

Inquiry into the impact on Victorian Government service delivery of changes to National Partnership Agreements VCOSS Submission

28 July 2015

About VCOSS

The Victorian Council of Social Service (VCOSS) is the peak body of the social and community sector in Victoria. 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. In addition to supporting the sector, VCOSS represents the interests of vulnerable and disadvantaged Victorians in policy debates and advocates for the development of a sustainable, fair and equitable society.

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Introduction

VCOSS welcomes this Inquiry into the impact on Victorian Government Service Delivery of changes to National Partnership Agreements. Many non-government community organisations receive funding through National Partnership Agreements to assist and benefit Victorians, particularly low-income and disadvantaged Victorians. VCOSS is concerned the removal of Commonwealth Government funding through National Partnership Agreements has the potential to further fragment the service system and entrench disadvantage.

National Partnership Agreements:

- are a means to develop coordinated action to improve the wellbeing of Australians irrespective of their state or territory of residence
- can improve the lives of disadvantaged Australians through targeted assistance and improved service delivery
- can provide targeted financial support to state and territory governments and can alleviate increased costs to state and territory governments associated with Commonwealth Government policy changes.
- can improve the quality and consistency of service delivery for those facing poverty and disadvantage, and for the general population

Complex social problems sometimes require innovative service systems that focus on intervening early and effectively over a long period. At the same time, established tertiary or crisis services need to be maintained as a safety net for those with multiple and complex problems. National Partnership Agreements have been used to promote early intervention and innovative service models.

However, the manner in which National Partnership Agreements have been managed in recent years has been inconsistent and has therefore decreased their effectiveness. Constant uncertainty regarding the continuation of the agreements, a decline in the real value of funding through inadequate indexation, and uncertainty for responsibility for funding services between the tiers of government has been disruptive to the lives of already vulnerable people as service providers have been unable to guarantee the continuation of services beyond the life of the Agreements.

Nationally coordinated social policy should be able to deliver a more equitable and inclusive society. National Partnership Agreements can assist the development of coordinated social policy but need to be managed in a responsible and coherent manner. Clear purpose, greater certainty, appropriate funding, and accountability with agreed goals and targets can lead to better outcomes for Australians.

What has worked well with National Partnership Agreements?

National Partnership Agreements are part of the complex web of federal financial relations and social policy development. They have been used to establish national social policy goals, to develop innovative and evidence-based service provision, and to alleviate increasing costs to the states and territories resulting from Commonwealth Government policies.

Important social policy goals that focus on improving the well-being of Australians require a nationally coordinated approach to be effective and to ensure that the different tiers of government are not at cross purposes.

For example, the past decade has seen unprecedented policy focus in Australia upon services for children during the early years. This has occurred in response to the growing body of research highlighting the importance of the early years on later education, health and wellbeing outcomes¹. This resulted in the **National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care**. This Agreement included a national goal of ensuring the wellbeing of children throughout their lives and by 2020 all children have the best start in life to create a better future for themselves, and for the nation. The agreement introduced minimum standards of educators to child ratios and educator minimum qualification requirements.

The early years sector and their peak bodies, nationally and in Victoria, both called for and embraced the changes through the national partnership, and worked in partnership with government to successfully implement initiatives.

¹ Centre for Community Child Health, The Future of Early Childhood Education and Care Services in Australia, Policy Brief No 26, July 2014

The **National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care** aimed to improve outcomes for all children, especially those from disadvantaged or at-risk backgrounds. It aimed to improve the quality of early childhood education and care services through the following objectives:

- deliver an integrated and unified national system for early childhood education and care and Outside School Hours Care (OSHC), which is jointly governed and which drives continuous improvement in the quality of services
- improve educational and developmental outcomes for children attending early childhood education and care and OSHC services under the National Quality Agenda
- foster a joint system of governance to allow the perspective of all jurisdictions to be taken into account in the operation of the National Quality Framework where there is shared responsibility for the regulation of quality in early childhood education and care and OSHC services
- improve the efficiency and cost effectiveness of the regulation of early childhood education and care and OSHC services
- reduce regulatory burden for early childhood education and care and OSHC care service providers
- improve public knowledge about and access to information about the quality of early childhood education and care and OSHC care services to parents, carers and the general public to help inform their choices about the quality of education and care provided to their children
- build a highly skilled workforce.

