

Sharing the Benefits

VCOSS State Budget Submission
2014 - 2015



Sharing the Benefits: VCOSS State Budget Submission 2014-15

About VCOSS

The Victorian Council of Social Service (VCOSS) is the peak body of the social and community sector in Victoria. It raises awareness of the existence, causes and effects of poverty and disadvantage and seeks to build a stronger, sustainable community sector.

VCOSS members reflect the diversity of the sector and include large charities, peak organisations, small community services, advocacy groups, and individuals interested in social policy. VCOSS respects the land we live in, recognises its Aboriginal custodians, and is committed to reconciling all injustices with Aboriginal Australians.

VCOSS is committed to social equity and justice, and envisages a society that:

- sees social wellbeing as a national priority
- ensures everyone has access to a fair share of community resources and services
- involves all people as equals, without discrimination, and
- values and encourages people's participation in decision-making about their own lives and their community.

Acknowledgements

Each year, VCOSS produces a comprehensive State Budget Submission as one of our core activities. In doing so, we draw on the extensive knowledge and experience of our member organisations, who generously give their time and insight through this process.

VCOSS wishes to acknowledge the contribution of:

- more than 80 VCOSS member organisations who completed our *Survey on Perceptions of Disadvantage* in April 2013, which helped us generate an overview of important issues faced by our members
- more than 40 VCOSS member organisations who participated in our Strategic Planning Workshop in July 2013 to identify and develop proposals for inclusion in this State Budget Submission
- many additional organisations who individually contributed ideas, background information, data sources and reference material
- members of the VCOSS Board, who provided strategic oversight of the submission development process.



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Introduction

Sharing the benefits



On taking office, Victorian Premier Denis Naphine made two vital commitments. He said he intended to lead a compassionate Government that looks after disadvantaged Victorians and that he wanted all Victorians to share in the benefits of the state.

This election year Budget offers that opportunity, and that responsibility. The benefits of social investment go beyond individual recipients, whose lives markedly improve, but also accrue to the broader community and economy.

Good social policy is also good economic policy. Excluding some Victorians from participation in the economy not only risks more social problems that will cost us dearly in the future – in the form of more prisons, hospitals and other acute responses to issues – but also represents lost productive capacity which, as our population and economy changes, we cannot afford to ignore.

■ Population, productivity and participation

Victoria is undergoing unprecedented demographic change. Our population continues to grow quickly but unevenly across the state, and has local differences in its size and demographics. This means there is no one-size-fits-all strategy for government to invest wisely. Across old industrial suburbs, new growth suburbs, booming regional cities and declining rural towns, very different responses are required to achieve good social and economic outcomes.

Victoria's future success relies on a smooth transition from an industrial economy into an internationally competitive services economy, and arresting our declining productivity in the process. To do this, we will need to build our workforce capabilities so as many Victorians as possible are able to work to their potential. Those capabilities are not developed merely through big infrastructure projects, but through addressing the real issues that stop vulnerable Victorians from completing school, developing good skills and getting good jobs.

Addressing these problems is a pre-condition to increasing workforce participation. If people face acute disadvantage – through financial stress, chronic health conditions or disability, homelessness, problem drug or alcohol use, isolation, or exposure to violence, abuse or neglect – then they will have little chance of participating in the workforce. Many of our children and young people, who will make up our future workforce, do not have safe and secure homes, miss out on school, and experience physical and mental ill-health and disability. Unless we act early, they will live marginalised lives as adults.

Workforce participation will also be improved with additional support for parents and carers to participate in paid work, such as through high quality early childhood education and care and ensuring a smooth introduction of the NDIS. We also need to support workers who are shifting from declining industries, moving back to work from caring or parenting responsibilities, or trying to overcome long-term unemployment. We cannot have 'stranded workers' if Victoria is to maximise productivity.

It also means we will need to focus on helping older workers stay in employment if they wish, knowing their participation allows us to generate the revenues required to maintain services to an ageing population. To keep our workforce healthy as it ages, we will have to invest more heavily in health promotion to prevent ill-health, and to intervene earlier in the onset of chronic illness.



■ Affordable living

To be part of a community that thrives and flourishes, we need to be all able to afford the basics in life. Community services and planners are pointing to a growing social divide across Victoria, which requires action to avoid entrenched disadvantage and intergenerational poverty.

Housing is the largest living cost for most Victorians. Rapid increases in housing costs means more people are being pushed to areas with poor access to jobs and services. Affordable housing is not affordable if it is offset by other costs – such as distance from jobs, education, health-care and community services, and with few transport options. Low-income households also need affordable access to the necessities of life, such as water, energy, transport and food, or risk being tipped into crisis due to financial stress.

A strong concession framework supports affordable access to essential services. Improving public transport and the design of our cities and regions will cater to more diverse needs, so everyone can get where they need to go, without the expense of a private car – whether it's school, training, jobs or support services. Education support must be strong and targeted so no child misses out on essential school activities due to a lack of money.

■ Spending smarter

At a time when traditional revenue streams are slowing, it is essential that the Victorian Government prioritises spending that will pay dividends in the future.

In the long-term, it is far better to prevent social problems before they occur, rather than creating ever more demand in the future for scarce resources. We cannot continue to build larger prisons, hospitals and roads – it is far more cost-effective to divert people from crime, prevent ill-health, and move to more universal and efficient modes of transport.

It is also a time when government should examine its existing expenditure, and begin to shift the proportion of expenditure to prevention, early intervention and demand management, creating both more inclusive communities and a stronger budget bottom line.

■ Acting now

If we believe that all Victorians should share in the benefits of a strong State we need to act. This State Budget Submission proposes solutions to achieve that action.

Failure to act or misdirecting spending on expensive crisis responses will create more disadvantage and stop many in our community from making the most of their lives and our State. The challenge in the 2014-15 State Budget is to share the benefits by creating a stronger society, a stronger economy and offer real opportunity to all Victorians.

Summary of budget priorities

1. Better early learning, education and skills

- 1.1 Extend Enhanced Maternal and Child Health Services for vulnerable children to two years
- 1.2 Provide free three and four-year old kinder so children will thrive through early learning
- 1.3 Improve early childhood service quality without excluding vulnerable families
- 1.4 Fund ECIS and KIS to support children with disabilities and developmental delays to participate in early learning
- 1.5 Register early childhood educators with VIT to strengthen the profession
- 1.6 Introduce integrated innovative service models of education
- 1.7 Invest in local area governance to strengthen service planning, coordination and delivery to improve participation in learning
- 1.8 Target help with education costs so disadvantaged students can fully participate
- 1.9 Help more families with school costs through State Schools' Relief
- 1.10 Ensure VET providers can reach and support the most disadvantaged students

2. Stronger children, young people and families

- 2.1 Increase early intervention family support services so families don't reach crisis point
- 2.2 Expand therapeutic care to reduce trauma
- 2.3 Fund the out of home care plan so children can reach their potential
- 2.4 Attract, support and retain foster carers through better training and remuneration
- 2.5 Expand options for Aboriginal Guardianship
- 2.6 Extend ACSASS to support more Aboriginal families
- 2.7 Fund the Moondani Aboriginal Family Centre
- 2.8 Extend out of home care support for young people to 25 years of age
- 2.9 Help disengaged and vulnerable young people get job-ready
- 2.10 Fund the Commission for Children and Young People to fulfil its mandate

3. Achieving better health and well-being

- 3.1 Expand local community-based mental health services in underserved areas
- 3.2 Strengthen community-based mental health services for young people, particularly GLBTI
- 3.3 Cut waiting lists for alcohol and other drug services in underserved areas, particularly youth services
- 3.4 Fund local preventative primary health programs to stem chronic disease
- 3.5 Close the Gap in mental health and wellbeing for Aboriginal Victorians
- 3.6 Improve access to specialist healthcare by improving patient travel assistance

4. Fix the housing affordability crisis

- 4.1 Cover the gap between costs and rents in public housing
- 4.2 Establish a Housing Growth Fund to reach affordable housing targets
- 4.3 Expand prevention, rapid re-housing and permanent support to end homelessness
- 4.4 Establish a fund to introduce minimum standards for private rental housing



5. Better transport and local support

- 5.1 More bus services in under-serviced areas of Victoria
- 5.2 Improve public transport accessibility for expanded mobility
- 5.3 Centralise WAT bookings and expand MPTP for improved mobility from taxis
- 5.4 Develop community transport and improve travel assistance and training
- 5.5 Fund Neighbourhood Houses to match need

6. Relieve financial stress to avoid crisis

- 6.1 Introduce a 35 per cent uncapped water concession
- 6.2 Introduce a targeted water efficiency audit and upgrade program
- 6.3 Extend utilities concessions to asylum seekers living in the community
- 6.4 Pilot thermal efficiency retrofits in low-income households
- 6.5 Introduce an appliance upgrade program for low income households
- 6.6 Expand financial counselling services in underserved areas
- 6.7 Support no-interest loans for low-income households to reduce their costs
- 6.8 Increase independence for people with disabilities
- 6.9 Supplement the Disability Aids and Equipment Program

7. Justice reinvestment and safer communities

- 7.1 Reduce child and youth detention on remand by funding bail services
- 7.2 Re-fund the Youth Support Service to divert children and young people from crime
- 7.3 Fund a state-wide court based diversion program for young people
- 7.4 Expand cautioning and diversion options for Aboriginal young people
- 7.5 Establish a residential facility and other initiatives to keep Aboriginal women from prison
- 7.6 Improve early identification to reduce violence against women and their children
- 7.7 Respond to escalating family violence reports with more support
- 7.8 Provide legal assistance for fair treatment and cost savings
- 7.9 Provide prison health services to reduce deaths and infection

8. Effective services from viable community sector organisations

- 8.1 Fund workforce improvements to deliver better services
- 8.2 Provide indexation of 5.5 per cent to prevent service cuts for Victorians
- 8.3 Support new systems, skills and local governance to achieve change
- 8.4 Extend cultural competence training to better serve Aboriginal people
- 8.5 Build emergency management capacity and resilience in community organisations

1 Better early learning, education and skills

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On virtually every indicator, children do better in life if they have a high quality education from an early age, finish school, and progress to further training or tertiary education. Investing in our children and young people means they get the most from learning throughout their development and are equipped for success in later life.

Children from low-income families, Aboriginal children, children with disabilities, those with low English proficiency and children living in remote areas are less likely to do well in education, and this will affect the rest of their lives.¹

'When we fail to provide children with what they need to build a strong foundation for healthy and productive lives, we put our future prosperity and security at risk.'

National Scientific Council on the Developing Child, *The Science of Early Childhood Development*, 2007, United States, p.1.

This has consequences for our society and economy: less participation in work, less productive labour, and more expensive services required to manage poorer health, unemployment and other social problems.

To ensure every Victorian child gets a great start to life we need to:

- invest in early childhood education and care to maximise participation and quality
- better meet the needs of vulnerable children and young people in schools
- make sure the cost of education is no barrier to children and young people participating in school
- maximise access to tertiary education.

The early years of a child's life provide the foundation for good life outcomes. We know that investment in early learning can return up to \$16 for every dollar invested – especially for disadvantaged children.² Strategies to improve

1 D Gonski, K Boston, K Greiner, C Lawrence, B Scales & P Tannock, *Review of funding for schooling: final report*, 2011, pp.113-127.

2 Committee for Economic Development, *The economic promise of investing in high-quality preschool: using early education to improve economic growth and the fiscal sustainability of states and the nation*, 2006, Washington, United States.

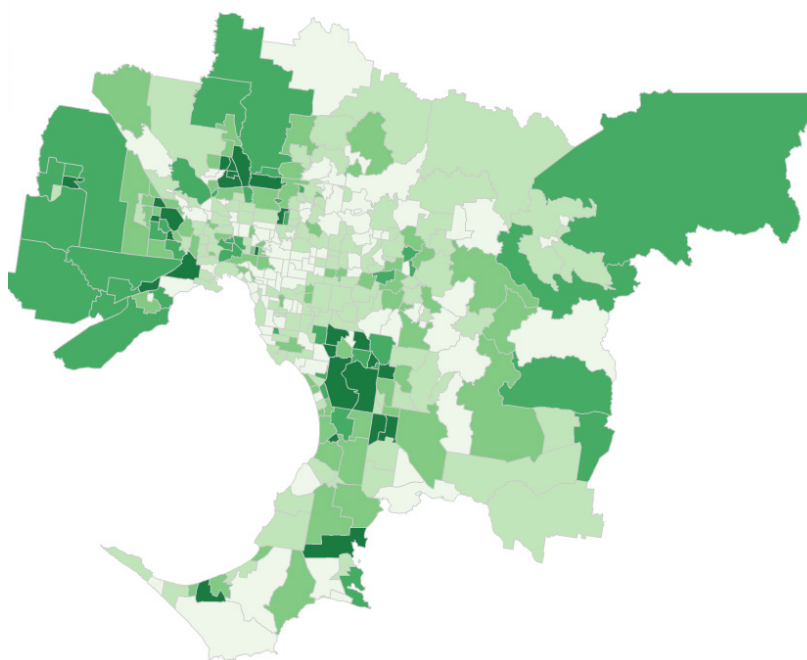
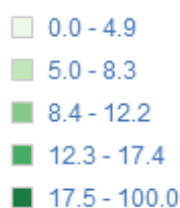
the engagement of vulnerable children and families in universal early years services is critical to ensuring children do not start school 'behind the eight ball'.

There is growing concern about the number of young people disengaging from school. VCOSS and the Youth Affairs Council of Victoria (YACVic) have highlighted the need for more flexible education models, for schools to link vulnerable young people to early intervention supports both in schools and with local community services, and to support children and young people with the cost of education.³

VCOSS commends the Victorian Government for committing to the *Better Schools Plan* and for providing an additional \$5.4 billion in funding over six years. This will help deliver more equitable resources where they are needed most. But the *Better Schools Plan* funding cannot do it all. Further investment is needed to increase participation in education and to reduce educational disadvantage from early childhood through to further education and skills.

Children developmentally vulnerable on two or more AEDI domains

Proportion of children assessed (%)



Source: Centre for Community Child Health, *Australian Early Development Index*.

Exposure to quality early learning experiences lays the foundations for ongoing learning at school. The Australian Early Development Index (AEDI) is a population measure of young children's development aged five years across five areas: physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, communication skills and general knowledge. Children who are vulnerable on two or more domains are considered to be at particularly high risk developmentally. Current data indicates that educationally disadvantaged students are more likely to be developmentally vulnerable when they arrive at school than their peers and are unlikely to catch up.

³ Victorian Council of Social Service and Youth Affairs Council of Victoria, *Building the Scaffolding: Strengthening support for young people in Victoria*, Melbourne, 2013.

1.1 Extend Enhanced Maternal and Child Health Services for vulnerable children to two years

Maternal and child health services (MCH) help prevent abuse and neglect,⁷ but many vulnerable families do not engage or disengage after short periods. The *Protecting Victoria's Vulnerable Children* (PVVC) Inquiry recommended the expansion of MCH's intensive outreach and stronger support for those families who need it.⁸ The Enhanced Maternal and Child Health Service, which provides more intensive support to more vulnerable children and families, should be available to two years of age, not 12 months.

As noted in *Victoria's Vulnerable Children: Our Shared Responsibility Strategy 2013-22*, universal services such as MCH help to promote wellbeing, identify early problems and provide targeted interventions. Investment in these services is particularly needed in rural and regional communities, growth areas and in communities with a high concentration of disadvantage.

Investment in MCH services is required to increase intensive outreach to families that either do not attend services or do not remain engaged and to provide enhanced support for families that are assessed as vulnerable.⁹ The current review of the MCH must develop more flexible and tailored service models in order to do this. VCOSS supports the Government's commitment to capitalise on the established universal platform to intervene early and prevent vulnerability from becoming entrenched.¹⁰

The Maternal and Child Health Service 'is widely considered a cornerstone of the preventative effort that is required to support all Victorian children and families.'

Department of Premier and Cabinet, *Report of the Protecting Victoria's Vulnerable Children Inquiry*, 2012, p.132.

⁷ Department of Premier and Cabinet, *Report of the Protecting Victoria's Vulnerable Children Inquiry*, 2012, p.132.

⁸ *Ibid*, p.136.

⁹ Centre for Community Child Health, *Research evidence to support a revised service delivery model for the Victorian Enhanced Maternal and Child Health Service*, May 2011, p.3.

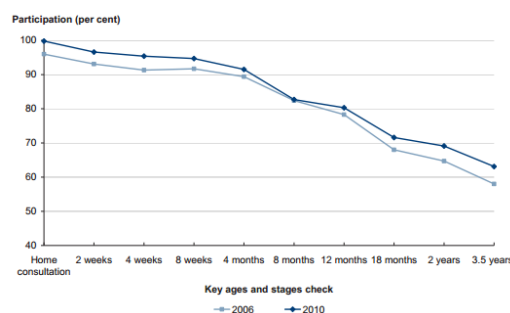
¹⁰ Victorian Government, *Victoria's Vulnerable Children: Our Shared Responsibility Strategy 2013-2022*, May 2013, Melbourne.

'In addition to supporting the health and development of children ... universal services play an important role in identifying vulnerable children.'

Source: Department of Human Services, *Victoria's Vulnerable Children's Strategy: Our Shared Responsibility*, 2013

The Victorian Auditor-General noted that, by 18 months, almost 30 per cent of all children and families no longer participate in the service for a range of reasons including location of centres, appointment times, costs of travel and parental work commitments. The *Protecting Victoria's Vulnerable Children* Inquiry recommended that strategies to improve 'reach out' to families are needed, such as linking MCH checks to immunisation clinics, playgroups, child care, family day-out activities, local libraries and shopping centres.¹¹ The program requires more resources to increase the ongoing engagement of vulnerable children and families to support better life outcomes.

Statewide participation rate in the ten universal maternal and child health checks, 2005-06 to 2009-10



Source: Victorian Auditor-General's Office, *Early Childhood Development Services: Access and quality*, 2011, Melbourne, p.10.

1.2 Provide free three and four-year old kinder so children will thrive through early learning

More four-year-old children participate in kindergarten in Victoria than anywhere else in Australia⁴ and Victoria's unique Early Start Kindergarten program providing free three-year old kindergarten for Aboriginal children and children known to child protection is making a real difference in the lives of vulnerable children. But some vulnerable children continue to miss out. The work underway in DEECD to better identify these children as part of the Victoria's Vulnerable Children Strategy, builds on the positive steps by the Victorian Government to ensure that vulnerable children are able to access early learning.

Good quality early childhood programs promote a young child's health, learning and skill development and also positively influences their longer-term health, education and quality of life. This is particularly so for vulnerable and disadvantaged children.⁵ Vulnerable children benefit the most from early learning – and have the highest social returns on investment in quality early education and care. They are also the least likely to attend.

Victoria's leadership in securing the introduction of Universal Access in 2013, now sees an estimated 97 per cent of Victorian services providing 15 hours of kindergarten, delivered by a university trained early childhood teacher, to four year old children for 40 weeks in the year before school.

If families are required to pay to participate, many vulnerable children will not have the chance to attend, and the resulting benefits will be lost to them and to Victoria. Currently funding provided by the Government only covers 65 per cent of the cost of providing a kindergarten program for four-year-old children. The Government needs to strengthen the universal early childhood platform by fully funding the provision of a minimum of five hours of kindergarten to three year olds and 15 hours of kindergarten for four year old children to ensure vulnerable children are able to access quality early learning.

4 Steering Committee for the Review of Government Service Provision, *Report on Government Services 2013*, Productivity Commission, Canberra, p.3.30.

5 Victorian Auditor-General's Office, *Early Childhood Development Services: Access and quality*, 2011, Melbourne.



Key Statistics

Investing in early childhood education and care has positive social and economic benefits, with each dollar invested returning up to \$16, particularly for children from disadvantaged backgrounds.

Committee for Economic Development, *The economic promise of investing in high-quality preschool: using early education to improve economic growth and the fiscal sustainability of states and the nation*, 2006, Washington, United States, p.3.



1.3 Improve early childhood service quality without excluding vulnerable families

The *National Quality Framework for Early Childhood Education and Care (NQF)* is improving quality across early childhood education and care services. The new standard requires improved educator-to-child ratios and more educators with increased skills and qualifications. These new standards will help to ensure all early childhood services meet the individual educational, health and wellbeing needs of children, but they will impose additional costs on services. Parents should not have to foot the bill through increased fees, especially as this would lock out many vulnerable families who will benefit the most from improved quality.

The NQF imposes additional administrative, staffing and training costs for services. Kindergartens also require professional support and expert advice to implement the reforms and meet quality requirements. These costs should be met by government, as recommended by the Productivity Commission.⁶

Since the federal election, the Australian Government has indicated that it supports the NQF 'in principle' but has raised concerns about its cost and staffing impact and has indicated it will review the implementation schedule. VCOSS calls on the Victorian Government to continue its leadership in this area and remain committed to the full implementation of the NQF and to support early learning centres to implement the framework as planned.

