

VAADA Cost of Service Reference Group

On the 28th August the VAADA Cost of Service Reference group met to progress the work that they have been undertaking on the issue.

Also in attendance were Dr Charles Livingstone (Monash University), Carolyn Wallace (VCOSS - Human Services Partnership Policy Officer), and Joan Rowland (Business Manager - Department of Human Services), who were invited to contribute their insight into cost of service issues, funding models and government budgetary submissions.

Joan Rowland provided an overview of the methodology she applies when undertaking DHS reviews, and the costing structures DHS uses to determine funding levels for alcohol and other drug (AOD) agencies.

Some key points made in the presentation about unit costs included:

- That the largest proportion of unit costs is derived from staffing levels, calculated as award rates (usually the Social and Community Services Award - SACS) by applying Equivalent Full Time (EFTs) staffing costs.
- That the remaining proportion of unit costs calculation was accounted for by 'operating costs'. The proportion of funding allocated to agencies for 'operating costs' varied randomly by service type.

The presentation also outlined to the Reference Group the Victorian Government's price review process and its normal budget process.

Price Review Process

It was noted that price reviews are narrow and rare, and that three criteria must be met to trigger a sector price review.

These are:

- Contracted agencies cannot sustain services in the face of price increases
- Factors causing the price increase must be outside the control of both agencies and DHS
- Price increases must not be due to either increased demand or expansion of service delivery.

Normal Government Budget Processes

Ms Rowland added that growth in demand is the primary driver for increased funding. Other considerations taken into account in departmental budget submissions are cost pressures and service gaps. She outlined that the Budget process within government involves departmental budget submissions being rolled out in October, with finalised drafts sent to Treasury and Cabinet in November and the final bids presented in February.

Unmet Cost from Current Funding model

Reference Group members raised some of the costs that agencies incur which are not covered by the current funding model. Most prominent amongst these were:

- Management costs, especially within smaller agencies
- Independent clinical supervision
- Clinical management of complex clients, and resulting increased occupational health and safety costs

Other Issues Discussed

After Ms Rowland left the meeting, the Reference Group discussed several issues arising from her presentation.

Such as various ways in which VAADA/the sector could build a successful budget submission on behalf of the AOD sector.

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Month in Review

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Reference group members felt that one aspect of constructing an effective budget submission was to meaningfully communicate to the community, the benefits and cost saving that derive to it from drug treatment services. Part of this communication process will involve emphasising both the breadth of services that AOD delivers, and the cost effective manner in which they do it, when compared to allied sectors.

It was noted within the group that the inadequacy of forecasting and analysis around AOD service demand undermined successful budget submissions. The disjuncture between current data on client wait times for services, and the reality experienced by treatment agencies exemplifies this.

Operating Costs Component

The Reference Group agreed that their work priority needs lie in amending the funding model on which unit costs are based, rather than a blanket call to government for more funding. An important aspect of this task is recalculating the 'operating costs' component of funding so that overheads and marginal costs are separated out.

ANEX Conference

The recent ANEX Conference held on 3rd and 4th of September themed "Illegal Drugs & Mental Health" provided an excellent opportunity for more thoughtful and co-ordinated cross sectoral responses to what is commonly referred as 'co-morbidity' or 'dual diagnosis'. Explicitly it examined the relationships between illicit drugs and mental health, and how responses to people with co-morbid conditions could be improved.

An impressive line-up of speakers and participants examined issues as varied as the facts about mental illness and drugs, the social and lived experience for drug users and the mentally ill, current and future system responses, impacts on young people, prison issues, the role and response of needle and syringe exchanges, general AOD workforce issues, as well as future collaboration and partnerships as a means of better addressing the issues.

The conference explored the diversity of experience that those with comorbid condition

encounter and the difficulties they face in accessing services that are both specific, and appropriate.

Health Promotion Framework

Currently DHS is consolidating and extending its work in health promotion by developing a framework agencies can use to implement health promotion priorities.

However, even though two of the seven health promotion priorities are specifically related to reducing the harms related to licit and illicit drug use, the alcohol and other drug sector was not involved in developing the new health promotion framework.

In September VAADA wrote to the Health Promotion & Chronic Disease Prevention branch of DHS requesting that the alcohol and other drug sector be fully consulted during development of the new health promotion.

Any updates to the consultation process will be available at:

<http://www.health.vic.gov.au/healthpromotion>

Status Report: Improved Services for People with Drug and Alcohol Problems and Mental Illness Initiative

As you may be aware the Department of Health and Ageing recently called for funding proposals related to the above initiative. In total, thirty-three applications were received from Victoria, 10 from rural and regional areas and 23 from the Metropolitan area. It is our understanding that applications are still being reviewed and that successful applicants will be informed in the very near future.

