

The Parliament of the Commonwealth of Australia

House of Representatives
Standing Committee on Community Affairs

"You Have Your Moments"*

A Report on Funding of
Peak Health and Community Organisations

February 1991

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*"You have your moments when you decide to do something government does not want to do" (Australian Early Childhood Association, AECA: Transcript of evidence, p. 1258)

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TERMS OF REFERENCE AND CONDUCT OF INQUIRY

On 23 July 1990, the Minister for Community Services and Health, the Hon Brian Howe MP, wrote to the Chairman, Mr H A Jenkins MP to ask the Committee to consult, as appropriate, and report by February 1991 on the future policy parameters which might be used as a guideline for the funding of secretariats of national organisations which have a primary organisational co-ordination or policy related focus, including community consultation and consumer representation, bearing on the Community Services and Health portfolio.

In particular, the Committee was asked to report on:

1. the rationale for, and extent of, Commonwealth Government funding of such bodies;
2. criteria which might be used for such funding;
3. whether, and in what circumstances, core secretariat funding should be time limited or on-going, and the justification for differing approaches to organisations in this respect;
4. what principles should shape core secretariat funding, including whether funds should be indexed for inflation;
5. what kinds of accountability to:-
 - (a) the funding department, and
 - (b) its own membership,the organisation should demonstrate or provide, and what level of membership contribution should be required (if any) as a complement to Government funding;
6. what outcome measures are possible and desirable for the funding authority to require as a condition of providing funds; and
7. whether national organisations should be funded for their secretariats from a corporate (that is, cross program) source, or from specific program votes, and in what circumstances variations should be permitted.

The Committee adopted the reference on 24 July 1990 and advertised the inquiry in all major metropolitan newspapers on 4 August, calling for submissions.

Sixty-six submissions were received from organisations currently receiving national secretariat funding, as well as from other non-government organisations, the Department of Community Services and Health, State Governments and individuals. Submissions are listed at Appendix 1.

Seven public hearings were held from 14 September to 3 December 1990, in Canberra, Sydney and Melbourne. A total of 37 organisations gave evidence, including the Department of Community Services and Health and the Australian Taxation Office. Appendix 2 provides details of public hearings.

ABBREVIATIONS

PROGRAMS

COSP	Community Organisations' Support Program
GIA	Grant-in-Aid Program
NCHP	National Community Health Program

DEPARTMENTS

ATO	Australian Taxation Office
DCSH	Department of Community Services and Health
DEET	Department of Education, Employment and Training
DILGEA	Department of Immigration, Local Government and Ethnic Affairs
DSS	Department of Social Security

ORGANISATIONS

AAAH	Australian Association for Adolescent Health
AAVCA	Australian Affiliation of Voluntary Care Associations
Abbeyfield	The Abbeyfield Society (Aust)
ACA	Australian Cardiacs Association
ACADA	Australian Council of Alcohol and Other Drug Association - formerly Alcohol and Drug Foundation Australia, ADFA)
ACFA	Australian Cystic Fibrosis Associations Federation
ACHA	Australian Community Health Association
ACM	Australian College of Midwives
ACOSS	Australian Council of Social Service
ACOTA	Australian Council on the Ageing
ACROD	Australian Council for Rehabilitation of the Disabled
ACW	Association of Civilian Widows

ADARDS	Alzheimers' Association (Australia)
ADSA	Australian Down Syndrome Association
AECA	Australian Early Childhood Association
AFAO	Australian Federation of AIDS Organisations
AMI	Alliance for the Mentally Ill
ANAMH	Australian National Association for Mental Health
APSF	Australian Pensioners' and Superannuants' Federation
AWCH	Association for the Welfare of Children in Hospital
CANTEEN	Australian Teenage Cancer Patients Society
CFA	Continence Foundation of Australia
CHF	Consumers' Health Forum
DPI	Disabled Peoples' International (Aust)
FPFA	Family Planning Federation of Australia
GROW	GROW: Australia's voluntary self-help mental health organisation
HCS	Healthy Cities Secretariat - Australian Community Health Association
HFA	Haemophilia Foundation of Australia
HICOA	Head Injury Council of Australia
Lifeline	Australian National Lifeline
NCID	National Council on Intellectual Disability
NFPNS	Natural Family Planning National Secretariat
NYCH	National Youth Coalition on Housing
PHA	Public Health Association of Australia
Shelter	National Shelter
SICH	Student Initiatives in Community Health
SIDS	Sudden Infant Death Syndrome Council
SNAICC	Secretariat of National Aboriginal and Islander Child Care

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RECOMMENDATIONS

CHAPTER 1 - BACKGROUND AND RATIONALE

- 1 The Committee recommends that where an organisation's membership is exclusively or almost exclusively the province of practitioners and its main role is to promote the interests of a profession or occupational class, the organisation should not be funded. (para 1.59)
- 2 The Committee recommends continued Commonwealth funding for national secretariats of non-government health, housing and community services organisations on the basis that public education, public debate and community consultation assists the development of appropriate policies and programs, especially where disadvantaged groups are concerned. (para 1.70)
- 3 The Committee recommends that:
 - . national secretariats with a primary focus on providing or co-ordinating direct services should not be eligible for funding under COSP;
 - . DCSH review any such national secretariats which are currently funded under COSP with a view to:
 - suggesting they change the balance of their activities;
 - seeking a more appropriate source of funding; or
 - withdrawing funding if they continue to concentrate on service provision.(para 1.80)
- 4 The Committee recommends that the allocation for the national secretariat component of COSP should be capable of real increases to ensure that COSP remains responsive to the community and capable of funding new organisations. (para 1.90)
- 5 The Committee further recommends that the entire program of funding national secretariats should be reviewed every four years to ensure its continued relevance and good management. (para 1.92)

CHAPTER 2 - SELECTION CRITERIA

- 6 The Committee recommends that DCSH seek to allocate national secretariat funding equitably between the community needs addressed by its programs, with the flexibility to continue to respond to changing demands in the community. (para 2.24)
- 7 The Committee recommends that formation of major groups representing all interests within particular constituencies should be encouraged as the preferred model. (para 2.29)
- 8 The Committee recommends that funding of both consumer and service provider organisations is appropriate, where necessary, to achieve comprehensive representation. (para 2.38)
- 9 The Committee recommends that DCSH seek to remedy any imbalances between service provider and consumer representation. (para 2.40)
- 10 The Committee recommends that, in addition to umbrella and satellite categories, a third category should be recognised for summit organisations with broad leadership and co-ordination roles and that organisations be allocated to that category as appropriate. (para 2.61)
- 11 The Committee recommends that organisations should have democratic processes for election of their governing bodies and executives which ensure appropriate matches between the make-up of the membership and representation at board and executive level and all full members should be eligible for election to board and executive positions. (para 2.77)
- 12 The Committee recommends that service provider organisations reserve at least one place on their boards for an elected consumer/user representative. (para 2.79)
- 13 The Committee recommends that, as a condition of funding, boards and executives should be accountable to their members. (para 2.100)

CHAPTER 3 - FUNDING

- 14 The Committee recommends that a funding model comprising three standard grant levels be implemented, with limited scope for variations for currently funded organisations. (para 3.25)

- 15 The Committee supports the staffing formula set out in Table 4 of the DCSH submission and recommends a maximum staffing allocation of a director and six support staff for summit organisations. (para 3.31)
- 16 The Committee recommends that all grants should be indexed and that they should be indexed against Average Weekly Earnings (AWE) and the Consumer Price Index (CPI), for salary and other components respectively. (para 3.35)
- 17 The Committee recommends that adherence to relevant awards should be a requirement for funding and that DCSH should monitor organisations' practices to ensure that award wages are paid. (para 3.41)
- 18 The Committee recommends that approval of national secretariat funding should be for four year terms. (para 3.45)
- 19 The Committee recommends that as part of each four yearly review and evaluation of every organisation funded for a national secretariat, the level of income generated by self-funding activities should be looked at in the context of the overall funding provided. (para 3.50)
- 20 The application of PBI status principles does not recognise the contemporary environment in which welfare organisations operate and the Committee recommends it be reviewed by the Government. (para 3.83)
- 21 The Committee also recommends that DCSH take the impact of negative PBI status rulings on organisations' abilities to raise funds into account in setting targets for financial self-sufficiency. (para 3.85)
- 22 The Committee recommends that for the purposes of calculating levels of self-sufficiency, the base level of income is income relating to the secretariat activities of the organisation, rather than income derived from other activities. (para 3.87)

CHAPTER 4 - OTHER ISSUES

- 23 The Committee recommends that towards the end of their four year funding periods the relevance and performance of each funded organisation should be formally evaluated. (para 4.2)

- 24 The Committee recommends that from 1991/92 all national secretariat grants should be subject to comprehensive annual accountability requirements, as follows:
- . provision of an annual report and other relevant documents;
 - . comprehensive externally audited financial statements;
 - . quarterly financial statements; and
 - . assessment of success in meeting stated objectives in the form of outcome measures, and a forward plan.
- (para 4.11)
- 25 The Committee recommends that DCSH advise other Departments which have dealings with funded organisations of the extent and nature of such funding. (para 4.18)
- 26 The Committee recommends that national secretariat funding be managed through a corporate program (COSP), under the management of a committee comprising the FAS Policy Development Division and two Division heads from program divisions. (para 4.31)

CHAPTER 5 - SEED FUNDING

- 27 The Committee recommends there should be an annually advertised selection process for seeding grants. (para 5.5)
- 28 The Committee recommends that seed funding should be provided for up to four years at varying levels based on a standard distribution curve model. (para 5.17)
- 29 The Committee recommends that approval of seed funding should be indicated six months in advance unless the organisation has demonstrated a sufficient level of preparedness to benefit from immediate funding. (para 5.20)
- 30 The Committee recommends that DCSH invest more resources into guidance of newly funded organisations, especially to ensure that legal status and financial self-sufficiency are given adequate priority. (para 5.25)

CHAPTER 1

BACKGROUND AND RATIONALE

1.1 In its submission dated 21 August 1990, the Department of Community Services and Health (DCSH) designated 38 organisations receiving funding for national secretariats as being within the scope of this inquiry. All were funded in 1989/90, through the following four sources:

- . the grant-in-aid program (GIA);
- . the National Community Health Program (NCHP);
- . funds administered by program (as opposed to corporate) areas of the Department; and
- . the Department's administrative vote.

1.2 The total cost of DCSH funding for national secretariats in 1989/90 was \$6,272,955.

1.3 Recently, the GIA and NCHP programs have been combined in the Community Organisations Support Program (COSP), along with one organisation previously funded through the administrative vote. Interim COSP guidelines for 1990/91 have been promulgated and are set out at Appendix 3. In addition to "secretariat support", which is the focus of the Committee's inquiry, the COSP guidelines include provision for "management support" and "project support".

1.4 As a result there are now two sources of funding for national secretariats, namely:

- . COSP; and
- . program areas of the Department

1.5 No new secretariat projects have been approved in 1990/91 and one organisation funded in 1989/90 was not funded in 1990/91. Approved grants for the remaining 37 organisations amount to \$6,417,090.

1.6 At least one secretariat project funded by DCSH which is not included in the list of 38 organisations has been identified by the Committee and there may be others in this category. This is discussed in paragraph 1.83 of the report.

1.7 The following discussion is based on the old funding categories to highlight the diverse history of national secretariat funding, which until 1987 was managed not only through four different program types but also by two different Departments. The main task facing DCSH and the Committee is to rationalise arrangements which had evolved separately in different Departments.

1.8 All references to organisations in relation to their activities and funding are references to their national secretariat operations.

1.9 While most of these organisations may be referred to as peak organisations, this report uses three different categories to describe their different functions and relationships with each other, namely summit, umbrella and satellite. This is discussed in detail later in this Chapter.

Grant-in-aid Program

1.10 The GIA program is the oldest of the current sources of funding and has operated since the 1950s. Among the organisations which have received GIA funding since then are

- . Australian Council of Social Service (ACOSS);

- 1.10 Australian Council for Rehabilitation of Disabled (ACROD);
- 1.11 Australian Council on the Ageing (ACOTA); and
- 1.12 Australian Early Childhood Association (AECA).

The predecessor of the Australian Early Childhood Association, the Australian Pre-school Association, was the first organisation to be granted Commonwealth funding for this purpose, in 1939.

1.11 GIA funding has been administered by predecessor Departments of DCSH (the Departments of Social Services, Social Security (DSS) and Community Services (DCS)) except for the period 1978 to 1986 when it was administered by the Department of Administrative Services (DAS).

1.12 As a result of this mixed portfolio parentage and the broad range of interests of their constituencies, a number of organisations which receive GIA funding have interests wider than the portfolio responsibilities of the Department of Community Services and Health. For example, ACOSS's interests include income security, economic policy, taxation, employment, education and training, justice and rural issues.

1.13 GIA funding has been provided to organisations which represent client groups and undertake consultation, policy development, research, co-ordination, advocacy and lobbying on their behalf. This is consistent with the guidelines for funding approval under GIA, which stressed that organisations must be national and representative. Most are organisations whose members are usually organisations themselves, rather than individuals. For the purposes of this report, large organisations of this sort will be referred to as "umbrella" organisations (see paras 2.42 - 2.44). Some non-GIA organisations also have this status. Their constituencies may be non-profit service providers, consumers, or combinations of interested groups.

1.14 The principal responsibility of these organisations is to monitor the impact of Commonwealth policies and services on their constituents and to seek improvements in their constituents' interests. In acting as intermediaries they offer no direct or immediate services themselves which are comparable with those provided by the Commonwealth or by service provider organisations.

1.15 Consultation with these organisations has increased in recent years, according to ACOTA. Its submission stated:

"In order for consultation to occur, governments need bona fide and representative organisations with which they can consult. ... The present government has relied extensively on both the consultation processes established and initiated by the Department of Community Services and Health have become increasingly extensive. From an uncertain and limited start, however, consultative processes have provided an accurate picture of the needs of client groups and have generally led to informed policy and program development based on direct, relevant and immediate information. ACOTA supports the continuation of these and other consultation processes without reservation."

(ACOTA: Submission No 50, pp 5, 6)

1.16 Approval for GIA funding has not been subject to rigorous planning principles. The Department offered the following comments on the genesis of the GIA program:

"In a broad sense, as the then Department of Social Services became progressively more involved in the financing of certain types of services - particularly in aged care and the disability field - it was increasingly under pressure from the emerging field of service organisations to provide some financial support to assist them to have a peak body that could speak for

their interests." (DCSH: Transcript of evidence, p 178)

1.17 Other representative organisations were funded under the GIA program as they developed at various times, including organisations from new program areas and representatives of other parties to Commonwealth service provision, such as consumer groups. In 1989/90 the GIA program funded service provider, consumer and mixed organisations in the aged care, disability services, childrens' services, housing and general welfare areas.

1.18 The rationale has been to support all key non-profit players with whom the Commonwealth needs to consult in order to run its programs.

1.19 Operationally, GIA funding has been seen as a contribution to an organisation's general funds. While levels of funding provided to different organisations have varied widely, organisations have been entitled to apply for funding from other programs for specific purposes and have done so.

1.20 In recent times, no additional funding has been approved for the GIA program, but DCSH has found other program money for inflation linked indexation. Since no funded organisations have ceased to receive funding, no new organisations have been funded. Ten organisations were funded under this program in 1989/90, as follows:

- . Australian Council of Social Service (ACOSS)
- . Australian Council for Rehabilitation of the Disabled (ACROD)
- . Australian Council on the Ageing (ACOTA)
- . Australian Early Childhood Association (AECA)
- . Disabled Peoples International (Aust) (DPI)
- . Australian Pensioners' and Superannuants' Federation (APSF)
- . National Council on Intellectual Disability (NCID)
- . Association of Civilian Widows (ACW)

- . National Shelter
- . National Youth Coalition on Housing (NYCH)

1.21 In 1990/91, under the auspices of COSP, the Consumers' Health Forum has been added to the GIA group.

National Community Health Program

1.22 The NCHP was established in 1974 in the then Department of Health. Organisations originally funded under this program now account for approximately half of the current number receiving national secretariat funding.

1.23 When the program was established, the Commonwealth financially supported Community Health Centres and had an active role in relation to community health generally. The goals of the NCHP were consistent with that role. The Commonwealth no longer has that broader role but the NCHP has continued in its own right.

1.24 The rationale for the NCHP, until the incorporation of the program into COSP in 1990/91, was to support community or primary health care initiatives. This usually took the form of support for grassroots organisations, most of which have membership by individuals rather than or in addition to other organisations. As representative bodies, organisations funded under the NCHP have provided advice to Government on the needs of those whom they represent.

