

Victorian State Budget Submission 2003



VICTORIAN ALCOHOL & DRUG ASSOCIATION

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EXECUTIVE SUMMARY

The Victorian Alcohol and Drug Association (VAADA) is the peak body representing alcohol and drug services in Victoria. VAADA provides leadership, representation, advocacy and information to the alcohol and other drug and related sectors.

In the lead up to the Victorian state budget, VAADA has prepared this summary of the four key issues which are currently impacting upon our members in the Victorian alcohol and drug sector. VAADA is seeking a commitment from Government to adequately support the alcohol and drug sector in Victoria through appropriate resourcing of effective programs and services that will meet the needs of people with drug problems.

The need for appropriate resourcing of the sector is reinforced by recent research which demonstrates that Australians are increasingly supporting greater health funding, even at the expense of tax cuts.

This submission draws upon VAADA's Election Issues statement prepared for the information and action of major parties in the lead up to the Victorian state election.

The issues outlined have arisen as part of our discussions with, and advocacy for, non government agencies in the alcohol and drug sector. We believe that addressing these issues is critical to the sector continuing to respond to the enormous challenges which workers in the sector grapple with every day.

Many of the initiatives outlined in this submission would be of no additional cost to Government.

The cost to Government to allocate resources to all of these initiatives would be a maximum of \$9.9 million. This amounts to 0.1 percent of the current total health budget (01-02 revised outcome \$8.173 billion).

The four key issues and the commitments we are seeking from Government to addressing them are summarised briefly overleaf.

1. Sustainable funding for non government alcohol and drug agencies

Full CPI indexation on funding for organisations in the drug and alcohol sector.

Total cost to Government in 2003/04: \$2.1m or only 0.026% of the total health budget in Victoria.

The core source of drug and alcohol funding in Victoria, the Community Support Fund, transferred to a recurrent basis.

Total additional cost to Government in 2003/04: Nil

All funding and service agreements for drug and alcohol agencies to be based on a three year cycle.

Total additional cost to Government in 2003/04: Nil

2. Intensive specialist support for complex clients

An undertaking that funding for specialist drug treatment services will be at least maintained at the current level within the next budget.

Total additional cost to Government in 2003/04: Nil

Recognising that treatment is better value for money than imprisonment in addressing alcohol and drug issues, the provision of expanded intensive non custodial drug treatment options (such as home detention in drug treatment services, dual diagnosis services, youth services etc) in the management of repeat minor drug related offenders.

Total cost to Government in 2003/04: \$1m.

3. Workforce development for the alcohol and drug sector

The funding of accreditation for organisations who undertake the workforce development strategies.

Total cost to Government in 2003/04: \$1.1 m.

A minimum allocation of resources per alcohol and drug worker in Victoria to enable agencies to implement responsive workforce development strategies.

Total cost to Government in 2003/04: \$1.1 m.

4. *Translating research into an effective tool for the alcohol and drug workforce*

Resourcing drug and alcohol agencies per staff member so that they can collect and analyse data relating to client profiles, drug trends and other relevant issues to inform future policy priorities.

Total cost to Government in 2003/04: \$2 m.

An independent review of the real costs of running effective AOD specialist services to enable reality based costing of government contracts and service agreements.

Total cost to Government in 2003/04: \$115, 000.

In short, the Victorian alcohol and drug sector is being asked to do more with less in an increasingly complex and uncertain environment. If this continues, we risk further disadvantaging our clients, who are already some of the most disadvantaged and marginalised groups in the community, and in turn the community as a whole.

This paper outlines the evidence for each of these issues and the commitments that VAADA would like to see Government make in the Victorian State Budget in 2003 to address them.

1. SUSTAINABLE FUNDING FOR NON GOVERNMENT ALCOHOL AND DRUG AGENCIES

Government funding to drug and alcohol organisations needs to be of sufficient quantity and security to allow them to plan for the future, attract and retain qualified staff and implement long term programs for clients with complex needs.

