

Alcohol Education & Rehabilitation Foundation Ltd
Annual Report 2002–2003



workforce
education
prevention
support
treatment
research



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Alcohol Education & Rehabilitation Foundation

Our primary aim is to encourage responsible consumption of alcohol and emphasise the danger of licit substance misuse.

The Foundation's programs will assist both individuals and organisations enhancing a variety of programs in the areas of education, prevention, treatment and rehabilitation.



COLLABORATIVE APPROACH

The Alcohol Education and Rehabilitation Foundation (AERF) will work with governments, organisations and local communities to identify responses to key issues that are supported by those who will be directly involved. Where appropriate, the AERF may join with others in funding or supporting such collaborative responses.

CAPACITY BUILDING AND COMMUNITY ENGAGEMENT

The AERF will actively seek ways to support greater community engagement and capacity building within local organisations as a way of increasing the effectiveness of current activities and

promoting awareness and ownership of problems within local communities. This commitment to engagement may require innovative approaches to funding and grant processes.

TRANSPARENT AND ACCOUNTABLE

The AERF will be transparent in its decision making processes, and will be accountable for the outcomes achieved through such decision making processes.

CULTURAL RESPONSIVENESS

The AERF acknowledges that patterns of alcohol use and misuse are often associated with different cultural beliefs and behaviour. All funded AERF initiatives

will need to demonstrate awareness of cultural values and ensure cultural sensitivities are identified and appropriately addressed.

ACKNOWLEDGING THE IMPORTANCE OF SOCIAL JUSTICE

Alcohol and licit substance misuse is more common amongst disadvantaged and marginalised groups in Australian society. In some cases, addressing social disadvantage may be a core component in addressing the level of alcohol related harm. The AERF recognises that social equity factors will need to be acknowledged if AERF supported initiatives are to be effective.



Foundation Values

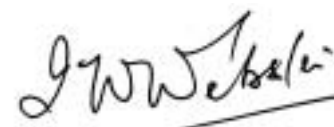
The Hon Trish Worth MP
 Parliamentary Secretary to the Minister for Health and Ageing
 Parliament House
 CANBERRA ACT 2600

Dear Parliamentary Secretary

On behalf of the Board of Directors of the Alcohol Education and Rehabilitation Foundation, I am pleased to present the annual report for the year ended 30 June 2003.

This report has been prepared in accordance with Part B of Schedule 2 to the Agreement regarding Commonwealth funding for the Foundation. The report contains the first independent evaluation of the Foundation's work by the Australian Institute for Primary Care as an appendix.

Yours sincerely



Emeritus Professor Ian W. Webster AO

Chair

Chairman's Report



Since last year's Annual Report alcohol and other licit drug use, such as inhalant abuse, have featured more prominently in public discussion, and in the interest of governments. The Commonwealth Government has released the invaluable Australian Alcohol Guidelines, the third phase of a national alcohol campaign directed to young people has been held and the Senate has taken up the complex issues of alcohol taxation.

Various state governments have also started to plan actively for strategic partnership approaches with the Foundation to alcohol and licit drug problems. The Northern Territory Government has agreed a community alcohol action plan around Alice Springs, the Queensland Government is acting on the Fitzgerald Report, and three state governments — Western Australia, Queensland and the Northern Territory — through the Telethon Institute of Child Health Research in Western Australia and with the support of Rio Tinto and our Foundation, are planning a major set of initiatives for child and maternal health and workforce development around the impact of alcohol and related problems in Indigenous communities.

The Foundation has formed a strategic partnership with the West Australian Government and three treatment

service providers to increase the alcohol abuse treatment capacity in that State by 40 beds.

The Victorian Government has agreed to enter into partnership with the Foundation to deal with some pressing issues in alcohol and related problems in young people, workplaces and among Indigenous young people in that state.

The New South Wales Government has announced that it will hold an Alcohol Summit in August 2003.

The Foundation welcomes all these initiatives and is pleased that we have been instrumental in catalysing and supporting, in a practical sense, these high level initiatives.

The Board Directors are representative of a wide range of interests and each one of them could be regarded as outstanding contributors to national good in their own right. But together they are a formidable team of experience, knowledge, skill and above all compassion — compassion especially for some of the people against whom our society most vigorously discriminates.

They are hard workers, and the demands by the Foundation of their time and patience is well beyond the call of duty. I thank them for their efforts and the good humour with which they so willingly take

on the task of overseeing the Foundation's work.

In the same way that the Directors have made such a commitment to the Foundation's work, so too have the staff under the leadership of Mr Daryl Smeaton. The Foundation has aimed to keep its administrative costs to the lowest level possible, and I believe this has been achieved.

This has meant that the staff members have had to work at their peak all the time. More importantly they have borne much of the relationship with the wider community — answering their questions, informing them about the possibilities of funding and assisting organisations to present their ideas clearly and in a form the Board can consider.

It is a privilege to be working in an environment where there are so many people who wish to do something about health and social problems such as those caused by, and associated with, alcohol and related licit substance misuse. And there are so many who value scholarship and the pursuit of understanding of these issues, and who are pleased to encourage the work of others and most significantly to promote and enhance the skills in services and especially in research. There is a body of

unpaid altruistic intellectual capital out there which responds so readily to our requests for help in assessing and guiding projects and without these people our job could not be done.

On behalf of the Board I thank all those individuals and groups who have offered advice and support, and especially to those referees who have put their minds to the evaluation of proposals on our behalf.

As part of our Charter and agreement with the Commonwealth Government, the Foundation is required to liaise regularly with the Commonwealth Department of Health and Ageing. These have been mutually worthwhile exchanges, leading to benefits to the Commonwealth's efforts in our field of concern, but, also, of course, keeping the Parliamentary Secretary to the Minister for Health and Ageing, the Honourable Trish Worth, MP well abreast of the Foundation's initiatives. The Board appreciates this support and encouragement.

In similar vein the working relationships with the Prime Minister's Office and the Department of Prime Minister and Cabinet have been very important to the Foundation. This has led to some key national initiatives which will be announced in the near future.

It has not all been plain sailing. The needs are great and there are many people who believe that their organisation or group has the most appropriate response in their environment to deal with issues consonant with the Board's objectives. There are far more people and projects than the possibility of support from the Foundation will allow.

The Board must be able to demonstrate to the external observer that worthwhile results are possible, indeed are being or have been achieved.

To this end the Board is proceeding to engage an external high quality group to advise on our own processes of review and direction and to put in place a framework for overall evaluation of the Foundation's effort.

**Emeritus Professor Ian W Webster
AO**

Board of Directors

Professor Ian Webster AO (Chair)



Professor Ian Webster AO is a physician and Emeritus Professor of Public Health and Community Medicine of the University of New South Wales. He is immediate past President of the Alcohol and other Drugs Council of Australia, Chair of the National Advisory Council on Suicide Prevention, Chair of the NSW Expert Advisory Committee on Drugs and Co-chair of the NSW Mental Health Implementation Group. He has chaired a number of Commonwealth and State Government inquiries and reviews in disability, health, mental health and alcohol and other drug problems. He is in clinical practice in the Drug and Alcohol Services in the South Western Sydney Area Health Service and honorary visiting physician to the Matthew Talbot Hostel for the homeless in Sydney. He has conducted research and published in medicine, community and public health, alcohol and other drug problems, mental health and social issues.

Scott Wilson (Deputy Chair)



Scott Wilson is State Director of the Aboriginal Drug and Alcohol Council (SA) Inc, which is the only Indigenous organisation of its kind in Australia. Mr Wilson has presented a number of papers on behalf of ADAC at both national and international conferences on indigenous drug and alcohol issues and was awarded the Alcohol and other Drugs Council of Australia (ADCA) Australia Day Achievement Medallion in 1997. In 2003, Scott was awarded the Centenary Medal for service to Indigenous substance misuse issues.

Cheryl Bart (Audit Chair)



Cheryl Bart is a lawyer and company director. She is the Chairman of the Adelaide International Film Festival and Strategic Partners Pty Ltd. She holds a number of directorships including the Economic Development Board of South Australia, ETSA Utilities Pty Ltd, EOS Limited, Basketball Australia, APP Corporation and Shanton Ltd. Ms Bart is also a member of the Defence Industry Advisory Board (SA) and the Information Economy Advisory Board. Prior directorships include Sydney Ports Corporation, Soccer Australia and the Institute for Biomedical Research.

Nick Gill



Nick Gill has worked in the field of alcohol and other drugs for the last ten years, and he is presently Manager of Drug and Alcohol Services Association.

David Crosbie



David Crosbie is currently CEO of Odyssey House Victoria, one of Australia's leading alcohol and drug treatment agencies. He is the former CEO of the Alcohol and other Drugs Council of Australia, and has extensive experience in developing and implementing policies and programs to reduce the level of alcohol related harm in Australia.

Reverend Tim Costello



Reverend Tim Costello has a life long commitment to social justice. He is Chair and a Director of First Step, a drug detoxification program. He is also Executive Director of Urban Seed, a Minister of Collins Street Baptist Church and past President of the Baptist Union of Australia.

Professor

Tim Stockwell



Professor Tim Stockwell has been Director of the National Drug Research Institute, Curtin University, WA since June 1996. He has worked for many years as a Clinical Psychologist and alcohol researcher in Australia and the United Kingdom. He is a member of the World Health Organisation, Alcohol Policy Strategy Advisory Committee.

Dr Peter d'Abbs



Associate Professor Peter d'Abbs holds a position in the School of Public Health and Tropical Medicine, James Cook University, Cairns and is currently also working with Queensland Health, Cairns. He has conducted extensive policy - related research and evaluation in the areas of alcohol problems and community-based interventions, particularly in Indigenous and rural/remote settings.

Anne Mosey



Anne Mosey has worked with remote Aboriginal communities for over 10 years in the Northern Territory, Queensland and Western Australia to assist them in the development of strategies concerning alcohol abuse and petrol sniffing. She is currently working as a consultant providing training and community development support to government and non-government agencies in the areas of alcohol and inhalant substance misuse.

Dr Bernadette Tobin



Dr Bernadette Tobin is Director of the Plunkett Centre for Ethics in Health Care at St Vincent's Hospital in Sydney and Reader in Philosophy at the Australian Catholic University.

Dr Ngiare Brown



Dr Ngiare Brown is currently working as the Chief Executive Officer of the Australian Indigenous Doctors' Association. Previously she worked with World Vision Australian Indigenous Programs as the Preventative Health Coordinator.

Chief Executive Officer's Report



It is pleasing to be able to report that the Foundation has had a good year. We have approved 153 grants totaling over \$19 million, we have strategically reviewed our operations, principles and priorities, we have achieved deductible gift recipient status and we have appointed an independent external evaluator to report on the social impact and cost effectiveness of our grants program.

These achievements come about through the commitment of all Directors and staff under the astute leadership of the Foundation's Chair, Professor Ian Webster, AO. The preparedness of Directors to give their valuable time to making a difference in the lives of many Australians affected by the misuse of alcohol and other licit substances is an inspiration to the staff of the Foundation.

Nearing the end of our first 12 months of operations, it became clear to the Foundation that a strategic review was necessary. We had already been asked to provide funding for projects which totalled nearly twice as much as we will receive in Federal grants by 30 June 2005. Most of these requests were worthy of funding but equally most could not be funded.

Directors and staff, with the excellent support of Dr Norman Swan, looked at where we were, what we were being asked to do and where we wanted to be, as a contribution to a more effective alcohol and other drugs sector, by 30 June 2005. The results of that review were a revised set of operational principles, clear funding criteria and the adoption of funding rounds for the categories set out in our objectives. The operational principles are set out elsewhere in this report.

The move to specific funding rounds with published priorities, closing dates and specific meetings of Directors to consider the applications has delivered much more certainty to our operational approach for applicants and the Foundation. The response to our first four rounds was very pleasing.

The generous funding from the Commonwealth Government ceases on 30 June 2005 and the Foundation is moving to ensure its ongoing operations beyond that date. It sought, and has been granted, deductible gift recipient status, with effect from 5 June 2003. Work is now proceeding to establish, and launch, a Public Fund to seek, and receive, the support of all Australians for the future ability of the Foundation to continue to make a difference, particularly through strategic partnerships.

One of the requirements of our funding agreement with the Federal Minister for Health and Ageing is to provide, annually, a report by an independent professional organisation on the social impact and cost effectiveness of our operations. The Foundation's Executive spent considerable time developing an evaluation plan and, in April 2003,

selectively sought tenders from interested parties to undertake the work. In June 2003, the Foundation appointed the Australian Institute for Primary Care from La Trobe University to provide the required reports. The first report, to 30 June 2003, is appended. The Foundation will respond to the recommendations in that report during the coming year.

For an organisation like the Foundation, regular consultation and liaison with people beyond Directors and staff is essential to ensuring that we understand the needs of the sector we are seeking to support. I am constantly gratified by the willingness of many wonderful people to listen, advise and support. To thank them all by name would require a very long list but I sincerely do thank them for their invaluable support. I also warn them that they will hear from me again!

Finally, the work of Directors and me, as CEO, is made far less taxing and far more enjoyable by the fantastic support of a great professional staff. Their efforts underpin all of the not insignificant achievements of the Foundation. Tracey, Jim, Janet, Julie, Margo and Jodi, names familiar to many people and organisations supported by the Foundation, make a great team of which I am proud to be a part. I should also acknowledge, and thank, Andrew Naef, who provides audit and accounting advice, and Cameron McLean, who provides IT support. They are also integral to our effectiveness.

Daryl P. Smeaton
Chief Executive Officer

Staff

Daryl Smeaton – Chief Executive Officer

In a career spanning 35 years, Daryl has undertaken a variety of high profile tasks. Most recently he was Chief Executive of the Real Estate Institute of Australia. Previously he worked for the Federal Government for over 30 years, with 7 years as Chief of Staff to 2 Federal Justice Ministers and nearly 5 years as Executive Member of the Commonwealth Law Enforcement Board.

Margo Wright – Research Co-Ordinator

Margo joined the Foundation in December 2001 having previously worked at the Royal College of Nursing, Australia where she managed research grants, nursing awards and the Commonwealth's Remote and Rural Nursing Scholarship Schemes. Prior to that she was Property Manager at the CSIRO where she assisted in the management of CSIRO's extensive property portfolio.

Julie Burgess – Marketing Co-Ordinator

On the hunt for a new challenge, Julie joined the Foundation in December 2001. Julie is dedicated to self education with qualifications in communication, professional writing, computing and web design. Previously Julie worked as a Computer Trainer and totes as her favourite achievement her involvement on the project team at the Australian War Memorial that helped return the "Unknown Australian Soldier".



Back Row (Left to Right): Margo Wright, Jodi Egan, Jim O'Shea, Tracey Purdam
Front Row (Left to Right): Janet Cossart, Daryl Smeaton, Julie Burgess

Jodi Egan – Workforce Co-Ordinator

Jodi joined the Foundation in July 2002 having previously worked at the Royal College of Nursing, Australia as a Grants Administrator for the Commonwealth Remote and Rural Scholarship Scheme and the Remote and Rural Undergraduate Scholarship Scheme.

Tracey Purdam – Deputy Chief Executive Officer

With a strict eye for detail and a business management and legal background, Tracey joined the Foundation in December 2001. Tracey has extensive experience working in the government and non-government sector. Prior to joining the Foundation Tracey worked as a business management consultant and has strong sporting background.

Jim O'Shea – Finance Manager

Each decimal point must be in its correct place as the Foundation's Finance Manager Jim O'Shea meticulously checks all figures. After six years as the Financial Controller for a National Transport Group, Jim joined the Foundation in December 2001. Previously he spent seven years as Manager of Westpac Bank's Legal Department in Canberra.

Janet Cossart – Office Manager

After graduating from the Canberra College of Advanced Education in 1976 with a Bachelor of Arts in Secretarial Studies, Janet spent 6 years at the Royal Australian Institute of Architects before moving to the Australian Industry Development Corporation as Secretary to the Chief Legal Counsel and Senior Secretary to the Deputy Chief Executive. Prior to commencing with the Foundation in December 2001, she spent 9 years in various administrative and project roles with the ACT Division of General Practice.



To 30 June 2003,
the Foundation had
received 600
Grant applications
seeking in excess
of \$200 million.

Strategic Direction for the Foundation

In November 2002, the Foundation paused to examine the emerging trend within the alcohol and other drugs sector. It was clear that the Foundation could not meet the demand, as we had already been asked to provide more money than would be available to the Foundation by 2005.

Strategically, the Foundation decided to re-evaluate its grants process in order to provide funds for projects that would have an enduring benefit for the Australian community. This meant revising the way we offer grants, implementing a system of funding rounds and streamlining the categories in which grants were offered.

To this end, the Foundation redefined its priorities into four areas of need:

- Treatment and Rehabilitation
- Research
- Prevention and Public Education
- Scholarship and Workforce Development.

These areas are now the basis of the Foundation's grants program. Each funding area has priorities which focus on a wide and enduring reach.

FUNDING PRIORITIES

Treatment and Rehabilitation

1. Treatment and rehabilitation does not refer solely to residential programs for severely dependent drinkers but includes the full range of interventions targeting individuals whose use of alcohol and/or other licit substances places them at risk of experiencing harm and/or inflicting harm on others.
2. Applications that utilise a range of evidence-based treatment modalities rather than relying on any single modality are encouraged.
3. While emphasising the importance of evidence-based interventions, we also encourage the implementation and evaluation of innovative programs and services.
4. We draw attention to findings from recent reviews of treatment and rehabilitation services and expect that applications will take note of those findings, such as the need for integration with alcohol and other drugs programs, ongoing program evaluation and, in particular, deficiencies in quality assurance.
5. We attach priority to social equity and access and to the need for treatment services suited to a broad range of settings and circumstances, particularly recognising that, while some people in some settings require residential treatment, there is evidence that others can benefit from community and home-based services.
6. We will only provide funds for establishing new residential treatment and rehabilitation services, or to expand existing services, where the application includes a partnership with a long-term funder, such as Government.
7. Recognising the evidence which supports the efficacy of follow-up services in enhancing long-term treatment outcomes, we will give priority to proposals which address the provision of appropriate, evidence-based follow-up services.
8. Acknowledging that detoxification and acute withdrawal services and programs designed to reduce acute alcohol related harm, such as sobering up shelters and night patrols, differ from "treatment", we recognise the need for such services and will consider funding support for them in partnership with other funders.

Research

1. We will support research in three broad areas:
 - Public Health including education;
 - Public Policy issues;
 - Service Provision, especially to under-serviced populations and unmet need.
2. We will give priority to proposals which focus on young people, Indigenous Australians and other vulnerable population groups.
3. Our principal scientific goal will be to build the skill and knowledge base to improve health, social and personal outcomes for alcohol and licit substance misuse by individuals and in communities.
4. In the public health area, we will support research into the epidemiology of alcohol and licit substances (including inhalants), such as harms, dynamics of use and harm in populations, economic studies and future projections.
5. In the public policy area, we will support research into the community's relationship to alcohol and licit substance use (including values, attitudes, laws), those affected by alcohol and licit substance use and issues of supply and availability.
6. In service provision, we will support research into, and evaluation of, interventions, including innovative approaches and research on efficacy, effectiveness and cost-effectiveness of responses to the problematic use of alcohol and licit substances (including inhalants).

Prevention and Public Education

1. We will support communities to implement local strategies to enhance the reach and effectiveness of the National Alcohol Campaign relating to Standard Drinks.
2. We will provide sponsorship funding for proposals with a theme and message that directly promotes responsible consumption of alcohol and the dangers of licit substance abuse.
3. We will support programs that divert people with alcohol and licit drug problems from the criminal and juvenile justice system to preventive treatment, rehabilitative and educational interventions, focussing particularly on vulnerable population groups such as youth and indigenous Australians.
4. We will support initiatives and programs that address whole-of-community programs, which focus on alcohol and licit substance misuse, which have a range of collaborative approaches, linkages and capacity building elements and which include a comprehensive evaluation strategy.

Scholarship and Workforce Development

1. We will focus on enhancing the alcohol and other drugs workforce throughout Australia through professional development, peer support and mentoring programs, on-site learning and the development and implementation of best practice models for intervention.
2. We aim to equip frontline workers with the skills and knowledge to effectively recognise alcohol and licit substance problems and to deal with them appropriately.
3. We aim to enhance the effectiveness of organisations in their response to alcohol and licit substance misuse.
4. We aim to promote collaborative, interdisciplinary partnerships between organisations in this field.
5. We aim to address the crucial role of managers and policy makers in determining the shape and nature of the AOD workforce.



6. In assessing applications in this category, we will require evidence:
 - Of a current skills deficit, its nature and the need for particular skills;
 - That the proposed approach will attract and engage participants and increase their skills;
 - That participants will be retained within the organisation or the field of alcohol and other drugs and make a worthwhile contribution to the AOD sector; and
 - That any training proposed is appropriate for accreditation under the Australian National Training Framework or relevant vocational or professional standards.

The Foundation will advertise funding rounds and each round will focus on specific funding priorities. These priorities will evolve over time and some may change, however, the Foundation will continue to fund projects that accord with our operational principles.

OPERATIONAL PRINCIPLES

The Alcohol Education and Rehabilitation Foundation has revised its operational principles. The Foundation:

1. Is a strategic funder and will publish the priorities and criteria which will govern its funding decisions.
2. Will not replace Government funding.
3. Is fiscally responsible and will expect the same of all applicants for grants.
4. Will only fund projects needing recurrent funding if there is an agreed exit strategy.
5. Gives high priority to increasing the understanding of alcohol related harm and the translation of that understanding into policy and practice.
6. Gives priority to collaborative projects which enhance current evidence-based practice.

7. Will favour projects which:
 - demonstrate objectively a need;
 - describe the proposed methodology or approach adequately;
 - detail outcomes expected to be beneficial and achievable;
 - include evaluation strategies that focus on outcomes which are measurable.

8. Gives preference to projects which address inequities caused by lack of access or by social disadvantage.
9. Will not disadvantage projects focussing on young people and/or indigenous communities, which deal with a range of substance use problems.
10. Will give highest priority to projects with the potential for enduring and widespread benefit.

workforce
education support treatment
prevention research

The Foundation is proud to have assisted over 150 Organisations with strategic funding for programs that enhance the Australian Community. Through collaborative partnerships, prevention, rehabilitation, research, scholarship, workforce development and treatment programs the Foundation will continue to support the sector and ultimately establish a Public Fund to ensure these important initiatives continue into the future.

Note: * excluding GST



PREVENTION AND PUBLIC EDUCATION

Buru Ngunawal Aboriginal Corporation received a \$27,000.00* grant to investigate the extent of alcohol misuse in the Indigenous communities of the ACT, Queanbeyan, Yass and Goulburn. Outcomes from the investigation were utilised to develop a detailed strategy for combating this rising issue.

RESEARCH

The Alcohol and Other Drugs Council of Australia received a \$178,174.00* grant to investigate the effects of current indirect taxation on low strength alcohol beverages.

The Centre for Aboriginal Economic Policy Research at the Australian National University received a \$181,886.00* grant to examine factors which impact on present Indigenous drinking patterns and conduct a thorough analysis of the history of commercially produced alcohol products to Indigenous Australians. This research is due for completion in 2006.

TREATMENT AND REHABILITATION

Winnunga Nimmitjyah Aboriginal Health Service received a \$6,818.18* grant to enable the attendance of a representative at the "Healing our Spirit Worldwide" conference in Albuquerque New Mexico from 2-6 September 2002. Attendance at this conference enabled the establishment of important networks and the exchange of knowledge regarding the treatment of Indigenous substance misuse.



PREVENTION AND PUBLIC EDUCATION

Bowraville Central School received a \$7,000.00* grant after developing a comprehensive alcohol policy for the school. The grant enabled the school to send 45 students, two teachers and five parents to the Croc Eisteddfod held in Moree in 2002. The students were given access to a range of services, taught essential lifestyle skills and shown career options available to those willing to work hard and chase their dreams.

Bryon Youth Activities Centre received a \$19,169.08* grant to present improvised street theatre in an environment that has traditionally been a drinking and substance misuse venue for youth. The performances were creative and fun and disseminated a responsible consumption of alcohol message without preaching to its target audience.

City of Albury received a \$6,020.00* grant to assist a partnership between the Albury Liquor Accord, Department of Gaming and Racing and TAFE NSW Riverina Institute conduct a joint agency workshop and industry stakeholder day.

Drug Awareness and Relief Movement NSW/ACT received a \$93,380.00* grant to provide a mobile youth outreach assessment, support and referral service in the Wollongong Local Government Area.

Glebe Youth Service received a \$18,300.00* grant to conduct a series of dance nights in partnership with the Glebe-Leichardt Police Community Youth Service. The events were alcohol and substance free and youth were encouraged to participate in an event that was fun and safe.



Grants Awarded

Hastings Liquor Consultative Committee received a \$11,540.00* grant to conduct a series of one day workshops designed to educate and prevent youth from adopting at risk behaviours regarding alcohol and licit substances.

Hunter Centre for Health Advancement received a \$1,270,000.00* grant to work in partnership with the New South Wales government to train over 9,000 police officers in reducing alcohol related harm through enforcement of the liquor licensing laws. This innovative project is the first in New South Wales of what the Foundation hopes will be many collaborative partnerships between the government and the Foundation.

Indigenous Festivals of Australia Ltd received a \$200,000.00* grant towards the running of Croc Festivals 2003. Following exemplary feedback from participants and communities regarding the 2002 Croc Festivals, the Foundation was proud to support the project for a second year. This year the Festivals visited Thursday Island, Tennant Creek, Derby, Kalgoorlie, Port Augusta, Swan Hill and Moree.

Life Education Australia received a \$513,700.00* grant to run the "Let's Talk" program, a new initiative that encourages interaction between parents and their children. Working together in strategic forums, families can identify issues not only within the family, but the wider community pertaining to alcohol and other substance misuse. Through this interaction a cooperative solution to the issue can be achieved.

Maari Ma Health Aboriginal Corporation received a \$168,800.00* grant to conduct a performing arts program designed to stimulate participation and steer Indigenous youth away from harmful behaviours of alcohol and substance misuse.

Manly Drug Education and Counselling Centre received a \$131,300.00* grant to provide a peer education program designed to prevent the uptake of problematic alcohol and substance misuse behaviours.

Manly Drug Education and Counselling Centre received a \$31,760.00* grant to teach students at the Northern Beaches College of TAFE about the impacts of the licit substance culture. This project is designed to stimulate a change in views regarding the uptake of harmful behaviours.

Merrylands Community Health Centre received a \$29,237.00* grant to enable a partnership between real estate agencies, health service providers and local government agencies. Partnership members developed a series of innovative information packages for the community regarding alcohol and substance misuse.

Moree Boomerangs Rugby League Club received a \$13,800.00* grant to host the 2002 Inaugural NSW Annual Aboriginal Rugby League Knockout Carnival. With the development of a strategic alcohol and substance policy the club hosted an excellent event that reinforced positive lifestyle choices and educated the community about responsible consumption of alcohol.

Nambucca Shire Council received a \$28,401.72* grant to provide information stands at five major community events between September 2002 and April 2003. These stands educated the community about the responsible consumption of alcohol and highlighted the consequences of licit substance misuse.

Newcastle City Council received a \$246,580.00* grant to run a crime prevention and alcohol use and misuse management strategy. Utilising a collaborative approach the council will provide a series of food vans at strategic locations throughout the Central Business District to alleviate crime associated with alcohol and licit substance misuse.

Port Stephens Council received a \$43,095.00* grant to conduct a social and self competency program for males aged between 16 and 21 years who are deemed "at risk" of developing problems with alcohol and substance misuse. This innovative project taught the men how to develop skills to cope with lifestyle challenges.

Queanbeyan City Council received a \$10,650.00* grant to trial an innovative bus service that took patrons from licensed premises to their residences. Operating Friday and Saturday nights between October and November 2002 the program proved overwhelmingly effective in reducing alcohol related crime and violence in the Queanbeyan central business district.

Radiowise Media Networks Pty Ltd received a \$115,250.00* grant to conduct a feasibility study regarding the impact of health promotion messages targeting Indigenous communities. The study provides vital insight into the effectiveness of radio in communicating educational messages.

Vibe Australia Pty Ltd received a \$70,400.00* grant to hold the National Indigenous 3 on 3 Basketball and Hip Hop Challenge. This event encourages Indigenous Youth to adopt healthy lifestyle practices through participating in an event that is easy to understand and fun to do.

Wollongong City Council received a \$17,519.70* grant to conduct a media drive awareness campaign and policy strategy project. The campaign targeted adults who supplied alcohol to minors in an effort to reduce alcohol related anti-social behaviour.

Youth off the Streets received a \$6,000.00* grant to run an evaluation of a competition designed to educate youth about alcohol and substance misuse with a fun and stimulating project. Competition participants had to design an advertising campaign that disseminated a positive lifestyle and health messages encouraging youth to not adopt harmful behaviours regarding alcohol and licit substances.

RESEARCH

Central Sydney Area Health Service received a \$119,000.00* grant to conduct workforce training to improve the assessment and management of alcohol use in hospital patients by junior medical officers. This project aims to improve the quality of data gathered by medical officers and recorded to improve long term patient care and treatment.

Drug and Alcohol Multicultural Education Centre received a \$277,010.00* grant to investigate the prevalence of alcohol and other substance use in six non-english speaking communities. The research will identify changes in trends in alcohol and substance consumption from 1992 to 1997 prevalence studies and determine the most effective targeted health promotion projects.

National Drug and Alcohol Research Centre received a \$131,023.00* grant to conduct research into the effectiveness of healthy lifestyle brief interventions. The research will test interventions against alcohol to determine the best method of delivering nutrition and physical activity programs to Indigenous people in a primary care setting.

National Drug and Alcohol Research Centre received a \$37,878.00* grant to investigate economic modelling of various strategies for altering general practitioners clinical behaviours with respect to screening and providing brief interventions to individuals with low dependent alcohol consumption.

University of Newcastle received a \$657,480.00* grant to develop a computer-based cognitive behaviour therapy for alcohol use and coexisting depression in rural and urban areas.

SCHOLARSHIP AND WORKFORCE DEVELOPMENT

Building Trades Group Drug and Alcohol Committee received a \$232,632.00* grant to enable apprentices to attend a short course on drug and alcohol safety in the workplace. The course was provided through TAFE Colleges in Sydney, Newcastle and Wollongong to in excess of 1,500 apprentices.

Dharah Gibinj – Casino Aboriginal Medical Service received a \$6,818.00* grant to send a representative to the "Healing our Spirit Worldwide" conference in Albuquerque, New Mexico. This grant was awarded to enhance the Organisation's capacity to respond to issues faced by Indigenous Communities and to enable the representative to network with global professionals dealing with similar issues internationally.

Gethsemane Community Inc received a \$7,500.00* grant to send a representative to facilities in the United States that treat and rehabilitate people who present with a dual diagnosis of mental illness and alcohol or substance misuse. This project greatly enhanced the organisation's capacity to manage dual diagnosis within their target community.

Indigenous Social Justice Association Inc received a \$2,700.88* grant to send a representative to the 2002 Indigenous Education Conference and 2002 National Indigenous Children's Issues conference.



Kimberley Foundation Australia

received a \$1,800.00* grant to enable two Indigenous women from Kalumburu to undertake an alcohol counselling course. Participants acquired vital skills to take back to their community in handling incidences of alcohol and substance misuse.

Life Education Australia received a \$7,590.00* grant to send a representative to attend a "Train the Trainer" course in the United States to gain essential skills and resources to successfully facilitate the Botvin's Substance Abuse Prevention Program.

Macquarie University, Department of Psychology received a \$28,800.00* grant to enable ten Indigenous students in the mid-north coast region of New South Wales to enrol in the Indigenous Social Health Worker strand of the Post Graduate Certificate in Social Health.

Manly Drug Education and Counselling Centre received a \$8,000.00* grant to enable a representative to complete a Masters in Education/Health. The knowledge gained by the further study will greatly enhance the Centre's capacity to deliver quality alcohol and licit substance interventions.

Northern Rivers Division of General Practice

received a \$4,358.00* grant to send a representative to the ICCE and ASCILITE conferences in Auckland. These conferences expanded the representative's understanding of workplace practices in the treatment of alcohol and licit substance misuse. The conferences also provided an invaluable opportunity to liaise with professionals in the alcohol and substance misuse sector from around the world.

Tamworth Aboriginal Medical Service Inc received a \$6,818.18* grant to send a representative to the "Healing our Spirit Worldwide" conference in Albuquerque, New Mexico. This grant was awarded to enhance the Organisation's capacity of treating issues faced by Indigenous Communities and to enable the representative to network with global professionals dealing with similar issues internationally.

TREATMENT AND REHABILITATION

Alcohol and Drug Foundation NSW

received a \$73,122.00* grant to provide treatment and therapy for women and children affected by substance misuse. The project also gathered vital evidence about the impact substance misuse can have on families with neuro-psychological and cognitive impairment testing of project participants.

Bundjalunga Tribal Society Limited

received a \$242,786.00* grant to aid renovations and operational costs involved in providing rehabilitation services to Namatjira Haven, a 20 bed Indigenous rehabilitation facility.

Drug Arm NSW

received a \$100,170.00* grant to establish a re-entry program in Blacktown. This serves as a transitional project for people leaving custody, who are attempting to deal with substance misuse problems.

Judge Rainbow Memorial Fund

received a \$76,454.00* grant to provide specialised drug and alcohol rehabilitation programs to people leaving custody.

Ngaimpe Aboriginal Corporation

received a \$250,000.00* grant to build a ten bed accommodation and rehabilitation facility to house Indigenous men with alcohol and substance misuse problems.

Odyssey House McGrath Foundation

received a \$243,943.00* grant to run an aftercare program that will provide support and guidance to people after they leave the Odyssey House residential rehabilitation program.

Regenesis

received a \$105,882.00* grant to enable the continuation of vital relapse prevention, aftercare and social rehabilitation services. Regenesis work with clientele and their families to ensure that clients continue to achieve abstinence, emotional support, lifestyle training and reintegration into communities after treatment.

Ted Noffs Foundation

received a \$107,500.00* grant to run a holistic life management program in Dubbo which addresses the intrapersonal, interpersonal, societal, living skills, vocational, educational and health skills of youth at all levels.



PREVENTION AND PUBLIC EDUCATION

Naiyu Nambiyu Community

Government Council received a \$57,345.00* grant to establish a night patrol service in a high risk Indigenous community. This project is designed to reduce alcohol and substance related violence and crime by removing affected people from the streets and taking them to shelters where they can receive adequate care and counselling.

Northern Territory Government

received a \$1,039,838.00* grant as part of a partnership between the government and the Foundation to implement alcohol policy strategies in the Territory. The Foundation's contribution to this important project funded non-government agencies to enable the implementation of initiatives designed to complement the alcohol licensing restrictions in Alice Springs.

Yuendumu Womens Centre

received a \$39,000.00* grant to purchase a vehicle to replace the aging equipment utilised by the Women's night patrol. This vehicle enabled the continuation of this important service which reduces alcohol and substance related violence and crime, by removing intoxicated and substance affected individuals from the streets.

SCHOLARSHIP AND WORKFORCE DEVELOPMENT

Alcohol Awareness and Family

Recovery received a \$277,396.00* grant to employ and train two specialist officers. This grant enhances the Alcohol Awareness and Family Recovery's capacity to deliver quality alcohol and licit substance interventions to the community.

Anyinginyi Congress Aboriginal

Corporation received a \$6,818.18* grant to send a representative to the "Healing our Spirit Worldwide" conference in Albuquerque, New Mexico. This grant was awarded to enhance the Organisation's capacity of treating issues faced by Indigenous Communities and to enable the representative to network with global professionals dealing with similar issues internationally

Darwin Skills Development Scheme

received a \$19,328.90* grant to enable 11 representatives to attend the "Inhalant Use and Disorder" Conference in Townsville in July 2003. This conference provided invaluable networking opportunities for the representatives to share experiences and brainstorm treatment methodologies.

Institute for Aboriginal Development

Inc received a \$3,000.00* grant to enable Indigenous youth workers to travel to Sydney and learn a holistic approach to assisting Indigenous youth in remote communities. The training gave participants essential skills for teaching Indigenous youth coping mechanisms and life skills to avoid harmful behavioural trends.



NPY Women's Council Aboriginal Corporation received a \$6,845.45* grant to enable five representatives to attend the "Inhalant Use and Disorder" Conference in Townsville in July 2003. This conference provided invaluable networking opportunities for the representatives to share experiences and brainstorm treatment methodologies.

TREATMENT AND REHABILITATION

Central Australian Aboriginal Alcohol Programmes Unit received a \$57,345.00* grant to employ a life skills officer who would be responsible for assisting clientele to learn life skills. The officer would also assist clientele to find suitable work, training and accommodation where needed to ease the transition back into the community.

Central Australian Aboriginal Alcohol Programmes Unit received a \$31,000.00* grant to conduct a feasibility plan for a capital works project.

Council for Aboriginal Alcohol Program Services received a \$133,000.00* grant to enable the development of a block of land to include a native plant and bush tucker nursery. This program was designed to stimulate activity and healthy lifestyle choices for clientele receiving alcohol and substance misuse rehabilitation.

PREVENTION AND PUBLIC EDUCATION

AFL Cairns Juniors Inc received a \$26,271.53* grant to enable the Under 12 representative team to travel to the Gold Coast to participate in the Australian Football League's State Primary School Championships. Participants were given the opportunity to compete in a friendly competition, forge new friendships and learn about healthy lifestyle choices.

Cape York Rugby League and Sports Association Inc received a \$9,090.91* grant to send a team to play in a Grand Final Weekend in Weipa on 14 and 15 September 2002. The Club developed an alcohol and substance use policy that all team members were required to abide by in order to participate in the event. The project was designed to encourage interaction with other sporting clubs, to gather information about hosting a sporting event in an alcohol and substance free environment and to enable team members to learn responsible consumption behaviours.

Lockhart River Council received a \$72,728.00* grant to purchase a 17-seater bus to transport children from the Lockhart River kids club to school, sporting events, camps and educational forums. This project is designed to encourage indigenous youth who live in an isolated area to participate in healthy lifestyle programs and steer them away from alcohol and licit substance misuse that arises due to boredom and inactivity.

NPA Women's Shelter received a \$7,500.00* grant to produce a series of informative pamphlets for indigenous women regarding the harms associated with alcohol and licit substance misuse. These pamphlets were disseminated throughout the Indigenous community and are available on request from the Shelter.

Queensland Rugby Football League Limited received a \$17,500.00* grant to enable the Cape York Rugby League and Sports Association Inc to select and send a representative team to Port Moresby. Team representatives were required to abide by the alcohol and substance policy developed by the Queensland Rugby Football League Limited and conduct themselves in an appropriate manner that reflected the ideals of the club and the team.

South Burnett Community Training Centre received a \$394,800.00* grant to develop a harm minimisation strategy and a public relations strategy to address rising problems associated with alcohol and licit substance misuse. Working in collaboration with the health department, liquor licensing authority, sporting bodies and educational institutions the group implemented a number of key interventions designed to encourage youth to avoid self-harm behaviours.



The Foundation
has invested over
\$20 million in
the Australian
community.

Wu Chopperen Health Service received a \$18,709.40* grant to implement the "Hoops n Health" Basketball program in schools, youth groups and basketball associations in Cairns and surrounding districts. This project involved the development of excellent promotional resources designed to encourage youth to make healthy lifestyle choices.

SCHOLARSHIP AND WORKFORCE DEVELOPMENT

Apunipima Cape York Health Council received a \$13,636.36* grant to send two representatives to the "Healing our Spirit Worldwide" conference in Albuquerque, New Mexico. This grant was awarded to enhance the organisation's capacity to respond to issues faced by Indigenous Communities and to enable the representatives to network with global professionals dealing with similar issues internationally.

Kalkadoon Aboriginal Sobriety House received a \$6,963.64* grant to allow two representatives to attend the "1st National Indigenous Substance Misuse Council" conference held in Adelaide between 29 and 30 July 2002.

Queensland Police Service received a \$1881.82* grant to conduct training for Police Liaison Officers in the Queensland Police Service Southern Region which will enhance their knowledge and skills in addressing problems in their communities, which arise due to excessive use of alcohol and volatile substance use.

Sonshine Sanctuary Association received a \$1,087.00* grant to train volunteers in responsible dissemination of health promotion messages. Volunteers were taught essential communication techniques in order to disseminate educational information to a cross-spectrum of the community.

St Vincent's Community Services received a \$71,946.00* grant to implement an accredited training program for registered nurses. The program will provide staff with basic skills in alcohol and substance nursing management. The training program focussed on assessment, motivation interviewing, relapse management, referral, pharmacy and substance issues.

Toowoomba Crime Prevention Partnership Inc received a \$18,709.40* grant to send eight representatives on a course held in Port Macquarie. The course imparted vital knowledge about alcohol and substance misuse trends and historical factors that impact on modern alcohol consumption. Representatives returned to their community with techniques and methodologies to employ in the treatment of alcohol and substance misuse issues.

Wunjuada Aboriginal Corporation for Alcoholism and Drug Dependence Service received a \$4,559.09* grant to enable two representatives to attend the "1st National Indigenous Substance Misuse Council" conference held in Adelaide between 29 and 30 July 2002.

