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A Fairer Victoria: Challenging the New Direction for Communities

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*If quoting from this speech, please acknowledge that it was
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Thank you very much Rhonda and to Joe and it is great to be a veteran of Communities in Control conferences like this.

And they are so successful. I think they come up with great ideas, not the least of which is the Community Idol and I was thinking as you were talking about that this morning how devastating that would be if that was introduced for politicians, if the public could ring in on the phone and vote you out. I imagine there would be no-one left inside a week.

But today I want to talk about *A Fairer Victoria*, which we released at the beginning of the month.

This is the second installment of our longer term social policies, which we first released a year ago and announced in last year's budget, and then we continued that this year - and that's really what I want to talk about today.

And what I want to indicate that if we're going to have a fairer Victoria, absolutely central to that is having strong communities; and that strong communities are not only fundamental to having a fairer Victoria, but they are also fundamental to having a strong economic future for Victoria and Australia.

Today I want to set out why as a government we have introduced our Fairer Victoria policies, but also put it very much on the economic agenda - so this is not only good social policy, but it's also good economic policy. And going back to the essential basis that underpins our policy of fairness and why we're emphasising it.

The first and most obvious reason that we emphasise fairness is because that is what we value as Victorians. I think we are a place that has a history of valuing a fair go, of valuing equity and understanding that everyone deserves an opportunity to participate in all the good things in life.

The second reason, and one that probably doesn't get as much prominence as it should - and I want to talk about today - is that fairness is fundamental to economic productivity. If we give more people a chance to participate then we're going to harness all the

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great human capital that we have in our state, instead of letting that go to waste.

And the third point is from a government point of view, being very selfish, its sound financial policy for a government. Because if we intervene early and support people in a fair way, we're not going to be paying as much down the track trying to pick up the pieces, whether it's in prisons, or people who are unemployed for long periods of time, or people who are very unhealthy.

Now as a government when we first came to office some seven years ago, our highest policy was the universal services: health, education, police, transport. Those basic services which in the previous years under the previous government had suffered enormous cuts.

And so we immediately invested large amounts of budget money into 6000 extra nurses, extra teachers, extra police and we're now investing in extra transport.

And we do have some good results here in Victoria to show that things certainly are improving. One area to highlight there is the number of kids who finish Year 12.

When Joan Kirner was Premier and before that Education Minister, that was one of the highest priorities and we saw a big increase in the number of kids who are finishing school.

But then through the '90s with the cuts, that dropped back. So the kids that weren't going so well, that needed a bit of support, were being left behind.

Now I'm pleased to say that we can point to the fact that our Year 12 or equivalent retention rate has gone back up again and we're up just over 85% compared to a national average of about 82% and we're up from 82.9% in 1999.

We also have the highest number of apprentices from any state. Our crime rate is going down. And the last point which I will come back to that is very important, we are actually seeing the number of substantiated cases of child abuse in Victoria reducing, whereas in

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most states we're seeing a big increase. And I'll come back and talk about that later.

Having said that, the good news is also some bad news and some real challenges, and we presented this in a paper last year, the challenges we face about fairness in Victoria.

About 150,000 Victorian kids live in families where no-one has a job. Students leaving school before Year 12 have a much higher rate of unemployment, and I was just talking about the importance of children finishing school (refers to slide) - just look at that graph on the right there, down the bottom. That's on the vertical axis that's the percent unemployed, and on the horizontal axis the year that the person left school.

And what that shows for example is kids who left at Year 9 have a short term unemployment rate of about 22% and a long term unemployment rate of about 15%.

Compare that to kids who finish Year 12 where the unemployment rates are about a third. I mean there could be no more graphic demonstration of the importance of finishing school than that.

But beyond that also we know here that the life expectancy of indigenous Victorians is some twenty years lower than the average. And also people from particular cultural backgrounds, for example the Middle East and North Africa, have lower labour force participation rates.

And also when we did the research looked at particular locations around the state, for example at employment. (Refers to slide) And what that graph shows is along the bottom a bunch of different municipalities, starting with Nillumbik on the left and Central Goldfields on the right, matched against the unemployment rate. And you see quite a vast difference.