1.25 According to the last version of the NCHP Guidelines, the NCHP "provides financial support to non-profit non-Government organisations for community health projects that are national in character. A project meets this national criterion if it operates in all or several States/Territories, or if it is a locally-based pilot project of clear national significance".

1.26 Priority projects for NCHP funding in recent times were those which:

- . foster self-help in the community for people with longer term health care conditions;
- . develop relevant training initiatives for health professionals;
- . develop initiatives to achieve more appropriate, most cost-effective or higher standard primary health care; and
- . support appropriate advocacy organisations in the areas of community and public health.

1.27 Funded organisations under the NCHP are:

- . Australian National Lifeline (Lifeline)
- . Association for the Welfare of Children in Hospital (AWCH) (no longer funded in 1990/91)
- . Australian National Association for Mental Health (ANAMH)
- . Student Initiatives in Community Health (SICH)
- . GROW (Australia's voluntary self-help mental health organisation)
- . Public Health Association of Australia (PHA)
- . Australian Community Health Association (ACHA)
- . Australian Association for Adolescent Health
- . Australian Teenage Cancer Patients Society (CANTEEN)
- . Australian Down Syndrome Association (ADSA)
- . Continence Foundation of Australia (CFA)
- . Australian Cardiacs Association (ACA)
- . Sudden Infant Death Syndrome (SIDS) Council
- . Australian Cystic Fibrosis Associations Federation Inc (ACFA)
- . Alliance for the Mentally Ill (AMI)
- . Alzheimers' Association (Australia)
- . Australian College of Midwives (ACM)

- . The Abbeyfield Society (Aust) (Abbeyfield)
- . Head Injury Council of Australia (HICOA)

1.28 At Table 18 of the statistical supplement to the DCSH 1989/90 Annual Report, projects funded in 1989/90 are numbered against six categories. DCSH has provided a breakdown of NCHP-funded projects which are encompassed by this inquiry (19 out of a total of 43 NCHP projects) against these categories, as follows:

- . self-help - 8;
- . training - 1;
- . primary health care - 2;
- . health advocacy - 5;
- . community education - 1; and
- . counselling services - 2.

1.29 Such organisations have a broad range of activities, as the above categories suggest. These include public education and awareness, education of the client group, promotion of research, fund-raising and co-ordination of the activities of their branches or affiliates, including direct service provision activities (for example GROW and Lifeline). However, they have more specific interests than umbrella organisations. Their consultative function tends to relate to both the needs of their constituencies and issues raised by the activities of the organisations themselves. For example, the Continnence Foundation can provide advice to the Commonwealth on its own activities as well as on broader issues.

1.30 Organisations with more specific focus such as these will be referred to in this report as "satellite" organisations. This term also describes a few smaller GIA organisations which have a consultative role and others funded by program areas of DCSH.

1.31 Several NCHP organisations have a significant

occupational focus in that they represent groups of professionals and/or their memberships are comprised largely of professionals or employees, including ACHA, the PHA, SICH, the Australian College of Midwives and the Australian Association for Adolescent Health. This category of organisations will be discussed later in this Chapter.

1.32 Most organisations funded through the NCHP operate in areas outside the main funding programs of the Commonwealth, such as in the areas of mental health and community health centres. DCSH in this way seeks to keep abreast of significant national issues in which it has an interest.

1.33 Funding levels under the NCHP vary widely, especially for organisations which have been funded for a number of years. The total allocation of funds and, in turn, individual grants, are increased annually in line with inflation.

1.34 The NCHP also uses limited term seed funding as a device to assist fledgling organisations. Seed funding provides dynamism in the program. When seed funding of one organisation finishes, funding of another can commence. The merits of seed funding are discussed in greater detail in Chapter 5.

1.35 Other than for seed funding, no new organisations have been funded in recent years. However, some organisations have received extra grants for other activities, either under NCHP as ACHA did for its Community Health Accreditation and Assessment Program and for a membership drive, from other DCSH programs (Abbeyfield) or from funding programs run by other Departments.

Funding through Program Areas

1.36 Nine of the 38 currently funded organisations receive funds through program areas rather than through the corporate

sources - the GIA program, the NCHP and the administrative vote. This includes the Australian Early Childhood Association (AECA), which receives both GIA and Services for Families and Children Program funding.

1.37 The organisations and the programs under which they are funded are as follows:

- . Australian Council of Alcohol and other Drug Associations (ACADA) - National Campaign Against Drug Abuse
- . Australian Early Childhood Association - Services for Families with Children
- . Secretariat of National Aboriginal and Islander Child Care (SNAICC) - Services for Families with Children
- . Australian Community Health Association (Healthy Cities Secretariat) - National Better Health Program
- . Australian Federation of AIDS Organisation (AFAO) - National HIV/AIDS Strategy
- . Haemophilia Foundation of Australia - National HIV/AIDS Strategy
- . Australian Affiliation of Voluntary Care Associations (AAVCA) - Residential Care for Older People
- . Family Planning Federation of Australia - Family Planning
- . Catholic Social Welfare Commission, National Family Planning National Secretariat - Family Planning

1.38 The program areas concerned were originally from both the former Health and Community Services Departments.

1.39 The functions of these organisations vary widely. Some have functions like those of umbrella organisations, while others operate as satellite organisations. Some have significant elements of co-ordination of direct services.

1.40 In some cases, funding through program areas has been approved by Government as part of packages of initiatives to address particular issues. This is the case in relation to funding for the Australian Federation of AIDS Organisations (AFAO) and the Haemophilia Foundation, which are supported as part of the National HIV/AIDS Strategy. This approach has yielded relatively high levels of funding.

1.41 According to DCSH, funding amounts were set, in such circumstances, on the basis of the level of activity envisaged by and for the organisations rather than with reference to amounts allocated under other programs such as the NCHP or the GIA (which was then administered by a different Department, the Department of Community Services).

1.42 Funding of national secretariats through program areas has been a dynamic process. Approval of support for an organisation such as AFAO is recognition of a community-based approach to needs and issues and a response to the requirement by a representative group for immediate action.

Funding from the Administrative Vote

1.43 The Consumers' Health Forum (CHF) was until 1989/90 funded from the Department's administrative vote and was the only organisation to be funded in this way. This was an interim measure after CHF was established under the wing of DCSH in 1986/87 (Transcript of evidence, p 1374). CHF is now funded under COSP.

1.44 The CHF is a facilitator and lobby group for and on behalf of consumers.

1.45 Funding CHF was a deliberate strategy by the then Minister for Health and the Department to assist co-ordinated

consumer input to policy formulation on health issues. This reflects a general view held since the early 1980s, that representation of consumers as well as other parties is a fundamental prerequisite for good administration of Government programs.

1.46 DCSH initially provided a departmental liaison officer (DLO) position to the CHF. According to DCSH, it is the CHF's choice to continue to employ a DLO out of their overall funding allocation from the Department.

1.47 Part of the total CHF grant is disbursed to community organisations for small research projects. In 1989/90 this amount was \$100,000.

Rationale for Funding

1.48 The remainder of this Chapter will deal with four areas:

- . a rationale for funding national secretariats;
- . the nature of the group of currently funded organisations;
- . the extent of funding for national secretariats; and
- . GIA funding by other Departments.

1.49 The rationale for funding secretariats of peak organisations has evolved in line with changing practices in Government and greater community expectations. It has been a practical response to increased needs for information and consultation by a more sophisticated and demanding society. It has also encouraged community initiatives in meeting needs at the local level at relatively little cost to Government. Moreover, it has the added benefit of allowing the Commonwealth Department of Community Services and Health to be informed across a full range of national community services and health issues, whether

or not the Commonwealth has direct administrative responsibility.

1.50 The rationale for secretariat funding under the new COSP program is based firmly on the history of the existing programs. DCSH interim guidelines for COSP state that the objective of the program is:

"to fund initiatives which will support the infrastructure needs of community based non-profit organisations and groups whose activities are deemed to relate to the interests of the Community Services and Health portfolio"

1.51 Most "strategies" listed in the interim guidelines are relevant to the organisations encompassed by the Committee's inquiry, as follows:

"To develop the support initiatives for carers, users, service providers, and people interested in self help where these traverse single Program boundaries of the Department, but excluding service provision.

To liaise with and to support professional associations and other bodies to address service enhancing and efficiency issues where these traverse single Program boundaries of the Department.

To liaise with and to support key peak organisations ... either on an ongoing or fixed term basis, to articulate the concerns and requirements of users of Departmentally funded services.

To encourage and stimulate innovative projects which are not specific to a particular program of the Department but are relevant to the activities and interests of the Department." (Appendix 3: COSP Guidelines and Application Format, pp 1, 2)

Secretariat Funding in the 1990s

1.52 The Committee has sought a rationale for secretariat funding which will be appropriate in the 1990s. It **PREFERS A CONTINUATION OF A FLEXIBLE, PRACTICAL APPROACH THAT IS BASED ON FUNCTIONAL CONSIDERATIONS RATHER THAN A THEORETICAL APPROACH.** This is a fundamental consideration in the Committee's review of these organisations.

1.53 The DCSH submission states that:

"The Department considers that ... organisations can make a positive contribution to reasoned public debate, to public education, and to an increased public awareness of issues relating to the Community Services and Health portfolio. Notwithstanding the difficulties referred to in paragraph 2.1, such organisations can overall play an important role in providing the Department with a facility for community consultation in both the setting up and review of portfolio policies and practices".
(DCSH: Transcript of evidence, p 8)

1.54 The Committee considers that this is a useful statement of rationale which reflects the main activities of most currently funded organisations, including both umbrella and satellite organisations.

1.55 Most, if not all of the organisations contribute to reasoned debate, public education and public awareness. Many organisations stressed this in their submissions.

1.56 In doing so, many claimed that organisations can undertake these activities more appropriately, efficiently and cheaply than Government. In part, this is seen to be a result of direct access to community resources not available to Government. It was also argued that organisations' activities can reduce

reliance on services funded directly by Governments. For example, the Haemophilia Foundation believes its activities:

"have been responsible, in a major way, for the very low number of sexual partners infected with HIV by men with haemophilia and HIV." (Haemophilia Foundation: Transcript of evidence, p 1169)

1.57 As already noted in paragraph 1.31 secretariat funding is provided under COSP (previously NCHP) to several organisations whose members are primarily professionals or employees (practitioners) in health related areas. One student organisation is also funded. Such organisations may and do contribute to public debate, public education and public awareness.

1.58 It may be appropriate to fund such organisations for national secretariats if:

- . membership is not restricted to practitioners, is relatively diverse and includes a significant number of people with low incomes; and
- . organisations address a broad range of issues in the interests of large cross-sections of the community.

1.59 The Committee recommends that where an organisation's membership is exclusively or almost exclusively the province of practitioners and its main role is to promote the interests of a profession or occupational class, the organisation should not be funded.

1.60 Funding is also not appropriate for high income groups which can afford to support their own activities.

1.61 Questions relating to the duration, level and terms of funding for organisations considered suitable for funding on this

basis are discussed in Chapters 3 and 5.

1.62 It is potentially true of most organisations considered by this inquiry, that as the Department states in paragraph 3.2 of its submission, they can "overall play an important role in providing the Department with a facility for community consultation..." However, this is more the case for umbrella organisations, which see consultation with Government on behalf of their constituencies as one of their principal activities, than for satellite organisations for which it is one of a number of activities and in some cases has a relatively low priority.

1.63 Accordingly, many submissions argue that the rationale for funding is the necessity for community consultation as an integral part of Government administration. For example, ACROD makes this broad observation:

"It is obviously appropriate for Government to consult widely on policy issues in the health and community services field. It is also obvious that to do so directly with each association and organisation is clearly time-consuming, difficult and expensive. The involvement of peak bodies to facilitate Government/non Government relations is a natural phenomenon..." (ACROD: Submission No 27, p 1)

1.64 An integral part of the consultative and lobbying role of these organisations is to disagree with Government policy where this is necessary in order to represent the interests of their constituencies. DCSH told the Committee:

"...it was precisely the philosophy that the Government should give the money to the organisation to do as it saw fit and it should not be tied in any way to Government priorities, because it was all about that particular approach to say that those bodies should exist, if you like - and this might be more or less uncomfortable - to

get on the Government's nose. That is precisely the purpose of the grants-of-aid". (DCSH: Transcript of evidence, p 186)

1.65 This freedom is important and must be safeguarded, while maintaining a constructive relationship between DCSH and organisations which takes Government priorities into consideration. Accountability is discussed in Chapter 4.

1.66 The strongest theme to emerge about the rationale for Commonwealth involvement is the need to enable disadvantaged groups to be represented in the formulation and implementation of policy. Essentially, it is argued that Commonwealth support enables such groups to have involvement which they would otherwise not have. One of the benefits is that this achieves a greater balance of resources. National Shelter stated:

"It is an appropriate role of government to fund groups which represent sections of the community which would otherwise not be able to participate in decisions which impact upon their lives. The funding of peak community organisations ensures that the needs and aspirations of significant sections of the community are accessible to the Government. Such advice balances the input of organised private interests. It assists Government to reach informed decisions in a manner which reinforces the democratic nature of Australian society." (National Shelter: Transcript of evidence, p 960)

1.67 In this way, the involvement of disadvantaged groups is seen as assisting the Government to achieve fair and equitable outcomes for members of those groups.

1.68 Disadvantaged groups in this context means people with low incomes and can include people with disabilities, parents of young children, people with health problems, older people, public housing clients, homeless people, Aboriginals and people from non

English-speaking backgrounds. Traditionally organisations formed to represent and assist such groups have included non-profit service providers, consumers, parents, academics and a range of interested people. Some of the older organisations such as ACOSS and ACOTA have this sort of mixed membership.

1.69 Some other organisations seek to represent consumers alone. Disabled Peoples' International, the Australian Pensioners' and Superannuants' Federation and the CHF are three examples. Funding of new organisations representing disadvantaged consumers has been a feature of funding of national secretariats in recent years. This is consistent with the growth of consumerism and developments in programs run by the Government.

1.70 The Committee recommends continued Commonwealth funding for national secretariats of non-government health, housing and community services organisations on the basis that public education, public debate and community consultation assists the development of appropriate policies and programs, especially where disadvantaged groups are concerned.

A consistent approach

1.71 The Committee has looked at whether the thirty-seven currently funded organisations are a coherent group in the context of the rationale discussed above, and that of COSP, and has concluded, on balance, that they are a coherent group.

1.72 The terms of reference highlight secretariats of national organisations which have a primary organisational co-ordination or policy related focus, including community consultation and consumer representation, as the objective of the inquiry. This is what makes the 37 currently funded organisations a group.

1.73 In paragraph 1.1 of its submission, the Department

argues that funding for secretariats has varied more for administrative reasons than because of differences between the activities of the organisations. The administrative reasons were stated to be:

- . involvement of different Departments; and
- . funding through different programs within Departments.

1.74 Nevertheless there are also significant differences between the activities of organisations and this has several implications for the inquiry and DCSH.

1.75 As discussed earlier, the main consultative activity of umbrella organisations is consultation about overarching issues. Some satellite organisations, however, can really only be said to consult and give feedback to Government in relation to their own programs. The main activities of such organisations may be public awareness campaigns, promotion of research or co-ordination of services.

1.76 Because of these differences in orientation, key issues apply differently. For groups which consult and lobby on behalf of a constituency, being representative and having national coverage are central concerns. They may not be quite so important for organisations with other objectives, such as raising money for research.

1.77 The range of activities also raises issues about the boundaries of COSP. There is a broad range of approaches among currently funded national secretariats but the Committee considers that there should be a stated and achieved component of public debate/awareness/education activity. COSP should not include national secretariats which are primarily engaged in service provision, either directly or through co-ordination of the activities of branches. A service provider organisation offers immediate assistance such as individual or group counselling as opposed to less immediate forms of assistance such

as information, public awareness campaigns or consultation with Government.

1.78 The Committee notes that the first strategy described in the COSP interim guidelines is qualified with the phrase "excluding service provision". In practice, this means that service provision national operations which do not belong to any of DCSH's other programs could not be funded by the Department. Those which do or could belong to programs, should be funded by them rather than by COSP.

1.79 It is important to make a distinction between national secretariats which themselves focus on service provision and others which represent non-profit service providers but which have an appropriate mix of activities including consultation and lobbying.

1.80 The Committee recommends that:

- . national secretariats with a primary focus on providing or co-ordinating direct services should not be eligible for funding under COSP;
- . DCSH review any such national secretariats which are currently funded under COSP with a view to:
 - suggesting they change the balance of their activities;
 - seeking a more appropriate source of funding; or
 - withdrawing funding if they continue to concentrate on service provision.