The initiative consists of two components: capacity building grants to AOD NGO treatment services; and assistance for AOD NGO services to undertake capacity building activities through a state-based support agency, which in the Victorian context will be VAADA. Funding provided under the 'Cross Sectoral and Strategic Partnerships Project' – aims to provide funding to organisations in each state and territory to support and assist AOD NGO treatment services who are recipients of capacity building grants under the improved services initiative to undertake service improvement activities. More information on developments in this area will be provided as it becomes available.

YOUR SAY

Chris McDonnell - VAADA Communications Officer Inquiry into the Impact of Illicit Drugs on Families

The recent 'Inquiry into the Impact of Illicit Drugs on Families', and release of the House of Representatives report, rather than being the herald for "The Winnable War on Drugs" it purports to be, is in reality a call to war against those who are affected by drug use. This includes their families and those who work with them to minimise the harms caused by both licit and illicit drug use.

Some might say that this war is driven by bigotry and ideology, particularly if it finds the idea of a new generation of children separated from their parents and the intergenerational fallout from such a policy attractive.

Perhaps what we are witnessing is a devious plan by some politicians to create fodder for future parliamentary inquiries. Maybe this could be called 'the parliamentary inquiry industry.'

One of the more concerning if not galling aspects of the report is its stubborn refusal to assess or acknowledge the impact that licit drugs have on families and the broader community – it is singularly obsessed with illicit drug users.

It is well recognised by both government and independent experts across Australia that the largest proportion of drug-related harm to our community is caused by licit drugs. When you look at the data examining the costs caused by drugs to the community you will see that 61.2% of the social costs of all drug use was attributable to misuse of tobacco, and 22% was attributable to misuse of alcohol. Only 17.6% of drug-related harm was attributable to use of illegal drugs.¹

Is it too cynical to attribute this reluctance to look at the harmful impacts caused by licit drugs to the fact that the estimated revenues derived by Australian Governments in 2005 – 2006 were estimated to be \$4.5B.² It has been estimated that in 2002 the Federal government received \$112M in net tax revenue from underage drinking – what of the negative impact that this has on families? It is also estimated that during 2002 that only \$17M of Federal funding was contributed to interventions aimed at lessening adolescent drinking.³ This state of affairs is surely something that should have attracted the righteous indignation of the committee.

What is also nettling was the report's call to move away from a harm minimisation approach and an adoption of the failed US policy of zero tolerance.

It is an interesting exercise to compare estimates of funding for treatment with drug related law enforcement within Australia. The National Drug and Alcohol Research Centre have estimated that in 2002-2003 all Australian governments spent \$221M on alcohol and other drug treatment services. This represented only 6.9% of all direct and indirect Australian spending on drug issues. By comparison, Australian governments spent an estimated \$728M on drug-related law enforcement activities in 2002-2003.⁴

Perhaps when looking at the failure of current policies to address harmful drug use we should be pointing the finger at the senior partner in this relationship and grow up as a community and acknowledge that punitive responses don't work in stopping drug use.

The Report calls for the mandatory adopting out of the children of people who use illicit drugs, for the removal of the privacy of people's medical records, and for the winding back of methadone maintenance programs - a highly effective treatment for opiate addiction. The report makes these recommendations while completely ignoring the evidence of the vast majority of drug treatment providers, researchers and the families of drug users who gave evidence to the Inquiry supporting harm minimisation.

At best the report is a waste of time. At worst it is a vicious attempt to cast those who use illicit drugs as less than human, unworthy of compassion or help. It would rather that the use of illicit drugs be used as a sole trigger for the permanent removal of children from their parents, regardless of how they actually parent. It doesn't acknowledge that drug dependant parents seek treatment to improve their capacity to parent,⁵ and would rather diminish the option most likely to bring about a good outcome in these situations - treatment services.

¹ SOURCE: ADCA, Counting the Cost.

² SOURCE: Distilled Spirits Industry Council of Australia, 2006. (Submission to federal budget.)

³ SOURCE: Doran, Gascoigne, Shakeshaft and Petrie, 2006. "The consumption of alcohol by Australian adolescents: A comparison of revenue and expenditure". Addictive Behaviours, 31(10)

⁴ SOURCE: ADCA, Counting the Cost.