6 Productivity Commission, *Early Childhood Development Workforce Research Report*, Melbourne, 2011.

1.4 Fund ECIS and KIS to support children with disabilities and developmental delays to participate in early learning

No child should miss out on early learning opportunities because they have a disability, developmental delay or other additional needs. Many still do in Victoria, or have to wait too long to access services, because Victoria's early childhood services do not have sufficient resources. Acting early to support these children will strengthen their independence and mean fewer costs to government and community in future.

The Victorian Government has already shown a strong commitment to inclusion by announcing \$34.3 million over five years in the 2013-14 State Budget to provide an additional 1,000 early childhood intervention service (ECIS) places.¹² This is a great start. More ECIS places are needed in this Budget, with priority given to those on waiting lists to ensure that these families are provided with a minimum level of service, including a point of contact and referral, until they are able to access a fully funded ECIS place. Additional Kindergarten Inclusion Support (KIS) packages also must be funded and their eligibility criteria widened.

Early Childhood Intervention Services (ECIS) support children with a disability or developmental delay, and their families, from birth to school. ECIS is tailored to meet the individual needs of the child and can provide services such as therapy, counselling, service planning and coordination. The aim of these services is to provide families with the knowledge, skills and support to meet the developmental needs of their child.

The Kindergarten Inclusion Support (KIS) program helps children with disabilities and/or high support needs to access and participate in four-year-old kindergarten programs. The packages may also include training for staff, building modifications and staffing support.

The early childhood years lay the foundation for the future development of children with disabilities and developmental delay. It is also the best time for the child's family to learn how to support and nurture their child. Without support, families are at higher risk of:

- mental health problems
- poorer physical health
- lower rates of participation in the workforce
- greater financial hardship
- interaction with child protection
- social isolation.¹³

1.5 Register early childhood educators with VIT to strengthen the profession

Funding should be provided to incorporate early childhood professionals under the auspices of the Victorian Institute of Teaching (VIT). This will enhance the professionalism of the sector and help to attract, train and retain a highly qualified, knowledgeable workforce.

The early childhood sector currently faces a number of workforce challenges including:

- attracting qualified staff to rural areas
- differing pay and conditions between long day care and stand-alone kindergartens
- the shortage of qualified and experienced staff to deliver quality programs
- poor quality of some training providers.

The VIT works with teachers to develop standards of professional practice, approves and accredits pre-service teacher education courses, and provides advice to teachers to assist their professional learning.

¹² Department of Treasury and Finance, Victorian Budget 2013-14 *Service Delivery*, Budget Paper No. 3, p.7.

¹³ B Edwards, DJ Higgins, M Gray, N Zmijewski & M Kingston, *The Nature and impact of caring for family members with a disability in Australia*, Australian Institute of Family Studies, Melbourne, 2008.

1.6 Introduce integrated innovative service models of education

Victoria needs more holistic and flexible approaches to promote the learning, health, development and wellbeing of vulnerable children and young people. Schools need to be effectively linked with a range of other community services, and not left to manage in isolation. Approaches that link education, health and community services work better for children and young people who experience disadvantage.¹⁴ New models of integrated service delivery are showing better education outcomes in areas of entrenched social disadvantage. These models should be extended across the state in a way that matches local community needs.

For example, the Youth Partnerships initiative has highlighted a range of innovative service models of education that have been effective for vulnerable young people. These include the Barwon Outreach Teacher Project that provides an outreach teacher with specialist skills and experience for young people in residential care – who are the most disengaged and marginalised young people and face the greatest challenges in engaging with education and training. The outreach teacher role works closely with young people and their care teams to provide highly flexible, individualised learning opportunities.

Doveton College provides an integrated learning approach from birth to Year 9 with holistic support to children and families in a low socio-economic area where levels of educational achievement are low and many children are developmentally vulnerable on AEDI measures. Aside from the Prep–Year 9 school, other important components provided on and off site include:

- an on campus early learning program incorporating both child care and kindergarten supported by other early years programs such as playgroups and maternal and child health services
- adult education opportunities and study support groups for parents and families

- partnerships with external agencies such as Centrelink, local community health services and allied health services and mental health services
- an integrated and shared case management system, including a collaborative referral review process
- community outreach
- extended school opening hours to include evenings and weekends.

In Ballarat, the Yuille Park Community College also provides an integrated and holistic ‘hub’ approach to lifelong learning. The College involves Prep–Year 8 school, kindergarten, and occasional child care, an information technology centre for the community, adult education opportunities and partnerships with other community services. The college is based in Wendouree West, an area experiencing high unemployment, poverty and low levels of educational engagement.

Important features of integrated learning models to keep vulnerable children and young people at school or in training:

- local governance approaches with senior level engagement to authorise and identify shared outcomes and ensure services, including education, are responsive to local needs
- clear accountability across all parts of the system that links to the identified outcomes and draws on local data
- flexible learning environments and approaches that are responsive to the needs of individual children and young people, particularly those who are vulnerable
- early identification of risk within the school and links to multiple community supports to address issues that prevent children and young people from engaging in learning
- strong collaboration across all parts of the service system: education, early years, and local community services – including mental health, alcohol and drugs, family violence and community health
- engagement of families in their child’s learning and ensuring they are linked with support where required.

¹⁴ R Black, *New schools ties: Networks for success*, Foundation for Young Australians, Melbourne, 2008; D Hargreaves, *Education epidemic: Transforming secondary schools through innovation networks*, 2003, DEMOS.

1.7 Invest in local area governance to strengthen service planning, coordination and delivery to improve participation in learning

Responses to vulnerable children and young people are more effective when all parts of the service system, including schools and local community organisations, are linked-up to work well together. The Government recognises Victoria needs improved responses to support the learning, development and wellbeing of all children and young people, particularly those who are vulnerable, who have disengaged from learning or are at risk of doing so. This approach aligns with strategic directions outlined in *Victoria's Vulnerable Children: Our Shared Responsibility Strategy 2013-2022*, which aims to bring together senior staff in government and service providers to develop solutions to identified or emerging issues for vulnerable children.¹⁵

The Youth Partnerships project successfully trialled different models of local area governance to achieve this approach. This Budget should invest in a consistent state-wide, local area governance framework, building on what has been learnt from the Youth Partnerships demonstration sites, to better integrate service planning and delivery at local and regional levels.

The *Building the Scaffolding: Strengthening support for young people in Victoria* report, published by VCOSS and the Youth Affairs Council of Victoria (YACVic), highlighted the need for:

- stronger integration of service delivery across education and health and human services
- more effective planning processes to identify existing needs, strengthen data collection and inform service delivery at regional and local levels
- local collaboration and services tailored to local needs.¹⁶

A consistent state-wide, local area governance framework will be required to achieve this engagement. Critical to the model will be a local governance group with senior level engagement that acts as a strong authorising body to identify shared local outcomes to guide planning and delivery. A clear accountability framework is needed that links to the achievement of the identified outcomes and draws on local data, as is a mechanism to support effective linkages across the service system to support the ongoing engagement and/or re-engagement of vulnerable children and young people in learning.

VCOSS and YACVic proposed that any new local area governance structure would link to and inform the priorities of the Children's Services Coordination Board.¹⁷

Local networks for co-ordination

'In order to avoid duplication and administrative burden, it is proposed to build upon existing place-based approaches to problem solving, leadership, and performance improvement to create 'local networks' to ensure local information sharing and coordination of service provision and planning relevant to vulnerable children. This coordination will enable service providers and government to develop localised and timely responses that direct efforts to issues and areas requiring the most urgent and immediate attention.

These networks will also be an important tool in accountability as they provide a means by which, at key points within a service system, managers can be accountable for outcomes both jointly as a group but also individually in relation to their specific responsibilities.'

Source: Victorian Government, *Victoria's Vulnerable Children: Our Shared Responsibility Strategy 2013-2022*, 2013, Melbourne, p.24.

¹⁵ Victorian Government, *Victoria's Vulnerable Children: Our Shared Responsibility Strategy 2013-2022*, 2013, Melbourne.

¹⁶ VCOSS & YACVic, *Building the Scaffolding: strengthening support for young people in Victoria*, Melbourne, 2013.

¹⁷ *ibid*, pp. 98-100.

1.8 Target help with education costs so disadvantaged students can fully participate

When agreeing to the Australian Government's *Better Schools Plan*, the Victorian Government announced the redirection of Education Maintenance Allowance (EMA) funds to schools through the Student Resource Package (SRP). This will make it harder for the most vulnerable students to fully participate in and finish school. A new initiative is required to replace the EMA. The *Better Schools Plan* funding will help students in the classroom, but will not cover the costs of uniforms, excursions, camps or information technology at home.

VCOSS has concerns with both the timing and the process of the SRP. The EMA will be redirected from 2015 but schools will not see full funding until 2022. The SRP is proposed to be delivered as a lump sum, which may cut the connection between funding and the needs of individual students. The process needs to be transparent so that funding is quarantined to support individual students, and support is provided to vulnerable families during the transition phase. The Victorian Government should also ensure that students from low-income families are supported even if they attend schools that do not receive SRP funding.

VCOSS member organisations are already helping parents to pay education costs and these requests will rise once the EMA is no longer provided, especially as School Focused Youth Service brokerage funding can no longer be spent on individual education costs.

The EMA is tightly targeted to those families who need it most – 70 per cent of those who qualified directed it to go straight to the school to pay for the educational opportunities of their children.¹⁸ As the Government recognised in the 2011 *Victorian Families Statement*, the rising costs of education continue to outstrip growth in average weekly earnings and VCOSS members report growing inequity in our schools.¹⁹

¹⁸ Department of Education and Early Childhood Development, *School Funding Reform: information about the Agreement between the Victorian and Commonwealth Governments*, 2013.

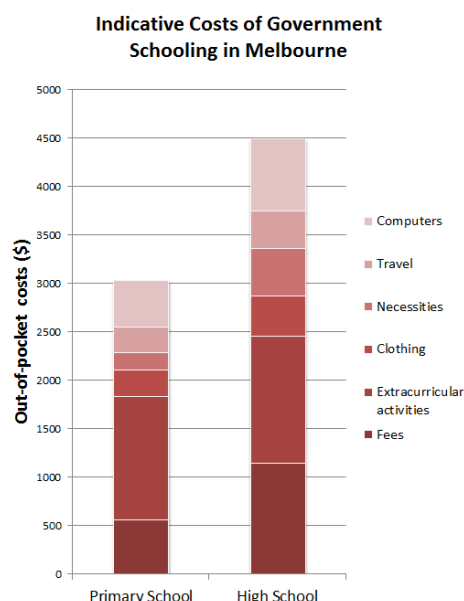
¹⁹ S Wise and S Wilk, *Anglicare Victoria's Hardship Survey 2012, 2013*, Melbourne.



Key Statistics

A breakdown of Salvation Army emergency relief payments²⁰ shows that:

- 39 per cent of families go without up-to-date school books and new school clothes
- 37 per cent of parents could not afford to let their children go on school outings and activities.



Source: Australian Scholarships Group, How much will you pay for your child's schooling? Metropolitan Victoria Schooling costs in 2013.

... (A)t mainstream school you had to pay six dollars or something for excursions and I could never pay. I'd have to go and sit with the year below me because my whole year would go on the excursion. I felt poor. It sucked. — 'Anna '

L Campbell, M McGuire & C Stockley, *I Just Want to Go to School: Voices of Young People Experiencing Educational Disadvantage*, 2012, Good Shepherd Youth & Family Service, Jesuit Social Services and MacKillop Family Services.

²⁰ Salvation Army Australia, *It's not asking too much!* National Economic and Social Impact Survey, 2013.

1.9 Help more families with school costs through State Schools' Relief

Families on low incomes often struggle to meet the basics and sudden costs like school uniforms or new school shoes can often break overstretched household budgets. This can have disproportionate consequences for children, who may experience shame or isolation as a result, leading to disengagement with education. Organisations responsible for supporting these families, like State Schools' Relief (SSR), are unable to keep up with demand.

Each year more families are requesting support from the SSR program. The program helps at risk students with school clothing and footwear so they can fully participate in education and their school community. Those who rely on it for support include families who are living on low incomes, homeless, recovering from emergencies such as losing a house in a fire or flood, refugees and asylum seekers and vulnerable students in families affected by drug, alcohol, physical and psychological abuse and violence.

The Department of Education and Early Childhood Development funds the administrative, accommodation and salary costs of SSR, while the items themselves are paid for by donations from schools, individuals, businesses and philanthropic foundations.

SSR has provided \$2.5 million in assistance to Victorian Government schools over the last four years, supporting 37,631 applications for assistance. In 2012-13, due to a dramatic rise in applications, the SSR Board made the decision to lower the co-payment of uniform and footwear costs to sustain SSR's viability. This meant that many parents were unable to purchase the required footwear and clothing, even with assistance.

SSR anticipates over 10,000 applications this year with a further increase next year, once changes to the Education Maintenance Allowance (EMA) have been implemented. SSR urgently requires additional funding to ensure it can meet current and growing demand.



Key Statistics

State Schools' Relief:

- assists 1 in 50 Victorian students with new clothing and footwear for school
- supports 604 refugee children in Victoria from regional and metropolitan areas
- received applications from 608 schools of the 1,538 Government schools in Victoria.

An Anglicare Victoria survey of emergency relief recipients found that:²¹

- 29 per cent of families could not afford outside-school activities
- 24 per cent could not afford school books and uniforms
- 20 per cent could not afford in-school activities and outings.



21 S Wise and S Wilk, *Anglicare Victoria's Hardship Survey 2012, 2013*, Melbourne

1.10 Ensure VET providers can reach and support the most disadvantaged students

The Victorian Government has recognised that a strong and sustainable Vocational Education and Training (VET) system is vital for Victoria's economy as VET plays a significant role in helping Victorians participate in the workforce.²² Every dollar invested in VET is expected to generate an 18 per cent return on investment in benefits for the Australian economy. This is due to improvements in the employability of students – VET students are more likely to participate in the workforce, less likely to be unemployed, and more likely to work full-time compared to those with no post-school education.²³ In 2012, Victoria had the highest overall participation rate in VET of 15 to 64 year olds in Australia. This achievement should be further developed by strengthening access for disadvantaged students.

VET provides an important pathway for people from disadvantaged backgrounds to gain qualifications and find meaningful work. However, there are a number of groups who are already likely to experience disadvantage within the VET system:

- people with low levels of literacy and numeracy
- Aboriginal Victorians
- women
- people who live in rural, regional or remote areas, or communities with high concentration of socio-economic disadvantage
- people living on low incomes
- people living with a disability or mental illness
- people in the criminal justice system
- people from non-English-speaking backgrounds, especially recently arrived refugees.²⁴

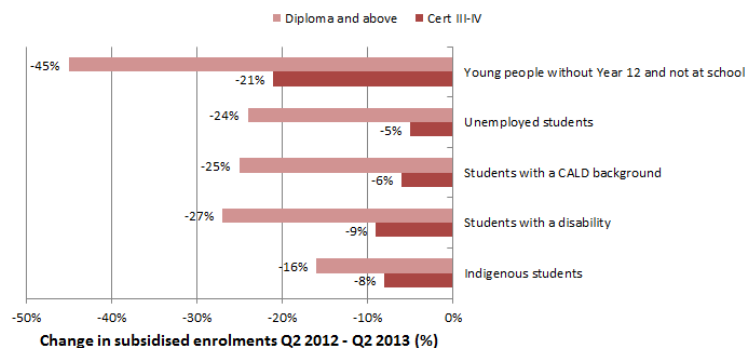
The Victorian Government should provide additional investment for VET so disadvantaged students can build their skills and successfully enter the workforce. This must go beyond the

additional \$200 million over four years provided to Victorian TAFE institutes in the last Budget as this was a structural reform adjustment package not targeted at core operational costs.

The latest data on VET participation shows lower enrolment numbers than last year of students facing disadvantage.²⁵ The falls in enrolments have disproportionately occurred in higher-level qualifications, such as Diploma level and above. This means not only that fewer students who experience disadvantage are participating, but those that are engaging are gaining less valuable qualifications. We understand that this was not the intention of the reforms to VET, which was supposed to focus on promoting high-value training opportunities.

The Victorian Government should invest in additional support for students experiencing disadvantage in the VET system, to ensure they can enrol in courses with good opportunities for employment, and have the additional support required to complete them.

Falling enrolments in VET by equity group



Source: DEECD, Victorian Training Market Quarterly Report, Q2, 2013, pp.34-38.

²² DEECD, *Refocusing Vocational Training in Victoria*, 2012.

²³ Independent Economics, *Cost-benefit analysis and returns from additional investment in Vocational Education and Training*, 2013.

²⁴ National VET Equity Advisory Council, *NVEAC Equity Blueprint 2011–2016: Creating Futures: Achieving potential through VET*, 2011.

²⁵ DEECD, *Victorian Training Market Quarterly Report, Q2, 2013*, p.33.

2 Stronger children, young people and families

- 2.1 Increase early intervention family support services so families don't reach crisis point
- 2.2 Expand therapeutic care to reduce trauma
- 2.3 Fund the out of home care plan so children can reach their potential
- 2.4 Attract, support and retain foster carers through better training and remuneration
- 2.5 Expand options for Aboriginal Guardianship
- 2.6 Extend ACSASS to support more Aboriginal families
- 2.7 Fund the Moondani Aboriginal Family Centre
- 2.8 Extend out of home care support for young people to 25 years of age
- 2.9 Help disengaged and vulnerable young people get job-ready
- 2.10 Fund the Commission for Children and Young People to fulfil its mandate



Families struggle for all sorts of reasons. What they have in common is the need for support before they are in crisis and before the costs to them personally, and to the community, escalate.

In Victoria, the number of reports to child protection is rising rapidly and increasing numbers of vulnerable children are being placed in foster care and other out of home care services, including residential care. Early intervention family services are finding it impossible to keep up with demand, particularly given many families are presenting with increasingly complex and multiple issues such as family violence, disability, social isolation and mental health issues that require more intensive and longer-term responses. Rising demand means many organisations must impose waiting lists. At the crisis end, the number of people prepared to provide foster care is dropping while demand is growing.

The Victorian Government has made its *Victoria's Vulnerable Children's Strategy: Our Shared Responsibility* a priority. It recognises that children in out of home care experience poorer education, employment and health and wellbeing outcomes. Young people who leave care are also more likely to experience homelessness, unemployment and contact with the criminal justice system. They need to be supported for longer in care and when they leave, not left to manage on their own and without stable accommodation to go to.

Achieving improved outcomes for vulnerable children and families will require long-term investment in traditional support services, such as:

- early intervention family support
- more responsive approaches to care, including more therapeutic care for children who have experienced trauma
- greater focus on Aboriginal children and young people, who are most at risk
- improved connections between universal and specialist services, including through local governance mechanisms.

'Every week, nearly 60 children and young people from across Victoria are removed from their parents by the State.'

Department of Premier and Cabinet, *Report of the Protecting Victoria's Vulnerable Children Inquiry: Volume 1*, p.xxvi.

■ 2.1 Increase early intervention family support services so families don't reach crisis point

Rising demand and complexity mean ChildFIRST and family services are under severe pressure, with some organisations restricting intake or introducing waiting lists. The *Protecting Victoria's Vulnerable Children Inquiry* found that demand for family services already exceeds supply, particularly in growth areas.¹ Greater investment in early intervention family support services is urgently required to assist families before they reach crisis point. The State Budget must provide the resources to respond to escalating demand.

ChildFIRST and family services are funded to support and assist vulnerable children, young people and their families where there are concerns about the wellbeing of the child or young person. The aim is to enhance parenting capacity and skills and strengthen parent-child relationships. A key target group is those families at risk of becoming involved with child protection. Support needs to be accessible, available and in place early in the life of the problem. A strong and coordinated family services sector, supported by universal and specialist services, needs to be at the core of this support system.

Family services are having a positive impact on the families they do support with those parents and carers reporting that the services had improved their parenting skills and their child's wellbeing and health.² The capacity of services to provide earlier support is undermined by the demand pressures. In some ChildFIRST catchments, agencies have had to restrict intake or introduce waiting lists.³ As more families present with complex and multiple issues, family services have to work with fewer cases for longer period of time. More places are clearly needed to offer support to other families.

The complexities of issues experienced by the children of families accessing family services include:

- they are less likely to access early childhood education and care services than children in child protection and out of home care services
- they have often missed school due to truancy
- many have attended multiple schools
- many require special therapies such as physiotherapy, occupational or speech therapy
- they often exhibit high rates of emotional and behavioural problems
- many experience difficult relationships with their parents.

Source: Queensland University of Technology and the Social Research Centre, *The Child and Family Services Outcomes Survey 2012 Final report*, Department of Human Services,

■ ■ ■ ■ ■
'Where families are troubled and struggling, they should be assisted to help care for and protect their children. The government's aim and priority is to help families stay together and to prevent problems escalating to child abuse or neglect'

Victorian Government, *Victoria's Vulnerable Children Our Shared Responsibility: Directions Paper*, 2012, p.23.



