



STRONGER PEOPLE STRONGER STATE

Focus on rural and regional Victoria

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The full VCOSS State Budget Submission is available at:
<http://www.vcoss.org.au/what-we-do/state-budget/stronger-people-stronger-state.htm>



INTRODUCTION

The State Government has earmarked \$1 billion in targeted investment in infrastructure and jobs in rural and regional Victoria over the next eight years through its Regional Growth Fund, to create more jobs and better career opportunities.

For that investment to be effective, it must first build the strengths of rural and regional Victorians, to make sure that they have the skills and training for those jobs and career paths, can get to school, training and work, afford a roof over their heads and food on the table, and are well enough to participate in the workforce and the wider community.

Currently rural and regional Victorians are more likely to have poorer health, leave school earlier, earn less and find it harder to manage their everyday costs than their Melbourne counterparts. In addition, many have recently endured some of the worst natural disasters that we have seen in generations: bushfires, long-term drought, and flooding.

While tight-knit regional communities often demonstrate remarkable resilience, many experience tough times and concentrations of disadvantage – in fact, some of the most disadvantaged areas of the state are in rural and regional Victoria.

Across the board, rural and regional communities suffer persistent inequalities in access to basic services. As well, they face additional pressures. Cost of living issues are exacerbated by a forced reliance on cars, resulting from the costly combination of scarce services and poor public transport. Housing costs are increasing rapidly in fast growing regional cities, making the task of finding affordable housing within reach of jobs more difficult.

That makes community services all the more important, but effective service delivery often has higher costs and access for staff to training and development is more limited in rural and regional areas.

As it has in its emergency management planning, the State Government should adopt an ‘all hazards, all agencies’ approach to building rural and regional Victoria by recognising that:

- support for struggling children and families pays off later in happier, more productive lives,
- engaging children and young people in education from an early age and through critical stages will make them more likely to get and keep jobs,
- building a healthier community creates a stronger workforce and frees up massive amounts of funding from chronic care services,
- good public transport is essential for getting people to school, training and work, and
- strengthening people and communities before they face disasters and staying with them for the long-term after disasters will lead to real recovery.

Until that happens, many rural and regional Victorians simply will not be able to take up the job opportunities that the State Government is banking on to strengthen our regions.

That’s a waste of investment and a waste of opportunity.

With expectations that the State Government will deliver a tougher Budget in 2012-13, the State is at a crossroads. The full VCOSS State Budget Submission, available at <http://www.vcoss.org.au/what-we-do/state-budget/stronger-people-stronger-state.htm>, warns of the risks for Victoria’s growth and prosperity if the Government takes the wrong turn.

This dedicated Rural and Regional Budget Submission highlights the particular challenges facing rural and regional Victorians and their communities.





SUPPORTING CHILDREN AND FAMILIES

The issues

No matter where they live, families struggle for all sorts of reasons. But struggling families in rural and regional Victoria are likely to experience greater disadvantage than their metropolitan peers and be less likely to get through tough times and issues – simply because they have far less access to support services and often none at all until issues escalate into major crises.

That has long been the case for rural and regional Victoria, but it has been exacerbated in recent years by dramatic population growth in regional cities (with Bendigo, Ballarat and Geelong accounting for 36 per cent of the population growth in regional Victoria), long-lasting impacts from drought, bushfires and flooding, and entrenched disadvantage in Aboriginal communities.

The result is pressured services in regional cities which have to close their waiting lists and deny families access to critical early intervention support, and often no services at all in smaller communities.

The lack of specialised services further highlights the need for better links between community services and early childhood services and schools which are often the only formal institutions that struggling families in rural and regional Victoria engage with.

The way ahead

Investment in family services needs to be linked to population growth and the cost of service delivery so that more families can be supported earlier and for longer – and to stop the spiral into crisis responses. Funding models must also enable services to develop a locally determined service mix to respond to local need.

This Budget should also fund the expansion into and across rural and regional Victoria of specific projects and programs which have been effective elsewhere.

For example, the Best Start program has been successful in limited areas of Victoria in improving the health, development, learning and wellbeing of children aged 0-8 years, especially those who are vulnerable. It should be extended across all rural and regional areas with high levels of vulnerability.