The National Partnership Agreement concluded in 2014.

The **National Partnership on Preventive Health** sought to address the rising prevalence of lifestyle related chronic disease by laying the foundations for healthy behaviours in the daily lives of Australians through settings such as communities, early childhood education and care environments, schools and workplaces, supported by national social marketing campaigns.

An example of an innovative approach to preventive health, funded through the National Partnership Agreement on Preventative Health, is Healthy Together Victoria. This is a comprehensive preventive health initiative which established twelve “healthy together communities” across Victoria in regions with high rates of chronic disease and poor health indicators.

The funding under the National Partnership Agreement on Preventative Health has allowed the Victorian Government to invest in preventive measures while still funding other health services, including hospitals.

Healthy Together Victoria – Wyndham

Only five per cent of adults living in Wyndham eat enough vegetables and about 53 per cent are overweight or obese. Twenty-five per cent of women in Wyndham smoke, well above the national average.

In the two-and-a-half years that Healthy Together Wyndham has operated, the program has reached about 54,500 residents. Two-thirds of Wyndham schools, kindergartens and childcare centres are involved in the program, along with 39 businesses.

To address increasing obesity rates and chronic disease, the Healthy Together Wyndham team has been:

- working where people live, work and play – in workplaces, schools, kindergartens, child-care centres and sports clubs
- helping create the conditions for good health by ensuring all residents have access to healthy food, recreation opportunities, employment, housing, community services, education and transport; by reducing social exclusion; and by limiting the availability of alcohol
- helping to deliver statewide health campaigns and programs (such as Jamie’s Ministry of Food)
- delivering healthy eating and exercise programs
- increasing access to community wellbeing services.

Key features of what has worked in relation to the above two national partnerships have been:

- Strong evidence base that has been translated into policy
- Strong cross-sector support through peak bodies, community sector organisations and local government who also supported the implementation
- Focus on prevention and early intervention to prevent later problems.

Concerns with National Partnership Agreements

Transfer of responsibilities

National Partnership Agreements have been used to alleviate the financial burden of Commonwealth Government decisions. For example, the **National Partnership Agreement on Certain Concessions for Pensioner Concession Card and Seniors Card Holders** provided funding to the states and territories to pay for discounts on rates, utility bills, motor vehicle registration charges and public transport fares.

The National Partnership Agreement on Certain Concessions for Pensioner Concession Card and Seniors Card Holders arose from a decision of the Commonwealth Government in 1993 to extend the pension card to part pensioners. This decision resulted in state and territory government costs associated with concessions increasing as the states were unable to distinguish between full and part pensioners. Over time the value of the funding under the Agreement declined to inadequate indexation that did not match the growth in eligibility for concession cards.

The Commonwealth Government ceased the National Partnership Agreement on Certain Concessions for Pensioner Concession Card and Seniors Card Holders in the 2014-15 budget announcement. This left the Victorian Government to pay for the cost of concessions to part pensioner concession card holders.

Inadequate funding and indexation

Many non-government community service organisations providing services funded through National Partnership Agreements have been frustrated by the ongoing inadequate funding to meet growing needs. Further, recent uncertainty regarding the continuation of agreements has affected service provision and disrupted the lives of Victorians.

Inadequate funding to meet needs has been ongoing issue regarding National Partnership Agreements. Demand for services continue to grow but funding remains stagnant or has declined in real terms. For example, homelessness services have experienced increased demand² but have

² AIHW. *Specialist homelessness services 2013–14*. Cat. no. HOU 276. Canberra: AIHW, 2014, p.6.

not received additional government funding to grow their services.³ Community legal services have reported 72 per cent of legal services recording unmet demand.⁴

Indexation of funding has been lower than the growing cost of service provision resulting in a decline in the real value of funding. The Commonwealth Government has not paid sufficient attention to this and the impact on the success of the National Partnerships and the impact on vulnerable clients.

