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Up for the challenge: Co-locating for effective service delivery: A case study of Darwin NGOs

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RESEARCH AIM

Using an online survey tool surveymonkey.com, the aim of this study was to generate baseline evidence and communicate findings on potential benefits of co-location (sharing premises) of small and medium-size NGOs in Darwin and Palmerston to these organizations and the NT government.

KEY FINDINGS

- The number of paid full-time equivalent (FTE) employees in NGOs operating in Darwin and Palmerston appears low, with the survey respondents representing organisations with between less than one FTE staff and up to two FTE staff.
- The responding NGOs noted the permanent presence of volunteers. This points to their critical role in the provision of services and demonstrates the real cost of providing them is higher than the funding the NGOs have at their disposal.
- Many NGOs have a long history of serving the local community ranging from over five years to over 30 years.
- In relation to physical infrastructure, sharing secure physical premises, storage and archiving spaces/facilities, meeting rooms, furniture and equipment were believed to create the greatest efficiencies. Comparing these answers with the key needs the NGOs believe are currently not met but would enhance the business administration and service delivery, it is noted that sharing operational infrastructure is identical. This reveals these are the most pressing needs.
- In relation to operational infrastructure and human resources, the greatest efficiencies from co-location were perceived to be through sharing the ICT support and the costs of salaries paid to administrative staff. The ongoing/recurrent funding for human resources and access to the ICT support were among the key needs currently unmet.
- The survey results confirm the long-term nature of these needs. According to the NT Council of Social Services (2003), for organisations with part-time and solo employees, the need for secure and suitable office space, administrative infrastructure and financial services could be addressed better if co-location was adopted.
- The responding NGOs were aware that co-location would require shared agreements for all the services to follow and ensure harmonious relationships. They noted a need for a system to manage the demands for the physical infrastructure with respect to utilising the shared operational infrastructure and human resources. Such agreements were described by NTCOSS (2003) as key elements in establishing a formal collaboration in a co-location model.
Introduction

This research brief discusses findings from a pilot study on the perceived potential benefits to small and medium-size Non-Government Organisations (NGOs) from co-location, or sharing premises. The project arose as a result of informal knowledge shared with the researchers by a volunteer for several Darwin-based NGOs: (a) about the adverse impact the funding cuts were having on the ability of NGOs to continue operating, and (b) a suggestion to research their views on sharing premises to achieve operational benefits and efficiencies in order to continue to serve the Darwin and Palmerston communities (hereafter ‘Darwin’ refers to both Darwin and Palmerston). In late 2015, four NGOs, that later become the project supporters, met with the researchers and advised of the nature of the inquiry for this project. They have an immense practitioners’ understanding of the issues affecting the NGO sector in Darwin and the NT but they do not have the research capacity so they were enthusiastic about the project. The enthusiasm was evident in the high turnout at the workshop with the authors/researchers, where these and other invited small and medium-size NGOs provided feedback on questions to be included in an online survey.

NGOs fill gaps in government service delivery and provide critically important services to the Darwin community with the aim of enhancing its social, economic and environmental well-being. With this community projected to grow by about 20,000 every 10 years between 2016 and 2056 (Australian Bureau of Statistics (ABS) 2016, p. 32) there will be an increased need for their services as well as a need for suitable financial and physical infrastructure to enable them to operate. The recent levels of government funding and the nature of funding (for specific short-term projects rather than services) make continued service delivery, and sometimes viability of NGOs difficult. Small and medium-size organizations1 are particularly affected (Productivity Commission (PC) 2010, p. 21; NT Council of Social Services (NTCOSS) 2003, p. 21) hence they are the focus of this study.

The literature (NTCOSS 2003) and the NGOs supporting this project confirm the current funding environment forces NGOs to: (a) cut the level and the diversity of their services including mobile services provided in regional and remote NT, (b) reduce training offered to their own staff and other organizations, and (c) shorten opening hours (staff hours). Funding constraints undercut their capacity to employ and retain suitable staff (PC, 2010, p. xxxii, pp. xxxvi-vii). In this difficult context, sharing premises and some back office functions have been identified as one strategy that would enable small and medium-size NGOs to more adequately meet the needs of the Darwin community and mitigate some financial stresses they have been experiencing. This project reports their views on this solution.