The Child FIRST (Child and Family Information Referral and Support Teams) program has also proven effective in some Aboriginal communities, where there has been strong participation from Aboriginal community controlled organisations (ACCOs). Additional resources are needed to ensure that ACCOs can actively engage in Child FIRST across the State.

The evidence

Growing hardship

Growth in Utility Relief Grants 2008-09 to 2009-10¹

Electricity	32 per cent
Gas	31 per cent
Water	58 per cent

Growth in disconnections 2008-09 to 2009-10²

Electricity	40 per cent
Gas	54 per cent
Water	7 per cent

NB. While this covers the period before the new concession was introduced, data on wrongful disconnections and Energy and Water Ombudsman Victoria (EWOV) disconnection cases suggests the trend has not abated.

Ombudsman cases for June and July 2011 were 37 per cent higher than for the same period last year; and, for the first time ever, there were more reports of disconnection cases than high bill cases.³

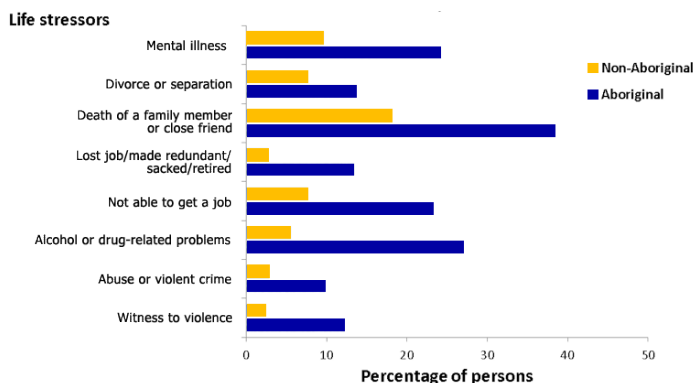
1 Essential Services Commission, *Energy retailer's comparative performance report – Customer service 2009-10*, December 2010; Essential Services Commission, *Performance of urban water and sewerage businesses 2009-10*, 2010

2 *ibid*

3 EWOV report to the Essential Services Commission's Customer Consultative Committee, 1 September 2011

Life stressors for families

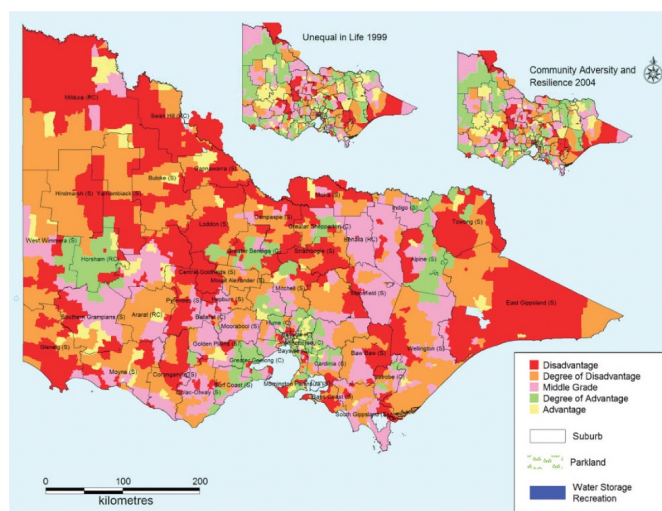
Life Stressors experienced by Aboriginal and non-Aboriginal persons aged 15 years and over in the last 12 months, Victoria



* Survey allowed multiple response answers

Source: Department of Education and Early Childhood Development, *State of Victoria's children 2009: Aboriginal children and young people in Victoria, 2010*, State of Victoria, p. 157

Maps indicating levels of disadvantage in Victoria



Source: Vinson, T, *Dropping off the edge: the distribution of disadvantage in Australia*, report commissioned by Catholic Social Services Australia & Jesuit Social Services, University of Sydney. 2009

EARLY EDUCATION AND LIFELONG LEARNING

The issues

The rates of young people in rural and regional Victoria who finish secondary school and go on to tertiary education, whether university or TAFE, continue to fall. In fact, the further a Victorian child is from a major city, the less likely they will be to complete year 12.

This poses a long-term risk to the potential for new industries and job creation in regional areas, and the capacity of rural and regional Australia to adapt to structural change. Yet a number of important programs that have been helping young people to stay engaged at school and in ongoing learning are under threat in this Budget – not least the Victorian Certificate of Applied Learning (VCAL).

