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. We are a vibrant, member based organisation, with 347 members – approximately half of them young people, the others comprising local governments, community and health services and research bodies, all committed to improving wellbeing, participation and equality for young people.

YACVic welcomes the opportunity to submit to the Victorian Parliament's Environment and Planning Committee concerning the Victorian Government's policy of rate capping for local councils. We will focus on the ramifications of rate capping for services for local communities, specifically services for young people.

Over a million Victorians are aged between 12 and 25 years, comprising almost a fifth of the state’s population. Adolescence and young adulthood are key stages in a person’s life, marked by transitions including completing and leaving secondary school, proceeding into higher education, training and employment, and leaving home to live independently. At the same time, young people are disproportionately vulnerable to problems such as unemployment, inadequate housing, violence, and mental illness. It is vital young people can access the right information and supports to help them navigate these changes and challenges smoothly.

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During 2014-15, YACVic hosted ten forums around Victoria with local government youth services teams from rural, regional and metropolitan local government areas (LGAs), with an overall attendance of 530 people. One of the strongest points to emerge was that these youth services teams were concerned about the possible impacts of rate capping on their work with young people, and were keen for the Victorian Government to take positive action to address this.

**Local governments play a central role in youth service provision**

In Victoria, local government plays a critical role in the provision of services to young people. Local governments fund, plan, coordinate and deliver a wide range of programs and services for young people and their families, as well as brokering productive partnerships between many other stakeholders in the youth sector.

In particular, local government is the backbone for generalist youth service delivery in Victoria. A 2013 study of 45 Victorian local governments by the Department of Education and Early Childhood Development (DEECD) and the Municipal Association of Victoria (MAV) found that 96% of these local governments provided generalist youth services. Meanwhile, generalist youth work outside of local government is becoming quite rare.

Generalist youth services are youth-specific and universal – i.e., they are available to all young people. These services focus on preventing problems before they can occur, intervening early to address concerns, and building young people’s resilience, protective factors and connections to community. Generalist youth work is premised on the belief that all young people should have access to someone who will work with them as the primary client, with their best interests at heart.

Local government youth services offer programs for large numbers of young people, in areas such as homework clubs, life skills, art programs, drop-in support, school holidays and recreation. They also build young people’s civic engagement and leadership, provide opportunities for young people to voice their opinions and concerns, and promote young people’s positive contributions to their communities.

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The following graph shows the wide range of opportunities and supports that local governments provide for young people.

Where local governments direct resources for young people (2011)

(This information taken from: DEECD & MAV, Victorian Local Government Support for Children, Young People and Their Families, Melbourne, 2011.)

Local government youth services also educate councillors, local government staff and other community members about young people’s strengths, rights and concerns, and...
act as a ‘first point of call’ for anyone who wishes to consult or engage with young people.

Meanwhile, local government youth services also assist young people who are experiencing hardship or disadvantage. They act as a youth-friendly ‘soft entry’ point for young people and families who may be struggling with a range of difficulties. Some local governments support vulnerable young people directly, e.g. through individual or group counselling or family mediation. However, many find it more useful to take a referral and advocacy role – e.g. connecting young people to the right specialist supports and ensuring young people can access these supports properly. Without such assistance, many young people find specialist services in areas like homelessness, employment and mental health to be intimidating and inaccessible.

More broadly, local government works as a planner and coordinator of youth services. A 2011 survey of all Victorian local governments, conducted by DEECD and MAV, found that 60% of local governments agreed ‘Council has major role in coordinating youth service provision’. Local governments partner with many other services supporting young people, such as schools, Local Learning and Employment Networks, Victoria Police, alcohol and drug services, mental health services, TAFEs, Centrelink and Victorian Government departments.\(^3\) LGA youth teams work to recruit other youth services and NGOs into a municipality, and create spaces for services to work collaboratively.

**Funding to local government youth services is limited**

Many local government youth services teams are concerned about their access to funding, especially in rural LGAs where the rate base is relatively small, and in ‘growth corridors’ where a rapidly rising (and often multicultural) youth population places local governments under pressure. Some LGA youth services teams receive little or no core funding from council, and are highly dependent on Victorian Government grants rounds like ‘Engage’.

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\(^3\) DEECD and MAV, *Victorian Local Government Support for Children, Young People and Their Families*, Melbourne, 2011, pp.69, 71
The 2011 survey of all Victorian local governments by DEECD and MAV asked them to measure their annual expenditure on services and infrastructure for young people in bands of $250,000. By far the most common band was the lowest ($0–250,000 per annum) – this comprised 43% of local governments. All of the local governments in this lowest expenditure category were rural ones. The graph on page 3 shows how this limits the opportunities and support that rural local governments can offer to young people.4

The number of full-time EFT staff members involved in supporting young people also varies considerably between councils. In 2011, the majority of councils had only 1–2 staff allocated to youth issues.5 At YACVic, we know of at least one local government which currently has no youth support staff.