Overall in Victoria the unemployment rate is now 5%, which was our target. It's a very strong position. But then when you go to particular locations you see quite dramatic variations in that unemployment rate. So we see for example in some municipalities unemployment

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rates are up around 12%, whereas in others it's down around 2%. And so we have a considerable concentration of disadvantage in some areas.

(Refers to slide) Now in some ways this is for me the most important slide because it's what we can do about it. What this slide essentially indicates that we need a strategic response to address disadvantage. A response that's based on fairness, our values.

It's based on improving individual lives. It's based on investing now to avoid having to spend a lot more later. But critically it's about harnessing the human capital, the great skills that we've got in our state.

And if you look at the graph down the bottom it comes from this document which Premier Steve Bracks put before the Prime Minister and all the state premiers and COAG earlier this year. Because we want to put this stuff on the national agenda.

And essentially what that graph indicates on the vertical axis is growth, the amount of growth and new jobs we can create. The horizontal axis is the time, so on the left it's now and then on the right it's in ten years. The purple area is productivity and there have been very strong productivity improvements in Victoria and Australia in the last ten years. We are getting growth as a result of that.

But the effort that we put in there has just about reached the maximum in terms of benefits we're going to get. And the big growth in jobs that we've identified is in participation in the workforce. And what that means is bringing more people into the workforce. It's keeping them healthy when they're there and that's critical. So people can be healthy in both their physical and mental health, and ensuring that they've got the right skills.

And if we do that as a state and as a nation, we can continue to grow and get good rates of new jobs and new prosperity. But it's really concentrating on that participation.

And it is partly women who perhaps are not getting real access to the workforce because of lack of childcare or lack of other community

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supports. It might be older people who have a lot of great skills to continue to provide the workforce. It could be people with mental illness who for many years have not had the opportunity to work and to use their skills. People with disabilities, a whole range of different people in our community with a range of skills getting the chance to participate can have enormous benefits.

And so why does this matter so much? Well we are in a challenging world. We see and hear in the news of factories closed and moving to China, of challenges for our agricultural sector. We are in a very competitive global world.

We're in a world of aging population, where despite recent stories about massive birth rates around certain times of year, in fact our fertility rates are still generally fairly low. And so if we are going to boost the number of people in the workforce and grow our jobs, we're going to have to significantly boost participation. And that means giving everyone the skills they need and a fair go.

So that's really the background, and having said that I'd like to tell you just a little bit about the details of our policy *A Fairer Victoria*.

The framework was launched last year and it has five key components.

The first is access to universal services and it's very important that we re-emphasise that. This is not about a separate system for the disadvantaged. This is about understanding that we're all Victorians, we're all Australians and if we have good universal services you can access them whether you're rich or poor and that will mean that they're high quality services. And we know that the old statement 'services for the poor or poor services' has a lot of truth about it.

The second thing - and I might say it was probably Rhonda who ensured that this was there, because I think in the early proposals it wasn't, so it was part of the consultation - the importance of reducing the barriers to opportunities.

It's difficult for people like myself that are very privileged to actually understand that there are those barriers for many people that are

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very hard to get through. And so we actually have to focus our policy around an understanding of those barriers. And it might be things like access for people with disabilities or it might be for people living in say the outer suburbs of Melbourne lack of access to transport either to get a job or to get to a service. They are real barriers.

The third is understanding that there are disadvantaged groups and probably the most emphatic is our indigenous population. But there are disadvantaged groups that need support.

The fourth - support for disadvantaged places, and I indicated on that graph the different employment statistics in the different areas.

And fifth, making it easier to work with government, and I'm sure that many of you would agree with that.

The other key thing we wanted to do though was reform the way we do things as a government, not just do things the way we always have.

And there are five key reforms there. Firstly, early intervention. Governments have typically only stepped in when the problem's got really serious. So you build more prisons, rather than intervening early.