So too are programs and services that support early childhood education and care, despite international research showing us that the best way to improve education outcomes later in life – when students are leaving high school for the workforce, university, or further training – is to invest from an early age. In rural and regional areas, kindergartens and occasional child care services are often critical to provide children with an early education experience and to provide some respite and flexibility for parents.

The way ahead

Funding needs to be provided to ensure that quality community-based occasional child care (OCC) remains available to children and their families in rural towns.

To improve retention rates, more flexible learning options are vital across the system for those students who struggle with a 'one size fits all' model. Ongoing funding for the School Focused Youth Service, which plays a critical role in many regional areas, needs to be a priority, as does long-term funding for learning support programs such as homework clubs and tutoring programs.

More flexibility, including broader concession fees for the Victorian Education and Training (VET) system, is needed later for young people who may have left school early but want to restart their learning. The Government needs to ensure specific programs of support for vulnerable young people to find work are in place – a focus which has dropped away in Victoria.

The Government also needs to reinstate funding for VCAL coordination, or it will undermine the ability of many young Victorians – particularly those living in rural and regional areas – to continue in education and training.

Costs of education remain a struggle for many families throughout the school years, but *particularly* in the later years in rural and regional areas, when costs of study are higher and families often can't afford to keep older children off the family farm or out of the workforce. Extending the Education Maintenance Allowance to 16 and 17 year olds may make the difference for many families.

The evidence

Value of early childhood services

Literacy gains for different quality preschool programs at age eight years



Source: PwC, *A practical vision for early childhood education and care*, PwC Australia, March 2011, p22, available at <http://www.pwc.com.au/industry/government/assets/ecec-Mar11.pdf>

One in five not fully engaged

Nearly one in five young people aged 15-24 in Victoria are not fully engaged in education or employment; that is, were working part time but not studying, unemployed or studying part time but not in the workforce. This figure is higher in some disadvantaged outer metropolitan and rural and regional areas; for example the teenage unemployment rate for 15-19 year olds in north western Melbourne was over 50 per cent.

Source: Australian Bureau of Statistics, *Are young people learning or earning?* March 2010, ABS Social Trends 4102.0: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features40Mar+2010#2> accessed 23/8/11

Year 12 trigger to employment

School leavers who did not complete year 12 were over twice as likely to be unemployed as those who completed year 12 (19 per cent and 8 per cent respectively), and nearly nine times more likely to not be in the labour force (18 per cent and 2 per cent respectively).

Source: Australian Bureau of Statistics, *Are young people learning or earning?* March 2010, ABS Social Trends 4102.0, accessed on 23/8/11 at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features40Mar+2010#2>

Likely outcomes for young people failing to complete school

A child or young person’s success in learning is dependent on their engagement and wellbeing. Concurrently, their future life opportunities are influenced by participation in education and training.

Those children and young people who fail to complete school tend to be significantly more disadvantaged in later life with an increased likelihood of experiencing: unemployment; worse outcomes in health, accommodation, and social status; greater risk of offending behaviour; greater susceptibility to the influences of drug and alcohol misuse, homelessness, and anti-social behaviour; and lowered lifelong income.

This also has associated social and economic costs to both the Victorian and Australian governments, in terms of increased demand for welfare support and government subsidised services.

Source: KPMG, *Re-engaging our kids: A framework for education provision to children and young people at risk of disengaging or disengaged from school*, prepared for Department of Education and Early Childhood Development, Victorian Government, available at http://www.eduweb.vic.gov.au/edulibrary/public/stuman/wellbeing/Re-engaging_Our_Kids_KPMG_Apr2010.pdf

Poor school retention rates

Evidence shows that higher numbers of young people drop out of school prior to completing Year 12 in the rural areas in comparison to metropolitan. Based on 2008 figures, there is an 11.1 per cent difference in the retention rates of grade 10 to grade 12 students between metropolitan and non-metropolitan schools, being 83.3 per cent vs. 72.2 per cent respectively.