■ Key Statistics

The number of reports to child protection is expected to jump 11 per cent from 73,000 in 2012-13 to 81,000 in 2013-14, while the target for family services cases in the Budget remains static at 26,364.⁴

1 Department of Premier and Cabinet, *Report of the Protecting Victoria's Vulnerable Children Inquiry*, 2012, p.173.

2 Queensland University of Technology and the Social Research Centre, *The Child and Family Services Outcomes Survey 2012 Final report*, Department of Human Services, Victoria 2013.

3 Ibid.

4 Victorian Government, 2013-14 *Victorian Budget: Budget Paper No. 3*, 2013, p.158.

2.2 Expand therapeutic care to reduce trauma

All children and young people removed from their family and placed in care because of abuse or neglect will have experienced profound trauma and will require a therapeutic, trauma-informed care response. The aim of therapeutic care is to promote healing and recovery with a focus on the physical, mental and emotional needs of the child or young person.

Additional funding was allocated in the 2013-14 Budget to more than double the number of placements of therapeutic foster care in Victoria. Further investment is needed across the whole out of home care system to ensure more children and young people can benefit, including a tailored model of therapeutic care for Aboriginal children and young people.

Therapeutic care works

Evaluation of the Victorian Government's Therapeutic Residential Care Pilot found it improved wellbeing and helped young people to engage better with school and education, meet age-appropriate milestones, and increased trust between young people and their carers.

The Salvation Army Westcare Network's trial of therapeutic foster and residential care found that children experienced increased placement stability, significant developmental gains in their ability to communicate, form relationships and regulate their emotions, and many were able to be reunited with their families.

Source: M Frederico, M Long, P McNamara, L McPherson, R Rose, & K Gilbert, *The Circle Program: an evaluation of a therapeutic approach to Foster Care*, Centre for Excellence in Child and Family Welfare,

2.3 Fund the out of home care plan so children can reach their potential

Victoria's Vulnerable Children Strategy recognises that children in out of home care experience poorer education, employment and health and wellbeing outcomes, and are more likely to experience homelessness, unemployment and contact with the criminal justice system when they leave care.⁵ The Government is developing a five year plan for out of home care that sets out the action needed across government to better support vulnerable children and young people in care. This plan needs to be fully funded.

'On any given night in Victoria, an average of 6,400 children and young people under the age of 18, are living in out of home care.'

- Victorian Government, *Victoria's Vulnerable Children Our Shared Responsibility: Directions Paper*, 2012, p.22.

The number of young Victorians in out of home care is rising and predicted to grow by four per cent this year. Aboriginal children and young people in Victoria are 16 times more likely to be in out of home care than their peers, the highest ratio in Australia.⁶ To significantly improve outcomes for children and young people in out of home care the Victorian Government must address the areas outlined in the *National Standards for Out of Home Care*.⁷

- health
- education
- care planning
- connection to family
- culture and community
- transition from care
- training and support for carers
- belonging and identity
- safety, stability and security.

5 Victorian Government, *Victoria's Vulnerable Children Strategy: Our Shared Responsibility 2013-2022*, Melbourne, 2013.

6 Australian Institute of Health and Welfare, *Child protection Australia Report 2011-12*, p.42.

7 Department of Families, Housing, Community Services and Indigenous Affairs, *An outline of National Standards for Out of Home Care*, 2011, p.5.

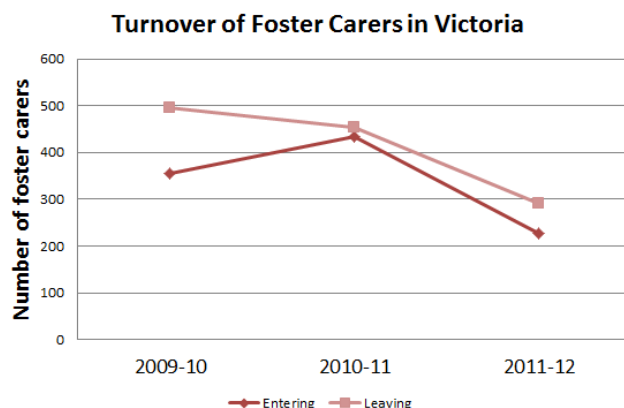
2.4 Attract, support and retain foster carers through better training and remuneration

Around 35 per cent of Victorian children in out of home care are in foster care.⁸ The demand for placements is growing and the needs of children and young people in care are becoming more complex, as the number of foster carers is declining – placing significant demand on other parts of the care system. To attract and retain more people as foster carers, the Government should invest in better training and remuneration.

Victoria's foster carer allowances and payments are inadequate. In 2011, the cost of caring for a ten-year-old in foster care was estimated to be \$265 per week. Currently Victoria pays foster carers \$165 per week.⁹ The allowances and payments should be increased to better reflect the cost of foster care.

The reasons behind the falling availability of foster carers include:

- inadequate financial reimbursement for care and training
- change in personal circumstances (employment, housing, finances)
- lack of information and support from organisations and government
- negative experiences in foster care including the impact of fostering on carer's own family
- unreasonable demands by the out of home care system
- placement breakdown.¹⁰



Source: Australian Institute of Health and Welfare, Child Protection Australia Report Series: 2009-10, 2010-11, 2011-12

8 Australian Institute of Health and Welfare, *Child Protection Australia Report 2011-12*, p.38.

9 *Ibid.*

10 Centre for Excellence in Child and Family Welfare, *Foster Care Status Report September 2013*.

2.5 Expand options for Aboriginal Guardianship

Section 18 of the *Children, Youth and Families Act 2005* allows Aboriginal community controlled organisations to exercise specified powers in relation to a protection order for an Aboriginal child or young person. This will enable more young Aboriginal Victorians to remain in their communities.

Eight years on, Section 18 is yet to be implemented. Resources should be provided in this Budget for the first stage of implementation, including a unit to train staff delivering Aboriginal guardianship services. Aboriginal Community Controlled Organisations will also need enough staff with the requisite expertise across casework, team leadership and management.

‘While Aboriginal Children make up only about 1.2 per cent of the general population, they comprise 16 per cent of children on care and protection orders and are over 11 times more likely to be in out of home care than non-Aboriginal children.’

Department of Premier and Cabinet, Final Report of the Protecting Victoria's Vulnerable Children Inquiry, p.294.

2.6 Extend ACSASS to support more Aboriginal families

The Aboriginal Child Specialist Advice and Support Service (ACSASS) advises on culturally relevant ways of working with Aboriginal families and children on statutory orders in all significant child protection decisions. This Budget should provide funding for ACSASS to improve the recruitment and retention of skilled staff for the service, an after hours service in each region, and a new service in the eastern region.

Funding levels for ACSASS have not kept pace with population growth and demand and workers carry an unsustainable caseload: 110 caseloads per metropolitan worker and 60 per regional worker, far greater than the benchmark 35 cases suggested in a review of the service.¹¹

The Aboriginal Child Placement Principle outlines a legislative responsibility on government to seek the advice of a relevant Aboriginal agency if an Aboriginal child is to be placed in out of home care.¹² This responsibility is mandated through the Department of Human Services/Victorian Aboriginal Child Care Agency Protocol.¹³ ACSASS supports the Victorian Government to meet its legislative responsibilities and ensures a culturally appropriate response to protecting Aboriginal children from further harm.

‘Aboriginal children are around 10 times more likely to be the subject of a substantiation of abuse or neglect compared with non-Aboriginal children.’

Department of Premier and Cabinet, *Final Report of the Protecting Victoria’s Vulnerable Children Inquiry*, p.293.

11 Effective Change, *Review of the Lakidjeka (ACSASS) Service*, Melbourne 2010 (unpublished).

12 Section 13, *Children, Youth and Families Act*, 2005.

13 Department of Human Services (DHS) & Victorian Aboriginal Child Care Agency (VACCA), Protocol between the Department of Human Services Child Protection Service and the VACCA, DHS, 2002.

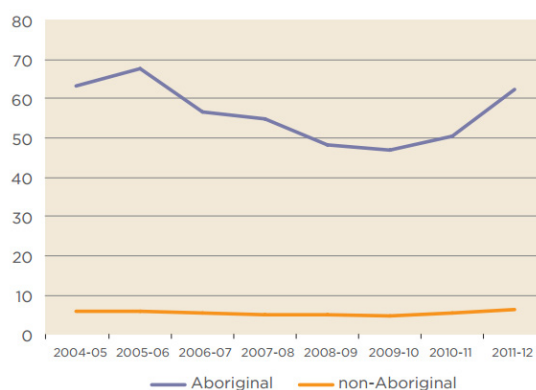
2.7 Fund the Moondani Aboriginal Family Centre

The proposed Moondani Aboriginal Family Centre in Thornbury, an initiative of the Victorian Aboriginal Child Care Agency (VACCA), aims to offer holistic and integrated supports to Aboriginal families to strengthen families, communities and culture. The service model aims to deliver a culturally secure, safe and inviting environment that promotes health and wellbeing by providing a suite of universal and specialist services for Aboriginal families. VACCA is seeking the support of both the Australian and Victorian governments to develop this facility.

VACCA plans that the purpose-built Moondani Aboriginal Family Centre will:

- offer cultural experiences to Aboriginal and non-Aboriginal Victorians
- promote Aboriginal achievement and positive family practices
- celebrate Aboriginal culture and family values
- promote the role of Elders in community life
- provide access to VACCA’s child and family services
- provide training for childcare professionals
- encourage parents, staff and the broader community to be involved in monitoring, developing and evaluating its programs and services
- provide capacity building support to mainstream organisations that support Aboriginal families.

Rate per 1000 children aged 0-17 years where child protection notifications have been substantiated, Victoria



Source: Report on Government Services 2013

2.8 Extend out of home care support for young people to 25 years of age

The Victorian Government is currently required to assist care leavers up until the age of 21, but many young people exit aged 18 with little support, including no stable accommodation. More than one in three young people leaving out of home care in Victoria become homeless within their first year out, and one in four are still homeless up to seven years after leaving care.¹⁴ Expecting very vulnerable young people to leave care and live independently is unrealistic and unfair; particularly given nearly 30 per cent of Australians aged 18-34 continue to live with parents.¹⁵

Research suggests that the most significant factor promoting positive outcomes post-care is a case plan based on stable accommodation.¹⁶ However, many young people leaving care are vulnerable to homelessness as access to private and public housing is difficult.¹⁷

In line with recommendations from the *Protecting Victoria's Vulnerable Children Inquiry*, the Government should provide priority access to housing, health, education services and other specialist services for young people who have been in out of home care.

This Budget should fund programs to:

- extend out of home care arrangements for young people beyond 18 years of age on a voluntary and needs basis
- ensure all plans for young people who are leaving care identify stable initial accommodation options and adopt a 'no discharge to temporary and inappropriate accommodation' policy
- provide a 'Leaving Care Housing Guarantee Fund' for organisations to assist young people leaving care to secure private rental housing, and which can be used flexibly by an organisation to maintain tenancies
- extend the availability of post-care support and periodic follow-up, on a needs basis, until a young person reaches the age of 25 years.¹⁸



Key Statistics

35 per cent of young people leaving care becoming homeless within the first year of leaving care and 25 per cent of those young people are still homeless up to seven years after leaving care.¹⁹



¹⁴ J McDowell, *Report Card 2009: Transitioning from care, tracking progress*, 2009.

¹⁵ Australian Bureau of Statistics. (2013). *Australian Social Trends*, April 2013 (Catalogue No. 4102.0). Canberra.

¹⁶ S Raman, B Inder & C Forbes, *Investing for Success: The economics of supporting young people leaving care*, Centre for Excellence in Child and Family Welfare and Monash University, 2005, Melbourne.

¹⁷ P Crane, J Kaur and J Burton, *Homelessness and Leaving Care: The experiences of young adults in Queensland and Victoria and implications for practice*, Queensland University of Technology, 2013.

¹⁸ Department of Premier and Cabinet, *Report of the Protecting Victoria's Vulnerable Children Inquiry*, 2012, p.270.

¹⁹ J McDowell, *Report Card 2009: Transitioning from care, tracking progress*, 2009.

2.9 Help disengaged and vulnerable young people get job-ready

Young people who are disengaged or at risk of disengaging from education or employment are at risk of long-term joblessness – diminishing their lives and increasing future costs to government. Addressing youth unemployment requires a multipronged approach, including increasing employment opportunities and the availability of quality training and apprenticeships. To build a strong future workforce, the Government needs to invest in youth employment programs that provide targeted, whole-of-life support for highly vulnerable groups, particularly those exiting statutory care and youth justice.

Programs previously funded by the Department of Business and Innovation worked with Victoria's most vulnerable young people, including those exiting youth justice and out of home care, young mothers, young people from low socioeconomic backgrounds, early school leavers, and young people experiencing mental health problems and family breakdown.²⁰ The lapsing of this program funding will leave a significant gap in employment support for vulnerable young people. The Employment Start Up program announced in the 2013-14 State Budget does not provide this intensive and holistic model of support and is targeted at young people who are job ready.

This Budget should invest in an employment program that provides intensive, case-managed support for vulnerable young people who face a number of barriers – both vocational and non-vocational – to employment. Vulnerable young people cannot be ready to work until they have support with their education and training, employability skills, health and wellbeing, housing and family issues. It would also need to work with businesses to ensure that employers understand what support is required to retain these young people in employment.

Such a program would align with *Victoria's Vulnerable Children: Our Shared Responsibility Strategy 2013-2022* which aims to ensure vulnerable young people 'have every opportunity to participate in further education and training or employment and build their capacities for independent living'.

²⁰ These programs were provided by St Kilda Youth Service (SKYS), Whitelion, Youth Connect and the YMCA and funded by the Department of Business Innovation

2.10 Fund the Commission for Children and Young People to fulfil its mandate

The Commission for Children and Young People has a significant role to play to support fundamental reforms stemming from the *Protecting Victoria's Vulnerable Children Inquiry*. The Commission has significant powers, including an intensive monitoring and oversight role, which needs to be matched with appropriate resourcing to ensure it fulfils its mandate and protects Victoria's most vulnerable children and young people.

Those responsibilities include to:

- provide advice to Ministers, Government departments and health and human services about the safety and wellbeing of vulnerable children and young people
- promote the interests of vulnerable Victorian children and young people
- conduct inquiries into:
 - children who have died and were known to child protection
 - the safety and wellbeing of an individual or group of vulnerable children and young people, a health service, human service or school where there are persistent or recurring systemic concerns
- monitor Victoria's out of home care system
- monitor and report on the implementation and effectiveness of strategies relevant to the safety and wellbeing of vulnerable children and young people
- promote child-friendly and child safe policies and practices in Victoria
- review and report on the administration of the *Working with Children Act 2005*.

3 Achieving better health and well-being

- 3.1 Expand local community-based mental health services in underserved areas
- 3.2 Strengthen community-based mental health services for young people, particularly GLBTI
- 3.3 Cut waiting lists for alcohol and other drug services in underserved areas, particularly youth services
- 3.4 Fund local preventative primary health programs to stem chronic disease
- 3.5 Close the Gap in mental health and wellbeing for Aboriginal Victorians
- 3.6 Improve access to specialist healthcare by improving patient travel assistance

Good health and wellbeing underpins our quality of life and economic prosperity.¹ These are at risk when Victorians can't access the health services they need, when they need them. Access to healthcare is increasingly dependent on where people live and what they earn. That is neither fair nor productive.

As a direct result, some Victorians – particularly those living in rural and regional areas, Aboriginal Victorians, and people living on low incomes – have much poorer health than others, including much higher rates of heart disease and cancer.

There is more to health than hospitals and emergency waiting times. People's mental and physical health needs to be strengthened long before they need an ambulance or intensive care. The Victorian Government's health strategies already provide a clear direction for improving Victoria's health system, including welcome commitments to reduce health inequalities and strengthen health prevention.²

The best way to support those strategies is by expanding locally based primary health care services, such as community health centres, community-based mental health services, and drug and alcohol support, and through specialist Aboriginal services for Aboriginal Victorians. These services are also the primary agencies that conduct health promotion and prevention, chronic health support and early health intervention, which best reach the most vulnerable Victorians.

Not only are these supports a matter of life and death for many Victorians, they will also deliver large long-term savings to the Budget and improve productivity and participation in the workforce. Available and accessible primary health services significantly cut hospital demand by intervening before a health issue becomes too complex, too advanced, or too late.

'Health is important in itself, but it is also crucial for a strong economy. Healthy people mean a healthy workforce, and a healthy workforce combined with a strong health and medical research sector will increase Victoria's long-term productivity and economic growth.'

¹ Department of Health, *Victorian Health Priorities Framework 2012-2022: Metropolitan Health Plan*, Victorian Government, Melbourne, May 2011.

² Department of Health, *Victorian Health Priorities Framework 2012-2022: Metropolitan Health Plan*, Victorian Government, Melbourne, May 2011; *Victorian Health Priorities Framework 2012-2022: Rural and Regional Health Plan*, State of Victoria, Melbourne, December 2011; *Victorian Public Health and Well-being Plan 2011-2015*, State of Victoria, Melbourne, September 2011; *Koolin Balit: Victorian Government strategic directions for Aboriginal health 2012-2022*, State of Victoria, Melbourne, May 2012.

3.1 Expand local community-based mental health services in underserved areas

The lack of access to locally available, community-based mental health services means higher numbers of acute presentations at hospitals when issues spiral into crisis. The current reforms to community-based mental health services are focused on improving service responsiveness and flexibility, and maintaining service quality.³ Many Victorian communities, particularly in rural and regional and outer metropolitan growth areas, currently have either no support services or only limited ones. With Victoria expecting significant growth in the number of people experiencing mental health issues, this demand will only rise.⁴

‘The estimated costs of mental health problems to Victorian society is \$5.4 billion a year’

Victorian Department of Health, Using policy to promote mental health and wellbeing, State of Victoria, Melbourne, June 2012, p.13

Currently, one in five Australian adults experience mental illness in any year. As well as the personal cost for those involved, mental illness also accounts for 24 per cent of years lost from work due to disability.⁵ The Victorian Government has made some valuable investments in mental health services in recent budgets to address this, including for community based clinical mental health services, recovery and accommodation, Men’s Sheds and expanding community-based mental health infrastructure. To build on this, the Government should invest more in community-based mental health services to reduce pressure on acute treatment and help people get help earlier by expanding services in those communities that are currently missing out, particularly rural and regional and outer growth areas of Melbourne.

3 Department of Health, *Reforming community support services for people with a mental illness: Reform framework for Psychiatric Disability Rehabilitation and Support Services*, State of Victoria, July 2013.

4 Department of Health, *Metropolitan Health Plan: Technical Paper*, Melbourne, May 2011.

5 S Begg et al, *The burden of disease and injury in Australia 2003*, PHE 82, Canberra: AIHW, 2007, p.4.

3.2 Strengthen community-based mental health services for young people, particularly GLBTI

Too many young people are not able to access mental health support early on, when and where they need it, resulting in issues escalating. Access to the right kind of early intervention mental health services, provided locally, makes a significant difference when a person experiences mental health issues. These are especially important at key transitions points in life, so that conditions do not spiral out of control.

Young people are particularly vulnerable to mental health issues, with young people aged 16 to 24 years reporting the highest rates.⁶ Same sex-attracted and transgender young people are particularly vulnerable, reporting high levels of discrimination and abuse based on their sexuality,⁷ and are also more likely to self-harm, often as a result of this abuse.⁸

The Victorian Government has made some welcome youth mental health commitments, including for young people with eating disorders and for youth suicide community support programs that had a focus on same sex-attracted and Aboriginal young people. While the Australian Government funded ‘headspace’ centres are being established throughout Victoria with some support from the Victorian Government, these are generally only established in selected metropolitan and larger regional centres, with young people from other, more isolated areas not having local access.

Youth services report that mental health services for young people are the highest area of demand after housing.

VCOSS and YACVic, *Building the Scaffolding: Strengthening support for young people in Victoria*, p.53.

6 ABS, *National Survey of Mental Health and Wellbeing: Summary of Findings*, Cat. No. 4327.0, 2008, p.9.

7 DEECD & DPCD, *The State of Victoria's Young People*, Melbourne, 2008.

8 L Hillier, A Turner & A Mitchell, *Writing themselves in again: 6 years on*, Melbourne 2010.

3.3 Cut waiting lists for alcohol and other drug services in underserviced areas, particularly youth services

At least one Victorian dies each day directly as a result of alcohol and other drugs (AOD) use.⁹ AOD use damages families and households across Victoria, through family breakdown and violence, homelessness, unemployment, road accidents and spiralling health issues. The Victorian Government should expand the AOD services program and focus new investment into rural, regional and outer suburban areas, particularly for services targeted at young people. A first step should be establishing a network of youth AOD workers across the State.