1.81 More broadly, the Committee considers that the program should be used only for its stated purpose. It was told by DCSH that:

"...the community organisations support program provides that flexibility to fund either the peak organisation, to fund some broader activities within that area, to fund developmental work by those organisations, or, as I said, to fund them in relation to particular financial difficulties just to give that bit of flexibility around the edges of our programs which we otherwise would not have". (DCSH: Transcript of evidence p 1362)

1.82 The Committee agrees that COSP as envisaged offers this flexibility, subject to the recommendation in para 1.80.

1.83 As noted earlier, the Committee is aware of one secretariat project not included among the thirty-seven organisations listed. In a media release issued on 6 November 1990, the Minister for Aged, Family and Health Services, the Hon Peter Staples, MP announced funding of \$353,665 in 1990/91 for the "National Secretariat" of the Life Education Centre program. This contradicts evidence given by DCSH to the Committee on 3 December 1990, as follows:

"The fact is that we fund life education centres to provide a specific education service rather than to provide any sort of national secretariat." (DCSH: Transcript of evidence, p 1454/5)

1.84 This contradiction raises two issues:

- whether this apparent omission is an isolated instance; and
- whether LEC and any other similar projects should be considered for inclusion in COSP.

1.85 The COSP interim guidelines include, in addition to secretariat support, management support and project support. Together they should make a coherent program. One organisation funded under COSP is currently in receipt of

funds for management support.

1.86 The Committee gives in principle endorsement to the present interim COSP guidelines which accord with its views about national secretariat funding.

Extent of Funding

1.87 ACROSS is the only organisation which specifically addresses the question of what the overall level of resources put into secretariat activities should be.

1.88 It points out that approximately \$6m expenditure on national secretariats of peak bodies represents less than 0.05% of total expenditure for the Community Services and Health portfolio. **THE COMMITTEE CONSIDERS FUNDING SHOULD BE FIXED ACCORDING TO THE COST OF ACTIVITIES RATHER THAN A PREDETERMINED PROPORTION OF THE OVERALL BUDGET.**

1.89 In Chapter 2 of this report there is discussion about the need to support new national secretariats from time to time to achieve adequate representation of constituencies.

1.90 The Committee recommends that the allocation for the national secretariat component of COSP should be capable of real increases to ensure that COSP remains responsive to the community and capable of funding new organisations.

1.91 This may facilitate dealings with the Department of Finance. For some time the Department of Finance has not approved an increase to GIA funding. The Department has had to find money elsewhere to maintain the real value of grants.

1.92 The Committee further recommends that the entire program of funding national secretariats should be reviewed every four years to ensure its continued relevance and good management.

Secretariat funding by other Commonwealth Departments

1.93 Several other Commonwealth departments provide grants to organisations for similar purposes.

1.94 The Department of Administrative Services provides grants ranging from \$5,000 per annum to \$250,000 per annum (1990/91 figures) to five organisations. The two largest grants are seeding grants which are expected to cease after 10 years. The smaller grants are ongoing contributions to administrative costs incurred by smaller organisations.

1.95 The Department of the Prime Minister and Cabinet pays small grants of approximately \$15,000 and \$50,000 per annum to the Royal Australian Institute of Public Administration at the national and local levels to assist with publishing costs, costs of membership of other bodies and other administrative costs.

1.96 The Attorney-General's Department pays several grants-in-aid. Two paid under the Consumer Affairs program are grants of \$253,000 in 1990/91 to the Australian Federation of Consumer Organisations and \$63,000 to the Australian Financial Counselling and Credit Reform Association.

1.97 The Department of Immigration, Local Government and Ethnic Affairs administers, in 1990/91, 245 grants-in-aid to community organisations for employment of community workers for settlement programs. The average grant level is approximately \$40,000. Grants are approved for and structured over three-year periods.

CHAPTER 2

SELECTION CRITERIA

2.1 Whereas the previous Chapter dealt with common features of the organisations under review and reasons for funding them, this Chapter is about a framework for the funding program. Consideration is then given to more specific criteria applicable for assessment of organisations within that framework.

2.2 THE COMMITTEE BELIEVES THERE SHOULD BE A FRAMEWORK FOR NATIONAL SECRETARIAT FUNDING WHICH:

- . ENSURES THAT FUNDING IS SHARED EQUITABLY BETWEEN COMMUNITY GROUPS WHICH HAVE INTERESTS IN THE PORTFOLIO;
- . MAKES PROVISION FOR CONSUMERS AND NON-PROFIT SERVICE PROVIDERS TO BE REPRESENTED AS NECESSARY; AND
- . PROMOTES BENEFICIAL ROLES OF AND RELATIONSHIPS BETWEEN ORGANISATIONS.

2.3 In examining these issues, the Committee is conscious of the great diversity of organisations and also of relationships developed over the years between organisations in co-operation with administering Departments.

A needs based approach?

2.4 As already stated in Chapter 1, there has been no consistent strategic approach to approval of national secretariats across the portfolio. Each approval has not been considered in the context of the entire program, taking account of community and Government needs.

2.5 Instead, there has been an accumulation of individual decisions to fund particular organisations. DCSH told the Committee:

"it did not come about through people sitting down at one point of time and saying, 'These are the 15 bodies that we will fund and no others'. It did come about through an accumulation of individual decisions that said, 'At this time we will add this body; at this time we will not add this other body'." (DCSH: Transcript of evidence, p 180)

One consequence is that there have not been formal processes to select organisations from among competing applicants.

2.6 At the Committee's public hearing with DCSH on 14 September 1990, the Department argued that the approval process has been an appropriate one in that it has identified organisations which are the genuine and principal representatives of their constituencies in various sectors. The GIA guidelines, which stress representativeness, have been a key factor in this process and have been incorporated in the interim COSP guidelines.

2.7 Such organisations have arisen in response to needs, like the forceful emergence of the Australian Federation of Aids Organisations in recent times in response to the HIV/AIDS epidemic.

2.8 The Department and responsible Ministers have adopted a strategic approach in some instances. In particular, in 1987 the then Minister for Health, Dr Blewett established the Consumers' Health Forum to co-ordinate and promote representation of health consumers.

2.9 On this basis the Committee considers that the major organisations currently funded are authentic representatives of

their constituencies.

2.10 The framework and selection criteria recommended in this report will be an appropriate future means of comparing applicant organisations and evaluating funded ones. However, there should be an annual competitive application process for funding approvals for seed funding, which is the main source of new funding. This is discussed in Chapter 5.

2.11 Another consequence of the lack of a strategic approach is that there has not been an even spread of funding across the portfolio interests and therefore not a comprehensive coverage of all needs. The Committee has considered the potential of a needs-based system of funding approval, whereby there might, for argument's sake, be one major peak organisation and perhaps an allocation of smaller organisations for each major area of program activity sponsored by the Department.

2.12 Currently there are significant imbalances between programs in relation to secretariat funding. DCSH told the Committee:

"An example of that would be that we spend comparatively little supporting groups in the housing sector by comparison with the amount we spend in supporting groups within the health sector. And again, we spend remarkably little supporting client representative groups in the childrens' services sector." (DCSH: Transcript of evidence, p 1460)

2.13 THE COMMITTEE CONSIDERS THAT DCSH SHOULD SEEK, AS FAR AS POSSIBLE, TO RECTIFY CROSS-PROGRAM IMBALANCES IN ALLOCATION OF NATIONAL SECRETARIAT FUNDING.

2.14 In paragraph 6.3 of its submission, the Department makes an oblique connection between funding of major organisations and the Department's formal program structure,

suggesting that 10 to 12 larger organisations might be funded at any one time. There are 9 programs in the formal program structure, which is used as a framework for program management and accountability. In explaining how the use of the program structure would make a tidier program, the Department pointed out some limitations of a needs based approach, as follows:

- . priorities will not always coincide with formal program elements; and
- . DCSH funds organisations to address priorities outside its portfolio and some priorities of DCSH are picked up elsewhere. (DCSH: Transcript of evidence p 220)

2.15 The Committee recognises these limitations but nevertheless considers that the program structure is a useful framework for consideration of the distribution of funding across the portfolio interests.

2.16 The nine formal programs are as follows:

- . Health Advancement;
- . Home and Community Care;
- . Residential Care for Older People;
- . Assistance for People with Disabilities;
- . Therapeutic Goods;
- . Health Care Access;
- . Housing;
- . Services for Families with Children; and
- . Corporate Management.

Each has sub-programs. Many sub-programs have components.

2.17 The Services for Families with Children and Housing programs have single major organisations whose interests are largely confined to the programs. These are AECA and National

Shelter. They also have organisations with narrower interests; SNAICC and NYCH. The Home and Community Care and Residential Care for Older People Programs are of interest to three organisations with broad charters (ACOTA, APSF, AAVCA) and others with more specific concerns (CFA, ADARDS). The Disability Services Program has several organisations with broad interests such as ACROD, DPI and NCID and several with a narrower focus such as ADSA.

2.18 Four programs do not have dedicated major organisations to shadow them in relation to their full range of interests:

- . the Health Advancement program includes the AIDS, Drugs, Family Planning and other sub-programs which currently have peak groups to shadow them individually. It is also of interest to the CHF, the Public Health Association (PHA) and the Australian Community Health Association;
- . the Therapeutics program is of interest to a range of organisations including the CHF;
- . the Health Care Access program (including Medicare, PBS) is of interest to a range of organisations including the CHF and PHA; and
- . the Corporate Management Program does not lend itself to peak group interest.

2.19 The formation of peak organisations across the Department's programs varies depending on the nature of the programs as well as on different administrative traditions.

2.20 Some programs such as family and childrens' services, housing, disability services and services for the aged have specific client groups. As a result, those programs have been relatively well supplied with organisations with interests matched to the responsibilities of the programs.

2.21 Health programs, on the other hand, are generally more universal. Further, industry organisations are not considered for peak group support because they operate on a profit making basis. As a result, peak funding in this area has been different and has tended to pick out:

- dedicated consumer organisations;
- organisations with interests across the full range of health issues, which are therefore broader than the concerns of particular programs, including professional/employee organisations; and
- interest groups in relation to sub-programs and components of the formal program structure, such as Drug Abuse Reduction and AIDS.

2.22 In some circumstances, organisations concerned with sub-programs and components of DCSH's formal program structure (such as drugs and AIDS) should be eligible for funding, depending on the nature and urgency of the issue.

2.23 Use of this model does not mean that every item in the program structure needs to be funded or that there will be a single organisation for each program area.

2.24 The Committee recommends that DCSH seek to allocate national secretariat funding equitably between the community needs addressed by its programs, with the flexibility to continue to respond to changing demands in the community.

Consumers and service providers

2.25 The Committee has already endorsed a rationale for funding which envisages support for both consumers and non-profit service providers.

2.26 One of the most difficult issues for national secretariat funding is how to manage support for both service provider and consumer representatives.

2.27 Some currently funded organisations have both service provider and consumer membership. The National Council on Intellectual Disability, for instance, has service provider, consumer and parent organisations as members and considers this mix to be a great strength because it contributes to "reconciliation all the way up the line"... (NCID: Transcript of evidence, p 530). ACOSS, ACOTA and other organisations have a similar mix of member organisations. The Committee was impressed by ANAMH's efforts, with other organisations, to form a broad coalition of mental health interests.

2.28 DCSH would prefer to have a single organisation to consult within each program area, to deliver a consensus view of all parties. This has benefits for Government. However, DCSH highlights fragmentation along service provider/consumer lines as a problem in Chapter 2 of its submission.

2.29 The Committee recommends that formation of major groups representing all interests within particular constituencies should be encouraged as the preferred model.

2.30 A number of organisations see themselves as representatives of either service providers or consumers and would not wish to combine with other parties. Personality dynamics and organisational politics may also come into play in some cases.

2.31 Currently there is some fragmentation along these lines in two main areas of the Department's activities, namely, disability services and services for older people. In the former program, the Australian Council for Rehabilitation of the Disabled (ACROD), which has a broad membership including consumer organisations, sees itself as a service provider organisation.

It focuses largely on physical disability issues. Disabled Peoples' International (DPI) has been funded in recent years as a consumer organisation with a perceived emphasis on physical disability.

2.32 There is further fragmentation in the disability field. NCID was originally funded because it was not possible to achieve adequate representation of intellectual disability interests through existing funded organisations, despite Commonwealth efforts. This in turn was a result of disharmonious relationships between the physical and intellectual disability communities at the time. DCSH expressed a hope for greater co-operation between these communities and organisations in future and the Committee supports this direction.

2.33 In the aged services area, the Australian Pensioners' and Superannuants' Federation (APSF) claims to represent aged consumers. The Australian Council on the Ageing (ACOTA) has a wide range of members including provider and industry organisations as well as consumers. The Australian Affiliation of Voluntary Care Associations (AAVCA) represents non-profit service providers, especially in relation to residential care services.

2.34 In considering the extent to which combined representation of consumers and providers was desirable and possible the Committee was told by the Department that:

"We do believe that it is probably impossible to have an organisation representing well the consumers and the service providers. It happens in some sectors, but not in others. We would be perfectly content to fund looking at both sides of that." (DCSH: Transcript of evidence, p 1389)

2.35 A recent NSW Government review of funding of peak organisations found that because their interests were

significantly different and potentially conflicting, consumer and service provider organisations should be funded separately.

2.36 At the public hearing with the Department on 14 September 1990, Committee Members explored the possibility of encouraging amalgamations of service provider and consumer, as well as other different types, of organisations. The Department indicated that this may be difficult to achieve. The Department used as an example its attempt to encourage amalgamation of National Shelter and the National Youth Coalition for Housing (NYCH). The attempt failed, despite the fact that the NYCH has quite a good relationship with National Shelter, and despite defunding of NYCH for several months to encourage a merger.

2.37 The Department conceded that should personal ambitions cause continued fragmentation of similar organisations, it would be appropriate to encourage suitable amalgamations as a condition of ongoing funding.

2.38 The Committee recommends that funding of both consumer and service provider organisations is appropriate, where necessary, to achieve comprehensive representation.

2.39 As noted in paragraph 2.12, DCSH pointed out examples of imbalances in national secretariat funding including the relatively low levels of secretariat funding for client representative groups in the childrens' services area.

2.40 The Committee recommends that DCSH seek to remedy any imbalances between service provider and consumer representation.

A tiered approach

2.41 In examining models for relationships and roles of organisations, with a view to setting up a funding model, the Committee observed a great range of expectations and functions

among organisations.

2.42 In its submission, the Department proposed a two tiered structure comprising "umbrella" and "satellite" organisations.

2.43 The DCSH submission described "umbrella" organisations as:

"principal organisations with broad membership/affiliations, which have a demonstrated capacity to provide a channel of communication between the Department and the community on a wide range of issues..." (DCSH: Transcript of evidence, p 17)

2.44 In evidence to the Committee on 14 September the Department said:

"They do purport to speak for a whole sector They are not usually the small amateur, just emerging groups. We are basically talking about people in the field who have some depth of history and who are fairly well organised." (DCSH: Transcript of evidence, p 219)

2.45 The DCSH submission defined satellite organisations as:

"Organisations with more specific interests which may be overlooked by an umbrella organisation, which in turn may have too broad a focus to deal with problems of specific groups..." (DCSH: Transcript of evidence, p 18)

2.46 The Committee considers that this is an appropriate description for many of the currently funded organisations. Examples include the Alzheimers' Association, the Continence Foundation, the Australian Down Syndrome Association Inc. and the Australian Cystic Fibrosis Associations Federation Inc.

2.47 The DCSH submission states:

"In most cases, satellite organisations will be associated with an umbrella organisation. However, the satellite organisation should be able to communicate directly to the Department rather than solely through its umbrella organisation." (DCSH: Transcript of evidence, p 18)

2.48 Certain organisations fit this model. For example, the Continenence Foundation has developed under the wing of a larger organisation, ACOTA, but speaks for itself on its specific concern. Where this sort of relationship occurs, it may be possible to direct initial funding and/or accountability/ outcome activities for satellite organisations through larger organisations. This is discussed in Chapter 5 in relation to seed funding.

2.49 Close relationships might lead to mergers. However, as in the case of consumer and service provider organisations, mergers between umbrella organisations and satellite organisations may be difficult.

2.50 It would be appropriate for DCSH to seek to establish relationships between larger and smaller organisations from the time funding approval is initially indicated. In many existing cases, however, a satellite/umbrella relationship is not in evidence nor would it be appropriate. For this reason the satellite/umbrella terminology is not entirely appropriate. But it has the advantage of signalling an intention to promote closer relationships in the future and for this reason the Committee supports its use.

2.51 The Committee agrees that a two-tier model provides a suitable framework for the majority of currently funded organisations and for potential candidates for approval.