Source: *Rural and regional access to secondary and tertiary education opportunities*, Senate Standing Committee on Rural & Regional Affairs and Transport, Canberra, 2009, viewed 7 September 2010: http://www.aph.gov.au/senate/committee/rrat/_ctte/rural_and_regional_education/report/report.pdf



BUILDING A HEALTHIER COMMUNITY

The issues

Too many Victorians come into contact with health services too late, when a lack of access to prevention and early intervention services, information and decent living standards mean symptoms have escalated into complex, acute and chronic conditions, such as diabetes – a scourge of many rural and regional communities.

This is particularly so in rural and regional areas where the investment in health is even more skewed towards hospitals, with too little in preventative health, early intervention, and locally available services for mental and primary health.

As a result, Victorians in rural and regional areas have poorer health across a range of indicators, including lower life expectancy and much higher rates of avoidable deaths.

The lack of mental health care services in rural and regional Victoria is a big concern, and has been exacerbated by growing demand in the wake of recent disasters like the 2009 Victorian Bushfires and 2010-11 flooding. Not having access to responsive early intervention mental health services has great individual costs, including limiting people's ability to work and study, as well as costs to the broader community.

Alcohol and other drug services also need to be focused on early intervention and to be available locally for them to work. Many people in rural and regional Victoria simply cannot access support when and where they need it because of a lack of services and growing waiting times.

The failure of our health system to respond properly to diversity in our community, particularly the lack of culturally appropriate services for Aboriginal Victorians, contributes to third world health outcomes for many in our communities.

The way ahead

The Budget needs to redress past underinvestment in primary health care in rural and regional areas, such as community health services that can support health and wellbeing and act early on emerging health issues, and drug and alcohol services that can address substance abuse issues before they spiral out of control.

The Government made a welcome commitment to continue the *Because Mental Health Matters Strategy* in the 2011-12 Budget, but service gaps exist, particularly in rural and outer metropolitan areas. Investment is needed in this Budget to address those gaps, and to fund locally available youth-specific mental health services that have strong links across other local services.

The Victorian Government has made a welcome commitment to the Closing the Gap strategy for improving Aboriginal health, but it must now fund a competent health workforce, strengthen the capacity of specialist Aboriginal health organisations, and both fund and require mainstream health services to improve their delivery of services to Aboriginal families.

GETTING PEOPLE WHERE THEY NEED TO GO

The issues

Access to transport is a growing problem for rural and regional Victoria, and one that creates and exacerbates issues of isolation and missed opportunity – including work and education.

Tens of thousands of Victorian households have moved to the outer suburbs of Melbourne, fast-growing regional cities or small rural towns in the past few years (including 23,000 people into Bendigo, Ballarat and Geelong), only to find they cannot easily get around them or out of them unless they have and can drive a car.

This can be seen in the dramatic discrepancy between public transport spending in rural and regional Victoria compared to metropolitan Melbourne – \$550 per person compared to \$750 per person, according to Budget forward estimates. Incredibly there has been virtually no additional funding for local bus services in regional cities over the last three years.

Some long-suffering communities in rural Victoria are chronically underserved by transport alternatives to the car. Many of these towns have high concentrations of disadvantage or a very high proportion of seniors with limited mobility. Even where there are buses or trains from smaller towns, they often leave early in the morning or return late, so that many people – often those who are old or unwell – are forced to wait for hours after they have been to the doctor, or other appointment. Others are hampered by schedules that arrive too late for them to consider tertiary education or training opportunities.

New initiatives are needed in this Budget to open up access to public transport, link up existing services, and protect important programs and services that are currently under threat.

The way ahead

An obvious immediate and low cost response to poor transport options in rural and regional Victoria is to expand access to rural school bus services. Other states in Australia have moved to broad community use of school buses and the State Government is considering the proposal here, but progress is too slow.

Other transport investments are also needed now, including in community transport and taxis. Funding must be secured for two important programs:

- Travellers Aid Australia Medical Companion Project, which assists people travelling into Melbourne from rural and regional Victoria to access medical treatment. Funding currently ends in December 2011, while wider Travellers Aid Australia programs – also vital to many frail or vulnerable travellers from rural and regional areas – are only funded until June 2012.
- Transport Connections Program, to coordinate and streamline fragmented services. Current funding does not extend beyond June 2013.

The evidence

Victoria's school bus network – linking rural Victoria

The school bus network in rural Victoria has a major coverage advantage over the existing public transport network.

Route bus, V/line coach and regional bus services in Victoria.

