ACCO sector for some time but has not been met with increased Government action. The Indigenous Australians' Health Programme (IAHP) Closing the Gap - Major Capital Works (MCW) program has now been expended but the need from the sector has barely been met. This was evidenced by the massive numbers of funding submissions to the MCW program that was unable to be met.

Health and Wellbeing ACCOs have been shown to produce better health outcomes for Aboriginal people when compared to mainstream services, however they suffer from a chronic lack of infrastructure investment. This has resulted in ACCO assets being in terminal decline; 82% of Victorian Health and Wellbeing ACCO buildings assessed are in 'very poor' or 'poor to moderately fair' condition and will require full to partial replacement in the next 10-15 years.



A lack of culturally safe assets coupled with poor accessibility impacts engagement with services, undermines self-determination and prevents progress towards closing the health gap between Aboriginal and Torres Strait Islander and non-Indigenous peoples.

The grant programs from the Federal Government that have been run over previous years were also limited to between \$300,000 to \$8 million with a focus on repairs and maintenance providing no avenue to seek major repairs, rebuilds or new builds, and are heavily oversubscribed by the demand across the mainstream and ACCO sector. For example, in the latest round of the MCW program 23 ACCOs received grants ranging from \$480k to \$12.1m. The total funding allocation was \$70m. With 146 nationally recognised Aboriginal Community Controlled Health Organisations

(ACCCHOs)¹; this funding should be just the tip of the iceberg, more needs to be done to address the rapidly ageing infrastructure needs of the sector.

Additionally, current major capital grant opportunities are focused on assets that provide primary healthcare – to the exclusion of multipurpose hubs such as those run by Victorian ACCOs. In Victoria, ACCOs have naturally evolved to deliver a holistic, strengths-based service model which embodies a broad definition of health and wellbeing. Consequently, ACCO assets house wrap-around care in close proximity to primary healthcare services to best meet the needs of Community; often rendering proposed builds ineligible for funding streams created in silo government departments.

VACCHO is calling on the Federal Government to extend the Indigenous Australians’ Health Programme Closing the Gap – Major Capital Works program so that more funding rounds can be accessed equally across the sector.

It is evident that running one more round at the same level of funding will not address the dire needs of the sector. Therefore, VACCHO is also calling on the Federal Government to **at least double the original \$254 million** that was committed.

The Federal Government should also review its funding policies to ensure capital grant opportunities are not being written in a way that precludes Victorian holistic ACCOs from applying.



¹ This figure is based on the NACCHO membership list

Expansion of Free Menstrual Products Scheme

Access to free menstrual products should be a right for all Australians who experience periods. In the previous Federal Budget, \$12.5m was allocated to NACCHO over four years to facilitate Community-led distribution of menstrual products in regional and remote First Nations communities. **This initiative needs to be expanded to all ACCOs across the nation**; this is not a need unique to rural and remote communities.

The cost of basic period products is a barrier for Aboriginal women who, like all Australians, are juggling cost-of-living increases. A lack of access to period products can have significant negative impacts on people's physical and mental health and wellbeing. It can also hinder participation in everyday activities, education, and employment. 'Period parity' directly speaks to the first outcome in the broader target of the National Agreement on Closing the Gap in Indigenous inequity: *that Aboriginal and Torres Strait Islander people enjoy long and healthy lives*².

Other schemes make these products available in other public places; however, ACCOs are safe places that Aboriginal people trust. Courts, hospitals, and other public places are often culturally unsafe places or places of deep trauma for Aboriginal communities.



Accessible period products is one simple part of providing those in need with the most basic level of healthcare ensuring they can go about their daily lives with one less stress.

VACCHO calls on the Federal Government to expand the community-led distribution of free menstrual products to all ACCOs across the country.

² [Closing the Gap targets and outcomes | Closing the Gap](#)

Investment in Aboriginal community-controlled residential aged care services

Across Victoria, only two Aboriginal Community Controlled Organisations provide residential aged care services to Community. This means that many Elders need to leave their Community to access residential care, often ending up in mainstream services or end up receiving care off Country. The Royal Commission into Aged Care Quality and Safety (The Royal Commission) recognise that the mainstream aged care system has failed to provide culturally safe services to Aboriginal and Torres Strait Islander people.³ Mainstream services also fail to reflect the more holistic approach to aged care that our Elders require, where integration of cultural practices, connection to Country, and being able to pass down knowledge to Aboriginal youth are equally as important as other day-to-day care they receive.

Through recommendation 50, The Royal Commission flagged the importance of boosting the role of ACCOs in providing aged care services. This acknowledges that Aboriginal people know what is best when it comes to the needs of our Communities and our Elders. Health and wellbeing ACCOs have been shown to produce better health outcomes for Aboriginal people when compared with mainstream services; this encompasses aged care services being delivered by ACCOs. The care they provide is culturally safe and within environments that privilege Culture and connection with Community.



The Federal Government should provide funding for at least two new Victorian ACCOs to scope the development of a residential aged care service and commit to supporting the establishment of those services. This investment would progress concrete action on recommendations 47, 50, 53, and 54 of The Royal Commission. Keeping our elders on or closer to Country with culturally appropriate care is not only beneficial for them, but for Aboriginal community as a whole.

³ [Royal Commission into Aged Care Quality and Safety. 2019. Interim Report – Neglect.](#)

Aboriginal-led Model of Custodial Healthcare

ACCOs have been shown to produce better health outcomes for Aboriginal people when compared with mainstream services. This fact is also true when applied in custodial settings. From the 1991 *Royal Commission into Aboriginal Deaths in Custody* to the recently published 2024 *National Review of First Nations Health Care in Prisons* report; a multitude of reviews and investigations have recommended the development of an Aboriginal-led model of custodial healthcare.

Aboriginal people are overrepresented in Australia's prison system. The *Royal Commission into Aboriginal Deaths in Custody* stated that Aboriginal people are more likely to die than non-Indigenous Australians in custody. A lack of cultural safety and experiences of racism prevent Aboriginal people from using mainstream health services and this is similarly the case in custodial environments.



There is precedent for this model. Winnunga Nimmityjah Aboriginal Health and Community Services ('Winnunga') has implemented a parallel, stand-alone model of care at the Alexander Maconochie Centre in Canberra. A 2022 evaluation of patient experience found that Winnunga provided highly satisfactory, timely, respectful, and culturally safe care to their patients⁴.

Recommendation 5 of the *National Review of First Nations Health Care in Prisons* explicitly calls for ACCHOs to be appropriately funded and resourced to support their involvement in governance, service design and service

delivery.⁵ An Aboriginal-led model of health care delivered by an ACCO through a self-determined process will better meet the health needs of Aboriginal people by providing culturally safe, holistic health.

The Federal Government needs to resource the development and implementation of Aboriginal-led models of custodial healthcare across the nation.

⁴ Arthur, L. et al. Evaluating Patient Experience at a Novel Health Service for Aboriginal and Torres Strait Islander Prisoners: A Pilot Study. *Journal of the Australian HealthInfoNet*. 2022; vol3(1).

⁵ Nous Group, *National Review of First Nations Health Care in Prisons: Final Report*. 11 July 2024.