2.52 Should it prove difficult to fund a satisfactory candidate as an umbrella organisation in relation to any program, it may be appropriate instead to fund relevant organisations as satellites. This may provide an incentive for formation at a higher level. An unfunded forum of such satellites could be encouraged.

2.53 The Committee considers that there should be a further tier for organisations which take a broader perspective and a leadership and co-ordination role and which traverse a wide range of interests in the welfare and health areas. These will be referred to as summit organisations for the purposes of this report.

2.54 ACOSS is the principal candidate for a third tier. In addition to having perhaps the broadest range of interests of all organisations with which the inquiry is concerned, it also takes a leading role in high level Government negotiations, on major government committees and in public campaigns.

2.55 ACOSS usually conducts major budget negotiations with the Government across a range of subject areas. It has been engaged by the National Housing Strategy to arrange national consultations in co-operation with National Shelter, the dedicated housing umbrella organisation. ACOSS also handled consultations for the Social Security Review.

2.56 The media consults ACOSS representatives on its response to Government initiatives or new policies in the welfare area.

2.57 It may be appropriate to consider an organisation which specialises in the health area for a similar role, as there has not, until recent times, been a broadly based summit organisation to represent the health consumer sector.

2.58 The Committee notes that the Consumers' Health Forum (CHF) has a broader role than most other organisations in health. The Forum is a co-ordinator set up to encourage consumers to organise and begin to participate in health policy formulation. ANAMH told the Committee:

"We are a member of the Consumers' Health Forum to ensure that mental illness again stays on the national agenda."
(ANAMH: Transcript of evidence, p 367)

2.59 CHF seeks sector development through:

- . establishment of task forces on key issues;
- . encouragement of research; and
- . networking with smaller organisations which have hitherto operated in isolation.

2.60 Like ACROSS, the CHF has a number of other major players as its members and has representation on major Government consultative bodies.

2.61 The Committee recommends that, in addition to umbrella and satellite categories, a third category should be recognised for summit organisations with broad leadership and co-ordination roles and that organisations be allocated to that category as appropriate.

2.62 As well as informal consultative arrangements between organisations, a number funded since the 1950s including ACROSS, ACROD, AECA, and ACOTA take part in a six monthly meeting of a forum of self-identified "peak" groups at which issues of general interest to members are discussed. The Committee received evidence that National Shelter has sought to join this Forum. The Committee notes that the forum has a strong service provider presence and does not include some of the major consumer organisations.

2.63 The Committee also notes that there are close connections amongst consumer organisations such as CHF, APSF and DPI and including ACOSS. It considers such links to be a natural phenomenon in what is after all a consultative sector. This assists organisations to avoid potential duplication of activities.

National coverage

2.64 Within the framework above, there is a need for specific selection criteria with which to assess particular applicants for funding. In its submission, the Department includes a list of proposed funding criteria.

2.65 Organisations must have national coverage. Currently there are a very wide range of internal structures reflecting a variety of approaches to national coverage. Some key variables are:

- . whether individuals can be members at the national level;
- . whether private companies can be corporate members;
- . the nature of grass roots member organisations (are they national or State-based?) and their relationships to State (where appropriate) and national organisations;
- . whether there are State Branches or affiliates, their number and the nature of their roles; and
- . the nature of combinations of the above variables.

2.66 As a result, the geographical basis for representation varies. Most organisations provide for equal representation by State and Territory members at the national level. The structures of some allow for regions to be represented. **THE COMMITTEE CONSIDERS THAT IF CERTAIN STATES OR TERRITORIES OR REGIONS ARE UNDERREPRESENTED, DCSH SHOULD NEGOTIATE FOR SATISFACTORY CHANGES.**

2.67 The Committee noted with interest the competitive approach fostered by NCID which allows only one member per State, from the most representative organisation in the sector in that State.

2.68 The issues raised by funding in anticipation of going national are discussed in relation to seed funding in Chapter 5.

Representativeness

2.69 The most important prerequisites for funding are legal status and representativeness.

2.70 DCSH proposes that:

"the organisation needs to be incorporated, non-profit making, with an executive representative of and responsive to its constituency, and with a formal charter." (DCSH: Transcript of evidence, p 15)

2.71 Incorporation brings certain formal requirements and is an appropriate status for funded organisations. However, in itself it does not guarantee appropriate structures within organisations. DCSH raised with the Committee the need to ensure that the legal framework gives overall responsibility to duly elected boards and executives, rather than anyone else, such as paid officials. (DCSH: Transcript of evidence, p 206)

2.72 DCSH indicated to the Committee that it has funded and would be prepared to fund organisations which had not yet achieved incorporation, thereby effectively financing the incorporation process, on the basis that:

"By the end of that financial year I think we would want to see it incorporated or whatever legal form was appropriate. (DCSH: Transcript of evidence, p 1371)

2.73 Limited-term seed funding only should be provided in such circumstances and the money should be provided through another related organisation, as funding for the Continence Foundation was directed through ACOTA.

2.74 The Committee received a great deal of evidence about representativeness dealing with both formal processes and informal operating practices. As noted earlier, the significance of representativeness depends on the functions and activities of the organisation concerned. **SUMMIT AND UMBRELLA ORGANISATIONS IN PARTICULAR MUST BE GENUINELY REPRESENTATIVE OF A BROAD SECTION OF THE COMMUNITY.**

2.75 The variety of structures discussed in the previous section on national coverage shape the formal processes through which members communicate with those who represent them. The most important of these processes are elections for board and executive positions. There is a large number of structures and rules which will allow satisfactory elections and it is not necessary to be overly prescriptive. Where such structures and rules are not satisfactory, DCSH should negotiate for revised processes.

2.76 One fundamental requirement is that it should be possible for all full members of each organisation to stand for election to board and executive positions. This will ensure that organisations remain, constitutionally at least, capable of control by their members.

2.77 The Committee recommends that organisations should have democratic processes for election of their governing bodies and executives which ensure appropriate matches between the make-up of the membership and representation at board and executive level and all full members should be eligible for election to board and executive positions.

2.78 Service provider organisations need to hear the views of consumer representatives in their formal decision-making bodies. This is consistent with the overall rationale which gives priority to disadvantaged consumers. The Department told the Committee that:

"If we decide that nevertheless they ought to have a grant-in-aid because they are representing non-profit making service providers who present a useful voice, our views about that service provider organisation having the interest of consumers at heart would still be there. We would be saying that we hope that as service providers you were operating in a way that gave consumers access to your counsels. But it would not be for the reason of the grant, it would be more because we believe that if they were to be a good service provider they ought to be responsive to the needs of consumers, which is a somewhat different issue. (DCSH: Transcript of evidence, p 193).

2.79 The Committee recommends that service provider organisations reserve at least one place on their boards for an elected consumer/user representative.

2.80 In order to prevent business groups exercising undue influence, business organisations should occupy no more than 20% of places on governing bodies of funded organisations.

2.81 In addition to formal arrangements for elections, there is a need to ensure that members are given opportunities to be involved in organisations' continuing activities. The Department has highlighted the tendencies of organisations to be run by the leadership, including paid officials, if allowed:

"It is like the average golf club. This is what human beings are like. Very often, unless there are very positive processes to involve the constituency, in fact, it is not a very representative body." (DCSH: Transcript

of evidence, p 207)

2.82 AECA made a similar point:

"I think it is - and you would know about chiefs and indians - it is very easy for paid officials of any organisation to take over the mandate of policy formation and to run ahead of the organisation.

I think the grant-in-aid is a recognition that the wisdom of an organisation is not in its paid officials but is in the membership. That wisdom can be distilled only if you have in place proper processes which will allow you to canvass the membership to bring together the individual views into those generalisations that are at the heart of policy making and to use those as the basis for your argumentation to government. I think if the grant-in-aid were not there it is likely that paid officials, such as me, would take the running for that." (AECA: Transcript of evidence, p 1244)

2.83 This can be achieved through frequent information dissemination and consultation with the membership. The involvement of the membership in each organisation's processes should be one of the outcomes measured closely by DCSH and organisations every year.

2.84 Some organisations have suggested to the Committee that the quality of the relationships between such organisations and their constituencies and the structures which shape these relationships require detailed formal review on a regular basis. It is critical that structures maximise representation of the full range of interests and opinions in these organisations.

2.85 The Committee noted the plans of several organisations to introduce more effective arrangements for representation, among other matters, and encourages developments towards self-

assessment. Such developments are a sign of the essential vitality of the sector. Detailed review of the quality of representativeness and accountability should be part of four-yearly evaluations, which are discussed in Chapter 4. If necessary, funding from other parts of COSP in the form of management assistance could be sought to address issues of this sort.

2.86 The Committee has given some thought to the related issue of the political profile of representative organisations, in view of points made in submissions by the Australian Pharmaceutical Manufacturers Association Inc (APMA) and the Proprietary Medicines Association of Australia Inc (PMAA).

2.87 These organisations have expressed doubts about the representative and consultative bona fides of certain organisations funded by the Commonwealth, and, in particular, in this context, the Consumers' Health Forum. In the words of the PMAA:

"The PMAA does not dispute or challenge community participation in public health issues. What the PMAA does object to however, is the public funding of organisations which are not representative of broad community interests and which therefore do not pursue aims which are in accord with such representation."

2.88 The PMAA cites work by Bob Browning, who has argued in a recent book that there is a network of politicised organisations in the health field, including the CHF.

2.89 Other organisations also face questions of politics and ideology. In evidence, AECA witnesses discussed their organisation's long-term commitment to public sector child care and its recent abandonment of that as an exclusive position.

2.90 As stated earlier, the Committee supports close

monitoring by DCSH to ensure organisations are truly and broadly representative and involve their members in policy development.

2.91 THE COMMITTEE CONSIDERS THAT WHILE POLITICAL ACTIVITY IS INEVITABLE TO SOME EXTENT, ALLEGIANCE OR CLOSE LINKS TO OUTSIDE BODIES AND COMMITMENT TO PARTICULAR POLITICAL PRINCIPLES OTHER THAN REPRESENTATION OF THE MEMBERSHIP IS NOT APPROPRIATE IN A FUNDED ORGANISATION IN RELATION TO ITS FUNDED ACTIVITIES.

2.92 The Committee was impressed by NCID's proposal that representative organisations should remain flexible to respond to membership directions at all times.

2.93 Organisations are likely to attract community and media attention if they are fulfilling their roles. However, given their national role, and their remoteness from direct service provision, some groups are unlikely to be well known by the general public. This in itself does not indicate that they are not representative and should not be used as a measure.

2.94 All of the above issues should be subject to careful assessment and monitoring. Since representativeness is a critical issue, where an organisation does not meet the requirements, funding should not be approved or continued.

2.95 As this is to some extent a competitive field, it is possible that over time some organisations will become less representative and new organisations will emerge to take their places. Should DCSH need to choose between organisations covering the same areas, it should take into account their overall representativeness, including the extent of coverage of the particular community sector in which the organisation works and the quality of interaction between its leadership and membership.

2.96 However, in some circumstances it may not be possible nor appropriate to break such a deadlock and it may be necessary

to support two organisations in order to ensure that all voices are heard. DCSH would be willing to consider a flexible approach, as indicated in a response to a hypothetical question concerning two groups who are both nationally representative:

"It is just possible that we might fund both" (DCSH: Transcript of evidence, p 177)

2.97 In its submission, the Department stated that it is not always clear exactly whom each organisation represents. This poses difficulties for consultation. The differences between various types of constituency, which were discussed in Chapter 1, may contribute to this confusion. There is a need to clarify the client group in each case.

Accountability to the constituency

2.98 Accountability to members and constituents of funded organisations is of major concern to the Committee, especially for larger organisations with a representative role, which purport to act as a mediator between the Government and constituents in a particular sector. It is critical that such organisations genuinely represent their constituencies in order to be able to deliver authentic advice to Government.

2.99 To a large extent, accountability to constituencies will depend on the structures and practices put in place for representativeness. The key issue is open elections. Other important mechanisms are involvement in policy making and reporting back. There is no need for the Commonwealth to prescribe exactly how this should be done as long as it is satisfied that accountability is achieved.

2.100 The Committee recommends that as a condition of funding boards and executives should be accountable to their members.

Other funding criteria

2.101 The other criteria proposed by the Department in its submission are as follows:

- ". the secretariat activities for which Commonwealth assistance is sought must benefit the community at the national level, eg through advocacy including accessibility to Government, advice, the provision of services;
- . the secretariat activities should be set out in a plan, and be capable of evaluation against that plan;
- . the organisation should provide details of other sources of funds and non-monetary support and the purposes to which these are put;
- . the primary focus of the organisation (or a significant proportion of it) should have relevance to the policies and programs of the Community Services and Health portfolio;
- . the formal aims and objectives of the organisation should be to promote the interests of a substantial group within the Australian community; and
- . where appropriate, the organisation should show potential to achieve a reasonable degree of financial self-sufficiency through its support base." (DCSH: Transcript of evidence, p 15)

2.102 The Committee endorses these selection criteria. In doing so it notes that some are necessarily very broad guidelines.

2.103 In particular, the three criteria concerning benefit to the community at the national level, relevance to the Department of Community Services and Health and the interests of "a substantial group" are very general. Because of the variety

and breadth of the organisations supported and the fact that projects are often vastly different from each other, they will often have to be compared in the light of these considerations. This is appropriate.

2.104 To a large extent, these issues were raised by many organisations in their submissions and in evidence stressing the importance of their particular concern to the community as a whole. For example, the cost of drug and alcohol related illness and the extent and cost of mental illness have been emphasised to the Committee. These are the types of factors which should be taken into consideration.

2.105 The criteria on potential for financial self-sufficiency and financial viability are discussed in detail later in the report.

CHAPTER 3

FUNDING

3.1 This Chapter contains three main sections, as follows:

- . the nature of activities to be supported and models for funding;
- . detailed funding arrangements; and
- . financial self-sufficiency.

3.2 The overall aim is to ensure that organisations have sufficient resources to operate a secretariat and that consistent principles are applied to determine funding levels.

3.3 The conclusions establish a basis for both ongoing and seed funding. Seed funding is discussed in more detail in Chapter 5.

The nature of secretariat activities

3.4 Secretariat funding at present covers a wide range of activities. For instance, ACADA is funded for a library and CHF for a research grants program, in addition to their other activities. Consideration must be given to whether national secretariat funding should be narrowly defined (exclusive), focussing on essential or basic secretariat activities, or broad enough to take in other activities such as those mentioned (inclusive).

3.5 Most organisations who made submissions and/or gave evidence made claims for sufficient secretariat funding to support broad levels of activity. However, there is a strong

case in the Committee's view for an exclusive definition. FOR ACTIVITIES WHICH FALL OUTSIDE THE DEFINITION OF SECRETARIAT ACTIVITIES, ORGANISATIONS COULD SEEK PROJECT FUNDING EITHER WITHIN PARTICULAR PROGRAMS OF THE DEPARTMENT OR THROUGH OTHER PARTS OF COSP. Many already do this with success.

3.6 An exclusive definition is more appropriate because both ongoing and seed funding will be approved for a number of years at a time (see paragraphs 3.45 and 5.17) and measurement of achievements will inevitably be imprecise. Projects yield more tangible results than secretariat activities over shorter periods. This allows the Department to require prompter accountability and to use its funds more flexibly.

3.7 Keeping the two separate also allows DCSH to allocate funding for particular projects to organisations other than those approved for national secretariat funding, which will be appropriate in some cases.

3.8 DCSH told the Committee:

"Conceptually, the idea of a small central grant topped up by project related grants which they compete for on the merits, is the model that attracts us generally across the board rather than topping up their central grant" (DCSH: Transcript of evidence, p 1448)

3.9 The logical extension of this is that any national secretariat whose entire workload comprises project-type activities should not receive dedicated secretariat funding.

3.10 There is a need to be careful to balance secretariat and project funding, however. There is some evidence of cross-funding from project funding to secretariat costs. At least one case involved DCSH project funding whereas others involve funding from other sources. As an illustration of this, NCID received a small secretariat grant (of \$53,000 in 1989/90) and project

grants of \$355,000 (some of which was rolled over from the previous year). The Executive Director of NCID told the Committee:

"... we have always operated on a very small grant-in-aid plus project funding to assist us to cover some of our costs. They were not given for that reason: they were given because we were able to do certain projects..." (NCID: Transcript of evidence, p 519)

3.11 APSF described a similar situation:

"The guiding principle for us in that respect is first and foremost to see that any ventures that we enter into are to the benefit of our constituency first; and secondly, there might be the capacity for us to earn further funds to underwrite the effectiveness of the organisation." (APSF: Transcript of evidence, p 638)

3.12 To avoid the need for cross-funding, secretariat support needs to reflect an agreed level of secretariat activity.

3.13 The reverse can also apply, where project funding for international activities (from sources other than DCSH) may not include an administrative component and organisations provide administrative support from secretariat funding.