TREATMENT AND REHABILITATION

Gindaja Substance Misuse Aboriginal Corporation received a \$48,180.00* grant to develop and implement a best practice policy and procedural manual for alcohol and substance treatment services.

Gindaja Substance Misuse Aboriginal Corporation received a \$125,451.00* grant to assist in the furnish and fitout of new facilities at the alcohol and substance treatment and rehabilitation facility run by the Corporation.

Goori Original Ltd received a \$799,999.00* grant to enable the continuation of an alcohol and substance treatment and rehabilitation facility that enables Indigenous men the option of removing themselves from community and family situations that are detrimental to their efforts to recover from substance misuse.

Palm Island Alcoholic and Drug Rehabilitation Aboriginal Council received a \$110,288.00* grant to expand the existing services offered to clientele to include screen printing and art. Through participation in activities that promote creativity and individuality, the Council hopes to prevent relapses to harmful behaviours.

Wu Chopperen Health Service Ltd received a \$248,851.00* grant to provide a community based collaborative response to issues of substance misuse. The project's main focus was the Cairns area which has seen a rise in alcohol and substance misuse in recent years.



PREVENTION AND PUBLIC EDUCATION

Aboriginal Drug and Alcohol Council of SA Inc received a \$138,565.00* grant to produce and disseminate a comic about alcohol and licit substance misuse. The comic targets indigenous youth and aims to encourage avoidance of harmful lifestyle behaviours. This comic will be available nationally.

Aboriginal Drug and Alcohol Council of SA Inc received a \$7,000.00* grant to conduct a series of alcohol misuse prevention initiatives in five schools on the Anangu Pitjantjatjara lands. These initiatives involved teaching indigenous students and community members how to adopt healthy lifestyles and avoid the temptation of misusing substances as a method of alleviating boredom.

Kapunda Skate Park Group Incorporated received a \$20,000.00* grant to assist in the construction of a multi-purpose youth activity centre in the Dulton Park Recreation area. This project was designed so that youth in the area could participate in healthy lifestyle activities and assist in the alleviation of boredom.

National Drug Research Institute received a \$290,000.00* grant to educate Government, private and Catholic Education Sectors in the use of the School health and alcohol harm reduction project. Working in collaboration with key educational sectors the project will ultimately be disseminated nationally.

Port Lincoln Aboriginal Community Council Inc received a \$254,180.00* grant to conduct a holistic program to address the emotional, mental and physical wellbeing of Indigenous youth exposed to alcohol and licit substances. Through the development of physical and cultural activities for the participants the Port Lincoln Aboriginal Community Council hopes to discourage alcohol and substance misuse.

SCHOLARSHIP AND WORKFORCE DEVELOPMENT

Aboriginal Drug and Alcohol Council of SA Inc received a \$6,420.00* grant to run an Internet café which provided access to treatment services and program methodologies for attendees of the National Indigenous Substance Misuse Council conference in Adelaide on 29-30 July 2002.

Aboriginal Drug and Alcohol Council of SA Inc received a \$15,630.00* grant to investigate the development of a peak body for non-government organisations working in the alcohol and substance misuse field in South Australia. This project sought collaborative partnerships between existing agencies in an endeavour to bring together knowledge and expertise across the sector.

National Indigenous Substance Misuse Council Inc received a \$90,000.00* grant to send representatives to the "Healing our Spirit Worldwide" conference in Albuquerque, New Mexico. This grant enhanced the Council's capacity to respond to issues faced by Indigenous Communities and to enable the representatives to network with global professionals dealing with similar issues internationally.

The Foundation sponsored a **South Australian student** with a grant of \$13,944.00* to enable the completion of a Graduate Diploma and Masters in Alcohol and Drug Studies. The study was undertaken by distance education and greatly enhanced the student's capacity to work in the Alcohol and Substance misuse field in remote areas of Australia.

The Foundation sponsored a studies and workplace development placement for the amount of \$11,950.00* to allow a **student** to study for an advanced diploma and travel to New Zealand to obtain specialised information in the conduct of intensive outpatient programs and family programs for people recovering from substance misuse.

TREATMENT AND REHABILITATION

Baptist Community Services Westcare received a \$23,353.00* grant to undertake a study of the evolution of alcohol and drug intervention utilised by Westcare. The study provided the group with insight into the evolution of the alcohol and drug treatment methodologies and the effectiveness of each. This enabled Westcare to develop comprehensive strategies for the ongoing provision of program development and planning.

Royal District Nursing Service – Research Unit received a \$159,600.00* grant to collaborate with Catherine House Inc and Centacare Family Relationship Services to research and develop a participatory action program for women. The project focuses on women who have developed alcohol and substance misuse problems as a result of child sexual abuse.



PREVENTION AND PUBLIC EDUCATION

Launceston City Council received a \$164,012.00* grant to conduct an investigation into alcohol and licit substance related harm in Launceston. In collaboration with a range of key stakeholders across the corporate, private and government sector data regarding alcohol and licit substance use will be collated and analysed. The findings of the investigation will be utilised to form an action strategy for addressing alcohol and licit substance misuse in Launceston.



PREVENTION AND PUBLIC EDUCATION

Australian Drug Foundation received a grant of \$200,000.00* to assist the National roll out of the Goods Sports Accreditation Program. This project involved a survey of a cross-spectrum of sporting clubs, officers and administrators nationally to ascertain dominant attitudes towards alcohol consumption and determine behavioural patterns common to alcohol consumption. The investigation addressed club policies regarding alcohol consumption and compliance with licensing regulations. An evaluation is being conducted by La Trobe University to determine the effectiveness of the Goods Sports Accreditation Program.

Corrugation Road Pty Ltd received a \$224,000.00* grant to produce the second series of the "Beyond Their Limits" video. This video explored issues relevant to Indigenous youth in a format that was entertaining and easy to follow. Corrugation Road also produced four issues of the "Xscape" magazine, a publication targeted at school aged children addressing issues of alcohol and substance misuse in a topical manner.

Gippsland Southern Health Services received a \$176,550.00* grant to conduct a program designed to empower young people. Through positive reinforcement and role models youth could make informed lifestyle choices regarding the use of alcohol and licit substances that are not the result of peer pressure.

Maryborough District Health Service

received a grant of \$1,500.00* to provide computer access, at the RACV Energy Breakthrough that was held in Maryborough, Central Victoria from 22–24 November 2002. Young people and the general community were given the opportunity to use CD-rom programs that focus on a range of issues such as the Drinking Choices Campaign and Somazone.

Surf Coast Shire received a grant of \$1,600.00* to support the outdoor and indoor recreation component of the *Schoolies Down South* project that ran from Friday 22 November to Friday 6 December 2002.

Upper Hume Community Health Service received a \$136,489.12* grant to develop a range of health promotion and preventative initiatives focusing on young people within the Albury and Wodonga regions. These initiatives were designed to reduce the harm associated with alcohol and licit substance misuse.

Victorian Arabic Social Services received a \$164,850.00* grant to raise awareness within the Victorian Arabic Community of the implications and effects of long term alcohol and substance misuse. The project is structured to address the issues using community/family forums, youth camps, peer leadership and workplace training initiatives.



Victorian State Council of YMCAs

Youth Services received a \$85,500.00* grant to employ a project worker, part time for three days over a period of eighteen months. The project worker will utilise the Good Sports Program framework to facilitate changes within local sporting clubs to create a culture that promotes responsible management and serving of alcohol.

SCHOLARSHIP AND WORKFORCE DEVELOPMENT

Australian Drug Foundation received a grant of \$10,000.000* to enable eight representatives to attend the 4th International Conference on Drugs and Young People held in Wellington, New Zealand from 26-28 May 2003.

Eastern Region Police and Community Drug Alliance received a \$3,292.00* grant to run a series of one-day Expos with a focus on alcohol and youth, in June this year in each of the seven local government authorities.

Mungabareena Aboriginal Corporation received a \$6,818.00* grant to enable the attendance of a representative at the "Healing our Spirit Worldwide" conference in Albuquerque New Mexico from 2-6 September 2002.

Njernda Aboriginal Corporation

received a \$6,818.00* grant to enable the attendance of a representative at the "Healing our Spirit Worldwide" conference in Albuquerque New Mexico from 2-6 September 2002.

Victorian Aboriginal Community Controlled Health Organisation Inc (VACCHO) received a \$13,636.00* grant to enable the attendance of two representatives at the "Healing our Spirit Worldwide" conference in Albuquerque New Mexico from 2-6 September 2002.

A partnership between **VAADA, NADA, WANADA, NCETA and ADCA** received a \$133,500.00* grant to carry out a qualitative analysis of the Alcohol and other drug sector workforce development needs, with recommendations to be presented to national and jurisdictional governments to encourage workforce development support.

The Foundation sponsored a **student** with a grant of \$1,430.00* to complete the final semester of a Graduate Certificate in Health (Addiction Studies) at Flinders University of SA and Certificate IV in Workplace and Assessment Training through the Australian Nursing Federation.

The Foundation sponsored a **student** with a grant of \$2,700.00* to complete the final three semesters of a Graduate Certificate in Health Studies (Addiction Studies) through Queensland University.

The Foundation sponsored a **student** with a grant of \$5,296.00* to undertake a Graduate Diploma in Alcohol and Drug Studies with the University of Adelaide.

TREATMENT AND REHABILITATION

Beyondblue working in partnership with the Top End Division of General Practice received a \$356,000.00* grant to increase the number of Aboriginal Mental Health Workers working with General Practitioners in remote communities.

Odyssey House Victoria received a \$200,000.00* grant to assist capital expansion at the residential drug treatment program based in Lower Plenty.

Victorian Aboriginal Health Service Co-operative Inc received a \$6,818.00* grant to enable the attendance of a representative at the "Healing our Spirit Worldwide" conference in Albuquerque New Mexico from 2-6 September 2002.



The Foundation
has provided
\$15 million
to youth and
Indigenous
projects.

In collaboration with the **Victorian Government** the Foundation has contributed \$1,900,000.00* in grants to three projects which will extend the reach of a media campaign about alcohol, support the development of materials for employers and employees about alcohol misuse in the workplace and provide capacity support for the establishment of an aboriginal youth residential rehabilitation service.

Western Regional Alcohol and Drug Centre received a grant of \$79,826.00* to develop a model of best practice health assessment and promotion for people with alcohol and other drug problems presenting to General Practitioners by training the Practice Nurses employed in General Practice to deliver these assessments.

Whitelion Inc received a grant of \$154,446.00* to develop and implement a mentoring program for young people in juvenile justice centres (based on role modeling program), plus consolidate and enhance the existing employment program for young women leaving custody.



PREVENTION AND PUBLIC EDUCATION

Avon Youth Services received a \$20,000.00* grant to enable the investigation and implementation of effective strategies designed to prevent alcohol related harm amongst youth. The testing of short-term alcohol educational strategies enabled the service to formulate a methodology for the long term-treatment of alcohol related harm.

Bunbury Regional Art Galleries received a \$14,446.00* grant to conduct a music development program for youth. The Bunbury Regional Art Galleries developed a comprehensive alcohol and substance policy ensuring that participants would be alcohol and substance free in order to participate in the program. The Bunbury Regional Art Galleries endeavours to encourage youth to adopt healthy lifestyles by providing the opportunity for youth to experience the benefits of creativity.

Central Great Southern Health Service received a \$6,825.00* grant to produce and publish a cartoon series designed at educating youth and young adults about the consequences of prolonged and excessive alcohol misuse.

City of Canning received a \$160,000* grant for a partnership involving a local school, enabling the establishment of a youth activity service. Through the establishment of alcohol and substance guidelines and policies and the diverse range of programs offered for youth, this grant encouraged healthy lifestyles.

Denmark Local Drug Action Group received a \$12,000.00* grant to run Gromfest 03, a youth music festival. The Denmark Local Drug Action Group developed alcohol and substance policy guidelines which participants were required to adhere to. These guidelines will be utilised for further youth events in the region.

Mirringlki Spirituality Centre Inc, received a \$14,396.00* grant to conduct a two-week brief-intervention program, designed at modifying alcohol and substance consumption behaviours. The methodologies for this intervention will be assessed with the aim of developing a best-practice intervention for treatment facilities.

Pilbara Population Health Unit received a \$3,166.00* grant to encourage youth to write, develop, organise and present a performance regarding the consequences of alcohol and substance misuse.

Royal Life Saving Society of Australia, WA Branch, in partnership with Surf Lifesaving WA, received a \$419,552.00* grant to run an awareness raising campaign about the consequences of mixing excessive alcohol and licit substances and water. Alcohol has been involved in an alarming number of injuries and loss of life on Australian beaches. The methodology employed for this project aims to serve as a benchmark for other states and territories.

Shire of Busselton received a \$30,000.00* grant as part of an innovative community partnership between the Council, Police, Local Government and other health service providers. This grant enabled the construction of a Skate Park to address the issues of boredom faced by the youth and decrease the incidences of alcohol related crime and misuse in the area.

Shire of Capel received \$9,520.00* to create an alcohol awareness and health promotion project for youth of the Capel area. This grant enables the shire to provide access for youth to visual and performing arts in a safe environment, whilst educating the community about responsible alcohol use.

Shire of Northam received a \$3,500.00* grant to run a summit to investigate attitudes towards and behavioural trends of youth in relation to alcohol and substance misuse. This three day summit will provide information that will be utilised by the shire to develop culturally appropriate and effective prevention and education programs for youth.

RESEARCH

Curtin University of Technology was successful in securing research grants in the following areas:

Public Health Division received a grant of \$81,199.00* to undertake a behavioural and attitudinal study on breastfeeding mothers and their consumption of alcohol.

Indigenous Unit of National Drug Research Institute received a grant of \$179,780.00* to provide a research internship for an Indigenous individual to further their experience in undertaking alcohol related research investigations.

National Drug Research Institute in collaboration with the Regent University of California received a \$215,900.00* grant to investigate the relationship between moderate drinking and alcohol caused deaths in Australia. The research represents an international partnership with the World Health Organisation, University of California, NDRI and the Foundation. A meta-analysis will be conducted by the University of California using a unique database that has been established over several years, and NDRI will apply its expertise in quantitative epidemiology to re-estimate alcohol caused mortality in Australia.

University of Western Australia was successful in securing research grants in the following areas:

Department of Psychiatry and Behavioural Science, received a \$74,334.00* grant to investigate the hypothesis that a brief motivational style intervention conducted in a hospital emergency department with alcohol or other licit substances using adolescents can have a harm reduction capacity in terms of reducing hospital morbidity, mental health morbidity, mental health service use and mortality.

Department of Psychiatry received a grant of \$192,563.00* to investigate the potential effectiveness of a general practice based health promotion program designed to reduce alcohol consumption as well as the use of benzodiazepines and over the counter medications amongst older adults.

SCHOLARSHIP AND WORKFORCE DEVELOPMENT

Geraldton Regional Aboriginal Medical Service received a grant of \$6,818.00* to send a representative to the "Healing our Spirit Worldwide" conference in Albuquerque, New Mexico. This grant was awarded to enhance the Organisation's capacity of treating issues faced by Indigenous Communities and to enable the representative to network with global professionals dealing with similar issues internationally.

The Foundation granted a \$100,346.00* scholarship to enable a **student** to complete their PhD thesis regarding the prevention of alcohol related violence. The research is being undertaken with the supervision of the National Drug Research Institute and the PhD should shed light on effective and empirically validated methods of preventing alcohol related violence.

Wheatbelt Community Drug Service Team received a \$122,460.00* grant to enable the training of an Indigenous Alcohol and Other Drug worker. The grant was awarded to enhance the capacity of the organisation to meet the needs of the Indigenous community in regard to alcohol and substance misuse.

Wongatha Wongarra Aboriginal Corporation received a grant of \$7,890.00* to send four representatives to the National Indigenous Substance Misuse Conference in Adelaide in 2002. This grant was awarded to enhance the organisation's capacity and understanding of issues faced by Indigenous Communities and introduce representatives to a network of professionals working towards a common goal.

TREATMENT AND REHABILITATION

Collie Health Service received a grant of \$73,440.00* to develop and implement harm minimisation strategies pertaining to alcohol and substance misuse in the rural town of Collie. This project aims to create a best-practice model for rural communities wishing to address alcohol and substance misuse issues.



Drug-Arm WA received a \$310,604.00* grant for their treatment and rehabilitation centre, Rosella House. The funding enables Rosella House to provide a 13 week residential rehabilitation program that includes one-to-one counselling, therapeutic groups to address alcohol and other drug problems, life skills development, welfare support and recreational alternatives to alcohol and other drug use.

Ngangganawili Aboriginal Community Controlled Health and Medical Services Aboriginal Corporation, received a grant of \$51,000.00* to help families alleviate stress factors that lead to substance and alcohol misuse. The treatment methodology involves breaking lifestyle habits by short-term relocation of families to enable exposure to different environments. With a fresh outlook, families can return to their environments with new coping mechanisms to break harmful behavioural cycles.

Serenity Lodge received a \$213,648.00* grant to run an aftercare program for clients leaving the residential alcohol and substance misuse program at Serenity Lodge. The Aftercare program ensures that clients will continue to receive the support, counselling and life skills training to enable successful reintegration into their community.

WA Council on Addictions received a \$286,000.00* grant for the Rick Hammersley Centre. The grant monies will add 12 beds to the current bed capacity of 24. WA Council on Addictions will also utilise funds to enhance the successful Sarrana women's program.

In collaboration with the **Western Australian state government, Palmerston Association Inc, WA Council on Addictions and Salvation Army Bridge House**, the Foundation has provided \$1,099,000.00* in grants to contribute to capital works and increase the capacity of residential alcohol and other substance treatment and rehabilitation facilities.

workforce
 education prevention
 support
 treatment
 research

Directors' Report

The directors present their report together with the financial report on the Foundation for the financial year ended 30 June 2003 and the auditors report thereon.

DIRECTORS

The names of the directors in office at any time during or since the end of the year are:

Name	Experience and special responsibilities
Ian William Webster	Chairman/Executive Committee
Scott Wilson	Deputy Chairman/Executive and Audit Committees
Cheryl Sarah Bart	Director/Executive and Chairman Audit Committee
Ngairé Joy Brown	Director
Timothy Ewen Costello	Director
David William Crosbie	Director/Executive Committee
Peter Harald Nilsen d'Abbs	Director
Nicholas John Gill	Director/Executive Committee
Elizabeth Anne Mosey	Director
Timothy Richard Stockwell	Director
Bernadette Tobin	Director/Audit Committee

DIRECTORS MEETINGS

The number of directors meetings and number of meetings attended by each director during the financial year are:

Director Name	General		Executive		Audit	
	Held	Attended	Held	Attended	Held	Attended
Ian William Webster	7	7	2	2		
Scott Wilson	7	6	2	2	6	3
Cheryl Sarah Bart	7	6	2	2	6	6
Ngairé Joy Brown	7	6				
Timothy Ewen Costello	7	4				
David William Crosbie	7	7	2	1		
Peter Harald Nilsen d'Abbs	7	7				
Nicholas John Gill	7	7	2	2		
Elizabeth Anne Mosey	7	7				
Timothy Richard Stockwell	7	4				
Bernadette Tobin	7	5			6	6

Directors have been in office since their initial date of appointment upon the formation of the Foundation to the date of this report.



Financial
 Statements

The principal activity of the Foundation during the financial year was the awarding of community grants, to be expended on one or more of the following purposes:

- to prevent alcohol and other licit substance abuse, including petrol sniffing, particularly among vulnerable population groups such as Indigenous Australians and youth;
- to support evidence-based alcohol and other licit substance abuse treatment, rehabilitation, research and prevention programs;
- to promote community education encouraging responsible consumption of alcohol and highlighting the dangers of licit substance abuse;
- to promote public awareness of the work of the Foundation and raise funds from the private sector for the ongoing work of the Foundation; and
- to provide funding grants to organisations with appropriate community linkages to deliver the services referred to in the above paragraphs.

No significant change in the nature of these activities occurred during the year.

The Foundation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The retained surplus of the Foundation for the financial year amounted to \$1,186,678 (\$258,672 in 2002)

The Foundation's constitution precludes it from distributing any surpluses to its members. Accordingly, there were no dividends provided for or to be paid by the Foundation since the end of the previous financial year and the directors do not recommend the declaration of a dividend.

The balance of unspent Grant Funds amounted to \$26,812,018 (\$8,678,379 in 2002)

Of the unspent grant funds, the Foundation is committed to paying a further \$14,434,476. These payments are subject to the grantees meeting the terms of their respective funding agreements. Details of these grants are shown at note 16.

No significant changes in the Foundation's state of affairs occurred during the financial year.

During the financial year the Foundation has paid premiums in respect of directors and officers liability and legal expenses and also professional indemnity insurance contracts. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Foundation.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses and also professional indemnity insurance contracts, as such disclosure is prohibited under the terms of the contract.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Foundation was not a party to any such proceedings during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

Signed in accordance with a resolution of the Board of Directors:

Director  

Dated this 4th day of September 2003

Directors' Declaration

The directors of the Foundation declare that:

1. The financial statements and notes, as set out on pages 1 to 23 are in accordance with the *Corporations Act 2001*:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 30 June 2003 and of the performance for the year ended on that date of the Foundation.
2. In the directors opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director  

Dated this 4 day of September 2003



INDEPENDENT AUDIT REPORT

To the members of the Alcohol Education and Rehabilitation Foundation Limited

Scope

I have audited the financial report of the Alcohol Education and Rehabilitation Foundation Limited for the financial year ended 30 June 2003. The financial report comprises:

- Director's Report;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Notes to and forming part of the Financial Statements; and
- Director's Declaration.

The Foundation's directors are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Foundation.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance whether the financial report is free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Foundation's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Alcohol Education and Rehabilitation Foundation Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Foundation's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Australian National Audit Office

David Crossley
David Crossley
Executive Director

For the Auditor-General

Canberra
9 September 2003

GPO Box 707 CANBERRA ACT 2601
Centenary House 19 National Circuit
BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDING 30 JUNE 2003

	Note	2003 \$	2002 \$
Revenues from ordinary activities	2	24,928,196	10,129,753
Total revenues from ordinary activities		24,928,196	10,129,753
Expenses from ordinary activities			
Grant Payments	16	4,616,665	425,845
Operating expenses		184,801	116,628
Administration expenses		150,479	128,557
Depreciation	3	48,308	28,369
Employees	3	579,626	305,369
Directors	4	283,922	186,156
Total Expenses from ordinary activities (excluding borrowing cost expense)		5,863,802	1,190,924
Borrowing cost expense	3	2,750	1,778
Net Operating surplus from ordinary activities		19,061,644	8,937,051
Transfer to reserves	13	17,874,967	8,678,379
Net increase (decrease) in asset revaluation reserve		-	-
Total revenues, expenses and valuation adjustments attributable to members of the Foundation recognised directly in equity		-	-
Total changes in equity other than those resulting from transactions with owners as owners		1,186,678	258,672

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2003

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	5	28,232,683	8,798,932
Receivables	6	-	1,000,000
Accrued revenue	7	131,082	35,952
Other	8	9,349	13,201
TOTAL CURRENT ASSETS		28,373,114	9,848,085
NON-CURRENT ASSETS			
Plant and equipment	9a	83,747	108,868
Intangible Assets	9b	57,031	34,756
TOTAL NON-CURRENT ASSETS		140,778	143,624
TOTAL ASSETS		28,513,892	9,991,709
CURRENT LIABILITIES			
Payables	10	430,301	973,122
Interest-bearing liabilities	11	17,950	18,818
Provisions	12	45,204	26,820
TOTAL CURRENT LIABILITIES		493,455	1,018,760
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	11	21,741	35,898
Total Non-Current Liabilities		21,741	35,898
TOTAL LIABILITIES		515,196	1,054,658
NET ASSETS		27,998,696	8,937,051
EQUITY			
Reserves	13	26,812,018	8,678,379
Retained surplus	14	1,186,678	258,672
TOTAL EQUITY		27,998,696	8,937,051

STATEMENT OF CASH FLOWS FOR THE

YEAR ENDING 30 JUNE 2003

	Note	2003 \$	2002 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Grants funds		24,616,377	10,000,000
Payments to Suppliers		(467,691)	(285,150)
Directors		(283,921)	(186,156)
Employees		(569,596)	(273,237)
Grant Payments		(4,616,665)	(425,845)
Borrowing cost		(2,750)	(1,778)
Interest received		816,799	93,801
Net cash provided by operating activities	20	19,492,552	8,921,635
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(45,462)	(171,993)
Net cash provided by (used in) investing activities		(45,462)	(171,993)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	56,990
Repayment of borrowings		(13,339)	(7,700)
Net cash provided by (used in) financing activities		(13,339)	49,290
Net increase in cash held		19,433,751	8,798,932
Cash at beginning of year		8,798,932	-
Cash at end of year	20	28,232,683	8,798,932

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the Alcohol Education and Rehabilitation Foundation Ltd (the Foundation) as an individual economic entity. The Foundation is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on a accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Foundation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Economic Dependency

The Foundation was established by its members on 17 October 2001 and The Alcohol Education and Rehabilitation Special Account Act 2001 (the Act), a funding agreement dated 15 November 2001 with the Commonwealth of Australia (the Agreement), and the Foundations Constitution outline its purpose and objectives.

Under the Act and the Agreement, the Foundation receives its funds to carry out its normal activities and for its continued existence.

b. Income Tax

The Foundation is a not for profit organisation established for the purpose of providing grants to the community . Accordingly the Foundation does not account for Income Tax.

c. Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis/diminishing value over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	2003 Depreciation Rate	2002 Depreciation Rate
Plant and equipment	25%-40%	25%-40%
Motor Vehicles	22.5%	22.5%

d. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Foundation are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Foundation will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduce the liability.

e. Employee Entitlements

Provision is made for the Foundation's liability for employee entitlements arising from services rendered by employees to balance date. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Foundation is estimated to be less than the annual entitlement for sick leave. Employee entitlements expected to be settled within one year together with entitlements arising from wages, salaries, and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Foundation to an employee superannuation fund and are charged as expenses when incurred.

f. Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

g. Revenue

Grant revenue is recognised upon the delivery of an invoice to the Department of Health and Ageing under the terms of its funding agreement with the Commonwealth of Australia.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

i. Comparative Figures

The comparative figures for the Foundation's first year in operation, 17 October 2001 to 30 June 2002, are shown.

j. Rounding

Amounts have been rounded to the nearest dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Note	2003 \$	2002 \$
NOTE 2: REVENUE			
Operating activities			
Grant funds	2a	24,000,000	10,000,000
Interest	2b	911,928	129,753
Grant payment refunds	2c	16,268	-
Total revenue		24,928,196	10,129,753
a. Grants from			
Dept of Health and Ageing		26,400,000	11,000,000
GST collected		(2,400,000)	(1,000,000)
Net		24,000,000	10,000,000
b. Interest from			
Operating Account		36,564	12,507
Trust Account		352,562	92,520
Interest Bearing Deposit		522,802	24,726
Total Interest		911,928	129,753
c. Grant payment refunds from			
E Pearce		66	-
NCETA		7,602	-
DGCAAMS		655	-
Queensland Police Service		471	-
KASH		826	-
Queanbeyan City Council		447	-
Wongatha Wonganarra AC		1,750	-
Mutitjulu Aboriginal Exchange		2,046	-
City of Albury		1,318	-
Sonshine Sanctuary Inc		1,087	-
Total Grant payment refunds		16,268	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	2003	2002
	\$	\$
NOTE 3: NET SURPLUS FROM ORDINARY ACTIVITIES		
Surplus from ordinary activities has been determined after		
Expenses		
Depreciation of non-current assets		
Computers	13,879	7,575
Telephone system	1,958	950
Furniture and fixtures	21,555	13,157
Motor vehicles	10,220	6,196
Other property plant and equipment	696	491
Total depreciation	48,308	28,369
Employee expenses		
Wage accrual	15,862	10,385
Superannuation accrual	1,315	826
Leave accrual	12,418	15,609
Other employee expenses	-	7,700
Wages and salaries	502,836	249,422
Superannuation	41,638	18,266
Workers compensation	5,557	3,161
Total employee expenses	579,626	305,369
Borrowing cost expense		
Finance Lease	2,750	1,778
Total borrowing cost expense	2,750	1,778
Expenditure accruals		
Other expenses	27,575	7,494
Total expenditure accruals	27,575	7,494

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	2003	2002
	\$	\$
NOTE 3: NET SURPLUS FROM ORDINARY ACTIVITIES		
Rental expense on operating leases		
Computer rental	29,445	8,886
Office lease	51,933	25,520
Photocopy fax lease	7,704	4,870
Total rental expenses on operating leases	89,082	39,276
Auditor remuneration		
Audit or review	15,000	12,500
Total Auditor remuneration	15,000	12,500
NOTE 4: REMUNERATION AND RETIREMENT BENEFITS		
a. Directors Remuneration		
Fees	145,000	108,750
Wages	35,000	26,250
Superannuation	3,150	2,100
Other expenses	100,772	49,056
Total remuneration	283,922	186,156
Number of directors whose income was within the following band:		
\$10,000 - \$19,999	9	9
\$20,000 - \$29,999	2	2
b. Retirement and Superannuation Benefits		
Amounts of a prescribed benefit given during the year by the Foundation to a prescribed superannuation fund in connection with the retirement from a prescribed office		
	3,150	2,100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	2003	2002
	\$	\$

NOTE 4: REMUNERATION AND RETIREMENT BENEFITS**c. Executives Remuneration**

The number of executives who received or were due to receive total remuneration of \$100,000 or more:

\$210,000 – \$219,999	1	-
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The aggregate amount of total remuneration of executives shown above

	211,152	-
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The aggregate amounts of separation and redundancy/termination benefit payments during the year to executives shown above.

	-	-
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NOTE 5: CASH ASSETS

Operating account	1,220,505	199,251
Trust account	11,011,343	3,599,452
Petty cash	835	229
Interest bearing deposit	16,000,000	5,000,000
Total Cash Assets	28,232,683	8,798,932

NOTE 6: RECEIVABLES

Grant funds payable from Department Health and Ageing

	-	1,000,000
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Total Receivables	-	1,000,000
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NOTE 7: ACCRUED REVENUE**Interest accrued**

Operating account	3,862	913
Trust account	35,604	10,313
Interest bearing deposit	91,616	24,726
Total Accrued Revenue	131,082	35,952

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	2003	2002
	\$	\$

NOTE 8: OTHER ASSETS

Prepayments	9,349	13,201
Total other assets	9,349	13,201

NOTE 9: PLANT AND EQUIPMENT**a. Equipment****Telephone System**

Telephone System at cost	6,956	6,956
Less accumulated depreciation	(2,907)	(950)
Total Equipment	4,049	6,006

Furniture and Fixtures

Furniture and Fixtures at cost	77,323	68,034
Less accumulated depreciation	(34,712)	(13,156)
Total Furniture and Fixtures	42,611	54,878

Motor Vehicles

Motor Vehicles at cost	52,054	52,054
Less accumulated depreciation	(16,416)	(6,196)
Total Motor Vehicles	35,638	45,858

Other Property Plant and Equipment

Other Property Plant and Equipment at cost	2,636	2,617
Less accumulated depreciation	(1,187)	(491)
Total Other Property Plant and Equipment	1,449	2,126
Total Plant and Equipment	83,747	108,868

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	2003	2002
	\$	\$
NOTE 9: PLANT AND EQUIPMENT		
b. Intangible Assets		
Computer software		
Computer software at cost	78,485	42,331
Less accumulated amortisation	(21,454)	(7,575)
Total Intangible Assets	57,031	34,756
c. Movements in Carrying Amounts		
Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year		
Equipment		
Telephone System		
Balance at the beginning of the year	6,006	-
Additions	-	6,956
Disposals	-	-
Revaluation increments/ (decrements)	-	-
Depreciation expense	(1,957)	(950)
Carrying amount at the end of the year	4,049	40,763
Furniture and Fixtures		
Balance at the beginning of the year	54,878	-
Additions	9,289	68,034
Disposals	-	-
Revaluation increments/ (decrements)	-	-
Depreciation expense	(21,556)	(13,156)
Carrying amount at the end of the year	42,611	54,878

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	2003	2002
	\$	\$
NOTE 9: PLANT AND EQUIPMENT		
Motor Vehicles		
Balance at the beginning of the year	45,858	-
Additions	-	52,054
Disposals	-	-
Revaluation increments/ (decrements)	-	-
Depreciation expense	(10,220)	(6,196)
Carrying amount at the end of the year	35,638	45,858
Other Property Plant and Equipment		
Balance at the beginning of the year	2,126	-
Additions	18	2,617
Disposals	-	-
Revaluation increments/ (decrements)	-	-
Depreciation expense	(697)	(491)
Carrying amount at the end of the year	1,447	2,126
Intangible Assets		
Computer Software		
Balance at the beginning of the year	34,756	-
Additions	36,154	42,331
Disposals	-	-
Revaluation increments/ (decrements)	-	-
Amortisation expense	(13,879)	(7,575)
Carrying amount at the end of the year	57,031	34,756

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Note	2003 \$	2002 \$
NOTE 9: PLANT AND EQUIPMENT			
Total Movements			
Balance at the beginning of the year		143,624	-
Additions		45,462	171,993
Disposals		-	-
Revaluation increments/(decrements)		-	-
Depreciation/Amortisation expense		(48,308)	(28,369)
Total carrying amount at the end of the year		140,778	143,624

NOTE 10: PAYABLES**CURRENT**

Payables		5,371	-
Accrued Expenses		42,575	19,994
Sundry creditors-ATO		382,355	953,128
Total Payables		430,301	973,122

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Note	2003 \$	2002 \$
NOTE 11 : INTEREST BEARING LIABILITIES			
CURRENT			
Bank credit card	21	3,739	5,426
Finance lease liability	15	14,211	13,392
Total Current		17,950	18,818
NON CURRENT			
Finance lease liability	15	21,741	35,898
Total non current		21,741	35,898
Total Interest Bearing Liabilities		39,691	54,716

NOTE 12: PROVISIONS**CURRENT**

Employee entitlements		45,204	26,820
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NON-CURRENT

Employee entitlements		-	-
a. Aggregate employee entitlement liability		45,204	26,820
b. Number of employees at year end		7	6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Note	2003 \$	2002 \$
NOTE 13: RESERVES			
Unspent Grant Funds			
Movements during the year			
Opening balance		8,678,379	-
Plus Transfer from Retained Surplus		258,672	-
Transfer from operating surplus to reserves		17,874,967	8,678,379
Closing balance		26,812,018	8,678,379
Trust Account			
Opening balance		8,678,379	-
Plus Transfer from Retained Surplus		258,672	-
Dept of Health and Ageing Grants paid		23,760,000	9,000,000
Less GST		(2,160,000)	(818,182)
Plus Grant payment refunds	2c	16,268	-
Plus Interest received		748,144	82,208
		31,301,463	8,264,026
Grants receivable		-	900,000
Less GST		-	(81,818)
Plus Interest Accrued		127,220	35,039
		127,220	853,221
Net Trust account		31,428,683	9,117,247
Less Grants paid	16	(4,616,665)	(425,845)
Less Expenses attributed to Grants		-	(13,023)
Closing balance		26,812,018	8,678,379

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Note	2003 \$	2002 \$
NOTE 14: RETAINED SURPLUS			
Retained surplus at beginning of financial year		258,672	-
Less Transfer to Unspent Grant Funds		(258,672)	-
Operating surplus		1,186,678	258,672
Retained surplus at the end of the financial year		1,186,678	258,672
NOTE 15: CAPITAL AND LEASING COMMITMENTS			
a. Finance Lease Commitments			
Payable			
— not later than 1 year		16,088	16,384
—later than 1 year but not later than 5 years		22,700	38,492
Minimum Finance Lease payments		38,788	54,876
Less future finance charges		(2,836)	(5,586)
Total Finance Lease Liability	11	35,952	49,290
Current			
Finance Lease liability		14,211	13,392
Non Current			
Finance lease liability		21,741	35,898
Total Finance Lease Liability		35,952	49,290

Finance Lease exists in relation to the motor vehicle supplied in terms of employment contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

Note	2003	2002\$
	\$	\$
NOTE 15: CAPITAL AND LEASING COMMITMENTS		
b. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
—not later than 1 year	102,356	83,813
—later than 1 year but not later than 5 years	58,856	130,995
Total Operating Lease Commitments	161,212	214,808

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3% per annum in December each year. An option exists to renew the lease at the end of the three-year term for an additional term of three years.

