

# The case for sustaining small NGOs in the Child Protection Sector

## FINAL REPORT

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# The PeakCare Small NGOs Project

PeakCare initiated its Small Non-Government Organisation's (NGOs) Project in 2008. The project is focused upon examining strategies which may contribute to sustaining the capacities of small stand-alone not-for-profit community agencies which operate within the child protection sector in Queensland.

The rationale for the project is that the child protection sector is presently being engaged around increased compliance demands with relation to legal (including licensing) responsibilities, the implementation of a new system of Child Safety standards, and a raft of other administrative and financial management obligations and procedural reforms. These demands on sector organisations are being further compounded by a simultaneous spiralling in the identification of new and repeated cases of child abuse and neglect, the results of which add new pressures for increased and more complex services. Consequential factors such as workforce shortages and a high-rate staff turnover then emerge, which is little helped by the absence of an effective training system for maintaining up-to-date professional standards and staff morale. Underpinning all of the above, is the spectre of the global economic downturn, and its impact on the future of government funding of community services.

In consideration of its peak organisation role in the non-government child protection sector, PeakCare is concerned for the long term sustainability of many small stand-alone organisations within the milieu outlined above. It is hypothesized that, due to less robust internal management and governance infrastructure, these organisations are likely to be coping less successfully in the current environment. This is despite the uniquely valuable grassroots services that these organisations are known to contribute with high levels of responsiveness and flexibility, and also despite the extent to which they are likely to be embedded within the experience and daily life in local communities, particularly regional and remote communities. It is expected that communities have a heightened sense of ownership of these organisations and a high level of local involvement with them.

The thrust of the project is to engage these organisations through an action research process exploring creative opportunities for strengthening their long term management, governance and strategic sustainability. Such opportunities might include reinforcing and extending their present capacities and infrastructure, eg through mentoring arrangements, accessing training that has the capacity to be more user-friendly, and more effective networking. Or they might include consideration of an innovative use of mutually enhancing partnerships, joint ventures or other collaborative strategies. An emphasis will be placed on examining their present strengths, challenges, opportunities and threats, and assisting organisations in searching for creative and innovative models for achieving effective sustainability, particularly with regard to the higher levels of management and governance functions within the organisations.

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# Executive Summary

The rationale for the PeakCare Small NGOs Sustainability Action Research Project is outlined in the Introduction at Page 2.

This report consists of a comprehensive literature review (Sections 1 to 5), followed by an outline of the action research plan and the findings obtained through the process of consultation with 11 participating NGOs (Section 6). Section 7 provides information on the outcomes of the day-long forum where the participating organisations were brought together to consider the summary of the initial findings. Section 8 then documents the project's recommendations derived from the views and perspectives gained from the literature review, the individual consultations, and the combined forum.

Appendices A and B have been included to demonstrate the environment and circumstances of sister small NGOs in Victoria and New South Wales. Six case studies have also been included in Appendix C to illustrate a range of partnership types that have been developed within Queensland.

## ***The Literature Review***

**Section 1** commences the literature review with an overview of the nature and context of small NGOs operating within the community services sector in Queensland. Perspectives on the features and value of these organisations to the Australian community in general and to the field of community services is examined, before ending with an examination of the sustainability challenges that small NGOs commonly face. The section highlights the vital role that small NGOs perform in:

- solving community problems / supporting community members facing disadvantage
- challenging government, the market, and society itself, through their campaigning and advocating role
- defending the right of people to possess alternative approaches and solutions to dominant views held in society through providing self-help and group support
- building social capital through democratic means for deliberating and trialling innovative or different approaches to issues in society.

The history and evolution of small NGOs in the community services sector is traced in **Section 2** with a careful examination of the impact of globalisation of world trade and economics, and the consequential introduction of National Competition Policy on small values-based NGOs. The section summarises the extent to which the values and spirit of these organisation have been adversely affected through economic competition.

**Section 3** extends the processes covered in Section 2 to the situation of the child protection sector in Queensland. It analyses how the sector has been strategically and economically divided since the splitting of child protection roles between the new

Department of Child Safety and the continuing Department of Communities. Essentially it is saying that the growth of the tertiary end of the child protection continuum has been advanced to the exclusion of the primary or preventative and early intervention end, resulting in a system that is mainly about managing child abuse and neglect after the event, rather than preventing it from occurring in the first instance. Such a direction calls for prescriptive forms of service management through programs that can be rolled out across the state, preferably by larger for-profit organisations and larger church and charitable bodies that are able to drive down costs through managing large contracts.

To extend the analyses made in Section 3, **Section 4** focuses on essentially what Queensland is missing through the lack of effective prevention and early intervention services. Evidence is provided from nations that have opted to make the primary or prevention side of the continuum their main focus for preventing child maltreatment before it occurs. Details of what prevention services should consist of are provided, which are shown to correlate with the developmental and flexible nature and the strengths of small NGOs which are embedded in their local communities. It is then clearer to understand the concern about the future sustainability of small NGOs working on shoestring budgets within the broader field of child protection prevention services.

**Section 5** then examines the possible solutions for how small NGOs can be best sustained within a broader and integrated community services sector, and draws upon practical evidence from other states such as Victoria where this is the direction. This section then provides the details of suggested solutions which are grouped under:

- sector development solutions
- alternative forms of finance and social enterprises
- training
- mergers / amalgamations
- collaboration
- partnerships / joint ventures

### ***Planning and Methodology of the Action Research, Findings of the Consultations, and outcomes of the Forum***

In **Section 6** the planning and methodology for the action research project is summarised. This is followed by the findings derived from the face to face consultations with members of governance committees and operational management, using a guided questionnaire. 11 small NGOs throughout the South East and South West of Queensland were selected on the basis of variable criteria. The open-ended questionnaire canvassed full and frank discussion on a range of issues related to NGO sustainability, namely:

- staff
- governance
- funding
- networks / partners
- organisational strengths
- organisational challenges
- future directions
- growth and development issues

The key broad issues to emerge from the consultations were:

- Business development opportunities including alternative sources of finance or other enterprises.
- Models for strengthening organisational governance, management, and structure.
- Structural possibilities for NGOs working together in partnerships or alliances.

**Section 7** provides a summary of the outcomes that were derived on the day of the project's forum. Most of the 11 participating organisations were able to attend this day which had been organised to mainly to allow participants who contributed to the interviews to:

- meet their colleagues from the other participating organisations
- gather some combined responses to the three major issues arising from the consultations
- determine the extent to which they wished to continue working with each other, and / or with the support of PeakCare in progressing the issues and possible directions through which they could commence to improve their organisational sustainability
- determine the extent they wished to support PeakCare in continuing to progress some of the issues and directions raised.

### ***Key Recommendations***

Finally, **Section 8** documents the recommendations that have been developed through the process of this project. In summary, the recommendations are:

1. To facilitate small NGO's access to a more holistic, stringent but affordable and standardised assessment of organisational viability and sustainability.

2. To facilitate access for small NGOs to an affordable consultancy service aimed at embedding within the governance and management arms of NGOs, the capacities needed to position their organisations for attracting funds and resources from other sources, as an alternative or a supplement to government funding.
3. To seek shared Government, Industry and Education/Training Sector leadership for unlocking effective solutions to the critical state of training and formative education for the child protection sector
4. To facilitate NGOs access to higher levels of networking, collaborating and partnering skills and processes which maximise organisational and service outcomes
5. To gather support for a project to research the hypothesis that Board / Committee Directors of community services NGOs would be best served by a structure that represents their voice and interests in their field of activity within the community services sector.



# 1 Sustainability of small Non Government Organisations (NGOs): The context

## NGOs, Social Capital and Civil Society

Creyton (2004) informs us that there is much discussion these days about the power of civil society and community. He explains that *civil society* is used to describe the sphere of society in which we participate through voluntary choice. Our lives are commonly seen to take place in, and are influenced, by three spheres of activity:

- the state or government (schools, Centrelink)
- the market or business (Woolworths, the Bank, even our Doctor), and
- civil society which includes community groups and associations, a free press, family, leisure and sport, neighbourhoods, and religious institutions.

*Central to civil society are the many groups and organisations that provide opportunities for citizen participation and engagement including grassroots associations that set out to better the lives of community members, social movements that centre around bringing change to society, self-help groups and local action groups (Creyton, 2004)*

In 1996 Australia had around 700,000 civil society organisations of which only 34,000 employed staff (Lyons, 2001:21). Creyton (2004) sees that, collectively, these groups fulfil three distinct and critical functions within our society.

Firstly some groups have a community building and *community problem-solving role*. People coming together to address issues that affect their communities and to enhance their lives. Whether it is in emergency services, parents and citizens groups, social issues or sport and recreation, these groups provide a place for us to actively participate and to have a sense of being able to contribute social goods to our community.

Secondly some of these groups have a *campaigning or advocacy role*. These groups challenge government or the market, they attempt to change and mobilise public opinion, and they propose alternative approaches and solutions to the ways things are done. Whether it is through visiting local politicians, writing letters or door-to-door lobbying, these groups have a major impact.

Thirdly some have a *defensive role*. By defensive role it is meant that they offer and maintain a range of alternative perspectives, values and approaches to the mainstream culture and discourses. These groups provide us with a safe place to explore our points of view, to form and change our opinions, a place to be ourselves and, if we want, to be different. Support groups, self-help groups and cultural groups are just a few which offer us a place away from the dominant worldview.

Some NGOs are involved in all three functions.

In addition to their functional roles these groups offer many benefits for society including opportunities to *build social capital and trust and places for trying out innovative or different approaches to issues*. These groups provide forums for discussion and deliberation about the issues which confront our lives and provide avenues for meaningful engagement.

### **What is known about small NGOs?**

There is a paucity of comprehensive research into small third sector organisations in Australia. An immediate obstacle is one of arriving at a standard definition of a non-government organisation (NGO) – and what comprises a *small organisation*? Is it measured by:

- the amount of its economic activity or capacity (eg its income, turnover, reserves)?
- its staff capacity (paid, voluntary)?
- its operational characteristics (eg its number of contacts or calls, caseload capacity – long term or short term, caseload complexity, does it have a multi-functional role with diverse sections or departments)?
- its geographic coverage (eg a local or regional organisation)?
- Its form of incorporation (eg Association, Company)
- the complexity and quality of its governance/management systems and procedures
- the prerogative of the Board/Committee or staff to decide whether it is small or not?

What a small organisation is in a major urban area may well be a large and significant organisation in a rural or remote locality.

For the purposes of this paper, one clarification that can be made about a small organisation is that it is a *stand-alone* organisation, notwithstanding the possibility that it may have extensive links, partnerships, joint ventures or networks with other organisations. Arguably, it is not legally and formally a chapter, branch office, section or outreach of a larger incorporated organisation that has one or more other chapters, branch offices, sections or outreaches. The organisation's constitution should provide a satisfactory answer to this question.

Another clarification worthy of consideration is that made by Nyland (1994:12). According to Nyland, there is a distinction between organisations that are what she terms *community-managed* or *agency-managed*. By community-managed she means where the target community has control through membership of the governance board; or it has participation in the election of the governance board; or it has at least access to the

governance of the organisation, be that direct or indirect access. If this qualification is not met, then, according to Nyland, it is termed agency-management. Hence organisations controlled by churches, religious bodies or large charitable organisations should not be termed community-managed.

### **Small NGOs – the good news**

A view has been taken within PeakCare that such small community managed organisations often have the capacity to be much more flexible in responding to multiple needs of families, particularly with regard to the connections they have not only with local sector organisations but with business, service clubs, interest groups and the wider community at the local level. These organisations can often enlist from the same sources, and particularly from volunteers within such organisations, the resources, the carers, the household services, transport, or just the sheer human involvement or effort, which larger organisations might not be able to deliver on.

This view is supported by the Australian Services Union (ASU) (2008) in its case for priorities for the social and community services workforce.

*Most non-profit organisations providing services are small to medium sized organisations generally with less than 100 employees. As pointed out by Professor Jenny Onyx from the Centre for Australian Community Organisations and Management, small organisations have [a] particular value that belies their size: 'Because they are small, and 'grounded' they also act as early warning radar screens. Generally, small organisations are the first to identify a new, emerging issue, or unmet need. By the same token they are more likely to be responsive. They are nimble and flexible enough to change direction as required. This is particularly so if, as is usually the case, they have adopted open, participatory democratic forms of governance. They are in a much stronger position to take the voice of their constituency, to identify a crisis and start to do something about it. This is precisely what is required for the mobilisation of social capital.*

In reality, the above perspectives on small NGOs are perhaps idealistic, or even utopian, nevertheless these views cannot be discounted as applying, at least in part, to so many small organisations. They often tend to attract people (some with great passion), be they volunteers, paid staff, or professional staff who possess the values, the philosophy or ideology that coincides with the organisation's purpose, cause, or with the circumstances or needs of the particular client group catered for.

### **Small NGOs – the challenges**

#### *Volunteers*

Small NGOs typically abound with volunteers. There is often some criticism of the capacities of volunteers engaged in small NGOs (particularly from professional workers in an organisation's field), however in modern times, there are ample avenues for organisations to access adequate training for both volunteers, and those who manage or

supervise them, as well as for those who govern and manage the organisations themselves. A set of Australian Volunteer Standards is now recognised to guide the management and operation of organisations employing volunteers, and there should be no reason why most human resource issues pertinent to volunteers cannot be managed effectively. As has been identified earlier, management of volunteers is normally undertaken within a different set of values and human resource practices, based on an alternative workplace climate than the norm in paid employment. As volunteers come with their wide variety of life backgrounds and experiences, these should be treated as bringing added value to the organisation.

### *Reputation*

A related issue for small NGOs is a lack of adequate income or financial support, which typically means an organisation lacks the proper resources to fulfil its function and goals, a deficiency which can permeate poor performance throughout. Again, this can often be attributed to the lack of knowledge and skills available within those responsible for governance and management. Creating a creditable reputation and public image for the organisation in order to attract funding is usually the consequence of the organisation possessing a high level of effectiveness and functioning.

### *Credibility*

In other cases, it may mean that the organisation's cause, or the methods it employs, are not popular with those sources that otherwise might support it financially and or politically (eg government departments, commercial organisations, charitable and philanthropic trusts or foundations, clubs and religious bodies). Kelly et al. (1988) points out that society often indulges in a cruel popularity contest in the case of social causes. As an example, a contrast can be made between an organisation campaigning for community or government support for a service in the field of child health, while another may be campaigning for re-integration of paroled prisoners. Their results in fund raising are bound to be different, depending of course upon how innovative, or even lucky they can be. Community and government support can be very fickle. Ensuring that the organisation's reputation and credibility are the bedrock for financial and public support must never be underestimated.

### *Effective Governance*

Organisational credibility hinges upon having appropriate, qualified and expert members on the management committee or board. There is a chicken and egg rule that typically applies in attracting the 'right' committee members, namely: Successful organisations attract high quality committee members, because high quality committee members normally want to be associated with high quality work, as well as with the status of a successful organisation. In modern times, professional training is available for all aspects of committee recruitment and attracting public support, and should be sought.

## **Small NGOs within the Community Services Sector**

Following the world-wide civil and human rights movements, and their campaigns against discrimination, throughout the 1960s-70s, there was a massive upsurge in the establishment of small NGOs as a vehicle for organising and empowering millions of marginalised people, particularly in westernised nations. Australia experienced such an upsurge through the 1970s-80s, following commitments in Federal government policy to overcome discriminatory practices and embrace the development of democratic communities through funding the establishment of thousands of small NGOs.

Small NGOs within the community services sector in Australia have established an exceptional record in redressing discrimination and disadvantage, contributing to social capital and Civil Society, and bringing about a fairer Australia.

Although there are estimates of around 30,000 NGOs employing paid staff in Australia, there are no accurate figures about the number of small NGOs which are part of the community services sector. The Queensland Council of Social Service (QCOSS, 2007) estimates that there are 1300 NGOs providing community services in Queensland, although there are no accurate indications of their size.

### **Summary**

Small NGOs are a very common feature of life for most Australians, whether it is for the purpose of their leisure or social pursuits; the fulfilment of their identity; their making a meaningful contribution to improving our society; the provision of service and support to them when in need; or for their empowerment as full participants in a democratic society.

Due primarily to their integration within the grassroots community, together with the familiarity they engender at the personal and local level, the value of small NGOs to society is inestimable. Their need for skilful governance and management should never be underestimated, as this is typically their Achilles heel. This challenge is usually associated with their small size and lack of resources. The lack of resources can seriously hamper their functioning, although there are services and advisors available who can assist, even if this often comes at a considerable cost to them. It is a moot point about the responsibility that their peak organisations (if they have them) have in this regard.



## 2 Small NGOs within the Community Services Sector: The external environment

In the wake of the flush of small NGOs that emerged in almost every corner of Australia in the 'idealistic' times of the 1970s/1980s, it seems incomprehensible that these organisations have now been the subject of a most prolonged and severe threat to their very existence.

This threat arrived in the wake of globalisation of the world's trade and international economics, and brought with it a revolution of competition in business management and practices. The Federal Government's response was, through its National Competition Policy, to reduce the government debt burden on the business sector in order to maximise the nation's economic competitiveness in the international marketplace, resulting in heavy pressure on funding for human services to become equally efficient and competitive, with economic waste being eliminated wherever it was found.

One major method for improving economic competitiveness in a general sense is to radically cut the costs of management and production, in which case only very large organisations which have the power to drive down all operational costs in production to the minimum, are those that survive. Another strategy is for the same large organisations to amalgamate with each other to strengthen their competitive growth, and to take over or drive out any remaining competition to their markets and profits from smaller organisations. We have watched this happen in almost every sphere of life such as with the amalgamation and restructuring of banks, with giant retailers starving out corner stores, and even with the Post Office and electricity suppliers.

The same processes have been occurring within government departments, particularly those responsible for human services, which have had to adopt the same competitive model of business. We now see them *purchasing services after tendering out contracts* to achieve *measurable outcomes or products*, all under the mantle of a set of industry *quality improvement standards*. This has been accompanied by the introduction of commercial or *private providers* entering the field to compete with the *community providers* and *public providers*, in order to drive costs down further.

Through these processes, largely by stealth, government has retreated from its social obligations in return for increased involvement by the for-profit sector.

Quiggan, 1996; Floyd and Young, 2007; Lyons, 2001; and Lonne, 2009 have variously observed the consequences of introducing the system of *competitive tendering and contracting* to the field of human services, as the following extracts show:

- examples already exist in contracts where quality performance is hard to set, let alone measure and verify, such as in human services (as opposed to production of goods for example)
- introduction of competitive tendering contracts (CTCs) should not be commenced, particularly in those public sector organisations which, over many years, have borne the brunt of cost cutting and reduction of services
- the only real competitive gains to be realised in delivering a welfare service are through wage reductions, increased work intensity, reduced service quality, cost shifting, abandonment of community service obligations, all of which should be seen as untenable for all parties
- output gains from increased effort should not be seen as a *free good* which can be converted into higher wages *and* higher work intensity
- a *race to the bottom* will apply in that the main incentives for contractors will be to provide the minimum service specified in the contract, particularly in areas where there is room for negotiation, hence the minimum quality will become the standard, and there exists no counteractive process for achieving a balance
- unit prices for services are distorted from their full cost on the fundamentally false presumption that organisations in [the community services] sector have other markets from which to recover their core operational costs
- the market is not a conventional market in the sense that while the government is the purchaser, it is not the consumer, so is not in a position to evaluate the appropriateness or quality of the service, and therefore, the interests of the consumers are ignored.
- quantifying performance criteria such as *targets, outcomes, outputs and inputs, quality assurance, and management* all have deeper consequences for third sector organisation in that they [*reshape*] *organisational cultures....to be more in sync with business approaches to the detriment of professional discourses of service orientation, professional standards and addressing the social needs of the disadvantaged.* If governments treat non-profits like for-profits, those that survive will behave in that way.

Floyd & Young (2007) in a report for the Victorian Council of Social Service (VCOSS) conclude that:

*as in the business sector, these characteristics create a Darwinian system based firmly on 'survival of the fittest' that is set up to create fewer but large monopolies which are bent upon pursuing a race to the bottom in terms of standardising and reducing costs through paring back service provision to the barest of minimums.*

Allen Group Consulting (2008) also undertook a study for VCOSS on the current circumstances of community service organisations in Victoria with regard to productivity and long term sustainability. This study found that over half of the respondent organisations stated that they had been forced to reduce expenditure in other areas (such



as transport costs, or cut wages costs by decreasing working conditions such as requiring workers to take on hours without additional pay), and 33% said they reduced staff numbers, 26% said they invested in labour-saving equipment (such as IT) and 10% said they had reduced wages.

This Victorian situation can be seen to have common threads within the community services sector Australia wide. The Australian Services Union (2007) undertook a national survey of over 2100 community services workers which found that:

- 52% of workers were not committed to staying in the industry beyond the next five years
- 40% of workers who intended to leave the industry gave better pay elsewhere as the reason — this was the single biggest reason identified
- 77% of managers surveyed nominated low wages as the main barrier to attracting and retaining staff
- 17% of managers said they expected a staff turnover of over 50 per cent in the next two years and 43 per cent expected turnover of 20-49 per cent.

Floyd and Young (2007) identify this contemporary government regime of competition and managerialism<sup>1</sup> as having arguably imposed the greatest change and threat of all times to the stability and sustainability of the not-for-profit community services sector. For those responsible for the governance of not-for-profit organisations, its impact has included consequences such as:

- acceptance of poor work practices and conditions.
- the push for professional governance and accountability eroding the capacity for flexible and responsive service
- the loss of small, locally based NGOs due to costs of professionalization following the managerial belief that large organisations will be more efficient than small organisations
- the misuse of the term *efficiency* as related to the purpose of the work in the first place – if the work (purpose) is not appropriately directed towards real needs, then higher efficiency is of little value.
- the increasingly arduous external accountability requirements, associated with large numbers of funding bodies using incompatible reporting procedures and instruments with irreconcilable differences, and government's lack of awareness or indifference to the same.

Finally, government's typical method for procuring contracts is through fixed term service agreements (three year periods are a norm) which, in turn, are bound to an

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<sup>1</sup> Managerialism, or New Public Management. The system of public service management based on the belief that more market orientation in the public sector will lead to greater cost-efficiency for governments, without having negative side effects on other objectives and considerations, eg quality of service provision.

organisation's similarly fixed set of strategic directions, objectives and activities. This has been commonly found to seriously immobilize the responsiveness of organisations to the rapidity of social change process occurring around them. The degree of social upheaval already occurring at the local level in the wake of contemporary global economic conditions is a case in point.

Floyd & Young (2007) provide a graphic illustration of the overall impact of government policy on community services:

*Resources falling to such low levels that there is no capacity for organisations to move beyond day-to-day exigencies of their mission, leading to a state of perpetual reactivity to the environment. Associated with this is the threat posed by being drawn into someone else's vision of the future, giving away capacity for maintaining an independent vision.*

## **Summary**

Globalisation of international economics and trade has truly pervaded the operations of those three spheres in which our daily lives take place in and are influenced by – government, business and civil society. The march of globalisation continues to force change both within the external and internal environments of all forms of human organisation, even to the point of regulating people's activities and behaviour when they volunteer to raise small amounts of funds for the good of their local community through running a cake stall or sausage sizzle.

It is clear that the impact of globalisation has its positive effects, such as the higher standards of effectiveness and efficiency it has pursued in those organisations and activities that attempt to relieve human suffering, bring about social justice, and create a more humane and worthwhile world. But, the tendency to focus on, or favour cost saving over the quality of the desirable client or social outcome either limits or defeats its usefulness. Although it must be argued that it is questionable as to whether it is directly the impact of globalisation of international trade and economics that produces such negative outcomes, or rather the political response of governments in driving down public expenditure through systems such as managerialism that are the real culprits.

Consequentially, as the evidence in this chapter shows, the strength of the third sector in providing human and community services is suffering greatly, to the point that its long term sustainability is indeed fragile. Possibly the biggest losers are the legion of small community based organisations that have been deprived of the benefit from the structural changes brought about by the adoption of managerialist methods of government managing and programming. With their loss or with their limitations goes the intrinsic virtues and capacities that they best contribute. And these are the capacities that the other larger corporately managed organisations, that tend more towards relying on clients and community needs to match their standardised and bulk service delivery regimes, find it very difficult to match.

Muttart (2006) defends small NGOs from accusations within the Business Review Weekly about their ineffective management of resources, which he says is *hardly a factor of size* [given that] *the business community has provided us with any number of examples ranging from WorldCom and Enron, to HIH and Arthur Anderson*. The worldwide banking sector can readily be added to that list in more recent times. And on the complaint that there are too many not-for-profit organisations Muttart argues that those who hold this view do so because:

*....they're more comfortable dealing with a smaller number of organisations that have sufficient size to make them look and act like businesses. That's hardly a reason...to say that there are too many nonprofits, indeed quite the contrary. I'm not sure fewer but larger nonprofits, particularly those who forget their roots and values, is necessarily a good thing. An argument could be made that many nonprofits could increase the amount of money they devote to programming if they found ways of reducing their administrative costs...There are examples, successful examples, of nonprofits that have shared resources, facilities, staff, service contracts and found that to provide an economic advantage.*

In conclusion, while coping with increased paper-based administrative requirements that accompany most operations under the managerialist system, there has been a simultaneous upsurge in legal accountability within an increasingly litigious world. All of which means that community service organisations are today faced with vastly increased bureaucratic work-loads to cover every possibility and justify every action. This further undermines the capacities of small organisations in undertaking what they are best able to perform. This is particularly the case when many organisations find that they have to grapple with service agreements with multiple government departments to provide the services needed within the community. This can be seen quite openly as a case of the inability of government departments to better co-ordinate funding processes as they cling to their 'silo-ised' models of management. Service organisations constantly find that their load of accountability reporting is multiplied two-fold, three-fold, even four-fold or more. A vast improvement in government co-ordination and procedures, or otherwise realistic funding for administration, would seem more than certain to remove what is presently being seen, very unfairly, as inefficiency in the management capacities of small organisations.



