



Alcohol  
and Drug  
Foundation

# A Stronger, more diverse and independent Community Sector

# Response to Issues Paper

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Alcohol and Drug  
Foundation  
Submission

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## About the Alcohol and Drug Foundation

The Alcohol and Drug Foundation (ADF) thanks the Department of Social Services for the opportunity to comment on the Issues Paper. The ADF delivers evidence-based approaches to minimise alcohol and other drug harm. This includes the Local Drug Action Team (LDAT) program, a program funded by the Australian Government Department of Health which supports the delivery of place-based approaches in more than 270 communities across Australia. LDATs work at a community level to deliver activities that prevent and delay alcohol and drug harms by strengthening protective factors.

The ADF's responses to consultation questions are outlined below.

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### 1. Giving the sector the voice and respect it deserves through a meaningful working partnership:

#### **1.1. What would a partnership between CSOs and the government that achieves outcomes for Australians being supported by the community sector look like?**

A partnership between CSOs and the government that achieves outcomes for Australians being supported by the community would:

- Be informed by the evidence/data to support so initiatives and funding are directed where real need is. This would include consultation with the sector and consider the thoughts and needs expressed by people within that community or representing lived/living experience.
- Be informed by community need, identified through consultation with communities. It would consider what is already in place and avoid duplication, including duplication of initiatives provided by other levels of government.
- Would be underpinned by a clear plan that considers the system/services it is being delivered within and how outcomes will be achieved – e.g., have a clear program logic that measures success.

CSOs would be supported by ongoing sustained funding that adequately supports the effort to address identified issue.

#### **1.2. How can CSOs and government streamline the sharing of information, particularly through utilising technology to effectively engage, distribute, share, influence and inform in a timely and efficient manner?**

CSOs and government could streamline the sharing of information, particularly through utilising technology to effectively engage, distribute, share, influence and inform in a timely and efficient manner by:

- Developing better mechanisms for easily capturing information and sharing e.g., collaborative networks, advisory groups, effective research/CSO partnerships, etc.
- Improve access to existing data assets that are relevant to community, including health and welfare data. Often communities are developing their own processes to collect data that has already been collected but it inaccessible.
- Develop and invest in online Community of Practices to support sharing and learning.

- Potential for interagency frameworks that connect the collective efforts and bring them together to remove silos and to better track and measure these efforts.
- Again, linking back to a broader plan, framework, so easier to see how CSO efforts connect up to support outcomes.

### **1.3. How can government ensure the community sector, including service users and those not able to access services, have an opportunity to contribute to program design without imposing significant burdens?**

Government can ensure the community sector, including service users and those not able to access services, have an opportunity to contribute to program design without imposing significant burdens by using existing networks into communities rather than creating new networks to consult with and gain input from the community sector, including service users. For example, the ADF has collectively over 13,000 community orgs with which we currently engage. Other organisations supporting place-based approaches have similar networks. Leveraging these networks would take advantage of existing infrastructure, relationships, and mechanisms such as community forums to enable community members to more easily input into program design. Co-design principles would also be important to adopt in seeking to achieve this outcome.

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## 2. Providing grants that reflect the real cost of delivering quality services:

### **2.1. What would adequate and flexible funding look like?**

Adequate and flexible funding would:

- Provide indexation on contracts, to ensure purchasing power is maintained over the life of the contract, mitigating adverse impacts to service delivery from price & supporting wage increases.
- Provide sustained funding - Meaningful change takes times, short term grants have much less chance of having an impact, therefore sustained funding with necessary accountability is more likely to success in achieving longer term outcomes.
- Adopt rolling contracts for services that are ongoing. Having fixed contract terms, with a requirement for reapplication, creates uncertainty for staff, service recipients and the organisation more broadly. When services are ongoing, and they are being provided as per contractual requirements, a rolling contract process would overcome these challenges.
- Provide recognition for excellence and over delivery enabling organisations to request additional funding if program participation/ demand, and outcomes are higher than expected.
- Enable an organisation to retain unspent funds up to a \$ value or % of funding, to enable innovation.