Recently demands on local government youth services teams have increased, due to the loss or reduction of several other key services which had previously assisted young people. In 2014, the federal government removed all funding from the successful Youth Connections program, which had helped approximately 4,600 vulnerable young Victorians each year to re-engage with education, training and work. As a result of the loss of Youth Connections, many local governments have experienced a strong increase in demand for youth case management. At the same time, federal funding was removed from Victoria’s Local Learning and Employment Networks (LLENs), which broker partnerships between businesses, schools, trainers and communities to design innovative solutions to youth disengagement and unemployment. Consequently, the LLENs are now operating at a reduced capacity. Meanwhile, a 2013 survey by YACVic and the Victorian Council of Social Service of 213 youth service providers around the state found significant levels of unmet need, most commonly in the areas of crisis accommodation, transitional housing and mental health.6

In this environment, and at a time of high youth unemployment, local government youth services often find themselves under pressure to address the gaps.

4 DEECD and MAV, Victorian Local Government Support for Children, Young People and Their Families, pp.60-64
5 Ibid., pp.64-65
6 Victorian Council of Social Service and Youth Affairs Council of Victoria, Building the Scaffolding: Strengthening Support for Young People in Victoria, Melbourne, 2013, p.53
Rate capping and youth services

As the youth peak, YACVic is concerned by the prospect that rate capping will lead to a loss of local government capacity to work with young people.

All local governments are required to develop a Municipal Early Years Plan as a framework for appropriate service delivery and infrastructure provision for children aged 0 to 8 years. However, there is no such statutory requirement for local governments to have a youth policy or plan. Nor are local governments required to deliver services to young people at all.

Furthermore, while some LGA youth services enjoy strong relationships with councillors and other branches of local government, many encounter barriers to success within council. Some LGA youth services teams struggle to keep young people as a priority in council planning for 0-25 year olds, where the needs of children in the ‘early years’ tend to take priority. Other youth services teams must educate councillors and local government staff on a regular basis about the breadth and value of what they can deliver. Here, they must counter the popular misconception that youth services only run ‘fun’ one-off activities or crisis counselling. Well-researched benchmarking and evaluation of local government youth services across the state would be helpful here, to demonstrate the value of what LGA youth services do, and to help them plan and work more effectively together across Victoria. However, at present such state-wide strategic work is not adequately funded.

As such, we are concerned about the outcomes for young people if local governments have to cut costs in response to rate capping. LGA youth services – which are non-mandated, not always well understood, and often considered less fundamental to local government than ‘roads and rubbish’ – may be the first to go.

Future directions

YACVic will advocate to the Essential Services Commission that the Victorian Government examine the merits of enshrining youth service delivery in law as a mandated responsibility of local government, as is currently the case for early
childhood. Broadly speaking, YACVic would support such a move, as long as it also enshrined the right of local government youth services to operate flexibly, in response to diverse local needs and circumstances. When it comes to youth service delivery, one size does not fit all.

Moreover, we urge that any approach to adjusting rates revenue at an LGA level should not impact negatively upon local governments’ capacity to meet the needs of young people. If a rate capping system is introduced, it should be developed according to an index which accurately reflects the costs of providing services to local communities. Moreover, a cap might constitute a ‘baseline’, with provision for increases in revenue where a local government can make a reasonable case in terms of need, community support and evidence of efficiency. Processes for applying to exceed the cap should be clear, efficient and equitable – and meeting the needs of vulnerable community members, such as young people, should be a priority. Here, we would refer to the extensive modelling undertaken by MAV, the Victorian Local Governance Association (VLGA) and Rural Councils Victoria concerning what a workable rate capping system could look like, in order to minimise potential threats to councils’ viability and the wellbeing of local communities. At the same time, we note that MAV and VLGA in particular have fundamentally opposed a rate capping approach.7

In addition, YACVic has called for increased funding to the Engage and FReeZA grant programs, to meet the demand in LGAs. Furthermore, we recommend that the Victorian Government allocate resources to help LGA youth services across the state to develop a strong, consistent and reputable evidence base, with rigorous data collection and relevant benchmarking. LGA youth services should also be supported to meet regularly with the Victorian Government and one another on a state-wide basis, to share expertise and undertake strategic planning. If resourcing were available, YACVic would be eager to facilitate this work.

We will continue to engage with LGA youth services teams, the MAV, the VLGA, and the Victorian Government on the impacts of rate capping and the need for adequate resourcing of LGA youth services.

Yours sincerely,

Georgie Ferrari
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