NOTE 16: OTHER COMMITMENTS**Grants Approved**

As at 30 June 2003, the Foundation is committed to paying a further \$14,434,476. These payments are subject to the grantees meeting the terms of their respective funding agreements. The full terms of approval were not complied with at that date.

a. Summary

Balance at the beginning of year	30,909	-
Committed	19,020,232	456,992
Total payable	19,051,141	456,992
Less amounts paid	(4,616,665)	(426,083)
Balance Payable	14,434,476	30,909

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003	Payments 2003	Balance Payable 2003
	\$	\$	\$
NOTE 16: OTHER COMMITMENTS			
b. Individual Grantee Details			
TREATMENT AND REHABILITATION			
Australian Capital Territory			
Winnunga NAHS	6,818	6,818	-
Total Australian Capital Territory	6,818	6,818	-
New South Wales			
Alcohol and Drug Foundation-NSW	73,122	-	73,122
Bundjaluna Tribal Society	242,786	-	242,786
CSAHS RPA Hospital	119,000	-	119,000
Drug Arm- Blacktown	100,170	68,585	31,585
Gethesemane Community Inc	7,500	6,750	750
Judge Rainbow Memorial Fund	76,454	76,454	-
Ngaimpe Aboriginal Corporation	250,000	-	250,000
Odyssey House McGrath Foundation	243,943	66,230	177,713
Regenesis	105,882	105,882	-
Tamworth Aboriginal Medical Centre	6,819	6,819	-
Ted Noffs Foundation-Dubbo	107,500	26,875	80,625
Total New South Wales	1,333,176	357,595	975,581

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
TREATMENT AND REHABILITATION			
Northern Territory			
Alcohol Awareness and Family Recovery	277,396	80,000	197,396
Aninginyi Congress Aboriginal Corporation	6,818	6,818	-
CAAAPU Aboriginal Corporation Feasibility Study	31,000	-	31,000
CAAAPU Aboriginal Corporation Life Skills Program	57,345	-	57,345
CAAPS	133,000	109,330	23,670
Total Northern Territory	505,559	196,148	309,411
Queensland			
Ferdy's Haven Rehabilitation Aboriginal Corporation	110,288	-	110,288
Gindaja SMC	48,180	-	48,180
Gindaja SMC	125,451	-	125,451
Goori House	799,999	200,812	599,187
Wu Chopperan Health Service Ltd	248,851	61,151	187,700
Total Queensland	1,332,769	261,963	1,070,806
South Australia			
Baptist Community Service	23,353	20,353	3,000
RDNS Research Unit	159,600	-	159,600
Total South Australia	182,953	20,353	162,600
Tasmania			
Total Tasmania	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
TREATMENT AND REHABILITATION			
Victoria			
Beyond Blue	356,000	-	356,000
Njerda Aboriginal Corporation	6,818	6,818	-
Odyssey House – Victoria	200,000	180,000	20,000
Susan Hill	5,297	1,766	3,531
VAHSC Ltd	6,818	6,818	-
Victorian Government-Policy Partnership	1,900,000	-	1,900,000
Western Region ADC	79,826	-	79,826
Whitelion	154,446	78,746	75,700
Total Victoria	2,709,205	274,148	2,435,057
Western Australia			
Collie Health Service	73,440	-	73,440
Drug Arm –WA	310,604	94,687	215,917
Geraldton Regional Aboriginal Medical Service	6,818	6,818	-
Ngangganawili Aboriginal Corporation	51,000	-	51,000
Palmerston Association	304,000	-	304,000
Salvation Army-Bridge Program WA	535,000	-	535,000
Serenity Lodge	213,648	106,824	106,824
WA Council on Addictions	300,000	300,000	-
WA Council on Addictions-Cyrenian House	260,000	237,273	22,727
Total Western Australia	2,054,510	745,602	1,308,908
Total Treatment and Rehabilitation	8,124,990	1,862,627	6,262,363

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
PREVENTION			
Australian Capital Territory			
Buru Ngunawal	27,000	27,000	-
Dr Maggie Brady	181,886	-	181,886
Total Australian Capital Territory	208,886	27,000	181,886
New South Wales			
Bowraville Central School	7,000	7,000	-
DGCAAMS	6,818	6,818	-
Gareth Daniels National GPs	4,358	4,358	-
Glebe Youth Services	18,300	-	18,300
Hastings LCC	11,540	11,540	-
Indigenous Social Justice	2,701	2,701	-
Jo Baxter	7,590	6,700	890
Kimberley Foundation	1,800	1,800	-
Macquarie University	28,800	-	28,800
Moree Boomerangs	13,800	11,182	2,618
NDARC R Ivers	131,023	-	131,023
University of Newcastle A Baker	657,480	-	657,480
University of Sydney Julia Tresidder	24,000	24,000	-
Upper Hume Community Service	136,489	68,244	68,245
Youth off the Streets	6,000	6,000	-
Total New South Wales	1,057,699	150,343	907,356

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
PREVENTION			
Northern Territory			
Central Australian Aboriginal Congress	37,110	18,250	18,860
Nauyi Nambiyu Community Government	57,345	28,672	28,673
NPY Women's Aboriginal Corporation	51,336	44,491	6,845
Tangentyere	1,003,338	303,338	700,000
Yuendumu Women's Centre	39,000	35,000	4,000
Total Northern Territory	1,188,129	429,751	758,378
Queensland			
A & IARS	4,389	4,389	-
A & IARS	3,852	-	3,852
AFL Cairns Juniors	26,272	24,272	2,000
Apunipima CapeYork HC	13,636	13,636	-
KASH	6,964	6,964	-
Lockhart River Council	72,728	70,728	2,000
Mutitjulu Aboriginal Exchange	18,182	18,182	-
Sonshine Sanctuary	1,087	1,087	-
St Vincent Community Service	71,946	-	71,946
Toowoomba Crime Prevention	1,960	1,960	-
Wunjuada Aboriginal Corporation	4,559	4,559	-
Total Queensland	225,575	145,777	79,798

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
PREVENTION			
South Australia			
ADAC	7,000	-	7,000
Kapunda Skate Group Inc	20,000	-	20,000
Life Education Australia	513,700	99,150	414,550
Mary Black	11,950	4,400	7,550
NISMIC	90,000	90,000	-
Paul Lehmann	13,944	13,944	-
Port Lincoln Aboriginal Community Inc	254,180	48,436	205,744
Total South Australia	910,774	255,930	654,844
Tasmania			
Total Tasmania	-	-	-
Victoria			
Australian Drug Foundation	10,000	10,000	-
Gippsland Southern Health	172,050	40,000	132,050
James Baxandall Anglicare	2,700	2,700	-
Mungabareena Aboriginal Corporation	6,818	6,818	-
Raymond Bogaarts Anglicare	1,430	1,430	-
VACCHO	13,636	13,636	-
Total Victoria	206,634	74,584	132,050

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
PREVENTION			
Western Australia			
Ben Haines	100,346	-	100,346
Mirrlinki Spirituality Centre	14,396	14,396	-
NDRI	215,900	147,741	68,159
NDRI Indigenous Traineeship	179,780	61,266	118,514
Pilbara Population Health	3,166	-	3,166
Royal Life Saving Society WA	422,052	148,013	274,039
Shire of Busselton	30,000	30,000	-
Shire of Capel	9,520	-	9,520
University of WA Gary Hulse	74,334	-	74,334
University of WA O Almeida	211,820	-	211,820
Wheat Belt Community Drugs	122,460	15,438	107,022
Wongatha Wonganarra Aboriginal Corporation	7,891	7,891	-
Total Western Australia	1,391,665	424,745	966,920
Total Prevention	5,189,362	1,508,130	3,681,232
PUBLIC EDUCATION			
Australian Capital Territory			
ADCA Robert Preece	178,174	-	178,174
Direction ACT	48,033	48,033	-
Total Australian Capital Territory	226,207	48,033	178,174

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
PUBLIC EDUCATION			
New South Wales			
Building Trades Group of Unions	232,632	58,158	174,474
Byron Youth Activities	19,169	17,252	1,917
City of Albury	6,020	6,020	-
DAMEC	277,010	-	277,010
Drug Arm-Wollongong	93,380	29,373	64,007
Hunter Centre for Health Advancement	1,270,000	-	1,270,000
Indigenous Festivals of Australia	200,000	-	200,000
Maari Ma Health Aboriginal Corporation	168,800	66,276	102,928
MDEC Peer Education Program	131,300	65,650	65,650
MDEC Tafe Program	31,760	15,880	15,880
Merrylands Community Health	29,237	24,237	5,000
Nambucca Shire Council	28,402	22,721	5,681
NDARC- M Shanahan	37,878	-	37,878
Newcastle City Council	246,580	-	246,580
Port Stephen Council	43,095	20,000	23,095
Queanbeyan City Council	10,650	10,117	533
Radiowise Media Networks	115,250	109,490	5,760
V Demou	8,000	4,000	4,000
Vibe Australia P/L	70,400	50,200	20,200
Wollongong City Council	17,519	12,520	4,999
Total New South Wales	3,037,082	511,894	2,525,188

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
PUBLIC EDUCATION			
Northern Territory			
Darwin Skills Development	19,329	17,329	2,000
Institute for Aboriginal Development	3,000	3,000	-
Total Northern Territory	22,329	20,329	2,000
Queensland			
Cape York Rugby League	9,091	9,091	-
Millmerran Shire Council	75,167	55,233	19,934
NPA Women's Shelter	7,500	6,000	1,500
QLD Rugby League	17,500	17,500	-
Queensland Police Service	1,882	1,882	-
South Burnett Community Training	394,800	-	394,800
Wu Chopperan	18,709	17,775	934
Total Queensland	524,649	107,481	417,168
South Australia			
ADAC and Streetwise	138,565	-	138,565
ADAC of SA	15,630	14,430	1,200
ADAC of SA	6,420	-	6,420
Port Adelaide Football Club	200,000	50,000	150,000
Total South Australia	360,615	64,430	296,185
Tasmania			
Launceston City Council	164,012	39,084	124,928
Total Tasmania	164,012	39,084	124,928

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Approved 2003 \$	Payments 2003 \$	Balance Payable 2003 \$
NOTE 16: OTHER COMMITMENTS			
PUBLIC EDUCATION			
Victoria			
Access AOD Services	3,293	3,000	293
Australian Drug Foundation	200,000	-	200,000
Corrugation Road	224,000	180,000	44,000
Maryborough District Health	1,500	1,500	-
Surf Coast Shire	1,600	1,600	-
VAADA NADA WANADA	133,500	59,500	74,000
Victorian Arabic Social Service	164,850	-	164,850
Victorian State Council of YMCAs	85,500	30,000	55,500
Total Victoria	814,243	275,600	538,643
Western Australia			
Avon Youth Services	20,000	-	20,000
Bunbury Regional Art Galleries	14,446	-	14,446
Central Great Southern Health Service	6,825	6,825	-
City of Canning	160,000	-	160,000
Curtin University of Technology NDRI SHAARP	290,000	140,000	150,000
Curtin University of Technology-Colin Binns	81,199	20,232	60,967
Denmark Local Drug Group	12,000	12,000	-
Shire of Northam	3,182	-	3,182
Total Western Australia	587,652	179,057	408,595
Total Public Education	5,736,789	1,245,908	4,490,881
Total Grants	19,051,141	4,616,665	14,434,476

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

NOTE 16: OTHER COMMITMENTS

c. Grant Commitments	Treatment and Rehabilitation	Prevention	Public Education	Total
Payable				
—not later than 1 year	5,508,946	2,322,607	3,634,036	11,465,589
—later than 1 year but not later than 2 years	712,219	945,309	562,335	2,219,863
—later than 2 years but not later than 5 years	41,198	413,316	294,510	749,024
Total Grant Liability	6,262,363	3,681,232	4,490,881	14,434,476

Note	2003 \$	2002 \$

NOTE 17: CONTINGENT LIABILITIES

Estimates of the maximum amounts of contingent liabilities that may become payable:

	-	-
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As at 30 June 2003 the Foundation had no contingent liabilities that may become payable.

	-	-
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NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year the Foundation has approved the awarding of grants totalling an amount of \$15,609. This is not been recognised in these financial statements.

NOTE 19: SEGMENT REPORTING

The Foundation operates predominantly in one business and geographical segment being the awarding of community grants throughout Australia.

NOTE 20: CASH FLOW INFORMATION**a. Reconciliation of Cash**

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	12,232,683	3,798,932
Interest bearing deposit	16,000,000	5,000,000
Total	28,232,683	8,798,932

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

	Note	2003 \$	2002 \$
NOTE 20: CASH FLOW INFORMATION			
b. Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities			
Net Surplus from ordinary activities		19,061,644	8,807,298
Grant payment refunds		16,268	-
Interest		-	129,753
Trading Surplus from activities		19,077,912	8,937,051
Non-cash flows in surplus from ordinary activities			
Depreciation		48,308	28,369
Changes in assets and liabilities			
Increase/(decrease) in receivables		1,000,000	(1,000,000)
Increase in accrued revenue		(95,309)	(35,952)
Increase/(decrease) in other assets		3,851	(13,201)
Increase/(decrease) in payables		33,918	973,122
Increase/(decrease) in provisions		12,418	26,820
Increase in GST paid on expenses		(168,494)	-
Decrease in GST collected on income		(399,891)	-
Decrease in Payroll liabilities		(2,388)	-
Decrease in lease liabilities		(16,089)	-
Increase/(decrease) in bank credit card		(1,686)	5,426
Cash flows from operations		19,492,552	8,921,635
c. Grant Payments			
Grant Payments made	16	4,616,665	425,845
Total Grant Payments		4,616,665	425,845

NOTE 21: CREDIT STAND-BY ARRANGEMENT AND LOAN FACILITIES

The Foundation has a mastercard facility amounting to \$20,000. This may be terminated at any time at the option of the bank. At 30 June 2003 \$3,739 of this facility was used. Interest rates are variable.

The Foundation has a bank guarantee as security deposit in favour of the property lessors for an amount of \$14,115. This may be called upon at any time at the option of the lessor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

NOTE 22: FINANCIAL INSTRUMENTS

Note22A: – Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	5	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues	The Foundation invests funds with a commercial bank at call. Interest is earned on the daily balances at rates based on the banks at call rates. Rate has averaged at 3.75%. Interest is paid at months end.
Receivables	6	These receivables are recognised at the nominal amounts due.	
Term deposit	5	Term deposits are recognised at cost. Interest is accrued as it is earned.	Term deposits are with the Foundation's bank, and earn an effective rate of interest of 4.75% payable quarterly.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Financial lease liabilities	15	Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.	At reporting date, the Foundation had a finance lease with a term of 4 years. The interest rate implicit in the lease is 6.36%. The lease liability is secured by the leased assets.
Creditors	10	Creditors and accruals are recognised at their nominal amounts, being the amounts at which liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
Unrecognised Financial Liabilities			
Other guarantees		The amount guaranteed by the Foundation has been disclosed in the Schedule of credit standby arrangements and loan facilities. At the time of completion of the financial statements, there was no reason to believe that the guarantee would be called upon, and recognition of the liability was therefore not required.	The Foundation has a bank guarantee as security deposit in favour of the property lessors for an amount of \$14,115.

NOTE 22: FINANCIAL INSTRUMENTS

Note22B: – Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate			
		2003	2002	1 Year or Less		1 to 5 Years		>5 Years		2003	2002	2003	2002	2003	2002	%	%
				2003	2002	2003	2002	2003	2002								
Financial Assets																	
Cash at bank	5	12,231,848	3,798,703	-	-	-	-	-	-	-	-	-	12,231,848	3,798,703	3.75	3.75	
Cash on hand	5	-	-	-	-	-	-	-	-	835	229	-	835	229	n/a	n/a	
Receivables	6	-	-	-	-	-	-	-	-	-	1,000,000	-	-	1,000,000	n/a	n/a	
Term deposit	5	-	-	16,000,000	5,000,000	-	-	-	-	-	-	-	-	16,000,000	5,000,000	4.75	4.75
Total		12,231,848	3,798,703	16,000,000	5,000,000	-	-	-	-	835	1,000,229	-	16,000,000	28,232,683	9,798,932		
Total Assets														28,513,892	9,991,709		

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate				
		2003	2002	1 Year or Less		1 to 5 Years		>5 Years		2003	2002	2003	2002	2003	2002	%	%	
				2003	2002	2003	2002	2003	2002									2003
Financial Liabilities																		
Bank credit cards	11	3,739	5,426	-	-	-	-	-	-	-	-	-	-	-	3,739	5,426	22.00	22.00
Financial lease liabilities	15	-	-	16,088	22,700	38,492	-	-	-	-	-	-	16,088	22,700	38,788	54,876	6.36	6.36
Creditors	10	-	-	-	-	-	-	-	-	45,446	19,994	-	45,446	19,994	19,994	80,296	n/a	n/a
Total		3,739	5,426	16,088	22,700	38,492	-	-	-	45,446	19,994	-	45,446	87,973	1,054,658	80,296		
Total Liabilities														14,964,734	14,115	14,115		
Other guarantees		-	-	-	-	-	-	-	-	14,115	14,115	-	14,115	14,115	14,115	14,115	n/a	n/a
Total Financial Liabilities (Unrecognised)										14,115	14,115		14,115	14,115				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

NOTE 22: FINANCIAL INSTRUMENTS

Note22C: Net Fair Values of Financial Assets and Liabilities

	Note	2003 Total Carrying Amount	2003 Aggregate Net Fair Value	2002 Total Carrying Amount	2002 Aggregate Net Fair Value
Financial Assets					
Cash at Bank	5	12,231,848	12,231,848	3,798,703	3,798,703
Cash on Hand	5	835	835	229	229
Receivables	6	-	-	909,091	909,091
Term Deposits	5	16,000,000	16,522,802	5,000,000	5,024,726
Total Financial Assets		28,232,683	28,755,485	9,708,023	9,732,749
Financial Liabilities					
Bank credit cards	11	3,739	3,739	5,426	5,426
Finance Lease Liabilities	15	38,788	38,788	54,876	54,876
Creditors	10	45,446	45,446	19,994	19,994
Total Financial Liabilities		87,973	87,973	80,296	80,296
Financial Liabilities (Unrecognised)					
Other Guarantees		14,115	14,115	14,115	14,115
Indemnities		-	-	-	-
Total Financial Liabilities (Unrecognised)		14,115	14,115	14,115	14,115

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2003

NOTE 22: FINANCIAL INSTRUMENTS**Financial Assets**

The net fair values of cash, deposits on call and non-bearing monetary financial assets approximate their carrying amounts.

The net fair value of the term deposit is based on discounted cash flows using current interest rates for assets with similar risk profiles.

Other than for listed financial assets, none of the classes of financial assets are readily traded on organised markets in standardised form.

Financial Liabilities

The net fair values of all loans, unsecured notes, finance leases, deposits and guarantees are based on discounted cash flows using current interest rates for liabilities with similar risk profiles. (Where the liability is on a floating rate of interest, the method returns the principal amount).

The net fair value for creditors and grant liabilities, all of which are short term in nature, are approximated by their carrying amounts.

Note 22D: Credit Risk Exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes the financial statements.

The Foundation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Foundation.

NOTE 23: COMPANY DETAILS

The registered office of the company is:

Alcohol Education and Rehabilitation Foundation Ltd, Level 1 Suite 6 4 Phipps Close, Deakin ACT 2600

The principal place of business is:

Alcohol Education and Rehabilitation Foundation Ltd, Level 1 Suite 6 4 Phipps Close, Deakin ACT 2600

Related party transactions:

The names of the Directors in the office during the financial year are as follows:

Ian William Webster	Timothy Ewen Costello	Elizabeth Anne Mosey
Scott Wilson	David William Crosbie	Timothy Richard Stockwell
Cheryl Sarah Bart	Peter Harald Nilsen d'Abbs	Bernadette Tobin
Ngaire Joy Brown	Nicolas John Gill	

PROFIT & LOSS BUDGET ANALYSIS

JULY 2002 THROUGH JUNE 2003

TRUST ACCOUNTS	Budget 2003	Actual 2003	Proposed Budget 2004
Income			
Grant Funds	\$22,418,181.00	\$21,600,000.00	\$36,000,000.00
Grant Payment Refunds	\$16,268.11	\$16,268.11	
Total Income	\$22,434,449.11	\$21,616,268.11	\$36,000,000.00
Gross Profit	\$22,434,449.11	\$21,616,268.11	\$36,000,000.00
Expenses			
Grants Awarded	\$19,051,141.00	\$4,616,665.38	\$36,000,000.00
Total Expenses	\$19,051,141.00	\$4,616,665.38	\$36,000,000.00
Operating Profit	\$3,383,308.11	\$16,999,602.73	\$0.00
Other Income			
Interest Income	\$303,646.00	\$748,143.46	\$90,000.00
Interest Income Accrual	\$127,220.46	\$127,220.46	\$22,000.00
Total Other Income	\$430,866.46	\$875,363.92	\$112,000.00
Net Surplus / (Deficit)	\$3,814,174.57	\$17,874,966.65	\$112,000.00

PROFIT & LOSS BUDGET ANALYSIS

JULY 2002 THROUGH JUNE 2003

OPERATING ACCOUNT	Budget 2003	Actual 2003	Proposed Budget 2004
Income			
Grant Funds	\$2,490,909.91	\$2,400,000.00	\$4,000,000.00
Total Income	\$2,490,909.91	\$2,400,000.00	\$4,000,000.00
Gross Profit	\$2,490,909.91	\$2,400,000.00	\$4,000,000.00
Expenses			
General & Administration	\$419,405.14	\$150,479.29	\$860,460.00
Operating Expenses	\$356,596.08	\$184,800.76	\$515,434.18
Depreciation	\$48,308.44	\$48,308.44	\$51,874.00
Directors Expenses	\$283,950.00	\$283,921.71	\$300,950.00
Payroll Expenses	\$590,417.74	\$579,626.21	\$675,300.00
Borrowing Cost Expense MV	\$2,750.32	\$2,750.32	\$2,750.00
Total Expenses	\$1,701,427.72	\$1,249,886.73	\$2,406,768.18
Operating Profit	\$789,482.19	\$1,150,113.27	\$1,593,231.82
Other Income			
Interest Income	\$27,378.00	\$32,702.99	\$70,000.00
Interest Income Accrual	\$3,861.53	\$3,861.53	\$10,000.00
Total Other Income	\$31,239.53	\$36,564.52	\$80,000.00
Net Surplus / (Deficit)	\$820,721.72	\$1,186,677.79	\$1,673,231.82

PROFIT & LOSS BUDGET ANALYSIS

JULY 2002 THROUGH JUNE 2003

COMBINED ACCOUNTS	Budget 2003	Actual 2003	Proposed Budget 2004
Income			
Grant Funds	\$24,909,090.91	\$24,000,000.00	\$40,000,000.00
Grant Payment Refunds	\$16,268.11	\$16,268.11	
Total Income	\$24,925,359.02	\$24,016,268.11	\$40,000,000.00
Gross Profit	\$24,925,359.02	\$24,016,268.11	\$40,000,000.00
Expenses			
Grants Awarded	\$19,051,141.00	\$4,616,665.38	\$36,000,000.00
General & Administration	\$419,405.14	\$150,479.29	\$860,460.00
Operating Expenses	\$356,596.08	\$184,800.76	\$515,434.18
Depreciation	\$48,308.44	\$48,308.44	\$51,874.00
Directors Expenses	\$283,950.00	\$283,921.71	\$300,950.00
Payroll Expenses	\$590,417.74	\$579,626.21	\$675,300.00
Borrowing Cost Expense MV	\$2,750.32	\$2,750.32	\$2,750.00
Total Expenses	\$20,752,568.72	\$5,866,552.11	\$38,406,768.18
Operating Profit	\$4,172,790.30	\$18,149,716.00	\$1,593,231.82
Other Income			
Interest Income	\$331,024.00	\$780,846.45	\$160,000.00
Interest Income Accrual	\$131,081.99	\$131,081.99	\$32,000.00
Total Other Income	\$462,105.99	\$911,928.44	\$192,000.00
Net Surplus / (Deficit)	\$4,634,896.29	\$19,061,644.44	\$1,785,231.82

workforce
education support treatment
prevention research



EVALUATION OF THE
ALCOHOL EDUCATION AND
REHABILITATION FOUNDATION

AUGUST 2003



Appendix – Evaluation Report (Australian Institute for Primary Care)

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ACKNOWLEDGEMENTS

This evaluation was undertaken by Kate Silburn, Charles Livingstone and Professor Hal Swerissen with assistance from Malcolm McCall and Deb Gleeson from the Australian Institute for Primary Care at La Trobe University. The Australian Institute for Primary Care promotes quality improvement and best practice in all areas of primary health care. It supports the integration of theory and practice in primary health care and promotes the standing and visibility of primary health care and community health services.

We would like to thank Gai Wilson and Dr Virginia Lewis for their input into the evaluation.

We would also like to thank the staff and board members of the Alcohol Education and Rehabilitation Foundation for their time, and for agreeing to be interviewed as part of the evaluation.

EXECUTIVE SUMMARY

The majority of Australians (82%) consume alcohol and many consume alcohol in a way that is beneficial for their health (AIHW, 2000). The protective effects of low to moderate alcohol consumption are estimated to have averted 2.8% of the total burden of disease (Mathers et al., cited in NHMRC, 2001). Unfortunately, many Australians incur alcohol-related harm due to short-term and long-term hazardous consumption. It is estimated that 4.9% of the total burden of disease and injury in Australia can be attributed to alcohol (Mathers et al., cited in NHMRC, 2001). For the period 1998-99, the financial burden of alcohol misuse to the Australian community is estimated to have been 7.56 billion per annum due to lost productivity in the home and workplace, road accident costs, legal and court costs, as well as health care costs (Collins and Lapsley, 2002). While the consumption of alcohol is legal in Australia, governments, state and federal, legislate to restrict supply (liquor licensing laws) and develop policies and promote guidelines that encourage healthy and safe consumption.

Australian research reveals significant differences in alcohol use and misuse across age, gender, region, occupation and ethnicity. While the majority of Australians (82%) consume alcohol every year, one in 25 Australians have DSM-IV alcohol dependence; however, very few Australians (7.8%) associate alcohol with 'drug problems' (AIHW 2002; Proudfoot & Teeson 2002). Males, Australians from English speaking backgrounds, Australians living in rural and remote areas, and Indigenous Australians are all more likely to experience alcohol-related harm resulting from hazardous consumption patterns (AIHW 2002, NHMRC 2001). Australian youth are consuming alcohol at hazardous levels, a problem that is escalating over time: one in ten teenage females and one in six teenage males had been exposed to short-term alcohol related harm on a weekly basis, while average weekly alcohol consumption for 14-24 year olds has doubled over the last decade (AIHW 2002; Roy Morgan Research 2002).

Relative to alcohol, the inhalation of solvents (petrol, aerosol cans and glues) is an uncommon practice (0.4% of the population had used misused solvents in 2001) (AIHW 2002). Unlike alcohol, inhalant misuse provides no benefits to the user or to the community at large. The inhalant misuser may suffer diarrhoea, nausea, sores, nosebleeds and dangerous behaviour; in the long-term, use can lead to behavioural problems, weight loss, anaemia, brain damage, seizures, and dysfunction of the kidney and liver, and in rare cases death (ADF, 2003). While uncommon in the general population, inhalant misuse affects many young Australians and Indigenous Australians. In NSW, 2.6% of female students and 3.1% of male students used inhalants weekly (Lehmann 1998); 12-13 year old were five times more likely than 17 year olds to report inhalant misuse in the last week (AIHW 2002). Indigenous Australians are more likely to misuse solvents, particularly petrol, and to be chronic and long-term users (Lehmann 1998). Solvents have a practical function and can not be outlawed; however, in South Australia and the Northern Territory, by-laws in certain Indigenous communities make it an offence to supply or sell petrol for the purpose of inhalation.

Australian governments, Federal and State, recognise the harms caused by the misuse of licit substance and together have developed the National Drug Strategy (NDS), an over-arching policy framework that aims to reduce the harms caused by substance misuse, including the licit substances of alcohol and inhalants. The main features of Australian drug policy are: an integrated, comprehensive approach to licit and illicit drugs; an explicit focus on harm minimisation; coordination between different government levels and sectors; and a balance between prevention, treatment, education and training and research.

The National Drug Strategy is supported by a number of policy and advisory structures, comprising: the *Ministerial Council on Drug Strategy* (health and law enforcement ministers from all states and territories meet to provide national coordination); the *Intergovernmental Committee on Drugs* (senior officers health and law enforcement officers advise and implement NDS policies and programs); and, the *Australian National Council on Drugs* (an inter-sectoral body of experts from the non-government and community organisations that provide independent advice to the *Ministerial Council on Drug Strategy* and also provide a work plan to reduce drug related harm).

Operating within the NDS policy framework, the National Alcohol Strategy (NAS) aims to reduce alcohol-related harm for Australian communities, individuals and families through evidence-based initiatives. Alcohol misuse is also addressed through the National Public Health Partnership (an inter-governmental working arrangement to plan and coordinate national public health activity) and

through the National Health Priority Areas (NHPA). NAS Strategic directions are informed by the National Expert Advisory Committee on Alcohol (NEACA). Responsibility for action lies with government agencies, the community-based sector, business and industry, research institutions, local communities and individuals. Major strategies include: prevention and treatment strategies; promotion of beneficial, low risk alcohol consumption; public health, law enforcement and educational strategies; supply, demand and harm reduction approaches. There are currently 11 key strategy areas: informing the community (public awareness), protecting those at higher risk, preventing alcohol-related harm in young people, improving the effectiveness of legislation and regulatory initiatives, responsible marketing and provision of alcohol, pricing and taxation, promoting safer drinking environments, drink driving and related issues, intervention by health professionals, workforce development, and research and evaluation. National Alcohol Strategy policies and programs are informed by the National Alcohol Research Agenda. Research priorities set through the agenda help funding bodies and researchers direct alcohol research to those areas of greatest need and greatest potential, while support accountability and program effectiveness.

It should be noted that the overall per capital consumption of alcohol has fallen from an average of 9 litres per person in 1985-86 to 7.6 litres in 1997-98, while the amount of money spent on alcohol as a proportion of total household expenditure on goods and services has decreased from 3.4% in 1984 to 2.9% in 1998-1999 (AIHW 2000; Fitzgerald 2002).

Indigenous Australians are at a greater risk of incurring harm from the misuse of alcohol, inhalants and kava. Drug harm reduction policies for Indigenous Australians are informed by the National Drug Strategy Aboriginal and Torres Strait Islander advisory group. Federally funded alcohol programs have included residential alcohol rehabilitation centres, alcohol counsellors, youth workers, recreational coordinators, community-based patrols, sobering-up shelters, and education campaigns. In the Northern Territory and Western Australia, Indigenous communities can apply for restricted area (dry area) status, legally restricting days of liquor trading, hours of sale and types of alcohol that can be purchased. Inhalants and kava are fairly recent additions to the suite of substances addressed under the NDS. Federal funds have been provided for counselling, recreation programs and supporting community based initiatives. Little published literature has been obtained which refers to policy initiatives dealing with inhalant and kava use. These drugs do not appear to be a strong focus for policy making, (Gray et al. 2002).

Background to the Foundation

It is in this context that the Alcohol Education and Rehabilitation Foundation was established following an agreement between the Government and the Democrats to utilise funds equivalent to the difference between the excise collections on draught beer since 1 July 2000 and the amount that would have been collected using the new rates prescribed under *The New Tax System*.

The Foundation's objectives are specified in the Alcohol Education and Rehabilitation Special Account Act (2001) and are to:

- Prevent alcohol and other licit substance abuse, including petrol sniffing, particularly among vulnerable population groups such as indigenous Australians and youth;
- Support evidence-based alcohol and other licit substance abuse treatment, rehabilitation, research and prevention programs;
- Promote community education encouraging responsible consumption of alcohol and highlighting the dangers of licit substance abuse;
- Promote public awareness of the work of the Foundation and raise funds from the private sector for the ongoing work of the Foundation;
- Provide funding grants to organisations with appropriate community linkages to deliver the services referred to above.

The Foundation will receive at least \$115 million over four years (2001-2005). Of these funds, 80% must be spent within the four year time period. At least 30% of the funds will be spent on treatment and rehabilitation, 10% on public education, 20% on prevention and at most 10% on administration. In addition, at least 20% of total expenditure will be targeted to projects working with Indigenous Australians.

The Evaluation

The Funding Agreement between the Foundation and the Commonwealth Department of Health and Aging and the Foundation's Business Plan specify an independent evaluation of the work of the Foundation.

In June 2003, the Australian Institute for Primary Care was engaged to undertake this independent evaluation of the Foundation. This evaluation will be undertaken in three stages.

- Stage 1 is to review the progress of the Foundation from December 2001 until the end of June 2003 and is the subject of this report.
- Stage 2 includes the development of a detailed evaluation plan for the period July 2003 to 30 June 2005. This will be developed in collaboration with the Foundation by November 2003.
- Stage 3 includes evaluation activities identified in the detailed plan to be developed in Stage 2.

There is three levels at which the work of the Foundation can be evaluated, these are:

1. The Foundation itself, including its internal structures and processes
2. The impacts and outcomes of projects funded by the Foundation
3. The overarching program or strategy

The first phase of the evaluation is focused on the establishment of the Foundation and is essentially a retrospective examination of the work of the Foundation to date.

The approach adopted for the evaluation of the three levels is a program logic approach. In a program logic approach, the logical reasoning that connects program inputs, and the predicted improvements to systems and structures (processes), changes in individuals or populations (impacts) and desired longer term outcomes is mapped and indicators developed for each domain.

In order to develop a basic program logic map for these three levels we have drawn on the literature on effective grant-making foundations (for level 1) and on the stated goals, objectives and aims of the Foundation (for levels 2 and 3).

The logic for the internal operation of the Foundation could be expressed as follows: Foundation inputs (including skills and time of board members and staff and available funds) result in effective systems and structures for the distribution of grants (these include governance, management of operations, agenda setting and dissemination of information). In turn, these systems ensure projects consistent with goals are funded, capacity of funded organisations is enhanced and there is an increased evidence base.

The logic for funded projects and programs could be expressed as follows: inputs (including funds and capacity building from the Foundation, project staff, existing organisation and community capacity) lead to improved systems and structures, such as better treatment and rehabilitation services, effective ways of running prevention and public education programs, ongoing workforce development and high quality research. This improved system supports changes in risk and behavioural factors of targeted groups, increased satisfaction with services, increased knowledge, skills and competencies of the workforce, and high impact research evidence (these are impacts). Over time, the consequence of these changes is prevention and reduction of alcohol and licit drug related harm and abuse.

If the Foundation is working well to support funded projects and disseminate information from them, together, the overall goal of the Foundation can be achieved across regions, states or across Australia (that is, this work taken together can create reduced alcohol and licit drug related harm more broadly than in the populations targeted by individual projects).

In order to undertake the evaluation we reviewed the key literature on the extent of alcohol and licit drug use and the current policy context reviewed the Foundation's current procedures, systems and data. This included meeting with Foundation staff, conducting telephone interviews with a sample of board members and reviewing funded projects by examining project files and the Foundation's grants management database.

Description of the Foundation

The Foundation is a public company limited by guarantee under the Corporations Act and the Board members are Directors of the Foundation. The total funds to be made available to the Foundation over four years (2001-July 2005) was \$115 million with \$10 million allocated in year 1, \$24 million in year 2, \$40 million in year 3, and \$41 million in year 4.

The Foundation's Board of Directors have high profiles in the Alcohol and Drug area and/or in other fields relevant to the operation of the Foundation. The Board has two governance committees (an Executive Committee and an Audit Committee) and a number of committees that assess grant applications. The current role of the Board is to set the strategic direction for the Foundation, promote the Foundation, monitor the operational functions carried out by the secretariat and participate in selection and endorsement of successful grant applications.

The objectives of the Foundations are specified in legislation under the *Alcohol Education and Rehabilitation Special Account Act 2007*. In summary, these are that the Foundation will prevent and reduce harms associated with alcohol and other licit substance misuse, particularly among vulnerable population groups through providing grants to organisations to achieve this.

Eleven key principles to underpin the work of the Foundation were developed by the Board and pertain to: (1) sustainability; (2) evidence base; (3) collaboration rather than intervention; (4) enhancement rather than replacement; (5) a balanced approach addressing causes and symptoms, individuals and environments; (6) capacity building and community engagement; (7) transparency and accountability; (8) promoting consensus and common aims; (9) cultural responsiveness; (10) acknowledging the importance of social justice; (11) Independence.

The Foundation's strategic planning has included the development of a business plan to cover the period to 20 June 2005, (this included an operational plan for the period 1 October 2001 – 1 October 2002) and a strategic review undertaken in November 2002 after the first year of the Foundation's operation. The Business Plan specified the areas in which funds will be allocated and the percentages to be allocated to each. In summary these are: treatment and rehabilitation (30%); public education (10%); prevention (20%); Research, workforce development, capacity building and community support (30%) and administration and promotion (10%).

The Operational Plan (1 October 2001-1 October 2002) outlined seven grant categories to be made available by October 2001. These were (1) seeding/ development grants, (2) community partnership grants, (3) demonstration projects, (4) research grants, (5) sponsorship grants, (6) scholarships, fellowships and workforce development grants and (7) policy partners. In the first year, there was no fixed closing date for grant applications.

In November 2002 the Foundation undertook a Strategic Review. This review resulted in a reduction in the number of funding categories from seven to four key categories. These four categories were defined by the specific areas of operation of the Foundation (prevention and public education, treatment and rehabilitation, scholarships and workforce development, and research). Funding rounds with closing dates were to be offered in each of these areas. Two additional grant categories are also available. These are small grants (less than \$20,000) and policy partner grants. Subsequent to the review, board sub-committees met to further develop the funding priorities and focus for each of the four key categories. During the review process, the Foundation also developed a set of Operational Principles which are consistent with the original eleven principles articulated by the Board.

The day to day operation of the Foundation is undertaken by seven staff including a Chief Executive Officer, an Office Manager, a Marketing Manager, a Finance Manager, two Grants Administrators and a Systems Administrator. During the first 12 months of operation the Foundation established organisational structures including a budgetary and financial control system, developed and implemented funding allocation processes and a collaboration and communication strategy, and established an evaluation strategy.

The Foundation has been seeking grant applications since 1 February 2002 and the first funds were allocated at the end of February 2002. By the end of June 2002, eight grants had been approved for a total of \$425,000.

The Foundation has negotiated with governments and large organisations in each state/territory to fund Policy Partnership Grants.

Policy partnership grants represent a good opportunity for the Foundation to develop collaborative partnerships, leverage up funding for important projects, develop its strategic funding capacity, and influence policy and program development. While only one of these grants had been announced at 30 June 2003, the ground work for an additional five grants had been done and these were announced prior to the submission of this report at the end of August 2003.

The Alcohol Education and Rehabilitation Account Act 2001 specifies that the Foundation is to raise funds from the private sector for its ongoing work. The Foundation has been granted deductible gift recipient status and is working towards the launch of a public fund in 2004.

Funded projects

Projects funded by the Foundation were reviewed in order to develop an understanding of: the nature, quality and characteristics of funded projects; the range of organisations applying for funds; the purposes for which funds would be used; the effectiveness and utility of systems developed by the Foundation for the assessment and evaluation of project proposals, outputs and outcomes (where feasible); the nature and quality of supporting material; and the extent to which the goals and objectives of the Foundation were applied to the selection of projects for funding by the organisation.

The data used to undertake this analysis comes from two sources. The first was the paper files kept on funded projects, which were reviewed over the period 17 June to 31 July 2003. The second was the grants management database containing information about all applications for grants. Three different data sets from this database were provided by the secretariat. These were to 2 June 2003, to 20 June 2003 and to 31 July 2003. All dollar figures included are exclusive of GST. Please note that the data described below that utilises information from the Foundation's grants management database is classified by the four funding categories identified at the strategic review. Data on completed projects and funded but not yet completed projects was obtained from paper files kept at the Foundation and the categories used in these files were those for the first funding round.

To 2 June 2003, the Foundation had received 468 project applications, of which 147 (31.4%) have been funded. Total funds sought were \$191,296,183 (an average of \$408,752 per project) of which \$17,062,381 has been granted. The Foundation has funded 8.9% of funds sought by grant applicants. The average project funding was just over \$116,000 which is 28.4% of the average of the total funds (\$408,752 per project) sought via project applications. Treatment and rehabilitation programs received around 46% of funds granted and prevention and public education projects received about 40% of funds granted.

Programs targeted to Indigenous peoples received over 27% of the funding granted while projects targeted to youth received about 43% of the funds granted. Thus, the Foundation has met its mandate of spending over 20% of funds on projects targeted to Indigenous people. There were 161 applications to the value of \$60,891,725 targeted to Indigenous peoples. Of these, 52 (32.3%) were funded, with \$4,704,374 being committed. Thus, the percentage of funds allocated represents 7.7% of the funds applied for. Projects targeted to Indigenous people were funded at an average level of about \$90,500. Small grants projects received average funding of about \$10,500, and treatment and rehabilitation projects received average funding of about \$229,500.

The average processing time for applications to date on the basis of the data we have scrutinised has been 107 days. As of June 2003 there were 76 applications pending a decision. Of these, 34 (approximately 45%) already had processing times in excess of 12 weeks (84 days) from lodgement of application. The waiting period in excess of 84 days for this group of applications was an additional 133 days. The number of projects taking longer than 12 weeks for processing was greatest in the research category (93.3%), followed by prevention and public education (69.2%), small grants (42.9%), scholarship and workforce development (25% and treatment and rehabilitation (16%).

Thirty one projects had been completed to 30 June 2003. Data from the paper files kept on these projects indicated that the average net cost of these projects was \$12,122, with workforce development projects having the lowest average of \$2,070 and sponsorship grants having the highest average (\$22,209). With the exception of one project, all projects reported in this section commenced prior to the end of March, 2003. The highest proportion of completed projects (42%) were in the scholarship category. There was only one (3.2%) completed project in both the demonstration category and in treatment and workforce development category.

More than half (54.8%) completed projects had not provided any supporting evidence for their application, with the highest proportion of these being in the scholarship category (69.2%) and the sponsorship category (66.7%). Some evidence was provided by 13 projects (41.9%). Only one project was considered to have provided a rigorous evidence base and this was in the treatment category. These projects were also assessed to determine whether they met Foundation objectives, with three of the 31 (10%) appearing not to meet any of these. Only two completed projects were subject to external evaluation. This is probably due to the small scale of projects and the early stage of the Foundation's operation. All but one project reported outputs using the standard format (or a variation of this) provided by the Foundation. However, it was very common for outputs to be defined as the provision of a project report, financial accountability documents, and other administrative material. Only four of the 31 projects reported outcomes arising from their work.

Resource intensity (that is, cost per person or organisation participating in the activity) was calculated. Prevention and Public Education activities reported the highest average reach (300 people). The cost per person of these activities was \$47. The lowest average reach (two people) was for scholarships which also had the highest average resource intensity (\$3570), reflected by the fact that these projects were generally to fund individuals to attend conferences. Funded treatment and rehabilitation programs, on average, reached 20 people and cost \$707 per person.

Files of 94 funded projects that had not been completed were also analysed. The average cost of this group of projects was about \$111,000. The maximum grant was just over \$1 million, in the partnership category, while the minimum grant was in the scholarship category at less than \$2,000. The highest average grant level was in the demonstration category (approximately \$353,000) and the lowest in the scholarship category (approximately \$25,000). Partnership projects received the largest proportion of funding (nearly 30%) with the lowest share going to scholarships (4.5%). Twenty one projects (22%) were scheduled to have been completed prior to 30 June 2003 but had not been finalised up to 31 July 2003. The period between scheduled completion of these 21 projects and 31 July 2003 ranged from 31 to 392 days, with an average of 234 days. Of these projects, 16 had been scheduled for completion more than 100 days prior to 31 July 2003.

Approximately one-third of funded but not yet completed projects (32%) included a strong evidence base in support of the application, less than a third (26%) demonstrate 'some' evidence base, and more than a third (38.3%) demonstrate no evidence base. Three-quarters of projects in the sponsorship category and 68% of scholarship applications did not exhibit an evidence base, whereas all demonstration projects exhibited at least some evidence base. Six of these projects did not appear to meet any of the Foundation's objectives. Six projects were proposing to undertake an external evaluation, and only 23 projects (24.5%) identified impacts or outcomes to report on at the conclusion of the project.

Discussion and conclusion

Members of the Foundation's board have high profiles and bring a range of skills and expertise to the organisation, including in the area of alcohol and licit drug misuse. The Board has established an appropriate structure to enable it to meet its fiduciary obligations. The Board is highly involved in setting the strategic direction for the organisation and in assessing applications for grants. Given the limited time available to Board members and the challenges in strategically positioning the Foundation to achieve maximum social impact, cost effectiveness, and sustainability, it may be beneficial for the Board to focus on the strategic direction and less on assessing applications for grants. A second advantage of this approach would be that there would be no room for the perception of conflict of interest of Board members in making funding decisions.

In the 18 months of its operation the Foundation has been established, developed a strategic direction, identified key principles to underpin its work, developed funding categories, implemented two funding rounds and undertaken a strategic review. While the Foundation has a Business Plan, it does not have a current strategic or operational plan and it may be useful to develop one, especially in relation to the sustainability of the Foundation and its work.

The Foundation has developed good practice in reviewing its work after one year of operation, a process which enabled it to align its grant-making more closely with its strategic direction and objectives.

The secretariat staff are professional and competent and have achieved a great deal in the over the last 18 months. The Business plan specified that secretariat staff should be employed to undertake administrative roles rather than have content knowledge, which was to be provided by the Board. Consequently, Board members carry a high work load associated with the selection and approval of applications for funding and may not be the best use of Board member time. To maximise the use of the time of Board members the Foundation should consider employing some staff members with content knowledge and revising the grant application selection process.