### 3 The Queensland Child Protection Sector and small NGOs

Whereas Chapter 1 has outlined the emergence of the thousands of small NGOs that participate in the community services sector within Australia, and Chapter 2 has detailed the important challenges that have arisen in relation to their long term sustainability since the 1990's, this chapter will discuss how these developments have played out in the specific field of child protection in Queensland.

As mentioned earlier, there are approximately 1300 NGOs providing community services in Queensland (QCOSS, 2007). Organisations provide human and community services in Queensland with funding from a wide variety of Commonwealth and State Government departments. Until the 2009 Queensland State election, the most common source of funding for NGOs was the Department of Communities, which shared a major role in child protection with the Department of Child Safety, which in turn was itself a major funder of NGOs for child safety services.

The re-elected Bligh Labour government has announced a restructuring of government departments (Queensland Government, 2009) whereby the Department of Child Safety, whilst retaining a specific ministerial portfolio, has been amalgamated with the Department of Communities, along with a range of other human service departments. Media outlets (Brisbane Times, 26 March, 2009) have reported the Premier as saying that the restructuring was to modernize the structure of the Queensland public Service as well as to deliver better front line services.

Major anomalies that need to be rectified from this restructuring are the embedded in the way that responsibilities have been divided between the previous Department of Child Safety and the previous Department of Communities. An understanding of these anomalies is significant to an understanding of the present government influences on small NGOs operating in the field of child protection.

Following the release of the report *Protecting Children: An Inquiry into abuse of Children in Foster Care* by the Crimes and Misconduct Commission (CMC) (2004), the Queensland Department of Child Safety was established as the spearhead for a new *integrated child safety system in Queensland that has a strong system base in prevention* (Queensland Government Blueprint, 2004). The Blueprint heralded:

*a new and adequately resourced Department of Child Safety with improved practice and accountability standards [was to be established] to focus exclusively on the needs of children at risk from harm, neglect or abuse.*

Concurrently, the former Department of Families, restructured as the Department of Communities, was to:

*...continue to take responsibility for delivering prevention and early intervention services, including services for all children, and for programs targeting communities or families identified as vulnerable.*

This role was indicated as the complementary program needed to allow for *...meeting the needs of children identified as being at risk* [and concentrating on] *early and intensive intervention*, thereby leaving the new Department of Child Safety free to focus upon *child protection* more specifically. But, the intention was for an *effective prevention* as part of a *continuum from primary to tertiary levels of care rather than as mutually exclusive activities*.

The substance of the funding anomalies are best explained by Tilbury (2005) who, in her thorough analysis of continuing and new budget allocations in child protection over a 6 year period (1999-2006), has argued that in its reformation of child protection, Queensland had already flawed the process through:

*concentrating resources on risk assessment, surveillance and coercive intervention [which] is counter-productive because it undermines the capacity of the child protection system to provide preventative and supportive responses which are better at protecting children over the long term (Mendes,2001; Parton 1997).*

The child protection indicator's in Tilbury (2005, Table1) below support this view.

**Table 1:**  
**Child protection indicators, Queensland 1999/2000 to 2003/2004**

INDICATOR	1999/00 (%)	2000/01 (%)	2001/02 (%)	2002/03 (%)	2003/04 (%)
Cases notified	19,057	22,069	27,592	31,066	35,023
Protective advice response	2,880 (15.1)	3,144 (14.2)	3,488 (12.6)	3,850 (12.4)	4,625 (13.2)
Initial assessment	16,177	18,925	24,103	27,218	30,366
Substantiated	8,910 (42.8)	8,395 (44.3)	10,036 (41.8)	12,203 (44.8)	17,473 (57.6)
Unsubstantiated	3,965 (24.5)	3,952 (20.9)	4,602 (19.1)	5,339 (19.6)	6,130 (20.2)
Assessment not finalised	5,273 (32.6)	6,578 (34.8)	8,465 (35.3)	9,676 (35.6)	6,795 (22.4)
Children admitted to out-of-home care	1,253	1,322	1,602	2,109	2,667
Children discharged from out-of-home care	N/A	1,283	971	1,119	925
Substitutions for children in out-of-home care	N/A	N/A	189	259	598
	%	%	%	%	%
Resubstantiation within 12 months	23	25	26	28	28
Children exiting care after 12 months with 3 or fewer placements	79	67	66	79	65
Indigenous children in out-of-home care placed in accordance with the Child Placement Principle at 30 June	71	67	69	67	N/A

Sources: Australian Institute of Health and Welfare 2001, 2002, 2003, 2004; Queensland Department of Families 2003b; Queensland Department of Child Safety 2004; Steering Committee for the Review of Commonwealth/State Service Provision 2002, 2003, 2004.

Tilbury's conclusion from this table is that:

*in furthering the 'goal keeping' mode of child protection which positions statutory intervention as a last resort can lead to a worsening of family problems, which then require unplanned crisis placements.*

This conclusion of Tilbury's has wide support such as from Tomison (2004) and Lonne (2009). As long ago as 1992, Rose (1994) advised that *current practices tended to polarize family support and child protection services as distinct and even contrasting activities.* Rose (1992 cited in Jack 2004) argues that *given the clear link between the number of abused children and the general conditions under which children are raised, the best way of preventing child abuse is to improve the circumstances of all children in the community.* Professor Fiona Stanley of the Australian Research Alliance for Children and Youth (ARACY) adds that:

*Most interventions to tackle child abuse occur too late in the process to protect children and that there needs to be a greater focus on prevention. While all of us would agree that reporting child abuse and catching offenders is important, there are actually things we can and should be doing to prevent the abuse from occurring in the first place. The real challenge is for us all to acknowledge the shocking reality of the statistics and push for tangible community strategies that could prevent a large proportion of abuse.*

By 2005/2006 Tilbury (2005) reports that due to the major share of the funds being allocated to the tertiary end of the sector and insignificant funds allocated to family support, very few real or lasting changes eventuated. Even with allowances for small allocations of 'new funding' of previously non-existent or minimal services, the relative spending on family support and prevention actually decreased overall.

Tilbury's overall assessment of the situation four years ago was:

*It remains a challenge for the future to fashion the multitude of recommendations into a clearly articulated, strategic direction that is both supported by the evidence base and comprehensive across the child protection process, including family support. In other words a holistic strategy that is not just about isolated parts of the process, such as risk assessment or case management or placement, but is integrated and acknowledges the independence of these processes; a strategy that speaks to all stakeholders in the system, giving a sense of cohesiveness to policy, program development and practice.*

It is interesting to reflect now that the 2004 Blueprint for implementing the CMC Report (p122) did comment that:

*The CMC report does not prescribe the way Government should progress its prevention agenda. This is presumably because the 'Queensland Families: Future Directions' program has an approved and funded five-year implementation and evaluation strategy.*

In effect, the situation is that the major share of increased funding since 2004 has been apportioned to the Department of Child Safety, no doubt because of the mounting toll of children who have been identified as being abused, neglected or are at risk, throughout both Australia and Queensland. This presumably is influenced by the media scrutiny around severe cases of child abuse in order to embarrass government, and also by the costs involved in bedding down new child safety administrative, reporting, assessing and monitoring systems.

In the 2007-2008 financial year, the Department of Child Safety outlays for grants funding to NGO service partners was \$105.67 million (excluding foster parent payments child-related costs and allowances and individual placement packages, as well as accrued and prepaid grants). These covered placement services for children and young people, support services for children, young people and their families for support, counselling and intervention services, Indigenous Recognised Entities, and partnerships with peak bodies and networks.

The outlays for the Department of Communities for the same period was \$211.4 million which covered a much wider spectrum of community services that included quality services for children, young people achieving their potential, valued and active seniors, quality community support, active and engaged communities, access to responsive government services and information, effective coordination of Aboriginal and Torres Strait Islander policy, engagement and service delivery, and effective coordination of whole-of-government service delivery and support to people from culturally and linguistically diverse backgrounds. The total amount included \$7.6 million from the Department of Child Safety for Referral for Active Intervention (RAI) services to children and families at risk.

Leaving aside the \$7.6 million for RAI services, one is led to the conclusion that there is no allowance in this budget for the sort of early intervention and prevention role that was originally envisaged for the Department of Communities in the 2004 CMC Report, even when the percentage of Department of Communities funds that were outlaid on children and families in a general way were taken into account.

The result is that, until the 2009 election, Queensland has had a stand-alone tertiary child protection service (the Department of Child Safety) that has had its budget trebled over the last four years in order to continue meeting the growth in demand for its services. But we have also had a Department of Communities that has not benefitted from an equally generous funding injection in order that it can effectively meet its primary prevention role, and thus the capacity for relieving the escalating demands upon the Department of Child Safety.

There is an obvious difference that can be noticed in a study of the different NGOs funded by the Department of Child Safety and by the Department of Communities, as indicated in their Annual Reports, 2007-2008. It is clear that for-profit and not-for-profit organisations funded by the Department of Child Safety are almost totally larger corporately managed organisations with multiple contracts and branch offices around the



state. The opposite could not be more true for the list of organisations funded by the Department of Communities which is abundant with small and very small organisations scattered throughout almost every corner of the state.

This scenario clearly illustrates an important fact for this discussion. The total of the small NGOs that operate within the primary care arm of child protection sector are funded under the Department of Communities for the work they undertake with children and/or families. A large number of them provide support for survivors of child abuse, parenting support and education, family support services, couple counselling, family well-being networks, women's and men's support services, domestic violence services, crisis care and accommodation services, and addiction support services, all critical services in the field of prevention and early intervention in child protection. However, it certainly is not clear that they are formally or directly involved in child protection, in the sense they have no clear directions about such involvement, nor is their performance measured for this purpose.

The organisations funded by the Department of Child Safety are legally bound, licensed, and measured for compliance in terms of outcomes for every client that is referred to them by the Department. The Department of Communities has recently introduced the Industry Standards for Community Services, however at this time, there is no official administrative apparatus to ensure compliance, more or less leaving compliance as little more than a voluntary responsibility.

The concern held by PeakCare, and other community service sector peak organisations, is the adequacy of the level to which such a large number of small NGOs are resourced and supported (as organisations) to fulfil the important work they undertake in prevention and early intervention responsibilities within child protection, and are recognised for the value of the contribution they make to child protection in Queensland.

## **Summary**

It is clear from the discussion above that, although there will be few small, and fewer very small organisations, engaged in the direct service of the Department of Child Safety, there are a legion of them operating in the wider community services field with the very children and families that in all likelihood, find their way into being notified to the Department of Child Safety. It is very probable that most of these organisations will be funded either directly or by project grants by the Department of Communities.

The situation, at present, is one in which these hundreds of NGOs, many of which are small and vulnerable in terms of their sustainability, are funded by the Department of Communities, and for that matter, the Health Department, to provide services that are essentially prevention and early intervention responses within an integrated system of child safety. The problem is that many of them do not fully recognise that this is what they are doing. They see that they are providing services in their professional areas of expertise listed earlier, but they are not generally clear that their services are every bit an

essential feature of an integrated primary, secondary and tertiary level system of child safety. It is argued that this is because The Department and Child Safety and the Department of Communities have not delivered a visible and comprehensive joint ownership and administration of an integrated system of child safety as was originally intended by the CMC.

Whether the recent amalgamation of these two Departments reflects that there is now in the Queensland Government, a will to resolve the matter about properly addressing the provision for prevention and early intervention needs within the context of the new *integrated child safety system in Queensland that has a strong system base in prevention* that was a prime recommendation of the CMC. Such a resolution should explicitly and formally recognise and embrace these organisations as the legitimate, indeed vital, primary and secondary component of an integrated child safety system that in reality they are.

In its peak organisation role, PeakCare also needs to legitimise the same organisations within its constituency, and this needs to be recognised by the Department of Communities also.

It can be concluded, from the preceding discussion that any impediment to the sustainability of organisations operating at the primary level of child safety, be they small or large organisations, must to some degree be attributed to serious shortcomings within the administration and funding regimes of relevant Departments such as Child Safety and Communities. As such, sustainability is every bit a sector capacity issue as it is a capacity issue of an individual organisation.

## 4 The work of Prevention and Early Intervention – what does it look like?

After recommending in their CMC Report to establish a new *integrated child safety system in Queensland that has a strong system base in prevention*, the CMC officers might be rightly disillusioned if they reflected upon the system that has emerged, five years hence. As the evidence noted earlier from Tilbury (2005) and other sources shows, while so much attention has been paid to establishing the tertiary and secondary response system within the Department of Child Safety, little has been done to significantly improve the primary response system of prevention and early intervention. As was indicated in the previous chapter, it is not as though there is no such system. The Department of Communities has for a long time funded support services for families and children through its various programs, but these have not been deliberately restructured for fulfilling the purpose of prevention and early intervention within the context of an integrated system of child protection.

Such planned preventative systems do exist, particularly in Europe. The most convenient to consider is that of Britain's. The *Every Child Matters* agenda was deliberately designed under the leadership of Prime Minister Tony Blair after Britain experienced much public angst over a spate of notorious child abuse cases, and existing public child protection systems were found wanting.

*This government is committed to ensuring we support families, especially in their parenting role, so as to give children the best start in life. We are committed to supporting families when they seek help, and before they reach crisis point, and to making the best use of scarce public resources. It is because of that we see the importance of early intervention. The evidence is that early intervention works too. Another good reason for setting out with such an agenda was that it was recognized that society was [now] in a better position as we better understand the importance of early influences on the development of values and behaviour.... We [now] have a good idea what factors shape children's life chances. (Boateng, 1998)*

Bromfield & Holzer (2008:9); Lonne et al (2009); and others, have shown that the factors most commonly associated with the maltreatment of children include:

- Mental health problems
- Family violence
- Poor parenting skills
- Early child bearing
- Large families
- Social isolation

- Postnatal depression
- Low birth weight
- Individual characteristics such as intelligence, and community factors such as living in disadvantaged [or isolated and remote] neighbourhoods
- Parents who live highly transient lifestyles

- Children with health, disability or behavioural problems
- Adults with histories of being abused or neglected
- Poverty
- Parental unemployment

- Parents with a history with corrective services
- Families with a previous history with child safety
- Child care burden (fewer adults to share child care)
- Homelessness

Bromfield & Higgins (2005) explain that in recent years, there appears to be an indication of multiple and inter-related problems being more closely associated with child maltreatment, rather than the predictive value of any one factor in isolation.

At another level, the National Association for Prevention of Child Abuse and Neglect (NAPCAN) (2009) explains that the safety and well-being of children is a function of a complex range of interacting individual, family, community and societal factors which sees abuse as being determined by multiple forces at work in the individual, in the family, in the community and in the broader social, political, economic and cultural environment. The following table illustrates this complexity of determinants:

<b>INDIVIDUAL</b>	<b>FAMILY</b>	<b>COMMUNITY</b>	<b>SOCIETAL</b>
<i>The background and development of the parent and child</i>	<i>The child's immediate family and household context</i>	<i>The community and social systems within which the child and family are embedded</i>	<i>The broader social, economic and cultural context</i>
<b>Parent factors</b> <ul style="list-style-type: none"> <li>• Age</li> <li>• Education</li> <li>• Social background</li> <li>• Employment</li> <li>• Partnering status</li> <li>• History of child abuse</li> <li>• Other childhood experiences</li> <li>• Personality</li> <li>• Health</li> <li>• Disability</li> <li>• Mental health</li> <li>• Use of substances</li> </ul> <b>Child factors</b> <ul style="list-style-type: none"> <li>• Premature birth/low birth weight</li> <li>• Health</li> <li>• Temperament / Behaviour</li> <li>• Disability</li> </ul>	<ul style="list-style-type: none"> <li>• Cultural and linguistic background</li> <li>• Attachment</li> <li>• Marital relationship</li> <li>• Domestic Violence</li> <li>• Siblings</li> <li>• Parenting attitudes and practices</li> <li>• Immediate supports within the household</li> </ul>	<ul style="list-style-type: none"> <li>• Family support</li> <li>• Social support and networks</li> <li>• Community groups and interests</li> <li>• Child care</li> <li>• Schools</li> <li>• Health care</li> <li>• Housing</li> <li>• Employment</li> <li>• Income</li> <li>• Values and attitudes</li> <li>• Population trends</li> <li>• Developmental</li> </ul>	<ul style="list-style-type: none"> <li>• Attitudes to and perceptions of children</li> <li>• Nature and role of family</li> <li>• Cultural values and beliefs</li> <li>• Attitudes to and perceptions of parenting</li> <li>• Attitudes to and perceptions of physical punishment and violence</li> <li>• Social policy</li> <li>• Economic policy</li> </ul>

NAPCAN (2009)

On the basis of this broadened perspective, child abuse and neglect may be as much a function of forces such as community social organisation and the lack of resources for community support, together with levels of social control, social solidarity, and social values and standards, as it is a lack of adequate parenting and family resources.

Vinson (2004), Vinson & Baldry (1999), and Gracia (2003) discuss how communities are complex phenomena. When particular social forces within the wider world (economic or political changes, or changes in life expectations or social values) they often manifest themselves in specific communities as unemployment, the hopelessness of intergenerational poverty, crime and substance addiction, and so on, and can consequently lead to child abuse and neglect. Conversely, those same communities can be equipped with active agents within their midst, such as specific cultural or belief systems, that can give rise to the cohesion, support and intervention necessary for counteracting those social consequences.

So the argument is that an effective method for counteracting increasing child abuse and neglect is to focus on the prevention of its underlying causes, which can often be inextricably linked with contemporary culture and community dynamics, and wider social forces. Pursuing a preventative direction does not reduce the need for a child safety system which effectively manages specific child abuse and neglect cases, but prevention and early intervention should be treated with priority.

As an example, strategies that have been implemented in the United Kingdom variously for prevention and early intervention at the level of the child, the family, the community and society include:

- *crisis services addressing issues such as family violence, have increasingly been complemented by services that build on family strengths (capacity-building) and the creation of resiliency using a solution-focused approach*
- *family support services try to take account of wider structural or community-level factors that might impact on service delivery, such as poverty, social isolation and a lack of key support services*
- *an increased investment in early childhood and early intervention programs, which emphasize the importance of a positive environment for children's development, particularly in the first three years of life*
- *an increased focus on service integration, inter-agency co-ordination and the development of cross-sectoral responses to a range of problems affecting children and young children, including child maltreatment;*
- *encouraging the voluntary engagement of "at risk" families, where the concerns related to children are not considered serious enough to warrant statutory action, to seek out and use family support services*
- *a focus on the creation of flexible, innovative service solutions that are locally designed and tailored to meet the needs of specific communities, including Indigenous, rural and remote communities*

- *a growing recognition that family support services should address the needs of all family members, including mothers, fathers, children and key members of extended families;*
- *a greater focus on measuring outcomes and evaluating program impact in order to develop and implement an evidence-based approach to policy and practice.*

Lonne (2009) cites Tomison (2004)

In Australia and New Zealand, NAPCAN (2006) has carried out research around the major preventative and early intervention responses that have evolved within a child, family or community focus. Although there are positive examples provided, their research is heavily qualified by significant concerns about the quality of information that was available, inconsistencies, lack of clear objectives (particularly in application of methods), lack of co-ordination, lack of continuity in programs/projects (short-termism, piloting without follow up); and even the sheer lack of basic information about programs.

The Australian Research Alliance for Children and Youth (ARACY) is presently in the process of a research project *Inverting the Pyramid: Enhancing Systems for Protecting Children (the Systems Report)*. The report will focus on:

*examining the factors that facilitate a shift across organisational and child protection systems towards the prevention of child abuse and neglect. One of the essential components of such a radical shift is collaboration across professions, sectors and levels of government to deliver the best outcomes for children. The Report considers best practice examples from the UK, the USA and Australia (Victoria).*

## Summary

If the Queensland government is to have an effective prevention and early intervention capacity to support its child safety capability, then such a system would need to address the multiple forces at work (such as poverty, social isolation, domestic violence, mental health issues, and the lack of key support services). These would need to focus variously on the *individual*, in the *family*, in the *community* and in the *broader social, political, economic and cultural environment*.

More importantly, it would need to have the means to build upon the existing capacities of individuals, families, local communities and the broader society so that it engages all four levels into appropriate roles within a planned system of prevention and early intervention that addresses the underlying causes of child abuse and neglect, rather than simply responding to these after the event.

Such capacity building and community engagement roles, it is submitted, are typically the expertise of small NGOs. Large corporately structured organisations with remote management are best equipped to deliver specialised and standardised services within preset criteria. Small locally managed organisations, with substantial ownership and backing from within the local community, and adequate resources, are best equipped to

work developmentally in bringing individuals and communities together to work collectively in:

- *responding flexibly to a wide range of individual and community needs*
- *building and maintaining authentic local community support and problem solving networks*
- *building and drawing on diverse resources within local communities to respond to local issues*
- *establishing and modelling constructive community norms and ideals.*





## 5 Small NGOs and Sustainability

With regard to small NGOs, sustainability is not necessarily about an 'end'. That is, it is not something that is ever fully achieved, given that an organisation's external and internal environments are forever changeable. Another view is that sustainability is about a 'process', whereas it can immediately be seen that there are many 'ends' in a 'process' of becoming sustainable. In order to cut through a confusing 'ends and means' debate, Green Innovations propose a breakthrough that makes sense of the matter that may best apply to the sustainability of small NGOs in community services.

*To understand the concept you have to first identify what people are choosing to sustain, that is, you need to identify the focus of their concern. Then you can work out what to do to sustain that thing or condition.*

Green Innovations (2009)

Essentially then, it is the governance boards (or management committees) of NGOs to determine what sustainability means with regard to their organisations, advisably, after full consultation with all stakeholders (internal and external), including funding bodies.

Identifying sustainability for small NGOs therefore implies a focus on their concern/s. The following table of questions may serve to initiate thinking around their concerns.

- *Does your organisation have a sustainable level of staff, premises, funds, vehicles, office equipment, capital, or other means that are necessary to carry out its business?*
- *What is the business of the organisation? Is that decided by or for the organisation? Is the staff of the organisation sufficiently skilled and equipped to carry out its business effectively? Is the staff over-extended in meeting the demand?*
- *How do you measure the need in the community for what you do? Is the approach used in your organisation what is really needed by your client group? If not, what is needed? What would really meet the needs of your client group? How should it be being done? What approaches should be being taken?*
- *Whose needs are currently overlooked in your client group? Why are they overlooked? What should be done? Who should be doing it? Whose decisions are these? What exactly are the resources needed to do what should be being done?*
- *Instead of searching for additional resources to achieve sustainability in the current business of your organisation, is it wiser to cut back on what is expected of staff? Should your organisation do what it does, and do that well, ie do not take on more than the organisation can or should handle.*
- *If it is thought that the organisation needs to grow its capacity so that it can achieve higher economies of scale, or a critical mass that delivers organisational viability, is this in the best interests of the client group? Does the growth mean becoming more sustainable? Does growing mean a better service? Is there an end point to growth? What would make your organisation sustainable?*

Earlier in this report, important questions have already been raised about the sustainability of larger organisations in satisfactorily responding to the needs that client's experience. But there are obvious questions to be asked of smaller organisations, such as when is an organisation too small or too large?

Does sustainability mean doing the work of the organisation, but doing it with the greatest degree of effectiveness? How do you know what being effective is? Would achieving higher effectiveness result in a rationing of the service away from those with the most complex needs, or from the most complex programs?

Organisations typically have choices of how to respond to needs in the community. For example, they can use a *wide but shallow range* approach, such as providing material support (emergency relief) to anyone in need who calls for assistance. Such a service may contain itself to simply providing a standard response to client needs, no matter what the underlying causes are. Another option may be to respond with a *narrow but deep range* approach, such as specialising in providing material support to homeless youth, for example, backing that support up proactively by assessing the underlying causes such as the lack of income, the cost of housing, family relationships, mental health needs, or other causes. The latter may involve the organisation in forming mutual interagency partnerships within the youth sector. Protocols may be developed with those services to ensure all organisations are working as a team to respond comprehensively and consistently to the needs of individual young people in the locality.

It can be acknowledged then that determining sustainability is fraught with questions about what the organisation is or does and for whom, and for whom not. It canvasses what the organisation does, and how it is done. It asks whether the work your organisation undertakes is simply being done to comply automatically with funding guidelines or minimum quality standards, or is it on the basis of a professional understanding of the problem and what the solutions might be from the perspective of a professionally informed view. Is the approach to the problem that the organisation employs really in the best interests of your client group? Does the approach taken really mean their needs can be met?

Previous discussion in this paper has provided sufficient evidence that very few NGOs, be they large or small, are really sustainable. Not when they have become so over-dependent on government policy, not only for their resources, but for their very identity, what they do, and how they do it, even whether they exist. And as has been seen, not even in Victoria, where it is more than probable that NGOs are more sustainable than they tend to be in Queensland, it is still found that their sector is battling with its sustainability.

Consider the present case of the Job Network services of Australia, where many of the existing job network organisations will be losing major contracts because, according to Minister Brendan O'Connor, the present network is *outdated, fragmented and mired in red tape. People weren't receiving the services they needed when they needed them* (Brisbane Times, 7 April, 2009). It was reported that up to 2000 Job Network employees

will lose their jobs, and there will be no guarantees of being re-employed in the new organisations, of which Mr Connor says *will be far superior to the existing ones*. Thousands of clients of existing organisations will also have to be transferred to new organisations.

To summarise, it is more than likely that small NGOs in Queensland will be wrestling with one or more issues regarding their sustainability in terms of the questions asked on these pages.

