

- A PROPOSAL FOR RENEWAL -

The problem that faces the Brotherhood is how to be innovative, responsive, educational and effectively critical and at the same time maintain a large, diverse, and expanding range of services. Most of the services were pioneering ventures but they are now conventional in the sense that they are similar to others provided by government and non-government organisations.

A balance between services and the creative, critical, responsive, 'being where no one else is' or 'doing what no one else is doing yet' functions has been maintained during a time when there have been few financial constraints on the organisation. We could find the money for almost anything we wanted to do. Services were expected to be largely self-funding from subsidies and income. There was less competition ~~from~~ *for funds from* the ~~for~~ trusts or government sources that provided grants for pilot projects and the general fund could be applied largely to policy, research, innovations, helping other organisations, and social action.

Services grew and lived comfortably alongside, and could benefit from, the innovative, critical enquiring roles. However, as I argued in my 1979 'Review of Some Aspects of the Brotherhood', rapid growth and diversity tend to slow down innovation and focus increasing resources on organisational maintenance. It may also reduce staff cohesion and require more time and resource to be spent on keeping the organisation together. In particular more time must be spent on wage and salary adjustments over a wide range of positions; building maintenance; service charges and fee rates; leases of properties; Donated Goods Division; fund raising; budgetting and control; reporting; opportunity shops; auxiliaries; consultative arrangements; staff relations; news letters; task forces on participation; staff meetings; fund raising techniques; staffing appointments and terminations; vehicles; car parks; relations with other organisations; staff social occasions; staff communications; adopting policy statements over a wide range of issues; farewells; capital works; lifts; superannuation; public holidays; leave; and large and small

financial matters. Social relations between staff are important but can occupy an excessive amount of time and be difficult to contain in a large organisation.

The difference between administration and financial management on a small and large scale is more than a matter of size. There are qualitative differences and greater complexities in a large and diverse organisation which does not have a Public Service Board to take responsibility for many staffing matters and, unlike private enterprise, cannot delegate to a personnel department.

In terms of location the Brotherhood is also locked into its history, certainly with regard to Fitzroy. There were the best of reasons for the Brotherhood being in Fitzroy for most of its life, but it is hard to think of good reasons why it should be there today and easy to think of reasons why it is no longer appropriate. Fitzroy is rapidly becoming middle class with the exception of the Commission estates and a small stock of older and still cheaper rooming houses. The Council is vigorous. A wide range of services is available. It is close to hospitals and all the CBD offers. Transport facilities are the best in Melbourne. The Fitzroy Social Planning Office is active.

If an organisation with the Brotherhood's ethos was establishing itself in Victoria today, Fitzroy would be one of the last areas it would choose. Outer regions, particularly in the West would unquestionably be the areas of greatest need.

It would still be possible to provide or assist service in Fitzroy if the Brotherhood moved, but the location of the headquarters of an organisation is a statement about its priorities and how it sees itself. The Fitzroy connection will increasingly identify the Brotherhood with a wealthy well serviced municipality. Sentiment and history are important but they should not be determinants of location and policy.

There are other subtle ways in which age and history slow down performance. It is legitimate for the Brotherhood in a jubilee year to recall the past and to use it to gain resources for the future, but I sense that we are leaning more and more on the social action and innovative history to maintain our credentials today, particularly when

there is, thankfully, so much more social action activity in the welfare field. Economic constraints and greater preoccupation with organisational maintenance turn an organisation in on itself. Earlier in the 1970s the Brotherhood moved out to provide resources for other organisations as part of a unique policy which recognised that other organisations were often in a better position to achieve Brotherhood's objectives and that smaller more participatory organisations have a special role and limited access to resources. There are several good reasons why we have withdrawn from a role that was useful and gained respect from the self-help sector that is generally critical of the large professional welfare 'empires', but that role was an essential part of the Brotherhood's uniqueness. Reduction in the number of executives to make and maintain community linkages will further reduce this activity. Remaining executives will be even more preoccupied with managing and funding services. Already other organisations are critical of the Brotherhood which they see as withdrawing and becoming like other large conventional agencies. We should not be doing things to please other organisations unless their perception is correct and we still want to be, as well as being seen to be, sharing and outward looking.

These dilemmas and problems become more <sup>difficult</sup> ~~or~~ in times of economic constraint especially when the organisation has two years of deficits totalling some \$350 000. If it is assumed that the Brotherhood still wants to be, and is expected to be, responsive to new needs, willing to work in difficult areas, innovative, enquiring, critical and influential, then it must be questioned whether external and internal influences will permit this without substantial re-structuring, in fact, a radical renewal.