In order to be effective, organisations within the drug and alcohol sector need to be adequately and securely resourced. Currently, organisations are vulnerable to uncertainty in funding arrangements. The financially uncertain existence of many government funded organisations in the drug and alcohol sector in Victoria makes it difficult for them to plan, develop and implement improvements or changes to the way in which they deliver drug and alcohol services in the community. These uncertainties also complicate the attraction and retention of quality staff. These difficulties are compounded in rural areas where it is already difficult to attract and retain staff and provide services to geographically dispersed groups and individuals.

The Community Support Fund (CSF) provides the major source of funding (approximately 85%) for the alcohol and drug sector in Victoria. It is a non recurrent annual funding source. In contrast, the NSW government fund organisations on a 3 year cycle, including full provision for Consumer Price Index (CPI).

The financial position of organisations in the drug and alcohol sector is further compromised by the Department of Human Services (DHS) not passing on to agencies the full CPI indexation to unit costs. This includes organisations funded through the CSF, Turning the Tide initiative and the Victorian Government Drug Initiative. The cost of providing services has risen significantly in recent years, to a point where it exceeds CPI. This effectively means that services that are already struggling to meet increasing costs and increasing accountabilities are experiencing a real reduction in their core funds each year. Denying full CPI indexation also has a negative impact on the terms and conditions of staff employed in the alcohol and drug sector.

To add to this burden, the absence of appropriate funding for infrastructure and capital works for agencies significantly reduces their capacity to ensure basic health and safety requirements are applied to services.

The introduction of the Goods and Services Tax has also meant additional tax burdens for organisations. Financial uncertainties make it difficult for specialist organisations to plan for, and implement, long term strategies. Ultimately this serves to further disadvantage clients of these organisations.

Supported accommodation programs are a good example of the gross under-funding of the drug and alcohol sector in comparison with any other health or welfare service. Supported accommodation in the drug and alcohol sector is funded at \$5,000 per bed per year. This ratio means that there is one worker for every ten clients, which is not sufficient, particularly given that these clients are recovering dependent drug users who have high level support needs such as homelessness, unemployment and lack of education and family support. This is less funding than if the houses were tenanted by non drug using supported accommodation clients. By contrast, a long term residential rehabilitation bed is funded at around \$25,000 per bed per year.

It is interesting to note that for clients of similar complexity who require a similar level of support, generalist residential services receive between \$60,000 and \$150,000 per bed per year (for the most complex clients), and prison beds cost between \$40,000 and \$60,000 per year.

What commitments are we seeking from Government as part of the state budget?

Full CPI indexation on funding for organisations in the drug and alcohol sector.

Total cost to Government in 2003/04: \$2.1m or only 0.026% of the total health budget in Victoria.

- This figure is calculated based on a 3% CPI rise each financial year.
- The annual allocation of drug treatment and rehabilitation funding in Victoria is \$71.57 million (This is calculated by combining \$45.9 million (the DHS drug treatment and rehabilitation expected outcome for 2001-02) and one third of the Victorian Government Drug Initiative funds (\$77 million over three years or \$25.67 million per year)
- If an additional \$2.1 million were allocated towards full CPI indexation this would represent an additional \$21, 470 for each of the 100 drug and alcohol organisations in Victoria.
- The cost of funding this commitment represents only 0.026% of the total Health budget (01-02 revised outcome \$8.173 billion).

The core source of drug and alcohol funding in Victoria, the Community Support Fund, transferred to a recurrent basis.

Total additional cost to Government in 2003/04: Nil

- The Community Support Fund (CSF) provides the major source of funding to Victoria's AOD field through gambling revenue. Gambling taxes in the past two years have more than tripled and the government is expected to gain well over \$1 billion in gambling revenue next financial year.
- According to Budget Estimates, the State will receive \$972.7 million from Electronic Gaming Machines in 2002/3. 8.33% of this (ie. the CSF %) is \$8,102 591. (Budget Estimates 2002-03).
- Funding this recommendation would not require additional expenditure, it would simply require a commitment to maintaining expenditure at current levels. Given the sustained increase in gambling revenue in Victoria this would be a realistic commitment.