⁵ SOURCE: Gruenert, Ratnam and Tsantefski. The Nobody's Clients Project Identifying and Addressing the Needs of Children with Substance Dependent Parents 2004

Calendar of Events

October 4	<p>Hepatitis C Council of Victoria - The Hepatitis C Discussion Group: A forum for educators and trainers who are involved in the hepatitis C sector to be held on Thursday 4th October, between 3.00 and 4.30pm at the Hepatitis C Council of Victoria, Suite 5, 200 Sydney Rd, Brunswick. Dr. Mark Stoove, researcher with the Centre for Epidemiology & Population Health Research (CEPHR) at the Burnet Institute, will talk on 'Statistics and declining hepatitis C infections'. Discussion time will be ample and encouraged. This is a free event for Awareness Week 2007. Bookings essential as places are limited. RSVP to info@hepcvic.org.au or ring Gen on 9380 4644. Refreshments provided.</p>
October 11	<p>The School of Behavioural Science in collaboration with the Department of Psychiatry, University of Melbourne - Alice Barber Lecture 'Skating On Thin Ice...': What's the real story about Crystal Meth ('Ice')? Find out about the real risks of using it, its effects on mental health and the best options for prevention and treatment at this FREE public lecture to be held on Thursday, 11th Oct 2007 from 6.00pm to 7.00pm at Theatre 1, 221 Bouverie St, Carlton, University of Melbourne. Please register your intent to attend the lecture with an email to Sarah Drew sarah@unimelb.edu.au or tel (03) 83446377. Limited seats available.</p>
October 12	<p>Talking Point Seminar Series - Creating needle exchange in the US : The day before harm reduction presented by Dave Purchase, Director, Point Defiance AIDS Projects / Chair, North American Syringe Exchange Network Talking Point seminar series is free. Seminars are held monthly on Fridays 1-2 pm in the Training Room, Turning Point Education & Training Centre, 142 Gertrude Street, Fitzroy VIC 3065 Australia. Bookings are essential, please call Turning Point on 03 8413 8413 to make a booking.</p>
October 15	<p>Working with Volunteers A one-day workshop addressing strategies to make your volunteer program more effective and satisfying - Assessing your volunteer program, Maintaining motivation, Maximising volunteer involvement, Helping volunteers adjust to change, Recruitment, Induction, Supervision, Training and Managing difficult volunteers. Venue: The University of Melbourne, Hawthorn Campus (Free parking) Date: Monday October 15 Time: 9.00 – 4.30 For more information contact Liz Olijnyk on 9817 4094, Email: info@teamtraining.com.au Website: www.teamtraining.com.au</p>
October 22	<p>Team Training - Dealing with Difficult Behaviour to be held on October 22 from 9.00am to 4.30 at The University of Melbourne, Hawthorn Campus. A training program designed to develop skills and confidence in appropriately managing difficult behaviour in dealing with the public, in front line positions or dealing with other organisations. Learn how to handle aggression, hostility, resistance, negativity, put downs, side tracks, sarcasm, intimidating behaviour; develop self confidence and skills for staying calm and dealing positively with difficult situations; develop strategies for building rapport, resolving issues, putting forward your point of view. The program includes strategies, demonstration videos, supporting notes and opportunities for developing new skills. Cost:\$180 (includes manual and lunches and GST). Facilitators: Liz Olijnyk and Tony Norquay. Contact: Liz Olijnyk or Tony Norquay 03 9817 4094/ 03 97274848. Email: info@teamtraining.com.au Website: www.teamtraining.com.au</p>
October 25	<p>Turning Point Alcohol and Drug Centre - Pharmacotherapies Training For Alcohol & Other Drug Workers to be held in Fitzroy on Thursday 25th October from 9.30am to 4.30pm. Turning Point Alcohol and Drug Centre has been contracted by the Drugs Services and Policy Branch, Department of Human Services to provide a number of professional development training courses. These are intended as a supplement to the competency based training and assessment courses provided as part of the DHS Minimum Qualification Strategy.For enquiries please contact Mal Doreian on 8413 8721 or email mald@turningpoint.org.au</p>
October 31	<p>Hepatitis C Council of Victoria - Bloody Serious Facts: Hepatitis C and what you should know to be held on Wednesday 31st October from 2.00pm to 5.00pm at Suite 5, 200 Sydney Road, Brunswick. This workshop is suitable for new drug and alcohol workers, nurses, NSP workers, community health staff, students of health professions, prison staff and welfare workers. The workshop introduces workers to the hepatitis C virus and provides an overview of the variety of issues that affect people's lives. It is specifically designed for professionals working in the health, welfare and community settings. The facilitators will be Piergiorgio Moro, Jenny Kelsall and Michelle Martin. Cost: \$20.00 per person. To register, Ring Genevieve Dickson on 9380 4644 or fax 9380 4688.email: info@hepcvic.org.au</p>