



## **NGOs in the world of Information Collection A Platform Background Paper**

*"We do not exist at the whim of information; that is not the fearsome prospect which greets us in a world ravenous for information. Our own capacity for meaning-making plays a crucial role. We, alone and in groups, serve as interpreters, deciding which information to pay attention to, which to suppress". - Margaret Wheatley Leadership and the New Science p100*

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### **Purpose of this Paper**

This paper has been prepared to orientate the reader to the many issues of history, values and complexity that come together when information collection for community agencies is discussed. This view from Platform has been shaped by our work, numerous conversations and lively debate with many individuals from many organisations over the past few years.

This paper is *learning in progress* and we are sharing our thoughts with the intention of creating discussions that will build and develop our thinking.

### **The environment - Who is the sector?**

There is no single agreed term that fully describes the diverse range of Non Government Organisations (NGOs) that are currently providing services to individuals and families whose lives are impacted by mental illness or addictions. The hundreds of trusts, associations, societies, companies, organisations and agencies all have different historical roots, purpose, legal status, culture and governance structures. They all operate with various relationships to their communities of interest and with each other. The terms community, voluntary, not-for-profit, third or independent sector are often used interchangeably. The diversity of the sector cannot be overstated, they are independent entities many of whom have things in common but cohesion, consensus or agreement cannot be assumed. See table:

<b>Type of Organisation</b>	<b>Operational Model</b>
Community Support Social Justice	History and growth often linked to hospital closure – government contract
Religious /Charity	Congregational duty philanthropic funding
Specific interest	Support /mandate from community of interest
Community Development	Growing community solutions
Advocacy/ Rights	Activism, solidarity structural change
Private / for profit	Market forces, profit to shareholder/owner

(With acknowledgement to the work of Sue Kenny Deakin University)

### **Vision of Government**

During 1999 the newly elected Labour Government took stock of the relationship between the community and voluntary sector.

“An independent and vibrant community sector is essential to a healthy civil society. Government and the community sector depend on each other to achieve shared goals of social participation, social equity and strengthened communities ” was how, in 2001, the Government stated its intentions for improved Government - Community sector relationship. The Office for the Community and Voluntary sector was created *‘to inspire co-operation and superb relationships between the government and community and voluntary sector’* ([www.ocvs.govt.nz](http://www.ocvs.govt.nz)) with a Minister for the Community and Voluntary sector (outside of the Cabinet). Treasury even recognised the role of community organisations as service providers and produced ‘Guidelines for contracting with non-government organisations for services sought by the crown’.

### **....and in Health?**

The last fifteen years have been dynamic and changeable times in the mental health and addictions community sector. They have been the active years of closing psychiatric hospitals throughout New Zealand; the Health system has experienced repeated, systemic changes in organisation, administration, funding, purchasing, planning and governance. Community agencies have been through times of support, development, encouragement and times of confusion and abandonment; they have been seen as both problem and solution.

Central Governments propositions about improving the relationship with the sector were overshadowed by the major systemic changes that occurred in 2001 when mental health contracting was transferred from Health Funding Authorities to District Health Boards. In the first few years of transfer to DHBs

most NGOs experienced a lack of involvement with the funder. Inexperienced crown agents lead poor contracting practice e.g. contracts were continually rolled over, no negotiation, unrealistic prices, not passing on cost of living adjustments etc. The experience of many community organisations was that contracting with Health was more likely to be reductionist haggling rather than investing in NGO capacity that the Treasury guidelines described.

With twenty-one DHBs funding services there will always be inconsistency however improvements are being experienced in some DHBs as they gain stability and confidence in their contracting role. However this often depends on positive personal relationships and trust, rather than good systems and process.

## **NgOIT 2005 Landscape Survey: What we now know about the mental health and addiction NGOS**

Last year Platform, with funding from the Ministry of Health, completed the NgOIT 2005 Landscape Survey and the results began to describe who made up the sector and what they do. It confirmed that the NGO sector provides an extensive range of support services for a diverse group of people and is working with a wide range of Government agencies.