### **2.2. What administrative and overhead costs are not being considered in current grant funding?**

- Increasing pressures due to current cost of living increases/wages
- Necessary infrastructure upgrades/replacement i.e., Finance / HR system
- Staff development costs
- Costs associated with adequately evaluating/measuring success (in some instances)

### **2.3. How are rising operational costs impacting the delivery of community services?**

Rising operational costs have not been met with commensurate funding increases, meaning all these costs have needed to be absorbed within. This may result in:

- Reduction in FTE to deliver services so that services are reduced.
- Employment of less experienced and/or qualified staff.
- Extended time to replace vacant positions, impacting service delivery and staff.
- Reducing associated costs for service delivery such as travel, impacting quality of services.

This may limit the ability of CSOs to achieve contracted outcomes, which in turn impacts on the ability of achieving sustainable change.

#### **2.4. What have been your experiences with and reflections on the supplementation and change to indexation?**

- There have been challenges, with little notice of the indexation payments, which particularly caused challenges for contracts that were ending in FY23. It has been difficult to get clear advice on how to manage payment of indexation so close to the end of a financial year, particularly when payments were made on June 30 for contracts ending on that day.
- The indexation rate was not well communicated until the payments were made, which made planning and budgeting difficult.
- The indexation rate was not reflective of the increase costs of delivery, particularly in relation to labour payments where increases are required by the MWO or under an Award.
- Indexation did not accommodate many years of no indexation, so it was not commensurate with the real growth in costs of delivery that had been absorbed for many years.

#### **2.5. How can CSOs and the department work together to determine where funds are needed most to ensure equitable and responsive distribution of funds?**

- Strong partnerships, developed as per comments on Question 1.1 (above) would help achieve this aim as funding would be directed to areas of greatest need, based on evidence and data. Including the voices of lived and living experience and voices from community would be important in directing funds to areas of greatest need.
- Ensuring equitable and responsive distribution of funds would also need to balance the provision of stable funding for those programs/ projects with demonstrable impact, and those innovative programs/ projects with the potential to have demonstrable impact.
- Ensure impactful programs are receiving sustained funding.
- Ensure funding is not only directed to programs that achieve good outcomes in the short term. Funding must be allocated to programs that take time to demonstrate sustainable change as they are often those most likely to reduce ongoing cost over time e.g., treatment (short term) vs prevention (longer term).

#### **2.6. How can government streamline reporting requirements, including across multiple grants, to reduce administrative burden on CSOs?**

- Simplifying reporting requirements by removing duplication of reporting e.g., six monthly performance reports capture activity, end of contract reports have to capture the whole period and often repeat content already reported on.
- Develop reporting requirements in partnership ensuring the granting and contracting process has adequate time for negotiation.

- Work with the CSO to, where possible, use reporting metrics that are already collected and reported internally rather than creating new reporting requirements specific to the contract and grant.

### 3. Providing longer grant agreement terms:

#### **3.1. What length grant agreements are CSOs seeking to provide certainty and stability for ongoing service delivery?**

- 4–5-year agreements.
- Use rolling contracts for ongoing service delivery, negotiated and in place one year out from end of funding.

#### **3.2. What timeframes should the government aim for, at a minimum, to provide final outcomes on grant variations/extensions before the current grant ceases?**

- 12 months

#### **3.3. What funding flexibility do CSOs require to enable service delivery and innovation?**

- Ability to retain unspent funds up to a dollar value or percentage of funding, to enable innovation (which does not have a linear financial impact)
- Inclusion of funds for innovation and quality improvement within each contract – not associated with direct service delivery. This could be a percentage of the contract value.
- Indexation on contracts, to ensure purchasing power is maintained over the life of the contract, mitigating adverse impacts to service delivery from price & wage increases.
- Provide small innovation grants, that recognise that the initiative may fail to encourage innovation.

#### **3.4. What flexibility is required by CSOs in acquittal processes to support and encourage sector innovation?**

- Ability to utilise funds up to a dollar value or percentage of funding, to enable innovation.
- Enabling innovation the opportunity to fail and learn from mistakes, which often can then add to the evidence base of what does and doesn't work.