3.14 It is critical that DCSH and organisations agree about what is covered by secretariat grants and what needs to be funded separately. In the past, organisations have asked for further funds for particular consultative tasks when, arguably, the costs were covered by secretariat funding. Organisations need to be flexible in responding to changed priorities and new requests for information and consultation.

3.15 DCSH lists what it sees as appropriate activities for umbrella and satellite national secretariats in chapter 6 of its

submission. These lists account for the main national secretariat activities of the designated organisations. The mix of activities will vary significantly between them and is a matter for negotiation between the Department and organisations.

3.16 The analysis of secretariat activities offered by ACOSS in its submission and evidence is a coherent model. However, it is principally relevant to organisations whose main function is a consultative one and does not specifically take account of organisations which have a different range of activities. For example, it does not account for organisations whose main activities are promotion of research and public awareness campaigns.

3.17 The ACOSS model identifies four particular areas of activity which it considers should be supported through core secretariat funding, as follows:

- . activities necessary to maintain the representative functions of an organisation, including costs of communication and regular meetings of the Board and executive;
- . research and policy development activities;
- . lobbying and advocacy activities including travel to meetings with the Department and Ministers, or for advisory committees; and
- . sector development functions.

3.18 This may be a useful categorisation for the purposes of working out any variations to standard funding levels for particular organisations. This is discussed in more detail in the next section.

Funding models

3.19 The Department has proposed that its two tier model be

used as the basis for standard funding levels.

3.20 The Committee considers that a system of tiers allowing standard or near-standard grants is a useful approach to secretariat funding because it simplifies management by DCSH, planning by organisations and negotiations between the two. Such a model should be used as a basis for both ongoing and seed funding. However, size and breadth of operation of organisations should also be taken into account in some cases.

3.21 For long-established organisations and especially those with very broad interests, it is appropriate to support a higher than standard level of activity. ACOSS pointed out that organisations with broad interests across a significant range of program areas and portfolios have a greater range of activities than other organisations. For example, they require larger boards which in turn need more funds for travel, accommodation and telecommunications. Arbitrary imposition of a standard grant would be inappropriate.

3.22 The Department itself suggests there should be scope for some variations within its two tier model, on the basis of whether organisations are performing the full range of activities appropriate to their umbrella or satellite status.

3.23 In some cases, a higher level of activity and funding will be appropriate indefinitely because the activities continue to be relevant. For others, DCSH may seek to negotiate a reduction back to standard levels over a period.

3.24 Newly approved organisations should, in all but very rare circumstances, receive standard grants and the levels of standard grants should be advertised. Most grants will be for seed funding. Organisations will therefore be able to tailor their operations in advance on the basis of the funding to be provided.

3.25 The Committee therefore recommends that a funding model comprising three standard grant levels be implemented, with limited scope for variations for currently funded organisations.

3.26 The Department is responsible for ensuring that funding flexibility does not lead to unwarranted expansion of activities simply to qualify for extra funds. It should also use this provision very sparingly in relation to current activities of organisations. For example, some have large boards and executives even though their interests are narrowly defined.

Detailed funding arrangements

Funding proposals

3.27 In Table 4 of its submission, DCSH suggests "Minimum Requirements to Carry Out All Appropriate Secretariat Functions" for umbrella and satellite organisations. (DCSH: Transcript of evidence, pp 23, 24) These set out components of a two tier funding formula. Asked how the model was developed, DCSH stated:

"We had regard to what we know of some of the current salary structures in some of those organisations. We thought a little bit about what ought to be the core staff. Nobody is funded on this basis at the moment, so this is not a mirror of somebody's current funding.

We also had a look at what we were saying organisations ought to be doing to justify umbrella level funding. So if we are making strong statements about the role of the governing body in actually giving direction to the organisation, fairly clearly you have got to make an allowance for either travel or teleconferencing for the governing body - one has to try to be mildly reasonable. If

we are asking people to run a cost efficient modern office, a certain amount of capital equipment is appropriate. The policies which have been followed in the past about whether agency A gets a photocopier and agency B does not are bizarre." (DCSH: Transcript of evidence, p 225)

3.28 The key variable is staffing levels and on the basis of evidence provided to the Committee, the staffing levels suggested by DCSH seem appropriate for satellite and umbrella categories.

3.29 Table 4 suggests the following staffing provisions:

- . for umbrella organisations; an executive officer plus three staff; and
- . for satellite organisations; an executive officer with part-time secretarial assistance.

3.30 Most large organisations currently funded have between four and eight full-time equivalent positions. Some of those with high staffing undertake program as well as secretariat activities, such as ACADA. ACOSS has eight full time equivalent staff positions for secretariat activities. Most smaller organisations have one plus one staffing, consistent with the DCSH proposal. (see para 5.22)

3.31 Therefore the Committee supports the staffing formula set out in Table 4 of the DCSH submission and further recommends a maximum staffing allocation of a director and six support staff for summit organisations.

Cost of funded items

3.32 Some items in the DCSH funding model will need to be reviewed. There is evidence that both the amounts nominated for

certain items are inaccurate and that the frequency at which those costs will be incurred may not be appropriate for a model based on optimum levels of activity. For instance, the model assumes a level of activity by the National Board of an organisation of two meetings per year, which may be inadequate for summit and umbrella organisations' purposes.

3.33 Given the potential for change among organisations in this sector, it is inappropriate for the Government to provide capital funding. Such funding may lead to intransigence and an entrenched position not conducive to responding to changing attitudes and needs in the community.

Indexation

3.34 The terms of reference specifically identify indexation in relation to funding principles. The Committee received a great deal of evidence that indexation is critical to the ongoing viability of organisations. A number of organisations such as ACOSS and AECA argued that grants should be indexed in line with the CPI for general costs and AWE for salaries.

3.35 The Committee recommends that all grants should be indexed and that they should be indexed against Average Weekly Earnings (AWE) and the Consumer Price Index (CPI), for salary and other components respectively.

3.36 DCSH does not appear to comment on indexation in its submission but in evidence suggested the CPI would be appropriate. (DCSH: Transcript of evidence, p 1419)

3.37 A number of submissions, including those of ACOSS and AECA, argued for separate indexation for particular items which outstrip the CPI, but this would render funding inappropriately complex. Indexation should be built into declining seed grants

also (see chapter 5).

3.38 In recent years, Department of Finance allocations for the then GIA and Management Support Scheme have not been indexed. **THE COMMITTEE BELIEVES THAT THE COSP NATIONAL SECRETARIAT PROGRAM SHOULD BE INDEXED IN ITS ENTIRETY.**

Salaries

3.39 The Committee prefers that organisations pay staff at award levels but recognises that there is no single award which covers employees of all organisations. Further, DCSH pointed out that it would be somewhat impractical for grants to be adjusted to precisely reflect particular awards, including provisions for increments.

3.40 The evidence (National Shelter, ACHA) suggests that there is benefit in national secretariat salaries being equivalent to salaries in the public sector, to facilitate recruitment of staff from that sector. This could serve as a framework for payment of award rates although the two may not fit closely.

3.41 The Committee recommends that adherence to relevant awards should be a requirement for funding and that DCSH should monitor organisations' practices to ensure that award wages are paid.

3.42 Superannuation should also be provided based on Commonwealth public service conditions. DCSH should ensure the funding model provides for this purpose.

Time limited or ongoing funding

3.43 The evidence received by the Committee on this term

of reference has been more or less unanimous. Organisations have argued that:

- . their activities are important on an ongoing basis to the community;
- . short term funding prevents their undertaking appropriate planning;
- . single year funding requires excessive administrative work to continue to roll it over; and
- . single year funding hinders recruitment and retention of quality staff.

3.44 Some ongoing funding is certainly appropriate for major, usually umbrella, organisations representing major constituencies in areas of continuing Government interest, given the long term nature of many tasks and the credentials of the organisations themselves. It is also useful for them to be linked to the Department in a tangible way. The majority of organisations have argued that funding should be provided for three to five years, with regular reviews. Timing should be designed to avoid a clash between approval of funding and other political agendas as far as possible.

3.45 The Committee recommends that approval of national secretariat funding should be for four year terms.

3.46 The four-year term corresponds with a four-yearly review of the whole COSP national secretariat program, as recommended in paragraph 1.91.

3.47 Other organisations will be better suited to short-term seed funding because:

- . their tasks are time limited; and/or
- . their activities and resources enable them to be self-supporting after a short

period.

Chapter 5 deals specifically with seed funding.

Financial self-sufficiency

3.48 THE COMMITTEE CONSIDERS THAT ALL FUNDED ORGANISATIONS SHOULD BE REQUIRED TO ACHIEVE SOME DEGREE OF FINANCIAL SELF-SUFFICIENCY. There are a number of ways of doing this:

- . membership fees and subscriptions;
- . sales and publications;
- . donations and other fund-raising;
- . corporate sponsorship; and
- . project funding.

3.49 The evidence received by the Committee suggests that organisations' current self-funding efforts have widely differing results. Most organisations raise less than half of their secretariat expenses themselves and some contribute very little.

3.50 The Committee recommends that as part of each four yearly review and evaluation of every organisation funded for a national secretariat, the level of income generated by self-funding activities should be looked at in the context of the overall funding provided.

3.51 ORGANISATIONS SHOULD DEMONSTRATE A COMMITMENT TO INVESTIGATE SELF-FUNDING POTENTIAL. THE PROPORTION OF INCOME GENERATED FROM SELF-FUNDING ACTIVITIES SHOULD INCREASE OVER TIME AS THE ORGANISATION CONSOLIDATES ITS ROLE IN THE COMMUNITY.

3.52 COMMITTEE MEMBERS WERE CONCERNED TO ENSURE THAT INCOME RAISED THROUGH SELF-FUNDING EFFORTS SHOULD NOT BE ERODED ENTIRELY BY CHANGES TO GRANT LEVELS. The rate of any reduction should depend on the fund-raising capacities of an organisation. For example, an

organisation representing service providers should perhaps contribute more of its extra funds than an organisation representing disadvantaged consumers.

3.53 DCSH should back up this requirement to raise income by:

- . recognising self-funding itself as a legitimate activity for funding purposes; and
- . providing support and advice to organisations in receipt of seed funding (Chapter 5).

3.54 On the other hand, self-funding and fund raising in particular should not be the predominant activity. DCSH told the Committee:

"If the body had turned into a body that had spent 90 per cent of its time fundraising and only 10 per cent of its time actually doing the things it is meant to do it might have a somewhat beady eye cast over it. If the body, however, was genuinely representative and managed, as well as doing all the good things to raise money, that should be rewarded and not penalised." (DCSH: Transcript of evidence, p 1422)

3.55 Organisations with a more specific focus should generally be able to achieve greater financial autonomy. In the case of seed funding, total financial self-sufficiency is the desired result. This is discussed in Chapter 5.

3.56 A couple of organisations have invested in small consultancies on fund-raising. One has employed an executive officer with specific fund-raising experience. These are worthwhile approaches and should be encouraged. In an unusual case, DCSH provided a decreasing grant to the Haemophilia Foundation to employ a fund-raiser.

Membership contributions and subscriptions

3.57 Most organisations receive membership fees and/or subscriptions either directly from individual members or through member organisations. Subscriptions are in many cases a form of membership as well as a source of income. Membership and subscription rates can denote the support for and representativeness of organisations.

3.58 Some organisations are heavily funded at the national level by their members, usually where the membership includes service providers, as is the case with ACROD. Approximately 15% of the organisations currently funded raise more than 30% of their secretariat costs through membership fees alone.

3.59 For most organisations, membership contributions meet up to 10% of secretariat costs.

3.60 Several consumer organisations have argued that they have limited capacity to raise membership contributions. Organisations in the mental health area have stated that members are unable to afford substantial membership fees.

3.61 The National Council on Intellectual Disability, which receives contributions of several thousand dollars per annum from State/Territory members, pointed out that its capacity to raise membership fees is reducing with an increase in consumer and parent membership.

3.62 The Committee notes that several organisations use membership contributions and subscriptions for specific activities which directly benefit members and branches, such as publication of newsletters and delegates' travel to national meetings. For these organisations, newsletters/journals are self-funding. This enables the members to see how their contributions are spent and keeps them informed about activities

on a regular basis.

3.63 One of the activities for which organisations are funded should be to increase membership and membership-based financial self-sufficiency. It will therefore be appropriate for the level of contribution to be revised at appropriate intervals on the basis of progress made, within the broader context of negotiation about the overall level of self-funding. DCSH should not, however, expect an organisation's total gains to be allocated to core secretariat costs, as this would destroy incentives to raise funds.

3.64 Various issues come into play in relation to membership fees, such as the structures of different organisations and the fact that some national organisations receive membership fees direct, while others only receive capitation fees. In a political sense, the amount of fees may depend on the value placed on the national secretariat by members and the authority of the national body.

3.65 DCSH should encourage change to rules and/or attitudes where necessary to allow an appropriate level of support by branches to the national secretariat.

3.66 State/Territory funding of peak groups may impose restrictions on the extent to which State or regional affiliates can contribute to national bodies. State funding may be made on the basis of other income available to the funded organisations. Any significant degree of funding from the State to the national level may require some common understanding between funding authorities at both levels, even where State funding itself is not being passed on.

Fund-raising limitations

3.67 Many organisations have argued that fund-raising

through appeals, donations and corporate sponsorship is difficult, for two main reasons.

3.68 The first is that some issues are relatively unappealing to the general public and potential corporate sponsors seek attractive, tangible causes. The most obvious example is mental health. ANAMH told the Committee:

"We have a small amount of money coming in from the Mental Health Foundation which, like all other foundations, has tried to raise money from the corporate sector and so on, but again we are just not attractive to the corporate sector, even the ones that we would find acceptable. Unfortunately, I do not think BHP is desperate to give us some money." (ANAMH: Transcript of evidence, pp 355, 356)

3.69 The other reason is that while organisations are often able to raise money for particular services, research, or public awareness or education campaigns, it is much harder to raise money for administrative purposes. Further, in doing so, they undermine the efforts of State/Territory affiliates or members to raise funds for their own activities. Organisations are generally unwilling to transfer funds raised specifically for research or program purposes into administrative funds.

3.70 On the other hand, a number of organisations have given evidence of increasing capacity to raise funds through appeals, donations and corporate sponsorship. There are some self funding success stories.

3.71 In particular, the Committee was impressed by the way the Schizophrenia Fellowship recently raised \$500,000 in Victoria for schizophrenia programs and activities. This organisation has also had free television advertising for schizophrenia issues. The Fellowship's success owed a lot to:

- . gaining the involvement of prominent people including "names to conjure with in the business world" and media personalities (Schizophrenia Foundation: Transcript of evidence, p 410); and
- . focussing on a particular problem - in this case schizophrenia - rather than mental health in general.

3.72 The Sudden Infant Death Syndrome Council, which is responsible for the 'red nose' campaign, is an organisation which also has devised a successful formula for fund-raising and self funding.

3.73 Project funding is and can be a source of income for secretariat purposes, subject to concerns expressed earlier in this report about cross-funding. Core secretariat funds should not be used to pay for completion of project tasks to raise funds whereas they can be used to help pay for other self-funding activities as discussed earlier.

Tax deductibility

3.74 Fund raising is easier if donations are tax deductible. Most organisations seek to offer this advantage to potential donors.

3.75 To do so organisations need to be approved as Public Benevolent Institutions (PBI) under section 78(1) of the Income Tax Assessment Act. Alternatively they can seek to be added to a group of organisations specifically named in the Act. Public hospitals, public universities and school building funds are automatically entitled to tax deductibility for donations.

3.76 Tax deductibility is different from income tax exemption, which is available to all charitable organisations.

3.77 The Australian Tax Office told the Committee about assessment of organisations for PBI status:

"The way we describe it, and it is taken from a High Court case in the 1930s, is that there are four basic points. Firstly, its object has to be the relief of poverty, sickness, suffering, distress, misfortune or helplessness. That really is the essence of what we are talking about today. Secondly, it has to be carried on without purpose of private gain for particular persons. Thirdly, it has to be established for the benefit of a section or class of the public. Finally, relief has to be available without discrimination to every member of that section of the public which the organisation aims to benefit.

That first one - the relief of poverty, sickness, et cetera - has been interpreted over the years as mostly being that you have to provide direct relief for those conditions. Classic examples of what I will call PBIs or public benevolent institutions, are the Smith Family, St Vincent de Paul, Lifeline and so on." (ATO: Transcript of evidence, p 1339).