The possible solutions to sustainability are limitless. Some organisations just happen across innovative solutions to their sustainability. What follows in this chapter is an examination of a range of more common solutions to sustainability in the community services sector. These are:

- Sector Development solutions
- Alternative sources of Finance and Social Enterprises
- Training
- Mergers / Amalgamations
- Collaboration and Networking
- Partnerships / Joint ventures

## **Generic Sector Development Solutions**

The VCOSS Situation Report (Floyd & Young, 2007) referred to earlier contains a list of recommendations for opportunities for developing sector sustainability (included in Appendix A). It is believed that this list may be very useful in assisting NGOs in Queensland to collectively consider the issues affecting their sustainability, notwithstanding that the content is specific to Victorian circumstances and the system of government administration that applies in that state.

Similarly, the SNOW Report (Bradfield & Nyland, 2004) (included at Appendix B) documents the role that could be played collectively by peak bodies, forums and networks, interagency groups, as well as by government, in assisting small organisation sustainability in NSW. Again these strategies are also specific to the culture and context of the NSW sector and the system of government in that state.

In the recent release of the Report of the Special Commission of Inquiry into Child Protection Services in NSW by the Hon. Justice J. Wood (2009), recommendations have been made to the NSW government to firmly establish primary and secondary levels of child protection through a major increase in funding to community sector organisations administered through a system of regionally-focused community-based regional structures. Through the medium of performance-based contract funding, service organisations would provide the full scope of services that have been identified earlier in this paper as necessary for the primary and secondary level prevention and early

intervention range of child protection services. More importantly, the Wood Report prescribes that the development of organizational capacity as a given.

*The capacity of non-government organisations, Aboriginal and non-Aboriginal, to staff and deliver these services to children, young people and families, particularly those who present with a range of needs including those which are complex and chronic, should be developed.* Wood Report (2009, viii)

This also implies government initiating an organized and compulsory form of networking and partnering.

## **Queensland Solutions**

When considering structural sector development issues for improving sustainability of small NGOs in Queensland, it stands to reason that any form of organized and integrated sector-wide solutions is likely to reflect the general frailty of local, regional, and state-wide networks in this state. Floyd & Young (2007) make it clear, even in the case of the Victorian community services sector:

*The Sector, as it is currently configured, cannot be thought of as autonomous in any way: it has arisen in intimate relationship with governments.*

The 2007 Report by the Queensland Auditor General into the Performance Management Systems Audit of the Management of Funding to Non-Government Organisations (p.34-35) clearly documents that, in 2007, the Department of Child Safety was just in the process of developing its own effective sustainability, following its establishment some three years previously. With regard to the sustainability of funded NGOs working under contract to the Department, the Auditor General recommends that the Department:

- a) *develop a forward funding plan that covers at least one financial year and make it available to NGOs to ensure capacity building at the service provider level, in anticipation of departmental requirements; and*
- b) *develop systems to enable it [the Department] to assess the cost of delivering individual services and ensure that the decisions regarding the level of funding provided by government, are cognisant of the actual cost of service delivery.*

Further the Auditor General recommends that the Department:

- a) *establish systems for standardised reporting at the service provider and zonal level. The reporting mechanism should incorporate the elements of financial and performance reporting in an integrated system that informs planning and resource allocation and ensures appropriate utilisation of funds; and*
- b) *establish systems and procedures to streamline performance and financial compliance processes for the NGOs, particularly those that deal with multiple funding agencies.*

It can be seen there that there is little requirement for the Department to address the responsibility of sector-wide solutions to tackle widespread organisational sustainability issues. The Department's mandate is to focus on service sustainability.

Whether large state-based reform programs such as that recommended by the NSW Wood Report will ever seriously address sector sustainability needs remains to be seen. It seems fair to say that hopes that were built up around the child protection reforms undertaken in Queensland almost a decade ago now, have not adequately addressed the sustainability needs of small organisations, at least. Whether the most recent integration of the Department of Child Safety with the Department of Communities produces more positive results is something the sector scarcely dares to anticipate.

This is not to undervalue the local, regional and state-wide networks that are on the ground in Queensland. The Southern Region Area Network (SWAN), for example, spreads across the many small towns in the vast south-western region of Queensland, linking up the workers involved in very small community organisations operating in those towns. It is widely known that SWAN has been a highly valuable network for some decades now. There are of course hundreds of other similarly valuable networks around the state that link organisations up, all with their unique purposes, methods and activities. It is believed however that, in Queensland, such networks focus much more upon service delivery issues and matters related to service delivery such as relations with government regarding funding, service standards and service approaches and the like. But, with the exception of a few bright examples there is doubt that such networks have the time or ability to focus on organisational needs, such as organisational capacity building. This is probably because networks typically consist of professionally trained clinical and service workers, with their natural bent for client service delivery, rather than say committee members whose interests are more likely to lean towards organisational matters.

It is clear that managers and clinical workers are generally supported in their roles via their colleagues through such networks. It is likely, however, that Queensland networks lack the sort of organisational infrastructure as enjoyed by those in Victoria and some other states, where a sector might be more integrated in its efforts to bring around not only service sustainability, but also organisational sustainability and sector sustainability.

When considering the weight of the issues that impact upon NGOs in today's age, it might be agreed that the existence of robust networks for organisational and sector support are critical.

### **Alternative sources of finance: Microfinance & microenterprises**

It stands to reason that if government funding of the community services sector is so problematic, then we need to question what other sources of finance there are. The

sphere of work relevant to this topic is called Microfinance, a field that is little known about in Australia, but is well embedded in the United Kingdom and the United States.

Burkett & Drew (2008) reveal that countless individuals, families, households, as well as the thousands of non-profit organisations (formal and informal), businesses and enterprises (most particularly micro enterprises, social businesses, social enterprises and early stage small business), are all basically excluded from mainstream (commercial) finance markets in Australia, which represents a major form of social exclusion in this country.

Apart from some very minor intervention such as through:

- the Bendigo Bank, the National Australia Bank, Westpac and ANZ, and
- a handful of small non-profit financial institutions (credit unions such as Fitzroy-Carlton Credit Co-operative, and Foresters Community Finance) which operate in a very small way in this field (Burkett & Drew, 2008)

low income earners are often forced to borrow from the hundreds of 'Pay Day Lenders', 'Fringelenders', 'Cheque Cashers' and 'Pawnbrokers' who are often predatory and/or unfair both in terms of cost and conditions. But the same exclusions apply to the community services sector. Apart from precious few examples, community service organisations are essentially excluded from sources of operational finance through mainstream finance institutions. If civil society and non-profit organisations are continually restricted from building up surpluses, owning assets and building their wealth (ie owning assets and building capital funds), they will always have difficulties reducing dependence on grants and gifts (Lyons, 2007:99-110).

In the United States, Community Development Finance Institutions (CDFI's) have been around since the 'War on Poverty' in the 1960s. In 1977 the *US Community Reinvestment Act (CRA)* expanded the CDFIs significantly to stimulate their growth and to channel capital to under-invested communities. The CRA also freed up the CDFI's access to mainstream financial institutions (Burkett & Drew, 2008:41).

In the United Kingdom, CDFI's have a longer history having grown out of the 19<sup>th</sup> century co-operative and credit union movements. In 2000, the UK government initiated the report *Enterprising Communities: Wealth beyond Welfare* which set out strategies to build and strengthen the CDFI sector, including recommending tax credits for community investment, bank disclosure of lending in under-invested areas, and the establishment of community development future funds through which community service organisations may invest and/or borrow (Burkett & Drew, 2008:41).

It is notable that Australia, in the great depression of the 1890's, experienced a large expansion of co-operatives, credit unions, penny savings banks, medical and hospital benefits funds, funeral funds, friendly societies and the like. There are only remnants of these organisations today.

While alternative sources of finance have at least been discussed in Australia in recent years, with some very moderate results (Burkett & Drew, 2008:26-28), it is difficult to believe that government and business structures and policies, including the political and social beliefs and the attitudes that underpin them, might change.

*The development of a strong and independent Community Development Finance Sector in Australia could go a long way to beginning this task. This will however, require more than piecemeal policies and discrete actions within each of the sectors. It will require "joined up solutions to joined up problems" (Swan, 2005) – rigorous debate, courageous conversation, true cross-sector partnership and an investment in the development of a sector that currently exists in skeletal form in this country. We can certainly learn from what has happened elsewhere, but we must also realize that the challenges we face here are very different in nature to other contexts and we must therefore be bold enough to recognize how a number of small home-grown initiatives could lead the way for a unique and innovative CDFI sector that is truly Australian. There is much to be done, but the beginnings are there and the future awaits us.* (Burkett & Drew, 2008:44-5).

There is not a strong tradition of wealthy philanthropists in Australia as exists in the United States and the United Kingdom. Philanthropy Australia ([www.philanthropy.org.au](http://www.philanthropy.org.au)) is the national peak body for philanthropy and is a non-profit membership organisation. Its members are trusts and foundations, families and individuals who want to make a difference through their own philanthropy and to encourage others to become philanthropists. Philanthropists typically only fund NGOs which have charitable status from the Australian Taxation Office.

Most philanthropic funds are directed towards scholarships, fellowships, research grants or travel grants, and in some cases low interest loans for clients. Access is made to individual members or trusts through Philanthropy Australia which is basically the contact medium. It is not inconceivable that a large philanthropic trust could enter an ongoing partnership in support of an organised sector of NGOs such as the child protection sector.

Community.gov.au ([www.community.gov.au](http://www.community.gov.au)) is a website that links you with a range of organisations, advisors and services that assist with accessing the many ways of fund raising in Australia, and the requirements imposed on organisations in fund raising (eg taxation).

In terms of microenterprises, many of the larger NGOs, particularly charitable and religious bodies, are highly experienced. The countless 'pre-loved' clothing enterprises are enormous businesses, as are the art unions with extensive mail out resources and ticket sellers in all major shopping centres. But it is the small NGOs which lack the capacity to participate in such fund raising enterprises. Given that the bulk of organizational managers are essentially trained as service managers, and people with high level business and organisational development skills (product development, marketing and selling, etc) are less likely to have the time or inclination to serve on the boards and committees of small NGOs, there seems to exist a fundamental flaw in the model.

So there is the challenge. Whether there are organisations within the more widely defined child protection sector which would be sufficiently prepared and enterprising to explore microfinance and/or microenterprise remains to be seen. A copy of the Burkett & Drew paper would be a good start. This might be a task a consortium of NGOs might tackle. An alternative strategy could be for child protection, as a sector, to examine this matter and further the need and possibilities for microfinance or microenterprises to benefit the sector, particularly with regard to funding of small NGOs involved in the prevention and early intervention of child abuse and neglect.

## Training

The first option that tends to come to the foreground for many in the community services sector when considering improving organisational sustainability, is training. There is a good deal of energy already being brought to bear within the Integrated Skills Development Network (ISDN)<sup>2</sup> to develop an integrated workforce training system for the child safety / child protection sector in the state. The ISDN is certainly aware of the unmet training needs, not only for the professional child safety staff within the sector, but also for management and organisational training needed for those responsible for the sustainability of their organisations. Management and organisational training has to be able to overcome considerable accessibility issues, such as how volunteer community members access training in addition to the hours they are already committing to their roles? Provision of training in a decentralized state such as Queensland which is typically separated into small and very small communities by large distances is another barrier. Such accessibility issues only add further costs to effective training provision.

There is no doubt that training may play an important role in the sustainability of an organisation. Lack in professional skills and knowledge may well involve inefficient work with clients such as retaining clients in case work for longer than is necessary, thereby causing a demanding work environment, burn out, and a decrease in team work. Not having sufficient funds for staff to access highly effective training can compound these obstacles.

It is argued that professional management training (where needed) for the manager of a small organisation is an imperative, as it is that person who must have an advanced understanding of the training issues of the other staff, and how these can be best met. Management is also typically responsible for employment of staff, so skilled staff recruitment and supervision skills are highly important.

QCROSS, with funding under the Strengthening Non Government Organisations (SNGO) Project, has now mounted a one-stop web site, *Community Door*, which provides organisations with valuable information, tools, and resources mainly around governance and management and sector issues. While this is a much highly valued resource and it supplements training, it is not the total solution to training.

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<sup>2</sup> ISDN is a sector training consortium that involves the Queensland Community Services and Health Workforce Training Council, the Queensland Council of Social Service, Peakcare and other key peak organisations and stakeholders



Peak organisations (QCOSS and Volunteering Queensland are examples), individual training consultants, and larger national training companies now provide basic and advanced governance and management training, as well as training for organisational planning. Individual training consultants and national training companies are still very Brisbane/SEQ centred, unless groups, collaborating at the local or regional level, can negotiate visits to non-Brisbane/SEQ areas, or pay trainers to visit their regions.

Some management and organisational training typically occurs in the context of organisational planning and development, which is usually facilitated by individuals or companies skilled in organisational development. It is unknown how many small organisations presently have the capacity or awareness to engage such services.

Without a doubt, quality systemic workforce training is a key issue in Queensland, but with other cost pressures arising from the manner in which the state's tertiary focused child safety system has evolved, together with the impact of the current national economic outlook, quick solutions are unlikely. This is a point that perplexes the ISDN whose members openly acknowledge that they must now look at developing effective means for finding the resources for training within the sector. An outcome of the consultations undertaken within the life of this Small Agencies Project should be the contribution of additional data on training needs for the ISDN, particularly those related to organisational governance and executive management within small NGOs.

## **Mergers / Amalgamations**

The Charities Commission (2006:4) defines the term merger as:

*...the transfer or combination of the assets (and liabilities) of two or more separately incorporated organisations leading to some or all of the parties restructuring or dissolving.*

Baulderstone (2008:68) also cites Cairns et al. (2003:1) who throws more light on some of the complexities of the term as follows:

*...the coming together of two or more organisations, all their assets and liabilities, to form one new body, with a single name, legal form, governing body and mission'. Other definitions distinguish a merger, where a new corporate entity is created, from an acquisition, where one organisation is subsumed by the other. Such a differentiation is important in an environment of potentially contested amalgamations or 'hostile' takeovers of publicly listed companies, but less relevant in the non-profit sector, where competition between organisations is usually less direct.*

Mergers have been a key feature of the certain sections of the community services sector in Queensland. The community housing sector and the job placement network are examples where government policy was initiated to 'consolidate' the number of organisations involved in the field, all with the aim of rationalising operational costs and achieving financial savings in various community programs, even where evidence has been provided that the consequence is too often a fall in standard of service delivery. In other cases, mergers have transpired voluntarily, even if begrudgingly, where small organisations have been unable to compete in the environment of competitive funding and/or rise to the expectations and requirements in administrative and legal accountability demanded within the system of New Public Management.

There is no evidence to say that larger, corporately structured organisations are not capable of providing quality services, but, it is argued, they are less capable of meeting the needs that small organisations are noted for meeting, ie meeting the more organic and multiple needs of communities for prevention and early intervention services with spontaneity, flexibility, a high level of social inclusion, and within a community integration framework.

Baulderstone (2008) provides one of the few recorded studies of not-for-profit organisations that have undertaken a merger in Australia. Three small organisations serving different segments of the same constituent community within childcare services, that also had a history of high collaboration, decided to amalgamate when the funding body signaled that only one organisation would be funded in the region in future. The decision taken was to retain all three organisations as one, instead of sacrificing two for the future of one. Although the outcome was generally judged as successful because it prevented three organisations from having to compete, there were lessons to be learned as summarized by the executive officers:

- *the exploratory stage is vital -- even the dead ends! Involvement of staff in the early stages can be difficult as some will not have the background or capacity to discuss complex hypothetical issues.*
- *find reliable sources of information and advice - use expert advisors but ensure decisions are 'owned' by the participating organisations.*
- *delegation of responsibility to a cross-board working party is an effective strategy where there are short timeframes.*
- *the demand on board members will skyrocket - executive officers will need to manage each board carefully, addressing their particular concerns and ensuring positive and open communication.*
- *change-management starts on day one.*
- *goodwill and the passion to provide service to the community are necessary to ensure that staff have the stamina to complete the process.*

Baulderstone (2008)

The conclusions reached by management staff in the above project reflect their experience as initial champions of the exploration of collaboration, and the findings may have little relevance to the experience in other organisations, particularly where the impetus for a merger is initially from the board.

Baulderstone (2008:79) advises the need to pay attention to hard (legal, structural and financial) as well as the soft (communication, people management) aspects of management whilst navigating an amalgamation process. She concludes that the process in this example was successful particularly when measured against the results of other amalgamations cited in international studies within the for-profit sector. The main contributing factor to this success being the degree to which there were more features of compatibility that existed within the organisations at the outset of the process than there were features of incompatibility.

PeakCare's experience supports this finding. Given the influence of personal dynamics, different organisational cultures, the use of power strategies, and the impossibility to anticipate all factors that might influence an amalgamation process, there will invariably be unintended consequences. Should any or all withdraw or be unwilling to complete the process, then this should not necessarily indicate a failure.

Amalgamating organisations are required to present a comprehensive Due Diligence report addressing the complete status of their finances and assets, their operations, and their legal encumbrances, all of which is most likely to be a defining moment in the decision to amalgamate or not, or whether the other party wishes to amalgamate.

Some of the common experiences in amalgamation projects that should be able to be avoided include power imbalances (in all their forms) that exist at the outset, or that emerge throughout the process; a failure to spend sufficient time for the stakeholders in the organisations to understand the history, culture and operations of the other organisation/s; and withholding vital information.

It is typical, and strongly advised, to agree upon and appoint someone with the professional capacity and neutrality to facilitate and guide the process.

The purpose of this PeakCare Small Agencies Project is not necessarily about assisting the sustainability of small organisations through mergers or amalgamations, although this strategy may be advantageous in certain circumstances. The general aim of this project is to arrest the threats to the continuing sustainability for small organisations to continue as small organisations, not larger ones. Due to limitations within the literature on mergers within the community services sector, Baulderstone (2008:67) does point to material such as 'how-to' books and articles published in the United States (Arsenault 1998) and in the United Kingdom, where the government-aided Charity Commission (2006) has developed a guidance publication for organisations considering amalgamations.

## Collaboration

Earls (2005) proposes that depending upon the meaning we give to the word 'collaboration' within the community services sector, it can assist us in examining different ways that collaboration might take place.

Collaboration might be something that we do *personally within relationships* or a process. Often, two or more stakeholders pool together resources in order to meet objectives that neither could meet as individuals. We see this happening in advocacy, coalition building, communicating, consensus building, consortium work, cooperating, coordinating, empowering, networking, partnership building, relating, striking a therapeutic alliance, or work in a task force.

Secondly, collaboration can be thought of as an *organisational response*, which happens within and between organisations. These are more formal organisational contractual agreements which include joint ventures, consortia, but can sometimes be informal co-operations.

In this case personal collaboration can clearly lead to organisational collaboration and vice versa. In each case, the different personal and organisational goals and agendas become active, and should always be identified, clarified, monitored and where necessary, openly discussed.

Thus collaboration may be summarized as that of:

*pooling resources, shared goals and an outcome greater than the sum of the individual actions, and that it concerns individuals and members of communities, agencies and organisations together in an atmosphere of support to systematically solving existing and emerging problems that could not be solved by one group alone.* (Earls:2005,119)

Bernhardt (2004) and Nicholson (2008) of the Brotherhood of St Laurence talk about new forms of governance which are required at the local level to enable improved ways of working by both government and the community sector. Some of the workshops at the 2008 Child Safety Research Conference in Brisbane gave a foretaste of such collaborative cross agency work that can assist a variety of partners to participate in local/regional management decisions. With his concept of Network Governance, Nicholson (2008) says:

*...that new governance structures, both vertically and horizontally, are required to build the capacity of both government and the community sector to work in new ways so as to deliver improved outcomes for communities. The emerging patterns or forms of governance are 'multi-level' rather than specifically local, and in which the vertical element drives the local, horizontal action.*

*These local governance arrangements or structures have been identified as one of 'the four key elements in connecting higher levels of government to the local level in such a way that service delivery is improved, resources are used more flexibly and local residents have a say in decision making.'* (Nicholson, 2008).

These new developments sound the need, in part, for recognising the grounded, flexible and developmental role that has been one of the hallmarks of the small community service organisations. As Nicholson (2008) continues, a number of the key roles for the community services organisations then will be to:

- *Respond flexibly to local conditions,*
- *Achieve lower regulatory costs by stimulating collective action,*
- *Reduce transaction costs associated with fragmented service delivery,*
- *Increase legitimacy through inclusion and increased participation in decision making.*
- *Develop partnerships, with a focus on place-based initiatives*
- *Assist with decentralising public services.*

From such accounts, it can be expected that small organisations, in Victoria at least, will play a crucial role in community services within the future but within a much more holistic, integrated and collaborative environment.

It is instructive to consider research about the present practice of collaboration within the community services sector in Queensland. From a Brisbane study by Mutch (2007) it emerged that:

1. *There is still very little that can be said about the effectiveness or depth of collaborative efforts in the sector, which begs the question about how significant and consequential collaboration is, or even what people infer it to be. For instance 20% of her respondents reported collaboration as a daily event, 35% weekly and 28% monthly; and 95% reported that it was very important or somewhat important.*
2. *Active collaborators, overall, "tended to be service based, medium-sized, government funded organisations that relied on paid staff" which included most of the community development groups and advocacy agencies, who participated in high investment activities such as sharing equipment and joint projects.*
3. *Those least active tended to be spread equally across size and age of organisation and source of funding but were mainly volunteer based with fewer full time staff.*
4. *Most organisations nominated the more traditional [altruistic] reasons for their collaborative activities, except for the reason that was most nominated (by 61% of the sample), namely 'to increase effectiveness'.*

Mutch discusses whether the language in the last response, consciously or unconsciously, reflected the realities of the contemporary competition-based environment within which organisations operate, or whether it was a desire to adhere to service agreement guidelines of efficiency and effectiveness, suggesting that there has been a shift away from traditional altruistic values within the sector. All of which led her to ponder the

difficulty in drawing conclusions about the nature of relationships within the community sector – ‘about whether the rhetoric of collaboration is matched by reality’.

Mutch concluded that, from her sample (and there is little reason to think that it is not broadly reflective of the remainder of the community services sector), collaboration is practiced by a large proportion of the organisations within the sector. Although stated purposes for collaborating may be easily ascertained, there are always the questions of underlying purposes and underlying performance.

Guo & Acar (2005) discuss a matrix of formal and informal collaboration and high and low investment, ie some organisations freely exchange information, shared practical expertise and maybe participate in joint projects and lobby government collaboratively. But, others may be seen bound in joint partnerships, shared staff, and even shared premises and office facilities (co-location), all requiring much more formal relationships and levels of commitment and intensity of involvement. Guo and Acar indicate that it is possible to examine factors that aid collaboration such as the links between the type of organisation or organisational characteristics on the one hand, and the type of collaborative activity, the type of collaborative behavior or the amount of organisational investment on the other hand.

One aspect that Mutch, as well as Guo and Acar, seem to omit is the matter of risk within the context of collaboration. Mutch (2007) does acknowledge that government-funded organisations tend to collaborate more than non-government-funded organisations, which seems to defy the logic of how competition within the environment of government negatively impacts upon collaboration. There appears to be a distinct need for research to identify the place of risk in examining collaborative practices, particularly around what activities organisations are prepared to collaborate upon, with whom, and to identify the risk areas where they are more likely to avoid collaboration.

Although risk is clearly related to the environment of competition around winning and losing large contracts, it is also related to other less dramatic, but equally important aspects of perceived risk, such as an organisation’s values (eg different service approaches and philosophies). Another is a more or less natural wish to preserve organisational autonomy, which may or may not be related to what is in the best interests of clients. More importantly the level of effectiveness (or perceived effectiveness) at which an organisation operates, can have an impact upon the willingness or capacity to collaborate. Similar to individuals who withdraw from involvement if they are struggling with self-esteem issues, organisations may be seen to experience internal credibility issues if struggling with matters of effectiveness. Lack of time, levels of energy, level of organizational effectiveness, can all contribute to the level of ‘organisational-self-esteem’, and may thus influence whether organisations seek out collaborative ventures. Conversely, those with sound levels of sustainability may be particular about considering collaborating with organisations perceived as less sustainable.

If collaboration is commonplace within the sector, it can be assumed most, if not all sector workers would be familiar with collaborative practices, including examples of intensive collaboration. But, it can be taken for certain that there is significant need to address identified obstacles to collaboration and expand its potential. It will be appreciated that collaboration is quite a complex matter, and seemingly with very little in the way of simple solutions that can be applied generally.

Taking Mutch's (2007) comment above that *...there is still very little that can be said about the effectiveness or depth of collaborative efforts in the sector*, Dr Robyn Keast and Professor Kerry Brown (2005) of the Queensland University of Technology (QUT) have recently provided the means for public industries such as community services to review, analyse and evaluate all forms of collaboration (or in their terms, networking). On the basis of a sound but theoretical framework, Keast & Brown propose their rather sophisticated Network Approach for analyzing and evaluating all aspects of networking through their approaches of Network Mapping and Network Mathematics. Essentially they are proposing that with the advantage of modern technologies including computer software and modern statistical and data analysis, there is a means for identifying and mapping networking much more closely and accurately through the contexts and interconnections between elements, people, organizations and communities, and for computing and statistically analyzing the relational areas of these characteristics. According to Keast & Brown, their Network Approach presents:

*...a breakthrough offering new evaluation tools and processes for those charged with the formation, administration and evaluation of networked arrangements. In this way, [it] offers the potential for a comprehensive, integrative, interdisciplinary approach that enables specialists, practitioners and administrators across a wide array of interest and fields to formulate and work on problems using a common language, analytical framework and theoretical basis.*

The implementation of such a 'paradigm' would be a significant feature for the community services industry. Government policy typically requires organisations to adopt collaborative approaches, but does little to account for the disparities in resources, and the specific needs and capacities for networking between robust and less robust organisations.