#### **3.5. How can government improve the variation process, with consideration that CSO's must demonstrate alignment with the grant agreement and provide evidence of value-for-money outcomes?**

- Keeping requirements simple and commensurate to the funding variation e.g., updated workplan as opposed to new, add to existing.
- Keeping reporting requirements simple and consistent, also commensurate to the funding.

### 4. Ensuring grant funding flows to a greater diversity of CSOs:

#### **4.1. How can the government ensure opportunities are available for new and emerging organisations to access funding?**

- An open and competitive funding process enables new and emerging organisations to compete for funding. However, providing small grants for these organisations to build track record, partner with larger more established organisations or to pilot innovative approaches may be valuable.

#### **4.2. What programs, supports and information are already available for smaller CSOs to help build capacity of the organisation? Are these working?**

- No comment

#### **4.3. How could larger CSOs support smaller CSOs? What are the barriers to providing this support?**

- The competitive nature of granting undermines the incentive for larger CSOs to support smaller ones.
- IP considerations
- Organisational culture and capacity is often very different and there is no funding available to free up resource in either CSO for the time required for developing strong partnerships and aligning activities.
- Where sustained funding is achieved organisations might be more willing to collaborate, share capacity building efforts and key learnings from one area that could benefit another.

### 5. Partnering with trusted community organisations with strong local links:

#### **5.1. What is your experience with and reflections on place-based funding approaches?**

- The ADF supports delivery of the Local Drug Action Team (LDAT) program which is funded by the Australia Government Department of health. There are over 270 LDATs providing place-based approaches to delay or prevent alcohol and drug related harm. ADF Community Development Officers work with LDATs to identify local needs, plan evidence-based approaches to local needs and to evaluate their impact. The ADF provides grants to support local activities, a community of practice to share learnings and ideas, and a website that houses tools and resources that support planning and evaluation.
- Our experiences with such a significant place-based program shows us that:
  - Place based approaches can often be delivered in an ad hoc way, not sustained long enough to make a difference, without the appropriate supports allowed within the funding for the communities participating to make a difference.
  - There may be several funding approaches within a single community, from multiple government departments or from different levels of government, that are not coordinated resulting in inefficiencies and duplication.
  - There is not always adequate funding to support capacity development within communities, with a focus of funding more on delivering activities. This does not recognise the importance of local partnerships, strong leadership, leadership success

planning and development and community consultation in successful place-based approaches.

- Communities need guidance, support, capacity building and help to demonstrate impact. Capacity to undertake locally based evaluation also needs to be developed.

## **5.2. What innovative approaches could be implemented to ensure the grant funding reaches trusted community organisations with strong local links?**

- The LDAT model is a good example of an approach that ensures grant funding reaches trusted community organisations with strong local links. The LDAT program:
  - Invites EOIs from communities that sees a local need, ensuring that the determination of the need for action is identified locally and not externally.
  - Requires a partnerships approach to the activity – asking for the expression of interest to demonstrate how the organisations in the partnership will work together, show community support for the work and for the lead organisation to demonstrate their capacity to capacity to lead the partnership.
  - Provides support for the LDAT in ongoing capacity development.
  - Provides guidance in determining local issues, coming together to agree on a plan that doesn't duplicate efforts/work together to achieve – that is then supported with the funding easily and quickly.
  - Builds community capacity– ensuring strength of partnerships, capacity to deliver what is needed, understanding of community needs/gaps, understanding of what works so it can be tailored to address what is needed on the ground without duplicating, support when they get stuck.
  - Supports LDATs in finding local data and understanding the evidence on effective alcohol and drugs prevention activities (what works to reduce harm, what increases harm).
  - A grants system that enables tailoring on the ground to suit communities and governance around that to avoid duplication of administrative efforts – communities can focus on implementing not administration.

## **5.3. Which areas do you consider have duplicative funding or gaps you think need to be addressed, and what is the evidence?**

- No comment

## **5.4. Where there is a community-led change initiative, could share accountability to community and funders (government) strengthen service delivery?**

- No comment