The Victorian Government's plan is to provide better, earlier healthcare for Victorians who have an alcohol or drug problem, and it identifies the importance of assistance for young people.¹⁰ This is a welcome commitment given dramatic surges in demand for services, particularly increasing harms from alcohol and pharmaceuticals. Despite that, funding for the AOD treatment sector has barely risen in a decade, leaving services under strain, particularly in regional and outer metropolitan areas where high demand means the focus can only be on high-need or crisis responses – where any services exist at all.¹¹

Providing recurrent funding for the *Victorian Drug Strategy* in last year's Budget was welcome but does not meet the dramatic increases in demand led by the most widespread supply in our history, in particular meth/amphetamines, ICE, and the availability of prescription medicines. The Government's AOD reform agenda will focus next on young people but these reforms will not be implemented until 2015. Investment is required now for preventive education and early intervention responses, as well as to address current service shortfalls.

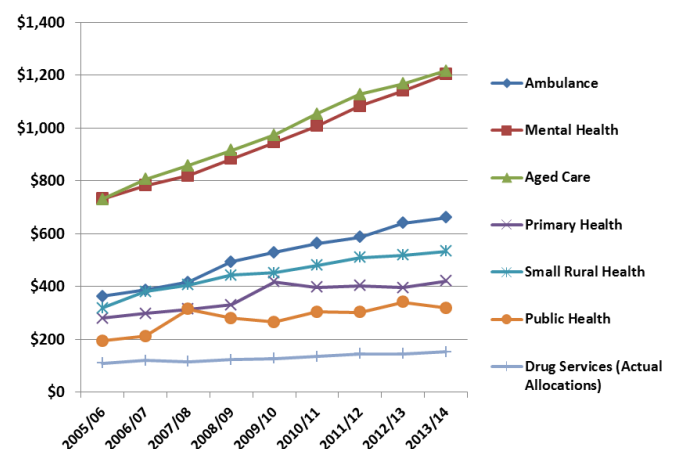
Building greater capability and allowing resources to be shared in the AOD workforce would be an important step to address drug and alcohol use among young people. Establishing a network of youth AOD workers across the State would allow online sharing of practice and support for advice, information, secondary consultation, screening, assessment and navigation of the service system.

Key Statistics

In 2010, one in five Australians 14 years of age or over drank at levels that placed them at lifetime risk of alcohol-related disease or injury.¹²

Pharmaceuticals contributed to a 17% increase in drug toxicity deaths between 2010 and 2012.¹³

Victorian Health Budget allocations (\$ '000's)



Source: Victorian Alcohol and Drug Association, Victorian Health Budget Allocations – 2005/06 to 2013/14, 2013.

⁹ Department of Health, *Reducing the alcohol and drug toll: Victoria's plan 2013–2017 - Summary*, Victorian Government, Melbourne, January 2013.

¹⁰ Department of Health, *Reducing the alcohol and drug toll: Victoria's plan 2013–2017*, Victorian Government, Melbourne, January 2013.

¹¹ Victorian Auditor-General's Office, *Managing Drug and Alcohol Prevention and Treatment Services*, March 2011.

¹² Australian Institute of Health and Welfare, *Drugs in Australia 2010: tobacco, alcohol and other drugs*, Drug statistics series no. 27, Canberra: AIHW, p.33.

¹³ Victorian Coroner's Court, *Coronial data on Victorian deaths involving acute drug toxicity - Yarra Drug & Health Forum*, Monday 6 May 2013, Melbourne.

3.4 Fund local preventative primary health programs to stem chronic disease

Chronic diseases, including heart disease and type 2 diabetes, are continuing to increase at an alarming rate in Victoria.¹⁴ That rise in ill-health is not occurring across the board: certain groups and regions in Victoria, particularly those who are disadvantaged, have significantly worse health outcomes than others.¹⁵ This leads to a terrible personal toll, and unnecessary demand on hospitals and other forms of acute health care. This Budget should fund new programs in community health services that can engage vulnerable groups in local communities to stem these growing rates of chronic disease.

The Victorian Government's health strategies¹⁶ particularly the *Victorian Public Health and Wellbeing Plan 2011-2015* and its *National Partnership Agreement on Preventative Health* commitment, acknowledge that increasing locally-available primary health services will improve the health of individuals and reduce preventable hospitalisations. The *Healthy Victoria Together* initiative is a positive step under these strategies to improve people's health through local organisations working to address the underlying causes of chronic disease.

Health systems orientated around early intervention and prevention are more efficient and effective than crisis-driven responses.

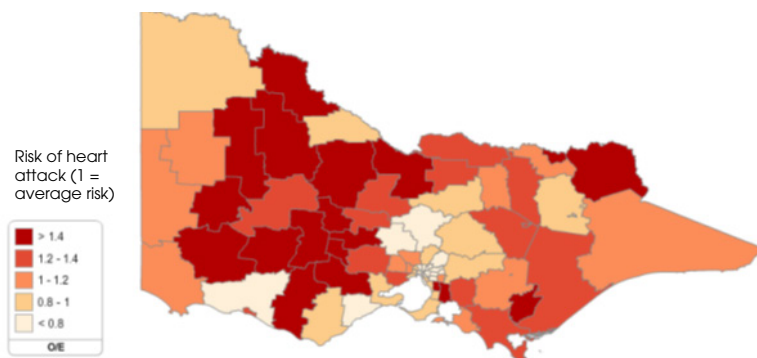
The Marmot Review, *Strategic review of health inequalities in England post-2010: Fair Society, Healthy Lives-The Marmot Review Final Report*, London, 2010.

Working in partnership, community health services are able to deliver services in flexible ways that most effectively respond to local needs and underlying causes of poor health in a person's community. Initiatives will look different in each community – from reducing smoking rates among those who are homeless to facilitating a walking group for older members of the community that encourages physical mobility and opportunity to make social connections.

Key Statistics

- Australians living in the most disadvantaged areas are twice as likely to get diabetes as those in the most advantaged regions.¹⁷
- Having diabetes almost doubles the chance of hospital stays and multiple GP visits each year.¹⁸
- By the year 2020, chronic disease will account for almost three quarters of all deaths in Australia.¹⁹

Risk of heart attack in Victorian regions



Source: Heart Foundation Victoria, *Victorian heart maps: Heart Attack in Victoria by local government area*, Heart Foundation, Melbourne, May 2013.

Victorians living in low socioeconomic areas in both metropolitan and rural and regional areas have a higher incidence of chronic disease, including heart disease and type 2 diabetes. For example, the rate of heart attack is 37 per cent higher in rural and regional Victoria than Melbourne, and the 10 local government areas with the highest rate of heart attack are in rural and regional Victoria.²⁰

¹⁴ Department of Health, *Department of Health, Victorian Population Health Survey 2010: Selected findings*, State of Victoria, Melbourne, May 2012.

¹⁵ Department of Health, *Public Health and Wellbeing Plan*, State of Victoria, Melbourne, 2011.

¹⁶ *Victorian Health Priorities Framework 2012-2022: Metropolitan Health Plan and Rural and Regional Health Plan*, and the *Victorian Public Health and Wellbeing Plan 2011-2015*, Koolin Balit: *Victorian Government strategic directions for Aboriginal health 2012-2022*.

¹⁷ SK Tanamas, DJ Magliano, B Lynch, P Sethi, L Willenberg, KR Polkinghorne, S Chadban, D Dunstan, JE Shaw. *AusDiab 2012, The Australian Diabetes, Obesity and Lifestyle Study*, Melbourne: Baker IDI Heart and Diabetes Institute, August 2013.

¹⁸ *Ibid.*

¹⁹ National Health Priority Action Council, *National Chronic Disease Strategy*, Australian Government, Department of Health and Ageing, Canberra, 2010.

²⁰ Heart Foundation Victoria, *Victorian heart maps: Heart attack in Victoria by local government area*, Heart Foundation, Melbourne, May 2013.

3.5 Close the Gap in mental health and wellbeing for Aboriginal Victorians

Aboriginal Victorians receive poorer mental health and psychosocial support than other Victorians, and this difference produces poorer health outcomes.²¹ This Budget needs to take the next step in implementing the *Koolin Balit State-wide Action Plan*. Its focus should be on Aboriginal mental health services, particularly for young people, to fill the gaps that stop so many accessing the right kind of support.

Many Aboriginal people have significant mental health issues linked to experiences of grief, loss and trauma. More than a third of Aboriginal Victorians report high levels of psychological distress, nearly three times the level of the non-Aboriginal population,²² and hospital admissions for Aboriginal people in Victoria are substantially higher.²³

The *Koolin Balit State-wide Action Plan* sets out the need to provide the right kind of support at the right levels, particularly for young people who are increasingly at risk of mental ill-health.

VCOSS welcomed a significant funding boost in April 2012 for Aboriginal health and wellbeing, particularly for partnerships with Aboriginal community controlled health organisations. There were also resources for improving the cultural appropriateness of mainstream health services, including hospitals, community health services, and mental health service providers. However, we are yet to see any evidence of new investment into Aboriginal mental health services.

Early intervention and equitable access to the full range of mental health services is critical for young people and their families in order to prevent or reduce the severity of mental illness and its life impacts.

Koolin Balit: Victorian Government strategic directions for Aboriginal health 2012-2022, p.27

21 AIHW, *Australia's Health 2012*, Australian Government, June 2012; Victorian Department of Health, *Koolin Balit: Victorian Government strategic directions for Aboriginal Health 2012-2022*, State of Victoria, Melbourne, May 2012.

22 AIHW, *Aboriginal and Torres Strait Islander Health Performance Framework 2012 report: Victoria*, p.40.

23 Ibid.

3.6 Improve access to specialist healthcare by improving patient travel assistance

People living in rural and regional Victoria often face hardship in travelling to specialist health care in Melbourne or regional centres. The Victorian Patient Transport Assistance Scheme (VPTAS) provides financial subsidies to eligible patients who need to travel long distances to access medical specialist services. This Budget should:

- increase reimbursement rates to reflect the true costs of travel and accommodation
- improve eligibility by reducing cumulative distance
- reduce the administrative burden on getting assistance.

The VPTAS payment rates are significantly below many other jurisdictions. For instance, the equivalent Queensland scheme pays 30 cents per kilometre and \$60 per night for accommodation, compared with only 17 cents and \$35 respectively in Victoria. These rates are far below the actual cost of travel for rural and regional Victorians requiring health care.

There is a strong link between low socioeconomic status and poor health. One driver of this is the level of out-of-pocket costs borne by health consumers which can lead to a cycle of disadvantage 'in which poor health leads to poverty, which then leads to poor health.'²⁴

The scheme currently disadvantages people who may travel frequently at great cost to their finances and health, but who do not meet the onerous condition that travel be a cumulative 500 kilometres per week for five weeks to claim the entitlement.

Finally, the VPTAS is a complex administrative system, requiring approval from a medical specialist, completion of a claim form, and may only be claimed in retrospect as a reimbursement, which may take many weeks. This cumbersome and complicated system requires reform to ensure timely and streamlined access to financial support for often highly vulnerable patients.

24 S Jan, BM Essue & SR Leeder, 'Falling through the cracks: the hidden economic burden of chronic illness and disability on Australian households', *Medical Journal of Australia* 196 (1), 16 January 2012, p.29.

4 Fix the housing affordability crisis

- 4.1 Cover the gap between costs and rents in public housing
- 4.2 Establish Housing Growth Fund to reach affordable housing targets
- 4.3 Expand prevention, rapid re-housing and permanent support to end homelessness
- 4.4 Establish a fund to introduce minimum standards for private rental housing

Victoria continues to experience a housing affordability crisis. This means it is harder for some Victorians to meet basic living costs, be healthy, avoid unemployment, maintain strong relationships and give their children a strong start in life. Particularly for seniors and people with disabilities, housing stress can affect people's ability to live independently with dignity in their own communities.

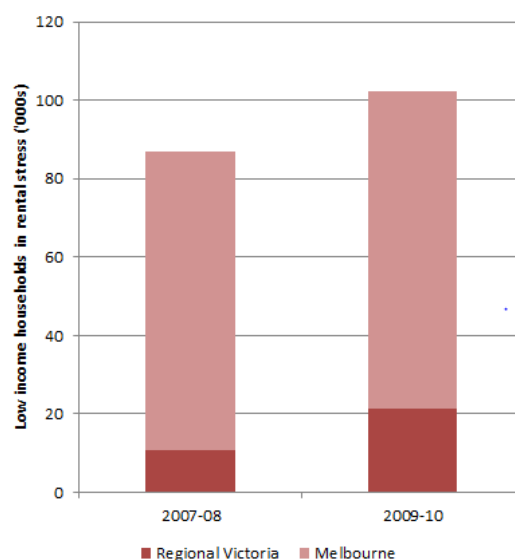
More than 100,000 low-income households in Victoria are in rental stress,¹ our public housing system is under financial strain,² and homelessness is on the rise.³ Housing insecurity is driving increasing numbers of people to seek emergency assistance.⁴

The lack of affordable housing affects the capacity and mobility of the labour force. Growing concentrations of low-income renters⁵ are being forced out to lower amenity areas where they have reduced access to employment, education, healthcare and community services. This makes it more difficult for them to find jobs, develop their skills or get help when they need it. Affordable housing is not affordable if it also means additional transport, social and health costs.

Failing to act will mean the Victorian Government ultimately bears the burden in higher use of health, justice and community services to respond to social problems that could otherwise have been prevented.

We welcome the Government's current strategies, including establishing youth foyers, a social housing framework, a metropolitan planning strategy, and implementing the *Victorian Homelessness Action Plan*. We are concerned, however, that these initiatives are too modest and disconnected to deal with the scale of the problem. In the 2014-15 State Budget, the Victorian Government must invest to ensure that every Victorian can access secure, affordable and appropriately located housing in the future.

Rising rental stress in Victoria



1 SCRGSP (Steering Committee for the Review of Government Service Provision), *National Agreement Performance Information 2010-11: National Affordable Housing Agreement*, Productivity Commission, Canberra, 2011, p.138.
 2 Victorian Auditor-General's Office, *Access to Public Housing*, PP No 118, Session 2012-12, Victorian Government Printer, March 2012, p.9.
 3 Australian Bureau of Statistics, *Census of Population and Housing: Estimating Homelessness 2011*, Australian Government, Canberra.
 4 ER Victoria and Community Information and Support Victoria, *The Last Safety Net: Housing Issues in the Emergency Relief Sector*, 2012.
 5 Department of Infrastructure and Transport, *State of Australian Cities 2013*, Australian Government, Canberra, 2013, p.270.

Sources: COAG Reform Council (2010) *National Affordable Housing Agreement: Baseline performance report for 2008-09*, Volume 2: Performance data, COAG Reform Council, Sydney, p.12 and SCRGSP (Steering Committee for the Review of Government Service Provision) 2011,

4.1 Cover the gap between costs and rents in public housing

Public housing is the only feasible option for long-term housing stability for many vulnerable people. Rising demand and less investment in new public housing supply over the years has resulted in a shift from having a broad mix of tenants to a tightly targeted group on the lowest incomes. This has reduced government income from means-tested rents and led to funding arrears and poor maintenance.

Victoria's public housing system needs demand-responsive and sustainable funding that automatically adjusts to fund the gap between costs and rental revenue. The system cannot be expected to self-sustain in an era where public housing serves those in greatest need, and thus tenants cannot pay enough rent to cover operating costs. This gap continues to widen.

Victoria is the lowest spending jurisdiction on operating public housing – it spends a mere \$73 per capita on social housing, less than half the national average of \$171.⁶ The true costs of public housing should include proper maintenance, refurbishment and tenancy support services.

There are many innovative strategies, as well as simple good management practices, that can be used to run a better, more efficient system.⁷ But governments should be aware that there is no magic pudding – at some point, higher public funding will be required for a sustainable system.

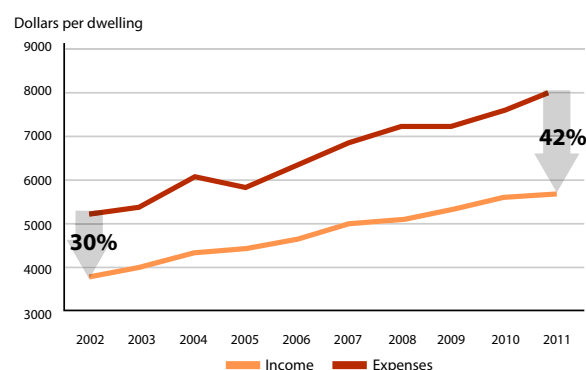
The Government's upcoming social housing framework should:

- identify the level of resources required to run an effective public housing system
- guarantee that the gap between the cost of provision and the rental revenue generated is fully funded by the Victorian Government.

⁶ SCRGSP (Steering Committee for the Review of Government Service Provision) 2013, Report on Government Services 2013, Productivity Commission, Canberra, Table 16A.2.

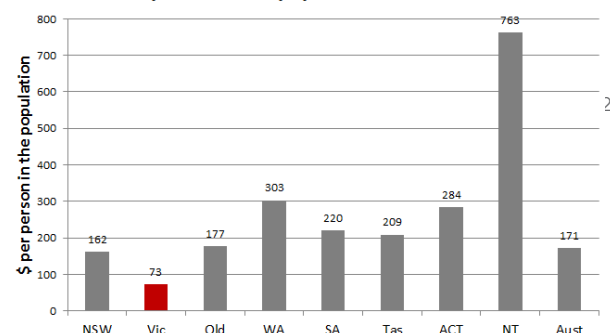
⁷ Victorian Auditor-General's Office, *Access to Public Housing, PP No 118, Session 2012-12*, Victorian Government Printer, March 2012, p.15.

Growing gap between public housing rental income and expenses 2002 - 11



Victorian Auditor-General's Office, *Access to Public Housing, PP No 118, Session 2012-12*, Victorian Government Printer, March 2012.

Net recurrent expenditure on social housing per person in the population 2011-12



Source: SCRGSP (Steering Committee for the Review of Government Service Provision) 2013, Report on Government Services 2013, Productivity Commission, Canberra, Table 16A.2

Key Statistics

Number of public housing dwellings:

64,768

(at June 2012)⁸

People on Public Housing waiting list:

35,793

(at June 2013)⁹

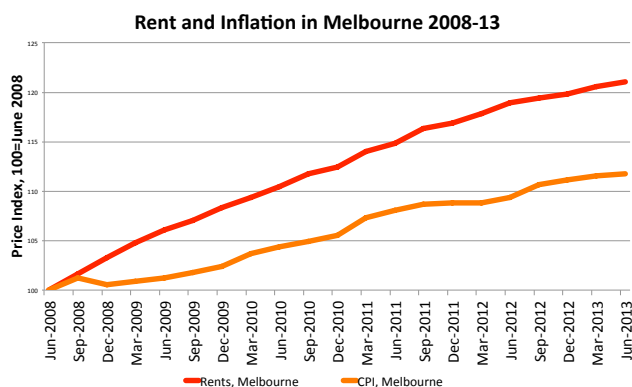
⁸ SCRGSP (Steering Committee for the Review of Government Service Provision) 2013, Report on Government Services 2013, Productivity Commission, Canberra, Table 16A.3.

⁹ Department of Human Services, *Public Housing Waiting and Transfer List*, June 2013.

4.2 Establish Housing Growth Fund to reach affordable housing targets

More than 40 per cent of low-income Victorian households experience rental stress – meaning they pay more than 30 per cent of their already low incomes in rent,¹⁰ mostly in the private rental market. The Victorian Government should establish a Housing Growth Fund to increase the availability of affordable rental properties to these low-income households. It should also adopt a suitable target for growth, such as that recommended by the recent parliamentary inquiry, for social housing to reach 5 per cent of total housing stock in Victoria by 2030.¹¹

As the Victorian population ages, the number of low-income retirees will also expand, creating additional demand for affordable housing. Addressing this growing problem would not only grant immediate financial relief to renters, but also reduce demands on other government programs, such as crisis housing and emergency relief. Stable housing helps people to complete education, find work, provide for their children and age with dignity.



Source: Australian Bureau of Statistics, Consumer Price Index, Australia, Cat no. 6401.0, June 2013, TABLE 11. CPI: Group, Sub-group and Expenditure Class, Index Numbers by Capital City.

¹⁰ SCRGSP (Steering Committee for the Review of Government Service Provision) 2011, National Agreement Performance Information 2010-11: *National Affordable Housing Agreement*, Productivity Commission, Canberra, p.138.

¹¹ Family and Community Development Committee, *Inquiry into the Adequacy and Future Directions of Public Housing in Victoria*, September 2010, p.60.

'The availability of affordable, sustainable and appropriate housing underpins good health and the social, educational and economic participation of individuals.'

Australian Institute of Health and Welfare, 2012. *Housing assistance in Australia 2012*. Cat. no. HOU 266. Canberra: AIHW, p.1.

A long-term Housing Growth Fund could use a variety of mechanisms to boost affordable housing supply¹², including through:

- traditional investment in expanding public housing stock
- capital grants to community housing providers
- a state-based scheme similar to the National Rental Affordability Scheme (NRAS)
- a revolving loan facility
- a housing bond scheme.