Co-location of NGOs, or sharing of premises in order to save on infrastructure and more effectively deliver services to the clients, is a solution that has been quite widely considered around Australia (Barber and Eardley 2002; Miriam Herzfeld Consulting, 2012; 3PConsulting, N.D.; JM Community Development Projects, 2011; Government of Western Australia, 2011). Evidence from interstate suggests that when a large organisation offers their services in a new location they may choose to co-locate with an existing service, such as a local school or a strategic business partner (Barber and Eardley, 2002, p. 12). In the NT, NTCOSS for example has been offering the get-up support to emerging NGOs by offering them a space to work from and assisting them to become self-sufficient.

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1 Those with annual revenues <$0.25m, and between $0.25m and under $1m, respectively (Australian Charities and Not-for-Profits Commission, not dated)
Project design and ethics

Aims and objectives: The aim of this study was to generate baseline evidence and communicate findings on potential benefits of co-location of small and medium-size NGOs in Darwin to the organisations and the NT Government. The objectives of this project were to:

1. Generate, systematise and interpret baseline knowledge on benefits that a co-location of small and medium-sized NGOs in Darwin could offer to their clients.
2. Establish what operational efficiencies and benefits a co-location could offer these NGOs.
3. Formulate and communicate findings to small and medium-size NGOs and the NT Government.

Methods and geographic coverage: The project was designed as a mixed methods study.

Phase 1 Qualitative: Workshop to discuss operational and managerial issues of small and medium-size NGOs in Darwin, the potential benefits and challenges arising from considering and implementing co-location, and to gain feedback on a survey questionnaire for these NGOs.

Phase 2 Quantitative: Data collection through an online survey. The survey obtained views on the benefits of co-location to the clients and the organizations themselves.

Phase 3 Mixed qualitative and quantitative: Integration of quantitative and qualitative results for analysis, interpretation and developing and communicating findings and recommendations.

The survey sought responses about: (a) the organization’s size, geographic footprint and services offered, (b) management, administration, staffing, finance and infrastructure, and (c) opportunities and risks from co-location. In consultation with the NGOs supporting this study it was estimated that some 88 small and medium-size NGOs operate in Darwin. The project obtained an ethics approval from the CDU Human Research Ethics Committee. Participating NGOs received an invitation to participate via the distribution databases of the NGOs supporting this project - the researchers did not know which NGOs were sent an invitation or which NGOs completed the survey. The survey was promoted weekly while it was open in May and June 2016. Only eight organisations responded which was below the expected response rate. As a result, our ability to address the study objectives, execute the three steps of the data collection and analysis, especially to formulate and communicate findings that would have broader application, was undermined. The key themes that emerged from the responses offer a snapshot of views but should not be interpreted as representative of the views of the entire small and medium-size NGO sector in Darwin. Discussion as to why only a small number of responses were provided is offered below.

Survey findings

Governance structure and incorporation: Seven NGOs that responded to the question about their governance structure were all governed by a Board, but two also indicated they were governed by another structure with a single member. It is likely that the ‘other’ structure would be a CEO or similar in each case. All of the responding NGOs (n=7) were incorporated.

The structure of the organisation: A range of structures were evident across the seven responding NGOs. Being part of a national organisation but operated independently (autonomously) was the most common response from four NGOs. Single NGOs reported either operating independently, being part of a national organisation and provided with support, or being part of an international organisation but operated independently. No NGO was part of an international organisation and provided with support.

Length of organisation operation: It may be not widely known that small and medium-size NGOs in Darwin are well-established. Of the five NGOs that revealed the length of their operations, two reported operating for more than...
30 years, whilst one each reported operating for more than five years but less than ten, more than ten years, and more than 20 years.