The **National Partnership Agreement on Homelessness** (NPAH) aims to reduce the rate of homelessness in Australia. NPAH-funded services provide early intervention and transitional supports preventing people becoming homeless and assist others to move out of homelessness. The services improve and expand the service system to ensure people experiencing homelessness receive timely responses from mainstream services. Better integrated wraparound services and referral processes result in a significant improvement in longer term tenancy and life outcomes for homeless service users. The NPAH was extended for two years to 30 June 2017.

Funding uncertainty

The uncertainty generated by untimely and short-term decisions regarding the continuation of National Partnership Agreements. For example, the decision to continue **the National Partnership Agreement on Homelessness** beyond 30 June 2015 was only announced by the Commonwealth Minister on 23 March 2015.

The tens of thousands of clients that are supported by services funded by the NPAH were at risk of being thrown back into homelessness by services unable to guarantee service delivery beyond 30 June 2015. The current uncertainty also meant that some services were unable to accept new clients into programs that have long-term delivery models, leaving them homeless. The lack of certainty around the NPAH has put pressure on homelessness services' ability to plan for coming years and to reduce the instance and severity of homelessness. The Melbourne Street to Home program is a successful homelessness intervention that may be put at risk through increased uncertainty.

At its worst, agreements have been ceased without warning or at times mid-way through successful programs. For example, the **National Partnership Agreement on Preventative Health** was terminated in 2015, after it was extended to 2018. This means many of the initiatives under the Healthy Together Victoria program will cease, including some of the programs in Wyndham and the other 11 Victorian sites. The announcement regarding the National Partnership Agreement on Certain Concessions for Pensioner Concession Card and Seniors Card Holders was made with no notice or compensation for the significant cost to the Victorian Government.

³ See for example <http://www.smh.com.au/federal-politics/political-news/homelessness-funding-extended-for-two-years-under-national-partnership-agreement-20150323-1m4rw7.html> accessed 27 July 2015.

⁴ ACOSS, *Community Sector Survey 2014*, 2014, p.20.

The Melbourne Street to Home program

The Melbourne Street to Home program provides coordinated housing, support services and health intervention targeted at Melbourne's most vulnerable rough sleepers. Melbourne Street to Home helps the most vulnerable rough sleepers in Melbourne to access safe, secure and affordable long-term housing and provide ongoing support to sustain successful tenancies.

An evaluation showed the success of the program. After 24 months, 70 per cent of Street to Home clients were housed, and 80 per cent of these people had been housed for one year or longer. Further, there was a significant improvement in the participants' physical and mental health in the first 12 months, although the rate of improvement slowed in the second 12 months. (Johnson, G. & Chamberlain, C. *Evaluation of the Melbourne Street to Home program: Final Report*. Melbourne, HomeGround Services, 2015.

Melbourne Street to Home is funded with NPAH funding and is likely to close if the funding is withdrawn.

The future of National Partnership Agreements

There has been uncertainty over the past few years as to how committed the Commonwealth Government is to bilateral and bipartisan agreements that bring the all levels of government (Commonwealth, state and local) together to progress national social policy innovations and streamlined service delivery as aspired to with National Partnership Agreements. Whilst not a National Partnership Agreement, this has also been evidenced by a lack of commitment to the Gonski School Funding initiative, and the range of other concerns noted in the previous section.

The White Paper on the Reform of Federation may create an opportunity to improve the operation of the federation. However, the focus on the debate of the future of the federation has appeared to focus on which tier of government should be responsible for different government functions. There has been promising National Partnership Agreements which have shown that cooperation between the tiers of government can lead to important social and service developments.

An unresolved issue in light of this apparent lack of commitment by the Commonwealth Government to National Partnerships will be how they will manage transfer payments in the future for particular purposes from the Commonwealth Government to the state and territory governments.

Some form of agreement, such as the National Partnership Agreements, will govern these transfer payments. In coming to an agreement in the future, the Victorian Government should continue to seek to ensure that National Partnership Agreements have the following:

- clear purpose
- certainty in the agreement period
- sufficient and sustainable funding
- accountability with agreed goals and targets.

These together can lead to better outcomes for all Australians.

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