There exists therefore a need within the entire NGO community services sector, or the NGO child protection sector specifically, to examine how the sector builds internal supports between the larger or more robust and smaller and less robust organisations. Sector peak organisations would seem to have a unique opportunity or duty to tackle this matter, given the changes in Queensland Government departmental structures presently occurring, and given opportunities such as that developed by Keast & Brown above.

Different networks in the child protection sector such as the Children At Risk Action Network (CARAN) in the Far North Zone, the Wynnum & Redlands Integrated Service Coordination Initiative (WRISCI), and the Sunshine Coast and Cooloola Integrated

Placement Initiative (SCCIPI) are all examples of collaboration at work. It is conceivable that the same or similar networks could be used or set up for the purpose of focusing on organisational sustainability strategies, involving people involved in the management and governance of the organisations. There is also the case for opening such a network up to other non - child protection sector organisations to achieve a mix of experience, skills and resources that would seem likely to give vitality to sustainability strategies. Keast and Brown (2005) above, appear to now have provided a means by which the capacities of such networks can be vastly improved.

Finally, the Queensland Government Compact with the community services sector initiated in 2008, details an action plan that can be identified as a small step in the direction of the integrated type of collaboration that Bernhardt (2004) and Nicholson (2008) of the Brotherhood of St Lawrence referenced earlier in this report. Its initial action, being led by QCOSS, focuses upon the Home and Community Care (HACC) sub sector. Should the Compact continue and be extended there is some hope of a shared commitment to continuing collaborative strategies within the sector.

## **Partnerships / Joint Ventures**

The sustainability survey that is a component of this Small Agencies Project is a result of a joint venture between the Griffith University School of Human Services and Social Work, the Queensland Council of Social Service, and PeakCare. In response to the identified needs within their own constituencies, these three organisations, through their normal networking arrangements, recognized that they shared a similar need, ie to address the sustainability needs of small organisations. Through pooling their funds and resources, and sharing their different areas of skill and expertise, they are aiming to achieve a more significant outcome than if they had each gone their own separate ways about the same issue. Importantly, the result will be more beneficial to the community sector of Queensland. Representative organisations such as these might have three or more such collaborative projects operating at any one time.

Apart from forming partnerships or joint ventures to rationalize the operational area of an organisation's work, NGOs often partner for other sustainable reasons, such as co-location of premises. It is possible that two or even three or more organisations can acquire much more suitable and larger premises for less cost by co-locating. Larger premises often have the more in-house services and facilities, than can be acquired by three organisations all renting separate small cheaper offices, with few facilities.

Once co-location has occurred, other sustainable strategies can be formed such as sharing office equipment, transport, even sharing staff skills. A qualified part time financial manager might find a full time position through carrying out the book-keeping for three organisations in the same premises. Admittedly, they don't even have to be in the same premises. It does not have to stop at book-keeping. Staff members can serve jointly in reception and maybe almost in any other position where there is a common need between organisations, co-located or not.



Partnerships or Joint Ventures may not only be entered into with other non-government sector organisations. Many NGOs around Australia form partnerships with commercial organisations for mutual gain. Typically, the gain for the company is soft advertising while the gain for the NGO is typically financial support. Mutch (2007) pointed out that there has been no research in Australia regarding collaboration between the NGO sector and commercial organisations.

Other NGOs (most likely the larger corporately managed NGOs) are finding that companies selling professional services (accountancy firms, legal firms) can often be enticed into providing pro-bono professional support for the NGO (eg business planning, financial planning, services for NGO clients with legal or financial problems). Such partnerships often include regular or spasmodic volunteer opportunities for the professional company's staff (be they lawyers, accountants, administration clerks). Pro-Bono Australia ([www.probonoaustralia.com.au/directory/research](http://www.probonoaustralia.com.au/directory/research)) shows an *Australian Directory for Not for Profit Organisations* and lists those NGOs searching for pro bono partnerships. They are mostly larger NGOs.

## Summary

Sustainability can be seen to be addressed through strategies on three overlapping levels, ie:

- the *individual level*, eg in maximizing the effectiveness of management, governance and staff in the performance of their roles with the highest levels of competence generally and with a specific focus upon their skills and commitment to collaborative practices
- the *organisational level*, in maximizing the effectiveness of the organisation itself through the way it is structured, managed, governed, developed, maintained and resourced at an optimum level to fulfill its function in meeting the needs of its constituent group and community
- the *sector level*, in which a resourced and competent sector infrastructure is in place to develop and maintain sector organisations as an integrated body to function at a level of maximum effectiveness and efficiency.

### *Individual Level*

In terms of organisational sustainability, this chapter (with the help of the insights of Keast & Brown, 2005 and Mutch, 2007) has argued that competence in the skills of collaboration and networking is one of the basic building blocks for achieving organisational sustainability within the community services sector. Mutch explains that typically the actions or behaviour of individuals when performing collaborative activities are unplanned or left to chance, meaning that they can be a hit and miss affair.

Comprehensive training in both collaborative practice and networking would seem to be every bit as important in building organisational capacity as it is in building service capacity.

Collaborative practices and networking are standard skills sets that are an essential part of the community services vocational training set. However, applying the same skills for developing organisational capacity is an area that is not as well developed in the child protection sector as it is in some other branches of the community services sector such as community housing.

### *Organisational Level*

The manager and the Board or Management / Committee members of organisations are primarily responsible for the organisational level of sustainability, particularly for small NGOs. As a matter of course, Board or Committee members, particularly of small NGOs, do not typically come into their positions fully equipped with the resources they need for furthering the development of their organisations. But that does not absolve them from their responsibility, collectively, to find out what they do not know. They do have a direct responsibility to ensure that they obtain the wherewithal so that they can take due responsibility for this aspect of the governance function.

It seems sensible to approach any strategy for developing organisational sustainability by commencing with some logical steps.

1. Commence by combining your sustainability planning with a complete organisational review, such as what many NGOs do as part of their cyclical Strategic and Operational Planning process, typically undertaken every three years or so. The introduction of accreditation systems throughout the sector has by and large made such organizational reviews a necessity.
2. A Sustainability Plan should then commence with a thorough effort to maximize your NGO's total effectiveness and efficiency. This will include the effectiveness of your internal structures and processes – operational, management and governance. In particular it will include a thorough review of the nature and extent of the current business your organisation undertakes. Other organisations that might be potential partners, are likely to be more attracted to working with a 'fit' organisation. An 'unfit' organisation can often create problems or trouble for other organisations in any joint venture or partnership.
3. A Sustainability Review can be carried out by engaging a professional facilitator skilled in this process. Volunteering Queensland is an example of one organisation ([www.volqld.org.au/education\\_training/education\\_course\\_calendar](http://www.volqld.org.au/education_training/education_course_calendar)) that conducts tailor-made training for committees to review their sustainability and organisational wellness.

But determining sustainability needs, does not deliver the resources needed to achieve sustainability. This paper has highlighted the obstacles that block community service organisations generally, and organisations in the child protection sector specifically, from

acquiring the necessary funding and resources to develop the capacity of small NGOs to pursue their plans for maximizing sustainability.

### *Sector Level*

The reality is that in places where the community services sector is better resourced, it is sector peaks or sector resourcing organisations which share a sector development focus, that take responsibility for co-ordinating the sector in the acquisition of the resources necessary for the development of sustainable organisations.

Community services infrastructure funding is a legitimate funding responsibility of governments, however within the current economic/political milieu, government departments in Queensland tend to support a line of sticking to the purchaser/provider model in which they treat themselves as only being a purchaser of specific services, leaving the matter of organizational management and sustainability largely to the organisations themselves.

It follows then that resources for the sustainability of community services organisations and the sector infrastructure that they need for sustainability, is a fundamental responsibility for government and Peak and Sector Development organisations to address.

It is taken as understood that organisational sustainability is commensurate with service sustainability. Peak and sector organisations have an overall responsibility for the integrated needs of their sectors, and a special advocacy role to negotiate hard with government around resources needed for their constituent members, particularly small NGOs, to achieve organisational sustainability and consequently, service sustainability, as opposed to funding aimed solely at the provision of services.

In the *united-we-stand* approach that reflects so much of the essence of the community services sector tradition, it is argued that a major responsibility of Peak and Sector organisations (in the present case, PeakCare) is to undertake the developmental work necessary to empower sector organisations to speak collectively and with a united voice around organisational and sector sustainability, together with the many other issues that are critical to improving human service delivery in Queensland.

Six Case Studies have been included in Appendix C which provide varying constructive models of the use of collaboration and partnerships that workers and managers in different organisations throughout Queensland have utilised to address issues of organisational sustainability that they faced.

Each case offers a different model of the way that power was managed in order to suit the particular sustainability issues different parties were experiencing, and the resources that the parties had available to them in order to solve those issues.

These examples are not offered as perfect models, because each one of them shows that they have strengths and limitations. More importantly all of the models are unique adaptations to the given circumstances that warranted their design. There is, of course, obvious doubt about such thing as a perfect model, typically because the sector exists within a forever changing external environment, whether that be comprised of government funding and administration, as well as the wider economic, political, social, cultural, historical or other factors.

The message that these examples are intended to show is simply that when sector organisations come together in order to examine how they can assist each other's sustainability, they will typically come up with quite unique examples that suit their particular situation – nearly always after much experimentation, trials and failures, and sometimes heartbreak. In almost every case, it is clear that the each of the models that have been developed (and there are more than these few models) is acknowledged as the model that fits the individual situation as it is. Most retain their status as a work in progress. Each one indicates the measure of success and pride within the organisations in having created a solution that meets their present needs for continued sustainability.

The particular models that have been offered as examples in Appendix C are:

1. Collaborate to Adapt: Regional Outreach Support Program (ROSP)
2. Collaborate to Support: Careers Employment Australia (CEA) Ltd
3. Collaborate to Transcend the Traditional Business Model: The Worldwide Co-operative Movement and its structure
4. Collaborate to Extend: The Sunshine Coast Community Co-op
5. Collaborate to Coach: ACT for KIDS Programs – Safekids
6. Collaborate to Share: Mangrove Housing Association

## 6 The Action Research Plan and Consultation Findings

With the benefits of the literature reviewed in the previous chapters, Chapter 5 addresses the Small NGOs Sustainability Project's *Action Research Plan* and the *Findings*.

### Action Research Plan

According to Dick (2000) [following Kemmis & McTaggart, 1988], it is generally accepted that an action research process consists of the following cyclic steps:

plan --> act --> observe --> reflect (and then --> plan etc.)

Additionally, it employs features that are:

- *cyclic*, in that similar steps tend to recur, in a similar sequence;
- *participative*, in that the informants are involved as partners, or at least as active participants, in the research process;
- *qualitative*, in that it deals more often with language than with numbers; and
- *reflective*, in that critical reflection upon the process and outcomes are important parts of each cycle.

The project goal was, within the normal constraints of a small research project (eg time and funds), to engage a sample of small NGOs operating broadly within the child protection sector in Queensland, in an action research process to determine the range of sustainability issues that they experienced, and what action they might consider in addressing those issues.

Professor Lesley Chenoweth, Griffith University Research Centre for Clinical and Community Practice Innovation, and Ms Lyndall Hulme, QCOSS Sector Development Unit, were invited to collaborate with the PeakCare project team, given the concerns that they were known to have about the long term sustainability of small NGOs. They assisted with the design of the research methodology, with the expectation that they will implement the same study within the Disability Sector, and within the organizational membership of QCOSS.

In determining the sample, Members of the Department of Child Safety's Zonal Planning and Partnerships Team agreed to nominate approximately four small NGOs operating within the Department's, namely:

- Ipswich & Western Zone
- Logan & Brisbane West Zone
- Brisbane North & Sunshine Coast Zone, and
- Brisbane South & Gold Coast Zone.

The criteria determined for nomination included:

- Individually incorporated stand-alone organisations
- Organisations that employ fewer than 50 employees (full or part time)
- Organisations that receive less than \$500,000 in recurrent government funding
- Organisations that deliver services in Child Protection, Family Services and Disability Services

As far as was possible, organisations were also to be nominated to ensure that information was gained on the impact of factors such as staff size, location, single/multiple operational site, complexity of reporting structures and across a range of service types.

Staff size was determined as per the categories >5 micro; 6-20 small; 21-50 medium. Location was determined as per the categories Metropolitan / Regional / Rural & Remote.

From a total of fourteen organisations nominated and invited, eleven proceeded with participation in the project. These organisations were broadly representative of each of the above zones.

The eleven organisations consisted of:

- 6 x community service / community development centres
- 2 x sexual assault / sexual violence support centres
- 1 x youth service (youth supported accommodation, legal support)
- 1 x domestic violence support service
- 1 x Indigenous child protection / childcare / family support service

### *Methodology*

The following indicators of organisational sustainability were selected by the project team on the basis of the discussion in previous chapters, and on the knowledge and experience of the members of the team.

- Staff
- Governance
- Funding
- Networks/partners
- Strengths

- Challenges
- Direction
- Growth / development

Broad open-ended questions were then formed around these indicators for the purposes of conducting a semi-structured guided interview, ideally with the manager, chairperson, and as many committee members as possible of each organisation.

Written invitations were forwarded for managers to contact PeakCare if they wished to proceed. On contact, appointments were made for a first interview on site. After the first interview a return appointment was made to allow for the validation of the documented transcript of the first interview. A second report was also prepared which documented the broader issues and themes arising out of each transcript. These were also validated with the informants at the second interview.

A one day forum for all informants (managers, chairpersons, committee members) was organised with the purpose of facilitating a sharing of experiences, critical reflection and discussion amongst participants around the four main broad themes emerging from the interviews, namely:

1. Business development opportunities including alternative sources of finance, social enterprise, exploring other resources.
2. Models of organisational governance and structure, including different models of governance, skills bases for management committees, roles and structures, revitalising your committee, customising the governance and structure to suit your needs.
3. Structural possibilities of NGOs working together, including partnerships, alliances, models of partnering, customising your partnership, learning from others, mentoring / skills sharing, use of technology.
4. Achieving organisational effectiveness and sustainability, including strategies for building effectiveness, local community engagement, wellness, staffing, organisational incentives, recruitment and retention, keeping the passion alive, learning and training, staying fresh.

Each group was provided with a skilled facilitator with the ability to facilitate rather than direct, and experience in the mind mapping process, to:

- manage group dynamics and active participation
- maintain focus on participants sharing their collective experience about sustainability of their NGOs, and

- achieve participants' collective outcomes, building upon their own perspectives, experiences and ideas
- documenting the outcomes

An 'informed guest' possessing specialist knowledge and experience in each of the areas of the main broad themes was also invited to provide information and offer a broader perspective, as well as to judiciously challenge the process where necessary through commenting on alternatives and questioning sector assumptions.

The goal of the discussions were for detailed analysis of the broad issues to be reached, with a number of opportunities for reporting back to all participants. In a final session, groups were asked to discuss their views about different ways for forwarding for addressing the issues identified. It was planned that responses would fall into the following categories:

- issues which the group or sub groups of participants wished to continue working together on, with or without PeakCare's facilitation, support and resources if needed, or with specialist advisors as arranged by PeakCare
- issues which the group or sub groups wished PeakCare (and other sector peak organisations as necessary) to investigate and/or take action upon, and report back
- issues which the group or sub groups wished PeakCare (and other peak organisations as necessary) to make appropriate representations to other bodies such as government funders, regulators, legislators and the like.

It was recognised that ongoing strategies could be implemented not only through planned face to face meetings, but also through use of electronic communication means and other innovative linking methods.

## **Consultation Findings**

### ***Small NGO Descriptive Characteristics***

As the essence of this study was on gathering qualitative rather than quantitative data, the descriptive characteristics collected from the eleven respondent organisations was kept to a minimum. Descriptive data that was collected is outlined below.

The data that qualified the organisations for participation as a small NGO in this project included:

#### *Incorporation Status*

All respondent organisations were incorporated under the Associations Incorporation Act, Queensland, as not for profit associations.



*Staff Size, Location, Type of Service*

The following table illustrates the diversity in staff, location and type of service:

Table 1: NGO x Staff x Size, Location, and Type of Service					
NGO	Paid Staff	Volunteer Staff	NGO Size	Location	Type of Service Generalist / Specialist
P1	13		Small	Urban	Specialist – DV Service
P2	7	45	Small	Urban	Generalist – Community Centre
P3	6		Small	Urban	Specialist – Sexual Assault Service
P4	14		Small	Regional	Specialist – Youth Housing Support Service
P5	6	40	Micro	Remote	Generalist – Community Centre
P6	14	40	Small	Regional	Generalist – Community Centre
P7	60		Medium	Regional	Generalist – Community Centre
P8	20		Small	Regional	Specialist – Sexual Assault Service
P9	16	24	Small	Urban	Generalist – Community Centre
P10	18		Small	Urban	Specialist – Family Intervention Service
P11	3	40	Micro	Remote	Generalist – Community Centre

All respondent organisations indicated less than a total of 50 paid and not paid (volunteers) staff, qualifying them as small NGOs under the project criteria. All organisations also received less than \$500,000 per year in recurrent funding (a further qualifying criteria) except for one slightly larger regional organisation (P7) whose recurrent funding was \$600,000, but was retained in the project for the purposes of providing a contrast.

The single organisation with by far the largest proportion of paid staff (P7) is a larger regional generalist service with multiple services. The organisation that comes closest in size to this NGO’s size, is also a regional one that provides a specialist service (P8). In both organisations (and in fact in all of the respondent organisations) the large majority of staff is employed in part time positions.

Not surprisingly, the five organisations with the large numbers of volunteer staff are generalist organisations, mainly community or neighbourhood centres, which in this sample frame, are spread almost evenly between urban and regional locations.

Overall, as Table 1 shows, there is one medium sized organisation, eight small organisations, and one micro organisation according to the project’s size criteria based upon levels of paid staff and recurrent funding.

The ratio of urban to rural/remote organisations was almost even. One of the remote organisations was located on the Southern Moreton Bay Islands (P11). Government

departments tend to treat these islands as a remote area in terms of the impact that restricted transport services play upon the economy and the facilities of the islands, and upon the lives of the growing population.

Finally, all of the NGOs provided services in the primary and secondary levels of intervention within the child protection sector. The community centres that were included were all very dissimilar to each other, reflecting local needs, demographics, opportunities and local deficiencies. They all provided a variety of important services in supporting parents and/or children within the primary level of prevention and early intervention. The sexual assault services on the other hand were largely involved in the secondary and tertiary level of child protection, and were notable for their similarities in their levels of professionalism and their clinical programs, although they had different views about their future strategies. One of the NGOs (P10) provided family intervention services to the Indigenous community, and has a history of having to overcome discriminatory practices and lack of support for the inherent issues that they have previously and still do face.

### *Complex Reporting Requirements*

Most organisations received funding from multiple sources, with only some being funded through a single source.

Seven of the eleven organisations (primarily those with multiple funding sources) reported experiencing complexity in their reporting requirements. One of those funded by a single source of funding (P1) received a relatively substantial level of funding, but as it was progressing through a formal process of resolving a history of compliance complications, it was grouped with the others reporting complex reporting requirements. On the other hand, one of the medium sized NGOs with multiple programs and a significant number of funding sources, experienced little difficulty with its compliance requirements.

### *Multi Sites*

The micro organisation (P11) provides services from two substantial community centres on each of two main islands in the region. This involves additional but very necessary complexities for a very small NGO with a small paid staff with a large volunteer workforce.

The two sexual assault (P3 and P8) services also provide outreaches services from a smaller base in each of their regions.

Other community centre services provide outreach services within their wider rural and remote regions (P5, P6 and P7) without the establishment of a second site. The Indigenous family intervention service (P10) also stretches its services across a large slice of its urban area.

## *Validation*

All of the eleven organisations have validated the information within the Transcript of the initial interview as well as the document on the Issues and Themes developed from the Transcript.

## ***Summary of the Findings***

The criteria set for exploring small NGO sustainability within the project included staffing; governance; funding; networks/partners; strengths; challenges; direction; and growth and development. An analysis of the responses to these criteria follows.

### *Staffing*

Paid Staff. In relation to the issue of staffing, there was a widespread acknowledgment of the high calibre of paid staff members who work in small NGOs. It was recognized that they worked in an area where, generally, formal employment conditions were less than what they could expect in working in other sections of the industry. In the view of the committee members consulted, they were acknowledged because they chose to work in conditions where there were less financial resources, where they consistently had to make do with less, where their responsibilities were wider and less restricted, but where they were free to work within a more flexible system having a stronger values base and ethical approach to all aspects of their work. These characteristics were commonly seen then as translating into the essence of the specific contribution that small NGOs were able to make to the community services sector.

The key issue that emerged from the responses regarding staffing was that organisation's worker profiles were largely pre-formed within government program funding regimes on the basis of what was possible with the funding program budget, given statewide demands that could never be fully met.

It needs to be acknowledged at the outset, that there was not one organization in the sample to report that the organisation received sufficient funding to effectively address the immediate sustainability needs for organisational management, let alone for their service sustainability. This raises a key matter about the future sustainability of small NGOs, if the need for a staff member to manage the organisation is not the first consideration in funding decisions. The overarching issue seems to be that funding programs allow, directly or indirectly, for at least one senior service provision position to fulfill the management tasks in small NGOs. It is argued that service management and organisational management are largely different positions, typically requiring quite different skill sets. Expecting service managers to perform organisational, business and strategic management, particularly for organisations forever growing in complexity, can be seen as quite unfair for the wellbeing and growth of the organisation, and also for the

manager, who has typically been selected based primarily on their skills in service and staff supervision.

There was the view that government policy-making around the need for specific funding for organisational management is uninformed about the vital need for ensuring sustainable and healthy NGOs. This is all the more important in modern times, when NGOs are expected to ensure that they continue to seek to become less dependent upon government resources, and pursue alternative sources of financial and other support from the business sector or the wider community. It is further important because of the pivotal role the manager (or senior paid staff member) is typically required to play in supporting the members of the management committee / board of the organisation and its strategic and compliance business. In most of the organisations, it was the manager who was by far the pivotal person for the whole organisation – the staff, the services, the clients, the committee / board, as well as all of the stakeholders of the organisation including the funding department/s.

A further matter regards the funding of staff for service provision. It became clear that the NGOs in this sample have no option but to ration their services in terms of the level of demand, by limiting the intervention necessary to effectively and efficiently meet client needs. All of the NGOs found it necessary to ration their services through any of the following strategies:

- enforcing tighter control over the criteria for service availability;
- reducing levels of effective intervention;
- 'triaging' waiting lists, resulting in excessive waiting times that eventuated in a proportion of clients abandoning appointments;
- restricting geographic areas served;
- ignoring promotion of the service in areas beyond present reach.

NGOs in regional and remote areas pointed out that clients in urban areas tend to have other options if an organisation is not able to respond to specific client needs. In their regions, however, it was the norm that if their NGO could not respond then, being the only option available, the client's needs were doomed to be unmet.

Additionally, in regional and remote areas, large distances and the lack of public transport militated strongly against potential clients accessing services, which is why some of the organisations set up multi-site services when able to do so.

All of the organizations engaged paid staff. The great majority of these positions were part time, although the senior staff member, or manager, was typically full time. In a number of cases it was the preference of both management and staff to opt for flexible part time positions. For many paid employees who worked in personally demanding case work, part time work was treated as an anti-burnout strategy. In other cases, part time work suited the workers in the sample – the great majority being women with family

responsibilities. Having said that, in most of the NGOs, part time positions were a reality in terms of funding conditions – a way of further stretching meagre staffing funds. In yet other cases, Government departments only funded part time positions (one organisation displayed the long list of positions all with various figures marked such as .2, .4, .5, .8, to indicate that all positions were a variety of part time positions). Finally, in some cases, funded positions were divided between different workers in order that one position could cover two separate job roles – part time.

In a number of instances (the Department of Communities was cited), managers have attempted to negotiate with government officials for a more flexible use of funds between part and full time positions to suit the exigencies of the NGO and its clients, but to no avail.

The difficulty in obtaining adequate funds for positions, or in retaining staff on part time and low paid positions, particularly where the workload demands a full time or near full time position, raises the issue of volunteer workers. The first matter needing to be addressed is the degree to which paid staff in NGOs unofficially perform voluntary labour. Even the managers involved in these consultations admitted the many extra unpaid hours they and their staff contribute. It is generally rationalized that people prefer to work in community service work because of their passion for the nature of the work, or for the cause of their clients, hence they don't mind 'going the extra mile'. But burn-out is a constant worry of managers and committee members, as is the fear of losing staff to the public service where pay is typically higher (for equivalent work) and they are not expected to work in their own time.

Apart from flexible working hours, other methods used for incentivizing employees to remain in the sector included:

- Effective supervision, high level support and intensive training
- Above award conditions and salary sacrificing
- Team building days (usually away from centre)
- Pamper days
- Variety and flexibility in work roles
- Attending external training as opportunities arise and as finance allows
- Paid training in centre when it's available and affordable
- Substantial attention to multi-skilling across roles and management functions.

It was recognised that organisations with a predominantly female workforce may not always be able to make effective use of salary sacrificing as an incentive, as parents may find its value is negated such as when in receipt of child care allowances.

Volunteers. A starting point for discussion volunteering, it needs to be said that all of the respondent organisations were governed by a board or management committee of volunteers. The volunteering of Board or committee is discussed in this report under 'governance'.