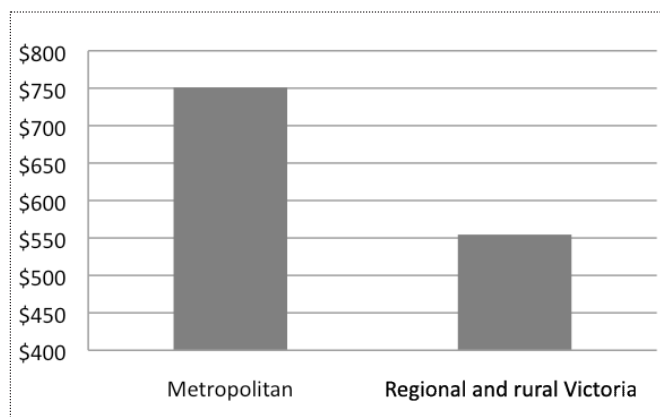


Route bus, V/line coach, regional bus services and school bus services in Victoria.



Source: Bus Association Victoria, 'Making the most of the massive bus network', *Bus Solutions*, issue 1, Nov 2009

Public transport expenditure per person per year



Source: Based on figures in the *Victorian Budget 2011-12, Service Delivery Budget Paper No. 3*, Department of Transport Outputs, pp. 337-9, using population estimates at June 2010 (ABS), calculations by VCOSS

PREPARING FOR AND RECOVERING FROM EMERGENCIES

The issues

One in six Victorians is likely to be affected by an emergency in their lifetime⁴ – and many will experience more than one. As a result, they are more likely to experience depression, anxiety disorders, complicated grief, substance abuse or other impacts. Many will recover quickly but, for some, recovery will take many months, if not years, particularly if their distress is compounded by the stress of homelessness, unemployment, financial difficulty, or other issues.

Children and young people are particularly vulnerable – not just to the disaster itself, but to the way their parents or carers also respond.

Both the social and economic impacts of emergency events on individuals and communities are long term. Often new needs arise long after the period of emergency has ended. However current emergency management arrangements tend to assume a return to 'normal' community capacity and economic activity in a relatively short timeframe. This undermines the social and economic recovery of Victorians and their communities by imposing inappropriate and unrealistic timeframes and expectations, leaving many individuals without the supports they need.

The Victorian Government has made welcome investments in the emergency management planning capacity of local government by funding emergency management coordinators in high fire risk areas. However there remains a significant, systemic and ongoing lack of alignment between responsibility and capacity for emergency management planning, response and recovery, especially for large scale events.

The emergency management green paper, *Towards a more disaster resilient and safer Victoria*, also identifies these issues, and this process has the potential to both provide greater clarity and identify areas for resourcing.⁵

Inefficient, and in many cases ineffective, reimbursement mechanisms further undermine the capacity of community sector organisations to effectively meet the needs of affected communities. These mechanisms currently penalise community sector organisations financially for their response and recovery effort.

4 A. McFarlane, 'Psychiatric morbidity following disasters: Epidemiology, risk and protective factors,' in G C López-Ibor, M Maj, N Sartorius, and A Okasha (Eds.), *Disasters and mental health*, Wiley, West Sussex, 2005, pp.37–63

5 Department of Premier and Cabinet, *Towards a more disaster resilient and safer Victoria*, Green paper: Options and issues, Victorian Government, Melbourne, September 2011

The way ahead

In order to recover from emergency events families and communities need sustained investment in flexible supports that meet a range of needs, including for counselling, housing, family violence services, financial counselling and assistance, and drug and alcohol programs.⁶

Specific supports and approaches are required for children and young people, as they are particularly vulnerable following an emergency event. The evidence shows that the right interventions made early on prevent the need for more intensive mental health care in the medium and long term.⁷

To be most effective, the emergency management procedures and resources that follow an emergency event need to be sufficiently flexible so they can address needs as they emerge in the short, medium and long term.

Improving our response to emergencies also relies on reform to address systematic flaws in Victoria's emergency planning and preparation. Currently the important role played by community sector organisations in emergencies is not recognised in emergency planning frameworks, or in funding.

In the 2012-13 Budget, resources are needed to enable community sector organisations to contribute to local government-led emergency planning processes, provide emergency training to their staff, and to develop the plans needed to directly respond to the needs of the highly vulnerable people that they work with, as well as to ensure the systems and resources are in place to activate these immediately if an emergency event occurs.

