Discussion Paper on the

Substance Misuse Service Delivery Grants Fund Guidelines

August 2011
Purpose of the Consultation:

The intent of the consultation is to communicate with and consult a broad range of stakeholders with an interest in the Substance Misuse Service Delivery Grants Fund (the Fund) about the benefits of program consolidation, fund objectives and priorities, and the process for accessing the Fund.

In particular, the Department of Health and Ageing (the Department) is interested in receiving feedback about the clarity of the Fund’s objectives and priorities (detailed from page 3).

Background

Substance Misuse Service Delivery Grants Fund

Following a review of administrative arrangements in the Health and Ageing portfolio, the Australian Government has established a number of new flexible funds, including the Substance Misuse Service Delivery Grants Fund. This Fund consolidates activities from a number of programs, and will provide a larger, flexible funding pool for services that treat substance misuse through annual grant funding rounds, unsolicited or one-off activity funding and procurement, effective from 1 July 2011, with administrative arrangements to be developed during 2011-12.

The Australian Government will continue to support the non-government drug and alcohol sector to deliver drug and alcohol treatment services. In 2011-12, the Department will develop a new quality framework and funding model for future funding rounds for these activities.

The Australian Government programs aim to improve access for Aboriginal and Torres Strait Islander peoples in regional and remote areas to drug and alcohol treatment services. In 2011-12, the Department will invest in infrastructure and service delivery to expand existing services and to establish new services.

The Australian Government is committed to addressing substance use issues in Indigenous communities that impact negatively on social and emotional wellbeing and general health. In 2011-12, the Department will continue to expand the voluntary rollout of low aromatic fuel to regional and remote Australia. The rollout of low aromatic fuel will help to reduce the incidence and impact of petrol sniffing. The Department will continue working with the fuel industry to establish new bulk storage facilities in Darwin and North Queensland. These facilities are expected to be operational in 2012-13.

In addition, the Department may establish interim bulk storage arrangements in Darwin to enable low aromatic fuel to be provided to additional communities in the Northern Territory and Western Australia while the permanent storage facility is being completed. The rollout of low aromatic fuel will be accompanied by a comprehensive communication strategy.

In 2011-12, the Australian Government will continue to build on previous campaigns to reduce Australians’ motivation to use illicit drugs by reinforcing people’s knowledge of the harms and risks associated with illicit drug use. The Department will focus on emerging trends in illicit drug use, to be informed by the National Drug Strategy Household Survey 2010, while continuing efforts to reduce overall illicit drug use. Activities will include delivery of messages through targeted placement of campaign materials including advertising, public relations and promotions, campaign resources and online communication activities. Strategies for these activities will be developed in conjunction with the Australian National Council on Drugs.
In addition, the More Targeted Approach element of the National Tobacco Campaign will aim to reach people who are at risk, have high smoking rates, and/or people who mainstream campaigns struggle to reach. In 2011-12, the Department will continue to provide targeted education campaigns aimed at people from culturally and linguistically diverse backgrounds, people living in areas of social disadvantage, and pregnant women and their partners. Following developmental research, the Department will further expand the scope of the campaign in 2011-12 by developing communications aimed at prisoners and people with mental illness.

In 2011-12, the effectiveness of the first phase of the new National Tobacco Campaign will be independently evaluated. The findings of the evaluation will help to guide future development of the National Tobacco Campaign, under the direction of the Australian National Preventive Health Agency (ANPHA). The Department will also work closely with ANPHA to ensure the More Targeted Approach and Indigenous campaign activities complement the national campaign where appropriate.

Benefits of program consolidation and establishment of flexible funds

The process of program consolidation and establishment of flexible funds is designed to achieve the following benefits:

- **Reduced red tape.** Under the new arrangements, funding recipients will benefit from a significantly streamlined set of arrangements. In many cases the number of funding agreements will be reduced over time to just one, meaning fewer contact points within the Department and a resultant reduction of administration and reporting burden.