All funding and service agreements for drug and alcohol agencies to be based on a three year cycle.

Total additional cost to Government in 2003/04: Nil

- Funding this recommendation would not require additional expenditure; it simply involves a commitment to maintaining expenditure at current levels.
- This option could potentially reduce administration costs associated with the current one year cycle by spreading them over three financial years.

2. PROVIDING INTENSIVE SPECIALIST DRUG TREATMENT SUPPORT FOR COMPLEX CLIENTS

The specialist alcohol and other drugs sector desperately requires adequate levels of resourcing to enable it to provide services to the most complex drug using clients, the vast majority of whom cannot have their needs met within the generalist system.

It is also critical that drug diversion programs are adequately and securely funded, particularly given that drug treatment represents a cost effective alternative to incarceration for drug related crime.

In relation to providing intensive specialist drug treatment support for complex clients it is clear that a well resourced specialist treatment service system can make a difference. This is true whether we are talking about chronic chronic, people with both a mental health and a drug problem, children of drug users, repeat drug-related offenders or any other form of complex drug related problem.

Tragically, the sector is not currently adequately resourced to meet the needs of these clients. It is unrealistic to expect drug and alcohol workers, whose salary and conditions are usually significantly lower than those of workers in other health and welfare sectors, to work miracles. This situation must be redressed if we are to bring about good outcomes for some of society's most marginalised groups and individuals.

A recent example of the unrealistic expectations placed upon generalist services and the problems which these expectations can bring about is volatile substance use by young people in residential care. It is unrealistic to expect generalist services that are responsible for the care of many children with various needs to be able to manage the most difficult and complex drug and alcohol clients.

In Victoria at present, there are only eight residential intensive longer term drug treatment beds and 8 secure welfare beds available for these clients. While another nine treatment beds will be in place by 2003, this situation is clearly inadequate. Adequately resourcing specialist alcohol and drug services is critical if we are to address the problems of these marginalised groups.

Specialist alcohol and drug services also suffer when there is an inconsistent and uncoordinated response by government to particular issues. Responses to complex issues associated with chronic, dual diagnosis and Acquired Brain Injury are best managed as part of an holistic and well integrated strategy, rather than by creating regional staff positions funded on an ad hoc and unintegrated basis.

Evidence shows that effective drug treatment is one of the most cost effective means of preventing drug and alcohol related harm in the community. Despite this, current funding priorities and practices are diverting funds from specialist drug treatment services to prevention programs which target broad antecedent factors such as unemployment, poor school performance and inadequate family support. Whilst there is a place for the funding of these broad based programs, diverting funding from specialist services to do so is clearly not the answer.

The May 2001 census of clients of treatment service agencies clearly demonstrates the effect of under resourcing on Victorian specialist drug treatment services compared to other states and territories. On a per capita basis, services such as assessment and referral, methadone and associated counselling and particularly inpatient rehabilitation and therapeutic communities were significantly under represented in Victoria compared to other states.

Figure 1 May 2001 Census of Clients: Number of clients in treatment service types by state/territory

	NSW	Vic	Qld	WA	SA	Tas	NT	ACT	Total
Non- Residential									
Assessment & referral	162	111	129	83	48	24	16	16	589
Outpatient counselling	564	471	287	292	85	67	40	36	1,842
Methadone & counselling	248	42	39	17	30	19	0	9	404
Outpatient detox	58	44	15	13	3	0	0	2	135
Other non residential services	177	86	60	53	46	2	9	0	433
Residential									
Rapid detox	10	3	1	0	0	0	0	0	14
Inpatient detox	164	97	24	15	20	9	6	11	346
Inpatient rehab or therapeutic community	897	181	387	186	69	74	84	54	1,932
Other residential services	15	27	11	11	4	8	3	5	84

(Shand & Mattick, 2001)

While government funding to generalist services has increased in order to enhance their capacity to meet the needs of people with alcohol and drug problems, this does not discount the need for intensive specialist support services to address the needs of our most complex clients.