Other jurisdictions, such as Western Australia, South Australia and the Australian Capital Territory have used many of these ideas to produce integrated affordable housing strategies. Ideally, a Victorian Housing Growth Fund would be accompanied by an integrated strategy which also incorporates whole-of-government policy changes that would help create affordable housing, such as planning, land release and taxation policies.

¹² VCOSS discusses these options in more detail in its submission to the Victorian Social Housing Framework Discussion Paper.

4.3 Expand prevention, rapid re-housing and permanent support to end homelessness

Homelessness in Victoria is getting worse. We know that we can end it through:

- intervening early to sustain tenancies¹³
- rapidly re-housing people who become homeless to stop them becoming stuck in a homelessness cycle¹⁴
- providing permanent supportive housing for those who have experienced chronic homelessness.¹⁵

The costs of homelessness are manifold – not only the enormous personal hardship, but also the heavy use of expensive public services including health, police and justice services. Lifetime institutional costs for a single homeless individual can reach millions of dollars.¹⁶

The one-year transitional *National Partnership Agreement on Homelessness* expires on June 2014, meaning homelessness services face considerable uncertainty until a new agreement is reached.

Specialist homelessness services in Victoria responded to 78,000 people seeking assistance in 2011-12,¹⁷ up from 68,500 in 2010-11,¹⁸ of whom more than a third were escaping family violence. Our members tell us that homelessness agencies are overwhelmed with demand, with some experiencing long queues of people simply to see a worker let alone get access to housing. The biggest problem is the severe lack of affordable options.

13 D MacKenzie, K Desmond & A Steen, *Household Organisational Management Expenses (HOME) Advice Program Evaluation Report 2007*, Department of Families, Community Services and Indigenous Affairs, Canberra.

14 Homelessness Research Exchange, *Research on Homelessness Prevention and Rapid Re-Housing*, US Department of Housing and Urban Development, Washington, 2011.

15 AS Mare & RA Rosenheck, *Evaluation of the collaborative initiative to help end chronic homelessness: Preliminary client outcomes report*, US Departments of Health and Human Services, Veterans Affairs and Housing and Urban Development, Washington, 2007.

16 E Baldry, L Dowse, R McCausland, M Clarence, *Life-course institutional costs of homelessness for vulnerable groups*, University of New South Wales, 2012, Sydney.

17 Australian Institute of Health and Welfare, *Specialist Homelessness Services 2011-12*. Cat. no. HOU 267. Canberra: AIHW. Australian Institute of Health and Welfare, 2012.

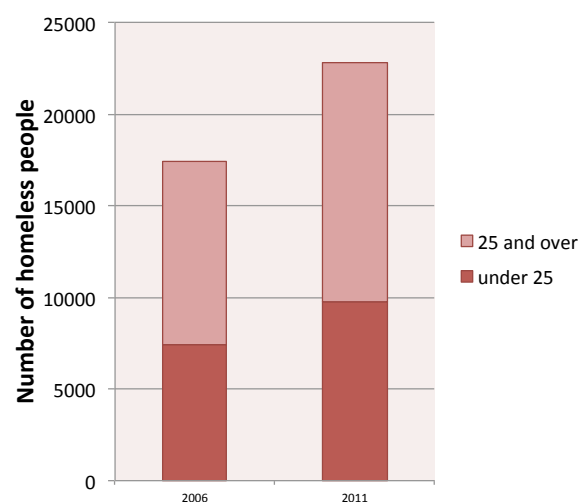
18 Australian Institute of Health and Welfare, *Government-funded specialist homelessness services: SAAP National Data Collection annual report 2010-11: Victoria*. Cat. no. HOU 253. AIHW, Canberra, 2011.

To expand the available options, resources need to be directed to flexible funds that can be used to sustain tenancies and establish new ones, including in the private rental market. Existing programs, such as Accommodation Options for Families, housing establishment funds and Safe at Home initiatives, need to be extended and used more flexibly to prevent homelessness and ensure housing options can be found quickly. This could include negotiation with landlords; repaying debt; providing guarantees, bonds or rent subsidies, improving home security, and providing help with establishment costs for a new tenancy.

'People who are homeless should be able to get help and assistance wherever they are and whatever their age or circumstances.'

Hon. Wendy Lovell MLC, Minister for Housing in the Department of Human Services' *Victorian Homelessness Action Plan 2011-2015*, p.2.

Homeless people in Victoria, 2006-2011



Source: Australian Bureau of Statistics 2012, *Census of Population and Housing: Estimating Homelessness, 2011*, Australian Government, Canberra.

4.4 Establish a fund to introduce minimum standards for private rental housing

Introducing mandatory quality standards for rental properties will lead to better social and health outcomes and reduce utilities bills for many low-income Victorian households. Failing to introduce minimum rental standards will leave some of Victoria's most disadvantaged households increasingly vulnerable to escalating utilities costs and harsh extremes of weather.

Minimum standards for rental housing are commonplace in many parts of the world, including the United Kingdom, United States, and Canada. Victoria has few minimum protections in the *Residential Tenancies Act* and the much higher standards in building codes rarely filter down. Half of all low-income households rent privately, and 70 per cent of renters are low-income.¹⁹ The quality of their rental housing is very often poor²⁰ and compounds the disadvantage they already experience.²¹ Low vacancy rates and high rents mean that low-income households are often forced to accept any property offered irrespective of its condition.

Increasing a house's thermal efficiency rating from two to five stars typically leads to a 32 per cent reduction in energy consumption.²²

19 ABS, 4102.0 - *Australian Social Trends*, March Quarter 2012, Canberra, 2012.

20 Department of Sustainability and Environment, *Housing condition/energy performance of rental properties in Victoria*, Melbourne, 2009.

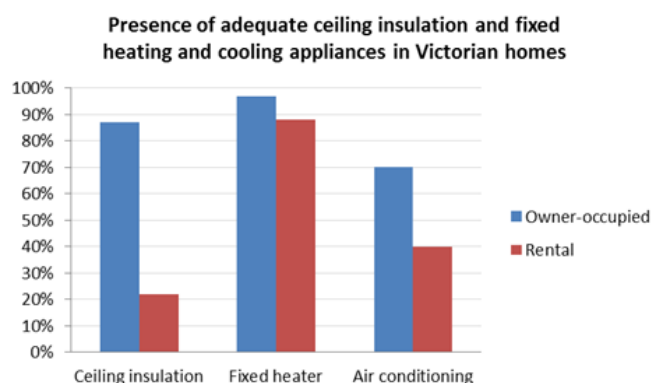
21 S Mallet, R Bentley, E Baker, K Mason, D Keys, V Kolar, & L Krnjacki, *Precarious housing and health inequalities: what are the links? (Summary Report)*, Hanover Welfare Services, University of Melbourne, University of Adelaide, Melbourne Citymission, Australia, 2011.

22 Based on 55 per cent reduction in heating and cooling energy (www.nathers.gov.au/about/pubs/starbands.pdf) and heating and cooling accounting for 59 per cent of household energy use in Victoria (Victorian Energy Efficiency Action Statement, Department of Sustainability and Environment, 2006) Factoring ---- *Alternative Technology Association 2.5 billion reasons to invest in efficiency: Modelling the impact of improving the energy efficiency of Victoria's homes on the Victorian Energy Concessions Budget*, One Million Homes Alliance, 2012.

Poor quality housing can lead to:

- poorer physical and mental health from unhealthy and unsuitable conditions, such as damp, drafts, leaks, lack of cooling during heatwaves, or a presence of vermin
- increased risk of preventable accidents due to poorly maintained infrastructure or faulty wiring
- increased risk of crime due to lack of adequate security
- high bills due to faulty or inefficient fixtures (heater, air conditioner, hot water system, shower, toilet), the absence of fixed heaters (forcing reliance on inefficient portable heaters), and poor thermal efficiency (inadequate or absent insulation, window coverings, external shading)
- social stigma and isolation due to embarrassment at living conditions and avoiding visitors and other social contact near home.

Owners of investment properties can already receive subsidies to implement these standards. They can access Commonwealth and State rebates for many efficiency improvements and negatively gear expenditure on most improvements, reducing the cost impact of compliance with a standard. A well-designed scheme with a staged introduction and a means-tested low-interest small loans program to help modest-income landlords to comply can be effective at low cost. In this Budget, a fund should be established to assist low-income landlords with the up-front cost of compliance by providing means-tested loans packages appropriate to low-income debtors secured against the value of the investment properties.



Source: Department of Sustainability and Environment, *Housing condition/energy performance of rental properties in Victoria*, Melbourne, 2009.

5 Better transport and local support

- 5.1 More bus services in under-serviced areas of Victoria
- 5.2 Improve public transport accessibility for expanded mobility
- 5.3 Centralise WAT bookings and expand MPTP for improved mobility from taxis
- 5.4 Develop community transport and improve travel assistance and training
- 5.5 Fund Neighbourhood Houses to match need



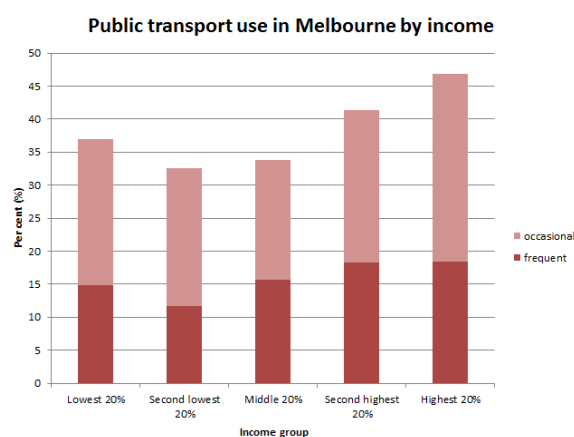
There is a growing mismatch in Victoria between where people live and where jobs, education and services are.¹ Growing numbers of low-income renters are now living in the outer suburbs of Melbourne,² as well as in large regional centres, while smaller communities face population decline and ageing. At the same time, higher-skill, higher-paying jobs are being concentrated in the centre of Melbourne.

This growing spatial divide risks rising inequality, and the creation of communities experiencing long-term cycles of unemployment and disadvantage. The lack of jobs in many areas is being compounded by a lack of good community infrastructure, with residents struggling to access basic services like healthcare, education and community supports.

Providing good public transport and other services can help. If people have the option to travel on fast, frequent, accessible and low-cost public transport, they can expand the area in which they can conveniently find work, training or community support. They can also avoid the high cost of buying and running one or more cars – if that is even an option. But this means putting public transport in the places where people experiencing disadvantage live – currently, our public transport system is used more frequently by higher income groups living close to the city.

The Victorian Government needs to drastically increase resources and act with greater urgency if it is to avoid creating more disconnected and disadvantaged communities that may take decades to undo. The Government should avoid placing all its resources into mega-projects and ensure that smaller transport projects around the state are included in this State Budget, especially as these often have far higher cost-benefit ratios.

At the same time, the Government needs to increase the local community infrastructure in under-serviced communities that meet local needs. For instance, Neighbourhood Houses and Learning Centres can provide a cost-effective and collaborative resource for local areas, linking them with training, childcare, support groups and connection with employment.



Source: Australian Bureau of Statistics, *Household Water and Energy Use Victoria*, Oct 2011.

¹ Department of Infrastructure and Transport, *State of Australian Cities 2013*, Australian Government, Canberra, 2013, p.84.

² *Ibid*, p.270.

5.1 More bus services in under-serviced areas of Victoria

Public transport is an essential service that means people are more able to get to the places they need to get to in order to live a productive and meaningful life. Victorians living in the outer suburbs, growth areas, and in rural and regional Victoria do not have the same levels of bus service as people living in the inner suburbs of Melbourne. The Government should use this Budget to expand the frequency and coverage of bus services in areas with low service levels.

Investment in public transport has multiple benefits – it helps people connect with jobs, education and crucial services supports, reduces congestion on already crowded roads, and improves health. An additional trip for a person experiencing disadvantage has an estimated value of \$20 of total economic benefit.³ A recent report from the Victorian Auditor-General's Office highlighted the particular case of growth areas. The report detailed that:

- growth area residents have fewer than half as many public transport routes compared to other metropolitan residents
- almost one-quarter of growth area households live further than 400 metres from public transport
- growth area residents generally wait longer for bus services compared to the metropolitan Melbourne average
- growth areas have fewer direct bus routes than the rest of Melbourne, which contributes to comparatively longer journey times.⁴

Rural and regional Victoria similarly experiences lower levels of service compared to Melbourne, and less is spent per capita on public transport in rural and regional areas. While investment in all modes of public transport is needed, we note that the bus network does the heavy lifting in expanding coverage and frequency in underserviced areas, which may be distant from existing rail infrastructure. In terms of improving access to public transport, bus investment provides the most cost-effective option, because it can use existing transport infrastructure. At the

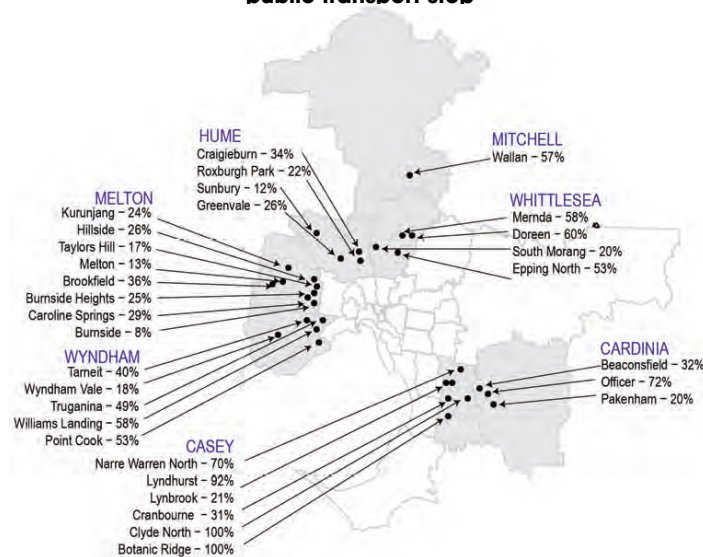
'Inadequate public transport and growing gaps in the road network in these communities are creating barriers to mobility, including access to critical services, education and employment opportunities.'

Victorian Auditor-General's Office, *Developing Transport Infrastructure and Services for Population Growth Areas*, August 2013, Victorian Government Printer, p. viii.

same time, we need to focus on producing useful services that will attract additional patronage – and not design winding, circuitous bus routes that most people will avoid because they will take too long.

For buses in metropolitan Melbourne alone, the Auditor-General notes that \$197 million of recurrent funding would be required to address the identified service gaps.⁵ The 2014-15 Victorian State Budget invested \$19.8 million over 4 years in growth area bus services. This is an important step forward after many years of zero additional investment, but is inadequate to the level of need.

Percentage of households not within 400m of a public transport stop



Source: Victorian Auditor-General's Office, *Developing Transport Infrastructure and Services for Population Growth Areas*, August 2013, Victorian Government Printer, p. viii.

3 J Stanley et al, 'Social exclusion and the value of mobility', *Journal of Transport Economic and Policy*, vol. 25, 2011.

4 Victorian Auditor-General's Office, *Developing Transport Infrastructure and Services for Population Growth Areas*, August 2013, Victorian Government Printer, p.ix.

5 Victorian Auditor-General's Office, *Developing Transport Infrastructure and Services for Population Growth Areas*, August 2013, Victorian Government Printer, p.ix.

5.2 Improve public transport accessibility for expanded mobility

We need to not only improve the availability of public transport, but also its accessibility to a wide range of Victorians, including older people and those with disabilities. Accessibility features are not just for a small group of people: everyone is likely to benefit from accessible public transport at some time in their lives, whether to get wheelchairs and walking frames on board or prams and pushers. Some of the Victorians who have the greatest need for public transport services are often left behind as they cannot use it. The Victorian Government needs to fund a long-term program of public transport accessibility improvements to provide better services and meet its legal responsibilities.

There are some good, if modest, initiatives being pursued by the Victorian Government, including the Route 96 project, which intends to build Victoria's first end-to-end accessible tram route. Another is the expansion of automated announcements on some trams. We also observe that improvements in accessibility can be achieved through better standards of customer service and staff training.⁶

The Victorian Government has yet to release its Accessible Transport Plan for 2013-2017, which covers the next set of milestones for the *Disability Standards for Accessible Public Transport 2002*, under the *Disability Discrimination Act 1992*. This is the most intensive five year period for implementation of the standards, requiring the public transport system to move from 55 per cent compliance to 90 per cent compliance on many aspects.⁷ The last time the Victorian Government published estimates of its progress, it was behind many of the milestones. The Government needs to provide the appropriate increase in resources to meet this more intensive requirement for improvement.

Public transport passengers have identified many accessibility failures in the system – from malfunctioning audible announcements, mismatches between accessible infrastructure and vehicles, such as building platform tram stops

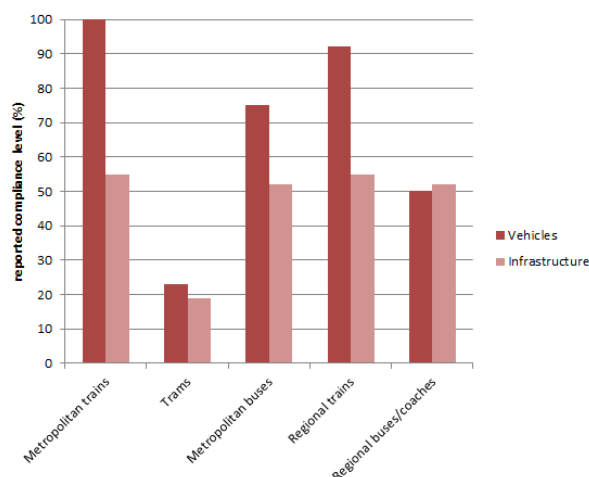
where there are no low-floor trams, to problems with staff attitudes and difficulties with pedestrian access paths.

The most efficient way to meet the milestones is to ensure there are long lead times and a firm funding commitment by government so that careful planning can occur to target the investment at improvements that will most improve access.⁸ Victoria should proceed in line with the Route 96 tram project – where whole routes are upgraded in a coordinated way, avoiding a piecemeal approach to accessibility that improves isolated pieces of infrastructure that do not 'join-up' to create accessible journeys.

If a journey does not provide a continuously accessible path from beginning to end, then it cannot be used, regardless of how many pieces of compliant infrastructure exist along the way.

Victorian Council of Social Service, *Creating Accessible Journeys*, 2011, p.4.

Progress towards DSAPT milestones



Source: Public Transport Victoria, *Accessible Public Transport in Victoria Action Plan 2013-17: Draft for Consultation*, p.13.

Note: This data segments access into components (e.g. handrails, access paths or tactile markers) rather than looking at whether a public transport service as whole can be accessed by those with a disability or mobility restriction.

⁶ Public Transport Ombudsman, *Closing the Accessibility Gap*, 2013.

⁷ *Disability Standards for Accessible Public Transport 2002* (Commonwealth).

⁸ Victorian Council of Social Service, *Creating Accessible Journeys*, 2011.

5.3 Centralise WAT bookings and expand MPTP for improved mobility from taxis

For some in the community, taxis are the only option to make some or all of their transport trips. The Victorian Government is to be commended for commissioning the Victorian Taxi Industry Inquiry. The Government response to the inquiry has supported the establishment of a Central Booking Service (CBS) for Wheelchair Accessible Taxis (WATs) to 'commence its operation as soon as practicable'.⁹ It also recognises that the Multi-Purpose Taxi Program (MPTP) requires improvement, and VCOSS looks forward to the Government's announcement that it will expand the scheme.

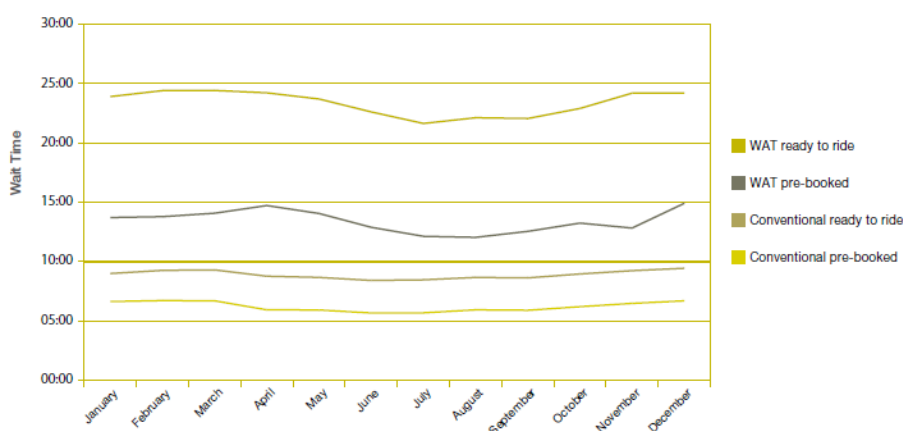
Unacceptable waiting times and failure to respond to bookings for people with a disability has been a long-standing problem in Victoria, documented repeatedly by the Victorian Equal Opportunity and Human Rights Commission,¹⁰ among others. A central recommendation to respond to this is the establishment of a CBS for WATs, which the Victorian Government has supported in principle. The CBS will allow all WATs to be on a single booking system in metropolitan Melbourne, meaning it can respond much faster. VCOSS has expressed interest in advising on the design of the CBS being undertaken by the Taxi Services Commission, and looks forward to the service being implemented as quickly as possible.