- **Increased flexibility to respond to emerging issues and anticipate change.** A key outcome from the establishment or expansion of the funds is the increased flexibility to respond to emerging health and ageing priorities.

- **Better value for money, quality and evidence based funding.** Grant funding is an important mechanism used by Government to support activities across a large range of priority areas, with the ultimate goal of delivering better health and ageing information and outcomes for the community. Bringing together small programs to create a number of larger funding pools will increase the number of applicants seeking funding from the one source, improving the quality of applications and consistency of merit between funded projects.

  Under the new arrangements, fund guidelines and the approach to fund management will emphasise the need for high quality evidence based submissions, demonstrating relevance to contemporary health challenges and identified priorities, as well as with a focus on value for money.

**Fund objectives and priorities:**

The Fund is an Australian Government initiative administered by the Department of Health and Ageing. The Fund’s primary objective is to better promote and support drug and alcohol treatment services across Australia to build capacity and to effectively identify and treat coinciding mental illness and substance misuse. The Fund will aim to improve the health and social outcomes of Australians with substance misuse problems, aid recovery and reduce homelessness or the risk of homelessness.

The Fund will support those services targeting Aboriginal and Torres Strait Islander people and vulnerable groups including people from rural and remote locations by targeting the following priority areas:
• **Supporting non-government drug and alcohol treatment services** to deliver quality, evidence based services and build capacity to effectively identify and treat coinciding mental illness and substance misuse (comorbidity) through activities such as workforce training, front line service delivery, education, development of partnerships with the broader health sectors, and dissemination of best practice policies and procedures that support the identification and management of clients experiencing comorbidity;

• **Assisting Indigenous communities to provide service delivery** in alcohol and other drug treatment through delivery of an Indigenous alcohol and other drug workforce; improving health outcomes through education programs; and developing quality evidence based and culturally secure resources around substance misuse for Indigenous communities to address problems with alcohol and other drug abuse by providing funding to pilot and trial drug and alcohol treatment interventions in Indigenous communities;

• **Supporting those services targeting Aboriginal and Torres Strait Islander people** to increase the effectiveness of, and access to, drug and alcohol treatment and rehabilitation services, including those in rural and remote areas;

• **Investing in infrastructure and service delivery** to expand existing and establish new services nationally;

• **Reducing the prevalence and impact of petrol sniffing** by continuing to support the supply of low aromatic fuel to existing sites and expanding the roll out to sites in the Top End of the Northern Territory, East Kimberley in Western Australia and Gulf of Carpentaria and Cape York regions of Queensland;

• **Supporting people from culturally and linguistically diverse (CALD) backgrounds**, including improving the capacity of treatment services to deliver culturally appropriate care, and providing people from CALD backgrounds with access to treatment services;

• **Supporting the development and implementation of a range of social marketing campaigns.**

**Activities that remain in Scope:**

The Fund consolidates activities from a number of existing programs, and will provide a flexible funding pool for services that treat substance misuse.

**Extension to existing arrangements / current grant arrangements:**

The Department has given effect to achieving priorities of the Fund through a number of existing arrangements including:

- establishing three year funding agreements for Indigenous services funded under the former Indigenous Substance Use program including base funding, the COAG 2006 and COAG 2007 measures for the period 2011-12 to 2013-14;
- releasing a request for tender for the production, transport to storage and storage of low aromatic fuel from 2012-13. Engagement of the preferred provider(s) is expected to occur by late 2011;
• extending funding agreements for non-government drug and alcohol treatment services until 30 June 2012;
• extending funding agreements under the (former) National Illicit Drugs Strategy (NIDS) Indigenous Program until 30 June 2012; and
• continuing funding for a range of social marketing campaigns. These campaigns are subject to development in accordance with the Department of Finance and Deregulation’s Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies.

Future Funding Rounds:

It is proposed that the Department will advertise an open grant round and call for applications under the Fund in late 2011, with funding to commence from 1 July 2012. Further details about the proposed funding round will be widely advertised when available.