The five organizations engaging volunteers were all generalist community centres, which operated larger scale volunteer based programs. In some of these organizations, the staff / volunteer ratio was higher than in others, ie from a range of 16:24 through to 3:40. The philosophy or value base of these NGOs were all strongly in support of volunteering. Statements were often made to the effect that "without volunteers the organization would never be what it is" or "we could never achieve what we have achieved without volunteers". In at least one of these NGOs, there was a firm value base in support of accepting volunteers into the organization on the basis of a 'career structure', ie volunteer position leading to a skilled volunteer position to a staff position and then leading to encouraging them to find work elsewhere in higher positions.

In a few of the NGOs, there was concern expressed about the necessity for volunteers to be expected to provide services where there was a clear need for professionally trained and paid staff. The provision of helping clients with complex marriage, parenting and other complicating family issues was one of these examples. This was seen to reflect the need to see the difference between extending the full capacities of volunteers while identifying the demarcation where higher levels of professional intervention were essential. Some of the NGOs which specialized in providing only professional services, did not employ volunteers in the service at all, while others saw volunteering as a critical way of solving unemployment amongst vulnerable groups. The difference seemed to depend upon the skill level needed or selected with different client needs. In the area of child protection, there is often a high need for professionally skilled workers, without negating the value of volunteering in working as assistants in support programs for instance, supervised by professional staff, and also within community development programs.

The respondent NGOs highlighted their awareness that it is essential that volunteer programs are managed professionally by workers skilled in volunteer management. As volunteers take on increasingly complex tasks, which invariably incur higher levels of skill, knowledge, risk and accountability, they need to be more highly educated, trained, supervised and supported. The facilities that they need for working would then equate with that of paid staff, all of which means that volunteering is less the funds saver than it is often considered to be.

The recruitment of volunteers is becoming difficult in some communities which is probably connected with the demographics of the local population as well as that of the nationwide population. It is believed that the baby boom generation is not responding well to traditional forms of volunteering. Long standing NGOs which have relied upon a large and successful volunteer workforce in some locations, now find difficulties in attracting replacement volunteers. It is believed that NGOs need to reformat their models for volunteering work in favour of the needs of the variety of types of modern day

volunteers. This necessitates higher levels of appropriately trained staff to manage volunteers, and a total organizational response to the needs of volunteers. In the longer term, there is also concern about the future sustainability of paid workers and volunteer workers in the vacuum created as the baby boom generation ages.

Staff Training. Training within the child protection sector continues to weigh heavily on NGO service sustainability. While the current Integrated Skills Development training was useful basic training, many of the respondents were continually searching for specialist training, which typically was more costly and less accessible, particularly for organizations on an individual basis.

The critical need for training to address the almost daily issues which arise on-the-job was commonly raised. As the requirement of job roles necessarily vary from one organization to another, and new programs, procedures, practice methods are forever evolving, particularly within the child protection sector, then there exists a continuing demand for training and education to keep pace of these developments. This tallies with the research identified earlier in chapter 5 of this report that identified the need for training and education to match emerging changes in work place practice in child protection.

Training here is taken as that which is applied and focuses more on work procedures and associated skills. Education is taken as that which encapsulates the broader underpinnings of theoretical and evidence based research that inform the contexts in which practice approaches and frameworks are developed and take place. Too often training is identified as a critical need within the sector due to the need in Queensland for a revolution in our educational institutions for a more comprehensive preparation for workers employed in the primary, secondary and tertiary levels of child protection. Having regard for this qualification, the views of the respondents as they understand the issues are detailed as follows.

Due to the many shortcomings in training availability, the respondents in this project reported that their organizations were often forced to develop their own in-house training.

It also needs to be acknowledged at the outset that the nature of the work of a large number of NGOs in child protection work is embedded within an environment of crisis and trauma episodes, thereby adding to the sense of urgency for ongoing and high levels of training, education, supervision and personal support. While training may involve considerable expense, so too does the need to release staff and very often backfill positions while training occurs.

The current lack of an effective and comprehensive sector-wide integrated training and education system in child protection, particularly in prevention and early intervention strategies, combined with a lack of sufficient funds to acquire adequate externally provided professional training, broader education, and professional development, is a major setback for small organizations. The consequences reported from the respondents include:

- a hit and miss approach to equipping all staff with required levels of skills and knowledge (ie grabbing what you can when you can)
- training that is not available in highly critical areas of skills and knowledge, eg court support
- having to rely too often on training that can be afforded rather than what has been determined as needed
- having to limit training to a minimum of staff (expecting that they can pass its results on to colleagues)
- having to prioritise front line staff over other positions, including the manager's own training and supervision
- little or no accessible training suitable for governance and management

These consequences are further compounded when:

- there is a high turnover of staff;
- it is necessary for the NGO to EMPLOY untrained staff and have to provide them with basic training in the basic functions of their work; or
- there is a risk of burnout among staff who need advancement in their skills and knowledge in skills, knowledge, and professional development.

It was reported that there needs to be a recognition that different types of organizations with varied functions within the sector can have equally diverse training requirements which need to be recognised within formative social and welfare work education and within any sector wide integrated training system. The training needs and delivery specifications for NGOs providing professional clinical services such as sexual assault services, domestic violence services, and family intervention services all have features and peculiarities that are different to youth accommodation and support services, which in turn are different again from community centres with large volunteer bases providing multiple services. Mainstream services have different training needs and delivery specifications to Indigenous services.

Training accessibility tends to be problematic in rural areas where long hours of round trip travel (typically in excess of 4 hours minimum), accommodation needs, absence from family, and the cost and availability of child care, are all typical disincentives for travelling to centralised training opportunities.

As many of the NGOs maintain that they put a lot of internal effort and resources into training staff from scratch to high levels of clinical training, they wish to see that the fallacious formulaic attitude that: *Community with Less Pay = Less Skilled versus Government with More Pay = More Skilled* is addressed.



Particular deficiencies within available training provision in the sector that were identified in this project include training in the areas of sexual assault and sexual violence, domestic violence, homelessness, and across the board Indigenous issues. Where training in these areas does exist, it tends to focus on crisis aspects without due attention to the social causes and preventative factors and strategies. Fundamental self awareness and attitudinal training in these areas was seen as a critical need not being addressed, with the result that practitioners were often blind to their existence, and blind to the positive options in intervention approaches.

The training issues for volunteer staff have been addressed earlier in this chapter.

### *Governance*

The governance function within small NGOs cannot be fully appreciated without a thorough understanding of the external environment which impacts upon the shaping of this essential component of the child protection sector. Significant changes have occurred in this external environment in recent decades that have permanently changed the context and nature of the governance role for NGOs. As indicated earlier in this report, these influences include the globalisation of the world economy, the retreat of government from the welfare state, the adoption of economic rationalism and competition policy, competitive tendering for funding, the emergence of larger for-profit and not-for-profit corporations into the delivery of community services, the reviewing and restructuring of the community services sector by Federal and State Labor Governments, and the global economic downturn.

On another plane there are also the concerns about the impending vacuum predicted in the demographics of the workforce (paid and voluntary) as baby boomers exit higher level positions, and there are insufficient Generation X and Y workers to replace them. All of these combined have had a significant impact upon the context and nature of governance and management of small NGOs, and/or they present a particular threat to their future sustainability.

The boards/committees and managers of the respondent NGOs provided their responses to the these threats as follows.

The context of governance is presently marked by its volatile external environment. Board/ committee members are now grappling with finding new directions in new service and organizational contexts. Board/committee members and managers are often frustrated, with board/committee members feeling guilty if they wish to step down without replacement. Similarly, managers feel responsible for finding and orienting new board/committee members to the organization and their role. Managers typically provide high level support for the members of the board/ committee, having regard for the complexity of the governance role and the inherent time demands. Relieving the manager of the total and pivotal responsibility for the board/committee role is a priority.

Traditional forms of board/committee recruitment and orientation do not necessarily equip the board/committee with members who have the skills, knowledge, perspective, time and commitment required to govern NGOs in the current circumstances. The board/committee is constantly being required to lift its 'professional game' to match the complexity of the system and the nature of the service, which all raises issues about ideal committee structure/composition. Apart from the normal skills and experience required of board/committee members, many organizations now seek members who also demonstrate a commitment to a particular philosophy or ethical stance such as feminism, social justice, and community development.

The complexity of multiple compliance regimes puts extra work on the board/committee which is required to ensure the preparation, implementation and evaluation for the full compliance procedures of the organisation.

Governance now demands not only members who have skills and experience in normal governance functions such as financial and legal compliance, policy development and implementation, and quality assurance compliance, but also members who possess:

- organisational management (HR) skills with a high level understanding of the specialised nature of the work undertaken, and the work environment required.
- strategic directional skills that enable NGOs to best function in a complex and changing environment
- risk management skills
- business development skills
- experience in working with the NGO's context of stakeholders.

These issues raise the need for new advisory and support mechanisms to assist board/committees to determine:

- the best fit of models of governance and management structures for their specific organisations and local environments, that account for present and future operational levels
- the range of relevant board/committee skills and experience necessary for their specific organisations
- the best strategies for attracting/recruiting/retaining people with those skills and experience within the context of the board/committee and the organization.

Specialist training is a critical need for board/committee members to assist them with regular training in board development. NGOs should have access to orientation and advanced training packages for committee/board members that are tailor made (not traditional vocational training packages) for the range of different functions of sector NGOs. They should also have access to regionally based training, as and when required, delivered by trainers who have practical experience in the NGO governance field.

Other points made by respondent organizations included the following.

NGOs that have a long history and have developed a credible organisational reputation as the result of high level service delivery, are more likely to attract expertise to board/management committees. NGOs that succeed in developing successful and viable operations, service programs and work conditions also tend to benefit from their reputation in terms of attracting higher quality committee applicants – success breeds success.

NGOs in some rural/remote areas typically have difficulty in accessing the few appropriate people in their local region who are not otherwise heavily involved in other organizations and activities for membership of their board/committee. However there is also the view that NGOs in rural/remote regions can benefit from a higher level of local community awareness, and their organisation being better regarded locally, thereby aiding the recruitment of skilled committee members and volunteers – providing the organisation's reputation in service provision is visible, sound and in tune with community values.

Proven structures need to be developed for NGOs with professional staff wanting to work from different perspectives, e.g. feminist, social justice, community development, youth work or Indigenous perspectives, which involves them in higher levels of decision making and policy.

A greater number of committee/board members, in itself, does not ensure the commitment of time to fulfil the governance needs of an organisation. Apart from necessary skills and experience, one of the essential contributions committee/board members can make is the time, and the quality of that time, that the NGO needs from its committee/board for its sustainability. On the other hand, a board of one of the respondent organizations restricts itself to four members in order to form a model of a 'policy board' that achieves a measure of efficiency for professionally skilled members who are time poor. An advisory and support infrastructure suggested earlier would be able to determine what downsides or risks there are for a NGO adopting such a model.

On the other hand, skills and experience are important. One of the NGOs in a remote locality reached the point where the board/committee failed to govern the organization effectively over a lengthy period of time. Eventually, this situation affected the local reputation of the organization to the effect that it could not attract replacement board/committee members. It was fortunate that this NGO found a very convenient solution, through delegating the governance function to a larger NGO which had a history of 'fostering' smaller organizations experiencing such circumstances. In this case, the small NGO has significantly benefited from the strengthening of its service arm and, a number of years later, remains in the 'fostered' position. This is an impressive case of how innovative solutions, resourcefulness and shared community values can be found at work in governance within the community services sector.

Another of the boards of the respondent organizations is proud of its innovative model that allows staff to be represented within the governance structure. This strategy has been found to improve the functioning of the organisation. It works well because it eliminates the power and communication problems between staff and committee members, and it promotes openness and accountability. The board has well developed policies and procedures on the conflict of interests that are managed in this model.

In yet another committee of a respondent NGO there is a mixture of committee skills and experience. Newer members without the normally expected background are invited to join the committee and develop these skills. The organization is committed to normal committee skills being developed by people who otherwise lack the necessary background experience in committee work, in order to better diversify the membership of the committee. Needless to say this organization is based in a region of low educational and employment attainment. Such an approach is a good example of the organization that might operate within a definite social justice perspective. The same organization seeks to include a representative of the local Chamber of Commerce (for better networking with employment related organizations) and someone in the arts (for connections to building social capital, for literacy and writing, and in order to assist with breaking down social isolation). A housing specialist is also sought as homelessness is a major issue and not going away. In addition, people with public relations and marketing experience are also sought, but it is recognized that some skills can be acquired by other means, eg co-optees, or advisors.

The special needs of Indigenous organizations in attracting board/committee members from the Indigenous community and/or from the mainstream community is an issue that may be addressed in partnership with Indigenous organizations by any advisory and support infrastructure as suggested above.

Payment for board/committee members (sitting fees) has also been suggested as compensation for the time and commitment they devote, and the legal responsibilities they shoulder, as well as for a show of respect and accountability for people with skills and responsibilities who contribute to the community.

Most of the respondent NGOs felt the pressure in continuing to seek ways of raising alternative sources of finance, or finding other means for rationalizing the economics and operations of their organisation's operations.

### *Funding*

The key issue to emerge about funding was about organisations being unable to respond to the needs of all clients who contacted. All of the respondent organisations were forced to practice systems of direct or indirect rationing. In cases, there may have been the opportunity for referral elsewhere. In many cases there were no 'elsewheres'.

Funding levels. NGOs were aware that government departments have finite budgets, and in Queensland the budgets in the arenas of health, education and welfare were historically below par with national averages, with little hope of these circumstances changing, maybe ever. Although all organisations experienced the impact of shortcomings in funding, the impact of shortcomings was experienced differently from one NGO to another. For instance, the staff of an urban based NGO comparatively well funded from a single funding provider in the area of sexual assault, were put under considerable strain due to the organisation's incapacity to respond to the ever increasing occurrence of this social problem in their region. Conversely, a community / neighbourhood centre, with minimal and very piecemeal funding from across a range of departments and jurisdictions, was valiantly trying to build up a service capacity to respond to the wide range of social problems known to exist in the local community as well as in the surrounding district. The district in this case is a rural area in general decline, with distance and location complications that compound not only the nature and severity of the issues that present, but the deficiencies and shortcomings in the responses that the NGO can make as well.

These examples illustrate the rather obvious need for the integration of funding a single mechanism and processes, particularly where cross department and cross jurisdiction funding exists. Such a mechanism could then address the impact upon organisations of:

- providing short term funding solutions or trial project funding without any ongoing commitment to solving long term social problems
- providing funding with no commitment to the management, administration or even the staffing for operationalising that funding
- providing funding without an accurate assessment and means for monitoring the start up and ongoing need demand, and the means to adjust the funding accordingly
- providing for the overall capacities of organisations (as opposed to providing for the services alone) to function, as well as to continuing on a path to achieve organisational sustainability.

Services can only remain successful if the organisational capacities of the organisation supplying them are equally successful. Continuing to underfund small NGOs has the effect of placing them in a straight jacket, where they virtually do not possess the critical mass to operate effectively, or grow their infrastructure and their sustainability. It was pointed out that small businesses in the for-profit sector suffer the same.

All of the respondent NGOs had directly or indirectly considered ways that they might access alternative sources of funds. Not having sufficient professional or specialist resources to research, identify and secure funding and other resourcing opportunities (including partnerships and entrepreneurial opportunities) is a restriction that was commonly expressed when discussing the maximisation of resources for the organisation.

One NGO discussed a realistic plan for providing a much needed community education service to the community on a fee for service basis. The drawback is that the manager had more than one job to cope with in managing the organization, the services and the staff. A reasonable seeding grant might have been worth considering, but obtaining that, and then having to manage a scoping project and so on, is beyond the manager's capacity. As one respondent told:

*In a relatively small organisation (13 full and part time staff) with a very tight budget, there is no allowance for management hours to seek alternative sources of finance or other resources. NGOs can be frustrated when they can see opportunities for acquiring extra resources or partnerships for growing the organisation's business, yet do not have the capacity to pursue those directions.*

There was a similar experience reported by another respondent:

*The demanding work environment described above however is one of the reasons that the manager is unable to pursue a wide range of strategies that would strengthen the organisation's sustainability. One potential opportunity has been lost because of this, although others are being pursued as time permits.*

Notwithstanding this obstacle, other respondent NGOs were keen to investigate their entrepreneurial ideas, which were less developed than the example above. One NGO is seeking specialist assistance from a local university in rebuilding the committee's directions for service growth through engaging the business community and the wider community in getting behind the organization. Other NGOs were interested in engaging in formal partnerships with other local NGOs in addressing growing social issues through the means of adopting a wider regional response. Boards/committees communicated that they were open to their NGOs taking on more of an entrepreneurial role, only that they felt they lacked the skills and experience in doing so.

There was almost unanimous agreement that an urgent need was for boards / committees to have access to some source of business development and strategic cross sector expertise in order that they can investigate the feasibility of present ideas and gathering of new perspectives and ideas. One of the respondents expressed this in the following terms.

*In the current and foreseeable economic environment, NGOs should be seriously examining other sources of acquiring resources and finance, both individually and in collaboration with other sector organisations, networks and partnerships, and with financial institutions able to finance community initiatives eg Bendigo Bank.*

It was recognized that service managers, as most of the managers were, possessed a different skill set than that needed for business management. In some cases service managers did have a capacity for business management, but their roles in service and organizational management prohibited them from venturing too far. There was an opinion that such advisory assistance would readily be provided by the for-profit sector but it would be costly. It seemed that the community services sector as a whole should

have ready and affordable access to such resources. It also seemed that funding departments, being a major stakeholder, should support these developments.

Funding Administration. Small organisations tend to feel the brunt of processes employed by Departments in the administration of funding programs. Larger organisations are most likely to be able to weather the carriage of anomalies that occur between funding rounds, whereas small variations can drive a small NGO's cash flow down to the wire.

Many Departments employ three year funding rounds which provide NGOs with welcome organisational security. However, with escalating costs over such a period, and the commensurate increase in social problems and casework that also ensue in that time, it is suggested that valid requests for variance in funding allocations would benefit the Department, the client, and the NGO, in terms of positive outcomes.

Three year funding for some NGOs seems to be based more on historical patterns rather than on the prevalence of issues such as Domestic Violence in a given region, and in the growth of case loads. NGO's are often in the position of having accurate information about how small variations in funding allocations could make quite a significant difference for all stakeholders.

Similarly, Departments need to review their processes when NGOs are placed under review for breaches of compliance, to be sure what outcomes they wish to achieve from such review periods.

When an NGO is placed under such a review, and the Department is satisfied that the NGO has taken steps to repair the cause of the breach, then a three year review period is applied in which the NGO must undertake time consuming extra audits and micromanagement, which only serves to create further significant time costs for the NGO. It is proposed that the review system be modified to a more objective method for assessing a set of progress milestones and providing constructive relationship to foster and achieve outcomes.

There were also some views expressed as to the experience of some members of departmental staff in their dealings with management of small NGO's. This referred to as what was represented as a culture of dictatorial attitudes and bordering on bullying. NGO managers reported that it indicated a lack of effectiveness in the management of policy, or policy monitoring within departments, where individual staff were able to behave in a much less than professional manner. They linked these matters to what they saw as appalling behaviour of a crown minister referring to their organisations in public forums as 'tin-pot services' and other forms of derogatory references.

The main point to be drawn from the above discussion is the lack of resources for NGOs to ensure that the services delivered by their employees are sustainable in terms of the

extent of community need, etc. and to ensure that the organisation is managed in manner that ensures its sustainability at the present, and into the future.

### *Networks and Partnerships*

The generally inconclusive findings of Mutch's (2007) study on the effectiveness and depth of collaborative efforts within the non-government sector, mentioned in chapter 4 above, can be partly answered by the respondents in this project. That is, generally, they do invest a significant amount of time and effort into sector participation and networking, not only because they believe in networking and partnerships as a valid strategy for their work, but also because program guidelines require them to. The comments of one respondent seemed to sum this matter up with the statement:

*As an example of the degree to which this organisation is already working to a high capacity level, is the strategy of maximizing networking that the manager, assisted by all staff, have pursued over the last two years. Our NGO is well integrated with its day to day partner organisations in the community services sector and in government.*

This project has shown that they would gladly give collaboration a whole lot more emphasis, but they are prevented because they are simply too busy with the pressures of their work and is further compounded by the general lack of resources, funding and facilities for them to meet the demands of the communities they serve – in short, the result of expecting too much from a generally deprived sector. Some of them say they are acutely aware of the benefits collaboration might bring to their own circumstances. The couple of respondents' citations from the previous Funding section are examples, as is the following:

*Notwithstanding the achievements that arise out of networking and partnerships with other sector organisations and wider community activities, services and resources could be improved significantly if much more time was devoted to attending to the local external environment. The lack of available hours does not permit staff to add more hours to these growth pursuits.*

And in the case of regional and remote localities, the time issue is compounded by the extra travel time, and the cost of travel.

Another barrier to effective participation is that some NGOs active in participating in networks and partnerships do so with highly generous contributions to the activities of other parties, to the detriment of their own organisational needs. They give more than they receive. Which seems to be a comment about different levels of commitment; about trust and communication within the network; and about the objectives and procedures of the network. Another NGO's comments corroborate these points:

*Partnerships around joint funding submissions are difficult to manage due to differences in philosophy, target agreements, service agreements, compatibility and location.*



An organisation providing services to Indigenous peoples reported that NGOs need to be cautious in their networking and collaborating due to the competitive funding environment that government has imposed upon the sector, an issue also identified by Mutch (2007) referred to above. According to their experience:

*Giving information in good faith to other [larger] organisations, even those meant to be representing it, has resulted in our NGO losing out in competitive funding contests. This has led the organisation to question the basic meaning of partnerships. An example is where staff members that our NGO had trained to high levels of competence, have been 'cherry picked' by larger organisations being able to pay higher wages. Large organisations and churches have been able to benefit their staff through their ability to package salaries. Our organisation has had to pay fringe benefits tax to compete in order to retain our staff.*

This citation is a graphic reminder of the damaging results that the system of competitive tendering can have on the not-for-profit sector, particularly small NGOs, as outlined by Quiggan, 1996; Floyd and Young, 2007; Lyons, 2001; and Lonne, 2009 in chapter 2 above.

Apart from these issues, the respondent organizations were all more than active participants in their networks, particularly those in rural and remote localities who went to great lengths (including paying their own considerable travel costs) to ensure that they received the benefit of their networking with regional groups. This is best illustrated by the following citation from one of the respondents:

*There are challenges for all organizations working in [region], such as keeping up with it all, and working together with high levels of staff turnover. They all operate within their own constraints and accept that everyone protects their 'patch'. That's a given in the system [of competitive funding]. But these givens are over-ridden by genuine collaboration and partnerships.*

Another respondent organizations reports:

*One of the roles our NGO plays is the support it provides for the development of other organisations (government and non-government) ...mainly in staff training.*

The organization providing services to Indigenous peoples referred to above was able to recognize the strengths it has developed through effective partnerships:

*The organisation has strong support in its operations and procedures from external professionals and University Departments. Through these, it is engaged in a process of ongoing review and reflection, using an evidence-based approach. The organization works in a Family Partnership Project through an international agency.*

Another NGO took a holistic and strategic view of the importance and value of networking and partnerships, indicating what in an ideal world a sector committed to networking and partnerships would look like. It must be added that this perspective has

evolved post the rationalization of local government authorities in Queensland, and it is clear that local councils are being urged to take a more strategic responsibility for the development of community welfare services.

As Local Government Authorities share a similar responsibility to local residents, all levels of government should assist Local Authorities and the community services sector to maximise collaborative resources, processes and entrepreneurial capacities in addressing social needs. Changes such as those flagged in 'strengths' above increase the importance of the need for higher levels of collaborative partnerships.

For most of the respondent organizations however, the networking was more around training, integration within service programs or exchanging broad sector information, and collaborating around mutually beneficial projects such as research. They did not indicate that networking time had led to deeper levels of partnerships where considerable operational benefits and savings were possible, although they were fully cognizant that this was an option, even if a far distant one. These responses add further information to Mutch's (2007) findings as mentioned earlier in chapter 4. If organizations were to achieve considerable benefits and savings through partnerships, then it is questionable that they would have the time capacity that would obviously be required to facilitate this. Hence, the respondents in this project all supported the notion of the added benefits that could be achieved through more intensive networking and partnerships, but the resources and time that would be needed to be contributed by their NGOs could not be justified against the primary demand of their service provision and internal organisational responsibilities, as clearly exemplified in the following citation:

*Our management finds it necessary to contribute an inordinate amount of time and energy into liaison, networks, and partnerships. Modern program management demands providers to participate in local and regional program networks, and services in rural areas in order to best co-ordinate program delivery between different providers. Time has to be contributed to attending not only inter-service networks, but also departmental zonal / regional networks. From these, managers find they have much follow up work to be attended to through various reference groups, task groups etc. These consume manager's time and energy particularly when so much distance is involved.*

### *Strengths*

Project respondents had many generalized comments about the strengths of their small NGOs, eg:

- *Small NGOs are specialists at bringing people and organisations together from diverse sections of the community.*
- *Small NGOs are able to deliver high quality (best practice) programs for minimum cost, particularly with the value of skilled volunteers*
- *Paid staff in small NGOs provide high quality social work support because they are less restricted by narrowly defined procedures, and they are prepared and willing to contribute voluntary hours where necessary.*

- *Small NGOs develop strong sense of community among staff and volunteers, and between them and community members. Openness, warmth, respect & acceptance are evident when people walk in the door. People are not treated bureaucratically.*
- *Small NGOs recognise emerging community needs and create immediate partnership responses, eg Moneycircle for workers retrenched.*
- *NGO's management and staff. Their presence in the community with the social issues that exist in current times. Their abilities in co-ordination and leadership within the community services sector.*

Their local knowledge, their local partnerships, their experience in local issues, concerns, conditions and resources and the trust and support that they attract and receive at the local level.