'People with a disability experience poor and unreliable taxi services more frequently and with more serious consequences than other taxi users'

Victorian Taxi Industry Inquiry, *Customers First: Service, Safety, Choice*, May 2012, p.336.

The MPTP is an essential subsidy for many people to be able to afford the costs of taxi fares, when they have few other options for travel. It still has restrictive criteria that exclude many people. The forthcoming review should progress the Taxi Inquiry's recommendation for it to be expanded to Victorians aged 80 years or over, subject to a means test, who have their private vehicle driving licences suspended by VicRoads.¹¹ In addition, it should ensure that people who have temporary disabilities, or cannot use public transport due to its unavailability, are also included, and consider expanding the transport options able to be utilised by the scheme. The Victorian Government should make provision in this Budget for the scheme's expansion.

Wait times for taxis in the metropolitan zone



Source: Victorian Taxi Industry Inquiry, *Draft Report – Customers First: Service, Safety, Choice*, May 2012, p.357.

⁹ Government Response – *Taxi Industry Inquiry Final Recommendations*, 2013, p. 5.

¹⁰ Victorian Equal Opportunity and Human Rights Commission, *Time to respond: Realising equality for people with a disability utilising taxi services*, 2007, and *Time to Respond – 3 years on*, 2010.

¹¹ Victorian Taxi Industry Inquiry, *Final Report – Customers First: Service, Safety, Choice*, September 2012, p.27.

5.4 Develop community transport and improve travel assistance and training

Community transport is an alternative that remains under-developed in Victoria, compared to other jurisdictions and particularly where public transport is scarce or non-existent.

Community transport provides a range of different services, especially door-to-door, demand-responsive transport for vulnerable members of the community, allowing them to attend essential health appointments, shop for food and groceries, and enjoy social and community life. It can be a very cost-effective means of improving mobility in disadvantaged communities and provide a lifeline to the outside world particularly in smaller rural and regional areas.

Victoria has not developed its community transport system to the extent of other states, such as New South Wales and Queensland. While numerous reports and research demonstrate the benefits,¹² the Victorian Government has not taken action and made the necessary investment.

Even where community options exist, many vulnerable people do not use them because they are not informed or know how to access services.

This applies also to Victoria's public transport system. Transport operators too often presume that by simply providing a service, or posting information on a website, that people will automatically find out how to use it. By investing both in improved information and customer service in the public transport system, and by funding specialised travel training and assistance services, more people could take advantage of the current public transport system with a relatively modest investment.

The total value of community transport to the Victorian economy is estimated at approximately \$215 million per annum

SGS Economics and Planning, *The Value of Community Transport: Draft Report*, p.5.

¹² Victorian Council of Social Service, *Community Transport Snapshot Project*, 2008; Municipal Association of Victoria, *Community Transport Research Report*, 2009; Victorian Community Transport Association, *Community Transport Stocktake*, 2011.

5.5 Fund Neighbourhood Houses to match need

Historically, investment in the Neighbourhood Housing Coordination Program (NHCP) has been *ad hoc*, meaning program funding does not correlate with community need. A simple, transparent needs-based formula for future funding should be introduced based on the size, level of disadvantage and rate of change in communities.

Neighbourhood houses provide multiple opportunities for vulnerable people to participate in the social and economic life of the community, through training and skills development, volunteering opportunities, playgroups and occasional childcare, social gatherings, support groups, and recreational and leisure classes. The local Neighbourhood house should be considered essential community infrastructure, and the NHCP should be expanded and structured to ensure resources are directed to delivering the greatest benefit.

A new funding formula would enable new Neighbourhood houses investment to be directed where it will have the greatest benefits for communities. This is particularly required in growth areas where Neighbourhood houses are newly established and serve larger populations in communities with fewer social connections.

Inadequate investment in co-ordination resources for Neighbourhood houses and learning centres limits their capacity to deliver services and leverage community benefits: coordination funding of fewer than 20 hours results in fewer participants, disproportionately fewer resources, and fewer volunteers.¹³

A recent survey of neighbourhood house participants found that:

- 74 per cent were women
- 52 per cent possessed a concession card
- 20 per cent identified as people with disabilities
- 24 per cent of metropolitan participants spoke a primary language other than English
- 1.4 per cent were Aboriginal

Association of Neighbourhood Houses and Learning Centres, *Neighbourhood House Participant Survey 2013*, (unpublished preliminary data).

¹³ Association of Neighbourhood Houses and Learning Centres, *Building self-reliant and inclusive communities: ANHLC State Budget Submission 2013-14*, Table 2, p.6.

6 Relieve financial stress to avoid crisis

- 6.1 Introduce a 35 per cent uncapped water concession
- 6.2 Introduce a targeted water efficiency audit and upgrade program
- 6.3 Extend utilities concessions to asylum seekers living in the community
- 6.4 Pilot thermal efficiency retrofits in low-income households
- 6.5 Introduce an appliance upgrade program for low income households
- 6.6 Expand financial counselling services in underserved areas
- 6.7 Support no-interest loans for low-income households to reduce their costs
- 6.8 Increase independence for people with disabilities
- 6.9 Supplement the Disability Aids and Equipment Program



While average Victorian incomes have risen, low-income households have had far lower increases. For some, living standards have suffered as living costs have outpaced income growth¹. People on lower incomes spend most of their money on essentials and relatively little on discretionary consumer goods or services.² This means they are more exposed to the rapid price increases of basic goods and services without being able to offset them with decreasing costs of discretionary items. While finances in other households improve, theirs get worse.

This is reflected in the data gathered by community-based support services that work with people and families in financial crisis – especially those operating in areas of high disadvantage. For example, Whittlesea Community Connections had a 54 per cent increase in the number of applicants for emergency financial assistance between 2011–12 and 2012–13. Because 60 per cent of applicants are now turned away due to insufficient resources, people have started sleeping overnight outside the agency’s front door to improve their chance of securing an appointment.³

People on low incomes facing other challenges can be doubly hit. For example, asylum seekers living in the community are often on very low statutory incomes with no concessions, no work rights, small social support networks, and limited communication skills. People with disabilities may require expensive support, equipment, medication, or home alterations to be able to study, work or otherwise equally participate in society.

Financial disadvantage is underpinned by Commonwealth Government policies: dangerously low statutory payments, upward pressure on house prices and rents, and the increasing insecurity of low-paid employment are matters largely outside state government control. Nevertheless, the Victorian Government has the responsibility to help our most vulnerable citizens.

Effective and equitable concessions, improved access to financial counselling and no-interest loans, support to meet the costs of disability, and assistance with basic capital improvements to poor quality housing will all go a long way toward improving quality of life for vulnerable households and reducing the social and financial cost to the community of disadvantage.

1 G Duffy & I Macmillan, *The Relative Price Index: the CPI and the implications of changing cost pressures on various household groups (Australia, December quarter 2012 – summary report)* St Vincent de Paul Society, 2013.

2 *Ibid.*

3 Whittlesea Community Connections, *Social and Financial Hardship report*, 2013.

6.1 Introduce a 35 per cent uncapped water concession

The existing 50 per cent capped water concession does not provide assistance in proportion to need. A 35 per cent uncapped water concession would better target the needs of low income households, giving greater assistance to households with higher usage and those facing higher water prices.

The old water concession has been losing value for years as water prices have increased at a much higher rate than the cap's CPI-based indexation. More and more households now hit the cap – more than 75 per cent of all concession households now receive the full amount of \$283.90 per year.⁴

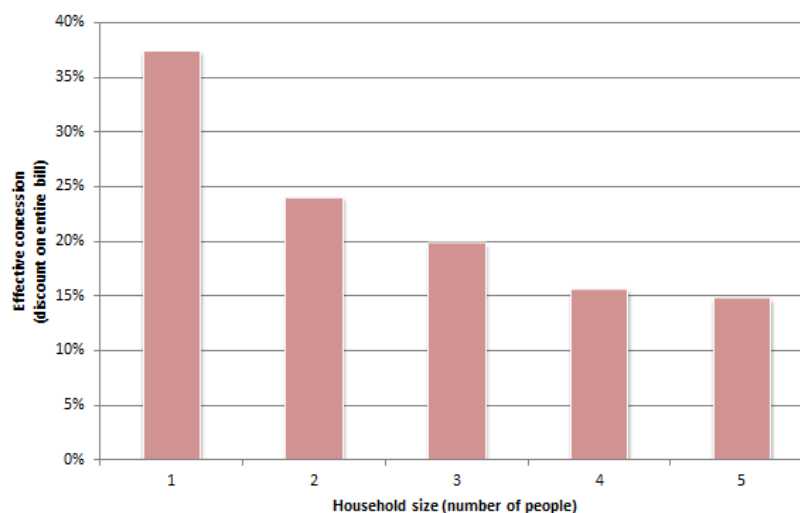
Those who need it most – households with high bills because of large families, high prices in some regional areas, or water efficiency problems they can't afford to fix – get the least assistance. This characteristic of the existing concession – decreasing value with increasing usage – is especially harmful because high usage is strongly correlated with bill-payment difficulty.

Water retailers have told us that high-volume households are significantly over-represented in their hardship programs. Detailed analysis of energy retailer AGL's hardship-affected customers shows a similar pattern.⁵

An uncapped 35 per cent concession better targets the concession to those who need it most, and better achieves horizontal and vertical equity – long identified as objectives of concessions policy.⁶ The existing concession over-compensates low volume households and under-compensates large households and those facing much higher regional prices.

It will, however, mean lower concessions for some low usage and tenant households whose bills are relatively low. These households may require additional interim assistance to avoid price shock and ease their transition to the fairer system.

Different concessions for different-sized households



Calculated using typical usage by different sized households with City West Water and the concession payable to owner-occupiers with those bills

4 Concessions Unit Annual Reports from 2005-06 to 2007-08 cite the proportion of households receiving the maximum concession as between 70 and 73 per cent. Most of these would thus be receiving less than the full 50 per cent concession. Subsequent Annual Reports do not cite this data; but as the concession cap has increased at a lower rate than water prices since then, it is safe to assume that the proportion has risen.

5 P Simshauser & T Nelson, *The energy market death spiral – Rethinking customer hardship* (working paper 31), AGL, Brisbane, 2012.

6 Identified in the House of Representatives Committee 1997 report *Concessions - who benefits? A report on concession card availability and eligibility for concessions*, and affirmed during the Victorian review of concessions in 2010-11.

6.2 Introduce a targeted water efficiency audit and upgrade program

Some of Victoria's most disadvantaged households are struggling to deal with the costs of high water use due to large households, inefficient appliances or fixtures, and leaking pipes or hot water services. They are over-represented among hardship customers – and likely to be struggling with other financial issues, including paying energy bills⁷. The State Government should fund a targeted program to conduct water audits to diagnose and address water-use behaviour and identify faulty or inefficient appliances and fixtures. Additional resources would be required to partly or fully subsidise repairs or replacements.

Addressing an underlying cause of financial stress in this way would help prevent future hardship and reduce passed-on costs to water retailer hardship programs and to the Government's utility relief grants. Failing to do so will see these households in greater hardship as water prices rise.

The water strategy being developed by the Office of Living Victoria emphasises using price increases to persuade people to improve household water efficiency. Vulnerable households with unavoidably high water usage cannot respond to nor cope with these price rises without support.

The proposed program would be administered by water businesses under a cost-share arrangement with the Department of Human Services, with DHS funding the audits and the water businesses paying for rectification works where required – an arrangement that has worked well in the past.

At around \$500 per audit, an allocation of \$2.5 million per annum would cover 4,500 households. VCOSS understands that many water businesses would support such a program and be happy to allocate appropriate funding so long as it is allowed by the Essential Services Commission.

⁷ GA Research, *Supporting Vulnerable Customers Report*, Smart Water Fund, 2012.

6.3 Extend utilities concessions to asylum seekers living in the community

Asylum-seekers are among the most impoverished members of the Victorian community, and are struggling to buy food and to keep up with essential fuel and water costs. Their hardship is exacerbated by being ineligible for Commonwealth concessions.

Granting a special asylum seeker utilities concession card would cost around \$1.4 million⁸ – a low-cost measure that will make a real difference to their wellbeing and reduce costs for energy and water retailers and community support services.

Around 7,000 asylum seekers are living in the community in Victoria, either in community detention or on bridging visas⁹. Only some have work rights, and because many of them are on short term visas (renewed monthly, for example) secure employment is hard to find. Those without employment generally either rely on special Centrelink payments – ASAS (Asylum Seeker Assistance Scheme) payments, which are even lower than Newstart – or basic living allowances provided by welfare agencies that are lower still.

A precedent exists for special asylum seeker concessions. Several years ago the Victorian Government introduced an Asylum Seeker Transport Concession making it easier for asylum seekers to use public transport for employment, appointments, and participation in community life.

⁸ Based on current concessions for gas, electricity, and water; using per-recipient average for energy concessions (from 2011-12 Concessions Annual Report) and a weighted average of tenant water bills from Essential Services Commission *Performance of Victorian urban water and sewerage businesses 2011-12* (2012) with hypothecated price rise of 20% added to metropolitan bills to reflect July 2013 price increases.

⁹ Letter from Consumer Action Law Centre to The Hon. Mary Wooldridge, Minister for Community Services, 10 July 2013.

6.4 Pilot thermal efficiency retrofits in low-income households

Lower income households are bearing the brunt of rising energy costs, yet are far less able to reduce their energy consumption because they may be confined to home by disability or age, live in poorly insulated rental homes or are unable to afford energy efficiency upgrades.

Industry and community agencies confirm that low-income households are often stuck with old, energy-hungry major appliances (such as fridges and heaters) and can't afford new, efficient ones. Most renters are living in uninsulated houses, many without fixed heating or efficient hot water system features that owner-occupier households take for granted.

Improving the thermal efficiency of poor quality housing will dramatically reduce energy consumption for many low-income Victorian households, reducing the incidence of hardship and resulting in savings in concessions expenditure. Investing \$10 million over 2014-15 to retrofit 5,000 homes in different parts of Melbourne and regional cities and towns – covering different building types, climates, household types, and built environments – would give robust guidance as to how to introduce a state-wide program and how much it would cost.

Cutting energy bills for Victorian households

There are a number of low cost ways to help all Victorian households to cut their energy bills, particularly low income households living in poor quality rental accommodation.

Low income households	Middle income households	All households
Targeted certificate and rebate schemes	Improve energy performance standards and star-rating systems for appliances and other products	Implement minimum thermal performance standards on homes at point-of-sale or lease, in conjunction with the schemes described in this table
Provide low- or no-interest loans for co-payments		
Comprehensive retrofit program for the lowest-income owner-occupiers and poorest-quality rental housing	Offer rebates for their purchase and installation	

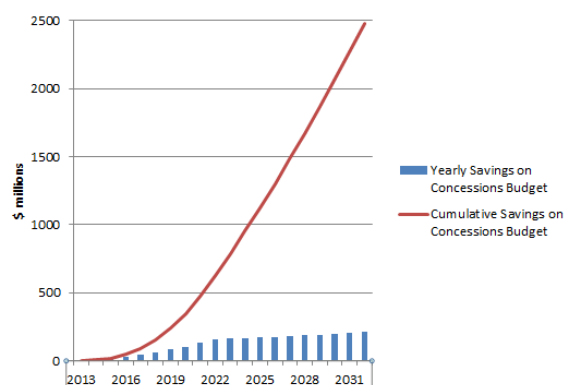
\$ – Key Statistics

Increasing the thermal efficiency rating of a house from two to five stars typically leads to a 32 per cent reduction in energy consumption¹⁰

Investing further in an expanded and consolidated rebate and incentive scheme (incorporating existing schemes such as the Victorian Energy Saver Incentive scheme and the Commonwealth Home Energy Saver Scheme) with targeted, proactive promotion would demonstrate its reach and provide clarity about how a retrofit scheme would best be targeted so as to work complementarily with rebate and certificate schemes.

Without such a program, the Government's commitment to raise the average thermal efficiency of Victorian dwellings to 5 stars cannot be achieved, and concession expenditure will continue to increase at a high rate.

Concessions savings from efficiency upgrades of one million homes over ten years



Alternative Technology Association, *2.5 billion reasons to invest in efficiency: Modelling the impact of improving the energy efficiency of Victoria's homes on the Victorian Energy Concessions Budget*, One Million Homes Alliance, 2012.

¹⁰ Based on 54.7 per cent reduction in heating and cooling energy (www.nathers.gov.au/about/pubs/starbands.pdf) and heating and cooling accounting for 59 per cent of household energy use in Victoria (*Victorian Energy Efficiency Action Statement*, Department of Sustainability and Environment, 2006).

6.5 Introduce an appliance upgrade program for low income households

Replacing inefficient or faulty energy and water appliances with efficient ones for low-income households with unaffordable high bills is one of the most constructive ways to tackle the causes of hardship for struggling energy and water consumers. With increased access to rebates and No Interest Loans providing more options for low-income households, the new program would be well-targeted and thus smaller than similar programs in the past. We estimate that a program serving 5,000 households per year, at a cost of around \$5 million, would be sufficient.

As with VCOSS's proposed water efficiency upgrade program (Rec 6.2), targeting an underlying cause of financial stress will help prevent future hardship and reduce passed-on costs to business (through hardship programs) and government (utility relief grants).

Research by Kildonan Uniting Care, the Brotherhood of St Laurence, and the Moreland Energy Foundation¹¹ demonstrates the many benefits to households in hardship of appliance upgrades; and modelling by the Alternative Technology Association¹² indicates the potential for concession households' energy use savings to reduce concessions expenditure.

The Victorian Energy Retail Code already requires energy retailers to conduct energy use audits and provide replacement appliances where appropriate for hardship customers. However since the Home Wise appliance-replacement program (frequently accessed by retailers) was axed in 2011, audits have decreased substantially and appliance provision has plummeted.¹³

6.6 Expand financial counselling services in underserved areas

Demand for Victoria's 200 financial counsellors has increased by 10–20 per cent in the last 12 months,¹⁴ with the pressure coming most keenly in metropolitan growth areas where the average waiting time to see a financial counsellor has increased from 30 to 45 days¹⁵.

Financial counselling services play a vital role in addressing disadvantage and ameliorating hardship by helping people in financial difficulty understand their rights and options when dealing with banks, utility providers, and other creditors. Their services are free, confidential and independent. Some work in specialist roles, including problem gambling financial counsellors, rural financial counsellors, or related to alcohol and other drugs, mental health and disaster relief.

Increasing involvement of financial counsellors by many creditors (energy retailers being a prominent example) means access may be required not only to help people best negotiate financial difficulty, but to ensure they are covered by the full protections of the Victorian Energy Retail Code.

An additional 30 financial counselling positions in areas of high unmet demand – particularly growth areas where jobs, health care and other support services are also lagging dramatically behind population growth – would bring waiting times to more practicable levels. Increasing current State Government funding by \$3 million to \$10 million would facilitate this.

11 J Borell & S Lane, *Kildonan UnitingCare Energy Audit Program Evaluation*, Kildonan Uniting Care, 2009; V Johnson, D Sullivan, & J Totty *Improving the energy efficiency of homes in Moreland: Warm Home Cool Home and Concession Assist social research final report*, Brotherhood of St Laurence, 2013; Moreland Energy Foundation, *The Phoenix Fridge Project: Report of Stage 1 Trial Project*, 2004.

12 Alternative Technology Association, *2.5 billion reasons to invest in efficiency: Modelling the impact of improving the energy efficiency of Victoria's homes on the Victorian Energy Concessions Budget*, One Million Homes Alliance, 2012.

13 Essential Services Commission Victoria, *Energy Retailers Comparative Performance Report 2011–12 — Customer Service*, ESC, 2012.