In addition to its fixed funding rounds, the Foundation funds small grants which can be applied for at any time and have an expedited selection process. While this provides the Foundation with some flexibility, these grants may have limited capacity for social impact and consequently the Foundation should cap the funds spent on these projects. In addition, the availability of these grants should be clearly advertised with clear guidelines to ensure transparency in small grant application.

Already, the Foundation has received applications for more funds than it will have access to by June 2005. It appears that a significant proportion of these applications for grants have not been appropriate for the Foundation to fund, either because they have been for projects/ programs that should be the responsibility of governments, or because the applications were not well targeted, did not meet Foundation objectives or were not well enough developed. There appears to be a limited capacity within the sector to develop project proposals and appropriate evaluation strategies, and the Foundation might want to consider developing programs to address these issues.

In order to achieve its strategic goals and demonstrate social impact and cost effectiveness it is important that the Foundation fund projects consistent with its key objectives and it appears that this has generally been achieved. However, in order for the Foundation to meet its objective to support evidence-based treatment, rehabilitation, research and prevention programs more rigorous evaluation of funded projects may be required and projects should be asked to report on outcomes as well as outputs. To this same end, all projects that are funded beyond June 2005, the initial period of operation of the Foundation should be asked to provide a substantive report at 30 June 2005.

In conclusion, the Foundation has undergone a rapid establishment phase, during which systems have been put in place and it has funded a comparatively large number of often interesting and innovative projects. To date, it appears to have met all mandated requirements and is improving its operations to ensure its grant-making is likely to produce impacts and outcomes aligned with its strategic objectives. At this early stage of the Foundation's operation, it is not yet possible to comment substantively on the social impact or cost effectiveness of projects that have been funded, however, the strategic directions adopted by the Foundation allow for a number of initiatives that appear to have the potential to produce longer term, sustainable outcomes with a population impact.

RECOMMENDATIONS

Recommendation 1: The Board focus more on the governance and monitoring of the Foundation, and participate less directly in assessment of grant applications.

Recommendation 2: That Board members not participate in grant application selection sub-committees in the areas in which they, or their organisation, has submitted a grant application.

Recommendation 3: The Foundation develop a strategic plan for the period 01 July 2003 – 30 June 2005. This should include a mission statement, goals in key priority areas and targets against which the work of the Foundation can be monitored.

Recommendation 4: The Foundation maintain the four key funding categories and further define the priorities in each category. Ideally, the priorities in each category should be tied to specific goals determined by the Foundation

Recommendation 5: To increase the efficiency of the grant-making process, the Foundation develop assessment processes which reduce the workload of Board members. This could include combinations of the following:

- *Developing more targeted proformas to enable secretariat staff to rank proposals;*
- *Broadening committee membership to include one or two Board members, relevant sector representatives and potentially individuals who have been former misusers of licit substances and alcohol;*
- *Peer review processes.*

Recommendation 6: The Foundation acquire content expertise within the secretariat to facilitate improved application content and reduce the workload of the Board. This could be done by either engagement of contractors or consultants, or by direct employment of staff qualified in the alcohol and licit drug misuse areas.

Recommendation 7: Guidelines should be developed outlining the scope and requirements of small grants and these should be clearly advertised. In addition, the percentage of funds allocated to these grants should be capped.

Recommendation 8: That the Foundation provide assistance to small organisations (particularly those representing Indigenous people) to enable them to submit high quality grant applications. Strategies could include:

- *Developing, or funding the development of a kit, with a particular focus on proposal development and evidence and evaluation.*
- *Employing individuals with relevant expertise to work with small organisations to develop proposals and evaluate their work. This could be done by engaging consultants or contractors located in relevant geographical locations, or through paying staff from larger regional organisations, to support and develop the capacity of smaller organisations.*
- *Utilise contractors to develop and deliver training sessions (preferably interactively) focused on improving the capacity of organisations to design high quality projects and well designed funding submissions.*

Recommendation 9: That given the apparently limited capacity of the sector to respond to the Foundation's objectives in grant applications, it may be beneficial for the Foundation to consider commissioning sector-wide projects (particularly projects focused on capacity building, workforce development and/or community development) in key strategic areas.

Recommendation 10: That the Foundation increase its requirement for an evidence base to support project applications, particularly for large grants. Where evidence is not available, applications must incorporate a rigorous evaluation strategy. Application forms should be adapted to reflect these requirements.

Recommendation 11: That the Foundation develop a strategy to support capacity for evaluation and use of evidence across the sector.

Recommendation 12: That assessment forms used by secretariat staff be modified to ensure that:

- *Applications are seen to conform to the Foundation's objectives;*
- *Applications include evidence of the potential effectiveness of proposed projects where this is possible;*
- *Applications indicate the proposed measures of impact and outcome, as well as specifying outputs.*

Recommendation 13: That all projects funded beyond 30 June 2005 be required to provide a substantive report on their work by 30 June 2005.

Recommendation 14: That all projects and programs receiving large grants be required to undertake rigorous evaluation to demonstrate social impact and cost-effectiveness, preferably by an external evaluator.

1. Introduction

The Alcohol Education and Rehabilitation Foundation Ltd., (the Foundation) was established in 2001 as a grant-making body to direct funds to organisations and individuals working towards preventing and reducing harm associated with misuse of alcohol and other licit drugs¹. In this section the extent of the problem of alcohol and licit drug misuse and key policy directions are described in order to locate the work of the Foundation in the current context in Australia.

1.1 AN OVERVIEW OF LICIT SUBSTANCE USE AND MISUSE IN AUSTRALIA

1.1.1 Licit drug related harm: the costs

Alcohol

In the developed world, alcohol misuse is the leading cause of male disability and the tenth largest cause in women (National Expert Advisory Committee on Alcohol, 2001a:4). Drinking alcohol at risky and high risk levels for long-term harm was estimated to have caused 3,290 deaths in Australia in 1997, accounting for about 4% of all male deaths and 2% of all female deaths, and about 50,000 hospitalisations (Chikritzhs et al., cited in NHMRC, 2001:31). A 1990 census of clients of Australian drug and alcohol agencies found that over half (56.9%) of all clients attended because of alcohol. It is estimated that in 1996, 727,820 Australians suffered from alcohol dependence (AIHW, 2000).

The 1998 National Drug Household Survey reported on adult Australians who had been the victims of alcohol-related anti-social behaviour in the previous 12 months; of all those surveyed, 29% had been the victims of verbal abuse, 16% were in fear of abuse, 8% had property damaged, 6% had been physically abused, and 4% had property stolen (AIHW, 1999:85). An analysis of incidents attended by New South Wales police in 1991 reported 40% of domestic violence incidents were alcohol related (National Expert Advisory Committee on Alcohol, 2001b:14).

For the period 1998-99, the financial burden of alcohol misuse to the Australian community is estimated to have been 7.56 billion per annum due to lost productivity in the home and workplace, road accident costs, legal and court costs, as well as health care costs (Collins and Lapsley, 2002: ix-x). It is estimated that 4.9% of the total burden of disease and injury in Australia can be attributed to alcohol; however, moderate consumption of alcohol has been shown to protect against gallstones, reduce the risk on non-insulin dependent diabetes, aide the development of bone mineral density, reduce cognitive decline in older people, and decrease mortality from cardiovascular disease (National Expert Advisory Committee on Alcohol, 2001b:16). The protective effects of low to moderate alcohol consumption are estimated to have averted 2.8% of the total burden of disease (Mathers et al., cited in NHMRC, 2001:32).

Inhalants

Inhalants use is relatively uncommon in comparison with other licit substances such as alcohol and tobacco; however, the negative impacts of this practice upon disadvantaged people within our society cannot be overlooked. In the short term, inhalant use can lead to diarrhoea, nausea, sores, nosebleeds and dangerous behaviour; in the long-term, use can lead to behavioural problems, weight loss, anaemia, brain damage, seizures, and dysfunction of the kidney and liver, and in rare cases death (ADF, 2003:3-4).

1.1.2 Alcohol: laws and guidelines

Alcohol

In public environments, such as bottle shops, restaurants, bars and clubs, alcohol is available for purchase by all Australians over the age of 18; however, by-laws in some states and territories enable prohibition in a number of Indigenous communities.

¹ Within licit drugs, the focus was to be on the use of petrol and other solvents and not on tobacco or pharmaceuticals.

All commercial establishments that wish to sell alcohol must obtain licences from statutory bodies called Liquor Licensing Commissions, which review applications. Applicants must advertise their intent to obtain a liquor licence in the front window of their business; members of the public and the police have the right to register their disapproval with the various commissions across the nation. Under licensing laws, licensees must not supply liquor to: people less than 18 years of age unless they are in the company of a parent, guardian or spouse (over 18 years of age) and partaking of a meal; persons in a state of intoxication; and they must not permit drunken or disorderly persons to be on the licenced premises.

While alcohol is legal, Australian governments, federal and state, recognise the potential for alcohol related harm. For this reason, the National Health and Medical Research Council publish guidelines "to provide Australians with the knowledge and understanding that will enable them to enjoy alcohol while avoiding or minimising harmful consequences." (NHMRC, 2001:3) These guidelines come from the World Health Organisation (WHO) and are based on strong evidence accumulated from many scientific studies. The guidelines have changed since the last publication in 1992 and now focus on patterns of drinking, as well as overall levels of consumption. The guidelines are different for men and women, as women are more vulnerable to the acute and chronic effects of alcohol misuse than men.

Excessive alcohol consumption can lead to alcohol abuse or dependence. The American Psychological Association produces and updates the 'Diagnostic and Statistical Manual of Mental Disorders' (DSM-IV). Alcohol Abusers are defined as "drinkers who during the past year experienced at least one severe or moderately severe consequence of alcohol abuse, such as job loss, arrest or illness". People who are alcohol dependent are defined as "drinkers who during the past year experienced one or more symptoms of alcohol dependence; to be counted as an alcoholic, a respondent either had to report at least one symptom of alcohol withdrawal, or at least one symptom of loss of control plus one other symptom of dependence, excluding withdrawal" (NIAAA, 2003).

Inhalant use

There are few laws which address the use of inhalants in Australia. Because solvents have a legal and practical function they can not be outlawed. In South Australia, by-laws under the Pitjantjatjara Land Rights Act 1981 make it an offence to supply petrol for the purpose of inhalation and also give the police the power to confiscate and dispose of any petrol or containers suspected to be used for the purpose of inhalation. In the Northern Territory, it is illegal to supply or sell petrol to anyone for the purpose that they or someone else will use it for inhalation. In Western Australia, there are by-laws that restrict the supply, possession and uses of deleterious substances, including petrol, on the Ngaanyatjarra lands. Unlike alcohol, there is no safe or beneficial level of inhalant usage but there have been interventions aimed at harm reduction.

1.1.3 Patterns of licit substance usage in Australia

Alcohol

Analysis of the most recent Australian National Survey of Mental Health and Wellbeing found that nearly 4.1% of the sample population (10,641 randomly drawn participants) had DSM-IV alcohol dependence (Proudfoot & Teeson, 2002:451). There is a substantial body of Australian research investigating who is consuming alcohol and how it is being consumed. Since 1985, the Commonwealth Department of Health and Ageing has commissioned 'The National Drug Strategy Household Survey'. The survey results inform public policy and strategic frameworks such as the National Drug Strategic Framework (please refer to section on policy). The Australian Institute of Health and Welfare has managed the survey since 1997. In 2001, nearly 27,000 Australians aged 14 and over were surveyed on their knowledge and attitudes towards drugs, their drug consumption histories, and related behaviours. Institutionalised and homeless persons were not surveyed. In spite of their social and economic costs, the most accepted and used drugs were the licit drugs —: alcohol and tobacco — with most respondents either partaking in some form of licit drug use or looking upon the practice favourably. Illicit substance use was relatively less common and viewed quite negatively. Just over a third of all respondents (37.7%) had used illicit substances at some time in

their life, while 17% had used illicit drugs in the last 12 months. Only a small proportion of respondents considered the regular use of illicit drugs as being 'acceptable'; with the exception of marijuana (23.8%), less than 5% of respondents approved of the regular use of all other illicit substances.

Eighty-two per cent of the respondents had used alcohol in the last twelve months and 39.5% used alcohol on a weekly basis. Alarmingly, around one in ten respondents (9.9%) consumed alcohol in a manner that could cause long-term harm and around a third (34.4%) of respondents drinking practices placed them in short-term harm. When asked to name the drug they thought of when people talked about a drug problem, only 7.8% of respondents named alcohol; this figure had halved since the 1998 survey. In the same period, the proportion of respondents who found the regular use of alcohol as acceptable had increased from 61.3% in 1998, to 74.7% in 2001. Support for measures to reduce alcohol related problems had generally decreased between 1998 and 2001 (AIHW, 2002:35).

There are major differences between the genders in the type, frequency and volume of alcohol consumption. Men commence drinking at an earlier age than women (16 years compared to 18 years) and women of all ages consume less alcohol than men and are more likely to be non-drinkers. Males (46%) were more likely to drink on a weekly basis than females (33.2%). Women prefer to drink wine (57%) or spirits (38%) and men overwhelmingly prefer regular beer (53%) (AIHW, 1999). The Australian National Survey of Mental Health and Wellbeing revealed that 75% of those sampled that had DSM-IV alcohol dependence were male (Proudfoot & Teeson, 2002:451).

Trends in teenage alcohol consumption warrant concern. The National Drug Strategy Household Survey (2001) results reveal that almost one in every three male teenagers consumed alcohol weekly (31.2%) compared with one in four females (25.4%); approximately one in ten (11.8%) teenage females and one in six teenage males (14.6%) had exposed themselves to short-term alcohol related harm on a weekly basis (AIHW, 2002:16). As with the National Drug Strategy Household Survey, the Salvation Army, 'Alcohol Awareness Survey', indicates alarming drinking practices by teenagers. Around a third (35%) of teenage males and nearly a quarter (22%) of teenage females surveyed admitted to drinking between 11 and 30 standard drinks in one day, while the average weekly alcohol consumption for 14-24 year olds has doubled over the last decade (Roy Morgan Research, 2002:2). As with gender, there are different preferences for the types of alcohol consumed by the different age groups. There is an inverse relationship between the proportion of persons consuming bottled spirits and age: 63% for those aged between 14 and 19, 59% for 20-29 year olds, 42% for 30-39 year olds, decreasing to below 30% for those aged 40 and over. Adversely, the consumption of low alcoholic beverages increases with age (AIHW, 1999:14). Young adults also appear to be at increased risk of alcohol-related harm. Analysis of the Australian National Survey of Mental Health and Wellbeing found that 60% of people with DSM-IV alcohol dependence were in the 18-34 year old age group (Proudfoot & Teeson, 2002:451).

In rural and remote regions, the incidence of harmful consumption of alcohol for men is higher than in metropolitan regions. Rural youth are also more likely to have consumed alcohol than youth in urban areas (82% compared to 71.5%) (Williams cited in National Expert Advisory Committee on Alcohol, 2001b:4). There is an inverse relationship between population size and the proportion of 'at risk' male drinkers, 5% of men in large rural centres drink at risky levels compared to 8% of men in remote areas with fewer than 5000 people. In these same areas, women are approximately twice as likely to drink at hazardous levels as their metropolitan counterparts, 2.4 and 2.1% for rural and remote areas respectively, compared with 1.2% in metropolitan areas (Strong et al., cited in National Expert Advisory Committee on Alcohol, 2001b:4). In the report, 'Alcohol-related social disorder and rural youth, Williams (1999) found that Australians are more likely to be the victims of alcohol-related harm in rural areas than in metropolitan areas. Using data from the National Drug Household Survey (1998), Williams found that: 32.1% of rural respondents had been put in fear of alcohol-related violence in the home areas versus 20% in metropolitan areas; 43.8% of rural respondents versus 30.4% of metropolitan respondent has experienced alcohol-related physical abuse in the home; and, being the victim of alcohol-related physical abuse in pubs and clubs was more common for respondents in rural areas than in metropolitan areas, the figures being 47.3% and 32.6% respectively (National Expert Advisory Committee on Alcohol, 2001b:14).

The National Health Survey (1989-1990) found that levels of alcohol consumption varied significantly between different occupational cohorts: around one quarter of men working as building tradesmen, waiters and bar staff, construction and mining labourers, and food tradesmen exceeded the NHMRC guideline consumption levels for alcohol, while approximately one fifth of women employed as specialist managers or sales representatives exceeded the guideline levels (ABS 1991 cited in NHMRC, 2001:53).

Australians from non-English speaking backgrounds are more likely to have higher proportions of abstainers than English speaking groups; 94% of the general population have tried alcohol compared with 56% of the Vietnamese speaking community, 82% of the Spanish speaking community, and 80% of the Greek speaking community (National Expert Advisory Committee on Alcohol, 2001b:5). For Australians of non-English speaking backgrounds, perceptions of alcohol usage tend to reflect those found in their homelands, at least for the first generation migrant group; over subsequent generations, patterns of consumption tend to move towards those of the general Australian population (National Expert Advisory Committee on Alcohol, 2001b:5).

The Department of Health and Human Services (1994) surveyed Indigenous Australians on their alcohol consumption. While Indigenous Australians were more likely to be non-drinkers (28% of males and 44% of females) compared to the general urban population (16% of males and 26% of females), those who drank were more likely to drink at high or very high risk levels: 82% in the Indigenous population versus 28% in the general urban population (NHMRC, 2001:62). Indigenous males tend to have more hazardous drinking patterns than females: 60% of male drinkers and 40% of female drinkers consumed hazardous of harmful amounts at least once a week (Commonwealth Department of Health and Human Services, 1994).

The Australian National Survey of Mental Health and Wellbeing found some significant correlates of alcohol use disorders; these were co-morbid drug disorders for both sexes, and not being in a marital or de facto relationship for males (Proudfoot & Teeson, 2002:451). Distressingly, less than a third (29.5%) of the alcohol dependent people sought treatment for their mental health; males were less likely than females to seek help. Formal diagnosis of alcohol dependence was not a predictor of service use (Proudfoot & Teeson, 2002:454).

Inhalants

Users of inhalants are predominantly young people (Lyves cited in Lehmann, 1998:1). There are different modes of inhalant misuse. A useful typology is 'experimental', 'recreational', and 'habitual' (Langa cited in d'Abbs and MacLean, 2000:17). Data from 'The National Drug Strategy Household Survey' reveal that inhalants were one of the least used substances. Less than one per cent (0.4%) of the respondents had used inhalants during the last 12 months, a statistically significant decline from 0.9% in 1998 survey; however, 2.6% of respondents had tried inhalants during the course of their lifetime. At 4.3%, males were nearly twice as likely as females (2.2%) to have been offered or had the opportunity to use inhalants. Half of all inhalant users (50.8%) purchased the inhalant from the shop, while just under a third (29.7%) got their inhalants from friends (AIHW, 2002: 3-7).

There has been some other noteworthy research into the use of the inhalants in Australia. As part of the National Drug Strategy, approximately 25,000 Australian students participated in the survey, 'Australian secondary students' use of over-the-counter and illicit substances' (1999). The study found that about one quarter (26%) of all students had deliberately sniffed inhalants at least once during their lives, while 19% had used inhalants in the previous 12 months. Inhalant use was related to age with prevalence and frequency of use decreasing from the youngest to the oldest students; 12-13 year olds were five times more likely than 17 year olds to report use in the last week (White, 2001:17-18). A similar study in NSW in 1992 found that 2.6% of girls and 3.1% of boys used inhalants weekly (Mundy cited in Lehmann, 1998:1).

Rates of inhalant use are significantly higher amongst the Australian Indigenous population (Lehmann, 1998:1). However, there are some similarities between Indigenous and non-Indigenous inhalant usage patterns. Indigenous males are three times as

likely to use inhalants as females. However, unlike the general population, the greatest proportion of users is in the 20-25 year age group and Indigenous inhalant users, primarily users of petrol, are more likely to be chronic and long-term users (Lehmann, 1998:4). The solvents inhaled by Indigenous users vary between settings, with adhesives and thinners most commonly used in urban settings and petrol being the most commonly used substance in rural and remote settings. In urban areas, inhalant use is predominantly experimental with a small proportion of chronic users, while use in rural areas is characterised by a higher proportion of chronic users, particularly amongst the older age groups (d'Abbs & MacLean, 2000:17). Rates of inhalant use amongst Indigenous Australians is not static with changes in prevalence correlated with seasonal weather variations, school holidays, the presence of ringleaders and changes in community populations (Brady cited in Lehmann, 1998:3). In the Top End of the Northern Territory rates of petrol sniffing increase in the wet season (November to March) due to reduced population mobility, the return of community members (workers from outstations and children from boarding schools), closed schools, and few recreational activities (Garrow cited in d'Abbs & MacLean, 2000:19). In Central Australia, sniffing outbreaks are often associated with community gatherings such as football matches and tribal ceremonies (Durnan cited in d'Abbs & MacLean, 2000:19).

1.2 POLICY ADDRESSING LICIT SUBSTANCE MISUSE IN AUSTRALIA

Licit and illicit drugs have been embraced by the same over-arching policy framework in Australia since 1985: the National Drug Strategy (NDS). This comprehensive approach to drug-related issues contrasts with approaches in many other countries, which deal only with illicit drugs, often in a punitive fashion (Single and Rohl, 1997). The integration of licit and illicit drugs under the umbrella of the NDS helps to ensure an 'appropriate balance of effort between different types of psychoactive substances' (Single and Rohl, 1997). In reality, most attention is given to alcohol, tobacco and illicit drugs because these are known to be major causes of morbidity and mortality (Single and Rohl, 1997).

Australia's National Drug Policy has been hailed as one of most progressive in the world. An evaluation of the National Drug Strategy conducted for the Ministerial Council on Drug Strategy (Single and Rohl, 1997) describes several reasons for this acclaim:

- Its broad range of approaches based on harm minimisation;
- Its comprehensive approach including licit as well as illicit drugs;
- The centrality of inter-sectoral partnerships between health, law-enforcement and education agencies and the community and industry sectors;
- Its balanced approach between reducing supply and demand; between prevention, treatment and research; and between the Commonwealth and the States and Territories.

This section of the literature review begins by describing the evolution of the NDS from 1985 to the present time (including the main principles on which it was based and trends over time), the structures for policy making and implementation, and the harm minimisation focus of policy for drug issues in Australia.

Following this general discussion of drug policy, policy specifically relating to licit drugs is discussed. Licit drugs include tobacco, alcohol, pharmaceuticals, inhalants and performance enhancing drugs. The purpose of this review is to examine drug policy relevant to alcohol and inhalants in particular. These drugs are considered separately in terms of approaches to supply and demand reduction including law enforcement, treatment, health promotion and education and training.

1.2.1 The evolution of Australia's National Drug Strategy

From Federation until the 1970s drug policy in Australia was focused on prohibition and legislation to control the supply, manufacture, trafficking and use of illegal drugs (Fitzgerald and Sowards, 2002). During the 1970s drug addiction began to be seen as an illness and there was a corresponding paradigm shift from punishment to treatment. In the 1980s drug issues came

into sharp focus when it came to light that the daughter of Bob Hawke, the Prime Minister, was addicted to heroin. Election promises were made to address drug addiction and abuse, and in 1985, following the election, a Special Premier's Conference was called to address these issues. This initiative marked the beginning of a more multifaceted approach to drug issues (Fitzgerald and Sowards, 2002).

The policy framework that is presently known as the National Drug Strategy (NDS) was launched in 1985 as the National Campaign Against Drug Abuse (NCADA). It was a cooperative effort between the Commonwealth, State and Territory governments in conjunction with the non-government sector. Its purpose was to provide a coordinated, integrated approach to minimise the harmful effects of drug use in Australia. Previously efforts to address drug issues were relatively uncoordinated and fragmented (Single and Rohl, 1997). The launch of NCADA also marked the adoption of harm minimisation as the underpinning principle of drug policy in Australia (Single and Rohl, 1997).

An evaluation of NCADA in 1992 led to a change of name to the National Drug Strategy (NDS) and the development of a National Drug Strategic Plan 1993-97, which was endorsed by all Commonwealth, State and Territory health and law enforcement jurisdictions (Single and Rohl, 1997). The National Drug Strategic Plan 1993-97 set out clear goals, principles and targets for the five-year period.

The three major goals were:

- To minimise the level of illness, disease, injury and premature death associated with the use of alcohol, tobacco, pharmaceutical and illicit drugs;
- To minimise the level and impact of criminal drug offences and other drug-related crime, violence and antisocial behaviour within the community; and
- To minimise the level of personal and social disruption, loss of quality of life, loss of productivity and other economic costs associated with the inappropriate use of alcohol and other drugs (Single and Rohl, 1997).

A further evaluation in 1997 (Single and Rohl, 1997) made a number of recommendations for strengthening the NDS. These recommendations include:

- Strengthening partnerships particularly at the local level;
- Establishing a specialist administrative unit to support the NDS;
- Training of health workers, law enforcement workers and community workers to effectively deal with substance abuse;
- Greater attention to cost effectiveness of strategies;
- Improving monitoring of the NDS and dissemination of new developments;
- Increasing the involvement of the law enforcement sector;
- Redirecting funding toward development and dissemination of new approaches.

The most recent development has been the National Drug Strategic Framework 1998-99 to 2002-03, which maintains the principles of the NDS and adopts the recommendations of the 1997 evaluation. This strategic framework puts a greater emphasis on developing partnerships to minimise drug-related harm (Ministerial Council on Drug Strategy, 1998). The scope of the drug issues covered by the NDS was also broadened to include inhalant and kava use, performance enhancing drugs and polydrug use. The addition of these types of substance abuse probably reflects changes in drugs of choice.

A recent report on the Australian approach to drug policy making by the Australian National Council on Drugs (Fitzgerald and Sowards, 2002) described a number of themes which characterize Australia's approach. These were:

- 'Independence' – the ability of States and Territories to determine their own directions;
- 'A diversity of voices' – partnerships enabling a range of views to be represented;
- 'The good sense of bureaucracy' – a central place for bureaucracy underpinning policy making;
- 'Frank and fearless advice' – for example, challenging discriminatory attitudes to drug users;
- 'Checks and balances' – dialogue between government and the community regarding the provision and funding of services; and
- 'Leading the community' – drug policy makers leading and initiating new approaches to drug policy (often preceding public opinion and political support) (Fitzgerald and Sowards, 2002).

In summary, the main features of Australia's policy for drug-related issues are:

- An integrated, comprehensive approach to licit and illicit drugs
- An explicit focus on harm minimisation
- Coordination between different government levels and sectors
- A balance between prevention, treatment, education and training and research.

Recent trends include:

- Greater focus on high risk groups such as homeless people, people with physical and intellectual disabilities and older persons who misuse pharmaceuticals.
- More effective partnerships between different levels of government, between health and law enforcement, between government and non-government organisations, other government sectors and private industry.
- Extension of the drug issues covered by the NDS to include drugs such as inhalants.

1.2.2 Structures for policy making and implementation

The National Drug Strategy is supported by a number of policy and advisory structures. The peak body determining policy directions in drug related matters in Australia is the *Ministerial Council on Drug Strategy*, which brings together ministers responsible for health and law enforcement from different jurisdictions to provide national coordination of the NDS.

The *Intergovernmental Committee on Drugs* (formerly called the National Drug Strategy Committee) is comprised of senior officers in health and law enforcement in each jurisdiction and experts in particular areas. This committee provides policy advice to ministers and implements National Drug Strategy policies and programs as determined by the Ministerial Council on Drug Strategy.

The *Australian National Council on Drugs* is an inter-sectoral body of experts, which includes representation from non-government and community organisations in the law-enforcement, education, health and social welfare sectors. This body provides independent advice to the Ministerial Council on Drug Strategy and implements a work plan to reduce drug related harm.

A number of national expert advisory committees provide advice to the Ministerial Council on Drug Strategy.

1.2.3 Drug and alcohol policy: State and Federal divisions

The Australian approach to drug policy making allows each of the States and Territories independence in determining the approach to drugs in their jurisdiction. As in many areas of policy making in Australia, there is constant tension between the assertion of independence of the States and Territories and the need for a comprehensive and consistent national approach.

The responsibility for providing and funding drug and alcohol treatment and rehabilitation services rests with the State and Territory governments. The Commonwealth has a continuing role in promoting and facilitating the adoption of new and more effective interventions (Single and Rohl, 1997).

Each Australian State and Territory (with the exception of the Northern Territory) has developed its own drug policy or set of policies in response to the NDS. These policies are all based broadly on harm minimisation and the principles of the NDS, although approaches to policy development and priority groups and issues identified vary between the jurisdictions. Each document sets out processes and responsibilities for putting the policy into action at the local level.

1.2.4 Harm minimisation: the conceptual framework for drug policy in Australia

The principle of harm minimisation was adopted in 1985 as the basis of drug policy in Australia with the introduction of NCADA (Ministerial Council on Drug Strategy, 1998). Harm minimisation is based on the assumption that 'better results can be achieved if people engaging in dangerous behaviour are treated as responsible persons who will take steps to reduce the harm they may cause to themselves (and others) if given the information and opportunity to do so' (Single and Rohl, 1997). This approach emphasises minimising the adverse consequences of drug use in those who continue to use drugs rather than preventing drug use *per se*.

The meaning of harm minimisation is contested territory. The original conceptualisation of harm minimisation was limited to reducing the risk of harm among drug users (Single and Rohl, 1997). It has been subsequently broadened to include 'abstinence-oriented approaches' (such as tobacco cessation). This broadening provides a more universal definition but may have the disadvantage of being too inclusive and not distinguishing between different types of policies and programs (Single and Rohl, 1997). Some drug reform advocates argue for an empirically-based definition of harm minimisation, which involves calculating the actual net gain in reducing drug related harm. Such an approach allows advocates of decriminalisation to argue that the policy of drug criminalisation is incompatible with harm minimisation. While this definition may be useful for political purposes, however, it is too difficult to apply in practice for a range of reasons (Single and Rohl, 1997).

Debates continue over the utility of harm minimisation as a rhetorical framework for drug policy in Australia. Some argue that the difficulties in establishing common meaning undermine effective policy (Fitzgerald and Sowards, 2002). However, at present, it continues to underpin the NDS and most drug policy in Australia.

The definition of harm minimisation adopted by the NDS is 'a general definition of harm minimisation as *any policy or program aimed at reducing drug-related harm*' (Single and Rohl, 1997). This definition is underpinned by the following strategic principles:

- First, do no harm;
- Focus on the harms caused by drug use rather than use *per se*;
- Maximise the intervention options;
- Choose appropriate outcome goals, giving priority to those that are practical and realisable; and
- Respect the rights of persons with drug-related problems (Single and Rohl, 1997).

Harm minimisation as it is applied in the National Drug Strategy involves three types of strategies: reduction of supply of illicit drugs, prevention of uptake of harmful drug use, and reduction of drug-related harm for individuals and communities.

Although harm minimisation is most often thought of in relation to illicit drugs, it has also been applied to licit drugs. Harm minimisation approaches to alcohol, for example, are more likely to focus on preventing problems associated with drinking than on restricting access to alcohol.

Single and Rohl (1997) provide the following examples of harm minimisation approaches to alcohol:

- measures to reduce non-beverage alcohol consumption by 'skid-row inebriates';
- measures to reduce intake of alcohol by drinkers (e.g., promotion of low-alcohol beverages, server training programs); and
- measures to reduce the consequences of intoxication (Plant et al., in Single and Rohl, 1997).

Harm minimisation is less applicable to tobacco. Other than promoting products such as less damaging cigarettes (e.g. low tar cigarettes) and nicotine chewing gum, since there is no safe way to use tobacco.

1.2.5 Law enforcement and correction

The NDS provided for a dramatic increase in the involvement of law enforcement agencies in addressing drug related harm (Single and Rohl, 1997). Ten per cent of cost shared funds under the NDS have been allocated to law enforcement projects (Single and Rohl, 1997).

The NDS has prompted a shift in thinking regarding the role of law enforcement in reducing drug related harm away from prosecution toward more preventive activities and community based approaches (Single and Rohl, 1997).

Some significant law enforcement initiatives in relation to alcohol have been:

- Random breath testing; and
- Law enforcement with regard to the supply and sale of alcohol (Single and Rohl, 1997).

1.2.6 Health promotion

Prevention has been an important part of the NDS with approximately one third to one half of funds being spent on prevention initiatives.

These initiatives include:

- Social marketing campaigns;
- National Initiatives in Drug Education program (NIDE);
- Programs specifically for Aboriginal and Torres Strait Islander people;
- Law enforcement activities; and
- Alcohol prevention activities.

1.2.7 Social marketing campaigns

A range of social marketing campaigns have been funded which include:

- 'Speed catches up with you' (raising awareness about problems associated with amphetamine use)
- 'Alcohol Go Easy', 'How will you feel tomorrow' and 'Alcohol and violence tears you apart' (promoting moderation in alcohol use)
- Campaigns aimed at reducing youth smoking.

1.2.8 National Initiatives in Drug Education program

This program involved comprehensive training of school teachers to develop skills and knowledge about drug education, which was later extended to parents, industry and other community groups.

1.2.9 Alcohol policy in Australia: National Alcohol Strategy

Coordinated between the Commonwealth and State and Territory governments, the National Alcohol Strategy aims to reduce alcohol-related harm for Australian communities, individuals and families through evidence-based initiatives. The strategy is the successor to the National Health Policy on Alcohol (1989) and forms part of the broader National Drug Strategic Framework (1989-99 to 2002-03). Strategic directions are informed by the National Expert Advisory Committee on Alcohol (NEACA). Committee members include experts in public health, law enforcement, community-based service provision, education, research, government, and representatives of the alcohol beverage and hospitality industry. Responsibility for action lies with government agencies, the community-based sector, business and industry, research institutions, local communities and individuals.

The strategy provides:

- A framework from which jurisdictional action plans can be developed;
- Broad direction setting;
- Identification of priorities;
- Delineation of roles and responsibilities;
- Identification of outputs and setting of performance indicators to measure the effectiveness of the strategy. (National Expert Advisory Committee on Alcohol, 2001a:1).

The aims of the strategy are:

- To reduce the incidence of premature mortality related to the misuse of alcohol;
- To reduce the incidence of acute and chronic morbidity (disease and injury) related to the misuse of alcohol;
- To reduce the incidence of social disorder, family disruption, violence, including domestic violence, and other crime related to the misuse of alcohol;
- To reduce the level of economic loss to Australian society related to the misuse of Alcohol. (National Expert Advisory Committee on Alcohol, 2001a:7).

The strategy employs an eclectic approach to improving health. All initiatives are based upon evidence-based practice and strategies are developed in ways that meet the needs of marginalised groups.

The major strategies are:

- Prevention and treatment strategies;
- Acknowledging potential health and social benefits of low risk alcohol consumption and recognising significant harms caused by high risk patterns of alcohol consumption;
- Public health, law enforcement and educational strategies;
- Supply, demand and harm reduction approaches.²

Listed below are the eleven key strategy areas of the National Alcohol Strategy, including a brief outline.

1. *Informing the community:* The community should be informed of alcohol related health issues through public awareness campaigns, information dissemination, and community-based capacity building.
2. *Protecting those at higher risk:* Research shows that certain population groups have a greater risk of experiencing alcohol-related harm. Aboriginal and Torres Strait Islander peoples, pregnant women, prisoners, people with a mental health disorder, older people, heavy drinkers, and young people are all identified as groups that require special attention. People from these groups should be involved in the planning, development, implementation and evaluation of prevention and early intervention strategies and programs.
3. *Preventing alcohol-related harm in young people:* Research has shown that high risk patterns of alcohol consumption during adolescence can establish behavioural patterns that can continue on into adult hood. Assisting young people to adopt low risk drinking patterns can avoid later harm.
4. *Improving the effectiveness of legislation and regulatory initiatives:* Through legislation and regulation the availability and use of alcohol can be restricted. Current provisions include: restrictions on the sale of alcohol to minors and intoxicated persons, drink driving laws, workplace policies, the Alcohol Beverages Advertising Code, and mandatory drug education in some states. Most states and territories have incorporated harm minimisation into existing liquor licensing legislation. Alcohol-related harm can be reduced through the enforcement of existing laws and restrictions.
5. *Responsible marketing and provision of alcohol:* The alcohol beverages and hospitality industry have developed voluntary codes of conduct aimed at addressing unsafe marketing practices, delaying or preventing the introduction of new alcohol products associated with particular public health concerns.
6. *Pricing and taxation:* Literature has shown that leaving all other factors unchanged, increases in the price of alcohol lead to declines in consumption. Price can be influenced through taxation, decreasing the amount of alcohol consumed, or encouraging the consumption of less harmful alcoholic beverages such as light beer.
7. *Promoting safer drinking environments:* Population surveys have shown that drinking environments (physical, cultural and social) play a substantial role in the degree of risk associated with alcohol consumption. The strategy aims to reduce the incidence of alcohol related problems by: promoting the development of positive physical environments and responsible serving of alcohol programs at licensed venues; employing harm minimisation strategies at public events; the development of host responsibility programs at private social gatherings; reducing alcohol-related domestic and family violence through better data collection systems and treatment programs; reducing alcohol-related problems, such as accidents, in the workplace through education; and, reducing injuries and fatalities in aquatic environments by raising community awareness.
8. *Drink driving and related issues:* The strategy aims to reduce injuries and fatalities related to drink driving and walking while intoxicated. The Australian Transport Safety Bureau and State and Territory Road Authorities have in place a wide range of initiatives concerning the review and of enforcement and penalty regimes, including: random breath testing, targeting repeat offenders, mandatory testing of drivers, riders and adult pedestrians admitted to hospital or killed as a result of road accidents; and the promotion of server intervention programs and incentives for consumption of low alcohol beverages.
9. *Intervention by health professionals:* Health care services make a significant contribution to the reduction of alcohol-related harm. A high priority is the improvement of access to health care services for the management of alcohol dependence, with particular emphasis on marginalised groups and people living in rural and remote areas. Improving the capacity of health care workers (nurses, social workers, drug and alcohol workers, counsellors, pharmacists and people who run support services) to identify and manage alcohol related problems is also a high priority. Awareness of alcohol related problems in

² Harm reduction is defined as "reducing the harm associated with single episodes of high risk alcohol use as well as the long-term chronic effects of high risk alcohol consumption, high risk drinking behaviours and unsafe drinking environments." (National Expert Advisory Committee on Alcohol, 2001a:7)

patients is poor and needs to be significantly improved. It is estimated that 32% of doctor patient encounters are with adults drinking at 'at risk' levels (AIHW, 2000 in National Expert Advisory Committee on Alcohol, 2001a:7). Brief interventions by general practitioners have been shown to reduce alcohol consumption and related problems.

10. *Workforce development:* Educational institutions must ensure that the core training of new health practitioners includes training and education in the management of alcohol dependence and problem drinking. General practitioners should be supported through enabling training and through service delivery arrangements that facilitate linkages with other alcohol and drug services in the community; the Divisions of General Practice are seen as instrumental in this process. People with alcohol-related problems often first present to workers in the social and legal services. There is a need for effective education and training programs for frontline professionals so that they can identify alcohol related problems and make appropriate referrals. Staff and teachers at universities and schools can assist young people through the delivery of school-based alcohol education. Workers in the voluntary sector should have the opportunity to gain accredited qualifications as well as access to appropriate information and support. Finally, managers and licensees should undertake accredited responsible server training and ensure staff compliance.

11. *Research and evaluation:* High quality research can determine the factors that lead to high risk drinking; it can also determine the effectiveness of interventions to treat the adverse health and social consequence of alcohol misuse. Research should incorporate the knowledge of many disciplines, including public health, social science, epidemiology, bio-medicine, economic, psychology, social marketing, crime prevention and law enforcement. Research reports should be disseminated to people engaged in alcohol-related harm reduction.

The National Expert Advisory Committee has developed criteria that all strategies must be measured against:

- The extent to which the problem is already being addressed;
- Evidence, ideally from peer-reviewed research and evaluation, that the strategy leads to a decrease in alcohol-related harm;
- For newer strategies (or where research is not available), the strategy's potential, judged on the basis of current knowledge and experience, to reduce alcohol-related harm;
- The capacity of the strategy to attract sufficient community and political support to be adopted;
- The feasibility of the strategy and how likely it is to be implemented given existing systems and structures;
- The cost effectiveness of the strategy at the broader economic, social and health levels; and
- The potential of the strategy to enhance and complement other alcohol harm-reduction strategies.

Beyond the National Drug Strategic Framework, alcohol misuse is addressed through the National Public Health Partnership (NPHP) – in recognition of alcohol's role in the projected growth in rates of chronic and non-communicable disease. The Partnership is an inter-governmental working arrangement to plan and coordinate national public health activity. Alcohol related strategies conducted by the partnership include: development of a National Framework for Chronic Disease Prevention, with the aim of promoting more integrated and efficient action across common risk factors; and development of a Framework for Integrating Lifestyle Risk Factor Management in General Practice. This initiative is spearheaded by the Joint Advisory Group (JAG) on General Practice and Population Health in collaboration with the chairs of relevant national strategies. JAG is jointly auspiced by the National Public Health Partnership and the General Practice Advisory Council.