#### Growth and Funding

In 1971 the expenditure of the Brotherhood was \$553 000. In 1981 it is likely to reach \$4.5 million. This is a five fold increase in real money terms. There are more than 400 full and part-time casual staff and some 1200 volunteers working at 12 different locations, excluding the Donated Goods Division and auxiliary shops.

The response to the concerns in my 1979 review was to reject proposals for reducing the size in order to take on more innovative projects,

and to argue that improved administration, communication and staff development would minimise the problems of expansion and diversity. Some improvements may have occurred but it seems to me that more, not less, time is spent on management and administration issues and that this trend will accelerate if the financial situation does not improve considerably. For voluntary organisations, deficit budgets create situations that demand more and more management and fund-raising time.

I would argue that the extent and diversity of the services the Brotherhood now has to maintain will force it into a mould similar to that of most large service organisations, regardless of the Brotherhood's history and the desire of those still in leadership positions, that the organisation be innovative, critical and have influence which is based on the respect of a wide spectrum of political, service and self-help organisations.

There are several reasons why the Brotherhood is likely to become less responsive and more bureaucratic. An increasing proportion of general funds has to be channelled into meeting deficits in the service sector. As government subsidies diminish in value for those organisations that are providing quality service for low-income people, the amount of general funds needed will increase. One answer is to raise more funds but here too a law of diminishing returns applies as is evident in door knocks, walks, direct mail, donated goods. Diminished response is usually met by increasing the time and money invested in fund-raising activities. Usually after a short burst, returns diminish in relation to costs. This is likely to occur in new areas of income production such as the increased effort to obtain more funds from trusts.

It is necessary to make a prediction about fund-raising potential in the next five years while at the same time doing everything possible to maximise income. My guess is that fund-raising from conventional sources has reached a plateau and will diminish in real terms with occasional bonuses from large bequests or the occasional bright new idea.

The fading of old fashioned 'noblesse oblige' attitudes, acceptance of staff funding coupled with sensitivity to levels of taxation and reduced

incentive through abolition of estate duties will combine to ensure this general trend.

Confronted with reduced income, cuts are more likely to be made in education, innovative services and research than in administration. This is most evident in 1980/81 and the budget for 1981/82. In fact administration and promotion are likely to absorb a larger and growing proportion of funds in attempts to generate more income and administration the phasing out or reduction of services.

In 1981/82 the General Fund, which is the money that the Brotherhood can determine priorities for, will be applied in the following way -

Meeting deficits on services	42%	
Policy/research	15%	
Social Action		
Promotion	9%	
Administration	21%	} 33%
Central Costs	12%	

Compared with the previous year, administration and central cost expenditures rose by 50%. This includes the new Chaplaincy services. There are, of course, other significant administrative costs in the budgets of Geelong, Mornington, Donated Goods Division and some services.

These figures are not a criticism of the efficiency or effectiveness of the administration department, but they raise serious questions about the structure of the system. The least affected services are those that accommodate people who cannot be evicted and the service closed down and those that attract some government subsidy. It is theoretically possible to close them down but in practice this is not likely to occur and they will continue to absorb more general funds.

In summary, my argument is that even before the financial difficulties of 1980/81, the Brotherhood was becoming too large in terms of the kind of organisation it wants to be as a consequence of establishing, maintaining and expanding conventional services that were once pioneering. Funding difficulties worsen this situation because more and more time will be absorbed by fund-raising, cutting, patching and administering.

## Renewal

If my prediction is correct what can be done? I believe that the only hope for the Brotherhood if it wants to retain the thrust and characteristics that have made it unique in many respects, is to embark on a drastic program of reorganisation for renewal over a two year period. The reorganisation would enable the Brotherhood to begin a new era in which it would be freed up to apply the qualities it is credited with in ways and in localities that are relevant to the needs of low-income and disadvantaged people in the 1980s.

This gearing up for a new era would require the reduction of responsibilities for existing conventional services by handing them over to other organisations that would provide equivalent standards of service or by creating new groups or organisations to take over the services. The arguments against independence of services are largely sentimental and historical. If the Brotherhood really believes in self-help, participation and local responsibility then it should actively promote them. It can be argued that Mornington Peninsula and Geelong services for elderly are generally self-sufficient and largely self-managing. However, they are a Brotherhood responsibility, financially and in terms of management. I would predict that they will absorb more management, executive committee and Board time as staffs and Board members change. Even comparatively minor problems can be very time consuming for the Executive, management and Board. This is time not spent on more important tasks.