- *NGOs have strong reputations at the local level*
- *NGOs engender high levels of community involvement and the sense of community ownership.*
- *Belief in teaching people to believe in themselves*
- *Respondent NGOs listed a variety of strengths their individual organizations possessed.*
- *A Management Committee with the necessary backbone skills and in touch with the culture and operations of the organisation.*
- *The multi-skilling of the staff, and staff involvement in governance*
- *The high level of leadership and teamship achieved by staff, and their support of the manager in managing the organisation overall.*
- *The organization has a lot of talent and high level skills, with a lot of program experience, and experience in different groups, so much could be achieved with extra funds.*
- *The organisation has a large catchment area and is the only organisation of its type in this area.*
- *Loyal dedicated staff, many of whom have travelled on the client > volunteer > staff path.*
- *Financial Management – last 5 years have not had a qualified audit report, which is a big achievement for Indigenous organizations*
- *The organisation has a high level of pride in the success of its sustainability to date, a feat for an Indigenous organisation.*
- *The organisation could not survive without the high level of participation by volunteers.*
- *The contribution of high standard Facilities by the local government authority*

- *The governance agreement with CEA group*
- *The island location/s. Island life is both the strength and our weakness (remoteness) of the organisation.*

## Challenges

Many of the challenges identified within the respondent NGOs concerned how to rationalize existing resources or raise or attract additional resources. These included:

- *Requirement for sufficient core funds – many funding sources provide no core funding to pay for management and administration*
- *Developing a higher capacity for accessing additional government funds in a time of economic restraint and insensitivity and raising additional funds from the community (recognising it is largely a low income community)*
- *Developing capacity for selling the strengths of employing volunteers (saving paid worker costs and applying savings to Clients needs)*
- *The manager certainly has the skills and knowledge to pursue the pathways mentioned in funding issues above, but she is also aware of the time these would involve. Pursuing new directions in partnership and funding would require a review of priorities. The appointment of other staff to assist with operational management to release the manager for these functions, or alternatively to employ someone in the field of business development are possible directions, but these would involve identifying and accessing likely funding sources for a start.*
- *Continuity of funding. We need a new server (\$10,000)*

Other challenges reflected issues connected with the general strength and sustainability of individual NGOs:

- *Developing social capital; Raising the health & well being of the community by providing them a lifeline.*
- *Its [the NGO's] management. The staff. Its [the NGO's] presence in the community with the social issues that exist in current times. Its [the NGO's] co-ordination and leadership within the community services sector.*
- *The organisation wishes to examine how it can influence its funding body to show more interest in the organisation's work and performance*
- *Our capacity – where do we go from here. Council won't let us expand on site. We're too crowded where we are. New site? We're already searching. Presently undertaking an organizational review and strategic planning process.*
- *The situation regarding the workforce needs much attention.*
- *The need to make the organisation more sustainable so that it is not constantly under pressure to survive.*

- *To solve the impact of the competitive funding approach on the organisation.*
- *To further build the capacity of the very keen board*
- *Identifying partnerships where you don't get burnt.*
- *Getting taxation relief through PBI status.*

And yet, one more community centre in a remote locality saw the challenge as the need for a complete rethink of the present direction of the NGO within its remote location.

*Limited opportunities for funding for expansion of service – limits what the organisation can do. Means we have to ask so much of volunteers. This is related to the socio-economic circumstances of the remote community, which in turn is governed to varying degrees by the compounding symptoms of remote localities, ie lack of a sound economic base within the community, transport issues, government development (or non-development) decisions, lack of access to professional and mainstream services, the lack of a capacity for relying on local community resources, the lack of a wider social mix due to the limitations in groups who are attracted to life in remote areas.*

### *Directions and Growth*

Most of the respondent NGOs focused on strategies to solve the challenges they had listed. This included continuing on with the present directions which were generally working in favour of the organisation's growth. Others identified that there was a new resolve to pursue additional government funds and/or examine how the NGOs could become more enterprising. One mentioned drawing up a committee succession plan to bring new skills and ideas to the organization. And a few of the NGOs determined to undertake a serious review of the organisation's directions in order to consolidate the organisations' progress – that 'we do what we do best' such as the following:

*The NGO is at staff and program capacity and at the capacity of its resources now. All staff positions are filled. The issue now is what the next step is in terms of community needs, community programs, buildings, location, and finance. Questioning a future with higher order partnerships.*

Finally, one of the NGOs made a clear bid for seeking an alternative direction in developing an entrepreneurial approach to their income base.

*The committee and management are dissatisfied with the limitations placed upon it due to the level of the organisation's dependence upon government funding. The organisation believes that with seeding funding in business development, it could achieve a measure of self-sufficiency and a reduction in its high dependence on government funding. It is believed that community education in the area of sexual violence is a needed product and a likely business venture. The organisation's previous (and current) experience in this arena, as well as the population and income mix of the region would indicate that this possibility should be examined.*

## ***Analysis***

The findings establish that the eleven small NGOs engaged in this project met the established project criteria, except one organization that was retained in the project, even though its annual recurrent was slightly over the limit of \$500,000. There was a good mix of urban, regional and remote organizations, providing a wide range of services within the broader child protection sector.

Over 50% of the organizations considered that they experienced complex reporting requirements to their funding departments, primarily those with multiple funding sources. One reported that compliance tasks occupied over 70% of the manager's time, although these were the result of a previous breach of compliance. There is a question about how fair or productive the particular department's procedures were in such cases.

With regard to paid staff, the first issue to emerge was the lack of a fair remuneration for managers of small NGOs. Typically, they are appointed primarily as service and staff managers and come with qualifications as service managers. However, in a small organization, their duties also account for managing the organization in terms of its strategic directions, its business aspects, and even its Board/Management Committee functions. It was generally agreed that small NGOs need to appoint a discrete position as organizational manager to ensure that the organization is served equally as well as the services it provides, and that it is skilfully managed in terms of its sustainable growth. It was recognized that efficient and effective services cannot be achieved without efficient and effective organizations, particularly when external environments increase in complexity.

With regard to employees, the principal issue also is their award rates and conditions. Estimates are made that the SACS award is somewhere in the vicinity of 30% less than other awards such as the Public Service Award for similar positions. There is an ambiguity that exists within the community services sector culture, mainly historical, where paid employees are unofficially expected to work for lesser conditions than is expected with other workers – mostly likely to be due to religious influences within the sector (you do it for love), and the other ambiguity, about volunteering (you should do it for charity). It is evident from this research that workers obtain much fulfilment working within the sector because it offers a 'more meaningful' environment, and flexibility on the part of employer and employee is customary.

For all the reasons that make the sector a positive place to work according to one's passions or beliefs, the same reasons also create an environment where workers become overwhelmed with unmet needs within the community if the workplace is not skilfully managed. The major point from this discussion being that, regardless of the tensions inherent in the work, the value that society reaps from having highly committed and passionate workers in forms of work that is not typically practiced in other work arenas, is considerable and of high value.

The most dominant issue that emerged from the responses about staffing was that organisation's staffing profiles were typically pre-decided within government program funding regimes on the basis of what was possible with the funding program budget, given statewide demands that could never be fully met.

Regardless of the ambiguities alluded to above, some of the respondent NGOs in this project have clearly confirmed the positive value of volunteer involvement in the sector.

Volunteers, many with high skills, not only perform in terms of the contribution they make to community work, but volunteering also provides a strong avenue for developing social capital not only within the NGO, but within the wider community. And in many cases it provides a strong pathway to paid employment. From this sample, there are obvious work categories that are more suited to volunteering, and others where it is essential to have high standards of professional care and management.

The future availability of growing the market of volunteers due to demographic changes within the population has been discussed above, as has the extra costs and accountabilities involved in training, equipping, supervising, and retaining volunteers in ever rising levels of skill and accountability.

Finally, there is a long term concern about the planning for the future paid and volunteer workforce having regard to demographic changes following the ageing of the baby boom generation.

### *Training*

The comprehensive views of the respondents about the gaps in training within the child protection sector have been recorded above. A much more fundamental question needs to be asked about what the underlying causes for such a critical demand for training are.

Referring again chapter 3 in this report, regarding the shift that is required to reconceptualise the model of child protection system that has been adopted in Australia, and most of all in Queensland, it is argued that there is a corresponding shift needed within the education and training provided to workers within the sector. Many workers entering child protection work, regardless of whether it is in the primary, secondary or tertiary levels, do so with inadequate preparation to tackle the tests that they are likely to face in coping within a flawed system. This is the case especially for those with a vocational training qualification, but also for graduate level workers.

Both Healy (2007) and Lonne (2009) have drawn attention to the critical need for ensuring that workers are equipped with the benefit of a thorough formative preparation for working as a professional as opposed to a systems manager within the paradoxical nature of the system of child protection presently operating within Queensland. This involves emphasis on preparing workers for coping personally and professionally with the risks and stresses implied in such a system.

The following analysis by Fiona McColl of Peakcare Queensland emphasises the structural and systemic grounds on which the present education and training system for child protection is based.

- *Information in respect to staffing issues which have been gathered from this study must be placed in context with many of the larger, systemic sector issues around education, professional development and training.*
- *Lack of **education** in the sector of which provides the broader underpinnings of theoretical and evidence based research that inform the contexts in which practice approaches and frameworks are developed and take place.*
- *An over reliance on **training**, which very often is 'one off', entry level content, broadly applicable but does not give often required specialist knowledge and focuses on work procedures and associated skills. Such training can be useful to provide a base line for further education and skills development, but very often does not provide for the core educational needs or advanced professional development which is so imperative in the sector.*
- *"Imposter syndrome" wherein well intentioned staff members function with crippling fear and anxiety that they lack the expertise to respond to ongoing practice and/or management issues. This fear leads to the erosion of confidence and capacity and ultimately results in stress and burnout.*
- *Inflated confidence held by staff members who may lack frameworks for reflective practice and who do not receive skillful supervision and subsequently not recognize when they are out of their depths as practitioners or managers.*
- *Difficulty with recruitment, selection and retention of staff in a sector climate which consistently fails to provide decent wages, fails to recognize and acknowledge worker contribution, fails to provide clear pathways for professional development and career progression and fails to provide quality supervision and management.*
- *Difficulty obtaining quality mentorship in a sector where many skilled and experienced practitioners are exiting the sector due to retirement or burnout.*
- *Inaccessibility of quality and advanced education, training and professional development; particularly in rural and remote areas of the state.*

While there is still a need for attempts to be made to correct some of the shortcomings within the present on-the-job system of child protection training, there is a critical need for the entire system of preparatory and on-the-job education and training to be addressed. This means continuing to find solutions to the problems identified through the consultations, namely:



- *Within the existing system of training, obtaining a better recognition of and response to the diversity of training needs within diverse organisations.*
- *Developing training responses to existing unmet training needs in specialised areas such as court support; prevention of sexual assault and sexual violence, and domestic violence; responding to the impact of sexual assault and violence, and domestic violence; cultural training for working within an Indigenous framework; service manager's training; board and governance training.*
- *Examining strategies for addressing the issues of delivering training in regional, rural and remote localities.*
- *Considering strategies that will support NGOs presently providing in-house training for their employees (paid and unpaid), or conversely developing alternative strategies.*
- *Continue to support NGOs in providing training and support in crisis and trauma support, but ensure staff have adequate understanding and awareness of the systemic causes of a crisis driven model of child protection.*
- *The need to support the garnering of political support for the allocation of urgently needed funds for prevention and early intervention services.*

### *Governance*

The governance function within small NGOs must be considered within the context of the volatile nature of their external environment. So much change has occurred over recent decades that have permanently changed the context and nature of the governance role for NGOs. Board/committee members are under high levels of pressure to find new directions and cope with fundamental changes to the way their organizations do business. They are also under pressure to become more capable of having their NGOs become more independent of government funding. Some parts of the sector are needing from board/committee members a commitment to a particular philosophy or ethical stance such as feminism, social justice, community development. Due to demographic changes, these developments have all been accompanied by a simultaneous shortage of candidates for Board/committee membership having the capacities demanded in the new context.

Locating, recruiting and orienting board/committee members has become a difficult task, too often left to the manager, who in many cases has also inherited the role of supporting board/committee members often struggling with copious change and increasing responsibilities. A major need of boards/committees now is to stay abreast of the new and complex skills and knowledge demanded of them, which raises issues about ideal committee structure/composition. The needs of governance within the Indigenous sector of organizations has been identified as a particular focus for support.

This report has illustrated some examples of the strengths and the limitations within the modern day governance system in small NGOs, but it has also demonstrated that the sector is not short, when required, of conceiving of positive solutions and implementing them where and when needed. There has emerged a need for an infrastructure to support the ongoing development and training of boards/committees, including the support of boards/committees that are struggling. It seems advisable that such an infrastructure would need to undertake this task as its sole purpose, given the wide variety of interests of other stakeholders that surround the board/committee role.

There is a view that already exists that there is a sufficient capacity within the governance arm of the sector which would support the development of a strong formal structural base for representing and supporting the interests and needs of board directors / committee members in their governance roles in order to meet the challenges that lie ahead. It is well understood that this role is not one that could be adopted by government, although it could be argued that government funding for such a structure would be a responsible act.

The issue of payment for board/committee members (sitting fees) has also been suggested as compensation for the contribution they personally make and the considerable responsibilities and liabilities that they accept. This is an issue which has been discussed in some circles within the community services sector for a long time.

### *Funding*

Not surprisingly, funding, or the lack of it, figured as the lynch pin to sustainability in the view of most of the respondent organizations, eg:

*The need to make the organisation more sustainable so that it is not constantly under pressure to survive.*

The lack of sufficient funding to match client demand not only undermined NGO's clients, but it also undermined the confidence of the staff in the sense of how effective they felt about responding to their client's needs. Research (NC Division of Social Services Family and Children's Resource Program, 2007) has shown that the key incentive scales that workers rely upon for continuing to work in the demanding field of child protection services are (a) that they have the skills to do the work, and (b) that the agency recognizes and rewards their contributions.

The same research (NC Division of Social Services Family and Children's Resource Program, 2007) also found that workers also need to know that their salary, benefits and working conditions are reasonable. The respondents in this project acknowledged that indeed the lack of sufficient funding also played a key part in undermining the staff's sense of the value of their work as reflected in the terms of the wages and conditions their employer was able to provide. It was argued that other sections of industry, eg public service, operate on awards that reportedly pay up to 30% for equivalent work as

that carried out in NGOs. The predominance of part time and piecemeal work as the norm rather than an as an option, was a source of disempowerment, frustration and often financial hardship.

In very few cases did funding address the management and organizational needs of the respondent NGOs. Apart from a small number of larger programs which provided core funding, which even then only partly covered an organisation's recurrent costs, other programs were deliberately meant to cover only the cost of the actual service, maybe the wages of the staff providing the service, but little or no recurrent costs. In some cases such as the Emergency Relief Program from the Commonwealth Department of Families, Housing, Community Services & Indigenous Affairs (FHACCSIA), 10% was allowed for 'administration' costs but not wages. A clear case of one government program expecting that another government program will fund the workers to provide emergency relief. It probably reflects government's perception of the level of intervention required when assisting people living in the various states of poverty, ie that maybe people living in poverty do not need the intervention of highly trained workers.

One of the most significant management and organizational needs identified in this project is that of funding for employing organizational managers. Organisations that commenced as small service providers had grown their programs over the years, and were now at a stage where the organisation's management context had reached a critical level. It was justified that the traditional service manager, who might well have well honed HR and service management skills, did not necessarily come with skills in strategic organizational management, business development, marketing, financial management, and so on. One respondent observed that the skill set, values, philosophy, professional language and even the culture of an organizational / financial / business manager was typically very different from that of service staff or managers.

Recognising the community services sector's prevailing external environment which has recently been well depicted by Shergold (2009), there was strong agreement within the respondent organizations that NGOs need to be searching for alternative sources of funds, not only to buttress their service operations, but also for growing their own entrepreneurial activities so that they can be less dependent upon government funding.

The respondents were agreed that the sector should have access to business development consultants that understand the sector, and can assist in initiating fund raising ventures. Additionally, there was much interest in the development of sector focused community development finance institutions such as exist overseas, where affordable credit can be much more readily accessed by NGOs for their internal business development use, and also for relieving financial stress within their client communities and operating community programs.

This alternative funding need was also seen by the respondents to be matched by a complementary need for a 'complete' business advisory and development service. The number of community sector consultants that have emerged in recent years tend to focus a lot on the service side of business, eg in training staff, improving service management,

etc. Some also provide assistance in strategic planning, development of policies and procedure, business plans, etc. Many of these consultants are formerly workers from within the community services sector or government. There are larger business development consultancies often based in chain store type accounting and/or legal companies, whose charges would normally exceed the budgets of NGOs.

There does seem to be more room for consultants with specific commercial or business experience who can act as a bridge between the community sector and business / commercial worlds by applying their skills to the culture, principles, values, and operations of not-for-profit NGOs, at cost that matches not-for-profit budgets.

The administration of government funding programs is another area that presents significant issues to small NGOs. These include:

- *Integration of funding through a single mechanism and processes, particularly where cross department and cross jurisdiction funding exists.*
- *Funding cycles which fail to account for dramatic cost increases over periods of up to three years, as well as sudden growth in social problems (eg the global economic downturn) that put sudden additional demands on NGO's services*
- *Departments needing to review their processes when NGOs are placed under review for breaches of compliance, to be sure about what outcomes they wish to achieve from such review periods.*
- *Addressing the attitudes of departmental staff towards NGOs in terms of the consistent need for positive communication, respect, and co-operation*

### *Networking and Partnerships*

The evidence gained in this project clearly shows the degree to which the staff in NGOs already take their collaborative work practices seriously as a fundamental part of their operations. The respondents identified that they collaborate mainly around training, integration within service programs, or exchanging broad sector information, and around mutually beneficial projects such as research and lobbying or advocating. For many of them collaborative activities are a major part of their business. One of the NGOs is considering the role of initiating a serious proposal for sector partnerships in the local region. The respondents recognize the added value that they gain from their collaboration, and what they give to it in return.

There are difficulties that arise in collaborative work, such as the lack of co-operation and sometimes damaging events that occur when working or negotiating around partnerships or in just sharing information. One of the key reasons for such difficulties is usually the competitive funding model that has been imposed upon the sector by government funding departments and agencies. In other cases, it is probably more because people from different NGOs don't always have the same skills, capacities or co-operative / social justice values as others.

Conversely others recognize that these are the realities of the world which NGOs have learned to accept and that they are usually able to work around any difficulties and make work co-operatively nonetheless. As one NGO was recorded as stating earlier in this chapter:

*They all operate within their own constraints and we accept that everyone protects their 'patch'. That's a given in the system [of competitive funding]. But these givens are overridden by genuine collaboration and partnerships.*

The respondent NGOs all recognize the importance of these issues particularly when the focus is on networking, collaborating and partnerships with a view to considering or launching into sustainability strategies.

### *Strengths*

It is clear that when asked to identify their organisation's strengths, the respondents amplified the three vital roles that Creyton (2008) says that third sector organizations play in shaping our society (see chapter 1), ie:

- *Community problem solving role* (People coming together to address issues that affect their communities and to enhance their lives)
- *Campaigning or advocacy role* (groups challenge government or the market, they attempt to change and mobilise public opinion, and they propose alternative approaches and solutions to the ways things are done).
- *Defensive role* (groups offer and maintain a range of alternative perspectives, values and approaches to the mainstream culture and discourses where people build social capital and trust and places and try out innovative or different approaches to issues).

The strengths that they identified would also substantiate the views expressed by the Professor Jenny Onyx from the Centre for Australian Community Organisations and Management (ASU, 2008) as cited in chapter 1 of this report, that is that their:

*...particular value belies their size: 'Because they are small, and 'grounded' they also act as early warning radar screens. Generally, small organisations are the first to identify a new, emerging issue, or unmet need. By the same token they are more likely to be responsive. They are nimble and flexible enough to change direction as required. This is particularly so if, as is usually the case, they have adopted open, participatory democratic forms of governance. They are in a much stronger position to take the voice of their constituency, to identify a crisis and start to do something about it. This is precisely what is required for the mobilisation of social capital.*

In other words, they have a much wider purpose, capacity and outcome than they are often presumed to have.

## *Challenges*

The challenges that were identified by the respondents were, not surprisingly, grouped around their need to find funding security so that they might tackle with confidence the formidable demands for their services that they face, not only in the present, but moreso for the future. These issues have been summarized in the section on Funding above.

Other general challenges that are not part of the normal developments within NGOs, covered areas such as:

- *Developing social capital*
- *Co-ordination and leadership within the community services sector.*
- *The situation regarding the workforce needs much attention.*
- *To solve the impact of the competitive funding approach on the organisation.*
- *To further build the capacity of the board*
- *Identifying appropriate and mutually suitable partnerships.*
- *Getting taxation relief through the status of a becoming a public benevolent institution (PBI).*

And yet, one more community centre in a remote locality saw the challenge as the need for a complete rethink of the present direction of the NGO within its remote location.

*Due to the limited opportunities for funding for expansion of our service, there are limits to what the organisation can do. It means we have to ask so much of volunteers. This is related to the socio-economic circumstances of the remote community, which in turn is governed to varying degrees by the compounding symptoms of remote localities, ie a lack of a sound economic base within the community, transport issues, government development (or non-development) decisions, lack of access to professional and mainstream services, the lack of a capacity for relying on local community resources, the lack of a wider social mix due to the limitations in groups who are attracted to life in remote areas.*

## *Directions and Growth*

The responses by the NGO respondents to the questions about their future directions and growth, on one hand, just mirrored actions around the issues that they had enumerated in response to the earlier questions. But, on reflection, their responses to the directions and growth questions give a very clear perspective on where a sample of small NGOs sees themselves in this environment in this piece of history. It is clear that they are all

mobilized to fulfill their wider roles (as indicated by Creyton and ASU above) within the community.

They all indicate that their purpose and value to the community is paramount, in this case the vexed issues of child safety and child protection. It is for this purpose that they do not question forging their way into the future.

They have shown that they fully recognize all of the major issues that confront them in this quest, and there is an obvious air of determination that they tackle these obstacles head on. The major obstacles that they have identified are:

- The first and foremost, the securing of their financial security not only for the gaps in their present funding, but also to enable them to pursue their goals in meeting the amount of unmet needs that surround them.
- The need for reviewing the significant issue of organizational management for their NGOs. All of those in the sample are organizations have become established since the great period of growth in the community services sector in the 1970s-1980s. As one organization responded:

*The issue now is what the next step is in terms of community needs, community programs, buildings, location, and finance.*

To move forward they are in need of, without losing their grass roots foundation within the community, a transition to a state of security, stability and growth in their attempt to solve the social issues they encounter at the local level. This calls not only for a more secure source of ongoing finance, but also the organizational and business management skills to make that transition. Their organizations are all badly in need of moving to the next level of sound business management, reflecting the same needs and requirements as experienced by business organizations (Shergold, 2009).

- The need for the resources (financial and structural) to improve the conditions that their paid and unpaid staff continue to work under. This calls for a much fairer salary and employment conditions for paid professional staff, but also for a thorough revolution in education and training. The respondent's concern about the need for effective education and training is of prime importance to them.
- To unite around the need to work towards improving NGOs capacities and procedures for collaborating through networking and partnerships.
- The need for solving the current dilemma that faces NGOs (particularly small NGOs) with respect to governance. In particular to provide the means for the role of board director or committee member to be promoted within the wider community as an aid for recruitment of people with the suite of governance skills needed for a modern small NGO. This requirement needs to be accompanied by the development of an appropriate sector-wide representative structure, as proposed by Marston et al. (2000) and Wiseman (2001). Such a structure would ensure that board directors or management committee members have their own united public voice, and also for the structure and resources that take the

responsibility to meet their initial and continuing training, development and leadership needs.

- Finally, small NGOs expect that government provide a channel for them to have the tensions and difficulties they experience with government programs and management of government programs resolved fairly and with justice. After researching the difficulties that NGOs experience with the administration of government programs, Sector Peak Organisations could consider liaising with the Office of the Queensland Ombudsman regarding the need for developing an appropriate process or structure.



## 7 Results of the Small NGO Project Forum

Following the procedures established in the project methodology, a forum was conducted for representatives of the NGOs participating in the project on 17 July 2009. The results of the group deliberations in this process were as follows.

### 1 Business development opportunities including alternative sources of finance or other enterprises.

Discussions commenced with a recognition that small NGOs would do well to positively face a future in which they sought funding or other resources from alternate sources, particularly from the for-profit business sector. Resources secured from alternate sources provided possibilities for NGOs in pursuing their organisational objectives without the restrictions normally associated with their dependence upon government funding (eg negative impacts of government managed competitive processes, over burdensome compliance procedures, skewed directions and outcomes). Apart from the potential for greater flexibility, there was the possibility of linking resources and opportunities more directly with the social objectives of NGOs. It was seen that these directions offered a greater potential for aligning NGO's resources more directly and accurately with local social needs, however there were risks in pursuing the unknown.

There was a recognition that NGOs would need to adjust to a new regime of business principles, methods and ethics. New perspectives on financial management would need to replace a more simple 'income in and out' approach that applies in government funding. NGOs would need to completely review their strategic directions, even their missions, and would almost certainly need to restructure their boards and staff in order to develop their capacities for embracing such a future. In addition to aligning their businesses more closely with that of the for-profit sector, they would also need to embrace a model of enterprise based on marketing products and services. This would include identifying, securing and specialising in niche markets within the community. It would also most likely involve identifying and securing partnerships with for-profit businesses not only in social enterprises and other joint ventures, but also in obtaining mentoring and building NGO capacities for partnerships and enterprise operations. It surely would also involve embracing changes within the culture of their NGOs.