Alcohol misuse is also addressed through the National Health Priority Areas (NHPA). The NHPA is a collaborative approach to tackling health issues that cause the greatest morbidity and mortality, including: cardiovascular health, cancer control, injury prevention and control, mental health, diabetes mellitus and asthma. The NHPA is headed by a Council which works with peak bodies and service providers to determine the most effective actions and interventions.

Australian alcohol policy appears to have had a positive impact. The overall per capital consumption of alcohol has fallen from an average of 9 litres per person in 1985-86 to 7.6 litres in 1997-98 (Fitzgerald, 2002:viii). The amount of money spent on alcohol as a proportion of total household expenditure on goods and services has decreased from 3.4% in 1984 to 2.9% in 1998-1999 (AIHW 2000).

1.2.10 The National Alcohol Research Agenda

Operating within the National Drug Strategy, The National Alcohol Research Agenda aims to support national policy and programs relating to alcohol and alcohol related harm. The Agenda is the result of a process of broad ranging consultation with key informants that culminated in a workshop in Adelaide, 2001. The research priorities set through the agenda help funding bodies and researchers to direct alcohol research to those areas of greatest need and greatest potential, and will support accountability and program effectiveness. Currently, the Agenda focuses on social and health-related research and explicitly excludes bio-medical research. The Agenda operates within the context of a number of policy frameworks:

- **Social determinants of health:** Alcohol research needs to be considered within a broader context of social and structural issues and determinants of health.
- **Alcohol beverage and hospitality industries:** The alcohol beverage industry is increasingly mindful of its social responsibility and the problems that arise from the misuse of alcohol, and has established internal and external research and other policies to address these issues.
- **Directions in Australian policing:** Police are continually seeking to consolidate the evidence base upon which their practice is built. Research is a key part of this process.
- **Rural health:** Population health status varies across regional, rural and remote Australia. The current lack of regional data describing alcohol related issues hinders the panning and development of intervention strategies.
- **Resourcing and infrastructure:** There is a pressing need to achieve a level of resourcing for alcohol-related research that is commensurate with the health, social, and economic impact of alcohol-related problems.
- **High Risk Groups:** Research for Indigenous communities and people from non-English speaking backgrounds is only effective if based on thorough consultation with the community in question. The lag time between the submission of research proposals and the availability of funding disrupt continuity and erodes community commitment to and confidence in the research process.
- **Harm reduction:** The overriding theoretical framework is the harm reduction as outlined in the National Drug Strategy.
- **Defining and assessing "harm":** The measures of alcohol related harm need to be broadened to include less easily measurable effects such as family disruption, relationship troubles, and child neglect and abuse, which have profound and long lasting social, psychological, educational and economic consequences.
- **Dissemination and evaluation:** Mechanisms need to be established to ensure that research results are actively disseminated, and the results applied by those in the reduction of alcohol-related harm. The credibility of research is dependent on its intent to improve service delivery and outcomes.
- **Research Gaps:** There is a need for further work in three areas: Indigenous issues, biomedical research and law enforcement.

1.2.11 Drug and alcohol policy for Indigenous Australians

Policies for Indigenous Australian drug misuse are informed by The National Drug Strategy Aboriginal and Torres Strait Islander advisory group. Responsibility for Aboriginal and Torres Strait Islander affairs is shared between the federal government and the state and territory governments. Funding has been allocated for health and alcohol programs, including:

residential alcohol rehabilitation centres, alcohol counsellors, youth workers, recreational coordinators, community-based patrols, sobering-up shelters, and education campaigns. The majority of alcohol related interventions funded by the Commonwealth are treatment related, with 79 treatment services specifically for Indigenous clients. These services, offered in both residential and community settings, offer a range of counselling services but the majority are based on the principles of alcoholics anonymous and abstinence principles (Gray et al., 2000:12). Other state and federal government initiatives include:

- Health promotion:

- In 1993, the Commonwealth Government funded a health promotion campaign targeting Indigenous adolescent drinking. The promotion consisted of a tour by Yothu Yindi and an associated television commercial;

- Between 1990 and 1995, the Queensland Department of Education, in conjunction with an Aboriginal community, developed an alcohol education package titled 'When you think about it', focusing on issues of drink driving and excessive consumption.

- Restrictions on the sale of alcohol:

- In the Northern Territory communities can apply for restricted area (dry area) status under provision of the Liquor Act;

- The *Aboriginal Community Act (1979)* in Western Australia enabled the establishment of dry areas in Indigenous communities;

- In 1992, sales restrictions were imposed upon licensees in Halls Creek, Western Australia, with no 'take-away' sales before 12 pm, sales of cask wine were only allowed between 4 and 6 pm, and customers were limited to one cask per day;

- In 1995, restrictions were trialled for six months in Tennant Creek, Northern Territory, these included: Thursday trading (the day social security payments were made), time restrictions on 'take-away' trading, front bar trading, and cask wine sales. Restrictions continued for another two years.

- Harm minimisation:

- The Royal Commission into Aboriginal Deaths in Custody (1987) recommended the establishment of 'sobering up shelters' as a safer option than police custody. Currently, 24 shelters operate across the country, offering a place where intoxicated people can avoid causing harm to themselves and others.

1.2.12 Policy and programs addressing inhalant and kava use

Inhalants and kava are fairly recent additions to the suite of substances addressed under the NDS. Little published literature has been obtained which refers to policy initiatives dealing with inhalant and kava use. These drugs do not appear to be a strong focus for policy making.

Kava, a drug extracted from the roots of the plant *Piper methysticum*, is grouped together with inhalants in the National Drug Strategic Framework (Ministerial Council on Drug Strategy, 1998). Kava has been used by Aboriginal people in Arnhem Land in the Northern Territory, where it is predominantly used by young men and adults. Community based projects addressing kava use have included health education, counselling, educational activities and cultural initiatives (Gray et al., 2002). There have also been a number of government initiatives to reduce supply. In Western Australia and the Northern Territory it has been prohibited under government legislation; it has also been listed as a poison by the National Health and Medical Research Council (NHMRC) (Gray et al., 2002).

Inhalation of volatile substances is particularly common in (although not confined to) Indigenous communities. In urban areas, the inhalants of choice include solvents, glue and aerosols, which are primarily used in an experimental fashion by young people who do not have sufficient money to purchase more expensive drugs (Gray et al., 2002). In rural and remote areas petrol sniffing is more common and in some communities is a chronic and serious problem (Gray et al, 2002).

Initiatives to address petrol sniffing in Indigenous communities have included:

- School based education and other local health education campaigns;
- Youth counselling services;
- Recreational alternatives to reduce boredom, increase skills and raise self-confidence;
- Community based interventions to reduce supply and/or add deterrents to petrol (which are reportedly largely ineffective);
- Use of unleaded petrol and substitution of aviation fuel as a harm reduction measure; and
- Passing of by-laws and/or community sanctions prohibiting petrol sniffing (which have had debatable success) (Gray et al, 2002).

The National Drug Research Institute at Curtin University is currently undertaking a policy analysis project canvassing government approaches to reducing petrol-sniffing in Indigenous communities. Below are some specific State and Federal initiatives aimed at reducing the harms resulting from inhalant misuse:

- In 1985, the 'Senate Select Committee Hearing on Volatile Substance Fumes' investigated the causes and potential remedies for inhalant misuse. The senate committee pointed to a serious shortage of education materials available to communities, health personnel, teachers, youth workers and police. The Committee also advocated recreation strategies and the employment of Indigenous counsellors and youth workers.
- In 1986, the Western Australian Government established the Working party on Petrol Sniffing. The party went to eight communities with the goal of exploring means to eliminate inhalant misuse through community capacity building.
- The Petrol Link-Up team was funded by the Commonwealth from 1993-1994. The team supported community initiatives in Western Australia, South Australia and the Northern Territory. The team aimed to inform communities by collecting and supplying information on existing programs and research.
- The Northern Territory Department of Education (1997) has produced an information booklet, 'The sniffing story', which outlines the health and social effects of petrol sniffing.

1.3 BACKGROUND TO THE FOUNDATION.

It is in the above context that, on the 4 April 2001, the Prime Minister and the then Leader of Australian Democrats, Senator Meg Lees, announced that they had agreed to utilise funds equivalent to the difference between the excise collections on draught beer since 1 July 2000 and the amount that would have been collected using the new rates prescribed under *The New Tax System* to establish a Foundation to reduce alcohol and licit drug related harm³. These funds total at least \$115 million.

A Memorandum of Understanding between the Government and the Democrats was drafted to describe the basic structure, purpose, objectives, principles, and budget (including the areas to be targeted for funding and the percentages to be spent on each of these areas in the first year) of the Foundation. The MOU outlined the areas to be targeted for funding and the percentages to be allocated to each of these areas in the first year of operation. In addition, it stated that the Foundation should spend at least 80% of the endowment within four years and develop processes for avoiding cost shifting from the Commonwealth and States. The prescribed expenditure for the first year of operation of the Foundation was as follows:

- Administration and promotion at most 10%
- Treatment and rehabilitation at least 30%
- Public education at least 10%
- Prevention at least 20%
- Particular priority, with at least 20% of total expenditure to be given to projects targeting Indigenous Australians.

³ The Foundation was to receive the total of these funds minus \$5 million which was allocated to the Historic Hotels Initiative (*Alcohol Education and Rehabilitation Foundation, Memorandum of Understanding Between the Government and the Democrats*, 5 April 2001).

Further, the MOU states that the Foundation's constitution will include requirements that at least 85% of the Foundation's expenditure is outsourced to professional and community organisations.⁴ The constitution was also to specify procedures for accountability to parliament and procedures for monitoring and reporting on the cost effectiveness and social impact of funded programs. Further detail on administration of the funds were specified in the *Alcohol Education and Rehabilitation Special Account Act 2001*.

Funds allocated to the Foundation under this Act are to be used to make a significant contribution to the prevention of alcohol and other licit substance misuse, including petrol sniffing. In particular, priority is to be given to vulnerable population groups identified as being at risk, such as Indigenous Australians and young people.

The objectives of the Foundation, as specified in the Act are to:

- Prevent alcohol and other licit substance abuse, including petrol sniffing, particularly among vulnerable population groups such as Indigenous Australians and youth;
- Support evidence-based alcohol and other licit substance abuse treatment, rehabilitation, research and prevention programs;
- Promote community education encouraging responsible consumption of alcohol and highlighting the dangers of licit substance abuse;
- Promote public awareness of the work of the Foundation and raise funds from the private sector for the ongoing work of the Foundation;
- Provide funding grants to organisations with appropriate community linkages to deliver the services referred to above.

The Act specifies the establishment of the Alcohol Education and Rehabilitation Account will provide at least \$115 million to the Foundation by 1 July 2005. The Act also entitles the Minister to negotiate a funding agreement with the Foundation and outlines the conditions under which such an agreement can be terminated and replacement bodies appointed. Operational details are outlined in the subsequent Funding Agreement between the Commonwealth and the Foundation.⁵

Payments to the Alcohol Education and Rehabilitation Account under the Act are to be made as follows: \$10 million on the day 'on which this Act receives the Royal Assent', \$24 million on 1 July 2002, \$40 million on 1 July 2003, \$41 million on 1 July 2004. In addition, an interest payment on the un-credited portion of \$115 million was to be paid by 1 July 2004. A subsequent Funding Agreement between the Commonwealth and the Foundation specified that payments would not be made on the first day of each financial year, but would be made in equal, quarterly installments. In a subsequent variation to the Agreement, signed by the Commonwealth on 12 July 2002, the amounts specified in the Act are increased by 10% to be inclusive of GST.⁶

This approach to funding grant-making foundations via taxation on products associated with harm, such as tobacco and alcohol, has previously been adopted in Australia. For example, VicHealth in Victoria and Healthway in Western Australia are both funded from revenue raised through taxation on cigarettes. The primary purpose of these organisations is health promotion and the reduction of harms associated with the use of the substance from which their income is derived. Both VicHealth and Healthway use their revenue to provide grants to individuals and organisations to progress their goals and objectives. Consequently, there are well developed models of this type of Foundation in Australia.

1.4 SUMMARY

The majority of Australians (82%) consume alcohol and many consume alcohol in a way that is beneficial for their health (AIHW, 2000). The protective effects of low to moderate alcohol consumption are estimated to have averted 2.8% of the total burden of disease (Mathers et al., cited in NHMRC, 2001:32). Unfortunately, many Australians incur alcohol-related harm due to short-term and long-term hazardous consumption. It is estimated that 4.9% of the total burden of disease and injury in Australia can be attributed to alcohol (Mathers et al., cited in NHMRC, 2001:32). For the period 1998-99, the financial burden of alcohol misuse to the Australian community is estimated to have been 7.56 billion per annum due to lost productivity in the home and workplace, road accident costs, legal and court costs, as well as health care costs (Collins and Lapsley, 2002: ix-x). While the consumption of alcohol is legal in Australia, governments, state and federal, legislate to restrict supply (liquor licensing laws) and develop policies and promote guidelines that encourage healthy and safe consumption.

Australian research reveals significant differences in alcohol use and misuse across age, gender, region, occupation and ethnicity. While the majority of Australians (82%) consume alcohol every year, one in 25 Australians have DSM-IV alcohol dependence; however, very few Australians (7.8%) associate alcohol with 'drug problems' (AIHW 2002; Proudfoot & Teeson 2002). Males, Australians from English speaking backgrounds, Australians living in rural and remote areas, and Indigenous Australians are all more likely to experience alcohol-related harm resulting from hazardous consumption patterns (AIHW 2002, NHMRC 2001). Australian youth are consuming alcohol at hazardous levels, a problem that is escalating over time: one in ten teenage females and one in six teenage males had been exposed to short-term alcohol related harm on a weekly basis, while average weekly alcohol consumption for 14-24 year olds has doubled over the last decade (AIHW 2002; Roy Morgan Research 2002).

Relative to alcohol, the inhalation of solvents (petrol, aerosol cans and glues) is an uncommon practice (0.4% of the population had used misused solvents in 2001) (AIHW 2002). Unlike alcohol, inhalant misuse provides no benefits to the user or to the community at large. The inhalant misuser may suffer diarrhoea, nausea, sores, nosebleeds and dangerous behaviour; in the long-term, use can lead to behavioural problems, weight loss, anaemia, brain damage, seizures, and dysfunction of the kidney and liver, and in rare cases death (ADF, 2003:3-4). While uncommon in the general population, inhalant misuse affects many young Australians and Indigenous Australians. In NSW, 2.6% of female students and 3.1% of male students used inhalants weekly (Lehmann 1998); 12-13 year old were five times more likely than 17 year olds to report inhalant misuse in the last week (AIHW 2002). Indigenous Australians are more likely to misuse solvents, particularly petrol, and to be chronic and long-term users (Lehmann 1998). Solvents have a practical function and can not be outlawed; however, in South Australia and the Northern Territory, by-laws in certain Indigenous communities make it an offence to supply or sell petrol for the purpose of inhalation.

Australian governments, Federal and State, recognise the harms caused by the misuse of licit substance and together have developed the National Drug Strategy (NDS), an over-arching policy framework that aims to reduce the harms caused by substance misuse, including the licit substances of alcohol and inhalants. The main features of Australian drug policy are: an integrated, comprehensive approach to licit and illicit drugs; an explicit focus on harm minimisation; coordination between different government levels and sectors; and a balance between prevention, treatment, education and training and research.

The National Drug Strategy is supported by a number of policy and advisory structures, comprising: the *Ministerial Council on Drug Strategy* (health and law enforcement ministers from all states and territories meet to provide national coordination); the *Intergovernmental Committee on Drugs* (senior officers health and law enforcement officers advise and implement NDS policies and programs); and, the *Australian National Council on Drugs* (an inter-sectoral body of experts from the non-government and community organisations that provide independent advice to the *Ministerial Council on Drug Strategy* and also provide a work plan to reduce drug related harm).

Operating within the NDS policy framework, the National Alcohol Strategy (NAS) aims to reduce alcohol-related harm for Australian communities, individuals and families through evidence-based initiatives. Alcohol misuse is also addressed through

⁴ This requirement is also included in the Foundation's Funding Agreement with the Commonwealth.

⁵ Agreement between the Commonwealth of Australia as represented by the Minister for Health and Ageing and the Alcohol Education and Rehabilitation Foundation Limited (AERF) regarding Commonwealth Funding for AERF. The dates on which payments were to be made were also specified.

⁶ Note, that this Funding Agreement specifies that the minimum percentage of funds to be allocated to each key area is 10% higher than in the MOU between the Government and the Democrats (that is, treatment and rehabilitation is 33%, public education is 11% and prevention is 22%).

the National Public Health Partnership (an inter-governmental working arrangement to plan and coordinate national public health activity) and through the National Health Priority Areas (NHPA). NAS Strategic directions are informed by the National Expert Advisory Committee on Alcohol (NEACA). Responsibility for action lies with government agencies, the community-based sector, business and industry, research institutions, local communities and individuals. Major strategies include: prevention and treatment strategies; promotion of beneficial, low risk alcohol consumption; public health, law enforcement and educational strategies; supply, demand and harm reduction approaches. There are currently 11 key strategy areas: informing the community (public awareness), protecting those at higher risk, preventing alcohol-related harm in young people, improving the effectiveness of legislation and regulatory initiatives, responsible marketing and provision of alcohol, pricing and taxation, promoting safer drinking environments, drink driving and related issues, intervention by health professionals, workforce development, and research and evaluation. National Alcohol Strategy policies and programs are informed by the National Alcohol Research Agenda. Research priorities set through the agenda help funding bodies and researchers direct alcohol research to those areas of greatest need and greatest potential, while support accountability and program effectiveness.

It should be noted that the overall per capital consumption of alcohol has fallen from an average of 9 litres per person in 1985-86 to 7.6 litres in 1997-98, while the amount of money spent on alcohol as a proportion of total household expenditure on goods and services has decreased from 3.4% in 1984 to 2.9% in 1998-1999 (AIHW 2000; Fitzgerald 2002).

Indigenous Australians are at a greater risk of incurring harm from the misuse of alcohol, inhalants and kava. Drug harm reduction policies for Indigenous Australians are informed by the National Drug Strategy Aboriginal and Torres Strait Islander advisory group. Federally funded alcohol programs have included residential alcohol rehabilitation centres, alcohol counsellors, youth workers, recreational coordinators, community-based patrols, sobering-up shelters, and education campaigns. In the Northern Territory and Western Australia, Indigenous communities can apply for restricted area (dry area) status, legally restricting days of liquor trading, hours of sale and types of alcohol that can be purchased. Inhalants and kava are fairly recent additions to the suite of substances addressed under the NDS. Federal funds have been provided for counselling, recreation programs and supporting community based initiatives. Little published literature has been obtained which refers to policy initiatives dealing with inhalant and kava use. These drugs do not appear to be a strong focus for policy making, (Gray et al. 2002).

It is in this context that the Alcohol Education and Rehabilitation Foundation was established following an agreement between the Government and the Democrats to utilise funds equivalent to the difference between the excise collections on draught beer since 1 July 2000 and the amount that would have been collected using the new rates prescribed under *A New Tax System*.

The Foundation's objectives are specified in the Alcohol Education and Rehabilitation Special Account Act (2001) and are to:

- Prevent alcohol and other licit substance abuse, including petrol sniffing, particularly among vulnerable population groups such as indigenous Australians and youth;
- Support evidence-based alcohol and other licit substance abuse treatment, rehabilitation, research and prevention programs;
- Promote community education encouraging responsible consumption of alcohol and highlighting the dangers of licit substance abuse;
- Promote public awareness of the work of the Foundation and raise funds from the private sector for the ongoing work of the Foundation;
- Provide funding grants to organisations with appropriate community linkages to deliver the services referred to above.

The Foundation will receive at least \$115 million over four years (2001-2005). Of these funds, 80% must be spent within the four year time period. At least 30% of the funds will be spent on treatment and rehabilitation, 10% on public education, 20% on prevention and at most 10% on administration. In addition, at least 20% of total expenditure will be targeted to projects working with Indigenous Australians.

2. The Evaluation

In this section the background to the independent evaluation of the Foundation is described along with the evaluation approach and methodology.

2.1 BACKGROUND

The Funding Agreement between the Foundation and the Commonwealth Department of Health and Ageing specifies that the Foundation must provide a number of reports to parliament over the course of the funding period (2001-2005). These include:

'A report or reports by an independent professional organisation/s engaged by the Foundation to report on:

(i) the social impact of programs funded by the Company; and

(ii) whether Account Trust Funds have been allocated to organisations in a cost effective manner and in accordance with this Agreement and the Constitution'.

Further to this, the Foundation's Business Plan for the same period states that it will establish a comprehensive evaluation strategy, in which work of the Foundation will be evaluated each year against:

1. Efficient delivery of funds
2. Effective monitoring of project expenditure and progress
3. A selection process which favours evidence-based projects
4. Evidence of significant contributions to policy and practice concerned with the reduction of harm associated with alcohol and solvent misuse.

In addition, an independent evaluation was to be commissioned after three years.

In June 2003, the Australian Institute for Primary Care was engaged to undertake this independent evaluation of the Foundation. This evaluation will be undertaken in three stages.

- Stage 1 is to review the progress of the Foundation from December 2001 until the end of June 2003 and is the subject of this report.
- Stage 2 includes the development of a detailed evaluation plan for the period July 2003 to 30 June 2005. This will be developed in collaboration with the Foundation by November 2003.
- Stage 3 includes evaluation activities identified in the detailed plan to be developed in Stage 2.

In the following section the evaluation approach is described, along with a description of how the Stage 1 evaluation reported in this document fits into the overall evaluation of the work of the Foundation.

2.2 EVALUATION APPROACH

As described in section 1.3, the Foundation is a grant-making body with the overall goal of preventing and reducing and licit drug related harm in the Australian community. There are three levels at which the work of the Foundation can be evaluated. These are:

1. The Foundation itself, including its internal structures and processes
2. The impacts and outcomes of projects funded by the Foundation
3. The overarching program or strategy.

Program logic approaches to evaluation are increasingly being utilised to evaluate complex programs with multiple levels of effect and this approach will be adopted to the evaluation of the Foundation. In a program logic approach, the logical reasoning that connects program inputs, and the predicted improvements to systems and structures (processes), changes in individuals or populations (impacts) and desired longer term outcomes is mapped and indicators developed for each domain.

Ideally, evaluation should assess results or effects at all relevant levels. If evidence of change can be identified at all points on the continuum, then there is a high likelihood that the program would have contributed to the achieved outcomes (Gabriel, 2000). However, assessing effect at all levels is not always possible, particularly within the limitations of small studies, or short time frames, or at early stages in project or program implementation, and often evaluations are limited to the first two or three domains (input, process and impact) studies.

An overview of this approach is represented in Table 1.⁷

Table 1: Overview of the Program Logic Approach

LEVELS OF ACTIVITY AND EFFECT	DEFINITION
Inputs/ Strategies Program operations Resources Strategies Activities	The strategies, resources and activities that the program provides or entail <i>[Indicators tell us what, when, who, how]</i>
Processes Proximal outcomes Outputs Deliverables Performance indicators	The changes that occur in service systems including the strength of partnerships, models of service coordination and delivery, the diversity and quality of programs that are offered, and management practices. The extent of participation by target clubs. Satisfaction of participating clubs. <i>[Related to aims. Expressed in terms of a vision of how key systems should operate in order for the objectives to be met. Indicators tell us the extent to which aims have been met]</i>
Impacts Intermediate outcomes	Changes in modifiable risk and protective factors operating in individuals and environments, the attitudes and behaviours of service users, program participants and populations that affect health and well being, change in client experience of services and programs <i>[Related to objectives. Expressed in terms of changes (in modifiable risk or protective factors for example), required for goals to be met. Impact indicators tell us the extent to which objectives have been met]</i>
Outcomes Ultimate outcomes	Changes in the health and well-being of the population, service users or program participants <i>[Related to goals. Expressed in terms of the outcomes for the target population. Outcome indicators tell us the extent to which the goals have been met.]</i>

CONTEXT

2.3 A BASIC PROGRAM LOGIC MAP FOR THE FOUNDATION

Developing a map for the work of the Foundation requires examining the levels at which the Foundation operates and its overall goals and objectives. As outlined above, the work of the Foundation can be evaluated at three levels:

1. The Foundation itself, including its internal structures and processes
2. The impacts and outcomes of projects funded by the Foundation
3. The overarching program or strategy.

In order to develop a basic program logic map for these three levels we have drawn on the literature on effective foundations (for level 1) and on the stated goals, objectives and aims of the Foundation (for levels 2 and 3). This information is outlined in the following section.

The first phase of the evaluation is focused on the establishment of the Foundation and is essentially a retrospective examination of the work of the Foundation to date. Consequently this level of the program logic map has been more highly developed than maps for levels 2 and 3 which will be developed in Stage 2 of the evaluation.

2.3.1 Evaluating Foundations

There is an increasing interest, especially amongst American and European philanthropic organisations, in developing meaningful frameworks for evaluating the social impact of grant-making organisations. There are two main drivers behind this work. The first is an increasing demand for grant-making bodies with tax deductibility status to be accountable to the public for the public funds received via tax benefits, and the second is that some philanthropic organisations have a reduced economic base and are exploring how to create maximum social impact with available funds.

The Centre for Effective Philanthropy has noted that to date, grant-making Foundations have generally relied on evaluation of funded projects and programs, along with administrative measures to assess performance. The Centre argues that while both of these measures are part of assessing overall performance of foundations, they are not sufficient, and consequently the Centre developed a conceptual Framework for assessing the effectiveness of Foundations (Centre for Effective Philanthropy, 2002).⁸ The work draws on studies of effective performance of non-profit organisations which shows that impacts are more likely to be achieved in the organisation identifies and sticks to clear, long-term goals.

This Framework, includes indicators in four areas:

- Achieving impact,
- Setting the agenda/ strategy
- Managing operations
- Optimising governance.

This Framework is at appendix 1.

⁷ Adapted from: Department of Human Services (2000) Primary Care Partnerships Evaluation Information Resource, Department of Human Services, Melbourne; and Centre for Development and Innovation in Health (2002) National Suicide Prevention Strategy Community Initiatives Project Cluster Evaluation Phase 1 Report, Commonwealth Department of Health and Ageing, Canberra.

⁸ This framework was based on extensive research including surveys and interviews with the CEOs of large Foundations, surveys of grant recipients, in-depth interviews with Foundation trustees and analysis of publicly available data (including annual reports, web sites, tax filings). The authors acknowledge the difficulty in directly measuring social impact and suggest that further work needs to be done in this area.

2.3.2 Foundation goals, objectives and aims in the area of alcohol and licit substance use

The goals, objectives and aims of the Foundation can be summarised as follows:

The **goal** of the Foundation is to reduce/ prevent harms associated with alcohol and other licit drug misuse.

Key **objectives** of the Foundation are to:

- To prevent alcohol and other licit substance abuse, including petrol sniffing, particularly among vulnerable population groups such as Indigenous peoples and young people
- To increase community awareness of responsible consumption of alcohol and the dangers of licit substance abuse
- Key **aims** of the Foundation's are to:
 - Support evidence-based alcohol and other licit substance abuse treatment, rehabilitation, research and prevention programs
 - Promote community education encouraging responsible consumption of alcohol and highlighting the dangers of licit substance abuse.
 - Provide financial support to organisations with appropriate community linkages to deliver services referred to above.

2.3.3 Program logic map

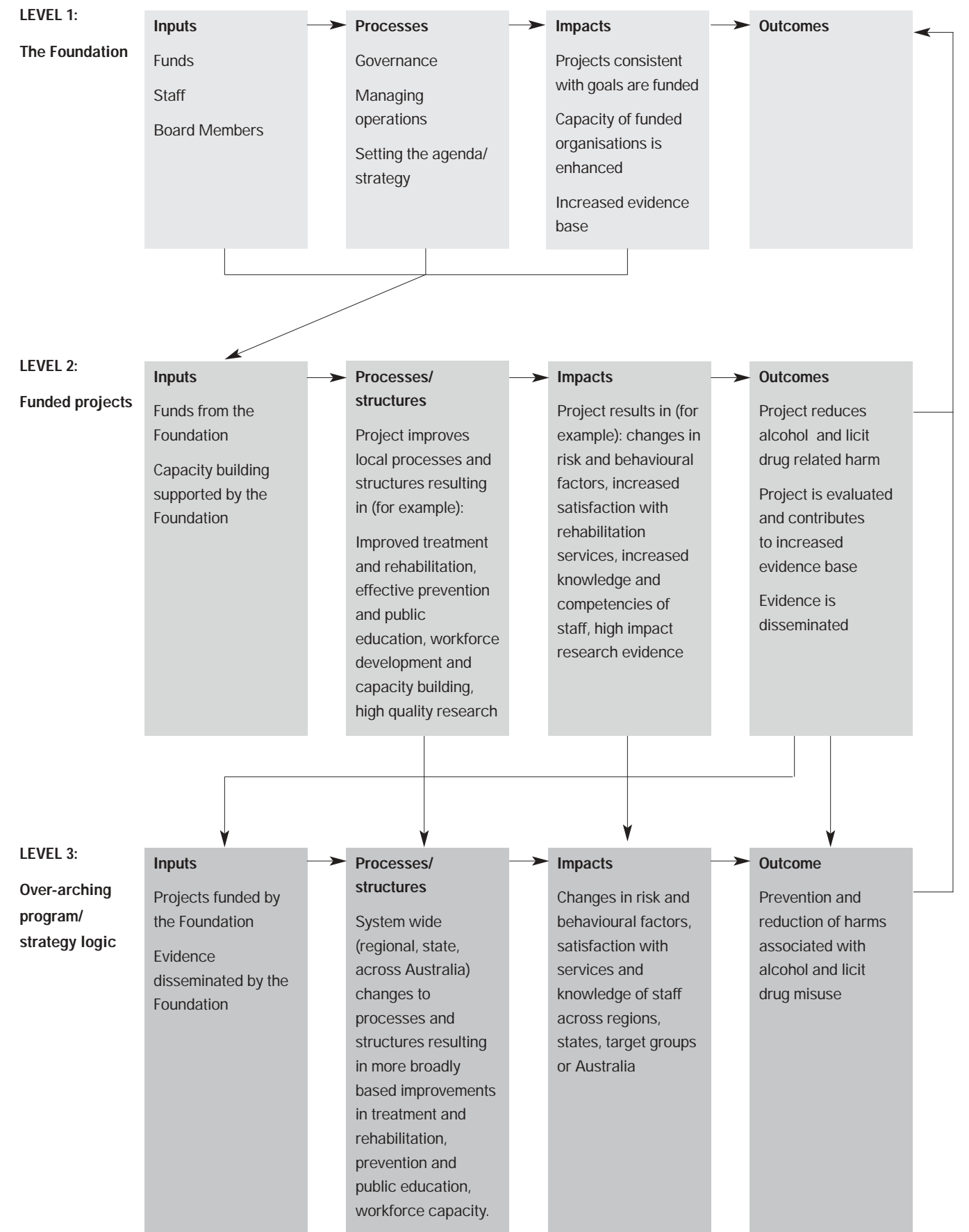
The logic for the internal operation of the Foundation could be expressed as follows: Foundation inputs (including skills and time of board members and staff and available funds) result in effective systems and structures for the distribution of grants (these include governance, management of operations, agenda setting and dissemination of information). In turn, these systems ensure projects consistent with goals are funded, capacity of funded organisations is enhanced and there is an increased evidence base.

The logic for funded projects and programs could be expressed as follows: inputs (including funds and capacity building from the Foundation, project staff, existing organisation and community capacity) lead to improved systems and structures, such as better treatment and rehabilitation services, effective ways of running prevention and public education programs, ongoing workforce development and high quality research. This improved system supports changes in risk and behavioural factors of targeted groups, increased satisfaction with services, increased knowledge, skills and competencies of the workforce, and high impact research evidence (these are impacts). Over time, the consequence of these changes is prevention and reduction of alcohol and licit drug related harm and abuse.

If the Foundation is working well to support funded projects and disseminate information from them, together, the overall goal of the Foundation can be achieved across regions, states or across Australia (that is, this work taken together can create reduced alcohol and licit drug related harm more broadly than in the populations targeted by individual projects).

This is represented in Figure 1.

Figure 1: Program logic map of the work of the Alcohol Education and Rehabilitation Foundation



2.3.4 Focus of this evaluation

As outlined in section 2.1, this is the first stage of the evaluation of the Foundation and focuses on the establishment phase of the Foundation; consequently, it is restricted to level 1 outlined above. The questions/ indicators developed to assess progress at this level have been adapted from the work of the Centre for Effective Philanthropy (see appendix 1). Not all of the questions utilised by the Centre were able to be addressed at this stage in the Foundation's development, and those that were covered are summarised in Table 2 (along with a reference to the section in which they are covered and the number of any recommendation pertaining to them). Please note that we have included impact indicators, but are only able to comment on these to a very limited extent. The Centre for Effective Philanthropy did not include an 'inputs' domain, which we have added.

Table 2: Questions/ indicators for assessing progress of the Foundation to 30 June 2003

DOMAIN		METRICS	KEY QUESTIONS/INDICATORS	SECTION	RECOMM- ENDATION
Inputs		Funds	What funds are allocated to the Foundation? Does the Foundation have the appropriate processes for managing and accounting for funds?	3.2.2 3.5.2 3.5	6
		Staff	Has the organisation established a core complement of staff to undertake identified roles? What do the staff members do? Are the staff appropriately qualified?	5.3	
		Board members	Does the Foundation have appropriately skilled board members?	3.2.1 5.1	
Processes/ structures	Optimising governance	Accountability	Is leadership held accountable for performance?	3.5 5.1	
		Stewardship	Is the board of directors fulfilling its fiduciary responsibilities?	3.2 5.1	1 & 2
		Active engagement	Is the expertise of board members being used to further the foundation's goals?	3.2 5.1	1 & 5
	Managing operations	Consistency with objectives	Has the Foundation adhered to its stated strategy?	3 & 4 5.2	3
		Grantee selection process	Is the grant selection process clear and uniformly implemented?	3.5.4 5.2 5.3 5.4	4, 5, 7 & 8
		Grantee interactions	Is the Foundation responsive to our grantees and are they treated fairly? Is the Foundation promoted to a wide range of organisations and individuals?	3.5.4 5.4 3.5.2	8
		Records and database	Does the Foundation maintain comprehensive project records and database?	3.5.2 4	12
Impacts	Beneficiary measures	Grant Objectives	Are we selecting the grantees who can best achieve impact? What impact can we attribute to this grant? Did this grant successfully meet our goals?	4 5.4, 5.5	8, 9, 10, 11, 12, 13 & 14

2.4 EVALUATION METHOD

This evaluation included the following stages:

1. A program logic map to guide the evaluation was constructed (see Figure 1, level 1). Key evaluation questions were developed (see Table 2).
2. A review of current Foundation procedures, systems and data was undertaken. This included meeting with Foundation staff and reviewing documentation relevant to:
 - Foundation goals and objectives
 - Organisational structure
 - Project funding guidelines, submission processes and reporting/ monitoring processes.
3. The key literature on the extent of alcohol and licit drug use and the current policy context was reviewed.
4. A review of funded projects was undertaken. This included examining:
 - Financial and administrative files of projects that had been: (a) funded and completed (i.e., all reporting requirements finalised); and (b) funded but not yet completed (i.e., funding of grant monies had been approved but the grantees had not yet finalised all reporting requirements); and
 - The Foundation's electronic records.
 - Data was then organised into a "data grid" which is set out in Appendix 2.
5. Interviews were conducted with members of the Foundation's Board executive committee and one additional board member with evaluation expertise.

2.5 SUMMARY

The Funding Agreement between the Foundation and the Commonwealth Department of Health and Aging and the Foundation's Business Plan specify an independent evaluation of the work of the Foundation.

In June 2003, the Australian Institute for Primary Care was engaged to undertake this independent evaluation of the Foundation. This evaluation will be undertaken in three stages.

- Stage 1 is to review the progress of the Foundation from December 2001 until the end of June 2003 and is the subject of this report.
- Stage 2 includes the development of a detailed evaluation plan for the period July 2003 to 30 June 2005. This will be developed in collaboration with the Foundation by November 2003.
- Stage 3 includes evaluation activities identified in the detailed plan to be developed in Stage 2.

There is three levels at which the work of the Foundation can be evaluated, these are:

1. The Foundation itself, including its internal structures and processes
2. The impacts and outcomes of projects funded by the Foundation
3. The overarching program or strategy

The first phase of the evaluation is focused on the establishment of the Foundation and is essentially a retrospective examination of the work of the Foundation to date.

The approach adopted for the evaluation of the three levels is a program logic approach. In a program logic approach, the

logical reasoning that connects program inputs, and the predicted improvements to systems and structures (processes), changes in individuals or populations (impacts) and desired longer term outcomes is mapped and indicators developed for each domain.

In order to develop a basic program logic map for these three levels we have drawn on the literature on effective grant-making foundations (for level 1) and on the stated goals, objectives and aims of the Foundation (for levels 2 and 3).

The logic for the internal operation of the Foundation could be expressed as follows: Foundation inputs (including skills and time of board members and staff and available funds) result in effective systems and structures for the distribution of grants (these include governance, management of operations, agenda setting and dissemination of information). In turn, these systems ensure projects consistent with goals are funded, capacity of funded organisations is enhanced and there is an increased evidence base.

The logic for funded projects and programs could be expressed as follows: inputs (including funds and capacity building from the Foundation, project staff, existing organisation and community capacity) lead to improved systems and structures, such as better treatment and rehabilitation services, effective ways of running prevention and public education programs, ongoing workforce development and high quality research. This improved system supports changes in risk and behavioural factors of targeted groups, increased satisfaction with services, increased knowledge, skills and competencies of the workforce, and high impact research evidence (these are impacts). Over time, the consequence of these changes is prevention and reduction of alcohol and licit drug related harm and abuse.

If the Foundation is working well to support funded projects and disseminate information from them, together, the overall goal of the Foundation can be achieved across regions, states or across Australia (that is, this work taken together can create reduced alcohol and licit drug related harm more broadly than in the populations targeted by individual projects).

In order to undertake the evaluation we reviewed the key literature on the extent of alcohol and licit drug use and the current policy context reviewed the Foundation's current procedures, systems and data. This included meeting with Foundation staff, conducting telephone interviews with a sample of board members and reviewing funded projects by examining project files and the Foundation's grants management database.

3. Findings 1: Description of the Foundation

This section focuses on the establishment of the Foundation and includes governance and strategic direction and managing operations.

3.1 CORPORATE STRUCTURE

The Alcohol Education and Rehabilitation Foundation Ltd., (the Foundation) is a public company limited by guarantee under the Corporations Act and the Board members are Directors of the Foundation. This enables the Foundation to operate independently of Government but be accountable to the Commonwealth through a funding agreement.⁹ In addition, the Commonwealth Auditor General is the company's auditor. Payments are made from the Department of Health and Ageing to the Foundation on a quarterly basis.

3.2 GOVERNANCE AND STRATEGIC DIRECTION

3.2.1 Board of Directors

The members of the Foundation's Board of Directors (the Board) were announced by the Prime Minister on 3 July 2001. The Directors have high profiles in the Alcohol and Drug area and/or in other fields relevant to the operation of the Foundation. Their expertise includes research, policy and program development, treatment and rehabilitation, prevention, ethics, business, law, medicine, public health, Christianity and sport. At least four Board Members have specific expertise in alcohol and drug issues in Indigenous communities. The Board is required under the constitution to meet four times a year.

Board Members are: Professor Ian Webster (Chairperson), Mr Scott Wilson (Deputy Chairperson) Ms Cheryl Bart (Audit Committee Chairperson), Dr Ngiare Brown, Reverend Tim Costello, Mr David Crosbie, Dr Peter d'Abbs, Mr Nick Gill, Ms Anne Mosey, Professor Tim Stockwell, and Dr Bernadette Tobin¹⁰.

The Board has two governance committees (an Executive Committee and an Audit Committee) and a number of committees that assess grant applications. During 2002 there were seven of these committees, each focusing on one grant category (see Appendix 4 for the grant categories). Following the strategic review in November 2002, six committees were established.

These are:

- Treatment and rehabilitation
- Prevention and public education
- Scholarship and workforce development
- Research
- Small grants
- Policy partnerships¹¹

The governance committees and committees for assessing grant applications meet as required.

⁹ Department of Health and Aged Care, Senate Committee Report, Alcohol Education and Rehabilitation Bill 2001. Submission No.3, p4, cited in the Alcohol Education and Rehabilitation Foundation Business Plan, p4.

¹⁰ Descriptions of the relevant experience and qualifications of Board Members can be found at <http://www.aerf.com.au/about/board.htm>

¹¹ Note, the Policy Partnerships committee oversees the development of strategic partnerships rather than assessing applications for grants.

The current role of the Board is to set the strategic direction for the Foundation, promote the Foundation, monitor the operational functions carried out by the secretariat, participate in assessment of applications for grants, and endorse recommendations pertaining to applications for grants. Participation in assessment of applications for grants occurs in the following way: Board members sit on Board sub-committees where applications for grants are assessed; and recommendations from these sub-committees are then presented to the Board for endorsement.