Types of services and clientele: The NGOs provide services in a broad range of areas and to diverse clients (Figure 1). The most common services were: advocacy (75% of responding NGOs), serving adults (62.5%), education, primary and secondary school age children (50% each) and women. Thirty-five per cent targeted young children aged 0-5 and youth aged 18-25. N.B. multiple answers were allowed so it is possible for one NGO to choose, for example, ‘Adults’, ‘Women’, ‘Men’ and ‘Counselling’.

Figure 1. Specific services provided by NGOs (n=8).

Locations of service delivery: To capture the geographic footprint of the services, more than one answer was allowed here. Of the seven NGOs that responded to the question about location, three (42%) reported their services were only provided in the Darwin area. The remaining four NGOs (57%) served Darwin and other regions of the NT: three serviced Central Australia and the Barkly Region, two serviced the Katherine Region and one serviced the whole of the NT.

Staffing arrangements: paid employees and volunteers: Six NGOs responded to the question about paid employees and seven responded to the question about the number of volunteers. The number of paid employees (full-time equivalent, FTEs) in the NGOs is low. Staff-wise, they appear to be micro organisations with 67% reporting having between less than one FTE employee and between one and two FTE employees. The remaining 33% of the responses indicate other NGOs are small in size having between five and 19 FTE employees. No responding NGO indicated they had more than 19 FTE staff.

As far as volunteers are concerned, at the time of the survey, three NGOs (43%) had between one and two FTE volunteer staff members. Other numbers were singularly represented by the responding three NGOs that revealed
having each less than one FTE volunteer employee. Only one NGO reported having between five and ten FTE volunteers. Figure 2 below shows these results.

**Figure 2.** Number of FTE volunteers working in NGOs serving Darwin (n=7).

Changes to the number of volunteer staff over the year: Of the seven NGOs who responded to this question, six reported the number of volunteers required to deliver the services of the organisation change over the year. The major reason given for requiring increased number of volunteers was for events. The number of events held depended on the season (more were held in the dry season) and the nature of the services provided by the organisation. One NGO reported hosting two major events a year and requiring all staff ‘on deck’, whilst fewer additional staff are required for smaller fundraisers held throughout the year. Another NGO identified that for their events they would need around an additional 10 volunteers to staff these. Only one responding NGO did not indicate the number of their volunteers fluctuated throughout the year.

After establishing the general structure, length of operation, staffing arrangements, service delivery locations and types of services and clientele, the survey next enquired about the current physical infrastructure and human resources as well as additional resources that would improve the business administration and service delivery of the responding NGOs.

**Availability of physical infrastructure:** Answers provided by five NGOs suggested the basic physical infrastructure such as a reception area, kitchen, office furniture and equipment, meeting space furniture and equipment, storage space and staff parking space are commonly available. Less common or unavailable are confidential meeting areas, and large and small formal and informal meeting, training or consultation spaces. Client parking and transport, location in a high pedestrian traffic area and secure/confidential access to premises are also less common or unavailable.
The key needs that are currently not met and which would enhance the business administration and service delivery of the responding NGOs (n=5) are: secure physical premises and confidential access to them, storage/archiving spaces or facilities, and having a shop frontage in a high pedestrian traffic area.

Availability of human resources and operational infrastructure: Five NGOs also answered the question about the currently available human resources and operational infrastructure (multiple answers were allowed). One important finding was all NGOs maintain their insurance policies. The NGOs participating in the workshop in this project further advised that all NGOs insure their volunteers. Most have information and communication technology (ICT) systems and software, paid staff including managerial and administrative personnel, other paid staff and a body of volunteers. The latter are provided with professional development. Professional development for paid staff is somewhat less common, as is access to ICT support, financial and other data management systems (for example for grants).

The key unmet human resources and operational infrastructure that would improve business administration and service delivery are all underpinned by financial considerations. These key unmet needs reported by the NGOs (n=4) include the ability to pay salaries to professional/specialist and managerial staff, and to afford paid staff more generally. Recurrent or ongoing funding for human resources is also a key need. Another area of high need is the ability to offer professional development for paid staff and volunteers as well as having access to ICT support. Less pressing but nevertheless important needs for some organisations include access to financial management systems, ICT (telecommunication and information communication technology) systems and software, data management systems including those for managing grants, and marketing/promotion systems.