Access to the Fund:

Applications are encouraged from a wide range of non government and government organisations. Applicants are not required to have had a prior funding relationship established with the Department, but must be a legal entity to be eligible for funding.

Should a grant process have restricted eligibility requirements (such as the requirement to be a non-government drug and alcohol treatment service) this will be clearly specified in the application package for that process.

Approaches to Grant Funding:

Access to funding from the Substance Misuse Service Delivery Grants Fund will be available through a variety of means. The Department proposes to undertake the following to achieve the aims, objectives and priorities for the Fund:

1.1. Open Grant rounds
More competitive funding rounds which open and close to applications on nominated dates, with eligible applications being assessed by the Department against the selection criteria set down for the initiative and then prioritised against competing, eligible applications for the available funding will be undertaken.

1.2. Targeted grant rounds
Funding will also be made available through targeted or restricted competitive funding rounds from time to time to meet the aims, objectives and priorities for the Fund. These grant rounds will be open to a small number of potential funding recipients based on the specialised requirements of the initiative or project under consideration.

1.3. Procurement
Procurement will be undertaken in accordance with the Commonwealth Procurement Guidelines.
**Fund Underexpenditure:**

Funding allocations will be monitored throughout the year with potential underspends identified. Applications identified as being able to meet Fund aims and objectives, and not receiving funding through an open or targeted grants round will be prioritised and shortlisted for consideration should such underspends be identified.

Underexpenditure may also be used to fund unsolicited proposals or one-off grants where such proposals will meet the aims, objectives and priorities for the Fund.

**Proposed Contractual Arrangements:**

Successful applicants funded under the Fund will be required to enter into a funding agreement or alternative contractual arrangement with the Commonwealth (represented by the Department).

A copy of the proposed contractual arrangement will form part of any material that forms the basis of a grant process under this Fund.

**Frequently Asked Questions:**

**What will be the benefit to funding recipients?**

Funding recipients will benefit from less red tape, streamlined funding arrangements, fewer agreements, and a chance to apply for funding for the first time, through the larger flexible Fund.

**How will the new arrangements affect grant processes?**

The establishment of larger, flexible Funds will simplify and streamline grant funding processes for stakeholders, particularly funding recipients who currently hold grants under a number of programs. These recipients often operate against separate program guidelines and reporting requirements and are required to liaise with multiple contact points within the department. Over time, many of these grant holders will move to an arrangement where they operate under one single agreement with the department. This will reduce the administrative and reporting burden for grant holders, leaving them more time to focus on their core business.

The new funding arrangements will emphasise the need for grant applicants to demonstrate value for money, and will provide increased flexibility to respond to health and ageing priorities as they emerge. In doing so, they will drive better, more responsive outcomes against health and ageing priorities for the community.

**I have an existing grant. Will program consolidation affect it?**

These changes will not affect your current funding agreement, which will continue at least until its expiry.

From 1 July 2011, if you have a grant for an ongoing service, and that grant is set to expire prior to 30 June 2012, your grant funding will be extended until at least that date to provide you with an opportunity to apply for continued funding under the new arrangements.

If you have received a grant for a one-off activity then these changes do not affect your grant, which will continue to be funded under the terms and conditions of your current funding agreement.
Has program funding been cut through the consolidation process?

No program funding is being reduced through the consolidation process, with all existing program funding to be included within the new Funds.

Will program consolidation affect the Government’s health reform targets?

The Government is committed to its health reform targets, which will not be affected by the changed program arrangements.

How will the Department advise the release of the application round?

Key stakeholders will be notified of the release of the application round by email. Additionally, the application round will be widely advertised including in major newspapers and through ‘ADCA Update’, a free bulletin board service provided by the Alcohol and other Drugs Council Of Australia.

How can stakeholders provide feedback on the Discussion Paper?

A dedicated Substance Misuse Service Delivery Grants Fund mailbox SMSDG@health.gov.au has been established to receive feedback on the Discussion Paper. All input should be directed to this mailbox during the designated two week consultation period.