14 Financial and Consumer Rights Council, *personal communication*, September 2013.

15 *Ibid.*

6.7 Support no-interest loans for low-income households to reduce their costs

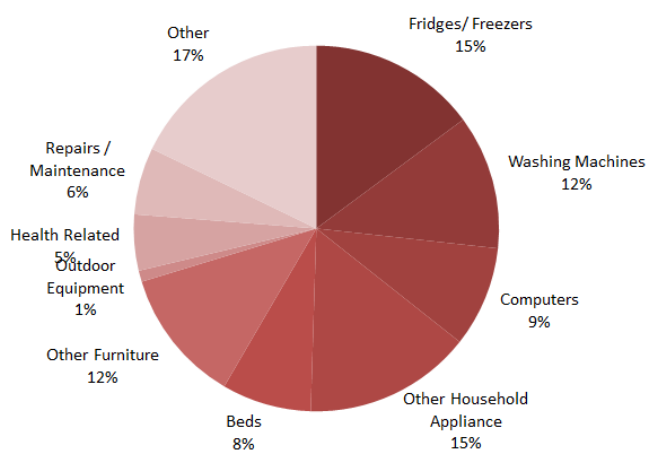
Many community-based No Interest Loan Schemes (NILS) are currently under threat of closure. NILS improve vulnerable households' quality of life and financial wellbeing by helping them meet costs they can't otherwise afford that reduce their living cost or help them find or keep jobs. Victoria should follow the lead of other jurisdictions to make sure NILS can operate to improve the ability of low-income households to reduce their living costs. This State Budget should fund a dedicated program to support the delivery component of NILS programs in Victoria.

NILS are not limited by available loan capital but by resources needed to deliver programs. Typically, NILS are operated as a program of an existing community service organisation but rely on volunteers or staff actually employed in other roles to co-ordinate them. Lack of dedicated resources limits the number of appointments that can be made, the number of people helped, and the amount of private capital leveraged for loans.

Funding from the former Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) in 2010 provided \$11.7 million to NILS programs across Australia for 2010–11 and 2011–12. This funding was used for dedicated staff and resources in existing agencies for NILS programs, and correlates with a doubling of capacity in terms of both number of loans given and total amount of money loaned by NILS providers across Australia. In Victoria, the share of this funding (around \$4 million) enabled many new NILS programs to be established and brought the total number in the state up to an all-time high of 94.¹⁶

However many of these new programs have started to wind down since the FaHCSIA funding ended in June 2012, and several may soon close. Without dedicated resources, many of these programs are unsustainable. In New South Wales, the State Government has stepped in and is funding 52 NILS programs with a total of just \$2.2 million over two years. In the first half of 2012–13, NSW NILS programs have made twice as many loans as Victorian programs despite having fewer providers. Similar funding from the Victorian Government would significantly improve access to NILS loans for essential household goods, improving quality of life and financial wellbeing for many of those who need it most.

**Purposes of NILS in Victoria,
July to December 2012**



Source: Data provided by Good Shepherd Microfinance (personal communication), September 2013

NILS programs give small loans to low-income households for essential capital expenditure such as major appliances, furniture, computers, medical aids, and urgent repairs to homes or vehicles. Loan funds are provided by private companies, primarily the National Australia Bank. Since 2012, NILS have also partnered with the Home Energy Saver Scheme (HESS) to help households pay the balance of energy efficiency improvements.

¹⁶ Source: Data provided by Good Shepherd Microfinance (personal communication), September 2013

6.8 Increase independence for people with disabilities

Nearly 4,000 Victorians with disabilities are stuck on a waiting list, unable to find supported accommodation or live independently in the community. While the Victorian Government has reached agreement with the Commonwealth on the full rollout of the National Disability Insurance Scheme (NDIS), this will not be available state-wide for many years, and action is required now for Victorians with disabilities. Those Victorians on the waiting list cannot wait until 2019-20.

The Victorian Government needs to urgently increase the number of Individual Support Packages (ISPs) to help reduce this long waiting list. It also needs to ensure that the disability services sector is ready for the NDIS roll-out, so that people will be able to transition to the new system with as little disruption as possible.

By 2019-20, the Victorian Government has agreed to pay \$2.5 billion dollars annually as its contribution to the NDIS, with annual indexation thereafter. This means it must substantially increase its investment in disability services over the next six years to reach this target. It would be deeply concerning if any new investment did not materialise until the full commencement date.

6.9 Supplement the Disability Aids and Equipment Program

While people eligible for support from the National Disability Insurance Agency in the Barwon launch site will have equipment funded, other Victorians will continue to need support from the Aids and Equipment program for essential equipment, including subsidised aids, equipment, and home and vehicle modifications. The State Government should supplement the program funding to ensure it continues to be able to meet demand in a timely manner until the full NDIS is rolled out in 2019-20.

Our members continue to express concern at long waiting times for essential equipment under this program. People should not have to wait for the full rollout of the NDIS across Victoria, not scheduled until 2019, in order to receive equipment that is required now.

Disability Support Register Applications at December 2012

DSR Category	All Requests
Disability Services Supported Accommodation options	1,268
Support to live in the community	2,472
Total	3,740

Source: Department of Human Services, *Disability Support Register*, 2012 (accessed Sep 2013)

7 Justice reinvestment and safer communities

- 7.1 Reduce child and youth detention on remand by funding bail services
- 7.2 Re-fund the Youth Support Service to divert children and young people from crime
- 7.3 Expand the Aboriginal cautioning and diversion program to reduce incarceration
- 7.4 Fund a residential facility and other initiatives to keep Aboriginal women from prison
- 7.5 Improve early identification to reduce violence against women and their children
- 7.6 Provide more responses for women and children seeking safety from violence
- 7.7 Provide legal assistance for fair treatment and cost savings
- 7.8 Provide prison health services to reduce deaths and infection



After many years of steady or falling crime rates, Victorian crime levels have again begun to rise, while our prison population has been rapidly expanding. This is a 'lose-lose' situation and it indicates the current approach to justice is both ineffective and expensive.

At present rates, the escalating costs of imprisonment and prison-building will quickly become unaffordable, as the State's prison system is already overcrowded. Victoria needs to look, as are many other jurisdictions in Australia and internationally, at growing evidence about the effectiveness of programs that reduce offending and minimise incarceration by addressing the causes of crime.

The lives of the vast majority of prisoners in Victoria feature child neglect, cognitive disability, poor education, drug and alcohol abuse, unemployment and homelessness in one or more combinations.¹ A smarter approach to justice means preventing crime before it occurs, diverting people from the justice system at the earliest opportunity, providing appropriate legal assistance, closing the gap for Aboriginal offenders, and minimising reoffending through quality healthcare and rehabilitation.

On average, it costs more to incarcerate a person than to deal with the problems that have led people to offend. It costs 12 times as much to

imprison a person than to have them complete a Community Corrections Order, and time in prison increases the likelihood of further offences.² There is no strong evidence to suggest that custodial penalties act as a specific deterrent for youth offending.³ In fact, custodial sentences can contribute to further criminal behaviour due to negative peer influences and disconnection from the community.⁴

Tackling the overrepresentation of Aboriginal people in the justice system is an important step towards meeting Victoria's targets to 'Close the Gap' between Aboriginal and non Aboriginal outcomes. The rate of imprisonment for Aboriginal Victorians is 14 times higher than the rate for non-Aboriginal Victorians at 30 June 2012.⁵

Taking a Justice Reinvestment approach in Victoria will allow us to enjoy safer communities, have fewer people imprisoned, deliver better social outcomes for people experiencing disadvantage, and save significant costs to the Budget at the same time.

1 H de Kretser, *Insight: crime and justice*, VCOSS, June 2013.

2 VEOHRC, *Unfinished Business: Koori women and the justice system*, Victoria, 2013, p.95.

3 D Weatherburn, S Vignaendra and A McGrath, *The Specific Deterrent Effect of Custodial Penalties on Juvenile Reoffending*, AIC Reports Technical and Background Paper 33, Australian Institute of Criminology, p10.

4 U Gatti, R Tremblay and F Vitaro, 'Latrogenic Effect of Juvenile Justice', *Journal of Child Psychology and Psychiatry* 50:8, 2009, p.991-998.

5 ABS, *Prisoners in Australia*, 4517.0, 2013, p.50.

7.1 Reduce child and youth detention on remand by funding bail services

There is widespread agreement that detention of children and young people should be a last resort, but significant numbers of children are being detained on remand because bail services are not available to support them. This happens particularly in rural and regional Victoria, where fewer mental health, youth, accommodation, and drug and alcohol services mean offenders are more likely to be sentenced to remand.

In Victoria, 22 per cent of children and young people in detention are un-sentenced, and this number has increased by 66 per cent between 2007 and 2010.⁶ The priority to reduce imprisonment of children and young people on remand is to expand the Central After Hours Assessment and Bail Placement Service and the Intensive Bail Supervision Program.

The Central After Hours Assessment and Bail Placement Service is a state-wide after hours service for children and young people aged 10 to 18 years who are being considered for remand outside business hours. The worker assesses the suitability of the young person for bail placement and provides support, such as referring the young person to bail accommodation and youth and family support services. However the service is only funded to operate until 2am. Its hours should be extended to 9.30am when court services resume. This will also require investment in after hours support services including crisis accommodation and drug and alcohol services.

The Intensive Bail Supervision Program is targeted at young people aged 10-18 years who are at high risk of remand or re-remand, assisting with accommodation, employment, education, family issues and health issues. The aim is to keep the child or young person out of custody and to address what issues led to offending.

The Intensive Bail Supervision Program is available across all DHS regions but funding needs to be increased to ensure more consistent coverage and adequate staffing levels to provide for intensive supervision.



Key Statistics

A recent study by Jesuit Social Services⁷ found that:

- remand admissions tend to be for short periods – 64 per cent of all remand admissions in 2010 were for 21 days or less, 39 per cent were for seven days or less and 25 per cent were one to three days
- the Central After Hours Assessment and Bail Placement Service support is limited due to the lack of after-hours referral options, lack of capacity to provide in-person assessments outside the metropolitan area, and closure between 2am and 9.30am when 10 per cent of arrests happen
- reducing the percentage of young people exposed to remand and those experiencing short-term remand, provides substantial cost savings that can be reinvested in alternative service options.

⁶ Australian Institute of Health and Welfare, *Juvenile Detention in Australia 2011*.

⁷ Jesuit Social Services, *Thinking Outside: Alternatives to remand for children*, 2013.

7.2 Re-fund the Youth Support Service to divert children and young people from crime

The Youth Support Service (YSS) will close on 30 June 2014 without renewed funding in this Budget. The YSS is the only diversion program that works with children and young people aged 10 to 17 years who come into early contact with police. This program should be granted recurrent funding and be expanded to meet growing demand, particularly in metropolitan areas, growth corridors and some regional areas. This will give children a better chance in life and save public money in the long-term.

The YSS intervenes in children's lives before they interact with the court or child protection systems, which would put them at greater risk of longer-term offending.⁸ A survey of adult prison entrants in Australia in 2010 found that 22 per cent had been in youth detention – half of those had been there at least three times.⁹

The strengths of the YSS are that it:

- operates statewide
- targets young people in first or early contact with Victoria Police and who may be at risk of entering the youth justice system
- runs as a strong partnership between police and community agencies, with most referrals coming directly from police
- is delivered by community sector organisations and workers in youth justice facilities
- works directly with the child and their family to address the underlying causes of offending or other risk signs such as disengagement from education, truancy, family conflict, risk of homelessness and substance use.

The program is undergoing evaluation to guide its future development. In addition to helping children and young people avoid further involvement with the justice system, and reducing the cost to government from future contact, the YSS contributes to whole-of-government commitments in the *Victorian Vulnerable Children's Strategy*.¹⁰

⁸ Australian Institute of Health and Welfare, *Young people aged 10-14 in the youth justice system 2011-12, 2013*, Canberra.

⁹ Australian Institute of Health and Welfare, *The health of Australia's prisoners 2010, 2011*, Canberra.

¹⁰ Victorian Government, *Victoria's Vulnerable Children: Our Shared Responsibility: strategy 2013-2022*.

7.3 Fund a state-wide court based diversion program for young people

Diversion options for young people need to be available at every point through the justice continuum – from early interaction with the police through to attending court. There is currently no state-wide court based diversion program for young people in Victoria.

There are several locally established programs that could be expanded state-wide through existing local consortiums, including state and federal programs such as Youth Connections and the Youth Support Service.

Funding is needed to continue and expand the Right Step program, developed through a partnership between Victoria Police, Youth Connect and the Moorabbin Justice Centre. This program is only available at the Moorabbin Children's Court, for young people living in the municipalities of Kingston, Bayside and Glen Eira, and is currently dependent on philanthropic funding. It aims to divert young people from the court system and to address issues that lead to offending behaviour – for example, providing mental health, alcohol and other drug supports, accommodation, pathways into education, training and employment and family conflict resolution – with the aim of reducing the likelihood of continued offending. Importantly, Youth Connect staff follow-up with each young person for 12 months to ensure that they are keeping on track.

An evaluation of the program found that, of the 100 young people who participated in the program between 2009-2012:

- two thirds had completed the program successfully and had not reoffended
- more than three quarters did not reoffend within 6 months.¹¹

¹¹ Youth Connect, *A Step in the Right Direction, Diverting Young People from the Victorian Justice System, Pilot Evaluation Report*, 2012, Melbourne.

7.4 Expand cautioning and diversion options for Aboriginal young people

The Victorian Aboriginal Legal Service's (VALS) Police Cautioning and Youth Diversion Program has reduced re-offending among Aboriginal young people since it began as a pilot in Mildura and the LaTrobe Valley as a joint initiative between Victoria Police and the Aboriginal community. Funding for the program has now lapsed. The *Victorian Aboriginal Justice Agreement 3* re-states the Government's commitment to this initiative but funding is needed to develop and expand the program across Victoria.

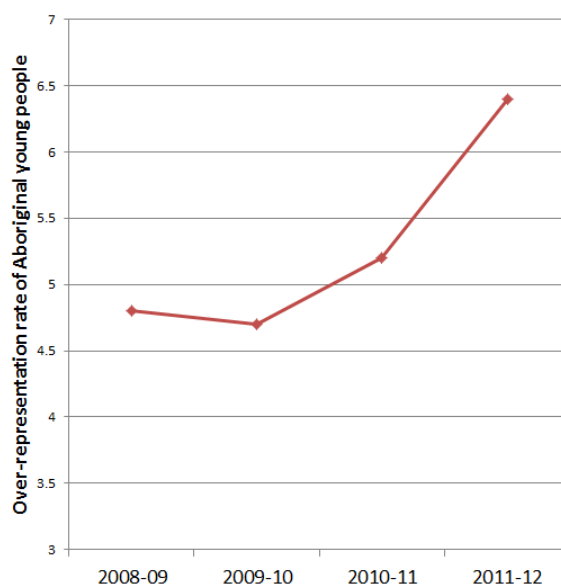
The program is culturally sensitive and involves family and other support people to a greater extent than mainstream cautioning. A key strength is the follow-up support it provides, involving the offender, police, family or community member, Aboriginal Educator and others. An evaluation of the program in the pilot area found:

- a significant increase of cautioning rates for both first-time offenders and those with prior contact with the police
- 94 per cent of individuals did not re-offend after completing the follow-up program.¹²

'In 2011-12, 11 per cent of Aboriginal young people were formally cautioned when processed by police, a reduction from 14.9 per cent in 2010-11.'

Victorian Government, *Aboriginal Affairs Report 2012, 2013*, Melbourne, p.54

Over-representation of Aboriginal young people (age 10-17) processed by police



Source: Victorian Government, *Aboriginal Affairs Report 2012, 2013*, Melbourne, p.54.

The VALS Police Cautioning and Youth Diversion program addresses the *Victorian Aboriginal Justice Agreement 3* objectives of:

- increasing the rate at which Aboriginal young people are diverted from the youth justice system and from further contact with Victoria Police
- increasing the proportion of Aboriginal young people who are cautioned when processed by police
- ensuring the cautioning process includes referral to appropriate services that address factors driving the problem behaviour.

¹² Victorian Aboriginal Legal Service, *Police Cautioning and Youth Diversion Project: Final Evaluation Report*, June 2008, Melbourne, p.22.

7.5 Establish a residential facility and other initiatives to keep Aboriginal women from prison

Aboriginal women comprise the fastest growing segment of the Victorian prison population. The number of Aboriginal women prisoners on remand appears to be increasing at a rate higher than that for non-Aboriginal women, and at a significantly faster rate than that of Aboriginal male prisoners.¹³ There are few community based diversion initiatives for Aboriginal women that provide targeted interventions to address offending and reduce recidivism.

The Victorian Government should respond with a multi-pronged approach, including a residential centre for Aboriginal women to develop life skills, and improve health and employability to reduce re-offending. This would allow it to better meet the commitments of the *Aboriginal Justice Agreement 3 (AJA3)* to increase the diversion of Aboriginal women from further contact with the justice system and strengthen community-based alternatives to imprisonment.

Key Statistics



- around one in ten female prisoners in Victoria is Aboriginal
- over one in three Aboriginal women in prison is on remand
- most Aboriginal women in prison have been victims of physical or sexual abuse
- many Aboriginal women in prison were clients of child protection services as children and now have their own children in informal or out-of-home care
- a significant proportion of Aboriginal women were homeless or in unsafe housing due to violence prior to entering prison
- over 80 per cent of Aboriginal women in prison are mothers.

Victorian Equal Opportunity and Human Rights Commission, *Unfinished Business: Koori women and the justice system*, Victoria, 2013, p. 4.

¹³ Victorian Equal Opportunity and Human Rights Commission, *Unfinished Business: Koori women and the justice system*, Victoria, 2013, p. 18.

Such programs need to be culturally safe and gender appropriate, to help resolve the underlying causes of offending, such as drug and alcohol use, family violence and homelessness, and result in fewer Aboriginal women in custody. Women respond to community based programs with high completion rates and reduced recidivism. For interventions to be successful, Aboriginal women must have safe housing.¹⁴ Aboriginal men have some post-prison residential options available to improve bail, diversion and post-release pathways, but there are none for women.

'The aim of the women's diversion project is to explore alternatives to remand and prison, as offences are processed, whilst simultaneously connecting women to services that can help them get their lives back on track.'

Premier of Victoria, *Improving justice for Aboriginal Victorians*, Media Release, Thursday, 18 July 2013

The Victorian Equal Opportunity and Human Rights Commission recommends that a residential centre, similar to Wulgunggo Ngalu Learning Place for men, must:

- reflect the geographical diversity of Aboriginal women, recognising the importance of providing reconnection to culture
- involve Elders
- offer culturally appropriate support and programs from Aboriginal and non-Aboriginal service providers
- have a majority of programs developed and run by Aboriginal women
- be holistic and take into account the needs of the family and the family structure, whatever that may be and however large that may be
- accommodate children
- be flexible and tailored to where women are in their life and their specific circumstances
- address causal factors and drivers of their offending and put in place support services to deal with these.

¹⁴ *Ibid*, p.77.

7.6 Improve early identification to reduce violence against women and their children

Victoria is recording a dramatic rise in reported incidents of family violence against women and their children. Still many of those incidents go unreported, as most women and children are subject to violence many times before an incident is reported to police. To intervene earlier, we need to ensure that key professionals – such as court officials, staff in hospital Emergency Departments, GPs and school staff – know how to recognise signs of family violence and respond. Victoria has a Common Risk Assessment Framework (CRAF) for family violence, but it needs to be more widely utilised among professionals. CRAF training funding ceases this year, and training resources need to be extended and expanded.

The Victorian Government has taken an important step forward in establishing the Foundation to Prevent Violence against Women and their Children

A family experiencing violence may contact a wide range of services without directly reporting it. Seeking help directly is often unsafe for women and children as this could increase the risk of immediate violence. Training professionals in services used by families will help them identify indicators of family violence, assess the risks and appropriately respond. The CRAF provides a common language for all agencies to talk about risk assessment and promotes shared understanding.

As more women and children experiencing violence in the home come forward, early identification, risk assessment, appropriate referral and effective responses play a crucial role in helping them find safety and stay safe. Over the longer-term, this approach will save the government millions of dollars across the health, justice and homelessness systems and will help to prevent family violence deaths.

According to the 2010 evaluation undertaken, the roll out of CRAF training was effective, well managed, and necessary to building an integrated family violence service system.¹⁵

¹⁵ Family Violence Reform Coordination Unit, Office of Women's Policy, *The Victorian Family Violence Risk Assessment and Risk Management Framework: Summary of the Evaluation Report of the Statewide Training Program*, Victorian Government, Melbourne, 2010.

Despite many of the 2013 CRAF training sessions being fully booked, signalling ongoing demand, funding for CRAF training finishes at the end of 2013. By extending the funding for CRAF training, professionals will be able to effectively respond and conduct risk assessments, meaning more women and children can stay safe faster.



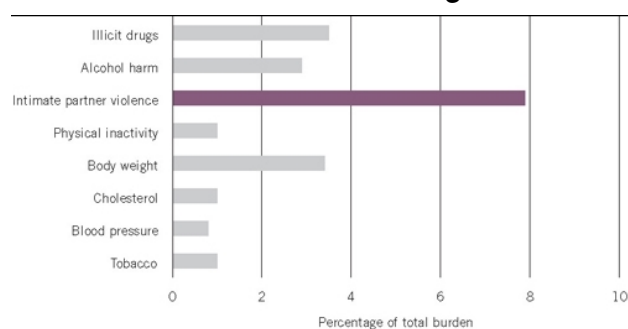
Key Statistics

- Violence against women by intimate partners is the biggest contributor to ill health, disability and death in women aged 15–44.¹⁶
- Family violence incident reports rose by over 70 per cent between 2009–10 and 2012–13.¹⁷

Services that have a role in early identification:

- maternal and child health nurses
- teachers
- disability services
- mediation centres
- Centrelink staff and employment services
- general practitioners
- Victoria Police
- community legal centres and courts
- child protection and family services
- housing and homelessness services.

