

Secretary, Environment and Planning Committee  
Parliament House  
Spring Street  
Melbourne, Vic. 3002

30 March 2016

## **Inquiry into Rate Capping Policy**

The Youth Affairs Council of Victoria (YACVic) is the state peak body for young people aged 12-25 and the services that support them. Our vision is that young Victorians have their rights upheld and are valued as active participants in their communities.

YACVic welcomed the opportunity to submit to the Environment and Planning Committee in 2015 concerning the policy of local government rate capping. We take this opportunity to reiterate our concern about the implications of rate-capping for youth service delivery.

Local governments fund, plan, coordinate and deliver a wide range of programs and services for young people and their families. In particular, local government is the backbone of generalist youth service delivery in Victoria. Very few other services have local government's capacity to work with large numbers of young people in a welcoming environment with a focus on preventing problems (or addressing them early) and building young people's skills, leadership and community connections. Local governments also play a vital role in bringing together the diverse services that work with young people, to coordinate service delivery to meet local needs. Many services and schools would struggle to work effectively together without the relationship-building work done by local government youth services.

In YACVic's recent advocacy, we pointed out that local government youth services should be seen as key stakeholders in a number of policy priority areas for the Victorian Government. These areas include education, gender equality, mental health and community planning. Some local government youth services, for example, have worked with local schools and community services to deliver programs on topics such as respectful relationships, violence prevention, mental health, suicide prevention and body image. (Schools recognise these topics are crucial but rarely have capacity to lead such work themselves.) Other local governments have brokered arrangements to place bulk-billing psychologists in local secondary schools so that students with mental health concerns can access help onsite for free. Local government youth services have also led successful campaigns to secure necessary services like headspace centres in their locality. This is in addition to the programs local governments offer directly to young people, which range from mentoring to young parents' support groups.<sup>1</sup>

Local government youth services are also recognised as leaders in youth consultation, especially when governments wish to connect with large numbers of young people to find solutions to local problems.

The Environment and Planning Committee's first report into rate-capping policy did not discuss youth service delivery, but it did make several observations which are pertinent to that sector. For example, the report noted that many local governments relied on grants and Victorian Government contributions to subsidise their service delivery, and that these external funding sources had not kept pace with community demand.<sup>2</sup>

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<sup>1</sup> For example, YACVic, 'An Education State for All,' 2015, <http://www.yacvic.org.au/policy-publications/publications-listed-by-policy-area/27-education-and-training>; 'Plan Melbourne Refresh,' 2015, <http://www.yacvic.org.au/policy-publications/publications-listed-by-policy-area/32-public-space/635-plan-melbourne-refresh-yacvic-responds>; 'Submission to the Royal Commission into Family Violence,' 2015, <http://www.yacvic.org.au/policy-publications/publications-listed-by-policy-area/44-safety-health-and-wellbeing>; 'Submission to Victoria's 10 Year Mental Health Strategy,' 2015, <http://www.yacvic.org.au/policy-publications/publications-listed-by-policy-area/44-safety-health-and-wellbeing>

<sup>2</sup> Parliament Of Victoria, Legislative Council, Environment and Planning Committee, *First report into rate capping policy*, December 2015, p.33

We would add that it is common for local government youth services teams to rely heavily on grants rounds such as Engage! and FReeZA, especially in rural areas where core funding for youth services can be scarce or non-existent. There is strong competition for grants, and demand cannot always be met. For example, the allocation of Engage! funding for 2015-17 (under the previous government) left a number of rural communities disappointed, and the Hon. Jenny Mikakos, Minister for Youth Affairs, noted in parliament that regional areas had fared poorly in that grant round.<sup>3</sup>

Moreover, many local governments reported to the Environment and Planning Committee that rate-capping could threaten their delivery of ‘non-core’ services. These are services which are not required under statutory, regulatory or legal requirements, which local governments deliver as funding allows. Rural local governments raised particular concerns, given their smaller rate base and the particular costs of rural service delivery, where services are expected to work with scattered populations across large areas with relatively few other organisations to assist them.<sup>4</sup>

Despite the unique nature of local government youth service delivery and its great importance to the community, it might well be deemed a ‘non-core’ service a time of limited resourcing. At present, certain services provided at an LGA level are backed by MOUs with the Victorian Government (in the case of Maternal and Child Health), or by detailed recognition and support from MAV and the Department of Education and Training concerning local and state governments’ roles in the planning, funding and delivery of services (in the case of Early Childhood Education and Care). In contrast, formal support for youth service delivery is relatively thin.

Many of YACVic’s members, particularly those based in rural communities, are continuing to reflect to us their fear that rate-capping may result in significant

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<sup>3</sup> The Hon. Jenny Mikakos, Minister for Families and Children, Minister for Youth Affairs, 8 October 2015, Legislative Assembly, Victorian Parliament Hansard

<sup>4</sup> Environment and Planning Committee, *First report into rate capping policy*, pp.16, 31-34

reductions in support for young people. Youth services are keen to see positive measures put into place to avert this risk.<sup>5</sup>

YACVic recommends that the Victorian Government:

- Increase resources available to LGAs to engage and support young people, notably through the Engage! grant round.
- Develop new mechanisms for LGA youth services to communicate regularly with the Victorian Government about their policies and programs, and to provide Government with strategic policy advice.
- Take steps to strengthen the formal recognition of youth service delivery as a core responsibility of local government. It is worth examining the merits of supporting such a process through appropriately resourced partnerships between the Victorian Government and the Municipal Association of Victoria (MAV), to define the roles and responsibilities of state and local government in the planning, funding and delivery of youth services, and to support councils to build their capacity in youth service delivery and have input into youth policy frameworks and initiatives. Such collaborative work would fit within the overarching framework of the 2013-17 DEECD/MAV Partnership Agreement. At the same time, however, it is important that LGA youth services retain their ability to work flexibly, in response to diverse local needs and circumstances. When it comes to youth service delivery, one size does not fit all.
- Support further research into local government youth service delivery, in line with the work done by the Department of Education and Training and Municipal Association of Victoria in 2011. Without such strong, state-wide data, it is very hard to assess the extent, variety and value of youth service delivery by local governments, or to track how this service delivery is changing over time.
- For as long as rate-capping systems are operating, ensure they are developed according to an index which accurately reflects the costs of

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<sup>5</sup> Youth Affairs Council of Victoria, 'YACVic Local Government Youth Services Forums - Report: findings of the 2014-15 forums series', 2015, <http://www.yacvic.org.au/policy-publications/publications-listed-by-policy-area/114-local-government>

providing services to local communities, with provisions (where appropriate) for increasing revenue where a local government can make a case in terms of need, community support, and efficiency. (Here, we note the modelling undertaken by MAV, the Victorian Local Governance Association and Rural Councils Victoria on this topic.)

We would welcome the opportunity to discuss these issues further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Georgie Ferrari', with a stylized flourish at the end.

Georgie Ferrari

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