Second, giving the community the capacity to make decisions. Absolutely fundamental. Now I don't have to tell this audience, but for many people in the community that is a major reform to understand that if you give communities the power to make their own decisions you'll get much better outcomes.

Third, and this is something we've really discovered, is the importance of linking infrastructure with community development. Generally speaking governments have come along, built a road or built a school and not really involved the local community and then left, often not meeting the needs of that community. Whereas if you actually see the building of that infrastructure as an opportunity for community development you get a better result.

Fourth, more localised services and partnerships. And fifth, making government easier to work with.

And I do today just want to emphasise how absolutely fundamental communities are to each of those reforms. And if you look at one example there, early intervention in families.

I talked earlier about child abuse; we've now introduced a program called the Family Support Innovation Program, which works with families where there might be a risk of child abuse but it does so early in the piece.

(Refers to slide) And that shows and the graph shows that the top little bit of yellow is notifications across the state of slight increase in child abuse notifications in the period. The purple immediately underneath that shows a reduction in notifications in the areas where this program is working.

And then underneath that, the next yellow one shows the substantiated child abuse cases which have fallen in Victoria. In the yellow across the whole state, but the blue shows it in the areas where we have this program working, a bigger reduction.

And the key to the Family Support Innovation projects is that communities identify people that might be at risk and the community and the local agencies work together to help those families. And without that, community involvement we wouldn't get those good results.

Another one here which is community capacity to make decisions is critical.

Neighbourhood Renewal, one of our most successful programs, where areas that are largely Ministry of Housing, that have seen the housing and the streets pretty degraded and need a fix up.

Traditionally government would've just thrown a whole lot of money, brought in the contractors and left, wouldn't have changed the community.

Under Neighbourhood Renewal it is the local community, the people that live in that area, that run the show, make the decisions about the upgrades, about improving their streets and you'll see there (refer to slide) those graphs show the decline in a range of crimes over the last three years in drug use, loitering and vandalism. And you'll see how crime has come down markedly in that Neighbourhood Renewal area.

And so the community has an absolutely fundamental role in delivering a fairer Victoria (refers to slide) and I'm not going to go through all of those, but they're just an example of the many community programs, Neighbourhood Renewal, community partnerships, working with local government, working with volunteers and neighbourhood houses, we're all working together.

Now I just wanted to show a few examples, some inspiring examples of people involved in community activities which work and which the government sees that it works.

(Refers to slide) This fellow Derek Manning lives in Bendoc. I don't know if people know where Bendoc is, but it's apparently about two hours north of Orbost. I didn't know you could get two hours north of Orbost in Victoria but you can.

And they're a little town, very isolated, and of course the big issue for them is transport. And so Derek and the Bendoc Progress Association have purchased a community bus and at the launch of *A Fairer Victoria* explained how it all worked, but essentially you buy a ticket and you don't necessarily where you're going to go but you get on and you go all day and it's great fun.

But in terms of building a strong community and getting together that's worked tremendously well.

(Refers to slide) The Sorghum Sisters, I don't know if any of you have had the enjoyment of being able to be at a function catered by the Sorghum Sisters. They are a group of women from the Horn of Africa based around Carlton, a number of their kids went to the school there.

We've got behind a social enterprise, a business, a social business that they're running - a catering business.

And that is proving tremendously successful and giving them the opportunity to participate in the workforce, that very point that I was making earlier. And they're a group, a group of women from an area that traditionally have probably have had a tough time getting work. And they're now doing a fantastic job and partly through the support we've been able to give them.

(Refers to slide) And then another example, young people mentoring other young people and through *A Fairer Victoria* we're funding mentors to work with young people and to give them a bit of help along the way, a bit of advice and support and someone to talk to along the way.

And that's a couple in Gippsland, Shelley the mentor and Vanessa from Gippsland, part of the mentoring alliance there.

(Refers to slide) And then at Lake Tyers we've seen some quite terrible reports in the media about goings on in various indigenous communities around the country.

The work that's been done at Lake Tyers has shown that when the community is given a chance, when government is prepared to invest a reasonable amount in housing and community facilities you can start to really turn things around.