If Geelong or Mornington Peninsula were locally controlled they would be more likely to be drawn into other service activities with local financial support.

## Recommendations

- a) Brotherhood service and fund-raising activities in Geelong and Lara to be constituted as a separate organisation. A capital and works reserve would be settled on the new organisation. The amount would depend on the capital funds available after reorganisation.

- b) Mornington Peninsula services would be constituted as a separate organisation and a capital reserve provided by the Brotherhood.
- c) The Coolibah Centre would become the responsibility of the Fitzroy Council. It would then attract the funding available for clubs associated with municipalities.
- d) Family Day Care and Limurru would become part of the other Fitzroy municipal child development services. Acknowledging the deficits, the Brotherhood would offer a reducing subsidy over three years.
- e) Carinya would become the responsibility of the Health Commission and be managed by, or in association with, Box Hill Hospital as was discussed three years ago.
- f) Material Aid Service would remain as a Brotherhood service operating in Fitzroy Street. No one could take over the service and the donating public and general purpose income would be important to the 'new' Brotherhood.
- g) Summer House, Sambell Lodge, Keble Court and Fitzroy accommodation would remain as Brotherhood services. They might be transferred in the future to free up management and other resources to establish similar service in other needy localities. These services would be administered by the Manager or Supervisor and staff located in the Material Aid building in Fitzroy Street.
- h) Boarding House, Northcote, would continue for its trial period.
- i) Unemployment Rights or other initiatives in this area would continue.
- j) Whether Laurence Industries was retained or transferred to another organisation would depend on how it fitted into the new emphasis on pioneering services.
- k) Research would concentrate on information processing for social action purposes, and evaluation. It would be involved in reviews to establish the programs and priorities of the organisation

and its future roles in research and information provision for the welfare sector in relation to other research institutions and policy promotion agencies such as ACOSS and VCOSS.

- l) Social Policy would concentrate on helping the organisation to decide how and where it should be working as well as developing policy positions.
- m) The Donated Goods Division would be self-directing so as to absorb a minimum of Brotherhood management and financial administration time. It would be set targets, work to any constraints relating to Brotherhood policies and requirements and contract to supply goods to Material Aid and specified funds for the Brotherhood.
- n) Administration. This would be considerably reduced. It would be responsible for the services to be retained and involved in the planning and development of new initiatives as the slimmed down Brotherhood planned its programs for the next six years.
- o) The property at 67 Brunswick Street would be sold (for \$1million?). Part of the proceeds would be used to endow organisations taking on former Brotherhood services. The balance and the savings in reduced administration and fund-raising costs would be available for redeployment in the areas and the programs determined for the future.
- p) A small headquarters building would be purchased or rented in North Melbourne or further West, for administration, planning research and policy requirements. This assumed that 'how to be helpful in the West' would be a priority objective.

Staffing would be -

Executive Director, Secretary.

Information Officer,

Media Assistant for Social Action,

Policy Officer,

Research Officer,

} Secretary

} Secretary



Associate Director Services, Secretary

Manager, Fitzroy Accommodation

Co-ordinator, Material Aid

URS,

Northcote Boarding House,

The Associate Director would have more time to spend on identifying new needs and areas for development of services in conjunction with other organisations where possible.

Associate Director Administration, Secretary

Accountant

Bookkeeper,

Accounts Clerk, Paymaster and Others (?)

The Associate Director Administration would provide financial and accounting services to other organisations if this is an agreed priority.

Associate Director Donated Goods Division.

A careful financial appraisal of the consequences of this proposal in terms of assets, costs and savings would be required. A quick review suggests that reduced staff requirements now funded from general funds in addition to retirements that will take place in the next six months would result in wage and other savings of close to \$200 000. The proceeds from sale of properties would be available for investment in new programs and/or to maintain a small security fund. Working to a brief that describes what the organisation wants to be and to do, policies and programs would be developed.

Slimmed down to the size suggested, invigorated, focussed on areas of geographical disadvantage, freed to innovate, co-operate with others and able to be more responsive to policy and social action needs, the Brotherhood would have a structure and resources to embark on a new era of activity as relevant and unique as it has been in the past and is still in some respects.

The alternative, I feel sure, is an inexorable movement towards stability and convention and an increasing requirement for organisational maintenance.

David Scott.