Probity

Section eight of the Foundation's constitution specifies that 'no part of the income or property (of the Foundation) may be paid, transferred or distributed, directly or indirectly, by way of dividend, bonus, fee or otherwise, to any of the Members or Directors'. However, the Directors can approve payment to Directors in a number of circumstances, including:

'For a grant within the objects of the Company to an organisation in which a Director has a direct or indirect interest or involvement, provided the Director has made full disclosure of the nature and extent of the interest and the organisation also prohibits the distribution of income and property on terms substantially similar to this rule' (section 8(d)).

Currently Board members are asked to sign a disclosures form outlining any potential conflicts of interest. When Board members or their organisations have submitted applications for grants they abstain from voting on the submission.

3.3 STRATEGIC PLANNING

The Foundation's strategic planning has included the development of a business plan to cover the period to 20 June 2005¹², (this included an operational plan for the period 1 October 2001 – 1 October 2002) and a strategic review undertaken in November 2002 after the first year of the Foundation's operation.

3.3.1 Foundation objectives

The objectives of the Foundations are specified in legislation under the *Alcohol Education and Rehabilitation Special Account Act 2001* (see section 1.3). In summary, these are that the Foundation will prevent and reduce harms associated with alcohol and other licit substance misuse, particularly among vulnerable population groups, through providing grants to organisations to achieve this.

3.3.2 Business Plan

A Business Plan, informed by the Memorandum of Understanding between the Government and the Democrats, was developed by the Board and the Acting Chief Executive Officer by the end of October 2001. This Plan includes a set of guiding principles for the work of the Foundation, an outline of key issues relevant to alcohol and licit drug use in Australia and the allocation of the budget to the key target areas. The Business Plan noted that the primary focus of the organisation would be on the reduction of harms associated with the misuse of alcohol and solvents (such as petrol and paint), especially within Indigenous communities. To achieve this, it was recognised that the Foundation would need to work in collaboration with organisations and individuals currently working in the area to consolidate their efforts. Thus, a key strategic focus of the Foundation was to build partnerships, linkages and strategic alliances and to collaborate with all key stakeholders as well as a range of interest groups.

Principles

The principles to inform the Foundation's work pertain to (1) sustainability; (2) evidence base; (3) collaboration rather than intervention; (4) enhancement rather than replacement; (5) a balanced approach addressing causes and symptoms, individuals and environments; (6) capacity building and community engagement; (7) transparency and accountability;

(8) promoting consensus and common aims; (9) cultural responsiveness; (10) acknowledging the importance of social justice; (11) Independence. The principles and the rationale for choosing these, as outlined in the Business Plan are included at appendix 3.¹³

Budget

The Business Plan specifies the areas in which funds will be allocated and the percentages to be allocated to each. In addition to the three areas for grants specified in the MOU and the Funding Agreement (treatment and rehabilitation, public education and prevention), the category research, workforce development, capacity building and community support was added. The percentages of funds specified are in line with the minimum amounts specified in the MOU.¹⁴ In summary, the percentages to be spent each year in each area were:

- Treatment and rehabilitation – 30%
- Public education – 10%
- Prevention – 20%
- Research, workforce development, capacity building and community support – 30%
- Administration and promotion – 10%

The total funds to be made available to the Foundation over four years (2001-July 2005) was \$115 million¹⁵ with \$10 million allocated in year 1, \$24 million in year 2, \$40 million in year 3, and \$41 million in year 4. Payments from the Commonwealth were to be made each year in equal quarterly installments. Of this, at least \$20.7 million, or 20% of total budget (minus 10% administration and promotion)¹⁶ was to be spent on projects targeting Indigenous Australians. This translates to at least \$1.8 million in year 1, \$4.32 million in year 2, \$7.2 million in year 3 and \$7.4 million in year 4.

3.3.3 Funding categories

The Operational Plan (1 October 2001-1 October 2002) outlined seven grant categories to be made available by October 2001. These were mostly defined by grant type, rather than key areas or issues and were: (1) seeding/ development grants, (2) community partnership grants, (3) demonstration projects, (4) research grants, (5) sponsorship grants, (6) scholarships, fellowships and workforce development grants and (7) policy partners. In the first year, there was no fixed closing date for grant applications. Further detail on these grants categories is provided in appendix 4.

3.4 THE STRATEGIC REVIEW

In November 2002 the Foundation undertook a Strategic Review. A review at the end of the first year of operation had been planned from the beginning and the need for a review was further highlighted by the receipt of applications for more funds than the Foundation had available for the four year term of its operation.

This review resulted in a reduction in the number of funding categories from seven to six. This included four key categories which were defined by the specific strategic areas outlined in the Foundation's Business Plan and Funding Agreement (prevention and public education, treatment and rehabilitation, scholarships and workforce development, and research). Funding rounds with closing dates were to be offered in each of these areas. Two additional grant types were also identified. These were small grants (less than \$20,000) and policy partner grants. Small grants can be applied for at any time and have an

¹³ The principles can be found at: http://www.aerf.com.au/about/business_plan.htm

¹⁴ Note, the amounts specified for the three areas identified in the MOU are minimum amounts, the amounts specified in the Business Plan are exact amounts and the amounts specified in the Funding Agreement are 10% higher than the amounts specified in the MOU.

¹⁵ Amount to be paid to the Foundation each year as specified in the Act. The Foundation will also be credited with interest earned on funds in the account by 1 July 2004. The Funding Agreement between the Commonwealth and the Foundation specifies that payments will be made in equal quarterly installments. A variation to the Primary funding agreement (signed by the Commonwealth on 12 July 2002) has these amounts increased by 10% to be inclusive of GST.

¹⁶ These are the minimum amounts to be spent on projects targeting Indigenous Australians specified in the Business Plan. The MOU specifies that this will be 20% of total funds paid to the Foundation. In the Funding Agreement and Business Plan this has been translated as 20% of (total funds minus the 10% allocation for administration).

¹² The Funding Agreement between the Commonwealth and the Foundation specifies the development of two business plans. The first must cover the period to June 2005 and include an operational plan. The second must be provided by 30 June 2005 for the period 1 July 2005-30 June 2007.

expedited approval process. Policy partner grants are generally initiated by the Foundation and are developed in partnership with governments and other large organisations. Both small grants and policy partner grants must still fit into one of the four strategic grant categories.

Subsequent to the review, Board sub-committees met to further develop the funding priorities and focus for each of the four key areas in which grants were to be offered. These priorities were advertised in March 2003 and are described in appendix 5.

During the review process, the Foundation also developed a set of Operational Principles. These are consistent with the original principles and are included in appendix 6.

Findings and recommendations pertaining to governance and strategic directions are in sections 5.1 and 5.2.

3.5 MANAGING OPERATIONS

3.5.1 Secretariat

Mr Daryl Smeaton officially commenced as the Acting Chief Executive Officer of the Foundation on 15 October 2001, although he was not formally appointed until 26 November 2001 after the Funding Agreement was signed by the Commonwealth (on 15 November 2001).¹⁷ The Foundation was officially launched at Parliament House in Canberra on 29 November 2001. Five additional Foundation staff commenced in December 2001, and one in July 2002.¹⁸ These are:

- An Office Manager
- A Marketing Manager
- A Finance Manager
- Two Grants Administrators
- A Systems Administrator.

3.5.2 Operational plan and organisational systems.

The Business Plan includes an operational plan which outlines the 'priority activities' for the first 12 months of the Foundation's operation (1 October 2001 to 1 October 2002). These priority activities were:

1. Establishment of efficient and effective organisational structures
2. Development and implementation of funding allocation processes
3. Development and implementation of a collaboration and communication strategy
4. Establishment of a comprehensive evaluation strategy
5. Establishment of a full budgetary and financial control system.

Establishment of organisations systems and processes were based on this plan and are described below.

1. Establishment of efficient and effective organisational structures

A financial management structure, including: bank accounts, payroll processing, an electronic accounting package, and a financial reporting process have been established, as has a process to report to the Board and the Parliament. Monthly finance and administrative reports and a quarterly report on all aspects of Foundation activities are provided to the Board and an annual report is provided to Parliament by 30 September each year. The Foundation utilises Clayton Utz for legal advice.

2. Development and implementation of funding allocation processes

The following structures and processes have been established for grant administration. Further details about the funding rounds are included in section 3.5.3

Grants Management System

A grants management system was developed and implemented during the first 12 months. This includes a file registry and a grants management database where information on each application for a grant and its status is recorded. Most of the project reports are in hard copy. Some organizations and individuals do not yet have access to the technology to enable them to report electronically.

Project reporting and accountability

The Foundation negotiates a contract with funded organisations. Projects have to report on outcomes, whether they met their objectives and financial acquittals. Those attending conferences are required to write a short report of a minimum of two pages.

The Foundation has identified some difficulties in assessing the capacity of organisations to undertake the work they have put in an application to support. In particular, some small organisations may not have the capacity to manage funds or write project reports and need assistance to do this. Currently, the Foundation has no formal framework for doing this assessment, but they do ask for company documents such as annual reports, names of referees, and other funding bodies that the organisation receives funds from. Foundation staff have also visited some of organisations.

One way the Foundation manages this is to provide the funding in installments against progress. Progress reports are required six to twelve monthly depending on the period of the funding and the contractual arrangements. Generally reporting in linked to payment milestones.

The Foundation has three types of contracts with funded organisations:

- Letter form for small grants less than \$20,000
- Short form for grants running over 1 to 2 years and/or up to \$100,000
- Standard form for projects that run for longer than 2 years and/or receive over \$100,000.

Projects are required to provide a financial acquittal 30 to 60 days post finalisation of the work. Those that have an external evaluation component are also required to provide this evaluation 30 to 60 days after the end of the contract

3. Development and implementation of a collaboration and communication strategy

The Foundation has a documented communication strategy which outlines the work that will be undertaken to establish the Foundation's public profile, establish and market the grants program, increase awareness among young people and Indigenous peoples about responsible consumption of alcohol and other licit substances, and to promote the Foundation's Public Fund. A communication infrastructure, including a web site, was developed, and the website launched in February 2002. The Foundation has also established an Enquiries database to form the basis of a mailing list. Details of all organisations and individuals making enquiries were logged onto this database. Information for this database is also collected via the online registrations of organisations requesting electronic updates.

Key messages for target audiences are disseminated through the web, information kits, facts sheets, and display materials. As of February 2003, the Foundation has begun producing newsletters which will be distributed four times a year.

The Foundation has an agreed process for media contact and for liaison with the media.

4. Establishment of a comprehensive evaluation strategy

¹⁷ Alcohol Education and Rehabilitation Foundation Business Plan, October 2001.

¹⁸ The portfolios of the staff to be employed were specified in the Business Plan, October 2001.

The Foundation has undertaken to report against the following in its annual reports: efficient delivery of funds by each of the funding processes and for the stated objectives of the Foundation; effective monitoring of project expenditure and progress; a selection process which favours evidence-based projects; evidence of significant contributions to policy and practice concerned with the reduction of harm associated with alcohol and solvent misuse.

In addition, the Foundation has engaged the Australian Institute for Primary Care to undertake an external evaluation.

5. Establishment of a full budgetary and financial control system.

The Board has established an Audit Committee to oversee development of full budgetary and financial control system. The Board appointed the Australian National Audit Office as the company auditor. The secretariat has a qualified accountant on its staff and utilises the services of an external accounting firm.

3.5.4 Funding Rounds

The Foundation has been seeking grant applications since February 2002, and has conducted two types of funding rounds described below.

Funding Round Year 1 (February 2002- December 2002)

On 29 November 2001, a press release from Parliament House, Canberra announced the categories to be available by the Foundation for the first funding round. The first call for submissions was made on 1 February 2002, when the website went live and the distribution of application kits began. Information about the availability of funds was disseminated via a mailing list of over 5000 organisations and individuals.

Application kits included a Step By Step Guide for Grant Applicants and application forms. Each applicant was required to fill in a General Application Form and a Supplementary Attachment specific to the funding category. The General Application form asks applicants to describe the aims, expected results and how those results will be achieved. It also asks for an evaluation plan reflecting expected outcomes, achievements and methods to be used for evaluation. A summary of these forms is provided at appendix 7.

The funding guidelines for this period were very broad and are outlined in literature disseminated from the Foundation.¹⁹ This information included outlines of six of the seven funding categories. The seventh funding type, Partnership Grants, was not included. [Work to develop partnerships to be funded with these grants was to be generally initiated by the Foundation with governments and large organisations.] Potential applicants were also informed of the Foundation's objectives and that applications would be assessed against these objectives. Applicants were advised about the requirements the Foundation would expect grantees to meet, such as record keeping and promotion of projects. The Foundation also endeavoured to assist potential applicants by developing fact sheets including: *What, How and Why; Preparing a Project Plan; Evaluations; Keeping Records; Establishing 'evidence of a need' – proof; and Why Promote.*²⁰ (further information about these fact sheets is provided at appendix 8). Applicants were required to complete an application form to be obtained from the Foundation or the web. The Board reviewed submissions received at this time against the Foundation objectives.²¹

The first funds were allocated on the 28 February 2002. These grants went to the NYP Women's Council Aboriginal Corporation, the AFL Queensland-Cairns Kickstart Program and Indigenous Festivals Australia Ltd (Croc Festivals™). By the end of June 2002 a further five projects had been funded. The total expenditure on these eight grants was \$425,000. More details of these grants are at appendix 9. Between the 1 July and the time at which the first annual report was produced in September 2002, a further 32 grants, totalling \$3,376,191 were approved.²²

Process for assessing applications for grants during 2002

The Board established seven sub-committees to assess applications for grants (one for each of the seven grant types - see appendix 4). Each sub-committee was supported by a secretariat staff member and the sub-committees met frequently face to face and via teleconference. Board members living in the geographical area from which submissions came, were given the application and asked to provide comments based on their local knowledge. Non-board members from the sector were also involved in providing reference checks. Research grants were the only ones that had a formal peer review process.

The standard application process is as follows.

1. An organisation or individual contacts the Foundation and their details are entered into the database. An application kit is forwarded (or can be downloaded from the web).
2. An application is submitted and details entered onto database for processing. A letter acknowledging receipt of application is sent.
3. The application assessment process begins. The application is considered by the secretariat and assessed to identify whether it meets the basic criteria and meets at least one of the Foundation's objectives. Further information and clarification might be sought from the applicant. Any changes required are communicated to the organisation. Secretariat staff compile this information and submit it to the relevant Board sub-committee.
4. Following assessment by the sub-committee, unsuccessful applicants are notified in writing. Applications approved by the sub-committee are put to the Board as recommendations for funding.
5. Applicants for grants approved by the Board are offered a grant and the secretariat prepares and agreement outlining the terms and conditions of the grant. This information is entered onto the database. Once the agreement is finalised it is entered onto the Contracts Register.
6. Funds are allocated and payments processed.
7. Progress is reviewed and monitored, the CEO notified of action required.
8. As per the terms and conditions the grantee is required to provide a final report (including financial acquittals) on completion of the project.

There is a shortened process for assessing grants up to \$20,000, which can be submitted at any time. This process includes that the application is emailed to the small grants committee members who then make a recommendation to the full Board about whether the project should be funded.

During 2002 the Board was holding additional meetings by teleconference to cope with the assessment of applications for grants. A performance target of 12 weeks to have the assessment completed by the secretariat and the sub-committee and the recommendations ready to go to the Board was established.²³ However, due to the number of applications, the workload associated with making the assessments was greater than anticipated and the capacity of the Foundation and Board members to meet this target was limited. Consequently, this performance target was removed.

In this initial period there was no closing date for submissions and applicants were able to apply at any time.

By late 2002 there were a number of applications for grants which had not yet been assessed by the Foundation and it was becoming clear that the process for seeking and assessing applications was not able to keep up with the number of submissions or the demand for funds. Some of the applications received in 2002 had not been assessed by 30 June 2003.

¹⁹ These were a brochure titled: Do You Need Funding Assistance? and a Step by Step Guide for Grant Applications: Assisting the Australian Community.

²⁰ Fact sheets can be found on the Foundation's website

²¹ Not all funding applications were discussed at Board meetings, with a teleconference and faxing process being established to enable out of session discussion and decision making about proposals.

²² Alcohol Education and Rehabilitation Foundation Ltd, Annual report 2001-2002

²³ Alcohol Education and Rehabilitation Foundation Ltd, Annual report 2001-2002

In addition, the process limited the Foundation's capacity to be the most strategic because:

- The lack of a closing date meant that it was not possible to rank proposals in each funding category and consequently the first in may be funded over similar proposals of higher quality that were submitted later in the year;
- It was difficult to track the proportion of funding spent in each of the priority areas identified in the Foundation's Business Plan and Funding Agreement; and
- The Foundation could not be particularly pro-active as the mechanism for making funding decisions was reliant on waiting for proposals to be submitted.

When the Foundation reviewed its grant-making in 2002 against its four priority categories it identified that it had under-spent in the areas of Treatment and Rehabilitation, and Scholarships and Workforce Development. Consequently, these areas were prioritised for the first funding rounds in 2003.

Funding round year 2 (January 2003-present)

Following the Strategic Review (see section 3.4) it was announced that applications for funding under the original arrangements would close on 31 December 2002. On 1 January 2003 the Foundation announced that revised funding criteria would be advertised.

In its first newsletter in March 2003 the Foundation advertised that it would fund projects in four areas. In addition, funding priorities in each of these areas were announced. At this time it was also announced that all applications would initially be assessed against the Foundation's objectives, the priorities for each category (see appendix 5) and the Operational Principles. An additional set of criteria, 'General Funding Criteria' were also published.²⁴ These criteria were:

1. Does the application meet the mandated objectives of the Foundation?
2. Is it clear what is being proposed, why it is needed and how it will be achieved?
3. Is it consistent with relevant strategic plans and supported by relevant agencies?
4. What is the applicant's history and/or track record of work in this field?
5. Is the budget clear and well justified?
6. What enduring benefit will there be at the end of the project?

Four funding rounds with closing dates were advertised in the second newsletter in May 2003 (see appendix 5). This newsletter also included more specific information about what would be funded in each category and the total funds available in each area. Standard application forms were made available.

The four funding rounds and closing dates were as follows:

- Scholarship and workforce closed on 30 May 2003
- Treatment and Rehabilitation closed on 30 May 2003
- Research closed on 30 June 2003
- Prevention and Public Education closed on 2 July 2003.

Assessment of submissions in 2003 funding rounds

The process for assessing applications for grants during 2003 is the same as for 2002 (see above).

Policy Partnership Grants

The Foundation has negotiated with governments and large organisations in each state/territory to fund Policy Partnership Grants. Two of these grants had been announced by 30 June 2003 and the ground work for a further three had been done. These grants are summarised in Table 3.

Table 3: Policy Partnership Grants

PARTNER	ACTIVITY	AMOUNT (MILLIONS)	DATE ANNOUNCED
Northern Territory Government	To support measure to complement the trial of alcohol restrictions in Alice Springs	Over \$1.1	8 August 2002
Western Australian Government and three non-government service providers	To expand the treatment capacity by 40 beds (and increase in capacity of 50%)	1.5	25 June 2003
Victorian Government	Three phase policy partnership including: <ul style="list-style-type: none"> • Youth alcohol campaign • Workforce • Indigenous treatment facility 	1.9	31 July 2003
NSW Government	Cops Program (New technology to enable police to collect data near pubs about alcohol related incidents)	1.3	25-28 August 2003
WA, Northern Territory and Queensland governments, TVW Telethon Institute for Child Health Research and Rio Tinto	Child health in WA, NT and QLD	1.3	13 August 2003

The purpose of the policy partnership grants is to enable the Foundation to develop collaborative partnerships, leverage up funding for important projects, develop its strategic funding capacity, and influence policy and program development.

Findings and recommendations about operational management are in 5.3.

3.6 THE PUBLIC FUND

The Alcohol Education and Rehabilitation Account Act 2001 and the Foundation's constitution specify that the Foundation is to raise funds from the private sector for its ongoing work. To this end the Foundation has been granted deductible gift recipient status and is working towards the launch of a public fund in 2004.

3.6 SUMMARY

The Foundation is a public company limited by guarantee under the Corporations Act and the Board members are Directors of the Foundation. The total funds to be made available to the Foundation over four years (2001-July 2005) was \$115 million with \$10 million allocated in year 1, \$24 million in year 2, \$40 million in year 3, and \$41 million in year 4.

The Foundation's Board of Directors have high profiles in the Alcohol and Drug area and/or in other fields relevant to the operation of the Foundation. The Board has two governance committees (an Executive Committee and an Audit Committee) and a number of committees that assess grant applications. The current role of the Board is to set the strategic direction for the Foundation, promote the Foundation, monitor the operational functions carried out by the secretariat and participate in selection and endorsement of successful grant applications.

The objectives of the Foundations are specified in legislation under the *Alcohol Education and Rehabilitation Special Account*

²⁴ http://www.aerf.com.au/grants/grant%20information/funding_criteria.htm accessed on 13 June 2003

Act 2001. In summary, these are that the Foundation will prevent and reduce harms associated with alcohol and other licit substance misuse, particularly among vulnerable population groups through providing grants to organisations to achieve this.

Eleven key principles to underpin the work of the Foundation were developed by the Board and pertain to: (1) sustainability; (2) evidence base; (3) collaboration rather than intervention; (4) enhancement rather than replacement; (5) a balanced approach addressing causes and symptoms, individuals and environments; (6) capacity building and community engagement; (7) transparency and accountability; (8) promoting consensus and common aims; (9) cultural responsiveness; (10) acknowledging the importance of social justice; (11) Independence.

The Foundation's strategic planning has included the development of a business plan to cover the period to 20 June 2005, (this included an operational plan for the period 1 October 2001 – 1 October 2002) and a strategic review undertaken in November 2002 after the first year of the Foundation's operation. The Business Plan specified the areas in which funds will be allocated and the percentages to be allocated to each. In summary these are: treatment and rehabilitation (30%); public education (10%); prevention (20%); Research, workforce development, capacity building and community support (30%) and administration and promotion (10%).

The Operational Plan (1 October 2001-1 October 2002) outlined seven grant categories to be made available by October 2001. These were (1) seeding/ development grants, (2) community partnership grants, (3) demonstration projects, (4) research grants, (5) sponsorship grants, (6) scholarships, fellowships and workforce development grants and (7) policy partners. In the first year, there was no fixed closing date for grant applications.

In November 2002 the Foundation undertook a Strategic Review. This review resulted in a reduction in the number of funding categories from seven to four key categories. These four categories were defined by the specific areas of operation of the Foundation (prevention and public education, treatment and rehabilitation, scholarships and workforce development, and research). Funding rounds with closing dates were to be offered in each of these areas. Two additional grant categories are also available. These are small grants (less than \$20,000) and policy partner grants. Subsequent to the review, board sub-committees met to further develop the funding priorities and focus for each of the four key categories. During the review process, the Foundation also developed a set of Operational Principles which are consistent with the original eleven principles articulated by the Board.

The day to day operation of the Foundation is undertaken by seven staff including a Chief Executive Officer, an Office Manager, a Marketing Manager, a Finance Manager, two Grants Administrators and a Systems Administrator. During the first 12 months of operation the Foundation established organisational structures including a budgetary and financial control system, developed and implemented funding allocation processes and a collaboration and communication strategy, and established an evaluation strategy.

The Foundation has been seeking grant applications since 1 February 2002 and the first funds were allocated at the end of February 2002. By the end of June 2002, eight grants had been approved for a total of \$425,000.

The Foundation has negotiated with governments and large organisations in each state/territory to fund Policy Partnership Grants. Policy partnership grants represent a good opportunity for the Foundation to develop collaborative partnerships, leverage up funding for important projects, develop its strategic funding capacity, and influence policy and program development. While only one of these grants had been announced at 30 June 2003, the ground work for an additional five grants had been done and these were announced prior to the submission of this report at the end of August 2003.

The Alcohol Education and Rehabilitation Account Act 2001 specifies that the Foundation is to raise funds from the private sector for its ongoing work. The Foundation has been granted deductible gift recipient status and is working towards the launch of a public fund in 2004.

4. Findings 2: Review of funded projects

4.1 INTRODUCTION

This section focuses on a review of the data collected by the Foundation about applications for grants and about funded projects. This information comes from two sources. The first was the paper files kept on funded projects, which were reviewed over the period 17 June to 31 July 2003. The second was the grants management database containing information about all applications for grants (see section 3.5.2). Three different data sets from this database were provided by the secretariat. These were to 2 June 2003, to 20 June 2003 and to 31 July 2003 (use of the different data sets is specified in the text). All dollar figures included are exclusive of GST.

The purpose of reviewing these paper files and data sets was to:

1. Develop a comprehensive understanding of the nature, quality and characteristics of projects proposed by applicants;
2. Develop an understanding of the range of organisations applying to the Foundation for funds, and the purposes to which those funds would be applied;
3. Ascertain the effectiveness and utility of systems developed by the Foundation for the assessment and evaluation of project proposals, outputs and outcomes (where feasible);
4. Ascertain the nature and quality of supporting material accompanying applications for grants;
5. Ascertain the extent to which the goals and objectives of the Foundation were applied to the selection of projects for funding by the organisation;
6. Develop and utilise a series of indicators to assist in the evaluation of the Foundation's initial period of funding activity; and
7. Develop a series of recommendations, particularly in relation to the institution of improved systems for the assessment of applications and the evaluation of completed projects.

Data was collected and entered into an evaluation database created by the Australian Institute for Primary Care. A description of the fields in this database and the definition of each field is provided in the data grid in appendix 2. Some of the data included in this data grid was collected directly from Foundation files (such as the name of applicant organisation, their partners, Foundation funding provided, and the Foundation funding category). Simple calculations were required to populate some fields, for example, the resource intensity field includes a calculation of the number of dollars spent per reach (participant or organisation involved). In other cases data was classified using the following guidelines.

1. Identification of Foundation objectives met by the proposal: Foundation staff identify whether Foundation objectives are met when they are assessing applications and this assessment was utilised. This information was not recorded for all projects and when this occurred data was not entered into this field.
2. Evidence base: The project application and supporting material was reviewed to ascertain whether any evidence had been presented to support the application. Evidence sought included information about the likely feasibility and/or efficacy of the proposed activity (this could be via documentation from the organisation's records, literature review, the experience of others associated with similar projects or programs in the past, or in some other verifiable way). Where such evidence was clearly contained in the application or supporting material, we have indicated that an evidence base was provided. Where there was some indication of such evidence, (for example, via anecdotal reports based on the experience of the

organisation or others with experience with a similar relevant program or project), we indicated that some such evidence base was provided. Where no such information was provided, we recorded that no evidence base had been provided.

3. External Evaluation: Project reports were reviewed to ascertain whether an independent external evaluation of the project was proposed or had been undertaken.
4. Outcomes: Files were reviewed to identify the outcomes that the applicant had nominated or (where possible) had recorded and reported. Completed projects were reviewed to identify whether outcomes had been reported.

These data were aggregated where possible in order to generate quantitative indicators associated with Foundation grant-making. This information is described in the following section.

It should be noted that applications to the Foundation are generally received in a paper based format and that full details of applications are generally available only in a paper file system. Thus, scrutiny of paper files is required to ascertain the full detail of important aspects of applications and their processing by the Foundation. We note that recently applicants have been asked to submit their proposal in both paper forms and on a disk where possible.

4.1.1 A note on data categories used in this section

During the first year of operation (October 2001 – December 2002), the Foundation utilised seven funding categories: development grants, community partnership grants, demonstration project grants, research grants, sponsorship grants, scholarships, fellowships and workforce development grants, and policy partner grants. Small grants (less than \$20,000 were also available). At the strategic review in November 2002, the seven categories were reviewed and replaced with four categories focused on the strategic priorities specified in the Business Plan. These were: treatment and rehabilitation, prevention and public education, scholarships and workforce development, and research. Small grants and policy partnership grants were maintained (see section 3 for further information). In addition, the Foundation's Business Plan and Funding Agreement specify that at least 20% of funds will be directed towards projects targeting Indigenous peoples and that youth will also be a key target group. Funds directed to work with these target groups still fit into one of the priority funding categories.

All projects funded under the original seven categories in 2002 were re-classified by secretariat staff, to fit into the four revised categories used in 2003 in the grants management database. However, this re-classification is not included in the paper files kept by the Foundation. Consequently, in section 4.2, which utilises data from the grants management database, data is presented using the four revised categories. In section 4.3 in which the data presented is sourced from paper files, the original seven funding categories are used. We believe that this approach provides an adequate 'snapshot' of the Foundation's activities during the periods in question.

4.2 OVERVIEW OF DATA

Data stored in the Foundation's database provides a substantial amount of information about the funding of projects by the organisation. All data in section 4.2 is sourced from the Foundation's grant management database and is classified by the four revised funding categories introduced in 2003 (see section 4.1.1).

4.2.1 Funding sought by grant applicants (1 February 2002 – 2 June 2003)

The total funding sought by grant applicants by category in the period 1 February 2002 – 2 June 2003 is summarised in Table 1. This table shows: the total number of applications by category, the total funding sought per category, the number of grants approved by category and the funding approved by category. Note, that while these data cover the two funding rounds (see section 3.5.4) secretariat staff have classified all grant applications against the four key categories identified in the Business Plan and small grants. In addition, it is also possible to identify from the database the number of projects targeted to working with Indigenous peoples and young people, groups which the Foundation is mandated to provide funds for.

Table 1 also shows the proportion of applications approved in each category as well as the proportion of the funding sought which was approved in each category. It also shows the proportion of total funding which was approved in each category.

Table 1: Application data by Business Plan category (1 February 2002 – 2 June 2003)¹

APPLICATION CATEGORY	TOTAL NUMBER OF APPLICATIONS	TOTAL FUNDS APPLIED FOR	NUMBER OF APPLICATIONS APPROVED	PERCENTAGE APPROVED IN CATEGORY ²	FUNDS APPROVED IN CATEGORY	PERCENTAGE FUNDS APPROVED IN CATEGORY ³	APPROVED FUNDS AS A % OF TOTAL APPROVED ⁴
Treatment & Rehabilitation	114	96,528,060	34	29.8%	7,802,344	8.1%	45.7%
Prevention & Public Education	191	71,236,872	44	23.0%	6,814,687	9.6%	39.9%
Research	34	12,609,270	8	23.5%	1,073,919	8.5%	6.3%
Scholarship & Workforce Development	77	10,374,340	22	28.6%	963,768	9.3%	5.6%
Small grants	49	547,641	39	79.6%	407,662	74.4%	2.4%
Total	465	191,296,183	147	31.6%	17,062,381	8.9%	100.0%

¹ Data source: *CEO Report All States*, 2 June 2003 generated from the Foundation's grant management database

² This refers to the number of applications approved in each category as a percentage of the total number received for that category

³ This refers to the funds approved in each category as a percentage of the funds applied for in that category

⁴ This refers to the funds approved in each category as a percentage of the total funds approved in all categories

To 2 June 2003, the Foundation had received 468²⁵ project applications, of which 147 (31.4%) have been funded. Total funds sought were \$191,296,183 (an average of \$408,752 per project) of which \$17,062,381 has been granted. The Foundation has funded 8.9% of funds sought by grant applicants. The average project funding was just over \$116,000 which is 28.4% of the average of the total funds (\$408,752 per project) sought via project applications.

Treatment and rehabilitation programs received around 46% of funds granted and prevention and public education projects received about 40% of funds granted.

Table 2 shows similar information for projects targeting the specific groups (Indigenous Australians and youth) mandated by the MOU and the Funding Agreement as well as the small grants program. Note that projects targeting Indigenous Australians and youth along with small grants can be submitted in any of the four categories.

Table 2: Application data by target group and small grants, 1 February 2002 – 2 June 2003.

APPLICATION CATEGORY	TOTAL NUMBER OF APPLICATIONS	TOTAL FUNDS APPLIED FOR	NUMBER OF APPLICATIONS APPROVED	PERCENTAGE APPROVED IN CATEGORY ²	FUNDS APPROVED IN CATEGORY	PERCENTAGE FUNDS APPROVED IN CATEGORY ³	APPROVED FUNDS AS A % OF TOTAL APPROVED ⁴
Indigenous	161	60,891,725	52	32.3%	4,704,374	7.7%	27.6%
Youth	158	56,435,609	54	34.2%	7,323,826	13.0%	42.9%
Small grants	40	451,971	37	92.5%	388,213	85.9%	2.3%
Total	468	191,296,183	147	31.4%	17,062,381	8.9%	100.0%

¹ Data source: *CEO Report All States*, 2 June 2003 generated from the Foundation's grant management database

² This refers to the number of applications approved in each category as a percentage of the total number received for that category

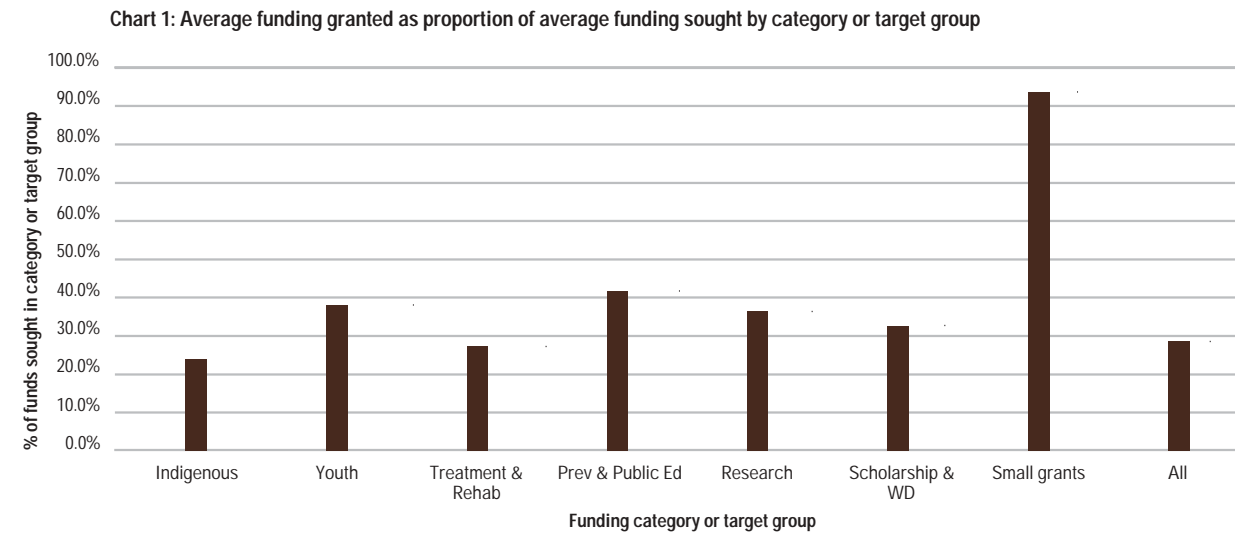
³ This refers to the funds approved in each category as a percentage of the funds applied for in that category

⁴ This refers to the funds approved in each category as a percentage of the total funds approved in all categories

²⁵ Note there is a discrepancy in the data provided, with 465 projects appearing when the projects are analysed by the categories in the table, and a total of 468 appearing in the database. We believe this is attributable to data being sourced on different days, as we have been advised that the database at this point provided real-time analyses

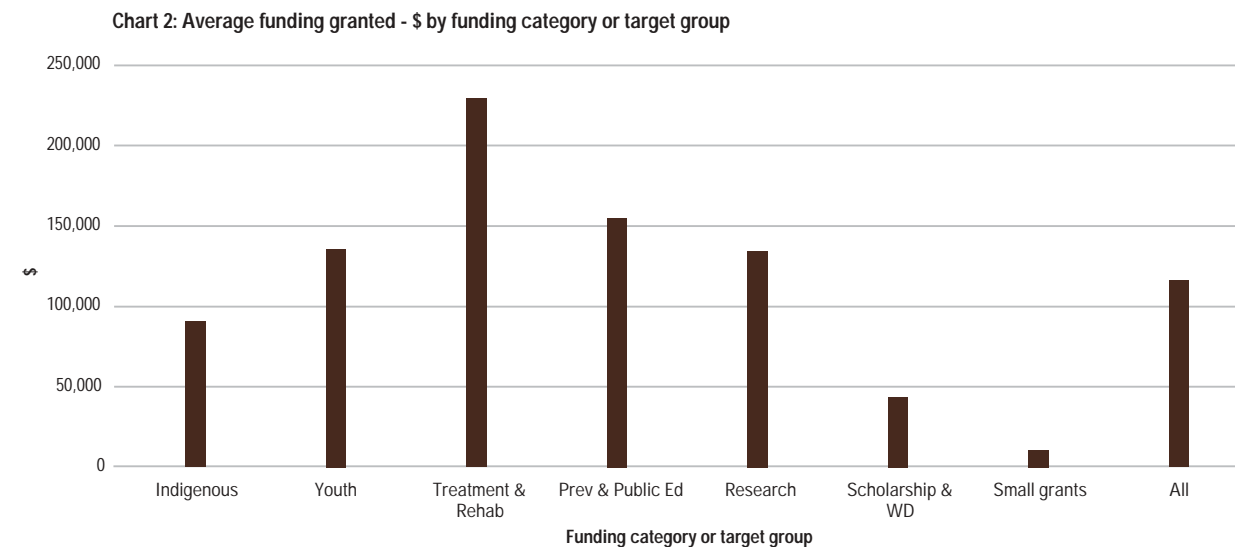
Programs targeted to Indigenous peoples received over 27% of the funding granted while projects targeted to youth received about 43% of the funds granted. There were 161 applications to the value of \$60,891,725 targeted to Indigenous peoples. Of these, 52 (32.3%) were funded, with \$4,704,374 being committed. Thus, the percentage of funds allocated represents 7.7% of the funds applied for.

Chart 1 shows the average funding granted as a proportion of the average funding sought by all grant applications. The chart includes this information by the four key funding categories specified in the Business Plan and for the 2003 funding rounds and also for the two target groups mandated in the MOU and funding agreement. Projects targeting these groups will also be included under a priority category. Please note that the average funding sought by all projects includes those projects that were not funded in each category. It does not mean that funded projects received more or less money on average than they applied for.



Projects targeting Indigenous people, and projects in the category treatment and rehabilitation received below average funding (as a proportion of total average funds per project sought) whereas all other categories receive above average funding on that basis. The highest of these is for small grants, where average funding levels represent more than 90% of the average funds sought by project applications.

Chart 2 shows average funds granted by funding category. Projects targeted to Indigenous people were funded at an average level of about \$90,500. Small grants projects received average funding of about \$10,500, and treatment and rehabilitation projects received average funding of about \$229,500.



4.2.2 Time taken to process grant applications

The average processing time for applications to date on the basis of the data we have scrutinised has been 107 days.

We were provided with data from the Foundation's database on pending applications as of 2 June 2003. There were 76 applications pending at this time. We analysed the time the application had been waiting for a decision (up to the 2 June). Of the 76, 34 (approximately 45%) already had processing times in excess of 12 weeks (84 days) from lodgement of application. The waiting period in excess of 84 days for this group of applications was an additional 133 days.

This analysis is summarised in Table 3 which also sets out relevant data for each of the four funding categories plus the small grants category. On average, 44.7% of pending grants had taken over 12 weeks for processing. The number of projects taking longer than 12 weeks for processing was greatest in the research category (93.3%), followed by prevention and public education (69.2%), small grants (42.9%), scholarship and workforce development (25% and treatment and rehabilitation (16%).

The average length of the delay in excess of 12 weeks to the 2 June 2003 was 133 days with the longest such delay being in the treatment and rehabilitation category (224 days), followed by scholarship and workforce development (175 days), research (139 days), prevention and public education (102 days) and small grants (26 days).

Table 3: Pending projects – processing time to date for projects pending more than 84 days¹

	PREVENTION & PUBLIC EDUCATION	RESEARCH	SCHOLARSHIP & WORKFORCE DEVELOPMENT	SMALL GRANTS	TREATMENT & REHABILITATION	TOTAL
Total number of applications	13	15	16	7	25	76
Total taking longer than 84 days	9	14	4	3	4	34
Percentage taking longer than 84 days	69.2%	93.3%	25.0%	42.9%	16.0%	44.7%
Average excess over 84 days (days)	102	139	175	26	224	133

¹ Data source: Grants Management Database, 2 June 2003

Findings and recommendations pertaining to grant-making are included in section 5.4.

4.3 DATA PERTAINING TO FUNDED PROJECTS

Data pertaining to funded projects was collected by reviewing the paper files kept by the Foundation on funded projects. All of these projects were originally categorised under the seven categories used in the first funding round (see section 3.5.4). While they have been re-classified and entered into the Foundation's grants management database under one of the categories specified in the Business Plan and the 2003 funding round, this information is not included in the paper file. Consequently, the projects are classified here under their original categorisation.

4.3.1 Analysis of completed projects

Type of projects, funds allocated and time to completion

The Foundation files have records for 31 completed projects. (Note that 'completed' means that the project activity has been completed and all material required by the Foundation [financial reports and project evaluation documents] has been submitted.) In one case the requirement for this documentation was waived, and in one other case the project did not eventuate and the funds were returned. Key data relating to these projects are summarised in Table 4. Note that the funding categories used here are those of the first funding round held in 2002 (see appendix 4) and not those utilised from January 2003 (see appendix 5).