To be most effective these resources need to sit within a clear framework for reform of emergency management. This framework should clarify roles and responsibilities and allocate resources accordingly. In particular, it should streamline the current inefficient reimbursement mechanisms which financially penalise community sector organisations involved in response and recovery.

Victoria could draw on the model currently used in Queensland to develop clear mechanisms, including memoranda of understanding (MOUs), that guarantee community sector organisations will be financially reimbursed for providing a pre-agreed range of services for affected communities.

⁶ Department of Education and Early Childhood Development, *Delivering a focus on children and young people in helping Victorian communities recover from the 2009 bushfires*, prepared by the Children's Services Coordination Board for the Victorian Bushfire Reconstruction and Recovery Authority, DEECD, Melbourne, Victoria, 2009

⁷ D Forbes, M Creamer, et al , Australian guidelines for the treatment of adults with acute stress disorder and post-traumatic stress disorder, *Australian and New Zealand Journal of Psychiatry*, vol. 41 no. 8, 2007, pp.637-648

The evidence

Mental health service demand post-2009 Victorian Bushfires

Dr Margaret Grigg, Assistant Director, Bushfire Psychosocial Recovery Team, Department of Health, reported that mental health services in bushfire-affected areas had experienced increases in demand, particularly child and adolescent services: there was a 40 per cent increase in the number of people seen and a 34 per cent increase in time spent on clinical work between February and September 2009. The services for adults are more diverse, but there was an increase of 10 to 15 per cent in the number of people seen in bushfire-affected areas.

The Country Fire Association, Department of Sustainability and Environment, Ambulance Victoria, and Parks Victoria also reported increased use by employees and volunteers of peer support programs, relevant training programs, counselling and chaplain services.

Source: State Government of Victoria, 2010, *Victorian Bushfires Royal Commission Final Report*, Melbourne, July 2010, available at <http://www.royalcommission.vic.gov.au/Commission-Reports>

KEY RECOMMENDATIONS FOR RURAL AND REGIONAL VICTORIA

That the Victorian Government:

- 1.** Supports the learning and development of children from an early age in the understanding that a better pre-school foundation leads to better educational outcomes later, by expanding successful programs like Best Start across the state and funding sustainable community-based occasional child care (OCC).
- 2.** Finds new ways and protects proven ways to keep young people engaged in school, for improved individual outcomes and to build the stronger, more flexible workforce needed in regional Victoria by:
 - providing more flexible learning options for students who struggle with a 'one size fits all' approach,
 - reinstating funding for the coordination of the Victorian Certificate of Applied Learning,
 - introducing more concessions for the Victorian Education and Training (VET) system, and
 - extending the Education Maintenance Allowance to 16 and 17 year olds.
- 3.** Helps households to cut their energy bills with:
 - a program to replace energy-guzzling essential items,
 - effective audits to improve energy and water efficiency for households in hardship, and
 - giving affordable access to smart meter technology to those who need it most.
- 4.** Strengthens the capacity of community sector organisations by:
 - funding increased training opportunities for rural and regional organisations that cannot afford specialist advice or travel to the city for support, and
 - investing in 'backoffice' supports like IT which are vital to providing services in rural and regional Victoria, particularly outreach to more remote areas.
- 5.** Supports communities that are recovering from disasters and prepares for future emergencies by:
 - funding long-term support for the psychological and social impacts of disasters, particularly for children and young people whose needs are often overlooked, and
 - resourcing community service organisations to participate in emergency planning from the beginning and making sure, as Queensland does, that they are not left out of pocket when they offer immediate emergency support and assistance to communities.
- 6.** Improves the health of rural and regional Victorians by making sure they have fair and proper access to primary health, mental health (particularly for young people), and drug and alcohol services so that emerging health issues do not escalate into chronic conditions.
- 7.** Makes sure that rural and regional Victorians can get to school, training, work, health care, sport, social activities and other opportunities by opening up the school bus network to the broader community, like other states have done, as a first step to improving woeful public transport levels.

See the VCOSS State Budget Submission 2012-2013 at <http://www.vcoss.org.au/what-we-do/state-budget/stronger-people-stronger-state.htm> for full recommendations.