This is a very traditional interpretation of benevolence.

3.78 Several organisations gave evidence that they had been denied PBI status. In addition, approval of ACOSS and a number of its State and Territory Councils of Social Service for tax deductibility was reviewed and withdrawn in the 1980s. This decision was upheld after ACOSS appealed in the High Court. Unsuccessful organisations argue that their activities are similar to those of some organisations which enjoy PBI status and the Committee supports this view. It is likely the activities of the approved organisations have changed gradually over time so they also may no longer meet the criteria in the strict sense.

3.79 The Committee considers that the criteria are outdated. In the prevailing political culture, most organisations cannot survive without national bodies which co-ordinate, consult and lobby to protect and promote their mutual interests. Even though services such as community education and information are integral to assisting people they are not appropriate activities for the purpose of granting PBI status by the ATO. Organisations which undertake these activities are precluded from PBI status as currently defined.

3.80 The ATO has made two concessions to the changing culture. The first is that under what it calls the ACFOA principle (arising from the Australian Council for Overseas Aid case) "the peak body then is okay if its members are PBIs". (ATO: Transcript of evidence, p 1341) However, some of the organisations which have given evidence, such as the Continence Foundation of Australia, do not qualify on this principle because their branches are not PBIs.

3.81 ATO has also adjusted its interpretation of the basic requirement. It requires organisations' activities to be "predominantly" rather than wholly benevolent as defined. It also counts services such as direct provision of information to "the actual sufferer of the disease" as benevolent (such as the provision of money or food).

3.82 Finally, it is likely that application of the guidelines for PBI status varies from time to time and between States and Territories.

3.83 The application of PBI status principles does not recognise the contemporary environment in which welfare organisations operate and the Committee recommends it be reviewed by the Government.

3.84 As discussed earlier, the Committee's aim is to ensure that organisations receive an adequate and fair share of

available resources. This is best achieved through expenditure rather than tax provisions since both tax deductibility of donations and sales tax will affect organisations differently. For this reason the basic funding model proposed earlier in this Chapter should stand alone and not assume any particular tax outcomes. Tax issues may, however, be considered as a factor in setting levels of financial self-sufficiency.

3.85 The Committee also recommends that DCSH take the impact of negative PBI status rulings on organisations' abilities to raise funds into account in setting targets for financial self-sufficiency.

Fund raising accountability

3.86 It is necessary to identify what income should be taken into consideration for the purpose of working out an appropriate level of self-sufficiency. Money received for research not related to policy development and for other projects should not be relevant because it is devoted to those projects.

3.87 The Committee recommends that for the purposes of calculating levels of self-sufficiency, the base level of income is income relating to the secretariat activities of the organisation, rather than income derived from other activities.

3.88 Secretariat related income includes membership fees and subscriptions, proceeds from publications and other sales, funds raised for administrative costs, donations, corporate sponsorship etc.

3.89 However, where organisations raise very large amounts of money for research, such as SIDS, or for projects, this should be taken into account.

3.90 In-kind contributions to secretariat activities

should be taken into account in assessing levels of financial self-sufficiency. Previous capital funding should also be taken into account, both in terms of reduced/nil accommodation costs and potential rental income.

3.91 In its selection and evaluation processes, DCSH must ensure that genuinely representative organisations with less income are not unduly penalised, since financial considerations are less important than appropriate representation.

CHAPTER 4

OTHER ISSUES

Accountability to DCSH

Evaluation/review

4.1 Earlier in this report, the Committee recommended four year approval for organisations receiving ongoing funding. Organisations should be required to submit plans for the four-year period in order to gain approval and as the basis for monitoring progress.

4.2 The Committee recommends that towards the end of their four year funding periods the relevance and performance of each funded organisation should be formally evaluated.

4.3 Evaluation should be against the selection criteria used for assessment of new applicants, to test the continued relevance of organisations, and against planned objectives and activities. Outcome measures should be used in this process and are discussed in the next section.

4.4 The purpose of evaluation is to determine whether funding should continue or cease and, where it is to continue, what the organisation's activities should be.

4.5 Evaluation should generally be conducted by the organisation concerned and representatives of DCSH including representatives of the relevant program areas. There should be

provision for independent external evaluators to be involved where either party requests this. Outcomes should be documented in organisations' and DCSH's annual reports.

Outcome measures

4.6 Outcome measures should be linked to agreed activities for the period of funding and negotiated between DCSH and the organisation concerned in a predetermined time frame.

4.7 Whereas quantitative outcome measures are easiest to evaluate, many aspects of secretariat activities which need to be monitored are qualitative ones such as the level of participation of members in decision-making processes. Several organisations stressed to the Committee that the key area for evaluation is the quality of representation of members by organisations. This was discussed in Chapter 2.

4.8 Outcome measures should also address the degree and frequency of contact between organisations and DCSH. It is a reasonable expectation that organisations will be consulted by the Department on policy matters which relate to their interests.

Annual accountability requirements

4.9 In the past, organisations funded under the GIA program were given funding simply as a contribution to costs. Greater accountability requirements have been introduced during the last few years. This has been the cause of some resentment by organisations funded for many years under the old GIA system. Grants previously paid under the NCHP have much stricter accountability requirements.

4.10 A variety of accountability arrangements apply to secretariat grants paid by program areas. There is strong

support for supply of annual reports and audited financial statements and other relevant information to DCSH. Funding instalments should only be paid when the required documentation has been received in good order. If documentation is not provided, DCSH should examine funding continuity.

4.11 The Committee recommends that from 1991/92 all national secretariat grants should be subject to comprehensive annual accountability requirements, as follows:

- . provision of an annual report and other relevant documents;
- . comprehensive externally audited financial statements;
- . quarterly financial statements; and
- . assessment of success in meeting stated objectives in the form of outcome measures, and a forward plan.

4.12 Annual accountability processes need to be tailored to fit the framework of four year approvals.

Working relationships

4.13 Day to day relationships between the Department and organisations are important. Most summit and umbrella organisations appear to be consulted or in contact with the Department and relevant Ministers on an appropriately frequent basis. However, some satellite organisations are rarely in contact with DCSH more than once a year to apply for further funding. DCSH has an obligation to consult and seek the views of funded organisations.

4.14 Where communication does break down between organisations and the Department it is important to resolve such difficulties at an early stage. An appropriate early warning system may be the required documentation about an organisation's performance in meeting its stated objectives, which would be

provided to the Department in the form of outcome measures on an annual basis.

Program vs corporate funding

4.15 As discussed earlier, a number of organisations have interests which cross portfolio boundaries.

4.16 A number of submissions offered comments about whether funding should continue to be administered solely by the Department of Community Services and Health or by a range of affected Departments or by a central co-ordinating Department such as the Department of the Prime Minister and Cabinet.

4.17 Funding by one Department improves ease of administration and has been supported in all evidence to the Committee.

4.18 The Committee recommends that DCSH advise other Departments which have dealings with funded organisations of the extent and nature of such funding.

4.19 The more specific question raised by the term of reference is that of funding arrangements within DCSH.

Funding through program areas

4.20 The Department's submission expresses a preference for organisations to be funded out of program funds where possible, on the basis that:

"Program areas are more likely to have a closer knowledge of organisations appropriate for funding"
(DCSH: Transcript of evidence, p 28)

This would be possible where an organisation deals largely with one program within the portfolio.

4.21 Several submissions argued that this approach would strengthen ties between organisations and the staff who manage the programs with which they are concerned.

4.22 However, funding through program areas would not be possible in all cases. The Department points out that organisations which have broader interests than those of single divisions or programs within the Department and/or extend beyond those of DCSH itself, should be funded from a corporate source.

4.23 There are additional obstacles to program area funding. The housing program, for instance, has an appropriation which omits funding of national secretariats.

4.24 The Disability Services Program employs a policy, said to be based in legislation, opposed to funding national secretariats out of program funds. The Committee believes that an administrative decision rather than legislation or delegated legislation precludes funding. This is unfortunate since some organisations in the disability area have not agreed with DCSH in recent years over implementation of the Disabilities Services Act. If they were obliged to work more closely with the Department in the program setting, greater co-operation may be possible.

Funding through a corporate source

4.25 There is also evidence to support a corporate source for all national secretariat funding.

4.26 A number of organisations have stressed the need for them to be able to determine their own agendas and to take positions opposed to those of the Department and Government

without any funding consequences. For this reason they would feel more secure with corporate source funding.

4.27 As discussed earlier in this report, the right to be critical of Government and DCSH is an essential element of operational autonomy.

4.28 On balance, the Committee prefers the option of a corporate source. For one thing this would help to highlight and promote the program in the settling down period after the present inquiry.

4.29 The Committee considers program area management of funding would have administrative disadvantages. In different program environments, variations to standard funding are more likely to occur.

4.30 To ensure program area input, the national secretariat program should be managed by a Committee comprising the FAS, Policy Development Division as a permanent member and two program Division heads, on a rotating basis. This Committee should oversee funding approvals and major evaluations.

4.31 The Committee recommends that national secretariat funding be managed through a corporate program (COSP), under the management of a committee comprising the FAS Policy Development Division and two Division heads from program divisions.

CHAPTER 5

SEED FUNDING

5.1 As discussed in Chapter 1, the NCHP used seed funding to assist fledgling organisations establish themselves at a national level. Funding was usually for three or four years, starting and finishing at low levels, with an increase to maximum funding during the middle period.

5.2 The rationale has been that this style of funding enables organisations to achieve financial self-sufficiency. The Committee was given examples of seed funded organisations which had achieved financial self-sufficiency at the end of the funding period and of others which had not.

5.3 **THE COMMITTEE SUPPORTS SEED FUNDING FOR NEW APPROVALS UNDER THE COSP PROGRAM WHERE IT IS LIKELY THAT AN ORGANISATION WILL ACHIEVE FINANCIAL SELF-SUFFICIENCY AND/OR WHERE THE ORGANISATION'S ROLE IS TIME-LIMITED.** Potential for self-sufficiency will depend on the resources likely to be available to the organisation and its activities. Organisations with a largely consultative role which are unlikely to achieve financial self-sufficiency should be considered for five-year approval from the outset rather than seed funding, although they should be subject to a common application and selection process.

5.4 At any one time, there should be an even spread of seed funded organisations across the programs run by the Department. This report has already recommended that this principle apply to overall planning of national secretariat funding.

Selection criteria

5.5 The Committee recommends there should be an annually advertised selection process for seeding grants.

5.6 In deciding at what stage/s in their development organisations should be funded the Committee received conflicting evidence. On the one hand, it would seem that early funding would establish organisations which might otherwise perish. On the other hand, some organisations have made a case that early funding can distract organisations from the essentials of their early development and would be better left until basic structures and priorities were firmly established.

5.7 The Abbeyfield Society (Australia) made the following point:

"If we had adequate funding for five years - the reason I am suggesting five years is that the national society at the moment has the role of working with the early local societies in each State and the State governments because there are differences in every State and in learning the situation - we believe that we should work ourselves out of a job. We hoped to have worked ourselves out of a job in New South Wales as of Christmas and we hoped they were going to incorporate but, unfortunately, they did not. We have worked ourselves out of a job in South Australia and in Victoria". (Abbeyfield: Transcript of evidence, pp 289, 290)

5.8 The Australian Association for Hospice and Palliative Care commented extensively on this issue:

"CHAIRMAN - Using you as a model case study for any other fledgling organisation, no matter what it might be involved in, what is the best assistance you could be given? There seems to be a notion of, 'Throw them in the deep end and let them sink or swim for a little

while, but then perhaps when there is a bit of order coming out of the chaos, come to their assistance'.

Prof. Maddocks - I think if you create order with funding too soon you may get it wrong. I am not unsympathetic with the intent of your statement, though throwing in at the deep end does not quite sound right to me.

Dr Redpath - I think what happens often in the early stages of something that is new certainly happened in these affairs. That individuals with enthusiasms but not necessarily with a very balanced approach to what is required can go off on tangents, and there needs to be a time for everything to stabilise, balance out and really get a sense of direction. I think that is what Ian is saying, that we have reached that point now where we have got enough cohesion as a group that we can now move forward with the right support." (AAHPC: Transcript of evidence, p 455)

5.9 DCSH said of the latter point of view:

"With the greatest of respect, that is a perspective which usually comes from people who - to paraphrase Virginia Woolf - have a bankbook of their own. (DCSH: Transcript of evidence, p 1440)

5.10 Organisations will be ready for initial funding at different times. Starting dates should be a matter for discussion between DCSH and organisations. The key issue is to ensure the effective development of organisations.

Organisational development

5.11 A related issue is whether organisations should be funded at the national level before State/Territory branches are in place. DCSH told the Committee it would sometimes provide funding in these circumstances. The Committee considers that in most cases this is not appropriate, since it is likely to take

more than four years work (the maximum duration of seed funding) from such a point to establish an organisation as an effective national body.

5.12 The Australian Cardiacs Association, for example, receives funding but is not established nationally and estimates it will take ten years to achieve a national presence. The four years of seed funding should be devoted largely to making a name for the organisation and fund-raising and this requires organisational issues to be largely resolved.

5.13 Further, the Committee considers funding in the way of establishment grants to States is not an appropriate use of Commonwealth funding in most cases.

The nature of assistance provided

5.14 The range of activities to be funded should be similar to those documented in earlier Chapters, but with a greater emphasis on organisational development and fund raising.

5.15 Amounts paid should be calculated as proportions of the appropriate formula for satellite funding, for example, 33%, 66%, 100%, 66% over four years. They would reflect increases in the formula amount due to indexation in line with inflation. The current approach of a low start, high middle and declining end has a certain logic and should be continued.

5.16 The length of the term should not be more than four years. The initial contract should stress that the grant will not be extended and that the purpose of funding is to prepare for financial self-sufficiency. Further funding would have to be applied for separately.

5.17 The Committee recommends that seed funding should be provided for up to four years at varying levels based on a standard distribution curve model.

Management of seed funding

5.18 A number of organisations have found that the first year of seed funding has passed before they have become properly established. The Cystic Fibrosis Associations Federation told the Committee:

"You do not know that you are getting the grant until suddenly someone says, 'You have got it', and then you have to turn around and you have to start looking for someone. So I think it takes about six months to get the whole thing up and running from scratch, by the time you advertise, you employ people, you find premises et cetera. I can only speak from what our experience has been but it then takes a while to pull it all together and it seems like you are just starting to get going and you are almost at the end of your funding. People are really starting to pull together. This is the first National CF Week we have been able to get people to combine on, so that is sort of an achievement. And then you are faced with the prospect, 'What is going to happen after June 1992?'. As Pat says, how do you raise money for administration? Nobody gives you money for administration..." (ACFAF: Transcript of evidence, p 834)

5.19 In this respect, greater notice of approval of a grant may be beneficial.

5.20 The Committee recommends that approval of seed funding should be indicated six months in advance unless the organisation has demonstrated a sufficient level of preparedness to benefit from immediate funding.

5.21 Sponsorship by established organisations might provide valuable assistance in the early stages. This is supported where appropriate. Financial assistance should be paid through such an organisation where the new organisation is not yet incorporated.

Funding for the Continence Foundation was paid initially to ACOTA for this reason.

5.22 Where possible, fledging organisations should seek to buy administrative assistance from larger organisations. Several do this already, such as the ACM and the AAAH which buy assistance from the Science Centre Foundation. The DCSH funding model for satellite organisations is based on an assumption, which the Committee supports, that this is the best way for small organisations to proceed, at least initially.

5.23 The Committee has received some evidence that greater assistance by DCSH in the early stages of funding might increase the success rate of organisations and save further requests for funding in the future.

5.24 In particular, several organisations have commented that fund-raising and structural matters such as incorporation should be priorities in the first year or two of funding and that organisations need to be thoroughly counselled along these lines. Many seek to work on services to clients before these other matters are resolved.

5.25 The Committee recommends that DCSH invest more resources into guidance of newly funded organisations, especially to ensure that legal status and financial self-sufficiency are given adequate priority.

5.26 Further, DCSH should be able to offer substantive advice on strategies for financial self-sufficiency. Alternatively it could refer organisations to external consultants.