Table 4: Completed Projects to 2 July 2003¹

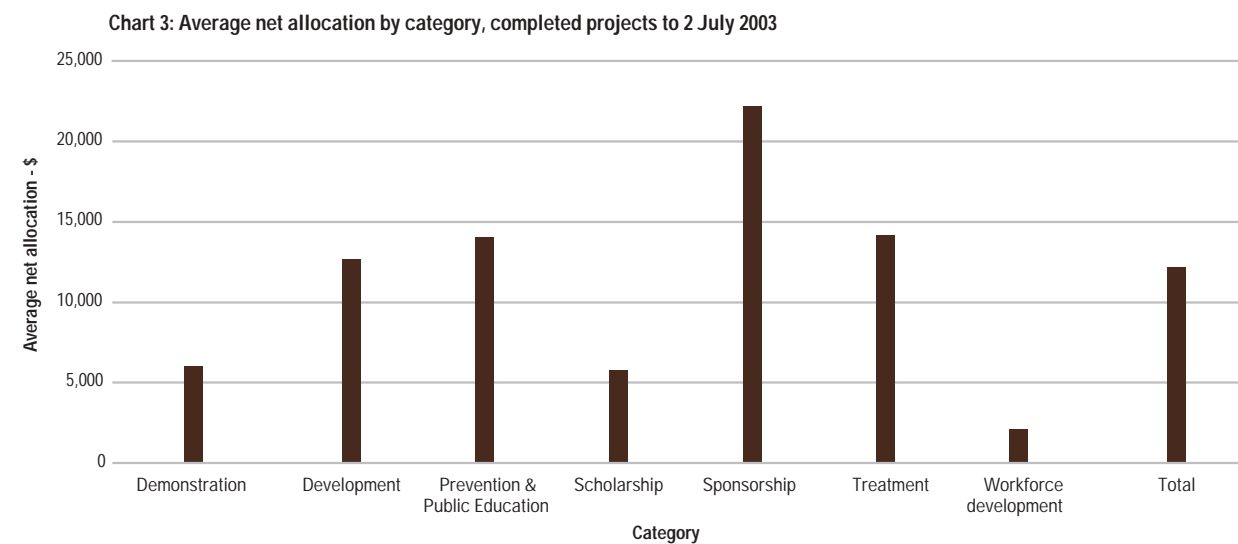
CATEGORY	NUMBER OF PROJECTS	PERCENTAGE OF TOTAL NUMBER OF PROJECTS	TOTAL NET ALLOCATION TO CATEGORY(\$)	PERCENTAGE OF TOTAL NET ALLOCATION TO ALL CATEGORIES	AVERAGE NET ALLOCATION IN CATEGORY	MIN ALLOCATION FOR CATEGORY (\$)	MAX ALLOCATION FOR CATEGORY (\$)
Demonstration	1	3.2%	6,000	1.6%	6,000	6,000	6,000
Development	4	12.9%	50,698	13.5%	12,675	3,000	27,000
Prevention & Public Education ²	2	6.5%	28,020	7.5%	14,010	12,000	16,020
Scholarship	13	41.9%	74,975	20.0%	5,767	1,430	15,000
Sponsorship	9	29.0%	199,877	53.2%	22,209	0	132,625
Treatment	1	3.2%	14,147	3.8%	14,147	14,147	14,147
Workforce development	1	3.2%	2,070	0.6%	2,070	2,070	2,070
Total	31		375,787		12,122	0	132,625

¹ Data source – Foundation (paper) project files

² Note that the categories 'prevention and public education' and 'public education' were both identified in project files and have been combined.

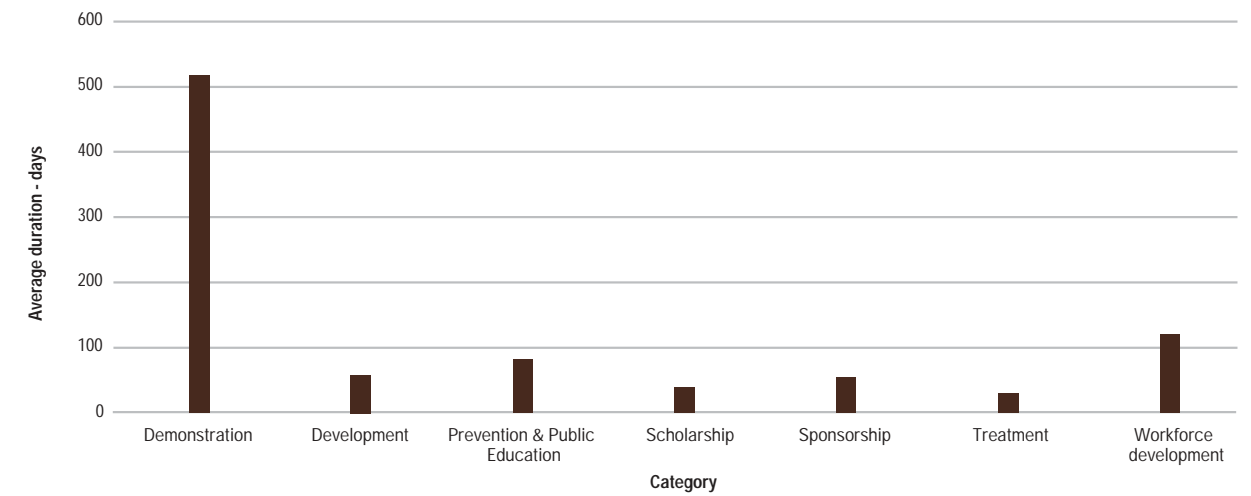
The average net cost of these 31 projects was \$12,122, with Workforce Development projects having the lowest average of \$2,070 and Sponsorship grants having the highest average (\$22,209). With the exception of one project, all projects reported in this section commenced prior to the end of March, 2003.

Chart 3 also shows the average net funding allocation to projects by funding category.



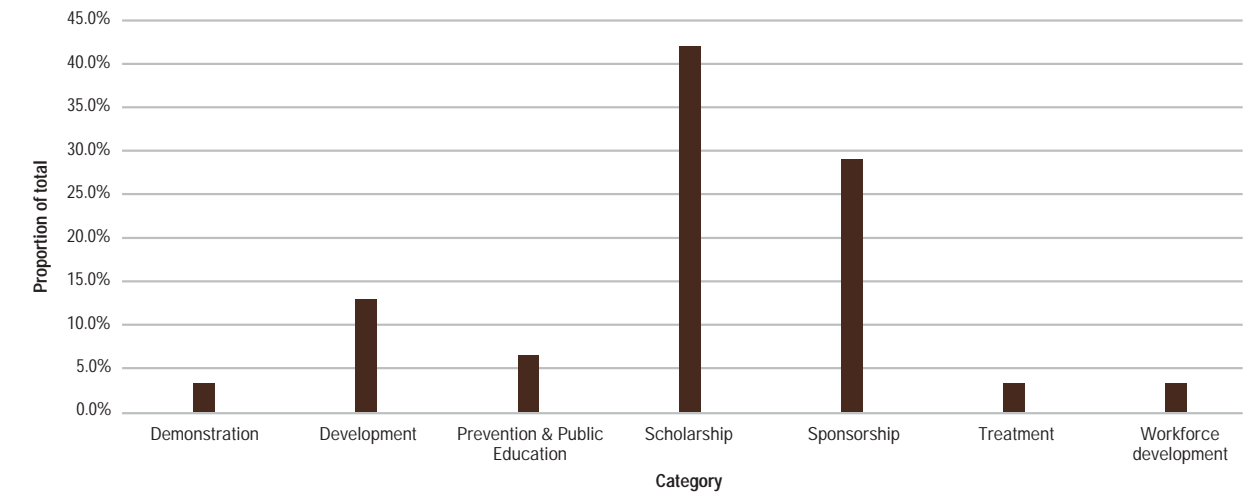
The projects reported in Table 4 commenced between 1 August 2001 and 1 May 2003, and were completed between 30 May 2002 and 31 May 2003. The project which commenced on 1 August 2001 was underway at the time that funding was sought from the Foundation, for a discrete 'add-on' component. No other project in this category had a start date prior to 31 March 2002. The longest duration of any project was 517 days and the shortest less than one day. The average duration of projects was 67 days. Chart 4 demonstrates the average duration of projects by category.

Chart 4: Average duration of completed projects by category to 2 July 2003



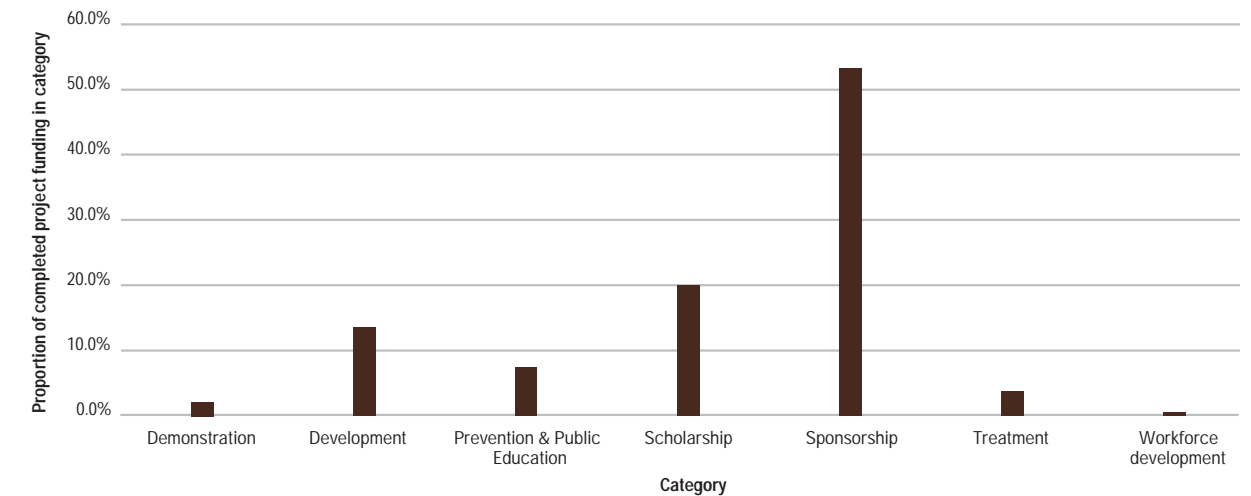
The highest proportion of completed projects (42%) were in the Scholarship category (see Table 4). There was only one (3.2%) completed project in both the Demonstration category and the Treatment and workforce development category. These data are illustrated in Chart 5.

Chart 5: Completed projects - proportion of total by category at 2 July 2003



The largest proportion of funding allocated went to projects in the Sponsorship category, which represented over half the funds allocated (53%). The smallest such proportion (less than 1%) went to the single project in the Workforce Development category. These data are illustrated in Chart 6.

Chart 6: Completed projects - proportion of funding by category at 2 July 2003



Evidence base

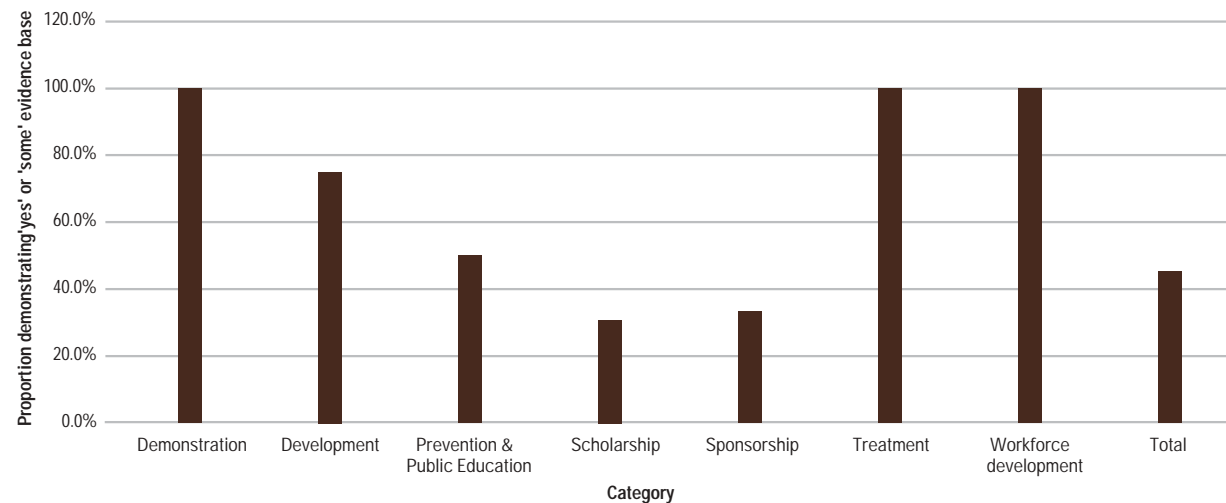
Completed project files were reviewed to determine the evidence base provided by applicants to support their proposed project. The proportion of projects demonstrating some evidence base varied between categories (see Table 5 and Chart 7). None of the projects in the demonstration, development, prevention and public education, scholarship, sponsorship and workforce development categories were judged as providing a rigorous evidence base. The sole project (3.2% of projects) in the treatment category was the only project to provide this level of evidence. However, some evidence was provided by applicants for funds in all categories with (a total of 13 projects or 41.9%). No evidence supporting the application was provided by 54.8% of completed projects, with the highest proportion of these being in the scholarship category (69.2%) and the sponsorship category (66.7%).

Table 5: Evidence base by funding category for completed projects to 2 July 2003¹

CATEGORY	TOTAL NUMBER	EVIDENCE BASE ²					
		YES		SOME		NO	
		NUMBER	% ³	NUMBER	% ³	NUMBER	% ³
Demonstration	1	0	0.0%	1	100.0%	0	0.0%
Development	4	0	0.0%	3	75.0%	1	25.0%
Prevention & Public Education	2	0	0.0%	1	50.0%	1	50.0%
Scholarship	13	0	0.0%	4	30.8%	9	69.2%
Sponsorship	9	0	0.0%	3	33.3%	6	66.7%
Treatment	1	1	100.0%	0	0.0%	0	0.0%
Workforce development	1	0	0.0%	1	100.0%	0	0.0%
Total	31	1	3.2%	13	41.9%	17	54.8%

¹ Data source – Foundation (paper) project files
² Please refer to section 4.1 for details of the definitions of yes, some and no evidence
³ Percentages are of the total number of projects identified as having the relevant level of evidence

Chart 7: Proportion of projects demonstrating evidence base by category



We note that although some categories of projects exhibited high apparent rates of evidence supporting applications, only one project was supported by an unequivocal evidence base. This may be a consequence of the nature of projects funded during the establishment phase of the Foundation, and the fact that projects completed at this stage are more likely to be relatively small with a short time frame. It should also be noted that a large number of projects were funded in categories where a comprehensive evidence base might be considered unnecessary to the success of an application; for example scholarship projects, particularly those seeking support for attendance at conferences.

Nonetheless, it should be noted that the majority of completed project files examined did not incorporate any evidence base in support of the originating application for funds. This included a sponsorship project which attracted the largest grant (\$132,625) within the group of 31 completed projects.

Projects meeting Foundation objectives

Project files were examined to identify whether staff assessing project applications had recorded that the application met one or more of these objectives. Only 11 projects were assessed during processing as meeting any Foundation objective, and 6 projects were assessed as meeting two objectives. In summary, of these 11 projects, three met objective 1 (to prevent alcohol and licit substance abuse), four met objective 2 (to support evidence-based treatment, rehabilitation, research and prevention programs), seven met objective 3 (to promote community education) and three met objective 4 (to promote public awareness of the work of the Foundation).

It is possible that the processing of applications during the establishment phase of the Foundation may have resulted in this assessment being neglected or not recorded in the paper file. Consequently, we assessed the 20 projects where Foundation objectives had not been identified and concluded that a further 17 projects did in fact meet at least one objective. Thus, three of the 31 completed projects (approximately 10%) did not, on either our judgement or that of the Foundation's staff, appear to clearly meet one or more of the Foundation's objectives.

Outputs and evaluation

Only two completed projects were subject to external evaluation. This is probably due to the small scale of projects and the early stage of the Foundation's operation.

All but one project reported outputs using the standard format (or a variation of this) provided by the Foundation. However, it was very common for outputs to be defined as the provision of a project report, financial accountability documents, and other administrative material.

Reach and resource intensity

In 25 of the 31 projects, the number of participants in activities was recorded ('reach') and some detail was generally provided as to whether proposed activities had occurred or not. In one case the funded activity did not occur and the funds were returned in full.

These data combined with financial data allowed the calculation of the basic indicator of 'resource intensity' which is the cost of the activity per participant or, in some cases, per participating organisation. Calculations of resource intensity are summarised in Table 6.

Table 6: Average reach and resource intensity of projects by category (complete projects) to 2 July 2003¹

CATEGORY	AVERAGE REACH (NUMBER)	AVERAGE RESOURCE INTENSITY (\$)
Demonstration	n/a	n/a
Development	14	905
Prevention & Public Education	300	47
Scholarship	2	3,570
Sponsorship	181	123
Treatment & rehabilitation	20	707
Workforce development	14	148
Total	71	171

¹ Data Source: Foundation (paper) project files

As might be expected, Prevention and Public Education activities reported the highest average reach (300 people). The cost per person of these activities was \$47. The lowest average reach (two people) was for scholarships which also had the highest average resource intensity (\$3570), reflected by the fact that these projects were generally to fund individuals to attend conferences. Funded treatment and rehabilitation programs, on average, reached 20 people and cost \$707 per person.

We believe that the resource intensity indicator will allow for the development of a particularly useful database for the evaluation of projects both prospectively (during the application assessment process) and retrospectively as an indicator of relative efficiency.

Reported outcomes

Only four of the 31 projects reported outcomes arising from their work.

We believe that it is important to distinguish outputs from outcomes, in order to develop a more sophisticated understanding of the effects that projects may have within their target group.

An output can be defined as the product of the project; that is, what was done in the course of undertaking the project. An outcome can be broadly defined as the consequences of the project; that is, what is changed or achieved as a result of the project. Although it is frequently difficult to measure or record such change it is usually possible to develop some indicators of it and we suggest that future projects funded by the Foundation be required to report on outcomes (broadly defined). The evaluation framework to be developed in stage 2 of this evaluation will assist with this.

Average time taken to assess project applications

The average time taken to assess these project applications, which we define as the time between receipt of the application and its approval by the Foundation's board was 36 days. Two projects had assessment periods in excess of 84 days, one exceeding that period by 33 days and the second by 58 days. All other applications were assessed within 84 days of the receipt of the relevant application.

Return of funds

Eight of these 31 projects reported returning funds to the Foundation. The funds returned averaged \$1,952, or about 15% of the average original allocation.

4.3.2 Analysis of projects funded but not yet completed

Type of projects, funds allocated and time to completion

We also examined files relating to 94 projects which have been funded by the Foundation but which are regarded as incomplete up to the date of our access (20 July 2003) Key data relating to these projects are summarised in Table 7.

Chart 8 also summarises the average funding allocation to projects by funding category.

Table 7: Funded but not completed projects to 20 July 2003¹

CATEGORY	NUMBER OF PROJECTS	PERCENTAGE OF TOTAL NUMBER OF PROJECTS	TOTAL NET ALLOCATION TO CATEGORY(\$)	PERCENTAGE OF TOTAL NET ALLOCATION TO ALL CATEGORIES	AVERAGE NET ALLOCATION IN CATEGORY	MIN ALLOCATION FOR CATEGORY (\$)	MAX ALLOCATION FOR CATEGORY (\$)
Demonstration	3	3.2%	1,058,731	10.2%	352,910	122,979	513,700
Development	6	6.4%	435,103	4.2%	72,517	5,000	131,300
Partnership	11	11.7%	3,055,924	29.3%	277,811	135,016	1,003,338
Prevention & Public Education	20	21.3%	1,373,718	13.2%	68,686	3,393	246,580
Research	5	5.3%	663,329	6.4%	132,666	74,344	215,900
Scholarship	19	20.2%	469,247	4.5%	24,697	2,700	179,780
Sponsorship	12	12.8%	734,484	7.0%	61,207	1,960	224,000
Treatment	10	10.6%	1,918,901	18.4%	191,890	48,180	588,500
Workforce development	8	8.5%	711,564	6.8%	88,945	10,000	277,396
TOTAL	94	100.0%	10,421,001	100.0%	110,862		

¹ Source: Foundation (paper) project files

Note: For purposes of analysis we have conflated the categories "Community Partnership" and "Policy Partnership" into the category of "Partnership"; "Prevention", "Prevention and Public Education" and "Public Education" into "Prevention and Public Education"; and "Scholarship and Workforce Development" and "Workforce development Scholarship" into Workforce Development". All of these categories appear in the files we have scrutinised.

As indicated in Table 7, the average cost of this group of projects overall was about \$111,000. The maximum grant was just over \$1 million, in the Partnership category, while the minimum grant was in the scholarship category at less than \$2,000. The highest average grant level was in the Demonstration category (approximately \$353,000) and the lowest in the Scholarship category (approximately \$25,000).

Chart 8: Average net allocation by category, projects funded but not completed up to 20 July 2003

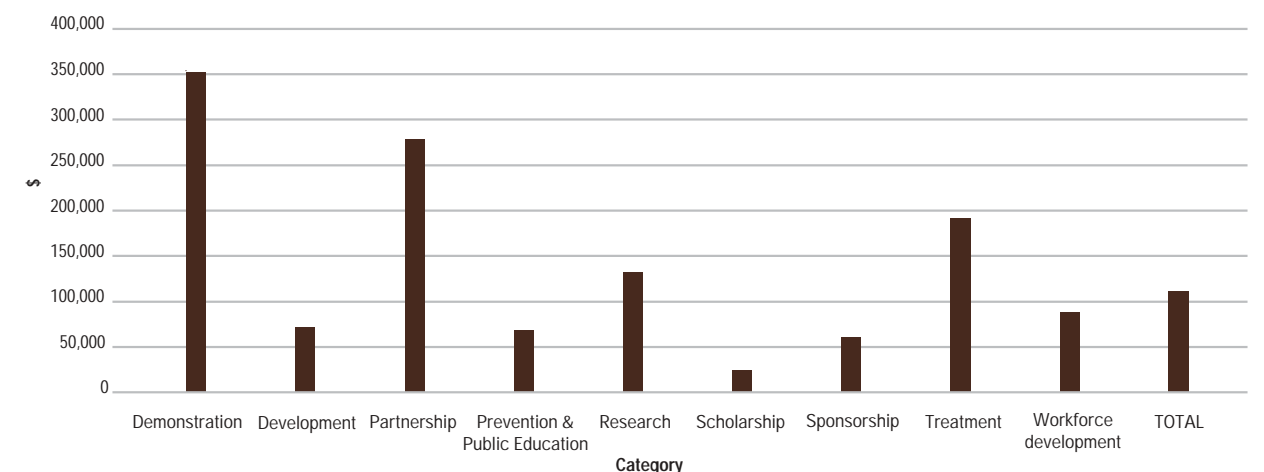
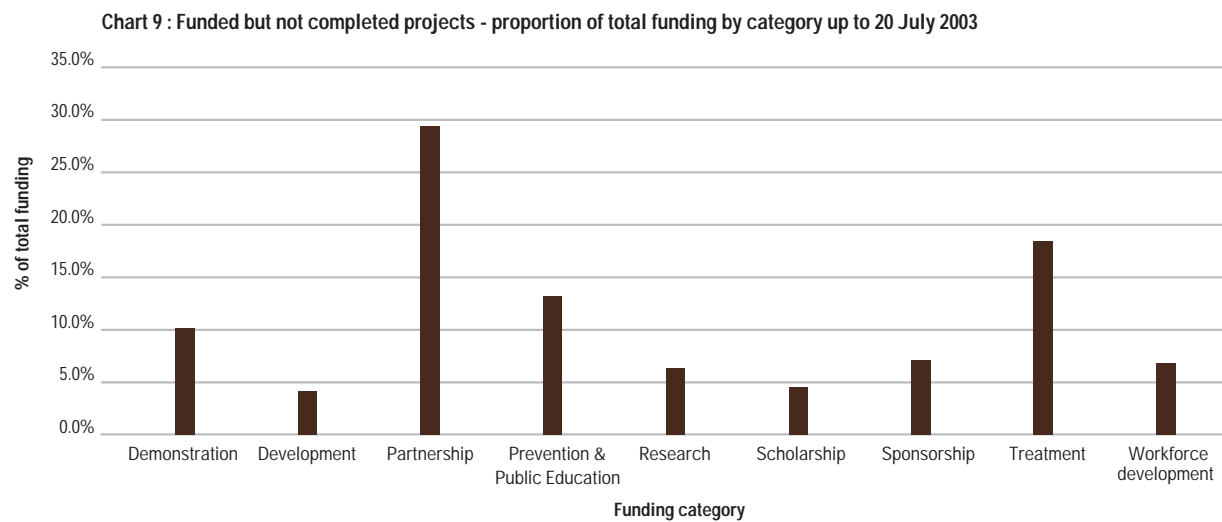


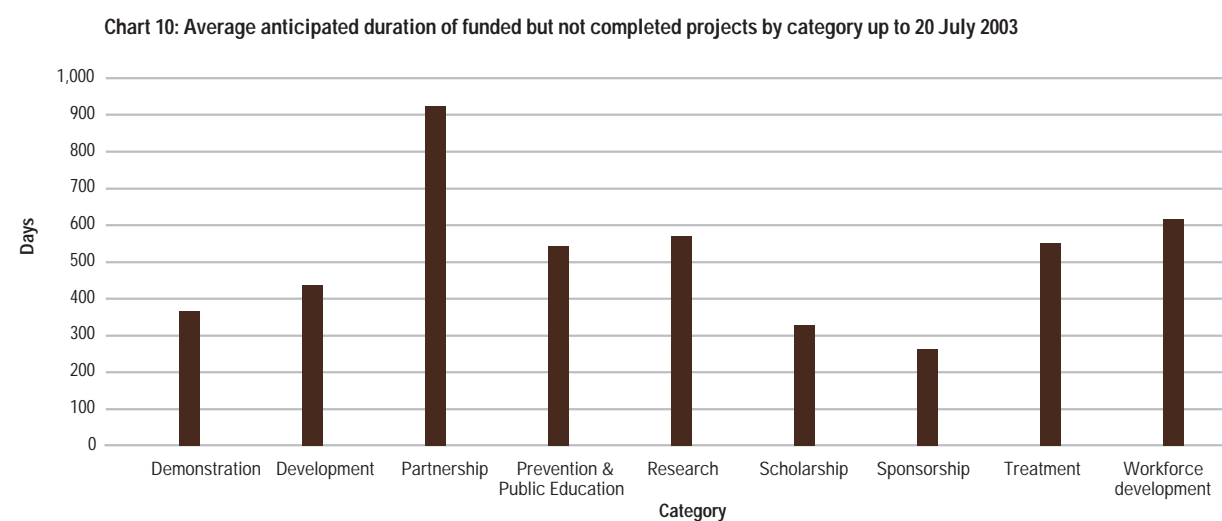
Chart 9 sets out the proportion of total funding in this group of 94 projects by funding category, and demonstrates that Partnership projects received the largest proportion of funding (nearly 30%) with the lowest such share going to Scholarships (4.5%).



The projects reported in Table 7 commenced between 11 June 2002 and 1 September 2003, and are scheduled to have been, or to be completed, between 4 July 2002 and 30 July 2007. Thus, some of the project completion dates are beyond the current period of operation of the Foundation.

Twenty one projects (22%) were scheduled to have been completed prior to 30 June 2003 but had not been finalised up to the period during which we scrutinised files (31 July 2003). The period between scheduled completion of these 21 projects and 31 July 2003 ranged from 31 to 392 days, with an average of 234 days. Of these projects, 16 had been scheduled for completion more than 100 days prior to 31 July 2003.

Chart 10 sets out the average anticipated duration of funded, but not completed projects, by category.



The average duration of this group of 94 projects was 476 days, with a maximum duration of more than 1,500 days (more than 5 years) and an effective minimum of one day. The longest average duration of projects was in the Partnership category (more than 900 days) and the shortest in the sponsorship category (approximately 250 days).

Evidence base

Data pertaining to our assessment of whether project applications demonstrate a strong evidence base, some evidence base, or no evidence base is provided in Table 8. It should be noted that approximately one-third of projects (32%) approved in this group included a strong evidence base in support of the application, less than a third (26%) demonstrate 'some' evidence base, and more than a third (38.3%) demonstrate no evidence base. Three-quarters of projects in the Sponsorship category and 68% of scholarship applications did not exhibit an Evidence Base, whereas all Demonstration projects exhibited at least some Evidence base.

A summary of the proportion of project applications that we assess as presenting at least 'some' evidence base in support of the application is provided in Chart 11.

Table 8: Funded but not completed projects – reliance on Evidence Base - source AERF files accessed up to 20 July 2003

CATEGORY	TOTAL NUMBER	EVIDENCE BASE ²					
		YES		SOME		NO	
		% ³	NUMBER	% ³	NUMBER	% ³	NUMBER
Demonstration	3	1	33.3%	2	66.7%	0	0.0%
Development	6	2	33.3%	2	33.3%	2	33.3%
Partnership	11	6	54.5%	4	36.4%	1	9.1%
Prevention & Public Education	20	10	50.0%	6	30.0%	4	20.0%
Research	5	3	60.0%	1	20.0%	1	20.0%
Scholarship	19	5	26.3%	1	5.3%	13	68.4%
Sponsorship	12	0	0.0%	3	25.0%	9	75.0%
Treatment	10	1	10.0%	4	40.0%	5	50.0%
Workforce development	8	4	50.0%	3	37.5%	1	12.5%
Total	94	32	34.0%	26	27.7%	36	38.3%

¹ Data source – Foundation (paper) project files

² Please refer to section 4.1 for details of the definitions of yes, some and no evidence

³ Percentages are of the total number of projects identified as having the relevant level of evidence

Projects meeting Foundation objectives

Staff reviewing project applications had recorded that 24 projects (25.5%) had met more than one of the Foundation's objectives, and a further 26 (27.7%) had met at least one objective. Of these projects, 26 met objective 1, 21 met objective 2, 30 met objective 3 and four met objective 4.

However, 44 projects (46.8%) were not identified in files as meeting any of the Foundation's objectives. We subsequently examined files and estimated that 38 of these projects did meet at least one objective and six projects did not.

Evaluation

Of the 94 projects in this category, only six included a proposal for an external evaluation. In addition, 23 projects (24.5%) identified impacts or outcomes they proposed to report on at the conclusion of the project.

All other projects were proposing to report on outputs only. We were able to identify only 31 projects (33%) that proposed an estimated reach measure. We believe that this would result in a sample too small to allow for meaningful calculation of the average resource intensity measure we calculated for the 31 completed projects scrutinised in the previous section.

Average time taken to assess project applications

The average time taken to assess this group of applications was 106 days. More than 84 days were taken to assess 57 projects (60.6%) in this group. The average duration of assessment in excess of 84 days for these 57 projects was 61 days. All other applications in this group were assessed within 84 days of receipt of the application.

Recommendations pertaining to evidence, evaluation and outputs are in section 5.5.

4.4 Summary

Projects funded by the Foundation were reviewed in order to develop an understanding of: the nature, quality and characteristics of funded projects; the range of organisations applying for funds; the purposes for which funds would be used; the effectiveness and utility of systems developed by the Foundation for the assessment and evaluation of project proposals, outputs and outcomes (where feasible); the nature and quality of supporting material; and the extent to which the goals and objectives of the Foundation were applied to the selection of projects for funding by the organisation.

The data used to undertake this analysis comes from two sources. The first was the paper files kept on funded projects, which were reviewed over the period 17 June to 31 July 2003. The second was the grants management database containing information about all applications for grants. Three different data sets from this database were provided by the secretariat. These were to 2 June 2003, to 20 June 2003 and to 31 July 2003. All dollar figures included are exclusive of GST. Please note that the data described below that utilises information from the Foundation's grants management database is classified by the four funding categories identified at the strategic review. Data on completed projects and funded but not yet completed projects was obtained from paper files kept at the Foundation and the categories used in these files were those for the first funding round.

To 2 June 2003, the Foundation had received 468 project applications, of which 147 (31.4%) have been funded. Total funds sought were \$191,296,183 (an average of \$408,752 per project) of which \$17,062,381 has been granted. The Foundation has funded 8.9% of funds sought by grant applicants. The average project funding was just over \$116,000 which is 28.4% of the average of the total funds (\$408,752 per project) sought via project applications. Treatment and rehabilitation programs received around 46% of funds granted and prevention and public education projects received about 40% of funds granted.

Programs targeted to Indigenous peoples received over 27% of the funding granted while projects targeted to youth received about 43% of the funds granted. Thus, the Foundation has met its mandate of spending over 20% of funds on projects targeted to Indigenous people. There were 161 applications to the value of \$60,891,725 targeted to Indigenous peoples. Of these, 52 (32.3%) were funded, with \$4,704,374 being committed. Thus, the percentage of funds allocated represents 7.7% of the funds applied for. Projects targeted to Indigenous people were funded at an average level of about \$90,500. Small grants projects received average funding of about \$10,500, and treatment and rehabilitation projects received average funding of about \$229,500.

The average processing time for applications to date on the basis of the data we have scrutinised has been 107 days. As of June 2003 there were 76 applications pending a decision. Of these, 34 (approximately 45%) already had processing times in excess of 12 weeks (84 days) from lodgement of application. The waiting period in excess of 84 days for this group of applications was an additional 133 days. The number of projects taking longer than 12 weeks for processing was greatest in the research category (93.3%), followed by prevention and public education (69.2%), small grants (42.9%), scholarship and workforce development (25% and treatment and rehabilitation (16%).

Thirty one projects had been completed to 30 June 2003. Data from the paper files kept on these projects indicated that the average net cost of these projects was \$12,122, with workforce development projects having the lowest average of \$2,070 and sponsorship grants having the highest average (\$22,209). With the exception of one project, all projects reported in this section commenced prior to the end of March, 2003. The highest proportion of completed projects (42%) were in the scholarship category. There was only one (3.2%) completed project in both the demonstration category and in treatment and workforce development category.

More than half (54.8%) completed projects had not provided any supporting evidence for their application, with the highest proportion of these being in the scholarship category (69.2%) and the sponsorship category (66.7%). Some evidence was provided by 13 projects (41.9%). Only one project was considered to have provided a rigorous evidence base and this was in the treatment category. These projects were also assessed to determine whether they met Foundation objectives, with three of the 31 (10%) appearing not to meet any of these. Only two completed projects were subject to external evaluation. This is probably due to the small scale of projects and the early stage of the Foundation's operation. All but one project reported outputs using the standard format (or a variation of this) provided by the Foundation. However, it was very common for outputs to be defined as the provision of a project report, financial accountability documents, and other administrative material. Only four of the 31 projects reported outcomes arising from their work.

Resource intensity (that is, cost per person or organisation participating in the activity) was calculated. Prevention and Public Education activities reported the highest average reach (300 people). The cost per person of these activities was \$47. The lowest average reach (two people) was for scholarships which also had the highest average resource intensity (\$3570), reflected by the fact that these projects were generally to fund individuals to attend conferences. Funded treatment and rehabilitation programs, on average, reached 20 people and cost \$707 per person.

Files of 94 funded projects that had not been completed were also analysed. The average cost of this group of projects was about \$111,000. The maximum grant was just over \$1 million, in the partnership category, while the minimum grant was in the scholarship category at less than \$2,000. The highest average grant level was in the demonstration category (approximately \$353,000) and the lowest in the scholarship category (approximately \$25,000). Partnership projects received the largest proportion of funding (nearly 30%) with the lowest share going to scholarships (4.5%). Twenty one projects (22%) were scheduled to have been completed prior to 30 June 2003 but had not been finalised up to 31 July 2003. The period between scheduled completion of these 21 projects and 31 July 2003 ranged from 31 to 392 days, with an average of 234 days. Of these projects, 16 had been scheduled for completion more than 100 days prior to 31 July 2003.

Approximately one-third of funded but not yet completed projects (32%) included a strong evidence base in support of the application, less than a third (26%) demonstrate 'some' evidence base, and more than a third (38.3%) demonstrate no evidence base. Three-quarters of projects in the sponsorship category and 68% of scholarship applications did not exhibit an evidence base, whereas all demonstration projects exhibited at least some evidence base. Six of these projects did not appear to meet any of the Foundation's objectives. Six projects were proposing to undertake an external evaluation, and only 23 projects (24.5%) identified impacts or outcomes to report on at the conclusion of the project.

5. Discussion and conclusion

The Board of the Foundation was appointed in July 2001, and the Chief Executive Officer began on 15 October 2001. Since this time, the Foundation has established both the secretariat and associated organisational structures and processes and administered funding rounds in 2002 and 2003.

The Foundation's objectives are clearly specified in the Alcohol Education and Rehabilitation Foundation Special Account Act (2001) and these essentially frame the mission of the Foundation, although there is no mission statement per se. Essentially the Foundation is to:

- Prevent alcohol and other licit substance abuse, particularly among vulnerable populations
- Support evidence-based treatment, rehabilitation, prevention and public education programs
- Promote responsible consumption of alcohol and the dangers of licit drug misuse
- Promote public awareness of the work of the Foundation and raise funds from the private sector
- Provide grants to organisations to deliver the services referred to above.

The Board established a set of principles to underpin the operationalisation of these objectives. These pertain to: (1) sustainability; (2) evidence base; (3) collaboration rather than intervention; (4) enhancement rather than replacement; (5) a balanced approach addressing causes and symptoms, individuals and environments; (6) capacity building and community engagement; (7) transparency and accountability; (8) promoting consensus and common aims; (9) cultural responsiveness; (10) acknowledging the importance of social justice; (11) Independence. These principles were further refined and expressed as 10 'operational principles' at the Strategic review of the Foundation in November 2002. The existence of two sets of principles has the potential to create some confusion for the sector.

5.1 GOVERNANCE AND STRATEGIC DIRECTION

Members of the Foundation's board are high profile individuals who bring a range of skills and expertise to the organisation, including in the area of alcohol and licit drug misuse. The Board has established the appropriate governance committee structure to enable it to meet its fiduciary obligations. The Board is highly involved in both setting the strategic direction for the organisation and in the operational aspects of the organisation through participation on sub-committees for assessing grant applications (this is discussed further in section 5.3). Given the limited time of board members and the challenges in strategically positioning the Foundation so that it achieves maximum social impact and is sustainable post 30 June 2003, it may be beneficial for Board members to focus on the strategic direction of the Foundation and participate less in assessing grant applications (also see sections 3.3, 3.4 and 3.5).

It is critical to the future of the Foundation that Board members are not perceived to be operating in their own interests or in the interests of other board members. Having grant application assessment committees made up of Board members opens the possibility for this perception to arise. Consequently we suggest that an alternative process for assessing grants be developed, in which board members have a less hands on role (this is discussed further in section 5.3). At the very least Board members should not participate on any of the sub-committees which assess grants in the categories in which in which they, or their organisation, have submitted an application. The full Board should still endorse any recommendations for funding grant applications.

Recommendation 1: The Board focus more on the governance and monitoring of the Foundation, and participate less directly in assessment of grant applications.

Recommendation 2: That Board members not participate in grant application selection sub-committees in the areas in which they, or their organisation, has submitted a grant application.

5.2 STRATEGIC DIRECTIONS

In 18 months the Foundation has achieved a great deal. It has been established, developed a strategic direction, identified key principles to underpin its work, developed funding categories and undertaken a strategic review. The Foundation has a Business Plan outlining its key focus until July 2005, and an operational plan covering the period October 2001 – October 2002. While it identified priority foci for each of the target areas to be funded during 2003, it does not have a current strategic or operational plan covering the period November 2002 - June 2005. It may be useful for the Board to establish a strategic plan for this period, particularly in relation to the sustainability of the Foundation and its work. The strategic plan should include a clear, concise mission statement, goals in each of its key priority areas and targets against which the work of the Foundation can be monitored.

Recommendation 3: The Foundation develop a strategic plan for the period 01 July 2003 – 30 June 2005. This should include a mission statement, goals in key priority areas and targets against which the work of the Foundation can be monitored.

The Foundation has established good practice in reviewing its operation after one year, and demonstrated its capacity to identify changes required to improve its strategic impact and implement those changes in a short period of time. Key areas reviewed were the funding rounds and the Foundation's principles.

The first funding round utilised seven categories that were essentially types of grants, rather than grants targeting one of the Foundations key priority areas. Organising grant categories in this way could have created a number of difficulties for the Foundation. These include:

- Not labelling the grant category by key priority areas could have created the potential for the receipt of a large number of inappropriate applications.
- As different sub-committees assessed each type of grant (rather than focusing on a key priority area), it could have been difficult to monitor expenditure in each of the target areas.

In addition, organisations and individuals were invited to submit applications for grants at any time. This created difficulties for the Foundation in assessing grants and also limited their capacity to fund strategically.