In deciding how best to spend taxpayers' dollars, providing treatment for alcohol and drug problems represents good value for money.

One of the major costs of drug use is its impact in terms of criminal behaviour which is well documented. These costs include the value of stolen goods, costs of medical care for crime victims, productivity losses for those who abandon the legitimate paid workforce, costs of police protection, legal representation, adjudication, sentencing and maintaining convicted offenders in correctional institutions (Harwood et al, 1998).

A cost benefit analysis conducted in California estimated that for every dollar spent on drug treatment, \$7 is saved. Another survey conducted in NSW calculated that for one drug treatment program, over 54 000 drug and crime free days resulted in savings to the community of over \$21 million. The savings are based on significant reduction in crime (up to three quarters of the costs to the community associated with drug use according to one study)(Gerstein et al, 1994). Other benefits from drug treatment which accrue to society include significant improvements in health, reductions in hospitalisations during and after treatment and improved outcomes for individuals post treatment in areas such as employment and rebuilding families (The Economist, 2002). In relation to treatment for those incarcerated on drug related matters, research shows that intensive treatment in prison and post release can reduce recidivism three fold (Sacks, 2000). Figures recently released demonstrate that the cost of incarcerating someone in one of Victoria's prisons has risen from \$130 a day per person in 2000-2001 to almost \$150 a day in 2001-2002. Measures which reduce the rate of incarceration in Victoria will clearly result in long term cost savings for the government.

What commitments are we seeking from parties as part of the state budget?

An undertaking that funding for specialist drug treatment services will be at least maintained at the current level within the next budget.

Total additional cost to Government in 2003/04: Nil

- The 2001-02 expected budget outcome for Drug Treatment and Rehabilitation was \$45.9 million. VAADA is seeking for this to be maintained at (at least) this level.

The provision of expanded intensive non custodial drug treatment options (such as home detention in drug treatment services) in the management of repeat minor drug related offenders.

Total cost to Government in 2003/04: \$1m.

This analysis is based on the following assumptions:

- In June 2000 there were 3,153 prisoners in Victorian jails.
- A conservative estimate is that two thirds (2,102) of these prisoners have either committed their crimes to obtain money for drugs, or committed their crimes while intoxicated or using drugs.
- If only one third of these prisoners were deemed eligible for non custodial drug treatment options this would mean that 700 prisoners could take part in home detention in a drug treatment service.
- The average cost of an episode of care in a drug treatment service is \$767.55 (2001/2 DHS figures).
- The total cost of home detention in a drug treatment service for 700 prisoners is \$537,285.
- The expansion of additional services such as dual diagnosis and youth services to replace custodial options would cost approximately \$0.5m.

3. WORKFORCE DEVELOPMENT FOR THE ALCOHOL AND DRUG SECTOR

Workforce development is critical to the alcohol and drug sector being equipped to address the changing nature of drug use and drug problems. A thorough assessment of workforce development needs and adequate resourcing of workforce development programs are needed to address current shortfalls.

Organisations within the alcohol and other drug sector are currently experiencing major difficulties in maintaining a skilled workforce and recruiting appropriately qualified staff. A process of workforce development which builds the capacity of workers and organisations and which attracts workers to the field is critical to overcoming these shortfalls. This problem is currently crippling the alcohol and drug sector in Victoria.

The need for a systematic and well resourced program of workforce development is highlighted by the fact that in the last ten to twenty years the substances of concern and scientific approaches to the prevention and treatment of drug and alcohol use have changed significantly (Roche, 2001). These needs are heightened in rural and regional areas where isolation makes maintenance of a skilled workforce even more difficult.

In this challenging environment, staff need to be recognised and remunerated appropriately in order to retain their status. For many organisations, the current circumstances mean that this is not possible and this leads to staff leaving the sector to seek greater rewards elsewhere. The need to continually recruit and train new staff is thus added to the already complex and demanding workload of organisations.

One way in which the aims of workforce development can be fostered and achieved is by encouraging the tertiary sector to provide AOD studies in general professional training. Better linkages with these institutions will help to foster interest in the alcohol and drug field, as will the provision of student units, joint academic/industry appointments and programs of applied research.