The example there is the breakfast program at Lake Tyers, which is reducing absence from school, providing jobs for local residents and providing vocational training. And it really is working, I mean the difference down there at Lake Tyers is quite palpable.

So putting all that together, what we saw in the first year of *A Fairer Victoria* was substantial funding, some \$788 million in a number of key areas, mental health, disability, family violence, neighbourhood justice.

This year in the budget, a number of people beforehand said, "Well are you going to continue *A Fairer Victoria*? Will the government just

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see this as a one-off pilot and stop?” Well we didn’t. In fact we built and we expanded it. And this year we’ve invested \$851million through 82 new initiatives to build on reforms in key areas.

Probably the most significant of our major focuses this year is children and giving children the best start in life. And I want to talk a little bit about that and about some of those other aspects.

Why do we need to invest in children? Well it seems so obvious doesn’t it? I’m sure all you don’t need to hear this but if you’re talking to governments and we’re talking about investing fundamentally large sums of money, you need a strong and rational economic argument as well.

(Refers to slide) And this graph is actually one that was prepared by a Nobel Prize winner in Economics, an American from Chicago, Professor James Heckman, who’s a fairly conservative economist.

But what his study shows is that investment in the years 0 – 5, which is over on the left hand side of the graph, has a far greater return on the investment than if you try to spend money later.

Now you might say, “Well it makes sense; it’s common sense. You don’t need to be a Nobel laureate to say that.” But the reality is he’s done all the research which proves it. So things like a good pre-school, good childcare, early support for families is the best possible investment a government and community can make.

And we had Professor Jack Shonkoff out here earlier this year who had an enormous influence on the government and many of us. And just to summarise what he said: Services for vulnerable young children can have positive impacts on brain development that generate a significant return on investment over a lifetime.

And so we really have to, if we’re going to have a healthy society, if we’re going to have more people participate, if we’re going to have fairness, we’ve got to invest early in those early years, which is what we’re doing this year.

Another key focus this year is areas of disadvantage and we did have a particular focus on the growth areas of Melbourne and you all know where those are.

(Refers to slide) But just to give an example of some of the challenges in those areas, these are the figures for post-natal depression, which show that in the growth areas of Melbourne the rates of post-natal depression are higher than in other parts of the state.

And in a sense that's not surprising where you have people in many cases quite isolated, not good transport, a long way from services, in many cases the husband/father working a long way from home, that sort of thing. You then end up with higher rates of post-natal depression.

Homelessness is another key part of this year's policy and we do certainly need to do more on that and youth homelessness which we are.

Community transport - and we saw the bus from Bendoc - but we're certainly wanting to boost that and this year you would have seen that the government has produced a very substantial transport strategy that does include community transport. And this is something that came very much out of people who are here today saying how we have these different forms of transport, community buses, HAC services, school buses, taxis.

If we can integrate them and get them providing the service that the local community needs we can be a lot better off. And we are doing that.

And multicultural communities are another focus this year. I think right around the world there's a focus on the need for interface harmony and that is certainly that I think in Victoria we are doing a lot better than a lot of other places in Australia and the world. But we want to ensure that we continue to do that.

And communities once again are a fundamental focus of *A Fairer Victoria*. We are introducing a new program this year called

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Community Renewal, which is based upon our Neighbourhood Renewal program, where areas that have significant challenges, disadvantage, the local people can run and direct the program to upgrade their community, working in harness with local government.

And the other thing I'd just point out there is a very big boost for neighbourhood houses this year. And we believe neighbourhood houses are absolutely the key to community support and development in so many areas, and so we've made a very major boost to them.

So in conclusion, if I could just run through the major thesis that I've wanted to put to you today, first that a fairer society does improve our human capital. That human capital is not just about the people involved, it's about the boosting the whole economy as well.

That community capacity is key to improving human capital, that if we give people an opportunity through a Neighbourhood Renewal program to run a program that's going to build up their confidence and skills, which is what we need to do.

And therefore, in conclusion, as far as the government is concerned, communities are right at the heart of all our new programs.

Thank you.