Harry Jenkins
(Chairman)

13 February 1991

APPENDIX 1

LIST OF SUBMISSIONS

SUB NO	NAME & ORGANISATION	DATE RECEIVED
1	R J Inall Australian College of Midwives Inc	14-08-1990
2	R N Bruggemann Intellectually Disabled Services Council Inc	23-08-1990
3	S Hamilton Department of Community Services and Health	29-08-1990
4	B Saville Private	04-09-1990
5	D L Woodhouse Headway Queensland Incorporated	10-09-1990
6	M Whyte Australian National Lifeline	11-09-1990
7	I Sweatman Whittlesea District Health Council	11-09-1990
8	M Nancarrow Australian Cardiacs Association Ltd	17-09-1990
9	F J Kissane Schizophrenia Australia Foundation	14-09-1990
10	P Jones Alzheimers' Association	14-09-1990
11	J Jeremy Contact	14-09-1990
12	D Proctor Family Planning Federation of Australia Inc	14-09-0900
13	M Gledhill Family Support Services Association of NSW Inc	14-09-1990
14	R Walker Australian Affiliation of Voluntary Care Assoc	14-09-1990

15	C Lloyd The Affiliation of Australian Palliative Care Hospice Programs	14-09-1990
16	D Fry Australian Community Health Association	17-09-1990
17	M Young Association of Childrens Welfare Agencies Inc	17-09-1990
18	A W Watkinson Arthritis Foundation of Australia	17-09-1990
19	T P Cloher SHAPE	17-09-1990
21	J Rogers Australian Nutrition Foundation Inc	17-09-1990
22	W King GROW	17-09-1990
23	S Dudley Child Accident Prevention Foundation of Australia	19-09-1990
24	R Hunt Disabled Peoples' International (Aust) Ltd	17-09-1990
25	D Morgan Australian Association for Volunteering	17-09-1990
26	A O'Day Student Initiatives in Community Health Inc	17-09-1990
27	J Braithwaite ACROD Limited	17-09-1990
28	B Krumins Ethnic Communities Council of SA Inc	17-09-1990
29	C Palfreyman Australian Deafness Council	18-09-1990
30	M Verick National Council on Intellectual Disability	18-09-1990
31	J Jacobsen PARIS	17-09-1990
32	M Lockwood National Shelter Inc	18-09-1990
33	M Conley Public Health Association of Australia Inc	18-09-1990

34	O S Pudney National Association of Meals on Wheels Services	18-09-1990
35	C Lawrence, MLA Office of the Premier, WA	20-09-1990
36	P Robertson Australian Down Syndrome Association, Inc	19-09-1990
37	C Milton Head Injury Council of Australia	19-09-1990
38	N W Collier Better Hearing Australia, Incorporated	19-09-1990
39	L K Little The Heart Patients Support Group of Queensland	17-09-1990
40	M Bell NAVRA	21-09-1990
41	M Martin Volunteer Centre of SA Inc.	24-09-1990
42	J Ross Haemophilia Foundation of Australia Inc	21-09-1990
43	K J Caldwell Australian Catholic Social Welfare Commission	20-09-1990
44	N Clay National Youth Coalition for Housing	24-09-1990
45	G Elvy Alcohol and Drug Foundation, Australia	25-09-1990
46	J Dunster The Abbeyfield Society	25-09-1990
47	A J Moran Wayback Committee Limited	25-09-1990
48	M McQueenie Australian National Association for Mental Health	25-09-1990
49	B Shaw Consumers' Health Forum of Australia Inc	26-09-1990
50	K Bright Australian Council on the Ageing	26-09-1990
51	J Finley Dietitians Association of Australia	13-09-1990

52	L Joyce Australian Federation of AIDS Organisations Inc	28-09-1990
53	G Nowland-Foreman Australian Council of Social Service	02-10-1990
54	N McGuire Aust Pensioners' and Superannuants' Federation	25-09-1990
55	H Tolstoshev Australian Association for Adolescent Health	21-09-1990
56	P W Cahir Australian Early Childhood Association	05-10-1990
57	W M Jolley National Federation of Blind Citizens of Australia Ltd	26-09-1990
58	S Girke Continenence Foundation of Australia Ltd	12-10-1990
59	T Benson National Council for the Single Mother and her Child	17-10-1990
60	P Daley Australian Cystic Fibrosis Associations Federation	18-10-1990
61	M Raper Welfare Rights Centre	18-10-1990
62	L Sylvan Australian Consumers' Association	22-10-1990
63	D Bryson-Taylor Alliance for the Mentally Ill - Australia	22-09-1990
64	J Wolfgang The Proprietary Medicines Association of Australia	26-10-1990
65	K D Bell Australian Pharmaceutical Manufacturers Association Inc	07-11-1990
66	P Madden Council to Homeless Persons (SA) Inc	07-11-1990

DETAILS OF HEARINGS AND WITNESSES

CANBERRA - 14 SEPTEMBER 1990

Department of Community Services and Health

- . Mr Stuart Hamilton, Secretary
- . Mrs Marie Coleman, First Assistant Secretary, Policy Development Division
- . Ms Suzanne Sheridan, Acting Director, Workforce Development Section

MELBOURNE - 4 OCTOBER 1990

National Association of Meals on Wheels Services

- . Mr Oswald Pudney, President
- . Mr Grant Edwards, Honorary Secretary & Executive Member

The Abbeyfield Society (Australia)

- . Mrs Judy Dunster, Chairman
- . Mrs Elizabeth McDonald, Acting Chairperson
- . Mr Randal Dossetor, Director

Child Accident Prevention Foundation of Australia

- . Ms Sherie Dudley, Executive Director

Schizophrenia Australian Foundation

- . Sir Edward Woodward, Chairman
- . Dr Margaret Leggatt, Director & Secretary
- . Mr Frank Kissane, Executive Officer
- . Dr David Leonard, Member of the Board of Directors

Australian Association for Hospice and Palliative Care

- . Professor Ian Maddocks, President
- . Dr Ruth Redpath, Vice-President

Australian National Association for Mental Health

- . Mr Richard Redom, President
- . Ms Megan McQueenie, Executive Director

CANBERRA - 12 OCTOBER 1990

Consumers Health Forum of Australia Inc

- . Ms Hilda Bastian, Vice Chairperson
- . Ms Catherine Reade, Executive Assistant & Editor
- . Mr Bruce Shaw, Coordinator
- . Ms Phillipa Lowrey, Policy & Research Officer

Australian Council on the Ageing

- . Mrs Kath Bourke, President
- . Mr Lawrence Nolan, Honorary Secretary
- . Mr Raymond Donnellan, Canberra Liaison Officer

Australian Council for Rehabilitation of Disabled

- . Mrs Janet Braithwaite, Executive Director
- . Mrs Susan Taylor, Deputy Executive Director

National Council on Intellectual Disability

- . Mrs Margaret Verick, Executive Officer
- . Ms Jacque Ford, Projects Officer
- . Ms Mary Burgess, Publications Officer

Public Health Association of Australia Inc

- . Ms Jane Hall, President
- . Mrs Margaret Conley, Executive Director

Australian Cardiacs Association Ltd

- . Mr Maxwell Nancarrow, National President
- . Ms Karyn Jarvie, National Development & Training Officer

Disabled Peoples' International (Australia) Inc

- . Mr Richard Charles O'Neil, Acting Executive Director

Family Planning Federation of Australia

- . Ms Dianne Proctor

SYDNEY - 24 OCTOBER 1990

Australian Pensioners' and Superannuants' Federation

- . Ms Linda Adamson, Executive Officer
- . Mr John Patrick Barber, Executive Officer
- . Mrs Noreen Hewett, National Secretary
- . Mrs Norah McGuire, Treasurer

Better Hearing Australia Inc

- . Mr Norman Collier, National Executive Director

Australian Nutrition Foundation Inc

- . Ms Josephine Rogers, National Chairperson
- . Mrs Brigitte Cox, National Council Member

Australian College of Midwives Inc

- . Mrs Judith D'Elmaine, Secretary
- . Mrs Ruth Inall, Executive Director

Student Initiatives in Community Health Inc

- . Ms Alison O'Day, National Administrator
- . Ms Katrina Jensen, National Coordinator
- . Ms Justine Davis, Resource Worker

Australian Association for Volunteering

- . Mrs Diane Morgan, President
- . Ms Allison Wynands, NSW Executive Board Member

Australian National Lifeline

- . Professor Henry Whyte, President
- . Mr Maurice Hodgson, Chief Executive

SYDNEY - 25 OCTOBER 1990

National Shelter

- . Ms Philippa Davis, Chairperson
- . Mr Martin Attridge, Policy & Research Officer

Alzheimers' Association (Australia)

- . Professor Henry Brodaty, President
- . Ms Pat Jones, Executive Director
- . Mrs Diana Mitchell, Member

National Youth Coalition for Housing

- . Ms Narelle Clay, Chairperson
- . Mr Sean Purcell, Victorian Delegate

Australian Cystic Fibrosis Associations Federation

- . Mr Patrick Daley, National Executive Officer
- . Mrs Helen Griffiths, Executive Committee Officer

Continenence Foundation of Australia Ltd

- . Dr Richard Millard, Chairman & Board Member
- . Ms Susan Girke, Executive Officer

GROW

- . Dr Albert Lacey, Co-Founder
- . Mr John Lizzio, National Administrator
- . Mr Warren King, National Program Coordinator
- . Mrs Caroline Grainger, NSW Program Coordinator

CANBERRA - 5 NOVEMBER 1990

Australian Early Childhood Association

- . Ms Judith Henderson, Deputy National President
- . Ms Pamela Watson Cahir, National Director

Australian Catholic Social Welfare Commission

- . Reverend Kevin Caldwell, National Director
- . Mr Anthony Hynes, National Coordinator, Natural Family Planning

Alcohol and Drug Foundation of Australia

- . Dr Geoffrey Elvy, Executive Director
- . Mrs Lory Price, Board Director

Australian Federation of AIDS Organisations

- . Mr Keith Harbour, Vice-President
- . Ms Leanne Joyce, Executive Director

Australian Council of Social Service

- . Ms Merle Mitchell, President
- . Mr Garth Nowland-Foreman, Director

Australian Deafness Council

- . Mrs Carolin Palfreyman, Executive Officer

Haemophilia Foundation of Australia

- . Mr Fred Wensing, Treasurer
- . Mrs Jennifer Ross, Executive Director

Australian Affiliation of Voluntary Care Associations Inc

- . Mr Ross Walker, Executive Secretary

CANBERRA - 3 DECEMBER 1990

Australian Taxation Office

- . Mr John Lamerton, Senior Advising Officer
- . Mr Desmond King, Manager, Sales Tax Branch

Department of Community Services and Health

- . Mr Stuart Hamilton, Secretary
- . Mrs Marie Coleman, First Assistant Secretary, Policy Development Division
- . Ms Sue Kerr, Assistant Secretary, Drugs of Dependence Branch
- . Mr Jeffrey Whalan, Assistant Secretary, Disability Accommodation and Management Branch
- . Mr Barry Telford, Director, AIDS Education Section

Community Organisations' Support Program
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Introduction

Origins of COSP

The Department of Community Services and Health has administered several funding programs for the support of community based activities in past years. These include:

- Grants-In-Aid – on-going secretariat support to peak organisations (including the Family Medicine Program)
- National Community Health Program – limited term seeding funding and project funding
- Management Support Scheme – management or financial support to Departmentally funded organisations.

In April 1990 the Minister for Community Services and Health approved the restructuring of the above three programs (excluding the the Family Medicine Program) into a single program. That single program is the Community Organisations' Support Program (COSP).

COSP Reviews

In the context of program restructuring, funding of national secretariats has been referred to the House of Representatives Standing Committee on Community Affairs for review. As a consequence, the objectives of the program may be amended for the 1991–92 year.

Parallel to the Parliamentary review, the Department is reviewing the non-secretariat aspects of COSP. As part of this review, new COSP guidelines are

being developed for finalisation in time for the 1991–92 budget.

Scope, Objective and Strategies

Scope

Single issue projects of a program policy nature are properly the responsibility of the appropriate program area and will not be eligible for funding under COSP Management Support (page 8) will, by its very nature, be program specific but concerns management problems at the individual project level and not program policy.

Any other cross-program projects and single issue projects that do not fall within any specific program vote, or are relevant to several program votes, will be eligible for consideration by COSP.

Objective

The primary objective of the program is to fund initiatives which will support the infrastructure needs of community based non-profit organisations and groups whose activities are deemed to relate to the interests of the Community Services and Health portfolio.

Strategies

To develop and support initiatives for carers, users, service providers, and people interested in self help where these traverse single Program boundaries of the Department, but excluding service provision.

To liaise with and to support professional associations and other bodies to address service enhancing and efficiency issues where these traverse single Program boundaries of the Department.

To liaise with and to support key peak organisations whose constituents cross single Program boundaries, either on an ongoing or fixed term basis, to articulate the concerns and requirements of users of Departmentally funded services.

To encourage and stimulate innovative projects which are not specific to a particular program of the Department but are relevant to the activities and interests of the Department.

To assist organisations funded by the Department for the development and maintenance of management skills.

COSP Funding Priorities

To fulfil the objective, strategies and priorities previously defined, COSP funding will be available to organisations under three activity headings.

1. Secretariat support: Funding to community organisations to provide national secretariat services. Funding is structured to meet the needs of larger ie. umbrella, and smaller ie. satellite, national organisations.
2. Management support: Funding to community organisations which are already in receipt of Departmental program funding. The aim of management support is to ensure the continued viability of service providers. Funding is available in two categories ie. crisis response and preventive projects.

3. Project support: Funding to community organisations to carry out specific activities which relate to the infrastructure and activities of the organisation.

Funding to eligible organisations for innovative projects which are not specific to a particular program but are relevant to the activities and interests of the Department.

Initiatives of Importance

The following initiatives of importance have been identified –

- Non service oriented carer support directly through formal (eg work) and informal carer networks and organisations. For example work based training for caregivers in paid employment; or telephone information hotline.
- Client advocacy. For example surveys to determine needs; or referral services.
- Development of more appropriate, cost-effective, higher standard services through quality assurance and training projects. For example dissemination of information on improved service delivery techniques, including workshops; or production of a video or manual to support carers.
- Community-based self-help and volunteer services projects for people with longer term health and personal care needs. For example establishment of a self-help network; or health related consumer information at retail outlets.

- Continued effective provision of essential services to clients through organisations funded under Departmental programs. For example management training; or financial examination by consultants.
- Innovative or experimental community service or health care projects which have potential national application. For example regular radio broadcasts aimed at a specific target audience e.g. the aged.

Responsibilities

Program areas in State Offices and Central Office are encouraged to initiate applications. Applications will also be submitted direct from the organisation seeking funding.

Secretariat and project support

COSP Management (Policy Development Division) will –

- assess applications
- seek State/Central Office comments
- prepare associated Departmental and Ministerial correspondence
- prepare formal Conditions of Grant and formal acceptance papers
- make payments
- seek progress reports and monitor organisational objectives.

State Offices will –

- initiate applications
- provide comments to COSP management on project and organisation
- assist in review and monitoring progress towards objectives by means of site visits

- assist in project evaluation
- liaise with Central Office program managers on project progress

Central Office Managers will –

- initiate applications in conjunction with State Offices
- provide evaluative comments to COSP management about projects and organisations
- assist in review and monitoring

Management support

1. For proposals generated by a State Office:

COSP management is responsible for –

- providing advice to initiating program areas
- processing applications
- advising on relevance of Terms of Reference
- preparing Standard Contract and arranging for signatures
- payment of accounts
- for consultancies, supervision of project in conjunction with Steering Committee

The State Office is responsible for –

- identifying projects
- preparing application, Information Paper for Consultants and Terms of Reference
- liaison with appropriate Central Office program area
- liaison with COSP management including provision of reports
- supervision of project
- for consultancies, supervision of project in conjunction with Steering Committee.

Community Organisations' Support Program

Central Office program area is responsible for –

- liaison with COSP management and State Office as required, including provision of reports
- providing comments to COSP management on the value of the project
- assistance with supervision if required.

- liaison with COSP management including provision of reports
- supervision of project
- for consultancies, supervision of project in conjunction with Steering Committee.

2. For proposals generated by Central Office:

COSP management is responsible for –

- providing advice to initiating program areas
- processing applications
- advising on relevance of Terms of Reference
- preparing Standard Contract and arranging for signatures
- payment of accounts
- for consultancies, supervision of project in conjunction with Steering Committee

Eligible Projects

Applications for funding must meet the overall program objective.

The following sections detail each priority activity.

The State Office is responsible for –

- providing comments to COSP management where appropriate
- liaison with Central Office and COSP management where appropriate
- assistance with supervision if required.

Central Office program area is responsible for –

- identifying projects
- preparing application, Information Paper for Consultants and Terms of Reference
- liaison with appropriate State Office program area

Secretariat Support

Only in exceptional circumstances will secretariat proposals be recommended to the Minister and then no expectations should be raised of support beyond 30 June 1991.

This Section will be revised after the Minister has considered the report of the House of Representatives Standing Committee review of national secretariat funding through the portfolio.