Current vacancies: In line with the previous finding about the NGOs in Darwin usually employing very few FTE staff, the survey revealed that 80% of the responding NGOs (n=5) did not have a vacancy. At the same time, there was a belief that additional staff and savings on physical infrastructure would lead to more efficient client service delivery.

Likelihood that physical co-location of NGOs would create efficiencies in service delivery: When asked to rank the areas of shared physical infrastructure that would create greatest efficiencies, the four respondents reported that sharing secure premises would create greatest efficiencies followed equally by sharing storage and archiving spaces/facilities; sharing meeting spaces; and, sharing furniture and equipment. Shared cash handling facilities and sharing staff and/or client transport were reported as least likely to result in greater service efficiency.

There were two provisos given in relation to the sharing of physical infrastructure: (1) that premises needed to be comfortable, confidential and appropriate for vulnerable clients, and (2) that with any given number of co-located services, systems for monitoring and managing the demand on physical infrastructure would need to be in place.
Figure 3. Efficiencies related to shared physical infrastructure (n=4).

Likelihood that co-location of human resource and operational infrastructure would create efficiencies in service delivery: When asked to rank the areas of shared human resource and operational infrastructure that would create greatest efficiencies, the four respondents reported that sharing ICT support and sharing recurrent/ongoing funding for human resources would create the greatest efficiencies. Sharing of professional/specialist staff salaries, sharing financial management systems and sharing marketing and promotions systems/processes were reported as least likely to result in greater service efficiency.

There was only one proviso given in relation to the sharing of human resources and operational infrastructure, that there was a need for signed agreements and policies and procedures about how they would be utilised by the multiple NGOs.
What organisations need, want and value about co-location: There were clearly five areas that all responding NGOs similarly identified would add value, and one that all four respondents said would not add value. The bulk purchase of office supplies, bulk purchase of utilities that is telephone, electricity and gas, reception services, volunteer training and professional development and paid staff training and professional development were all areas valued by all respondents. Client transport was the area that all respondents said would not add value to their service delivery. Four other areas were valued by three respondents: timely and easy access to bulk printing services for newsletters etc.; information and technology upgrade; information and technology support; financial services – accounting and bookkeeping; and professional grant writing services. The latter is not uniquely related to co-location but indicates a strong need for professional support to writing winning grant applications in order to continue to service the Darwin community.

Discussion
This research brief reports on the views on co-location of eight NGOs. This is less than 10% of the 88 NGOs which were the target group. In light of the micro-size nature of many NGOs in Darwin, one likely reason for this low response rate may be an overload of administrative duties associated with the day-to-day running of the
organisations, where only one, two, or only part-time staff is employed. Another reason may be a ‘survey overload’, although the timing of this survey was discussed at the workshop to avoid a conflict with other surveys.

It is also possible that during the nine to ten months that passed between the initial discussions with the four NGOs supporting this study (late 2015) and the time the survey was rolled out in 2016, the outlook for the small, medium and micro-size NGOs may have seen to have evolved, resulting in less interest in the topic. First, the survey was open at a time when the 2016 NT election campaign was in full swing, which ultimately resulted in the establishment of a new Labor government in the Territory. The previous Country Liberal government had also given some attention to the NGO sector towards the end of its term. In 2015, the NT Department of Business established the NGO Business Support Office (Department of the Chief Minister NT, 2016), however information on the current website suggests the support is geared to the needs of private businesses (NT Government, 2017), and this may not be fully applicable to the needs of NGOs. In 2015 the NT Government also released guidelines for working with NGOs (Department of the Chief Minister NT, 2015), which included provisions for longer, three-year funding frames (with conditions) and the ‘October Business Month 2015’ featured a keynote address specific to the NGO sector (Department of the Chief Minister NT, 2016). With all the activity and possibilities associated with an up-coming election campaign, NGOs may have in fact adopted a ‘wait and see what happens next’ approach, an approach that could have also gone part way to explaining the low response rate to the survey.