Without the necessary resources or capacities to embark upon such changes, participants clearly saw the need for resourcing organisations such as PeakCare to lay the ground in developing the infrastructure needed for such a transition. Small NGOs particularly would need change agency services to equip them to attain new levels of organisational and governance viability before they could even consider embarking upon business partnerships and entrepreneurial activities. The role of peak organisations such as PeakCare was questioned as to their potential for developing the structures, resources or partnership networks that they would need for developing their present levels of management and operations to a sufficiently viable level.

Indeed, pursuing such directions was also seen as a remarkable opportunity for groups of small NGOs to develop co-operative enterprises themselves in order to achieve economies of scale and a concentration of effort and capacity, which in turn would likely generate new surpluses. It was noted that it was possible that such co-operative ventures would only require an amalgamation of functions rather than an amalgamation of organisations. A further suggestion was that the need for 'anchor organisations' would probably arise in such strategies. These organisations would need to be developed to a sophisticated level of governance, management and operational competence, as well as develop the leadership and capacity to connect and work with other organisations.

Personal characteristics would also need to emerge such as:

- Believing in ourselves, developing confidence, overcoming the issue of passivity (that accrues through government dependence), taking responsibility for ourselves
- Developing creativity particularly with regard to the conceptualisation of opportunities, and developing an intentional application to our work

Other outcomes would probably include:

- the diversification of resource bases
- the development of capacities in planning and analysis of resources
- conducting collective campaigns
- developing expertise in risk management

## **2. Models of organisational governance and structure.**

This group commenced with an acknowledgment of the key roles of governance, ie key decisions, legal compliance and risk management, strategic planning, acquiring funding and resources, organisational networking, and maintaining a process of democracy through all functions. Also acknowledged was the importance of clearly demarking (but not entirely separating) the roles of governance and management.

Also acknowledged was that:

- There is no standard for the number of persons needed for governance boards / committees, although too few or too many create complications.
- There is likely to be a need for diversity within backgrounds of board / committee members (eg age, gender, culture, skills and values base).
- There are certainly common functions (eg legal compliance) within every governance board / committees but otherwise positions and position descriptions should be created for the unique circumstances of each board / committee.
- Length of board / committee tenure was an issue for individual organisations depending upon circumstances, but there was merit in considering a particular period of tenure (eg 3 years) to facilitate the implementation of succession planning.

- The particular model (strategic focus to management focus) of a governance board / committee will vary between organisations depending upon circumstances and the model will dictate to a given extent, the skill base required.
- The structure and functions of governance boards / committees need to be designed to suit the circumstances of each organisation depending upon its emerging needs and requirements, ie whether it adopts more of a strategic focus or management focus, and, therefore whether it delegates some or many of its responsibilities to staff. Boards / committees are necessarily organic and designed to fulfil the unique and given circumstances of an organisation.
- Governance boards / committees need to develop the means for remaining up to date with changes and possibilities in terms of the skills and knowledge base in order to maintain growth and sustainability.
- There is perceived to be a greater degree of difficulty in recruiting board / committee members into community service NGOs, presumably owing to continuing full employment of the baby boomer generation, the legacy of the sharp drop in population at the end of the baby boom period, an almost total change in culture in Generations X and Y, and the reported increase in employment stress and worktime in the modern employment scene. Compounding these matters are increased leisure and personal activities available to modern generations – the ‘me-generation’.

It was recognised that the typical key governance challenges that arise within small community service NGOs are:

- Developing, stimulating and maintaining strategic direction
- Setting and implementing a values base for all aspects of agency operations
- Generation of sufficient Income (funding) to pursue organisational objectives
- Effective Human Resource Management – staffing
- Effective Risk Management, Legal Compliance and ethical aspects
- Naming conflicts of interest and working with them
- Working with personality differences
- Combating internal insularity
- Managing government rigidity
- Overcoming the difficult task in recruiting people with the required skill base
- Managing relations with key stakeholders
- Maintaining focus on Governance as opposed to Management (operations)

The group recognised that, as a legacy of a predominantly government funding environment, it was quite typical for developments within an organisation's services to drive the board / committee role and agenda, rather than the opposite. That is the Board / Committee is set up to be reactive as opposed to proactive. Reactive Boards / Committees are therefore destined to struggle moreso than proactive boards / committees.

A consequence of Boards / Committees being reactive is that they tend to focus on operations (the problems) in exclusion to the governance or directions (the solutions). This can explain how Boards / Committees are perceived as successful or struggling. Struggling boards / committees tend not to attract successful applicants. Successful, or competent, or skilled applicants tend to choose to serve on what they perceive to be successful boards / committees.

The group discussed the issue that government has for many years increased the complexity and responsibility of the programs it contracts NGOs to provide, and it has accepted, if not fulfilled, its responsibility to ensure effective training is provided to keep service workers current with emerging skills and knowledge bases. However, government has rejected or ignored a similar responsibility towards the Board / Committee members of the NGOs, whose skills and knowledge base has increased commensurately. Board / Committee members rarely ever experience the training or networking and collaboration with the Board / Committee colleagues in their sister NGOs.

Thus two major themes emerge for Boards / Committees, particularly those of smaller NGOs which presumably are less capable of attracting their share of skilled Board / Committee members in an environment where appropriate applicants are generally more difficult to find. These are the lack of capacity for small NGOs to recruit sufficient and skilled Board / Committee members, and the lack of capacity to ensure board / committee members are trained and supported in a volunteer role that increasingly demands higher levels of skills, qualifications and professional responsibility. It was further recognised that essentially, board / committee members were performing a demanding and essential public service for the community of Queensland, and that they were doing this under great hardship and with little support, with little or no recognition for what they were doing – a 'hidden army' so to speak.

This discussion pointed to the need for a public voice for the thousands of people who serve on the Boards / Committees of NGOs in the community services sector in Queensland. It was agreed that the only real way forward on this matter was for a structure which was able to effectively advocate on behalf of the needs of board / committee members. Aims of such a structure should be directed at:

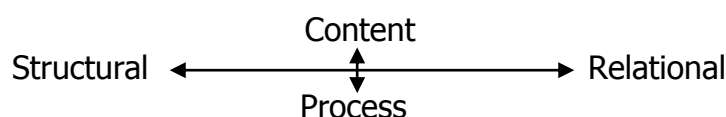
- Publicly promoting the role of Board / Committee members in community service sector NGOs in the wider community
- Securing the resources to provide regular and adequate training and supporting information to Board / Committee members

- Advocating exclusively on behalf of issues that impact upon Board / Committee members

The possibility of Board / Committee members forming their own state-wide representative organisation was canvassed, given that existing organisations such as representative or peak bodies would be likely to be subject to time and resource constraints for yet another large role, and they would also be likely to be subject to competing agendas.

### **3. Structural possibilities for NGOs working together in partnerships or alliances.**

This group devised a matrix to assist in analysing the field of collaboration and partnerships, viz:



Issues identified included:

- Organisational culture. The need to recognise differences in values within organisations, specifically those between governance, management and staff and/or volunteers. Ideally, organisations need a clear sense of their values, which should be formally adopted by the board / committee. Then the need to develop the capacity to hold the tension between differences between organisations within partnerships or joint ventures. There may be a need to locate joint work within the scope of what organisations have in common, and leave the rest.
- Partnerships. The recognition of the need to realistically account for the time that will be consumed, and then in defining the term 'trust' within the context of the proposed partnership. All partnerships are more likely than not to have a continuous impact upon participating organisations. These need to be examined not only in the present, but also for the unknown future. The need to monitor these impacts and process them within a positive framework. The need to 'make explicit the implicit'. It was recognised that there often arises a strong tension between the influences of competitive tendering and the commitment to collaboration – one undermines the other and trust is destroyed. Time and effort is needed in large amounts simply for a partnership to exist. All joint work or partnerships deserve 'sacred time' that is built in and quarantined. Individual organisational policies and procedures and risk management procedures will all need to be examined in detail. Memoranda of Understanding (MOUs) are essential between organisations.

- Resources. Longevity of funding is needed to maintain stability, but is typically difficult to secure. Time limited projects create much uncertainty. Funder compliance, particularly when multiple funding regimes are involved, may be a major hurdle. Power imbalances that can arise as a result of differentials in resource contributions. Geographic distances may also provide a hurdle.

The 'higher order' strategic issues surrounding the broader context of networking, collaboration and partnerships have been outlined earlier in this report.

### **Participant 'learnings' from the Forum**

- Confidence in recognising the value that small NGOs provide for government.
- Clarity about the capacity of social enterprises for new streams of funding.
- The potential to network more efficiently using modern technology.
- Recognising realistically the time it takes in building partnerships and the power of stories.
- The energy for restructuring towards working innovatively.
- The need for planning for working differently.
- The need for re-evaluating governance structures.

### **Suggestions made**

- The need to develop capacities in auditing tangible and intangible assets within the organisation and within the community.
- The need to study partnership models whilst retaining organisational balance.
- Developing the capacity to examine opportunities for raising income without draining energy.
- The need to develop strategies for engaging young people in governance through succession planning.
- The need to move from 'funding' to 'resourcing' through exploring human resources.
- The need to move beyond the sector's 'welfare mentality'.

### **Specific Suggestions made for PeakCare**

- Develop accredited professional development training packages for boards of small NGOs. Develop training packages around skills and capacities needed for carrying out resource audits.
- Facilitate further Workshops through Foresters Community Finance around Financial Management, Building Financial Sustainability in Your Organisation, Building Unrestricted Income, Capital Raising for Community Asset Building.
- Develop training package around Leadership needed in the new community services environment.
- Contact all participating NGOs within the next 3 months to explore further sustainability developments NGOs may wish to pursue.
- Explore virtual strategies for sharing information and resource sheets.
- Forward the Queensland Government Compact and workplan to all participating NGOs.

### **Specific Suggestions for Government Funding Bodies**

- That the need for interactions to be conducted positively and with respect is established when funding departments and small NGOs negotiate on matters concerning funding compliance.
- That government departments expedite any plans for integrating the administration and compliance procedures of funding programs, across programs and across departments, in order that small NGOs particularly are able to operate through one single compliance system





## 8 Key Recommendations arising from the Project

The following recommendations have been framed on the basis of:

- a thorough process of face to face consultations with members of the governance and the management of the 11 small NGOs that participated in this project
- the results of group discussions between members of most of the participating NGOs at a Forum specifically organised to clarify their future sustainability directions
- the information contained in the literature research within this report.

### 1. **To facilitate small NGO's access to a more holistic, stringent but affordable and standardised assessment of organisational viability and sustainability.**

Most evaluative tools in use within NGOs are focused on the effectiveness of the services they deliver, rather than measuring the holistic capacities, viability and sustainability of their organisation to govern its directions and operate its services in order to satisfactorily respond to unmet community needs. This is deemed as a preferential approach to having to restrict services to within the limits of present funding sources. External accreditation agencies, where they exist, attempt to measure compliance with itemised and atomised standards, but still do not capture the indicators of and plans for long term sustainability of the organisation as an entity. It is likely services that are able to provide effective evaluation of sustainability are presently available through large commercial business consultancies. It is doubtful that most NGOs could afford the cost, and it is doubtful the corporate sector would have a sufficient understanding of the not-for-profit sector and its context and values.

This research has found that small NGOs established in the last few decades have reached a stalemate where dwindling government funding is restricting them from determining their next steps in terms of community needs, community programs, premises, location, and finance.

This research has also uncovered that NGOs need to be equipped with the services of an organisational or executive manager, as opposed to service managers who also provide executive management. The delineation of an organisational manager who has the specialised skills in executive management, also recognises the need for extending that role to include business development skills.

**2. To facilitate access for small NGOs to an affordable consultancy service aimed at embedding within the governance and management arms of NGOs, the capacities needed to position their organisations for attracting funds and resources from other sources as an alternative or a supplement to government funding.**

This research has identified the dissatisfaction within small NGOs with the degree to which they are almost or totally dependent upon government funding, and the service restrictions and administrative burdens that accompany it. Acquiring alternative sources of funding and other resources provides the best opportunity for small NGOs to maximise the value that evidence shows that they best add to the sector and to their communities, ie their unique capacity for pursuing developmental, bottom-up processes, their flexibility to detect and respond to emerging needs, their focus on local issues and local solutions, their ability to take a holistic approach to client and community issues, their capacity to marshal local resources and build social capital, and their capacity to involve local communities in solving the precursors of community problems such as child maltreatment and neglect. Small NGOs are most apt at developing locally based responses to prevention and early intervention services, these having been identified as critical to solving the escalation in child abuse and neglect statistics in Queensland.

Small NGOs report that, even with firm government funding contracts, they are already seriously struggling with their financial capacity to respond to issues of staffing viability. They experience major issues such as :

- being unable to meet the latest award wage increase, particularly when it appears government may be unable to cover the entire cost.
- having to continually invent or search for new incentives in order to retain staff who, in many cases, can find employment elsewhere in similar work (eg the public service or larger NGOs) at anything up to 30% above their present award.
- having to forego the training opportunities they know that their staff (omitting the Board for the present) seriously need to effectively respond to increased and more serious demands of client populations.

Such a consultancy service needs to have a complete understanding of and sympathy with the context, needs and culture of the community based not-for-profit sector. Such a service should not only respond to their need for a more secure source of ongoing finance and resourcing, but also to their need for organizational and business management skills and acumen, to make a transition to sound business management, reflecting the same needs and requirements as experienced by small to medium business organizations (Shergold, 2009).

### **3. To seek shared Government, Industry and Education/Training Sector leadership for unlocking effective solutions to the critical state of training and formative education for the child protection sector**

Professional education and training have to be considered as an organisational sustainability issue, clearly because they have so much influence over the capacities and skills of workers, and over the professional approaches that are used to address social issues within services. The understanding and definition of the social problem determines the approach and methodology to be employed, which in turn determines the professional skill level of the worker, and hence, the context and infrastructure of the organisation, which eventually influences budgets. Employing approaches that fail to address fundamental or underlying client issues also fail to bring about changes in the circumstances of clients such as those that give rise to child maltreatment.

While the current Integrated Skills Development training has proved as useful basic training, there is still a broad need for specialist training which is more costly and less available. The system is seriously hampered by Queensland's geographic decentralisation, ensuring that those further away from major urban centres suffer the most disadvantage. Additionally, the continual emergence of new and more profound social problems in response to the present rate of social and economic change, all mean that training and formative education continue to lag behind emerging needs within NGOs. This is compounded to some extent by the level of advances in information and professional knowledge and skills within the human services professions. Together these continue widening a gap between an ever growing rate of child protection cases and achieving the skilled workforce needed to counteract that growth, all the result of a lack of adequate funding and effective co-ordination.

A key problem, as detailed above, is that the budgets of NGOs providing community services are so overstretched, that training budgets have to compete for the same funds with other equally significant budget items. There seems no sense in asking NGOs to simply prioritise training. They probably can't.

Recommendations were made in 1995 report by the Health & Community Services Workforce Council (previously the Community Services & Health Industries Training Council) regarding a fixed system for funding and managing industry training, based on levying a small percentage (say 1.5%) of every dollar of community services funding for training. The levy was to be deposited in a central fund that would subsequently be divided between the regions through a system of regional training councils, thereby creating a regionally based market for integrated training based on specific local needs.

Should there be no support for revisiting that system, then the principle of prescribing a realistic nominated training item in every funding grant budget warrants strong consideration.

More than ever there is a need for the individuals responsible within government, within the community based child protection sector, and within the tertiary education and vocational training spheres, to demonstrate shared, collaborative and genuine leadership in unlocking real and permanent solutions to existing blockages. Continuing avoidance of executing solid solutions only serves to further demoralise an already demoralised industry, not to speak of the children and young people that will continue to suffer from the lack of effective child protection services.

#### **4. To facilitate NGOs access to higher levels of networking, collaborating and partnering skills and processes which maximise organisational and service outcomes**

This research has found that small NGOs experience both positive and negative outcomes through present networking, collaborating and partnering activities. Collaborating, networking and partnering are critical activities in terms of client service outcomes and organisational development outcomes. Government funding guidelines typically make it essential that service providers participate in networks, and significantly encourage collaborative and partnering ventures, although funding does not directly account for the hours involved.

The research has established that small NGOs take these activities seriously, however, time does not usually allow for maximum outcomes. Ground breaking research by Dr Robyn Keast, et al. (QUT) has shown that:

- Networking, collaborating and partnering are highly important in virtually all industries, including community services
- Rarely do such activities fulfil their potential use to industries
- Recent developments in technology and advanced statistical and other forms of analyses have the potential to significantly improve outcomes from these activities

PeakCare and other peak organisations could assist the community services sector, particularly small NGOs, through prioritising sector development training in networking, collaboration and partnering.

**5. To gather support for a project to research the hypothesis that Board / Committee Directors of community services NGOs would be best served by a structure that represents their voice and interests in their field of activity within the community services sector.**

This research has identified a range of issue which affect Board / Committee Directors in their responsible roles within the sector. These include:

- The responsibilities for Directors of NGOs has grown commensurately with the increased responsibilities and complexities that NGOs experience in general in an environment of human services that is highly charged with accountability, legal compliance, liability and litigation risk, small but highly complex financial management issues, and requiring high orders of awareness of government management systems.
- Due to numerical and proportional changes in generation populations and in generation cultures, it is becoming more and more difficult, particularly for small NGOs to attract Directors with skill levels commensurate with leading the organisation.
- Directors may come to Board / Committees with management or director skills, but many lack the specific skills and approaches needed in governing not-for-profit organisations in the community services sector, and the nature of the work of these organisations.
- Other Directors might bring a range of different skills and backgrounds to the sector, but lack essential governance skills.
- Board / Committee membership in community services is a hidden voluntary occupation that general members of the community have rarely heard about or understand.
- Training in governance skills is available, particularly in larger urban areas, but accessibility is quite difficult for Directors because they are typically time poor, and costs are high.
- These circumstances tend to result in Directors being over-dependent upon the advice and influence of management, even for Director training.

Examples of addressing these issues include the system used by the Creche & Kindergarten Association of Queensland, which has the problem of committee (comprising parents of children attending care centres) turnovers on an almost yearly basis. The C&K Association conducts a weekend training program annually for committee members from across the state, and at the time after Annual General Meetings have been finalised. The C&K Association is fortunate that their sector is extremely homogenous and can be organised in such a fashion. But the principle seems a good one.

The Board / Committee role is largely a hidden one, but it is also a highly public role with significant personal responsibilities for publicly provided human services. It can be likened to the role of a Justice of the Peace which equally comprises public responsibilities, but JPs enjoy the fact that one cannot become a JP unless having successfully completed a quality training program, and been selected on merit. The JP role bestows quite a degree of status upon the person occupying it.

It can be argued then that if the Board / Committee role was held in the same regard as the JP role, and if there was compulsory organised training to be undertaken so that applicants understood the role and felt confident about it, maybe it would be more attractive in the wider community.

As there is no formal structure that carries sole and specific responsibility for furthering the causes of the Board / Committee members duties and responsibilities, research may be able to determine whether an Association of Board / Committee members would be feasible in carrying out roles such as:

- Providing a united voice for the cause of Board / Committee members
- Publicly promoting the role of Board / Committee members in community service sector NGOs in the wider community
- Securing the resources to provide regular and adequate training and supporting information to Board / Committee members
- Advocating exclusively on behalf of issues that impact upon Board / Committee members

## Appendix A

# Threats to sector and small agency sustainability

### Excerpt from

**Floyd, J. & Young, G. (2007) *Situation Analysis Report: Victorian Community Sector Sustainability Project for the Victorian Council of Social Service*, Swinburne University of Technology, Strategic Foresight Program, Melbourne**

#### **Sector Identity / Meeting Core Purposes / Provision of Services**

1. Poor understanding within government of the special capacities of “third sector” organisations leads to policies that have a negative impact on these capacities, leading to diminishment of social capital and hence threatening sustainability of *purpose* for the CS (sourced from Butcher, 2006)
2. Some large CSOs operate commercial businesses in order to generate operating revenue for their core community service activities. This involves massive economic churn, i.e. large amounts of capital and lots of management energy and attention, for marginal gains, and distracts attention from core focus. Emerging social enterprise and social entrepreneurship thinking points towards this as an appropriate direction for Sector development, but this threatens to distract people with specialised skills and experience from what these skills and experience are best suited to. Taking people away from what they have a passion for, and what they do best, threatens sustainability.
3. Increasingly ambiguous organisational identities due to cooptation as government service providers.
4. Philosophical and political diversity is a defining characteristic of the Community Sector, but this is often ignored or not discussed.
5. The ACOSS ‘Community Sector Survey 2006’ reports that organisations are finding that their clients have increasingly complex needs, while demand for services is growing and growth in CSO expenditure is outstripping growth in income. (sourced from ACOSS, 2006) Given the complexity of client needs, it is difficult to demonstrate short term service effectiveness using conventional indicators and measures.

## **Governance**

6. Sustainability is threatened by lack of professionalism and accountability amongst CSOs, including acceptance of poor work practices and conditions. More than one interviewee commented along the lines that 'there are some terrible organisations in the Sector,' particularly with regard to accountability to funding bodies and the community in general.
7. Push for professional governance and accountability eroding capacity for flexible and responsive service, leading to irrelevance of the CS in community's and client groups' eyes.
8. Loss of small, locally based CSOs due to costs of professionalisation. Managerial belief that large organisations will be more efficient than small organisations. [What does "efficiency" mean anyway? c/f. the engineering definition of energy-in versus work-out: but what is the purpose of that work in the first place? If the work (purpose) is not appropriately directed towards real needs, then higher efficiency is of little value].
9. Increasingly arduous external accountability requirements, associated with large numbers of funding bodies using incompatible reporting procedures and instruments with irreconcilable differences.
10. Government's lack of awareness of or indifference towards the extremely onerous accountability and risk management requirements tied to provision of funding.

## **Resources and Funding**

11. Price Indexation for government funding is lower than annual operating cost increases. Alternative revenue sources are not filling this gap. As a result, the Sector as a whole is eroding its capital base (human, infrastructure, finances). As long as this continues, the Sector is fundamentally unsustainable.
12. There is great disparity in the funding arrangements that different CSOs must deal with. This is a barrier to creating and maintaining shared understanding of the Sector's sustainability situation, and a unified approach in dealing with it.
13. Resources tend to move towards resources: the rich get richer. This has the potential to erode Community Sector diversity.

## **Human Resources**

14. Increasing difficulty recruiting and retaining staff with appropriate skills and experience.
15. Lack of interest in CS careers amongst younger people.
16. Ageing of the CS workforce.
17. Resources falling to such low levels that there is no capacity for organisations to move beyond day-to-day exigencies of their mission, leading to a state of perpetual reactivity to the environment. Associated with this is the threat posed by being drawn into someone else's vision of the future, giving away capacity for maintaining an independent vision.



## **Relationships with the Community**

18. More than one interviewee expressed the view that the greatest threat to Sector sustainability is the risk of loss of reputation.
19. Push for professional governance and accountability eroding capacity for flexible and responsive service, leading to irrelevance of the CS in community's and client groups' eyes.

## **Relationships within the Sector**

20. Loss of cohesion between CSOs due to competitive tensions: breakdown in capacity to share information and ideas.
21. There is no Sector-wide structure for giving endorsement to activities with a focus on the whole Community Sector.
22. There is great disparity in the funding arrangements that different CSOs must deal with. This is a barrier to creating and maintaining shared understanding of the Sector's sustainability situation, and a unified approach in dealing with it.
23. Poor capacity for strong, unified negotiation with funding providers.

## **Relationships with the Government**

24. Poor understanding within government of the special capacities of "third sector" organisations leads to policies that have a negative impact on these capacities, leading to diminishment of social capital and hence threatening sustainability of *purpose* for the CS (sourced from Butcher 2006).
25. The Sector has grown to its current size, in financial terms, on the strength of government funding. When the Sector was last financially independent of government, it was much smaller by comparison. The Sector, as it is currently configured, cannot be thought of as autonomous in any way: it has arisen in intimate relationship with governments.
26. Many interviewees discussed the prospects for 'whole-of-government' responses to both dealing with the Community Sector, and addressing individual and social wellbeing. There is general scepticism about the possibility of real improvements happening in regard to this, with significant negative implications for Sector sustainability, as the complex and arduous conditions under which CSOs operate will continue insofar as they are related to the great diversity and complexity of government relationships. Some interviewees felt that "silo-isation" is built into the foundations of government, and cannot be addressed by an overlay approach: real change would require fundamental reorganisation of the whole government apparatus.
27. Dependence on government funding and poor track record with negotiating contract conditions makes the Sector vulnerable to manipulation, particularly in regard to silencing of criticism or interference with advocacy activities.



## Appendix B

# The SNOW Report

### Excerpt from

**Bradfield Nyland Group (2004) *The SNOW (Small Non-Government Organisations Working Together) Report: Tips and Tools*, Sydney**

#### ***Strategies identified for small organisations to implement for themselves***

- Position small organisations individually and collectively in a positive manner, highlighting their contribution to the community services sector and to the development and maintenance of social capital, and emphasising their capacity and potential as funded service providers.
- Improve the financial viability of small organisations, through:
  - negotiating manageable funding processes that ensure small organisations are not at a disadvantage
  - including full costs in project submissions and negotiating the coverage of full costs in ongoing funding
  - developing the financial management skills and systems of small organisations.
- Review and streamline systems and processes for administration and human resource management.
- Continue to provide benefits from collaboration with other organisations

#### ***Strategies for the NGO Sector***

NGO resource agencies and networks, such as peak bodies, regional community forums and networks, and local interagency groups, have a role to play in supporting the process by:

- Providing the coordination for local initiatives and projects that can be conducted without additional resources, particularly assisting collaborative ventures across groups of small NGOs
- Identifying local initiatives and projects that require additional resources, locating and negotiating funding or sponsorship sources

- Including specific topics related to small NGO viability in activities such as training programs or resource material production
- Identifying local resources and providing information on low cost suppliers of services such as IT support.