### **Diverse Activity**

The NgOIT 2005 Landscape survey identified that in April 2006 there were 361 NGOs providing services through contractual agreements with the Crown. These hundreds of agencies are providing many types of activity; housing, residential support, education, telephone support, peer programmes, needle exchange, budgeting, help with employment, counselling and individual packages of care. They do this in a wide range of settings, in shared houses, flats, in people's homes, on the street, in drop in places, and this is occurring in most places all across NZ. They provide many specific services for; children, adults, older people, Maori, women, Pacific people, refugee and migrants, diagnosis groupings (e.g. eating disorder, Attention Deficit, phobias disability, etc) as well as general services in geographic areas.

### **Multiple funding Streams = Complexity for activity measurement Government Contracts**

The responses indicated that Vote Health is the significant single source of funding for the sector via District Health Boards and Ministry of Health and utilise approximately 30% (Mental Health Commission 2006) of the national mental health expenditure. However other than Government departments particularly those of the Ministry of Social Development contribute to the complex funding sources of the sector.

The survey showed that mental health and addictions services are not always stand alone and often delivered alongside/within other services e.g. disability support or aged care. This is a familiar model in community and social care settings and reflects the generic role of agencies that have developed in response to the needs of the community. This could apply in areas where there may be a limited number of agencies with the capacity to deliver services or an Iwi provider that has a diverse portfolio of services. This is a unique feature of the NGO sector that differentiates their activity from the District Health provider of mental health or addiction services where there would be a single client group or diagnosis focus. It also has the potential to frustrate a single solution when it comes to information collection.

### **Complex Payment and Increasing Accountability**

Each Government agency uses a different methodology for payment for the services they contract for and this creates additional complexity for NGOs. Ministry of Social Development often uses a system of partial payment that is

they make a contribution to provide the service. Health contracts usually have a set price they will pay for the service, not what it costs to provide. Most contracts are for an aspect of the service (e.g. beds or FTEs) and do not take into account costs such as administrative staff, information and IT systems, staff training etc.

All Government contracting agencies are seeking to develop or increase their information collection so they can improve the accountability of community agencies for the use of public funds, Pilgrim & Buchanan (2004). The case of multiple contracted NGOs will need to be taken into consideration in order to prevent over/under reporting or the creation of unhelpful complexity.

### **Philanthropy, Grants and Other Generated Income**

The role of philanthropic contribution to the sector is not well researched. Access to funding and grants is variable and determined by issues such as geography in the case of some of the Trust funds or organisational purpose such as Lottery. Whilst there is increasing awareness and discourse about role of corporate financing internationally it still remains small and very small in New Zealand. The 2005 Landscape NgOit survey reported that 43% of NGOs surveyed considered donations a source of income.

Some contracted providers have grown out associations that were firmly embedded in local communities, created by the funds, assets and gifts from that community others may be using donation to subsidise Government contracts. Generating income from a range of entrepreneurial activity is an emerging feature as NGOs look to many ways to remain sustainable or to cover the shortfall of Government funding.

### **Some final thoughts...**

NGOs need information for many reasons including:

- Funding accountability
- Governance accountability
- Feedback to service users
- Business decisions
- Workforce planning
- Service development and quality
- Future planning

Without complete NGO data, there can be no comprehensive picture of mental health and addiction service provision to consumers and their families in New Zealand.

The public (government) health sector continues to increase its investment in information systems in response to the demand for better information on which to base decisions. It is acknowledged that many mental health and

addiction NGO providers still have a limited capacity to collect and participate in an information collection system.

Despite talking about cross sector initiatives each funding agency of Government appears to be working in isolation and creating its own stand alone information collection expectations from the NGO sector.

Should future information reporting be limited to activity associated with mental health funding, all government funded activity, all activity irrespective of funding source?

Should information be collected by one process and shared with all government agencies that are engaged with NGOs for service delivery?

***“It is therefore critical for the Crown, funders and the sector to have reliable information with which to plan, analyse and support strategic decision making. It is becoming increasingly important to move from an anecdotal to a factual understanding of the non government provider environment.”***

NgOIT 2005 Landscape survey

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## References

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