Information provided in response to the survey suggests a large proportion of the NGOs in Darwin may have only a few FTE staff, including fractional appointments (67% of responses), while around one-third may have between five and 19 FTE staff. This result suggests variations in the level of funding the NGOs receive/are able to generate (e.g. through fundraisers) and thus their ability to offer services in a sustainable way. At the same time, many NGOs have been serving the local community for a long time. This points to their commitment to community and efforts to ensure funding is available on the one hand and the continued need for their services on the other. However, the small staff base, combined with the lack of certainty of ongoing funding, and the ageing of the NGO workforce mentioned during the workshop for this project, may represent a challenge to the continuation of their services.

The responding NGOs provide services across a wide range of areas (Figure 1) and a single NGO may offer them in more than one category.

The survey suggests the NGOs which responded have just the minimum physical and operational infrastructure needed to operate as well as the minimum human resources. The minimum human resources/staff employed by NGOs are supported on a year-round basis by volunteers, though their numbers fluctuate throughout the year. The permanent presence of volunteers points to their critical role in the provision of services and demonstrates the real cost of providing them is higher than the funding the NGOs have at their disposal.

The NGOs responding agreed that sharing certain physical and operational infrastructure as well as sharing certain human resources, if co-location occurred, would bring operational efficiencies in their service delivery.

Starting with the physical infrastructure, sharing secure physical premises, sharing storage and archiving spaces/facilities, meeting rooms, furniture and equipment were believed to create the greatest efficiencies. On comparing these answers with the key needs the NGOs believe are currently not met, and if addressed, would enhance the business administration and service delivery, it can be noted that sharing secure physical premises, storage and archiving spaces/facilities are identical. This reveals that these are the most pressing needs. Another area of key need currently not met is having a shop frontage in a high pedestrian traffic area; this suggests some NGOs may currently suffer from poor access to the public. This is likely to be related to tenancy costs, which may be prohibitive in such zones. Turning their attention to the clients’ interests, the responding NGOs noted that any co-located services should operate in premises that were comfortable, appropriate for vulnerable clients and confidential.

Moving to the sharing of operational infrastructure and human resources, the greatest efficiencies from co-location were perceived to be through sharing the ICT support and the costs of salaries paid to administrative staff.
Like with the physical infrastructure above, the ongoing/recurrent funding for human resources and access to the ICT support were among the key needs currently unmet. Other needs that were not met all point to the precarious financial situation of the responding organisations and include the ability to pay salaries to staff in general and the ability to offer them, as well as the volunteers, professional development. During the workshop for this project it was mentioned that training and professional development were the activities (budget items) being removed when NGOs faced funding cuts.

The current survey confirms the long-term nature of the needs described above. In the early 2000s, the NTCOSS (2003, p. 55) stated, “The availability of secure, accessible and affordable office space is essential for organisations to operate sustainably” and noted that needs such as administrative infrastructure, meeting/training spaces with equipment and financial services could be better addressed if a co-location model was adopted for organisations with part-time employees or solo workers (2003, pp. 55-56).

Finally, in the current survey, the responding NGOs were aware that co-location would require laying down rules for all the services to follow and ensure harmonious relationships. They noted a need for a system to manage the demands for the physical infrastructure and a need for signed agreements and policies with respect to utilising the shared operational infrastructure and human resources. Such agreements were also described by NTCOSS (2003, p. 59) as key elements in establishing a formal collaboration in a co-location model.

Conclusions

As noted at the beginning, a low response rate does not permit drawing conclusions and formulating recommendations that would be widely applicable to the micro, small and medium-size NGOs in Darwin. This project does however suggest that the accommodation, operational and human resources needs in the sector are of persistent nature. The responding NGOs certainly did see specific potential benefits coming from a co-location model, which means they, and other micro, small and medium-size NGOs could be receptive to more concrete steps towards co-locating. The experience of the services that will be co-located in the Community 360: Top End Community Hub, the development of which is being co-funded by Carpentaria Disability Services (Carpentaria Disability Services, 2016), will likely be observed with great interest.

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