A recent study of workforce development issues in Australia identified that stigmatisation and negative associations with illicit drug use may have diminished the public's view of the worth of working with people who are experiencing difficulties with their alcohol or drug use. This makes it even harder to attract new workers to the sector and to retain and maximise the performance of existing workers (Pitts, 2001). Overcoming these shortfalls is critical if the sector is to prevent and treat alcohol and drug related problems in the community.

In order to enable the sector to meet the challenges it faces, workforce development needs to address systematic issues by way of legislation, policy, recruitment strategies and other means. It also needs to address individual professional functioning through education, training and implementation of best practice guidelines in order to attract skilled workers for the future (Roche, 2001).

What commitments are we seeking from Government as part of the state budget?

The funding of accreditation for organisations who undertake the workforce development strategies identified above.

Total cost to Government in 2003/04: \$1.1 m.

This analysis is based on the following assumptions:

- 100 drug and alcohol agencies in Victoria:
- \$20,000 each for 25 large agencies - \$500,000
- \$10,000 each for 50 medium agencies - \$500,000
- \$5,000 each for 25 small agencies - \$125,000
- Total cost: \$1, 125 000

A minimum allocation of resources per alcohol and drug worker in Victoria to enable agencies to implement responsive workforce development strategies.

Total cost to Government in 2003/04: \$4 m.

This analysis is based on the following assumptions:

- 800 – 1000 workers in the alcohol and drug sector
- \$4,000 per worker to fund workforce development improvements such as: salary level increase, attainment of qualifications, training opportunities, increased administrative support etc.
- Total cost: \$3, 200 000 - \$4, 000 000.

4. TRANSLATING RESEARCH INTO AN EFFECTIVE TOOL FOR THE ALCOHOL AND DRUG WORKFORCE

Agencies are in the best position to provide insight into clients' needs and trends in drug use. This information should be analysed and used as a basis for assessing efficacy of services and future needs.

Evaluating what works in preventing and treating problems associated with drug and alcohol use is critical to the success of programs, and to ensuring that we are appropriately addressing the needs of clients with drug problems.

Research is an invaluable tool to workers in the field who are seeking to evaluate their services and provide evidence that resources are needed to support their services. It is also needed to identify where there are gaps in service provision and where there may be duplication of services.

However, many workers and organisations in the drug and alcohol sector have little or no experience in developing and conducting research or evaluating their work. In order for research to be a useful tool for the sector, it is critical that workers are equipped with the skills that they need and that funding is provided to tap into an existing rich source of valuable information.

In order for research to be effective, it needs to be made accessible to organisations that can use it. It should not remain the sole property of research institutions or universities. When the results of research studies are not distributed to those who can best make use of them, the extent to which valuable information can be translated into policy and practice which can make a positive difference in the sector is restricted.

Finally, in order to see results from research which is conducted within the drug and alcohol sector, it is critical that resources are provided to implement the findings of research which is appropriate and strategic to the sector.

What commitments are we seeking from Government as part of the state budget?

Resourcing drug and alcohol agencies per staff member so that they can collect and analyse data relating to client profiles, drug trends and other relevant issues to inform future policy priorities.

Total cost to Government in 2003/04: \$2 m.

This analysis is based on the following assumptions:

- 800 – 1000 workers in the alcohol and drug sector
- \$2,000 per worker to compensate for time not spent on other duties
- Total cost: \$1,600,000 - \$2,000,000

An independent review of the real costs of running effective AOD specialist services to enable reality based costing of government contracts and service agreements.

Total cost to Government in 2003/04: \$115,000.

An independent state wide review of this nature would comprise the following components:

- Literature review = \$5,000
- Staffing = \$37,700 (1 project worker FTE for 6 months @ \$58,000 (\$29,000 pro rata) plus 30% on costs (\$8,700).
- Management fee = \$10,000
- Venue hire, catering and travel costs for consultation = \$50,000
- Postage, printing, phone etc = \$4,500
- Insurance = \$5,000

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