Burden of disease for women aged 15–44



The Victorian Health Promotion Foundation (VicHealth), *The Health Costs of Violence: Measuring the burden of disease caused by intimate partner violence*, 2010, Carlton.

¹⁶ The Victorian Health Promotion Foundation (VicHealth), *The Health Costs of Violence: Measuring the burden of disease caused by intimate partner violence*, 2010, Carlton, p.10.

¹⁷ Victoria Police, *Official Release Crime Statistics 2012/13*, August 2013, p.21.

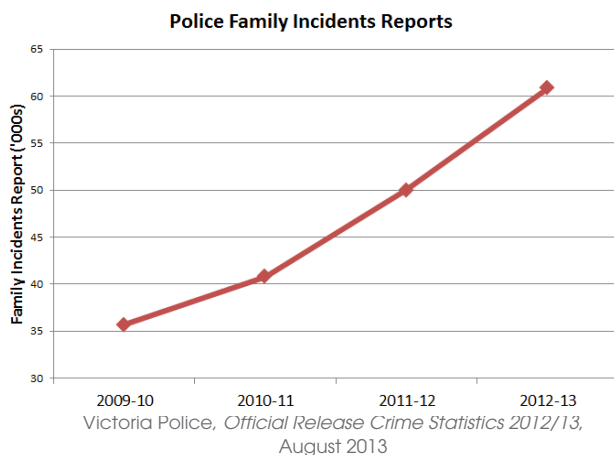
7.7 Respond to escalating family violence reports with more support

The rapid increase in reports of family violence has not been accompanied by the resources required to respond to the demand. The Government needs to invest in what works across the police, court and community services systems to effectively respond to people needing help.

The surge in family violence reports have meant community organisations who work with both victims and perpetrators of domestic violence have been unable to respond to many requests for assistance. It has begun to respond to family violence through its *Action Plan to Address Violence Against Women and Children*.

The Victorian Government should expand the range of services and supports available to respond to incidents of family violence, including:

- specialist workers in the court system to ensure people understand the process and receive appropriate referrals
- multi-agency high risk management programs to keep women safe from extremely violent offenders
- case management and crisis response services from family violence services
- counselling and therapeutic recovery services for both women and their children
- housing support, including 'safe at home' programs
- legal assistance
- men's behaviour-change programs so offenders have the chance to address their attitudes and behaviour.



7.8 Provide legal assistance for fair treatment and cost savings

People experiencing disadvantage in Victoria are being treated unfairly by the justice system because they cannot get affordable legal assistance. Research shows that investing in Community Legal Centres returns a cost benefit to the community of \$18 for every dollar invested.¹⁸ The Victorian Government can reduce costs and increase fairness by investing in additional legal assistance through community legal centres and Legal Aid.

Seventy-three per cent of Community Legal Centres in Australia report they cannot meet demand,¹⁹ and rationing of Legal Aid services due to budget pressures²⁰ has impeded access to legal assistance for vulnerable people. The barriers to receiving appropriate legal assistance for Victorians experiencing multiple types of disadvantage are significant and put people at greater risk of adverse legal outcomes, particularly when they come into contact with the criminal justice system. This includes people with a disability, single parents, people who are unemployed, people who have low incomes or receive welfare benefits, and people living in public housing.²¹

Victorians from disadvantaged backgrounds are less likely to seek legal assistance due to a lack of knowledge and awareness of both their rights and the availability of legal services.²² The Victorian Government should expand access to legal assistance in this Budget by expanding the numbers of people able to be assisted by Community Legal Centres, and expanding the Legal Aid budget.

'Disadvantaged groups are particularly vulnerable to legal problems and less able to resolve the problems they face'

C Coumarelos et al. *Legal Australia-Wide Survey: Legal Need in Victoria*, 2012, p.1.

18 J Stubbs & Associates, *Economic Cost Benefit Analysis of Community Legal Centres June 2012*, NACLC.

19 Australian Council of Social Service, *Australia Community Sector Survey 2012 National Report*, p.6.

20 Law Institute of Victoria, *Band-Aid Legal Aid Budget*, Media Release 7 May 2013.

21 C Coumarelos, D Macourt, J People, HM MacDonald, Z Wei, R Iriana, & S Ramsey, *Legal Australia-Wide Survey: legal need in Victoria*, Law and Justice Foundation of NSW, Sydney, 2012, p.226.

22 *Ibid*, p.xvi.

7.9 Provide prison health services to reduce deaths and infection

Prisons are the unhealthiest place to be in Victoria. Twelve prisoners died in Victoria's prison system in the first half of 2013²³ and nearly one in every two prisoners is infected with Hepatitis C virus,²⁴ yet only three of Victoria's 14 prisons offer Hepatitis C treatment.²⁵ Forensic mental health and AOD treatment services are inadequate. The Victorian Government needs to urgently invest in prison health services to ensure that prisoners re-enter the population healthy, capable and able to re-integrate into society.

Victorian prison populations have much higher rates of a range of serious health issues than the general population. There are alarming rates of blood-borne infectious diseases, health problems associated with substance abuse and serious mental health issues among the prison population.²⁶ Forensic AOD treatment referrals have increased from just over 2,000 in 1997-1998 to approximately 15,000 in 2009-10.²⁷ Untreated mental health issues can adversely impact on the greater community when offenders are released and have been shown to increase the likelihood of re-offending.²⁸

The Victorian Government should immediately fund additional health services for the Victorian Corrections system. This should include:

- additional preventative health measure to reduce the transmission of blood-borne viruses
- additional drug and alcohol treatment programs for prisoners with a history of problem drug and alcohol use
- rapid expansion of psychiatric care services for prisoners experiencing mental ill-health
- increased access to primary health care
- additional oversight and review mechanisms of prisoner health services, including an expansion of the role of the Health Services Commissioner.



'There have been no additional health beds added to the male prison system since 1996-97 despite the prison population doubling in this time.'

Victorian Auditor-General's Report, *Prison Capacity Planning 2012*, November 2012, Melbourne, p. 17.

23 The Age, *Wave of deaths in Victoria's prisons*, 19 May 2013.

24 Victorian Ombudsman, *Investigation into prisoner access to health care*, August 2011, Melbourne, p.8.

25 S Biondo & D Taylor, 'Alcohol, other drugs and prison: before, during and after', *VCOSS Insight*, September 2013.

26 Victorian Ombudsman, *Investigation into prisoner access to health care*, August 2011, Melbourne, p.3.

27 J Pollard, M Berry, S Ross, and M Klehne, *Forensic AOD treatment in Victoria*, Department of Health, Melbourne, 2011.

28 Victorian Ombudsman, *Investigation into prisoner access to health care*, August 2011, Melbourne, p. 5.

8 Effective services from viable community sector organisations

- 8.1 Fund workforce improvements to deliver better services
- 8.2 Provide indexation of 5.5 per cent to prevent service cuts for Victorians
- 8.3 Support new systems, skills and local governance to achieve reforms
- 8.4 Extend cultural competence training to better serve Aboriginal people
- 8.5 Establish a fund for emergency management capacity and resilience in community organisations

The community sector plays a vital role in the delivery of important services, and seeks to develop strong, cohesive and self-reliant communities. Community sector organisations undertake work that may not be commercially viable, but that helps people get their lives back on track and protects many more from further harm.

Community sector organisations are experiencing increasing demand for their services, and increasing complexity in the issues experienced by those who need support and assistance. Professor Peter Shergold's recently released paper recognises this and points to the need for new ways of working across both the sector and government to deliver more effective services for vulnerable Victorians.¹ The community sector is helping to progress significant reforms to the way those services are delivered, including:

- *Victoria's Vulnerable Children's Strategy*
- Reforms to community-based mental health and drug and alcohol services
- *Victorian Homelessness Action Plan*
- Youth Partnerships initiative
- *Action Plan to Address Violence Against Women and their Children*
- *Victorian Aboriginal Affairs Framework 2013–2018*
- National Disability Insurance Scheme trial site
- *National Quality Framework for Early Childhood Education and Care*
- *Living Longer Living Better aged care reforms*

Any reform that improves services for vulnerable Victorians is vital, but change has to be well funded and managed. Too rapid, poorly implemented or inappropriate change reduces the ability and capacity of the community sector to provide services to vulnerable and disadvantaged people in the community.

The community sector facing the challenge of providing good career pathways and recruiting and retaining qualified staff. The sector needs a sustainable workforce to meet the challenges of:

- growing demand
- increasing complexity of need
- need for new practice models
- potential labour and skill shortages.

Community sector organisations must also be funded for the full cost of service delivery, including planning, infrastructure and administrative support. Underfunding of organisations is reaching crisis point, with implications for the frontline services Victoria provides for its vulnerable people and communities.

'The not-for-profit community sector ... is important to Victoria: for its economic contribution ... and for its enormous role, extending far beyond the public funding that it receives, in creating a fairer and more civil society.'

¹ P Shergold, *Service Sector Reform: A roadmap for community and human services reform – Final report*, Melbourne, 2013.

Professor Peter Shergold, *Service Sector Reform: A roadmap for community and human services reform – Final report*, 2013, p.11.

8.1 Fund workforce improvements to deliver better services

This Budget should fund a needs analysis to identify:

- how many employees and volunteers will be required
- what skills and qualifications will be needed
- where these people will be needed (i.e. distribution between inner-Melbourne, outer Melbourne, regional cities, rural areas)
- what attracts workers to the sector
- why workers stay and leave
- what pressures are in the external environment (i.e. general labour market trends, ageing workforce, competing industries, complementary industries)
- how the sector can move to where it needs to be in five to 15 years
- what service and practice models are required

The Victorian Government has invested in pockets of workforce development within various service delivery areas, however the need is across the sector. Professor Shergold identified the need for the existing reforms 'to be reframed as a system-wide and joined-up approach' and that 'a more integrated and coordinated service approach lies at the heart of raising productivity in the delivery of government services'.² To achieve this, the community sector workforce needs to be considered as a whole.

'It is evident that the performance of Victoria's service providers is constrained by under-investment in workforce development and capacity building.'

P Shergold, *Service Sector Reform: A roadmap for community and human services reform – Final report*, Melbourne, 2013, p.30.

2 P Shergold, *Service Sector Reform: A roadmap for community and human services reform – Final report*, Melbourne, 2013, p.4.

The community sector requires a multi-skilled and expert workforce and highly competent volunteers with the ability to work with Aboriginal communities, people from culturally and linguistically diverse backgrounds and many others facing complex social issues. Alongside this, the workforce needs to develop new practice models, particularly the development of child and family centred practice by adult services, to effectively meet the needs of vulnerable Victorians.

Having high performing staff means organisations can better identify the needs of service users and provide improved and quicker responses. Ongoing sector reform will require organisations and staff to have stronger and different capabilities so they can work more collaboratively and provide more flexible responses and consumer-directed care.

Key Statistics

- The community services and health industry³ is the largest employer grouping in Australia, employing nine per cent of the workforce.⁴
- The community services and health industry is the fastest growing industry in Australia.⁵
- Projections of workforce growth range from 35 per cent to 80 per cent by 2025.⁶

As the fastest growing industry in Australia, community services and health employers face many of the same workforce challenges as many other industries:

- an ageing workforce
- increased competition for traditional labour sources
- improved engagement and use of the skills of the existing workforce
- leadership and management for innovation
- difficulty attracting and retaining skilled staff.

Source: W Westbrook, 'Workforce: what's the strategy', *Insight*, Victorian Council of Social Service, Melbourne, September 2012.

3 Community services are not usually identified separately but are considered to be a part of the Community Services and Health Industry.

4 Community Services & Health Industry Council, *Environmental Scan 2013*, Sydney, 2013

5 *Ibid.*

6 Deloitte Access Economics, *Economic Modelling of Skills Demand and Supply*, 2012.

8.2 Provide indexation of 5.5 per cent to prevent service cuts for Victorians

Large numbers of Victorians rely on community sector organisations to provide them with essential services to maintain their wellbeing. Victorian Government funding for community services should keep pace with the full cost of service provision, otherwise organisations will be forced to cut services. To catch up with the real costs of service provision requires indexation of 5.5 per cent in 2014-15.

Funding levels to the sector have been determined by price reviews conducted in collaboration between the funding departments and the sector. Between price reviews, funding is indexed annually. For the *2012-15 Service Agreement* period, indexation was effectively 2 per cent per annum. This is based on the Government's public sector wages policy of 2.5 per cent and assumes that wage-related costs comprise 80 per cent of community sector organisations' budgets, with no provision for increases in non-wage costs.

Community sector wages are increasing due to the Equal Remuneration Order for which the Victorian Government has committed funds to June 2015. However, there are cost pressures on organisations that neither the annual indexation nor the Equal Remuneration Order funding is meant to cover. These include:

- the increase in the Superannuation Guarantee Levy by 0.25 per cent in July 2013, and by a further 0.25 per cent in July 2014
- the National Minimum Wage Order of 2.9 per cent commencing July 2012, and 2.6 per cent commencing July 2013
- increases in non-wage costs (e.g. transport, electricity, and rent for office space).

Low indexation means organisations are underfunded. When the full cost of service provision is not funded, organisations have to cover the shortfall from fundraising or by cutting service provision.

The VCOSS-commissioned Allens Consulting Group report *NGO Price Indexation*⁷ found that funding for community sector wages should be indexed to the Australian Wage Price Index,⁸ while the best estimate of increases in non-wage costs was the Melbourne Consumer Price Index.⁹ If these findings had been applied, then the community services sector would have received indexation of 3.2 per cent in 2012-13 and 2.8 per cent in 2013-14.

To make up that shortfall and ensure that funding to community sector organisations does not fall further behind the cost of service provision, the Victorian Government should increase funding by 5.5 per cent in 2014-2015.

7 Allens Consulting Group, *NGO Price Indexation: Report to VCOSS*, Melbourne, 2008.

8 The Australian Wage Price Index was 3.7 per cent at June 2012 and 3.0 per cent at June 2013 (Cat No. 6345.0). It is projected to be 3.5 per cent at June 2014 (Budget Paper No 2).

9 The Melbourne Consumer Price Index was 1.2 per cent as at June 2012 and 2.2 per cent as at June 2013 (ABS Cat No. 6401.0) and is forecast to be 2.5 per cent as at June 2014 (Budget Paper No 2).

8.3 Support new systems, skills and local governance to achieve change

The community sector is experiencing significant change, with the many reforms underway adding pressure to already stretched services. To achieve the desired results of those reforms, community sector organisations need funding to:

- build IT systems to collect, share and report outcomes data
- develop staff skills in integrated, person-centred care
- participate in local governance structures.

The Service Sector Reform project, the reforms to mental health and drug and alcohol services, the *Victorian Homelessness Action Plan*, the *Vulnerable Children's Strategy* and the rollout of the National Disability Insurance Scheme (NDIS) are all leading to significant change in the operation of community sector organisations in Victoria.

Many programs, both state and Commonwealth, are changing their funding models towards flexible and responsive systems that focus on individual needs. As the experience of the NDIS shows, organisations affected by reform often need to develop new procedures or processes in response.

Reforms are also requiring community sector organisations to collect, share and report data in different ways, particularly on outcomes for service users. Many community sector organisations will need to enhance their information technology systems to be able to do so.

Victoria's Vulnerable Children's Strategy seeks to have state and local governments, service providers and communities working together to develop solutions for vulnerable children at a local level. The Service Sector Reform report recommended that local area governance structures be established to better meet the needs of individuals, families and communities. Community sector participation in these structures is vital for their success; however, community sector organisations are not currently funded to participate in such activities.

The Victorian Government has commenced ambitious reforms to service delivery in order to improve the lives of vulnerable people. Community sector organisations are important partners in this reform process. The Government must recognise that additional support for community sector organisations is required to achieve service sector reform.

'The Government should enhance its capacity to identify and respond to vulnerable children and young people by ... providing funding to support specialist adult services to develop family-sensitive practices'

P Cummins, D Scott & B Scales, *The Report of the Protecting Victoria's Vulnerable Children Inquiry*, Melbourne, 2012, p.ii.

■ 8.4 Extend cultural competence training to better serve Aboriginal people

Mainstream services, alongside Aboriginal community controlled organisations, have a role in providing culturally sensitive responses to Aboriginal Victorians. Further action is required to ensure mainstream services provide effective interventions that respect cultural needs and concerns.

The Department of Human Services Standards require organisations to provide services which respect a person's Aboriginal and Torres Strait Islander cultural identity, promote community links, collaborate with Aboriginal services and promote cultural safety and connectedness.¹⁰ The Department of Health is implementing a range of initiatives to improve the cultural responsiveness of mainstream health services through its Close the Gap commitments.

The Government's *Aboriginal Cultural Competence Framework* and previous cultural competence training for child and family services is valuable. It should be extended to all funded organisations that support Aboriginal people and communities.

Department of Human Services Standard 4.4 — People maintain and strengthen connection to their Aboriginal and Torres Strait Islander culture and community

Common evidence indicators:

- The service provider provides culturally competent services which respect a person's Aboriginal and Torres Strait Islander cultural identity.
- The service provider maintains appropriate community linkages and collaborates with Aboriginal services to meet the cultural needs of Aboriginal and Torres Strait Islander people.
- Assessment, planning and actions promote cultural safety and connectedness and respect the cultural and spiritual identity of Aboriginal and Torres Strait Islander people.

'Aboriginal Victorians need access to culturally appropriate solutions.'

P Shergold, *Service Sector Reform: A roadmap for community and human services reform – Final report*, Melbourne, 2013, p.43.

¹⁰ Department of Human Services, *Standards Policy*, Department of Human Services, Melbourne, 2013.

8.5 Build emergency management capacity and resilience in community organisations

Community sector organisations are often on the frontline in responding to disasters and emergencies and they remain in affected communities for the long-term, providing vital support services to local people and communities for recovery. They do not have the resources they need to effectively plan these responses, which puts at risk the resilience and efficiency of Victoria's emergency management arrangements.

The Victorian Government is undertaking major reforms in emergency management following recommendations made by the 2009 Victorian Bushfires Royal Commission and inquiries relating to the 2010-11 floods. The Government has committed to better plan and develop an holistic approach to deliver emergency relief and recovery services with the not-for-profit sector, community groups and private sectors.¹¹ This commitment provides a unique opportunity to share responsibility in emergencies by building the capacity of the community sector.

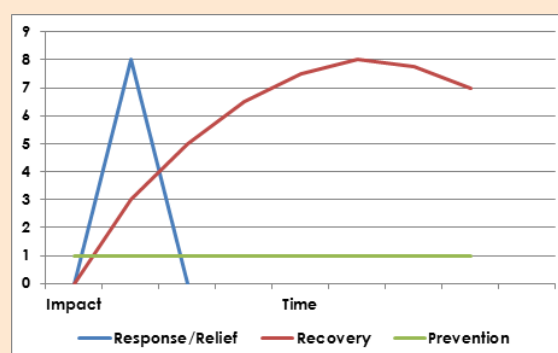
Community sector organisations help local individuals and families to prepare for, and recover from, emergencies. They provide many of the services that are vital to the response, relief and longer term recovery phases of emergency management. These extend from crisis accommodation to long-term mental health support and community resilience building. Community sector organisations need the resources and capacity to manage the risks associated with emergencies – noting they can themselves be hit hard by an emergency event. Capacities required include business continuity planning, staffing, insurance and funding certainty.

¹¹ Department of Premier and Cabinet, *Victorian Emergency Management Reform White Paper*, December 2012.

'One week after an extreme weather event 50 per cent of organisations that sustain serious damage to their premises would still be out of operation; 25 per cent might never provide services again'

Source: K Mallon, E Hamilton, M Black, B Beem, & J Abs, *Adapting the community sector for climate extremes*, National Climate Change Adaptation Research Facility, Gold Coast, 2013.

Changing intensity of activities after an emergency



Source: Emergency Management in Victoria, Part 1: Emergency Management Manual Victoria P1-7, Department of Justice, Victoria.

The **Prevention** phase of emergency management operates on a continuum. Following an emergency event, **Response/Relief** activities commence as soon as possible, peak to full effort quickly and often cease promptly when the physical emergency has been dealt with.

Recovery activities commence at or soon after the time of impact and peak to full effort more gradually and often much later than response activities. Recovery activities can continue for a considerable period of time, gradually tapering off and merging into normal community activities some weeks, months or even years after the initial emergency impact.

Recovery is defined as the process of assisting individuals and communities to manage the re-establishment of those elements of society necessary for their wellbeing.