### ***Strategies for Government***

There is a limit to what small organisations can do for themselves, without additional resources, and there are a number of key strategies that Government could consider that would support and enhance the viability and productivity of small organisations:

- Funding the capacity building activities of regional and local resource agencies
- Reviewing and refining purchasing policies, addressing:
  - Cost structures, particularly for projects
  - The apparent tension between competitive tendering, and the development of relationships with NGOs as 'community partners'
- Developing and implementing cost containment strategies:
  - Assessing and limiting the impact of government legislation, policies and practices on the costs of small NGOs, including impact analyses for government initiatives that are likely to affect the costs of small NGOs and continued work on cost containment, particularly in insurance, including workers compensation
  - Supporting the supply of low cost products and services, including identifying and funding feasibility studies and development work on suitable potential group purchasing schemes, and investigating mechanisms for locating and developing appropriate professional low cost rental premises options for NGOs
  - Developing a coordinated electronic information strategy for the circulation of government information and communication with NGOs
  - Implement standardisation of funding administration following the NSW Government Grants Administration Review, commencing with local area piloting with small NGOs managing multiple projects
  - Considering ways of offsetting the costs to small organisations of time spent by their staff participating in government reference groups or working parties
  - Offsetting increases in costs by increased funding

- Ensuring NGOs have access to skill development opportunities, including financial management, project management and tender preparation
- Providing funding for the development of specific initiatives, including:
  - The coordination of access to existing, or development of new core tools, resources and training options for managing funds, managing collaborative relationships, and to assist with key operational functions
  - The coordination of pro bono specialist assistance (for example pro bono matching schemes, pro bono management clinics)
  - The development of reasonably priced bureaux services (providing IT and other back office support on a fee for service basis)
  - The provision of professional advice for systems analysis, review and building
  - The development of communication systems that enable efficient networking, information exchange and peer support (such as intranets and electronic noticeboards).

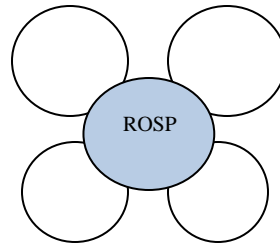


## Appendix C

# Case Studies

### 1. Case Study Regional Outreach Support Program (ROSP)

#### *Collaborate to Adapt*



Earls (2005) provides a splendid case study on what she terms as a co-governance / multiple – co-location trial project in Cairns under the title of the Regional Outreach Support Program (ROSP). The project was designed as a specialist longer-term support service for families experiencing domestic violence and child safety issues. It involved 4 organisations:

- Women's Information and Referral Centre Cairns Inc (WIRC)
- the Cairns Regional Domestic Violence Service Inc (CRDVS)
- Ruth's Women's Shelter Cairns Inc (RWS) and
- Warringu Aboriginal and Torres Strait Islander Corporation (WATSIC).

Understandably, there existed a history of a high level of informal but less intensive cooperation between the four organisations.

This was an exceedingly complex project, both in its design, and in its implementation. Essentially it involved creating a new organisation which was 'jointly owned' by each of the four entities. Most importantly were the various strands of collaboration, not only between the four organisations but with other individuals and organisations (including universities and government departments). The case study provides a narrative of reflections through the initial two year progress of the project.

The study has been included as Appendix F to this paper because it demonstrates a highly positive example of effectiveness of collaboration within the community services sector at a very high level of operational complexity, although the case study documents that this was not free of significant difficulties, obstacles, setbacks and compromises. There are likely to be few examples of collaboration presently operating at this level in Queensland. It demonstrates how successful such a project can be for all stakeholders, and how it addresses the inherent problems the four organisations experienced previously when they were all working with the client group in a less co-ordinated manner and with less investment.

It is also interesting for the amount of work that was put into conceptualising and developing the types of organisational structures and communication processes (vertical and horizontal) that were necessary to link the different layers of authority and work activity within the four organisations (and other stakeholders), and between those layers. These structures and processes were necessary to overcome the problems that were previously experienced with

service delivery. Presumably the project matches with the Network of Governance model advanced by Nicholson (2008) above.

Jane Doyle of WIRC has recently advised that ROSP is now being auspiced by WIRC, as the management of the project (through the managers of the four organisations) reached a bursting point, due to:

- the lack of extra resources for the four services which had not been factored in to support the burden of operating ROSP – i.e. staff management and other material resources
- changes in staff in ROSP resulting in staff difficulties where it was not clear who was responsible for managing the conflict
- organisational change in one of the members organisations, resulting in change of its ability to commit.

Ongoing discussion led to the conclusion that it would be more successful if ROSP was managed singularly by one organisation. It is interesting that at what presumably was a crisis point in the evolution of ROSP, the relationships between the organisations were intact and solid enough to successfully agree for WIRC to take on the auspicing of the project alone.

Although Jane says that ‘the disintegration of the collaborative project was personally very disappointing....[but I] would have been happy to persevere with it and work out the issues....which were basically staff conflict which was resolved very satisfactory shortly before [WIRC] took on the role’.

Jane concludes that the main learning’s from this project for the sector can be seen as:

- small agencies, in particular, require support to undertake collaborative projects
- they need to be very clear about the structure before starting out particularly with regard to the Terms of Reference, the Memorandum of Understanding, who does what (notwithstanding that in this project the players did undertake a project about legal frameworks)
- they need to do costing of inputs to outcomes – in this case the costs involved with the time for four managers to run the service, where one would have sufficed.

Jane adds that some of what might appear to be faulty planning is explained by the fact that what eventuated as ROSP was actually part of a bigger picture involving consolidation of some of the services they had hoped to achieve, and which still has not happened.

Four years down the track, Jane says:

- we [WIRC] are successfully running the program
- we are achieving good or better client outcomes, and we have undertaken a very thorough evaluation process
- relationships with DV Service and Ruth’s are very good and we are undertaking some service delivery collaboration, although Warringu is still out of the loop due to organisational issues



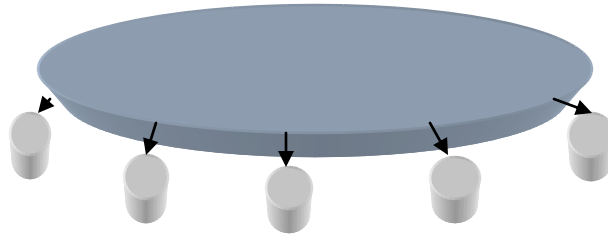
- we conducted a six month project to look at forwarding the collaboration in 2008

She adds that she has also been a member of a consortium of services that co-managed a Homelessness Hub, which has also now reverted to single service management, and there has similarly been much to learn from that experience. It was recognised in Section 5 of the paper that where the outcomes of attempts to introduce new models are made but not implemented, should not be considered as failures. New models emerge from experiments with solving existing problems, and all such experiments are more than useful for furthering our knowledge.



## 2. Case Study CEA Ltd

### Collaborate to Support



Another fine example of a highly structured and formal demonstration of collaboration is the CEA group which was initiated in the 1980's with the merger of a number of Skillshare organisations as Careers Employment Australia. When the Federal Government's Skillshare Program was disbanded and replaced by the Australian Job Network, CEA created a consortium company which brought together six Queensland community organisations to tender for the Job Network in 1997. Since then the group, through its Business Development Centre, has grown further with other community organisations joining the consortium. The consortium now formally consists of eight non profit organisations that work together as a united team. The formal organisations are:

- Bay Islands Community Services Inc
- Bridging the Gap – Job Help Gold Coast Inc
- BTC Co-operative Ltd
- Career Employment Australia Inc
- Gold Coast Skills Centre Inc
- Northside Skills Training Project Inc, and
- Wynnum Manly Employment & Training Inc.

According to the Group Manager (he rejects the title CEO) Shane Cowan (Jobs Australia, 2008):

*The shared values of this network were what brought the original six members together in 1997, when so many smaller community organisations like them were wondering whether to tender for the new Job Network.....five or six of us that thought that we could work as a united team. We all had similar values which made that extremely easy to do. I think the most important thing is that we were all client-focused. We were all about how we could value-add and deliver the best, most holistic service to our communities. I think that is still our driving point today.*

The CEA Group emerged as a group of independent non-profits, with no legally binding structure – bound only by shared values and passion and negotiated agreements. The consortium is not a complete merger and neither is the CEA Group. Shane continues:

*Each independent member has retained what it cherishes most – its local identity and affiliations, and the trust each enjoys locally, built up over many years. What the CEA Group does is to add other strengths, one of which is to tender for contracts. It recognizes that different member organisations have different capacities, strengths and historical relationships with funding bodies. One member organisation has done a lot of work and has a demonstrated track record with families and communities through a state program, so tenders for that work are submitted through that particular organisation.*

*Through the Group, programs previously run by one organisation can go 'multi-site' widening the scope of employment, training and support services and building up staff expertise.*

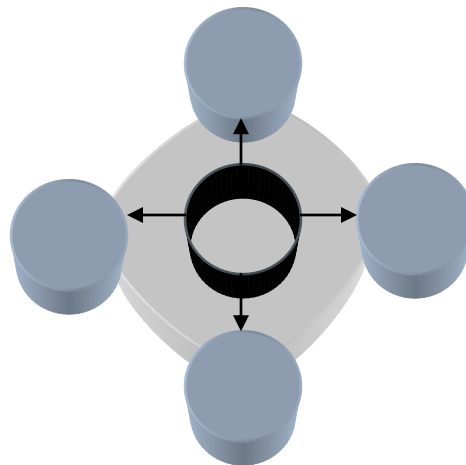
It is clear that what holds this whole enterprise together is a strong commitment to democratic values which overrides the influence of the business (competition) model that pervades the community services sector today.

Essentially it is the staff at CEA and its Board, serving as a 'mothership', who have the higher level of business acumen, the level of skill in financial management, the skills in seeking and negotiating contracts with government departments, as well as the capacity for providing support and mentoring to the operational staff of the member organisations. In turn, they are then freed up to strengthen what they do best, that is deliver and improve their services. What CEA neatly does is relieve these hitherto small struggling organisations with the higher order worries of governance, accountability and business procurement. CEA is able to provide those roles for them, releasing them to be operationally and client focused. Taking on those roles for them also allows them to benefit from the group strength that CEO can bring to securing tenders and job contracts for them. They also benefit from being part of a wider consortium through the amount of support and sharing they receive through the other members of the consortium.

It must be pointed out that should any one of the organisations in the Group wish to withdraw, this is entirely the decision of that organisation. It is a relatively simple process as there are no formal legal arrangements which bind them.

### 3. The Worldwide Co-operative Movement and its Structure

#### Collaborate to transcend the traditional business model



The model established by the CEA Group above somewhat resembles that of the worldwide co-operative movement. The Co-operative Movement brings together over 800 million people around the world. The United Nations estimated in 1994 that the livelihood of nearly 3 billion people, or half of the world's population, was made secure by co-operative enterprise. These enterprises continue to play significant economic and social roles in their communities.

Essential to the co-operative movement is the notion of the primary, secondary and tertiary co-operative.

The primary co-operative is the enterprise on the ground that serves the needs of its members (housing, retail goods, employment, marketing food or goods for primary producers, the list is endless). Increasingly in the United Kingdom, community workers are turning to the co-operative model to establish social enterprise ventures that are **owned and run** by their members, working together to achieve their common aims. Groups of primary co-operatives are supported by secondary co-operatives. Secondary co-operatives are essentially a federation of the primary co-operatives. The main role of this secondary level is to provide the training, support, resourcing or any collaborative venture that sustains the primary co-operatives (see [info@co-operativefutures.coop](mailto:info@co-operativefutures.coop)).

The tertiary co-operative is similar in nature to the secondary co-operative, only it has more of a public relations and political role, in much the same way as QCOSS functions as a major peak organisation in our community services sector. The tertiary co-operative's focus is on the wider external environment that includes government, industry, trade, and the wider population. Members of tertiary co-operatives are typically elected at regional, state and national (and international) forums or assemblies. The tertiary co-operative is the external focus for the co-operative movement.

Paul van Reyk (2009), writing about the Association to Resource Co-operative Housing (ARCH), a secondary co-operative for rental housing co-operatives in New South Wales, says:

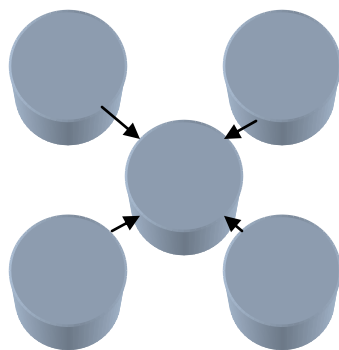
*Characteristically, these structures (secondary co-operatives that he studied in the USA, Canada, UK and Australia) combine the advisory, training, policy development and lobbying functions of ARCH as well as a range of member benefits or direct services. That is many of them, if viewed from an Australian perspective, would be seen as a combination of a peak body (at State or National levels) and a secondary co-operative.*

*All secondaries investigated (except Radical Routes, a UK based secondary) are managed by a Board most often elected through the membership. All secondaries hold membership meetings at which policy, services and strategies are discussed and voted on.*

CEA Ltd can be seen to be providing an excellent example of the role of the secondary co-operative.

#### 4. Case Study: The Sunshine Coast Community Co-operative

##### Collaborate to Extend



The Sunshine Coast Community Co-operative is another instructive example of the secondary co-operative model which has been initiated between four neighbourhood or community centres on the Sunshine Coast, namely:

- the Maroochy Neighbourhood Centre
- the Hinterland Community Development Association of Landsborough
- the Nambour Community Centre and
- the Caloundra Community Centre.

Mark Wischnatt from the Nambour Community Centre explains that the venture arose from a number of opportunities and challenges that faced the four organisations prior to 2007 when the co-operative was formed. These were:

- it made sense to formalise the informal relationships and networking the four like organisations had maintained for some years, particularly for working on matters that were common to the region.
- each of the organisations was small enough to be concerned about the ways in which large corporately managed organisations were starting to dominate in the allocation of funding contracts, at a time when government was increasingly transferring to a system of competitive tendering.
- there were government plans for the various local government authorities in the region to be amalgamated into one, the Sunshine Coast Regional Council, meaning that all neighbourhood centres would hitherto be located in the one local government area.

With a small amount of government funding, the organisations employed a development worker initially to engage them in a process to form the co-operative, and to assist in developing its directions and work plan. Since then the new co-operative has been incorporated. The Board consists of one Paid Staff Member and one Board Member from each of the four organisations. Mark says that they have made some progress on some joint tasks with a regional focus, and in linking the co-operative with quite a few other small unfunded organisations, a role which they had intended to embrace. The major setback, at this point, is that the only staff the Co-operative has for action items are the staff of the four organisations, which in a sense is adding further to their already full work schedules.

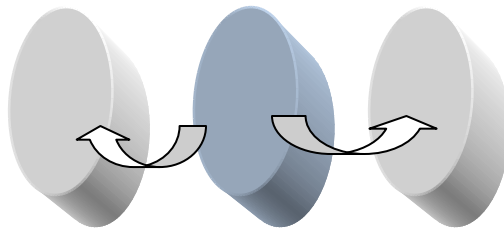
It would seem feasible that this venture could provide all sorts of opportunities for economies of scale to be achieved across the four organisations, eg financial and administrative staff could work in different sites at different times through the week; government funding for a particular

project could be located with one worker who might be able to operate the project across all sites. It would also seem feasible that achievement in a number of collaborative activities might stimulate further attempts. This is not omitting the original purpose of the co-operative, to address additional matters having a regional focus.



## 5. Case Study: ACT for KIDS Programs – Safekids

### Collaborate to Coach



ACT for Kids is not a small organisation. It was small when it was established some decades ago as the Abused Child Trust, specialising in providing therapeutic counselling for abused children and their families at a single site in Brisbane. Since then the organisation has expanded its services and programs and extended them throughout many parts of the state, mainly in partnerships, co-locations, joint ventures or other forms of collaborative work with other organisations.

CEO Len Bytheway explains that even in an organisation with the capacity of ACT for KIDS, it is an exceptional task to make ends meet due to their primary dependence upon ‘silo-ised’ government funding programs where line-items are established for specific purposes. For example a large number of the organisation’s professional staff positions are funded specifically at the .5 equivalent of full time rate which can restrict the organisation’s capacity to effectively maintain staff continuity and from achieving the potential benefits from integrating funding allocations to drive the dollar further. Therefore alternative sources of financial support are necessary, as hard as they are to establish and maintain in hard economic times. The organisation has to keep a watchful eye out for any method for making most use of the finances and resources it has, or is seeking.

ACT for Kids has recently won a Department of Child Safety tender to undertake a joint venture with the Aboriginal Corporation of West Cape York Peninsula Traditional Owners. This comprises 4 SafeKIDS Centres being constructed in the communities at Kowanyama, Pormpuraaw, Aurukun and Napranum for out-of-home care and providing them with professional support and counselling, while their family circumstances are attended to. The Centres will operate strictly as a transitional service, giving children temporary protection and support until they can be safely reunified with their family or secure long-term care can be arranged. Responsible ‘house parents’ will be employed from the local communities, and trained. Local elders will be involved in a positive role, and each Centre will have trained staff working with children and young people, and managing the Centre. The project staff will also work within each of the communities. This saves the children from being relocated as far away as in Cairns.

The project consists of setting up a new company limited by guarantee which, in the first instance, is to be jointly governed by representatives of the two parties – the Traditional Owners and ACT for Kids. In the first 3 year term, ACT for Kids will undertake all of the organisational management functions, while the operations of the Centres are to be managed at the four sites. In the second 3 year period, the goal is for ACT for Kids to step back from the board of the company to take on an auspicing role, in which the financial, HR, reporting and training functions will continue to be undertaken for the project under given protocols. In the third 3 year period, ACT for Kids will negotiate with the company board for whatever ongoing organisational support or assistance may still be required. The overall goal is for the four SafeKids Centres to be independently managed and operated by the Traditional Owners Corporation after the third yearly planning cycle.

The project will have access to accredited training support for the staff within the new Centres provided by the Training Workforce Strategy that ACT for Kids operates in Far North Queensland. As well, the James Cook University will provide professional support through its Child Protection Research Unit in Cairns.

Len says what the project has going for it includes:

- the goodwill of the four communities bound together within the Traditional Owners Corporation
- locally managed child protection outcomes
- a project based on the goal of empowering local communities to have control over their own services via a comprehensive and structured approach
- the desire within ACT for Kids not to set up a 'service empire' controlled by ACT for Kids.

In addition, Len sees that there are two critical aspects of the project, namely:

- the strength gained from the combination of four centres being managed through a single structure
- the economies of scale that will eventuate from that combination.

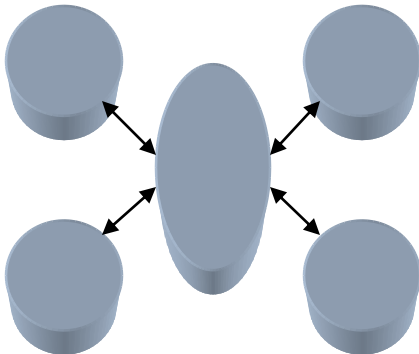
The issues he suspects that will need to be monitored are:

- the fact that such a process cannot be forced unless there is a natural fit between the communities and ACT for Kids
- achieving the critical mass within the project so that it is sustainable.

Finally, Len advises that ACT for Kids is open to considering joint ventures or partnerships with any organisation in the state, if there is mutual benefit for the clients in the first instance, and for the organisations concerned. This is as a result of his belief that it is only through mutual partnering that the child protection sector in Queensland can develop the innate strength it needs. ACT for Kids envisages such partnerships should always be time limited and developmentally oriented in order that an approach of empowering organisations towards independence is maintained.

## 6. Case Study: Mangrove Housing Association

### Collaborate to Share



Mangrove Housing Association was incorporated as a Community Rent Scheme in 1994 to operate the Department of Housing’s Community Rent Scheme in the eastern suburbs of Brisbane and in Redland City. The organisation is accredited as a National Community Housing Provider.

Ann McAnally, manager, explains that it was always a priority for Mangrove to work in close partnerships with a range of other community service organisations which assist tenants maintaining their tenancies. Mangrove is not funded to provide tenants with support, so the search was always on to create a holistic approach in maintaining tenancies through promoting effective and quality client service provision within the local community services sector.

In 2006 the Department of Housing signalled its *Consolidating the Sector* project through which it was seeking rationalization of the almost 400 community managed housing organisations throughout the state. The Department was seeking a much fewer number of larger regionally based housing organisations. One of the program priorities was for housing providers to develop a high standard of service partnerships with local community service providers in order to better maintain tenancies.

As it was not known whether Mangrove would be considered as a regional growth housing provider, given its location on the outskirts of Brisbane City, a plan was implemented to further enhance the already good standard of service partnerships already in place. Staff put further energy into this strategy and developed closer working relationships with almost all of the key service organisations eg in mental health, child protection, domestic violence, disability, etc. This resulted in Mangrove playing a greater role in these local service networks. This included developing well documented protocols for clear responsibilities between organisations when Mangrove allocated housing to tenants with high support needs, given that numbers of applicants for Mangrove housing who were in need of intensive housing management were rapidly growing.

Mangrove also commenced developing closer working relationships with other smaller housing providers in the region (eg youth housing providers) and with other services with a view to preparing for any future move by the Department to consolidate all services in the region.

At the same time it was decided to apply to undertake the triennial Community Housing Re-accreditation Process as was required, but also to greatly improve internal organisation sustainability. Funding for staff positions had always been very tight, and ways needed to be found to increase resources because of the lack of effective funding for small organisations.

In 2007, Ann says, Mangrove was approached by a sister housing service in a nearby region about an idea for an amalgamation. The neighbouring organisation was being pursued by a large city-wide organisation for a merger. The organisation preferred if amalgamations had to take place, it would be better with a partner that was similar in size and organisational culture, that was also committed to local growth and local ownership, and had high standards in service delivery.

Mangrove discovered that the community housing peak organisation was already working with the neighbouring organisation, as the local government authority in that region was wanting to enter into a partnership for affordable housing on council owned land. This was at a time when the state government was in the process of amalgamating local councils, and it was strongly believed the two councils in the regions of the two housing organisations were going to be joined. This helped a decision to proceed into a feasibility stage.

The two organisations engaged the community housing peak body to commence a feasibility period. This led to the design stage of what a new company would look like and how it would operate. The Boards came together, and it was agreed to pursue the goal.

In the progress of the feasibility stage, which involved a thorough “Due Diligence” process for each organisation, a perceived risk to Mangrove’s duty of care to its community, its clients, stakeholders and funding body was discovered. After unsuccessful attempts in resolving matters, Mangrove decided to withdraw from the process.

Ann relates that what was learnt from this experience, which in time has been recognised as the most valuable lesson for Mangrove, was that as soon as possible after a first agreement to proceed with an amalgamation, the business and the finance of all organisations party to the process must be clearly evaluated as risk free before proceeding to any further steps. The longer this is left, the more difficult it is to resolve or put the brakes on the process, should difficulties arise.

Entering amalgamation processes typically puts significant stresses of all types on all parts of organisations, even if the journey is relatively problem free. In Mangrove’s case, after a period of recovering from such stresses the organisation then redoubled its efforts at further improving working relationships with partnered service organisations, to the point that the organisation was creating a reputation for its innovation and quality of partnering capacities. Mangrove earned public commendation for its work in child safety, mental health and housing provision.

Through regular attendance at community housing networks, another sister organisation sought mutual support arrangements with Mangrove, notwithstanding a considerable physical distance between the two organisations. This process is still being pursued, most importantly, at the pace at which both organisations are able to manage it effectively within the context of their normal workloads.

The benefits from that have been identified as being attained through this project include sharing scarce resources and skills such as in operational management and strategic management, as well as through discovering unique opportunities for increased growth in all aspects of the overall functioning of both organisations. Both entities have agreed that this type of growth can only better position the organisations in the eyes of the wider array of present and potential stakeholders.

Around the same time that the above project was being examined, the possibility of a joint venture with a very small emergency housing provider in Brisbane was suggested to Mangrove by the Department of Housing. The aim was to strengthen the organisation concerned through an understanding of Mangrove's experience in tenancy management. However, Mangrove saw an immediate return benefit for its own staff in improving cultural relationships and awareness and how these influence client's needs. So the project was pursued on the basis of this shared approach.

At the present time, this partnership has commenced with the signing of a Memorandum of Understanding (MOU), and the Department of Housing has contributed funds for the hours of work involved. The goals in the MOU are about achieving positive outcomes for clients in both organisations. There is an excitement about entering such partnerships. While the immediate benefits are usually immediately clear, it is the potential for other more far reaching benefits that can be achieved on the basis of strong levels of trust and positive contributions to each others ongoing growth, that create so much positive energy.

More recently there has already arisen within yet another organisation similar to Mangrove that is interested in finding out more about working in partnerships as a preferred option in consolidating the sector.

It is clear that projects such as these will uncover further areas for mutual benefit, and may also pave a way forward for Mangrove and partners to examine how working in partnerships may help solve the economic pressures of continuing to operate community housing as a business.

Amalgamating, particularly with larger organisations, is certainly a way to achieve sustainability benefits such as economies of scale and management of a critical mass of business.

Ann says that current thinking in Mangrove is that flexible partnerships that suit diverse needs, such as those being actively pursued are equally valuable ends in themselves. It will remain to be proved as to whether continuing these and other partnerships can achieve similar cost savings and advances in business management as would be achieved by amalgamation. And also whether that operating in partnerships such as these can result in better services and outcomes than larger organisations are able to deliver. Mangrove is optimistic that this is the case.

For the foreseeable future, Mangrove is more than satisfied to continue maximizing its capacity in participating in evolving partnerships. The organisation is committed to navigating the benefits and risks of this ongoing work while remaining open to amalgamation or other new forms of consolidation.



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