The review of funding categories appears to have been a productive process which enabled the Foundation to better align its funding categories with its objectives. In addition, the Foundation further defined the priority areas for each category, which could enable the Foundation to increase the strategic focus of its grant-making. Similarly, introducing closing dates for funding rounds will assist the Foundation in identifying the most effective projects to fund in each category. However, the priority areas as advertised in March 2003 are still very broad and could be further focused and tied to specific goals which would need to be determined by the Foundation (see recommendation 3).

The strategic review and consequent priority setting in each of the four main funding categories resulted in two additional sets of principles (operational principles and general principles) as well as some broad priorities for each funding category. The number of sets of principles and priorities has the potential to create confusion, especially in a sector that appears to have a limited capacity to make applications for grants. In addition, when the funding rounds were announced in May, some of the categories had further defined foci (for example, while there are four priorities in prevention and public education, the funding round was targeted to promotion of the standard drinks message), again having the potential to cause confusion.

Recommendation 4: The Foundation maintain the four key funding categories and further define the priorities in each category. Ideally, the priorities in each category should be tied to specific goals determined by the Foundation

5.3 MANAGING OPERATIONS

The MOU between the Government and the Democrats outlines that in the first year the Foundation has to spend at least 30% of the funds it received that year on treatment and rehabilitation, 10% on public education, and 20% on prevention. While neither the Act under which the Foundation is established nor the Funding Agreement specified that funds had to be expended in the first year, the intent of the MOU created some urgency for the Foundation to become a grant-making body as quickly as possible. While most of the secretariat staff did not start work until early December 2001, which was after the announcement of the categories (as identified in the Business Plan) for the funding round in November 2001, the first funding round was opened on in February 2002. This meant that staff had to establish Foundation processes for seeking, assessing and administering grants almost simultaneously with actually receiving and assessing applications. This represents a very large work load for seven staff assisted by the Board. Consequently, while the Foundation has established the requisite structures and processes, they may not be as efficient as they may otherwise have been, as is indicated by the delays in processing grant applications and in getting project reports from completed projects.

As specified in the Business Plan, Secretariat staff were recruited to undertake administrative roles, such as office management, financial systems management and marketing and grants administration. The staff are competent in their professional spheres, however, the recruitment focus on administrative processes has meant that there are no staff members with expertise in the content areas of the Foundation. This expertise was provided by Board members, many of whom were appointed specifically because of their extensive expertise in the alcohol and licit drug field. Consequently, Board members, through their participation on grant selection sub-committees, carry a very high work load associated with the selection and approval of applications for funding. This contributed to some delays in the processing of grants in the first year and may not represent the best use of the limited time of Board members.

The Foundation could consider developing alternative or supplementary processes for the assessment of proposals in each category. One strategy might be to develop more targeted application pro-formas which enable projects to be ranked against Foundation objectives. (Stage 2 of this evaluation should assist with the development of some of the criteria to be included on pro-formas.) This ranking could then be undertaken by secretariat staff and the ranking with a summary of the project proposal provided to the relevant sub-committee. The role of sub-committee members is to ask questions and for further clarification if required before making their recommendations to the Board.²⁶ (This is similar to the process used by VicHealth for its Sport Program small grants funding round. A summary of this process is included at Appendix 10). A second strategy would be to broaden the membership of sub-committees so that each one consists of one or two board members, sector representatives with appropriate expertise and possibly individuals who have formerly been misusers of alcohol and licit substances. A more time consuming option, and one that has been developed for the Research sub-committee, is to send all applications to peer reviewers. This latter option has the disadvantage that it may be difficult to identify appropriate reviewers and it may increase the time required to assess applications. The Board should still have to endorse all recommendations for funding.

Recommendation 5: To increase the efficiency of the grant-making process, the Foundation develop assessment processes which reduce the workload of Board members. This could include combinations of the following:

- **Developing more targeted proformas to enable secretariat staff to rank proposals;**
- **Broadening committee membership to include one or two Board members, relevant sector representatives and potentially individuals who have been former misusers of licit substances and alcohol;**
- **Peer review processes**

Recommendation 6: The Foundation acquire content expertise within the secretariat to facilitate improved application content and reduce the workload of the Board. This could be done by either engagement of contractors or consultants, or by direct employment of staff qualified in the alcohol and licit drug misuse areas.

The Foundation gains some flexibility by being able to fund small projects (up to \$20,000) at any time. However, these grants may have limited capacity for social impact and consequently, the Foundation should adhere to the statement in its Business Plan that 10% of funds would be available for small grants. In addition, the availability of these grants should be clearly advertised with clear guidelines describing the scope and requirements of these grants to ensure transparency in small grant allocation.

Recommendation 7: Guidelines should be developed outlining the scope and requirements of small grants and these should be clearly advertised. In addition, the percentage of funds allocated to these grants should be capped.

5.4 GRANT-MAKING

To 2 June 2003 the Foundation had received 468 applications for a total of \$191,296,183. Of the grants received, 31.4% were funded to the value of \$17,062,381. Thus, only 8.9% of the funds applied for have been granted (see section 4.2.1). To 2 June 2003, the Foundation would have received a total of \$34 million from the Commonwealth as per the arrangements for payment specified in the Funding Agreement (see section 1.3), thus limiting the value of grants it could make.

However, in addition to the limitations on the funds available, it appears that a significant proportion of the applications for grants were also not appropriate for the Foundation to fund. This includes because they: were for projects/ programs that should be the responsibility of Commonwealth, State and Territory governments; were not well targeted; did not meet Foundation objectives; or were not well enough developed. That the Foundation will not fund projects that represent cost-shifting should be consistently re-enforced.

Of the funds committed by the Foundation to 2 June 2003, 27.6% goes to projects targeting Indigenous people (see section 4.2.1). Thus, to date the Foundation has met its mandated requirement of spending at least 20% of its funds on these projects. However, only 32.3% of the applications received targeted to Indigenous peoples were funded and this allocation was only 7.7% of the funds applied for. This would indicate that the Foundation is receiving a significant number of applications in this area that do not meet its objectives and/or funding guidelines. This is potentially due to a lack of time and capacity in organisations working with Indigenous communities; in particular smaller organisations and those organisations in remote communities. The Foundation should develop means of supporting these organisations to develop both appropriate submissions and the capacity to seek grants in the future.

Recommendation 8: That the Foundation provide assistance to small organisations (particularly those representing Indigenous people) to enable them to submit high quality grant applications. Strategies could include:

- **Developing, or funding the development of a kit, with a particular focus on proposal development and evidence and evaluation.**
- **Employing individuals with relevant expertise to work with small organisations to develop proposals and evaluate their work. This could be done by engaging consultants or contractors located in relevant geographical locations, or through paying staff from larger regional organisations, to support and develop the capacity of smaller organisations.**
- **Utilise contractors to develop and deliver training sessions (preferably interactively) focused on improving the capacity of organisations to design high quality projects and well designed funding submissions.**

Recommendation 9: That given the apparently limited capacity of the sector to respond to the Foundation's objectives in grant applications, it may be beneficial for the Foundation to consider commissioning sector-wide projects (particularly projects focused on capacity building, workforce development and/or community development) in key strategic areas.

²⁶ This process is similar to one adopted by VicHealth in its Sports Program

There appears to be significant delays in assessing grants in some cases, particularly in the research and prevention and public education areas where 93.3% and 69.2% respectively, take longer than 12 weeks to process. On average, about 45% of projects take longer than 84 days to process (and on average the extension is for a further 133 days). A small proportion of treatment and rehabilitation grants (16%) are delayed on average for the longest periods to date. It is our opinion that 84 days (12 weeks) between receipt of applications and their finalisation would be a pragmatic turn around time for the Foundation, based on a funding cycle in which there are four funding rounds in each year. Within such a system the maximum use of resources could occur with the Foundation dealing with each funding round prior to commencing the next.

This could be addressed through reducing the work load of board members in assessing grant applications and improving grant assessment processes and is addressed in recommendations 1 and 5 in the previous sections.

5.5 Findings and recommendations – evidence, evaluation and outputs

As at 2 June 2003, 31 projects were registered as completed by the Foundation with all reporting requirements finalised. Analysis of data on completed projects demonstrates that a large proportion of these projects were small grants of, on average \$5767 to support scholarship. Of these projects just over 45.1% provided some evidence to support their application. Given that the Foundation was in establishment stage it is not unreasonable that a large number of the completed grants were small. In addition, a large number of these grants were in the scholarship category to support attendance at conferences, where a comprehensive evidence base could be considered as unnecessary to the success of the application. However, it will be critical for the Foundation to ensure there is a solid evidence base (or in the absence of an evidence base an evaluation strategy) for funded projects.

The funded but not completed projects include projects funded to a higher level and for a longer period of time than the completed projects. The proportion of these projects with an evidence base is also higher (61.7%). This could indicate an improvement in the project submissions or that larger grants going over longer periods were required by the Foundation to have a higher evidence base. However, we do note that some large grants were still funded in the absence of a significant evidence base.

In relation to achieving its strategic goals, it is important that the Foundation fund projects consistent with its objectives and it appears from analysing completed projects that this has been achieved. Only two of the completed projects were externally evaluated and many project outputs were defined in terms of project reports, financial accountability documents and other administrative material rather than outcomes. Again, this could be associated with the small size of many of the applications and with the establishment phase of the Foundation. However, in order for the Foundation to meet its objective to support evidence-based treatment, rehabilitation, research and prevention programs more rigorous evaluation of funded projects may be required. In addition, projects should be asked to report on outcomes (as well as outputs).

Recommendation 10: That the Foundation increase its requirement for an evidence base to support project applications, particularly for large grants. Where evidence is not available, applications must incorporate a rigorous evaluation strategy. Application forms should be adapted to reflect these requirements.

Recommendation 11: That the Foundation develop a strategy to support capacity for evaluation and use of evidence across the sector.

Recommendation 12: That assessment forms used by secretariat staff be modified to ensure that:

- **Applications are seen to conform to the Foundation's objectives;**
- **Applications include evidence of the potential effectiveness of proposed projects where this is possible;**
- **Applications indicate the proposed measures of impact and outcome, as well as specifying outputs.**

Twenty one (22%) of the 94 funded but not completed projects had been scheduled for completion prior to 30 June 2003, and had not yet been reported on. There are significant delays (on average 234 days to 31 July 2003) for many of these projects. The secretariat has followed up these projects and identified a number of reasons for this, including that they are for small grants and while the financial acquittals have generally been received, the project report has not been received. In some cases this is due to personnel leaving the organisation and in others there may be a limited capacity for organisations and individuals to evaluate and report on activities. The Foundation may need to implement capacity building activities to assist projects with the latter (see recommendations 8 and 11). We also note that some of the projects have completion dates beyond July 2005. While the Foundation may exist beyond this date (due to the establishment of the public fund and as only 80% of the funds allocated have to be spent by 30 June 2005), the Foundation has to report on social impact and cost-effectiveness of its activities to 30 June 2005. Consequently, all projects funded beyond 30 June 2005 should be required to provide a substantive report by 30 June 2005.

Recommendation 13: That all projects funded beyond 30 June 2005 be required to provide a substantive report on their work by 30 June 2005.

Consistent with its strategic objectives, the Foundation is establishing partnerships with governments and large organisations to jointly fund large projects. To date, all of these policy partnership grants have been over \$1million (see section 3.5.4). In order for the Foundation to demonstrate social impact and cost effectiveness of its work it is critical that the programs and activities funded by such grants be rigorously evaluated, preferably by an external evaluator.

Recommendation 14: That all projects and programs receiving large grants be required to undertake rigorous evaluation to demonstrate social impact and cost-effectiveness, preferably by an external evaluator.

5.6 CONCLUSION

The Foundation has undergone a rapid establishment phase, during which a number of systems have been put in place, and during which it has funded a comparatively large number of often interesting and innovative projects. To date, it appears to have met all mandated requirements and is improving its operations to ensure its grant-making is likely to produce impacts and outcomes aligned with its strategic objectives. The strategic possibilities arising from the Foundation's emerging priority for policy partnerships is likely to provide excellent leverage of funding and the development of highly synergistic relationships between government, non-government organisations, and the community.

The Foundation's strategic review undertaken in November 2002 generated a number of positive developments and has assisted in orienting the Foundation towards a more strategic and, in our view, potentially more productive phase of its operations. Staff of the Foundation are highly professional and administratively well-skilled, and have provided a stable base for the establishment of the Foundation, and its rapid deployment of substantial grant funds, although we note that the lack of staff with experience in the drug and alcohol field may be a barrier to a more effective and strategic approach to the Foundation's objectives.

At this early stage of the Foundation's operation, it is not yet possible to comment substantively on the social impact of programs that have been funded. However, the strategic directions adopted by the Foundation allow for a number of initiatives that have the potential to make a significant social impact to reduce the harm associated with alcohol and solvent misuse. In particular, the Foundation has recently entered into a number of substantial partnership agreements which have the potential to produce longer term, sustainable outcomes with a population impact.

The evidence which was available to the evaluators suggests that effective monitoring strategies for funds expenditure and project progress have been put in place by the Foundation as required. Furthermore, the Foundation has taken appropriate steps in its funding approach to favour projects where there is evidence that harm associated with alcohol and solvent misuse will be investigated or addressed.

5.7 SUMMARY

Members of the Foundation's board have high profiles and bring a range of skills and expertise to the organisation, including in the area of alcohol and licit drug misuse. The Board has established an appropriate structure to enable it to meet its fiduciary obligations. The Board is highly involved in setting the strategic direction for the organisation and in assessing applications for grants. Given the limited time available to Board members and the challenges in strategically positioning the Foundation to achieve maximum social impact, cost effectiveness, and sustainability, it may be beneficial for the Board to focus on the strategic direction and less on assessing applications for grants. A second advantage of this approach would be that there would be no room for the perception of conflict of interest of Board members in making funding decisions.

In the 18 months of its operation the Foundation has been established, developed a strategic direction, identified key principles to underpin its work, developed funding categories, implemented two funding rounds and undertaken a strategic review. While the Foundation has a Business Plan, it does not have a current strategic or operational plan and it may be useful to develop one, especially in relation to the sustainability of the Foundation and its work.

The Foundation has developed good practice in reviewing its work after one year of operation, a process which enabled it to align its grant-making more closely with its strategic direction and objectives.

The secretariat staff are professional and competent and have achieved a great deal in the over the last 18 months. The Business plan specified that secretariat staff should be employed to undertake administrative roles rather than have content knowledge, which was to be provided by the Board. Consequently, Board members carry a high work load associated with the selection and approval of applications for funding and may not be the best use of Board member time. To maximise the use of the time of Board members the Foundation should consider employing some staff members with content knowledge and revising the grant application selection process.

In addition to its fixed funding rounds, the Foundation funds small grants which can be applied for at any time and have an expedited selection process. While this provides the Foundation with some flexibility, these grants may have limited capacity for social impact and consequently the Foundation should cap the funds spent on these projects. In addition, the availability of these grants should be clearly advertised with clear guidelines to ensure transparency in small grant application.

Already, the Foundation has received applications for more funds than it will have access to by June 2005. It appears that a significant proportion of these applications for grants have not been appropriate for the Foundation to fund, either because they have been for projects/ programs that should be the responsibility of governments, or because the applications were not well targeted, did not meet Foundation objectives or were not well enough developed. There appears to be a limited capacity within the sector to develop project proposals and appropriate evaluation strategies, and the Foundation might want to consider developing programs to address these issues.

In order to achieve its strategic goals and demonstrate social impact and cost effectiveness it is important that the Foundation fund projects consistent with its key objectives and it appears that this has generally been achieved. However, in order for the Foundation to meet its objective to support evidence-based treatment, rehabilitation, research and prevention programs more rigorous evaluation of funded projects may be required and projects should be asked to report on outcomes as well as outputs. To this same end, all projects that are funded beyond June 2005, the initial period of operation of the Foundation should be asked to provide a substantive report at 30 June 2005.

In conclusion, the Foundation has undergone a rapid establishment phase, during which systems have been put in place and it has funded a comparatively large number of often interesting and innovative projects. To date, it appears to have met all mandated requirements and is improving its operations to ensure its grant-making is likely to produce impacts and outcomes aligned with its strategic objectives. At this early stage of the Foundation's operation, it is not yet possible to comment substantively on the social impact or cost effectiveness of projects that have been funded, however, the strategic directions adopted by the Foundation allow for a number of initiatives that appear to have the potential to produce longer term, sustainable outcomes with a population impact.

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7. Appendices

APPENDIX 1: Indicators of effective grant-making developed by the Centre for Effective Philanthropy

		METRICS	KEY QUESTIONS
Beneficiary measures (focus on outcomes achieved for ultimate beneficiaries)	Achieving Impact	Program Objectives	What is the aggregated impact directly caused by all our programs? Have we been successful in meeting program related goals?
		Grant Objectives	Are we selecting the grantees who can best achieve impact? What impact can we attribute to this grant? Did this grant successfully meet our goals?
Intermediate measures		Strengthening Grantees	Are we improving grantee effectiveness?
		Funding influence/leverage	Did we influence others to fund our grantees?
		Field effects	Have we advanced the field by influencing thinking of policymakers, funders, thought leaders, or the public?
Foundation measures	Setting the agenda/ strategy	Focus areas	Have we identified appropriate program areas to concentrate on?
		Goals	Are our goals in each area clear and achievable?
		Approach	Have we selected the best approach (theory of change) in each area to reach our goals?
	Managing operations	Consistency with objectives	Have we adhered to our stated strategy?
		Grantee selection process	Is our selection process clear and uniformly implemented?
		Grantee interactions	Are we responsive to our grantees and do we treat them fairly?
		Staff recruiting, review and retention	Are staff satisfied, qualified and high performing?
		Administrative expense	Are our administrative costs appropriate to our activities?
		Endowment investment performance	How well have we managed our financial assets? Do our investments conflict with or further our social mission?
	Optimising governance	Accountability	Is leadership held accountable for performance?
		Stewardship	Is the board of directors fulfilling its fiduciary responsibilities?
		Active engagement	Are we using the expertise of our board members to further the foundation's goals?

APPENDIX 2: Data grid for scrutiny of the Foundation's files

Completed projects:

NAME OF DATA FIELD	DEFINITION
F-File	Identifying 'f' file number
G-File	Identifying 'g' file number
Category	Major funding category of project
Sub-category	Any secondary categorization of project
Foundation Obj. 1	The first Foundation objective identified as relevant to the project
Foundation Obj. 2	The second Foundation objective identified as relevant to the project
Name/Org	The Name of the applicant organisation
Partner/s	Any partners associated with the application
Foundation \$ n.i. GST	The amount of funding provided by the Foundation, less GST
Evidnc. Base?	An assessment of the extent to which the application was supported by an evidence base relating to the likely efficacy of the project
EB comments	Any comments relating to the evidence base (if any) identified in the previous category
Start	The project's agreed start date
Finish	The project's agreed date of conclusion
Ext Eval?	Whether the project had been subjected to an external evaluation
Activity/ies	A summary of activities taken as components of the project
Output/s	Any identified outputs of the project
Reach	Any estimation or record of the number of individuals and/or organisations (if appropriate) participating or involved in project activities
\$ per reach	Our calculation of the average cost (resource intensity) of the project in relation to the reach
Outcome report?	Our assessment of the extent to which project outcomes were reported
Outcome comments	Any comments we noted in relation to outcomes of the project
Foundation \$ ret	The amount of any funding returned to the Foundation unspent
Net Foundation expend	Our calculation of the net cost of the project (Foundation \$ less funds returned)

Funded, but not yet completed projects

NAME OF DATA FIELD	DEFINITION
G-File	Identifying 'g'-file number
Status	Project status – e.g., 'funded but not completed'
F-File	Identifying 'f'-file number
Category	Major funding category of project
Sub-category	Any secondary categorization of project
Foundation Obj. 1	Project meets first Foundation objective
Foundation Obj. 2	Project meets second Foundation objective
Foundation Obj. 3	Project meets third Foundation objective
Foundation Obj. 4	Project meets fourth Foundation objective
Obj. N	Number of Foundation objectives the project meets
Name/Org	The name of the applicant organisation
Partner/s	Any partners associated with the application
Foundation \$ n.i. GST	The amount of funding provided by the Foundation, less GST
Evidnc. Base?-	An assessment of the extent to which the application was supported by an evidence base relating to the likely efficacy of the project
EB comments	Any comments relating to the evidence base (if any) identified in the previous category
Start	The project's agreed start date
Finish	The project's agreed date of conclusion
Ext Eval?	Whether the project would be subjected to an external evaluation
Activity/ies	A summary of activities to be undertaken as components of the project
Proposed Output/s	Any identified outputs of the project
Reach (N)	Any estimation or record of the number of individuals and/or organisations (if appropriate) participating or involved in project activities
\$ per reach	Our calculation of the average cost (resource intensity) of the project in relation to the reach
Outcome report? useful reporting	Our assessment of the extent to which proposed project outcomes were framed to allow for useful reporting
Outcome comments	Any comments we noted in relation to proposed outcomes of the project
Foundation \$ ret	The amount of any funding returned to the Foundation unspent
Net Foundation expend	Our calculation of the net cost of the project (Foundation \$ less funds returned)
Indigenous	Whether the projects were undertaken by or on behalf of Indigenous people and/or their communities

APPENDIX 3: Informing Principles of the Alcohol Education and Rehabilitation Foundation

1. *Sustainability:* The Foundation will fund projects that produce longer term change rather than one off projects. In addition, the Foundation will identify how it can become sustainable after 2005
2. *Evidence Based:* The Foundation will utilise existing evidence about the extent of issues, problems or needs and about the effectiveness of proposed interventions to guide decision making.
3. *Collaboration rather than intervention:* The Foundation will work with governments, organisations and local communities to identify responses that are appropriate to those involved, and may join with others in funding or supporting such responses.
4. *Enhancement rather than replacement:* In order to maximise effectiveness, collaboration and sustainability the Foundation will work to complement existing initiatives, programs and services rather than develop competing options. The Foundation will work with governments to support their current work but will not replace government funding.
5. *A balanced approach addressing causes and symptoms, individuals and environments:* As a range of factors contribute to alcohol and volatile substance misuse, the Foundation will attempt to provide a balance between addressing specific contributing factors, broader environmental factors and provision of harm reduction initiatives for individuals and communities.
6. *Capacity building and community engagement:* The Foundation will support increased community engagement and capacity building within local organisations to increase effectiveness of activities and to create awareness and ownership of problems.
7. *Transparent and accountable:* The Foundation's decision making processes will be transparent and the Foundation will be accountable for outcomes achieved through these processes.
8. *Promoting consensus and common aims:* The Foundation will increase community understanding of the extent and nature of alcohol related harm and promote support for a wide range of strategies to reduce this. This approach will encourage a diverse range of groups and the broader community to share common aims and increase community support for the objectives of the Foundation.
9. *Cultural responsiveness.* The Foundation acknowledges that patterns of alcohol use and misuse are often associated with different cultural beliefs and behaviour and will only fund initiatives that demonstrate awareness of cultural values and ensure cultural sensitivities are identified and addressed.
10. *Acknowledging the importance of social justice.* The Foundation recognises that alcohol and volatile substance misuse is more common amongst disadvantaged and marginalized groups and that addressing disadvantage may be a core component of some of the work addressing alcohol related harm. Recognition of social equity factors is important if Foundation supported initiatives are to be effective.
11. *Independence.* The Foundation will remain independent from political process, vested interests and the direct influence of government in order to obtain and maintain community support.

APPENDIX 4: Grant options specified in the Business Plan for the period 1 October 2001 to 1 October 2002

GRANT OPTION ¹	ELIGIBILITY	FOCUS/ SPECIFICATIONS	TIME
Seed funding/ Development Grants	All stakeholders ²	Available to organisations and communities to identify whether a need actually exists for more detailed project support	Up to 2 years
Community Partnership Grants	Generally require two or more organisations to collaborate	The focus is on communities with high need where it is difficult to obtain adequate resources and where projects would involve funding specialist support in developing, implementing and evaluating work	Up to 4 years
Demonstration Project Grants	All stakeholders	The focus is on funding projects trialling new approaches or modifications of existing approaches where evidence of need exists and likely benefits can be identified. These projects will include a rigorous evaluation strategy, a review of replicability and an external review process	Up to 4 years
Research Grants	All stakeholders	Focus on the objectives of the Foundation. Involve peer review and ethical review processes	Up to 4 years
Sponsorship Grants		Targeting promotion of the Foundation's objectives through sporting, art and cultural activities within a broad range of communities	Up to 2 years
Scholarships, fellowships and workforce development grants	Organisations and individuals	Focus on building capacity to address alcohol and other licit substance abuse. Scholarships include provision of funding to an individual for professional development; fellowships include enhancing capacity of individuals to provide leadership; and workforce development includes funding for organisations to employ a professional to provide training.	Up to 3 years
Policy Partners		Focus on developing partnership projects with State and Territory governments, key national and regional policy groups and corporation	Up to 3 years

¹ Information about these categories from the Foundation's: *Need Funding Assistance* Brochure has been added

² all stakeholders include communities, service providers and researchers

Note: all grants were to be allocated in accordance with the prescribed percentages of total expenditure detailed in the MOU.

APPENDIX 5: Priority areas and grants available in the four funding categories advertised in 2003.

CATEGORY	PRIORITIES/ FOCUS – MARCH 2003	PRIORITIES (MAY 2003) AND FUNDS AVAILABLE	TOTAL FUNDS	CLOSING DATE
Prevention and public education	<ol style="list-style-type: none"> 1. Support communities to develop local strategies to enhance the reach and effectiveness of the National Alcohol campaign relating to standard drinks 2. Sponsorship for activities with a theme/ message directly promoting responsible consumption of alcohol and the dangers of licit substance abuse 3. Diversion of people with alcohol and licit drug problems from the criminal and juvenile justice system to preventive treatment, rehabilitative and educational interventions (with a focus on vulnerable population groups) 4. Whole of community programs focusing on alcohol and illicit substance misuse, which have a range of collaborative approaches, linkages and capacity building elements (and include evaluation) 	Small grants for projects to disseminate information about the National Alcohol Guidelines relating to a Standard Drink. Applications must adhere to Foundation guidelines and exhibit benefits to the community of the proposal.	\$1 million	2 July 2003 Applications will be assessed during July and recommendations considered at the August Board meeting
Scholarships and workforce development	<ol style="list-style-type: none"> 1. Workforce enhancement through professional development, peer support and mentoring programs, on-site learning and development and implementation of best practice models 2. Skills and knowledge of frontline workers to enable them to recognise and deal with alcohol and licit substance problems 3. Enhancement of effectiveness of organisational responses to alcohol and licit substance misuse 4. Collaborative interdisciplinary partnerships between organisations 5. Role of managers and policy makers in determining the shape and nature of the workforce 6. All applicants are required to provide evidence of: current skills deficit (its nature and need for particular skills); that the approach will attract and engage participants and increase their skills; that participants will be retained within the organisation or field; that training is appropriate for accreditation under relevant schemes or standards. 	Grants available in the following areas: Scholarship (applications from those wishing to undertake a range of types of study, preferably those who have some experience in the health care sector, related to alcohol and licit drug area). Mentoring (for those wishing to establish mentoring programs in workplaces) Workplace exchanges (for those who are experienced in working in the alcohol and drug area and are interested in sharing or enhancing their experience by undertaking an exchange to work with other organisations)	Up to \$3 million (projects to commence in 2004)	30 May 2003 Applications assessed during June/ July and recommendations considered by the Board in August
Treatment and rehabilitation	<ol style="list-style-type: none"> 1. Treatment and rehabilitation includes the full range of interventions (not only residential programs) targeting individuals whose use of alcohol and/or other substances puts them at risk of experiencing or inflicting harm. 2. Utilisation of a range of evidence-based modalities (rather than a single modality) 3. While the emphasis is on evidence-based interventions, also encourage implementation and evaluation of innovative programs and services 4. Applications that incorporate findings from recent reviews of treatment and rehabilitation services (such as the importance of integration with alcohol and other drugs programs, ongoing evaluation and deficits in quality assurance) 	<ol style="list-style-type: none"> 1. Capital grants of up to \$250,000 for upgrades/ refurbishment of residential facilities (maximum of \$3million) 1. Grants up to \$250,000 for innovative programs addressing petrol sniffing and misuse of Inhalants (a maximum of \$1 million) 2. Grants to implement quality improvement programs in treatment and rehabilitation services (maximum of \$1 million) 	Up to \$5million	30 May 2003 Applications to be assessed in June and recommendations considered by the Board in August

(Cont.)

CATEGORY	PRIORITIES/ FOCUS – MARCH 2003	PRIORITIES (MAY 2003) AND FUNDS AVAILABLE	TOTAL FUNDS	CLOSING DATE
Treatment and rehabilitation	<ol style="list-style-type: none"> 5. Social equity and access and the need for services suited to a broad range of settings and circumstances (including residential and community based) 6. Funds for new or existing services will only be provided when there is a partnership with a long term funder such as government 7. Proposals including evidence-based long term follow up (which has been shown to enhance long term outcomes) 8. That detoxification and acute withdrawal programs differ from treatment and support and will be considered in partnership with other funders 			
Research	<ol style="list-style-type: none"> 1. Research in three areas will be supported: 2. Public health inducing education 3. Public policy issues 4. Service provision, especially to under-served populations with unmet need 5. Young people, Indigenous people and other vulnerable groups 6. To build the skill and knowledge base to improve health, social and personal outcomes for individuals and communities 7. In the public health area, research into the epidemiology of alcohol and licit substances such as harms, dynamics of use and harm in populations, economic studies and future projections will be supported 8. In public policy area research into the community's relationship to alcohol and licit substance use, those affected by the use of these substances and issues of supply and availability will be supported 9. In service provision research and evaluation of interventions (including innovative approaches), and research on efficacy, effectiveness and cost-effectiveness of responses to the problematic use of alcohol and licit substances will be supported 	As per previous column, with grants available in the three areas. Additional information provided on the website notified applicants the Foundation would need to be satisfied that the research:	\$2 million	30 June 2003 Applications assessed during September/ October and recommendations considered by Board In November
		<ol style="list-style-type: none"> 1. Is consistent with the objectives of the Foundation and the research priorities 2. Is innovative and significant 3. Has potential for enduring and widespread benefit 4. Aims can be achieved 5. Completion date is realistic and the method appropriate to the questions asked²⁷ 7. Understanding of methodology is demonstrated 8. Has sufficient priority and merit compared with other applications 9. Funds can be effectively administered 10. Is approved by an appropriate ethics committee 11. Has appropriate institutional support and access to the people to be included in the study 		

The website announces that in any of these categories 10% of the available funds would be allocated to small grants (up to \$20,000) for 'projects which may not be able to be funded from other sources'.²⁸

²⁷ As the Foundation is listed with the Australian Competitive Grants Register used by the Commonwealth Department of Education Science and Training to allocate funding under the Research Infrastructure Block Grants Scheme, Institutional Grants Scheme and Research Training Scheme, means that university infrastructure costs are not to be included in budgets.

²⁸ Alcohol Education and Rehabilitation Foundation, *Grant Applications* (web address), accessed June 2003

APPENDIX 6: Alcohol Education and Rehabilitation Foundation Operational Principles

The Foundation:

1. Is a strategic funder and will publish the priorities and criteria which will govern its funding decisions
2. Will not replace Government funding
3. Is fiscally responsible and will expect the same of all applicants for grants
4. Will only fund projects needing recurrent funding if there is an exit strategy
5. Gives high priority to increasing the understanding of alcohol related harm and the translation of that understanding into policy and practice
6. Gives priority to collaborative projects which enhance current evidence-based practice
7. Will favour projects which: demonstrate objectively a need; describe the proposed methodology or approach adequately; detail outcomes expected to be beneficial and achievable; include evaluation strategies that focus on outcomes which are measurable.
8. Gives preference to projects which address inequities caused by lack of access or by social disadvantage
9. Will not disadvantage projects focussing on young people and/or Indigenous communities, which deal with a range of substance use problems
10. Will give highest priority to projects with the potential for enduring and widespread benefit.

APPENDIX 7: Information required of grant applicants seeking funding during 2002.

CATEGORY	REQUIREMENTS	EVIDENCE REQUIRED	ORGANISATIONAL DETAILS, INCLUDING TRACK RECORD
GENERAL APPLICATION FORM			
General	1. Project details (name of project; type of grant sought; brief description of the Project including expected achievements, location and purpose) 2. Applicant details (information about the organisation, including name, address, contact details and description of core business) 3. Project Plan (including project overview with aims, expected results and how these results will be achieved; detailed budget, total funding requested from the foundation; evaluation; timeframe; and promotional/publicity material) 4. Supporting documentation (including annual and financial reports, endorsement letter, copy of incorporation certificate and management committee list and contact details).	Project overview: aims, expected results and how these results will be achieved. Evaluation plan – reflecting expected outcomes, achievements and methods to be used to evaluate Information provided by the Foundation emphasises that applications will be assessed against the Foundations key objectives.	Asks for name and address of organisation, ABN, is the organisation incorporated, description of core business.
SUPPLEMENTARY FORMS			
Community Partnership Grants	Generally involve two or more organisations for work where resourcing is difficult to obtain. Description of the partnership, the type of partnership and other information	Identification of a high need.	Description of organisations/ groups involved in the partnership (name, roles/ functions, contact details, letter of support)
Demonstration Grants	Description of project, type of activity, evaluation, other useful information, and other community projects completed by the organisation.	Description of the project, target audience, project aims and objectives Type of activity asks whether it is a new approach, use of existing activity (and is there any supporting evaluation material?) or if it is a modification of existing activity (and do modifications come from evaluation material?) Asks for methods of evaluation and/or performance indicators. Applicants are informed that they must include an external review mechanism	List other community projects/activities your organisation or group has completed and/or is currently involved in
Development Grants	A description of the activity, type of activity and other useful information		

continues

APPENDIX 7: Information required of grant applicants seeking funding during 2002. (cont.)

CATEGORY	REQUIREMENTS	EVIDENCE REQUIRED	ORGANISATIONAL DETAILS, INCLUDING TRACK RECORD
Research Grants	Research project details (including background, rationale, objectives, methodology), information about investigators, details of immediate workplace supervisor and professional referee, whether additional funding was being received, clearance requirements (including ethics committee clearance) and certification by organisation or individual with responsibility for undertaking the work.	Research project details ask for background, rationale, objectives, methodology. Applicants notified that they would be subject to rigorous peer and ethics review	Information about investigators, supervisor and professional referee
Scholarships and Fellowships	Relevant career details, proposed program details, referees, other funding, other information, and certification	Description of the Program and identification of how the Program meets the Foundation's objectives	Workplace supervisor, professional referee or PhD supervisor
Scholarship Grants, Workforce Development	Organisational details, program details, other funding.	Description of the work conducted by the organisation and how it meets the Foundation's objectives. Description of Program to include target group, objective, of training letter of endorsement from organisation, other relevant information	Outline the work of the organisation and how it relates to the Foundation's objectives
Sponsorship Grants	Description of the activity, type of sponsorship, other useful information, certification by representative of organisation or group	Description of activity (objectives should be realistic and measurable), project evaluation (ensure outcomes being evaluated correspond to the original program objectives), target audience, details of proposed partners and their experience with work that meets Foundation objectives, overview of organisation's experience in running similar programs/events.	Details of partners Details of experience in running similar events/programs

APPENDIX 8: Facts sheets developed by the Foundation to assist grant applicants

FACT SHEET	PURPOSE AND CONTENT	EVIDENCE
What, How and Why?	Aims to simplify the process of getting started with developing a grant application. Instructs applicants to think about the what (what you are going to do, what the outcome will be and what benefits will accrue to the target group), how (how you are going to do the work and sustain and evaluate it) and why (why you want to do the work, why it is necessary, why it is unique to your target group, why the community benefits from your activity and why you need to provide the service) of the work they want to do.	Underpinning question to applicants is: Why is what you want to do and how you want to do it going to meet a need with is evidence-based? The why questions are about evidence. <i>[ie: the focus is on the evidence about the problem, rather than the evidence about the effectiveness of the intervention]</i>
Incorporated or Unincorporated?	Describes the details about the organisation required by the Foundation to assist in assessing applications.	
Preparing a Project Plan	Provides basic information about what needs to be included in a project plan	Informs that proposals will be assessed against Foundation operational principles and should include an evaluation processes
Preparing a Project Budget	Outlines the information required in project budgets	
Evaluations	Outlines that evaluation of the aims of the project will be required and that there may be different requirements depending on the level of funding received. Outlines a range of tools that projects may use to monitor their project, including statistical evidence, surveys, media coverage, levels of community involvement, major accomplishments, societal or community change, attitudinal changes, crime statistics comparisons. Outlines that evaluation is important as a tool to launch new initiatives, to substantiate the need for further funding, to provide the evidence base for further development.	See column on the left
Keeping Records	Outlines the Foundation's requirements related to keeping records of expenditure and financial reporting	Includes that final report will require audited financial statements and results of project evaluation.
Establishing 'evidence of a need' - proof	Outlines the types of information that can be considered evidence, how applicants might identify the evidence relevant to their proposals and where they might obtain some of the evidence. Applicants from communities where the services to obtain evidence are limited were advised to contact the Foundation for further advice.	Outlines that evidence can include: <ul style="list-style-type: none"> • Referral statistics • Alcohol related crime statistics • Community facilities currently available • Consultant/council recommendations • Information provided by health representatives • Research on alcohol and substance abuse.
Why Promote?	Includes information about why promotion is important, methods of promotion, and how the Foundation will promote funded projects	

APPENDIX 9: Projects funded between February 2002 and June 2002

ORGANISATION	TYPE OF GRANT	PROJECT DESCRIPTION	FUNDS ¹
Announced by the end of February 2002			
NYP Women's Council Aboriginal Corporation	Development Grant	To present information to a coronial inquest on the deaths of three people from the Anangu Pitjantjatjara Lands and dissemination of the coroners findings to these communities	\$50,000
AFL Queensland-Cairns Kickstart Program	Sponsorship Grant	To purchase a bus to transport children from far north Queensland to football carnivals and to support the Crusaders under 12 team in the State Primary School Championships in Brisbane	\$120,568
Indigenous Festivals Australia (Croc Festivals)	Sponsorship Grant	Assist in production of seven events around Australia in 2002.	\$250,000
Announced between March 2002 and June 2002			
Victorian Alcohol and Drug Association	Development Grant	To bring representatives from member agencies across Victoria to a forum on managing problem alcohol and inhalant use among young people in Victoria	\$10,000
National Centre for Education and Training on Addiction (NCETA)	Scholarship Grant	To provide five scholarships to individuals to attend a symposium who otherwise would not have been able to attend	\$18,060
National Organisation for Foetal Alcohol Syndrome and Related Disorders (NOFASARD)	Scholarship Grant	To send a representative from Queensland to a conference of foetal alcohol syndrome in Canada	\$3,795
Queanbeyan City Council	Sponsorship Grant	To conduct a seminar: "The Responsible Serving of Alcohol Day"	\$1,949
		Sponsored a student to attend a short course at Deakin University on social epidemiology and social determinants of health	\$2,382

¹ All figures are exclusive of GST

APPENDIX 10: Process for assessing grant applications used in the VicHealth Health Through Sport and Active Recreation Program

The VicHealth Health Through Sport and Active Recreation Program has several different funding programs, including the Portable Shade for Sports Clubs Program , Sports Injury Prevention Program and the Active Participation grants which include Local Grants of up to \$3,000 or Partnership Grants up to \$30,000 . The total amount allocated under each of these schemes varies from \$500,000 - \$650,000 per annum). The process for administering small grants is as follows:

- The funding round and closing dates are advertised. (There is normally a period of around 8 - 10 weeks when a funding round is 'open')
- Clear questions are included on application forms which are distributed together with the guidelines outlining the criteria (usually the same document). These questions on the application form are directly related to the selection criteria and particular program rationale.
- Submissions are received and information from them is entered into a data base developed for the funding round.
- Submissions are ranked using the answers provided to the questions on the application form (this is the first stage of filtering applications). The answer to each question will be given a score or weighting, for example, 2 points if there is a clear match between the criteria and the application, 1 point if there is some match and 0 if there is no match. The ranking is done either by VicHealth staff, or automatically by a database developed specifically for this funding round (database rankings are done by entering the answers to questions into a database and then using this data to weight the answers, resulting in an overall ranking).
- A second stage of filtering is introduced looking at the geographical spread of projects across Victoria. VicHealth is explicit about applying this type of filter and is accountable to applicants for doing this.
- Summaries of each project (generated from the database) and the list of rankings (with a recommended cut off point where the funds allocated to the funding round has been reached) are provided to an independent panel. This panel consists of one or two Board members and people with relevant expertise from the sector.
- The panel will review the projects and rankings, ask for more information or clarification if required and develop recommendations which are then submitted to the VicHealth Board for a
- This process takes anything from 3.5 months (Portable Shade for Sports Clubs Program, Sports Injury Prevention Program) through to 5 months for Active Participation - initial staff ranking is more labor intensive for the latter funding scheme.

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Published by the Alcohol Education and Rehabilitation Foundation Ltd

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Printed by: Goanna Print, Telephone: (02) 6239 1208, Website: www.goannaprint.com.au