For the year 1990-1991 the following guidelines will be used for secretariat support.

Before submitting applications, program areas should attempt to determine the future viability of the organisation in the event that continued funding is not possible. It would be preferable to limit applications to one year at this stage.

Eligible Organisations

- The community organisation should be a non-government body representing, or with the potential to represent, constituents at the national level.
- The activities must be non-profit making in nature and must benefit the community at the national level, directly or indirectly, in a demonstrable way.

Selection Criteria

In order for an organisation to be eligible for funding for a national secretariat, the following criteria ought to be satisfied:

- the organisation needs to be national in character, operating or intending to operate in all or most States/Territories, or else drawing its membership/client group from all or most States/Territories; that is, the level of government with which it most appropriately interacts should be the Commonwealth Government;
- the organisation needs to be incorporated, non-profit making, with an executive representative of and responsive to its constituency, and with a formal charter;
- the secretariat activities for which Commonwealth assistance is sought must benefit the community at the national level, eg through advocacy, including accessibility to Government, advice, the provision of services;
- the secretariat activities should be set out in a plan, and able to be evaluated against that plan;
- the organisation should provide details of other sources of funds and non-monetary support and the purposes to which these are put;
- the primary focus of the organisation (or a significant proportion of it) should have relevance to the policies and programs of the Community Services and Health portfolio;
- the formal aims and objectives of the organisation should be to promote the interests of a substantial group within the Australian community; and

- where appropriate, the organisation should show potential to achieve a reasonable degree of financial self-sufficiency through its support base.

Where two organisations with similar constituents apply for funding, support will be determined through consideration of:

- the membership, support base, and hence financial viability of each organisation;
- the degree to which each organisation represents its asserted constituency;
- the appropriateness of the activities of each organisation in terms of its client group; and
- the degree of development of performance indicators by each organisation.

Organisations will not receive Commonwealth support for the setting up or the operation of State or regional elements of the body. However, where an organisation currently operating only on a State or regional basis has the potential to expand to form a national body, funding for the establishment of the national body will be considered.

Applications

Applications should be submitted to:

Director
Research Co-ordination and Support
Grants Section
(For address see page 18).

Applications should be submitted using the Application Guidelines and pro formas at pages 13–17. It is in the organisation's interest to ensure that all supporting documentation is actually provided.

Accountability

Organisations will be required to provide annual audited statements and un-audited quarterly financial statements as well as half-yearly progress reports against performance indicators.

Projects of less than twelve months duration will be required to meet the same reporting deadlines unless otherwise specified.

Supervision of Project

COSP management will be responsible for monitoring progress against payments. This includes analysing performance reports, seeking acquittance of the grant, and ensuring that monies are spent in accordance with grant conditions.

Evaluation

Evaluation requirements are described in the above sections on Accountability and Supervision of the Project and should be addressed as set out in the Application Guidelines at pages 13–14.

Approval

Final approval rests with the Minister for Community Services and Health. Program areas are advised that no undertakings should be given to

organisations until formal Ministerial approval has been received.

Payments

Payments will be made quarterly in advance for support in excess of twelve months. Payments for one year only will be as agreed with the organisation.

Timing

Applications will be accepted on a continuing basis. However, Ministerial approval will only be sought three times each year, that is July, November and February.

Exceptions will be made when it can be demonstrated that deadlines are pressing.

In general, program areas should be aware that processing time to approval could be as much as three months. This should be taken into account when liaising with community organisations.

Management Support

Within the objective of COSP is implicit support for organisations funded by the Department. Many of these organisations funded under the various Departmental programs are small community groups, often administered by part-time staff and/or volunteers. As such they occasionally lack the range of management skills required to operate efficiently and effectively.

From time to time, some of these organisations may face financial and/or management problems varying in severity and which, if not attended to, pose a threat to their continued viability and existence. These situations may be precipitated by:

- extensive changes in legislation and/or program requirements
- unexpected cost increases or income shortfalls
- inadequate budgeting or financial reporting systems
- lack of appropriate financial planning/resource management skills; and/or
- ineffective programs or service delivery arrangements.

Once-off assistance to support these organisations is available through COSP in the following two categories.

1. Crisis Response

This category will provide either –

- a direct cash grant to the organisation to relieve liquidity problems or to provide short-term working capital; or
- funding of consultancies to carry out an emergency financial audit

and/or provide advice to trade-out of difficulty.

2. Prevention

This category will provide funding of consultancies to –

- provide financial and/or management counselling for the organisations' administrators
- provide in-service financial and/or management training courses and seminars
- develop training and/or management packages applicable to a range of organisations
- develop management and/or financial information systems
- develop strategic financial and/or management plans.

Selection Criteria

1. Crisis Response

Proposals will be assessed against the following criteria –

- severity of the crisis
- long-term viability of the organisation
- whether or not a new or existing organisation might be able to provide the same services more efficiently
- status of the organisation as a direct service-provider.

Organisations funded under this category will not be eligible for additional crisis funding; they will be eligible for "prevention" funding only if it can be demonstrated that the viability of the

organisation is sound, and prevention funding will have a significant impact on the organisation.

2. Prevention

Proposals will be assessed against the following points –

- degree of risk to the organisation's continued viability if the project does not eventuate
- degree of urgency of the project
- availability of program funds to meet the costs of the intervention
- demonstrated relevance to the provision of services
- status of the organisation as a direct service-provider.

Organisations funded under this category will not be eligible for additional management support funding unless exceptional circumstances can be demonstrated.

Ineligible Projects

The following will not be funded under COSP Management Support:

- feasibility studies for new services or new techniques of service provision
- co-ordination and policy development projects requiring recurrent funding
- service provision

Applications

All applications are to be submitted to:

Director
Research Co-ordination and Support
Grants Section

(for address see page 18)

Applications will be accepted at any time. However program areas should note that sufficient lead time is required to follow the prescribed procedures. In the case of a Crisis Response project, significant dates and deadlines should be highlighted.

Applications must contain the following information:

1. Details of the Organisation

- a) Outline of the program under which the organisation is funded
- b) Relationship of the organisation to the program
- c) Outline of services provided by the organisation.

2. Project Details

- a) Description of difficulties being faced/anticipated by the organisation/program area
- b) Impact of difficulties on service delivery
- c) Detailed description of proposed project including:
 - an "Information Paper for Consultants" if a consultancy is envisaged
 - Terms of Reference for proposed consultancy
- d) Costing, or approximate cost in the case of a proposed consultancy
- e) Program Contact Officer
telephone/facsimile numbers

f) Proposed composition of steering committee.

Applications will be assessed by the Research Co-ordination and Support Grants Section, in consultation with the appropriate State and Central Office Program areas.

PROGRAM AREAS ARE ADVISED THAT NO UNDERTAKING SHOULD BE GIVEN TO ORGANISATIONS AND/OR CONSULTANTS UNTIL FORMAL APPROVAL HAS BEEN GRANTED. WORK MUST NOT COMMENCE UNTIL CONTRACTS HAVE BEEN SIGNED.

In the case of crisis response projects, all care will be taken to expedite approvals.

Supervision of Projects

Where a project does not involve a consultancy it is the responsibility of the relevant State and/or Central Office program area to ensure that projects are completed accurately and on time. The appropriate area is to provide a copy of final reports to COSP management for audit purposes.

Where a project involves a consultancy it will be necessary to establish a steering committee. The Steering Committee will normally comprise –

- representative(s) of the relevant State Office/Central Office program area
- representative(s) of COSP management
- representative(s) from the organisation requiring support.

The Steering Committee is responsible for –

- selection of the consultant
- establishment of unique features to be included in the contract; if any
- supervision of the project including ensuring that the project remains focused on the terms of reference and is completed on time.

The Steering Committee's role ends when a final report satisfactory to the Steering Committee has been presented to the organisation.

Payments

All payments will be made by COSP management. Accounts should be forwarded to the appropriate program area where they are to be endorsed as follows:

"For Payment signature date (name in block letters)"

Accounts should then be forwarded to:

**Director
Research Co-ordination and Support
Grants Section
(for address see page 18)**

Project Support

In meeting the overall objective of COSP, community organisations may seek project funding to maintain infrastructure and service delivery. This will include projects which strengthen the organisation's ability to serve its client group, projects which evaluate client needs and/or quality of service provision.

Examples of these projects are production of education material; purchase of office services equipment; membership extension activities and establishment of information networks; support for national conferences; limited research projects to evaluate needs and or quality of service.

Projects will be of limited term and usually no-more than three (3) years. The exception to this is that in 1990-91 projects of twelve months duration will be given greater priority.

In addition to the above, projects initiated by program areas requiring a State-based organisation to undertake consultations on behalf of the Commonwealth will be eligible for consideration for project support.

Selection Criteria

In determining project support funding, the following selection criteria will be used:

- extent to which project is national ie. operates in all States, national pilot etc.
- extent to which organisation represents the client group
- extent of Departmental program support for the project

- potential to complete the project successfully within specified period
- potential of project to contribute to community needs
- justification of budget, time length of the project
- other sources of funding.

Organisations receiving State funding will need to demonstrate that Federal funding is appropriate and necessary. In general, it is unlikely that organisations receiving State government funding will receive Federal funding at the same time.

Applications

Applications should be submitted to:

Director
Research Co-ordination and Support
Grants Section
(for address see page 18)

Pages 13 and 14 contains full application guidelines which should be followed closely. There are also pro formas attached for budget allocations and a guide to staffing levels.

It is important to ensure that all requested attachments (Application Guidelines, 5 (e)) are present to obviate any delays.

It would be helpful if applications submitted via program areas included a covering note setting out program comments (see also page 3, Responsibilities).

Accountability

Organisations will be required to provide annual audited statements and un-audited quarterly financial statements as well as half-yearly progress reports against performance indicators.

Projects of less than twelve months duration will be required to meet the same reporting deadlines unless otherwise specified.

Supervision of Project

COSP management will be responsible for monitoring progress against payments. This includes analysing performance reports, seeking acquittance of the grant, and ensuring that monies are spent in accordance with grant conditions.

Evaluation

Evaluation requirements are described in the above sections on Accountability and Supervision of the Project and should be addressed as set out in the Application Guidelines at pages 13 and 14.

Approval

Final approval rests with the Minister for Community Services and Health. Program areas are advised that no undertakings should be given to organisations until formal Ministerial approval has been received.

Payments

Payments will be made quarterly in advance for projects in excess of twelve

months. Projects of less than twelve months will receive progress payments at agreed intervals. One-off projects of short duration will receive one payment upon commencement of the project.

Timing

Applications will be accepted on a continuing basis. However, Ministerial approval will be sought three times each year, that is July, November and February.

Exceptions will be made when it can be demonstrated that deadlines are pressing.

In general, program areas should be aware that the processing time could be as much as three months. This should be taken into account when liaising with community organisations.

Guidelines for Applicants

These guidelines should be read in conjunction with the specific program guidelines.

Project details should be provided under the following headings:

1. Details of Organisation Seeking Grant

- a) Name and address.
- b) List of office bearers.
- c) Contact Officers/phone numbers/position of office held.
- d) Proof of incorporation.
- e) Overall aims and objectives of organisation.
- f) List of Branch Office addresses and membership numbers by State.
- g) Details of affiliation (if applicable), with similar organisations throughout Australia.

2. Project Details

- a) Background - why and how was this proposal developed.
- b) Details of specific activity for which Commonwealth funding is sought (indicate whether activity is new or an expansion of existing activity).
- c) Specific aims and objectives of proposed project (preferably measurable).

- d) Proposed time-frame - include commencement and completion time-frames and major milestones towards completion.
- e) Extent to which the project will benefit the community at the national level.
- f) Details of non-monetary support from other sources.

3. Outputs

- a) Details of resources to be produced eg manuals, audio/visual tapes, printed material etc.
- b) Plans for dissemination of information on project activities/outcomes.

4. Evaluation

(Refer to sections on Accountability and Supervision of Project in the program guidelines)

- a) Performance indicators by which progress towards meeting aims and objectives can be measured. Please refer to the attached information paper for assistance. These may include:
 - an evaluation of the organisation's impact on specific, relevant, target groups:
 - women;
 - people with a disability;
 - people from non-English speaking backgrounds;
 - Aboriginal people;
 - people who live in rural and remote areas.

Community Organisations' Support Program

- success of the organisation in meeting project objectives;
 - statistics showing use of the program eg number of publications distributed; number of enquiries received;
 - where applicable, satisfaction of the consumers of the organisation's services;
 - efficiency of the organisation's operations.
 - timeframe for submission of the report of final evaluation of project to be submitted to the Department.
- the attached pro-forma to show a cash budget for the proposed project (based on the financial year 1 July to 30 June). These budget costings are required for a full financial year (second column) and also for the initial part year (first column). Please note that there is usually a substantial lead time to commence a project after applications are received.
- Any amounts entered against items marked "supply details" should be accompanied by a detailed listing of the items involved.

5. Financial Information

- a) Details of financial assistance sought or approved for the project from other sources (provide full details of sources and amounts).
- b) Would the project result in any savings to the Commonwealth?
- c) If the project is ongoing, indicate when and how financial self-sufficiency might be achieved.
- d) Details of, and justification for, salary costs. Note that salary allocations will be based on Commonwealth Public Service classifications unless other structures can be justified.
- e) Provide:
 - an annual report for the most recent year available (if produced by the organisation);
 - an income and expenditure statement and balance sheet for the most recent year available (if not provided in the annual report);

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial reporting and compliance with regulatory requirements.

2. The second part of the document outlines the various methods and tools used to collect, store, and analyze data. It highlights the significance of data integrity and the need for robust security measures to protect sensitive information from unauthorized access and loss.

3. The third part of the document focuses on the application of data analysis techniques to derive meaningful insights from the collected information. It discusses the use of statistical models and machine learning algorithms to identify trends, patterns, and anomalies in the data.

4. The fourth part of the document addresses the challenges and limitations associated with data management and analysis. It notes that while data provides valuable insights, it also presents challenges such as data quality, privacy concerns, and the need for skilled personnel to interpret the results effectively.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of a holistic approach to data management, one that integrates data collection, storage, analysis, and communication to maximize the value of the organization's data assets.

6. The sixth part of the document provides a detailed overview of the data management process, from data source identification to data distribution and reporting. It includes a flowchart illustrating the sequential steps involved in the data management lifecycle.

7. The seventh part of the document discusses the role of data management in supporting business operations and decision-making. It explains how effective data management practices can lead to improved operational efficiency, better risk management, and enhanced strategic planning.

8. The eighth part of the document explores the impact of data management on organizational performance and competitive advantage. It argues that organizations that invest in robust data management systems are better positioned to respond to market changes and customer needs.

9. The ninth part of the document examines the ethical and legal implications of data management. It discusses the importance of data privacy, consent, and the responsible use of data to ensure compliance with applicable laws and regulations.

10. The tenth part of the document provides a final summary and outlook for the future of data management. It predicts that as data continues to grow in volume and complexity, organizations will need to adopt more advanced and integrated data management solutions to stay competitive.

11. The eleventh part of the document discusses the importance of data management in the context of digital transformation. It highlights how data management is a critical component of any successful digital strategy, enabling organizations to leverage their data for innovation and growth.

12. The twelfth part of the document provides a detailed overview of the data management process, from data source identification to data distribution and reporting. It includes a flowchart illustrating the sequential steps involved in the data management lifecycle.

13. The thirteenth part of the document discusses the role of data management in supporting business operations and decision-making. It explains how effective data management practices can lead to improved operational efficiency, better risk management, and enhanced strategic planning.

14. The fourteenth part of the document explores the impact of data management on organizational performance and competitive advantage. It argues that organizations that invest in robust data management systems are better positioned to respond to market changes and customer needs.

15. The fifteenth part of the document examines the ethical and legal implications of data management. It discusses the importance of data privacy, consent, and the responsible use of data to ensure compliance with applicable laws and regulations.

16. The sixteenth part of the document provides a final summary and outlook for the future of data management. It predicts that as data continues to grow in volume and complexity, organizations will need to adopt more advanced and integrated data management solutions to stay competitive.

17. The seventeenth part of the document discusses the importance of data management in the context of digital transformation. It highlights how data management is a critical component of any successful digital strategy, enabling organizations to leverage their data for innovation and growth.

18. The eighteenth part of the document provides a detailed overview of the data management process, from data source identification to data distribution and reporting. It includes a flowchart illustrating the sequential steps involved in the data management lifecycle.

19. The nineteenth part of the document discusses the role of data management in supporting business operations and decision-making. It explains how effective data management practices can lead to improved operational efficiency, better risk management, and enhanced strategic planning.