

## Non-government organisations in the alcohol and other drugs sector—21 May 2009

A major new report from the Australian National Council on Drugs (ANCD) '*Non-government organisations in the alcohol and other drugs sector: issues and options for sustainability*' says non-government organisations (NGOs) in the alcohol and other drugs sectors are being overburdened with red tape. Many organisations report that they are diverting more and more resources from the front line into 'backroom compliance' as they struggle to complete an array of reporting requirements. 

An accompanying survey of the sector undertaken by the ANCD reveals that NGOs in the sector are spending in excess of 474 hours (12.5 weeks of work) over a 12 month period to simply report back to funding bodies.

The new Australian National Council on Drugs commissioned report to be launched by the Parliamentary Secretary for Social Inclusion and the Voluntary Sector, Senator Ursula Stephens, in Brisbane on Thursday 21 May, says non-profit, non-government organisations working in the alcohol and other drugs sector are too burdened with red tape.

The report says this is directly leading to people who are working in the alcohol and drug sector being diverted more and more from the front line into 'backroom compliance' as they struggle to complete an array of reports.

The report '*Non-government organisations in the alcohol and other drugs sector: issues and options for sustainability*' prepared by the Social Policy Research Centre at the University of NSW presents the results of research conducted into the governance, sustainability and funding of non-profit NGOs in the alcohol and other drugs sector in Australia.

In total the not-for-profit, non-government organisations in Australia now employ over 900,000 people and these organisations turn over in excess of \$71 billion (ABS figures – 2008) which includes a number from the alcohol and other drugs sector.

The ANCD Chairman Dr John Herron says new thinking in this area is badly needed to ensure the viability of drug and alcohol services in Australia.

He said "These frontline organisations are a critical part of Australia's drug and alcohol services. They are frequently dealing with the most difficult and damaged people in the community. These organisations are now spending an extraordinary amount of time reporting on funding... and seeking funding."

"This means that the cost of red tape is now impacting quite markedly on these organisations that then find it hard to do what they're actually there to do, that is, to treat and help people. Staff within NGOs are also feeling the increasing pressure as they are being asked to do more and more with limited resources."

"Unfortunately what is now happening is that these organisations have to sometimes make the difficult decision of reducing services to clients with alcohol and drug problems so they can redirect funds to deal with compliance costs. That just can't continue."

"We know that the Federal Government, especially the Deputy Prime Minister, the Hon Julia Gillard and the

Parliamentary Secretary for Social Inclusion and the Voluntary Sector, Senator Ursula Stephens, deeply understand these problems and have personally expressed their commitment to the ANCD to reduce the red tape that at times chokes the sector. I have also assured them that the drug and alcohol services in this country are ready, willing and able to assist in this important endeavour.”

The research behind the report includes a review of the research literature as well as key informant consultations. The review showed that there is a wealth of information relevant to the sustainability, governance and funding of NGOs from overseas however there is a lack of information that is specific to the alcohol and other drug sector in the Australian context.

The report outlines a number of key issues which will resonate with those who are trying to provide quality alcohol and drug services within the sector, and include:

- problems with workforce capacity – lack of investment in management and organisational capacity, difficulties recruiting and retaining managers and staff, lack of attention to the management of volunteers and lack of evidence based practice;
- independence and advocacy – government constraints on independence of NGOs to advocate for their communities and to influence government policy;
- governance issues – internal stresses e.g. between board and chief executive officer and external stressors e.g. increased scrutiny and risk in an increasingly litigious society, pressure to perform like a business;
- funding – despite increased funding NGOs are experiencing financial deficits which impede workforce development and service delivery (failure of funders to pay for the true cost of services, increasingly complex clients, including organisational costs, increased competition for funds and the tendency for funding to be short term and project specific);
- smaller NGOs in particular are struggling in the current environment;
- NGOs working with remote and Indigenous communities also have particular problems such as lack of qualified staff and board members and of other agencies to partner with.

Mr Garth Popple, an Executive member of the ANCD who also runs a number of alcohol and drug treatment services in Australia to help people with addiction issues, says “compliance requirements are impacting on the quality of services that NGOs are able to provide. More and more, services are diverting their time and resources away from service delivery and into seeking funding.

“Then if funding is obtained, organisations have to meet contractual obligations which include resource intensive reporting, costly and time-intensive accreditation programs and complex data collection process. The weight of having to deal with this as well as being responsive to community needs is difficult and at times overwhelming.”

The ANCD’s Executive Director Gino Vumbaca said “This is an extremely important report for the alcohol and other drug sector as these organisations play a major role in providing alcohol and other drug treatment services with the ANCD estimating that at least 50 percent of treatment services in Australia are being provided by NGOs.”

“Given this role, it is very concerning that many alcohol and other drug NGOs began advising the ANCD that they were facing a number of significant challenges with some suggesting they were even struggling to survive. It was in this context that the ANCD commissioned this report to gain a better understanding of the issues but more importantly to look for new ways of thinking to ensure the future viability and capacity of these

organisations to provide services. This report provides some options for this new thinking.”

Options identified within the report for ensuring the future viability and capacity of NGOs include:

- greater investment from services and also from government and other funding bodies into workforce development for staff to better meet the increasingly complex needs of clients;
- strengthening the governance models used by organisations, with particular attention to recruiting, training and supporting board members;
- building better and more equitable relationships with government that allow NGOs to contribute to policy, including formal agreements to improve the understanding and relationship of the two sectors;
- building relationships within the sector by taking on some of the numerous sharing model options that exist such as sharing of back office resources, amalgamation and lease agency arrangements;
- strengthening funding opportunities for the NGO sector via the creation of social enterprises, strategic marketing and campaigns to remove the stigma associated with alcohol and other drug problems;
- changing the funding models for NGOs from competitive-based processes to planning or submission models, with research on the actual costs of service delivery to inform a commitment to levels of funding required;
- changing the regulatory environment in order to reduce compliance costs.

Mr David Crosbie, ANCD member, CEO of the Mental Health Council of Australia and initial co-Chair of the National Compact Expert Panel, says “the usefulness of this report which occurs at a time when the Federal Government, as part of its social inclusion agenda, is exploring the development of a national compact with the NGO sector based on partnership and respect, cannot be overstated. It is hoped that this initiative encourages NGOs in the sector to voice their concerns and their suggestions as part of this process in order to facilitate a more positive and sustainable framework to guide relationships between government and NGOs in the future.”

Professor Margaret Hamilton, an ANCD Executive member, added “the report provides a foundation for the sector to work with governments in developing services that are attentive to their main mission – the provision of services to the community, especially those affected by alcohol and drug problems – while also developing a sustainable and better equipped workforce utilising the most appropriate evidence based responses.”

A range of experts will speak at the national launch of the report and key findings from the survey in Brisbane on Thursday 21 May located at the Holiday Inn commencing at 10.45am.

Accompanying the new report will be the results of a survey conducted by the ANCD to look at the extent and degree that NGOs have been impacted by submission and reporting requirements from funding bodies in the previous 12 months.

It examined numerous aspects including the time organisations had to spend complying with reporting requirements when funding was granted and the time spent completing funding submissions. Results suggest that NGO’s are now forced to seek funding from many and diverse sources; all with different requirements, timetables and reporting requirements.

Information from 71 CEOs of NGOs was analysed – and included people from every state and territory. Key findings included:

- on average each organisation completed 11 submissions to funding bodies over a 12 month period – 41% were to government departments federally and 29% to state/territory government departments;

- the average number of hours spent completing a submission was over 100 hours;
- 50% of reports provided to Australian government departments were needed every 6 months with over one quarter needing to supply reports every 3 months;
- organisations spent an average of 42 hours preparing one 'average' report;
- each organisation had to spend a minimum of 12 ½ weeks (474 hours) reporting back to funding bodies in the 12 month period.

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